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SD-GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

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

(Stock Code: 1787)

**CONNECTED TRANSACTION
JOINT INVESTMENT WITH CONNECTED PERSON TO ESTABLISH A
JOINTLY INVESTED COMPANY**

ESTABLISHMENT OF HONG KONG TREASURY COMPANY

The Board is pleased to announce that on 16 October 2026, the Board approved the establishment of Hong Kong Treasury Company through joint capital contribution by Mining Hong Kong, a wholly-owned subsidiary of the Company, and Yacheng Company, a wholly-owned subsidiary of Gold Group Co., the controlling shareholder of the Company.

Pursuant to the Investment Agreement, the total subscribed capital contribution for the shares is RMB1 billion (or currency equivalent), which shall be contributed by the parties in cash in instalments, of which: (i) Yacheng Company shall subscribe for RMB600 million (or currency equivalent), representing an equity interest of 60%; and (ii) Mining Hong Kong shall subscribe for RMB400 million (or currency equivalent), representing an equity interest of 40%. Upon its establishment, Hong Kong Treasury Company will not become a subsidiary of the Company, and its financial results will not be consolidated into the Group's consolidated financial statements.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Gold Group Co. is the controlling shareholder of the Company. Yacheng Company is a wholly-owned subsidiary of Gold Group Co. and constitutes a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the establishment of Hong Kong Treasury Company constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the establishment of Hong Kong Treasury Company exceed 0.1% but are all less than 5%, the establishment of Hong Kong Treasury Company is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

After the establishment of Hong Kong Treasury Company, the Group will conduct day-to-day business cooperation with Hong Kong Treasury Company based on its own needs, including funds collection and deposits, fund settlement and credit, and foreign exchange and interest rate risk hedging management services. Hong Kong Treasury Company will be owned as to 60% by Yacheng Company and will constitute a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the above transactions between the Group and Hong Kong Treasury Company will constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. If the Group carries out the above transactions with Hong Kong Treasury Company in the future, the Company will fulfil the corresponding information disclosure obligations in accordance with the relevant provisions of the Hong Kong Listing Rules.

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PRINCIPAL TERMS OF THE INVESTMENT AGREEMENT

The principal terms of the Investment Agreement are summarised as follows:

Parties	Investing parties: (i) Yacheng Company (Party A); and (ii) Mining Hong Kong (Party B).
	Investee (Party C, to be established): the Hong Kong Treasury Company.

Name of Hong Kong Treasury Company	Shandong Gold (Hong Kong) Treasury Management Company Limited (tentative name, subject to registration and approval by the registration authority).
Place of registration	Hong Kong.
Total subscribed capital contribution for the shares and capital contributions	The total subscribed capital contribution for the shares is RMB1 billion (or currency equivalent). All contributions shall be made in cash, with no contribution in kind or by valuation of intellectual property rights. Yacheng Company shall subscribe for 60% of the issued shares of Hong Kong Treasury Company for a consideration of RMB600 million (or currency equivalent), thereby holding 60% equity interest in Hong Kong Treasury Company. Mining Hong Kong shall subscribe for 40% of the issued shares of Hong Kong Treasury Company for a consideration of RMB400 million (or currency equivalent), thereby holding 40% equity interest in Hong Kong Treasury Company.
Time schedule for capital contribution and payment methods	Capital contributions shall be made on a payment in instalments basis. The investing parties may, by mutual agreement and in light of actual circumstances, otherwise adjust the timing, amount or currency of capital contributions and shall enter into a written supplementary agreement. The investing parties' expected capital contribution schedule is as follows: First instalment: Capital contributions of RMB300 million or currency equivalent shall be made before 31 December 2027, accounting for approximately 30% of the total, of which Yacheng Company shall contribute RMB180 million or currency equivalent, and Mining Hong Kong shall contribute RMB120 million or currency equivalent. Second instalment: Capital contributions of RMB300 million or currency equivalent shall be made before 31 December 2030, accounting for approximately 30% of the total, of which Yacheng Company shall contribute RMB180 million or currency equivalent, and Mining Hong Kong shall contribute RMB120 million or currency equivalent.

Third instalment: Capital contributions of RMB400 million or currency equivalent shall be made before 31 December 2033, accounting for approximately 40% of the total, of which Yacheng Company shall contribute RMB240 million or currency equivalent, and Mining Hong Kong shall contribute RMB160 million or currency equivalent.

The investing parties shall pay their capital contributions by bank transfer. Each instalment shall be paid simultaneously by Yacheng Company and Mining Hong Kong in proportion to their respective subscribed contributions. In the event of any overdue capital contribution by either party, the matter shall be handled in accordance with the default liability provisions of the Investment Agreement.

