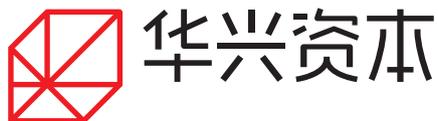


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

DISCLOSEABLE AND CONNECTED TRANSACTION

PARTIAL EXERCISE OF CALL OPTION

EQUITY TRANSFER AGREEMENT

On August 31, 2021, CR Broking partially exercised the Call Option by entering into the Equity Transfer Agreement, pursuant to which Enlight Holdings is required to transfer 15% equity interest in CR Securities to CR Broking at a total consideration of RMB409,571,172.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios of the Acquisition, as calculated in accordance with Chapter 14 of the Listing Rules in respect of the Equity Transfer Agreement, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Enlight Holdings is a substantial shareholder of CR Securities and CR Securities is a non-wholly-owned subsidiary of the Company, Enlight Holdings is a connected person of the Company at the subsidiary level. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As completion of the Acquisition is subject to the fulfilment of a number of conditions precedent, including but not limited to CR Securities having made and obtained the necessary registration with relevant authorities and the necessary approval and/or filing with the CSRC, which are detailed in this announcement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

EQUITY TRANSFER AGREEMENT

On August 31, 2021, CR Broking partially exercised the Call Option by entering into the Equity Transfer Agreement, pursuant to which Enlight Holdings is required to transfer 15% equity interest in CR Securities to CR Broking at a total consideration of RMB409,571,172 upon the fulfilment of certain conditions precedent described below. CR Securities is a 48.8326% held non-wholly-owned subsidiary of CR Broking. Upon completion of the Equity Transfer Agreement, CR Broking will hold approximately 63.8326% equity interest in CR Securities.

The principal terms of the Equity Transfer Agreement are set out below:

Date

August 31, 2021

Parties

1. Enlight Holdings (as transferor), a substantial shareholder of CR Securities holding approximately 34.2398% equity interest in CR Securities;
2. CR Broking (as transferee), an indirect wholly-owned subsidiary of the Company holding approximately 48.8326% equity interest in CR Securities; and
3. CR Securities, a non-wholly-owned subsidiary of the Company.

Nature of the transaction

CR Broking partially exercised the Call Option to acquire 15% of the entire equity interest in CR Securities from Enlight Holdings.

The following table shows the total capital contribution to and holding of equity interest in CR Securities as at the date of this announcement and immediately after completion of the Acquisition:

Name of joint venture partner	As at the date of this announcement		Immediately after completion of the Acquisition	
	Capital Contribution (RMB)	Percentage of equity interest held	Capital Contribution (RMB)	Percentage of equity interest held
CR Broking	1,476,697,037	48.8326%	1,930,297,037	63.8326%
Enlight Holdings	1,035,410,023	34.2398%	581,810,023 ⁽¹⁾	19.2398%
Six other joint venture partners ⁽²⁾	511,892,940	16.9276%	511,892,940	16.9276%
Total	3,024,000,000	100%	3,024,000,000	100%

Note 1: the original acquisition cost of Enlight Holdings attributable to 15% equity interest in CR Securities being transferred under the Acquisition is approximately RMB210,720,000.

Note 2: each of the six other joint venture partners (including Wuxi Qunxing, Liby Group, Yunshan Capital, Yongzhi Innovation, Dazi Zehua and Shenzhen Tongsheng) holds less than 5% equity interest in CR Securities as at the date of this announcement, and based on the Directors' knowledge, information and belief having made all reasonable enquiry, each of the six other joint venture partners and their respective ultimate beneficial owners is an Independent Third Party of the Company.

Consideration

The consideration for the Acquisition is RMB409,571,172 which is payable in cash at completion of the Acquisition. It is the audited book value of CR Securities as at December 31, 2020 attributable to the equity interest being transferred under the Acquisition, as required under the terms of the Call Option.

The consideration will be paid by CR Broking from capital injection made by CRSHK, which is CR Broking's immediate holding company, out of cash generated by CRSHK from its operations.

