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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)**

**INSIDE INFORMATION**

This announcement is made by China Aoyuan Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the debt issued or guaranteed by the Company, listed in Schedule 3 (Group Financing Instruments) to the RSA (as defined below) (the “**Group Financing Instruments**”).

Reference is also made to the announcements of the Company dated 28 February 2023, 24 March 2023, 27 March 2023, 31 March 2023, 6 April 2023, 12 June 2023 and 2 July 2023 (“**2 July Announcement**” and together, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as ascribed thereto in the RSA (as defined below).

## OVERVIEW

As noted in the Announcements, the Company and its advisors have engaged in active discussions with certain significant beneficial holders of the Group Financing Instruments in relation to the implementation of a consensual arrangement to address indebtedness under the Group Financing Instruments in a holistic manner and, on 30 June 2023, the Company agreed the key commercial terms of the Proposed Restructuring with the AHG, representing approximately 33.10% of the aggregate outstanding principal amount of the offshore senior notes issued by the Company (the “**Aoyuan Existing Notes**”).

Further to the agreement of key commercial terms of the Proposed Restructuring with the AHG, the Company is pleased to announce the terms of the restructuring support agreement (“**RSA**”) which the Company intends to enter into with holders of the Group Financing Instruments to support the implementation of the Proposed Restructuring.

Further details as to the Proposed Restructuring and the RSA are set out in the sections below. A copy of the RSA (with the appropriate redactions) is available for download at <https://projects.morrowsodali.com/Aoyuan>.

### **STRONG SUPPORT FOR THE PROPOSED RESTRUCTURING FROM HOLDERS REPRESENTING A SIGNIFICANT AMOUNT OF THE AOYUAN EXISTING NOTES**

The Company is pleased to note that, as at the date of this announcement, members of the AHG have duly executed and are bound by the terms of the RSA. In this regard, the Company notes that the Proposed Restructuring, which is intended to be implemented through a series of Schemes (as defined below), can be approved by a majority in number, representing at least 75% in value, of the holders of the Group Financing Instruments who are present and voting at the scheme meeting convened in respect of the Schemes. Therefore, the Company is very encouraged by the strong support it has received to date from AHG representing such significant holdings in the Aoyuan Existing Notes.

The Proposed Restructuring, when completed, will provide the Group with a sustainable capital structure to deliver long-term value for all of its stakeholders. In the interests of all parties involved in the Group Financing Instruments, the Company will be grateful if the remaining holders of the Group Financing Instruments consider the terms of the RSA and enter into the same with the Company as soon as possible.

Holders of the Group Financing Instruments may accede to the RSA by validly executing an Accession Letter and submitting it to the Information Agent via the Consenting Creditor Portal (<https://portal.morrowsodali.com/aoyuanRSA>). The Information Agent is also available to answer any queries as regards this process (see contact details listed at the bottom of this announcement).

The Company will issue further announcement(s) to provide updates on the Proposed Restructuring and other relevant matters as and when appropriate.

## RSA AND THE PROPOSED RESTRUCTURING

The RSA forms the basis for the implementation of the Proposed Restructuring. The terms of the Proposed Restructuring are set out in the section headed “Term Sheets” in Schedule 7 (Term Sheets) to the RSA (the “**Term Sheets**”) and are substantially in the same form as the Term Sheets appended to the 2 July Announcement.

The Proposed Restructuring is expected to be implemented through a series of inter-locking and inter-conditional schemes of arrangement in Hong Kong, the Cayman Islands and the British Virgin Islands (the “**Schemes**”). A scheme of arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” which has been voted upon by the relevant classes of creditors and approved by the required majorities; it is not an insolvency procedure. The Company expects to commence the process of implementing the Proposed Restructuring on the terms set forth in the RSA as soon as possible.

Under the terms of the RSA, among other things:

(a) the Company undertakes to:

- i. implement or otherwise give effect to the Restructuring, including the Schemes in the manner envisaged by, and on the terms and conditions set out in the RSA and the Term Sheets;
- ii. use all reasonable endeavours to ensure that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
- iii. use all reasonable endeavours to obtain any necessary regulatory or statutory approvals or authorisations required to permit or facilitate the Restructuring; and
- iv. use all reasonable endeavours to obtain all corporate approvals or authorisations necessary to implement the Restructuring in the manner envisaged by, and on the terms and conditions set out in, the RSA and the Term Sheets; and

(b) each Consenting Creditor undertakes to:

- i. vote and deliver within any applicable time periods any proxies, instructions, directions or consents in respect of all of the Existing Debt in which it holds a beneficial interest as principal, including (without limitation) to vote in favour of the relevant Scheme in respect of all (i) its Existing Notes Debt in which it holds a beneficial interest as principal at the Record Date and/or (ii) its Existing Loans Debt in respect of which it is a lender of record at the Record Date, at the relevant Scheme Meeting and any other process that the Company and its advisers deem necessary or advisable for the purpose of implementing all or any part of the Restructuring;

