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華邦金融控股有限公司

Huabang Financial Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

FORMATION OF A JOINT VENTURE COMPANY

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

This announcement is made by the Board of the Company to inform its shareholders and potential investors of the latest development of the Group.

The Board of the Company is pleased to announce that, on 29 July 2019 (after trading hours), Huabang FinTech Limited, a wholly-owned subsidiary of the Company (“**Huabang FinTech**”) and the joint venture partner, MeiYe Technology Group Inc. (the “**JV Partner**”) entered into the Shareholders Agreement, pursuant to which both parties have agreed to establish the JV Company in Hong Kong owned as to 50% by the Group and 50% by the JV Partner. The proposed name of the JV Company is YingYing Insurtech Company Limited. The formation of the JV Company is for the purpose of applying for the authorization of the JV company to carry on insurance business in or from Hong Kong using solely digital distribution channels and jointly developing of all its subsequent possible relevant insurance business with the JV Partner, and procuring investment opportunities for possible mergers and acquisitions with other insurance companies.

SHAREHOLDERS AGREEMENT

Date: 29 July 2019

Parties: (i) Huabang FinTech
(ii) the JV Partner

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner(s) are Independent Third Parties.

BUSINESS OBJECTIVE AND BUSINESS SCOPE OF THE JV COMPANY

The business objective of the JV Company is to strive to applying for the authorization of the JV company to carry on insurance business in or from Hong Kong using solely digital distribution channels, and develop all its subsequent possible relevant insurance businesses. The business model of the JV Company that pursues excellence will provide generous returns to the shareholders of the JV Company as a whole.

The scope of business of the JV Company is insurance businesses that will be developed and conducted in or from Hong Kong in the future by applying for authorization of new company to adopt solely digital distribution channels in Hong Kong, providing insurance products and services to clients in the Greater Bay Area and procuring investment opportunities for possible mergers and acquisitions with other insurance companies.

INFORMATION ABOUT THE JV PARTNER

MeiYe Technology Group Inc. is a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of YingYing Group Inc.. YingYing Group Inc. is a company incorporated in the Cayman Islands with limited liability, who focuses on the use of big data, cloud computing and artificial intelligence and is a social e-commerce platform and financial technology group company in China with an emphasis on financial technology with diversified development. Currently, the group mainly operates in China with a number of well-known platform products and brands in the field of financial technology. It also has a number of patent development techniques and financial business licenses. Its business principally includes “Win-Win FinTech” which is mainly engaged in internet finance; “Yinghuo Technology”, a financial technology company which apply big-data and artificial intelligence technologies for data mining based on specific scenarios of consumption and provides data intelligence services; as well as “Kunsheng Capital” which is engaged in special asset investment and financing services.

CAPITAL CONTRIBUTION

The JV Company will be incorporated in Hong Kong with limited liability with total issued share capital of HK\$20,000,000. Each of Huabang FinTech and the JV Partner will own 50% shareholding interests in the JV Company. Pursuant to the terms of the Shareholders Agreement, that initial start up capital of the JV Company of HK\$20,000,000 will be contributed by Huabang FinTech and the JV Partner each in proportion to their respective shareholding. The JV parties may make further capital contribution in future in proportion to their respective shareholding to provide additional funding to the JV Company if necessary.

The JV Parties have an intention that the target of total cumulative investment amount of the JV Company will reach HK\$5,000,000,000, which includes the fund needed for the application of insurance business licenses and possible mergers and acquisitions.

As at the date of this announcement, the target of total cumulative investment amount of HK\$5,000,000,000 is an intention of the JV Parties only and does not constitute any legally binding commitment on the Group and the JV Partner. The contribution of total cumulative investment amount of HK\$5,000,000,000 is subject to the execution of formal agreements to be entered into by the JV Parties in the future.

MANAGEMENT OF THE JV COMPANY

The board of directors of the JV Company will consist of six directors, of which three of them will be appointed by Huabang FinTech and three of them will be appointed by the JV Partner. The chairman of the board of directors will be appointed by Huabang Fintech and the deputy chairman of the board of directors will be appointed by the JV Partner.

In accordance with the Shareholders Agreement, among other things, Huabang FinTech shall be primarily responsible for leading and liaising on the application to relevant insurance authority in Hong Kong for authorisation to carry on insurance business in or from Hong Kong using solely digital distribution channels and also assist the JV Company to obtain the required approvals, registrations, permits and licences in relation to the incorporation and business operation of the JV Company. The JV Partner shall be responsible for the technical application support to the JV Company in relation to digital distribution channels to be operated by the JV Company.

REASONS FOR AND ADVANTAGES OF FORMATION OF THE JV COMPANY

The Board considers that, through the formation of the JV Company, the JV Parties will be able to form a sustainable strategic partnership beneficial to each other and enable the Group to tap into the insurance market in Hong Kong and explore business development, collaboration and investment opportunities in the areas of InsureTech as promoted by the relevant initiatives in Hong Kong.

The Board considers that the formation of the JV Company is in line with the Company's long-term business strategy, and the Shareholders Agreement has been entered into on normal commercial terms and its terms are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the transactions contemplated under the Shareholders Agreement exceeds 5%, the entering into of the Shareholders Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) as and when appropriate in compliance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

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

“Board”	board of the Directors of the Company
“Company”	Huabang Financial Holdings Company, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries. The Group is principally engaged in financial services business and computer and peripheral products business
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huabang FinTech”	Huabang FinTech Limited, a wholly-owned subsidiary of the Company, which incorporated in the British Virgin Islands with limited liabilities and is an investment holding company
“Independent Third Party(ies)”	a third party independent of the Company and the connected persons (having the meaning ascribed to it under the Listing Rules) of the Company
“JV Company”	YingYing Insurtech Company Limited, a company will be incorporated in Hong Kong with limited liability and jointly invested by the JV Parties pursuant to the Shareholders Agreement
“JV Partner”	MeiYe Technology Group Inc., a company incorporated in the Cayman Islands with limited liability
“JV Parties”	Huabang FinTech and the JV Partner
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“Shareholders Agreement”	The shareholders agreement dated 29 July 2019 entered into between Huabang FinTech and the JV Partner in relation to the formation of the JV Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board
Huabang Financial Holdings Limited
George Lu
Chairman & Chief Executive Officer

Hong Kong, 29 July 2019

As at the date of this announcement, the executive Directors of the Company are Mr. George Lu and Mr. Lam Allan Loc; the non-executive Director of the Company is Mr. Pang Chung Fai Benny; and the independent non-executive Directors of the Company are Mr. Loo Hong Shing, Vincent, Mr. Zhu Shouzhong and Mr. Li Huaqiang.