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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)**

**MAJOR TRANSACTION  
SETTLEMENT AGREEMENT IN RELATION TO  
FINANCE LEASING ARRANGEMENT**

**THE SETTLEMENT AGREEMENT**

The Board is pleased to announce that on 20 September 2022, the Lessor, the Lessee, the Security Providers and the Additional Security Providers entered into a conditional Settlement Agreement, pursuant to which the Lessee shall repay the Total Settlement Sum of approximately RMB323,682,653 which includes the Outstanding Sum an aggregate of approximately RMB304,627,600 together with the interests of approximately RMB17,679,406 to be accrued on the outstanding principal amount after the Settlement Agreement Reference Date at the interest rate of 7.85% per annum and other fees of approximately RMB1,375,647, in accordance with the Repayment Schedule.

**LISTING RULES IMPLICATIONS**

As the Lessor was an indirect wholly-owned subsidiary of Huarong Investment, a former listed company on the Stock Exchange, the Credit Framework Agreement was a discloseable transaction of Huarong Investment at the time of the entering into of the transaction in 2017. Subsequent to Huarong Investment being privatized by the Company and the listing of its shares being withdrawn in November 2020, the Lessor has become an indirect wholly-owned subsidiary of the Company, and thus the entering into the Settlement Agreement by the Lessor constitutes a provision of financial assistance by the Group under the Listing Rules. As one of the applicable percentage ratios under the Listing Rules in respect of the Settlement Agreement exceed 25%, the Settlement Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular, and Shareholders' approval requirements. As none of the Directors has a material interest in the Settlement Agreement, no Director has abstained from voting on the relevant board resolutions.

Pursuant to Rule 14.44 of the Listing Rules, (i) as no Shareholder has a material interest in the Settlement Agreement, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Settlement Agreement; and (ii) the Company intends to obtain a written shareholders' approval from Camellia Pacific Investment Holding Limited and Right Select International Limited (佳擇國際有限公司), holding 1,830,117,664 and 2,611,438,440 shares of the Company, respectively (in aggregate representing approximately 51% of the total issued shares of the Company) for the approval of the Settlement Agreement and the transactions contemplated thereunder.

As a result, no special general meeting will be convened by the Company to approve the Settlement Agreement. A circular setting out, among others, (i) further details of the Settlement Agreement; (ii) financial information of the Group; and (iii) other information required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders within 15 business days (as defined in the Listing Rules) of the publication of this announcement. However, as no special general meeting will be convened for approving the Settlement Agreement, the circular will be published for Shareholders' information purpose only and will not contain any notice of the special general meeting.

## **BACKGROUND**

The Board is pleased to announce that on 20 September 2022, the Lessor, the Lessee, the Security Providers and the Additional Security Providers entered into a conditional Settlement Agreement. The entering into of the Settlement Agreement is due to default by the Lessee since March 2021 and to reflect results of negotiation between the parties to restructure the outstanding indebtedness under the Credit Framework Agreement dated 17 August 2017 between the Lessor, the Lessee and the Security Providers. Pursuant to the Credit Framework Agreement, the Lessor agreed to purchase certain equipment and facilities of the LNG production line, being the Leased Assets, from the Lessee up to a total consideration of not more than RMB350,000,000, and following which, the Lessor has agreed to lease back such Leased Assets to the Lessee for a term of 5 years from the date of first purchase of such Leased Assets at an estimated total lease payment of approximately RMB420,000,000.

As at the Settlement Agreement Reference Date, the Outstanding Sum pursuant to the Credit Framework Agreement amounts to an aggregate of approximately RMB304,627,600 which includes the outstanding principal amount of approximately RMB256,996,323, the total accrued interest of approximately RMB30,317,357 and liquidated damages of approximately RMB17,313,920.

