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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)

**VOLUNTARY ANNOUNCEMENT
ARBITRATION INITIATED AGAINST TRIO CHINA LTD**

This is a voluntary announcement made by Hengxing Gold Holding Company Limited (“Hengxing Gold” or the “Company”, including its subsidiaries, the “Group”).

The board (the “Board”) of directors of the Company wishes to inform its shareholders and the potential investors that the Xiamen Arbitration Commission (the “XMAC”) has accepted the arbitration application of Xinjiang Gold Mountain Mining Co., Ltd (新疆金川礦業有限公司) (“Jinchuan Mining”), a company incorporated in China and an indirectly wholly owned subsidiary of the Company, against Trio China Ltd (上海傑弗朗機械設備有限公司) (“Trio China”, a subsidiary of The Weir Group PLC).

Jinchuan Mining and Trio China entered into *Gold Mountain Mine Crushing System Purchase Agreement* (the “Purchase Agreement”) dated 2 December 2010 whereby Jinchuan Mining agreed to purchase from Trio China machineries and equipment which will form the crushing system of Gold Mountain Mine (as defined in the prospectus dated 19 May 2014 of the Company). Both parties agreed the crushing system must fulfil certain acceptance criteria and performance measures, which is not met during the trial production period of Gold Mountain Mine. According to the terms of the Purchase Agreement, should the crushing system fails to meet certain defined acceptance criteria, Trio China is liable to replace the equipments at its own costs and ensure the acceptance criteria are fully achieved. Trio China shall compensate Jinchuan Mining for the losses incurred during such period. Jinchuan Mining has the contractual right to resolve the disputes through XMAC, and its arbitration results will have a legal binding effect on both parties.

In the arbitration application submitted to XMAC, Jinchuan Mining has engaged its legal advisers in seeking to demand Trio China compensations for losses and damages totalled RMB46,213,900, including (1) RMB11,530,000 refund of partial purchase price; (2) RMB15,453,900 compensation on cost of wearable components; and (3) RMB19,230,000 production losses. XMAC has taken the cognizance of the arbitration on 31 March 2015.

The Company believes these events would not lead to any material impact to the business operation of Gold Mountain Mine.

Up to the date of this announcement, XMAC has yet to schedule a date for the arbitration hearing.

The Company will have further announcement(s) to update its shareholders and potential investors as and when appropriate should there be any major development in the arbitration mentioned above.

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

Xiamen, the PRC, 1 April 2015

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.