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China Hongguang Holdings Limited

中國宏光控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8646)

PROFIT WARNING

This announcement is made by China Hongguang Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2020 (the “**Year**”) and the information currently available to the Board, the Group is expected to record a significant decrease in net profit for the Year by approximately 60% as compared to the net profit for the year ended 31 December 2019 (the “**Previous Year**”). The decrease in net profit for the Year was primarily attributable to the significant decline in revenue by approximately 22% for the Year as compared to that in the Previous Year due to the impact of the outbreak of the novel coronavirus since the beginning of 2020, which has caused postponement in resuming the Group’s production and operation as well as postponement of project schedule and order execution of customers of the Group.

The Company is still in the process of finalising its results for the Year. The information contained in this announcement is only based on a preliminary assessment made by the management of the Company with reference to the information currently available and the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the Company’s auditors or reviewed by the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors are advised to read the Group’s results announcement for the Year, which is expected to be published on 24 March 2021.

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

By Order of the Board
China Hongguang Holdings Limited
LIN Weishan
Chairwoman and Executive Director

Hong Kong, 9 March 2021

As at the date of this announcement, the Executive Directors are Mr. WEI Jiakun, Ms. LIN Weishan, Mr. CHEN Biming and Ms. LI Wanna; and the Independent Non-Executive Directors are Ms. CHEN Xiuyan, Mr. JIA Xiaogang and Mr. WU Yong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.hongguang.hk.