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Sunkwan Properties Group Limited

上坤地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(the “Company”, Stock Code: 6900)

RESULTS OF

OFFER TO EXCHANGE

RELATING TO THE 12.25% SENIOR NOTES DUE 2022

(ISIN: XS2363837258; COMMON CODE: 236383725; STOCK CODE: 40773)

AND

CONSENT SOLICITATION

RELATING TO THE 13.5% SENIOR NOTES DUE 2023

(ISIN: XS2417707374; COMMON CODE: 241770737; STOCK CODE: 4307)

Reference is made to the two announcements of the Company dated July 8, 2022 (collectively, the “**Announcements**”) in relation to the Exchange Offer and the Consent Solicitation. Capitalized terms used but not otherwise defined in this announcement shall have the same meaning ascribed to them in the Announcements.

RESULT OF THE EXCHANGE OFFER

The Exchange Offer expired at 4:00 p.m., London time, on July 14, 2022. The Company hereby informs Eligible Holders that, as of the Expiration Deadline, US\$209,800,000, representing approximately 99.90% of the aggregate principal amount of the outstanding Exchange Notes has been validly tendered for exchange and accepted pursuant to the Exchange Offer.

Subject to the fulfillment or waiver of the conditions to the Exchange Offer, the Company will issue US\$222,364,689 of the New Notes (including US\$209,800,000 in aggregate principal amount of the New Notes to be issued for exchange and US\$12,564,689 in aggregate principal amount of the New Notes to be issued as Capitalized Interest) pursuant to the Exchange Offer on July 18, 2022, which will mature on or about July 17, 2023, unless earlier redeemed pursuant to the terms thereof. The New Notes will bear interest at 12.25% per annum, payable in arrears.

Approval-in-principal has been issued by the SGX-ST for the listing and quotation of the New Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective subsidiaries or associated companies (if any), the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

All documents and materials related to the Exchange Offer will be made available, subject to eligibility, on the Exchange Website: <https://sites.dfkingltd.com/sunkwan>.

RESULT OF THE CONSENT SOLICITATION

The Consent Solicitation expired at 4:00 p.m., London time, on July 14, 2022. The Company hereby informs Holders that the Requisite Consents have been obtained for the Proposed Amendment in connection with the Consent Solicitation as of the Consent Expiration Deadline.

Subject to the fulfillment or waiver of the conditions to the Consent Solicitation, the Company plans to execute the Supplemental Indenture in connection with the Consent Solicitation on or about July 15, 2022 to give effect to the Proposed Amendment. From and after the execution of the Supplemental Indenture, each present and future holder of the Consent Notes will be bound by the terms of the relevant indentures governing the Consent Notes as amended by the Supplemental Indenture. All documents and materials related to the Consent Solicitation will be made available, subject to eligibility, on the Consent Solicitation Website: <https://sites.dfkingltd.com/sunkwanconsent>.

REMAINING EXCHANGE NOTES

The Company has secured a successful result under the Exchange Offer and the Consent Solicitation to enable it to improve its overall financial condition, effectively extend its debt maturity profile and strengthen its balance sheet and improve cash flow management.

The Company would like to reiterate to holders of the remaining Exchange Notes that the liquidity issues faced by developers, including the Company, in the PRC property sector still remains. The Exchange Offer and the Consent Solicitation are to allow sufficient time for the Company to overcome short-term liquidity difficulties and pressure on cash flow by extension of its existing debt maturity profile. The Company believes that conducting the Exchange Offer and the Consent Solicitation is in the best interest of all its stakeholders and represents the best offer it can make to the holders of the Exchange Notes under their impending maturities.

Given the current circumstances, the Company may not make timely repayments in accordance with the terms of the remaining Exchange Notes upon their maturities. With respect to the Exchange Notes that remain outstanding, the Company will continue to communicate with such holders. Despite the completion of the Exchange Offer and the Consent Solicitation, the Company urges holders of the remaining Exchange Notes to exchange the remaining Exchange Notes for the New Notes under substantially the same terms as those of the Exchange Offer. The Company encourages such holders to contact the Company as soon as practicable in order to come to mutually agreeable arrangements for such exchange.

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.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL THE EXCHANGE NOTES, THE CONSENT NOTES OR THE NEW NOTES.

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

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

By order of the Board
Sunkwan Properties Group Limited
Zhu Jing
Chairwoman

Hong Kong, July 15, 2022

As of the date of this announcement, the Board comprises Ms. Zhu Jing, Ms. Sheng Jianjing and Mr. Yang Zhandong as executive directors, Mr. Lin Jinfeng and Ms. Lin Zhaohong as non-executive directors and Mr. Guo Shaomu, Mr. Au Yeung Po Fung and Mr. Zhou Zheren as independent non-executive directors.