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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)

**CONNECTED TRANSACTION
ACQUISITION OF TARGET ASSETS PACKAGE**

ACQUISITION

On 22 August 2023 (after trading hours), Penglai Mining and Jinchuang Group entered into the Asset Package Transfer Contract, pursuant to which Jinchuang Group has agreed to sell and Penglai Mining has agreed to purchase the Target Assets Package held by Jinchuang Group, at a total consideration of RMB422,183,204.57.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Assets Package is owned by Jinchuang Group, which is an indirect non-wholly owned subsidiary of SDG Group Co.. Therefore, the Acquisition, if materialized, will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios exceeds 0.1% but all are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

SSE LISTING RULES IMPLICATIONS

As the A Shares are listed on the SSE, the Company will continue to be subject to and regulated by the SSE Listing Rules and other applicable laws and regulations in the PRC if the A Shares remain listed. According to the SSE Listing Rules, the Acquisition constitutes a related party transaction of the Company and is subject to consideration and approval at the general meeting of the Company.

The Directors, Mr. Li Hang, Mr. Wang Lijun and Ms. Wang Xiaoling, also holding senior management positions in SDG Group Co., are deemed to have material interests in the Acquisition and have abstained from voting on the relevant resolution of the Board. Except for the Directors mentioned above, none of the other Directors had any material interests in the Acquisition and was required to abstain from voting on the Board resolution approving the same.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Asset Package Transfer Contract and the transactions contemplated thereunder. Pursuant to the SSE Listing Rules, any Shareholder who has a material interest in the Asset Package Transfer Contract shall abstain from voting on the relevant resolutions at the EGM. As at the date of this announcement, SDG Group Co., being the controlling Shareholder, directly or indirectly holds approximately 45.58% of the issued share capital of the Company and will be required to abstain from voting on the relevant resolutions at the EGM accordingly. Save for SDG Group Co. and its subsidiaries, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Asset Package Transfer Contract.

A circular containing, among other things, information on the Acquisition will be despatched to the Shareholders on or before 25 August 2023.

ACQUISITION

On 22 August 2023 (after trading hours), Penglai Mining and Jinchuang Group entered into the Asset Package Transfer Contract, pursuant to which Jinchuang Group has agreed to sell and Penglai Mining has agreed to purchase the Target Assets Package held by Jinchuang Group, at a total consideration of RMB422,183,204.57.

(I) Asset Package Transfer Contract

The main terms of the Asset Package Transfer Contract are as follows:

Parties	:	1. Penglai Mining; and
		2. Jinchuang Group.

Target Assets Package : (i) the mining right of Yanshan Mine Area; (ii) the exploration right of Cishan; (iii) the exploration right of Tuwu; and (iv) other underlying assets and liabilities as well as personnel held by Jinchuang Group (for details, please refer to the section headed “Information of the Target Assets Package” below).

Penglai Mining also takes over the liabilities of Jinchuang Group in the asset package of RMB1,238,242,690.84, of which RMB1,226,527,131.16 is the debts of Jinchuang Group to SDG Group Co..

The ownership of the three mineral rights, including the mining right of Yanshan Mine Area, the exploration right of Tuwu and the exploration right of Cishan, and underlying assets to be transferred by Jinchuang Group is clear, and there is no mortgage, pledge and any other restrictions on the transfer thereof. There is no litigation, arbitration or judicial measures such as sealing up and freezing, nor other situation hindering the transfer of ownership.

Consideration and its basis : The price of Penglai Mining’s acquisition of the Target Assets Package held by Jinchuang Group was RMB422,183,204.57, which was determined on the basis of the appraised market value of the Target Assets Package in the amount of RMB405,818,216.57 as at the valuation base date (i.e. 31 January 2023) by Shenzhen Pengxin Asset Appraisal and Land and Property Valuation Co., Ltd.* (深圳市鵬信資產評估土地房地產估價有限公司), a company qualified to appraise assets for securities business, under the asset-based approach, plus value-added tax on mineral rights borne by Penglai Mining of RMB16,364,988.00 (except for mineral rights, other assets include tax), through negotiation between Penglai Mining and Jinchuang Group. The transaction of the Acquisition is priced in a fair and reasonable manner.

Payment terms : Within 3 months from the date of signing the Asset Package Transfer Contract, Penglai Mining shall pay 30% of the consideration, namely RMB126,654,961.37. Penglai Mining shall pay the remaining 70% of the consideration, namely RMB295,528,243.20 by the end of June 2024.

Before Penglai Mining makes the payment, Jinchuang Group shall issue relevant bills in accordance with tax policies and relevant national regulations.

Other terms : Penglai Mining will employ a total of 102 individuals from Jinchuang Group.

- Delivery : 1. After negotiation between both parties, within 30 days after the signing of the Asset Package Transfer Contract, Jinchuang Group will cooperate with Penglai Mining to complete the change and registration procedures with the relevant departments for the Target Assets Package held by Jinchuang Group;
2. Within 30 days after completing the relevant change procedures, Jinchuang Group shall transfer the Target Assets involved in the Asset Package Transfer Contract to Penglai Mining in its entirety for verification and acceptance by Penglai Mining;
3. Both parties shall conduct delivery according to the status quo of the Target Assets Package. If the Target Assets are inconsistent with the asset valuation report, Penglai Mining may evaluate the inconsistent assets and determine the final transaction price based on the appraised value; and
4. Upon completion of the delivery of the Target Assets Package and the signing of the delivery confirmation by both parties, Penglai Mining will bear the liabilities, daily maintenance and other related expenses of the Target Assets Package.
- Conditions precedent : The Asset Package Transfer Contract shall be concluded with the seal of both parties and the signatures or seals of the legal representatives, and shall become effective on the date when all the following conditions have been fulfilled:
1. the Acquisition under the Asset Package Transfer Contract has been approved at the general meeting of Jinchuang Group, and SDG Group Co. has approved the Acquisition under the Asset Package Transfer Contract; and
2. the Company has performed the approval procedures for the Acquisition under the Asset Package Transfer Contract in accordance with its articles of association.

