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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)

**(I) CONTINUING CONNECTED TRANSACTION –
CHANGE OF INVESTMENT MANAGER
AND
(II) RE-DESIGNATION OF DIRECTOR**

**(I) CONTINUING CONNECTED TRANSACTION – CHANGE OF
INVESTMENT MANAGER**

Reference is made to the announcement of the Company dated 11 April 2013 in relation to the entering of the Original Investment Management Agreement (supplemented by a supplemental agreement dated 24 April 2013) for a term of three years effective from 1 June 2013.

**THE TERMINATION AGREEMENT AND THE NEW INVESTMENT
AGREEMENT**

The Board announces that on 29 February 2016 after trading hours, the Company entered into the Termination Agreement with the Original Investment Manager to mutually terminate the Original Investment Management Agreement with effect from 1 March 2016 and release each other from all future and further obligations under the Original Investment Management Agreement thereafter. The Board further announces that on 29 February 2016 after trading hours, the Company entered into the New Investment Management Agreement with Tiger Securities, pursuant to which Tiger Securities has agreed to act as the investment manager of the Company and to provide investment management services to the Company for a period of two years commencing from 1 March 2016 and expiring on 28 February 2018.

LISTING RULES IMPLICATION

Tiger Securities will be a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules upon the New Investment Management Agreement becoming effective.

The maximum annual aggregate amount of the management fee to be paid by the Company to Tiger Securities pursuant to the New Investment Management Agreement for the period from 1 March 2016 to 28 February 2018 shall not exceed HK\$1,800,000 (or such other higher limits to be mutually agreed in good faith between the Company and Tiger Securities) per annum, which is less than HK\$3,000,000 and 5% in respect of each of the percentage ratios (other than the profits ratio) prescribed under the Listing Rules. The fees payable by the Company to Tiger Securities for the services under the New Investment Management Agreement are expected to fall below the de-minimis thresholds set out in Rule 14A.76(1) of the Listing Rules, and therefore exempt from disclosure and/or shareholders' approval requirements under the Listing Rules.

(II) RE-DESIGNATION OF DIRECTOR

The Board announces that Mr. Wu Ming Gai has been re-designated from a non-executive Director to an executive Director with effect from 1 March 2016.

(I) CONTINUING CONNECTED TRANSACTION – CHANGE OF INVESTMENT MANAGER

Reference is made to the announcement of the Company dated 11 April 2013 in relation to the entering of the Original Investment Management Agreement (supplemented by a supplemental agreement dated 24 April 2013) for a term of three years effective from 1 June 2013.

THE TERMINATION AGREEMENT

The Board announces that on 29 February 2016 after trading hours, the Company entered into the Termination Agreement with the Original Investment Manager to mutually terminate the Original Investment Management Agreement with effect from 1 March 2016 and release each other from all future and further obligations under the Original Investment Management Agreement thereafter. Both the Company and the Original Investment Manager confirm that there was no disagreement between the parties, and they are not aware of any matter that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange in connection with the Original Investment Management Agreement and the Termination Agreement.

THE NEW INVESTMENT MANAGEMENT AGREEMENT

The Board further announces that on 29 February 2016 after trading hours, the Company entered into the New Investment Management Agreement with Tiger Securities, pursuant to which Tiger Securities has agreed to act as the investment manager of the Company and to provide investment management services to the Company for a period of two years commencing from 1 March 2016 and expiring on 28 February 2018.

The principal terms of the New Investment Management Agreement are as follows:

Date

29 February 2016

Parties

- (1) the Company; and
- (2) Tiger Securities

Principal terms of the New Investment Management Agreement

Pursuant to the New Investment Management Agreement, Tiger Securities will be appointed as the investment manager of the Company for a term of two years commencing from 1 March 2016 and expiring on 28 February 2018, unless terminated at any time by either the Company or Tiger Securities by giving notice to the other party in writing in any of the following events:

- (a) if any of the parties goes into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by all parties) or if a receiver, administrative receiver or administrator is appointed for the whole or a substantial part of the assets or undertaking of either or all of the parties or if one or more of the parties convene a meeting of creditors or make or propose to make any arrangement or composition with or assignment for the benefit of their creditors or ceases or threatens to cease to carry on their business; or
- (b) if any of the parties shall commit any material breach of their obligations under the New Investment Management Agreement and (if such breach shall be capable of remedy) shall fail to remedy such breach within 45 calendar days of receipt of notice served by the aggrieved party requiring them so to do.

The appointment of Tiger Securities as the new investment manager of the Company will be governed by the terms and conditions of the New Investment Management Agreement.

Fees pursuant to the New Investment Management Agreement

Pursuant to the New Investment Management Agreement, Tiger Securities shall be entitled to a management fees of 0.5% 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\$1,800,000 (or such other higher limits to be mutually agreed in good faith between the Company and Tiger Securities).

