

## CMBI Credit Commentary - GZRFPR

### GZRFPR – Tender offer result of Jan'22 Notes

Guangzhou R&F announced USD 104mn fund to settle purchase price, accrued interest and consent fee of its proposed tender offer, lower than its previous expectation of USD 300mn. The company also announced respective maximum acceptance amount for both tender offer Option A and Option B.

After proration, for each USD 100 notional principal:

- Option A valid tender will receive upfront cash of USD 18.8 (incl. USD 18.1 cash principal repayment + USD 0.61 accrued interest + USD 0.1 consent fee). Option A upfront cash is significantly higher than Option B as tendered notes for option A in excess of its maximum acceptance amount is rolled over to Option B.
- Option B valid tender will receive upfront cash of USD 3.5 (incl. USD 3.3 cash principal repayment + USD 0.1 accrued interest + USD 0.1 consent fee).

After cancellation, USD608.6mn notes will remain outstanding. For each 100 old notes, noteholders tendered for option A will receive 78.7 new notes (100 minus 18.1 cash principal repayment and 3.2 haircut), while as noteholders tendered for option B will receive 96.7 new notes (100 minus 3.3 cash principal repayment).

	Note	Option A	Option B	Non-Tendered
Existing Notes Tender Offer results (USD mn)		519.8	175.4	29.8
Rolled over from Option A Eligible for Option B (USD mn)			423.4	
Subtotal	(a)	519.8	598.8	29.8
Maximum Acceptance amount (USD mn)	(b)	96.385	19.984	-
Haircut	(c)	17%	0%	
Proration factor	(d)	18.5%	7.1%	
<b>For each 100 notional principal tendered (USD)</b>				
Cash upfront principal repayment	(b)/(a)*(1-c)	15.4	3.3	-
Accrued Interest	(b)/(a)*2.859	0.53	0.10	-
Subtotal: upfront cash received	(e)	15.9	3.4	
Upfront cash from Rolled-over to Option B	(1-d)* e	2.8		
Consent Fee		0.1	0.1	0
<b>Total upfront cash received</b>		<b>18.8</b>	<b>3.5</b>	<b>0.0</b>

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