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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) EFFECTIVE DATE OF THE SCHEME;
(2) WITHDRAWAL OF LISTING OF THE SHARES OF HENGXING
GOLD HOLDING COMPANY LIMITED;
AND
(3) DESPATCH OF SHARE CERTIFICATES IN RESPECT OF
NEW SDGM H SHARES**

EFFECTIVE DATE OF THE SCHEME

The HXG Board and the SDGM Board are pleased to announce that all of the Conditions of the Scheme were fulfilled and the Scheme became effective on Thursday, 28 January 2021 (Cayman Islands time).

WITHDRAWAL OF LISTING OF THE HXG SHARES

The withdrawal of listing of the HXG Shares on the Stock Exchange will become effective from 4:00 p.m. on Monday, 1 February 2021.

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; (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; (vi) the announcement jointly issued by HXG and SDGM dated 28 January 2021 in relation to, among other matters, the sanction of the Scheme and confirmation of the Capital Reduction by the Court (the “**Court Sanction Announcement**”); and (vii) the announcement jointly issued by HXG and SDGM dated 29 January 2021 in relation to, among other matters, the submission of the Court Order to the Cayman Registrar for registration (the “**Court Order Submission Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Scheme Document and the Court Order Submission Announcement unless otherwise specified.

EFFECTIVE DATE OF THE SCHEME

As set out in the Court Sanction Announcement, the Scheme was sanctioned without modification by the Court at the court hearing on Wednesday, 27 January 2021 (Cayman Islands time). The Capital Reduction was also confirmed by the Court on the same day at the same hearing.

As set out in the Court Order Submission Announcement, as informed by HXG’s Cayman legal adviser, the Court Order was submitted to the Cayman Registrar for registration in the afternoon of 28 January 2021 (Cayman Islands time). HXG received confirmation from the Cayman Registrar on 29 January 2021 (Cayman Islands time) that the Court Order was duly registered on 28 January 2021 (Cayman Islands time). Therefore, the Scheme has become effective on Thursday, 28 January 2021 (Cayman Islands time).

Accordingly, the HXG Board and the SDGM Board are pleased to announce that all of the Conditions of the Scheme as set out 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 were fulfilled and the Scheme became effective on Thursday, 28 January 2021 (Cayman Islands time).

WITHDRAWAL OF LISTING OF THE HXG SHARES

The withdrawal of listing of the HXG Shares on the Stock Exchange will become effective from 4:00 p.m. on Monday, 1 February 2021.

DESPATCH OF SHARE CERTIFICATES IN RESPECT OF NEW SDGM H SHARES

A total of 159,482,759 new SDGM H Shares have been allotted and issued by SDGM pursuant to the Scheme on the Scheme Effective Date. The share certificates for the new SDGM H Shares are expected to be despatched to the Scheme Shareholders on or before Thursday, 4 February 2021 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. All such share certificates will be sent at the risk of the person(s) entitled thereto and 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.

Each holder of Scheme Shares will be sent one share certificate representing all SDGM H Shares issued to him/her/it as consideration for cancellation of his/her/its Scheme Shares under the Scheme, except for HKSCC Nominees Limited which may request for share certificates to be issued in such denominations as it may specify.

EFFECT ON SHAREHOLDING STRUCTURE OF SDGM

The table below sets out the changes to the shareholding structure of SDGM (i) immediately prior to the Scheme becoming effective and (ii) as at the date of this joint announcement:

	Immediately prior to the Scheme becoming effective			As at the date of this joint announcement		
	<i>No. of SDGM Shares</i>	<i>Class of SDGM Shares</i>	<i>Approximate % in the total issued SDGM Shares</i>	<i>No. of SDGM Shares</i>	<i>Class of SDGM Shares</i>	<i>Approximate % in the total issued SDGM Shares</i>
Non-public SDGM Shareholders						
Shandong Gold Group (Note 1)	2,016,782,930	SDGM A Shares	46.75	2,016,782,930	SDGM A Shares	45.08
Mr. Tang Qi (Note 2)	149,056	SDGM A Shares	0.01	149,056	SDGM A Shares	0.01
Public SDGM Shareholders						
Gold Virtue	—	—	—	95,689,655	SDGM H Shares	2.14
Xi Wang	—	—	—	23,922,414	SDGM H Shares	0.53
Spouse of Dr. Tim Sun (Note 3)	400	SDGM H Shares	0.00	400	SDGM H Shares	0.00
Other Public SDGM Shareholders	1,597,511,361	SDGM A Shares	37.03	1,597,511,361	SDGM A Shares	35.71
	699,503,019	SDGM H Shares	16.12	739,373,709	SDGM H Shares	16.53
Total number of SDGM Shares	4,313,946,766	—	100.00	4,473,429,525	—	100.00

Notes:

1. These 2,016,782,930 SDGM A Shares held by Shandong Gold Group comprise 1,671,709,197 SDGM A Shares directly held by Shandong Gold Group and 345,073,733 SDGM A Shares indirectly held by Shandong Gold Group through its various subsidiaries.
2. Mr. Tang Qi is an executive director of SDGM.
3. Dr. Tim Sun is an independent non-executive director of HXG.
4. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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, 31 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.