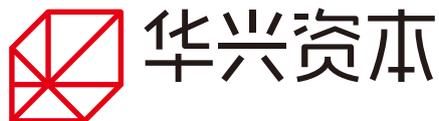


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# CHINA RENAISSANCE HOLDINGS LIMITED

## 華興資本控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1911)**

### DISCLOSEABLE TRANSACTION

#### FX FORWARD CONTRACTS

On January 11, 2022, CRCL, a wholly-owned subsidiary of the Company, entered into the FX Forward Contracts with the Bank, an Independent Third Party, to hedge against RMB/USD currency risk, in respect of a total Principal Amount of US\$60 million. As the Group has borrowings denominated in USD, and the Company's primary subsidiaries were incorporated and operated in the PRC and the majority of the transactions are denominated and settled in RMB, any transaction that is denominated or requires settlement in a currency other than RMB would result in foreign exchange exposure to the Group. Depreciation of RMB against USD may therefore impact the financial results of the Group. In light of this, the Group entered into the FX Forward Contracts through CRCL with the aim of hedging against such currency risk.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the total Principal Amount under the FX Forward Contracts is more than 5% but less than 25%, the entry into the FX Forward Contracts and the transactions contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On January 11, 2022, CRCL, a wholly-owned subsidiary of the Company, entered into the FX Forward Contracts with the Bank, an Independent Third Party, to hedge against RMB/USD currency risk, in respect of a total Principal Amount of US\$60 million. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

FX forward contracts are a type of hedging instrument. In essence, pursuant to the FX Forward Contracts, the Company will buy USD against RMB on a pre-agreed settlement date, at a fixed effective forward RMB:USD exchange rate.

The principal terms of the FX Forward Contracts entered into by CRCL (as the purchaser of USD) with the Bank (as the seller of USD) are set out below:

Principal Amount and currency	:	US\$30 million
Forward Rate	:	USD1 to RMB6.3684
Settlement date	:	March 31, 2022 (as may be adjusted by CRCL within a pre-agreed time frame)
Transaction Fee	:	RMB1.638 million payable on the settlement date

Principal Amount and currency	:	US\$30 million
Forward Rate	:	USD1 to RMB6.3684
Settlement date	:	March 31, 2022 (as may be adjusted by CRCL within a pre-agreed time frame)
Transaction Fee	:	RMB1.773 million payable on the settlement date

## **REASONS FOR AND BENEFITS OF THE FX FORWARD CONTRACTS**

As disclosed in the Group's 2020 Annual Report and 2021 Interim Report, the Group has borrowings denominated in USD, and the Company's primary subsidiaries were incorporated and operated in the PRC and the majority of the transactions are denominated and settled in RMB. As such, any transaction that is denominated or requires settlement in a currency other than RMB would result in foreign exchange exposure to the Group. Depreciation of RMB against USD may therefore impact the financial results of the Group. In light of this, the Group has entered into the FX Forward Contracts through CRCL with the aim of hedging against such currency risk. The Directors consider that the terms of the FX Forward Contracts are on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

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

## **INFORMATION ON THE GROUP, CRCL AND THE BANK**

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

CRCL is a direct wholly-owned subsidiary of the Company principally engaged in investment holdings.

The Bank is an Independent Third Party financial institution whose business activities include dealing in foreign exchange forward contracts.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the total Principal Amount under the FX Forward Contracts is more than 5% but less than 25%, the entry into the FX Forward Contracts and the transactions contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Bank”	China Merchants Bank Co., Ltd (Stock code: 3968)
“Board”	the board of Directors
“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
“CRCL”	China Renaissance Capital Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company

“Director(s)”	the director(s) of the Company
“FX Forward Contracts”	the two foreign exchange forward trades entered into between CRCL and the Bank on January 11, 2022 in relation to the total Principal Amount to hedge against the Group’s currency risk due to the possible depreciation of RMB against USD
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Principal Amount”	the aggregated principal USD amount of USD60 million under the FX Forward Contracts
“RMB”	Renminbi, the lawful currency of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”, or “US\$”	United States dollars, the lawful currency of the United States

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

Hong Kong, January 11, 2022

*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.*