

*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.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **HONG WEI (ASIA) HOLDINGS COMPANY LIMITED**

**鴻偉(亞洲)控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 8191)**

### **(1) PROPOSED SHARE CONSOLIDATION AND (2) SUBSCRIPTION OF NEW CONSOLIDATED SHARES UNDER SPECIFIC MANDATE**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share (if any) which would otherwise arise therefrom. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

#### **THE SUBSCRIPTION**

On 16 December 2021 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 10,700,000 new Consolidated Shares (as to 2,700,000 new Consolidated Shares to Subscriber I and 8,000,000 new Consolidated Shares to Subscriber II) at the Subscription Price of HK\$0.73 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate.

Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 49,956,186 Consolidated Shares will be in issue. Assuming that the

Company has a total of 49,956,186 issued Consolidated Shares upon the Share Consolidation becoming effective, the Subscription Shares, being 10,700,000 new Consolidated Shares, represent (i) approximately 21.42% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (ii) approximately 17.64% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion (assuming there being no other change in the issued share capital of the Company from the date of this announcement and up to the Completion, save for the Share Consolidation and the issue and allotment of the Subscription Shares).

Completion of the Subscription is conditional upon, among other things, the approval of the Shareholders at the EGM and the Share Consolidation having become effective and the dealing in the Consolidated Shares having commenced.

The gross proceeds and net proceeds from the Subscription will be HK\$7,811,000 and approximately HK\$7,500,000 respectively, and are intended to be used for the repayment of part of the outstanding amount of the Notes.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate. A circular containing, among other things, details of the Share Consolidation and the Subscription and a notice convening the EGM is expected to be despatched to the Shareholders on or before Thursday, 23 December 2021.

**Shareholders and potential investors should note that the Share Consolidation and the completion of the Subscription are conditional upon satisfaction of the conditions as set out in the paragraphs headed “Conditions of the Share Consolidation” and “Conditions of the Subscription” respectively in this announcement. Accordingly, the Share Consolidation and the Subscription may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share (if any) which would otherwise arise therefrom.

## **Effects of the Share Consolidation**

As at the date of this announcement, 999,123,720 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 49,956,186 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares (if any) to which Shareholders would otherwise be entitled.

## **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the GEM Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be Thursday, 13 January 2022, being the second Business Day immediately after the date of the EGM.

## **Listing application**

An application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares (if any) will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares (if any) will only arise in respect of the entire shareholding of a holder of the Shares of the Company regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

## **Arrangement on odd lots trading**

The Company has appointed One China Securities Limited to provide a matching service, on a best efforts basis from 9:00 a.m. on Thursday, 27 January 2022 to 4:00 p.m. on Monday, 21 February 2022, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots trading arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 13 January 2022, being the second Business Day immediately after the date of the EGM, the Shareholders may during the business hours, on or after Thursday, 13 January 2022 and until Wednesday, 23 February 2022 (both days inclusive) submit existing share certificates in the colour of green for the Existing Shares to the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new share certificates in the colour of blue for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Monday, 21 February 2022, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

### **Other securities of the Company**

The Company does not have any derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

### **REASONS FOR THE SHARE CONSOLIDATION**

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the Shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

The existing board lot value has been less than HK\$2,000. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per Consolidated Share. Based on the closing price of HK\$0.041 per Existing Share (equivalent to the theoretical closing price of HK\$0.820 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 6,000 Existing Shares is HK\$246; and (ii) the value per board lot of 6,000 Consolidated Shares would be HK\$4,920 on the assumption that the Share Consolidation becomes effective. As such, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Thus, the Board considers that, despite such Share Consolidation would lead to odd lots, it would maintain the trading amount for each board lot at a reasonable level in order to attract more investors and to extend the shareholder base of the Company.

Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. It is hoped that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders save for any fractional Consolidated Shares (if any) to which Shareholders may otherwise be entitled.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and save for the Subscription, the Company does not have any other concrete plan to conduct any other fund-raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund-raising exercises when suitable fund-raising opportunities arise in order to support the business operation of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

In view of the above reasons, the Company considers the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

## EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is as follows:

Despatch of the circular in relation to the Share Consolidation	Thursday, 23 December 2021
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Wednesday, 5 January 2022
Closure of register of members for the entitlement to attend and vote at the EGM	Thursday, 6 January 2022 to Tuesday, 11 January 2022 (both days inclusive)
Latest date and time for lodging forms of proxy for the EGM	11:00 a.m. on Sunday, 9 January 2022
Record date for attending and voting at the EGM	Tuesday, 11 January 2022
Expected date and time of the EGM	11:00 a.m. on Tuesday, 11 January 2022
Publication of poll results announcement of the EGM	Tuesday, 11 January 2022
<b>The following events are conditional upon satisfaction of the conditions for the implementation of the Share Consolidation</b>	
Effective date of the Share Consolidation	Thursday, 13 January 2022
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares commences	Thursday, 13 January 2022
Dealing in Consolidated Shares commences	9:00 a.m. on Thursday, 13 January 2022
Original counter for trading in Existing Shares in board lots of 6,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 13 January 2022
Temporary counter for trading in the Consolidated Shares in board lots of 300 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 13 January 2022
Original counter for trading in the Consolidated Shares in board lots of 6,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 27 January 2022
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Thursday, 27 January 2022
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 27 January 2022

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Monday, 21 February 2022
Temporary counter for trading in the Consolidated Shares in board lots of 300 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 21 February 2022
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Monday, 21 February 2022
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 23 February 2022

All the above times and dates refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to amendment. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS**

### **Subscription Agreement I**

Date:	16 December 2021
Issuer:	the Company
Subscriber:	Mr. Ho Ching Ngok, as Subscriber I
Number of Subscription Shares:	2,700,000 new Consolidated Shares
Subscription Price:	HK\$0.73 per Subscription Share

### **Subscriber I**

Subscriber I is a merchant. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, Subscriber I is a third party independent to Subscriber II and is an Independent Third Party.

### **Subscription Agreement II**

Date:	16 December 2021
Issuer:	the Company



Subscriber: Mr. Poon Pak Ho Michael, as Subscriber II

Number of Subscription Shares: 8,000,000 new Consolidated Shares

Subscription Price: HK\$0.73 per Subscription Share

## **Subscriber II**

Subscriber II is a merchant. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, Subscriber II is a third party independent to Subscriber I and is an Independent Third Party.

## **Subscription Shares**

Pursuant to the terms of the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue an aggregate of 10,700,000 Subscription Shares (as to 2,700,000 Subscription Shares to Subscriber I and 8,000,000 Subscription Shares to Subscriber II) at HK\$0.73 per Subscription Share.

Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 49,956,186 Consolidated Shares will be in issue. Assuming that the Company has a total of 49,956,186 issued Consolidated Shares upon the Share Consolidation becoming effective, the Subscription Shares, being 10,700,000 new Consolidated Shares, represent (i) approximately 21.42% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (ii) approximately 17.64% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion (assuming there being no other change in the issued share capital of the Company from the date of this announcement and up to the Completion, save for the Share Consolidation and the issue and allotment of the Subscription Shares).

Assuming that the Company has a total of 49,956,186 issued Consolidated Shares upon the Share Consolidation becoming effective, upon Completion, Subscriber I and Subscriber II will own approximately 4.45% and 13.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares respectively. Subscriber II will become a substantial shareholder (as defined in the GEM Listing Rules) and hence a connected person (as defined in the GEM Listing Rules) of the Company and Subscriber I will become a public Shareholder.

## **Subscription Price**

The Subscription Price of HK\$0.73 per Subscription Share represent:

- (i) a discount of approximately 11.0% to the theoretical closing price of HK\$0.820 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.041 per Existing Share as quoted on the Stock Exchange on 16 December 2021, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 15.9% to the theoretical average closing price of approximately HK\$0.868 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.0434 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements.

The market value of the Subscription Shares is approximately HK\$8,774,000, based on the theoretical closing price of HK\$0.820 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.041 per Existing Share as quoted on the Stock Exchange on 16 December 2021, being the date of the Subscription Agreements. Each Subscription Share has no par value.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscribers with reference to current market conditions, prevailing market price and recent trading volume of the Shares.

The gross proceeds from the Subscription will be HK\$7,811,000. The net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$7,500,000, representing a net subscription price of approximately HK\$0.70 per Subscription Share.

