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POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

OFFER TO EXCHANGE RELATING TO THE FOLLOWING NOTES

Description of Debt Securities	Outstanding Amount	ISIN	Common Code	Minimum Acceptance Amount	Exchange Consideration tendered for exchange
4.0% Senior Notes due July 2022 (the "Fourth 2022 Notes")	US\$200,000,000	XS2368100033	236810003	US\$180,000,000	US\$950 in aggregate principal amount of July 2023 New Notes (as defined herein), US\$10 in cash as incentive fee, US\$50 principal repayment in cash and Accrued Interest (as defined herein)
7.125% Senior Notes due November 2022 (the "Second 2022 Notes", and together with the Fourth 2022 Notes, the "Exchange Notes")	US\$300,000,000	XS2078556342	207855634	US\$270,000,000	US\$1,000 in aggregate principal amount of January 2024 New Notes ⁽¹⁾ (as defined herein), US\$10 in cash as incentive fee and Accrued Interest (as defined herein)

- (1) The Company will redeem US\$50 for each US\$1,000 principal amount of the outstanding January 2024 New Notes in cash by October 18, 2022.

CONSENT SOLICITATION RELATING TO THE FOLLOWING NOTES (THE “CONSENT NOTES”)

Description of Debt Securities	Outstanding Principal Amount	ISIN	Common Code	Consent Fee (per US\$1,000 principal amount)
6.95% Senior Notes due 2023 (the “ July 2019 Notes ”) ¹	US\$419,600,000	XS2030333384	203033338	US\$2.50
6.25% Senior Notes due 2024 (the “ August 2020 Notes ”)	US\$500,000,000	XS2213954766	221395476	US\$2.50
5.95% Senior Notes due 2025 (the “ October 2020 Notes ”)	US\$535,000,000	XS2250030090	225003009	US\$2.50
4.9% Senior Notes due 2026 (the “ May 2021 Notes ”)	US\$200,000,000	XS2341882913	234188291	US\$2.50

On July 4, 2022, the Company is conducting the Exchange Offer with respect to the Exchange Notes held by non-U.S. persons outside the United States. The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum. The principal purpose of the Exchange Offer is to extend the Company’s debt maturity profile, strengthen its balance sheet and improve cash flow management.

The Company is also soliciting consents from the Notes Holders to certain proposed amendment to the Consent Notes Indentures pursuant to the Consent Solicitation as described in the Consent Solicitation Statement. The principal purpose of this Consent Solicitation and the Proposed Amendment is to amend the events of default provision in the Indentures to carve out any default or event of default in respect of each Series of Notes as a result of (i) a default or event of default occurring under the Exchange Notes, (ii) any final judgement for the payment of money or order for relief rendered against the Company in relation to the Exchange Notes, (iii) involuntary insolvency proceedings commenced against the Company with respect to or based on the Exchange Notes, or (iv) any consent from the Company to appoint a receiver for all or substantially all of the Company properties or undertake similar actions to defend against any remedy holders of the Exchange Notes may exercise, as set forth in the Consent Solicitation Statement.

INTRODUCTION

On the date of this announcement, the Company is conducting an exchange offer (the “**Exchange Offer**”) with respect to its outstanding 4.0% Senior Notes due July 2022 pursuant to the indenture dated July 26, 2021, as amended or supplemented from time to time (the “**Fourth 2022 Notes**”) and 7.125% Senior Notes due November 2022 pursuant to the indenture dated July 26, 2021, as amended or supplemented from time to time (the “**Second 2022 Notes**” and together with the Fourth 2022 Notes, the “**Exchange Notes**”) upon the terms and subject to the conditions set forth in the exchange offer memorandum dated July 4, 2022 (the “**Exchange Offer Memorandum**”). The purpose of the Exchange Offer is to extend the Company’s debt maturity profile, strengthen its balance sheet and improve cash flow management.

¹ The outstanding principal amount does not include US\$400,000 in aggregate principal amount of such Notes held by the Company’s Affiliates.

