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**華融投資股份有限公司**

**HUARONG INVESTMENT STOCK CORPORATION LIMITED**

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

**(Stock Code: 2277)**

**DISCLOSEABLE TRANSACTION  
AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT  
IN RELATION TO  
SUBSCRIPTION FOR INTEREST IN A FUND**

Reference is made to the announcement dated 5 January 2017 made by the Huarong Investment Stock Corporation Limited (the “**Company**”) in relation to the subscription for interest in a fund focusing in private debt instruments primarily in real estate industry which constituted a discloseable transaction of the Company (the “**DT Announcement**”). Unless otherwise stated, terms defined in the DT Announcement shall have the same meanings in this announcement.

The Board announced that, on 29 June 2017, the Subsidiary gave its consent to the General Partner for entering into an amended and restated limited partnership agreement (the “**Amended LPA**”) dated on or about 29 June 2017, by the General Partner of the Fund for itself and as duly authorised attorney of the Limited Partners.

Pursuant to the Amended LPA, certain key terms and conditions of the Limited Partnership Agreement as to distributions under the Fund have been amended (the “**Amendments**”). The Amended LPA will take retrospective effect on 5 January 2017. Save for the Amendments, other terms and conditions of the Limited Partnership Agreement remain unchanged.

**THE AMENDMENTS**

**Limited Partner  
distributions**

The General Partner shall declare and make distributions to the Limited Partners on a best effort basis, the aggregate amount for each 6 months period ending 30 June and 31 December (“**Half Year**”) shall be no less than an amount equal to 8% per annum of the Commitment drawn down from each Limited Partner at the relevant drawdown date in the relevant Half Year multiplied by the Half Year Fraction.

Distribution of  
investment proceeds:

The net proceeds from the realised investment and any net proceeds for the re-financing and income in respect of such realised investment in relation to the Fund and including any equalising amount paid by the additional Limited Partners and Limited Partners which increase their Commitments pursuant to the Amended LPA and after deducting reserves, taxes and expenses will be distributed as follows:

- (a) First: 100% to each Senior Limited Partner until each such Senior Limited Partner has been allocated such distributable amount and all prior distributions equal to an amount of 8% per annum of the Commitment drawn down from such Senior Limited Partner as at the relevant drawdown date multiplied by the Distribution Fraction;
- (b) Second: 100% to each Junior Limited Partner until each such Junior Limited Partner has been allocated such distributable amount and all prior distributions equal to an amount of 8% per annum of the Commitment drawn down from such Junior Limited Partner as at the relevant drawdown date multiplied by the Distribution Fraction;
- (c) Third: 100% to each Senior Limited Partner until each such Senior Limited Partner has been allocated such distributable amount equal in aggregate to 100% of capital contributions by each such Senior Limited Partner at the time of distribution;
- (d) Fourth: 100% to each Junior Limited Partner until each such Junior Limited Partner has been allocated such distributable amount equal in aggregate to 100% of capital contributions by each such Junior Limited Partner at the time of distribution;

(e) Thereafter:

- (i) to the Senior Limited Partners: 20% X the proportion of Senior Limited Partners' aggregate amount of capital contributions in those of all Limited Partners at the time of distribution; and
- (ii) to the Junior Limited Partners: to each Junior Limited Partner, until such Junior Limited Partner has been allocated an amount equal to an overall internal rate of return of 8% per annum, then 80% to each Junior Limited Partner and 20% to the Special Limited Partner.

For the purpose of the Amended LPA, “**Half Year Fraction**” means the fraction with the number of days lapsed since the Commitment has been drawn down and remains unreturned in the relevant Half Year as the numerator, and 365 days as the denominator; and “**Distribution Fraction**” means the fraction with the number of days lapsed since the Commitment has been drawn down and remains unreturned as at the distribution date as the numerator, and 365 days as the denominator.

Considering the Amendments will provide a regular and foreseeable return to the Limited Partners during the terms of the Fund, the Directors consider that the Amendments are fair and reasonable and is in the interests of the Company and its shareholders as a whole.

By order of the Board  
**Huarong Investment Stock Corporation Limited**  
**Qin Ling**  
*Chairman*

Hong Kong, 29 June 2017

*As at the date of this announcement, the executive directors are Mr. Qin Ling, Mr. Yeung Chun Wai Anthony, Mr. Xu Xiaowu, Mr. Liu Xiguang, Mr. Kwan Wai Ming and Ms. Lin Changhua; the non-executive Director is Mr. Wu Qinghua; and the independent non-executive Directors are Mr. Chan Kee Huen Michael, Mr. Zhang Xiaoman, Mr. Tse Chi Wai and Mr. Wu Tak Lung.*