



NOTICE TO HOLDERS

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

If you have recently sold or otherwise transferred your holding(s) of Notes (as defined below), you should immediately forward this notice to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Notes, you should retain a copy of this notice and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

April 18, 2023

ZHENRO PROPERTIES GROUP LIMITED (the “Company”)

6.7% Senior Notes due 2026 (the “Notes”)
(ISIN: XS2293750670; Common Code: 229375067)

Reference is made to the indenture dated February 4, 2021 (as supplemented or amended from time to time, the “**Indenture**”) by and among the Company, the Subsidiary Guarantors listed in Schedule I thereto and Citicorp International Limited, as trustee (the “**Trustee**”), governing the Notes.

Capitalized terms used but not defined in this notice have the meanings given to such terms in the Indenture.

Non-payment of interest

NOTICE IS HEREBY GIVEN to the Holders that the Company and the Subsidiary Guarantors have not made payment of interest that was due on February 4, 2023 pursuant to the Indenture governing the Notes, and such default in the payment of interest has continued for a period of 30 consecutive days (the “**Non-payment**”).

Section 6.01(b) (*Events of Default*) of the Indenture provides that an Event of Default occurs if there is a “*default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days*”.

The Non-payment constitutes an Event of Default under the Notes.

Company’s stock exchange announcement

NOTICE IS HEREBY GIVEN to the Holders that the Company made an announcement on the Stock Exchange of Hong Kong Limited dated March 6, 2023 (the “**Announcement**”), amongst others, that the Company did not expect to make the payment of principal and outstanding distributions or interest (as the case may be) due on March 6, 2023:

- (i) under its 8.0% senior notes due 2023 pursuant to the indenture dated March 29, 2022, as supplemented or amended from time to time (ISIN: **XS2449192942**);
- (ii) under its 8.0% senior notes due 2023 pursuant to the indenture dated March 29, 2022, as supplemented or amended from time to time (ISIN: **XS2449193320**); and
- (iii) under its senior perpetual capital securities pursuant to the trust deed dated June 19, 2019, as supplemented or amended from time to time (the **“Perpetual Securities”**).

A copy of the Announcement is attached as Annex A.

Section 6.01(e) (*Events of Default*) of the Indenture provides that an Event of Default occurs if *“there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$10.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (ii) the failure to make a principal payment when due, provided, however, that such Indebtedness shall not include (x) the Excluded Indebtedness and/or (y) any Indebtedness with respect to which any default or event of default occurs as a result of any default or event of default under the Excluded Indebtedness.”*

“Excluded Notes” means “5.95% Senior Notes due 2022 issued by the ZhenAn Glory Investment Limited pursuant to the indenture dated March 8, 2021, as amended or supplemented from time to time, 5.98% Senior Notes due 2022 issued by the Company pursuant to the indenture dated April 15, 2021, as amended or supplemented from time to time, 7.125% Senior Notes due 2022 issued by the Company pursuant to the indenture dated July 2, 2021, as amended or supplemented from time to time, 8.70% Senior Notes due 2022 issued by the Company pursuant to the indenture dated October 3, 2019, as amended or supplemented from time to time and 6.5% Senior Notes due 2022 issued by the Company pursuant to the indenture dated September 3, 2021, as amended or supplemented from time to time.”

“Excluded Indebtedness” means “any Indebtedness in respect of the Excluded Notes, the Perpetual Securities, the October 2020 Deed or the Existing Bank Loans.”

Extracts of the Indenture

Section 6.02 (Acceleration) of the Indenture provides, *“If an Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01) occurs and is continuing under this Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. ...”*

Section 6.03 (Other Remedies) of the Indenture provides, *“If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.”*

Section 7.02(d) (*Certain Rights of Trustee and Agents*) of the Indenture provides, “*The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless the requisite number of Holders have instructed it in writing and offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, action, proceedings, claim, penalty, damages, costs, disbursement, liability or expenses that might be suffered or incurred by it in compliance with such request or direction.*”

Contact details of the Trustee

If you have any questions regarding this notice, you may contact the Trustee by e-mail to: at.tmg.trustee@citi.com, attention: Agency & Trust.

