

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.



POWERLONG

宝龙

POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated with limited liability under the laws of the Cayman Islands)

(Stock Code: 1238)

RESULTS OF EXCHANGE OFFER AND CONSENT SOLICITATION OF NOTES

Reference is made to the announcement of the Company dated July 4, 2022 in relation to the commencement of the Exchange Offer and the Consent Solicitation of certain senior notes (the “**Announcement**”). Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcement as the context requires.

1. RESULTS OF THE EXCHANGE OFFER

The Exchange Offer expired at 4:00 p.m., London time, on July 13, 2022. The Company is pleased to announce that it has waived the Minimum Acceptance Amount condition under the Exchange Offer and that, as of the Expiration Deadline, US\$178,706,000 representing approximately 89.35% of the aggregate principal amount of the Fourth 2022 Notes, and US\$262,741,000 representing approximately 87.58% of the aggregate principal amount of the Second 2022 Notes, respectively, has been validly tendered for exchange and accepted by the Company pursuant to the Exchange Offer.

The Company would like to express its sincere gratitude to holders who have participated in the Exchange Offer and Consent Solicitation. The consummation of the Exchange Offer and Consent Solicitation will enable the Company to effectively extend its offshore debt maturity profile.

With respect to the Exchange Notes submitted for exchange, subject to the fulfilment or waiver of the other conditions precedent to the Exchange Offer, Eligible Holders of the Exchange Notes accepted and exchanged in the Exchange Offer will receive the applicable Exchange Consideration on the date of settlement, which is expected to be on or about July 15, 2022.

2. RESULTS OF THE CONSENT SOLICITATION

The Consent Solicitation expired at 4:00 p.m., London time, on July 13, 2022. The Company is pleased to announce that it has received the Requisite Consents necessary to effect the Proposed Amendment to each of the Consent Notes Indentures.

As the Requisite Consents have been received, the Company and the Subsidiary Guarantors and JV Subsidiary Guarantors intend to execute Supplemental Indentures with respect to each of the Consent Notes Indentures with the Trustee as soon as practicable to give effect to the Proposed Amendment.

The Company currently expects the Consent Fee will be paid on July 15, 2022, subject to the consummation of the Consent Solicitation and satisfaction of the conditions for payment of the Consent Fee.

3. PROPOSED ISSUE OF NEW NOTES

Upon completion of the Exchange Offer, the Company will issue US\$169,770,700 in aggregate principal amount of 4.0% senior notes due 2023 (the “**July 2023 New Notes**”) and US\$262,741,000 in aggregate principal amount of 7.125% senior notes due 2024 (the “**January 2024 New Notes**”, and together with the July 2023 New Notes, the “**New Notes**”).

Principal terms of the New Notes

The following is a summary of certain provisions of the New Notes and the indentures governing the New Notes (the “**New Notes Indentures**”). This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the New Notes Indentures, the New 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, the Company will issue US\$169,770,700 of the July 2023 New Notes and US\$262,741,000 of the January 2024 New Notes, pursuant to the Exchange Offer, which will mature on July 14, 2023 and January 15, 2024, respectively (the “**Maturity Date**”), unless earlier redeemed pursuant to the terms thereof.

Interest

The July 2023 New Notes will bear interest at 4.0% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable in arrears on January 15, 2023 and July 14, 2023.

The January 2024 Notes will bear interest at 7.125% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable in arrears on January 15, 2023, July 15, 2023 and January 15, 2024.

Repayment on the Maturity Date

The Company will repay all outstanding principal amount of the New Notes at 100.0% of such principal amount, plus accrued and unpaid interest, if any, on the Maturity Date.

Ranking of the New Notes

The New Notes (1) are general obligations of the Company; (2) are senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes; (3) rank and will rank at least pari passu in right of payment with respect to all unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) are guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors on a senior basis, subject to certain limitations; (5) are effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors to the extent of the value of the assets serving as security therefor; and (6) are effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors.

Events of Default

The New Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the New 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 Notes Indentures. If an event of default occurs and is continuing, the trustee under the New Notes Indentures, as the case may be, or the holders of at least 25% of the New Notes may declare the principal of the New 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 Notes will carve out any of the Fourth 2022 Notes, the 5.0% senior notes due 2022 issued under an indenture dated October 5, 2021 (the “**October 2022 Notes**”), and the Second 2022 Notes under the cross-default events, certain final judgments, involuntary bankruptcy proceedings and consents to the appointment of a receiver for all or substantially all of the property and assets of the Company or any Restricted Subsidiary.

Covenants

Subject to certain qualifications and exceptions, the New Notes and the New Notes Indentures 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.

Mandatory Redemption of the January 2024 New Notes

Unless previously redeemed, on October 18, 2022, the Company shall redeem the January 2024 New Notes in the principal amount equal to 5% of the aggregate principal amount of such January 2024 New Notes issued on the Original Issue Date and any additional January 2024 New Notes issued by October 18, 2022, unless otherwise required by law, at a redemption price equal to 100% of the principal amount of such notes to be redeemed plus accrued and unpaid interest, if any, to (but excluding) October 18, 2022.

Optional Redemption for the New Notes

The New Notes may be redeemed in the following circumstance:

At any time and from time to time prior to July 14, 2023, the Company may at its option redeem the July 2023 New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to January 15, 2024, the Company may at its option redeem the January 2024 New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

Listing of the New Notes

The Company will seek a listing of the New Notes on the SGX-ST. Approval-in-principle for the listing of the New Notes has been received from the SGX-ST for the listing of the New Notes. Admission of the New Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the New Notes.

FURTHER DETAILS

The Company has appointed Haitong International Securities Company Limited as the solicitation agent with respect to the Consent Solicitation and as dealer manager with respect to the Exchange Offer, and Morrow Sodali Limited as Information 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

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No. 1 Harbour View Street
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103 Wigmore Street
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Consent Website: <https://projects.morrowsodali.com/powerlongconsent>
Exchange Website: <https://projects.morrowsodali.com/powerlongexchange>

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.

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) Holders of the Consent Notes 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 Holders of the Consent Notes or Eligible Holders of Exchange Notes residing in such jurisdiction.

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, HOLDERS OF THE CONSENT NOTES, 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, HOLDERS OF THE CONSENT NOTES, ELIGIBLE HOLDERS OF THE EXCHANGE NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE CONSENT NOTES.

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.

IMPORTANT NOTICE – THE EXCHANGE OFFER AND CONSENT SOLICITATION ARE 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 AND THE CONSENT NOTES IN THE EXCHANGE OFFER AND CONSENT SOLICITATION.

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

Hong Kong, July 14, 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.