

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchaser or subscribe for securities of the Company.



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)

ANNOUNCEMENT

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED ISSUE OF SUBSCRIPTION SHARES UNDER THE SPECIFIC MANDATE (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND (3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

PROPOSED ISSUE OF SUBSCRIPTION SHARES

The Board is pleased to announce that on 9 May 2019, Ningbo Yingxiang and the Company entered into the Domestic Share Subscription Agreement, pursuant to which, Ningbo Yingxiang has agreed to subscribe for, and the Company has agreed to issue and allot, 12,580,645 Subscription Shares at the subscription price of RMB6.2 (equivalent to approximately HK\$7.19) per Subscription Share. The Subscription Shares will be allotted and issued under the Specific Mandate.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5% but is less than 25%, the Proposed Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the general partner of Ningbo Yingxiang is Shenzhen Qianhai Xingwang Investment Management Co., Ltd. Ms. Li Yuanfei, a Director, is a partner of Shenzhen Qianhai Xingwang Investment Management Co., Ltd. Accordingly, pursuant to Chapter 14A of the Listing Rules, Ningbo Yingxiang is a connected person of the Company and as the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5%, the Proposed Subscription constitutes a connected transaction of the Company, which is subject to reporting, announcement and independent shareholders' approval requirements.

INDEPENDENT BOARD COMMITTEE AND THE APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules, the Independent Board Committee (comprising Mr. Cheung Wai Yeung Michael, Mr. Wang Zhaowen, and Mr. Lin Zhiyang) has been formed to advise the Independent Shareholders on the issue of the Subscription Shares and the transactions contemplated thereunder. In this connection, the Company has appointed Fortune Financial Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether (i) the terms of the Domestic Share Subscription Agreement are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned; and (ii) the proposed issue of the Subscription Shares is in the interests of the Company and the Shareholders as a whole, and make recommendation(s) on voting.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to make certain amendments to the Articles of Association, subject to and upon the completion of the issue of the Subscription Shares, in order to, among other things, reflect the latest registered capital and shareholding structure of the Company as a result of the issue of the Subscription Shares. The proposed amendments to the Articles are subject to the approval of the Shareholders by way of special resolutions to be proposed at the EGM and the Class Meetings, and the approval of, registration or filing with the relevant PRC government authorities.

EGM AND THE CLASS MEETINGS

The EGM and the Class Meetings will be convened to consider and, if thought fit, approve (i) the Specific Mandate; (ii) the Proposed Subscription of the Subscription Shares; (iii) the proposed increase in the share capital of the Company as set out in this announcement; and (iv) the proposed amendments to the Articles of Association.

GENERAL

A circular containing, among other things: (i) details of the Specific Mandate, the proposed subscription of the Subscription Shares, the proposed increase in the share capital of the Company, and the proposed amendments to the Articles of Association; (ii) a letter of recommendation from the Independent Board Committee to the Independent

Shareholders on the issue of the Subscription Shares; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the issue of Subscription Shares and (iv) notice convening the EGM and the Class Meetings, is expected to be despatched to the Shareholders on or before 4 June 2019 in compliance with the Listing Rules.

As the issue of Subscription Shares is subject to the satisfaction of the condition precedent under the Domestic Share Subscription Agreement as set out in the section headed “Conditions precedent” of “Proposed Issue of Subscription Shares” in this announcement, the proposed issue of Subscription Shares may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action to be taken should consult their stockbroker, bank manager or other professional advisers.

1. PROPOSED ISSUE OF SUBSCRIPTION SHARES

(A) Principal Terms of the Domestic Share Subscription Agreement

Date:	9 May 2019
Parties:	The Company (as the issuer); and Ningbo Yingxiang (as the subscriber).
Subject matter:	12,580,645 Domestic Shares to be issued by the Company, with a par value of RMB1.00 each and an aggregate nominal value of RMB12,580,645.
Subscription price	RMB6.2 (equivalent to approximately HK\$7.19) per Domestic Share.
Conditions precedent:	The effectiveness of the Domestic Share Subscription Agreement is conditional upon the fulfilment of the following conditions: (i) the Independent Shareholders approving the issue of the Subscription Shares at the EGM and the Class Meetings; and (ii) all relevant governmental and regulatory approvals and consents regarding the issue of the Subscription Shares having been obtained by the Company.

