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GUANGDONG ADWAY CONSTRUCTION (GROUP) HOLDINGS COMPANY LIMITED*

廣東愛得威建設(集團)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6189)

QUARTERLY UPDATES ON SUSPENSION OF TRADING

This announcement is made by Guangdong Adway Construction (Group) Holdings Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the annual result announcement of the Company for the year ended 31 December 2021 published on 12 April 2022 and the 2021 annual report published on 11 May 2022 (the “**2021 Annual Report**”), in relation to the Company’s auditor’s disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2021. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the 2021 Annual Report.

UPDATES ON PROGRESS OF RELEVANT MATTERS

(1) Disclaimer of opinion on others:

As disclosed in the 2021 Annual Report, Shenzhen, where the Company’s business is located, implemented control measures on staff movement due to the impact of the COVID-19 pandemic since 2022. Affected by relevant control measures, the issuance and collection of letter to the confirmations have been hindered, which led to unfavorable reply letter to the confirmations in connection with such items as accounts receivable, prepayments and contractual assets in implementing audit by the auditor, and the collection ratio did not satisfy the requirements of the auditor.

The Company and the auditor determined to make remedial measures in relation to the unfavorable proportion of reply letters as described in “Disclaimer of opinion on others”, including reissuing letters to the accounting subjects involved in “Disclaimer of opinion on others” and adopting alternative audit procedures through collection of additional information. Relevant matters are in progress currently and they are expected to be completed within about 1 month.

(2) Disclaimer of opinion on going concern:

As disclosed in the 2021 Annual Report, the specific progress of the measures taken by the Company to solve the “disclaimer of opinion on going concern” is as follows:

1. Despite the unfavorable impact of the epidemic, regulation on real estate and overdue of debts, the constructions in progress of the Company are still operating orderly, and measures have been taken to improve the liquidity of the Company, including actively controlling cost, increasing efforts in collection of receivables and participating in bidding to secure new orders.
2. Keeping continuous communication with banks. For debts overdue or will overdue in near future, efforts are made to avoid extreme measures by banks, but negotiating better and mutually acceptable solutions. Besides, the Company actively negotiated with financial institution to seek for new source of financing or restructure existing borrowings.
3. In order to optimize the Company’s asset-liability structure, enhance the Company’s capital strength and financing capabilities, and expand financing and business channels, the Company intends to introduce strategic investors.

CONTINUED SUSPENSION OF TRADING

Under Rules 13.50A of the Listing Rules, in view of the disclaimer of opinion (other than the going concern disclaimer), trading in shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspension of trading on the Stock Exchange until further notice. The Company will issue announcement to update the shareholders as and when appropriate.

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

By order of the Board
Guangdong Adway Construction (Group) Holdings Company Limited*
Mr. Ye Yujing
Chairman, Executive Director and Chief Executive Officer

Shenzhen, the PRC, 30 June 2022

As of the date of this announcement, the Board of the Company comprises Mr. Ye Yujing, Mr. Ye Jiajun, Ms. Ye Xiujin and Mr. Ye Guofeng, as Executive Directors; Mr. Zhuang Liangbin as Non-Executive Director; and Mr. Cai Huiming, Mr. Sun Changqing, Mr. Lin Zhiyang and Mr. Zhou Wanxiong, as Independent Non-executive Directors.

** For identification purpose only*