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Chuang's Consortium International Limited
(莊士機構國際有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 367)



Chuang's China Investments Limited
(莊士中國投資有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

**VOLUNTARY JOINT ANNOUNCEMENT
IN RELATION TO THE AOYUAN NOTES EXCHANGE
PURSUANT TO THE AOYUAN RESTRUCTURING**

The joint announcement is made by Chuang's Consortium and Chuang's China on a voluntary basis.

AOYUAN NOTES EXCHANGE

The Chuang's China Board and the Chuang's Consortium Board announce that, on 25 March 2024, the Chuang's China Group and the Chuang's Consortium Group are informed by their investment banks that the Chuang's China Group and the Chuang's Consortium Group have received/are expected to receive the Chuang's China New Aoyuan Package and the Chuang's Consortium New Aoyuan Package respectively from the exchange of the Chuang's China Old Aoyuan Notes and the Chuang's Consortium Old Aoyuan Notes under the Aoyuan Notes Exchange pursuant to the Aoyuan Restructuring with the scheme effective date on 25 January 2024 and the restructuring effective date on 20 March 2024 respectively.

No cash consideration has been/will be paid or received by the Chuang's China Group and the Chuang's Consortium Group under the Aoyuan Notes Exchange.

The details about the Aoyuan Notes Exchange are shown as below:

(a) For Chuang’s China Group

Chuang’s China Old Aoyuan Notes	Chuang’s China New Aoyuan Package
<p>(i) 5.375% notes due September 2022 in the principal amount of US\$3,000,000; and</p> <p>(ii) 6.35% notes due February 2024 in the principal amount of US\$8,000,000.</p> <p>The total principal amount of the Chuang’s China Old Aoyuan Notes is US\$11,000,000.</p>	<p>(1) 7.50% notes due 30 September 2029 (the “2029 Notes”) in the principal amount of approximately US\$1.7 million;</p> <p>(2) 8.00% notes due 30 September 2030 (the “2030 Notes”) in the principal amount of approximately US\$1.3 million;</p> <p>(3) 8.80% notes due 30 September 2031 (the “2031 Notes”) in the principal amount of approximately US\$1.7 million;</p> <p><i>(the 2029 Notes, 2030 Notes and 2031 Notes, either individually or collectively, are referred as to the “Add Hero New Notes”)</i></p> <p>(4) 5.50% notes due 30 September 2031 (the “Aoyuan New Notes”) in the principal amount of approximately US\$0.7 million;</p> <p>(5) Mandatory convertible bonds to convert to the ordinary shares of the Issuer due 30 September 2028 (the “MCB”) in the principal amount of approximately US\$0.2 million;</p> <p>(6) Perpetual bonds (the “PB”) in the principal amount of approximately US\$2.7 million; and</p> <p>(7) Ordinary shares of the Issuer (the “OS”) with approximately 2.4 million shares.</p> <p>The Chuang’s China New Aoyuan Package above, comprising the Add Hero New Notes, the Aoyuan New Notes, the MCB, the PB and the OS, are exchanged with the Chuang’s China Old Aoyuan Notes and their outstanding interests of approximately US\$1.4 million which have not been settled by the Issuer.</p> <p><i>(The above amounts to be receivable from the Chuang’s China New Aoyuan Package are estimated by reference to the public information as announced by the Issuer from time to time.)</i></p>

(b) For Chuang's Consortium Group

Chuang's Consortium Old Aoyuan Notes	Chuang's Consortium New Aoyuan Package
<p>(i) 7.95% notes due February 2023 in the principal amount of US\$6,000,000; and</p> <p>(ii) 6.35% notes due February 2024 in the principal amount of US\$8,000,000.</p> <p>The total principal amount of the Chuang's Consortium Old Aoyuan Notes is US\$14,000,000.</p>	<p>(1) the 2029 Notes in the principal amount of approximately US\$2.2 million;</p> <p>(2) the 2030 Notes in the principal amount of approximately US\$1.7 million;</p> <p>(3) the 2031 Notes in the principal amount of approximately US\$2.2 million;</p> <p>(4) the Aoyuan New Notes in the principal amount of approximately US\$0.9 million;</p> <p>(5) the MCB in the principal amount of approximately US\$0.3 million;</p> <p>(6) the PB in the principal amount of approximately US\$3.5 million; and</p> <p>(7) the OS with approximately 3.1 million shares.</p> <p>The Chuang's Consortium New Aoyuan Package above, comprising the Add Hero New Notes, the Aoyuan New Notes, the MCB, the PB and the OS, are exchanged with the Chuang's Consortium Old Aoyuan Notes and their outstanding interests of approximately US\$2.1 million which have not been settled by the Issuer.</p> <p><i>(The above amounts to be receivable from the Chuang's Consortium New Aoyuan Package are estimated by reference to the public information as announced by the Issuer from time to time.)</i></p>