(II) Tripartite Agreement on Debt Transfer

The debt transfer has been agreed in writing by the creditors and a tripartite agreement has been signed. The main terms are as follows: the creditors have agreed that Jinchuang Group will transfer its debts to Penglai Mining, and Penglai Mining will undertake the obligation of repayment to the creditors of Jinchuang Group, with the specific terms to be determined through negotiation between Penglai Mining and the creditors of Jinchuang Group at their own and to become into force from the effective date of the Asset Package Transfer Contract. The debts between Jinchuang Group and the creditors have been repaid.

INFORMATION OF THE TARGET ASSETS PACKAGE

According to the valuation report, the asset-based approach was adopted for the valuation. As at 31 January 2023, the carrying amount of total assets of the Target Assets Package was RMB1,032,816,800, and the appraised value was RMB1,644,060,900, representing an increase in value of RMB611,244,100, or 59.18%, over the carrying amount. The carrying amount of total liabilities of the Target Assets Package was RMB1,238,242,700, and the appraised value was RMB1,238,242,700, without any increase in value. In particular:

(1) Mining Right of the Yanshan Mine Area

Basic information on the mining right

Mining right holder: Shandong Gold Jinchuang Group Co., Ltd.

Mining licence No.: C3700002011024120106351

Name of mine: Yanshan Mine Area of Shandong Gold Jinchuang Group Co., Ltd.

Mining type: Gold ore

Production scale: 60,000 tonnes/year

Mining area: 6.4052km²

Validity period: 5 years from 27 January 2016 to 27 January 2021

Issuing authority: Department of Natural Resources of Shandong Province

(i) Historical development of the mining right of Yanshan Mine Area

The mining license of Yanshan Mine Area was established first in October 1998 with certificate number of 3700009840089, which was valid from October 1998 to October 2002 and covers a mining area of 5.535km². The holder of the mining right is Daliuhang Gold Mine of Penglai City (蓬萊市大柳行金礦).

After undergoing successive changes of renewal later, in January 2016 a new license was issued with mining certificate number of C3700002011024120106351, a mining area of 6.4052km², and mining depth of 352.40m to -950m elevation, which was valid from 27 January 2016 to 27 January 2021 and has a production scale of 60,000 tonnes/year. The holder of the mining right is Jinchuang Group.

Jinchuang Group has applied to the Department of Natural Resources of Shandong Province to renew the mining right of the Yanshan Mine Area. According to the requirements of the Department of Natural Resources of Shandong Province for accelerating the plans of processing mining rights for the integration of gold resources in Yantai City, the mining right of Yanshan Mine Area belongs to the mineral rights to be integrated, the Department of Natural Resources will also process the registration of change of the mining right integration when the registration of change of the scope of the mining area is handled according to the integration plan, and the Department of Natural Resources of Shandong Province will issue a new mining license. Therefore, the mineral right of the Yanshan Mine Area has not been renewed as at the date of this announcement.

(ii) *Valuation of the mining right of Yanshan Mine Area*

The appraised value of the mining right of Yanshan Mine Area is RMB126,708,500 as at 31 January 2023. The valuation method is the discounted cash flow method, and the main parameters of the valuation are as follows:

Mining area: 6.4052km².

The ore amount of reserved gold mineral resources is 686,688 tonnes, and the amount of gold metal is 3,484kg with an average grade of 5.07g/t. The ore amount of reserved inferred resources of associated silver is 686,688 tonnes, and the amount of gold metal is 4,755kg with an average grade of 6.92g/t. The ore amount of reserved inferred resources of associated sulfur is 686,688 tonnes, the amount of pure sulfur is 21,314 tonnes with an average grade of 3.10%, equivalent to 60,897 tonnes of sulfur standard ore.

The ore amount of mineable reserves for phase I is 268,200 tonnes, the amount of gold metal is 1,344.79kg with an average gold grade of 5.01g/t and an average silver grade of 6.12g/t. The ore amount of mineable reserves for phase II is 294,600 tonnes, the amount of gold metal is 1,507.10kg with an average gold grade of 5.12g/t and an average silver grade of 6.25g/t. The loss rate for phase I is 7.6%, the mining recovery rate is 92.4%, and the dilution rate is 10.8%; the loss rate for phase II is 9.2%, the mining recovery rate is 90.8%, and the dilution rate is 13.6%. The ore dilution rate for phase I is 10.8%, and the ore dilution rate for phase II is 13.6%. The production capacity is 60,000 tonnes/year. The mine service life is 10.69 years, and the appraised service life is 10.69 years.

The recovery rate of gravity concentration gold beneficiation for phase I is 20%, the recovery rate of flotation gold beneficiation is 77.67%; the recovery rate of gravity concentration gold beneficiation for phase II is 20%, and the recovery rate of flotation gold beneficiation is 76.60%. The grade of gravity concentration gold concentrate is 80g/t, and the grade of flotation gold concentrate is 50g/t. The recovery rate of gravity concentration silver beneficiation is 8.23%, and the recovery rate of flotation silver beneficiation is 72.24%; the grade of gravity concentration gold concentrate containing silver is 70g/t, and the grade of flotation gold concentrate containing silver is 100g/t.

The average price of Au (99.95%) alloyed gold is RMB349.52/g, and the average price of Ag (T+D) alloyed silver is RMB3,941.48/kg without tax. The price coefficient of gravity concentration gold is 97%, and the price coefficient of flotation gold is 96%; the price coefficient of gravity concentration silver is 73%, and the price coefficient of flotation silver is 74%. The equivalent price of gold-containing gold concentrate is RMB339.03/g and RMB335.54/g; the price of silver-containing gold concentrate is RMB2,877.28/kg and RMB2,916.70/kg without tax.

The original value of investment in fixed assets used in the valuation is RMB293,943,500, and the net value is RMB252,326,700. The total unit cost is RMB748.81/tonne; the unit operating cost is RMB307.30/tonne. The discount rate is 8.02%.

