

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 First Quarter of 2020

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 first quarter of 2020 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), an indirect wholly-owned subsidiary of the Company established in China.

The Company has always regarded the safety and health of employees as a top priority and strictly complied with the local government's control measures and travel restrictions since the outbreak of novel coronavirus (" COVID 19 ") in China in January 2020. Gold Mountain Mine basically returned to normal operation not until the end of March 2020. Therefore, the actual number of days of the mine in full operation was significantly reduced to 10 days, which resulted in a lower gold production and a higher cost in the first quarter of 2020 than those of the same period in year 2019.

Based on the unaudited operational data of the Group and information currently available to the Company, Gold Mountain Mine produced 5,948 ounces (equivalent to approximately 185kg) of gold in the first quarter of 2020, which shows a decrease of approximately 61.7% as compared to that of the first quarter of 2019. The lower gold production led to an all-in sustaining cost of RMB240/gram (equivalent to US\$1,053/oz calculated on basis of an exchange rate of RMB7.0851/USD as at 31 March 2020), 71% higher than RMB140/gram from the same period last year.

The production details are illustrated below.

THREE MONTHS ENDED 31 MARCH

	Unit	2020 Q1	2019 Q1
Ore Mined	Kt	168	908
Waste Stripped	Kt	266	1,854
Ore Processed	Kt	192	1,138
<i>Newly mined ore</i>	Kt	158	913
<i>Ore in the existing pad</i>	Kt	34	225
Feed-in Grade		0.67	0.58
<i>Newly mined ore</i>	g/t	0.73	0.63
<i>Ore in the existing pad</i>	g/t	0.37	0.36
Gold Produced	ounces	5,948	15,529

In order to mitigate the impact of the production cuts in the first quarter on the annual production, Gold Mountain Mine will optimise the mining and stripping plan and strive to increase gold production in the following quarters.

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

Hong Kong, 29 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. KE Xiping, 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.