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**MEGAIN Holding (Cayman) Co., Ltd.**

**美佳音控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6939)**

### **INSIDE INFORMATION**

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- (3) DISPOSAL OF SHARES BY A CONTROLLING SHAREHOLDER;**
- AND**
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This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

#### **RESIGNATION OF EXECUTIVE DIRECTOR**

The Board hereby announces that Mr. Lee has resigned as executive Director with effect from 21 December 2022 in order to devote more time on other pursuits. Mr. Lee has also resigned as a director of Megain Group (HK) and the representative of the Taiwan branch office of Megain Holding (BVI) with effect from 21 December 2022. Mr. Lee does not hold any position or role in any members of the Group as at the date of this announcement.

Mr. Lee has confirmed that he has no disagreement with the Board and there is no matter regarding his resignation that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Lee for his valuable contribution to the Company during his tenure of office.

## TERMINATION OF CONCERT PARTIES CONFIRMATORY DEED AND DISPOSAL OF SHARES BY AGL

Reference is made to the Concert Parties Confirmatory Deed entered into between Mr. Cheng and Mr. Lee on 4 January 2019, pursuant to which they have acknowledged and confirmed that they have been parties acting in concert in respect of each of the members of the Group (the “**Relevant Companies**”) since the date of its incorporation or establishment, and for so long as they both remain as directors and key management members and/or remain interested (directly or indirectly) in the share capital of any of the Relevant Companies, they shall:

- (a) act in concert and jointly for all material management affairs and strategic commercial decisions, including but not limited to financial management and operational matters, of the Relevant Companies;
- (b) give unanimous consent, approval or rejection on other material issues and decisions in relation to the business of the Relevant Companies;
- (c) jointly cast unanimous vote on all resolutions relating to matters that require shareholders’ or directors’ approvals or discussions of the Relevant Companies; and
- (d) cooperate with each other to obtain and maintain the consolidated control and management of the Relevant Companies.

As a result of the Concert Parties Confirmatory Deed, GMTL (which is wholly owned by Mr. Cheng), Mr. Cheng, AGL (which is wholly owned by Mr. Lee) and Mr. Lee are considered as a group of Shareholders acting in concert and they are deemed to be interested in each other’s interest in the Shares. Upon the listing of the Shares on the Stock Exchange on 31 March 2021, and immediately before the execution of the Termination Deed, GMTL, Mr. Cheng, AGL and Mr. Lee were entitled to exercise more than 30% of the voting rights at the general meeting of the Company and were collectively considered as controlling shareholders of the Company.

The Board was informed by Mr. Lee that on 21 December 2022, AGL transferred approximately 10.00% of the total issued Shares to GMTL and approximately 7.6% of the total issued Shares to two independent third parties of the Company (the “**Purchasers**”, and the relevant share transfers are collectively referred to as the “**Transfers**”). None of the Purchasers hold more than 5% of the total issued Shares immediately upon completion of the Transfers. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers and its ultimate beneficial owner was an independent third party (as defined under the Listing Rules) of the Company and they are not connected or acting in concert with, any directors, chief executive or substantial shareholders of the Company or any of their respective subsidiaries; or any of their respective close associates (as defined in the Listing Rules) or other connected person (as defined in the Listing Rules) of the Company before the Transfers. After the Transfers, Mr. Lee ceased to hold any Share or interest in any Share directly or indirectly, and Mr. Cheng’s interests in the Company through GMTL increased from approximately 19.27% to 29.27%.

Mr. Cheng and Mr. Lee entered into the Termination Deed to terminate the acting in concert arrangement as provided under the Concert Parties Confirmatory Deed on the same day.

Upon completion of the Transfers, GMTL and Mr. Cheng, whether jointly or severally, are no longer entitled to exercise more than 30% of the voting rights at the general meeting of the Company and thus have ceased to be controlling shareholders of the Company.