(iii) *Payment of royalties for the mining right*

On 6 January 2021, Jinchuang Group entered into the Shandong Province Mining Right Grant Contract with the Yantai Natural Resources and Planning Bureau, and on 26 October 2022, both parties entered into the Supplemental Agreement to the Mining Right Grant Contract. According to the valuation of Jinan Dashan Mining Consulting Co., Ltd. (濟南大山礦業諮詢有限公司), the proceeds from grant of the mining right was determined to be RMB40,127,600. The proceeds from grant of the mineral right shall be paid in installments. The first installment of proceeds from grant is RMB20,000,000, which was paid off by Jinchuang Group on 26 January 2021. The remaining part shall be paid in 5 installments, and Jinchuang Group shall pay them within 5 years from the date of signing the Supplemental Agreement. The first installment of remaining part of the proceeds from grant of the mining right of RMB4,127,600 was paid by Jinchuang Group on 18 January 2023, and the remaining four installments shall be paid by the holder of the mining right as to RMB4,000,000 before 27 January each year.

(iv) *Production conditions for mineral mining*

The production conditions for mineral mining of the mining right of Yanshan Mine Area are basically ready. According to the requirements of the Department of Natural Resources of Shandong Province for accelerating the plans of processing mining rights for the integration of gold resources in Yantai City, the mining right of Yanshan Mine Area belongs to the mineral rights to be integrated, and its renewal has not been processed so far. Therefore, no mining and production activities have been carried out from February 2021 to date. Upon completion of the Acquisition, Penglai Mining will integrate the mining right of Yanshan Mine Area, the exploration right of Tuwu and the exploration right of Cishan with its existing mineral rights, and conduct a unified mining planning after applying for new mining certificates and other relevant licenses.

(2) Exploration Right of Gold Mine in Cishan Mine Area, Penglai District, Yantai City, Shandong Province

Basic information on the exploration right

Exploration right holder: Shandong Gold Jinchuang Group Co., Ltd.

License No.: T3700002016014010052171

Name of exploration project: Exploration right of gold mine in Cishan Mine Area, Penglai District, Yantai City, Shandong Province

Geographic location: Penglai District, Yantai City, Shandong Province

Map No.: J51E015005

Exploration area: 2.17km²

Validity period: 10 April 2023 to 9 April 2028

Issuing authority: Department of Natural Resources of Shandong Province

(i) *Historical development of the exploration right of Cishan Mine Area*

In May 2015, the holder of the exploration right applied for splitting the exploration right of “Gold Mine in Yanshan – Shanglanzi Mine Area, Penglai City, Shandong Province (General Exploration) (山東省蓬萊市燕山—上嵐子礦區金礦詳查)” into three exploration rights, namely “Gold Mine in the Deep Level of Yanshan Mine Area, Penglai City, Shandong Province (General Exploration) (山東省蓬萊市燕山礦區深部金礦詳查)”, “Gold Mine in Cishan Mine Area, Penglai City, Shandong Province (General Exploration) (山東省蓬萊市磁山礦區金礦詳查)” and “Gold Mine in Shanglanzi Mine Area, Penglai City, Shandong Province (General Exploration) (山東省蓬萊市上嵐子礦區金礦詳查)”.

In January 2016, the resource exploration license of “Gold Mine in Cishan Mine Area, Penglai City, Shandong Province (General Exploration)” was issued with certificate number of T37120160102052171, and the holder of the exploration right is Jinchuang Group. The exploration area is 2.92km², and the exploration unit is the Sixth Institute of Geology and Mineral Exploration of Shandong Province. The exploration period was from 21 January 2016 to 31 December 2016.

After three changes of renewal later, the holder of the exploration right obtained the renewed exploration right certificate on 10 April 2023, with the exploration license number of T3700002016014010052171. The license is delineated by 7 inflection points, with extreme geographic coordinates ranging from 121°2'22" to 121°3'49" east longitude and 37°33'60" to 37°35'16" north latitude. The exploration area is 2.17km², and the validity period is from 10 April 2023 to 9 April 2028.

(ii) Valuation of the exploration right of Cishan Mine Area

The appraised value of the exploration right of Cishan Mine Area is RMB134,596,800 as at 31 January 2023. The valuation method is the discounted cash flow method, and the main parameters of the valuation are as follows:

The exploration area is 2.17km². The ore amount of reserved gold mineral ore is 993,595 tonnes, and the ore amount of gold metal is 3,862kg with an average grade of 3.89g/t. The ore amount of associated silver is 967,278 tonnes, and the amount of metal is 8,064kg with an average grade of 8.34g/t; the ore amount of associated lead is 192,272 tonnes, and the amount of metal is 592 tonnes with an average grade of 0.31%; the ore amount of associated zinc is 170,860 tonnes, and the amount of metal is 501 tonnes with an average grade of 0.29%; the ore amount of associated sulfur is 967,278.00 tonnes, and the amount of pure sulfur is 42,889 tonnes with an average grade of 4.43%.

The ore amount of assessed utility mineable reserve is 776,036.74 tonnes, and the amount of gold metal is 3,057.15kg with an average gold grade of 3.94g/t; the amount of associated silver metal is 6,472.15kg with an average grade of 8.34g/t.

The mining recovery rate is 92.4%, the ore dilution rate is 15.4%, and the production scale is 99,000 tonnes/year. The mine service life is 9.27 years, the infrastructure period is 3.5 years, and the appraised service life is 12.77 years.

The product plan is gold-containing gold concentrate and silver-containing gold concentrate. The recovery rate of gravity concentration gold beneficiation is 20.00%, the recovery rate of flotation gold beneficiation is 76.62%; the grade of gravity concentration gold concentrate is 80g/t, and the grade of flotation gold concentrate is 50g/t. The recovery rate of gravity concentration silver beneficiation is 8.23%, and the recovery rate of flotation silver beneficiation is 72.24%; the grade of gravity concentration gold concentrate containing silver is 70g/t, and the grade of flotation gold concentrate containing silver is 100g/t.

