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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
THE NEW R&F NOTES PURSUANT TO  
THE R&F NOTES EXCHANGE**

The Board announces that, on 11 July 2022, the Group has, pursuant to the R&F Notes Exchange, acquired the New R&F Notes to be issued on 12 July 2022 in the aggregate principal amount of about US\$50.6 million (equivalent to approximately HK\$397.2 million) at par value comprising:

- (i) about US\$49.2 million (equivalent to approximately HK\$386.2 million) through the exchange of the Existing R&F Notes at par value in the same principal amount; and
- (ii) about US\$1.4 million (equivalent to approximately HK\$11.0 million) as settlement of the unpaid and accrued interest of the Existing R&F Notes up to but excluding 11 July 2022 by receiving the New R&F Notes in the same amount at par value.

No cash consideration will be paid by the Group under the R&F Notes Exchange.

**IMPLICATIONS UNDER THE LISTING RULES**

As the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% (but is less than 25%), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## INTRODUCTION

The Board announces that, on 11 July 2022, the Group has, pursuant to the R&F Notes Exchange, acquired the New R&F Notes to be issued on 12 July 2022 in the aggregate principal amount of about US\$50.6 million (equivalent to approximately HK\$397.2 million) at par value comprising:

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No cash consideration will be paid by the Group under the R&F Notes Exchange.

## INFORMATION ON THE NEW R&F NOTES

According to the public announcements of R&F, the principal terms of the New R&F Notes are summarized below:

Issuer:	Easy Tactic Limited 怡略有限公司, an indirect wholly-owned subsidiary of R&F
Guarantors:	(i) R&F Properties (HK) Company Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of R&F, and (ii) other specified subsidiaries of R&F
Keepwell/Equity interest purchase undertaking provider:	Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2777)
Issue date:	12 July 2022
Issue size:	About US\$1,292 million
Coupon:	(i) 6.50% per annum in cash; or (ii) 7.50% per annum with payment-in-kind by the New R&F Notes (“PIK”), both payable in arrears semi-annually, and the Issuer has the right to elect the way of payment by PIK only in the first 18-month period commencing on the issue date
Maturity date:	11 July 2025
Redemption price at maturity date:	It will be redeemed at a price of 100% of the outstanding principal amount subject to the mandatory redemption and optional redemption as mentioned below

- Mandatory redemption: On the respective dates falling 24 months and 30 months after the issue date, the Issuer shall redeem the minimum redemption amount, which is 25% and 60% of the issue amount of notes, respectively, less the amount of notes already redeemed, at 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date)
- Optional redemption: At any time prior to the maturity date, the Issuer may at its option, redeem, in whole or in part, the notes outstanding at 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date)
- Other terms: It undertakes to utilize specified amount of the net consideration from the completion of sale/disposal of the specified assets/projects, after discharging certain specified related loans and costs and expenses, to repurchase or redeem part of the notes outstanding
- Listing: Singapore Exchange Securities Trading Limited

## **THE ACQUISITION OF THE NEW R&F NOTES PURSUANT TO THE R&F NOTES EXCHANGE**

Pursuant to the R&F Notes Exchange, the Group will receive:

- (i) the New R&F Notes to be issued on 12 July 2022 with the principal amount of about US\$49.2 million in exchange for the same principal amount of the Existing R&F Notes;
- (ii) the unpaid and accrued interest of the Existing R&F Notes up to but excluding 11 July 2022 of about US\$1.4 million by receiving the New R&F Notes to be issued with the same amount at par; and
- (iii) a consent fee in cash in the amount of US\$5 for each US\$1,000 in the principal amount (equivalent to 0.5% of the principal amount) of the Existing R&F Notes.

## **INFORMATION ON THE ISSUER, R&F (HK) AND R&F**

According to the public information available to the Board:

- (i) the Issuer is an investment holding company incorporated in the British Virgin Islands with limited liability, and is an indirect wholly-owned subsidiary of R&F;
- (ii) R&F (HK) is an investment holding company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of R&F; and
- (iii) R&F is a joint stock listed company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and its subsidiaries are principally engaged in development and sale of properties, property investment, hotel operations and other property development related services.

As at the date of this announcement, to the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Issuer, R&F (HK), R&F and their respective ultimate beneficial owners are Independent Third Parties.

## **INFORMATION ON THE COMPANY, THE GROUP AND THE PURCHASERS**

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

The 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.