SUMMARY OF PRINCIPAL TERMS OF THE ADD HERO NEW NOTES

Issuer:	Add Hero Holdings Limited (a direct wholly-owned subsidiary of China Aoyuan Group Limited)
Issue date:	20 March 2024
Principal amount issued:	2029 Notes: US\$650 million 2030 Notes: US\$500 million 2031 Notes: US\$650 million
Interest commencement date:	30 September 2023
Interest per annum:	2029 Notes: 7.50% in cash or 8.50% if payment-in-kind (“ PIK ”) 2030 Notes: 8.00% in cash or 9.00% if PIK 2031 Notes: 8.80% in cash or 9.80% if PIK
Interest payment:	Semi-annual interest payment based on the schedule below: <ul style="list-style-type: none">● For the first 2-year period after the interest commencement date, the issuer can elect between cash interest or PIK interest;● For the six months after the first 2-year period after the interest commencement date, there will be a minimum cash interest of 2% on the outstanding principal amount; and● After the 2.5 year period, the issuer has to pay all interest in cash.
Maturity date:	2029 Notes: 30 September 2029 (<i>note</i>) 2030 Notes: 30 September 2030 2031 Notes: 30 September 2031 <i>Note:</i> It is subject to redemption from time to time in accordance to the following amortization schedule: <ul style="list-style-type: none">● US\$150 million of the outstanding principal amount plus accrued and unpaid interest thereon shall be redeemed on 30 September 2026;● US\$200 million of the outstanding principal amount plus accrued and unpaid interest thereon shall be redeemed on 30 September 2028; and

- the remaining outstanding principal amount plus all accrued and unpaid interest thereon shall be redeemed on 30 September 2029.

Guarantors: The same subsidiary guarantors as those in the Old Aoyuan Notes and all existing and newly established offshore subsidiaries of the Issuer's group

Credit enhancement measures:

- Existing share pledge of the offshore subsidiaries and further security interest over certain offshore assets held by Add Hero and the Issuer.
- Share pledge over entities of the Issuer's group which shall hold 50% of the Issuer's group's interest in certain onshore urban renewal projects which are at varying stages of development.
- Share pledge over the ordinary shares of the Issuer held by the chairman of the Issuer ("**Aoyuan Chairman**").
- Share pledge over the ordinary shares of Healthy Life held by the Aoyuan Chairman ("**Aoyuan Chairman Healthy Life Shares**").
- Procure the sale of Aoyuan Chairman Healthy Life Shares to the market at a pre-set price level, with proceeds to Add Hero to repay accrued and unpaid interest of the Add Hero New Notes and mandatorily redeem the outstanding principal of the Add Hero New Notes.

Listing: The Singapore Exchange Securities Trading Limited

SUMMARY OF PRINCIPAL TERMS OF THE AOYUAN NEW NOTES

Issuer:	China Aoyuan Group Limited
Issue date:	20 March 2024
Principal amount issued:	To be further announced by the Issuer, with the maximum amount upto US\$500 million
Interest commencement date:	30 September 2023
Interest per annum:	PIK at 5.50%
Interest payment:	Semi-annual interest payment
Maturity date:	30 September 2031
Security:	The ordinary shares of Healthy Life held by the Issuer (“ Aoyuan Healthy Life Shares ”)
Credit enhancement measures:	<ul style="list-style-type: none">• Dividends from Healthy Life received by the Issuer will be used to repay accrued and unpaid interest of the Aoyuan New Notes and mandatorily redeem the outstanding principal of the Aoyuan New Notes.• Procure the sale of Aoyuan Healthy Life Shares to the market within two years from the issue date of the Aoyuan New Notes at a pre-set price level, with proceeds to the Issuer to repay accrued and unpaid interest of the Aoyuan New Notes and mandatorily redeem the outstanding principal of the Aoyuan New Notes.
Listing:	The Singapore Exchange Securities Trading Limited

