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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)**

**(1) POSSIBLE VERY SUBSTANTIAL DISPOSAL; AND**  
**(2) PROPOSED CONDITIONAL CONSENT SOLICITATION**  
**AND EXCHANGE OFFERS**

**THE POSSIBLE DISPOSAL**

On 6 February 2024, the Seller (a wholly-owned subsidiary of the Company) and the Purchaser entered into the LOI, under which the Seller and the Purchaser agreed to enter into the Definitive Agreement within ten (10) business days after obtaining the Lenders' Consent. Under the Definitive Agreement, the Seller will conditionally agree to sell the Sale Shares and assign the Sale Loan, and the Purchaser will conditionally agree to acquire the Sale Shares and take the assignment of the Sale Loan. The consideration for the Sale Shares is HK\$1.00 to be settled in cash, and the consideration for the Sale Loan is all the Existing Notes to be received by the Purchaser under the Exchange Offers and the minimum principal amount of all such Existing Notes shall be US\$800,000,000 (equivalent to approximately HK\$6,246,960,000).

As at the date of the LOI, the Target Company was an indirect wholly-owned subsidiary of the Company. Upon completion of the Possible Disposal, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will cease to be consolidated in the financial statements of the Company.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Possible Disposal exceeds 75%, the Possible Disposal, if materialises, is expected to constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Definitive Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Possible Disposal; (ii) a property valuation report on the Property; (iii) the notice convening the EGM; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 29 February 2024, as additional time is required to prepare the information to be included in the circular.

## **PROPOSED CONDITIONAL CONSENT SOLICITATION AND EXCHANGE OFFERS**

Easy Tactic is required to obtain consent from the Noteholders to certain amendments to the terms of the Existing Notes and/or waivers in connection with the Possible Disposal if it materialises. As such, it is expected that Easy Tactic will launch the Consent Solicitation to seek approval for the requisite extraordinary resolutions with respect to each series of the Existing Notes. The consideration to be paid by the Purchaser for the Possible Disposal will primarily comprise the Existing Notes in a minimum principal amount of US\$800,000,000 (equivalent to approximately HK\$6,246,960,000). Therefore, to facilitate the Purchaser's purchase of the Target Company, the Purchaser intends to conduct the Exchange Offers to invite eligible Noteholders to tender their Existing Notes in exchange for new perpetual instruments to be issued by the Purchaser.

The Purchaser is preparing an exchange offer memorandum which will be launched concurrently with a consent solicitation memorandum prepared by Easy Tactic and the Company. Further announcement(s) will be made upon the launch of the Exchange Offers and the Consent Solicitation.

**Shareholders and potential investors of the Company should note that completion of the Possible Disposal is subject to the entering into of the Definitive Agreement and the satisfaction or waiver (if applicable) of the conditions precedent set out in the Definitive Agreement. Therefore, the Possible Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **THE POSSIBLE DISPOSAL**

### ***The LOI***

On 6 February 2024, the Seller and the Purchaser entered into the LOI under which the Seller and the Purchaser agreed to enter into the Definitive Agreement within ten (10) business days after obtaining the Lenders' Consent. Under the Definitive Agreement, the Seller will conditionally agree to sell the Sale Shares and assign the Sale Loan, and the Purchaser will conditionally agree to acquire the Sale Shares and take the assignment of the Sale Loan.

Unless the Seller and the Purchaser agree otherwise, the LOI will automatically terminate upon the earliest of:

- (1) the agent under any of the Target Group Loans having notified the borrower under any of the Target Group Loans that the lenders under any of the Target Group Loans will not grant the Lenders' Consent;
- (2) the failure to pass the relevant extraordinary resolutions with respect to any series of the Existing Notes pursuant to the Consent Solicitation;

- (3) the Shareholders having voted down the resolution for approving the Definitive Agreement and the transactions contemplated thereunder at the EGM; and
- (4) 31 May 2024.

Upon termination of the LOI pursuant to the above, the rights and obligations of each of the Seller and the Purchaser under the LOI will cease immediately provided that such termination does not affect rights and obligations which have accrued as at the date of termination of the LOI.

