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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)**

## **2021 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Set out below is the 2021 first quarterly report of Shandong Gold Mining Co., Ltd. (the “**Company**”) for the three months ended 31 March 2021. The financial report contained herein is prepared pursuant to China Accounting Standards for Business Enterprises and has not been audited.

This announcement is prepared in both Chinese and English languages. In the event of any inconsistency between these two versions, the Chinese version shall prevail.

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

Jinan, the People's Republic of China  
29 April 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.*



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Company Stock Code: 600547

Abbreviation : SD-GOLD

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## I. IMPORTANT NOTICE

- 1.1 The board of directors of the Company (the “Board”), the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this quarterly report, and that it contains no false representation, misleading statements or material omission, and jointly and severally accept the legal responsibility.
- 1.2 All directors of the Company attended the Board meeting and considered this quarterly report.
- 1.3 Li Guohong (officer in charge of the Company), Huang Weimin (officer in charge of the Company’s accounting affairs) and Huang Weimin (officer in charge of the accounting office of the Company, Head of the Company’s accounting department) have warranted the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The First Quarterly Report of the Company is unaudited.

## II. COMPANY PROFILE

### 2.1 Major Financial Data

Unit: Yuan Currency: RMB

	At the end of this reporting period	At the end of last year	Increase/ decrease from the end of last year (%)
Total assets	68,431,166,626.02	63,859,450,125.18	7.16
Net assets attributable to owners of the listed company	<u>30,698,594,474.72</u>	<u>28,759,779,614.42</u>	<u>6.74</u>



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	<b>From the beginning of this year to the end of the reporting period</b>	<b>From the beginning of last year to the end of the reporting period of last year</b>	<b>Increase/decrease from the corresponding period of last year (%)</b>
Net cash flows from operating activities	507,388,009.90	636,818,669.81	-20.32
	<b>From the beginning of this year to the end of the reporting period</b>	<b>From the beginning of last year to the end of the reporting period of last year</b>	<b>Increase/decrease from the corresponding period of last year (%)</b>
Operating income	7,297,137,748.10	13,965,732,251.26	-47.75
Net profit attributable to owners of the listed company	-318,539,626.20	563,314,208.72	-156.55
Net profit attributable to owners of the listed company, net of non-recurring profit or loss	-317,340,357.45	565,277,849.81	-156.14
Weighted average net assets return (%)	-1.06	2.40	decreased by 3.46 percentage points
Basic earnings per share (RMB/share)	-0.07	0.13	-153.85
Diluted earnings per share (RMB/share)	-0.07	0.13	-153.85



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Non-recurring profit or loss items and amount

Applicable     Non-applicable

Unit: Yuan    Currency: RMB

<b>Items</b>	<b>Amount for the current period</b>	<b>Description</b>
Gains or losses on disposal of non-current assets	-2,296,956.97	
Tax refunds, exemptions or reductions from unauthorized approval or non-official approval documents or on a contingent basis		
Government grants recognized through current profit or loss (other than grants which are closely related to the Company's normal operation of business that are in accordance with the national policies and conferred on the standard quota or fixed amounts basis)	1,238,040.03	
Payment for use of state funds received from non-financial institutions recorded in current profits and losses		
Gains from the difference between the investment costs of acquisition of subsidiaries, associates and joint ventures and share of the net fair value of the identifiable assets of the investee through investment		
Gains or losses from exchange translation of non-monetary asset		
Gains or losses from entrusting the investments or management of assets		



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<b>Items</b>	<b>Amount for the current period</b>	<b>Description</b>
Impairment provision of assets for force majeure such as natural calamities		
Gains or losses from debt restructuring		
Restructure expenses, such as the compensation for employee relocation and integration cost		
Gains or losses from transactions with obvious unfair transaction price in excess of fair values		
Current net gains or losses of the subsidiaries from enterprise merger under the common control from the beginning of the period to the merger date		
Profit or loss arising from contingencies not related to the Company's normal business		
Except for effective hedging business related to the normal business of the Company, profits or losses from fair value changes in held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments		
Reversal of the impairment provision for receivables and contract assets subject to individual impairment test		



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<b>Items</b>	<b>Amount for the current period</b>	<b>Description</b>
Profit or loss from entrusted loans		
Profit or loss from fair value changes in investment property subsequently calculated with the fair value mode		
Impacts of one-off adjustment of the current profit or loss in accordance with requirements of tax and accounting laws and regulations on the current profit and loss		
Custodian income from entrusted management		
Other non-operating income and expenses other than the aforesaid items	504,094.48	
Other items of gains or losses subject to the definition of non- recurring gains or losses		
Amount of effect on non-controlling interests (after tax)	-22,337.22	
Amount of effect on income tax	-622,109.07	
	<hr/>	
Total	-1,199,268.75	
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2.2 Total number of shareholders, shareholding of top ten shareholders and top ten holders of tradable shares (or shareholders not subject to trading moratorium) as at the end of the reporting period

Unit: Share

Total number of shareholders

264,112

Name of shareholders (full name)	Class of shares	Shareholding of top ten shareholders		Number of shares held subject to trading moratorium	Pledged or locked up		Nature of shareholder
		Number of shares held as at the end of reporting period	Ratio (%)		Shares status	Number	
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	A shares	1,671,709,197	37.37%		Pledged	509,600,000	State-owned legal person
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	A shares	194,872,049	4.36%	77,948,821	Nil		State-owned legal person
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	A shares	115,477,482	2.58%		Nil		State-owned legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	A shares	108,834,732	2.43%		Nil		Others
Hong Kong Securities Clearing Company Limited	H shares	858,769,274	19.20%		Nil		Overseas legal person
	A shares	66,430,023	1.48%		Nil		Overseas legal person
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	A shares	35,991,480	0.80%		Nil		State-owned legal person
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	A shares	31,467,157	0.70%		Nil		State-owned legal person



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Name of shareholders (full name)	Class of shares	Shareholding of top ten shareholders		Pledged or locked up		Nature of shareholder
		Number of shares held as at the end of reporting period	Ratio (%)	Number of shares held subject to trading moratorium	Shares status	
Guo Hongwei (郭宏偉)	A shares	30,130,000	0.67%		Nil	Domestic natural person
Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司)	A shares	25,028,941	0.56%		Nil	State-owned legal person
Wang Weilie (王衛列)	A shares	24,139,372	0.54%		Nil	Domestic natural person

#### Shareholding of top ten shareholders not subject to trading moratorium

Name of shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	1,671,709,197	RMB ordinary shares	1,671,709,197
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	116,923,228	RMB ordinary shares	116,923,228
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	115,477,482	RMB ordinary shares	115,477,482
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	108,834,732	RMB ordinary shares	108,834,732
Hong Kong Securities Clearing Company Limited	858,769,274	Foreign shares listed overseas	858,769,274
	66,430,023	RMB ordinary shares	66,430,023
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	35,991,480	RMB ordinary shares	35,991,480



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#### Shareholding of top ten shareholders not subject to trading moratorium

Name of shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	31,467,157	RMB ordinary shares	31,467,157
Guo Hongwei (郭宏偉)	30,130,000	RMB ordinary shares	30,130,000
Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司)	25,028,941	RMB ordinary shares	25,028,941
Wang Weilie (王衛列)	24,139,372	RMB ordinary shares	24,139,372

Explanation on the connected relationship or acting in concert among the aforesaid shareholders

There are connected relationships among Shandong Gold Group Co., Ltd., the largest shareholder of the Company and Shandong Gold Non-ferrous Metal Mine Group Co., Ltd., Shandong Gold Geological Mine Exploration Co., Ltd., Shandong Gold Group Qingdao Gold Co., Ltd. Shandong Gold Group Co., Ltd. has no connected relationships with other shareholders, which are also not persons acting in concert as defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies (《上市公司股東持股變動信息披露管理辦法》); and the Company is not aware of any connected relationship among other shareholders, or any of them is person acting in concert defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies.