- ii. (w) not take, commence or continue any Enforcement Action, (x) not direct or encourage any other person to take any Enforcement Action, (y) not vote or allow any proxy appointed by it to vote in favour of any Enforcement Action, and (z) vote or instruct any proxy appointed by it to vote against any Enforcement Action proposed to be taken; and
- iii. not challenge or object to or support any challenge or object to any term of any Scheme or any other restructuring process which the Company proposes in order to implement the Restructuring, except to the extent that such term is materially inconsistent with the terms of this Agreement or the Term Sheets.

Pursuant to and subject to the terms of the RSA, the Company shall pay or procure the payment of the RSA Fee to each Eligible Creditor, being:

- (a) an amount equal to 0.25% of the aggregate of its Eligible Restricted Debt (i.e. Restricted Debt which was made subject to the RSA on or prior to 5 p.m. Hong Kong time on 31 July 2023 or such later date as the Company may elect in its sole discretion (“**RSA Fee Deadline**”)) held by such Eligible Creditor as at the Record Date; and
- (b) Aoyuan New Notes in the principal amount equal to such Eligible Creditor’s pro rata share of USD100,000,000 in principal amount of the Aoyuan New Notes.

In order to be considered an Eligible Creditor and hence be eligible to receive the RSA Fee, a person must be a Consenting Creditor as at the Restructuring Effective Date and must:

- (a) hold Eligible Restricted Debt at the Record Date, and that such Eligible Restricted Debt comprises: (i) Eligible Restricted Debt held by such person as at the RSA Fee Deadline; and/or (ii) Eligible Restricted Debt which was acquired under a Transfer (or, if applicable, a series of Transfers) in accordance with Clause 11 (Additional Undertakings by the Consenting Creditors: transfer and related) of the RSA;
- (b) have voted the entire aggregate amount of the Existing Debt held by it at the Record Date in favour of the Schemes at the relevant Scheme Meetings (whether in person or proxy);
- (c) have not exercised its rights to terminate the RSA as at the Restructuring Effective Date; and
- (d) not be in breach of its obligations under the RSA as at the Restructuring Effective Date.

## **CONTACT DETAILS**

Holders of the Group Financing Instruments are encouraged to direct any requests for information in respect of the Proposed Restructuring to (i) the Company's financial advisor and legal advisor, (ii) the AHG's financial advisor and legal advisor or (iii) to the Information Agent (see contact details below):

### **Financial Advisor to the Company**

KPMG Advisory (China) Limited

Address: 8/F, Prince's Building, 10 Chater Road, Hong Kong

Email: aoyuan.restructuring@kpmg.com

### **Legal Advisor to the Company**

Linklaters

Address: 11th Floor, Alexandra House, Chater Road, Hong Kong SAR

Email: dlaoyuanlinklaters@linklaters.com

### **Financial Advisor to the AHG**

Moelis & Company Asia Limited

Address: Suite 1203-10, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong

Email: Project\_Olympics\_Ext@moelis.com

### **Legal Advisor to the AHG**

Weil, Gotshal & Manges

Address: 29/F Alexandra House, 18/F Chater Road, Central, Hong Kong

Email: Project.Olympics@weil.com

### **Information Agent**

Morrow Sodali Limited

Transaction Website (document posting website): <https://projects.morrowsodali.com/Aoyuan>

Consenting Creditor Portal (form submission website): <https://portal.morrowsodali.com/aoyuanRSA>

Email: aoyuan@investor.morrowsodali.com

Phone: (Hong Kong) +852 2319 4130 / (London) +44 20 4513 6933

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 1 April 2022 and will continue to be suspended until further notice.

The Company continues to assess the situation carefully and will issue further announcement(s) to provide updates on the above and other relevant matters as and when appropriate.

**The implementation of the Proposed Restructuring will be subject to many factors outside of the control of the Company. As there is no assurance that the Proposed Restructuring will be successfully implemented, Shareholders, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement and (ii) reminded to consider the related risks and exercise caution when dealing in the shares and other securities of the Company. When in doubt, Shareholders, holders of other securities of the Company and other investors of the Company are advised to seek professional advice from their own professional or financial advisers.**

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

Hong Kong, 11 July 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Ma Jun, Mr. Chen Zhi Bin and Mr. Tan Yi; and the independent non-executive directors of the Company are Mr. Cheung Kwok Keung, Mr. Lee Thomas Kang Bor and Mr. Wong Wai Keung Frederick.*