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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)**

### **(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING; (2) APPLICATION FOR EXTENSION OF RESUMPTION PERIOD; (3) UPDATE ON A LITIGATION WITH A SUBSIDIARY; AND (4) CONTINUED SUSPENSION OF THE SHARES OF THE COMPANY**

This announcement is made by Greenway Mining Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**We**” or “**us**”) 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 (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, 30 September 2021, 7 November 2021, 24 December 2021, 11 February 2022, 25 March 2022, 30 June 2022, 29 August 2022 and 30 September 2022 (the “**Announcements**”), in relation to, among other things, (1) delay in publication of the 2020 and 2021 Annual Results and despatch of 2020 and 2021 Annual Report, (2) postponement of Board meeting, (3) suspension of trading, continued suspension of trading and the quarterly update on suspension of trading (the “**Suspension**”), (4) update on development of Myanmar mines, (5) Resumption Guidance and update on resumption progress, (6) delay in publication of 2021 and 2022 Interim Results and despatch of 2021 and 2022 Interim Reports, (7) postponement of Annual General Meeting and (8) business updates and proof of compliance with Rule 13.24 of the Listing Rules. 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**

## **BUSINESS UPDATES**

The mining projects of the Group in People's Republic of China (the "PRC") have maintain operation in exploration, mining and preliminary processing of non-ferrous metals mineral resources and sales of non-ferrous metals concentrates. The main development of the Group's business and Epidemic in PRC as follows:

**(i) The Myanmar government has granted the approval of the export licence to the Company and we are actively implementing ocean freight trading between Myanmar and PRC**

The Board is pleased to announce that the Republic of the Union of Myanmar Ministry of Commerce Department of Trade granted the export licence to the Company on 11 November 2022 and the Company had begun to organize transportation. As at the date of this announcement, the Company has approximately 1,200 tonnes of concentrates on the way to China from the Yangon port of Myanmar. The Company will strive for the first batch of ocean freight to arrive at PRC ports by January 2023.

**(ii) Update on application for mining licence for the lead-zinc-silver polymetallic project at the Shizishan Mine**

Since the summer of 2015, in the area where Shizishan Mine is located, there were a number of intense, torrential rain storms, resulting in a dramatic increase in downhole water. Such continuous heavy rainfalls together with the previous earthquakes have affected its geological structure and geomorphology, and the tunnels were severely damaged. Therefore, the extractable mineral resources have been seriously diminished which affected the determination of the amount of mineral royalty to be paid. The renewal application for its mining licence is expected to be delayed. The Group will continue to try to negotiate with relevant government departments to facilitate the renewal application for this mining licence.

**(iii) Update on application for mining licence for the lead-zinc-silver polymetallic project at the Dakuangshan Mine**

Due to the increasingly stringent laws, regulations and requirements of the PRC government related to environmental protection and ecological protection, the relevant PRC government authorities has requested for an adjustment of the ecological protection red line of Dakuangshan Mine. We expect that the licence application process will be affected, and the renewal application for the mining licence will be further delayed.

**(iv) Xindi Mining and Kunrun developed its diversified business by launching mixed ore processing services**

The Group is actively looking for high-quality development projects. Mang City Xindi Mining Company Limited ("**Xindi Mining**") (an indirect subsidiary of the Company) and Yingjiang County Kunrun Industry Company Limited ("**Kunrun**") (an indirect subsidiary of the Company) has developed and accumulated experience in processing mixed ores technology successfully. The Group launched mixed ore processing services to increase diversified business development.

**(v) The application for Liziping Mine’s mining licence is affected by illegal mining activities, and the application for mining licence will be further delayed**

The Liziping Mine has recorded illegal mining activities and the suspects were arrested and under investigation by the PRC police. Liziping Mine cannot continue the application for the mining licence until the investigation is completed. We expect that the application process for mining licence will be affected, and the application for the mining licence will be further delayed.

**(vi) Update on application for exploration licence for the lead-zinc-tungsten-tin polymetallic project at the Lushan Mine**

As of the date of this announcement, due to the increasing and ever-changing stringent laws, regulations and requirements imposed by the PRC government authorities regarding the exploration and mining of potential tungsten and tin strategic resources involved, as well as the impact of the epidemic on the surrounding villages where the Lushan Mine is located, the renewal application for the exploration licence is still in progress and has not been granted yet. The Group has tried and will continue to try all other alternative measures to facilitate the renewal application for the exploration licence.

**(vii) Menghu Mine has completed the procedures of the mining licence renewal, and the new sub-contractor has begun to prepare the mining plan**

We have entered into a mining contract with a new sub-contractor at Menghu Mine. The new sub-contractor is preparing and finalizing a suitable and cost-effective mining plan. The Group will continue to provide its continuous necessary supervision and guidance to the sub-contractor(s) for the operation of Menghu Mine, providing solid foundation for self-production or enhancing our sub-contracting income in the future.

