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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)

ANNOUNCEMENT PURSUANT TO RULE 17.20 OF THE GEM LISTING RULES

The announcement is made by Hong Wei (Asia) Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

On 10 August 2018, the Company, as issuer, entered into the subscription agreement (the “**Subscription Agreement**”) with Haitong Global Investment SPC III acting on behalf of and for a segregated portfolio (“**Subscriber**”) as the subscriber pursuant to which the Company has conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the secured and guaranteed notes in the principal amount of up to HK\$100,000,000 (the “**Notes**”). The Notes have an initial term of two years from the date of issue of the Notes, extendable for another year as agreed by the parties. Mr. Wong Cheung Lok (“**Mr. Wong**”), being the chairman, an executive director and the controlling shareholder of the Company holding approximately 51.65% of the issued shares of the Company as of the date of this announcement, and Ms. Cheung Ngar Kwan, being an executive director of the Company and the spouse of Mr. Wong, are the guarantors (“**Guarantors**”) of the Company for the Company’s payment obligations under the Notes.

The Subscription Agreement and the instrument constituting the Notes (“**Instrument**”) contain covenants that require Mr. Wong to remain as the single largest shareholder of the Company, the chairman of the Board and executive director of the Company and restrict the creation by either of the Guarantors of any additional encumbrances over real properties owned by them in Hong Kong as at the date of the Subscription Agreement and the Instrument, the breach of which will constitute an event of default. In addition, the bankruptcy or inability to pay debts when due of the Guarantors or any change of control (within the meaning of the Code on Takeovers and Mergers) of the Company will also constitute an event of default. Upon the occurrence of a continuing event of default, the holder(s) of the Notes is(are) entitled to request immediate redemption of the Notes at a higher interest rate and such amount which would give a 20% internal rate of return (inclusive of all interest and fee payable by the Company) to the Subscriber as stipulated in the Instrument.

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

Hong Kong, 10 August 2018

As 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; 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 Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited 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.