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First FZ Bond Limited

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 05275)

ANNOUNCEMENT

OFFER TO PURCHASE FOR CASH UP TO THE MAXIMUM ACCEPTANCE AMOUNT OF ITS OUTSTANDING US\$200,000,000 6.90% GUARANTEED BONDS DUE 2020 (ISIN: XS1892347086; COMMON CODE: 189234708) (THE “BONDS”)

Unconditionally and irrevocably guaranteed by

FOUNDER SECURITIES (HONG KONG) FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

and with the benefit of a Keepwell Deed provided by



FOUNDER SECURITIES CO., LTD.

(incorporated in the People's Republic of China with limited liability)

(Shanghai Stock Exchange stock code: 601901)

Description of the Bonds	ISIN/Common Code	Outstanding principal amount of the Bonds	Maximum Acceptance Amount ⁽¹⁾	Purchase price ⁽²⁾	Expiration deadline ⁽³⁾
US\$200,000,000 6.90% Guaranteed Bonds Due 2020	XS1892347086/189234708	US\$200,000,000	US\$70,000,000	US\$900	5 May 2020

(1) As such amount may be changed by the Company in its sole discretion.

(2) Per US\$1,000 principal amount of the Bonds accepted for purchase.

(3) Unless extended, re-opened, amended and/or terminated by the Company.

The Company is making an offer to purchase for cash its outstanding Bonds up to the Maximum Acceptance Amount at a purchase price of US\$900 per US\$1,000 principal amount of the Bonds. The Company has made available today to the Eligible Holders the Offer to Purchase setting out, among other things, the terms and conditions of the Offer.

The Offer is being made to improve and extend the Company's debt maturity profile and is part of the Company's liability management programme.

Founder Securities (Hong Kong) Limited is acting as the Sole Dealer Manager and D.F King Limited is acting as the Information and Tender Agent in relation to the Offer.

BACKGROUND

Reference is made to the announcement of the Company dated 19 November 2018 (Hong Kong time) in relation to the issuance of the Bonds. The Bonds are unconditionally and irrevocably guaranteed by Founder Securities (Hong Kong) Financial Holdings Limited and with the benefit of a keepwell deed provided by Founder Securities Co., Ltd. The Bonds are listed on the Hong Kong Stock Exchange.

As at the date of this announcement, the aggregate outstanding principal amount of the Bonds is US\$200,000,000.

THE OFFER

The Company hereby announces its intention to offer to purchase for cash an aggregate principal amount of the Bonds up the Maximum Acceptance Amount (as such amount may be changed by the Company in its sole discretion) subject to the conditions set forth in the Tender Offer Memorandum. The price payable per US\$1,000 principal amount of the Bonds accepted for purchase will be US\$900. In addition to the Purchase Price, the Company will also pay the Accrued Interest (as defined herein) in respect of Bonds accepted for purchase by it pursuant to the Offer.

The Offer commenced on 26 April 2020 and will expire at 4:00 p.m. (London time) on 5 May 2020, unless extended, re-opened or terminated as provided in the Tender Offer Memorandum.

Subject to applicable law and as provided in the Tender Offer Memorandum, the Company may, in its sole discretion, at any time before any acceptance by it of the bonds tendered for purchase in the Offer, extend, re-open, amend, waive any condition of, or terminate the Offer at any time. Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

Proration

If the aggregate principal amount of the Bonds validly tendered is greater than the Maximum Acceptance Amount, the Company will accept tenders of the Bonds for purchase on a pro rata basis such that the aggregate principal amount of the Bonds 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 the Bonds validly tendered which is equal to the Maximum Acceptance Amount divided by the aggregate principal amount in respect of all the Bonds validly tendered, subject to rounding and as described below. The Maximum Acceptance Amount may be increased or reduced at the Company's sole discretion.

In the event of any such proration, the Company will round downward, if necessary, to ensure all purchases of the Bonds 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 accept or reject such tender of the Bonds in full if application of proration will otherwise result in either (i) the Company accepting the Bonds from any Eligible Holder in a principal amount of less than US\$200,000 or (ii) the principal amount of the Bonds not purchased due to pro rata application being less than US\$200,000. All the Bonds not accepted as a result of proration will be returned to Eligible Holders.

Accrued Interest Payment

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

CONDITIONS TO THE OFFER

General Conditions of the Offer

The Company expressly reserves the right, at its sole discretion, to delay acceptance of tenders of Bonds pursuant to the Offer in order to comply with applicable laws. In all cases, the purchase of Bonds for cash pursuant to the Offer will only be made after the submission of a valid Tender Instruction in accordance with the procedures described in Tender Offer Memorandum including the blocking of the Bonds tendered in the relevant account in the relevant Clearing System, from the date the relevant Tender Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Offer (including where such Bonds are not accepted by the Company for purchase).

The Company will at all times have the discretion to accept for purchase any Bonds tendered in the Offer, the tender of which would otherwise be invalid or, in the sole opinion of the Company, may otherwise be invalid.

