

*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.*



**港橋金融控股有限公司**

HKBridge Financial Holdings Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

**SUPPLEMENTAL ANNOUNCEMENT ON  
THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018 AND  
THE INTERIM REPORT  
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

Reference is made to the annual report for the year ended 31 December 2018 (the “**2018 Annual Report**”) published on 26 April 2019 and interim report for the six months ended 30 June 2019 (the “**2019 Interim Report**”) published on 26 September 2019 of HKBridge Financial Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”). The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information in respect of the Group’s investments as disclosed in 2018 Annual Report and 2019 Interim Report, as follows:

**SIGNIFICANT INVESTMENTS**

As at 31 December 2018, the Group held financial assets at fair value through profit or loss of approximately HK\$2,027,121,000. In which, the unlisted fund investments of HK\$1,397,187,000 and Club debentures of HK\$4,191,000 together were classified as non-current assets and the listed equity investments of HK\$332,743,000 and derivative financial asset of HK\$293,000,000 were classified as current assets in the Consolidated Statement of Financial Position of 2018 Annual Report.

Listed below are the particulars of the Group’s major unlisted fund investments:

Name of unlisted funds	Notes	Location	Cost/Fair value as at 1 January 2018 (HK\$'000)	Subscribe/ (Disposal) during the year (HK\$'000)	Fair value as at 31 December 2018 (HK\$'000)	Approximate percentage of investments attributable to the Group’s total assets	Return for the year ended 31 December 2018 (HK\$'000)	Fair value gain/(loss) for the year ended 31 December 2018 (HK\$'000)
Partners Special Opportunities Fund I (the “Partners Fund”)	(a)	Cayman Islands	200,000	N/A	205,633	3.99%	N/A	5,633
Huarong International Fortune Innovation LP (the “Huarong Fund”)	(b)	Cayman Islands	340,000	N/A	Nil	6.60%	N/A	(340,000)
Hong Kong Bridge One Belt One Road Natural Resource Fund LP (the “Natural Resource Fund”)	(c)	Cayman Islands	220,000	375,000	595,777	11.57%	N/A	777
Hong Kong Bridge One Belt One Road Fixed Income Fund LP (the “Fixed Income Fund”)	(d)	Cayman Islands	220,000	375,000	595,777	11.57%	N/A	777

Listed below are the particulars of the Group’s major listed equity investments:

Name of investees	Notes	Number of shares	Approximate percentage of interest held	Cost/Fair value as at 1 January 2018 (HK\$'000)	As at 31 December 2018			For the year ended 31 December 2018		
					Market price per share	Market value (HK\$'000)	Approximate percentage of investments attributable to the Group’s total assets	Dividend received (HK\$'000)	Disposal gain/(loss) (HK\$'000)	Fair value gain/(loss) (HK\$'000)
Qudian Inc. (NYSE: QD) (the “Qudian Shares”)	(e)	50,000	Less than 0.1%	4,882	N/A	N/A	N/A	N/A	(1,179)	N/A
SuperRobotics Limited (HKSE: 8176) (the “SuperRobotics”)	(f)	41,666,666	8.23%	536,667	6.00	250,000	4.85%	N/A	N/A	(286,667)
Huarong Investment Stock Corporation Limited (HKSE: 2277) (the “Huarong Shares”)	(g)	84,170,000	4.63%	135,553	0.37	31,143	0.60%	N/A	(7,061)	(104,410)
Crown International Corporation Limited (HKSE: 727) (the “Crown Shares”)	(h)	60,000,000	1.75%	85,800	0.86	51,600	1.00%	N/A	(6,600)	(34,200)
Zall Smart Commerce Group Limited (HKSE: 2098) (the “Zall Shares”)	(b) & (i)	69,120,000	0.59%	N/A	4.25	293,000	5.69%	N/A	N/A	293,000

As at 30 June 2019, the Group held financial assets at fair value through profit or loss of approximately HK\$440,610,000. In which, the unlisted fund investments of HK\$207,187,000 and Club debentures of HK\$4,191,000 together were classified as non-current assets and the listed equity investments of HK\$182,026,000 and derivative financial asset of HK\$47,206,000 were classified as current assets in the Consolidated Statement of Financial Position of 2019 Interim Report.

