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## **HUA LONG JIN KONG COMPANY LIMITED**

### **華隆金控有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1682)**

## **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE**

This announcement is made by Hua Long Jin Kong Company Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis to inform the shareholders and potential investors the latest business development.

### **THE JOINT VENTURES**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, in May 2018, 浙江旺誠進出口有限公司 (Zhejiang Wangcheng Import and Export Co., Ltd.\*, “**Zhejiang Wangcheng**”), an indirect wholly-owned subsidiary of the Company, formed two joint ventures in the PRC, namely, 杭州華夢文化傳媒有限公司 (Hangzhou Huameng Culture Media Co., Ltd.\*, “**Hangzhou Huameng**”) and 杭州築星文化傳播有限公司 (Hangzhou Zhuxing Culture Broadcasting Co., Ltd.\*, “**Hangzhou Zhuxing**”, together with Hangzhou Huameng, the “**Joint Ventures**”), with one and three other independent third part(ies) (the “**JV Partners**”), respectively. Zhejiang Wangcheng contributed RMB510,000 and RMB600,000 in cash (together, the “**Contributions**”) to the registered capital of, representing 51% and 60% of the equity interests in, Hangzhou Huameng and Hangzhou Zhuxing, respectively. The Contributions were financed by the internal resources of the Group. Accordingly, the Joint Ventures became subsidiaries of the Company, the results of which will be consolidated into the financial statements of the Group.

The profit or loss of each of the Joint Ventures shall be shared among Zhejiang Wangcheng and the respective JV Partners in accordance with the proportion of their respective equity interest in the Joint Ventures.

## **INFORMATION OF THE JOINT VENTURES**

Hangzhou Huameng is a company established in the People's Republic of China with limited liability on 28 May 2018 with a registered capital of RMB1,000,000, which is principally engaged in the sales and marketing of apparel through O2O (Online To Offline) marketing model, such as through conducting live video broadcast on live streaming platforms of online shopping websites (the “**O2O Apparel Sales Industry**”). As at the date of this announcement, Hangzhou Huameng is owned as to 51% by Zhejiang Wangcheng and 49% by 浙江夢洋文化傳媒有限公司 (Zhejiang Mengyang Culture Media Co., Ltd.\*, “**Zhejiang Mengyang**”).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, each of Zhejiang Mengyang and its ultimate beneficial owners and is a third party independent of the Company and its connected persons (has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) as at the date of this announcement.

Hangzhou Zhuxing is a company established in the People's Republic of China with limited liability on 24 May 2018 with a registered capital of RMB1,000,000, which is principally engaged in the provision of solutions for retail industry through advertisement design and production in the PRC, corporate and brand identity design and marketing planning (the “**Retail Solutions Industry**”). As at the date of this announcement, Hangzhou Zhuxing is owned as to 60% by Zhejiang Wangcheng, 14% by Jiang Yajun (蔣亞君), 13% by Fan Qing (范青) and 13% by Lei Xukuan (雷緒寬).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, each of Jiang Yajun, Fan Qing and Lei Xukuan is a third party independent of the Company and its connected persons (has the meaning ascribed to it under the Listing Rules) as at the date of this announcement.

## **REASONS FOR THE FORMATION OF THE JOINT VENTURES**

The Group is principally engaged in (i) the garment sourcing business; and (ii) financial services which include asset management, finance lease and money lending business, etc.

The Directors are of the view that the entry into the O2O Apparel Sales Industry and the Retail Solutions Industry brings synergy effect to the existing garment sourcing business of the Group and provides an attractive opportunity for the Group to broaden its income base and diversify its revenue stream, which is expected to increase the shareholders' value and benefit the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the formation of the Joint Ventures is below 5%, the formation of the Joint Ventures when aggregated do not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is published by the Company on a voluntary basis to keep its shareholders and potential investors informed of the latest business development of the Company.

## **GENERAL**

The Company will make relevant announcement(s), as and when appropriate, concerning the development of the new business activities in accordance with the Listing Rules.

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

By Order of the Board  
**Hua Long Jin Kong Company Limited**  
**Zhi Hua**  
*Chairman*

Hong Kong, 31 May 2018

*As at the date of this announcement, the Board comprises Mr. Zhi Hua, Mr. Lam Kai Yeung and Mr. Ma Jun as executive directors, Mr. Li Hui, Mr. Chau On Ta Yuen and Dr. Lam Lee G as independent non-executive directors; and Mr. Chan Kin as non-executive director.*

\* *for identification purposes only*