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禹洲集團控股有限公司

YUZHOU GROUP HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01628)

US\$375 MILLION 6.375% SENIOR NOTES DUE 2021

(Stock Code: 4436)

**PROPOSED ISSUANCE OF US DOLLAR GREEN SENIOR NOTES
AND
CONCURRENT TENDER OFFER FOR REPURCHASE OF THE 6.375%
SENIOR NOTES DUE 2021**

THE PROPOSED ISSUE

The Company proposes to conduct the Proposed Notes Issue. Completion of the Proposed Notes Issue is subject to market conditions and investor interest. Pricing of the Notes, including the aggregate principal amount and the Offer Price and interest rate, will be determined through a

book building exercise to be conducted by the joint global coordinators, the joint bookrunners and the joint lead managers. The Notes, if issued, will be repayable at maturity, unless earlier redeemed or repurchased pursuant to their terms. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalization of the pricing terms of the Notes, the Purchase Agreement will be entered into between the Company and the joint lead managers in relation to the Proposed Notes Issue. The Company intends to use the net proceeds from the Proposed Notes Issue for refinancing the Company's existing medium to long term offshore indebtedness, which will become due within one year. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds from the Proposed Notes Issue.

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

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

CONCURRENT TENDER OFFER FOR REPURCHASE OF THE 2021 NOTES

On 5 August 2020, the Company commenced a tender offer to purchase for cash an aggregate principal amount up to but not more than US\$300,000,000 of its outstanding 2021 Notes validly tendered.

The Tender Offer is conditional upon, amongst other things, the Proposed Notes Issue. The Company may, in its sole and absolute discretion and in compliance with the terms and conditions of the Tender Offer, terminate, extend, amend or postpone the Tender Offer.

THE PROPOSED ISSUE

Introduction

The Company proposes to conduct the Proposed Notes Issue. Completion of the Proposed Notes Issue is subject to market conditions and investor interest. Pricing of the Notes, including the aggregate principal amount and the Offer Price and interest rate, will be determined through a book building exercise to be conducted by the joint global coordinators, the joint bookrunners and the joint lead managers. The Notes, if issued, will be repayable at maturity, unless earlier redeemed or repurchased pursuant to their terms. The Notes are expected to be secured by the shares of certain of the Company's offshore subsidiaries. The shares of such offshore subsidiaries have previously

been charged for the benefit of holders of the 2022 Notes, holders of the 2023 Notes, holders of the 2021 Notes, holders of the 2021 II Notes, holders of the 2022 II Notes, holders of the 2023 II Notes, lenders to the 2017 Dual Tranche Term Facility, holders of the 2024 Notes, lenders to the 2019 Term Loan Facility, holders of the 2024 II Notes, holders of the 2025 Notes, holders of the 2026 Notes, holders of the 2025 II Notes, holders of the 2021 III Notes and holders of permitted pari passu secured indebtedness, if any, and subject to any permitted liens. Holders of the Notes are expected to have the benefit of this collateral and the trustee of the Notes is expected to enter into an accession agreement to the intercreditor agreement concurrently with the issuance of the Notes. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalization of the pricing terms of the Notes, the Purchase Agreement will be entered into between the Company and the joint lead managers in relation to the Proposed Notes Issue. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

The Notes will only be offered outside the United States, in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

The Notes are proposed to be issued as “Green Bonds” under the Green Bond Framework of the Group. The Group commits to allocating an equivalent amount of the net proceeds from the Proposed Notes Issue to finance or refinance eligible green projects with environment benefits in alignment with the International Capital Market Association Green Bond Principles and Green Loan Principles.

Information about the Group

The Group is one of the leading national property developers with its headquarters in Shanghai. The Group’s primary focus is developing high quality residential properties. In order to diversify its portfolio, the Group also develops retail and commercial properties, including office buildings, shopping malls and hotels, and retains some of them as long-term investments. In addition, the Group engages in property-related businesses such as residential and commercial property management.

As of 31 December 2019, the Group had 60 projects completed with a total site area of approximately 4,237,129 sq.m. and a total GFA of approximately 12,198,128 sq.m., and 76 projects under development with a total site area of approximately 6,621,418 sq.m. and a total GFA of approximately 15,663,025 sq.m. As of the same date, the Group had 20 projects held for future development and potential projects with a total site area of approximately 3,607,055 sq.m. and a total GFA of approximately 4,284,700 sq.m. The Group has obtained land use rights certificates for the land for 155 of its projects completed, under development or held for future development. It is in the process of obtaining the land use rights certificates for one of its projects.

Proposed use of proceeds

The Company intends to use the net proceeds from the Proposed Notes Issue for refinancing the Company's existing medium to long term offshore indebtedness, which will become due within one year.

The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds from the Proposed Notes Issue.

Listing and ratings

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

The Notes are expected to be rated "BB-" by Fitch Ratings Services and "B1" by Moody's Investors Services, 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. There can be no assurance that the ratings will remain in effect for a given period or that the ratings will not be revised by the rating agencies in the future.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

CONCURRENT TENDER OFFER FOR REPURCHASE OF THE 2021 NOTES

On 5 August 2020, the Company commenced a tender offer to purchase for cash an aggregate principal amount up to but not more than US\$300,000,000 of its outstanding 2021 Notes validly tendered. Further details of the Tender Offer are set forth below:

Title of Security	ISIN/ Common Code	Outstanding Aggregate Principal Amount ⁽¹⁾	Maximum Acceptance Amount	Purchase Price ⁽²⁾⁽³⁾
6.375% senior notes due 2021	XS1788498167/ 178849816	US\$375,000,000	US\$300,000,000	US\$1,005

- (1) Principal amount of the 2021 Notes outstanding as of 5 August 2020.
- (2) Applicable to holders who validly tender their 2021 Notes at or prior to the expiration deadline, being 4:00 p.m. London Time, on 12 August 2020.
- (3) Per US\$1,000 principal amount of the 2021 Notes accepted for purchase and excludes accrued interest which will also be paid.