On the date of this announcement, the Company is also soliciting consents (the “**Consent Solicitation**”) from the Notes Holders to the Proposed Amendment to (i) the indenture dated as of July 23, 2019 (as amended or supplemented to the date hereof, the “**July 2019 Notes Indenture**”), by and among the Company, the Subsidiary Guarantors (as defined therein), the JV Subsidiary Guarantors (as defined therein) and Citicorp International Limited, as trustee, governing its 6.95% Senior Notes due 2023 (ISIN: XS2030333384; Common Code: 203033338) (the “**July 2019 Notes**”); (ii) the indenture dated as of August 10, 2020 (as amended or supplemented to the date hereof, the “**August 2020 Notes Indenture**”), by and among the Company, the Subsidiary Guarantors (as defined therein), the JV Subsidiary Guarantors (as defined therein) and Citicorp International Limited, as trustee, governing its 6.25% Senior Notes due 2024 (ISIN: XS2213954766; Common Code: 221395476) (the “**August 2020 Notes**”); (iii) the indenture dated as of October 30, 2020 (as amended or supplemented to the date hereof, the “**October 2020 Notes Indenture**”), by and among the Company, the Subsidiary Guarantors (as defined therein), the JV Subsidiary Guarantors (as defined therein) and Citicorp International Limited, as trustee, governing its 5.95% Senior Notes due 2025 (ISIN: XS2250030090; Common Code: 225003009) (the “**October 2020 Notes**”); (iv) the indenture dated as of May 13, 2021 (as amended or supplemented to the date hereof, the “**May 2021 Notes Indenture**” and, together with the July 2019 Notes Indenture, the August 2020 Notes Indenture and the October 2020 Notes Indenture, the “**Consent Notes Indentures**”, and each, an “**Consent Notes Indenture**”), by and among the Company, the Subsidiary Guarantors (as defined therein), the JV Subsidiary Guarantors (as defined therein) and Citicorp International Limited, as trustee, governing its 4.9% Senior Notes due 2026 (ISIN: XS2341882913; Common Code: 234188291) (the “**May 2021 Notes**” and, together with the July 2019 Notes, the August 2020 Notes and the October 2020 Notes, the “**Consent Notes**” and each, a “**Series of Notes**”) upon the terms and subject to the conditions set forth in the consent solicitation statement dated February 21, 2022 (the “**Consent Solicitation Statement**”).

The Exchange Offer and the Consent Solicitation are not inter-conditional. In addition, the Consent Solicitations in respect of each Series of Notes is an independent solicitation and not conditional upon the consummation of the Consent Solicitation in respect of any other Series of Notes.

Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Exchange Offer Memorandum and the Consent Solicitation Statement.

BACKGROUND AND PURPOSE

During the second half of 2021, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point. Reduced bank lending for real estate development has adversely affected access by property developers to onshore capital. Buyers’ concerns about the ability of property developers to deliver projects has adversely affected property sales. In addition, the use of pre-sale proceeds is also restricted under the applicable PRC policies. Driven by these negative onshore events and austerity policies, offshore capital markets have reacted negatively, which limited the Company’s funding sources to address upcoming maturities.

The property sector in China has continued to experience volatility in 2022. Further tightened bank lending, coupled with certain negative credit events, has intensified market concerns over the operations of Chinese property developers. As a result, pre-sale of Chinese property developers has generally decreased.

In addition, during the first half of 2022, there was an upsurge of COVID-19 cases in China, especially in the city of Shanghai. As of December 31, 2021, approximately 71.8% of the Group's projects and 67.1% of the Group's land bank were located in the Yangtze River Delta region. As such, the Group's operational and financial performance has been adversely affected by the recent COVID-19 outbreak in Shanghai, and the Group experienced a noticeable decline in the Group's aggregate contracted sales in recent months.

Against the backdrop of the adverse market conditions and recurrences of the COVID-19 outbreaks, the Company anticipates that the market condition in the real estate sector will remain under pressure in 2022. The Company's management has demonstrated its resolution and commitment to mitigate the effects of the recent adverse market conditions. The Company, therefore, is striving to meet its financial commitments by prudently utilizing its existing financial resources. As part of these efforts, the Company is conducting the Exchange Offer and the Consent Solicitation.

EXCHANGE OFFER

The Exchange Offer for the Exchange Notes commenced on July 4, 2022 and will expire at 4:00 p.m., London time, on July 13, 2022 (the "**Expiration Deadline**"), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of each series of the Company's outstanding Exchange Notes held by Eligible Holders. As of the date of the Exchange Offer Memorandum, US\$200,000,000, and US\$300,000,000, respectively, in aggregate principal amount of the Company's Fourth 2022 Notes and Second 2022 Notes are outstanding.