The average price of Au (99.95%) alloyed gold is RMB349.52/g, and the average price of Ag (T+D) alloyed silver is RMB3,941.48/kg without tax. The price coefficient of gravity concentration gold is 97%, and the price coefficient of flotation gold is 96%; the price coefficient of gravity concentration silver is 73%, and the price coefficient of flotation silver is 74%. The equivalent price of gold-containing gold concentrate is RMB339.03/g and RMB335.54/g; the price of silver-containing gold concentrate is RMB2,877.28/kg and RMB2,916.70/kg without tax. The investment in fixed assets used in the valuation is RMB88,853,500. The total unit cost is RMB523.13/tonne; the unit operating cost is RMB430.59/tonne. The discount rate is 9.37%.

(iii) Payment of royalties for the exploration right

Jinchuang Group has not yet paid the proceeds from grant of the exploration right of Cishan.

(3) Exploration Right of the Gold Mine at the Deep Level of Tuwu Gold Mine Area (General Exploration) in Penglai District, Yantai City, Shandong Province

Basic information on the exploration right

Exploration right holder: Shandong Shandong Gold Group Penglai Mining Co., Ltd.

License No.: T3700002009034010025638

Name of exploration project: the gold mine at the deep level of Tuwu Gold Mine Area in Penglai District, Yantai City, Shandong Province (general exploration)

Geographic location: Penglai District, Yantai City, Shandong Province

Map No.: J51E015005

Exploration area: 0.27km²

Validity period: 2 December 2022 to 1 December 2024

Issuing authority: Department of Natural Resources of Shandong Province

(i) *Historical development of the exploration right of the gold mine at the deep level of Tuwu Gold Mine Area (general exploration)*

The exploration right of the gold mine at the deep level of Tuwu Gold Mine Area (general exploration) was established first on 26 June 2007 with exploration license number of T3700000710315. The project name is “the gold mine at the deep level of Tuwu Gold Mine Area in Penglai City, Shandong Province (general exploration) (山東省蓬萊市土屋金礦區深部金礦詳查)”. The holder of the exploration right is Daliuhang Tuwu Gold Mine of Penglai City, which was valid from 26 June 2007 to 31 March 2009 and covers an exploration area of 0.38km².

In July 2013, the holder of the exploration right was changed from Daliuhang Tuwu Gold Mine of Penglai City to Jinchuang Group.

After undergoing successive changes and reservations later, on 15 April 2022, a change was made to the exploration right that the holder of the exploration right was changed to Penglai Mining^{Note}, which was valid from 15 April 2022 to 1 December 2022 and covers an area of 0.27km². On 16 December 2022, Penglai Mining applied for reservation of the exploration right, which is valid from 2 December 2022 to 1 December 2024.

Note: In order to implement the “Approval of Shandong Provincial People’s Government on the Mineral Resource Integration Plan of Gold Mines Across 8 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) issued by the Shandong Provincial People’s Government on 26 July 2021 and the requirements of the governments at various levels of Yantai and Penglai in relation to the integration of gold mine mineral resources, in April 2022, the exploration right of the Tuwu Gold Mine of Jinchuang Group was changed under the name of Penglai Mining. Pursuant to the agreement between Penglai Mining and Jinchuang Group, the integration and transfer of the exploration right of the Tuwu Gold Mine is an act of asset entrustment during the transition period of resource integration. Penglai Mining is only the nominal holder and has not paid any transfer price for the exploration right, and the exploration right of the Tuwu Gold Mine still belongs to Jinchuang Group in essence. For details, please refer to the overseas regulatory announcement of the Company dated 31 March 2022 published on the website of the Hong Kong Stock Exchange.

(ii) *Valuation of the exploration right of the gold mine at the deep level of Tuwu Gold Mine Area (general exploration)*

The appraised value of the exploration right of the gold mine at the deep level of Tuwu Gold Mine Area (general exploration) is RMB11,444,500 on 31 January 2023. The valuation method is the income equity method, and the main parameters of the valuation are as follows:

The exploration area is 0.27km². The amount of reserved (332+333+333D) ore is 112,845 tonnes, and the amount of gold metal is 572kg with an average thickness of 0.97m and an average grade of 5.07g/t. The ore amount of associated silver (333) is 102,698 tonnes, and the amount of metal is 3,201kg with an average grade of 31.17g/t; the ore amount of associated sulfur (333) is 102,698 tonnes, the amount of pure sulfur is 8,144 tonnes with an average grade of 7.93%, equivalent to 23,269 tonnes of standard sulfur.

The ore amount of mineable reserve is 93,400 tonnes, the amount of gold metal is 483.24kg with an average gold grade of 5.17g/t; the amount of silver metal is 2,325.21kg with an average silver grade of 24.89g/t.

The mining recovery rate is 90.8%, the mine dilution rate is 13.6%, and the production scale is 60,000 tonnes/year.

The mine service life is 1.80 years, and the appraised service life is 1.80 years.

The recovery rate of gravity concentration gold beneficiation is 20%, the recovery rate of flotation gold beneficiation is 76.60%, the grade of gravity concentration concentrate is 80g/t, and the grade of flotation concentrate is 50g/t.

The recovery rate of gravity concentration silver beneficiation is 8.23%, and the recovery rate of flotation silver beneficiation is 72.24%; the grade of gravity concentration gold concentrate containing silver is 70g/t, and the grade of flotation gold concentrate containing silver is 100g/t.

The average price of Au (99.95%) alloyed gold is calculated at RMB386.17/g, and the average price of Ag (T+D) alloyed silver is RMB4,343.78/kg without tax. The price coefficient of gravity concentration gold is 97%, and the price coefficient of flotation gold is 96%. The price coefficient of gravity concentration silver is 73%, and the price coefficient of flotation silver is 74%. The equivalent price of gold-containing gold concentrate is RMB374.58/g and RMB370.72/g; the price of silver-containing gold concentrate is RMB3,170.96/kg and RMB3,214.39/kg without tax. The discount rate is 9.37%. The equity coefficient is 7.20%.

(iii) *Payment of royalties for the exploration right*

Jinchuang Group has not yet paid the proceeds from grant of the exploration right of Tuwu.

