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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)

QUARTERLY UPDATE ANNOUNCEMENT ON SUSPENSION OF TRADING

This announcement is made by Aowei Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 29 March 2021 in relation to the delay in publication of the 2020 Annual Results, postponement of Board meeting and suspension of trading in the shares of the Company; (ii) the announcement of the Company dated 30 April 2021 in relation to, among other things, the receipt of a letter to the Company from the Stock Exchange setting out the resumption guidance for the Company and the establishment of the Independent Investigation Committee by the Company to conduct an independent investigation on the Audit Issues; (iii) the announcement of the Company dated 13 May 2021 in relation to the resignation of KPMG as the auditor of the Company with effect from 13 May 2021; (iv) the announcement of the Company dated 21 May 2021 in relation to the appointment of an independent investigator by the Company to conduct the Independent Investigation on the Audit Issues and the appointment of Asian Alliance (HK) CPA Limited as the new auditor of the Company; and (v) the announcement of the Company dated 29 June 2021 in relation to the quarterly update on suspension of trading (collectively, the “**Announcements**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS OPERATIONS

Iron Ore Business

The domestic demand for steel continues to remain robust since the beginning of 2021 and the demand for iron ore, as a raw material of steel, also reaps benefits accordingly. Benefiting from the increase in the price of iron ore concentrates in the PRC, the performance of the Group’s iron ore business for the eight months ended 31 August 2021 has improved significantly as compared with the same period of last year, achieving the satisfactory performance.

Sand and Gravel Materials Business

The Group has been actively expanding the construction sand and gravel materials production and sales business since 2019 and has been identifying any investment opportunities that may expand the Company's market share of sand and gravel materials in the Beijing-Tianjin-Hebei region. The Group acquired a solid waste comprehensive utilization sand and gravel plant project with an annual capacity of 2.7 million tons of solid wastes in July 2021 to expand the Company's sand and gravel materials production capacity. The Company believes that it will be able to expand the Company's market share of sand and gravel materials in Xiong'an New Area and surrounding regions while reducing the operating costs of the Company's iron ore business to achieve higher economic benefits following the completion of the acquisition of the above-mentioned gravel plant project.

For the eight months ended 31 August 2021, the Group's aggregate sales volume of sand and gravel materials showed an increasing trend as compared with the same period of last year, leading to a performance in line with expectation.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 30 April 2021, the Company has been notified by the Stock Exchange of the Resumption Guidance as follows:

- (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 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.

For details of the Audit Issues, please refer to the announcement of the Company dated 29 March 2021.

UPDATE ON RESUMPTION PROGRESS

(i) Update on Independent Investigation

As disclosed in the announcement of the Company dated 21 May 2021, the Independent Investigation Committee appointed SHINEWING Financial Advisory Services Limited as an independent third party investigator (the “**Independent Investigator**”) on 21 May 2021 to conduct an independent investigation into the Audit Issues and produce a report of findings on the Independent Investigation to the Independent Investigation Committee.

As at the date of this announcement, the Independent Investigator has completed the investigation procedures related to audit matters and is processing and analyzing the data obtained. Further announcement(s) will be made by the Company on the key developments and progress of the Independent Investigation as and when appropriate.

(ii) Audit Progress in respect of the 2020 Annual Results

Having communicated with the auditors, the audit field work of the Group for the year ended 31 December 2020 has been substantially completed, but the follow-up audit of the 2020 annual results will not be completed until the audit matters have been clarified. In view of the fact that the analysis of independent investigation data is still in progress, the audit of the 2020 annual results has not yet been completed.

Further announcement(s) will be made by the Company in due course to inform shareholders of the date of publication of the 2020 annual results and the date of dispatch of the 2020 annual report.

Delay in Publication of 2021 Interim Results and Delay in Dispatch of 2021 Interim Report

Pursuant to the Listing Rules 13.49(6) and 13.48(1), the Company is required to publish the preliminary announcement of the interim results for the financial period (“**2021 Interim Results**”) to its shareholders within two months upon the end of the six-month period ended 30 June 2021 (i.e. on or before 31 August 2021) and dispatch the interim report for the financial period to its shareholders (“**2021 Interim Report**”) within three months upon the end of the six-month period ended 30 June 2021 (i.e. on or before 30 September 2021).

Due to the delay in the publication of the Company’s 2020 annual results, the Company is unable to publish its 2021 Interim Results by the end of August 2021 or dispatch its 2021 Interim Report by the end of September 2021. The Company will make further announcement(s) in due course to inform shareholders of the date of publication of the 2021 Interim Results and the date of dispatch of the 2021 Interim Report.

The Company will complete and publish the 2020 annual results and 2021 Interim Results on a best effort basis as soon as practicable, and inform shareholders and potential investors of the information necessary to evaluate the financial status of the Group.

Adjournment of the 2021 Annual General Meeting

According to Article 12.1 of the Articles of Association of the Company, an annual general meeting of the Company shall be held each year, which is within a period of not more than fifteen months after the holding of the last preceding annual general meeting.

Due to the delay in the publication of the 2020 annual results and the delay in the dispatch of the 2020 annual report, it is expected that the annual general meeting of the Company for the year ended 31 December 2020 (“**2021 AGM**”) will be convened and held on a date exceeding fifteen months after the holding of the last preceding annual general meeting (i.e. on 29 May 2020).

The Company will make further announcement(s) in due course to inform shareholders of the date of the 2021 AGM.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 29 March 2021 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC, 29 September 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. Wong Sze Lok, Mr. Ge Xinjian and Mr. Meng Likun.