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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)**

**MAJOR TRANSACTION**  
**DISPOSAL OF INTEREST IN THE TARGET GROUP**

**THE DISPOSAL**

The Board wishes to announce that on 13 May 2024 (after trading hours), in furtherance to the LOI, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares at a total consideration of CAD68,000,070 (equivalent to approximately HK\$391,000,403).

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Disposal; (ii) a property valuation report on the M2M Project Phase 1; (iii) the notice convening the EGM; and (iv) the other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 11 June 2024, as additional time is required to prepare the relevant information to be included in the circular.

**Shareholders and potential investors of the Company should note that completion of the Disposal is subject to the satisfaction or waiver (as applicable) of the Conditions. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **INTRODUCTION**

The Board wishes to announce that on 13 May 2024 (after trading hours), in furtherance to the LOI, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares at a total consideration of CAD68,000,070 (equivalent to approximately HK\$391,000,403).

## **THE DISPOSAL**

Summarised below are the principal terms of the Agreement:

### **Date**

13 May 2024 (after trading hours)

### **Parties**

Vendor: Aoyuan Property Holdings (Canada) Ltd.

Purchaser: Winnet Capital Ltd.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, there is, and in the past twelve months, has been, no material loan arrangement between (a) the Purchaser, its director and its ultimate beneficial owner; and (b) the Company or any connected person at the Company level or subsidiary level (to the extent that such subsidiaries are involved in the Disposal).

### **Subject matter**

Pursuant to the terms of the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 70 Class B Shares and 68,000,000 TS1 Shares, representing all the issued shares in the respective classes of shares in the Target Company. Subject to the Shareholders Agreement becoming effective, the TS 1 Shares will represent 100% of the economic interest in the M2M Project Phase 1.

Please refer to the section headed “Shareholders Agreement” in this announcement for more details.

### **Key Conditions to completion of the Disposal**

Completion of the Disposal is subject to the satisfaction or waiver (as applicable) of the following key Conditions:

- (a) the Shareholders Agreement having been executed;
- (b) no governmental authority having issued, promulgated, enforced or entered any order that has the effect of making the transactions contemplated under the Agreement illegal or otherwise restraining or prohibiting consummation of such transactions;
- (c) the Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM; and
- (d) the Vendor having vacated or discharged all of the construction liens on the title of any of the M2M Project Phase 1 properties no later than the Completion Date, and there being no construction lien registered on the title of any of the M2M Project Phase 1 properties on the Completion Date.

Conditions (a), (b) and (c) cannot be waived, whilst Condition (d) can be waived by the Purchaser.

### **Completion**

Completion of the Disposal shall take place on the 25th Business Day following the satisfaction of Condition (c) or such other date as the Parties may agree. The Purchaser may terminate the Agreement if Condition (d) is not waived or fulfilled at anytime prior to completion of the Disposal.

With effect from the Completion Date, the Purchaser shall assume all material contracts relating to the M2M Project Phase 1 (to the extent such contracts have been provided to the Purchaser in the course of the due diligence exercise). Following Completion, the Purchaser shall proceed with the sale of the pre-sold units within the M2M Project Phase 1, the intent being that proceeds will be used to settle agreed expenses such as realtors’ commissions, conveyance fees, tax and any balance being applied towards the repayment of certain construction loan owed by the Target Group.

### **Consideration and payment terms**

The total consideration for the Disposal is CAD68,000,070 (equivalent to approximately HK\$391,000,403). The Consideration shall be paid by the Purchaser to the Vendor in the following manner:

- (a) on the Completion Date, crediting to the Consideration the initial deposit of CAD3,000,000 (equivalent to HK\$17,250,000) which had been paid in accordance with the terms of the LOI;

- (b) on the Completion Date, crediting to the Consideration the further deposit of CAD3,800,000 (equivalent to HK\$21,850,000) which is payable upon satisfaction of Condition (c);
- (c) on the Completion Date, payment of CAD70 (equivalent to approximately HK\$403) by way of wire transfer;
- (d) no later than ten (10) Business Days from the Completion Date, repayment of the non-interest bearing promissory note in the amount of CAD47,600,000 (equivalent to HK\$273,700,000) issued by the Purchaser to the Vendor on the Completion Date; and
- (e) within ten (10) Business Days from the Vendor having repaid the Land Loan and the related charge over the Target Group's interest in the entire M2M Project having been released, payment of CAD13,600,000 (equivalent to HK\$78,200,000) by way of wire transfer.

