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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

The Board announces that on 23 March 2017, Neo Prospect Limited, an indirect wholly-owned subsidiary of the Company as lender, entered into the Facility Agreement with Canada Foundation Limited as borrower, pursuant to which the Lender agreed to provide the Facility in a total principal amount of up to HK\$360,000,000 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(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 under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that on 23 March 2017, Neo Prospect Limited, an indirect wholly-owned subsidiary of the Company as lender, entered into the Facility Agreement with Canada Foundation Limited as borrower, pursuant to which the Lender agreed to provide the Facility in a total principal amount of up to HK\$360,000,000 repayable on the Repayment Date.

THE FACILITY AGREEMENT

The principal terms of the Facility Agreement are as follows:

Date

23 March 2017

Parties

- (i) Neo Prospect Limited, an indirect wholly-owned subsidiary of the Company, as lender; and
- (ii) Canada Foundation Limited (加拿大基金有限公司), as borrower.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its ultimate beneficial owner 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 a total principal amount of up to HK\$360,000,000 at an interest rate of six (6) per cent. per annum. 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 investing in a company established in the PRC and principally engaged in the life insurance business.

Term of the Facility

The Facility shall have a term of twelve (12) calendar months commencing from the Utilisation Date and ending 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 fourteen (14) calendar 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 Utilisation Date upon satisfaction, among others, of the following conditions precedent:

- (i) the Lender having received all documents and other evidences 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;
- (iii) the representations in the Facility Agreement being true in all respects (whether before or after giving effect to such proposed Facility); and
- (iv) no adverse change in the general financial, economic or political conditions or exchange controls in the view of the Lender.

Guarantee and Security

The Facility is to be guaranteed or secured by:

- (a) the Corporate Guarantee;
- (b) the Share Charge; and
- (c) the Personal Guarantee.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the guarantors of the Corporate Guarantee and Personal Guarantee and their respective ultimate beneficial owners (as applicable) are third parties independent of the Company and its connected persons.

Repayment and interest

The Facility shall be repaid in full to the Lender by the Borrower on the Repayment Date. The Borrower shall pay interest on the Facility on the first day of each period of six (6) months commencing on the Utilisation Date (“**Interest Period**”). The interest payment for the first Interest Period shall be deducted from the proceeds of the Facility on the Utilisation Date and the interest payment for the second Interest Period shall be made on the first day of the second Interest Period.

Arrangement Fee

The Borrower shall pay to the Lender an arrangement fee in an amount equals to two (2) per cent of Facility on each of the Interest Period. The arrangement fee for the first Interest Period shall be deducted from the proceeds of the Facility on the Utilisation Date and the arrangement fee for the second Interest Period shall be made on the first day of the second Interest Period.

Protective Mechanism

During the term of the Facility, if the loan to value ratio, which is calculated by dividing the outstanding principal amount of the loan by the value of the Charged Shares, exceeds certain threshold or there occurs certain trigger event, the Borrower is required to top up the collateral under the Share Charge within a specified period of time.

Prepayment

The Borrower shall not prepay the whole or any part of the Facility during the first ten (10) calendar months after the Utilisation Date. The Borrower may, after giving the Lender prior written notice, prepay the whole or any part of the Facility, together with any accrued interest on the amount prepaid, at any time on or after the date falling ten (10) calendar months after the Utilisation Date.

INFORMATION ON THE LENDER AND THE GROUP

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. 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 ON THE BORROWER AND THE GUARANTORS

The Borrower is a company incorporated in the British Virgin Islands. The principal business of the Borrower is investment holding. The Borrower is wholly-owned by Dr. Sit Kwong Lam (薛光林).

The corporate guarantor of the Corporate Guarantee is a company established in the PRC, and is ultimately and beneficially controlled by Dr. Sit Kwong Lam (薛光林).

The personal guarantor of the Personal Guarantee is Dr. Sit Kwong Lam (薛光林).

REASONS FOR AND BENEFITS OF THE TRANSACTION

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 via reasonable and satisfactory interest rate and charges. 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(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 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 requires otherwise, the following words and expressions shall have the following meanings when used herein:

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| “Board” | the board of Directors |
| “Borrower” | Canada Foundation Limited (加拿大基金有限公司), a company incorporated in the British Virgin Islands with limited liability |

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| “Business Day” | a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong |
| “Charged Shares” | certain shareholding interest in Brightoil Petroleum (Holdings) Limited (光滙石油(控股)有限公司), a company incorporated in the Bermuda with limited liabilities whose securities are listed on the Stock Exchange (stock code: 933), which shall initially be 302,775,442 shares, charged in favour of the Lender pursuant to the Share Charge |
| “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 |
| “Corporate Guarantee” | the PRC law governed guarantee dated 23 March 2017 granted by Shenzhen Brightoil Group Co., Ltd. (深圳光滙石油集團股份有限公司), a limited company established in the PRC, in favour of the Lender |
| “Director(s)” | the directors of the Company |
| “Facility” | a term loan facility in the principal sum of up to HK\$360,000,000 pursuant to the terms of the Facility Agreement |
| “Facility Agreement” | the facility agreement dated 23 March 2017 and entered into between the Lender and the Borrower in relation to the provision of the Facility |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Lender” | Neo Prospect Limited (新景有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Personal Guarantee” | the Hong Kong law governed guarantee dated 23 March 2017 granted by Dr. Sit Kwong Lam (薛光林), in favour of the Lender |

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| “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 |
| “Repayment Date” | the date falling twelve (12) calendar months after the Utilisation Date |
| “Share Charge” | a charge over shares dated 23 March 2017 granted by the Borrower in respect of the Charged Shares, in favour of the Lender |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the meaning ascribed to it under the Listing Rules |
| “Utilisation Date” | the date of utilisation of the Facility, being the date of which the Facility is to be made by the Lender |
| “%” | per cent. |

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

Hong Kong, 24 March 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 director is Ms. Yu Xiaojing, and the independent non-executive directors are Dr. Wong Tin Yau Kelvin, Mr. Ma Lishan and Mr. Yeung Siu Keung.