The Chuang's Consortium Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal activities of the Chuang's Consortium Purchaser are securities investment and trading, and provision of nominee and secretarial services.

The Chuang's China Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Chuang's China. The principal activities of the Chuang's China Purchaser are securities investment and trading. Chuang's China is an indirect non-wholly-owned subsidiary of, and owned as to approximately 61.15% by, the Group as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE R&F NOTES EXCHANGE**

The Board has considered the following factors regarding the R&F Notes Exchange:

- (i) the New R&F Notes will mature on 11 July 2025, which represents an extension of maturity of about 3 years when compared with the maturity date of the Existing R&F Notes on 13 July 2022, and there is mandatory redemption from the Issuer on the respective dates falling 24 months and 30 months after the issue date to redeem the minimum amount of 25% and 60% of the issue amount of the outstanding New R&F Notes, respectively;
- (ii) the New R&F Notes bear interest at 6.50% per annum in cash or 7.50% per annum with payment-in-kind by the New R&F Notes (such PIK way is only applicable in the first 18-month period commencing on the issue date at the Issuer's sole option), either of them compares favourably to the Existing R&F Notes which bear interest at 5.75% per annum in cash;
- (iii) the unpaid and accrued interest of the Existing R&F Notes up to but excluding 11 July 2022 will be received in full by the Group by way of the New R&F Notes in the same amount which also bears interest at 6.50% per annum in cash or 7.50% per annum with payment-in-kind by the New R&F Notes as mentioned above;
- (iv) a consent fee of 0.5% of the principal amount of the Existing R&F Notes will be received in cash by the Group;

- (v) as stated in the public announcement of R&F dated 17 June 2022, as a credit enhancement measure, it undertakes to utilize specified amount of the net consideration from the completion of sale/disposal of the specified assets/projects, after discharging certain specified related loans and costs and expenses, to repurchase or redeem part of the New R&F Notes; and
- (vi) as stated in the public announcement of R&F dated 17 June 2022, R&F has been striving to mitigate the impact from adverse market conditions, including through the extension of onshore and offshore indebtedness maturities and asset disposals. As part of these efforts, R&F conducted the R&F Notes Exchange to improve its overall financial condition and maintain a sustainable capital structure.

After taking into account the above, the Board is of the opinion that the terms of the R&F Notes Exchange are fair and reasonable and on normal commercial terms, and the R&F Notes Exchange is in the interests of the Company and its shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% (but is less than 25%), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

### **DEFINITIONS**

“Acquisition”	the acquisition of the New R&F Notes by the Group in the principal amount of about US\$50.6 million (equivalent to approximately HK\$397.2 million) at par value pursuant to the R&F Notes Exchange
“Board”	the board of directors of the Company
“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 announcement, Chuang’s China is owned as to approximately 61.15% by the Group
“Chuang’s China Purchaser”	Rich Joint Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Chuang’s China
“Chuang’s Consortium Purchaser”	General Nominees Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Company”	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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Existing R&F Notes”	5.75% senior notes due 13 July 2022 in the aggregate principal amount of about US\$49.2 million (equivalent to approximately HK\$386.2 million) issued by the Issuer, in which about US\$48.2 million (equivalent to approximately HK\$378.4 million) were held by the Chuang’s Consortium Purchaser and the remaining of about US\$1.0 million (equivalent to approximately HK\$7.8 million) were held by the Chuang’s China Purchaser
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company or Chuang’s China within the meaning ascribed thereto under the Listing Rules
“Issuer”	Easy Tactic Limited 怡略有限公司, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of R&F
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New R&F Notes”	senior notes due 11 July 2025 to be issued by the Issuer pursuant to the R&F Notes Exchange
“PRC”	the People’s Republic of China
“Purchasers”	collectively, the Chuang’s Consortium Purchaser and the Chuang’s China Purchaser
“R&F”	Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2777)
“R&F (HK)”	R&F Properties (HK) Company Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of R&F

“R&F Notes Exchange”	the exchange of the Existing R&F Notes held by the Chuang’s Consortium Purchaser and the Chuang’s China Purchaser (as the case may be) into the New R&F Notes in accordance with the terms and conditions as announced by R&F on 17 June 2022 and 11 July 2022
“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*

Hong Kong, 11 July 2022

*As at the date of this 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 the Company, 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 the Company.*

*Unless otherwise stated, for the purpose of illustration only, amounts denominated in US\$ in this announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.85. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.*

\* *For identification purpose only*