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HUARCHI GLOBAL GROUP HOLDINGS LIMITED

華記環球集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2296

VOLUNTARY ANNOUNCEMENT – TERMINATION OF CONCERTED PARTY DEED

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

BACKGROUND

Prior to the listing of the Shares on the Main Board of the Stock Exchange, the Concerted Parties entered into a Concerted Party Deed on 15 May 2018 pursuant to which the Concerted Parties have confirmed, among other things, that they were parties acting collectively regarding the management and decision-making in the Group. The Concerted Parties have further undertaken, among other things, to exercise their voting rights at the general meetings and board meetings of the Group unanimously until the Concerted Party Deed is terminated by them in writing or in accordance with its terms.

As a result of the Concerted Party Deed, the Concerted Parties were considered as a group of Shareholders being bound by the collective management arrangement in the Group and they were deemed to be interested in each other's interest in the Shares under the SFO. As at the date of this announcement and immediately before the termination of the Concerted Party Deed (details of which are set out below in this announcement), the Concerted Parties jointly held a total of 1,201,920,000 Shares, representing approximately 60.10% of the total issued share capital of the Company, through Seong Wa. As the Concerted Parties and Seong Wa were entitled to exercise more than 30% of the voting rights at the general meeting of the Company, they were together considered as a group of controlling shareholders of the Company as defined under the Listing Rules.

TERMINATION OF CONCERTED PARTY DEED

Following the resignation of Mr. Leong as an executive Director due to his desire to devote more time to his personal affairs and other business commitments with effect from 31 December 2020, the Concerted Parties considered no longer necessary to remain and be bound by the collective management arrangement in the Group, and entered into a deed of termination (the “**Termination Deed**”) on 11 February 2021 to terminate the Concerted Party Deed. Upon execution of the Termination Deed, the Concerted Parties will no longer be bound to, inter alia, (i) act in concert and collectively for all material decisions of the Group; (ii) give unanimous consent, approval or rejection on all material issues and decisions relating to the business of the Group; and (iii) obtain express written consent from all the other Concerted Parties prior to disposal of their shareholding and/or interests in Seong Wa, the Company and/or any of the members of the Group.

As a result of the termination of the Concerted Party Deed, Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong are no longer a group of Shareholders being bound by the collective management arrangement in the Group and they are no longer deemed to be interested in each other’s interest in the Shares under the SFO. Seong Wa and Mr. Lou will continue to hold a total of 1,201,920,000 and 1,269,072,000 Shares, representing approximately 60.10% and 63.45% of the total issued Shares with voting rights at the general meeting of the Company, respectively.

However, as Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong continue to restrict their ability to exercise direct control over the Company by holding their interests through Seong Wa, a common investment holding company, they (together with Seong Wa) continue to be a group of controlling shareholders of the Company pursuant to the Guidance Letter HKEx-GL89-16 issued by the Stock Exchange.

Each of Mr. Lou, Mr. Ao, Mr. Chang, Mr. Leong and Seong Wa, being the original parties to the deed of non-competition (as referred to in the Prospectus) entered into by them in favour of the Group on 24 October 2019, will continue to be bound by it notwithstanding the termination of the Concerted Party Deed.

As of the date of this announcement, Seong Wa continues to be the Company’s single largest Shareholder, which remains to be owned by Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong. Considering that there is no change in the management and the identity of the largest Shareholder, the Directors are of the view that the termination of the Concerted Party Deed and change of the shareholding structure of the Company as a result thereof (details of which are set out below in this announcement) will not have any adverse impact to the business operation or financial performance of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 2,000,000,000 issued Shares. Set out below is the chart showing the changes in the shareholdings of the Shareholders as a result of the termination of the Concerted Party Deed, for the purpose of the SFO:

	Before the termination of the Concerted Party Deed			After the termination of the Concerted Party Deed		
	Capacity /Nature	Number of Shares	Approximate percentage of issued Shares (%)	Capacity /Nature	Number of Shares	Approximate percentage of issued Shares (%)
Mr. Lou	Beneficial owner and interest in a controlled corporation	1,269,072,000 (Notes 1, 2)	63.45	Beneficial owner and interest in a controlled corporation	1,269,072,000 (Notes 5, 6)	63.45
Mr. Ao	Interest in a controlled corporation	1,201,920,000 (Note 2)	60.10	Beneficial owner	192,307,200 (Note 6)	9.62
Mr. Chang	Interest in a controlled corporation	1,201,920,000 (Note 2)	60.10	Beneficial owner	72,115,200 (Note 6)	3.61
Mr. Leong	Interest in a controlled corporation	1,201,920,000 (Note 2)	60.10	Beneficial owner	72,115,200 (Note 6)	3.61
Seong Wa	Beneficial owner	1,201,920,000 (Note 2)	60.10	Beneficial owner	1,201,920,000 (Note 6)	60.10
Ace Hope	Beneficial owner	149,040,000 (Note 3)	7.45	Beneficial owner	149,040,000 (Note 3)	7.45
Chen Qingling	Interest in a controlled corporation	149,040,000 (Note 3)	7.45	Interest in a controlled corporation	149,040,000 (Note 3)	7.45
Talent Leap	Beneficial owner	149,040,000 (Note 4)	7.45	Beneficial owner	149,040,000 (Note 4)	7.45

