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## **HUAJIN INTERNATIONAL HOLDINGS LIMITED**

**華津國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2738)**

### **VOLUNTARY ANNOUNCEMENT EXEMPTED FINANCIAL ASSISTANCE**

This announcement is made by Huajin International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 23 January 2018, the Group entered into two loan agreements with Mr. Xu Songqing (“**Mr. Xu**”) whereby Mr. Xu agreed to provide unsecured loans in an amount of HKD40 million and USD3 million respectively to the Group for a term of three years at the interest rate of 1.00% per annum. The financial assistance from Mr. Xu is utilized by the Group as its general working capital.

The Board is also pleased to announce that on 7 September 2017, the Group entered into a loan agreement (as amended by the supplement agreement dated 21 November 2017) with Mr. Xu whereby Mr. Xu agreed to provide an unsecured and interest-free loan up to the amount of HKD60 million which is repayable on demand for the purpose of general working capital to the Group.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENTS**

The Group currently plans to expand its production capacity through acquisition of land use rights, plants construction, purchase and installation of production and processing equipment by its internal resources and borrowings. As at 31 December 2017, based on the unaudited consolidated management accounts of the Company, the Group had total financing facilities amounting to approximately RMB1,012.02 million, of which approximately RMB712.83 million had been utilised and were charged at interest rates ranging from 4.35% to 8.00% per annum.

The interest rate on the financial assistance offered by Mr. Xu is lower than the loan interest rates generally available in the market. After considering the financial resources available to the Group including the available unutilized financing facilities, the Directors are of the opinion that the provision of financial assistance from Mr. Xu to the Group for its general working capital is conducted on normal commercial terms that are comparable to or more favourable than those offered by independent third parties for similar services in Hong Kong and the People’s Republic of China.

The Board considers that the financial position of the Group remains stable and the Group will be able to honour the terms of the above-mentioned loan agreements with Mr. Xu and other indebtedness.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Xu is an executive Director, the Chairman of the Company and a substantial shareholder who indirectly holds 75.00% of the issued share capital of the Company. Accordingly, Mr. Xu is a connected person of the Company and the above-mentioned loan agreements constitute connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board considers that as the provision of financial assistance from Mr. Xu to the Group is conducted on normal commercial terms or better and is not secured by any assets of the Group, the provision of financial assistance received by the Group from a connected person is fully exempt under Rule 14A.90 of the Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Huajin International Holdings Limited**  
**Xu Songqing**  
*Chairman*

Hong Kong, 26 January 2018

*As at the date of this announcement, the Board is comprised of Mr. Xu Songqing (Chairman), Mr. Luo Canwen (Chief Executive Officer), Mr. Chen Chunniu and Mr. Xu Songman as executive Directors, Mr. Xu Jianhong as non-executive Director and Mr. Goh Choo Hwee, Mr. Tam Yuk Sang Sammy and Mr. Wu Chi Keung as independent non-executive Directors.*