### **Ranking of Subscription Shares**

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Conditions of the Subscription**

Completion of the Subscription is conditional upon the following:

- (a) the passing of the resolution(s) at the EGM by the Shareholders to approve the Subscription Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate to allot and issue the Subscription Shares;
- (b) the GEM Listing Committee granting the listing of and permission to deal in the Subscription Shares; and
- (c) the Share Consolidation having become effective and the dealing in the Consolidated Shares having commenced.

If any of the foregoing conditions is not fulfilled by 5:00 p.m. on 31 January 2022, or such other time and date as may be agreed by the Subscribers and the Company, all rights, obligations and liabilities of the Subscribers and the Company under the Subscription Agreements shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

### **Completion of the Subscription**

Completion shall take place at 4:00 p.m. on a date within five Business Days (or such other date and time as may be agreed by the Company) after the satisfaction of the conditions precedent of the Subscription Agreements.

### **Specific Mandate**

The Subscription Shares will be allotted and issued under the Specific Mandate which will be sought from the Shareholders at the EGM.

### **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS**

The Company's principal activity is investment holding and its principal subsidiaries are principally engaged in manufacturing and selling of particleboards and forestry business in the People's Republic of China.

On 10 August 2018, the Company entered into a subscription agreement as issuer (the "**Notes Subscription Agreement**") with AI Global Investment SPC (formerly known as Haitong Global Investment SPC III) acting on behalf of and for a segregated portfolio as subscriber (the "**Notes Subscriber**") for the issuance of secured and guaranteed notes (the "**Notes**") in the principal amount of HK\$100,000,000 for an initial term of 2 years from the date of issuance. On 13 July 2020, the Company and the Notes Subscriber entered into a deed of amendment, pursuant to which, among other things, the Notes Subscriber agreed to amend the terms and conditions of the Notes and that the maturity date of the Notes was extended from 12 August 2020 to 12 August 2021. On 17 August 2021, the Company further entered into a waiver letter with the Notes Subscriber pursuant to which the Notes Subscriber agreed to, among others, waive the obligation of the Company to fully repay the amount repayable under the Notes up to 6 September 2021. As at 20 September 2021, a deed of amendment had been executed to amend the terms and conditions of the Notes, having effect that, among others, the aggregate principal amount of the Notes shall be not more than HK\$78,000,000, and the final repayment date of the Notes has been extended to 12 November 2022. For details,

please refer to the Company's announcements dated 10 August 2018, 13 July 2020, 17 August 2021 and 20 September 2021 respectively. As at the date of this announcement, the total outstanding principal amount of the Notes is HK\$58,000,000.

The estimated net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$7,500,000. The proceeds are intended to be fully used for early repayment of part of the outstanding amount of the Notes, thereby reducing the Group's gearing ratio and improving the Group's financial position, and to ease the Company's burden in repaying the outstanding amount of the Notes in one lump sum in November 2022. Accordingly, the Board (including the independent non-executive Directors) considers that the Subscription is in the interests of the Company and the Shareholders as a whole, and the terms of the Subscription Agreements are fair and reasonable.

## EFFECTS ON SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective, assuming that the Company has a total of 49,956,186 issued Consolidated Shares upon the Share Consolidation becoming effective; and (iii) immediately after the Share Consolidation becoming effective and the allotment and issue of the Subscription Shares, assuming that, save for the Share Consolidation and the allotment and issue of the Subscription Shares, there being no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the Completion):

Name of Shareholders	As at the date of this announcement		Immediately after the Share Consolidation becoming effective		Immediately after the Share Consolidation becoming effective and the allotment and issue of the Subscription Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
	Mr. Wong Cheung Lok (Note 1)	430,000,000	43.04	21,500,000	43.04	21,500,000
Mutual Benefits Enterprise Limited	146,520,620	14.66	7,326,031	14.66	7,326,031	12.08
Mr. Wong Kin Ching (Note 2)	372,000	0.04	18,600	0.04	18,600	0.03
Subscriber II	-	-	-	-	8,000,000	13.19
<b>Public Shareholders</b>						
Subscriber I	-	-	-	-	2,700,000	4.45
Other public Shareholders	422,231,100	42.26	21,111,555	42.26	21,111,555	34.81
<b>Total</b>	<b>999,123,720</b>	<b>100</b>	<b>49,956,186</b>	<b>100</b>	<b>60,656,186</b>	<b>100</b>

Note 1: Mr. Wong Cheung Lok, is an executive Director, the chairman of the Board, and chief executive officer of the Company. He is the father of Mr. Wong Kin Ching.

