
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **HongDa Financial Holding Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) PROPOSED SHARE CONSOLIDATION;
(4) PROPOSED CHANGE OF COMPANY NAME; AND
(5) NOTICE OF AGM**

Capitalised terms used herein shall have the meanings set out in the section headed “Definitions” of this circular.

A notice convening the AGM to be held at Rooms 1808-10, 18/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong at 2:30 p.m. on Tuesday, 23 June 2020 is set out on pages N-1 to N-7 of this circular and a form of proxy for use at the AGM is enclosed herein.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment should you so wish and in such event, the proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE AGM

Please refer to page 1 of this circular for measures being taken at the AGM to try to prevent and control the spread of COVID-19, including:

- 1) Compulsory temperature screening/checks;
- 2) Wearing of surgical face mask;
- 3) Physical distancing at venue; and
- 4) No provision of refreshments or drinks, and corporate gifts or gift coupons.

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. The Company requests attendees to wear surgical face masks and reminds Shareholders that they may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

22 May 2020

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PRECAUTIONARY MEASURES FOR THE AGM

In light of the continuing risks posed by COVID-19, the Company is adopting the following precautionary measures at the AGM in order to safeguard the health and safety of the Shareholders who might be attending the AGM in person:

1. Compulsory temperature screening/checks will be carried out on every attendee at the entrance of the AGM venue. Any person with a body temperature above 37.4 degrees Celsius or the reference point announced by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the AGM venue and requested to leave the AGM venue;
2. Every attendee will be required to wear a surgical face mask at the AGM venue and throughout the AGM and to sit at a distance from the other attendees. **Please note that no surgical face masks will be provided at AGM venue and attendees should bring and wear their own masks;**
3. No refreshment or drinks will be provided to the attendees at the AGM; and
4. No corporate gifts or gift coupons will be provided to the attendees at the AGM.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the other attendees at the AGM.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the websites of the Company (www.hongdafin.com) and the Stock Exchange (www.hkexnews.hk) for further announcements and updates on the AGM arrangements.

Voting by proxy in advance of the AGM: The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights to vote, but are conscious of the pressing need to protect them from possible exposure to the COVID-19 pandemic. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person. Physical attendance is not necessary for the purpose of exercising rights of the Shareholders.

The deadline to submit completed proxy forms is not less than 48 hours before the time appointed for the holding of the AGM, which is on Sunday, 21 June 2020 at or before 2:30 p.m. Completed proxy forms must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at or before the deadline.

Appointment of proxy by non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the HKSCC should consult directly with their banks or brokers or custodians (as the case may be) for assistance in the appointment of proxy.

If Shareholders have any questions relating to the AGM, please contact the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, as follows:

Tricor Investor Services Limited
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel: +852 2980 1333
Fax: +852 2810 8185
Email: is-enquiries@hk.tricorglobal.com

DEFINITIONS

In this circular, unless the context other requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Rooms 1808-10, 18/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 June 2020 at 2:30 p.m. or any adjournment thereof (as the case may be), the notice of which is set out on pages N-1 to N-7 of this circular
“Articles”	the articles of association of the Company as altered from time to time
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to buy-back Shares, the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing the relevant resolution at the AGM
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	HongDa Financial Holding Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issue shares of which are listed on the main board of the Stock Exchange

DEFINITIONS

“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$0.20 each in the share capital of the Company immediately following the Share Consolidation becoming effective
“Controlling Shareholders”	has the meaning ascribed to it in the Listing Rules. As at the Latest Practicable Date, the Controlling Shareholders of the Company are Sino Merchant, Ms. Deng Shufen and Ms. Liu Jiangyuan
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Existing CBs”	(a) the 5% convertible bonds due 2020 (as amended and extended) issued by the Company on 17 May 2016 with an outstanding principal amount of HK\$100,000,000 at conversion price of HK\$0.35 per Existing Share; (b) the 5% convertible bonds due 2021 (as amended and extended) issued by the Company on 17 May 2016 with an outstanding principal amount of HK\$100,000,000 at conversion price of HK\$0.10 per Existing Share; (c) the 8% convertible bonds due 2020 issued by the Company on 31 August 2017 with an outstanding principal amount of HK\$200,000,000 at conversion price of HK\$0.35 per Existing Share. A total of 1,857,142,856 new Existing Shares shall be issued upon full conversion of the Existing CBs
“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted, issued and dealt with under the General Mandate

DEFINITIONS

“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing of the ordinary resolution in relation thereto at the AGM
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Proposed Change of Company Name”	the proposed change of the English name of the Company from “HongDa Financial Holding Limited” to “China Wood International Holding Co., Limited” and the dual foreign name in Chinese of the Company from “弘達金融控股有限公司” to “中木國際控股有限公司”

