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奧威控股
AOWEI HOLDING LIMITED

AOWEI HOLDING LIMITED

奧威控股有限公司

(incorporated in the British Virgin Islands and continued in the Cayman Islands with limited liability)

(Stock Code: 1370)

**INSIDE INFORMATION
DELAY IN PUBLICATION OF ANNUAL RESULTS
POSSIBLE DELAY IN DESPATCH OF ANNUAL REPORT
POSTPONEMENT OF BOARD MEETING
AND
SUSPENSION OF TRADING**

This announcement is made by Aowei Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.49(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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).

DELAY IN PUBLICATION OF ANNUAL RESULTS AND POSSIBLE DELAY IN DESPATCH OF ANNUAL REPORT

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) that, the auditors identified certain key issues during the auditing process for the year ended 31 December 2020, which include:–

- (i) the Group has yet to provide adequate supporting documents or evidence to demonstrate the recoverability or make provision for bad and doubtful debts in respect of prepayments to 4 transportation companies, which involves approximately RMB220,000,000;
- (ii) the Group has yet to provide adequate supporting documents or evidence to demonstrate the recoverability or make provision for bad and doubtful debts in respect of the closing balance of accounts receivable of one of its customers, which involves approximately RMB51,000,000;
- (iii) the Group has yet to provide adequate supporting documents or evidence to demonstrate the recoverability or make provision for bad and doubtful debts in respect of the closing balance of the prepaid purchase payment to one of the suppliers, which involves approximately RMB27,000,000;

- (iv) the Group has yet to provide the original account opening certificate in respect of a RMB300,000,000 fixed deposit deposited in a bank, and the Group has yet to provide adequate supporting documents regarding the existence, ownership and pledge of the fixed deposit;
- (v) the Group's transportation and loading leasing service expenses in 2020 amounted to approximately RMB380,000,000, but the relevant transportation companies have not yet issued value-added tax invoices to the Group. The Group has yet to provide sufficient supporting documents or evidence to demonstrate whether the transportation and loading leasing services provided by the transportation companies without issuing value-added tax invoices has a reasonable commercial substance or whether it is subject to the tax agreement between the transportation companies and the local tax bureau;
- (vi) the Group's expenditure related to green mine construction and cultivated land reclamation amounted to approximately RMB170,000,000. The Group has yet to provide specific design engineering drawings, estimated stage of completion and calculation process, unit price and information relating to confirmation of unit price, on-site drawings and related information for each green mine construction and cultivated land reclamation project to support the claimed completion progress of green mine construction and cultivated land reclamation; and
- (vii) the Group has yet to provide adequate supporting documents or evidence to demonstrate the legal validity for a newly signed lease with a lease term of 4 years and an annual rent of RMB5,000,000.

As additional time is required for the Company to provide all necessary information and documents to the auditors in relation to the aforesaid audit issues (collectively, the “**Audit Issues**”), there will be a delay in the publication of the annual results for the year ended 31 December 2020 (the “**2020 Annual Results**”).

Due to the delay in the publication of the 2020 Annual Results, it is expected that the Company may not be able to despatch the 2020 Annual Report to the Shareholders on or before 30 April 2021.

Pursuant to Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, the Company is required to publish the 2020 Annual Results on or before 31 March 2021, and to despatch the 2020 Annual Report to the Shareholders on or before 30 April 2021. The delay in publication of the 2020 Annual Results constitutes non-compliance of Rule 13.49(1) of the Listing Rules, and the possible delay in despatch the 2020 Annual Report, should it happen, will constitute non-compliance of Rule 13.46(2)(a) of the Listing Rules.

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditors (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 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 continue to cooperate with the auditors to complete their audit work as soon as possible, including forming an independent investigation committee comprising all members of the audit committee of the Company and such additional professional party as may be reasonably required to commission an independent investigation on the relevant matter arising from the Audit Issues. The expected date of the publication of the 2020 Annual Results and the despatch of the 2020 Annual Report will be further agreed with the auditors.

SUSPENSION OF TRADING

As there will be a delay in the publication of the 2020 Annual Results, at the request of the Company, trading in the shares of the Company has been suspended with effect from 9: 00 a.m. on 29 March 2021. Trading in the shares of the Company will remain suspended pending Audit Issues be resolved and publication of the 2020 Annual Results.

POSTPONEMENT OF BOARD MEETING

Reference is made to the announcement of the Company dated 16 March 2021 in relation to the convening of a meeting (the “**Board Meeting**”) of the Board on Tuesday, 30 March 2021 for the purposes of, among other things, considering and approving the 2020 Annual Results and its publication.

The Board announces that due to the delay in the finalisation of the 2020 Annual Results, the Board Meeting originally scheduled will be postponed to another date to be fixed by the Board upon receipt of the 2020 Annual Results.

FURTHER ANNOUNCEMENT(S)

The Company will publish further announcement(s) to inform Shareholders and potential investors any material developments in connection with the above matters as and when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Aowei Holding Limited
Mr. Li Yanjun
Chairman

Beijing, the People’s Republic of China, 29 March 2021

As at the date of this announcement, the executive directors are Mr. Li Yanjun, Mr. Li Ziwei, Mr. Sun Jianhua and Mr. Tu Quanping, and the independent non-executive directors are Mr. Ge Xinjian and Mr. Meng Likun.