

**Subject:** Latest update from DZ  
**From:** 赵润龙 <zhaorunlong@cefc.co>  
**Date:** 7/26/2017, 11:49 AM  
**To:** Tony Bobulinski <tbobulinski@nazent.com>  
**CC:** <gongwen.dong@gmail.com>

Hi Tony,

I just talked to DZ and he would like to send the following points to you:

1. Chairman Ye and Director Zang fully support the framework of establishing the JV, based on their trust on BD family.
2. The delay of wire is caused by the details on the JV building, as follows:
  - 1) the positioning and strategy of the JV are not made fully clear to CEFC
  - 2) 5 million is lent to BD family in the 10 million charter capital. How will this 5 million be used (or the 10 million as a whole)? This 5 million loan to BD family is interest-free. But if the 5 M is used up, should CEFC keep lending more to the family? If CEFC lends more, they need to know the interest rate for the subsequent loan(s).
  - 3) In terms of the projects to be done by the JV, what kind of projects to do? Plus we do not have a review and approval mechanism for projects screening and selection yet.

Because of the reasons above, the risk management department of CEFC is showing concerns on the operation of SinoHawk, hence the delay of the wire.

Moving forward, Mr. Zang suggests that Kevin and you work out a proposal that can address the said problems or concerns.

If there is any question on those, plz contact me.

Best,  
ZHAO

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赵润龙

总经办

北京华信国际能源有限公司

电话: +86-10-58950599

手机: 18610480932

地址: 北京市朝阳区东三环路财富中心A座32层

**由力而起, 由善而达!**

Raymond Zhao

General Manager Office

CEFC Beijing International Energy Company Limited

Tel: +86-10-58950599

Cell: 186-1048-0932

Address: Floor 32, Tower A of Beijing Fortune Plaza, East 3rd Ring Road, Chaoyang District, Beijing