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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 announcement of the Company on quarterly updates on suspension of trading published on 30 June 2022, (iv) the announcement of the Company in relation to resumption guidance (the “**Initial Resumption Guidance**”) issued by the Stock Exchange 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 (the “**2022 Interim Report**”), (vii) the announcement of the Company on, among others, quarterly updates on progress of resumption published on 29 September 2022, (viii) the announcement of the Company on, among others, quarterly updates on suspension of trading published on 29 December 2022, (ix) the announcement of the Company on, among others, delay in publication of the 2022 annual results and despatch of the 2022 annual report and quarterly updates on progress of resumption published on 27 March 2023, and (x) the announcement of the Company in relation to additional resumption guidance (the “**Additional Resumption Guidance**”) issued by the Stock Exchange and continued suspension of trading published on 31 March 2023. Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the 2022 Interim Report.

UPDATES ON PROGRESS OF RESUMPTION

As disclosed in the announcement of the Company dated 31 March 2023, in addition to the Initial Resumption Guidance, the Company received a letter from the Stock Exchange dated 29 March 2023 setting out the Additional Resumption Guidance. The Company is required to publish all outstanding financial results and address any audit issues.

The Board would like to provide the shareholders of the Company and potential investors with updates on progress of resumption of the Company:

(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-end when feasible.

(2) Quarterly updates:

(i) Business operations

The Company is principally engaged in the provision of professional and comprehensive architectural decoration services to public and private customers in China. Affected by the liquidity of the Group, the overall business volume of the Group in 2023 is expected to decrease more as compared to that in 2022, but major production operations are in normal and orderly progress.

(ii) Liquidity issues

In terms of bank borrowings, as of the date of this announcement, the total outstanding bank borrowings due were RMB229,372,300. Including, on 24 May 2023, People's Court of Futian District, Shenzhen City, Guangdong Province issued to the Company a notice of sale of debt collateral assets in the amount of RMB18,424,600 applied by Bank of Beijing; and on 1 June 2023, People's Court of Futian District, Shenzhen City, Guangdong Province issued to the Company a notice of auction of debt collateral assets in the amount of RMB43,512,700 applied by Bank of China.

(iii) Actively preparing for pre-restructuring

The Company has been seeking opportunities for pre-restructuring and restructuring with its best efforts to improve the Group's financial position and maintain the Company's ability to continue as a going concern. Preparations for the pre-restructuring and restructuring projects are progressing in an orderly manner. If there is any update, the Company will keep its shareholders and potential investors informed of the latest progress as and when appropriate.

The Company is now taking necessary measures to implement the Initial Resumption Guidance and the Additional Resumption Guidance while reviewing its existing business and financial position from time to time, will make further announcement(s) in relation to the progress of the resumption plan as and when appropriate and seek resumption of trading in the shares as soon as practicable.

CONTINUED SUSPENSION OF TRADING

Under Rule 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 of the Company and potential investors 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 June 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