DEFINITIONS

“Record Date”	the date by reference to which entitlements to the Rights Issue will be determined
“Remuneration Committee”	the remuneration committee of the Company
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every five (5) Consolidated Shares in issue and held on the Record Date at the subscription price of HK\$0.20 per Rights Share on the key terms summarised in the announcement of the Company dated 15 May 2020 in relation to the Share Consolidation and the Rights Issue
“Rights Share(s)”	new Consolidated Share(s) to be allotted and issued under the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the Existing Share(s) and/or Consolidated Share(s) (as the case may be)
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.20 each
“Shareholder(s)”	holder(s) of the Share(s)
“Sino Merchant”	Sino Merchant Car Rental Limited, a company incorporated in the British Virgin Islands (the entire issued share capital of which is owned as to 60% by Ms. Deng Shufen and 40% by Ms. Liu Jiangyuan, being one of the Controlling Shareholders as at the Latest Practicable Date)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below.

Event	Time and Date
Latest time for lodging transfers of the Existing Shares to attend and vote at the AGM.	4:30 p.m. on Wednesday, 17 June 2020
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the AGM (both dates inclusive).	Thursday, 18 June 2020 to Tuesday, 23 June 2020 (both days inclusive)
Latest time for lodging proxy forms to qualify for attendance and voting at the AGM.	2:30 p.m. on Sunday, 21 June 2020
Record date for attendance and voting at the AGM.	Tuesday, 23 June 2020
Date and time of the AGM to approve the Share Consolidation.	2:30 p.m. Tuesday, 23 June 2020
Announcement of poll results of the AGM	Tuesday, 23 June 2020
<i>The following events are conditional on the results of the AGM and therefore the dates are tentative only</i>	
Effective date of the Share Consolidation	Friday, 26 June 2020
Commencement of dealings in the Consolidated Shares.	9:00 a.m. on Friday, 26 June 2020
Original counter for trading in the Existing Shares in board lots of 30,000 Existing Shares temporarily closes	9:00 a.m. on Friday, 26 June 2020
Temporary counter for trading in board lots of 1,500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 26 June 2020
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares.	Friday, 26 June 2020

EXPECTED TIMETABLE

Event	Time and Date
Last day of dealings in the Consolidated Shares on cum-rights basis	Friday, 26 June 2020
Original counter for trading in board lots of 30,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 13 July 2020
Parallel trading in the Consolidated Shares (in the form of existing share certificates and new share certificates) commences	9:00 a.m. on Monday, 13 July 2020
Designated broker starts to stand in the market to provide matching services for the odd lots of Consolidated Shares	9:00 a.m. on Monday, 13 July 2020
Temporary counter for trading in board lots of 1,500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 31 July 2020
Parallel trading in the Consolidated Shares (in the form of existing share certificates and new share certificates) ends	4:10 p.m. on Friday, 31 July 2020
Designated broker ceases to stand in the market to provide matching services for the odd lots of the Consolidated Shares	4:10 p.m. on Friday, 31 July 2020
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 4 August 2020

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines set out in the expected timetable above are indicative only and may be subject to change. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Qiu Bin (*Chairman and CEO*)
Ms. Sin Pui Ying

Non-executive Director:

Mr. Cheng Chai Fu

Independent non-executive Directors:

Mr. Wong Yiu Kit Ernest
Mr. Zhao Xianming
Mr. An Dong
Mr. Fung Tze Wa

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 2603, 26th Floor, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

22 May 2020

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) PROPOSED SHARE CONSOLIDATION;
(4) PROPOSED CHANGE OF COMPANY NAME; AND
(5) NOTICE OF AGM**

INTRODUCTION

Reference is made to the announcements of the Company dated, both 15 May 2020 in relation to, among other things, the proposed Share Consolidation and the Proposed Change of Company Name, respectively.

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of AGM. Resolutions to be proposed at the AGM include, among other matters, (i) the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; (ii) the re-election of Directors; (iii) the proposed Share Consolidation; and (iv) the Proposed Change of Company Name.