Listed below are the particulars of the Group's major unlisted fund investments:

Name of unlisted funds	Notes	Location	Cost/Fair value as at 1 January 2019 (HK\$'000)	Subscribe/ (Disposal) during the period (HK\$'000)	Fair value as at 30 June 2019 (HK\$'000)	Approximate percentage of investments attributable to the Group's total assets	Return for the six months ended 30 June 2019 (HK\$'000)	Fair value gain/(loss) for the six months ended 30 June 2019 (HK\$'000)
Partners Special Opportunities Fund I (the " <b>Partners Fund</b> ")	(a)	Cayman Islands	205,633	–	207,187	4.29%	N/A	1,554
Huarong International Fortune Innovation LP (the " <b>Huarong Fund</b> ")	(b)	Cayman Islands	Nil	–	Nil	N/A	N/A	N/A
Hong Kong Bridge One Belt One Road Natural Resource Fund LP (the " <b>Natural Resource Fund</b> ")	(c)	Cayman Islands	595,777	(595,777)	N/A	12.35%	N/A	N/A
Hong Kong Bridge One Belt One Road Fixed Income Fund LP (the " <b>Fixed Income Fund</b> ")	(d)	Cayman Islands	595,777	(595,777)	N/A	12.35%	N/A	N/A

Listed below are the particulars of the Group's major listed equity investments:

Name of investees	Notes	Number of shares	Approximate percentage of interest held	Cost/Fair value as at 1 January 2019 (HK\$'000)	As at 30 June 2019			For the six months ended 30 June 2019		
					Market price per share	Market value (HK\$'000)	Approximate percentage of investments attributable to the Group's total assets	Dividend received (HK\$'000)	Disposal gain/(loss) (HK\$'000)	Fair value gain/(loss) (HK\$'000)
SuperRobotics Limited (HKSE: 8176) (the "SuperRobotics")	(f)	41,666,666	8.23%	250,000	3.50	145,833	3.02%	N/A	N/A	(104,167)
Huarong Investment Stock Corporation Limited (HKSE: 2277) (the "Huarong Shares")	(g)	84,170,000	4.63%	31,143	0.43	36,193	0.75%	N/A	N/A	5,050
Crown International Corporation Limited (HKSE: 727) (the "Crown Shares")	(h)	60,000,000	1.75%	51,600	N/A	N/A	N/A	N/A	(3,600)	N/A
Zall Smart Commerce Group Limited (HKSE: 2098) (the "Zall Shares")	(b) & (i)	44,958,000	0.38%	190,577	1.05	47,206	0.98%	N/A	(69,325)	(143,371)

#### Notes

- (a) According to the placing memorandum of the Partners Fund, the investment objective of the Partners Fund is to generate long term capital appreciation for its shareholders and the Partners Fund will seek to achieve its investment objective primarily by investing in debt securities or equity securities of both private and listed companies in Hong Kong or elsewhere or in such other financial instruments as the investment adviser(s) may determine. The Group received the cumulated return from Partners Fund of HK\$36,000,000 as at 30 June 2019. Further details of the Partners Fund were set out in the Company's announcement dated 25 January 2017.

With reference to the investment objective of the Partners Fund and the extensive experience and skills of the directors of the Partners Fund and the manager, the Board believes the subscription of the Partners Fund will enable the Group to capture investment opportunities and further diversify the Group's investment portfolio. The subscription is also in alignment with the Group's expansion plan on carrying out financial investments by investing in high yield equity and debt products to maximise the long-term investment return of the Group.

- (b) According to the Amended and Restated Limited Partnership Agreement of the Huarong Fund, the primary purpose of the Huarong Fund is to acquire no more than HK\$2.23 billion of shares in Fullshare Holdings Ltd, a company of which the shares are listed on the Stock Exchange (HKSE: 607) and such other assets as approved by a unanimous resolution at a general meeting or in writing by all limited partners who are entitled to vote on the relevant matter. Further details of the Huarong Fund were set out in the Company's announcements dated 23 December 2016, 8 December 2017, 11 December 2017, 26 March 2018, 3 July 2018, 2 October 2018, 3 January 2019 and 16 August 2019 respectively.

As at 31 December 2018, the substantial fair value losses arising from the adverse market price changes of the listed security held by the Huarong Fund, the fair value of the investment in Huarong Fund was zero if calculating the distribution net sale proceeds of the Huarong Fund. However, pursuant to the Share Charge Agreement entered into on 22 March 2017 with two certain chargers which are independent parties of the Group, 69,120,000 shares of Zall Shares were provided in favour of the Group as security for the full and punctual performance of all the secured liabilities. The Group recognised the fair value of Zall Shares of HK\$293,000,000 as derivative financial asset in the Consolidated Statement of Financial Position.

In order to reduce the losses of investment in Huarong Fund, the Group notified the chargors that the Group has taken possession of Zall Shares in exercise of the chargee's right and intends to dispose the Zall Shares for the repayment of the secured liabilities on 29 April 2019. The Group disposed of 24,162,000 shares through a broker to recover approximately HK\$33,097,609 for the six months ended 30 June 2019.

As at the date of this announcement, the Group is in the process of litigation against Mr. Ji Changqun as the defendant, further announcement(s) will be made regarding any significant developments on the litigation as and when appropriate.

- (c) According to the Amended and Restated Limited Partnership Agreement of the Natural Resource Fund, the primary purpose of the Natural Resource Fund is to achieve long-term capital appreciation, principally through investing in equity, equity-related investments, fixed income securities, debt instruments and loans in connection with energy, mining or agricultural businesses, or infrastructure relating to any of the foregoing. Further details of the Natural Resource Fund were set out in the Company's announcements dated 14 May 2017 and 12 March 2018 respectively.