	Before the termination of the Concerted Party Deed			After the termination of the Concerted Party Deed		
	Capacity /Nature	Number of Shares	Approximate percentage of issued Shares (%)	Capacity /Nature	Number of Shares	Approximate percentage of issued Shares (%)
Wong Yat Tze	Interest in a controlled corporation	149,040,000 (Note 4)	7.45	Interest in a controlled corporation	149,040,000 (Note 4)	7.45
Other Shareholders	—	432,848,000	21.64	—	432,848,000	21.64
Total	—	2,000,000,000	100.00	—	2,000,000,000	100.00

Notes:

- Immediately before the termination of the Concerted Party Deed, 1,269,072,000 Shares in which Mr. Lou is interested consist of (i) 63,344,000 Shares held by Ever Mighty Investments Limited, a company wholly owned by Mr. Lou, in which Mr. Lou is deemed to be interested under the SFO; (ii) 3,808,000 Shares held by Mr. Lou in his personal capacity; and (iii) 1,201,920,000 Shares in which Mr. Lou is deemed to be interested under the SFO as a result of him being a party acting collectively with Mr. Ao, Mr. Chang and Mr. Leong regarding the management and decision-making in the Group under the Concerted Party Deed.
- Seong Wa owns approximately 60.10% of the issued share capital of the Company. Pursuant to the Concerted Party Deed, each of the Concerted Parties was deemed to be interested in all the Shares held by them in aggregate through Seong Wa. As at the date of this announcement and immediately before the termination of the Concerted Party Deed, each of Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong was deemed to be interested in an aggregate of 1,201,920,000 Shares by virtue of the Concerted Party Deed.
- Ace Hope owns approximately 7.45% of the issued share capital of the Company. Ace Hope is wholly owned by Ms. Chen Qingling.
- Talent Leap owns approximately 7.45% of the issued share capital of the Company. Talent Leap is wholly owned by Ms. Wong Yat Tze.
- As a result of the termination of the Concerted Party Deed, the 1,269,072,000 Shares in which Mr. Lou is interested consist of (i) 63,344,000 Shares held by Ever Mighty Investments Limited, a company wholly owned by Mr. Lou, in which Mr. Lou is deemed to be interested under the SFO; (ii) 3,808,000 Shares held by Mr. Lou in his personal capacity; and (iii) 1,201,920,000 Shares held by Seong Wa, in which Mr. Lou is deemed to be interested under the SFO as a result of him having control over more than one third of the voting power at the general meeting of Seong Wa.
- Seong Wa owns approximately 60.10% of the issued share capital of the Company. As at the date of this announcement, Seong Wa is owned by Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong as to 72%, 16%, 6% and 6% respectively. As Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong continue to restrict their ability to exercise direct control over the Company by holding their interests through Seong Wa, they (together with Seong Wa) continue to be a group of controlling shareholders of the Company pursuant to the Guidance Letter HKEx-GL89-16 issued by the Stock Exchange.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Ace Hope”	Ace Hope Investments Limited (領希投資有限公司), a company incorporated in the BVI on 2 August 2017 limited by shares
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Concerted Parties”	Mr. Lou, Mr. Ao, Mr. Chang and Mr. Leong
“Concerted Party Deed”	the concerted party deed entered into among the Concerted Parties on 15 May 2018 prior to the listing of the Shares on the Main Board of the Stock Exchange
“Company”	Huarchi Global Group Holdings Limited (華記環球集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2296)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Mr. Ao”	Mr. Ao Weng Kong (歐穎剛), an executive Director
“Mr. Chang”	Mr. Chang Wa Jeong (曾華壤), an executive Director

“Mr. Leong”	Mr. Leong Ka In (梁家賢)
“Mr. Lou”	Mr. Lou Cheok Meng (盧卓明), the chairman of the Board and managing Director
“Prospectus”	the prospectus of the Company dated 31 October 2019 in relation to the share offer for the listing of Shares on the Main Board of the Stock Exchange
“Seong Wa”	Seong Wa Holdings Limited (尚華控股有限公司), a company incorporated in the BVI on 15 June 2017 limited by shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the share(s) of the Company in the nominal value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Talent Leap”	Talent Leap Investments Limited (智躍投資有限公司), a company incorporated in the BVI on 26 July 2016 limited by shares
“%”	per cent.

By Order of the Board
Huarchi Global Group Holdings Limited
Lou Cheok Meng
Chairman and Managing Director

Hong Kong, 11 February 2021

As at the date of this announcement, the executive Directors are Mr. Lou Cheok Meng (Chairman and Managing Director), Mr. Chang Wa Leong and Mr. Ao Weng Kong; the independent non-executive Directors are Dr. Lam Chi Kit BBS MH JP, Dr. Sin Wai Chiu Joseph and Mr. Lo Chun Chiu Adrian.