

*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.*



# 信達國際控股有限公司

## CINDA INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 111)**

### **DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on 24 April 2015, the Company entered into the following agreements:

- (a) the TRS Agreements between the Company and UBS with a notional amount of US\$13,000,000 which is scheduled to expire in April 2016; and
- (b) the Securities Sale Agreement between the Company and UBS as agent of ELM B.V. and/or VIS Finance S.A. in relation to the sell and purchase of a portfolio of bond at a consideration of US\$21,002,450.

As the applicable percentages under Rule 14.07 of the Listing Rules in relation to the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under the Listing Rules.

The Board is pleased to announce that on 24 April 2015, the Company entered into the following agreements:

- (a) the TRS Agreements between the Company and UBS with a notional amount of US\$13,000,000 which is scheduled to expire in April 2016; and
- (b) the Securities Sale Agreement between the Company and UBS as agent of ELM B.V. and/or VIS Finance S.A. in relation to the sell and purchase of a portfolio of bonds at a consideration of US\$21,002,450.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of UBS, ELM B.V. and VIS Finance S.A. and its ultimate beneficial owners are parties who are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owners are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company.

## THE TRS TRANSACTION

The key terms of the TRS Transaction are as follows:

Effective date:	28 April 2015
Parties:	(a) The Company (b) UBS
Notional amount:	US\$13,000,000
Termination date:	28 April 2016
Underlying assets:	<b>Bond portfolio</b>

The initial bond portfolio comprised of:

<i>Issuer</i>	<i>Maturity date</i>	<i>Reference Obligation — outstanding principal amount</i>
BANK OF CHINA IND & COMM BK OF CHINA L	Perpetual	RMB20,000,000
EVERGRANDE REAL ESTATE G	Perpetual	US\$4,000,000
EVERGRANDE REAL ESTATE G	30 October 2018	US\$2,000,000
EVERGRANDE REAL ESTATE G	19 January 2016	RMB12,000,000
ZOOMLION HK SPV CO LTD	5 April 2017	US\$3,000,000
FAR EAST CONSORTIUM DATANG	4 March 2016	RMB18,000,000
INTERNATIONAL HON SHUI ON DEVELOPMENT HOLD	30 November 2015	RMB7,540,000
	24 November 2017	US\$2,000,000

The above initial bond portfolio may be modified from time to time:

- (a) by way of substitution of part or all of the Reference Obligations if any of the following events occurs:
- (i) as requested by the Company and with the consent of UBS;
  - (ii) (1) an event of default or potential event of default has occurred in respect of a Reference Obligation under its terms and conditions, or (2) the market value of such Reference Obligation on any day is below 70% of its face amount, or (3) a conversion into ordinary shares has or may occur in respect of a Reference Obligation under its terms and conditions; and

(iii) UBS is required to comply with any law, regulation or court or other judicial order relating to UBS; or

(b) following the redemption in full of a Reference Obligation.

**Cash portfolio**

The cash portfolio comprised of:

- (a) the aggregate of any and all amounts actually received by or on behalf of UBS in respect of any Reference Obligation; and
- (b) the aggregate of any and all cash delivered by the Company to UBS in accordance with the substitution provisions of the TRS Transaction.

Initial and final exchange:

Pursuant to the provisions of the TRS Agreements, UBS will pay to the Company US\$13,000,000, being an amount equal to the Market Value of the bond portfolio to be transferred to UBS, as agent, at close of business on the date immediately preceding the date of the Securities Sale Agreement which was US\$21,002,450 minus the Initial Haircut.

On 28 January, 28 April, 28 July and 28 October in each year commencing from 28 July 2015 and up to, and including 28 April 2016, the Company will pay interest on the notional amount to UBS calculated at the US\$ 3-month deposits LIBOR rate plus 1.50% per annum.

On the final exchange date, i.e., the termination date of the TRS Transaction:

- (a) UBS will deliver to the Company the Reference Obligations comprised in the bond portfolio and any cash comprised in the cash portfolio as at the final exchange date; and
- (b) the Company will pay to UBS the notional amount, i.e., US\$13,000,000.

