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HJ Capital (International) Holdings Company Limited
華金國際資本控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 982)

DISCLOSEABLE TRANSACTION DISPOSAL OF SUBORDINATED NOTES

Reference is made to the Announcement, pursuant to which the Company announced its acquisition of certain Subordinated Notes in the principal amount of US\$2,000,000 at a total consideration of US\$2,013,861.33.

On 19 April 2018, the Company disposed of the Sale Notes at the Consideration in the open market.

As one or more of the applicable percentage ratios of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE DISPOSAL

Reference is made to the Announcement, pursuant to which the Company announced its acquisition of certain Subordinated Notes in the principal amount of US\$2,000,000 at a total consideration of US\$2,013,861.33. Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings ascribed thereto in the Announcement.

The Company is pleased to announce that on 19 April 2018, the Company disposed of the Sale Notes at the Consideration in the open market. As the Disposal was conducted through the open market, the Company gave instructions to sell the Sale Notes upon the disposal price reaching a certain target price pre-determined by the Company without entering into any form of agreement with the purchaser(s). The Consideration was determined by the Company based on various factors including but not limited to (i) recent market price of the Subordinated Notes, (ii) market demand for the Subordinated Notes, (iii) expected return and opportunity cost of the Company on the disposal of the Sale Notes and (iv) financial conditions of the Group.

Given the Disposal was conducted in the open market, the Company does not know the identity of the purchaser(s) of the Sale Notes and/or their ultimate beneficial owners. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchaser(s) of the Sale Notes and their respective ultimate beneficial owner(s) is an Independent Third Party and not connected person(s) of the Company.

INFORMATION ON THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial advisory services, securities underwriting and consultancy, securities and futures brokerage, equity research business, money lending business and financial printing services in Hong Kong.

INFORMATION ON CHONG HING

Chong Hing is a Hong Kong incorporated licensed bank listed on the Stock Exchange and engaging in the provision of banking and related financial services. Through its subsidiaries, Chong Hing offers securities trading, financial management and insurance services.

REASONS FOR THE DISPOSAL

The Directors believe the Disposal could allow the Company to realise the value of the Sale Notes and that the proceeds from the Disposal will replenish the working capital and increase the cash resources of the Group, allowing the Group to redeploy its resources to business development and/or other investment opportunities that may bring better and more attractive returns. The Directors also consider that the Disposal is on normal commercial terms and are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

The book value of the Sale Notes as recorded in the Group's consolidated accounts as at 31 December 2017 was US\$2,013,861 (equivalent to HK\$15,708,000). It is expected that the Group will record a loss of approximately HK\$107,000 as a result of the Disposal considering the difference between the Consideration plus the interest received and the acquisition consideration of the Sale Notes, the related transaction costs and the exchange gain. Upon completion of the Disposal, the Company will no longer hold any Subordinated Notes.

USE OF PROCEEDS

The net proceeds from the Disposal will be approximately US\$1,943,000 which are intended to be used by the Company:

- (i) as general working capital; and
- (iii) as reserve for future investments.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to reporting and announcement requirements but otherwise exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Announcement”	the announcement of the Company dated 27 July 2017 in relation to the Acquisition
“Chong Hing”	Chong Hing Bank Limited, a company incorporated in Hong Kong and listed on the main board of the Stock Exchange (stock code: 1111)
“Company”	HJ Capital (International) Holdings Company Limited (華金國際資本控股有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 982)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of the Disposal, being US\$1,943,134
“Disposal”	the disposal of the Sale Notes by the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Sale Notes”	the Subordinated Notes in the principal amount of US\$2,000,000 held by the Company immediately prior to completion of the Disposal
“Subordinated Notes”	the US\$382,903,000 3.876% tier 2 subordinated notes due 26 July 2027 issued by Chong Hing

By order of the Board
HJ Capital (International) Holdings Company Limited
Li Guangning
Chairman

Hong Kong, 19 April 2018

As at the date of this announcement, the Board comprises Mr. Li Guangning (Executive Director and Chairman); Mr. Xie Wei (Executive Director and Chief Executive Officer) and Ms. Guo Jin (Executive Director); Ms. Zhang Kuihong, Mr. Shong Hugo and Mr. Qie Yan (all being Non-executive Directors); Dr. Chen Jieping, Dr. Sun Mingchun and Mr. Tse Yung Hoi (all being Independent Non-executive Directors).

* *for identification purpose only*