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XIAOMI CORPORATION

小米集团

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 1810)

ISSUE OF US\$600 MILLION 3.375% SENIOR NOTES DUE 2030 BY XIAOMI BEST TIME INTERNATIONAL LIMITED

Reference is made to the announcement of the Company dated April 20, 2020 in relation to the proposed issue of the Notes by Xiaomi Best Time International Limited, a wholly-owned subsidiary of the Company, to be unconditionally and irrevocably guaranteed by the Company. The Board is pleased to announce that on April 22, 2020 (New York time), the Company, the Issuer and the Initial Purchasers entered into a Purchase Agreement in relation to the Notes Issue.

The net proceeds of the Notes Issue, after deducting underwriting commissions and certain estimated offering expenses, will be approximately US\$589.9 million. The Group intends to use the net proceeds of the Notes Issue primarily for (i) general corporate purposes and (ii) to repay existing borrowings. The Group may reallocate the use of the net proceeds in response to unforeseen events or changing business conditions.

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Listing of the Notes on the Stock Exchange is not to be taken as an indication of the merits of the Notes, the Issuer or the Company.

As the conditions 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, potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

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THE PURCHASE AGREEMENT

Date: April 22, 2020 (New York time)

Parties: (a) the Company;
(b) the Issuer; and
(c) the Initial Purchasers.

In connection with the Notes Issue, Goldman Sachs (Asia) L.L.C., J.P. Morgan and Morgan Stanley are the joint global coordinators, joint lead managers and joint bookrunners, while Bank of China, China International Capital Corporation, ICBC International, CCB International, AMTD, Barclays and HSBC are the joint lead managers and joint bookrunners. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Goldman Sachs (Asia) L.L.C., J.P. Morgan, Morgan Stanley, Bank of China, China International Capital Corporation, ICBC International, CCB International, AMTD, Barclays and HSBC is an independent third party and is not a connected person of the Company.

The Notes and the Guarantee have not been, and will not be, registered under the U.S. Securities Act. Accordingly, the Notes are being offered or sold in the U.S. only to Qualified Institutional Buyers, as defined in and in reliance on Rule 144A under the U.S. Securities Act, or outside the U.S. in accordance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong, nor will the Notes be placed to any connected persons of the Issuer or the Company.

No PRIIPs KID — No PRIIPs key information document has been prepared as the Notes will not be available to retail investors in the European Economic Area and the United Kingdom.

Principal Terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to provisions of the documents relating to the Notes.

Issuer:	Xiaomi Best Time International Limited
Guarantor:	the Company
Notes offered:	subject to the fulfilment of certain conditions set out in the Purchase Agreement, the Issuer will issue the Notes in the aggregate principal amount of US\$600 million, which will mature on April 29, 2030, unless redeemed earlier pursuant to the terms thereof
Guarantee:	Payment of principal of, interest and all other amounts payable on, the Notes is unconditionally and irrevocably guaranteed by the Company
Issue price:	98.745% of the aggregate principal amount of the Notes issued, plus accrued interest on such amount, if any, from April 29, 2020 to the issue date
Settlement date:	April 29, 2020
Interest rate:	3.375% per annum, payable semi-annually in arrears on April 29 and October 29 of each year beginning on October 29, 2020, calculated on the basis of a 360-day year consisting of twelve 30-day months

Ranking of the Notes and the Guarantee

The Notes will constitute senior unsecured obligations of the Issuer. The Notes will rank senior in right of payment to all of the Issuer's existing and future obligations expressly subordinated in right of payment to the Notes and rank at least equal in right of payment with all of the Issuer's existing and future unsecured and unsubordinated indebtedness (subject to any priority rights pursuant to applicable law). However, the Notes will be effectively subordinated to all of the Issuer's existing and future secured obligations, to the extent of the value of the assets serving as security therefor.

The Guarantee will constitute a direct, unconditional, senior and unsecured obligation of the Company, ranking senior in right of payment to all of the Company's existing and future obligations expressly subordinated in right of payment to the Notes and rank at least equal in right of payment with all of the Company's existing and future unsecured and unsubordinated obligations (subject to any priority rights pursuant to applicable law). However, the Guarantee will be effectively subordinated to all the Company's present and future secured obligations to the extent of the value of the collateral securing such obligations, and be structurally subordinated to all the present and future obligations (whether secured or unsecured) of its subsidiaries and consolidated affiliated entities.

