

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.



Huge China Holdings Limited

匯嘉中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 428)

**CONTINUING CONNECTED TRANSACTION
RENEWAL OF APPOINTMENT OF
TIGER SECURITIES ASSET MANAGEMENT COMPANY LIMITED
AS INVESTMENT MANAGER**

CONTINUING CONNECTED TRANSACTION

The Board is pleased to announce that on 28 February 2018 (after trading hours of the Stock Exchange), the Company and Tiger Securities entered into an Extension Agreement. The Extension Agreement is an extension to the Management Agreement, pursuant to which the Company shall extend the appointment of Tiger Securities as the investment manager of the Company for a further term of one year commencing from 1 March 2018 and ending on 28 February 2019.

Tiger Securities is the existing investment manager of the Company appointed by the Company under the Management Agreement, the term of which expires on 28 February 2018.

Tiger Securities, as the investment manager of the Company, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. Accordingly, the Extension Agreement to the Management Agreement and the transactions contemplated thereunder constitutes continuing connected transactions of the Company under the Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for the transactions contemplated under the Management Agreement is, on an annual basis, expected to be less than 25% and each of the annual caps is less than HK\$10,000,000, the transactions contemplated under the Management Agreement is subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

The Board is pleased to announce that on 28 February 2018 (after trading hours of the Stock Exchange), the Company and Tiger Securities entered into an Extension Agreement, pursuant to which the Company will continue to appoint Tiger Securities as the investment manager of the Company for a further term of one year commencing from 1 March 2018 and ending on 28 February 2019. Details of the Extension Agreement are set out below:

EXTENSION AGREEMENT

- Date:** 28 February 2018
- Term:** 1 March 2018 to 28 February 2019, being the Management Period
- Service:** To continue to provide the services as set out under the Management Agreement on a non-exclusive investment management services to the Company, which are to:
- (i) identify and analyze investment opportunities relating to the Assets for the Company;
 - (ii) be responsible for arranging all aspects of the implementation of a decision to invest the Assets in an Authorized Investment;
 - (iii) monitor and keep under review, or procure suitable persons to monitor and keep under review all the investments relating to the Assets made on behalf of the Company;
 - (iv) calculate the Net Asset Value and with any valuation methods adopted by the Board as at each valuation date, provide such calculation by request to the Board and the shareholders and arrange for publication of the same in accordance with the requirements of the Listing Rules on or before the fifteenth day after each valuation date;
 - (v) place the liquid Assets of the Company not invested in the Authorized Investment in time deposits, money market instruments or other instruments Tiger Securities believes would yield a reasonable return at a relatively lower level of risk while offering high liquidity;
 - (vi) if required by the Board, negotiate for borrowing arrangements and, if so authorised by the Board, implement such arrangements; and

(vii) keep the Board fully informed as to the discharge of its powers and responsibilities thereunder.

Remuneration: 1% per annum on the Net Asset Value as per the management account of the Company of the preceding month and payable by the Company within fourteen (14) days from the date when the management account is approved by the Board, with an annual cap of HK\$2,980,000 (or such other higher limits to be mutually agreed in good faith between the Company and Tiger Securities).

Actual transaction amount and historical annual caps

Actual transaction amount

The remunerations paid by the Company to Tiger Securities under the Management Agreement were set out below:

Period	2016 (1 Mar-31 Dec) <i>(HK\$)</i> <i>10 months</i>	2017 (1 Jan- 31 Dec) <i>(HK\$)</i> <i>12 months</i>	2018 (1 Jan-) 28 Feb) <i>(HK\$)</i> <i>2 months</i>
Management Fee	<u>1,500,000</u>	<u>2,980,000</u>	<u>496,667</u>

Historical annual caps

The historical annual caps of remunerations payable by the Company to Tiger Securities under the Management Agreement were set out below:

Period	2016 (1 Mar-31 Dec) <i>(HK\$)</i> <i>10 months</i>	2017 (1 Jan- 31 Dec) <i>(HK\$)</i> <i>12 months</i>	2018 (1 Jan-28 Feb) <i>(HK\$)</i> <i>2 months</i>
Management Fee	<u>1,500,000</u>	<u>2,980,000</u>	<u>496,667</u>

The Directors have been monitoring the remunerations payable by the Company to Tiger Securities under the Management Agreement for each of the financial years during the term of the Management Agreement, the annual cap for each of the two years ended 31 December 2017 has not been exceeded. As at the date of this announcement, the annual cap for the Management Fee payable under the Management Agreement for the period ending 28 February 2018 has not been exceeded.

