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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)**

## **CLARIFICATION ANNOUNCEMENT**

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

It has come to the attention of the Company that there are reports from the media (the “**Reports**”) about the controlling shareholder of the Company, Shandong Gold Group Co., Ltd. (山東黃金集團有限公司) with the allegation that Shandong Gold Group Co., Ltd. is one of the enterprises listed by the Shandong Administration for Industry and Commerce (山東省工商行政管理局) with abnormal operations and the Company continued to engage in fund raising activities on a frequent basis despite the Company’s deteriorating performance. In order to protect the interests of the Company and to avoid investors from being misled, the Company, upon conducting further enquiry and verification, has published an announcement on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 11 February 2019 to clarify the situation (the “**Clarification Announcement**”). A copy of the Clarification Announcement is attached herewith for your reference.

Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

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

Jinan, the PRC, 12 February 2019

*As at the date of this announcement, the executive directors of the Company are Mr. Wang Peiyue, Mr. Tang Qi and Mr. Li Tao; the non-executive directors of the Company are Mr. Li Guohong, Mr. Wang Lijun and Ms. Wang Xiaoling; and the independent non-executive directors of the Company are Mr. Gao Yongtao, Ms. Hui Wing and Mr. Lu Bin.*

## **SHANDONG GOLD MINING CO., LTD. CLARIFICATION ANNOUNCEMENT IN RELATION TO MEDIA REPORTS**

**The Company and all members of the board of directors of the Company warrant the truthfulness, accuracy and completeness of the contents of the announcement and accept responsibility severally for any false statement, misleading representation or material omission contained in this announcement.**

### **I. BRIEF ON MEDIA REPORTS**

It has come to the attention of Shandong Gold Mining Co., Ltd. (“Shandong Gold” or the “Company”) that there are reports from the media about the controlling shareholder of the Company, Shandong Gold Group Co., Ltd. (山東黃金集團有限公司) (“Shandong Gold Group”) with the allegation that Shandong Gold Group is one of the enterprises listed by the Shandong Administration for Industry and Commerce (山東省工商行政管理局) with abnormal operations and the Company continued to engage in fund raising activities on a frequent basis despite the Company’s deteriorating performance.

### **II. CLARIFICATION AND EXPLANATION**

In order to protect the interests of the Company and to avoid investors from being misled, the Company has verified the relevant contents of the reports. The relevant conditions are clarified as follows:

(1) Industrial and commercial registration information on the controlling shareholder Shandong Gold Group

On 1 February 2019, the National Enterprise Credit Information Publicity System showed that Shandong Gold Group was included in the list of abnormal operation by Shandong Administration for Industry and Commerce. Upon investigation, it was found that the inclusion of Shandong Gold Group in the list of abnormal operation was caused by the mistake in reporting the data for 2017 by Shandong Gold Group and had been corrected in a timely manner. On 3 February, Shandong Administration for Industry and Commerce removed Shandong Gold Group from the list of abnormal operation. On 4 February 2019, Shandong Gold Group published a statement on its website (<http://www.sd-gold.com/>) to give a public official response.

(II) Results of Shandong Gold

According to horizontal comparison of the relevant financial data of similar companies in the same industry, the financial indicators in the 2018 third quarterly report and 2017 annual report of the Company are in line with the market conditions of similar companies in the same industry. In particular, in 2017, in the context of reduced production in the gold industry in China (the data of China Gold Association showed that the gold production in China was 426.142 tonnes in 2017, representing a year-on-year decrease of 27.34 tonnes or 6.03%, of which the

gold mine production volume was 369.17 tonnes, representing a year-on-year decrease of 18.59%), Shandong Gold's gold mine production volume throughout the year was 35.88 tonnes, representing a year-on-year increase of 19.71%; the total assets of the Company amounted to RMB42,116 million, representing a year-on-year increase of 48.52%; the revenue for the year reached RMB51,041 million, representing a year-on-year increase of RMB842 million or 1.68%; the total profit was RMB1,629 million, representing a year-on-year decrease of RMB63 million or 3.72%.

### (III) Fundraising by Shandong Gold in the Capital Market

On 28 September 2018, the Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited. The listing of H shares is an important step to promote the Company's international development strategy. The Company performed scientific discussion and relevant decision-making procedures for the listing of H shares and fundraising. The deleverage initiative adopted by Shandong Gold Mining (Linglong) Co., Ltd., a subsidiary of the Company, for the marketized debt-to-equity swap is one of the conventional financing means currently used by the Company by virtue of the capital market and is conducive to the reduction of the Company's asset-liability ratio and enhancement of the Company's core competitiveness and capacity for sustainable and healthy development. For details on the above information, please refer to the H share prospectus and relevant announcements of the Company.

### III. SPECIAL NOTE

China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) are the Company's designated media for information disclosure. The information published by the Company shall be subject to the announcements published on the abovementioned designated newspapers and website. The Company will fulfil its information disclosure obligations in strict accordance with the provisions and requirements of relevant laws and regulations.

Announcement is hereby made.

The board of directors  
Shandong Gold Mining Co., Ltd.  
11February 2019