Events of Default

Under the terms of the Indenture, each of the following constitutes an event of default for the Notes:

- (i) failure to pay principal or premium in respect of any Notes by the due date for such payment (whether at the respective stated maturity date or upon acceleration, repurchase, redemption or otherwise);
- (ii) failure to pay interest on any Notes within 30 days after the due date for such payment;
- (iii) the Issuer or the Company defaults in the performance of or breach its obligations under certain covenants under the Indenture relating to consolidation, merger and sale of assets;
- (iv) the Issuer or the Company defaults in the performance of or breach any covenant or agreement in the Indenture or under the Notes (other than a default specified in (i), (ii) or (iii) 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;
- (v) (1) there occurs with respect to any indebtedness of the Issuer, the Company or certain of its subsidiaries, whether such indebtedness now exists or shall hereafter be created, (A) an event of default that has resulted in the holder thereof declaring the principal of such indebtedness to be due and payable prior to its stated maturity or (B) a failure to make a payment of principal, interest or premium when due (after giving effect to the expiration of any applicable grace period therefor, a “**Payment Default**”) and (2) the outstanding principal amount of such indebtedness, together with the outstanding principal amount of any other indebtedness of such Persons under which there has been a Payment Default or the maturity of which has been so accelerated, is equal to or exceeds the greater of (x) US\$100,000,000 (or the equivalent thereof) and (y) 2.5% of the Company’s total equity;
- (vi) one or more final judgments or orders for the payment of money are rendered against the Issuer, the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 90 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 (net of any amounts that our insurance carriers have paid or agreed to pay with respect thereto under applicable policies) to exceed the greater of (x) US\$100,000,000 (or the equivalent thereof) and (y) 2.5% of the Company’s total equity, during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (vii) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Issuer, the Company or certain of its subsidiaries in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law or (ii) a decree or order adjudging the Issuer, the Company or certain of its subsidiaries bankrupt or insolvent, or approving as final and nonappealable a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Issuer, the Company or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Issuer, the Company or certain of its subsidiaries or of any substantial part of their respective

property, or ordering the winding up or liquidation of their respective affairs (or any similar relief granted under any foreign laws), and in any such case the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive calendar days;

(viii) the commencement by the Issuer, the Company or certain of its subsidiaries of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Issuer, the Company or certain of its subsidiaries to the entry of a decree or order for relief in respect of the Issuer, the Company or certain of its subsidiaries in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law or the commencement of any bankruptcy or insolvency case or proceeding against the Issuer, the Company or certain of its subsidiaries, or the filing by the Issuer, the Company or certain of its subsidiaries of a petition or answer or consent seeking reorganization or relief with respect to the Issuer, the Company or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law, or the consent by the Issuer, the Company or certain of its subsidiaries to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Issuer, the Company or certain of its subsidiaries or of any substantial part of their respective property pursuant to any such law, or the making by the Issuer, the Company or certain of its subsidiaries of a general assignment for the benefit of creditors in respect of any indebtedness as a result of an inability to pay such indebtedness as it becomes due, or the admission by the Issuer, the Company or certain of its subsidiaries in writing of their inability to pay the debts generally as they become due, or the taking of corporate action by the Issuer, the Company or certain of its subsidiaries that resolves to commence any such action; and

(ix) the Notes, the Guarantee or the Indenture is or becomes or is claimed by the Issuer or the Company to be unenforceable, invalid or ceases to be in full force and effect otherwise than is permitted by the Indenture.

However, a default specified in (iv) above will not constitute an event of default until the Trustee or the holders of 25% in principal amount of the then outstanding Notes provide written notice to the Company of the default and the Company does not cure such default within the time specified in (iv) above after receipt of such notice.

If an event of default (other than an event of default specified in (vii) and (viii) above) shall occur and be continuing, either the Trustee (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) or the holders of at least 25% in aggregate principal amount of the Notes then outstanding by written notice as provided in the Indenture may declare the unpaid principal amount of such Notes and any accrued and unpaid interest thereon (and any additional amount payable in respect thereof) to be due and payable immediately upon receipt of such notice. If an event of default specified in (v) above shall occur, the declaration of acceleration of the Notes shall be automatically annulled if the default triggering such event of default pursuant to (v) above shall be remedied or cured by the Issuer, the Company or certain of its subsidiaries or waived by the holders of the relevant indebtedness within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all events of default, other than the

non-payment of principal, premium (if any) or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived. If an event of default specified in (vii) and (viii) above shall occur, the unpaid principal amount of all the Notes then outstanding and any accrued and unpaid interest thereon will automatically, and without any declaration or other action by the Trustee or any holder of such Notes, become immediately due and payable. After a declaration of acceleration but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of at least a majority in aggregate principal amount of the Notes then outstanding may, under certain circumstances, waive all past defaults and rescind and annul such acceleration if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all events of default, other than the non-payment of principal, premium, if any, or interest on such Notes that became due solely because of the acceleration of such Notes, have been cured or waived.

