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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)

**(1) PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
**(2) UPDATE ON DELAY IN PUBLICATION OF THE 2020 ANNUAL
RESULTS AND DESPATCH OF THE 2020 ANNUAL REPORT**
(3) RESUMPTION GUIDANCE
AND
(4) CONTINUED SUSPENSION OF TRADING

This announcement is made by Aowei Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**(1) PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR
ENDED 31 DECEMBER 2020**

Reference is made to the announcement of the Company dated 29 March 2021 (the “**Announcement**”) in relation to its delay in publication of annual results and despatch of annual report for the year ended 31 December 2020. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated herein.

In order to keep the Shareholders and potential investors informed of the Group’s business operation and financial position, the Board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the Shareholders and potential investors with the preliminary unaudited financial information of the Group for the year ended 31 December 2020 together with the audited comparative figures for the year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

(Expressed in Renminbi)

	2020 (Unaudited) RMB'000	2019 (Audited) RMB'000
Revenue	567,977	815,549
Cost of sales	<u>(478,440)</u>	<u>(545,314)</u>
Gross profit	89,537	270,235
Distribution costs	(16,633)	(2,645)
Administrative expenses	(107,591)	(85,047)
Impairment losses	<u>(607)</u>	<u>(259,786)</u>
(Loss) from operations	<u>(35,294)</u>	<u>(77,243)</u>
Finance income	107	130
Finance costs	<u>(41,678)</u>	<u>(43,099)</u>
Net finance costs	<u>(41,571)</u>	<u>(42,969)</u>
Gains from disposal of a subsidiary	–	5,424
(Loss) before taxation	(76,865)	(114,788)
Income tax	<u>(35,576)</u>	<u>15,817</u>
(Loss) for the year	(112,441)	(98,971)
Other comprehensive (loss)/income for the year		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of group of companies outside of Mainland China	<u>(140)</u>	<u>268</u>
Total comprehensive (loss) for the year	<u>(112,581)</u>	<u>(98,703)</u>
(Loss) attributable to equity shareholders of the Company	<u>(112,441)</u>	<u>(98,971)</u>
Total comprehensive (loss) attributable to equity shareholders of the Company	<u>(112,581)</u>	<u>(98,703)</u>
(Loss) per share		
Basic and diluted (RMB)	<u>(0.07)</u>	<u>(0.06)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Expressed in Renminbi)

	31 December 2020 (Unaudited) RMB'000	31 December 2019 (Audited) RMB'000
Non-current assets		
Property, plant and equipment, net	1,120,215	795,145
Construction in progress	6,288	1,429
Intangible assets	184,680	84,304
Long-term receivables	30,340	41,340
Deferred tax assets	172,573	166,944
Other non-current assets	—	221,931
Total non-current assets	1,514,096	1,311,093
Current assets		
Inventories	131,754	113,411
Trade and other receivables	426,308	448,192
Restricted bank deposits	300,000	—
Cash and cash equivalents	20,212	461,639
Total current assets	878,274	1,023,242
Current liabilities		
Short-term borrowings	430,000	555,000
Trade and other payables	185,151	172,652
Current portion of lease liabilities	7,644	3,990
Current taxation	76,327	68,016
Current portion of long-term payables	23,009	38,971
Current portion of accrued reclamation obligations	69,968	3,048
Total current liabilities	792,099	841,677
Net current assets	86,175	181,565
Total assets less current liabilities	1,600,271	1,492,658

	31 December 2020 (Unaudited) RMB'000	<i>31 December 2019 (Audited) RMB'000</i>
Non-current liabilities		
Lease liabilities, less current portion	9,041	3,452
Long-term payables, less current portion	115,695	131,664
Accrued reclamation obligations, less current portion	88,847	36,272
Deferred tax liabilities	178,000	—
Total non-current liabilities	391,583	171,388
NET ASSETS	1,208,688	1,321,270
CAPITAL AND RESERVES		
Share capital	131	131
Reserves	1,208,557	1,321,139
TOTAL EQUITY	1,208,688	1,321,270