The Company has appointed Credit Suisse (Hong Kong) Limited and Goldman Sachs (Asia) L.L.C. to act as joint dealer managers in relation to the Tender Offer, and the Company has appointed D.F. King Ltd. as the information and tender agent in relation to the Tender Offer. Further terms and conditions of the Tender Offer are set forth in the Tender Offer Memorandum. The Tender Offer Memorandum and its related documents can be found on the Tender Offer website: <https://sites.dfkingltd.com/yuzhou>. Holders who have questions regarding the Tender Offer or wish to obtain copies of the documents related to the Tender Offer may contact D.F. King Ltd. (Email: yuzhou@dfkingltd.com; Telephone: +44 20 7920 9700 or +852 3953 7231), Credit Suisse (Hong Kong) Limited (Telephone: +852 2101 6794) or Goldman Sachs (Asia) L.L.C. (Telephone: +852 2978 1162 or +852 2978 0604).

The Tender Offer is conditional upon, amongst other things, the Proposed Notes Issue. The Company may, in its sole and absolute discretion and in compliance with the terms and conditions of the Tender Offer, terminate, extend, amend or postpone the Tender Offer.

DEFINITIONS

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

“2017 Dual Tranche Term Facility”	the dual tranche term facility of up to US\$258,000,000 and HK\$334,000,000 that the Company entered into with China Construction Bank (Asia) Corporation Limited, Chiyu Banking Corporation Limited, Fubon Bank (Hong Kong) Limited, Hang Seng Bank Limited, Nanyang Commercial Bank (China) Limited, Shenzhen Branch (南洋商業銀行(中國)有限公司深圳分行), Shanghai Pudong Development Bank Co Ltd, Hong Kong Branch, The Bank of East Asia, Limited (東亞銀行有限公司) and The Hongkong and Shanghai Banking Corporation Limited as the arrangers and lenders, and The Hongkong and Shanghai Banking Corporation Limited as agent on 1 November 2017
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“2019 Term Loan Facility”	the term loan facility of up to US\$220,000,000 with the possibility of incremental term loan facilities that the Company entered into with China Construction Bank Corporation, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited, Bank of China (Hong Kong) Limited, Nanyang Commercial Bank, Limited and CMB Wing Lung Bank Limited, as arrangers and lenders, and The Hongkong and Shanghai Banking Corporation Limited as agent on 16 October 2019
“2021 II Notes”	the 7.90% senior notes due 2021 in the aggregate principal amount of US\$625 million issued by the Company in May 2018 and July 2018
“2021 III Notes”	the 7.5% senior notes due 2021 in the aggregate principal amount of US\$40 million issued by the Company in June 2020
“2021 Notes”	the 6.375% senior notes due 2021 in the aggregate principal amount of US\$375 million issued by the Company in February 2018
“2022 II Notes”	the 8.625% senior notes due 2022 in the aggregate principal amount of US\$500 million issued by the Company in January 2019
“2022 Notes”	the 6.00% senior notes due 2022 in the aggregate principal amount of US\$350 million issued by the Company in January 2017
“2023 II Notes”	the 6.00% senior notes due 2023 in the aggregate principal amount of US\$250 million and US\$400 million issued by the Company in October 2016 and July 2019, respectively
“2023 Notes”	the 6.00% senior notes due 2023 in the aggregate principal amount of US\$250 million issued by the Company in October 2016
“2024 II Notes”	the 8.375% senior notes due 2024 in the aggregate principal amount of US\$500 million issued by the Company in October 2019
“2024 Notes”	the 8.5% senior notes due 2024 in the aggregate principal amount of US\$500 million issued by the Company in February 2019
“2025 II Notes”	the 7.70% senior notes due 2025 in the aggregate principal amount of US\$400 million issued by the Company in February 2020

“2025 Notes”	the 8.3% senior notes due 2025 in the aggregate principal amount of US\$500 million issued by the Company in November 2019
“2026 Notes”	the 7.375% senior notes due 2026 in the aggregate principal amount of US\$645 million issued by the Company in January 2020
“Board”	the board of Directors
“Company”	Yuzhou Group Holdings Company Limited (禹洲集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notes”	the US\$ green senior notes to be issued by the Company
“Offer Price”	the final price at which the Notes will be sold to the initial purchasers thereof
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, the Company and the joint lead managers in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tender Offer”	the offer by the Company to purchase for cash an aggregate principal amount of the outstanding 2021 Notes under the terms and conditions as stated in the tender offer memorandum dated 5 August 2020 issued by the Company
“Tender Offer Memorandum”	the tender offer memorandum dated 5 August 2020 issued by the Company in connection with the Tender Offer
“United States”	the United States of America
“US\$”	United States dollars

By order of the Board
Yuzhou Group Holdings Company Limited
Lam Lung On
Chairman

Hong Kong, 5 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Lam Lung On (Chairman, J.P.), Ms. Kwok Ying Lan, Mr. Lin Conghui and Ms. Lam Yu Fong, the non-executive director of the Company is Ms. Xie Mei, and the independent non-executive directors of the Company are Mr. Lam Kwong Siu, Mr. Wee Henny Soon Chiang and Dr. Zhai Pu.