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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 ON POTENTIAL
DISCLOSEABLE TRANSACTION IN RELATION TO
PROPOSED ASSIGNMENT OF THE TARGET CREDITOR'S RIGHTS BY
ZHONGJU (SHENZHEN) BY WAY OF PUBLIC LISTING-FOR-SALES**

Reference is made to the announcement of the Company dated 19 September 2022 (the “**Announcement**”), in relation to the proposed assignment of the Target Creditor’s Rights by Zhongju (Shenzhen) by way of listing-for-sales through internet bidding on the website of GFATC (the “**First Potential Assignment**”). Unless otherwise stated, capitalised terms used in this announcement have the same meaning as those defined in the Announcement.

Zhongju (Shenzhen) has been recently notified by the GFATC that the Listing Period for the First Potential Assignment as disclosed in the Announcement has expired and no eligible entity has expressed its intention to acquire the Target Creditor’s Rights pursuant to the First Potential Assignment. As disclosed in the Announcement, in the event that the listing-for-sales in respect of the First Potential Assignment was not successful, the Board may consider adopting other plan and options which are in the best interest of the Company and its shareholders as a whole.

SECOND POTENTIAL ASSIGNMENT BY WAY OF LISTING-FOR-SALES

The Board hereby announces that Zhongju (Shenzhen), as the assignor, has published an announcement on the website of GFATC on 20 October 2022 to commence the official process for the assignment of the Target Creditor’s Rights by way of listing-for-sales through internet bidding for the second time in accordance with the provisions of applicable PRC regulations and rules of the GFATC (the “**Second Potential Assignment**”). The listing period of the Second Potential Assignment will commence from 20 October 2022 and end on 26 October 2022 (the “**Second Listing Period**”).

The transaction base price of the Second Potential Assignment is approximately RMB114,871,595 (the “**Second Transaction Base Price**”), which has been determined with reference to, among others, (i) the total unaudited net book value of the Target Primary Creditor’s Rights as at 31 March 2022 and 30 June 2022, being approximately RMB143,589,494 and RMB71,794,747, respectively; and (ii) the factors set out in the section headed “Reasons for and benefits of conducting the Second Potential Assignment” below.

As at 31 March 2022, the unaudited net book value of the Pingshan Lake Primary Creditor’s Rights, the Lhasa Primary Creditor’s Rights and the Lihua Primary Creditor’s Rights amounted to approximately RMB46,235,136, RMB97,354,358 and nil, respectively. As at 30 June 2022, the unaudited net book value of the Pingshan Lake Primary Creditor’s Rights, the Lhasa Primary Creditor’s Rights and the Lihua Primary Creditor’s Rights amounted to approximately RMB23,117,568, RMB48,677,179 and nil, respectively.

Save for the Second Transaction Base Price and the Second Listing Period in respect of the Second Potential Assignment as disclosed in this announcement, the Target Creditor’s Rights proposed for the Second Potential Assignment and the other principal terms of the Second Potential Assignment (including but not limited to the listing-for-sales procedures) are substantially the same as those of the First Potential Assignment as disclosed in the Announcement.

The final consideration for the Second Potential Assignment will depend on the highest bidding price offered by the Final Assignee, which is expected to be not lower than the Second Transaction Base Price. However, in the event that the aforesaid internet bidding is not successful, the Board may consider adopting other plan and options which are in the best interest of the Company and its shareholders as a whole.

REASONS FOR AND BENEFITIS OF CONDUCTING THE SECOND POTENTIAL ASSIGNMENT

Given that the listing-for-sales in respect of the First Potential Assignment was unsuccessful, the Company intends to reduce the transaction base price to attract the interested and eligible entities and natural persons to bid for the acquisition of the Target Creditor’s Rights. Taking into account that the Second Transaction Base Price is lower than the unaudited net book value of the Target Primary Creditor’s Rights as at 31 March 2022 but higher than that as at 30 June 2022, and in particular the reasons for and benefits of conducting the First Potential Assignment which have been disclosed in the Announcement, the Directors are of the view that the Second Potential Assignment will be conducted on normal commercial terms, is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Based on the Second Transaction Base Price, the Company expects the highest applicable ratio set out in Rule 14.07 of the Listing Rules in respect of the Second Potential Assignment to be more than 5% but less than 25%, the Second Potential Assignment constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company will perform relevant procedures and make further disclosures as and when appropriate based on the final transaction price of the Second Potential Assignment in compliance with relevant provisions of the Listing Rules.

As at the date of this announcement, the Second Potential Assignment has not been finalised, the identity of the Final Assignee is still uncertain, and a binding agreement for the assignment of the Target Creditor's Rights in respect of the Second Potential Assignment has yet to be signed by Zhongju (Shenzhen). Even if the relevant agreement is signed, the Second Potential Assignment may or may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Huarong International Financial Holdings Limited
Zhang Xing
Chairman

Hong Kong, 20 October 2022

As at the date of this announcement, the Board comprises Mr. Zhang Xing as non-executive director, Mr. Chen Qinghua and Mr. Lu Xinzheng as executive directors, and Mr. Hung Ka Hai Clement, Mr. Ma Lishan, Mr. Guan Huanfei and Dr. Lam Lee G. as independent non-executive directors.