



SD GOLD

山東黃金礦業股份有限公司 SHANDONG GOLD MINING CO., LTD.

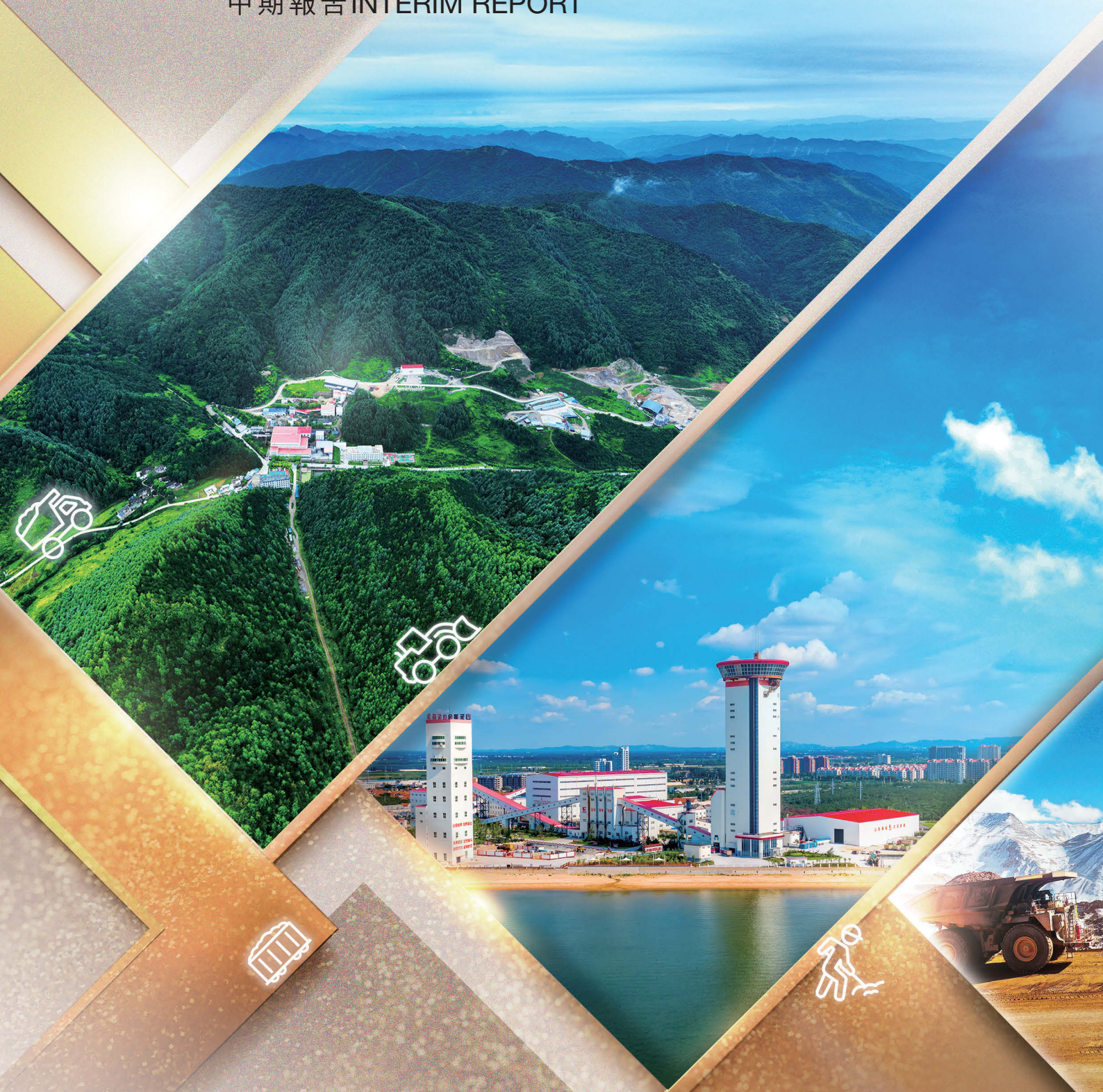
(於中華人民共和國註冊成立的股份有限公司)

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

A Share Stock Code A股份代號：600547 H Share Stock Code H股份代號：1787

2026

中期報告INTERIM REPORT



IMPORTANT NOTES

- I. The Board and the Directors, and senior management of the Company guarantee that the content of this interim report is true, accurate, and complete without any false information, misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.**
- II. All Directors of the Company have attended the meetings of the Board.**
- III. This interim report has not been audited.**
- IV. Wang Chenglong, the person in charge of the Company, Teng Hongmeng, the person in charge of accounting work and Li Rui, the person in charge of the accounting department (accountant in charge), have declared that they guarantee the authenticity, accuracy and completeness of the financial statements contained in this interim report.**
- V. Resolutions of profit distribution or capitalisation of capital reserves of the Company for the Reporting Period passed by the Board**

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 interim cash dividend for the Company's A-shares in 2026 was fully distributed on 21 August 2026, and the 2026 interim cash dividend on H Shares was distributed on 7 September 2026.

VI. Declaration on risk from forward-looking statements

☒ Applicable ☐ N/A

Forward-looking statements such as future plans and development strategy contained in this report do not constitute substantial undertakings of the Company to investors. Investors are advised to be cautious about investment risks.

IMPORTANT NOTES

VII. Whether the controlling shareholders and other related parties have misappropriated the Company's funds for non-operational purpose

No

VIII. Whether any external guarantees are provided in violation of any specified decision-making procedures

No

IX. Whether more than half of the Directors cannot guarantee the truthfulness, accuracy and completeness of the interim report disclosed by the Company

No

X. Important risk warnings

The Company has described in detail the risks that it may be exposed to in this report. Investors are directed to the relevant content in "Material changes in the operation of the Company during the Reporting Period and events that occurred during the Reporting Period that have had a significant impact on the operation of the Company and are expected to have a significant impact in the future" of II. "DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE" and Item (I) "Potential Risks" of V. "OTHER DISCLOSURES" of Section 3 "Management Discussion and Analysis" of this report.

XI. Others

☐ Applicable ☒ N/A

XII. The Company prepared this interim report in both English and Chinese. In the event of any discrepancies between the English version and the Chinese version of this interim report, the Chinese version shall prevail.

XIII. In this interim report, unless otherwise specified, all amounts are denominated in Renminbi.

XIV. In this interim report, the discrepancies in the decimal place between the sum of the amount of each sub-item and the grand total are due to rounding.

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SECTION 1 DEFINITIONS

Unless the context otherwise requires, the following terms should have the following meanings in this report:

DEFINITION OF FREQUENTLY USED TERMS

“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 Shandong Gold Mining Co., Ltd.
“Board” or “Board of Directors”	the board of Directors of the Company
“Cardinal”	Cardinal Resources Limited (卡帝諾資源有限公司)
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Changtai Mining”	Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限公司)
“Chifengchai Mine”	Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)
“Controlling Shareholder”, “SDG Group” or “Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Dongfeng Exploration Right”	the exploration right (general exploration) of the Dongfeng mine deposit in Linglong mine area, Lijiazhuang, Zhaoyuan, Shandong Province (山東省招遠市玲瓏金礦田李家莊東風礦床)
“Dongfeng Mining Right”	the mining right of Dongfeng mine area of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司東風礦區)
“Gold Geological Exploration”	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)
“Guilaizhuang Company”	Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)
“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

SECTION 1 DEFINITIONS

“Hong Kong Company” or “SDG Hong Kong”	Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)
“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)
“Jinmao Mining”	Yantai Jinmao Mining Co., Ltd. (煙台市金茂礦業有限公司)
“Jinzhou Company”	Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)
“Laizhou Company”	Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)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
“Non-ferrous Group”	Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)
“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》)
“Reporting 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 Finance Co.”	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

SECTION 1 DEFINITIONS

“Shandong Gold” or “Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)
“Shanjin International”	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“SSE” or “Shanghai Stock Exchange”	Shanghai Stock Exchange
“US\$”	United States dollar, the lawful currency of the United States
“Veladero Gold Mine”	Veladero Gold Mine, Argentina (阿根廷貝拉德羅金礦)
“Xihe Zhongbao”	Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)
“Xiling Gold Mine Exploration Right”	the exploration and prospecting right of the gold mine at Xiling Village in Laizhou City, Shandong Province (山東省萊州市西嶺村金礦)
“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)
“Xinjiang Jinchuan Mining” or “Jinchuan Mining”	Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)
“Xinli Mining Exploration Right”	the exploration right of the Xinli Village Gold Mine Exploration, Laizhou, Shandong Province (山東省萊州市新立村金礦)
“Yinan Gold Mine”	Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. INFORMATION OF THE COMPANY

Chinese name of the Company	山東黃金礦業股份有限公司
Chinese abbreviation	山東黃金
English name of the Company	Shandong Gold Mining Co., Ltd.
English abbreviation	SD-GOLD
Legal representative of the Company	Wang Chenglong

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Representative for Securities Affairs
Name	Wang Yi	Zhang Ruying
Contact address	No. 2503, Jingshi Road, Licheng District, Jinan	No. 2503, Jingshi Road, Licheng District, Jinan
Telephone	0531-67710376	0531-67710376
Facsimile	0531-67710380	0531-67710380
E-mail	hj600547@163.com	hj600547@163.com

III. BASIC INFORMATION

Registered address of the Company	No. 2503, Jingshi Road, Licheng District, Jinan
Historical changes to the registered address of the Company	On 31 January 2000, the registered address of the Company at the time of its establishment was "No. 16, Jiefang Road, Jinan"; on 8 December 2010, the registered address was changed to "Building No. 3, Shuntai Plaza, Shunhua Road No. 2000, Jinan"; on 26 January 2021, the registered address was changed to "No. 2503, Jingshi Road, Licheng District, Jinan".
Office address of the Company	No. 2503, Jingshi Road, Licheng District, Jinan
Postal code of the office address of the Company	250100
Company's website	www.sdhjgf.com.cn
E-mail	hj600547@163.com
Principal place of business in Hong Kong	Rooms 4003-06, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

IV. CHANGE OF INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name of newspaper designated for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website for publishing the A Share interim report	www.sse.com.cn
Website of the Hong Kong Stock Exchange designated for the publication of the Company's H Share interim report	www.hkexnews.hk
Place for inspection of the Company's interim report	Office of the Board of the Company

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

V. INFORMATION OF THE COMPANY'S SHARES

Type of Shares	Place of listing of the Shares	Stock abbreviation	Stock code	Stock abbreviation before change
A Shares	Shanghai Stock Exchange	SD GOLD	600547	Nil
H Shares	Hong Kong Stock Exchange	SD GOLD	1787	Nil

VI. OTHER RELATED INFORMATION

☐ Applicable ☒ N/A

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Major Accounting Data

Unit: RMB			
Major accounting data	For the Reporting Period (January – June)	For the corresponding period of last year	Increase/decrease for the Reporting Period as compared with the corresponding period of last year (%)
Operating revenue	53,587,760,376.93	56,765,895,355.68	-5.60
Total profit	8,156,096,717.96	5,483,379,971.67	48.74
Net profit attributable to shareholders of the listed company	3,543,114,145.74	2,808,157,860.94	26.17
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	3,543,934,078.39	2,809,502,578.83	26.14
Net cash flows generated from operating activities	7,770,589,430.90	10,502,900,464.64	-26.01

	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared with the end of last year (%)
Net assets attributable to shareholders of the listed company	47,137,192,506.79	44,899,269,631.44	4.98
Total assets	177,553,651,820.08	170,374,158,329.33	4.21

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Note: 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 (Announcement No: Lin 2026-024). 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%.

(II) Key Financial Indicators

Key financial indicators	For the Reporting Period (January – June)	For the corresponding period of last year	Increase/ decrease for the Reporting Period as compared with the corresponding period of last year (%)
Basic earnings per Share (RMB/Share)	0.72	0.57	26.32
Diluted earnings per Share (RMB/Share)	0.72	0.57	26.32
Basic earnings per Share after deducting non-recurring profit or loss (RMB/Share)	0.72	0.57	26.32
Weighted average return on net assets (%)	10.15	9.81	Increase by 0.34 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	10.16	9.81	Increase by 0.35 percentage points

Explanation on the key accounting data and financial indicators of the Company

√ Applicable □ N/A

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 the abovementioned key financial indicators, including basic earnings per Share, diluted earnings per Share, basic earnings per Share after deducting non-recurring profit or loss, weighted average return on net assets and weighted average return on net assets after deducting non-recurring profit or loss.

VIII. ACCOUNTING DATA DIFFERENCES UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

□ Applicable √ N/A

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

√ Applicable □ N/A

Unit: RMB

Non-recurring profit or loss item	Amount	Note (where applicable)
Gain or loss on disposal of non-current assets, inclusive of impairment allowance write-off	-5,727,469.35	
Government subsidies included in current profit or loss, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits or conditions	12,624,069.18	
Gains and losses on fair value changes arising from financial assets and financial liabilities held by non-financial entities, and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	43,161,200.47	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or asset under management		
Gains and losses on external entrusted loans		
Loss of assets due to force majeure events, such as natural disasters		
Reversal of the impairment provision for receivables which is tested individually for impairment		
Gain from the excess of the investor's share of the fair value of the investees' identifiable net assets at the time of acquisition over the cost of investment in the Company's subsidiaries, associates and joint ventures	4,218,185.09	
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gains and losses on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-time costs incurred by the enterprise due to the fact that the relevant business activities have discontinued, such as expenses for relocating employees		
One-time effect of adjustment according to the requirements of tax and accounting laws and regulations on current profit or loss		
One-time share-based payment expense recognized for cancellation and modification of share incentive schemes		
For cash settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of options		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Non-recurring profit or loss item	Amount	Note (where applicable)
Gain or loss incurred by transactions with obviously unfair transaction price		
Gain or loss on other contingencies which are not related to the Company's normal operations		
Entrusted fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	-24,433,148.45	
Other gain or loss items falling within the definition of non-recurring profit or loss		
Less: Effect of income tax	9,440,448.83	
Effect of non-controlling interests (after tax)	21,222,320.76	
Total	-819,932.65	

The investment businesses engaged by the Company's subsidiary, SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), and its subsidiaries are all directly related to the normal business operations. Therefore, the Company's management did not classify the gains and losses on fair value changes arising from financial assets and financial liabilities held by the above subsidiaries, nor did it classify gains and losses arising from the disposal of financial assets and financial liabilities, as non-recurring gains and losses.

For the items not listed in "Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items" (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) recognised by the Company as non-recurring profit and loss items with significant amounts, as well as the non-recurring profit and loss items listed in "Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items" (《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) defined by the Company as recurring profit and loss items, the reasons shall be explained.

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount	Reason
Income from custody fee of entrusted operation	1,886,792.49	

The Company has entered into equity trusteeship agreements with Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司), Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), and Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司), respectively. Under these agreements, the annual trusteeship income is fixed, and the agreements remain in effect from the trusteeship commencement date until the completion of the equity transfer. Accordingly, the Company's management does not classify profit or loss related to these trusteeships as non-recurring profit or loss.

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

X. NET PROFIT AFTER THE IMPACT OF DEDUCTING SHARE-BASED PAYMENTS TO BE DISCLOSED BY CHOICE FOR COMPANIES WITH SHARE INCENTIVE AND EMPLOYEE SHARE SCHEMES

☐ Applicable ☒ N/A

XI. OTHERS

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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

(I) Business Scope

During the Reporting Period, the Company's approved business scope was mainly: exploration, mining, beneficiation, smelting 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 in South America, and Ghana and Namibia in 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.

(II) 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"

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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.

(III) 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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%.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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%.

Description of significant new non-principal businesses of the Company during the Reporting Period

☐ Applicable ☒ N/A

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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(I) 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 was 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 RMB735 million 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.

(II) 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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.

(III) 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.

(IV) 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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.

(V) 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, thereby ensuring 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VI) 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.

Material changes in the operation of the Company during the Reporting Period and events that occurred during the Reporting Period that have had a significant impact on the operation of the Company and are expected to have a significant impact in the future

☒ Applicable ☐ N/A

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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

III. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√ Applicable □ N/A

(I) 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.

(II) 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).

(III) 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) 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.

(V) 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Brand Advantage

The Company has firmly established and actively put into practice the development philosophy that “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 company 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. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) 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
Finance costs	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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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 finance costs: The decrease in finance costs 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. Details of the material changes in types of business, profit components or income sources of the Company in the current period

☐ Applicable ☒ N/A

(II) Description of Material Change in Profit Due to non-Main Business

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis of Assets and Liabilities

√ Applicable □ N/A

1. Status of assets and liabilities

Unit: RMB

Items	Closing balance for the current period	Closing balance for the current period as a percentage of total assets (%)	Closing balance for the last year	Closing balance at the end of last year as a percentage of total assets (%)	Percentage change in closing balance compared with the end of last year (%)	Explanations
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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Overseas assets

☒ Applicable ☐ N/A

(1) Size of assets

Including: overseas assets of 273.97 (Unit: RMB100 million), accounting for 15.43% of the total assets.

(2) Relevant details of a higher proportion of overseas assets

☐ Applicable ☒ N/A

3. Restrictions on main assets as of the end of the Reporting Period

☒ Applicable ☐ N/A

Item	Closing carrying amount (RMB)	Reason for restriction
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	Advanced security deposit for exploration rights 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	–

4. Other explanations

☐ Applicable ☒ N/A

(IV) Analysis of Investments

1. Overall analysis on external equity investment

☐ Applicable ☒ N/A

(1) Key equity investments

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(2) Key non-equity investments

√ Applicable □ N/A

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 290,600 tonnes (gold content of 18,854 kg/year).
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.
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, it 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(3) Financial assets measured at fair value

√ Applicable □ N/A

Unit: RMB0'000

Asset class	Opening balance	Gains and losses 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.

Investment in securities

√ Applicable □ N/A

Unit: RMB0'000

Types of securities	Stock code	Abbreviation of securities	Initial investment cost	Source of funds	Opening carrying amount	Gains and losses 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	/

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Description of securities investment

√ Applicable ☐ N/A

The wholly-owned subsidiary of SDG Capital Management, Shanjin Jinquan (Shanghai) Private Equity Fund Management Co., Ltd. ("Jinquan Private Equity Fund"), is a private securities investment fund manager registered with the Asset Management Association of China. Shanjin Futures Co., Ltd. ("Shanjin Futures Company") is a securities and futures operating institution approved for establishment by the state council's futures regulatory authority and is an asset management plan manager registered with the China Futures Association, possessing investment advisory qualifications. Jinquan Private Equity Fund and Shanjin Futures Company can conduct investments and asset management by establishing private funds and asset management plans. The securities investment projects under the fund category are the Shanjin Jinyuan No. 1 Private Securities Investment Fund and the Shanjin Jinyuan No. 2 Private Securities Investment Fund, which are independently managed by Jinquan Private Equity Fund; the securities investment project under the other category is the Caitong Fund Antai No. 5 Single Asset Management Plan, which is 100% held by Jinquan Private Equity Fund, with the company holding investment decision-making rights and being consolidated.

Investment in private equity fund

√ Applicable ☐ N/A

Jinquan Private Equity Fund is a private securities investment fund manager registered with AMAC. It can invest and manage assets by setting up private equity funds. As of the end of the Reporting Period, the balance of investment in self-managed 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 returns proportion exceeding 30% or non-managers but were included in the scope of consolidation, amounted to RMB1.965 billion.

Investment in derivatives

√ Applicable ☐ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(1) *Derivative investments for hedging purposes during the Reporting Period*

√ Applicable ☐ N/A

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 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 (Announcement No: Lin 2026-011, Lin 2026-012)).

During the Reporting Period, subject to the limits considered and approved by the Board and the general meeting, Shanjin International, a controlled 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 Controlled Subsidiary of Shandong Gold Mining Co., Ltd. disclosed by the Company on 9 December 2025 (Announcement No: Lin 2025-080)).

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Unit: RMB0'000

Types of derivative investments	The initial amount invested	Opening carrying amount	Gains and losses 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	Percentage of closing carrying amount to the Company's net assets at the end of the Reporting Period (%)
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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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Risk analysis of positions in derivatives during the Reporting Period and explanations of risk control measures (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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Changes in market price or product fair value of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of derivatives' fair value	Fair value of derivatives is determined at the end of the period based on the prevailing exchange market prices.
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Litigation involvement (if applicable)	None
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Disclosure date of Board announcement regarding derivative investment approval (if any)	9 December 2025, 27 March 2026.
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Disclosure date of shareholders' meeting announcement regarding derivative investment approval (if any)	16 June 2026.
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(2) *Derivative investment for speculative purposes during the Reporting Period*

☐ Applicable ☒ N/A

Other explanation

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.

(V) Disposal of Material Assets and Equity Interest

☐ Applicable ☒ N/A

(VI) Analysis of Major Subsidiaries and Investees

☒ Applicable ☐ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Major subsidiary and investees accounting for over 10% of the net profit of the Company

√ Applicable □ N/A

Unit: RMB'000

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	Subsidiary	Gold mining	43,017.64	4,775,095.62	658,348.61	351,155.82	52,994.22	38,872.86
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司)	Subsidiary	Gold mining	40,230.66	700,646.58	249,671.96	51,769.53	-1,489.99	-1,939.01
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	Subsidiary	Gold mining	1,001.77	226,899.78	137,793.98	51,458.67	9,242.58	7,272.03
Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)	Subsidiary	Gold mining	7,668.98	237,504.51	216,293.83	73,213.37	43,150.11	31,685.88
Fujian Province Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Subsidiary	Gold mining	5,400.00	66,225.17	44,133.00	7,462.60	-357.23	-377.78
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	Subsidiary	Gold mining	17,100.00	115,272.72	27,764.14	13,955.66	2,345.10	2,023.87
Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Subsidiary	Gold mining	38,473.59	355,386.19	194,016.24	28,253.23	2,583.55	2,218.51
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	Subsidiary	Gold mining	21,400.00	107,725.08	52,364.27	12,278.10	1,154.56	975.81
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	Subsidiary	Gold mining	20,000.00	244,860.30	168,194.67	45,318.21	18,774.14	15,899.28
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	Subsidiary	Gold mining	62,167.00	123,491.96	89,977.25	29,749.60	6,709.16	5,315.84
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	Subsidiary	Gold mining	5,000.00	308,249.13	32,521.53	5,712.68	-5,940.07	-5,939.14
Hengxing Gold Holding Company Limited (恆興黃金控股有限公司)	Subsidiary	Gold mining	736.21	426,237.16	343,729.47	102,307.50	49,018.78	41,054.75
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	Subsidiary	Gold smelting	35,000.00	587,027.02	85,579.15	2,629,567.04	1,720.54	1,279.75
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	Subsidiary	Gold mining	453,114.56	2,142,806.02	975,131.43	750,896.74	339,055.29	214,867.62
SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)	Subsidiary	Finance	150,000.00	1,663,077.20	18,819.63	932,194.67	-87,997.39	-70,801.71
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	Subsidiary	Gold mining	277,672.23	2,867,551.96	2,019,841.89	965,902.94	329,391.83	251,208.24
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限公司)	Subsidiary	Gold mining	10,500.00	107,355.41	62,796.44	18,351.14	929.83	697.68
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Investee Company	Non-bank financial institution	300,000.00	1,360,104.03	368,934.30	14,931.92	6,866.06	5,204.50

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Acquisition and disposal of subsidiaries during the Reporting Period

√ Applicable □ N/A

Name of company	Method of acquisition and disposal of subsidiaries during the Reporting Period	Effect on the general production, operation and results
Shandong Jinzhou Group Qianling Mining Ltd. (山東金洲集團千嶺礦業有限公司)	Deregistered	None
Shandong Laizhou Ping'an Civil Explosive Products Specialised Co., Ltd. (山東省萊州平安民用爆炸物品專營有限公司)	Acquired	Business synergies
Laizhou Pinglei Blasting Engineering Service Co., Ltd. (萊州市平磊爆破工程服務有限責任公司)	Acquired	Business synergies
Laizhou Shun'an Transportation Service Co., Ltd. (萊州市順安運輸服務有限公司)	Acquired	Business synergies

Other explanations

□ Applicable √ N/A

(VII) Structured Entities Controlled by the Company

√ Applicable □ N/A

The Group has 21 structured entities included in the scope of consolidation. According to Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements, the Group includes structured entities participating with the Group's own funds that meet the definition of "control" set out in the standards in its consolidated financial statements.

As at 30 June 2026, the Group had the following major consolidated structured entities:

Name	Shareholding	Paid-in capital (RMB)	Acquisition method
Shanjin Jinshi No. 1 Private Securities Investment Fund (山金金石1號私募證券投資基金)	100.00%	440,961,463.69	Established
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)	100.00%	386,699,023.98	Established
Zhuchi Quantitative Stable Investment Master Fund No. 1 Phase I (珠池量化穩健投資母基金1號1期)	100.00%	239,231,284.34	Invested
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)	100.00%	93,480,886.25	Established
Yanfu Neutral No. 13 Private Securities Investment Fund (衍復中性十三號私募證券投資基金)	96.84%	91,525,248.74	Invested

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VIII) Others

1. 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.

2. 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 (RMB'0,000)	Opening amount (RMB'0,000)
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

3. 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).

4. Major investment, acquisition and disposal of subsidiaries, associates and joint ventures

Save as disclosed in this interim report, 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.

5. Pledge of assets

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

6. Contingent liabilities

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

7. Future plans relating to major investment or capital asset

Save as disclosed in the interim report, as of the end of the Reporting Period, the Company had no future plans relating to major investment or capital asset.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

V. OTHER DISCLOSURES

(I) Potential Risks

√ Applicable ☐ N/A

The Company strengthened the top-level design of risk management, clarified the risk management responsibilities of the Board of Directors, 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, however, the Company cannot completely eliminate all adverse factors due to constraints of various factors.

(1) Energy conservation and environmental protection management risk

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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(2) Production safety accident risk

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 exploration 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.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(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.

(II) Other Disclosures

In order to thoroughly implement the requirements of the Opinions on Further Improving the Quality of Listed Companies by the State Council, and to actively respond to the Initiative on the "Enhancing Quality, Increasing Efficiency and Emphasising Returns" Special Action for SSE-listed Companies by Shanghai Stock Exchange, and to practice the development philosophy of "investor-centric" for the listed company, the Company published the Announcement on the "2025 Assessment Report and 2026 Action Plan for Enhancing Quality, Increasing Efficiency and Emphasising Returns" on 30 April 2026. During the first half of 2026, the Company actively advanced the relevant work, and the semi-annual implementation report of the 2026 Action Plan is hereby presented as follows:

I. Focusing on core businesses and principal operations to enhance operational quality and efficiency

During the first half of 2026, the Company consolidated its efforts, overcame difficulties and accelerated the stabilisation and improvement of its production and operations. The Company achieved a total profit of RMB8,156 million, representing a year-on-year increase of RMB2,673 million or 48.74%; the net profit attributable to shareholders of the listed company was RMB3,543 million, representing a year-on-year increase of RMB735 million or 26.17%. Despite the temporary impact on domestic mine production, the Company fully unlocked the potential of its overseas mines, with overseas mines producing 6.69 tonnes of gold, representing a year-on-year increase of 18.03%. In addition, the Company continued to strengthen resource security by implementing a new round of mineral exploration breakthroughs and resource acquisition strategies, achieving new results in exploration footage and newly added gold resources. In close alignment with the deployment requirements of the national and Shandong Provincial Implementation Plan for the High-Quality Development of the Gold Industry, the Company has advanced the formulation of its "15th Five-Year Plan" strategic planning in depth.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

II. Committing to innovation-driven development and accelerating digital and intelligent transformation

During the first half of 2026, the Company deeply implemented the innovation-driven development strategy, with cumulative R&D investment of RMB420 million, representing a year-on-year increase of 8.49%. Focusing on areas such as AI-driven exploration, mechanised and efficient mining, and green tailings development, the Company submitted 10 major science and technology projects at or above the provincial and ministerial level and 88 invention patents, and successfully launched the Shandong Provincial major innovation project “Development and Application of Green Mining Technology and Equipment for Subsea Gold Resources”. Building on the phased achievements in the intelligent construction of mines, the Company organised the drafting of its “AI+” Three-Year Action Plan. Focusing on six major business areas, namely resource exploration, mining, mineral processing, smelting, safety management and operational management, the Company planned and implemented a number of key projects and intelligent application scenarios to accelerate its digital and intelligent transformation.

III. Improving corporate governance and strengthening standardised operations

The Company continuously improved its corporate governance to establish a governance mechanism with clear rights and responsibilities, efficient operation and effective checks and balances. In March 2026, the Company published the 2025 Sustainability Report, and systematically disclosed its practices and achievements in the areas of environment, social responsibility and corporate governance. The Company’s Wind ESG comprehensive rating was upgraded to A in 2025 and further elevated to AA in 2026, reflecting full recognition of its sustainable development management capabilities by professional institutions. In May 2026, the Company revised a number of institutional documents relating to Board development, including the Rules of Procedure of the Strategy Committee of the Board and the Board Diversity Policy, further enhancing the scientific and efficient decision-making of the Board.

IV. Enhancing information disclosure quality and strengthening investor communication

During the first half of 2026, the Company aligned its efforts with investor needs and actively communicated its corporate value. The Company revised internal institutional documents, including the Administrative Measures for Information Disclosure Affairs, to reinforce the foundation of compliance management for information disclosure. The Company was committed to building an open, transparent, interactive, mutually trusting and win-win investor relations management system. The Company continued to improve the development of diversified investor communication channels, and through a dual-track communication mechanism combining “online and offline” channels, including performance briefing sessions, the E-interaction platform, investor hotlines and on-site investor visits, it fully addressed market concerns.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

V. Emphasising shareholder returns and sharing long-term development dividends

During the first half of 2026, the Company increased its dividend payout, and adopted a multi-pronged approach combining cash dividends and shareholding increases by the controlling shareholder. The Company successfully completed the implementation of the 2025 profit distribution, with the annual cash dividend and the already implemented 2025 interim cash dividend totalling RMB1,635 million, representing an increase of 60.29% in total dividend payout compared to 2024. The Company actively carried out interim profit distribution, with the 2026 interim profit distribution plan formulated based on the 2026 First Quarterly Report, and the interim dividend amounted to approximately RMB461 million, representing 34.84% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the current period. As of 8 April 2026, SDG Group, the controlling shareholder, completed its shareholding increase plan, with an aggregate purchase amount 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.

VI. Strengthening the responsibilities of “key minorities” and enhancing performance capabilities

The Company placed the development of the “key minorities” team in a prominent position and continuously strengthened the management of their performance. During the first half of 2026, the Company revised internal institutional documents, including the Rules of Procedure of the Board Secretary, the Rules of Procedure of the General Manager and the Working System for Independent Directors, to ensure that the “key minorities” performed their duties lawfully, compliantly and efficiently. Through special training sessions, interpretation of the latest regulatory policies and study of typical cases, the Company continuously urged the “key minorities” to enhance their professionalism, scientific decision-making and standardised performance capabilities. At the same time, the Company formulated the Remuneration Management System for Directors and Senior Management, linked performance-based remuneration with the achievement of the Company's overall strategic objectives and annual operating targets, established a scientific and effective incentive and restraint mechanism, and effectively mobilised the enthusiasm of the Company's Directors and senior management.

In the future, the Company will continue to implement the “Enhancing Quality, Increasing Efficiency and Emphasising Returns” Action Plan by focusing on its principal business operations, strengthening innovation-driven development and deepening operational management, so as to continuously enhance its core competitiveness and high-quality development, reward investor trust with outstanding performance, and remain committed to sharing the value of the Company's development with investors.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. CHANGES OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

√ Applicable □ N/A

Name	Position held	Change status	Reason for change	Explanation of reason for change
Han Yaodong	Party Committee Secretary, Legal Representative, Chairman	Resigned	Work transfer	Organizational arrangement and work transfer
Liu Qin	Vice Chairman	Resigned	Others	Work adjustment (the controlling shareholder's leader no longer holds a leadership position in the listed company)
Wang Chenglong	Party Committee Secretary, Chairman	Elected	By-election	Elected as Chairman by by-election
Zhan Kai	Independent Director	Resigned	Personal reasons	Personal reasons

Explanation of Changes of Directors and Senior Management of the Company

√ Applicable □ N/A

On 22 June 2026, due to work adjustment (the leadership of the controlling shareholder, Shandong Gold Group Co., Ltd., does not concurrently hold leadership positions in the listed company), Mr. Liu Qin tendered his resignation from the positions of Director, Vice Chairman, Chairman of the Sustainability Committee of the Board, member of the Audit Committee of the Board, and member of the Remuneration and Appraisal Committee of the Board.

On 10 July 2026, due to organisational arrangements and work reassignment, Mr. Han Yaodong tendered his resignation from the positions of non-executive Director, Chairman, legal representative, Chairman of the Strategy Committee of the Board, member of the Nomination Committee of the Board, and member of the Audit Committee of the Board.

On 29 December 2025, due to personal reasons, Mr. Zhan Kai tendered his resignation from the positions of independent non-executive Director of the seventh session of the Board of Directors, Chairman of the Nomination Committee of the Board, and member of the Strategy Committee, Sustainability Committee, Audit Committee and Remuneration and Appraisal Committee of the Board. As Mr. Zhan Kai's resignation would result in the number of independent non-executive Directors of the Company falling below one-third of the members of the Board, he continued to perform his relevant duties in accordance with applicable laws and regulations and the provisions of the Articles of Association until the election of a new independent non-executive Director at the general meeting of the Company. Mr. Zhan Kai formally resigned on 21 August 2026.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

On 10 July 2026, the Company held the second EGM of 2026, at which the Resolution on the Election of Non-independent Directors of the Seventh Session of the Board of Directors was considered and approved, and Mr. Wang Chenglong was elected as a non-independent Director of the seventh session of the Board of Directors, with a term of office commencing from the date of his election at the general meeting until the expiry of the term of the seventh session of the Board of Directors. On 10 July 2026, the Company held the 14th meeting of the seventh session of the Board of Directors, at which the Resolution on the Election of the Chairman of the Board, the Resolution on the Confirmation of Executive Directors and the Election of the Legal Representative, and the Resolution on the Adjustment of the Specialised Committees of the Seventh Session of the Board of Directors were considered and approved. Mr. Wang Chenglong was confirmed as an executive Director and elected as the Chairman of the Board of Directors of the seventh session of the Company, the legal representative, and the Chairman of the Sustainability Committee of the Board. Pursuant to the Rules of Procedure of the Strategy Committee of the Board, Mr. Wang Chenglong, as the Chairman of the Board, shall serve as the Chairman of the Strategy Committee of the Board. The above terms of office shall commence from the date of approval by the Board of Directors until the expiry of the term of the seventh session of the Board of Directors.

On 21 August 2026, the Company held the third EGM of 2026, at which the Resolution on the Election of Mr. Gao Yongtao as an Independent Director of the Seventh Session of the Board of Directors was considered and approved. The term of office of Mr. Gao Yongtao as an independent non-executive Director shall commence from the date of his election at the shareholders' general meeting until the expiry of the term of the seventh session of the Board of Directors.

II. PROPOSAL ON PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE

Profit distribution proposal or proposal for capitalization of capital reserve proposed for this interim period

Explanation on proposal on profit distribution or transfer of capital reserve

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.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

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 was distributed on 7 September 2026.

III. EQUITY INCENTIVE SCHEME, EMPLOYEE SHAREHOLDING SCHEME AND OTHER STAFF INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACTS

(I) Relevant Equity Incentive Matters Disclosed in the Provisional Announcement without Progress or Change in the Follow-Up Implementation

☐ Applicable ☒ N/A

(II) Incentive Conditions Not Disclosed in the Provisional Announcement or with Subsequent Progress

Equity incentive

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

Employee shareholding scheme

☐ Applicable ☒ N/A

Other incentive measures

☐ Applicable ☒ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

IV. ENVIRONMENTAL INFORMATION OF LISTED COMPANY AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES SUBJECT TO LEGAL ENVIRONMENTAL DISCLOSURE

√ Applicable □ N/A

Number of enterprises included in the list of enterprises 21
subject to legal environmental disclosure

No.	Name of Enterprise	Enquiry index for Legal Environmental Information Disclosure Report
1	Shandong Gold Mining (Laizhou) Co., Ltd., Sanshandao Gold Mine	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
2	Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Gold Mine	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
3	Shandong Gold Mining (Linglong) Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
4	Shandong Gold Mining Co., Ltd., Xincheng Gold Mine	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
5	Shandong Gold Smelting Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
6	Shandong Gold Group Penglai Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
7	Shandong Gold Mining (Yinan) Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
8	Shandong Jinzhou Mine Group Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
9	Shandong Gold Guilaizhuang Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
10	Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
11	Shandong Gold Mining (Laixi) Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

No.	Name of Enterprise	Enquiry index for Legal Environmental Information Disclosure Report
12	Chifeng Chaihulanzi Gold Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Inner Mongolia http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
13	Xihe Zhongbao Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Gansu Province https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/home
14	Fujian Province Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Enterprise Environmental Information Disclosure System of Fujian Province http://220.160.52.213:10053/idp-province/#/home
15	Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)	Enterprise Environmental Information Disclosure and Credit Evaluation System of Xinjiang Uygur Autonomous Region https://xxpl.xjpmic.cn:9015/index
16	SDG Heavy Industry Co., Ltd. (山金重工有限公司)	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
17	Shenzhen SD Gold Mining Precious Metal Co., Ltd. (深圳市山金礦業貴金屬有限公司)	Enterprise Environmental Information Disclosure System of Guangdong Province https://www-app.gdee.cn/gdeepub/front/dal/report/list
18	Inner Mongolia Yulong Mining Co., Ltd. (內蒙古玉龍礦業股份有限公司)	Enterprise Environmental Information Disclosure System of Inner Mongolia http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
19	Qinghai Dachaidan Mining Co., Ltd. (青海大柴旦礦業有限公司)	Enterprise Environmental Information Disclosure System of Qinghai Province http://111.44.132.156:8074/idp-province/#/home
20	Jilin Banmiaozi Mining Co., Ltd. (吉林板廟子礦業有限公司)	Enterprise Environmental Information Disclosure System of Jilin Province http://36.135.7.198:9015/index#menu_2091
21	Heihe Luoke Mining Development Co., Ltd. (黑河洛克礦業開發有限責任公司)	Enterprise Environmental Information Disclosure System of Heilongjiang http://111.40.190.123:8082/eps/index/enterprise-search

Other explanations

☐ Applicable ☒ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

V. DETAILS ON CONSOLIDATING AND EXPANDING ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

√ Applicable ☐ N/A

The Company has always demonstrated a strong sense of political responsibility and social mission, and has thoroughly implemented the national rural revitalisation strategy. In terms of stable employment, the Company and its subsidiaries have continuously expanded local and nearby employment channels, and have consistently and extensively recruited local personnel across the country, particularly in remote western provinces and underdeveloped ethnic minority regions. Meanwhile, leveraging industrial investment and enterprise-local government cooperation as key drivers, the Company has facilitated the extension of industrial chains and value enhancement in the assisted regions, supporting local governments in stabilising employment and steadily increasing income. In terms of livelihood infrastructure development, the Company's subsidiaries have focused on addressing the shortcomings in rural infrastructure, actively participating in livelihood projects such as road hardening, renovation of power supply lines, and repair of farmland irrigation and water conservancy facilities in surrounding areas, thereby improving the living environment and conditions of local communities. The Company has also regularly carried out educational assistance activities such as the "Golden Autumn Education Support" programme and book donations, empowering rural development through education, and continuously extending the benefits of its development achievements to more communities, contributing corporate strength to the comprehensive advancement of rural revitalisation.

SECTION 5 IMPORTANT MATTERS

I. FULFILLMENT OF UNDERTAKINGS

(I) Undertakings Made by the De Facto Controller, Shareholders, Related Parties, Buyers and the Relevant Parties of the Company during or up to the Reporting Period

✓ Applicable ☐ N/A

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Solving the issues concerning competition in the same industry	SDG Group, Non-ferrous Group	On 26 November 2014, SDG Group and Non-ferrous Group made the following commitments: (1) after the completion of this restructuring, all the business assets owned by their controlled subsidiaries in the PRC territory that meet the requirements for injection into Shandong Gold Mining and which are identical or similar to Shandong Gold Mining's principal business will be injected into Shandong Gold Mining; (2) assets that do not temporarily meet the listing conditions have been entrusted to Shandong Gold for management. Within three years from the issuance of the undertaking letter, the aforesaid assets relating to the gold business will be disposed of by way of external sales, and Shandong Gold shall have the right of first refusal in respect of the aforesaid assets under the same conditions; (3) not to engage in and, to the maximum extent possible, procure their controlled subsidiaries to give up similar businesses of Shandong Gold that they intend to engage in and to transfer to Shandong Gold any similar businesses or business opportunities substantially acquired by them; not to engage in identical or similar businesses as that of Shandong Gold so as to avoid direct or indirect competition with the business operations of Shandong Gold; (4) when there may be an unfair influence on Shandong Gold in terms of market share, business opportunities and allocation of resources, they will voluntarily forego and use its best efforts to procure their controlled subsidiaries to forego business competition with Shandong Gold; (5) they shall compensate Shandong Gold for any losses or expenses suffered or incurred by Shandong Gold due to the violation of any commitment in the undertaking letter. On 10 November 2022 and 24 December 2025, upon approval at the Company's 2022 4th Extraordinary General Meeting and 2025 5th Extraordinary General Meeting, SDG Group and Non-ferrous Group made further commitments as follows: (1) Qinghai Shanjin Mining Co., Ltd., Hainan Shanjin Mining Co., Ltd., Shandong Gold Jinchuang Group Co., Ltd., Songxian Shanjin Mining Co., Ltd., Zhaoyuan Jiuzhou Mining Co., Ltd. and Shandong Chengjin Mining Co., Ltd. in the relevant undertaking parties and other enterprises controlled by the relevant undertaking parties, which own gold business assets but are not eligible for listing or for the considerations of overall planning, are held by the relevant undertaking parties or other enterprises controlled by the relevant undertaking parties. The relevant undertaking parties undertake to initiate the procedure of injection into Shandong Gold in accordance with the law if relevant laws and regulations and related requirements of the CSRC are complied with and the following conditions are met or if Shandong Gold deems it necessary to inject into the listed companies from the perspective of strategic layout, endowment of resources and market: normal operation of the business, clear ownership, good compliant status, net asset yields of the active enterprises (where such assets are owned by the enterprises) not lower than the previous year's level of Shandong Gold or the financial internal yields of the non-active enterprises not lower than 8%. The relevant undertaking parties will steadily promote the resolution of horizontal competition by giving priority to the injection of the aforesaid assets related to gold business into Shandong Gold before 10 November 2030, or by obtaining prior consent from Shandong Gold to sell them to unrelated third parties if the aforesaid relevant conditions for injection into Shandong Gold are not met or if Shandong Gold is unwilling to acquire them. (2) Not to engage in and, to the maximum extent possible, procure the subsidiaries controlled by the relevant undertaking parties to give up similar businesses of Shandong Gold that they intend to engage in and to transfer to Shandong Gold any similar businesses or business opportunities substantially acquired by them; to ensure that the relevant undertaking parties and its controlled subsidiaries will not engage in identical or similar businesses as that of Shandong Gold so as to avoid direct or indirect competition with the business operations of Shandong Gold. (3) When the relevant undertaking parties or their controlled subsidiaries may have unfair influence on Shandong Gold in terms of market share, business opportunities and allocation of resources, the relevant undertaking parties will voluntarily forego and use their best efforts to procure the subsidiaries controlled by the relevant undertaking parties to forego business competition with Shandong Gold. (For details, please refer to the Company's Announcement Nos. Lin 2022-072 and 2025-075 on the website of Shanghai Stock Exchange (http://www.sse.com.cn))	10 November 2022	Yes	Before 10 November 2030	Yes		

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	SDG Group, Non-ferrous Group	It shall ensure the independence of Shandong Gold in terms of personnel, assets, finance, institutions and business, ensure that Shandong Gold maintains independence in other aspects, and assume liability for compensation for losses caused to the listed company due to breach of this undertaking.	26 November 2014	No	Long term	Yes		
Undertaking relating to the material asset reorganisation	Settlement of connected transactions	SDG Group, Non-ferrous Group	(1) Minimize connected transactions with Shandong Gold to the greatest extent possible; (2) Not use its status and influence as a controlling shareholder or person acting in concert to seek for Shandong Gold to provide preferential terms better than those offered to third parties in the market in aspects such as business cooperation, nor seek priority rights for concluding transactions with Shandong Gold; (3) In accordance with the provisions of relevant laws, regulations and normative documents, as well as Shandong Gold's Articles of Association and Provisions on the Management of Connected Transactions, follow the general commercial principles of equality, voluntariness, equivalence and consideration, enter into connected transaction agreements with Shandong Gold, and ensure that the prices of connected transactions are fair and reasonable. In principle, the prices shall not deviate from the prices or fee standards of independent third parties in the market, so as to protect the interests of Shandong Gold and other shareholders; at the same time, fulfill the decision-making procedures for connected transactions in accordance with the provisions of relevant laws, regulations and normative documents, and perform the information disclosure obligations according to law; (4) Not damage the legitimate rights and interests of Shandong Gold and other shareholders through connected transactions, nor illegally occupy or transfer Shandong Gold's funds, assets and other resources, nor require Shandong Gold to provide guarantees in violation of regulations.	26 November 2014	No	Long term	Yes		
Undertaking relating to the material asset reorganisation	Settlement of connected transactions	Non-ferrous Group, SDG Capital Management, Gulaihuang Company, Penglai Mining	After the closing date of the implementation of this restructuring, Gulaihuang Company and Penglai Mining will become subsidiaries of Shandong Gold, and the standard gold produced by them will be consigned to Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Refinery (a subsidiary of Shandong Gold; its name was changed to Shandong Gold Smelting Co., Ltd. from July 2016) for sales on their behalf.	26 November 2014	No	Performance commenced after 20 September 2016	Yes		
Undertaking relating to material asset reorganisation	Others	SDG Group	(1) The Dongfeng Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining License can be completed within the time frame estimated in the Evaluation Report on the Mining Right of Dongfeng Mining Area and the Detailed Exploration Right of Its Periphery of Shandong Gold Group Co., Ltd. (Zhonglian Pingkuang Baozi [2014] No. 1121, hereinafter referred to as the "Evaluation Report"); (2) The Dongfeng Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	31 December 2017	No	The Dongfeng Exploration Right has been removed from the ecological red line in Luoshan, Zhaoyuan, and has also been excluded from the core protection area. It is now only partially located within the general core area.	The Ministry of Natural Resources is currently studying a plan for layered mining within the general protection area. Once the layered mining plan is approved, we will proceed with the renewal of the exploration licence at the earliest possible time and advance subsequent related work.
Undertaking relating to the material asset reorganisation	Others	Non-ferrous Group, Wang Zhiqiang (王志强), Jinmao Mining	(1) The Qijagou-Hulu Route Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining License can be completed within the time frame estimated in the Evaluation Report on the Exploration Right for Gold Exploration in the Deep Part and Periphery of Qijagou-Hulu Route Mining Area, Penglai City, Shandong Province (Haidiren Kuangqing Baozi [2014] No. 53); (2) The Qijagou-Hulu Route Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	31 August 2017	No	This exploration right has been included in the Plan for the Integration, Optimization and Adjustment of Gold Mineral Resources in Penglai Yantai City, which was approved by the People's Government of Penglai District. The new mining license after integration was obtained in July 2024.	

