
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hong Wei (Asia) Holdings Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.

**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;
(2) SUBSCRIPTIONS OF NEW CONSOLIDATED SHARES UNDER
SPECIFIC MANDATES;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting (the “EGM”) to be held at Unit 2413A, 24/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong, on 11 January 2022 at 11:00 a.m. is set out in this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy and return it in accordance with the instructions printed thereon as soon as possible to the Company’s share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company on 23 December 2021, and in any event not later than 11:00 a.m. on Sunday, 9 January 2022. The completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment in person if you so wish.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Please refer to page i of this circular for measures being taken to try to prevent and control the spread of the Novel Coronavirus 2019 (COVID-19) at the EGM, including:

- compulsory temperature checks and health declarations;
- recommended wearing of surgical face masks; and
- no distribution of corporate gifts and refreshments.

Any person who does not comply with the precautionary measures may be denied entry the EGM venue. Attendees of the EGM should wear face masks at all times at the EGM venue. Shareholders are reminded that they may appoint the Chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.hongweiasia.com.

23 December 2021

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing Novel Coronavirus 2019 (COVID-19) pandemic and recent requirements for prevention and control of its spread, and taking into consideration of the guidelines issued by the Government of Hong Kong (available at www.chp.gov.hk/en/features/102742.html), the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue.
- All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the EGM venue a declaration form by providing their names and contact details, and confirming that they have not travelled to, and to their best of knowledge, had no physical contact with any person who has recently travelled from the PRC or any overseas countries/territories at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the EGM venue or be required to leave the EGM venue.
- Attendees shall wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats.
- No refreshments will be served, and there will be no corporate gifts. To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM. In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

The proxy form is attached to this Circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the website of the Stock Exchange (www.hkexnews.hk) or the website of the Company (www.hongweiasia.com). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy. Please also refer to "Letter from the Board" in this circular for more information on the completing and returning the proxy form before the EGM.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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 Subscriptions 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
“EGM Notice”	the notice of EGM as set out on pages EGM-1 to EGM-4 to in this circular
“Existing Share(s)”	share(s) of the Company before the Share Consolidation becoming effective

DEFINITIONS

“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 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 PRC
“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)
“Latest Practicable Date”	20 December 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China
“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
“Specific Mandate I”	the specific mandate to be obtained from the Shareholders at the EGM to allot and issue the Subscription Shares I to Subscriber I pursuant to Subscription Agreement I
“Specific Mandate II”	the specific mandate to be obtained from the Shareholders at the EGM to allot and issue the Subscription Shares II to Subscriber II pursuant to Subscription Agreement II

DEFINITIONS

“Specific Mandates”	Specific Mandate I and Specific Mandate II
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be
“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 Shares I”	2,700,000 new Consolidated Shares to be subscribed by Subscriber I pursuant to Subscription Agreement I
“Subscription Shares II”	8,000,000 new Consolidated Shares to be subscribed by Subscriber II pursuant to Subscription Agreement II
“Subscriptions”	Subscription I and Subscription II, together the subscriptions of an aggregate of 10,700,000 Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“Subscription I”	the subscription of 2,700,000 new Consolidated Shares by Subscriber I pursuant to the terms and conditions of Subscription Agreement I

DEFINITIONS

“Subscription II” the subscription of 8,000,000 new Consolidated Shares by Subscriber II pursuant to the terms and conditions of Subscription Agreement II

“%” per cent.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is set out as follows.

Event	Date and Time
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
The following events are conditional upon satisfaction of the conditions for the implementation of the Share Consolidation	
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

EXPECTED TIMETABLE

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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wong Cheung Lok (*Chairman*)
Ms. Cheung Ngar Kwan
Mr. Liu Jiayong
Mr. Wong Kin Ching
Dr. Kaneko Hiroshi

Registered Office:

Unit No.5, 10/F.
Well Tech Centre
No.9 Pat Tat Street
San Po Kong, Kowloon
Hong Kong

Non-executive Director:

Mr. Yanase Kenichi

Independent non-executive Directors:

Ms. Qian Xiaoyu
Dr. Xu Jianmin
Dr. Chow Ho Wan, Owen

23 December 2021

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED SHARE CONSOLIDATION;
(2) SUBSCRIPTIONS OF NEW CONSOLIDATED SHARES UNDER
SPECIFIC MANDATES;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References is made to the announcement of the Company dated 16 December 2021 in relation to the proposed Share Consolidation and the Subscriptions.