Explanation of holders of preference shares with voting rights restored and the number of shares held

N/A

2.3 Total number of holders of preference shares, shareholding of top ten holders of preference shares and top ten holders of preference shares not subject to trading moratorium as at the end of the reporting period

Applicable     Not Applicable



## III. SIGNIFICANT EVENTS

## 3.1 Material changes in items of major accounting statements and financial indicators of the Company and the reason thereof

√ Applicable    □ Non-applicable

Unit: Yuan    Currency: RMB

Balance sheet items	Amount for the current year	Amount at the end of the previous year	Reasons for the change
Held-for-trading financial assets	1,271,008,894.32	3,056,619,022.64	Mainly due to the transfer of investments previously accounted for as held-for-trading financial assets to long-term equity investments by subsidiaries in accordance with the progress of equity acquisitions
Derivative financial assets	6,166,892.00	1,594,110.00	Mainly due to the option value changes in the individual stock of consolidated funds of subsidiaries
Accounts receivable	347,328,510.47	169,904,246.64	Mainly due to the increase in unrecovered balance of the proceeds receivable from gold sales at the end of the period
Receivables financing	20,572,919.40	10,499,067.23	Mainly due to the increase in notes receivable that subsidiaries do not intend to hold to maturity as compared with the beginning of the period
Prepayments	366,995,206.53	1,961,598,559.94	Mainly due to the transfer from prepaid investments to long-term equity investments by subsidiaries
Other current assets	725,928,517.11	502,442,954.10	Mainly due to the reclassification of other non – current financial assets due within one year of subsidiaries
Long-term deferred expenditures	42,020,593.55	32,394,820.83	Mainly due the additional amounts of reportable items of newly acquired subsidiaries during the period
Derivative financial liabilities	3,124,465.00	834,790.00	Mainly due to the option value changes in the individual stock of consolidated funds
Contract liabilities	160,633,206.94	120,907,338.60	Mainly due to the increase in guarantee deposits paid by customers of subsidiaries for purchasing gold
Employee benefits payable	587,904,541.17	381,926,876.63	Mainly due to the outstanding payment of wages provided for as planned for the period by some enterprises as they were affected by the shutdown of production
Taxes payable	273,712,890.27	478,474,837.39	Mainly due to decrease in all types of taxes for some enterprises as they were affected by the shutdown of production



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<b>Balance sheet items</b>	<b>Amount for the current year</b>	<b>Amount at the end of the previous year</b>	<b>Reasons for the change</b>
Other payables	4,071,046,017.58	2,936,497,865.16	Mainly due to increases in operating gold leases and guarantee deposits paid by customers of subsidiaries
Capital reserve	8,329,288,424.21	6,311,132,478.03	Mainly due to the additional issuance of shares by the Company to acquire subsidiaries
Special reserve	8,295,892.65	1,688,890.92	Mainly due to the additional amounts of reportable items of newly acquired subsidiaries during the period
<b>Income statement items</b>	<b>Amount for the current year</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Reasons for the change</b>
Operating income	7,297,137,748.10	13,965,732,251.26	Mainly due to the decrease in sales volume of gold products of some enterprises as they were affected by the shutdown of production
Operating costs	6,644,708,527.81	12,220,910,198.87	Mainly due to the decrease in operating costs for gold products of some enterprises as they were affected by the shutdown of production
Taxes and surcharges	101,351,350.74	154,674,910.50	Mainly due to the decreases in sales volume of and all types of taxes provided for during the period for some enterprises as they were affected by the shutdown of production
General and administrative expenses	835,277,730.11	516,112,080.26	Mainly due to the including of expenses originally included in production costs in general and administrative expenses of some enterprises during the shutdown of production
Other gains	1,238,040.03	5,288,129.15	Mainly due to the decrease in government grants of subsidiaries included in profit or loss during the period
Investment gains (loss is represented by “-”)	102,434,803.07	-8,349,819.51	Mainly due to the increase in investment gains from gold trading such as futures and gold leasing of subsidiaries as compared with the same period of last year due to fluctuations in market conditions
Credit impairment loss (loss is represented by “-”)	2,229,327.55	-540,007.90	Mainly due to the recovery of entrusted loans for which credit impairment provisions were made in the previous period during the period



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<b>Income statement items</b>	<b>Amount for the current year</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Reasons for the change</b>
Non-operating income	1,522,097.61	790,145.29	Mainly due to the increases in payables, etc. which are not required to be paid by subsidiaries
Non-operating expenses	3,930,150.04	9,222,054.23	Mainly due to the year-on-year decrease in charitable donation expenses of the Company
Income tax expense	36,551,969.95	224,278,454.24	Mainly due to the decrease in profit for the period of some enterprises as they were affected by the shutdown of production
<b>Cash flow statement items</b>	<b>Amount for the current year</b>	<b>Amount for the corresponding period of the previous year</b>	<b>Reasons for the change</b>
Net cash flows from investing activities	-720,553,884.08	-1,180,174,252.50	Mainly due to the year-on-year increase in other net cash inflows relating to investing activities generated from gold futures and gold transactions of subsidiaries
Net cash flows from financing activities	631,077,451.24	972,313,564.24	Mainly due to the year-on-year decrease in net cash inflows generated from gold leases for the purpose of financing during the period



### 3.2 Analysis and explanation of progress and impact of significant events and respective solutions

Applicable     Non-applicable

#### ① Acquisition of TMAC Resources Inc.

The 33rd meeting of the fifth session of the Board held on 8 May 2020 considered and approved the Resolution on the Acquisition of TMAC Resources Inc. and the Signing of Documents related to the Acquisition under the Arrangement Agreement and the Resolution on the Subscription of Additional Shares of TMAC Resources Inc. by a Wholly-owned Subsidiary. On 8 May 2020, the Company, Shandong Gold Mining (Hong Kong) Co., Limited (“SDG Hong Kong”), an overseas wholly-owned subsidiary of the Company, and TMAC Resources Inc. (“TMAC”) entered into an Arrangement Agreement. The Company, through a subsidiary newly established by SDG Hong Kong in Canada, proposed an acquisition arrangement to TMAC Resources Inc. to acquire all shares in issue and to-be-diluted shares of TMAC Resources Inc. in cash at a price of CAD1.75 per share, and the Company will provide guarantee for SDG Hong Kong for its performance of the Arrangement Agreement. At the same time, SDG Hong Kong and TMAC entered into the Concurrent Non-public Placement and Subscription Agreement to subscribe for ordinary shares additionally issued by TMAC at a price of CAD1.75 per share with the total subscription price of USD15 million. TMAC is a gold mining company in Canada, headquartered in Canada and listed on the Toronto Stock Exchange of Canada (stock code: TMR). It is principally engaged in the exploration, mining and production of gold resources in Canada. Upon completion of all the above transactions, SDG Hong Kong will hold 100% equity interests in TMAC in aggregate through direct and indirect ways.

