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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)

PROFIT WARNING

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 nine months ended 30 September 2021 (the “**2021 First Three Quarters**”) prepared pursuant to China Accounting Standards for Business Enterprises, it is expected that the Group will record a loss attributable to the shareholders of the Company of approximately RMB1,250 million (net profit attributable to the shareholders of the Company for the corresponding period of last year: RMB1,843 million). In the third quarter of 2021, the Group recorded a total profit of approximately RMB290 million, and the net profit attributable to the shareholders of the listed company amounted to approximately RMB110 million. The estimated loss in results of the 2021 First Three Quarters was mainly attributable to the following reasons:

(I) Impact of principal business

The mines in Shandong Province owned by the Company have started to carry out safety inspections since early February of 2021, resulting in a great impact on our production capacity, and the gold production volume of the Company decreased by approximately 45% year-on-year. The profit of the Company was thus declined, reflecting a profit loss between the first quarter and the third quarter.

The Company adopts various measures to promote the resumption of work and production and optimize the layout of mine production, strives to reduce the impact of the above safety inspections on production and operations throughout the year. The aggregate gold production volume of the mines owned by the Company in September 2021 amounted to approximately 83% compared to the corresponding period in 2020.

(II) Effect of non-recurring profit or loss

The non-recurring loss of the Company in the previous period amounted to RMB4 million. The non-recurring loss for the current period amounted to approximately RMB10 million, which has a slight impact on the profit for the current period.

As the Company is still in the process of preparing and finalizing the report of the Group for the 2021 First Three Quarters, 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 2021 First Three Quarters (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 2021 First Three Quarters may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the report of the Group for the 2021 First Three Quarters carefully, which is expected to be published by the end of October 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
15 October 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.