Completion: The Company shall issue the Subscription Shares to Ningbo Yingxiang and register the Subscription Shares at the share registrar as soon as practicable after all the conditions precedent to the issuer of the Domestic Shares under the Domestic Share Subscription Agreement are fulfilled.

(B) Basis of the Subscription Price

Pursuant to the Domestic Share Subscription Agreement, Ningbo Yingxiang will subscribe for 12,580,645 new Domestic Shares to be issued by the Company. Ningbo Yingxiang will subscribe for the newly issued Domestic Shares at the subscription price of RMB6.2 per share, amounting to a total of approximately RMB78,000,000 (equivalent to approximately HK\$90,462,000) of Domestic Shares.

The subscription price is determined with reference to the capital market conditions at the time of issue and the valuation of comparable companies, taking into account the interest of shareholders, appetite of investors and risks of issue, and in accordance with international practices and regulatory requirements.

The subscription price represents:

- (1) a discount of approximately 2.17% to the closing price of HK\$7.35 per H Share as quoted on the Stock Exchange on the date of the Domestic Share Subscription Agreement; and
- (2) a discount of approximately 2.86% to the average closing price of HK\$7.40 per H Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Domestic Share Subscription Agreement.

Ningbo Yingxiang will pay the Consideration Price into the bank account designated by the Company on or before 15 May 2019. Net proceeds from the issue of Subscription Shares are intended to be used as per the details set out under the section “H. Use of Proceeds” below. The source of funds for the Proposed Subscription shall be the self-own funds of Ningbo Yingxiang.

(C) Subscription Shares

The Subscription Shares to be allotted and issued comprise an aggregate of 12,580,645 new Domestic Shares, representing (i) approximately 7.95% and 5.69%, respectively, of the existing issued Domestic Shares and the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.36% and 5.38%, respectively, of the issued Domestic Shares

and the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming no further new Shares will be issued or repurchased by the Company before completion of the proposed Subscription.

The Subscription Shares are to be allotted and issued under the Specific Mandate.

No application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares as the Subscription Shares will not be listed and traded on the Stock Exchange.

(D) Specific Mandate

The Proposed Subscription under the Specific Mandate to be sought at the EGM and the Class Meetings.

To ensure that the issuance of the Subscription Shares and Proposed Subscription proceed smoothly, it is proposed that the Shareholders shall authorize the Board and its authorized persons to handle all matters in relation to the Proposed Subscription within the validity period of the resolutions at their sole discretion, including but not limited to:

1. signing and submitting applications, related reports and other documents in connection with the issuance of the Subscription Shares and the Proposed Subscription to regulatory authorities or institutions within or outside the PRC, and handling the formalities in respect of review and approval, registration, filing, ratification, consent, etc.;
2. finalizing the specific plan for the issuance of the Subscription Shares and the Proposed Subscription, including signing, executing, amending and terminating any agreement, contract or other documents in relation to the Proposed Subscription, as well as adjusting the use of proceeds and other relevant matters;
3. negotiating with the persons to whom the Subscription Shares will be issued and signing the Domestic Share Subscription Agreement, as well as confirming any amendments thereto;
4. handling relevant matters (if any) in obtaining the approvals for the issuance of the Subscription Shares and the Proposed Subscription from the Stock Exchange and/or other competent regulatory authorities within and outside the PRC;

5. engaging and appointing lawyers and other relevant intermediary agencies within and outside the PRC, according to actual needs and for the purpose of the issuance of the Subscription Shares and Proposed Subscription, as well as signing the engagement or appointment agreements and other related legal documents;
6. making amendments to the plan for the issuance of the Subscription Shares and the Proposed Subscription, according to specific situations at the time of the issuance of the Subscription Shares and the Proposed Subscription and the relevant approval documents of the competent regulatory authorities;
7. signing, executing, amending and completing all documents and making all desirable or appropriate actions or matters in relation to the issuance of the Subscription Shares and the Proposed Subscription; and
8. approving the publication of announcements, circulars and notices in relation to the issuance of the Subscription Shares and Proposed Subscription on the websites of the Stock Exchange and the Company, and submitting relevant forms, documents or other materials to the Stock Exchange.

Also, to ensure that the issuance of the Subscription Shares and the Proposed Subscription proceed smoothly, the Board and its authorized persons are authorized to amend the provisions of the Articles of Association according to the actual circumstances of the Proposed Subscription within the validity period of the resolutions, and to handle the procedures in relation to the registration of foreign-invested enterprises as well as other incidental changes.

