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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)

**UPDATE ANNOUNCEMENT
MAJOR TRANSACTION
EXERCISE OF PUT OPTION BY A SUBSIDIARY**

Reference is made to the announcement of the Company dated 27 October 2021 (the “**Announcement**”) and the circular dated 3 December 2021 (the “**Circular**”), in relation to, among other things, the Proposed Exercise of Put Option. Unless otherwise defined in this announcement, capitalised terms used herein have the same meanings as those defined in the Announcement and the Circular.

EXERCISE OF PUT OPTION

On 3 December 2021, the Grantee, an indirect wholly-owned subsidiary of the Company, has exercised the Put Option, by serving a Default Notice on the Grantor and Guarantor to require the Grantor to purchase the Put Option Shares at the Default Put Option Price of HK\$955,267,062.

EXERCISE OF PUT OPTION

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Default Put Option Price

The Default Put Option Price of HK\$955,267,062 is calculated based on the formula below:

$$A \times \left\{ \text{HK\$}3.10 \times \left[1 + 21\% + \left(10.5\% \times \frac{N}{365} \right) \right] - C \right\}$$

Where:

“A” = the number of Put Option Shares (i.e. 235,055,000 shares)

“N” = the number of days between 18 December 2020 to the date stated on the Default Notice (both dates inclusive) (i.e. 351)

“C” = the cumulated cash dividends and other distributions per Share distributed by Sunshine 100 from 1 December 2020 to the date that the Grantee exercises the Put Option (i.e. 0)

Completion

According to the Default Notice, the Grantor (or the Guarantor) shall pay to the Grantee the Default Put Option Price by electronic funds transfer within 3 Business Days from the date of receipt of the Default Notice and the Grantee shall then complete the transfer of the Put Option Shares according to the terms of the Put Option Deed. Assuming the Grantor (or the Guarantor) is able to fulfill its obligation, completion of the sale and purchase of the Put Option Shares between the Grantee and the Grantor is expected to take place on or before 31 December 2021.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

FINANCIAL EFFECTS OF THE EXERCISE OF PUT OPTION

In the Announcement and the Circular, the Default Put Option Price (HK\$957,782,472) disclosed therein was based on various assumptions, including that the Default Notice will be served on 15 December 2021. Since the Default Notice was served on 3 December 2021, the corresponding Default Put Option Price is adjusted to HK\$955,267,062.

Assuming that the Grantor or the Guarantor fulfils the obligations in full and all Put Option Shares are successfully sold, the estimated gain by the Company on the completion of the Proposed Exercise of Put Option amounts to approximately HK\$98,501,412, which is calculated based on the Default Put Option Price of HK\$955,267,062 after deducting the fair value of the Put Option Shares under the Default Mechanism of approximately HK\$567,648,000 (as valued by an independent valuer) and the fair value of the Put Option Shares of approximately HK\$289,117,650. On the above basis, if all Put Option Shares are successfully sold, it is expected that the Company's asset will increase by approximately HK\$98,501,412 while there will be no effect on liabilities.

The final amounts of the gain (if any) arising from the sale of the Put Option Shares pursuant to the exercise of the Put Option will be subject to auditing by the auditors of the Company.

INTENDED APPLICATION OF THE SALE PROCEEDS

Assuming the Grantor or the Guarantor fulfils its obligations in full and all Put Option Shares are successfully sold for the Default Put Option Price, the net proceeds payable to the Grantee are expected to be approximately HK\$955,267,062. The Directors expect that such net proceeds will be used for general working capital of the Group. In the event that only partial Put Option Shares are successfully sold to the Grantor or the Guarantor, the net proceeds to be received by the Group will be reduced accordingly.

Shareholders and potential investors of the Company shall exercise caution when dealing in the securities of the Company as the completion of the sale and purchase of the Put Option Shares could only take place if the Grantor (or the Guarantor) will honour their obligations under the Put Option Deed.

By order of the Board
Huarong International Financial Holdings Limited
Xu Xiaowu
Chairman

Hong Kong, 3 December 2021

As at the date of this announcement, the Board comprises Mr. Xu Xiaowu and Mr. Wang Junlai as executive directors, Ms. Wang Qi as non-executive director, and Mr. Hung Ka Hai Clement, Mr. Ma Lishan, Mr. Guan Huanfei and Dr. Lam Lee G. as independent non-executive directors.