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**ANNOUNCEMENT  
TENDER OFFER AND CONSENT SOLICITATION**

**by**

**EASY TACTIC LIMITED**

**怡略有限公司**

**(THE "COMPANY")**

**FOR US\$265,000,000 5.75% SENIOR NOTES DUE 2022 ISSUED ON 13 JANUARY 2017 AND  
US\$460,000,000 5.75% SENIOR NOTES DUE 2022 ISSUED ON 20 JANUARY 2017,**

**CONSOLIDATED AND FORMING A SINGLE SERIES THEREWITH**

**(ISIN: XS1545743442; COMMON CODE: 154574344)**

**(TOGETHER, THE "NOTES")**

Reference is made to the announcements of the Company dated 15 December 2021, 29 December 2021 and 5 January 2022 (each, an “**Announcement**” and together, the “**Announcements**”) in relation to the Tender Offer and Consent Solicitation. Capitalized terms used in this announcement shall have the same meanings ascribed to them in the Announcements.

## **FURTHER BACKGROUND**

As described in the announcement published on the Hong Kong Stock Exchange on 7 December 2021, the Group has been working on generating sufficient offshore cash flow to meet its offshore financial commitments and there were several milestones that it needed to achieve in order to meet its financial commitments. However, as mentioned in the Tender Offer and Consent Solicitation Memorandum, there is no assurance that the Group will be able to complete these milestones as planned, which may adversely affect its offshore liquidity. As part of these efforts, the Company is conducting the Tender Offer and Consent Solicitation.

As disclosed in the Tender Offer and Consent Solicitation Memorandum, (a) Eligible Holders who submit an Option A Instruction or an Option B Instruction will be deemed to have voted in favour of the Extraordinary Resolution with respect to all their Notes that are tendered, regardless of whether such tenders are accepted or not and (b) a Maximum Acceptance Amount may be announced on or prior to the Tender and Voting Deadline in respect of Notes tendered.

In the Announcement dated 29 December 2021, the Company announced that the Maximum Acceptance Amount would be the maximum principal amount of the Notes that could be accepted for purchase by the Company utilizing the Funds in full (the “**Funds**” being, the actual amount of cash in the escrow account with Citibank, N.A., Hong Kong Branch (the “**Escrow Account**”) and cash on hand earmarked, in each case as of the Settlement Date).

In the Announcement dated 29 December 2021, the Company also announced that it expected to earmark funds in an aggregate amount of approximately US\$300 million for settlement of the Tender Offer and Consent Solicitation. The Company held such expectation as of the date of such announcement by taking into consideration its cash on hand, as well as expected cash inflows prior to the Settlement Date which primarily included:

- (a) expected cash inflow of up to approximately US\$250 million from a combination of (i) estimated proceeds from a binding sale and purchase agreement in respect of certain assets (“**Asset 1**”) upon the fulfilment of certain conditions, in relation to which formal proposals were submitted to the purchaser in December 2021 with respect to the payment (the “**Proposal**”), and a portion of such payment was expected to be transferred to the Company prior to the Settlement Date and (ii) estimated proceeds from a proposed sale of certain business of the Group (“**Asset 2**”), which the Group expected to result in a payment to the Group prior to the Settlement Date based on its negotiations with a potential purchaser; and
- (b) expected cash inflow to the Company from its onshore affiliates as certain amount of restricted cash was expected to be released and transferred from onshore entities to the Company following the delivery of certain residential units (the “**Onshore Cash Transfer**”).

During the period between 29 December 2021 and 4 January 2022, the Company deposited funds into the Escrow Account in an aggregate amount of approximately US\$100 million, which was funded through available cash on hand (not taking into account either (a) or (b) above).

However, during such period, there were further negative events relating to certain Chinese property companies. The negative events have had a further negative impact on, and resulted in continuing volatility in, the property sector in China. Due to the rapidly deteriorating market conditions and lack of access to funding channels both onshore and offshore, the Company experienced unexpected delays in cash inflows

during this period, including:

- (a) in connection with the Onshore Cash Transfer, the Company was informed on 4 January 2022, being the first business day in China after the New Year holiday, that such transfer from onshore to offshore would be delayed;
- (b) in connection with Asset 2, due to market volatility and tightening of funding alternatives across the property sector and notwithstanding the Group's sustained efforts, negotiations with the potential purchaser fell through on 4 January 2022. Although the Group continued to engage in active discussions with other potential purchasers with respect to the sale of this asset, formalising any such sale prior to the Settlement Date became challenging; and
- (c) in connection with Asset 1, following the submission of the Proposal, notwithstanding active discussions with the relevant purchaser, the Company was informed in the evening of 4 January 2022 that an agreement would be unlikely to be reached prior to the Settlement Date.

In consideration of the foregoing, the Company concluded in the morning of 5 January 2022 that as a result of the occurrence of a number of unexpected events, the actual amount of earmarked funds available to facilitate the settlement of the Tender Offer and Consent Solicitation may be materially less than the previously expected amount of approximately US\$300 million. The Company therefore promptly made an announcement to Noteholders with respect to revised expectations of the amounts available for settlement of the Tender Offer and Consent Solicitation.

Despite the continuing volatility in the property sector in China, the Group is continuing to take active measures to shore up its liquidity position and to work on generating offshore cash flow to meet its offshore financial commitments.

As of the date hereof and in consideration of the above factors, the Company has determined that the Funds to be used to settle the Purchase Price, Accrued Interest and Consent Fee on the Settlement Date shall be approximately US\$104.0 million.

