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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)

ANNOUNCEMENT

(1) SUBSCRIPTION OF SHARES UNDER THE GENERAL MANDATE AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 22 May 2019, the Company has entered into a separate subscription agreement with each of the nine Subscribers respectively in relation to the subscription of an aggregate of 9,500,000 Domestic Shares at the Subscription Price of RMB6.2 per Domestic Share.

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 First Subscription Shares and Second 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 Second Subscription Shares. The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolutions to be proposed at the EGM, and the approval of, registration or filing with the relevant PRC government authorities.

EGM

The EGM will be convened to consider, among others, and, if thought fit, approve (i) the proposed increase in the share capital of the Company as set out in this announcement; and (ii) the proposed amendments to the Articles of Association.

GENERAL

A circular containing, among other things: (i) the proposed increase in the share capital of the Company, and the proposed amendments to the Articles of Association; and (ii) notice convening the EGM, is expected to be despatched to the Shareholders on or before 6 June 2019 in compliance with the Listing Rules.

As the issue of Second Subscription Shares is subject to the satisfaction of the condition precedent under the Second Domestic Share Subscription Agreement as set out in the section headed “Conditions precedent” of “Proposed Issue of Second Subscription Shares” in this announcement, the proposed issue of Second 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 DOMESTIC SHARES

(A) Principal Terms of the Second Domestic Share Subscription Agreements

Date:	22 May 2019
Parties:	1. The Company (as the issuer); and 2. Nine Subscribers (as subscribers).
Subject matter:	9,500,000 Domestic Shares to be issued by the Company, with a par value of RMB1.00 each and an aggregate nominal value of RMB9,500,000.
Subscription Price:	RMB6.2 (equivalent to approximately HK\$7.19) per Domestic Share.
Conditions precedent:	The effectiveness of the Second Domestic Share Subscription Agreement is conditional upon the fulfilment of the following conditions: (i) all relevant governmental and regulatory approvals and consents regarding the issue of the Second Subscription Shares having been obtained by the Company;

- (ii) provision of the documentary proof on item (i) above by the Company to the Subscriber(s); and
- (iii) to pass the resolution on the increase of Share capital of the Company by legally valid forms and procedures, and in accordance with the Company's Articles of Association and internal procedures.

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

(B) Basis of the Subscription Price

Pursuant to the Second Domestic Share Subscription Agreements, nine Subscribers will subscribe for 9,500,000 new Domestic Shares in total to be issued by the Company. The Subscribers will subscribe for the newly issued Domestic Shares at the Subscription Price of RMB6.20 per share, amounting to a total of approximately RMB58,900,000 (equivalent to approximately HK\$68,310,447) 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 2.30% to the closing price of HK\$7.36 per H Share as quoted on the Stock Exchange on the date of the Second Domestic Share Subscription Agreement; and
- (2) a discount of approximately 1.66% to the average closing price of HK\$7.31 per H Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Second Domestic Share Subscription Agreement.

The Directors (including the independent non-executive Directors) consider that the Subscription Price and the terms and conditions of the Second Domestic Share Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Subscribers shall pay the Subscription Price into the bank account designated by the Company on or before 27 May 2019.

(C) Subscription Shares

The Second Subscription Shares to be allotted and issued comprise an aggregate of 9,500,000 new Domestic Shares, representing (i) approximately 6.00% and 4.30%, 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 5.66% and 4.12%, respectively, of the issued Domestic Shares and the issued share capital of the Company as enlarged by the allotment and issue of the Second Subscription Shares pursuant to the Second Domestic Share Subscription Agreement, assuming no further new Shares will be issued or repurchased by the Company before Second Completion.

Save for the identities of the Subscribers and the number of the Domestic Shares to be subscribed, all other terms of the respective Second Domestic Share Subscription Agreement for each Subscriber are identical.

(D) General Mandate

The Second Subscription Shares are to be allotted and issued under the General Mandate. According to the General Mandate, the Directors are authorized to allot, issue and deal with additional Domestic Shares and/or H Shares up to the limited of 20% of each of the existing issued Domestic Shares and H Shares of the Company as at the date of the annual general meeting of the Company held on 8 June 2018. As such, the Directors are authorized to allot and issue up to 31,657,400 Domestic Shares. As at the date of this announcement, no Domestic Shares have been allotted and issued pursuant to the General Mandate. The aggregate nominal value of the Second Subscription Shares will be RMB9,500,000 (equivalent to approximately HK\$11,017,814). The General Mandate is sufficient for the allotment and issue of all the Second Subscription Shares upon Second Completion. As such, the issue of the Second Subscription Shares is not subject to further Shareholders' approval. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement.

