

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”) OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT

This announcement is for information purposes only and is not an offer to purchase or a solicitation of an offer to sell any securities. This announcement and the Exchange Offer Memorandum do not constitute an offer to participate in the exchange offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such offer or exchange offer or for there to be such participation under applicable laws. The distribution of this announcement and the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Exchange Offer Memorandum comes are required by each of the Company, the joint dealer managers and the Information and Exchange Agent to inform themselves about and to observe any such restrictions.



XINJIANG GUANGHUI INDUSTRY INVESTMENT (GROUP) CO., LTD.

(新疆廣匯實業投資(集團)有限責任公司)

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

(the “Company”)

**The Minimum Coupon Rate of the New Notes to be Issued
in Connection with the Exchange Offer**

		Exchange Consideration per US\$1,000 of applicable Existing Notes tendered for exchange	
Description of Debt Securities	Outstanding Amount	ISIN/Common Code	
7.875% Senior Notes Due 2020 (the “Existing Notes”)	US\$300,000,000	XS1581385900 / 158138590	US\$1,015 in principal amount of New Notes (as defined below), Accrued Interest (as defined below), the Cash Rounding Amount (as defined below) and the Additional Cash Incentive (as defined below)

See the section entitled “Summary of Terms of The Exchange Offer — Exchange Consideration.”

Reference is made to the announcement of Xinjiang Guanghui Industry Investment (Group) Co., Ltd. (the “Company”) dated February 27, 2020 (the “Announcement”), in respect of the offer to exchange (the “Exchange Offer”) any and all of the outstanding 7.875% Senior Notes Due 2020 (ISIN: XS1581385900; Common Code: 158138590) (the “Existing Notes”) for new U.S. dollar denominated Senior Notes Due 2021 (the “New Notes”). Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Announcement.

The Company is pleased to announce that the New Notes to be issued in connection with the Exchange Offer will bear the minimum coupon rate of 9.5% per annum (the “Minimum Coupon Rate”). The Company reserves the right to increase, decrease or amend the coupon rate (subject to the Minimum Coupon Rate) in the Company’s sole discretion.

The Company will make further announcements:

- (i) in respect of the amount of valid tenders for exchange received, and the final total aggregate principal amount of New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged, as soon as practicable after the Exchange Expiration Deadline; and
- (ii) in respect of the determination of the final yield and final interest rate of the New Notes and the execution of the purchase agreement for a separate concurrent offering (the “Concurrent New Money Issuance”) to issue and sell additional New Notes conducted by the Company, if any, as soon as practicable after the Pricing Date.

Completion of the Exchange Offer remains subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer as set forth in the Exchange Offer Memorandum. No assurance can be given that the Exchange Offer will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer with or without conditions.

The Company may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Exchange Offer at any time (subject to applicable law and as provided in the Exchange Offer Memorandum).

Any Concurrent New Money Issuance will be on terms and conditions acceptable to the Company at its sole discretion. There is no assurance that such Concurrent New Money Issuance will be consummated. Upon issuance, any additional New Notes sold in the Concurrent New Money Issuance will be on the same terms and form a single series with the corresponding New Notes issued under the Exchange Offer. The Concurrent New Money Issuance is not part of the Exchange Offer and is conducted pursuant to a separate offering memorandum. The Company expects to announce the pricing terms of the Concurrent New Money Issuance as soon as practicable following any such pricing or, if the Company decides not to proceed with the Concurrent New Money Issuance (or any portion thereof), the Company will announce such decision as soon as practicable following such decision being made. Pricing of the Concurrent New Money Issuance is expected to occur as soon as practicable after the Exchange Expiration Deadline. However, there can be no assurance that the Concurrent New Money Issuance will price at all. If the Concurrent New Money Issuance is not consummated with respect to any or all of the New Notes, the final interest rate of such New Notes will be announced as soon as practicable following the confirmation that the Concurrent New Money Issuance with respect to such New Notes will not be consummated. Other relevant details of the New Notes will also be confirmed together with the final interest rate.

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in, the United States. The Exchange Offer Memorandum is not an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to offer such securities, including the New Notes and any guarantees with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration. The New Notes and any related guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the New Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Key Timeline of the Exchange Offer

The exchange expiration deadline of the Exchange Offer (the “Exchange Expiration Deadline”) is 4:00 p.m., London time on March 11, 2020, unless extended or earlier terminated at the Company’s sole discretion. Exchange instructions are irrevocable once submitted except in the limited circumstances described in the Exchange Offer Memorandum.

A separate Instruction must be submitted on behalf of each beneficial owner of the Existing Notes.

The anticipated settlement date of the Exchange Offer (the “Settlement Date”) will occur on or about March 19, 2020, unless the Exchange Offer is extended or earlier terminated.

The final interest rate and final yield of the New Notes is expected to be set as soon as practicable after the pricing of the Concurrent New Money Issuance on or about March 12, 2020, subject to market conditions.

For a detailed statement of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

D.F. King has been appointed as the Information and Exchange Agent. To contact D.F. King in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7208 or via email at xinjiang@dfkingltd.com.

The Exchange Offer Memorandum will be distributed in electronic format to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/xinjiang>. Any requests for additional copies of the Exchange Offer Memorandum should be directed to D.F. King at the above contact points.

The joint dealer managers for the Exchange Offer are:

**Haitong International Securities
Company Limited**

8/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong
Fax: + 852 2973 6741
Attention: Debt Capital Markets

**The Hongkong and Shanghai
Banking Corporation Limited**

Level 17, HSBC Main Building
1 Queen’s Road Central
Hong Kong
Fax: + 852 3409 2755
Attention: Transaction
Management

Tensant Securities Limited

Unit 1103, 11/F, Cosco Tower
183 Queen’s Road Central
Hong Kong
Fax: + 852 3895 2777
Attention: Denny Wang