Eligible Holders of the Exchange Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Exchange Notes (other than the right to receive the Exchange Consideration) and will release and discharge the Company from any and all claims such holders may have, now or in the future, arising out of or related to such Exchange Notes, including any and all accrued and unpaid interest thereon. Any tendering Eligible Holder must tender its entire holding of Exchange Notes for exchange.

A separate instruction needs to be submitted per each beneficial owner of the Exchange Notes held through Euroclear and Clearstream. Instructions in connection with the Exchange Offer are irrevocable.

Exchange Consideration

The total exchange consideration for the Exchange Notes validly tendered prior to the Expiration Deadline and accepted for exchange (the “**Exchange Consideration**”) shall be a purchase price equal to:

- (1) for each US\$1,000 principal amount of the outstanding Fourth 2022 Notes that is validly tendered prior to the Expiration Deadline and accepted for exchange consisting of the following:
 - a. US\$950 in aggregate principal amount of the Company’s US\$ denominated senior notes due 2023 (the “**July 2023 New Notes**”);
 - b. US\$10 in cash as incentive fee (the “**Fourth 2022 Incentive Fee**”);
 - c. US\$50 principal repayment (the “**Upfront Payment**”) in cash;
 - d. any Accrued Interest on the Fourth 2022 Notes (paid in cash, rounded to the nearest US\$0.01, with US\$0.005 rounded upwards);
- (2) for each US\$1,000 principal amount of the outstanding Second 2022 Notes that is validly tendered prior to the Expiration Deadline and accepted for exchange consisting of the following:
 - a. US\$1,000 in aggregate principal amount of the Company’s US\$ denominated senior notes due 2024 (the “**January 2024 New Notes**”; together with the July 2023 New Notes, each a series of “**New Notes**” and collectively the “**New Notes**”). The Company will redeem US\$50 for each US\$1,000 principal amount of the outstanding January 2024 New Notes in cash by October 18, 2022;
 - b. US\$10 in cash as incentive fee (the “**Second 2022 Incentive Fee**”; together with the Fourth 2022 Incentive Fee, the “**Incentive Fee**”);
 - c. any Accrued Interest on the Second 2022 Notes (paid in cash, rounded to the nearest US\$0.01, with US\$0.005 rounded upwards).

The July 2023 New Notes will have a tenor of 364 days and will bear interest at 4.0% per annum, payable semi-annually in arrears.

The January 2024 New Notes will have a tenor of 18 months and will bear interest at 7.125% per annum, payable semi-annually in arrears.

Mandatory Redemption

Unless previously redeemed, on October 18, 2022, the Company will redeem US\$50 for each US\$1,000 principal amount of the outstanding January 2024 New Notes in cash. As such, the Company will effectively redeem the January 2024 New Notes in an amount of at least 5% of the aggregate principal amount of the Second 2022 Notes validly tendered and accepted for exchange pursuant to the Exchange Offer as set forth in the Exchange Offer Memorandum.

Application will be made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the New Notes on the SGX-ST. 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 or any of their respective subsidiaries or associated companies, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees. 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 will be traded in a minimum board lot size of US\$150,000.

Minimum Acceptance Amount

The minimum aggregate principal amount of the Exchange Notes, being 90%, of the outstanding principal amount of each series of the Exchange Notes (the “**Minimum Acceptance Amount**”), for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer. The Company reserves the right, in its sole discretion, to accept less than the Minimum Acceptance Amount of each series of the Exchange Notes, or to accept none of such Exchange Notes, for exchange pursuant to the Exchange Offer.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer.

Date	Event
July 13, 2022 (4:00 p.m., London time)	Expiration Deadline. This being the last date and time on which Eligible Holders of the Exchange Notes who validly tender Exchange Notes are eligible to receive the relevant Exchange Consideration, as this is the last date and time for Eligible Holders of the Exchange Notes to participate in the Exchange Offer.
As soon as practicable after the Expiration Deadline	Announcement of the amount of tenders for exchange received prior to the Expiration Deadline, whether Requisite Consent has been received, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Exchange Notes validly tendered, accepted and exchanged.
On or about July 15, 2022	Subject to satisfaction of the conditions as set forth under “The Exchange Offer Conditions to the Exchange Offer” in the Exchange Offer Memorandum, settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Exchange Notes have been validly tendered and accepted for exchange.
On or about July 16, 2022	Listing of the New Notes on the SGX-ST.

