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SD-GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1787)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS HIGHLIGHTS OF 2026 NOTES

- During the Reporting Period, the Group achieved operating income of RMB53,587.76 million, representing a year-on-year decrease of approximately 5.60%;
- During the Reporting Period, the Group achieved profit before tax of RMB8,156.10 million, representing a year-on-year increase of approximately 48.74%;
- During the Reporting Period, the Group's net profit attributable to shareholders of the listed company was RMB3,543.11 million, representing a year-on-year increase of approximately 26.17%;
- During the Reporting Period, the Company's basic earnings per Share and diluted earnings per Share were RMB0.72 per Share, representing a year-on-year increase of approximately 26.32%;
- As at the end of the Reporting Period, the Group's total assets were RMB177,553.65 million, representing an increase of approximately 4.21% as compared with the end of last year; the Group's net assets attributable to shareholders of the listed company were RMB47,137.19 million, representing an increase of approximately 4.98% as compared with the end of last year.

Notes:

(1) SDG Capital Management Co., Ltd., the Company's wholly-owned subsidiary, recognised losses of fair value change of RMB705,325,143.24 on its 18.71% shareholding in Donghai Securities as detailed in the announcement on the proposed recognition of fair value change losses by a subsidiary of the Company dated 2 June 2026. After deducting the above factors, the net profit attributable to shareholders of the listed company for the current period was RMB4,072,108,003.17, representing a year-on-year increase of 45.01%.

(2) The net profit attributable to shareholders of the listed company during the Reporting Period as shown in the above table included the interest attributable to the holders of the perpetual bonds of RMB246,375,527.40 during the Reporting Period. After deducting the perpetual bond interest, the net profit attributable to ordinary shareholders of the listed company during the Reporting Period was RMB3,296,738,618.34. The effect of perpetual bonds and their interests is deducted in the calculation of basic earnings per Share and diluted earnings per Share.

(3) The Company has uniformly adopted the Accounting Standards for Business Enterprises for the preparation of financial reports and the disclosure of corresponding financial information starting with the 2025 interim financial report.

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2026 prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance of the PRC and the specific accounting standards, application guidelines, interpretations and other relevant regulations issued and revised thereafter (collectively the "Accounting Standards for Business Enterprises").

I. FINANCIAL STATEMENTS OF THE GROUP

In this announcement, unless otherwise indicated in the context, all amounts are denominated in Renminbi (RMB).

CONSOLIDATED BALANCE SHEET

30 June 2026

Unit: RMB

Item	*Notes*	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Current assets:			
Monetary funds		**17,326,046,476.04**	17,491,068,240.14
Balances with clearing companies			
Placements with banks and other financial institutions			
Held-for-trading financial assets		**2,681,433,494.51**	2,593,509,746.86
Derivative financial assets		**137,368,913.77**	5,914,356.65
Notes receivable		**195,529,152.91**	132,496,950.29
Accounts receivable	*9*	**336,574,730.15**	376,778,739.91
Receivables financing			5,341,418.51
Prepayments		**596,183,028.83**	412,155,487.83
Premiums receivable			
Accounts receivable from reinsurers			
Deposits receivable from reinsurers			
Other receivables		**6,742,770,748.92**	5,073,224,619.02
Among which: Interests receivable			
Dividends receivable			
Financial assets held under resale agreements			
Inventories		**8,702,030,132.43**	6,904,356,083.62
Among which: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		**4,238,602,388.83**	872,800,579.11
Total current assets		**40,956,539,066.39**	33,867,646,221.94

Item	*Notes*	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		**2,618,151,021.13**	2,604,294,296.82
Other investments in equity instruments		**29,319,822.20**	29,319,822.20
Other non-current financial assets		**2,451,928,318.63**	3,281,775,250.31
Investment properties		**106,487,522.52**	121,878,738.94
Fixed assets		**57,315,498,087.08**	59,245,157,254.37
Construction in progress		**10,069,087,274.66**	6,642,718,850.94
Biological assets for production			
Oil and gas assets			
Right-of-use assets		**335,710,427.12**	341,273,486.56
Intangible assets		**46,809,927,281.52**	47,239,340,824.75
Among which: Data resources		**4,360,625.65**	4,962,644.23
Development expenditures		**46,186,878.14**	38,020,943.43
Among which: Data resources			
Goodwill		**12,637,147,330.97**	12,670,694,343.37
Long-term deferred expenditures		**69,775,260.56**	81,755,297.16
Deferred income tax assets		**1,926,887,630.76**	1,842,679,939.10
Other non-current assets		**2,181,005,898.40**	2,367,603,059.44
Total non-current assets		**136,597,112,753.69**	136,506,512,107.39
Total assets		**177,553,651,820.08**	170,374,158,329.33

Item	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities:			
Short-term borrowings		**30,141,415,972.99**	28,855,131,220.78
Borrowings from central bank			
Placements from banks and other financial institutions			
Held-for-trading financial liabilities		**26,737,930.89**	31,034,491.69
Derivative financial liabilities		**1,104,428.00**	37,071,358.85
Notes payable		**6,439,358,394.45**	6,096,277,395.81
Accounts payable	*10*	**11,641,452,310.88**	11,921,715,587.59
Advances received			841,504.09
Contract liabilities		**1,129,592,990.48**	694,202,457.74
Financial assets sold under repurchase agreements			
Deposits from customers and due to placements from banks and other financial institutions			
Accounts payable to brokerage clients			
Accounts payable to underwriting clients			
Employee salaries payable		**860,990,894.94**	669,276,431.24
Taxes payable		**1,605,347,023.77**	2,465,244,007.37
Other payables		**12,641,482,143.15**	10,079,685,139.69
Among which: Interests payable			
Dividends payable		**898,255,558.47**	75,246,381.57
Handling fees and commissions payable			
Payable to reinsurers			
Held-for-sale liabilities			
Non-current liabilities due within one year		**9,732,298,444.87**	11,034,124,071.95
Other current liabilities		**249,741,551.78**	194,315,158.13
Total current liabilities		**74,469,522,086.20**	72,078,918,824.93

Item	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Non-current liabilities:			
Provisions for insurance contracts			
Long-term borrowings		**23,245,624,042.20**	21,555,573,934.00
Bonds payable		**4,000,000,000.00**	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities		**148,472,718.56**	118,143,515.55
Long-term payables		**1,595,632,244.26**	1,438,853,450.22
Long-term employee salaries payables			
Accrued liabilities		**1,543,139,650.14**	1,586,038,453.58
Deferred revenue		**15,040,624.50**	15,172,463.12
Deferred income tax liabilities		**4,880,975,562.81**	5,201,824,375.55
Other non-current liabilities			
Total non-current liabilities		**35,428,884,842.47**	33,915,606,192.02
Total liabilities		**109,898,406,928.67**	105,994,525,016.95
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		**4,609,929,525.00**	4,609,929,525.00
Other equity instruments		**14,005,459,623.27**	13,943,166,984.76
Among which: Preferred shares			
Perpetual bonds		**14,005,459,623.27**	13,943,166,984.76
Capital reserve		**6,452,745,113.90**	6,473,554,164.10
Less: Treasury shares			
Other comprehensive income		**-375,210,849.43**	-82,673,744.69
Special reserve		**118,857,516.36**	96,832,428.42
Surplus reserve		**1,567,350,522.63**	1,567,350,522.63
General risk provision		**26,687,808.98**	26,687,808.98
Undistributed profit	*11*	**20,731,373,246.08**	18,264,421,942.24
Total equity attributable to owners of the parent company (or shareholders' equity)		**47,137,192,506.79**	44,899,269,631.44
Non-controlling interests		**20,518,052,384.62**	19,480,363,680.94
Total owners' equity (or shareholders' equity)		**67,655,244,891.41**	64,379,633,312.38
Total liabilities and owners' equity (or shareholders' equity)		**177,553,651,820.08**	170,374,158,329.33

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

Unit: RMB

Item	*Notes*	**Half-year of 2026 (Unaudited)**	Half-year of 2025 (Unaudited)
I. Total operating income		**53,587,760,376.93**	56,765,895,355.68
Among which: Operating income	*4*	**53,587,760,376.93**	56,765,895,355.68
Interest income			
Income earned from premiums			
Income from handling fee and commissions			
II. Total operating costs		**44,695,027,292.32**	50,667,070,304.16
Among which: Operating costs	*4*	**40,494,568,705.26**	46,854,214,561.98
Interest expense			
Handling fee and commissions expense			
Surrender fee			
Net expenditure for compensation payments			
Net withdrawal on provision for insurance liabilities			
Insurance policy dividend expenses			
Reinsurance expenses			
Taxes and surcharges	*5*	**1,292,014,383.62**	831,326,429.93
Selling expenses		**160,724,283.21**	76,378,155.44
Administrative expenses		**1,528,635,412.89**	1,679,883,563.25
R&D expenses		**373,024,587.19**	311,539,562.76
Finance costs		**846,059,920.15**	913,728,030.80
Among which: Interest expenses		**869,725,285.21**	941,960,521.01
Interest income		**101,443,510.66**	68,696,218.50
Add: Other revenue		**17,904,614.72**	8,695,075.95
Investment gains (loss is represented by "–")		**138,867,606.88**	-363,118,405.37
Among which: Investment gains from associates and joint ventures		**13,856,724.31**	22,920,713.70
Gains on derecognition of financial assets measured at amortised cost (loss is represented by "–")			

Unit: RMB

Item	*Notes*	**Half-year of 2026 (Unaudited)**	Half-year of 2025 (Unaudited)
Foreign currency exchange gains (loss is represented by "–")			
Gains from net exposure hedges (loss is represented by "–")			
Gains from changes in fair value (loss is represented by "–")		**-835,835,070.31**	-236,661,774.77
Credit impairment loss (loss is represented by "–")		**-27,626,775.27**	-23,502,574.21
Asset impairment loss (loss is represented by "–")		**-4,004,309.96**	
Gains from disposal of assets (loss is represented by "–")		**106,528.56**	-1,617,275.17
III. Operating profit (loss is represented by "–")		**8,182,145,679.23**	5,482,620,097.95
Add: Non-operating income		**9,186,878.48**	24,562,365.26
Less: Non-operating expenses		**35,235,839.75**	23,802,491.54
IV. Total profit (total loss is represented by "–")		**8,156,096,717.96**	5,483,379,971.67
Less: Income tax expense	*6*	**2,424,083,202.78**	1,610,017,744.05
V. Net profit (net loss is represented by "–")		**5,732,013,515.18**	3,873,362,227.62
(I) Classified by continuity of operations			
1. Net profit from continuing operation (net loss is represented by "–")		**5,732,013,515.18**	3,873,362,227.62
2. Net profit from discontinued operation (net loss is represented by "–")			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company (net loss is represented by "–")		**3,543,114,145.74**	2,808,157,860.94
2. Profit or loss of attributable to non-controlling interests (net loss is represented by "–")		**2,188,899,369.44**	1,065,204,366.68

Unit: RMB

Item	*Notes*	**Half-year of 2026 (Unaudited)**	Half-year of 2025 (Unaudited)
VI. Net other comprehensive income after tax		**-312,070,476.81**	-67,517,942.16
(I) Net other comprehensive income attributable to owners of the parent company after tax		**-292,537,104.74**	-74,255,578.51
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Changes arising from the re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under the equity method			
(3) Changes in fair value of other investments in equity instruments			
(4) Changes in fair value of the enterprise's own credit risks			
2. Other comprehensive income that may be reclassified to profit or loss		**-292,537,104.74**	-74,255,578.51
(1) Other comprehensive income that may be reclassified to profit or loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Credit impairment provision for other debt investments			
(5) Cash flow hedge reserve			
(6) Differences of exchange for foreign currency financial statements		**-292,537,104.74**	-74,255,578.51
(7) Others			
(II) Net other comprehensive income attributable to non-controlling interests after tax		**-19,533,372.07**	6,737,636.35
VII. Total comprehensive income		**5,419,943,038.37**	3,805,844,285.46
(I) Total comprehensive income attributable to owners of the parent company		**3,250,577,041.00**	2,733,902,282.43
(II) Total comprehensive income attributable to non-controlling interests		**2,169,365,997.37**	1,071,942,003.03
VIII. Earnings per Share			
(I) Basic earnings per Share (RMB/share)	*7*	**0.72**	0.57
(II) Diluted earnings per Share (RMB/share)	*7*	**0.72**	0.57

NOTES:

1. CORPORATE PROFILE

Shandong Gold Mining Co., Ltd. (hereinafter referred to as the "Company", collectively referred to as the "Group" when including subsidiaries) was established in January 2000, with its registered address at No. 2503 Jingshi Road, Licheng District, Jinan, Shandong Province, and its head office address at No. 2503 Jingshi Road, Licheng District, Jinan, Shandong Province.

