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**CHINA HUARONG ASSET MANAGEMENT CO., LTD.**

**中國華融資產管理股份有限公司**

*(a joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 2799)**

## **VOLUNTARY ANNOUNCEMENT**

### **PROPOSED ISSUE OF**

**US\$570,000,000 3.75% GUARANTEED NOTES DUE 2022**

**US\$700,000,000 4.75% GUARANTEED NOTES DUE 2027**

**US\$200,000,000 5.50% GUARANTEED NOTES DUE 2047**

**US\$500,000,000 GUARANTEED FLOATING RATE NOTES DUE 2020**

**US\$1,000,000,000 GUARANTEED FLOATING RATE NOTES DUE 2022**

**S\$600,000,000 3.20% GUARANTEED NOTES DUE 2021**

### **UNDER THE**

**US\$10,000,000,000 MEDIUM TERM NOTE PROGRAMME**

The Company is pleased to announce that on 20 April 2017, the Issuer, the Guarantor and the Company entered into a Subscription Agreement in respect of the USD Notes with the Joint Lead Managers in respect of the USD Notes and a Subscription Agreement in respect of the SGD Notes with the Joint Lead Managers in respect of the SGD Notes.

The Issuer proposes to conduct an international offering of the Notes to professional investors only. The Notes and the Guarantee have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong nor will the Notes be initially placed to any connected person of the Company.

The Notes are to be guaranteed by the Guarantor and will have the benefit of the Keepwell Deed and the Deed of Undertaking given by the Company. The completion of the issue of the Notes is subject to several factors, including but not limited to, market conditions and investors' interest.

The aggregate net proceeds from the issuance of the USD Notes and the SGD Notes, after deduction of subscription commissions and other estimated expenses payable in connection with the issue of the USD Notes and the SGD Notes, are estimated to be approximately US\$2,957.3 million and S\$597.7 million, respectively. The proceeds are intended to be used for the Group's working capital and general corporate purposes.

Application will be made by the Issuer to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. Listing of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Notes, the Company, the Guarantor or the Issuer.

**The issue of the Notes is subject to completion. Shareholders of the Company and the potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

The Company is pleased to announce that on 20 April 2017, the Issuer, the Guarantor and the Company entered into a Subscription Agreement in respect of the USD Notes with the Joint Lead Managers in respect of the USD Notes and a Subscription Agreement in respect of the SGD Notes with the Joint Lead Managers in respect of the SGD Notes.

## THE SUBSCRIPTION AGREEMENT IN RESPECT OF THE USD NOTES

Date: 20 April 2017

### Parties to the Subscription Agreement in respect of the USD Notes

(1) the Company;

- (2) the Issuer;
- (3) the Guarantor; and
- (4) each of the Joint Lead Managers in respect of the USD Notes.

Australia and New Zealand Banking Group Limited, Bank of China Limited, Bank of Communications Co., Ltd. Hong Kong Branch, CCB International Capital Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Huarong International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, Nomura International (Hong Kong) Limited, Standard Chartered Bank, BOCI Asia Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, CMB International Capital Limited, Commonwealth Bank of Australia, Credit Suisse (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C. and Morgan Stanley & Co. International plc are the Joint Lead Managers in respect of the issue of the USD Notes.

Completion of the Subscription Agreement in respect of the USD Notes is subject to the satisfaction, or waiver, of certain conditions precedent. As the Subscription Agreement in respect of the USD Notes may or may not be completed and the issue of the USD Notes may or may not proceed, investors are reminded to exercise caution when dealing in the securities of the Company.

## **THE SUBSCRIPTION AGREEMENT IN RESPECT OF THE SGD NOTES**

Date: 20 April 2017

### **Parties to the Subscription Agreement in respect of the SGD Notes**

- (1) the Company;
- (2) the Issuer;
- (3) the Guarantor; and
- (4) each of the Joint Lead Managers in respect of the SGD Notes.

DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank are the Joint Lead Managers in respect of the issue of the SGD Notes.

Completion of the Subscription Agreement in respect of the SGD Notes is subject to the satisfaction, or waiver, of certain conditions precedent. As the Subscription Agreement in respect of the SGD Notes may or may not be completed and the issue of the SGD Notes may or may not proceed, investors are reminded to exercise caution when dealing in the securities of the Company.

## OFFERING

The Issuer proposes to conduct an international offering of the Notes to professional investors only. The Notes and the Guarantee have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong nor will the Notes be initially placed to any connected person of the Company.

The Notes are to be guaranteed by the Guarantor and will have the benefit of the Keepwell Deed and the Deed of Undertaking given by the Company. The completion of the issue of the Notes is subject to several factors, including but not limited to, market conditions and investors' interest.

