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## **SHIMAO PROPERTY HOLDINGS LIMITED**

**世茂房地產控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 813)**

### **PROPOSED ISSUE OF USD SENIOR NOTES**

The Company proposes to conduct an international offering of guaranteed senior notes.

The completion of the Proposed Notes Issue is subject to market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. HSBC, Standard Chartered Bank, Goldman Sachs and UBS are the joint global coordinators and HSBC, Standard Chartered Bank, Goldman Sachs, UBS, J.P. Morgan, Morgan Stanley, CLSA (A CITIC Securities Company) are the joint bookrunners and the joint lead managers of the Proposed Notes Issue. The Company intends to use the proceeds of the Notes to refinance the Group's existing indebtedness (including redemption of the 2011 Notes in part or in whole), finance its existing and new property development projects (including land premium and construction costs) and for other general corporate purposes to enhance its liquidity position. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on, the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes. SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained therein.

**As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.**

## **THE PROPOSED NOTES ISSUE**

### **Introduction**

The Company proposes to conduct an international offering of guaranteed senior notes.

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The Notes and the Subsidiary Guarantees may only be offered, sold or delivered to non-U.S. persons (as defined in Regulation S under the Securities Act) outside the United States in offshore transactions in reliance on Regulation S. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected person of the Company.

## **Reasons for the Proposed Notes Issue**

The Group is a large-scale developer and owner of high-quality real estate projects in China. The Group specializes in developing mid- to high-end residential, retail and office properties for sale and attractive and well-located hotel, retail and office properties for long term investment. The Group has a track record of successfully bringing to market real estate projects in Shanghai, Beijing, Hangzhou, Suzhou, Nanjing, Fuzhou and other fast-growing cities in China. The Group believes that this track record, together with the strong recognition of its “Shimao” brand name, positions it well as it continues to create and market its real estate projects in cities throughout China. In 2014, the Group expanded into the Hong Kong real estate market through land acquisition. The Group aims to continue to grow as a leading property developer and investor with a national presence in China’s key cities and economic regions by continuing to enhance its “Shimao” brand name, create innovative products and develop market-leading properties, pursue property diversification and increase its proportion of investment properties and hotels to achieve a balanced revenue profile and expand its business operations and land bank in a disciplined manner.

The Proposed Notes Issue is being undertaken to refinance the Group’s existing indebtedness (including redemption of the 2011 Notes in part or in whole), finance its existing and new property development projects (including land premium and construction costs) and for other general corporate purposes to enhance its liquidity position. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

## **Listing and rating**

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on, the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes. SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained therein.

No listing of the Notes has been sought in Hong Kong.

The Notes are expected to be rated BB- by Standard & Poor’s Rating Services, BB+ by Fitch Ratings and Ba3 by Moody’s Investors Services Inc.

## UPDATED INFORMATION ABOUT THE GROUP

### Recent Developments

#### *Hefei Jade Mansion*

In July 2014, the Group entered into a land grant contract with the relevant PRC land authority to acquire a parcel of land situated in Hefei, Anhui Province for a consideration of approximately RMB1,546.2 million (US\$249.2 million). This parcel of land comprises an aggregate site area of approximately 184,070 sq.m. and a planned GFA of approximately 555,044 sq.m.. The development on this parcel of land is expected to feature high-rise residential buildings.

#### *Xiamen Xiang'an Project*

In July 2014, the Group entered into a land grant confirmation letter with the relevant PRC land authority to acquire a parcel of land situated in Xiamen, Fujian Province for a consideration of approximately RMB2,000.0 million (US\$322.4 million). This parcel of land comprises an aggregate site area of approximately 90,981 sq.m. and a planned GFA of approximately 225,100 sq.m.. The development on this parcel of land is expected to feature high-rise residential buildings. The Group holds a 51% equity interest in the project.

#### *Shanghai Zhoupu Project*

In September 2014, the Group entered into a land grant contract with the relevant PRC land authority to acquire a parcel of land situated in Shanghai for a consideration of approximately RMB1,535.0 million (US\$247.4 million). This parcel of land comprises an aggregate site area of approximately 49,369 sq.m. and a planned GFA of approximately 83,927 sq.m.. The development on this parcel of land is expected to feature high-rise residential buildings.

#### *Beijing Tongzhou Project*

In October 2014, the Group entered into a joint venture agreement with an independent third party to develop the Beijing Tongzhou Project. The project is situated in Tongzhou, Beijing and expected to comprise high-rise commercial and office properties, with an aggregate site area of approximately 49,759 sq.m. and a planned GFA of approximately 206,600 sq.m.. The Group holds a 50% equity interest in the joint venture.

### ***Chengdu Chenghua Project***

In October 2014, the Group entered into a land grant confirmation letter with the relevant PRC land authority to acquire a parcel of land situated in Chengdu, Sichuan Province for a consideration of approximately RMB248.1 million (US\$40.0 million). This parcel of land comprises an aggregate site area of approximately 18,799 sq.m. and a planned GFA of approximately 93,994 sq.m.. The development on this parcel of land is expected to feature commercial properties.

