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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)

FULFILLMENT OF RESUMPTION CONDITION AND RESUMPTION OF TRADING

References are made to the announcements of Hong Wei (Asia) Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 March 2023, 18 May 2023, 14 June 2023, 7 July 2023, 21 July 2023, 6 October 2023, 9 January 2024 and 5 April 2024 in relation to, among other things, the suspension of trading in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

FULFILLMENT OF RESUMPTION CONDITIONS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company has demonstrated to the Stock Exchange that the Company has fulfilled the resumption conditions for the resumption of trading in the Shares, details of which are stated as follows:

(i) Publish all outstanding financial results and address any audit modifications

On 1 April 2024, the Company has published all outstanding financial results, namely, (a) the audited annual results for the year ended 31 December 2023 (the “**2023 Annual Results**”); (b) the unaudited third quarterly results for the nine months ended 30 September 2023; (c) the unaudited interim results for the six months ended 30 June 2023; (d) the unaudited first quarterly results for the three months ended 31 March 2023; and (e) the audited annual results for the year ended 31 December 2022 (the “**2022 Annual Results**”) and there is no audit modification for both the 2022 Annual Results and the 2023 Annual Results.

(ii) Demonstrate the Company’s compliance with Rule 17.26 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”)

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 (the “PRC”).

During the two years ended 31 December 2022 and 2023, the Group has two reportable operating segments including (i) particleboards segment, principally engaged in manufacturing and selling of particleboards in the PRC; and (ii) forestry segment, principally engaged in timber logging, plantation and sales of timber woods and agricultural products in the PRC.

The principal businesses of the Group have remained unchanged and the same as those immediately before the Suspension.

For the two years ended 31 December 2022 and 2023, (a) the Company recorded revenue in the amount of approximately HK\$402 million and HK\$482 million respectively; (b) the Company recorded gross profit in the amount of approximately HK\$76 million and HK\$84 million; (c) the Company recorded profit attributable to owners of the Company in the amount of approximately HK\$8.3 million and HK\$1.5 million; and (d) the Company recorded cash flows from operating activities in the amount of approximately HK\$61.6 million and HK\$64 million.

As at 31 December 2023, the total assets of the Company amounted to approximately HK\$774 million and the net assets of the Company amounted to approximately HK\$251 million.

Based on the above, the Board is of the view that the Company is carrying on businesses with sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the Company’s shares and accordingly has fulfilled this resumption condition.

(iii) Re-comply with Rules 5.05, 5.05A, 5.28, 5.34, and 5.36A of the GEM Listing Rules

The Board comprises of Mr. Wong Cheung Lok, Mr. Liu Jiayong, Mr. Wong Kin Ching and Mr. Chu Hin Ming Alfonso as executive Directors, and Ms. Qian Xiaoyu, Mr. Cheung Wai Yin Wilson and Mr. Guo Ensheng as independent non-executive Directors.

As disclosed in the announcement of the Company dated 6 October 2023, following the appointment of Mr. Cheung Wai Yin Wilson and Mr. Guo Ensheng with effect from 6 October 2023, the Company has re-complied with Rules 5.05, 5.05A, 5.28, 5.34, and 5.36A of the GEM Listing Rules.

(iv) Inform the market of all material information for the Company's shareholders and investors to appraise its position.

Since the suspension of trading in the shares of the Company, the Company has been keeping its shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange in accordance with the GEM Listing Rules.

The Company will continue to keep its shareholders and potential investors informed of any material developments by making further announcement(s) as and when appropriate and in accordance with the GEM Listing Rules.

SUPPLEMENTAL INFORMATION TO THE ANNUAL REPORT

The Company would like to provide the following supplemental information in relation to the restricted deposit disclosed in the annual report of the Company for the year ended 31 December 2023.

Restricted deposit

As disclosed in note 22 of the annual report of the Company for the year ended 31 December 2023, the Company has restricted deposit in the PRC in the amount of HK\$11,021,000 (2022: HK\$8,416,000).

