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seazen

新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

ISSUANCE OF US\$400,000,000 6.45% SENIOR NOTES

Reference is made to the announcement of the Company dated June 4, 2020 in respect of the Notes Issue. The Board is pleased to announce that on June 4, 2020, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of the Notes in the aggregate principal amount of US\$400,000,000.

The gross proceeds of the Notes Issue, before deduction of underwriting discounts and commissions and other estimated expenses, will amount to US\$400,000,000. The Company currently intends to use the net proceeds of the Notes to repay certain of its offshore indebtedness.

Approval in-principle has been received 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 or opinions expressed or reports contained in this announcement. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). No listing of the Notes has been sought in Hong Kong or on any other securities exchange.

THE PURCHASE AGREEMENT

Date: June 4, 2020

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchasers

Haitong International Securities Company Limited and CLSA Limited are the joint global coordinators, the joint bookrunners and the joint lead managers in respect of the offer and sale of the Notes. Seazen Resources Securities Limited and Central Wealth Securities Investment Limited are the joint bookrunners and the joint lead managers in respect 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 Haitong International Securities Company Limited, CLSA Limited and Central Wealth Securities Investment Limited is an Independent Third Party. Seazen Resources Securities Limited is a 60% owned indirect subsidiary of the Company and is not a "connected subsidiary" as defined in Rule 14A.16 of the Listing Rules.

The Notes will only be offered outside the United States in compliance with Regulation S under the Securities Act ("**Regulation S**"). 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.

Principal terms of the Notes

Notes Offered

Subject to closing conditions, the Company will issue the Notes in the aggregate principal amount of US\$400,000,000 which will mature on June 11, 2022, 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 at a rate of 6.45% per annum, payable semi-annually in arrears on June 11 and December 11 of each year, beginning December 11, 2020.

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 with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations; (5) effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

In addition, on the issue date, subject to certain limitations, the Notes will be secured by a pledge of the collateral and will be entitled to the benefit of a lien on the collateral (subject to any permitted liens) shared on a *pari passu* basis with any holders of permitted *pari passu* secured indebtedness, and rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the collateral pledged by the Company securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

Events of Default

The events of default under the Notes include:

- (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 when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (c) default in the performance or breach of certain covenants relating to consolidation, merger and sale of assets in the Indenture, the failure by the Company to make or consummate an offer to purchase in a manner prescribed by the terms of the Indenture or the failure by the Company to create, or cause its restricted subsidiaries to create, a lien on the collateral (subject to any permitted liens) in accordance with the covenant relating to security in the Indenture;
- (d) 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 clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee of the Notes or the holders of 25% or more in aggregate principal amount of the Notes;
- (e) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$20.0 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, (i) 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 (ii) the failure to make a principal payment when due;

- (f) one or more final judgments or orders for the payment of money are rendered against the Company or any restricted subsidiary 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\$20.0 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (g) 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 substantial part of the property and assets of the Company or any 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;
- (h) the Company or any significant restricted subsidiary (i) 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, (ii) 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 (iii) effects any general assignment for the benefit of creditors;
- (i) 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;
- (j) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents under 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
- (k) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any security document under the Indenture 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 of the Notes ceases to have a security interest in the collateral (subject to any permitted liens and the intercreditor agreement).

If an event of default (other than an event of default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the trustee of the Notes 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 of the Notes if such notice is given by the holders), may, and the trustee of the Notes at the request 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 or to enforce the performance of any provision of the Notes or the Indenture. 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 with respect to the Company or any 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 of the Notes.

Covenants

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness or issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (e) issue or sell capital stock of restricted subsidiaries;
- (f) guarantee indebtedness of restricted subsidiaries;
- (g) enter into transactions with shareholders or affiliates;
- (h) create liens;
- (i) enter into sale and leaseback transactions;
- (j) sell assets; and
- (k) effect a consolidation or merger.

Optional Redemption

At any time prior to June 11, 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 June 11, 2022, 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 106.45% 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.

Repurchase upon 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 the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the repurchase date, upon the occurrence of any of the below change of control triggering events, accompanied by a rating decline:

- (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its restricted subsidiaries, taken as a whole, to any “person” (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders;
- (b) the Company consolidates with, or merges with or into, any person (other than one or more Permitted Holders), or any person consolidates with, or merges with or into, the Company, other than such transaction where the voting stock of the Company is converted into or exchanged for voting stock of the surviving or transferee person constituting a majority of the outstanding shares of voting stock of such surviving or transferee person and in substantially the same proportion as before the transaction;
- (c) the Permitted Holders are the beneficial owners of less than 50.1% of the total voting power of the voting stock of the Company;
- (d) individuals who on the original issue date of the Notes constituted the board of directors of the Company, together with any new directors whose election was approved by a vote of at least two-thirds of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office; or
- (e) the adoption of a plan relating to the liquidation or dissolution of the Company.

Redemption for taxation reasons

Subject to certain exceptions, the Company may redeem the Notes, as a 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 obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

PROPOSED USE OF PROCEEDS

The Company currently intends to use the net proceeds of the Notes to repay certain of its offshore indebtedness. The Company may adjust its development plans in response to future events and developments, such as changes in general market conditions, the outlook for the industry and the demand for the Company's properties, and thus, may reallocate the net proceeds to other uses depending on practical considerations.

LISTING

Approval in-principle has been received 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 or opinions expressed or reports contained in this announcement. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). No listing of the Notes has been sought in Hong Kong or on any other securities exchange.

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 have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Seazen Group Limited (新城發展控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange, and its subsidiaries
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Exchange Act”	the United States Securities Exchange Act of 1933, as amended
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Indenture”	the agreement between the Company, the Subsidiary Guarantors and the trustee of the Notes, that specifies the terms of the Notes including the interest rate of the Notes and maturity date
“Independent Third Party”	person who is third party independent of the Company and its connected persons
“Initial Purchasers”	Haitong International Securities Company Limited, CLSA Limited, Seazen Resources Securities Limited and Central Wealth Securities Investment Limited
“JV Subsidiary Guarantees”	a limited-recourse guarantee provided by a subsidiary of the Company in certain circumstances
“JV Subsidiary Guarantors”	Subsidiary Guarantors that in the future provide JV Subsidiary Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notes”	the 6.45% senior notes due 2022 in the principal amount of US\$400,000,000 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Permitted Holders”	means any or all of the following: (1) Mr. Wang Zhenhua; (2) any affiliate of the person specified in clause (1); (3) the trust of the person specified in clause (1) or the legal representative thereof; and (4) 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 clauses (1) or (2)

“Purchase Agreement”	the agreement dated June 4, 2020 entered into between, among others, the Company, Haitong International Securities Company Limited, CLSA Limited, Seazen Resources Securities Limited and Central Wealth Securities Investment Limited
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantor Pledgors”	any Subsidiary Guarantor which pledges collateral to secure the obligations of the Company under the Indenture and the Notes and of such Subsidiary Guarantor under its Subsidiary Guarantee
“Subsidiary Guarantors”	Certain of the Company’s existing subsidiaries guaranteeing the Notes
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction

By Order of the Board
Seazen Group Limited
WANG Xiaosong
Chairman

Hong Kong, June 4, 2020

As at the date of this announcement, the Directors are Mr. Lv Xiaoping and Mr. Lu Zhongming as executive Directors, Mr. Wang Xiaosong, Mr. Qu Dejun and Mr. Zhang Shengman as non-executive Directors, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.