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)

ISSUANCE OF US$200 MILLION 9.95% GREEN SENIOR NOTES DUE 2023

The Board is pleased to announce that on 27 August 2021, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Haitong International, BOC International and HSBC in connection with the Notes Issue.

The gross proceeds from the Notes Issue will amount to US$200 million. The Company intends to use the proceeds primarily for refinancing its existing medium to long term offshore indebtedness, which will become due within one year. The Notes are being issued as "Green Bonds" under the Green Bond Framework of the Group. Pursuant to the Green Bond Framework, the Group will, within the next three years, allocate an equivalent amount of the net proceeds 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. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds from the 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 on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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THE PURCHASE AGREEMENT

Date

27 August 2021

Parties

(a) the Company as the issuer;

(b) certain subsidiaries of the Company as the Subsidiary Guarantors of the Company's obligations under the Notes; and

(c) Haitong International, BOC International and HSBC.

Haitong International, BOC International and HSBC are the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes. BOC International has been appointed as the sole green structuring advisor for the Notes Issue. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Haitong International, BOC International and HSBC as an initial purchaser, is an independent third party and not a connected person of the Company.

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 proceeds from the 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.

PRINCIPAL TERMS OF THE NOTES

Notes offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US$200 million which will mature on 8 June 2023, unless earlier redeemed 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 8 September 2021 at a rate of 9.95% per annum, payable semi-annually in arrears on 8 March and 8 September of each year, commencing 8 March 2022.

Ranking of the Notes

The Notes are general obligations of the Company and, subject to certain limitations, are guaranteed by the Subsidiary Guarantors on a senior basis. The Notes will (1) rank at least pari passu in right of payment with the Existing Notes, the 2021 Dual Tranche Term Loan Facility and all unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), (2) rank senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, (3) be subordinated to existing and future secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the assets serving as security therefor, and (4) be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

In addition, the Notes will be secured by a pledge of the Collateral and will: (1) be entitled to a first priority lien on the Collateral pledged by the Company and the Subsidiary Guarantor Pledgors shared on a pari passu basis with (i) holders of the Existing Notes, (ii) lenders to the 2021 Dual Tranche Term Facility and (iii) holders of any permitted pari passu secured indebtedness under the Notes, if any, and subject to permitted liens; (2) rank effectively senior in right of payment to unsecured obligations of the Company and the Security Guarantor Pledgors securing the Notes; and (3) rank effectively senior in right of payment to unsecured obligations of the Subsidiary Guarantor Pledgors to the extent of the Collateral charged by each Subsidiary Guarantor Pledgor securing the Notes (subject to priority rights of such unsecured obligations pursuant to applicable law).

Events of default

The events of default under the Notes include, among others:

(1) 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;

(2) 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;

(3) 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 upon certain terms and conditions, or the failure by the Company to create or cause its restricted subsidiaries to create a first priority lien on the Collateral (subject to any permitted liens);

(4) 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 item (1), (2) or (3) 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% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US$15 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, (a) 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 (b) the failure to make a principal payment when due;

(6) 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 million (or the dollar equivalent thereof), in excess of amounts which the Company's insurance carriers have unconditionally agreed to pay under applicable policies, during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Company or any significant restricted 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 restricted subsidiary or for any substantially part of the property and assets of the Company or any significant restricted 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 restricted subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(8) the Company or any significant restricted subsidiary (a) 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, (b) 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 restricted subsidiary or for all or substantially all of the property and assets of the Company or any significant restricted subsidiary or (c) effects any general assignment for the benefit of creditors;

(9) 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;

(10) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or

(11) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any security document or, other than in accordance with the Indenture and the security documents, any security document ceases to be or is not in full force and effect or the Trustee ceases to have a first priority security interest in the Collateral (subject to any permitted liens).

If an event of default (other than an event of default specified in item (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% 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), may, and the Trustee at the written direction of such Holders shall, 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 item (7) or (8) above occurs with respect to the Company or any significant restricted subsidiary, 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, the Indenture governing the Notes and the Subsidiary Guarantees will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

(1) incur or guarantee additional indebtedness or issue disqualified or preferred stock;

(2) declare dividends on its capital stock or purchase or redeem capital stock;

(3) make investments or other specified restricted payments;

(4) issue or sell capital stock of restricted subsidiaries;

(5) guarantee indebtedness of restricted subsidiaries;

(6) sell assets;

(7) create liens;

(8) enter into sale and leaseback transactions;

(9) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;

(10) enter into transactions with shareholders or affiliates; and

(11) effect a consolidation or merger.

Optional Redemption

At any time and from time to time on or after 8 September 2022, the Company may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 8 September 2022, 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.

