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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)**

### **POSITIVE PROFIT ALERT**

This announcement is made by Hengxing Gold Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the available unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, the Group expects to achieve a substantial increase in net profit after tax for the six months ended 30 June 2016 compared to that for the same period of last year.

The significant increase in consolidated net profit after tax for the six months ended 30 June 2016 was primarily attributable to (i) Significant increase in gold production. The Group’s Gold Mountain Mine produced approximately 35,527 ounces (equivalent to approximately 1,105kg) of gold in the first half of 2016, which is 129% higher than 15,514 ounces (equivalent to approximately 483kg) gold produced for the same period last year. (ii) Increase in average realized gold price. As gold price soared from US\$1,070/oz to US\$1,363/oz during the first half of 2016, the average realized gold price for Gold Mountain Mine rose to RMB254/gram, 5% higher than RMB241/gram for the same period in 2015. (iii) Rapidly increased gold production led to a major lift in revenue. The Group’s revenue for the six

months ended 30 June 2016 increased by approximately 124% to RMB291 million from RMB131 million for the same period last year. (iv) Lower production costs. The all-in gold production costs is reduced to approximately US\$660/oz from US\$1,008/oz as recorded by Gold Mountain Mine in first half of 2015, representing a decrease by 35%. At current gold price, it is a competitive gold production cost.

The information in this announcement is based on the Company's preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, which have not been reviewed nor audited by the Company's auditors or the audit committee of the Company. The Company is still preparing and finalizing its consolidated accounts for the six months ended 30 June 2016, which are subject to review by the Company's auditors and the audit committee of the Company. The Group expects to publish the announcement on the interim results of the Group for the six months ended 30 June 2016 before 31 August 2016.

***Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.***

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

Xiamen, the PRC, 13 July 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.*