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Gold Geological Exploration	(1) The Xinli Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining Right can be completed within the time frame estimated in the Evaluation Report on the Exploration Right for Gold Exploration in Xinli Village, Laizhou City, Shandong Province (Zhonglian Pingkuang Baozi [2014] No. 1123); (2) The Xinli Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	30 June 2017	No	Pursuant to the Reply of the People's Government of Shandong Province on the Integration of Mineral Resources of Sanshandao Gold Mine of Shandong Gold Group Co., Ltd. (Lu Zheng Zi [2017] No. 99), the Company has integrated two Mining Rights (i.e., the Mining Right of Sanshandao Gold Mine and the Mining Right of Xinli Gold Mine) and three Exploration Rights (i.e., the Detailed Geological Survey of the Periphery of Sanshandao Gold Mine Area, the Gold Exploration of the 55-91 Line Ore Section in Xinli Mining Area, and the Gold Exploration of Xinli Village Gold Mine) under its ownership, with Sanshandao Gold Mine as the integration entity. The new integrated Mining License was obtained in 2019.	
Undertaking relating to the material asset reorganisation	Others	SDG Group	(1) The ownership of the Mineral Rights is clear and complete; the aforementioned Mineral Rights and related assets are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The aforementioned Mineral Rights and related assets have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated. There are no substantive legal obstacles to the approvals and licenses that are still being processed; (3) The mineral right fees that may be involved have been fully settled; if the competent authority requires supplementary payment of fees for the aforementioned Mineral Rights in the future, the relevant undertaking party is willing to compensate Shandong Gold with cash equivalent to the amount of the supplementary fees; (4) With respect to the land expropriated for the development of the Dongfeng Exploration Right and Dongfeng Mining Right, the relevant undertaking party shall ensure that the land user registered in the State-owned Land Use Certificate is Shandong Gold; (5) With regard to the Mineral Rights, assets and liabilities transferred by the relevant undertaking party in this transaction, the relevant undertaking party undertakes to complete the work of obtaining written consent from the relevant creditors before the second board meeting of this restructuring transaction; (6) The relevant undertaking party shall fully cooperate with Shandong Gold in handling the examination and approval procedures for the transfer and modification of Exploration Rights/Mining Rights at the competent land and resources authorities as well as the name change procedures, and undertakes to complete such procedures within three months from the date on which the major asset restructuring of Shandong Gold's share issuance for asset acquisition is approved by the CSRC.	15 September 2015	Yes	Article (4) of this undertaking shall remain valid for a long term	Yes		

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Non-ferrous Group	(1) The relevant undertaking party undertakes that the 70.65% equity interest in Shandong Gold Guliaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司) (hereinafter referred to as "Guliaizhuang Company") and the 51% equity interest in Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司) (hereinafter referred to as "Penglai Mining") held by the relevant undertaking party are all obtained through legal means; the registered capital of the aforesaid enterprises has been fully paid up, and there is no situation of insufficient capital contribution or any factor affecting their legal existence; the ownership of the aforesaid equity interests held by the relevant undertaking party is clear and complete, and the relevant undertaking party has legal and complete right to dispose of the aforesaid equity interests; the aforesaid equity interests are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The relevant undertaking party undertakes that the business operated by the Target Assets held thereby is legal, and the asset rights owned thereby are complete: A. The Target Companies have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; B. The Target Companies have legal and complete ownership, right to use or right of disposal over their assets; C. If the competent authority requires the Target Companies to make supplementary payment of mineral right fees for their Mineral Rights, the relevant undertaking party is willing to compensate Shandong Gold with cash equivalent to the amount of supplementary fees that the relevant undertaking party shall bear (i.e., the amount of supplementary fees multiplied by the proportion of the Target Companies' equity interests held by the relevant undertaking party); (3) In the operation of the Target Companies, there is no situation where a third party claims rights or initiates litigation against the Target Companies due to infringement of any third party's patents, copyrights, trademarks or similar intellectual property rights; (4) The Target Companies have not signed any business contracts or arrangements with abnormal commercial terms, which would have a material adverse impact on the financial or asset status of the Target Companies; (5) Except as already disclosed to Shandong Gold, the Target Companies have no equity investments, equity-like investments or investment commitments to any person; (6) Except as already disclosed to Shandong Gold, the Target Companies have no outstanding loans, contingent liabilities or other forms of liabilities; (7) The Target Companies have not received any legally binding written notice from any creditor that the creditor will compulsorily dispose of any assets of the Target Companies; (8) Since their establishment, the Target Companies have paid taxes in accordance with the law, with no material taxes due but unpaid, and have not been subject to any material tax investigations or penalties; (9) The financial statements of the Target Companies provided to Shandong Gold truly and fairly reflect the assets, liabilities (including contingent liabilities, liabilities with undetermined amounts or disputed liabilities) of the Target Companies as of the corresponding date of the financial statements, as well as the profits or losses of the Target Companies for the financial period corresponding to the financial statements; such financial statements comply with the applicable accounting principles and truly reflect the financial status of the Target Companies as of the corresponding date or for the corresponding period of the financial statements; (10) There are no pending lawsuits, arbitrations, investigations, claims or other proceedings against the Target Companies, nor any such proceedings that the relevant undertaking party or the Target Companies are aware of as likely to be initiated, except for lawsuits, arbitrations, investigations, claims or other proceedings that would not have a material adverse impact on the Target Companies individually or in the aggregate; (11) The relevant undertaking party undertakes that, with respect to the collective land currently used by Penglai Mining under lease for its main production and operation purposes, the State-owned Land Use Right Certificate shall be completed by 30 June 2020, and the House Ownership Certificate for the production and operation houses constructed on the land with the relevant State-owned Land Use Right Certificate shall also be completed by the same date; and the relevant undertaking party shall bear the relevant expenses such as land transfer fees incurred in the application for the aforesaid State-owned Land Use Right Certificate and House Ownership Certificate in proportion to the equity interest of Penglai Mining held by the relevant undertaking party; (12) The relevant undertaking party undertakes to standardize and rectify the historical over-mining issues of Guliaizhuang Company.	27 November 2014	No	Long term	No	As of the disclosure date of this report, Penglai Mining has not yet completed the procedures for obtaining land and property ownership certificates for the land and properties used in its production and operation. This is due to the impact of various policy factors, including the delineation of the ecological red line in Shandong Province, the integration of gold mineral resources in Yantai, Shandong Province, obstacles in the land use policies for mining enterprises, and the shortage of land quotas.	The Company has been actively discussing with Non-ferrous Group, Wang Zhiqiang, and Jinmao Mining the subsequent plan for improving the arrangements related to the ownership of land and houses of Penglai Mining. Currently, the "Yanshan Integration Area Mining Project" of Penglai Mining is undergoing project approval procedures. Regarding land matters, Penglai Mining has obtained the Land Pre-examination and Site Selection Opinion Letter and is concurrently carrying out land requisition application work, striving to complete the land title certification as soon as possible.

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Gold Geological Exploration	(1) The ownership of the Xinli Exploration Right is clear and complete. The aforementioned Mineral Right and related assets are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management. The relevant undertaking party has legal and complete right to dispose of the aforementioned Mineral Right and related assets; the relevant undertaking party undertakes to assume liability for compensation for any losses suffered by Shandong Gold due to defects in the asset rights of the aforementioned Mining Right; (2) The relevant undertaking party has obtained or is in the process of applying for all valid approvals and licenses required for owning and operating its properties and assets as well as conducting the business it currently operates, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; (3) After Shandong Gold obtains the approval of the CSRC for this restructuring, the relevant undertaking party will fully cooperate with Shandong Gold in handling the examination and approval procedures for the transfer and modification of the Exploration Right at the competent land and resources authorities as well as the name change procedures, and undertakes to complete such procedures within three months from the date on which Shandong Gold obtains the approval of the CSRC for the major asset restructuring of share issuance for asset acquisition.	26 November 2014	No	Long term	Yes		

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to material asset reorganisation	Others	Jinmao Mining; Wang Zhiqiang	(1) The relevant undertaking parties undertake that the ownership of the equity interest in Penglai Mining held thereby is clear and complete, and Jinmao Mining has legal and complete right to dispose of the aforesaid equity interests; the aforesaid equity interests are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The relevant undertaking parties undertake that the business operated by the Target Assets held thereby is legal, and the asset rights owned thereby are complete: A. The Target Companies have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; B. The Target Companies have legal and complete ownership, right to use or right of disposal over their assets; C. If the competent authority requires the Target Companies to make supplementary payment of mineral right fees for their Mineral Rights, Jinmao Mining is willing to compensate Shandong Gold with cash equivalent to the amount of supplementary fees that Jinmao Mining shall bear (i.e., the amount of supplementary fees multiplied by the proportion of the Target Companies' equity interests held by Jinmao Mining); (3) In the operation of the Target Companies, there is no situation where a third party claims rights or initiates litigation against the Target Companies due to infringement of any third party's patents, copyrights, trademarks or similar intellectual property rights; (4) The Target Companies have not signed any business contracts or arrangements with abnormal commercial terms, which would have a material adverse impact on the financial or asset status of the Target Companies; (5) Except as already disclosed to Shandong Gold, the Target Companies have no equity investments, equity-like investments or investment commitments to any person; (6) Except as already disclosed to Shandong Gold, the Target Companies have no outstanding loans, contingent liabilities or other forms of liabilities; (7) The Target Companies have not received any legally binding written notice from any creditor that the creditor will compulsorily dispose of any assets of the Target Companies; (8) Since their establishment, the Target Companies have paid taxes in accordance with the law, with no material taxes due but unpaid, and have not been subject to any material tax investigations or penalties; (9) The financial statements of the Target Companies provided to Shandong Gold truly and fairly reflect the assets, liabilities (including contingent liabilities, liabilities with undetermined amounts or disputed liabilities) of the Target Companies as of the corresponding date of the financial statements, as well as the profits or losses of the Target Companies for the financial period corresponding to the financial statements; such financial statements comply with the applicable accounting principles and truly reflect the financial status of the Target Companies as of the corresponding date or for the corresponding period of the financial statements; (10) There are no pending lawsuits, arbitrations, investigations, claims or other proceedings against the Target Companies, nor any such proceedings that the relevant undertaking parties or the Target Companies are aware of as likely to be initiated, except for lawsuits, arbitrations, investigations, claims or other proceedings that would not have a material adverse impact on the Target Companies individually or in the aggregate; (11) The relevant undertaking parties undertake that, with respect to the collective land currently used by Penglai Mining under lease for its main production and operation purposes, the State-owned Land Use Right Certificate shall be completed by 30 June 2020, and the House Ownership Certificate for the production and operation houses constructed on the land with the relevant State-owned Land Use Right Certificate shall also be completed by the same date; and Jinmao Mining shall bear the relevant expenses such as land transfer fees incurred in the application for the aforesaid State-owned Land Use Right Certificate and House Ownership Certificate in proportion to the equity interest of Penglai Mining held by Jinmao Mining.	26 November 2014	No	Long term	No	As of the disclosure date of this report, Penglai Mining has not yet completed the procedures for obtaining land and property ownership certificates for the land and properties used in its production and operation. This is due to the impact of various policy factors, including the delineation of the ecological red line in Shandong Province, the integration of gold mineral resources in Yantai, Shandong Province, obstacles in the land use policies for mining enterprises, and the shortage of land quotas.	The Company has been actively discussing with Non-ferrous Group, Wang Zhiqiang, and Jinmao Mining the subsequent plan for improving the arrangements related to the ownership of land and houses of Penglai Mining. Currently, the "Yanshan Integration Area Mining Project" of Penglai Mining is undergoing project approval procedures. Regarding land matters, Penglai Mining has obtained the Land Pre-examination and Site Selection Opinion Letter and is concurrently carrying out land requisition application work, striving to complete the land title certification as soon as possible.

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Term of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the initial public offering	Solving the issues concerning competition in the same industry	SDG Group	The Company has priority over the Group Co. and its other wholly-owned and holding subsidiaries (excluding the Company) in obtaining Exploration Rights and Mining Rights. If the Company gives its consent, the aforesaid acts shall be carried out by the Company in accordance with the terms agreed by the Company.	28 August 2002	No	Long term	Yes		
Other undertaking made to minority shareholders of the Company	Other increase in shareholding	SDG Group	A plan has been put forward to increase the shareholding in A shares of Shandong Gold through centralized bidding, block trading, or other methods on the Shanghai Stock Exchange within twelve months from 9 April 2025 as and when appropriate, with the proposed increase amount being no less than RMB500 million (inclusive) and no more than RMB1 billion (inclusive).	9 April 2025	Yes	8 April 2026	Yes		

II. NON-OPERATING FUNDS OCCUPIED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

☐ Applicable ☒ N/A

III. ILLEGAL GUARANTEE

☐ Applicable ☒ N/A

IV. AUDIT OF INTERIM REPORT

☐ Applicable ☒ N/A

V. CHANGES AND TREATMENT OF MATTERS RELATED TO MODIFIED OPINIONS IN THE ANNUAL REPORT OF PREVIOUS YEAR

☐ Applicable ☒ N/A

VI. MATTERS RELATING TO BANKRUPTCY AND REORGANISATION

☐ Applicable ☒ N/A

VII. MATERIAL LITIGATIONS AND ARBITRATIONS

- ☐ The Company has material litigations and arbitrations during the Reporting Period
☒ The Company has no material litigations and arbitrations during the Reporting Period

VIII. SITUATIONS OF POTENTIAL VIOLATIONS OF LAWS AND REGULATIONS BY, AND PUNISHMENT AND RECTIFICATION AGAINST THE LISTED COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

IX. DESCRIPTION OF THE CREDIT STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, THE DE FACTO CONTROLLER DURING THE REPORTING PERIOD

☐ Applicable ☒ N/A

X. MATERIAL CONNECTED TRANSACTIONS

(I) Connected Transactions Related to Daily Operation

1. Matters disclosed in provisional announcements without progress or change in the follow-up implementation

☒ Applicable ☐ N/A

Summary of matters	Reference index
At the 11th meeting of the Seventh Session of the Board of Directors held on 29 May 2026, the Company considered and approved Resolution Regarding the Entering into of Supplemental Agreement to the Financial Services Framework Agreement with Shandong Gold Group Finance Co., Ltd. by the Company. Based on the originally signed Financial Services Framework Agreement (hereinafter referred to as the "Original Agreement"), certain provisions were amended to establish projected transaction limits for connected transactions regarding the maximum daily balance of deposits, deposit interest income, maximum daily balance of loans and other financing, maximum daily overdraft balance, and total amount of comprehensive credit facilities provided by SDG Finance Co. to the Company for 2026 and 2027.	For details, please refer to the Announcement Regarding the Entering into of Supplemental Agreement to the Financial Services Framework Agreement with Shandong Gold Group Finance Co., Ltd. by the Company and Connected Transactions (Lin 2026-022) disclosed on 30 May 2026.

2. Matters disclosed in provisional announcements with progress or change in the follow-up implementation

☐ Applicable ☒ N/A

3. Matters which were not disclosed in provisional announcements

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(II) Connected Transactions in Relation to the Acquisition of Assets or Acquisition or Disposal of Equity Interests

1. **Matters disclosed in provisional announcements without progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
2. **Matters disclosed in provisional announcements with progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
3. **Matters which were not disclosed in provisional announcements**
☐ Applicable ☒ N/A
4. **Results which are related to results agreements and shall be disclosed for the Reporting Period**
☐ Applicable ☒ N/A

(III) Material Connected Transactions Relating to Common External Investments

1. **Matters disclosed in provisional announcements without progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
2. **Matters disclosed in provisional announcements with progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
3. **Matters which were not disclosed in provisional announcements**
☐ Applicable ☒ N/A

(IV) Connected Creditors' Rights and Debt Transactions

1. **Matters disclosed in provisional announcements without progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
2. **Matters disclosed in provisional announcements with progress or change in the follow-up implementation**
☐ Applicable ☒ N/A
3. **Matters which were not disclosed in provisional announcements**
☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(V) Financial Business Between the Company and Its Connected Financial Company, and Between Financial Company Controlled by The Company and Connected Parties

☒ Applicable ☐ N/A

1. Deposit business

☒ Applicable ☐ N/A

Unit: RMB0'000

Related party	Related relationship	Maximum daily deposit limit	Range of deposit rates	Beginning balance	Amount incurred during the period		Ending balance
					Total amount deposited in the period	Total amount withdrawn in the period	
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Finance company in which the controlling shareholder holds 70% of the shares	420,000.00	0.35%-2.03%	359,083.08	8,042,374.15	8,022,482.56	378,974.67
Total	/	420,000.00	0.35%-2.03%	359,083.08	8,042,374.15	8,022,482.56	378,974.67

Note: According to the Financial Services Framework Agreement and the Supplemental Agreement to the Financial Services Framework Agreement entered into between the Company and Shandong Gold Group Finance Co., Ltd. (hereinafter referred to as "SDG Finance Co."), the daily deposit balance of the Company's members in 2026 with SDG Finance Co. shall not exceed RMB4.2 billion.

2. Loan business

☒ Applicable ☐ N/A

Unit: RMB0'000

Related party	Related relationship	Loan limit	Range of loan interest rate	Beginning balance	Amount incurred during the period		Ending balance
					Total amount borrowed in the period	Total amount repaid in the period	
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	530,000.00	2.01%-2.8%	171,300.00	13,000.00	18,140.00	166,160.00
Total	/	/	/	171,300.00	13,000.00	18,140.00	166,160.00

SECTION 5 IMPORTANT MATTERS

3. Facilities business or other financial business

☒ Applicable ☐ N/A

Unit: RMB0'000

Related party	Related relationship	Business type	Total	Actual transaction amount
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Comprehensive credit facilities	670,000.00	662,000.00
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Loans and other financing	530,000.00	301,183.05
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Overdraft of legal person accounts	120,000.00	30,000.00

Notes: 1. The amount of comprehensive credit facilities is RMB6.62 billion. Pursuant to the provisions of the Framework Agreement on Financial Services and the Supplemental Agreement to the Financial Services Framework Agreement signed between the Company and SDG Finance Co., the total credit facilities provided by SDG Finance Co. to the Company's members shall not exceed RMB6.7 billion in 2026.

2. The total amount of loans and other financing represents the maximum daily balance. Pursuant to the provisions of the Framework Agreement on Financial Services and the Supplemental Agreement to the Financial Services Framework Agreement signed between the Company and SDG Finance Co., the maximum daily balance of loans and other financing provided by SDG Finance Co. to the Company's members shall not exceed RMB5.3 billion in 2026.

3. The total amount of the overdraft of legal person accounts represents the maximum daily balance. Pursuant to the provisions of the Framework Agreement on Financial Services and the Supplemental Agreement to the Financial Services Framework Agreement signed between the Company and SDG Finance Co., the maximum daily balance of the overdraft services provided by SDG Finance Co. to the Company's members shall not exceed RMB1.2 billion in 2026.

4. The service types covered by loans and other financing include working capital loans, project loans, letters of guarantee, domestic letters of credit, bill acceptance and discounting, etc.

5. The actual amount incurred for loans and other financing as well as overdraft of legal person accounts refers to the actual maximum daily balance incurred.

4. Other explanations

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(VI) Other Major Connected Transactions

☐ Applicable ☒ N/A

(VII) Others

☐ Applicable ☒ N/A

XI. MATERIAL CONTRACTS AND THEIR EXECUTION

(I) Trust, Contracting and Leasing Matters

☐ Applicable ☒ N/A

(II) Material Guarantee and Outstanding Material Guarantee During the Reporting Period

☒ Applicable ☐ N/A

Details of guarantee

1. The Company held the ninth meeting of the seventh session of the Board of Directors on 26 March 2026 and the 2025 Annual General Meeting on 15 June 2026, at which it considered and approved the "Proposal on the Company's Estimated Annual Guarantee Quota for Hong Kong Subsidiaries in 2026". The Company shall provide a total guarantee of no more than USD1.50 billion to its overseas wholly-owned subsidiary, Shandong Gold Mining (Hong Kong) Co., Limited, in 2026. The validity period of the guarantee quota shall be from the date of approval by the Company's 2025 Annual General Meeting to the date of the convening of the 2026 Annual General Meeting.

As of the end of the Reporting Period, the Company's guarantee balance for Hong Kong Company was USD665 million (equivalent to RMB4,529 million).

SECTION 5 IMPORTANT MATTERS

2. The Company held the 7th meeting of the seventh session of the Board of Directors on 8 December 2025 and the 2025 fifth extraordinary general meeting on 24 December 2025, at which the “Proposal on the Estimated Guarantee Amount Provided by Shanjin International (A Controlled Subsidiary of the Company) to its Subsidiaries” was considered and approved; Shanjin International held the 18th meeting of the ninth session of the board of directors on 8 December 2025, and the 2025 fourth extraordinary general meeting on 25 December 2025, at which the “Proposal on the Estimated Guarantee Quota for Providing Guarantees for Subsidiaries” was considered and approved. In order to meet the daily operation and business development needs of the Company’s controlling subsidiary, Shanjin International, and its subsidiaries, and to improve the efficiency of Shanjin International’s financing decision making, Shanjin International agreed to provide guarantees for its wholly-owned and controlling subsidiaries within the scope of the consolidated statements, with an estimated total guarantee amount of RMB4,290 million, of which the guarantee amount shall not exceed RMB3,930 million for subsidiaries with an asset-liability ratio of less than 70%, and the guarantee amount shall not exceed RMB360 million for subsidiaries with an asset-liability ratio of more than 70%. The validity period of the guarantee quota shall be from 1 January 2026 to 31 December 2026.

As of the end of the Reporting Period, the guarantee balance of Shanjin International, a controlled subsidiary of the Company, for its subsidiaries was RMB1.334 billion.

SECTION 5 IMPORTANT MATTERS

(III) Other Material Contracts

√ Applicable □ N/A

M&A Agreement

Currency: RMB

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Asset Restructuring and Transfer Agreement of Pingdu Jinxing Gold Mine in Qingdao City	Party A: Shandong Gold Mining (Xinhui) Co., Ltd. Party B: Pingdu Jinxing Gold Mine in Qingdao City Party C: Dazhuangzi Village Committee of Xinhe Town (Former Huibu Town), Pingdu City	Party C is the legitimate investor of Party B. Party A, Party B, and Party C have signed the Asset Restructuring and Transfer Agreement of Pingdu Jinxing Gold Mine in Qingdao City. After the restructuring of Party B's main assets, liabilities, and personnel, Party A will acquire the target asset package.	RMB174,179,700	2017.09.26	The acquisition has been completed, and the payment is in the process of performance.
Contract for the Transfer of Exploration Rights of Deep Gold Deposits in Linglong Mining Area, Zhaoyuan City, Shandong Province	Party A (Transferor): Shandong Gold Group Co., Ltd. Party B (Transferee): Shandong Gold Mining (Linglong) Co., Ltd.	Party A shall transfer the "Exploration Rights of Deep Gold Deposits in Linglong Mining Area, Zhaoyuan City, Shandong Province" to Party B.	RMB79,637,200	2017.11.01	The transfer of the mineral rights has been completed, and the payment is in the process of performance.
Mining Rights Lease Agreement	Party A (Lessor): Laizhou Ludi Mining Investment and Development Co., Ltd. Party B (Lessee): Shandong Gold Mining (Laizhou) Co., Ltd.	Party B, due to the need for the overall planning, development of the Jiaojia Gold Mine after integration, leases the original Jincheng Gold Mine Mining Right owned by Party A within the scope of the Jiaojia Gold Mine for construction purposes.	Annual rent: RMB31,949,100	2022.05.29	The contract is being performed.
Asset Transfer Contract	Party A (Transferor): Shandong Jinchuang Co., Ltd. Party B (Transferee): Shandong Gold Group Penglai Mining Co., Ltd.	Party A shall transfer the Qigouyifen Mine asset package held by it to Party B, including: intangible assets (two mineral rights and one land use right), fixed assets (including buildings and structures, shaft and drift engineering, equipment and other fixed assets), current assets and other assets.	RMB465,173,000	2023.07.28	Penglai Mining has obtained the mining license for the Yanshan Mine Area, and the payment is in progress. (Penglai Mining owes Jinchuang Co., Ltd. RMB6,858,654.10 in respect of the asset package transfer consideration.)

SECTION 5 IMPORTANT MATTERS

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Supplementary Agreement on the Transfer of the Asset Package of Qigouyifen Mine	Party A: Shandong Jinchuang Co., Ltd. Party B: Shandong Gold Group Penglai Mining Co., Ltd. Party C: Shandong Gold Jinchuang Group Co., Ltd.	Party B shall undertake the liabilities of RMB324,047,187.67 and the personnel under the mineral rights related to the asset package project of Qigouyifen Mine owned by Party A. The liabilities include: a loan of RMB321,000,000.00 from Party A to Party C, the shaft and drift construction project payment of RMB1.2791 million to Penglai Branch of Shandong Huaxin Mining Engineering Co., Ltd., and the land reclamation fee of RMB1.7681 million to the Natural Resources Bureau of Penglai District, Yantai City.	RMB324,047,200	2023.08.02	Penglai Mining has obtained the mining license for the Yanshan Mine Area, and the payment is in progress. (Penglai Mining had an outstanding balance of RMB8,849,916.27 in respect of the asset package transfer consideration, and interest on borrowings of RMB8,506,895.84, amounting to an aggregate of RMB17,356,812.11.)
Contract for the Transfer of Exploration Rights	Party A (Transferor): Shandong Gold Geological and Mineral Exploration Co., Ltd. Party B (Transferee): Shandong Gold Mining Co., Ltd.	Party A shall transfer the exploration right of "Exploration of Gold Mine in Xiling Village, Laizhou City, Shandong Province" held by it to Party B.	RMB10,334,248,700	2024.01.16	The transfer of mineral rights has been completed. The original mining right of Sanshandao Gold Mine and the Xiling Gold Mine Exploration Right have been integrated into one mining right. The payment is in progress.
Agreement on Acquisition of Assets by Issuing Shares and Paying Cash of Soochow Securities Co., Ltd.	Party A: Soochow Securities Co., Ltd. Party B: SDG Capital Management Co., Ltd.	Party A shall acquire 347,169,166 shares of Donghai Securities Co., Ltd. owned by Party B by way of issuing shares and paying cash.	RMB1,945,077,900	2026.06.02	The contract is being performed. (Soochow Securities has submitted the transaction to the Shanghai Stock Exchange for review, and the application is currently under review by the Shanghai Stock Exchange.)

SECTION 5 IMPORTANT MATTERS

XII. DESCRIPTION OF THE PROGRESS ON THE USE OF THE RAISED PROCEEDS

☒ Applicable ☐ N/A

(I) Overall Use of the Raised Proceeds

☒ Applicable ☐ N/A

Unit: RMB0'000

Source of proceeds raised	Time of receipt of proceeds raised	Total amount of proceeds raised	Net amount of proceeds raised (1)	in the prospectus or offering document(2)	Total amount of over-raised proceeds (3)=(1)-(2)	Among					Proportion of amount invested in the current year (%) (9)=(8)/(1)	Total amount of proceeds raised with change in usage
						Total amount of proceeds raised for investment	Total which: total cumulative amount of proceeds over-raised proceeds invested as at the end of the Reporting Period (4)	Cumulative progress of proceeds raised invested as at the end of the Reporting Period (%) (6)=(4)/(1)	Cumulative progress of over-raised proceeds invested as at the end of the Reporting Period (%) (7)=(5)/(3)	Amount invested in the current year (8)		

Issuance of shares to specific targets	29 September 2016	167,918.24	164,282.24	164,282.24	-	115,102.92	-	70.06	/	704.88	0.43
Total	/	167,918.24	164,282.24	164,282.24	-	115,102.92	-	/	/	704.88	/

Other explanations

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(II) Details of the Proceeds Projects

☒ Applicable ☐ N/A

1. Details of use for the proceeds

☒ Applicable ☐ N/A

Unit: RMB0'000

Source of proceeds	Name of project	Nature of project	Whether committed investment project under the prospectus or offering document		Whether change of use amount of proceed (1)	Total planned investment Amount of investment in the year	Total amount of proceeds accumulatedly invested as at the end of the Reporting Period (2)	Accumulated investment progress as at the end of the Reporting Period (%) (3)=(2)/(1)	Date on which the project is ready for the use	Whether the planned progress is in line with progress has achieved this year	Specific reasons for the investment		Whether the feasibility of the project has changed significantly, if so, please specify the details	The rest amount
			Whether prospectus or offering document	Whether change of use amount of proceed (1)							Whether the investment progress is in line with progress has achieved this year	Whether the planned progress is in line with progress has achieved this year		
Issuance of shares to specific targets	Dongfeng Mining Area (Dongfeng Phase II construction project)	Production and construction	Yes	No	114,658.38	704.88	74,956.76	65.37		No	Yes		No	
Issuance of shares to specific targets	Xinli Mining Exploration Permit (Deep mine construction project in Xinli Mining Exploration Permit)	Production and construction	Yes	No	32,746.28		33,226.71	101.47		Yes	Yes		No	
Issuance of shares to specific targets	Gulaizhuang Company (Deep construction project in Gulaizhuang gold mine)	Production and construction	Yes	No	6,911.45		6,919.45	100.12		Yes	Yes		No	
Issuance of shares to specific targets	Penglai Mining (Chugeshuang and Huluxian mine construction project in Penglai gold mine)	Production and construction	Yes	No	9,966.13					No	Yes		No	
Total	/	/	/	/	164,282.24	704.88	115,102.92	/	/	/	/	/	/	/

2. Details of use of the proceeds from the over-allotment

☐ Applicable ☒ N/A

3. Specific Circumstances of Re-evaluation of Fund Raising Investment Project during the Reporting Period

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(III) Change or Termination of Fund Raising and Investment during the Reporting Period

☐ Applicable ☒ N/A

(IV) Other Information on the Use of Proceeds during the Reporting Period

1. Initial investment and replacement of proceeds invested in projects

☐ Applicable ☒ N/A

2. Use of idle proceeds to temporarily supplement working capital

☒ Applicable ☐ N/A

On 8 December 2025, the Company held the seventh meeting of the seventh session of the Board of Directors, at which the Proposal on Using Idle Proceeds to Temporarily Supplement Working Capital was considered and approved. It was approved that the Company use idle proceeds of RMB500 million to temporarily supplement working capital, with a term not exceeding 12 months, and that the Company should timely and fully return such proceeds to the special account for raised funds before the expiry of the term.

3. Cash management of idle proceeds and investment in relevant products

☐ Applicable ☒ N/A

4. Others

☐ Applicable ☒ N/A

(V) Explanation of the Abnormal Circumstances Identified by Intermediary Institutions during the Verification of the Storage and Use of Proceeds

☐ Applicable ☒ N/A

(VI) Subsequent Rectification of Unauthorized Changes to the Use of Proceeds and Illegal Occupation of Proceeds

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

XIII. DESCRIPTION FOR OTHER MATERIAL MATTERS

√ Applicable □ N/A

Gold exploration permits of the Company's controlling shareholder, SDG Group

The Company's controlling shareholder, SDG Group, engages in gold mining related operations, including geological exploration and mining of gold, gold processing, gold smelting and technical services, and production and sales of specialized equipment and supplies and construction materials for gold mines. The gold resources of SDG Group are mainly located in the PRC. As of 30 June 2026, it owned 38 gold mine exploration permits in the PRC with an aggregate of approximately 289.99 tonnes of gold resources measured with reference to rules for estimation of China's resource reserves and reviewed and filed with relevant authorities; and 15 gold mine mining permits in the PRC with an aggregate of approximately 126.93 tonnes of measured gold resources.

Statistics of the resources under the exploration permits of SDG Group

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether managed by the Company under entrustment
1	The gold mine at Shanglanzi mine area in Penglai City, Shandong Province (exploration) (山東省蓬萊市上嵐子礦區金礦勘探)	Shandong Gold Jinchuang Group Co., Ltd.	Yanzikuang Village, Daliuhang Town, Penglai City, Shandong Province	3.61	Yes
2	The gold mine in Shuiwangzhuang mining area, Zhaoyuan City, Shandong Province (exploration) (山東省招遠市水旺莊礦區金礦勘探)	Zhaoyuan Jiuzhou Mining Co., Ltd.	Zhaoyuan City, Shandong Province	186.1	Yes
3	The gold mine in Lijiazhuang mining area, Zhaoyuan City, Shandong Province (exploration) (山東省招遠市李家莊礦區金礦勘探)	Shandong Chengjin Mining Co., Ltd.	Zhaoyuan City, Shandong Province	17.05	Yes
4	The gold mine in the deep section of No.1 Vein, Ore Block I, Jiudian Gold Mine, Pingdu City, Shandong Province (exploration) (山東省平度市舊店金礦1號脈I礦段深部金礦勘探)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	2.08	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether managed by the Company under entrustment
5	The gold mine in Yueshi area, Laixi City, Shandong Province (exploration) (山東省萊西市岳石地區金礦勘探)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	Not detected yet	Yes
6	The gold mine at Jiuzhanggou West in Song County, Henan Province (general exploration) (河南省嵩縣九丈溝西金礦普查)	Songxian Shanjin Mining Co., Ltd.	Song County, Henan Province	Not detected yet	Yes
7	The gold mine at the outer rim of Dayaokeng mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣大藥坑礦區金礦外圍地質詳查)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Dayaokeng Village, Xingxi Town, Zhenghe County, Fujian Province	Not detected yet	Yes
8	The gold mine at the deep level of Dayaokeng mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣大藥坑礦區金礦深部詳查)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Dayaokeng Village, Xingxi Town, Zhenghe County, Fujian Province	Au: 0.89 Ag: 21.09	Yes
9	The gold and copper mine in the outer rim of Xingxi mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣星溪礦區外圍金銅礦詳查)	Fujian Province Zhenghe Dayuan Mining Co., Ltd.	Zhenghe County, Fujian Province	Not detected yet	Yes
10	The gold mine at Asiha (Kere) District in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣阿斯哈(可熱)地區金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.42	Yes
11	The outer rim of Walega gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣瓦勒尕金礦外圍詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.10	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether managed by the Company under entrustment
12	The gold mine at Dalijigetang District in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣達里吉格塘地區金礦普查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
13	Guoluolongwa gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣果洛龍窪金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	12.94	Yes
14	Guoluolongwa gold mine (below 3,740 meters) in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣果洛龍窪金礦 (3,740米以下) 普查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
15	Annage gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣按納格金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	1.67	Yes
16	The gold-copper polymetallic mine in vicinity of Kongque Gou North, Turpan City, Xinjiang (general prospecting) (新疆吐魯番市孔雀溝北一帶金銅多金屬礦 普查)	Shandong Gold Resources Development Co., Ltd.	Gaochang District, Turpan City, Xinjiang	Not detected yet	Yes
17	The gold mine at Cangshang-Panjiawuzi District in Laizhou City, Shandong Province (exploration) (山東省萊州市倉上一潘家屋子地區金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Jincang Street, Laizhou City, Shandong Province	0.39	Yes
18	The middle and deep level of Liucun gold mine in Laizhou City, Shandong Province (general exploration) (山東省萊州市留村金礦中深部詳查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Hutouya Town, Laizhou City, Shandong Province	2.00	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether managed by the Company under entrustment
19	Zhaojia gold mine in Laizhou City, Shandong Province (exploration) (山東省萊州市趙家金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Pinglidian Town, Laizhou City, Shandong Province	Not detected yet	Yes
20	Shangmajia gold mine in Laizhou City, Shandong Province (exploration) (山東省萊州市上馬家金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Zhacun Town, Laizhou City, Shandong Province	0.22	Yes
21	Goumabei Gold Mine in Zhaishang Mining District, Min County, Gansu Province (general exploration) (甘肅省岷縣寨上礦區溝麻背金礦詳查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Min County, Gansu Province	56.11 (additional low-grade 8.74t)	Yes
22	The gold mine at Qianlijia District in Laizhou City, Shandong Province (general exploration) (山東省萊州市前李家地區金礦普查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Laizhou City, Shandong Province	0.40	Yes
23	The gold mine at Xidouya District in Qixia City, Shandong Province (general exploration)(山東省棲霞市西陡崖地區金礦普查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Qixia County, Shandong Province	Not detected yet	Yes
24	The gold mine at Dayinjia mine area in Laizhou City, Shandong Province (exploration) (山東省萊州市大尹家礦區金礦勘探)	Shandong Jindi Mining Co., Ltd.	Zhuqiao Town, Pinglidian Town, Laizhou City, Shandong Province	Not detected yet	Yes
25	Dachaidan Hangwei Shengligou gold mine in Qinghai Province (general exploration) (青海省大柴旦行委勝利溝金礦詳查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Dachaidan Hangwei, Haixi Prefecture, Qinghai Province	0.56	Yes
26	The gold mine at south Asiha in Dulan County, Qinghai Province (pre-exploration) (青海省都蘭縣阿斯哈南金礦預查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether managed by the Company under entrustment
27	The gold mine at south Walega in Dulan County, Qinghai Province (pre-exploration) (青海省都蘭縣瓦勒尕南金礦預查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
28	The gold mine at Hongqidian, Tuoli County, Xinjiang (general exploration) (新疆托里縣紅旗點金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Tuoli County, Tacheng District, Xinjiang	Not detected yet	Yes
29	The gold mine at Anjiacha in Xihe County, Gansu Province (general exploration) (甘肅省西和縣安家岔金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu Province	Not detected yet	Yes
30	Tenglongling gold mine in Yiwu County, Xinjiang (general exploration) (新疆伊吾縣騰龍嶺金礦普查)	Shandong Gold Resources Development Co., Ltd.	Yiwu County, Xinjiang	3.70	Yes
31	The outer rim of Siergoumen gold mine in Xihe County, Gansu Province (general exploration) (甘肅省西和縣四兒溝門外圍金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu Province	Not detected yet	Under transfer
32	The gold mine in vicinity in Wangjiagou, Xihe County, Gansu Province (general exploration) (甘肅省西和縣王家溝一帶金礦詳查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu Province	1.43	Yes
33	The gold mine in Yanhe, Xiahe County, Gansu Province (general exploration) (甘肅省夏河縣剡河金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xiahe County, Gansu Province	Not detected yet	Yes
34	The gold-polymetallic mine at Jiaochagou Northwest District in Ejinaqi, Inner Mongolia (general exploration)(內蒙額濟納旗交叉溝北西金多金屬礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Ejinaqi, Inner Mongolia	Not detected yet	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether managed by the Company under entrustment
35	The gold mine at Shadiquan District in Yiwu County, Xinjiang (exploration) (新疆伊吾縣沙地泉金礦勘查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Yiwu County, Xinjiang	0.32	Yes
36	Wuzunbulake gold mine in Gaochang District, Turpan City, Xinjiang (general prospecting) (新疆吐魯番市高昌區烏尊布拉克金礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Gaochang District, Turpan City, Xinjiang	Not detected yet	Yes
37	The Yinxiangou gold-polymetallic mine in Songshan District, Chifeng City, Inner Mongolia Autonomous Region (general exploration) (內蒙古自治區赤峰市松山區銀線溝金多金屬礦詳查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Songshan District, Chifeng City	Not detected yet	Yes
38	The Tiligentai gold-polymetallic mine in Wengniute County, Chifeng City, Inner Mongolia Autonomous Region (general exploration) (內蒙古自治區赤峰市翁牛特旗鐵力根台金多金屬礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Wengniute County, Chifeng City, Inner Mongolia Autonomous Region	Not detected yet	Yes
Total				289.99	

SECTION 5 IMPORTANT MATTERS

Statistics of the resources under the mining permits of SDG Group

No.	Name of exploration permit	Holder of exploration permit	Location	Retained gold content (tonnes)	Whether managed by the Company under entrustment
1	Shandong Gold Jinchuang Group Co., Ltd. Yankou mine area (山東黃金金創集團有限公司奄口礦區)	Shandong Gold Jinchuang Group Co., Ltd.	Yankou area, Daliuhang Town, Penglai, Shandong Province	57.38	Yes
2	Shandong Jinchuang Co., Ltd. Shangkouwangli gold mine area (山東金創股份有限公司上口王李金礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	3.88	Yes
3	Shandong Jinchuang Co., Ltd. Heijinding mine area (山東金創股份有限公司黑金頂礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	1.54	Yes
4	Shandong Jinchuang Co., Ltd. Heilangou mine area (山東金創股份有限公司黑嵐溝礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	16.89	Yes
5	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	5.80	Yes
6	The No.2 Vein mining area of Jiudian Gold Mine, Pingdu City, Qingdao (青島平度市舊店金礦二號脈礦區)	Jiudian Gold Mine, Pingdu City, Qingdao	Jiudian Town, Pingdu City, Shandong Province	2.75	Yes
7	The No.3 Vein mining area of Jiudian Gold Mine, Pingdu City, Qingdao (青島平度市舊店金礦三號脈礦區)	Jiudian Gold Mine, Pingdu City, Qingdao	Jiudian Town, Pingdu City, Shandong Province	2.61	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Retained gold content (tonnes)	Whether managed by the Company under entrustment
8	The No.29 Vein mining area of Jiudian Gold Mine, Pingdu City, Qingdao (青島平度市舊店金礦二十九號脈礦區)	Jiudian Gold Mine, Pingdu City, Qingdao	Jiudian Town, Pingdu City, Shandong Province	1.60	Yes
9	Hainan Shanjin Mining Co., Ltd. Baolun gold mine in Ledong County (海南山金礦業有限公司樂東縣抱倫金礦)	Hainan Shanjin Mining Co., Ltd.	Ledong County, Hainan Province	11.87	Yes
10	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Songxian Shanjin Mining Co., Ltd.	Shuigou Village, Dazhang Town, Song County, Luoyang	3.24	Yes
11	Fujian Province Zhenghe Hongkun Mining Co., Ltd. Dayaokeng gold mine (福建省政和縣宏坤礦業有限公司大藥坑金礦)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Xingxi Town, Zhenghe County, Fujian Province	0.94	Yes
12	Qinghai Shanjin Mining Co., Ltd. Guoluolongwa gold mine in Dulan County (青海山金礦業有限公司都蘭縣果洛龍窪金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.68	Yes
13	Qinghai Shanjin Mining Co., Ltd. Walega gold mine in Dulan County (青海山金礦業有限公司都蘭縣瓦勒尕金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	7.92	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Retained gold content (tonnes)	Whether managed by the Company under entrustment
14	Qinghai Shanjin Mining Co., Ltd. gold mine at Asiha (Kere) District in Dulan County (青海山金礦業有限公司都蘭縣阿斯哈(可熱)地區金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	7.61	Yes
15	Fujian Province Zhenghe Dayuan Mining Co., Ltd. sulfur-gold-copper mine of Xingxi mine area (福建省政和縣大源礦業有限公司星溪礦區硫金銅礦)	Fujian Province Zhenghe Dayuan Mining Co., Ltd.	Zhenghe County, Fujian Province	2.22	Yes
Total				126.93	

Notes:

- According to the requirements of the governments at all levels of Shandong Province and Yantai City on the gold mineral resources consolidation plan in 2021, Laizhou Ludi Mining Investment and Development Co., Ltd., a wholly-owned subsidiary of SDG Group, consolidated and transferred the Jincheng Gold Mining Permit held by it to Laizhou Company, a wholly-owned subsidiary of the Company. In 2022, Laizhou Company acquired the consolidated "Jiaojia Gold Mining Permit", which includes the Jincheng Gold Mining Permit, and the gold content of Jincheng Gold Mining Permit reached 73.4 tonnes, and the resource income from the Jincheng Gold Mining Permit remains substantially attributable to Laizhou Ludi Mining Investment and Development Co., Ltd.
- SDG Group has been sorting out the resources of gold exploration and mining permits owned by it in the PRC and improvement in their titles or certificates, and will actively promote the transfer of eligible mineral rights to the Company. If the relevant conditions for their injection into the Company are not met or the Company is unwilling to acquire them, such mineral rights will be disposed of by way of sale to an unrelated third party, etc., with the prior consent of the Company.

SECTION 5 IMPORTANT MATTERS

XIV. OTHER MATTERS

(I) Staff of the Group

As at 30 June 2026, the Group had a total of 29,627 full-time employees. 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.

(II) Material Change

Save as disclosed in this interim report, 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.

SECTION 5 IMPORTANT MATTERS

(III) 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.

(IV) 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.

(V) Audit Committee

The audit committee has reviewed the interim report 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 report 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.

(VI) 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.

(VII) 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 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.

SECTION 5 IMPORTANT MATTERS

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.

(VIII) 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.

SECTION 5 IMPORTANT MATTERS

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 interim report, no other events having a material impact on the Group have occurred subsequent to 30 June 2026 and up to the date of this interim report.

(IX) Disclosure of Directors' Information Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules

Save as disclosed in the interim report, during the Reporting Period, there were no other changes to the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

(X) List of Directors

As at the date of this interim report (i.e. 28 August 2026), 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.

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Statement of Changes in Shares

1. Statement of changes in shares

During the Reporting Period, there were no changes in the total number of the Company's shares or its share capital structure.

2. Explanation on the changes in shares

☐ Applicable ☒ N/A

3. Effect of changes in shares occurred after the Reporting Period up to the date of disclosure of the interim report on financial indicators such as earnings per share and net assets per share (if any)

☐ Applicable ☒ N/A

4. Other disclosures deemed necessary by the Company or required by securities regulatory authorities

☐ Applicable ☒ N/A

(II) Changes in Shares subject to Selling Restrictions

☐ Applicable ☒ N/A

II. INFORMATION ABOUT SHAREHOLDERS

(I) Total Number of Shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period	220,415
Total number of shareholders of preference shares with restored voting right as of the end of the Reporting Period	0

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

(II) Shareholding of Top Ten Shareholders, Top Ten Shareholders of Circulating Shares (or Holders of Shares not subject to Selling Restrictions) as of the End of the Reporting Period

Unit: Share

Shareholding of top ten shareholders (excluding shares lent through securities lending and refinancing)							
Name of shareholders (full name)	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Share pledged, marked or frozen Share status	Number	Nature of shareholder
Shandong Gold Group Co., Ltd.	-46,316,413	1,575,127,175	34.17	0	Nil	0	State-owned legal person
Shandong Gold Resources Development Co., Ltd.	0	268,372,049	5.82	0	Nil	0	State-owned legal person
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd.	0	102,941,860	2.23	0	Nil	0	State-owned legal person
HKSCC Nominees Limited	142,355	995,486,178	21.59	0	Nil	0	Overseas legal person
Hong Kong Securities Clearing Company Limited	-21,601,743	77,844,964	1.69	0	Nil	0	Overseas legal person
Basic Pension Insurance Fund Portfolio 802	30,084,951	33,044,910	0.72	0	Nil	0	Other
National Social Security Fund-Portfolio 113	27,148,214	32,150,462	0.70	0	Nil	0	Other
Shandong Gold Group Qingdao Gold Co., Ltd.	0	31,467,157	0.68	0	Nil	0	State-owned legal person
National Social Security Fund-Portfolio 112	-8,014,880	25,980,108	0.56	0	Nil	0	Other
Agricultural Bank of China Limited-Yongying CSI SZ-HK Stock Connect Gold Industry Stock Exchange-Traded Open-ended Index Securities Investment Fund	-7,516,249	22,947,201	0.50	0	Nil	0	Other
Industrial and Commercial Bank of China Limited – Southern CSI SWS Non-Ferrous Metals Exchange- Traded Open-ended Index Securities Investment Fund	1,558,915	18,965,813	0.41	0	Nil	0	Other

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

Shareholding of top ten Shareholders not subject to selling restrictions (excluding shares lent through securities lending and refinancing)				
Name of shareholder	Number of tradable shares held not subject to selling restrictions	Type and number of shares		Number
		Type		
Shandong Gold Group Co., Ltd.	1,575,127,175	RMB ordinary shares		1,575,127,175
Shandong Gold Resources Development Co., Ltd.	268,372,049	RMB ordinary shares		268,372,049
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd.	102,941,860	RMB ordinary shares		102,941,860
HKSCC Nominees Limited	995,486,178	Overseas-listed foreign shares		995,486,178
Hong Kong Securities Clearing Company Limited	77,844,964	RMB ordinary shares		77,844,964
Basic Pension Insurance Fund Portfolio 802	33,044,910	RMB ordinary shares		33,044,910
National Social Security Fund-Portfolio 113	32,150,462	RMB ordinary shares		32,150,462
Shandong Gold Group Qingdao Gold Co., Ltd.	31,467,157	RMB ordinary shares		31,467,157
National Social Security Fund-Portfolio 112	25,980,108	RMB ordinary shares		25,980,108
Agricultural Bank of China Limited-Yongying CSI SZ-HK Stock Connect Gold Industry Stock Exchange-Traded Open-ended Index Securities Investment Fund	22,947,201	RMB ordinary shares		22,947,201
Industrial and Commercial Bank of China Limited – Southern CSI SWS Non-Ferrous Metals Exchange-Traded Open-ended Index Securities Investment Fund	18,965,813	RMB ordinary shares		18,965,813
Explanation of special accounts for repurchase among the top ten Shareholders	N/A			
Explanation of the proxy voting right, entrusted voting right and waiver of voting right of the aforesaid Shareholders	N/A			
Explanation on the connected relationship or concerted actions among the aforesaid shareholders	There are connected relationships among Shandong Gold Group Co., Ltd., the largest shareholder of the Company and Shandong Gold Non-ferrous Metal Mine Group Co., Ltd., Shandong Gold Resources Development Co., Ltd., and Shandong Gold Group Qingdao Gold Co., Ltd. Shandong Gold Group Co., Ltd. has no connected relationships with other shareholders, which are also not persons acting in concert as defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies (《上市公司股東持股份變動信息披露管理辦法》); and the Company is not aware of any connected relationship among other shareholders, or that any of them is person acting in concert defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies.			
Explanation on the restoration of voting rights of holders of preference shares and the number of shares held	N/A			

Notes: 1. From 31 July 2025 to 10 February 2026, following the commencement of the exchange period for the SDG Group's non-public issuance of exchangeable corporate bonds, the SDG Group's holdings of shares of Shandong Gold were passively reduced by 58,906,761 A Shares as a result of bondholders exercising their exchange rights.

2. From 31 July 2025 to 8 April 2026, the Company's controlling shareholder, SDG Group, cumulatively increased its holdings of the Company's shares by 13,545,065 A Shares through centralized auction trading on the Shanghai Stock Exchange trading system, representing 0.2938% of the Company's total share capital, with a total accumulated purchase amount of RMB509,964,583.39 (exclusive of trading commissions and other fees).

