



**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



**2021**  
THIRD  
QUARTERLY  
REPORT

## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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 that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange take no responsibility for the contents of this report, 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 report.*

*This report, for which the directors (the “**Directors**”) of Hong Wei (Asia) Holdings Company Limited (the “**Company**”, together with its subsidiary, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.*

## UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Group for the nine months ended 30 September 2021, together with the comparative figures of the corresponding period as appropriate. The financial information contained herein has not been audited by the Company’s auditor but has been reviewed by the Company’s audit committee.

Unless otherwise stated, the capitalised terms in this report shall have the same meaning as in the annual report of the Company for the financial year ended 31 December 2020.

## UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021	2020	2021	2020
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	2	100,277	94,570	286,873	211,293
Cost of sales		(81,512)	(80,812)	(239,984)	(175,234)
Gross profit		18,765	13,758	46,889	36,059
Other income	4	4,177	4,009	11,027	10,200
Other losses, net		(179)	(436)	(11)	(346)
Selling and distribution expenses		(7,125)	(6,827)	(21,892)	(16,816)
Administration expenses		(5,051)	(5,323)	(15,546)	(14,551)
Finance costs	5	(6,935)	(5,632)	(21,175)	(17,843)
Profit/(Loss) before tax		3,652	(451)	(708)	(3,297)
Income tax expenses	6	—	—	—	—

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit/(Loss) for the period attributable to owners of the Company	7	<u>3,652</u>	<u>(451)</u>	<u>(708)</u>	<u>(3,297)</u>
Other comprehensive (loss)/ income which will not be reclassified subsequently to profit or loss:					
Exchange differences arising on translation to presentation currency		<u>(410)</u>	<u>18,690</u>	<u>487</u>	<u>9,513</u>
Other comprehensive (loss)/ income for the period		<u>(410)</u>	<u>18,690</u>	<u>487</u>	<u>9,513</u>
Total comprehensive income/ (loss) for the period		<u><u>3,242</u></u>	<u><u>18,239</u></u>	<u><u>(221)</u></u>	<u><u>6,216</u></u>
Total comprehensive income/ (loss) for the period, attributable to owners of the Company		<u><u>3,242</u></u>	<u><u>18,239</u></u>	<u><u>(221)</u></u>	<u><u>6,216</u></u>
Basic and diluted earnings/ (loss) per share, in HK cents	8	<u><u>0.39</u></u>	<u><u>2.19</u></u>	<u><u>(0.03)</u></u>	<u><u>0.75</u></u>

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2021 (audited)	253,928	(16,968)	31,328	(11,337)	29,271	286,222
Loss for the period	-	-	-	-	(708)	(708)
Other comprehensive income for the period						
Exchange differences arising on translation to presentation currency	-	-	-	487	-	487
Total comprehensive income/(loss) for the period	-	-	-	487	(708)	(221)
Transfer to statutory reserve	-	-	3,387	-	(3,387)	-
Balance at 30 September 2021 (unaudited)	<u>253,928</u>	<u>(16,968)</u>	<u>34,715</u>	<u>108,507</u>	<u>25,176</u>	<u>286,001</u>
Balance at 1 January 2020 (audited)	253,928	(16,968)	30,325	(34,625)	100,486	333,146
Loss for the period	-	-	-	-	(3,297)	(3,297)
Other comprehensive income for the period						
Exchange differences arising on translation to presentation currency	-	-	-	9,513	-	9,513
Total comprehensive income/(loss) for the period	-	-	-	9,513	(3,297)	6,216
Balance at 30 September 2020 (unaudited)	<u>253,928</u>	<u>(16,968)</u>	<u>30,325</u>	<u>(25,112)</u>	<u>97,189</u>	<u>339,362</u>

## 1. BASIS OF PRESENTATION

The Directors have given careful consideration to the Group's financial performance, working capital, liquidity position, available facilities from its principal bankers, financial institutions and the stability of the Group's business, operations and relationships with its suppliers, bankers and financial institution, the Directors have prepared and assessed working capital forecast for a period of 12 months ending on 31 December 2021. In addition, Mr. Wong Cheung Lok ("**Mr. Wong**"), the chairman of the Board and an executive Director, who is also the ultimate beneficial controlling shareholder of the Company, and his family members have agreed to provide financial support to the Group and will not demand the Group to repay the amounts due to them unless the Group could be able to do so. In view of this, the Directors are of the view that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future.

