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Hongkong Ideal Investment Limited

香港理想投資有限公司

(Incorporated in Hong Kong with limited liability)

**CONSENT SOLICITATION IN RELATION TO
US\$205,000,000 14.75% GUARANTEED SENIOR NOTES DUE 2022
(ISIN: XS2059534342; Common Code: 205953434)
(Stock Code: 40019)**

unconditionally and irrevocably guaranteed by

Beijing Hongkun Weiye Real Estate Development Co. Ltd

北京鴻坤偉業房地產開發有限公司

(Incorporated in the People’s Republic of China with limited liability)

The Company announces that it is soliciting the Requisite Consents from the Holders to amend the Indenture in the manner more fully described in the Consent Solicitation Statement sent to the Holders at the Launch Date, which is summarized under the section headed “Consent Solicitation” in this announcement.

As more fully described in the Consent Solicitation Statement, the principal purposes of the Consent Solicitation is to seek amendments to certain provisions of the Indenture to optimize the capital structure of the Group and give it more flexibility for future disciplined development.

As there is no assurance that the Requisite Consents will be obtained, Holders and potential investors are advised to exercise caution when dealing in the securities of the Company.

References are made to the announcements of the Company dated October 8, 2019, April 20, 2020 and December 4, 2020 (the “**Announcements**”) in relation to the issuance of the Notes. Unless specified otherwise, capitalized terms used in this announcement shall have the same meanings as those used in the Announcements.

The Company announces that it is soliciting the Requisite Consents from the Holders to amend the Indenture in the manner more fully described in the Consent Solicitation Statement to be sent to the Holders on the Launch Date, which is summarized under the section headed “Consent Solicitation” in this announcement.

CONSENT SOLICITATION

The principal purpose of the Consent Solicitation is to seek amendments to certain provisions of the Indenture to optimize the capital structure of the Group and give it more flexibility for future disciplined development.

The Company is seeking the Requisite Consents from the Holders as of the record date in relation to certain proposed amendments to the terms of the Indenture which include, among others, the following (capitalized terms below have the same meanings as defined in the Indenture): (i) the definition of Change of Control to lower the minimum threshold of the Permitted Holders’ holding of the voting power of the Voting Stock of the Parent Guarantor to no less than 40.0%, the dissatisfaction of which would constitute a Change of Control; (ii) permit (A) the declaration and payment of any dividend by the Parent Guarantor with respect to its Capital Stock on or prior to the completion of the initial public offering of the Capital Stock of the Parent Guarantor on a Qualified Exchange (the “**Parent Guarantor IPO**”) in an aggregate amount not to exceed the aggregate accrued but undistributed profit as of the most recent audited or reviewed financial statements, or (B) the declaration and payment of any final dividend for any financial year and/or any interim dividend for any fiscal semi-annual period ending after the completion of the Parent Guarantor IPO, *provided* that the aggregate amount of such declaration and payment of dividends for any financial year ending after the Parent Guarantor IPO under (B) shall not exceed 25.0% of profit before tax of the Parent Guarantor for the immediately preceding financial year or, with respect to interim dividends, 25% of profit before tax of the Parent Guarantor for the immediately preceding fiscal semi-annual period; and (iii) delete the covenant on the Personal Guarantees in its entirety.

The record date for the determination of registered holders entitled to give consents pursuant to the Consent Solicitation Statement is 5:00 p.m., Central European Time, on December 17, 2020. The Consent Solicitation will expire at 5:00 p.m., Central European Time, on December 30, 2020, unless extended or terminated by the Company.

These proposed amendments together constitute a single proposal and a consenting Holder must consent to the proposed amendments as an entirety and may not consent selectively with respect to certain proposed amendments.

Subject to the Consent Solicitation Statement, the Company will make a cash payment of the Consent Fee of US\$1.00 to each Holder for each US\$1,000 in principal amount of Notes in respect of which such Holder has validly delivered (and not validly revoked) a consent on or

prior to the Expiration Date. Any Consent Fee due is currently expected to be paid on the Payment Date (as defined in the Consent Solicitation Statement) to such Holders.

The acceptance of the consents from the Holders by the Company and the payment of Consent Fee is conditional upon, among other things, (i) receipt of the Requisite Consents being validly delivered and not validly revoked pursuant to the terms of the Consent Solicitation on or prior to the Expiration Date; (ii) an affirmative determination by the Group that accepting the Consents, paying the Consent Fee and effecting the transactions contemplated hereby are in the best interest of the Company; (iii) execution of the Second Supplemental Indenture (as defined in the Consent Solicitation Statement) by each of the parties contemplated therein; (iv) the absence of any law or regulation which would, and the absence of any pending or threatened injunction or other proceeding which (if adversely determined) would, make unlawful or invalid or enjoin the implementation of the proposed amendments or the payment of the Consent Fee, or that would question the legality or validity thereof; and (v) that (A) no change (or development involving a prospective change) shall have occurred or shall be threatened in the Group's business, properties, assets, liabilities, financial condition, operations, or results of operations, and (B) no change (or development involving a prospective change) shall have occurred in financial markets generally or affecting the Group's equity, or the Notes that, in the Group's reasonable judgment in the case of either (A) or (B) above, is or may be adverse to the Group or has or may have a material adverse effect upon the contemplated benefits to the Group and/or any of its affiliates of the Consent Solicitation. The foregoing conditions are for the sole benefit of the Group and the Group may, in its sole discretion, waive any of the conditions, in whole or in part, at any time and from time to time or otherwise amend the Consent Solicitation at any time prior to the acceptance of Consents.