Please refer to the following valuation assumptions for the valuation of the mining right of Yanshan Mine Area, the exploration right of Cishan Mine Area and the exploration right of Tuwu Gold Mine Area and the reasons for using the income-based appraisal method for valuation:

	Mining right of the Yanshan Mine Area	Exploration right of the Cishan Mine Area	Exploration right of the Tuwu Gold Mine Area
Valuation assumptions	<ol style="list-style-type: none"> 1. It is assumed that the enterprise can smoothly renew the mining right; 2. It is assumed that the “Reserve Verification Report” used in this valuation can objectively reflect the endowment conditions of resource reserves in the exploration area, and the mineral resource reserves submitted and reviewed and accepted within the scope of the valuation are objective and credible; the resource reserves designed and utilized in the “Feasibility Study Report” on which the valuation is based can objectively reflect the resource reserves available in the exploration area in the future, and the resource reserves designed and utilized and the grade of the ore mined are objective and credible; 3. It is assumed that the production mode, production scale and product structure of the Yanshan Mine Area designed according to the “Feasibility Study Report” can be implemented smoothly. Production remains unchanged and market supply and demand levels are benchmarked and continue to operate; 	<ol style="list-style-type: none"> 1. It is assumed that the exploration right used in the valuation can be successfully converted into mining right; 2. It is assumed that the “General Exploration Report” used in this valuation can objectively reflect the endowment conditions of resource reserves in the exploration area, and the mineral resource reserves submitted and reviewed and accepted within the scope of the valuation are objective and credible; the resource reserves designed and utilized in the “Feasibility Study Report” on which the valuation is based can objectively reflect the resource reserves available in the exploration area in the future, and the resource reserves designed and utilized and the grade of the ore mined are objective and credible; 3. It is assumed that the production mode, production scale, production schedule and product structure of the mine designed according to the “Feasibility Study Report” can be implemented smoothly. Production remains unchanged and market supply and demand levels are benchmarked and continue to operate; 	<ol style="list-style-type: none"> 1. It is assumed that the exploration right used in the valuation can be successfully converted into mining right; 2. It is assumed that the “General Exploration Report” used in this valuation can objectively reflect the endowment conditions of resource reserves in the exploration area, and the mineral resource reserves submitted and reviewed and accepted within the scope of the valuation are objective and credible; the resource reserves designed and utilized in the “Feasibility Study Report” on which the valuation is based can objectively reflect the resource reserves available in the exploration area in the future, and the resource reserves designed and utilized and the grade of the ore mined are objective and credible; 3. It is assumed that the production mode, production scale and product structure of phase II of Yanshan Mine Area and the mining right of gold mine of Penglai Menlou Mining Co., Ltd.* (蓬萊市門樓礦業有限公司) designed according to the “Feasibility Study Report” can be implemented smoothly. Production remains unchanged and market supply and demand levels are benchmarked and continue to operate;

**Mining right of the
Yanshan Mine Area**

**Exploration right of the
Cishan Mine Area**

**Exploration right of the
Tuwu Gold Mine Area**

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| 4. It is assumed that geological exploration status as well as internal and external conditions of the valuation target will maintain its current status and will not change significantly; | 4. It is assumed that geological exploration status as well as internal and external conditions of the valuation target will maintain its current status and will not change significantly; | 4. It is assumed that geological exploration status as well as internal and external conditions of the valuation target will maintain its current status and will not change significantly; |
| 5. The appraisal technics and economic parameters are determined with reference to the principle of production-sale balance; | 5. The appraisal technics and economic parameters are determined with reference to the principle of production-sale balance; | 5. The appraisal technics and economic parameters are determined with reference to the principle of production-sale balance; |
| 6. The relevant policies, laws and regimes followed will maintain current status and will not change significantly, and the relevant social, political and economic environment as well as the technology and conditions of development followed will maintain current status and will not change significantly; | 6. The relevant policies, laws and regimes followed will maintain current status and will not change significantly, and the relevant social, political and economic environment as well as the technology and conditions of development followed will maintain current status and will not change significantly; | 6. The relevant policies, laws and regimes followed will maintain current status and will not change significantly, and the relevant social, political and economic environment as well as the technology and conditions of development followed will maintain current status and will not change significantly; |
| 7. The prices, costs, fees, tax rate, interest rate and other elements related to the products will vary within the normal range in the profit period of the mine in future development; | 7. The prices, costs, fees, tax rate, interest rate and other elements related to the products will vary within the normal range in the profit period of the mine in future development; | 7. The prices, costs, fees, tax rate, interest rate and other elements related to the products will vary within the normal range in the profit period of the mine in future development; |
| 8. It will not take into account the impact on its appraised value of other rights such as mortgages and guarantees that may be assumed in the future, or any other restrictions on the property rights, and any additional price that may be paid by a special counterparty; | 8. It will not take into account the impact on its appraised value of other rights such as mortgages and guarantees that may be assumed in the future, or any other restrictions on the property rights, and any additional price that may be paid by a special counterparty; | 8. It will not take into account the impact on its appraised value of other rights such as mortgages and guarantees that may be assumed in the future, or any other restrictions on the property rights, and any additional price that may be paid by a special counterparty; |
| 9. There is no other significant impact caused by force majeure and unpredictable factors. | 9. There is no other significant impact caused by force majeure and unpredictable factors. | 9. There is no other significant impact caused by force majeure and unpredictable factors. |

