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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 First Quarter of 2016

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 first quarter of 2016 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. Xinjiang Gold Mountain Mining Co., Ltd (新疆金川礦業有限公司) (“Jinchuan Mining”), incorporated in China, is an indirectly wholly owned subsidiary of the Company.

Production Updates of Gold Mountain Mine

Based on the unaudited operational data of the Group and information currently available to the Company, the Group’s Gold Mountain Mine crushed and processed approximately 620,359 tonnes of ore and produced approximately 14,680.6 ounces (equivalent to approximately 472.0kg) of gold during the first quarter of 2016, approximately 6% and 118% respectively higher than the corresponding figures for the same period last year. Due to Chinese New Year holiday the processing plant operated for two months only in the first quarter of 2016. However, the production volume nearly doubled compared to the same period of 2015.

In addition, the all-in gold production cost was reduced to approximately US\$796/oz for the first quarter of 2016.

Technical Upgrade of Gold Mountain Mine

As disclosed in the previous announcements, the Company continued the testing of alternative crushers with a view to achieving the designed process capacity and particle size. The first phase of testing the inertia crusher was completed on 15 January 2016, but the final results of its applicability will be concluded after next phase of testing. Meanwhile, on-site testing for other solutions is in progress.

In addition, the Company is searching for additional automation in order to increase the production efficiency.

Other Updates

Western Region Gold Ili Company Limited (西部黃金伊犁有限責任公司) and the Company are jointly planning for further exploration studies in the Bohegou (薄荷溝) prospect, including further drillings in 2016.

As disclosed in the previous announcements, the Company is still waiting for the final decision issued by Xiamen Arbitration Commission on the arbitration between Jinchuan Mining and Trio.

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, 19 April 2016

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.