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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 754)

website: <http://www.irasia.com/listco/hk/hopson>

**ISSUE OF US\$400 MILLION 5.8% GUARANTEED SENIOR NOTES DUE 2022
BY HOPSON CAPITAL INTERNATIONAL GROUP CO LTD
合生資本國際集團有限公司**

Reference is made to the announcement of the Company dated 6 January 2021 in relation to the proposed issue of the Senior Notes.

On 6 January 2021, after trading hours, the Issuer (an indirect wholly-owned subsidiary of the Company), the Company (as Parent Guarantor), the Subsidiary Guarantors and the Initial Purchasers entered into the Purchase Agreement in connection with the issue of the US\$400 million 5.8% Senior Notes due 2022. The Senior Notes will be guaranteed by the Company (as Parent Guarantor) and the Subsidiary Guarantors. The Senior Notes will not be convertible into Shares of the Company.

The Issuer is offering the Senior Notes only outside the United States in reliance on Regulation S under the Securities Act. The Senior Notes, the Parent Guarantee and the Subsidiary Guarantees have not been and will not be registered under the Securities Act or the securities laws of any other place. None of the Senior Notes will be offered to the public in Hong Kong or any connected person of the Company.

The gross proceeds from the issue of the Senior Notes will be approximately US\$400 million (equivalent to approximately HK\$3,101.9 million), which, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with the issue, the Group intends to use for refinancing and general corporate purposes.

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Senior Notes on SGX-ST. Such approval in-principle, admission of the Senior Notes on the official list of the SGX-ST, if granted, and the listing and quotation of the Senior Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Company (as Parent Guarantor), the Subsidiary Guarantors, or any other subsidiary or associated company of the Company, the Senior Notes, the Parent Guarantee or the Subsidiary Guarantees. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement.

Completion of the Purchase Agreement is subject to satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed “Purchase Agreement” below for further information.

As the Purchase Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement of the Company dated 6 January 2021 in relation to the proposed issue of the Senior Notes.

The Board is pleased to announce that on 6 January 2021, after trading hours, the Issuer (an indirect wholly-owned subsidiary of the Company), the Company (as Parent Guarantor), the Subsidiary Guarantors and the Initial Purchasers entered into the Purchase Agreement in connection with the issue of the US\$400 million 5.8% Senior Notes due 2022. The Senior Notes will not be convertible into Shares of the Company.

PURCHASE AGREEMENT

Date: 6 January 2021

Parties:

- (a) the Issuer, an indirect wholly-owned subsidiary of the Company;
- (b) the Company as the Parent Guarantor;
- (c) the Subsidiary Guarantors;
- (d) the Initial Purchasers (i.e. China International Capital Corporation, HSBC, Haitong International, BOCOM International, China CITIC Bank International, CCB International, Citigroup, DBS Bank Ltd., HeungKong Financial, The Bank of East Asia, Limited, Orient Securities (Hong Kong), Guolian Securities International, Silk Road International and CSFG)

China International Capital Corporation, HSBC, Haitong International, BOCOM International, China CITIC Bank International, CCB International, Citigroup, DBS Bank Ltd., HeungKong Financial and The Bank of East Asia, Limited are the joint global coordinators, joint lead managers and joint bookrunners, and Orient Securities (Hong Kong), Guolian Securities International, Silk Road International and CSFG are the joint lead managers and joint bookrunners for the issue of the Senior Notes.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of China International Capital Corporation, HSBC, Haitong International, BOCOM International, China CITIC Bank International, CCB International, Citigroup, DBS Bank Ltd., HeungKong Financial, The Bank of East Asia, Limited, Orient Securities (Hong Kong), Guolian Securities International, Silk Road International and CSFG is a third party independent of the Company and is not a connected person of the Company and its connected persons.

Pursuant to, and subject to certain conditions in, the Purchase Agreement, the Issuer has agreed to sell, and the Initial Purchasers have agreed to purchase from the Issuer, the Senior Notes in the aggregate principal amount of US\$400 million.

The Senior Notes, the Parent Guarantee and the Subsidiary Guarantees have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Accordingly, the Senior Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Senior Notes will be offered to the public in Hong Kong or any connected person of the Company.

As the Purchase Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the Shares.

PRINCIPAL TERMS OF THE SENIOR NOTES

The Senior Notes are constituted by the Indenture. The principal terms of the Senior Notes are summarised as follows:

Issuer:	the Issuer, an indirect wholly-owned subsidiary of the Company
Issue:	5.8% Senior Notes due 2022 in an aggregate principal amount of US\$400 million (equivalent to approximately HK\$3,101.9 million)
Issue Price:	100.0% of the principal amount of the Senior Notes
Maturity Date:	12 January 2022
Interest Rate:	5.8% per annum, interest will be payable on 13 July 2021 and 12 January 2022.

