

*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)**

## **SUPPLEMENTAL ANNOUNCEMENT ON DECISION OF THE STOCK EXCHANGE ON GEM RULE 17.26**

This announcement is made by GUANGDONG ADWAY CONSTRUCTION (GROUP) HOLDINGS COMPANY LIMITED (the “**Company**”) pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the announcement of the Company dated 7 July 2025 in relation to the decision of the Listing Division on 4 July 2025 on Rule 17.10 of the GEM Listing Rules (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement. In the Letter of 4 July 2025, it states that in arriving at the Decision, the Listing Division has considered the following:

### **On Operations**

The performance of the Building Decorative Business, being the Company’s only business since its listing, has been deteriorating. In the past few years, most of the Company’s projects were either delayed, suspended or even terminated and most of the Company’s trade receivables and contract assets had been written off. The Company recorded mostly net losses and net operating cash outflow in the past five years. The Company has not been able to secure sufficient funding to finance its operation and to meet its debt obligations.

Overall, The Listing Division consider that the above situation is not a temporary downturn, and that the Building Decorative Business is not viable and sustainable for the following reasons:

- i. The Building Decorative Business has diminished to a very minimal level of operation. Its revenue dropped by more than 99% from RMB910.6 million in FY2020 to less than RMB0.2 million in FY2024 due to the COVID-19 pandemic and the downturn of the PRC real estate industry. There have been significant delays in project settlements which affected the Company's recoverability of trade receivables and ability to secure and undertake new projects. The Company's impairment and subsequent write-off of most of its trade receivables and contract assets in recent years due to the absence of reasonable prospects for recovery suggested that its failure to recover project settlements and trade receivables is not temporary, and the financial constraint persists.
- ii. Since FY2024, the Company was only able to secure a limited number of contracts. In the first half of FY2025, the Company only entered into two construction contracts (i.e. the Ongoing Construction Contract and the Additional Contract) with minimal contract sum totaling HK\$32.6 million. The Company did not provide the latest status of the Additional Contract, and it is unclear as to the actual commencement date and the extent to which the contract sum would be received and recognised as revenue.
- iii. While the Company expected that it would record revenue of HK\$30 million, HK\$100 million and HK\$200 million in FY2025, FY2026 and FY2027 respectively, such forecast was largely based on management expectations without support of any signed contracts (other than the two newly signed in 2025) or a concrete and credible business plan. This, coupled with the repetitive pattern of the previously forecasted projects not being materialised or completed, casts further doubt on the credibility of the Company's forecast.

## **On assets**

Since FY2021, the Company has been experiencing liquidity issues due to delay in settlements by its customers and the failure to recover outstanding contract sums. With minimal cash balance, the Company has been severely constrained to pay the initial deposits or upfront costs for new projects. As at 31 December 2024, the Company recorded net current liabilities of RMB743.0 million and net liabilities of RMB703.6 million as at 31 December 2024. It has defaulted loans of not less than RMB224.8 million and was forced to dispose of its debt collateral assets to settle the debts. The Company's auditors have issued disclaimer of opinions on going concern since FY2021.

The Company sought to remove the disclaimer by, amongst others, implementing the Revised Proposal. However, the Revised Proposal is still in the negotiation stage and will be subject to significant uncertainties. Substantial steps including the approval of creditors and the PRC court remain outstanding. Further, The Listing Division remain concerned as to what extent the Company's financial condition could be improved and how its operation will be financed after the restructuring. The Listing Division consider that the Company did not provide any concrete plan to resolve its financial difficulties which seriously impaired its ability to continue its business.

Given the matters as set out above, the Company does not appear to have sufficient assets to support the operation of a viable and sustainable business. The Listing Division are not satisfied that the Company has sufficient assets to meet Rule 13.24.

### **Trading suspension and delisting procedures**

Under Rule 13.24, an issuer must carry out a business with a sufficient level of operations and assets. The Company's current business performance and financial position give rise to our concern about the Company's non-compliance with Rule 13.24. As explained above, having reviewed the Submission, The Listing Division consider that the Company has failed to demonstrate that it has a sufficient level of operations and assets as it is required to do so under the Rule to warrant its continued listing.

Given our decision that the Company has failed to comply with Rule 13.24, The Listing Division will suspend trading in the Company's shares under Rule 6.01(3) after the expiry of seven business days from the date of this letter if the Company does not request a review of the decision (see below). Before trading is allowed to resume, the Company must re-comply with Rule 13.24, fulfil any resumption guidance that may be set by the Exchange and is in full compliance with the Listing Rules to the Exchange's satisfaction. Under Rule 6.01A(1), the Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months.

Pursuant to Rule 2B.06(1) of the Listing Rules, the Company has the right to refer the Decision to the Listing Committee (as defined in the Listing Rules) for review. Having reviewed the letter from the Stock Exchange on the Decision, the board ("**Board**") of directors ("**Directors**") of the Company has decided to make a request for the Decision to be referred to the Listing Committee for review and is in the process of preparing such letter of request. Unless the Company applies for a review of the Decision in accordance with its rights under Rule 2B.06(1) of the Listing Rules, trading in the shares of the Company will be suspended from 15 July 2025 (after the expiry of seven (7) business days from the date of the Decision).

Shareholders of the Company (“**Shareholders**”) and potential investors are reminded that the Company has decided to request for a review of the Decision but the outcome of such review by the Listing Committee is uncertain.

Pursuant to the Decision, the Company must re-comply with Rule 13.24 of the Listing Rules, fulfill any resumption guidance that may be set by the Stock Exchange and be in full compliance with the Listing Rules to the Stock Exchange’s satisfaction before the trading of the shares of the Company would be allowed to resume. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of the shares of the Company if trading remains suspended for a continuous period of 18 months.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules. Shareholders who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Guangdong Adway Construction (Group) Holdings Company Limited\***  
**Mr. Ye Yujing**  
*Chairman, Executive Director and Chief Executive Officer*

Shenzhen, the PRC, 7 July 2025

*As at the date of this announcement, the Board comprises Mr. Ye Yujing, Ms. Ye Xiujin, Mr. Ye Guofeng and Mr. Ye Jiajun as executive Directors; Mr. Zhuang Liangbin as a non-executive Director; and Mr. Cai Huiming, Mr. Sun Changqing, Mr. Lin Zhiyang and Mr. Zhou Wanxiong as independent non-executive Directors.*

\* *For identification purpose only*