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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Huarong Investment Stock Corporation Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
CLOSURE OF REGISTER OF MEMBERS AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM to be held at Room 3201, 32/F., Two Pacific Place, 88 Queensway, Hong Kong on 28 June 2019 (Friday), at 10:00 a.m. is set out on pages 17 to 21 of this circular.

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 8:00 a.m. on 28 June 2019 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on 28 June 2019 that either of the above mentioned warnings is to be issued within the next two hours, the AGM shall automatically be postponed to the next business day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 8:00 a.m. to 10:00 a.m. and in such case the AGM shall be held at 10:00 a.m. on that business day at Room 3201, 32/F., Two Pacific Place, 88 Queensway, Hong Kong.

Whether or not you intend to attend and vote at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM (i.e. 10:00 a.m. on 26 June 2019 (Wednesday)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof (as the case may be) should you so desire.

29 May 2019

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Room 3201, 32/F., Two Pacific Place, 88 Queensway, Hong Kong, on 28 June 2019 (Friday) at 10:00 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 17 to 21 of this circular
“Articles”	the articles of association of the Company adopted on 8 December 2014 and as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“China Huarong”	China Huarong Asset Management Co., Ltd., a company incorporated in the PRC with limited liability and the shares of which are listed on the Stock Exchange (stock code: 2799)
“close associate(s)”	has the same meaning as defined in the Listing Rules
“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)
“controlling shareholder(s)”	has the same meaning as defined in the Listing Rules
“core connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate nominal value of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of up to 10% of the aggregate number of issued Shares repurchased under the Repurchase Mandate, as set out in the resolution no. 6 in the AGM Notice

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huarong International”	China Huarong International Holdings Limited, a company incorporated in Hong Kong with limited liability and being the holding company of Right Select
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all power of the Company to allot, issue and otherwise deal with Shares of up to 20% of the aggregate number of issued Shares on the date of AGM, as set out in resolution no. 4 of the AGM Notice
“Latest Practicable Date”	24 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China and for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares of up to 10% of the aggregate number of issued Shares on the date of AGM, as set out in resolution no. 5 in the AGM Notice
“Right Select”	Right Select International Limited, a company incorporated in the British Virgin Islands with limited liability and being the controlling shareholder of the Company holding approximately 50.99% of the issued Shares as at the Latest Practicable Date

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## DEFINITIONS

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“Risk Management Committee”	the risk management committee of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended, modified and supplemented from time to time
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Yu Meng (*Chairman*)

Mr. Liu Xiguang

Mr. Kwan Wai Ming

*Non-executive Director:*

Ms. Lin Xueqin

*Independent non-executive Directors:*

Mr. Chan Kee Huen Michael

Mr. Tse Chi Wai

Dr. Lam Lee G.

*Registered Office:*

PO Box 1350

Clifton House

75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

*Head Office and Principal Place of*

*Business in Hong Kong:*

Room 3201, 32/F

Two Pacific Place

88 Queensway

Hong Kong

29 May 2019

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS AND  
CLOSURE OF REGISTER OF MEMBERS**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of certain resolutions to be proposed at the AGM.

**ISSUE MANDATE AND EXTENSION MANDATE**

At the annual general meeting of the Company held on 24 May 2018, a general mandate was granted to the Directors to exercise the power of the Company to allot, issue and otherwise deal with Shares. Such mandate will lapse at the conclusion of the AGM. Accordingly, an ordinary resolution will be proposed at the AGM to approve the granting of the Directors a new general and unconditional mandate to allot, issue and otherwise deal with Shares of up to 20% of the aggregate number of issued Shares as at the date of the passing of the proposed resolution at the AGM.

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## LETTER FROM THE BOARD

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In addition, a separate ordinary resolution will be proposed at the AGM to extend the Issue Mandate by an addition of those Shares repurchased by the Company pursuant to the Repurchase Mandate (if so granted to the Directors at the AGM). The Directors have no present intention to exercise the Issue Mandate (including the Extension Mandate) or the Repurchase Mandate (if granted to the Directors at the AGM).

