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GUANGDONG ADWAY CONSTRUCTION (GROUP) HOLDINGS COMPANY LIMITED*

廣東愛得威建設(集團)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6189)

PROFIT WARNING

This announcement is made by Guangdong Adway Construction (Group) Holdings Company 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Inside Information Provision**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the management, the Group expects to record a loss attributable to the Shareholders not less than RMB320 million for the year ended on 31 December 2020 (the “**Loss**”). The Loss was mainly attributable to (1) the continuous outbreak of COVID-19 in 2020 induced the numerous shutdowns and suspensions of commercial activities in certain cities and provinces, the resumption of the work and production of the Company and its upstream and downstream enterprises in the industry were impeded by the COVID-19 pandemic to a certain extent, which have caused material adverse effects on the building decoration business of the Group; (2) due to the outbreak of COVID-19, the delay in customers’ project settlement and clearing payment flow resulted in an increase in the aging of the Group’s receivables. (3) With respect to the proposed A share offering of the Group, The Board already changed the accounting standard of the Company to China Accounting Standards for Business Enterprises and appointed China Great Wall Securities Co., Ltd* (長城證券股份有限公司) as the counselling institute and, BDO China Shu Lun Pan Certified Public Accountants LLP as the new auditor. Based on the assessment and recommendation by both China Great Wall Securities Co., Ltd* and BDO China Shu Lun Pan Certified Public Accountants

LLP, the Company, in preparing its annual report for 2020, took reference to the accrual method on impairment provision on the the portfolio of aging applied by A-listed companies in the same industry, then significantly increased the percentage for making the provision for impairment. This attributed to the substantial increase in the impairment loss recognized in the financial statements for the year of 2020.

The Company is still in the process of finalizing the Group's final results for the year ended 31 December 2020. The information contained in this announcement is only a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 which is currently being audited by the external auditor of the Company. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ended 31 December 2020 to be published.

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

By order of the Board
Guangdong Adway Construction (Group) Holdings Company Limited*
Mr. Ye Yujing
Chairman, Executive Director and Chief Executive Officer

Shenzhen, the PRC, 26 March 2021

As at the date of this announcement, the Board of the Company comprises Mr. Ye Yujing, Mr. Ye Jiajun, Ms. Ye Xiujin, Mr. Ye Guofeng, and Mr. Ye Niangting, as executive Directors; Ms. Li Yuanfei as non-executive Director; and Mr. Cheung Wai Yeung Michael, Ms. Zhai Xin, and Mr. Lin Zhiyang, as independent non-executive Directors.

* *For identification purpose only*