	Mining right of the Yanshan Mine Area	Exploration right of the Cishan Mine Area	Exploration right of the Tuwu Gold Mine Area
Reasons for using the income-based appraisal method for valuation	<p>According to the provisions of the China's Mineral Rights Evaluation Standards (《中國礦業權評估準則》), the valuation of mineral rights usually includes three basic appraisal methods, namely the income-based appraisal method, the cost-based appraisal method and the market-based appraisal method.</p> <p>The cost-based appraisal method is applicable to the valuation of exploration rights at the stage of presurvey and general exploration of mineral resources, but is not applicable to the valuation of exploration rights at the stage of general exploration with a lower level of exploration in large and medium-sized sedimentary deposits with stable deposits. The target entrusted for valuation is the mining right, and it is not appropriate to apply the cost-based appraisal method to the valuation of this mining right.</p> <p>According to specific conditions of the mining right entrusted for valuation, this valuation is to appraise the mining right of Yanshan Mine Area of Shandong Gold Jinchuang Group Co., Ltd., and it is not suitable for market-based valuation because there is no example of the transaction for the same valuation purpose.</p>	<p>According to the provisions of the China's Mineral Rights Evaluation Standards (《中國礦業權評估準則》), the valuation of mineral rights usually includes three basic appraisal methods, namely the income-based appraisal method, the cost-based appraisal method and the market-based appraisal method.</p> <p>The cost-based appraisal method is applicable to the valuation of exploration rights at the stage of presurvey and general exploration of mineral resources, but is not applicable to the valuation of exploration rights at the stage of general exploration with a lower level of exploration in large and medium-sized sedimentary deposits with stable deposits. The target entrusted for valuation has high degree of exploration, and it is not appropriate to apply the cost-based appraisal method to the valuation of this exploration right.</p> <p>According to specific conditions of the exploration right entrusted for valuation, this valuation is to appraise the exploration right of the gold mine in Cishan Mine Area in Penglai District, Yantai City, Shandong Province, and it is not suitable for market-based valuation because there is no example of the transaction for the same valuation purpose.</p>	<p>According to the provisions of the China's Mineral Rights Evaluation Standards (《中國礦業權評估準則》), the valuation of mineral rights usually includes three basic appraisal methods, namely the income-based appraisal method, the cost-based appraisal method and the market-based appraisal method.</p> <p>The cost-based appraisal method is applicable to the valuation of exploration rights at the stage of presurvey and general exploration of mineral resources, but is not applicable to the valuation of exploration rights at the stage of general exploration with a lower level of exploration in large and medium-sized sedimentary deposits with stable deposits. The target entrusted for valuation has high degree of exploration, and it is not appropriate to apply the cost-based appraisal method to the valuation of this exploration right.</p> <p>According to specific conditions of the exploration right entrusted for valuation, this valuation is to appraise the exploration right of the gold mine at the deep level of Tuwu Gold Mine Area (general exploration) in Penglai District, Yantai City, Shandong Province, and it is not suitable for market-based valuation because there is no example of the transaction for the same valuation purpose.</p>

**Mining right of the
Yanshan Mine Area**

The income-based valuation methods include income equity method and discounted cash flow method. The mine has prepared the Feasibility Study Report on the Mining Project in Yanshan Mine Area of Shandong Gold Jinchuang Group Co., Ltd., based on which this mining right has independent profitability and can be measured, its future income and risks can be measured in currency, and the main technical and economic parameters of its resource development and utilization can be determined by referring to the above-mentioned materials. Therefore, the appraisers believe that the mining right has met the requirements and conditions for valuation by using the discounted cash flow method.

According to the relevant provisions of the Mining Rights Evaluation Management Measures (Trial) and China's Mineral Rights Evaluation Standards, it is determined that the discounted cash flow method is adopted in this valuation.

**Exploration right of the
Cishan Mine Area**

The income-based valuation methods include income equity method and discounted cash flow method. The mine has prepared the Feasibility Study Report on the Mining Project of Gold Mine in Cishan Mine Area in Penglai City, Shandong Province, based on which this exploration right has independent profitability and can be measured, its future income and risks can be measured in currency, and the main technical and economic parameters of its resource development and utilization can be determined by referring to the above-mentioned materials. Therefore, the appraisers believe that this exploration right has met the requirements and conditions for valuation by using the discounted cash flow method.

According to the relevant provisions of the Mining Rights Evaluation Management Measures (Trial) and China's Mineral Rights Evaluation Standards, it is determined that the discounted cash flow method is adopted in this valuation.

**Exploration right of the
Tuwu Gold Mine Area**

The income-based valuation methods include income equity method and discounted cash flow method. The exploration right has carried out systematic exploration work, and the General Exploration Report on the Gold Mine at the Deep Level of Tuwu Mine Area in Penglai City, Shandong Province submitted has been reviewed and filed by the original Shandong Provincial Department of Land and Resources. Corresponding parameters designed for the Feasibility Study Report on the Mining Project in Yanshan Mine Area of Shandong Gold Jinchuang Group Co., Ltd. (SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司), November 2019) are basically available, but the resource reserves are small and the life is short, therefore the valuation is eligible for the income equity method.

According to the relevant provisions of China's Mineral Rights Evaluation Standards, the income equity method is adopted in this valuation.

(4) Other Underlying Assets other than Mineral Rights

Items of other underlying assets	Relevance to the transferred mineral rights
Other monetary funds	The deposits for land reclamation and environmental governance that are independently deposited are collected according to the actual deposit balance of the Yanshan Mine Area over the years
Prepayments	Prepayments related to the mining right assets of the Yanshan Mine Area
Other receivables	The compensation related to land demolition and relocation of the mining right in the Yanshan Mine Area advanced by Jinchuang Group
Inventories	Underground ore in Yanshan Mine Area and spare parts related to Yanshan Mine Area, etc.
Fixed assets	Fixed assets within the scope of Yanshan Mine Area
Construction in progress	Construction in progress within the scope of Yanshan Mine Area
<p>(i) Current assets: The appraised value of monetary funds is RMB12,929,000, the appraised value of prepaid accounts is RMB845,141.24, the appraised value of other receivables is RMB1,504,920.00; the appraised value of inventories is RMB123,536,040.10;</p> <p>(ii) Non-current assets: The appraised value of houses and buildings is RMB37,835,214.75, the appraised value of structures and other ancillary facilities is RMB233,896,493.46, the appraised value of sinking and driving engineering is RMB871,780,762.81, the appraised value of machinery and equipment is RMB73,459,341.96, the appraised value of electronic equipment is RMB29,940.28, and the appraised value of fixed assets to be disposed is RMB64,940.10;</p> <p>(iii) Construction in progress: The appraised value of construction in progress is RMB8,035,073.15; and</p> <p>(iv) Intangible assets: The appraised value of the land use right is RMB7,394,217.56.</p>	

(5) Liabilities

- (i) Including the appraised value of accounts payable (mainly the project payment payable) of RMB3,110,528.01, the appraised value of employee salaries payable of RMB2,678,697.16, the appraised value of taxes payable of RMB46,832.50, the appraised value of other payables of RMB1,227,527,131.16 (mainly loan principal and interest of RMB1,226,527,131.16 and deposit payable to suppliers of RMB1,000,000.00), and the appraised value of estimated accrual on the books of land reclamation fees related to the Yanshan Mine Area of RMB4,879,502.01.