The Issue Mandate allows the Company to allot, issue and otherwise deal with Shares only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles or the laws of the Cayman Islands; and (iii) the date upon which such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company (the “**Relevant Period**”).

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,816,000,000 Shares. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 363,200,000 new Shares under the Issue Mandate, representing 20% of the aggregate number of issued Shares as at the date of the AGM.

### **REPURCHASE MANDATE**

At the annual general meeting of the Company held on 24 May 2018, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares representing up to a maximum of 10% of the aggregate number of issued Shares. Such mandate will lapse at the conclusion of the AGM. Accordingly, an ordinary resolution will be proposed at the AGM to approve the granting of the Directors a new general and unconditional mandate to repurchase Shares of up to 10% of the aggregate number of issued Shares as at the date of the passing of the proposed resolution at the AGM. The Repurchase Mandate allows the Company to make purchases only during the Relevant Period.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,816,000,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 181,600,000 Shares under the Repurchase Mandate, representing 10% of the aggregate number of issued Shares as at the date of the AGM.

An explanatory statement required to be sent to the Shareholders under the Listing Rules is set out in Appendix II to this circular to provide the requisite information regarding the Repurchase Mandate to the Shareholders.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 108 of the Articles, one-third of the Directors retiring by rotation at the AGM, namely, Ms. Lin Xueqin (“**Ms. Lin**”), Mr. Chan Kee Huen Michael and Mr. Tse Chi Wai will retire from office as Directors and being eligible, offer themselves for re-election as Directors at the AGM.

In accordance with article 112 of the Articles, the newly appointed Directors by the Board during the period from the last annual general meeting and up to the Latest Practicable Date, namely, Mr. Yu Meng (“**Mr. Yu**”), will retire from office as Director and being eligible, offer himself for re-election as Director at the AGM.

Mr. Chan Kee Huen Michael (“**Mr. Chan**”) is a fellow member of the Hong Kong Institute of Certified Public Accountants and has extensive experience in different professions. The election of Mr. Chan as an independent non-executive Director may bring a wealth of diverse experience to the Board, which is conducive to the growth of the Company.

Mr. Tse Chi Wai (“**Mr. Tse**”) is member of Hong Kong Institute of Certified Public Accountants and has extensive experience in different industries. The election of Mr. Tse as an independent non-executive Director may bring a wealth of diverse experience to the Board, which is conducive to the growth of the Company.

Therefore, the Board recommends to the Shareholders re-elect Mr. Yu, Ms. Lin, Mr. Chan and Mr. Tse as Directors at the AGM.

Details of the above retiring Directors who are subject to re-election at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### AGM

A notice convening the AGM is set out on pages 17 to 21 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 25 June 2019 to 28 June 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificate(s), must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on 24 June 2019.



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## LETTER FROM THE BOARD

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A form of proxy for use by Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM (10:00 a.m. on 26 June 2019 (Wednesday)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof (as the case may be) should you so desire.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate (including the Extension Mandate), the Repurchase Mandate and the re-election of retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and as set out in the AGM Notice.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular and the AGM Notice.

Yours faithfully,  
**For and on behalf of the Board of**  
**Huarong Investment Stock Corporation Limited**  
**Yu Meng**  
*Chairman*

*The following are particulars of the Directors proposed to be re-elected at the AGM:*

**EXECUTIVE DIRECTOR****Mr. Yu Meng**

YU Meng (于猛), aged 41, is the chairman of the Board, an executive Director, the Chairman of Nomination Committee and a member of Risk Management Committee. Mr. Yu joined the Company on 27 November 2018. Mr. Yu possesses extensive experience in business management, asset management and risk management. He is currently acting as a director and the general manager of Huarong International, the holding company of Right Select, which is the controlling shareholder of the Company as at the date of this circular. Mr. Yu joined China Huarong and held various positions including assistant to the general manager of asset management department; deputy general manager and risk director of Henan provincial branch; deputy general manager (in-charge of work) of branch of Shanghai Pilot Free Trade Zone; deputy director of listing office; deputy general manager of business audit department, deputy general manager (general manager level) of international business management department and managing deputy director (director level) of overseas business management headquarters, etc.. Mr. Yu graduated from China University of Political Science and Law with a master degree in laws in 2002, and is currently a Senior Economist.

