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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)

INSIDE INFORMATION
PROFIT WARNING

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

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the Group’s preliminary assessment of the unaudited consolidated management accounts for the year ended 31 December 2023 (the “Reporting Period”) and the information currently available, it is expected that the Group will record a loss attributable to the equity shareholders of the Company of not more than approximately RMB600.0 million for the Reporting Period (corresponding period in 2022: profit of RMB60.8 million). The loss incurred by the Group during the Reporting Period was mainly attributable to (1) the decrease in sales of iron ore concentrates and sand and gravel materials as a result of the continuous heavy rainstorm in the region of the Company’s mines at the end of July 2023, production restriction for environmental protection in Hebei Province in the fourth quarter, and the decrease in the recoverable reserves of iron ore (of which the open-pit mining portion was substantially mined) of Laiyuan County Jiheng Mining Co., Ltd. (“Jiheng Mining”), a subsidiary of the Group; (2) record of an impairment loss of property, plant and equipment as compared with the same period of last year; (3) the 0.614% equity interest in Bank of Cangzhou held by Jiheng Mining was affected by the current banking characteristics, and there were indications of impairment losses during the Reporting Period, the impairment provisions made for the equity held by Jiheng Mining in Cangzhou Bank by the Company in accordance with accounting standards; and (4) the increase in finance costs of the Company during the Reporting Period.

The mining activities of Jiheng Mining, a subsidiary of the Group, have been carried out year by year. Up to now, the open-pit mining of Zhijiazhuang Mine of Jiheng Mining has been basically completed, and the iron ore reserves are more concentrated in underground mining. Upfront investment and more stringent requirements for safe production will be required if underground mining is conducted. In addition, due to the particularity of underground mining, the Company repeatedly verified the underground mining design plan of Jiheng Mining with professional

qualified institutions based on the principle of prudence, and measured the economic benefits of the underground mining of Jiheng Mining with reference to the production scale and cost of the past years, as well as the average selling price of iron ore concentrates in the past three years and other key indicators. However, it is not economically feasible. Therefore, the Company decided to temporarily suspend the underground mining operation of Zhijiazhuang Mine of Jiheng Mining and seek other strategic alternatives.

The financial information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the latest unaudited management accounts of the Group, which have not been audited or reviewed by the Company's auditors or the Company's Audit Committee. As at the date of this announcement, the Group's consolidated results for the Reporting Period have not yet been finalised, and are subject to necessary adjustments. Further details of the Group's financial information will be disclosed as and when the audited annual results of the Group for the Reporting Period are announced in the end of March 2024.

Shareholders and potential investors 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, 15 March 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Li Yanjun, Mr. Li Ziwei, Mr. Zuo Yuehui and Mr. Sun Tao, the independent non-executive Directors of the Company are Mr. Wong Sze Lok, Mr. Meng Likun and Mr. Ge Xinjian.