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## **Greenway Mining Group Limited**

**信盛礦業集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2133)**

### **INSIDE INFORMATION**

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This announcement is made by Greenway Mining Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.49(3)(i) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities 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) (the “**SFO**”).

#### **(1) DELAY IN PUBLICATION OF THE 2020 ANNUAL RESULTS**

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish an announcement in relation to its preliminary results in respect of the financial year ended 31 December 2020 (the “**2020 Annual Results**”) not later than three months after the end of the financial year of the Company, i.e. on or before 31 March 2021. Under Rule 13.49(2) of the Listing Rules, the preliminary announcement in relation to the 2020 Annual Results shall be based on the Company’s financial statements for the financial year ended 31 December 2020 which shall have been agreed with the auditor.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that

the publication of the 2020 Annual Results will be delayed as additional time is required in order to complete the audit work in respect of the 2020 Annual Results. Due to (i) the continuing worsening of the emergency situation in Myanmar since early 2021, where the Myanmar military has recently imposed martial law in more areas across Myanmar, certain telecommunications had been interrupted and/or restricted and many countries have announced the arrangements for evacuation of their nationals; and (ii) the continuing spread of the COVID-19 pandemic, which resulted in certain travel prohibitions and/or restrictions imposed by the governments of Myanmar and China, the upgrading and renewal of mining rights is expected to be delayed and it is difficult to collect necessary audit evidence as required in the short term. For the above reasons, it is believed that factors such as the current emergency situation in Myanmar and the continuing spread of the COVID-19 pandemic will affect the valuation of the Company's business and assets in Myanmar and China. Based on the principle of prudence, it is expected that the significant non-cash accounting impairment adjustments will most likely be required for the Group's assets and businesses in Myanmar and China, which will have material and adverse impacts on the 2020 Annual Results of the Company. In view of the above, the relevant audit works have not been completed as at the date of this announcement and the publication of the 2020 Annual Results will be delayed.

However, it is believed that the relevant non-cash accounting impairment adjustments will not have any adverse impact on the business operations and cashflow position of the Group. The operation of Company up to the date of this announcement remains largely unchanged and normal (including but not limited to mining, concentrate production, cargo transportation from the mine site to the customs, import and export customs clearance and sales are still in process as per the Company's schedule from time to time).

In addition, in response to the various uncertainties brought by the emergency situation in Myanmar and COVID-19 pandemic, the Company has been and will continue to work together with employees, partners and advisors to take appropriate measures to further the long term development of various projects of the Company, including but not limited to the followings:

- (i) Establish and maintain good relationship with relevant parties from the Ministry of Mines and government departments of Myanmar and China;
- (ii) Continue to strengthen exploration activities in existing mines in Myanmar and China so as to discover and develop rich and high quality mineral resources;
- (iii) Continue to accelerate the progress of our business transformation and upgrading and continue to upgrade the level of mining licenses;
- (iv) Adopt flexible and changeable measures (including holding equity of the Company's subsidiaries by trust) in order to facilitate the application for upgrading and renewal of mining rights with more favourable terms and conditions; and

- (v) Explore more favorable financing solutions in various aspects.

The Board acknowledges that the delay in publication of the 2020 Annual Results will constitute non-compliance with Rule 13.49(1) of the Listing Rules. The Company has been and will continue using its best endeavours to ensure that the 2020 Annual Results will be published as soon as practicable and in any event preliminary scheduled to be published before 30 June 2021 upon the expected gradual improvement of the situation in Myanmar and COVID-19 pandemic.

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results in accordance with Rules 13.49(1) and (2) of the Listing Rules, it must announce its results based on the financial results that have yet to be agreed with the auditor (so far as the information is available). The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the financial year ended 31 December 2020 at this stage as it may not accurately reflect the financial performance and position of the Group.

The Company will make further announcement(s) to provide updates on the above matters as and when appropriate in accordance with the Listing Rules and the SFO.

## **(2) POSTPONEMENT OF THE BOARD MEETING**

In light of the delay in the publication of the 2020 Annual Results, the Board meeting in respect of reviewing and approving, among other matters, the 2020 Annual Results will be postponed. The Company will continue to work with the auditors to complete the audit work as soon as practicable and will publish further announcement(s) to inform the shareholders of the Company of the date of the Board meeting as and when appropriate.

## **(3) SUSPENSION OF TRADING**

Pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules, and the suspension will normally remain in force until the issuer publishes an announcement containing the requisite financial information. Accordingly, trading in the shares of the Company on the Stock Exchange is currently expected to be suspended with effect from 9:00 a.m. on 1 April 2021.

