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XINHU (BVI) 2018 HOLDING COMPANY LIMITED

新湖(BVI)2018 控股有限公司

(incorporated with limited liability in the British Virgin Islands)

QUZHOU XIN'AN DEVELOPMENT CO., LTD.¹

(衢州信安发展股份有限公司)

(incorporated with limited liability in the People's Republic of China and listed on the Shanghai Stock Exchange under stock code 600208.SH)

OFFER TO EXCHANGE ANY AND ALL OF THE OUTSTANDING EXISTING NOTES

Description of Debt Securities	Outstanding Amount	ISIN / Common Code	Minimum Acceptance Amount	Exchange Consideration per U.S.\$1,000 of Existing Notes tendered
11.0% Senior Notes due 2024 (as defined below) (the “ Existing Notes ”)	U.S.\$323,463,000	XS2387698926 / 238769892	Any and all of the outstanding Existing Notes	U.S.\$1,000 in aggregate principal amount of New Notes (as defined below) and Capitalized Interest (as defined herein)

THE EXCHANGE OFFER

Introduction

On the date of this announcement, Quzhou Xin'an Development Co., Ltd. (衢州信安发展股份有限公司) (the “**Guarantor**” or the “**Company**”) is offering Eligible Holders to exchange (the “**Exchange Offer**”), for the exchange consideration (the “**Exchange Consideration**”), any and all of the Existing Notes issued by Xinhua (BVI) 2018 Holding Company Limited 新湖(BVI)2018控股有限公司 (the “**Issuer**”) upon the terms and subject to the conditions set forth in the exchange offer memorandum dated September 16, 2024 (the “**Exchange Offer Memorandum**”).

The Exchange Offer will expire at 4:00 p.m., London time on September 23, 2024 unless extended or earlier terminated at the sole discretion of the Issuer and the Guarantor (such date and time, as the same may be extended, the “**Expiration Deadline**”). An appropriate announcement will be made if and when the applicable deadline is extended or earlier terminated.

Holders should read this announcement in conjunction with the Exchange Offer Memorandum. All documentation relating to the Exchange Offer and any updates will be available on the Exchange Offer Website (<https://clients.dfkingltd.com/xinhu>), which is subject to certain offer and distribution restrictions and eligibility confirmations.

¹ The previous name of the Company is Xinhua Zhongbao Co., Ltd. (新湖中宝股份有限公司)

Capitalised terms used and not otherwise defined in this announcement have the meanings given in the Exchange Offer Memorandum.

Purpose of the Exchange Offer

The purpose of the Exchange Offer is to refinance the Existing Notes and improve our capital structure.

We expressly reserve our absolute right, at their our discretion, from time to time and at any time to redeem or purchase any Existing Notes regardless of whether prior to or after the consummation of the Exchange Offer through open market or privately negotiated transactions, one or more tender offers or additional exchange offers or otherwise, on terms that may differ from the Exchange Offer and could be for cash or other consideration.

Summary of Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, we are offering to exchange any and all of the outstanding Existing Notes held by Eligible Holders for the Exchange Consideration as set forth below.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Exchange Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the Exchange Consideration) and will release and discharge us, the Existing Notes Trustee and Existing Notes Agents from any and all claims such holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Existing Notes tendered in the Exchange Offer pursuant to valid and accepted Instructions will be exchanged on the Exchange Settlement Date once conditions precedent to settlement have been satisfied and they will be subsequently cancelled.

Exchange Consideration

For each U.S.\$1,000 principal amount of the outstanding Existing Notes that are validly tendered prior to the Expiration Deadline and accepted for exchange, an Eligible Holder of such Existing Notes will receive the exchange consideration (the “**Exchange Consideration**”) consisting of:

- (a) U.S.\$1,000 in aggregate principal amount of U.S. dollar-denominated senior notes to be issued by the Issuer and guaranteed by the Company (the “**New Notes**”); *plus*
- (b) Capitalized Interest (rounded downward to the nearest U.S.\$1).

Any fractional amounts of New Notes will be forfeited. Your right to receive the Exchange Consideration described above is subject to all the conditions set forth in this Exchange Offer Memorandum being satisfied or waived.

The Existing Notes bear interest at the rate of 11.0% per annum. accrued and unpaid interest on any Existing Notes validly tendered by Eligible Holders and accepted for exchange, up to but not including the Exchange Settlement Date, will be payable in kind by increasing the principal amount of the New Notes to be issued to the Eligible Holders by the amount of such accrued and unpaid interest on the Existing Notes (such accrued and unpaid interest, the “**Capitalized Interest**”).