Reservation of rights

This notice is given without prejudice to the rights of the Trustee under the Indenture and at law. The Trustee expressly reserves all of the rights, powers, claims and remedies available to it under the Indenture and applicable law. No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a Default, an Event of Default or similar event under the terms of the Indenture, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or an acquiescence therein.

The Trustee provides this notice for the information of Holders but makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. Holders should monitor sources of information (including stock exchange announcements of the Company) themselves and the Trustee accepts no obligation or duty to do so on their behalf. The Trustee makes no recommendations and gives no legal or investment advice herein or as to the Notes generally. Holders should take and rely on their own independent legal and financial advice, and may not rely on advice or information provided to the Trustee, statements as to the legal position included in notices issued by the Trustee relating to the Notes or otherwise or the views of the Trustee expressed herein or otherwise.

The Trustee expressly reserves its rights under the Indenture, including without limitation, any right to recover in full its fees and costs (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing to or to become owing to the Trustee, compensation for the Trustee’s time spent, and reimbursement for the fees and expenses of legal counsel and other agents and advisers it employs in performing its duties or to pursue remedies) and its rights, prior to exercising any rights or powers in connection with the Indenture at the request or direction of any Holder of the Notes to receive security, prefunding and/or indemnity satisfactory to it against all costs, expenses, and liabilities that might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

The ISIN and Common Code for the Notes appearing herein have been included solely for the convenience of the Holders. Citicorp International Limited assumes no responsibility for the selection or use of such number. No representation has been made as to the correctness or accuracy of such number, either as printed on the Notes or as contained in this notice.

This notice is given by

CITICORP INTERNATIONAL LIMITED

in its capacity as Trustee of the 6.7% Senior Notes due 2026

ANNEX A

Company's stock exchange announcement dated March 6, 2023

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Zhenro正榮地產
Zhenro Properties Group Limited
正榮地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6158 and Debt Stock Code: 4596, 5100, 40572, 40516, 40375,
40715, 40116, 40225, 40250, 40047, 86029)

INSIDE INFORMATION

**(1) UPDATE ON OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS;
(2) UPDATE IN RELATION TO THE SECURITIES,
MARCH 2022 NOTES AND MARCH 2022 RMB NOTES; AND
(3) DELISTING OF THE MARCH 2022 NOTES AND MARCH 2022 RMB NOTES**

Debt Securities	ISIN/Common Code	Stock code
Securities	XS2013512608/201351260	4596
March 2022 Notes	XS2449192942/244919294	5100
March 2022 RMB Notes	XS2449193320/2449193322	86029

This announcement is made by Zhenro Properties Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2), 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 10 April 2022, 11 April 2022, 31 May 2022, 30 June 2022, 3 August 2022, 30 August 2022, 9 November 2022 and 12 December 2022 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS

The Company has been working diligently with its advisers on the preparatory work for the offshore Holistic Liability Management Solutions with a view to reaching a viable consensual solution for the benefit of its stakeholders. As at the date of this announcement, the independent business review, the identification of holders of securities and offshore notes of the Company, as well as the due diligence review, cash flow forecast and liquidation analysis over the Group, have been substantially completed. In addition, the Company and its joint financial advisors have maintained ongoing communications with the Group's creditors to facilitate the process of the offshore Holistic Liability Management Solutions and it is expected that a preliminary proposal will be available for consideration by end of March 2023.

The Company will closely monitor the situation and will endeavour to provide an update to the market as soon as practicable on any material developments.

