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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Reference is made to (i) the annual report (the “**Annual Report**”) of HongDa Financial Holding Limited (the “**Company**” together with its subsidiaries, the “**Group**”) for the year ended 31 December 2017; and (ii) the announcement (the “**Announcement**”) of the Company dated 22 August 2017 in relation to, among others, the issue of convertible bonds in the aggregate principal amount of HK\$200,000,000 (the “**CB**”) under general mandate (the “**CB Issue**”). Unless otherwise defined in this announcement, all capitalized terms used herein shall have the same meanings as defined in the Annual Report.

In addition to the information in relation to the CB Issue as set out in the Annual Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information in relation to the use of net proceeds raised from the CB Issue (the “**Net Proceeds**”).

The Net Proceeds (after deduction of all applicable costs and expenses) amounted to approximately HK\$199,500,000. As disclosed in the Announcement, the Net Proceeds were intended to be used for (i) money lending business; (ii) asset management business; (iii) working capital for material trading; and (iv) other purposes as permitted in writing by the subscriber of the CB from time to time.

As at 31 December 2017, the Net Proceeds have been fully utilized by the Company in accordance with its intended use as disclosed in the Announcement, as follows:

- (i) approximately HK\$30,000,000 has been utilized to increase the registered capital of HongShen Xiwang Technology (Zhuhai) Company Limited* (弘深希望科技(珠海)有限公司), a wholly-owned subsidiary of the Company, in relation to the subscription of shares of Zuoshishi Technology Service (Beijing) Company Limited* (做實事科技服務(北京)有限公司) (“**Zuoshishi**”) pursuant to an investment agreement entered into on 29 June 2017. Details of such investment were disclosed in the announcement of the Company dated 29 June 2017;

* *English transliteration of the Chinese names is included for information only.*

- (ii) approximately HK\$53,760,000 has been utilized to finance part of the purchase price payable by Well Up (Hong Kong) Limited, a company indirectly owned as to 14% of its equity interests by the Company through Finest Achieve Limited (“**Finest Achieve**”), a direct wholly-owned subsidiary of the Company, in relation to the acquisition of Ping An Securities Group (Holdings) Limited (“**Ping An Securities**”) pursuant to a share sale and purchase agreement entered into on 20 January 2017. Details of the aforesaid acquisition were disclosed in the joint announcement dated 22 January 2017. The relevant purchase price was paid by Finest Achieve, and the aforesaid acquisition was completed, on 5 September 2017; and
- (iii) approximately HK\$115,740,000 has been utilized for the purchase of materials for the material trading business of the Company.

The asset management business of the Group mainly involves the management of investments of the Group, which include without limitation, the above investments in Zuoshishi and Ping An Securities.

In respect of item (i) above, through the investment in Zuoshishi, the Group is able to tap into the fund management and venture capital of the technology industry, and to seize the investment opportunity in the technological startups which have excellent prospects.

In respect of item (ii) above, the investment in Ping An Securities aligns with the Group’s positioning as a financial services provider and consolidates the Group’s foundation for financial and asset management business development.

Accordingly, the Board considers that the actual uses of the Net Proceeds were consistent with the intended uses as disclosed in the Announcement.

The above additional information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

By order of the Board
HongDa Financial Holding Limited
Tung Shun
Chairman and Executive Director

Hong Kong, 5 December 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. Wong Yiu Kit, Ernest, Mr. Zhao Xianming and Dr. Guan Huanfei as independent non-executive Directors.