The purpose of this circular is to provide you with, among other things, (i) further details of the proposed Share Consolidation; (ii) further details of the Subscriptions; and (iii) the EGM Notice.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 Latest Practicable Date 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 13 January 2022, being the second Business Day immediately after the date of the EGM.

Listing application

An application has been 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.

LETTER FROM THE BOARD

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. Holders of the Consolidated Shares in odd lots represented by valid share certificates for the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top up their odd lots to a full board lot, may directly or through their brokers, contact Ms. Carmen Wong of One China Securities Limited at (852) 3188-2676 or by facsimile at (852) 3188-9984 during the period from 9:00 a.m. on Thursday, 27 January 2022 to 4:00 p.m. on Monday, 21 February 2022 (both days inclusive).

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.

LETTER FROM THE BOARD

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 Latest Practicable Date.

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\$0.039 per Existing Share (equivalent to the theoretical closing price of HK\$0.780 per Consolidated Share) as at the Latest Practicable Date, (i) the value per board lot of 6,000 Existing Shares is HK\$234; and (ii) the value per board lot of 6,000 Consolidated Shares would be HK\$4,680 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

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 Subscriptions, 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.

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

LETTER FROM THE BOARD

Subscriber I

Subscriber I is an individual who has over 25 years of experience investing in and trading financial products in Hong Kong and Australia, and also has experience in alternative investment involving green agriculture products in Southeast Asia. He became acquainted with the Company through the introduction by a common friend with Mr. Wong Cheung Lok, an executive Director and chairman of the Board. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the Latest Practicable Date, 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 an individual who has over 30 years of experience investing in venture capital, private equities and other financial products involving securities, derivatives and options trading in Hong Kong and the United Kingdom. He became acquainted with the Company through the introduction by a common friend with Mr. Wong Cheung Lok, an executive Director and chairman of the Board. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the Latest Practicable Date, 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 Latest Practicable Date 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 and there being no other change in the issued share capital of the Company from the Latest Practicable Date and up to the Completion, save for the Share Consolidation and the issue and allotment of the Subscription Shares, (i) if both Subscriptions are completed, the Subscription Shares, being 10,700,000 new Consolidated Shares, will

LETTER FROM THE BOARD

represent (1) approximately 21.42% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (2) 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; (ii) if only Subscription I is completed, the Subscription Shares I, being 2,700,000 new Consolidated Shares, will represent (1) approximately 5.40% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (2) approximately 5.13% 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 I; and (iii) if only Subscription II is completed, the Subscription Shares II, being 8,000,000 new Consolidated Shares, will represent (1) approximately 16.01% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (2) approximately 13.80% 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 II.

Assuming that the Company has a total of 49,956,186 issued Consolidated Shares upon the Share Consolidation becoming effective and that both Subscriptions are completed, 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 I and Subscription Shares II 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. If only Subscription I is completed, upon Completion, Subscriber I will own approximately 5.13% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares I, and Subscriber I will become a public Shareholder. If only Subscription II is completed, upon Completion, Subscriber II will own approximately 13.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares II, and 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.

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;
- (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;
- (iii) a discount of approximately 6.4% to the theoretical closing price of HK\$0.780 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.039 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and

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- (iv) a discount of approximately 87.26% to the adjusted consolidated net asset value per Consolidated Share of approximately HK\$5.73 (after taking into account the effect of the Share Consolidation and based on the consolidated net asset value of the Company as at 31 December 2020 of approximately HK\$286,222,000 and 49,956,186 issued Consolidated Shares after the Share Consolidation has become effective).

The market value of the Subscription Shares I and Subscription Shares II are HK\$2,214,000 and HK\$6,560,000 respectively, 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 each of the Subscribers with reference to current market conditions, prevailing market price and recent trading volume of the Shares.

