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HAO WEN HOLDINGS LIMITED

皓文控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8019)

## PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Placing Agent

**Suncorp**  
Securities Limited

On 25 September 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to issue and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placées to subscribe for the Convertible Bonds with an aggregate principal amount of up to HK\$8,584,000 at the Conversion Price of HK\$0.20 per Conversion Share.

Assuming the Convertible Bonds are fully placed and all the Conversion Shares are converted in full at the initial Conversion Price of HK\$0.20 per Conversion Share, 42,920,000 Conversion Shares will be allotted and issued, which represent (i) approximately 20.00% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares. The Conversion Shares will be allotted and issued under the General Mandate. The Placing is therefore not subject to additional Shareholders' approval.

**Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

On 25 September 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to issue and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placeses to subscribe for the Convertible Bonds with an aggregate principal amount of up to HK\$8,584,000 at the Conversion Price of HK\$0.20 per Conversion Share.

A summary of the principal terms of the Placing Agreement is set out below:

### **Date**

25 September 2020 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

Suncorp Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent, its associates and their respective ultimate beneficial owner(s) are Independent Third Parties.

### **Placeses**

The Convertible Bonds will be placed to not less than six Placeses (which will be independent individual, corporate and/or institutional investors), their ultimate beneficial owners will be Independent Third Parties and not connected persons of the Company.

It is expected that none of the Placeses will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company.

### **Commission of the Placing**

The Placing Agent will receive a placing commission of 2.50% of the aggregate subscription monies for the Convertible Bonds placed.

The placing commission was determined after arm's length negotiations between the Company and the Placing Agent under normal commercial terms with reference to the prevailing market conditions. The Board is of the view that the placing commission is fair and reasonable.

### **Placing Period**

The period commencing from the execution of the Placing Agreement and expiring on the tenth business day after the date of the Placing Agreement (or such later date which the Company and the Placing Agent may agree in writing).

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

The principal terms of the Convertible Bonds are summarised below:

### **Principal amount:**

Up to HK\$8,584,000.

### **Issue price:**

100% of the principal amount of the Convertible Bonds.

### **Interest:**

0.5% per annum payable upon maturity or redemption.

### **Maturity Date:**

The date falling on the second anniversary of the issue date of the Convertible Bonds.

### **Conversion Period:**

The period commencing on the issue date of the Convertible Bonds and expiring on the Maturity Date (both days exclusive).

### **Conversion Price:**

The initial Conversion Price is HK\$0.20 per Conversion Share, which is subject to adjustment provisions as summarised in the sub-paragraph headed “Adjustments to the Conversion Price” below.

The initial Conversion Price represents:

- (i) a premium of approximately 17.6% to the closing price of HK\$0.170 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 9.9% to the average closing price of HK\$0.182 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The initial Conversion Price was determined after arm’s length negotiations between the Company and the Placing Agent after considering the current market sentiment, and the recent market prices and performance of the Shares, and the Group’s existing financial position.

### **Adjustments to the Conversion Price:**

The Conversion Price shall be, from time to time, subject to adjustment upon occurrence of, any of the following events:

- i. consolidation or sub-division of Shares;
- ii. capitalisation of profits or reserves;
- iii. capital distribution;
- iv. offer of new Shares for subscription by way of a rights issue, an open offer or a grant of options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price at the date of the announcement of the terms of such offer or grant per Share to Shareholders;
- v. issue of Shares being made wholly for cash at a price less than 90% of the market price per Share at the date of announcement of the terms of such issue;
- vi. issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per new Share receivable is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable per Share initially is less than 90% of such market price at the date of announcement of the terms of such issue; and
- vii. issue of Shares for the acquisition of asset at a total effective consideration per new Share receivable is less than 90% of the market price at the date of the announcement of the terms of such issue.

No adjustment will be made to the Convertible Bonds to the extent that they will cause the Company to allot and issue Shares in excess of the General Mandate in aggregate.

**Conversion Shares:**

Assuming the Convertible Bonds are fully placed and all the Conversion Shares are converted in full at the initial Conversion Price of HK\$0.20 per Conversion Share, 42,920,000 Conversion Shares will be allotted and issued, which represent:

- (i) approximately 20.00% of the total issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 16.66% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The Conversion Shares have an aggregate nominal value of up to approximately HK\$8.58 million.

**Transferability:**

The Convertible Bonds are freely transferable by the Bondholder(s) in whole amounts or multiples of units of principal amount of the Minimum Denomination to any person, provided that no transfer of the Convertible Bonds to any connected person (as defined in the GEM Listing Rules) of the Company shall be made without the prior written consent of the Company.

**Redemption:**

At any time prior to the Maturity Date, the Company may elect to redeem all or any part of the Convertible Bonds then outstanding by giving written notice to the holder(s) of the Convertible Bonds at a redemption price equal to the aggregate of 100% of the outstanding principal amount on the Convertible Bonds to be redeemed.

If a conversion notice is served by the Bondholder at the same date as a redemption notice is served by the Company, the Company's redemption notice will deem to take priority.