At any time and from time to time, prior to 8 September 2022, the Company may redeem up to 35% of the aggregate principal outstanding amount of the Notes at a redemption price of 109.95% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

INFORMATION ABOUT THE GROUP

The Group is one of the leading national property developers with its headquarters in Shanghai and Shenzhen. 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 2021, the Group had 85 projects completed with a total site area of approximately 5,713,809 sq.m. and a total GFA of approximately 14,193,751 sq.m., and 82 projects under development with a total site area of approximately 7,204,963 sq.m. and a total GFA of approximately 18,186,002 sq.m.. As of the same date, the Group had 9 projects held for future development and potential projects with a total site area of approximately 2,975,962 sq.m. and a total GFA of approximately 3,915,980 sq.m., and three urban redevelopment projects with a total site area of approximately 424,482 sq.m. and a total GFA of approximately 896,564 sq.m. The Group has obtained land use rights certificates for the land for 178 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 gross proceeds from the Notes Issue will amount to US$200 million. The Company intends to use the proceeds primarily for refinancing its existing medium to long term offshore indebtedness, which will become due within one year. The Notes are being issued as "Green Bonds" under the Green Bond Framework of the Group. Pursuant to the Green Bond Framework, the Group will, within the next three years, allocate an equivalent amount of the net proceeds 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.

The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds from the 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 on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Notes have been provisionally rated "B+" by Fitch Ratings Services and "BB-" by Lianhe Ratings Global Limited. The credit ratings accorded to the Notes are not a recommendation to purchase, hold or sell the Notes in as much as such rating 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 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 shall have the following meanings, unless the context otherwise requires:

"2021 Dual Tranche Term Loan Facility"	the term loan facility of US$238,500,000 and HK$234,000,000 that the Company entered into with China CITIC Bank International Limited, Hang Seng Bank Limited, Shanghai Pudong Development Bank Co., Ltd acting through its Hong Kong Branch, Dah Sing Bank, Limited, The Bank of East Asia, Limited, The Hongkong and Shanghai Banking Corporation Limited, Nanyang Commercial Bank, Limited as the arrangers and lenders, and China CITIC Bank International Limited as coordinator and agent in February 2021
"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 III Notes"	the 357-day senior notes in the aggregate principal amount of US$100 million issued by the Company in July 2021

"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 8.50% senior notes due 2023 in the aggregate principal amount of US$500 million issued by the Company in February 2019
"2023 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
"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% green 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
"2027 Notes"	the 6.35% green senior notes due 2027 in the aggregate principal amount of US$562 million issued by the Company in January 2021

"Board"	the board of Directors
"BOC International"	BOCI Asia Limited
"Collateral"	the collateral securing the obligations under the Notes in the form of share pledges over the capital stock of all the Subsidiary Guarantors owned by the Company or the Subsidiary Guarantor Pledgors on a first priority basis
"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
"connected person"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"Existing Notes"	it refers to the 2022 Notes, the 2022 II Notes, the 2022 III Notes, the 2023 Notes, the 2023 II Notes, the 2024 Notes, the 2024 II Notes, the 2025 Notes, the 2025 II Notes, the 2026 Notes, the 2026 II Notes and the 2027 Notes
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Haitong International"	Haitong International Securities Company Limited
"Holder(s)"	the person(s) in whose name a Note is registered in the Note register
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HSBC"	The Hongkong and Shanghai Banking Corporation Limited

"Indenture"	the agreement between the Company, the Subsidiary Guarantors and the Trustee which specified the terms of the Notes including the interest rate of the Notes and maturity date
"JV Subsidiary Guarantee"	any guarantee to be provided by the JV Subsidiary Guarantors under certain circumstances to secure the Company's obligations under the Indenture and the Notes
"JV Subsidiary Guarantors"	subsidiaries of the Company that will in the future provide limited recourse guarantee for the Notes
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Notes"	the 9.95% guaranteed green senior notes due 2023 in the aggregate principal amount of US$200 million to be issued by the Company subject to the terms and conditions of the Purchase Agreement
"Notes Issue"	the issue of the Notes by the Company
"Purchase Agreement"	the purchase agreement dated 27 August 2021 entered into by and among the Company, the Subsidiary Guarantors, Haitong International, BOC International and HSBC in relation to the 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
"Subsidiary Guarantor Pledgors"	certain subsidiary guarantor pledgors which on the issue date of the Notes will provide pledges over their stock in the Subsidiary Guarantors to secure the obligations of the Company under the Indenture and the Notes and of such Subsidiary Guarantor under its guarantee provided to secure the Company's obligations under the Indenture and the Notes

"Subsidiary Guarantors"	certain subsidiaries of the Company that on the issue date of the Notes will provide guarantees to secure the Company's obligations under the Indenture and the Notes
"Trustee"	Deutsche Bank Trust Company Americas
"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, 27 August 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.