**(viii) Epidemic in PRC**

Since November 2022, the epidemic in PRC has severely rebounded. Most employees from the Group’s headquarters in Kunming, China and the employees who originally planned to return to China have been infected or re-infected by COVID-19. Some of them have serious illnesses. Therefore, the resumption of trading has been seriously hindered, which has affected the progress of the original resumption plan. Currently, the resumption of trading will be carried out gradually subsequent to the recovery of the responsible employees.

The Company will continue to adopt prudent and cash saving business strategy, actively promote the ocean freight business as mentioned hereinabove and mixed ore processing services, and continually looking for potential business partners to minimize the adverse impacts caused by the situation in Myanmar and the Epidemic development on the Group.

## THE LATEST SITUATION IN MYANMAR

As disclosed in the Announcements, the latest situation in Myanmar is as follows:

- (i) The emergency in Myanmar has continued to worsen since early 2021, and public security has not improved. From September to December 2022, numerous violent clashes broke out in Myanmar. The Myanmar military government used artillery shells, military fighter jets, and military helicopters and frequently carried out military operations on roads and in towns. Many violent military-civilian conflicts broke out, causing civilian casualties and panic in the city. The armed forces announced the messages to warn people that do not go out at night as Myanmar is in a state of high tension, and war could break out at anytime. In addition, terrorist destruction and deadly incidents occur daily in Myanmar towns and cities. These include but are not limited to frequent robberies with knives and guns, serial bombings, murders, and other incidents, reflecting that Myanmar is in a state of high tension. The Company expects that social security to be more complicated in the short term.
- (ii) Most areas of Myanmar also face fuel shortages and supply difficulties. Meanwhile, the armed forces of different factions built multiple toll roadblocks at the main trade routes of Myanmar-PRC. They imposed tolls on residents and vehicles, raising the cost of land transportation. In addition, fierce wars broke out again on some major main trade routes, causing roads to be closed urgently, and traffic was seriously affected. The Company is facing considerable challenges in exporting Myanmar concentrates to PRC via land transportation. The Company is endeavoured to increase ocean freight business and gradually resume mine operations in Myanmar.
- (iii) With new and more transmissible viral variants in various provinces and cities, the Epidemic in Myanmar has been exacerbated. As at the date of this announcement, the cumulative number of confirmed cases increased to approximately 633,000 in Myanmar.

In view of the above situation, the Company continues to discuss and explore the alternative proposals with the Auditor, with a view to resolve the difficulties in transportation confronted by the audit team and exchange of documents with the expected gradual recovery from the double impacts of the Epidemic and the emergency in Myanmar which will not be further worsen and to complete the audit work as soon as possible. However, the Board and Auditor expected more time to complete the audit work. The Company will always try its best endeavours to assist the Auditor to complete the audit work as soon as possible.

## **(2) APPLICATION FOR EXTENSION OF RESUMPTION PERIOD**

On 21 September 2022, the Company submitted a letter to the Stock Exchange for the Listing Division to request the Listing Committee to extend the deadline to commence the delisting process for six months (the “**Deadline**”). On 23 December 2022, the Company received a letter from the Listing Division of the Stock Exchange and the Stock Exchange agreed to extend the Deadline until 31 March 2023. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange’s satisfaction and resume trading of its shares before the Deadline, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company’s listing.

## **(3) UPDATE ON A LITIGATION WITH A SUBSIDIARY**

As disclosed in the 2020 interim report and the Announcement on 19 March 2021, Chengdu Hightech Jinkun Microloans Co., Ltd.\* (成都市高新區金坤小額貸款有限公司) (the “**Lender**”) alleged that the investment properties of Kunrun had been pledged to secure the loans granted by the Lender to Mr. Ran Xiaochuan (“**Mr. Ran**”), the former executive director of the Company, and his spouse, Ms. Luo Chaohua (“**Ms. Luo**”) in February 2020. The Lender filed a lawsuit in February 2021 to apply for the sale of the investment properties to repay of the total loan principal of RMB12,500,000. As at 31 December 2020, the book value of Kunrun’s investment properties was approximately RMB6,000,000.

The Board has been actively protecting the rights and interests of the Group and filed a case against Mr. Ran and Ms. Luo in the People’s Court of Wuhou District, Chengdu City (the “**Court**”) on 15 July 2022, for misappropriating Kunrun’s investment properties. On 22 November 2022, the Company received a civil judgment from the Court. The main contents of the judgment are as follows:

- (i) The defendants, Mr. Ran and Ms. Luo, shall repay the plaintiff, Kunrun, the compensatory payment of RMB9,320,000 and interest which shall be calculated in accordance with the quoted market interest rate for one-year loan announced by the National Interbank Funding Center from 11 September 2021 to the date of actual settlement; and
- (ii) The acceptance fees for this case is RMB38,520, which shall be borne by the defendants, Mr. Ran and Ms. Luo.

The Company will issue further announcements (if necessary) on the litigation in accordance with the Listing Rules in due course.

#### **(4) CONTINUED TRADING SUSPENSION OF THE SHARES OF THE COMPANY**

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, 2020 annual report, 2021 interim results, 2021 interim report, 2021 annual results, 2021 annual report, 2022 interim results and 2022 interim report.

**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, 30 December 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*