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**華融國際金融控股有限公司**

**HUARONG INTERNATIONAL FINANCIAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 993)**

**DISCLOSEABLE TRANSACTIONS  
AMENDMENTS TO LIMITED PARTNERSHIP AGREEMENTS AND  
EXTENSION OF TERMS RELATING TO INVESTMENTS IN FUNDS**

**AMENDMENTS TO THE ASIA FUND LPA AND EXTENSION OF THE ASIA FUND**

On 31 January 2023 (after trading hours), the Limited Partner (an indirect wholly-owned subsidiary of the Company) as limited partner and the General Partner as general partner entered into the Amendment (Asia Fund LPA), to amend the Asia Fund LPA to the effect that the term of the Asia Fund shall be extended for two years to 31 January 2025.

**AMENDMENTS TO THE FINTECH FUND LPA AND EXTENSION OF THE  
FINTECH FUND**

On 31 January 2023 (after trading hours), the Limited Partner as limited partner and the General Partner as general partner entered into the Amendment (Fintech Fund LPA), to amend the Fintech Fund LPA to the effect that the term of the Fintech Fund shall be extended for two years to 31 January 2025.

**LISTING RULES IMPLICATIONS**

The Limited Partner was an indirect wholly-owned subsidiary of Huarong Investment, a former listed company on the Stock Exchange. Subsequent to the privatisation of Huarong Investment by the Company and the withdrawal of listing of its shares in November 2020, the Limited Partner has become an indirect wholly-owned subsidiary of the Company.

As the Amendment (Asia Fund LPA) and Amendment (Fintech Fund LPA) were entered into between the Limited Partner and the General Partner, the Amendments shall be aggregated with each other pursuant to Rule 14.22 of the Listing Rules. As the highest aggregate applicable percentage ratio (as defined under the Listing Rules) in respect of the Amendments is more than 5% but less than 25%, each of the Amendments constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **AMENDMENTS TO THE ASIA FUND LPA AND EXTENSION OF THE ASIA FUND**

On 31 January 2023 (after trading hours), the Limited Partner (an indirect wholly-owned subsidiary of the Company) as limited partner and the General Partner as general partner entered into the Amendment (Asia Fund LPA) to amend the Asia Fund LPA and extend the term of the Asia Fund, to the effect that the term of the Asia Fund shall be extended for two years to 31 January 2025.

### **Terms of the Asia Fund LPA**

The principal terms of the Asia Fund LPA are summarised as follows:

|                              |   |
|------------------------------|---|
| <b>Date</b>                  | 22 December 2017  |
| <b>Name of the Asia Fund</b> | BOCOMI Hermitage Asia Fund LP   |
| <b>Parties</b>               | The Limited Partner, as limited partner;<br><br>the Initial Limited Partner, who withdrew from the Asia Fund upon execution of the Asia Fund LPA; and<br><br>the General Partner, as general partner.   |
| <b>Term of the Asia Fund</b> | 4 years from the initial closing date on 31 January 2018, comprising the initial period until the third anniversary of the initial closing date (the “ <b>Investment Period (Asia Fund)</b> ”) and the period from the third anniversary of the initial closing date to the fourth anniversary of the initial closing date (the “ <b>Exit Period (Asia Fund)</b> ”). The term of the Asia Fund was extended by one year (the “ <b>First Extension (Asia Fund)</b> ”) upon the expiry of the Exit Period (Asia Fund) by consent of the General Partner and the limited partners in accordance with the terms of the Asia Fund LPA. |

|   |  |
|---|--|
| <b>Size of the Asia Fund</b>  | The target size of the Asia Fund expected by the General Partner was US\$24,999,996 (equivalent to approximately HK\$194,999,968.80); the capital contribution of each limited partner shall be based on its corresponding capital commitment.   |
| <b>The Limited Partner's capital contributions to the Asia Fund</b> | The capital contribution by the Limited Partner of US\$9,500,000 (equivalent to approximately HK\$74,100,000) was determined by arm's length negotiation between the Limited Partner and the General Partner.  |
| <b>Investment focus</b>   | The Asia Fund invested all the capital contributions of its limited partners in the acquisition of interests as limited partner in the Healthcare Fund, of which the Asia Fund was the sole limited partner and the General Partner was a co-general partner. The sole purpose of the Healthcare Fund was to subscribe for or acquire certain shares in HealthKconnect.  |
| <b>Subscription fee</b>   | Waived by the General Partner in respect of the Limited Partner.   |
| <b>Management fee</b>   | Initial management fee was 5% of the capital contribution of the Limited Partner for the entire Investment Period (Asia Fund), and the General Partner shall not charge any management fee for the Exit Period (Asia Fund) and the First Extension (Asia Fund).  |
| <b>Distribution</b>   | <p>Proceeds attributable to the Asia Fund's investment after deducting the establishment and operating expenses of the Asia Fund and withholding relevant tax, shall initially be apportioned among all limited partners in proportion with the amount of their respective capital contributions and, thereafter, apportioned between each limited partner and the General Partner and distributed in the following manner:</p> <p><i>First</i>, to the limited partner until it has received cumulative distributions equal to 100% of its capital contributions;</p> <p><i>Second</i>, to the limited partner until it has received 100% of the management fee and subscription fee (if any) it has paid to the General Partner; and</p> <p><i>Third</i>, as to the remaining Proceeds, 80% to the limited partner and 20% to the General Partner.</p> |