Conditions to the Exchange Offer

The acceptance for exchange and the Company's obligation to consummate the Exchange Offer, are conditional upon, among other things:

- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in the Company's best interests; and
- satisfaction of certain other conditions as set forth in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived. Although the Company have no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. The Company will give you notice of any amendments, modifications or waivers as and if required by applicable law.

The Exchange Offer and the Consent Solicitation are not inter-conditional and consummation of the Consent Solicitation (in whole or in part) is not a condition to the consummation of the Exchange Offer.

CONSENT SOLICITATION

Summary of the Terms of the Consent Solicitation

The Company is soliciting consents from Notes Holders to Proposed Amendment to the Consent Notes Indentures, and to be entered into by and among the Company, the Subsidiary Guarantors and the Trustee of a supplemental indenture in relation to each Series of Notes giving effect to the Proposed Amendment (each such supplemental indenture, a "**Consent Supplemental Indenture**" or the relevant "**Consent Supplemental Indenture**" and, collectively, the "**Consent Supplemental Indentures**"). As of the date of the Consent Solicitation Statement, US\$419,600,000, US\$500,000,000, US\$535,000,000 and US\$200,000,000, respectively, in aggregate principal amount of the Company's July 2019 Notes, August 2020 Notes, October 2020 Notes and May 2021 Notes are outstanding. The outstanding principal amount of the July 2019 Notes does not include US\$400,000 in aggregate principal amount of such Notes held by the Company's Affiliates.

By validly delivering consents pursuant to the instructions set out in the Consent Solicitation Statement, Notes Holders will be deemed to have given Consent in the Consent Solicitation. A consenting Notes Holder must consent to the Proposed Amendment as an entirety and may not consent selectively with respect to certain aspect of the Proposed Amendment. All Consents delivered and accepted will be deemed to be Consents to the Proposed Amendment as a whole. The Consents may not be revoked once submitted.

The Proposed Amendment will become effective upon execution of and delivery to the Trustee the Consent Supplemental Indentures to the Consent Notes Indentures. If Requisite Consents (as defined below) are received with respect to each Series of Notes and the Proposed Amendment becomes effective for such Series of Notes, the Proposed Amendment will be binding on all Holders of such Series of Notes, including non-consenting Holders.

Consent Fee

With respect to the Consent Notes, the Company is offering the holders of record of the relevant series of the Consent Notes a consent fee of US\$2.5 for each US\$1,000 in principal amount of the Consent Notes (the “**Consent Fee**”), in respect of which any Holder has validly delivered a consent on or prior to the Expiration Deadline of the Consent Solicitation as described above. The Company’s obligation to accept consents and pay the Consent Fee is conditioned on, among other things, there being validly delivered consents from the Holders of not less than a majority in aggregate principal amount of the outstanding Consent Notes of each Series (the “**Requisite Consents**”). For the avoidance of doubt, the Company’s acceptance of consents for any Series is not dependent on the receipt of the Requisite Consents of any other Series.

Summary Timetable of the Consent Solicitation

The following summarizes the anticipated timetable for the Consent Solicitation.

Event	Time and Date	Description
Record Date	July 1, 2022.	Only the Holders of record as of the Record Date are eligible to consent to the Proposed Amendment. See “Important Information” in the Consent Solicitation Statement.
Expiration Deadline	4:00 p.m., London Time, July 13, 2022, unless extended by the Company or terminated.	In order to be eligible to receive the Consent Fee, Consents must be validly delivered prior to the Expiration Deadline.
Announcement of Results	As soon as reasonably practicable after the Expiration Deadline.	Announcement of whether the Company has received the Requisite Consents necessary for the Proposed Amendment to the Indentures.
Payment of the Consent Fee	Expected to be July 15, 2022 or as soon as practicable after the Expiration Deadline and the Conditions under “The Consent Solicitation – Conditions to this Consent Solicitation” are met (or waived by the Company) in the Consent Solicitation Statement.	Subject to satisfaction of the conditions for payment of the Consent Fee, the Company will pay the Consent Fee to each Holder who has validly delivered its Consent prior to the Expiration Deadline.

Subject to satisfaction of the conditions for payment of the Consent Fee, the Company will pay the applicable Consent Fee to each Notes Holder who has validly delivered its Consent on or prior to the Expiration Deadline.