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE, BUY-BACK MANDATE AND EXTENSION MANDATE

At the AGM, the following ordinary resolutions, among other matters, will be proposed:

- (i) to grant to the Directors a general and unconditional mandate to allot, issue or otherwise deal with further Shares representing up to 20% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution. On the basis of 6,810,750,454 Shares in issue as at the Latest Practicable Date and assuming that no Shares will be issued or bought back prior to the AGM, the maximum number of Shares which may be allotted and issued pursuant to the General Mandate will be 1,362,150,090 Shares;
- (ii) to grant the Buy-back Mandate to the Directors to enable them to buy-back Shares on the Stock Exchange up to a maximum of 10% of the aggregate number of Shares in issue on the date of passing of such resolution; subject to the passing of the proposed resolution granting the Buy-back Mandate to the Directors, the Company will be allowed under the Buy-back Mandate to buy-back up to a maximum of 681,075,045 Shares; and
- (iii) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares actually bought back under the Buy-back Mandate.

Subject to the approval of the above proposals by Shareholders at the AGM, the General Mandate and the Buy-back Mandate will lapse on the earliest of (i) the date of the next annual general meeting, or (ii) the date by which the next annual general meeting of the Company is required to be held by law and/or the Articles, or (iii) the date on which such authority given to the Directors thereunder is revoked or varied by ordinary resolution of the Company in general meeting.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed resolution to grant to the Directors the Buy-back Mandate is set out in Appendix I to this circular. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

The Directors wish to state that they have no immediate plans to buy-back any Shares or to allot and issue any new Shares pursuant to the Buy-back Mandate or the General Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently comprises seven Directors, namely, Mr. Qiu Bin, Ms. Sin Pui Ying, Mr. Cheng Chai Fu, Mr. Wong Yiu Kit, Ernest, Mr. Zhao Xianming, Mr. An Dong and Mr. Fung Tze Wa.

In accordance with Article 84(1) of the Articles, Mr. Zhao Xianming will retire at the AGM, and in accordance with Article 83(3), Mr. Qiu Bin, Ms. Sin Pui Ying, Mr. Cheng Chai Fu, Mr. An Dong and Mr. Fung Tze Wa will retire at the AGM. All of them, being eligible, offer themselves for re-election at the AGM.

The biographical and other details of each of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation on the basis of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.20 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon, among other things:

- (i) the passing of an ordinary resolution by the Shareholders approving the Share Consolidation at the AGM;
- (ii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation.

Assuming the above conditions are fulfilled, it is expected that the Share Consolidation will become effective on the second Business Day immediately following the fulfillment of the above conditions.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

LETTER FROM THE BOARD

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 comprising 6,810,750,454 issued Existing Shares and 13,189,249,546 unissued Existing Shares. The Company has Existing CBs convertible into 1,857,142,856 new Existing Shares.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

Upon the Share Consolidation becoming effective and assuming that there is no change in the number of issued Existing Shares prior to the AGM, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately following the Share Consolidation becoming effective
Par value	HK\$0.01 per Existing Share	HK\$0.20 per Consolidated Share
Number of authorised Shares	20,000,000,000 Existing Shares	1,000,000,000 Consolidated Shares
Authorised share capital	HK\$200,000,000	HK\$200,000,000
Number of issued Shares	6,810,750,454 Existing Shares	340,537,522 Consolidated Shares
Number of unissued Shares	13,189,249,546 Existing Shares	659,462,478 Consolidated Shares
Issued share capital	HK\$68,107,504.54	HK\$68,107,504.40

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Articles.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

LETTER FROM THE BOARD

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 has further stated that trading price of the shares below HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules.

Since May 2018, the closing prices of the Shares have demonstrated a downward trend and first dropped below HK\$0.1 on 28 December 2019 and dropped further to the par value of the Existing Shares of HK\$0.01 since February 2020.

Taking into account of the closing price of HK\$0.01 per Share on 19 May 2020 (being the Latest Practicable Date), the Share Consolidation will increase the par value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares, enabling the Company to comply with the trading requirements under the Listing Rules. It is also expected that the Share Consolidation will increase the value of each board lot of the Consolidated Shares which will reduce the overall transaction and handling costs of dealings in the Shares and may attract more investors and broaden the shareholders base of the Company.

In view of the above, the Board considers that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole.

Listing and dealings of the Consolidated Shares

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

LETTER FROM THE BOARD

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional Shares, odd lot arrangements and matching services

Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company.

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Chung Lee Securities Co., Limited as agent to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share and the matching period commences from 9:00 a.m. on Monday, 13 July 2020 to 4:10 p.m. on Friday, 31 July 2020 (both days inclusive). Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Mr. Joseph Lee of Chung Lee Securities Co., Limited at Rooms 1808-10, 18/F., China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong at telephone number +852 2522 6870, during office hours of such period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on Friday, 26 June 2020, Shareholders may on or after Friday, 26 June 2020 and until Tuesday, 4 August 2020 (both dates inclusive) submit their existing share certificates in yellow colour for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates in blue colour for the Consolidated at the expense of the Company. Thereafter, existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for trading, settlement and registration.