Covenants

Subject to certain conditions and exceptions, the Notes, the Guarantee and the Indenture will limit the Company and the Issuer's ability to, among other things:

- (i) create or permit to subsist certain security interests; and
- (ii) consolidate, merge or sell its assets substantially as an entirety.

The Notes and the Indenture do not otherwise restrict or limit the Company's or the Issuer's ability to incur additional indebtedness by itself or its subsidiaries or its ability to enter into transactions with, or to pay dividends or make other payments to, affiliates.

Optional Redemption

At any time, the Issuer may, at the Issuer or the Company's option, redeem the Notes prior to January 29, 2030, in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the applicable Notes to be redeemed and (ii) the applicable premium, plus in each case, accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

At any time, the Company may redeem the Notes on or after January 29, 2030, in each case, in whole or in part, at a redemption price equal to 100% of the principal amount of the applicable Notes to be redeemed, plus accrued and unpaid interest, if any, to (but not including) the date of redemption.

The Issuer or the Company (as the case may be) will give not less than 30 day's nor more than 60 days' notice of any redemption.

Proposed Use of Proceeds

The net proceeds of the Notes Issue, after deducting underwriting commissions and certain estimated offering expenses, will be approximately US\$589.9 million. The Group intends to use the net proceeds of the Notes Issue primarily for (i) general corporate purposes and (ii) to repay existing borrowings. The Group may reallocate the use of the net proceeds in response to unforeseen events or changing business conditions.

Listing and Rating

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Listing of the Notes on the Stock Exchange is not to be taken as an indication of the merits of the Notes, the Issuer or the Company.

The Notes are expected to be rated “BBB-” by S&P Global Ratings, a division of S&P Global Inc., “BBB” by Fitch Ratings Ltd. and “Baa2” by Moody’s Investors Services, Inc.. Security ratings are not recommendations to purchase, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating organization. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

As the conditions 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, potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“AMTD”	:	AMTD Global Markets Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Bank of China”	:	Bank of China Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Barclays”	:	Barclays Bank PLC, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Board”	:	the board of Directors
“CCB International”	:	CCB International Capital Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“China International Capital Corporation”	:	China International Capital Corporation Hong Kong Securities Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Company”	:	Xiaomi Corporation, a limited liability company incorporated in the Cayman Islands, the Class B shares of which are listed on the Stock Exchange (Stock Code: 1810)

“connected person(s)”	:	has the meaning ascribed to it under the Listing Rules
“Director(s)”	:	the director(s) of the Company
“Group”	:	the Company and its subsidiaries
“Guarantee”	:	the guarantee of the obligations of the Issuer under the Indenture and the Notes by the Company
“Hong Kong”	:	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	:	The Hongkong and Shanghai Banking Corporation Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“ICBC International”	:	ICBC International Securities Limited, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Indenture”	:	the indenture to be entered into between the Issuer, the Company and the Trustee
“Initial Purchasers”	:	Goldman Sachs (Asia) L.L.C., J.P. Morgan, Morgan Stanley, Bank of China, China International Capital Corporation, ICBC International, CCB International, AMTD, Barclays and HSBC
“Issuer”	:	Xiaomi Best Time International Limited, a company limited by shares incorporated under the laws of Hong Kong
“J.P. Morgan”	:	J.P. Morgan Securities plc, one of the joint global coordinators, 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 of Hong Kong Limited
“Morgan Stanley”	:	Morgan Stanley & Co. International plc, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Notes”	:	the US\$600 million aggregate principal amount of 3.375% senior notes due 2030, to be issued by the Issuer and unconditionally and irrevocably guaranteed by the Company
“Notes Issue”	:	the issue of the Notes

“Purchase Agreement”	:	the agreement entered into between the Issuer, the Company and the Initial Purchasers in relation to the Notes Issue
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“subsidiary”	:	has the meaning ascribed to it under the Listing Rules
“Trustee”	:	Citicorp International Limited
“U.S.” or “United States”	:	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	:	the United States Securities Act of 1933, as amended
“US\$”	:	United States dollars, the official currency of the U.S.

By order of the Board
Xiaomi Corporation
Lei Jun
Chairman

Hong Kong, April 23, 2020

As at the date of this announcement, the Board comprises Mr. Lei Jun as Chairman and Executive Director, Mr. Lin Bin as Vice-Chairman and Executive Director, Mr. Chew Shou Zi as Executive Director, Mr. Liu Qin as Non-executive Director, and Dr. Chen Dongsheng, Prof. Tong Wai Cheung Timothy and Mr. Wong Shun Tak as Independent Non-executive Directors.