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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)

**(1) DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS AND
DESPATCH OF THE 2022 ANNUAL REPORT**
(2) DELAY IN CONVENING THE 2022 ANNUAL GENERAL MEETING
(3) QUARTERLY UPDATES ON PROGRESS OF RESUMPTION; AND
(4) CONTINUED 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(2) 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 (“**2022 Interim Report**”), (vii) the Company’s announcement on, among others, quarterly updates on suspension of trading published on 29 September 2022, (viii) the Company’s announcement on, among others, quarterly updates on suspension of trading published on 29 December 2022, and (ix) the Company’s announcement on inside information in

relation to bankruptcy restructuring dated 17 February 2023. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the 2022 Interim Report.

(1) Delay in publication of the 2022 annual results and despatch of the 2022 annual report

As disclosed in the announcement of the Company dated 29 September 2022, the Company made a hard decision to optimize employees in mid-September 2022, to concentrate on coping with the winter of the real estate industry. The decrease in staff number hindered the cooperation among parties concerned in the financial progress upon the Group's employee optimization, and many tasks were delayed by the full-scale outbreak in December 2022 of the COVID-19 epidemic for the first time in Shenzhen where major businesses of the Group were operated, which lasted for over a month before and after the epidemic.

As disclosed in the announcement of the Company dated 17 February 2023, the Company's supplier, Shenzhen Zongheng Material Co., Ltd.* (深圳市縱恒材料有限公司) ("**Shenzhen Zongheng**"), has filed an application for bankruptcy restructuring of the Company with the Guangdong Shenzhen Intermediate People's Court (the "**Court**"). The Company has approved the application for bankruptcy restructuring made by Shenzhen Zongheng, and is endeavoring to cooperate in the procedures involved in the bankruptcy restructuring (pre-restructuring).

As of the date of this announcement, the Group focused on cooperation in procedures concerning the bankruptcy restructuring (pre-restructuring) and is still providing the auditor with materials for completion of the audit procedure. As thus, the Group will be unable to publish its audited results for year 2022 on or before 31 March 2023 under Rule 13.49(1) of the Listing Rules. The Company will make announcement(s) in due course to inform shareholders of the Company and potential investors of the 2022 annual results.

Under the requirements of Rule 13.49(3) of the Listing Rules, if an issuer fails to publish its preliminary results, the issuer is required to announce its results based on the financial results that are yet to be approved by the auditor. Based on the above, the Company, believes after prudence consideration, that it is inappropriate to publish the unaudited management accounts of the Group for the year ended 31 December 2022 at this stage, as they may not reflect the financial performance and condition of the Group, and the publication of the 2022 unaudited management accounts may cause confusion and mislead shareholders of the Company and potential investors.

In light of the above, the Company expects that it will be unable to despatch its 2022 annual report to shareholders on or before 30 April 2023 under Rule 13.46(2)(a) of the Listing Rules. The Company will make further announcement(s) in due course to inform shareholders of the Company of the publication of the 2022 annual report.

(2) Delay in convening the 2022 annual general meeting

As the aforesaid delayed in publication of the 2022 annual results and despatch of the 2022 annual report, it is expected the 2022 annual general meeting will be delayed. The Company will make separate announcement(s) in due course to inform shareholders of the date to convene the 2022 annual general meeting.

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 of the Company and potential investors to appraise the Company’s position.

UPDATES ON PROGRESS OF RESUMPTION

(1) Disclaimer of opinion on others:

The auditor of the Company is sorting out and conducting verification on accounts receivable, prepayments and contract assets in its financial statements for the year ended 31 December 2021. The Company strives to eliminate disclaimer of opinion on others of audit for year 2022 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) Pre-restructuring

As disclosed in the announcement of the Company dated 17 February 2023, the Company's supplier, Shenzhen Zongheng, has filed an application for bankruptcy restructuring of the Company with the Court. The Company has also received a notice from the Court and has agreed Shenzhen Zongheng's application for bankruptcy restructuring of the Company. It is endeavoring to cooperate in various procedures required for the bankruptcy restructuring and will keep informed the latest updates on the restructuring, take appropriate measures in due course and make further announcement(s).

The Company is committed to using its best endeavours to fulfill the Resumption Guidance as soon as practicable, and will make further announcement(s) 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, 27 March 2023

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