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**弘達金融控股有限公司**  
**HongDa Financial Holding Limited**

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

**(Stock Code: 1822)**

**DISCLOSEABLE TRANSACTION**

- (1) FORMATION OF JOINT VENTURE;**  
**(2) PROVISION OF LOANS TO KING FOCUS AND**  
**(3) PROVISION OF SEVERAL CORPORATE GUARANTEE**

**SHAREHOLDERS' AGREEMENT**

The Board is pleased to announce that on 20 January 2017 (after trading hours), Finest Achieve, a direct wholly-owned subsidiary of the Company, Ever Step, Charm Success and King Focus entered into the Shareholders' Agreement, pursuant to which (1) King Focus has conditionally agreed to allot and issue and (i) Finest Achieve has conditionally agreed to subscribe for 14 new shares of King Focus at a consideration of US\$14, representing 14% of the enlarged issued share capital of King Focus on Completion; (ii) Ever Step has conditionally agreed to subscribe for 36 new shares in King Focus at a consideration of US\$36, representing 36% of the enlarged issued share capital of King Focus on Completion; (iii) Charm Success has conditionally agreed to subscribe for 49 new shares of King Focus at a consideration of US\$49, representing 49% of the enlarged issued share capital of King Focus on Completion; (2) Finest Achieve agrees to provide Finest Achieve Loan to King Focus on an interest-free unsecured basis; (3) Charm Success agrees to provide Charm Success Loan to King Focus on an interest-free and unsecured basis, and as at the date of the Shareholders' Agreement, Charm Success has provided and advanced Charm Success Loan to King Focus; and (4) Finest Achieve, Ever Step and Charm Success further agree and undertake that they shall, on demand by King Focus and in proportion to their respective shareholdings in King Focus, advance additional shareholder loan to King Focus provided that the maximum amount in aggregate shall not exceed HK\$384,000,000 unless otherwise agreed by all the then shareholders.

As at date of this announcement and immediately prior to Completion, King Focus is and will be wholly owned by Ever Step, which in turn is wholly owned by Credit China FinTech. Upon Completion, Finest Achieve, Ever Step and Charm Success will hold 14%, 37% and 49%, respectively, in the enlarged issued share capital of King Focus.

**SEVERAL CORPORATE GUARANTEE**

It is the intention of Well Up, a wholly owned subsidiary of King Focus, to utilize the Finest Achieve Loan, Charm Success Loan and Remaining Ever Step Loan to partly finance the Ping An Acquisition and the Offer. To complete the Ping An Acquisition and the Offer, Well Up obtained the Haitong Facility from Haitong International Securities. The Haitong Facility is in respect a credit facility of up to HK\$1,464 million, and is secured by, among other collaterals, the Several Corporate Guarantee granted by the Company and Credit China FinTech in favor of Haitong International Securities.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios in respect of the transactions under the Shareholders' Agreement exceeds 5% and all of the percentage ratios are less than 25%, the entering into of the Shareholders' Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios for the Company in respect of the provision of the Several Corporate Guarantee by the Company in respect of the liabilities of Well Up under the Haitong Facility are more than 5% but less than 25%, the provision of the Several Corporate Guarantee by the Company constitutes a discloseable transaction for the Company. Accordingly, the Company is subject to the reporting and announcement requirements in respect of the provision of the Several Corporate Guarantee under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 20 January 2017 (after trading hours), Finest Achieve, a direct wholly-owned subsidiary of the Company, Ever Step, Charm Success and King Focus entered into the Shareholders' Agreement, pursuant to which (1) King Focus has conditionally agreed to allot and issue and (i) Finest Achieve has conditionally agreed to subscribe for 14 new shares of King Focus at a consideration of US\$14, representing 14% of the enlarged issued share capital of King Focus on Completion; (ii) Ever Step has conditionally agreed to subscribe for 36 new shares in King Focus at a consideration of US\$36, representing 36% of the enlarged issued share capital of King Focus on Completion; (iii) Charm Success has conditionally agreed to subscribe for 49 new shares of King Focus at a consideration of US\$49, representing 49% of the enlarged issued share capital of King Focus on Completion; (2) Finest Achieve agrees to provide Finest Achieve Loan to King Focus on an interest-free and unsecured basis; and (3) Charm Success agrees to provide Charm Success Loan to King Focus on an interest free and unsecured basis, and as at the date of this announcement, Charm Success has provided and advanced Charm Success Loan to King Focus; and (4) Finest Achieve, Ever Step and Charm Success further agree and undertake that they shall, on demand by King Focus and in proportion to their respective shareholdings in King Focus, advance additional shareholder loan to King Focus provided that the maximum amount in aggregate shall not exceed HK\$384,000,000 unless otherwise agreed by all the then shareholders.

