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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 quarter of 2022

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary review and assessment of unaudited consolidated management accounts of the Group for the first three months ended 31 March 2022 (the “**First Quarter of 2022**”) prepared pursuant to China Accounting Standards for Business Enterprises, (i) the Company expects to record an estimated net profit attributable to Shareholders of approximately RMB315 million in the First Quarter of 2022, representing an increase of approximately RMB644 million as compared with the three months ended 31 March 2021 (the “**First Quarter of 2021**”) (after retrospective adjustments), turning losses into profits; (ii) after deducting non-recurring profit and loss, the Company expects to record an estimated net profit attributable to Shareholders in the First Quarter of 2022 of approximately RMB338 million, representing an increase of approximately RMB655 million as compared with the First Quarter of 2021 (after retrospective adjustments), turning losses into profits.

In the above data, the net profit attributable to Shareholders in the First Quarter of 2022 includes the interest attributable to the holders of perpetual bonds of approximately RMB74 million in the First Quarter of 2022, and net profit attributable to ordinary shareholders is approximately RMB241 million in the First Quarter of 2022 after deducting interest on perpetual bonds.

II. Results for the First Quarter 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 Company's net loss attributable to Shareholders in the First Quarter of 2021 was RMB329 million, and net loss attributable to Shareholders after deducting non-recurring gains and losses was RMB317 million.
- (2) Loss per share: RMB0.07 (after retrospective adjustment)

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

The Company's mines located in Shandong Province have carried out safety inspections since the beginning of February 2021, which had a significant impact on production capacity and resultingly the Company recorded a loss in the First Quarter of 2021. In the face of the above, the Company strengthened the guidance of strategic planning, established 12 key special work teams, promoted the resumption of work and production, strengthened lean management, accelerated the integration of resources, controlled safety and environmental protection, and promoted reform and innovation, with obvious results achieved. From the second half of 2021, the mines owned by the Company have gradually increased gold production. Entering 2022, the Company continued to give full play to the role of the special work team mechanism and strengthened the orientation of target and quality in the work. With the recovery of production capacity, the Company enhanced its profitability in the First Quarter of 2022.

As the Company is still in the process of preparing and finalizing its first quarterly report 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 Quarter of 2022 currently available, which have not been audited by the Company's auditors. Therefore, the actual results for the Group for the First Quarter of 2022 may be different from those disclosed in this announcement. Shareholders and potential investors of the Company should read the first quarterly report of 2022 of the Group carefully, which is expected to be published on 19 April 2022.

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

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

Jinan, the People's Republic of China
11 April 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 Guohong, 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.