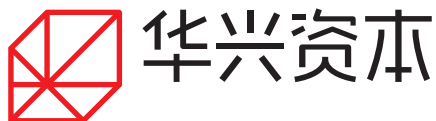


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

CONNECTED TRANSACTIONS IN RELATION TO

(1) NEW CONTRACTUAL ARRANGEMENTS

(2) DAZI HUALING AND DAZI HUAFENG CAPITAL INCREASE

INTRODUCTION

The Company is developing its new wealth management business in China, through which the Group may invest in private equities or other third-party managed private funds, in addition to the Company's own investment needs. Certain of these investments may only be carried out by a designated 'qualified investor (合格投資人)', defined as an institution having a net asset of RMB10 million or more.

Moreover, as the business of the Group has continued to grow, it would be more beneficial if Directors and senior management are more acutely focused towards the continued active management of the Group's business. Thus it was proposed for Ms. Xin Xin, the Group's Director of Strategic Operations, and Ms. Zheng Yi, finance director of the Group, to replace Mr. Du Yongbo and Mr. Wang Xinwei as the registered shareholders of Dazi Hualing and Dazi Huafeng.

Therefore, on June 15, 2020, the Group entered into a series of agreements whereby (i) the registered shareholders of Dazi Hualing and Dazi Huafeng (two consolidated affiliated entities of the Company) were changed from Mr. Du Yongbo and Mr. Wang Xinwei to Ms. Xin Xin and Ms. Zheng Yi, and (ii) the registered capital of Dazi Hualing and Dazi Huafeng were each increased from RMB100,000 to RMB10 million. The Existing Contractual Arrangements (other than the exclusive business corporation agreements) that relate to Dazi Hualing and Dazi Huafeng were terminated concurrently.

NEW CONTRACTUAL ARRANGEMENTS

On June 15, 2020, Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and each of Dazi Hualing and Dazi Huafeng entered into the New Contractual Arrangements. The Existing Contractual Arrangements (other than the exclusive business corporation agreements) that relate to Dazi Hualing and Dazi Huafeng were terminated concurrently.

The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, are a reproduction of the Existing Contractual Arrangements, save for the numerical amounts of the new registered capital and the identity of the new nominal shareholders of Dazi Hualing and Dazi Huafeng and other corresponding changes made for entering into the New Contractual Arrangements. They were entered into so as to reflect the changes to the registered capital and the nominal shareholders of Dazi Hualing and Dazi Huafeng.

DAZI HUALING CAPITAL INCREASE

On June 15, 2020, in connection with the New Contractual Arrangements, the equity interests held in Dazi Hualing by Mr. Du Yongbo and Mr. Wang Xinwei were transferred to Ms. Zheng Yi and Ms. Xin Xin respectively. Also on June 15, 2020, the registered capital of Dazi Hualing was increased from RMB100,000 to RMB10 million. Each of Mr. Xin Xin and Ms. Zheng Yi will contribute to the increased registered capital of Dazi Hualing such that the aggregate paid-in capital shall be RMB10 million.

DAZI HUAFENG CAPITAL INCREASE

On June 15, 2020, in connection with the New Contractual Arrangements, the equity interests held in Dazi Huafeng by Mr. Du Yongbo and Mr. Wang Xinwei were transferred to Ms. Zheng Yi and Ms. Xin Xin respectively. Also on June 15, 2020, the registered capital of Dazi Huafeng was increased from RMB100,000 to RMB10 million. Each of Mr. Xin Xin and Ms. Zheng Yi will contribute to the increased registered capital of Dazi Huafeng, such that the aggregate paid-in capital shall be RMB10 million.

LISTING RULES IMPLICATIONS

New Contractual Arrangements

The Company sought, and the Stock Exchange granted, the Waiver in connection with the continuing connected transactions of the Group in the form of the Contractual Arrangements. The Waiver is subject to certain conditions including, among others, on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and among others Dazi Hualing and Dazi Huafeng, on the other hand, that the framework may be renewed and/or reproduced without obtaining the approval of the Shareholders: (i) upon the expiry of the existing arrangements or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including branch company), engaging in the same business as that of our Group.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the waiver from strict compliance with: (i) the announcement, circular and independent shareholders' approval requirements under Rule 14A.105; (ii) the requirement of setting an annual cap under Rule 14A.53; and (iii) the requirement of limiting the terms of the Contractual Arrangements to three years or less under Rule 14A.52, subject to the conditions as disclosed in the Prospectus.

