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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)

PROPOSED ISSUANCE OF US DOLLAR GREEN SENIOR NOTES

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.

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 2023 Notes, holders of the 2022 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, holders of the 2026 II 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 30 June 2020, the Group had 60 projects completed with a total site area of approximately 4,091,799 sq.m. and a total GFA of approximately 11,951,254 sq.m., and 88 projects under development with a total site area of approximately 7,387,236 sq.m. and a total GFA of approximately 16,166,643 sq.m. As of the same date, the Group had 19 projects held for future development and potential projects with a total site area of approximately 3,640,029 sq.m. and a total GFA of approximately 5,182,620 sq.m. The Group has obtained land use rights certificates for the land for 165 of its projects completed, under development or held for future development. It is in the process of obtaining the land use rights certificates for two 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.

“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 II Notes”	the 7.85% senior notes due 2026 in the aggregate principal amount of US\$300 million issued by the Company in August 2020
“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
“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, 4 January 2021

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