The restricted deposit was attributable to Hongwei Wooden Products (Renhua) Company Limited ("**Hongwei Renhua**"), a wholly-owned subsidiary of the Company, having received a fund in the amount of RMB10 million (the "**Funds**") on 25 October 2019 from a third party (the "**Third Party**") for and on behalf of Mr. Wong Cheung Lok ("**Mr. Wong**") for a transaction entered into between Mr. Wong and the Third Party, which is an independent third party and the Third Party was subsequently investigated by PRC government authority for suspected illegal fund-raising (the "**Investigation**"). Due to the Investigation, the bank account of Hongwei Renhua was restricted by PRC government authority in the amount of up to RMB10 million and such restricted amount could not be used by the Company until after the Investigation is completed and such restriction is released by the PRC government authority. The Company was first informed about the restriction imposed on the bank account of Hongwei Renhua by PRC government authority in the amount of up to RMB10 million (the "**Restriction**") in or around June 2022. In relation to the receiving of the Funds in the amount of RMB10 million, the Company recorded bank deposit in the amount of RMB10 million and other payable to Mr. Wong in the amount of RMB10 million.

Neither the Company nor Hongwei Renhua had any involvement in the transaction between Mr. Wong and the Third Party and neither Hongwei Renhua nor Mr. Wong is a subject of the Investigation. The Company's PRC legal adviser confirms that Hongwei Renhua bears no criminal or civil liability.

The Funds was actually a loan granted by Mr. Wong to the Company (which was interest free, unsecured and without any collateral) (the “**Loan**”) and the Company had applied the Loan to repay its bank loan in the amount of RMB10,060,000 on 25 October 2019. The Funds were transferred to the bank account of Hongwei Renhua by the Third Party as directed by Mr. Wong for the purpose of the Loan and it did not require any internal approval procedures by the Group.

The Company has already repaid the Loan in full (without interest) to Mr. Wong on 15 November 2019 (in the amount of RMB6 million), 25 November 2019 (in the amount of RMB1 million), 2 December 2019 (in the amount of RMB1 million), 3 December 2019 (in the amount of RMB1 million) and 5 December 2019 (in the amount of RMB1 million) respectively.

Each of (i) the application of the Loan (i.e. the repayment of the Company’s bank loan in the amount of RMB10,060,000 by using the credit balance of Hongwei Renhua’s bank account(s)); and (ii) the repayment of the Loan to Mr. Wong by using the credit balance of Hongwei Renhua’s different bank accounts has gone through proper approval procedures.

Considering the Restriction, Mr. Wong agrees and undertakes to provide to the Company a revolving facility (until the Restriction has been lifted by the PRC government authority) in the amount of up to RMB10 million (which will be interest free, unsecured and without any collateral) for the Company’s utilisation from time to time and if necessary, such that the Restriction will not have any material adverse effect on the business operation of the Group and Mr. Wong further agrees and undertakes to indemnify and compensate the Group for all losses, liabilities, claims, penalties, fees and other expenses with respect to the Restriction in the amount of up to RMB10 million.

RESUMPTION OF TRADING

Trading in the shares of the Company on GEM of the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023. As the Resumption Conditions have been fulfilled, an application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 15 April 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 12 April 2024

As at the date of this announcement, the executive Directors are Mr. Wong Cheung Lok, Mr. Liu Jiayong, Mr. Wong Kin Ching and Mr. Chu Hin Ming Alfonso, and the independent non-executive Directors are Ms. Qian Xiaoyu, Mr. Cheung Wai Yin Wilson and Mr. Guo Ensheng.

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 enquiries, 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 Stock Exchange's website at <http://www.hkexnews.hk> on the "Latest Listed Company Information" page for at least seven days from the day of its publication. This announcement will also be published on the Company's website at www.hongweiasia.com.