In the event the promissory note referred to in sub-paragraph (d) above is not fully repaid within the stipulated timeframe, the Vendor shall have the right to acquire the Sale Shares at CAD1 (equivalent to approximately HK\$6) immediately and the initial and further deposits shall, together with interest accrued thereon, be forfeited by the Purchaser as liquidated damages. The Consideration is subject to downward adjustments for any (i) payment made by the Phase 1 LP to settle liabilities or obligations in respect of the M2M Project Phases 2 and 3, and (ii) cash distribution to the partners of the Phase 1 LP, in each case during the period from 1 January 2024 until the Completion Date.

## **BASIS OF THE CONSIDERATION**

The Consideration was determined after arm's length negotiations between the Group and the Purchaser on normal commercial terms after taking into account: (i) the valuation of the M2M Project Phase 1 (on an "as-is" basis) as at 15 March 2024 which amounted to CAD50,700,000 (equivalent to HK\$291,525,000), as assessed by an independent professional valuer, details of which will be set out in the circular to be despatched to the Shareholders; and (ii) the reasons for and benefits of the Disposal as described under the paragraph headed "Reasons for and Benefits of the Disposal" in this announcement.

Accordingly, the Directors consider that the Consideration and the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **SHAREHOLDERS AGREEMENT**

Summarised below are the principal terms of the Shareholders Agreement:

**Parties:** The Purchaser, the Vendor and the Target Company

**Governance:**

The board of directors shall initially comprise three directors, of which two shall be designated by the Vendor and one shall be designated by the Purchaser.

The quorum shall be a majority of directors, including one director designated by each of the Purchaser and the Vendor. The directors shall vote and act in accordance with the underlying principle that all decision-making with respect to the M2M Project Phase 1 and Phases 2 and 3 shall be the right of the holders of the TS1 Shares and TS2/3 Shares, respectively.

**Key reserved matters:**

Key reserved matters, which are subject to the written consent by shareholders holding at least 75% of the common shares in the Target Company, include sale of the Target Company or its subsidiaries (unless permitted under the Shareholders Agreement), any alteration or waiver of the rights, preferences or privileges attaching to any shares of the Target Company, the issuance of any shares (other than in accordance with the Shareholders Agreement), and any liquidation, dissolution or winding-up of the Target Company.

**Rights attached to share classes:**

As at the date of this announcement, the Target Company has four classes of shares in issue: (i) Class A Shares, (ii) Class B Shares, (iii) TS1 Shares, and (iv) TS2/3 Shares. Each class of shares has the rights prescribed in the articles of association of the Target Company and the Shareholders Agreement.

Class A Shares and Class B Shares are subject to the rights attached to the TS1 Shares and TS2/3 Shares, such as right to dividend and right to return of capital upon winding up of the Target Company. Class A Shares and Class B Shares have the same rights between themselves, except that each Class A Share and Class B Share in issue will be entitled to three votes and one vote, respectively, at any shareholder meeting of the Target Company holder of such share is entitled to vote. Holders of Class A Shares and Class B Shares are entitled to vote on matters which are not specific to the M2M Project or related distributions, including change of directors, liquidation, dissolution and winding up. Upon completion of the Disposal, the Vendor will control a majority of the voting rights attached to the common shares in the Target Company.

TS1 Shares and TS2/3 Shares represent 100% of the economic interest in the M2M Project Phase 1 and Phases 2 and 3, respectively. TS1 Shares and TS2/3 Shares have voting rights in respect of matters relating to the M2M Project Phase 1 and Phases 2 and 3, respectively, but not matters of the Target Company which are not specific to the M2M Project. TS1 Shares and TS2/3 Shares are entitled to distributions from net cash generated from the M2M Project Phase 1 and Phases 2 and 3 respectively. In the event of liquidation, dissolution or winding up of the Target Company, TS1 Shares and TS2/3 Shares shall have rights to the net cash (after tax) generated by, or assets associated to, the M2M Project Phase 1 and Phases 2 and 3, respectively.

**Obligations and liabilities relating to the M2M Project:**

Holders of Class B Shares and TS1 Shares shall be responsible for all obligations and liabilities of the M2M Project Phase 1, including but not limited to repayment of the Construction Loan. Following completion of the Disposal, other than the Construction Loan for which the Purchaser will be responsible, the Company does not expect to provide further financial support for the construction of the M2M Project Phase 1.

