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**Zhenro Properties Group Limited**

**正榮地產集團有限公司**

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

**(Stock Code: 6158)**

**OFFER TO PURCHASE FOR CASH  
BY ZHENRO PROPERTIES GROUP LIMITED  
OF ITS OUTSTANDING 10.5% SENIOR NOTES DUE 2020 UP TO THE  
MAXIMUM ACCEPTANCE AMOUNT AND SUBJECT TO, AMONG  
OTHERS, THE NEW ISSUE CONDITION**

**(ISIN: XS1821808588; Common Code: 182180858; Stock Code: 5124)**

<u>Description of the 2020 Notes</u>	<u>ISIN/Common Code</u>	<u>Outstanding principal amount of the 2020 Notes</u>	<u>Maximum Acceptance Amount<sup>(1)</sup></u>	<u>Purchase Price<sup>(2)</sup></u>	<u>Expiration Deadline</u>
10.5% Senior Notes due 2020	XS1821808588 /182180858	US\$400 million	the lower of the Outstanding Principal Amount and the New Issue Amount	US\$1,003.5	4:00 p.m. (London Time) on May 20, 2020 <sup>(3)</sup>

(1) As such amount may be changed by the Company in its sole discretion.

(2) Per US\$1,000 principal amount of the 2020 Notes accepted for purchase.

(3) Unless extended, re-opened, amended and/or terminated by the Company.

The Company is making an offer to purchase for cash its outstanding 2020 Notes up to the Maximum Acceptance Amount at a purchase price of US\$1,003.5 per US\$1,000 principal amount of the 2020 Notes. It is the current intention of the Company that the Maximum Acceptance Amount will be the lower of the Outstanding Principal Amount and the New Issue Amount, although the Company reserves the right, in its sole discretion, to accept significantly more than or significantly less than the Maximum Acceptance Amount, or to accept none of such 2020 Notes, for purchase pursuant to the Offer. The Company has made available today to the Eligible Holders the Offer to Purchase setting out, among other things, the terms, the New Issue Condition and other conditions of the Offer.

The Offer is being made as part of the Company's policy to actively manage its balance sheet liabilities and optimize its debt structure.

Deutsche Bank AG, Singapore Branch is acting as the Dealer Manager and D.F. King Ltd. is acting as the Information and Tender Agent in relation to the Offer.

## **Background**

The 2020 Notes are listed on the Stock Exchange. The obligations of the Company under the 2020 Notes are guaranteed by certain of the Company's existing subsidiaries. As of the date of this announcement, an aggregate principal amount of US\$400 million of the 2020 Notes remains outstanding.

The Company is making an offer to purchase for cash its outstanding 2020 Notes up to the Maximum Acceptance Amount at a purchase price of US\$1,003.5 per US\$1,000 principal amount of the 2020 Notes. It is the current intention of the Company that the Maximum Acceptance Amount will be the lower of the Outstanding Principal Amount and the New Issue Amount, although the Company reserves the right, in its sole discretion, to accept significantly more than or significantly less than the Maximum Acceptance Amount, or to accept none of such 2020 Notes, for purchase pursuant to the Offer. The Company has made available today to the Eligible Holders the Offer to Purchase setting out, among other things, the terms and the New Issue Condition and other conditions of the Offer.

The Company is conducting a Concurrent New Money Issuance. The Concurrent New Money Issuance is not part of the Offer and is conducted pursuant to a separate offering memorandum. The Offer to Purchase is subject to, among others, the New Issue Condition. The Company expects to announce the pricing terms of the Concurrent New Money Issuance as soon as reasonably practicable following any such pricing or, if the Company decides not to proceed with the Concurrent New Money Issuance, it will announce such decision as soon as reasonably practicable following such decision being made. Pricing of the Concurrent New Money Issuance is expected to occur on or about May 14, 2020, subject to market conditions. However, there can be no assurance that the Concurrent New Money Issuance will price at all.

## **The Offer**

On the terms and subject to the New Issue Condition and other conditions of the Offer, the Company is offering to purchase for cash an aggregate principal amount of the 2020 Notes up to the Maximum Acceptance Amount (as such amount may be changed by the Company in its sole discretion). The Company will determine, in its sole discretion, the aggregate principal amount of the 2020 Notes that it will accept (if any) for purchase pursuant to the Offer. It is the current intention of the Company that the Maximum Acceptance Amount will be the lower of the Outstanding Principal Amount and the New Issue Amount, although the company reserves the right, in its sole discretion, to accept significantly more than or significantly less than the Maximum Acceptance Amount, or to accept none of such 2020 Notes, for purchase pursuant to the Offer.

## **Purchase Price**

The Purchase Price payable to the Eligible Holders whose 2020 Notes are accepted for purchase will be equal to US\$1,003.5 for each US\$1,000 in principal amount of the 2020 Notes.