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

Shares lent through securities lending and refinancing by shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders not subject to selling restrictions

☐ Applicable ☒ N/A

Changes in the top ten shareholders and top ten shareholders not subject to selling restrictions from the previous period due to lending/returning of shares through securities lending and refinancing business

☐ Applicable ☒ N/A

Shareholding of the top ten holders of Shares subject to selling restrictions and conditions for selling restrictions

☐ Applicable ☒ N/A

(III) Strategic Investors or General Legal Persons Who Have Become Top Ten Shareholders by Virtue of Placement of New Shares

☐ Applicable ☒ N/A

III. DIRECTORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding of Current and Resigned Directors and Senior Management During the Reporting Period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(II) Information on Incentive Share Options Granted to Directors and Senior Management During the Reporting Period

☐ Applicable ☒ N/A

(III) Other Information

☐ Applicable ☒ N/A

IV. CHANGES IN CONTROLLING SHAREHOLDERS OR THE DE FACTO CONTROLLER

☐ Applicable ☒ N/A

V. INFORMATION ABOUT PREFERENCE SHARES

☐ Applicable ☒ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

VI. OTHERS

(I) Disclosure of Interests and Short Positions of the Substantial Shareholders of the Company

As at 30 June 2026, so far as the Directors and chief executives of the Company are aware, the following persons (not being a Director or chief executive of the Company) had interests and long/short positions in the Shares or underlying Shares which were required, pursuant to Section 336 of the SFO, to be entered into the register required to be kept by the Company referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of substantial shareholder	Nature of interest	Class of Shares	Number of Shares or underlying Shares interested	Long/short position	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital
SDG Group Co.	Beneficial owner	A Shares	1,575,127,175	Long position	43.58%	34.17%
	Interest held by controlled corporations ⁽¹⁾	A Shares	406,038,111	Long position	11.23%	8.81%
SDG Resources Development	Beneficial owner ⁽²⁾	A Shares	268,372,049	Long position	7.42%	5.82%
Schroders PLC	Investment manager	H Shares	50,092,400	Long position	5.03%	1.09%
JPMorgan Chase & Co. ⁽³⁾	Beneficial owner	H Shares	29,045,576	Long position	2.92%	0.63%
	Investment manager	H Shares	220,250	Long position	0.02%	0.0048%
	Holder of a security interest in the Shares	H Shares	75,750	Long position	0.01%	0.0016%
	Approved lending agent	H Shares	26,552,803	Long position	2.67%	0.58%
	Beneficial owner	H Shares	30,459,764	Short position	3.06%	0.66%
	Investment manager	H Shares	9,750	Short position	0.0010%	0.0002%
BlackRock, Inc. ⁽⁴⁾	Interest held by controlled corporations	H Shares	53,551,618	Long position	5.38%	1.16%
			9,052,250	Short position	0.91%	0.20%

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

Notes:

- (1) These 406,038,111 A Shares comprise 268,372,049 A Shares held by SDG Resources Development, 102,941,860 A Shares held by Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. ("**SDG Non-ferrous**"), 31,467,157 A Shares held by Shandong Gold Group Qingdao Gold Co., Ltd. ("**Qingdao Gold**") and 3,257,045 A Shares held by SDG (Beijing) Industry Investment Co., Ltd. ("**Beijing Industry Investment**"). Each of SDG Resources Development, SDG Non-ferrous, Qingdao Gold and Beijing Industry Investment is wholly-owned by SDG Group Co.. SDG Group Co. holds 100% equity interest of SDG Non-ferrous. As such, for the purpose of the SFO, SDG Group Co. is deemed to be interested in the Shares held by SDG Resources Development, SDG Non-ferrous, Qingdao Gold and Beijing Industry Investment.
- (2) SDG Resources Development is wholly-owned by SDG Group Co., and therefore, for the purpose of the SFO, SDG Group Co. is deemed to be interested in all the Shares held by SDG Resources Development.
- (3) According to the corporate substantial shareholder notice filed by JPMorgan Chase & Co. with the Hong Kong Stock Exchange on 3 July 2026 in respect of the relevant event that occurred on 30 June 2026, it indirectly held through multiple subsidiaries: (a) 55,894,379 H Shares (long position), comprising (i) 29,045,576 H Shares (long position) held as beneficial owner; (ii) 220,250 H Shares (long position) held as investment manager; (iii) 75,750 H Shares (long position) held as a holder of a security interest in the Shares within the meaning of the SFO; and (iv) 26,552,803 H Shares (long position) in securities defined under the SFO as available for lending, held as approved lending agent; and (b) 30,469,514 H Shares (short position) of which (i) 30,459,764 H Shares (short position) held as beneficial owner; and (ii) 9,750 H Shares (short position) held as investment manager. This included (i) 3,110,750 H Shares (short position) under listed derivatives settled in cash; (ii) 471,187 H Shares (long position) and 3,682,475 H Shares (short position) under unlisted derivatives settled in kind; and (iii) 6,287,508 H Shares (long position) and 23,172,344 H Shares (short position) under unlisted derivatives settled in cash.
- (4) According to the corporate substantial shareholder notice filed by BlackRock, Inc. with the Hong Kong Stock Exchange on 2 July 2026 in respect of the relevant event that occurred on 29 June 2026, it held 53,551,618 H Shares (long position) and 9,052,250 H Shares (short position) through a number of subsidiaries. These include 2,463,500 H Shares (long position) and 8,015,250 H Shares (short position) under cash-settled unlisted derivatives.

Save as disclosed above, as at 30 June 2026, the Directors and chief executive of the Company are not aware of any person (who were not Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in 5% or more of the nominal value of any class of the share capital carrying the rights to vote in all circumstances at general meetings of the Company, or had an interest or short position which would be required to be entered into the register to be kept by the Company pursuant to Section 336 of the SFO.

(II) Disclosure of Interests and Short Positions of Directors and Chief Executive of the Company

As at 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) that were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions that they have or are deemed to have under the relevant provisions of the SFO); or required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SECTION 7 CORPORATE BONDS

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

✓ Applicable □ N/A

(II) Corporate Bonds (Including Enterprise Bonds)

✓ Applicable □ N/A

1. Overview of corporate bonds

Unit: RMB100 million

Name of Bonds	Abbreviation	Code	Date of		The Latest Putback	Outstanding		Payment of		Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investors	Mechanism of Trading	Whether there is any risk of delisting or suspension of listing
			Initial	Interest		Balance of	Coupon	Principal and Interest							
									Date after 31 August 2026						
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 investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
	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 investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
Note 2 for details															

SECTION 7 CORPORATE BONDS

Name of Bonds	Abbreviation	Code	Date of Issuance	Date of Initial Interest	The Latest Putback Date after 31 August 2026	Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest		Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investors	Mechanism of Trading	Whether there is any risk of delisting or suspension of listing
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1)	24 Luji K1	240785	2024/03/25	2024/03/27	-	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 investors	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 Luji K3	241624	2024/9/10	2024/09/12	-	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 investors	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 2)	24 Luji K4	241625	2024/9/10	2024/09/12	-	10	2.60	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 investors	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.

SECTION 7 CORPORATE BONDS

The Company's response to the risk of the termination of listing and suspension of the bonds

☐ Applicable ☒ N/A

2. Triggers and execution of option terms for the Company or investors, and investor protection terms

☐ Applicable ☒ N/A

3. Adjustments to credit rating results

☐ Applicable ☒ N/A

4. Change, variation and implementation of guarantees, debt repayment plans and other debt repayment safeguards during the Reporting Period and their impact

☐ Applicable ☒ N/A

(II) Use of Proceeds from Corporate Bonds

☐ The corporate bonds involved in the use of proceeds or rectification during the Reporting Period

☒ All corporate bonds of the Company did not involve the use of proceeds or rectification during the Reporting Period

(1) Use of proceeds for specific projects

☐ Applicable ☒ N/A

(III) Other Matters to Be Disclosed for Special Types of Bonds

☒ Applicable ☐ N/A

1. The Company as the issuer of exchangeable corporate bonds

☐ Applicable ☒ N/A

2. The Company as the issuer of green corporate bonds

☐ Applicable ☒ N/A

3. The Company as the issuer of renewable corporate bond

☒ Applicable ☐ N/A

Unit: RMB100 million

Bond code	240265.SH
Bond abbreviation	Lujin KY01
Bond balance	20.00
Renewal	Not involved during the Reporting Period
Interest rate hike	Not involved during the Reporting Period
Deferred interest	Not involved during the Reporting Period
Mandatory interest payment	Not involved during the Reporting Period
Whether it is still included in equity and related accounting treatment	Included in owner's equity – other equity instruments
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

Bond code	240334.SH
Bond abbreviation	Lujin KY02
Bond balance	20.00
Renewal	Not involved during the Reporting Period
Interest rate hike	Not involved during the Reporting Period
Deferred interest	Not involved during the Reporting Period
Mandatory interest payment	Not involved during the Reporting Period
Whether it is still included in equity and related accounting treatment	Included in owner's equity – other equity instruments
Other matters	Not applicable

4. The Company is an issuer of corporate bonds for poverty alleviation

☐ Applicable ☒ N/A

5. The Company is an issuer of corporate bonds for rural revitalisation

☐ Applicable ☒ N/A

6. The Company is an issuer of corporate bonds for the Belt and Road Initiative

☐ Applicable ☒ N/A

7. The Company is an issuer of sci-tech innovation corporate bonds or innovation and entrepreneurship corporate bonds

☒ Applicable ☐ N/A

Unit: RMB100 million

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	241625.SH
Bond abbreviation	24 Lujin K4
Bond balance	10.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise. The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	241624.SH
Bond abbreviation	24 Lujin K3
Bond balance	10.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	240785.SH
Bond abbreviation	24 Lujin K1
Bond balance	20.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	240265.SH
Bond abbreviation	Lujin KY01
Bond balance	20.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

Applicable issuer category for this bond	☒ Sci-tech innovation enterprise ☐ Sci-tech innovation upgrade ☐ Sci-tech innovation investment ☐ Sci-tech innovation incubation ☐ Financial institution
Bond code	240334.SH
Bond abbreviation	Lujin KY02
Bond balance	20.00
Progress on the investment of funds raised by sci-tech innovation projects or financial institutions in the field of scientific and technological innovation	The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved
Effect on promoting sci-tech innovation development	The issuer is categorized as a sci-tech innovation enterprise The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise
Operation of fund products (if applicable)	Not applicable to this bond
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

8. The Company is an issuer of low-carbon transition (linked) corporate bonds

☐ Applicable ☒ N/A

9. The Company is an issuer of bail-out corporate bonds

☐ Applicable ☒ N/A

10. The Company is an issuer of micro, small and medium-sized enterprise backed bonds

☐ Applicable ☒ N/A

11. Matters relating to other special types of corporate bonds

☐ Applicable ☒ N/A

(IV) Significant Events Relating to the Corporate Bonds During the Reporting Period

☒ Applicable ☐ N/A

1. Non-operating transactions and fund lending/borrowing

(1) Balance of non-operating transactions and fund lending/borrowing

At the beginning of the Reporting Period, the balance of non-operating transactions and fund lending/borrowing (receivables from other parties not directly arising from production and operation) by the Company on a consolidated basis amounted to RMB0 billion;

During the Reporting Period, the addition to and the recovery of non-operating transaction appropriation and capital lending/borrowing were RMB0 billion and RMB0 billion, respectively;

Whether there was any breach of the relevant agreements or commitments in the prospectus in respect of non-operating occupied fund and capital lending/borrowing

☐ Yes ☒ No

As at the end of the Reporting Period, the total amount of uncollected non-operating occupied fund and capital lending/borrowing was RMB0 billion, of which the controlling shareholders, the de facto controller and other related parties accounted for or borrowed funds totaled RMB0 billion.

(2) Breakdown of non-operating occupied fund and capital lending/borrowing

As at the end of the Reporting Period, the proportion of the Company's uncollected consolidated non-operating occupied fund and capital lending/borrowing to consolidated net assets was 0%

Whether it exceeds 10% of the consolidated net assets: ☐ Yes ☒ No

(3) Implementation of collection arrangements disclosed in previous Reporting Periods

☒ Fully implemented ☐ Not fully implemented ☐ N/A

SECTION 7 CORPORATE BONDS

2. Information on liabilities

(1) Information on interest-bearing liabilities and their changes

1.1 Information on the liability structure of the Company

As at the beginning and the end of the Reporting Period, the outstanding balance of interest-bearing liabilities of the Company (on non-consolidated basis) was RMB47.105 billion and RMB51.085 billion, respectively. During the Reporting Period, the outstanding balance of interest-bearing liabilities changed by 8.45% year on year.

Unit: RMB100 million

Type of interest-bearing liabilities	Time of maturity			Proportion of the amount to interest-bearing liabilities (%)	
	Overdue	Within 1 year (1 year inclusive)	More than 1 year (1 year exclusive)	Total amount	
Corporate credit bonds	–	–	40.00	40	7.83
Bank borrowings	–	319.61	151.24	470.85	92.17
Total	–	319.61	191.24	510.85	100

As at the end of the Reporting Period, among the existing corporate credit bonds of the Company, the outstanding balance of corporate bonds, enterprise bonds and non-financial corporate debt financing instruments amounted to RMB8.0 billion (of which: RMB4.0 billion was included in owner's equity – other equity instruments, and RMB4.00 billion was included in bonds payable), RMB0 billion and RMB0 billion, respectively.

SECTION 7 CORPORATE BONDS

- 1.2 Information on the interest-bearing liability structure of the Company on consolidated basis
As at the beginning and the end of the Reporting Period, the outstanding balance of interest-bearing liabilities of the Company on consolidated basis was RMB64.997 billion and RMB66.691 billion, respectively. During the Reporting Period, the outstanding balance of interest-bearing liabilities changed by 2.61% year on year.

Unit: RMB100 million

Type of interest-bearing liabilities	Time of maturity			Total amount	Proportion of the amount to interest-bearing liabilities (%)
	Overdue	Within 1 year (1 year inclusive)	More than 1 year (1 year exclusive)		
Corporate credit bonds			40.00	40	6.00
Bank borrowings		388.71	221.58	610.29	91.51
Loans from non-bank financial institutions		5.74	10.88	16.62	2.49
Total		394.45	272.46	666.91	100.00

As at the end of the Reporting Period, among the existing corporate credit bonds of the Company on consolidated basis, the outstanding balance of corporate bonds, enterprise bonds and non-financial corporate debt financing instruments amounted to RMB8.0 billion (of which: RMB4.0 billion was included in owner's equity – other equity instruments, and RMB4.0 billion was included in bonds payable), RMB0 billion and RMB0 billion, respectively.

1.3 Overseas bonds

As of the end of the Reporting Period, the balance of overseas bonds issued by the Company within the scope of the consolidated financial statement was RMB0 billion.

- (2) *As at the end of the Reporting Period, the Company and its subsidiaries had interest-bearing debts or corporate credit bonds with an overdue amount exceeding RMB10 million, or accounting for 5% or more of the net assets of the Company's consolidated financial statements as at the end of the previous year*

☐ Applicable ☒ N/A

- (3) *Details of prioritized repayment of liabilities against any third party*

As of the end of the Reporting Period, there were priority liabilities against third parties within the scope of the Company's consolidated financial statements:

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

3. Change in the management system of information disclosure during the Reporting Period

☒ Changeable ☐ N/C

Changes to the Information Disclosure Management System	On 29 May 2026, following consideration and approval by the 11th meeting of the seventh session of the Board of Directors of the Company, the Company revised and improved certain provisions of the Administration of Information Disclosure Affairs of Shandong Gold Mining Co., Ltd. and the Internal Management System of Suspension and Exemption of Information Disclosure of Shandong Gold Mining Co., Ltd. in accordance with the Company Law of the People's Republic of China (Revised in 2023), the Measures for the Administration of Information Disclosure by Listed Companies, the Provisions on the Administration of Suspension and Exemption of Information Disclosure by Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in April 2026), the Articles of Association of Shandong Gold Mining Co., Ltd., and other relevant provisions, and in light of the actual circumstances of the Company.
Key Contents of the Information Disclosure Management System after Amendment	For details, please refer to the Management Measures for Information Disclosure Affairs of Shandong Gold Mining Co., Ltd. and the Internal Management System for Suspension and Exemption of Information Disclosure of Shandong Gold Mining Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange on 30 May 2026.
Impact on the rights and interests of investors	The relevant changes will not have an adverse impact on investors' rights and interests.

(V) Non-Financial Enterprise Debt Financing Instruments in the Interbank Bond Market

☐ Applicable ☒ N/A

(VI) Losses Within the Scope of Consolidated Statements of the Company During the Reporting Period Exceeds 10% of Its Net Assets at the End of the Previous Year

☐ Applicable ☒ N/A

(VII) Circumstances of Non-Compliance with Regulations and Undertakings

Circumstances of non-compliance with laws, regulations, self-regulatory rules, the Articles of Association, the information disclosure management system, and other applicable provisions, as well as the terms of or undertakings under the bond prospectus during the Reporting Period, and the impact of such circumstances on the interests of bondholders

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

(VIII) Key Accounting Data and Financial Indicators

√ Applicable □ N/A

Unit: RMB

Principal indicators	At the end of the Reporting Period	At the end of last year	Increase/decrease of the end of the Reporting Period as compared with the end of last year (percentage point)	Reason for change
Liquidity ratio	55.00%	46.99%	8.01	
Quick ratio	36.82%	35.63%	1.19	
Debt-to-Asset Ratio (%)	61.90	62.21	-0.31	

	Reporting Period (January to June)	Corresponding period of last year	Increase/decrease of the Reporting Period as compared with the corresponding period of last year (%)	Reason for change
Net profit after deducting non-recurring profit or loss	3,543,934,078.39	2,809,502,578.83	26.14	
Total debt ratio of EBITDA	0.17	0.14	21.43	
Interest coverage ratio	10.38	6.81	52.42	
Cash flow interest coverage ratio	8.93	11.13	-19.77	
Interest coverage multiples EBITDA	14.14	10.08	40.28	
Loan repayment rate (%)	100.00	100.00		
Interest repayment rate (%)	100.00	100.00		

II. CONVERTIBLE BONDS OF THE COMPANY

□ Applicable √ N/A

SECTION 8 FINANCIAL REPORT

I. AUDIT REPORT

☐Applicable ☒N/A

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
Current Assets:			
Monetary funds	VII. 1	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	VII. 2	2,681,433,494.51	2,593,509,746.86
Derivative financial assets	VII. 3	137,368,913.77	5,914,356.65
Notes receivable	VII. 4	195,529,152.91	132,496,950.29
Accounts receivable	VII. 5	336,574,730.15	376,778,739.91
Receivables financing	VII. 7		5,341,418.51
Prepayments	VII. 8	596,183,028.83	412,155,487.83
Premiums receivable			
Accounts receivable from reinsurers			
Deposits receivable from reinsurers			
Other receivables	VII. 9	6,742,770,748.92	5,073,224,619.02
Among which: Interests receivable			
Dividends receivable			
Financial assets held under resale agreements			
Inventories	VII. 10	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	VII. 13	4,238,602,388.83	872,800,579.11
Total current assets		40,956,539,066.39	33,867,646,221.94

CONSOLIDATED BALANCE SHEET

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
Non-current Assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII. 17	2,618,151,021.13	2,604,294,296.82
Other investments in equity instruments	VII. 18	29,319,822.20	29,319,822.20
Other non-current financial assets	VII. 19	2,451,928,318.63	3,281,775,250.31
Investment properties	VII. 20	106,487,522.52	121,878,738.94
Fixed assets	VII. 21	57,315,498,087.08	59,245,157,254.37
Construction in progress	VII. 22	10,069,087,274.66	6,642,718,850.94
Biological assets for production			
Oil and gas assets			
Right-of-use assets	VII. 25	335,710,427.12	341,273,486.56
Intangible assets	VII. 26	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	VII. 27	12,637,147,330.97	12,670,694,343.37
Long-term deferred expenditures	VII. 28	69,775,260.56	81,755,297.16
Deferred income tax assets	VII. 29	1,926,887,630.76	1,842,679,939.10
Other non-current assets	VII. 30	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

CONSOLIDATED BALANCE SHEET

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings	VII. 32	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	VII. 33	26,737,930.89	31,034,491.69
Derivative financial liabilities	VII. 34	1,104,428.00	37,071,358.85
Notes payable	VII. 35	6,439,358,394.45	6,096,277,395.81
Accounts payable	VII. 36	11,641,452,310.88	11,921,715,587.59
Advances received	VII. 37		841,504.09
Contract liabilities	VII. 38	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	VII. 39	860,990,894.94	669,276,431.24
Taxes payable	VII. 40	1,605,347,023.77	2,465,244,007.37
Other payables	VII. 41	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	VII. 43	9,732,298,444.87	11,034,124,071.95
Other current liabilities	VII. 44	249,741,551.78	194,315,158.13
Total current liabilities		74,469,522,086.20	72,078,918,824.93

CONSOLIDATED BALANCE SHEET

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
Non-current liabilities:			
Provisions for insurance contracts			
Long-term borrowings	VII. 45	23,245,624,042.20	21,555,573,934.00
Bonds payable	VII. 46	4,000,000,000.00	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII. 47	148,472,718.56	118,143,515.55
Long-term payables	VII. 48	1,595,632,244.26	1,438,853,450.22
Long-term employee salaries payables			
Accrued liabilities	VII. 50	1,543,139,650.14	1,586,038,453.58
Deferred revenue	VII. 51	15,040,624.50	15,172,463.12
Deferred income tax liabilities	VII. 29	4,880,975,562.81	5,201,824,375.55
Other non-current liabilities	VII. 52		
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)	VII. 53	4,609,929,525.00	4,609,929,525.00
Other equity instruments	VII. 54	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	VII. 55	6,452,745,113.90	6,473,554,164.10
Less: Treasury stock			
Other comprehensive income	VII. 57	-375,210,849.43	-82,673,744.69
Special reserve	VII. 58	118,857,516.36	96,832,428.42
Surplus reserve	VII. 59	1,567,350,522.63	1,567,350,522.63
General risk provision		26,687,808.98	26,687,808.98
Undistributed profit	VII. 60	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
Minority shareholders' 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

Officer in charge of the Company:
Wang Chenglong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

BALANCE SHEET OF THE PARENT COMPANY

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
Current Assets:			
Monetary funds		1,199,972,527.01	790,966,997.66
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable		85,485,948.84	168,000,000.00
Accounts receivable	XIX. 1	4,002,112,402.95	4,643,918,771.80
Receivables financing			
Prepayments		1,135,480.62	1,100,930.90
Other receivables	XIX. 2	34,586,572,435.50	30,742,248,722.25
Among which: Interests receivable			
Dividends receivable		163,465,881.99	170,818,171.99
Inventories		30,248,184.91	24,361,071.23
Among which: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		109,420,138.28	13,578,921.76
Total current assets		40,014,947,118.11	36,384,175,415.60
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIX. 3	44,837,664,031.09	44,818,050,540.39
Other investments in equity instruments		500,000.00	500,000.00
Other non-current financial assets			
Investment properties		93,987,942.38	97,107,688.52
Fixed assets		8,491,262,020.37	8,257,865,743.68
Construction in progress		1,151,597,602.77	768,897,167.06
Biological assets for production			
Oil and gas assets			
Right-of-use assets		15,993,534.11	23,808,403.28
Intangible assets		2,927,420,571.71	2,944,567,999.85
Among which: Data resources			
Development expenditures			
Among which: Data resources			
Goodwill			
Long-term deferred expenditures		7,153,670.07	8,577,117.26
Deferred income tax assets			
Other non-current assets		178,818,722.01	159,427,150.24
Total non-current assets		57,704,398,094.51	57,078,801,810.28
Total assets		97,719,345,212.62	93,462,977,225.88

BALANCE SHEET OF THE PARENT COMPANY

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings		18,560,382,666.33	16,879,331,399.76
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		345,084,890.33	761,681,864.57
Accounts payable		4,811,164,973.03	4,813,744,723.83
Advances received		56,769.23	187,085.46
Contract liabilities		101,679.65	99,639.64
Employee salaries payable		240,463,014.49	108,502,521.41
Taxes payable		8,542,836.20	46,729,862.69
Other payables		2,720,652,370.12	1,308,331,508.91
Among which: Interests payable			
Dividends payable		829,955,614.50	168,300.00
Held-for-sale liabilities			
Non-current liabilities due within one year		13,519,684,404.22	13,700,132,793.09
Other current liabilities		13,218.36	12,953.15
Total current liabilities		40,206,146,821.96	37,618,754,352.51
Non-current liabilities:			
Long-term borrowings		15,124,440,000.00	12,651,500,000.00
Bonds payable		4,000,000,000.00	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities		7,180,520.41	6,704,872.20
Long-term payables		551,115,917.15	540,547,611.41
Long-term employee salaries payables			
Accrued liabilities		38,414,393.59	37,293,158.47
Deferred revenue		793,278.63	1,195,200.13
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		19,721,944,109.78	17,237,240,842.21
Total liabilities		59,928,090,931.74	54,855,995,194.72

BALANCE SHEET OF THE PARENT COMPANY

30 June 2026

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB

Item	Note	30 June 2026	31 December 2025
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		12,622,502,962.29	12,622,502,962.29
Less: Treasury stock			
Other comprehensive income			
Special reserve			
Surplus reserve		1,567,350,522.63	1,567,350,522.63
Undistributed profit		4,986,011,647.69	5,864,032,036.48
Total owners' equity (or shareholders' equity)		37,791,254,280.88	38,606,982,031.16
Total liabilities and owners' equity (or shareholders' equity)		97,719,345,212.62	93,462,977,225.88

Officer in charge of the Company:
Wang Chenglong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

CONSOLIDATED INCOME STATEMENT

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
I. Total operating income	VII. 61	53,587,760,376.93	56,765,895,355.68
Among which: Operating income		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	VII. 61	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	VII. 62	1,292,014,383.62	831,326,429.93
Selling expenses	VII. 63	160,724,283.21	76,378,155.44
Administrative expenses	VII. 64	1,528,635,412.89	1,679,883,563.25
R&D expenses	VII. 65	373,024,587.19	311,539,562.76
Finance costs	VII. 66	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	VII. 67	17,904,614.72	8,695,075.95
Investment gains (loss is represented by “-”)	VII. 68	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 “-”)			
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 “-”)	VII. 70	-835,835,070.31	-236,661,774.77
Credit impairment loss (loss is represented by “-”)	VII. 71	-27,626,775.27	-23,502,574.21
Asset impairment loss (loss is represented by “-”)	VII. 72	-4,004,309.96	
Gains from disposal of assets (loss is represented by “-”)	VII. 73	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	VII. 74	9,186,878.48	24,562,365.26
Less: Non-operating expenses	VII. 75	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	VII. 76	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) Categorized by nature of continued operation			
1. Net profit from continued 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 “-”)			

CONSOLIDATED INCOME STATEMENT

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
(II) Categorized by owners' equity			
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 minority shareholders (net loss is represented by "-")		2,188,899,369.44	1,065,204,366.68
VI. Other comprehensive income after tax	VII. 77	-312,070,476.81	-67,517,942.16
(I) 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) Other comprehensive income attributable to minority shareholders 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 minority shareholders		2,169,365,997.37	1,071,942,003.03
VIII. Earnings per share:			
(I) Basic earnings per Share (RMB/Share)		0.72	0.57
(II) Diluted earnings per Share (RMB/Share)		0.72	0.57

For business combination involving enterprises under common control in the current period, net profit of the acquiree realized before business combination: RMB0; net profit of the acquiree realized in the previous period: RMB0.

Officer in charge of the Company:
Wang Chenglong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

INCOME STATEMENT OF THE PARENT COMPANY

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
I. Operating revenue	XIX. 4	1,057,288,463.51	1,759,769,266.59
Less: Operating costs	XIX. 4	666,334,832.59	770,252,223.69
Taxes and surcharges		52,813,851.72	80,879,134.77
Selling expenses		348,513.92	339,172.87
Administrative expenses		287,436,418.48	266,688,303.11
R&D expenses		38,101,269.11	65,937,431.30
Finance costs		206,207,375.28	277,055,543.57
Including: Interest expenses		543,582,344.06	635,598,032.55
Interest income		337,678,244.96	359,184,174.59
Add: Other revenue		3,806,444.48	777,322.29
Investment income (loss is represented by “-”)	XIX. 5	408,108,959.36	329,426,258.48
Including: Investment income from associates and joint ventures		15,613,490.70	24,213,888.91
Gains from derecognition of financial assets measured at amortized cost (loss is represented by “-”)			
Gains from net exposure to hedging (loss is represented by “-”)			
Gain on changes in fair value (loss is represented by “-”)			104,112,757.72
Impairment loss of credit (loss is represented by “-”)		-17,520,179.53	-13,701,251.14
Impairment loss of assets (loss is represented by “-”)			
Gains from disposal of assets (loss is represented by “-”)			
II. Operating profit (loss is represented by “-”)		200,441,426.72	719,232,544.63
Add: Non-operating income		554,294.47	1,144,025.82
Less: Non-operating expenses		2,853,268.08	749,749.73
III. Total profit (total loss is represented by “-”)		198,142,453.11	719,626,820.72
Less: Income tax expense			
IV. Net profit (net loss is represented by “-”)		198,142,453.11	719,626,820.72
(I) Net profit from continuing operations (net loss is represented by “-”)		198,142,453.11	719,626,820.72
(II) Net profit from discontinued operations (net loss is represented by “-”)			

INCOME STATEMENT OF THE PARENT COMPANY

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
V. Net other comprehensive income after tax			
(I) Other comprehensive income not reclassified to profit or loss			
1. Changes arising on remeasurement of defined benefit plans			
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of own credit risk of the Company			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provisions for credit impairment of other debt investments			
5. Reserve for cash flow hedging			
6. Exchange differences on translation of financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		198,142,453.11	719,626,820.72
VII. Earnings per share:			
(I) Basic earnings per Share (RMB/Share)			
(II) Diluted earnings per Share (RMB/Share)			

Officer in charge of the Company:
Wang Chenglong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		57,495,072,370.67	61,379,276,201.71
Net increase in deposits from clients and placements from other banks			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from premiums of original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits from policyholders and investments			
Cash received from interest, handling fees and commissions			
Net increase in loans from other banks			
Net increase in repurchases business fund			
Net cash received from agency security transaction			
Receipt of tax rebates		20,364,975.42	51,976,379.15
Other cash received relating to operating activities	VII. 78(1)	37,700,290,680.02	33,622,730,563.38
Sub-total of cash inflow from operating activities		95,215,728,026.11	95,053,983,144.24
Cash paid for goods purchased and services rendered		41,838,614,161.65	46,794,557,550.56
Net increase in loans and advances to customers			
Net increase in placements with central bank and other banks			
Cash paid for claims on original insurance contracts			
Net increase in loans to other banks			
Cash payment for interest, handling fees and commissions			
Cash payment for premium bonus			
Cash paid to and on behalf of staff		2,959,386,479.97	2,070,229,021.28
Taxes paid		4,303,851,410.70	2,328,201,072.70
Other cash paid relating to operating activities	VII. 78(1)	38,343,286,542.89	33,358,095,035.06
Sub-total of cash outflow from operating activities		87,445,138,595.21	84,551,082,679.60
Net cash flows generated from operating activities		7,770,589,430.90	10,502,900,464.64

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
II. Cash flows generated from investment activities:			
Cash received from disposal of investments		1,214,947,471.87	10,427,730,654.87
Cash received from gains in investments		97,420,322.81	56,596,816.61
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,214,595.40	10,604,109.25
Net cash received from disposal of subsidiaries and other operating entities			
Other cash received relating to investment activities	VII. 78(2)	1,720,872,610.52	1,009,336,442.40
Sub-total of cash inflow from investment activities		3,034,455,000.60	11,504,268,023.13
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		5,869,741,368.24	5,660,876,857.34
Cash paid for investment		4,051,658,485.97	9,713,137,944.25
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other operating entities			24,958,262.51
Other cash paid relating to investment activities	VII. 78(2)	1,789,042,651.79	1,419,317,531.14
Sub-total of cash outflow from investment activities		11,710,442,506.00	16,818,290,595.24
Net cash flows generated from investment activities		-8,675,987,505.40	-5,314,022,572.11
III. Cash flows from financing activities:			
Proceeds received from investments			2,500,000,000
Including: Proceeds received by subsidiaries from minority interests' investment			
Cash received from borrowings		17,780,464,504.05	18,044,962,441.83
Other cash received relating to financing activities	VII. 78(3)	7,264,564,087.72	3,398,404,757.46
Sub-total of cash inflow from financing activities		25,045,028,591.77	23,943,367,199.29
Cash paid for repayment of debts		19,133,813,142.64	16,725,254,063.55
Cash payments for dividend and profit distribution or interest repayment		2,025,666,683.05	2,081,554,402.21
Including: Dividend and profit paid by subsidiaries to minority interests		1,078,787,219.52	887,151,820.97
Other cash paid relating to financing activities	VII. 78(3)	4,279,685,121.16	9,171,879,591.41
Sub-total of cash outflow from financing activities		25,439,164,946.85	27,978,688,057.17
Net cash flows generated from financing activities		-394,136,355.08	-4,035,320,857.88

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		-55,531,895.09	-7,628,386.73
V. Net increase in cash and cash equivalents		-1,355,066,324.67	1,145,928,647.92
Add: Balance of cash and cash equivalents at the beginning of the period		15,993,931,178.20	9,931,630,518.82
VI. Balance of cash and cash equivalents at the end of the period		14,638,864,853.53	11,077,559,166.74

Officer in charge of the Company:
Wang Chenglong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
I. Cash flows generated from operating activities:			
Cash received from sales of goods and provision of services		1,781,016,720.50	1,350,196,173.19
Receipt of tax rebates		4,230,235.94	
Other cash received relating to operating activities		9,772,765,905.90	7,636,639,682.17
Sub-total of cash inflow from operating activities		11,558,012,862.34	8,986,835,855.36
Cash paid for goods purchased and services rendered		382,970,897.98	248,450,055.25
Cash paid to and on behalf of staff		404,900,467.61	261,231,704.21
Taxes paid		87,219,418.29	83,050,541.17
Other cash paid relating to operating activities		9,831,847,749.33	6,581,598,011.74
Sub-total of cash outflow from operating activities		10,706,938,533.21	7,174,330,312.37
Net cash flows generated from operating activities		851,074,329.13	1,812,505,542.99
II. Cash flows generated from investment activities:			
Cash received from disposal of investments			499,990,000.00
Cash received from gains in investments		399,847,758.66	379,549,418.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other operating entities			
Other cash received relating to investment activities		4,412,546,589.28	5,970,546,325.28
Sub-total of cash inflow from investment activities		4,812,394,347.94	6,850,085,743.94
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		1,176,270,730.32	904,259,502.28
Cash paid for investment		4,000,000.00	197,110,000.00
Net cash paid for acquiring subsidiaries and other operating entities			
Other cash paid relating to investment activities		7,837,200,847.27	4,928,784,290.43
Sub-total of cash outflow from investment activities		9,017,471,577.59	6,030,153,792.71
Net cash flows generated from investment activities		-4,205,077,229.65	819,931,951.23

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to June 2026

Unit: RMB

Item	Note	First Half of 2026	First Half of 2025
III. Cash flows generated from financing activities:			
Proceeds received from investments			2,500,000,000.00
Cash received from borrowings		9,010,000,000.00	7,218,000,000.00
Other cash received relating to financing activities		6,903,368,000.00	3,129,670,523.18
Sub-total of cash inflow from financing activities		15,913,368,000.00	12,847,670,523.18
Cash paid for repayment of debts		7,549,100,000.00	9,610,050,000.00
Cash payments for dividend and profit distribution or interest repayment		695,926,319.67	741,381,423.85
Other cash paid relating to financing activities		3,820,592,798.42	6,658,053,673.50
Sub-total of cash outflow from financing activities		12,065,619,118.09	17,009,485,097.35
Net cash flows generated from financing activities		3,847,748,881.91	-4,161,814,574.17
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates			
		-101,831.17	-272,785.23
V. Net increase in cash and cash equivalents		493,644,150.22	-1,529,649,865.18
Add: Balance of cash and cash equivalents at the beginning of the period		636,423,137.15	2,053,640,550.51
VI. Balance of cash and cash equivalents at the end of the period		1,130,067,287.37	523,990,685.33

Officer in charge of the Company:
Wang Chenglong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Li Rui

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to June 2026

Unit: RMB

Item	First Half of 2026														
	Equity attributable to the owners of the parent company														
	Other equity instruments														
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total owners' equity
I. Balance at the end of previous year	4,609,929,525.00		13,943,166,884.76		6,473,554,164.10		-82,673,744.69	96,832,428.42	1,567,350,522.63	26,687,808.98	18,264,421,942.24		44,899,269,631.44	19,480,363,680.94	64,379,633,312.38
Add: Changes in accounting policy															
Prior-period error correction															
Others															
II. Amount at the beginning of the current year	4,609,929,525.00		13,943,166,884.76		6,473,554,164.10		-82,673,744.69	96,832,428.42	1,567,350,522.63	26,687,808.98	18,264,421,942.24		44,899,269,631.44	19,480,363,680.94	64,379,633,312.38
III. Amount of increase/decrease in the current period (decrease is represented by "-")			62,292,638.51		-20,809,650.20		-292,537,104.74	22,025,087.94							
(I) Total comprehensive income															
(II) Contribution and reduction of capital by owners															
1. Ordinary shares contributed by owners					-20,809,650.20		-292,537,104.74								
2. Capital contributed by holders of other equity instruments					280,120.36										
3. Amount included in owners' equity in state payment															
4. Others					-21,089,170.56										
(III) Profit distribution			62,292,638.51												
1. Withdrawal of surplus reserve															
2. Withdrawal of general risk reserve															
3. Distributions to owners (or shareholders)															
4. Others															
(IV) Carry-forward of owners' equity															
1. Conversion of capital reserves to increase capital (or share capital)															
2. Conversion of surplus reserve to increase capital (or share capital)															
3. Making up of losses by surplus reserve															
4. Carry-forward of retained earnings from changes in defined benefit plans															
5. Carry-forward of retained earnings from other comprehensive income															
6. Others															
(V) Special reserve															
1. Current withdrawal															
2. Current use															
(VI) Others															
IV. Balance at the end of the current period	4,609,929,525.00		14,005,459,623.27		6,452,745,113.90		-375,210,849.43	118,857,516.36	1,567,350,522.63	26,687,808.98	20,731,373,246.08		47,137,192,506.79	20,516,052,384.62	67,655,244,891.41

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to June 2026

Unit: RMB

Item	First Half of 2025														
	Equity attributable to the owners of the parent company														
	Other equity instruments														
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total owners' equity
I. Balance at the end of previous year	4,473,429,525.00		12,941,337,821.92		3,072,233,109.83		117,680,305.51	99,191,476.90	1,495,482,054.17	25,701,712.81	15,572,448,986.97		37,797,904,973.11	20,772,517,288.48	58,570,022,261.59
Adopt: Changes in accounting policy															
Pro-period error correction															
Others															
II. Balance at the beginning of the current year	4,473,429,525.00		12,941,337,821.92		3,072,233,109.83		117,680,305.51	99,191,476.90	1,495,482,054.17	25,701,712.81	15,572,448,986.97		37,797,904,973.11	20,772,517,288.48	58,570,022,261.59
III. Amount of increase/decrease in the current period (decrease is represented by "-")															
(I) Total comprehensive income															
(II) Contribution and reduction of capital by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount included in owners' equity in share payment															
4. Others															
(III) Profit distribution															
1. Withdrawal of surplus reserve															
2. Withdrawal of general risk reserve															
3. Distributions to owners (or shareholders)															
4. Others															
(IV) Carry-forward of owners' equity															
1. Conversion of capital reserves to increase capital (or share capital)															
2. Conversion of surplus reserve to increase capital (or share capital)															
3. Making up of losses by surplus reserve															
4. Carry-forward of retained earnings from changes in defined benefit plans															
5. Carry-forward of retained earnings from other comprehensive income															
6. Others															
(V) Special reserve															
1. Current withdrawal															
2. Current use															
(VI) Others															
IV. Balance at the end of the current period	4,473,429,525.00		15,571,612,865.28		3,068,135,402.05		43,424,727.00	119,866,372.16	1,495,482,054.17	25,701,712.81	17,470,510,214.85		42,268,162,873.32	18,963,363,975.55	61,236,526,748.87

Officer in charge of the Company:
Wang ChenglongOfficer in charge of the accounting affairs:
Teng HongmengHead of the Accounting Department:
Li Rui

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

January to June 2026

Unit: RMB

Item	First Half of 2026						
	Other equity instruments						
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income
							Special reserve
							Surplus reserve
							Undistributed profit
							Total owners' equity
I. Balance at the end of previous year							
Add: Changes in accounting policy							
Prior-period error correction							
Others							
II. Balance at the beginning of the current year	4,609,929,525.00	13,943,166,984.76			12,622,502,962.29		38,606,982,031.16
III. Amount of increase/decrease in the current period (decrease is represented by "-")							
(I) Total comprehensive income							
(II) Contribution and reduction of capital by owners							
1. Ordinary shares contributed by owners							
2. Capital contributed by other equity instrument holders							
3. Amount included in owners' equity in share payment							
4. Others			62,292,638.51				-876,020,388.79
(III) Profit distribution							198,142,453.11
1. Withdrawal of surplus reserve			62,292,638.51				
2. Distributions to owners (or shareholders)							
3. Others			62,292,638.51				-246,375,527.40
(IV) Carry-forward of owners' equity							
1. Conversion of capital reserves to increase capital (or share capital)							
2. Conversion of surplus reserve to increase capital (or share capital)							
3. Making up of losses by surplus reserve							
4. Carry-forward of retained earnings from changes in defined benefit plans							
5. Carry-forward of retained earnings from other comprehensive income							
6. Others							
(V) Special reserve							
1. Current withdrawal							
2. Current use							
(VI) Others							
IV. Balance at the end of the current period	4,609,929,525.00		14,005,459,623.27		12,622,502,962.29		37,791,254,280.38

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

January to June 2026

Unit: RMB

Item	First Half of 2025										
	Other equity instruments										
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owners' equity
I. Balance at the end of previous year	4,473,429,525.00		12,941,337,821.92		9,211,331,076.78				1,450,869,550.62	6,730,268,869.21	34,867,236,843.53
Add: Changes in accounting policy											
Prior-period error correction											
Others											
II. Balance at the beginning of the current year	4,473,429,525.00		12,941,337,821.92		9,211,331,076.78				1,450,869,550.62	6,730,268,869.21	34,867,236,843.53
III. Amount of increase/decrease in the current period (decrease is represented by "-")											
(I) Total comprehensive income											
(II) Contribution and reduction of capital by owners											
1. Ordinary shares contributed by owners			2,630,275,043.36							-190,469,792.34	2,439,805,251.02
2. Capital contributed by other equity instrument holders			2,500,000,000.00							719,626,820.72	2,500,000,000.00
3. Amount included in owners' equity in share payment			2,500,000,000.00								2,500,000,000.00
4. Others											
(III) Profit distribution											
1. Withdrawal of surplus reserve			130,275,043.36							-910,036,613.06	-779,821,569.70
2. Distributions to owners (or shareholders)											
3. Others											
(IV) Carry-forward of owners' equity											
1. Conversion of capital reserves to increase capital (or share capital)			130,275,043.36							-662,067,569.70	-662,067,569.70
2. Conversion of surplus reserve to increase capital (or share capital)										-248,029,043.36	-117,754,000.00
3. Making up of losses by surplus reserve											
4. Carry-forward of retained earnings from changes in defined benefit plans											
5. Carry-forward of retained earnings from other comprehensive income											
6. Others											
(V) Special reserve											
1. Current withdrawal								29,237,911.81			29,237,911.81
2. Current use								-29,237,911.81			29,237,911.81
(VI) Others											
IV. Balance at the end of the current period	4,473,429,525.00		15,571,612,865.28		9,211,331,076.78				1,450,869,550.62	6,599,799,076.87	37,307,042,094.55

Officer in charge of the Company:
Wang ChenglongOfficer in charge of the accounting affairs:
Teng HongmengHead of the Accounting Department:
Li Rui

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III. BASIC INFORMATION OF THE COMPANY

1. Corporate profile

☒Applicable ☐N/A

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 mining and beneficiation industry. The Group’s main business activities include non-ferrous metal mining, smelting, processing, precious metal investment, equity investment and asset management. Primary operations include gold and non-ferrous metal mining and smelting (subject to the validity period of the relevant licence); processing and sales of by-products from gold and non-ferrous metal production; and production and sales of gold mine-specific equipment and building decoration materials (excluding products restricted by national laws and regulations). The Company primarily produces standard gold ingots, various specifications of investment gold bars, alloy gold and silver ingots.

For details on the scope of the consolidated financial statements for the current period and its changes, please refer to “IX. CHANGES IN THE SCOPE OF CONSOLIDATION” and “X. EQUITY IN OTHER ENTITIES” in this section. The Company’s controlling Shareholder is Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and the de facto 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.

IV. 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 Group’s financial statements have been prepared in accordance with the actual transactions and events that have occurred, and are prepared in accordance with the Accounting Standards for Business Enterprises and its application guidance, interpretations, and other relevant regulations (hereinafter collectively referred to as the “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance of the People’s Republic of China, as well as the Codification of Rules for the Information Disclosure of Companies Offering Securities to the Public No. 15 — General Rules for Financial Reporting (2023 Revision) and other relevant regulations issued by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”). The financial statements also comply with the disclosure requirements of the Companies Ordinance of Hong Kong and the Listing Rules of Hong Kong Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *(Continued)*

2. Going concern

☒Applicable ☐N/A

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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates indication:

☒Applicable ☐N/A

The specific accounting policies and accounting estimates formulated by the Group according to the actual production and operation characteristics include impairment of financial instruments, measurement of inventories dispatched, classification and depreciation methods of fixed assets, amortization of intangible assets, impairment of goodwill, revenue recognition and measurement, etc.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the Company's and the Group's financial position as at 30 June 2026, as well as the results of operations and cash flows for the six-month period ended 30 June 2026, and other relevant information.

2. Accounting period

The Group's accounting period is from 1 January to 31 December of the calendar year.

3. Business cycle

☒Applicable ☐N/A

The Group's business cycle is 12 months, which is used as the basis for classifying the liquidity of assets and liabilities.

4. Functional currency

The functional currency of the Company and its subsidiaries in the PRC is Renminbi. The overseas subsidiaries of the Company determine their functional currencies according to the currency in the principal economic environment in which they operate. In preparing these financial statements, amounts denominated in foreign currencies are translated into Renminbi in accordance with the methods set out in Note V.10 – Foreign currency businesses and translation of foreign currency statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Methodology for determining materiality criteria and basis for selection

√Applicable ☐N/A

The preparation and disclosure of financial statements by the Group follows the principle of materiality. The matters disclosed in the notes to these financial statements that involve materiality judgment and the methods for determining materiality thresholds and the basis for their selection are as follows:

Item	Materiality criteria
Significant receivables for which bad debt provision is made on an individual basis/ significant receivables	The single amount accounts for more than 10% of the total bad debt provision for various receivable/ balance of various receivables and the amount is greater than RMB10 million.
Prepayments of significant amounts and with aging of over 1 year	The amount of a single prepayment with aging of over 1 year accounts for more than 10% of the total prepayments.
Material contract liabilities	The amount of a single contract liability with aging of over 1 year accounts for more than 10% of the total contract liabilities.
Significant accounts payables and other payables	The amount of a single item of accounts payable/ other payable with aging of over 1 year accounts for more than 10% of the total accounts payables/other payables.
Major construction in progress	The cumulative expenditure of individual construction in progress accounts for more than 1% of the net assets of the consolidated statements.
Major investing activities	The amount of individual investment activities accounts for more than 1% of the net assets of the consolidated statements.
Major non-wholly-owned subsidiaries/joint ventures and associates/joint operations/ material overseas operating entities included in the scope of consolidation/structured entities	The income, net profit, net assets and total assets of a single entity account for more than 10% of the related items of such entities included in the scope of consolidation.
Major joint ventures or associates	The book value of long-term equity investment in a single investee accounts for more than 1% of the Group's net assets, or the investment profit and loss under the equity method of long-term equity investment accounts for more than 2.5% of the Group's consolidated net profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Accounting treatments of business combinations involving entities under common control and entities not under common control

√Applicable ☐N/A

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Assets and liabilities acquired by the Group as a consolidator in a business combination under common control are measured at the book value of the consolidated party in the consolidated statements of the ultimate controlling party at the date of consolidation. The difference between the book value of the net assets acquired and the book value of the consideration paid for the merger (or the total par value of the issued shares) is adjusted to capital reserves; if capital reserves are not sufficient to offset the difference, retained earnings are adjusted.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination.

The acquiree's identifiable assets, liabilities and contingent liabilities obtained by the Group as the purchaser in a business combination not under common control shall be measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's share of the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is less than the acquirer's share of the fair value of the acquiree's identifiable net assets, the measurement of the fair values of all the identifiable assets, liabilities and contingent liabilities obtained in the business combination and the combination cost is firstly reviewed. If, after that review, the cost of combination is still less than the acquirer's share of the fair value of the acquiree's identifiable net assets in the business combination, the difference shall be included in the consolidated non-operating income for the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Criteria of control and preparation of consolidated financial statements

√Applicable ☐N/A

The scope of consolidated financial statements of the Group is determined on the basis of control, including the Company and all subsidiaries controlled by the Company (including enterprises, a divided part of investees and structured entities that are controlled by the Company). The Group's criteria for determining control are that the Group has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power to affect its returns.

When preparing the consolidated financial statements, where the accounting policy or the accounting period that subsidiaries adopted are inconsistent with the Company, necessary adjustments are made to the financial statements of those subsidiaries according to the accounting policies or accounting period of the Company.

The impact of internal transactions between the Company and subsidiaries and internal transactions among subsidiaries on the consolidated financial statements is offset at the time of consolidation. Proportion of owner's equity of the subsidiaries which do not belong to the Company, and proportion of profit or loss for current period, other comprehensive income and total comprehensive income which belong to the equity of minority shareholders, which shall be listed under "non-controlling interests, profit or loss attributable to non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests" in the consolidated financial statements.

For subsidiaries acquired through business combination under common control, the operating results and cash flows of the acquiree shall be consolidated into the consolidated financial statements since the beginning of the period of combination. When preparing comparative consolidated financial statements, adjustment shall be made to the related items in the financial statements for the last year, as if the reporting entity formed after the combination had existed continuously since the date on which the ultimate controlling party first obtained control.

For subsidiaries acquired through business combination not under common control, its operating results and cash flows shall be included in the consolidated financial statements since the Group obtained its control. When preparing consolidated financial statements, adjustment shall be made to financial statements of the subsidiaries using the fair values of the identifiable assets, liabilities and contingent liabilities determined at the acquisition date as the basis for adjustment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Classification of joint venture arrangements and accounting treatment for joint operations

☒Applicable ☐N/A

Joint arrangement of the Group includes joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement only have rights to the net assets of the arrangement.

As for joint operation, the Group, as the party in the joint operation, recognizes assets and liabilities that it holds and assumes individually, and the assets and liabilities that it holds or assumes in proportion, and recognizes the related income and expenses separately or on a share basis according to relevant agreements. In the case of a purchase or sale of assets that do not constitute a business with a joint operation, only the portion of the profit or loss arising from the transaction attributable to other participants in the joint operation is recognized.