Unit: RMB

Creditor	Principal and interest	Interest rate	Commencement date	Ending date
Shandong Gold Group Co., Ltd.	227,000,000.00	3.09%	12 October 2022	24 August 2025
Shandong Gold Group Co., Ltd.	170,000,000.00	4.18%	6 November 2020	13 August 2023 ^{Note}
Shandong Gold Group Co., Ltd.	321,000,000.00	4.18%	18 November 2020	13 August 2023 ^{Note}
Shandong Gold Group Co., Ltd.	142,000,000.00	4.18%	27 November 2020	13 August 2023 ^{Note}
Shandong Gold Group Co., Ltd.	147,000,000.00	3.48%	29 March 2022	19 January 2025
Shandong Gold Group Co., Ltd.	38,882,631.16	4.00%	18 October 2021	13 October 2024
Shandong Gold Group Co., Ltd.	50,644,500.00	3.09%	28 October 2022	24 August 2025
Shandong Gold Group Co., Ltd.	50,000,000.00	3.48%	6 June 2022	19 January 2025
Shandong Gold Group Co., Ltd.	80,000,000.00	3.48%	8 August 2022	19 January 2025
Total amount:	<u>1,226,527,131.16</u>			

Note: The above three loans due on 13 August 2023 have been adjusted to two loans, and the loan periods have been extended. One loan with principal and interest of RMB475,000,000.00 has a loan period up to 27 March 2026, and its interest rate is adjusted to 2.7%; the other loan with principal and interest of RMB158,000,000.00 has a loan period up to 13 February 2026, and its interest rate is adjusted to 2.7%.

Jinchuang Group guarantees that the amount of liabilities transferred to Penglai Mining is true, accurate and undisputed, and it guarantees that the transfer of the liabilities involved has been approved by all creditors.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Three mineral rights including the mining right of Yanshan Mine Area, the exploration right of Tuwu and the exploration right of Cishan and the mineral rights under Penglai Mining to be acquired by Penglai Mining is located in the same mineralized zone, and the ore bodies are located in the same group of veins, which are the same veins or parallel veins. Penglai Mining would acquire the three mineral rights and underlying assets above, in order to actively implement the “Approval of Shandong Provincial People’s Government on the Mineral Resource Integration Plan of Gold Mines Across 8 Districts (Cities) in Yantai City” (《山東省人民政府關於煙台8個區(市)金礦礦產資源整合方案的批覆》) (Lu Zheng Zi [2021] No. 133) and the requirements under “Optimised and Adjusted Mineral Resource Integration Plan of Gold Mines in Penglai District of Yantai City (《煙台市蓬萊區金礦礦產資源整合優化調整方案》)” approved by the government of Penglai District of Yantai City, and to promote the integration of mineral rights.

Among the Target Assets Package held by Jinchuang Group in the acquisition by Penglai Mining, the assets other than the mineral rights are needed to support the reproduction of the Yanshan Mine Area, and are relevant to the transferred mineral rights at the same time. The transfer of assets affiliated to the mineral rights is an objective demand for subsequent improvement in the operating capacity and overall asset output capacity of the Yanshan Mine Area. Meanwhile, the liabilities in the Target Assets Package are closely related to the operation of the Yanshan Mine Area, and should be inherited by Penglai Mining. And the liabilities to be taken over can be used to offset the consideration payable by Penglai Mining in equal amounts when entering into the agreement, which would greatly reduce the amount of cash that Penglai Mining needs to pay promptly. After taking over the liabilities, Penglai Mining only needs to pay the asset transfer price of RMB422,183,204.57 (including the mineral rights value-added tax of RMB16,364,988.00) at the time of the Acquisition.

Gold resource reserves determine the future development potential and space of gold companies. The subject assets of this transaction have relatively large gold resource reserves. The production system of the acquired mineral right of Yanshan is relatively complete, and all shaft projects are in place. The implementation of this transaction will help further increase the Company's gold resource reserves, expand its production scale, strengthen the scale effect, and enhance its core competitiveness. At the same time, major mineral right assets of the Target Assets Package are all located in the gold mineralized zone of Penglai District, Shandong Province, geographically close to the existing mineral rights of Penglai Mining and adjacent to the border, which can realize geographical concentration and integration of mineral rights. Upon completion of the integration in future, it will be conducive to leveraging the overall synergy effect of resource development and utilization, reducing the production and mining costs through centralized mining and utilization of existing beneficiation capacity, and improving the production scale and profitability of the Company.

According to the employment needs of Penglai Mining for integration of the Yanshan Mine Area, Jinchuang Group will transfer a total of 102 personnel affiliated to the Yanshan Mine Area to Penglai Mining. The specific personnel shall be subject to those listed in the Asset Transfer Contract. The transfer of relevant personnel of the Target Assets Package can ensure the normal operation of the mine systems during and after the transfer of the three mineral rights and underlying assets of Yanshan Mine Area, and guarantee the handover of data and operation and maintenance of equipment and facilities of the Yanshan Mine Area.

In terms of land use involved, upon completion of the Acquisition, it will be included in the overall consideration of development and utilization planning of the integration zone, and the layout of development and utilization will be adjusted as and where appropriate.

