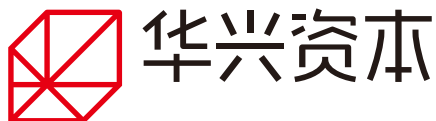


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

CONNECTED TRANSACTIONS IN RELATION TO NEW CONTRACTUAL ARRANGEMENTS AND CAPITAL INCREASE

NEW CONTRACTUAL ARRANGEMENTS

On 23 December 2021, Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing entered into the New Contractual Arrangements. The Existing Contractual Arrangements (other than the exclusive business corporation agreements) that relate to Dazi Hualing were terminated concurrently.

The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, are a reproduction of the Existing Contractual Arrangements, save for the numerical amounts of the new registered capital of Dazi Hualing and other corresponding changes made for entering into the New Contractual Arrangements. They were entered into so as to reflect the Capital Increase.

CAPITAL INCREASE

In connection with the New Contractual Arrangements, the registered capital of Dazi Hualing shall be increased from RMB10 million to RMB360 million upon registration with the relevant Administration for Market Regulation in the PRC. Each of Ms. Xin Xin and Ms. Zheng Yi has to contribute to the increased registered capital of Dazi Hualing such that the aggregate paid-in capital of Dazi Hualing shall become RMB360 million upon completion of the Capital Increase.

LOAN AGREEMENT

On 23 December 2021, Huagan Shanghai, Ms. Xin Xin and Ms. Zheng Yi also entered into the Loan Agreement, pursuant to which Huagan Shanghai shall lend a total of RMB350 million to Ms. Xin Xin and Ms. Zheng Yi (i.e. loan in the sum of RMB175 million to each registered shareholder). The loan shall be used for the sole purpose of contribution to the registered capital of Dazi Hualing. Ms. Xin Xin and Ms. Zheng Yi will apply the loan to settle the payment obligation of the increased registered capital of Dazi Hualing pursuant to the Capital Increase.

LISTING RULES IMPLICATIONS

New Contractual Arrangements

The Company sought, and the Stock Exchange granted, the Waiver in connection with the continuing connected transactions of the Group in the form of the contractual arrangements as detailed in the Prospectus (and extended to the Existing Contractual Arrangement as confirmed by the Stock Exchange and disclosed by the Company in its announcement dated 31 January 2019 and 15 June 2020). The Waiver provides that, subject to certain conditions, the Existing Contractual Arrangements may be renewed and/or reproduced without obtaining the approval of the Shareholders: (i) upon the expiry of the existing arrangements or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including branch company), engaging in the same business as that of the Group.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements, save for the numerical amounts of the new registered capital of Dazi Hualing and other corresponding changes made for entering into the New Contractual Arrangements, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the Waiver from strict compliance with: (i) the announcement, circular and independent Shareholders' approval requirements under Rule 14A.105; (ii) the requirement of setting an annual cap under Rule 14A.53; and (iii) the requirement of limiting the terms of the Contractual Arrangements to three years or less under Rule 14A.52.

Loan Agreement

As (i) Ms. Xin Xin is a registered shareholder of 50% equity interest in each of Dazi Hualing and Dazi Huafeng, and also a director in other subsidiaries of the Company and (ii) based on the total assets, profits and revenue of Dazi Hualing, Dazi Huafeng and such other relevant subsidiaries of the Company which Ms. Xin Xin holds directorships, on aggregate basis, Dazi Hualing, Dazi Huafeng and such other relevant subsidiaries of the Company are “insignificant subsidiaries” pursuant to Rule 14A.09 of the Listing Rules, Ms. Xin Xin is not a connected person of the Company under Chapter 14A of the Listing Rules.

Ms. Zheng Yi is a registered shareholder of 50% equity interest in each of Dazi Hualing and Dazi Huafeng, and also holds directorships in other subsidiaries of the Company. However, based on the total assets, profits and revenue of Dazi Hualing, Dazi Huafeng and such other relevant subsidiaries which Ms. Zheng Yi holds directorships, on aggregate basis, Rule 14A.09 does not apply in the case of Ms. Zheng Yi. Accordingly, Ms. Zheng Yi is a connected person of the Company and the transaction contemplated under the Loan Agreement is a connected transaction of the Company.

