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This announcement is not for distribution, directly or indirectly, in or into the United States.



China Hongqiao Group Limited

中國宏橋集團有限公司

(Incorporated under the laws of Cayman Islands with limited liability)

(Stock Code: 1378)

PROPOSED ISSUANCE OF SENIOR NOTES

The Company proposes to conduct an international offering of senior notes denominated and settled in U.S. dollars. The pricing of the Notes, including the aggregate principal amount, the Offer Price and interest rate, will be determined through a book building exercise conducted by China CITIC Bank International, Barclays and Crédit Agricole CIB as the joint global coordinators, joint bookrunners and joint lead managers, and Societe Generale, ING, Orient Securities (Hong Kong), ABC International and China Securities International as the joint bookrunners and joint lead managers of the Proposed Notes Issue.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalization of the terms of the Notes, among others, China CITIC Bank International, Barclays, Crédit Agricole CIB, Societe Generale, ING, Orient Securities (Hong Kong), ABC International, China Securities International and the Company will enter into a Purchase Agreement and other ancillary documents in respect of the Notes, as applicable. The Company intends to apply the net proceeds from this offering for refinancing certain existing indebtedness with the remainder for general corporate purposes.

MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.

Approval in principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement. No listing of the Notes has been sought in Hong Kong.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not be completed. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should a Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of senior notes denominated and settled in U.S. dollars. The pricing of the Notes, including the aggregate principal amount, the Offer Price and interest rate, will be determined through a book building exercise conducted by China CITIC Bank International, Barclays and Crédit Agricole CIB as the joint global coordinators, joint bookrunners and joint lead managers, and Societe Generale, ING, Orient Securities (Hong Kong), ABC International and China Securities International as the joint bookrunners and joint lead managers of the Proposed Notes Issue. Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalization of the terms of the Notes, among others, China CITIC Bank International, Barclays, Crédit Agricole CIB, Societe Generale, ING, Orient Securities (Hong Kong), ABC International, China Securities International and the Company will enter into a Purchase Agreement and other ancillary documents in respect of the Notes, as applicable.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Proposed Notes Issue will only be offered or sold in offshore transactions outside the United States, in reliance on Regulation S under the Securities Act and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws of the United States and the rules and regulations thereunder. None of the Notes will be offered to the public in Hong Kong.

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Reasons for the Proposed Notes Issue

The Company intends to apply the net proceeds from the Proposed Notes Issue for refinancing certain existing indebtedness with the remainder for general corporate purposes.

Listing

Approval in principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement. No listing of the Notes has been sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not be completed. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should a Purchase Agreement be signed.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“ABC International”	ABCI Capital Limited, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“Barclays”	Barclays Bank PLC, a joint global coordinator, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China excluding except where the context otherwise requires, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of China and Taiwan
“China CITIC Bank International”	China CITIC Bank International Limited, a joint global coordinator, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“Company”	China Hongqiao Group Limited (中國宏橋集團有限公司), a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the Main Board of the Stock Exchange
“Crédit Agricole CIB”	Crédit Agricole Corporate and Investment Bank, a joint global coordinator, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“China Securities International”	China Securities (International) Corporate Finance Company Limited, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“ECPs”	Eligible Counterparties
“EEA”	European Economic Area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ING”	ING Bank N.V., Singapore Branch, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MiFID II”	Markets in Financial Instruments Directive (II) (2014/65/EU)
“Notes”	the senior notes denominated and settled in U.S. dollars to be issued by the Company
“Offer Price”	the final price at which the Notes will be sold
“Orient Securities (Hong Kong)”	Orient Securities (Hong Kong) Limited, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“PRIIPs”	Packages retail investment and insurance products (2009/92/EC)
“Proposed Notes Issue”	an international offering of the Notes by the Company
“Purchase Agreement(s)”	an agreement proposed to be entered into between, among others, the Company, China CITIC Bank International, Barclays, Crédit Agricole CIB, Societe Generale, ING, Orient Securities (Hong Kong), ABC International and China Securities International in relation to the Notes
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Societe Generale”	Societe Generale Corporate & Investment Banking, a joint bookrunner and a joint lead manager in respect of the Proposed Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	certain existing subsidiaries of the Company which guarantee the Notes

“United States” or “U. S.” the United States of America, including the District of Columbia, its territories and possessions

By order of the Board
China Hongqiao Group Limited
Zhang Bo
Chairman

Hong Kong, 15 July 2019

As at the date of this announcement, the Board comprises nine directors, namely Mr. Zhang Bo, Ms. Zheng Shuliang and Ms. Zhang Ruilian as executive directors, Mr. Yang Congsen, Mr. Zhang Jinglei and Mr. Chen Yisong (Mr. Zhang Hao as his alternate) as non-executive directors, and Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.