

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Quanzhou Huixin Micro-credit Co., Ltd.*

泉州匯鑫小額貸款股份有限公司

(Established in the People's Republic of China with limited liability)

(Stock Code: 1577)

**DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS
IN RELATION TO THE ACQUISITIONS OF EQUITY INTERESTS
IN THE TARGET COMPANY**

THE ACQUISITIONS

On 25 June 2024, after trading hours, Huizhixin, a non wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement I with the Vendor, pursuant to which Huizhixin has agreed to acquire and the Vendor has agreed to sell the Sale Shares I at the Consideration I of approximately RMB560,000 (equivalent to approximately HK\$614,152).

On the same day, after trading hours, the Company entered into the Sale and Purchase Agreement II with the Vendor, pursuant to which the Company has agreed to acquire and the Vendor has agreed to sell the Sale Shares II at the Consideration II of approximately RMB82.4 million (equivalent to approximately HK\$90.4 million).

As of the date of this announcement, 76.8% of the entire equity interests in the Target Company is held by the Company and the Target Company is a non wholly-owned subsidiary of the Company. Upon completion of the Acquisitions, approximately 99.8% of the entire equity interests in the Target Company will be held by the Group, and the Target Company will continue to be a non wholly-owned subsidiary of the Company. The financial results of the Target Company will continue to be consolidated into the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

As previously disclosed in the announcement of the Company dated 19 October 2021, the Company (as the purchaser) entered into an agreement with Mr. Xie Anju (謝安居) (as the vendor) for the purchase of approximately 5% of the then entire equity interests in the Target Company for a consideration of approximately RMB11.1 million. The Previous Acquisition was completed on 29 December 2021.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisitions, whether on a standalone basis or when aggregated with the Previous Acquisition, exceed 5% but are less than 25%, the Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company, a non wholly-owned subsidiary of the Company, as of the date of this announcement, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The Board has approved the Acquisitions and the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Sale and Purchase Agreements are fair and reasonable, and the transactions thereunder are on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Accordingly, pursuant to Rule 14A.101 of the Listing Rules, this connected transaction is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. Save as disclosed above, none of the Directors has a material interest in the Acquisitions or was required to abstain from voting on the relevant resolutions of the Board.

INTRODUCTION

On 25 June 2024, after trading hours, Huizhixin, a non wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement I with the Vendor, pursuant to which Huizhixin has agreed to acquire and the Vendor has agreed to sell the Sale Shares I at the Consideration I of approximately RMB560,000 (equivalent to approximately HK\$614,152).

On the same day, after trading hours, the Company entered into the Sale and Purchase Agreement II with the Vendor, pursuant to which the Company has agreed to acquire and the Vendor has agreed to sell the Sale Shares II at the Consideration II of approximately RMB82.4 million (equivalent to approximately HK\$90.4 million).

SALE AND PURCHASE AGREEMENTS

Sale and Purchase Agreement I

The principal terms of the Sale and Purchase Agreement I are as follows:

Date: 25 June 2024 (after trading hours)

Parties: (a) Huizhixin (as the purchaser)

(b) Xiamen Panhong Trading Co., Ltd.* (廈門磐鴻貿易有限公司), which holds 23.2% of the entire equity interests in the Target Company (as the vendor) as of the date of this announcement

Subject Matter: The Sale Shares I, representing 0.16% of the entire equity interests in the Target Company.

Consideration I: RMB560,000 (equivalent to approximately HK\$614,152) (the “**Consideration I**”).

The original acquisition cost of the Sale Shares I to the Vendor was approximately RMB555,000 (equivalent to approximately HK\$608,669), being the relevant capital contribution to the Target Company made by the Vendor. The Consideration I was arrived at based on arm’s length negotiations between Huizhixin and the Vendor with reference to the audited consolidated net asset value of the Target Company as of 31 December 2023 of RMB373,166,236.

The Consideration I will be funded by internal resources of the Group.

Payment terms: The Consideration I shall be paid by Huizhixin to the Vendor by bank transfer within 3 business days after the date of the Sale and Purchase Agreement I.

Governmental approval: If the approval from the Bureau of Financial Affairs of Quanzhou City (泉州市金融工作局) in respect of the Acquisition I is not issued on or before 31 December 2024, the Consideration I shall be returned without interest by the Vendor to Huizhixin.

Registration procedures: The Vendor shall cooperate with Huizhixin in the completion of the industrial and commercial registration procedures for the equity transfer pursuant to the Sale and Purchase Agreement I.

Sale and Purchase Agreement II

The principal terms of the Sale and Purchase Agreement II are as follows:

Date: 25 June 2024 (after trading hours)

Parties: (c) the Company (as the purchaser)
(d) Xiamen Panhong Trading Co., Ltd.* (廈門磐鴻貿易有限公司), which holds 23.2% of the entire equity interests in the Target Company (as the vendor) as of the date of this announcement

Subject Matter: The Sale Shares II, representing 22.88% of the entire equity interests in the Target Company.

Consideration II: RMB82.4 million (equivalent to approximately HK\$90.4 million) (the “**Consideration II**”).

