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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)

PROFIT WARNING

This announcement is made by Hengxing Gold Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) wishes to advise the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available, the Group is expected to record a decrease in consolidated net profit after tax by approximately 30% for the six months ended 30 June 2020 (the “**Interim Period**”) as compared to the corresponding period in 2019.

The lower net profit for the Interim Period as compared to the same period in 2019 was mainly attributed to lower gold production level. With the outbreak of the novel coronavirus (“COVID-19”) in Mainland China at the beginning of 2020, the strict travel restrictions and quarantine measures imposed by the government had led to a major delay in work force returning and the delivery of necessary production materials. Gold Mountain Mine only gradually started to return to normal operation from the end of March 2020. In addition, maintenance work for the roads connecting to Gold Mountain Mine was carried out which had further disrupted the mining and production for about 10 days. For these reasons, the full operational days were significantly reduced resulting in gold production of approximately 20,544 ounces (equivalent to approximately 661kg) in the Interim Period, which represented 40% decrease compared to that of the same period last year.

The information in this announcement is only based on the Company’s preliminary review of the information currently available and unaudited consolidated management accounts of the Group for the Interim Period. The Company is still preparing and finalizing its consolidated accounts for the six

months ended 30 June 2020, which are subject to be reviewed by the auditors and the audit committee of the Company. Therefore, the actual results of the Group for the Interim Period may differ from the information contained in this announcement. The Company will publish the announcement on the results of the Group for the Interim Period by 31 August 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Hengxing Gold Holding Company Limited
KE Xiping
Chairman

Hong Kong, 16 July 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.