



HANG FUNG GOLD TECHNOLOGY LIMITED

恒豐金業科技有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 870)

CLARIFICATION ANNOUNCEMENT

The Company has agreed, subject to further negotiations and agreement of terms of investment, to invest in a joint venture in Changsha, China. **The transaction may or may not proceed and investors should exercise caution when dealing in the shares of the Company.**

Hang Fung Gold Technology Limited (the “Company” and together with its subsidiaries the “Group”) has noted press reports regarding that it proposes to invest in a joint venture in Changsha, China. A subsidiary of the Company has entered into a strategy cooperation framework agreement dated 17th August, 2008 with two independent third parties which recorded the parties’ intention to establish an joint venture in Changsha, China for the processing and sale of precious metals and jewellery, with a total investment amount of around USD100 million. It is proposed that the Group will invest US\$40 million and account for 40% equity interest in such joint venture. The Company believes that consummation of this transaction can facilitate the expansion of the Group’s retail franchise network in central region of China. However, the detailed terms of investment (including, for example, those relating to capital contribution, control and operation of the joint venture) are subject to further negotiations and agreement between the parties. Accordingly, **the transaction may or may not proceed and investors should exercise caution when dealing in the shares of the Company.**

As at the date of this announcement, the executive directors of the Company are Dr. Lam Sai Wing, Ms. Chan Yam Fai, Jane, Ms. Ng Yee Mei, Mr. Yeung Hon Yuen and Mr. Kuang Hao Kun, Giovanni, the non-executive director is Mr. Wong Kwong Chi and the independent non-executive directors are Mr. Lee Kok Keung, Mr. Liu Ngai Wing, Dr. Lui Sun Wing and Mr. Lou Ping Ho.

By order of the board
Hang Fung Gold Technology Limited
Lam Sai Wing
Chairman

Hong Kong, 18 August 2008

** For identification purpose only*