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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(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and Inside Information Provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the information currently available to the management of the Group, the Group expects to record a loss (the “**Loss**”) attributable to equity holders of the Company of approximately RMB480 million for the year ended 31 December 2021, compared with the loss attributable to equity holders of the Company of approximately RMB330 million for the year ended 31 December 2020, there is an increase of approximately RMB150 million.

The Loss was mainly due to (i) the systemic impact of the COVID-19 epidemic and the state’s regulation on the real estate industry, which affected the liquidity of customers’ funds in the industry, and increased uncertainty in the return of payment from some of the Group’s customers; (ii) after a prudent assessment by the management of the Company, the Company has made provision for impairment losses on the contract assets and accounts receivable of customers with recoverability risks; (iii) the Group adopts a prudent business strategy and order strategy in operation, the reduction in the newly signed orders and construction work resulted in a decrease in annual revenue; and (iv)

due to two consecutive years of losses and based on prudence, the management of the Company derecognized the amount of deferred income tax assets of approximately RMB100 million.

The Company is still in the process of finalizing the Group's annual results for the year ended 31 December 2021. The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and information currently available which have not been reviewed by the Company's audit committee, and the Company's external auditors are still auditing the relevant accounts. Shareholders and potential investors are advised to read carefully the annual results announcement for the year ended 31 December 2021 which is to be published.

**Shareholders and potential investors should exercise caution when dealing in the securities 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, 23 March 2022

*As at the date of this announcement, the Board comprises Mr. Ye Yujing, Mr. Ye Jiajun, Ms. Ye Xiujin and Mr. Ye Guofeng as Executive Directors; Ms. Li Yuanfei and Mr. Zhuang Liangbin as Non-Executive Directors; and Mr. Cai Huiming, Ms. Zhai Xin and Mr. Lin Zhiyang as Independent Non-executive Directors.*

\* *For identification purpose only*