### ***The Definitive Agreement***

The principal terms of the Definitive Agreement are summarised as follows:

#### **Subject matter**

The Seller will conditionally agree to sell and assign, and the Purchaser will conditionally agree to acquire the Sale Shares and take assignment of the Sale Loan.

#### **Consideration**

The consideration for the Sale Shares is HK\$1.00 to be settled in cash, and the consideration for the Sale Loan is all the Existing Notes to be received by the Purchaser under the Exchange Offers and the minimum principal amount of all such Existing Notes shall be US\$800,000,000 (equivalent to approximately HK\$6,246,960,000). For the avoidance of doubt, no cash settlement will be made to the Group for the consideration for the Sale Loan.

The sole shareholder of the Purchaser will enter into a subscription agreement to commit to participating in the Tranche A and B Exchange Offer and underwriting any shortfall amounts from the Tranche A and B Exchange Offer in the event of insufficient participation by Noteholders in the Tranche A and B Exchange Offer such that the minimum principal amount of all the Existing Notes to be received by the Purchaser under the Exchange Offers shall be US\$800,000,000 (equivalent to approximately HK\$6,246,960,000), details of which will be set out in the memorandum for the Exchange Offers.

The minimum consideration for the Possible Disposal primarily comprising Existing Notes with principal amount of US\$800,000,000 (equivalent to approximately HK\$6,246,960,000) was determined upon arm's length negotiations between the parties with reference to the following:

- (i) the unaudited consolidated net liability value of the Target Company as at 30 September 2023 of approximately RMB4,813,468,000 (equivalent to approximately HK\$5,311,589,000), based upon which the parties agreed that the consideration for the Sale Shares will be a nominal consideration;
- (ii) the carrying amount of the Sale Loan as at 30 September 2023 of HK\$8,831,448,000 and the expected amount of interest to be incurred from 30 September 2023 up to the date of Completion, currently estimated to be a total of HK\$9,501,455,000 as at 31 March 2024 for illustrative purpose;

- (iii) the carrying value of the Target Company as at 30 September 2023 of approximately HK\$3,519,859,000, representing the sum of the figures in paragraphs (i) and (ii) above as at 30 September 2023;
- (iv) the gross development value of the freehold interest in the Property in its existing condition of GBP1,341,600,000 (equivalent to approximately HK\$13,358,579,520) pursuant to a valuation conducted by Kroll Advisory Ltd, an independent valuer (the “**Valuer**”) as at 31 December 2023 using the comparable method of valuation (in respect of the residential units), the income approach (in respect of the hotel) and the traditional “all risks yield” method (in respect of the retail units);
- (v) the market value of the freehold interest in the Property in its existing condition of GBP1,009,300,000 (equivalent to approximately HK\$10,049,801,960) pursuant to the valuation conducted by the Valuer as at 31 December 2023 using the residual method;
- (vi) the unaudited consolidated net liability value of the Target Company as at 31 December 2023 of approximately RMB5,608,015,000 (equivalent to approximately HK\$6,188,359,000), taking into account the valuation of the Property as at 31 December 2023; and
- (vii) the reasons for and benefits of the Possible Disposal as set out in the section headed “**REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL**” in this announcement, including the current conditions regarding the Property project, the settlement and cancellation of the Existing Notes in a minimum principal amount of US\$800,000,000 (equivalent to approximately HK\$6,246,960,000) and the discharge of the Target Group Loans with funds to be provided or arranged by the Purchaser, thereby easing the liability and interest burden of the Group and enhancing the overall financial position of the Group.

The valuation was conducted by registered valuers of the Royal Institution of Chartered Surveyors (“**RICS**”) in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards. Details of the valuation will be set out in the valuation report prepared by the Valuer included in the circular to be despatched to the Shareholders.

