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新源萬恒 控股有限公司
New Provenance Everlasting Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

INSIDE INFORMATION EXPECTED DECREASE IN LOSS FOR THE YEAR ENDED 31 MARCH 2020

This announcement is made by New Provenance Everlasting Holdings 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 Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited management accounts of the Group for the year ended 31 March 2020, it is anticipated that there will be a loss attributable to owners of the Company for the year ended 31 March 2020, representing a decrease by not less than 40% as compared to the loss attributable to owners of the Company of HK\$70,350,000 for the year ended 31 March 2019. The expected decrease in loss attributable to owners of the Company is mainly attributable to:

- (a) the foreign exchange gain for the year ended 31 March 2020 arising from exposure to foreign exchange risk mainly related to Renminbi and the United States dollars as compared to foreign exchange loss for the year ended 31 March 2019;
- (b) the decrease in finance costs due to the decrease in bills discount charge as a result of the reduced use of letter of credit by the Group in its sourcing and sale of metal minerals and related industrial materials business;

- (c) the decrease in administrative expenses and selling and distribution costs due to the cost control measures implemented by the management; and offset by:
- (d) the decrease in gross profit of (i) the sourcing and sale of metal minerals and related industrial materials business owing to the unfavorable global economic conditions; and (ii) the production and sale of industrial products business owing to the increase in the cost of production; and
- (e) the loss from the production and sale of utilities business for the year ended 31 March 2020 owing to the increase in the cost of production, as compared to the profit generated from the respective business segment for the year ended 31 March 2019.

As the Company is still in the process of finalizing the final results of the Group for the year ended 31 March 2020, the information contained in this announcement is only a preliminary assessment by the Board based on the preliminary review of the unaudited management accounts of the Group and the information currently available to the Board, which have neither been reviewed by the audit committee of the Company nor audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ended 31 March 2020, which is expected to be published by the end of June 2020.

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

By Order of the Board

Sin Lik Man

Chairman and Chief Executive Officer

Hong Kong, 18 May 2020

As at the date of this announcement, the Board comprises Mr. Sin Lik Man (Chairman and Chief Executive Officer) and Ms. Sun Le as Executive Directors, Ms. Sun Di as Non-Executive Director, and Dr. Ng Tze Kin, David, Mr. Cheung Ngai Lam and Mr. Wang Ye as Independent Non-executive Directors.