The gross proceeds and net proceeds from the Subscriptions will be as follows respectively:

- (i) HK\$1,971,000 and approximately HK\$1,471,000, representing a net subscription price of approximately HK\$0.54, if only Subscription I is completed;
- (ii) HK\$5,840,000 and approximately HK\$5,340,000, representing a net subscription price of approximately HK\$0.67, if only Subscription II is completed; and
- (iii) HK\$7,811,000 and approximately HK\$7,311,000, representing a net subscription price of approximately HK\$0.68, if both the Subscriptions are completed.

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 Subscriptions

Completion of each of the Subscriptions is conditional upon the following:

- (a) the passing of the resolution(s) at the EGM by the Shareholders to approve each of the Subscription Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandates 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.

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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 each of Subscription I and Subscription II are not interconditional.

Completion of the Subscriptions

Completion in respect of each of the Subscriptions 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 each of the Subscription Agreements.

Specific Mandates

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

APPLICATION FOR LISTING

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

REASONS FOR THE SUBSCRIPTIONS 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 Latest Practicable Date, the total outstanding principal amount of the Notes is HK\$58,000,000.

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The estimated net proceeds from the Subscriptions, after deduction of the relevant expenses, will be as follows:

- (i) approximately HK\$1,471,000, if only Subscription I is completed;
- (ii) approximately HK\$5,340,000, if only Subscription II is completed; and
- (iii) approximately HK\$7,311,000, if both the Subscriptions are completed.

In each of the above scenarios, 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 Subscriptions are 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 Latest Practicable Date; (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; (iii) immediately after the Share Consolidation becoming effective and completion of Subscription I only; (iv) immediately after the Share Consolidation becoming effective and completion of Subscription II only; and (v) immediately after the Share Consolidation becoming effective and completion of both the Subscriptions, 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 Latest Practicable Date and up to the Completion:

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Name of Shareholders	As at the Latest Practicable Date		Immediately after the Share Consolidation becoming effective		Immediately after the Share Consolidation becoming effective and completion of Subscription I only		Immediately after the Share Consolidation becoming effective and completion of Subscription II only		Immediately after the Share Consolidation becoming effective and completion of both the Subscriptions	
	No. of Shares	Approximate %	No. of Shares	Approximate %	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	40.83	21,500,000	37.10	21,500,000	35.45
Mutual Benefits Enterprise Limited	146,520,620	14.66	7,326,031	14.66	7,326,031	13.91	7,326,031	12.64	7,326,031	12.08
Mr. Wong Kin Ching (Note 2)	372,000	0.04	18,600	0.04	18,600	0.04	18,600	0.03	18,600	0.03
Subscriber II	-	-	-	-	-	-	8,000,000	13.80	8,000,000	13.19
Public Shareholders										
Subscriber I	-	-	-	-	2,700,000	5.13	-	-	2,700,000	4.45
Other public Shareholders	422,231,100	42.26	21,111,555	42.26	21,111,555	40.09	21,111,555	36.43	21,111,555	34.80
Total	999,123,720	100	49,956,186	100	52,656,186	100	57,956,186	100	60,656,186	100

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 Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
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 Latest Practicable Date.

LETTER FROM THE BOARD

EGM

The EGM will be convened and held at Unit 2413A, 24/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong on Tuesday, 11 January 2022 at 11:00 a.m. at which ordinary resolutions will be proposed to consider and, if thought fit, to approve the Share Consolidation, the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandates. The EGM Notice is set out on pages EGM-1 to EGM-4 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the Share Consolidation, the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandates, accordingly, no Shareholder is required to abstain from voting on the ordinary resolutions at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company on 23 December 2021, and in any event not later than 11:00 a.m. on Sunday, 9 January 2022. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish.

The register of members of the Company will be closed from Thursday, 6 January 2022 to Tuesday, 11 January 2022 (both days inclusive), during which period no transfer of Shares will be registered. For the purpose of ascertaining the shareholders' eligibility to participate in the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, 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.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at the EGM must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter (as defined in the Note to Rule 17.47(4) of the GEM Listing Rules) to be voted on by a show of hands.