Holders of Class A Shares and TS2/3 Shares shall be responsible for all obligations and liabilities of the M2M Project Phases 2 and 3, including but not limited to repayment of the Land Loan.

Each shareholder shall exercise his/its voting rights in a manner such that all the cash of the Phase 1 LP will be held for the benefit of and be deployed by holders of Class B Shares and TS1 Shares and all other cash held by the Target Group will be held for and be deployed by holders of Class A Shares and TS2/3 Shares.

**Roll Out Option:**

Upon full repayment of the Construction Loan and release of the charge over the M2M Project Phase 1, the Vendor has the right, but is not obliged, to sell land and properties other than the M2M Project Phase 1 (the “**Relevant Assets**”) to an entity designated by the Vendor (which is expected to be a subsidiary of the Company) for CAD1 (equivalent to approximately HK\$6) (the “**Roll Out Option**”). As the Construction Loan is secured by the Target Group’s interest in the entire M2M Project, the Target Group is not permitted to, among other things, dispose of the Relevant Assets before the Construction Loan is repaid full. In light of the above, and having considered conditions of the property market in Ontario and the financial position of the Group, the Directors are of the view that the exercise conditions to the Roll Out Option are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In the event the Vendor exercises the Roll Out Option, the Vendor shall sell all its Class A Shares and TS2/3 Shares to the Purchaser for an aggregate consideration of CAD30 (equivalent to approximately HK\$173), and the Target Company shall be directed to sell the entity holding the Relevant Assets to an entity designated by the Vendor for CAD1 (equivalent to approximately HK\$6). In the event the Relevant Assets are, together with the M2M Project Phase 1, held under one entity, the Relevant Assets shall be transferred to the entity proposed to be sold by the Target Company under the Roll Out Option for CAD1 (equivalent to approximately HK\$6) prior to exercise of the Roll Out Option. Upon completion of the aforesaid transactions in connection with the exercise of the Roll Out Option, the Purchaser will become the sole shareholder of the Target Company, the primary assets of which are expected to be the M2M Project Phase 1, as well as bank deposits and cash generated from the operations of the M2M Project Phase 1.

The Roll Out Option, once exercised, will allow the Group to control the Relevant Assets in a manner which is consistent with the way in which the Relevant Assets are controlled as at the date of this announcement, as well as after the Disposal but without being subject to, among other things, the articles of association of the Target Company and the Shareholders Agreement. The Roll Out Option is part and parcel of the disposal of the M2M Project Phase 1 to the Purchaser as it permits the Purchaser to have full control over the M2M Project Phase 1 through the holding company (i.e., the Target Company) after encumbrances over the M2M Project have been released. The exercise of the Roll Out Option is not expected to affect the Group's entitlement to the economic interest in the Relevant Assets, the entirety of which is attributable to the Group both before and after completion of the Disposal. For the reasons above, the Roll Out Option does not constitute an "option" for the purposes of Chapter 14 of the Listing Rules.

**Right of first offer:**

The Vendor shall have a right of first offer in the event of a sale of any Class B Shares and/or TS1 Shares to a third party.

**Pre-emptive rights:**

Issuance of new shares by the Target Company shall be offered to all its shareholders in proportion to the respective shareholders' shareholding in the Target Company. A shareholder shall have the right to take up any offered securities which are not taken up by fellow shareholder(s).



## **INFORMATION ON THE TARGET GROUP**

### **Corporate information of major companies in the Target Group**

#### ***The Target Company***

The Target Company is a company incorporated under the laws of Ontario of Canada with limited liability, which is principally engaged in investment holding and its major asset is the M2M Project. As at the date of this announcement, it is a wholly-owned subsidiary of the Company.

The M2M Project is located in Toronto, Ontario. The project is being developed in three phases, with each of the M2M Project Phase 1 and the M2M Project Phase 2 comprising two multi-storey towers and a shared multi-storey podium (including retail and commercial space and, in the case of the M2M Project Phase 2 only, community recreation facility), and the M2M Project Phase 3 being approved for the construction of a multi-storey mixed use building.

Upon completion of the Disposal, the Target Company shall continue to be a subsidiary of the Company. Details of how the results attributable to the different phases of the M2M Project will be accounted for are set out in the section headed “Financial Impact of the Disposal and Use of Proceeds” in this announcement.

