
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shandong Gold Mining Co., Ltd.**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**1) DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN OF
ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS
2) SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS
(2023-2025)
AND
3) NOTICES OF 2023 SECOND EXTRAORDINARY GENERAL MEETING
AND 2023 FIRST H SHARES CLASS MEETING**

A notice convening the 2023 second extraordinary general meeting (the “**EGM**”) and a notice convening the 2023 first class meeting for holders of H Shares (the “**H Shares Class Meeting**”) of Shandong Gold Mining Co., Ltd. (the “**Company**”) to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 10:00 a.m. on Wednesday, 22 March 2023 is set out on pages III-1 to IV-2 of this circular.

The proxy forms for use in connection with the EGM and the H Shares Class Meeting are enclosed herewith. The proxy forms are also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (<http://www.sdhjgf.com.cn>).

Any shareholder(s) of the Company (the “**Shareholders**”) entitled to attend and vote at the EGM and the H Shares Class Meeting are entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. If you intend to appoint a proxy to attend the EGM and the H Shares Class Meeting and vote on your behalf, you are requested to complete the accompanying proxy forms in accordance with the instructions printed thereon and return them by hand, by post or by facsimile to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the EGM and the H Shares Class Meeting (i.e. before 10:00 a.m. on Tuesday, 21 March 2023) or any adjournment thereof (as the case may be). Completion and return of the proxy forms will not preclude you from attending and voting at the EGM and the H Shares Class Meeting or any adjournment hereof should you so wish.

7 March 2023

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DEFINITIONS

In this circular, the following terms shall have the following meanings unless the context otherwise requires:

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.00 each, which are listed on the SSE;
“A Shareholder(s)”	holder(s) of A Shares;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of Directors;
“Class Meeting(s)”	A Shares Class Meeting and/or H Shares Class Meeting;
“Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company incorporated in the PRC under the laws of the People’s Republic of China with limited liability on 31 January 2000, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1787) and the SSE (Stock Code: 600547) respectively;
“Company Law”	the Company Law of the PRC;
“CSRC”	the China Securities Regulatory Commission;
“Director(s)”	director(s) of the Company;
“EGM”	the 2023 second extraordinary general meeting of the Company to be held at 10:00 a.m. on Wednesday, 22 March 2023 at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange;
“H Shareholder(s)”	holder(s) of H Shares;
“H Shares Class Meeting”	the 2023 first class meeting for the holders of H Shares of the Company to be held on Wednesday, 22 March 2023;

DEFINITIONS

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Non-public Issuance”, “Issuance”, “Issuance of A Shares to Target Subscribers” or “Issuance to Target Subscribers”	the proposed non-public issuance of no more than 624,427,935 (inclusive) new A Shares by the Company to no more than 35 target subscribers;
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Securities Law”	the Securities Law of the PRC;
“Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including A Shares and H Shares;
“Shareholder(s)”	A Shareholders and H Shareholders;
“SSE”	Shanghai Stock Exchange (上海證券交易所); and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Qin (*Vice-chairman*)
Mr. Wang Shuhai
Mr. Tang Qi

Non-executive Directors:

Mr. Li Hang (*Chairman*)
Mr. Wang Lijun
Ms. Wang Xiaoling

Independent Non-executive Directors:

Mr. Wang Yunmin
Mr. Liew Fui Kiang
Ms. Zhao Feng

***Registered office and headquarters
in the PRC:***

No. 2503, Jingshi Road
Licheng District, Jinan
Shandong Province
The PRC

Principal place of business in Hong Kong:

Rooms 4003-4006
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

7 March 2023

To the Shareholders

Dear Sir or Madam,

**1) DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN OF
ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS
2) SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS
(2023-2025)
AND
3) NOTICES OF 2023 SECOND EXTRAORDINARY GENERAL MEETING
AND 2023 FIRST H SHARES CLASS MEETING**

1. INTRODUCTION

On behalf of the Board, I invite you to attend the EGM and the H Shares Class Meeting to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 10:00 a.m. on Wednesday, 22 March 2023. The purpose of this circular is to issue the notices of EGM and the H Shares Class Meeting and provide you with all reasonably necessary information to enable you to make an informed decision as to the resolutions to be proposed at the EGM and the H Shares Class Meeting.

LETTER FROM THE BOARD

2. DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN OF ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS

In accordance with the relevant requirements of the Company Law, the Securities Law and the Measures for the Administration of Registration of Securities Offering by Listed Companies (《上市公司證券發行註冊管理辦法》), the Company has prepared the Demonstration and Analysis Report on the Plan of Issuance of A Shares to Target Subscribers (《山東黃金礦業股份有限公司向特定對象發行A股股票方案論證分析報告》), the full text of which is set out in Appendix I to this circular.

On 24 February 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on the Demonstration and Analysis Report on the Plan of Issuance of A Shares to Target Subscribers at the EGM and Class Meetings by way of special resolution.

3. SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS (2023-2025)

The Company attaches great importance to a reasonable return on investment for its Shareholders. In order to improve the Company's continuous and stable dividend distribution decision-making and supervision mechanism, increase the transparency and operability of profit distribution decisions and facilitate investors to form stable return expectations, in accordance with the Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) (CSRC Notice [2012] No. 37), the Supervisory Guidelines for Listed Companies No. 3 – Cash Dividends for Listed Companies Dividends (《上市公司監管指引第3號—上市公司現金分紅》) (CSRC Announcement [2022] No. 3) and the relevant provisions of the Articles of Association, the Company has formulated the Shareholders' Return Plan for the Next Three Years (2023-2025) (《公司未來三年(2023-2025年)股東回報規劃》).

The full text of the Shareholders' Return Plan for the Next Three Years (2023–2025) is set out in Appendix II to this circular.

On 24 February 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on Shareholders' Return Plan for the Next Three Years (2023-2025) at the EGM and Class Meetings by way of special resolution.

4. AUTHORIZATION TO THE BOARD AND ITS AUTHORIZED PERSONS BY THE SHAREHOLDERS' GENERAL MEETING TO DEAL WITH THE RELEVANT MATTERS RELATING TO THE ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS

In accordance with relevant provisions of the Company Law, the Securities Law, the Measures for the Administration of Registration of Securities Offering by Listed Companies and other laws and regulations as well as the Articles of Association, it is proposed that the Board and its authorized persons be authorized by the Shareholders' general meeting to handle the matters related to the Issuance of A Shares to Target Subscribers at their absolute discretion to the extent permitted by relevant laws, regulations, rules and other normative documents, so as to efficiently and smoothly promote the relevant work of the Issuance of A Shares to Target Subscribers, including but not limited to:

1. To formulate and implement specific plans for the Issuance to Target Subscribers within the scope of the approval of the Shareholder's general meeting to the extent permitted by

LETTER FROM THE BOARD

relevant laws and regulations, normative documents (including relevant laws, regulations and normative documents amended and newly promulgated from time to time following this resolution of the board of directors) and the Articles of Association, including, amongst others, determination of issuance time, the number of Shares to be issued, the start and end dates of the issuance, pricing principles, pricing benchmark date (subject to changes in pricing principles and pricing benchmark date as a result of amendment or promulgation of relevant new laws, regulations and normative documents), issue price, method of issuance, target subscribers, use of proceeds, specific subscription method, subscription ratio and other matters related to the issue pricing method based on the changes in laws, regulations and policies on the issuance of shares to target subscribers and the opinions of regulatory authorities (including but not limited to the CSRC, the Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited and other regulatory authorities), and in consideration of the review/registration of the Issuance, the actual conditions of the Company and the market;