The unaudited condensed consolidated financial results for the nine months ended 30 September 2021 have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee.

The accounting policies and basis of preparation used in the preparation of the unaudited consolidated results are consistent with those used in the Company's annual financial statements for the year ended 31 December 2020, except for the adoption of the following new and revised Hong Kong Financial Reporting Standard ("**HKFRS**") and Hong Kong Accounting Standards ("**HKAS**").

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

## 2. REVENUE

Revenue represents amounts received and receivables for sales of particleboards are conducted in the PRC by the Group. A breakdown of the Group's revenue is as follows:

	For the nine months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Sales of particleboards	<u>286,873</u>	<u>211,293</u>

Sales of particleboards are recognised at point in time when particleboards are delivered to customer.

### 3. OPERATING SEGMENTS

The following tables represent segment information for the period.

For the nine months ended 30 September 2021

	Particleboards segment HK\$'000 (Unaudited)	Forestry segment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<i>Segment revenue:</i>			
Revenue from external customers	<u>286,873</u>	<u>–</u>	<u>286,873</u>
<i>Segment results:</i>			
Reportable segment results	28,809	–	28,809
Interest income			11
Finance costs			(21,175)
Unallocated corporate staff costs			(3,269)
Unallocated corporate expenses			<u>(5,084)</u>
Consolidated loss before tax			<u>(708)</u>
<i>Other segment information</i>			
Capital expenditures – allocated <sup>#</sup>	35,191	–	35,191
Depreciation – allocated	26,494	756	27,250
Depreciation – unallocated			<u>379</u>
Total depreciation			<u>27,629</u>
Amortisation	<u>388</u>	<u>–</u>	<u>388</u>

For the nine months ended 30 September 2020

	Particleboards segment HK\$'000 (Unaudited)	Forestry segment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<i>Segment revenue:</i>			
Reportable segment revenue	<u>211,293</u>	<u>–</u>	<u>211,293</u>
<i>Segment results:</i>			
Reportable segment results	19,389	–	19,389
Interest income			419
Finance costs			(17,843)
Unallocated corporate staff costs			(2,322)
Unallocated corporate expenses			<u>(2,940)</u>
Consolidated loss before tax			<u>(3,297)</u>
<i>Other segment information</i>			
Capital expenditures – allocated <sup>#</sup>	22,582	–	22,582
Depreciation – allocated	21,664	667	22,331
Depreciation – unallocated			<u>489</u>
Total depreciation			<u>22,820</u>
Amortisation	<u>328</u>	<u>–</u>	<u>328</u>

<sup>#</sup> Capital expenditures of particleboards segment mainly represent the addition of property, plant and equipment and prepayments made for acquisition of property, plant and equipment during the period.

#### 4. OTHER INCOME

	For the nine months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Value added tax ("VAT") refund	10,197	7,319
Government grants	457	2,393
Bank interest income	11	419
Others	367	69
	<u>11,027</u>	<u>10,200</u>

#### 5. FINANCE COSTS

	For the nine months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	15,383	9,799
Interest on bonds and notes payable	5,782	7,993
Interest on unsecured revolving loan	–	38
Interest on finance lease liabilities	10	13
	<u>21,175</u>	<u>17,843</u>

## 6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of Hongwei Wooden Products (Renhua) Company Limited ("Hongwei Renhua") is 25% during the nine months ended 30 September 2021 and 2020 respectively.

