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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)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

This announcement is made by the board of directors of Shaanxi Northwest New Technology Industry Company Limited (the “**Company**”) pursuant to Rule 17.26A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the following announcements of the Company: (i) the announcements dated 28 October 2020 and 26 November 2020, respectively, in relation to resumption guidance and additional resumption guidance from the Stock Exchange (the “**Resumption Guidance**”); and (ii) the supplemental announcement dated 24 December 2020 in relation to the third quarter results for the nine months ended 30 September 2020 and update on business of the Company (the “**Business Update Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Business Update Announcement.

UPDATE ON BUSINESS OPERATIONS OF THE COMPANY

The Company is principally engaged in the research and development, production and sale of innovative environmental protection energy material and products, fuel oil additives, chemical products and rare earth materials. The principal products of the Company are FA-90 unleaded gasoline additive (“**FA-90**”) and 2-Ethylhexyl Thioglycolate (“**thiol products**”) produced at its production plant (the “**Weinan Production Plant**”) located at Weinan Economic Development Zone, Shaanxi Province, the People’s Republic of China (the “**PRC**”) with a site area of approximately 42,667 sq.m.

* *For identification purposes only*

Due to the knock-on effect of COVID-19 pandemic, the Company's production has been temporarily suspended since January 2020. The Board has formulated an implementation plan aims to resume the production of FA-90 and thiol products at the Weinan Production Plant to a level commensurate with that before the temporary suspension as soon as practicable (the **"Production Resumption"**).

On 27 December 2020, the Company entered into an Agreement for Maintenance and Renovation Works (維修改造工程承包合同) (the **"Maintenance and Renovation Agreement"**) with Xi'an Chemical Machinery Plant (西安化工機械廠) (the **"Machinery Plant"**). Pursuant to the Maintenance and Renovation Agreement, the Machinery Plant has agreed to inspect, repair, dismantle, procure, replace and/or install all pipes, production facilities and pollution treatment systems at the Weinan Production Plant (the **"Renovation Works"**) within the period of 1 January 2021 to 15 March 2021 at the total contract price of RMB8.3 million. As at the date of this announcement, the Renovation Works have commenced and the Company has paid RMB4.0 million of the total contract price. The balance of the total contract price shall be paid according to the progress of the Renovation Works. At the same time, the Company has carried out production and sale preparation works as planned, including funding arrangements, production staff recall and recruitment, raw material procurement and liaison and communication with its original and existing customers.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Machinery Plant is a whole people-owned enterprise (全民所有制企業) and ultimately owned by the central government of the PRC. The Machinery Plant has participated in the construction of the production facilities at the Weinan Production Plant about 15 years ago.

It is expected that following the satisfactory completion of the Renovation Works, the Production Resumption will be fully accomplished by the end of March 2021.

AUDITED RESULTS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2020

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 and 2020 will be published by the end of March 2021.

RESUMPTION PLAN

The Production Resumption and the publication of outstanding financial results required by the GEM Listing Rules as disclosed above form part of the resumption plan of the Company with a view to meet the Resumption Guidance. The Company will take appropriate steps to remedy the issues resulting in its trading suspension and resume trading in the H shares of the Company as soon as practicable and, in any event, before the 12-month period under Rule 9.14A(1) of the GEM Listing Rules expires.

Further announcements will be made by the Company to update the shareholders, investors and other stakeholders on, among other things, the progress of the resumption plan of the Company in accordance with the GEM Listing Rules as and when appropriate.

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, 20 January 2021

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 for at least 7 days from the day of its posting.