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潼關黃金集團有限公司 Tongguan Gold Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 00340)

PROFIT WARNING

This announcement is made by Tongguan Gold Group 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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the information currently available, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the annual results of the Group is expected to record (i) revenue of approximately HK\$1,245 million for the year ended 31 December 2022 (the “**2022 Annual Results**”), representing an increase of approximately 83% as compared to revenue of approximately HK\$682 million for the corresponding year in 2021, and (ii) a net profit of approximately HK\$57 million for 2022 Annual Results, representing a decrease of approximately 63% as compared to the net profit of approximately HK\$155 million for the corresponding year in 2021.

The increase in revenue was mainly attributable to the new gold recycling business segment, which involves the sale of physical gold bullion by purchasing gold related materials from other supply chain players, and refining by subcontractors. This new business segment contributed approximately HK\$838 million in revenue to 2022 Annual Results.

The decrease in net profit was mainly due to the decrease in revenue and net profit of gold mining operation for 2022 Annual Results as compared in 2021. It was mainly attributable to the decrease in production and sales volumes as the COVID-19 prevention and control measures and other policies were implemented in the Mainland China, which led to suspension of production for various periods and decrease in production volume during the year of 2022.

The information contained in this announcement is only based on the preliminary assessment of unaudited management accounts of the Group by the management of the Group and information currently available to the Group. The annual results of the Group for the year ended 31 December 2022 are yet to be finalized.

Further details of the Group's financial information will be published in the annual results of the Group for the year ended 31 December 2022, which is expected to be announced on or about 27 March 2023.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Tongguan Gold Group Limited
Yeung Kwok Kuen
Executive Director and Chief Financial Officer

Hong Kong, 17 March 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Yeung Kwok Kuen, Mr. Shi Xing Zhi and Mr. Shi Sheng Li as executive directors, Mr. Chu Kang Nam, Mr. Liang Xu Shu and Mr. Leung Ka Wo as independent non-executive directors.