Dazi Hualing Capital Increase

As Ms. Xin Xin and Ms. Zheng Yi are connected persons of the Company following the execution of the New Contractual Arrangements, the Dazi Hualing Capital Increase constitutes the issuance of new securities by the Company's subsidiary to its connected persons, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules.

As the capital contribution in relation to the Dazi Hualing Capital Increase by Ms. Xin Xin and Ms. Zheng Yi will result in Ms. Xin Xin and Ms. Zheng Yi receiving entitlement to new issuance of securities based on their capital contribution and shareholding percentages after the capital contribution in Dazi Hualing (i.e. 50%:50%), the Dazi Hualing Capital Increase is fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements pursuant to Rule 14A.92 of the Listing Rules.

Dazi Huafeng Capital Increase

As Ms. Xin Xin and Ms. Zheng Yi are connected persons of the Company following the execution of the New Contractual Arrangements, the Dazi Huafeng Capital Increase constitutes the issuance of new securities by the Company's subsidiary to its connected persons, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules.

As the capital contribution in relation to the Dazi Huafeng Capital Increase by Ms. Xin Xin and Ms. Zheng Yi will result in Ms. Xin Xin and Ms. Zheng Yi receiving entitlement to new issuance of securities based on their capital contribution and shareholding percentages after the capital contribution in Dazi Huafeng (i.e. 50%:50%), the Dazi Huafeng Capital Increase is fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements pursuant to Rule 14A.92 of the Listing Rules.

The Company is developing its new wealth management business in China, through which the Group may invest in private equities or other third-party managed private funds, in addition to the Company's own investment needs. Certain of these investments may only be carried out by a designated 'qualified investor (合格投資人)', defined as an institution having a net asset of RMB10 million or more.

Moreover, as the business of the Group has continued to grow, it would be more beneficial if Directors and senior management are more acutely focused towards the continued active management of the Group's business. Thus it was proposed for Ms. Xin Xin, the Group's Director of Strategic Operations, and Ms. Zheng Yi, finance director of the Group, to replace Mr. Du Yongbo and Mr. Wang Xinwei as the registered shareholders of Dazi Hualing and Dazi Huafeng (two consolidated affiliated entities of the Company).

Therefore, on June 15, 2020, the Group entered into a series of agreements whereby (i) the registered shareholders of Dazi Hualing and Dazi Huafeng were changed from Mr. Du Yongbo and Mr. Wang Xinwei to Ms. Xin Xin and Ms. Zheng Yi, and (ii) the registered capital of Dazi Hualing and Dazi Huafeng were each increased from RMB100,000 to RMB10 million. The Existing Contractual Arrangements (other than the exclusive business corporation agreements) that relate to Dazi Hualing and Dazi Huafeng were terminated concurrently.

NEW CONTRACTUAL ARRANGEMENTS

As disclosed in the section headed “Contractual Arrangements” in the Prospectus, due to applicable laws and regulatory restrictions on foreign ownership, the Company is unable to hold directly or through its subsidiaries any equity interests in Dazi Hualing and Dazi Huafeng. Therefore, the Group had in place the Existing Contractual Arrangements which are designed to allow the Company to exercise control over the operations of Dazi Hualing and Dazi Huafeng and enjoy the economic benefits generated by Dazi Hualing and Dazi Huafeng.

On June 15, 2020, Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and each of Dazi Hualing and Dazi Huafeng entered into the New Contractual Arrangements. The Existing Contractual Arrangements (other than the exclusive business corporation agreements) that relate to Dazi Hualing and Dazi Huafeng were terminated concurrently.

The New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, are a reproduction of the Existing Contractual Arrangements, save for the numerical amounts of the new registered capital, the identity of the new nominal shareholders of Dazi Hualing and Dazi Huafeng and other corresponding changes made for entering into the New Contractual Arrangements. They were entered into so as to reflect the changes to the registered capital and the nominal shareholders of Dazi Hualing and Dazi Huafeng.