2. To carry out work involved in the projects to be funded with the proceeds from the Issuance to Target Subscribers, and to sign material contracts and other relevant legal documents in the implementation of the projects funded with the proceeds from the Issuance to Target Subscribers. To adjust or determine specific arrangements for the use of the proceeds within the scope of use of proceeds considered and approved at the Shareholder's general meeting, and according to the actual progress and capital needs of the projects to be funded with the proceeds from the Issuance; according to the actual progress and operational needs of the projects, the Company may first use its self-raised funds to implement the projects to be funded with the proceeds from the Issuance before receipt of the proceeds, and replace the funds with the proceeds once received; to make necessary adjustments to the projects to be funded with the proceeds according to relevant laws and regulations, requirements of regulatory authorities and market conditions;
3. To proceed with the application for the Issuance to Target Subscribers, including but not limited to organizing the Company and intermediaries to jointly prepare application materials for the Issuance, to go through the procedures of approval, enrolment, filing and registration with relevant government authorities, regulators and stock exchange, and securities registration and settlement institutions for the Issuance, and to approve, sign, execute, modify and complete all necessary documents related to the application for the Issuance;
4. To determine to sign, supplement, amend, submit, report and perform all agreements and documents arising in the Issuance to Target Subscribers, including but not limited to underwriting agreement, sponsor agreement, agreement to engage intermediaries, share subscription agreement and other legal documents;
5. To open a special deposit account for the proceeds and sign agreements on the management and use of proceeds;
6. To adjust the specific arrangements for the projects to be funded with the proceeds to the extent permitted by laws and regulations and within the scope of the approval of the Shareholder's general meeting, according to the requirements of the relevant competent authorities and the actual conditions of the market;

LETTER FROM THE BOARD

7. In case of force majeure, new regulations of the securities regulatory authorities on the issuance of shares to target subscribers or changes in market conditions, to adjust the specific plan of the Issuance to Target Subscribers accordingly and continue to handle matters in relation to the Issuance to Target Subscribers, including but not limited to adjusting, postponing, suspending or terminating the plan of the Issuance of A Shares to Target Subscribers, according to the opinions of regulatory authorities, except for matters which are subject to further voting at the Shareholder's general meeting under relevant laws, regulations and the Articles of Association;
8. If the Company is unable to complete the Issuance of Shares to Target Subscribers within the specified time limit approved or required by the relevant government competent departments, to authorize the board of directors of the Company to decide, based on the market environment prevailing then and subject to the protection of the Company's interests, whether to submit an extension application, and to perform all relevant procedures such as document preparation, compilation, declaration, feedback, filing and approval if the extension application is submitted;
9. After the completion of the Issuance to Target Subscribers, to handle all of the matters related to the registration, custodian, trading moratorium and lock-up of the Company's shares during the Issuance to Target Subscribers with the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as well as the listing of shares on the Shanghai Stock Exchange;
10. According to the actual results of the Issuance to Target Subscribers, to handle and announce matters including the change in the registered capital of the Company, the amendment to corresponding provisions of the Articles of Association and the industrial and commercial change registration;
11. To handle other matters in relation to the Issuance to Target Subscribers which are not covered, to the extent permitted by laws, regulations and the Articles of Association; and
12. If the above authorizations involve specific implementation matters to be handled after the approval by regulatory authorities and the stock exchange for the Issuance, the authorization is valid from the date of consideration and approval at the Shareholder's general meeting of the Company to the date of completion of the implementation matters, while other authorizations are valid for 12 months from the date of consideration and approval at the Shareholder's general meeting of the Company.

On 24 February 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on the grant of authorization to the Board and its authorized persons by the Shareholders' general meeting to deal with the relevant matters relating to the Issuance of A Shares to Target Subscribers at the EGM by way of special resolution.

LETTER FROM THE BOARD

5. EGM AND H SHARES CLASS MEETING

The EGM and the H Shares Class Meeting are to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 10:00 a.m. on Wednesday, 22 March 2023 and on Wednesday, 22 March 2023 immediately after the conclusion of the A Shares Class Meeting respectively. The notices of the EGM and the H Shares Class Meeting are set out in Appendix III and Appendix IV to this circular, respectively.

Any Shareholder entitled to attend and vote at the EGM and the H Shares Class Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Shareholder. If you intend to appoint a proxy to attend the EGM and the H Shares Class Meeting and vote on your behalf, you are requested to complete the accompanying proxy forms in accordance with the instructions printed thereon and return them by hand, by post or by facsimile, to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the EGM and the H Shares Class Meeting (i.e. before 10:00 a.m. on Tuesday, 21 March 2023) or any adjournment thereof (as the case may be). Completion and return of the proxy forms will not preclude you from attending and voting at the EGM and the H Shares Class Meeting or any adjournment thereof should you so wish.

6. CLOSURE OF REGISTER OF MEMBERS OF H SHARES

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM and the H Shares Class Meeting, the H Shares register of members of the Company will be closed from Friday, 17 March 2023 to Wednesday, 22 March 2023, both dates inclusive, during which period no transfers of H Shares will be effected.

In order to qualify to attend and vote at the EGM and the H Shares Class Meeting, all transfer instruments accompanied by the relevant share certificates must be lodged by H Shareholders with the Company's H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 16 March 2023.

7. VOTING

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules and Article 119 of the Articles of Association, unless the chairman makes a decision in the spirit of honesty and credibility and agrees that the resolution on relevant procedures or administrative matters shall be voted on by show of hands, voting for a general meeting shall be held by ballot.

Pursuant to Article 111 of the Articles of Association, Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. Pursuant to Article 120 of the Articles of Association, on a poll taken at a meeting, a Shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors are of the view that the proposed resolutions at the EGM and the H Shares Class Meeting are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and the H Shares Class Meeting.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in satisfaction of the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors after having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

10. GENERAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Shandong Gold Mining Co., Ltd.
Li Hang
Chairman

A Share Code: 600547.SH A Share Abbreviation: SD GOLD

H Share Code: 1787.HK H Share Abbreviation: SD GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

(Address: No. 2503, Jingshi Road, Licheng District, Jinan)



**DEMONSTRATION AND ANALYSIS REPORT ON
THE PLAN OF ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS**

February 2023

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DEFINITIONS

Unless otherwise specified in the Report, the following abbreviations shall have the following specific meanings:

“A Share(s)”	the RMB denominated ordinary share(s) issued to domestic investors and listed on a domestic stock exchange upon the approval of the CSRC, which are subscribed and traded in RMB
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“CSRC”	the China Securities Regulatory Commission
“H Share(s)”	the ordinary share(s) of RMB1.00 each issued to overseas investors and listed on the Hong Kong Stock Exchange, which are subscribed and traded in Hong Kong dollars
“Issuance”, “the Issuance”, “the Issuance to Target Subscribers”, “the Issuance of A Shares to Target Subscribers”	the act of the Issuer of intending to issue no more than 624,427,935 A Shares to no more than 35 target investors who meet the requirements of the CSRC
“Issuer”, “Company”, “Shandong Gold”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)
“Laizhou Company”	Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), a wholly-owned subsidiary of the Company
“Proceeds”	the proceeds from the Issuance to Target Subscribers
“Report”	the demonstration and analysis report on the plan of issuance of shares to target subscribers of Shandong Gold Mining Co., Ltd.
“RMB”, “RMB0’000”, “RMB100 million”	Renminbi, Renminbi 0’000, Renminbi 100 million, respectively
“SDG Group”, “Gold Group”, “controlling shareholder”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), the controlling shareholder of the Issuer
“Securities Law”	the Securities Law of the People’s Republic of China (《中華人民共和國證券法》)

APPENDIX I	DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN OF ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS
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“Shandong SASAC”	the State-owned Assets Supervision and Administration Commission of the Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會)
“Sponsor (the lead underwriter)”	BOCI Securities Co., Ltd. (中銀國際證券股份有限公司)
“SSE”	Shanghai Stock Exchange (上海證券交易所)
“Yintai Gold”	Yintai Gold Co., Ltd. (銀泰黃金股份有限公司) (000975. SZ)

In the Report, there are discrepancies in mantissas between some totals and the direct sums of each addend due to rounding.

**DEMONSTRATION AND ANALYSIS REPORT ON THE PLAN OF
ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS OF
SHANDONG GOLD MINING CO., LTD.**

Shandong Gold Mining Co., Ltd. (“**Shandong Gold**”, “**Issuer**” or “**Company**”) is a company listed on the main board of the Shanghai Stock Exchange. In order to satisfy the capital requirements of the Company’s business development, and enhance the Company’s capital strength and improve its profitability, the Company intends to issue no more than 624,427,935 (inclusive) A Shares to target subscribers, from which the proceeds shall not exceed RMB9,900,000,000 (inclusive), according to the Company Law, the Securities Law and other relevant laws, regulations and normative documents. The proceeds are intended to be used for Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia mining area (integration) gold resources development project and repayment of bank loans.

