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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)

PROFIT WARNING

This announcement is made by Guangdong Adway Construction (Group) Holdings Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors 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 consolidated management accounts of the Group for the six months ended 30 June 2022 and other information currently available to the Board, the Group expects to record a loss (the “**Loss**”) attributable to equity holders of the Company of not less than RMB91 million for the six months ended 30 June 2022 as compared to a profit attributable to equity holders of the Company of approximately RMB4.1 million for the corresponding period in 2021.

The Loss was mainly due to (i) the systemic impact of the COVID-19 pandemic and the state’s regulation on the real estate industry, which affected the liquidity of customers’ funds in the industry, and increased uncertainty in the return of payment from some of the Company’s customers. After a prudent assessment by the management of the Company, the Company has made provision for impairment losses on the accounts receivable of customers with recoverability risks; and (ii) the reduction in the newly signed orders and construction work resulted in a decrease in revenue of more than 50% for the first half of 2022 as compared to the corresponding period in 2021.

As at the date of this announcement, the Group is still in the process of finalizing the Group's interim results for the six months ended 30 June 2022. The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and other information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditor of the Company or the audit committee of the Board, which is subject to finalization and adjustments, if any. The actual results of the Group for the six months ended 30 June 2022 may differ from the information contained this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2022 which is to be published before the end of August 2022.

CONTINUED SUSPENSION OF TRADING

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 the Company fulfils the Resumption Guidance. The Company will publish further announcement(s) to inform the Shareholders of its progress in complying with the Resumption Guidance as and when appropriate, as well as quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

Shareholders and potential investors should 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, 25 August 2022

As at the date of this announcement, the Board 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*