The Company successfully listed on the Shanghai Stock Exchange in August 2003 and on the Main Board of the Hong Kong Stock Exchange in September 2018.

The Company operates in the non-ferrous metal ore mining and beneficiation industry. The Group is principally engaged in the mining, smelting and processing of non-ferrous metals, investment in precious metals, equity investment and asset management. Its principal operating activities include: the mining, beneficiation and smelting of gold and non-ferrous metals (the validity periods of which are subject to the relevant permits); the processing and sale of by-products arising from the production of gold and non-ferrous metals; and the production and sale of specialised equipment for gold mines and building decoration materials (excluding products restricted by the laws and regulations of the PRC). Its principal products include standard gold bullion, investment gold bars of various specifications, alloy gold and silver ingots.

The Company's controlling Shareholder is Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and the actual controller of the Company is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government (山東省人民政府國有資產監督管理委員會).

The financial statements were approved by the Company's Board of Directors for issuance on 28 August 2026.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(1) Basis of preparation

The financial statements of the Company have been prepared on a going concern basis. The financial statements have been prepared based on actual transactions and events and in accordance with the Accounting Standards for Business Enterprises and the application guidelines, interpretations and other relevant regulations thereof issued by the Ministry of Finance of the PRC (collectively, the "Accounting Standards for Business Enterprises"), the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Revision) and other relevant regulations issued by the China Securities Regulatory Commission, as well as the relevant disclosure requirements under the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(2) Going concern

The Group evaluated the going concern capability for the 12 months from the end of the Reporting Period and found no matters or circumstances that could raise serious doubts about the going concern capability. Therefore, the financial statements are presented on a going concern basis.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Unit: RMB

Content and reasons for the changes in accounting policies	Name of financial statement item materially affected	Impact amount
The Ministry of Finance issued the Interpretation No. 19 of the Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32) on 5 December 2025	See Explanation 1	0
The Ministry of Finance issued the Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7) on 4 June 2026	See Explanation 2	0

1. On 5 December 2025, the Ministry of Finance issued the Notice on the Issuance of the Interpretation No. 19 of the Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32), which sets out the provisions relating to "accounting treatment of compensating assets in business combinations not under common control", "accounting treatment of relevant capital reserves upon disposal of subsidiaries acquired through business combinations under common control", "derecognition of financial liabilities settled through electronic payment systems", "assessment of contractual cash flow characteristics of financial assets and related disclosures", and "disclosures of equity instruments designated as measured at fair value through other comprehensive income", effective from 1 January 2026. The Company has applied the provisions of the Interpretation No. 19 of the Accounting Standards for Business Enterprises from 1 January 2026, which will not have a material impact on the Company's financial position, operating results or cash flows.

2. On 4 June 2026, the Ministry of Finance issued the Notice on the Issuance of the Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7), which sets out the provisions relating to "assessment of contractual cash flow characteristics of financial assets and related disclosures" and "accounting treatment and related disclosures in the absence of currency convertibility", effective from 1 January 2026. The Company has applied the provisions of the Interpretation of the Accounting Standards for Business Enterprises No. 20 from 1 January 2026, which will not have a material impact on the Company's financial position, operating results or cash flows.

4. OPERATING REVENUE AND OPERATING COSTS

(1) Details of operating revenue and operating costs

Unit: RMB

Item	Amount for the current period Revenue	Cost	Amount for the last period Revenue	Cost
Principal operating activities	53,519,261,196.62	40,475,105,467.71	56,627,607,478.33	46,776,638,483.94
Other operating activities	68,499,180.31	19,463,237.55	138,287,877.35	77,576,078.04
Total	**53,587,760,376.93**	**40,494,568,705.26**	**56,765,895,355.68**	**46,854,214,561.98**

(2) The disaggregated information of operating revenue and operating costs

Unit: RMB

Contract classification	Operating revenue	Operating costs
Product type		
Among which: Self-produced gold revenue	20,558,335,077.59	8,979,099,580.69
Purchased gold revenue	17,498,262,974.89	17,414,191,376.87
Small gold bar revenue	8,743,175,156.36	8,631,361,821.29
Trade revenue	4,523,822,617.98	4,551,379,770.24
Other revenue	2,264,164,550.11	918,536,156.17
Total	**53,587,760,376.93**	**40,494,568,705.26**
By region of operation		
Among which: Domestic	45,572,817,100.38	36,702,916,526.62
Overseas	8,014,943,276.55	3,791,652,178.64
Total	**53,587,760,376.93**	**40,494,568,705.26**
By time of transfer of goods		
Among which: Transfer at a point in time	53,580,873,468.08	40,491,914,185.73
Transfer within a certain period of time	6,886,908.85	2,654,519.53
Total	**53,587,760,376.93**	**40,494,568,705.26**

5. TAXES AND SURCHARGES

Unit: RMB

Item	Amount for the current period	Amount for the last period
Resource tax	**1,159,102,936.10**	726,154,072.86
Water resource tax	**55,774,148.34**	34,119,502.19
Property tax	**19,087,243.28**	17,310,212.35
Stamp duty	**16,417,609.23**	27,528,411.26
Land use tax	**14,497,166.06**	13,012,600.35
Urban maintenance and construction tax	**10,403,918.80**	4,419,101.93
Education surcharges	**5,789,879.49**	2,573,668.11
Local education surcharges	**4,164,730.30**	1,715,778.66
Environmental protection tax	**729,032.96**	2,235,188.43
Vehicle and vessel use tax	**261,729.60**	255,758.64
Others	**5,785,989.46**	2,002,135.15
Total	**1,292,014,383.62**	**831,326,429.93**

6. INCOME TAX EXPENSES

(1) Income tax expenses

Unit: RMB

Item	Amount for the current period	Amount for the last period
Current income tax expenses	**2,833,351,629.67**	1,765,184,067.75
Deferred income tax expenses	**-409,268,426.89**	-155,166,323.70
Total	**2,424,083,202.78**	1,610,017,744.05

(2) Adjustment process of accounting profit and income tax expenses

Unit: RMB

Item	Amount for the current period
Total profit	**8,156,096,717.96**
Income tax expense calculated at statutory/applicable tax rate	**1,223,414,507.69**
Effect of different tax rates applicable to subsidiaries	**1,071,613,298.20**
Effect of adjusting income taxes for the prior period	**45,622,362.77**
Impact on non-taxable income	**-41,770,068.19**
Effect of non-deductible costs, expenses and losses	**4,291,455.98**
Effect of using deductible losses of deferred income tax assets not recognized in the prior period	**-89,645,712.49**
Effect of deductible temporary differences or deductible losses of deferred income tax assets not recognized in the current period	**125,387,167.40**
Change in balance of deferred tax assets/liability at the beginning of the period due to tax rate adjustment	**15,353,017.00**
Additional deduction of research and development expenses	**-24,590,937.90**
Additional deduction of wages for disabled employees	**-1,594,990.23**
Profit or loss attributable to joint ventures and associates	**-2,342,023.61**
Interest tax	**16,789,238.08**
MAS dividend withholding tax	**79,101,387.80**
Others	**2,454,500.28**
Income tax expenses	**2,424,083,202.78**

Note: Interest tax refers to the withholding income tax on interest paid by Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司) on its interest income derived from providing loans to MAS, at a tax rate of 35% in accordance with the provisions of Argentine tax law.

7. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per Share (RMB/Share) Basic earnings per Share	Diluted earnings per Share
Net profit attributable to ordinary shareholders of the Company	10.15	0.72	0.72
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	10.16	0.72	0.72

8. SEGMENT INFORMATION

(1) Basis for determining reporting segment and accounting policies

According to internal management and reporting system of the Company, all businesses are classified in to one segment. The measurement basis of segment reporting information is consistent with accounting and measurement basis of preparation of the financial statements.

(2) Financial information of reporting segments during the current period

Principal business (by product):

Unit: RMB

Product name	Amount for the current period Operating revenue	Amount for the current period Operating costs	Amount for the last period Operating revenue	Amount for the last period Operating costs
Gold	20,558,335,077.59	8,979,099,580.69	17,006,208,188.51	8,137,269,698.01
Silver metal	1,546,744,401.71	496,747,088.74	627,654,628.20	230,174,402.73
Copper metal	38,239,200.99	16,030,737.22	49,817,290.57	14,868,080.81
Iron ore concentrates	9,974,893.18	3,555,033.56	17,084,411.69	7,977,053.31
Lead metal	87,428,125.79	28,080,318.30	80,570,762.60	30,842,673.38
Zinc metal	178,000,111.55	58,027,579.68	143,743,672.49	73,394,750.29
Purchased gold	17,498,262,974.89	17,414,191,376.87	28,462,651,994.72	28,239,950,003.70
Small gold bars	8,743,175,156.36	8,631,361,821.29	4,342,804,369.82	4,238,911,457.94
Others	4,859,101,254.56	4,848,011,931.36	5,897,072,159.73	5,803,250,363.77
Inter-segment elimination				
Total	**53,519,261,196.62**	**40,475,105,467.71**	**56,627,607,478.33**	**46,776,638,483.94**

9. ACCOUNTS RECEIVABLE

(1) An aging analysis of accounts receivable (including accounts receivables due from connected parties) based on transaction dates is as follows:

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	313,104,972.40	354,324,842.80
1 to 2 years	74,289,915.58	69,681,567.00
2 to 3 years	2,857,276.85	2,263,452.00
Over 3 years		
Including: 3 to 4 years	2,423,515.22	387,842.22
4 to 5 years	400,000.00	400,000.00
Over 5 years	7,722,002.51	6,678,116.82
Total	**400,797,682.56**	**433,735,820.84**

(2) Accounts receivable classified and presented by bad-debt provision method

Unit: RMB

	Closing balance				
	Book balance		Provision for bad debts		
Type	Amount	Proportion (%)	Amount	Provision proportion (%)	Book value
Provision for bad debts made on an individual basis	56,732,116.06	14.15	37,962,879.26	66.92	18,769,236.80
Provision for bad debts made on a collective basis	344,065,566.50	85.85	26,260,073.15	7.63	317,805,493.35
Including: The aging portfolio	337,549,850.45	84.22	26,260,073.15	7.78	311,289,777.30
Other portfolio	6,515,716.05	1.63			6,515,716.05
Total	**400,797,682.56**	**–**	**64,222,952.41**	**–**	**336,574,730.15**

	Opening balance				
	Book balance		Provision for bad debts		
Type	Amount	Proportion (%)	Amount	Provision proportion (%)	Book value
Provision for bad debts made on an individual basis	56,732,116.06	13.08	37,962,879.26	66.92	18,769,236.80
Provision for bad debts made on a collective basis	377,003,704.78	86.92	18,994,201.67	5.04	358,009,503.11
Including: The aging portfolio	228,520,794.66	52.69	18,994,201.67	8.31	209,526,592.99
Other portfolio	148,482,910.12	34.23			148,482,910.12
Total	**433,735,820.84**	**–**	**56,957,080.93**	**–**	**376,778,739.91**

1) Provisions for bad debts made on accounts receivable on aging collective basis

Unit: RMB

Aging	Book balance	Closing balance Provision for bad debts	Provision ratio (%)
Within 1 year	306,589,256.35	15,323,780.74	5.00
1 to 2 years	17,557,799.52	1,755,779.96	10.00
2 to 3 years	2,857,276.85	571,455.37	20.00
3 to 4 years	2,423,515.22	727,054.57	30.00
4 to 5 years	400,000.00	160,000.00	40.00
Over 5 years	7,722,002.51	7,722,002.51	100.00
Total	**337,549,850.45**	**26,260,073.15**	**–**

Note: For accounts receivable classified into portfolios, the Group determines the proportion of provision for bad debts based on the actual loss rates of accounts receivable portfolios with similar credit risk characteristics grouped by aging, with reference to historical credit loss experience and in combination with the current situation and forecasts of future economic conditions.