I. BACKGROUND AND PURPOSE OF THE ISSUANCE**(I) Background of the Issuance of A Shares to Target Subscribers****1. *Implement the overall requirements of the People’s Government of Shandong Province for approval of the integration of mineral resources of gold mines, and promote the integration of mineral rights***

In order to better transform resource advantages into economic advantages, realize the concentration of advantageous resources to leading enterprises, improve mine safety production conditions, and promote the overall coordination and sustainable development of the regional economy, the People’s Government of Shandong Province issued the Approval of the People’s Government of Shandong Province on the Gold Mine Mineral Resources Integration Plan for Eight Districts (Cities) in Yantai City (《山東省人民政府關於煙台市8個區(市)金礦礦產資源整合方案的批覆》) (Lu Zheng Zi [2021] No. 133), agreeing to the gold mine mineral resources integration plan of Yantai City set out in the Request for Approval of the Gold Mine Mineral Resources Integration Plan for Eight Districts (Cities) in Yantai City (《關於呈批煙台市8個區(市)金礦礦產資源整合方案的請示》) (Yan Zheng Cheng [2021] No. 7) submitted by the People’s Government of Yantai City, while clarifying: “Adhere to the principle of ‘one entity’, promote the retention of one mining right holder within one integration area and one production and operation entity within one mining right, resolutely put an end to physical integration and false integration, safeguard the legitimate rights and interests of all parties and maintain social stability.”

The Company fully and actively implements the above-mentioned opinions of governments at all levels in Shandong Province on the gold mineral resources integration plan. In June 2021, Laizhou Company, a wholly-owned subsidiary of the Company, acquired the mining rights, exploration rights and related land assets of Jiaojia gold mine held by SDG Group in cash; in August 2021, Laizhou Company further acquired 100% equity interest in Shandong Tiancheng Mining Co., Ltd., 100% equity interest in Shandong Gold Laizhou Ludi Gold Mine Co., Ltd., 100% interest in Shandong Dikuang Laijin Holding Co., Ltd. and 45% equity interest in Laizhou Hongsheng Mining Investment Co., Ltd., obtaining the mining rights of Matang mining area, Matang II mining area, Dongji mining area,

Zhuguolijia gold mine, exploration rights of gold mine at deep level and outer rim of Matang II mine area and gold mine at Nanlv – Xinmu District held by the above-mentioned entities. Through the above transactions, the Company acquired the main gold business assets of SDG Group, implemented the overall approval requirements of the People’s Government of Shandong Province for the gold mineral resources integration, and promoted the integration of related mining rights; at the same time, it expanded the Company’s resource reserves and production capacity, and enhanced the Company’s asset scale and profitability with the use of synergies.

2. *Implement the development plan, promote the construction of a world-class gold base in Jiaodong area, and promote the full realization of the five major goals of green development, intelligent development, centralized and large-scale development, circular development, and coordinated development of the gold industry in the mining industry*

The Company is accelerating the construction of a world-class gold base in the Jiaodong area and has set up the construction plan of a world-class gold base leveraging on the mining rights resources covering “Jiaojia Resource Belt, Xincheng Resource Belt and Sanshandao Resource Belt” and relying on the six major segments of mining, refining, circular economy, intelligent mine, ecological mine and industrial synergies. The mining segment takes intelligence and high efficiency, intrinsic safety, seabed deep wells, green ecology, and humanistic harmony as the construction themes, with Jiaojia mining area, Xincheng mining area, and Sanshandao mining area as the core mining areas, and focuses on building a leader of large-scale deep well green intelligent mining, world-class “intelligent mining” and “ecological mining”. The Company vigorously promotes the construction of major projects, comprehensively optimizes and improves the level of project construction, operation management, technological innovation, safety and environmental protection, and builds a world-class mining enterprise with global competitiveness.

(II) Purpose of the Issuance of A Shares to Target Subscribers

1. *Implement the requirements of governments at all levels in Shandong Province in respect of resource integration and overall development to enhance the profitability of the Company*

Gold production in Shandong Province ranks first in China, and Shandong Gold is one of the major producers of mine-produced gold in the PRC, ranking among the top in gold production volume for many consecutive years. The Company focuses on the development and utilization of gold mineral resources. By adopting the gold production model of scattered mining and beneficiation and centralized smelting, the Company has been able to better enhance its scale advantage of gold resources in the Laizhou region of the Jiaodong Peninsula with the modern gold production level of the Company.

The proposed SDG Mining (Laizhou) Jiaojia mining area (integration) gold resources development project intends to integrate 14 mineral rights, including Jiaojia Gold Mine, into one mining right, on which basis to consolidate and develop the resources within the integration scope of Jiaojia mining area in a unified manner, with the total investment amount of RMB8,273,131,000 and the construction period of six years. It is expected that the project will have an ore production and processing capacity of 6,600,000 tonnes per year. The implementation entity will have an annual operating income of RMB5,373,430,600 and an annual average net profit after tax of RMB2,113,063,700, with an internal rate of return (after tax) of 20.55% and a payback period of 8.71 years (including the construction period after tax). Therefore, the project has good economic feasibility.

2. *Optimising financial structure, reducing financial risks, enhancing profitability and maximising Shareholders' interests*

With the expansion of the scale of operation, the Company's gearing ratio has shown a continuous upward trend. As at 31 December 2021 and 30 June 2022, the Company's gearing ratio was 59.41% and 58.87%, respectively, which exposed the Company to certain financial risks and operating pressure. The proceeds in the amount of RMB2,517,133,100 from the Non-public Issuance are intended to be used partially to repay bank loans, which will reduce the gearing ratio to some extent, optimize the capital structure, reduce financial pressure, enhance profitability and maximize Shareholders' interests.

II. NECESSITY OF THE ISSUANCE OF SECURITIES AND ITS TYPE SELECTION

(I) Type of the Issuance of Securities and Issuance Method

The type selected by the Company for the Issuance of securities is shares to be issued to target subscribers. The shares to be issued under the Issuance are domestic-listed ordinary shares denominated in Renminbi (A Shares) with a nominal value of RMB1.00 each.

(II) Necessity of Type Selection for the Issuance of Securities

1. *The Issuance meets the needs of the Company's business development*

The proceeds from the Issuance of the Company are intended for investment in the Jiaojia mining area (integration) gold resources development project of Shandong Gold Mining (Laizhou) Co., Ltd. and repayment of bank loans. The amount of investment is large. The Company's existing working capital is difficult to meet the capital needs of project construction and subsequent business development after maintaining normal operation of the existing business. At the same time, with the expansion of the Company's operating scale, the capital expenditure is relatively large, and the capital demand continues to grow. In order to meet the increasing demand for funds and ensure the normal progress of the above-mentioned investment projects, the Company plans to consider external equity financing.

In addition, after the proceeds from the Issuance are received, it will help strengthen the Company's capital strength, ease the pressure on the Company's working capital, enhance the Company's risk prevention capabilities and overall competitiveness, consolidate and enhance the Company's industry position, and provide a strong foundation for the Company's future business development. Therefore, the Issuance of Shares to Target Subscribers has more positive significance for the Company's operation and management, and will lay a foundation for the Company's sustainable development, which is in the interests of the Company and all Shareholders.

2. *The project to be funded with the Proceeds is mainly a capital expenditure and requires long-term financial support*

The overall planning cycle of the project to be funded with the Proceeds is relatively long, and it will take a certain period of time from project construction to the realization of benefits and the recovery of funds, while debt financing methods such as bank loans have the risk of short term and the financing scale is greatly affected by credit policies. There are certain limitations. The adoption of equity financing can help solve the long-term capital needs of the Company.

3. *Equity financing is conducive to optimizing the Company's capital structure*

Equity financing can be planned and coordinated, which is more compatible with the progress of investment projects and capital inflows. It can also reduce the Company's future debt repayment pressure and capital outflows, so that the Company can maintain a stable capital structure. At the same time, with the commissioning of the project to be funded with proceeds, the Company's profitability will further increase, and the growth in operating performance can absorb the dilutive impact of equity expansion on current earnings, bringing good returns to all Shareholders of the Company.

In view of the above, it is necessary for the Issuance of A Shares to Target Subscribers of the Company.

