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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 SUBSCRIPTION OF NOTES

On 25 November 2019, the Subscriber, a wholly-owned subsidiary of the Company, and the Issuer entered into the Subscription Agreement pursuant to which the Subscriber agrees to subscribe for, and the Issuer agrees to issue, the Notes for an aggregate principal amount of HK\$105,200,000.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement thereunder.

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Date of the Subscription Agreement:	25 November 2019.
Issuer:	Golden Sunflower Limited, a company incorporated in the Cayman Islands and issuing secured notes and other secured obligations under its secured note programme.
Total issue size:	HK\$657.5 million.
Principal amount subscribed by the Subscriber:	HK\$105,200,000.
Issue date of the Notes:	A day which is expected to be within 10 business days from the date of the Subscription Agreement (or such later day as may be agreed to by certain parties including the Issuer and the Subscriber) (the “ <b>Issue Date</b> ”).

Maturity date:	Six months from the Issue Date, subject to an extension of a further six months contingent upon the extension of the Underlying Loan.
Use of proceeds by the Issuer:	To purchase all of the rights of the existing lender under the Underlying Loan.
Underlying Loan	Term loans made to the Borrower under a facility agreement. As of 24 November 2019, the outstanding principal amount of the Underlying Loan was HK\$657.5 million. The Borrower's obligations under the Underlying Loan are secured by certain security provided by the Borrower and its affiliates including charges over certain cash accounts and mortgages over shares of certain companies.
Security:	The Issuer has granted security interest over its rights as the lender under the Underlying Loan for the benefit of certain parties under the Notes including the Noteholders.
Interest:	The interest payable under the Notes will be calculated by reference to the interest received by the Issuer under the Underlying Loan. The interest rate under the Underlying Loan is 12% per annum.
Mandatory redemption:	The Notes may be early redeemed upon the prepayment or acceleration of the Underlying Loan or upon the occurrence of certain events under the Notes.

## **INFORMATION ABOUT THE GROUP**

The Company is an investment holding company incorporated in the Cayman Islands. The principal business activities of the Group are direct investments, financial services and others as well as foundation and substructure construction services.

## **INFORMATION ON THE ISSUER**

The Issuer is a company incorporated in the Cayman Islands. The Issuer has adopted a secured note programme whereby it issues secured notes and other secured obligations to investors. The Notes are issued as part of such programme.

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

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Group subscribes the Notes for investment purpose. The Directors consider that the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as to generate a stable return to the Group. The terms of the Subscription are negotiated on an arm's length basis among the parties thereto, with reference to the commercial practice and principal amount of the Notes subscribed. The Directors consider that the terms of the Subscription are fair and reasonable and the Subscription is in the best interest of the Company and its Shareholders as a whole.

The Subscription will be funded by internal resources of the Company.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement thereunder.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Borrower”	Jiayou (International) Investment Limited 嘉佑(國際)投資有限公司, a company incorporated in the British Virgin Islands limited liability and a subsidiary of China Minsheng Jiaye Investment Co., Ltd., each of which is an Independent Third Party
“Company”	Huarong Investment Stock Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 2277)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Issuer”	Golden Sunflower Limited, a company incorporated in the Cayman Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholders”	holders of the Notes
“Notes”	notes due 2020 to be issued by the Issuer

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Able River Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of Notes by the Subscriber in the principal amount of HK\$105,200,000
“Subscription Agreement”	the agreement dated 25 November 2019 entered into between the Subscriber and the Issuer in relation to the Subscription
“Underlying Loan”	certain termed loans made to the Borrower, further details of which are set out in “Subscription of Notes” of this announcement
“%”	per cent

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

Hong Kong, 25 November 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.*