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## **AOWEI HOLDING LIMITED**

**奧威控股有限公司**

*(incorporated in the British Virgin Islands and continuing 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 announcements of the Company dated 30 April 2021 and 10 May 2021 in relation to, the publication of the unaudited management account of the Company for the year ended 31 December 2020, the Initial Resumption Guidance for the Company and the establishment of the Independent Investigation Committee by the Company; (iii) the announcement of the Company dated 13 May 2021 in relation to the resignation of the auditor of the Company; (iv) the announcement of the Company dated 21 May 2021 in relation to the appointment of the Independent Investigator and the appointment of the new auditor of the Company; (v) the announcements of the Company dated 29 June 2021, 29 September 2021, and 15 October 2021 in relation to the quarterly update on the suspension of trading; (vi) the announcement of the Company dated 8 December 2021 in relation to the key findings of the Independent Investigation, and (vii) the announcement of the Company dated 16 December 2021 in relation to the Additional Resumption Guidance (collectively, the “**Announcements**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

## RESUMPTION GUIDANCE

As disclosed in the announcements of the Company dated 30 April 2021 and 16 December 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, 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 the compliance with Rule 13.24 of the Listing Rules;
- (iv) announce all material information for the Company's shareholders and investors to appraise the Company's position; and
- (v) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules.

## UPDATE ON RESUMPTION PROGRESS

- (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, take appropriate remedial actions**

As disclosed in the announcement of the Company dated 21 May 2021, the Independent Investigation Committee has appointed SHINEWING Financial Advisory Services Limited as an independent third party 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.

The key findings of the Independent Investigation are set out in the announcement of the Company dated 8 December 2021. The Company has submitted the draft independent investigation report to the Stock Exchange for review on the same date. The Company has subsequently instructed the Independent Investigator to conduct a number of supplementary independent investigation procedures in respect of the Audit Issues (the "**Supplementary Independent Investigation**"). The Company will publish a separate announcement disclosing details of the further independent investigation findings that the Independent Investigator obtains from the Supplementary Independent Investigation as soon as possible.

**(ii) Publish all outstanding financial results required under the Listing Rules and address any audit issues and/or audit modifications**

As disclosed in the Company's announcement dated 15 October 2021, the Company expects to publish its 2020 Annual Results, the 2020 Annual Report, the 2021 Interim Results and the 2021 Interim Report by or around mid-January 2022.

As additional time is required for the Company to conduct the Supplemental Independent Investigation, it is expected that the date of publish of the 2020 Annual Results, the 2020 Annual Report, the 2021 Interim Results and the 2021 Interim Report will be postponed. A further announcement shall be made in due course to inform the Shareholders of the dates of dispatch of the 2020 Annual Results, 2020 Annual Report, 2021 Interim Results and 2021 Interim Report.

**(iii) Demonstrate compliance with Rule 13.24 of the Listing Rules**

The Group is principally engaged in (i) the exploration, mining, processing and sales of iron ore products, including iron ores, preliminary concentrates and iron ore concentrates ("**Iron Ore Business**"); (ii) the provision of hospital management services (for the business of hospital management services, please refer to the inside information announcement published by the Company on 3 March 2020); and (iii) the green construction materials construction sand and gravel materials production and sales business ("**Sand and Gravel Materials Business**") in the PRC.

For the eleven months ended 30 November 2021, domestic demand for iron ore was strong, and iron ore prices have been consistently high, the Group's Business performed significantly better than the corresponding period last year and recorded unaudited operating profits which are considered satisfactory by the Company.

The Board is confident that the Group has sufficient business operations and shall be able to fully comply with the requirements under Rule 13.24 of the Listing Rules.

**(iv) Announce all material information for the Company's shareholders and investors to appraise the Company's position**

As mentioned above, the Company shall publish a separate announcement regarding the findings of the Independent Investigator's supplemental independent investigation as soon as possible, followed by the publication of the undisclosed financial results and reports, and update the market on the appointment of an internal control consultant to conduct an independent internal control review of the Group (see below). The Company shall publish further announcements to inform the shareholders and investors of the Company of any material developments as and when appropriate.

- (v) **Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules.**

The Company is planning to engage an appropriate external consultant to conduct an independent internal control review of the Group and to demonstrate that the Company has adequate internal controls and procedures in place to comply with the Listing Rules. The Company shall publish further announcements to inform the shareholders and investors of the Company of any material developments as and when appropriate.

#### **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**  
*Chairman*  
**Mr. Li Yanjun**

PRC Beijing, 29 December 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.*