



11 October 2017

**High Concentration of Shareholding
in
Hengxing Gold Holding Company Limited (Stock Code: 02303)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Hengxing Gold Holding Company Limited (“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 of the Company (“Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 25 September 2017, 18 shareholders held an aggregate of 213,701,000 Shares, representing 23.10% of the issued Shares. Such shareholding, together with 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
	925,000,000	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. The Share closed at HK\$2.71 on 14 July 2017, 1.45% lower than the closing price on 13 July 2017.

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.

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.

End