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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 FACILITY

The Board announces that on 30 December 2016 (after trading hours), the Lender, a wholly-owned subsidiary of the Company, entered into the Facility Agreement with the Borrowers, pursuant to which the Lender has agreed to provide the Facility in the principal amount of up to US\$65,000,000 (equivalent to approximately HK\$505,700,000) to the Borrowers, bearing interest at a rate of 6% per annum and arrangement fees at a rate of 1% per annum.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the provision of the Facility exceed(s) 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 and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE FACILITY AGREEMENT

The principal terms of the Facility Agreement are summarised as follows:

- Date** : 30 December 2016 (after trading hours)
- Parties** : (a) the Lender, as lender;
(b) the Borrowers, as borrowers; and
(c) the Guarantors, as guarantors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Borrowers, the Guarantors and their respective ultimate beneficial owners is an independent third party of the Company and its connected persons.

- Principal amount** : In the principal amount of up to US\$65,000,000 (equivalent to approximately HK\$505,700,000). The Facility will be financed by internal resources available to the Group.
- Term** : The term of the Facility Agreement shall commence from the Utilisation Date and end on the Repayment Date, subject to an extension of up to one year if requested by the Borrowers and agreed by the Lender at its absolute discretion.
- Purpose of the Facility** : The amounts borrowed shall be applied (i) towards financing the Development, (ii) in forms of investments approved by the Lender and (iii) towards financing agreed fees, costs and expenses associated with the Facility.
- Interest Rate** : 6% per annum
- Arrangement Fees** : 1% per annum
- Conditions Precedent** : The Facility will be made available for drawdown to the Borrowers upon satisfaction of the conditions precedent as more particularly set out in the Facility Agreement, including without limitation, the following:
- (1) the Lender having received all conditions precedent documents and other evidences in form and substance satisfactory to it;
 - (2) no default or event or circumstance which would be an event of default is continuing or would result from the loan made under the Facility; and
 - (3) the representations made by each of the Obligors and Mr. Feng are true in all material respects.
- Repayment** : The Borrowers shall repay the Loan in full together with all accrued interest and any other amounts payable under the Facility Agreement on the Repayment Date, subject to an extension of up to one year if requested by the Borrowers and agreed by the Lender at its absolute discretion.

- Prepayment** : The Borrowers may, on or after the second anniversary of the initial Utilisation Date, prepay the whole or any part of the Loan (but if in part, being an amount that reduces the Loan by a minimum amount of US\$10,000,000 (equivalent to approximately HK\$77,800,000)), subject to payment of a prepayment fee and notice requirements in accordance with the Facility Agreement.
- Security and Guarantee** : Subject to certain conditions, the Loan shall be secured by the following documents:
- (1) a Hong Kong law governed share mortgage in relation to 40% and 60% of the shares held by GH Property Holdings Limited and Golden Horse International Joint Corporation in Utopia, respectively, dated on or about the date of the Facility Agreement between Mr. Feng and the Lender;
 - (2) an Australian law governed specific security deed in relation to shares held by Utopia in the Australian Project Company dated on or about the date of the Facility Agreement between Utopia and the Lender;
 - (3) an Australian law governed account bank deed in relation to a current account containing all proceeds from pre-sales or sales received by the Australian Project Company between, among others, the Australian Project Company and the Lender;
 - (4) a mortgage over a parcel of land located at 20 Walsh Street, Milton, QLD 4064, Australia between the Australian Project Company and the Lender; and
 - (5) joint and several guarantees provided by the Guarantors in favour of the Lender.

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, provision of management and consultancy services. The Lender is an investment holding company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE BORROWERS AND THE GUARANTORS

Utopia is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in estate development and investment. Noosa is a company incorporated under the laws of Australia with limited liability and is principally engaged in estate development and investment. The Australian Project Company is a company incorporated under the laws of Australia with limited liability and is principally engaged in estate development and investment.

REASONS FOR AND BENEFITS OF THE FACILITY AGREEMENT

The terms of the Facility Agreement were arrived upon after arm's length negotiations between the Lender and the Borrowers, having taken into account the prevailing market interest rates and practices.

The Facility will provide returns in the form of interests and arrangement fees 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 on 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 calculated under Rule 14.07 of the Listing Rules in respect of the provision of the Facility exceed(s) 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 and is subject to the reporting and announcement requirements under Chapter 14 of 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:

“Australian Project Company”	GH Milton Development Property Ltd, a company incorporated under the laws of Australia and a company wholly-owned by Utopia
“Board”	the board of Directors
“Borrowers”	Utopia and Noosa
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in Beijing, Hong Kong, and Sydney
“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 and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 993)

“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Development”	the building and other works with respect to a parcel of land located at 20 Walsh Street, Milton, QLD 4064, Australia to be undertaken by the Australian Project Company
“Director(s)”	the director(s) of the Company
“Facility”	a term loan facility in the principal amount of up to US\$65,000,000 (equivalent to approximately HK\$505,700,000) pursuant to the terms of the Facility Agreement
“Facility Agreement”	the facility agreement dated 30 December 2016 entered into between the Lender, the Borrowers and the Guarantors in relation to the provision of the Facility
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Feng and the Australian Project Company and such additional guarantor(s) which may be appointed from time to time, and each a “Guarantor”
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Dynasty Jade Holdings Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan
“Mr. Feng”	Mr. Feng Di (馮地先生), being the ultimate beneficial holder of the entire issued and outstanding shares of Utopia and holder of approximately 33.33% of the issued and outstanding shares of Noosa
“Noosa”	Noosa Springs Investment Pty Ltd (努沙投資有限公司), a company incorporated under the laws of Australia which is owned by as to approximately 33.33% by Mr. Feng
“Obligors”	collectively, the Borrowers and each Guarantor (other than Mr. Feng)
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Repayment Date”	the date falling thirty (30) months from the Utilisation Date of the Facility
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Utilisation Date”	the date on which the initial Loan is to be made under the Facility Agreement
“Utopia”	Utopia International Club Limited (御都國際俱樂部股份有限公司), a company incorporated under the laws of Hong Kong with limited liability and a company wholly-owned by Mr. Feng
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 30 December 2016

For illustrative purpose only and unless otherwise specified, US\$ is translated to HK\$ at the rate of US\$1.00 = HK\$7.78.

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.