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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)

**VOLUNTARY ANNOUNCEMENT
FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER**

This announcement is made by Huarong International Financial Holdings Limited (the “**Company**”) on a voluntary basis.

The Board is pleased to announce that on 21 February 2017, the Company entered into the Loan Agreement in respect of loan financing in the principal amount of US\$184,300,700 to be given by CHIH and the Subscription Agreement in respect of the subscription of Securities in the principal amount of US\$99,118,000 by CHIH, the principal terms of which are set out below:

THE LOAN AGREEMENT

Date:	21 February 2017
Lender:	CHIH
Borrower:	the Company
Principal Amount:	up to US\$184,300,700 in an aggregate principal amount
Interest Rate:	4.598% per annum
Interest Period:	each interest period relating to any loan made under the Loan Agreement is six (6) months, provided the first interest period shall end on 24 July 2017
Final Maturity Date:	24 January 2020
Arrangement Fee:	an arrangement fee in the amount of US\$659,100.26 is payable by the Company on the first interest payment date

Repayment: each loan together with all other amounts accrued or outstanding under the Loan Agreement is to be repaid in full on the Final Maturity Date with such repayments to be advanced to CHIH on or before five (5) business days prior to the Final Maturity Date

Voluntary prepayment: voluntary prepayment of the whole or any part of the loan shall be permitted if agreed by both parties

Use of Proceeds: general business operations

THE SUBSCRIPTION AGREEMENT AND PRINCIPAL TERMS OF THE SECURITIES

Date: 21 February 2017

Issuer: the Company

Subscriber: CHIH

Securities: 5.797% senior perpetual capital securities

Principal Amount: US\$99,118,000 in aggregate principal amount

Issue Price: 100% of the principal amount of the Securities

Issue Date: 21 February 2017

Commitment Fee: the Company shall pay CHIH a commitment fee in the amount of US\$446,901.04 on 24 July 2017

Distribution: subject to the terms and conditions of the Securities, the Securities confer a right to receive distribution (each a “**Distribution**”) from, and including the Issue Date at the applicable Distribution Rate (as defined below). Distributions shall be payable on the Securities semi-annually in arrears on 24 January and 24 July of each year (each a “**Distribution Payment Date**”) in US dollars.

Distribution Rate: the rate of distribution (“**Distribution Rate**”) applicable to the Securities shall be:

(i) in respect of each Distribution Payment Date the period from, and including, the Issue Date to, but excluding, 24 January 2022 (the “**First Call Date**”), being 5.797% per annum (the “**Initial Distribution Rate**”); and

- (ii) in respect of the periods (A) from, and including, the First Call Date to, but excluding, the first Reset Date falling immediately after the First Call Date and (B) from, and including, each Reset Date falling after the First Call Date to, but excluding, the immediately following Reset Date, being a rate per annum equal to the sum of (a) Initial Distribution Rate and (b) a margin of 5.00% per annum, provided that in the event of the occurrence of a non-compliance or non-performance by the Company of any one or more of its obligations under the terms of the Securities, then the prevailing Distribution Rate applicable to the Securities will be increased by 5.00% per annum.

Maturity Date:	there is no maturity date
Status of the Securities:	the Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and will at all times rank <i>pari passu</i> among themselves and at least rank equally with all other present and future unsecured and unsubordinated obligations of the Company, save for such exceptions as may be provided by applicable legislation.
Redemption at the Option of the Company:	the Company may at its option, on giving not less than 30 nor more than 60 days' irrevocable notice to CHIH in accordance with the terms and conditions of the Securities, redeem in whole, but not in part, the Securities on the First Call Date; or on any Distribution Payment Date after the First Call Date, at their principal amount together with any Distribution accrued to the date fixed for redemption (including any arrears of Distribution and any additional Distribution amount payable according to the terms and conditions of the Securities).

LISTING RULES IMPLICATIONS

As at the date of this announcement, CHIH indirectly holds approximately 51% of the issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, CHIH is a connected person of the Company, and the entering into of the Loan Agreement and the Subscription Agreement between the Company and CHIH constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

However, the Company considers that as (i) each of the Loan Agreement and the Subscription Agreement has been entered into after arm's length negotiations between the Company and CHIH and is on normal commercial terms or better and (ii) the Loan and the Securities are not secured by any asset of the Group, the provision of the Loan and the subscription of the Securities by CHIH are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.90 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
“CHIH”	China Huarong International Holdings Limited (中國華融國際控股有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)
“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 Main Board of the Stock Exchange (stock code: 993)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan provided by CHIH under the Loan Agreement
“Loan Agreement”	the loan agreement dated 21 February 2017 entered into between the Company as borrower and CHIH as lender in respect of the provision of loan facilities of up to an aggregate principal amount of US\$184,300,700
“Reset Date”	the First Call Date and each day falling every five calendar years after the First Call Date
“Securities”	5.797% coupon US\$99,118,000 senior perpetual capital securities to be issued by the Company to CHIH pursuant to the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 21 February 2017 entered into between the Company as issuer and CHIH as subscriber in respect of the issuance of the Securities

“US\$” or “US 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, 21 February 2017

As at the date of this announcement, the executive directors of the Company are Mr. Liu Xiaodong, Mr. Wang Qiang and Ms. Wang Wei, the non-executive directors is Ms. Yu Xiaojing, and the independent non-executive directors are Dr. Wong Tin Yau Kelvin, Mr. Ma Lishan and Mr. Yeung Siu Keung.