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**SD-GOLD**

**SHANDONG GOLD MINING CO., LTD.**

**山東黃金礦業股份有限公司**

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

**(Stock Code: 1787)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**INTERIM RESULTS HIGHLIGHTS OF 2024**

- Revenue increased to approximately RMB45,773.50 million, representing an increase of approximately 66.90% as compared to the same period of last year;
- Profit for the period was approximately RMB2,131.71 million, representing an increase of approximately 117.56% as compared to the same period of last year;
- The profit for the period attributable to owners of the Company amounted to approximately RMB1,357.00 million, representing an increase of approximately 58.79% as compared to the same period of last year;
- The basic earnings per Share attributable to owners of the Company were RMB0.26, as compared to RMB0.14 for the same period of last year; and
- The Board recommended the payment of an interim dividend of RMB0.80 per 10 Shares (tax inclusive) for the six months ended 30 June 2024, which shall be submitted to the general meeting of the Company for consideration and approval before implementation.

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2024 prepared in accordance with IFRSs.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	3	<b>45,773,495</b>	27,424,883
Cost of sales		<u>(40,107,712)</u>	<u>(24,061,735)</u>
<b>Gross profit</b>		<b>5,665,783</b>	3,363,148
Selling expenses		<b>(83,113)</b>	(59,094)
General and administrative expenses		<b>(1,415,444)</b>	(1,114,672)
Research and development expenses		<b>(258,162)</b>	(164,918)
Other income		<b>12,506</b>	8,319
Other gains and losses, net		<b>(337,129)</b>	(71,852)
Finance income		<b>94,979</b>	51,055
Finance costs		<b>(921,165)</b>	(702,317)
Share of results of associates		<u>14,777</u>	<u>18,023</u>
<b>Profit before tax</b>		<b>2,773,032</b>	1,327,692
Income tax expenses	5	<u>(641,318)</u>	<u>(347,858)</u>
<b>Profit for the period</b>		<u><b>2,131,714</b></u>	<u>979,834</u>
<b>Profit for the period attributable to:</b>			
– Owners of the Company		<b>1,357,002</b>	854,582
– Non-controlling interests		<u>774,712</u>	<u>125,252</u>
		<u><b>2,131,714</b></u>	<u>979,834</u>
<b>EARNINGS PER SHARE</b>	7		
– <b>Basic and diluted (RMB)</b>		<u><b>0.26</b></u>	<u>0.14</u>

During the Reporting Period, the profit for the period attributable to the holders of the Company's equity instruments included the interest attributable to the holders of the perpetual bonds of RMB199,444,000. After deducting the perpetual bond interest, the profit for the period attributable to ordinary shareholders of the listed company during the Reporting Period was RMB1,157,558,000. The effect of interest on perpetual bonds is deducted in the calculation of basic and diluted earnings per share.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2024*

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the period</b>	<u><b>2,131,714</b></u>	<u>979,834</u>
<b>Other comprehensive income (expense):</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<u>(235,266)</u>	<u>64,207</u>
<b>Other comprehensive income attributable to minority shareholders</b>	<u>(349)</u>	<u>–</u>
<b>Other comprehensive income (expense) for the period</b>	<u>(235,615)</u>	<u>64,207</u>
<b>Total comprehensive income for the period</b>	<u><b>1,896,099</b></u>	<u>1,044,041</u>
Total comprehensive income for the period attributable to:		
– Owners of the Company	<u><b>1,121,736</b></u>	<u>918,789</u>
– Non-controlling interests	<u><b>774,363</b></u>	<u>125,252</u>
	<u><b>1,896,099</b></u>	<u>1,044,041</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2024

		As at 30 June 2024	As at 31 December 2023
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	54,644,480	50,357,955
Investment properties		165,671	164,392
Right-of-use assets		1,467,568	1,492,974
Intangible assets		43,696,806	32,988,312
Goodwill		11,582,589	11,475,523
Investments in associates		2,536,729	2,521,951
Financial assets at fair value through other comprehensive income		28,720	28,720
Financial assets at fair value through profit or loss	9	4,735,596	4,829,857
Inventories		1,057,905	1,135,305
Deferred income tax assets		835,604	722,744
Other non-current assets		688,657	668,928
		<u>121,440,325</u>	<u>106,386,661</u>
<b>Current assets</b>			
Inventories		9,060,055	8,848,047
Prepayments, trade and other receivables	10	6,820,027	5,352,317
Prepaid income tax		11,373	41,983
Financial assets at fair value through profit or loss	9	6,112,270	4,165,391
Restricted bank deposits		1,615,849	1,871,539
Bank balances and cash		7,984,987	8,352,903
		<u>31,604,561</u>	<u>28,632,180</u>
<b>Current liabilities</b>			
Trade and other payables	11	28,624,873	19,976,443
Lease liabilities		23,996	47,906
Current income tax liabilities		698,340	529,476
Borrowings	12	33,907,770	27,932,634
Financial liabilities at fair value through profit or loss	13	1,341,833	801,362
Current portion of other non-current liabilities		167,170	205,055
		<u>64,763,982</u>	<u>49,492,876</u>
Net current liabilities		<u>(33,159,421)</u>	<u>(20,860,696)</u>
<b>Total assets less current liabilities</b>		<u>88,280,904</u>	<u>85,525,965</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(CONTINUED)**  
**AS AT 30 JUNE 2024**

		As at <b>30 June</b> <b>2024</b>	As at 31 December 2023
	<i>Notes</i>	<b>RMB'000</b> <b>(Unaudited)</b>	<b>RMB'000</b> <b>(Audited)</b>
<b>Non-current liabilities</b>			
Borrowings	12	<b>25,066,339</b>	23,211,331
Lease liabilities		<b>130,471</b>	108,361
Deferred income tax liabilities		<b>6,803,386</b>	6,826,963
Deferred revenue		<b>14,492</b>	12,787
Provision for asset retirement obligations		<b>839,633</b>	842,789
Other non-current liabilities		<b>1,515,300</b>	1,226,020
		<u><b>34,369,621</b></u>	<u>32,228,251</u>
<b>Net assets</b>		<u><b>53,911,283</b></u>	<u>53,297,714</u>
<b>Capital and reserves</b>			
Share capital		<b>4,473,430</b>	4,473,430
Reserves		<b>18,977,069</b>	18,667,125
		<u><b>10,068,678</b></u>	<u>9,938,377</u>
Perpetual bonds		<b>10,068,678</b>	9,938,377
Non-controlling interests		<b>20,392,106</b>	20,218,782
		<u><b>53,911,283</b></u>	<u>53,297,714</u>
<b>Total equity</b>		<u><b>53,911,283</b></u>	<u>53,297,714</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2024

## 1. GENERAL INFORMATION

Shandong Gold Mining Co., Ltd. (the “**Company**”) was established in the PRC on 31 January 2000 as a joint stock company with limited liability under the Company Law of the PRC. The A shares of the Company have been listed on the Shanghai Stock Exchange since 28 August 2003. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 September 2018.

In the opinion of the directors of the Company, the immediate holding company and the ultimate controlling party of the Company are Shandong Gold Group Co., Ltd. (山東黃金集團有限公司) (“**Shandong Gold Group**”) and 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), respectively.

The Group is principally engaged in (i) mining, processing and sales of gold and gold products; (ii) manufacturing and sales of building decoration materials; and (iii) investment in equity funds, trading of gold bullion and provision of futures contracts trading services. The address of the Company’s registered office and principal place of business is No. 2503, Jingshi Road, Licheng District, Jinan, the People’s Republic of China (the “**PRC**”).

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

## 2. PRINCIPAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are measured and carried at fair value at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of the interim condensed consolidated financial information requires the use of certain critical accounting judgements and estimates. It also requires management to exercise its judgements and estimates in the process of applying the Group’s accounting policies.

## 2.2 Application of new and amendments to IFRSs

### (a) *New and amendments to standards that are effective for the current year*

In the current interim period, the Group has applied, for the first time, the following new and amendments to the International Financial Reporting Standards (“IFRS”) and the following new amendments to IFRSs issued by the IASB, which are effective for the financial year beginning on 1 January 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the new and amendments to IFRSs in the current interim period has had no material effect on the Group’s financial performance and position for the current interim and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 2.3 Going concern

As at 30 June 2024, the Group’s current liabilities exceeded its current assets by approximately RMB33,159,421,000. The directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- (i) The Group is expected to remain profitable and hence continue to generate operating cash inflows from its future business operations; and
- (ii) The Group has maintained long business relationship with its principal bankers and the principal bankers have confirmed their willingness to provide sufficient banking facilities as at 30 June 2024 and available at least next twelve months from 30 June 2024.