(E) Validity Period of the Resolutions:

The validity period of the EGM and Class Meetings resolutions in relation to the Specific Mandate and the Proposed Subscription shall be 12 months from the date on which the relevant resolutions are considered and approved at the EGM and the Class Meetings.

(F) Ranking of Subscription Shares to be issued

The Domestic Shares to be issued pursuant to the Domestic Share Subscription Agreement will rank, upon issue, *pari passu* in all respects with the existing Domestic Shares in issue at the time of issue of such Subscription Shares.

(G) Effect on Shareholding Structure of the Company

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately after the Completion (assuming no other changes to the total issued share capital of the Company prior to the Completion):

Name of Shareholder	Share Class	As at the date of this announcement		Immediately after the completion of the issue of Subscription Shares	
		No. of Shares held	Percentage of total issued Shares	No. of Shares held	Percentage of total issued Shares
<i>The Subscriber</i>					
Ningbo Yingxiang ^(Note 1)	Domestic Shares	—	—	12,580,645	5.38%
<i>Holders of Domestic Shares</i>					
Ye Yujing (葉玉敬) ^(Note 2)	Domestic Shares	67,694,000	30.62%	67,694,000	28.97%
Ye Xiujin (葉秀近) ^(Note 3)	Domestic Shares	15,504,000	7.01%	15,504,000	6.64%
Shenzhen Gong Xiang Li Investment Entity (Limited Partnership) (深圳市共享利投資企業(有限合伙)) ^(Note 4)	Domestic Shares	6,075,000	2.75%	6,075,000	2.60%
South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership) (南海成長精選(天津)股權投資基金合夥企業(有限合伙)) ^(Note 5)	Domestic Shares	17,000,000	7.69%	17,000,000	7.28%
Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership) (寧波梅山保稅港區興旺華股權投資中心(有限合伙)) ^(Note 6)	Domestic Shares	10,000,000	4.52%	10,000,000	4.28%
Other Domestic Shareholders	Domestic Shares	42,014,000	19.01%	42,014,000	17.98%
Total Domestic Shares		158,287,000	71.61%	170,867,645	73.14%

Name of Shareholder	Share Class	As at the date of this announcement		Immediately after the completion of the issue of Subscription Shares	
		No. of Shares held	Percentage of total issued Shares	No. of Shares held	Percentage of total issued Shares
Holder of H Shares					
International South China Investment Fund Limited Partnership ^(Note 7)	H Shares	16,009,000	7.24%	16,009,000	6.85%
Other H Shareholders	H Shares	46,754,000	21.15%	46,754,000	20.01%
Total H Shares		62,763,000	28.39%	62,763,000	26.86%
Total issued Shares		221,050,000	100.00%	233,630,645	100.00%

Notes:

1. Ningbo Yingxiang is a limited partnership incorporated in the PRC on 10 May 2017. As of 9 May 2019, Ningbo Yingxiang is owned as to 12%, 6%, 6%, 6%, 4.8%, 3.96%, respectively by Zhao Anchang, by Cheng Donghai, by Feng Qing, by Gu Qijun, by Cen Yinglan, by Chen Min; as to 3.6% by each of Zhang Linkui, Guo Dong, Qiao Xiuqin, Qiu Yingji, Yang Weiguang, Wang Zeliang, Xia Binqun, Ren Wei, Tang Zhiqing, Jiang Xiaochun, Zhu Weiliang, Sun Yihua, Yu Huagui, Qu Maojuan, Wang Jianping, Xia Liping, Wang Qing; and as to 0.01% by Shenzhen Qianhai Xingwang Investment Management Co., Ltd.
2. Mr. Ye Yujing is the husband of Ms. Ye Xiujin. Under the SFO, Mr. Ye Yujing will be deemed to be interested in the same number of Shares in which Ms. Ye Xiujin is interested.
3. Ms. Ye Xiujin is the wife of Mr. Ye Yujing. Under the SFO, Ms. Ye Xiujin will be deemed to be interested in the same number of Shares in which Mr. Ye Yujing is interested.
4. Shenzhen Gong Xiang Li Investment Entity (Limited Partnership) (深圳市共享利投資企業(有限合夥)) (“Shenzhen Gong Xiang Li”), a limited partnership entity established under the PRC laws, is owned as to 88.15% by Mr. Ye Guofeng, our Executive Director. In light of the above, Mr. Ye Guofeng is deemed to be interested in all the Shares held by Shenzhen Gong Xiang LI.
5. South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership) (“South China Sea LP”), a limited partnership entity established under PRC laws on 13 April 2011, is controlled by four general partners who were as of 9 May 2019, (i) Shenzhen Co-Win Jinxiu Asset Management Limited (“Shenzhen Co-Win Jinxiu Asset”), (ii) Zheng Wei He; (iii) Huang Li; and (iv) Ding Bao Yu. Shenzhen Co-Win Jinxiu Asset, a limited liability company established under PRC laws on 24 December 2014, is a wholly owned subsidiary of Shenzhen Co-Win Asset Management Holding Company Limited (“Shenzhen Co-Win Asset”). Shenzhen Co-Win Asset, a company limited by shares established under PRC laws on 27 December 2010 is owned as to 35.01% by Shenzhen Co-Win Venture Capital Investments Limited