Mr. Yu has entered into a director's service agreement with the Company for a term of three years with effect from 27 November 2018. Mr. Yu is entitled to a remuneration to be determined by the Remuneration Committee with reference to the prevailing market rate, his duties and responsibilities in the Company, the Company's performance and his performance. Mr. Yu's remuneration for his directorship is subject to be reviewed by the Board and the Remuneration Committee from time to time.

**NON-EXECUTIVE DIRECTOR****Ms. Lin Xueqin**

LIN Xueqin (林學勤), aged 55, is a non-executive Director and a member of the Audit Committee. Ms. Lin joined the Company in September 2017. She has worked in China Huarong (Stock Code: 2799) since March 2000, the shares of which are listed on the Stock Exchange in Hong Kong, and is currently the deputy general manager of international business department of China Huarong. Prior to joining China Huarong, Ms. Lin served as an assistant to the chief representative of the Beijing representative office of Huaxin Holdings Co., Ltd. (華新控股有限公司) from November 1998 to March 2000. From July 1985 to November 1998, she worked in the foreign affairs office of the People's Government of Jiangxi Province and served as a deputy director of the Beijing liaison office from September 1991 to November 1998. Ms. Lin graduated with a bachelor's degree in English literature from Nanchang University (previously known as Jiangxi University) in July 1985 and a master's degree in economics from University of International Business and Economics in June 2006.

Ms. Lin has a director's service agreement with the Company for a term of three years with effect from 13 September 2017. Ms. Lin did not receive any director's emolument for the year ended 31 December 2018.

**INDEPENDENT NON-EXECUTIVE DIRECTORS****Mr. Chan Kee Huen Michael**

CHAN Kee Huen Michael (陳記煊), aged 67, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. Mr. Chan joined the Company in June 2016. Mr. Chan is the chief executive of C&C Advisory Services Limited. He is an independent non-executive director of China Baoli Technologies Holdings Limited (Stock code: 164) since 18 August 2017, an independent non-executive director of Lansan Pharmaceutical Holdings Limited (Stock Code: 503) since April 2010, and an independent non-executive director of Sterling Group Holdings Limited (Stock Code: 1825) since September 2018, the shares of all of which are listed on the Main Board of the Stock Exchange in Hong Kong. He was also an independent non-executive director of K.H. Group Holdings Limited (Stock code: 1557) from February 2016 to August 2018. Mr. Chan has over 35 years of experience in external audit, IT audit, training, accounting and finance, company secretarial and corporate administration, MIS management, internal audit, information security, risk management and compliance experience. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, a fellow member and specialist in Information Technology of CPA Australia and an associate of the Institute of Chartered Accountants in England and Wales. He was admitted as a certified information systems auditor with the Information Systems Audit and Control Association in 1985 and a fellow member of the Hong Kong Institute of Directors in 2000. Mr. Chan was admitted as a member of the Chartered Institute of Arbitrators in 2000 and became a member of the Institute of Internal Auditors in 1997. Mr. Chan was an adjunct professor in the School of Accounting and Finance of The Hong Kong Polytechnic University from 2009 to 2014. Mr. Chan worked at CMG Life Assurance Limited (formerly Jardine CMG Life Assurance Limited) from 1991 to 1996 and his last position was general manager, compliance and corporate affairs. He was employed by Dao Heng Bank Limited in 1996 as the group auditor (which subsequently acquired by DBS Bank (Hong Kong) Limited) and he ceased working for the bank in 2004 with his last position as managing director and head of compliance, Hong Kong and Greater China. Mr. Chan was also the group financial controller of Lam Soon (Hong Kong) Limited from 2004 to 2005, the director of quality assurance of the Hong Kong Institute of Certified Public Accountants in 2005 and the deputy general manager of the compliance department of Ping An Insurance (Group) Company of China, Limited from 2006 to 2009. Mr. Chan graduated with a higher diploma in accountancy from Hong Kong Polytechnic in November 1976 and was awarded the postgraduate diploma in business administration from the University of Surrey in March 1998.

