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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)*

**INSIDE INFORMATION**

**UPDATE ON 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)*

This announcement is made by Hongkong Ideal Investment Limited (the “**Company**”) pursuant to Rules 13.09, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**14.75% GUARANTEED SENIOR NOTES DUE 2022**

Reference is made to the announcements of the Company dated 8 October 2019, 20 April 2020 and 4 December 2020, respectively (together, the “**Announcements**”) in relation to the 14.75% Guaranteed Senior Notes Due 2022 issued by the Company and listed on The Stock Exchange of Hong Kong Limited (ISIN: XS2059534342; Common Code: 205953434) (the “**Notes**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the meanings ascribed to them in the Announcements.

The Notes will bear interest at 14.75% per annum, payable semi-annually in arrears on April 8 and October 8 of each year. The interest in the amount of US\$14,233,750 under the Notes became due and payable on 8 April 2022. Affected by various adverse factors such as the macroeconomic environment, the real estate industry, financial environment and the effect of COVID-19, the Company is not able to repay the accrued but unpaid interest thereon. Under the terms of the Notes, the Company had a grace period of 30 days to pay the interest. The grace period has expired and the Company did not make the payment before the expiry. As a result, an event of default has taken place.

As at the date of this announcement, the total outstanding principal of the Notes is US\$193 million. The Company is in the process of assessing its liquidity position, overall business operation and operating environment, actively implementing effective liquidity resolution and keeps close watch on the situation. The Company will also proactively engage in dialogues with the noteholders with a view to achieving a consensual solution and protecting the best interests of the Company's stakeholders. Further announcement will be made by the Company in relation to the progress of any capital structure solutions or significant updates.

**Shareholders and potential investors of the Company are advised not to rely solely on the information contained herein and should exercise caution when dealing in the securities of the Company. When in doubt, shareholders and potential investors of the Company are advised to seek professional advice from their own professional or financial advisers.**

Hong Kong, 10 May 2022

*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. HUA Gui, Mr. ZHAO Weihao and Mr. CHEN Xi.*