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華融國際金融控股有限公司

HUARONG INTERNATIONAL FINANCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 993)

**DISCLOSEABLE TRANSACTION
PROVISION OF TERM LOAN FACILITY**

THE FACILITY AGREEMENT

On 7 December 2016, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Facility Agreement with Eagle Shine Enterprises Limited as the Borrower, China Tian Yuan Holdings and China Tian Yuan Hong Kong as the corporate guarantors and Mr. Jia as the personal guarantor, pursuant to which the Lender agreed to provide the Facility in the principal amount of HK\$500,000,000 repayable on the Repayment Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the provision of the Facility exceed 5% but are less than 25%, the entering into of the Facility Agreement and the provision of the Facility constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

On 7 December 2016, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Facility Agreement with Eagle Shine Enterprises Limited as the Borrower, China Tian Yuan Holdings and China Tian Yuan Hong Kong as the corporate guarantors and Mr. Jia as the personal guarantor, pursuant to which the Lender agreed to provide the Facility in the principal amount of HK\$500,000,000 repayable on the Repayment Date.

THE FACILITY AGREEMENT

The principal terms of the Facility Agreement are as follows:

Date

7 December 2016

Parties

- (i) the Lender, an indirect wholly-owned subsidiary of the Company, as the lender;
- (ii) Eagle Shine Enterprises Limited, as the borrower;
- (iii) China Tian Yuan Holdings and China Tian Yuan Hong Kong, as the corporate guarantors; and
- (iv) Mr. Jia, as the personal guarantor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower, China Tian Yuan Holdings, China Tian Yuan Hong Kong, and their respective ultimate beneficial owners and Mr. Jia are third parties independent of the Company and its connected persons.

Subject Matter

Pursuant to the Facility Agreement, the Lender agreed to provide a term loan facility in the principal amount of HK\$500,000,000 to the Borrower at an interest rate of seven per cent. (7%) per annum on the outstanding principal amount of the Facility. The Facility will be financed by internal resources of the Group.

Purpose of the Facility

The Borrower shall apply all amounts borrowed by it under the Facility towards repayment of other amount owing by the Borrower to the Lender and/or its affiliates and other general corporate purposes of the Borrower.

Term of the Facility

The term of the Facility Agreement shall commence from the Drawdown Date and end on the Repayment Date.

Availability Period

The Facility shall be made available to the Borrower from and including the date of the Facility Agreement to and including the date falling thirty (30) Business Days after the date of the Facility Agreement.

Conditions Precedent

The Facility will be made available by the Lender in one lump sum to the Borrower on the Drawdown Date upon satisfaction, among others, of the following conditions precedent:

- (i) the Lender having received all documents and other evidence in the form and substance satisfactory to the Lender and as set out in the Facility Agreement;
- (ii) no event of default under the Facility Agreement is continuing or would result from the proposed loan under the Facility; and
- (iii) the representations in the Facility Agreement being true in all respects.

Guarantee

Pursuant to the Facility Agreement, each of the Guarantors irrevocably and unconditionally guarantee to the Lender, among others, the punctual performance by the Borrower and each other Guarantors of all of their respective obligations under the Facility Agreement and any other finance documents designated as such by the Lender; and undertakes to the Lender that whenever the Borrower or the Guarantors do not pay any amount when due under or in connection with the Facility Agreement and any other finance documents designated as such by the Lender, the Guarantors shall on demand pay that amount to the Lender.

Repayment

The Facility shall be repaid to the Lender by the Borrower in full on the Repayment Date.

Interest Period

The accrued interest on the Facility shall be paid to the Lender on the last day of the interest periods being (i) for the first interest period, six (6) months commencing on the Drawdown Date; and (ii) for each subsequent interest period, six (6) months commencing on the last day of the preceding interest period.

INFORMATION OF THE LENDER AND THE GROUP

The Lender is an investment holding company incorporated in the British Virgin Islands with limited liability, and is an indirect wholly-owned subsidiary of the Company. The Group is principally engaged in brokerage and dealing of securities, futures and options contracts, margin financing, loan financing, financial advisory, investment, provision of management and consultancy services.

INFORMATION OF THE BORROWER AND THE GUARANTORS

The Borrower is an investment holding company incorporated in the British Virgin Islands. China Tian Yuan Holdings and its subsidiaries are principally engaged in brokerage and dealing of securities, futures and options contracts, financial advisory, investment, provision of management and consultancy services.

The Guarantors are independent third parties of the Group. China Tian Yuan Hong Kong is a limited liability company incorporated in Hong Kong and is the immediate holding company of the Borrower. China Tian Yuan Holdings is a limited liability company incorporated in the Cayman Islands. It is the ultimate holding company of the Borrower, and is in turn ultimately owned by Mr. Jia, who is a director of China Tian Yuan Holdings.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE FACILITY AGREEMENT

The terms of the Facility Agreement (including the applicable interest rates) were arrived upon arm's length negotiations between the Lender and the Borrower having taken into account the prevailing market interest rates and practices.

The Facility will provide interest returns to the Lender which will result in reasonable income to the Group, while enhancing returns to the Shareholders. In view of the above, the Directors consider that the terms of the Facility Agreement are normal commercial terms and such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the provision of the Facility exceed 5% but are less than 25%, the entering into of the Facility Agreement and the provision of the Facility constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Borrower”	Eagle Shine Enterprises Limited (鷹亮企業有限公司), a company incorporated in the British Virgin Islands with limited liability
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong
“China Tian Yuan Holdings”	China Tian Yuan Finance Group (Holdings) Limited (中國天元金融集團(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, and the ultimate holding company of the Borrower
“China Tian Yuan Hong Kong”	China Tian Yuan International Finance Limited (中國天元國際金融有限公司), a company incorporated in Hong Kong with limited liability, and the immediate holding company of the Borrower

“Company”	Huarong International Financial Holdings Limited (華融國際金融控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 993)
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Drawdown Date”	the date of utilisation of the Facility
“Facility”	a term loan facility in the principal sum of HK\$500,000,000, to the extent not cancelled, refused or transferred by the Lender under the Facility Agreement
“Facility Agreement”	the facility agreement dated 7 December 2016 and entered into among the Lender, the Borrower and the Guarantors in relation to the provision of the Facility
“Group”	the Company and its subsidiaries
“Guarantors”	China Tian Yuan Holdings, China Tian Yuan Hong Kong and Mr. Jia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Dragongate Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jia”	Mr. Jia Tianjiang, a PRC citizen and the ultimate beneficial owner of China Tian Yuan Holdings
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong and Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repayment Date”	the date falling one year after the Drawdown Date
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiaries” has the same meaning as ascribed to it under the Listing Rules

“%” per cent.

By order of the Board
Huarong International Financial Holdings Limited
Liu Xiaodong
Chairman

Hong Kong, 7 December 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Xiaodong, Mr. Huang Rui and Mr. Lai Jinyu, the non-executive director is Mr. Zeng Jianyong, and the independent non-executive directors are Dr. Wong Tin Yau Kelvin, Mr. Ma Lishan and Mr. Yeung Siu Keung.