LETTER FROM THE BOARD

Proposed Rights Issue

Subject to the Share Consolidation becoming effective, the Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every five (5) Consolidated Shares held at the close of business on the Record Date at the subscription price of HK\$0.20 per Rights Share. Details of the Rights Issue are set out in the announcement of the Company dated 15 May 2020 in relation to the Share Consolidation and the Rights Issue.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are outstanding Existing CBs upon the full conversion of which a total of 1,857,142,856 new Existing Shares may be allotted and issued to the relevant bondholders. The Share Consolidation and the Rights Issue may lead to adjustment to the conversion price of the Existing CBs and the number of Consolidated Shares which may fall to be issued upon exercise of the conversion rights attaching to the Existing CBs, such adjustment to be made in accordance with the terms and conditions of the Existing CBs and the Listing Rules. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “HongDa Financial Holding Limited” to “China Wood International Holding Co., Limited” and the dual foreign name in Chinese of the Company from “弘達金融控股有限公司” to “中木國際控股有限公司”.

Conditions of the Proposed Change of Company Name

The Proposed Change of Company Name is subject to satisfaction of the following conditions:

- (i) the passing of a special resolution by the Shareholders at the AGM approving, among other things, the Proposed Change of Company Name; and
- (ii) the Registrar of Companies in the Cayman Islands approving the Proposed Change of Company Name by issuing a certificate of incorporation on change of name.

Subject to the satisfaction of the conditions set out above, the Proposed Change of Company Name will take effect upon the date of the issue of a certificate of incorporation on change of name by the Registrar of Companies in the Cayman Islands confirming that the new name has been registered. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

LETTER FROM THE BOARD

Reasons for the change of name of the Company

The Company is an investment holding company. The Group principally engages in the (i) provision of car rental and other services; (ii) materials trading; and (iii) financing services and investments.

Given the competitive and volatile operating environment in the financial industry in Hong Kong, as disclosed in the announcement of the Company dated 12 May 2020 in relation to the annual results of the Company for the year ended 31 December 2019, the Group has been looking into opportunities to diversify its business to create new income stream. The Board considers the forest-related business including forest management and trading and sale of forest and timber products has great development potential and could provide a new source of income for the Group. The Company intends to capture the opportunities in the forestry industry by way of acquisition or capital injection into potential targets. Having said the above, as at the Latest Practicable Date, the Group has not identified any potential investment opportunities.

The Board considers that the Proposed Change of Company Name will better reflect the Company's strategic business plan and its future development direction. In addition, the Board believes that the new English and Chinese names of the Company will provide the Company with a new corporate image which will benefit the Company's future business development. Therefore, the Board considers that the Proposed Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

Effects of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any rights of the holders of securities of the Company or the Company's financial position.

All existing certificates of securities in issue bearing the present name of the Company will, upon the change of name of the Company becoming effective, continue to be evidence of title to such securities and the existing share certificates will continue to be valid for trading, settlement, registration and delivery purposes.

There will not be any arrangement for exchange of the existing share certificates of securities for new share certificates under the new name of the Company. Subject to the confirmation of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the English and Chinese stock short names of the Company for trading in the Shares on the Stock Exchange will also be changed after the new company name becomes effective.

Further announcement(s) will be made as and when appropriate in relation to, among other things, the results of the AGM, the effective date of the Proposed Change of Company Name and the new English stock short name and Chinese stock short name for trading in the securities of the Company on the Stock Exchange.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

The AGM will be convened and held to consider and, if thought fit, approve (i) the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; (ii) the re-election of retiring Directors; (iii) the proposed Share Consolidation; and (iv) the Proposed Change of Company Name. A notice convening the AGM is set out on pages N-1 to N-7 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular to members; and (ii) which relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Shareholders a reasonable opportunity to express their views. Accordingly, all resolutions proposed at the AGM will be taken by poll.

After the conclusion of the AGM, the results of the poll will be released on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hongdabin.com).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 18 June 2020 to Tuesday, 23 June 2020 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2020.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors consider that the proposals regarding (i) the grant of the General Mandate, the Buy-back Mandate and the Extension Mandate; (ii) the re-election of the Directors as set out in Appendix II to this circular; (iii) the Share Consolidation; and (iv) the Proposed Change of Company Name are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
HongDa Financial Holding Limited
Qiu Bin
Chairman and Executive Director

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Buy-back Mandate to the Directors.

