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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)

Inside information

- (1) Quarterly update on suspension of trading;**
- (2) Further delay in publication of**
- 2020 annual results and despatch of 2020 annual report;**
- (3) Delay in publication of**
- 2021 interim results and 2021 annual results;**
- (4) Postponement of board meeting;**
- (5) Postponement of annual general meeting;**
- (6) The unaudited accounts for**
- the year ended 31 December 2021; and**
- (7) Continued suspension of trading**

This announcement is made by Greenway Mining Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and 13.49(3) 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 19 March 2021, 30 March 2021, 1 April 2021, 23 April 2021, 18 June 2021, 30 June 2021, 18 August 2021 and 30 September 2021, 7 November 2021, 24 December 2021 and 11 February 2022 (the “**Announcements**”), in relation to, among other things, (1) delay in publication of the 2020 Annual Results and despatch of 2020 Annual Report, (2) postponement of Board Meeting, (3) Suspension, continuous Suspension of trading and the quarterly update on Suspension of trading, (4) update on development of Myanmar mines and business, (5) Resumption Guidance and update on resumption progress, (6) delay in publication of 2021 Interim Results and (7) postponement of annual general meeting. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING

(1.1) BUSINESS UPDATE

The Company is an investment holding company. The principal activities of its major subsidiaries are exploration, mining and preliminary processing of non-ferrous metals mineral resources, mainly including lead, zinc and silver, as well as the sales of non-ferrous metals concentrates in Myanmar and China.

As disclosed in the Announcements:

- (i) The emergency situation in Myanmar continued to worsen since early 2021, public security has not improved. In early of March 2022, some local militia launched attack on the companies who have paid taxes to the Myanmar government. They set fire to and damaged the shops, and claimed to continue to attack banks, police officers, and military properties. At the beginning of 2021, there has been clashes between the military coup and local militia from time to time, including but not limited to the firing of cannons, explosions, firearm fatality incidents, drug trafficking, theft and bank robberies activities and other terrorist sabotages, armed military conflicts and deadly incidents. It is expected that social security may be more complicated in the short term;
- (ii) Wars and destructions occurred on some main export trading routes in Myanmar, which resulted in injuries, deaths and damages. Some roads were blocked until further notice. It is expected that clashes between the military coup and local militia may continue to occur on other main export trading routes, which will bring serious challenges to the Company's export of concentrates to China; and
- (iii) The continued spread of the Epidemic, with the emergence of new and more transmissible viral variants (including Delta virus and Omicron virus) in various provinces and cities, aggravated the Epidemic in Myanmar. As at the date of this announcement, the cumulative number of confirmed cases increased to not less than approximately 610,000 in Myanmar.

In view of the latest situation in Myanmar and the development of the Epidemic, it has brought serious challenges to the Myanmar projects of the Company and caused the following unfavorable effects:

- (a) The Company has made applications and/or renewal applications of the mining licenses and/or exploration licenses of the mines in Myanmar to the Myanmar government. As at the date of this announcement, the Company is still awaiting the approval and response from the Myanmar government. The progress is expected to be further delayed;

- (b) Due to the continuous social unrest and unstable public security in Myanmar, some sporadic and intermittent illegal incidents of damage to cables and theft of mining accessories occurred from time to time in the mines of the Company in Myanmar. In order to protect the safety of the employees, the Company has temporarily suspended the mining and operations in Myanmar until the public security and Epidemic situation is recovered; and
- (c) Due to the unfavorable factors caused by the escalation of armed conflict, the continuation of the state of emergency and the Epidemic, some European and American countries have imposed further economic sanctions on Myanmar, which caused cash shortages and uncertain financial fluctuations in Myanmar. Certain Myanmar banks and other financial institutions imposed various degrees of restrictions and constraints on withdrawals and remittances, which further affected the Company's daily operations, including but not limited to cash withdrawals and money transfers.

The Company will closely monitor and evaluate the status of the situation and the development of Epidemic in Myanmar, continue to adopt a prudent business strategy and take appropriate actions and countermeasures to minimize the adverse impacts (if any) to the Group.