III. APPROPRIATENESS OF THE SELECTION SCOPE, QUANTITY AND CRITERIA OF TARGET SUBSCRIBERS OF THE ISSUANCE

(I) Appropriateness of the Selection Scope and Quantity of Target Subscribers of the Issuance

The target subscribers of the Issuance will be no more than 35 target subscribers. They shall be securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors, RMB qualified foreign institutional investors who meet the requirements of the CSRC and other legal persons, natural persons or other legal investors who comply with laws and regulations. Where securities investment fund management companies, securities companies, qualified foreign institutional investors, or RMB qualified foreign institutional investors subscribe with more than two of the products under its management, it shall be deemed as one target subscriber. Trust companies as target subscribers shall only subscribe with their own funds.

All target subscribers shall subscribe for the shares to be issued under the Issuance to Target Subscribers in cash in RMB and at the same price.

The selection scope and quantity of target subscribers of the Issuance comply with relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies (《上市公司證券發行註冊管理辦法》) and other relevant laws, regulations and normative documents.

(II) Appropriateness of the Selection Criteria for Target Subscribers of the Issuance

The final target subscribers of the Issuance of Shares to Target Subscribers will be determined by the board of directors, under the authorization granted by the Shareholders' general meeting, through negotiation with the Sponsor (the lead underwriter) in compliance with relevant regulations of the CSRC and the Shanghai Stock Exchange and according to the bidding results, after the application for the Issuance has been reviewed and approved by the Shanghai Stock Exchange and has been consented by the CSRC for registration. In case of new provisions of national laws, regulations and normative documents on the target subscribers of the Issuance, the Company will adjust according to the new provisions.

The selection criteria for target subscribers of the Issuance comply with relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies and other relevant laws, regulations and normative documents.

IV. RATIONALITY OF THE PRINCIPLES, BASIS, METHODS AND PROCEDURES FOR THE PRICING OF THE ISSUANCE

(I) Principles and Basis for the Pricing of the Issuance

The issue price under the Issuance shall be determined by way of bidding. The pricing benchmark date shall be the first day of the issuance period of the Issuance. The issue price shall not be lower than 80% of the average trading price of the Company's shares for the 20 trading days preceding the pricing benchmark date (exclusive, the same below), and the net assets per share attributable to ordinary shareholders of the parent company as shown in the latest audited annual accounts of the Company before the Issuance, whichever is higher (i.e., the "base issue price", with two decimal places according to the "round up method"). The average trading price of the shares for the 20 trading days preceding the pricing benchmark date = total trading amount of the shares for the 20 trading days preceding the pricing benchmark date / total trading volume of the shares for the 20 trading days preceding the pricing benchmark date.

The base issue price shall be adjusted accordingly in the event of any ex-entitlement or ex-dividend activities in respect shares or changes in share capital of the Company during the period from the pricing benchmark date to the issuance date.

The final issue price under the Issuance shall be determined by the board of directors, under the authorization granted by the Shareholders' general meeting, through negotiation with the Sponsor (the lead underwriter) for the Issuance in compliance with relevant regulations of the CSRC and the Shanghai Stock Exchange and according to the bidding results, upon obtaining of the approval of the Shanghai Stock Exchange and the consent of the CSRC for registration.

In case of new provisions of national laws, regulations and normative documents on the pricing principles for the issuance of shares to target subscribers, the Company will adjust according to the new provisions.

(II) Rationality of the Method and Procedures for the Pricing of the Issuance

The method and procedures for the pricing of the Issuance comply with relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies and other laws, regulations and normative documents, and have been considered and approved by the board of directors, Shareholders' general meeting and class meetings of the Company. The Company has received the approval from the Shandong SASAC for the Issuance, disclosed relevant announcements on the website of the SSE and the media that meet conditions stipulated by the CSRC, and performed necessary consideration and information disclosure procedures. The plan of the Issuance is subject to review and approval of the Shanghai Stock Exchange and consent of the CSRC for registration.

The principles, basis, method and procedures for the pricing of the Issuance comply with the provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies and other relevant laws, regulations and normative documents, and the method and procedures for the pricing of the Issuance are reasonable.

In view of the above, the principles, basis, method and procedures for the pricing of the Issuance comply with the requirements of relevant laws and regulations and are compliant and reasonable.

V. FEASIBILITY OF THE ISSUANCE METHOD

(I) The Issuance Method is Legal and Compliant

1. *The Issuance complies with the issuance conditions stipulated in the Securities Law*

- (1) The Issuance complies with the relevant provisions of Article 9 of the Securities Law: Non-public issuance of securities shall not be conducted through advertisement, public inducement or other disguised public manner.
- (2) The Issuance complies with the relevant provisions of Article 12 of the Securities Law: The issuance of new shares by a listed company shall meet the conditions stipulated by the securities regulators of the State Council approved by the State Council, and the specific management measures shall be stipulated by the securities regulators of the State Council.

2. *The Company does not fall under any of the relevant circumstances where no shares shall be issued to target subscribers by listed companies as specified in Article 11 of the Measures for the Administration of Registration of Securities Offering by Listed Companies*

The Company does not fall under any of the following circumstances where no shares shall be issued to target subscribers by listed companies as specified in Article 11 of the Measures for the Administration of Registration of Securities Offering by Listed Companies:

- (1) The use of proceeds previously raised is changed without permission and fails to rectify or obtain the approval of the Shareholders' general meeting;
- (2) The preparation and disclosure of financial statements for the most recent year do not comply with the Accounting Standards for Business Enterprises or relevant information disclosure rules in material respects; an audit report with adverse opinions or disclaimer of opinion is issued for the financial statements for the most recent year; and an audit report with qualified opinions is issued for the financial statements for the most recent year, and the material adverse impact of the matters involved in the qualified opinion on the listed company has not been eliminated, except when the Issuance involves a major asset restructuring;
- (3) The incumbent directors, supervisors and senior management have been subject to administrative penalties imposed upon by the CSRC within the most recent three years or have been publicly condemned by the stock exchange within the most recent year;
- (4) The listed company or its incumbent directors, supervisors and senior management are under official investigation by the judicial authority for any suspected crime or by the CSRC for any suspected violation of laws and regulations;
- (5) The controlling shareholder or de facto controller commits a major illegal act that seriously harms the interests of the listed company or investors' legitimate rights and interests in the most recent three years;
- (6) There is a major illegal act that seriously harms investors' legitimate rights and interests or public interests in the most recent three years.

3. *The Company's use of the proceeds complies with the relevant provisions of Article 12 of the Measures for the Administration of Registration of Securities Offering by Listed Companies*

The Company's use of the proceeds complies with the following circumstances as stipulated in Article 12 of the Measures for the Administration of Registration of Securities Offering by Listed Companies:

- (1) It shall comply with the provisions of the national industrial policies and laws and administrative regulations on environmental protection and land management;
- (2) Except for financial enterprises, the Proceeds shall not be used for holding financial investments, and shall not be directly or indirectly invested in companies whose main business is the trading of marketable securities;
- (3) After the implementation of the projects for which the proceeds are raised, there will be no related party transactions that constitute horizontal competition of significant negative impact with and are evidently unfair to the controlling shareholder, actual controller and other enterprises under their control, or that seriously affect the independence of the Company's production and business operation.

4. *The Issuance of Shares to Target Subscribers of the Company complies with relevant provisions of the Measures for the Administration of Registration of Securities Offering by Listed Companies with Regard to Applicable Opinions in Article 9, Article 10, Article 11, Article 13, Article 40, Article 57 and Article 60 – Applicable Opinions No. 18 on the Securities and Futures Laws (《〈上市公司證券發行註冊管理辦法〉第九條、第十條、第十一條、第十三條、第四十條、第五十七條、第六十條有關規定的適用意見－證券期貨法律適用意見第18號》)*

The Issuance of the Company complies with the following relevant regulations:

- (1) Where a listed company applies for an offering of shares to target subscribers, the number of shares to be issued shall, in principle, not exceed 30% of the total share capital before the Issuance.
- (2) Where a listed company applies for additional issuance, allotment of shares, or offering of shares to target subscribers, the date of resolution of the board of directors for the Issuance shall, in principle, be no less than 18 months from the date of receipt of the previous proceeds. Where the proceeds raised from the previous round have been basically used up or the investment direction of the proceeds has not changed and have been invested as planned, the corresponding interval shall not be less than 6 months in principle. The above regulations are not applicable to previous fundraising activities which include initial offering, rights issue, placement and issuance of shares to target

subscribers, issuance of convertible bonds or preferred shares, issuance of shares to purchase assets and fundraising by listed companies, and application of simplified procedures.