## **Proration**

If the aggregate principal amount of 2020 Notes validly tendered is greater than the Maximum Acceptance Amount, the Company will accept tenders of 2020 Notes for purchase on a pro rata basis such that the aggregate principal amount of 2020 Notes accepted for purchase is no greater than the Maximum Acceptance Amount. Such pro rata application will be performed by accepting (in respect of each relevant Tender Instruction) that proportion of 2020 Notes validly tendered which is equal to the Maximum Acceptance Amount divided by the aggregate principal amount in respect of all 2020 Notes validly tendered, subject to rounding and as described below.

In the event of any such proration, the Company will round downward, if necessary, to ensure all purchases of the 2020 Notes will be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. However, the Company may elect to accept or reject such tender of the 2020 Notes in full if application of proration will otherwise result in either (i) the Company accepting the 2020 Notes from any Eligible Holder in a principal amount of less than US\$200,000 or (ii) the principal amount of the 2020 Notes not purchased due to pro rata application being less than US\$200,000. All the 2020 Notes not accepted as a result of proration will be returned to Eligible Holders.

## **Accrued Interest Payment**

The Company will also pay an Accrued Interest Payment in respect of the 2020 Notes accepted for purchase pursuant to the Offer (from and including the last interest payment date up to, but excluding, the Settlement Date) on the Settlement Date.

## **Sources of Funds**

The Company intends to finance the Offer with the proceeds from internal funding and the Concurrent New Money Issuance.

## **Tender Instruction**

In order to participate in the Offer, Eligible Holders must validly tender their 2020 Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Information and Tender Agent by the Expiration Deadline, unless extended, re-opened, amended and/or terminated as provided in the Offer to Purchase. Separate Tender Instructions must be submitted on behalf of each individual beneficial owner due to potential proration. Tender Instructions will be irrevocable once delivered in accordance with the terms of the Offer.

Each Tender Instruction must specify the principal amount of the 2020 Notes that the relevant Eligible Holder is tendering at the Purchase Price. The 2020 Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

## **Dealer Manager and Information and Tender Agent**

The Company has appointed Deutsche Bank AG, Singapore Branch as the dealer manager and D.F. King Ltd. as the information and tender agent in relation to the Offer.

## **Indicative Timetable for the Offer**

### ***Events***

### ***Times and Dates***

#### ***Commencement of the Offer***

May 14, 2020

The Offer is announced. Offer to Purchase available from the Information and Tender Agent and on the Offer Website, and notice of the Offer delivered to the Clearing Systems for communication to Direct Participants.

#### ***Announcement of the Pricing of the Notes***

On or about May 14, 2020

The pricing and other terms of the Notes offered in the Concurrent New Money Issuance are announced.

#### ***Expiration Deadline***

4.00 p.m. (London Time) on May 20, 2020

Final deadline for receipt of valid Tender Instructions by the Information and Tender Agent.

### *Announcement of Results*

Announcement of whether the Company will accept valid tenders of the 2020 Notes pursuant to the Offer and, if so accepted, (i) the aggregate principal amount of the 2020 Notes accepted for tender and any proration factor (if applicable), (ii) the Purchase Price and (iii) the Accrued Interest (expressed per US\$1,000 in principal amount of the 2020 Notes accepted for purchase by the Company).

As soon as reasonably practicable after the Expiration Deadline

The Company plans to cancel the 2020 Notes it purchased pursuant to the Offer. The 2020 Notes that have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Settlement Date.

### *Settlement Date*

Expected settlement date for the Offer.

On or about May 27, 2020

*The above times and dates are subject to the right of the Company to extend, re-open, amend and/or terminate the Offer (subject to applicable law and as provided in the Offer to Purchase).*

***Eligible Holders are advised to check with any bank, securities broker or other intermediary through which they hold the 2020 Notes when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in the Offer by the deadline set out above. The deadline set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the deadline described above.***

Unless stated otherwise, announcements in connection with the Offer will be made through the website of the Stock Exchange, the issue of a press release to a Notifying News Service and/or the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of the announcements, press releases and notices can also be obtained from the Information and Tender Agent, the contact details for which are on page 6 of this announcement. Significant delays may be experienced where notices are delivered to the Clearing Systems, and Eligible Holders are urged to contact the Information and Tender Agent for the relevant announcements during the course of the Offer using the contact details on page 6 of this announcement. In addition, Eligible Holders may contact the Dealer Manager for information using the contact details on page 6 of this announcement.

## Offer to Purchase

**The Offer to Purchase contains important information which should be read carefully by Eligible Holders before any decision is made with respect to the Offer.** Eligible Holders are recommended to seek their own financial and legal advice, including in respect of any tax consequences, from their broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

The terms of the Offer are more fully described in the Offer to Purchase, which sets out further details regarding the tender procedures and the conditions of the Offer.