As at date of this announcement and immediately prior to Completion, King Focus is and will be wholly owned by Ever Step, which in turn is wholly owned by Credit China FinTech. Upon Completion, Finest Achieve, Ever Step and Charm Success will hold 14% , 37% and 49%, respectively, in the enlarged issued share capital of King Focus.

## THE SHAREHOLDERS' AGREEMENT

### The Principal terms of the Shareholders' Agreement

The principal terms of the Shareholder's Agreement are set out below:

(1) Date: 20 January 2017 (after trading hours)

(2) Parties: (a) Finest Achieve

(b) Ever Step

(c) Charm Success

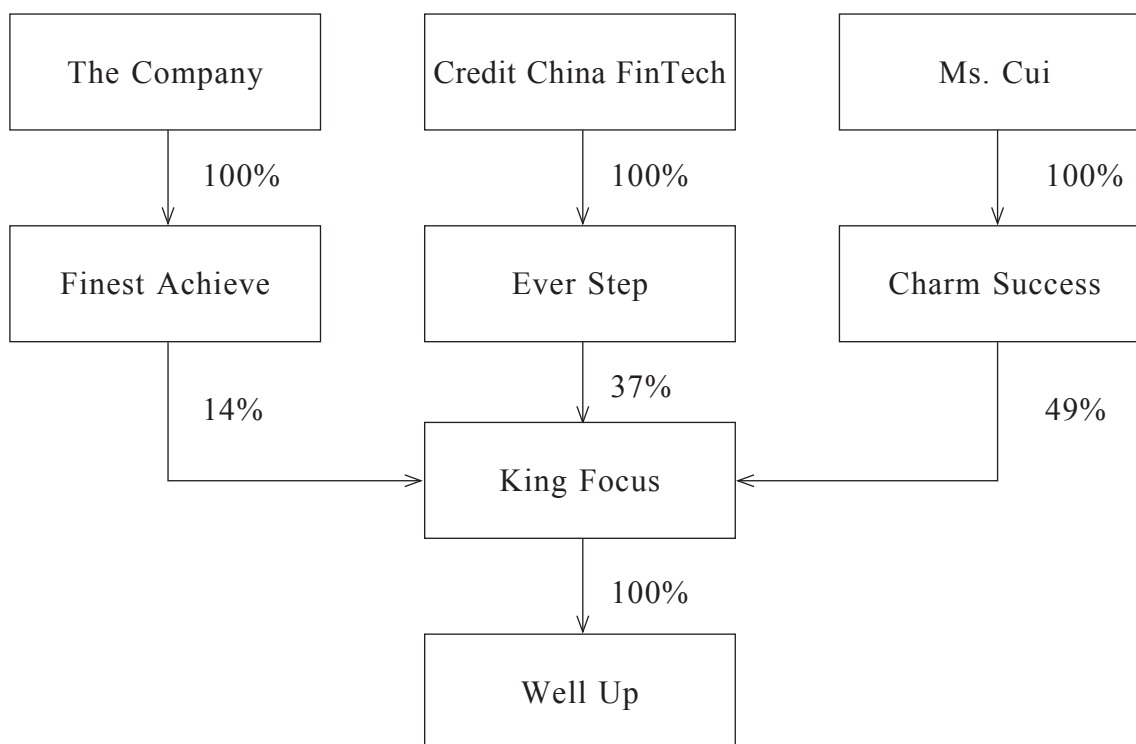
(d) King Focus

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owners of the substantial shareholders (as defined under the Listing Rules) of Ever Step and King Focus and the ultimate beneficial owner of Charm Success (i.e. Ms. Cui) are Independent Third Parties.

### ***(3) Subscription of new shares in King Focus by Finest Achieve, Ever Step and Charm Success***

As at date of this announcement and immediately prior to Completion, King Focus has and will have 1 share in issue with a registered capital of US\$1, which is wholly owned by Ever Step. Pursuant to the Shareholders' Agreement, King Focus shall allot and issue and (i) Finest Achieve shall subscribe for 14 new shares in King Focus at a consideration of US\$14; (ii) Ever Step shall subscribe for 36 new shares in King Focus at a consideration of US\$36; and (iii) Charm Success shall subscribe for 49 new shares in King Focus at a consideration of US\$49, and upon Completion Finest Achieve, Ever Step and Charm Success will hold 14%, 37% and 49%, respectively, of the enlarged issued capital of King Focus.