### **Conditions Precedent**

Completion will be subject to the satisfaction or waiver (if applicable) of the following conditions:

- (a) the Target Group Loans having been fully and finally discharged or the consent to the change of control of the Target Group contemplated under the Definitive Agreement having been obtained from the respective lenders of the Target Group Loans, and the respective lenders of the Target Group Loans having irrevocably and unconditionally agreed to release and discharge all the security, guarantees and undertakings given by the Seller and/or any of its affiliates (other than members of the Target Group) in respect of the Target Group Loans with effect from Completion;
- (b) a certificate of title in respect of the Property as of a date which is no more than three (3) business days prior to the agreed date for completion in the agreed terms having been issued by the Seller’s lawyers;

- (c) the certificate or statement of practical completion having been issued under the main building contract between R&F One (UK) Limited and Multiplex Construction Europe Limited dated 3 August 2017, as further varied by the deeds of variation dated 13 December 2019 and 26 May 2022 respectively, in connection with the carrying out and completion of the construction works required for the development of the Property and the related project;
- (d) the Definitive Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM;
- (e) the approval of the extraordinary resolution by the requisite majority of holders of each series of the Existing Notes;
- (f) the Purchaser having completed legal and financial due diligence on the Target Group, and the results of such due diligence being satisfactory to the Purchaser; and
- (g) the issue of a material overview report addressed to the Purchaser on the certificate of title and reports referred to in (b) above in a form satisfactory to the Purchaser.

The Seller shall use reasonable endeavours to ensure the satisfaction of the conditions set out in (b), (c) and (d) above and the Purchaser shall use reasonable endeavours to ensure the satisfaction of the conditions set out in (a), (f) and (g) above, in each case, as soon as possible. The Seller shall provide reasonable assistance to the Purchaser to facilitate the satisfaction of the condition set out in (a) above. Each party shall provide reasonable assistance to each other to facilitate the satisfaction of the condition set out in (e) above. The funds for the discharge of the Target Group Loans will be provided or arranged by the Purchaser and neither the Seller nor any of the members of the Target Group shall be responsible for the discharge of the Target Group Loans.

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally the conditions set out above (except (a), (d) and (e)) by notice in writing to the Seller. If any of the above conditions is not satisfied or waived by 5:00 p.m. (Hong Kong time) on the date falling 270 days after the date of the Definitive Agreement (or such later date as the Seller and the Purchaser may agree in writing), the Definitive Agreement (other than certain surviving clauses) shall thereupon terminate and neither the Seller nor the Purchaser shall have any claim against the other under the Definitive Agreement, save for any claim arising from breach of any obligation in respect of the satisfaction of the above conditions.

## **Completion**

Completion shall take place on the third business day following notification of the fulfilment or waiver (if applicable) of the conditions set out above or on such other date as may be agreed between the Purchaser and the Seller.

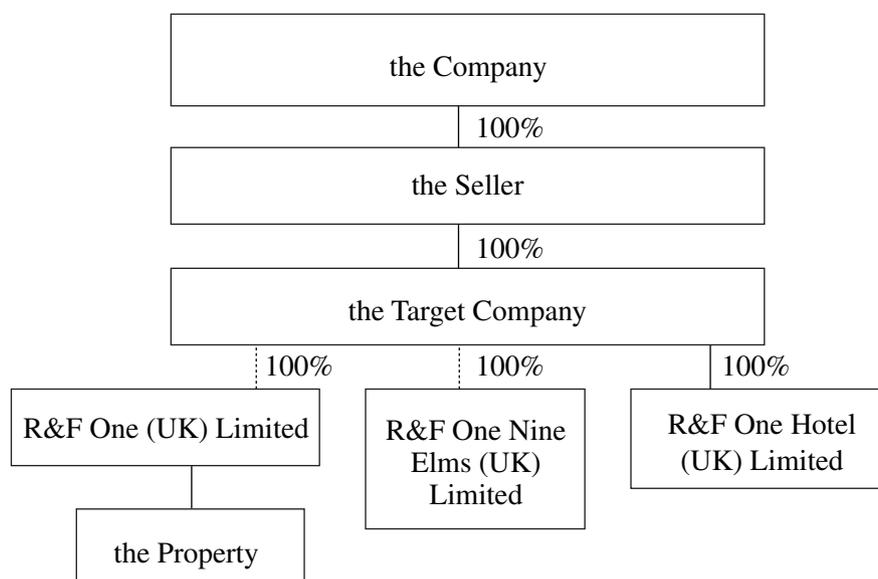
At Completion, among other things, the Seller shall deliver the Sale Shares and assign the Sale Loan to the Purchaser, and the Purchaser shall (a) as payment of the consideration for the Sale Loan, transfer (or procure that it is transferred) to the Seller all the Existing Notes which the Purchaser will receive from holders of Existing Notes under the Exchange Offers, in a minimum principal amount of US\$800 million; and (b) as payment of the consideration for the Sale Shares, provide evidence of payment of HK\$1.00 to the Seller.

