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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
INVESTMENT IN A LIMITED LIABILITY PARTNERSHIP**

THE LIMITED PARTNERSHIP ARTICLES

On 29 March 2018 (after trading hours), China E-Rental (an indirect wholly-owned subsidiary of the Company), entered into the Limited Partnership Articles with other Partners. Pursuant to the Limited Partnership Articles, the Partners thereto agreed to, among other things, invest in the Limited Partnership with an aggregate capital of HK\$1,204 million. The Capital Commitment to be made by the Group to the Limited Partnership will be HK\$274.8 million, representing approximately 22.82% of the total Capital Commitment to be made by all Partners of the Limited Partnership, and to be satisfied in cash.

The Limited Partnership is formed for, 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Group's investment in the Limited Partnership exceed(s) 5% but less than 25%, the entering into of the Limited Partnership Articles constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

On 29 March 2018 (after trading hours), China E-Rental (an indirect wholly-owned subsidiary of the Company), entered into the Limited Partnership Articles with the General Partner and other Limited Partners. Principal terms of the Limited Partnership Articles are set out as follows:

THE LIMITED PARTNERSHIP ARTICLES

Date

29 March 2018 (after trading hours)

Parties

General partner (“General Partner”)

(1) Chain Billion Limited (an indirect wholly-owned subsidiary of Ping An Securities Group)

Limited partners (“Limited Partner(s)”)

(2) Great Harmony

(3) the Company

(4) E-Fang Vision 1 Equity Investment L.P.

(5) Song Zhao Qing Ltd

(6) Shan Yuli Ltd.

(7) Lu Yao International Ltd

As at the date of this announcement, 11,984,542,634 ordinary shares of HK\$0.05 each, representing approximately 63.43% in the issued share capital of Ping An Securities Group were held by Well Up (Hong Kong) Limited, approximately 14% of its total issued share capital was owned by the Company. Save as disclosed above, to the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, each of the other Limited Partners and their respective ultimate beneficial owner(s) are Independent Third Parties.

Capital Commitment

The total Capital Commitment to be made by all Partners to the Limited Partnership is HK\$1,204 million which shall be contributed by its Partners in cash as follows:

Partners	Partners’ Capital Commitment in the Limited Partnership (HK\$ million)	Percentage of contribution in the Limited Partnership (approx. %)
Chain Billion Limited	—	—
Great Harmony	650.0	53.99
The Group	274.8	22.82
E-Fang Vision 1 Equity Investment L.P.	160.0	13.29
Song Zhao Qing Ltd	50.0	4.15
Shan Yuli Ltd.	39.2	3.26
Lu Yao International Ltd	30.0	2.49
TOTAL	<u>1,204.0</u>	<u>100%</u>

The total amount of Capital Commitment to be made by each of the Partners to the Limited Partnership has been arrived at after arm’s length negotiations among the Partners, with reference to, among others, the projected capital requirements of the Limited Partnership. Pursuant to the terms of the Limited Partnership Articles, the capital contribution of the Limited Partners shall be made at such times and in such amounts as the General Partner may specify in a notice to the Limited Partners.

The Group intends to finance its Capital Commitment of HK\$274.8 million by using the internal resources of the Group.

The Company will be interested as to approximately 22.82% in the interest in the Limited Partnership and the financial results of the Limited Partnership will not be consolidated into the Group.

The entire amount of the Capital Commitment in the sum of HK\$650 million to be made by Great Harmony will be re-financed by proceeds arising from its issuance of certain secured notes (“**Secured Notes**”) in the aggregate principal amount of HK\$650 million to CMB International Finance Limited and other investors under the terms and conditions of a note subscription agreement (“**Note Subscription Agreement**”). The Secured Notes shall bear interest at the interest rate of 11% per annum with due date falling 24 months from the issue date of the Secured Notes, extensible for a further 12 months.

To secure, among other obligations, the repayment of the Secured Notes (“**Note Obligations**”) under the Note Subscription Agreement and the related finance documents (collectively called “**Note Issue Documents**”),

- (a) Great Harmony, as chargor, will create a charge over its interest in the Limited Partnership and certain bank accounts of Great Harmony in favor of the security agent appointed under the relevant Note Issue Documents; and
- (b) the Limited Partnership, as chargor, will create a charge over certain cash and securities accounts in favor of the said security agent. The Limited Partnership will also be one of the guarantors guaranteeing the performance by Great Harmony of the Note Obligations and will give certain representations, warranties and covenants under the relevant Note Issue Documents.

Term of the Limited Partnership

The term of the Limited Partnership is three (3) years from its formation date which was on 29 November 2017, or such other period as the General Partner may agree with the Limited Partners in writing.

Business scope of the Limited Partnership

The business scope of the Limited 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.

Management of the Limited Partnership

The General Partner will be responsible for the day to day management and operation of the Limited Partnership. The Limited Partnership shall pay to the General Partner a one-off financial advisory fee and an annual management fee (“**Management Fee**”) at the rate of 1.5% and 2% of the total capital contributions made by all the Follow-on LPs to the Limited Partnership pursuant to the terms of the Limited Partnership Articles.