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 518,750,000 issued Shares. The following table shows the changes in the interests, direct and deemed, of the Shareholders as a result of the Transfers:

Shareholder	Before the completion of the Transfers		Immediately upon the completion of the Transfers	
	Number of Shares	%	Number of Shares	%
AGL <sup>(Note 2)</sup>	91,312,500	17.60	0.00	0.00
GMTL <sup>(Note 3)</sup>	99,937,500	19.27	151,812,500	29.27
GLC <sup>(Note 4)</sup>	97,500,000	18.80	97,500,000	18.80
Mr. Lam Tsz Leung <sup>(Note 5)</sup>	86,250,000	16.63	86,250,000	16.63
Public shareholders	143,750,000	27.70	183,187,500	35.30
<b>Total</b>	<b>518,750,000</b>	<b>100.0</b>	<b>518,750,000</b>	<b>100.0</b>

Notes:

1. Certain percentage figures in this table are subject to rounding adjustments.
2. AGL is wholly and beneficially owned by Mr. Lee. Mr. Lee is therefore deemed to be interested in the Shares held by AGL under the SFO.
3. GMTL is wholly and beneficially owned by Mr. Cheng. Mr. Cheng is therefore deemed to be interested in the Shares held by GMTL under the SFO.
4. GLC is wholly and beneficially owned by Mr. Yu Yiding (余一丁). Mr. Yu Yiding (余一丁) is therefore deemed to be interested in the Shares held by GLC under the SFO.
5. Mr. Lam Tsz Leung is a non-executive Director.

## **DEED OF NON-COMPETITION EXECUTED BY GMTL, MR. CHENG, AGL AND MR. LEE**

Reference is made to the Deed of Non-competition entered into by GMTL, Mr. Cheng, AGL and Mr. Lee in favour of the Company on 26 February 2021, pursuant to which each of them has undertaken to the Company not to engage or otherwise be interested in businesses in competition with the Company as long as he/it or his/its close associates are jointly or severally entitled to exercise or control the exercise of not less than 30% (or such higher percentage as constituting a controlling shareholder under the Listing Rules and the applicable requirements from time to time) in aggregate of the voting power at general meetings of the Company. Upon completion of the Transfers, GMTL, Mr. Cheng, AGL and Mr. Lee ceased to be controlling shareholders of the Company and shall no longer be bound by the Deed of Non-competition.

### **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was halted at the request of the Company with effect from 10:30 a.m. on 21 December 2022 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:00 p.m. on 21 December 2022.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company.**

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“AGL”	ARISTA GLOBAL LTD., a company incorporated in Belize which is directly and wholly owned by Mr. Lee
“Board”	the board of Directors
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	MEGAIN Holding (Cayman) Co., Ltd., a company incorporated in the Cayman Islands, the issued shares of which are listed on the Stock Exchange
“Concert Parties Confirmatory Deed”	the confirmatory deed in relation to parties acting in concert dated 4 January 2019 entered into by Mr. Cheng and Mr. Lee
“connected person”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Non-competition”	the deed of non-competition dated 26 February 2021 entered into by GMTL, Mr. Cheng, AGL and Mr. Lee in favour of the Company
“Director(s)”	the director(s) of the Company
“GLC”	GOOD LOYAL CORPORATION (忠好有限公司), a company incorporated in the British Virgin Islands which is directly and wholly owned by Mr. Yu Yiding (余一丁)
“GMTL”	GLOBAL MEGAIN TECHNOLOGY PTE. LTD, a company incorporated in Belize which is directly and wholly owned by Mr. Cheng
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Megain Group (HK)”	MEGAIN GROUP (HK) LIMITED (香港美佳印科技股份有限公司), a company incorporated in Hong Kong and a directly wholly-owned subsidiary of the Company
“Megain Holding (BVI)”	Megain Holding (BVI) PTE, LTD., a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“Mr. Cheng”	Mr. Cheng Hsien-Wei (鄭憲徽), an executive Director and the chairman of the Board
“Mr. Lee”	Mr. Lee Kuo-Chang (李國彰)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Termination Deed” the deed of termination in respect of the Concert Parties Confirmatory Deed dated 21 December 2022 executed by Mr. Cheng and Mr. Lee

“%” or “per cent” percentage

By Order of the Board  
**MEGAIN Holding (Cayman) Co., Ltd.**  
**Cheng Hsien-Wei**  
*Chairman*

Hong Kong, 21 December 2022

*As at the date of this announcement, the Board comprises Mr. Cheng Hsien-Wei as executive Director; Mr. Lam Tsz Leung and Ms. Yu Erhao as non-executive Directors; and Mr. Chen Mark Da-jiang, Mr. Kao Yi-Ping and Mr. Li Huaxiong as independent non-executive Directors.*

\* *For identification purposes only*