If all or any of the Existing Notes tendered for exchange by any Eligible Holder has not been accepted, you will receive (i) the Exchange Consideration in relation to the amount of the Existing Notes validly tendered and accepted in the Exchange Offer; and (ii) in relation to those Existing Notes not accepted in the Exchange Offer but validly tendered, such Existing Notes will be returned to such Eligible Holder.

No other holders of the Existing Notes will be entitled to receive the Exchange Consideration.

Procedures for Exchanging Existing Notes

Holders are advised to read carefully the Exchange Offer Memorandum for information relating to the procedural details of how to participate in the Exchange Offer.

Instructions in connection with the Exchange Offer are irrevocable and may not be withdrawn once delivered in accordance with the terms herein, except in the limited circumstances described in the Exchange Offer Memorandum.

We may, from time to time and at any time while the Exchange Offer is ongoing, repurchase Existing Notes outside of the Exchange Offer and on terms different from those of the Exchange Offer. We may, but will not be required to, cancel such repurchased Existing Notes, including but not limited to while the Exchange Offer is ongoing. Any such repurchase or cancellation will not be deemed a material change. The Exchange Offer and the Exchange Expiration Deadline will not be extended as a result of any such repurchase or cancellation, and instructions in connection with the Exchange Offer will not become revocable due to any such repurchase or cancellation.

Instructions to exchange any of the Existing Notes may only be submitted in a minimum principal amount of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Any New Notes to be issued to any Eligible Holder in the Exchange Offer will be in a minimum principal amount of U.S.\$200,000 and integral multiples of U.S.\$1 in excess thereof. Any fractional amounts of New Notes will be forfeited. To the extent that any Eligible Holder elects to exchange only a portion of its Existing Notes, any retained portion must be in a minimum principal amount of U.S.\$200,000. Eligible Holders are responsible for ensuring that their Instructions will result in the New Notes they are entitled to receive being at least equal to the minimum principal amount of U.S.\$200,000. Instructions that would result in a principal amount of New Notes below U.S.\$200,000 will be rejected. In addition, no Eligible Holder may give Instructions in respect to Existing Notes if, upon acceptance by the Company, such Eligible Holder will hold Existing Notes of less than U.S.\$200,000.

The Existing Notes for which Instructions are delivered will be blocked from transferring from the date the relevant Instruction is submitted until the time of settlement on the Exchange Settlement Date or the date of termination of the Exchange Offer (including where such Existing Notes are not accepted by the Company for exchange), whichever is earlier.

Separate Instructions must be submitted on behalf of each individual beneficial owner of the Existing Notes.

The Company and its subsidiaries may not submit any Instructions.

Tenor and Interest of the New Notes to be issued under the Exchange Offer

The New Notes (if issued) will have a tenor of 5 years and will bear an interest rate of 5.0 per cent. per annum. Interest will not be payable prior to the Maturity Date.

Conditions to the Exchange Offer

Our obligation to consummate the Exchange Offer is conditional upon the following:

- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date; and
- the satisfaction or waiver of the other conditions described in the Exchange Offer Memorandum.

Subject to applicable law, we may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Exchange Expiration Deadline. Although we have no present plans or arrangements to do so, we reserve the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. We will give you and Existing Notes Trustee notice of any amendments, modifications or waivers as and if required by applicable law. Eligible Holders may not withdraw Instructions at any time once delivered, except in the limited circumstances described in the Exchange Offer Memorandum.

Upon giving Instructions with respect to any Existing Notes, an Eligible Holder will agree that its Existing Notes will be blocked from transferring in the relevant account in the relevant Clearing System from the date the relevant Instruction is submitted until the time of settlement on the Exchange Settlement Date or the date of termination of the Exchange Offer (including where such Existing Notes are not accepted by us for exchange) or on which the Instruction is validly revoked, in the circumstances in which such revocation is permitted, whichever is earlier.

Summary Timetable

The following summarizes the current schedule for the Exchange Offer. Please note that the expiration of the Exchange Offer, the settlement of the New Notes, as well as the other events listed below, may be earlier or later than indicated below. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Exchange Offer Memorandum. The below dates are indicative only.

