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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

PROPOSED PLACING OF NEW H SHARES UNDER GENERAL MANDATE

Placing Agent



PROPOSED NEW H SHARE ISSUE

The Board of the Company announces that in order to promote the rapid development of its business, the Company proposed to issue New H Shares. The New H Shares to be issued will allot and issue not more than 10,000,000 additional H Shares (representing not more than approximately 18.95% of the total number of H Shares of the Company as at the date of this announcement) to the Placees by way of placement. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, such New H Shares on the Stock Exchange. The Proposed Placing is subject to all necessary approvals and consents (including the CSRC Approval) having been obtained and not being subsequently cancelled or revoked prior to completion of the Proposed Placing.

As at the date of this announcement, save as disclosed in this announcement and the Placing Agent Agreement, the Company has not entered into any placing or underwriting agreement or fixed any terms with any parties in connection with the Proposed Placing. The Company will identify, and negotiate the placement terms with appropriate placee(s) in relation to the Proposed Placing.

As at the date of this announcement, no Domestic Shares or H Shares have been issued under the General Mandate and the Company may issue not more than 10,552,600 new H Shares under the General Mandate.

The proposed New H Shares Issue may or may not proceed. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED NEW H SHARES ISSUE

In order to promote the rapid development of its business, the Company proposed to issue the New H Shares. Details of the New H Share Issue are as follows:

1. Type of shares to be issued

Shares to be issued are the H Shares of the Company with nominal value of RMB1.00 each. Except as otherwise required by the applicable laws and regulations of the PRC and the articles of association of the Company, the New H Shares to be issued shall rank *pari passu* with all the issued Domestic Shares and H Shares of the Company.

2. Size of issue

The New H Shares to be issued shall not exceed 10,000,000 H Shares, representing not more than approximately 18.95% of the total number of H Shares of the Company before the issue, and approximately 15.93% of the total number of H Shares of the Company after the issue.

Before the New H Shares Issue, the total share capital of the Company is 211,050,000 shares, of which, the number of H Shares is 52,763,000; after the New H Shares Issue, the total share capital of the Company shall not exceed 221,050,000 shares, of which, the number of H Shares shall not exceed 62,763,000, and the number of Domestic Shares shall remain unchanged at 158,287,000.

3. Time of issue

The Company shall implement the New H Shares Issue at an appropriate time within the Validity Period as approved at the AGM. The New H Shares Issue requires approval by the CSRC and the granting of the listing approval by the Stock Exchange. The specific time of issue shall be determined by the Board or persons delegated by the Board as authorized by the AGM, taking into account the overseas capital market conditions and the approval progress of both domestic and overseas authorities and regulatory departments.

4. Method of issue

The New H Shares shall be issued by way of placement.

5. Placees

The target subscribers of the New H Shares Issue are professional, institutional or other investors, which are independent and are not connected persons (as defined under the Listing Rules). It is expected that none of the placees will become a substantial shareholder (as defined in the Listing Rules) immediately after taking up the placing shares.

6. Issue price

The issue price shall be 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 issue price shall not be lower than 80% of the average closing price of H Shares as quoted on the Hong Kong Stock Exchange over the 5 consecutive trading days preceding the price determination date.

7. Validity period of the resolution

In the event that the Board and/or persons authorized by the Board have decided to implement the New H Shares Issue during the Validity Period of the resolution, and that the Company has obtained the permission(s) and approval(s) for the issue and completed the filing or registration procedures (if applicable) with the regulatory departments during the validity period of the resolution, the Company may complete the New H Shares Issue during the validity period as confirmed in such permission(s), approval(s), filing(s) or registration(s).

8. Fund raising activities in the past twelve months

The Company has not conducted any equity fund raising activities during the 12 months immediately before the date of this announcement.

9. Placing agent and arrangement for the proposed placing

The Company has agreed to appoint Central China as the Placing Agent in relation to the Proposed Placing on 27 November 2017. The Company and the Placing Agent will enter into a definitive placing agreement if the Proposed Placing or any other equity fund raising exercise is proceeded with.