(“Shenzhen Co-Win Venture Capital”), 15.02% by Zheng Wei He, 14.94% by Huang Li, 10.45% by Shenzhen Co-Win Victory Investment Limited Partnership Corporation (Limited Partnership) (深圳同創創贏投資合夥企業(有限合夥)), 7.13% by Shenzhen Co-Win South China Asset Management Company Limited (深圳市同創偉業南海資產管理有限公司) which is a limited liability company established under PRC laws on 5 February 2013 and is wholly-owned by Shenzhen Co-Win Venture Capital, 3.38% by Ding Bao Yu, 1.60% by Xue Xiaoqing, 1.07% by Zhang Wenjun, 1.07% by Duan Yao, 0.89% by Tang Zhongcheng as of 9 May 2019, with the remaining 9.44% owned by other shareholders. Shenzhen Co-Win Venture Capital, a limited liability company established under PRC laws on 26 June 2000, is owned as to 45% by Zheng Wei He and 55% by Huang Li. In light of the above, Shenzhen Co-Win Jinxiu Asset, Shenzhen Co-Win Asset, Shenzhen Co-Win Venture Capital, Zheng Wei He, Huang Li and Ding Bao Yu are deemed to be interested in all Shares held by South China Sea LP under the SFO.

6. Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership), a limited partnership entity established under PRC law on 6 March 2017, is controlled by the general partner, Shenzhen Qianhai Xingwang Investment Management Co., Ltd as of 9 May 2019. As of 9 May 2019, Xingwang Yinghua is owned as to 31.60%, 15.80%, 9.48%, 7.90%, 7.90%, 7.90%, 6.48%, 6.32%, 4.74%, 1.58% and 0.32%, respectively by Bai Xinliang, by Cui Hegen, by Zhang Yao, by Gu Jianfang, by Zhou Ying, by Wu Mohai, by Liu Jun, by Gu Bin, by Yang Mingjiong, by Liu Qian and by Shenzhen Qianhai Xingwang Investment Management Co., Ltd, which is a limited liability company established under PRC law on 15 June 2015 is owned as to 99% by Shenzhen Qianhai Xingwang Investment Center (Limited Partnership) and 1% by Xiong Mingwang. Shenzhen Qianhai Xingwang Investment Center (Limited Partnership), a limited partnership entity established under PRC law on 1 February 2016 is owned as to 99% by Xiong Mingwang and 1% by Liu Jun. In light of the above, Shenzhen Qianhai Xingwang Investment Management Co., Ltd, Shenzhen Qianhai Xingwang Investment Center (Limited Partnership) and Xiong Mingwang are deemed to be interested in all shares held by Xingwang Yinghua under the SFO.
7. Li Jianping acquired the 100% limited partnership interest in International South China Investment Fund Limited Partnership and 100% interest in International South China Investment Fund Limited by a deed of assignment and assumption of Limited Partnership Interest. International South China Investment Fund Limited is the general partner in the limited partnership of International South China Investment Fund Limited Partnership.

(H) Use of proceeds

The proceeds raised from the Proposed Subscription, after deducting the related expenses are estimated to be approximately RMB77,796,000 and the net price per Subscription Share is approximately RMB6.18. Such proceeds shall be used to replenish the capital of the Company, among which, (i) approximately 25% shall be used for working capital of the Company; (ii) approximately 20% shall be used for repayment of the bank facilities of the Company; and (iii) approximately 55% shall be used for business development of the Company.