Date	Event
September 16, 2024 before 8:00 am London time	<p><i>Announcement and Commencement of the Exchange Offer</i></p> <p>Commencement of the Exchange Offer and the Exchange Offer Memorandum to be made available on the Exchange Offer Website to Eligible Holders who are non-U.S. persons outside the United States.</p> <p>Announcement via the website of Hong Kong Stock Exchange, the Exchange Offer Website and through Euroclear or Clearstream, as applicable.</p>
September 23, 2024 at 4:00 pm London time	<p><i>Exchange Expiration Deadline</i></p> <p>This being the last date and time at which Eligible Holders of the Existing Notes who validly submit Instructions are eligible to receive the Exchange Consideration.</p>
As soon as practicable after the Exchange Expiration Deadline (September 24, 2024)	<p><i>Announcement of Exchange Offer results</i></p> <p>Announcement of (i) the final aggregate principal amount of Existing Notes tendered and accepted for exchange and (ii) the final aggregate principal amount of the New Notes to be issued to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.</p>
On or about September 26, 2024	<p><i>Exchange Settlement Date</i></p> <p>Subject to satisfaction of the conditions as set forth under “<i>Description of the Exchange Offer—Conditions to the Exchange Offer</i>”, settlement and issuance of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.</p>
On or about September 27, 2024	<p><i>Listing of New Notes on the MOX</i></p>

In relation to the times and dates indicated above, Eligible Holders should note the particular practices and policies of the relevant Clearing System regarding their communications deadlines, which will determine the latest time at which tenders of the Existing Notes for exchange may be delivered to the relevant Clearing System (which may be earlier than the deadlines set forth below) so that they are received by the Information and Exchange Agent within the deadlines set forth below.

All notices to Eligible Holders will be released through delivery to the Clearing Systems for communication to direct participants. All notices and documents will be made available on the Exchange Offer Website maintained by the Information and Exchange Agent at: <https://clients.dfkingltd.com/xinhu>, subject to eligibility and registration.

Further Information

We have retained CNCB (Hong Kong) Capital Limited to act as the Dealer Manager for the Exchange Offer.

D.F. King Ltd. has been appointed as the Information and Exchange Agent for the Exchange Offer. Questions regarding the terms of the Exchange Offer or the tender or exchange procedures should be directed to the Information and Exchange Agent at +44 20 7920 9700 in London and +852 3953 7208 in Hong Kong, or via email at xinhu@dfkingltd.com.

All documents relating to the Exchange Offer can be obtained from the Exchange Offer Website: <https://clients.dfkingltd.com/xinhu>. For any questions concerning exchange procedures or the Exchange Offer, please contact the Information and Exchange Agent at the above points of contact.

GENERAL

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL THE EXISTING NOTES OR THE NEW NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER MEMORANDUM.

SHAREHOLDERS OF THE GUARANTOR, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AS SET FORTH IN THE EXCHANGE OFFER MEMORANDUM AND SUMMARIZED IN THIS ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT ANY OF THE EXCHANGE OFFER WILL BE COMPLETED AND THE ISSUER AND THE COMPANY RESERVE THE RIGHT TO AMEND, WITHDRAW OR TERMINATE ANY OF THE EXCHANGE OFFER WITH OR WITHOUT CONDITIONS.

THE ISSUER AND/OR THE COMPANY MAY, IN THEIR SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER. AS THE EXCHANGE OFFER MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE ISSUER, THE COMPANY OR THE EXISTING NOTES.

PLEASE NOTE: THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS OUTSIDE THE UNITED STATES. U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER EXISTING NOTES IN THE EXCHANGE OFFER.

The Exchange Offer is not being made to (nor will the tender of Existing Notes be accepted from or on behalf of) holders in any jurisdiction where the making or acceptance of the Exchange Offer would not comply with the laws of such jurisdiction. If the Issuer or the Guarantor becomes aware of any jurisdiction in which the making of the Exchange Offer, the tender of Existing Notes would not be in compliance with applicable laws, the Issuer or the Guarantor may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Issuer or the Guarantor cannot comply with any such law, the Exchange Offer will not be made to (nor will tenders be accepted from or on behalf of) any holder residing in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer, are based on current expectations, assumptions, estimates and projections about the Issuer, the Guarantor and its industry. These statements are not guarantees of future performance and that the actual results of operations, financial condition and liquidity of the Group, and the development of the industry in which that the Group operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to our business, changes in the business and financial condition of the Group and changes in the general economic trend in the PRC.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Clearstream”	Clearstream Banking S.A.;
“Euroclear”	Euroclear Bank SA/NV;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“PRC”	the People’s Republic of China which, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“U.S.” or “United States”	The United States of America;
“U.S.\$”	United States dollars, the lawful currency of the United States.

Hong Kong, September 16, 2024

As at the date of this announcement, the sole director of Xinhua (BVI) 2018 Holding Company Limited 新湖(BVI)2018 控股有限公司 is Mr. Ye Qing. As at the date of this announcement, the directors of Quzhou Xin'an Development Co., Ltd. (衢州信安发展股份有限公司) are Mr. Fu Yamin, Ms. Lin Junbo, Mr. Chen Yinghua, Mr. He Feng, Mr. Wang Donghua, Ms. Ma Liyan and Mr. Liang Chunyu.