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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  
PROVISION OF FINANCIAL ASSISTANCE TO AN  
INDEPENDENT THIRD PARTY**

**PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 19 September 2017, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to lend to the Borrower a loan in the principal amount of HK\$500,000,000 for a term of six months, which carries interest at an interest rate of 15% per annum and is secured by the Share Charge, the Personal Guarantee and the Bank Guarantee.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Loan are more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from circular and independent shareholders' approval requirements under Chapter 14 of the Listing Rules.

**PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 19 September 2017, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower.

The principal terms and conditions of the Loan Agreement are set out below:

## THE LOAN AGREEMENT

|                         |   |
|-------------------------|---|
| <b>Date</b>             | 19 September 2017   |
| <b>Parties</b>          | (a) The Lender and (b) the Borrower, which is principally engaged in investment holding   |
| <b>Principal amount</b> | HK\$500,000,000   |
| <b>Interest</b>         | 15% per annum on the basis of the actual number of days elapsed and a 365-day year  |
| <b>Term</b>             | 6 months commencing from the drawdown date of the Loan (the “ <b>Drawdown Date</b> ”) (or such later date as agreed in writing by the Lender (in its absolute discretion)), after all drawing conditions in relation to the Loan have been satisfied or waived by the Lender (as the case may be)   |
| <b>Security</b>         | (a) a share charge provided by the Borrower (the “ <b>Share Charge</b> ”) over certain shares in a company listed on the main board of the Stock Exchange (the “ <b>Charged Shares</b> ”) in favour of the Lender, such listed company is a real estate developer;<br><br>(b) a payment guarantee to be provided by the Bank Guarantor in respect of the Loan plus interest thereon calculated at 7% per annum (the “ <b>Bank Guarantee</b> ”); and<br><br>(c) a personal guarantee provided by the Guarantor (the “ <b>Personal Guarantee</b> ”) |
| <b>Payment</b>          | The Borrower shall pay interest on the Loan to the Lender on each period of 3 months after the Drawdown Date and repay the principal amount of the Loan and interest accrued but unpaid on or before the end of the term of the Loan (subject to the terms and conditions of the Loan Agreement)  |

**Major drawing conditions (among other conditions)**

The Loan will be made available for drawdown to the Borrower upon delivery of a drawdown notice by the Borrower and satisfactory of the conditions precedent as more particularly set out in the Loan Agreement, including without limitation, the following:

In relation to the conditions precedent of the Loan:

- (a) the legal adviser of the Lender having issued a legal opinion, to the Lender's reasonable satisfaction, in relation to, among others, the validity and enforceability of the relevant finance documents;
- (b) the Loan Agreement and all other documents required thereunder having been duly executed, including but not limited to the Share Charge, the Personal Guarantee, the Custodian Agreement and those documents in relation thereto; and
- (c) the legal adviser of the Lender having issued a legal opinion, to the Lender's reasonable satisfaction, in relation to, among others, the due incorporation of each of the corporate securing party (exclude the Bank Guarantor) which provides the relevant type of security or guarantee in favour of the Lender as security for all or any part of the Borrower's obligations under the Loan Agreement and/or the other finance documents.

There are also conditions subsequent of the Loan. The Borrower must within one month after the Drawdown Date:

- (a) deliver or cause to be delivered, to the Lender an original of the signed and issued Bank Guarantee (in the form and substance reasonably satisfactory to the Lender);
- (b) deliver or cause to be delivered, to the Lender a legal opinion (in the form and substance reasonably satisfactory to the Lender) in relation to the laws of Vietnam addressed to the Lender opining and confirming, among others, the validity and enforceability of the Bank Guarantee; and

- (c) complete all necessary registration and perfection requirements under the laws of the British Virgin Islands and other relevant jurisdictions for the validity and enforceability of the security documents.

**Use of proceeds**

The Loan shall be used by the Borrower solely for the purposes (the “**Purpose**”) of part payment of the consideration payable by the Borrower for the Acquisition but shall not be used in any way to facilitate the acquisition of securities listed on any stock exchange and/or the continued holding of those securities, whether or not those or other securities are pledged as security for the Loan and/or applied in such way so as to render the provision of the Loan by the Lender to the Borrower to be within the definition of “securities margin financing” under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

The Loan Agreement contains other usual representations, warranties and undertakings given by the Borrower in favour of the Lender.

**Funding of the Loan**

The Loan will be financed by the Group’s internal resources.

**INFORMATION ON THE BORROWER GROUP AND THE GROUP**

The Borrower is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holdings.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and the Bank Guarantor and their respective ultimate beneficial owner(s), as well as the Guarantor, is an Independent Third Party and is not connected with the Group.

The Lender is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holdings. It is an indirect wholly-owned subsidiary of the Company.

The Group is principally engaged in the (i) direct investments; (ii) financial services and others; and (iii) foundation and substructure construction services.

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

The terms and conditions of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Lender, the Borrower and the Guarantor with reference to the normal prevailing commercial practice and the principal amount of the Loan. The Directors consider that the Loan, the Loan Agreement, the Share Charge, the Bank Guarantee and the Personal Guarantee are on normal commercial terms entered into based on the Group's credit assessment towards the Borrower and the Guarantor.

The Directors believe that the Loan can provide the Group with an opportunity to generate stable income for the Group. Taking into account the satisfactory assets backing of the Borrower, the security (which include the Share Charge, the Bank Guarantee and the Personal Guarantee) and the expected return to be generated from the Loan, the Directors consider that the terms of the transaction under the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Loan as provided under the Loan Agreement constitutes a financial assistance provided by the Lender within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Loan are more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from circular and independent shareholders' approval requirements, set out in Chapter 14 of the Listing Rules.

## **DEFINITION**

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

|                  |  |
|------------------|--|
| “Acquisition”    | the acquisition of the entire issued share capital of the Target Company |
| “Bank Guarantor” | a commercial bank in Vietnam and an Independent Third Party              |
| “Board”          | the board of Directors   |

|                                |   |
|--------------------------------|---|
| “Borrower”                     | a company established in the British Virgin Islands with limited liability and an Independent Third Party   |
| “Company”                      | Huarong Investment Stock Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 2277) |
| “Custodian Agreement”          | the agreement entered or to be entered into between the Borrower, the Lender and a custodian for a custody arrangement of the Charged Shares which are subject to the Share Charge            |
| “Director(s)”                  | director(s) of the Company  |
| “Guarantor”                    | a Hong Kong citizen and businessman, the sole director of the Borrower, an Independent Third Party  |
| “Group”                        | the Company and its subsidiaries  |
| “HK\$”                         | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)” | a third party independent of and not connected with the Company and its subsidiaries and its connected persons  |
| “Lender”                       | ACE Ornate Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company  |
| “Listing Rules”                | the Rules Governing the Listing of securities on The Stock Exchange   |
| “Loan”                         | the principal amount of HK\$500,000,000 to be lent by the Lender to the Borrower pursuant to the Loan Agreement   |
| “Loan Agreement”               | the loan agreement dated 19 September 2017 entered into between the Lender and the Borrower   |
| “PRC”                          | the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                |

|                  |   |
|------------------|---|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited                               |
| “Target Company” | a company incorporated in Vietnam, holding a piece of land in Vietnam |
| “%”              | per cent.   |

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

Hong Kong, 19 September 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 Ms. Lin Xueqin; and the independent non-executive Directors are Mr. Chan Kee Huen Michael, Mr. Zhang Xiaoman, Mr. Tse Chi Wai and Dr. Lam Lee G.*