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銀城國際控股有限公司

YINCHENG INTERNATIONAL HOLDING CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1902)

ISSUANCE OF US\$200,000,000 12.0% SENIOR NOTES DUE 2021

Reference is made to the Announcement in respect of the Notes Issue. Unless otherwise defined, terms that are defined in the Announcement shall have the same meaning in this announcement.

On 28 October 2020, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Guotai Junan International, Haitong International, Central Wealth Securities Investment Limited, CMBC Capital, ICBC International, Admiralty Harbour, China International Capital Corporation, CRIC Securities, China CITIC Bank International and Vision Capital International Holdings Limited in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 28 October 2020

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) Guotai Junan International, Haitong International, Central Wealth Securities Investment Limited, CMBC Capital, ICBC International, Admiralty Harbour, China International Capital Corporation, CRIC Securities, China CITIC Bank International and Vision Capital International Holdings Limited as initial purchasers.

Guotai Junan International and Haitong International are the joint global coordinators, joint bookrunners and joint lead managers, and Central Wealth Securities Investment Limited, CMBC Capital, ICBC International, Admiralty Harbour, China International Capital Corporation, CRIC Securities, China CITIC Bank International and Vision Capital International Holdings Limited are the joint bookrunners and 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 Guotai Junan International, Haitong International, Central Wealth Securities Investment Limited, CMBC Capital, ICBC International, Admiralty Harbour, China International Capital Corporation, CRIC Securities, China CITIC Bank International and Vision Capital International Holdings Limited 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 outside the United States 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.

Principal terms of the Notes

Issuer:	the Company
ISIN (Reg S):	XS2247215952
Common Code (Reg S):	224721595
Aggregated principal amount:	US\$200,000,000
Offer price:	98.98% of the principal amount of the Notes
Settlement date:	4 November 2020
Interest rate:	12.0% per annum, payable on 4 May 2021 and 3 November 2021
Maturity:	3 November 2021
Subsidiary Guarantees:	guarantees will be provided by the Subsidiary Guarantors

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 unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (5) effectively subordinated to the 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.

Events of default

The events of defaults under the Notes include:

- (1) 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;
- (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) default in the performance or breach of the provisions of the covenants under the Indenture, the failure by the Company to make or consummate an offer to purchase in the manner under the Indenture;

- (4) 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 (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the Notes then outstanding or by the trustee at the direction of such holders;
- (5) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$15.0 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, (a) 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 (b) the failure to make a principal payment when due;
- (6) 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\$15.0 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;
- (7) 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 significant 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;
- (8) the Company or any significant restricted subsidiary (a) 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, (b) 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 (c) effects any general assignment for the benefit of creditors (other than, in each case under (b), any of the foregoing that arises from any solvent liquidation or restructuring of a significant restricted subsidiary in the ordinary course of business that shall result in the net assets of such significant restricted subsidiary being transferred to or otherwise vested in the Company or any restricted subsidiary on a pro rata basis or on a basis more favorable to the Company); or

- (9) 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 such guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the trustee 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, may, and the trustee at the written request of such holders shall (subject to the trustee being indemnified and/or secured to its satisfaction by the holders), 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 (7) or (8) above occurs with respect to the Company or any significant 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.

Covenants

The Notes, the Indenture governing the Notes, the Subsidiary Guarantees and the JV 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 and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of restricted subsidiaries;
- (d) guarantee indebtedness of restricted subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict the restricted 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.

These covenants are subject to a number of important qualifications and exceptions under the Indenture.

Optional Redemption

At any time prior to 3 November 2021, 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 3 November 2021, 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 112.0% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

The terms of the Notes will be described in more detail in the Offering Memorandum to be issued by the Company.

LISTING

Application has been made by the Issuer to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, its subsidiaries or the Notes.

PROPOSED USE OF PROCEEDS

The gross proceeds from the Notes Issue will be approximately US\$198.0 million. The Company plans to use the net proceeds from the Notes Issue for refinancing certain existing indebtedness of the Company and general corporate purposes.

INFORMATION ABOUT THE COMPANY

The Company is an established property developer in the PRC focusing on developing quality residential properties in the Yangtze River Delta Megalopolis for customers of all ages. The Company commenced its property development operations in Nanjing and successfully expanded its footprint to other cities in the Yangtze River Delta Megalopolis. The Company was primarily engaged in the development and sale of residential properties targeting middle to upper-middle income households. Its main business operations include (i) the development and sale of residential and commercial properties; (ii) the project management services; (iii) the hotel operations; and (iv) the leasing of investment properties owned and developed by the Company.

DEFINITION

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

“Announcement”	the announcement of the Company dated 28 October 2020 in respect of proposed issue of US\$ senior notes;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Indenture”	the indenture to govern the Notes;
“JV Subsidiary Guarantees”	limited-recourse guarantees given by the JV Subsidiary Guarantors;
“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the Notes;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Notes”	the US\$200,000,000 12.0% senior notes due 2021 to be issued by the Company;
“Notes Issue”	the issue and sale of the Notes by the Company;
“Offering Memorandum”	the offering memorandum dated 28 October 2020 in relation to the Notes Issue;
“Purchase Agreement”	the agreement dated 28 October 2020 entered into between the Company, Guotai Junan International, Haitong International, Central Wealth Securities Investment Limited, CMBC Capital, ICBC International, Admiralty Harbour, China International Capital Corporation, CRIC Securities, China CITIC Bank International, Vision Capital International Holdings Limited and the Subsidiary Guarantors in relation to the Notes Issue;
“Regulation S”	Regulation S under the Securities Act; and
“%”	per cent.

By order of the Board
Yincheng International Holding Co., Ltd.
HUANG Qingping
Chairman

Hong Kong, 29 October 2020

As at the date of this announcement, the executive directors of the Company are Mr. Ma Baohua, Mr. Zhu Li, Mr. Wang Zheng and Ms. Shao Lei; the non-executive directors of the Company are Mr. Huang Qingping and Mr. Xie Chenguang; and the independent non-executive directors of the Company are Mr. Chen Shimin, Mr. Chan Peng Kuan and Mr. Lam Ming Fai.