The New Contractual Arrangements entered into on June 15, 2020 include:

1. second amended and restated exclusive call option agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing (the “**New Hualing Call Options**”);
2. second amended and restated exclusive call option agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Huafeng (together with the New Hualing Call Options, the “**New Call Options Agreements**”);
3. second amended and restated proxy agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing;
4. second amended and restated proxy agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Huafeng;
5. second amended and restated equity pledge agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Hualing;

6. second amended and restated equity pledge agreement to be entered into between Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi and Dazi Huafeng; and
7. spouse undertaking to be entered into by the spouse of Ms. Xin Xin.

For the avoidance of doubt, the remaining Contractual Arrangements (in relation to Dazi Huashi (as defined in the Prospectus) and Shanghai Quanyuan (as defined in the Prospectus)) remain unchanged, valid and in effect.

DAZI HUALING CAPITAL INCREASE

In order to meet the net asset requirements for designation as a ‘qualified investor’, the Company shall increase the registered capital of Dazi Hualing.

On June 15, 2020, in connection with the New Contractual Arrangements, the equity interests held in Dazi Hualing by Mr. Du Yongbo and Mr. Wang Xinwei were transferred to Ms. Zheng Yi and Ms. Xin Xin respectively. Also on June 15, 2020, the registered capital of Dazi Hualing was increased from RMB100,000 to RMB10 million. Each of Mr. Xin Xin and Ms. Zheng Yi will contribute to the increased registered capital of Dazi Hualing such that the aggregate paid-in capital shall be RMB10 million.

Dazi Hualing was owned as to 50% by Mr. Du Yongbo and 50% by Mr. Wang Xinwei prior to the Dazi Hualing Capital Increase, and shall be equally owned by Ms. Xin Xin and Ms. Zheng Yi following the Dazi Hualing Capital Increase.

DAZI HUAFENG CAPITAL INCREASE

In order to meet the net asset requirements for designation as a ‘qualified investor’, the Company shall increase the registered capital of Dazi Huafeng.

On June 15, 2020, in connection with the New Contractual Arrangements, the equity interests held in Dazi Huafeng by Mr. Du Yongbo and Mr. Wang Xinwei were transferred to Ms. Zheng Yi and Ms. Xin Xin respectively. Also on June 15, 2020, the registered capital of Dazi Huafeng was increased from RMB100,000 to RMB10 million. Each of Mr. Xin Xin and Ms. Zheng Yi will contribute to the increased registered capital of Dazi Huafeng, such that the aggregate paid-in capital shall be RMB10 million.

Dazi Huafeng was owned as to 50% by Mr. Du Yongbo and 50% by Mr. Wang Xinwei prior to the Dazi Huafeng Capital Increase, and shall be equally owned by Ms. Xin Xin and Ms. Zheng Yi following the Dazi Huafeng Capital Increase.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The existing registered shareholders of Dazi Hualing and Dazi Huafeng are Mr. Du Yongbo and Mr. Wang Xinwei. As set out in the Company's announcement dated December 15, 2019, Mr. Wang Xinwei has stepped back as co-chief financial officer, having served in this role since January 2011. Moreover, as the business of the Group has continued to grow following the Company's listing (including the extension of new business lines), there has been a steady increase in the day-to-day administrative burden of procedural matters relating to Dazi Hualing and Dazi Huafeng.

The Company considers on the whole that it would be more beneficial to the Group's future development if the Directors and senior management are more acutely focused towards the continued active management of the Group's growing businesses. Therefore, the Group entered into the New Contractual Arrangements to change the registered shareholder of Dazi Hualing and Dazi Huafeng from Mr. Du Yongbo and Mr. Wang Xinwei to Ms. Xin Xin and Ms. Zheng Yi.

Furthermore, the Company is developing its new wealth management business in China. Dazi Hualing and Dazi Huafeng will be general partners of new private equity funds/fund of funds established by the Company to invest in private equities or other third-party managed private funds. In addition, the Company also has its own investment needs and may invest through Dazi Hualing or Dazi Huafeng as limited partner in other private equity funds established or managed by third parties.

Under PRC laws and regulations relating to supervision of private equity funds, certain investments may only be carried out by a designated 'qualified investor (合格投資人)', which the Asset Management Association of China (中國證券投資基金業協會) defines as an institution having a net asset of RMB10 million or more.

