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**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)



**HENGXING GOLD HOLDING
COMPANY LIMITED**

恒興黃金控股有限公司

*(incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 2303)

**JOINT ANNOUNCEMENT
EXTENSION OF TIME FOR DESPATCH OF SCHEME DOCUMENT
AND
UPDATE ON FULFILLMENT OF CONDITIONS**

Reference is made to the announcement jointly issued by Shandong Gold Mining Co., Ltd. (“SDGM”) and Hengxing Gold Holding Company Limited (“HXG”) dated 30 September 2020 (the “**Joint Announcement**”) in relation to, among other matters, the pre-conditional Proposal to take private of HXG by SDGM by way of scheme of arrangement under section 86 of the Companies Law and the proposed withdrawal of listing of the shares of HXG. Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement unless otherwise specified.

EXTENSION OF TIME FOR DESPATCH OF THE SCHEME DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, unless the Executive’s consent is obtained, the Scheme Document containing, among other things, further details of the Proposal and the Scheme, the expected timetable, information regarding SDGM Group and HXG Group, recommendations from the HXG Independent Board Committee with respect to the Proposal and the Scheme and the letter of advice of the Independent Financial Adviser, a notice of the Court Meeting and a notice of the HXG EGM, together with proxy forms in relation thereto, should normally be despatched to the Scheme Shareholders within 35 days of the Joint Announcement (in this case being on or before 4 November 2020).

As stated in the Joint Announcement, the making of the Proposal is conditional upon the fulfillment of the Pre-Conditions, which are the Approvals in connection with the Proposal and the Scheme having been obtained by SDGM from (i) the National Development and Reform Commission of the PRC or the Development and Reform Commission of Shandong Provincial Government; and (ii) the Ministry of Commerce of the PRC or the Department of Commerce of Shandong Provincial Government, for outbound direct investment.

As more time is required to obtain such Approvals, an application for consent has been made to the Executive pursuant to Note 1 to Rule 8.2 of the Takeovers Code, and the Executive has granted its consent, to extend the latest date of despatch of the Scheme Document to the earlier of (i) 30 November 2020; or (ii) the seventh day after the fulfillment of all Pre-Conditions.

UPDATE ON FULFILLMENT OF CONDITIONS

As stated in the Joint Announcement, the implementation of the Proposal is subject to the satisfaction or waiver (as applicable) of the Conditions. Condition (d) concerns with the obtaining of the approval by the SDGM Shareholders for inter alia the Specific Mandate. SDGM has issued and despatched a circular containing, among other things, details of the Proposal and the Specific Mandate to the SDGM Shareholders on 28 October 2020, and the SDGM EGM and SDGM Class Meetings would be convened on 13 November 2020.

Further announcement(s) will be made by HXG and SDGM as and when appropriate in compliance with the Takeovers Code upon despatch of the Scheme Document.

WARNING: The respective shareholders and potential investors of HXG and SDGM should exercise caution when dealing in the HXG Shares, the SDGM Shares or any options or other rights in respect of them. The making of the Proposal is subject to the satisfaction of the Pre-Conditions. Even if the Proposal is made, the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank manager, solicitor or other professional advisers.

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

By order of the HXG Board
Hengxing Gold Holding Company Limited
Ke Xiping
Chairman

Hong Kong, 3 November 2020

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

The directors of SDGM jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the HXG Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of HXG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the executive directors of HXG are Mr. Ke Xiping, Mr. Chen, David Yu and Mr. Ke Jiaqi, the non-executive director of HXG is Mr. Albert Fook Lau Ho and the independent non-executive directors of HXG are Ms. Wong, Yan Ki Angel, Dr. Tim Sun and Dr. Pan Guocheng.

The directors of HXG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the SDGM Group and the SDGM Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of SDGM) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

In the event of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.