#### ***2591260 Ontario Inc.***

2591260 Ontario Inc. is a company incorporated under the laws of Ontario of Canada with limited liability, which is principally engaged in investment holding. As at the date of this announcement, it is a wholly-owned subsidiary of the Target Company and holds the land title for the M2M Project Phase 1 and Phases 2 and 3. As at the date of this announcement, the M2M Project Phase 1 is under construction whilst construction work at the M2M Project Phases 2 and 3 has not yet commenced.

#### ***5799 Yonge Street Limited Partnership (the “Phase 1 LP”)***

The Phase 1 LP is a limited partnership formed under the laws of Ontario of Canada, which is principally engaged in property development in Canada and one of the developers of the M2M Project. As at the date of this announcement, the issued units of the Phase 1 LP are owned as to 99.99% by the Target Company (as limited partner) and 0.01% by 5799 Yonge Street Project Ltd. (as general partner).

#### ***M2M Phase 2 Limited Partnership (the “Phase 2 LP”)***

The Phase 2 LP is a limited partnership formed under the laws of Ontario of Canada, which is principally engaged in property development in Canada and one of the developers of the M2M Project. As at the date of this announcement, the issued units of the Phase 2 LP are owned as to 99.99% by the Target Company (as limited partner) and 0.01% by M2M Phase 2 Project Ltd. (as general partner).



## Financial information

Set out below is certain unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2022 and 2023:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
	<i>CAD</i>	<i>CAD</i>
Revenue	–	–
Loss before tax	Approximately 18.7 million (equivalent to approximately HK\$107.5 million)	Approximately 91.8 million (equivalent to approximately HK\$527.9 million)
Loss after tax	Approximately 18.7 million (equivalent to approximately HK\$107.5 million)	Approximately 91.8 million (equivalent to approximately HK\$527.9 million)

The unaudited consolidated total assets and net asset value of the Target Group as at 31 December 2023 were approximately CAD663.2 million (equivalent to approximately HK\$3,813.4 million) and CAD194.0 million (equivalent to approximately HK\$1,115.5 million), respectively.

For illustration purpose only, the unaudited consolidated total assets and net asset value of the Target Group attributable to the M2M Project Phase 1 as at 31 December 2023 were approximately CAD477.0 million (equivalent to approximately HK\$2,742.8 million) and CAD84.4 million (equivalent to approximately HK\$485.3 million), respectively.

## INFORMATION ON THE VENDOR AND THE GROUP

The Vendor is a company incorporated under the laws of Ontario of Canada with limited liability, which is principally engaged in investment holding. As at the date of this announcement, it is a wholly-owned subsidiary of the Company and the sole shareholder of the Target Company.

The Group is principally engaged in the businesses of property development and investment, urban redevelopment, property management, etc.

## INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated under the laws of Ontario of Canada with limited liability, which is principally engaged in investment holding. As at the date of this announcement, the Purchaser is wholly owned by Ms. Shiya Li, who is an entrepreneur and founder of the Purchaser.

## **FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS**

The net proceeds from the Disposal (after deducting transaction costs) are expected to be approximately CAD66.5 million (equivalent to approximately HK\$382.4 million). Subject to audit, the Group is expected to recognise an estimated loss of approximately CAD17.9 million (equivalent to approximately HK\$102.9 million) from the Disposal, representing the difference between the net proceeds and the unaudited net asset value of the Target Group attributable to the M2M Project Phase 1 as at 31 December 2023. Shareholders and potential investors should note that the above figures are for illustrative purposes only.

The proceeds from the Disposal will be used to redeem certain notes issued by the Group.

Upon completion of the Disposal, the Target Company will continue to be a subsidiary of the Company. Taking into account the key terms of the Shareholders Agreement (in particular voting and economic rights attached to the shares which will continue to be held by the Group after completion of the Disposal), the Company will continue to account for 100% of the financial results attributable to the M2M Project Phases 2 and 3 in the consolidated financial statements of the Group after completion of the Disposal.

Upon completion of the Disposal, 100% of the financial results attributable to the M2M Project Phase 1 (including assets, liabilities, revenue and profits/losses) will no longer be accounted for in the consolidated financial statements of the Group despite that a member of the Target Group will remain the legal owner of the M2M Project Phase 1. Following completion of the Disposal, the Purchaser will account for 100% of the financial results attributable to the M2M Project Phase 1.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group has been affected by the negative real estate market in the PRC and difficulty in accessing conventional financing channels since 2021. Consequently, the Group is currently in need of additional capital to meet its financial obligations and cope with its liquidity issues.

