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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 year ended 31 December 2016, the Group expects to achieve a net profit after tax approximately RMB200 million for the year ended 31 December 2016, up approximately 270% from the same period of 2015.

The significant increase in consolidated net profit after tax for the year ended 31 December 2016 of the Group was primarily attributable to: (i) substantial increase in gold production. The Group’s Gold Mountain Mine produced approximately 66,604 ounces (equivalent to approximately 2,072kg) of gold in 2016, which is 53% higher than 43,661 ounces (equivalent to approximately 1,358kg) for the same period last year; (ii) increase in average realized gold price. As gold price soared from US\$1,073/oz to US\$1,379/oz during 2016, the average realized gold price for 2016 rose to RMB267.6/gram, 12% higher than RMB239.3/gram for 2015; and (iii) lower production costs. The all-in gold production costs is reduced to approximately US\$609/oz from US\$850/oz in 2015, representing a reduction of

28%. At the current gold price, Gold Mountain Mine is one of the most competitive gold producers in Asia.

The information in this announcement is based on the Company's preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 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 year ended 31 December 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 annual results of the Group for the year ended 31 December 2016 before 31 March 2017.

***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 February 2017

*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.*