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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)

Operational Updates of Gold Mountain Mine for the Second Quarter of 2015

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 (“Directors”) of the Company announces the operational updates for the second quarter of 2015 of its Gold Mountain Mine (as defined in the prospectus dated 19 May 2014 of the Company). Gold Mountain Mine, wholly owned and operated by the Company, is the largest operating gold mine in Xinjiang region of China in terms of JORC resources, annual ore processing capacity and gold production volume at full production level.

Production Updates of Gold Mountain Mine

Based on the unaudited operational data of the Group and the information currently available, the Group’s Gold Mountain Mine crushed and processed approximately 1,192,867 tonnes of ore and produced approximately 8,785.4 ounces (equivalent to approximately 273.22 kg) of gold doré during the second quarter of 2015. Owing to the substantial increases in ore processed and gold doré produced as compared with the same period last year, the Group expects to achieve profit turnaround for the six months ended 30 June 2015.

The Company commenced ore mining operation at the Yelmand prospect and Mayituobi prospect in July 2013 and June 2014 respectively. In addition, the Company finalized a joint study in May 2015 with external independent experts on the preliminary design and economic feasibility of the Kuangou prospect, including the developments of a new open pit and a new leaching pad to accommodate ore mined from the Kuangou prospect. The new open pit and leaching pad will have a designed ore processing capability of 1.5 million ton per annum and is

expected to be completed in one year. The development of the Kuangou prospect has been given priority, considering that ore from the Kuangou prospect has a relatively higher average gold grade and is relatively better oxidized compared with ore mined from other prospects within the Gold Mountain Mine. The more oxidized ore is easier to be crushed and reacts better to chemicals, which will lead to a higher gold recovery rate.

Technical Upgrade of Gold Mountain Mine

The Company has taken continuous effort to upgrade the current crushing system by, among others, testing alternative crushers with the purpose of reaching designed ore processing capacity of 5 million tonnes per annum.

On 1 December 2014, the Company signed a purchase contract ordering a vibrating crusher with Xuzhou Qiaoxin Mining Machinery Manufacturing Company Limited (徐州喬鑫礦業機械製造有限公司). On-site trial run of the vibrating crusher was completed in June 2015, indicating shortfalls to meet certain defined acceptance criteria and technical requirements. The Company will schedule for another round of on-site trial run after technical adjustments. Meanwhile Gaoke Crusher (高科破碎機) provided by Shenyang Metallurgy Mine Heavy Equipment Co., Ltd (瀋陽冶礦重型設備有限公司) has gone through factory testing and will be shipped to Gold Mountain Mine for trial runs by the end of July 2015.

Exploration Updates of Gold Mountain Mine

The Company has made progress in the preparation of joint exploration in Bohegou (薄荷溝) area with Western Region Gold Ili Company Limited (西部黃金伊犁有限責任公司) and observed several continuous gold-in-soil anomalies in the region. The preliminary exploration design for Bohegou, including geological mapping, trenches and drillholes, was completed in June 2015, and drilling will start in August 2015 after tendering of geological works.

Updates of Arbitration against Trio China Ltd

As disclosed in voluntary announcement dated 1 April 2015, 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 on 31 March 2015. The first session of the Arbitral Tribunal was held on 25 June 2015. Both Jinchuan Mining and Trio China presented their arguments and evidences in the first session, while the arbitrators have not issued any award yet. The second session will be heard in early August 2015.

Updates of Possible Acquisitions

As stated in voluntary announcement dated 9 January 2015, the Company has been seeking and assessing acquisition targets to increase its gold mineral resources. After performing desktop review of all the technical reports, production reports, resources and geological data provided by the target companies, the management and geologists of the company conducted field trips and geological reviews in the second quarter of 2015. The company has not finalized any potential transactions and relevant letters of intent are not signed.

The Company will update shareholders and potential investors from time to time on the status of production, technical upgrade and exploration progress.

This announcement is made based on the Board's preliminary review of the unaudited operational data of the Group and the information currently available to the Board, and it is not based on any figures and information which have been audited or reviewed by the Group's auditors. The references to the gold production, gold price or unit operating cash cost do not constitute, represent or indicate the full picture of the Group's total revenue or financial performance and the information contained in this announcement may be subject to change and adjustment.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company's securities.

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

Xiamen, the PRC, 21 July 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.