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 Second Subscription Shares as the Second Subscription Shares will not be listed and traded on the Stock Exchange.

(E) Ranking of Subscription Shares to be issued

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

(F) 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 (i) the Second Completion, and (ii) First Completion and Second Completion (assuming no other changes to the total issued share capital of the Company prior to the Second Completion):

Name of Shareholder	Share Class	As at the date of this announcement		Immediately after the completion of issue of Second Subscription Shares		Immediately after the completion of issue of First Subscription Shares and Second Subscription Shares	
		No. of Shares held	Percentage of total issued Shares	No. of Shares held	Percentage of Total Issued Shares	No. of Shares held	Percentage of Total Issued Shares
<i>The Subscribers</i> ^(Note 1)							
Subscriber I	Domestic Shares	—	—	1,800,000	0.78%	1,800,000	0.74%
Subscriber II	Domestic Shares	—	—	1,600,000	0.69%	1,600,000	0.66%
Subscriber III	Domestic Shares	—	—	1,000,000	0.43%	1,000,000	0.41%
Subscriber IV	Domestic Shares	—	—	1,000,000	0.43%	1,000,000	0.41%
Subscriber V	Domestic Shares	—	—	1,000,000	0.43%	1,000,000	0.41%
Subscriber VI	Domestic Shares	—	—	1,000,000	0.43%	1,000,000	0.41%
Subscriber VII	Domestic Shares	—	—	1,000,000	0.43%	1,000,000	0.41%
Subscriber VIII	Domestic Shares	—	—	600,000	0.26%	600,000	0.25%
Subscriber IX	Domestic Shares	—	—	500,000	0.22%	500,000	0.21%
<i>Holders of Domestic Shares</i>							
Ye Yujing (葉玉敬) ^(Note 2)	Domestic Shares	67,694,000	30.62%	67,694,000	29.36%	67,694,000	27.84%
Ye Xiujin (葉秀近) ^(Note 3)	Domestic Shares	15,504,000	7.01%	15,504,000	6.72%	15,504,000	6.38%
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	2.64%	6,075,000	2.50%
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	7.37%	17,000,000	6.99%
Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership) (寧波梅山保稅港區興旺羸華股權投資中心(有限合伙)) ^(Note 6)	Domestic Shares	10,000,000	4.52%	10,000,000	4.34%	10,000,000	4.11%
Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) (寧波梅山保稅港區瀛享投資中心(有限合伙)) ^(Note 7)	Domestic Shares	—	—	—	—	12,580,645	5.17%
Other Domestic Shareholders	Domestic Shares	42,014,000	19.01%	42,014,000	18.22%	42,014,000	17.28%
<i>Total Domestic Shares</i>		<u>158,287,000</u>	<u>71.61%</u>	<u>167,787,000</u>	<u>72.78%</u>	<u>180,367,645</u>	<u>74.19%</u>

Name of Shareholder	Share Class	As at the date of this announcement		Immediately after the completion of issue of Second Subscription Shares		Immediately after the completion of issue of First Subscription Shares and Second Subscription Shares	
		No. of Shares held	Percentage of total issued Shares	No. of Shares held	Percentage of Total Issued Shares	No. of Shares held	Percentage of Total Issued Shares
<i>Holder of H Shares</i>							
International South China Investment Fund Limited Partnership ^(Note 8)	H Shares	16,009,000	7.24%	16,009,000	6.94%	16,009,000	6.58%
Other H Shareholders	H Shares	<u>46,754,000</u>	<u>21.15%</u>	<u>46,754,000</u>	<u>20.28%</u>	<u>46,754,000</u>	<u>19.23%</u>
<i>Total H Shares</i>		<u>62,763,000</u>	<u>28.39%</u>	<u>62,763,000</u>	<u>27.22%</u>	<u>62,763,000</u>	<u>25.81%</u>
<i>Total issued Shares</i>		<u>221,050,000</u>	<u>100.00%</u>	<u>230,550,000</u>	<u>100.00%</u>	<u>243,130,645</u>	<u>100.00%</u>

Notes:

1. The nine Subscribers who are individual investors and are independent from and not connected with the Company and its connected persons.
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 22 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 22 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 22 May 2019. As of 22 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 Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership) under the SFO.
7. Domestic Shares issued pursuant to the First Domestic Share Subscription Agreement. The details of the proposed issue of Domestic Shares were set out in the announcement published by the Company on 9 May 2019 and paragraph I below in this announcement.
8. 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.