Conditions to the Consent Solicitation

The Company's obligation to accept the Consent Solicitation and pay the applicable Consent Fee, is conditional upon, among other things:

- (a) receipt of the Requisite Consents in respect of each Series of Notes being validly delivered pursuant to the terms of this Consent Solicitation on or prior to the Expiration Deadline;
- (b) execution of each of the Consent Supplemental Indentures by each of the parties contemplated therein;
- (c) the absence of any law or regulation which would, and the absence of any pending or threatened injunction or other proceeding which (if adversely determined) would, make unlawful or invalid or enjoin the implementation of the Proposed Amendment or the payment of the Consent Fee, or that would question the legality or validity thereof; and
- (d) (A) no change (or development involving a prospective change) shall have occurred or shall be threatened in the Group's business, properties, assets, liabilities, financial condition, operations, or results of operations, and (B) no change (or development involving a prospective change) shall have occurred in financial markets generally or affecting the Company's equity, or the Consent Notes, or the Company's other indebtedness, that, in the Company's reasonable judgment in the case of either (A) or (B) above, is or may be adverse to the Company or has or may have a material adverse effect upon the contemplated benefits to the Company and/or any of the Company's affiliates of this Consent Solicitation.

The foregoing conditions are for the Company's sole benefit and the Company may, in its sole discretion, waive any of the Conditions with respect to any Series of Notes, in whole or in part, at any time and from time to time or otherwise amend this Consent Solicitation at any time prior to the acceptance of Consents with respect to any Series of Notes. No Consent Fee will be paid with respect to any of the Notes if (i) the Consent Solicitation is terminated; or (ii) any of the Conditions is not satisfied (or waived by the Company) for any reason.

The Exchange Offer and the Consent Solicitation are not inter-conditional and consummation of the Consent Solicitation in respect of any Series of Notes is not conditional upon the consummation of the Exchange Offer. In addition, the Consent Solicitations in respect of each Series of Notes is an independent solicitation and not conditional upon the consummation of the Consent Solicitation in respect of any other Series of Notes.

FURTHER DETAILS

The Company has appointed Haitong International Securities Company Limited as the solicitation agent with respect to this Consent Solicitation and as dealer manager with respect to this Exchange Offer, and Morrow Sodali Limited as Information, Exchange and Tabulation Agent with respect to the Consent Solicitation, and as Information and Exchange Agent with respect to the Exchange Offer. The Consent Solicitation Statement, this announcement and all documents related to the Consent Solicitation can be found on the Consent Website: <https://projects.morrowsodali.com/powerlongconsent>. The Exchange Offer Memorandum, this announcement and all documents related to the Exchange Offer can be found on the Exchange Website: <https://projects.morrowsodali.com/powerlongexchange>. Requests for copies of the Consent Solicitation Statement, the Exchange Offer Memorandum and their related documents may also be directed to the Information, Exchange and Tabulation Agent at the address and telephone number as set forth below. The contact information of Haitong International Securities Company Limited and Morrow Sodali Limited is set out as follows:

Haitong International Securities Company Limited

28/F One International Finance Centre
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Attention: Debt Capital Markets

Morrow Sodali Limited

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Email: powerlong@investor.morrowsodali.com
Consent Website: <https://projects.morrowsodali.com/powerlongconsent>
Exchange Website: <https://projects.morrowsodali.com/powerlongexchange>

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

SHAREHOLDERS, NOTES HOLDERS, ELIGIBLE HOLDERS OF THE EXCHANGE NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE CONSENT SOLICITATION AND THE EXCHANGE OFFER IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE CONSENT SOLICITATION AS SET FORTH IN THE CONSENT SOLICITATION STATEMENT AND THE EXCHANGE OFFER AS SET FORTH IN THE EXCHANGE OFFER MEMORANDUM, AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE CONSENT SOLICITATION OR THE EXCHANGE OFFER WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE CONSENT SOLICITATION OR THE EXCHANGE OFFER WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE CONSENT SOLICITATION AND THE EXCHANGE OFFER. AS THE CONSENT SOLICITATION AND THE EXCHANGE OFFER MAY OR MAY NOT PROCEED, SHAREHOLDERS, NOTES HOLDERS, ELIGIBLE HOLDERS OF THE EXCHANGE NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE CONSENT NOTES.