Set out below is the shareholding structure of King Focus upon Completion:



**(4) The Finest Achieve Loan, Charm Success Loan and Ever Step Loan**

*Loan from Finest Achieve and Charm Success to King Focus*

Pursuant to the terms of the Shareholders’ Agreement, (i) Finest Achieve shall provide Finest Achieve Loan; and (ii) Charm Success shall provide Charm Success Loan, to King Focus, on an interest free and unsecured basis. The Company intends to finance such investment commitment from its internal resources. As at the date of the Shareholders’ Agreement, Charm Success has advanced and provided the Charm Success Loan to King Focus.

*The Ever Step Loan*

As at date of this announcement, Ever Step has advanced to Well Up an interest-free and security-free loan of HK\$271,320,000 (i.e., the “**Ever Step Loan**”). Pursuant to the terms of the Shareholder’s Agreement, part of the Ever Step Loan, being HK\$74,480,000, will be repaid immediately after receipt of the Finest Achieve Loan by King Focus. The remaining outstanding amount of the Ever Step Loan amounts to HK\$196,840,000 (“**Remaining Ever Step Loan**”) after repayment of part of the Ever Step Loan as abovementioned.

Pursuant to the terms of the Shareholders' Agreement, the amount of Finest Achieve Loan, the Remaining Ever Step Loan and Charm Success Loan are in proportion to Finest Achieve, Ever Step and Charm Success' respective shareholdings in King Focus (as at Completion).

The Finest Achieve Loan, the Remaining Ever Step Loan and Charm Success Loan will be utilized by King Focus to partly finance the Ping An Acquisition and the Offer.

**(5) *Conditions Precedent***

- (a) Completion is conditional upon the fulfillment of the following conditions:
  - (i) there shall not have occurred any material breach or any event render untrue or inaccurate, of any of the warranties under the Shareholders' Agreement and the warranties remaining true and accurate in all respects and not misleading in any respect, and King Focus having performed all its obligations under the Shareholders' Agreement which are required to be performed by it at or prior to the date of Completion; and
  - (ii) all necessary approvals, consents, permits, registrations, filings, notices, acknowledgements, authorisations, waivers or resolutions of the directors of Finest Achieve and King Focus having been obtained or passed in respect of the signing of the Shareholders' Agreement, the transactions contemplated under the Shareholders' Agreement and the Completion.
- (b) Finest Achieve and King Focus shall use their respective best endeavours to procure that the conditions are fulfilled in accordance with their terms and for that purpose will execute such documents and do such other things as may be necessary in connection with the fulfillment of the conditions set out above.

**The intended main business of King Focus and Well up**

The main business of King Focus and Well Up will be investment holding. It is the intention of Finest Achieve, Ever Step and Charm Success that King Focus and Well Up will make strategic investments as and when appropriate opportunities arise and as the board of King Focus may deem fit from time to time.

**Composition of the board of directors of King Focus**

Each of the board of directors of King Focus and Well Up shall comprise of three directors. Each of Finest Achieve, Ever Step and Charm Success shall have the right to nominate for appointment of one director to each of the board of directors of King Focus and Well Up.

## **SALE AND PURCHASE OF SHARES IN PING AN BY WELL UP AND PROVISION OF THE SEVERAL CORPORATE GUARANTEE**

On the same date as the date of execution of the Shareholders' Agreement, Well Up entered into a share sale and purchase agreement with Mr. Liang Wenguan, Mr. Cheung Kam Fai and Madex International Company Limited as the sellers, Mr. Liang Wenguan as the guarantor and Credit China FinTech as buyer's guarantor pursuant to which Well Up as the offeror conditionally agreed to purchase, and the sellers conditionally agreed to sell 6,911,498,463 shares in Ping An, representing approximately 36.58% of the existing issued share capital of Ping An as at the date hereof ("**Ping An Acquisition**"). Upon completion of the Ping An Acquisition, Well Up will be required, pursuant to the Code, to make a conditional mandatory general cash offer ("**Offer**") for all the issued shares in and outstanding convertible bonds issued by Ping An (other than those shares in and convertible bonds issued by Ping An already owned or agreed to be acquired by Well Up and its concert parties at the time when the Offer is made). For details of the Ping An Acquisition and the Offer, please refer to the joint announcement published by Ping An, Well Up, the Company and Credit China FinTech on the same date of this announcement.