Due to liquidity issues of the Group, it is in the interest of the Group to reduce the investment commitment required in respect of property development in Ontario of Canada. The Disposal would provide quick relief to the Group from the on-going funding of the M2M Project Phase 1 to completion and generate liquidity for the broader financial needs of the Group. After the Disposal, the Purchaser will be responsible for taking over the M2M Project Phase 1 in its final stage of development, managing the closing of the pre-sold units, selling the remaining inventory, as well as managing deficiencies and post-occupancy warranties.

Having made prudent assessment on the above and considered the prevailing market conditions, the Directors are of the view that it would be beneficial for the Company and its stakeholders (including the Shareholders) as a whole to pursue the Disposal and generate liquidity for the Group. The Directors are further of the view that the terms (including the Consideration) of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain in respect of the resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Disposal; (ii) a property valuation report on the M2M Project Phase 1; (iii) the notice convening the EGM; and (iv) the other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 11 June 2024, as additional time is required to prepare the relevant information to be included in the circular.

**Shareholders and potential investors of the Company should note that completion of the Disposal is subject to the satisfaction or waiver (as applicable) of the Conditions. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **DEFINITIONS**

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

“Agreement”	the share purchase agreement dated 13 May 2024 (after trading hours) and entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Day”	any day other than a Saturday, Sunday or provincial or federal holiday on which banks are not open for business in Toronto, Ontario, Canada

“Class A Shares”	30 Class A common shares in the share capital of the Target Company in issue as at the date of this announcement
“Class B Shares”	70 Class B common shares in the share capital of the Target Company in issue as at the date of this announcement
“Company”	China Aoyuan Group Limited (中國奧園集團股份有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 3883)
“Completion Date”	the date of completion of the Disposal
“Condition(s)”	condition(s) precedent to the completion of the Disposal as stipulated in the Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Disposal of CAD68,000,070 (equivalent to approximately HK\$391,000,403)
“Construction Loan”	the M2M Project Phase 1 construction loan owed by the Target Company
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of all the Class B Shares and TS1 Shares in issue by the Vendor pursuant to the terms of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party(ies) who is/are not connected person(s) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons of the Company

“Land Loan”	the M2M Project Phases 2 and 3 land loan owed by the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the letter of intent of 23 February 2024 (as amended by a supplemental letter of 15 March 2024 and a second supplemental letter of 10 April 2024) and entered into by the Parties in relation to the Disposal
“M2M Project”	certain mixed-use development projects located at 5799-5915 Yonge Street, Toronto, Ontario, Canada
“Parties”	collectively, the Vendor and the Purchaser
“Phase 1 LP”	has the meaning as defined under the section headed “Corporate information of major companies in the Target Group” in this announcement
“Phase 2 LP”	has the meaning as defined under the section headed “Corporate information of major companies in the Target Group” in this announcement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Winnet Capital Ltd., a company incorporated under the laws of Ontario of Canada with limited liability
“Relevant Assets”	has the meaning as defined under the section headed “Shareholders Agreement” in this announcement
“Roll Out Option”	has the meaning as defined under the section headed “Shareholders Agreement” in this announcement
“Sale Shares”	70 Class B Shares and 68,000,000 TS1 Shares, representing all the issued shares in the respective classes of shares in the Target Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders Agreement”	the shareholders agreement to be entered into between the Purchaser, the Vendor and the Target Company on or around the Completion Date, key terms of which are set out in the Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Ontario Aoyuan Property Limited, a company incorporated under the laws of Ontario of Canada with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“TS1 Shares”	68,000,000 M2M Project Phase 1 tracking shares in the share capital of the Target Company in issue as at the date of this announcement
“TS2/3 Shares”	29,142,857 M2M Project Phases 2 and 3 tracking shares in the share capital of the Target Company in issue as at the date of this announcement
“Vendor”	Aoyuan Property Holdings (Canada) Ltd., a company incorporated under the laws of Ontario of Canada with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“CAD”	Canadian dollar, the lawful currency of Canada
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

*In this announcement, translation of CAD into HK\$ is based on the exchange rate of CAD1.00 to HK\$5.75. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Canadian dollars have been, could have been or may be converted at such or any other rate or at all.*

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

Hong Kong, 13 May 2024

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