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## **SFUND INTERNATIONAL HOLDINGS LIMITED**

**廣州基金國際控股有限公司**

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

**(Stock Code: 1367)**

### **DISCLOSEABLE TRANSACTION SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO THE PROVISION OF LOAN TO AN ENTITY**

#### **THE SECOND SUPPLEMENTAL AGREEMENT**

Reference is made to the circular of SFund International Holdings Limited (the “**Company**”) dated 22 December 2017 in relation to the provision of a loan of HK\$180 million from Capital Strategic Partners Limited, a wholly-owned subsidiary of the Company (as the Lender) to Yuan Heng Gas Holdings Limited (as the Borrower). The Borrower had repaid HK\$100 million of the Original Facility to the Lender by 6 August 2018.

Reference is also made to the announcement of the Company dated 25 January 2019 in relation to the Supplemental Agreement pursuant to which the Lender agreed to extend the maturity date of the remaining HK\$80 million of the Original Facility to 25 July 2019 (or any other date as may be agreed by the Lender and the Borrower in writing). The Borrower had further repaid HK\$5 million of the Original Facility to the Lender by 16 July 2019.

On 26 July 2019 (after trading hours), the Lender and the Borrower entered into the Second Supplemental Agreement with retrospective effect from 25 July 2019 pursuant to which the Lender agreed to extend the maturity date of the remaining HK\$75 million of the Original Facility to 25 January 2020 (or any other date as may be agreed by the Lender and the Borrower in writing). The Loan will continue to be secured by the Share Charge and the Floating Charge.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan is more than 5% but all percentage ratios are less than 25%, the Loan 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 the Listing Rules.

## **INTRODUCTION**

On 24 November 2017, the Lender and the Borrower entered into the Loan Agreement pursuant to which the Lender agreed to grant to the Borrower the Original Facility for a term of 6 months from the date of drawdown, which was 25 January 2018, and could be further extended for another 6 months with written consent of the Lender (or any other date as may be agreed by the Lender and the Borrower in writing). The Borrower had repaid HK\$100 million of the Original Facility to the Lender by 6 August 2018.

On 25 January 2019, the Lender and the Borrower entered into the Supplemental Agreement pursuant to which the Lender agreed to extend the maturity date of the remaining HK\$80 million of the Original Facility to 25 July 2019 (or any other date as may be agreed by the Lender and the Borrower in writing). The Borrower had further repaid HK\$5 million of the Original Facility to the Lender by 16 July 2019 and the parties entered into the Second Supplemental Agreement in respect of the remaining HK\$75 million.

## **THE SECOND SUPPLEMENTAL AGREEMENT**

Date: 26 July 2019

Lender: Capital Strategic Partners Limited, a wholly-owned subsidiary of the Company

Borrower: Yuan Heng Gas Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 332)

### **Principal terms of the Second Supplemental Agreement**

Amount of the Loan: HK\$75 million

Maturity Date: 25 January 2020 (or any other date as may be agreed by the Lender and the Borrower in writing)

Interest: 10% per annum payable monthly

Prepayment: The Borrower may prepay all or any part of the Loan by giving not less than one month's notice to that effect to the Lender.

The Lender may request the prepayment of the Borrower of all or any part of the Loan by giving not less than 10 Banking Days' notice to that effect to the Borrower.

Security for the Loan: The Loan is secured by the Share Charge and the Floating Charge.

## **Security for the Loan**

The Loan is secured by the Share Charge and the Floating Charge. The Share charge is the charge over the entire issued share capital of Fully World executed by Firmwill in favour of the Lender. The Floating Charge is the floating charge over all or any part of the property and/or assets of Fully World created by Fully World in favour of the Lender.

The terms of the Second Supplemental Agreement were arrived at after arm's length negotiations between the Lender and the Borrower, determined with reference to the commercial practice and the terms of conducting money lending business in Hong Kong.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company. The Group is principally engaged in provision of apparel supply chain management services business, provision of financial services, money lending business and securities investment.

The Lender is a wholly-owned subsidiary of the Company. The Lender is a registered money lender holding a valid Money Lenders Licence under the Money Lenders Ordinance and its principal activities include money lending business.