In view of the above, the directors of the Company are confident that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue to operate for at least the next twelve months from 30 June 2024. Accordingly, the directors of the Company have prepared the interim condensed consolidated financial information on a going concern basis. The interim condensed consolidated financial information does not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

## 3. REVENUE

Revenue represents revenue arising on sales of goods, leasing of properties and provision of services for the period. An analysis of the Group’s revenue is as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB’000</b>	<b>RMB’000</b>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of gold bullion, gold related products and others	45,733,905	27,391,308
Brokerage and other fees earned from trading of futures contracts	<u>30,960</u>	<u>30,828</u>
<b>Revenue from other sources</b>	<b>45,764,865</b>	27,422,136
Rental income from investment properties	<u>8,630</u>	<u>2,747</u>
	<b><u>45,773,495</u></b>	<b><u>27,424,883</u></b>

Disaggregation of revenue from contracts with customers by timing of recognition:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Timing of revenue recognition</b>		
At a point in time and total revenue from contracts with customers	<b>45,764,865</b>	27,422,136

Set out below is the disaggregation of the Group's revenue from contracts with customers by (i) timing of revenue recognition; and (ii) geographical markets, arising from different reporting segments:

### 3.1 For the six months ended 30 June 2024 (unaudited)

	Gold Mining RMB'000	Gold Refining RMB'000	Investment Management RMB'000	Trading RMB'000	Total RMB'000
<i>Revenue from contracts with customers within the scope of IFRS 15:</i>					
Sales of gold bullion, gold related products and others	2,324,486	28,982,281	7,922,345	6,504,793	45,733,905
Brokerage and other fees earned from trading of futures contracts	-	-	30,960	-	30,960
	<u>2,324,486</u>	<u>28,982,281</u>	<u>7,953,305</u>	<u>6,504,793</u>	<u>45,764,865</u>
<i>Revenue from other sources:</i>					
Rental income from investment properties	8,456	-	174	-	8,630
	<u>2,332,942</u>	<u>28,982,281</u>	<u>7,953,479</u>	<u>6,504,793</u>	<u>45,773,495</u>
<b>Geographical markets:</b>					
The PRC, excluding the Hong Kong Special Administrative Region ("Hong Kong")	730,325	28,982,281	7,953,479	5,235,272	42,901,357
Outside the PRC	1,602,617	-	-	1,269,521	2,872,138
	<u>2,332,942</u>	<u>28,982,281</u>	<u>7,953,479</u>	<u>6,504,793</u>	<u>45,773,495</u>
<b>Timing of revenue recognition:</b>					
At a point in time	<u>2,324,486</u>	<u>28,982,281</u>	<u>7,953,305</u>	<u>6,504,793</u>	<u>45,764,865</u>



### 3.2 For the six months ended 30 June 2023 (unaudited)

	Gold Mining RMB'000	Gold Refining RMB'000	Investment Management RMB'000	Total RMB'000
<i>Revenue from contracts with customers within the scope of IFRS 15:</i>				
Sales of gold bullion, gold related products and others	1,626,400	19,050,991	6,713,917	27,391,308
Brokerage and other fees earned from trading of futures contracts	–	–	30,828	30,828
	<u>1,626,400</u>	<u>19,050,991</u>	<u>6,744,745</u>	<u>27,422,136</u>
<i>Revenue from other sources:</i>				
Rental income from investment properties	2,747	–	–	2,747
	<u>1,629,147</u>	<u>19,050,991</u>	<u>6,744,745</u>	<u>27,424,883</u>
<b>Geographical markets:</b>				
The PRC, excluding the Hong Kong Special Administrative Region (“ <b>Hong Kong</b> ”)	508,767	19,050,991	6,744,745	26,304,503
Outside the PRC	1,120,380	–	–	1,120,380
	<u>1,629,147</u>	<u>19,050,991</u>	<u>6,744,745</u>	<u>27,424,883</u>
<b>Timing of revenue recognition:</b>				
At a point in time	<u>1,626,400</u>	<u>19,050,991</u>	<u>6,744,745</u>	<u>27,422,136</u>

## 4. SEGMENT INFORMATION

The President Office (總裁辦公會) of the Company is the Group’s chief operating decision-maker (“**CODM**”). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The CODM has chosen to organize the Group around differences in different products and services.

Financial information of the following reportable segments has been separately presented as discrete segment information for the CODM’s review:

- Gold Mining – mining and sales of gold ore;
- Gold Refining – production and sales of gold;
- Investment Management – investments in equity funds, trading of gold bullion and provision of futures contracts trading services;
- Trading – trading of gold bullion and non-ferrous metals.

## Segment revenue and results

### For the six months ended 30 June 2024 (unaudited)

	Gold Mining RMB'000 (Unaudited)	Gold Refining RMB'000 (Unaudited)	Investment Management RMB'000 (Unaudited)	Trading RMB'000 (Unaudited)	Inter-segment Elimination RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	9,346,435	29,127,242	8,023,213	6,504,793	(7,228,188)	45,773,495
Less: inter-segment revenue	(7,013,493)	(144,961)	(69,734)	–	7,228,188	–
Revenue from external customers	<u>2,332,942</u>	<u>28,982,281</u>	<u>7,953,479</u>	<u>6,504,793</u>	<u>–</u>	<u>45,773,495</u>
Operating profit	3,231,729	98,736	101,607	979,310	(826,941)	3,584,441
Finance income	288,094	2,621	77,669	27,763	(301,168)	94,979
Finance costs	(1,088,645)	(4,592)	(109,203)	(19,893)	301,168	(921,165)
Share of results of associates	14,784	–	(7)	–	–	14,777
Profit before tax	2,445,962	96,765	70,066	987,180	(826,941)	2,773,032
Income tax expenses	(386,011)	(24,191)	(17,420)	(213,696)	–	(641,318)
Profit for the period	<u>2,059,951</u>	<u>72,574</u>	<u>52,646</u>	<u>773,484</u>	<u>(826,941)</u>	<u>2,131,714</u>

### For the six months ended 30 June 2023 (unaudited)

	Gold Mining RMB'000 (Unaudited)	Gold Refining RMB'000 (Unaudited)	Investment Management RMB'000 (Unaudited)	Inter-segment Elimination RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	7,597,338	19,079,744	6,744,745	(5,996,944)	27,424,883
Less: inter-segment revenue	(5,968,191)	(28,753)	–	5,996,944	–
Revenue from external customers	<u>1,629,147</u>	<u>19,050,991</u>	<u>6,744,745</u>	<u>–</u>	<u>27,424,883</u>
Operating profit	1,874,323	(26,062)	236,336	(123,666)	1,960,931
Finance income	32,180	3,936	14,939	–	51,055
Finance costs	(596,795)	(2,981)	(102,541)	–	(702,317)
Share of results of associates	18,023	–	–	–	18,023
Profit before tax	1,327,731	(25,107)	148,734	(123,666)	1,327,692
Income tax expenses	(337,975)	–	(9,883)	–	(347,858)
Profit for the period	<u>989,756</u>	<u>(25,107)</u>	<u>138,851</u>	<u>(123,666)</u>	<u>979,834</u>

## 5. INCOME TAX EXPENSES

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax:		
– In the PRC	<b>857,149</b>	346,649
– Outside the PRC	<b>80,451</b>	22,890
	<u>937,600</u>	<u>369,539</u>
Deferred income tax	<b>(296,282)</b>	(21,681)
	<u><b>641,318</b></u>	<u>347,858</u>

*Notes:*

- (a) The provision for PRC enterprise income tax (the “EIT”) is calculated based on the statutory income tax rate of 25% (2023: 25%). The EIT is calculated based on the applicable income tax rate of 25% and the estimated tax assessable profit of each of the companies comprising the Group, determined in accordance with the relevant PRC income tax rules and regulations, except for the Company and certain subsidiaries which are taxed at preferential tax rate of 15% and 20% (for the six months ended 30 June 2023: 15%) based on the relevant PRC tax laws and regulations.
- (b) The estimated tax assessable profit of the Group’s overseas joint operation is calculated at the statutory income tax rate in Argentina of 35% (for the six months ended 30 June 2023: 35%) in accordance with the Argentina income tax law.

In addition, the joint operation enterprise has paid withholding tax of approximately RMB33,012,000 (for the six months ended 30 June 2023: RMB13,654,000) during the six months ended 30 June 2024 on certain inter-company interest expenses paid to Shandong Gold Mining (Hong Kong) Co., Limited (“SDG Hong Kong”) (a wholly-owned subsidiary of the Company) which were eliminated upon the proportional consolidation.

## 6. DIVIDENDS

On 28 March 2024, the Board of the Company proposed the payment of a final dividend for the year ended 31 December 2023 of RMB0.14 per share to the shareholders of the Company. The dividend declared during the six months ended 30 June 2024 was approximately RMB626,280,000. The payment of dividend was resolved by an ordinary resolution at the annual general meeting of the Company on 6 June 2024, and the dividend was paid on or before 30 July 2024.

On 29 March 2023, the Board of the Company proposed the payment of a final dividend for the year ended 31 December 2022 of RMB0.07 per share to the shareholders of the Company. The dividend declared during the six months ended 30 June 2023 was approximately RMB313,140,000. The payment of dividend was resolved by an ordinary resolution at the annual general meeting of the Company on 7 June 2023, and the dividend was paid on or before 18 July 2023.

The Company has a total share capital of 4,473,429,525.00 shares. On 28 August 2024, the 65th meeting of the sixth session of the Board was held to consider and approve the Proposal on Half-Year Profit Distribution Plan for 2024 and Carrying Out the Action of “Improving Quality, Increasing Efficiency and Enhancing Returns” of the Company. A cash dividend of RMB0.80 (tax inclusive) will be distributed to all shareholders for every 10 shares, representing a total undistributed profit of RMB357,874,362.00. The above profit distribution plan has not yet been approved by the Company’s general meeting.

## 7. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of shares in issue.

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Profit attributable to owners of ordinary shares of the Company (RMB'000)	1,157,558	641,327
Weighted average number of shares in issues (thousands of shares)	4,473,430	4,473,430
Basic earnings per share (RMB per share)	<u>0.26</u>	<u>0.14</u>

As the Company did not have any dilutive instruments during the six months ended 30 June 2024 and 2023, the Group’s diluted earnings per share was the same as its basic earnings per share.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of RMB144,900,000 (six months ended 30 June 2023: RMB456,220,000).

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB10,270,000 (six months ended 30 June 2023: RMB23,013,000) for cash proceeds of RMB2,738,000 (six months ended 30 June 2023: RMB21,586,000), resulting in a loss on disposal of RMB7,352,000 (six months ended 30 June 2023: RMB1,427,000).

In addition, the Group incurred cost for construction in progress of RMB5,916,177,000 (six months ended 30 June 2023: RMB3,393,326,000).

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Financial assets at FVTPL include the following:		
– listed equity investments	<b>4,841,812</b>	5,008,796
– investments in equity funds	<b>2,907,359</b>	2,678,644
– structured deposits	<b>2,904,178</b>	1,051,488
– derivative financial assets	<b>194,517</b>	256,320
	<b><u>10,847,866</u></b>	<u>8,995,248</u>
	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Analyzed as:		
– listed in the PRC	<b>4,841,812</b>	5,265,116
– unlisted	<b>6,006,054</b>	3,730,132
	<b><u>10,847,866</u></b>	<u>8,995,248</u>
	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Analyzed for reporting purpose as:		
– current assets	<b>6,112,270</b>	4,165,391
– non-current assets	<b>4,735,596</b>	4,829,857
	<b><u>10,847,866</u></b>	<u>8,995,248</u>

## 10. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

Prepayments, trade and other receivables mainly include trade receivables, notes receivable, value-added tax recoverable, prepayments and other receivables.