(G) Use of proceeds

The proceeds raised from the Second Proposed Subscription, after deducting the related expenses are estimated to be approximately RMB58,861,377 and the net price per Subscription Share is approximately RMB6.20. 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.

(H) Reasons for and Benefit of the issue of Second Subscription Shares

As a comprehensive building decoration service provider, the Group's core businesses focus on building decoration works, electrical and mechanical installation works, curtain wall engineering works and fire safety engineering works. Among which, building decoration works have contributed substantially to and almost all of the Group's overall operating results. One prominent achievement to be highlighted: 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 is of significant importance for the Group's results improvement.

The net proceeds, after deducting the professional fees and all related expenses which will be borne by the Company, from the issue of Second Subscription Shares is estimated to be approximately RMB58,861,377. The Second 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.

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

As disclosed in the announcement issued by the Company on 9 May 2019, Ningbo Meishan Bonded Area Yingxiang Investment Centre (Limited Partnership) and the Company entered into the First Domestic Share Subscription Agreement, pursuant to which, Ningbo Meishan Bonded Area Yingxiang Investment Centre (Limited Partnership) has agreed to subscribe for, and the Company has agreed to issue and allot, 12,580,645 Domestic Shares of the Company at the subscription price of RMB6.2 (equivalent to approximately HK\$7.19) per Domestic Share. The proceeds raised from the proposed subscription, after deducting the related expenses are estimated to be approximately RMB77,796,000. 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. The subscription shares will be allotted and issued under the specific mandate. An extraordinary general meeting and class meetings for the respective holders of H shares and Domestic Shares were proposed to be held to resolve and approve, among others, the specific mandate and the transactions contemplated under this agreement. For details of the proposed issuance and subscription of the Domestic Shares, please refer to the announcement of 9 May 2019.

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.

(J) 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) The Subscribers

For the nine Subscribers, four of them are employees of the Company, one of them is an apprentice of the Company, one of them is an ex-shareholder and employee of the Company, two of them are customers of the Company and one of them is a staff of one of the top ten suppliers of the Company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Subscribers and their ultimate beneficial owners and/or respective associates are independent third parties as defined under the Listing Rules. Prior to the entering into of the Second Domestic Share Subscription Agreements and save for disclosed above, neither the Subscribers nor their respective ultimate beneficial owners and/or associates have any interests in the Shares or any material business dealings and/or transactions with the Company. It is expected that none of the Subscribers will become a substantial Shareholder of the Company immediately upon the Second Completion.

2. PROPOSED INCREASE IN REGISTERED SHARE CAPITAL

As at the date of this announcement, 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. The Board proposes to increase the authorized share capital of the Company to RMB243,130,645 comprising 62,763,000 H Shares and 180,367,645 Domestic Shares, which includes the 22,080,645 Domestic Shares to be issued pursuant to the First Domestic Share Subscription Agreement and Second Domestic Share Subscription Agreements.

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 First Completion and Second 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 First Subscription Shares and Second 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 Domestic Shares have been issued pursuant to the First Domestic Share Subscription Agreement and 9,500,000 Domestic Shares have been issued pursuant to the Second Domestic Share Subscription Agreements.

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%
		<hr/>	<hr/>
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)	1,700.0	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)	1,000.0	4.5239%
7.	Huang Na	612.0	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	255.0	1.1536%
11.	Ye Weiqing	170.0	0.7691%
12.	Ye Weiping	136.0	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	0.5383%
17.	Luo Biao	85.0	0.3845%
18.	Liu Yi	51.0	0.2307%
19.	Zeng Bo	34.0	0.1538%
20.	Holder of Overseas Listed Foreign Shares	6,276.3	28.3931%
Total	—	<u>22,105</u>	<u>100%</u>

Proposed amendment

“The total number of shares issued by the Company shall be 243,130,645 shares, including 62,763,000 overseas listed foreign shares, representing approximately 25.8145% 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)	1,700.0	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.	Huang Na	612.0	2.7686%
7.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	607.5	2.7482%
8.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	289.7	1.3106%
9.	Zhou Hang	255.0	1.1536%
10.	Ye Weiqing	170.0	0.7691%
11.	Ye Weiping	136.0	0.6152%
12.	Yu Taomei	127.5	0.5768%
13.	Li Guangbin	127.5	0.5768%
14.	Qiu Wenjin	127.5	0.5768%
15.	Zeng Fang	119.0	0.5383%
16.	Luo Biao	85.0	0.3845%
17.	Liu Yi	51.0	0.2307%
18.	Zeng Bo	34.0	0.1538%
19.	Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (limited partnership)	1,000.0	4.5239%
20.	Holder of Overseas Listed Foreign Shares	6,276.3	28.3931%
Total	—	<u>22,105</u>	<u>100%</u>