**Ranking of the Conversion Shares:**

The Conversion Shares will rank pari passu in all respects among themselves and with the Shares in issue as at the date of the allotment and issue of the Conversion Shares.

**Voting:**

The Bondholder(s) shall not be entitled to attend or vote at any meetings of the Company by reason only it being the Bondholder(s).

**Listing:**

No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

An application will be made by the Company to the GEM Listing Committee for the grant of the listing of, and permission to deal in, the Conversion Shares.

**Conditions precedent of the Placing**

Completion of the Placing is conditional upon the fulfillment of the following conditions:

- (i) the GEM Listing Committee agreeing to grant a listing of and permission to deal in the Conversion Shares which fall to be issued upon conversion of the Convertible Bonds (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent);
- (ii) no representation, warranty or undertaking under this agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date; and

If the conditions precedent in respect of the Placing are not fulfilled by 5:00 p.m. on 19 October 2020 (or such other date as may be agreed between the Placing Agent and the Company), all rights, obligations and liabilities of the parties in respect of the Placing shall cease and determine and none of the parties therein shall have any claim against any other in respect of the Placing, save for any liability arising out of any antecedent breaches of the Placing Agreement.

**Completion**

Subject to termination of the Placing Agreement, completion of the Placing shall take place on the Completion Date (unless otherwise agreed between the Placing Agent and the Company in writing) provided that the conditions precedent have been fulfilled no later than 5:00 p.m. on the fourth Business Day preceding the Completion Date (or such later date as may be agreed between the Company and the Placing Agent in writing).

## **TERMINATION OF THE PLACING AGREEMENT**

- (A) Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 5:00 p.m. on the Completion Date:
- (i) there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
  - (ii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
  - (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company (subject to Clause (B) below) by giving notice in writing to the Company, provided that such notice is received prior to 5:00 p.m. on the Completion Date.
- (B) In the event the Placing Agent terminates the Placing Agreement pursuant to Clause (A) above, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and liabilities under the Placing Agreement.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Conversion Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of not exceeding 20% of the aggregate nominal amount of the total issued share capital of the Company. Under the General Mandate, the Board is authorized to issue up to 42,930,411 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate.

The Placing is therefore not subject to additional Shareholders' approval as the Conversion Shares will be issued under the General Mandate.

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in money lending business and processing and trading of electronic parts.

Assuming the Convertible Bonds are fully placed, the gross proceeds and the net proceeds (after deduction of the relevant expenses) from the Placing will be approximately HK\$8.58 million and the HK\$8.37 million, respectively. The net price will be approximately HK\$0.195 per Conversion Share.

The Directors are of the view that the Placing will further facilitate the existing business development and implementation of the business strategies of the Company and supplement the working capital of the Group to meet any future development and obligations. The Placing also represent good opportunities to broaden the shareholders' base and the capital base of the Company. The Company will apply the net proceeds as to general working capital of the Group.

The terms of the Convertible Bonds and Placing Agreement were determined after arm's length negotiations between the Company and the Placing Agent. The Board considers that the terms of the Placing are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES ANNOUNCED BY THE COMPANY DURING THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there will not be any change in the issued share capital of the Company from the date of this announcement up to Completion, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full conversion of the Convertible Bonds:

	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds at the initial Conversion Price	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Public Shareholders	214,652,058	100.00	214,652,058	83.34
Placees	—	0.00	42,920,000	16.66
<b>Total</b>	<b>214,652,058</b>	<b>100.00</b>	<b>257,572,058</b>	<b>100.00</b>



**Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 15 May 2020 at which, among others, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bonds and in whose name such Convertible Bonds are for the time being registered in the register of bondholder(s) kept by the Company
“Business Days”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Hao Wen Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Placing pursuant to the Placing Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Conversion Price”	the initial conversion price of the Convertible Bonds of HK\$0.20 per Conversion Share, subject to adjustments
“Conversion Share(s)”	the new Share(s) to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in an aggregate principal amount of up to HK\$8,584,000 to be issued by the Company, pursuant to the Placing Agreement

“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Maturity Date”	the second anniversary of the issue date of the Convertible Bonds
“Minimum Denomination”	the minimum denomination of the Convertible Bonds for the purposes of registration, holding, transfer, conversion or redemption, being HK\$200,000
“Placing”	the placing of the Convertible Bonds by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Suncorp Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 25 September 2020 entered into between the Company and the Placing Agent in relation to the Placing

“Placee(s)”	any individual, corporate and/or institutional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Convertible Bonds under the Placing pursuant to the Placing Agent’s obligations under the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	shares of HK\$0.20 each in the share capital of the Company as at the date of this announcement
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**HAO WEN HOLDINGS LIMITED**  
**Tsui Annie**  
*Chairlady*

Hong Kong, 25 September 2020

*As at the date hereof, the executive Directors are Ms. TSUI Annie and Mr. FENG Keming as executive Directors, and Mr. CHAN Kwan Yiu, Ms. MA Sijing and Ms. HO Yuen Ki as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable 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 GEM website at <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at <http://www.tricor.com.hk/webservice/008019>.*