## **AMENDMENTS TO THE FINTECH FUND LPA AND EXTENSION OF THE FINTECH FUND**

On 31 January 2023 (after trading hours), the Limited Partner (an indirect wholly-owned subsidiary of the Company) as limited partner and the General Partner as general partner entered into the Amendment (Fintech Fund LPA) to amend the Fintech Fund LPA and extend the term of the Fintech Fund, to the effect that the term of the Fintech Fund shall be extended for two years to 31 January 2025.

### **Terms of the Fintech Fund LPA**

The principal terms of the Fintech Fund LPA are summarised as follows:

|  |   |
|--|---|
| <b>Date</b>  | 22 December 2017  |
| <b>Name of the Fintech Fund</b>  | BOCOMI Hermitage Fintech Fund LP  |
| <b>Parties</b>   | The Limited Partner, as limited partner;<br><br>the Initial Limited Partner, who withdrew from the Fintech Fund upon execution of the Fintech Fund LPA; and<br><br>the General Partner, as general partner.   |
| <b>Term of the Fintech Fund</b>  | 4 years from the initial closing date on 31 January 2018, comprising the initial period until the third anniversary of the initial closing date (the “ <b>Investment Period (Fintech Fund)</b> ”) and the period from the third anniversary of the initial closing date to the fourth anniversary of the initial closing date (the “ <b>Exit Period (Fintech Fund)</b> ”). The term of the Fintech Fund was extended upon the expiry of the Exit Period (Fintech Fund) by consent of the General Partner and the limited partners in accordance with the terms of the Fintech Fund LPA. |
| <b>Size of the Fintech Fund</b>  | The target size of the Fintech Fund expected by the General Partner was US\$34,999,995 (equivalent to approximately HK\$272,999,961); the capital contribution of each limited partner was based on its corresponding capital commitment.   |
| <b>The Limited Partner’s capital contributions to the Fintech Fund</b> | The capital contribution by the Limited Partner of US\$9,500,000 (equivalent to approximately HK\$74,100,000) was determined by arm’s length negotiation between the Limited Partner and the General Partner.   |

|   |  |
|---|--|
| <b>Investment focus</b>                         | The Fintech Fund invested all the capital contributions of its limited partners in the acquisition of interests as limited partner in the Global Fintech Fund, of which the Fintech Fund was the sole limited partner and the General Partner was a co-general partner. The sole purpose of the Global Fintech Fund was to subscribe for or acquire certain shares in OneConnect.  |
| <b>Subscription fee</b>                         | Waived by the General Partner in respect of the Limited Partner.   |
| <b>Management fee</b>                           | Management fee was 5% of the capital contribution of the Limited Partner for the entire Investment Period (Fintech Fund), and the General Partner shall not charge any management fee for the Exit Period (Fintech Fund) and the First Extension (Fintech Fund).   |
| <b>Distribution</b>                             | <p>Proceeds attributable to the Fintech Fund's investment after deducting the establishment and operating expenses of the Fintech Fund and withholding relevant tax, shall initially be apportioned among all limited partners in proportion with the amount of their respective capital contributions and, thereafter, apportioned between each limited partner and the General Partner and distributed in the following manner:</p> <p><i>First</i>, to the limited partner until it has received cumulative distributions equal to 100% of its capital contributions;</p> <p><i>Second</i>, to the limited partner until it has received 100% of the management fee and subscription fee (if any) it has paid to the General Partner; and</p> <p><i>Third</i>, as to the remaining Proceeds, 80% to the limited partner and 20% to the General Partner.</p> |
| <b>Transfer of interest in the Fintech Fund</b> | The Limited Partner may transfer its direct or indirect interest in the Fintech Fund to any person at any time without the consent from the General Partner.   |

As the Fintech Fund was and is managed and controlled by the General Partner, the financial results of the Fintech Fund were and are not consolidated into the Group's financial statements.

