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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company on the offer price and allotment results dated May 28, 2014 (the “**Allotment Results Announcement**”). The Company wishes to clarify that there are inadvertent errors in the section headed “Net Proceeds from the Global Offering” in the Allotment Results Announcement.

The Offer Price is fixed at HK\$1.60 per share (being the low end of the Offer Price range). As disclosed in the Prospectus, in the event that the Offer Price is fixed at a lower level compared to the mid-point of the Offer Price range, the proceeds intended to finance the CIL Project, repay shareholder loans and fund working capital and other general purposes are not expected to change, and the proceeds intended for potential acquisitions and future exploration works will be increased or decreased on a pro-rata basis. However, instead of reducing the amount of the proceeds for potential acquisitions and future exploration works only, the proceeds figures in relation to the CIL Project, the repayment of the shareholder loans and the working capital and other general purposes funding as stated in the Allotment Results Announcement have also been inadvertently reduced on a pro-rata basis. Therefore, the breakdown on the use of the net proceeds should be re-adjusted and such section in the Allotment Results Announcement should be read as follows:

“Based on the Offer Price of HK\$1.60 per Share, the net proceeds from the Global Offering to be received by the Company, after deducting the underwriting fees and commissions and estimated expenses payable by the Company in relation to the Global Offering, are estimated to be approximately HK\$330.4 million. The Company currently intends to apply such net proceeds as follows:

- approximately 45% of the net proceeds, which represents approximately HK\$150.1 million, will be used to finance the Company’s CIL Project by the end of 2015. The Company plans to allocate 36% of these proceeds to construct and install the carbon-in-leach production and ancillary facilities and purchase relevant equipment, and 9% to acquire land use right, hire project design and supervisory experts, implement work safety measures and apply for relevant licenses;
- approximately 42% of the net proceeds, which represents approximately HK\$138.8 million, will be used to repay a portion of outstanding loans with interests and advances from our Controlling Shareholder Mr. Ke upon Listing;
- approximately 5% of the net proceeds, which represents approximately HK\$15.1 million, will be used to finance the Company’s potential acquisitions of gold mineral resources and/or gold mining companies;
- approximately 5% of the net proceeds, which represents approximately HK\$15.1 million, will be used to finance the Company’s future exploration works at the Gold Mountain Mine and its surrounding areas for which the Company holds exploration licenses; and
- approximately 3% of the net proceeds, which represents approximately HK\$11.3 million, will be used for working capital and other general corporate purposes.

Please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for further details of the Company’s intended use of the net proceeds from the Global Offering.”

The Company confirms that the intended use of the net proceeds from the Global Offering as described above in this announcement is consistent with that as disclosed in the Prospectus. Please also refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for further details of the Company’s intended use of the net proceeds from the Global Offering.

Save as disclosed above, the contents of the Allotment Results Announcement remain unchanged.

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

Hong Kong, May 28, 2014

As at the date of this announcement, the executive Directors of the Company are Ke Xiping, Chen, David Yu and Albert Fook Lau Ho; and the independent non-executive Directors are Wong, Yan Ki Angel, Xiao Wei and Tim Sun.