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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

PROPOSAL TO TAKE PRIVATE OF HENGXING GOLD HOLDING COMPANY LIMITED BY SHANDONG GOLD MINING CO., LTD. BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES LAW

(1) RESULTS OF THE COURT MEETING AND THE HXG EGM AND (2) CLOSURE OF REGISTER OF MEMBERS OF HENGXING GOLD HOLDING COMPANY LIMITED

RESULTS OF THE COURT MEETING AND THE HXG EGM

The HXG Board is pleased to announce that (i) the Scheme was approved by the Disinterested Shareholders at the Court Meeting held on Wednesday, 13 January 2021; and (ii) the HXG Special Resolution was duly passed by the HXG Shareholders at the HXG EGM held on the same day.

CURRENT STATUS OF THE CONDITIONS OF THE PROPOSAL AND THE SCHEME

As at the date of this joint announcement, the implementation of the Proposal remains, and the Scheme will only become effective and binding on HXG and all the Scheme Shareholders, subject to the fulfillment or waiver (as applicable) of Conditions (e) in relation to the Court's sanction of the Scheme, (f)(2) in relation to the approval from the China Securities Regulatory Commission and (h) to (k) in relation to the obtaining of the necessary Approvals and third party consents or waivers in relation to the Proposal and the Scheme, no action causing the Proposal or the Scheme to be void, unenforceable, illegal or impracticable, and all warranties remaining true, accurate and not misleading in all material respects, respectively, as set out in details in the section headed "3. Conditions of the Proposal and the Scheme" in the Explanatory Statement set out in Part VII of the Scheme Document. Subject to such Conditions being fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or around Thursday, 28 January 2021 (Cayman Islands time).

CLOSURE OF REGISTER OF MEMBERS OF HXG

For the purpose of determining the entitlements of the HXG Shareholders under the Scheme, the register of members of HXG will be closed from Thursday, 28 January 2021 (or such other date as HXG Shareholders may be notified by way of announcement) onwards. No transfer of HXG Shares will be effected from such date onwards.

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 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.

INTRODUCTION

Reference is made to (i) the announcement jointly issued by Hengxing Gold Holding Company Limited ("HXG") and Shandong Gold Mining Co., Ltd. ("SDGM") dated 30 September 2020 in relation to, among other matters, the pre-conditional proposal to take private of HXG by SDGM by way of a scheme of arrangement under section 86 of the Companies Law and the proposed withdrawal of listing of the shares of HXG; (ii) the announcements jointly issued by HXG and SDGM dated 3 November 2020, 13 November 2020, 18 November 2020 and 27 November 2020 in relation to, among other matters, update on fulfillment of pre-conditions and/or condition(s) (as the case may be); (iii) the scheme document jointly issued by HXG and SDGM dated 22 December 2020 in relation to, among other matters, the Proposal and the Scheme (the "**Scheme Document**"); and (iv) the announcement jointly issued by HXG and SDGM in relation to, among other matters, the despatch of the Scheme Document. Capitalised terms used herein shall have the same meanings as those defined in the Scheme Document unless otherwise specified.

RESULTS OF THE COURT MEETING

The Court Meeting was held at 10:00 a.m. on Wednesday, 13 January 2021 at 35/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, in accordance with the direction of the Court for the purpose of considering and, if thought fit, passing the resolution by way of poll to approve the Scheme (with or without modification(s)). Disinterested Shareholders whose names appeared on the register of members of HXG as at the Meeting Record Date were entitled to attend and vote, in person or by proxy, at the Court Meeting.

For the purposes of section 86 of the Companies Law, the approval required to be obtained in respect of the Scheme at the Court Meeting would be regarded as obtained if the Scheme is approved (by way of poll) by a majority in number of the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than 75% in value of the HXG Shares held by the Disinterested Shareholders.

For the purposes of Rule 2.10 of the Takeovers Code, the approvals required to be obtained in respect of the Scheme at the Court Meeting would be regarded as obtained if:

- (1) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the HXG Shares held by the Disinterested Shareholders that are cast either in person or by proxy at the Court Meeting; and
- (2) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all of the HXG Shares held by the Disinterested Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

| | Votes cast in person or by proxy <i>(Note 1)</i> | | |
|--|--|-----------------------------------|----------------------------------|
| | Total number | For the Scheme | Against the Scheme |
| Number of Disinterested Shareholders who were present and voting | 34 <i>(Note 2)</i> | 25 (73.53)% <i>(Note 2)</i> | 9 (26.47)% <i>(Note 2)</i> |
| Number of HXG Shares held by the Disinterested Shareholders who were present and voting | 864,259,966 | 864,251,951 (99.99)% | 8,015 (0.01)% |
| Approximate percentage of (i) the number of votes cast against the resolution to approve the Scheme at the Court Meeting (i.e. 8,015 HXG Shares) over (ii) the number of votes attaching to all of the HXG Shares held by the Disinterested Shareholders (i.e. 925,000,000 HXG Shares) | | | (0.001)% |

Notes:

- (1) The percentage figures are rounded to two decimal places, except for the percentage of the votes cast against the resolution to approve the Scheme at the Court Meeting over the votes attaching to all of the HXG Shares held by the Disinterested Shareholders which has been rounded to three decimal places.

