

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 HALF OF 2022

(I) Period covered by the estimated results

From 1 January 2022 to 30 June 2022.

(II) Estimated results

The board of directors (the “**Board**”) of the Company wishes to inform 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 six months ended 30 June 2022 (the “**First Half of 2022**”) prepared pursuant to China Accounting Standards for Business Enterprises:

1. The Company expects to record an estimated net profit attributable to shareholders of the Company of approximately RMB500 million to RMB600 million in the First Half of 2022, representing an increase of approximately RMB1,909 million to RMB2,009 million, or approximately 135.48% to 142.57% as compared with the corresponding period of the previous year (after retrospective adjustments), turning losses into profits.

2. After deducting non-recurring gains and losses, the Company expects to record an estimated net profit attributable to shareholders of the Company in the First Half of 2022 of approximately RMB555 million to RMB655 million, representing an increase of approximately RMB1,921 million to RMB2,021 million, or approximately 140.65% to 147.97% as compared with the corresponding period of the previous year (after retrospective adjustments), turning losses into profits.

In the above data, the net profit attributable to shareholders of the Company includes the interest attributable to the holders of perpetual bonds of approximately RMB148 million in the First Half of 2022, and the net profit attributable to ordinary shareholders of the Company is approximately RMB352 million to RMB452 million in the First Half of 2022 after deducting the interest on perpetual bonds.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

- (1) On 31 October 2021, Shandong Gold Mining (Laizhou) Co., Ltd., a controlling 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 profit attributable to shareholders of the listed company in the first half of 2021 was RMB-1,409 million, and the net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses was RMB-1,366 million.
- (2) Earnings per share: RMB-0.32 (after retrospective adjustment).

III. MAIN REASONS FOR THE EXPECTED PROFIT IN THE RESULTS FOR THE FIRST HALF 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 half 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. From the second half of 2021, the mines owned by the Company have gradually increased gold production. Entering 2022, the Company continued to promote reform and innovation, tightened 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 Half of 2022, and continued to solidify the upward and positive momentum.

IV. RISK WARNING

There are no material uncertainties in the Company that may affect the accuracy of the estimated results.

V. OTHER MATTERS

As the Company is still in the process of preparing and finalizing its interim results announcement 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 Half 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 Half 2022 may be different from those disclosed in this announcement. Shareholders and potential investors of the Company should read the interim results announcement of 2022 of the Group carefully, which is expected to be published by the end of August 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 Hang
Chairman

Jinan, the PRC
14 July 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.