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**hosa**

**HOSA INTERNATIONAL LIMITED**

**浩沙國際有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 02200)**

## **INSIDE INFORMATION**

### **ISSUE OF US\$ 50,000,000 7.0% GUARANTEED NOTES DUE 25 SEPTEMBER 2018**

On 21 September 2017, the Company (as issuer) and the Guarantors have entered into (1) a Placing Agreement with the Placing Agent and (2) a Subscription Agreement with the Subscribers in relation to the issue of the Notes.

The Notes will be denominated in U.S. dollars, will have a maturity of 364 days due 25 September 2018 and will bear a fixed interest rate of 7.0% per annum during its term with interest payable in arrear on 26 December 2017, 26 March 2018, 26 June 2018 and 25 September 2018. The issue price of the Notes will be 100% of the principal amount of the Notes plus accrued interest, if any, from the Issue Date.

The net proceeds from the issue of the Notes is estimated to be approximately US\$48.9 million after deducting relevant fees and expenses incurred for the placement and subscription of the Notes, and is intended to be used for working capital and other general corporate purposes.

**Completion of the Placing Agreement and the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Placing Agreement and the Subscription Agreement may be terminated under certain circumstances. As the Placing Agreement and the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09(2) 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 Board is pleased to announce that, on 21 September 2017, the Company (as issuer) and the Guarantors have entered into (1) a Placing Agreement with the Placing Agent and (2) a Subscription Agreement with the Subscribers in relation to the issue of the Notes.

Subject to the satisfaction of the conditions precedent contained in the Placing Agreement and the Subscription Agreement, the Company will issue and the Guarantors will guarantee the Notes in the aggregate principal amount of US\$50,000,000 on the Issue Date. The Notes will be denominated in U.S. dollars, will have a maturity of 364 days due 25 September 2018 and will bear a fixed interest rate of 7.0% per annum during its term with interest payable in arrear on 26 December 2017, 26 March 2018, 26 June 2018 and 25 September 2018. The issue price of the Notes will be 100% of the principal amount of the Notes plus accrued interest, if any, from the Issue Date. The Guarantors will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Company in respect of the Notes.

None of the Notes were offered to the public in Hong Kong and placed to any connected person of the Company.

## **THE PLACING AGREEMENT**

**Date:** 21 September 2017

**Parties:** the Company, the Guarantors and the Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent is a third party independent of the Company and its connected persons.

Pursuant to the Placing Agreement, upon the satisfaction of certain conditions, the Company has agreed to issue the Notes in the aggregate principal amount of US\$50,000,000 on the Issue Date through the Placing Agent as placement agent to institutional investors subscribing the Notes. The Notes will be subscribed or procured to be subscribed by the Placing Agent at an issue price equal to 100% of their principal amount plus accrued interest, if any, from the Issue Date. The Placing Agent has agreed to use commercial reasonable efforts to facilitate the process of subscription of the Notes by the subscribers subject to, and in accordance with, the terms of the Placing Agreement.

### **Conditions precedent to completion of the Placing Agreement**

The obligations of the Placing Agent to place, and the obligations of the Placing Agent to settle the Notes are conditional upon, among other things, (a) the due execution and delivery of the Transaction Documents; and (b) there has been no material adverse change in the Company, the Group or the Guarantors which is material and adverse in the context of the issue and offering of the Notes since the date of the Placing Agreement.

### **Termination of the Placing Agreement**

The Placing Agent may, at any time prior to payment of the net subscription moneys for the Notes to the Company, terminate the Placing Agreement upon the occurrence of, among other things, certain circumstances summarised as follows:

- (a) if there shall have come to the notice of the Placing Agent any breach of the warranties and representations or any failure to perform any of the Company's or Guarantors' undertakings or agreements contained in the Placing Agreement;
- (b) any of the conditions precedent contained in the Placing Agreement has not been satisfied or waived by the Placing Agent; or

- (c) if there shall have been any change in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls or force majeure events such as would be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market; or
- (d) if there shall have occurred any of the following events: (a) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange and/or The Stock Exchange of Hong Kong Limited; (b) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom or a material disruption in commercial banking or securities settlement or clearance services in these jurisdictions or (c) a change in taxation affecting the Company, the Notes or the transfer thereof.

Pursuant to the Placing Agreement, the Placing Agent has procured the Subscribers to enter into the Subscription Agreement with the Company and the Guarantors.

## **THE SUBSCRIPTION AGREEMENT**

|                                       |                                                                                                                            |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Date:</b>                          | 21 September 2017                                                                                                          |
| <b>Issuer:</b>                        | The Company                                                                                                                |
| <b>Guarantors:</b>                    | The Guarantors                                                                                                             |
| <b>Subscribers:</b>                   | Four institutional investors                                                                                               |
| <b>Principal amount of the Notes:</b> | Subscriber 1: US\$5,000,000<br>Subscriber 2: US\$7,000,000<br>Subscriber 3: US\$18,000,000<br>Subscriber 4: US\$20,000,000 |

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscribers are third parties independent of the Company and its connected persons.

Pursuant to the Subscription Agreement, the Company has agreed to issue the Notes in the aggregate principal amount of US\$50,000,000 on the Issue Date. The Notes will be subscribed or procured to be subscribed by the Subscribers at an issue price equal to 100% of their principal amount plus accrued interest, if any, from the Issue Date.

## **Conditions precedent to completion of the Subscription Agreement**

The obligations of the Subscribers to subscribe and pay for the Notes are conditional upon, among other things, (a) the execution and delivery of the Transaction Documents; and (b) there has been no material adverse change in the Company, the Group or the Guarantors which is material and adverse in the context of the issue and offering of the Notes since the date of the respective Subscription Agreement.

