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LONGHUI INTERNATIONAL HOLDINGS LIMITED

龍輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1007)

- (1) POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING
HELD ON 12 JANUARY 2021;**
- (2) SHARE CONSOLIDATION BECOMING EFFECTIVE
ON 14 JANUARY 2021;**
- (3) ADJUSTMENTS TO THE CONVERTIBLE BONDS;
AND**
- (4) COMMENCEMENT OF DEALINGS IN THE CONSOLIDATED
SHARES ON AN EX-RIGHTS BASIS**

Financial adviser to the Company



Merdeka Corporate Finance Limited

The Board is pleased to announce that the ordinary resolutions as set out in the Notice of EGM were duly passed by the Shareholders and the Independent Shareholders (as the case may be) by way of poll at the EGM held on Tuesday, 12 January 2021.

All the conditions precedent to the Share Consolidation have been fulfilled and the Share Consolidation will become effective on Thursday, 14 January 2021.

As a result, adjustments will be made in relation to the outstanding Convertible Bonds, with effect on Thursday, 14 January 2021.

Pursuant to the expected timetable set out in the Circular, the last day of dealings in the Consolidated Shares on a cum-rights basis will be Thursday, 14 January 2021 and the Consolidated Shares will be dealt with on an ex-rights basis from Friday, 15 January 2021.

References are made to the circular (the “**Circular**”) of the Company and the notice of the EGM (the “**Notice of EGM**”), both dated 24 December 2020 in relation to, among other things, the Rights Issue and the Share Consolidation. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Circular.

POLL RESULTS OF THE EGM

The Board is pleased to announce that both resolutions were duly passed by the Shareholders and the Independent Shareholders (as the case may be) by way of poll at the EGM held on Tuesday, 12 January 2021.

Computershare Hong Kong Investor Services Limited, the Share Registrar of the Company, acted as scrutineer for the poll at the EGM.

The poll results in respect of the proposed resolutions are as follows:

ORDINARY RESOLUTIONS (<i>note</i>)		Number of Votes (%)	
		For	Against
1.	To approve, among other things, the Share Consolidation as set out in the Notice of EGM.	3,296,381,175 (99.998608%)	45,900 (0.001392%)
2.	To approve, among other things, the Rights Issue as set out in the Notice of EGM.	64,714,925 (99.929124%)	45,900 (0.070876%)

Note: The description of the resolutions is by way of summary only. Shareholders may refer to the Circular and the Notice of EGM for the full text of the resolutions.

As more than 50% of the votes were cast in favour for the resolutions, the resolutions were duly passed as ordinary resolutions of the Company.

As disclosed in the Circular, as the Rights Issue will increase the issued Shares of the Company by more than 50%, the Rights Issue is subject to the approval of the minority Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A(1) of the Listing Rules, where minority shareholders’ approval is required for a rights issue under Rule 7.19A, the rights issue must be made conditional on approval by the shareholders in a general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour of the rights issue.

As at the date of the EGM, Shui Chak Group Limited is the controlling shareholder of the Company, as such Shui Chak Group Limited and its associates were required to abstain, and had abstained, from voting in favour of the resolution relating to the Rights Issue at the EGM. Save as disclosed, to the best knowledge of the Directors, no other Shareholder is involved or interested in or has a material interest in the Rights Issue and, hence, was required to abstain from voting on the resolution to approve the Rights Issue at the EGM.

Further, to the best knowledge of the Directors, no Shareholder was required to abstain from voting on the resolution to approve the Share Consolidation.

As at the date of the EGM, there were a total of 6,373,602,437 Existing Shares in issue. Accordingly, (i) the total number of Existing Shares entitling the holders to attend and vote for or against the resolution to approve the Share Consolidation at the EGM was 6,373,602,437; and (ii) the total number of Existing Shares entitling the holders to attend and vote for or against the resolution to approve the Rights Issue at the EGM was 3,141,936,187.

SHARE CONSOLIDATION

The Board is also pleased to announce that all the conditions precedent to the Share Consolidation have been fulfilled and the Share Consolidation will become effective from Thursday, 14 January 2021 and the dealings in the Consolidated Shares will commence at 9:00 a.m. on Thursday, 14 January 2021. Please refer to the Circular for details on the trading arrangement and the exchange and replacement of share certificates and matching services for odd lots in connection with the Share Consolidation. Shareholders should note that upon the Share Consolidation becoming effective, new share certificates of the Consolidated Shares in the color of yellow will be issued to the Shareholders.

ADJUSTMENTS TO THE CONVERTIBLE BONDS

As at the date of this announcement, there were outstanding Convertible Bonds in the principal amount of HK\$4,414,937.7075 with the initial conversion price of HK\$0.1025 per Existing Share. Pursuant to the terms of the Convertible Bonds and upon the Share Consolidation becoming effective, adjustment is required to be made to the conversion price of the outstanding Convertible Bonds. The conversion price will be adjusted from HK\$0.1025 per Existing Share to HK\$2.05 per Consolidated Share, and based on the conversion price of HK\$2.05 per Consolidated Share, the number of Shares which fall to be issued upon full conversion of the outstanding Convertible Bonds will be adjusted from a maximum of 43,072,563 Existing Shares to a maximum of 2,153,628 Consolidated Shares.

The adjustment shall take effect on Thursday, 14 January 2021. Save for the above adjustments, all other terms and conditions of the Convertible Bonds remain unchanged.

The Independent Financial Adviser to the Company has reviewed and agreed with the respective adjustments to the outstanding Convertible Bonds, which have been disclosed above.

COMMENCEMENT OF DEALINGS IN THE CONSOLIDATED SHARES ON AN EX-RIGHTS BASIS

Pursuant to the expected timetable set out in the Circular, the last day of dealings in the Consolidated Shares on a cum-rights basis will be Thursday, 14 January 2021 and the Consolidated Shares will be dealt with on an ex-rights basis from Friday, 15 January 2021.

DESPATCH OF THE PROSPECTUS DOCUMENTS

The Company will proceed with the Rights Issue in accordance with the expected timetable as set out in the Circular. The Prospectus Documents are expected to be despatched to the Qualifying Shareholders, and the Prospectus together with the Overseas Letter are expected to be despatched to the Non-Qualifying Shareholders (if any) for their information only on Wednesday, 27 January 2021.

Qualifying Shareholders are reminded that the latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 10 February 2021.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors should note that the Rights Issue is conditional upon the conditions set out in the paragraph headed “Conditions of the Rights Issue” including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Friday, 15 January 2021 and that dealing in the Rights Shares in the nil-paid form will take place from Friday, 29 January 2021 to Friday, 5 February 2021 (both days inclusive) while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Rights

Issue is subject are fulfilled (which is expected to be on Thursday, 11 February 2021), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

By order of the Board
Longhui International Holdings Limited
Hung Shui Chak
Chairman and executive Director

Hong Kong, 12 January 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Hung Shui Chak, Mr. So Kam Chuen and Mr. Yuan Mingjie; and three independent non-executive Directors, namely Mr. Tam Bing Chung Benson, Mr. Cheung Ting Pong and Mr. Johnson Wan.