Upon completion of the first new issuance of Domestic Shares, the overseas listed foreign shares represent approximately 25.8145% 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	6,769.4000	27.8426%
2.	South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership)	1,700.0000	6.9921%
3.	Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership)	1,258.0645	5.1744%
4.	Ye Xiujin	1,550.4000	6.3768%
5.	Ye Bingquan (Ye Xiaomei is the guardian of Ye Bingquan)	1,033.6000	4.2512%
6.	Ye Xian	1,033.6000	4.2512%
7.	Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (limited partnership)	1,000.0000	4.1130%
8.	Huang Na	612.0000	2.5172%
9.	Shenzhen Gong Xiang Li Investment Entity (Limited Partnership)	607.5000	2.4987%
10.	Shenzhen Gong Fen Li Investment Entity (Limited Partnership)	289.7000	1.1915%
11.	Zhou Hang	255.0000	1.0488%
12.	Zhuang Shiqian	180.0000	0.7403%
13.	Ye Weiqing	170.0000	0.6992%
14.	Luo Zhihao	160.0000	0.6581%
15.	Ye Weiping	136.0000	0.5594%
16.	Yu Taomei	127.5000	0.5244%
17.	Li Guangbin	127.5000	0.5244%
18.	Qiu Wenjin	127.5000	0.5244%
19.	Zeng Fang	119.0000	0.4894%
20.	Luo Biao	85.0000	0.3496%
21.	Ye Lusen	100.0000	0.4113%
22.	Ye Hancheng	100.0000	0.4113%
23.	Zhang Liangxing	100.0000	0.4113%
24.	Zhuang Ye	100.0000	0.4113%
25.	Qi Xiumin	100.0000	0.4113%

Number	Shareholder	Number of Shares ('0000)	Percentage of Shareholding
26.	Liu Zhihang	60.0000	0.2468%
27.	Qiu Jiabao	50.0000	0.2057%
28.	Liu Yi	51.0000	0.2098%
29.	Zeng Bo	34.0000	0.1398%
30.	Holders of Overseas Listed Foreign Shares	6,276.3000	25.8145%
Total		<u>24,313.0645</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 RMB243,130,645.”

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 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 First Subscription Shares and Second Subscription Shares and the transactions contemplated thereunder.

4. GENERAL

A circular containing, among other things: (i) the proposed increase in registered share capital and the proposed amendments to the Articles of Association; and (ii) notice convening the EGM, is expected to be despatched on or before 6 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;
“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;
“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;
“First Completion”	the completion of the issue of First Subscription Shares;
“First Domestic Share Subscription Agreement”	the Domestic Share subscription agreement entered into between Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) and the Company on 9 May 2019, pursuant to which, Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) 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;
“First Proposed Subscription”	the subscription for the First Subscription Shares by Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) pursuant to the First Domestic Share Subscription Agreement;
“First Subscription Shares”	an aggregate of 12,580,645 new Domestic Shares to be allotted and issued pursuant to the First Proposed Subscription of Domestic Shares;

“General Mandate”	the general mandate granted on 8 June 2018 of which the Directors are authorized to allot, issue and deal with additional Domestic Shares and/or H Shares up to the limited of 20% of each of the existing issued Domestic Shares and H Shares of the Company as at the date of the annual general meeting of the Company held on 8 June 2018;
“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;
“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;
“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;
“Second Completion”	the completion of the issue of Second Subscription Shares;
“Second Domestic Share Subscription Agreements”	nine separate Subscription agreements all dated 22 May 2019 between the Subscribers and the Company;
“Second Proposed Subscription”	the subscription for the Second Subscription Shares by Subscribers pursuant to the Second Domestic Share Subscription Agreements;
“Second Subscription Shares”	an aggregate of 9,500,000 new Domestic Shares to be allotted and issued pursuant to the Second 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;

“Subscribers”	the nine subscribers who are individual investors and are independent from and not connected with the Company and its connected persons;
“Subscription Price”	the subscription price as per the Second Domestic Share Subscription Agreement; 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

22 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.