2) Provisions for bad debts made on accounts receivable with larger closing balances on an individual basis

Unit: RMB

Name	Closing balance Book balance	Provision for bad debts	Provision proportion (%)	Reason for provision
Unit 1	56,732,116.06	37,962,879.26	66.92	Expected to be partially irrecoverable
Total	**56,732,116.06**	**37,962,879.26**	**66.92**	**–**

3) Provisions for bad debts on accounts receivable accrued, recovered, and reversed during the period

Unit: RMB

Type	Opening balance	Accrual	Changes during the period Recovery or reversal	Carryforward or write-off	Other changes	Closing balance
Provision for bad debts made on an individual basis	37,962,879.26					37,962,879.26
Provision for bad debts made on a collective basis	18,994,201.67	4,795,033.35			2,470,838.13	26,260,073.15
Total	**56,957,080.93**	**4,795,033.35**			**2,470,838.13**	**64,222,952.41**

4) Actual write-off of accounts receivable for the current period: Nil.

5) Information on the top five accounts receivable balances by debtor at the end of the period and contract assets

Unit: RMB

Unit name	Closing balance	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Unit 2	109,013,005.23	27.20	5,450,650.26
Unit 1	56,732,116.06	14.15	37,962,879.26
Unit 3	26,506,911.85	6.61	1,325,345.59
Unit 4	25,910,817.50	6.46	1,295,540.88
Unit 5	19,088,321.37	4.76	954,416.07
Total	**237,251,172.01**	**59.18**	**46,988,832.06**

10. ACCOUNTS PAYABLE

Unit: RMB

(1) Aging analysis of accounts payable (including accounts payable from related parties) based on the transaction date is as follows:

Items	Closing balance	Opening balance
Within 1 year	**7,899,753,993.70**	7,914,454,571.95
1 to 2 years	**257,661,837.79**	3,681,990,140.61
2 to 3 years	**3,395,126,137.90**	94,032,580.74
Over 3 years	**88,910,341.49**	231,238,294.29
Total	**11,641,452,310.88**	**11,921,715,587.59**

(2) Significant accounts payable aged more than 1 year or overdue

Name	Closing balance	Reasons for non-payment or carry-forward
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	3,321,044,245.23	Payment conditions not yet satisfied
Total	**3,321,044,245.23**	**–**

11. UNDISTRIBUTED PROFIT

Unit: RMB

Items	Current period	Previous year
Undistributed profit at the end of the last period before adjustment	18,264,421,942.24	15,572,448,966.97
Total adjusted undistributed profit at the beginning of the period (add+, less-)		
Adjusted undistributed profit at the beginning of the period	18,264,421,942.24	15,572,448,966.97
Add: Net profit attributable to owners of the parent company in the current period	3,543,114,145.74	4,739,393,120.72
Less: Appropriation of statutory surplus reserve		71,868,468.46
Appropriation of discretionary surplus reserve		
Withdrawal of general risk reserve		986,096.17
Dividends payable on ordinary shares	829,787,314.50	1,467,283,959.83
others	246,375,527.40	507,281,620.99
Undistributed profit at the end of the period	**20,731,373,246.08**	**18,264,421,942.24**

12. EVENTS AFTER THE BALANCE SHEET DATE

Unit: RMB

Profits or dividends proposed to be distributed	460,992,952.50
Profits or dividends reviewed and approved to be declared for distribution	460,992,952.50

On 21 July 2026, the Company held the 15th meeting of the seventh session of the Board of Directors, at which the Resolution on the 2026 Interim Profit Distribution Plan of the Company was considered and approved, pursuant to which a cash dividend of RMB1.00 (tax inclusive) per 10 Shares would be distributed to all Shareholders. The Company's interim profit distribution plan was formulated and implemented based on the latest periodic report before the convening of the Board meeting, namely the 2026 First Quarterly Report. As of the date of this Board meeting, the total share capital of the Company was 4,609,929,525 Shares, and based on this, the cash dividend amounted to RMB460,992,952.50. The 2026 interim cash dividend of the Company represented 34.84% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the current period.

The profit distribution does not involve any bonus shares or capitalisation of capital reserves. The 2026 interim cash dividend for A Shares of the Company was fully distributed on 21 August 2026, and the 2026 interim cash dividend for H Shares will be distributed on 7 September 2026.

II. MANAGEMENT DISCUSSION AND ANALYSIS

(I) INFORMATION ON THE CONDITIONS OF THE INDUSTRY TO WHICH THE COMPANY BELONGS AND MAJOR BUSINESSES DURING THE REPORTING PERIOD

1. Business Scope

During the Reporting Period, the Company's approved business scope was mainly: exploration, mining, beneficiation and sales of gold and non-ferrous metal, production, processing and sales of specialized equipment for gold mines and construction and decoration materials (excluding products restricted by national laws and regulations). The Company's main products include standard gold bullions, investment gold bars, alloy gold and silver ingots.

The mining enterprises under the Company's management are located in Shandong, Fujian, Inner Mongolia, Gansu, Xinjiang, Jilin, Heilongjiang, Qinghai, Yunnan and other regions in the PRC, and overseas countries such as Argentina, South America and Ghana and Namibia, Africa, forming an integrated industry chain covering exploration, mining, beneficiation, smelting of gold, deep processing and sales of gold products, as well as the manufacture of mining equipment, with an industry-leading scientific and technological research and development system, and a mining investment and financing support platform.

2. Operating Model

(1) Large-scale production and operation

The Company focuses on the development and utilization of gold mineral resources. By adopting the gold production model of scattered mining and beneficiation and centralized smelting, the Company has utilized the mechanized and large-scale mining equipment, the automated transportation and lifting system, and the intelligent beneficiation technology to realize the large-scale, intensive and mechanized mining of gold resources. The mechanization rate of mining operations in major mines reached over 66%, the mechanization rate of shoveling and transportation reached 100%, and the automation rate of major fixed facilities reached over 96%. In 2026, the Company accelerated the progress of title certification, project construction, production system optimisation and the increase of reserves by exploration activities, so as to strengthen the momentum for the Company's sustainable development. The Company also deeply implemented the " AI+" action plan to cultivate new quality productive forces.

(2) Lean operation and control

The Company has deepened its lean operation and management practices by establishing a lean management philosophy that emphasizes full participation, collaborative efficiency, and continuous improvement, thereby systematically enhancing its fine management capabilities and cost control, and driving a comprehensive increase in operational efficiency. Guided by the principles of safety, efficiency, economic rationality, technological advancement, and smart and intelligent operations, and with the objective of achieving safety and profitability through technological management across the entire production process and all relevant areas, the Company has strengthened its fine management level by implementing metal balance management throughout the entire process of geology, surveying, mining, mineral processing, and smelting, as well as the "seven ratios" management, so as to integrate various disciplines and operational links. Focusing on eleven key areas, including the eight underground systems, process optimization of mining, processing and smelting, and comprehensive utilization of tailings, the Company has continuously promoted the optimization of its production systems to support high-quality development. In addition, the Company has constructed a smart management and control system to enable real-time dispatch, supervision and control, driving the digital and intelligent transformation of its core production areas, comprehensively building a smart enterprise and addressing core issues such as safety, efficiency and cost, thereby significantly enhancing its overall operational efficiency and safety management level. The Company has also strengthened cost control across all personnel, all elements and the entire life cycle, with a focus on optimizing the "five ratios" and reducing the "five expenditures", so as to improve its profitability.

(3) Technology and innovation-driven model

The Company insists on in-depth implementation of the innovation-driven development strategy, attaches great importance to improving independent innovation capabilities, and carries out comprehensive research and development efforts by focusing on core areas such as "AI-driven mineral exploration, efficient mechanical mining, and green development and utilization of tailings". During the Reporting Period, the Company was awarded 38 Science and Technology Awards by the China Gold Association, among which 10 achievements, including Mechanism of Negative Flower-like Structural Ore Control and Prospecting Breakthrough in the Linglong Goldfield, received awards at or above the first prize level; 22 achievements, including Mechanism of Disasters Induced by Backfill Mining and Research on Water Hazard Prevention in Subsea Gold Mines, received second-prize awards; and 6 achievements, including Spatial Distribution Patterns of Orebodies and Metallogenic Prediction of the Houxi Structural Belt in the Jiaojia Gold Metallogenic Belt, received third-prize awards. In response to the demand for intelligent and safe mining of deep mines and the need for high-concentration thickening and paste backfill technology for mine tailings, the Company has actively carried out equipment research and development. The Company has applied for 2 items of the first (set) technical equipment of Shandong Province.

(4) Safe and green development

The Company has solidly carried out the three-year action to tackle the root causes of safety production, accelerated the process of mechanization, automation, and intelligent transformation, and continuously improved its inherent safety standards. Guided by Xi Jinping's Thought on Ecological Civilization, the Company has firmly established and actively put into practice the development philosophy that "lucid waters and lush mountains are invaluable assets", adhered to the principles of prioritizing ecology and pursuing green development, and continued to consolidate and enhance the achievements in building an eco-friendly mining industry. By establishing a solid waste recycling system, the Company has steadily advanced key projects such as the use of tailings for ecological restoration and the resource recovery of cyanide residue. It has strengthened the conservation, intensive, and efficient use of resources, resulting in a steady increase in the comprehensive utilization rate of solid waste. During the Reporting Period, four new national-level green mines, including the Xincheng Gold Mine, were added, bringing all currently operating mines into the national or provincial green mine lists, thereby laying a solid foundation for comprehensively advancing the Company's green and high-quality development.

3. *Analysis on Situation of the Company's Industry during the Reporting Period*

(1) Industry development

In the first half of 2026, against the backdrop of accelerating profound changes unseen in a century, global geopolitical tensions intensified, while the energy supply crisis and the AI industrial revolution coexisted. The gold price experienced historically rare and violent fluctuations. The gold industry as a whole exhibited the following characteristics: continuing active merger and acquisition activities in the upstream sector, heightened regulatory requirements for environmental protection and work safety, and somewhat subdued consumer demand in the downstream sector.

During the Reporting Period, the global political and economic landscape underwent drastic turbulence. On the one hand, at the beginning of the year, the U.S. government adopted a series of tough foreign policies that broke with the traditional rules-based international order, significantly boosting market risk-aversion sentiment. As a result, gold prices surged sharply and repeatedly hit record highs. On the other hand, following the outbreak of the U.S.-Iran conflict in late February, navigation through the Strait of Hormuz was obstructed, driving crude oil prices up sharply and triggering concerns over inflation. Market expectations regarding the Federal Reserve's monetary policy gradually shifted from interest rate cuts to hikes, causing gold prices to decline in a volatile manner.

During the Reporting Period, gold prices exhibited a broad volatile trend, characterized by a sharp and rapid rise in the early stage, followed by a sustained and volatile decline in the latter stage. In the first half of 2026, international spot gold prices reached a high of USD5,598/oz and a low of USD3,943/oz, with a maximum fluctuation range of USD1,655/oz, and closed at USD4,007/oz at the end of June, representing a decrease of approximately 7.2% from the closing price at the end of the previous year. During the same period, affected by the appreciation of the RMB exchange rate, the RMB-denominated gold price in China underperformed the international gold price. The AU(T+D) contract on the Shanghai Gold Exchange recorded a high of RMB1,255/g and a low of RMB862.13/g, with a maximum fluctuation range of RMB392.87/g, and closed at RMB878.53/g at the end of June, representing a decrease of approximately 9.8% from the closing price at the end of the previous year.

During the Reporting Period, the upstream and downstream segments of the gold industry exhibited differentiated performance. Firstly, for upstream gold mining enterprises: on the one hand, against the backdrop of high gold prices, many domestic gold mining companies accelerated resource integration, with merger and acquisition activities remaining active and several large-scale transactions being concluded. However, the merger and acquisition process still faced the practical constraint of relatively high costs. A number of foreign gold mining companies also adopted equity swap arrangements for mergers and reorganizations, aiming to consolidate regional mine assets and enhance their resource advantages. On the other hand, environmental protection and work safety regulatory requirements for domestic mines became more stringent. The newly implemented Implementation Regulations of the Mineral Resources Law of the People's Republic of China further reinforced the primary responsibility of mining enterprises for ecological restoration. The comprehensive implementation of green mine development and closed-loop management of major safety hazards led to tighter regulatory policies, which to some extent raised industry access barriers and ongoing operating costs, while also further promoting the concentration of industry resources toward leading enterprises. Secondly, for downstream gold jewelry retail enterprises: the sharp volatility of gold prices at elevated levels dampened consumer demand for gold jewelry to a certain extent. According to data from the World Gold Council, global gold jewelry demand in the first quarter of 2026 declined by approximately 23% year-on-year; in the second quarter, global gold jewelry demand further fell to its lowest quarterly level since the pandemic, representing a year-on-year decrease of approximately 17%.

