



**RiseSun Real Estate Development Co., Ltd.**

**荣盛房地产发展股份有限公司**

*(incorporated with limited liability in the People's Republic of China)*

**CONSENT SOLICITATION RELATING TO**

**9.5% SENIOR NOTES DUE 2023 (ISIN: XS2420457348; Common Code: 242045734) and  
9.5% SENIOR NOTES DUE 2024 (ISIN: XS2420457421; Common Code: 242045742)**

The Board announces that the Company and the Issuer are soliciting consent (the “Consents”) from the Holders of the 2023 Notes and the Holders of the 2024 Notes to the Proposed Waivers, in the manner more fully described in the Consent Solicitation Statement sent to the Holders at the Launch Date, which is summarized under the section headed “The Consent Solicitation” in this announcement.

The principal purposes of the Consent Solicitation is to obtain the Proposed Waivers under each of the Indentures in order to improve our liquidity and cash flow management.

**As there is no assurance that the Requisite Consents will be obtained, Shareholders, Holders and potential investors are advised to exercise caution when dealing in the securities of the Company or the Issuer.**

**Introduction**

On March 17, 2022, the Issuer, an indirect wholly owned subsidiary of the Company, issued US\$200,715,000 aggregate principal amount of the 2023 Notes and US\$540,000,000 aggregate principal amount of the 2024 Notes. The Notes are listed on the SGX-ST. As of the date of this announcement, US\$199,341,233 in aggregate principal amount of the 2023 Notes is outstanding and US\$531,289,517 in aggregate principal amount of the 2024 Notes is outstanding. Any Notes held by us or any of our Affiliates (as defined under the Indentures) shall be disregarded and deemed not to be outstanding for purposes of determining whether the Holders of the requisite amount of outstanding Notes have consented to the Proposed Waivers. As of the date hereof, neither we nor any of our Affiliates, to our knowledge, held any Notes.

The Board announces that the Company and the Issuer are soliciting consents from the Holders to obtain the Proposed Waivers in the manner more fully described in the Consent Solicitation Statement sent to the Holders at the Launch Date, which is summarized under the section headed “The Consent Solicitation” in this announcement.

Capitalized terms used herein and not otherwise defined shall have the same meanings as those defined in the Consent Solicitation Statement, which is available, subject to eligibility confirmation and registration, on the Consent Website: <https://projects.morrowsodali.com/risesunconsent>.

**Background and Purpose of the Consent Solicitation**

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. Since then, reduced bank lending for real estate development has adversely affected access by property developers to onshore capital. Reduced bank lending for mortgage finance for buyers, combined with buyers' concerns about the ability of property developers to complete projects, has adversely affected property sales. In addition, the use of pre-sale proceeds is also restricted under the applicable PRC laws. Negative reaction to these onshore events by offshore capital markets has curtailed our funding sources to address upcoming maturities. In 2022, the property sector in China has continued to experience volatility. More and more negative credit events among property developers have intensified market concerns over the operations of Chinese property developers. As a result, pre-sale of

Chinese property developers has generally decreased. In addition, the recent depreciation of renminbi against US dollars negatively affected our ability to repay US dollar denominated debts.

In March 2022, with the support of Holders, we completed a scheme of arrangement in the British Virgin Islands under which the Notes were issued. However, since then, operating environment affecting the real estate sector in the PRC has continued to deteriorate. Neither the Issuer nor Company have made interest payments on the 2023 Notes and the 2024 Notes for the Interest Payment Dates of September 16, 2022 and September 17, 2022, respectively, and as a result, a Default has occurred and is currently continuing under both the 2023 Notes and the 2024 Notes, which would lead to an Event of Default on October 16, 2022 and October 17, 2022, respectively, if the accrued interest is not paid by such dates. The Group may not have sufficient available funds to make such interest payments before October 16, 2022 and/or October 17, 2022. As such, if the Requisite Consents are not received and an Event of Default occurs under the 2023 Notes or the 2024 Notes, such Event of Default may, in turn, constitute an event of default under other indebtedness, that could cause the Group to fail to meet payment obligations under its outstanding indebtedness, which would have significant material adverse effect on the Group's business, operations and financial condition, including possibly insolvency or other forms of restructuring. Such developments would adversely affect the interests of the Holders, including those that did not give their Consent to the Proposed Waivers.