## INFORMATION ON THE TARGET GROUP

The Target Company is principally engaged in investment holding.

The Target Group owns the Property and is principally engaged in the development of the Property into a large-scale, mixed-use development, which is anticipated to be completed in April 2024. The Property, upon completion, will comprise two towers (the “**Towers**”), namely the River Tower and the City Tower, offering 437 private residential units across the Towers and 57 affordable housing units in the City Tower, along with a hotel situated at part of the River Tower.

A simplified corporate structure chart of the Target Group as at the date of this announcement is set out below:



The unaudited consolidated financial results of the Target Company (prepared in accordance with the Hong Kong Financial Reporting Standards) for the two years ended 31 December 2022 are as follows:

	For the year ended 31 December			
	2021		2022	
	RMB'000	HK\$'000	RMB'000	HK\$'000
Net loss before tax	(1,118,929)	(1,234,721)	(2,054,001)	(2,266,559)
Net loss after tax	(1,118,929)	(1,234,721)	(2,054,001)	(2,266,559)

The unaudited consolidated net liability value of the Target Company as at 30 September 2023 was approximately RMB4,813,468,000 (equivalent to approximately HK\$5,311,589,000).

The unaudited consolidated net liability value of the Target Company as at 31 December 2023 was approximately RMB5,608,015,000 (equivalent to approximately HK\$6,188,359,000), taking into account the valuation of the Property as at 31 December 2023.

## **INFORMATION ON THE SELLER AND THE PURCHASER**

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 Seller is principally engaged in investment holding.

The Purchaser is a special purpose vehicle incorporated for the purposes of conducting the Possible Disposal and the Exchange Offers. As at the date of this announcement, the Purchaser is 100% indirectly owned by Mr. Cheung Chung Kiu.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL**

As disclosed in the interim report 2023 of the Company, in recent years, the Group has expedited its plan to sell development and investment properties in both China and overseas, reallocating capital to addressing financial liabilities and project completions. Nonetheless, certain sales milestones prescribed in the agreements in relation to the Target Group Loans have become increasingly difficult to meet which, if not met, may result in a default of the Target Group Loans and potentially a realization value of the Target Group which is significantly less than the consideration for the Possible Disposal. As the consideration for the Possible Disposal will be satisfied by settlement and cancellation of the Existing Notes in a minimum principal amount of US\$800,000,000 (equivalent to approximately HK\$6,246,960,000) and, upon Completion, the Target Group Loans will be fully and finally discharged with funds to be provided or arranged by the Purchaser, the Board believes that the Possible Disposal will help ease the liability and interest burden of the Group, thereby enhancing the overall financial position of the Group.

In light of the above, the Board is of the view that the terms of the LOI and the Definitive Agreement are normal commercial terms and fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE POSSIBLE DISPOSAL**

As at the date of the LOI, the Target Company was an indirect wholly-owned subsidiary of the Company. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will cease to be consolidated in the financial statements of the Company.

Subject to final audit, assuming that all the Existing Notes to be received by the Purchaser under the Exchange Offers will amount to US\$800,000,000 (equivalent to approximately HK\$6,246,960,000 resulting in a consideration for the Possible Disposal of US\$800,000,000 (equivalent to approximately HK\$6,246,960,000), it is expected that the Group will realise a net gain on the Possible Disposal of approximately HK\$3,084,400,000, representing the difference between such minimum consideration and the carrying value of the Target Company of approximately HK\$3,162,560,000 as at 31 December 2023, representing the sum of (a) the net liability value of the Target Group of HK\$6,188,359,000 as at 31 December 2023 and (b) the Sale Loan of approximately HK\$9,350,919,000 as at 31 December 2023.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Possible Disposal exceeds 75%, the Possible Disposal, if materialises, is expected to constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the following Directors are interested in the following Existing Notes:

- (1) Dr. Li Sze Lim, an executive Director, (a) has an interest in US\$6,204,383 of the 2025 Notes; and (b) through his spouse, has an interest in (i) US\$5,685,588 of the 2025 Notes; (ii) US\$11,505,460 of the 2027 Notes; and (iii) US\$131,186,890 of the 2028 Notes; and
- (2) Ms. Li Helen, a non-executive Director, through Pleasant View Limited which is 100% owned by her, has an interest in US\$568,560 of the 2025 Notes, US\$1,762,091 of the 2027 Notes and US\$2,308,262 of the 2028 Notes.

In light of the above, the above Directors have abstained from voting on the relevant resolutions of the Board approving the LOI, the Definitive Agreement and the transactions contemplated thereunder.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Definitive Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was required to abstain in respect of the resolution to be proposed at the EGM to approve the Definitive Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Possible Disposal; (ii) a property valuation report on the Property; (iii) the notice convening the EGM; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 29 February 2024, as additional time is required to prepare the information to be included in the circular.

## **PROPOSED CONDITIONAL CONSENT SOLICITATION AND EXCHANGE OFFERS**

Easy Tactic is required to obtain consent from the Noteholders to certain amendments to the terms of the Existing Notes and/or waivers in connection with the Possible Disposal if it materialises. As such, it is expected that Easy Tactic will launch a consent solicitation to seek approval for the requisite extraordinary resolutions with respect to each series of the Existing Notes (the “**Consent Solicitation**”).

The consideration to be paid by the Purchaser for the Possible Disposal will primarily comprise the Existing Notes in a minimum principal amount of US\$800,000,000 (equivalent to approximately HK\$6,246,960,000). Therefore, to facilitate the Purchaser’s purchase of the Target Company, the Purchaser intends to conduct two parallel exchange offers to invite eligible Noteholders to tender their Existing Notes in exchange for new perpetual instruments to be issued by the Purchaser (the “**Exchange Offers**”). It is anticipated that the Exchange Offers will comprise (a) an invitation to eligible Noteholders to tender their Existing Notes for exchange into Tranche B1 Perpetual Bonds (expected to be issued in an aggregate principal amount of US\$400 million (equivalent to approximately HK\$3,123.48 million)) and Tranche B2 Perpetual Bonds (expected to be issued in an aggregate principal amount of US\$400 million (equivalent to approximately HK\$3,123.48 million)) and simultaneously paying cash consideration to subscribe for Tranche A Perpetual Bonds (expected to be issued up to an aggregate principal amount of GBP820 million (equivalent to approximately HK\$8,164.9 million), in each case issued by the Purchaser (the “**Tranche A and B Exchange Offer**”) and (b) a separate invitation for eligible Noteholders to tender their Existing Notes for exchange into Tranche C Perpetual Bonds (expected to be issued up to an aggregate principal amount of US\$200 million (equivalent to approximately HK\$1,561.74 million)) issued by the Purchaser. The Exchange Offers are primarily intended to (a) acquire sufficient Existing Notes to settle the consideration for the Possible Disposal; and (b) raise the necessary cash proceeds to repay the Target Group Loans. The new perpetual instruments to be issued by the Purchaser will be backed by potential cash flows from the Property (if any).

As set out above, the sole shareholder of the Purchaser will enter into a subscription agreement to commit to participating in the Tranche A and B Exchange Offer and underwriting any shortfall amounts from the Tranche A and B Exchange Offer in the event of insufficient participation by Noteholders in the Tranche A and B Exchange Offer such that the minimum principal amount of all the Existing Notes to be received by the Purchaser under the Exchange Offers shall be US\$800,000,000 (equivalent to approximately HK\$6,246,960,000), details of which will be set out in the memorandum for the Exchange Offers.

The Purchaser is preparing an exchange offer memorandum which will be launched concurrently with a consent solicitation memorandum prepared by Easy Tactic and the Company. Details of the Exchange Offers and the Consent Solicitation will be set out in their respective memorandum.