## **INFORMATION ON THE BORROWER, FIRMWILL AND FULLY WORLD**

The Borrower is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 332). The Borrower is an investment holding company and its subsidiaries are principally engaged in (i) trading of oil and gas products and the provision of related consultancy services; and (ii) processing, distribution, sales, trading and transportation of LNG (liquefied natural gas) and other auxiliary operations and networks in the PRC.

Firmwill is a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Borrower and is interested in the entire issued share capital of Fully World. Firmwill is principally engaged in investment holding.

Fully World is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Firmwill. Fully World is principally engaged in oil trading.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an associate of a substantial shareholder of the Company is a general partner holding 10.47% interests in a limited partnership which in turn beneficially holds approximately 7.73% shareholding interests in the Borrower. Save as aforesaid, the Borrower, Firmwill, Fully World and their ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR THE ENTERING INTO OF THE SECOND SUPPLEMENTAL AGREEMENT**

The entering into of the Second Supplemental Agreement enables the Group to earn a reasonable return of 10% per annum being the interest income to be generated by the Loan. The Directors consider that the transactions contemplated under the Second Supplemental Agreement are on normal commercial terms and the terms of the Second Supplemental Agreement are fair and reasonable and are in the interest of the Company and its Shareholders as a whole having considered (1) the current market norm in relation to similar transactions; (2) the costs of entering into of the Second Supplemental Agreement with the Borrower; (3) the interest income to be generated by the Loan; and (4) the fact that the Borrower had repaid a total of HK\$105 million of the Original Facility.

Given the fact that the Borrower had repaid HK\$105 million of the Original Facility, the Board is of the view that there is no concern on the creditworthiness and solvency of the Borrower. The Board is of the view that the Share Charge and the Floating Charge is sufficient to cover the Loan amount. Therefore, even if the Borrower defaults, the Company can enforce the security under the Share Charge and the Floating Charge to recover the Loan.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan is more than 5% but all percentage ratios are less than 25%, the Loan 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 the Listing Rules.

## **DEFINITIONS**

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Borrower”	Yuan Heng Gas Holdings Limited (元亨燃氣控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 332)
“Banking Day”	a day (excluding Saturday and Sunday) on which commercial banks are open for business in Hong Kong and HK\$ deposits may be dealt with in the Hong Kong inter-bank market

“Company”	SFund International Holdings Limited (廣州基金國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1367)
“Director(s)”	director(s) of the Company
“Firmwill”	Firmwill Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Borrower and is interested in the entire issued share capital of Fully World
“Floating Charge”	the floating charge over all or any part of the property and/or assets of Fully World to be created by Fully World in favour of the Lender
“Fully World”	Fully World Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Firmwill
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party (Parties)”	independent third party (parties) who is (are) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Lender”	Capital Strategic Partners Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the remaining HK\$75 million of the Original Facility
“Loan Agreement”	the loan agreement dated 24 November 2017 entered into between the Lender and the Borrower in relation to the grant of the loan of HK\$180 million to the Borrower
“Money Lenders Ordinance”	Chapter 163 of the Laws of Hong Kong
“Original Facility”	the secured term loan facility in the amount of HK\$180 million granted by the Lender to the Borrower pursuant to the Loan Agreement

“PRC”	the People’s Republic of China, which for the purpose of this announcement exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Supplemental Agreement”	the second supplemental agreement dated 26 July 2019 entered into between the Lender and the Borrower in relation to the extension of the maturity date of the Loan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Charge”	the charge over the entire issued share capital of Fully World to be executed by Firmwill in favour of the Lender
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 25 January 2019 entered into between the Lender and the Borrower in relation to the extension of the maturity date of HK\$80 million of the Original Facility
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**SFund International Holdings Limited**  
**Li Qing**  
*Chairman*

Hong Kong, 26 July 2019

*As at the date of this announcement, the executive Directors are Mr. Li Qing, Mr. Lam Kwan Sing, Mr. Liu Zhijun, Ms. Yi Sha, Ms. Wang Mengsu and Mr. Hon Ming Sang and the independent non-executive Directors are Mr. Fok Ho Yin, Thomas, Mr. Chan Wai Cheung, Admiral and Mr. Lam Ho Pong.*