Mr. Chan has a director's service agreement with the Company for a term of three years with effect from 26 August 2016. Mr. Chan received a director's fee of HK\$240,000 for the year ended 31 December 2018.

**Mr. Tse Chi Wai**

TSE Chi Wai (謝志偉), aged 51, is an independent non-executive Director, the chairman of the Remuneration Committee, a member of each of the Audit Committee and Nomination Committee. Mr. Tse joined the Company in April 2016. Mr. Tse graduated from the University of Hong Kong in June 1989 with a bachelor's degree in social sciences. Mr. Tse is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in auditing, accounting and finance gained from working with various international accounting firms and listed companies. Mr. Tse has been an executive director, the financial controller and company secretary of China Information Technology Development Limited (stock code: 8178) since 15 August 2011. Mr. Tse is also an executive director of Jih Sun Financial Holding Company Limited, the shares of which are listed in Taiwan and an independent non-executive director of Hong Kong listed companies, namely China Environmental Technology Holdings Limited (stock code: 646), Great Water Holdings Limited (stock code: 8196) and Winto Group (Holdings) Limited (stock code: 8238). Mr. Tse was an independent non-executive director of Greens Holdings Limited ("**Greens Holdings**") (stock code: 1318) from March 2015 to November 2015 and Sunac China Holdings Limited ("**Sunac**") (stock code: 1918) from December 2012 to December 2017 and Chong Kin Group Holdings Limited (stock code: 1609) from January 2018 to August 2018.

During the period between March 2015 and November 2015, Mr. Tse was an independent non-executive director of Greens Holdings, a company incorporated in the Cayman Islands and principally engaged in the manufacture and supply of heat transfer products and solutions, the shares of which are listed on the Main Board of the Stock Exchange. Greens Holdings announced that (i) on 2 September 2015, Greens Holdings filed a winding up petition with the Grand Court of the Cayman Islands (the "**Cayman Court**") as Greens Holdings was unable to repay its debts; (ii) on 29 September 2015, a winding up petition was filed with the High Court of Hong Kong against Greens Holdings by a bondholder for an outstanding debt under the unlisted bonds issued by Greens Holdings in January 2015; (iii) on 8 October 2015, joint provisional liquidators were appointed pursuant to an order of the Cayman Court; (iv) the winding up petition hearing in Hong Kong was originally scheduled on 2 December 2015; (v) the Cayman Court convened a case management conference on 7 April 2016 and ordered that the winding up petition with the Cayman Court be listed for directions hearing on 17 May 2016, which was adjourned and rescheduled for several times until a date to be fixed after 30 April 2017; and (vi) the Stock Exchange issued a letter dated 28 October 2016 to Greens Holdings stating that it had decided to place Greens Holdings into the third delisting stage. Mr. Tse confirmed that (i) there is no wrongful act on his part leading to the said winding up petitions and he is not aware of any actual or potential claim which has been or will be made against him as a result of the said winding up petitions; and (ii) his involvement in Greens Holdings during his tenure was part and parcel of his services as a director thereof and no misconduct or misfeasance on his part had been involved in the said winding up petitions.