On 18 December 2020, Investment Review Bureau Canada (加拿大投資審查局), for the purpose of safeguarding national security, ordered Streamers Gold Mining Corporation Limited (“Streamers Gold”) not to proceed with the arrangement plan pursuant to the Arrangement Agreement. The 2nd meeting of the sixth session of the Board held on 5 January 2021 considered and approved the Resolution on the Transfer of Arrangement Agreement under the TMAC Project. The Company, SDG Hong Kong and Streamers Gold jointly as the transferors entered into the Assignment, Assumption and Novation Agreement (《轉讓、受讓和約務更替協議》) with Agnico Eagle Mines Limited and TMAC Resources Inc. on 5 January 2021, pursuant to which, the Company, SDG Hong Kong and Streamers Gold Mining Corporation Limited transferred all rights and obligations under the Arrangement Agreement and the relevant agreements to Agnico Eagle Mines Limited. Agnico Eagle Mines will acquire all outstanding shares of TMAC at a price of CAD2.2 per share. The agreement came into effect officially on 20 January 2021 and has been performed as of the issue date of this report.



For the details of the above, please refer to the announcements on resolutions of the Board published in China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and on the website of Shanghai Stock Exchange at <http://www.sse.com.cn> on 9 May 2020, 28 November 2020, 23 December 2020 and 6 January 2021, respectively and the relevant announcements on the updating (LIN 2020-033, 2020-035, 2020-096, 2020-109, 2021-001 and 2021-002).

## ② Offer to acquire Cardinal Resources Limited

The 36th meeting of the fifth session of the Board considered and approved the Resolutions in relation to the Acquisition of Cardinal Resources and the Signing of Relevant Documents. SDG Hong Kong, an overseas wholly-owned subsidiary of the Company, and Cardinal Resources Limited entered into the bid implementation agreement on 18 June 2020, pursuant to which, SDG Hong Kong proposed an off-market conditional takeover offer to shareholders holding all shares in issue of Cardinal Resources Limited at a price of AUD0.60 per share by way of off-market takeover offer, and subscribed for 26 million ordinary shares newly issued by Cardinal Resources Limited at a price of AUD0.46 per share, with a total subscription price of AUD12 million. The Company provided guarantee for SDG Hong Kong for its performance of the bid implementation agreement. Cardinal Resources Limited is a gold exploration and development company founded in 2010 and headquartered in Perth, Australia. The shares of Cardinal Resources Limited are listed on the Australian Securities Exchange (stock code: CDV.AX) and Toronto Stock Exchange (stock code: CDV.TO). The core assets of Cardinal Resources Limited are three gold projects in Ghana, Africa, namely Namdini development project and Bolgatanga exploration project in the Bole-Nangodi metallogenic belt in the northeast of Ghana, and Subranum exploration project in the Sefwi metallogenic belt in the southwest of Ghana.

The subscription of SDG Hong Kong for 26 million new ordinary shares of Cardinal Resources Limited was completed on 7 July 2020 with the total subscription price of AUD11.96 million. In view of the fact that during the offer period, Nord Gold S.E., the largest shareholder of Cardinal Resources Limited, and Engineers & Planners Company Limited, a Ghanaian company, had made offers to Cardinal Resources Limited, in order to facilitate the acquisition, as considered and approved at the 38th meeting, 40th meeting, 42nd meeting, 44th meeting, 45th meeting, 47th meeting, 49th meeting, 50th meeting and 51st meeting of the fifth session of the Board, the Company eventually increased the offer price from AUD0.66 per share originally to AUD1.075 per share, extended the offer period, and amended relevant terms of the bid implementation agreement. The Company has completed the acquisition of 100% shares of Cardinal Resources Limited. Cardinal Resources Limited has become a wholly-owned subsidiary of SDG Hong Kong.

For the details of the above, please refer to the announcements on the relevant resolutions of the fifth session of the Board published in China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and on the website of Shanghai Stock Exchange at <http://www.sse.com.cn> during the period from 19 June 2020 to 16 March 2021 and the relevant announcements on the updating of the acquisition



project (LIN 2020-045, 2020-054, 2020-055, 2020-063, 2020-064, 2020-072, 2020-073, 2020-080, 2020-081, 2020-084, 2020-085, 2020-086, 2020-087, 2020-093, 2020-094, 2020-102, 2020-103, 2020-107, 2020-108, 2020-110, 2020-111, 2020-113, 2021-004 and 2021-016).

### ③ Acquisition of Hengxing Gold Holding Company Limited

The 43rd meeting of the fifth session of the Board held on 30 September 2020 considered and approved the Resolution on the Acquisition of Hengxing Gold Holding Company Limited and the Resolution on Issue of and the Listing of the New H Shares on the Hong Kong Stock Exchange. The Company privatized Hengxing Gold Holding Company Limited (“HXG”) by way of a scheme of arrangement and acquired all the shares of HXG. The consideration of the acquisition was settled fully by the issue of H Shares of the Company. The share exchange ratio for the acquisition was determined as follows: 5/29 H Shares of the Company will be issued for each scheme share cancelled. All the new H Shares issued by the Company were used to settle the consideration of acquisition of HXG, and the total number of H Shares issued did not exceed 159,482,759 Shares (inclusive) with a nominal value of RMB1 each. The issue was made to the shareholders of HXG under the scheme of arrangement (subject to the joint announcement issued on the same day by the Company and HXG). HXG is a company incorporated in the Cayman Islands with limited liability and prior to the acquisition, its shares were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 02303). It is principally engaged in gold mining and production, and its core asset is the mining right project of Gold Mountain Mine located in Yining County, Kazakh Autonomous Prefecture, Xinjiang Uyghur Autonomous Region. As of 30 June 2020, HXG had 925,000,000 shares in issue. Ke Xiping and his son Ke Jiaqi indirectly controlled 75% of the shares of HXG and other shareholders held 25% of the shares of HXG, and Ke Xiping, the chairman, was the *de facto* controller of HXG.

HXG has become a wholly-owned subsidiary of the Company. The shares of HXG had been delisted on The Stock Exchange of Hong Kong Limited. The 159,482,759 new H Shares issued by the Company are listed and traded on the Hong Kong Stock Exchange, and the total number of Shares has been changed from 4,313,946,766 Shares to 4,473,429,525 Shares.

For the details of the above, please refer to the announcements on the relevant resolutions of the fifth session of the Board published in China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and on the website of Shanghai Stock Exchange at <http://www.sse.com.cn> during the period from 9 October 2020 to 5 February 2021 and the relevant announcements on the acquisition (LIN 2020-075, 2020-077, 2020-078, 2020-092, 2021-005, 2021-006, 2021-009 and 2021-013).

### 3.3 Undertakings not yet performed during the reporting period

√ Applicable    □ Non-applicable

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Confirmation in transfer of the exploration permit to mining permit	SDG Group	(1) The statutory conditions for transfer of the Dongfeng exploration permit to mining permit has been fulfilled. According to the "Evaluation Report of the Mining Permit and Detailed Surrounding Exploration Permit of Dongfeng Mining Area of Shandong Gold Group Co., Ltd" (Zhong Lian Ping Kuang Bao Zi [2014] No. 1121, the "Evaluation Report"), the mining permit application of Dongfeng Mining Area could be completed within the expected time of the Evaluation Report; (2) The exploration permit of Dongfeng Mining Area may apply for mining permit according to the designed production scale as prescribed in the Evaluation Report.	From 12 August 2015 to 31 December 2017	Yes	No	Temporary suspension of the works due to involvement of adjustment to Zhaoyuan Luoshan Provincial Nature Reserve and ecological redline re-demarcation.	Actively liaising with Nature Reserve and Ecological Redlines Authorities to facilitate the application of the mining permit.