Pursuant to the EIT Law and its implementation regulations, where an enterprise utilises the resources as listed in the Catalogue of Resources for Comprehensive Utilisation Entitling Enterprises to Income Tax Preferences (資源綜合利用企業所得稅優惠目錄) as its major raw materials to make products which are not restricted or prohibited by the state and are consistent with the relevant state or industrial standards, only 90% of the income derived therefrom shall be accounted for as taxable income of the enterprise in that year. During the nine months ended 30 September 2021 and 2020 respectively, Hongwei Renhua is entitled to such preferential policy and only 90% of the income of Hongwei Renhua from the sale of particleboard was regarded as taxable income.

According to the EIT Law and Implementation Regulation of the EIT Law, enterprises that engage in qualified agricultural business are eligible for exemption from payment of enterprise income tax. During the nine months ended 30 September 2021 and 2020, the Group's two subsidiaries which are principally engaged in qualifying agricultural business and therefore, the profit of them are entitled to exemption from payment of enterprise income tax.

## 7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the nine months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Depreciation:</b>		
– Property, plant and equipment	26,156	21,344
– Right-of-use assets	1,473	1,476
Total depreciation expenses	27,629	22,820
<b>Amortisation:</b>		
– Intangible assets	388	328
Total amortisation expenses	388	328
<b>Employee benefits expenses (include directors' emoluments)</b>		
Salaries and other benefits	4,908	4,202
Contribution to retirement benefit schemes	2,660	249
Total employee benefit expenses	7,568	4,451
Cost of goods recognised as an expense	239,984	175,234
Auditor's remuneration		
Provision in respect of current period	1,203	702
	<u>1,203</u>	<u>702</u>

## 8. (LOSS)/EARNINGS PER SHARE

The calculation of (loss)/earnings per share attributable to the owners of the Company is based on the following data:

### (Loss)/Earnings

	For the nine months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic (loss)/earnings per share	<u>(708)</u>	<u>(3,297)</u>

### Number of shares

	For the nine months ended 30 September	
	2021	2020
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>832,603</u>	<u>832,603</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the nine months ended 30 September 2021 (“**Current Period**”), the Group continued to be engaged in the manufacturing and selling of particleboards (“**Particleboards Segment**”) and the plantation, timber logging and sales of wood and agricultural products in the People’s Republic of China (the “**PRC**”) (“**Forestry Segment**”).

#### Particleboards Segment

During the Current Period, the products of the Group were principally used by its customers in the manufacturing of furniture and fixtures, sport equipment, decoration and construction materials. The recent outbreak of the coronavirus has continuously impacted the Group’s sales activities. The Group is taking stringent precautionary measures to ensure the health and safety of its employees, and supporting the steps taken by the Chinese government to control the further spread of the virus. The Chinese economy continued to face with uncertainties, the domestic demand for consumer products such as household furniture and fixtures, sport equipment as well as construction materials had remained at a low level recently. Although we were subject to the impact of COVID-19 disaster this year, the Group will continue to exercise vigilant cost control to improve productivity and uphold quality service to customers and foster long-term good relationships with suppliers.

The Company will take necessary proactive steps to monitor its financial condition. Meanwhile, it will also maintain its focus on cost control with the attempt to expand to new market areas, so as to secure higher business volumes.

#### Forestry Segment

During the Current Period, the Group has not received any update on the measures regarding the grant by the relevant government department of timber wood harvesting quotas which have been materially curtailed as part of the PRC government’s policy to strengthen environmental protection since the end of 2018. As a result, the Group is unable to resume any of the harvesting activity since such curtailment is expected to continue to last for a certain period and which is unknown to and out of control of the Group. Nevertheless, the Group will continue to further explore and assess the other possible alternatives to utilize its forestry resources in order to benefit the Group as a whole.

During the Current Period, no income generating activity took place and no revenue was recognized under this segment (2020: Nil).

## FINANCIAL REVIEW

### Revenue

During the Current Period, the Group's revenue for Particleboards Segment increased to approximately HK\$286.9 million from approximately HK\$211.3 million, representing an increase of approximately 35.8% as compared to the period for the nine months ended 30 September 2020 ("**Previous Period**"). The increase was mainly due to the increase in the average unit selling price and sales volume of particleboards by approximately 8.6% and 4.4% respectively, and the depreciation of the exchange rate of RMB to Hong Kong Dollar ("**HKD**"), which is the presentation currency of the financial statements of the Group, during the Current Period as compared with the Previous Period.

