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港龍中國地產
GANGLONG CHINA PROPERTY

Ganglong China Property Group Limited

港龍中國地產集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 6968)

ISSUANCE OF US\$158,000,000 13.5% SENIOR NOTES DUE 2022

Reference is made to the announcements of the Company dated 26 October 2021 and 4 November 2021 (the “**Announcements**”) in relation to the Exchange Offer and the Concurrent New Money Issuance. Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcements.

The Board is pleased to announce that on 4 November 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of the Additional New Notes under the Concurrent New Money Issuance. The Group intends to use the net cash proceeds from the Concurrent New Money Issuance for refinancing and general corporate/working capital purpose.

Subject to completion of the Exchange Offer and the Concurrent New Money Issuance, the Company will issue US\$31,300,000 of the Additional New Notes in the Concurrent New Money Issuance and US\$126,700,000 of the New Notes pursuant to the Exchange Offer, for an aggregate principal amount of US\$158,000,000 of the New Notes.

Approval in-principle has been received from the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the Company or the New Notes. The SGX-ST assumes no responsibility for the contents of this announcement. No listing of the New Notes has been sought in Hong Kong.

Reference is made to the announcements of the Company dated 26 October 2021 and 4 November 2021 (the “**Announcements**”) in relation to the Exchange Offer and the Concurrent New Money Issuance. Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcements.

THE PURCHASE AGREEMENT IN RELATION TO THE CONCURRENT NEW MONEY ISSUANCE

Date: 4 November 2021

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchasers.

The Initial Purchasers are the joint bookrunners and joint lead managers, in respect of the offer and sale of the Additional New Notes under the Concurrent New Money Issuance. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Initial Purchasers is an independent third party and not a connected person of the Company and its connected persons.

The Additional New Notes have not been, and will not be, registered under the Securities Act. The Additional New Notes will only be offered outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, and may 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 Additional New Notes will be offered to the public in Hong Kong.

Offering Price

The offering price of the Additional New Notes under the Concurrent New Money Issuance is 100% of the principal amount with respect to the Additional New Notes.

Principal terms of the New Notes

The following is a summary of certain provisions of the New Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the New Notes, the guarantees provided by the Company, 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 and the Concurrent New Money Issuance, the Company will issue US\$31,300,000 of the Additional New Notes in the Concurrent New Money Issuance and US\$126,700,000 of the New Notes pursuant to the Exchange Offer, for an aggregate principal amount of US\$158,000,000 of the New Notes, which will mature on 11 November 2022, unless earlier redeemed pursuant to the terms thereof.

Interest

The New Notes will bear interest from and including 12 November 2021 at the rate of 13.5% per annum, payable in arrears on 12 May 2022 and 11 November 2022.

Ranking of the New Notes

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

Events of default

The New Notes contain certain customary events of default, including default in the payment of principal of, or of any premium on, the Notes, when such payments become due, default in payment of interest which continues for a period of 30 consecutive days, breaches of covenants, insolvency and other events of default specified in the Indenture. If an event of default occurs and is continuing, the trustee under the Indenture, as the case may be, or the holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare the principal of the Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Covenants

The New Notes and the Indenture 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) engage in any business other than permitted 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.

Optional Redemption for the New Notes

The New Notes may be redeemed in the following circumstances:

- (1) At any time prior to 11 November 2022, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest (if any) to (but not including), the redemption date.
- (2) At any time and from time to time prior to 11 November 2022, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 113.5% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

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

PROPOSED USE OF PROCEEDS

The Group intends to use the net proceeds of the Concurrent New Money Issuance for refinancing and general corporate/working capital purpose.

LISTING OF THE NEW NOTES

Approval in-principle has been received for the listing and quotation of the New Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the Company or the New Notes. The SGX-ST assumes no responsibility for the contents of this announcement. No listing of the New Notes has been sought in Hong Kong.

GENERAL

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer and the Concurrent New Money Issuance is subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance as set forth in the Exchange Offer Memorandum and summarised in the Announcements. No assurance can be given that the Exchange Offer and the Concurrent New Money Issuance will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer and the Concurrent New Money Issuance with or without conditions.

The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance. As the Exchange Offer and the Concurrent New Money Issuance may or may not proceed, shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the shares of the Company or the Existing Notes.

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

IMPORTANT NOTICE – THE EXCHANGE OFFER IS 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 IN 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 EXISTING NOTES IN THE EXCHANGE OFFER.

DEFINITIONS

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

“connected person”	has the meaning ascribed to it under the Listing Rules
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and the Trustee, that specifies the terms and conditions of the New Notes including the covenants, events of default, interest rate of the New Notes and the maturity date
“Initial Purchasers”	Guotai Junan Securities (Hong Kong) Limited, CMB International Capital Limited, Seazen Resources Securities Limited, Wisdom Bright Asset Management Limited, ARTA Global Markets Limited, Zhongtai International Securities Limited, Glory Sun Securities Limited, FUTEC Financial Limited and Huajin Securities (International) Limited
“JV Subsidiary Guarantees”	limited recourse guarantees to be given by the JV Subsidiary Guarantors on the New Notes
“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the New Notes

“Purchase Agreement”	the agreement dated 4 November 2021 entered into by and among the Initial Purchasers, the Company and the Subsidiary Guarantors in respect of the offer and sale of the Additional New Notes under the Concurrent New Money Issuance
“Subsidiary Guarantees”	guarantees for the New Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain existing subsidiaries of the Company that on the issue date of the New Notes will provide guarantees for the New Notes
“Trustee”	China Construction Bank (Asia) Corporation Limited

By Order of the Board
Ganglong China Property Group Limited
Lui Ming
Chairman and executive Director

4 November 2021

As of the date of this announcement, the executive directors of the Company are Mr. Lui Ming (Chairman), Mr. Lui Jin Ling, and Mr. Lui Chi Chung Jimmy. The non-executive directors of the Company are Mr. Lui Wing Mau and Mr. Lui Wing Nam. The independent non-executive directors of the Company are Mr. Wan Ho Yin, Mr. Guo Shaomu, and Ms. Tang Lo Nar.