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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\$300 MILLION 7.0% GUARANTEED SENIOR NOTES DUE 2024**

On 11 May 2021, after trading hours, the Company, the Subsidiary Guarantors and the Initial Purchasers entered into the Purchase Agreement in connection with the issue of the US\$300 million 7.0% Senior Notes due 2024. The Senior Notes will be guaranteed by the Subsidiary Guarantors. The Senior Notes will not be convertible into Shares of the Company.

The Company is offering the Senior Notes only outside the United States in reliance on Regulation S under the Securities Act. The Senior Notes 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\$300 million (equivalent to approximately HK\$2,326.02 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 existing indebtedness.

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 Company, the Subsidiary Guarantors, or any other subsidiary or associated company of the Company, the Senior Notes 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**

The Board is pleased to announce that on 11 May 2021, after trading hours, the Company, the Subsidiary Guarantors and the Initial Purchasers entered into the Purchase Agreement in connection with the issue of the US\$300 million 7.0% Senior Notes due 2024. The Senior Notes will not be convertible into Shares of the Company.

## **PURCHASE AGREEMENT**

Date: 11 May 2021

Parties:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) the Initial Purchasers (i.e. China International Capital Corporation, HSBC, CCB International, HeungKong Financial, BOCOM International, The Bank of East Asia, Limited, Orient Securities (Hong Kong), China CITIC Bank International, CMBC Capital, Haitong International, Citigroup, CMB International, CLSA and DBS Bank Ltd.

China International Capital Corporation, HSBC, CCB International, HeungKong Financial, BOCOM International and The Bank of East Asia, Limited are the joint global coordinators, joint bookrunners and joint lead managers, and Orient Securities (Hong Kong), China CITIC Bank International, CMBC Capital, Haitong International, Citigroup, CMB International, CLSA and DBS Bank Ltd. are the joint bookrunners and joint lead managers 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, CCB International, HeungKong Financial, BOCOM International, The Bank of East Asia, Limited, Orient Securities (Hong Kong), China CITIC Bank International, CMBC Capital, Haitong International, Citigroup, CMB International, CLSA and DBS Bank Ltd. 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 Company has agreed to sell, and the Initial Purchasers have agreed to purchase from the Company, the Senior Notes in the aggregate principal amount of US\$300 million.

The Senior Notes 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 Company
Issue:	7.0% Senior Notes due 2024 in an aggregate principal amount of US\$300 million (equivalent to approximately HK\$2,326.02 million)
Issue Price:	100.0% of the principal amount of the Senior Notes
Maturity Date:	18 May 2024
Interest Rate:	7.0% per annum, interest will be payable semi-annually in arrears on 18 May and 18 November of each year, commencing on 18 November 2021

Ranking of the Senior Notes:

The Senior Notes will be the Company's general obligations and:

- will rank at least *pari passu* in right of payment with any unsecured, unsubordinated indebtedness (subject to priority right under applicable law);
- will be senior in right of payment to any of the existing and future subordinated indebtedness expressly subordinates in right of payment to the Senior Notes, if any;
- will be guaranteed by the Subsidiary Guarantors on a senior basis subject to the limitations therein;
- will be effectively subordinated to the secured obligations (if any) of the Company 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.

Subsidiary Guarantees:

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

Ranking of 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.

New Non-Guarantor  
Subsidiaries:

The Company may elect to have any of its future subsidiary (other than subsidiaries organized under the laws of the PRC and subsidiaries of the initial non-guarantor subsidiaries) not to provide a Subsidiary Guarantee at the time such entity becomes a wholly owned restricted subsidiary or ceases to be a listed subsidiary, provided that certain conditions set forth in the Indenture are met.

Certain Covenants:

The Company 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) any Subsidiary Guarantor denies or disaffirms its obligations under the Subsidiary Guarantees.

Change of Control:

If the Company experiences both a Change of Control (as defined in the Indenture) and an accompanied rating decline, the Company 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 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 Company 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 Company 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 Company or any Subsidiary Guarantor is required to pay additional amounts with respect to such taxes. If the Company exercises such redemption right, the Company 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 18 May 2023, the Company 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 18 May 2023 but prior to 18 April 2024, the Company may redeem all or any portion of the Senior Notes at a redemption price equal to 103.5% of the principal amount of the Senior Notes plus the accrued and unpaid interest, if any, to (but not including) the redemption date.

In addition, at any time from and after 18 April 2024, the Company 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 the accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 18 May 2023, the Company 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 of 107.0% 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 Company, the Subsidiary Guarantors, or any other subsidiary or associated company of the Company, the Senior Notes 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, commercial properties investment, property management and infrastructure business in mainland China, and investments business.

## **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\$300 million (equivalent to approximately HK\$2,326.02 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 existing indebtedness.

## **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 bookrunners and joint lead managers in respect of the issue of the Senior Notes



“CCB International”	CCB International Capital Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“China CITIC Bank International”	China CITIC Bank International Limited, one of the joint bookrunners and joint lead managers 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 bookrunners and joint lead managers in respect of the issue of the Senior Notes
“Citigroup”	Citigroup Global Markets Limited, one of the joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“CLSA”	CLSA Limited, one of the joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“CMB International”	CMB International Capital Limited, one of the joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“CMBC Capital”	CMBC Securities Company Limited, one of the joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“Company”	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
“DBS Bank Ltd.”	DBS Bank Ltd., one of the joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited, one of the joint bookrunners and joint lead managers in respect of the issue of the Senior Notes
“HeungKong Financial”	HeungKong Securities Limited, one of the joint global coordinators, joint bookrunners and joint lead managers 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 bookrunners and joint lead managers in respect of the issue of the Senior Notes
“Indenture”	the Indenture to be entered into by the Company, 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, CCB International, HeungKong Financial, BOCOM International, The Bank of East Asia, Limited, Orient Securities (Hong Kong), China CITIC Bank International, CMBC Capital, Haitong International, Citigroup, CMB International, CLSA and DBS Bank Ltd.
“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 bookrunners and joint lead managers in respect of the issue 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 11 May 2021 and entered into among the Company, the Subsidiary Guarantors and the Initial Purchasers in connection with the issue of the US\$300 million 7.0% Senior Notes due 2024
“Securities Act”	the United States Securities Act of 1933, as amended
“Senior Notes”	US\$ denominated senior notes due 2024 to be issued by the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“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 bookrunners and joint lead managers in respect of the issue of the Senior Notes
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited, 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, 12 May 2021

*In this announcement, all translations from HK dollars into U.S. dollars have been made at the rate of HK\$7.7534 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. Tan Leng Cheng, Aaron, Mr. Ching Yu Lung and Mr. Ip Wai Lun, William.*

\* *For identification purposes only*