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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 DISPOSAL OF THE SECOND TRANCHE NOTES

On 20 September 2019 (after trading hours), the Transferor (as the transferor) and the Transferee (as the transferee) executed the Transfer Form, pursuant to which the Transferor has disposed of all of the Second Tranche Notes in the outstanding principal amount of US\$12,000,000 (equivalent to approximately HK\$93,600,000) held by it to the Transferee, at the consideration of US\$12,000,000 (equivalent to approximately HK\$93,600,000), in accordance with the terms and conditions of the Senior Notes.

As the applicable percentage ratios as defined under the Listing Rules in relation to the Disposal are less than 25% but more than 5%, the Disposal constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 23 September 2016 (the “**Announcement**”) in relation to the purchase of the Second Tranche Notes by the Transferor in the principal amount of US\$12,000,000 (equivalent to approximately HK\$93,600,000). Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise stated.

THE DISPOSAL

The Board announces that, on 20 September 2019, the Transferor (as the transferor) and the Transferee (as the transferee) executed the Transfer Form, pursuant to which the Transferor has disposed of all of the Second Tranche Notes in the outstanding principal amount of US\$12,000,000 (equivalent to approximately HK\$93,600,000) held by it to the Transferee, at the consideration of US\$12,000,000 (equivalent to approximately HK\$93,600,000), in accordance with the terms and conditions of the Senior Notes. The Disposal would take effect upon the noteholder register being updated by the Issuer after the delivery of the Transferor’s note certificate in relation to the Second Tranche Notes held by the Transferor and the executed Transfer Form to the Issuer.

On the same day of the execution of the Transfer Form, the Transferor also entered into a deed of novation to security trust deed with, among others, the Transferee, where the Transferor would assign all its rights and obligations under the security trust deed dated 4 August 2016 as amended and supplemented on 1 November 2018 to the Transferee.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Transferee and its ultimate beneficial owner are Independent Third Parties.

The consideration of US\$12,000,000 (equivalent to approximately HK\$93,600,000) was determined between the Transferor and the Transferee as part of the Issuer's plan to refinance its indebtedness on or before the date of this announcement with reference to the total outstanding principal amount of the Second Tranche Notes held by the Transferor. As at the date of the Disposal, save for the outstanding principal amount of the Second Tranche Notes held by the Transferor, all interest and amounts payable by the Issuer to the Transferor under the Senior Notes have been fully paid.

As mentioned in the Announcement, as part and parcel of the issue of the Second Tranche Notes, the Issuer also issued the Second Tranche Warrants to the Transferor at nil consideration. Being the aforesaid warrant holder, the Transferor will enter into a termination deed on 22 September 2019, pursuant to which the Transferor agrees to (among other things) release and discharge the Security (as defined in the Announcement).

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Transferor ceased to have any interest in the relevant part of the Second Tranche Notes. There is no gain or loss arising from the Disposal. The net proceeds from the Disposal of approximately US\$12,000,000 (equivalent to approximately HK\$93,600,000) will be used for general working capital purpose or potential investments of the Group in the future.

REASONS FOR THE DISPOSAL

The Directors consider that the Disposal represents an opportunity to realise the investment made by the Transferor and to enhance the cash position thereof. Taking into account of the above, the Directors are of the view that the terms of the Disposal and the consideration were arrived at after arm's length negotiation between the Transferor and the Transferee, and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

GENERAL

The Group is principally engaged in (i) direct investments; (ii) financial services and others; and (iii) foundation and substructure construction services. The Transferor is an investment holding company indirectly wholly-owned by the Company.

The Transferee is principally engaged in property investment and property rental activities.

The Issuer is principally engaged in property development and sales, property investment and property rental and project management in the People's Republic of China.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under the Listing Rules in relation to the Disposal are less than 25% but more than 5%, the Disposal constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings listed out below unless the context specifies otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Second Tranche Notes by the Transferor to the Transferee
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	persons(s) or company(ies) which is/are independent of any member of the Group, the Directors, the chief executives, the controlling shareholders, the substantial shareholders of the Company or its subsidiaries, and their respective associates (as defined under the Listing Rules)
“Issuer”	Zhuguang Holdings Group Company Limited (珠光控股集團有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Note Purchase Agreement”	the note purchase agreement dated 3 August 2016 (as amended and supplemented by, among others, the Deed of Adherence to the Note Purchase Agreement dated 23 September 2016) entered into by, among others, the Issuer and the investors of the Senior Notes in relation to the purchase of the Senior Notes
“Second Tranche Notes”	the Senior Notes of an aggregate principal amount of up to US\$220,000,000 (equivalent to approximately HK\$1,716,000,000) issued by the Issuer to the investors of the Second Tranche Notes, among which an outstanding principal amount of US\$12,000,000 (equivalent to approximately HK\$93,600,000) was held by the Transferor prior to the Disposal

“Second Tranche Warrants”	the warrants issued by the Issuer to the investors of the Second Tranche Notes, representing exercise moneys of US\$33 million (equivalent to approximately HK\$257.4 million), among which an outstanding amount of US\$1.8 million (equivalent to approximately HK\$14.04 million) is held by the Transferor
“Senior Notes”	the senior secured guaranteed notes issued by the Issuer in the aggregate principal amount of up to US\$500,000,000 (equivalent to approximately HK\$3,900,000,000), including the Second Tranche Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Form”	a transfer form executed on 20 September 2019 by the Transferor as transferor and the Transferee as transferee for the sale and purchase of the Second Tranche Notes held by the Transferor in accordance with the terms and conditions of the Note Purchase Agreement
“Transferor”	Wise United Holdings Limited, an indirect wholly-owned subsidiary of the Company
“Transferee”	a company incorporated in Hong Kong with limited liability and is an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.80 per US\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 20 September 2019

As at the date of this announcement, the executive Directors are Mr. Yu Meng and Mr. Xu Xiaowu; the non-executive Director is Ms. Zhao Yingxuan; and the independent non-executive Directors are Mr. Chan Kee Huen Michael, Mr. Tse Chi Wai and Dr. Lam Lee G.

* *For the purposes of identification only.*