9. Determination criteria for cash and cash equivalents

Cash in the statement of cash flows of the Group refers to cash on hand and deposits that are readily available for payment. Cash equivalents in the statement of cash flows refer to investments held for no more than three months, which are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

10. Foreign currency businesses and translation of foreign currency statements

☒Applicable ☐N/A

(1) Foreign currency transactions

The foreign currency transactions of the Group, when initially recognized, are translated into the functional currency at the prevailing spot exchange rate on the date of the transaction. As at the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rate at the balance sheet date. Translation differences arising thereon are directly included in the profit or loss for the period, except that exchange differences arising from specific borrowings in foreign currency attributable to the construction or production of a qualifying asset for capitalization are dealt with based on the capitalization principle. The foreign currency non-monetary items measured at historical cost shall still be translated at the spot exchange rate on the date of the transaction, and the amount measured by the functional currency is not changed. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be treated as changes in fair value (including changes in foreign exchange rates) and recognized in profit or loss for the period. The capital invested in foreign currency by the investor shall be converted at the spot rate on the date of the transaction, and there is no translation difference between the capital invested in foreign currency and the amount of the corresponding monetary item measured by the functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Foreign currency businesses and translation of foreign currency statements (Continued)

(2) Translation of foreign currency financial statements

The Group translates the financial statements of its foreign operations into RMB in the preparation of its consolidated financial statements, of which: the asset and liability items in the foreign currency balance sheet shall be translated as per the spot exchange rate on the balance sheet date; the owner's equity items, except for the item of "undistributed profit", shall be translated as per the spot exchange rate at the time of business occurrence; the income and expenditure items in the income statement shall be translated as per the spot exchange rate (or based on the actual situations) on the transaction date. The translation differences in the foreign currency financial statements arising from the above translations shall be presented in other comprehensive income. Foreign currency cash flow is translated as per the spot exchange rate (or based on the actual situations) on the date when the said cash flow occurs. The amount of influence of exchange rate change on cash shall be listed in the statement of cash flows separately.

11. Financial instruments

√Applicable ☐ N/A

(1) Recognition and derecognition of financial instrument

A financial asset or financial liability is recognized when the Group becomes a party to a contract for a financial instrument.

When the following conditions are satisfied, financial assets (or part of the financial assets or part of a group of similar financial assets) are derecognized, i.e. the previously recognized financial assets are transferred out of the account and balance sheet: 1) the rights to receive cash flows from the financial assets expire; 2) the rights to receive cash flows from the financial assets have been transferred, or the obligation to promptly pay all of the cash flows to a third party has been assumed under a "passthrough" agreement; and substantially all of the risks and rewards of ownership of the financial assets have been transferred, or substantially all of the risks and rewards of ownership of the financial assets have not been transferred or retained but the control over such financial assets has been renounced.

A financial liability is derecognized when the obligation is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference shall be included in the current profit or loss.

Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Measurement and classification of financial assets

The Group's financial assets are classified into financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets at initial recognition. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

In making judgments about the business model, the Group considers, among other things, the way the enterprise evaluates and reports the performance of financial assets to key management personnel, the risks affecting the performance of financial assets and the way they are managed, and the manner in which the relevant business management personnel are compensated. In evaluating whether the objective is to collect contractual cash flows, the Group analyzes and judges the reasons, timing, frequency, and value of sales of financial assets before their maturity dates.

When judging the characteristics of contractual cash flow, the Group needs to determine whether the contractual cash flow is only for the payment of principal and interest based on unpaid principal. When evaluating the correction of the time value of money, it is necessary to judge whether there is a significant difference compared to the benchmark cash flow. For financial assets with prepayment characteristics, it is necessary to judge whether the fair value of prepayment characteristics is very low.

Financial assets are measured at fair value on initial recognition, but trade receivables or bills receivable arising from the sale of goods or rendering of services that do not contain a significant financing component, or for which the financing component for a period of not more than one year is not considered, are initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, transaction costs are charged directly to profit or loss, and transaction costs relating to other types of financial assets are charged to the amount initially recognized.

Subsequent measurement of financial assets depends on their classification:

1) *Financial assets measured in amortized cost*

The Group classifies financial assets as financial assets at amortized cost if both of the following conditions are met: ① the financial asset is managed in a business model that aims to collect the contractual cash flows; and ② the contractual terms of the financial asset specify that the cash flows that arise at a particular date are solely payments of principal and interest based on the amount of the principal outstanding. Interest income from such financial assets is recognised using the effective interest method. Any gains or losses arising from their derecognition, modification, or impairment are recognised in profit or loss for the current period. The Group's financial assets that fall into this category include bills and trade receivables, other receivables, debt investments and long-term receivables etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Measurement and classification of financial assets (Continued)

2) *Investments in debt instruments at fair value through other comprehensive income*

Financial assets that simultaneously meet the following conditions are classified as financial assets at fair value through other comprehensive income: ① the financial asset is managed by the Group in a business model that aims at both collecting the contractual cash flows and selling the financial asset; and ② the contractual terms of the financial asset stipulate that the cash flows generated at a particular date are solely payments of principal and interest based on the amount of the principal outstanding. The Group recognizes interest income on these financial assets using the effective interest method. Changes in fair value are included in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognized in profit or loss for the period. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to profit or loss for the current period. The Group's financial assets in this category mainly include: other debt investment and receivables financing.

3) *Investments in equity instruments at fair value through other comprehensive income*

The Group irrevocably designates part of the investments in non-trading equity instruments as financial assets at fair value through other comprehensive income. The Group only recognizes relevant dividend income (except for dividend income that is clearly recovered as part of the investment cost) in profit or loss for the period, and subsequent changes in fair value are included in other comprehensive income without making the provision for impairment. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred out and be included in retained earnings. The Group's financial assets in this category are investments in other equity instruments.

4) *Financial assets at fair value through profit or loss*

Other than the above financial assets classified as financial assets measured at amortized cost and those classified as financial assets at fair value through other comprehensive income, the Group classifies its financial assets as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, with all changes in fair value included in profit or loss for the period except for those related to hedge accounting. The Group's financial assets in this category mainly include: financial assets held for trading.

For the financial assets that consist of the contingent consideration recognized by the Group in the business combination not under common control, such financial assets are classified as the financial assets at fair value through profit or loss.

At initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Group designates the following financial assets as financial assets at fair value through profit or loss: other non-current financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(3) Classification, recognition and measurement of financial liabilities

Except for the issued financial guarantee contracts, the loan commitments for loans at below-market interest rates, and financial liabilities arising from the transfer of a financial asset that does not meet the conditions for derecognition or continues to be involved in the transferred financial asset, the Group classifies its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost at the time of initial recognition. For financial liabilities measured at fair value through profit or loss, relevant transaction costs are charged directly to profit or loss for the period; as for financial liabilities measured at amortized cost, relevant transaction costs are charged to the amount initially recognized.

Subsequent measurement of financial liabilities depends on their classification:

1) *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are recognized using the effective interest method and subsequently measured at amortized cost.

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities (including derivative instruments that are financial liabilities) at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as measured at fair value through profit or loss at initial recognition. Financial liabilities held for trading (includes derivative instruments that are financial liabilities) are subsequently measured at fair value, with all changes in fair value included in profit or loss for the period, except for those related to hedge accounting. Financial liabilities designated as measured at fair value through profit or loss are subsequently measured at fair value. Other changes in fair value are included in the profit or loss of the current period except for changes in fair value arising from changes in the Group's own credit risk, which are included in other comprehensive income. If changes in fair value arising from changes in the Group's own credit risk are recognized in other comprehensive income, which would cause or enlarge an accounting mismatch in profit or loss, the Group will account for all changes in fair value (including the amount of the effect of changes in its own credit risk) in profit or loss for the current period.

Only if one of the following conditions is met, financial liabilities can be designated as financial liabilities at fair value through profit or loss on initial recognition: ① it can eliminate or significantly reduce the accounting mismatch; ② the formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value; ③ a hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments; ④ hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or at subsequent ends of reporting periods.

According to the above conditions, the financial liabilities designated by the Group mainly include financial liabilities held for trading or financial liabilities portfolio. Financial liabilities arising from contingent consideration recognized by the Group as the acquirer in a business combination not involving entities under common control are accounted for at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments

Based on expected credit losses, the Group conducts impairment treatment and recognizes loss provisions for financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contract assets, receivables, loan commitments, and financial guarantee contracts.

1) *Measurement of the expected credit losses*

Expected credit losses are the weighted average of the credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, discounted at the Group's original effective interest rate, being the present value of all cash shortfalls.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

For receivables, including accounts receivable, bills receivable, receivables financing, and contract assets, that do not contain a significant financing component and are generated from ordinary operating activities, such as sales of goods and rendering of services, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

For lease receivables, receivables and contract assets with significant financing components, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

For financial assets other than those to which the simplified measurement approach described above applies (such as debt investments, other debt investments and other receivables), loan commitments and financial guarantee contracts, the Group applies the general approach (three-stage approach) to calculate expected credit losses. On each balance sheet date, the Group assesses whether its credit risk has significantly increased since initial recognition. If the credit risk has not significantly increased since initial recognition and is in the first stage, the Group measures the provision for losses based on an amount equivalent to the expected credit loss for the next 12 months, and calculates interest income based on the book balance and actual interest rate. If credit risk has significantly increased since initial recognition but credit impairment has not yet occurred, in the second stage, the Group measures loss provisions at an amount equivalent to the expected credit loss over the entire existence period, and calculates interest income based on the book balance and actual interest rate. If credit impairment occurs after initial recognition, in the third stage, the Group measures the provision for losses at an amount equivalent to the expected credit loss for the entire existence period, and calculates interest income at amortized cost and actual interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

1) *Measurement of the expected credit losses (Continued)*

For financial instruments with only low credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition. Please refer to Note XII. 1 for the disclosure of the criteria for significantly increasing credit risk and the definition of credit impairment assets that have occurred in the Group.

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The Group estimates the changes of the debtor's credit risk according to past repayment records, taking into account economic policies, macro-economic indicators, industry risks and other factors. Differences in estimates may have an impact on the provision for impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

2) *Combination category and determination basis of impairment provision based on combination of credit risk characteristics*

The Group evaluates the expected credit losses of financial instruments on an individual and portfolio basis. When evaluating on a combination basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: financial instrument type, credit risk rating, debtor's geographical location, debtor's industry, overdue information, aging of accounts receivable, etc.

① Portfolio category and determination basis for accounts receivable

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

② Portfolio category and determination basis of notes receivable

The Group classifies notes receivable into different portfolios based on the credit risk of the acceptor as a shared risk characteristic, and establishes the accounting estimation policy for expected credit losses as follows: a. bank acceptance bills issued by listed commercial banks are considered by the Group to carry low credit risk; consequently, no expected credit loss is recognized; b. bank acceptance bills issued by non-listed commercial banks and trade acceptance bills are measured for expected credit losses by applying the Group's expected loss rate policy for accounts receivable, with portfolio classification consistent with that of accounts receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) *Combination category and determination basis of impairment provision based on combination of credit risk characteristics (Continued)*

③ Portfolio category and determination basis of other receivables

Other receivables of the Group mainly include deposits and guarantees receivable, employee reserve funds receivable, rent receivable, loans and advances receivable, current accounts due from related parties, tax refunds receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into the following portfolios: deposits and guarantees receivable, amounts due from related parties, tax refund receivables, other receivables and low-risk portfolios.

3) *Criteria for judging individual provision for bad debt impairment provision*

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's aging and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

4) *Write-off of impairment provision*

When the Group no longer has a reasonable expectation that it will be able to recover, in whole or in part, the contractual cash flows from a financial asset, the Group directly writes down the carrying amount of the financial asset. If the written-down financial asset is subsequently recovered, the reversal of the impairment loss is recognised in profit or loss in the period in which it is recovered.

(5) Recognition basis and measurement method of transfer of financial assets

For financial asset transfer transactions, if the Group has transferred almost all the risks and rewards of ownership of the financial asset to the transferee, the recognition of the financial asset shall be terminated. If almost all risks and rewards related to the ownership of financial assets are retained, the recognition of such financial assets shall not be terminated; If almost all risks and rewards related to the ownership of financial assets have not been transferred or retained, and control over the financial asset has been relinquished, the recognition of the financial asset and the recognition of the resulting assets and liabilities shall be terminated. If control over the financial asset has not been relinquished, relevant financial asset shall be recognised based on its continued involvement in the transferred financial assets, with corresponding liabilities recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(5) Recognition basis and measurement method of transfer of financial assets (Continued)

If the whole transfer of the financial asset meets the conditions for derecognition, the difference between the carrying amount of the transferred financial asset at the date of derecognition and the sum of the consideration received for the transfer and the accumulative amount of fair value changes originally recorded into other comprehensive income which is relevant to the portion of derecognition (the transferred financial asset shall meet all of the following conditions: ① the Group's financial assets are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.) is included in the profit or loss for the period.

If the transfer of financial asset partially satisfies the conditions of derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognised and the portion which is not, apportioned according to their respective relative fair value, and the difference between the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognised portion (the transferred financial asset shall meet all of the following conditions: ① the Group's financial assets are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.), and the apportioned entire carrying amount of the said financial assets are included in the profit or loss for the period.

For those who continue to be involved by providing financial guarantees for the transferred financial assets, the assets formed by further involvement shall be recognised based on the lower of the book value of the financial assets and the amount of financial guarantees. The financial guarantee amount refers to the highest amount of consideration received that will be required to be repaid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(6) Classification and treatment of financial liabilities and equity instruments

The Group classifies financial liabilities and equity instruments on the following principles: (1) Where the Group is unable to unconditionally avoid delivering cash or another financial asset to fulfill a contractual obligation, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly include the terms and conditions imposing the contractual obligation to deliver cash or another financial asset, they may indirectly give rise to the contractual obligation through other terms and conditions. (2) Where a financial instrument will or may be settled in the Group's own equity instrument, consideration shall be given to whether the Group's own equity instrument used to settle the instrument is a substitute of cash or another financial asset or the residual interest in the assets of an entity after deducting all of its liabilities. In the former case, the instrument shall be the issuer's financial liability; in the latter case, the instrument shall be the equity instrument of the issuer. Under certain circumstances whereby a financial instrument contract stipulates that the Group will or may use its own equity instrument to settle the financial instrument, and the amount of the contractual right or obligation equal to the number of its own equity instruments to be received or delivered multiplied by their fair value at the time of settlement, the contract shall be classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed, or fluctuates in full or in part in response to changes in a variable other than the market price of the Group's own equity instruments (for example an interest rate, a commodity price or a financial instrument price).

When classifying a financial instrument (or a component thereof) in consolidated financial statements, the Group shall consider all terms and conditions agreed between members of the Group and the holders of the financial instrument. If the Group as a whole has an obligation in respect of the instrument to settle it by delivering cash or another financial asset or in such a way that it would be a financial liability, such instrument shall be classified as a financial liability.

At initial recognition, the Group classifies the preference shares and perpetual bonds issued or their components as financial assets, financial liabilities, or equity instruments based on their contractual terms and economic substance with reference to the definition of financial assets, financial liabilities, and equity instruments.

If the financial instrument or its components are classified as financial liabilities, the relevant interest, stock dividends (or dividends), gains or losses, and gains or losses arising from redemption or refinancing are included in profit or loss for the current period.

If the financial instrument or its components are equity instruments, it is treated as a change in equity, and no change in the fair value of the equity instruments is recognised when the instrument is issued (including refinancing), repurchased, sold or cancelled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(7) Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, commodity forward contracts, and interest rate swaps, to hedge exchange rate risk, commodity price risk, and interest rate risk, respectively. Derivative financial instruments are initially measured at their fair value on the date of signing the derivative transaction contract, and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognised as an asset, while those with a negative fair value are recognised as a liability.

Gains or losses arising from changes in fair value of derivative instruments are directly included in the profit or loss for current period.

(8) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the Group to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of the expected credit loss provision recognised at the balance sheet date and the amount initially recognised less cumulative amortization amount in accordance with the guidance for revenue recognition.

(9) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities of the Group shall be presented separately in the balance sheet and shall not be offset. However, when all of the following conditions are met, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet: (1) the Group has a legal right that is currently enforceable to set off the recognised amount; and (2) the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Notes receivable

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

The Group evaluates the expected credit losses of financial instruments based on individual and combination. When evaluating on a combination basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: financial instrument type, credit risk rating, debtor's geographical location, debtor's industry, overdue information, aging of accounts receivable, etc.

Portfolio category and determination basis of notes receivable

The Group classifies notes receivable into different portfolios based on the credit risk of the acceptor as a shared risk characteristic, and establishes the accounting estimation policy for expected credit losses as follows: a. bank acceptance bills issued by listed commercial banks are considered by the Group to carry low credit risk; consequently, no expected credit loss is recognized; b. bank acceptance bills issued by non-listed commercial banks and trade acceptance bills are measured for expected credit losses by applying the Group's expected loss rate policy for accounts receivable, with portfolio classification consistent with that of accounts receivable.

The aging calculation method for the credit risk characteristic portfolio confirmed based on the aging of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Accounts receivable

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

The aging calculation method for the credit risk characteristic portfolio confirmed based on the aging of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☒Applicable ☐N/A

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's aging and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

14. Receivables financing

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

The Company's receivables financing consists of bank acceptance with high credit ratings. The risk that such notes will not be honored upon maturity is very low, indicating low credit risk. The Company derecognizes these notes upon endorsement or discounting. Therefore, no allowance for bad debts is provided for them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Receivables financing (Continued)

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

15. Other receivables

☒Applicable ☐N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒Applicable ☐N/A

Other receivables of the Group mainly include deposits and guarantees receivable, employee reserve funds receivable, rent receivable, loans and advances receivable, current accounts due from related parties, tax refunds receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into the following portfolios: deposits and guarantees receivable, amounts due from related parties, tax refund receivables, other receivables, and a low-risk portfolio.

The aging calculation method for the credit risk characteristic portfolio confirmed based on the aging of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Inventories

√Applicable ☐N/A

Categories of inventories, valuation method of inventories upon delivery, count system, amortization method for low cost and short-lived consumable items and packaging materials

√Applicable ☐N/A

The Group's inventories mainly include raw materials, turnover materials, commissioned processing materials, goods delivered, consumable biological assets, contract performance costs, work-in-progress and goods in stock.

Inventories are initially measured at cost. Cost of inventories includes purchase costs, processing costs and other costs. Inventories adopt the perpetual inventory system, and are valued by the actual cost when acquired. The actual costs of requisitioned or issued inventories are determined by the weighted average method. Turnover materials are amortized by the one-off write-off method.

Determination criteria and provision method for inventory write-downs

√Applicable ☐N/A

On the balance sheet date, inventories should be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its net realizable values, the inventory write downs should be made and included in the profit or loss for current period. The net realizable values refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

The net realisable value of inventories of merchandise held for direct sale, such as goods in stock, work-in-progress and materials for sale of the Group, shall be determined as the estimated selling price of the inventory less estimated selling expenses and related taxes and surcharges; the net realisable value of inventories of materials held for production shall be determined as the estimated selling price of the finished goods less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes and surcharges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Inventories (Continued)

Portfolio category and determination basis of provision for inventories on a collective basis, basis for determining net realizable value for different categories of inventories

☐Applicable ☒N/A

Calculation method of and basis for determining net realizable value for each age group of inventories whose net realizable value is determined based on its age in stock

☐Applicable ☒N/A

17. Contract assets

☒Applicable ☐N/A

Recognition method and criteria of contract assets

☒Applicable ☐N/A

Contract assets refer to the rights to receive consideration for the transfer of goods by the Group to its customers, and that right depends on factors other than the passage of time. If the Group sells two commodities that can be clearly distinguished to its customers, under which condition the Group has the right to collect money because one of the commodities has been delivered, while the collection of money also depends on the delivery of the other commodity, the Group regards the right to collect money as the contract assets.

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☐Applicable ☒N/A

The aging calculation method for the credit risk characteristic portfolio confirmed based on the aging of accounts

☐Applicable ☒N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Non-current assets or disposal group held for sale

√Applicable ☐N/A

The Group classifies non-current assets or disposal group that meet the following criteria as available-for-sale: (1) Disposable immediately under current conditions based on similar transactions for disposals of such assets or practices for the disposal group; (2) Probable disposal; that is, a decision has been made on a plan for disposal and an undertaking to purchase has been obtained, and the disposal is expected to be completed within a year. Relevant approval is required for disposals requiring approval of relevant authorities or regulators as required by relevant regulations. Before the Group classifies non-current assets or disposal groups as held for sale for the first time, the book value of each asset and liability of the non-current assets or disposal group is measured according to the requirements of the relevant accounting standards. On initial measurement or remeasurement of non-current assets held for sale or a disposal group on the balance sheet date, if their carrying amount is higher than the fair value less disposal expenses, the carrying amount shall be reduced to the fair value less disposal expenses. The amount of the reduction shall be recognized as an asset impairment loss and included in the profit or loss for current period, and an impairment provision for held-for-sale assets shall be made simultaneously.

Non-current assets or disposal groups which the Group acquired specifically for disposal, satisfy the requirement of “expected completion of disposal within one year” on the date of acquisition, and is probable to satisfy conditions of other held for sale classifications in the short term (usually within 3 months) are classified as held for sale on the date of acquisition. At initial measurement, the initial measurement assuming that it is not classified as held for sale and the net value of fair value less disposal expenses are compared, and the lower of the two is measured. Other than non-current assets or disposal groups acquired through corporate merger, the difference arising from recognising the net value of fair value of non-current assets or disposal groups less disposal expenses as initial measurement is recognised in profit and loss in the current period.

Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary, regardless of the Group retaining part equity investment after the disposal, upon the investment in subsidiary intended to be disposed of satisfying the conditions for classification as held for sale, the investment in subsidiary will be generally classified as held for sale in the parent’s separate financial statements, and all assets and liabilities of the subsidiary is classified as held for sale in the consolidated financial statements.

Where there is increase in net value of fair value less disposal expenses for non-current assets held for sale on subsequent balance sheet dates, the previously charged difference should be recovered and reversed in asset impairment loss recognised after classification as held for sale investment, with the reversal amount recognised in profit and loss in the current period. Asset impairment loss recognised before classification as held for sale is not reversible.

Asset impairment loss recognised for disposal groups held for sale is first offset against the book value of goodwill of the disposal group and then offset against the book values proportionally according to the share of book value of each non-current asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Non-current assets or disposal group held for sale (Continued)

Where there is increase in net value of fair value less disposal expenses of held for sale disposal groups subsequent to the balance sheet date, the previously charged difference should be recovered and reversed in asset impairment loss of non-current assets recognised as required by the appropriate relevant measurement after classification as held for sale, with the reversal amount recognised in profit and loss in the current period. Offset goodwill book value and asset impairment loss recognised before classification as held for sale are not reversible.

Reversal amount after recognition of asset impairment loss of held for sale disposal group other than goodwill in the disposal group should be added proportionally based on the book value share to the book value of each non-current asset.

No provision for depreciation or amortization of non-current assets held for sale non-current assets or disposal groups, and interest on liabilities and other expenses of disposal groups held for sale continues to be recognised.

When non-current assets or disposal groups held for sale are no longer classified as held for sale or noncurrent assets are removed from disposal groups held for sale, measurement is performed based on the lower of the following: (1) book value prior to classification as held for sale adjusted by recognition of depreciation, amortization or impairment assuming there was no classification as held for sale; (2) recoverable amount.

Upon derecognition of non-current assets or disposal groups held for sale, unrecognised gain or loss is recognised in profit or loss in the current period.

Recognition criteria and accounting treatment methods for non-current assets or disposal groups classified as held for sale

☐Applicable ☒N/A

Identification criteria and presentation method of discontinued operation

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Long-term equity investments

☒ Applicable ☐ N/A

Long-term equity investments of the Group include the investments in subsidiaries, investments in associates and investments in joint ventures.

(1) Judgment of significant influence and joint control

The Group's investment in associates refers to the equity investment that has a significant influence on the investee. Significant influence means that the Group has the power to participate in decision-making on the financial and operational policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. When the Company directly or indirectly throughout its subsidiary owns 20% (inclusive) or more but less than 50% shares with voting rights in the investee, it is generally considered that the Company has significant influence on the investee, unless there is clear evidence that the Group cannot participate in the production and operation decisions of the investee or form control over the investee. Where the Company holds less than 20% of the voting rights in the investee, it may still be considered to have significant influence if, for example, it has a representative on the Board of Directors or a similar governing body of the investee, participates in the process of formulating the financial and operating policies of the investee, has material transactions with the investee, sends management personnel to the investee, or provides key technical information to the investee.

The equity investment in a joint venture refers to the investment in which the Group exercises joint control with other joint venture parties over the investee and has the power over the net assets of the investee. Joint control refers to the shared control over a certain arrangement in accordance with relevant agreements, and the related activities of the arrangement must be unanimously agreed upon by the participating parties who share control before decision-making can be made. Basis for determination in respect of joint control is that all participating parties or a group of participating parties collectively control such arrangement, and that policies of such related activities of such arrangement have to obtain unanimous agreement by all parties that collectively control such arrangement.

(2) Accounting treatment method

The Group initially measures the long-term equity investments obtained based on the initial investment cost.

For long-term equity investments obtained through business combination under common control, proportion of carrying amount of net assets obtained on the date of combination in the consolidated financial statements of the ultimate controller shall be accounted as the initial investment cost. For carrying amount of net assets of the acquiree which is negative on the date of combination, the initial investment cost is calculated as zero.

For long-term equity investments acquired through business combination not under common control, cost of combination will be treated as the initial investment cost;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Long-term equity investments (Continued)

(2) Accounting treatment method (Continued)

Apart from the long-term equity investments acquired through business combination, for long-term equity investments acquired by cash payment, the initial investment cost shall be based on the actual purchase price paid and the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments. For long-term equity investments acquired by issuing equity securities, the cost of investment is the fair value of the equity securities issued;

The Company's investments in subsidiaries are accounted for in individual financial statements using the cost method. When the cost method is used, long-term equity investments are measured at their initial investment cost. When making additional investment, carrying amount of the long-term equity investments will be increased according to the fair value of cost of additional investment and the related expenses incurred by related transactions. For cash dividend or profit paid by the investee, it shall be recognised as investment income for current period using the amount which it entitles.

The Group's investments in the joint ventures and associates are accounted for under the equity method. When using the equity method, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the identifiable net assets of the investee that should be enjoyed at the time of investment, the book value of the long-term equity investment shall not be adjusted. If the initial investment cost of a long-term equity investment is less than the share of the fair value of the identifiable net assets of the investee that should be enjoyed at the time of investment, the difference shall be adjusted to the book value of the long-term equity investment and included in the profit or loss for current investment period.

For long-term equity investment for which the subsequent measurement is accounted for under the equity method, carrying amount of long-term equity investment shall be increased or decreased accordingly according to the change in the shareholders' equity of the investee during the investment period. When determining the amount of proportion of net profit or loss in the investee which it entitles, fair value of each identifiable asset of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Group, and after offsetting profit or loss from unrealized internal transaction arising from transactions between associates and joint ventures that do not constitute a business, and calculate the proportion which is attributable to the Group according to the shareholding (if internal transaction losses belong to asset impairment losses, they shall be fully recognised), and recognised after adjustment is made to the net profit of the investee. The Group recognises the net loss incurred by the investee, with the book value of long-term equity investments and other long-term equity essentially constituting the net investment in the investee reduced to zero, except for the obligation of the Group to bear additional losses.

When the Group disposes of long-term equity investments, the difference between the carrying amount and the consideration actually received is included in the current investment income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Long-term equity investments (Continued)

(2) Accounting treatment method (Continued)

For long-term equity investments under the equity method, when the investment is no longer accounted for under the equity method, the other comprehensive income measured originally under the equity method adopt the same accounting basis as the assets or liabilities disposed of by the investee directly. The owners' equity recognised due to other changes in owners' equity of the investee except the net profit or loss, other comprehensive income and profit distribution shall be transferred to the current investment income in a full amount when the investment is no longer accounted for under the equity method.

If the remaining equity after the disposal of part of the equity is still accounted for using the equity method, the relevant other comprehensive income originally accounted for using the equity method will be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward on a proportional basis. Owners' equity recognized due to other changes in owners' equity other than net profit or loss, other comprehensive income, and profit distribution will be carried forward to the investment income of the current period on a proportional basis.

Where the common control or significant influence over the investee is lost due to the partial disposal of equity investment, the residual equity after disposal will be recognized as a financial asset, and the difference between the fair value and carrying amount of such residual equity on the date when the common control or significant influence is lost shall be included in profit or loss for the current period.

For the loss of the control over the investee due to disposal of partial long-term equity investments, the residual equity after disposal, if capable of realizing joint control or exerting significant influence over the investee, is changed to the equity method for calculation, the difference for disposal of carrying amount and consideration is included in the investment income, and the residual equity is adjusted as if it was calculated using the equity method since it was acquired; the residual equity after disposal, if unable to realize joint control or exert significant influence on the investee, the financial asset is recognized, the difference between the carrying amount of the equity investment disposed of and the disposal consideration is included in the investment income, and the difference between the fair value and carrying amount of the residual equity on the control-lost date is included in profit or loss for the current period.

For each transaction where equity is disposed of by the Group in stages until loss of control and which does not belong to a package deal, the accounting for each transaction shall be conducted separately. For a package deal, the accounting treatment shall be conducted in a way that each transaction is part of the transaction that disposes of a subsidiary with loss of control. However, before loss of control, the difference between the disposal price for each transaction and the carrying amount of the corresponding long-term investments of the equity disposed of, shall be recognized as other comprehensive income, and, upon loss of control, shall be transferred to the current profit or loss when the control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Investment properties

(1) If the cost measurement model is adopted

Method of depreciation or amortization

The Group's investment properties refer to properties held for the purpose of earning rentals or capital appreciation, or both, including buildings, land use rights, etc. It was measured using the cost model.

The Group's investment properties are depreciated or amortised in the same manner as buildings or land use rights. The estimated useful lives, net residual value rates and annual depreciation (amortization rates) of various investment properties are as follows:

Category	Depreciation period (years)	Expected residual value rate (%)	Annual depreciation rate (%)
Land use right	5-50	0-5	1.90-20.00
Buildings	5-50	0-5	1.90-20.00

21. Fixed assets

(1) Recognition conditions

☒Applicable ☐N/A

The Group's fixed assets are tangible assets with the following characteristics at the same time, i.e., held for the purpose of production of goods, provision of labor services, leasing, or business management, with a useful life of more than one year.

Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include houses and buildings, general equipment, special equipment, and other equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Fixed assets (Continued)

(2) Method of depreciation

☒ Applicable ☐ N/A

Except for fixed assets that are fully depreciated but still in use and land that is separately valued and accounted for, the Group provides depreciation for all fixed assets. Depreciation is provided using the average year method or the units-of-production method. The depreciation period, estimated net residual value rate and depreciation rates of the Group's fixed assets by category are as follows:

Category	Method of depreciation	Depreciation period (year)	Residual rate	Annual depreciation rate
Buildings and structures	Average year method or units-of-production method	5-50	0-5	1.90-20.00
General equipment	Average year method	2-20	0-5	4.75-50.00
Special equipment	Average year method	2-20	0-5	4.75-50.00
Furniture, appliances, fittings and others	Average year method	3-30	0-5	3.17-33.33

At the end of each year, the Group reviews the estimated useful life, estimated net residual value and depreciation method of fixed assets, and if there is a change, it treats it as a change in accounting estimate.

Except for fixed assets that have been fully depreciated and continue to be used, and land that is separately valued and recorded as fixed assets according to regulations, the Group adopts the units-of-production method when depreciating the underground works assets of buildings and structures, and the depreciation method of other fixed assets is the average year method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

22. Construction in progress

√Applicable □N/A

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is carried forward to fixed assets at the estimated value from the date it reaches the intended usable state, based on the project budget, cost, or actual cost of construction, etc. Depreciation starts from the following month, and the difference in the original value of fixed assets is adjusted after the completion of the final accounting procedures.

Construction in progress is transferred to fixed assets when it is ready for its intended use and the criteria are as follows:

Items	Criteria for transferring to fixed assets
Buildings and structures	When buildings reach the predetermined design requirements and pass the acceptance inspections by the surveying, design, construction, and supervision units, and the assets are in a condition ready for use, they are transferred to fixed assets.
Underground works assets	When various technical indicators of underground works (such as roadway cross-section dimensions, slope, support strength, ventilation capacity, drainage system, etc.) meet the predetermined design requirements and pass the acceptance inspections by the surveying, design, construction, and supervision units, and the assets are in a condition ready for use, they are transferred to mine roadway engineering assets.
Machinery and equipment	The equipment user department and the equipment manufacturer are jointly responsible for equipment installation and commissioning, including hardware debugging and process condition adjustment. After commissioning is completed and the equipment has passed the joint inspection and acceptance by the equipment user department and the equipment manufacturer, the equipment is transferred to fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Borrowing costs

☒Applicable ☐N/A

The Group will capitalise the borrowing costs that can be directly attributed to the construction or production of assets eligible for capitalisation, and include them in the relevant asset costs. Other borrowing costs will be recognised in the profit or loss for current period. The assets eligible for capitalisation as determined by the Group include borrowing costs for fixed assets, investment properties and inventories that require more than one year of construction or production activities to reach their intended usable or saleable condition. Capitalisation starts when the assets expenses and borrowing costs have been incurred and the construction or production activities for making the assets reach their intended usable or saleable condition have started; capitalisation stops when the constructed or produced assets eligible for capitalisation conditions have reached their intended usable or saleable condition. Borrowing costs incurred afterwards are included into the profit or loss for current period. If assets eligible for capitalisation conditions interrupt abnormally during construction or production progress, and such interruption lasts for more than three consecutive months, capitalisation of borrowing costs shall be suspended until construction of assets or production activities resume.

In each accounting period within the capitalization period, the Group recognizes the capitalized amount of borrowing costs according to the following method: if a special loan is borrowed, the actual incurred interest costs in current period shall be determined after the interest income from deposits in banks or investment income from temporary investment with the unused borrowings is deducted from it. General borrowings shall be determined by multiplying the weighted average of the excess of the accumulated asset expenditures over the asset expenditures of special borrowings with the capitalization rate of general borrowings used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowings.

24. Biological assets

☒Applicable ☐N/A

The biological assets of the Group include consumable biological assets.

The consumable biological assets refer to the biological assets held for sale, or biological assets to be harvested as agricultural products in the future. The Company's consumable biological assets are mainly seedlings. The consumable biological assets are initially measured at cost. The cost of any consumable biological asset by way of self-planting, cultivating or propagating is the necessary expenditures directly attributable to this asset before it is put into storage, consisting of borrowing costs that meet the conditions of capitalization. The subsequent expenditures such as maintenance costs incurred after consumable biological assets are put into storage shall be included in profit or loss for the current period.

The cost of a consumable biological asset shall, at the time of harvest or sale, be carried forward at its book value by the weighted average method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Oil and gas assets

☐Applicable ☒N/A

26. Intangible assets

(1) Service life and its determination basis, estimation situation, amortization method or checking procedures

☒Applicable ☐N/A

Intangible assets of the Group include land use rights, mining rights and exploration rights, software, non-patented technology, etc., which are measured at actual costs at the time of acquisition. Among them, intangible assets purchased are measured at actual costs based on actual payment and other related expenditures; actual costs of intangible assets invested by investors shall be calculated based on value agreed upon in the investment contract or agreement. However, if value agreed upon in the contract or agreement is unfair, then actual costs shall be confirmed by fair value. However, for intangible assets acquired from the merged party in business combination not under common control, and which are not recognized in its financial statements, they shall be recognized as intangible assets at fair value at the time of initial recognition of the acquiree's assets.

Land use rights are amortised on a straight-line basis over the grant term from the commencement date of the land grant; mining rights are amortized using the production method from the commencement of mining operations in the relevant mine; exploration rights are not amortized, when they are converted to mining rights, amortization is accrued based on the work performed. Intangible assets such as software, non-patented technology, etc. are amortized evenly in the shortest period among following three periods: their expected service life, period of enjoying benefits specified in the contract, and effective service life specified by law; The amortization amount shall be recorded into relevant asset cost and current profit or loss based on its beneficiaries. The estimated service life and amortization method of intangible assets with limited service life shall be reviewed at the end of each year. If there are any changes, they shall be treated as accounting estimate changes. During each accounting period, the Group checks estimated service life of intangible assets with an uncertain service life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

26. Intangible assets(Continued)

(2) Scope of R&D expenditures and related accounting treatment methods

☒Applicable ☐N/A

The scope of R&D expenditures of the Group includes salaries of R&D personnel, direct input expenses, depreciation and deferred expenses, and other expenses.

Based on nature of expenditures of internal R&D projects, as well as whether there is a significant uncertainty for intangible assets to be ultimately produced by R&D activities, the Group divides them into research stage expenditures and development stage expenditures. During the research phase, expenditures incurred are recorded into current profit or loss. For expenditures incurred during the development stage, they shall be capitalized when following conditions are met simultaneously: the Group deems that it is technically feasible to successfully produce intangible assets, and can use or sell them; the Group has the intention to successfully produce intangible assets, and use or sell it; intangible assets are expected to bring economic benefits to the Group; the Group has sufficient technical, financial, and other resources to support the development of the intangible asset, and has the ability to use or sell such intangible assets; expenditures belonging to the development stage of intangible assets can be reliably measured. Expenditures incurred during the development phase that do not meet the capitalization standards shall be recorded into current profit or loss. Typically, the Group capitalizes the expenditures incurred during the development phase of a R&D project, provided that the Group has completed the theoretical and applied research of the project, conducted process experiment simulations, and initially verified that the relevant plan can effectively improve production efficiency and enhance product functions and performance, and that the technical feasibility of completing the aforementioned development has been established.

27. Impairment of long-term assets

☒Applicable ☐N/A

On each balance sheet date, the Group shall check long-term equity investments, investment properties measured by a cost model, fixed assets, construction work in process, right-of-use assets, intangible assets with a limited service life, operating lease assets, and other items. When there are signs of impairment, the Group shall carry out impairment tests. Impairment tests shall be conducted at the end of each year for goodwill, intangible assets with an uncertain service life, and development expenditures of those that have not yet reached the predetermined usable state, regardless whether or not there are signs of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Impairment of long-term assets (Continued)

(1) Impairment of non-current assets except financial assets and goodwill

When the Group conducts an impairment test, the recoverable amount is the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. After impairment testing, if the asset's carrying amount exceeds its recoverable amount, the difference is recognized as an impairment loss.

The Group estimates the recoverable amount based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of an asset shall be determined based on the group to which such asset belongs. The identification of an asset group is based on whether or not main cash inflow engendered by the asset group is independent from cash inflow of other assets or other asset groups.

The net amount of fair value less disposal expenses is determined by referring to the sales agreement price or observable market price of similar assets in an orderly transaction occurring on the measurement date, less the incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management estimates the future cash flows from the asset during its continuing use and upon its eventual disposal and select an appropriate discount rate to determine the present value of future cash flows.

(2) Impairment of goodwill

Goodwill generated in business combination shall be allotted to relevant asset groups, by a reasonable method from the date of purchase. If it is difficult to allot them to relevant asset groups, they shall be allotted to relevant asset portfolios. When conducting impairment tests on asset groups or asset portfolios that incorporate goodwill, if there are signs of impairment in asset groups or asset portfolios related to goodwill, impairment tests should be conducted first on asset groups or asset portfolios that do not incorporate goodwill. Recoverable amount should be calculated, and shall be compared with relevant book value, so as to confirm corresponding impairment loss; further impairment tests shall be conducted on asset groups or asset portfolios that incorporate goodwill, book value and recoverable amount shall be compared, if the recoverable amount is lower than the book value, then impairment loss shall be first offset against the book value of goodwill allotted to the asset groups or asset portfolios. Then, based on the proportion of the book value of assets other than goodwill in the asset group or asset portfolios, the book value of other assets shall be offset proportionally.

For the methods, parameters, and assumptions of goodwill impairment testing, see Note VII.27.

Once the impairment loss of the above-mentioned assets is recognized, it shall not be reversed in future accounting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Long-term deferred expenditures

☒Applicable ☐N/A

The long-term deferred expenditures of the Group include expenses such as highway outside the mining area, environmental governance fees, expenditures for improvements to fixed assets and special maintenance funds, which have already been paid by the Group but are allocated to current and future periods over a period of more than one year. These expenses are amortized evenly over the benefit period. If the long-term deferred expense item cannot benefit future accounting periods, the amortized value of the item that has not been amortized will be fully transferred to the current profit or loss.

29. Contract liabilities

☒Applicable ☐N/A

Contract liabilities reflect the obligation of the Group to transfer goods to customers due to the consideration received or receivable by the Group. Contract assets and contract liabilities under the same contract are presented at net amount.

30. Employee salaries

(1) Accounting treatment method of the short-term compensation

☒Applicable ☐N/A

Employee salaries of the Group include short-term compensation, post-employment benefits, termination benefits and other long-term benefits.

Short-term compensation primarily includes employee salaries, bonuses, allowances, subsidies, employee benefit expenses, housing provident fund contributions, trade union funds, employee education funds, medical insurance, work-related injury insurance, maternity insurance, short-term paid absences, and short-term profit-sharing plans. The Group shall recognize the short-term compensation actually incurred as liability and include it in the current profit or loss or related asset cost during the accounting period when employees provide services.

(2) Accounting treatment method of the post-employment benefits

☒Applicable ☐N/A

Post-employment benefits mainly include basic pension insurance, enterprise annuities, etc., which shall be classified into defined contribution plan and defined benefit plan according to risk and obligation assumed by the Company. For the services provided by the employees in the accounting period on the balance sheet date, in the defined contribution plan, contribution paid to individual shall be recognized as liabilities and included in current profit or loss or related asset cost according to the benefit object. Defined benefit plan refers to the post-employment benefit plan other than the defined contribution plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Employee salaries (Continued)

(3) Accounting treatment method of termination benefits

☒Applicable ☐N/A

Termination benefits refer to compensation provided to employees for terminating the labor relationship with employees before the expiration of the labor contract between the Group and the employee, or for encouraging the employees to voluntarily accept the lay-off. When the Group cannot unilaterally withdraw the termination benefits provided due to the labor relationship termination plan or the redundancy offer, or when the costs or expenses related to reorganization concerning the termination benefit payment are recognized (whichever is earlier), the liabilities of the employee compensation arising from termination benefits shall be recognized and included in current profit or loss.

(4) Accounting treatment of other long-term employee benefits

☒Applicable ☐N/A

Other long-term employee benefits refer to the employee compensation except for short-term compensation, post-employment benefits and termination benefits, including long-term compensated absences, long-term disability benefits, long-term profit sharing plan, etc.

Other long-term employee benefits provided by the Group to employees that meet the conditions of defined contribution plan, the accounting shall be treated in accordance with the relevant provisions for defined contribution plan as mentioned above. Otherwise, the Group recognizes and measures the net liability or net asset for other long-term employee benefits in accordance with the relevant provisions for defined benefit plan as described above.

31. Estimated liabilities

☒Applicable ☐N/A

When the businesses related to contingencies including pending litigation or arbitration and product quality assurance conform to the following conditions simultaneously, the Group recognizes them as liabilities: the obligation is a present obligation of the Group; it is probable that an outflow of economic benefits from the Group will result from the settlement of the obligation; and the amount for such obligation can be measured reliably.

The estimated liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of the estimated liabilities. The Group reviews the current best estimate and adjusts the book value of the estimated liabilities at the balance sheet date.

Estimated liabilities expected to be payable within one year from the balance sheet date shall be presented as current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

31. Estimated liabilities (Continued)

Contingent liabilities of the acquiree acquired in a business combination not under common control are measured at fair value on initial recognition and subsequently measured at the higher of the amount to be recognized for the estimated liabilities and the amount initially recognized less accumulated amortization determined in accordance with the revenue recognition principle.

For the accounting treatment method for estimated liabilities arising from financial guarantee contracts, see V.11. Financial instruments (8) Financial guarantee contracts.

32. Share-based payments

☒Applicable ☐N/A

Share-based payments settled by equity in exchange for provision of services from employees are measured at fair value of the equity instruments granted to employees as at the date of grant. If the rights can be exercised immediately after they are granted, fair value of equity instruments on the grant date shall be recorded into relevant costs or expenses, and the capital reserve shall be increased correspondingly. If the rights can be exercised only after service in the waiting period is completed or stipulated goals are achieved, on each balance sheet date in the waiting period, based on the best estimate of the number of equity instruments expected to vest, according to fair value of equity instruments on the grant date, service obtained in the period shall be recorded into relevant costs or expenditures and capital reserve. If clause that share-based payments shall be settled by equity is modified, service obtained shall be recognized according to unchanged clause. What's more, if the fair value of equity instruments is modified, or those changes can benefit employees on the date of modification, it shall be deemed that service obtained is increased.

If share-based payments settled by equity are canceled, it shall be treated as accelerated exercise of rights on the cancellation date, and the unrecognized amount will be immediately recognized. If employees or other parties satisfy the vesting conditions, but they do not achieve goals in the waiting period, it shall be treated that share-based payments settled by equity are canceled. However, if a new equity instrument is granted, and it is determined on the grant date that the new equity instrument is intended to replace the canceled equity instrument, the replacement of equity instrument granted shall be treated in the same manner as the modification of the terms and conditions of the original equity instrument.

For cash-settled share-based payments, they shall be measured by fair value of liabilities, which are borne by the Group and are confirmed based on share or other equity instruments. If the rights can be immediately exercised immediately after they are granted, the fair value of the liability assumed on the grant date shall be recorded into relevant costs or expenses, and the liability shall be increased correspondingly. If the rights can be exercised only after service in the waiting period is completed or stipulated goals are achieved, on each balance sheet date in the waiting period, based on the best estimate of the vesting conditions being satisfied, the services obtained in current period shall be recorded into costs or expenses, according to fair value of liabilities borne by the Group, and such liabilities shall be adjusted accordingly. On each balance sheet date and settlement date prior to settlement of relevant liabilities, fair value of liabilities shall be remeasured, and any changes shall be recorded in current profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Preferred shares, perpetual bond and other financial instruments

☒Applicable ☐N/A

Any preferred share or perpetual bond classified as debt instrument is measured initially at fair value after deduction of the transaction cost, and subsequently at amortized cost using the effective interest method. Its interest expense or dividend distribution is accounted as borrowing cost, and its profit or loss on repurchase or redemption shall be recognized as profit or loss of the current period.

For any preferred share or perpetual bond classified as equity instrument, the consideration received upon its issuance is, after deduction of the transaction cost, added to the owner's equity. Its interest expense or dividend distribution is accounted as profit distribution, and its repurchase or cancellation shall be accounted as change in equity.

34. Revenue

(1) Disclosure of accounting policies for revenue recognition and measurement by business type

☒Applicable ☐N/A

(1) General principles

The Group recognises revenue when a performance obligation in the contract is fulfilled, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers. Acquiring control over relevant goods or services means to be able to dominate the use of such goods or the provision of such services and obtain almost all economic benefits from them.

A performance obligation is a contractual commitment by the Group to transfer clearly distinguishable goods to a customer. The Group's performance obligations are fulfilled within a certain period of time if one of the following conditions is met; otherwise, they are fulfilled at a certain point in time: ① the customer acquires and consumes the economic benefits arising from the Group's performance at the same time as the Group's performance; ② the customer can control the goods that are under progress in the course of the Group's performance; ③ the goods that are produced in the course of the Group's performance have irreplaceable usages and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

The Group recognises the revenue on the basis of the progress of performance of a contractual obligation that is to be performed within a certain period of time. When the progress of performance is not reasonably certain, the Group recognises the revenue at the amount of costs incurred until such time as the progress of performance is reasonably certain, provided that the costs incurred are expected to be reimbursed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(1) Disclosure of accounting policies for revenue recognition and measurement by business type (Continued)

(1) General principles (Continued)

For performance obligations fulfilled at a point in time, the Group recognises revenue at the point in time when the customer obtains control of the relevant goods. In determining whether the customer has obtained control of the goods, the Group takes into account the following indications: ① the Group has a present right to receive payment for the goods, i.e. the customer has a present obligation to pay for the goods; ② the Group has transferred the legal ownership of the goods to the customer, i.e. the customer has legal ownership to the goods; ③ the Group has physically transferred the goods to the customer, i.e. the customer has physical possession of the goods; ④ the Group has transferred to the customer the principal risks and rewards of ownership of the goods, i.e. the customer has acquired the principal risks and rewards of ownership of the goods; ⑤ the customer has accepted the goods; and ⑥ other indications that the customer has acquired control of the goods.

(2) Specific methods

The revenue of the Group mainly includes revenue from sale of goods and trading revenue.

① Revenue from sale of goods

The Group is engaged in the mining, beneficiation, smelting, processing and sales of standard gold ingots, composite gold, lead concentrate (containing silver) and zinc concentrate. The Company is the member of the Shanghai Gold Exchange. Standard gold ingots are sold through the Shanghai Gold Exchange's centralized trading system. The selling price of composite gold is determined with reference to the Shanghai Gold Exchange prices, while the selling prices of other products are based on publicly available quotation platforms such as the Shanghai Nonferrous Metals Network and settled according to domestic industry pricing practices. The Group recognizes revenue from sales of goods upon dispatch of products and confirmation of receipt by customers.

The Group sells products such as composite gold, lead concentrate (containing silver), and zinc concentrate using a price-point pricing method. The sales revenue is recognized when the relevant products are delivered and the control is transferred to the customer. After recognizing the sales revenue, the Group designates changes in receivables arising from customer price-point settlement rights as financial assets measured at fair value through profit or loss. At the balance sheet date, the Group calculates the fair value of these financial assets based on publicly available quotations from platforms such as the Shanghai Gold Exchange and the Shanghai Nonferrous Metals Network, and recognizes gains or losses from changes of fair value. When customers exercise price-point settlement, the financial assets measured at fair value through profit or loss are adjusted based on the final settlement price, changes in receivables are recognized, and corresponding investment income is recorded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(1) Disclosure of accounting policies for revenue recognition and measurement by business type (Continued)

(2) Specific methods (Continued)

① Revenue from sale of goods (Continued)

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group shall recognize a liability if the Group expects to refund some or all of the consideration to the customer and does not include it in the transaction price. Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

② Revenue from trading activities

The specific commodities involved in the trade business operated by the Group include non-ferrous metal products.