## **Terms of the Amendment (Fintech Fund LPA)**

The principal terms of the Amendment (Fintech Fund LPA) are summarised as follow:

|   |   |
|---|---|
| <b>Date</b>   | 31 January 2023   |
| <b>Parties</b>  | The Limited Partner, as limited partner; and<br><br>the General Partner, as general partner.  |
| <b>Amendments to the terms of the Fintech Fund LPA</b>      | After the expiry of the First Extension (Fintech Fund), the term of the Fintech Fund can be further extended with such period as proposed by the General Partner and approved by limited partners holding an aggregate of over 50% of all interests in the Fintech Fund.<br><br>Save as amended by the Amendment (Fintech Fund LPA), all the provisions of the Fintech Fund LPA remain in effect. |
| <b>Consent to extension of the term of the Fintech Fund</b> | The General Partner and the Limited Partner agreed that the term of the Fintech Fund shall be extended for two (2) years from 31 January 2023 to 31 January 2025 (the “ <b>Second Extension (Fintech Fund)</b> ”).  |
| <b>Management fee</b>                                       | The General Partner shall not charge any management fee within the First Extension (Fintech Fund) and the Second Extension (Fintech Fund) with respect to its ongoing management of the Fintech Fund.   |

As the Fintech Fund will continue to be managed and controlled by the General Partner, the financial results of the Fintech Fund will not be consolidated into the Group’s financial statements.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is principally engaged in the brokerage and dealing of securities, margin financing, loan financing, financial advisory, direct investments, investment holding, provision of advising on corporate finance services and provision of management and consultancy services.

### **The Limited Partner**

The Limited Partner is a BVI business company incorporated under the laws of the British Virgin Islands and its principal activity is investment holding. As at date of this announcement, the Limited Partner is an indirect wholly-owned subsidiary of the Company.

## **The General Partner**

The General Partner is an exempted company incorporated in the Cayman Islands and is legally and beneficially owned as to 100% by Jiang Fan as at date of this announcement. Its principal activity is investment holding. The General Partner has and shall retain full control over the respective businesses and affairs of the Asia Fund and the Fintech Fund.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the General Partner and Jiang Fan, its sole legal and beneficial owner, are third parties independent of and not connected with the Company and its connected persons.

## **INFORMATION OF THE ASIA FUND AND THE FINTECH FUND**

### **The Asia Fund**

The purpose of the investment by the Asia Fund was to, through Healthcare Fund, acquire and hold interest in HealthKonnnect, an unlisted company who indirectly controls all equity interest in Shenzhen Pingan Medical Health Service Limited\* (深圳平安醫療健康科技服務有限公司), a company established under the laws of the PRC which is principally engaged in the operation of online medical services platform.

The Asia Fund's investment focus and strategies are complementary to the Group's investment portfolio. The continued investment in the Asia Fund will enable the Group to exploit the investment opportunities in the digitalization of the healthcare and health insurance sectors in the PRC.

As at 31 December 2022, the total capital contributions of limited partners of the Asia Fund was US\$24,999,996 (equivalent to approximately HK\$194,999,968.80), approximately 38% of which was contributed by the Limited Partner.

As at 30 September 2022, the net asset value of the Asia Fund was US\$4,750,000 (equivalent to approximately HK\$37,050,000), approximately 38% of which (equal to approximately US\$1,805,000 (equivalent to approximately HK\$14,079,000)) was *prima facie* attributable to the Limited Partner's capital contributions to the Asia Fund.

The average annual return rate of the Asia Fund for the period from its first closing on 31 January 2018 to 30 September 2022 was approximately -11%.



## **The Fintech Fund**

The purpose of the investment by the Fintech Fund was to, through Global Fintech Fund, acquire and hold interest in OneConnect, a company whose ordinary shares are listed on the Stock Exchange (stock code: 6638). OneConnect and its subsidiaries are principally engaged in the provision of digital banking solutions, digital insurance solutions, and digital infrastructure to financial institutions, thereby helping accelerate the digitalization of such financial institutions.