## PRINCIPAL TERMS OF THE NOTES

The principal terms of the Notes are as follows:

Issuer	Huarong Finance 2017 Co., Ltd., a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
Guarantor	China Huarong International Holdings Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong
Aggregate principal amount	US\$570,000,000, in respect of the USD Fixed Rate 2022 Notes US\$700,000,000, in respect of the USD Fixed Rate 2027 Notes US\$200,000,000, in respect of the USD Fixed Rate 2047 Notes US\$500,000,000, in respect of the USD Floating Rate 2020 Notes US\$1,000,000,000, in respect of the USD Floating Rate 2022 Notes S\$600,000,000, in respect of the SGD Notes
Offering price	99.892% of the principal amount, in respect of the USD Fixed Rate 2022 Notes 99.709% of the principal amount, in respect of the USD Fixed Rate 2027 Notes 100% of the principal amount, in respect of the USD Fixed Rate 2047 Notes 100% of the principal amount, in respect of the USD Floating Rate 2020 Notes 100% of the principal amount, in respect of the USD Floating Rate 2022 Notes 100% of the principal amount, in respect of the SGD Notes
Issue date	27 April 2017

Interest rate	<p>3.75% per annum payable semi-annually in arrears on 27 April and 27 October of each year, in respect of the USD Fixed Rate 2022 Notes</p> <p>4.75% per annum payable semi-annually in arrears on 27 April and 27 October of each year, in respect of the USD Fixed Rate 2027 Notes</p> <p>5.50% per annum payable semi-annually in arrears on 27 April and 27 October of each year, in respect of the USD Fixed Rate 2047 Note</p> <p>3 months LIBOR + 1.65 per cent., payable in arrears on 27 January, 27 April, 27 July, and 27 October of each year, subject to adjustment in accordance with Modified Following Business Day Convention (as defined in the terms and conditions of the Notes), in respect of the USD Floating Rate 2020 Notes</p> <p>3 months LIBOR + 1.85 per cent., payable in arrears on 27 January, 27 April, 27 July, and 27 October of each year, subject to adjustment in accordance with Modified Following Business Day Convention (as defined in the terms and conditions of the Notes), in respect of the USD Floating Rate 2022 Notes</p> <p>3.20% per annum payable semi-annually in arrears on 27 April and 27 October of each year, subject to adjustment in accordance with Modified Following Business Day Convention (as defined in the terms and conditions of the Notes), in respect of the SGD Notes</p>
Maturity date	<p>27 April 2022, (unless earlier redeemed in accordance with the terms thereof), in respect of the USD Fixed Rate 2022 Notes</p> <p>27 April 2027, (unless earlier redeemed in accordance with the terms thereof), in respect of the USD Fixed Rate 2027 Notes</p> <p>27 April 2047, (unless earlier redeemed in accordance with the terms thereof), in respect of the USD Fixed Rate 2047 Notes</p> <p>Interest payment date falling in or nearest to 27 April 2020, (unless earlier redeemed in accordance with the terms thereof), in respect of the USD Floating Rate 2020 Notes</p> <p>Interest payment date falling in or nearest to 27 April 2022, (unless earlier redeemed in accordance with the terms thereof), in respect of the USD Floating Rate 2022 Notes</p> <p>Interest payment date falling in or nearest to 27 April 2021, (unless earlier redeemed in accordance with the terms thereof), in respect of the SGD Notes</p>

## STATUS OF THE NOTES AND GUARANTEE

The Notes will constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The Guarantee will constitute direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## **RATINGS**

The Notes are expected to be rated “Baa1” by Moody’s and “A” by Fitch. In addition, the Programme has been assigned a rating of “Baa1” by Moody’s and a rating of “A” by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

## **KEEPWELL DEED**

The Notes will have the benefit of the Keepwell Deed. Under the Keepwell Deed, the Company has undertaken, *inter alia*, that the Issuer and the Guarantor will have sufficient liquidity to ensure timely payment of any amounts payable under or in respect of the Notes, the coupons and the Guarantee of the Notes.

The Keepwell Deed does not constitute a guarantee by the Company of the obligations of the Issuer or the Guarantor under the Notes or the Guarantee.

## **DEED OF UNDERTAKING**

The Notes will also have the benefit of the Deed of Undertaking given by the Company. Pursuant to the Deed of Undertaking, upon receipt of a written notice from the Trustee following an event of default under the Notes, the Company will (i) grant a US dollar loan to the Guarantor or the Issuer, (ii) invest in the Issuer or the Guarantor and (iii) purchase certain equity interest, in each case as described in the Deed of Undertaking, to assist the Issuer and the Guarantor in meeting their obligations under the Notes or the Guarantee, as the case may be. The performance by the Company of such obligations may be subject to regulatory approvals.

The Deed of Undertaking does not constitute a guarantee by the Company of the obligations of the Issuer or the Guarantor under the Notes or the Guarantee.