The General Partner has appointed Ping An Securities Limited (an indirect wholly-owned subsidiary of Ping An Securities Group) as an investment manager (“**Manager**”) to the Limited Partnership. The major duties of the Manager will include (1) advising and assisting the General Partner in managing the general and business affairs of the Limited Partnership and its investments and (2) carrying out certain investment management, advisory and other functions for the Limited Partnership. The fees and remuneration payable to the Manager shall form part of the outgoings of the Partnership and will be covered under the Management Fee payable by the Limited Partnership to the General Partner.

Profit and loss sharing

All the net profits (if any) of the Limited Partnership in each year shall be payable to the Company and other Limited Partners in proportion to their respective Capital Commitments. Losses incurred by the Limited Partnership shall be borne by the Company or all other Limited Partners in the same manner as for profit sharing.

Distribution

Subject to the terms and conditions of the Note Issue Document, all investment proceeds and other net income and capital of the Limited Partnership legally available for distribution to the Partners under the terms of the Limited Partnership Articles shall be distributed to the Limited Partners and the General Partner as follows:

- (a) first 100% to Great Harmony for the purpose of settling and satisfying its obligations, liabilities, costs and expenses under the Note Issue Documents, until the cumulative amount distributed to Great Harmony is equal to the aggregate capital contributions made by it;
- (b) second 100% to each of the Follow-on LPs (in proportion to their respective Capital Commitments excluding for such calculation the Capital Commitments made by Great Harmony) until the cumulative amount distributed to the Follow-on LPs is equal to the aggregate capital contributions made by such Follow-on LP; and
- (c) then 80% to the Follow-on LPs (in proportion to their respective Capital Commitments excluding for such calculation the Capital Commitments made by Great Harmony) and 20% to the General Partner.

Termination

Upon termination of the Limited Partnership pursuant to the terms and consideration of the Limited Partnership Articles, any surplus assets of the Limited Partnership, after paying for the expenses of termination and to the creditors of the Partnership, including the Limited Partners, in the order of priority established by law, shall be divided among the Partners in the following order:

- (a) first, reserve in such amount as is sufficient to settle and satisfy the Limited Partnership's obligations, liabilities, costs and expenses under the Note Issue Documents;
- (b) second, any unpaid amount of Management Fee shall be paid to the General Partner;
- (c) third, the Limited Partners (in proportion to their respective Capital Commitments) shall next be entitled to reimbursement of the balance standing to the credit of its capital account with the Limited Partnership; and

- (d) the remainder thereof shall be divided between the Follow-on LPs (in proportion to their respective Capital Commitments excluding for such calculation the Capital Commitments made by Great Harmony) as to 80% and the General Partner as to 20%.

Transfer of interests in the Limited Partnership

Subject to the terms and conditions of the Note Issue Document, the Limited Partners may transfer, assign, mortgage or other dispose of its interests in the Limited Partnership at any time during the term of the Limited Partnership. The General Partner shall not transfer, assign, mortgage or other dispose of its interests in the Limited Partnership without the prior written consent of the Limited Partners.

REASONS FOR AND BENEFIT OF ENTERING INTO THE LIMITED PARTNERSHIP ARTICLES

The Board is of the view that with reference to the investment objective of the Limited Partnership and the extensive experience and skills of the directors of the General Partner and the Manager, the Board believes the subscription of interests in the Limited Partnership as one of its Limited Partners will enable the Group to capture investment opportunities and further diversify the Group's investment portfolio. Such subscription of Limited Partnership's interest is therefore in full alignment with the Group's strategy and business plans.

The Board considers that the terms of the Limited Partnership Articles and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP

The Company is incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally involved in the provision of car rental and other services; materials trading; and financing services and investments.

INFORMATION OF THE OTHER PARTNERS

Chain Billion Limited is a limited liability company incorporated in Hong Kong, it is principally engaged in providing investment services.

Each of Great Harmony, Song Zhao Qing Ltd, Shan Yuli Ltd. and Lu Yao International Ltd is a limited liability company incorporated in the BVI. E-Fang Vision 1 Equity Investment L.P. is a limited partnership established in the BVI.

Each of the above Limited Partners is principally engaged in investing in global equity markets.

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DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Capital Commitment”	the maximum amount of cash agreed to be contributed by that Partner as capital to the Limited Partnership
“China E-Rental”	China E-Rental Enterprises Limited, a company incorporated in Hong Kong with limited liability, being one of the Limited Partners and an indirect wholly-owned subsidiary of the Company
“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.HK)
“Director(s)”	the directors of the Company
“Follow-on LPs”	the Limited Partners other than Great Harmony
“Great Harmony”	Great Harmony International Limited, a company incorporated in the BVI with limited liability, being one of the Limited Partners and an Independent Third Party
“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
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company

“Limited Partnership”	Barish L.P., an international limited partnership registered in the BVI on 29 November 2017
“Limited Partnership Articles”	the amended and restated articles of limited partnership of Barish L.P. entered into among the General Partner, the Company and the other Limited Partners on 29 March 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partner(s)”	the General Partner and Limited Partners of the Limited Partnership or any one or more of them
“Ping An Securities Group”	Ping An Securities Group (Holdings) Limited, a company incorporated in Bermuda with limited liability (carrying on business in Hong Kong as PAN Securities Group Limited), the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 231.HK)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 29 March 2018

As at the date of this announcement, the Board comprises Ms. Chen Xiaohang (CEO) and Mr. Gong Qingli as executive directors; Ms. Tung Shun (Chairman), Mr. Jiang Tengfei (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.