The Fintech Fund's investment focus and strategies are complementary to the Group's investment portfolio. The continued investment in the Fintech Fund will enable the Group to exploit the investment opportunities in the digitalization of operations of financial institutions in the PRC.

As at 31 December 2022, the total capital contributions of limited partners of the Fintech Fund was US\$34,999,995 (equivalent to approximately HK\$272,999,961), approximately 27.14% of which was contributed by the Limited Partner.

As at 30 September 2022, the net asset value of the Fintech Fund was US\$271,846 (equivalent to approximately HK\$2,120,398.80), approximately 27.14% of which (equal to approximately US\$73,786.77 (equivalent to approximately HK\$575,536.82)) was *prima facie* attributable to the Limited Partner's capital contributions to the Fintech Fund.

The average annual return rate of the Fintech Fund for the period from its first closing on 31 January 2018 to 30 September 2022 was approximately -15%.

## **REASONS FOR AND BENEFITS OF THE AMENDMENTS**

### **Amendments to the Asia Fund LPA and extension of the Asia Fund**

As of now, HealthKonnnect, the underlying investment of the Asia Fund through the Healthcare Fund, remains an unlisted company, and the General Partner has yet identified a suitable opportunity to realise and exit its indirect investment in HealthKonnnect. Further, as the Group's indirect interest in HealthKonnnect only represents a small shareholding, even if the Group receives a distribution in kind of shares in HealthKonnnect now, it is likely to face substantial discounts for lack of liquidity and control when negotiating for a sale of the shares. Hence, the Group considers it feasible for the Asia Fund to continue, which allows the Group to wait for either HealthKonnnect to become listed, or the General Partner to source and negotiate for a more favourable exit transaction with a relatively larger shareholding in HealthKonnnect.

The fact that the General Partner is not entitled to any management fee during the Second Extension (Asia Fund) also means the Group will incur minimal additional costs in extending the Asia Fund.

## **Amendments to the Fintech Fund LPA and extension of the Fintech Fund**

As the economy of the PRC, where the operations of OneConnect is based, reactivates after the relaxation of pandemic control measures since December 2022, the Group considers the business and the share price of OneConnect will eventually recover. Rather than allowing the Fintech Fund to expire now which may lead to immediate realization of the underlying shares in OneConnect when its share price is at a low level, the Group considers it feasible to allow the Fintech Fund to continue so it can wait for the right opportunity to realise the shares in OneConnect at a higher value.

The fact that the General Partner is not entitled to any management fee during the Second Extension (Fintech Fund) also means the Group will incur minimal additional costs in extending the Fintech Fund and waiting for such opportunity.

The Board considers that each of the terms of the Amendment (Asia Fund LPA) and the Amendment (Fintech Fund LPA) are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Limited Partner was an indirect wholly-owned subsidiary of Huarong Investment, a former listed company on the Stock Exchange. Subsequent to the privatisation of Huarong Investment by the Company and the withdrawal of listing of its shares in November 2020, the Limited Partner has become an indirect wholly-owned subsidiary of the Company.

As the Amendment (Asia Fund LPA) and Amendment (Fintech Fund LPA) were entered into between the Limited Partner and the General Partner, the Amendments shall be aggregated with each other pursuant to Rule 14.22 of the Listing Rules. As the highest aggregate applicable percentage ratio (as defined under the Listing Rules) in respect of the Amendments is more than 5% but less than 25%, each of the Amendments constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

|                             |  |
|-----------------------------|--|
| “Amendment (Asia Fund LPA)” | the amendment to limited partnership agreement and consent of extension of term dated the date of this announcement, executed by the Limited Partner as limited partner and the General Partner as general partner, under which (a) certain amendments are made to the terms of the Asia Fund LPA; and (b) the term of the Asia Fund LPA is extended |
|-----------------------------|--|