None of the Company, the Dealer Manager or the Information and Tender Agent (or any of their respective directors, employees or affiliates) makes any recommendation as to whether the Eligible Holders should tender their 2020 Notes in response to the Offer.

**THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITIES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.**

### DEALER MANAGER

Deutsche Bank AG, Singapore Branch  
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Singapore 048583  
Tel: +65 6423 8367

### INFORMATION AND TENDER AGENT

D.F. King Ltd.

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65 Gresham Street  
London EC2V 7NQ  
United Kingdom  
Tel: +44 20 7920 9700

In Hong Kong  
Suite 1601, 16th Floor, Central Tower  
28 Queen's Road Central  
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Tel: +852 3953 7208

Email: [zhenro@dfkingltd.com](mailto:zhenro@dfkingltd.com)  
Offer Website: <https://sites.dfkingltd.com/zhenro>

## DEFINITIONS

“2020 Notes”	10.5% Senior Notes due 2020 (ISIN: XS1821808588)
“Accrued Interest”	interest accrued and unpaid on the principal amount of 2020 Notes from and including the last interest payment date of December 28, 2019 up to, but excluding, the Settlement Date.
“Accrued Interest Payment”	an amount in cash (rounded to the nearest US\$0.01, with half a cent rounded upwards) equal to the Accrued Interest on the 2020 Notes accepted for purchase by the Company
“Board”	the board of directors of the Company
“Clearing System Notice”	the form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of the Offer to Purchase informing Direct Participants of the procedures to be followed in order to participate in the Offer
“Clearing Systems”	Euroclear Bank SA/NV and Clearstream Banking S.A.
“Company”	Zhenro Properties Group Limited, a company incorporated with limited liability under the laws of the Cayman Islands
“Concurrent New Money Issuance”	an offering of the Notes which is conducted by the Company concurrently with the Offer and pursuant to a separate offering memorandum
“Dealer Manager”	Deutsche Bank AG, Singapore Branch
“Direct Participant”	each person who is shown in the records of the Clearing Systems as a holder of the 2020 Notes
“Eligible Holders”	holders of the 2020 Notes who are non-U.S. persons located outside United States (as those terms are defined in Regulation S under the United States Securities Act of 1933, as amended)
“Expiration Deadline”	4:00 p.m. (London Time) on May 14, 2020 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer)
“Information and Tender Agent”	D.F. King Ltd.



“Maximum Acceptance Amount”	the maximum aggregate principal amount of the 2020 Notes that the Company will determine, in its sole discretion, that it will accept for purchase pursuant to the Offer
“New Issue Amount”	the aggregate principal amount of the Notes to be issued in the Concurrent New Money Issuance
“New Issue Condition”	the condition of the Offer that the Concurrent New Money Issuance shall have been successfully consummated
“Notifying News Service”	a recognized financial news service or services (e.g. Reuters/Bloomberg) as selected by the Company
“Notes”	senior notes offered by the Company in the Concurrent New Money Issuance by the Company
“Offer”	the offer to purchase for cash by the Company of its outstanding 2020 Notes up to the Maximum Acceptance Amount, on the terms and subject to the New Issue Condition and other conditions set out in the Offer to Purchase
“Offer to Purchase”	an Offer to Purchase dated May 14, 2020 issued to the Eligible Holders by the Company in connection with the Offer
“Offer Website”	the website, <a href="https://sites.dfkingltd.com/zhenro">https://sites.dfkingltd.com/zhenro</a> , operated by the Information and Tender Agent for the purpose of the Offer
“Outstanding Principal Amount”	US\$400.0 million, the outstanding principal amount of the 2020 Notes
“Purchase Price”	US\$1,003.5 per \$1,000 principal amount of the 2020 Notes
“Settlement Date”	On or about May 27, 2020 (subject to the right of the Company to extend, re-open, amend or terminate the Offer at any time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Tender Instruction”	<p>The electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Information and Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the deadline in order for Eligible Holders to be able to participate in the Offer.</p> <p>Such electronic tender and blocking instruction must specify the principal amount of the 2020 Notes that the relevant Eligible Holder is tendering at the Purchase Price. 2020 Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.</p>
“United States”	The United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and The Commonwealth of the Northern Mariana Islands), any state of the United States of America and the District of Columbia
“US\$”	United States dollars
“%”	percent

By Order of the Board  
**Zhenro Properties Group Limited**  
**Huang Xianzhi**  
*Chairman*

Hong Kong, 14 May 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Huang Xianzhi and Mr. Chan Wai Kin, the non-executive directors of the Company are Mr. Ou Guoqiang and Mr. Ou Guowei, and the independent non-executive directors of the Company are Dr. Loke Yu (alias Loke Hoi Lam), Mr. Wang Chuanxu and Mr. Lin Hua.*