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
		Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. ("Non-ferrous Group"), Wang Zhiqiang and Jinmao Mining	(1) The statutory conditions for transfer of the Qijagou-Hulu Line Mine exploration permit to mining permit has been fulfilled. According to the "Evaluation Report of the Exploration Permit of the Gold Mine of Deep and Peripheral Areas in Qijagou-Hulu Line Mine Area, Penglai, Shandong Province (Exploration)" (Hai Di Ren Kuang Ping Bao Zi [2014] No. 53), the mining permit application of Qijagou-Hulu Line Mine Area could be completed within the expected time thereof; (2) The exploration permit of Qijagou-Hulu Line Mine Area may apply for mining permit according to the designed production scale as prescribed in the Evaluation Report.	From 12 August 2015 to 31 August 2017	Yes	No	Due to involvement of ecological redline re-demarcation, the works are behind schedule. The mineral rights have been transferred out of Shandong Province's ecological protection red line optimisation and adjustment programme, and have passed expert review and been reported to the State Council, which is currently pending final approval.	Paying close attention to the release of delineation plan on ecological redline demarcation, and actively communicating with the relevant authorities to facilitate the application for the boundary expansion of mining permit in the two mining areas (i.e., Qijagou and Hulu Line) in a timely manner.
		Shandong Gold Geological Mine Exploration Co., Ltd. ("Shandong Gold Geological Exploration")	(1) The statutory conditions for transfer of the Xini Mining exploration permit to mining permit has been fulfilled. According to the "Evaluation Report of the Exploration Permit of the Shandong Province, Laizhou City, Xini Village Gold Mine Exploration" (Zhong Lian Ping Kuang Bao Zi [2014] No. 1123), the mining permit application of Xini Mining Area could be completed within the expected time thereof; (2) The exploration permit of Xini Mining Area may apply for mining permit according to the designed production scale as prescribed in the evaluation report.	From 12 August 2015 to 30 June 2017	Yes	No	According to the Reply to the Consolidation of the Mineral Resources of Sanshandao Gold Mine of Shandong Gold Group Co., Ltd. by the People's Government of Shandong Province (Lu Zheg Zi [2017] No. 99), the Company consolidated the two mining permits of its Sanshandao Gold Mine and Xini Gold Mine with three exploration permits of its Periphery Geological Exploration of Sanshandao Gold Mining Area, 55-91 Ore Section Gold Exploration of Xini Mining Area and Xini Village Gold Mine Exploration, with the consolidator being Sanshandao Gold Mine. The new mining permit after integration has been obtained.	

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Asset integrity and compliance	Non-ferrous Group	<p>(1) To ensure that the 70.65% and 51% equity interests held by the Company in Shandong Gold Guiliaozhuang Mining Co., Ltd. ("Guiliaozhuang Mining") and Shandong Gold Group Penglai Mining Co., Ltd. ("Penglai Mining") respectively are acquired in accordance with the law, the capital contribution to the above enterprises are fully-paid, free from any unclear capital contribution or any circumstance that would affect their legal existence; the aforesaid title-hood of the equity interests of the Company are clear and complete and that the Company has legal and entire disposal rights over the abovementioned equity interests; the abovementioned equity interests are free from the restrictions on the pledge, guarantee or other third party rights and are also free from the seizure, freezing, custody and other restrictions on the transfer; (2) To ensure that the business operation of the subject asset held by the Company is legitimate and that the ownership of the asset is complete: A. The subject company has obtained or is in the process of registering all valid approvals and licenses required for possessing and operating its properties and assets as well as for conducting its currently operating businesses, and there are no substantive legal obstacles to the approvals and licenses in progress; B. The subject company has legal and complete ownership or use rights and right of disposition over its assets; C. If the competent authority requires the subject company to pay for the consideration of the mining permits, the Company is willing to compensate in cash based on the amount equal to the premium to be assumed by the Company (i.e. the amount of the premium multiplied by the equity interests proportion of the Company in the subject company); (3) There is no claim or litigation by a third party as a result of the infringement of the patent, copyright, trademark or similar intellectual property rights of any third party in the operation of the subject company; (4) The subject company has not signed any operating contract or arrangement with abnormal commercial conditions, which consequently has a material adverse impact on the financial or asset positions of the subject company; (5) Other than those disclosed to Shandong Gold, the subject company has no equity or equity-like investments nor investment commitments to any person; (6) Other than those disclosed to Shandong Gold, the subject company has not had any outstanding borrowings, contingent events and other form of liabilities; (7) The subject company has not received any written notice with legal effect from any creditor.</p>	27 November 2014, Long-term	No	No	<p>Due to the tight land quotas for industrial land use, Penglai Mining has not been able to obtain sufficient land quotas for acquiring land certificates.</p>	<p>At the request of Non-ferrous Group, Jimmao Mining and Wang Zhiqiang, the duration of undertaking to improve the lands with defective titles of Penglai Mining shall be extended to 30 June 2023. The relevant proposals have been considered and approved at the 37th meeting of the fifth session of the Board and the 2020 second extraordinary general meeting of the Company.</p>

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
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indicating that any assets of the subject company will be mandatorily disposed of; (8) The subject company has paid taxes in accordance with the law since its establishment, thus it has no outstanding significant taxes and fees that are due but not paid, and has not suffered from any major tax investigations or penalties; (9) The financial statements of the subject company provided to Shandong Gold give a true and fair view of the assets and liabilities (including contingent events, undetermined amounts of liabilities or controversial liabilities) of the subject company at the point of time indicated in the financial statements and the profit or loss of the subject company as of the financial period indicated in the financial statements, which are in accordance with the applicable accounting principles and truly reflect the financial positions of the subject company at the point of time or period indicated in the financial statements; (10) There are no litigation, arbitration, investigation, claim or other procedures pending or being known to the other party or the subject company to be threatened against the subject company, other than those litigation, arbitration, investigation, claim or other procedures that separately or cumulatively would not have a material adverse effect on the subject company; (11) To ensure that Penglai Mining will have completed the registration of the "State-owned Land Use Rights Certificate" for the collectively-owned lands currently leased and utilized for its main production and operation lands and also have completed the registration of the "Building Ownership Certificate" for the production and operation plants built on the relevant lands with "State-owned Land Use Rights Certificate" by 30 June 2020, and that Penglai Mining will assume the land premium and other related costs arising from the registration of the abovementioned "State-owned Land Use Rights Certificate" and "Building Ownership Certificate" based on the equity interests proportion of the Company in Penglai Mining; (12) To ensure regulation and rectification on the historical overmining issues of Guitaizhuang Mining.

