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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

平安證券有限公司
Ping An Securities Limited

Reference is made to the announcement of HongDa Financial Holding Limited (the “**Company**”) dated 4 May 2018 (the “**Announcement**”) in relation to the Placing of a maximum of 176,580,000 new Shares by the Placing Agent on a best effort basis to not less than six Placees at the Placing Price of HK\$0.300 per Placing Share pursuant to the Placing Agreement. Unless otherwise defined, all capitalized terms used herein shall have the same meanings as defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions precedent of the Placing as set out in the Placing Agreement have been fulfilled and the Placing was completed on 23 May 2018 in accordance with the terms and conditions of the Placing Agreement. An aggregate of 176,580,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.300 per Placing Share. The net proceeds from the Placing amount to approximately HK\$52,470,000 which will be used for general working capital and/or further investments of the Group as and when the opportunities arise. As at the date of this announcement, no specific investment targets have been identified yet.

To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, the Placees and (where a corporation) their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after completion of the Placing is set out as follows:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Sino Merchant (<i>Note 1</i>)	3,499,233,889	52.75	3,499,233,889	51.38
Dundee Greentech Limited (<i>Note 2</i>)	789,500,000	11.90	789,500,000	11.59
Public Shareholders:				
— Placees (<i>Note 3</i>)	—	—	176,580,000	2.59
— Others	2,345,436,565	35.35	2,345,436,565	34.44
Total	<u>6,634,170,454</u>	<u>100.00</u>	<u>6,810,750,454</u>	<u>100.00</u>

Notes:

1. Sino Merchant is a company incorporated in the British Virgin Islands and its issued share capital is owned as to 60% by Ms. Deng Shufen (resigned as the chairman and executive director of the Company on 5 February 2018) and 40% by Ms. Liu Jianguan (resigned as executive director of the Company on 25 September 2017). Ms. Deng Shufen is deemed, or taken to be, interested in all of the Shares in which Sino Merchant is interested by virtue of Part XV of the SFO. As Mr. Dai Yumin is the spouse of Ms. Deng Shufen, he is deemed, or taken to be, interested in the Shares which Ms. Deng Shufen is deemed, or taken to be interested in, for the purposes of Part XV of the SFO.
2. Dundee Greentech Limited is a company incorporated in the British Virgin Islands and its issued share capital is 100% owned by Mr. Liu Hailong.
3. The Placees and (in the case of a corporation) their respective ultimate beneficial owner(s) are, as far as the Placing Agent is aware, are independent of and not connected with the Company and its connected persons. None of the Placees has become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

NO ADJUSTMENT TO THE OUTSTANDING CONVERTIBLE BONDS

Immediately prior to the completion of the Placing, the Company had outstanding convertible bonds (the “**Convertible Bonds**”) in the aggregate principal amount of HK\$400,000,000 convertible into a total of 1,142,857,141 conversion Shares, all at a conversion price of HK\$0.35 per conversion Share.

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

Hong Kong, 23 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.