During the Current Period, no income generating activity took place for the Forestry Segment and hence no revenue was recognized for such segment.

### Cost of sales

During the Current Period, the Group's costs of sales increased to approximately HK\$240.0 million from approximately HK\$175.2 million, representing an increase of approximately 37.0% as compared to the Previous Period. The increase was mainly attributable to the increase in the volume of goods sold and partial offset by the increase in average unit costs of raw materials by approximately 0.5%, particularly the residual wood from external suppliers, recorded during the Current Period.

### Gross profit and margin

During the Current Period, the Group's gross profit increased to approximately HK\$46.9 million from approximately HK\$36.1 million, representing an increase of approximately 29.9% as compared to that of the Previous Period. The Group's gross profit margin remained stable at approximately 16.3% for the Current Period and approximately 17.4% in the Previous Period.

### Other income, other losses (net)

During the Current Period, the Group's other income increased to approximately HK\$11.0 million from approximately HK\$10.2 million, representing an increase of approximately 7.8% as compared to the Previous Period. The increase was mainly attributable to the increase of value added tax refund which was partly offset by the decrease in government grants during the Current Period.

**Selling and distribution expenses**

During the Current Period, the Group's selling and distribution expenses increased to approximately HK\$21.9 million from approximately HK\$16.8 million in the Previous Period, representing an increase of approximately 30.4%. The increase in selling and distribution expenses were mainly attributable to the increase in transportation and packaging cost incurred during the Current Period due to the increase in sales of particleboards.

**Administration expenses**

During the Current Period, the Group's administration expenses increased to approximately HK\$15.5 million from approximately HK\$14.6 million, representing an increase of approximately 6.2% as compared to the Previous Period. The increase in administration expenses was mainly attributable to the increase in social insurance during the Current Period.

**Finance costs**

During the Current Period, the Group's finance costs increased to approximately HK\$21.2 million from approximately HK\$17.8million in the Previous Period, representing an increase of approximately 19.1%. The increase was mainly attributable to the increase in bank and other borrowings and interest incurred for the unsecured loans during the Current Period.

**Loss attributable to owners of the Company**

During the Current Period, the loss attributable to owners of the Company amounted to approximately HK\$0.7 million, representing a decrease of approximately 78.8% as compared to loss of approximately HK\$3.3 million for the Previous Period. Such loss is mainly attributable to increase in selling and distribution expenses and finance costs, which is partly offset by increase in gross profit in the Current Period.

**Total comprehensive loss attributable to owners of the Company**

During the Current Period, the Company recorded a total comprehensive loss attributable to the owners of the Company of approximately HK\$0.2 million, representing a decrease of approximately 103.2% as compared to the total comprehensive income of approximately HK\$6.2 million for the Previous Period. Such decrease was mainly attributable to decrease in the exchange gain arising from the translation of RMB to HKD which is the presentation currency of the consolidated financial statements.

## PLACING OF SHARES AND EVENTS AFTER THE REPORTING PERIOD

On 25 August 2021, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 166,520,620 Shares at the Subscription Price of HK\$0.0900 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

The Subscription Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Price represents (i) a discount of approximately 17.43% to the closing price of HK\$0.1090 per Share as quoted on the Stock Exchange on 25 August 2021, being the date of the Subscription Agreement; and (ii) a discount of approximately 16.97% to the average closing price per Share of HK\$0.1084 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Completion of the Subscription took place on 25 October 2021 and an aggregate of 166,520,620 Subscription Shares, representing (i) 20% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 16.67% of the total issued share capital of the Company immediately after the Completion and as at the date of this announcement, were allotted and issued to the Subscriber at the Subscription Price of HK\$0.0900 per Subscription Share in accordance with the terms of the Subscription Agreement.

The net proceeds from the Subscription, after deduction of the professional fee and other related expenses, amounted to approximately HK\$14,667,000 and are intended to be fully used for the repayment of part of the outstanding amount of the Notes. 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 of the share placing, please refer to the announcements dated 25 August 2021 and 25 October 2021.