1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy-back their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy-backs of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 6,810,750,454 Shares in issue.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that no new Shares are issued and no Shares are bought back for the period from the Latest Practicable Date up to and including the date of the AGM, the Company will be allowed under the Buy-back Mandate to buy-back up to a maximum of 681,075,045 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

3. REASONS FOR THE BUY-BACKS

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy-back Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACKS

In making buy-backs, the Company may only apply funds legally available for such purposes in accordance with the Articles and the laws of the Cayman Islands. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share buy-back may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The premium payable on buy-back may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the Company's share premium before the Shares are bought back. In accordance with the laws of the Cayman Islands, the Shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

The Directors propose that the repurchase of Shares under the Buy-back Mandate would be financed from the Company's internal resources.

5. MATERIAL ADVERSE IMPACT IN THE EVENT OF BUY-BACK IN FULL

Taking into account the current working capital position of the Group, the Directors consider that, if the Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period, it might have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 December 2019, being the date of on which its latest published audited consolidated financial statements were made up. However, the Directors do not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve calendar months immediately preceding (and including) the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
May	0.046	0.037
June	0.04	0.019
July	0.046	0.017
August	0.039	0.024
September	0.029	0.025
October	0.028	0.016
November	0.018	0.013
December	0.014	0.011
2020		
January	0.014	0.011
February	0.012	0.01
March	0.011	0.01
April	0.01	0.01
May (up to the Latest Practicable Date)	0.01	0.01

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make buy-backs under the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles.

8. CORE CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company under the Buy-back Mandate if the same is approved by the Shareholders at the AGM.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the grant of the Buy-back Mandate is approved by the Shareholders at the AGM.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to buy-back securities pursuant to the Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Controlling Shareholders of the Company are Sino Merchant, Ms. Deng Shufen, Ms. Liu Jianguan and their respective interests or deemed interests in the issued Shares are set out below:

Name	Capacity	Number of Issued Shares	Approximate percentage of existing shareholding (Note 2)	Approximate percentage of shareholding if the Buy-back Mandate is exercised in full (Note 3)
Sino Merchant	Beneficial owner (Note 1)	3,499,233,889	51.38%	57.09%
Deng Shufen	Interests in controlled corporation (Note 1)	3,499,233,889	51.38%	57.09%
Liu Jianguan	Interests in controlled corporation (Note 1)	3,499,233,889	51.38%	57.09%

Notes:

- (1) The issued Shares are registered in the name of Sino Merchant. The entire issued share capital of Sino Merchant is owned as to 60% by Ms. Deng Shufen and 40% by Ms. Liu Jianguan. Each of Ms. Deng Shufen and Ms. Liu Jianguan is deemed or taken to be interested in all the Shares in which Sino Merchant is interested by virtue of the SFO.
- (2) The percentage of shareholding is calculated on the basis of 6,810,750,454 Shares in issue as at the Latest Practicable Date.
- (3) The percentage of shareholding is calculated on the basis of 6,129,675,408 Shares (on the basis of 6,810,750,454 Shares in issue as at the Latest Practicable Date and assuming the Buy-back Mandate was exercised in full).

In the event that the Directors exercise in full the Buy-back Mandate which is to be approved by the Shareholders, in the opinion of the Directors, the increase in shareholding in the Company of the Controlling Shareholders would not give rise to an obligation on their part to make a mandatory offer under the Takeovers Code.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of buy-back, the exercise of the Buy-back Mandate, whether in whole or in part, would not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules.

The Directors have no intention to exercise the Buy-back Mandate to such an extent as would result in (i) any obligation of the Controlling Shareholders together with parties acting in concert (as defined in the Takeovers Code) with them to make a mandatory offer under the Takeovers Code or (ii) the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

10. SHARE BUY-BACKS MADE BY THE COMPANY

The Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise) within the six months immediately preceding the Latest Practicable Date.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Set out below are the biographical and other details of the retiring Directors, who being eligible, will offer themselves for re-election at the AGM.

Mr. Qiu Bin, aged 52, has been appointed as an executive Director since 12 March 2020. Mr. Qiu holds a Master of Business Administration Degree from the City University of Macau. He had worked with various large corporations in mainland China and been responsible for project investment, assets restructuring, property development and property leasing and management. Mr. Qiu has over 15 years of experience in investment management. Mr. Qiu was the general manager of China Technology Education Trust Association during the period from January 2009 to October 2011. Mr. Qiu was the executive Director of Suncity Group Holdings Limited (formerly known as Sun Century Group Limited) (Stock code: 1383), the shares of which are listed on the main board of the Stock Exchange, during the period from June 2012 to May 2015. He was also the executive Director of Sheng Yuan Holdings Limited (Stock code: 851), the shares of which are listed on the main board of the Stock Exchange, during the period from July 2017 to February 2020.

