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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)

Business Updates of Gold Mountain Mine

And

Changes to the Group's management team

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

Business Updates of Gold Mountain Mine

The board (the "Board") of directors ("Directors") of the Company is pleased to announce the operation updates of its Gold Mountain Mine (as defined in the prospectus dated 19 May 2014 of the Company), a gold mine located in Yining County of Xinjiang, China.

Based on the Board's preliminary review of the unaudited operational data of the Group and the information currently available to the Board, the Group's Gold Mountain Mine project in China achieved an increase of gold production and a decrease of operating cash cost in June 2014, the first month after listing, as compared with the average monthly gold production and the average operating cash cost for the period from January 2014 to May 2014.

Continued significant progress has been made in Gold Mountain Mine. As at 30 June 2014, the daily ore processing capacity reached around 12,000 tonnes of ore per day, which is

approximately 80% of the designed daily capacity. We expect that its annual ore processing capacity will ramp up to designed production capacity of 5 million tonnes in the coming months.

Due to the decline of gold price, the Company takes rigorous economic analysis on CIL Project (as defined in the prospectus dated 19 May 2014 of the Company), which is designed to utilize carbon-in leach technology capable of achieving an average gold recovery rate of 78.9% based on test works, with professional institutes such as Beijing General Research Institute of Mining & Metallurgy (“BGRIMM”) and Changchun Gold Research Institute so that the best interest would be brought to its shareholders. The feasibility study of CIL Project is at its final stage and expected to be completed in the coming months, and the Company expects to make a further announcement as and when appropriate.

Meanwhile, the management of Gold Mountain Mine continues their efforts on technical upgrades to improve the productivity. By including an additional vertical impact crusher with open-circuit for the moderate crushing process, the management of Gold Mountain Mine expects to further reduce the size of the fine-crushed ore, which would improve the recovery rate. The flow design is to be completed by BGRIMM at the end of July 2014 and the commissioning will start by the end of August 2014. With the additional crusher, the management of Gold Mountain Mine is confident to further improve the production capability by processing approximately one million tonnes of ore and producing over ten thousand ounce of gold for the third quarter of 2014.

On the exploration front, Gold Mountain Mine has signed the contract with Western Region Gold Ili Company Limited (西部黃金伊犁有限責任公司) which is an independent third party with the Company on 20 June 2014 to jointly explore certain area surrounding Jinshan (where Gold Mountain Mine is located) with the exploration licence. The exploration will focus on the exploration target of Bohegou (薄荷溝) which is highly prospective area covering approximately 9 sq. km. and is near A-Xi Gold Mine Deposit (阿希金礦), which contains around 50 tonnes of gold originally and has been mined by Western Region Gold Ili Company Limited (西部黃金伊犁有限責任公司) since 1993.

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 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.

Changes to the management team of the Group

The Board also announce the recent management changes, including the new recruitment of additional senior management with strong gold and mining experiences and technical backgrounds as follows:

Corporate finance director of the Company

Ms. NI Yu (倪瑜), the previous corporate finance director resigned, as effective on 31 July 2014 to pursue her own career development. Ms. Ni confirms that she has no disagreement with the Board and there are no matters with respect to her resignation that needs to be brought to the attention to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the shareholders of the Company.

Mr. CHEN Shancheng (陳善成), age 33, was promoted from the deputy finance director to the corporate finance director on 31 July 2014. Prior to joining the Group, Mr. Chen previously served as the finance director of Abazhou Minfeng Lithium Co., Ltd (阿壩州閩鋒鋰業有限公司) and Maerkang Jinxin Mining Company Limited (馬爾康金鑫礦業有限公司) from August 2011 to June 2014, both being the subsidiaries of Fujian Zhonghe Co. Limited (福建眾和股份有限公司) (a listed company on Shenzhen Stock Exchange, Stock Code: 002070). He has strong finance and accounting background, including as the finance manager for ABInBev Business Service Centre in Xiamen, China from July 2009 to July 2011, and as the accounting supervisor at Xiamen ABB Switch Company Limited from July 2007 to June 2009 and Xiamen ITG Group Corp., Ltd (廈門國貿集團股份有限公司) (a listed company on Shanghai Stock Exchange, Stock Code: 600755) from July 2004 to June 2007. He obtained a bachelor and a master degree from Xiamen University (廈門大學), both majoring in accounting in July 2004 and June 2014, respectively.

