

# ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

## SUMMARY

### Offer Price and Net Proceeds from the Share Offer

- The final Offer Price has been determined at HK\$0.55 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%.
- Based on the final Offer Price of HK\$0.55 per Offer Share and 200,000,000 Shares offered by the Company, the net proceeds from the Share Offer, after deducting the underwriting commissions and other expenses in connection with the Share Offer, is estimated to be approximately HK\$84.0 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed “Future plans and use of proceeds” in the Prospectus.

### Applications under the Public Offer

- The Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. A total of 24,611 valid applications were received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS, for a total of 15,780,535,000 Public Offer Shares, representing approximately 789 times of the total number of 20,000,000 Public Offer Shares initially available for subscription under the Public Offer.
- Due to the very significant over-subscription in the Public Offer, the reallocation procedures as described in the section headed “Structure and conditions of the Share Offer – The Public Offer – Reallocation” in the Prospectus have been applied. As the number of the Public Offer Shares validly applied for in the Public Offer represents more than 100 times of the total number of the Public Offer Shares initially available under the Public Offer, 80,000,000 Offer Shares have been reallocated from the Placing to the Public Offer. As a result of such reallocation, the final number of Offer Shares allocated to the Public Offer has been increased to 100,000,000 Offer Shares, representing 50% of the total number of Offer Shares available under the Share Offer, and being allocated to 10,197 successful applicants under the Public Offer.

## Placing

- The Placing Shares initially offered under the Placing have been moderately over-subscribed, representing approximately 2.5 times of a total number of 180,000,000 Placing Shares initially offered under the Placing. The final number of Placing Shares allocated to 172 placees under the Placing is 100,000,000 Shares, representing 50% of the total number of the Offer Shares available under the Share Offer. A total number of 87 placees have been allotted three board lots of the Placing Shares, representing approximately 50.6% of the total number of 172 placees under the Placing, respectively. These placees have been allotted approximately 1.3% of the 100,000,000 Offer Shares under the Placing after reallocation to the Public Offer respectively.
- None of the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriter or their respective affiliates, companies and connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) has been placed with any Placing Shares for its own benefit under the Share Offer. The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, no Placing Shares have been allocated to placees who are Directors, existing Shareholders or beneficial owners of Shares and/or any securities of the Company's subsidiaries and core connected persons of the Company or their respective close associates within the meaning of the Listing Rules, whether in their own names or through nominees. The Directors further confirm that the Placing has been conducted in compliance with the placing guidelines for equity securities as set out in Appendix 6 to the Listing Rules (the "**Placing Guidelines**") and no Placing Shares placed by or through the Sole Bookrunner and the Underwriter under the Share Offer have been placed with any core connected person (as such term is defined in the Listing Rules) of the Company or persons set out in paragraph 5 of the Placing Guidelines, whether in their own names or through nominees. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. None of the placees under the Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Share Offer and the number of Shares to be held by the public will satisfy the minimum percentage prescribed by Rule 8.08 of the Listing Rules. The Directors confirm that the three largest public shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules. The Directors also confirm that there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

- Immediately following the completion of the Share Offer, 25% of the total issued share capital of the Company will be held by the public which will satisfy the minimum percentage prescribed under Rule 8.08(1)(a) of the Listing Rules.

### **Results of Allocations**

- In relation to the Public Offer, the Company announces that the results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where applicable) of successful applicants under the Public Offer will be made available at the times and dates and in the manner specified below:
- in the announcement to be posted on the Company’s website at **www.hwakoon.com** and the Stock Exchange’s website at **www.hkexnews.hk** by no later than 9:00 a.m. on Tuesday, 17 April 2018;
- from the designated results of allocations website at **www.ewhiteform.com.hk/results** with a “search by ID” function on a 24-hour basis from 9:00 a.m. on Tuesday, 17 April 2018 to 12:00 midnight on Monday, 23 April 2018;
- by telephone enquiry line at (852)2153-1688 between 9:00 a.m. and 6:00 p.m. from Tuesday, 17 April 2018 to Monday, 23 April 2018 on a Business Day (excluding Saturday, Sunday and public holidays in Hong Kong); and
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, 17 April 2018 to Thursday, 19 April 2018 at all of the receiving bank designated branches.