For trade receivables, the Group did not allow any credit term to its trade customers. Ageing analysis of trade receivables at the end of each reporting period based on invoice dates were as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 1 year	<b>510,613</b>	523,858
1-2 years	<b>6,166</b>	6,937
2-3 years	<b>400</b>	572
Over 3 years	<b>6,811</b>	8,886
	<b>523,990</b>	540,253
Less: impairment of trade receivables	<b>(33,022)</b>	(20,288)
	<b>490,968</b>	519,965

In addition, included in the trade and other receivables was deposits with exchanges and non-bank financial institutions of approximately RMB2,391,782,000 (31 December 2023: RMB2,146,204,000).

## 11. TRADE AND OTHER PAYABLES

Trade and other payables include trade payables, notes payable, contract liabilities and other payables, of which ageing analysis of trade payables at the end of each reporting period based on invoice dates were as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 1 year	<b>2,493,035</b>	2,602,006
1-2 years	<b>64,587</b>	11,092
2-3 years	<b>5,887</b>	5,417
Over 3 years	<b>3,416</b>	8,233
	<b>2,566,925</b>	2,626,748

## 12. BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to approximately RMB11,650,810,000 (six months ended 30 June 2023: RMB11,557,000,000). These loans carry interests at fixed market rates of 2.06% to 3.00% per annum, and are repayable in instalments over a period of three years. The Group obtained new bank loans amounting to approximately USD930,000,000. These loans carry interests at market rates of 5.90% to 6.54% per annum, and are repayable within one year.

Included in new bank loans as at 30 June 2024 was the issue of ultra short-term financing bonds by the Group of approximately RMB1,700,000,000 (six months ended 30 June 2023: RMB1,300,000,000). These ultra short-term financing bonds carry interests at a rate ranging from 2.06% to 2.24% and are repayable within one year.

## 13. FINANCIAL LIABILITIES AT FVTPL

The Group obtained financing through entering into gold leasing contracts with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. Upon maturity of those lease contracts, the Group has to return to such banks with gold of the same quantity and specification, which would be usually purchased through the Shanghai Gold Exchange. The maturity periods of gold leasing contracts are generally less than one year (one year inclusive). The Group has designated the liabilities associated with such gold leasing arrangements as financial liabilities at FVTPL. Realized or unrealized fair value gain (loss) on gold leasing contracts are recognized and presented in the consolidated statement of profit or loss as “finance costs”. The fair value of all gold leasing contracts is determined based on the current selling price in an active market.

The Group had also entered into certain gold forward/futures contracts for managing part of the risk associated with the fluctuation in the purchase prices of gold for its operations or managing the price risk associated with the aforesaid gold leasing contracts. These gold forward/futures contracts have also been designated as financial liabilities at FVTPL. Realized and unrealized fair values gain/loss on the gold forward/futures contracts are recognized in the consolidated statement of profit or loss as “other gains and losses, net”.

## 14. CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet provided for in the interim condensed consolidated financial information of the Group at the end of the reporting period is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Property, plant and equipment	<b>640,131</b>	150,450
Mining and exploration rights	<b>655,288</b>	1,155,053
	<b>1,295,419</b>	1,305,503

## **BUSINESS REVIEW**

### **Industry and Principal Business of the Company during the Reporting Period**

#### *Business Scope*

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

The mining enterprises under the Company's management are located in Shandong, Fujian, Inner Mongolia, Gansu, Xinjiang, Jilin, Heilongjiang, Qinghai, Yunnan and other regions in the PRC, and overseas countries such as Argentina, South America and Ghana, 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 finance business and capital investment and financing support platform.

#### **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. Relying on the world's third largest gold mineralization belt, national-level integrated exploration area, and world-class extra-large gold mine enrichment area in the east region of Jiaodong Peninsula, the Company will accelerate the construction of a world-class gold resource industry base. The base is centered around the three resources integrated areas of Sanshandao Gold Mine, Jiaojia Gold Mine, and Xincheng Gold Mine, while also completing supporting construction projects in smelting, equipment manufacturing. In the first half of 2024, the Company completed the acquisition of the exploration right of Xiling Gold Mine, and integrated it with the original mining right of Sanshandao Gold Mine into a mining right, and is currently carrying out the related work of project construction. Jiaojia Gold Mine Resource Integration Project and Xincheng Gold Mine Resource Integration Project are progressing in an orderly manner. The Company successfully completed the equity acquisition of Baotou Changtai Mining, achieving the addition of more than 16 tonnes of gold metal in the acquisition, and will add one tonne of gold mine to Shandong Gold by increasing production capacity in the later period.



## 2. *Lean operation control*

The Company has a complete industrial chain integrating resource acquisition, geological exploration, mine production, equipment manufacturing, and industrial finance, and has formed a full-process closed-loop management system of plan release, process control, indicator implementation, and assessment and evaluation. The Company issued the Guiding Opinions on Strengthening Technical Management in an All-round Way and the list of tasks for upgrading technical management in 2024, to comprehensively improve the level of technical management and optimize the main production technical indicators. During the Reporting Period, the recovery rate of comprehensive processing and smelting of underground mines increased by 0.24 percentage point as compared with the same period of last year, while the mining loss rate decreased by 0.02 percentage point as compared with the same period of last year.

## 3. *Technology and innovation-driven model*

The Company insists on in-depth implementation of the innovation-driven development strategy, attaches great importance to improve independent innovation capabilities, and continues to increase investment in technological innovation. In the first half of 2024, the R&D investment was RMB258 million, an increase of 56.5% over the same period last year; 26 invention patents were applied for, two enterprises were approved as a provincial-level “specialized and new” small and medium-sized enterprises, and three enterprises were approved as provincial-level innovative small and medium-sized enterprises; The achievement of “Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines” won the second prize of the National Science and Technology Progress Award, and the “Research and Demonstration Project of Key Technologies and Equipment for Intelligent, Safe and Efficient Mining of Deep Resources” was selected as the “Top Ten Scientific and Technological Achievements” of Shandong Provincial Enterprises.

## 4. *Safe and green development*

The Company has solidly carried out the three-year action to tackle the root causes of safety production, and has made precise efforts to consolidate the foundation of safety production and comprehensively improve the level of intrinsic safety from the aspects of improving the system, strengthening education and training, upgrading the level of equipment, and strictly assessing rewards and punishments. The Company adheres to the concept of green and low-carbon development throughout the whole process of mining development, actively, steadily and orderly promotes the work of “carbon peaking and carbon neutral”, and coordinates to promote carbon reduction, pollution reduction, green expansion and growth. Focusing on consolidating and upgrading the construction of green mines, strengthening supervision and management, improving and perfecting the long-term management mechanism, and promoting the continuous improvement of construction quality, Xincheng Gold Mine won the title of “Water-saving Enterprise in Shandong Province (山東省節水型企業)” in the first half of 2024, and consolidated the brand image of “Ecological Shandong Gold”.

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

### *Industry Development*

The current international environment is severe and complex, with the global landscape evolving rapidly. The gold industry faces new challenges, including intensified competition for mineral resources, rising resource protectionism, and increasingly fierce competition among leading enterprises. Meanwhile, due to a combination of factors such as market expectations of a shift towards monetary easing by major global central banks, and ongoing geopolitical tensions, the dual roles of gold as a hedge and an inflation protector have been significantly enhanced, leading to strong demand for central bank gold purchases and gold investment consumption. The gold industry is thus presented with a favorable development opportunity.

During the Reporting Period, the global macroeconomic and political landscape remained complex and intertwined. On one hand, inflation levels in the United States have gradually declined but remain above the Federal Reserve's policy targets, while signs of economic weakness have emerged in the United States, leading to market expectations of interest rate cuts by the Federal Reserve in the second half of 2024. On the other hand, global central banks' monetary policies have diverged, with some non-U.S. central banks, such as the European Central Bank, initiating rate cuts, raising concerns that a wave of global rate cuts may reignite inflation risks. Additionally, the ongoing stalemate in the Ukraine crisis, continued tensions in the Middle East between Israel and Palestine, and political instability due to elections in several countries have added complexity to the global geopolitical landscape, increasing market demand for safe-haven assets.

During the Reporting Period, gold prices rose sharply and hit record highs. Gold prices have risen sharply amid expectations that the Federal Reserve will cut interest rates this year, rising global inflation expectations and geopolitical tensions. In the first half of 2024, the international spot gold price ranged from the highest of US\$2,450/ounce to the lowest of US\$1,984/ounce, with a maximum volatility of US\$466/ounce, closed at US\$2,326/ounce, up by approximately 12.8% as compared to the closing price at the end of last year. The domestic RMB gold price was stronger than the international gold price. The contract price of Shanghai Gold Exchange Au (T+D) reached the highest of RMB582/g and the lowest of RMB476.03/g, and closed at RMB549.58/g in the first half of 2024, representing an increase of approximately 14.5% over the closing price at the end of last year.

Looking ahead to the gold price trend in the second half of 2024, with the falling inflation in the United States and the increasing pressure on the United States economy caused by the high interest rate environment, the expectation of the Federal Reserve entering the monetary easing cycle will be further strengthened, while the elections in the United States and Europe, the turmoil in the Middle East and Russia and Ukraine will also cause greater uncertainty to the global geopolitical situation. In the future, the hedging and investment functions of gold will be further enhanced, and gold prices are expected to continue the trend of high volatility in the second half of 2024.

### *Domestic Gold Trading Volume and Production*

During the Reporting Period, the total amount of gold traded on the domestic gold exchanges increased significantly. According to the statistics of the China Gold Association, the accumulated bilateral trading volume of all gold products on the Shanghai Gold Exchange in the first half of 2024 was 29,800 tonnes (unilateral: 14,900 tonnes), representing a year-on-year increase of 39.77%, with a bilateral turnover of RMB15.49 trillion (unilateral: RMB7.74 trillion), representing a year-on-year increase of 68.48%. The accumulated bilateral trading volume of all gold products on the Shanghai Futures Exchange was 80,100 tonnes (unilateral: 40,100 tonnes), representing a year-on-year increase of 34.74%, with an accumulated bilateral turnover of RMB35.67 trillion (unilateral: RMB17.84 trillion), representing a year-on-year increase of 58.58%.