On 16 May 2019, all parties of the Natural Resource Fund entered into the Memorandum of Understanding to agree that the first-tier limited partner has withdrawn from the partnership and have no further or continuing interests in the partnership upon receipt of all contribution and return on 29 March 2019. Under such circumstances and according to the accounting policy of the Group, the investment in Natural Resource Fund shall be derecognized from financial assets at fair value through profit or loss and re-recognised as the Loan Receivables in the Consolidated Statement of Financial Position immediately.

With reference to the investment objective of the Natural Resource Fund, the general partner is continuing to look for a new first-tier partner to expand the fund investing activities. The Board considers that all the subscription of interests in the funds were beneficial to the Group and its shareholders as a whole, by generating the returns from medium to long term investments and to enhance the experience of assets management in the coming years.

- (d) According to the Amended and Restated Limited Partnership Agreement of the Fixed Income Fund, the primary purpose of the Fixed Income Fund is to achieve long-term capital appreciation, principally through investing in fixed income securities, debt instruments and loans, including without limitation loans, convertible bonds, fixed income securities, money market, convertible securities. Further details of the Fixed Income Fund were set out in the Company's announcements dated 14 May 2017 and 12 March 2018 respectively.

On 16 May 2019, all parties of the Fixed Income Fund entered into the Memorandum of Understanding to agree that the first-tier limited partner has withdrawn from the partnership and have no further or continuing interests in the partnership upon receipt of all contribution and return on 29 March 2019. Under such circumstances and according to the accounting policy of the Group, the investment in Fixed Income Fund shall be derecognized from financial assets at fair value through profit or loss and re-recognised as the loan receivables in the Consolidated Statement of Financial Position immediately.

With reference to the investment objective of the Fixed Income Fund, the general partner is continuing to look for a new first-tier partner to expand the fund investing activities. The Board considers that all the subscription of interests in the funds were beneficial to the Group and its shareholders as a whole, by generating the returns from medium to long term investments and to enhance the experience of assets management in the coming years.

- (e) The principal activities of Qudian Shares are the operation of online platforms to provide small consumers credit products in the People's Republic of China (the "PRC").

On 8 June 2018, the Group disposed of a total number of 50,000 shares of Qudian Shares via broker at the consideration of approximately HK\$3.70 million. Upon the completion of the disposal of Qudian Shares, the Group realised a total loss of HK\$1,180,000 for the year ended 31 December 2018.

- (f) The principal activities of SuperRobotics Shares are the provision of engineering products and related services and the sales of beauty products and provision of therapy services.

The Board noted that the robust development of the robotic industry in the PRC represents an enormous potential for market expansion for the SuperRobotics in the future. The construction of intelligent cities has been in full swing based upon the artificial intelligent technology. The wide application of intelligent robotics covers from police use to various aspects such as services and security. The investment team of the Group considered that the long-term investment in SuperRobotics Shares would generate the returns to the Group after the realization and the large-scale expansion of the use of relevant technologies in the future.

- (g) The principal activities of Huarong Shares are direct investments, financial services and others and foundation and substructure construction services.

The Board noted that the Huarong Shares generated a stable revenue from direct investment and financial services but suffered the significant impairment losses in financial investments. The investment team of the Group considered that the core business operation of Huarong Shares would be improved in the future.

- (h) The principal activities of Crown Shares are investment in property, property development, hotel operations, and financial consultancy services in the PRC.

On 24 January 2019, the Group entered into the agreement with an independent third party to dispose of the rest of 60,000,000 Crown Shares at the total consideration of HK\$48.00 million, representing 100% of the Group's total realised loss from disposal of listed securities of approximately HK\$3.60 million for the six months ended 30 June 2019.

- (i) The principal activities of Zall Shares are the business in constructing and operating B2B trading platforms for consumer goods, agricultural products, chemicals, plastic raw materials, black and non-ferrous metals, etc., and to provide services such as finance, property, logistics, cross-border trading and supply chain management based on the trading scenario and transaction data, and also to develop and operate large-scale, consumer product focused wholesale shopping malls.

As the pledged security of the investment in the Huarong Fund, the Board will continue to evaluate the risk of the recoverability of the principal amount of the investment. To minimize the loss, the group may further dispose of the Zall Shares via broker in the coming months.

Save as disclosed above supplemental information, all other information in 2018 Annual Report and 2019 Interim Report remain unchanged.

By order of the Board  
**HKBridge Financial Holdings Limited**  
**Su Zhiyang**  
*Company Secretary*

Hong Kong, 22 October 2019

*As at the date of this announcement, the Board comprises Mr. Liu Tingan, Mr. Cheok Ho Fung and Mr. Shan Yongxin being executive Directors; and Mr. Li Yongjun being non-executive Director; and Mr. Ng Man Kung, Mr. Lau Fai Lawrence and Mr. Mak Kwok Kei being independent non-executive Directors.*