SUMMARY OF PRINCIPAL TERMS OF THE MCB

Issuer:	China Aoyuan Group Limited
Issue date:	20 March 2024
Principal amount issued:	To be further announced by the Issuer, with the maximum amount upto US\$143 million
Interest per annum:	0%
Maturity date:	30 September 2028
Conversion:	<ul style="list-style-type: none">● Voluntarily convertible to the ordinary shares of the Issuer at the then prevailing conversion price at any time after 12 months from the issue date of the MCB up to and including 10 business days prior to the maturity date or any redemption date, subject to the terms and conditions of the MCB.● The outstanding principal amount of the MCB shall be mandatorily converted into the ordinary shares of the Issuer at maturity at the then prevailing conversion price, subject to the terms and conditions of the MCB.
Listing:	The Singapore Exchange Securities Trading Limited

SUMMARY OF PRINCIPAL TERMS OF THE PB

Issuer:	China Aoyuan Group Limited	
Issue date:	20 March 2024	
Principal amount issued:	To be further announced by the Issuer, with the maximum amount upto US\$1.6 billion	
Interest commencement date:	30 September 2023	
Interest per annum:	Years from interest commencement date	Coupon rate (<i>note</i>)
	Year 1 to Year 8	0%
	Year 9 to Year 10	1%
	Year 11 to Year 12	2%
	Year 13 to Year 14	3%
	Year 15 to Year 16	5%
	Year 17 to Year 18	7%
	Year 19 to Year 21	9%
	After Year 21 and onwards	Increase by 3% per annum
	<i>Note:</i> If interest is deferred, the cash interest shall be automatically toggled to PIK and accrue at the same rate.	
Interest payment:	Semi-annual interest payment	
Maturity date:	Perpetual	
Listing:	The Singapore Exchange Securities Trading Limited	

SUMMARY OF PRINCIPAL TERMS OF THE OS

Issuer:	China Aoyuan Group Limited
Issue date:	To be further announced and finalized by the Issuer
Principal number of shares:	To be further announced and finalized by the Issuer, with the maximum number of shares upto 1.4 billion shares, in which the Issuer shall issue 1 billion new ordinary shares, together with the 400 million ordinary shares of the Issuer currently held in the interests of the Aoyuan Chairman (and his family members) to be transferred in under the Aoyuan Restructuring. They are allocated to the qualified parties on a pro rata basis in accordance with the total debts eligible under the Aoyuan Restructuring.

GENERAL

For more details about the above Add Hero New Notes, the Aoyuan New Notes, the MCB, the PB and the OS, the Aoyuan Notes Exchange, and the Aoyuan Restructuring, please refer to the announcements and circular issued by the Issuer on 28 February 2023, 24 March 2023, 27 March 2023, 31 March 2023, 6 April 2023, 12 June 2023, 2 July 2023, 11 July 2023, 10 August 2023, 22 September 2023, 11 October 2023, 7 November 2023, 27 November 2023, 29 November 2023, 4 December 2023, 15 December 2023, 10 January 2024, 12 January 2024, 29 January 2024 and 20 March 2024. The summary of principal terms of the Add Hero New Notes, the Aoyuan New Notes, the MCB, the PB and the OS as shown above are also extracted from these announcements and circular of the Issuer.

INFORMATION ON ADD HERO AND THE ISSUER

According to the public information available to the Chuang's China Board and the Chuang's Consortium Board:

- Add Hero is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Issuer. It is an investment holding company and its subsidiaries are principally engaged in property development, property investment and others; and
- the Issuer is an investment holding company listed on the Main Board of the Stock Exchange and its subsidiaries are principally engaged in property development, property investment and others.

INFORMATION ON CHUANG'S CHINA AND CHUANG'S CHINA GROUP

Chuang's China is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). Chuang's China is an indirect non-wholly-owned subsidiary of, and owned as to approximately 61.15% by, the Chuang's Consortium Group as at the date of this joint announcement.

The Chuang's China Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises (including art pieces), and securities investment and trading.