Reallocation of Reference Obligations:

UBS has the option to effect, not more than six times, reallocation of any Reference Obligations to a permitted third party (being ELM B.V., VIS Finance S.A. or any additional entities as UBS and the Company may designate as a permitted third party) at any time during the term of the TRS Transaction at a consideration equivalent to the aggregate market value of such Reference Obligations to be reallocated as at the effective date of such reallocation.

## SECURITIES SALE AGREEMENT

### 1. Date

24 April 2015

### 2. Parties

The Company as seller  
UBS, agent of ELM B.V. and VIS Finance S.A., as purchaser

### 3. Assets to be disposed of

In connection with the TRS Transaction, the Company wishes to sell, and UBS, acting as agent, wishes to buy the following portfolio of bonds:

<i>Issuer</i>	<i>Maturity date</i>	<i>Reference Obligation — outstanding principal amount</i>
BANK OF CHINA	Perpetual	RMB20,000,000
IND & COMM BK OF CHINA L	Perpetual	US\$4,000,000
EVERGRANDE REAL ESTATE G	30 October 2018	US\$2,000,000
EVERGRANDE REAL ESTATE G	19 January 2016	RMB12,000,000
ZOOMLION HK SPV CO LTD	5 April 2017	US\$3,000,000
FAR EAST CONSORTIUM	4 March 2016	RMB18,000,000
DATANG INTERNATIONAL HON	30 November 2015	RMB7,540,000
SHUI ON DEVELOPMENT HOLD	24 November 2017	US\$2,000,000

### 4. Consideration

The total consideration for the portfolio of bonds payable under the Securities Sale Agreement is US\$21,002,450. On completion, the Company will transfer the portfolio of bonds to the account provided by UBS via each relevant clearing system and UBS will satisfy the consideration in cash on a delivery versus payment basis on completion. As disclosed in the section headed “The TRS Transaction — Initial and final exchange”, the actual amount to be received by the Company upon completion is US\$13,000,000.

The total consideration for the portfolio of bonds was arrived at based on normal commercial terms after arm’s length negotiations between the parties to the Securities Sale Agreement and with reference to the Market Value of the bond portfolio to be transferred to UBS, as agent, as at close of business on the date immediately preceding the date of the Securities Sale Agreement which was US\$21,002,450.

### 5. Conditions precedent

The obligations of the parties under the Securities Sale Agreement are subject to, among others, the TRS Transaction having been entered into by the Company and UBS.

## **6. Completion**

Completion of the sale and purchase of the portfolio of bonds will take place on 28 April 2015.

## **7. Reallocation of Reference Obligations**

As provided under the TRS Agreements, UBS has the option to effect a reallocation of any Reference Obligations to a permitted third party (being ELM B.V., VIS Finance S.A. or any additional entities as UBS and the Company may designate as a permitted third party) at a consideration equivalent to the aggregate market value of such Reference Obligations. In such event, upon delivery of a reallocation notice by UBS pursuant to the provisions of the TRS Agreements, UBS will deliver the relevant Reference Obligations as specified in the reallocation notice to the Company against payment by the Company to UBS of the consideration for the relevant Reference Obligations. On completion of a reallocation, UBS will deliver the relevant Reference Obligations directly to the permitted third party who will pay the consideration to UBS directly. Each of the Company and UBS agrees that settlement in respect of the delivery and payment obligations of the Company and UBS in respect of a reallocation of Reference Obligations will be netted off against each other by way of the direct delivery and payment between UBS and the permitted third party as described above and, accordingly, in no event will the Company be required to pay any cash to UBS (or any permitted third party) or UBS as agent, be required to deliver any relevant Reference Obligations to the Company, in each case, in respect of such reallocation transaction.

## **REASONS FOR ENTERING INTO THE TRS TRANSACTION AND THE DISPOSAL**

The Group is principally engaged in the provision of corporate finance advisory services, asset management, securities broking, commodities and futures broking, financial planning and insurance broking.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a stock corporation. UBS AG's scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG London Branch operates as a branch of UBS AG and is domiciled in London, United Kingdom.

ELM B.V. was incorporated as a Dutch B.V. with limited liability in the Netherlands, having its corporate seat in Amsterdam and being subject to Dutch legislation. ELM B.V. has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

VIS Finance S.A. was incorporated in the Grand Duchy of Luxembourg as a public limited liability company whose principal activities are to enter into, perform and serve as a vehicle for, any securitisation transactions as permitted under the Securitisation Act of Luxembourg.

