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*No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.*

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**廣州富力地產股份有限公司**  
**GUANGZHOU R&F PROPERTIES CO., LTD.\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 2777)**

**ISSUANCE OF US\$450 MILLION 8.125% SENIOR NOTES DUE 2024**  
**BY EASY TACTIC LIMITED**

On 4 July 2019, the Issuer, the Company, R&F HK and the other Subsidiary Guarantors entered into the Subscription Agreement with Goldman Sachs (Asia) L.L.C., HeungKong Financial, Credit Suisse, Bank of America Merrill Lynch and J.P. Morgan in connection with the Notes Issue.

The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by R&F HK, the other Subsidiary Guarantors and any future JV Subsidiary Guarantors. In connection with the Notes Issue and to assist the Issuer and R&F HK in meeting their respective obligations under the Notes, the Company will enter into the Keepwell Deed and the Equity Interest Purchase Undertaking.

The Group intends to use the net proceeds of the Notes Issue mainly for offshore refinancing.

Application will be made for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes. SGX-ST assumes no responsibility for the contents of this announcement.

No listing of the Notes has been or will be sought in Hong Kong.

**The issue of the Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

On 4 July 2019, the Issuer, the Company, R&F HK and the other Subsidiary Guarantors entered into the Subscription Agreement with Goldman Sachs (Asia) L.L.C., HeungKong Financial, Credit Suisse, Bank of America Merrill Lynch and J.P. Morgan in connection with the Notes Issue.

## **THE SUBSCRIPTION AGREEMENT**

**Date:** 4 July 2019

**Parties:** (i) the Issuer;  
(ii) the Company;  
(iii) R&F HK;  
(iv) the other Subsidiary Guarantors;  
(v) Goldman Sachs (Asia) L.L.C.;  
(vi) HeungKong Financial;  
(vii) Credit Suisse;  
(viii) Bank of America Merrill Lynch; and  
(ix) J.P. Morgan.

Pursuant to the Subscription Agreement, the Issuer will issue the Notes and Goldman Sachs (Asia) L.L.C., HeungKong Financial, Credit Suisse, Bank of America Merrill Lynch and J.P. Morgan will be the initial subscribers of the Notes.

The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by R&F HK, the other Subsidiary Guarantors and any future JV Subsidiary Guarantors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Goldman Sachs (Asia) L.L.C., HeungKong Financial, Credit Suisse, Bank of America Merrill Lynch and J.P. Morgan is an independent third party and is not a connected person of the Company.

The following is a brief summary of the Notes Issue. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Trust Deed, the Notes and the Subsidiary Guarantees.

**THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT. THE NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATIONS S UNDER THE SECURITIES ACT AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NONE OF THE NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG AND NONE OF THE NOTES WILL BE PLACED TO ANY CONNECTED PERSONS OF THE COMPANY.**

## **THE NOTES ISSUE**

### **Notes Offered**

Subject to certain conditions to completion, the Issuer will issue US\$450 million principal amount of 8.125% senior notes due 2024 (the “Notes”), unless earlier redeemed in accordance with the terms thereof.

### **Issue Price**

The issue price of the Notes is 100% of the principal amount with respect to the Notes.

### **Interest**

The Notes will bear interest from and including 11 July 2019 at the rate of 8.125% per annum, payable on 11 January and 11 July in each year commencing on 11 January 2020.

## **Ranking of the Notes**

The Notes are (1) the direct, unsubordinated, unconditional and secured obligations of the Issuer; (2) *pari passu* and without preference or priority among themselves; (3) guaranteed by the Subsidiary Guarantors and any future JV Subsidiary Guarantors on a senior basis; (4) effectively subordinated to the other secured obligations of the Company, R&F HK, the other Subsidiary Guarantors and any future JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; (5) entitled to a lien on certain collateral; and (6) rank effectively senior in right of payment with respect to the value of the collateral pledged by the Issuer, R&F HK, the other Subsidiary Guarantors and any future JV Subsidiary Guarantors securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

## **Covenants**

The Notes, the Trust Deed and the Subsidiary Guarantees will limit the Issuer from incurring indebtedness and limit the ability of the Company and certain of its subsidiaries, to, among other things:

- (a) incur or guarantee additional indebtedness;
- (b) issue disqualified or preferred stock;
- (c) declare dividends on its capital stock or purchase or redeem capital stock;
- (d) make investments or other specified restricted payments;
- (e) issue or sell capital stock of certain of its subsidiaries;
- (f) guarantee indebtedness by certain of its subsidiaries;
- (g) sell assets;
- (h) create liens;
- (i) enter into sale and leaseback transactions;
- (j) enter into agreements that limit certain of its subsidiaries ability to pay dividends, transfer assets or make intercompany loans;
- (k) enter into transactions with shareholders or affiliates; and
- (l) effect a consolidation or merger.

## **Make Whole Redemption**

At any time prior to 11 July 2022, the Issuer may at its option redeem the Notes, in whole but not in part only, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes, plus the applicable premium for the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date and any additional amounts.

## **Optional Redemption**

At any time and from time to time on or after 11 July 2022, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to (but not including) the redemption date if redeemed during the twelve-month period beginning on 11 July of the year indicated below.

