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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 4.60% SENIOR NOTES DUE 2030

On 6 July 2020, the Company entered into the Purchase Agreement with Morgan Stanley and UBS in connection with the Notes Issue.

The Company intends to use the net proceeds of the Notes Issue to refinance its existing indebtedness outside the PRC. 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 6 July 2020 in respect of the proposed Notes Issue. The Board is pleased to announce that on 6 July 2020, the Company entered into the Purchase Agreement with Morgan Stanley and UBS in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 6 July 2020

Parties to the Purchase Agreement

- (a) the Company;
- (b) Morgan Stanley; and
- (c) UBS.

Morgan Stanley and UBS are the joint global coordinators, 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 Morgan Stanley and UBS 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 USD300 million which will mature on 13 July 2030, 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 4.60% per annum, payable semi-annually in arrears on 13 January and 13 July of each year, commencing from 13 January 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 13 July 2025, 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 13 July of the years indicated below:

| Period | Redemption Price |
|---------------------|-------------------------|
| 2025 | 102.30% |
| 2026 | 101.15% |
| 2027 | 100.575% |
| 2028 and thereafter | 100.00% |

- (2) At any time and from time to time prior to 13 July 2025, 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 104.60% 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 13 July 2025, 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 its existing indebtedness outside the PRC. 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 |
| “Board” | the board of Directors |
| “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 and the July 2019 Notes |
| “February 2019 Notes” | 6.125 % senior notes due 2024 issued by the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “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 |
| “March 2018 Notes” | 5.75% senior notes due 2021 issued by the Company |
| “Morgan Stanley” | Morgan Stanley & Co. International plc |
| “Notes” | USD300 million 4.60% senior notes due 2030 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 6 July 2020 entered into between, the Company, Morgan Stanley and UBS 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 |
| “UBS” | UBS AG Hong Kong Branch |
| “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, 6 July 2020

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; and three Independent Non-executive Directors, namely, Ms. Kan Lai Kuen, Alice, Mr. Lyu Hong Bing and Mr. Lam Ching Kam.