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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 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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review and assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (the “**2020 Year**”) prepared pursuant to China Accounting Standards for Business Enterprises, it is expected that the Group will record a growth in its profit attributable to the shareholders of the Company (between RMB2.0 billion to RMB2.65 billion) of 55% to 105% as compared with that of approximately RMB1.289 billion for the year ended 31 December 2019. Such increase was mainly attributable to the significant increase in the global gold price since 2020 under the demand for hedging resulting from factors including the economic downturn of the world’s major economies and global monetary easing. In such circumstances, the Company seized the opportunities of rising gold price and organised gold sales at appropriate times. During the 2020 Year, the gross profit generated from the sales of the Company’s self-produced gold increased significantly and achieved a greater year-on-year growth in profit.

As the Company is still in the process of preparing and finalizing the Group’s annual results announcement, the information contained in this announcement is only based on the Company’s preliminary assessment of the unaudited consolidated management accounts of the Group for the 2020 Year (which have not been audited by the Company’s auditors) based on the information currently available. Therefore, the actual results of the Group for the 2020 Year may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Group for the year ended 31 December 2020 carefully, which is expected to be published by the end of March 2021.

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
29 January 2021

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.