## **RESULT OF THE CONSENT SOLICITATION**

The Company hereby announces that the Consent Conditions have been satisfied and it has received the requisite consent at the Meeting to approve the Extraordinary Resolution. As such, the Company, Guangzhou R&F Properties Co., Ltd., R&F Properties (HK) Company Limited, the Subsidiary Guarantors (as defined in the Trust Deed) and the Trustee have executed the Supplemental Trust Deed to give effect to the Proposed Amendments, which are effective upon execution but will not become operative until receipt by the Trustee of notification, by way of an Officer's Certificate, confirming the payment of Consent Fee on the Settlement Date (as defined below).

The Consent Fee is US\$1.00 per US\$1,000 principal amount of the Notes validly tendered in the Tender Offer, or in respect of which votes from Eligible Holders in favour of the Extraordinary Resolution in the Consent Solicitation were cast.

The Ineligible Noteholder Payment is US\$1.00 per US\$1,000 principal amount of the Notes in respect of which an instruction to vote from Ineligible Noteholders in favour of the Extraordinary Resolution was received pursuant to an Ineligible Noteholder Instruction.

Accordingly, the Company will, on the Settlement Date, pay (i) an aggregate Consent Fee of US\$695,166 and (ii) an aggregate Ineligible Noteholder Payment of US\$0.

## **RESULTS OF THE TENDER OFFER**

## **Option A Offer**

Following approval of the Extraordinary Resolution, the Company has determined to accept for purchase a total of US\$96,385,000 in principal amount of the Notes validly tendered by Eligible Holders pursuant to the Option A Offer. As such, the principal amount of the Notes accepted for purchase pursuant to the Option A Offer is subject to proration pursuant to the terms of the Tender Offer and Consent Solicitation Memorandum at a proration factor of 18.5706%.

The Company has accepted tenders of the Notes pursuant to the Option A Offer based on the proration described in the paragraph above, regardless of whether application of proration will otherwise result in the principal amount of the Notes not purchased due to pro rata application being less than US\$200,000.

The Option A Purchase Price is US\$830.00 per US\$1,000 principal amount of the Notes accepted for purchase by the Company. Accordingly, the Company will pay (i) an aggregate Option A Purchase Price of US\$79,999,550 for all such Notes accepted for purchase pursuant to the Option A Offer, and (ii) Accrued Interest thereon, in the amount of US\$28.59 per US\$1,000 principal amount of the Notes accepted for purchase pursuant to the Option A Offer, in accordance with the terms of the Tender Offer.

## **Option B Offer**

Following approval of the Extraordinary Resolution, the Company has determined to accept for purchase a total of US\$19,984,000 in principal amount of the Notes validly tendered by Eligible Holders pursuant to the Option B Offer (including the Rolled-over Notes). As such, the principal amount of the Notes accepted for purchase pursuant to the Option B Offer equals the principal amount of the Notes validly tendered by Eligible Holders pursuant to the Option B Offer multiplied by a proration factor of 7.1165%, which was determined pursuant to the terms of the Tender Offer and Consent Solicitation Memorandum, and further multiplied by 50%.

The Company has rejected such tender of the Notes pursuant to the Option B Offer in full if application of proration will otherwise result in the principal amount of the Notes not purchased due to pro rata application being less than US\$200,000.

The Option B Purchase Price is US\$1,000 per US\$1,000 principal amount of the Notes accepted for purchase by the Company. Accordingly, the Company will pay (i) an aggregate Option B Purchase Price of US\$19,984,000 for all such Notes accepted for purchase pursuant to the Option B Offer, and (ii) Accrued Interest thereon, in the amount of US\$28.59 per US\$1,000 principal amount of the Notes accepted for purchase pursuant to the Option B Offer, in accordance with the terms of the Tender Offer.

## **Settlement**

Subject to the terms and conditions of the Tender Offer and the Consent Solicitation, the Company expects to make payment of (i) the Purchase Price and Accrued Interest for the Notes accepted for purchase in the Tender Offer and (ii) the Consent Fee on 12 January 2022 (the “**Settlement Date**”).

The Company will procure the cancellation of each Note purchased by the Company pursuant to the Tender Offer, following which US\$608,631,000 in aggregate principal amount of the Notes is expected to remain outstanding.

## **OTHER INFORMATION**

This announcement should be read together with the Tender Offer and Consent Solicitation Memorandum. Noteholders should refer to the Tender Offer and Consent Solicitation Memorandum for more detailed information about the Tender Offer and Consent Solicitation.

This announcement, and all documents related to the Tender Offer and Consent Solicitation, can be found on the Tender Offer and Consent Website: <https://bonds.morrowsodali.com/GuangzhouRF>. Questions may be directed to the Dealer Manager at J.P. Morgan Securities plc, Liability Management Desk (+852 2800 7632 / +852 2800 0875 or [Liability\\_Management\\_HK@jpmorgan.com](mailto:Liability_Management_HK@jpmorgan.com)), or the Information, Tender and Tabulation Agent at the following addresses: in London - 103 Wigmore Street, W1U 1QS, London, United Kingdom; in Hong Kong - The Hive, 33-35 Hillier Street, Sheung Wan, Hong Kong) and telephones or by email to +44 20 4513 6933; + 852 2319 4130 or [GuangzhouRF@investor.morrowsodali.com](mailto:GuangzhouRF@investor.morrowsodali.com).

11 January 2022