The Group's aforementioned trading activities involve the participation of third parties. If the Group obtains control of goods from third parties and subsequently transfers them to customers, during the transaction process, the Group assumes the primary responsibility for transferring the goods to customers, bears inventory risks, and has the authority to autonomously determine the prices of the goods traded, the Group acts as the principal in the transaction, and recognizes trade revenue based on the total consideration it expects to be entitled to receive as stipulated in the contracts. Conversely, if the Group does not obtain control of the specific goods, or does not assume price fluctuation risk and inventory risk, the Group acts as an agent in the transaction. In such cases, trade revenue is recognized on a net basis, representing the amount of the consideration received or receivable after deducting the amount payable to the other involved parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(2) The adoption of different business models for the same type of business involves different revenue recognition and measurement methods

☒ Applicable ☐ N/A

When a contract has two or more performance obligations, the Group allocates the transaction price to each one based on the relative standalone selling prices of the promised goods or services on the commencement date of contract. Revenue is then recognized using this allocated transaction price for each obligation.

The transaction price is the amount of consideration that the Group is expected to be entitled to receive due to the transfer of goods or services to customers, excluding payments received on behalf of third parties and amounts expected to be refunded to the customer. In determining the transaction price, the Group considers the impact of variable consideration, the existence of significant financing elements in the contract and other factors.

In case of the existence of variable consideration in the contract, the Group shall determine the best estimates of the variable consideration based on the expected value or the most probably incurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be recognised in transaction price.

Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods. The difference between such transaction price and contract consideration is amortised over the contract period using the effective interest rate method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

The Group determines whether its identity at the time of performing a transaction is a principal or an agent based on whether it has control over the goods prior to transferring the goods to the customer. If the Group is able to control the goods before transferring them to the customer, the Group is a principal and recognizes revenue based on the total amount of consideration received or receivable; otherwise, the Group, as an agent, recognizes revenue based on the amount of commissions or handling fees to which it is expected to be entitled, which shall be determined based on either the net amount of the total consideration received or receivable less the price payable to other related parties or the established commission amount or proportion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Revenue (Continued)

(2) The adoption of different business models for the same type of business involves different revenue recognition and measurement methods (Continued)

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant goods. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the Group reassess the future return of sales and remeasured the above assets and liabilities.

Based on contractual agreements, legal and other provisions, the Group provides quality assurance for goods sold, which is a guarantee-type quality assurance to assure customers that the goods sold meet the established standards, and the Group accounts for it in accordance with Section V.31 Estimated liabilities.

35. Contract costs

☒ Applicable ☐ N/A

(1) Method of determination of amount of assets relating to contract costs

The Group's assets relating to contract costs include contract performance cost and contract acquisition cost. According to the liquidity, contract performance costs are presented separately in inventory and other non-current assets, while contract acquisition costs are presented separately in other current assets and other non-current assets.

Contract performance cost refers to the cost incurred by the Group to perform a contract which does not fall under the scope of the Accounting Standards for Business Enterprises, such as inventories, fixed assets or intangible assets, and meets all of the following conditions, which is recognised as an asset as contract performance cost: the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract; the costs generate resources of the Group that will be used in satisfying performance obligations in the future; the costs are expected to be recovered.

Contract acquisition cost refers to the incremental cost for the Group to obtain a contract which is expected to be recoverable and which is recognised as an asset as contract acquisition cost. If the amortization period of such asset is no more than one year, the Group chooses the simplified treatment of including such contract acquisition cost in profit or loss as incurred. Incremental cost refers to the cost which will not be incurred by the Group had no contract been acquired (such as commission, etc.). Other expenses incurred by the Group to obtain contracts (other than the incremental cost which is expected to be recoverable) (such as travelling expenses which will be incurred regardless of whether the contract will be obtained) are included in profit or loss as incurred, save for those expressly to be borne by customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Contract costs (Continued)

(2) Amortization of assets relating to contract costs

The Group's assets relating to contract costs are amortised using the same basis as that for recognition of the revenue from goods relating to the assets, which are included in profit or loss.

(3) Impairment of assets relating to contract costs

If the carrying amount of the Group's assets relating to contract costs is higher than the difference between the following two items, the Group makes a provision for impairment and recognises the excess as an asset impairment loss: ① the remaining consideration expected to be received from transfer of the goods relating to the asset; and ② the cost expected to be incurred for transfer of the relevant goods. After the provision for impairment is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and included in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment being made.

36. Government grants

☒ Applicable ☐ N/A

Government grants are recognized when the conditions attached to them can be met and they are receivable. Government grants that are monetary assets are measured based on the actual amounts received. For government grants with the subsidies paid according to fixed quota standards, or when concrete evidence shows that relevant conditions specified in fiscal support policies can be met and the fiscal support funds can be received based on estimates at the end of the period, the government grants shall be measured based on the receivable amounts. Government grants that are non-monetary assets are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on the nominal amount (RMB1).

The Group's government grants include asset-related and income-related government grants. In particular, asset-related government grants refer to those obtained by the Group and used for the acquisition or construction of long-term assets or the obtainment of such assets by other means. Income-related government grants refer to those other than asset-related government grants. If no assistance object is specified in the government documents, the Group will make a judgment based on the above principles. If it is difficult to distinguish, it is integrally classified as income-related government grants.

Asset-related government grants are recognized as deferred income. Asset-related government grants recognized as deferred income will be included in current profit or loss in a reasonable and systematic manner within the useful life of the relevant assets. For relevant assets that are sold, transferred, discarded, or damaged before the end of their useful lives, the relevant unallocated deferred income is transferred into the profit or loss of the current period when the assets are disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

36. Government grants (Continued)

Income-related government grants used to compensate for related costs or losses during future periods are recognized as deferred income and will be included in current profit or loss or offset against the relevant costs during the period when they are recognized. Those granted to compensate for already incurred relevant costs, expenses or losses shall be directly recognized in current profit or loss or offset against the relevant costs. Government grants related to daily activities are included in other income or set off against relevant costs according to the nature of the economic activities. Government grants unrelated to daily activities are included in non-operating income and expenses.

37. Deferred income tax assets/deferred income tax liabilities

☒Applicable ☐N/A

Deferred income tax assets and deferred income tax liabilities of the Group are recognized by calculating the difference between the tax base and the carrying amount thereof, as well as the difference between the tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws and the carrying amount (temporary differences).

The Group recognizes deferred income tax liabilities for all taxable temporary differences except for the following situations: (1) the temporary difference arising from the initial recognition of goodwill, or the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) taxable temporary differences related to investments in subsidiaries, associates and joint ventures, where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for the following circumstances: (1) the temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) when it is probable that the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures cannot meet the following conditions at the same time: temporary differences will be reversed in the foreseeable future and the deductible taxable profit will be available in the future against which the temporary differences can be utilized.

Deferred income tax assets are recognized for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognized, therefore there is uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Leases

√Applicable ☐N/A

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

√Applicable ☐N/A

(1) Lease recognition

Except for short-term leases and leases of low-value assets, on the beginning date of the lease term, the Group recognizes the right-of-use asset and the lease liability of the lease.

The right-of-use asset refers to the Group's right as a lessee to use the leased assets during the lease term, and is initially measured at cost. The cost comprises: ① the initial measurement of the lease liability; ② the lease payments made on or before the commencement date of the lease, less the amount of lease incentives received; ③ any initial direct costs incurred, and ④ an estimate of costs to dismantle and remove the leased asset or to restore the site where the leased asset is located or restore the leased asset to its agreed condition under the terms of the leases (except those incurred for the production of inventory). If the Group remeasures lease liabilities in accordance with the relevant provisions of the lease standards, the carrying amount of the right-of-use assets will be adjusted accordingly.

The Group depreciates right-of-use assets on a straight-line basis based on the expected consumption pattern of the economic benefits related to the right-of-use assets. If it can reasonably be determined that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within its remaining useful life. If the lessee cannot reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within the lease term or its remaining useful life (whichever is shorter). The depreciation amount accrued shall be included in the cost of the relevant assets or the current profit or loss, according to the purpose of the right-of-use assets.

The Group initially measures lease liabilities based on the present value of the unpaid lease payments at the commencement date of the lease term. Lease payments include: ① fixed payments and substantive fixed payments, net of lease incentive-related amounts; ② variable lease payments that depend on an index or ratio; ③ the exercise price of the purchase option when the Group reasonably determines that it will exercise the purchase option; ④ the lease term reflects the amount required to be paid when the Group exercises the option to terminate the lease; ⑤ the amount expected to be paid based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall then be used by the Group as the discount rate. The Group calculates the interest expense of the lease liability for each period of the lease term according to a fixed periodic interest rate, and it is included in the current profit or loss, except for those that should be capitalized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Leases (Continued)

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees (Continued)

(1) Lease recognition (Continued)

After the commencement of the lease term, when the Group recognizes the interest on the lease liability, it increases the carrying amount of the lease liability; when it pays the lease payment, it reduces the carrying amount of the lease liability. When the actual fixed payment amount changes, the estimated amount payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, lease renewal option or termination option changes, the Group remeasures the lease liability based on the present value of the changed lease payments.

(2) Changes in leases

Changes in leases refer to the changes in the lease scope, lease consideration and lease term other than the original contract terms, including the addition or termination of the right-of-use of one or more leased assets, and the extension or shortening of the lease term stipulated in the contract. The effective date of the lease change refers to the date both parties agreed on a lease change.

If a lease change happens and meets the following conditions, the Group will conduct accounting treatment for the lease change as a separate lease: ① the lease change expands the lease scope or extends the lease term by increasing the right-of-use of one or more leased assets; ② the increased consideration and the individual price of the expanded part of the lease scope or the extended part of the lease term are equivalent after adjustment is made in accordance with situation of the contract.

If accounting treatment for the lease change as a separate lease is not conducted, on the effective date, the Group shall apportion the consideration of the changed contract in accordance with the relevant provisions of the lease standards, and re-determine the lease term after the change; and discount the modified lease payments using the revised discount rate, in order to remeasure the lease liabilities. When calculating the present value of the lease payments after modification, the Group adopts the interest rate implicit in the lease for the remaining lease periods as the discount rate; if the lease interest rate implicit in the lease for the remaining lease term cannot be readily determined, the lessee's incremental borrowing rate shall then be used by the Group as the discount rate on the effective date of modification of the lease. In view of the consequences of the above adjustment of the lease liabilities, the Group conducts accounting treatment in each of the following cases accordingly: ① if the lease change results in a narrower lease scope or a shorter lease term, the lessee shall reduce the carrying amount of the right-of-use assets, and recognize the gain or loss relevant to the partial or complete termination of the lease in profit or loss for the current period; ② for other modification of lease that may lead to remeasurement of lease liabilities, the lessee adjusts the carrying amount of the right-of-use assets accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Leases (Continued)

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees (Continued)

(3) Short-term leases and leases of low-value assets

For short-term leases with lease terms of no more than 12 months and leases of low-value assets where the individual leased asset is of low value when it is brand-new asset, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group shall recognize lease payments for short-term leases and leases of low-value assets in relevant asset costs or current profit or loss in each period of the lease term using the straight-line method or other systematic and reasonable methods.

Classification criteria and accounting method of leases as a lessor

√Applicable ☐N/A

As a lessor, if a lease has essentially transferred substantially all the risks and rewards associated with the ownership of the leased assets, the Group shall classify the lease as financing lease, and other kinds of lease shall be classified as operating lease.

(1) Financing lease

At the commencement date of the lease term, the Group recognizes receivable financing lease payments for financing lease, and derecognizes the financing lease assets. When the Group initially measures receivable financing lease payments, net lease investment shall be used as the book value of the receivable financing lease payments.

The net lease investment is the sum of the unguaranteed residual value and the present value of the receivable lease payments not yet received at the commencement date of the lease term discounted at the interest rate implicit in the lease. The Group calculates and recognizes the interest income in each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Group that are not included in the measurement of the net lease investment shall be recognized in current profit or loss when they actually occur.

(2) Operating lease

The Group recognizes receivable lease payments from operating leases as rental income using the straight-line method in each period of the lease term.

The initial direct expenses related to operating leases incurred by the Group shall be capitalized into the cost of the underlying leased assets and recognized in current profit or loss over the lease terms in installments on the same recognition basis as rental income. The variable lease payments related to operating leases obtained by the Group that are not included in the receivable lease payments shall be recognized in current profit or loss when they actually occur.

If there is a change in the operating lease, the Group accounts for it as a new lease commencing from the effective date of the change, and the advance or receivable lease payments related to the lease before the change shall be regarded as the receivables of the new lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

39. Other significant accounting policies and accounting estimates

√Applicable ☐N/A

(1) Hedging business

In respect of the methods of hedge accounting, the Company's hedging is classified as fair value hedge, that is, a hedge of the exposure to changes in fair value of a recognized asset or liability.

At the inception of a hedging relationship, the Company formally designates the hedging relationship and prepares formal written documents regarding the hedging relationship, risk management objectives and risk management strategies. The documents specify the hedging instruments, the hedged items, the nature of the hedged risks and the Company's assessment methods for hedging effectiveness. Hedging effectiveness refers to the extent to which the changes in fair value or cash flows of the hedging instruments can offset the fair value or cash flows of the hedged items caused by the hedged risks. Such hedges are assessed on an ongoing basis to meet the hedging effectiveness requirements at the initial designation date and in subsequent periods.

If the hedging instrument expires or is sold, terminated in accordance with contracts or exercised (but the rollover or replacement as part of the hedging strategy is not treated as expiration or termination in accordance with contracts), or the hedging relationship no longer meets the risk management objective due to changes in the risk management objective, or the hedge no longer meets other conditions of the hedge accounting method, the Company terminates the use of hedge accounting.

(2) Safety production fee

The safety production fee set aside by the metal mine enterprises under the Group in accordance with national regulations is included in the cost of related products or current profit or loss, and is also recorded in the "special reserve" item. When using the set aside safety production fee, if it is an expensed expenditure, it shall be directly offset against the special reserve. If it forms a fixed asset, the expenditures incurred are collected under the "construction in progress" item, and it is recognized as a fixed asset when the safety project is completed and reaches the intended usable state; at the same time, the cost of forming the fixed asset is offset against the special reserve, and the accumulated depreciation of the same amount is recognized. The fixed assets will not be depreciated in the subsequent periods.

The Company's provision standard for special reserve is: RMB5/ton for open-pit mines; RMB10/ton, RMB15/ton or RMB20/ton for underground mines; and RMB1-5/ton for tailings safety production fees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

40. Changes in important accounting policies and accounting estimates

(1) Changes in important accounting policies

√Applicable □N/A

Unit: RMB

Details and reasons for change in accounting policy	Name of items in the financial statements subject to significant impact	Amount of impact
"Interpretation of Accounting Standards for Business Enterprises No. 19" (Cai Kuai (2025) No. 32) issued by the Ministry of Finance on 5 December 2025	Please refer to explanation 1 for details	0
"Interpretation of Accounting Standards for Business Enterprises No. 20" (Cai Kuai (2026) No. 7) issued by the Ministry of Finance on 4 June 2026	Please refer to explanation 2 for details	0

- On 5 December 2025, the Ministry of Finance issued the "Notice on Issuing the 'Interpretation of the Accounting Standards for Business Enterprises No. 19'" (Cai Kuai (2025) No. 32), which sets out the provisions on "accounting treatment of compensatory assets in business combinations not under common control", "accounting treatment of related capital reserve upon disposal of subsidiaries previously 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 for equity instruments designated as at fair value through other comprehensive income", effective from 1 January 2026. The Company has adopted the provisions of Interpretation No. 19 from 1 January 2026, and such adoption shall not cause significant impacts to the Company's financial position, results of operation and cash flow.
- On 4 June 2026, the Ministry of Finance issued the "Notice on Issuing the Interpretation of the Accounting Standards for Business Enterprises No. 20" (Cai Kuai (2026) No. 7), which sets out the provisions on "assessment of contractual cash flow characteristics of financial assets and related disclosures" and "accounting treatment and related disclosures when currency lacks exchangeability", effective from 1 January 2026. The Company has adopted the provisions of Interpretation No. 20 from 1 January 2026, and such adoption shall not cause significant impacts to the Company's financial position, results of operation and cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

40. Changes in important accounting policies and accounting estimates (Continued)

(2) Changes in important accounting estimates

☐Applicable ☒N/A

(3) Adjustments to the financial statements at the beginning of the year for the first implementation due to the first implementation of the new accounting standards or interpretation of standards since 2026

☐Applicable ☒N/A

41. Others

☐Applicable ☒N/A

VI. TAXATION

1. Main types of taxes and corresponding rates

Main types of taxes and corresponding rates

☒Applicable ☐N/A

Tax type	Tax base	Tax rate
Value-added tax	Taxable income	3%, 5%, 6%, 9%, 13%
Resource tax	Revenue from sales of mineral products	5%, 4.5%, 4.2%, 4%, 3% for gold; 5%, 3%, 2.5% for silver; 6% for lead and zinc; 5%, 3%, 2% for waste ores
Consumption tax	Revenue from sales of precious metals	5%
Urban maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%, 1%
Enterprise income tax	Taxable income	15%, 20%, 25%

The resource tax for subsidiaries in Shandong Province is paid at 4.2% of the gold sales revenue, while other companies pay the resource tax according to the tax items and applicable rates determined by the provincial people's government of their location.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

1. Main types of taxes and corresponding rates (Continued)

Main types of taxes and corresponding rates (Continued)

Please make a disclosure if there are taxpayers with different enterprise income tax rates

√Applicable □N/A

Name of taxpayer	Income tax rate (%)
The Company	15
Xihe Zhongbao Mining Co., Ltd.* (西和縣中寶礦業有限公司)	15
Fujian Zhenghe County Yuanxin Mining Co., Ltd.* (福建省政和縣源鑫礦業有限公司)	15
Shandong Gold Mining (Yinan) Co., Ltd.* (山東黃金礦業(沂南)有限公司)	15
Chifeng Chaihulanzi Gold Mining Co., Ltd.* (赤峰柴胡欄子黃金礦業有限公司)	15
SDG Heavy Industry Co., Ltd.* (山金重工有限公司)	15
Shandong Gold Mining (Xinhui) Co., Ltd.* (山東黃金礦業(鑫匯)有限公司)	15
Shandong Gold Guilaizhuang Mining Co., Ltd.* (山東黃金歸來莊礦業有限公司)	15
Shandong Gold Mining Technology Co., Ltd.* (山東黃金礦業科技有限公司)	15
Shandong Gold Mining (Laixi) Co., Ltd.* (山東黃金礦業(萊西)有限公司)	15
Xinjiang Jinchuan Mining Co., Ltd.* (新疆金川礦業有限公司)	15
Inner Mongolia Yulong Mining Co., Ltd.* (內蒙古玉龍礦業股份有限公司)	15
Jilin Banmiaozi Mining Co., Ltd.* (吉林板廟子礦業有限公司)	15
Hainan Shengwei Trading Co., Ltd.* (海南盛蔚貿易有限公司)	15
Shenzhen SD Gold Mining Precious Metal Co., Ltd.* (深圳市山金礦業貴金屬有限公司)	20
Tianshan Goldfield (Xinjiang) Investment Advisory Limited* (新疆天山金田投資諮詢有限公司)	20
SDG International Capital Management Co., Ltd.* (山金國際資產管理有限公司)	20
Shandong Shanjin Materials Co., Ltd.* (山東山金物資有限公司)	20
Other taxpayers except those mentioned above	25

Main types of taxes and tax rates thereof applicable to overseas subsidiaries of the Company are presented as follows:

Country or area	Type of tax	Tax base	Tax rate
Hong Kong	Enterprise income tax	Taxable income	16.50%
Argentina	Enterprise income tax	Taxable income	35%
Australia	Enterprise income tax	Taxable income	30%
Ghana	Enterprise income tax	Taxable income	35%
Singapore	Enterprise income tax	Taxable income	17%
Canada	Enterprise income tax	Taxable income	27%
Mauritius	Enterprise income tax	Taxable income	15%
Namibia	Enterprise income tax	Taxable income	32%, 37.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives

√Applicable ☐N/A

(1) Value-added tax (VAT)

According to the Announcement No. 11 [2025] of the Ministry of Finance and the State Administration of Taxation, the “Announcement of the Ministry of Finance and the State Administration of Taxation Policies Related to Gold”, sales of gold by gold production and trading entities are exempt from VAT, and when member units or customers sell standard gold through the Shanghai Gold Exchange or the Shanghai Futures Exchange, such sales are exempt from VAT. Where no physical delivery takes place, the exchange is exempt from VAT. Where physical delivery occurs, and the member unit purchases standard gold for investment purposes, the exchange is entitled to a VAT refund upon collection (i.e., immediate refund), while being exempt from urban maintenance and construction tax and educational surcharges. If the purchasing member unit processes the standard gold into non-investment gold products and sells them, or sells them directly or after processing, VAT shall be payable in accordance with existing regulations. The sale of standard gold not through an exchange shall be subject to VAT in accordance with existing regulations.

(2) Enterprise income tax

Shandong Gold Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Notice on Announcing the List of High-Tech Enterprises in Shandong Province for 2024 issued by the Department of Science & Technology of Shandong Province, the Shandong Provincial Department of Finance and the Shandong Provincial Tax Service, enjoying a certificate with the certificate number of GR202437003705 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Xihe Zhongbao Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Gansu Province's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202462000242 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Fujian Zhenghe County Yuanxin Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Fujian Province's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202435000942 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Shandong Gold Mining (Yinan) Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2023 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202337008752 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(2) Enterprise income tax (Continued)

Chifeng Chaihulanzi Gold Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Notice on Filing the Fifth Batch of High-Tech Enterprises Certified by Inner Mongolia Autonomous Region's Certification Authority in 2025 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202515000657 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

SDG Heavy Industry Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2025 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202537000528 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Shandong Gold Mining (Xinhui) Co., Ltd. passed the re-examination for high-tech enterprise certification on 19 December 2025, obtained the High-Tech Enterprise Approval Certificate issued by the Qingdao Municipal Bureau of Science and Technology, the Qingdao Municipal Bureau of Finance, and the Qingdao Tax Service of the State Taxation Administration, with the certificate number of GR202537100288 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Shandong Gold Guilaizhuang Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement Regarding Filing the First Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2025 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202537002305 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Shandong Gold Mining Technology Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2023 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202337009161 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

Shandong Gold Mining (Laixi) Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Qingdao Municipal Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202437101234 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(2) Enterprise income tax (Continued)

Xinjiang Jinchuan Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Xinjiang Uygur Autonomous Region's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202465000949 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2026.

According to the provisions of the Notice on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy (《關於深入實施西部大開發戰略有關稅收政策問題的通知》) (Cai Shui [2011] No. 58) jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs and the Announcement of the State Taxation Administration on Enterprise Income Tax Issues Concerning the Deep Implementation of the Western Development Strategy (《國家稅務總局關於深入實施西部大開發戰略有關企業所得稅問題的公告》) (Announcement No. 12 in 2012 from the State Taxation Administration) issued by the State Taxation Administration on 6 April 2012, Inner Mongolia Yulong Mining Co., Ltd. was subject to the enterprise income tax at a reduced rate of 15% during the Reporting Period.

Jilin Banmiaozi Mining Co., Ltd. was recognized as a high-tech enterprise in accordance with the High-Tech Enterprise Certificate (《高新技術企業證書》) jointly issued by the Jilin Provincial Department of Science and Technology, the Jilin Province Department of Finance and the Jilin Provincial Tax Service of the State Taxation Administration, with the certificate number of GR202322001167 and a validity certification period of three years, and calculated and paid the enterprise income tax at a rate of 15% for 2026.

According to the Circular on Preferential Enterprise Income Tax Policies for Hainan Free Trade Port (《關於海南自由貿易港企業所得稅優惠政策的通知》) (Cai Shui [2020] No. 31) jointly issued by the Ministry of Finance and the State Taxation Administration, Hainan Shengwei Trading Co., Ltd. which belongs to encouraged industrial enterprises registered in Hainan Free Trade Port with substantive operation will be subject to enterprise income tax at a reduced rate of 15%. In accordance with the Notice on Extending the Implementation of Preferential Enterprise Income Tax Policies in Hainan Free Trade Port (《關於延續實施海南自由貿易港企業所得稅優惠政策的通知》) (Cai Shui [2025] No. 3), the implementation period of the preferential tax policies has been extended to 31 December 2027.

According to the provisions of the Announcement of the Ministry of Finance and the State Taxation Administration on the Tax Policies for Further Supporting the Development of Small and Low-profit Enterprises and Individual Industrial and Commercial Households (《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Announcement No. 12 in 2023 from the Ministry of Finance and the State Taxation Administration), the policy for small and low-profit enterprises which calculate the taxable income at a reduced rate of 25% and subject to the enterprise income tax at the rate of 20% will continue to be implemented until 31 December 2027. Shenzhen SD Gold Mining Precious Metal Co., Ltd., Tianshan Goldfield (Xinjiang) Investment Advisory Limited, SDG International Capital Management Co., Ltd. and Shandong Shanjin Materials Co., Ltd., subsidiaries of the Company, meet the criteria for small and low-profit enterprises and shall calculate and pay the enterprise income tax at a rate of 20% for 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(3) Resource tax

According to the Notice on Clarifying the Applicable Rates of Resource Tax in Our Province and Other Related Matters (《關於明確資源稅我省適用稅率等有關事項的通知》) (Min Cai Shui [2020] No. 14) jointly issued by the Fujian Provincial Department of Finance and the Fujian Provincial Tax Service of the State Taxation Administration, for the extraction of associated minerals, when the sales of associated minerals and the main mineral products are accounted for separately, a 30% reduction in the payable resource tax for associated minerals is applied. Fujian Zhenghe County Yuanxin Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

In accordance with the provisions of Item (2) in Article 7 of the Resource Tax Law of the People's Republic of China (《中華人民共和國資源稅法》), which stipulates a reduced resource tax for the extraction of tailings, Shandong Gold Mining (Xinhui) Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Specific Measures for Reduction and Exemption of Resource Tax in Jilin Province under Specific Circumstances (《吉林省資源稅特定情形減免具體辦法》) jointly issued by the Jilin Province Department of Finance, the Jilin Provincial Tax Service of the State Taxation Administration and the Jilin Provincial Department of Natural Resources, where an enterprise mines co-associated ore and the sales of co-associated ore and main mineral products are accounted for separately, the resource tax shall be reduced by 50% of the tax payable on the silver of co-associated ore. Jilin Banmiaozi Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Decision of the Standing Committee of the People's Congress of Heilongjiang Province on the Implementation of Authorized Matters of the Resource Tax Law (《黑龍江省人民代表大會常務委員會關於實施資源稅法授權事項的決定》) issued by the Standing Committee of the People's Congress of Heilongjiang Province, the resource tax shall be levied by taxpayers on the exploitation of co-associated ore and low-grade ore at a reduced rate of 50%, and the resource tax shall be exempted from the exploitation of tailings. Heihe Luoke Mining Development Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Implementation Plan of Resource Tax Item Tax Rate and Preferential Policy of Qinghai Province (《青海省資源稅稅目稅率及優惠政策實施方案》) jointly issued by the Department of Finance of Qinghai Province and the Qinghai Provincial Tax Service of the State Taxation Administration, where taxpayers mine and sell associated mineral products, the sales of associated mineral products and main mineral products are accounted for separately, and the sales of associated mineral products account for less than 20% (excluding) of the total sales of taxable mineral products in the current period, the resource tax shall be reduced by 50%. Qinghai Dachaidan Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(4) Other taxes

According to the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (《關於進一步支持 小微企業和個體工商戶發展有關稅費政策的公告》) issued by the State Taxation Administration, from 1 January 2023 to 31 December 2027, the small-scale value-added tax taxpayers, small and low-profit enterprises, and individual industrial and commercial households shall be entitled to a 50% reduction in resources tax (excluding water resources tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax and education surcharge and local education surcharge. Shenzhen SD Gold Mining Precious Metal Co., Ltd., Tianshan Goldfield (Xinjiang) Investment Advisory Limited, SDG International Capital Management Co., Ltd. and Shandong Shanjin Materials Co., Ltd., subsidiaries of the Company, enjoy such preferential tax policy.

3. Others

☐Applicable ☒N/A

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

☒Applicable ☐N/A

Unit: RMB		
Item	Closing balance	Opening balance
Cash on hand	488,096.09	603,602.18
Bank deposits	6,961,073,891.62	8,317,497,021.58
Other monetary funds	6,574,737,796.84	5,582,136,847.91
Deposits with finance companies	3,789,746,691.49	3,590,830,768.47
Total	17,326,046,476.04	17,491,068,240.14
Including: Total amount deposited overseas	3,179,207,848.85	2,326,516,305.33

Other explanations

The Company had no funds deposited overseas with restrictions on repatriation of funds.

For details of the restrictions on the Company's monetary funds, please refer to VII. 31. Assets with Restricted Ownership or Right of Use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Financial assets held for trading

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance	Rationale and basis for designation
Financial assets at fair value through profit or loss	2,681,433,494.51	2,593,509,746.86	/
Including:			
Investments in debt instruments	957,837,569.46	772,176,094.38	/
Investments in equity instruments	1,723,595,925.05	1,821,333,652.48	/
Financial assets designated as at fair value through profit or loss			
Total	2,681,433,494.51	2,593,509,746.86	/

Other explanations:

☐Applicable ☒N/A

3. Derivative financial assets

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Derivative financial assets with no designated hedging relationship	137,368,913.77	5,475,856.65
Commodity options		438,500.00
Total	137,368,913.77	5,914,356.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable

(1) Presentation of notes receivable by classification

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance	38,125,515.86	5,400,697.56
Trade acceptance	157,403,637.05	127,096,252.73
Total	195,529,152.91	132,496,950.29

(2) Notes receivable pledged by the Company at the end of the period

☐Applicable ☒N/A

(3) Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

☒Applicable ☐N/A

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance		20,000,000.00
Trade acceptance		61,982,917.02
Total		81,982,917.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(4) Disclosure by bad-debt provision method

√Applicable □N/A

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
			Provision					Provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Amount	Proportion (%)	Book value
Provision for bad debts made on an individual basis										
Including:										
Provision for bad debts made on a collective basis	203,813,554.86	100.00	8,284,401.95	4.06	195,529,152.91	139,186,226.75	100.00	6,689,276.46	4.81	132,496,950.29
Including:										
Bank acceptance	38,125,515.86	18.71			38,125,515.86	5,400,697.56	3.88			5,400,697.56
Trade acceptance	165,688,039.00	81.29	8,284,401.95	5.00	157,403,637.05	133,785,529.19	96.12	6,689,276.46	5.00	127,096,252.73
Total	203,813,554.86	/	8,284,401.95	/	195,529,152.91	139,186,226.75	/	6,689,276.46	/	132,496,950.29

Provision for bad debts made on an individual basis:

□Applicable √N/A

Provision for bad debts made on a collective basis:

√Applicable □N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(4) Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: Trade acceptance

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Trade acceptance	165,688,039.00	8,284,401.95	5.00
Total	165,688,039.00	8,284,401.95	5.00

Description of provision for bad debts made on a collective basis

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of notes receivable for which loss provision changed in the current period:

☐Applicable ☒N/A

(5) Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6) Notes receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant notes receivable written off:

☐Applicable ☒N/A

Description of the written-off of notes receivable:

☐Applicable ☒N/A

Other explanations:

☒Applicable ☐N/A

As at the end of the period, the aging of the Group's notes receivable described above was within 180 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable

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

√Applicable □N/A

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		
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) Disclosure by bad-debt provision method

√Applicable □N/A

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
			Provision					Provision		
	Amount	Proportion (%)	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Amount	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	56,732,116.06	13.08	37,962,879.26	66.92	18,769,236.80
Including:										
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	377,003,704.78	86.92	18,994,201.67	5.04	358,009,503.11
Including:										
The aging portfolio	337,549,850.45	84.22	26,260,073.15	7.78	311,289,777.30	228,520,794.66	52.69	18,994,201.67	8.31	209,526,592.99
Other portfolios	6,515,716.05	1.63			6,515,716.05	148,482,910.12	34.23			148,482,910.12
Total	400,797,682.56	/	64,222,952.41	/	336,574,730.15	433,735,820.84	/	56,957,080.93	/	376,778,739.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2) Disclosure by bad-debt provision method (Continued)

Provision for bad debts made on an individual basis:

☒Applicable ☐N/A

Unit: RMB

Name	Closing balance			Provision reason
	Book balance	Provision for bad debts	Provision proportion (%)	
Unit 1	56,732,116.06	37,962,879.26	66.92	Expected partly not to be recovered
Total	56,732,116.06	37,962,879.26	66.92	/

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☒Applicable ☐N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2) Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: The aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
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	

Description of provision for bad debts made on a collective basis:

☒Applicable ☐N/A

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

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of accounts receivable for which loss provision changed in the current period:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(3) Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off	Other change	
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

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(4) Accounts receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant accounts receivable write-offs

☐Applicable ☒N/A

Description of the written-off of accounts receivable:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(5) Top five accounts receivable and contract assets according to the closing balance collected by the debtor:

☒Applicable ☐N/A

Unit: RMB

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

Other explanations:

☐Applicable ☒N/A

6. Contract assets

(1) Contract assets

☐Applicable ☒N/A

(2) Amount of and reason for significant change in book value during the Reporting Period

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Contract assets (Continued)

(3) Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of contract assets for which loss provision changed in the current period:

☐Applicable ☒N/A

(4) Provision for bad debts made for contract assets in the current period

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(5) Contract assets actually written off in the current period

☐Applicable ☒N/A

Of which, significant contract assets written off

☐Applicable ☒N/A

Description of the written-off of contract assets:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Receivables financing

(1) Presentation of receivables financing by classification

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance		5,341,418.51
Total		5,341,418.51

(2) Receivables financing pledged by the Company at the end of the period

☐Applicable ☒N/A

(3) Receivables financing endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

☒Applicable ☐N/A

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance	1,172,682,175.91	
Total	1,172,682,175.91	

(4) Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Receivables financing (Continued)

(4) Disclosure by bad-debt provision method (Continued)

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

Description of significant changes in the book balance of receivables financing for which loss provision changed in the current period:

☐Applicable ☒N/A

(5) Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6) Receivables financing actually written off in the current period

☐Applicable ☒N/A

Of which, significant receivables financing written off

☐Applicable ☒N/A

Description of the written-off:

☐Applicable ☒N/A

(7) Increase/decrease in receivables financing and their changes in fair value in the current period:

☐Applicable ☒N/A

(8) Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Prepayments

(1) Presentation of prepayments by age

☒Applicable ☐N/A

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	582,432,988.31	97.69	402,065,626.25	97.55
1 to 2 years	11,642,584.32	1.95	6,290,446.62	1.53
2 to 3 years	1,146,987.44	0.19	1,352,309.71	0.33
Over 3 years	960,468.76	0.17	2,447,105.25	0.59
Total	596,183,028.83	100.00	412,155,487.83	100.00

Description of the reasons for the non-timely settlement of prepayments aged over 1 year and in significant amount:

The Company had no significant prepayments aged over 1 year.

(2) Top five prepayments according to the closing balance collected by the debtor

☒Applicable ☐N/A

Unit: RMB

Name of the entity	Closing balance	Proportion to the total closing balance of prepayments (%)
Shenzhen Yantian Special Zone Construction Industry Space Development Co., Ltd. (深圳市鹽田特區建工產業空間發展有限公司)	122,083,916.20	20.48
Industrial and Commercial Bank of China Limited Precious Metals Business Department (中國工商銀行股份有限公司貴金屬業務部)	103,453,862.91	17.35
Su Zhimin	32,776,408.74	5.50
Shandong Yantai Petroleum Branch of Sinopec Marketing Co., Ltd. (中國石化銷售股份有限公司山東煙台石油分公司)	30,946,723.32	5.19
PetroChina Company Limited Shandong Yantai Sales Branch (中國石油天然氣股份有限公司山東煙台銷售分公司)	13,859,122.50	2.32
Total	303,120,033.67	50.84

Other explanations

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables

Presentation by item

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	6,742,770,748.92	5,073,224,619.02
Total	6,742,770,748.92	5,073,224,619.02

Other explanations:

☐Applicable ☒N/A

Interests receivable

(1) *Classification of Interests receivable*

☐Applicable ☒N/A

(2) *Significant overdue interest*

☐Applicable ☒N/A

(3) *Disclosure by bad-debt provision method*

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

(4) *Provision for bad debts made under general model of expected credit losses*

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Interests receivable (Continued)

(5) Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6) Interests receivable actually written off in the current period

☐Applicable ☒N/A

Of which, significant interests receivable written off

☐Applicable ☒N/A

Description of the written-off:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

Dividends receivable

(1) Dividends receivable

☐Applicable ☒N/A

(2) Significant dividends receivable aged over 1 year

☐Applicable ☒N/A

(3) Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Dividends receivable (Continued)

(4) *Provision for bad debts made under general model of expected credit losses*

☐Applicable ☒N/A

(5) *Status of provision for bad debts*

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(6) *Dividends receivable actually written-off in the current period*

☐Applicable ☒N/A

Of which, significant dividends receivable written off

☐Applicable ☒N/A

Description of the written-off:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables

(1) Disclosure by aging

☒ Applicable ☐ N/A

Unit: RMB		
Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	6,496,789,873.09	4,867,157,055.75
1 to 2 years	116,894,754.57	45,910,810.88
2 to 3 years	63,210,059.15	67,246,967.60
Over 3 years		
3 to 4 years	337,312,601.21	423,583,555.40
4 to 5 years	91,434,985.63	6,750,854.30
Over 5 years	257,786,599.14	257,804,231.63
Total	7,363,428,872.79	5,668,453,475.56

(2) Classification by the nature of payment

☒ Applicable ☐ N/A

Unit: RMB		
Nature of payment	Closing book balance	Opening book balance
Security deposit	5,918,746,574.37	4,164,892,647.42
Utility bill	69,545,807.09	54,502,949.78
Borrowings and current accounts	811,093,041.04	447,519,045.97
Tax refunds	358,027,567.16	747,699,871.74
Deposit	11,657,109.29	17,808,211.25
Reserve fund	11,214,777.29	10,852,338.93
Payment for land	103,930,346.82	184,834,960.39
Others	79,213,649.73	40,343,450.08
Total	7,363,428,872.79	5,668,453,475.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(3) Provision for bad debts made

☒Applicable ☐N/A

Unit: RMB

Book balance	Stage I ECL over the next 12 months	Stage II Lifetime ECL (non-credit impaired)	Stage III Lifetime ECL (credit impaired)	Total
Balance on 1 January 2026	45,849,282.95		549,379,573.59	595,228,856.54
Balance on 1 January 2026 in the current period				
– Transfer to Stage II				
– Transfer to Stage III				
– Reversed from Stage II				
– Reversed from Stage I				
Provision made for the current period	21,153,955.70		245,378.56	21,399,334.26
Reversed in the current period			744,981.32	744,981.32
Carried forward in the current period				
Written off in the current period				
Other changes	4,775,958.40		-1,044.01	4,774,914.39
Balance on 30 June 2026	71,779,197.05		548,878,926.82	620,658,123.87

Description of significant changes in the book balance of other receivables for which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of provision for bad debts made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(4) Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period				Closing balance
		Provision	Recovery or reversal	Carryforward or write-off	Other changes	
Provision for bad debts made on an individual basis	549,379,573.59	245,378.56	744,981.32		-1,044.01	548,878,926.82
Provision for bad debts made on a collective basis	45,849,282.95	21,153,955.70			4,775,958.40	71,779,197.05
Total	595,228,856.54	21,399,334.26	744,981.32	-	4,774,914.39	620,658,123.87

Of which, significant amounts of provision for bad debts reversed or recovered in the current period:

☐Applicable ☒N/A

(5) Other receivables actually written off in the current period

☐Applicable ☒N/A

Of which, other significant receivables written off:

☐Applicable ☒N/A

Description of the written-off of other receivables:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(6) Top five other receivables according to the closing balance collected by the debtor

☒Applicable ☐N/A

Unit: RMB

Name of the entity	Closing balance	Percentage of the total balance of other receivables at the end of the period (%)	Nature of payment	Aging	Closing balance of provision for bad debts
Shanghai Gold Exchange	2,428,125,106.68	32.98	Security deposit	Within 1 year	
Shanghai Futures Exchange	958,097,965.69	13.01	Currency deposits receivable	Within 1 year	
China Financial Futures Exchange Co., Ltd.	886,275,368.34	12.04	Currency deposits receivable	Within 1 year	
Ghana Revenue Authority	354,508,546.92	4.81	Tax refunds	Within 1 year	
North United Aluminium (Shenzhen) Co., Ltd.	313,561,532.67	4.26	Current account	3 to 4 years	232,336,733.21
Total	4,940,568,520.30	67.10	/	/	232,336,733.21

(7) Presented in other receivables due to centralized management of funds

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Inventory

(1) Classification of inventory

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory decline/impairment provision for contract performance cost	Book value	Book balance	Provision for inventory decline/impairment provision for contract performance cost	Book value
Raw materials	642,082,622.63	201,470.01	641,881,152.62	464,783,750.29	201,470.01	464,582,280.28
Work in process	2,348,317,985.28		2,348,317,985.28	2,988,464,491.90		2,988,464,491.90
Inventory goods	5,045,124,871.54	4,003,614.07	5,041,121,257.47	2,985,050,936.63		2,985,050,936.63
Turnover materials	452,769,963.73	5,440,109.93	447,329,853.80	394,247,909.78	5,614,154.47	388,633,755.31
Consumable biological assets	24,258,987.36	3,702,830.45	20,556,156.91	24,258,987.36	3,702,830.45	20,556,156.91
Contract performance cost	6,945,571.51		6,945,571.51	1,324,317.79		1,324,317.79
Commissioned processing materials	189,958,213.66		189,958,213.66	39,201,112.06		39,201,112.06
Delivered goods	5,919,941.18		5,919,941.18	16,543,032.74		16,543,032.74
Total	8,715,378,156.89	13,348,024.46	8,702,030,132.43	6,913,874,538.55	9,518,454.93	6,904,356,083.62

(2) Data resources recognized as inventory

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Inventory (Continued)

(3) Provision for inventory decline and impairment provision for contract performance cost

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Provision	Others	Reversal or carryforward	Others	
Raw materials	201,470.01					201,470.01
Work in process						
Inventory goods		4,003,614.07				4,003,614.07
Turnover materials	5,614,154.47				174,044.54	5,440,109.93
Consumable biological assets	3,702,830.45					3,702,830.45
Contract performance cost						
Commissioned processing materials						
Delivered goods						
Total	9,518,454.93	4,003,614.07			174,044.54	13,348,024.46

Reasons for reversal or carryforward of provision for inventory decline in the current period

☐Applicable ☒N/A

Provision for inventory decline made on a collective basis

☐Applicable ☒N/A

Criteria for provision for inventory decline made on a collective basis

☐Applicable ☒N/A

(4) Capitalized amount of borrowing expenses included in the closing balance of inventories and the criteria and basis for their calculation

☐Applicable ☒N/A

(5) Description of the amortization amount of contract performance cost in the current period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Assets held for sale

☐Applicable ☒N/A

12. Non-current assets due within one year

☐Applicable ☒N/A

Debt investments due within one year

☐Applicable ☒N/A

Other debt investments due within one year

☐Applicable ☒N/A

13. Other current assets

☒Applicable ☐N/A

Unit: RMB		
Item	Closing balance	Opening balance
Lease of gold	667,801,425.77	505,106,725.77
Input tax credit	420,802,015.64	260,238,536.53
Advanced income tax	241,396,639.71	31,319,568.83
Deferred expenses	5,037,232.61	3,118,820.53
Advanced other taxes and fees	14,150,761.93	1,931,443.30
Other assets from structured entities		9,715,829.58
Certificates of deposit	2,713,652,502.78	
Standard warrant	170,181,271.79	57,870,923.07
Others	5,580,538.60	3,498,731.50
Total	4,238,602,388.83	872,800,579.11

Information on compensating assets

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Debt investments

(1) Debt investments

☐Applicable ☒N/A

Changes in impairment provision for debt investments in the current period

☐Applicable ☒N/A

(2) Significant debt investments at the end of the period

☐Applicable ☒N/A

(3) Impairment provision made

☐Applicable ☒N/A

Description of significant changes in the book balance of debt investments for which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of impairment provision made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐Applicable ☒N/A

(4) Debt investments actually written off in the current period

☐Applicable ☒N/A

Of which, significant debt investments written off

☐Applicable ☒N/A

Description of the written-off of debt investments:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Other debt investments

(1) Other debt investments

☐Applicable ☒N/A

Changes in impairment provision for other debt investments in the current period

☐Applicable ☒N/A

(2) Other significant debt investments at the end of the period

☐Applicable ☒N/A

(3) Impairment provision made

☐Applicable ☒N/A

(4) Other debt investments actually written off in the current period

☐Applicable ☒N/A

Of which, other significant debt investments written off

☐Applicable ☒N/A

Description of the written-off of other debt investments:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Long-term receivables

(1) Long-term receivables

☐Applicable ☒N/A

(2) Disclosure by bad-debt provision method

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

Provision for bad debts made under general model of expected credit losses

☐Applicable ☒N/A

(3) Status of provision for bad debts

☐Applicable ☒N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐Applicable ☒N/A

(4) Long-term receivables actually written off in the current period

☐Applicable ☒N/A

Of which, significant long-term receivables written off

☐Applicable ☒N/A

Descriptions of write-offs:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment

(1) Long-term equity investment

☒ Applicable ☐ N/A

Unit: RMB

Investee	Movements during the current period											Closing balance of impairment provision
	Opening balance (carrying amount)	Opening balance of impairment provision	Increase in investment	Decrease in investment	Investment gains and losses recognized under equity method	Adjustment for other comprehensive income	Change in other equity	Declared and paid cash dividends or profits	Recognised impairment an provision	Closing balance (carrying amount)	Others	
I. Joint ventures												
Subtotal												
II. Associates												
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	1,091,189,411.48				15,613,490.70							1,106,802,902.18
Shanghai Lide Shanjin Asset Management Co., Ltd. (上海利得山金資產管理有限公司)	3,841,116.04				275,369.80							4,116,485.84
Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)	1,509,263,769.30				-2,032,136.19							1,507,231,633.11
Subtotal	2,604,294,296.82				13,856,724.31							2,618,151,021.13
Total	2,604,294,296.82				13,856,724.31							2,618,151,021.13

(2) Impairment test of long-term equity investments

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investments

(1) Other equity instrument investments

√Applicable □N/A

Unit: RMB

Item	Changes for the current period							Reason for being designated as measured at fair value through other comprehensive income		
	Opening balance	Increase in investment	Decrease in investment	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Others	Closing balance	Dividend income recognized in the current period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income
Membership of the Shanghai Gold Exchange	5,500,000.00						5,500,000.00			
Membership of the Shanghai Futures Exchange	1,000,000.00						1,000,000.00			
Membership of the Dalian Commodity Exchange	500,000.00						500,000.00			
Membership of the Zhengzhou Commodity Exchange	400,000.00						400,000.00			
Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司)	1,100,000.00						1,100,000.00			
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	13,282,513.97						13,282,513.97			
Baishan Rongsheng Mining Development Co., Ltd. (白山市融盛礦業開發有限公司)	500,000.00						500,000.00			
Chifeng Herizeng Mining Development Co., Ltd. (赤峰市和日塔礦業開發有限公司)	1,300,518.01						1,300,518.01			
Inner Mongolia Xing'an Copper and Zinc Smelting Co., Ltd. (內蒙古興安銅鋅冶煉有限公司)	5,736,790.22						5,736,790.22			
Total	29,319,822.20						29,319,822.20			/

(2) Explanation on derecognition in the current period

□Applicable √N/A

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Other non-current financial assets

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Equity securities	2,382,432,067.23	3,280,748,618.70
Asset management plans	9,875,346.01	
Investment fund	59,620,905.39	1,026,631.61
Total	2,451,928,318.63	3,281,775,250.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment properties

Measurement model for investment properties

(1) Investment properties measured under cost method

Unit: RMB

Item	Houses and buildings	Land use rights	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	241,887,529.98			241,887,529.98
2. Increased amount in the current period				
(1) Purchase				
(2) Transferred from inventory/ fixed assets/construction in progress				
(3) Increased from enterprise merger				
3. Decreased amount in the current period	33,929,533.90			33,929,533.90
(1) Disposal				
(2) Other transfer out	33,929,533.90			33,929,533.90
4. Closing balance	207,957,996.08			207,957,996.08
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	117,813,118.24			117,813,118.24
2. Increased amount in the current period	3,545,271.40			3,545,271.40
(1) Accrual or amortization	3,545,271.40			3,545,271.40
3. Decreased amount in the current period	22,083,588.88			22,083,588.88
(1) Disposal				
(2) Other transfer out	22,083,588.88			22,083,588.88
4. Closing balance	99,274,800.76			99,274,800.76
III. Provision for impairment				
1. Opening balance	2,195,672.80			2,195,672.80
2. Increased amount in the current period				
(1) Accrual				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	2,195,672.80			2,195,672.80
IV. Carrying amount				
1. Closing carrying amount	106,487,522.52			106,487,522.52
2. Opening carrying amount	121,878,738.94			121,878,738.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment properties (Continued)

Measurement model for investment properties (Continued)

(2) *Investment properties without title certificates:*

☐ Applicable ☒ N/A

(3) *Impairment test of investment properties adopting cost measurement model*

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

21. Fixed assets

Presentation of item

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	57,280,530,255.87	59,209,876,142.28
Disposal of fixed assets	34,967,831.21	35,281,112.09
Total	57,315,498,087.08	59,245,157,254.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets

(1) Fixed assets

√Applicable □N/A

Unit: RMB

Item	Houses and buildings	General equipment	Specialized equipment	Furniture, appliances, fittings and others	Total
I. Original carrying amount:					
1. Opening balance	78,154,446,791.71	6,352,106,962.07	11,213,126,764.28	851,789,781.30	96,571,470,299.36
2. Increased amount in the current period	521,510,859.98	116,151,199.60	2,147,898,605.97	588,839,005.90	3,374,399,671.45
(1) Purchase	15,508,364.46	61,175,182.65	305,597,855.69	4,763,553.37	387,044,956.17
(2) Transferred from construction in progress	412,523,189.58	22,267,412.99	187,229,516.20		622,020,118.77
(3) Increased from enterprise merger and others	93,479,305.94	32,708,603.96	1,655,071,234.08	584,075,452.53	2,365,334,596.51
3. Decreased amount in the current period	515,266,043.21	1,693,173,631.40	1,004,824,686.86	158,609,544.86	3,371,873,906.33
(1) Disposal or retirement	7,427,333.57	22,255,443.42	225,404,467.32	71,966,812.61	327,054,056.92
(2) Differences on translation of statements in foreign currency and others	507,838,709.64	1,670,918,187.98	779,420,219.54	86,642,732.25	3,044,819,849.41
4. Closing balance	78,160,691,608.48	4,775,084,530.27	12,356,200,683.39	1,282,019,242.34	96,573,996,064.48
II. Accumulated depreciation					
1. Opening balance	26,001,687,239.33	2,728,319,097.03	7,758,439,096.18	436,511,390.27	36,924,956,822.81
2. Increased amount in the current period	1,498,365,361.56	479,592,919.55	656,364,319.60	195,444,289.47	2,829,766,890.18
(1) Accrual	1,463,734,237.85	464,219,167.41	436,545,851.55	151,532,067.65	2,516,031,324.46
(2) Increased from enterprise merger and others	34,631,123.71	15,373,752.14	219,818,468.05	43,912,221.82	313,735,565.72
3. Decreased amount in the current period	319,115,816.31	256,475,297.51	235,819,135.56	85,750,612.93	897,160,862.31
(1) Disposal or retirement	2,854,957.94	20,737,538.28	35,874,256.54	72,739,534.63	132,206,287.39
(2) Differences on translation of statements in foreign currency and others	316,260,858.37	235,737,759.23	199,944,879.02	13,011,078.30	764,954,574.92
4. Closing balance	27,180,936,784.58	2,951,436,719.07	8,178,984,280.22	546,205,066.81	38,857,562,850.68
III. Provision for impairment					
1. Opening balance	436,087,455.41	378,233.01	171,645.85		436,637,334.27
2. Increased amount in the current period					
(1) Accrual					
(2) Increased from enterprise merger					
3. Decreased amount in the current period	734,376.34				734,376.34
(1) Disposal or retirement					
(2) Differences on translation of statements in foreign currency and others	734,376.34				734,376.34
4. Closing balance	435,353,079.07	378,233.01	171,645.85		435,902,957.93
IV. Carrying amount					
1. Closing carrying amount	50,544,401,744.83	1,823,269,578.19	4,177,044,757.32	735,814,175.53	57,280,530,255.87
2. Opening carrying amount	51,716,672,096.97	3,623,409,632.03	3,454,516,022.25	415,278,391.03	59,209,876,142.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(2) Temporarily idle fixed assets

☐ Applicable ☒ N/A

(3) Fixed assets leased out through operating leases

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing carrying amount
Houses and buildings	4,839,719.91
General equipment	14,109.09
Specialized equipment	38,907.40
Total	4,892,736.40

(4) Fixed assets without title certificates

☒ Applicable ☐ N/A

Unit: RMB

Item	Carrying amount	Reasons for not completing the certificate of title
Yulong Mining houses	188,926,771.51	In processing
Jiaojia Gold Mine houses and buildings	151,411,188.02	In processing
Linglong Gold Mine houses	158,199,014.12	In processing
Jinzhou Mine house	39,911,134.39	In processing
Dachaidan properties	22,934,441.63	In processing
Chifengchai Mine new office building and apartment building	19,119,189.19	In processing
Heihe Luohe real estate	20,907,820.79	In processing
Yinan Gold Mine Jinlong mine area office building	2,119,198.21	In processing
Sanshandao New Filter Press Plant Building (三山島新壓濾廠房)	2,187,578.37	In processing
Total	605,716,336.23	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(5) Impairment test of fixed assets

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Disposal of fixed assets

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Houses and buildings	8,408,567.93	4,293,095.74
General equipment	18,647,773.02	13,046,369.10
Specialized equipment	7,846,507.56	17,899,796.77
Furniture, appliances, equipment and others	64,982.70	41,850.48
Total	34,967,831.21	35,281,112.09

22. Construction in progress

Presentation of item

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	9,840,532,944.64	6,472,196,151.22
Engineering materials	228,554,330.02	170,522,699.72
Total	10,069,087,274.66	6,642,718,850.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress

(1) *Construction in progress*

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	9,840,532,944.64		9,840,532,944.64	6,472,196,151.22		6,472,196,151.22
Total	9,840,532,944.64		9,840,532,944.64	6,472,196,151.22		6,472,196,151.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress (Continued)

(2) Changes in important construction-in-progress projects in the current period

√Applicable □N/A

Name of project	Budget	Opening balance	Increased amount in the current period	Amount transferred to fixed assets in the current period	Other decreased amount in the current period	Closing balance	Proportion of cumulative project investment to budget (%)	Project progress	Unit: RMB		
									Accumulated amount of interest capitalized	Including: Capitalized amount of interest in the current period	Current interest capitalization rate (%) Sources of funds
Sanshandao Technical Transformation Project (三山島技術改造工程)	2,016,614,500.00	199,384,134.18	284,606,336.13	8,657,726.84		475,332,943.47	58.64	60.00%			Self-owned funds, borrowings
Mineral Resources Development and Utilization Boundary and Capacity Expansion Project of Sanshandao Gold Mine (三山島金礦礦產資源開發利用(邊界擴能)工程)	12,062,120,000.00	158,983,647.66	143,605,601.24	1,231,192.29		301,358,056.60	18.51	20.00%	17,189,293.56		Self-owned funds, borrowings
Resource Integration, Development and Utilization Project for Jiaojia Gold Mining Belt (焦家金礦帶資源整合開發利用工程項目)	8,273,131,000.00	748,390,485.58	215,498,778.19			963,889,263.77	42.60	42.60%			Self-owned funds, borrowings
Dongfeng Mining Area Capacity and Boundary Expansion Project (東風礦區擴能擴界工程)	1,227,327,900.00	288,182,669.09	8,812,515.88	291,150.44		296,704,034.53	65.36	68.72%			Self-owned funds, borrowings
Xincheng Resource Integration and Development Project (新城資源整合開發工程)	5,634,000,000.00	515,364,450.96	210,800,297.95	4,843,045.77		721,321,703.14	49.58	52.06%	6,887,559.30		Self-owned funds, borrowings
Nannan Project under Construction (納穆帶尼亞在建項目)	4,357,152,000.00	205,024,477.25				205,024,477.25	58.64	60.00%	197,887,724.51		Self-owned funds, borrowings
OSINO-Twin Hills (OSINO-雙子山)	3,552,338,800.00	531,698,403.20	653,583,504.70			531,698,403.20	33.00	60.10%			Others
Total	37,112,684,200.00	2,647,028,267.91	1,516,907,234.09	15,023,115.34		3,495,328,881.96	/	/	221,964,577.37		/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress (Continued)

(3) Provision for impairment of construction in progress made in the current period

☐Applicable ☒N/A

(4) Impairment test of construction in progress

☐Applicable ☒N/A

Other explanations

☐Applicable ☒N/A

Engineering materials

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Specialized equipment	226,214,896.18		226,214,896.18	164,133,351.43		164,133,351.43
Special materials	2,339,433.84		2,339,433.84	6,389,348.29		6,389,348.29
Total	228,554,330.02		228,554,330.02	170,522,699.72		170,522,699.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Productive biological assets

(1) Productive biological assets measured under cost method

☐Applicable ☒N/A

(2) Impairment test of productive biological assets measured under cost method

☐Applicable ☒N/A

(3) Productive biological assets measured at fair value

☐Applicable ☒N/A

Other explanations

☐Applicable ☒N/A

24. Oil and gas assets

(1) Oil and gas assets

☐Applicable ☒N/A

(2) Impairment test of oil and gas assets

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Right-of-use assets

(1) Right-of-use assets

√Applicable □N/A

Unit: RMB

Item	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	304,964,985.31	210,710,176.04	181,587,510.33	17,060,370.46	714,323,042.14
2. Increased amount in the current period	7,559,190.53	2,996,332.18	34,673,409.68	1,957,693.91	47,186,626.30
(1) Leased-in	7,559,190.53	2,996,332.18	34,673,409.68	1,957,693.91	47,186,626.30
(2) Increased from enterprise merger					
3. Decreased amount in the current period		972,740.38	5,614,345.21	1,461,881.61	8,048,967.19
(1) Disposal		478,057.41		1,461,881.61	1,939,939.02
(2) Decreased from enterprise merger					
(3) Differences on translation of statements in foreign currency		494,682.97	5,614,345.21		6,109,028.18
4. Closing balance	312,524,175.84	212,733,767.84	210,646,574.80	17,556,182.76	753,460,701.24
II. Accumulated depreciation					
1. Opening balance	102,017,456.13	112,413,305.27	152,707,567.33	5,911,226.85	373,049,555.58
2. Increased amount in the current period	14,573,557.60	22,916,973.34	11,225,321.15	2,140,017.03	50,855,869.12
(1) Accrual	14,573,557.60	22,916,973.34	11,225,321.15	2,140,017.03	50,855,869.12
(2) Increased from enterprise merger					
3. Decreased amount in the current period		288,932.25	4,719,037.39	1,147,180.94	6,155,150.58
(1) Disposal				1,147,180.94	1,147,180.94
(2) Decreased from enterprise merger					
(3) Differences on translation of statements in foreign currency		288,932.25	4,719,037.39		5,007,969.64
4. Closing balance	116,591,013.73	135,041,346.36	159,213,851.09	6,904,062.94	417,750,274.12
III. Provision for impairment					
1. Opening balance					
2. Increased amount in the current period					
3. Decreased amount in the current period					
4. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	195,933,162.11	77,692,421.48	51,432,723.71	10,652,119.82	335,710,427.12
2. Opening carrying amount	202,947,529.18	98,296,870.77	28,879,943.00	11,149,143.61	341,273,486.56

(2) Impairment test of right-of-use assets

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets

(1) Intangible assets

√Applicable □N/A

Item	Land use rights	Mining rights	Software	Non-patent technologies	Copyrights	Patent technologies	Data resources	Others	Total
Unit: RMB									
I. Original carrying amount									
1. Opening balance	1,839,042,398.83	57,860,859,823.41	303,736,027.34	58,161,281.71	6,414,767.32	195,494,510.42	5,869,050.36	4,665,319.64	60,274,243,179.03
2. Increased amount in the current period	22,833,633.06	374,873,493.71	2,894,856.13					141,858.87	400,733,841.77
(1) Purchase	17,104,981.24	372,227,228.86	2,898,702.28					132,938.87	392,303,851.25
(2) Transferred from construction in progress		2,646,264.85							2,646,264.85
(3) Increased from enterprise merger	5,728,651.82		46,153.85					8,920.00	5,783,725.67
3. Decreased amount in the current period		145,276,362.43	1,729.93						145,278,092.36
(1) Disposal		24,381,194.90							24,381,194.90
(2) Others									
(3) Differences on translation of statements in foreign currency		120,895,167.53	1,729.93						120,896,897.46
4. Closing balance	1,861,876,031.89	58,090,456,954.69	306,619,153.54	58,161,281.71	6,414,767.32	195,494,510.42	5,869,050.36	4,807,178.51	60,529,698,928.44
II. Accumulated amortization									
1. Opening balance	424,796,839.56	11,737,706,314.61	155,756,622.28	20,144,407.46	1,902,154.46	66,716,462.22	906,406.13	2,859,972.89	12,410,789,179.61
2. Increased amount in the current period	32,055,736.82	629,646,891.92	10,825,061.01	2,924,374.92	320,490.81	8,875,448.97	602,018.58	180,220.48	685,430,243.51
(1) Accrual	31,998,487.10	629,646,891.92	10,778,907.16	2,924,374.92	320,490.81	8,875,448.97	602,018.58	171,300.48	685,317,919.94
(2) Increased from enterprise merger	57,249.72	-	46,153.85					8,920.00	112,323.57
3. Decreased amount in the current period		560,893.48	57.39						560,950.87
(1) Disposal									-
(2) Others									-
(3) Differences on translation of statements in foreign currency		560,893.48	57.39						560,950.87
4. Closing balance	456,852,576.38	12,366,792,313.05	166,581,625.90	23,088,782.38	2,222,645.27	75,591,911.19	1,508,424.71	3,040,193.37	13,095,658,472.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(1) Intangible assets (Continued)

Item	Land use rights	Mining rights	Software	Non-patent technologies	Copyrights	Patent technologies	Data resources	Others	Total
III. Provision for impairment									
1. Opening balance	8,036,704.18	616,076,470.49							624,113,174.67
2. Increased amount in the current period									
(1) Accrual									
(2) Others									
3. Decreased amount in the current period									
(1) Disposal									
(2) Others									
(3) Differences on translation of statements in foreign currency									
4. Closing balance	8,036,704.18	616,076,470.49							624,113,174.67
IV. Carrying amount									
1. Closing carrying amount	1,396,986,751.33	45,107,588,171.15	140,037,527.64	35,092,499.33	4,192,122.05	119,902,599.23	4,360,625.65	1,766,985.14	46,809,927,281.52
2. Opening carrying amount	1,406,208,855.09	45,507,077,038.31	147,979,405.06	38,016,874.25	4,512,612.86	128,778,048.20	4,962,644.23	1,805,346.75	47,239,340,824.75

As at the end of the current period, the intangible assets from internal R&D of the Company accounted for 0% of the balance of intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(2) Data resources recognised as intangible assets

√Applicable □N/A

Unit: RMB

Item	Data resource intangible assets purchased externally	Self-developed data resource intangible assets	Data resource intangible assets obtained through other means	Total
I. Original carrying amount				
1. Opening balance		5,869,050.36		5,869,050.36
2. Increased amount in the current period				
Including: Purchase				
Internal R&D				
Other additions				
3. Decreased amount in the current period				
Including: Disposal				
Lapsed and derecognition				
Other decreases				
4. Closing balance		5,869,050.36		5,869,050.36
II. Accumulated amortization				
1. Opening balance		906,406.13		906,406.13
2. Increased amount in the current period		602,018.58		602,018.58
3. Decreased amount in the current period				
Including: Disposal				
Lapsed and derecognition				
Other decreases				
4. Closing balance		1,508,424.71		1,508,424.71
III. Provision for impairment				
1. Opening balance				
2. Increased amount in the current period				
3. Decreased amount in the current period				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount		4,360,625.65		4,360,625.65
2. Opening carrying amount		4,962,644.23		4,962,644.23

Other explanations:

Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(3) Land use rights without title certificates

☒Applicable ☐N/A

Unit: RMB

Item	Carrying amount	Reasons for not completing the certificate of title
Jilin Banmiaozi tailings pond expansion project	72,637,388.52	Under application

(4) Impairment test of intangible assets

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill

(1) Original carrying amount of goodwill

√Applicable □N/A

Unit: RMB

Name of investee or matters for goodwill to arise	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Arising from a business combination	Changes in foreign exchange rates	Disposal	Changes in foreign exchange rates	
Chifeng Chaihulanzi Gold Mining Co., Ltd.	117,586,380.47					117,586,380.47
Xincheng Gold Mine of the Company	1,209,290,038.30					1,209,290,038.30
Xihe Zhongbao Mining Co., Ltd.	178,219,771.61					178,219,771.61
Fujian Zhenghe County Yuanxin Mining Co., Ltd.	97,966,184.04					97,966,184.04
Shandong Gold Group Penglai Mining Co., Ltd.	42,173,675.85					42,173,675.85
Shandong Gold Guilaizhuang Mining Co., Ltd.	56,770,270.14					56,770,270.14
Minera Andina Del Sol S.R.L	1,082,125,932.80				33,547,012.40	1,048,578,920.40
Shanjin Futures Co., Ltd. (山 金期貨有限公司)	53,575,963.44					53,575,963.44
Shandong Dikuang Lajijin Holdings Co., Ltd.	339,427,006.95					339,427,006.95
Hengxing Gold Holding Company Limited	87,251,902.06					87,251,902.06
Shanjin International Gold Co., Ltd.	9,784,149,553.84					9,784,149,553.84
Inner Mongolia Shanjin Changtai Mining Co., Ltd.	101,724,530.71					101,724,530.71
Total	13,150,261,210.21				33,547,012.40	13,116,714,197.81

The goodwill arising from the acquisition of Minera Andina Del Sol S.R.L. by the Company's Hong Kong subsidiary in June 2017 amounted to USD153,956,000.00. During the current period, exchange rate fluctuations resulted in a decrease of RMB33,547,012.40 in the RMB equivalent value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(2) Provision for goodwill impairment

☒ Applicable ☐ N/A

Unit: RMB

Name of investee or matters for goodwill to arise	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Accrual	Disposal	
Fujian Zhenghe County Yuanxin Mining Co., Ltd.	97,966,184.04			97,966,184.04
Shandong Gold Group Penglai Mining Co., Ltd.	42,173,675.85			42,173,675.85
Shandong Dikuang Laijin Holdings Co., Ltd.	339,427,006.95			339,427,006.95
Total	479,566,866.84			479,566,866.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3) Information about the asset group or combination of asset groups to which the goodwill is attributable

√Applicable □N/A

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Chifeng Chaihulanzi Gold Mining Co., Ltd.	The self-produced gold products mined and produced by Chifeng Chaihulanzi Gold Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Xincheng Gold Mine of the Company	The self-produced gold products mined and produced by Xincheng Gold Mine of the Company have an active market and generate independent cash flows, thus the corresponding operational long-term assets of the Qujia Area Gold Mine can be identified as a separate asset group.	Self-produced gold segment	Yes
Xihe Zhongbao Mining Co., Ltd.	The self-produced gold products mined and produced by Xihe Zhongbao Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shandong Gold Guilaizhuang Mining Co., Ltd.	The self-produced gold products mined and produced by Shandong Gold Guilaizhuang Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Minera Andina Del Sol S.R.L	The self-produced gold products mined and produced by Minera Andina Del Sol S.R.L's Veladero Gold Mine in San Juan province of Argentina have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shanjin Futures Co., Ltd. (山金期貨有限公司)	Shanjin Futures Co., Ltd. is primarily engaged in futures brokerage business, which can generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Investment Management	Yes
Shandong Dikuang Laijin Holdings Co., Ltd.	The self-produced gold products from the Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. have an active market and generate independent cash flows, thus its corresponding operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3) Information about the asset group or combination of asset groups to which the goodwill is attributable (Continued)

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Hengxing Gold Holding Company Limited	The core asset of Hengxing Gold Holding Company Limited is its subsidiary, Xinjiang Jinchuan Mining Co., Ltd. The self-produced gold products from it have an active market and generate independent cash flows, thus its corresponding operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shanjin International Gold Co., Ltd.	The asset group primarily consists of five mining companies under Shanjin International, namely Yulong Mining, Heihe Luoke, Jilin Banmiaozhi, Qinghai Dachaidan and Huasheng Gold Mine, as well as one trading company, Shanghai Shenghong. The entire Shanjin International operating segment benefits from the synergies generated by the Company's acquisitions, and it is difficult to allocate these benefits to individual asset groups. Therefore, goodwill is allocated to the combination of asset groups.	For internal management purposes, the combination of asset groups belongs to the operating segment of Shanjin International	Yes
Inner Mongolia Shanjin Changtai Mining Co., Ltd.	The self-produced gold products mined and produced by Inner Mongolia Shanjin Changtai Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes

Changes in asset group or combination of asset groups

☐Applicable ☒N/A

Other explanations

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(4) The specific method used to determine the recoverable amount

The recoverable amount is determined by reference to the net fair value less cost of disposal

☐Applicable ☒N/A

The recoverable amount is determined based on the present value of estimated future cash flows

☐Applicable ☒N/A

Reasons for significant inconsistency between the aforesaid information and the information used by the previous impairment test or external information

☐Applicable ☒N/A

Reasons for significant inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐Applicable ☒N/A

(5) Performance undertaking and corresponding impairment of goodwill

Goodwill was formed when a performance undertaking existed and the Reporting Period or the previous period fell within the performance undertaking period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Long-term deferred expenditures

√Applicable □N/A

Unit: RMB

Item	Opening balance	Increased amount in the current period	Amortisation amount in the current period	Other decreases	Closing balance
Environmental governance fee	4,338,231.76		1,039,590.48		3,298,641.28
Special maintenance funds	4,697,992.52		87,730.74		4,610,261.78
Costs of improvements to fixed assets	20,260,220.72	1,692,166.89	3,597,444.33		18,354,943.28
Highway outside the mining area	12,091,956.19		496,469.67		11,595,486.52
Asset maintenance expenditure	17,882,766.17		1,256,906.74		16,625,859.43
Electric facilities supporting fee	4,513,888.08		673,136.13		3,840,751.95
Others	17,970,241.72	673,971.11	7,194,896.51		11,449,316.32
Total	81,755,297.16	2,366,138.00	14,346,174.60		69,775,260.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets not offset

√Applicable □N/A

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for assets impairment	989,317,886.11	241,865,638.94	969,041,003.33	236,476,411.12
Unrealized profit in intra-group transactions	2,619,296,409.68	654,824,102.42	3,349,031,725.63	837,257,931.41
Deductible losses	907,032,354.01	184,699,814.10	752,062,415.12	181,450,526.43
Changes in fair value of financial assets held for trading	1,772,190,793.51	442,495,714.38	922,379,787.03	229,228,090.73
Changes in fair value of other debt investments	4,000,000.00	1,000,000.00	4,000,000.00	1,000,000.00
Differences in accumulated depreciation between accounting and tax law	1,065,548,215.48	249,970,151.84	1,063,028,711.37	203,742,692.20
Accrued but unpaid expenses and others	12,289,587.59	3,021,530.13	2,921,880.88	679,603.45
Other equity instrument investments	721,053.63	180,263.41	3,506,453.61	876,613.41
Expensed exploration expenditures	3,953,528.29	988,382.07	3,953,528.29	593,029.24
Estimated liabilities	452,621,308.62	95,807,058.12	450,560,885.46	93,830,459.30
Lease liabilities	126,942,568.80	28,700,823.99	139,797,919.87	31,832,875.77
Long-term payables	93,336,605.47	23,334,151.36	102,846,824.15	25,711,706.04
Total	8,047,250,311.19	1,926,887,630.76	7,763,131,134.74	1,842,679,939.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

(2) Deferred income tax liabilities not offset

√Applicable □N/A

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appreciation arising from asset valuation in business combinations not under common control	13,136,067,327.91	2,593,252,386.67	13,768,609,588.48	2,691,115,200.52
Changes in fair value of other equity instrument investments	7,019,304.19	1,181,147.02	7,019,304.19	1,181,147.02
Valuation of trading financial instruments and derivative financial instruments	347,483,120.61	83,113,296.01	186,788,700.10	46,619,431.77
Right-of-use assets	123,797,936.94	27,800,269.08	137,544,500.47	31,148,532.45
Intangible assets expenditure	217,861,034.95	52,802,664.98	243,291,375.07	50,139,617.28
Intangible assets – reclamation fees	240,284,630.13	45,396,549.73	245,638,311.36	45,668,398.62
Accumulated depreciation and tax law differences	6,014,460,991.58	2,077,429,249.32	6,767,874,399.54	2,335,952,047.89
Total	20,086,974,346.31	4,880,975,562.81	21,356,766,179.21	5,201,824,375.55

(3) Deferred tax assets or liabilities stated on a net basis after offset

□Applicable √N/A

(4) Breakdown of deferred income tax assets not recognized

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	213,858,212.57	144,252,044.14
Deductible losses	2,273,544,099.89	1,988,093,770.48
Total	2,487,402,312.46	2,132,345,814.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

(5) Deductible loss for which no deferred income tax assets are recognised will become due in the following years

☒Applicable ☐N/A

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2026	276,266,206.09	299,717,167.32	
2027	533,898,007.73	534,675,125.49	
2028	165,652,775.65	166,806,557.32	
2029	230,271,174.15	232,004,203.25	
2030	35,983,495.23	35,983,495.23	
2031	594,933,195.31	500,227,235.05	
2032	175,954,986.82	175,954,986.82	
2033	17,712,086.22	17,712,086.22	
2034	21,235,069.33	25,012,913.78	
2035	221,637,103.36		
Total	2,273,544,099.89	1,988,093,770.48	/

Other explanations:

☒Applicable ☐N/A

The Company (parent company) and its subsidiaries that meet the criteria for high-tech enterprise certification may carry forward tax losses for up to 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Other non-current assets

√Applicable □N/A

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Payment for project	447,293,500.35		447,293,500.35	420,653,774.63		420,653,774.63
Payment for equipment	205,712,196.05		205,712,196.05	324,593,189.86		324,593,189.86
Advance payment for land	10,733,333.34		10,733,333.34	5,169,071.66		5,169,071.66
Input tax to be deducted	483,922,126.22		483,922,126.22	366,376,771.96		366,376,771.96
Long-term inventory	1,028,182,972.08		1,028,182,972.08	1,154,240,731.41		1,154,240,731.41
Subscription funds for financial assets				88,300,000.00		88,300,000.00
Others	5,161,770.36		5,161,770.36	8,269,519.92		8,269,519.92
Total	2,181,005,898.40		2,181,005,898.40	2,367,603,059.44		2,367,603,059.44

Related information on compensating assets

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Assets with restricted ownership or right of use

√Applicable □N/A

Unit: RMB

Item	Closing				Opening			
	Book balance	Carrying amount	Type of restriction	Restricted situation	Book balance	Carrying amount	Type of restriction	Restricted situation
Monetary funds	2,687,181,622.51	2,687,181,622.51	Others	Security deposits for land reclamation and environmental governance, etc.	1,497,137,061.94	1,497,137,061.94	Others	Security deposits for land reclamation and environmental governance, etc.
Notes receivable								
Inventories	170,181,271.79	170,181,271.79	Pledge	The trading margin was obtained through the pledge of inventories under the subsidiary's trading business	57,870,923.07	57,870,923.07	Pledge	The trading margin was obtained through the pledge of inventories under the subsidiary's trading business
Including: Data resources								
Fixed assets								
Intangible assets								
Including: Data resources								
Other non-current assets	1,329,800.00	1,329,800.00	Others	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.	1,329,800.00	1,329,800.00	Others	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	2,858,692,694.30	/	/	1,556,337,785.01	1,556,337,785.01	/	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Short-term borrowings

(1) Classification of short-term borrowings

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings and interest		
Secured borrowings and interest		
Guaranteed borrowings and interest	1,879,301,292.06	4,709,256,299.72
Credit borrowings and interest	14,614,437,034.97	11,830,864,388.78
Gold lease and interest	13,647,677,645.96	12,315,010,532.28
Total	30,141,415,972.99	28,855,131,220.78

(2) Overdue but unpaid short-term borrowings

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Financial liabilities held for trading

√Applicable □N/A

Unit: RMB

Item	Opening balance	Closing balance	Designated reasons and basis
Financial liabilities held for trading			/
Including:			
Financial liabilities designated as at fair value through profit or loss	31,034,491.69	26,737,930.89	
Including:			
Interests of other holders of structured entities	31,034,491.69	26,737,930.89	
Total	31,034,491.69	26,737,930.89	/

Other explanations:

□Applicable √N/A

34. Derivative financial liabilities

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Foreign exchange forward contracts		440,840.00
Commodity options contract	1,104,428.00	36,630,518.85
Total	1,104,428.00	37,071,358.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35. Bills payable

☒Applicable ☐N/A

Unit: RMB

Type	Closing balance	Opening balance
Trade acceptance	623,342,425.40	1,209,092,165.65
Bank acceptance	2,424,235,395.15	2,313,769,769.47
Letter of credit	3,391,780,573.90	2,573,415,460.69
Total	6,439,358,394.45	6,096,277,395.81

At the end of the period, the total bills payable that are due but unpaid amounted to RMB0. Reason for default: None

36. Accounts payable

(1) An aging analysis of accounts payable (including accounts payables to related parties) based on transaction dates is as follows

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	7,899,753,993.70	7,914,454,571.95
1-2 years	257,661,837.79	3,681,990,140.61
2-3 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Accounts payable (Continued)

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

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Reasons for non-payment or carryover
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 terms have not been met
Total	3,321,044,245.23	/

Other explanations:

☐Applicable ☒N/A

37. Advances received

(1) Advances received presented

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Advance rent receipts		841,504.09
Total		841,504.09

(2) Significant advance received aged more than 1 year

☐Applicable ☒N/A

(3) The amount of and reason for the significant change in the carrying amount during the Reporting Period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. Contract liabilities

(1) Contract liabilities

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Advances received for goods sales	1,129,592,990.48	694,202,457.74
Total	1,129,592,990.48	694,202,457.74

(2) Significant contract liabilities aged more than 1 year

☐Applicable ☒N/A

(3) The amount of and reason for the significant change in the carrying amount during the Reporting Period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

39. Employee salaries payable

(1) Breakdown of employee salaries payable

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	650,248,442.74	3,250,670,005.16	3,060,740,588.13	840,177,859.77
II. Post-employment benefits – defined contribution plan	18,885,579.50	544,879,577.00	542,961,479.33	20,803,677.17
III. Dismissal benefits	142,409.00	214,498.81	347,549.81	9,358.00
IV. Other benefits due within one year				
Total	669,276,431.24	3,795,764,080.97	3,604,049,617.27	860,990,894.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Employee salaries payable (Continued)

(2) Breakdown of short-term remuneration

√Applicable □N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages, bonuses, allowances and subsidies	454,066,064.20	2,389,431,560.48	2,306,114,340.32	537,383,284.36
II. Employee benefits	729,064.61	249,600,676.59	177,244,933.17	73,084,808.03
III. Social insurance premiums	35,984,156.87	308,294,964.07	303,075,793.17	41,203,327.77
Of which: Medical insurance premiums	2,547,445.46	181,851,701.40	181,333,111.79	3,066,035.07
Work injury insurance premiums	3,510.95	30,274,425.55	30,259,911.89	18,024.61
Maternity insurance premiums				
Others	33,433,200.46	96,168,837.12	91,482,769.49	38,119,268.09
IV. Housing provident fund	3,995,746.44	202,011,762.78	195,108,468.84	10,899,040.38
V. Trade union funds and employee education funds	152,597,389.12	78,076,468.44	56,273,107.08	174,400,750.48
VI. Short-term absence with payment				
VII. Short-term profit sharing plan	2,866,529.50		901,454.76	1,965,074.74
VIII. Others	9,492.00	23,254,572.80	22,022,490.79	1,241,574.01
Total	650,248,442.74	3,250,670,005.16	3,060,740,588.13	840,177,859.77

(3) Breakdown of defined contribution plan

√Applicable □N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance	7,358,222.73	358,980,274.57	358,903,012.84	7,435,484.46
2. Unemployment insurance premium	58,092.36	14,375,401.88	14,375,493.03	58,001.21
3. Enterprise annuity payment	11,469,264.41	148,600,938.28	147,135,269.28	12,934,933.41
4. Others		22,922,962.27	22,547,704.18	375,258.09
Total	18,885,579.50	544,879,577.00	542,961,479.33	20,803,677.17

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Taxes payable

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
VAT	37,441,347.64	38,174,623.94
Corporate income tax	1,315,715,649.20	2,004,637,987.15
Personal income tax	12,746,470.10	70,986,683.94
Urban maintenance and construction tax	1,971,034.76	2,088,386.78
Education surcharge	1,135,622.57	985,086.26
Local education surcharges	757,081.67	656,725.80
Resource tax	164,091,768.36	268,075,731.44
Property tax	6,983,782.66	6,461,890.51
Land use tax	5,216,442.18	4,343,893.97
Stamp duty	7,150,714.09	11,535,436.61
Taxes withheld and remitted	33,393,159.10	36,651,282.54
Vehicle and vessel use tax	1,200.00	815,832.89
Local water conservancy construction fund	189,387.54	10,160.21
Water resource tax	2,780,378.64	7,215,886.31
Environmental protection tax	180,560.68	279,580.10
Soil and water conservation fee	4,613,977.32	5,909,081.86
Export customs duties	4,100,014.62	
Others	6,878,432.64	6,415,737.06
Total	1,605,347,023.77	2,465,244,007.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables

(1) Presentation of item

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Interests payable		
Dividends payable	898,255,558.47	75,246,381.57
Other payables	11,743,226,584.68	10,004,438,758.12
Total	12,641,482,143.15	10,079,685,139.69

(2) Interests payable

□Applicable √N/A

(3) Dividends payable

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance
Jinan Yuquan Development Centre (濟南玉泉發展中心)	168,300.00	168,300.00
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	283,973,002.96	450,111.46
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	22,055,461.40	22,055,461.40
Chifeng Chaihulanzi Gold Mining Co., Ltd. (individual shareholder)	16,521,710.40	23,299,848.00
Tianshui Mineral Exploration Institute of Gansu Provincial Non-ferrous Metal Geological Exploration Bureau (甘肅省有色金屬地質勘察局天水礦產勘察院)	5,854,532.14	5,854,532.14
Gansu Xihe Zhongbao Mining Co., Ltd. (individual shareholder)	23,418,128.57	23,418,128.57
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	18,529,534.80	
Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	48,306,968.82	
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	5,664,088.26	
SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	586,268.10	
Shandong Gold Mining Co., Ltd. (individual shareholder) (山東黃金礦業股份有限公司(個人股東))	473,177,563.02	
Total	898,255,558.47	75,246,381.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(4) Other payables

Breakdown of other payables by the nature of payment

☒ Applicable ☐ N/A

Unit: RMB

Item	Closing balance	Opening balance
Currency deposits payable	4,790,496,043.83	4,424,642,899.73
Loans and current accounts	2,790,220,741.95	2,372,094,513.89
Quality guarantee deposits	604,696,790.46	857,377,363.88
Security deposit	2,919,884,697.99	1,651,786,551.40
Land lease payables	139,015,709.16	69,003,077.00
Working funds for Party building	57,840,847.91	48,172,113.56
Futures risk reserve	54,489,294.15	53,441,213.07
Mining rights payment	40,491,332.55	243,029,375.16
Temporary receipts payable	39,213,551.06	70,144,535.06
Payment for engineering equipment	26,955,139.90	52,197,252.59
Others	279,922,435.72	162,549,862.78
Total	11,743,226,584.68	10,004,438,758.12

Significant other payables aged more than 1 year or overdue

☐ Applicable ☒ N/A

Other explanations:

☒ Applicable ☐ N/A

Other payables presented by aging

Item	Closing balance	Opening balance
Within 1 year	11,118,916,586.08	8,713,642,093.75
1-2 years	247,361,365.46	320,664,333.94
2-3 years	98,351,826.93	694,311,177.63
Over 3 years	278,596,806.21	275,821,152.80
Total	11,743,226,584.68	10,004,438,758.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42. Liabilities held for sale

☐Applicable ☒N/A

43. Non-current liabilities due within one year

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	9,399,359,968.00	10,664,535,626.00
Bonds payable due within one year		
Long-term payables due within one year	178,024,323.12	207,546,957.78
Lease liabilities due within one year	58,466,594.72	79,689,056.53
Interest on bonds payable due within one year	51,688,767.12	57,008,767.12
Interest on long-term borrowings due within one year	44,758,791.91	25,343,664.52
Total	9,732,298,444.87	11,034,124,071.95

44. Other current liabilities

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Output VAT pending transfer	42,924,635.61	71,605,580.52
Sale of repurchase financial assets		95,951,559.92
Reclassification of notes	206,816,916.17	25,112,263.53
Others		1,645,754.16
Total	249,741,551.78	194,315,158.13

Changes in short-term bonds payable:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45. Long-term borrowings

(1) Classification of long-term borrowings

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Pledged borrowings and interest		
Secured borrowings and interest		
Guaranteed borrowings and interest	4,012,851,714.13	3,369,533,561.84
Credit borrowings and interest	16,540,860,168.00	17,222,400,694.00
Gold lease and interest	2,691,912,160.07	963,639,678.16
Total	23,245,624,042.20	21,555,573,934.00

Other explanations

☐Applicable ☒N/A

46. Bonds payable

(1) Bonds payable

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable	4,051,688,767.12	4,057,008,767.12
Less: Bonds payable due within one year	51,688,767.12	57,008,767.12
Total	4,000,000,000.00	4,000,000,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Bonds payable (Continued)

(2) Specific circumstances of bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

☒Applicable ☐N/A

Unit: RMB

Bond name	Face value		Coupon rate (%)	Issue date	Bond term		Issue amount	Opening balance	Issued during the current period	Interest accrued at face value	Amortisation of premium/ discount	Repaid during the current period	Closing balance	Default or Not
	(RMB)													
24 Lujin K1	100	2.80	2024-3-25	5 years			2,000,000,000.00	2,000,000,000.00		27,769,863.01			2,000,000,000.00	No
24 Lujin K3	100	2.12	2024-9-10	3 years			1,000,000,000.00	1,000,000,000.00		10,512,876.72			1,000,000,000.00	No
24 Lujin K4	100	2.50	2024-9-10	10 years			1,000,000,000.00	1,000,000,000.00		12,397,260.27			1,000,000,000.00	No
Total	/	/	/	/	/	/	4,000,000,000.00	4,000,000,000.00		50,680,000.00			4,000,000,000.00	/

(3) Explanation on convertible corporate bonds

☐Applicable ☒N/A

Accounting for conversion rights and basis of judgment

☐Applicable ☒N/A

(4) Explanation on the other financial instrument classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding as at the end of the period

☐Applicable ☒N/A

Table of changes in financial instruments such as preferred shares and perpetual bonds outstanding as at the end of the period

☐Applicable ☒N/A

Description on basis of dividing other financial instruments into financial liabilities

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Lease liabilities

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	206,939,313.28	197,832,572.08
Less: Lease liabilities due within one year	58,466,594.72	79,689,056.53
Total	148,472,718.56	118,143,515.55

48. Long-term payables

Presentation of item

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	1,592,176,744.26	1,435,397,950.22
Special payables	3,455,500.00	3,455,500.00
Total	1,595,632,244.26	1,438,853,450.22

Long-term payables

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Mineral resources equity fund	1,589,443,229.43	1,431,437,066.09
Merger and acquisition funds	2,733,514.83	3,960,884.13
Total	1,592,176,744.26	1,435,397,950.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48. Long-term payables (Continued)

Special payables

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Power supply separation for Water/Electricity/Gas Supply and Property Management in Jiaojia	1,821,600.00			1,821,600.00	Fiscal subsidy funds for Water/Electricity/Gas Supply and Property Management
Fiscal subsidy funds for the separation and handover of "Water/Electricity/Gas Supply and Property Management" in Sanshandao	1,633,900.00			1,633,900.00	Fiscal subsidy funds for Water/Electricity/Gas Supply and Property Management
Total	3,455,500.00			3,455,500.00	/

49. Long-term employee salaries payables

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50. Accrued liabilities

√Applicable □N/A

Unit: RMB

Item	Closing balance	Opening balance	Causes
Provision for environmental rehabilitation and restoration of mines, etc.	1,543,139,650.14	1,586,038,453.58	
Total	1,543,139,650.14	1,586,038,453.58	/

Other explanations, including important assumptions and estimation explanations related to significant estimated liabilities:

The Group accrues land reclamation and environmental governance fees based on the area of damaged land, estimated reclamation unit price, and reclaimed expenses; MAS, joint operating enterprise of the Group accrues the provision for environmental rehabilitation and restoration of mines based on environmental restoration costs expected to be incurred after mine closure.

51. Deferred income

Deferred income

√Applicable □N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Related to income	6,825,266.01	2,373,000.00	2,405,672.84	6,792,593.17	Government grants
Related to assets	8,347,197.11		99,165.78	8,248,031.33	Government grants
Total	15,172,463.12	2,373,000.00	2,504,838.62	15,040,624.50	/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51. Deferred income (Continued)

Deferred income (Continued)

Other explanation:

☒Applicable ☐N/A

Government grant item (Unit: RMB)

Government grant item	Opening balance	Amount of new subsidy in the current period	Amount included in non-operating income in the current period	Amount included in other income in the current period	Amount of offsetting costs and expenses in the current period	Other changes	Closing balance	Related to assets/related to income
Subsidies for winter clean heating facility renovation	2,222,273.65			40,774.74			2,181,498.91	Related to assets
Houchuanba Si'ergou Mine safety and green information project (後川壩四兒溝礦山安全綠色信息化工程)	4,281,998.37						4,281,998.37	Related to assets
Subsidy funds for work safety prevention and emergency rescue capacity building in 2025 from the Xihe County Emergency Management Bureau	1,117,478.37						1,117,478.37	Related to assets
Special funds for the second batch of projects under the 2025 Shandong Provincial Key R&D Plan (Major Scientific and Technological Innovation Projects) and the "Deep-Sea Mining" Technology Demonstration Project	3,990,000.00					150,000.00	3,840,000.00	Related to income
Others (related to assets)	725,446.72			58,391.04			667,055.68	Related to assets
Others (related to income)	2,835,266.01	2,373,000.00		2,255,672.84			2,952,593.17	Related to income
Total	15,172,463.12	2,373,000.00		2,354,838.62		150,000.00	15,040,624.50	

52. Other non-current liabilities

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

53. Share capital

√Applicable □N/A

Unit: RMB

	Opening balance	Increase or decrease (+, -)				Subtotal	Closing balance
		Issuance of new shares	Bonus issue	Conversion from reserve	Others		
Total number of shares	4,609,929,525.00						4,609,929,525.00

54. Other equity instruments

(1) Basic information about outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

√Applicable □N/A

Item	Number	Principal face value	Interest rate	Commencement date	Term	Interest payment method
Ping An - Shandong Gold Infrastructure Debt Investment Plan - the First Tranche (平安-山東黃金基礎設施債權投資計劃-第一期)		2,250,000,000.00	4.75%	2021-12-23	5+N	On a quarterly basis
Ping An - Shandong Gold Infrastructure Debt Investment Plan - the Second Tranche (平安-山東黃金基礎設施債權投資計劃-第二期)		670,000,000.00	4.35%	2022-11-08	5+N	On a quarterly basis
Lu Jin KY01 (魯金KY01)	20,000,000.00	2,000,000,000.00	3.19%	2023-11-17	3+N	On an annual basis
Lu Jin KY02 (魯金KY02)	20,000,000.00	2,000,000,000.00	3.22%	2023-11-27	3+N	On an annual basis
CITIC Trust - Guofeng No. 88 Perpetual Investment Collective Fund Trust Plan (中信信託·國豐88號永續投資集合資金信託計劃)		3,000,000,000.00	3.23%	2024-12-12	3+N	On a quarterly basis
Chongqing Trust - Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山東黃金永續集合資金信託計劃)		2,500,000,000.00	3.28%	2025-06-25	7+N	On a quarterly basis
Chongqing Trust - Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山東黃金永續集合資金信託計劃)		1,500,000,000.00	3.28%	2025-08-08	7+N	On a quarterly basis
Total	40,000,000.00	13,920,000,000.00	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Other equity instruments (Continued)

(2) Statement of changes in outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

√Applicable □N/A

Unit: RMB

Outstanding financial instruments	At the beginning of the period		Increase in the current period		Decrease in the current period		At the end of the period	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Ping An - Shandong Gold Infrastructure Debt Investment Plan (平安-山東黃金基礎設施債權投資計劃)		2,924,156,166.64		68,387,833.32		68,765,666.67		2,923,778,333.29
Lu Jin KY01 (魯金KY01)	20,000,000.00	2,006,865,753.46		31,637,808.24			20,000,000.00	2,038,503,561.70
Lu Jin KY02 (魯金KY02)	20,000,000.00	2,005,175,342.44		31,935,342.45			20,000,000.00	2,037,110,684.89
CITIC Trust - Guofeng No. 88 Perpetual Investment Collective Fund Trust Plan (中信信託•國豐88號永續投資集合資金信託計劃)		3,002,960,833.33		48,604,863.02		48,988,333.33		3,002,577,363.02
Chongqing Trust - Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山東黃金永續集合資金信託計劃)		2,502,505,555.56		41,131,050.22		41,455,555.56		2,502,181,050.22
Chongqing Trust - Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山東黃金永續集合資金信託計劃)		1,501,503,333.33		24,678,630.15		24,873,333.33		1,501,308,630.15
Total	40,000,000.00	13,943,166,984.76		246,375,527.40		184,082,888.89	40,000,000.00	14,005,459,623.27

Change in other financial instruments during the period, reasons for change and relevant accounting basis:

□Applicable √N/A

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

55. Capital reserve

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	6,482,223,231.90	280,120.36	21,089,170.56	6,461,414,181.70
Other capital reserves	-8,669,067.80			-8,669,067.80
Total	6,473,554,164.10	280,120.36	21,089,170.56	6,452,745,113.90

56. Treasury shares

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

57. Other comprehensive income

√Applicable □N/A

Unit: RMB

Item	Opening balance	Amount for the current period						Closing balance
		Amount before income tax for the current period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained profits from the comprehensive income	Less: Income tax expense	Amount attributable to the parent after tax	Amount attributable to the minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss	-375,000.00							-375,000.00
Including: Changes of the re-measurement of defined benefit plans								
Other comprehensive income that cannot be transferred to profit or loss under the equity method								
Change in fair value arising from investments in other equity instruments	-375,000.00							-375,000.00
Change in fair value arising from the enterprise's own credit risk								
II. Other comprehensive income that will be reclassified into profit or loss	-82,298,744.69	-312,070,476.81			-292,537,104.74	-19,533,372.07		-374,835,849.43
Including: Other comprehensive income that can be transferred to profit or loss under the equity method								
Change in fair value of other debt investments								
Financial assets reclassified into other comprehensive income								
Credit impairment provision for other debt investments								
Hedging reserves from cash flows								
Differences on translation of foreign currency financial statements	-82,298,744.69	-312,070,476.81			-292,537,104.74	-19,533,372.07		-374,835,849.43
Total other comprehensive income	-82,673,744.69	-312,070,476.81			-292,537,104.74	-19,533,372.07		-375,210,849.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Special reserve

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Production safety expenses	96,832,428.42	139,130,545.19	117,105,457.25	118,857,516.36
Total	96,832,428.42	139,130,545.19	117,105,457.25	118,857,516.36

59. Surplus reserve

☒Applicable ☐N/A

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,567,350,522.63			1,567,350,522.63
Discretionary surplus reserve				
Reserve funds				
Enterprise development fund				
Others				
Total	1,567,350,522.63			1,567,350,522.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Undistributed profit

√Applicable □N/A

Unit: RMB		
Item	Current period	Last 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		
Appropriation of general risk reserve		986,096.17
Dividends payable on ordinary shares	829,787,314.50	1,467,283,959.83
Ordinary share dividends transferred to share capital		
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

The breakdown of adjustment for undistributed profits at the beginning of the period:

1. The effect of the retrospective adjustments arising from Accounting Standards for Business Enterprises and their new related requirements on undistributed profits at the beginning of the period amounted to RMB0.
2. The effect of changes in accounting policies on undistributed profits at the beginning of the period amounted to RMB0.
3. The effect of corrections of significant accounting errors on undistributed profits at the beginning of the period amounted to RMB0.
4. The effect of the change of the scope of consolidation under common control on undistributed profits at the beginning of the period amounted to RMB0.
5. The combined effect of other adjustments on undistributed profits at the beginning of the period amounted to RMB0.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating revenue and operating costs

(1) Details of operating revenue and operating costs

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	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

☒Applicable ☐N/A

Unit: RMB

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

Other explanations

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating revenue and operating costs (Continued)

(3) Explanation on performance obligations

☐ Applicable ☒ N/A

(4) Explanation on allocation to the remaining performance obligations

☐ Applicable ☒ N/A

(5) Change in significant contracts or price adjustment of significant transactions

☐ Applicable ☒ N/A

62. Taxes and surcharges

☒ Applicable ☐ N/A

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

63. Selling expenses

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Sales commission	107,696,222.75	23,148,794.16
Employee remuneration	17,456,135.20	18,865,734.76
Transportation expenses	10,248,765.38	4,983,466.56
Gold trading expenses	9,806,873.69	12,333,263.27
Storage fees	1,555,048.78	278,018.03
Packaging expenses	1,486,137.82	584,629.26
Travel expenses	885,934.37	983,405.71
Others	11,589,165.22	15,200,843.69
Total	160,724,283.21	76,378,155.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

64. Administrative expenses

√Applicable □N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Employee remuneration	886,137,053.29	951,873,416.23
Depreciation expenses	198,727,815.86	195,284,659.90
Agency and consulting fees	50,565,739.65	144,247,228.04
Amortization expenses	59,482,367.72	49,145,668.59
Promotion expenses	22,881,096.67	19,134,280.93
Rental expenses	33,181,810.33	46,048,552.23
Insurance fees	5,546,614.33	4,278,459.97
Water and electricity charges	27,911,604.44	25,372,719.18
Maintenance fees	25,902,015.07	22,036,885.99
Business hospitality	8,106,964.59	9,170,553.88
Travel expenses	12,162,367.67	10,793,792.31
Office expenses	11,211,180.77	8,610,498.74
Others	186,818,782.50	193,886,847.26
Total	1,528,635,412.89	1,679,883,563.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. R&D expenses

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Direct investment	211,200,467.32	136,729,879.43
Wages and salaries	114,938,820.00	121,518,289.89
Outsourced R&D	14,545,282.02	27,842,816.36
Amortization and depreciation	7,489,936.54	7,353,019.60
Others	24,850,081.31	18,095,557.48
Total	373,024,587.19	311,539,562.76

66. Finance costs

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Interest expenses	869,725,285.21	941,960,521.01
Less: Interest income	101,443,510.66	68,696,218.50
Handling fees	16,783,901.62	4,136,936.22
Add: Exchange losses	60,994,243.98	36,326,792.07
Total	846,059,920.15	913,728,030.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

67. Other gains

√Applicable □N/A

Unit: RMB

Classification by nature	Amount for the current period	Amount for the last period
Employment stabilization subsidy	2,511,500.00	763,020.08
Individual income tax refund	4,227,860.99	2,711,688.04
Science and technology award		1,140,000.00
High-tech enterprise award	781,000.00	270,000.00
Environmental protection special funds		8,300.00
Jinzhou Safety Supervision and Inspection Special Project for Goaf Filling Treatment	8,513.28	10,153.08
Other subsidies	1,317,352.34	1,185,857.75
Advanced taxpayer award		50,000.00
Taishan leading talent	1,219,921.50	100,000.00
R&D subsidy funds		467,200.00
Reward for specialized, refined, unique, and innovative development		30,000.00
VAT refunds and other tax rebates	3,812,684.55	1,303,657.00
Special fund for high-quality business development	900,000.00	50,000.00
Phase-out subsidy for national III diesel trucks		25,200.00
Support funds for the Free Trade Zone		580,000.00
Award for accelerating the development of advanced manufacturing	1,420,000.00	
Grant for Shandong Provincial Key R&D Plan (competitive innovation platform)	990,000.00	
Key talent programme award	705,092.25	
Special fund subsidy	10,689.81	
Total	17,904,614.72	8,695,075.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Investment income

√Applicable □N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	13,856,724.31	22,920,713.70
Investment income from disposal of long-term equity investments		
Investment income from holding financial assets held for trading	103,328,785.61	57,188,699.87
Dividend income from holding investments in other equity instruments		
Interest income from holding debt investments		
Interest income from holding other debt investments		
Investment income from disposal of financial assets held for trading	4,395,719.07	4,490,098.16
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Investment income from disposal of financial liabilities at fair value through profit or loss		-11,442,000.00
Investment income from gold futures and T+D trading	84,677,702.43	-482,096,067.84
Investment income from disposal of derivative financial instruments	-305,596,389.06	91,162,761.74
Option payoff	238,205,064.52	-77,207,104.20
Investment income from disposal of standard warehouse receipts		31,864,493.20
Total	138,867,606.88	-363,118,405.37

69. Gains from net exposure to hedging

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

70. Gain on changes in fair value

√Applicable □N/A

Unit: RMB

Source of gains on changes in fair value	Amount for the current period	Amount for the last period
Financial assets held for trading	-802,748,906.80	-26,488,941.96
Including: Gains from change in fair value of derivative financial instruments	46,469,568.24	51,318,586.09
Financial liabilities held for trading	-33,086,163.51	-210,172,832.81
Total	-835,835,070.31	-236,661,774.77

71. Credit impairment losses

√Applicable □N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Bad debt losses of receivable bills	-1,595,125.49	-2,850,879.79
Bad debt losses of accounts receivable	-4,795,033.35	-5,373,677.80
Bad debt losses of other receivables	-20,654,352.94	-18,220,499.42
Impairment losses of debt investments		
Impairment losses of other debt investments		
Bad debt losses of long-term receivables		
Impairment losses related to financial guarantees		
Impairment losses on other current assets	-582,263.49	2,942,482.80
Total	-27,626,775.27	-23,502,574.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

72. Asset impairment losses

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
I. Impairment losses on contract assets		
II. Inventories depreciation loss and impairment loss on contract performance costs	-4,004,309.96	
III. Impairment losses on long-term equity investments		
IV. Impairment losses of investment properties		
V. Impairment losses of fixed assets		
VI. Impairment losses of construction materials		
VII. Impairment losses of construction in progress		
VIII. Impairment losses of productive biological assets		
IX. Impairment losses of oil and gas assets		
X. Impairment losses of intangible assets		
XI. Impairment losses of goodwill		
XII. Others		
Total	-4,004,309.96	

73. Gains from disposal of assets

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Gains from disposal of non-current assets	106,528.56	-1,617,275.17
Including: Gains from disposal of fixed assets	98,507.91	-1,551,366.25
Gains from disposal of right-of-use assets	8,020.65	-65,908.92
Total	106,528.56	-1,617,275.17

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

74. Non-operating income

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period	Amount included in the current non-recurring gain or loss
Total gains on disposal of non-current assets	375,285.76	294,660.27	375,285.76
Including: Gains on disposal of fixed assets	375,285.76	294,660.27	375,285.76
Gains on disposal of intangible assets			
Forfeited income	4,021,872.55	11,808,739.48	4,021,872.55
Income from liquidated damages and compensation	151,251.61	205,515.64	151,251.61
Payables that will not need to be paid		11,154,564.66	
Gain on acquisition	4,218,185.09		4,218,185.09
Others	420,283.47	1,098,885.21	420,283.47
Total	9,186,878.48	24,562,365.26	9,186,878.48

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

75. Non-operating expenses

√Applicable □N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period	Amount included in the current non-recurring gain or loss
Total losses on disposal of non-current assets	6,209,283.67	3,257,350.03	6,209,283.67
Including: Losses on disposal of fixed assets	6,209,283.67	3,257,350.03	6,209,283.67
Losses on disposal of intangible assets			
External donation	497,620.00	1,206,789.72	497,620.00
Tax late fees	19,385,563.55	11,254,854.21	19,385,563.55
Compensation	2,979,895.85	1,493,843.98	2,979,895.85
Fines	3,076,210.00	5,150,611.43	3,076,210.00
Others	3,087,266.68	1,439,042.17	3,087,266.68
Total	35,235,839.75	23,802,491.54	35,235,839.75

76. Income tax expenses

(1) Table of income tax expenses

√Applicable □N/A

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

76. Income tax expenses (Continued)

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

√Applicable □N/A

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
Changes in opening deferred tax asset/liability balances arising from tax rate adjustments	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 distribution tax	79,101,387.80
Others	2,454,500.28
Income tax expenses	2,424,083,202.78

Other explanations:

√Applicable □N/A

The interest tax relates to the interest income derived by Shandong Gold Mining (Hong Kong) Co., Limited from loans provided to MAS, and is subject to interest withholding income tax at a rate of 35% in accordance with the provisions of Argentine tax law.