(I) Reasons for and Benefit of the issue of Subscription Shares

As a comprehensive building decoration service provider, the Group has core businesses of building decoration works, electrical and mechanical installation works, curtain wall engineering works and fire safety engineering works, out of which building decoration works have contributed to substantially all of the Group's operating results. One prominent achievement to be underlined: the Group was ranked among the first-tier across PRC in the area of medical decoration works, leveraging the edges in the medical decorations. This has also carried a considerable meaning to the results enhancement.

The net proceeds, after deducting the professional fees and all related expenses which will be borne by the Company, from the issue of Subscription Shares is estimated to be approximately RMB77,796,000. The Proposed Subscription would increase the amount of the Domestic Shares held by new investors that optimize and diversify the shareholder base of the Company and strengthen the financial position of the Company for future investment.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice of the Independent Financial Adviser) are of the view that the terms of the Domestic Share Subscription Agreement are fair and reasonable and the Proposed Subscription is in the interests of the Company and its Shareholders as a whole.

(J) Fund Raising Activity of the Company in the Past 12 Months

The Company placed 10,000,000 H Shares at the placing price of HK\$7.00 per H Share, which was completed 30 November 2018. The net proceeds of the said placing of H Shares are approximately HK\$67.74 million of which the utilization breakdown is as follows: (i) HK\$16.93 million was used for supplementing working capital, (ii) HK\$13.55 million was used for repayment of bank loans and (iii) HK\$37.26 million was used for the source of raw materials under the purchasing platform project, in support of development of Company's core business.

Save for the aforementioned, the Company has not carried out any equity fund raising activities during the past 12 months immediately preceding the date of this announcement.

The Company is currently in discussion with other potential investors and may have further equity fund raising activities.

(K) Information of the Parties

a) The Company

The Company is a China-based company principally engaged in the provision of professional and comprehensive building decoration services for public and private clients (including state-owned enterprises, government departments and institutions, listed companies, foreign-funded enterprises, property developers and property management companies), mainly covering four areas (i) building decoration works; (ii) electrical and mechanical installation works; (iii) curtain wall engineering works; and (iv) fire safety engineering works.

b) Ningbo Yingxiang

Ningbo Yingxiang, a limited partnership incorporated in the PRC on 10 May 2017. Ningbo Yingxiang's main business includes investment business, investment management and asset management. Shenzhen Qianhai Xingwang Investment Management Co., Ltd. is the general partner of Ningbo Yingxiang. Shenzhen Qianhai Xingwang Investment Management Co., Ltd is also the general partner of Xingwang Yinghua, and Xingwang Yinghua is currently holding 10,000,000 Domestic Shares, representing 6.32% of the Domestic Shares and 4.52% of the total share capital of the Company at the date of this announcement.

(L) Listing Rules Implications

As the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5% but is less than 25%, the Proposed Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the general partner of Ningbo Yingxiang is Shenzhen Qianhai Xingwang Investment Management Co., Ltd. Ms. Li Yuanfei, a Director, is a partner of Shenzhen Qianhai Xingwang Investment Management Co., Ltd. Accordingly, pursuant to Chapter 14A of the Listing Rules, Ningbo Yingxiang is a connected person of the Company and as the highest applicable percentage ratio in respect of the Proposed Subscription exceeds 5%, the Proposed Subscription constitutes a connected transaction of the Company, which is subject to reporting, announcement and independent shareholders' approval requirements.

Xingwang Yinghua, whose general partner, Shenzhen Qianhai Xingwang Investment Management Co., Ltd, is also the general partner of Ningbo Yingxiang, holds 10,000,000 Domestic Shares, representing 4.52% of the total issued capital of the Company, will be required to abstain from voting on the resolution in respect of the Proposed Subscription at the EGM and the Class Meetings.

(M) Independent Board Committee and Independent Financial Adviser

The Independent Board Committee (comprising Mr. Cheung Wai Yeung Michael, Mr. Wang Zhaowen, and Mr. Lin Zhiyang, the independent non-executive Directors) has been established to advise the Independent Shareholders on the issue of Subscription Shares and the transactions contemplated thereunder.

In this connection, the Company has appointed an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the issue of Subscription Shares is fair and reasonable as far as the Independent Shareholders are concerned and make recommendation(s) on voting. Fortune Financial Capital Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on whether (i) the terms of the Domestic Share Subscription Agreement are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned; and (ii) the Proposed Subscription of Subscription Shares is in the interests of the Company and the Shareholders as a whole, and make recommendation(s) on voting.