### **Despatch/Collection of Share Certificates and Refund Monies**

- Applicants who have applied for 1,000,000 Public Offer Shares or more on **WHITE** Application Forms and have provided all information required by their Application Forms and whose applications are wholly or partially successful, may collect their share certificate(s) in person from the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, between 9:00 a.m. to 1:00 p.m. on Tuesday, 17 April 2018 or such other date as notified by the Company.
- Share certificates for Public Offer Shares allotted to applicants using **WHITE** Application Forms which have applied for less than 1,000,000 Public Offer Shares or which are available but not collected in person within the time specified for collection, are expected to be despatched to the address specified on the relevant **WHITE** Application Forms by ordinary post at their own risk on or before Tuesday, 17 April 2018.
- Wholly or partially successful applicants on **YELLOW** Application Forms will have their share certificate(s) issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock account or the stock accounts as instructed by the applicants in the **YELLOW** Application Forms on Tuesday, 17 April 2018 or, in the event of contingency, on any other date as shall be determined by HKSCC or HKSCC Nominees.
- Share certificates for Public Offer Shares allotted to applicants giving **electronic application instructions** to HKSCC via CCASS will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or their designated CCASS Participant's stock accounts as instructed by them electronically, on Tuesday, 17 April 2018, or in the event of contingency, on any other date as shall be determined by HKSCC or HKSCC Nominees.
- Applicants applying through a designated CCASS Participant (other than a CCASS Investor Participant) using **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS should check the number of Public Offer Shares allocated to them and the amount of refund monies (if any) payable to them (if they applied by giving **electronic application instructions** to HKSCC via CCASS) with that CCASS Participant.

- Applicants on **WHITE** or **YELLOW** Application Forms who have applied for 1,000,000 Public Offer Shares or more and have provided all information required by their **WHITE** or **YELLOW** Application Forms, may collect their refund cheque(s) (where applicable) in person from the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, between 9:00 a.m. to 1:00 p.m. on Tuesday, 17 April 2018 or such other date as notified by the Company.
- Refund cheques for partially successful or unsuccessful applicants on **WHITE** or **YELLOW** Application Forms who have applied for less than 1,000,000 Public Offer Shares, or which are available but not collected in person within the time specified for collection, are expected to be despatched to the address specified on the relevant **WHITE** or **YELLOW** Application Forms by ordinary post at their own risk on or before Tuesday, 17 April 2018.
- For applicants who have applied by giving **electronic application instructions** to HKSCC to apply on their behalf, all refund monies (if any) are expected to be credited to their designated bank accounts (if the applicants have applied as a CCASS Investor Participant) or the designated bank account of their broker or custodian on Tuesday, 17 April 2018.
- Share certificates for the Offer Shares will only become valid certificates of title at 8:00 a.m. on Wednesday, 18 April 2018, provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in the section headed “Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for termination” in the Prospectus has not been exercised.
- The Company will not issue any temporary documents of title in respect of the Offer Shares or any receipt for sums paid on application for the Offer Shares.

#### **Commencement of Dealings**

- Assuming that the Share Offer becomes unconditional in all respects at or before 8:00 a.m. on Wednesday, 18 April 2018, it is expected that dealings in the Shares on the Main Board of the Stock Exchange will commence at 9:00 a.m. on Wednesday, 18 April 2018. The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 1726.

## **FINAL OFFER PRICE**

The final Offer Price has been determined at HK\$0.55 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%.

## **NET PROCEEDS FROM THE SHARE OFFER**

Based on the final Offer Price of HK\$0.55 per Offer Share and 200,000,000 Shares offered by the Company, the net proceeds from the Share Offer, after deducting the underwriting commissions and other expenses in connection with the Share Offer, is estimated to be approximately HK\$84.0 million. The Company currently intends to apply such net proceeds as follows:

- approximately HK\$38.6 million or approximately 45.9% of the estimated net proceeds to be received by the Company, for the acquisition of an additional property for workshop and office use;
- approximately HK\$24.4 million or approximately 29.1% of the estimated net proceeds to be received by the Company, for strengthening the Group's manpower by recruiting additional staff;
- approximately HK\$5.5 million or approximately 6.5% of the estimated net proceeds to be received by the Company, for increasing the Group's reserve for financing the issue of performance guarantees in favour of the Group's customers;
- approximately HK\$5.8 million or approximately 6.9% of the estimated net proceeds to be received by the Company, for financing the acquisition of additional motor vehicles and machinery;
- approximately HK\$2.6 million or approximately 3.1% of the estimated net proceeds to be received by the Company, for increasing the Group's marketing efforts; and
- approximately HK\$7.1 million or approximately 8.5% of the estimated net proceeds to be received by the Company, will be used as general working capital of the Group.

Please refer to the section headed "Future plans and use of proceeds" in the Prospectus for more details of the Company's intended use of the net proceeds from the Share Offer.

## **APPLICATIONS UNDER THE PUBLIC OFFER**

The Public Offer Shares initially offered under the Public Offer have been very significantly over-subscribed. A total of 24,611 valid applications were received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS for a total of 15,780,535,000 Public Offer Shares, representing approximately 789 times of the total number of 20,000,000 Public Offer Shares initially available for subscription under the Public Offer.