|                                |   |
|--------------------------------|---|
| “Amendment (Fintech Fund LPA)” | the amendment to limited partnership agreement and consent of extension of term dated the date of this announcement, executed by the Limited Partner as limited partner and the General Partner as general partner, under which (a) certain amendments are made to the terms of the Fintech Fund LPA; and (b) the term of the Fintech Fund LPA is extended    |
| “Amendments”                   | collectively, (a) the Amendment (Asia Fund LPA), and the amendments to the terms of the Asia Fund LPA and the extension of the Asia Fund thereunder; and (b) the Amendment (Fintech Fund LPA), and the amendments to the terms of the Fintech Fund LPA and the extension of the Fintech Fund thereunder   |
| “Asia Fund”                    | BOCOMI Hermitage Asia Fund LP, an exempted limited partnership registered under the Exempted Partnership Law (as amended) of the Cayman Islands   |
| “Asia Fund LPA”                | the amended and restated exempted partnership agreement dated 22 December 2017 entered into by the Limited Partner as limited partner, the General Partner as general partner, and the Initial Limited Partner governing the terms of the Asia Fund, as supplemented by (a) a side letter dated 22 December 2017; and (b) a side letter dated 19 January 2018 |
| “Board”                        | the board of Directors  |
| “Company”                      | Huarong International Financial Holdings Limited (華融國際金融控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 993)  |
| “connected persons”            | has the meaning ascribed thereto in the Listing Rules   |
| “Directors”                    | the directors of the Company  |
| “Fintech Fund”                 | BOCOMI Hermitage Fintech Fund LP, an exempted limited partnership registered under the Exempted Partnership Law (as amended) of the Cayman Islands  |

|                           |  |
|---------------------------|--|
| “Fintech Fund LPA”        | the amended and restated exempted partnership agreement dated 22 December 2017 entered into by the Limited Partner as limited partner, the General Partner as general partner, and the Initial Limited Partner governing the terms of the Fintech Fund, as supplemented by (a) a side letter dated 22 December 2017; and (b) a side letter dated 19 January 2018 |
| “General Partner”         | Hermitage Capital Group Limited, an exempted company incorporated in the Cayman Islands, and the sole general partner of both the Asia Fund and the Fintech Fund   |
| “Global Fintech Fund”     | BOCOMI Hermitage Global Fintech Fund LP, of which the Fintech Fund is the sole limited partner and the General Partner is a co-general partner, the sole purpose of which was to subscribe for or acquire certain shares in OneConnect   |
| “Group”                   | the Company and its subsidiaries   |
| “HealthKonnect”           | HealthKonnect Medical and Health Technology Management Company Limited, an exempted company incorporated in the Cayman Islands   |
| “Healthcare Fund”         | BOCOMI Hermitage Healthcare Fund LP, of which the Asia Fund is the sole limited partner and the General Partner is a co-general partner, the sole purpose of which was to subscribe for or acquire certain shares in HealthKonnect   |
| “HKD”                     | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC   |
| “Huarong Investment”      | Huarong Investment Stock Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which were formerly listed on the Stock Exchange and subsequently privatized by the Company with effect from 10 November 2020. The listing of shares of Huarong Investment was withdrawn on 12 November 2020                 |
| “Initial Limited Partner” | Xiang Yuqiu, an individual who established the Asia Fund and the Fintech Fund with the General Partner, respectively, and withdrew from the Asia Fund and the Fintech Fund upon execution of the Asia Fund LPA and the Fintech LPA, respectively   |

|                   |  |
|-------------------|--|
| “Limited Partner” | Advance Eagle Ventures Limited, a BVI business company incorporated in the British Virgin Islands, and an indirect wholly-owned subsidiary of the Company  |
| “Listing Rules”   | The Rules Governing the Listing of Securities on the Stock Exchange  |
| “OneConnect”      | OneConnect Financial Technology Co., Ltd. (壹賬通金融科技有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 6638)   |
| “PRC”             | the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan   |
| “Proceeds”        | in relation to each of the Asia Fund and the Fintech Fund, all cash, securities and other property received by the fund in respect of its investment including, without limitation, dividends, interests, disposal proceeds and other items of an income or capital nature, net of expenses and other liabilities of the fund or amounts reserved therefor |
| “Shareholder(s)”  | holder(s) of issued share(s) in the Company  |
| “Stock Exchange”  | The Stock Exchange of Hong Kong Limited  |
| “%”               | per cent.  |

By order of the Board  
**Huarong International Financial Holdings Limited**  
**Zhang Xing**  
*Chairman*

Hong Kong, 31 January 2023

*In this announcement, amounts in US\$ are translated into HK\$ on the basis of US\$1 = HK\$7.8. The conversion rate is for illustration purposes only and should not be taken as a representation that US\$ could actually be converted into HK\$ at such rate or at all.*

*As at the date of this announcement, the Board comprises Mr. Zhang Xing as non-executive Director, Mr. Chen Qinghua and Mr. Lu Xinzheng as executive Directors, and Mr. Hung Ka Hai Clement, Mr. Ma Lishan, Mr. Guan Huanfei and Dr. Lam Lee G. as independent non-executive Directors.*

\* *For identification purposes only*