- (3) Where funds are raised through allotment of shares, issuance of preferred shares, or offering of shares to target subscribers determined by the board of directors, the proceeds may be used in full to replenish working capital and repay debts. If the proceeds are raised through other means, the proportion used to replenish working capital and repay debts shall not exceed 30% of the total amount of the proceeds. For enterprises with the characteristics of light assets and high R&D investment, they shall fully justify if the supplementary working capital and repayment of debts exceed the above-mentioned proportion, and the excess should, in principle, be used for R&D investment related to the main business.

5. *The Company complies with relevant requirements with regard to no larger amount of financial investment at the end of the most recent period under the No. 61 of Contents and Format of the Information Disclosure for Companies Offering Securities Publicly – Prospectuses and Issuance Reports of the Issuance of Securities to Target Subscribers of Listed Companies (《公開發行證券的公司信息披露內容與格式準則第61號－上市公司向特定對象發行證券募集說明書和發行情況報告書》)*

There is no circumstance that the Company holds a larger amount of financial investment (including quasi-financial business) at the end of the most recent period, which complies with the above requirements.

6. *The Company does not belong to general untrustworthy enterprises and customs untrustworthy enterprises*

After self-examination, the Company does not belong to the scope of enterprises that need to be punished according to the Memorandum of Cooperation on Joint Punishment of Untrustworthy Persons Subject to Execution (《關於對失信被執行人實施聯合懲戒的合作備忘錄》) and Memorandum of Cooperation on Joint Punishment of Customs Untrustworthy Enterprises (《關於對海關失信企業實施聯合懲戒的合作備忘錄》), and accordingly does not belong to general untrustworthy enterprises and customs untrustworthy enterprises.

(II) The Consideration and Approval Procedures for Determining the Issuance Method are Legal and Compliant

The matters related to the Issuance of Shares to Target Subscribers have been considered and approved at the 23rd meeting of the sixth session of the board of directors, the 13th meeting of the sixth session of the board of supervisors, the 2022 second extraordinary general meeting, the 2022 first A Shares and H Shares class meetings, the 35th meeting of the sixth session of the board of directors and the 19th meeting of the sixth session of the board of supervisors, and have obtained the Reply from the Shandong SASAC on the Non-public Issuance of Shares by Shandong Gold Mining Co., Ltd. (《山東省國資委關於山東黃金礦業股份有限公司非公開發行股票的批覆》) issued by the State-owned Assets Supervision and Administration Commission of the Shandong Provincial People's Government (Lu Guo Zi Shou Yi Zi [2022] No. 34). The Company has disclosed relevant announcements on the website of the SSE and the media that meet the conditions stipulated by the CSRC, and has performed the necessary consideration and information disclosure procedures.

The demonstration and analysis report on the plan of and related resolutions on the Issuance of Shares to Target Subscribers are subject to approval of the Shareholders' general meeting and A Shares and H Shares class meetings of the Company. The Issuance of Shares to Target Subscribers is subject to review of the Shanghai Stock Exchange, and consent of the CSRC for registration before it can be implemented.

In view of the above, the consideration and approval procedures for the Issuance of Shares to Target Subscribers are legal and compliant, and the issuance method is feasible.

VI. FAIRNESS AND REASONABLENESS OF THE PLAN OF THE ISSUANCE

The plan of the Issuance of the Company was approved after careful study by the board of directors. The implementation of the plan of the Issuance will benefit the Company's sustainable and stable development, improve the Company's profitability and anti-risk ability, and is in the interests of all Shareholders.

The plan of the Issuance and related documents have been disclosed on the website of the Shanghai Stock Exchange and on media that meet the conditions stipulated by the CSRC, guaranteeing the right to know of all Shareholders.

In view of the above, the plan of Issuance has been approved by the Company's board of directors after careful study, and it is believed that the plan of Issuance is in the interests of all Shareholders. Relevant disclosure procedures have been fulfilled for the plan of Issuance to Target Subscribers and related documents, and the shareholders' right to know has been guaranteed. At the same time, the plan of Issuance of Shares to Target Subscribers shall be subject to the fair voting of Shareholders present at the extraordinary general meeting and A Shares and H Shares class meetings, which is fair and reasonable.

VII. IMPACT OF THE ISSUANCE ON THE DILUTION OF ORIGINAL SHAREHOLDERS' EQUITY OR IMMEDIATE RETURN AND THE SPECIFIC MEASURES TO RECOVER

According to relevant requirements in the documents including the Opinion of the General Office of the State Council on Further Strengthening the Protection of Legal Rights and Interests of Small and Medium Investors in the Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (Guo Ban Fa [2013] No. 110), the Certain Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》) (Guo Fa [2014] No. 17) and the Guiding Opinion on Matters Concerning Immediate Return Dilution by IPO, Refinancing and Significant Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (CSRC Announcement [2015] No. 31), the Company analyzed the impact of the Issuance of Shares to Target Subscribers on the dilution of immediate return, and proposed specific measures to recover the return in order to protect the interests of minority investors. The relevant subjects made a commitment that the Company's measures to recover the return can be effectively implemented. The details are as follows:

(I) Impact of the Dilution of Immediate Return resulting from the Issuance of Shares to Target Subscribers on the Company's Major Financial Indicators**1. Main assumptions**

The following assumptions are solely used for schematic estimation of the impact of diluting the immediate returns by the Issuance on key financial indicators of the Company, and do not represent the judgment on Company's operating conditions and the trends in 2023, nor does it constitute a profit forecast. The Company will not be held liable for any loss howsoever arising from investors' investment decision based on such information. Profitability and owner's equity data are ultimately subject to the amount audited by the accounting firm.

- (1) It is assumed that the Company could complete the Issuance of Shares to Target Subscribers on 30 September 2023, the completion time is only estimated by the Company, which is used to measure the impact of dilution of immediate return resulting from the issuance on key financial indicators of the Company, and does not constitute a commitment to the actual completion time. Finally, the actual completion time of the issuance after the consent of the CSRC for registration shall prevail;
- (2) It is assumed that there are no significant adverse changes in the macroeconomic environment, industrial policy, securities industry conditions, product market conditions and Company's operating environment;
- (3) The Company predicted the number of its ordinary shares outstanding at the end of the period, based on the total share capital of 4,473,429,525 shares on the date of issuance of the Report, during which only the impact of the Issuance is considered, without taking into account the changes in share capital caused by other factors such as restricted stock repurchase and cancellation;

- (4) It is assumed that the number of shares in the Issuance to Target Subscribers is 624,427,935 shares, not exceeding 20% of the Company's total share capital before the Issuance (the number of issued shares is only an assumption, and the final number of shares approved by the CSRC and actually issued shall prevail); in the event of any ex-entitlement or ex-dividend activities or changes in share capital during the period from the pricing benchmark date to the issuance date of the Issuance of Shares to Target Subscribers, the number of shares issued in the Issuance to Target Subscribers will be adjusted accordingly;
- (5) According to the Company's 2021 annual report, the Company's net profit attributable to owners of the parent company of the listed company and the net profit attributable to owners of the parent company of the listed company after deducting non-recurring profit or loss realized in 2021 amounted to RMB-193,687,300 and RMB-552,943,300 respectively.