(1.2) UPDATE ON THE RESUMPTION PLAN

The Company has been in discussions with professional advisers to explore, consider, implement available viable solutions and take other appropriate actions at the same time to fulfill the Resumption Guidance.

The Company will make announcement(s) to update its shareholders and investors of the progress of discussion and formulation of the resumption plan, as and when appropriate.

(2) FURTHER DELAY IN PUBLICATION OF 2020 ANNUAL RESULTS AND DESPATCH OF 2020 ANNUAL REPORT

In view of the above, the Board wishes to announce that additional time is required by the Auditor to complete the consolidated financial statements of the Group for the year ended 31 December 2020 and audit work.

The Company will continue to work with the Auditor to complete the audit work as soon as practicable. The Board expects that the publication of the 2020 Annual Results and the despatch of the 2020 Annual Report will be further postponed.

(3) DELAY IN PUBLICATION OF 2021 INTERIM RESULTS AND 2021 ANNUAL RESULTS

The deadline of the Company to issue its 2021 Interim Results is on 31 August 2021 and 2021 Annual Results is on 31 March 2022 as required under the Listing Rules. However, the Company cannot issue its 2021 Interim Results and 2021 Annual Results until the publication of audited 2020 Annual Results. The Company will continue to work with the Auditor to complete the audit work as soon as practicable and will publish further announcement(s) to inform the shareholders of the Company of the progress of publication.

(4) POSTPONEMENT OF BOARD MEETING

Due to the delay in publication of the 2020 Annual Results and 2021 Annual Results, the Board Meeting for the purposes of, among other things, considering and approving the 2020 Annual Results will be postponed accordingly. The Company will publish further announcement(s) to inform its shareholders of the date of the Board Meeting as and when appropriate.

(5) POSTPONEMENT OF ANNUAL GENERAL MEETING

As a result of the further delay in publication of the 2020 Annual Results and 2021 Annual Results, it is expected that the convening of the annual general meeting of the Company will be postponed accordingly.

(6) THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Board hereby announces the information of the unaudited accounts of the Company for the year ended 31 December 2020 and the unaudited accounts for the 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Year ended 31 December | |
|--|-------------------------------|--------------------|
| | 2021 | 2020 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| REVENUE | 29,483 | 52,024 |
| Cost of sales | <u>(25,517)</u> | <u>(47,516)</u> |
| Gross profit | 3,966 | 4,508 |
| Other income and gains | 978 | 3,282 |
| Selling and distribution expenses | (357) | (2,454) |
| Administrative expenses | (43,053) | (41,847) |
| Other expenses | (50,108) | (356,544) |
| Share of losses of an associate | — | (1,418) |
| Finance costs | <u>(23,168)</u> | <u>(22,505)</u> |
| LOSS BEFORE TAX | (111,742) | (416,978) |
| Income tax expenses | — | <u>(3,270)</u> |
| LOSS FOR THE YEAR | <u>(111,742)</u> | <u>(420,248)</u> |
| OTHER COMPREHENSIVE PROFIT: | | |
| Other comprehensive loss that may be reclassified to profit in subsequent periods: | | |
| Exchange differences arising on translation of foreign operations | 45,514 | 1,664 |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u>(66,228)</u> | <u>(418,584)</u> |
| Loss for the year attributable to: | | |
| Owners of the Company | (107,124) | (403,131) |
| Non-controlling interests | <u>(4,619)</u> | <u>(17,117)</u> |
| | <u>(111,743)</u> | <u>(420,248)</u> |
| Total comprehensive loss for the year attributable to: | | |
| Owners of the Company | (61,609) | (401,467) |
| Non-controlling interests | <u>(4,619)</u> | <u>(17,117)</u> |
| | <u>(66,228)</u> | <u>(418,584)</u> |
| Loss per share attributable to ordinary equity holders of the Company: | | |
| — Basic and diluted | <u>RMB(0.25)</u> | <u>RMB(0.90)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31 December 2021 RMB'000 (Unaudited) | 31 December 2020 RMB'000 (Unaudited) |
|--|--|--|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 633,397 | 650,337 |
| Investment properties | — | 6,077 |
| Intangible assets | 914,583 | 911,172 |
| Investment in an associate | — | 12,386 |
| Right-of-use assets | 7,496 | 7,496 |
| Payment in advance | 210,960 | 210,960 |
| Prepayments and deposits | 18,520 | 83,862 |
| Pledged deposits | 2,241 | 2,005 |
| Deferred tax assets | 45,065 | 45,065 |
| | 1,832,262 | 1,929,360 |
| CURRENT ASSETS | | |
| Inventories | 13,985 | 11,960 |
| Trade receivables | 14,979 | 2,663 |
| Prepayments, deposits paid and other receivables | 48,681 | 16,695 |
| Due from an associate | — | 10,756 |
| Tax recoverable | 2 | — |
| Cash and cash equivalents | 2,302 | 19,321 |
| | 79,949 | 61,395 |
| Assets classified as held for sale | — | 5,322 |
| | 79,949 | 66,717 |
| CURRENT LIABILITIES | | |
| Trade payables | 25,429 | 19,592 |
| Contract liabilities | 8,259 | 10,921 |
| Other payables | 181,007 | 143,227 |
| Provision | — | 6,077 |
| Tax payables | 5,357 | 5,357 |
| Lease liabilities | 221 | 221 |
| Due to a related party | 39,819 | 45,319 |
| Interest-bearing bank loans | 70,000 | 70,000 |
| | 330,092 | 300,714 |
| NET CURRENT LIABILITIES | (250,143) | (233,997) |
| Total assets less current liabilities | 1,582,119 | 1,695,363 |