Therefore, the Board has decided that the Company shall increase the net assets of Dazi Hualing and Dazi Huafeng to RMB10 million each, so that the Group may be able to develop its new wealth management business in China, and also facilitate the Group in making strategic investments in other private equity funds.

The New Contractual Arrangements are merely a reproduction of the corresponding Existing Contractual Arrangements, with the respective adjustment for the registered capital and the nominal shareholders of Dazi Hualing and Dazi Huafeng, and serve to maintain the relevant rights of the Group over the assets and economic benefits of Dazi Hualing and Dazi Huafeng, and to maintain the right to acquire the equity interests of Dazi Hualing and Dazi Huafeng to the extent permitted by PRC laws and regulations.

The Dazi Hualing Capital Increase and Dazi Huafeng Capital Increase are to enable Dazi Hualing and Dazi Huafeng to meet the minimum net asset requirement to be designated a ‘qualified investor’ for offshore investments and businesses that are expected to be conducted.

INFORMATION ON THE PARTIES

Ms. Xin Xin is the Group’s Director of Strategic Operations and a PRC citizen, and will become a connected person of the Company as a result of the New Contractual Arrangements. Ms. Xin Xin joined the Group in April 2018. Prior to joining the Group, Ms. Xin Xin was a senior consultant at the Policy Research Department of Baidu Inc (NASDAQ: BIDU), a deputy director at the China Securities Regulatory Commission, and served in the Global Transaction Service Department in Citigroup, New York.

Ms. Zheng Yi is finance director of the Group and a PRC citizen, and will become a connected person of the Company as a result of the New Contractual Arrangements. Ms. Zheng Yi joined the Group in June 2012, and has since served as a finance manager and senior finance manager. Prior to joining the Group, Ms. Zheng Yi served as an auditor at Deloitte Touche Tohmatsu for five years, between July 2007 and June 2012.

Huagan Shanghai is a company incorporated with limited liability in China, and a subsidiary of the Company.

Dazi Hualing is a company incorporated with limited liability in China, and a consolidated affiliated entity of the Company.

Dazi Huafeng is a company incorporated with limited liability in China, and a consolidated affiliated entity of the Company.

LISTING RULES IMPLICATIONS

New Contractual Arrangements

The Company sought, and the Stock Exchange granted, the Waiver in connection with the continuing connected transactions of the Group in the form of the Contractual Arrangements. The Waiver is subject to certain conditions including, among others, on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and among others Dazi Hualing and Dazi Huafeng, on the other hand, that the framework may be renewed and/or reproduced without obtaining the approval of the Shareholders: (i) upon the expiry of the existing arrangements or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including branch company), engaging in the same business as that of our Group.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the waiver from strict compliance with: (i) the announcement, circular and independent shareholders' approval requirements under Rule 14A.105; (ii) the requirement of setting an annual cap under Rule 14A.53; and (iii) the requirement of limiting the terms of the Contractual Arrangements to three years or less under Rule 14A.52, subject to the conditions as disclosed in the Prospectus.

Dazi Hualing Capital Increase

As Ms. Xin Xin and Ms. Zheng Yi are connected persons of the Company following the execution of the New Contractual Arrangements, the Dazi Hualing Capital Increase constitutes the issuance of new securities by the Company's subsidiary to its connected persons, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules.

As the capital contribution in relation to the Dazi Hualing Capital Increase by Ms. Xin Xin and Ms. Zheng Yi will result in Ms. Xin Xin and Ms. Zheng Yi receiving pro rata entitlement to new issuance of securities based on their then capital contribution and shareholding percentages in Dazi Hualing (i.e. 50%:50%), the Dazi Hualing Capital Increase is fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements pursuant to Rule 14A.92 of the Listing Rules.

Dazi Huafeng Capital Increase

As Ms. Xin Xin and Ms. Zheng Yi are connected persons of the Company following the execution of the New Contractual Arrangements, the Dazi Huafeng Capital Increase constitutes the issuance of new securities by the Company's subsidiary to its connected persons, and therefore connected transactions of the Company under Chapter 14A of the Listing Rules.