The Consent Solicitation and the Exchange Offer is not being made to (nor will the tender of the Exchange Notes and the delivery of Consents be accepted from or on behalf of) Notes Holders or Eligible Holders of Exchange Notes in any jurisdiction where the making or acceptance of the Consent Solicitation or the Exchange Offer would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Consent Solicitation or the Exchange Offer or the delivery of Consents would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Consent Solicitation and the Exchange Offer will not be made to (nor will tenders or Consents be accepted from or on behalf of) any Notes Holders or Eligible Holders of Exchange Notes residing in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this announcement are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Accrued Interest”	accrued and unpaid interest to be paid in cash on any Exchange Notes validly tendered by Eligible Holders and accepted for exchange, up to but not including the Settlement Date;
“August 2020 Notes”	6.25% Senior Notes due 2024 issued by the Company;
“Board”	the board of Directors of the Company;
“Clearstream”	Clearstream Banking S.A.;
“Company”	Powerlong Real Estate Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange;
“Consents”	the consent of a Holder to the applicable Proposed Amendment;
“Consent Fee”	a consent fee of US\$2.5 for each US\$1,000 in principal amount of the Consent Notes, in respect of which any Holder has validly delivered a consent on or prior to the Expiration Deadline of the Consent Solicitation;
“Consent Notes”	the July 2019 Notes, the August 2020 Notes, the October 2020 Notes and the May 2021 Notes, each, a “Series of Notes”;
“Consent Notes Indentures”	the indenture dated as of July 23, 2019 in relation to the July 2019 Notes; the indenture dated as of August 10, 2020 in relation to the August 2020 Notes; the indenture dated as of October 30, 2020 in relation to the October 2020 Notes and the indenture dated as of May 13, 2021 in relation to the May 2021 Notes;
“Consent Solicitation”	solicitation from the Company seeking Consents to the Proposed Amendment to the Indentures as a single proposal;
“Consent Solicitation Statement”	the consent solicitation statement dated July 4, 2022 in relation to the Consent Solicitation;
“Consent Supplemental Indenture”	the supplemental indenture to be entered into by and among the Company, the Subsidiary Guarantors and the Trustee in relation to each Series of Notes giving effect to the Proposed Amendment and, collectively, the “Consent Supplemental Indentures”;
“Director(s)”	the director(s) of the Company;

“Eligible Holders”	holders who are non-U.S. persons (as those terms are defined under Regulation S) located outside the United States and hold the Exchange Notes through Euroclear or Clearstream, or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined under Regulation S) outside the United States and holding the Exchange Notes through Euroclear or Clearstream;
“Euroclear”	Euroclear Bank SA/NV;
“Exchange Offer”	the exchange offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	the exchange offer memorandum dated July 4, 2022 in relation to the Exchange Offer;
“Exchange Notes”	the Fourth 2022 Notes and the Second 2022 Notes;
“Exchange Notes Indentures”	the indentures governing the Exchange Notes;
“Exchange Notes Trustees”	Citicorp International Limited, as trustee to the Exchange Notes;
“Fourth 2022 Notes”	4.0% Senior Notes due July 2022 issued by the Company;
“Group”	the Company and its subsidiaries;
“Holder”	the registered holder of a Series of the Notes, as the case may be and, all Notes Holders collectively, “Notes Holders”;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“July 2019 Notes”	6.95% Senior Notes due 2023 issued by the Company;
“JV Subsidiary Guarantees”	certain of the Company’s offshore subsidiaries that provide limited recourse guarantees to the Consent Notes and the Exchange Notes;
“October 2020 Notes”	5.95% Senior Notes due 2025;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Amendment”	the proposed amendments as mentioned and defined in the Consent Solicitation Statement;

“Regulation S”	Regulation S under the U.S. Securities Act;
“Requisite Consents”	the consents being validly delivered from the Holders of not less than a majority in aggregate principal amount of the outstanding Consent Notes of each Series;
“Second 2022 Notes”	7.125% Senior Notes due November 2022;
“Settlement Date”	on or about July 15, 2022, unless the Exchange Offer is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	certain of the Company’s offshore subsidiaries that provide guarantees to the Consent Notes and the Exchange Notes;
“Trustee”	Citicorp International Limited;
“U.S.” or “United States”	The United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States;
“%”	per cent.

By order of the Board
Powerlong Real Estate Holdings Limited
HOI Kin Hong
Chairman

Hong Kong, July 4, 2022

As of the date of this announcement, the executive directors of the Company are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping, Ms. Shih Sze Ni Cecilia and Mr. Zhang Hong Feng; the non-executive director of the Company is Ms. Hoi Wa Fan; and the independent non-executive directors of the Company are Dr. Ngai Wai Fung, Dr. Mei Jian Ping and Dr. Ding Zu Yu.