We are working on generating sufficient cash flow to meet our financial commitments, including, among others, through extension of our existing credit facilities, opportunistic financing and expenditure conservation. As part of these efforts, we are conducting the Consent Solicitation to obtain the Proposed Waivers under each of the Indentures in order to improve our liquidity and cash flow management. However, due to the current prolonged deterioration of market conditions, the Group is expected to continue to have significant liquidity and cash flow constraints, and there is no guarantee that our financial condition will improve even if the Consent Solicitation succeeds, and we may have to consider alternative actions, including a possible restructuring. In that regard, the Company has engaged in discussions with certain Holders holding a substantial amount of the Notes. Such Holders have suggested to the Company that it should start considering a potential restructuring should the Consent Solicitation fail or, even if the Consent Solicitation is successful, in light of the deteriorating market conditions, to prepare for March 2023 when the principal of the Notes become due. The Company is open to constructive discussion with such Holders and plans to sign a memorandum of understanding should the structure of the restructuring be agreed upon with such Holders, and to commence working on the restructuring plan after the completion of the Consent Solicitation as an alternative should its liquidity not improve by March 2023. The Company expects that such restructuring, if implemented, will rearrange the Notes with a long term and sustainable perspective, and with credit enhancement from cash flows generated from projects being developed. The Company will seek to ensure that any such plan will treat all Holders fairly, and will provide updates to all Holders on any material development as appropriate.

Holders may refer to the Consent Solicitation Statement for more details on the background and purpose of the Consent Solicitation.

### **The Consent Solicitation**

The principal purpose of the Consent Solicitation and the Proposed Waivers is to waive a default in the payment of interest on each of the Notes until March 16, 2023 (with respect to the 2023 Notes, which is the maturity date of the 2023 Notes) and March 17, 2023 (with respect to the 2024 Notes, which is the next succeeding Interest Payment Date of the 2024 Notes), waive all past defaults under each of the Indentures in connection with any failures by the Issuer and the Parent Guarantor to make payments on interest when due on each of the Notes, and to rescind and annul any declarations of acceleration and its consequences related to such non-payments and to waive the requirement under each of the Notes to declare a special record date for the payment of overdue interest.

We are seeking the Requisite Consents from the Holders in relation to the Proposed Waivers to improve our liquidity and cash flow management. Should this Consent Solicitation not pass, the Company and the Issuer may not have enough liquidity to repay the accrued and unpaid interest on the Notes, which may result in Events of Default under the Notes, which may, in turn, constitute an event of default under other indebtedness of the Group, that could cause the Group to fail to meet payment obligations under its outstanding indebtedness, which would have significant material adverse effect on the Group's business, operations and financial condition, including possibly insolvency or other forms of restructuring.

For details of the Proposed Waivers under the Consent Solicitation, please see the Consent Solicitation Statement.

The Proposed Waivers constitute a single proposal with respect to each of the 2023 Notes Indenture and the 2024 Notes Indenture. A consenting Holder must consent to the Proposed Waivers with respect to the 2023 Notes or the 2024 Notes as an entirety and may not consent selectively with respect to certain of such Proposed Waivers.

Subject to the terms and conditions of the Consent Solicitation, the Issuer will make a one-time cash payment of (i) US\$2.5 for each US\$1,000 in principal amount of the Notes to each Holder who has validly delivered (and not validly revoked) a Consent at or prior to the Expiration Deadline. The Issuer will make the payment of the Consent Fee on the Settlement Date, which it currently expects to be on October 28, 2022.

#### Indicative Timetable

<u>Date</u>	<u>Calendar date and/or time</u>	<u>Event</u>
Commencement Date .....	October 11, 2022	Commencement and announcement of the Consent Solicitation on the terms and subject to the conditions set forth in the Consent Solicitation Statement.
Expiration Deadline .....	4.00pm, London time, on October 25, 2022, unless extended or earlier terminated by the Issuer in its sole discretion.	The latest time and date for Holders to validly deliver Consents in order to qualify for the payment of the Consent Fee on the Settlement Date.
Results Announcement Date .	The Issuer expects this to be one business day after the Expiration Deadline.	The announcement of whether the Requisite Consent Condition has been satisfied and, if so, the announcement of whether the Issuer will accept such consents and, if so, the announcement of the Settlement Date.
Settlement Date .....	The Issuer expects this date to be on October 28, 2022.	The date on which the Issuer will deposit with the Clearing Systems such cash amounts necessary to pay each Holder the Consent Fee in respect of the Consents that are deemed to have been delivered. On receipt of such cash amounts, the Clearing Systems will make payments promptly to the accounts in the Clearing Systems of the relevant Direct Participants.

Notwithstanding any other provision of the Consent Solicitation, the Issuer will not be obligated to pay the Consent Fee if any of the following shall not have occurred: (i) satisfaction of the Requisite Consent Condition, (ii) satisfaction of the General Conditions; and (iii) satisfaction of the other conditions set forth in the Consent Solicitation Statement

All Consents received shall remain valid and irrevocable.