Conditions Precedent

The completion of the Acquisition is subject to the satisfaction of the following conditions:

- (1) the relevant parties having executed the Amended JV Agreement and the amended articles of association of CR Securities;
- (2) the shareholders of CR Securities having approved the execution and performance of the amended joint venture agreement in respect of CR Securities and the amended articles of association of CR Securities;
- (3) CR Securities having obtained the necessary registration and/or filings with the relevant Administration for Industry and Commerce and the Ministry of Commerce of China (or the local commerce authority) in connection with the Acquisition (including but not limited to obtaining the approval and/or filing record for the Acquisition from the relevant authorities);
- (4) CR Securities having obtained the necessary approval and/or made the necessary filings with the CSRC and/or its dispatched offices in respect of the Acquisition; and
- (5) CR Securities having completed the foreign exchange registration for the Acquisition and Enlight Holdings having opened an asset realisation account.

Completion

Completion of the Acquisition is required to take place within 10 business days after all the above conditions have been fulfilled.

Amended JV Agreement

The Amended JV Agreement to be entered into as a condition to the Equity Transfer Agreement will incorporate relevant corresponding changes to CR Securities' shareholding structure as a result of the Acquisition and also relevant adjustments as required by applicable laws and regulations in China. All the rights and obligations of CR Broking (including but not limited to, among other things, directors nomination rights, lock up, rights and restrictions in respect of transfer of equity interest in CR Securities) in the original JV Agreement will remain substantially unchanged following execution of the Amended JV Agreement.

Financial effects of the Acquisition

The results of CR Securities has since the Company's listing been consolidated in the financial statements of the Group. Following completion of the Acquisition, CR Securities will become a 63.8326% consolidated non-wholly-owned subsidiary of the Company.

The exercised portion of the Call Option will record a fair value change in the Group's financial statements by reference to the increase in fair value of the exercised portion of the Call Option as at the date of exercise of the Call Option comparing to its fair value recognised as of December 31, 2020. The unexercised portion of the Call Option following completion of the Acquisition will continue to be recognised as financial assets at fair value through profit or loss (FVTPL) in the Group's financial statements by reference to the fair value of such unexercised portion as at completion of the Acquisition and each financial reporting date.

INFORMATION ON CR SECURITIES AND REASONS FOR AND BENEFITS OF THE ACQUISITION

CR Securities is a China-focused, national multi-licensed investment banking subsidiary of the Company and one of the first securities greenfield joint ventures approved under CEPA. Approved in April 2016 and established in China in August 2016, it began operations in November 2016. It is principally engaged in the provision of securities brokerage, securities underwriting and sponsorship, securities asset management, securities investment consultancy services, proprietary trading and distribution of financial products.

When the JV Agreement was signed and the Call Option was granted, foreign ownership in securities companies in China was restricted under the laws and regulations of China. The Call Option provided a mechanism by which the Company's interest in CR Securities can be increased should such ownership restrictions be relaxed. In April 2020, such restrictions were fully lifted.

The following financial information has been extracted from the audited financial statements of CR Securities (prepared in accordance with the PRC GAAP) for the two years ended 31 December 2019 and 2020:

	For the year ended 31 December 2019 RMB (approximately)	For the year ended 31 December 2020 RMB (approximately)
Profit/(Loss) before taxation	81,990,400	(69,594,300)
Profit/(Loss) after taxation	61,208,400	(79,551,200)

The unaudited total assets and net asset value of CR Securities as at 30 June 2021 were approximately RMB7,084,000,000 and RMB2,934,000,000 respectively.

In view of the lifting of the restrictions on foreign ownership in securities company in China, the Board considered that it is the appropriate time to increase its shareholding in CR Securities through the Acquisition, which can give the Group greater flexibility in integrating CR Securities into the Group's development as the leading investment banking and investment management firm dedicated to China's new economy businesses. With various commercial factors being considered, the Group has negotiated and agreed with Enlight Holdings that the Call Option will only be partially exercised such that Enlight Holdings will continue to hold more than 10% equity interest in CR Securities after the Acquisition. The Group will continue to monitor the operation of CR Securities and will consider to exercise the remaining portion of the Call Option when appropriate in the future.

The Directors (including the independent non-executive Directors) consider the terms of the Equity Transfer Agreement are fair and reasonable and the Acquisition is on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Equity Transfer Agreement or is required to abstain from voting on the Board resolutions for considering and approving the transactions contemplated under the Equity Transfer Agreement.

INFORMATION ON THE GROUP, CR BROKING AND ENLIGHT HOLDINGS

The Group is principally engaged in the provision of investment banking and investment management services.

CR Broking is principally engaged in the provision of equity trading and brokerage services.