The Company's net profit attributable to owners of the parent company and the net profit attributable to owners of the parent company after deducting non-recurring profit or loss in 2021 were negative, mainly affected by the safety accidents of two gold mining enterprises in Shandong Province not owned by the Company in early 2021, all the underground non-coal mines in Shandong Province carried out safety inspections in accordance with government requirements, as a result, production and operations have been significantly impacted and affected. The Company has made every effort to promote the resumption of work and production, capacity expansion and production increase of its owned mines;

- (6) On 31 January 2023, the Company released the Announcement in Relation to the Positive Profit Alert for the Annual Results of 2022. It is estimated that the net profit attributable to owners of the parent company realized in 2022 amounted to RMB1 billion to RMB1.3 billion, and the net profit attributable to owners of the parent company after deducting non-recurring profit or loss realized in 2022 amounted to RMB1.063 billion to RMB1.363 billion, which will turn losses into profits compared with the same period last year. Under the above assumptions, the calculation is based on the net profit attributable to owners of the parent company of approximately RMB1.2 billion, and the net profit attributable to owners of the parent company after deducting non-recurring profit or loss of approximately RMB1.263 billion estimated by the listed company in 2022 (the "**Calculation Basis**");

- (7) In this calculation process, the Company's net profit attributable to owners of the parent company before and after the deducting non-recurring profit or loss in 2023 is calculated under the following three assumptions:
- ① It is assumed that the net profit attributable to owners of the parent company before and after deducting non-recurring profit or loss in 2023 will decrease by 50% compared with the Calculation Basis;
 - ② It is assumed that the net profit attributable to owners of the parent company before and after deducting non-recurring profit or loss in 2023 are the same as the Calculation Basis;
 - ③ It is assumed that the net profit attributable to owners of the parent company before and after deducting non-recurring profit or loss in 2023 will increase by 50 % compared with the Calculation Basis;

At the same time, it is assumed that the interest attributable to the holders of perpetual bonds in the net profit realized by the Company in 2023 is RMB297,445,000;

- (8) On 9 December 2022 and 19 January 2023, Shandong Gold entered into the Share Transfer Agreement and the Supplemental Agreement to the Share Transfer Agreement with China Yintai Holdings Co., Ltd. (中國銀泰投資有限公司), the controlling shareholder of Yintai Gold, and Mr. Shen Guojun (沈國軍), the de facto controller of Yintai Gold, respectively. Shandong Gold intended to transfer the 581,181,068 shares in Yintai Gold held by China Yintai Holdings Co., Ltd. and Mr. Shen Guojun in aggregate by means of agreed transfer (representing approximately 20.93% of the total share capital of Yintai Gold, the “**Acquisition**”). The total transfer price of the Acquisition was RMB12,760,000,000. If the Acquisition is successfully completed, the controlling shareholder of Yintai Gold will be changed to Shandong Gold, and the de facto controller will be changed to the State-owned Assets Supervision and Administration Commission of the Shandong Provincial People's Government.

As of the date of the Report, the work in relation to the Acquisition is in progress, and is subject to the review of the Hong Kong Stock Exchange, the approval of Shareholders' general meeting of the Company, the examination of concentration of business operators by the State Administration for Market Regulation, and the performance of relevant procedures in accordance with the provisions on agreement transfer of the Shenzhen Stock Exchange. There is uncertainty as to whether the ultimate share transfer of the Acquisition can be completed, and therefore, the impact of the Acquisition on the production, operation and financial position of the Company is not considered in the following calculation;

- (9) The influence of other force majeure factors on the financial position of the Company is not considered;
- (10) The impact on the Company's operation and financial conditions (such as financial expenses and investment income) after the proceeds from the Issuance are received is not considered; the impact of profit distribution is not considered.

2. *The impact on the key financial indicators of the Company*

Based on the above assumptions, the Company has calculated the impact of the Issuance of Shares to Target Subscribers on the Company's earnings per share and other key financial indicators, and the details are as follows:

Item	2021/ 31 December 2021	2023/31 December 2023	
		Before the Issuance	After the Issuance
Total share capital (Shares)	4,473,429,525	4,473,429,525	5,097,857,460
Assumption 1: Net profit attributable to the shareholders of the listed company and net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss in 2023 will decrease by 50% compared with the Calculation Basis in 2022			
Net profit attributable to the shareholders of the listed company (RMB)	-193,687,290.91	600,000,000.00	600,000,000.00
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss (RMB)	-552,943,263.36	631,500,000.00	631,500,000.00
Basic earnings per share (RMB/share)	-0.0897	0.0676	0.0654
Diluted earnings per share (RMB/share)	-0.0897	0.0676	0.0654
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	-0.1705	0.0747	0.0722
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	-0.1705	0.0747	0.0722

Item	2021/ 31 December 2021	2023/31 December 2023	
		Before the Issuance	After the Issuance
Assumption 2: Net profit attributable to shareholders of the parent company in 2023 and net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss are the same as the Calculation Basis in 2022			
Net profit attributable to the shareholders of the listed company (RMB)	-193,687,290.91	1,200,000,000.00	1,200,000,000.00
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss (RMB)	-552,943,263.36	1,263,000,000.00	1,263,000,000.00
Basic earnings per share (RMB/share)	-0.0897	0.2018	0.1950
Diluted earnings per share (RMB/share)	-0.0897	0.2018	0.1950
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	-0.1705	0.2158	0.2086
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	-0.1705	0.2158	0.2086

Assumption 3: Net profit attributable to shareholders of the parent company and net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss in 2023 will increase by 50% compared with the Calculation Basis in 2022

Net profit attributable to the shareholders of the listed company (RMB)	-193,687,290.91	1,800,000,000.00	1,800,000,000.00
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss (RMB)	-552,943,263.36	1,894,500,000.00	1,894,500,000.00
Basic earnings per share (RMB/share)	-0.0897	0.3359	0.3246
Diluted earnings per share (RMB/share)	-0.0897	0.3359	0.3246
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	-0.1705	0.3570	0.3450
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	-0.1705	0.3570	0.3450

Note: Earnings per share indicator is calculated according to the relevant requirements under the Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share (《公開發行證券的公司信息披露編報規則第9號—淨資產收益率和每股收益的計算及披露》).

(II) Remedial Measures Against the Dilution of Immediate Return Resulting from the Issuance of the Company

In order to protect the interests of its investors, reduce the risk of diluting the immediate returns and increase the long-term returns to Shareholders, the Company will enhance supervision over the project to be funded with the proceeds, accelerate the progress of project implementation, improve its operation management and internal control as well as profitability, and strengthen the return mechanism for investors. The specific measures are as follows:

1. *Strengthen operation management and internal control to increase operating efficiency*

The Company has established and improved the management structure of Shareholders' general meeting, the board of directors and its special committees, the board of supervisors, independent directors, the secretary of the board of directors and senior management in accordance with the provisions of laws, regulations and normative documents, thus consolidating the base for its business management and internal control. Over the next few years, the Company will continue to improve the corporate governance structure in strict compliance with the Company Law, the Securities Law, the Standards on Corporate Governance of Listed Companies and other laws, regulations and normative documents, control the Company's operation and control risks comprehensively and effectively, and improve its operation and management. In addition, the Company will continue to improve and strengthen investment decision-making procedures, rationally use financing tools and channels to control the capital costs for listed companies and save financial costs and expenses, so as to safeguard the interests of the Company as a whole, in particular the legitimate interests of minority shareholders.

2. *Strengthen the management of proceeds to ensure regulated and efficient use of the proceeds*

The Company has formulated and improved the Measures on the Management of Proceeds of Shandong Gold Mining Co., Ltd. (《山東黃金礦業股份有限公司募集資金管理辦法》) in accordance with the requirements of relevant laws, regulations and normative documents and in light of the Company's actual situation. After the proceeds raised from the Issuance of A Shares to Target Subscribers are received, the Company will deposit the proceeds in a special account determined by the board of directors of the Company in strict accordance with the requirements of the Measures for the Administration of Registration of Securities Offering by Listed Companies, the Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies (《上市公司監管指引第2號—上市公司募集資金管理和使用的監管要求》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in February 2023) (《上海證券交易所股票上市規則(2023年2月修訂)》) and other laws and regulations. The Company will regularly check the proceeds, and cooperate with regulatory banks and sponsors to supervise the use of the proceeds, in order to ensure rational and regulated use of the proceeds so as to reasonably prevent risks associated with the use of proceeds.

3. *Accelerate the construction progress of the project to be funded with the proceeds and increase efficiency of the use of proceeds*

The Company has fully discussed and justified the feasibility of the project to be funded with the Proceeds. The project to be funded with proceeds is consistent with industry development trends and national policies on industries, and have good market prospects and profitability. After the proceeds raised from the Issuance are received, the Company will speed up the construction of the project funded with proceeds and strive to commence operation in such project as soon as possible and realize expected benefits. Upon implementation of the project to be funded with the Proceeds, the existing production capacity and product quality of the Company will be improved to a certain extent, and its sustainable operation and profitability of the Company will be further enhanced.

