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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)

POSITIVE PROFIT ALERT

This announcement is made by Shandong Gold Mining Co., Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. Estimated results for the First Three Quarters of 2022

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review and assessment of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2022 (the “**First Three Quarters of 2022**”) prepared pursuant to China Accounting Standards for Business Enterprises, (i) the Company expects to turn loss into profit and expects to record a net profit attributable to the Shareholders of approximately RMB650 million to RMB750 million in the First Three Quarters of 2022, representing an increase of approximately RMB1,987 million to RMB2,087 million, or 148.61% to 156.09% as compared with the nine months ended 30 September 2021 (the “**First Three Quarters of 2021**”) (after retrospective adjustments).

In the above data, the net profit attributable to the Shareholders in the First Three Quarters of 2022 includes the interest attributable to the holders of perpetual bonds of approximately RMB239 million in the First Three Quarters of 2022, and the net profit attributable to ordinary shareholders of the Company is approximately RMB411 million to RMB511 million in the First Three Quarters of 2022 after deducting the interest on perpetual bonds.

II. Results for the First Three Quarters of 2021

- (1) On 31 October 2021, Shandong Gold Mining (Laizhou) Co., Ltd., a subsidiary of the Company, completed the acquisition of 100% equity interest of Shandong Laizhou Ludi Gold Mine Company Limited, 100% equity interest of Shandong Tiancheng Mining Co., Ltd., 100% equity interest of Shandong Dikuang Laijin Holdings Co., Ltd. and 45% equity interest of Laizhou Hongsheng Mining Investment Co., Ltd. held by Shandong Gold Group Co., Ltd., which constituted a business combination under common control. After retrospective adjustments, the net loss attributable to the Shareholders in the First Three Quarters of 2021 was RMB1,337 million, and the net loss attributable to the Shareholders after deducting non-recurring gains and losses was RMB1,266 million.
- (2) Loss per share: RMB0.3 (after retrospective adjustment)

III. Main reasons for the expected profit in net profit attributable to the Shareholders in the First Three Quarters of 2022

The Company's mines located in Shandong Province began to carry out safety inspections since the beginning of February 2021, which had a significant impact on production capacity and resulted in a loss recorded by the Company in the First Three Quarters of 2021. In the face of the above, the Company strengthened the guidance of strategic planning, promoted the resumption of work and production, strengthened lean management, accelerated the integration of resources, and controlled safety and environmental protection, with obvious results achieved. Since the second half of 2021, the mines owned by the Company have gradually increased gold production. In 2022, the Company continued to promote reform and innovation, accurately decomposed responsibility indicators, accelerated the construction of major projects, took multiple measures to reduce costs and increase efficiency, and strictly controlled production safety. With the recovery of production capacity, the Company enhanced the profitability of its principal business of gold in the First Three Quarters of 2022, and continued to solidify the upward and positive momentum.

As the Company is still in the process of preparing and finalizing the report of the Group for the First Three Quarters of 2022, the information contained in this announcement is only based on the preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the First Three Quarters of 2022 based on the information currently available, which have not been audited by the Company's auditors. Therefore, the actual results of the Group for the First Three Quarters of 2022 may be different from those disclosed in this announcement. The Shareholders and potential investors should read the report of the Group for the First Three Quarters of 2022 carefully, which is expected to be published by the end of October 2022.

The Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Jinan, the People's Republic of China
14 October 2022

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