During the Reporting Period, the domestic gold production continued to grow year-on-year. According to the statistics of the China Gold Association, the gold produced with domestic raw materials was 179.634 tonnes in the first half of 2024, an increase of 1.036 tonnes as compared to the same period in 2023, representing a year-on-year increase of 0.58%. Among them, the gold mine-produced gold was 141.496 tonnes, and the non-ferrous by-products was 38.138 tonnes. In addition, the gold produced from imported raw materials was 72.026 tonnes in the first half of 2024, representing a year-on-year increase of 10.14%. When including this portion of gold produced from imported raw materials, a total of 251.660 tonnes of gold were produced nationwide, representing a year-on-year increase of 3.14%.

In recent years, in the context of the country's comprehensive implementation of a new round of mineral exploration breakthrough strategies, domestic gold enterprises have further intensified their resources exploration efforts while carrying out mergers and acquisitions at home and abroad to increase their ability to acquire resources. In 2023, gold industry enterprises continued to enhance technological innovation, promote comprehensive utilization of resources and push ahead with green and low-carbon technologies in line with the concept of responsible gold mining. Key conglomerates actively participated in and undertook projects under national major research and development plans by establishing a series of engineering demonstrations to provide strong scientific and technological support for improving the development and utilization of China's gold mineral resources.

### *Industry Position of Shandong Gold*

The Company is one of the leading gold producers in China, with abundant reserves of gold resources. Through continuous optimization of production organization, intensification of resource exploration and active merger and acquisition integration, the Company comprehensively enhanced the level of scientific and technological innovation, continuously increased its gold production and resources, and its domestic mines have maintained the first place in gold production for consecutive years. According to the statistics of the China Gold Association, in the year 2023, three of the Company's mines were selected as China Top Ten Mines in Gold Production and China Top Ten Mines in Gold Economic Efficiency; in the year 2023, there were 38 independent mines in China with mine production of more than one tonne of gold, and the Company possessed 12 of them, accounting for nearly one-third of the total. In the first half of 2024, the gold production of mines of the Company was 24.52 tonnes, equivalent to 17.33% of the gold production of domestic mining enterprises, which continued to consolidate the dominant position of the domestic gold industry.

## Analysis on the Core Competitiveness during the Reporting Period

### *Strategic Advantage*

The Company firmly grasped the theme of high-quality development, strengthened the role of strategic leadership, adhered to the drive of reform and innovation, and concentrated on the development of the main business. Focusing on the development concept of “Safe Shandong Gold, Ecological Shandong Gold, Vibrant Shandong Gold and Humanistic Shandong Gold”, and adhering to the philosophy that “technology is the primary productive force and innovation is the first driving force”, the Company continued to increase investment in research and development, focused on the core technologies of the industry, accelerated the building of scientific research platforms, actively developed and promoted new technologies, new equipment and new processes, steadily pushed forward digital transformation and the construction of intelligent mines, and activated the endogenous development momentum. The Company, following the strategy of “internal growth and external expansion to optimize and increase resources”, is strengthening exploration and reserve expansion internally while relying on the resource integration in important metallogenic zones to externally acquire quality resources in an active manner, so as to continuously consolidate our leading position. Meanwhile, the Company promoted the construction of overseas infrastructure mine enterprises, stabilized the output of in-production mine enterprises, and enhanced the operational capacity of overseas production mines, striving to create a model for high-quality development of overseas mining operations. Acting on the concept of “lucid waters and lush mountains are invaluable assets”, the Company continuously improved the safety and environmental protection management system, accelerating the formation of a new mode of mining development in line with the requirements of ecological civilization. The Company always placed production safety in the position of “more important than everything else, prior to everything else, higher than everything else, and overriding everything else”, promoted comprehensive upgrading of mining enterprises in terms of management reform, technological innovation and process optimization to build up safety production defenses and consolidate the foundation of intrinsic safety, steadily promoting the level of healthy, sustainable and high-quality development.

### *Advantage in Resource Superiority*

The Company has been upholding the concept of “resource first, efficiency focused, innovation centered” in an unswerving manner, continuously expanding its resource reserves, upgrading the quality of its resources, enhancing its core competitiveness and strengthening its resource advantages. The Company carried out the exploration of self-owned mining rights and the acquisition of resources in parallel, gave full play to the main role of mining enterprises through finding mines by mines and focusing on the periphery and the deep part of the mines, conducted in-depth research on the metallogenic rules, and increased the investment in exploration, so as to provide strong impetus and resource support for the sustainable development of the mines. The Company continued to accelerate the exploration progress of greenfield projects, innovated exploration techniques, applied new technologies and new methods, studied and summarized mineralization theories, striving to make breakthroughs in prospecting. In the first half of 2024, the acquisition of 70% equity of Baotou Changtai Mining Co., Ltd. (包頭市昶泰礦業有限責任公司) (“**Baotou Changtai Mining**”), the completion of the acquisition of the exploration right of Xiling Gold Mine and the integration of the mining right of Sanshandao Gold Mine, have substantially increased the Company’s resource reserves, effectively extended the service life of the mines, and continuously promoted the Company’s high-quality development.

### *Advantage in the Company's Scale*

The Company is mainly engaged in the development and utilization of gold mineral resources, and has always been in a leading position in the domestic mining industry in terms of equipment level and degree of mechanization of mines. The construction of an “international first-class exemplary mine” at Sanshandao Gold Mine has led the pace of mechanization, automation and intelligent construction of large and medium-sized mines of the Company. The Company vigorously promotes smart mining systems, and its owned mines have completed the construction, application and promotion of 105 intelligent typical application scenarios, including AI smart ore drawing systems, underground rock crusher remote control systems, electric locomotive unmanned driving systems, and 5G+AI smart air-ground collaborative drone application systems, gradually improving the level of mechanization, automation and intelligence. The mechanization rate of mining operations of several enterprises, such as Xincheng Gold Mine and Jiaojia Gold Mine, has reached over 50% and the automation control rate of auxiliary production systems in mines has reached 80%. Jiaojia Gold Mine, Sanshandao Gold Mine and Xincheng Gold Mine have been on the list of “China Top Ten Gold Mines in terms of Production Output” for several consecutive years, making the Company the only company which owns four mine enterprises in China, each with cumulative gold production exceeding 100 tonnes. Shandong Gold Smelting Co., Ltd. has enjoyed a leading position among the national top ten smelting and refining enterprises for many years.

### *Advantage in Scientific and Technological Innovation*

The Company actively tackled key technological innovation and research work, and set up relevant key topics around six directions: deep geological exploration, deep shaft construction, tailings reduction and resource utilization, refractory smelting technology research, paste filling demonstration and smart support systems. The Company organized and arranged corresponding scientific research forces and pilot application mines, and established a scheduling, supervision and coordination mechanism, so that all research projects were carried out smoothly. Among them, Sanshandao Gold Mine took the lead in a deep shaft construction project jointly tackled by five scientific research units and successfully dug to the elevation of -1,590 meters, setting a record for the deepest shaft in Asia. “Ten years of sharpening a sword, one day to test the edge.”, in 2024, the Company made a huge breakthrough in the award of scientific and technological achievements. The “Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines” whose declaration participated by the Company as the main completion unit won the second prize of the National Science and Technology Progress Award. At the same time, the “Research and Demonstration Project on Key Technologies and Equipment for Intelligent, Safe and Efficient Mining of Deep Earth Resources”, as a representative of the outstanding scientific and technological achievements of provincial enterprises, was successfully selected into the “Top Ten Scientific and Technological Achievements” of Shandong provincial enterprises. This project has broken through a number of key technologies of smart and safe mining of deep resources, which comprehensively increased the level of deep resources mining and safety assurance capabilities, and made outstanding contributions to the transformation and development of China's mining industry field in the direction of intelligent, smart and unmanned operation.



### *Talent Advantage*

The Company has firmly established the candidate selection and appointment direction of “morality first, equal stress on integrity and ability, emphasis on actual performance and public recognition”, actively improved the talent environment, and promoted the building of three talent teams in “management, technology and skill”. The Company pays close attention to the comprehensive cultivation of talents, innovates the talent development mechanism, focuses on the annual goal of “digital intelligence empowerment, simultaneous improvement of quality and efficiency”, so as to provide talent support for the development of new productive forces. The Company highlights the key points of introduction and cultivation and optimizes the talent work echelon. The Company carried out special research on the cadre team, formulated a plan to improve the staffing of young cadres, with the proportion of young cadres continuing to increase. The Company consistently integrated external introduction and internal cultivation, introduced nine high-level full-time young talents, and newly had five people to be selected in provincial and municipal talent projects. It consolidates professional and technical strength and forms a talent hierarchy in which basic technical personnel, core technical personnel and high-level scientific researchers support each other. The Company deepened the four-chain integration mechanism, launched the National Mechanical, Metallurgical and Building Materials Industry Craftsman College (全國機械冶金建材行業工匠學院) and the Shandong Metallurgical Craftsman College (山東冶金工匠學院), established a self evaluation system for skilled talents in unique types of gold mining industry, unblocked the growth channels for skilled talents, and continuously expanded the team of industrial workers. In the first half of 2024, the Company’s three employees were newly awarded the title of “Qilu’s Chief Technician” and two employees were awarded the title of “Shandong Province Technical Expert”.