In October 2017, based on findings made by the Listing Committee of the Stock Exchange (“**Listing Committee**”) in respect of Sunac and on Sunac’s acceptance, without admission of any liabilities and for the purpose of settlement of the relevant findings, the Listing Committee censured Sunac for breaching Rule 2.13(2) of the Listing Rules for failure to ensure the announcements made in February 2015 and May 2015 were accurate and complete in all material aspects and not misleading. Please refer to the Listing Committee’s censure letter issued on 26 October 2017 for further details.

Although Mr. Tse was independent non-executive director of Sunac at the relevant time, Mr. Tse was not personally subject to any investigation process, disciplinary action or censure from the Listing Committee or any other competent authority in respect of the above matters.

Mr. Tse has a director’s service agreement with the Company for a term of three years with effect from 26 August 2016. Mr. Tse received a director’s fee of HK\$240,000 for the year ended 31 December 2018.

### **General**

As at the Latest Practicable Date, each of the retiring Directors did not have, and was not deemed to have any interests or short positions in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, each of the retiring Directors does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; does not hold any other position with the Company or any of its subsidiaries; does not hold any other major appointment or professional qualification; and each of them did not hold any directorships in any other listed public companies in the last three years. In addition, there is no other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters that need to be brought to the attention of Shareholders, in respect of the re-election of the retiring Directors.

None of the Directors’ service contracts requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year’s emoluments, other than statutory compensation.

All the abovementioned Directors are subject to retirement by rotation and re-election at the AGM in accordance with the Articles. The fees and other emoluments of Directors are recommended by the Remuneration Committee with reference to their duties and responsibilities with the Company, industry norm and the prevailing market conditions.

*This appendix serves as an explanatory statement as required under the Listing Rules to provide the requisite information to Shareholders for consideration of the Repurchase Mandate pursuant to Rule 10.06 of the Listing Rules.*

## **1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all such proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

## **2. SOURCE OF FUNDS**

In repurchasing the Shares, the Company may only apply funds which are legally available for such purposes in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

## **3. REASONS FOR SHARE REPURCHASE**

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, the Directors believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders as a whole.

## **4. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,816,000,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 181,600,000 Shares during the Relevant Period.

## **5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the applicable laws, rules and regulations from time to time in force in the Cayman Islands and in accordance with the Articles.

## 6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the aggregate number of issued Shares:

Name	Number of Shares held	Nature of interest	Approximate percentage of aggregate number of issued Shares	
			As at the Latest Practicable Date	If Repurchase Mandate is exercised in full
Right Select	926,042,000	Beneficial interest (Note 1)	50.99% (Note 3)	56.66% (Note 4)
Huarong International	926,042,000	Interest of controlled corporation (Note 1)	50.99%	56.66%
Huarong Real Estate Co., Ltd.	926,042,000	Interest of controlled corporation (Note 1)	50.99%	56.66%
China Tian Yuan Asset Management Limited	353,375,000	Beneficial interest (Note 2)	19.46%	21.62%
China Tian Yuan Manganese Finance (Holdings) Limited	353,375,000	Interest of controlled corporation (Note 2)	19.46%	21.62%
China Tian Yuan Manganese Limited	353,375,000	Interest of controlled corporation (Note 2)	19.46%	21.62%
Ningxia Tianyuan Manganese Industry Co., Ltd	353,375,000	Interest of controlled corporation (Note 2)	19.46%	21.62%
Jia Tianjiang	353,375,000	Interest of controlled corporation (Note 2)	19.46%	21.62%
Dong Jufeng	353,375,000	Interest of spouse (Note 2)	19.46%	21.62%
Shinning Rhythm Limited	353,375,000	Person having a security interest in shares (Note 3)	19.46%	21.62%