It is expected that the aggregate annual amount of management fees to be paid by the Company for each of the financial year ending 31 December 2018 during the term of the New Investment Management Agreement will not exceed the following:

	For the year ending 31 December 2016 (10 months) (HK\$)	For the year ending 31 December 2017 (12 months) (HK\$)	For the year ending 31 December 2018 (2 months) (HK\$)
Total amount of management fees to be paid by the Company pursuant to the New Investment Management Agreement	1,500,000	1,800,000	300,000

The investment management fees under the New Investment Management Agreement was agreed after arms-length negotiation between the Company and Tiger Securities and was determined with reference to (i) the prevailing market rates charged by investment managers; (ii) the duties and responsibilities of Tiger Securities under the New Investment Management Agreement; and (iii) the fees payable by the Company under the Original Investment Management Agreement. The management fees payable to Tiger Securities are comparable to other independent third parties in the market and in this regard, the Board (including the independent non-executive Directors) considers that the management fees payable under the New Investment Management Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Duties of Tiger Securities

Pursuant to the New Investment Management Agreement, Tiger Securities shall, among others:

- (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 of the Company 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.

Notwithstanding the foregoing, from time to time the Board may give Tiger Securities directions in writing relating to the conduct of the business of the Company to be carried out by it on behalf of the Company and Tiger Securities shall exercise its powers and duties thereunder subject to and in accordance with such directions.

The Board shall retain overall control over the investment objectives, policies of the Company and subject to the investment limitations set out in the Company's prospectus dated 25 November 1993, the investment restrictions reasonably stipulated and notified by the Board from time to time in advance to Tiger Securities.

Tiger Securities has also undertaken to the Company that (a) it will disclose to the Board any potential investment opportunities and ensure that the Company is given the opportunities to decide whether to participate in those investments before entering into those investments on behalf of other clients or its own account; and (b) if the Company and Tiger Securities' other clients are interested to participate in the same investment and the available investment is insufficient to satisfy these demands, Tiger Securities shall strictly comply with its internal conflicts of interest policy and the conflicts of interest principle set out in paragraph GP6 and other provisions of the Code of Conduct for persons licensed by or registered with the SFC to allocate the investment to the Company and other clients on a pro-rata basis depending on the respective subscription requests.

REASONS FOR ENTERING INTO THE NEW INVESTMENT MANAGEMENT AGREEMENT

In order to enhance cost and operational efficiency, the Company decided to appoint Tiger Securities as its new investment manager to provide investment management services with effect from 1 March 2016.

Under the New Investment Management Agreement, the aggregate amount of the annual management fees to be paid shall not exceed HK\$1,800,000 (or such other higher limits to be mutually agreed in good faith between the Company and Tiger Securities), which represents a substantial discount of approximately 83.99% to the annual management fees and incentive fees paid for the year ended 31 December 2015 under the Original Investment Management Agreement.

As discussed in more details under the paragraph headed “Background of Tiger Securities” below, Tiger Securities has the expertise and experience in the securities market. The Directors believe that Tiger Securities will be able to contribute towards the Company’s new business development and direction, and to provide professional investment services to the Company. The Directors also consider that the investment experience of Tiger Securities goes in line with the investment strategies of the Company and are of the view that the expertise of Tiger Securities will be beneficial to the Company and its shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the New Investment Management Agreement has been entered into under normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of the New Investment Management Agreement (including the annual cap amount) are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

BACKGROUND OF TIGER SECURITIES

Tiger Securities is a company 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.

As at the date of this announcement, Tiger Securities is wholly-owned by HL Riches Capital Group Limited. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, immediately prior to the appointment of Tiger Securities as the investment manager of the Company, HL Riches Capital Group Limited is an Independent Third Party. The board of directors of Tiger Securities has two directors, namely, Mr. Wu Ming Gai and Ms. Chan Angie. Both of them are the two responsible officers of Tiger Securities.

Mr. Wu Ming Gai will be primarily responsible for providing investment management services to the Company with the assistance of Ms. Chan Angie.

The background and experience of Mr. Wu Ming Gai and Ms. Chan Angie are set out as follows:

Mr. Wu Ming Gai

Mr. Wu, aged 40, is one of the directors and responsible officers of Tiger Securities. Mr. Wu is currently licensed under the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) regulated activities accredited to Tiger Securities. He has obtained the Honor Diploma of Accounting from the Hong Kong Shue Yan University in July 1999. He has over 11 years of management experience in fund accounting and asset management. He was the chief operating officer of Tiger Securities from 2007 to 2012 responsible for the overall operation of fund management. Since 2013, he has been the director of the same company responsible for the general management of regulated activities. Mr. Wu was appointed as the non-executive Director in July 2015 and was re-designated to the executive Director with effect from 1 March 2016. Please refer to the paragraph headed “Re-designation of Director” in this announcement below for further details of Mr. Wu.