Shareholders and potential investors are reminded that the information contained in this announcement is only based on the preliminary assessment by the Board and the Audit Committee on the unaudited management accounts of the Group for the year ended 31 December 2020, and is not based on any data or information that has been audited or reviewed by the auditors. The relevant financial information is pending for further review by the Company and KPMG, and will be subject to changes resulting from, among others, further review by the Company and any adjustments that might be proposed by KPMG. The Board cannot guarantee that the unaudited management accounts set out above truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account. Shareholders and potential investors should note that the audited 2020 Annual Results may significantly differ from the disclosure in this announcement.

The Board announces that, pending the commencement of an independent investigation on the relevant matter arising from the Audit Issues, additional time is required by the Company to compile the audited 2020 Annual Results and for the Audit Committee and auditors of the Company to gather sufficient information to discharge their duties or responsibilities. Accordingly, publication of the 2020 Annual Results and despatch of the 2020 Annual Report have been delayed. The delay in publication of the 2020 Annual Results constitutes non-compliance of Rule 13.49(1) of the Listing Rules, and the delay in despatch the 2020 Annual Report will constitute non-compliance of Rule 13.46(2)(a) of the Listing Rules.

Further announcement(s) will be made to inform Shareholders of the date of release of the 2020 Annual Results and despatch of the 2020 Annual Report, as and when appropriate.

Shareholders and potential investors are also cautioned not to unduly rely on the unaudited financial information disclosed above, and should exercise caution when dealing in the securities of the Company.

(2) UPDATE ON DELAY IN PUBLICATION OF THE 2020 ANNUAL RESULTS AND DESPATCH OF THE 2020 ANNUAL REPORT

In response to the concern raised by the auditors regarding the Audit Issues, the Board resolved on 28 April 2021 to form an independent investigation committee (the “**Independent Investigation Committee**”), comprising Mr. Ge Xinjian, Mr. Meng Likun, and Mr. Wong Sze Lok, each of them an independent non-executive Director. Mr. Wong Sze Lok has been appointed as the chairman of the Independent Investigation Committee. The purposes of forming the Independent Investigation Committee is to commission an independent investigation on the Audit Issues as requested by the auditors. As at the date of this announcement, the Board and the Independent Investigation Committee are taking steps to appoint appropriate professional party(ies) to conduct the independent investigation. The Board expected that upon completion of the independent investigation, it will be in a better position to give an estimation as to the time for its publication of the audited 2020 Annual Results.

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.

(3) RESUMPTION GUIDANCE

On 30 April 2021, the Company received a letter from the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) setting out the following resumption guidance for the Company (the “**Resumption Guidance**”):

- (i) conduct an appropriate independent investigation into the Audit Issues, assess the impact on the Company’s business operation and financial position, disclose the findings and impact, and take appropriate remedial actions;
- (ii) publish all outstanding financial results required under the Listing Rules and address any audit issues and/or any audit modifications;
- (iii) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (iv) announce all material information for the Company’s Shareholders and investors to appraise the Company’s position.

The Stock Exchange required the Company to remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in its securities is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange also indicated that it may modify or supplement the Resumption Guidance if the Company’s situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 28 September 2022. If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 28 September 2022, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is required to announce quarterly updates on its developments under Rule 13.24A of the Listing Rules, including, among other matters, its business operations, its resumption plan and the progress of implementation thereof and any material changes to the resumption plan. The first quarterly update has to be announced on or by 29 June 2021 and subsequent quarterly updates will have to be announced every three (3) months therefrom until resumption or cancellation of listing whichever is earlier. The Company will also make further announcement(s) in relation to the above matters as and when appropriate

(4) CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 29 March 2021. Trading in the shares of the Company will remain suspended until further notice.

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

Beijing, 30 April 2021

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