Enlight Holdings is principally engaged in investment in the cultural production sectors, development in multimedia products and related technology. The ultimate beneficial owner(s) of Enlight Holdings is Mr. Wang Changtian (as to 95% of the entire equity interest in Enlight Holdings).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios of the Acquisition, as calculated in accordance with Chapter 14 of the Listing Rules in respect of the Equity Transfer Agreement, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this Announcement, Enlight Holdings holds approximately 34.2398% equity interest in CR Securities and is therefore a substantial shareholder of CR Securities, a non-wholly owned subsidiary of the Company. Enlight Holdings therefore is a connected person of the Company at the subsidiary level according to Rule 14A.07(1) of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

As completion of the Acquisition is subject to the fulfilment of a number of conditions precedent, including but not limited to CR Securities having made and obtained the necessary registration with relevant authorities and the necessary approval and/or filing with the CSRC, which are detailed in this announcement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition by CR Broking of 15% equity interest in CR Securities pursuant to the Equity Transfer Agreement
“Amended JV Agreement”	the amendments to the JV Agreement to be entered into between, among others, CR Broking and Enlight Holdings in relation to the management and operation of CR Securities, the execution of which is a condition precedent under the Equity Transfer Agreement
“Board”	the board of Directors
“Call Option”	the call option granted to CR Broking over certain portion of Enlight Holding’s equity interests in CR Securities, please refer to the disclosure in page 116 of the Prospectus for details
“CEPA”	Closer Economic Partnership Arrangement between Hong Kong, Macau and mainland China
“China”	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
“Company”	China Renaissance Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands
“connected person”	has the same meaning ascribed to it under the Listing Rules
“CR Broking”	China Renaissance Broking Services (Hong Kong) Limited (華興金融服務 (香港) 有限公司) (formerly known as Maxson Securities Limited (萬誠證券有限公司)), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“CR Securities”	China Renaissance Securities (China) Co., Ltd. (華興證券有限公司) (formerly known as China Renaissance Securities (China) Co., Ltd. (華菁證券有限公司)), a limited liability company established in China and a non-wholly owned subsidiary of the Company

“CRSHK”	China Renaissance Securities (Hong Kong) Limited (華興證券(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“CSRC”	China Securities Regulatory Commission
“Dazi Zehua”	Dazi Zehua Enterprise Management Co., Ltd. (達孜縣澤鐸企業管理有限公司), a limited liability company established in China which is an Independent Third Party
“Director(s)”	the director(s) of the Company
“Enlight Holdings”	Enlight Holdings Limited (光線控股有限公司) (formerly known as Shanghai Enlight Investment Holdings Limited (上海光線投資控股有限公司)), a limited liability company established in China
“Equity Transfer Agreement”	an equity transfer agreement dated August 31, 2021 entered into between CR Broking and Enlight Holdings in relation to the sale and purchase of 15% equity interest in CR Securities
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) which are independent of and not connected with the Company and its connected persons
“JV Agreement”	a joint venture agreement dated November 17, 2017 entered into between, among others, CR Broking and Enlight Holdings in relation to the management and operation of CR Securities
“Liby Group”	Guangzhou Liby Investment Co., Ltd. (廣州立白投資有限公司), a limited liability company established in China which is an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC GAAP”	the PRC Accounting Standards for Business Enterprises as promulgated and, from time to time, amended or supplemented by the Ministry of Finance of China
“Prospectus”	the prospectus of the Company dated September 14, 2018 in relation to the listing of securities of the Company on the Main Board of the Stock Exchange

“RMB”	Renminbi, the lawful currency of China
“Shenzhen Tongsheng”	Shenzhen Tongsheng Management Consultants Co., Ltd. (深圳同盛管理諮詢有限公司), a limited liability company established in China which is an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuxi Qunxing”	Wuxi Qunxing Equity Investment Management Co., Ltd. (無錫群興股權投資管理有限公司), a limited liability company established in China which is an Independent Third Party
“Yongzhi Innovation”	Yongzhi Innovation Co., Ltd. (永智創新實業有限公司), a limited liability company established in China which is an Independent Third Party
“Yunshan Capital”	Jiangsu Yunshan Capital Management Co., Ltd. (江蘇雲杉資本管理有限公司), a limited liability company established in China which is an Independent Third Party

By order of the Board
China Renaissance Holdings Limited
Bao Fan
Chairman of the Board and Executive Director

Hong Kong, August 31, 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.