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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
IN RELATION TO
SUBSCRIPTION OF 5.75% SENIOR NOTES DUE 2022**

On 22 December 2016 (after trading hours), the Subscriber placed the Order to subscribe for the Senior Notes, on the same day, it was confirmed that the Subscriber has been allocated with the Senior Notes in the total subscription amount of US\$80,000,000.

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules exceed(s) 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTION OF SENIOR NOTES

Date : 22 December 2016

Parties : 1. Logan Property Holdings Company Limited (龍光地產控股有限公司)
(as the Issuer)

2. The Subscriber, an indirectly wholly-owned subsidiary of the Company

The Subscription

On 22 December 2016 (after trading hours), the Subscriber placed the Order to subscribe for the Senior Notes, and on the same day, it was confirmed that the Subscriber has been allocated with the Senior Notes in the total subscription amount of US\$80,000,000. The Group has funded the total subscription monies under the Subscription from its internal resources.

Principal Terms of the Senior Notes

- Issuer : Logan Property Holdings Company Limited (龍光地產控股有限公司) (Stock Code: 3380)
- Aggregate principal amount : US\$200,000,000
- Offering price : 100% of the principal amount of the Senior Notes
- Interest : 5.75% per annum, payable semi-annually in arrears
- Maturity date : 3 January 2022
- Denomination : The Senior Notes will be issued only in fully registered form, without coupons, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof
- Ranking of the Senior Notes : The Senior Notes are:
1. senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Senior Notes;
 2. at least *pari passu* in right of payment with the existing notes of the Issuer and all other unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law);
 3. guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis;
 4. effectively subordinated to the secured obligations of the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and
 5. effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries of the Issuer
- Listing : The Senior Notes will be listed on the Stock Exchange

INFORMATION OF THE ISSUER

The Issuer is a leading integrated property developer in the PRC focusing on the residential property development, mainly the economically prosperous market including Shenzhen and the Pearl River Delta region, with products that primarily target first-time homebuyers and upgraders.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Issuer and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION OF THE GROUP

The Group is principally engaged in brokerage and dealing of securities, futures and options contracts, margin financing, loan financing, financial advisory, investment holding, provision of management and consultancy services.

REASONS FOR AND BENEFITS FOR THE SUBSCRIPTION

The main reasons and benefits for the Subscription are as follows: (1) the Subscription will be complementary to the Group's development strategy; (2) the Subscription will allow the Group to optimize its investment portfolio and diversify its investment risks; and (3) the Subscription will generate stable income for the Group.

The Directors consider that the terms of the Subscription are on normal commercial terms which are fair and reasonable and the entering into of the Subscription is in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules exceed(s) 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

The following expressions have the following meanings in this announcement unless the content requires otherwise:

“Board”	the board of Directors
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Logan Property Holdings Company Limited (龍光地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 3380)
“JV Subsidiary Guarantors”	subsidiaries of the Issuer which provide limited-recourse guarantee to replace guarantees provided by Subsidiary Guarantors under certain circumstances and subject to certain conditions
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Order”	the order placed by the Subscriber on 22 December 2016 in relation to the Subscription
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Senior Notes”	the 5.75% senior notes due 2022 in the aggregate principal amount of US\$200,000,000 issued by the Issuer
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Beyond Steady Limited (堅越有限公司), a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Subscription”	the subscription for the Senior Notes by the Subscriber pursuant to the Order
“Subsidiary Guarantors”	certain existing subsidiaries of the Issuer other than those organized under the laws of the PRC and certain subsidiaries as specified in the terms of the Senior Notes

“US\$” the lawful currency of the United States of America

“%” per cent.

For the purpose of this announcement, conversion of US dollars in Hong Kong dollars is based on the approximate exchange rate of HK\$7.8 to US\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US dollars or Hong Kong dollars have been, could have been or may be converted at such or any other rate or at all.

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

Hong Kong, 22 December 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Xiaodong, Mr. Huang Rui and Ms. Wang Wei, 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.