Upon completion of payment by the investing parties and confirmation of receipt by Hong Kong Treasury Company, the capital contribution obligation for the relevant instalment shall be deemed fulfilled. Hong Kong Treasury Company should enter the relevant shares into the shareholder register as soon as possible and may issue share certificates.

Basis for determination of the amount of capital contribution

Each party shall make capital contributions in cash, and the equity interest of each party shall be determined in proportion to its capital contribution.

The amount of each party's capital contribution was determined after fair negotiations among the parties based on, among other things, the expected capital requirements of Hong Kong Treasury Company.

Source of funds

The funds for Mining Hong Kong's capital contribution in this instance are derived from operating profits generated from its overseas business activities. They are legally held overseas funds, and do not involve any new domestic capital contribution or cross-border outflow of funds. The funds for Yacheng Company's capital contribution in this instance mainly consist of profit distributions from subsidiaries directly or indirectly controlled by it or its own funds.

Mining Hong Kong and Yacheng Company intend to use existing overseas funds to contribute RMB300 million (or currency equivalent) in the initial stage, and subsequently increase capital gradually to RMB1 billion (or currency equivalent) according to business development needs.

**Business scope and
investment purpose**

Hong Kong Treasury Company will principally engage in the centralised operation and management of overseas funds, providing services to Gold Group Co. and the Company's overseas member entities, including funds collection and deposits, fund settlement and credit, and foreign exchange and interest rate risk hedging management (the specific scope of business shall be subject to approval by the Companies Registry in Hong Kong).

Hong Kong Treasury Company is a cost-optimisation-oriented treasury management platform. Through centralised fund management, it will reduce the overall financing costs, optimise liquidity and centrally hedge foreign exchange and interest rate risks. Its operating benefits are mainly reflected in the savings in the overall financial expenses and the containment of risk exposures.

Organisational structure

Hong Kong Treasury Company intends to have a board of directors comprising three directors, including one chairman and two directors, and shall not have a supervisor.

The arrangements for senior management personnel, including the general manager, deputy general manager(s) and the person in charge of finance, shall be stipulated in the articles of association and internal policies of the company.

**Resolutions of the board of
directors and shareholders**

Meetings of the board of directors shall be held only when attended by a majority of the directors, and each director shall have one vote. Resolutions of the board of directors shall generally be passed by a majority of all directors; proposals for the increase or reduction of the registered capital, merger, division, dissolution or change of corporate form of the company, the appointment and removal of the general manager, the annual financial budget and final accounts, and material internal risk and compliance matters shall be passed by not less than two-thirds of all directors.

Shareholders shall exercise voting rights in proportion to their capital contributions, and ordinary resolutions shall be passed by shareholders representing more than half of the voting rights. Amendments to the articles of association, increases or reductions in the registered capital, merger, division, dissolution or change of corporate form of the company, changes in the shareholding structure or the introduction of new shareholders, the provision of external guarantees exceeding 20% of net assets, and other material matters determined by the board of directors to require a special resolution shall be passed by a special resolution of the shareholders' meeting.

Profit distribution

After Hong Kong Treasury Company generates profits, Yacheng Company and Mining Hong Kong shall, in proportion to their respective shareholding (60% and 40% respectively), be entitled to shareholder dividends and distribution of residual assets.

The frequency of dividends and the specific distribution plan shall be formulated by the board of directors of Hong Kong Treasury Company and determined in accordance with the articles of association of Hong Kong Treasury Company and the shareholder reserved matters.

The relevant procedures for cross-border income and payments shall be handled by the investing parties in accordance with applicable laws, and the relevant expenses shall be borne by the investing parties themselves.

Material rights and obligations of the investing parties

The investing parties shall have the following rights: (i) to enjoy investment returns and the corresponding shareholder/investor rights in accordance with the Investment Agreement; (ii) to inspect and copy the financial statements, project progress information and funds usage ledgers of Hong Kong Treasury Company; (iii) to supervise any irregular use of funds and material operating decisions of Hong Kong Treasury Company and to require rectification; and (iv) other rights stipulated by laws and regulations and the Investment Agreement.

The investing parties shall: (i) complete their capital contributions in full and on time in accordance with the Investment Agreement, and shall not make false capital contributions or withdraw contributed capital; (ii) ensure that the sources of investment funds are lawful and comply with cross-border investment, foreign exchange administration and industry regulatory policies within and outside the PRC; and (iii) cooperate in completing investment filing, approval and the incorporation filing and the Return of Allotment required by the Hong Kong Companies Registry.