Mr. Qiu has entered into a service agreement with the Company for an initial term of one year commencing from 12 March 2020, renewable automatically for a successive term of one year upon expiry of every term of his appointment, unless terminated in accordance with the terms of the service agreement. Mr. Qiu is entitled to a fixed monthly remuneration of HK\$100,000 and a fixed monthly director fee of HK\$30,000, with bonus payable at the discretion of the Board, which were determined by the Board on recommendation of the Remuneration Committee with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Qiu (i) did not have any interests in the shares of the Company which is required to be disclosed pursuant to Part XV of the SFO; (ii) did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders; and (iii) did not hold any position in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Qiu that need to be brought to the attention of the Shareholders, nor is there any information in respect of Mr. Qiu which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Ms. Sin Pui Ying, aged 40, has been appointed as an executive Director since 15 May 2020. Ms. Sin is a practicing member of the Hong Kong Institute of Certified Public Accountants and holds a bachelor's degree in Business Administration (Accounting and Finance) from the University of Hong Kong. She has over 18 years of experience in finance and accounting. Prior to joining the Company, she was responsible for accounting, internal audit, investment and corporate finance matters for several listed companies in Hong Kong. Ms. Sin is currently an executive director of KNK Holdings Limited (stock code: 8039), On Real International Holdings Limited (stock code: 8245), Aurum Pacific (China) Group Limited (stock code: 8148) and hmvod Limited (stock code: 8103), the shares of the companies are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Ms. Sin has entered into a service agreement with the Company for a term of one year commencing on 15 May 2020. Ms Sin is entitled to a fixed monthly remuneration of HK\$50,000 with bonus payable at the discretion of the Board, which was determined by the Board on recommendation of the Remuneration Committee with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Ms. Sin (i) did not have any interests in the shares of the Company which is required to be disclosed pursuant to Part XV of the SFO; (ii) did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders; and (iii) did not hold any position in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters relating to the re-election of Ms. Sin that need to be brought to the attention of the Shareholders, nor is there any information in respect of Ms. Sin which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Cheng Chai Fu, aged 57, has been appointed as a non-executive Director since 1 April 2020. Mr. Cheng graduated from Victoria University of Wellington, New Zealand with a bachelor degree in commerce and administration in 1990 and obtained a Master of Business Administration from Murray State University, Kentucky of the United States of America in 2000. Mr. Cheng has been an associate member of The Hong Kong Institute of Chartered Secretaries, Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants of New Zealand. Mr. Cheng has extensive experience in the areas of auditing, accounting and company secretarial work. Mr. Cheng worked as the company secretary and financial controller of Bingo Group Holdings Limited (Stock Code: 8220) from August 2008 to October 2009. Mr. Cheng worked as the company secretary of Hanergy Thin Film Power Group Limited (Stock Code: 566) from March 2010 to January 2015. He also worked as an in-house company secretary of the Company from January 2015 to December 2015 and the company secretary of China Regenerative Medicine International Limited (Stock Code: 8158) from January 2016 to January 2019 respectively. He also served as an independent non-executive director of Legend Strategy International Holdings Group Company Limited (Stock Code: 1355) from March 2017 to September 2018. He is currently the independent non-executive director of One Real International Holdings Limited (Stock Code: 8245).

Mr. Cheng has entered into an appointment letter with the Company for an initial term of one year commencing from 1 April 2020, renewable automatically for a successive term of one year upon expiry of every term of his appointment, unless terminated in accordance with the terms of the appointment letter. Mr. Cheng is entitled to a fixed monthly remuneration of HK\$20,000, which was determined by the Board on recommendation of the Remuneration Committee with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Cheng (i) did not have any interests in the shares of the Company which is required to be disclosed pursuant to Part XV of the SFO; (ii) did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders; and (iii) did not hold any position in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Cheng that need to be brought to the attention of the Shareholders, nor is there any information in respect of Mr. Cheng which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Mr. Zhao Xianming, aged 43, has been appointed as an independent non-executive Director since 16 July 2014. He is also the Chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee of the Company. He assumed various positions such as the supervisor of the legal and auditorial center of Fanhua Construction Group Limited* (泛華建設集團有限公司), the general legal counsel, the vice-president and the board secretary of China Agritech Inc. (a company listed on the NASDAQ Stock Market). He graduated from China Foreign Affairs University with a master degree of International Law and is a certified enterprise risk manager.

