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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)

VOLUNTARY ANNOUNCEMENT

ANNOUNCEMENT ON INCREASE IN SHAREHOLDING OF THE COMPANY BY THE CONTROLLING SHAREHOLDER AND SHAREHOLDING INCREASE PLAN

This is a voluntary announcement made by Shandong Gold Mining Co., Ltd. (the “**Company**”).

On 10 September 2021, the Company received a notice of increase in shareholding issued by the controlling shareholder, Shandong Gold Group Co., Ltd. (山東黃金集團有限公司) (“**SDG Group Co.**”) that based on SDG Group Co.’s firm confidence in the development prospect of the Company and recognition of growth value of the Company and for the continuous safeguard of the Company’s minority shareholders interests and market stability, SDG Group Co. increased its shareholding in the Company through the centralized bidding system of the Shanghai Stock Exchange. The relevant information is announced as follows:

BASIC INFORMATION ON THE SUBJECT OF THE SHAREHOLDING INCREASE

- (I) The subject of shareholding increase: SDG Group Co..
- (II) Shareholding before the implementation of this shareholding increase: SDG Group Co. directly held 1,671,709,197 A shares of the Company, representing approximately 37.3697% of the total share capital of the Company; SDG Group Co. and its concert parties together held 2,016,782,930 A shares of the Company, representing approximately 45.0836% of the total share capital of the Company.
- (III) The shareholding increase: On 10 September 2021, SDG Group Co. increased its shareholding by 499,700 A shares of the Company through the centralized bidding system of the Shanghai Stock Exchange, amounting to RMB9,990,502.10 and representing 0.0112% of the total share capital of the Company.

After the shareholding increase, SDG Group Co. directly holds 1,672,208,897 A shares of the Company, representing 37.3809% of the total share capital of the Company; SDG Group Co. and its concert parties together hold 2,017,282,630 A shares of the Company, representing 45.0948% of the total share capital of the Company.

MAIN CONTENT OF THE SUBSEQUENT SHAREHOLDING INCREASE PLAN

- (I) Purpose: Based on SDG Group Co.'s firm confidence in the development prospect of the Company and the recognition of growth value of the Company and for the continuous safeguard of the Company's minority shareholders interests and market stability.
- (II) Class of shares: RMB ordinary shares (A shares).
- (III) Number of shares: SDG Group Co. intends to continue to increase its shareholding in A shares of the Company by an aggregate percentage of not less than 0.0112% of the total share capital of the Company and not more than 0.5% of the total share capital of the Company, for an amount not exceeding RMB500 million (inclusive of shares increased this time).
- (IV) Price: The price of the shareholding increase shall not be higher than RMB22.39 each share. SDG Group Co. will gradually implement the shareholding increase plan based on a reasonable judgment of the Company's share price and in accordance with the fluctuation of the Company's share price and the overall trend of the capital market.
- (V) Method: Through the trading system of the Shanghai Stock Exchange by means of centralized bidding or bulk trading, etc.
- (VI) Implementation period: Within 3 months from 10 September 2021, which shall be extended accordingly if it falls within a period when relevant regulations of the China Securities Regulatory Commission, the Shanghai Stock Exchange and other regulators prohibit the increase of shareholdings.
- (VII) Funding arrangement: With its own or self-raised funds.

RISK OF UNCERTAINTY IN THE IMPLEMENTATION OF THE SHAREHOLDING INCREASE PLAN

There is a risk that the price of the Company's shares may continue to exceed the price range determined under the shareholding increase plan during the period of the shareholding increase, which will result in the shareholding increase plan not being implemented or only partially implemented.

EXPLANATION OF OTHER MATTERS

- (I) The shareholding increase plan is in compliance with the relevant provisions of the Securities Law, the Measures for the Administration of the Takeover of Listed Companies and other laws and regulations, departmental regulations and the business rules of the Shanghai Stock Exchange and the Codes on Takeovers and Mergers and Share Buy-backs and other relevant regulations.
- (II) SDG Group Co. undertakes not to reduce its shareholding in the Company during the implementation period and within 6 months from the date of completion of the shareholding increase plan in accordance with the requirements of the securities regulatory rules, and SDG Group Co. further undertakes not to reduce its shareholding in the Company within 12 months from the date of completion of the implementation of the shareholding increase plan.
- (III) The implementation of the shareholding increase plan will not affect the listing status of the Company, nor will it result in the shareholding distribution of the Company not being eligible for listing, or any change in the controlling shareholder and de facto controller of the Company.
- (IV) The Company will continue to monitor the progress of implementing the shareholding increase plan and perform its information disclosure obligations in a timely manner.

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

Jinan, the PRC
12 September 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.