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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)

PROFIT WARNING

This announcement is made by Greenway Mining Group 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, Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (“**FY2020**”) and the information currently available to the Board, the Group is expected to record that the net loss attributable to parent of the Company will be substantially increased to not less than RMB350,000,000 (not considering and excluding the impairment losses for relevant projects in Myanmar (if any)), as compared to a net loss attributable to parent of the Company of RMB70,789,000 for the year ended 31 December 2019. The increase in net loss was mainly attributable to the following non-cash accounting impairment adjustments based on following factors and consideration of the principle of prudence:

- (1) impairment losses of not less than approximately RMB180,000,000 in our mining assets in China based on current business and operating environment resulted from adverse impacts brought by factors including but not limited to COVID-19 pandemic and the expected escalating mining and production costs and the falling selling price of our products; and
- (2) impairment losses of not less than approximately RMB100,000,000 on prepayment to Mr. Li Jincheng (“**Mr. Li**”, an independent third party) in respect of exploration activities conducted at Lushan Mine which is owned by Xiangcaobo Mining Co., Ltd. (“**Xiangcaopo Mining**”, a company wholly owned by Mr. Li) and will be offset subsequently by the purchase of mineral ores to be mined from Lushan Mine. The prepayment is secured by the shares of Xiangcaopo Mining which is

in the process of applying for the renewal of exploration licence. As the mineral resources may include rare earths (tungsten, tin), therefore it will take a longer time to advance a new round of exploration plan review. Such impairment loss is due to factors including (but not limited to) the time uncertainties caused by the delay in the grant of exploration licence by the local authority to Xiangcaopo Mining, COVID-19 pandemic and the expected escalating mining and production costs and the falling selling price of our products, which resulted in decrease adjustment in carrying amount of such prepayment based on the current business and operating environment.

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, difficulties were created for the collection of necessary audit evidence as required in the short term and the possible significant impairment adjustments for these non-cash accounting treatments are currently hard to be determined and need to be reviewed by the Company and the auditors of the Company. It is expected that further impairment losses may be necessary upon the completion of audit which is expected to be completed upon the gradual recovery in Myanmar. For further details please refer to our announcement dated 19 March 2021.

After excluding the non-cash accounting treatment in relation to decrease adjustment on the carrying amount of the mining assets and prepayment, the Group is expected to record a decrease in loss for FY2020 arising from the business operations (the business and operation of the Myanmar segment need to be further verified and determined), as compared with the year ended 31 December 2019. The Board is of the view that the non-cash accounting treatment in relation to the decrease adjustment in carrying amounts on mining assets and prepayment do not have any material adverse impact on the Group's business operations. 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).

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.

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the currently available information to the Board which have not been audited nor reviewed by the Company's independent auditors. The financial results of the Group for FY2020 will only be ascertained after all the relevant results and accounting treatments have been finalized.

The Company will publish further announcement(s) if there is any additional information warranting disclosure in accordance with the Listing Rules, including the amount of the non-cash accounting treatment in relation to impairment losses of Myanmar segment. Shareholders of the Company and

potential investors are advised to refer to the details of the Company's final results announcement for FY2020 which is preliminarily scheduled to be published before the end of June 2021.

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*