In addition, the implementation of the Acquisition can inject the main gold assets such as mines and gold mineral rights under the companies controlled by SDG Group Co. that currently meet the listing requirements into the Company, which will help to reduce the horizontal competition between SDG Group Co. and the Company, and further implement the regulatory requirements for listed companies.

The Directors (including all the independent non-executive Directors) are of the view that although the Acquisition is not in the ordinary course of business of the Group, its terms are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE RELEVANT PARTIES

Penglai Mining

Penglai Mining is a wholly-owned subsidiary of the Company established in the PRC on 1 August 2003. It is principally engaged in underground mining of gold mines, ore flotation, etc..

The Company

The Company was established by its promoters with approval from the Shandong Province Economic System Reform Commission (山東省經濟體制改革委員會) and the People's Government of Shandong Province (山東省人民政府) in January 2000. The Company is an integrated gold company listed on the SSE and the Hong Kong Stock Exchange since 2003 and 2018, respectively and engaged in gold exploration, mining, processing, smelting and sales. It is one of the largest gold producers listed domestically and/or in Hong Kong that operates in the PRC, controlling and operating more than 10 gold mines with operation primarily located in Shandong Province. The Company has gradually expanded its business into the Inner Mongolia Autonomous Region, Gansu Province, Xinjiang Uyghur Autonomous Region, Fujian Province and Argentina, South America and Ghana, Africa.

Jinchuang Group

Jinchuang Group is a limited liability company established in China on 17 March 1987. Its business scope includes ore flotation, gold smelting and underground gold mining. As at the date of this announcement, Jinchuang Group is 65% directly owned by SDG Group Co. and 35% owned by the Finance Bureau of Penglai District of Yantai City.

SDG Group Co.

As the controlling shareholder, SDG Group Co. was established in the PRC in July 1996. SDG Group Co. engages in gold mining related operations, including geological exploration and mining of gold, gold processing, gold smelting and technical services, and production and sales of specialized equipment and supplies and construction materials for gold mines. The gold resources of SDG Group Co. are mainly located in the PRC. As at the date of this announcement, SDG Group Co. directly and indirectly holds approximately 45.58% of the Company's issued share capital.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Assets Package is owned by Jinchuang Group, which is an indirect non-wholly owned subsidiary of SDG Group Co.. Therefore, the Acquisition, if materialized, will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios exceeds 0.1% but all are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

SSE LISTING RULES IMPLICATIONS

As the A Shares are listed on the SSE, the Company will continue to be subject to and regulated by the SSE Listing Rules and other applicable laws and regulations in the PRC if the A Shares remain listed. According to the SSE Listing Rules, the Acquisition constitutes a related party transaction of the Company and is subject to consideration and approval at the general meeting of the Company.

The Directors, Mr. Li Hang, Mr. Wang Lijun and Ms. Wang Xiaoling, also holding senior management positions in SDG Group Co., are deemed to have material interests in the Acquisition and have abstained from voting on the relevant resolution of the Board. Except for the Directors mentioned above, none of the other Directors had any material interests in the Acquisition and was required to abstain from voting on the Board resolution approving the same.

GENERAL

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Asset Package Transfer Contract and the transactions contemplated thereunder. Pursuant to the SSE Listing Rules, any Shareholder who has a material interest in the Asset Package Transfer Contract shall abstain from voting on the relevant resolutions at the EGM. As at the date of this announcement, SDG Group Co., being the controlling Shareholder, directly or indirectly holds approximately 45.58% of the issued share capital of the Company and will be required to abstain from voting on the relevant resolutions at the EGM accordingly. Save for SDG Group Co. and its subsidiaries, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Asset Package Transfer Contract.

A circular containing, among other things, information on the Acquisition will be despatched to the Shareholders on or before 25 August 2023.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of Target Assets Package;
“Asset Package Transfer Contract”	the Yanshan, Tuwu and Cishan Related Mineral Rights Asset Package Transfer Contract entered into between Penglai Mining and Jinchuang Group on 22 August 2023 in relation to Penglai Mining’s acquisition of the Target Assets Package from Jinchuang Group;
“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.0 each, which are listed on the SSE;

“Board”	the board of Directors;
“Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company established under the laws of the PRC 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;
“controlling shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.0 each, which are listed on the Hong Kong Stock Exchange;
“Jinchuang Group”	Shandong Gold Jinchuang Group Co., Ltd.* (山東黃金金創集團有限公司), a limited liability company established in the PRC;
“Penglai Mining”	Shandong Gold Group Penglai Mining Co., Ltd.* (山東黃金集團蓬萊礦業有限公司), a limited liability company established in the PRC on 1 August 2003, which is a wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;

“SDG Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), a limited liability company incorporated in the PRC on 16 July 1996. As of the date of this announcement, SDG Group Co. is held as to 70%, 20% and 10% by Shandong Provincial People’s Government State-owned Assets Supervision and Administration Commission, Shandong Guohui Investment Holding Group Co., Ltd.* (山東國惠投資控股集團有限公司) and Shandong Caixin Assets Operation Co., Ltd.* (山東省財欣資產運營有限公司), respectively. Shandong Guohui Investment Holding Group Co., Ltd. is a limited liability company established in the PRC and is owned as to 100% by Shandong Provincial People’s Government State-owned Assets Supervision and Administration Commission;
“SSE”	Shanghai Stock Exchange (上海證券交易所);
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (上海證券交易所股票上市規則);
“Shareholder(s)”	shareholder(s) of the Company;
“Target Assets Package”	(i) the mining right of Yanshan Mine Area; (ii) the exploration right of Cishan; (iii) the exploration right of Tuwu; and (iv) other underlying assets and liabilities and personnel held by Jinchuang Group; and
“%”	per cent.

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

Jinan, the PRC, 22 August 2023

As at the date of this announcement, the executive Directors are Mr. Liu Qin, Mr. Wang Shuhai and Mr. Tang Qi; the non-executive Directors are Mr. Li Hang, Mr. Wang Lijun and Ms. Wang Xiaoling; and the independent non-executive Directors are Mr. Wang Yunmin, Mr. Liew Fui Kiang and Ms. Zhao Feng.

* For identification purposes only