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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

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) in July 2014 and August 2014, the largest operating gold mine in Xinjiang region of China in terms of JORC resources, designed annual ore processing capacity and estimated gold production volume at full production level.

Based on the Company’s preliminary review of the unaudited operational data of the Group and the information currently available to the Company, the Group’s Gold Mountain Mine processed approximately 660,000 tonnes of ore during the months of July 2014 and August 2014, which equals approximately 80% of its designed capacity, and produced approximately 7,379.0 ounces (equivalent to approximately 229.5 kg) of gold doré during July 2014 and August 2014 with gradually decreased unit operating cash cost¹, which is in line with the production expanding and the expectations of the management of the Company.

¹ The operating cash cost includes the cash outflows from mining, processing, selling and administrative activities, excluding the depreciation, amortization and finance cost.

An additional vertical impact crusher was installed and commissioned at the end of August 2014 within the current processing plant of Gold Mountain Mine, and is expected to improve the gold recovery rate by reducing the size of fine-crushed ore. The preliminary result of the commission was positive and in line with the Company's expectations. The Company will announce the comprehensive operating result of the commission of such vertical impact crusher as and when appropriate.

The Company continues its studies on the CIL Project (as defined in the prospectus dated 19 May 2014 of the Company). The preliminary result of the CIL Project's economic analysis indicates the net present value² of CIL Project would be significantly influenced by the gold price as follows: gold sales revenue generated from additional gold produced from the CIL Project will be reduced if gold price is low, which will in turn prolong the payback period of the capital investment of the CIL Project. According to the clarification announcement by the Company dated 28 May 2014, HK\$150.1 million from the use of proceeds from the global offering would be allocated towards the capital expenditure on CIL Project. The Company plans to engage independent experts to review the feasibility study of the CIL Project during 2014 when the operation reaches its full capacity. Such review would determine the economic feasibility of the CIL Project and make appropriate recommendations to the Company. The Company will continue to update shareholders and potential investors in relation to the updates on the CIL Project as and when appropriate according to the applicable laws and regulations.

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, 15 September 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.

² Net present value is the sum of the present values of the individual cash flows generated from the same entity.