

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 is 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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

SUNWAH KINGSWAY

新華滙富

Kingsway Financial Services Group Limited

PLACING OF NEW SHARES

On 22 May 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, the Placing Shares comprising up to 142,218,000 new Shares at the Placing Price of HK\$0.56 per Placing Share to not less than six independent Placees.

The maximum number of Placing Shares represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of the Placing Agreement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing is not subject to Shareholders' approval as the Placing Shares will be allotted and issued under the General Mandate. The Placing is conditional upon, among others, the Listing Division granting or agreeing to grant a listing of, and permission to deal in, all of the Placing Shares. In the event that any of the conditions of the Placing is not fulfilled by 19 June 2015 (or such later date as may be agreed by the Placing Agent and the Company), the Placing will not proceed.

Assuming all the Placing Shares are fully placed, the gross proceeds of the Placing will amount to approximately HK\$79.6 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$75.9 million after deducting relevant expenses incurred in relation to the Placing. It is presently expected that the net proceeds will be used to repay borrowings and/or as general working capital of the Group.

Completion of the Placing is subject to, among other things, the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 22 May 2015 (after trading hours)

Parties:

- (1) Issuer: the Company
- (2) Placing agent: Kingsway Financial Services Group Limited

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares at the Placing Price. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent is an Independent Third Party.

The Placees

The Placing Shares will be placed on a best effort basis to not less than six Placees which will be institutional, professional and/or private investors who and whose ultimate beneficial owners shall be Independent Third Parties. It is not expected that any Placee will become a Substantial Shareholder immediately after completion of the Placing.

Number of Placing Shares

The Placing Shares shall be up to 142,218,000 new Shares, representing approximately 20.00% of the existing issued share capital of the Company as at the date of the Placing Agreement, and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will rank, upon issue and fully paid, pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price is HK\$0.56 per Placing Share, representing:

- (i) a discount of approximately 15.15% to the closing price of HK\$0.66 per Share as quoted on the Stock Exchange on 22 May 2015, being the date of the Placing Agreement; and
- (ii) a discount of approximately 12.50% to the average of the closing prices of approximately HK\$0.64 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to, among others, the prevailing market price and the liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Based on the estimated expenses for the Placing, the net Placing Price is approximately HK\$0.53 per Placing Share.

Placing commission payable to the Placing Agent

The placing commission payable to the Placing Agent under the Placing Agreement is 4.5% of the aggregate Placing Price of the Placing Shares.

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market rate. The Directors consider that the terms of the Placing Agreement (including the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are authorised to issue up to 142,223,020 Shares. Up to the date of this announcement, the General Mandate has not been previously utilised. As such, the Placing and the issue of the Placing Shares are not subject to Shareholders' approval.

Conditions of the Placing

The Placing is conditional upon:

- (i) the granting by the Listing Division of the listing of, and permission to deal in, all of the Placing Shares; and
- (ii) each of the Company and the Placing Agent having obtained all necessary consents and approvals in relation to the Placing from the relevant authorities, if applicable.

In the event that any of the conditions of the Placing is not fulfilled by 19 June 2015 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Completion of the Placing

Completion of the Placing will take place on or before the third Business Day following the fulfillment of all the conditions of the Placing or such other date as may be agreed by the Company and the Placing Agent.

Termination

The Placing Agent has the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 9:00 a.m. on the Completion Date, if in its reasonable opinion, the success of the Placing would be materially and adversely affected by any force majeure events provided in the Placing Agreement.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 9:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above mentioned factors, all obligations of the Company and the Placing Agent shall cease and determine and no party of the Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breach of any obligation under the Placing Agreement.

Application for listing

Application will be made by the Company to the Listing Division for the listing of, and permission to deal in, the Placing Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 711,115,100 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing are as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Wong Cheung Lok & Ms. Cheung Ngar Kwan <i>(Note 1)</i>	430,000,000	60.47%	430,000,000	50.39%
Placees	–	–	142,218,000	16.67%
Other public Shareholders	281,115,100	39.53%	281,115,100	32.94%
Total	711,115,100	100.00%	853,333,100	100.00%

Notes:

1. Ms. Cheung Ngar Kwan is the spouse of Mr. Wong Cheung Lok. Under the SFO, Ms. Cheung Ngar Kwan is deemed to be interested in the same number of Shares in which Mr. Wong Cheung Lok is interested.
2. Assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and the principal activities of the Group, through its subsidiaries, are manufacturing and sales of particleboards, which were used primarily in the production of furniture, flooring panels, decoration and construction materials. The Directors are of the view that the Placing represents a good opportunity for the Group to raise additional capital, which would allow the Company to increase its capital base and widen its shareholder base.

Assuming all the Placing Shares were allotted and issued, the gross proceeds of the Placing will amount to approximately HK\$79.6 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$75.9 million after deducting relevant expenses incurred in relation to the Placing. It is presently expected that the net proceeds will be used to repay borrowings and/or as general working capital of the Group.

In view of the above, the Directors consider that the terms of the Placing are (i) on normal commercial terms; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 24 September 2014, the Company announced a placing of up to 70,200,000 unlisted warrants under the General Mandate. Such placing did not proceed as announced by the Company on 8 October 2014. Save as disclosed above, the Company did not conduct any fund raising activities involving the issue of its securities in the past 12 months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules, unless otherwise specified
“Board”	board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
“Company”	Hong Wei (Asia) Holdings Company Limited, an exempted company incorporated in Hong Kong with limited liability, the securities of which are listed on the GEM
“Completion Date”	on or before the third Business Day following the date on which all the conditions precedent set out in the Placing Agreement are fulfilled or such later date as may be agreed between the Company and the Placing Agent

“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules, unless otherwise specified
“Director(s)”	director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 May 2014, pursuant to which a maximum of 142,223,020 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	Party(ies) which is/are not connected persons (as defined under the GEM Listing Rules) of the Company and is/are independent of the Company and its connected persons
“Listing Division”	the Listing Division of the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s), who are Independent Third Parties, procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Share(s) by the Company through the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Kingsway Financial Services Group Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities for the purpose of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the Placing Agreement dated 22 May 2015 entered into between the Placing Agent and the Company in relation to the Placing
“Placing Price”	HK\$0.56 per Placing Share
“Placing Share(s)”	up to 142,218,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	shares of the Company
“Shareholder(s)”	holder(s) of the Shares
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 22 May 2015

At the date of this announcement, the executive Directors are Mr. Wong Cheung Lok, Ms. Cheung Ngar Kwan, Ms. Huang Xiuyan and 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 remain on the GEM website (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.