### *Brand Advantage*

Based in China, the Company optimized and expanded its principal gold business with an international vision. The Company was included into the Sample Shares of the Shanghai Stock Exchange 50 Index, the Shanghai Stock Exchange 180 Index, as well as the Sample Shares of three major international indices, namely the MSCI Indices, FTSE Russell and S&P Dow Jones Indices for multiple times. In the first half of 2024, the Company won many awards including the 2023 Best ESG Practice Award for Listed Companies and the Best Practice in Investor Relations Management. The Company collaborated in promoting carbon reduction, pollution reduction, green expansion and growth in accordance with the requirements of the Party Central Committee, the State Council, the provincial party committee and the provincial government on the arrangement and deployment of collaboratively promoting ecological environment protection and green and low-carbon development. The Company further promoted prevention and control of environmental pollution, accelerated the progress of key environmental protection facilities construction projects, and strengthened special inspections and supervision of environmental protection in key areas, effectively improving the corporate’s environmental risk prevention capabilities. The Company continued to enhance and improve the construction of green mines, so as to improve the brand image of “Ecological Shandong Gold”.

## DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

In the first half of 2024, the Company fully implemented the decisions and arrangements of the Party Central Committee and the State Council, firmly shouldering the responsibility of “stabilizing growth and making contributions”, and anchoring the annual goal of “digital intelligence empowerment, simultaneous improvement of quality and efficiency”. The Company put pressure on itself and took on the responsibilities bravely, focusing its efforts on development, and successfully completed the half-year target task, and continued to consolidate the upward and positive development trend.

### *I. Major operations of the Company*

In the first half of 2024, the Company had the gold mine production volume of 24.52 tonnes, representing a year-on-year increase of 4.95 tonnes or 25.28%. As at 30 June 2024, the Company’s total assets were approximately RMB153,045 million, representing an increase of approximately RMB18,026 million or approximately 13.35% over the beginning of the period. The Company’s total liabilities were approximately RMB99,134 million, representing an increase of approximately RMB17,412 million or approximately 21.31% over the beginning of the period. The debt-to-asset ratio was approximately 64.77%, representing an increase of approximately 4.24 percentage points over the beginning of the period; the Company’s total equity was approximately RMB53,911 million, representing an increase of approximately RMB614 million or approximately 1.15% over the beginning of the period. During the Reporting Period, the Company achieved revenue of approximately RMB45,773 million, representing a year-on-year increase of approximately RMB18,349 million or 66.90%; achieved profit before tax of approximately RMB2,773 million, representing a year-on-year increase of approximately RMB1,445 million. The profit attributable to owners of the Company during the period was approximately RMB1,357 million, representing a year-on-year increase of approximately RMB502 million; weighted average return on net assets was approximately 4.9%, representing a year-on-year increase of approximately 2.15 percentage points; basic earnings per Share was RMB0.26, representing a year-on-year increase of RMB0.12 per Share.

## II. *Main work carried out by the Company*

- (I) **Adhere to high positioning, tap into potential and make more contributions.** The Company determines the annual budget with high standards, subdivides and decomposes indicators based on one policy for one enterprise, and consolidates responsibilities at all levels. It improves management mechanisms such as dynamic monitoring of budget execution, early warning constraints, and assessment incentives to encourage enterprises to speed up and compete for the first place. The Company continues to optimize and adjust key work special teams, and has held twelve key work promotion meetings and special work meetings. It adheres to problem orientation, goal orientation, and result orientation, and implements precise policies to break bottlenecks, make up for shortcomings, activate capabilities and increase effectiveness.
- (II) **Keep your eyes inward and strengthen management to improve quality and enhance efficiency.** The Company has made great efforts to manage production technology, carried out comprehensive top-down optimization of the production system, fully promoted the life cycle management system of equipment, and achieved integrated and standardized management of equipment in mining and metallurgical enterprises, increasing equipment utilization to over 95%. The Company further promoted “all employees, all positions, all factors, and the whole process” to reduce costs and enhance efficiency. The Company continued to carry out centralized procurement to reduce its procurement costs. The Company continued to optimize the financing structure, reduce comprehensive financing costs. The Company paid close attention to the changes in the market situation and comprehensively improved its gold price research and judgment capabilities. The sales price of self-produced gold was higher than the average price of Shanghai Gold Exchange for the same period. The Company strengthened audit supervision, completed economic responsibility audits and continuously improved the effectiveness of audit supervision with “investigating hidden dangers, plugging loopholes, preventing risks, strengthening management and promoting development” as the core.
- (III) **Adhere to key tasks and make precise efforts to consolidate support.** The Company continued to increase its efforts to increase resource reserves, and invested a total of RMB310 million in exploration expenses in the first half of 2024, completing 330,000 meters of exploration projects, and increasing 21.9 tonnes of gold metal in exploration. The Company completed the acquisition of 70% of the equity interests of Baotou Changtai Mining, achieving an increase of more than 16 tonnes of gold metal in the merger as well as an addition of a mature mine in production. The exploration right of Xiling Gold Mine were successfully injected into the Company and integrated with the mining rights of Sanshandao Gold Mine. The Company continued to accelerate the progress of project construction, in the first half of the year, a total of 452,600 cubic meters of engineering work was completed. Among them, the shaft construction of the auxiliary shaft project of Sanshandao Gold Mine exceeded the elevation of -1,590 meters, setting a new record for the deepest shaft in Asia; the main shaft project



in the southern area of Jiaojia Gold Mine was completed, and the main shaft in the mining area I of Xincheng Gold Mine was put into use as planned. The auxiliary shaft project of 2,000 tonnes/day processing capacity expansion and transformation project of Chifengchai Mine was completed ahead of schedule, and the construction of key projects such as the concentrator and tailings pond of Cardinal project in Ghana exceeded the scheduled progress. The Company continued to speed up the process of applying for licenses, and obtained a number of licenses and related approvals in the first half of the year. Among them, the Sanshandao Gold Mine obtained a post-integration mining license of 15,000 tonnes per day, and the deep boundary and capacity expansion project of Jinchang division in Yinan Gold Mine obtained a mining license.

**(IV) Adhere to reform and innovation, stimulate vitality and enhance momentum.**

The Company focuses on improving core competitiveness and enhancing core functions, and implements the in-depth actions to deepen the reform and enhancement of the state-owned enterprises. The Company vigorously promotes scientific and technological innovation and accelerates the development of new quality productivity. In the first half of 2024, the Company invested RMB258 million in technological research and development expenses, representing a year-on-year increase of 56.5%. The Company applied for 26 invention patents, with one enterprise approved as a provincial-level enterprise R&D center, and two enterprises approved as provincial “specialized and new” small and medium-sized enterprises. The achievement of “Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines” won the second prize of the National Science and Technology Progress Award, and the “Research and Demonstration Project of Key Technologies and Equipment for Intelligent, Safe and Efficient Mining of Deep Resources” was selected as the “Top Ten Scientific and Technological Achievements” of Shandong Provincial Enterprises. The Company accelerated the construction of “mechanization, automation, informatization and intelligence”, and anchored the annual work goal of “digital intelligence empowerment, simultaneous improvement of quality and efficiency”. Starting from the year of optimization and tackling of production systems, the Company focused on three major lines of building intelligent mining areas, creating intelligent benchmark enterprises and promoting typical scenarios. The Company promoted the implementation of two intelligent mining areas, five benchmark enterprises and multiple typical scenarios, realized its intelligent transformation and speeding up, so as to cultivate new quality productive forces by promoting transformation with intelligence. Unified construction projects such as “digital supply chain”, investment project management system, and audit digital management platform were advanced in an orderly manner. Sanshandao Gold Mine was selected into the list of digital transformation pilot enterprises of the State-owned Assets Supervision and Administration Commission of the State Council.

- (V) **Adhere to bottom-line thinking and effectively prevent and address risks.** The Company focused on safety production and invested RMB381 million in special safety expenses in the first half of 2024. It carried out a three-year campaign to tackle the root causes of safety production and continued to consolidate the work achievement that “top slope full support for mining is a normal process of mining operations”. Practical safety trainings were organized and safety production inspections were carried out during critical and sensitive periods to identify and rectify hidden risks in a timely manner and effectively prevent accidents. The Company united efforts on ecological and environmental protection to invest RMB70.1592 million in environmental protection in the first half of the year, and carried out special supervision and inspection and “follow-up” of provincial environmental protection inspection and feedback issues. The Company has actively carried out greening and geological environment restoration and treatment and a number of construction projects have obtained environmental impact assessment approval or environmental protection completion acceptance, continuing to consolidate the results of green mine construction.
- (VI) **Adhere to the leadership of party building and pool strength to promote development.** The Company carried out party discipline study and education in a solid manner, organized party discipline study and education classes and party style and clean government construction warning education meetings, and promoted party discipline study and education to be in-depth and practical. The Company solidly carried out the building of high-level talents, cadre team as well as industrial worker team. It has selected 20 cadres to serve important positions in external units for practical training and openly recruited nine high-level young talents, of them one employee was awarded the title of “Good Secretary with Accountability” by the Organization Department of the Provincial Party Committee, and three employees were awarded the National May 1st Labor Medal, the Shandong Provincial May 1st Labor Medal, the “Most Beautiful Employee” in the national mechanical, metallurgical and building materials industry, respectively. The Company deeply promoted comprehensive and strict governance of the party, building a “big supervision” system and employing the “full cycle management” method to advance the “three integrities” initiative, and continued to create a clean and upright political environment. The Company continuously carried out the work of rescuing employees in need, visiting and expressing condolences, and recuperating for employees. A total of more than 1,000 front-line employees were visited, 1,031 employees in need were helped, and the amount of consolation goods and relief funds as distributed was RMB3.606 million and RMB4.9343 million, respectively. The Company held a series of activities such as the “Chinese Dream · Beauty of Labor” lectures by model workers and craftsmen, the “Scholarly Shandong Gold, Beneficial Reading (書香山金益企悅讀)” reading festival, employee basketball games, and industrial workers’ vocational skills competitions, which greatly enhanced the Company’s cohesion, centripetal force and spiritual force.

### *III. Miscellaneous*

The construction of safety facilities adjustment project in the production system of Linglong Gold Mine in the Linglong mining area has been completed and is ready to enter the trial production stage. The Company will actively promote the acquisition of safety production licenses of the Linglong mining area.