Looking ahead to the gold price trend in the second half of the year, on the one hand, the U.S.-Iran situation is expected to gradually ease, and a pullback in energy prices will alleviate inflationary pressures on developed economies. Coupled with the structural imbalances in the U.S. economy, its high debt levels, and the policy imperative to stabilize the economy ahead of the midterm elections, the necessity and scope for further monetary policy tightening by the Federal Reserve within the year remain limited. On the other hand, the U.S. government continues to disrupt the global political and economic order through tariff hikes, diplomatic pressure, and even military intervention. Demand for gold as a safe-haven asset from central banks and market investors is expected to remain strong, providing solid support for gold prices. However, it should also be noted that the new Federal Reserve Chairman, Kevin Warsh, is promoting a series of institutional reforms at the Federal Reserve in an attempt to restore its credibility and market influence. If the relevant reform measures are smoothly implemented, they could potentially exert a temporary dampening effect on gold prices. In the second half of the year, gold prices are expected to maintain relatively high levels overall, but will continue to face volatility risks arising from multiple uncertainties.

(2) Domestic Gold Production and Trading Volume

According to statistics from the China Gold Association, in the first half of 2026, key gold-producing provinces and regions in China carried out comprehensive mine safety inspections, rectifications, and special governance. As a result, certain mines suspended production for self-inspection, which had a temporary impact on gold output. In the first half of 2026, gold produced from domestic raw materials amounted to 152.908 tonnes, representing a year-on-year decrease of 26.175 tonnes or 14.62%. Gold produced from imported raw materials amounted to 77.080 tonnes, representing a year-on-year increase of 3.402 tonnes or 4.62%. A total of 229.988 tonnes of gold were produced from both domestic and imported raw materials, representing a year-on-year decrease of 22.773 tonnes or 9.01%.

During the Reporting Period, domestic gold consumption amounted to 511.412 tonnes, representing a year-on-year increase of 1.23%. Among which: gold jewelry amounted to 132.133 tonnes, representing a year-on-year decrease of 33.88%; gold bars and coins amounted to 339.336 tonnes, representing a year-on-year increase of 28.42%; and industrial and other uses amounted to 39.943 tonnes, representing a year-on-year decrease of 2.90%.

During the Reporting Period, the trading volume of gold on domestic exchanges decreased year-on-year, while the trading turnover increased year-on-year. According to statistics from the China Gold Association, in the first half of 2026, the accumulated unilateral trading volume of all gold products on the Shanghai Gold Exchange amounted to 16,100 tonnes (bilateral: 32,100 tonnes), representing a year-on-year decrease of 4.37%; the accumulated unilateral trading turnover amounted to RMB16.57 trillion (bilateral: RMB33.14 trillion), representing a year-on-year increase of 36.75%. The accumulated unilateral trading volume of all gold futures and options on the Shanghai Futures Exchange amounted to 58,500 tonnes (bilateral: 117,100 tonnes), representing a year-on-year decrease of 22.46%; the accumulated unilateral trading turnover amounted to RMB46.57 trillion (bilateral: RMB93.15 trillion), representing a year-on-year increase of 4.80%.

3. *Industry Position of Shandong Gold*

The Company is a leading gold mining group in China with international influence, possessing abundant gold resource reserves. Through optimizing production organization, increasing investment in resource exploration, advancing merger and acquisition integration, and continuously strengthening technological innovation, the Company has achieved steady growth in gold resources, and its gold production ranks among the top in the industry. Its domestic mines have maintained the top position in national gold production for consecutive years, while production capacity from its overseas mines has been continuously unleashed. The coordinated development pattern of domestic and overseas operations has been continuously improved and optimised, providing a solid resource guarantee for the long-term development of the Company.

In 2025, the Company had 13 mines with an annual gold production of over 1 tonne, further consolidating Shandong Gold's leading position in the gold industry. During the Reporting Period, the Company's gold production from mines amounted to 19.10 tonnes, of which overseas mines contributed 6.69 tonnes, representing a year-on-year increase of 18.03%.

(II) DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE

In the first half of 2026, the Company thoroughly implemented the decisions and arrangements of the Party Central Committee and the State Council, as well as the work requirements of the Shandong Provincial Party Committee and the provincial government, uniting its efforts and overcoming difficulties to fully address the risks and challenges facing the enterprise, and accelerating the stabilization and improvement of production and operations.

1. Strengthening Production and Operations to Consolidate the Foundation for Development

The Company has decomposed the annual production and operation plan into indicators at each level and assigned responsibilities at each tier, and implemented differentiated assessments with tailored strategies for each enterprise. The Company has strengthened production organization, scientifically arranged production layouts, and continuously improved the level of refined and intensive mining. It has enhanced production technology management and promoted the trial and application of advanced mining, beneficiation and smelting techniques and methods to optimize technical and economic indicators. The Company has adhered to the dual emphasis on increasing revenue and reducing costs as well as on tapping potential and enhancing efficiency, and has continuously strengthened the "full-staff, full-element, full-lifecycle" cost control.

During the Reporting Period, the Company's gold production from mines amounted to 19.10 tonnes, representing a year-on-year decrease of 22.70% with sales volume of self-produced gold of 19.96 tonnes, representing a year-on-year decrease of 15.42%. Among which, overseas mines contributed 6.69 tonnes of gold, representing a year-on-year increase of 18.03%. The Namutini Gold Mine of Cardinal significantly increased its mining volume, ore supply, and beneficiation throughput on a year-on-year basis through optimized stripping and mining plans and improved beneficiation and smelting processes. The beneficiation recovery rate were enhanced, resulting in a production increase of over 50% year-on-year. With regard to domestic mines, the Company coordinated and balanced efforts to standardize, rectify, and improve operations in light of the new landscape of safety regulation, pushed forward with major project construction, and ensured safety-standardized production, thereby upholding the bottom line of workplace safety.

During the Reporting Period, the Company achieved operating income of RMB53.588 billion, representing a year-on-year decrease of RMB3.178 billion or 5.60%; it achieved total profit of RMB8.156 billion, representing a year-on-year increase of RMB2.673 billion or 48.74%; the net profit attributable to shareholders of the listed company was RMB3.543 billion, representing a year-on-year increase of RMB0.735 billion or 26.17%; the weighted average return on net assets was 10.15%, representing a year-on-year increase of 0.34 percentage point; and basic earnings per Share was RMB0.72, representing an increase of RMB0.15 compared with RMB0.57 in the same period of the previous year. In the first half of the year, through the concerted efforts of all employees, the Company's production and operations remained generally stable, and the overall business fundamentals maintained a sound trajectory.

2. *Strengthening Resource Support to Enhance Development Momentum*

The Company has solidly carried out a new round of strategic actions for exploration breakthroughs and resource acquisition, adhering to the dual approach of both internal expansion and external growth. It has intensified efforts in deep exploration, boundary exploration, and infill drilling at existing mines, accelerated the acquisition of high-quality mining rights and resource integration, and comprehensively enhanced resource guarantee capabilities as well as exploration and development quality and efficiency. During the Reporting Period, the Company invested a total of RMB300 million in exploration, completed 290,000 meters of various exploration works, and added 20 tonnes of gold metal resources.

The Company has accelerated the advancement of its key construction projects for the year, set out clear progress milestones, established a monthly scheduling mechanism, and worked against a back-to-front schedule with chart-based execution. During the Reporting Period, a total of 72,900 cubic meters of construction volume was completed. A number of key projects, including the Sanshandao Gold Mine, the Xincheng Gold Mine, and the Chifengchai Mine, have progressed ahead of schedule. For the Twin Hills Gold Mine Project of Osino in Namibia, the construction of access roads, processing plant, and tailings storage facility for the mining and processing is being implemented in an orderly manner. The Company is currently carrying out equipment installation for the processing plant and commencing earthworks for open-pit stripping, while simultaneously advancing mining pit optimization and operations team formation, and expecting to commence production in the first half of 2027. The Company has undertaken targeted efforts in license and permit applications, and adopted a "dedicated personnel tracking, personnel accompanying documents" approach. During the Reporting Period, the Company secured 48 various permits and related approvals. It is expected that the approval for the Sanshandao Gold Mine 15,000 tonnes/day expansion project will be obtained by the end of September 2026, following which the Company will proceed with the safety facility design review and promote project construction.

3. *Strengthening Technological Innovation to Drive Development Momentum*

The Company has thoroughly implemented the innovation-driven development strategy. During the Reporting Period, it invested a total of RMB420 million in research and development, representing a year-on-year increase of 8.49%. Focusing on directions such as AI-assisted mineral exploration, high-efficiency mechanized mining, and green development of tailings, the Company submitted applications for 10 major science and technology projects at or above the provincial and ministerial level and 88 invention patents. It successfully launched the major innovation project of Shandong Province, namely Green Mining Technology and Equipment Development and Application for Submarine Gold Mine Resources. For the first time, the Company was awarded the Shandong Province Postdoctoral Innovation Talent Support Program and a silver award in the Shandong Doctoral (Postdoctoral) Innovation and Entrepreneurship Competition. It received 38 Science and Technology Awards from the China Gold Association, including 1 Special Prize and 9 First Prizes. The Company promoted the application of 34 technological innovation achievements, with a number of key technologies such as intelligent sorting and pre-concentration and intelligent ventilation systems for metal mines being effectively implemented and applied at the production front line.

Building on the phased achievements in intelligent mine construction, the Company has organized the drafting of its "AI+" Three-Year Action Plan, which is being advanced in an orderly manner in line with three major tasks: "infrastructure development, digitalization construction, and intelligent applications". Centering on six key business areas including resource exploration, mining, beneficiation, smelting, safety management and business management, the Company has planned and is implementing a number of key projects and intelligent application scenarios to accelerate its digital and intelligent transformation.

4. Strengthening Risk Prevention and Control to Firmly Uphold Safety Bottom Lines

The Company has remained relentlessly committed to safety. During the Reporting Period, it completed a safety-specific image project of RMB426 million, and made every effort to achieve a successful conclusion to the three-year action to tackle the root causes of safety production. It has coordinated and advanced risk grading control, hidden danger investigation and remediation, and inherent safety improvement, while strengthening the dynamic elimination of major safety hazards and closed-loop rectification of hidden dangers to ensure safe production.

The Company has remained steadfast in environmental protection, comprehensively advanced the development of "Ecological Shandong Gold" with notable achievements. The Xincheng Gold Mine, the Dongfeng Mining Area of the Linglong Gold Mine, the Guilaizhuang Gold Mine, and the Songjiazhuang Mining Area of Jinzhou Company were successfully included in the new batch of national-level green mines, bringing all currently operating mines into the national or provincial green mine lists, further reinforcing the prominence of green development. Efforts in energy conservation and carbon reduction have been advanced in an orderly manner. The Company organized special surveys on energy and carbon management for typical enterprises and energy efficiency diagnostic assessments for key energy-consuming units, and effectively promoted the implementation of carbon peaking targets and the continuous improvement of energy and carbon management level.

The Company has continuously improved its compliance management system and deepened compliance development. It formulated the 2026 Annual Comprehensive Risk Management Work Plan, and solidly carried out risk management, audit supervision, compliance management and legal support functions.

5. Strengthening Corporate Governance to Solidify the Foundation for Development

The Company has continuously improved its corporate governance system, conducted a comprehensive review of its corporate governance policies, revised 20 policies, and formulated 4 new policies, ensured effective alignment with the latest legal and regulatory requirements and supervisory provisions, and further enhanced the level of standardized operations and the quality of information disclosure. During the Reporting Period, Shandong Gold's MSCI ESG rating was upgraded to B, and its Wind ESG rating was upgraded from A to AA, marking a new milestone in the Company's ESG efforts and disclosure standards.

The Company values shareholder returns and has adopted a multi-pronged approach, including cash dividends and shareholding increases by the controlling shareholder. During the Reporting Period, the Company increased its dividend payout and implemented the 2025 profit distribution, with cash dividends of approximately RMB830 million. After consolidating the above with the 2025 interim profit distribution already implemented, the total cash dividends for 2025 amounted to RMB1.635 billion (tax inclusive), representing a year-on-year increase of 60.29% over 2024. To enable investors to share in the Company's operating results at an earlier date, the 2026 interim profit distribution plan was prepared based on the 2026 First Quarter Report, under which the Company distributed a cash dividend of RMB1 (tax inclusive) per 10 Shares, with a total dividend amount of approximately RMB461 million. The controlling shareholder of the Company, SDG Group, completed its shareholding increase plan on 8 April 2026, with a cumulative additional investment of RMB510 million (excluding transaction commissions and other fees), demonstrating its recognition of the Company's development prospects and boosting investor confidence through concrete actions.