RESPONSIBILITY STATEMENT

This circular, 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 enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the resolutions to be proposed at the EGM is in the interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board
Hong Wei (Asia) Holdings Company Limited
Wong Cheung Lok
Chairman

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (the “**EGM**”) of Hong Wei (Asia) Holdings Company Limited (the “**Company**”) will be held at Unit 2413A, 24/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong on Tuesday, 11 January 2022 at 11:00 a.m. for the following purpose of considering and, if thought fit, passing with or without amendments the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon, among other things, the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange:
 - (i) every twenty (20) issued shares in the share capital of the Company be consolidated into one (1) share (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company (the “**Share Consolidation**”);
 - (ii) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (each a “**Director**”) of the Company may think fit; and
 - (iii) any one Director be and is hereby authorised to approve, sign and execute such documents and do and/or procure to be done any and all acts, deeds and things which in his/her opinion may be necessary, desirable or expedient to effect and implement this resolution.”

NOTICE OF EGM

2. **“THAT** subject to the fulfilment of the terms and conditions set out in the subscription agreement dated 16 December 2021 (**“Subscription Agreement I”**) entered into between the Company and Mr. Ho Ching Ngok (**“Subscriber I”**) pursuant to which the Company has agreed to allot and issue and Subscriber I has agreed to subscribe for 2,700,000 new Consolidated Shares (the **“Subscription Shares I”**) at the subscription price of HK\$0.73 per subscription share:
- (a) Subscription Agreement I and the matters contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (b) all the transactions contemplated under Subscription Agreement I, including but not limited to the specific mandate to allot and issue the Subscription Shares I by the Company to Subscriber I pursuant to Subscription Agreement I, be and are hereby approved and the Directors be and are hereby authorised to allot and issue the Subscription Shares I to Subscriber I pursuant to Subscription Agreement I under the specific mandate; and
 - (c) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things and execute all such documents which he/she consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to Subscription Agreement I and the transactions contemplated thereunder.”
3. **“THAT** subject to the fulfilment of the terms and conditions set out in the subscription agreement dated 16 December 2021 (**“Subscription Agreement II”**) entered into between the Company and Mr. Poon Pak Ho Michael (**“Subscriber II”**) pursuant to which the Company has agreed to allot and issue and Subscriber II has agreed to subscribe for 8,000,000 new Consolidated Shares (the **“Subscription Shares II”**) at the subscription price of HK\$0.73 per subscription share:
- (a) Subscription Agreement II and the matters contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (b) all the transactions contemplated under Subscription Agreement II, including but not limited to the specific mandate to allot and issue the Subscription Shares II by the Company to Subscriber II pursuant to Subscription Agreement II, be and are hereby approved and the Directors be and are hereby authorised to allot and issue the Subscription Shares II to Subscriber II pursuant to Subscription Agreement II under the specific mandate; and

NOTICE OF EGM

- (c) any one Director be and is hereby authorised to, on behalf of the Company, do all such acts and things and execute all such documents which he/she consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to Subscription Agreement II and the transactions contemplated thereunder.”

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

Hong Kong, 23 December 2021

Notes:

- (i) Shareholders entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy needs not be a member of the Company.
- (ii) In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), must be delivered to the Company's share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company on 23 December 2021, and in any event not later than 11:00 a.m. on Sunday, 9 January 2022.
- (iii) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (iv) In the case of joint holders, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (v) The register of members of the Company will be closed from Thursday, 6 January 2022 to Tuesday, 11 January 2022 (both days inclusive), during which period no transfer of Shares will be registered. For the purpose of ascertaining the shareholders' eligibility to participate in the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, 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.

As at the date of this notice, 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. Chow Ho Wan, Owen, Dr. Xu Jianmin and Ms. Qian Xiaoyu.

This notice, 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 notice 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 notice misleading.

This notice will remain on the GEM website (www.hkgem.com) for at least seven days from the day of its posting. This notice will also be published on the Company's website at www.hongweiasia.com.