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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) SANCTION OF THE SCHEME AND
CONFIRMATION OF THE CAPITAL REDUCTION;
(2) EXPECTED EFFECTIVE DATE OF THE SCHEME;
AND**

- (3) EXPECTED DATE OF WITHDRAWAL OF LISTING OF THE SHARES OF
HENGXING GOLD HOLDING COMPANY LIMITED**

**SANCTION OF THE SCHEME AND CONFIRMATION OF THE CAPITAL
REDUCTION**

The Scheme was sanctioned without modification by the Court. The Capital Reduction was also confirmed by the Court on the same day at the same hearing.

EXPECTED EFFECTIVE DATE OF THE SCHEME

The Scheme is expected to become effective on Thursday, 28 January 2021 (Cayman Islands time).

A further announcement in respect of the Scheme Effective Date and the withdrawal of listing of the HXG Shares on the Stock Exchange is expected to be made by no later than 8:30 a.m. on Friday, 29 January 2021 when the Scheme has become effective.

EXPECTED DATE OF WITHDRAWAL OF LISTING OF THE HXG SHARES

HXG has applied to the Stock Exchange for, and the Stock Exchange has approved, the withdrawal of listing of the HXG Shares on the Stock Exchange with effect from 4:00 p.m. on Monday, 1 February 2021, subject to the Scheme becoming effective.

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, 27 November 2020 and 15 January 2021 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, the results of the Court Meeting and the HXG EGM (the “**Results Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Scheme Document unless otherwise specified.

SANCTION OF THE SCHEME AND CONFIRMATION OF THE CAPITAL REDUCTION

The court hearing of the petitions to sanction the Scheme and to confirm the Capital Reduction was held on Wednesday, 27 January 2021 (Cayman Islands time). The Scheme was sanctioned without modification by the Court. The Capital Reduction was also confirmed by the Court on the same day at the same hearing.

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 (i) Condition (e) in relation to the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Court sanctioning the Scheme and confirming the Capital Reduction for registration; and (ii) certain Conditions which may only be fulfilled on the Scheme Effective Date, namely, Conditions (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. Save as disclosed above, all of the other Conditions have been fulfilled as at the date of this joint announcement.

A copy of the order of the Court sanctioning the Scheme and confirming the Capital Reduction is expected to be delivered to the Registrar of Companies in the Cayman Islands for registration on or by Thursday, 28 January 2021 (Cayman Islands time) whereupon Condition (e) will be fulfilled.

EXPECTED EFFECTIVE DATE OF THE SCHEME

Subject to the aforesaid outstanding Conditions being fulfilled or waived (as applicable), the Scheme is expected to become effective on Thursday, 28 January 2021 (Cayman Islands time).

A further announcement in respect of the Scheme Effective Date and the withdrawal of listing of the HXG Shares on the Stock Exchange is expected to be made by no later than 8:30 a.m. on Friday, 29 January 2021 when the Scheme has become effective.

EXPECTED DATE OF WITHDRAWAL OF LISTING OF THE HXG SHARES

HXG has applied to the Stock Exchange for, and the Stock Exchange has approved, the withdrawal of listing of the HXG Shares on the Stock Exchange with effect from 4:00 p.m. on Monday, 1 February 2021, subject to the Scheme becoming effective.

EXPECTED TIMETABLE

There is no change to the expected timetable as disclosed in the section headed “Expected Timetable” in the Results Announcement, which is set out below.

Register of members of HXG closed for determining entitlements to qualify under the Scheme (<i>Note 1</i>)	from Thursday, 28 January 2021 onwards
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 (<i>Note 3</i>)	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), including but not limited to the registration of the order of the Court sanctioning the Scheme and confirming the Capital Reduction by the Registrar of Companies in the Cayman Islands.
- (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.

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, 28 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.