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Asset integrity and compliance	Jinmao Mining; Wang Zhiqiang	<p>(1) To ensure that the titlehood of the equity interests of the Company in Penglai Mining is clear and complete and that the Company has legal and entire disposal rights over the abovementioned equity interests; the abovementioned equity interests are free from the restrictions on the pledge, guarantee or other third party rights and are also free from the seizure, freezing, custody and other restrictions on the transfer; (2) To ensure that the business operation of the subject asset held by the Company is legitimate and that the ownership of the asset is complete; A. The subject company has obtained or is in the process of registering all valid approvals and licenses required for possessing and operating its properties and assets as well as for conducting its currently operating businesses, and there are no substantive legal obstacles to the approvals and licenses in progress; B. The subject company has legal and complete ownership or use rights and right of disposition over its assets; C. If the competent authority requires the subject company to pay for the consideration of the mining permits, the Company is willing to compensate in cash based on the amount equal to the premium to be assumed by the Company (i.e. the amount of the premium multiplied by the equity interests proportion of the Company in the subject company); (3) There is no claim or litigation by a third party as a result of the infringement of the patent, copyright, trademark or similar intellectual property rights of any third party in the operation of the subject company; (4) The subject company has not signed any operating contract or arrangement with abnormal commercial conditions, which consequently has a material adverse impact on the financial or asset positions of the subject company; (5) Other than those disclosed to Shandong Gold, the subject company has no equity or equity-like investments nor investment commitments to any person; (6) Other than those disclosed to Shandong Gold, the subject company has not had any outstanding borrowings, contingent events and other form of liabilities; (7) The subject company has not received any written notice with legal effect from any creditor, indicating that any assets of the subject company will be mandatorily disposed of; (8) The subject company has paid taxes in accordance with the law since its establishment, thus it has no outstanding significant taxes and fees that are due but not paid, and has not suffered from any major tax investigations or penalties; (9) The financial statements of the subject company provided to Shandong Gold give a true and fair view of the assets and liabilities (including</p>	26 November 2014, Long-term	No	No	Due to the tight land quotas for industrial land use, Penglai Mining has not been able to obtain sufficient land quotas for acquiring land certificates.	At the request of Non-ferrous Group, Wang Zhiqiang and Jinmao Mining, the duration of undertaking to improve the lands with defective titles of Penglai Mining shall be extended to 30 June 2023. The relevant proposals have been considered and approved at the 37th meeting of the fifth session of the Board and the 2020 second extraordinary general meeting of the Company.

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons
			<p>Content of undertaking</p> <p>contingent events, undetermined amounts of liabilities or controversial liabilities) of the subject company at the point of time indicated in the financial statements and the profit or loss of the subject company as of the financial period indicated in the financial statements, which are in accordance with the applicable accounting principles and truly reflect the financial positions of the subject company at the point of time or period indicated in the financial statements; (10) There are no litigation, arbitration, investigation, claim or other procedures pending or being known to the other party or the subject company to be threatened against the subject company, other than those litigation, arbitration, investigation, claim or other procedures that separately or cumulatively would not have a material adverse effect on the subject company; (11) To ensure that Penglai Mining will have completed the registration of the "State-owned Land Use Rights Certificate" for the collectively-owned lands currently leased and utilized for its main production and operation lands and also have completed the registration of the "Building Ownership Certificate" for the production and operation plants built on the relevant lands with "State-owned Land Use Rights Certificate" by 30 June 2020, and that Penglai Mining will assume the land premium and other related costs arising from the registration of the abovementioned "State-owned Land Use Rights Certificate" and "Building Ownership Certificate" based on the equity interests proportion of the Company in Penglai Mining.</p>				



## SHANDONG GOLD MINING CO., LTD.

### 2021 First Quarterly Report

- 3.4 Warning and explanation in the forecast of any possible loss in accumulated net profit from the beginning of the year to the end of next reporting period or any material changes compared to the corresponding period of last year

Applicable  Non-applicable

It is estimated that the accumulated net profits attributable to owners of the listed company in June 2021 will have material changes compared to the corresponding period of last year.

In early 2021, two safety accidents occurred in Qixia Hushan Gold Mine (栖霞市笏山金礦) of Shandong Wucailong Investment Company Limited (山東五彩龍投資有限公司) and Caojiawa Gold Mine (曹家窪金礦) of Shandong Zhaoyuan (山東招遠), two local enterprises which are not owned by the Company. The Company and its holding company, SDG Group Co. Ltd. took up the responsibility, played a leading role and made outstanding contributions in the accident rescue. As a result of the above-mentioned two safety accidents, the mines in Shandong Province owned by the Company have started to carry out safety inspections since February 2021 in accordance with the requirements of the local authorities. As the Company's production capacity was greatly affected due to the above-mentioned shutdown safety inspection, and the Company's gold production volume for the first quarter recorded a year-on-year decrease of 40%. Therefore, the profit of the Company had declined, resulting in the loss in the first quarter.

As of the issue date of this report, Shandong Gold Mining (Laixi) Co., Ltd., Shandong Jinzhou Mining Group Co., Ltd., and Shandong Gold Mining (Xinhui) Co., Ltd. of the Company in Shandong Province have resumed normal production. The main mining areas of Shandong Gold Mining (Laizhou) Co., Ltd. Sanshandao Gold Mine, Dongfeng mining area of Shandong Gold Mining (Linglong) Co., Ltd., Xincheng Gold Mine of Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司新城金礦), Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. have passed the inspection and acceptance of the resumption of work and gradually resumed production, but their daily production capacity have not reached the certified capacity as a result of the control of blasting equipment by relevant competent departments and other reasons. The three enterprises, namely Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司), Shandong Gold Group Penglai Mining Co., Ltd., Shandong Gold Guilaizhuang Mining Co., Ltd., and the other mining areas of Linglong Gold Mine in the Province are still actively applying with the relevant authorities for the resumption of work and production.

Name of Company	Shandong Gold Mining Co., Ltd.
Legal Representative	Li Guohong
Date	29 April 2021



## IV. APPENDIX

## 4.1 Financial Statements

Consolidated Balance Sheet  
31 March 2021

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2021	31 December 2020
<b>Current Assets:</b>		
Cash and cash equivalents	3,669,376,224.48	3,291,068,646.47
Balances with clearing companies	43,500,412.12	-
Placements with banks and other financial institutions		
Held-for-trading financial assets	1,271,008,894.32	3,056,619,022.64
Derivative financial assets	6,166,892.00	1,594,110.00
Notes receivable		
Accounts receivable	347,328,510.47	169,904,246.64
Receivables financing	20,572,919.40	10,499,067.23
Prepayments	366,995,206.53	1,961,598,559.94
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Other receivables	1,861,440,991.50	1,629,636,160.93
Among which: Interests receivable	123,024.07	14,784.53
Dividends receivable		527,733.31
Financial assets held under resale agreements		1,500,000.00
Inventories	3,236,309,648.64	2,549,713,963.74
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	2,324,135.80	2,324,135.80
Other current assets	725,928,517.11	502,442,954.10
<b>Total current assets</b>	<b>11,550,952,352.37</b>	<b>13,176,900,867.49</b>
<b>Non-current Assets:</b>		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	9,853,477.92	9,772,444.19
Long-term equity investments	1,033,735,994.36	1,027,970,524.69