### ***Hong Kong Tung Chung Commercial Project***

In November 2014, the Group entered into a land grant contract with Hong Kong Lands Department to acquire a parcel of land situated in Tung Chung, Hong Kong for a consideration of approximately HK\$1,830.0 million (US\$236.1 million). This parcel of land comprises an aggregate site area of approximately 12,902 sq.m. and a planned GFA of approximately 56,715 sq.m.. The development on this parcel of land is expected to feature a hotel. The Group holds a 80% equity interest in the joint venture.

### ***Jianyang Sancha Lake Project***

In December 2014, the Group entered into a land grant contract with the relevant PRC land authority to acquire a parcel of land situated in Jianyang, Sichuan Province for a consideration of approximately RMB80.0 million (US\$12.9 million). This parcel of land comprises a site area of approximately 93,739 sq.m. and a planned GFA of approximately 112,486 sq.m.. The development on this parcel of land is expected to feature low-rise and high-rise residential buildings.

### ***Nanjing Qixia Project***

In December 2014, the Group entered into a land grant contract with the relevant PRC land authority to acquire a parcel of land situated in Qixia, Nanjing for a consideration of approximately RMB740.0 million (US\$119.3 million) and expected to comprise low-rise and high-rise residential properties, with an aggregate site area of approximately 56,357 sq.m. and a planned GFA of approximately 67,628 sq.m.. The Group holds a 51% equity interest in the project.

### ***Nanjing Pukou Project***

In December 2014, the Group entered into a land grant contract with the relevant PRC land authority to acquire a parcel of land situated in Pukou, Nanjing for a consideration of approximately RMB1,640.0 million (US\$264.4 million) and expected to comprise low-rise and high-rise residential properties, with an aggregate site area of approximately 137,437 sq.m. and a planned GFA of approximately 264,552 sq.m.. The Group holds a 49% equity interest in the project.

### ***Change in Borrowings***

Subsequent to 30 June 2014, the Group fully redeemed the 2010 Notes and drew down the 2014 Syndicated Loan Facilities in full and have from time to time entered into additional loan agreements to finance our property developments or for general corporate purposes in the ordinary course of business.

### **GENERAL**

**As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

### **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

|                                   |                                                                                                                                                    |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| “2010 Notes”                      | 9.65% senior notes due 2017 issued by the Company on 3 August 2010                                                                                 |
| “2011 Notes”                      | 11% senior notes due 2018 issued by the Company on 8 March 2011                                                                                    |
| “2014 Syndicated Loan Facilities” | multi-currency term loan facilities, comprising a US\$665,000,000 facility and a HK\$555,000,000 facility, owed by the Group to a group of lenders |
| “Board”                           | the board of directors of the Company                                                                                                              |

|                                     |                                                                                                                                                                                             |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “China” or “PRC”                    | the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement                                                    |
| “CLSA (A CITIC Securities Company)” | CLSA Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes                                                                            |
| “Company”                           | Shimao Property 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 |
| “connected person”                  | has the meaning ascribed to it under the Listing Rules                                                                                                                                      |
| “GFA”                               | gross floor area                                                                                                                                                                            |
| “Goldman Sachs”                     | Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes                                  |
| “Group”, “we”, “our” and “us”       | the Company and its subsidiaries                                                                                                                                                            |
| “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 offer and sale of the Notes        |
| “J.P. Morgan”                       | J.P. Morgan Securities plc, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes                                                              |
| “Listing Rules”                     | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                         |
| “Morgan Stanley”                    | Morgan Stanley & Co. International plc, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes                                                  |
| “Notes”                             | the guaranteed senior notes to be issued by the Company                                                                                                                                     |
| “Proposed Notes Issue”              | the proposed issue of the Notes by the Company                                                                                                                                              |

|                           |                                                                                                                                                                                                                                                                       |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Purchase Agreement”      | the agreement proposed to be entered into between, among others, the Company, HSBC, Standard Chartered Bank, Goldman Sachs, UBS, J.P. Morgan, Morgan Stanley, CLSA (A CITIC Securities Company) and the Subsidiary Guarantors in relation to the Proposed Notes Issue |
| “Securities Act”          | the United States Securities Act of 1933, as amended                                                                                                                                                                                                                  |
| “SGX-ST”                  | Singapore Exchange Securities Trading Limited                                                                                                                                                                                                                         |
| “sq.m.”                   | square meter(s)                                                                                                                                                                                                                                                       |
| “Standard Chartered Bank” | Standard Chartered Bank, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes                                                                                                                |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                               |
| “Subsidiary Guarantees”   | the guarantees provided by the Subsidiary Guarantors in respect of the Notes                                                                                                                                                                                          |
| “Subsidiary Guarantors”   | the subsidiaries of the Company which guarantee the Notes                                                                                                                                                                                                             |
| “UBS”                     | UBS AG, Hong Kong Branch, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes                                                                                                               |
| “United States”           | the United States of America                                                                                                                                                                                                                                          |
| “USD” or “US\$”           | United States dollar(s)                                                                                                                                                                                                                                               |
| “%”                       | per cent                                                                                                                                                                                                                                                              |

On behalf of the Board  
**Shimao Property Holdings Limited**  
**Hui Wing Mau**  
Chairman

Hong Kong, 3 February 2015

*As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman), Mr. Xu Younong, Ms. Tang Fei and Mr. Liao Lujiang; one non-executive director, namely, Mr. Liu Sai Fei; and three independent non-executive directors, namely, Ms. Kan Lai Kuen, Alice, Mr. Lu Hong Bing and Mr. Lam Ching Kam.*