Below please find the principal terms of the Credit Framework Agreement:

- Date:** 17 August 2017
- Parties:** (1) the Lessor;  
(2) the Lessee; and  
(3) the Security Providers.
- Subject matter:** The Lessor agreed to purchase certain equipment and facilities of the LNG production line, being the Leased Assets, from the Lessee and following which, to lease back the Leased Assets to the Lessee after each purchase, subject to the terms and conditions of the Agreements.
- Consideration:** The consideration payable by the Lessor to the Lessee will be set out in each separate Purchase Agreement for purchase of the Leased Assets, and in any event will not be more than RMB350,000,000 in aggregate. The purchase price shall be paid by the Lessor to the Lessee in full after satisfaction of certain condition precedents, including, amongst others, (i) the Credit Framework Agreement having been signed and becoming unconditional; (ii) the Security Documents having been signed and becoming effective; and (iii) the Agreements having been signed and executed. The value of the Leased Assets is expected to be not less than RMB400,000,000 in aggregate. The Lessor plans to fund the purchase price of the Leased Assets through its internal resources.
- Lease period:** 5 years, commencing on the date of the first payment made for the first purchase.
- Lease payment and other fees:** Pursuant to all Finance Lease Agreements, during the lease period, the Lessor is entitled to receive a lease payment, to be paid in quarterly installment throughout the lease period. The lease payment consists of: (a) the principal lease amount, which is equal to the total consideration paid for the Leased Assets under each Purchase Agreement, and in any event, will not be more than RMB350,000,000 in aggregate under all Finance Lease Agreements; and (b) an interest, which is set at 310BP over the one to five year benchmark loan interest rate by the People's Bank of China. Based on the current interest rate of the People's Bank of China, the total interest to be received by the Lessor under all Finance Lease Agreements will be approximately RMB70,000,000.

<b>Ownership of the Leased Assets:</b>	The legal title of the Leased Assets shall vest in the Lessor throughout the lease period.
<b>Buyback:</b>	Upon expiry of the lease period and subject to the settlement of all rental payment, interest, and amounts due to the Lessor, the Lessor will sell and the Lessee will purchase the Leased Assets at an agreed nominal consideration of RMB300, which shall be paid together with the final installment of the lease payment to the Lessor.
<b>Securities and guarantees:</b>	<p>Obligations of the Lessee under the Credit Framework Agreement and the Agreements are secured and guaranteed by the Security Documents, which are comprised:</p> <ul style="list-style-type: none"> <li>(i) the security deposit agreements dated 17 August 2017, 19 September 2017 and 23 October 2017 and entered into between the Lessor and Lessee from time to time in respect of the payment of security deposit in the sum of not more than RMB7,000,000;</li> <li>(ii) the equity pledge agreement dated 17 August 2017 and entered into between Shengdi Baicheng as the chargor and the Lessor as the chargee, pursuant to which Shengdi Baicheng would charge 51% equity interest of Shaanxi Lvyuan in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement and the Agreements;</li> <li>(iii) the immovable property mortgage agreement dated 17 August 2017 and entered into between Hanzhong Zhongqing as the mortgagor and the Lessor as the mortgagee, pursuant to which Hanzhong Zhongqing would charge the property as set out in the agreement in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement and the Agreements;</li> <li>(iv) the guarantee dated 17 August 2017 and entered into between the Lessor and Shaanxi Jinyuan guaranteeing, among others, all sums due and payable to the Lessor under the Credit Framework Agreement and the Agreements;</li> </ul>

- (v) the guarantee agreement dated 17 August 2017 and entered into between the Lessor and the Shengdi Baicheng guaranteeing, among others, all sums due and payable to the Lessor under Credit Framework Agreement and the Agreements;
- (vi) the guarantee agreement dated 17 August 2017 and entered into between the Lessor and Mr. Ma and Ms. Li guaranteeing, among others, all sums due and payable to the Lessor under Credit Framework Agreement and the Agreements;
- (vii) the equity pledge agreement dated 9 April 2020 and entered into between Shengdi Baicheng as the chargor and the Lessor as the chargee, pursuant to which Shengdi Baicheng would charge 50% equity interest of Lessee in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement and the Agreements; and
- (viii) the immovable property mortgage agreement dated 9 April 2020 and entered into among Shaanxi Jinyuan as the mortgagor, the Lessor as the mortgagee and the Lessee (as the principal debtor), pursuant to which Shaanxi Jinyuan would charge the property as set out in the agreement in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement and the Agreements.