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
Other investments in equity instruments	6,800,000.00	6,800,000.00
Other non-current financial assets	5,599,864,919.71	5,568,568,235.88
Investment properties	216,446,117.08	219,739,425.76
Fixed assets	27,867,552,817.03	23,921,656,736.12
Construction in progress	5,198,023,879.43	4,605,426,193.77
Biological assets for production		
Oil and gas assets		
Right-of-use assets	123,112,945.76	125,094,509.80
Intangible assets	11,815,219,367.02	10,466,078,992.54
Development expenditures	29,802,955.59	26,534,377.14
Goodwill	2,843,505,684.04	2,741,344,166.83
Long-term deferred expenditures	42,020,593.55	32,394,820.83
Deferred income tax assets	177,415,070.59	170,877,323.68
Other non-current assets	1,916,860,451.57	1,760,291,506.46
<b>Total non-current assets</b>	<b>56,880,214,273.65</b>	<b>50,682,549,257.69</b>
<b>Total assets</b>	<b>68,431,166,626.02</b>	<b>63,859,450,125.18</b>
<b>Current liabilities:</b>		
Short-term borrowings	8,132,705,435.13	7,865,720,807.33
Borrowings from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities	9,294,639,632.51	8,671,755,435.07
Derivative financial liabilities	3,124,465.00	834,790.00
Notes payable	767,531,745.59	805,131,852.19
Accounts payable	2,627,736,785.37	2,298,450,235.66
Advances received		
Contract liabilities	160,633,206.94	120,907,338.60
Financial assets sold under repurchase agreements		
Deposits from customers and due to placements from banks and other financial institutions		
Accounts payable to brokerage clients		
Accounts payable to underwriting clients		
Employee salaries payable	587,904,541.17	381,926,876.63
Taxes payable	273,712,890.27	478,474,837.39
Other payables	4,071,046,017.58	2,936,497,865.16
Among which: Interests payable		
Dividends payable	43,490,482.64	43,490,482.64
Handling fees and commissions payable		
Payable to reinsurers		
Held-for-sale liabilities		
Non-current liabilities due within one year	467,477,553.30	457,877,196.45
Other current liabilities	1,516,432,016.43	1,534,606,563.75
<b>Total current liabilities</b>	<b>27,902,944,289.29</b>	<b>25,552,183,798.23</b>

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Non-current liabilities:</b>		
Provisions for insurance contracts		
Long-term borrowings	677,500,000.00	677,500,000.00
Bonds payable	999,682,724.31	999,598,352.41
Among which: Preferred shares		
Perpetual bonds		
Lease liabilities	78,817,800.21	63,426,992.27
Long-term payables	541,361,855.55	530,849,695.03
Long-term employee salaries payables	863,998.14	109,698.58
Accrued liabilities	881,131,608.08	845,872,197.95
Deferred income	15,566,371.02	15,405,513.72
Deferred income tax liabilities	3,754,784,327.79	3,513,512,797.07
Other non-current liabilities	11,169,267.52	8,505,727.18
	<hr/>	<hr/>
Total non-current liabilities	6,960,877,952.62	6,654,780,974.21
	<hr/>	<hr/>
Total liabilities	34,863,822,241.91	32,206,964,772.44
	<hr/>	<hr/>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	4,473,429,525.00	4,313,946,766.00
Other equity instruments	3,999,386,792.45	3,999,386,792.45
Among which: Preferred shares		
Perpetual bonds	3,999,386,792.45	3,999,386,792.45
Capital reserve	8,329,288,424.21	6,311,132,478.03
Less: Treasury stock	6,384,642.36	6,384,642.36
Other comprehensive income	-189,621,998.94	-262,730,778.53
Special reserve	8,295,892.65	1,688,890.92
Surplus reserve	858,277,930.10	858,277,930.10
General risk provision		
Undistributed profit	13,225,922,551.61	13,544,462,177.81
	<hr/>	<hr/>
Total equity attributable to owners of the parent company (or shareholders' equity)	30,698,594,474.72	28,759,779,614.42
Non-controlling interests	2,868,749,909.39	2,892,705,738.32
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	33,567,344,384.11	31,652,485,352.74
	<hr/>	<hr/>
Total liabilities and owners' equity (or shareholders' equity)	68,431,166,626.02	63,859,450,125.18
	<hr/>	<hr/>

Officer in charge of the Company: Li Guohong

Officer in charge of the accounting affairs: Huang Weimin

Head of the Accounting Department: Huang Weimin

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report****Balance Sheet of the Parent Company  
31 March 2021**

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

<b>Items</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Current Assets:</b>		
Cash and cash equivalents	462,135,630.60	639,037,284.13
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	143,848,578.66	151,838,005.16
Receivables financing		
Prepayments	2,749,232.29	4,430,434.08
Other receivables	6,376,963,306.52	6,342,846,184.53
Among which: Interests receivable		
Dividends receivable	182,407,568.88	182,407,568.88
Inventories	54,851,567.52	43,931,745.11
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	2,324,135.80	2,324,135.80
Other current assets	51,931,423.55	48,852,441.31
<b>Total current assets</b>	<b>7,094,803,874.94</b>	<b>7,233,260,230.12</b>
<b>Non-current Assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables	9,853,477.92	9,772,444.19
Long-term equity investments	21,019,695,593.81	18,806,291,418.96
Other investments in equity instruments	500,000.00	500,000.00
Other non-current financial assets		
Investment properties	173,831,875.89	175,391,748.96
Fixed assets	2,429,794,981.89	2,434,793,879.59
Construction in progress	818,426,437.81	673,441,322.68
Biological assets for production		
Oil and gas assets		
Right-of-use assets	9,772,181.38	10,829,712.44
Intangible assets	837,218,276.48	834,900,225.51
Development expenditures		
Goodwill		
Long-term deferred expenditures	10,919,452.68	12,256,626.84
Deferred income tax assets		
Other non-current assets	145,942,314.21	127,251,133.81
<b>Total non-current assets</b>	<b>25,455,954,592.07</b>	<b>23,085,428,512.98</b>
<b>Total assets</b>	<b>32,550,758,467.01</b>	<b>30,318,688,743.10</b>

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Current liabilities:</b>		
Short-term borrowings	1,876,824,319.42	1,476,432,430.55
Held-for-trading financial liabilities	4,243,570,352.89	4,309,455,400.97
Derivative financial liabilities		
Notes payable	130,049,552.65	35,554,159.36
Accounts payable	510,670,732.76	530,695,936.47
Advances received		
Contract liabilities	901,526.08	963,659.41
Employee salaries payable	102,004,319.36	57,300,673.46
Taxes payable	2,970,703.41	18,335,452.55
Other payables	256,366,034.36	313,048,588.42
Among which: Interests payable		
Dividends payable	168,300.00	168,300.00
Held-for-sale liabilities		
Non-current liabilities due within one year	249,776,562.79	384,480,242.53
Other current liabilities	1,509,489,123.65	1,513,379,585.92
Total current liabilities	<u>8,882,623,227.37</u>	<u>8,639,646,129.64</u>
<b>Non-current liabilities:</b>		
Long-term borrowings	677,500,000.00	677,500,000.00
Bonds payable	999,682,724.31	999,598,352.41
Among which: Preferred shares		
Perpetual bonds		
Lease liabilities	7,795,263.45	7,263,533.97
Long-term payables	110,175,600.00	110,175,600.00
Long-term employee salaries payables		
Accrued liabilities	12,494,247.51	12,494,247.51
Deferred income	2,194,393.88	2,074,593.88
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	<u>1,809,842,229.15</u>	<u>1,809,106,327.77</u>
Total liabilities	<u>10,692,465,456.52</u>	<u>10,448,752,457.41</u>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	4,473,429,525.00	4,313,946,766.00
Other equity instruments	3,999,386,792.45	3,999,386,792.45
Among which: Preferred shares		
Perpetual bonds	3,999,386,792.45	3,999,386,792.45
Capital reserve	6,383,676,189.90	4,365,520,243.72
Less: Treasury stock		
Other comprehensive income		
Special reserve	—	—
Surplus reserve	1,028,753,608.38	1,028,753,608.38
Undistributed profit	5,973,046,894.76	6,162,328,875.14
Total owners' equity (or shareholders' equity)	<u>21,858,293,010.49</u>	<u>19,869,936,285.69</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>32,550,758,467.01</u>	<u>30,318,688,743.10</u>

