

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.



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)

**DISCLOSEABLE TRANSACTION
FACTORING CONTRACT**

FACTORING CONTRACT

The Board is pleased to announce that the Company entered into the Factoring Contract with PingAn Leasing on 23 May 2019, pursuant to which, the Company agreed to transfer the Accounts Receivables under the Commercial Contract to PingAn Leasing, and PingAn Leasing agreed to accept the aforesaid receivables and provide factoring facility services to the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the transactions contemplated under the Factoring Contract calculated in accordance with the Listing Rules is more than 5% but less than 25%, the Factoring Contract and the transactions contemplated thereunder constitute discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that the Company entered into the Factoring Contract with PingAn Leasing on 23 May 2019, pursuant to which, the Company agreed to transfer the Accounts Receivables under the Commercial Contract to PingAn Leasing, and PingAn Leasing agreed to accept the aforesaid receivables and provide factoring facility services to the Company.

To the best knowledge, information and belief of the Directors, PingAn Leasing is an Independent Third Party to the Company.

FACTORING CONTRACT

Major terms of the Factoring Contract are set out as below:

Date:	23 May 2019
Parties:	(1) The Company (2) PingAn Leasing
Subject of the Transaction:	The Company shall transfer the Accounts Receivable under the Commercial Contract to PingAn Leasing so as to obtain the factoring funds from PingAn Leasing. PingAn Leasing agreed to accept the receivables and provide factoring services to the Company.
Type of financing:	With recourse.
Factoring fees:	PingAn Leasing will charge the Company a total sum of RMB1,807,441.02 as factoring fees. The factoring fees are charged within the market rate for similar factoring contract.
Factoring arrangement:	Pursuant to the Factoring Contract and subject to fulfilment of certain conditions by the Company pursuant to the terms of the Factoring Contract, the Company shall transfer the Accounts Receivable under the Commercial Contract to PingAn Leasing so as to obtain the factoring funds from PingAn Leasing. PingAn Leasing will pay the consideration in relation to the transfer of the Accounts Receivable by 2 installments, namely the First Consideration and Second Consideration as defined below.

PingAn Leasing will, after setting off an amount of RMB3,000,000 being the first installment of the Guarantee Deposit, prepay the Company in an amount of RMB30,000,000 (the “**First Consideration**”), being the face amount of the Account Receivable outstanding at the relevant time multiplied by an agreed prepayment ratio to which the Account Receivable(s) relates (ie. 38.15%). The prepayment is subject to certain conditions being satisfied, amongst other things completion of the registration of the transfer of the Accounts Receivable in the People’s Bank of China Credit Reference Center Accounts Receivable Registration and Public System (中國人民銀行徵信中心應收賬款質押登記公示系統). After receiving the Accounts Receivable under the Commercial Contract, PingAn Leasing shall pay to the Company the remaining sum of the Accounts Receivable after deduction of any prepayment fees, any outstanding factoring fees and/or any outstanding expenses of the Company or other relevant parties (the “**Second Consideration**”).

Guarantee:

In order to guarantee PingAn Leasing’s creditor’s rights against the Company under the Factoring Contract, Ms. Ye Xiujin (葉秀近), Mr. Ye Xian (葉縣) and Huidong Yip’s Development Company Limited* (惠東葉氏實業發展有限公司) agreed to provide joint liability guarantee for the obligations and liabilities of the Company under the Factoring Contract in favour of PingAn Leasing.

Further to the aforesaid, the Company shall provide a sum of RMB36 million as guarantee deposit (the “**Guarantee Deposit**”) payable by installment as the Debtor’s performance of all contractual obligations under the Commercial Contract and the Company’s performance of all contractual obligations under the Factoring Contract.

As of the date of this Announcement, Ms. Ye Xiujin, Mr. Ye Xian have interest of 37.63% (*Note 1*) and 4.68% in the total share capital of Company respectively and that Ms. Ye Xiujin is the Director of the Company. Huidong Yip’s Development Company Limited* (惠東葉氏實業發展有限公司) is a wholly owned subsidiary of the Company.

Note 1: Ms. Ye Xiujin is the wife of Mr. Ye Yujing, and 37.63% represented the accumulative interest of Ms. Ye Xiujin and Mr. Ye Yujing in the Company.

Conditions precedent: The transaction contemplated under the Factoring Contract is subject to, amongst other things, the following conditions precedent:

- (1) The payment of the initial instalment of factoring fees;
- (2) The receipt of the guarantees signed by Ms. Ye Xiujin (葉秀近), Mr. Ye Xian (葉縣) and Huidong Yip's Development Company Limited* (惠東葉氏實業發展有限公司);
- (3) The Board having approved the Factoring Contract and the transactions contemplated thereunder.

REASONS AND BENEFITS OF THE TRANSACTION

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.

The Board considered that the Factoring Contract can improve the operational cashflow of the Company. The Directors (including the independent non-executive Directors) are of the view that the terms of the Factoring Contract are on normal commercial terms and are entered into in the ordinary and usual course of business and are fair and reasonable to the Group and in the interests of the Shareholders and the Group as a whole.

None of the Directors had material interests in the transactions contemplated under the Factoring Contract.

INFORMATION ABOUT THE PARTIES

Information about 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.

Information about PingAn Leasing

PingAn Leasing is a China-based company mainly engaged in financial leasing business, leasing business, lease transaction consultation and guarantee and concurrently factoring business in relation to their main businesses.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the transactions contemplated under the Factoring Contract calculated in accordance with the Listing Rules is more than 5% but less than 25%, the Factoring Contract and the transactions contemplated thereunder constitute discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Account Receivable(s)”	the account receivable(s) in the consideration of approximately RMB86.51 million which the Company is entitled to receive from the Debtor as a result of provision of building decoration services under the normal performance of Commercial Contract
“Board”	the board of Directors
“Commercial Contract(s)”	The contract made between the Company as original creditor and the Debtor in relation to the provision of building decoration services for the period from March 2019 to August 2020
“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 of the Hong Kong Stock Exchange (Stock Code: 6189)
“Debtor”	debtor under the Commercial Contract, which as designated under the Factoring Contract shall be Industrial and Commercial Bank of China Co., Ltd. Chongqing Branch* (中國工商銀行股份有限公司重慶市分行)
“Director(s)”	the director(s) of the Company
“Factoring Contract”	the factoring contract dated 23 May 2019 and entered into between the the Company and PingAn Leasing

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company who is not a connected person (as defined under the Listing Rules) of the Company, and is independent from and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PingAn Leasing”	Ping An International Financial Leasing (Tianjin) Company Limited* (平安國際融資租賃(天津)有限公司), a company incorporated under the laws of PRC with limited liability
“PRC” or “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
“Shareholders”	the holder(s) of ordinary share(s) of the Company
“Shares”	the ordinary share(s) of RMB1.00 each in the share capital of the Company
“%”	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

23 May 2019, Shenzhen, the PRC

* *For identification purpose only*

As at 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; 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.