- Ranking of the Senior Notes:
- The Senior Notes will be the Issuer's general obligations and:
- will rank at least *pari passu* in right of payment with any unsecured, unsubordinated indebtedness (subject to priority rights under applicable law);
 - will be senior in right of payment to any of the existing and future subordinated indebtedness expressly subordinated in right of payment to the Senior Notes, if any;
 - will be guaranteed by the Parent Guarantor and the Subsidiary Guarantors on a senior basis subject to the limitations therein;
 - will be effectively subordinated to the secured obligations (if any) of the Issuer, the Parent Guarantor and the Subsidiary Guarantors to the extent of the value of the assets serving as security therefor; and
 - will be effectively subordinated to any existing and future indebtedness of the Company's subsidiaries that do not guarantee the Senior Notes.

Parent Guarantee:

The due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Senior Notes will be guaranteed by the Company (as Parent Guarantor).

The Company (as Parent Guarantor) will (i) agree that its obligations under the Parent Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Senior Notes or the Indenture (other than in respect of the Parent Guarantee) and (ii) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Parent Guarantee.

- Ranking of the Parent Guarantee:
- The Parent Guarantee will be a general obligation of the Company (as Parent Guarantor) and:
- will rank at least *pari passu* with all other unsecured and unsubordinated indebtedness of the Company (subject to priority rights under applicable law);
 - will be senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Parent Guarantee;

- will be effectively subordinated to secured obligations of the Company, to the extent of the value of the assets serving as security therefor; and
- will be effectively subordinated to all existing and future obligations of the Company's subsidiaries that do not guarantee the Senior Notes.

Subsidiary Guarantee: The Issuer's obligations under the Senior Notes and the Indenture will be guaranteed by the Subsidiary Guarantors. None of the Company's existing or future subsidiaries that are organized under the laws of the PRC, the Issuer or the initial non-guarantor subsidiaries or that are not wholly-owned by the Company will guarantee the Senior Notes in the future.

Ranking of the Subsidiary Guarantees: The Subsidiary Guarantee of each Subsidiary Guarantor will be a general obligation of such Subsidiary Guarantor and:

- will rank at least *pari passu* with the guarantees provided for all other unsecured, unsubordinated indebtedness of such Subsidiary Guarantor (subject to priority rights under applicable law);
- will be senior in right of payment to such Subsidiary Guarantor's future subordinated indebtedness, if any; and
- will be effectively subordinated to obligations (if any) of such Subsidiary Guarantor, to the extent of the value of the assets serving as security thereof.

Certain Covenants: The Issuer will issue the Senior Notes under the Indenture. The Indenture will partially limit, among other things, the ability of the Company and its restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make certain other restricted payments;
- create or permit to exist certain liens;
- impose restrictions on the ability of the Company's subsidiaries to pay dividends or make other payments to the Company;
- transfer, lease or sell certain assets including subsidiary stock;

- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- enter into unrelated businesses.

Each of these covenants is subject to a number of significant exceptions and qualifications.

Events of Default: The events of default under the Indenture include, among other things:

- (a) default in the payment of principal of (or premium, if any, on) the Senior Notes;
- (b) default in the payment of interest on any Senior Note;
- (c) the Company or any of the Company's restricted subsidiaries defaults in the performance of or breaches any covenant or agreement in the Indenture or under the Senior Notes;
- (d) there occurs with respect to any indebtedness of the Company or any of the Company's restricted subsidiaries having an outstanding principal amount of US\$7.5 million or more in the aggregate for all such indebtedness of all such persons, an event of default that has caused any holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or the failure to make a principal payment when due;
- (e) any final judgment or order for the payment of money in excess of US\$7.5 million in the aggregate for all such final judgments or orders shall be rendered against the Company or any of the Company's restricted subsidiaries and shall not be paid or discharged;
- (f) a bankruptcy, involuntary case or other proceeding is commenced against the Company, or any of the Company's restricted subsidiaries which is a significant subsidiary, or any group of restricted subsidiaries that, taken together, would constitute a significant subsidiary; and
- (g) the Company or any Subsidiary Guarantor denies or disaffirms its obligations under the Parent Guarantee or Subsidiary Guarantees.

Change of Control: If the Group experiences both a Change of Control (as defined in the Indenture) and an accompanied rating decline, the Issuer or the Company (as Parent Guarantor) will be required to offer to purchase the Senior Notes at 101% of their principal amount plus accrued and unpaid interest to (but not including) the date of such repurchase.

Additional Amounts: All payments in respect of the Senior Notes or under the Parent Guarantee and the Subsidiary Guarantees will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer, the Company (as Parent Guarantor) or the relevant Subsidiary Guarantors, as applicable, will pay additional amounts so that the net amount received by the holder of each Senior Note is no less than the amount that such holder would have received in the absence of such withholding or deduction.

Redemption for Taxation Reasons: The Issuer may redeem the Senior Notes in whole, but not in part, at any time, upon giving prior notice, if certain changes in tax law impose certain withholding taxes on amounts payable on the Senior Notes, and, as a result, the Issuer, the Company (as Parent Guarantor) or any Subsidiary Guarantor is required to pay additional amounts with respect to such taxes. If the Issuer exercises such redemption right, the Issuer must pay a price equal to 100% of the principal amount of the Senior Notes plus accrued and unpaid interest (including any additional Senior Notes), if any, to (but not including) the date of redemption.