INFORMATION ON CHUANG'S CONSORTIUM AND CHUANG'S CONSORTIUM GROUP

Chuang's Consortium is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 367).

The Chuang's Consortium Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business.

As at the date of this joint announcement, the Chuang's Consortium Group holds approximately 61.15% of the total issued share capital of Chuang's China.

DEFINITIONS

“Add Hero”	Add Hero Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Issuer
“Aoyuan Notes Exchange”	the exchange of the Old Aoyuan Notes to the New Aoyuan Packages in accordance with the terms of the Aoyuan Restructuring
“Aoyuan Restructuring”	the restructuring arrangements as announced by the Issuer on 28 February 2023, 24 March 2023, 27 March 2023, 31 March 2023, 6 April 2023, 12 June 2023, 2 July 2023, 11 July 2023, 10 August 2023, 22 September 2023, 11 October 2023, 7 November 2023, 27 November 2023, 29 November 2023, 4 December 2023, 15 December 2023, 10 January 2024, 12 January 2024, 29 January 2024 and 20 March 2024 which involve the Aoyuan Notes Exchange
“Chuang's China”	Chuang's China Investments Limited (莊士中國投資有限公司), a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). As at the date of this joint announcement, Chuang's China is owned as to approximately 61.15% by the Chuang's Consortium Group
“Chuang's China Board”	the board of directors of Chuang's China
“Chuang's China Group”	Chuang's China and its subsidiaries

“Chuang’s China New Aoyuan Package”	the various new instruments to be issued by Add Hero and the Issuer to a wholly-owned subsidiary of Chuang’s China under the Aoyuan Notes Exchange, details of which are set out in the section headed “Aoyuan Notes Exchange” in this joint announcement
“Chuang’s China Old Aoyuan Notes”	(i) 5.375% notes due September 2022 in the principal amount of US\$3,000,000 and (ii) 6.35% notes due February 2024 in the principal amount of US\$8,000,000 issued by the Issuer and held by a wholly-owned subsidiary of Chuang’s China
“Chuang’s Consortium”	Chuang’s Consortium International Limited (莊士機構國際有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 367)
“Chuang’s Consortium Board”	the board of directors of Chuang’s Consortium
“Chuang’s Consortium Group”	Chuang’s Consortium and its subsidiaries, including the Chuang’s China Group
“Chuang’s Consortium New Aoyuan Package”	the various new instruments to be issued by Add Hero and the Issuer to a wholly-owned subsidiary of Chuang’s Consortium under the Aoyuan Notes Exchange, details of which are set out in the section headed “Aoyuan Notes Exchange” in this joint announcement
“Chuang’s Consortium Old Aoyuan Notes”	(i) 7.95% notes due February 2023 in the principal amount of US\$6,000,000 and (ii) 6.35% notes due February 2024 in the principal amount of US\$8,000,000 issued by the Issuer and held by a wholly-owned subsidiary of Chuang’s Consortium
“Healthy Life”	Aoyuan Healthy Life Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3662). Healthy Life has changed its name to “Starjoy Wellness and Travel Company Limited” with effect from 19 December 2023
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	China Aoyuan Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3883)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Aoyuan Packages”	the Chuang’s China New Aoyuan Package and the Chuang’s Consortium New Aoyuan Package
“Old Aoyuan Notes”	the Chuang’s China Old Aoyuan Notes and the Chuang’s Consortium Old Aoyuan Notes
“PRC”	The People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the board of
Chuang’s Consortium International Limited
Albert Chuang Ka Pun
Chairman and Managing Director

By order of the board of
Chuang’s China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 25 March 2024

As at the date of this joint announcement, Mr. Albert Chuang Ka Pun, Mr. Richard Hung Ting Ho, Mr. Edwin Chuang Ka Fung, Miss Ann Li Mee Sum, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Geoffrey Chuang Ka Kam and Mr. Chan Chun Man are the executive directors of Chuang’s Consortium, and Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong, Mr. Yau Chi Ming, Mr. David Chu Yu Lin and Mr. Tony Tse Wai Chuen are the independent non-executive directors of Chuang’s Consortium.

As at the date of this joint announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam are the executive directors of Chuang’s China, Mr. Dominic Lai is the non-executive director of Chuang’s China, and Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong are the independent non-executive directors of Chuang’s China.