2. PROPOSED INCREASE IN REGISTERED SHARE CAPITAL

The registered share capital of the Company was RMB221,050,000, of which 62,763,000 H Shares and 158,287,000 Domestic Shares are in issue. Subject to and upon the Completion, the Board proposes to increase the authorized share capital of the Company to RMB233,630,645 divided by 62,763,000 H Shares and 170,867,645 Domestic Shares taking into account the newly issued 12,580,645 Domestic Shares in the share capital of the Company.

3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to make certain amendments to the Articles of Association, subject to and upon the Completion, in order to, among other things, reflect the latest registered capital and shareholding structure of the Company as a result of the issue of the Subscription Shares.

Pursuant to article 8.23 of the Articles of Association, any proposed amendment to the Articles of Association is required for consideration and approval by the Shareholders at a general meeting under special resolution. As confirmed by the legal advisers, the proposed amendments to the Articles of Association conform with the requirements of the Listing Rules as well as the PRC Company Law and other applicable laws and regulations of the PRC. The Company also confirms that there is nothing unusual about such proposed amendments for a company listed in Hong Kong.

The amendments set out below are based on the assumption that 12,580,645 shares of Subscription Shares have been issued.

Details of the amendments are set out as below:

(1) Article 3.6 of the Articles of Association

Original

The total number of shares issued by the Company shall be 221,050,000 shares, including 62,763,000 overseas listed foreign shares, representing approximately 28.3931% of the total number of ordinary shares of the Company.

Upon completion of initial issuance of overseas listed foreign shares, under the circumstance that the number of overseas listed foreign shares represents about 25% of the total number of issuable ordinary shares of the Company (assuming over-allotment option is not exercised), the share capital structure of the company shall be as follows:

Number	Shareholder	Number of Shares ('0000)	Percentage of Shareholding
1.	Ye Yujing	6,769.4	32.0749%
2.	South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership)	1,700	8.0550%
3.	Ye Xiujin	1,550.4	7.3461%
4.	Ye Bingquan (Ye Xiaomei is the guardian of Ye Bingquan)	1,033.6	4.8974%
5.	Ye Xian	1,033.6	4.8974%
6.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	807.5	3.8261%
7.	Yu Taomei	637.5	3.0206%
8.	Huang Na	612	2.8998%
9.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	384.2	1.8204%
10.	Zhou Hang	255	1.2082%
11.	Luo Biao	229.5	1.0874%
12.	Qiu Jiabao	170	0.8055%
13.	Li Guangbin	127.5	0.6041%
14.	Qiu Wenjin	127.5	0.6041%
15.	Zeng Fang	119	0.5638%
16.	Li Mingzhu	102	0.4833%
17.	Zeng Bo	85	0.4027%
18.	Liu Yi	51	0.2416%
19.	Wen Kaiwen	34	0.1611%
20.	Holder of Overseas Listed Foreign Shares	5,276.3	25.0002%
Total	—	<u>21,105</u>	<u>100%</u>

Upon completion of the transfer of Domestic shares and the first new issuance of overseas listed foreign shares, the overseas listed foreign shares represent approximately 28.3931% of the total number of ordinary shares of the Company. The share capital structure of the company shall be as follows:

Number	Shareholder	Number of Shares ('0000)	Percentage of Shareholding
1.	Ye Yujing	6,769.4	30.6238%
2.	South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership)	1,700	7.6906%
3.	Ye Xiujin	1,550.4	7.0138%
4.	Ye Bingquan (Ye Xiaomei is the guardian of Ye Bingquan)	1,033.6	4.6759%
5.	Ye Xian	1,033.6	4.6759%
6.	Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (limited partnership)	1,000	4.5239%
7.	Huang Na	612	2.7686%
8.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	607.5	2.7482%
9.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	289.7	1.3106%
10.	Zhou Hang	255	1.1536%
11.	Ye Weiqing	170	0.7691%
12.	Ye Weiping	136	0.6152%
13.	Yu Taomei	127.5	0.5768%
14.	Li Guangbin	127.5	0.5768%
15.	Qiu Wenjin	127.5	0.5768%
16.	Zeng Fang	119	0.5383%
17.	Luo Biao	85	0.3845%
18.	Liu Yi	51	0.2307%
19.	Zeng Bo	34	0.1538%
20.	Holder of Overseas Listed Foreign Shares	6,276.3	28.3931%
Total	—	22,105	100%

Proposed amendment

“The total number of shares issued by the Company shall be 233,630,645 shares, including 62,763,000 overseas listed foreign shares, representing approximately 26.8642% of the total number of ordinary shares of the Company.