Save as disclosed above, there were no other share issuance by Company or significant events subsequent to period and up to the date of this report.

**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Except for the share placing as announced on 25 August 2021 which was subsequently completed on 25 October 2021, during the Current Period, neither the Company nor any of its subsidiary have purchased, sold or redeemed any listed securities of the Company.

**DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the Current Period, save for detailed below, none of the Directors or any of their respective close associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

As at 30 September 2021, Mr. Wong Kin Ching, the son of Mr. Wong Cheung Lok and Ms. Cheung Ngar Kwan, through companies wholly owned by him is interested in forestry plantation business, including forestry planting and development with respect to forest lands located at Renhua County, Guangdong Province, PRC.

## THE INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 30 September 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”) which will have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange, are as follows:

### Long position in the shares of the Company

Name	Capacity/ Nature of interest	Aggregate number of shares or underlying shares (Note 1)	Approximate percentage of interest in the Company
Mr. Wong Cheung Lok (“Mr. Wong”) <sup>(3)</sup>	Beneficial owner	430,000,000 (L)	51.65%
Ms. Cheung Ngar Kwan (“Mrs. Wong”) <sup>(2)(3)</sup>	Interest of spouse	430,000,000 (L)	51.65%
Mr. Wong Kin Ching	Beneficial owner	372,000 (L)	0.04%

#### Notes:

- (1) The letter “L” denotes the person’s long positions in the shares of the Company.
- (2) Mrs. Wong is the spouse of Mr. Wong. Under the SFO, Mrs. Wong is deemed to be interested in the same number of the shares of the Company in which Mr. Wong is interested.
- (3) On 27 September 2021, Mr. Wong executed a share charge as chargor over 420,000,000 shares of the Company in favour of a chargee.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES**

So far as the Directors are aware, as at 30 September 2021, none of any other person (other than a Director or chief executive) had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register kept by the Company pursuant to Section 336 of the SFO.

For details of changes to shareholding structure subsequent to 30 September 2021, please refer to the announcement dated 25 October 2021 with respect to completion of placing of shares by the Company.

## **LOAN AGREEMENT WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER**

On 13 August 2018, pursuant to the subscription agreement dated 10 August 2018 (the **"Note Subscription Agreement"**) between the Company and AI Global Investment SPC (formerly known as Haitong Global Investment SPC III) acting on behalf of and for a segregated portfolio (the **"Note Subscriber"**), the Company issued secured and guaranteed notes in the principal amount of HK\$100,000,000 (the **"Note"**) due on 12 August 2020 to the Note Subscriber. The Note carries an interest rate at Hong Kong prime rate plus 3% per annum, and is secured, among other things, by personal guarantee executed by Mr. Wong and Mrs. Wong (together, the **"Guarantors"**).

As disclosed in the announcement of the Company dated 13 July 2020, on 13 July 2020, the Company, the Guarantors and the Note Subscriber entered into a deed of amendment, pursuant to which, among other things, the Note Subscriber agreed to amend the terms and conditions of the Notes, having effect that, among others, the maturity date of the Notes was extended from 12 August 2020 to 21 August 2021. As disclosed in the announcement of the Company dated 17 August 2021, the maturity date was extended from 21 August 2021 to 6 September 2021. As disclosed in the announcement of the Company dated 20 September 2021, the maturity date was further extended from 6 September 2021 to 12 November 2022.

## AUDIT COMMITTEE

The audit committee of the Board of the Company has reviewed and discussed with the management of the Group the unaudited consolidated results of the Group for the nine months ended 30 September 2021.

## QUARTERLY DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2021 (2020: Nil).

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

Hong Kong, 9 November 2021

*As at the date of this report, the executive Directors are Mr. Wong Cheung Lok, Ms. Cheung Ngai Kwan, Mr. Liu Jiayong and Mr. Wong Kin Ching; and the independent non-executive Directors are Dr. Xu Jianmin, Ms. Qian Xiaoyu and Dr. Chow Ho Wan, Owen.*