6. Strengthening Party Building to Foster Synergy for Undertaking Initiatives and Starting Businesses

The Company has deepened comprehensive and strict governance of the Party in an all-round manner, solidly carried out the learning and education on establishing and practicing a correct view of political performance, organized 31 sessions of special study seminars, and delivered 307 Party lectures by Party member leaders and secretaries of primary-level Party organizations. It has improved the regular education mechanism for primary-level Party organizations, and promoted the integration of the Party's innovative theories into enterprises, workshops, teams, posts, and minds. The Company has adhered to the Party's principle of managing talent, strengthened top-level planning, and continuously improved the whole-process mechanism for selecting, cultivating, managing, and utilizing young cadres and talents, while optimizing the structure of the talent echelon. It has selected and appointed competent personnel for key positions such as the "five-post mine chiefs". One team has been honored as a National Workers' Pioneer. The Company has further advanced the efforts to enforce Party discipline, combat corruption, and improve conduct, improved the construction of the major supervision system, and promoted horizontal coordination among inspection, audit, financial, and other supervisory forces, establishing a comprehensive, coordinated, and efficient supervision framework to foster a clean and upright political ecosystem.

(III) ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

1. Strategic Advantage

The Company firmly pursues the primary task of high-quality development, fully implements the new development philosophy in a comprehensive manner, and adheres to value creation as its main focus. It deepens reform initiatives, strengthens innovation-driven initiatives, and continues to consolidate the foundation for development. In advancing the high-end, intelligent, green, and safe transformation and upgrading of the gold industry, the Company has effectively played its leading role. Committed to the principles of cooperative sharing and contributing to the community, the Company strives to build itself into a world-class gold mining enterprise with global influence.

2. Resource Advantage

Shandong Province boasts the largest gold reserves in China, with its Jiaodong region representing the world's third-largest gold concentration area. The Company's domestic flagship mines are located in the Jiaodong region, providing it with uniquely advantageous resources. The Company has always adhered to the principle of "resource first", closely following the requirements of the new round of strategic actions for exploration breakthroughs. Under the approach of "internal expansion and external growth to improve quality and increase quantity", the Company has intensified exploration investment, focusing on the periphery and deep sections of its existing mines. The additional resources added annually through exploration provide strong momentum and resource support for the sustainable development of the mines. Externally, the Company has actively pursued mergers and acquisitions to acquire high-quality mineral resources in important domestic and overseas metallogenic regions, continuously expanding its resource reserves and enhancing its core competitiveness. As of the end of 2025, the Company's attributable gold resource reserves amounted to 2,054.33 tonnes (calculated on the basis of the Company's attributable equity interest).

3. Scale Advantage

Leveraging its abundant resource reserves, the Company built a full-process industry chain, and adopted the large-scale and intensive production model of decentralized mining and beneficiation with centralized smelting. In 2025, the Company had 13 mines with an annual gold production of over 1 tonne. The Jiaojia Gold Mine, Sanshandao Gold Mine, Xincheng Gold Mine, and Qinghai Dachaidan have been listed among China's Top Ten Gold Producing Mines for several consecutive years, while the Jiaojia Gold Mine, Sanshandao Gold Mine, and Xincheng Gold Mine have also been listed among China's Top Ten Gold Mines in Economic Efficiency for several consecutive years. The Namutini Gold Mine of Cardinal has steadily advanced its ore processing capacity and gold production to new levels, becoming a new flagship mine for the Company. Shandong Gold Smelting Co., Ltd. has a daily processing capacity of 1,200 tonnes of gold concentrate and an annual refining capacity of 100 tonnes of standard gold and 50 tonnes of silver, maintaining a leading position among the national top ten smelting and refining enterprises for many years.

4. Technological Advantage

The Company's technological innovation efforts adhere to a problem-oriented approach. Through continuously enhancing its independent innovation capabilities and R&D capabilities, the Company has achieved a number of core technologies in fields such as deep exploration, underwater and deep-well mining, intelligent mines, green mines, and gold smelting, forming a systematic chain-style scientific research innovation model and building the core competitiveness of China's metal mining industry. The Company has continued to strengthen its position as the primary driver of enterprise technological innovation. Centering on core areas such as "AI-assisted mineral exploration, high-efficiency mechanized mining, and green development of tailings", it has completed the layout and task setting for key technological research projects for 2026 and is now conducting comprehensive research initiatives. The Company's Academician Workstation received an "Excellent" rating in its comprehensive evaluation, laying a solid foundation for subsequent high-level research activities. During the Reporting Period, the Company was honored with 38 Science and Technology Awards from the China Gold Association. Among these, 10 achievements, including Mechanism of Negative Flower-like Structural Ore Control and Prospecting Breakthrough in the Linglong Goldfield, received awards at or above the first prize level; 22 achievements received second-prize awards; and 6 achievements received third-prize awards. The award-winning projects span multiple fields including deep resource exploration, intelligent mining technology, beneficiation and smelting technology, and harmless treatment of solid waste, demonstrating the Company's leading position and strong comprehensive strength in the gold industry.

5. Talent Advantage

The Company adheres to an open and inclusive talent philosophy, firmly upholding the candidate selection and appointment direction of "morality first, equal stress on integrity and ability, emphasis on actual performance and public recognition", and focusing on the development of three talent teams in management, technology and skill. Through multi-dimensional efforts encompassing platform development, targeted cultivation and introduction, mechanism innovation, and ecosystem optimization, the Company has built a solid talent highland. It has flexibly introduced top-tier talents in fields such as geology and mining to play a leading role. The Company has deepened its collaboration with universities including Northeastern University to jointly cultivate engineering master's and doctoral students, reinforcing its core technical workforce. It has established an integrated model of self-evaluation and skills competitions, innovatively developed a vocational skill self-evaluation system for unique job categories in the gold mining industry, filled a gap in the national industry, and cultivated outstanding industrial workers. The Company has conducted regular recruitment campaigns for campus graduates, industrial workers, and high-level talents, continuously optimizing the age and structure of its talent pool. It has continuously improved its selection and appointment mechanisms and advanced the development of its young cadre teams. The Company has refined its professional and technical title system to facilitate career development pathways. Through the drive of key projects, it has strengthened its scientific research talent teams, promoting breakthroughs in core technologies and the efficient transformation of research outcomes.

6. Brand Advantage

The Company has firmly established and actively put into practice the development philosophy of "lucid waters and lush mountains are invaluable assets", adhering to the principles of prioritizing ecology and pursuing green development. It has integrated green and low-carbon practices throughout the entire process of mineral resource development and utilization, coordinated the integrated protection and systematic management of mountains, waters, forests, farmlands, grasslands, and deserts, and advanced the "dual carbon" work in a prudent and orderly manner. The level of green and low-carbon development has been continuously improved, further enhancing the brand image of "Shandong Gold Eco-Mining". The Company has been selected multiple times as a constituent of the SSE 50 Index and the SSE 180 Index, as well as the three major international indices, namely MSCI, FTSE Russell, and S&P Dow Jones Indices. Its relevant practices and experiences have been successfully selected as outstanding cases in categories including Best Practice in Investor Relations Management, Best Practice in Sustainable Development, and Best Practice in Board of Directors, as organized and selected by the China Association for Public Companies. The Company has been rated A in information disclosure by the Shanghai Stock Exchange for eight consecutive years. The Company's Wind ESG rating was upgraded from A to AA, with its brand image and market influence continuing to grow.

(IV) OPERATING PERFORMANCE DURING THE REPORTING PERIOD

1. ANALYSIS OF MAIN BUSINESSES

(1) Table of movement analysis for the related items in financial statements

Unit:RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change in percentage *(%)*
Operating revenue	**53,587,760,376.93**	56,765,895,355.68	-5.60
Operating costs	**40,494,568,705.26**	46,854,214,561.98	-13.57
Selling expenses	**160,724,283.21**	76,378,155.44	110.43
Administrative expenses	**1,528,635,412.89**	1,679,883,563.25	-9.00
Financial expenses	**846,059,920.15**	913,728,030.80	-7.41
R&D expenses	**373,024,587.19**	311,539,562.76	19.74
Net cash flows generated from operating activities	**7,770,589,430.90**	10,502,900,464.64	-26.01
Net cash flows generated from investment activities	**-8,675,987,505.40**	–5,314,022,572.11	N/A
Net cash flows generated from financing activities	**-394,136,355.08**	–4,035,320,857.88	N/A

Explanation of changes in operating revenue: The decrease in operating revenue was mainly due to the decrease in revenue from purchased gold during the current period;

Explanation of changes in operating costs: The decrease in operating costs was mainly due to the decrease in the costs of purchased gold during the period;

Explanation of changes in selling expenses: The increase in selling expenses was mainly due to the increase in sales commissions during the period;

Explanation of changes in administrative expenses: The decrease in administrative expenses was mainly due to the decrease in staff remuneration and intermediary institution fees;

Explanation of changes in financial expenses: The decrease in financial expenses was mainly due to the decrease in interest expenses during the period;

Explanation of changes in R&D expenses: The increase in R&D expenses was mainly due to the increase in R&D investment by subsidiaries during the period;

Explanation of changes in net cash flows generated from operating activities: The decrease in net cash flows generated from operating activities was mainly due to the increase in taxes and fees paid during the period;

Explanation of changes in net cash flows generated from investment activities: The decrease in net cash flows generated from investment activities was mainly due to the decrease in cash received from disposals of investments during the period;

Explanation of changes in net cash flows generated from financing activities: The increase in net cash flows generated from financing activities was mainly due to the decrease in other cash payments relating to financing activities during the period.

2. ANALYSIS OF ASSETS AND LIABILITIES

(1) Status of assets and liabilities

Unit: RMB

Item	Closing balance for the current period	Closing balance for the current period as a percentage of total assets (%)	Closing balance for the corresponding period of last year	Closing balance for the corresponding period of last year as a percentage of total assets (%)	Year-on-year change of the closing balance (%)	Explanation
Derivative financial assets	137,368,913.77	0.077	5,914,356.65	0.003	2,222.63	It was mainly due to the increase in margin occupied by the option positions of the subsidiaries during the period
Notes receivable	195,529,152.91	0.11	132,496,950.29	0.08	47.57	It was mainly due to the increase in outstanding trade acceptance bills of the subsidiaries during the period
Prepayments	596,183,028.83	0.34	412,155,487.83	0.24	44.65	It was mainly due to the increase in prepayments for construction projects by the subsidiaries during the period
Other receivables	6,742,770,748.92	3.80	5,073,224,619.02	2.98	32.91	It was mainly due to the increase in security deposits of the subsidiaries during the period
Other current assets	4,238,602,388.83	2.39	872,800,579.11	0.51	385.63	It was mainly due to the increase in certificates of deposit of the subsidiaries during the period
Construction in progress	10,069,087,274.66	5.67	6,642,718,850.94	3.90	51.58	It was mainly due to the increase in investment in construction in progress of subsidiaries during the period
Derivative financial liabilities	1,104,428.00	0.001	37,071,358.85	0.02	-97.02	It was mainly due to the decrease in commodity option contracts of subsidiaries compared to the beginning of the period
Contract liabilities	1,129,592,990.48	0.64	694,202,457.74	0.41	62.72	It was mainly due to the increase in advances received by subsidiaries during the period
Taxes payable	1,605,347,023.77	0.90	2,465,244,007.37	1.45	-34.88	It was mainly due to the increase in taxes and fees paid by the subsidiaries during the period
Other comprehensive income	-375,210,849.43	–0.21	–82,673,744.69	–0.05	–353.85	It was mainly due to the increase in exchange differences arising from translation of subsidiaries' foreign currency financial statements

(2) Overseas assets

Overseas assets were RMB27.397 billion, accounting for 15.43% of total assets.

3. ANALYSIS OF INVESTMENTS

(1) Overall analysis on external equity investment

(a) Key Equity Investments

Not applicable during the Reporting Period.

(b) Key Non-equity Investments

No.	Project name	Total project investment amount *(RMB100 million)*	Progress of project	Amount completed during the Reporting Period *(RMB100 million)*	Cumulative amount completed *(RMB100 million)*	Revenue of project
1	Jiaojia mining area (integration) gold resources development project	82.73	The mixing shaft in the north area, the main shaft in the south area, the auxiliary shaft in the south area, the 2# air return shaft and other parts of the main control project were completed, and the tunnel of the project is under construction	1.5	18.99	Pursuant to the project feasibility study report, after the project is completed and reaches capacity, the estimated ore production and processing capacity will be 6.6 million tonnes per year, and the average annual production of flotation gold concentrate will be 29.06 tonnes (gold content of 18,854 kg/year).