10. Use of proceeds

The proceeds raised from the New H Shares Issue, after deducting the issue expenses, 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.

11. Conditions precedents

The Proposed Placing is conditional upon:

- 1) the entering into of a placing agreement by, among other parties, the Company and the Placing Agent and the placing agreement not being terminated in accordance with its terms;
- 2) the Listing Division of the Stock Exchange granting listing of and permission to deal in all of the New H Shares to be issued and placed pursuant to the Proposed Placing; and

- 3) all necessary approvals and consents (including the CSRC Approval) having been obtained and not being subsequently cancelled or revoked prior to completion of the Proposed Placing.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be issued under the General Mandate. Under the General Mandate, the Company is authorised to issue a maximum of 10,552,600 H Shares, representing 20% of the total amount of the H Shares in issue, respectively, as at 31 May 2017, being the date of the passing of the resolution granting the General Mandate. As at 31 May 2017, the issued share capital of the Company comprised 158,287,000 Domestic Shares and 52,763,000 H Shares. As at the date of this announcement, no Domestic Shares or H Shares have been issued under the General Mandate and the number of H Shares that may be issued under the General Mandate is 10,552,600.

GENERAL

The Company will issue to the Shareholders a placing announcement, as soon as practicable. Such announcement will contain, among other things, further information on the proposed use of proceeds from the Proposed Placing for the purpose of disclosure requirements in accordance with Listing Rules.

Shareholders and potential investors should be aware that the Proposed Placing may or may not be proceeded. If the Proposed Placing is proceeded with, it is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “Conditions Precedents” above. There is no assurance that any of the conditions to the Proposed Placing will be fulfilled. Therefore, the Proposed Placing may or may not proceed at all. Investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

The following words and phrases used in this announcement, unless the context otherwise requires, have the meanings assigned as follows:

“AGM”	the annual general meeting of the Company held on 31 May 2017
“Board”	the board of Directors
“Central China”	Central China International Capital Limited, a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“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 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
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors 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
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to issue not more than 10,552,600 new H Shares, representing not more than 20% of the total issued H Share capital of the Company as at the date of the AGM.
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas located foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in, on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board
“Main Board”	the Main Board of the Stock Exchange
“New H Shares”	the maximum number of 10,000,000 H shares proposed to be issued and allotted under the General Mandate
“New H Shares Issue”	the issue and allotment of the New H Shares subject to fulfillment of certain conditions stated in this announcement
“Placing Agent”	Central China International Capital Limited, a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“Placing Agent Agreement”	the placing agent agreement entered between the Company and the Placing Agent on 27 November 2017
“Placing Shares”	up to 10,000,000 New H Shares which may be issued and allotted under the Proposed Placing
“PRC”	the People’s Republic of China
“Proposed Placing”	the possible placing of the New H Shares pursuant to the General Mandate granted by the Shareholders to the Board
“Shareholders”	holders of the Domestic Shares and the H Shares
“Shares”	the Domestic Shares and the H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

- “Validity Period”** the period from the date of the AGM until the earlier of:
- (a) the conclusion of the next annual general meeting of the Company following the AGM, unless, by special resolution passed at that meeting, the General Mandate is renewed, either unconditionally or subject to conditions; or
 - (b) the expiry of the period within which the next annual general meeting is required by the articles of association of the Company or any applicable law to be held; or
 - (c) the passing of a special resolution of the Company in a general meeting revoking or varying the General Mandate
- “HK\$”** Hong Kong dollars, the lawful currency of Hong Kong
- “RMB”** Renminbi, the lawful currency of the PRC
- “%”** 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

28 November 2017, Shenzhen, PRC

* *For identification purpose only*

As of the date of this announcement, 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; Mr. Tian Wen as a Non-executive Director; and Mr. Wang Zhaowen, Mr. Tang Wai Man Raymond, and Mr. Lin Zhiyang, as Independent Non-executive Directors.