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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)**

**(1) RESULTS OF EXCHANGE OFFER AND  
CONSENT SOLICITATION FOR THE FOLLOWING NOTES**

<b>Description of Debt Securities</b>	<b>ISIN/Common Code</b>	<b>Stock code</b>
5.95% Senior Notes due March 2022	XS2308085112/230808511	Not applicable
5.98% Senior Notes due April 2022	XS2329241447/232924144	40648
7.125% Senior Notes due June 2022	XS2358480155/235848015	86008
8.70% Senior Notes due August 2022	XS2050860308/205086030	40008
6.50% Senior Notes due September 2022	XS2383329237/238332923	40826

**AND**

**(2) PROPOSED ISSUE OF US\$728,623,000 8.0% SENIOR NOTES DUE 2023**

**AND**

**RMB1,589,980,000 8.0% SENIOR NOTES DUE 2023**

Reference is made to the announcements of the Company dated 21 February 2022, 4 March 2022, 13 March 2022 and 14 March 2022 (collectively, the “Announcements”). Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcements as the context requires.

## 1. RESULTS OF THE EXCHANGE OFFER AND CONSENT SOLICITATION

The Exchange Offer and Consent Solicitation expired at 4:00 p.m., London time, on 18 March 2022. The Company hereby informs Eligible Holders that, as at the Extended Expiration Deadline, US\$43,000,000, representing approximately 86.00% of the aggregate principal amount of the outstanding ZhenAn Notes, US\$196,639,000, representing approximately 90.04% of the aggregate principal amount of the outstanding April 2022 Notes, RMB1,589,980,000, representing approximately 99.37% of the aggregate principal amount of the outstanding July 2021 Notes, US\$270,223,000, representing approximately 92.23% of the aggregate principal amount of the outstanding October 2019 Notes, and US\$218,761,000, representing approximately 92.58% of the aggregate principal amount of the outstanding September 2021 Notes, respectively, has been validly tendered for exchange and accepted pursuant to the Exchange Offer and Consent Solicitation.

With respect to the Exchange Notes submitted for exchange, subject to the fulfilment or waiver of the conditions precedent to the Exchange Offer and Consent Solicitation, Eligible Holders of the Exchange Notes validly accepted and exchanged in the Exchange Offer and Consent Solicitation will receive the applicable Exchange and Consent Consideration on the date of settlement, which is expected to be on or about 29 March 2022.

## 2. PROPOSED ISSUE OF NEW NOTES

Upon completion of the Exchange Offer and Consent Solicitation, the Company will issue US\$728,623,000 in aggregate principal amount of 8.0% senior notes due 2023 (the “**New USD Notes**”) and RMB1,589,980,000 in aggregate principal amount of 8.0% senior notes due 2023 (the “**New RMB Notes**”).

### **Principal terms of the New USD Notes**

The following is a summary of certain provisions of the New USD Notes and the indenture governing the New USD Notes (the “**New USD Notes Indenture**”). This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the New USD Notes Indenture, the New USD Notes, the guarantees provided by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any.

### ***Amount and Tenor***

Subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and Consent Solicitation, the Company will issue US\$728,623,000 of the New USD Notes pursuant to the Exchange Offer and Consent Solicitation, which will mature on 6 March 2023 (the “**Maturity Date**”), unless earlier redeemed pursuant to the terms thereof.

### ***Interest***

The New USD Notes will bear interest from and including 29 March 2022 at the rate of 8.0% per annum, payable in arrears on 28 September 2022 and 6 March 2023.

### ***Repayment on the Maturity Date***

The Company will repay all outstanding principal amount of the New USD Notes at 102.0% of such principal amount, plus accrued and unpaid interest, if any, on the Maturity Date.

## ***Ranking of the Exchange Notes***

The New USD 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 New USD Notes; (3) at least *pari passu* in right of payment with the Exchange Notes and 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 (if any) 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 subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors (if any).

## ***Events of Default***

The New USD Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the New USD Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the New USD Notes Indenture. If an event of default occurs and is continuing, the trustee under the New USD Notes Indenture, as the case may be, or the holders of at least 25% of the New USD Notes may declare the principal of the New USD Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

The events of default provision under the New USD Notes will carve out any of the Excluded Indebtedness (as defined in the New USD Notes Indenture) under the cross-default events and certain final judgments and orders.

## ***Covenants***

Subject to certain qualifications and exceptions, the New USD Notes and the New USD Notes Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) make investments, dividend payments or other specified restricted payments;
- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee indebtedness of certain of its subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into certain business;

- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

### ***Optional Redemption for the New USD Notes***

The New USD Notes may be redeemed in the following circumstance:

At any time and from time to time prior to 6 March 2023, the Company may at its option redeem the New USD Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New USD Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

The Company will seek a listing of the New USD Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the New USD Notes has been received from the Stock Exchange for the listing of the New USD Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the New USD Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the New USD Notes.