The Company is not under any obligation to accept any tender of Bonds for purchase pursuant to the Offer. Tenders of Bonds for purchase may be rejected at the sole discretion of the Company for any reason and the Company is not under any obligation to Eligible Holders to furnish any reason or justification for refusing to accept a tender of Bonds for purchase. For example, tenders of Bonds for purchase may be rejected if the Offer is terminated, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

More details to the Offer are set out in the Tender Offer Memorandum.

SETTLEMENT DATE

The Settlement Date for the Offer is currently expected to be on or around 11 May 2020, subject to the right of the Company to extend, re-open, amend and/or terminate the Offer.

PURPOSE OF THE OFFER

The Offer is being made to improve and extend the Company's debt maturity profile and is part of the Company's liability management programme.

OTHER INFORMATION

The Company has appointed Founder Securities (Hong Kong) Limited as the Sole Dealer Manager, and D.F. King Limited as the Information and Tender Agent in relation to the Offer (as stipulated in the Tender Offer Memorandum and its related documents). Any questions relating to the Offer should be directed to the Sole Dealer Manager at Suite 1710–1719, 17/F, Jardine House, 1 Connaught Place, Central, Hong Kong (attention: GCM Department, telephone number: (852) 3798 3333, email: gcm@hkfoundersc.com). The Tender Offer Memorandum and its related documents will be available on the Offer Website, <https://sites.dfkingltd.com/firstfz>. Questions may be directed to the Information and Tender Agent at the following addresses and telephones or by email to firstfz@dfkingltd.com:

In London:

65 Gresham Street
London EC2V 7NQ
United Kingdom

Telephone: +44 20 7920 9700

In Hong Kong:

Suite 1601, 16/F Central Tower
28 Queen's Road Central
Hong Kong

Telephone: +852 3952 7208

The terms of the Offer are more fully described in the Tender Offer Memorandum, which sets out further details regarding the tender procedures and the conditions of 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, THE BONDS. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.

The Offer is not being made to (nor will the tender of the Bonds be accepted from or on behalf of) Eligible Holders in any jurisdiction where the making or acceptance of the Offer would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Offer, the tender of the Bonds would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort (if any), the Company cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) any Eligible Holder residing in such jurisdiction.

The Offer may or may not materialise. The conditions of the Offer may or may not be waived or satisfied.

If any Eligible Holder is in any doubt as to the action it should take, it is recommended to seek its own financial and legal advice, including with regard to any tax consequences, from its stockbroker, bank manager, solicitor, attorney, tax adviser or other independent financial or legal adviser. None of the Company, the Sole Dealer Manager, the Information and Tender Agent or any of their respective directors, officers, employees, agents or affiliates makes any recommendation as to whether Eligible Holders should tender their Bonds pursuant to the Offer.

DEFINITIONS

“Accrued Interest”	The Bonds bear interest at the rate of 6.90 per cent. per annum. Accrued and unpaid interest on the Bonds validly tendered for purchase by Eligible Holders and accepted by the Company, from (and including) the immediately preceding interest payment date for the Bonds to (but excluding) the Settlement Date, in cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards).
“Board”	The board of directors of the Company.
“Clearing Systems”	Euroclear and Clearstream, Luxembourg.
“Clearstream, Luxembourg”	Clearstream Banking S.A.
“Company”	First FZ Bond Limited, a company incorporated in the British Virgin Islands with limited liability.
“Euroclear”	Euroclear Bank SA/NV.

“Expiration Deadline”	4:00 p.m. (London time) on 5 May 2020 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer).
“Eligible Holder(s)”	Holders of the Bonds who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S under the Securities Act).
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Information and Tender Agent”	D.F. King Limited
“Offer”	The invitation by the Company, subject to the offer restrictions referred to in the Tender Offer Memorandum, to Eligible Holders to tender their Bonds for purchase by the Company for cash, on the terms and subject to the conditions set out in the Tender Offer Memorandum.
“Offer Website”	The website, https://sites.dfkingltd.com/firstfz , operated by the Information and Tender Agent for the purpose of the Offer.
“PRC”	The People’s Republic of China which, except where the context otherwise requires and for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.
“Purchase Price”	The price (expressed as a percentage) payable by the Company for the Bonds validly tendered in the Offer and accepted for purchase by the Company, being a cash amount (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) equal to 90.00 per cent. of the principal amount of the Bonds.
“Settlement Date”	A working day which is expected to be on or around 11 May 2020 for the offer to purchase the Bonds, unless extended by the Company at its sole discretion.
“Securities Act”	The United States Securities Act of 1933, as amended.

“Sole Dealer Manager”	Founder Securities (Hong Kong) Limited
“Tender Instruction”	An 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 Eligible Holders to be able to participate in the Offer. Tender Instruction shall be irrevocable.
“Tender Offer Memorandum”	The tender offer memorandum dated 26 April 2020 issued by the Company to the Eligible Holders in connection with the Offer.
“U.S.” or “United States”	The United States of America.
“US\$”	United States dollar, the lawful currency of the United States.
“%”	Percentage.

Unless otherwise stated, all times and dates refer to Hong Kong times and dates.

Hong Kong, 26 April 2020

As at the date of this announcement, the Sole Director of the Company is Ms. WU Xiao.