The terms of the Agreements, including the purchase price for the Leased Assets, principal lease amount and interest rate were determined after arm's length negotiations between the Lessor and the Lessee with reference to the prevailing market rates for the similar finance leasing arrangement.

## **PRINCIPAL TERMS OF THE SETTLEMENT AGREEMENT**

Below please find the principal terms of the Settlement Agreement:

**Date:** 20 September 2022

**Parties:**

- (1) the Lessor;
- (2) the Lessee;
- (3) the Securities Providers; and
- (4) the Additional Securities Providers.

- Total Settlement Sum:** RMB323,682,653, which includes the Outstanding Sum together with the interests of approximately RMB17,679,406 to be accrued on the outstanding principal amount after the Settlement Agreement Reference Date at the interest rate of 7.85% per annum and other fees of approximately RMB1,375,647
- Conditions precedent:**
- (i) the written shareholders' approval from Camellia Pacific Investment Holding Limited and Right Select International Limited (佳擇國際有限公司) approving the Settlement Agreement and the transactions contemplated thereunder having been obtained; and
  - (ii) all the securities and charges pursuant to the Settlement Agreement having been registered at relevant authorities.
- Default Interest:** 17.85% per annum
- Repayment Schedule:**
- (i) approximately RMB11,338,245 was paid on or before 5 September 2022;
  - (ii) approximately RMB10,269,216 is to be paid on or before 5 October 2022;
  - (iii) approximately RMB10,085,542 is to be paid on or before 5 November 2022;
  - (iv) approximately RMB15,547,908 is to be paid on or before 5 December 2022;
  - (v) approximately RMB4,847,303 is to be paid on or before 5 March 2023;
  - (vi) RMB20,000,000 is to be paid on or before 5 April 2023;
  - (vii) RMB90,000,000 is to be paid on or before 5 June 2023; and
  - (viii) approximately RMB161,594,439 is to be paid on or before 28 August 2023.

**Additional guarantee and security:**

Obligations of the Lessee under the Settlement Agreement, the Credit Framework Agreement and the Agreements are secured and guaranteed by the Additional Security Documents, which are comprised:

- (i) the guarantee agreement dated 20 September 2022 entered into between the Lessor as guarantee, and Shengdi Investment, Shaanxi Lvyuan, Shaanxi Jinyuan Hotel, Tianjin Tangda, Xian Changwei, Mr. Ma Long, Ms. Ma Jing and Shaanxi Jianyuan Construction as guarantors collectively, guaranteeing, among others, all sums due and payable to the Lessor under the Credit Framework Agreement, the Agreements and the Settlement Agreement;
- (ii) the equity pledge agreement dated 20 September 2022 entered into between the Lessor as the chargee and Shaanxi Zhongjiang as the charger, pursuant to which Shaanxi Zhongjiang would charge 4,000,000 shares of 陝西楊凌農村商業銀行股份有限公司 and its relevant rights in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement, the Agreements and the Settlement Agreement;
- (iii) the equity pledge agreement dated 20 September 2022 entered into between the Lessor as the chargee and Shaanxi Jianyuan Construction as the charger, pursuant to which Shaanxi Jianyuan Construction would charge 11,850,000 shares of 陝西楊凌農村商業銀行股份有限公司 and its relevant rights in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement, the Agreements and the Settlement Agreement; and
- (iv) the immovable property mortgage agreement dated 20 September 2022 entered into between Hanzhong Zhongqing as the mortgagor and the Lessor as the mortgagee, pursuant to which Hanzhong Zhongqing would charge the property as set out in the agreement in favour of the Lessor as security for, among others, all sums due and payable to the Lessor under the Credit Framework Agreement, the Agreements and the Settlement Agreement.