The TRS Transaction allows the Company to generate additional cash flows by swapping the total return of the bond portfolio as detailed in the TRS Agreements. In order to facilitate the TRS Transaction, the Securities Sale Agreement was entered into pursuant to which the bond portfolio as detailed in the Securities Sale Agreement will be transferred from the Company to UBS, as agent of ELM B.V. and VIS Finance S.A. At the time of entering into of the TRS Agreements and the Securities Sale Agreement, the bond portfolios set out in the respective agreements were identical. At the final exchange upon termination of the TRS Transaction, (i)

UBS will deliver the bond portfolio, as modified, together with any cash comprised in the cash portfolio to the Company, and (ii) the Company will pay to UBS the notional amount under the TRS Agreements, i.e., US\$13,000,000.

The bond portfolio to be transferred under the Securities Sale Agreement was treated as current assets with a value of approximately HK\$157,500,000 as at 31 December 2014. At completion of the Securities Sale Agreement, taken into account of the initial exchange under the TRS Agreements, the Company will receive a sum of US\$13,000,000. However, (i) as the sum of US\$13,000,000 will be treated as a loan to the Company, and (ii) it is expected that the bond portfolio (as modified) will be transferred back to the Company in April 2016 upon termination of the TRS Transaction, no gain or loss is expected to accrue to the Company upon completion of the Disposal. The Company intends to apply the proceeds from the Disposal as general working capital of the Group.

The Directors are of the view that the terms of the TRS Agreements and the Securities Sale Agreement are fair and reasonable and the TRS Transaction is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentages under Rule 14.07 of the Listing Rules in relation to the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	board of Directors
“Company”	Cinda International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	director(s) of the Company
“Disposal”	transfer of a bond portfolio by the Company to UBS, as agent of ELM B.V. and VIS Finance S.A., pursuant to the Securities Sale Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China
“Initial Haircut”	US\$8,002,450, being the agreed discount to the Market Value of the bond portfolio to be transferred under the Securities Sale Agreement
“LIBOR”	London Interbank Offered Rate

“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Market Value”	(a) in relation to cash in US\$, such amount of cash, and in relation to cash in any other currency, the amount of such currency converted in US\$ at the prevailing applicable spot foreign exchange rate as at the date of determination; and  (b) in relation to a Reference Obligation, the market value of such Reference Obligation (together with the aggregate amount of all interest and/or other distributions of income thereon which, as of such day, has or have accrued but not yet been paid in respect of such Reference Obligation, to the extent not included in such price) determined by UBS, being the calculation agent, and converted into US\$ at the prevailing applicable spot foreign exchange rate as at the date of determination
“Reference Obligation”	each obligation comprised from time to time in the bond portfolio of the TRS Transaction, as shown in the section headed “The TRS Transaction — Underlying assets” above
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Securities Sale Agreement”	a securities sale agreement dated 24 April 2015 made between the Company and UBS as agent of ELM B.V. and/or VIS Finance S.A.
“TRS Agreements”	(a) a 1992 ISDA master agreement dated 24 April 2015 made between UBS and the Company as amended and supplemented by a credit support annex effective as of 16 February 2015; and (b) a confirmation dated 24 April 2015 made between the Company and UBS, pursuant to which the parties confirmed the terms and conditions of the TRS Transaction
“TRS Transaction”	a total return swap transaction in relation to a portfolio of bonds between the Company and UBS
“UBS”	UBS AG, London branch
“US\$”	the United States dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board  
**Cinda International Holdings Limited**  
**Lau Mun Chung**  
*Executive Director*

Hong Kong, 24 April 2015



As at the date of this announcement, the Board comprises:

*Executive Directors:* Mr. Zhao Hongwei (*Chairman*)  
Mr. Gong Zhijian (*Managing Director*)  
Mr. Lau Mun Chung

*Non-executive Directors:* Mr. Chow Kwok Wai

*Independent Non-executive Directors:* Mr. Wang Tongsan  
Mr. Chen Gongmeng  
Mr. Hung Muk Ming

*Website:* <http://www.cinda.com.hk>