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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 DISPOSALS OF LISTED SECURITIES

THE DISPOSALS

During the period from 3 May 2021 to 6 December 2021, the Company disposed of (i) the Orient Bonds in an aggregate principal amount of US\$11.60 million (equivalent to approximately HK\$90.48 million) for a total consideration of approximately US\$11.83 million (equivalent to approximately HK\$92.24 million); (ii) the Postal Preference Shares in an aggregate amount of US\$11.90 million (equivalent to approximately HK\$92.82 million) for a total consideration of approximately US\$12.24 million (equivalent to approximately HK\$95.45 million); (iii) the Zheshang Preference Shares in an aggregate amount of US\$12.00 million (equivalent to approximately HK\$93.60 million) for a total consideration of approximately US\$12.12 million (equivalent to approximately HK\$94.57 million) through a series of transactions on the open market through the Company's security brokers (which are and whose beneficial owners are Independent Third Parties).

LISTING RULES IMPLICATIONS

As the Disposals (on aggregate basis comprising the Previous Disposals and the Current Disposals) were conducted within a 12-month period prior to and inclusive of the last date of the Current Disposals, the disposal of each of the Listed Securities issued by the same Issuer under the Disposals were aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the disposal of each of the Listed Securities issued by the same Issuer under the Disposals exceeds 5% but is less than 25%, the disposal of each of the Listed Securities issued by the same Issuer under the Disposals constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Listed Securities are issued by different issuers which to the best of the information, knowledge and belief of the Company upon making such reasonable enquiries, are not related to each other, the Disposals in respect of the Listed Securities issued by different issuers shall not be aggregated.

THE DISPOSALS

During the period from 3 May 2021 to 6 December 2021, the Company disposed of (i) the Orient Bonds in an aggregate principal amount of US\$11.60 million (equivalent to approximately HK\$90.48 million) for a total consideration of approximately US\$11.83 million (equivalent to approximately HK\$92.24 million); (ii) the Postal Preference Shares in an aggregate amount of US\$11.90 million (equivalent to approximately HK\$92.82 million) for a total consideration of approximately US\$12.24 million (equivalent to approximately HK\$95.45 million); (iii) the Zheshang Preference Shares in an aggregate amount of US\$12.00 million (equivalent to approximately HK\$93.60 million) for a total consideration of approximately US\$12.12 million (equivalent to approximately HK\$94.57 million) through a series of transactions on the open market through the Company's security brokers (which are and whose beneficial owners are Independent Third Parties).

Details of the principal amount or amount of the Listed Securities and consideration under the Disposals in relation to each of the Listed Securities are as follows:

The Listed Securities	Principal amount or amount of the Listed Securities under the Previous Disposals	Principal amount or amount of the Listed Securities under the Current Disposals	Consideration under the Previous Disposals	Consideration under the Current Disposals
	<i>Approximate</i>	<i>Approximate</i>	<i>Approximate</i>	<i>Approximate</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Orient Bonds	5,000	6,600	5,100	6,726
Postal Preference Shares	8,900	3,000	9,169	3,068
Zheshang Preference Shares	8,000	4,000	8,092	4,032

As the Disposals were made through the Company's security brokers (which are and whose beneficial owners are Independent Third Parties) and conducted on the open market, the identities of the purchasers of the Listed Securities were not available to the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the connected persons of the Company nor their associates have purchased the Listed Securities which were being disposed of by the Company under the Disposals.

INFORMATION ON THE ISSUERS AND THE LISTED SECURITIES

According to the public information available to the Directors:

The Orient Bonds were issued by Orient Huizhi Limited, which is a company incorporated in the British Virgin Islands. It is an indirect wholly-owned subsidiary of 東方證券股份有限公司 (carrying on business in Hong Kong as “DFZQ”), a joint stock company incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600958) and on the Hong Kong Stock Exchange (stock code: 3958). 東方證券股份有限公司 and its subsidiaries are principally engaged in securities sales and trading, investment management, brokerage and securities finance, investment banking and other businesses. The Orient Bonds were listed and traded on the Hong Kong Stock Exchange. The Orient Bonds will mature on 30 November 2022 and bear interest at 3.625% per annum.

The Postal Preference Shares were issued by Postal Savings Bank of China Co., Ltd, a joint stock company incorporated in the PRC, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1658) and on the Shanghai Stock Exchange (stock code: 601658). The principal businesses of Postal Savings Bank of China Co., Ltd include personal banking, corporate banking and treasury business. The Postal Preference Shares were listed and traded on the Hong Kong Stock Exchange. The Postal Preference Shares are perpetual and bear interest at 4.5% per annum.

The Zheshang Preference Shares were issued by China Zheshang Bank Co., Ltd., a joint stock company incorporated in the PRC, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 2016) and on the Shanghai Stock Exchange (stock code: 601916). The principal businesses of China Zheshang Bank Co., Ltd. include corporate banking, retail banking and treasury business. The Zheshang Preference Shares were listed and traded on the Hong Kong Stock Exchange. The Zheshang Preference Shares are perpetual and bear interest at 5.45% per annum.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Issuers and their ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE GROUP

The Group is principally engaged in the brokerage and dealing of securities, futures and options contracts, margin financing, loan financing, financial advisory, direct investments, investment holding, provision of advising on corporate finance services and provision of management and consultancy services.