Officer in charge of the Company: Li Guohong

Officer in charge of the accounting affairs: Huang Weimin

Head of the Accounting Department: Huang Weimin

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report****Consolidated Income Statement  
January to March 2021**

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
I. Operating income	7,297,137,748.10	13,965,732,251.26
Among which: Operating income	7,297,137,748.10	13,965,732,251.26
Interest income		
Income earned from premiums		
Income from handling fee and commissions		
II. Total operating costs	7,801,928,150.52	13,177,032,119.58
Among which: Operating costs	6,644,708,527.81	12,220,910,198.87
Interest expense		
Handling fee and commissions expense		
Surrender fee		
Net expenditure for compensation payments		
Net withdrawal on provision for insurance liabilities		
Insurance policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	101,351,350.74	154,674,910.50
Selling expenses	16,474,080.28	22,041,642.59
General and administrative expenses	835,277,730.11	516,112,080.26
Research and development expenses	48,097,568.30	66,852,284.15
Finance costs	156,018,893.28	196,441,003.21
Among which: Interest expenses	150,891,815.66	187,362,244.14
Interest income	11,470,239.09	13,244,374.00

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Add: Other income	1,238,040.03	5,288,129.15
Investment gains (loss is represented by “-”)	102,434,803.07	-8,349,819.51
Among which: Investment gains from associates and joint ventures	5,765,469.67	6,861,980.51
Gains on derecognition of financial assets measured at amortised cost		
Foreign currency exchange gains (loss is represented by “-”)		
Gains from net exposure hedges (loss is represented by “-”)		
Gains from changes in fair value (loss is represented by “-”)	94,528,464.68	81,444,870.17
Credit impairment loss (loss is represented by “-”)	2,229,327.55	-540,007.90
Assets impairment loss (loss is represented by “-”)	–	–
Gains from disposal of assets (loss is represented by “-”)	615,189.94	–
III. Gains from operation (loss is represented by “-”)	-303,744,577.15	866,543,303.59
Add: Non-operating income	1,522,097.61	790,145.29
Less: Non-operating expenses	3,930,150.04	9,222,054.23
IV. Total profits (total loss is represented by “-”)	-306,152,629.58	858,111,394.65
Less: Income tax expense	36,551,969.95	224,278,454.24
V. Net profit (net loss is represented by “-”)	-342,704,599.53	633,832,940.41
(1) Categorized by nature of continuous operation		
1. Net profit from continuous operation (net loss is represented by “-”)	-342,704,599.53	633,832,940.41
2. Net profit from discontinued operation (net loss is represented by “-”)		
(2) Categorized by owners’ equity		
1. Net profit attributable to owners of the parent company (net loss is represented by “-”)	-318,539,626.20	563,314,208.72
2. Profit or loss of non-controlling interests (net loss is represented by “-”)	-24,164,973.33	70,518,731.69



**SHANDONG GOLD MINING CO., LTD.**  
**2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
VI. Other comprehensive income, net of tax	73,108,779.59	69,805,679.84
(1) Other comprehensive income attributable to owners of the parent company, net of tax	73,108,779.59	69,805,679.84
1. Other comprehensive income that may not be reclassified to profit or loss		
(1) Changes arising from the re-measurement of defined benefit plans		
(2) Other comprehensive income that may not be reclassified to profit or loss under the equity method		
(3) Changes in fair value of other investments in equity instruments		
(4) Changes in fair value of the enterprise's own credit risks		
2. Other comprehensive income that may be reclassified to profit or loss	73,108,779.59	69,805,679.84
(1) Other comprehensive income that may be reclassified to profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Credit impairment provision for other debt investments		
(5) Cash flow hedge reserve		
(6) Differences of exchange for foreign currency financial statements	73,108,779.59	69,805,679.84
(7) Others		
(2) Other comprehensive income attributable to non-controlling interests, net of tax		



**SHANDONG GOLD MINING CO., LTD.**  
**2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
VII. Total comprehensive income	-269,595,819.94	703,638,620.25
(1) Total comprehensive income attributable to owners of the parent company	-245,430,846.61	633,119,888.56
(2) Total comprehensive income attributable to non-controlling interests	-24,164,973.33	70,518,731.69
VIII. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.07	0.13
(2) Diluted earnings per share (RMB/share)	-0.07	0.13

For business combination involving enterprises under common control, net profit of the acquiree realized before business combination: Nil; net profit of the acquiree realized in the previous period: Nil.

Officer in charge of the Company: Li Guohong

Officer in charge of the accounting affairs: Huang Weimin

Head of the Accounting Department: Huang Weimin

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report****Income Statement of the Parent Company  
January to March 2021**

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
I. Operating income	218,669,021.17	403,829,275.99
Less: Operating cost	167,635,879.98	154,490,852.24
Taxes and surcharges	8,839,904.80	13,326,721.69
Selling expenses	354,637.99	325,062.27
General and administrative expenses	183,942,459.67	82,258,272.85
Research and development expenses	5,859,208.15	7,728,634.20
Finance costs	44,201,923.77	109,567,253.77
Among which: Interest expenses	76,761,002.98	137,467,638.77
Interest income	34,021,851.21	30,423,626.97
Add: Other income	462,070.12	130,000.00
Investment gains (loss is represented by “-”)	5,765,469.67	6,861,980.51
Among which: Investment gains from associates and joint ventures		6,861,980.51
Gains on derecognition of financial assets measured at amortised cost		
Net exposure hedging gains (loss is represented by “-”)		
Gains from changes in fair value (loss is represented by “-”)		
Credit impairment loss (loss is represented by “-”)	-216,446.41	-340,070.59
Assets impairment loss (loss is represented by “-”)		
Gains from disposal of assets (loss is represented by “-”)	153,302.39	-

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
II. Gains from operation (loss is represented by “-”)	-186,000,597.42	42,784,388.89
Add: Non-operating income	92,808.32	271,775.46
Less: Non-operating expenses	3,374,191.28	9,026,581.21
III. Total profits (total loss is represented by “-”)	-189,281,980.38	34,029,583.14
Less: Income tax expense		
IV. Net profit (net loss is represented by “-”)	-189,281,980.38	34,029,583.14
(1) Net profit from continuous operation (net loss is represented by “-”)	-189,281,980.38	34,029,583.14
(2) Net profit from discontinued operation (net loss is represented by “-”)		
V. Other comprehensive income, net of tax		
(1) Other comprehensive income that may not be reclassified to profit or loss		
1. Changes arising from the re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under the equity method		
3. Changes in fair value of other investments in equity instruments		
4. Changes in fair value of the enterprise’s own credit risks		
(2) Other comprehensive income that may be reclassified to profit or loss		
1. Other comprehensive income that may be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedge reserve		
6. Differences of exchange for foreign currency financial statements		
7. Others		
VI. Total comprehensive income	-189,281,980.38	34,029,583.14
VII. Earnings per share:		
(1) Basic earnings per share (RMB/share)		
(2) Diluted earnings per share (RMB/share)		

Officer in charge of the Company: Li Guohong

Officer in charge of the accounting affairs: Huang Weimin

Head of the Accounting Department: Huang Weimin

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report****Consolidated Cash Flow Statement  
January to March 2021**

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: Yuan    Currency: RMB    Type of audit: Unaudited

