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陝西西北新技術實業股份有限公司  
**SHAANXI NORTHWEST NEW TECHNOLOGY  
INDUSTRY COMPANY LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 8258)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE THIRD QUARTER RESULTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 AND  
THE THIRD QUARTERLY REPORT 2020  
AND  
UPDATE ON BUSINESS OF THE COMPANY**

Reference is made to the announcement of Shaanxi Northwest New Technology Industry Company Limited (the “**Company**”) dated 13 November 2020 regarding the results for the nine months ended 30 September 2020 (the “**Third Quarter Results**”) and the Third Quarterly Report 2020 of the Company. The purpose of this announcement is to provide further information with respect to the Third Quarter Results and update on the business of the Company.

**STATUS OF THE COMPANY’S PRINCIPAL BUSINESS**

As disclosed in the section headed “Impact of the COVID-19 pandemic on the Company’s business and future business development” of the announcement of the Company dated 14 August 2020 regarding the results for the sixth months ended 30 June 2020 and the Interim Report 2020 of the Company, due to the knock-on effect of the COVID-19 pandemic, the Company’s product production has been suspended since January 2020. During the three months ended 30 September 2020 and as at the date of this announcement, the Company’s product production has not been resumed mainly as a result of (i) serious corrosion of some key equipment and production pipes amid the prolonged production shutdown; and (ii) the overall assessment undertaken by the Company of a complete and large-scale transformation of the entire production line (the “**Complete Transformation**”) as certain production equipment has reached its service life.

\* *For identification purposes only*

Through the sale of inventories produced in previous periods, the Company attained revenue of approximately RMB9.2 million and profit of approximately RMB4.0 million during the six month ended 30 June 2020. Given the production suspension and there was no further sale of inventories, the Company's revenue and costs of sale were nil for the three months ended 30 September 2020, as compared to revenue and costs of sale of approximately RMB10.9 million and RMB7.5 million for the corresponding period in 2019. For the three months ended 30 September 2020, the Company recorded other profit of approximately RMB1.8 million, as compared to other profit of RMB1.6 million for the corresponding period in 2019. These other profits were attributable to gain from investments of the Company.

Notwithstanding the temporary suspension in production, the Company recorded net profit of approximately RMB1.3 million for the three months ended 30 September 2020, as compared to net profit of approximately RMB3.3 million for the corresponding period in 2019.

### **PLAN FOR RESUMPTION IN PRODUCTION**

Since the suspension in production, the Company has assessed the possibility of the Complete Transformation so as to remedy technical problems pertaining to the current production process, increase product varieties, improve product quality and enhance production volume. The Company estimates that the Complete Transformation will take at least one year to complete and needs significant investment. The Complete Transformation is also subject to the approval of the relevant government authorities, in particular the environmental protection authorities in China. This would inevitably pose business risks brought about by, among other things, unforeseeable and possible changes in the market of the Company's products during the process.

As at the date of this announcement, the board of directors (the "**Board**") of the Company has, after thorough deliberations, determined not to pursue the Complete Transformation but to resume the production of products as soon as possible. For this purpose, the Company is in the course of formulating an implementation plan for carrying out a partial transformation of the existing production line and maintaining the original production process by, among other things, (i) replacing the seriously corroded equipment and pipes; and (ii) extending the service life of the other production facilities and equipment by effecting the necessary repair and optimization works (the "**Partial Transformation**"). It is estimated that the Partial Transformation will take about two months to complete and it is expected that production conditions will be met in the first quarter of 2021. At the same time, the management of the Company will deploy all relevant and necessary resources to start the preparation for the production and sale of products, including the organization and recruitment of frontline production staff, procurement of raw materials and communicating with existing customers.

Announcements will be published by the Company to keep its shareholders, investors and other stakeholders informed of any significant development of the resumption in production in accordance with the GEM Listing Rules.

## **DEVELOPMENT OF NEW BUSINESS OF THE COMPANY**

In recent years, the Company has been looking for opportunities to develop new business in order to create new business growth and increase profit for the Company and hence return to its shareholders. In February 2019, the Company has acquired 29% equity interest in an e-commerce company, namely Shaanxi Ruijian E-Commerce Company Limited\* (陝西睿健電子商務有限公司) (“**Shaanxi Ruijian**”). Details of the acquisition are set forth in the announcements of the Company dated 27 December 2018, 30 December 2018 and 2 January 2019, respectively. With the good momentum and rapid growth in the results of operations of Shaanxi Ruijian, the Company plans to further increase its investment in Shaanxi Ruijian in the future as and when it considered appropriate. The Company has also been in a long-term contact and discussions for investment opportunities in another e-commerce company engaged in agricultural supply chain financial services, the supply of feed and other agricultural products and the sales of agricultural products. Besides, the Company has been paying attention to education and training related projects in China, and has tracked no less than three institutions engaged in vocational training and adult continuing education. As at the date of this announcement, save for the acquisition of 29% interest in Shaanxi Ruijian, the Company has not entered into any agreement in relation to the aforesaid potential investments and new businesses. In the event any such potential investments and new businesses is materialized, the Company will comply with all applicable requirements under the Listing Rules.

## **AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

Based on the information available to the Company and recent communications with its auditors, the Company currently expects that the audited results of the Company for the year ended 31 December 2019 will be published by the end of March 2021.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Hong Kong Stock Exchange has been suspended with effect from 21 October 2020 and will remain suspended until further notice.

By Order of the Board  
**Shaanxi Northwest New Technology Industry Company Limited**  
**Wang Cong**  
*Chairman*

Xi'an, the PRC, 24 December 2020

As at the date of this announcement, the Board comprises:

*Executive Directors:*

Mr. Wang Cong, Mr. Wang Feng, Mr. Zhou Jian and Ms. Tian Lingling

*Non-executive Director:*

Ms. Shi Dandan

*Independent non-executive Directors:*

Mr. Zhao Boxiang, Mr. Li Gangjian and Ms. Zhao Xiaoning

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the rules governing the listing of securities on GEM for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other facts the omission of which would make any content herein misleading; and (3) opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will be published and remain on the “Latest Company Announcements” page on the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the day of its posting.*