Upon completion of initial issuance of overseas listed foreign shares, under the circumstance that the number of overseas listed foreign shares represents about 25% of the total number of issuable ordinary shares of the Company (assuming over-allotment option is not exercised), the share capital structure of the company shall be as follows:

Number	Shareholder	Number of Shares ('0000)	Percentage of Shareholding
1.	Ye Yujing	6,769.4	32.0749%
2.	South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership)	1,700	8.0550%
3.	Ye Xiujin	1,550.4	7.3461%
4.	Ye Bingquan (Ye Xiaomei is the guardian of Ye Bingquan)	1,033.6	4.8974%
5.	Ye Xian	1,033.6	4.8974%
6.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	807.5	3.8261%
7.	Yu Taomei	637.5	3.0206%
8.	Huang Na	612	2.8998%
9.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	384.2	1.8204%
10.	Zhou Hang	255	1.2082%
11.	Luo Biao	229.5	1.0874%
12.	Qiu Jiabao	170	0.8055%
13.	Li Guangbin	127.5	0.6041%
14.	Qiu Wenjin	127.5	0.6041%
15.	Zeng Fang	119	0.5638%
16.	Li Mingzhu	102	0.4833%
17.	Zeng Bo	85	0.4027%
18.	Liu Yi	51	0.2416%
19.	Wen Kaiwen	34	0.1611%
20.	Holder of Overseas Listed Foreign Shares	5,276.30	25.0002%
Total	—	<u>21,105</u>	<u>100%</u>

Upon completion of the transfer of Domestic shares and the first new issuance of overseas listed foreign shares, the overseas listed foreign shares represent approximately 28.3931% of the total number of ordinary shares of the Company. The share capital structure of the company shall be as follows:

Number	Shareholder	Number of Shares ('0000)	Percentage of Shareholding
1.	Ye Yujing	6,769.4	30.6238%
2.	South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership)	1,700	7.6906%
3.	Ye Xiujin	1,550.4	7.0138%
4.	Ye Bingquan (Ye Xiaomei is the guardian of Ye Bingquan)	1,033.6	4.6759%
5.	Ye Xian	1,033.6	4.6759%
6.	Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (limited partnership)	1,000	4.5239%
7.	Huang Na	612	2.7686%
8.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	607.5	2.7482%
9.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	289.7	1.3106%
10.	Zhou Hang	255	1.1536%
11.	Ye Weiqing	170	0.7691%
12.	Ye Weiping	136	0.6152%
13.	Yu Taomei	127.5	0.5768%
14.	Li Guangbin	127.5	0.5768%
15.	Qiu Wenjin	127.5	0.5768%
16.	Zeng Fang	119	0.5383%
17.	Luo Biao	85	0.3845%
18.	Liu Yi	51	0.2307%
19.	Zeng Bo	34	0.1538%
20.	Holder of Overseas Listed Foreign Shares	6,276.3	28.3931%
Total	—	22,105	100%

Upon completion of the first new issuance of Domestic Shares, the overseas listed foreign shares represent approximately 26.8642% of the total number of ordinary shares of the Company. The share capital structure of the company shall be as follows:

Number	Shareholder	Number of Shares ('0000)	Percentage of Shareholding
1.	Ye Yujing	6,769.4	28.9748%
2.	South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership)	1,700	7.2764%
3.	Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership)	1,258.0645	5.3848%
4.	Ye Xiujin	1,550.4	6.6361%
5.	Ye Bingquan (Ye Xiaomei is the guardian of Ye Bingquan)	1,033.6	4.4241%
6.	Ye Xian	1,033.6	4.4241%
7.	Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (limited partnership)	1,000	4.2803%
8.	Huang Na	612	2.6195%
9.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	607.5	2.6003%
10.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	289.7	1.2400%
11.	Zhou Hang	255	1.0915%
12.	Ye Weiqing	170	0.7276%
13.	Ye Weiping	136	0.5821%
14.	Yu Taomei	127.5	0.5457%
15.	Li Guangbin	127.5	0.5457%
16.	Qiu Wenjin	127.5	0.5457%
17.	Zeng Fang	119	0.5094%
18.	Luo Biao	85	0.3638%
19.	Liu Yi	51	0.2183%
20.	Zeng Bo	34	0.1455%
21.	Holders of Overseas Listed Foreign Shares	6,276.3	26.8642%
Total	—	<u>23,363.0645</u>	<u>100%</u>

(2) Article 3.9 of the Articles of Association

Original

“The registered capital of the Company is RMB221,050,000.”