BASIS OF DETERMINATION OF THE CONSIDERATION

Given that the Disposals were conducted on open market at the prevailing market price of the Listed Securities, the Directors consider that the Disposals were conducted on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company acquired the Listed Securities for investment purpose. Taking into account the recent performance of the Listed Securities, the Board considers that the Disposals represent a good opportunity for the Group to realise a portion of its investment in the Listed Securities. The Disposals allow the Group to optimize its investment portfolio and provide an immediate liquidity to the Group for its general working capital purpose.

FINANCIAL EFFECT OF THE DISPOSALS

It is expected that the Group will record a gain of approximately US\$207,415 (equivalent to approximately HK\$1,617,837) in profit or loss for the year ending 31 December 2021 as a result of the Disposals. The gain or loss arising from each of the Listed Securities under the Disposals are: an unaudited gain of approximately US\$244,160 (equivalent to approximately HK\$1,904,448) for the Orient Bonds, an unaudited gain of approximately US\$9,655 (equivalent to approximately HK\$75,309) for the Postal Preference Shares, an unaudited loss of approximately US\$46,400 (equivalent to approximately HK\$361,920) for the Zheshang Preference Shares. The actual gain or loss as a result of the Disposals to be recorded by the Company is subject to final audit to be performed by the Company's auditors.

The gain or loss represents the difference between the net proceeds from the Disposals and the carrying amount as at 31 December 2020 of the Listed Securities.

INTENDED APPLICATION OF THE PROCEEDS

The Company intends that the aggregate net proceeds of the Disposals of approximately US\$36.19 million (equivalent to approximately HK\$282.26 million) will be applied as the Group's general working capital.

LISTING RULE IMPLICATIONS

As the Disposals (on aggregate basis comprising the Previous Disposals and the Current Disposals) were conducted within a 12-month period prior to and inclusive of the last date of the Current Disposals, the disposal of each of the Listed Securities issued by the same Issuer under the Disposals were aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the disposal of each of the Listed Securities issued by the same Issuer under the Disposals exceeds 5% but is less than 25%, the disposal of each of the Listed Securities issued by the same Issuer under the Disposals constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Listed Securities are issued by different issuers which to the best of the information, knowledge and belief of the Company upon making such reasonable enquiries, are not related to each other, the Disposals in respect of the Listed Securities issued by different issuers shall not be aggregated.

The Group may or may not continue to dispose of the remaining Listed Securities that it beneficially holds in the coming 12-month period. Any such disposal may be aggregated with the Disposals pursuant to Rule 14.22 of the Listing Rules. Unless the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposals when aggregated with such disposal(s) (if any) exceeds 25%, no further announcement will be made by the Company in respect of the Disposals.

DEFINITIONS

“Board”	the board of Directors
“Company”	Huarong International Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Hong Kong Stock Exchange (stock code: 993)
“connected person”	has the meaning ascribe to it under the Listing Rules
“Current Disposals”	the disposals of the Listed Securities by the Company through a series of transactions on the open market during the period from 1 December 2021 to 6 December 2021
“Director(s)”	the director(s) of the Company
“Disposals”	the Current Disposals and the Previous Disposals
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Issuers”	collectively, Orient Huizhi Limited, Postal Saving Bank of China Co., Ltd and China Zheshang Bank Co., Ltd. and each an “Issuer”
“Listed Securities”	collectively, the Orient Bonds, the Postal Preference Shares and the Zheshang Preference Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Orient Bonds”	3.625% guaranteed bonds issued by Orient Huizhi Limited
“Postal Preference Shares”	4.5% non-cumulative perpetual offshore preference shares with a par value of RMB100 each issued by Postal Savings Bank of China Co., Ltd.
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Disposals”	<p>collectively, the disposals of:</p> <ul style="list-style-type: none"> (i) Orient Bonds with in aggregate amount of US\$5.00 million (equivalent to approximately HK\$39.00 million for a total consideration of US\$5.10 million equivalent to approximately HK\$39.78 million); (ii) Postal Preference Shares with an aggregate amount of US\$8.90 million (equivalent to approximately HK\$69.42 million) for a total consideration of US\$9.17 million (equivalent to approximately HK\$71.52 million); and (iii) Zheshang Preference Shares with an aggregate amount of US\$8.00 million (equivalent to approximately HK\$62.40 million) for a total consideration of US\$8.09 million (equivalent to approximately HK\$63.12 million) <p>by the Company through a series of transactions on the open market during the period from 3 May 2021 to 30 November 2021 (both dates inclusive)</p>

“RMB”	Renminbi, the legal currency of the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shareholders”	holders of the shares of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Zheshang Preference Shares”	5.45% non-cumulative perpetual offshore preference shares with a par value of RMB100 each issued by China Zheshang Bank Co., Ltd.
“%”	percentage

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

Hong Kong, 6 December 2021

In this announcement, amounts in US\$ are translated into HK\$ on the basis of US\$1.00 = HK\$7.8. The conversion rate is for illustration purposes only and should not be taken as a representation that US\$ could actually be converted into HK\$ at such rate or at all.

As at the date of this announcement, the board of directors of the Company 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.