4. *Focus on the operation of principal businesses to improve profitability*

The Company will continue to focus on the operation of its mineral resources business, increase its research and development and innovation capability, improve and optimize the organisational structure of the enterprise, thus promoting the sustainable development of the company. At the same time, the Company will actively increase the efficiency of capital usage, effectively reduce related costs and expenses, enhance the ability itself to fight against risks, and promote itself to improve operating efficiency and profitability.

5. *Improve the investor return mechanism and actively bring returns to investors*

In order to improve the profit distribution policy of the Company, enhance the transparency of profit distribution, and protect the legitimate rights and interests of public investors, the Company has formulated its Dividend Return Plan for Shareholders in the Forthcoming Three Years (2023-2025) in accordance with the Regulatory Guidelines No. 3 for Listed Companies – Cash Dividend Distribution by Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the CSRC, which was submitted to the Shareholders' general meeting for consideration. The above-mentioned measures have strengthened the returns to investors, established a sustainable, stable and scientific return plan and mechanism for Shareholders, and made institutional arrangements for profit distribution, which can ensure the continuity and stability of the profit distribution policy.

The implementation of the above measures recovering dilution to returns will help enhance the core competitiveness and sustainable profitability of the Company, increase its future earnings and make up the Shareholders' return. Given the objective existence of risks faced by the Company in its operations, the formulation and implementation of the above return remedial measures do not mean a guarantee for future profits of the Company.

(III) Undertakings of the Controlling Shareholder, the Directors and Senior Management of the Company on the Effective Implementation of the Remedial Measures for Return

In accordance with the Guiding Opinions on Matters relating to the Dilution of Immediate Return Resulting from Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) issued by the CSRC, the Company has formulated specific remedial measures for the diluted immediate return in the Issuance of A Shares to Target Subscribers. In order to ensure the effective fulfillment of above measures, the controlling shareholder, Directors and senior management of the Company will perform their duties faithfully and diligently and make the following undertakings:

1. Undertakings of the controlling shareholder

As the controlling shareholder of the Company, SDG Group has issued the Letter of Undertaking from Shandong Gold Group Co., Ltd. on the Remedial Measures Adopted for the Dilution of Immediate Return Resulting from the Issuance of A Shares to Target Subscribers by Shandong Gold Mining Co., Ltd. (《山東黃金集團有限公司關於山東黃金礦業股份有限公司向特定對象發行A股股票攤薄即期回報採取填補措施的承諾函》), which undertakes the following:

- “1. The company undertakes not to interfere with the operation and management activities of the listed company beyond its authority and not to encroach on the interests of the listed company;
2. From the issuance date of this letter of undertaking to the completion of the Issuance of A Shares to Target Subscribers by the listed company, if the CSRC and other relevant regulatory authorities make other new regulatory requirements in relation to the remedial measures for diluted immediate return and related undertakings, and if this undertaking cannot satisfy the requirements of such regulatory authorities, the company undertakes to make supplementary commitments in accordance with the latest requirements of the relevant regulatory authorities at that time;
3. As one of the entities responsible for the measures to make up for the diluted immediate return, the company will fulfill the relevant remedial measures for return formulated by the listed company and this undertaking. If the aforementioned undertakings are violated or not fulfilled, the company undertakes to make a public explanation on the designated disclosure media and apologize to other Shareholders of the listed company and public investors. In accordance with the relevant laws, regulations and normative documents, the company will accept the relevant penalties or regulatory measures imposed by competent authorities. In the event of any breach of such undertakings and losses caused to the listed company or investors, the company undertakes to bear the compensation liability to the listed company or investors in accordance with the law.”

2. *Undertakings of all directors and senior management of the Company*

The directors and senior management of the listed companies make the following undertakings to ensure the effective fulfillment of above remedial measures of the for listed companies for the diluted immediate return according to relevant requirements of the CSRC:

- “1. I undertake not to transfer benefits to other entities or individuals without consideration or on unfair terms, nor damage the interests of the Company in any other manner;
2. I undertake to restrain the consumption during the performance of my duties;
3. I undertake not to appropriate assets of the Company for investment and consumption activities unrelated to performance of my duties;
4. I undertake to link the remuneration system formulated by the board of directors or the remuneration committee with the implementation of the Company’s remedial measures for return;
5. In the event of proposed implementation of any share option incentives by the Company in the future, I undertake to link the exercise conditions for share options of the Company to be published with the implementation of the Company’s remedial measures for return;
6. During the period from the date of these undertakings to the completion date of the Company’s Issuance of A Shares to Target Subscribers, if the CSRC and other relevant regulatory authorities make other new regulatory requirements in relation to the remedial measures for return and related undertakings, and if this undertaking cannot satisfy the requirements of such regulatory authorities, I undertake to make supplementary commitments in accordance with the latest requirements of the relevant regulatory authorities at that time;
7. I undertake to effectively implement the relevant remedial measures for return formulated by the Company and any of my undertakings related thereto. If I breach such undertakings and cause losses to the Company or the investors, I am willing to bear the compensation liability to the Company or the investors in accordance with laws.”

VIII. CONCLUSION

It is necessary and feasible for the Issuance of Shares to Target Subscribers by the Company, and the plan of the Issuance is fair and reasonable, and complies with the requirements of relevant laws and regulations. The implementation of the plan for the Issuance of Shares to Target Subscribers will be conducive to further improving the Company's operating performance, in line with the Company's development strategy, and in the interests of the Company and all Shareholders.

The announcement is hereby made.

The Board of Shandong Gold Mining Co., Ltd.

24 February 2023

**SHANDONG GOLD MINING CO., LTD.
SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS
(2023–2025)**

In order to improve and perfect the scientific, sustainable and stable dividend decision-making and supervision mechanism of Shandong Gold Mining Co., Ltd. (the “**Company**”), further enhance the transparency of profit distribution policy, actively reward shareholders, and guide shareholders to establish the concept of long-term investment and rational investment, the board of directors of the Company has formulated the shareholders’ return plan for the next three years (2023-2025) (the “**Plan**”) in accordance with the regulations and requirements of the “Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》)” (Zheng Jian Fa [2012] No. 37) and the “Regulatory Guidelines of Listed Companies No. 3 – Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》)” issued by China Securities Regulatory Commission, and the Articles of Association and other relevant documents, with details as follows:

I. Factors Considered by the Company in Formulating the Plan

The Company formulated the Plan, focusing on the long-term and sustainable development of the Company. Based on the comprehensive analysis of the actual operation and development of the Company, the requirements and wishes of shareholders, social capital cost, external financing environment and other factors, the Company fully considered its current and future profit scale, cash flow status, development stage, project investment capital need, bank credit and debt financing environment, etc., established a continuous, stable and scientific return mechanism for investors, so as to make institutional arrangements for profit distribution to maintain the continuity and stability of profit distribution policy.

II. Principles for the Formulation of the Plan

The Company implements a positive, continuous and stable profit distribution policy, attaches importance to reasonable investment returns to investors and takes into account the Company’s actual operating conditions and sustainable development. During the decision-making and demonstration process of the profit distribution policy, the board of directors and the general meeting of shareholders of the Company shall communicate and exchange with independent directors and minority shareholders, fully listen to the opinions and demands of independent directors and minority shareholders, and timely respond to the concerns of minority shareholders.

III. The Company's Specific Shareholders' Return Plan for the Next Three Years (2023-2025)

- (I) Profit distribution form: the Company distributes dividends in cash, stock or a combination of cash and stock. On the premise of ensuring the normal operation of the Company, the Company should actively distribute profits in cash.

The board of directors of the Company shall comprehensively consider factors such as the characteristics of the industry, development stage, its own business model, profitability, and whether there are major capital expenditure arrangements, to distinguish the following situations, and propose differentiated cash dividend policies in accordance with the procedures stipulated in the Company's Articles of Association:

1. If the Company is in the mature development stage and has no major capital expenditure arrangement, the proportion of cash dividends in this profit distribution should be at least 80% when carrying out profit distribution;
2. If the Company is in the mature development stage and has major capital expenditure arrangements, the proportion of cash dividends in this profit distribution should be at least 40% when carrying out profit distribution;
3. If the Company is in the growth stage and has major capital expenditure arrangements, the proportion of cash dividends in this profit distribution should be at least 20% when carrying out profit distribution;

If the development stage of the Company is not easy to distinguish but there are major capital expenditure arrangements, it may be handled in accordance with the provisions of the preceding paragraph. The major capital expenditures arrangements refer to the accumulative expenditure of the Company's purchase of assets, external investment, investment in fixed assets and other transactions in the next 12 months reaching or exceeding 30% of the Company's latest audited net assets.