As the Loan Agreement is on normal commercial terms or better, and the applicable percentage ratio in respect of the Loan Agreement is less than 5%, the transactions contemplated under the Loan Agreement is exempt from circular and independent shareholders’ approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Capital Increase

As Ms. Zheng Yi is a connected person of the Company, the Capital Increase constitutes the issuance of new securities by the Company’s subsidiary to its connected person, and therefore a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the capital contribution in relation to the Capital Increase by Ms. Zheng Yi will result in Ms. Zheng Yi receiving pro rata entitlement to new issuance of securities based on her shareholding percentage in Dazi Hualing, the Capital Increase is fully exempt from the reporting, announcement, circular and independent Shareholders’ approval requirements pursuant to Rule 14A.92 of the Listing Rules.

NEW CONTRACTUAL ARRANGEMENTS

Due to the current applicable laws and regulatory restrictions in the PRC on foreign ownership, the Company is unable to hold directly or through its subsidiaries any equity interests in the Consolidated Affiliated Entities. Therefore, the Group had in place the Existing Contractual Arrangements which are designed to allow the Company to exercise control over the operations of Consolidated Affiliated Entities and enjoy the economic benefits generated by the Consolidated Affiliated Entities, including Dazi Hualing.

On 23 December 2021, Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing entered into the New Contractual Arrangements. The Existing Contractual Arrangements (other than the exclusive business corporation agreements) that relate to Dazi Hualing were terminated concurrently.

The New Contractual Arrangements include:

1. third amended and restated exclusive call option agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing (the “**New Call Option Agreement**”), pursuant to which Ms. Xin Xin and Ms. Zheng Yi agreed to grant Huagan Shanghai an exclusive option to purchase (or through its designated person(s) to purchase) from them all or part of their equity interests in Dazi Hualing;
2. third amended and restated proxy agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing, pursuant to which Ms. Xin Xin and Ms. Zheng Yi agreed to, among other things, irrevocably authorize Huagan Shanghai or its designated person(s) to exercise all of their rights as shareholders of Dazi Hualing;
3. third amended and restated equity pledge agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing, pursuant to which Ms. Xin Xin and Ms. Zheng Yi agreed to pledge all of their existing and future equity interests in Dazi Hualing; and
4. spouse undertaking to be entered into by the spouse of Ms. Xin Xin, pursuant to which the spouse of Ms. Xin Xin, among other things, irrevocably undertook to refrain from claiming any interests or rights in the equity interests of Ms. Xin Xin in Dazi Hualing.

The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, are a reproduction of the Existing Contractual Arrangements, save for the numerical amounts of the new registered capital of Dazi Hualing and other corresponding changes made for entering into the New Contractual Arrangements. They were entered into so as to reflect the Capital Increase.

For the avoidance of doubt, the Existing Contractual Arrangements in relation to Dazi Huashi (as defined in the Prospectus), Shanghai Quanyuan (as defined in the Prospectus) and Dazi Huafeng remain unchanged, valid and in effect.

CAPITAL INCREASE

In connection with the New Contractual Arrangements, the registered capital of Dazi Hualing shall be increased from RMB10 million to RMB360 million upon registration with the relevant Administration for Market Regulation in the PRC. Each of Ms. Xin Xin and Ms. Zheng Yi will contribute to the increased registered capital of Dazi Hualing such that the aggregate paid-in capital of Dazi Hualing shall become RMB360 million upon completion of the Capital Increase.

| Registered shareholder | Registered capital | |
|-------------------------------|--|---|
| | (i) As at the date of this announcement | (ii) Upon the completion of Capital Increase |
| Ms. Xin Xin | RMB5 million | RMB180 million |
| Ms. Zheng Yi | RMB5 million | RMB180 million |
| Total: | <u>RMB10 million</u> | <u>RMB360 million</u> |

Upon completion of the Capital Increase, the equity interest in Dazi Hualing will remain being held by Ms. Xin Xin and Ms. Zheng Yi as to 50:50.

LOAN AGREEMENT

In order to fund Ms. Xin Xin and Ms. Zheng Yi in respect of their payment obligation to the increased registered capital of Dazi Hualing under the Capital Increase, on 23 December 2021, Huagan Shanghai, Ms. Xin Xin and Ms. Zheng Yi also entered into the Loan Agreement. The principal terms of the Loan Agreement are set out below:

| | |
|--------------------------|---|
| Date: | 23 December 2021 |
| Parties: | (1) Huagan Shanghai (as lender) (2) Ms. Xin Xin and Ms. Zheng Yi (as borrowers) |
| Term: | three years, which may be extended for additional three year terms at Huagan Shanghai's sole discretion |
| Principal amount: | RMB350 million in total (RMB175 million to each borrower) |

Use of loan: The principal amount shall be used for the sole purpose of payment of the increased registered capital of Dazi Hualing (the “**Specified Purpose**”).

