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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 USD300 MILLION 3.975% SENIOR NOTES DUE 2023
AND USD748 MILLION 5.20% SENIOR NOTES DUE 2027**

On 13 September 2021, the Company entered into the Purchase Agreement with HSBC, J.P. Morgan, Morgan Stanley, BOCOM International, China International Capital Corporation, Fortune (HK) Securities Limited, SMBC Nikko, Standard Chartered Bank and UOB in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 13 September 2021

Parties to the Purchase Agreement

- (a) the Company;
- (b) HSBC;
- (c) J.P. Morgan;
- (d) Morgan Stanley;
- (e) BOCOM International;
- (f) China International Capital Corporation;
- (g) Fortune (HK) Securities Limited;
- (h) SMBC Nikko;
- (i) Standard Chartered Bank; and
- (j) UOB.

HSBC, J.P. Morgan and Morgan Stanley are the joint global coordinators, which are, together with BOCOM International, China International Capital Corporation, Fortune (HK) Securities Limited, SMBC Nikko, Standard Chartered Bank and UOB, are the joint bookrunners and joint lead managers of the Notes Issue. 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 HSBC, J.P. Morgan, Morgan Stanley, BOCOM International, China International Capital Corporation, Fortune (HK) Securities Limited, SMBC Nikko, Standard Chartered Bank and UOB 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 the EEA or the United Kingdom.

Principal terms of the Notes

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

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes, comprising:

- (i) the 2023 Notes in the aggregate principal amount of USD300 million which will mature on 16 September 2023, unless earlier redeemed under the terms thereof; and
- (ii) the 2027 Notes in the aggregate principal amount of USD748 million which will mature on 16 January 2027, unless earlier redeemed under the terms thereof.

Offering Price

The offering price of the 2023 Notes will be 100.00% of the principal amount of the 2023 Notes. The offering price of the 2027 Notes will be 99.777% of the principal amount of the 2027 Notes.

Interest

The 2023 Notes will bear interest at a rate of 3.975% per annum, payable semi-annually in arrears on 16 March and 16 September of each year, commencing 16 March 2022.

The 2027 Notes will bear interest at a rate of 5.20% per annum, payable semi-annually in arrears on 16 January and 16 July of each year, commencing 16 January 2022, except that the first payment of interest, to be made on 16 January 2022, will be in respect of the period from and including 16 September 2021 to but excluding 16 January 2022.

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 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 at maturity, upon acceleration, redemption or otherwise; (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 in the performance of or breach of any other covenant or agreement in the respective Indentures or under the Notes (other than a subordinated shareholder loan); (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, in the aggregate exceeds the greater of (1) US\$80.0 million (or the dollar equivalent thereof) and (2) 1% of the Company's tangible net worth; (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.

Covenants

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

- (a) create liens; and
- (b) effect a consolidation or merger.

Optional Redemption of the Notes

2023 Notes

- (1) At any time and from time to time prior to 16 September 2023, 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 103.975% 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 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.

- (2) At any time prior to 16 September 2023, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the greater of (x) 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest on the Notes to be redeemed, if any, to the date of redemption and (y) the make whole price.

2027 Notes

- (1) At any time and from time to time on or after 16 September 2024, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 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 16 September of the years indicated below:

Period	Redemption Price
2024	102.6%
2025 and thereafter	101.3%

- (2) At any time and from time to time prior to 16 September 2024, 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 105.20% 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 16 September 2024, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the greater of (x) 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest on the Notes to be redeemed, if any, to the date of redemption and (y) the make whole price.

Repurchase of the Notes

Upon the occurrence of a Change of Control Triggering Event, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the repurchase date.

Redemption for Taxation Reasons

The Company may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if the Company would become obliged to pay certain additional amounts as a result of certain changes in specified tax laws.

Reasons for the Notes Issue

The Company intends to use the net proceeds of the Notes Issue to refinance existing offshore mid- to long-term bonds due within one year. Subject to the foregoing, the Company plans to use an amount equal to the net proceeds from the offering of the 2027 Notes to finance or refinance, in whole or in part, certain eligible green projects in accordance with the Group's green finance framework. 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 other 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:

"2023 Notes"	USD300 million 3.975% senior notes due 2023 to be issued by the Company
"2027 Notes"	USD748 million 5.20% senior notes due 2027 to be issued by the Company
"2023 Notes Indenture"	the written agreement between the Company and Citicorp International Limited, as trustee, that specified the terms of the 2023 Notes
"2027 Notes Indenture"	the written agreement between the Company and Citicorp International Limited, as trustee, that specified the terms of the 2027 Notes
"Board"	the board of Directors
"BOCOM International"	BOCOM International Securities Limited

“Change of Control Triggering Event”	means the occurrence of both a change of control of the Company, including the permitted holders are the beneficial owners of less than 35% of the total voting power of the voting stock of the Company and “permitted holders” means any or all of the following: (1) the W.M. Hui Family Trust, any trustee for the W.M. Hui Family Trust, or Mr. Hui Wing Mau (whether directly or indirectly); (2) any affiliate of the person specified in (1) above; and (3) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by persons specified in (1) and (2) above
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Indentures”	the 2023 Notes Indenture and the 2027 Notes Indenture
“J.P. Morgan”	J.P. Morgan Securities plc
“Morgan Stanley”	Morgan Stanley & Co. International plc
“Notes”	the 2023 Notes and the 2027 Notes
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China
“PRIIPs”	Packages retail investment and insurance products (as defined by Regulation (EU) No 1286/2014, as amended)
“Purchase Agreement”	the agreement dated 13 September 2021 entered into between, the Company, HSBC, J.P. Morgan, Morgan Stanley, BOCOM International, China International Capital Corporation, Fortune (HK) Securities Limited, SMBC Nikko, Standard Chartered Bank and UOB 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
“SMBC Nikko”	SMBC Nikko Securities (Hong Kong) Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“UOB”	United Overseas Bank Limited
“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, 14 September 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.