Ms. Chan Angie

Ms. Chan, aged 42, is one of the directors and responsible officers of Tiger Securities. Ms. Chan is currently licensed to carry on Type 1(dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) regulated activities under the SFO accredited to Tiger Securities. She has obtained the Diploma in Executive Secretary from Sara Beattie College in 1993 and was registered as the dealer’s representative with the SFC in 1996. Ms. Chan has over 19 years of comprehensive experience in the financial industry. She was the institution officer of Manson Hong Kong Limited from 1996 to 2001. From 2001 to 2014, she was the institution officer of Hani Securities (HK) Limited and was the responsible officer of the same company from 2014 to 2015. Since 2015, she has been the responsible officer of Tiger Securities. She was appointed as the director of Tiger Securities in January 2016.

LISTING RULES IMPLICATION

Tiger Securities will be a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules upon the New Investment Management Agreement becoming effective.

The maximum annual aggregate amount of the management fees to be paid by the Company to Tiger Securities pursuant to the New Investment Management Agreement for the period from 1 March 2016 to 28 February 2018 shall not exceed HK\$1,800,000 per annum (unless for higher limits to be mutually agreed in good faith between the Company and Tiger Securities), which is less than HK\$3,000,000 and 5% in respect of each of the percentage ratios (other than the profits ratio) prescribed under the Listing Rules. The fees payable by the Company to Tiger Securities for the services under the New Investment Management Agreement are expected to fall below the de-minimis thresholds set out in Rule 14A.76(1) of the Listing Rules, and are therefore exempt from disclosure and/or shareholders' approval requirements under the Listing Rules. The Company will comply with the applicable requirements for continuing connected transactions under the Listing Rules in force from time to time if the aggregate amount of the fees payable pursuant to the New Investment Management Agreement during its term of service exceeds the de-minimis thresholds as set out in Rule 14A.76(1) (or other applicable rules of the Listing Rules in force from time to time).

Mr. Wu Ming Gai, a 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 New Investment Management Agreement. Therefore, Mr. Wu had abstained from voting on the resolutions for approving the New Investment 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 New Investment Management Agreement and are required to abstain from voting on the relevant board resolutions.

INFORMATION ON THE COMPANY

The Company is an investment company listed under Chapter 21 of the Listing Rules. The principal activities of the Company and its subsidiaries are investments in securities listed on recognised stock exchanges and unlisted investments with a potential for earnings growth and capital appreciation.

Save as disclosed in this announcement, the Directors have no material interests in the New Investment Management Agreement. The Directors believe that the terms of the New Investment Management Agreement are fair and reasonable as far as the independent shareholders of the Company are concerned.

Lastly, the Board would like to take this opportunity to express its sincere gratitude to Harmony Asset Management Limited for their contributions to the Company during their tenure of service as the investment manager of the Company and also express its warmest welcome to Tiger Securities in joining the Company as the investment manager.

(II) RE-DESIGNATION OF DIRECTOR

The Board is pleased to announce that Mr. Wu Ming Gai has been re-designated from a non-executive Director to an executive Director with effect from 1 March 2016. His biographical details are set out above.

Upon Mr. Wu's re-designation, the existing service contract of Mr. Wu with the Company was terminated and a new director's service contract was entered into between Mr. Wu and the Company on 1 March 2016, subject to termination in certain circumstances as stipulated in the service contract. The appointment of Mr. Wu is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The emolument of Mr. Wu is HK\$120,000 per annum subject to adjustment as appropriate to be determined by the Board.

As at the date of this announcement, Mr. Wu had no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wu did not have any relationship with any other Directors, senior management, or substantial or controlling shareholder of the Company.

Mr. Wu has not held any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this announcement.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is no information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the shareholders of the Company in respect of the re-designation of Mr. Wu.

The Board would like to extend a warm welcome to Mr. Wu on taking up his new position.

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
“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
“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
“Independent Third Party”	third party independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value”	the net asset value of the Company calculated in accordance with the articles of association of the Company
“New Investment Management Agreement”	the investment management agreement dated 29 February 2016 entered into between the Company and Tiger Securities in relation to the appointment of Tiger Securities as investment manager of the Company
“Original Investment Manager”	Harmony Asset Management Limited, the original investment manager of the Company pursuant to the Original Investment Management Agreement
“Original Investment Management Agreement”	the investment management agreement dated 11 April 2013 (supplemented by a supplemental agreement dated 24 April 2013) entered into between the Company and the Original Investment Manager
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means ordinary share(s) of HK\$1.00 each of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the termination agreement dated 29 February 2016 entered into between the Company and the Original Investment Manager to mutually terminate the Original Investment Management Agreement
“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, 29 February 2016

Upon the re-designation of Director becoming effective on 1 March 2016 the Board will comprise three executive directors, namely Mr. Chau Wai Hing, Mr. Chu To Jonathan 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.