Of the 24,611 valid applications on **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS for a total of 15,780,535,000 Public Offer Shares:

- a total of 23,566 valid applications for a total of 5,330,535,000 Public Offer Shares were for the Public Offer with an aggregate subscription amount of HK\$5,000,000 or less, representing approximately 533 times of the total number of 10,000,000 Public Offer Shares initially available for allocation in pool A; and
- a total of 1,045 valid applications for a total of 10,450,000,000 Public Offer Shares were for the Public Offer with an aggregate subscription amount of more than HK\$5,000,000, representing approximately 1,045 times of the total number of 10,000,000 Public Offer Shares initially available for allocation in pool B.

Due to the very significant over-subscription in the Public Offer, the reallocation procedures as described in the section headed “Structure and conditions of the Share Offer – The Public Offer – Reallocation” in the Prospectus have been applied. As the number of the Public Offer Shares validly applied for in the Public Offer represents more than 789 times of the total number of the Public Offer Shares initially available under the Public Offer, 80,000,000 Offer Shares have been reallocated from the Placing to the Public Offer. As a result of such reallocation, the final number of Offer Shares allocated to the Public Offer has been increased to 100,000,000 Offer Shares, representing 50% of the total number of Offer Shares available under the Share Offer, and being allocated to 10,197 successful applicants under the Public Offer.

One application has been rejected due to dishonoured cheques or rejection of electronic payment instructions. 56 multiple or suspected multiple applications have been identified and rejected. One invalid application has been identified. No application for more than the number of the Public Offer Shares initially available under the Public Offer (that is, more than 20,000,000 Shares) has been identified. The Offer Shares offered in the Public Offer will be conditionally allocated on the basis set out in the paragraph headed “Basis of allotment under the Public Offer” below.

The final number of Offer Shares allocated to the Public Offer is 100,000,000 Offer Shares, representing 50% of the total number of Offer Shares available under the Share Offer.

## **PLACING**

The Placing Shares initially offered under the Placing have been moderately over-subscribed, representing approximately 2.5 times of a total number of 180,000,000 Placing Shares initially offered under the Placing. The final number of Placing Shares allocated to 172 placees under the Placing is 100,000,000 Shares, representing 50% of the total number of the Offer Shares available under the Share Offer.

None of the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriter or their respective affiliates, companies and connected clients of the lead broker or of any distributors (as defined in Appendix 6 to the Listing Rules) has been placed with any Placing Shares for its own benefit under the Share Offer. The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, no Placing Shares have been allocated to applicants who are Directors, existing Shareholders or beneficial owners of Shares and/or any securities of the Company’s subsidiaries and core connected persons of the Company or their respective close associates within the meaning of the Listing Rules, whether in their own names or through nominees. The Directors further confirm that the Placing has been conducted in compliance with the Placing Guidelines and no Placing Shares placed by or through the Sole Bookrunner and the Underwriters under the Share Offer have been placed with any core connected person (as such term is defined in the Listing Rules) of the Company or persons set out in paragraph 5 of the Placing Guidelines, whether in their own names or through nominees. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after the Share Offer. None of the placees under the Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Share Offer and the number of Shares to be held by the public will satisfy the minimum percentage prescribed by Rule 8.08 of the Listing Rules. The Directors confirm that the three largest public



shareholders of the Company do not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rules 8.08(3) and 8.24 of the Listing Rules. The Directors also confirm that there will be at least 300 Shareholders at the time of the Listing in compliance with Rule 8.08(2) of the Listing Rules.

## **BASIS OF ALLOTMENT UNDER THE PUBLIC OFFER**

Subject to the satisfaction of the conditions set out in the section headed “Structure and conditions of the Share Offer – Conditions of the Public Offer” in the Prospectus, valid applications made on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS will be conditionally allocated on the basis set out below:

<b>Number of Shares applied for</b>	<b>Number of valid applications</b>	<b>Basis of allotment/ballot</b>	<b>Approximate percentage allotted of the total number of Shares applied for</b>
<b>POOL A</b>			
5,000	8,581	1,716 out of 8,581 to receive 5,000 Shares	20.00%
10,000	1,617	324 out of 1,617 to receive 5,000 Shares	10.02%
15,000	1,866	432 out of 1,866 to receive 5,000 Shares	7.72%
20,000	907	247 out of 907 to receive 5,000 Shares	6.81%
25,000	657	191 out of 657 to receive 5,000 Shares	5.81%
30,000	387	116 out of 387 to receive 5,000 Shares	5.00%
35,000	233	70 out of 233 to receive 5,000 Shares	4.29%
40,000	1,588	508 out of 1,588 to receive 5,000 Shares	4.00%
45,000	126	41 out of 126 to receive 5,000 Shares	3.62%
50,000	667	227 out of 667 to receive 5,000 Shares	3.40%
75,000	1,674	667 out of 1,674 to receive 5,000 Shares	2.66%
100,000	666	346 out of 666 to receive 5,000 Shares	2.60%
150,000	776	559 out of 776 to receive 5,000 Shares	2.40%
200,000	441	353 out of 441 to receive 5,000 Shares	2.00%
250,000	169	152 out of 169 to receive 5,000 Shares	1.80%
300,000	198	190 out of 198 to receive 5,000 Shares	1.60%
350,000	560	5,000 Shares	1.43%
400,000	136	5,000 Shares	1.25%
450,000	58	5,000 Shares plus 2 out of 58 to receive additional 5,000 Shares	1.15%
500,000	239	5,000 Shares plus 24 out of 239 to receive additional 5,000 Shares	1.10%