Optional Redemption: At any time prior to 12 January 2022, the Issuer may redeem all or any portion of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes plus an applicable premium as of, and accrued and unpaid interest to (but not including) the redemption date.

At any time from and after 12 December 2021, the Issuer may redeem all or any portion of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed plus the accrued and unpaid interest on the Senior Notes to be redeemed, if any, to (but not including) the redemption date.

At any time prior to 12 January 2022, the Issuer may redeem up to 35% of the aggregate principal amount of Senior Notes (including any additional notes) with the net cash proceeds of certain equity offerings at a redemption price equal to 105.8% of the principal amount of the Senior 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 Senior Notes (including any additional Senior Notes) originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Listing:

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Senior Notes on SGX-ST. Such approval in-principle, admission of the Senior Notes on the official list of the SGX-ST, if granted, and the listing and quotation of the Senior Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Company (as Parent Guarantor), the Subsidiary Guarantors, or any other subsidiary or associated company of the Company, the Senior Notes, the Parent Guarantee or the Subsidiary Guarantees. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. The Senior Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as the Senior Notes are listed on the SGX-ST.

No listing of the Senior Notes has been, and will be, sought in Hong Kong.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda. The Group is mainly engaged in the development of residential properties in mainland China. The Group is also involved in commercial properties investment, property management, infrastructure and equity investment businesses.

REASON FOR THE ISSUE OF SENIOR NOTES

The Directors believe that the issue of the Senior Notes will be beneficial to the Group since it will allow the Group to obtain financing from international investors and to improve its capital structure.

USE OF PROCEEDS

The gross proceeds from the issue of the Senior Notes will be approximately US\$400 million (equivalent to approximately HK\$3,101.9 million), which, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with the issue, the Group intends to use for refinancing and general corporate purposes.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:

“Board”	the board of Directors
“BOCOM International”	BOCOM International Securities Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“CCB International”	CCB International Capital Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“China CITIC Bank International”	China CITIC Bank International Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Citigroup”	Citigroup Global Markets Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Company” or “Parent Guarantor”	Hopson Development Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSFG”	CSFG International Securities Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“DBS Bank Ltd.”	DBS Bank Ltd., one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guolian Securities International”	Guolian Securities International Capital Co., Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Senior Notes

“Haitong International”	Haitong International Securities Company Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“HeungKong Financial”	HeungKong Securities Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Indenture”	the Indenture to be entered into by the Issuer, the Company (as Parent Guarantor), the Subsidiary Guarantors and the Trustee as trustee for holders of the Senior Notes to govern the Senior Notes
“Initial Purchasers”	China International Capital Corporation, HSBC, Haitong International, BOCOM International, China CITIC Bank International, CCB International, Citigroup, DBS Bank Ltd., HeungKong Financial, The Bank of East Asia, Limited, Orient Securities (Hong Kong), Guolian Securities International, Silk Road International and CSFG
“Issuer”	Hopson Capital International Group Co Ltd 合生資本國際集團有限公司, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Orient Securities (Hong Kong)”	Orient Securities (Hong Kong) Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Parent Guarantee”	the guarantee to be provided by the Company (as Parent Guarantor) in respect of the Senior Notes
“PRC” or “China”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Purchase Agreement”	the purchase agreement dated 6 January 2021 and entered into among the Issuer, the Company (as Parent Guarantor), the Subsidiary Guarantors and the Initial Purchasers in connection with the issue of the US\$400 million 5.8% Senior Notes due 2022
“Securities Act”	the United States Securities Act of 1933, as amended

“Senior Notes”	US\$ denominated senior notes due 2022 to be issued by the Issuer
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Silk Road International”	Silk Road International Capital Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees to be provided by the Subsidiary Guarantors in respect of the Senior Notes
“Subsidiary Guarantors”	certain wholly-owned subsidiaries of the Company that will provide guarantees for the Senior Notes
“The Bank of East Asia, Limited”	The Bank of East Asia, Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Senior Notes
“Trustee”	The Bank of New York Mellon, London Branch, as trustee of the Senior Notes
“United States” or “U.S.”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

By order of the Board
Hopson Development Holdings Limited
Chu Kut Yung
Chairman

Hong Kong, 7 January 2021

In this announcement, all translations from HK dollars into U.S. dollars have been made at the rate of HK\$7.7548 to US\$1.00 for the purpose of illustration only. The translation shall not be taken as representation that any amounts in HK dollars or U.S. dollars could be converted at such rate or at any other rate.

As at the date of this announcement, the Board comprises eight Directors. The executive Directors are Ms. Chu Kut Yung (Chairman), Mr. Zhang Fan (Co-president), Mr. Au Wai Kin, Mr. Xie Bao Xin and Mr. Bao Wenge; and the independent non-executive Directors are Mr. Lee Tsung Hei, David, Mr. Tan Leng Cheng, Aaron and Mr. Ching Yu Lung.

* *For identification purposes only*