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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)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of shareholding of the Company in the hands of a limited number of Shareholders as at 25 September 2017.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of shareholding of Hengxing Gold Holding Company Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 25 September 2017.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 11 October 2017.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 25 September 2017, a group of 18 Shareholders held an aggregate of 213,701,000 shares of the Company (“**Shares**”), representing 23.10% of the issued Shares. Such shareholding, together with an aggregate of 693,750,000 Shares (representing 75.00% of the issued Shares) held by two substantial shareholders of the Company, represented 98.10% of the issued Shares as at 25 September 2017. As such, only 17,549,000 Shares (representing 1.90% of the issued Shares) were in the hands of other investors as at 25 September 2017.

As at 25 September 2017, the shareholding structure of the Company was as follows:

	Number of Shares held	% of total number of issued Shares
	(Shares)	(%)
Gold Virtue Limited (<i>Note 1</i>)	555,000,000	60.00
Xi Wang Developments Limited (<i>Note 2</i>)	138,750,000	15.00
A group of 18 shareholders	213,701,000	23.10
Other shareholders	17,549,000	1.90
	<hr/> 925,000,000	<hr/> 100.00

Note 1: Gold Virtue Limited is beneficially wholly-owned by Mr. Ke Xiping, Chairman and Executive Director of the Company.

Note 2: Xi Wang Developments Limited is beneficially wholly-owned by Mr. Ke Jia Qi, the son of Mr. Ke Xiping.

During the period from 3 July 2017 to 26 July 2017, the Shares closed between HK\$2.61 and HK\$2.86.

It is noted that the Company issued a positive profit alert after market close on 13 July 2017 stating that the Company expected to achieve a net profit after tax of approximately RMB115 million for the six months ended 30 June 2017, up approximately 80% from the figure for the same period of 2016.

During the period from 27 July 2017 to 25 September 2017, the closing price of the Shares increased 139% from HK\$2.85 on 26 July 2017 to HK\$6.81 on 25 September 2017.

After market close on 30 August 2017, the Company published the interim results announcement for the six months ended 30 June 2017. Revenue during the six months ended 30 June 2017 increased by 81% to RMB528 million from the corresponding period of last year and the net profit after tax increased by 84% to RMB117 million from the corresponding period last year. The Share closed at HK\$5.82 on 31 August 2017, 0.85% lower than the closing price on 30 August 2017.

As at 10 October 2017, the Shares closed at HK\$7.40, which was 160% higher than the closing price of HK\$2.85 on 26 July 2017.

The board of the directors of the Company (the “**Board**”) wishes to clarify that the above information is extracted from the SFC Announcement and the Company has not independently verified such information. Further, as at the date of this announcement, the Company has not been informed of the identities of 18 Shareholders as mentioned in the SFC Announcement and is not in a position to comment on its accuracy. However, to the best knowledge of the Directors having made all reasonable enquiries as at the date of this announcement, Gold Virtue Limited and Xi Wang Developments Limited held 555,000,000 Shares and 138,750,000 Shares respectively, representing approximately 60% and 15% of the issued Shares respectively.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Directors of the Company after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares were held in public hands as at 25 September 2017 and as at the date of this announcement, and that the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

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

Xiamen, the PRC, 11 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. KE Xiping, Mr. CHEN, David Yu and Mr. Albert Fook Lau HO, and the independent non-executive directors of the Company are Ms. WONG, Yan Ki Angel, Mr. XIAO Wei and Dr. Tim SUN.