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HENGDELI HOLDINGS LIMITED
亨得利控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 3389)

**OFFER TO PURCHASE FOR CASH
OF UP TO US\$175 MILLION AGGREGATE PRINCIPAL AMOUNT
OF ITS OUTSTANDING 6.25% SENIOR NOTES DUE 2018**

(Stock code: 4599; ISIN: XS0875312364; Common Code: 087531236)

Description of the Notes	ISIN/Common Code	Outstanding principal amount of the Notes	Maximum Acceptance Amount	Purchase Price ⁽²⁾	Expiration Deadline
6.25% Senior Notes due 2018	XS0875312364/087531236	US\$350 million	Up to US\$175 million ⁽¹⁾ aggregate principal amount of the Notes	US\$1,012.50	4:00 p.m. (Central European Summer Time) on June 22, 2016 ⁽³⁾

- (1) As such amount may be changed by the Company in its sole discretion.
(2) Per US\$1,000 principal amount of the Notes accepted for purchase.
(3) Unless extended, re-opened, amended and/or terminated by the Company.

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is making an offer to purchase for cash up to US\$175 million aggregate principal amount of the Notes at a purchase price of US\$1,012.50 per US\$1,000 principal amount of the Notes. The Company has made available today to the Noteholders the Offer to Purchase setting out, among other things, the terms and conditions of the Offer.

The Offer is being made as part of the Company's policy to actively manage its balance sheet liabilities and optimize its debt structure.

HSBC and Standard Chartered Bank are acting as the Dealer Managers and Sodali is acting as the Information and Tender Agent in relation to the Offer.

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Background

The Notes are listed on the Stock Exchange. The obligations of the Company under the Notes are guaranteed by certain of the Company's existing subsidiaries. As at the date of this announcement, the entire principal amount of the Notes remains outstanding.

The Company is making an offer to purchase for cash up to US\$175 million aggregate principal amount of the Notes at a purchase price of US\$1,012.50 per US\$1,000 principal amount of the Notes. The Company has made available today to the Noteholders the Offer to Purchase setting out, among other things, the terms and conditions of the Offer.

The Offer

On the terms and subject to the conditions of the Offer, the Company is offering to purchase for cash up to US\$175 million aggregate principal amount of Notes validly tendered at the Purchase Price. The Company will determine, in its sole discretion, the aggregate principal amount of Notes (if any) that it will accept for purchase pursuant to the Offer. It is the current intention of the Company that the Maximum Acceptance Amount will be an amount of up to US\$175 million aggregate principal amount of the Notes validly tendered for purchase pursuant to the Offer, although the Company reserves the right, in its sole discretion, to accept significantly more than or significantly less than such amount, or to accept none of such Notes, for purchase pursuant to the Offer.

Purchase Price

The Purchase Price payable to the Noteholders whose Notes are accepted for purchase will be equal to US\$1,012.50 for each US\$1,000 in principal amount of the Notes.

Proration

If the aggregate principal amount of Notes validly tendered is greater than the Maximum Acceptance Amount, the Company will accept tenders of Notes for purchase on a *pro rata* basis such that the aggregate principal amount of Notes accepted for purchase is no greater than the Maximum Acceptance Amount. Such *pro rata* application will be performed by accepting (in respect of each relevant Tender Instruction) that proportion of Notes validly tendered which is equal to the Maximum Acceptance Amount divided by the aggregate principal amount in respect of all Notes validly tendered, subject to rounding and as described in the following paragraph.

In the event of any such proration, the Company will round downward, if necessary, to ensure all purchases of Notes will be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. However, the Company may elect to round up such acceptance to US\$200,000, or accept such tender of Notes in full if application of proration will otherwise result in either (i) the Company accepting Notes from any Noteholder in a principal amount of less than US\$200,000 or (ii) the principal amount of Notes not purchased due to *pro rata* application being less than US\$200,000. All Notes not accepted as a result of proration will be rejected from the Offer.

Accrued Interest Payment

The Company will also pay an Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer on the Settlement Date.

Sources of Funds

The Company intends to finance the Offer with internal cash resources and bank loans.

Tender Instruction

In order to participate in the Offer, Noteholders must validly tender their Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Information and Tender Agent by the Expiration Deadline. **Tender Instructions will be irrevocable** except in the limited circumstances described in the Offer to Purchase.

Each Tender Instruction must specify the principal amount of the Notes that the relevant Noteholder is tendering at the Purchase Price. Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Dealer Managers and Information and Tender Agent

The Company has appointed HSBC and Standard Chartered Bank as the dealer managers and Sodali as the information and tender agent in relation to the Offer.

Indicative Timetable for the Offer

Events

Times and Dates

Commencement of the Offer

The Offer is announced. Offer to Purchase available from the Information and Tender Agent, and notice of the Offer delivered to the Clearing Systems for communication to Direct Participants.

June 8, 2016

Events

Times and Dates

Expiration Deadline

Final deadline for receipt of valid Tender Instructions by the Information and Tender Agent.

4.00 p.m. (Central European Summer Time) on June 22, 2016

Announcement of Results

Announcement of whether the Company will accept valid tenders of Notes pursuant to the Offer and, if so accepted, (i) the aggregate principal amount of Notes accepted for tender and any proration factor (if applicable), (ii) the Purchase Price and (iii) the Accrued Interest (expressed per US\$1,000 in principal amount of the Notes accepted for purchase by the Company).