## **PROPOSED USE OF PROCEEDS**

The aggregate net proceeds from the issuance of the USD Notes and the SGD Notes, after deducting subscription commissions and other estimated expenses payable in connection with the issue of the USD Notes and the SGD Notes, are estimated to be approximately US\$2,957.3 million and S\$597.7 million, respectively. The proceeds are intended to be used for the Group’s working capital and general corporate purposes.

## LISTING

Application will be made by the Issuer to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. Listing of the Notes on the Stock Exchange is not to be taken as an indication of the merits of the Notes, the Company, the Guarantor or the Issuer.

**The issue of the Notes is subject to completion. Shareholders of the Company and the potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	China Huarong Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, 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
“Deed of Undertaking”	deed of equity interest purchase, investment and liquidity support undertaking entered into by the Company, the Issuer, the Guarantor and the Trustee on 13 January 2017
“Director(s)”	the director(s) of the Company
“Fitch”	Fitch (Hong Kong) Limited
“Group”	the Company and its subsidiaries (including the Issuer and the Guarantor)
“Guarantee”	the guarantee given by the Guarantor with respect to the obligations of the Issuer under the Notes
“Guarantor”	China Huarong International Holdings Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	parties independent of the Company, its subsidiaries and their respective connected persons



“Issuer”	Huarong Finance 2017 Co., Ltd., a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
“Joint Lead Managers in respect of the USD Notes”	Australia and New Zealand Banking Group Limited, Bank of China Limited, Bank of Communications Co., Ltd. Hong Kong Branch, CCB International Capital Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Huarong International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, Nomura International (Hong Kong) Limited, Standard Chartered Bank, BOCI Asia Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, CMB International Capital Limited, Commonwealth Bank of Australia, Credit Suisse (Hong Kong) Limited, Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C. and Morgan Stanley & Co. International plc
“Joint Lead Managers in respect of the SGD Notes”	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank
“Joint Lead Managers”	the Joint Lead Managers in respect of the USD Notes and the Joint Lead Managers in respect of the SGD Notes
“Keepwell Deed”	keepwell deed executed by the Company, the Issuer, the Guarantor and the Trustee on 13 January 2017
“Medium Term Note Programme” or “Programme”	the medium term note programme for the issuance of up to US\$10,000,000,000 in aggregate principal amount of notes by the Issuer and guaranteed by the Guarantor established on 13 January 2017
“Moody’s”	Moody’s Investors Service, Inc.
“Notes”	the USD Notes and the SGD Notes
“Noteholder”	a registered holder of any Note
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan area
“SGD Notes”	S\$600,000,000 3.20% guaranteed notes due 2021
“S\$” or “SGD”	Singapore dollar, the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Subscription Agreement in respect of the SGD Notes”	the subscription agreement dated 20 April 2017 among the Company, the Guarantor, the Issuer and the Joint Lead Managers in respect of the SGD Notes
“Subscription Agreement in respect of the USD Notes”	the subscription agreement dated 20 April 2017 among the Company, the Guarantor, the Issuer and the Joint Lead Managers in respect of the USD Notes
“Subscription Agreement”	the Subscription Agreement in respect of the USD Notes and the Subscription Agreement in respect of the SGD Notes
“Trustee”	The Bank of New York Mellon, London Branch
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“USD Fixed Rate 2022 Notes”	US\$570,000,000 3.75% guaranteed notes due 2022
“USD Fixed Rate 2027 Notes”	US\$700,000,000 4.75% guaranteed notes due 2027
“USD Fixed Rate 2047 Notes”	US\$200,000,000 5.50% guaranteed notes due 2047
“USD Floating Rate 2020 Notes”	US\$500,000,000 guaranteed floating rate notes due 2020
“USD Floating Rate 2022 Notes”	US\$1,000,000,000 guaranteed floating rate notes due 2022
“USD Notes”	USD Fixed Rate 2022 Notes, USD Fixed Rate 2027 Notes, USD Fixed Rate 2047 Notes, USD Floating Rate 2020 Notes and USD Floating Rate 2022 Notes
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”, “USD” or “US dollar”	United States dollar, the lawful currency of the United States

By order of the Board  
**China Huarong Asset Management Co., Ltd.**  
**LAI Xiaomin**  
*Chairman*

Beijing, PRC  
21 April 2017

*As at the date of this announcement, the Board comprises Mr. LAI Xiaomin, Mr. KE Kasheng and Mr. WANG Lihua as executive Directors of the Company; Mr. WANG Keyue, Mr. LI Yi, Ms. WANG Cong, Ms. DAI Lijia and Mr. ZHOU Langlang as non-executive Directors of the Company; Mr. SONG Fengming, Mr. TSE Hau Yin, Mr. LIU Junmin and Mr. SHAO Jingchun as independent non-executive Directors of the Company.*