**Material rights and
obligations of Hong Kong
Treasury Company**

Hong Kong Treasury Company shall have the right to lawfully use the investment funds to carry out business activities as agreed, and shall: (i) ensure that it is a lawful entity, and maintains operational compliance, is not involved in any material litigation or arbitration, has not concealed any material operating risks, and has no title defects such as asset mortgages or seizure; (ii) use the funds for designated purposes only and shall not, without authorisation, misappropriate, lend out or embezzle the investment funds for this investment; (iii) periodically report operating data, financial reports and project progress to the investing parties and cooperate with the investing parties' compliance inspections; and (iv) timely complete profit distribution, confirmation of rights and interests, equity change registration and other matters as agreed.

**Effectiveness and term of
performance**

The Investment Agreement shall become effective on the date of signature by the authorised representatives or authorised directors of Yacheng Company and Mining Hong Kong.

The performance period of the Investment Agreement shall commence on the effective date and end on the date on which all capital contributions under this investment (including paid-in contributions in instalments) have been paid in full, the register of shareholders of Hong Kong Treasury Company has been updated, and all rights and obligations under the Investment Agreement have been performed in full. The Investment Agreement shall remain valid until all investment rights and obligations of both parties have been settled. The term of operation of Hong Kong Treasury Company shall be long-term. During its existence, the parties shall exercise their rights and perform their obligations in accordance with the Investment Agreement and the articles of association. The parties may, upon mutual agreement or in accordance with applicable laws, carry out liquidation and exit in respect of Hong Kong Treasury Company, and the residual assets shall be distributed in proportion to their respective shareholdings.

Termination

In the event of force majeure, material changes in policies, the project being unable to continue to be implemented, or other circumstances, the parties may agree in writing to rescind or terminate the Investment Agreement.

Upon termination of the Investment Agreement, the provisions relating to resolution on disputes, confidentiality, breach liabilities and liquidation shall continue to be valid.

INFORMATION ON THE PARTIES TO THE AGREEMENT

The Company and Mining Hong Kong

The Company was established by its promoters with approval from the Shandong Economic System Reform Committee (山東省經濟體制改革委員會) and the People's Government of Shandong Province (山東省人民政府) in January 2000. The Company is an integrated gold company listed on the SSE and the Hong Kong Stock Exchange in 2003 and 2018, respectively. It is one of the largest gold companies listed domestically and/or in Hong Kong that operates in the PRC. 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 financial services business and a capital investment and financing support platform.

Mining Hong Kong is a company incorporated in Hong Kong on 27 February 2017 and a wholly-owned subsidiary of the Company. It is principally engaged in trading, investment, holding and consultancy services. Upon the establishment of Hong Kong Treasury Company, Mining Hong Kong will hold 40% of the equity interest in Hong Kong Treasury Company.

Gold Group Co. and Yacheng Company

As the controlling shareholder of the Company, Gold Group Co. was established in the PRC in July 1996. Gold Group Co. 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 Gold Group Co. are mainly located in the PRC.

As at the date of this announcement, Gold Group Co. directly and indirectly holds approximately 42.9760% of the Company's issued share capital. Gold Group Co. is held as to 70%, 20% and 10% by the State-owned Assets Supervision and Administration Commission of the People's Government of Shandong Province, Shandong Development & Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司) and Shandong Caixin Asset Management Co., Ltd. (山東省財欣資產運營有限公司), respectively. Shandong Development & Investment Holding Group Co., Ltd. is a limited liability company established in the PRC and is held as to 97.88% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government.

Yacheng Company is a company incorporated in the British Virgin Islands on 30 March 2006 and a wholly-owned subsidiary of Gold Group Co. It is principally engaged in investment, holding and consultancy services. Upon the establishment of Hong Kong Treasury Company, Yacheng Company will hold 60% of the equity interest in Hong Kong Treasury Company.

Information on Hong Kong Treasury Company

Hong Kong Treasury Company is a company proposed to be newly established in Hong Kong and will be principally engaged in the centralised operation and management of overseas funds. Its equity and capital contribution arrangements are set out in the section headed "Principal Terms of the Investment Agreement" above. As Hong Kong Treasury Company is a company proposed to be newly established, no historical financial information is available for disclosure.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF HONG KONG TREASURY COMPANY

The Company's establishment of Hong Kong Treasury Company through a joint investment between Mining Hong Kong, a wholly-owned subsidiary of the Company, and Yacheng Company, a wholly-owned subsidiary of Gold Group Co., the controlling shareholder of the Company, is an investment decision made based on the Company's long-term strategic planning and business development needs. It will help further strengthen the Company's centralized management of overseas funds and build an integrated fund management system. The establishment of Hong Kong Treasury Company will help

reduce the Company's overseas financing costs and exchange rate risk hedging costs, enhance global capital allocation efficiency and risk prevention and control capabilities, and is in line with the Company's need for sustainable and healthy development.

