

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

HOPE LIFE INTERNATIONAL HOLDINGS LIMITED

曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF A JOINT VENTURE COMPANY

The Board announces that on 15 October 2020, the JV Agreement is entered into between the Hong Kong Subsidiary and the PRC JV Partner, pursuant to which the Jiangxi JV will be established in Jiangxi Province, the PRC.

The Jiangxi JV will be engaged principally in production and sales of food and beverage products (wine, juice, dairy products and health products) and relevant imports and exports. It is expected that the Jiangxi JV will be engaged in Chinese traditional yellow wine production and sales. The Jiangxi JV will be owned beneficially as to 70% by the Hong Kong Subsidiary and as to the balance of 30% by the PRC JV Partner. Upon establishment, the Jiangxi JV will become a 70% owned subsidiary of the Company.

Pursuant to the terms of the JV Agreement, the proposed registered capital of the Jiangxi JV will be RMB 50 million. RMB35 million will be contributed by the Hong Kong Subsidiary by way of cash or in such other recognised manner. RMB15 million will be contributed by the PRC JV Partner by way of cash or in such other recognised manner.

As the applicable percentage ratio in respect of the JV Agreement is more than 5% but is less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board announces that on 15 October 2020, the JV Agreement is entered into between the Hong Kong Subsidiary and the PRC JV Partner, pursuant to which the Jiangxi JV will be established in Jiangxi Province, the PRC.

The Jiangxi JV will be engaged principally in production and sales of food and beverage products (wine, juice, dairy products and health products) and relevant imports and exports. It is expected that the Jiangxi JV will be engaged principally in Chinese traditional yellow wine production and sales. The Jiangxi JV will be owned beneficially as to 70% by the Hong Kong Subsidiary and as to the balance of 30% by the PRC JV Partner. Upon establishment, the Jiangxi JV will become a 70% owned subsidiary of the Company.

The entering into of the JV Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. Set out below are the principal terms of the JV Agreement.

THE JV AGREEMENT

Date : 15 October 2020 (after trading hours)

Parties: : (a) the Hong Kong Subsidiary
(b) the PRC JV Partner

The Hong Kong Subsidiary is a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company.

The PRC JV Partner is a company established in the PRC and is principally engaged in Chinese traditional wine production and sales. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the PRC JV Partner and its ultimate beneficial owner(s) are Independent Third Parties.

The parties to the JV Agreement agreed that the Jiangxi JV will be established in Jiangxi Province, the PRC. The Jiangxi JV will be engaged principally in production and sales of food and beverage products (wine, juice, dairy products and health products) and relevant imports and exports, subject to the approval of relevant PRC regulatory authorities. It is expected that the Jiangxi JV will be engaged in Chinese traditional yellow wine production and sales. Application will be made to the relevant PRC authorities for the necessary permits and business licences for the establishment of the Jiangxi JV.

Registered capital

Pursuant to the terms of the JV Agreement, the proposed registered capital of the Jiangxi JV will be RMB 50 million and will be contributed by the parties in proportion to their respective shareholdings in the Jiangxi JV. As at the date of the JV Agreement, no contribution has been made by the parties to the JV Agreement yet.

Regarding the registered capital of the Jiangxi JV, RMB15 million will be contributed by the Hong Kong Subsidiary by way of cash or in such other recognised manner and RMB35 million will be contributed by the PRC JV Partner by way of cash or in such other recognised manner.

The Group intends to finance the capital contribution of the Hong Kong Subsidiary to the Jiangxi JV from its internal and/or external resources.

The contributions to the registered capital of the Jiangxi JV shall be made by the respective parties within five years upon the issue of the business license of the Jiangxi JV in accordance with the relevant PRC laws and regulations.

Both parties, as the shareholders of the Jiangxi JV, shall be entitled to rights of shareholders in proportion to their respective shareholdings in the Jiangxi JV. In the event of any transfer of share capital of the Jiangxi JV by any shareholder, the other shareholder of the Jiangxi JV shall have a pre-emptive right to acquire such share capital of the Jiangxi JV.

The proposed registered capital of the Jiangxi JV was determined after arm's length negotiations between the relevant parties with referencing to the future business development of the Jiangxi JV. The Directors (including the independent non-executive Directors) consider that the proposed registered capital of the Jiangxi JV is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Completion of establishment

Upon completion of the registration with the relevant PRC authorities and the obtaining of relevant business license, the establishment of the Jiangxi JV will be completed.