It is the intention of Well Up to utilize the Finest Achieve Loan, Charm Success Loan and the Remaining Ever Step Loan to partly finance the Ping An Acquisition and the Offer. To complete the Ping An Acquisition and the Offer, Well Up obtained the Haitong Facility from Haitong International Securities. The Haitong Facility is in respect of a credit facility of up to HK\$1,464 million, and is secured by, among other collaterals, the Several Corporate Guarantee granted by the Company and Credit China FinTech in favor of Haitong International Securities. A summary of the key terms of the Several Corporate Guarantee are as follows:

Date: 20 January 2017

Parties: Credit China FinTech and the Company as guarantors and Haitong International Securities as the lender

Subject matter: Credit China FinTech and the Company have agreed to severally guarantee to Haitong International Securities the punctual performance by Well Up of all its obligations under the Haitong Facility and repay, when Well Up defaults, the outstanding indebtedness under the Haitong Facility ("**Outstanding Haitong Indebtedness**") as principal obligor provided that the liability of Credit China FinTech and the Company under the Several Corporate Guarantee shall be limited to 37% and 14% respectively of the Outstanding Haitong Indebtedness.

Neither Credit China FinTech nor the Company receives any fee for the provision of the Several Corporate Guarantee. Given that the several maximum liability of each of Credit China FinTech and the Company under the Several Corporate Guarantee represents their respective indirect shareholding interests in King Focus (being the holding company which wholly owns the entire issued share capital of Well Up), the directors of the Company consider that the provision of the Several Corporate Guarantee, which is entered into after arm's length negotiation between, among other parties, Credit China FinTech and the Company, the terms of the Several Corporate Guarantee are on normal commercial terms and are fair and reasonable and in the interests of the Company and its respective shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owners of the substantial shareholders (as defined under the Listing Rules) of Credit China FinTech and the ultimate beneficial owner of Haitong International Securities are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group has always been seeking investment opportunities with growth potential. The Directors believe that the abovementioned joint venture could create synergies through the integration and cross transfer of the skills, knowledge and expertise among the Group, Ever Step, Charm Success, King Focus and Well Up and their affiliates, thereby providing capital, know-how, managerial talent and other resources for any future investment opportunities for the joint venture. The Board expects that the collaboration will enhance future earning capability and potential of the Group.

The terms of the Shareholders' Agreement are negotiated after arm's length negotiations. The Directors are of the view that the terms of the Shareholders' Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

As one of the shareholders of King Focus that in turn holds Well Up upon Completion, the Company intends to finance the Ping An Acquisition and the Offer by providing loans to Well Up and guarantee to lender who extends loan to Well Up in proportion to the Company's shareholdings in King Focus. The Company considers Ping An Acquisition and the Offer as an opportunity to collaborate with Ping An, which will create synergies through the integration and cross transfer of the skills, knowledge and expertise between the parties. The Directors are of the view that the terms of Several Corporate Guarantee which is entered into after arm's length negotiation between, among other parties, Credit China FinTech and the Company, are on normal commercial terms and are fair and reasonable and in the interests of the Company and its respective shareholders as a whole. For detailed reasons and benefits of the Ping An, Acquisition and the Offer, please refer to the joint announcement published by Ping An, Well Up, the Company and Credit China FinTech on the same date of this announcement.

## **INFORMATION ON THE PARTIES**

Well Up is an investment holding company incorporated in Hong Kong with limited liability, which is wholly owned by King Focus. King Focus, a company incorporated in the British Virgin Islands, is in turn wholly owned by Ever Step as at date of this announcement and immediately prior to Completion.

Ever Step is a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Credit China FinTech, a company whose shares are listed on Growth Enterprise Market of the Stock Exchange (stock code: 8207). Credit China FinTech is a leading integrated FinTech service provider in China with a focus on providing 24 x 7 financial services to small-medium enterprises and consumers in the PRC through internet and mobile internet. The suite of FinTech services offered by the Credit China FinTech and its subsidiaries includes online third party payment, technology-enabled lending, online financial asset investment and supply chain financial services platforms.

Charm Success is a company incorporated in the British Virgin Islands with limited liability and is beneficially and wholly-owned by Ms. Cui. Ms. Cui is currently the executive director and deputy chairperson of Ground International Development Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 989). Previously, Ms. Cui was the business development director of Ground International Development Limited.