<b>Period</b>	<b>Redemption Price</b>
2022 .....	104.0625%
2023 .....	102.03125%

The Issuer will give not less than 30 days' nor more than 60 days' notice of any such redemption.

## **THE KEEPWELL DEED**

**Date:** 11 July 2019

**Parties:** (i) the Issuer;  
(ii) R&F HK;  
(iii) the Company; and  
(iv) the Trustee.

Pursuant to the Keepwell Deed, for so long as the Notes are outstanding, the Company undertakes with the Issuer, R&F HK and the Trustee that, among other things, (i) it will directly or indirectly own and control all the outstanding shares of the Issuer and R&F HK; (ii) it will not directly or indirectly pledge, grant a security interest, or in any way encumber or otherwise dispose of any such shares of the Issuer or R&F HK, subject to certain exceptions described therein; and (iii) it will cause the Issuer to have a net worth, and R&F HK to have a consolidated net worth, of at least US\$1.00, respectively, at all times. If the Issuer or R&F HK determines that there is insufficient liquidity for the Issuer, R&F HK or the other Subsidiary Guarantors to meet their respective payment obligations as they fall due, the Company will upon notification, make available to the Issuer and R&F HK, before the due date of the relevant payment obligations, funds sufficient to enable that payment obligation to be met in full as they fall due.

The Keepwell Deed will not constitute a guarantee by the Company of the payment of any obligation, indebtedness or liability, of any kind or character whatsoever, of the Issuer under the laws of any jurisdiction.

## **THE EQUITY INTEREST PURCHASE UNDERTAKING**

**Date:** 11 July 2019

**Parties:** (i) the Company;

(ii) R&F HK; and

(iii) the Trustee.

Pursuant to the Equity Interest Purchase Undertaking, for so long as the Notes are outstanding, the Company agrees to, upon receipt of a written notice from the Trustee following an event of default and subject to obtaining all necessary approvals from the relevant approval authorities, purchase the equity interests in certain PRC subsidiaries of R&F HK and the subsidiaries of the Company organised outside the PRC at a certain price. The purchase price will be determined in accordance with the terms of the Equity Interest Purchase Undertaking, which provides that, among others, the purchase price in any event shall not be lower than the amount sufficient to enable the Issuer, R&F HK and the other Subsidiary Guarantors to discharge their full respective obligations under the Notes, the Subsidiary Guarantees, the Trust Deed, the agency agreement and the Equity Interest Purchase Undertaking (including all liabilities, whether actual or contingent, then outstanding).

## **REASON FOR THE NOTES ISSUE**

The Group is principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC.

The Group intends to use the net proceeds of the Notes Issue mainly for offshore refinancing.

## **LISTING**

Application will be made for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes. SGX-ST assumes no responsibility for the contents of this announcement.

No listing of the Notes has been or will be sought in Hong Kong.

## **RATING**

The Notes are expected to be rated “BB-” by Fitch Ratings.

**The issue of the Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Bank of America Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited;
“Board”	the board of Directors;
“Company”	廣州富力地產股份有限公司 (Guangzhou R&F Properties Co., Ltd.), a joint stock company incorporated in the PRC with limited liability, the H-Shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Directors”	the directors of the Company;
“Equity Interest Purchase Undertaking”	the deed of equity interest purchase undertaking to be entered into between the Company, R&F HK and the Trustee;
“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C.;
“Group”	the Company and its subsidiaries;
“HeungKong Financial”	HeungKong Securities Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuer”	Easy Tactic Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of the Company and the issuer of the Notes;
“JV Subsidiary Guarantors”	subsidiaries of the Company that will provide limited-recourse guarantee for the Notes;
“J.P. Morgan”	J.P. Morgan Securities plc;

“Keepwell Deed”	the keepwell deed to be entered into between the Company, R&F HK, the Issuer and the Trustee;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the US\$450 million senior notes due 2024 to be issued by the Issuer;
“Notes Issue”	the issue of the Notes by the Issuer;
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“R&F HK”	R&F Properties (HK) Company Limited, a wholly-owned subsidiary of the Company;
“Securities Act”	the United States Securities Act of 1933, as amended;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the agreement dated 4 July 2019 entered into between, among others, Goldman Sachs (Asia) L.L.C., HeungKong Financial, Credit Suisse, Bank of America Merrill Lynch, J.P. Morgan, the Issuer, the Company, R&F HK and the other Subsidiary Guarantors in relation to the Notes Issue;
“Subsidiary Guarantees”	guarantees for the Notes to be provided by R&F HK and the other Subsidiary Guarantors;
“Subsidiary Guarantors”	R&F HK and certain other existing non-PRC subsidiaries of the Company that on the issue date of the Notes will provide guarantees for the Notes;
“Trustee”	Citicorp International Limited, as the trustee of the Notes;
“Trust Deed”	the written agreement between the Issuer, R&F HK, the Company and the other Subsidiary Guarantors that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date;



“US\$”

United States dollars, the lawful currency of the United States of America.

By Order of the Board  
**Guangzhou R&F Properties Co., Ltd.**  
**Li Sze Lim**  
*Chairman*

Hong Kong, 5 July 2019

*As at the date of this announcement, the executive directors of the Company are Dr. Li Sze Lim, Mr. Zhang Li, Mr. Zhou Yaonan and Mr. Lu Jing; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong.*

*\* for identification purposes only*