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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

UPDATE ON FULFILLMENT OF CONDITION

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**”); (iv) the announcement jointly issued by HXG and SDGM dated 22 December 2020 in relation to, among other matters, the despatch of the Scheme Document; and (v) the announcement jointly issued by HXG and SDGM dated 13 January 2021 in relation to, among other matters, results of the Court Meeting and the HXG EGM. Capitalised terms used herein shall have the same meanings as those defined in the Scheme Document unless otherwise specified.

As stated in the Scheme Document, the implementation of the Proposal is subject to the satisfaction or waiver (as applicable) of the Conditions. Condition (f)(2) concerns the obtaining of the Approval by SDGM from the China Securities Regulatory Commission for the issuance of SDGM H Shares by SDGM (the “**CSRC Approval**”).

The SDGM Board is pleased to announce that SDGM obtained the CSRC Approval on 14 January 2021 and accordingly, the abovementioned Condition (f)(2) has been fulfilled.

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 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.

Further announcement(s) in relation to the fulfillment and/or waiver of the Conditions will be made as and when appropriate in accordance with the Takeovers Code.

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, 15 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.