No.	Project name	Total project investment amount *(RMB100 million)*	Progress of project	Amount completed during the Reporting Period *(RMB100 million)*	Cumulative amount completed *(RMB100 million)*	Revenue of project
2	Xincheng Gold Mine resources integrated development project	39.5	The main shaft in mining area I, the auxiliary shaft in mining area II, the air return shaft and other parts of the main control project were completed, and the supporting engineering construction is in progress	1.2	18.49	Pursuant to the project feasibility study report, after the project is completed and reaches capacity, the estimated annual ore processing capacity will be 2.64 million tonnes, and the average annual production of flotation gold concentrate will be 119,600 tonnes (gold content of 7,771 kg/year).
3	Expansion project of 2,000t/d of mining and beneficiation in Chifeng Chaihulanzi Gold Mining Co., Ltd.	3.05	The auxiliary shaft and air shaft of the main control project were completed, the second phase of tunnel development project is under construction, and the equipment and facilities are being installed.	0.26	3.04	Pursuant to the project feasibility study report, after the project is completed and reaches capacity, it is estimated to produce 600,000 tonnes of ore per year.

No.	Project name	Total project investment amount *(RMB100 million)*	Progress of project	Amount completed during the Reporting Period *(RMB100 million)*	Cumulative amount completed *(RMB100 million)*	Revenue of project
4	Namibia Twin Hills gold mine mining and beneficiation project	36.54	The project is currently undertaking the construction of a tailings dam, a 66 KV transmission line and an 11 KV substation, the realignment of the D1941 road, the pre-stripping for mining operations, the construction of beneficiation plant facilities and equipment installation.	6.54	11.85	Pursuant to the project feasibility study report, the project is designed to have a production capacity of 5 million tonnes/year, with a construction period of two years. The mine will be operated as an open-cast operation and, once operational, is expected to produce 5 tonnes of gold annually.

(c) Financial assets measured at fair value

Unit: RMB10,000

Asset class	Opening balance	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment accrued in the current period	Purchase amount of the current period	Amount sold/ redeemed in current period	Other changes	Closing balance
Stocks	328,074.86	-70,532.51						257,542.35
Trust products	51,697.68	-17.43			6,000.00	0.52		57,679.73
Private equity	203,615.34	-14,371.92			990.00	21,759.96		168,473.46
Futures	575.30	-9,092.19			85,620.28	70,111.35	6,744.86	13,736.90
Derivatives	-3,691.00	13,739.15				9,754.90	-403.68	-110.43
Others	7,072.60		-548.41		70,500.00	45,000.00		32,572.60
Receivables financing	534.14					534.14		
Total	587,878.92	-80,274.90	-548.41		163,110.28	147,160.87	6,341.18	529,894.61

Note: Other categories of financial assets are mainly the entrusted wealth management products held by SDG Capital Management, a wholly-owned subsidiary of the Company, and its subsidiaries.

(i) Investment in securities

Unit: RMB10,000

Types of securities	Stock code	Abbreviation of securities	Initial investment cost	Source of funds	Opening carrying amount	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Purchase amount of the current period	Amount sold in the current period	Investment profit and loss in the current period	Closing carrying amount	Accounting items
Funds	/	/	3,100.00	Self-owned funds	56,859.56	-8,332.21					48,527.35	Financial assets held for trading
Others	/	/	500.00	Self-owned funds	2,521.47	1,339.05					3,860.52	Financial assets held for trading
Total	/	/	3,600.00	/	59,381.03	-6,993.16					52,387.87	/

Description of securities investment

Shanjin Jinquan (Shanghai) Private Equity Fund Management Co., Ltd. (山金金泉（上海）私募基金管理有限公司) ("Jinquan Private Equity Fund"), a wholly-owned subsidiary of SDG Capital Management, is a private equity fund manager registered with the Asset Management Association of China. Shanjin Futures Co., Ltd. (山金期貨有限公司) ("Shanjin Futures") is a securities and futures operating institution established with the approval of the futures regulatory authority of the State Council, an asset management plan manager registered with the China Futures Association, and has the qualification of investment consultant. Jinquan Private Equity Fund and Shanjin Futures can invest and manage assets by setting up private equity funds and asset management plans. The securities investment projects under the fund category are Jinyuan No. 1 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源一號私募證券投資基金) and Jinyuan No. 2 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源二號私募證券投資基金) independently managed by Jinquan Private Equity Fund. The securities investment project in other categories is the Antai No. 5 Single Asset Management Plan of Caitong Fund (財通基金安泰5號單一資產管理計劃), which is 100% held by Jinquan Private Equity Fund, and has the right to make investment decisions and is consolidated.

(ii) Investment in private equity fund

Jinquan Private Equity Fund (金泉私募基金公司) is a private securities investment fund manager registered with the Asset Management Association of China and may make investments and manage assets by establishing private equity funds. As of the end of the Reporting Period, the balance of investment in consolidated private equity funds, of which SDG Capital Management and its wholly-owned subsidiaries, namely Jinquan Private Equity Fund, Shanjin Futures and Jinquan Investment Management Company (金泉投資管理公司), acted as managers with a variable return ratio exceeding 30% or non-managers but were included in the consolidation scope, amounted to RMB1.965 billion.

(iii) Derivative investments for hedging purposes during the Reporting Period

During the Reporting Period, in order to mitigate the impact and risks arising from price and exchange rate fluctuations on production and operations, and to ensure the continuity and stability of the Company's operating results, the Company and its subsidiaries (excluding Shanjin International) carried out futures and derivatives trading business for the purpose of hedging within the limits considered and approved by the Board and the general meeting: the maximum contract value held on any single trading day occupied by the Company and its subsidiaries (excluding Shanjin International) for the self-produced gold futures and derivatives trading business in 2026 is expected not to exceed RMB5.3 billion or its equivalent in other currencies, and the margin and credit facilities occupied are expected not to exceed RMB1.1 billion or its equivalent in other currencies; the maximum contract value held on any single trading day for other futures and derivatives trading business is expected not to exceed RMB5.9 billion or its equivalent in other currencies, and the margin and credit facilities occupied are expected not to exceed RMB1.3 billion or its equivalent in other currencies; the maximum contract value of gold forward contracts held on any single trading day for the gold leasing and gold forward trading combination business is expected not to exceed RMB31.5 billion or its equivalent in other currencies; the above limits may be utilised on a rolling basis during the validity period. (For details, please refer to the Announcement on Futures and Derivatives Transactions in 2026 of Shandong Gold Mining Co., Ltd. and the Announcement on Commencement of Gold Leasing and Gold Forward Transactions Combination Business in 2026 of Shandong Gold Mining Co., Ltd. disclosed by the Company on 27 March 2026).

During the Reporting Period, subject to the limits considered and approved by the Board and the general meeting, Shanjin International, a controlling subsidiary of the Company, carried out commodity futures, options and foreign exchange hedging business to mitigate the impact and risks arising from price and exchange rate fluctuations on the Company's production and operation and ensure the continuity and stability of the Company's operating performance. The maximum contract value held on any single trading day of the commodity futures, options and foreign exchange hedging business is expected not to exceed RMB16.0 billion or its equivalent in other currencies, and the maximum trading margin and premium to be utilised is expected not to exceed RMB1.2 billion or its equivalent in other currencies; the above limits may be utilised on a rolling basis during the validity period (For details, please refer to the Announcement on Commodity Futures, Options and Foreign Exchange Hedging Business Conducted by a Subsidiary of Shanjin International, a Controlling Subsidiary of Shandong Gold Mining Co., Ltd. disclosed by the Company on 9 December 2025).

Unit: RMB10,000

Type of derivative investment	Initial investment amount	Opening carrying amount	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Purchase amount during the Reporting Period	Amount sold during the Reporting Period	Closing carrying amount	Closing carrying amount as a percentage of the Company's net assets at the end of the Reporting Period (%)
Total								
The accounting policies, specific principles of accounting for hedging business during the Reporting Period, and explanations of whether there are significant changes compared with the previous reporting period	No significant change.							
Explanation on actual profit and loss during the Reporting Period	During the Reporting Period, the profit and loss arising from the derivative side of the Company's hedging activities were substantially offset by those from the corresponding spot side.							
Description of hedging effect	During the Reporting Period, the Company's hedging activities had effectively hedged against the risks of commodity price and exchange rate fluctuations, and achieved the established risk management objectives.							
Source of funds for investment in derivatives	Self-owned funds, self-raised funds and credit facilities from financial institutions. No proceeds from fundraising were used in connection with the futures and derivatives transactions.							

Type of derivative investment	Initial investment amount	Opening carrying amount	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Purchase amount during the Reporting Period	Amount sold during the Reporting Period	Closing carrying amount	Closing carrying amount as a percentage of the Company's net assets at the end of the Reporting Period (%)
Risk Analysis and Control Measures for Derivative Holdings during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	Principal Risk Analysis: 1. Operational Risk: Futures and derivatives trading are highly specialised and complex. During the course of business operations, the Company is exposed to risks of deviations in internal control implementation, trading system failures or human operational errors. 2. Market Risk: Commodity and derivatives markets are subject to significant price fluctuations. There may be instances where derivatives prices deviate from spot prices, resulting in reduced effectiveness or ineffectiveness of hedging. 3. Liquidity Risk: Futures trading operates on a margin system and a daily mark-to-market settlement mechanism. During the Reporting Period, the precious metals market experienced significant volatility, and the exchange adjusted the margin requirements. The Company mitigated the risk of insufficient margin by reasonably allocating funds. 4. Credit Risk: In the course of hedging operations, if a counterparty defaults or fails to perform its obligations in accordance with the terms of the transaction, the Company may suffer financial losses. 5. Legal and Compliance Risk: Regulatory policies and information disclosure rules relating to futures and derivatives are continuously revised and updated. If the Company's operations, information disclosure or other matters fail to meet the latest regulatory requirements, the Company may face compliance risks. Risk Control Measures: 1. Improving the Internal Control Management System: The Company has formulated internal management systems, including the Self-produced Gold Hedging Management Measures and the Bulk Trade Hedging Management Measures, which set out clear provisions on business principles, organisational structure and responsibilities, operational procedures, risk control, information disclosure, and confidentiality and records management. The Company continues to improve its internal control system to achieve institutionalised and standardised management of its operations. 2. Strengthening Organisational Structure and Professional Support: The Company has established an organisational structure suitable for futures and derivatives trading, with a dedicated professional team responsible for market research, trading decisions and day-to-day operational management. At the same time, the Company has set up trading, communication and information service facilities and systems that meet the required standards, to ensure the effective conduct of hedging operations. 3. Strict Trading Authorisation and Position Risk Management: The Company strictly implements a tiered authorisation and approval mechanism, ensuring that the scale, variety and term of transactions are strictly controlled within the approved limits, and prohibits any unauthorised trading beyond the limits. The Company adheres to the principle of segregation of incompatible duties, and has established independent clearing and risk control positions to dynamically assess the performance of hedging operations, continuously track changes in futures and derivatives prices, and ensure reasonable fund management. 4. Standardised Counterparty Management: The Company conducts on-exchange trading on legitimate trading venues such as the Shanghai Gold Exchange, the Shanghai Futures Exchange and the Chicago Mercantile Exchange. For over-the-counter transactions, the Company selects qualified large commercial banks, investment banks and other financial institutions or risk management companies as counterparties to effectively mitigate credit risks. 5. Reporting and Risk Response Mechanism: Business units regularly report to the Company on the status of hedging operations. In the event of significant loss risks, major legal disputes or other matters with material adverse implications, such matters are escalated in accordance with internal procedures and the corresponding risk warning and response procedures are initiated.							

Type of derivative investment	Initial investment amount	Opening carrying amount	Profit and loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Purchase amount during the Reporting Period	Amount sold during the Reporting Period	Closing carrying amount	Closing carrying amount as a percentage of the Company's net assets at the end of the Reporting Period (%)
Changes in Market Prices or Fair Value of Invested Derivatives during the Reporting Period (an analysis of the fair value of derivatives shall disclose the specific methods used, as well as the relevant assumptions and parameters established)	Fair value of derivatives is determined at the end of each month based on the prevailing exchange market prices.							
Litigation Involvement (if applicable)	None							
Disclosure Date of Board Announcement Regarding Derivative Investment Approval (if any)	9 December 2025, 27 March 2026.							
Disclosure Date of Shareholders' Meeting Announcement Regarding Derivative Investment Approval (if any)	16 June 2026.							

Other Explanations

The Company has applied the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting to the accounting of its qualified self-produced gold hedging business and that of its subsidiaries since 1 July 2026. This application of accounting policy does not involve retrospective adjustments to the financial data for the first half of 2026 or prior years.

