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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 ACQUISITION OF EQUIPMENT AND MACHINERY

The Board announces that on 23 November 2020, the Jiangxi JV, an indirect 70%-owned subsidiary of the Company, entered into the Equipment Purchase Agreement with the Vendor, pursuant to which the Jiangxi JV agrees to purchase and the Vendor agrees to sell the Equipment and Machinery, which consist of a number of equipment and machines with ancillary facilities and components for traditional Chinese yellow wine production, for a total consideration of RMB30,000,000.

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

Reference is made to the announcements of the Company dated 15 October 2020 and 30 October 2020 in relation to, among others, the formation of the Jiangxi JV. Pursuant to the JV Agreement, the proposed registered capital of the Jiangxi JV will be RMB50 million and will be contributed by the parties in proportion to their respective shareholdings in the Jiangxi JV. As at the date of this announcement, the Group has contributed RMB35 million in cash to the Jiangxi JV and the PRC JV Partner has contributed RMB15 million by way of transferring of relevant Chinese traditional yellow wine base to the Jiangxi JV. Pursuant to the independent valuation obtained by the Group, the valuation of such wine base shall be not less than RMB15 million.

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The entering into of the Equipment Purchase 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 Equipment Purchase Agreement.

THE EQUIPMENT PURCHASE AGREEMENT

Date : 23 November 2020 (after trading hours)

Parties : (a) the Vendor as vendor
(b) the Jiangxi JV, an indirect 70% owned subsidiary established in the PRC with limited liability

The Jiangxi JV is a company established in the PRC with limited liability and is an indirect 70% owned subsidiary of the Company. The Jiangxi JV will be engaged in Chinese traditional yellow wine production and sales.

The Vendor is a company established in the PRC and is principally engaged in sale of food products. Based on the information available to the Company, the ultimate beneficial owner(s) of the Vendor is 袁志求 (Yuan Zhiqiu)*. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties and are not connected with the PRC JV Partner and/or its associates.

Subject matter

Pursuant to the Equipment Purchase Agreement, the Jiangxi JV will acquire and the Vendor will sell the Equipment and Machinery, which consist of a number of equipment and machines with ancillary facilities and components for traditional Chinese yellow wine production, for a total cash consideration of RMB30,000,000.

Consideration

The total consideration under the Equipment Purchase Agreement is RMB30,000,000, which is payable by the Jiangxi JV within 30 days from the date of the Equipment Purchase Agreement.

The consideration is determined after arm's length negotiations between the parties to the Equipment Purchase Agreement on normal commercial terms, taking into account of the market price of similar equipment and machinery and also the independent valuation obtained by the Group in respect of the Equipment and Machinery. The Directors consider that the consideration is fair and reasonable and on normal commercial terms.

Delivery of Equipment and Machinery

Pursuant to the terms of the Equipment Purchase Agreement, the Vendor shall be obliged to at its own costs deliver the Equipment and Machinery to the designated factory of the Jiangxi JV within five days before receipt of the full consideration. The Vendor shall be responsible for installation and testing of the Equipment and Machinery and also deliver relevant warranty cards and user manuals of the Equipment and Machinery. The testing shall be completed within 14 days after delivery of the Equipment and Machinery. The costs and expenses for such delivery, installation and testing shall have been included in the consideration payable by the Jiangxi JV.

REASONS FOR THE ENTERING INTO OF THE EQUIPMENT PURCHASE 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. With the formation of the Jiangxi JV, the Group will also engage in Chinese traditional yellow wine production and sales.

The Equipment and Machinery are equipment and machines for Chinese traditional yellow wine production. The Equipment and Machinery to be acquired will be utilised by the Jiangxi JV for its business operations. The Group has considered similar equipment and machinery in the market and also the prevailing market value of similar equipment and machinery. Based on the independent valuation report obtained by the Group, the fair value of the Equipment and Machinery shall be not less than the consideration. As such, the Company considers that the terms of the Equipment Purchase Agreement is fair and reasonable and on normal commercial terms.

The Directors, including the independent non-executive Directors, consider that the terms of the Equipment Purchase Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the Equipment Purchase 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 Equipment Purchase Agreement is more than 5% but is less than 25%, the entering into of the Equipment Purchase 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:

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| “associate(s)” | has the meaning ascribed to this term under the Listing Rules |
| “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 |
| “Equipment and Machinery” | the equipment and machinery to be acquired by the Jiangxi JV under the Equipment Purchase Agreement |
| “Equipment Purchase Agreement” | the equipment purchase agreement dated 23 November 2020 and entered into between the Vendor as vendor and the Jiangxi JV as purchaser |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “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 established in Jiangxi Province, the PRC under the JV Agreement |
| “JV Agreement” | the JV Agreement dated 15 October 2020 and entered into between a wholly owned subsidiary of the Company and the PRC JV Partner in relation to the establishment of the Jiangxi JV |

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| “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 |
| “Shareholders” | holders of the Shares |
| “Shares” | ordinary shares of HK\$0.01 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Beijing Yaogehui Trading Co., Ltd.* 北京耀格輝商貿有限公司, a company established in the PRC with limited liabilities |
| “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, 23 November 2020

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

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

* For identification purpose only