The original acquisition cost of the Sale Shares II to the Vendor was approximately RMB81,252,000 (equivalent to approximately HK\$89,109,068), being the relevant capital contribution to the Target Company made by the Vendor. The Consideration II was arrived at based on arm’s length negotiations between the Company and the Vendor with reference to the audited consolidated net asset value of the Target Company as of 31 December 2023 of RMB373,166,236.

The Consideration II will be funded by internal resources of the Group.

Payment terms: The Consideration II shall be paid by the Company to the Vendor by bank transfer within 3 business days after the date of the Sale and Purchase Agreement II.

Governmental approval: If the approval from the Bureau of Financial Affairs of Quanzhou City (泉州市金融工作局) in respect of the Acquisition II is not issued on or before 31 December 2024, the Consideration II shall be returned without interest by the Vendor to the Company.

Registration procedures: The Vendor shall cooperate with the Company in the completion of the industrial and commercial registration procedures for the equity transfer pursuant to the Sale and Purchase Agreement II.

FINANCIAL EFFECTS OF THE ACQUISITIONS

As of the date of this announcement, 76.8% of the entire equity interests in the Target Company is held by the Company and the Target Company is a non wholly-owned subsidiary of the Company. Upon completion of the Acquisitions, approximately 99.8% of the entire equity interests in the Target Company will be held by the Group and the Target Company will continue to be a non wholly-owned subsidiary of the Company. The financial results of the Target Company will continue to be consolidated into the Group’s consolidated financial statements.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is primarily dedicated to providing local entrepreneurial individuals, SMEs and microenterprises with practical and flexible short-term financing solutions to support their continued development and address their ongoing liquidity needs. The Company is the largest licensed microfinance company in Fujian in terms of revenue in 2023, according to the statistics of the Fujian Financial Supervision Bureau (福建省地方金融监督管理局).

The management team of the Target Company has accumulated approximately ten years experiences in the banking, finance, and investment sectors, particularly in areas such as risk management, investment and financing, business operations, and marketing. Through its flat organizational structure and comprehensive knowledge of the local market, the Target Company is adept at promptly addressing the financing requirements of customers. It consistently refines its operations and reviews its procedures to ensure the effectiveness of risk management and control. Regular post-loan assessments are conducted to maintain the Target Company's loan risks at manageable levels. Thus, the acquisition of the Target Company will not only bring on board a seasoned and adept management team, but also capitalize on its sophisticated risk management framework and efficient operational methods to bolster the Group's competitive edge in the financial market.

The Directors (including all the independent non-executive Directors) are of the view that the terms of the Acquisitions are fair and reasonable, and the Sale and Purchase Agreements are on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a licensed microfinance company established in Jinjiang City, Fujian Province on 21 March 2014 and its registered capital as of the date of this announcement is approximately RMB320.0 million. The Target Company is primarily engaged in the business of providing micro and small loans to local entrepreneurial individuals, SMEs and microenterprises in Fujian Province. As of the date of this announcement, the Company holds 76.8% of the entire equity interests in the Target Company.

Below sets out certain audited financial information of the Target Company prepared in accordance with Chinese Accounting Standards for Business Enterprises by a PRC firm of Certified Public Accountants for the years ended 31 December 2022 and 2023:

	For the year ended 31 December	
	2023	2022
	RMB	RMB
Turnover	72,584,906	53,148,279
Profit before taxation	52,990,704	63,870,096
Profit after taxation	39,293,421	47,774,749
	As of 31 December	
	2023	2022
	RMB	RMB
Total assets	495,586,856	431,220,839
Total liabilities	122,420,619	41,348,024

GENERAL INFORMATION ON THE PARTIES

The Company

The Company (as the purchaser under the Sale and Purchase Agreement II) is the largest licensed microfinance company in Fujian Province in terms of revenue in 2023, according to the statistics of the Fujian Financial Supervision Bureau (福建省地方金融監督管理局). The Company is primarily dedicated to providing local entrepreneurial individuals, SMEs and microenterprises with practical and flexible short-term financing solutions to support their continued development and address their ongoing liquidity needs. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 30 September 2016.

Huizhixin

Huizhixin (as the purchaser under the Sale and Purchase Agreement I), an indirect non wholly-owned subsidiary of the Company, is an investment and consulting company established in Quanzhou, Fujian Province, the PRC, which is primarily engaged in investment activities and corporate management consulting with its own funds. Huizhixin is 99% owned by Quanzhou Huixinxing Investment Co., Ltd.* (泉州匯鑫行投資有限責任公司), a wholly-owned subsidiary of the Company and 1% owned by Hoi Pok (Hong Kong) Trading Company (海博(香港)貿易公司), an unincorporated company registered under the Business Registration Ordinance (Chapter 310, Laws of Hong Kong) in Hong Kong. The sole proprietor of Hoi Pok (Hong Kong) Trading Company is Ms. Chau Nga Chun. As its form of business is sole proprietorship, Hoi Pok (Hong Kong) Trading Company has no shareholder or director, and it does not have any senior management.