As the capital contribution in relation to the Dazi Huafeng Capital Increase by Ms. Xin Xin and Ms. Zheng Yi will result in Ms. Xin Xin and Ms. Zheng Yi receiving pro rata entitlement to new issuance of securities based on their then capital contribution and shareholding percentages in Dazi Huafeng (i.e. 50%:50%), the Dazi Huafeng Capital Increase is fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements pursuant to Rule 14A.92 of the Listing Rules.

GENERAL

Save for Mr. Du Yongbo, no other Director was required to abstain from voting on the Board resolutions approving the New Contractual Arrangements, Dazi Hualing Capital Increase and Dazi Huafeng Capital Increase. The Directors (including the independent non-executive Directors) have considered each of the New Contractual Arrangements, Dazi Hualing Capital Increase and Dazi Huafeng Capital Increase and have determined that each of the New Contractual Arrangements, Dazi Hualing Capital Increase and Dazi Huafeng Capital Increase is: (i) fair and reasonable; (ii) on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) in the best interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Board”	board of directors of the Company
“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 (華興資本控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, Huagan Shanghai, the Consolidated Affiliated Entities (as defined in the Prospectus), and their shareholders on April 25, 2018 and January 31, 2019, details of which are described in “Contractual Arrangements” in the Prospectus and in the announcement of the Company dated January 31, 2019
“Dazi Huafeng”	Dazi Huafeng Investment Consultants Co., Ltd. (達孜鐳峰投資顧問有限公司), a company incorporated with limited liability in China, and a consolidated affiliated entity of the Company

“Dazi Huafeng Capital Increase”	the increase in the registered capital of Dazi Huafeng, details of which are described in the section headed “Dazi Huafeng Capital Increase” in this announcement
“Dazi Hualing”	Dazi Hualing Investment Consultants Co., Ltd. (達孜鐳瓏投資顧問有限公司), a company incorporated with limited liability in China, and a consolidated affiliated entity of the Company
“Dazi Hualing Capital Increase”	the increase in the registered capital of Dazi Hualing, details of which are described in the section headed “Dazi Hualing Capital Increase” in this announcement
“Director”	the director(s) of the Company
“Existing Contractual Arrangements”	the series of contractual arrangements entered into by, among others, Huagan Shanghai, Mr. Du Yongbo, Mr. Wang Xinwei, Dazi Hualing and Dazi Huafeng, details of which are described in the section headed “Contractual Arrangements” in the Prospectus
“Group”	the Company and its subsidiaries (including consolidated affiliated entities) from time to time
“Huagan Shanghai”	Huagan (Shanghai) Business Consultants Co., Ltd. (鐳淦 (上海) 商務諮詢有限公司), a wholly foreign-owned enterprise incorporated with limited liability in China and a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Du Yongbo”	Mr. Du Yongbo (杜永波) is our executive Director
“Mr. Wang Xinwei”	Mr. Wang Xinwei (王新衛) is our former chief financial officer and a senior consultant of our Group
“Ms. Xin Xin”	Ms. Xin Xin (辛欣) is our Director of Strategic Operations
“Ms. Zheng Yi”	Ms. Zheng Yi (鄭熠) is a finance director of our Group

“New Contractual Arrangements”	the series of contractual arrangements entered into by and among Huagan Shanghai, Ms. Xin Xin, Ms. Zheng Yi, Dazi Hualing and Dazi Huafeng, details of which are described in the section headed “New Contractual Arrangements” in this announcement
“Prospectus”	the prospectus of the Company dated September 14, 2018
“RMB”	Renminbi, the lawful currency of China
“Shareholders”	holder(s) of the Share(s) ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Waiver”	the waiver granted by the Stock Exchange to the Company from strict compliance with: (i) the announcement, circular and independent shareholders’ approval requirements under Rule 14A.105; (ii) the requirement of setting an annual cap under Rule 14A.53; and (iii) the requirement of limiting the terms of the Contractual Arrangements to three years or less under Rule 14A.52, subject to the conditions as disclosed in the Prospectus, details of which are further described in the section headed “Connected Transactions” in the Prospectus

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

Hong Kong, June 15, 2020

As at the date of this announcement, the Board comprises Mr. Bao Fan as Chairman and Executive Director, Mr. Xie Yi Jing and Mr. Du Yongbo as Executive Directors, Mr. Li Shujun, Mr. Li Eric Xun and Mr. Liu Xing as Non-executive Directors, and Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue as Independent Non-executive Directors.