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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 Third Quarter of 2015

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 third quarter of 2015 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.

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 1,230,475 tonnes of ore and produced approximately 15,673.7 ounces (equivalent to approximately 487.5 kg) of gold during the third quarter of 2015, approximately 23% and 38% greater than the figures for the same period last year. The significant increase in gold production was mainly due to the Company’s continuous effort to improve the current processing system.

Currently, the major mining operations of the Company remain at the Yelmand prospect and Mayituobi prospect. The Company is planning for the construction of new open pits at the Kuangou prospect and the Jinxi-Balake prospect. Initial stripping at the Kuangou prospect has commenced this August and is estimated to complete in a year. At Jinxi-Balake prospect, metallurgical test will be conducted in October to help assess the gold recovery rate and the mining design. As stated in the announcement dated 16 June 2015, the Company did not develop the CIL project with daily ore processing capacity of 5,000 tonnes given the prevailing gold price.

However the Company has engaged Beijing General Research Institute of Mining and Metallurgy (北京礦冶研究總院) to prepare a feasibility study assessing whether a CIL Project with a smaller daily ore processing capacity of 3000 tonnes per day would be economically feasible.

Technical Upgrade of Gold Mountain Mine

As disclosed in the previous announcements, the Company continues the testing of alternative crushers to achieve the designed process capacity and particle size. Gaoke Crusher (高科破碎機) provided by Shenyang Metallurgy Mine Heavy Equipment Co., Ltd (瀋陽冶礦重型設備有限公司) passed all trial runs and has been shipped to Gold Mountain Mine at the end of September 2015 for site test.

In respect of the gold extraction workshop the Company is working on the recycling of the activated carbon powder and plans to improve the desorption-electrolysis system to optimize the technological indicators of production.

Exploration Updates of Gold Mountain Mine

As disclosed in the previous announcements, the Company is cooperating with Western Region Gold Ili Company Limited (西部黃金伊犁有限責任公司) in the early-stage exploration of Bohegou (薄荷溝) area. The area is within the exploration licence area of the Company while neighbouring the plant area of Western Region Gold. After mapping and rock chip sampling, a 700 meter drill hole is being drilled in September 2015 and we expect test results to be available before year end.

Updates of Arbitration against Trio China Ltd

As disclosed in the voluntary announcement dated 1 April 2015, Xiamen Arbitration Commission (the “XMAC”) accepted the arbitration application of Xinjiang Gold Mountain Mining Co., Ltd (新疆金川礦業有限公司) (“Jinchuan Mining”), a company incorporated in China and an indirectly wholly owned subsidiary of the Company, against Trio China Ltd on 31 March 2015. The arbitration was heard on 25 June 2015 and 12 August 2015 respectively, and the final award has not been issued yet.

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, 20 October 2015

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.