4. LIQUIDITY AND CAPITAL RESOURCES

The Group requires liquidity for expansion of its mining and processing businesses, exploration activities and acquisition of exploration and mining permits. Major sources of capital of the Group are, including but not limited to, cash generated from operating activities, bank financing, bonds issued or to be issued, and placement of share capital. The liquidity of the Group depends, to a large extent, on the cash generated from its operating activities, its ability to repay debts as and when the debts fall due, and its requirements for future operating and capital expenditure.

5. COMMITMENTS

As of 30 June 2026, the Group's commitments amounted to RMB1,359,822,700, the specific details are as follows:

Project	**Closing amount** *(RMB10,000)*	**Opening amount** *(RMB10,000)*
Contracted but not recognized in the financial statements		
– Commitment to acquisition and construction of long-term assets	88,455.64	81,576.26
– Significant labour contracts	47,526.63	45,468.57
Total	135,982.27	127,044.83

6. *GEARING RATIO*

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As of 30 June 2026, the Group's consolidated total debt was RMB109,898.41 million (RMB105,994.53 million as of 31 December 2025), and the Group's consolidated total equity was RMB67,655.24 million (RMB64,379.63 million as of 31 December 2025). As of 30 June 2026, the Group's gearing ratio was approximately 162.44% (approximately 164.64% as of 31 December 2025).

7. *RESTRICTIONS ON MAIN ASSETS AS OF THE END OF THE REPORTING PERIOD*

Unit: RMB

Item	Closing carrying amount	Reasons for restrictions
Monetary funds	2,687,181,622.51	Security deposits for land reclamation and environmental governance, etc.
Inventories	170,181,271.79	The trading margin was obtained through the pledge of inventories under the subsidiary's trading business
Other non-current assets	1,329,800.00	The advance payment for the exploration right guarantee was subject to a tripartite supervision agreement signed by Jincheng Shengxin, Team 602 of the Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank, pursuant to which the balance of such payment is frozen and placed under the supervision of the three parties.
Total	**2,858,692,694.30**	–

8. *MAJOR INVESTMENT, ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES*

Save as disclosed in this announcement, for the six months ended 30 June 2026, the Group had no major investments, nor major acquisitions or disposals of subsidiaries, associates and joint ventures.

9. PLEDGE OF ASSETS

As of 30 June 2026, the Group did not have any other material pledge of assets, save as disclosed in this announcement.

10. CONTINGENT LIABILITIES

As of 30 June 2026, the Group had no material contingent liabilities.

11. SIGNIFICANT CHANGES IN THE COMPANY'S OPERATIONS DURING THE REPORTING PERIOD, AND MATTERS OCCURRING DURING THE REPORTING PERIOD THAT HAVE HAD A MATERIAL IMPACT ON THE COMPANY'S OPERATIONS OR ARE EXPECTED TO HAVE A MATERIAL IMPACT IN THE FUTURE

To ensure the Company's sustainable and high-quality development, since 2026, the Company has comprehensively intensified efforts to advance resource integration projects in the Yantai region, including the Jiaojia Gold Mine, Xincheng Gold Mine, Sanshandao Gold Mine, and Penglai Mining. In response to the trend of stricter safety regulations in the industry, the Company has implemented measures to enhance safety management and strengthen safety standardization. At the same time, it has coordinated infrastructure development with production and reduced the number of active mining faces. These efforts are expected to have a certain impact on the Company's 2026 gold production from mines and the achievement of its annual production and operational targets; however, the specific extent of this impact has not yet been determined.

The aforementioned arrangements are essential measures for enhancing intrinsic safety and strengthening the momentum for sustainable development. The Company will optimize resource allocation, scientifically organize construction work, and accelerate project development while reinforcing safety management measures. In the future, as projects are progressively completed and put into operation and the synergies from integration gradually materialize, the aforementioned impacts will be progressively mitigated, thereby creating more robust and sustainable value returns for Shareholders.

(V) POSSIBLE RISKS

The Company strengthened the top-level design of risk management, clarified the risk management responsibilities of the Board, management and various departments and positions, and built a standardized and robust risk prevention and control system and mechanism covering all business processes and procedures, so as to effectively prevent and resolve various risks.

Investors are advised that the Company has identified major risks and formulated various countermeasures, and however, the Company cannot completely eliminate all adverse factors due to constraints of various factors.

1. Energy Conservation and Environmental Protection Management Risks

Amid increasingly stringent national policies, regulations, and regulatory enforcement in the field of ecological and environmental protection, particularly under the overall context where the “dual carbon” policy has set higher requirements for accelerating the green and low-carbon transformation, the Company’s capacity for green and high-quality development still requires further enhancement. In the event of major environmental pollution incidents, violations of energy conservation and environmental protection laws and regulations, or exposure as a typical negative case, it will have a significant impact on the Company’s healthy and sustainable development as well as its public image.

Countermeasures: We will adhere to the overarching principle of “Party and government sharing responsibility, with one post bearing dual responsibilities”, strictly implement the ecological and environmental protection responsibility system and the ecological and environmental protection responsibility agreements signed by all employees, and establish a sound, systematic, practical, and effective institutional system, responsibility system, and assessment and evaluation system for ecological and environmental protection. We will strengthen the organizational structure and talent team development for ecological and environmental protection, enhance personnel education and training, and build a specialized technical and management team. We will increase investment in environmental protection, strengthen the whole-process management of environmental protection projects, and ensure effective implementation and tangible results. We will fully implement the principles of precise, science-based, and law-based pollution control, and coordinately advance carbon reduction, pollution reduction, green expansion, and growth. We will intensify the investigation and remediation of ecological and environmental hazards, and implement special campaigns for the standardized management of solid waste throughout the entire process and comprehensive remediation. We will strengthen scientific and technological innovation in the environmental protection field, and focus on the full-process reduction and green resource utilization of tailings and cyanide residue, mine water treatment and utilization, non-cyanide and low-cyanide green gold extraction technologies, and make precise efforts in refined control of fugitive dust emissions. We will strengthen energy conservation and consumption reduction management, carry out benchmarking, evaluation and verification of enterprise energy consumption, and promote the informatization of enterprise energy management. We will improve the environmental emergency response system, organize all enterprises to timely formulate or revise emergency response plans for environmental incidents, strengthen drills, maintain sufficient emergency supplies, and enhance emergency response capabilities.

2. *Production Safety Incident Risks*

Amid continuously rising regulatory requirements from governments at all levels, higher demands have been placed on the Company's safety management. The Company's mines are primarily underground operations. Affected by factors such as natural conditions, deep-well mining, technological capabilities, personnel competency, and industry-specific objective conditions, the Company still has certain deficiencies in the implementation of safety production responsibilities, identification and remediation of hidden dangers, upgrading of equipment and facilities, and safety education and training. There is a risk of production safety incidents, which could constrain the achievement of the Company's intrinsic safety goals. In the event of major casualties and property losses, it will have a significant impact on the Company's production and operations, brand, and social reputation.

Countermeasures: We will firmly uphold the principle that safety is placed "above all else, prior to all else, more important than all else, and overriding all else". We will revise various safety production management systems, reinforce the safety responsibility system of all employees through the signing of safety production responsibility agreements at each level, improve the safety quality of safety managers and operational personnel, and strengthen the foundation of safety management. We will strengthen prevention at the source, solidly advance the standardization of safety production, deepen and consolidate the achievements of the three-year action to tackle the root causes of safety production, and improve the safety production management system centered on the dual prevention mechanism of safety risk classification control and hidden danger investigation and management. We will accelerate the risk prevention and control of deep-well mining, carry out systematic rectification of hidden dangers in key areas such as hoisting and transportation, mechanical and electrical equipment, and strengthen the investigation and management of concealed disaster-causing factors. We will advance the construction of intelligent mines based on the principle of "replacing personnel with mechanization, reducing personnel with automation, and achieving unmanned operations with intelligence", to continuously enhance the intrinsic safety level of mines.

3. Resource Acquisition Risk

With the intensification of global competition for mineral resources, the tightening regulatory policies on resource control and industry supervision in some countries, and the high asset valuations driven by changes in the market environment, project transaction costs and the difficulty of merger and acquisition implementation have been further elevated. These factors pose certain challenges to the Company's resource acquisition and merger and acquisition integration, which may adversely affect the replenishment of the Company's resource reserves and the continuous expansion of production capacity scale.

Countermeasures: We will continue to intensify exploration efforts on self-owned mining rights, focusing closely on the deep and surrounding areas of mines to consistently enhance resource confidence, and further expand our advantages in production capacity and resource scale. We will accelerate the exploration process of primary mining rights and strive to achieve continuous breakthroughs in mineral discovery. We will strengthen the leading role of science and technology, achieve new breakthroughs in ore-forming and prospecting theories as well as regional exploration, step up merger and acquisition efforts for mining rights in important metallogenic belts, align with national resource strategies, accelerate the pace of global expansion, and continuously increase the proportion of resource reserves outside the province and abroad.

4. Risks of Fluctuation in Product Prices

The Company's main product is gold, and its price fluctuations directly affect the operating performance. Persistent uncertainties in the global policy environment, the prolonged nature of geopolitical conflicts, coupled with adjustments in monetary policies, fiscal policies, industry regulatory policies, and regional development policies of major economies, may all trigger fluctuations in gold prices. Furthermore, exchange rate fluctuations exhibit a strong correlation with gold pricing, particularly changes in the US dollar exchange rate, which directly influence gold valuation. The interplay of these factors contributes to more complex gold price dynamics, posing ongoing challenges to the stability of the Company's profitability.

Countermeasures: We will continuously refine and optimize our research framework for gold prices, further enhancing our analysis and judgment capabilities. We will engage in regular in-depth exchanges with external institutions to comprehensively improve our ability to analyze and judge price trends. By closely monitoring market developments, we will explore the use of appropriate hedging instruments and formulate diversified strategies to effectively mitigate the adverse impact of price fluctuations on the Company.

(VI) OVERVIEW OF CORPORATE BONDS

Unit: RMB100 million

Name of Bond	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	The Latest Putback Date after 31 August 2026	Date of Maturity	Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest	Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investor	Mechanism of Trading	Whether There is a Risk of Termination of the Listing or Suspension
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (See Note 1 for details)	Lujin KY01	240265	2023/11/15	2023/11/17	–	2026/11/17	20	3.19	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investor	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (See Note 2 for details)	Lujin KY02	240334	2023/11/23	2023/11/27	–	2026/11/27	20	3.22	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investor	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No

Name of Bond	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	The Latest Putback Date after 31 August 2026	Date of Maturity	Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest	Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investor	Mechanism of Trading	Whether There is a Risk of Termination of the Listing or Suspension
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1)	24 Lujin K1	240785	2024/03/25	2024/03/27	–	2029/03/27	20	2.80	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investor	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 1)	24 Lujin K3	241624	2024/9/10	2024/09/12	–	2027/09/12	10	2.12	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investor	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No

Name of Bond	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	The Latest Putback Date after 31 August 2026	Date of Maturity	Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest	Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investor	Mechanism of Trading	Whether There is a Risk of Termination of the Listing or Suspension
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 2)	24 Lujin K4	241625	2024/9/10	2024/09/12	–	2034/09/12	10	2.50	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investor	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No

Note 1: The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) takes every three interest-bearing years as one cycle, and at the end of each cycle, the Company has the right to choose to extend the bond term by one cycle (i.e. extend three years), or choose to settle the bond in full when it matures at the end of the cycle.

Note 2: The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) takes every three interest-bearing years as one cycle, and at the end of each cycle, the Company has the right to choose to extend the bond term by one cycle (i.e. extend three years), or choose to settle the bond in full when it matures at the end of the cycle.

(VII) OTHER INFORMATION

1. *STAFF OF THE GROUP*

For the six months ended 30 June 2026, the staff cost of the Group (including Directors' remuneration in the form of salaries and other benefits) amounted to RMB3,796 million.

The Company is strategically oriented, and based on the principle of market-oriented allocation, has established a post-performance salary system that is competitive, fair, and motivating internally, and offering competitive salary in line with the external market rate to enhance the performance of employees. The annual salary standard of senior management is determined according to the market rate of his/her respective position and fulfillment of one's target responsibility signed by the senior management annually.

The Group ensured that the remuneration packages of employees are competitive and the remuneration level of its employees was determined on the basis of work performance, with reference to the profitability of the Group, industry remuneration standards and market conditions within the general framework of the Group's remuneration system.