## **REASONS AND BENEFITS OF THE SETTLEMENT AGREEMENT**

Default by the Lessee occurred since March 2021 and the Company had been paying effort to retrieve overdue sum and negotiate on restructuring proposal but in vain. The Group had initiated arbitration proceedings in the PRC in April 2022 in order to facilitate negotiations between the parties and restructure the indebtedness under the Credit Framework Agreement and it is expected that the debt restructuring plan under the Settlement Agreement will be accepted by the relevant authorities during the course of arbitration. In the event that the Lessee breached the debt restructuring plan as agreed between the parties pursuant to the Settlement Agreement, the Group will be able to mandatorily enforce the same. The Company is of the view that this will facilitate repayment process and guarantee the performance by the Lessee. In addition, during the repayment period of the Total Settlement Sum which is extended to 23 August 2023 pursuant to the Settlement Agreement, interests will continue to accrue and generate income for the Company. The terms of the Credit Framework Agreement were negotiated on arm's length basis between the Lessor and the Lessee and were on normal commercial terms. Taking into account the negotiation between the parties, the results of due diligence on the financial background and repayment ability of the Lessee, the Security Providers and the Additional Security Providers and the interest income expected to be generated from the Settlement Agreement, the Directors consider that the terms of the Settlement Agreement are fair and reasonable and the entering into of the same is in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Lessor and the Group**

The Lessor is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The Lessor is principally engaged in the provision of finance leasing business in the PRC.

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.

### **The Lessee**

The Lessee is a company incorporated in the PRC with limited liability and is principally engaged in production and sale of LNG. As at the date of this announcement, it is wholly owned by Shengdi Baicheng, which is in turn held as to 30% by Shaanxi Jinyuan and 70% by Shengdi Investment. Shengdi Investment is held as to 69.96% by Mr. Ma Long and 30.04% by Ms. Li. To the best of the Directors' knowledge, information and belief having made all reasonable inquiry, the Lessee and its ultimate beneficial owner(s) are Independent Third Parties.



## **The Security Providers**

As at the date of the announcement:

- (i) Shengdi Baicheng is a company incorporated in the PRC with limited liability and holding 100% of the equity interest in the Lessee and Shaanxi Lvyuan. Shengdi Baicheng is held as to 30% by Shaanxi Jinyuan and 70% by Shengdi Investment.
- (ii) Hanzhong Zhongqing is a company incorporated in the PRC with limited liability and is held as to 70% by Shaanxi Jinyuan, 20% by Shaanxi Mingjia Property Co. Ltd.\* (陝西明佳置業有限公司), which is in turn wholly owned by Ms. Liu Li (劉麗) and 10% by Shaanxi Zhongqing Property Co. Ltd.\* (陝西中青置業有限公司), which is in turn held as to 76% by Ms. Gao Shuqin (高淑琴) and 24% by Mr. Gao Kai (高凱).
- (iii) Xian Changwei is a company incorporated in the PRC with limited liability and is held as to 90% by Shaanxi Jinyuan.
- (iv) Shaanxi Jinyuan is a company incorporated in the PRC with limited liability and holding 30% of the equity interest in Shengdi Baicheng, 70% of the equity interest in Hanzhong Zhongqing and 90% of the equity interest in Xian Changwei. Shaanxi Jinyuan is held as to 74% by Mr. Ma and 26% by Ms. Li.
- (v) Mr. Ma is a natural person, holding 74% of the equity interest in Shaanxi Jinyuan and the spouse of Ms. Li.
- (vi) Ms. Li is a natural person, holding 26% equity interest in Shaanxi Jinyuan and being the spouse of Mr. Ma.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiry, Shengdi Baicheng, Shaanxi Lvyuan, Hanzhong Zhongqing, Xian Changwei, Shaanxi Jinyuan, Mr. Ma, Ms. Li and their ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

## **The Additional Security Providers**

As at the date of the announcement:

- (i) Shengdi Investment is a company incorporated in the PRC with limited liability and is held as to 69.96% by Mr. Ma Long and 30.04% by Ms. Li.
- (ii) Shaanxi Lvyuan is a company incorporated in the PRC with limited liability and is wholly owned by Shengdi Baicheng.