General manager of Gold Mountain Mine

Mr. LUO Xianren (羅賢仁), age 52, joined as the general manager of Gold Mountain Mine since June 2014. He has around 30-year working experience in mines and previously served as the general manager in Baoshan Longyang Zhonghe Mining Company Limited (保山市隴陽眾和礦業有限責任公司) and Weishan Zhacun Gold Mining Company Limited (巍山縣紫村金礦有限責任公司), both are the subsidiaries of Yunnan Gold & Mining Group Co., Ltd (雲南黃金礦業集團股份有限公司), and as the deputy chief metallurgy engineer in Tungsten Group Jiangxi Dajishan Tungsten Industry Limited Company (江鎢集團江西大吉山鎢業有限公司). He obtained a bachelor degree from School of General Education of Northeastern University (東北大學基礎學院) (previously known as Shenyang Gold Institute (沈陽黃金學院)) majoring in ore processing engineering in July 1982. He was also accredited as a senior engineer in mining metallurgy by Jiangxi Professional Titles Office (江西省職稱工作辦公室) in February 2005.

Chief metallurgy engineer of Gold Mountain Mine

Mr. GE Xinqi (葛新琦), age 44, joined as the chief metallurgy engineer and deputy general manager of Gold Mountain Mine since July 2014. He has more than 15 years working experience in gold mine and previously served as metallurgical plant manager of Heqing Beiya Mining Company Limited (鶴慶北衙礦業股份有限公司), which is a gold mine subsidiary of Yunnan Gold & Mining Group Co., Ltd (雲南黃金礦業集團股份有限公司). Prior to that, he also served as metallurgy engineer in Tanjianshan Gold Mine and White Mountain Gold Mine of Eldorado Gold Corp. in China, and various positions in Shaanxi Taibai Gold Mining Limited

Liability Company (陝西太白黃金礦業有限責任公司). Mr. GE obtained a bachelor degree from School of General Education of Northeastern University (東北大學基礎學院) (previously known as Shenyang Gold Institute (沈陽黃金學院)) majoring in ore processing engineering in July 1995.

Deputy chief metallurgy engineer of Gold Mountain Mine

Mr. LIU Zhihai (劉誌海), the previous deputy chief metallurgy engineer resigned, as effective on June 2014 due to pursue his own career development. Mr. Liu confirms that he has no disagreement with the Board and there are no matters with respect to his resignation that needs to be brought to the attention to the Stock Exchange and the shareholders of the Company.

Mr. ZHANG Jinghe (張景河), age 44, joined Gold Mountain Mine as the deputy chief metallurgy engineer on June 2014. He has over 20-year working experience in gold mines. He previously served as the deputy chief engineer in Sichuan Chuncan Mining Company Limited (四川純燦礦業有限公司) and in senior management positions in Xi'an Tianzhou Mining Technology Development Company Limited (西安天宙礦業科技開發有限責任公司). He started his mining career from 1992 to 2002 served as deputy section chief of metallurgy department and various positions in Lingbao Andi Gold Mine (靈寶市安底金礦) then as the deputy plant manager of Lingbao Gold Refinery Plant (靈寶市黃金精煉廠). From 2003 to 2011, he served in various management positions in Lingbao Huabao Industry Company Limited (靈寶市華寶產業有限責任公司). He obtained a bachelor degree from School of General Education of Northeastern University (東北大學基礎學院) (previously known as Shenyang Gold Institute (沈陽黃金學院)) majoring in ore processing engineering in June 1992. He was also accredited as engineer of mine by the People's Government of Sanmenxia (三門峽人民政府) in May 2000.

The Board would like to express its sincere gratitude to Ms. NI Yu and Mr. LIU Zhihai for their important contributions to the development of the Company during their terms.

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
KE Xiping
Chairman

Xiamen, the PRC, 31 July 2014

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.