The Company adheres to an open and inclusive talent philosophy, firmly upholding the candidate selection and appointment direction of "morality first, equal stress on integrity and ability, emphasis on actual performance and public recognition", and focusing on the development of three talent teams in management, technology and skill. Through multi-dimensional efforts encompassing platform development, targeted cultivation and introduction, mechanism innovation, and ecosystem optimization, the Company has built a solid talent highland. It has flexibly introduced top-tier talents in fields such as geology and mining to play a leading role. The Company has deepened its collaboration with universities including Northeastern University to jointly cultivate engineering master's and doctoral students, reinforcing its core technical workforce. It has established an integrated model of self-evaluation and skills competitions, innovatively developed a vocational skill self-evaluation system for unique job categories in the gold mining industry, filled a gap in the national industry, and cultivated outstanding industrial workers. The Company has conducted regular recruitment campaigns for campus graduates, industrial workers, and high-level talents, continuously optimizing the age and structure of its talent pool. It has continuously improved its selection and appointment mechanisms and advanced the development of its young cadre teams. The Company has refined its professional and technical title system to facilitate career development pathways. Through the drive of key projects, it has strengthened its scientific research talent teams, promoting breakthroughs in core technologies and the efficient transformation of research outcomes.

2. *INTERIM DIVIDEND*

On 21 July 2026, the Company held the 15th meeting of the seventh session of the Board of Directors, at which the Resolution on the 2026 Interim Profit Distribution Plan of the Company was considered and approved, pursuant to which a cash dividend of RMB1.00 (tax inclusive) per 10 Shares would be distributed to all Shareholders. The Company's interim profit distribution plan was formulated and implemented based on the latest periodic report before the convening of the Board meeting, namely the 2026 First Quarterly Report. As of the date of this Board meeting, the total share capital of the Company was 4,609,929,525 Shares, and based on this, the cash dividend amounted to RMB460,992,952.50. The 2026 interim cash dividend of the Company represented 34.84% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the current period.

The profit distribution does not involve any bonus shares or capitalisation of capital reserves.

The 2026 interim cash dividend for A Shares of the Company was fully distributed on 21 August 2026, and the 2026 interim cash dividend for H Shares will be distributed on 7 September 2026.

If the total share capital changes before the record date for the equity distribution, the total dividend amount will remain unchanged, with corresponding adjustments to the distribution per share, and specific adjustments will be announced separately. This profit distribution plan falls within the authority delegated by the 2025 annual general meeting of the Company to the Board of Directors and is within the validity period, and was reviewed and approved by the Board of Directors on 21 July 2026, this profit distribution plan does not need to be submitted to the general meeting for deliberation. For details, please refer to the announcement of the Company dated 21 July 2026.

The 2026 interim dividend is denominated and declared in RMB, and has been distributed in RMB to A Shareholders and investors participating in the Shanghai-Hong Kong Stock Connect Program, and will be paid in Hong Kong dollar to H Shareholders. The cash dividend per H Share amounted to HKD0.115436 (tax inclusive). For the purpose of determining the identity of H Shareholders who are entitled to receive the 2026 interim dividend, the H Share register of members of the Company was closed from 18 August 2026 to 21 August 2026, both days inclusive, and the 2026 interim dividend will be paid to the Shareholders whose names appear on the H Share register of members of the Company on 21 August 2026. The 2026 interim dividend is expected to be paid on 7 September 2026. For details, please refer to the announcement of the Company dated 3 August 2026.

3. MATERIAL CHANGE

Save as disclosed herein, there has been no material change in respect of the future developments in the business of the Group since the publication of the Company's 2025 annual report.

4. CORPORATE GOVERNANCE

The Company, being a company listed in Hong Kong and Shanghai, strictly complies with the laws, regulations and regulatory documents of the places where its Shares are listed, and strives to protect and enhance its corporate image. The Company continues to improve its corporate governance structure in compliance with the PRC Company Law and the regulations and requirements of the CSRC, the SFC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Company is committed to the maintenance of good corporate governance practices. The Board is of the opinion that the Company had complied with all the applicable code provisions as set out in the CG Code during the Reporting Period.

5. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

6. AUDIT COMMITTEE

The audit committee has reviewed the interim results of the Group for the six months ended 30 June 2026 and further discussed the auditing, internal control and financial reporting matters. The audit committee considers that the interim results of the Group for the six months ended 30 June 2026 are in compliance with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure.

7. *PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES*

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares, if any) of the Company.

As at 30 June 2026, the Company did not hold any treasury shares.

8. *OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD*

On 29 May 2026, the Board proposed amendments to the Management System for Related Party Transactions, the Decision-making System for External Guarantees and the Management Measures for Raised Funds, as well as the formulation of the Remuneration Management System for Directors and Senior Management. The above proposed amendments and formulation of the four systems were approved by the Shareholders at the first extraordinary general meeting of the Company held on 26 June 2026. For details, please refer to the Company's announcements dated 29 May 2026 and 26 June 2026, as well as the circular dated 3 June 2026 published on the website of the Hong Kong Stock Exchange.

On 29 May 2026 (after trading hours), the Board approved the Supplemental Agreement (the "Supplementary Agreement") to the New Financial Services Framework Agreement entered into between the Company and Shandong Gold Group Finance Co., Ltd. ("SDG Finance Co."), to revise certain annual caps for the deposit services and financing services under the New Financial Services Framework Agreement for the financial years ending 31 December 2026 and 31 December 2027. The Supplementary Agreement and the transactions contemplated thereunder were approved by the Shareholders at the 2026 first extraordinary general meeting of the Company held on 26 June 2026. For details, please refer to the Company's announcements dated 29 May 2026 and 26 June 2026, as well as the circular dated 3 June 2026 published on the website of the Hong Kong Stock Exchange.

On 22 June 2026, Mr. Liu Qin resigned as vice chairman, non-executive Director of the Company and his positions in certain Board committees due to work adjustment, with effect from 22 June 2026. On the same day, the Board proposed Mr. Wang Chenglong ("Mr. Wang") to be elected as a candidate for the non-independent Director of the seventh session of the Board. On 10 July 2026, Mr. Han Yaodong resigned as chairman, legal representative, non-executive Director of the Company and his positions in certain Board committees due to work reassignment arising from organizational arrangements, with effect from 10 July 2026. On the same day, Mr. Wang was elected as a non-independent Director at the 2026 second extraordinary general meeting of the Company. The Board confirmed Mr. Wang as an executive Director, and elected him as chairman and legal representative, with the composition of the Board committees adjusted accordingly, for a term expiring upon the expiration of the term of the seventh session of the Board. For details, please refer to the Company's announcements dated 22 June 2026 and 10 July 2026, as well as the circular dated 24 June 2026 published on the website of the Hong Kong Stock Exchange.

9. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 30 July 2026, the Board proposed Mr. Gao Yongtao as a candidate for the independent non-executive Director of the seventh session of the Board. On 21 August 2026, Mr. Gao Yongtao was elected as an independent non-executive Director of the seventh session of the Board at the 2026 third extraordinary general meeting of the Company, for a term expiring upon the expiration of the term of the seventh session of the Board. Upon the election of Mr. Gao Yongtao as an independent non-executive Director of the seventh session of the Board of Directors, Mr. Zhan Kai resigned as an independent non-executive Director of the seventh session of the Board of Directors and from his positions on certain Board committees on the same date due to personal reasons, namely his intention to devote more time to personal matters. Following the resignation of Mr. Zhan Kai, the Company failed to comply with (i) the composition requirement for the audit committee under Rule 3.21 of the Hong Kong Listing Rules, which requires that the audit committee comprise at least three members; and (ii) the composition requirement for the nomination committee under Rule 3.27A of the Hong Kong Listing Rules, which requires that the nomination committee be chaired by the chairman of the Board of Directors or an independent non-executive Director. For details, please refer to the Company's announcements dated 29 December 2025, 30 July 2026 and 21 August 2026, as well as the circular dated 3 August 2026 published on the website of the Hong Kong Stock Exchange.

On 28 August 2026, Mr. Gao Yongtao was appointed as a member of the strategy committee, a member of the sustainability committee, a member of the audit committee, the chairman of the nomination committee, and a member of the remuneration and appraisal committee of the seventh session of the Board. Upon the above changes to the composition of the Board committees, the Company has re-complied with Rules 3.21 and 3.27A of the Hong Kong Listing Rules. For details, please refer to the Company's announcement dated 28 August 2026 published on the website of the Hong Kong Stock Exchange.

Save for the matters mentioned above and those disclosed in other sections of this announcement, no other events having a material impact on the Group have occurred subsequent to 30 June 2026 and up to the date of this announcement.

10. PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.sdhjgf.com.cn), and the 2026 interim report of the Company containing all the information required by the Hong Kong Listing Rules will be published on the above websites in due course.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

"A Share(s)"	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.0 each, which are listed on the Shanghai Stock Exchange;
"Articles of Association"	the articles of association of the Company;
"Board" or "Board of Directors"	the board of Directors of the Company;
"Cardinal"	Cardinal Resources Limited;
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules;
"China" or the "PRC" or "State"	The People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan;
"CSRC"	China Securities Regulatory Commission;

“Director(s)”	the director(s) of the Company;
“Group” or “we”	the Company and all of its subsidiaries;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.0 each, which are listed on the Hong Kong Stock Exchange;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Jiaojia Gold Mine”	Jiaojia Gold Mine, Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司焦家金礦);
“Jinzhou Company”	Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司);
“Linglong Gold Mine”	Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司);
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules;
“Penglai Mining”	Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司);
“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time;
“Prospectus”	the prospectus issued by the Company in connection with the Hong Kong public offering dated 14 September 2018;
“Reporting Period”	the period from 1 January 2026 to 30 June 2026;
“RMB”	Renminbi, the lawful currency of China;
“Sanshandao Gold Mine”	Shandong Gold Mining (Laizhou) Co., Ltd., Sanshandao Gold Mine (山東黃金礦業(萊州)有限公司三山島金礦);

"SDG Capital Management"	SDG Capital Management Co., Ltd. (山金金控資本管理有限公司);
"SDG Group"	SDG Group Co. and all of its subsidiaries;
"SDG Group Co."	Shandong Gold Group Co., Ltd. （山東黃金集團有限公司), a limited liability company incorporated in the PRC on 16 July 1996, the controlling Shareholder of the Company; as of the date of this announcement, SDG Group Co. is held as to 70%, 20% and 10% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government （山東省人民政府國有資產監督管理委員會）, Shandong Development & Investment Holding Group Co., Ltd.（山東發展投資控股集團有限公司） （formerly known as Shandong Guohui Investment Holding Group Co., Ltd.（山東國惠投資控股集團有限公司）） and Shandong Caixin Assets Management Co., Ltd.* （山東省財欣資產運營有限公司）, respectively. Shandong Development & Investment Holding Group Co., Ltd. is a limited liability company established in the PRC and is owned as to 97.88% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government;
"SDG Group Finance"	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司), a company incorporated in the PRC with limited liability on 17 July 2013, which is held as to 30% by the Company and 70% by SDG Group Co.;
"SFC"	The Securities and Futures Commission of Hong Kong;
"Shandong Gold", "Company" or "the Company"	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company incorporated in the PRC under the laws of the People's Republic of China with limited liability on 31 January 2000, the H Shares and A Shares of which are listed on the main board of the Hong Kong Stock Exchange (stock code: 1787) and the Shanghai Stock Exchange (stock code: 600547) respectively;
"Shanghai Gold Exchange"	Shanghai Gold Exchange (上海黃金交易所);
"Shanghai Stock Exchange" or "SSE"	Shanghai Stock Exchange (上海證券交易所);
"Shanjin International"	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) (formerly "Yintai Gold Co., Ltd. (銀泰黃金股份有限公司)"), a joint stock company established in the PRC with limited liability on 18 June 1999, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000975), and a controlling subsidiary of the Company;

“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Share(s) and our H Share(s);
“Shareholder(s)”	holder(s) of the Share(s);
“USD”	United States dollar, the lawful currency of the United States; and
“Xincheng Gold Mine”	Xincheng Gold Mine, Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司新城金礦).

By order of the Board
Shandong Gold Mining Co., Ltd.
Wang Chenglong
Chairman

Jinan, the PRC, 28 August 2026

As at the date of this announcement, the executive Directors are Mr. Wang Chenglong, Mr. Xiu Guolin, Mr. Xu Jianxin, Mr. Tang Qi and Ms. Liu Yanfen; and the independent non-executive Directors are Mr. Gao Yongtao, Mr. Liew Fui Kiang and Ms. Zhao Feng.