- (iii) Shaanxi Jinyuan Hotel is a company incorporated in the PRC with limited liability and is held as to 90% by Ms. Ma Jing and 10% by Mr. Yan Haijun (閔海軍).
- (iv) Tianjin Tangda is a company incorporated in the PRC with limited liability and is wholly owned by Shengdi Investment.
- (v) Mr. Ma Long (馬龍) is a natural person, holding 69.96% of the equity interest in and being the legal representative of Shengdi Investment.
- (vi) Ms. Ma Jing (馬靜) is a natural person, holding 90% of the equity interest in and being the legal representative of Shaanxi Jinyuan Hotel.
- (vii) Shaanxi Jianyuan Construction is a company incorporated in the PRC with limited liability and is held as to 95% by Mr. Ding Xuejun (丁學俊) and 5% by Mr. Yang Yuan (楊遠).
- (viii) Shaanxi Zhongjiang is a company incorporated in the PRC with limited liability and is held as to 8.8% by Mr. Wang Shunan (王樹楠) and 91.2% by Shaanxi Yingrui Investment Co., Ltd. \* (陝西盈瑞投資有限公司) which is in turn held as to 98% by Mr. Wang Qingyun (王青雲) and 2% by Mr. Wang Shunan.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiry, Shengdi Investment, Shaanxi Lvyuan, Shaanxi Jinyuan Hotel, Tianjin Tangda, Mr. Ma Long, Ms. Ma Jing, Shaanxi Jianyuan Construction, Shaanxi Zhongjiang and their ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As the Lessor was an indirect wholly-owned subsidiary of Huarong Investment, a former listed company on the Stock Exchange, the Credit Framework Agreement was a discloseable transaction of Huarong Investment at the time of the entering into of the transaction in 2017. Subsequent to Huarong Investment being privatized by the Company and the listing of its shares being withdrawn in November 2020, the Lessor has become an indirect wholly-owned subsidiary of the Company, and thus the entering into the Settlement Agreement by the Lessor constitutes a provision of financial assistance by the Group under the Listing Rules. As one of the applicable percentage ratios under the Listing Rules in respect of the Settlement Agreement exceed 25%, the Settlement Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular, and Shareholders' approval requirements. As none of the Directors has a material interest in Settlement Agreement, no Director has abstained from voting on the relevant board resolutions.

Pursuant to Rule 14.44 of the Listing Rules, (i) as no Shareholder has a material interest in the Settlement Agreement, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Settlement Agreement; and (ii) the Company intends to obtain a written shareholders' approval from Camellia Pacific Investment Holding Limited and Right Select International Limited (佳擇國際有限公司), holding 1,830,117,664 and 2,611,438,440 shares of the Company, respectively (in aggregate representing approximately 51% of the total issued shares of the Company) for the approval of the Settlement Agreement and the transactions contemplated thereunder.

As a result, no special general meeting will be convened by the Company to approve the Settlement Agreement. A circular setting out, among others, (i) further details of the Settlement Agreement; (ii) financial information of the Group; and (iii) other information required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders within 15 business days (as defined in the Listing Rules) of the publication of this announcement. However, as no special general meeting will be convened for approving the Settlement Agreement, the circular will be published for Shareholders' information purpose only and will not contain any notice of the special general meeting.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Additional Security Documents”	collectively the security documents to be entered into between the Lessor and the Additional Security Providers as security for all sums due and payable to the Lessor under the Credit Framework Agreement, the Agreements and the Settlement Agreement
“Additional Security Providers”	collectively, Shengdi Investment, Shaanxi Lvyuan, Shaanxi Jinyuan Hotel, Tianjin Tangda, Mr. Ma Long, Ms. Ma Jing, Shaanxi Jianyuan Construction and Shaanxi Zhongjiang
“Agreements”	the Finance Lease Agreement(s) and the Purchase Agreement(s)
“Board”	the board of Directors
“BP”	basis point
“Business Day”	a day on which the banks in Hong Kong are generally open for business (excluding statutory holidays of Hong Kong)