- (II) Conditions and proportions of cash distribution: Under the condition of making profits in the current year, and when there is no major investment plan or major cash expenditures, the Company shall distribute dividends in cash at least once in every three consecutive years, with the specific distribution proportion to be determined by the board of directors in accordance with the Company's operating conditions and the relevant regulations of the CSRC, subject to the consideration by the Shareholders' general meeting. The cumulative profit of the Company distributed in cash in three consecutive years is not less than 30% of the average annual distributable profit realized in the three years.
- (III) Conditions for stock dividend distribution: According to the accumulated distributable profits, reserves and cash flow, the Company may, on the premise of satisfying the above-mentioned conditions for the distribution of cash dividends and the reasonable scale of the Company's equity, keep the expansion of equity in line with the growth of performance, and distribute dividends by means of stock dividends.

- (IV) Interval of profit distribution: If the above conditions of cash dividend are met, the Company shall actively distribute dividends in cash. In principle, cash dividends will be distributed once a year. The board of directors of the Company may propose interim cash dividends for the Company based on its profitability and capital needs.

IV. Formulation Cycle and Relevant Decision-Making Mechanism of Shareholders' Return Plan

1. The Company shall review the shareholders' return plan at least once every three years, and determine the shareholder return plan for the period according to the expected operating conditions and capital needs of the Company and in combination with the opinions of shareholders (especially public investors) and independent directors.
2. The shareholders' return plan shall be formulated by the board of directors, and independent directors shall express independent opinions on the return plan. After being reviewed by the board of directors, relevant resolutions shall be submitted to the general meeting of shareholders for consideration and approval as special resolutions.

V. Decision-Making Procedures for Adjusting the Established Three-Year Return Plan

If it is really necessary to adjust the Company's established three-year return plan due to major changes in the external business environment or the own operating conditions of the Company, the new shareholders' return plan shall comply with the relevant provisions of laws, administrative regulations, departmental rules and normative documents. Relevant proposals shall be formulated by the board of directors, and independent directors shall express their opinions on the adjustment of profit distribution policy. After being reviewed by the board of directors, relevant resolutions shall be submitted to the general meeting of shareholders for consideration and approval as special resolutions.

VI. The board of directors of the Company is responsible for the interpretation of the Plan, which shall take effect from the date of consideration and approval at the general meeting of shareholders of the Company, and the same applies to the amendment.

The Board of Shandong Gold Mining Co., Ltd.

24 February 2023



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)

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 second extraordinary general meeting (“EGM”) of Shandong Gold Mining Co., Ltd. (the “**Company**”) will be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 10:00 a.m. on Wednesday, 22 March 2023 for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise stated, the capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 7 March 2023.

SPECIAL RESOLUTIONS

1. To approve the resolution on the Demonstration and Analysis Report on the Plan of Issuance of A Shares to Target Subscribers.
2. To approve the resolution on formulating Shareholders’ Return Plan for the Next Three Years (2023-2025).
3. To consider and approve the resolution on proposing that the Board and its authorized persons be authorized by the Shareholders’ general meeting to deal with the relevant matters relating to the Issuance of A Shares to Target Subscribers.

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

Jinan, the PRC, 7 March 2023

As at the date of this notice, 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.

APPENDIX III NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. Holders of the Company's H Shares should note that the H Shares register of members of the Company will be closed from Friday, 17 March 2023 to Wednesday, 22 March 2023 (both days inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 16 March 2023. H Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Thursday, 16 March 2023 are entitled to attend with their identity cards or passports and vote at the EGM. The record date and arrangements in respect of the holders of A Shares of the Company who are entitled to attend the EGM will be determined and announced separately in the PRC.
2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy or more proxies (who need not be a shareholder of the Company) to attend the EGM and vote thereat in his stead. For any shareholder who appoints more than one proxy, the voting right can only be exercised by his/her proxies on a poll.
3. Any shareholder who intends to appoint a proxy to attend the EGM shall put it in writing, with the proxy form to be signed by the appointor or his attorney duly authorized in writing. If the appointor is a corporation, the proxy form must be affixed with its common seal, or signed by any of its directors or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the appointor, the power of attorney or other authorization documents must be notarially certified. The notarially certified power of attorney or other authorization documents together with the proxy form must be delivered to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders only) not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m. on Tuesday, 21 March 2023). Completion and return of the proxy form will not affect the rights of the shareholders to attend and vote at the EGM in person.
4. Proxies of holders of the Company's H Shares shall bring along the proxy form, instrument(s) for appointing a proxy (if applicable) and the proxies' identity cards or passports to attend the EGM.
5. According to Article 108 of the Articles of Association, an ordinary resolution shall be passed by more than half of the votes cast by the shareholders (including proxies) present at the general meeting, while a special resolution shall be passed by more than two-thirds of the votes cast by the shareholders (including proxies) present at the general meeting.
6. Directors, supervisors and senior management of the Company and the witnessing lawyers and other relevant personnel employed by the Company will attend the EGM.



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)****NOTICE OF 2023 FIRST H SHARES CLASS MEETING**

NOTICE IS HEREBY GIVEN that the 2023 first class meeting for H Shares (the “**H Shares Class Meeting**”) of Shandong Gold Mining Co., Ltd. (the “**Company**”) will be held immediately after the conclusion of the 2023 first class meeting for holders of domestic listed shares (A Shares) (or any adjourned meeting thereof) of the Company at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC on Wednesday, 22 March 2023 for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise stated, the capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 7 March 2023.

SPECIAL RESOLUTIONS

1. To approve the resolution on the Demonstration and Analysis Report on the Plan of Issuance of A Shares to Target Subscribers.
2. To approve the resolution on formulating Shareholders' Return Plan for the Next Three Years (2023-2025).

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

Jinan, the PRC, 7 March 2023

As at the date of this notice, 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.

Notes:

1. All holders of H Shares whose names appear on the H Shares register of members of the Company at the close of business on Thursday, 16 March 2023 are entitled to attend the H Shares Class Meeting and should bring along their identity cards or passports when attending the H Shares Class Meeting. Holders of the Company's H Shares should note that the H Shares register of members of the Company will be closed from Friday, 17 March 2023 to Wednesday, 22 March 2023 (both days inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 16 March 2023.
2. Any shareholder entitled to attend and vote at the H Shares Class Meeting is entitled to appoint a proxy or more proxies (who need not be a shareholder of the Company) to attend the H Shares Class Meeting and vote thereat in his stead. For any shareholder who appoints more than one proxy, the voting right can only be exercised by his/her proxies on a poll.
3. Any shareholder who intends to appoint a proxy to attend the H Shares Class Meeting shall put it in writing, with the proxy form to be signed by the appointor or his attorney duly authorized in writing. If the appointor is a corporation, the proxy form must be affixed with its common seal, or signed by any of its directors or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the appointor, the power of attorney or other authorization documents must be notarially certified. The notarially certified power of attorney or other authorization documents together with the proxy form must be delivered to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders only) not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m. on Tuesday, 21 March 2023). Completion and return of the proxy form will not affect the rights of the shareholders to attend and vote at the H Shares Class Meeting in person.
4. Proxies of holders of the Company's H Shares shall bring along the proxy form, instrument(s) for appointing a proxy (if applicable) and the proxies' identity cards or passports to attend the H Shares Class Meeting.
5. According to Article 108 of the Articles of Association, an ordinary resolution shall be passed by more than half of the votes cast by the shareholders (including proxies) present at the general meeting, while a special resolution shall be passed by more than two-thirds of the votes cast by the shareholders (including proxies) present at the general meeting.
6. Directors, supervisors and senior management of the Company and the witnessing lawyers and other relevant personnel employed by the Company will attend the H Shares Class Meeting