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DaFa Properties Group Limited **大发地产集团有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6111)

UPDATE ON PROGRESS OF PROPOSED OFFSHORE DEBT RESTRUCTURING

This announcement is made by DaFa Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

References are made to the announcements of the Company dated 11 January 2024 and 27 February 2024 (the “**Announcements**”). Unless otherwise defined, all capitalized terms used in this announcement shall have the same meaning as defined in the Announcements.

UPDATE ON PROGRESS OF PROPOSED OFFSHORE DEBT RESTRUCTURING

1. Progress of the proposed Offshore Debt Restructuring

The Company has been actively working with its professional advisors to assess its current financial and operational conditions with a view to formulating a holistic solution to the current offshore debt situation (the “**Holistic Solution**”) that respects the rights of all offshore creditors and stakeholders of the Company, and aims to resolve the liquidity issue and stabilise the business and assets of the Group as the onshore operating environment expects to recover over time.

In this regard, the Company has been communicating and constructively engaging with certain holders of the offshore senior notes issued by the Company to facilitate the formulation of the Holistic Solution with respect to the Company’s offshore debts with an aggregate principal amount of approximately US\$638 million.

2. Principles of the Holistic Solution

The Company will uphold the following principles in formulating the Holistic Solution:

- to respect offshore creditors’ existing rights and to treat all offshore creditors fairly; and
- to achieve a long-term sustainable capital structure and to enhance the Group’s adaptiveness to the market changes in order to secure a sustainable future development of the Group and to preserve value for all stakeholders.

3. Potential implementation structure

The Company intends to implement the Holistic Solution by way of scheme(s) of arrangement in Hong Kong and/or other applicable jurisdictions.

4. Preliminary Proposal for Holistic Solution

Subject to further considerations by the Company together with its professional advisers, key elements under the preliminary proposal for Holistic Solution (the “**Proposal**”) may include:

- (a) the Proposal to address the Company’s offshore indebtedness under its US\$-denominated senior notes, and the interests accrued thereunder up to the effective date of the proposed scheme(s) of arrangement;
- (b) the Proposal to contemplate giving the offshore creditors three (3) options (the “**Options**”, each an “**Option**”) to convert their offshore debts into different US\$-denominated notes, or offering the offshore creditors structures between pure maturity extension with no haircut, maturity extension with considerable haircut and cash redemption with substantial haircut to cater for the different preferences and needs of the offshore creditors; and
- (c) the Company intends to implement a holistic solution for the offshore debts that benefit from the same/substantially similar rights pre-transaction by way of scheme(s) of arrangement in Hong Kong and/or other applicable jurisdictions, potentially inter-conditional with one or more consent solicitations.

As at the date of this announcement, the Company is still considering the terms of the Holistic Solution and no definitive agreement on the terms of the Holistic Solution have been entered into between the Group and its offshore creditors. The actual terms of the Holistic Solution may deviate from the preliminary tentative terms, depending on the ongoing discussion with the offshore creditors.

5. Next steps

The Company expects to continue its proactive and constructive dialogue with offshore creditors with a view to finalizing the terms of the Holistic Solution as soon as practicable. In this regard, the Company is in the process of negotiating and entering into confidentiality agreements with certain offshore creditors to facilitate their evaluation of the Holistic Solution and the Group's financial and operational conditions.

The Company reiterates that it will maintain active communication with its offshore creditors and encourages them to contact its financial advisors in respect of the progress of the Holistic Solution:

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GENERAL

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or other applicable laws and regulations.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023 and will remain suspended pending fulfillment of the resumption guidance and additional resumption guidance received on 19 June 2023 and 1 August 2023, respectively, and any supplement or modification thereto.

The implementation of any Holistic Solution will be subject to many factors not within the control of the Company. As there is no assurance that any Holistic Solution will be successfully implemented, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time; and (ii) are reminded to consider the related risks and exercise caution when dealing in the securities of the Company. When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

By order of the Board
DaFa Properties Group Limited
YU Anne
Company Secretary

Hong Kong, 30 April 2024

As at the date of this announcement, the Board comprises Mr. Gao Shan as an executive Director, and Mr. Feng Yijing and Mr. Fung Chan Man Alex as the independent non-executive Directors.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.