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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)

**Resignation of Executive Director and President;
Appointment of President; and
Change of Authorised Representative**

The Board announces that with effect from 1 April 2020:

- (1) Ms. Yang Yifang (Lydia Yang) will cease to act as an executive Director, the President of the Company and a member of the Nomination Committee; and
- (2) Mr. Ke Xiping, an executive Director of the Company and the chairman of the Board, has been appointed as the President of the Company and a member of the Nomination Committee to temporarily take up the duties of Ms. Yang Yifang (Lydia Yang) until a suitable candidate is appointed.

RESIGNATION OF EXECUTIVE DIRECTOR, PRESIDENT AND MEMBER OF THE NOMINATION COMMITTEE

The board of directors (the “**Board**”) of Hengxing Gold Holding Company Limited (the “**Company**”) announces that Ms. Yang Yifang (Lydia Yang) has tendered her resignation and will cease to act as an executive Director, the President of the Company and a member of Nomination Committee with effect from 1 April 2020 in order to devote more time to her family and other personal affairs.

Ms. Yang Yifang (Lydia Yang) has confirmed that she has no disagreement with the Board and there is no other matter relating to her resignation that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited and the shareholders of the Company.

The Board would like to express its sincere gratitude to Ms. Yang Yifang (Lydia Yang) for her invaluable contribution to the Company during her tenure.

APPOINTMENT OF PRESIDENT AND MEMBER OF THE NOMINATION COMMITTEE

Following the resignation of Ms. Yang Yifang (Lydia Yang), Mr. Ke Xiping (“**Mr. Ke**”), an executive Director and the chairman of the Board, has been appointed as the President of the Company and a member of the Nomination Committee with effect from 1 April 2020, to temporarily take up the duties of Ms. Yang Yifang (Lydia Yang) until a suitable candidate is appointed.

Mr. Ke Xiping, aged 59, is the founder of the Group. Mr. Ke has been an executive Director and the chairman of the Board since the incorporation of the Company in April 2012, responsible for overall strategies and operations of the Group. He has also been the founder of Xiamen Hengxing Group Co., Ltd. (廈門恒興集團有限公司) and its chairman of the board since September 1994. From May 1999 to May 2007, Mr. Ke was the general manager of Fujian Xinhudu Engineering Co., Ltd. (福建新華都建設工程有限責任公司) for eight years. Fujian Xinhudu Engineering Co., Ltd. is a professional engineering company and its principal business activities include mining engineering design, mining plan, mine drilling and blasting and ore extraction, loading and transportation. Mr. Ke also served as a non-executive director of Zijin Mining Group Co., Ltd. (a company listed both on the Shanghai Stock Exchange and Hong Kong Stock Exchange, stock code: 601899/02899) from August 2002 to June 2008. Since 2005, Mr. Ke has also been managing and overseeing the exploration and mining activities of various mining companies that are controlled by Xiamen Hengxing Group Co., Ltd.. Mr. Ke has 18 years of relevant experience in mining industry. He is the brother of Mr. Ke Xizheng and the father of Mr. Ke Jiaqi.

Mr. Ke was accredited as an economist by Xiamen Bureau of Personnel (廈門市人事局) in November 2007. He is also a member of the Thirteenth Session of the National Committee of the Chinese People’s Political Consultative Conference (第十三屆全國人民政治協商會議委員會), and a member of the Standing Committee of the Thirteenth Session of Xiamen Municipal Committee of the Chinese People’s Political Consultative Conference (廈門市第十三屆政治協商會議常務委員會). He is the chairman of Xiamen Federation of Industry and Commerce (the General Chamber of Commerce and Industry) (廈門市工商聯(總商會)), the vice chairman of Fujian Federation of Industry and Commerce (福建省工商聯) and a member of the Standing Committee of National Association of Industry and Commerce (全國工商聯常務委員會).

Mr. Ke has entered into a service contract with the Company for a term of three years commencing on March 2013 and continuing thereafter until terminated by not less than three months’ notice in writing served by either party on the other and is subject to retirement by rotation and re-election at the annual general meetings in accordance with the Company’s articles of association. Under the service contract, the Company and/or any member of the Group shall not pay Mr. Ke any emoluments during the continuance of the service contract.

There is a separate service contract entered into between the Company and Mr. Ke. According to the service contract, Mr. Ke is not appointed for any specific length or proposed length of service and his term of service shall continue until a suitable candidate is appointed or terminated by not less than three months’ notice in writing served by either party on the other. He is entitled to receive an annual salary of HKD1,000,000 as the President determined by the

Board according to the recommendation from the Remuneration Committee with reference to his duties and experience.

As at the date of this announcement, Mr. Ke holds 555,000,000 shares of the Company through his wholly owned Company, Gold Virtue Limited.

Save as disclosed above, Mr. Ke (i) does not hold any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) does not hold any other position with the Company or its subsidiaries; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) and (iv) does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other matter in connection with the appointment of Mr. Ke that needs to be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

DEVIATION FROM THE CORPORATE GOVERNANCE CODE

Although Mr. Ke’s acting as the chairman of the Board and President of the Company concurrently deviates from the code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the Board believes that, after evaluation of the experience and past performance of Mr. Ke and taking into account of the followings:

- (i) With the support of the management, temporarily vesting the roles of both chairman of the Board and President in Mr. Ke, the founder of the Group, can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation;
- (ii) Such practice helps to maintain the continuity of the policies and the stability of the operations of the Company;
- (iii) Such practice will not impair the balance of power and authority under the present arrangement and will be adequately ensured by the current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors; and
- (iv) The Board will continue to review the effectiveness of the corporate governance structure to consider whether any further improvement to the above personnel arrangements is required.

CHANGE OF AUTHORISED REPRESENTATIVE

The Board also announces that Ms. Yang Yifang (Lydia Yang) will cease to act as an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules (the “**Authorised Representative**”) with effect from 1 April 2020 and Mr. Ke Jiaqi, an executive Director, has been appointed as the Authorised Representative with effect from 1 April 2020.

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

Hong Kong, 31 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. KE Xiping, Ms. YANG Yifang (Lydia YANG), Mr. CHEN, David Yu and Mr. KE Jiaqi, the non-executive director of the Company is Mr. Albert Fook Lau HO and the independent non-executive directors of the Company are Ms. WONG, Yan Ki Angel, Dr. Tim SUN and Dr. PAN Guocheng.