As the core mining area of Laizhou gold production base, Jiaojia Gold Mine has currently completed the integration of various mineral rights and successfully obtained a mining license of 6.6 million tonnes per year. Jiaojia Gold Mine has entered the construction cycle of expanded reproduction projects starting from 2024, during which the scale of capacity will be appropriately adjusted to accelerate the construction of a world-class gold production base, which is expected to have a certain impact on the Company's current production and operation indicators.

### **ANALYSIS ON INVESTMENT STATUS**

During the Reporting Period, the Company signed the Equity Transfer Agreement with all shareholders of Baotou Changtai Mining to acquire 70% of the equity interests of Baotou Changtai Mining. The price of this equity transfer is based on the value of 100% of the entire equity of shareholders of Baotou Changtai Mining on 30 June 2023 as the valuation benchmark date, which is RMB681,805,500. After negotiation between both parties to the transaction, the transaction price of 70% of the equity interests of Baotou Changtai Mining is RMB471,100,000.

## Key Equity Investments

Unit: RMB0'000

Invested company	Major businesses	Mainly engaged in investment business	Investment method	The amount invested	Shareholding	Whether consolidating the financial statements (if applicable)	Statement account (if applicable)	Source of capital	JV partners (if applicable)	Investment horizon (if any)	Progress of the balance sheet date	Estimated earnings (if any)	Impact on the profit and loss during the period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Baotou Changqi Mining Co., Ltd.* (包头市 祺泰矿业有限责任公司)	Mining and processing of gold and silver; mining development; processing and sales of mineral products; mining engineering construction; sales of mining machinery.	Yes	Acquisition	47,110	70%	Yes	Long-term equity investment	Self-financing	Natural person	Long term	Completed the merger	/	/	No	12 March 2024	"Overseas Regulatory Announcement – Announcement on Resolutions of the Fifty-sixth Meeting of the Sixth Session of the Board of Directors of Shaodong Gold Mining Co., Ltd."
Total	/	/	/	47,110	/	/	/	/	/	/	/	/	/	/	/	/

## Key non-equity investments

No.	Project name	Total project investment amount (RMB'00 million)	Progress of project	Amount completed during the Reporting Period (RMB'00 million)	Cumulative amount completed (RMB'00 million)	Performance of project
1	Jiaojia mining area (integration) gold resources development project	82.73	The mixing shaft in the north area and the main shaft in the south area of the main control project were completed, and preparations for the second phase of project are underway. The auxiliary shaft and 2# air return shaft in the south area are being excavated as planned.	2.93	6.31	According to the Feasibility Study Report, after the project reaches capacity, the 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	37.84	The main shaft project in mining area I has completed excavation and installation and is in the process of commissioning, and the auxiliary shaft project in mining area II was completed and supporting engineering construction is in progress. The air return shaft project was dug as planned.	1.78	8.45	According to the Feasibility Study Report, after the project is completed and reaches capacity, the 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	Namdini Gold Mine project of Cardinal	33.60	The concentrator's civil engineering, installation project, tailings project, water supply project, electricity project, and utilities system engineering are progressing as planned.	9.30	26.50	According to the Feasibility Study Report, after the project reaches capacity, the annual ore processing capacity will be 9.5 million tonnes, and the average annual output of crude gold ingots containing gold will be 8.438 tonnes.
4	Expansion project of 2,000 tonnes/day of mining and beneficiation in Chifeng Chaihulanzi Gold Mining Co., Ltd.	2.78	The air shaft project has completed 82% of the designed total length of the pitshaft. The auxiliary shaft was completed, and the second phase of tunnel development project was continued. The construction of supporting tailings pond was completed.	0.15	2.19	According to the Feasibility Study Report, when the mine reaches production scale, it will produce 600,000 tonnes of ore per year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the Reporting Period, the Group's:

- **revenue** increased by approximately 66.90% to approximately RMB45,773.50 million from approximately RMB27,424.9 million for the same period of 2023, which was mainly due to the increase in sales prices of self-produced gold, externally purchased gold and externally procured alloy gold and the acquisition of Shanjin International during the period.
- **cost of sales** increased by approximately 66.69% to approximately RMB40,107.71 million from approximately RMB24,061.7 million for the same period of 2023, which was mainly due to the increase in the costs of self-produced gold, externally purchased gold and externally procured alloy gold and the acquisition of Shanjin International during the period.
- **gross profit** increased by approximately 68.47% to approximately RMB5,665.78 million from approximately RMB3,363.1 million for the same period of 2023, which was mainly due to the increase in gross profit of self-produced gold business during the period.
- **selling expenses** increased by approximately 40.65% to approximately RMB83.11 million from approximately RMB59.1 million for the same period of 2023, which was mainly due to the increase in sales commissions and the acquisition of Shanjin International during the period.
- **research and development expenses** increased by approximately 56.54% to approximately RMB258.2 million from approximately RMB164.9 million for the same period in 2023, which was mainly due to the increase in research and development investment by subsidiaries during the period.
- **other gains and losses, net** increased to a loss of approximately RMB337.13 million from a loss of approximately RMB71.9 million for the same period of 2023, which was mainly due to the loss on financial products.
- **finance costs** increased by approximately 31.16% to approximately RMB921.16 million from approximately RMB702.3 million for the same period of 2023, which was mainly due to the expansion of financing scale during the period.

## LIQUIDITY AND CAPITAL RESOURCES

The Group operates in a capital-intensive industry. 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 are not limited to, cash generated from operating activities, bank financing, bonds issued or to be issued, and private 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.

As at 30 June 2024, the reserves of the Group amounted to approximately RMB18,977.07 million and short-term borrowings amounted to approximately RMB33,907.77 million. The bank balances and cash and restricted bank deposits of the Group as at 30 June 2024 were in an aggregate of approximately RMB9,600.84 million. Based on the following considering factors, the Directors were of the opinion that the Group will be able to have sufficient working capital to provide capital sources for future needs of financing and working capital: (a) the Group is expected to remain profitable, and thus will continue to generate operating cash flows from future business operations; and (b) the Group has been maintaining long-term business relationship with its principal bankers.

In the opinions of the Directors, the Company has sufficient cash flows for the operation of the Group for the next twelve months, including its planned capital expenditure and current debt repayment. The borrowings of the Group include short term borrowings due to related parties in an aggregate amount of approximately RMB2,006.10 million from SDG Group Finance at an interest rate ranging from 2.2% to 2.8% per annum. The Company has issued corporate bonds, and please refer to “Information of Corporate Bonds” below for details.

Meanwhile, the Group had arrangements of bank borrowings of approximately RMB56,968.01 million (including gold leases of approximately RMB12,469.52 million) through a number of banks in the PRC with interest rates ranging from 2.06% to 6.54% per annum.

## INFORMATION OF CORPORATE BONDS

### Overview of corporate bonds

Unit: RMB'00,000,000

Name of Bonds	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	The Latest Putback Date After 31 August 2024	Outstanding Balance of Bonds	Compon Rate (%)	Payment of Principal and Interest	Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investors (if any)	Mechanism of Trading	Whether There is a Risk of Termination of the Listing Transaction
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1)	24-Lujin K1	240785	2024/03/25	2024/03/27	/	20,000	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 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (See Note 1 for details)	Lujin KY02	240334	2023/11/23	2023/11/27	/	20,000	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
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (See Note 2 for details)	Lujin KY01	240365	2023/11/15	2023/11/17	/	20,000	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

**Note 1:** 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.

**Note 2:** 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.



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

<b>Current status</b>	<b>Execution</b>	<b>Whether there is any change</b>	<b>Status upon change</b>	<b>Reason for the change</b>	<b>Whether the change has been approved by the competent authority</b>	<b>Impact of the change on the rights and interests of bond investors</b>
“Lujin KY01” (See Note 1 for details)	Normal	No	N/A	N/A	No	N/A
“Lujin KY02” (See Note 2 for details)	Normal	No	N/A	N/A	No	N/A
“24 Lujin K1”	Normal	No	N/A	N/A	No	N/A

*Other explanations*

*Note 1:* “Lujin KY01” is not guaranteed. Each repricing term of the Bonds shall be 3 interest accruing years. At the end of each repricing term, the issuer is entitled to renew the Bonds for an additional term (i.e. 3 years), or repay and redeem the Bonds in full as they fall due at the end of the term. There is no limit on the number of times the issuer’s renewal option can be exercised. The Bonds have an issuer option to defer interest payments, unless mandatory interest payments events have been triggered, at each interest payment date of the Bonds, the issuer may choose to defer the current interest payment, as well as any previously deferred interest payments or accreted interest thereon in accordance with this clause, to the next payment date, without being subject to any limitation with respect to the number of deferrals. If in a certain renewal option exercise year of the Bonds, the issuer chooses to repay and redeem the Bonds in full, the interest payment date in that interest accrual year shall be the redemption date of the Bonds.

*Note 2:* “Lujin KY02” is not guaranteed. Each repricing term of the Bonds shall be 3 interest accruing years. At the end of each repricing term, the issuer is entitled to renew the Bonds for an additional term (i.e. 3 years), or repay and redeem the Bonds in full as they fall due at the end of the term. There is no limit on the number of times the issuer’s renewal option can be exercised. The Bonds have an issuer option to defer interest payments, unless mandatory interest payments events have been triggered, at each interest payment date of the Bonds, the issuer may choose to defer the current interest payment, as well as any previously deferred interest payments or accreted interest thereon in accordance with this clause, to the next payment date, without being subject to any limitation with respect to the number of deferrals. If in a certain renewal option exercise year of the Bonds, the issuer chooses to repay and redeem the Bonds in full, the interest payment date in that interest accrual year shall be the redemption date of the Bonds.