The Vendor

The Vendor is a trading company established in the PRC with limited liability, which is principally engaged in the wholesale and retail of daily necessities, clothing and footwear, hardware and electrical products, building materials, metal materials, machinery and equipment, and providing investment consulting services (excluding deposit-taking, loan, securities, futures, and other financial activities). It is directly 51.0% owned by Mr. Xie Anju (謝安居), 47.1% owned by Mr. Wu Donglin (吳東林), and 1.9% owned by Mr. Zhou Shiyuan (周士淵), the son of Mr. Zhou Yongwei (周永偉), one of the substantial Shareholders and an executive Director.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company.

LISTING RULES IMPLICATIONS

As previously disclosed in the announcement of the Company dated 19 October 2021, the Company (as the purchaser) entered into an agreement with Mr. Xie Anju (謝安居) (as the vendor) for the purchase of approximately 5% of the then entire equity interests in the Target Company for a consideration of approximately RMB11.1 million. Such acquisition (the “**Previous Acquisition**”) was completed on 29 December 2021.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisitions, whether on a standalone basis or when aggregated with the Previous Acquisition, exceed 5% but are less than 25%, the Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company, a non wholly-owned subsidiary of the Company, as of the date of this announcement, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The Board has approved the Acquisitions and the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Sale and Purchase Agreements are fair and reasonable, and the transactions thereunder are on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Accordingly, pursuant to Rule 14A.101 of the Listing Rules, this connected transaction is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders’ approval requirements under Chapter 14A of the Listing Rules. Save as disclosed above, none of the Directors has a material interest in the Acquisitions or was required to abstain from voting on the relevant resolutions of the Board.

None of the Directors has any material interest in the Acquisitions and shall abstain from voting on the relevant board resolutions of the Company.

DEFINITIONS

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

“Acquisition I”	the acquisition of the Sale Shares I by Huizhixin from the Vendor pursuant to the Sale and Purchase Agreement I
“Acquisition II”	the acquisition of the Sale Shares II by the Company from the Vendor pursuant to the Sale and Purchase Agreement II
“Acquisitions”	Acquisition I and Acquisition II
“Board”	the board of the Company

“Company”	Quanzhou Huixin Micro-credit Co., Ltd.* (泉州匯鑫小額貸款股份有限公司), a company incorporated in the PRC and the H Shares of which are listed on the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC nationals and/or PRC-incorporated entities
“Fujian” or “Fujian Province”	Fujian Province (福建省), the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign shares in the share capital of the Company, with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Huizhixin”	Quanzhou Huizhixin Investment Co., Ltd.* (泉州市匯知信投資有限責任公司), a company incorporated in the PRC with limited liability, a non wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	the third party independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive of the Company or substantial shareholders, its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Quanzhou” or “Quanzhou City”	Quanzhou City (泉州市), Fujian Province, China

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement I”	the equity transfer agreement entered into (after trading hours) between Huizhixin (as the purchaser) and the Vendor (as the vendor) on 25 June 2024
“Sale and Purchase Agreement II”	the equity transfer agreement entered into (after trading hours) between the Company (as the purchaser) and the Vendor (as the vendor) on 25 June 2024
“Sale and Purchase Agreements”	Sale and Purchase Agreement I and Sale and Purchase Agreement II
“Sale Shares I”	0.16% of the entire equity interests in the Target Company held by the Vendor to be acquired by Huizhixin pursuant to the Sale and Purchase Agreement I
“Sale Shares II”	22.88% of the entire equity interests in the Target Company held by the Vendor to be acquired by the Company pursuant to the Sale and Purchase Agreement II
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“SME(s)”	small and medium-sized enterprise(s), as defined in the Notice on the Provisions for Classification Standards of Small and Medium-sized Enterprises (關於印發中小企業劃型標準規定的通知)
“Target Company”	Jinjiang Huixin Microfinance Co., Ltd.* (晉江市匯鑫小額貸款有限公司) (formerly known as Jinjiang Baiying Microfinance Co., Ltd.* (晉江市百應小額貸款有限公司)), a non-wholly owned subsidiary of the Company, which is a company incorporated in the PRC and primarily engaged in the business of providing micro and small loans to SMEs and microenterprises in Fujian Province
“Vendor”	Xiamen Panhong Trading Co., Ltd.* (廈門磐鴻貿易有限公司), which holds 23.2% of the entire equity interests in the Target Company as of the date of this announcement
“%”	per cent

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB1.00=HK\$1.0967 for illustration purposes. No representation is made that any amount in HK\$ or RMB is or could have been or could be converted at such rate or at any other rate or at all.

By order of the Board
Quanzhou Huixin Micro-credit Co., Ltd.*
WU Zhirui
Chairman

Hong Kong, 25 June 2024

As of the date of this announcement, the executive Directors are Mr. WU Zhirui, Mr. ZHOU Yongwei, Mr. YAN Zhijiang and Ms. LIU Aiqin; the non-executive Directors are Mr. JIANG Haiying and Mr. CAI Rongjun; and the independent non-executive Directors are Mr. ZHENG Wenjian, Mr. YANG Dong and Mr. YANG Zhanghua.

* *For identification purpose only*