Proposed amendment

“The registered capital of the Company is RMB233,630,645.”

The proposed amendments to the Articles of Association are subject to approval from the Shareholders by way of special resolutions at the EGM and the Class Meetings, and the approval of and registration or filing with the relevant PRC government authorities.

Further information in respect of the proposed amendments to the Articles of Association will be set out in the circular to be issued by the Company in relation to, among other things, the issue of Subscription Shares and the transactions contemplated thereunder.

4. GENERAL

A circular containing, among other things: (i) details of the proposed issue of Subscription Shares under the Specific Mandate and the proposed amendments to the Articles of Association; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the proposed issue of Subscription Shares; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the issue of Subscription Shares and (iv) notice convening the EGM and the Class Meetings, is expected to be despatched on or before 4 June 2019 in compliance with the Listing Rules.

5. DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Articles of Association” the articles of association of the Company;

“Board” the board of Directors of the Company;

“Class Meeting(s)”	the class meeting of the H Shares Shareholders and the class meeting of the Domestic Shares Shareholders to be held immediately following the EGM to consider and, if thought fit, approve, among other things, the Proposed Subscription of Subscription Shares, proposed increase in registered share capital, and the proposed amendments to the Articles of Association;
“Company”, “we”, “our” or “us”	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 limited company established in the PRC with limited liability, the H Shares of which are listed on the Main Board (Stock Code: 6189);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consideration Price”	RMB78,000,000 pursuant to the Domestic Share Subscription Agreement;
“Completion”	the completion of the issue of Subscription Shares;
“Director(s)”	the director(s) of the Company;
“Domestic Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded in any stock exchange;
“Domestic Share Subscription Agreement”	the Domestic Share subscription agreement entered into between Ningbo Yingxiang and the Company on 9 May 2019, pursuant to which, Ningbo Yingxiang has agreed to subscribe for, and the Company has agreed to issue and allot, 12,580,645 Domestic Shares at the subscription price of RMB6.2 (equivalent to approximately HK\$7.19) per Domestic Share;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Independent Board Committee”	the independent board committee established by the Company (comprising Mr. Cheung Wai Yeung Michael, Mr. Wang Zhaowen, and Mr. Lin Zhiyang) to advise the Independent Shareholders in connection with the Proposed Subscription;
“Independent Financial Adviser” or “Fortune Financial Capital Limited”	Fortune Financial Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Proposed Subscription;
“Independent Shareholders”	Shareholders other than Xingwang Yinghua and its associates who are also Shareholders of the Company;
“Last Trading Day”	8 May 2019, being the last full trading day immediately prior to the date of the Domestic Share Subscription Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Main Board”	the Main Board of the Stock Exchange;
“Ningbo Yingxiang”	Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) 寧波梅山保稅港區瀛享投資中心(有限合夥);
“Proposed Subscription”	the proposed subscription of 12,580,645 Domestic Shares by Ningbo Yingxiang pursuant to the Domestic Share Subscription Agreement;
“PRC”, “China”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Subscription Shares”	an aggregate of 12,580,645 new Domestic Shares to be allotted and issued pursuant to the Proposed Subscription of Domestic Shares;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of ordinary share(s) of the Company;
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the EGM and Class Meetings to issue the Subscription Shares in connection with the Proposed Subscription;
“Xingwang Yinghua”	Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership) (寧波梅山保稅港區興旺贏華股權投資中心(有限合夥)); and
“%”	per cent.

By Order of the Board
Guangdong Adway Construction (Group) Holdings Company Limited*
(廣東愛得威建設(集團)股份有限公司)
Mr. Ye Yujing
Chairman, Executive Director and Chief Executive Officer

9 May 2019, Shenzhen, the PRC

* *For identification purpose only*

As at the date of this notice, the Board of the Company comprises Mr. Ye Yujing, Mr. Liu Yilun, 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, Mr. Wang Zhaowen, and Mr. Lin Zhiyang, as Independent Non-executive Directors.