**IF THE REQUISITE CONSENTS ARE NOT RECEIVED AND THE PROPOSALS DO NOT BECOME EFFECTIVE, THE COMPANY AND THE ISSUER EXPECTS THAT IT WILL NOT BE ABLE TO REPAY THE ACCRUED AND UNPAID INTEREST FOR THE INTEREST PAYMENT DATE OF SEPTEMBER 16, 2022 FOR THE 2023 NOTES AND THE ACCRUED AND UNPAID INTEREST FOR THE INTEREST PAYMENT DATE OF SEPTEMBER 17, 2022 FOR THE 2024 NOTES, WHICH MAY RESULT IN EVENTS OF DEFAULT UNDER THE NOTES**

If the Requisite Consents are not received on or prior to the Expiration Deadline or if the Issuer has not accepted any consents in respect of the Notes, (i) the Proposed Waivers will not be effected, and (ii) no Consent Fee will be paid to any Holder.

If the Requisite Consents are received on or prior to the Expiration Deadline and the Proposed Waivers become effective, the Proposed Waivers will be binding on all Holders, including non-consenting Holders. However, non-consenting Holders will not receive any Consent Fee.

**Further Details**

For a detailed statement of the terms and conditions of the Consent Solicitation, Holders should refer to the Consent Solicitation Statement.

The Issuer has appointed Haitong International Securities Company Limited as the Solicitation Agent, and Morrow Sodali Limited as Information and Tabulation Agent with respect to the Consent Solicitation (each as stipulated in the Consent Solicitation Statement and its related documents). 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/risesunconsent>. 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  
Central, Hong Kong  
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Attention: Debt Capital Markets  
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**Information About the Group**

The Group is a leading real estate developer in the PRC, focusing on developing quality residential properties. Founded in Hebei province in 1996, the Group has established a strong market position in the Beijing-Tianjin-Hebei Bohai Economic Rim and the Yangtze River Delta Region, and has been actively expanding into the Greater Bay Area and central and western China. The Group's shares have been listed on the Shenzhen Stock Exchange since 2007. The Group primarily develops small-to-mid-sized residential properties targeting first-time homebuyers and upgraders. In addition to the property development business, with a view to diversifying its business portfolio and creating multiple streams of income, the Group has also expanded into other businesses, including, among others, new industry town and development and operations, hotel and resort operations, architectural design, health care, and internet and finance businesses.

## General

This announcement is not a solicitation of consent with respect to the Notes. The Consent Solicitation is being made solely pursuant to the Consent Solicitation Statement and related documents dated October 11, 2022, which set forth in detail the terms of the Consent Solicitation. Holders should not contact the Company with respect to the Consent Solicitation and should not rely solely on this announcement. All statements contained herein are qualified by the Consent Solicitation Statement.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession of this announcement comes are required to inform themselves about, and to observe, any such restrictions.

Forward-looking statements in this announcement, including those statements relating to the Consent Solicitation, are based on current expectations, assumptions, estimates and projections about the Group and its industry. These statements are not guarantees of future performance and that the Group's actual results of operations, financial condition and liquidity, and the development of the industry in which the Group 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 Group, changes in the business and financial condition of the Group 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 or shall have the meanings given to them in the Consent Solicitation Statement as applicable:

“2023 Notes”	the US\$ denominated Senior Notes due 2023 issued by the Issuer and unconditionally and irrevocably guaranteed by the Company
“2024 Notes”	the US\$ denominated Senior Notes due 2024 issued by the Issuer and unconditionally and irrevocably guaranteed by the Company
“Board”	the board of Directors of the Company
“Clearstream”	Clearstream Banking S.A
“Company”	RiseSun Real Estate Development Co., Ltd. (荣盛房地产发展股份有限公司)
“Consent Solicitation”	solicitation from the Company and the Issuer seeking Consents to all of the Proposed Waivers to the Indentures as a single proposal
“Consent Solicitation Statement”	the consent solicitation statement dated October 11, 2022 in relation to the Consent Solicitation
“Director(s)”	the director(s) of the Company
“Euroclear”	Euroclear Bank SA/NV
“Group”	the Company and its subsidiaries
“Holder”	the holder of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	RongChangDa Development (BVI) Limited (荣昌达发展(BVI)有限公司)

“Launch Date”	October 11, 2022
“Notes”	the 2023 Notes and the 2024 Notes
“PRC”	the People’s Republic of China
“Regulation S”	Regulation S under the U.S. Securities Act
“Shareholder”	the shareholder of the Company
“SGX-ST”	Singapore Exchange Securities Trading 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\$” or “US dollar”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board  
**RiseSun Real Estate Development Co., Ltd.**  
**Geng Jianming**  
*Director*

October 11, 2022

*As of the date of this announcement, the directors of the Company are Mr. Geng Jianming, Mr. Qin Desheng, Mr. Jing Zhonghua, Mr. Wu Xiaofeng, Mr. Zou Jiali, Ms. Li Aihong, Mr. Wang Li, Mr. Cheng Yumin and Ms. Huang Yuhua.*