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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 11 December 2017 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, as lender entered into the Loan Agreement with the Borrower as borrower, pursuant to which the Lender has agreed to lend to the Borrower a loan in the principal amount of HK\$350,000,000 for a term of one year extendable to an additional term of one year, which carries interest at an interest rate of 11.5% per annum and is secured by the Borrower Share Charge, the Listco Share Charge and the Personal 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 11 December 2017 (after trading hours), 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

Date	11 December 2017 (after trading hours)
Parties	(a) The Lender and (b) the Borrower
Principal amount	HK\$350,000,000
Interest	11.5% per annum
Term	One year after the drawdown date which may be extended for another one year
Security	<p>(a) a share charge (the “Borrower Share Charge”) over the entire issued shares in the Borrower made or to be made by the Guarantor in favour of the Lender;</p> <p>(b) a first priority share charge (the “Listco Share Charge”) over the Listco Shares made or to be made by the Borrower in favour of the Lender; and</p> <p>(c) a guarantee and indemnity given or to be given by the Guarantor (the “Personal Guarantee”)</p>
Conditions precedent (among other conditions)	<p>The Loan will be made available for drawdown to the Borrower upon delivery of the duly completed 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:</p> <p>(a) the Lender having received the fully executed original copies of the Loan Agreement, the Personal Guarantee, the Borrower Share Charge, the Listco Share Charge and the Custodian Agreement;</p>

- (b) the Lender having received evidence that the Listco Shares under the Listco Share Charge will be deposited into the custodian account and made subject to the security created under the Listco Share Charge;
- (c) the Lender having received evidence that the sums outstanding under the existing notes issued by the Borrower to an Independent Third Party (the “**Existing Notes**”) will be fully repaid on the drawdown date; and
- (d) the Lender having received evidence that the security created over the Listco Shares as security for the Existing Notes will be fully discharged and released on the drawdown date.

Use of proceeds

the Loan shall be used by the Borrower solely for the purposes of firstly, repayment of all sums outstanding under the Existing Notes, and secondly, the Borrower’s general working capital requirement.

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 principally engaged in investment holdings. The Borrower is wholly owned by the Guarantor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owners and the Guarantor is an Independent Third Party and is not connected with the Group.

The Lender is an investment holding company incorporated in the British Virgin Islands with limited liability and 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 Borrower Share Charge, the Listco Share Charge and the Personal Guarantee are on normal commercial terms entered into based on the Group's credit assessment towards the Borrower and the Guarantor.

Taking into account the satisfactory assets backing of the Borrower, the securities (which include the Borrower Share Charge, the Listco Share Charge 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, as 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:

“Board”	the board of Directors
“Borrower”	a company incorporated under the laws of Hong Kong 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, amongst others, the Listco Shares
“Directors”	directors of the Company
“Guarantor”	a Hong Kong citizen and businessman, the ultimate beneficial owner and 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”	Clever Robust Limited (醒健有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Listco Shares”	certain shares in a company listed on the main board of the Stock Exchange, such listed company is an investment holding company principally engaged in property development
“Listing Rules”	the Rules Governing the Listing of securities on The Stock Exchange
“Loan”	the principal amount of HK\$350,000,000 to be lent by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 11 December 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
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 11 December 2017

As at the date of this announcement, the executive Directors are Mr. Qin Ling, Mr. Xu Xiaowu, Mr. Kwan Wai Ming and Mr. Liu Xiguang; the non-executive Director is Ms. Lin Xueqin; and the independent non-executive Directors are Mr. Chan Kee Huen Michael, Mr. Tse Chi Wai, Dr. Fang Fuqian and Dr. Lam Lee G.