Hong Kong Treasury Company is a cost-optimisation-oriented treasury management platform and does not engage in external operating business. Its operating benefits are mainly reflected in the reduction of the Company's financial expenses and the containment of risk exposures. This external investment will be funded by the Company's own funds and does not involve any external financing by the Company. It will not have any adverse impact on the Company's ability to continue as a going concern or its financial position, and there is no circumstance that would prejudice the interests of the Company and all its Shareholders.

At the Board meeting approving the transaction, Mr. Tang Qi, a Director, was deemed to have a material interest in the transaction by reason of holding a senior management position at Gold Group Co. and abstained from voting on the Board resolution approving the transaction. Save for the above Director, none of the other Directors has or is deemed to have a material interest in the transaction.

The Directors (including the independent non-executive Directors but excluding Mr. Tang Qi) are of the view that the terms of the Investment Agreement and the transactions contemplated thereunder will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Gold Group Co. is the controlling shareholder of the Company. Yacheng Company is a wholly-owned subsidiary of Gold Group Co. and constitutes a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the establishment of Hong Kong Treasury Company constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the establishment of Hong Kong Treasury Company exceed 0.1% but are all less than 5%, the establishment of Hong Kong Treasury Company is subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

After the establishment of Hong Kong Treasury Company, the Group will conduct day-to-day business cooperation with Hong Kong Treasury Company based on its own needs, including funds collection and deposits, fund settlement and credit, and foreign exchange and interest rate risk hedging management services. Hong Kong Treasury Company will be owned as to 60% by Yacheng Company and will constitute a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the above transactions between the Group and Hong Kong Treasury Company will constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong

Listing Rules. If the Group carries out the above transactions with Hong Kong Treasury Company in the future, the Company will fulfil the corresponding information disclosure obligations in accordance with the relevant provisions of the Hong Kong Listing Rules.

RISK WARNINGS

The establishment of Hong Kong Treasury Company is still subject to review and approval by the SASAC, the completion of the corresponding filing/reporting procedures with the NDRC and the commerce authorities (if required), the registration of the company in Hong Kong and other relevant procedures. There is uncertainty as to the approval results and the timing of completion, which may affect the progress of the project. After all approval procedures are completed, Hong Kong Treasury Company will still require a certain period for establishment and operation. In the short term, it will mainly be at the stage of system setup and personnel integration.

In its daily operations, Hong Kong Treasury Company will be exposed to various risk factors, including foreign exchange risks, interest rate risks, liquidity risks, policy, legal and compliance risks, tax risks, operational risks and geopolitical risks. The Company has formulated corresponding preventive and control measures for each risk and will continue to improve its risk management system during project implementation. Going forward, the Company will actively advance the establishment of Hong Kong Treasury Company and the subsequent development of relevant business, actively prevent and respond to various risks that may arise during the establishment and operation of Hong Kong Treasury Company, and strictly comply with the requirements of relevant laws, regulations and normative documents to timely perform its information disclosure obligations. Investors are advised to exercise caution and be aware of investment risks.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning as ascribed to it under the Hong Kong Listing Rules
“Board”	the board of directors of the Company
“Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company incorporated in the PRC under the laws of the PRC with limited liability on 31 January 2000, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1787) and the Shanghai Stock Exchange (Stock Code: 600547) respectively
“connected person(s)”	has the meaning as ascribed to it under the Hong Kong Listing Rules

“controlling shareholder(s)”	has the meaning as ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Gold Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), a limited liability company incorporated in the PRC on 16 July 1996, the controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Treasury Company”	Shandong Gold (Hong Kong) Treasury Management Company Limited (tentative name, subject to the registration and approval of the registration authority), a company to be jointly established in Hong Kong by Yacheng Company and Mining Hong Kong
“Investment Agreement”	the External Investment Contract to be entered into by Yacheng Company (Party A) and Mining Hong Kong (Party B), as the investing parties, and Hong Kong Treasury Company (Party C, to be established), as the investee, in connection with their joint investment in, and establishment of, Hong Kong Treasury Company
“Mining Hong Kong”	Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“SSE” or “Shanghai Stock Exchange”	Shanghai Stock Exchange (上海證券交易所)

“subsidiary(ies)”	has the meaning as ascribed to it under the Hong Kong Listing Rules
“Yacheng Company”	Yacheng Investment Limited (雅誠投資有限公司), a company established in the British Virgin Islands and is a wholly-owned subsidiary of Gold Group Co.
“%”	per cent

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

Jinan, the PRC, 16 October 2026

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