NON-CURRENT LIABILITIES

| | | |
|------------------------------|---------|---------|
| Interest-bearing bank loans | 274,539 | 274,539 |
| Provision for rehabilitation | 35,689 | 35,689 |
| Deferred tax liabilities | 28,709 | 28,709 |

| | | |
|--------------------------------------|----------------|---------|
| Total non-current liabilities | 338,937 | 338,937 |
|--------------------------------------|----------------|---------|

| | | |
|-------------------|------------------|------------------|
| Net assets | 1,243,182 | 1,356,426 |
|-------------------|------------------|------------------|

EQUITY**Equity attributable to owners of the Company**

| | | |
|----------------|-----------|-----------|
| Issued capital | 38 | 38 |
| Reserve | 1,093,875 | 1,202,500 |

| | | |
|----------------------------------|------------------|-----------|
| | 1,093,913 | 1,202,538 |
| Non-controlling interests | 149,269 | 153,888 |

| | | |
|---------------------|------------------|------------------|
| Total equity | 1,243,182 | 1,356,426 |
|---------------------|------------------|------------------|

DISCLAIMER

The information contained in this announcement for FY2021 is based only on the preliminary assessment by the Board and the Audit Committee upon its review of the unaudited consolidated management accounts of the Group and the information currently available to the Board which have not been audited nor reviewed by the independent Auditor and has not considered and taken into account the amount of the non-cash accounting treatment in relation to impairment losses of Myanmar segment. The financial results of the Group for the FY2021 will only be ascertained after all the relevant results and accounting treatments have been finalized.

The above-mentioned data are provided for investors' reference only, and do not constitute, nor should they be construed as, an offer or solicitation to sell or buy any securities or financial products of the Company. They should not be used as a basis for research reports, and are not intended to, nor should they constitute any investment advice.

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. The Board cannot guarantee that the unaudited financial information set out above truly reflects the financial and operational information of the Group and such information might be misleading if any potential adjustments be taken into account. Shareholders and potential investors of the Company are advised to refer to the details of the Company's final results announcement for FY2021.

(7) CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until the release of the 2020 Annual Results, 2021 Interim Results and 2021 Annual Results.

Shareholders and potential investors of the Company 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, 25 March 2022

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*