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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 Fourth Quarter of 2019

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 fourth quarter of 2019 of its Gold Mountain Mine (as defined in the prospectus dated 19 May 2014 of the Company). Gold Mountain Mine is a gold mine, wholly owned and operated by Xinjiang Gold Mountain Mining Co., Ltd (新疆金川礦業有限公司) (“Jinchuan Mining”), an indirect wholly-owned subsidiary of the Company established in China.

Based on the unaudited operational data of the Group and information currently available to the Company, Gold Mountain Mine produced 25,313 ounces (equivalent to approximately 787.3kg) of gold in the fourth quarter of 2019, which was nearly the same as the same period last year. The all-in sustaining cost was RMB198/gram (equivalent to US\$883/oz based on the exchange rate of RMB6.9762/USD as at 31 December 2019), 32% higher than RMB151/gram from the same period last year.

The production details are illustrated below.

		THREE MONTHS ENDED 31 DECEMBER		YEAR ENDED 31 DECEMBER	
	Unit	2019	2018	2019	2018
Ore Mined	Kt	1,988	1,212	6,428	5,420
Waste Stripped	Kt	8,549	4,971	34,986	23,459
Ore Processed	Kt	2,584	1,532	8,347	6,586

Newly mined ore	Kt	1,989	1,251	6,398	5,443
Ore in the existing pad	Kt	595	281	1,949	1,143
Feed-in Grade		0.67	0.71	0.64	0.74
Newly mined ore	g/t	0.60	0.79	0.73	0.82
Ore in the existing pad (Note 1)	g/t	0.36	0.32	0.35	0.38
Gold Produced	ounces	25,313	25,981	85,654	98,228

Note 1: Use High pressure grind roller to reprocess the ore in the existing leaching pad whose final size larger than 4.5mm.

Annual gold production of 2019 is less than that of 2018 is mainly resulted from lower gold production in the first half of the year. As reported in the announcement dated 27 June 2019, ore processed in the first half of 2019 mainly comes from the lower grade ore body in the Jingxi-Balake pit and Yelmand pit, leading to a lower gold production. The Company remains committed to continuously improving recovery rate through technical optimization. In the fourth quarter of 2019 the construction of test site for biological pre-oxidation has been completed and the production test is expected to start in the second quarter of 2020.

Additionally Jinchuan Mining has paid off the six-year secured bank loan from Agricultural Bank of China in September 2019, releasing the titles of Gold Mountain Mine's mining rights, property, plant and equipment. As at 31 December 2019 the Company had no more bank borrowings.

The Company will update shareholders and potential investors from time to time on the status of production, technical upgrade and exploration progress of the Group.

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

Hong Kong, 21 January 2020

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 non-executive director of the Company is Mr. Albert Fook Lau HO and the independent non-executive directors of the Company are Ms. WONG, Yan Ki Angel, Dr. Tim SUN and Dr. PAN Guocheng.