

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

*This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. The Company does not intend to make any public offering of securities in the United States.*



景業名邦
JY GRANDMARK

JY GRANDMARK HOLDINGS LIMITED

景業名邦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2231)

ISSUANCE OF US\$150 MILLION 7.5% SENIOR NOTES DUE 2021 EXEMPTED CONNECTED TRANSACTION PURCHASES OF NOTES BY CONNECTED PERSONS OF THE COMPANY

Reference is made to the announcement of the Company dated 2 March 2020 in respect of the Notes Issue. The Board is pleased to announce that on 4 March 2020, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with ABC International, Haitong International, ICBC (Asia), Chong Hing Bank and Jinghui Capital Limited in connection with the issue of the Notes in the aggregate principal amount of US\$150 million.

The Company currently intends to use the net proceeds of the Notes to acquire or develop property projects, refinance existing indebtedness and for general corporate 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.

ECPs-only/No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or UK.

THE PURCHASE AGREEMENT

Date: 4 March 2020

Parties to the Purchase Agreement:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) ABC International, Haitong International, ICBC (Asia), Chong Hing Bank and Jinghui Capital Limited as the initial purchasers.

ABC International and Haitong International are the joint global coordinators, joint bookrunners and joint lead managers, and ICBC (Asia), Chong Hing Bank and Jinghui Capital 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 ABC International, Haitong International, ICBC (Asia), Chong Hing Bank and Jinghui Capital Limited 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\$150 million which will mature on 9 March 2021, unless earlier redeemed or repurchased pursuant to the terms thereof.

Offer Price

The offer price of the Notes will be 100% of the principal amount of the Notes.

Interest

The Notes will bear interest from (and including) 10 March 2020 at a rate of 7.5% per annum, payable in arrears.

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, unsubordinated indebtedness of the Company (subject to any priority rights of such 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 other secured obligations, if any (other than permitted pari passu secured indebtedness) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent 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 or asset sale event 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 Trustee or the holders of 25.0% or more in aggregate principal amount of the Notes;
- (e) there occurs with respect to any indebtedness of the Company or any restricted subsidiary, having an outstanding principal amount of US\$15.0 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\$15.0 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 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 for any substantial part of the property and assets of the Company or any 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 under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (h) the Company or any 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 for all or substantially all of the property and assets of the Company or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors (other than, in each case under (ii), any of the foregoing that arises from any solvent liquidation or restructuring of a Significant Subsidiary in the ordinary course of business that shall result in the net assets of such Significant Subsidiary being transferred to or otherwise vested in the Company or any Restricted Subsidiary on a *pro rata* basis or on a basis more favorable to the Company); 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 request of such holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium on, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal, 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, the principal of, premium on, 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 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 prior to 9 March 2021, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100.0% 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 prior to 9 March 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 107.5% of the principal amount of the Notes, 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 remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

PURCHASES OF NOTES BY CONNECTED PERSONS

Pursuant to the Notes Issue, certain relatives of Mr. Chan, an executive Director and the chairman of the Company, have subscribed for 80% of the total principal amount of the Notes. As the terms of the purchases are the same as the other investors in the Notes Issue, the Directors (including the independent non-executive Directors) are of the view that such purchases of the Notes are being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole. As the Notes are being issued under normal commercial terms, and that the Notes are not secured by the assets of the Group, the purchases of the Notes by such relatives of Mr. Chan are fully exempt connected transactions under Rule 14A.90 of the Listing Rules.

PROPOSED USE OF PROCEEDS

The net proceeds of the Notes Issue will be used by the Company to acquire or develop property projects, refinance existing indebtedness and for general corporate purposes.

LISTING

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.

ECPs-only/No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or UK.

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:

“ABC International”	ABCI Capital Limited
“Board”	the board of Directors
“Chong Hing Bank”	Chong Hing Bank Limited
“Company”	JY Grandmark Holdings limited (景業名邦集團控股有限公司), 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 Listing Rules
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC (Asia)”	Industrial and Commercial Bank of China (Asia) Limited
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Chan”	Mr. Chan Sze Ming Michael, an executive Director and the chairman of the Company
“Notes”	the 7.5% senior notes due 2021 in the principal amount of US\$150 million to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 4 March 2020 entered into among the Company, the Subsidiary Guarantors, ABC International, Haitong International, ICBC (Asia), Chong Hing Bank and Jinghui Capital Limited 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 issue date, 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 Guarantors”	certain non-PRC subsidiaries of the Company which guarantee the Notes
“Trustee”	China Construction Bank (Asia) Corporation Limited
“UK”	the United Kingdom of Great British and Northern Ireland
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States

By Order of the Board
JY Grandmark Holdings Limited
Chan Sze Ming Michael
Chairman

Hong Kong, 5 March 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Chan Sze Ming Michael, Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong, Mr. Wu Xinping, Mr. Xue Shuangyou and Ms. Wei Miaochang as executive directors, Mr. Ma Ching Nam, CStJ, J.P., Mr. Leong Chong and Mr. Wu William Wai Leung as independent non-executive directors.