Repayment: The loan is immediately repayable at Huagan Shanghai’s sole discretion if (i) for whatever reason, any of the borrowers ceases to be a shareholder of Dazi Hualing, or an employee, director or supervisor of any member of the Group, or (ii) for whatever reason, the borrowers do not use the loan for the Specified Purpose.

The loan is also repayable at the end of the loan term, which may be extended at Huagan Shanghai’s sole discretion.

Huagan Shanghai’s acquisition of Dazi Hualing: If Huagan Shanghai subsequently acquire the entire equity interests in Dazi Hualing pursuant to the New Call Option Agreement, the loan shall be deemed repaid by the borrowers.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW CONTRACTUAL ARRANGEMENTS AND LOAN AGREEMENT

The reasons for entering into (i) the New Contractual Arrangements are to increase the registered capital of Dazi Hualing; and (ii) the Loan Agreement is to fund the Capital Increase.

The Company’s investment management business, being one of its main business segments, primarily focuses on the formation, management, and investment of private equity funds. The Capital Increase would enable the Group to make certain strategic investments directly or indirectly through Dazi Hualing or entity controlled by it (either in the capacity of limited partner in private equity funds managed by third parties, or invest in other minority investments) in business or portfolio companies that are subject to foreign investment restrictions in the PRC under the applicable PRC laws and regulations.

Therefore, the Company proposed to increase the registered capital of Dazi Hualing to RMB360 million, so that the Group may be able to continue to develop and expand its asset management business the PRC, and also facilitate the Group in making strategic investments in other private equity funds or business in the PRC.

INFORMATION ON THE GROUP AND PARTIES TO THE NEW CONTRACTUAL ARRANGEMENTS

Ms. Xin Xin is the Group's Director of Strategic Operations and a PRC citizen. As (i) Ms. Xin Xin is a registered shareholder of 50% equity interest in each of Dazi Hualing and Dazi Huafeng and she is also a director in other subsidiaries of the Company and (ii) based on the total assets, profits and revenue of Dazi Hualing, Dazi Huafeng and such other relevant subsidiaries of the Company which Ms. Xin Xin holds directorships, on aggregate basis, Dazi Hualing, Dazi Huafeng and such other relevant subsidiaries of the Company are "insignificant subsidiaries" pursuant to Rule 14A.09 of the Listing Rules, Ms. Xin Xin is not a connected person of the Company under the Chapter 14A of the Listing Rules.

Ms. Zheng Yi is finance director of the Group and a PRC citizen. In addition to being a registered shareholder of 50% equity interest in each of Dazi Hualing and Dazi Huafeng, Ms. Zheng Yi holds directorship in other subsidiaries of the Company. Based on the total assets, profits and revenue of Dazi Hualing and Dazi Huafeng and such other relevant subsidiaries which Ms. Zheng Yi holds directorships, on aggregate basis, Rule 14A.09 of the Listing Rules does not apply in the case of Ms. Zheng Yi. As such, Ms. Zheng Yi is a connected person of the Company under Chapter 14A of the Listing Rules.

Huagan Shanghai is a company incorporated with limited liability in the PRC, and a wholly-owned subsidiary of the Company, which principal business includes investment management and consulting.

Dazi Hualing is a company incorporated with limited liability in the PRC, and a Consolidated Affiliated Entity, which principal business includes provision of corporate management services.

LISTING RULES IMPLICATIONS

New Contractual Arrangements

The Company sought, and the Stock Exchange granted, the Waiver in connection with the continuing connected transactions of the Group in the form of the contractual arrangements as detailed in the Prospectus (and extended to the Existing Contractual Arrangement as confirmed by the Stock Exchange and disclosed by the Company in its announcements dated 31 January 2019 and 15 June 2020). The Waiver provides that, subject to certain conditions, the Existing Contractual Arrangements may be renewed and/or reproduced without obtaining the approval of the Shareholders: (i) upon the expiry of the existing arrangements or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including branch company), engaging in the same business as that of the Group.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements, save for the numerical amounts of the new registered capital of Dazi Hualing and other corresponding changes made for entering into the New Contractual Arrangements, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the Waiver from strict compliance with: (i) the announcement, circular and independent Shareholders' approval requirements under Rule 14A.105; (ii) the requirement of setting an annual cap under Rule 14A.53; and (iii) the requirement of limiting the terms of the Contractual Arrangements to three years or less under Rule 14A.52.