## **(4) PROGRESS ON REFINANCING WITH GUANGXI CINDA**

The Board hereby announces that with the continuous efforts of the Company, the Company proactively advanced the refinancing with Guangxi Cinda which had successfully acquired from 平安銀行四川分行 (Ping An Bank Co. Ltd Sichuan Branch) ("**Ping An Bank**") two loans of the aggregate principal sum of RMB343,989,700 (the "**Loans**") at the consideration of RMB207,000,000 in June 2020 by 盈江縣昆潤實業有限公司 (Yinjiang County Kunrun Industry

Company Limited) (“**Kunrun**”) and 德宏銀潤礦業集團有限公司 (Dehong Yinrun Mining Group Company Limited), both of which are subsidiaries of the Company. The updated preliminary details which are pending final approval are as follows:

- (i) The Loans is restructured to be no later than June 2024, that is no more than 48 months from the date of acquisition of the Loans (and the extension arrangement thereof be further negotiated in a later stage); and
- (ii) It is expected that the repayment of RMB10 million (or lesser sum which need to be further discussed) should be made no later than March 2022.

As part of the refinancing arrangement, and after successive negotiations and with understanding from Ping An Bank and Guangxi Cinda, the Company postponed the repayment of the Loans to Ping An Bank and Guangxi Cinda respectively before a formal refinancing agreement with Guangxi Cinda is executed. It is expected that the overall debt level and current liabilities of the Group will be further optimized and substantially reduced upon execution of the Loans refinancing agreement so as to promote the sustainable long term development of the Group. The Company will continue use its best efforts in reaching the Loans refinancing agreement with better terms and conditions.

The Loans are currently the only bank loans of the Group and the Group has no other financing from bank(s)and/or financial institution(s). The Group has always maintained a good cooperative relationship with Guangxi Cinda and the Company will continue to maintain close contact with Guangxi Cinda to actively promote the approval procedures for the Loans refinancing arrangement.

Further announcement(s) regarding the refinancing arrangement of the Loans will be made by the Company as and when appropriate in accordance with the Listing Rules (if necessary).

## **(5) UPDATE ON A LITIGATION WITH A SUBSIDIARY**

The Board hereby announces that, as disclosed in the Company’s 2020 interim report, in February 2020, a PRC Company (the “**Lender**”) alleged that Kunrun’s investment properties had been pledged to secure the loans granted by the Lender in February 2021 to Mr. Ran Xiaochuan (“**Mr. Ran**”) and Ms. Luo Chaohua (collectively the “**Borrowers**”). The Lender filed a lawsuit to apply for the sale of the relevant investment property for the repayment of the total loan principal of RMB12,500,000. As at 31 December 2020, the book value of the Kunrun’s investment properties was approximately RMB6,000,000.

The Group had tried various efforts in protecting the interest of the Group and had reported Mr. Ran of his embezzlement of the Group’s investment properties to the local Public Security Bureau in January 2021 which had accepted the complaint and filed an objection to the execution application.

After obtaining the legal advices from external lawyers, the Company was informed that:

- (i) Kunrun's mortgage liability, pursuant to the judgment, is restricted to the sale proceeds from the mortgage of the investment property, and without the need to bear joint guarantee liability;
- (ii) The report for criminal offence is still in progress and under review. If the report on criminal offence is accepted, the execution for civil case shall be suspended accordingly; and
- (iii) Kunrun can recover the loss from the Borrowers after taking the mortgage liability (if any).

It is expected that the enforcement opposition and criminal investigation will continue for a period of time, and if other debtors can pay off the debts during the enforcement stage, then the investment properties, which were wrongfully mortgaged, will not be enforced. It is difficult for the Group to assess the relevant losses (if any) at this stage.

The Company will issue further announcements (if necessary) on litigation case in accordance with the Listing Rules in due course.

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

By Order of the Board  
**Greenway Mining Group Limited**  
**Lei Dejun**  
*Executive Director*

Hong Kong, 19 March 2021

*As at the date of this announcement, the Board comprises Mr. Lei Dejun as executive director; Mr. Pan Junhong, Mr. Yin Bo, Mr. Chan Suk Ching and Mr. Zhang Yonghua as non-executive directors; and Mr. Ma Shirong, Mr. Chi Hongji and Mr. Dong Tao as independent non-executive directors.*

*\*For identification purpose only*