As soon as reasonably practicable after the Expiration Deadline

Settlement Date

Expected settlement date for the Offer.

June 27, 2016

The above times and dates are subject to the right of the Company to extend, re-open, amend and/or terminate the Offer (subject to applicable law and as provided in the Offer to Purchase).

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines set out above. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions may be earlier than the relevant deadlines described above.

Unless stated otherwise, announcements in connection with the Offer will be made through the website of the Stock Exchange, the issue of a press release to a Notifying News Service and/or the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of the announcements, press releases and notices can also be obtained from the Information and Tender Agent, the contact details for which are on page 5 of this announcement. Significant delays may be experienced where notices are delivered to the Clearing Systems, and Noteholders are urged to contact the Information and Tender Agent for the relevant announcements during the course of the Offer using the contact details on page 5 of this announcement. In addition, Noteholders may contact the Dealer Managers for information using the contact details on page 5 of this announcement.

Offer to Purchase

The Offer to Purchase contains important information which should be read carefully by Noteholders before any decision is made with respect to the Offer. Noteholders are recommended to seek their own financial and legal advice, including in respect of any tax consequences, from their broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

The terms of the Offer are more fully described in the Offer to Purchase, which sets out further details regarding the tender procedures and the conditions of the Offer.

None of the Company, the Dealer Managers or the Information and Tender Agent (or any of their respective directors, employees or affiliates) makes any recommendation as to whether the Noteholders should tender their Notes in response to the Offer.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITIES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.

Dealer Managers

The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

Telephone:
Hong Kong: +852 2822 4100
London: +44 207 992 6237
Fax: +852 3409 1482
Attention: Liability Management Group
Email: liability.management@hsbcib.com

Standard Chartered Bank
Marina Bay Financial Centre, Tower 1
8 Marina Boulevard, Level 20
Singapore 018981

Telephone:
Singapore: +65 6596 8807
Hong Kong: +852 3983 8647
Attention: Liability Management Group
Email: liability_management@sc.com

Information and Tender Agent

Sodali Ltd.

Nations House, 9th floor
103 Wigmore Street
London W1U 1QS

Telephone: +44 (0) 203 02 69118 / +39 06 45212 825/ +39 06 45212 806
Fax: +44 (0) 207 355 0610/ +39 06 485 747
Attention: Victoria Danii/Daniel Monteiro - Fixed Income
Email: hengdeli@sodali.com
Website: www.sodali-bonds.com/hengdeli

DEFINITIONS

“Accrued Interest”	interest accrued and unpaid on the principal amount of Notes from and including the last interest payment date of January 29, 2016 up to, but excluding, the Settlement Date
“Accrued Interest Payment”	an amount in cash (rounded to the nearest US\$0.01, with half a cent rounded upwards) equal to the Accrued Interest on Notes accepted for purchase by the Company
“Board”	the board of directors of the Company
“Clearing System Notice”	the form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of the Offer to Purchase informing Direct Participants of the procedures to be followed in order to participate in the Offer
“Clearing Systems”	Euroclear Bank S.A./N.V. and Clearstream Banking, S.A.

“Company”	Hengdeli Holdings Limited, a company incorporated with limited liability under the laws of the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Dealer Managers”	HSBC and Standard Chartered Bank
“Direct Participants”	each person who is shown in the records of Euroclear Bank S.A./N.V. or Clearstream Banking, S.A. as a holder of the Notes
“Expiration Deadline”	4.00 p.m. (Central European Summer Time) on June 22, 2016 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer)
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Information and Tender Agent”	Sodali
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Acceptance Amount”	the maximum aggregate principal amount of the Notes (if any) that the Company will determine, in its sole discretion, that it will accept for purchase pursuant to the Offer
“Noteholders”	holders of the Notes
“Notes”	6.25% Senior Notes due 2018 (ISIN: XS0875312364) which were issued by the Company on January 29, 2013. The Notes are guaranteed by certain of the Company’s existing subsidiaries.
“Notifying News Service”	A recognized financial news service or services (e.g. Reuters/Bloomberg) as selected by the Company
“Offer”	The offer to purchase for cash by the Company of up to US\$175 million (as such amount may be changed by the Company in its sole discretion) in principal amount of its outstanding 6.25% Senior Notes due 2018 (subject to the offer restrictions referred to in “ <i>Offer and Distribution Restrictions</i> ”), on the terms and subject to the conditions set out in the Offer to Purchase
“Offer to Purchase”	an Offer to Purchase dated June 8, 2016 issued to the Noteholders by the Company in connection with the Offer
“Purchase Price”	US\$1,012.50 per \$1,000 principal amount of Notes
“Settlement Date”	expected to be June 27, 2016 (subject to the right of the Company to extend, re-open, amend or terminate the Offer at any time)
“Sodali”	Sodali Ltd.

“Standard Chartered Bank”	Standard Chartered Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Instruction”	the electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Information and Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadlines in order for Noteholders to be able to participate in an Offer
“United States”	the United States of America
“US\$”	United States dollars
“%”	percent

By Order of the Board
Hengdeli Holdings Limited
Zhang Yuping
Chairman

Hong Kong, June 8, 2016

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yuping (chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung Stan, the independent non-executive directors are Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling, the non-executive director is Mr. Shi Zhongyang.