The Jiangxi JV will become a 70%-owned indirect subsidiary of the Group upon its establishment and its financial results will be consolidated with those of the Group.

Principal obligations and duties of the parties to the JV Agreement

Under the JV Agreement, the Hong Kong Subsidiary shall, among others:

1. contribute the registered capital of the Jiangxi JV in accordance with the articles and association of the Jiangxi JV;
2. be responsible for such reasonable requests to be made by the Jiangxi JV in accordance with the applicable laws and regulations.

Under the JV Agreement, the PRC JV Partner shall, among others:

1. contribute funds and assist in the raising of funds as provided for under the JV Agreement;

2. make applications to the relevant PRC authorities for, among others, the establishment and registration of the JV and obtaining business licence;
3. assist the JV to acquire equipment, materials, office supplies, means of transport, communication facilities, etc., within the PRC, and assist in providing the JV with the necessary equipment for installation, commissioning and trial production, technical personnel, production and inspection technicians;
4. assist the JV in liaison for the supply of water, electricity, energy, etc.;
5. assist the JV in recruiting management, technical personnel, workers and other personnel required for its operations;
6. assist expatriate employees in obtaining entry visas and completing other formalities as required, and assist in the training of technical personnel and workers of the JV;
7. responsible for other matters as delegated by the JV.

Profits sharing in the Jiangxi JV

The Hong Kong Subsidiary and the PRC JV Partner will be entitled to share the net profits of the Jiangxi JV in proportion to their equity interests in the Jiangxi JV upon its establishment.

Board of directors of the Jiangxi JV

The board of directors of the Jiangxi JV will comprise 3 directors, of which 1 will be appointed by the PRC JV Partner and 2 will be appointed by the Hong Kong Subsidiary.

The chairman of the board of directors of the Jiangxi JV will be appointed by the Hong Kong Subsidiary.

The board of directors of the Jiangxi JV shall be responsible for determining all significant decisions of the Jiangxi JV, including but not limited to amendments to the articles of association, increase or reduction of any registered capital, mergers and acquisitions, fixing the annual budget and engagement of auditors and senior management.

REASONS FOR THE JV AGREEMENT

The principal activity of the Company is investment holding. The Group is principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, health business and financial services.

The Directors have always been proactive in seeking opportunities for expanding the business scope of the Group. The Company, being a listed company in Hong Kong, has the edge to promote and introduce the Jiangxi JV's products to Hong Kong and overseas markets. The business management and internal control system adopted by the Company can also be applied to the Jiangxi JV. On the other hand, the PRC JV Partner has experience and expertise in manufacturing of products such as yellow wine. With the PRC JV Partner's connection in PRC, the Jiangxi JV can ensure stable raw materials supply and can also enjoy the existing long-terms sales network of the PRC JV Partner. The PRC JV Partner has undertaken not (without the Hong Kong Subsidiary's consent) to compete with the Group in Hong Kong and PRC in the business of the Jiangxi JV.

The Directors consider that the entering into the JV Agreement offers the Group a good business opportunity to develop food and beverage business in the PRC. The Directors consider that the investment in the Jiangxi JV will enhance the earnings ability to the Group in the future.

The Directors, including the independent non-executive Directors, consider that the terms of the JV Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratio in respect of the JV Agreement is more than 5% but is less than 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Hope Life International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors (including the independent non-executive directors) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Subsidiary”	Royal China Bullion Investment Limited 皇中黃金投資有限公司, a company incorporated in Hong Kong with limited liabilities and a wholly owned subsidiary of the Company
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Jiangxi JV”	Jiangxi Zhongniang Jiuye Co., Ltd.* 江西中釀酒業有限公司, the joint venture company to be established in Jiangxi Province, the PRC under the JV Agreement
“JV Agreement”	the JV Agreement dated 15 October 2020 and entered into between the Hong Kong Subsidiary and the PRC JV Partner in relation to the establishment of the Jiangxi JV

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“PRC JV Partner”	Jiangxi Gushan Wine Co., Ltd* 江西鼓山酒業有限公司, a company established in the PRC with limited liabilities
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board of
Hope Life International Holdings Limited
HUI Kee Fung
Chairman

Hong Kong, 15 October 2020

As at the date of this announcement, the Board of Directors of the Company comprises Mr. HUI Kee Fung and Ms. SHEN Jie as Executive Directors; and Mr. LU Zhuohui, Ms. XIE Yanbin and Ms. FU Ling as Independent Non-executive Directors.

* *For identification purpose only*

In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text thereof.