- (2) In accordance with the direction from the Court, HKSCC Nominees Limited may cast votes both for and against the Scheme in accordance with instructions received by it from CCASS participants (as defined under the General Rules of CCASS and CCASS Operational Procedures in effect from time to time) for the purposes of determining whether or not the requirement that the Scheme being approved by a majority in number of the HXG Shareholders under section 86(2) of the Companies Law has been satisfied. A total number of 14 CCASS participants holding 126,141,851 HXG Shares and a total number of 3 proxies appointed by HKSCC Nominees Limited holding 44,210,000 HXG Shares, representing in aggregate 170,351,851 HXG Shares, voted in favour of the resolution to approve the Scheme and a total number of 2 CCASS participants holding 8,000 HXG Shares and no proxies appointed by HKSCC Nominees Limited voted against the resolution to approve the Scheme at the Court Meeting. HKSCC Nominees Limited was counted as a multi-headed HXG Shareholder in respect of the above-mentioned votes for the purpose of calculating the “majority in number” requirement under section 86 of the Companies Law.

Based on the poll results of the Court Meeting as set out above,

- (a) the resolution proposed at the Court Meeting to approve the Scheme was duly passed (by way of poll) by:
- (i) a majority in number of the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than 75% in value of the HXG Shares held by the Disinterested Shareholders; and
 - (ii) at least 75% of the votes attaching to the HXG Shares held by the Disinterested Shareholders that were voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all of the HXG Shares held by the Disinterested Shareholders.

Accordingly, the Scheme was approved by the Disinterested Shareholders in accordance with section 86 of the Companies Law and Rule 2.10 of the Takeovers Code.

As at the Meeting Record Date and the date of the Court Meeting:

- (a) the issued share capital of HXG comprised 925,000,000 HXG Shares;
- (b) the Disinterested Shareholders held in aggregate 925,000,000 HXG Shares, representing 100% of the total number of issued HXG Shares; and
- (c) SDGM and the SDGM Concert Parties did not hold any HXG Shares.

Notwithstanding that HXG Shares owned by connected exempt principal traders within the SCB group were considered disinterested shares for the purposes of the Takeovers Code, such HXG Shares (other than those HXG Shares held by such connected exempt principal traders as a simple custodian for and on behalf of non-discretionary clients who are not SDGM Concert Parties (to the extent that the relevant exempt principal traders are aware, having made reasonable enquiries) and over which such exempt principal traders have no voting discretion) were required not to be voted, and were not voted, at the Court Meeting in accordance with the requirements of Rule 35.4 of the Takeovers Code.

There were (a) no HXG Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the Scheme pursuant to Rule 13.40 of the Listing Rules; (b) no HXG Shareholders required under the Takeovers Code and/or the Listing Rules to abstain from voting in respect of the Scheme at the Court Meeting; and (c) no person who stated any intention in the Scheme Document to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

In accordance with the direction from the Court, HKSCC Nominees Limited may cast votes both for and against the Scheme in accordance with instructions received by it from CCASS participants (as defined under the General Rules of CCASS and CCASS Operational Procedures in effect from time to time) for the purposes of determining whether or not the requirement that the Scheme being approved by a majority in number of the HXG Shareholders under section 86(2) of the Companies Law has been satisfied. The number of votes cast in favour of the Scheme and the number of CCASS participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS participants on whose instructions they are cast will be disclosed to the Court and may be taken into account in deciding whether or not the Court should exercise its discretion to sanction the Scheme. A total number of 14 CCASS participants holding 126,141,851 HXG Shares and a total number of 3 proxies appointed by HKSCC Nominees Limited holding 44,210,000 HXG Shares, representing in aggregate 170,351,851 HXG Shares, voted in favour of the resolution to approve the Scheme and a total number of 2 CCASS participants holding 8,000 HXG Shares and no proxies appointed by HKSCC Nominees Limited voted against the resolution to approve the Scheme at the Court Meeting. HKSCC Nominees Limited was counted as a multi-headed HXG Shareholder in respect of the above-mentioned votes for the purpose of calculating the “majority in number” requirement under section 86 of the Companies Law.