Loan Agreement

As Ms. Zheng Yi is a connected person of the Company, the transactions contemplated under the Loan Agreement is a connected transaction of the Company.

Taking into account the fact that (i) the Loan Agreement is entered into solely for the purpose of funding Ms. Zheng Yi for her contribution to the increased registered capital of Dazi Hualing pursuant to the Capital Increase and (ii) no economic gains or benefits whatsoever were conferred on or retained by Ms. Zheng Yi, the Loan Agreement is on normal commercial terms or better and the applicable percentage ratio in respect of the Loan Agreement is less than 5%, the transactions contemplated under the Loan Agreement is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Capital Increase

As Ms. Zheng Yi is a connected person of the Company, the Capital Increase constitutes the issuance of new securities by the Company's subsidiary to its connected person, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules.

As the capital contribution in relation to the Capital Increase by Ms. Zheng Yi will result in Ms. Zheng Yi receiving entitlement to new issuance of securities based on her shareholding percentages in Dazi Hualing, the Capital Increase is fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements pursuant to Rule 14A.92 of the Listing Rules.

GENERAL

No Director has a material interest in, or was required to abstain from voting on the Board resolutions approving, the New Contractual Arrangements, Capital Increase and Loan Agreement. The Directors (including the independent non-executive Directors) have considered each of the New Contractual Arrangements, Capital Increase and Loan Agreement and have determined that each of the New Contractual Arrangements, Capital Increase and Loan Agreement is: (i) fair and reasonable; (ii) on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) in the best interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

| | |
|------------------------------------|--|
| “Board” | board of directors of the Company |
| “Capital Increase” | the increase in the registered capital of Dazi Hualing, details of which are described in the section headed “Capital Increase” in this announcement |
| “Company” | China Renaissance Holdings Limited (華興資本控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Consolidated Affiliated Entities” | consolidated affiliated entities of the Company as defined in the Prospectus, each a “Consolidated Affiliated Entity” |
| “Dazi Huafeng” | Dazi Huafeng Investment Consultants Co., Ltd. (達孜鐸峰投資顧問有限公司), a company incorporated with limited liability in the PRC, and a Consolidated Affiliated Entity |
| “Dazi Hualing” | Dazi Hualing Investment Consultants Co., Ltd. (達孜鐸瓏投資顧問有限公司), a company incorporated with limited liability in the PRC, and a Consolidated Affiliated Entity |
| “Director” | the director(s) of the Company |

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| “Existing Contractual Arrangements” | the series of contractual arrangements entered into by, among others, Huagan Shanghai, the Consolidated Affiliated Entities (including Dazi Hualing), and their shareholders, details of which are described in “Contractual Arrangements” in the Prospectus and in the announcements of the Company dated 31 January 2019 and 15 June 2020 |
| “Group” | the Company and its subsidiaries (including Consolidated Affiliated Entities) from time to time |
| “Huagan Shanghai” | Huagan (Shanghai) Business Consultants Co., Ltd. (鐳滄(上海) 商務諮詢有限公司), a wholly foreign-owned enterprise incorporated with limited liability the PRC and a subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Loan Agreement” | an loan agreement dated 23 December 2021 entered into among Huagan Shanghai, Ms. Xin Xin and Ms. Zheng Yi in respect of the loan in the total sum of RMB350 million granted by Huagan Shanghai to Ms. Xin Xin and Ms. Zheng Yi |
| “New Contractual Arrangements” | the series of contractual arrangements entered into by and among Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing on 23 December 2021 |
| “PRC” | the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan |
| “Prospectus” | the prospectus of the Company dated 14 September 2018 |
| “RMB” | Renminbi, the lawful currency of China |
| “Shareholder(s)” | holder(s) of the ordinary share(s) in the share capital of the Company |

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Waiver”

the waiver granted by the Stock Exchange to the Company in respect of contractual arrangements of the Company (as detailed in the Prospectus) from strict compliance with certain Listing Rules, subject to the conditions as detailed in the section headed “Connected Transactions” in the Prospectus

By order of the Board

China Renaissance Holdings Limited

Bao Fan

Chairman of the Board and Executive Director

Hong Kong, 23 December 2021

As at the date of this announcement, the Board comprises Mr. Bao Fan as Chairman and Executive Director, Mr. Xie Yi Jing and Mr. Wang Lixing as Executive Directors, Mr. Li Eric Xun, Mr. Liu Xing and Mr. Lin Ning David as Non-executive Directors, and Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue as Independent Non-executive Directors.