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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 interim results of the Group is expected to record (i) revenue of approximately HK\$677 million for the six months ended 30 June 2023 (the “**2023 Interim Period**”), representing an increase of approximately 277% as compared to revenue of approximately HK\$180 million for the corresponding period in 2022, and (ii) a net profit of approximately HK\$16 million for 2023 Interim Period, representing a decrease of approximately 47% as compared to the net profit of approximately HK\$30 million for the corresponding period in 2022.

The increase in revenue was mainly attributable to the Group’s expansion of its gold related business into gold recycling business since the second half of 2022, which involves the sale of physical gold bullion by purchasing gold related materials from other supply chain players, and refining by subcontractors. This business contributed approximately HK\$484 million in revenue to 2023 Interim Period.

The decrease in net profit was mainly due to the decrease in net profit of gold mining operation for 2023 Interim Period as compared in 2022. It was mainly attributable to (i) the lower average gold grade of ore per tonne mined; and (ii) more excavation cost incurred, when compared with the corresponding period in 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 preliminary interim results of the Group for the 2023 Interim Period have not been reviewed by the Company’s auditors or the audit committee of the Board and will be subject to change and finalisation.

Further details of the Group's financial information will be published in the interim results of the Group for the 2023 Interim Period, which is expected to be announced on or about 28 August 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 August 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.