Proposed annual caps

The proposed maximum annual remunerations payable by the Company to Tiger Securities under the Management Agreement are as follows:

Period	2018-2019 (1 March 2018 – 28 February 2019) (HK\$)
Management Fee	<u><u>2,980,000</u></u>

In arriving at the monthly management fee and the annual caps under the Management Agreement, the Directors have taken into account the following factors:

1. the historical actual amount of management fee of not more than HK\$3,000,000 paid by the Company to the Investment Manager per year for the period from 1 March 2016 to 28 February 2018;
2. the estimated amount of NAV and consolidated NAV of the Group per annum during the Management Period;
3. the expected investment performance of the Group for the years during the Management Period; and
4. a buffer for the actual amount of management fee to be paid during the Management Period.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE MANAGEMENT AGREEMENT

In light of the expiry of the Management Agreement, the Company entered into the Extension Agreement with Tiger Securities on 28 February 2018 to renew the appointment of Tiger Securities as the investment manager of the Company for the Management Period. Pursuant to the Management Agreement, Tiger Securities shall provide non-exclusive investment management services to the Company set out therein.

Tiger Securities was incorporated in Hong Kong on 13 February 2006 with limited liability and is a licensed corporation registered under the SFO. It is principally engaged in the business of dealing in securities, provision of investment advisory services to clients and managing investment portfolios for professional/institutional investors mainly in Greater China and Hong Kong. It is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Having considered, among others, (i) the long-term and satisfactory relationship with Tiger Securities; (ii) that Tiger Securities is familiar with the investment objectives, policies, restrictions and operations of the Group; and (iii) the professional qualification, expertise and experience of Tiger Securities in providing the relevant services, the Company is of the view that it is beneficial of the Group to continue to appoint Tiger Securities as the investment manager of the Group.

The transactions contemplated under the Extension Agreement and the Management Agreement is in the usual course of business of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Extension Agreement and the Management Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Tiger Securities, as the investment manager of the Company, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. Accordingly, the Extension Agreement and Management Agreement and the transactions contemplated thereunder constitutes continuing connected transactions of the Company under the Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules for the transactions contemplated under the Management Agreement is, on an annual basis, expected to be less than 25% and each of the annual caps is less than HK\$10,000,000, the transactions contemplated under the Management Agreement is subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

Mr. Wu Ming Gai, an Executive Director, is currently one of the directors and responsible officers of Tiger Securities. As at the date of this announcement, Mr. Wu does not own any interests in Tiger Securities. Since Mr. Wu is a director and responsible officer of Tiger Securities, Mr. Wu is considered by the Board to be interested in the Management Agreement. Therefore, Mr. Wu had abstained from voting on the resolutions for approving the Management Agreement and the transactions contemplated thereunder. Save as disclosed in this announcement, none of the Directors are considered to have any material interests in the Management Agreement and are required to abstain from voting on the relevant board resolutions.

Other than Mr. Wu Ming Gai, no Director have material interest in the Extension Agreement and the Management Agreement, no other Director is required to abstain from voting on the resolutions of the Board approving the Extension Agreement Management Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Assets”	all the assets of any description of the Company wherever and howsoever located
“Authorised Investment”	an investment of the Assets for the time being of the Company as authorised by the terms of the Management Agreement and by the investment guidelines, objectives, strategies and policies described in the Prospectus of the Company dated 25 November 1993 and the articles of association of the Company as amended from time to time or any other investment property authorised and sanctioned by the Board
“Board”	the board of directors of the Company
“Company”	Huge China Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Greater China”	the PRC, Taiwan, Hong Kong and Macau
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” and “Hong Kong Dollars”	a lawful currency of Hong Kong, i.e. in Hong Kong dollars and cents
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Agreement”	a management agreement between the Company and Tiger Securities dated 29 February 2016 as supplemented by a supplemental agreement dated 24 November 2016
“Management Period”	The period from 1 March 2018 to 28 February 2019

“Net Asset Value”	the net asset value of the Company calculated in accordance with the articles of association of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means ordinary share(s) of HK\$1.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tiger Securities”	Tiger Securities Asset Management Company Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation registered under the SFO to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

By Order of the Board
Huge China Holdings Limited
Chau Wai Hing
Executive Director

Hong Kong, 28 February 2018

As at the date here, of the Board of directors of the Company comprises two executive directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; two non-executive directors, namely Mr. William Keith Jacobsen and Mr. Mak Hing Keung Thomas; and three independent non-executive directors, namely Mr. Sio Chan In Devin, Mr. Law Siu Hung Paul, and Mr. Wong Ching Wan.