<b>Number of Shares applied for</b>	<b>Number of valid applications</b>	<b>Basis of allotment/ballot</b>	<b>Approximate percentage allotted of the total number of Shares applied for</b>
600,000	175	5,000 Shares plus 18 out of 175 to receive additional 5,000 Shares	0.92%
700,000	90	5,000 Shares plus 13 out of 90 to receive additional 5,000 Shares	0.82%
800,000	115	5,000 Shares plus 17 out of 115 to receive additional 5,000 Shares	0.72%
900,000	133	5,000 Shares plus 23 out of 133 to receive additional 5,000 Shares	0.65%
1,000,000	356	5,000 Shares plus 71 out of 356 to receive additional 5,000 Shares	0.60%
1,200,000	139	5,000 Shares plus 28 out of 139 to receive additional 5,000 Shares	0.50%
1,400,000	46	5,000 Shares plus 11 out of 46 to receive additional 5,000 Shares	0.44%
1,600,000	87	5,000 Shares plus 24 out of 87 to receive additional 5,000 Shares	0.40%
1,800,000	67	5,000 Shares plus 22 out of 67 to receive additional 5,000 Shares	0.37%
2,000,000	214	5,000 Shares plus 73 out of 214 to receive additional 5,000 Shares	0.34%
2,500,000	262	5,000 Shares plus 105 out of 262 to receive additional 5,000 Shares	0.28%
5,000,000	255	10,000 Shares	0.20%
7,500,000	81	15,000 Shares	0.20%

**POOL B**

10,000,000	1,045	45,000 Shares plus 595 out of 1,045 to receive additional 5,000 Shares	0.48%
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The final number of Public Offer Shares available under the Public Offer is 100,000,000 Shares, representing 50% of the total number of the Offer Shares available under the Share Offer.

The final number of Placing Shares available under the Placing is 100,000,000 Shares, representing 50% of the total number of the Offer Shares available under the Share Offer.

## RESULTS OF ALLOCATIONS

The results of allocations of Public Offer Shares in the Public Offer, including applications made on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and the Hong Kong identity card/passport/Hong Kong business registration numbers (where applicable) of successful applicants will be made available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company's website at **www.hwakoon.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Tuesday, 17 April 2018;
- from the designated results of allocations website at **www.ewhiteform.com.hk/results** with a "search by ID" function on a 24-hour basis from 9:00 a.m. on Tuesday, 17 April 2018 to 12:00 midnight on Monday, 23 April 2018;
- by telephone enquiry line at (852)2153-1688 between 9:00 a.m. and 6:00 p.m. from Tuesday, 17 April 2018 to Monday, 23 April 2018 on a Business Day (excluding Saturday, Sunday and public holidays in Hong Kong); and
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, 17 April 2018 to Thursday, 19 April 2018 at the receiving bank's designated branches set out below:

### **Industrial and Commercial Bank of China (Asia) Limited**

<b>District</b>	<b>Branch</b>	<b>Address</b>
<b>Hong Kong Island</b>	Admiralty Branch	Shop 1013-1014, 1/F, United Centre, 95 Queensway, Admiralty, Hong Kong
<b>Kowloon</b>	Tsim Sha Tsui Branch	Shop 1&2, G/F, No. 35-37 Hankow Road, Tsimshatsui, Kowloon
<b>New Territories</b>	Shatin Branch	Shop 22J, Level 3, Shatin Centre, New Territories

Applicants applying through their designated CCASS Participants (other than CCASS Investor Participants) can arrange with their designated CCASS Participants to advise them of the number of Offer Shares allocated under their applications. Successful CCASS Investor Participants can check the number of Offer Shares allocated to them via the CCASS Phone System and CCASS Internet System on Tuesday, 17 April 2018 or from the activity statement that will be made available by HKSCC to them showing the number of Public Offer Shares credited to their CCASS Investor Participant stock accounts.