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中國奧園集團股份有限公司
China Aoyuan Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3883)

ISSUANCE OF USD230,000,000 5.98% SENIOR NOTES DUE 2025

Reference is made to the Announcement in respect of the Notes Issue. Unless otherwise defined, terms that are defined in the Announcement shall have the same meaning in this announcement.

The Board is pleased to announce that on 11 November 2020, the Company and the Subsidiary Guarantors entered into a Purchase Agreement with Admiralty Harbour, The Bank of East Asia, Limited, BofA Securities, China CITIC Bank International, China International Capital Corporation, Credit Suisse, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley, OCBC Bank and UBS in connection with the issue of the Notes. The Offer Price of the Notes will be 99.929% of the principal amount of the Notes.

The estimated net proceeds of the issue of the Notes, after deduction of the underwriting commission and other estimated expense payable in connection with this offering, will amount to approximately USD226 million and the Company intends to use the net proceeds to refinance the Group's existing offshore indebtedness.

Application will be made to the SGX-ST for the listing of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval for the listing and quotation of the Notes on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries (if any). The issue of the Notes is subject to completion. Shareholders of the Company and the public are reminded to exercise caution when dealing in the securities of the Company.

THE PURCHASE AGREEMENT

Date: 11 November 2020

Parties to the Purchase Agreements

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) Admiralty Harbour, The Bank of East Asia, Limited, BofA Securities, China CITIC Bank International, China International Capital Corporation, Credit Suisse, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley, OCBC Bank and UBS as the initial purchasers for the issue of the Notes.

Admiralty Harbour, The Bank of East Asia, Limited, BofA Securities, China CITIC Bank International, China International Capital Corporation, Credit Suisse, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley, OCBC Bank and UBS are the joint lead managers, the joint bookrunners and initial purchasers in respect of the offer and sale of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Admiralty Harbour, The Bank of East Asia, Limited, BofA Securities, China CITIC Bank International, China International Capital Corporation, Credit Suisse, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley, OCBC Bank and UBS is an independent third party and not a connected person of the Company.

The Notes and the Subsidiary Guarantees have not been and will not be registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States. Accordingly, the Notes are being offered and sold only outside the United States in reliance on Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected persons of the Company.

Principal terms of the Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of USD230,000,000 which will mature on 18 August 2025, unless earlier redeemed pursuant to the terms thereof.

Offer Price

The Offer Price of the Notes will be 99.929% of the principal amount of the Notes.

Interest

The Notes will bear interest from and including 18 November 2020 at the rate of 5.98% per annum, payable semi-annually in arrear on 18 February and 18 August of each year, beginning 18 February 2021, except that the first payment of interest, to be made on 18 February 2021, will be in respect of the period from and including 18 November 2020 to but excluding 18 February 2021.

Ranking of the Notes

The Notes are general obligations of the Company and are guaranteed by certain Subsidiary Guarantors on a senior basis, subject to certain limitations described in the Indenture. The Notes (1) are senior in right of payment to any future obligations of the Company expressly subordinated in right of payment to the Notes, (2) rank and will rank at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law), (3) are effectively subordinated to the other secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor, and (4) are effectively subordinated to all existing and future obligations of the subsidiaries of the Company that are not Subsidiary Guarantors.

Events of default

The events of default under the Notes include, among others: (a) default in the payment of principal (or premium, if any); (b) default in the payment of interest or additional amounts and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate a change of control offer or an offer to purchase, or the failure by the Company to create, or cause certain of its subsidiaries to create a first priority lien on the collateral in accordance with the covenants described in the Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breach any other covenant or agreement in the Indenture or under the Notes (other than the default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice; (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of USD30.0 million; (f) one or more final

judgments or orders for the payment of money in excess of USD30.0 million are rendered against the Company or certain of its subsidiaries and are not paid or discharged; (g) involuntary bankruptcy or insolvency proceedings against the Company or any of its subsidiaries; (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors; (i) any Subsidiary Guarantor or any JV Subsidiary Guarantor denying or disaffirming its obligations under its guarantees guaranteeing the obligations of the Notes or except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect; (j) any default by the Company or any Subsidiary Guarantor pledgor in the performance of any of its obligations under the security provided under the Notes or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral created under the Notes or which adversely affects the condition or value of such collateral, taken as a whole, in any material respect; or (k) the Company or any Subsidiary Guarantor pledgor denying or disaffirming its obligations under the security documents provided under the Notes, other than in accordance with the Indenture and the relevant security documents provided under the Notes, any such relevant security document ceasing to be or is not in full force and effect, or the collateral agent ceasing to have a first priority security interest in the collateral given under the Notes (subject to any permitted liens and the intercreditor agreement).

If an event of default (other than an event of default specified in clause (g) and (h) above) occurs and is continuing, the trustee or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable.

Covenants

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) engage in any business other than a permitted business;

- (j) enter into agreements that restrict the ability of certain of its subsidiaries to pay dividends and transfer assets or make intercompany loans;
- (k) enter into transactions with equity holders or affiliates; or
- (l) effect a consolidation or merger.

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 18 August 2023, the Company may redeem the Notes, in whole or in part, at the redemption prices set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed to (but not including) the redemption date if redeemed during the twelve-month period beginning on 18 August of the year indicated below:

Period	Redemption Price
2023	103.00%
2024	101.50%

- (2) At any time prior to 18 August 2023, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100.00% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 18 August 2023, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 105.98% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

Repurchase of Notes upon a Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event (as defined in the Indenture), the Company must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the date of repurchase.

Reasons for the Notes Issue

The Company intends to use the net proceeds of the Notes to refinance the Group's existing offshore indebtedness. The Company may adjust the foregoing plan in response to changing market conditions and reallocate the use of proceeds.

Listing

Application will be made to the SGX-ST for the listing of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval for the listing and quotation of the Notes on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company, the Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries (if any).

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Admiralty Harbour”	Admiralty Harbour Capital Limited, one of the joint lead managers and the joint bookrunners in respect of the offer and sale of the Notes
“Announcement”	the announcement of the Company dated 11 November 2020 in respect of proposed issue of USD senior notes
“Holders”	Person whose name is registered in the Notes register
“Indenture”	the written agreement among the Company (as the issuer of the Notes), the Subsidiary Guarantors (as guarantors) and DB Trustees (Hong Kong) Limited (as trustee) that specifies the terms of the Notes, including the interest rate of the Notes and the maturity date
“JV Subsidiary Guarantors”	certain of the Company’s future joint venture subsidiaries guaranteeing the Notes
“Notes”	the USD230,000,000 5.98% senior notes due 2025 to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Purchase Agreement”	as applicable, the agreement dated 11 November 2020 entered into by and among the Company, the Subsidiary Guarantors, Admiralty Harbour, The Bank of East Asia, Limited, BofA Securities, China CITIC Bank International, China International Capital Corporation, Credit Suisse, Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley, OCBC Bank and UBS in connection with the issue of the Notes

“The Bank of East Asia,
Limited”

The Bank of East Asia, Limited, one of the joint lead managers and the
joint bookrunners in respect of the offer and sale of the Notes

By order of the Board
China Aoyuan Group Limited
Guo Zi Wen
Chairman

Hong Kong, 11 November 2020

As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Ma Jun, Mr. Chan Ka Yeung Jacky and Mr. Zhang Jun; and the independent non-executive directors of the Company are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Hu Jiang.