77. Other comprehensive income

√Applicable □N/A

See Note VII. 57 for details

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow

(1) Cash relating to operating activities

Other cash received relating to operating activities

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Interest income	71,055,401.78	64,702,414.31
Fiscal appropriation	14,221,609.49	9,852,369.60
Current accounts	80,477,395.18	167,195,528.01
Redemption and income of financial products	688,119,860.86	4,153,148,056.52
Exchange deposit and withdrawal	33,700,250,748.32	27,671,921,754.81
Agent payments for goods and taxes	2,770,438,161.80	1,500,574,485.69
Others	375,727,502.59	55,335,954.44
Total	37,700,290,680.02	33,622,730,563.38

Other cash paid relating to operating activities

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Administrative expenses	175,157,191.14	127,313,844.88
Finance costs	11,247,463.60	15,180,964.42
Non-operating expenses	26,060,845.30	53,308,236.69
Selling expenses	50,575,751.82	30,064,362.98
Current accounts	468,288,474.98	372,259,737.12
Exchange deposit and withdrawal	33,381,691,780.41	28,913,421,769.18
Subscription and losses of financial products	725,557,634.02	1,966,835,600.17
Security deposit	565,731,396.10	221,839,144.84
Agent payments for goods and taxes	2,761,325,550.48	1,500,465,230.42
Others	177,650,455.04	157,406,144.36
Total	38,343,286,542.89	33,358,095,035.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(2) Cash related to investment activities

Cash received relating to significant investment activities

☐ Applicable ☒ N/A

Cash paid relating to significant investment activities

☐ Applicable ☒ N/A

Other cash received relating to investment activities

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Futures investment and gold leasing	1,581,367,429.00	747,781,995.53
Mine environmental rehabilitation deposit and interest	43,458.65	218,588.43
Time deposits	26,680,000.00	
Security deposits for notes	112,781,722.87	261,335,858.44
Total	1,720,872,610.52	1,009,336,442.40

Other cash paid relating to investment activities

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Futures investment and gold leasing	1,754,127,290.56	1,290,654,184.32
Mine environmental rehabilitation deposit and interest	4,336,322.27	13,180,554.43
Security deposits for notes	30,579,038.96	115,482,792.39
Total	1,789,042,651.79	1,419,317,531.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(3) Cash related to financing activities

Other cash received relating to financing activities

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Gold leasing	6,903,368,000.00	3,141,287,961.69
Interest income from the special account for raised funds		
Refund of deposit for warehouse receipt pledge	306,128,848.00	257,116,795.77
Others	55,067,239.72	
Total	7,264,564,087.72	3,398,404,757.46

Other cash paid relating to financing activities

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Gold leasing	3,817,199,075.69	6,651,480,235.36
Rental fees	69,630,746.50	59,273,685.86
Warehouse receipts, cargo pledges or other credit financing and interest	212,213,936.00	286,343,420.40
Notes financing	11,378,057.86	6,178,163.86
Purchase of mining rights	82,980,576.29	119,514,878.18
Loan handling fees		341,582.31
Redemption proceeds of asset management plan shares		2,000,087,722.70
Others	86,282,728.82	48,659,902.74
Total	4,279,685,121.16	9,171,879,591.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(3) Cash related to financing activities (Continued)

Changes in various liabilities arising from financing activities

☐Applicable ☒N/A

(4) Explanation of cash flows presented on a net basis

☐Applicable ☒N/A

(5) Significant activities and financial effects that do not involve cash receipts and payments for the current period but may affect the Company's financial position or future cash flows

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the statement of cash flows

(1) Supplementary information on the statement of cash flows

√Applicable □N/A

Unit: RMB

Supplementary information	Amount for the current period	Amount for the last period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	5,732,013,515.18	3,873,362,227.62
Add: Asset impairment provision	4,004,309.96	
Credit impairment loss	27,626,775.27	23,502,574.21
Depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	2,519,576,595.86	2,357,452,434.30
Amortization of right-of-use assets	51,045,659.39	64,286,014.71
Amortization of intangible assets	685,317,919.94	645,896,752.83
Amortization of long-term deferred expenditures	14,346,174.60	12,784,791.03
Losses on disposal of fixed assets, intangible assets and other long-term assets (gain represented by “-”)	-106,528.56	1,617,275.17
Losses from retirement of fixed assets (gain represented by “-”)	5,833,997.91	2,962,689.76
Losses from changes in fair value (gain represented by “-”)	835,835,070.31	236,661,774.77
Finance costs (gain represented by “-”)	869,725,285.21	941,960,521.01
Investment loss (gain represented by “-”)	-208,218,961.89	368,213,165.52
Decrease in deferred income tax assets (increase represented by “-”)	-83,152,714.61	6,210,480.79
Increase in deferred income tax liabilities (decrease represented by “-”)	-326,148,490.04	-142,728,563.91
Decrease in inventory (increase represented by “-”)	-1,909,289,524.31	-1,599,658,285.27
Decrease in operating receivable items (increase represented by “-”)	-1,909,097,002.57	-403,216,847.73
Increase in operating payable items (decrease represented by “-”)	1,461,277,349.25	4,113,593,459.83
Others		
Net cash flows from operating activities	7,770,589,430.90	10,502,900,464.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the statement of cash flows (Continued)

(1) Supplementary information on the statement of cash flows (Continued)

Supplementary information	Amount for the current period	Amount for the last period
2. Significant investment and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Finance leasing of fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	14,638,864,853.53	11,077,559,166.74
Less: Opening balance of cash	15,993,931,178.20	9,931,630,518.82
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-1,355,066,324.67	1,145,928,647.92

(2) Net cash paid for acquisition of subsidiaries in the current period

☐Applicable ☒N/A

(3) Net cash received from disposal of subsidiaries in the current period

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the statement of cash flows (Continued)

(4) Composition of cash and cash equivalents

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	14,638,864,853.53	15,993,931,178.20
Including: Cash on hand	488,096.09	603,602.18
Bank deposits readily available for payment	10,750,815,883.11	11,908,316,690.05
Other monetary funds readily available for payment	3,887,560,874.33	4,085,010,885.97
Deposits with central bank available for payment		
Deposits with other banks		
Loans from other banks		
II. Cash equivalents		
Including: Bond investments that mature within three months		
III. Closing balance of cash and cash equivalents	14,638,864,853.53	15,993,931,178.20
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the Group		

(5) Items with restricted use but still presented as cash and cash equivalent

☐Applicable ☒N/A

(6) Monetary funds not classified as cash and cash equivalents

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

80. Notes to the statement of changes in equity

Explanation for matters such as the item name of "Others" and amount adjustment for adjusting the balance at the end of the last year:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

81. Monetary items in foreign currency

(1) Monetary items in foreign currency

√Applicable □N/A

Unit: RMB

Item	Closing foreign currency balance	Translation rate	Closing RMB balance after translation
Monetary funds			
Of which: US dollar	388,079,867.73	6.8109	2,643,173,171.12
Australian dollar	56,655.53	4.6804	265,170.54
Hong Kong dollar	47,309,417.75	0.8686	41,092,960.26
Argentine peso	999,938.62	2.5662	2,566,042.49
Canadian dollar	3,710.67	4.7847	17,754.44
Ghanaian cedi	457,023.51	0.6039	275,996.50
Euro	11.89	7.7670	92.35
Singapore dollar	1,081,427.29	5.2605	5,688,848.26
Namibian dollar	1,118,567,792.67	0.4131	462,080,355.15
Accounts receivable			
Of which: Ghanaian cedi	29,655,604.79	0.6039	17,909,019.73
Other receivables			
Of which: US dollar	4,658,230.47	6.8109	31,726,741.91
Hong Kong dollar	6,387,557.53	0.8686	5,548,232.47
Canadian dollar	45,744.00	4.7847	218,871.32
Ghanaian cedi	52,050,176.47	0.6039	31,433,101.57
Namibian dollar	617.42	0.4131	255.06
Short-term borrowings			
Of which: US dollar	593,747,587.03	6.8109	4,043,955,440.50
Hong Kong dollar	251,421,359.67	0.8686	218,384,593.01
Accounts payable			
Of which: US dollar	68,949,196.18	6.8109	469,606,080.26
Australian dollar	56,183.48	4.6804	262,961.16
Canadian dollar	450.00	4.7847	2,153.12
Ghanaian cedi	2,577,220.32	0.6039	1,556,383.35
Namibian dollar	435,281,399.84	0.4131	179,814,746.27
Other payables			
Of which: US dollar	40,037,704.97	6.8109	272,692,804.78
Hong Kong dollar	14,970,520.97	0.8686	13,003,394.51
Ghanaian cedi	13,594,454.54	0.6039	8,209,691.10
Long-term borrowings			
Of which: US dollar	396,000,000.00	6.8109	2,697,116,400.00
Non-current liabilities due within one year			
Of which: US dollar	60,531.82	6.8109	412,276.17
Argentine peso	2,837,273,821.76	2.5662	7,281,012,081.40
Namibian dollar	4,775,036.70	0.4131	1,972,567.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

81. Monetary items in foreign currency (Continued)

- (2) **The nature of the lack of convertibility of the currency and its financial impact, the spot exchange rate adopted and the estimation process thereof, and the risks to which the enterprise is exposed as a result of the lack of convertibility of the currency**

☐Applicable ☒N/A

- (3) **Explanation of overseas operating entities, including for important overseas operating entities, the principal place of business overseas, recording currency and basis of choice, and if the recording currency changes, the reasons shall also be disclosed**

☒Applicable ☐N/A

Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司), a subsidiary of the Company, has its principal place of business in Hong Kong. The functional currency in its main economic environment is the US dollar, and thus it uses the US dollar as its recording currency.

Cardinal Resources Limited and Cardinal Resources Australia Limited, subsidiaries of the Company, have their principal places of business in Australia. The functional currency in their main economic environment is Australian dollar, and thus they use Australian dollar as their recording currency. Cardinal Resources Ghana Limited and Cardinal Namdini Mining Limited, subsidiaries of the Company, have their principal places of business in Ghana. The functional currency in their main economic environment is Cedi, and thus they use Cedi as their recording currency.

Shenghong Singapore Co., Ltd. (盛鴻新加坡有限公司), a subsidiary of Shanjin International, has its principal place of business in Singapore. The functional currency in its main economic environment is the US dollar, and thus it uses the US dollar as its recording currency. Osino Holdings Corp, Osino Mining Investments Ltd. and The Twin Hill Trust, subsidiaries of Shanjin International, have their principal places of business in Canada, Mauritius and Namibia, respectively. The functional currency in their main economic environments is Canadian dollar, US dollar and Namibian dollar, and thus they use Canadian dollar, US dollar and Namibian dollar as their recording currencies.

- (4) **The lack of convertibility between the functional currency of the overseas operation and the presentation currency of the enterprise**

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Leases

(1) As a lessee

√Applicable □N/A

Item	Amount for the current period (RMB)	Amount for the last period (RMB)
Interest expense on lease liabilities	7,429,758.01	4,925,072.63
Short-term lease expense through current profit or loss using simplified approach	34,114,957.62	16,169,009.69

Variable lease payment not included in lease liabilities measurement

□Applicable √N/A

Simplified treatment of lease expenses for short-term leases or low-value assets

□Applicable √N/A

Leaseback transactions and basis of judgment

□Applicable √N/A

Total cash outflows relating to leases: RMB69,630,746.50

(2) As a lessor

Operating lease as a lessor

√Applicable □N/A

Unit: RMB

Item	Lease income	Including: Income related to variable lease payments not included in lease receivables
Leasing of houses and buildings	6,886,908.85	
Total	6,886,908.85	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Leases (Continued)

(2) As a lessor (Continued)

Finance lease as a lessor

☐Applicable ☒N/A

Reconciliation of undiscounted lease receivable and net investment in leases

☐Applicable ☒N/A

Undiscounted lease receivable for the next five years

☐Applicable ☒N/A

(3) Recognition of gain or loss on sale of finance lease as a producer or distributor

☐Applicable ☒N/A

83. Data resources

☒Applicable ☐N/A

See Note VII. 26 for details.

84. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VIII. R&D EXPENDITURE

1. By nature of expenditure

√Applicable □N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Wages and salaries	118,319,237.83	127,078,777.40
Direct inputs	212,493,197.21	174,194,557.38
Amortization and depreciation	7,781,266.27	7,831,149.14
Outsourced R&D expenditure	16,447,527.11	32,903,059.64
Others	24,916,493.86	30,235,734.29
Total	379,957,722.28	372,243,277.85
Including: R&D Expenditure as expense	373,024,587.19	311,539,562.76
R&D Expenditure as capital	6,933,135.09	60,703,715.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VIII. R&D EXPENDITURE (Continued)

2. R&D expenditure eligible for capitalization

☒ Applicable ☐ N/A

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period			Closing balance
		Internal development expenditure	Others	Outsourced R&D expenditure	Recognized as intangible assets	Transfer to current profit or loss	
Development of a 10-ton trackless fuel transport vehicle	2,694,643.11						2,694,643.11
Research and application of energy-efficient and environmentally friendly 3.5m³ underground LHD	2,205,049.95						2,205,049.95
Research and application of energy-efficient and environmentally friendly 4m³ underground LHD	2,619,479.70						2,619,479.70
Development of a series of coarse particle flotation machines	2,234,148.73						2,234,148.73
Research and application of energy-efficient and environmentally friendly 12-16 ton underground mining truck (12T)	2,965,461.96						2,965,461.96
Research on intelligent sorting of run-of-mine ore and low-grade waste rock at Changtai Mining	5,012,932.83						5,012,932.83
Research on mining technology within the F20 fracture zone	4,544,590.96						4,544,590.96
Development and application of an intelligent control system for underground trackless vehicles		546,553.85					546,553.85
Development, research and application of domestically produced core spare parts for 2m³ LHDs		2,595,335.89					2,595,335.89
Development, research and application of a hydrogen-powered 5t service vehicle		962,586.29					962,586.29
Development of a large intelligent circular flotation machine		668,479.38					668,479.38
Optimisation of the ground pressure monitoring and early warning platform for underground non-coal mines in Shandong Province and automated early warning technology				983,380.73			983,380.73
Others	15,744,636.19	211,117.93	46,816.66	918,864.36		4,030.09	16,917,405.05
Total	38,020,943.43	4,984,073.34	46,816.66	1,902,245.09		4,030.09	44,950,048.43

Significant capitalised R&D expenditure

☐ Applicable ☒ N/A

Provision for impairment on R&D expenditure

☐ Applicable ☒ N/A

3. Significant outsourced projects under research

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IX. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not under common control

☐Applicable ☒N/A

2. Business combination under common control

☐Applicable ☒N/A

3. Reverse acquisition

☐Applicable ☒N/A

4. Disposal of subsidiaries

Whether there is a transaction or event that results in the loss of control over subsidiaries during the current period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

Whether there is a step-by-step disposal of investment in a subsidiary through multiple transactions that results in the loss of control during the current period

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IX. CHANGES IN SCOPE OF CONSOLIDATION *(Continued)*

5. Changes in the scope of consolidation for other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☒Applicable ☐N/A

In June 2026, the Company's subsidiary, Shanjin Mine Project (Shandong) Ltd. (山金礦山工程(山東)有限公司), acquired a 51% equity interest in each of the following three companies: Laizhou Pinglei Blasting Engineering Service Co., Ltd. (萊州市平磊爆破工程服務有限責任公司), Shandong Laizhou Ping An Civil Explosives Franchise Co., Ltd. (山東省萊州平安民用爆炸物品專營有限公司), and Laizhou Shun'an Transportation Service Co., Ltd. (萊州市順安運輸服務有限公司), thereby incorporating these companies into the Company's consolidation scope.

In the consolidated financial statements of the Group, 78 companies were included, including Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司), and Shanjin International. Compared with the end of the last period, 3 new subsidiaries were acquired by cash, and 1 subsidiary was deregistered this period. For details of the scope of consolidation, see this Note X. "Interests in Other Entities".

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Constitution of enterprise group

√Applicable □N/A

RMB0'000

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	Laizhou	43,017.64	Laizhou	Gold mining and processing	100.00		Business combination under common control
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	Penglai	5,000.00	Penglai	Gold mining and processing	100.00		Business combination under common control
Shandong Gold Guilaihuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	Pingyi	62,167.00	Pingyi	Gold mining and processing	70.65		Business combination under common control
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	Laizhou	35,000.00	Laizhou	Gold and silver smelting	100.00		Established through division
Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)	Rushan	7,668.98	Rushan	Gold mining and processing	100.00		Business combination not under common control
Chifeng Chahulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	Chifeng	1,001.77	Chifeng	Gold mining and processing	73.52		Business combination not under common control
Shandong Jinshi Mining Co., Ltd. (山東金石礦業有限公司)	Laizhou	2,680.00	Laizhou	Investment in the mining industry	100.00		Business combination not under common control
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	Xihe	20,000.00	Xihe	Gold mining and processing	70.00		Business combination not under common control
Shenzhen SD Gold Mining Precious Metal Co., Ltd. (深圳市 山金礦業貴金屬有限公司)	Longgang	1,000.00	Longgang	Gold processing		75.00	Establishment
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Zhenghe	5,400.00	Zhenghe	Gold mining and processing	90.31		Business combination not under common control
Shandong Gold Mining Industry (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Qingdao	38,473.59	Qingdao	Gold mining and processing	100.00		Establishment
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲龍)有限公司)	Zhaoyuan	40,230.66	Zhaoyuan	Gold mining and processing	100.00		Establishment
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	Yinan	17,100.00	Yinan	Gold, copper and iron ore mining and processing	100.00		Establishment
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	Laixi	21,400.00	Laixi	Gold mining and processing	100.00		Establishment
Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技有限公司)	Laizhou	20,000.00	Jinan	Mining technology research and development	100.00		Establishment
Shanjin Heavy Industry Co., Ltd. (山金重工有限公司)	Laizhou	30,000.00	Laizhou	Equipment manufacturing	100.00		Establishment
Shandong Gold Xihe Mining Co., Ltd. (山東黃金西和礦業有限公司)	Xihe	45,000.00	Xihe	Gold mining and processing	60.00		Establishment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Constitution of enterprise group (Continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Laizhou Gold Coast Ecology Co., Ltd. (萊州金岸生態有限公司)	Laizhou	1,000.00	Laizhou	Ecological restoration and environmental protection services		80.00	Business combination not under common control
Shanjin Mine Project (Shandong) Co., Ltd. (山金礦山工程(山東)有限公司)(Note)	Laizhou	4,000.00	Laizhou	Construction work	80.00		Establishment
SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)	Shanghai	150,000.00	Shanghai	Investment and asset management	100.00		Business combination under common control
Shanjin Jinkong (Shanghai) Precious Metals Investment Co., Ltd. (山金金控(上海)貴金屬投資有限公司)	Shanghai	33,000.00	Shanghai	Investment in precious metals		100.00	Business combination under common control
Shanjin Futures Co., Ltd. (山金期貨有限公司)	Tianjin	60,000.00	Tianjin	Futures brokerage		100.00	Business combination under common control
Shanjin (Shenzhen) Gold Investment Development Co., Ltd. (山金(深圳)黃金投資發展有限公司)	Shenzhen	7,000.00	Shenzhen	Investment in gold industry		100.00	Business combination under common control
SDG International Capital Management Co., Ltd. (山金國際資產管理有限公司)	Shanghai	100,000.00	Shanghai	Investment management		100.00	Business combination under common control
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)	Shanghai	10,000.00	Shanghai	Asset management		100.00	Business combination under common control
Shanjin Jinquan (Shanghai) Capital Management Co., Ltd. (山金金泉(上海)投資管理有限公司)	Shanghai	10,000.00	Shanghai	Investment management		100.00	Business combination under common control
Shanghai Shanjin Industrial Development Co., Ltd. (上海山金實業發展有限公司)	Shanghai	10,000.00	Shanghai	Consultation and investigation		100.00	Establishment
Shandong Dikuang Laijin Holdings Co., Ltd. (山東地礦來金控股有限公司)	Laizhou	30,000.00	Laizhou	Investment holding		100.00	Business combination under common control
Laizhou Hongsheng Mining Investment Co., Ltd. (萊州鴻昇礦業投資有限公司)	Laizhou	1,000.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Laizhou Jinsheng Mining Investment Co., Ltd. (萊州金盛礦業投資有限公司)	Laizhou	39,000.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Shandong Tiancheng Mining Co., Ltd. (山東天承礦業有限公司)	Laizhou	1,618.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	Hong Kong	453,114.56	Hong Kong	Investment in the mining industry	100.00		Establishment
Cardinal Resources Limited	Australia	61,099.14	Australia	Investment holding		100.00	Business combination not under common control
Cardinal Resources Ghana Limited	Ghana	3.08	Ghana	Gold mining and processing		85.00	Business combination not under common control

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Constitution of enterprise group (Continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding(%)		Acquisition method
					Direct	Indirect	
Cardinal Resources Subranum Limited	Ghana	5.54	Ghana	Mining services		85.00	Business combination not under common control
Cardinal IMining Services Limited	Ghana	5.54	Ghana	Mining services		85.00	Business combination not under common control
Cardinal Namdini Mining Limited	Ghana	375.00	Ghana	Gold mining and processing		85.00	Business combination not under common control
Hengxing Gold Holding Company Limited	Cayman	736.21	Cayman	Investment holding	100.00		Business combination not under common control
Tianshan Gold Securities (Hong Kong) Limited	Hong Kong	9,266.85	Hong Kong	Investment holding		100.00	Business combination not under common control
Tianshan Goldfield (Xinjiang) Investment Advisory Limited (新疆天山金田投資諮詢有限公司)	Yining	40.79	Yining	Management and consultation		100.00	Business combination not under common control
Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)	Yining	35,434.15	Yining	Gold and silver mining, extraction and smelting		100.00	Business combination not under common control
Shandong Gold Occupational Disease Prevention and Control Hospital (山東黃金職業病防治院)	Zhaoyuan	10,000.00	Zhaoyuan	Public institutions	100.00		Establishment
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金裕泰礦業有限責任公司)	Baotou	10,500.00	Baotou	Gold mining and processing	70.00		Business combination not under common control
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	Beijing	277,672.23	Inner Mongolia	Non-ferrous metal mining and selection	28.94		Business combination not under common control
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)	Jinan	10,000.00	Jinan	Wholesale and retail trade	100.00		Establishment
Laizhou Pinglei Blasting Engineering Service Co., Ltd. (萊州市平磊爆破工程服務有限責任公司)	Laizhou	10,000.00	Laizhou	Blasting operations		51.00	Business combination not under common control
Shandong Laizhou Ping An Civil Explosives Franchise Co., Ltd. (山東省萊州平安民用爆炸物品專營有限公司)	Laizhou	4,973.97	Laizhou	Sale of explosives		51.00	Business combination not under common control
Laizhou Shun'an Transportation Service Co., Ltd. (萊州市順安運輸服務有限公司)	Laizhou	500.00	Laizhou	Road transportation		51.00	Business combination not under common control

Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) is a listed company on the Shenzhen Stock Exchange with the stock code: 000975.SZ.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES *(Continued)*

1. Interests in subsidiaries *(Continued)*

(1) Constitution of enterprise group *(Continued)*

Other explanations:

Shanjin Mine Project (Shandong) Ltd. (山金礦山工程(山東)有限公司) was established on 8 December 2022, with a registered capital of RMB40.00 million, and is held by our Company as to 80.00%. Its external investment is shown in the table below:

Name of company	Registered capital (RMB0'000)	Place of registration	Shareholding	Subscribed capital (RMB0'000)
Shandong Panjiu Mining Co., Ltd. (山東磐久礦業有限公司)	4,000.00	Weihai	51.00%	2,040.00
Shandong Xingming Mining Co., Ltd. (山東鑫明礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Changtai Mining Co., Ltd. (山東昌泰礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Xiuyuan Mining Co., Ltd. (山東秀原礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Zhongda Mining Co., Ltd. (山東中大礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Xugong Mining Co., Ltd. (山東旭工礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00

The Company holds more than 50.00% of equity in the above-mentioned 6 companies, but it does not have actual control over them.

Relevant judgement and basis of controlling significant structured entities in the scope of consolidation:

The Group has 21 structured entities included in the scope of consolidation. According to Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements, the Group includes structured entities participating with the Group's own funds that meet the definition of "control" set out in the standards in its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES *(Continued)*

1. Interests in subsidiaries *(Continued)*

(1) Constitution of enterprise group *(Continued)*

As of 30 June 2026, the Group had the following major consolidated structured entities:

Name	Shareholding	Paid-in capital	Acquisition method
Shanjin Jinshi No. 1 Private Securities Investment Fund (山金金石1號私募證券投資基金)	100.00%	440,961,463.69	Establishment
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)	100.00%	386,699,023.98	Establishment
Zhuchi Quantitative Stable Investment Master Fund No. 1 Phase I (珠池量化穩健投資母基金1號1期)	100.00%	239,231,284.34	Investment
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)	100.00%	93,480,886.25	Establishment
Yanfu Neutral No. 13 Private Securities Investment Fund (衍複中性十三號私募證券投資基金)	96.84%	91,525,248.74	Investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly-owned subsidiaries

☒Applicable ☐N/A

Unit: RMB

Name of subsidiary	Minority shareholders' shareholding Percentage (%)	Profits and loss attributable to the minority shareholders in the current period	Dividends declared to distribute to the minority shareholders in the current period	Closing book value of minority interests
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	26.48	19,254,224.21		364,838,490.13
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	30.00	47,697,854.30		504,584,015.43
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	9.69	-366,073.13		42,764,873.20
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	29.35	15,601,989.53		264,081,269.88
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	71.06	1,861,489,424.07	1,039,862,867.06	14,980,151,056.91
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	30.00	2,093,031.89		188,389,330.99

Explanation regarding the difference between the proportion of minority shareholders' shareholding and the percentage of their voting rights in subsidiaries:

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(3) Main financial information for significant non-wholly-owned subsidiaries

√Applicable □N/A

Name of subsidiary	Closing balance						Opening balance						Unit: RMB
	Current assets			Non-current liabilities			Current assets			Non-current liabilities			
	Total assets	Current liabilities	Non-current liabilities	Total assets	Current liabilities	Non-current liabilities	Total assets	Current liabilities	Non-current liabilities	Total assets	Current liabilities	Non-current liabilities	
Chifeng Chahulanzi Gold Mining Co., Ltd. (赤峰紫哈蘭子黃金礦業有限公司)	216,435,029.96	2,062,562,734.98	2,268,997,764.94	667,060,988.28	223,997,009.32	891,057,997.60	252,348,088.21	2,126,474,112.97	2,378,822,201.18	877,574,669.92	198,497,009.32	1,076,071,679.24	
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	403,657,076.14	2,044,945,680.59	2,448,602,756.73	505,613,810.57	261,042,428.02	766,656,238.59	336,759,212.07	2,052,080,249.94	2,388,839,482.01	603,624,755.60	263,096,490.83	866,721,246.43	
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	102,813,946.24	559,437,752.59	662,251,701.83	219,715,613.19	1,206,127.72	220,921,740.91	79,713,650.48	557,097,419.85	646,811,070.33	198,612,345.09	1,206,127.72	199,818,472.81	
Shandong Gold Gulazhuang Mining Co., Ltd. (山東黃金諸來莊礦業有限公司)	426,851,577.34	808,068,045.62	1,234,919,622.96	310,810,231.84	24,336,946.32	335,147,078.16	376,879,177.96	844,706,897.39	1,221,586,075.35	331,716,253.91	43,836,846.32	375,553,100.23	
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	10,092,408,619.89	18,583,110,943.28	28,675,519,563.17	4,171,327,879.22	4,305,772,771.20	8,477,100,656.42	7,070,753,103.59	17,797,666,287.01	24,868,419,390.60	2,229,830,681.52	3,429,952,740.34	5,659,783,421.86	
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金辰泰礦業有限公司)	80,285,536.33	993,268,535.93	1,073,554,072.26	265,590,869.95	179,998,765.59	445,589,635.54	26,229,639.28	911,378,429.22	937,608,068.50	134,045,863.02	182,709,674.60	316,755,537.62	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(3) Main financial information for significant non-wholly-owned subsidiaries (Continued)

Name of subsidiary	Amount for the current period				Amount for the last period			
	Operating revenue	Net profit	comprehensive income	Total cash flows from operating activities	Operating revenue	Net profit	comprehensive income	Cash flows from operating activities
Chifeng Chaihanzi Gold Mining Co., Ltd. (赤峰柴胡蘭子黃金礦業有限公司)	514,586,680.67	72,720,291.16	72,720,291.16	124,420,740.11	373,044,902.67	86,461,763.18	86,461,763.18	118,435,306.33
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	453,182,115.49	158,992,847.68	158,992,847.68	69,807,156.40	420,301,993.06	139,062,608.22	139,062,608.22	143,007,488.29
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	74,626,039.87	-3,777,844.45	-3,777,844.45	58,628,232.12	70,424,703.22	-54,251.74	-54,251.74	42,514,647.15
Shandong Gold Guiliaozhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	297,496,046.45	53,158,397.03	53,158,397.03	-101,588,333.78	188,043,575.15	13,671,617.71	13,671,617.71	6,668,983.78
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	9,659,029,378.83	2,512,082,401.13	2,484,782,333.12	3,067,124,985.84	9,245,645,048.51	1,203,069,737.02	1,212,563,285.03	2,618,517,584.88
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金聚泰礦業有限公司)	183,511,352.09	6,976,772.98	6,976,772.98	17,204,982.04	99,704,546.52	16,541,236.27	16,541,236.27	-7,135,759.02

(4) Significant restrictions for using the enterprise group's assets and settling the enterprise group's liabilities:

☐ Applicable ☒ N/A

(5) Financial support or other support provided to structured entities in the consolidated financial statements:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

2. Transaction changing shareholding in but not causing to loss of control over subsidiaries

☐Applicable ☒N/A

3. Interests in joint ventures or associates

☒Applicable ☐N/A

(1) Significant joint ventures or associates

☒Applicable ☐N/A

Unit: RMB

Name of joint venture or associate	Principal place of business	Place of registration	Nature of business	Shareholding (%)		Accounting method for investment in joint ventures or associates
				Direct	Indirect	
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Jinan	Jinan	Non-bank financial institutions	30.00		Equity method
Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)	Laizhou	Laizhou	Mining industry		39.00	Equity method

(2) Main financial information for significant joint ventures

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(3) Key financial information of major associates

√Applicable □N/A

Unit: RMB

	Closing balance/amount for the current period		Opening balance/amount for the last period	
	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)
Current assets	7,228,409,241.87	550,931,146.82	14,037,424,019.39	564,860,793.46
Non-current assets	6,372,631,033.09	4,877,631,831.10	3,599,429,126.24	4,473,460,600.11
Total assets	13,601,040,274.96	5,428,562,977.92	17,636,853,145.63	5,038,321,393.57
Current liabilities	9,888,633,218.38	1,214,395,567.46	13,977,664,425.76	1,192,655,203.27
Non-current liabilities	23,064,049.37	2,784,060,383.35	21,890,681.66	2,411,759,430.27
Total liabilities	9,911,697,267.75	3,998,455,950.81	13,999,555,107.42	3,604,414,633.54
Non-controlling interests				
Equity attributable to shareholders of the parent company	3,689,343,007.21	1,430,107,027.11	3,637,298,038.21	1,433,906,760.03
Share of net assets based on shareholding	1,106,802,902.18	557,741,740.57	1,091,189,411.48	559,223,636.41
Adjustments				
- Goodwill				
- Unrealised profit for internal transaction				
- Others		949,489,892.54		950,040,132.89
Carrying amount of equity investment in associates	1,106,802,902.18	1,507,231,633.11	1,091,189,411.48	1,509,263,769.30
Fair value of equity investment in associates with a quoted price in the open market				
Operating revenue	149,319,192.88	1,147,985.04	141,703,338.82	849.06
Net profit	52,044,969.00	1,410,872.68	80,712,963.08	
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	52,044,969.00	1,410,872.68	80,712,963.08	
Dividends received from associates during the year			25,811,935.09	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(4) Summary financial information of non-major joint ventures and associates

☒Applicable ☐N/A

Unit: RMB

	Closing balance/ amount for the current period	Opening balance/ amount for the last period
Joint ventures:		
Total carrying amount of investment		
Total amount of the following items based on shareholding		
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates:		
Total carrying amount of investment	4,116,485.84	3,841,116.04
Total amount of the following items based on shareholding		
– Net profit	275,369.80	-35,623.04
– Other comprehensive income		
– Total comprehensive income	275,369.80	-35,623.04

(5) Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐Applicable ☒N/A

(6) Excessive loss incurred by joint ventures or associates

☐Applicable ☒N/A

(7) Unrecognised commitments related to investments in joint ventures

☐Applicable ☒N/A

(8) Contingent liabilities related to investments in joint ventures or associates

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES *(Continued)*

4. Major joint operations

√Applicable □N/A

Name of joint operation	Principal place of operation	Place of registration	Nature of business	Shareholding percentage/entitlement (%)	
				Direct	Indirect
MAS	San Juan, Argentina	Buenos Aires, Argentina	Gold mining, processing and smelting		50.00

Basis for classification as a joint operation where the joint operation is a separate entity:

On 30 June 2017, pursuant to a share purchase agreement dated 6 April 2017, Shandong Gold Mining (Hong Kong) Co., Limited ("SDG Hong Kong"), established in Hong Kong, as the acquiring entity, acquired a 50% equity interest in Argentina Gold (Bermuda) II Ltd. ("AGB II") and subscribed for a 2.1547% newly issued equity interest in Minera Andina Del Sol S.R.L. ("MAS"), a non-wholly owned subsidiary of AGB II), and purchased a 50% shareholder's loan in MAS held by Barrick Gold Corporation ("Barrick"). The acquisition price was USD960 million (adjusted to USD990 million in November 2017 based on several financial indicators under the share purchase agreement, equivalent to approximately RMB6,705 million). Of this amount, USD141 million (equivalent to approximately RMB935 million) was used to purchase the 50% shareholder's loan in MAS.

Through the above transactions, SDG Hong Kong directly and indirectly holds a 50% equity interest in MAS. The Company and Barrick will jointly operate the Veladero Gold Mine in Argentina owned by MAS, with each party consolidating 50% of its results. The Company has accounted for its investment in the AGB II Group as a joint operation since 30 June 2017, consolidating its assets, liabilities, and profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X. INTERESTS IN OTHER ENTITIES *(Continued)*

5. Interests in structured entities not included in the scope of consolidated financial statements

Explanation of structured entities not included in the scope of consolidated financial statements:

☒Applicable ☐N/A

As of 30 June 2026, the net assets of structured entities managed by the Company and in which the Company held interests that were not included in the consolidated financial statements amounted to RMB126,492,925.53. The Company's interests in the above structured entities that were not included in the consolidated financial statements were classified as financial assets held for trading and other non-current financial assets. The book value and maximum exposure were RMB37,782,865.32, of which the financial assets held for trading were RMB36,749,165.32 and the other non-current financial assets were RMB1,033,700.00.

From January to June 2026, the income obtained by the Company from such structured entities, including management fees and performance-based remuneration, totaled RMB147,927.09.

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XI. GOVERNMENT GRANTS

1. Government grants recognised at the end of the Reporting Period at the amount receivable

☒Applicable ☐N/A

Closing balance of receivables is 0 (Unit: RMB)

Reasons for not receiving the estimated amount of government grants at the estimated time

☐Applicable ☒N/A

2. Debt items involving government grants

☒Applicable ☐N/A

Unit: RMB

Item in financial statements	Opening balance	New grants during the period	Include in non-operating income for the period	Include in other income for the period	Other changes for the period	Closing balance	Asset-related/ income-related
Deferred income	6,825,266.01	2,373,000.00		2,255,672.84	150,000.00	6,792,593.17	Income-related
Deferred income	8,347,197.11			99,165.78		8,248,031.33	Asset-related
Total	15,172,463.12	2,373,000.00	-	2,354,838.62	150,000.00	15,040,624.50	/

3. Government grants included in profit or loss for the period

☒Applicable ☐N/A

Unit: RMB

Type	Amount for the current period	Amount for the last period
Related to assets	99,165.78	100,805.58
Related to income	17,805,448.94	8,594,270.37
Total	17,904,614.72	8,695,075.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Risk associated with financial instruments

√Applicable □N/A

The Company is faced with various financial instrument risks in its daily activities, mainly including market risks (such as exchange rate risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the aforementioned risks are kept within an acceptable range.

1. Objectives and policies of various risk management

The objective of the Group's risk management is to obtain an appropriate balance between risk and return, minimise negative impact of risk on the Group's operating results and maximise benefits of shareholders and other equity investors. Based on this objective of risk management, the basic risk management strategy of the Group is to identify and analyse various risks faced by the Group, establish an appropriate risk tolerance bottom line and conduct risk management, and supervise various risks in a timely and reliable manner to control risks within a limited scope.

(1) Market risk

1) Exchange rate risk

The Group is exposed to exchange rate risk primarily related to the US dollar, Singapore dollar, Canadian dollar, Hong Kong dollar, and Ghanaian Cedi. Except for several subsidiaries that conduct purchases and sales in US dollars, the Group's other major business activities are denominated and settled in Renminbi. The Group closely monitors the impact of exchange rate fluctuations on its operations.

2) Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The Company's interest rate risk mainly arises from bank borrowings. The Company maintains good relationships with banks, rationally designs credit lines, credit products, and credit terms to ensure sufficient bank credit facilities to meet its various short-term financing needs. Furthermore, by shortening the term of individual borrowings and specifically including early repayment clauses, the Company reasonably mitigates interest rate fluctuation risk.

3) Price risks

(1) Commodity price risk

The Company's price risks mainly come from bulk metal trading prices. In order to stabilize the risk of price fluctuations, when conducting metal trading, the Company generally purchases similar futures products in the futures market to avoid the risk of price fluctuations or hedges corresponding forward bulk metal purchase contracts. Since the financial derivatives market itself has certain systemic risks, it is necessary to make reasonable and effective predictions on price trends when conducting hedging operations. Once the price forecast deviates, it may affect the effect of hedging business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Risk associated with financial instruments *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(2) Credit risk

The Group manages credit risk on a portfolio basis. Credit risk primarily arises from monetary funds, notes receivable, accounts receivable, receivables financing other receivables, contract assets, long-term receivables, etc.

To mitigate credit risk, the Group establishes a special department to determine a credit line and conduct credit approvals, and makes other monitoring procedures to assure that necessary measures are taken to recover overdue receivables. In addition, the Group checks the recovery of each individual receivable on each balance sheet date, so as to ensure that adequate provisions are made for irrecoverable amounts. As a result, the Group's management deems that the Group's credit risk exposure has been substantially reduced.

The Group's monetary funds are mainly deposited with banks with high credit ratings; accordingly, the related credit risk is low.

The Group had taken necessary measures to make sure all customers have a good credit record. Other than the five largest amounts of accounts receivable and contract assets, the Group does not have other significant credit risk concentrations. The aggregate of the five largest amounts of accounts receivable and contract assets of the Group amounted to RMB237,251,172.01, accounting for 59.18% of the Company's total accounts receivable and contract assets.

1) Standards to judge whether credit risk significantly increases

On each balance sheet date, the Group determines whether the credit risk of financial instruments has increased significantly after initial recognition, by comparing the probability of default during the estimated existing period of financial instruments as determined at the initial recognition, with the probability of default during the estimated existing period of such instruments as determined at the balance sheet date. However, if the Group believes that a financial instrument has only a low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Group's main criteria for determining a significant increase in credit risk are as follows: more than 30 days overdue, or significant changes in one or more of the following indicators: serious adverse changes in the debtor's operating environment, internal and external credit ratings, actual or expected operating revenue, etc. (Usually, if a financial instrument has been overdue for more than 30 days, then this indicates that the credit risk of this financial instrument has increased significantly. If it is judged that the credit risk has not increased significantly (applicable to financial assets using the general model of expected credit losses), the basis for determining that credit risk has not increased significantly since initial recognition despite overdue for more than 30 days must be disclosed.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Risk associated with financial instruments *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(2) Credit risk *(Continued)*

2) Definition of assets that have suffered credit impairment

If one or more events that adversely affect the expected future cash flows of a financial asset happen, then the financial asset will become a financial asset that has suffered a credit impairment. The Group's primary standard for determining that a credit impairment has happened is the number of overdue days exceeding 90 days, but in some cases the Group also regards credit impairment as having occurred if internal or external information demonstrates that the contract amount may not be recovered in full before considering any credit enhancement. The credit impairment of financial assets may be engendered by the combination of multiple events, not necessarily by individual identifiable events.

Evidence that a credit impairment of a financial asset has happened incorporates the following observable information: the issuer or the debtor undergoes serious financial difficulties; breach of contracts by the debtor, such as default or delay in payment of interest or principal; the Group gives concessions to the debtor that it would not have made in any other circumstances for economic or contractual reasons relating to the debtor's financial difficulties; the debtor is likely to become insolvent or undergo other financial restructuring; the issuer or the debtor's financial difficulties will make an active market for the financial asset disappear.

(3) Liquidity risk

Liquidity risk means the Company will not be able to perform its financial obligations on the maturity date. The Company's method of managing liquidity risk is to assure that there is sufficient liquidity to fulfill obligations as they mature, without incurring unacceptable losses or causing damage to the Company's reputation. The Company regularly analyses the structure and maturity of its liabilities to ensure adequate funding. The Company's management supervise the use of bank borrowings and ensures compliance with the borrowing agreements. Meanwhile, the Company shall conduct financing consultations with financial institutions to maintain a certain credit line and reduce liquidity risks.

2. Hedging

(1) The Company conducts hedging business for risk management

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

(2) The Company conducts eligible hedging business and applies hedge accounting

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

2. Hedging *(Continued)*

- (3) The Company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

☒Applicable ☐N/A

Item	Reasons for Not Applying Hedge Accounting	Impact on Financial Statements
Foreign exchange forward contracts	The Company engages in foreign exchange derivative transactions closely related to its daily operations and strictly controls risks. Considering the short duration of such transactions and the cost-benefit of processing hedge accounting related financial information, hedge accounting was not applied in the current period.	Foreign exchange forward contracts are accounted for and presented in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.
Commodity options contracts	The Company strictly conducts futures contract transactions corresponding to the dynamic quantity of spot goods and strictly controls risks. Considering the short duration of commodity futures trading and the cost-benefit of processing hedge accounting-related financial information, hedge accounting was not applied in the current period.	Futures contracts are accounted for and presented in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and are accounted for separately from spot transactions.

