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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
DISPOSAL OF INTEREST IN A LIMITED LIABILITY PARTNERSHIP**

THE DISPOSAL

On 12 December 2018 (after trading hours), China E-Rental, an indirect wholly-owned subsidiary of the Company, entered into the Deed of Assignment with the Assignee and the General Partner, pursuant to which China E-Rental has agreed to assign and transfer to the Assignee and the Assignee has agreed to accept assignment of the Partnership Interest at a total consideration of HK\$220 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal exceed(s) 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 12 December 2018 (after trading hours), China E-Rental, an indirect wholly-owned subsidiary of the Company, entered into the Deed of Assignment with the Assignee and the General Partner, pursuant to which China E-Rental has agreed to assign and transfer to the Assignee and the Assignee has agreed to accept assignment of the Partnership Interest at a total consideration of HK\$220 million.

The principal terms of the Deed of Assignment are set out below:

THE DEED OF ASSIGNMENT

Date

12 December 2018

Parties

- (1) China E-Rental as the assignor;
- (2) New Metrix Limited as the Assignee; and
- (3) Vital Catcher Capital Ltd as the General Partner

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Assignor, the General Partner and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be disposed of

Pursuant to the Deed of Assignment, China E-Rental has agreed to assign and transfer to the Assignee and the Assignee has agreed to accept assignment of the Partnership Interest. The Partnership is an international limited partnership established in the BVI. The business scope of the Partnership covers among other objectives, investing in, acquiring, holding and trading in shares or securities listed and traded on the Stock Exchange, and other internationally recognized stock exchanges or markets and to make equity or equity-related capital investments on a global basis with a view to generating income and capital appreciation.

Consideration

The Consideration for the assignment of the Partnership Interest is HK\$220 million, which is payable by the Assignee to China E-Rental within 180 days from the date of the Deed of Assignment by cash.

The Consideration was determined after arm's length negotiation between the parties based on normal commercial terms with reference to the investment amount contributed by the Group to the Partnership as at the date of this announcement.

Completion

Completion took place immediately after signing of the Deed of Assignment. Upon Completion, China E-Rental assigned all right, title and interest in relation to the Partnership Interest to the Assignee.

The Partnership Interest was accounted for as financial assets at fair value through profit or loss in the Group's consolidated financial statements. Upon Completion, the Company ceased to have any interest in the Partnership Interest.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Based on the statements provided by the agent of the Partnership, the net asset value of the Partnership Interest was approximately HK\$220 million as at 30 June 2018.

Based on the above and after deducting other expenses in relation thereto, the Company expects that there is no gain or loss from the Disposal. The Consideration equals to investment amount contributed by the Group to the Partnership as at the date of this announcement.

The net proceeds (after deducting other expenses in relation thereto) arising from the Disposal of approximately HK\$220 million will be used for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is 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, investment businesses and providing financing services.

The Board is of the view that the Disposal can greatly enhance the cash flow of the Group and improve its financial strength and liquidity, and therefore would allow the Group to allocate more resources in exploring other potential business opportunities that can give a better return so as to enhance the shareholder value.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Deed of Assignment are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE ASSIGNEE AND THE GENERAL PARTNER

The Assignee is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. Following Completion, the Assignee will become one of the limited partners of the Partnership.

The General Partner is a company incorporated in the BVI with limited liability and is principally engaged in investment management. The General Partner is the general partner of the Partnership prior to and following the Completion.

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DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Assignee”	New Metrix Limited, a company incorporated in the BVI with limited liability
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China E-Rental”	China E-Rental Enterprises Limited, a company incorporated in Hong Kong with limited liability, being indirect wholly-owned subsidiary of the Company and one of the limited partners of the Partnership
“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 Disposal in accordance with the terms and conditions of the Deed of Assignment
“Consideration”	HK\$220 million, being the total consideration for the Disposal
“Deed of Assignment”	the deed of assignment dated 12 December 2018 entered into among China E-Rental, the Assignee and the General Partner in relation to the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Partnership Interest by China E-Rental to the Assignee pursuant to the terms and conditions of the Deed of Assignment
“General Partner”	Vital Catcher Capital Ltd, a company incorporated in the BVI with limited liability, being the general partner of the Partnership
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partnership”	Barish L.P., an international limited partnership registered in the BVI on 29 November 2017
“Partnership Interest”	approximately 22.82% interest held by China E-Rental in the Partnership
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 12 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.