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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 PROGRESS OF RESUMPTION

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 (i) the annual results announcement of the Company for the year ended 31 December 2021 published on 12 April 2022, (ii) the 2021 annual report of the Company published on 11 May 2022, (iii) the Company’s announcement on quarterly updates on suspension of trading published on 30 June 2022, (iv) the Company’s announcement on resumption guidance and continued suspension of trading published on 11 July 2022, (v) the interim results announcement of the Company for the six months ended 30 June 2022 published on 30 August 2022; (vi) the interim report of the Company for the six months ended 30 June 2022 published on 21 September 2022 and (vii) the Company’s announcement on, among others, quarterly updates on resumption progress published on 29 September 2022.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 11 July 2022, the Company received a letter from the Stock Exchange setting out guidance for resumption of trading in the shares of the Company (the “**Resumption Guidance**”), the Company shall:

- (i) address the issues giving rise to the disclaimer of opinion on the Company’s financial statements for the year ended 31 December 2021 in relation to material uncertainties on going concern, the Company’s account receivables, prepayment and contracts assets, provide comfort that the disclaimer of opinion (the “**Disclaimer of Opinion**”) would no longer be required and disclose sufficient information to enable the Shareholders and potential investors to make an informed assessment of its financial positions as required under Rule 13.50A of the Listing Rules; and
- (ii) inform the market of all material information for the Shareholders and potential investors to appraise the Company’s position.

UPDATES ON PROGRESS OF RESUMPTION

(1) **Disclaimer of opinion on others:**

The Company has been communicating with Asian Alliance (HK) CPA Limited, the auditor of the Company, to solve the sources of Disclaimer of Opinion in relation to the accounts receivable, prepayments, contract assets and other assets in the Company’s financial statements for the year ended 31 December 2021, sorting out and conducting verification on accounts receivable, prepayments and contract assets. The Company strives to eliminate disclaimer of opinion on others for 2022 year-end audit when feasible.

(2) **Quarterly updates:**

(i) Business operations

The Company mainly provides professional and comprehensive architectural decoration services to public and private customers in China. As at the date of this announcement, the Company’s business operations are conducted as usual in all material respects.

(ii) Alleviate liquidity issues

The Company maintains communication with the lending banks to seek the banks not to take extreme measures to demand immediate repayment of overdue loans. The Company is committed to improving the financial situation of the Group, and striving to handle well the settlement and collection of contract assets and account receivables in relation to the customers and construction projects, as well as payment to suppliers.

(iii) Actively preparing for pre-restructuring

On 29 November 2022, the board (the “**Board**”) of directors (the “**Directors**”) of the Company resolved to officially start the pre-restructuring work, to solve the Group’s financial difficulties and improve the overall efficiency of the Group. As at the date of this announcement, the pre-restructuring has not been submitted to the Chinese court for acceptance, nor has the Company’s restructuring plan been formally formed.

The Company is committed to using its best endeavours to fulfill the Resumption Guidance as soon as practicable, and will make further announcements in relation to the progress of the resumption plan as and when appropriate.

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 suspended until the Company fulfills the Resumption Guidance.

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, 29 December 2022

As of the date of this announcement, the Board comprises Mr. Ye Yujing, Ms. Ye Xiujin, Mr. Ye Guofeng and Mr. Ye Jiajun, 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*