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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 2018**

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 2018 (from July 1, 2018 to September 30, 2018) 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 according to JORC resources. Its annual ore processing capacity and gold production volume are at full production level. Xinjiang Gold Mountain Mining Co., Ltd (新疆金川礦業有限公司) (“Jinchuan Mining”), incorporated in China, is an indirectly wholly owned subsidiary of the Company.

Production Updates of Gold Mountain Mine

In the third quarter of 2018, the operating performance of Gold Mountain Mine has met the Company’s 2018 production and cost guidance established at the beginning of the year. The production details of the four mining pits are illustrated below.

Pits	Stripping volume (cubic meters)		Ore mined (tons)	
	2018 Q3	2017 Q3	2018 Q3	2017 Q3
Yelmand	237,040	259,383	734,796	1,256,901
Mayituobi	14,816	317,058	447,839	366,016
Jingxi-Balake	806,896	2,402,934	243,173	22,313
Kuangou	254,944	1,327,536	35,602	-
Total	1,313,696	4,306,911	1,461,410	1,645,230

Based on the unaudited operational data of the Group and information currently available to the Company, Gold Mountain Mine processed 1,160,476 tonnes of newly mined ore with an average

grade of 0.75g/t and reprocessed the 862,159 tonnes of the ore in the existing pad with an average grade of 0.4g/t. Together the processed ore reached 2,022,635 tonnes during the third quarter of 2018, rose approximately 21% compared to the same period in the previous year.

The gold production of Gold Mountain Mine is illustrated below:

	2018	2017	Change
The Third Quarter (ounces)	23,814	25,035	-5%
Nine Months ended September 30 (ounces)	72,246	67,584	7%

The gold production during the third quarter of 2018 is 5% lower from the same period last year mainly due to the adjustment of gold extraction schedule, but will still meet the annual production plan in the fourth quarter. The all-in sustaining cost was maintained at a competitive level of RMB150.9/gram (equivalent to US\$682/oz with exchange rate of RMB6.8792/USD as at 30 September 2018), 2.8% higher than RMB146.8/gram from the same period last year due to the increased accumulative stripping volumes in the current year.

Gold Mountain Mine was incorporated into the reviewing list of Green Mining Award of Xinjiang Autonomous Region. We will continue developing green projects for growing trees, vegetables, flowers and protection of biodiversity to obtain the final qualification of Green Mining award.

As disclosed in the interim report, the Company would seek investment opportunities for obtaining suitable quality assets to strengthen the Company's asset portfolio and resource base. The Company is making ongoing effort during the third quarter of 2018 including in-depth desktop reviews of multiple projects.

The Company intends to provide available updates on the status of production and company activities to its shareholders and potential investors on a timely basis.

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, 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

Hongkong, 1 November 2018

As at the date of this announcement, the executive directors of the Company are Mr. KE Xiping, Ms. Yang Yifang (Lydia Yang), Mr. CHEN, David Yu and Mr. KE Jiaqi, the nonexecutive director of the Company is Mr. Albert Fook Lau HO and the independent nonexecutive directors of the Company are Ms. WONG, Yan Ki Angel, Dr. Tim SUN and Dr. PAN Guocheng.