The Company is a company incorporated in the Cayman Islands with limited liability. The Group is primarily involved in the provision for car rental services; the trading of electronic components/materials; and the research, design, development and sale of digital signal processing based consumer electronic devices/platforms, including embedded firmware, and the provision of solutions/services to customers for their DSP-based consumer electronic devices/platforms and financing services.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transactions under the Shareholders' Agreement exceeds 5% and all of the percentage ratios are less than 25%, the entering into of the Shareholders' Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios for the Company in respect of the provision of the Several Corporate Guarantee by the Company in respect of the liabilities of Well Up under the Haitong Facility are more than 5% but less than 25%, the provision of the Several Corporate Guarantee by the Company constitutes a discloseable transaction for the Company. Accordingly, the Company is subject to the reporting and announcement requirements in respect of the provision of the Several Corporate Guarantee under Chapter 14 of the Listing Rules.



## DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day(s) on which banks is/are open for business in Hong Kong (excluding Saturday, Sundays and public holidays)
“Charm Success”	Charm Success Group Limited, a company incorporated in the British Virgin Islands with limited liability and whose entire issued share capital is wholly owned by Ms. Cui
“Charm Success Loan”	an interest-free and security-free loan in the principal amount of HK\$260,680,000 advanced and provided by Charm Success to King Focus
“Code”	the Hong Kong Code on Takeovers and Mergers
“Company”	HongDa Financial Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1822)
“Completion”	completion of the transactions in accordance with the terms and conditions of the Shareholders’ Agreement
“Credit China FinTech”	Credit China FinTech Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8207)
“Director(s)”	director(s) of the Company
“Ever Step”	Ever Step Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Credit China FinTech
“Ever Step Loan”	an interest-free and security-free loan in the principal amount of HK\$271,320,000 granted by Ever Step to King Focus as at the date of this announcement

“Finest Achieve”	Finest Achieve Limited, a company established in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Company
“Finest Achieve Loan”	an interest-free and security-free loan in the principal amount of not more than HK\$74,480,000 to be granted by Finest Achieve to King Focus pursuant to the terms and conditions of the Shareholders’ Agreement
“Group”	the Company and its subsidiaries from time to time
“Haitong Facility”	a credit facility up to HK\$1,464 million granted by Haitong International Securities in favour of Well Up
“Haitong International Capital”	Haitong International Capital Limited, a licensed corporation under the SFO, registered to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to Well Up in relation to the Offer
“Haitong International Securities”	Haitong International Securities Company Limited, a fellow subsidiary of Haitong International Capital and is a licensed corporation to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities under the SFO, being one of the agents making the Offer on behalf of Well Up
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined under the Listing Rules
“King Focus”	King Focus International Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of Ever Step prior to Completion
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Cui”	Ms. Cui Xintong

“Ping An”	Ping An Securities Group (Holdings) Limited, a company incorporated in Bermuda with limited liability and carrying on business in Hong Kong as PAN Securities Group Limited, and listed on the Main Board of the Stock Exchange (stock code: 231)
“PRC”	the People’s Republic of China
“Remaining Ever Step Loan”	the remaining outstanding amount of the Ever Step Loan amounting to HK\$196,840,000 after repayment of part of the Ever Step Loan
“Several Corporate Guarantee”	the deed of guarantee and indemnity relating to the obligations of Well Up under the Haitong Facility dated 20 January 2017 executed by Credit China FinTech and the Company as guarantors and Haitong International Securities as the lender
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders’ Agreement”	the shareholders agreement regarding King Focus entered into among Finest Achieve, Ever Step, Charm Success and King Focus
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Well Up”	Well Up (Hong Kong) Limited, a limited liability company incorporated under the laws of Hong Kong, and a direct wholly-owned subsidiary of King Focus
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board  
**HongDa Financial Holding Limited**  
**Deng Shufen**  
*Chairman and Executive Director*

Hong Kong, 20 January 2017

*As at the date of this announcement, the Board comprises Ms. Deng Shufen (Chairman), Ms. Wu Qiong (Vice-Chairman) and Ms. Liu Jianguan as executive directors; Mr. Ho Kin Cheong Kelvin as non-executive director; and Mr. Fang Jun, Mr. Wong Yiu Kit, Ernest and Mr. Zhao Xianming as independent non-executive directors.*