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HUA YIN INTERNATIONAL HOLDINGS LIMITED

華音國際控股有限公司

(incorporated in Bermuda with limited liability)
(Stock Code: 989)

INSIDE INFORMATION DISPOSAL OF SHARES BY THE CONTROLLING SHAREHOLDER OF THE COMPANY

This announcement is made by Hua Yin International Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company has been informed by Ka Yik Investments Limited (“**Ka Yik**”), a controlling shareholder (as defined in the Listing Rules) of the Company, that on 29 July 2022, Ka Yik has entered into several agreements with each of the purchasers separately in relation to the proposed disposal (the “**Disposal**”) of an aggregate of 3,300,000,000 shares (the “**Sale Shares**”) of HK\$0.05 each in the issued share capital of the Company (each a “**Share**”), out of which (i) 1,000,000,000 Shares are to be sold to Tianfeng International Holding Limited (“**Tianfeng**”) and (ii) the remaining 2,300,000,000 Shares are to be sold to eight other purchasers (the “**Independent Purchaser(s)**”). The Sale Shares represent approximately 45.81% of the issued share capital of the Company as at the date of this announcement.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Tianfeng is owned as to (i) 90% by Mr. Sui Guangyi (“**Mr. Sui**”), a non-executive Director and the co-chairperson of the Company; and (ii) 5% by Mr. Li Junjie (“**Mr. Li**”), an executive Director and the Chief Executive Officer of the Company. Mr. Sui is also a substantial shareholder of China Investment Fund Company Limited (“**China Investment**

Fund”), whose issued shares are listed on main board of the Stock Exchange. Hong Kong Toprich Investment Limited (“**Toprich**”) is a wholly-owned subsidiary of China Investment Fund and is currently the legal and beneficial owner of 1,050,000,000 Shares, representing approximately 14.58% of the issued share capital of the Company as at the date hereof. Immediately following the completion of the Disposal, assuming there is no change in the issued share capital of the Company from the date of this announcement until the date of completion of the Disposal, Mr. Sui will, directly or indirectly, through his interest in Toprich and Tianfeng, be deemed to be interested in 2,050,000,000 Shares, representing approximately 28.46% of the issued share capital of the Company.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Independent Purchasers and (for Independent Purchaser who is an entity) its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules) and are not a connected person of the Company.

As at the date of this announcement, Ka Yik is the legal and beneficial owner of (i) 3,664,780,371 Shares, representing approximately 50.87% of the issued share capital of the Company, and (ii) the convertible bond (the “**Convertible Bond**”) due 2023 in the principal amount of HK\$103,076,730 convertible into 264,299,307 Shares at an initial conversion price of HK\$0.39 (subject to adjustment). Ka Yik is wholly owned by Deep Wealth Holding Limited, which is in turn held by TMF (Cayman) Ltd. as trustee of the Ground Trust, which was set up by Ms. Cui Xintong (“**Ms. Cui**”), the co-chairperson of the Board and an executive Director of the Company, as settlor and protector.

Immediately following the completion of the Disposal, assuming there is no change in the issued share capital of the Company from the date of this announcement until the date of completion of the Disposal, Ka Yik shall remain to be interested in 364,780,371 Shares, representing approximately 5.06% of the issued share capital of the Company, and shall cease to be the controlling shareholder of the Company upon completion of the Disposal.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon completion of the Disposal but without the exercise of the conversion rights under the Convertible Bond; and (iii) immediately after the completion of the Disposal upon exercise in full of the conversion rights under the Convertible Bond:

Shareholders	As at the date of this announcement		Upon completion of the Disposal but without the exercise of the conversion rights under the Convertible Bond		Immediately after the completion of the Disposal upon exercise in full of the conversion rights under the Convertible Bond	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Ka Yik (Note 1)	3,664,780,371	50.87	364,780,371	5.06	629,079,678	8.42
Charm Success Group Limited ("Charm Success") (Note 1)	434,320,694	6.03	434,320,694	6.03	434,320,694	5.82
Toprich (Note 2)	1,050,000,000	14.58	1,050,000,000	14.58	1,050,000,000	14.06
Tianfeng (Note 3)	-	-	1,000,000,000	13.88	1,000,000,000	13.39
Sub-total	5,149,101,065	71.48	2,849,101,065	39.55	3,113,400,372	41.69
<u>Public Shareholders</u>						
Independent Purchasers (Note 4)	132,755,000	1.84	2,432,755,000	33.77	2,432,755,000	32.58
Other Public Shareholders	1,921,782,743	26.68	1,921,782,743	26.68	1,921,782,743	25.73
Sub-total	2,054,537,743	28.52	4,354,537,743	60.45	4,354,537,743	58.31
Total	<u>7,203,638,808</u>	<u>100.0</u>	<u>7,203,638,808</u>	<u>100.0</u>	<u>7,467,938,115</u>	<u>100.0</u>

Notes:

- As at the date of this announcement, Ka Yik and Charm Success are companies wholly-owned by Deep Wealth Holding Limited, which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust, which is in turn a discretionary trust set up by Ms. Cui Xintong, being an executive Director and the co-chairperson of the Board, as settlor and protector.
- Toprich is a wholly-owned subsidiary of China Investment Fund. China Investment Fund is a company incorporated in the Cayman Islands, whose shares are listed on the main board of the Stock Exchange. Mr. Sui is a shareholder and holds 12% of China Investment Fund.
- As at the date of this announcement, Tianfeng is owned as to 90% by Mr. Sui and 5% by Mr. Li.
- According to the disclosures made by the Independent Purchasers in their respective agreements entered into with Ka Yik in relation to the Disposal, one of the Independent Purchasers is ultimately owned by another Independent Purchaser. Upon completion of the Disposal, these two Independent Purchasers will in aggregate be interested in 630,000,000 Shares, representing approximately 8.75% of the issued share capital of the Company.
- Certain percentage figures in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The Company does not expect that the Disposal will have any material adverse effect on the operations of the Company and its subsidiaries.

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
Hua Yin International Holdings Limited
Ng Man Kit Micky
Company Secretary

Hong Kong, 1 August 2022

As at the date of this announcement, the Executive Directors are Ms. Cui Xintong, Mr. Li Junjie, Mr. Cong Peifeng and Mr. Xu Yingchuan; the Non-executive Directors are Mr. Sui Guangyi and Mr. Cui Mindong; and the Independent Non-executive Directors are Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Mr. Wang Xueguang.