Tricor Investor Services Limited, HXG’s branch share registrar in Hong Kong, acted as scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE HXG EGM

The HXG EGM was held at 10:50 a.m. on Wednesday, 13 January 2021 at the same venue as that of the Court Meeting for the purpose of considering, and if thought fit, passing the special resolution (the “**HXG Special Resolution**”) set out in the notice of the HXG EGM dated 22 December 2020 (the “**Notice of HXG EGM**”).

The poll results in respect of the HXG Special Resolution proposed at the HXG EGM were as follows:

| HXG Special Resolution <i>(Note)</i> | | No. of votes cast by the HXG Shareholders present and voting in person or by proxy at the HXG EGM <i>(Approximate % rounded to two decimal places)</i> | | |
|--------------------------------------|--|---|------------------|-----------------------|
| | | For | Against | Total |
| 1. | To approve and give effect to the Scheme and the Capital Reduction, including, among other things, the increase of the issued share capital of HXG to the amount prior to the Capital Reduction by issuance to SDGM or, as SDGM may direct, its wholly-owned subsidiary (as the case may be) of such number of new ordinary shares with par value of HK\$0.01 each in the share capital of HXG as is equal to the number of Scheme Shares cancelled as a result of the Scheme, and the application of the credit arising in HXG's books of accounts as a result of the Capital Reduction in paying up in full at par value the new HXG Shares as aforesaid, credited as fully paid, to SDGM or, as SDGM may direct, its wholly-owned subsidiary (as the case may be); and to authorise each director of HXG to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, the Capital Reduction, the allotment and issue of the new HXG Shares as aforesaid and the application to the Stock Exchange for the withdrawal of the listing of the HXG Shares. | 894,687,966 (99.99)% | 8,000 (0.01)% | 894,695,966 (100)% |

Note: The full text of the HXG Special Resolution is set out in the Notice of HXG EGM. The description of the HXG Special Resolution in this joint announcement is by way of summary only.

Accordingly, the HXG Special Resolution was duly passed (by way of poll) by a majority of not less than 75% of the votes cast by the HXG Shareholders present and voting (either in person or by proxy) at the HXG EGM. The total number of HXG Shares entitling the HXG Shareholders to attend and vote on the HXG Special Resolution at the HXG EGM was 925,000,000 HXG Shares.

To the best knowledge, information and belief of the HXG Board after having made all reasonable enquiries, (a) there were no HXG Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the HXG Special

Resolution at the HXG EGM pursuant to Rule 13.40 of the Listing Rules; (b) no HXG Shareholder was required under the Listing Rules to abstain from voting in respect of the HXG Special Resolution at the HXG EGM; and (c) none of the HXG Shareholders had stated its/his/her intention in the Scheme Document to vote against or to abstain from voting on the HXG Special Resolution at the HXG EGM.

Tricor Investor Services Limited, HXG's branch share registrar in Hong Kong, acted as scrutineer for the vote-taking at the HXG EGM.

IRREVOCABLE UNDERTAKING

As stated in the Scheme Document, SDGM received the Irrevocable Undertaking from the IU Shareholders (being Gold Virtue and Xi Wang), pursuant to which each of the IU Shareholders has undertaken to, among other things, exercise all voting rights attached to the relevant IU Shares in favour of the resolutions to approve the Proposal and any such other matters in connection therewith at the Court Meeting and the HXG EGM. The 693,750,000 IU Shares held in aggregate by the IU Shareholders represented 75% of the total number of HXG Shares in issue as at the date of the Court Meeting and the HXG EGM. All of such 693,750,000 IU Shares were voted in favour of the resolution to approve the Scheme at the Court Meeting and the HXG Special Resolution at the HXG EGM, respectively.

Please refer to the section headed "4. Irrevocable Undertaking and Warranties" in the Explanatory Statement set out in Part VII of the Scheme Document for further details of the Irrevocable Undertaking.

CURRENT STATUS OF THE CONDITIONS OF THE PROPOSAL AND THE SCHEME

As at the date of this joint announcement, the implementation of the Proposal remains, and the Scheme will only become effective and binding on HXG and all the Scheme Shareholders, subject to the fulfillment or waiver (as applicable) of Conditions (e) in relation to the Court's sanction of the Scheme, (f)(2) in relation to the approval from the China Securities Regulatory Commission and (h) to (k) in relation to the obtaining of the necessary Approvals and third party consents or waivers in relation to the Proposal and the Scheme, no action causing the Proposal or the Scheme to be void, unenforceable, illegal or impracticable, and all warranties remaining true, accurate and not misleading in all material respects, respectively, as set out in detail in the section headed "3. Conditions of the Proposal and the Scheme" in the Explanatory Statement set out in Part VII of the Scheme Document. Subject to such Conditions being fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or around Thursday, 28 January 2021 (Cayman Islands time).