Name	Number of Shares held	Nature of interest	Approximate percentage of aggregate number of issued Shares	
			As at the Latest Practicable Date	If Repurchase Mandate is exercised in full
China Huarong Overseas Investment Holdings Co., Limited	353,375,000	Security interest of controlled corporation (Note 3)	19.46%	21.62%
Huarong Huaqiao Asset Management Co., Ltd.	353,375,000	Security interest of controlled corporation (Note 3)	19.46%	21.62%
廣東錦峰集團有限公司	353,375,000	Security Interest of controlled corporation (Note 5)	19.46%	21.62%
HONG KONG KAM FUNG GROUP COMPANY LIMITED	353,375,000	Interest of controlled corporation (Note 5)	19.46%	21.62%
Sun Siu Kit	353,375,000	Interest of controlled corporation (Note 5)	19.46%	21.62%
Huarong Zhiyuan Investment & Management Co., Ltd.	926,042,000	Interest of controlled corporation (Note 1)	50.99%	56.66%
	353,375,000	Security interest of controlled corporation (Note 3)	19.46%	21.62%
China Huarong (Note 4)	926,042,000	Interest of controlled corporation (Note 1)	50.99%	56.66%
	353,375,000	Security interest of controlled corporation (Note 3)	19.46%	21.62%

## Notes:

- The 926,042,000 Shares were beneficially owned by Right Select which is wholly owned by Huarong International which is in turn owned as to 11.90% by Huarong Zhiyuan Investment & Management Co., Ltd. and 88.10% by Huarong Real Estate Co., Ltd., both of which are wholly owned by China Huarong. Therefore, all these companies were deemed or taken to be interested in all the Shares beneficially owned by Right Select by virtue of the SFO.
- The 353,375,000 Shares were beneficially owned by China Tian Yuan Asset Management Limited which is wholly owned by China Tian Yuan Manganese Finance (Holdings) Limited. China Tian Yuan Manganese Finance (Holdings) Limited is wholly owned by China Tian Yuan Manganese Limited which is in turn wholly owned by Ningxia Tianyuan Manganese Industry Co., Ltd, a company that Mr. Jia Tianjiang owns 99.62% of its interest. All these companies, Mr. Jia Tianjiang and his spouse, Ms. Dong Jufeng, are deemed to be interested in those Shares by virtue of SFO.



3. Based on the notifications filed to the Company, China Tian Yuan Asset Management Limited pledged 353,375,000 Shares to Shinning Rhythm Limited. Shinning Rhythm Limited is wholly owned by China Huarong Overseas Investment Holdings Co., Limited which is in turn wholly owned by Huarong Huaqiao Asset Management Co., Ltd. Huarong Huaqiao Asset Management Co., Ltd. is owned as to 51% by Huarong Zhiyuan Investment & Management Co., Ltd., which is a wholly owned subsidiary of China Huarong. As all these companies were deemed or taken to be interested in all the security interest in 353,375,000 Shares by virtue of the SFO, and therefore China Huarong was deemed to have approximately 70.45% of interest in the Company as at the Latest Practicable Date.
4. For the reason stated in note 3 above and assuming the security interest will be fully enforced, China Huarong will be deemed to have approximately 78.28% of interest in the Company if the Repurchase Mandate is exercised in full.
5. Huarong Huaqiao Asset Management Co., Ltd. is owned as to 40% by 廣東錦峰集團有限公司, which is a wholly owned subsidiary of HONG KONG KAM FUNG GROUP COMPANY LIMITED. HONG KONG KAM FUNG GROUP COMPANY LIMITED is wholly owned by Mr. Sun Siu Kit. All these companies, Mr. Sun Siu Kit is deemed to be interested in 353,375,000 Shares by virtue of SFO.

Based on the shareholding set out above, in the event that the Directors exercise the power to repurchase Shares under the Repurchase Mandate to be proposed at the AGM in full to the extent of repurchasing 181,600,000 Shares, the interest of each of the above Shareholders would be increased to approximately the percentages as set out opposite their respective names in the table above, and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not repurchase the Shares if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

## **7. DISCLOSURE OF INTERESTS OF DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

- (i) As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief and having made all reasonable enquiries, their respective close associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate.
- (ii) As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or any of its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders and is exercised.