Mr. Zhao had not been a director in any listed public companies in Hong Kong or overseas in the past three years. He has not held any other position in the Group, nor does he have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Zhao has entered into an appointment letter with the Company for an initial term of three years commencing from 16 July 2014, renewable automatically for a successive term of three years upon each expiry, unless terminated in accordance with the terms of the appointment letter. Pursuant to the appointment letter, Mr. Zhao receives an emolument of HK\$120,000 per annum. Mr. Zhao's emolument was determined by the Board on the recommendation of the Remuneration Committee with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions, and will be reviewed annually.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zhao (i) did not have any interests in the shares of the Company which is required to be disclosed pursuant to Part XV of the SFO; (ii) did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders; and (iii) did not hold any position in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Zhao that need to be brought to the attention of the Shareholders, nor is there any information in respect of Mr. Zhao which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

* *English translation for identification purpose only*

Mr. An Dong, aged 49, has been appointed as an independent non-executive Director since 12 March 2020. Mr. An holds a Master's Degree in Laws from the China University of Political Science and Law, and has participated in the Private Equity Investment Program of Peking University HSBC Business School. Mr. An holds a Lawyer's Licence of the People's Republic of China, and the Professional Qualifications Certificate (Intermediate Level) issued by the China General Chamber of Commerce. Mr. An has extensive experience in legal affairs in corporate and banking sector, and he is specialised in asset restructuring, equity transfer, merger and acquisition, share issuance, real estate operation and investment, private equity management, as well as financial and economic litigation. Mr. An has joined Beijing Bairui Law Firm (Shenzhen) as a partner since December 2008 and also served as general manager of Shenzhen Both Coasts Investment Management Co., Ltd. Mr. An has been appointed as an independent non-executive Director of Freeman FinTech Corporation Limited (Stock Code: 279) since August 2017 and Sheng Yuan Holdings Limited (Stock Code: 851) since November 2019, the shares of both of which are listed on the main board of the Stock Exchange.

Mr. An has entered into an appointment letter with the Company for an initial term of one year commencing from 12 March 2020, renewable automatically for a successive term of one year upon expiry of every term of his appointment, unless terminated in accordance with the terms of the appointment letter. Mr. An is entitled to a fixed monthly remuneration of HK\$10,000, which was determined by the Board on recommendation of the Remuneration Committee with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. An (i) did not have any interests in the shares of the Company which is required to be disclosed pursuant to Part XV of the SFO; (ii) did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders; and (iii) did not hold any position in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters relating to the re-election of Mr. An that need to be brought to the attention of the Shareholders, nor is there any information in respect of Mr. An which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Fung Tze Wa, aged 63, has been appointed as an independent non-executive Director since 15 May 2020. Mr. Fung is a certified public accountant and a director of an accounting firm in Hong Kong. Mr. Fung has various years of experience in auditing, taxation and company secretarial practice in Hong Kong. He obtained a master degree in professional accounting from the Hong Kong Polytechnic University in 2000. He is a member of the HKICPA, the Chartered Association of Certified Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. He has also been appointed as the independent non-executive director of Citychamp Watch & Jewellery Group Limited, a company incorporated in the Cayman Island with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0256), since April 2004 and from September 2004 to September 2015, he was an independent non-executive director of Jiwa Bio-Pharm Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2327). From April 2004 to February 2012, he was an independent non-executive director of New Capital International Investment Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1062). Since January 2017, he was an independent non-executive director of Freeman Fintech Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 279). Since May 2018, he was an independent non-executive director of Shen Yuan Holdings Limited, a company incorporated in the Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 851).

Mr. Fung has entered into an appointment letter with the Company for a term of one year commencing on 15 May 2020. Mr. Fung is entitled to a fixed monthly remuneration of HK\$10,000, which was determined by the Board on recommendation of the Remuneration Committee with reference to his qualifications, experience, duties and responsibilities with the Company, as well as the Company's performance and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Fung (i) did not have any interests in the shares of the Company which is required to be disclosed pursuant to Part XV of the SFO; (ii) did not have any relationship with any other Directors, senior management or substantial or controlling Shareholders; and (iii) did not hold any position in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Fung that need to be brought to the attention of the Shareholders, nor is there any information in respect of Mr. Fung which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of HongDa Financial Holding Limited (the “**Company**”) will be held at Rooms 1808-10, 18/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Tuesday, 23 June 2020 at 2:30 p.m. for the following purposes:

As ordinary business:

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and the auditors (the “**Auditors**”) of the Company for the year ended 31 December 2019.
2. To consider the re-election of the following Directors, each as a separate resolution:
 - (a) Mr. Qiu Bin (邱斌先生) as an executive Director;
 - (b) Ms. Sin Pui Ying (冼佩瑩女士) as an executive Director;
 - (c) Mr. Cheng Chai Fu (鄭濟富先生) as a non-executive Director;
 - (d) Mr. Zhao Xianming (趙憲明先生) as an independent non-executive Director;
 - (e) Mr. An Dong (安東先生) as an independent non-executive Director;
 - (f) Mr. Fung Tze Wa (馮子華先生) as an independent non-executive Director;

and to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.

