

*Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) of Hong Wei (Asia) Holdings Company Limited (the “Company”) dated 27 December 2013.*

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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Shares thereby being offered.*

## **Hong Wei (Asia) Holdings Company Limited**

**鴻偉(亞洲)控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

### **LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING**

**Number of Placing Shares : 177,780,000 Shares**  
**Placing Price : HK\$0.39 per Placing Share (payable in full upon application, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%)**  
**Nominal value : HK\$0.10 each**  
**GEM stock code : 8191**

#### **Sole Sponsor**

 **建勤環球金融服務有限公司**  
**Baron Global Financial Services Limited**

#### **Joint Bookrunners**

 **建勤環球金融服務有限公司**  
**Baron Global Financial Services Limited**

**CONVOY**  **康宏**  
your finance navigator

#### **Joint Lead Managers**

**CONVOY**  **康宏**  
your finance navigator

**平安證券有限公司**  
**Ping An Securities Limited**

**Quam**  **華富嘉洛**  
Securities & Futures 證券期貨

**TANRICH**  
TANRICH SECURITIES CO. LIMITED  
鞍邦證券有限公司

- The Placing Price is at HK\$0.39 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%).
- The initial 177,780,000 Placing Shares offered by the Company under the Placing were moderately oversubscribed.
- Pursuant to the Placing, 177,780,000 Placing Shares have been conditionally allocated to a total of 300 selected professional, institutional, individual and other investors.
- Based on the Placing Price of HK\$0.39 per Placing Share, the net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, legal and other professional fees together with applicable printing and other charges and expenses relating to the Placing are approximately HK\$54 million.
- The Directors confirm that, to the best of their knowledge and belief, all the places under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, the Controlling Shareholder or Substantial Shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Placing.
- The Directors confirm that, immediately after the completion of the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be beneficially owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Wednesday, 8 January 2014.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING PRICE AND USE OF PROCEEDS**

The Placing Price is HK\$0.39 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, legal and other professional fees together with applicable printing and other charges and expenses relating to the Placing, are approximately HK\$54 million.

The Directors intend to apply such net proceeds in the following manner:

- (a) approximately HK\$30.0 million (or approximately 56% of the net proceeds) for partially repaying a RMB32 million bank loan provided from ABC with a fixed interest rate of 6.9% per annum and maturity of one year due in March 2014 designated for general working capital use; the remaining loan balance of the RMB32 million bank loan will be automatically rolled-over;
- (b) approximately HK\$5.0 million (or approximately 9% of the net proceeds) for the expanding our product range;
- (c) approximately HK\$3.0 million (or approximately 5% of the net proceeds) for strengthening and expanding of our sales network across the PRC;
- (d) approximately HK\$2.6 million (or approximately 5% of the net proceeds) for expanding our supplier base for the supply of Residual Wood;
- (e) approximately HK\$5.8 million (or approximately 11% of the net proceeds) for enhancing of our product research and development;
- (f) approximately HK\$2.6 million (or approximately 5% of the net proceeds) for strengthening our brand recognition; and
- (g) approximately HK\$5.0 million (or approximately 9% of the net proceeds) for general working capital purpose.

## **LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING**

The 177,780,000 Placing Shares offered by the Company were moderately oversubscribed.

## RESULTS OF ALLOCATION

Pursuant to the Placing, 177,780,000 Placing Shares have been conditionally allocated to a total of 300 selected professional, institutional, individual and other investors. The distribution of the Placing Shares is set out as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company	Approximate percentage of the total number of the Placing Shares allocated immediately after the completion of the Placing
Top placee	13,728,000	1.93%	7.72%
Top 5 placees	51,120,000	7.19%	28.75%
Top 10 placees	77,964,000	10.96%	43.85%
Top 25 placees	125,094,000	17.59%	70.36%

Number of Placing Shares allocated	Number of placees
6,000 to 30,000	169
36,000 to 90,000	25
96,000 to 180,000	20
186,000 to 300,000	25
366,000 to 600,000	9
720,000 to 1,200,000	17
1,236,000 to 2,400,000	10
2,562,000 to 3,300,000	10
3,600,000 to 6,000,000	10
6,786,000 to 13,728,000	5
<b>Total</b>	<b>300</b>

The Directors confirm that, to the best of their knowledge and belief, all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, the Controlling Shareholder or Substantial Shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after the Placing.

**Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

#### **MINIMUM PUBLIC FLOAT REQUIREMENT**

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at all times. Pursuant to Rule 11.23(8) of the GEM Listing Rules, the three largest public Shareholders shall not beneficially own more than 50% of the Shares in public hands at the time of Listing. The Directors confirm that, immediately after the completion of the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

#### **DEPOSIT OF SHARE CERTIFICATES INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Wednesday, 8 January 2014) or on any other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. 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 have been made for the Shares to be admitted into CCASS.

**No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title.**

Prospective investors of the Placing Shares should note that Baron Global Financial Services Limited as one of the Joint Lead Managers (for itself and on behalf of the Joint Lead Manager and the Underwriters) shall have absolute right by notice in writing to the Company to terminate the Underwriting Agreement upon the occurrence of any of the events set forth under the paragraph headed “Grounds for Termination” under the section headed “Underwriting” in the Prospectus at any time prior to 8: 00 a.m. on the Listing Date (i.e. Wednesday, 8 January 2014). In the event that the Underwriting Agreement is terminated, an announcement will be published by the Company on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.hongweiasia.com](http://www.hongweiasia.com).

All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date (i.e. Wednesday, 8 January 2014).

### **INFORMATION DISCLOSED BY MEDIA**

Subsequent to the publication of the prospectus, there has been press and media coverage regarding the Company, including the news articles dated 6 January 2014 in Hong Kong Economic Times, Ming Pao and [www.etnet.com](http://www.etnet.com), which reported that (1) Mr. Ong Chor Wei, non-executive director of the Company, said that there are not more than 10 manufacturers in the PRC who manufactures Premium Quality Particleboards; and (2) Mr. Wong Cheung Lok, chairman of the Board of Directors, said that products of the Company may be used in the manufacture of furniture and sports equipment such as table tennis tables, including those under the “DHS” (紅雙喜) brand, which together with two or three other brands, account for 60% to 70% of the total exports of the Company. Further, it was reported that the Company has less than 10 competitors which have its production capacity of 220,000m<sup>3</sup> to produce Premium Quality Particleboards. The Company confirmed that they were inaccurately reported as this was not the information provided to the media.

Such press and media coverage may include references to certain information that does not appear in the prospectus or information that is inaccurate. The Company has not authorized any such information about it contained in such press and media coverage. Therefore, the Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and the Company does not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the information contained in the prospectus, the Company expressly disclaims it. Accordingly, prospective investors should only rely on information included in the prospectus and should not rely on any of the information in press articles or other media coverage in making any decision as to whether or not to purchase the Placing Shares.

## COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Wednesday, 8 January 2014. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hongweiasia.com](http://www.hongweiasia.com). The Shares will be traded in board lots of 6,000 Shares each. The stock code for the Shares is 8191.

By order of the Board  
**Hong Wei (Asia) Holdings Company Limited**  
**Mr. Wong Cheung Lok**  
*Chairman*

Hong Kong, 7 January 2014

*As at the date of this announcement, the executive Directors are Mr. Wong Cheung Lok, Ms. Cheung Ngar Kwan, Ms. Huang Xiuyan, Mr. Liu Jiayong, the non-executive Director is Mr. Ong Chor Wei and the independent non-executive Directors are Dr. Xu Jianmin, Ms. Qian Xiaoyu and Mr. Wong Hei Chiu. 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 be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hongweiasia.com](http://www.hongweiasia.com).*