Other explanations

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

3. Transfer of financial assets

(1) By transfer method

☒Applicable ☐N/A

Unit: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Confirmation of derecognition	Basis for derecognition
Endorsement/ discounting	Notes receivable	81,982,917.02	Not derecognised	Where the Company retains almost all the risks and rewards, including the risk of default associated with it
Endorsement/ discounting	Receivables financing	1,172,682,175.91	Derecognised	Where the Company transferred substantially all of its risks and rewards
Total	/	1,254,665,092.93	/	/

(2) Financial assets derecognised due to transfer

☐Applicable ☒N/A

(3) Transferred financial assets with continuing involvement

☐Applicable ☒N/A

Other explanations

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE

1. Fair value of assets and liabilities measured at fair value as at the end of the period

√Applicable □N/A

Unit: RMB

Item	Fair value at the end of the period				Total
	Fair value measurements categorised into Level 1	Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3		
I. Measurement of fair value on an ongoing basis					
(I) Financial assets held for trading	879,699,690.77	1,322,444,978.55	616,657,738.96		2,818,802,408.28
1. Financial assets measured at fair value through profit or loss	879,699,690.77	1,322,444,978.55	616,657,738.96		2,818,802,408.28
(1) Investment in debt instruments	409,934,605.46	547,902,964.00			957,837,569.46
(2) Investment in equity instruments	332,396,171.54	774,542,014.55	616,657,738.96		1,723,595,925.05
(3) Derivative financial assets	137,368,913.77				137,368,913.77
2. Financial assets designated at fair value through profit or loss					
(1) Investment in debt instruments					
(2) Investment in equity instruments					
(II) Other debt investment					
(III) Investment in other equity instruments				29,319,822.20	29,319,822.20
(IV) Investment properties					—
1. Leased land use rights					—
2. Leased buildings					—
3. Land use rights held for sale after appreciation					—
(V) Biological assets					—
1. Consumable biological assets					—
2. Productive biological assets					—
(VI) Other non-current financial assets		2,451,928,318.63			2,451,928,318.63
Total assets measured at fair value on an ongoing basis					
	879,699,690.77	3,774,373,297.18	645,977,561.16		5,300,050,549.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE (Continued)

1. Fair value of assets and liabilities measured at fair value as at the end of the period (Continued)

Item	Fair value at the end of the period			Total
	Fair value measurements categorised into Level 1	Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3	
(VII) Financial liabilities held for trading	1,104,428.00	26,737,930.89		27,842,358.89
1. Financial liabilities measured at fair value through profit or loss	1,104,428.00			1,104,428.00
Including: Issued tradable bonds				-
Derivative financial liabilities	1,104,428.00			1,104,428.00
Others				-
2. Financial liabilities designated at fair value through profit or loss		26,737,930.89		26,737,930.89
Total liabilities measured at fair value on an ongoing basis	1,104,428.00	26,737,930.89		27,842,358.89
II. Non-continuous measurement of fair value				
(I) Assets held for trading				
Total assets measured at fair value not on an ongoing basis				
Total liabilities measured at fair value not on an ongoing basis				

2. Basis for determining the market value of continuous and non-continuous level 1 fair value measurement items

√Applicable ☐ N/A

Financial assets held for trading include stocks, bonds, and equity investments, for which the quoted prices obtained from exchanges serve as the basis for determination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE *(Continued)*

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 2 fair value measurement items

√Applicable ☐N/A

Asset management plans, trust plans, private investment funds, etc., classified as financial assets held for trading and other non-current financial assets, are valued based on the valuation of the underlying assets, using the net asset value as the valuation basis. Stocks within other non-current financial assets are determined using the comparable company method, applying a certain liquidity discount, with significant parameters being observable inputs. Financial liabilities held for trading related to gold leasing are adjusted and determined based on prices published by the Shanghai Gold Exchange. Interests in structured entities and other holdings within financial liabilities held for trading are valued based on the valuation of the underlying assets, using the net asset value as the valuation basis.

4. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 3 fair value measurement items

√Applicable ☐N/A

Funds and asset management plans classified as financial assets held for trading and other non-current financial assets are calculated based on the valuation of the underlying assets or the net asset value method. Trust plans within other non-current financial assets are determined based on the expected rate of return. Other equity instrument investments, such as Shanghai Gold Exchange membership seats and futures membership seats, lack an active market and are measured at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIII. FAIR VALUE DISCLOSURE *(Continued)*

5. Reconciliation of opening and closing book value for continuous level 3 fair value measurement items and sensitive analysis of unobservable inputs

☒Applicable ☐N/A

For continuous level 3 fair value measurements, fair value is determined using valuation techniques, such as discounted cash flow models and the comparable company method. These primarily involve private equity funds and trust plans. Trust plans are valued using discounted cash flow models. The underlying investments of private equity funds primarily consist of unlisted equity. The comparable company method is applied to select comparable companies in the same industry with similar key financial policies to the target company, calculating the PE, PB, and PS of these comparable companies. A liquidity discount is considered, the expected exit date of the equity is estimated, the volatility of the comparable companies is calculated, and an option model is used to compute the liquidity discount for the comparable companies. The classification within Level 3 fair value measurement is generally determined based on the significance of unobservable inputs to the entire fair value measurement.

6. Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion

☐Applicable ☒N/A

7. Changes in valuation techniques during the current period and reason for such change

☐Applicable ☒N/A

8. Fair value of financial assets and financial liabilities not measured at fair value

☐Applicable ☒N/A

9. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Parent Company of the Company

☒Applicable ☐N/A

Unit: RMB0'000

Name of the parent company	Place of registration	Business nature	Registered capital	Shareholding ratio of the parent company in the Company (%)	Proportion of voting rights of the parent company in the Company (%)
Shandong Gold Group Co., Ltd.	Jinan	Gold geological exploration	366,000.00	42.9761	42.9761

Explanation of the parent company of the Company

The principal business of the parent includes: gold geological exploration and mining; power supply for gold mines; purification, processing, production, and sales of gold jewelry; gold beneficiation and smelting and technical services; purification, processing, production, and sales of precious metal and non-ferrous metal products; production and sales of specialized equipment and supplies for gold mines, and building materials; property management.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government.

2. Subsidiaries of the company

For the details of subsidiaries of the Company, please refer to the note

☒Applicable ☐N/A

For details of subsidiaries, please refer to the section "X.1. (1) Constitution of the Group" in this note.

3. Joint ventures and associates of the company

For details of major joint ventures and associates of the Company, please refer to the note

☒Applicable ☐N/A

For details of major joint ventures and associates of the Company, please refer to Note "X. 3. (1) Major joint ventures and associates".

Balance of related party transaction between the Company and its other joint ventures or associates during the period or prior periods are as follows

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

4. Other related parties

√Applicable □N/A

Name of other related parties	Relationship between other related parties and the Company
SDG Electricity Co., Ltd. (山東黃金電力有限公司)	A wholly owned subsidiary of the parent company
SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	A wholly owned subsidiary of the parent company
Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	A wholly owned subsidiary of the parent company
SDG Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group (Shanghai) International Trade Co., Ltd. (山東黃金集團(上海)國際貿易有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	A wholly owned subsidiary of the parent company
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	A wholly owned subsidiary of the parent company
Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group (Hainan) International Trade Co., Ltd. (山東黃金集團(海南)國際貿易有限公司)	A wholly owned subsidiary of the parent company
SDG Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	A wholly owned subsidiary of the parent company
Shanghai Jinlan Investment Co., Ltd. (上海金嵐投資有限公司)	A wholly owned subsidiary of the parent company
Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	A wholly owned subsidiary of the parent company
SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Senior Technical School (山東黃金高級技工學校)	A wholly owned subsidiary of the parent company
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	A holding subsidiary of the parent company
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	A holding subsidiary of the parent company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

4. Other related parties *(Continued)*

Name of other related parties	Relationship between other related parties and the Company
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	A holding subsidiary of the parent company
Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	Others
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Others
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Others
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	Others
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Others
Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	Others
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Others
SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	Others
Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	Others
Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	Others
Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不鏽鋼製品有限公司)	Others
Penglai Jinxin Copper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	Others
Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Others
Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	Others
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Others
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Others
XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)	Others
XilinGol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	Others
Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	Others

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Others
Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	Others
Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	Others
Shandong Yiyang Health Group Laizhou Kangyang Industry Co., Ltd. (山東頤養健康集團萊州康養產業有限公司)	Others
Shanjin Guocheng (Qingdao) Industrial Co., Ltd. (山金國城(青島)實業有限公司)	Others
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	Others
Shandong Gold Group Co., Ltd. Laizhou Xinli Branch (山東黃金集團有限公司萊州鑫利分公司)	Others
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	Others
Shandong Gold Group (Jinan) International Trade Co., Ltd. (山東黃金集團(濟南)國際貿易有限公司)	Others
Shanjin Wisdom (Suzhou) Supply Chain Co., Ltd. (山金智慧(蘇州)供應鏈有限公司)	Others
Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	Others
Shanjin Western Geological and Minerals Exploration Co., Ltd. (山金西部地質礦產勘查有限公司)	Others
Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	Others
Shandong Yiyang Health Group Industrial Holdings Co., Ltd. (山東頤養健康集團實業控股有限公司)	Others
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	Others
Shanjin Wisdom (Shanghai) Supply Chain Technology Co., Ltd. (山金智慧(上海)供應鏈科技有限公司)	Others

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions

(1) Related party transactions of purchase and sales of goods and rendering and receiving services

Table of purchase of goods/receiving of services

√Applicable □N/A

Unit: RMB0'000

Related party	Related transaction content	Amount for the current period	Approved transaction amount (if applicable)	Whether the approved transaction amount was exceeded (if applicable)	Amount for the last period
SDG Electricity Co., Ltd. (山東黃金電力有限公司)	Electricity fees, engineering labor costs, materials, etc.	30,070.64			34,302.20
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Alloy gold	20,592.61			22,024.59
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Alloy gold	19,814.16			10,233.13
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Alloy gold, processing fees	47,543.43			22,048.17
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	Labor engineering, lab fees, exploration fees, report preparation fees, etc.	1,528.84			372.08
SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	Equipment and materials costs, design fees, engineering labor costs, etc.	549.96			418.05
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Processing fees	577.59			1,820.23
Shandong Gold Senior Technical School (山東黃金高級技工學校)	Training fees	2,135.70			1,466.34
SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	Supervision fees, consulting fees	420.64			382.3
Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	Surveying fees				1,792.61
Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	Appraisal service fees, technical service fees	7,833.33			3,893.77
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	Engineering costs, decoration fees	9,364.54			6,835.78
Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	Materials	357.09			298.33
Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不銹鋼製品有限公司)	Purchase of rock bolts, mesh screens, bolt plates	205.40			95.48
Penglai Jinxin Copper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	Purchase of rock bolts, mesh screens	1,792.42			1,356.61
Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	Environmental monitoring and geological environment monitoring	225.15			2.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1) Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table of purchase of goods/receiving of services (Continued)

Related party	Related transaction content	Amount for the current period	Approved transaction amount (if applicable)	Whether the approved transaction amount was exceeded (if applicable)	Amount for the last period
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	Engineering costs	591.72			317.56
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Alloy gold	6,989.92			11,985.17
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	Labor fees	9.59			5.66
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	Property management fees, parking, consumables	158.12			64.99
SDG Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	Receiving of services	279.84			
Shanghai Jinlan Investment Co., Ltd. (上海金嵐投資有限公司)	Receiving of services	48.24			
Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	Receiving of services	5,475.38			4,654.56
Total		156,564.31			124,370.21

Table on sales of goods/providing of services

√Applicable □N/A

Unit: RMB0'000

Related party	Related transaction content	Amount for the current period	Amount for the last period
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Concentrate silver	4,291.52	2,685.60
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Gold, processing fees	13,310.73	13,110.82
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Froth ore lead-zinc	302.60	1,339.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1) Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table on sales of goods/providing of services (Continued)

Related party	Related transaction content	Amount for the current period	Amount for the last period
Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	Equipment costs, technical service fees	553.09	363.46
Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Equipment costs	106.78	926.06
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Zinc concentrate, silver content in zinc concentrate, alloy gold, futures handling fees	8,683.60	23,493.44
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	By-products, futures handling fees	2,033.92	754.08
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Equipment costs		64.60
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	Sales of goods, water fees	0.41	2.35
Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	Concentrate sales	16,218.40	3,828.00
Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	Concentrate sales	40,186.13	14,928.11
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	Contracted engineering projects	0.12	141.57
XilinGol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	Mining equipment	12.74	
Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	Material costs	277.40	262.39
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	Gold		9,123.14
Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	Technical services	96.73	7.50
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Mining equipment	30.53	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1) Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table on sales of goods/providing of services (Continued)

Related party	Related transaction content	Amount for the current period	Amount for the last period
Shandong Gold Group (Hainan) International Trade Co., Ltd. (山東黃金集團(海南)國際貿易有限公司)	Futures handling fees		0.05
Shandong Gold Group (Shanghai) International Trade Co., Ltd. (山東黃金集團(上海)國際貿易有限公司)	Futures handling fees	0.05	0.03
Shanjin Guocheng (Qingdao) Industrial Co., Ltd. (山金國城(青島)實業有限公司)	Futures handling fees		0.03
Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	Office supplies, etc.		0.20
Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	Equipment costs		5.25
XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)	Equipment costs		24.37
Shanjin Wisdom (Suzhou) Supply Chain Co., Ltd. (山金智慧(蘇州)供應鏈有限公司)	Futures handling fees	0.01	
Shanjin Wisdom (Shanghai) Supply Chain Technology Co., Ltd. (山金智慧(上海)供應鏈科技有限公司)	Futures handling fees	0.20	
Shandong Gold Group (Jinan) International Trade Co., Ltd. (山東黃金集團(濟南)國際貿易有限公司)	Futures handling fees	0.02	
Shandong Yiyang Health Group Laizhou Kangyang Industry Co., Ltd. (山東頤養健康集團萊州康養產業有限公司)	Power	0.22	
Total		86,105.20	71,060.08

Explanation about related party transactions of purchase and sales of goods and rendering and receiving services

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(2) Related entrusted management/contracting and entrusted management/outsourcing

Statement on entrusted management/contracting by the Company:

☒ Applicable ☐ N/A

Unit: RMB0'000

Entrusting party	Entrusted party	Type of entrustment	Date of the commencement of the trusteeship	Date of the termination of the trusteeship	Basis of pricing for the trusteeship	Entrusted revenue recognised in the current period
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	188.68	94.34
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	37.74	18.87
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	132.08	66.04
Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司)	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	18.87	9.44

Explanation about related trusteeship/contracting

☐ Applicable ☒ N/A

Statement on management/outsourcing entrusted by the Company:

☐ Applicable ☒ N/A

Explanation about related management/contracting

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions *(Continued)*

(3) Related leasing

The Company as lessor:

☒Applicable ☐N/A

Unit: RMB0'000

Name of lessee	Type of leased asset	Lease income recognised for the current period	Lease income recognised for the last period
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Land		31.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(3) Related leasing (Continued)

The Company as lessee:

√Applicable □N/A

Unit: RMB'000

Name of lessor	Type of leased asset	Amount for the current period				Amount for the last period			
		Short-term lease and low-value asset expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses	Interest expenses of lease liabilities	Right-of-use asset acquired	Short-term lease and low-value asset expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	Land, buildings	9.43			40.45				849.60
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限公司)	Transportation vehicles	138.63		99.46	13.86	154.53	20.68		128.32
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限公司)	Transportation vehicles	119.65		101.62	7.86	-	40.30		436.73
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠臨(上海)商業管理有限公司)	Buildings	22.70		789.89	50.86	-	22.70		491.89
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	Land	-		-	-	-	-		-
Shandong Gold Group Co., Ltd. Laizhou Xinli Branch (山東黃金集團有限公司萊州鑫利分公司)	Buildings	24.53							-
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	Equipment	41.49							76.19
Total		356.33		990.97	113.03	154.53	83.68		1,906.54
									255.92
									9,112.21

Explanation about related leasing

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4) Related party guarantee

The Company as guarantor

☐ Applicable ☒ N/A

The Company as guaranteed party

☐ Applicable ☒ N/A

Explanation about related guarantees

☐ Applicable ☒ N/A

(5) Funding from related party

☒ Applicable ☐ N/A

Unit: RMB

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Funds received				
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2026-01-12	2026-01-16	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2026-01-26	2026-01-29	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	39,400,000.00	2023-04-12	2026-03-18	General loan
Shandong Gold Group Finance Co., Ltd.	24,400,000.00	2023-09-18	2026-09-17	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-09-18	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,400,000.00	2025-05-19	2028-05-18	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-05-19	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	21,400,000.00	2025-06-10	2028-06-09	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-06-10	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	15,000,000.00	2025-07-14	2026-07-13	General loan
Shandong Gold Group Finance Co., Ltd.	18,000,000.00	2026-04-10	2027-04-9	General loan
Shandong Gold Group Finance Co., Ltd.	19,700,000.00	2024-07-04	2026-05-13	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions *(Continued)*

(5) Funding from related party *(Continued)*

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	9,500,000.00	2023-12-26	2026-12-25	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-12-26	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,500,000.00	2024-05-27	2027-05-26	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-05-27	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	24,600,000.00	2024-08-07	2027-08-06	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-08-07	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	95,000,000.00	2025-01-15	2026-01-7	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2025-07-15	2026-07-14	General loan
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-09-09	2026-09-08	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2025-11-12	2026-11-11	General loan
Shandong Gold Group Finance Co., Ltd.	95,000,000.00	2026-01-15	2027-01-14	General loan
Shandong Gold Group Finance Co., Ltd.	59,500,000.00	2024-01-22	2027-01-21	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-01-22	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	39,500,000.00	2024-03-05	2027-03-04	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-03-05	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	67,600,000.00	2024-08-21	2027-08-20	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-08-21	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	38,000,000.00	2024-09-09	2027-09-08	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-09-09	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-10-11	2027-10-10	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions *(Continued)*

(5) Funding from related party *(Continued)*

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	68,000,000.00	2024-11-07	2027-11-06	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-11-07	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	38,500,000.00	2025-02-24	2028-02-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-02-24	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,400,000.00	2025-05-26	2028-05-25	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-05-26	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	28,500,000.00	2025-06-06	2028-06-05	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-06-06	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,600,000.00	2024-07-03	2027-07-02	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-07-03	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	37,600,000.00	2024-07-12	2027-07-11	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-07-12	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	28,000,000.00	2024-09-09	2027-09-08	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-09-09	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	43,000,000.00	2024-10-11	2027-10-10	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	38,500,000.00	2025-01-13	2028-01-12	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-01-13	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,100,000.00	2025-01-21	2028-01-20	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions *(Continued)*

(5) Funding from related party *(Continued)*

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	300,000.00	2025-01-21	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2025-03-19	2028-03-18	General loan
Shandong Gold Group Finance Co., Ltd.	28,500,000.00	2025-03-25	2028-03-24	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-03-25	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	37,500,000.00	2025-04-29	2028-04-28	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-04-29	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	27,400,000.00	2025-06-03	2028-06-02	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-03-25	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	18,600,000.00	2025-07-17	2028-07-16	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-07-17	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,600,000.00	2025-07-23	2028-07-22	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-07-23	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,000,000.00	2025-08-20	2028-08-19	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-08-20	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	9,600,000.00	2025-09-24	2028-09-23	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-09-24	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	19,600,000.00	2025-12-12	2028-12-11	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-12-12	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	17,000,000.00	2025-03-17	2026-03-16	General loan
Shandong Gold Group Finance Co., Ltd.	23,000,000.00	2025-12-19	2026-12-18	General loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions *(Continued)*

(5) Funding from related party *(Continued)*

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	17,000,000.00	2026-03-16	2027-03-15	General loan
Shandong Gold Group Finance Co., Ltd.	19,600,000.00	2024-07-24	2027-07-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-07-24	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	14,600,000.00	2024-08-16	2027-08-15	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-08-16	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	14,200,000.00	2024-10-17	2027-10-16	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-10-17	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,200,000.00	2024-11-11	2027-11-10	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-11	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	29,200,000.00	2024-11-27	2027-11-26	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-27	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	33,500,000.00	2025-01-09	2028-01-08	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-01-09	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	28,500,000.00	2025-02-05	2028-02-04	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-02-05	2026-06-22	General loan
Shandong Gold Group Finance Co., Ltd.	17,400,000.00	2025-05-06	2028-05-05	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-05-06	2026-06-22	General loan

The interest rate range was 2.01%-2.80%. The total interest payable for the current period amounted to RMB22.2327 million, while the actual interest repaid was RMB22.2327 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions *(Continued)*

(6) Asset transfer and debt restructuring of related parties

☐Applicable ☒N/A

(7) Remuneration of key management personnel

☒Applicable ☐N/A

Unit: RMB0'000

Item	Amount for the current period	Amount for the last period
Remuneration of key management personnel	209.60	197

(8) Other related party transactions

☒Applicable ☐N/A

Unit: RMB0'000

Lessor	Type of leased asset	Lease expense recognised for the current period	Lease expense recognised for the last period
Shandong Gold Group Co., Ltd.	Trademark rights	61.32	68.87
Total		61.32	68.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items

(1) Amounts due from related parties

√Applicable □N/A

Unit: RMB0'000

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	10,901.30	545.07	11,625.12	581.26
Accounts receivable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	911.47	61.94	894.50	44.73
Accounts receivable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	471.37	38.02	1,312.70	116.09
Accounts receivable	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	422.53	21.13		
Accounts receivable	Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	241.68	19.17	159.30	7.97
Accounts receivable	Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	228.90	21.34	301.97	15.11
Accounts receivable	Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	164.65	49.40	164.65	32.93
Accounts receivable	XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)	161.20	8.86		
Accounts receivable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	112.47	5.62	282.05	14.62
Accounts receivable	Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	80.50	3.53	105.50	5.28
Accounts receivable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	45.48	7.00	169.18	112.47
Accounts receivable	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)			211.30	10.56
Accounts receivable	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	62.19	3.11	588.93	29.45
Accounts receivable	Other Related Parties	133.30	36.45	233.27	31.37
Notes receivable	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	9,500.00	475.00	11,500.00	575.00
Notes receivable	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	6,000.00	300.00	1,000.00	50.00
Notes receivable	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	1,320.00			
Notes receivable	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	448.87			
Notes receivable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	276.74			
Notes receivable	Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	10.00			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Item (Continued)

(1) Amounts due from related parties (Continued)

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Notes receivable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	2.90	1.03		
Other receivables	Shandong Yiyang Health Group Industrial Holdings Co., Ltd. (山東頤養健康集團實業控股有限公司)	366.97	366.97	366.97	144.20
Other receivables	Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	313.49	15.67		
Other receivables	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	157.79	15.78	238.94	14.17
Other receivables	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	111.42	0.85	17.08	0.85
Other receivables	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	95.03	8.03		
Other receivables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	11.33	0.57	126.70	6.34
Other receivables	Other Related Parties	289.11	47.23	285.78	28.38
Prepayments	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	236.01		162.04	
Prepayments	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)			3,100.00	
Prepayments	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	6.29		15.72	
Prepayments	Other Related Parties	36.65		79.70	
Other non-current assets	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	1,858.31		2,652.78	
Other non-current assets	SDG Electricity Company Limited (山東黃金電力有限公司)	190.20		249.60	
Other non-current assets	Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	89.99		89.99	
Other non-current assets	Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	4.74			
Other non-current assets	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)			50.00	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Item (Continued)

(2) Amounts due to related parties

√Applicable □N/A

Unit: RMB0'000

Name of item	Related party	Closing balance	Opening balance
Accounts payable	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	345,454.37	345,741.29
Accounts payable	SDG Electricity Company Limited (山東黃金電力有限公司)	5,540.15	5,432.62
Accounts payable	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	4,379.09	5,431.91
Accounts payable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	3,869.08	
Accounts payable	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	2,760.94	1,971.58
Accounts payable	Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	2,175.10	2,978.85
Accounts payable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	3,239.73	2,540.45
Accounts payable	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	1,405.65	2,136.55
Accounts payable	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	1,262.68	
Accounts payable	Penglai Jinxin Copper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	1,237.51	1,304.43
Accounts payable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	1,118.15	1,068.87
Accounts payable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	1,071.45	942.79
Accounts payable	Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	1,008.51	
Accounts payable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	886.89	886.89
Accounts payable	Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	671.18	396.82
Accounts payable	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	507.75	653.80
Accounts payable	Shanjin Western Geological and Minerals Exploration Co., Ltd. (山金西部地質礦產勘查有限公司)	337.25	
Accounts payable	Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不銹鋼製品有限公司)	313.21	322.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Item (Continued)

(2) Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Accounts payable	Shandong Gold Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	228.76	216.50
Accounts payable	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	179.14	1,048.57
Accounts payable	Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	167.08	
Accounts payable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	163.22	
Accounts payable	Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)		685.87
Accounts payable	Other Related Parties	89.90	243.70
Notes payable	SDG Electricity Company Limited (山東黃金電力有限公司)	11,179.52	100.77
Notes payable	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	3,272.64	1,100.62
Notes payable	Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	2,843.41	2,859.15
Notes payable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	2,300.00	
Notes payable	Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	2,187.96	1,538.82
Notes payable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	1,042.27	730.51
Notes payable	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	983.29	
Notes payable	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	561.80	471.96
Notes payable	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	432.23	
Notes payable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	400.00	150.00
Notes payable	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	393.06	
Notes payable	Penglai Jinxin Copper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	326.20	1,672.18
Notes payable	Shandong Gold Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	167.58	
Notes payable	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	130.45	144.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Item (Continued)

(2) Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Notes payable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	117.40	473.14
Notes payable	Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不銹鋼製品有限公司)	110.66	
Notes payable	Other Related Parties	153.30	290.43
Advances received	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)		1.32
Dividends payable	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	28,397.30	45.01
Dividends payable	Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	4,830.70	
Dividends payable	SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	2,205.55	2,205.55
Dividends payable	Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	1,852.95	
Dividends payable	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	566.41	
Dividends payable	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	58.63	
Other payables	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	20,476.89	68,549.94
Other payables	Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	3,945.88	2,858.43
Other payables	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	1,974.69	2,154.93
Other payables	Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	1,600.00	2,600.00
Other payables	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	1,544.39	877.76
Other payables	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	1,497.45	1,568.20
Other payables	Shanjin Guocheng (Qingdao) Industrial Co., Ltd. (山金國城(青島)實業有限公司)	851.23	
Other payables	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	850.69	850.69
Other payables	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	742.88	635.58
Other payables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	496.21	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Item (Continued)

(2) Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Other payables	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	450.10	350.00
Other payables	Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	395.94	602.47
Other payables	Jinan Branch of Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司濟南分公司)	228.51	
Other payables	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	195.24	129.06
Other payables	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	148.53	111.34
Other payables	SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	121.79	121.79
Other payables	Shandong Yiyang Health Group Laizhou Kangyang Industry Co., Ltd. (山東頤養健康集團萊州康養產業有限公司)	98.72	
Other payables	Shandong Gold Senior Technical School (山東黃金高級技工學校)	74.26	297.72
Other payables	SDG Electricity Co., Ltd. (山東黃金電力有限公司)	67.75	
Other payables	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	32.00	104.39
Other payables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	18.75	402.91
Other payables	Laizhou Xinli Branch of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司萊州鑫利分公司)	6.28	160.59
Other payables	Other Related Parties	164.75	114.66
Contract liabilities	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	19,648.65	8,764.91
Contract liabilities	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	6,558.51	1,160.48
Contract liabilities	Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	5,469.12	4,921.53
Contract liabilities	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	1,516.07	
Contract liabilities	XilinGol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	802.50	
Contract liabilities	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	454.73	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Item (Continued)

(2) Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Contract liabilities	Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)		281.04
Contract liabilities	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)		202.30
Contract liabilities	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)		50.09
Contract liabilities	Other Related Parties	118.88	26.75
Non-current liabilities due within one year	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	1,660.73	2,565.00
Non-current liabilities due within one year	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	176.85	234.12
Non-current liabilities due within one year	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	175.22	114.70
Non-current liabilities due within one year	Shanghai Huilan Real Estate Development Co., Ltd. (上海惠嵐房地產開發有限公司)	103.86	
Non-current liabilities due within one year	Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	103.29	1,397.96
Non-current liabilities due within one year	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)		194.37
Other current liabilities	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	1,886.97	670.04
Other current liabilities	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	358.86	150.86
Other current liabilities	Penglai Jinxin Copper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	152.40	
Other current liabilities	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	135.36	
Other current liabilities	Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)		639.80
Other current liabilities	Other Related Parties	86.86	69.35
Lease liabilities	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	2,407.29	872.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

6. Amounts Due from/to Related Parties and Other Outstanding Item *(Continued)*

(2) Amounts due to related parties *(Continued)*

Name of item	Related party	Closing balance	Opening balance
Lease liabilities	Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	2,165.48	1,703.93
Lease liabilities	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	627.92	235.27
Lease liabilities	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	536.48	414.23
Lease liabilities	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	312.32	556.05
Lease liabilities	Shanghai Huilan Real Estate Development Co., Ltd. (上海惠嵐房地產開發有限公司)	191.69	

(3) Other items

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

7. Related party commitments

☐Applicable ☒N/A

8. Others

☐Applicable ☒N/A

XV. SHARE-BASED PAYMENT

1. Equity instruments

(1) Breakdown

☐Applicable ☒N/A

(2) Stock options or other equity instruments issued at the end of the period

☐Applicable ☒N/A

2. Information about equity-settled share-based payment

☐Applicable ☒N/A

3. Information about cash-settled share-based payment

☐Applicable ☒N/A

4. Share-based payment expense recognised in the current period

☐Applicable ☒N/A

5. Modification and cancellation of share-based payment

☐Applicable ☒N/A

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVI. COMMITMENTS AND CONTINGENCIES

I. Significant commitments

☒Applicable ☐N/A

Important external commitments, nature and amount existing on the balance sheet date

Items	Closing amount (RMB'0,000)	Opening amount (RMB'0,000)
Contracted but not recognized in the financial statements		
– Commitment to acquisition and construction of long-term assets	88,455.64	81,576.26
– Significant labor contracts	47,526.63	45,468.57
Total	135,982.27	127,044.83

2. Contingencies

(1) Significant contingencies existing as of balance sheet date

☐Applicable ☒N/A

(2) Please make a statement if the Company has no significant contingencies to disclose:

☐Applicable ☒N/A

3. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Material non-adjusting events

☐Applicable ☒N/A

2. Profit distribution

☒Applicable ☐N/A

Unit: RMB

Profit or dividend to be distributed	460,992,952.50
Profits or dividends declared after consideration and approval	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, 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 dividends for the Company's A Shares was fully distributed on 21 August 2026; the 2026 interim cash dividends for H Shares was distributed on 7 September.

3. Sales returns

☐Applicable ☒N/A

4. Description of other events after the balance sheet date

☐Applicable ☒N/A

XVIII. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period accounting errors

(1) Retrospective restatement method

☐Applicable ☒N/A

(2) Prospective application method

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVIII. OTHER SIGNIFICANT EVENTS *(Continued)*

2. Significant debt restructuring

☐Applicable ☒N/A

3. Exchange of assets

(1) Exchange of non-monetary assets

☐Applicable ☒N/A

(2) Exchange of other assets

☐Applicable ☒N/A

4. Annuity plan

☒Applicable ☐N/A

The Company's annuity contribution shall be jointly paid by the employer and employees. The funding channels for the employer's contribution shall be implemented in accordance with the relevant provisions of the state; the employees' personal contributions shall be withheld and remitted by the employer from the employees' salaries. The employer's contribution base for an employee is the employee's average monthly salary of the previous year, with a contribution ratio of 8%; the employee's personal contribution base is the employee's average monthly salary of the previous year, which is capped at three times the average social salary of the previous period, with a contribution ratio of 2%.

The Company's corporate annuity adopts the legal-person trustee management model, and the corporate annuity funds collected by the Company are managed by a trustee entrusted by the Company. The individual account consists of two sub-accounts: the employer contribution sub-account and the employee contribution sub-account, which respectively record the portion of the employer's contributions allocated to the individual employee and their investment returns, as well as the employees' personal contributions and their investment returns. The employer's contributions and their investment returns in an employee's corporate annuity individual account are attributed to the employee in accordance with certain rules. Any portion not attributed to the employee shall be recorded in the corporate account. The personal contributions and their investment returns in an employee's corporate annuity individual account shall be attributed to the employee from the very beginning.

5. Discontinued operations

☐Applicable ☒N/A

6. Segment information

(1) Basis for determining reporting segment and accounting policies

☒Applicable ☐N/A

According to the Company's internal management and reporting system, all businesses are classified into a single segment. The measurement basis of segment reporting information is consistent with accounting and measurement basis for preparation of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XVIII. OTHER SIGNIFICANT EVENTS (Continued)

6. Segment information (Continued)

(2) Financial information of reporting segments

√Applicable □N/A

Unit: RMB

Item	Gold	Silver metal	Copper metal	Iron ore concentrates	Lead metal	Zinc metal	Purchased gold	Small gold bars	Others	Inter segment elimination	Total
Revenue for January-June 2026	20,558,335,077.59	1,546,744,401.71	38,239,200.99	9,974,893.18	87,428,125.79	178,000,111.55	17,498,262,974.89	8,743,175,156.36	4,859,101,254.56		53,519,261,196.82
Cost for January-June 2026	8,979,099,580.69	496,747,088.74	16,030,737.22	3,555,033.56	28,080,318.30	58,027,579.68	17,414,191,376.87	8,661,361,821.29	4,848,011,931.36		40,475,105,467.71
Revenue for January-June 2025	17,006,208,188.51	627,654,628.20	49,817,290.57	17,084,411.69	80,570,762.60	143,743,672.49	28,462,651,994.72	4,342,804,369.82	5,897,072,159.73		56,627,607,478.33
Cost for January-June 2025	8,137,269,698.01	230,174,402.73	14,868,080.81	7,977,063.31	30,842,673.38	73,394,750.29	28,239,950,003.70	4,238,911,457.94	5,803,250,363.77		46,776,638,483.94

(3) If there is no reporting segment, or if the total assets and total liabilities of each reporting segment cannot be disclosed, the reasons should be stated

□Applicable √N/A

(4) Other explanations

□Applicable √N/A

7. Other significant transactions and events that have impacts on investors' decisions

□Applicable √N/A

8. Others

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosure by aging

√Applicable □N/A

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	580,285,511.07	4,643,794,288.24
1 to 2 years	3,421,727,051.13	49,285.66
2 to 3 years	24,642.85	
Over 3 years		
3 to 4 years	146,389.00	146,389.00
4 to 5 years		
Over 5 years		
Total	4,002,183,594.05	4,643,989,962.90

(2) Disclosure by bad-debt provision method

√Applicable □N/A

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion	Amount	Proportion	Book value	Amount	Proportion	Amount	Proportion	Book value
		(%)		(%)			(%)		(%)	
Provision for bad debts made on an individual basis										
Including:										
Provision for bad debts made on a collective basis	4,002,183,594.05	100.00	71,191.10	0.01	4,002,112,402.95	4,643,989,962.90	100.00	71,191.10	0.01	4,643,918,771.80
Including:										
The aging portfolio	617,948.45	0.02	71,191.10	11.52	546,757.35	642,591.29	0.01	71,191.10	11.08	571,400.19
Other portfolio	4,001,565,645.60	99.98			4,001,565,645.60	4,643,347,371.61	99.99			4,643,347,371.61
Total	4,002,183,594.05	/	71,191.10	/	4,002,112,402.95	4,643,989,962.90	/	71,191.10	/	4,643,918,771.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

1. Accounts receivable *(Continued)*

(2) Disclosure by bad-debt provision method *(Continued)*

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

Item made on a collective basis: The aging portfolio

Unit: RMB

Name	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	446,916.60	22,345.83	5.00
1 to 2 years			
2 to 3 years	24,642.85	4,928.57	20.00
3 to 4 years	146,389.00	43,916.70	30.00
Total	617,948.45	71,191.10	11.52

Description of provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

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.

Provisions for bad debts based on the general model of ECL

☐ Applicable ☒ N/A

Descriptions on significant movements in the book balance of accounts receivable which have seen change in loss provision for the current period:

☐ Applicable ☒ N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

1. Accounts receivable *(Continued)*

(3) Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off	
Provision for bad debts made on an individual basis					
Provision for bad debts made on a collective basis	71,191.10				71,191.10
Total	71,191.10				71,191.10

Significant recoveries or reversals of provision for bad debts during the current period:

☐Applicable ☒N/A

(4) Accounts receivable that are actually written-off for the current period

☐Applicable ☒N/A

Significant accounts receivable write-offs

☐Applicable ☒N/A

Descriptions on accounts receivable write-offs:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(5) Top five accounts receivable and contract assets categorised by debtor, in terms of closing balance

√Applicable □N/A

Unit: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Unit 6	3,421,044,245.13		3,421,044,245.13	85.48	
Unit 7	559,182,861.72		559,182,861.72	13.97	
Unit 8	19,909,563.44		19,909,563.44	0.50	
Unit 9	953,292.42		953,292.42	0.02	47,664.62
Unit 10	682,806.00		682,806.00	0.02	
Total	4,001,772,768.71			99.99	47,664.62

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

2. Other receivables

Details of items

☒Applicable ☐N/A

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	163,465,881.99	170,818,171.99
Other receivables	34,423,106,553.51	30,571,430,550.26
Total	34,586,572,435.50	30,742,248,722.25

Other explanations:

☐Applicable ☒N/A

Interests receivable

(1) *Classification of interests receivable*

☐Applicable ☒N/A

(2) *Significant overdue interest*

☐Applicable ☒N/A

(3) *Disclosure by bad debt accrual method*

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

2. Other receivables *(Continued)*

Interests receivable *(Continued)*

(4) Provisions for bad debts based on the general model of ECL

☐ Applicable ☒ N/A

(5) Status of provision for bad debts

☐ Applicable ☒ N/A

Significant recoveries or reversals of provision for bad debts during the current period:

☐ Applicable ☒ N/A

(6) Interests receivable that are actually written-off for the current period

☐ Applicable ☒ N/A

Significant Interests receivable write-offs

☐ Applicable ☒ N/A

Descriptions of write-offs:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Dividends receivable

(1) Dividends receivable

☒ Applicable ☐ N/A

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	24,154,570.00	24,154,570.00
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	57,347,862.00	64,700,152.00
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	81,963,449.99	81,963,449.99
Total	163,465,881.99	170,818,171.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

2. Other receivables *(Continued)*

Dividends receivable *(Continued)*

(2) *Significant dividends receivable aged over 1 year*

☐Applicable ☒N/A

(3) *Disclosure by bad debt accrual method*

☐Applicable ☒N/A

Provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Description of provision for bad debts made on an individual basis:

☐Applicable ☒N/A

Provision for bad debts made on a collective basis:

☐Applicable ☒N/A

(4) *Provisions for bad debts based on the general model of ECL*

☐Applicable ☒N/A

(5) *Status of provision for bad debts*

☐Applicable ☒N/A

Significant recoveries or reversals of provision for bad debts during the current period:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

2. Other receivables *(Continued)*

Dividends receivable *(Continued)*

(6) *Dividends receivable that are actually written-off for the current period*

☐ Applicable ☒ N/A

Significant dividends receivable write-off

☐ Applicable ☒ N/A

Descriptions of write-offs:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Other receivables

(1) *Disclosure by aging*

☒ Applicable ☐ N/A

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	34,325,033,332.41	30,480,418,366.25
1 to 2 years	60,880,396.84	32,522,861.30
2 to 3 years	56,126,735.63	58,496,388.17
Over 3 years		
3 to 4 years	20,021,907.84	21,555,304.04
4 to 5 years	3,330,124.42	3,505,801.32
Over 5 years	13,825,398.85	13,522,992.13
Total	34,479,217,895.99	30,610,021,713.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(2) Classification of other receivables by nature

☒ Applicable ☐ N/A

Unit: RMB

Nature of payment	Closing balance	Opening balance
Borrowings and current accounts	34,265,207,722.76	30,438,712,997.60
Security deposit	166,899,387.40	113,807,976.15
Utility bill	34,659,577.14	47,987,331.23
Reserve fund	6,709,081.76	5,772,981.22
Deposit	947,976.15	63,887.40
Others	4,794,150.78	3,676,539.61
Total	34,479,217,895.99	30,610,021,713.21

(3) Provision for bad debts

☒ Applicable ☐ N/A

Unit: RMB

	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
Provision for bad debts				
Balance at 1 January 2026	25,945,419.36		12,645,743.59	38,591,162.95
Balance at 1 January 2026 in the current period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Reverse to Stage 2				
– Reverse to Stage 1				
Provision made for the current period	17,520,179.53			17,520,179.53
Reversed in the current period				
Carried forward in the current period				
Written off in the current period				
Other changes				
Balance at 30 June 2026	43,465,598.89		12,645,743.59	56,111,342.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(3) Provision for bad debts (Continued)

Description of significant changes in the book balance of other receivables for which loss provision changed in the current period:

☐Applicable ☒N/A

Amount of provision for bad debts made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐Applicable ☒N/A

(4) Status of provision for bad debts

☒Applicable ☐N/A

Unit: RMB

Type	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Recovery or reversal	Carry forward or write-off	Other change	
Provision for bad debts made on an individual basis	12,645,743.59					12,645,743.59
Provision for bad debts made on a collective basis	25,945,419.36	17,520,179.53				43,465,598.89
Total	38,591,162.95	17,520,179.53				56,111,342.48

Significant recoveries or reversals of provision for bad debts during the current period:

☐Applicable ☒N/A

(5) Other receivables that are actually written-off for the current period

☐Applicable ☒N/A

Significant other receivables write-offs:

☐Applicable ☒N/A

Descriptions on other receivable write-offs:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(6) Top five other receivables categorised by debtor, in terms of closing balance

☒Applicable ☐N/A

Unit: RMB

Name of the entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature of receivables	Aging	Closing balance of provision for bad debts
Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Gold Mine	13,761,145,547.14	39.92	Loans and Advances	within 1 year	
Shandong Gold Mining (Laizhou) Co., Ltd. Sanshandao Gold Mine	11,316,198,197.69	32.82	Loans and Advances	within 1 year	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	2,477,236,950.30	7.18	Loans and Advances	within 1 year	
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司)	2,181,487,438.06	6.33	Loans and Advances	within 1 year	
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	1,936,000,000.00	5.61	Loans and Advances	within 1 year	
Total	31,672,068,133.19	91.86	/	/	

(7) Presented in other receivables due to centralized management of funds

☐Applicable ☒N/A

Other explanations:

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments

√Applicable □N/A

Unit: RMB

Item	Closing balance		Opening balance	
	Book balance	Impairment provision	Book balance	Impairment provision
Investments in subsidiaries	43,730,861,128.91	43,730,861,128.91	43,726,861,128.91	43,726,861,128.91
Investments in associates and joint ventures	1,106,802,902.18	1,106,802,902.18	1,091,189,411.48	1,091,189,411.48
Total	44,837,664,031.09	44,837,664,031.09	44,818,050,540.39	44,818,050,540.39

(1) Investments in subsidiaries

√Applicable □N/A

Unit: RMB

Investee	Opening balance (book value)	Movements during the period				Closing balance (book value)	Closing balance of impairment provision
		Opening balance of impairment provision	Increase in investments	Decrease in investments	Recognised an impairment provision		
Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)	448,142,073.27					448,142,073.27	
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	620,039,863.01					620,039,863.01	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	1,196,236,471.52					1,196,236,471.52	
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲龍)有限公司)	1,300,000,000.00					1,300,000,000.00	
Jinan Jinying Investment Partnership (Limited Partnership) (濟南金盈投 資合夥企業(有限合夥))							
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限 公司)	397,223,013.70					397,223,013.70	
Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限 公司)	1,597,918,904.11					1,597,918,904.11	
Chifeng Chaihanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	261,741,500.00					261,741,500.00	
Shandong Jinshi Mining Co., Ltd. (山東金石礦業有限公司)	4,892,311,849.60					4,892,311,849.60	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

Investee	Opening balance (book value)	Movements during the period				Closing balance (book value)	Closing balance of impairment provision
		Opening balance of impairment provision	Increase in investments	Decrease in investments	Recognised an impairment provision Others		
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	856,507,000.00					856,507,000.00	
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	553,200,000.00					553,200,000.00	
Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技 有限公司)	200,000,000.00					200,000,000.00	
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	4,531,145,600.00					4,531,145,600.00	
SDG Heavy Industry Co., Ltd. (山金重工有限公司)	300,000,000.00					300,000,000.00	
Hengxing Gold Holding Company Limited (Cayman) (恒興黃金控股有限公司)	2,177,638,705.18					2,177,638,705.18	
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	350,000,000.00					350,000,000.00	
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	612,072,135.67					612,072,135.67	
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	564,942,852.93					564,942,852.93	
SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)	2,008,224,235.57					2,008,224,235.57	
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	15,767,323,287.47					15,767,323,287.47	
Shanjin Mine Project (Shandong) Co., Ltd. (山金礦山工程(山東)有限公司)	28,000,000.00		4,000,000.00			32,000,000.00	
Shandong Gold Xihe Mining Co., Ltd. (山東黃金西和礦業有限公司)	270,000,000.00					270,000,000.00	
Shandong Gold Occupational Disease Prevention and Control Hospital (山東黃金職業病防治院)	100,000,000.00					100,000,000.00	
Jinan Jinyue Investment Partnership (Limited Partnership) (濟南金悅投資合夥企業(有限合夥))	1,285,000,000.00					1,285,000,000.00	
Shandong Dikuang Laijin Holdings Co., Ltd. (山東地礦來金控股有限公司)	2,828,093,636.88					2,828,093,636.88	
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	531,100,000.00					531,100,000.00	
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)	50,000,000.00					50,000,000.00	
Total	43,726,861,128.91		4,000,000.00			43,730,861,128.91	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(2) Investments in associates and joint ventures

√Applicable □N/A

Unit: RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Movements during the period								Closing balance (book value)	Closing balance of impairment provision
			Increase in investments	Decrease in investments	Investment income or loss recognised under equity method	Adjustment to other comprehensive income	Other equity changes	Declared and paid cash dividends or profits	Recognised an impairment provision	Others		
I. Joint ventures												
Subtotal												
II. Associates												
Shandong Gold Group Finance Co., Ltd. (山东黄金集团财务有限公司)	1,091,189,411.48				15,613,490.70						1,106,802,902.18	
Subtotal	1,091,189,411.48				15,613,490.70						1,106,802,902.18	
Total	1,091,189,411.48				15,613,490.70						1,106,802,902.18	

(3) Impairment testing of long-term equity investment

□Applicable √N/A

Other explanations:

□Applicable √N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

4. Operating revenue and operating costs

(1) Details of operating revenue and operating costs

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	1,051,314,169.93	662,896,888.58	1,740,291,488.60	753,030,393.85
Other activities	5,974,293.58	3,437,944.01	19,477,777.99	17,221,829.84
Total	1,057,288,463.51	666,334,832.59	1,759,769,266.59	770,252,223.69

(2) Disaggregated information of operating revenue and operating costs

☐Applicable ☒N/A

Other explanations

☐Applicable ☒N/A

(3) Explanation on performance obligations

☐Applicable ☒N/A

(4) Explanation on allocation to the remaining performance obligations

☐Applicable ☒N/A

(5) Change in significant contracts or price adjustment of significant transactions

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS *(Continued)*

5. Investment income

☒Applicable ☐N/A

Unit: RMB

Item	Amount for the current period	Amount for the last period
Long-term equity investment income accounted for under the cost method	392,495,468.66	305,212,369.57
Long-term equity investment income accounted for under the equity method	15,613,490.70	24,213,888.91
Investment income on disposal of long-term equity investment		
Investment income of held-for-trading financial assets during the period of holding		
Dividend income from investment in other equity instruments during the period of holding		
Interest income from debt investments in the period of holding		
Interest income from other debt investments in the period of holding		
Investment income on disposal of held-for-trading financial assets		
Investment income on disposal of investment in other equity instruments		
Investment income on disposal of debt investments		
Investment income on disposal of other debt investments		
Gain on debt restructuring		
Total	408,108,959.36	329,426,258.48

6. Others

☐Applicable ☒N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XX. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the current period

√Applicable □N/A

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets, inclusive of impairment allowance write-off	-5,727,469.35	
Government subsidies included in current profit or loss, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits or conditions	12,624,069.18	
Gains and losses on fair value changes arising from financial assets and financial liabilities held by non-financial entities, and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	43,161,200.47	
Capital occupancy fees from non-financial enterprises included in current profit or loss		
Profit or loss from entrusting others to invest or manage assets		
Profit or loss from external entrusted loans		
Asset loss due to force majeure factors such as natural disasters		
Reversal of provision for impairment of accounts receivable individually tested for impairment		
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates and joint ventures is less than the investment obtained	4,218,185.09	
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination		
Profit or loss from exchange of non-monetary assets		
Profit or loss from debt restructuring		
One-time costs incurred by the enterprise due to the fact that the relevant business activities ceased to be ongoing, such as expenditures for the relocation of employees		
One-time impact on current profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XX. SUPPLEMENTARY INFORMATION *(Continued)*

1. Breakdown of non-recurring profit or loss for the current period *(Continued)*

Item	Amount	Note
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the date of exercise of rights		
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model		
Gains from transactions with materially unfair transaction prices		
Profit or loss arising from contingencies irrelevant to the normal business operations of the Company		
Trusteeship fee income from entrusted operations		
Other non-operating income and expenses apart from the aforesaid items	-24,433,148.45	
Other profit and loss items that meet the definition of non-recurring profit or loss		
Less: Effect of income tax	9,440,448.83	
Effect of non-controlling interests (after tax)	21,222,320.76	
Total	-819,932.65	

The investment activities conducted by the Company's subsidiary, SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), and its subsidiaries are directly related to its normal operation. Consequently, the Company's management has not classified gains and losses on fair value changes arising from financial assets and financial liabilities held by these subsidiaries, or gains and losses arising from the disposal of financial assets and financial liabilities, as non-recurring profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XX. SUPPLEMENTARY INFORMATION (Continued)

1. Breakdown of non-recurring profit or loss for the current period (Continued)

For the items not listed in “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers — Non-recurring Profit or Loss Item” (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) recognised by the Company as non-recurring profit and loss items with significant amounts, as well as the non-recurring profit and loss items listed in “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers — Non-recurring Profit or Loss Item” (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) defined by the Company as recurring profit and loss items, the reasons shall be explained.

√Applicable ☐N/A

Unit: RMB

Item	Amount involved	Reasons
Income from custody fee of entrusted operation	1,886,792.49	

Other explanations

√Applicable ☐N/A

The Company has entered into equity trusteeship agreements with Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司), Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司), and Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司). Under these agreements, the annual trusteeship income is fixed, and the agreements remain in effect from the trusteeship commencement date until the completion of the equity transfer. Accordingly, the Company's management does not classify profit or loss related to these trusteeships as non-recurring profit or loss.

2. Return on net assets and earnings per Share

√Applicable ☐N/A

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per 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 after deduction of non- recurring profit or loss attributable to ordinary shareholders of the Company	10.16	0.72	0.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

XX. SUPPLEMENTARY INFORMATION *(Continued)*

3. Differences between accounting data expressed under domestic and overseas accounting policies

☐Applicable ☒N/A

4. Others

☐Applicable ☒N/A

Legal representative: Wang Chenglong

Reporting date approved by the Board of Directors: 28 August 2026

Modification Information

☐Applicable ☒N/A



SD GOLD