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DEXIN CHINA HOLDINGS COMPANY LIMITED

德信中国控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2019)

**ISSUANCE OF US\$200,000,000 12.875%
SENIOR NOTES DUE 2021**

Reference is made to the announcement of the Company dated 19 July 2019 in respect of the Notes Issue. The Board is pleased to announce that on 30 July 2019, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Guotai Junan International, CCB International, Credit Suisse, CMB International, China CITIC Bank International and Future Land Resources in connection with the issue of the Notes in the aggregate principal amount of US\$200,000,000.

The Company currently intends to use the net proceeds of the Notes for refinancing its existing onshore indebtedness and working capital purposes.

The Company will seek a listing of the Notes on the Stock Exchange. A listing eligibility approval has been received from the Stock Exchange for the listing of the Notes on the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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 investors in the European Economic Area ("EEA").

THE PURCHASE AGREEMENT

Date: 30 July 2019

Parties to the Purchase Agreement:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) Guotai Junan International;
- (d) CCB International;
- (e) Credit Suisse;
- (f) CMB International;
- (g) China CITIC Bank International; and
- (h) Future Land Resources

Guotai Junan International, CCB International and Credit Suisse are the joint global coordinators, joint bookrunners and joint lead managers, and CMB International, China CITIC Bank International and Future Land Resources are the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Guotai Junan International, CCB International, Credit Suisse, CMB International, China CITIC Bank International and Future Land Resources is an independent third party and not a connected person of the Company.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act or any state securities laws. The Notes are being offered and sold only outside the United States in offshore transactions in reliance upon Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

Notes Offered

Subject to closing conditions, the Company will issue the Notes in the aggregate principal amount of US\$200,000,000 on 6 August 2019, which will mature on 6 August 2021 unless earlier redeemed or repurchased pursuant to the terms thereof.

Offer Price

The offer price of the Notes will be equal to 98.095% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 12.875% per annum, payable semi-annually in arrears on 6 February and 6 August of each year, commencing on 6 February 2020.

Ranking of the Notes

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured and unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

Events of Default

The events of default under the Notes include, among others:

- (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (c) default in the performance or breach of certain covenants described in the Indenture, the failure by the Company to make or consummate an offer to purchase in a change of control triggering event or asset sales as described in the Indenture;
- (d) the Company or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the holders of 25.0% or more in aggregate principal amount of the Notes or by the trustee at the discretion of such holders;
- (e) there occurs with respect to any indebtedness of the Company or any restricted subsidiary, having an outstanding principal amount of US\$10.0 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (ii) the failure to make a principal or interest payment when due;
- (f) one or more final judgments or orders for the payment of money are rendered against the Company or any of its restricted subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$10.0 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

- (g) an involuntary case or other proceeding is commenced against the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) or for any substantial part of the property and assets of the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (h) the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) or for all or substantially all of the property and assets of the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary) or (iii) effects any general assignment for the benefit of creditors; or
- (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the Trustee or the holders of the Notes of at least 25.0% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the holders of the Notes), may, and the Trustee at the written direction of such holders shall, subject to receiving indemnity and/or security and/or prefunding to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in clause (g) or (h) above occurs with respect to the Company or any Significant Subsidiary (or any group of restricted subsidiaries that together would constitute a Significant Subsidiary), the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the Notes.

Covenants

The Notes and the Indenture will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) make investments, dividend payments or other specified restricted payments;
- (c) issue or sell capital stock of the related restricted subsidiaries;
- (d) guarantee indebtedness of the Company or any related restricted subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) engage in any business other than permitted business;
- (i) enter into agreements that restrict the ability of the restricted related subsidiaries to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption

The Notes may be redeemed in the following circumstances:

At any time and from time to time prior to 6 August 2021 the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 6 August 2021 the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 112.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Proposed use of proceeds

The net proceeds of the Notes Issue will be used by the Company for refinancing its existing onshore indebtedness and working capital purposes.

Listing and rating

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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 investors in EEA.

The Notes are expected to be assigned a rating of “B-” by Standard & Poor’s Ratings Services and a rating of “B3” by Moody’s Investors Service, Inc. The credit ratings accorded to the Notes are not a recommendation to purchase, hold or sell the Notes in as much as such ratings do not comment as to market price or suitability for a particular investor.

As the conditions precedent to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“CCB International”	CCB International Capital Limited
“China” or “PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“China CITIC Bank International”	China CITIC Bank International Limited
“CMB International”	CMB International Capital Limited
“Company”	Dexin China Holdings Company Limited (德信中国控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Directors”	the directors of the Company

“Future Land Resources”	Future Land Resources Securities Limited
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the agreement between the Company, the Subsidiary Guarantors and the Trustee that specify the terms of the Notes, including the interest rate of the Notes and maturity date
“JV Subsidiary Guarantees”	limited recourse guarantees provided by the JV Subsidiary Guarantors under certain circumstances to secure the Company’s obligations under the Indenture and the Notes
“JV Subsidiary Guarantors”	Subsidiary Guarantors that in the future provide JV Subsidiary Guarantees
“Notes”	the 12.875% senior notes due 2021 in the principal amount of US\$200,000,000 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Offer Price”	98.095% of the principal amount of the Notes, the price at which the Notes will be sold
“Purchase Agreement”	the agreement dated 30 July 2019 entered into among the Company, the Subsidiary Guarantors, Guotai Junan International, CCB International, Credit Suisse, CMB International, China CITIC Bank International and Future Land Resources in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Significant Subsidiary”	a restricted subsidiary, when consolidated with its restricted subsidiaries, that would be a “significant subsidiary” using the conditions specified in the definition of significant subsidiary in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of the Indenture, if any of the conditions exceeds 5%
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantor(s)”	certain non-PRC subsidiaries of the Company which guarantee the Notes

“Trustee” China Construction Bank (Asia) Corporation Limited
“United States” the United States of America
“US\$” United States dollars, the lawful currency of the United States

By Order of the Board
DEXIN CHINA HOLDINGS COMPANY LIMITED
Hu Yiping
Chairman

Hong Kong, 31 July 2019

As of the date of this announcement, the board of directors of the Company comprises Mr. Hu Yiping, Mr. Fei Zhongmin and Ms. Feng Xia as executive directors, Mr. Hu Shihao as a non-executive director, and Dr. Wong Wing Kuen Albert, Mr. Ding Jiangang and Mr. Chen Hengliu as independent non-executive directors.