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港橋金融控股有限公司

HKBridge Financial Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

**ANNOUNCEMENT
APPLICATION FOR AND NOTICE OF ACCEPTANCE OF
ARBITRATION PROCEEDINGS**

This announcement is made by HKBridge Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 6 September 2018 (the “**Announcement**”) in relation to the Loan Transactions. Capitalized terms used herein shall have the meanings as those defined in the Announcement, unless otherwise stated.

This announcement is made to update shareholders of the Company and potential investors of the progress of the actions taken by the Group to seek recovery of the debts owing by Zhonghong and the Hainan Group Guarantors. Since August 2018, the Borrowers have defaulted in making repayment of the Loans. Zhonghong has agreed to assume, on a joint basis, the repayment obligations of all the other Borrowers under the Loan Agreements. The aggregate principal amounts advanced to the Borrowers under the Loans were approximately HK\$381.5 million, and the accrued interests of the Loans and service fee amounted to approximately HK\$86.8 million up to the date of announcement.

To secure the recovery of the principal of debts and reduce the risk of impairment loss, on 13 September 2018, TCMCS filed an application for arbitration proceedings at the Shenzhen Court of International Arbitration (“**SCIA**”) against Zhonghong and the Hainan Group Guarantors for breaching of the Supplemental Agreements and the Guarantee Agreement. On the same date, Shenzhen HKBridge Equity Investment Fund Management Limited* (深圳港橋股權投資基金管理有限公司) (“**Shenzhen HKBridge**”) also filed an application for arbitration proceedings at the SCIA against the Hainan

Group Guarantors for breaching of the Guarantee Agreement. On 18 September 2018, TCMCS and Shenzhen HKBridge together received the notice of acceptance for arbitration proceedings issued by the SCIA.

As disclosed in the Announcement, the Hainan Group Guarantors are in discussion with a potential buyer to dispose of the Sea Area Use Certificate (海域使用權證書) and the whole property and tourism project at a substantial price. The Directors believe that filing applications for arbitration proceedings against Zhonghong and the Hainan Group Guarantors are measures taken for protecting the interests of relevant members of the Group as well as the Company.

As advised by the PRC legal advisers to the relevant Group members in connection with the above arbitration proceedings, the hearing date of the above arbitration cases will be fixed by the SCIA. Further announcement(s) will be made regarding any significant developments on the above arbitrations as and when appropriate.

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

By Order of the Board
HKBridge Financial Holdings Limited
Liu Tingan
Chairman and Chief Executive Officer

Hong Kong, 20 September 2018

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Tingan and Mr. Cheok Ho Fung being executive Directors; and Mr. Mao Yumin being non-executive Director; and Mr. Ng Man Kung, Mr. Lau Fai Lawrence and Mr. Mak Kwok Kei being independent non-executive Directors