

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 does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or 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.*

*The communication of this announcement and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this announcement relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this announcement or any of its contents.*



世茂集團

SHIMAO GROUP HOLDINGS LIMITED

世茂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 813)

ISSUE OF USD872 MILLION 3.45% SENIOR NOTES DUE 2031

On 4 January 2021, the Company entered into the Purchase Agreement with China International Capital Corporation, HSBC, Morgan Stanley, BNP PARIBAS, CLSA and Fortune (HK) Securities Limited in connection with the Notes Issue.

The Company intends to use the net proceeds of the Notes Issue to refinance offshore medium- to long-term debts due within one year. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

No PRIIPs key information document (KID) has been prepared as not available to retail in EEA and the United Kingdom.

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company or any subsidiary or associated company of the Company, or the Notes.

Reference is made to the announcement of the Company dated 4 January 2021 in respect of the proposed Notes Issue. The Board is pleased to announce that on 4 January 2021, the Company entered into the Purchase Agreement with China International Capital Corporation, HSBC, Morgan Stanley, BNP PARIBAS, CLSA and Fortune (HK) Securities Limited in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 4 January 2021

Parties to the Purchase Agreement

- (a) the Company;
- (b) China International Capital Corporation;
- (c) HSBC;
- (d) Morgan Stanley;
- (e) BNP PARIBAS;
- (f) CLSA; and
- (g) Fortune (HK) Securities Limited.

China International Capital Corporation, HSBC and Morgan Stanley are the joint global coordinators, which are, together with BNP PARIBAS, CLSA and Fortune (HK) Securities Limited, the joint bookrunners and joint lead managers 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 China International Capital Corporation, HSBC, Morgan Stanley, BNP PARIBAS, CLSA and Fortune (HK) Securities Limited is an independent third party and not a connected person of the Company and its connected persons.

The Notes have not been, and will not be, registered under the Securities Act. The Notes will only be offered or sold in offshore transactions in compliance with Regulation S under 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. None of the Notes will be offered to the public in Hong Kong.

MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA and the United Kingdom.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture and the Notes.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes, in the aggregate principal amount of USD872 million which will mature on 11 January 2031, unless earlier redeemed under the terms thereof.

Offering Price

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

Interest

The Notes will bear interest at a rate of 3.45% per annum, payable semi-annually in arrears on 11 July and 11 January of each year, commencing 11 July 2021.

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 against the Company with respect to the Existing Notes and any other *pari passu* indebtedness of the Company and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) effectively subordinated to the secured obligations of the Company to the extent of the value of the assets serving as security therefor; and (5) effectively subordinated to all existing and future obligations of the restricted subsidiaries of the Company.

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; (b) default in the payment of interest on any Notes which continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase in certain manner; (d) default by the Company or certain of its subsidiaries in the performance of or breach of any other covenant or agreement in the Indenture or under the Notes (other than the default specified in clauses (a), (b) or (c) above); (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount of US\$50.0 million or more; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged; (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries; or (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors.

If an event of default (other than the default specified in clause (g) or (h) above) occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company, may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, 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, the principal of, premium, 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.

Covenants

The Notes and the Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee indebtedness of certain of its subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (i) enter into transactions with shareholders or affiliates; and
- (j) effect a consolidation or merger.

Optional Redemption of the Notes

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 11 January 2026, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 11 January of the years indicated below:

Period	Redemption Price
2026	101.725%
2027	100.863%
2028	100.432%
2029 and thereafter	100.00%

- (2) At any time and from time to time prior to 11 January 2026, 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 103.45% of the principal amount of the Notes redeemed, 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 originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.
- (3) At any time prior to 11 January 2026, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% 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.

Reasons for the Notes Issue

The Company intends to use the net proceeds of the Notes Issue to refinance offshore medium- to long-term debts due within one year. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

Listing

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company or any subsidiary or associated company of the Company, or the Notes.

No listing of the Notes has been or will be sought in Hong Kong.

DEFINITIONS

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

“2017 Notes”	4.75% senior notes due 2022 issued by the Company
“BNP PARIBAS”	BNP Paribas
“Board”	the board of Directors
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited
“CLSA”	CLSA Limited
“Company”	Shimao Group Holdings Limited, an exempted company incorporated with limited liability in the Cayman Islands, the securities of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“EEA”	European Economic Area
“Existing Notes”	the 2017 Notes, the January 2018 Notes, the March 2018 Notes, the October 2018 Notes, the February 2019 Notes, the July 2019 Notes and the July 2020 Notes
“February 2019 Notes”	6.125 % senior notes due 2024 issued by the Company
“Fortune (HK) Securities Limited”	Fortune (HK) Securities Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Indenture”	the written agreement between the Company and Citicorp International Limited, as trustee, that specified the terms of the Notes including the interest rate of the Notes and the maturity date
“January 2018 Notes”	5.20% senior notes due 2025 issued by the Company
“July 2019 Notes”	5.60% senior notes due 2026 issued by the Company
“July 2020 Notes”	4.60% senior notes due 2030 issued by the Company
“March 2018 Notes”	5.75% senior notes due 2021 issued by the Company

“Morgan Stanley”	Morgan Stanley & Co. International plc
“Notes”	USD872 million 3.45% senior notes due 2031 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“October 2018 Notes”	6.375% senior notes due 2021 issued by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“PRIIPs”	Packages retail investment and insurance products (as defined by Regulation (EU) No 1286/2014, as amended)
“Purchase Agreement”	the agreement dated 4 January 2021 entered into between, the Company, China International Capital Corporation, HSBC, Morgan Stanley, BNP PARIBAS, CLSA and Fortune (HK) Securities Limited in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“US\$” or “USD”	United States dollar, the lawful currency of the United States
“%”	per cent

On behalf of the Board
Shimao Group Holdings Limited
Hui Wing Mau
Chairman

Hong Kong, 5 January 2021

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman and President), Ms. Tang Fei and Mr. Lu Yi; one Non-executive Director, namely, Mr. Ye Mingjie; and three Independent Non-executive Directors, namely, Ms. Kan Lai Kuen, Alice, Mr. Lyu Hong Bing and Mr. Lam Ching Kam.