**8. MATERIAL ADVERSE CHANGE**

As compared with the financial position of the Company as at 31 December 2018 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be any material adverse impact on the working capital or gearing position of the Company in the event that the proposed repurchases were to be carried out in full.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

**9. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

**10. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months preceding the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2018</b>		
May	0.96	0.82
June	0.84	0.44
July	0.50	0.38
August	0.45	0.38
September	0.45	0.38
October	0.40	0.25
November	0.77	0.26
December	0.58	0.36
<b>2019</b>		
January	0.45	0.295
February	0.39	0.30
March	0.54	0.375
April	0.45	0.375
May ( <i>Up to the Latest Practicable Date</i> )	0.445	0.365

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## NOTICE OF AGM

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of Huarong Investment Stock Corporation Limited (the “**Company**”) will be held at Room 3201, 32/F., Two Pacific Place, 88 Queensway, Hong Kong on 28 June 2019 (Friday) at 10:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions:

### ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2018.
2.
  - (a) To re-elect Mr. Yu Meng as an executive Director;
  - (b) To re-elect Ms. Lin Xueqin as a non-executive Director;
  - (c) To re-elect Mr. Chan Kee Huen Michael as an independent non-executive Director;
  - (d) To re-elect Mr. Tse Chi Wai as an independent non-executive Director; and
  - (e) To authorise the board of Directors to fix the remunerations of the Directors.
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the board of Directors to fix its remuneration.
4. “**THAT:**
  - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 (the “**Share**”) each in the share capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional Shares in the capital of the Company) during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any options granted under any share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible persons thereunder of shares or rights to subscribe for shares in the capital of the Company; (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part a dividend pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 20% of the aggregate number of issued Shares as at the time of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and
  - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Company or the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

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## NOTICE OF AGM

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5. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the share capital of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers to repurchase such shares are subject to and in accordance with all applicable laws and requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate number of issued Shares as at the time of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and
  - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF AGM

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6. “**THAT** conditional upon the passing of resolutions nos. 4 and 5 as set out in this notice convening the Meeting of which this resolution forms part, the general mandate granted to the Directors pursuant to resolution no. 4 as set out in this notice convening the Meeting of which this resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate number of issued Shares repurchased by the Company under the authority granted pursuant to resolution no. 5 as set out in this notice convening the Meeting of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate number of issued Shares as at the date of passing this resolution.”

By Order of the Board  
**Huarong Investment Stock Corporation Limited**  
**Yu Meng**  
*Chairman*

Hong Kong, 29 May 2019

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## NOTICE OF AGM

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*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised on its behalf.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
4. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from 25 June 2019 to 28 June 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the Meeting, all transfers of Shares, accompanied by the relevant share certificate(s), must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 24 June 2019.
5. In order to be valid, the instrument appointing a proxy and, if requested by the board of Directors, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting (i.e. 10:00 a.m. on 26 June 2019 (Wednesday)) or any adjournment thereof.
6. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the meeting was originally held within 12 months from such date.
7. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. Details of the retiring Directors proposed to be re-elected as Directors at the Meeting with regard to resolution no. 2 above are set out in Appendix I to the circular of the Company dated 29 May 2019.
9. An explanatory statement as required by the Listing Rules in connection with the repurchase mandate under resolution no. 5 above is set out in Appendix II to the circular of the Company dated 29 May 2019.
10. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this Notice will be voted by poll at the Meeting.
11. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 8:00 a.m. on 28 June 2019 and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on 28 June 2019 that either of the above mentioned warnings is to be issued within the next two hours, the Meeting shall automatically be postponed to the next business day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 8:00 a.m. to 10:00 a.m. and in such case the Meeting shall be held at 10:00 a.m. on that business day at Room 3201, 32/F., Two Pacific Place, 88 Queensway, Hong Kong.