*Note 2:* Mr. Wong Kin Ching is an executive Director and the Compliance Officer of the Company. He is the son of Mr. Wong Cheung Lok.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has conducted the following equity fund raising activity in the past twelve months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds (approximate)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds</b>
25 August 2021	Subscription of new Shares under general mandate	HK\$14,667,000	fully used for the repayment of part of the outstanding amount of the Notes	All net proceeds have been fully utilised as intended

Save as disclosed above, the Company has not conducted any equity fund raising activity within the 12 month period prior to the date of this announcement.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate. A circular containing, among other things, further details of the Share Consolidation and the Subscription and a notice convening the EGM will be despatched to the Shareholders on or before Thursday, 23 December 2021. Shareholders are recommended to consult their professional adviser if they are in doubt about any of the above matters.

For the purpose of the EGM, the register of members of the Company will be closed from Thursday, 6 January 2022 to Tuesday, 11 January 2022 (both days inclusive). Shareholders who intend to attend the EGM must deliver all transfer documents and the relevant share certificates to Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, at or before 4:30 p.m. on Wednesday, 5 January 2022.

**Shareholders and potential investors should note that the Share Consolidation and the completion of the Subscription are conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the Share Consolidation" and "Conditions of the Subscription" respectively above in this announcement. Accordingly, the Share Consolidation and the Subscription may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Company”	Hong Wei (Asia) Holdings Company Limited, a limited liability company incorporated in Hong Kong, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8191)
“Completion”	the completion of the Subscription in accordance with the terms and conditions set out in the Subscription Agreements
“Completion Date”	a date within five Business Days (or such other date and time as may be agreed by the Company) after the satisfaction of the conditions precedent of the Subscription Agreements
“Consolidated Share(s)”	share(s) of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 11 January 2022

“Existing Share(s)”	share(s) of the Company before the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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)”	a party who is not a connected person (as defined in the GEM Listing Rules) of the Company and is independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed share consolidation on the basis that every twenty (20) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share (if any) which would otherwise arise therefrom
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be
“Specific Mandate”	the specific mandate to be obtained from the Shareholders at the EGM to allot and issue the Subscription Shares to the Subscribers pursuant to the Subscription Agreements

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Mr. Ho Ching Ngok
“Subscriber II”	Mr. Poon Pak Ho Michael
“Subscribers”	Subscriber I and Subscriber II
“Subscription Agreement I”	the conditional subscription agreement dated 16 December 2021 entered into between the Company and Subscriber I in respect of the subscription of 2,700,000 new Consolidated Shares
“Subscription Agreement II”	the conditional subscription agreement dated 16 December 2021 entered into between the Company and Subscriber II in respect of the subscription of 8,000,000 new Consolidated Shares
“Subscription Agreements”	Subscription Agreement I and Subscription Agreement II
“Subscription Price”	HK\$0.73 per Subscription Share
“Subscription Shares”	an aggregate of 10,700,000 new Consolidated Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
“Subscription”	the subscription of an aggregate of 10,700,000 Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“%”	per cent.

By order of the Board  
**Hong Wei (Asia) Holdings Company Limited**  
**Wong Cheung Lok**  
*Chairman and executive Director*

Hong Kong, 16 December 2021

*As at the date of this announcement, the executive Directors are Mr. Wong Cheung Lok, Ms. Cheung Ngar Kwan, Mr. Liu Jiayong, Mr. Wong Kin Ching and Dr. Kaneko Hiroshi, the non-executive Director is Mr. Yanase Kenichi, and the independent non-executive Directors are Dr. Xu Jianmin, Ms. Qian Xiaoyu and Dr. Chow Ho Wan, Owen.*



*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least seven days from the day of its posting. This announcement will also be published on the Company's website at [www.hongweiasia.com](http://www.hongweiasia.com).*