Further announcement(s) will be made upon the launch of the Exchange Offers and the Consent Solicitation.

**This announcement is not a solicitation of consent with respect to the Existing Notes, or an invitation to holders of the Existing Notes to tender their Existing Notes for exchange into any other securities. The terms summarised in this announcement with respect to the Consent Solicitation and the Exchange Offers are for information only. The Consent Solicitation and the Exchange Offers, in each case, will be made pursuant to the terms and conditions set forth in the consent solicitation memorandum and the exchange offer memorandum, respectively.**

**Shareholders and potential investors of the Company should note that completion of the Possible Disposal is subject to the entering into of the Definitive Agreement and the satisfaction or waiver (if applicable) of the conditions precedent set out in the Definitive Agreement. Therefore, the Possible Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **DEFINITIONS**

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

“2025 Notes”	the 6.5% Cash/7.5% PIK Senior Notes due 2025 issued by Easy Tactic (ISIN: XS2495355674; Common Code: 249535567)
“2027 Notes”	the 6.5% Cash/7.5% PIK Senior Notes due 2027 issued by Easy Tactic (ISIN: XS2495358009; Common Code: 249535800)
“2028 Notes”	the 6.5% Cash/7.5% PIK Senior Notes due 2028 issued by Easy Tactic (ISIN: XS2495359403; Common Code: 249535940)
“Board”	the board of the Company
“Company”	Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 2777)
“Completion”	completion of the Possible Disposal
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consent Solicitation”	has the meaning defined in the section headed “ <b>PROPOSED CONDITIONAL CONSENT SOLICITATION AND EXCHANGE OFFERS</b> ” in this announcement

“Definitive Agreement”	the definitive share purchase agreement to be entered into between the Seller and the Purchaser in respect of the Possible Disposal
“Director(s)”	director(s) of the Company
“Easy Tactic”	Easy Tactic Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of the Company and the issuer of the Existing Notes
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Definitive Agreement and the transactions contemplated thereunder
“Exchange Offers”	has the meaning defined in the section headed “ <b>PROPOSED CONDITIONAL CONSENT SOLICITATION AND EXCHANGE OFFERS</b> ” in this announcement
“Existing Notes”	collectively, the 2025 Notes, the 2027 Notes and the 2028 Notes
“GBP”	Great British Pound, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lenders’ Consent”	consent from the lenders under the Target Group Loans for the entry into of the Definitive Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the letter of intent dated 6 February 2024 entered into between the Seller and the Purchaser in relation to the entering into of the Definitive Agreement
“Noteholders”	holders of the Existing Notes
“Possible Disposal”	the possible disposal of the Sale Shares and the assignment of the Sale Loan

“PRC”	the People’s Republic of China
“Property”	the freehold land and buildings known as Market Towers, 1 Nine Elms Lane, London SW8 5NQ registered under title number SGL504521 at HM Land Registry
“Purchaser”	London One Limited, a company incorporated in the Cayman Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the entire loan owing by the Target Company to the Seller as at Completion
“Sale Shares”	100 ordinary shares, being the entire issued share capital of the Target Company
“Seller”	R&F Properties (HK) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	R&F International Real Estate Investment Co. Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	the Target Company and its subsidiaries
“Target Group Loans”	the existing loans of the Target Group (excluding, for the avoidance of doubt, the Sale Loan)
“Tranche A and B Exchange Offer”	has the meaning defined in the section headed “ <b>PROPOSED CONDITIONAL CONSENT SOLICITATION AND EXCHANGE OFFERS</b> ” in this announcement
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

*For the purpose of this announcement, unless otherwise specified, the conversion of RMB into HK\$ is based on the approximate exchange rate of HK\$1 = RMB0.90622, the conversion of GBP into HK\$ is based on the approximate exchange rate of GBP1 = HK\$9.9572 and the conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1 = HK\$7.8087. The exchange rates are adopted for illustration purposes only and do not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.*

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

Hong Kong, 6 February 2024

*As of the date of this announcement, the executive directors of the Company are Dr. Li Sze Lim, Mr. Zhang Hui and Mr. Xiang Lijun; 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 purpose only*