### **Principal terms of the New RMB Notes**

The following is a summary of certain provisions of the New RMB Notes and the indenture governing the New RMB Notes (the "**New RMB Notes Indenture**"). This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the New RMB Notes Indenture, the New RMB Notes, the guarantees provided by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any.

#### ***Amount and Tenor***

Subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and Consent Solicitation, the Company will issue RMB1,589,980,000 of the New RMB Notes pursuant to the Exchange Offer and Consent Solicitation, which will mature on 6 March 2023, unless earlier redeemed pursuant to the terms thereof.

#### ***Interest***

The New RMB Notes will bear interest from and including 29 March 2022 at the rate of 8.0% per annum, payable in arrears on 28 September 2022 and 6 March 2023.

#### ***Repayment on the Maturity Date***

The Company will repay all outstanding principal amount of the New RMB Notes at 102.0% of such principal amount, plus accrued and unpaid interest, if any, on the Maturity Date.

## ***Ranking of the Exchange Notes***

The New RMB 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 New RMB Notes; (3) at least *pari passu* in right of payment with the Exchange Notes and 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 (if any) 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 subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors (if any).

## ***Events of Default***

The New RMB Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the New RMB Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the New RMB Notes Indenture. If an event of default occurs and is continuing, the trustee under the New RMB Notes Indenture, as the case may be, or the holders of at least 25% of the New RMB Notes may declare the principal of the New RMB Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

The events of default provision under the New RMB Notes will carve out any of the Excluded Indebtedness (as defined in the New RMB Notes Indenture) under the cross-default events and certain final judgments and orders.

## ***Covenants***

Subject to certain qualifications and exceptions, the New RMB Notes and the New RMB Notes Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) make investments, dividend payments or other specified restricted payments;
- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee indebtedness of certain of its subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into certain business;

- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

### ***Optional Redemption for the New RMB Notes***

The New RMB Notes may be redeemed in the following circumstance:

At any time and from time to time prior to 6 March 2023, the Company may at its option redeem the New RMB Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New RMB Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

The Company will seek a listing of the New RMB Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the New RMB Notes has been received from the Stock Exchange for the listing of the New RMB Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the New RMB Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the New RMB Notes.

### **FURTHER DETAILS**

For a detailed statement of the terms and conditions of the Exchange Offer and Consent Solicitation, Eligible Holders should refer to the Exchange Offer and Consent Solicitation Memorandum. D.F. King Ltd has been appointed as the Information, Exchange and Tabulation Agent for the Exchange Offer and Consent Solicitation. To contact D.F. King Ltd in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7231 or via email at [zhenro@dfkingltd.com](mailto:zhenro@dfkingltd.com).

The Exchange Offer and Consent Solicitation Memorandum and all announcements in connection with the Exchange Offer and Consent Solicitation will be available in electronic format to Eligible Holders via the Exchange and Consent Website: <https://sites.dfkingltd.com/Zhenro3rd>. Any requests for additional copies of the Exchange Offer and Consent Solicitation Memorandum should be directed to D.F. King Ltd at the above contact points.

## GENERAL

The New Notes have not been registered under the U.S. Securities Act, or the securities laws of any state and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This announcement is not an offer to purchase or a solicitation of an offer to sell securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. This announcement does not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. This announcement is not for release, publication or distribution in or into, or to any person resident and/or located in, any jurisdiction where such release, publication or distribution is unlawful.

Forward-looking statements in this announcement, including, among others, those statements relating to the Exchange Offer and Consent Solicitation are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Exchange Notes, changes in the business and financial condition of the Company and its subsidiaries, changes in the property development industry, and changes in the capital markets in general.

**Shareholders, holders of the Exchange Notes and potential investors should note that completion of the Exchange Offer and Consent Solicitation remains subject to the fulfilment or waiver of the conditions precedent to the Exchange Offer and Consent Solicitation as set forth in the Exchange Offer and Consent Solicitation Memorandum and summarized in the Announcements. No assurance can be given that the Exchange Offer and Consent Solicitation will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer and Consent Solicitation with or without conditions.**

**The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer and Consent Solicitation. As the Exchange Offer and Consent Solicitation may or may not proceed or complete, shareholders, holders of the Exchange Notes and potential investors should exercise caution when dealing in the shares of the Company or the Exchange Notes.**

**The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S.**

**IMPORTANT NOTICE – THE EXCHANGE OFFER AND CONSENT SOLICITATION IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND ARE OUTSIDE THE UNITED STATES. U.S. PERSONS (AS DEFINED UNDER REGULATION S), PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXCHANGE NOTES IN THE EXCHANGE OFFER AND CONSENT SOLICITATION.**

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

Hong Kong, 21 March 2022

*As at the date of this announcement, the executive Directors are Mr. Huang Xianzhi, Mr. Liu Weiliang, Mr. Li Yang and Mr. Chan Wai Kin, the non-executive Director is Mr. Ou Guowei, and the independent non-executive Directors are Dr. Loke Yu (alias Loke Hoi Lam), Mr. Wang Chuanxu and Mr. Lin Hua.*