3. To consider the re-appointment of McMillan Woods (Hong Kong) CPA Limited as the Auditors for the year ending 31 December 2020 and to authorise the Board to fix the remuneration of the Auditors.

NOTICE OF AGM

As special business, to consider and, if thought fit, to pass with or without modification, the following resolutions of the Company:

ORDINARY RESOLUTIONS

4. **“THAT:**
- (a) subject to paragraph (c) below, pursuant to the Rules (the **“Listing Rules”**) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) and all other applicable laws, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the **“Shares”**) of HK\$0.01 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of shares in the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined in paragraph (d) below);
 - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;
 - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the **“Articles”**) of the Company and other relevant regulations in force from time to time; or

NOTICE OF AGM

- (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the aggregate number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, the “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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5. “**THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to buy-back the Shares of HK\$0.01 each in the share capital of the Company on the Stock Exchange or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) and all other applicable laws as amended from time to time in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate number of Shares which may be bought back or agreed to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with the unissued shares in the Company pursuant to resolution numbered 4 above be and it is hereby extended by the addition to the aggregate number of shares in the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Director pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares in the Company bought back by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

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7. “**THAT:**

Subject to the satisfaction of the conditions set out in the letter from the board under the heading “Conditions of the Share Consolidation” in the circular of the Company dated 22 May 2020, with effect from the second business day immediately following the day of passing of this resolution, For the purpose of this resolution, “business day” means any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong:

- (a) every twenty (20) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated (the “**Share Consolidation**”) into one (1) share of par value of HK\$0.20 each (the “**Consolidated Share**”);
- (b) all of the Consolidated Shares resulting from the Share Consolidation shall rank pari passu in all respects with each other and have the same rights and privileges and be subject to the same restrictions contained in the Articles;
- (c) all fractional Consolidated Shares will be disregarded and will not be issued to the holders of the existing shares of par value of HK\$0.01 each in the share capital of the Company but all fractional Consolidated Shares will be aggregated and sold for the benefit of the Company, if possible and applicable; and
- (d) the Directors be and are hereby authorised to do all such acts, deeds and things and execute all such documents, including under the seal of the Company, where applicable, as it may consider necessary or expedient to complete, implement and give effect to any and all the arrangements set out in this resolution.”

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SPECIAL RESOLUTION

8. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands having been obtained by way of issue of a certificate of incorporation on change of name, (i) the existing English name of the Company be changed from “HongDa Financial Holding Limited” to “China Wood International Holding Co., Limited” and the dual foreign name in Chinese of the Company from “弘達金融控股有限公司” to “中木國際控股有限公司”, with effect from the date of the certificate of incorporation on change of name issued by the Registrar of Companies of the Cayman Islands, and that any one or more of the Directors or the company secretary of the Company be and are hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements as he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the proposed change of company name and to attend to any necessary registration and/or filing for and on behalf of the Company.”

Yours faithfully

By order of the Board

HongDa Financial Holding Limited

Qiu Bin

Chairman and Executive Director

Hong Kong, 22 May 2020

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 2603, 26th Floor, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead. A member who is the holder of two or more Shares in the Company may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the AGM. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her/its attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office (the “**Branch Share Registrar**”) of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the AGM (or any adjournment thereof).
4. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the AGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In relation to resolutions numbered 4 and 6 above, approval is being sought from the members of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares. The Directors have no immediate plans to issue any new Shares pursuant to the general mandate referred thereunder.
6. In relation to resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to buy-back Shares in circumstances which they deem appropriate for the benefit of the members of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of which this notice forms part.
7. For the purpose of determining Shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 18 June 2020 to Tuesday, 23 June 2020 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Branch Share Registrar not later than 4:30 p.m. on Wednesday, 17 June 2020.

As at the date of this notice, the Board comprises Mr. Qiu Bin (Chairman and CEO) and Ms. Sin Pui Ying as executive Directors; Mr. Cheng Chai Fu as a non-executive Director; and Mr. Wong Yiu Kit, Ernest, Mr. Zhao Xianming, Mr. An Dong and Mr. Fung Tze Wa as independent non-executive Directors.