

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 TRANSACTION
ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY**

THE PROPOSED ACQUISITION

On 16 October 2018, after trading hours, Huixinxing, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which Huixinxing has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, in aggregate, the Sale Shares for an aggregate consideration of approximately RMB51.0 million (equivalent to approximately HK\$57.8 million), which was arrived at based on arm's length negotiations between Huixinxing and the Vendor with reference to the audited net assets value of the Target Company as of 30 June 2018. The Sale Shares represent 75% of the equity interests in the Target Company as of the date of this announcement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Proposed Acquisition under the Sale and Purchase Agreement is more than 5% but is less than 25%, the Proposed 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.

INTRODUCTION

On 16 October 2018, after trading hours, Huixinxing, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which Huixinxing has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, in aggregate, the Sale Shares for an aggregate consideration of approximately RMB51.0 million (equivalent to approximately HK\$57.8 million).

THE SALE AND PURCHASE AGREEMENT

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

Date:	16 October 2018 (after trading hours)
Parties:	(a) Huixinxing (as purchaser) (b) Xiamen Yingsheng Textile Technology Co., Ltd.* (廈門盈晟紡織科技有限公司) (“ Xiamen Yingsheng ”), which holds 75% of the equity interests in the Target Company (as vendor) (the “ Vendor ”)
Subject Matter of the Sale and Purchase Agreement:	The Sale Shares, representing 75% of the equity interests in the Target Company held by the Vendor in aggregate as of the date of this announcement.
Consideration:	<p>An aggregate of approximately RMB51.0 million (equivalent to approximately HK\$57.8 million) (the “Consideration”).</p> <p>The aggregate consideration was arrived at based on arm’s length negotiations between Huixinxing and the Vendor with reference to the audited net asset value of the Target Company as of 30 June 2018 (RMB47,548,839), based on its financial statements audited by a qualified independent PRC accounting firm appointed by the Target Company.</p> <p>The aggregate consideration will be funded by internal resources of the Group.</p>
Payment terms:	The Consideration will be paid by Huixinxing to the Vendor in cash within 180 days from the date of the Sale and Purchase Agreement.
Completion:	The Sale and Purchase Agreement shall be deemed to be completed upon completion of the registration with the competent authority of Industrial and Commercial Administration and other relevant PRC regulatory filings in relation to the corresponding changes of equity holders.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Target Company and the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

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.

As a financial leasing company, the Target Company is allowed to conduct its business in any province in the PRC and is also involved in other businesses, such as leasing transaction consultancy. As such, the Directors believe that the Proposed Acquisition would allow the Group to enrich the category of our products.

On the basis of the above and having considered the terms of the Sale and Purchase Agreement, the Directors considered that the terms of the Proposed Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a financial leasing company established in Quanzhou, Fujian Province on 10 August 2017 and its registered capital as of the date of this announcement is US\$10.0 million (equivalent to approximately HK\$77.6 million). The Target Company is primarily engaged in finance leasing, domestic and overseas leasing assets acquirement, disposal of the salvage value and repair of leasing assets, leasing transaction consultancy and vehicles sales.

Set out below are certain unaudited financial information of the Target Company for the year ended 31 December 2017 and audited financial information of the Target Company for the six months ended 30 June 2018, which have been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC:

	For the six months ended 30 June 2018 RMB'000	For the year ended 31 December 2017 RMB'000
Turnover	1,337	47
Profit before taxation	(629)	(438)
Profit after taxation	(629)	(438)

	As at	
	30 June 2018 RMB'000	31 December 2017 RMB'000
Total assets	48,300	25,060
Total liabilities	752	638

INFORMATION ABOUT THE VENDOR

The Vendor is Xiamen Yingsheng, who held as to 75% of the equity interests in the Target Company as of the date of this announcement. The Vendor is a company established in the PRC on 3 December 2004 and principally engaged in property leasing and research and development of hi-tech textile.

INFORMATION ABOUT THE PURCHASER

Huixinxing (as purchaser) is an investment consulting company established on 19 October 2017 in Fujian Province, the PRC, which is primarily dedicated to investment in manufacturing, leasing industry, commercial service industry, wholesale and retail industry, information transmission, computer service and software industry, real estate industry, tourist industry and other lawful industry and project and investment consultancy.

INFORMATION ABOUT THE COMPANY

The Company is a licensed microfinance company established on 8 January 2010 in Quanzhou, Fujian Province, the PRC, which 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.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Upon completion of the Proposed Acquisition, the Company will indirectly hold 75% of the equity interests in the Target Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Proposed Acquisition under the Sale and Purchase Agreement is more than 5% but is less than 25%, the Proposed 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.

DEFINITIONS

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

“Board”	the board of directors 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 Stock Exchange
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary share in our capital, 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
“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 Stock Exchange
“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” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huixinxing”	Quanzhou Huixinxing Investment Co., Ltd.* (泉州匯鑫行投資有限責任公司) established in the PRC with limited liability on 19 October 2017, a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Acquisition”	the acquisition of the Sale Shares by Huixinxing from the Vendor pursuant to the Sale and Purchase Agreement

“Quanzhou”	Quanzhou City (泉州市), Fujian Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the share transfer agreement entered into on 16 October 2018 (after trading hours) between Huixinxing and the Vendor
“Sale Shares”	the 75% equity interests of the Target Company held by the Vendor in aggregate to be acquired by Huixinxing pursuant to the Sale and Purchase Agreement
“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”	Quanzhou Lianche Finance Leasing Co., Ltd.* (泉州市連車融資租賃有限公司), a company incorporated in the PRC
“US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent.

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB1.00=HK\$1.1338 and US\$1.00=HK\$7.76, respectively, for illustration purpose. No representation is made that any amount in HK\$, RMB or US\$ 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.*
ZHOU Yongwei
Chairman

Fujian Province, the PRC, 16 October 2018

As at the date of this announcement, the executive Directors are Mr. ZHOU Yongwei, Mr. WU Zhirui, 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. SUN Leland Li Hsun, Mr. ZHANG Lihe and Mr. LIN Jianguo.

* For identification purpose only