## Debt Financing Instruments of Non-Financial Enterprises in the Interbank Bond Market

### Basic Information on Debt Financing Instruments of Non-Financial Enterprises

Unit: RMB'00,000,000

Name of Bonds	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	Date of Maturity	Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest	Place of Trading	Appropriate Arrangement of Investors (if any)	Mechanism of Trading	Whether There is a Risk of Termination of the Listing Transaction
The 2024 First Tranche of Ultrashort-term Financing Bonds of Shandong Gold Mining Co., Ltd. (Technology Innovation Instrument)	24 Lujin SCP001 (Technology Innovation Instrument)	012480461.IB	1 February 2024	2 February 2024	25 October 2024	7.00	2.24	Principal and interest to be repaid at maturity	Inter-bank	Institutional investors in the national interbank bond market	Circulation and transfer in the national interbank bond market	No
The 2024 Second Tranche of Ultrashort-term Financing Bonds of Shandong Gold Mining Co., Ltd. (Technology Innovation Instrument)	24 Lujin SCP002 (Technology Innovation Instrument)	012480606.IB	26 February 2024	27 February 2024	22 November 2024	10.00	2.06	Principal and interest to be repaid at maturity	Inter-bank	Institutional investors in the national interbank bond market	Circulation and transfer in the national interbank bond market	No

## CASH FLOWS

The Group's bank balances and cash decreased from approximately RMB8,352.90 million as at 31 December 2023 to approximately RMB7,984.99 million as at 30 June 2024.

## ASSETS AND LIABILITIES

As at 30 June 2024, the Group's:

- **intangible assets** increased by approximately 32.46% to approximately RMB43,696.81 million from approximately RMB32,988.31 million as at 31 December 2023, which was mainly due to the additional purchase of the exploration right of Xiling Gold Mine during the period.
- **borrowings** increased by approximately 15.31% to approximately RMB58,974.11 million from approximately RMB51,143.97 million as at 31 December 2023, which was mainly due to the increase in investment and financing scale during the period.
- **financial liabilities at fair value through profit or loss** increased by approximately 67.44% to approximately RMB1,341.83 million from approximately RMB801.36 million as at 31 December 2023, which was mainly due to the increase in the financing through gold leasing of the subsidiaries during the period.
- **trade and other payables** increased by approximately 43.29% to approximately RMB28,624.87 million from approximately RMB19,976.44 million as at 31 December 2023, which was mainly due to the increase in payables of the Company for purchase of the exploration right of Xiling Gold Mine during the period.

## GEARING RATIO

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As of 30 June 2024, the Group's consolidated total debt was approximately RMB60,470.41 million (approximately RMB52,101.59 million as of 31 December 2023), and the Group's consolidated total equity was approximately RMB53,911.28 million (approximately RMB53,297.71 million as of 31 December 2023). As of 30 June 2024, the Group's gearing ratio was approximately 112.17% (31 December 2023: approximately 97.76%).

## Restrictions on main assets as of the end of the Reporting Period

*Unit: RMB*

<b>Item</b>	<b>Carrying amount as of the end of the period</b>	<b>Reasons for restrictions</b>
Monetary funds	351,856,022.66	Security deposits for land reclamation and environmental governance
Monetary funds	1,193,507,701.88	Security deposits for notes
Monetary funds	8,908,670.98	Reserves for gold trading
Monetary funds	18,310,471.44	Security deposits for futures
Monetary funds	38,517,669.46	Security deposits for letters of credit
Monetary funds	1,796,400.00	Fund frozen by court
Monetary funds	2,952,500.00	Others
Inventories	120,004,082.68	Pledge for financing
Other non-current assets	1,329,800.00	Advanced security deposit for exploration rights, the balance of which will be frozen and supervised according to a three-party supervision agreement signed by Jincheng Shengxin, Team 602 of Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank
Total	1,737,183,319.10	—

## **CAPITAL EXPENDITURE**

The capital expenditure of the Group mainly relates to the acquisition of mining and exploration permits, property, plant and equipment, land use right and intangible assets, and investment properties. As of 30 June 2024, in the contracted but not incurred capital expenditure of the Group, the total amount for the acquisition of mining and exploration permits, property, plant and equipment was approximately RMB1,295.42 million (as of 30 June 2023: approximately RMB948.6 million).

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

Save as disclosed in this announcement, for the six months ended 30 June 2024, the Group had no major investments, nor major acquisitions or disposals of subsidiaries, associates and joint ventures.

The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities and expand its mineral resources in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. We are confident in the future and committed to bolstering the continuous growth of the Group.

## **PLEDGE OF ASSETS**

As of 30 June 2024, the Group did not have any other material pledge of assets, save as the pledges disclosed in this announcement.

## **INTERIM DIVIDEND**

The Board recommended the payment of an interim dividend of RMB0.80 per 10 Shares (tax inclusive) for the six months ended 30 June 2024 to the Shareholders (30 June 2023: Nil).

It is proposed to distribute a total cash dividend of RMB357,874,362.00 (tax inclusive) based on the total share capital of 4,473,429,525 Shares as at 28 August 2024. The amount of the Company's half-year cash dividend for 2024 accounts for 30.92% of the then net profit attributable to ordinary shareholders of the listed company. If the total share capital of the Company changes before the record date for implementation of the profit distribution, it is planned to remain the total amount of dividends unchanged, adjust the amount of distribution per share accordingly, and the details of adjustments will be further announced.

The above profit distribution plan has been considered and approved at the 65th meeting of the sixth session of the Board of the Company, and shall be submitted to the general meeting of the Company for consideration and approval before implementation.

Details of the interim dividend and the specific arrangements for the payment of the interim dividend and the relevant timing for the closure of the register of members for the H Shares will be separately disclosed by the Company in the circular in connection with the general meeting.

If approved by the general meeting, the Company will pay the dividend on or before 29 November 2024.

## **POSSIBLE RISKS**

The Company clarifies the risk management responsibilities of the Board, the management and various departments and positions by strengthening organizational leadership, and establishes a whole process and chain risk prevention and control system and work mechanism based on the standard of “standardization and stability”, so as to firmly and vigorously prevent and resolve risks. Investors are advised that the Company has listed the main risks and took countermeasures, and however, the Company cannot absolutely guarantee the elimination of all adverse factors due to constraints of various factors.

### **Safety Management Risks**

As the safety production supervision standards and requirements of governments at all levels continue to increase, the Company’s overall safety management is solid and effective. However, there are still some weak links in the safety production of some enterprises in basic management, equipment, systems and personnel quality, which restricts the Company’s achievement of intrinsic safety goal. If major casualties and property losses occur, it will have an impact on the Company’s production and operation, and will affect the Company’s brand and social reputation.

**Countermeasures:** We signed the work safety responsibility certificates with all staff and released the “Opinions on Strengthening Safety Work” in 2024 to consolidate and improve the results of mining top help full support, concentrate on rectifying problems of systems, ventilation, and deep high temperature, resolutely eliminating equipment and processes expressly prohibited by the state, and promoting the application of advanced and applicable technologies. We strengthened prevention at source, optimized the dual prevention mechanisms for production safety, carefully investigated and managed hidden disaster factors, improved the risk prevention and control system, and enhanced safety inspections and the investigation and management of hidden dangers. We strengthened scientific breakthroughs on mine safety, comprehensively improved the level of technological equipment, and promoted transparent mine geology, accurate disaster warning, intelligent mining, informational control, and unmanned disaster relief and exploration, for the purpose of increasing the intrinsic safety level of mines. We provided safety trainings to improve the safety quality of safety managers and operators.

## **Environmental Protection Management Risks**

Currently, the issuance of environmental protection laws, regulations, and standard specifications is relatively high, with the national ecological and environmental protection regulatory landscape becoming increasingly stringent. Although the Company's ecological and environmental protection efforts have maintained a stable state, there still exist weaknesses in the environmental foundation management and a lack of prevention awareness in some enterprises, posing certain risk hazards to the Company's production and operations.

**Countermeasures:** We implemented the main responsibilities for ecological and environmental protection of enterprises and signed ecological and environmental responsibility certificates at all levels. We strengthened the ecological and environmental awareness of all employees, and improved ecological and environmental management systems from top to bottom. We strengthened management of the "three simultaneities" of environmental protection, pollution discharge permits, pollution prevention and control, hazardous chemicals, hazardous wastes, tailings and other links or areas. We regularly carried out investigation and treatment of potential environmental hazards, promoted the rectification and implementation of outstanding environmental problems, and reduced environmental risks. Intensified technological innovation and increased environmental investment, continuously improved pollution prevention and control level, orderly promoted pollution reduction and carbon emissions, synergistically increased efficiency, continuously reduced pollutant emissions, improved pollution prevention and control level, and improved the ecological environment of mining areas. Strengthened the construction of circular economy, expanded the comprehensive utilization ways of solid waste including tailings and waste rocks, improved the comprehensive utilization rate of solid waste. Strengthened the construction of environmental emergency response systems, organized enterprises to timely prepare (revise) emergency plans for environmental emergencies, strengthened drills, prepared sufficient and complete emergency materials, and improved the emergency prevention capabilities.

## **Resource Acquisition Risk**

The competition between large mining groups for superior mineral resources has intensified, showing a trend of high overlap of major power competition categories, obvious geopolitical layout competition, and rising resource protectionism, making it more difficult to acquire new high-quality mineral rights.

**Countermeasures:** We innovated the mode of resource acquisition, accelerated the integration of significant and high-quality resources at home and abroad through various methods such as mergers and acquisitions of and application for mining rights, and risk prospecting, and continued to expand the advantages of production capacity and resource scale. To strengthen the research and development of exploration technology and make full use of the Company's professional geological team, we continued to intensify our efforts in exploration for advantageous target areas, and made new breakthroughs in theories of ore formation and prospecting and regional exploration to upgrade our resource reserves.

## **Risks of Fluctuation in Product Prices**

The Company's main product is gold, and fluctuations in gold prices bring significant uncertainty to the Company's operational benefits. Due to the ongoing severe global economic situation and increased geopolitical instability, along with the adjustments in national policies (such as monetary policy, fiscal policy, industry policy, regional development policy, etc.) and fluctuations in exchange rates, there can be a substantial impact on product prices, thereby affecting the Company's profits.

**Countermeasures:** The Company continuously strengthens the analysis and judgment of market trends, promptly analyzing the factors affecting gold prices and enhancing communication with external institutions to broaden perspectives. Based on scientific analysis and judgment, the Company adjusts its sales strategies in a timely manner. Surrounding production and operations, the Company carries out hedging activities to fully leverage the hedging functions of financial derivatives, offsetting the risk of product price fluctuations. It also establishes corresponding management systems, facilitates business management mechanisms, continuously enhances the effectiveness of hedging, and effectively reduces the risk of price fluctuations.