THE SECURITIES, MARCH 2022 NOTES AND MARCH 2022 RMB NOTES

Pursuant to the terms of the trust deed of the Securities and the respective indenture of the March 2022 Notes and the March 2022 RMB Notes, all outstanding principal amount of the Securities, the March 2022 Notes and the March 2022 RMB Notes together with the accrued and unpaid distributions or interest thereon are due and payable on the redemption date or maturity date (as the case may be) of 6 March 2023. As at the date of this announcement, the Company does not expect to be in position for payment of the outstanding principal amount of US\$200,000,000 (for the Securities), US\$728,623,000 (for the March 2022 Notes) and RMB1,589,980,000 (for the March 2022 RMB Notes), and the outstanding distributions or interest (as the case may be) thereon (the **“Non-Payment of the Securities, March 2022 Notes and March 2022 RMB Notes”**).

Failure to pay such principal on redemption date or at maturity, and failure to pay such distributions or interest upon expiration of the 30-day grace period after the due date of such distribution or interest, will constitute an event of default under the Securities, March 2022 Notes and March 2022 RMB Notes. If an event of default has occurred (such as 30-day grace period lapses) and is continuing, the trustee or holders of at least 25% in aggregate principal amount of the Securities and/or relevant senior notes then outstanding may, by written notice to the Company and to the trustee, declare the principal of, premium, if any, and accrued and unpaid distributions or interest on the Securities and/or the relevant senior notes to be immediately due and payable (the **“Acceleration Notice”**). As at the date of this announcement, the Company has not received any Acceleration Notice as a result of the Non-Payment of the Securities, March 2022 Notes and March 2022 RMB Notes, and it has not triggered any cross-default under the terms of the securities as set out in the following table.

Description of Debt Securities	ISIN/Common Code	Stock code
6.63% Senior Notes due January 2026	XS2279711779/227971177	40516
February 2021 Notes	XS2293750670/229375067	40572
5.95% Senior Notes due March 2022	XS2308085112/230808511	Not applicable
5.98% Senior Notes due April 2022	XS2329241447/232924144	Not applicable
7.125% Senior Notes due June 2022	XS2358480155/235848015	Not applicable
8.70% Senior Notes due August 2022	XS2050860308/205086030	Not applicable
September 2021 Notes	XS2383329237/238332923	Not applicable
March 2022 Notes	XS2449192942/244919294	5100
March 2022 RMB Notes	XS2449193320/244919332	86029
Securities	XS2013512608/201351260	4596
8.3% Senior Notes due September 2023	XS2185842924/218584292	40250
8.35% Senior Notes due March 2024	XS2152219973/215221997	40225
7.875% Senior Notes due April 2024	XS2099413093/209941309	40116
7.1% Senior Notes due September 2024	XS2346158822/234615882	40715
7.35% Senior Notes due February 2025	XS2226898216/222689821	40375
9.15% Senior Notes due May 2023	XS2076026983/207602698	40047

DELISTING OF THE MARCH 2022 NOTES AND MARCH 2022 RMB NOTES

Notice is also given that March 2022 Notes and March 2022 RMB Notes will mature on 6 March 2023, the March 2022 Notes and March 2022 RMB Notes will be delisted from the Stock Exchange on 6 March 2023. After their delisting from the Stock Exchange, noteholders requiring further information in relation to the March 2022 Notes and March 2022 RMB Notes may contact the Company at Room 3201, 32/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or ir@zhenro.com.

Shareholders of the Company and other investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company, and to seek professional advice from their own professional or financial advisers when in doubt.

By order of the Board
Zhenro Properties Group Limited
Liu Weiliang
Chairman of the Board

Hong Kong, 6 March 2023

As at the date of this announcement, the executive directors of the Company are Mr. Liu Weiliang and Mr. Li Yang, the non-executive director of the Company is Mr. Ou Guowei, and the independent non-executive directors of the Company are Dr. Loke Yu (alias Loke Hoi Lam), Mr. Wang Chuanxu and Mr. Xie Jun.