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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)

VOLUNTARY ANNOUNCEMENT
INVESTMENT IN HIGGS DYNAMICS (ZHUHAI) COMPANY LIMITED*

This announcement is made by HongDa Financial Holding Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) on a voluntary basis.

CAPITAL INCREASE AGREEMENT

The board (the “**Board**”) of directors of the Company is pleased to announce that on 7 May 2018 (after trading hours), HongShen Intelligent Energy (Zhuhai) Company Limited* (弘深智慧能源(珠海)有限公司), a wholly-owned subsidiary of the Company (the “**Subsidiary**”), entered into a capital increase agreement (the “**Capital Increase Agreement**”) with Higgs Dynamics (Zhuhai) Company Limited* (希格斯動力科技(珠海)有限公司) (the “**Target Company**”) and an individual (the “**Individual**”) who is a third party independent of the Company and its connected persons (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Pursuant to the Capital Increase Agreement, the Subsidiary has conditionally agreed to contribute RMB51,000,000 (equivalent to approximately HK\$63,291,000) in cash in the enlarged registered capital of the Target Company (the “**Proposed Investment**”). Upon completion of the Proposed Investment, the Subsidiary and the Individual will own as to 60% and 40% respectively in the enlarged registered capital of the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the People’s Republic of China with limited liability and is primarily engaged in the research and development, production and sales of service robots.

The Individual, being the founder and the chief executive officer of the Target Company, has extensive experience in service robot industry and has held key positions in various companies in service robot industry.

* *The English translation of the Chinese names in this announcement, where indicated, is included for information only*

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, each of the Target Company and the Individual is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the business of car rental businesses, material trading businesses and providing financing services. The Group will continue to complete its business transformation and implement a diversified development strategy while vigorously expanding its financial and asset management business.

REASONS FOR AND BENEFIT OF THE PROPOSED INVESTMENT

The Group has been actively seeking new business opportunities from time to time in order to diversify and expand its business portfolio. The Group is proactively identifying opportunities to invest in innovative technology and artificial intelligence and seeking opportunities in education and consumable goods sectors. By investing in the Target Company, it is expected that the Group can tap into the emerging technology industry with enormous prospects, which is in line with the Company's strategy to invest in high-quality projects in innovative technology.

LISTING RULES IMPLICATIONS

Since all applicable percentage ratios in respect of the Proposed Investment under the Listing Rules are lower than 5%, the Proposed Investment does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made voluntarily by the Company.

As the Proposed Investment is subject to fulfilment and/or waiver, if applicable, of various conditions precedent which may or may not be fulfilled, there is no assurance that the Proposed Investment will be completed. Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
HongDa Financial Holding Limited
Chen Xiaohang
Executive Director & CEO

Hong Kong, 7 May 2018

As at the date of this announcement, the Board comprises Ms. Tung Shun (Chairman) and Ms. Chen Xiaohang (CEO) as executive directors; Mr. Li Xiaolu (Vice-Chairman) and Ms. Wang Li as non-executive directors; and Mr. Fang Jun, Mr. Wong Yiu Kit, Ernest and Mr. Zhao Xianming as independent non-executive directors.

For illustration purpose only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1 = HK\$1.241 and rounded to thousand. Such conversion should not be construed as a representation that any amount have been, could have been, or may be, exchanged at this or any other rate.