If the Requisite Consents are not received on or prior to the Expiration Date or if the Company has not accepted any consents in respect of the Notes, (i) the proposed amendments to the terms of the Indenture will not be effected, and (ii) no Consent Fee will be paid to any Holder.

If the Requisite Consents are received on or prior to the Expiration Date and the proposed amendments to the terms of the Indenture become effective, the proposed amendments will be binding on all Holders, including non-consenting Holders. However, non-consenting Holders will not receive any Consent Fee.

The results of the Consent Solicitation will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

FURTHER DETAILS

For a detailed statement of the terms and conditions of the Consent Solicitation, Holders should refer to the Consent Solicitation Statement.

The Consent Solicitation Statement will be distributed in electronic format to the Holders. The Company has engaged Admiralty Harbour Capital Limited as the Solicitation Agent. A Holder (or a beneficial owner that is not a Holder) may also contact the Consent and Tabulation Agent for the Consent Solicitation and all documentation relating to the Consent Solicitation and any updates will be available from the Consent and Tabulation Agent (email:

debtstructuring@bnymellon.com or telephone: +44 1202 689644) or his/her/its broker, dealer, bank, trust company or other nominee for assistance concerning the Consent Solicitation.

GENERAL

This announcement is not a solicitation of consent with respect to the Notes. The Consent Solicitation is being made solely pursuant to the Consent Solicitation Statement and related documents dated December 18, 2020, which set forth in detail the terms of the Consent Solicitation. Holders should not contact the Company with respect to the Consent Solicitation and should not rely solely on this announcement. All statements contained herein are qualified by the Consent Solicitation Statement.

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

Forward-looking statements in this announcement, including, among others, statements relating to the Consent Solicitation are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes, changes in the business and financial condition of the Group, changes in the real estate or infrastructure industries and changes in the financial and capital markets in general.

As there is no assurance that the Requisite Consents will be obtained, Holders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Company”	Hongkong Ideal Investment Limited (香港理想投資有限公司), a company incorporated in Hong Kong with limited liability
“Consent and Tabulation Agent”	The Bank of New York Mellon
“Consent Fee”	a cash payment of US\$1.00 to each Holder per US\$1,000 in principal amount of Notes in respect of which such Holder has validly delivered (and not validly revoked) a consent on or prior to the Expiration Date

“Consent Solicitation”	soliciting consents from Holders to certain proposed amendments to the Indenture
“Consent Solicitation Statement”	the consent solicitation statement dated December 18, 2020 in relation to the seeking of consents for certain amendments to the Indenture
“Expiration Date”	5:00 p.m., Central European Time on December 30, 2020, unless extended or terminated by the Company from time to time in its sole discretion
“Group”	the Parent Guarantor and its subsidiaries (including the Company and the PRC Subsidiary Guarantor)
“Holders”	the registered holders of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	the indenture dated as of October 8, 2019 (as supplemented by a first supplemental indenture dated as of December 6, 2019) by and among the Company, the Parent Guarantor, the PRC Subsidiary Guarantor and the trustee, specifying the terms of the Notes
“Launch Date”	December 18, 2020
“Notes”	US\$205,000,000 14.75% senior notes due 2022 issued by the Company and unconditionally and irrevocably guaranteed by the Parent Guarantor and the PRC Subsidiary Guarantor
“Parent Guarantor”	Beijing Hongkun Weiye Real Estate Development Co., Ltd (北京鴻坤偉業房地產開發有限公司), a company established in the PRC with limited liability and the parent of the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong and Macao Special Administrative Region of the People’s Republic of China
“PRC Subsidiary Guarantor”	Tianjin Hongkun Real Estate Development Co., Ltd (天津鴻坤房地產開發有限公司), a company established in the PRC with limited liability and a subsidiary of the Parent Guarantor
“Requisite Consents”	means there being validly delivered (and not validly revoked) consents from the Holders of not less than a majority in aggregate principal amount of the outstanding Notes on the record date pursuant to the terms set out in the Consent

Solicitation Statement on or prior to the Expiration Date

“Solicitation Agent”	Admiralty Harbour Capital Limited
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

Hong Kong, December 18, 2020

As at the date of this announcement, the directors of Hongkong Ideal Investment Limited are Mr. ZHAO Weihao and Ms. QIN Luyun.

As at the date of this announcement, the directors of Beijing Hongkun Weiye Real Estate Development Co. Ltd are Mr. ZHU Can, Mr. ZHAO Weihao, Mr. CHEN Xi and Mr. CHEN Xinwei.