“Company”	Huarong International Financial Holdings Limited (華融國際金融控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 993)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Credit Framework Agreement”	a credit framework agreement dated 17 August 2017 and entered into between the Lessor, the Lessee and the Security Providers setting out the finance leasing arrangement between the Lessor and the Lessee and as supplemented by confirmations signed by the Lessor and Lessee on 28 February 2019 and 9 April 2020
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement(s)”	Agreement(s) entered and to be entered into between the Lessor and the Lessee from time to time in relation to the finance leasing arrangement over the Leased Assets
“Group”	the Company and its subsidiaries
“Hanzhong Zhongqing”	漢中中青置業有限公司 (Hanzhong Zhongqing Estate Co., Ltd.*), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huarong Investment”	Huarong Investment Stock Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which were formerly listed on the Stock Exchange and subsequently privatized by the Company with effect from 10 November 2020. The listing of shares of Huarong Investment was withdrawn on 12 November 2020.
“Independent Third Party(ies)”	independent third party(ies) which is/are not connected person(s) of the Company and is/are independent of the Company and its connected persons
“Leased Assets”	certain equipment and facilities of the LNG production line

“Lessee”	延安新沃達天然氣有限公司 (Yanan Xinwoda LNG Co., Ltd.*), a company incorporated in the PRC with limited liability
“Lessor”	中聚（深圳）融資租賃有限公司 (Zhongju (Shenzhen) Financial Leasing Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Mr. Ma”	Ma Weiqiang (馬維強), a PRC resident and the spouse of Ms. Li
“Ms. Li”	Li Qinqin (李琴琴), a PRC resident and the spouse of Mr. Ma
“Outstanding Sum”	the aggregate outstanding sum owed by the Lessee to the Lessor pursuant to the Credit Framework Agreement as at the Settlement Agreement Reference Date
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchase Agreement(s)”	purchase agreement(s) to be entered into between the Lessor and the Lessee from time to time for the purchase of the Leased Assets
“Repayment Schedule”	the time schedule and payment manner in relation to the repayment of the Total Settlement Sum as agreed between the parties under the Settlement Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Security Documents”	collectively the security documents entered into between the Lessor and the Security Providers as security for all sums due and payable to the Lessor under the Credit Framework Agreement and the Agreements
“Security Providers”	collectively, Shengdi Baicheng, Hanzhong Zhongqing, Xian Changwei, Shaanxi Jinyuan, Mr. Ma and Ms. Li

“Settlement Agreement”	A settlement agreement dated 20 September 2022 and entered into between the Lessor, the Lessee, the Security Providers and the Additional Security Providers in relation to the settlement of, among others, the Outstanding Sum
“Settlement Agreement Reference Date”	28 August 2022
“Shaanxi Lvyuan”	陝西綠源天然氣有限公司 (Shaanxi Lvyuan Natural Gas Co., Ltd.*), a company incorporated in the PRC with limited liability
“Shaanxi Jianyuan Construction”	陝西建元建築有限公司 (Shaanxi Jianyuan Construction Co., Ltd.*), a company incorporated in the PRC with limited liability
“Shaanxi Jinyuan”	陝西金源投資控股集團有限公司 (Shaanxi Jinyuan Group Co., Ltd.*), a company incorporated in the PRC with limited liability
“Shaanxi Jinyuan Hotel”	陝西金源酒店投資管理有限公司 (Shaanxi Jinyuan Hotel Investment Management Co., Ltd.*), a company incorporated in the PRC with limited liability
“Shaanxi Zhongjiang”	陝西中江之旅酒店管理有限公司 (Shaanxi Zhongjiang Zhilv Hotel Management Co., Ltd.*), a company incorporated in the PRC with limited liability
“Shareholder(s)”	shareholder(s) of the Company
“Shengdi Baicheng”	聖地佰誠能源股份有限公司 (Shengdi Baicheng Energy Co., Ltd.*), a company incorporated in the PRC with limited liability
“Shengdi Investment”	聖地投資管理控股有限公司 (Shengdi Investment Management Holding Co., Ltd.*), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Tangda”	天津塘達投資有限公司 (Tianjin Tangda Investment Co., Ltd.*), a company incorporated in the PRC with limited liability
“Total Settlement Sum”	the total settlement sum payable by the Lessee to the Lessor in accordance with the terms of the Settlement Agreement

“Xian Changwei” 西安長韋青海石油長安住宅小區建設有限責任公司 (Xian Changwei Qinghai Petroleum Changan Housing Co., Ltd.\*), a company incorporated in the PRC with limited liability

“%” per cent.

\* For identification purposes only

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

Hong Kong, 20 September 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.*