## **Termination of the Subscription Agreement**

The Subscribers may, at any time prior to payment of the net subscription moneys for the Notes to the Company, terminate the Subscription Agreement upon the occurrence of, among other things, certain circumstances summarised as follows:

- (a) if there shall have come to the notice of the Subscribers any breach of the warranties and representations or any failure to perform any of the Company's or Guarantors' undertakings or agreements contained in the Subscription Agreement;
- (b) any of the conditions precedent contained in the Subscription Agreement has not been satisfied or waived by the Subscribers; or
- (c) if there shall have been any change in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls or force majeure events such as would be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market; or
- (d) if there shall have occurred any of the following events: (a) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange and/or The Stock Exchange of Hong Kong Limited; (b) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom or a material disruption in commercial banking or securities settlement or clearance services in these jurisdictions or (c) a change or development involving a prospective change in taxation affecting the Company, the Notes or the transfer thereof.

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes is estimated to be approximately US\$48.9 million after deducting relevant fees and expenses incurred for the placement and subscription of the Notes, and is intended to be used for working capital and other general corporate purposes.

## GENERAL

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. The Notes and the guarantee relating thereto have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdiction, and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state security laws. Any public offering of securities to be made in the United States will be made by means of a prospectus, which will contain detailed information about the Company making the offer and its management and financial statements. No public offering of securities is being or will be made in the United States or any other jurisdiction. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. This announcement may not be sent or given to a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S.

**Completion of the Placing Agreement and the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Placing Agreement and the Subscription Agreement may be terminated under certain circumstances. As the Placing Agreement and the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

|                    |                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Agency Agreement” | agency agreement to be dated on or about the Issue Date and to be entered into between the Company, the Guarantors, the Trustee and the Registrar;                                                                                  |
| “Board”            | the board of Directors;                                                                                                                                                                                                             |
| “Company”          | Hosa International Limited (浩沙國際有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 2 September 2010, the shares of which are listed on The Stock Exchange of Hong Kong Limited; |
| “Director(s)”      | the directors of the Company;                                                                                                                                                                                                       |

|                     |                                                                                                                                                                                                                                                                                                                                                      |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Group”             | the Company and its subsidiaries;                                                                                                                                                                                                                                                                                                                    |
| “Guarantors”        | collectively, (1) Mr. Shi Hongliu (施洪流), executive Director, (2) Mr. Shi Hongyan (施鴻雁), executive Director, (3) Ho Born Investment Holdings Limited (浩邦投資控股有限公司), which is beneficially owned as to 49.85% by Mr. Shi Hongliu, and (4) Well Born Industrial Group Limited (偉邦實業集團有限公司), which is beneficially owned as to 49.85% by Mr. Shi Hongliu; |
| “Hong Kong”         | the Hong Kong Special Administrative Region of the PRC;                                                                                                                                                                                                                                                                                              |
| “Issue Date”        | 26 September 2017, or such later date not being later than 14 days thereafter, as the Company may agree with the Placing Agent or the Subscribers (as the case may be);                                                                                                                                                                              |
| “Listing Rules”     | the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited;                                                                                                                                                                                                                                          |
| “Notes”             | the 7.0% guaranteed notes due 25 September 2018 in the aggregate principal amount of US\$50,000,000 issued by the Company and guaranteed by the Guarantors pursuant to the Subscription Agreement;                                                                                                                                                   |
| “Placing Agent”     | Haitong International Securities Company Limited;                                                                                                                                                                                                                                                                                                    |
| “Placing Agreement” | the placing agreement dated 21 September 2017 entered into between the Company, the Guarantors and the Placing Agent;                                                                                                                                                                                                                                |
| “PRC”               | the People’s Republic of China;                                                                                                                                                                                                                                                                                                                      |
| “Registrar”         | The Bank of New York Mellon SA/NV, Luxembourg Branch;                                                                                                                                                                                                                                                                                                |
| “Regulation S”      | Regulation S under the U.S. Securities Act;                                                                                                                                                                                                                                                                                                          |
| “RMB”               | Renminbi, the lawful currency of the PRC;                                                                                                                                                                                                                                                                                                            |
| “Subscribers”       | four institutional investors subscribing the Notes;                                                                                                                                                                                                                                                                                                  |

|                           |                                                                                                                          |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------|
| “Subscription Agreement”  | the subscription agreement dated 21 September 2017 entered into between the Company, the Guarantors and the Subscribers; |
| “subsidiary”              | has the meaning ascribed to it under the Listing Rules;                                                                  |
| “Transaction Documents”   | collectively, the Trust Deed and the Agency Agreement;                                                                   |
| “Trust Deed”              | the trust deed to be entered into between the Company, the Guarantors and the Trustee on or about the Issue Date;        |
| “Trustee”                 | The Bank of New York Mellon, London Branch;                                                                              |
| “U.S. Securities Act”     | United States Securities Act of 1933, as amended;                                                                        |
| “U.S.” or “United States” | the United States of America, its territories and possessions and all areas subject to its jurisdiction; and             |
| “%”                       | means per cent.                                                                                                          |

By the order of the Board  
**Hosa International Limited**  
**Shi Hongliu**  
*Chairman*

Hong Kong, 22 September 2017

*As at the date of this announcement, the executive directors are Mr. Shi Hongliu, Mr. Shi Hongyan, Mr. Shi Zhixiong and Mr. Lui Wai Ming, and the independent non-executive directors are Ms. Ko Yuk Lan, Mr. Yao Ge and Mr. He Wenyi.*

*\* for identification only*