

**GUANGDONG ADWAY CONSTRUCTION (GROUP)  
HOLDINGS COMPANY LTD:  
WATCH THOSE MASSIVE TRADE RECEIVABLES:  
SOME COULD WELL BE UNRECOVERABLE !**

Last Thursday (November 24, 2016), Management of Guangdong Adway Construction (Group) Holdings Company Ltd ([I]) (Code: 6189, Main Board, The Stock Exchange of Hongkong Ltd) announced that the Offer Price Per Share in respect of the 52,763,000, one renminbi ‘H’ Shares on Offer in the Company’s Global Offering had been struck at \$HK5.20.

The Offer Price Per Share was just four cents higher than the minimum, acceptable Offer Price that Management had determined that it would accept in its Global Offering Prospectus, dated November 15, 2016.

The Initial Public Offering (IPO) of the shares of this Company stipulated that 5,277,000 ‘H’ Shares would be reserved for investors of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) and 47,486,000 ‘H’ Shares would be Placed in the hands of International Investors.

According to last Thursday’s Allotment Results Announcement, the HKSAR Offer tranche had been ‘moderately over-subscribed’ by about 3.07 times the number of ‘H’ Shares made available.

As for the International Placing tranche, one was told that it had been ‘slightly over-subscribed’.

Management estimated that the Company would net about \$HK225.80 million in its quest for cash.

This amount of money would be utilised as follows:

1. Approximately, 34.80 percent, that is about \$HK78.60 million, ‘will be used to establish an internal online supply-chain management platform which aims to serve as a centralised procurement online platform for the Group’s existing and prospective suppliers, and a logistics centre to facilitate the storage and delivery of raw materials’;
2. Approximately, 20.00 percent, that is about \$HK45.20 million, ‘will be used to further expand the geographical coverage of the Group’s services and optimise its branch network’;
3. Approximately, 15.30 percent, that is about \$HK34.50 million, ‘will be used to enhance the efficiency of the Group’s internal IT (Information Technology) system by improving and upgrading its internal integrated IT infrastructure for business management’;
4. Approximately, 13.30 percent, that is about \$HK30.00 million, ‘will be used to strengthen the Group’s research and development capabilities and establish a research and development laboratory’;
5. Approximately, 6.80 percent, that is about \$HK15.40 million, ‘will be used to strengthen the Group’s internal design capabilities by upgrading its design system, recruiting more design professionals and enhancing the synergy with its new research and development

*laboratory’; and,*

6. Approximately, 9.80 percent, that is about \$HK22.10 million, ‘*will be used for working capital and general corporate purposes.*’

### **The Business of Guangdong Adway Construction (Group) Holdings Company Ltd**

Guangdong Adway Construction (Group) Holdings Company Ltd makes the claim that it is one of the leading, building decoration service providers in the PRC.

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