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
<b>I. Cash flows generated from operating activities:</b>		
Cash received from sales of goods and provision of labor service	7,444,373,886.73	13,766,318,348.86
Net increase in deposits from customers and due to placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Premiums received		
Cash received from reinsurance business, net		
Net increase in policyholder deposits and investments		
Cash received from interests, handling fee and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchased business capital		
Net cash received from accounts payables to brokerage clients		
Tax refunds received	36,432,111.77	1,541,625.99
Cash received from other operating activities	5,278,542,849.98	10,653,783,677.35
<b>Sub-total of cash inflows from operating activities</b>	<b>12,759,348,848.48</b>	<b>24,421,643,652.20</b>

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Cash paid for purchase of goods and engagement of labor service	6,024,200,047.27	11,973,085,875.27
Net increase of customer loans and advances		
Net increase of deposits in central bank and other financial institutions		
Claims paid		
Net increase in placements with banks and other financial institutions		
Cash paid for interests, handling fee and commissions		
Cash paid for policyholders' dividend		
Cash paid to and for employees	745,240,034.79	585,083,360.30
Payments of all types of taxes	330,477,173.44	322,826,383.51
Cash paid for other operating activities	5,152,043,583.08	10,903,829,363.31
Sub-total of cash outflows used in operating activities	<u>12,251,960,838.58</u>	<u>23,784,824,982.39</u>
Net cash generated from operating activities	<u>507,388,009.90</u>	<u>636,818,669.81</u>
<b>II. Cash flows generated from investing activities:</b>		
Cash received from disposal of investment	212,231,405.98	—
Cash received from investment gains		—
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,072,640.10	328,300.00
Net cash received from disposal of subsidiaries and other operating units		
Cash received from other investing activities	158,657,348.42	710,581,581.96
Sub-total of cash inflows from investing activities	<u>374,961,394.50</u>	<u>710,909,881.96</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,001,789,936.23	1,033,107,793.65
Cash paid for investments	7,680,000.00	—
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other operating units		—
Cash paid for other investing activities	86,045,342.35	857,976,340.81
Sub-total of cash outflows used in investing activities	<u>1,095,515,278.58</u>	<u>1,891,084,134.46</u>
Net cash generated from investing activities	<u>-720,553,884.08</u>	<u>-1,180,174,252.50</u>

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
<b>III. Cash flows generated from financing activities:</b>		
Cash received from investments		
Among which: cash received from non-controlling shareholders' investment by subsidiaries		
Cash received from obtaining borrowings	3,202,899,644.86	2,715,496,000.00
Cash received from other financing activities	2,082,792,360.13	2,101,463,794.11
Sub-total of cash inflows from financing activities	5,285,692,004.99	4,816,959,794.11
Cash paid for repayment of debt	2,668,450,000.00	2,287,290,103.43
Cash paid for distribution of dividends, profits or payment of interests	142,457,996.18	225,609,244.58
Among which: dividend and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing activities	1,843,706,557.57	1,331,746,881.86
Sub-total of cash outflows used in financing activities	4,654,614,553.75	3,844,646,229.87
Net cash generated from financing activities	631,077,451.24	972,313,564.24
<b>IV. Effect on cash and cash equivalents from changes of exchange rate</b>	2,617,820.41	7,964,866.53
<b>V. Net increase in cash and cash equivalents</b>	420,529,397.47	436,922,848.08
Add: balance of cash and cash equivalents at the beginning of the period	3,032,156,261.39	3,019,040,271.75
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	3,452,685,658.86	3,455,963,119.83

Officer in charge of the Company: Li Guohong

Officer in charge of the accounting affairs: Huang Weimin

Head of the Accounting Department: Huang Weimin

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report****Cash Flow Statement of the Parent Company  
January to March 2021**

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: Yuan    Currency: RMB    Type of audit: Unaudited

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
<b>I. Cash flows generated from operating activities:</b>		
Cash received from sales of goods and provision of labor service	218,478,450.38	121,961,382.92
Tax refunds received		
Cash received from other operating activities	<u>1,527,998,707.73</u>	<u>905,012,793.09</u>
Sub-total of cash inflows from operating activities	<u>1,746,477,158.11</u>	<u>1,026,974,176.01</u>
Cash paid for purchase of goods and engagement of labor service	20,170,607.24	65,826,795.95
Cash paid to and for employees	133,858,770.44	80,101,241.05
Payments of all types of taxes	18,240,272.66	14,111,495.98
Cash paid for other operating activities	<u>1,653,580,884.79</u>	<u>1,660,114,212.67</u>
Sub-total of cash outflows used in operating activities	<u>1,825,850,535.13</u>	<u>1,820,153,745.65</u>
Net cash generated from operating activities	<u>-79,373,377.02</u>	<u>-793,179,569.64</u>
<b>II. Cash flows generated from investing activities:</b>		
Cash received from disposal of investment		
Cash received from investment gains		160,000,000.00
Net cash flow from disposal of fixed assets, intangible assets and other long-term assets	547,812.50	328,300.00
Net cash received from disposal of subsidiaries and other operating units		
Cash received from other investing activities	<u>786.37</u>	<u>3,254.54</u>
Sub-total of cash inflows from investing activities	<u>548,598.87</u>	<u>160,331,554.54</u>

**SHANDONG GOLD MINING CO., LTD.****2021 First Quarterly Report**

<b>Items</b>	<b>First quarter of 2021</b>	<b>First quarter of 2020</b>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	199,245,258.95	142,734,444.80
Cash paid for investments	30,000,000	—
Net cash paid for acquisition of subsidiaries and other operating units		—
Cash paid for other investing activities	5,875.06	3,654.54
	<hr/>	<hr/>
Sub-total of cash outflows used in investing activities	229,251,134.01	142,738,099.34
	<hr/>	<hr/>
Net cash generated from investing activities	-228,702,535.14	17,593,455.20
	<hr/>	<hr/>
<b>III. Cash flows generated from financing activities:</b>		
Cash received from investments		
Cash received from obtaining borrowings	1,799,250,000.00	1,300,000,000.00
Cash received from other financing activities	1,133,992,000.00	1,291,818,646.96
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	2,933,242,000.00	2,591,818,646.96
	<hr/>	<hr/>
Cash paid for repayment of debt	1,505,000,000.00	913,996,000.00
Cash paid for distribution of dividends, profits or payment of interests	94,653,553.12	152,992,172.17
Cash paid for other financing activities	1,225,633,720.79	855,858,059.81
	<hr/>	<hr/>
Sub-total of cash outflows used in financing activities	2,825,287,273.91	1,922,846,231.98
	<hr/>	<hr/>
Net cash generated from financing activities	107,954,726.09	668,972,414.98
	<hr/>	<hr/>
<b>IV. Effect on cash and cash equivalents from changes of exchange rate</b>		
<b>V. Net increase in cash and cash equivalents</b>	-200,121,186.07	-106,613,699.46
Add: balance of cash and cash equivalents at the beginning of the period	620,537,775.22	738,749,806.39
	<hr/>	<hr/>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	420,416,589.15	632,136,106.93

Officer in charge of the Company: Li Guohong

Officer in charge of the accounting affairs: Huang Weimin

Head of the Accounting Department: Huang Weimin



**SHANDONG GOLD MINING CO., LTD.**  
**2021 First Quarterly Report**

4.2 Adjustment on the opening financial statements for the year of initial application of new lease standard since 2021

Applicable  Non-applicable

4.3 Explanation of the retrospective adjustment on comparative figures for the previous period resulting from the initial application of new lease standard since 2021

Applicable  Not applicable

4.4 Audit Report

Applicable  Not applicable