## **Exchange Rate Volatility Risk**

The Group's exposure to exchange rate risk is mainly related to the U.S. dollar, Argentine peso, Singapore dollar, Canadian dollar, Hong Kong dollar and Cedi. Except for several subsidiaries of the Group that purchase and sell in U.S. dollars, most of the Group's revenue, operating costs and expenses are and are expected to continue to be denominated in Renminbi. Revenue generated by our Argentina operations is denominated in U.S. dollars while the operating and capital costs for the Veladero Mine are partially denominated in Argentine Peso. Since the trend of gold prices in Renminbi is generally in line with that of international gold prices denominated in U.S. dollar and the Argentine Peso has experienced significant fluctuations in the past, the revenue of the Group may be affected if there are any significant changes in the exchange rate of Renminbi vs U.S. dollar and Argentine Peso vs U.S. dollar. Therefore, the consolidated financial performance of the Group may be affected. The management has been monitoring foreign exchange risk and promptly hedge against foreign exchange risk if necessary.

## **STAFF OF THE GROUP**

As at 30 June 2024, the Group had a total of 19,314 full-time employees. For the six months ended 30 June 2024, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately RMB2,563.33 million (six months ended 30 June 2023: approximately RMB1,806.9 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 whilst in consideration of the corporate efficiency, scale, and operational difficulty of his/her respective position and fulfilment 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.

For operation management training of the Group, we aligned with Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, aiming to become an internationally first-class enterprise, with lean management as our goal and improving operational management level as our purpose. We conducted training for management personnel at all levels, covering production operations, human resources, project management, financial auditing, financial management, resource acquisition, and party building and discipline inspection, etc. Professional and technical personnel training was oriented towards enhancing scientific and technological innovation capabilities, with continuing education for professional and technical personnel as a focus, and facilitating the technological progress of the enterprise as the objective. This is achieved through the organization of continuing education for professionals in geophysical exploration, selection, and electrical mechanics, among others, and specialized lectures by expert committees from various disciplines including geophysical exploration, selection, and electrical mechanics. The training of vocational skills employees starts with the cultivation of gold craftsmen, emphasizes the improvement of skill quality, and aims to enhance technical abilities, through which the pre-employment training, continuing education, and self-assessment for skilled employees have been successfully accomplished.

## **MATERIAL CHANGE**

Save as disclosed herein, there has been no material change in respect of the future developments in the business of the Group (including the Company's prospects for the current financial period) since the publication of the Company's 2023 annual report.

## **CORPORATE GOVERNANCE**

The Company, being a company listed in Hong Kong and Shanghai, manages its operation in strict compliance 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 and the Hong Kong Stock Exchange. The corporate governance of the Company complies with the applicable requirements of the relevant laws and regulations.

The Company is committed to the maintenance of good corporate governance practices, with reference to the CG Code. 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 six months ended 30 June 2024.



## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

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

## **AUDIT COMMITTEE**

The audit committee currently comprises of two non-executive Directors, Mr. Li Hang and Ms. Wang Xiaoling and three independent non-executive Directors, Mr. Wang Yunmin, Mr. Liew Fui Kiang and Ms. Zhao Feng. The chairman of the audit committee is Ms. Zhao Feng.

The audit committee has reviewed the interim results of the Group for the six months ended 30 June 2024 and further discussed the auditing, internal control and financial reporting matters. The audit committee considers that the interim results of the Group for the six months ended 30 June 2024 are in compliance with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure.

## **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 share, if any) of the Company.

## **OTHER SIGNIFICANT EVENTS DURING REPORTING PERIOD**

On 26 January 2024 (after trading hours), the Company and Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司) (“**Shandong Gold Exploration**”) entered into the Acquisition Agreement, pursuant to which Shandong Gold Exploration agreed to sell and the Company agreed to acquire the Xiling Gold Mine Exploration Right, at a consideration of RMB10,334,248,700. The relevant resolution was considered and approved at the 2024 second extraordinary general meeting of the Company held on 7 March 2024. For details, please refer to the Company's announcement dated 26 January 2024 and the circular dated 21 February 2024 published on the website of the Hong Kong Stock Exchange.

On 26 January 2024, in accordance with the latest provisions of the Management Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) of the China Securities Regulatory Commission and the Hong Kong Listing Rules and based on the actual conditions of the Company, the Company made amendments to the Articles of Association and the amendments to the Articles of Association were approved by Shareholders at the 2024 second extraordinary general meeting of the Company held on 7 March 2024. For details, please refer to the Company's announcement dated 26 January 2024 and the circular dated 21 February 2024 published on the website of the Hong Kong Stock Exchange.

## **SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

In the view of the fact that the issuance of A Shares to target subscribers by the Company has not yet been completed, the Company proposed to extend the validity period of the Shareholders' resolution in relation to the issuance of A Shares to target subscribers and the validity period of the authorization by the Shareholders' meeting to the Board and its authorized persons with full discretion to deal with the relevant matters relating to the issuance of A Shares to target subscribers, in order to ensure the smooth progress of the relevant work. The Company convened the 62nd meeting of the sixth session of the Board and the 37th meeting of the sixth session of the Supervisory Committee on 9 July 2024, which considered and approved the Resolution on the Extension of the Validity Period of the Shareholders' Resolution in relation to the Issuance of A Shares of the Company to Target Subscribers, which proposed to extend the validity period of the Shareholders' resolution in relation to the issuance of A Shares to target subscribers to 29 July 2025. The Company convened the 62nd meeting of the sixth session of the Board and the 37th meeting of the sixth session of the Supervisory Committee on 9 July 2024, which considered and approved the Resolution on the Extension of the Validity Period of the Authorization by the Shareholders' Meeting to the Board and its Authorized Persons with Full Discretion to Deal with the Relevant Matters relating to the Issuance of A Shares to Target Subscribers, which proposed to extend the validity period of the authorization by the Shareholders' meeting of the Company to the Board and its authorized persons with full discretion to handle matters related to the issuance of A Shares to target subscribers. As for the authorization, if it involves specific implementations after the approval of the issuance from the regulatory authority and the stock exchange, the validity period of the authorization shall be from the date of consideration and approval by the general meeting of the Company to the date of completion of such specific implementations, while the validity period of remaining authorization shall be extended to 29 July 2025. The relevant resolutions were considered and approved at the 2024 fourth extraordinary general meeting, the 2024 second A Shares class meeting and the 2024 second H Shares class meeting of the Company held on 29 July 2024. For details, please refer to the Company's announcement dated 29 July 2024 and circular dated 12 July 2024 published on the website of the Hong Kong Stock Exchange.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sdhjgf.com.cn](http://www.sdhjgf.com.cn)), and the 2024 interim report of the Company containing all the information required by the Hong Kong Listing Rules will be published on the above websites in due course.

## DEFINITIONS

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

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.0 each, which are listed on the Shanghai Stock Exchange;
“Articles of Association”	the articles of association of the Company;
“Board” or “Board of Directors”	the board of Directors of the Company;
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules;
“China” or the “PRC” or “State”	The People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Group” or “we”	the Company and all of its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its existing subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.0 each, which are listed on the Hong Kong Stock Exchange;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB);

“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;
“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time;
“Prospectus”	the prospectus issued by the Company in connection with the Hong Kong public offering dated 14 September 2018;
“Reporting Period”	from 1 January 2024 to 30 June 2024;
“RMB”	Renminbi, the lawful currency of China;
“SDG Group”	SDG Group Co. and all of its subsidiaries;
“SDG Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), a limited liability company incorporated in the PRC on 16 July 1996, the controlling Shareholder of the Company; as of the date of this announcement, SDG Group Co. is held as to 70%, 20% and 10% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會), Shandong Guohui Investment Holding Group Co., Ltd.* (山東國惠投資控股集團有限公司) and Shandong Caixin Assets Management Co., Ltd.* (山東省財欣資產運營有限公司), respectively. Shandong Guohui Investment Holding Group Co., Ltd. is a limited liability company established in the PRC and is owned as to 100% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government;
“SDG Group Finance”	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司), a company incorporated in the PRC with limited liability on 17 July 2013, which is held as to 30% by the Company and 70% by SDG Group Co.;
“SDG Hong Kong”	Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司), incorporated in Hong Kong on 27 February 2017 with limited liability and a wholly-owned subsidiary of the Company;
“SFC”	The Securities and Futures Commission of Hong Kong;

“Shandong Gold” or “Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company incorporated in the PRC under the laws of the People’s Republic of China with limited liability on 31 January 2000, the H Shares and A Shares of which are listed on the main board of the Hong Kong Stock Exchange (stock code: 1787) and the Shanghai Stock Exchange (stock code: 600547) respectively;
“Shanghai Gold Exchange”	Shanghai Gold Exchange (上海黃金交易所);
“Shanghai Stock Exchange” or “SSE”	Shanghai Stock Exchange (上海證券交易所);
“Shanjin International”	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) (formerly “Yintai Gold Co., Ltd. (銀泰黃金股份有限公司)”), a joint stock company established in the PRC with limited liability on 18 June 1999, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000975), and a controlling subsidiary of the Company;
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Share(s) and our H Share(s);
“Shareholder(s)”	holder(s) of the Share(s);
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“USD”	United States dollar, the lawful currency of the United States; and
“Veladero Mine”	the Veladero Mine located in the high Andes Cordillera of central western Argentina, details of which are set out in “Appendix IV – Competent Person’s Report – RPA Report” to the Prospectus.

By order of the Board  
**Shandong Gold Mining Co., Ltd.**  
**Li Hang**  
*Chairman*

Jinan, the PRC, 28 August 2024

*As at the date of this announcement, the executive Directors are Mr. Liu Qin, Mr. Wang Shuhai and Mr. Tang Qi; the non-executive Directors are Mr. Li Hang and Ms. Wang Xiaoling; and the independent non-executive Directors are Mr. Wang Yunmin, Mr. Liew Fui Kiang and Ms. Zhao Feng.*

\* For identification purposes only