PROPOSED WITHDRAWAL OF LISTING OF THE HXG SHARES

Subject to the Scheme becoming effective, the withdrawal of the listing of the HXG Shares on the Stock Exchange is expected to take place with effect from 4:00 p.m. on Monday, 1 February 2021.

CLOSURE OF REGISTER OF MEMBERS OF HXG

For the purpose of determining the entitlements of the HXG Shareholders under the Scheme, the register of members of HXG will be closed from Thursday, 28 January 2021 (or such other date as HXG Shareholders may be notified by way of announcement) onwards. No transfer of HXG Shares will be effected from such date onwards.

In order to qualify for entitlements under the Scheme, the relevant HXG Shareholders should ensure that the relevant forms of transfer of their HXG Shares accompanied by the relevant share certificates are lodged with the Hong Kong branch share registrar of HXG, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 27 January 2021.

EXPECTED TIMETABLE

The dates and deadlines specified in the following timetable take into account the procedures of the Court for the Scheme. They are indicative only and are subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.

| | |
|---|---|
| Expected last day for trading in HXG Shares on the Stock Exchange | Friday, 22 January 2021 |
| Latest time for lodging transfers of HXG Shares in order to qualify for entitlements under the Scheme | 4:30 p.m. on Wednesday, 27 January 2021 |
| Court hearing of the petitions to sanction the Scheme and to confirm the Capital Reduction..... | Wednesday, 27 January 2021 (Cayman Islands time) |
| Register of members of HXG closed for determining entitlements to qualify under the Scheme (<i>Note 1</i>) | from Thursday, 28 January 2021 onwards |
| Announcement of the result of the Court hearing, the expected Scheme Effective Date and the expected date of withdrawal of listing of the HXG Shares on the Stock Exchange | no later than 8:30 a.m. on Thursday, 28 January 2021 |
| Scheme Record Date | Thursday, 28 January 2021 |
| Expected Scheme Effective Date (<i>Note 2</i>)..... | Thursday, 28 January 2021 (Cayman Islands time) |

Announcement of the Scheme Effective Date and the withdrawal of listing of the HXG Shares on the Stock Exchange no later than 8:30 a.m. on Friday, 29 January 2021

Expected withdrawal of listing of the HXG Shares on the Stock Exchange becomes effective (*Note 3*) 4:00 p.m. on Monday, 1 February 2021

Despatch of share certificates in respect of new SDGM H Shares to be allotted and issued to the Scheme Shareholders (*Note 4*)..... Thursday, 4 February 2021

First day of dealings of the new SDGM H Shares issued to holders of the Scheme Shares on the Stock Exchange..... 9:00 a.m. on Friday, 5 February 2021

Notes:

- (1) The register of members of HXG will be closed from such date onwards for the purpose of determining which HXG Shareholders are qualified for the entitlements under the Scheme.
- (2) The Scheme will become effective upon all the Conditions having been fulfilled or waived (as applicable).
- (3) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the HXG Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Monday, 1 February 2021.
- (4) Share certificates for the new SDGM H Shares to be allotted and issued to the Scheme Shareholders under the Scheme will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of HXG as at the Scheme Record Date as soon as possible and in any event within seven (7) Business Days (as defined in the Takeovers Code) after the Scheme Effective Date. None of SDGM, HXG, CICC, SCB, HXG's branch share registrar in Hong Kong and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in the despatch of the same.

All references to times and dates are references to Hong Kong times and dates, except as otherwise specified.

GENERAL

As at 30 September 2020 (being the commencement date of the Offer Period) and as at the date of this joint announcement, there were no HXG Shares held, controlled or directed by SDGM and the SDGM Concert Parties. None of SDGM or the SDGM Concert Parties had acquired or agreed to acquire any HXG Shares or any convertible securities, warrants, options or derivatives in respect of the HXG Shares during the Offer Period. As at the date of this joint announcement, none of SDGM or the SDGM Concert Parties had borrowed or lent (as the case may be) any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of HXG.

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 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, 13 January 2021

As at the date of this joint announcement, the executive directors of SDGM are Mr. Liu Qin, Mr. Wang Shuhai 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. Wang Yunmin, Mr. Liew Fui Kiang and Ms. Zhao Feng.

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.