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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)**

**QUARTERLY UPDATE ON RESUMPTION PROGRESS**

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 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated (i) 25 March 2022, 31 March 2022 and 29 April 2022 in relation to, among others, the delay in publication of the 2021 Annual Results and despatch of the 2021 Annual Report; (ii) 30 June 2022 in relation to, among others, the resumption guidance issued by the Stock Exchange; (iii) 5 August 2022 in relation to, among others, business update of the Group; (iv) 31 August 2022 in relation to the delay in publication of the 2022 Interim Results and despatch of the 2022 Interim Report; (v) 30 September 2022 in relation to the quarterly update on resumption progress; and (vi) 4 October 2022 in relation to the Investigation Reports (together, the “**Announcements**”). Terms used in this announcement shall have the same respective meanings as those defined in the Announcements unless otherwise stated.

**UPDATE INFORMATION**

As disclosed in the announcement of the Company dated 30 June 2022, the Stock Exchange has set out the Resumption Guidance for the Company. The Company is still in the process of devising and considering its resumption plan. The Company has continuously been making efforts and working with its professional advisors in taking steps to fulfill the Resumption Guidance. In compliance with Rule 13.24A of the Listing Rules, the board of directors (the “**Board**”) of the Company would like to provide the shareholders (the “**Shareholders**”) and potential investors of the Company with the following updates on the latest resumption progress as at the date of this announcement.

## **Business Operations**

The Group's accumulated unaudited property contracted sales for January to November 2022 was approximately RMB19.88 billion. As at the date of this announcement, nearly 90% of the Group's real estate projects are progressing according to schedule, and the Group continues to ensure the completion and delivery of its projects while consolidating resources to revitalize the construction and sales of its projects, reduce its operating expenses and make every effort to improve the Group's liquidity position.

## **Debt Restructuring**

The Company continues to work closely with its financial and legal advisors to analyze the financial position of the Group and formulate a consensual restructuring proposal. The Company's financial advisor KPMG Advisory (China) Limited ("**KPMG**") is assisting the Company in its discussion with all relevant stakeholders. As at the date of this announcement, the relevant work in respect of the Group's potential restructuring plan is ongoing.

The Company also continues to engage in constructive discussions with its onshore and offshore creditors, with a view to stabilize the situation and preserve value for the Group and its creditors. In particular, the Company is in discussion with the Group's major offshore creditors on the terms of a proposed standstill arrangement in respect of the material offshore indebtedness of the Group (the "**Proposed Standstill Arrangement**"). If implemented, the Proposed Standstill Arrangement will provide the Group with a stable platform whilst negotiations with its major offshore creditors on the terms of a holistic restructuring are ongoing. The Company ultimately aims to implement a holistic financial restructuring that would provide the Group with a sustainable capital structure to deliver long-term value for all of its stakeholders.

As at the date of this announcement, the Group has also entered into contractual arrangements with certain onshore financial institutions to extend the maturity of existing onshore financing arrangements of over RMB27 billion in principal amount. The Group is also in further negotiations with its onshore creditors regarding the extension of the maturity date under other onshore financing arrangements. The Company maintains an ongoing dialogue with potential investors in relation to a recapitalization as part of the implementation of a consensual debt restructuring. As at the date of this announcement, the Group has not entered into any legally binding agreement with any such investor. Further announcement(s) will be made in accordance with the Listing Rules and applicable laws as and when appropriate.

Offshore creditors of the Company are encouraged to contact the following representatives to facilitate the Company's efforts to implement a potential restructuring plan:

KPMG Advisory (China) Limited

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

Email: aoyuan.restructuring@kpmg.com

## 2021 Annual Results and 2022 Interim Results

The auditor of the Company is still in the course of preparing the 2021 Annual Results and the 2022 Interim Results. The timing for the release of the 2021 Annual Results and the 2022 Interim Results is yet to be confirmed. The Board and the management of the Company will continue to work with its auditor closely to finalize and publish the 2021 Annual Results and the 2022 Interim Results, and despatch the 2021 Annual Report and 2022 Interim Report as soon as practicable.

### Investigation Reports

On 3 October 2022, the investigation firm engaged by the AH's Investigation Committee (the "**Investigation Firm**") issued two investigation reports respectively in relation to the first two issues of the Fund Flows Matters as stated in the letter from the AH's Former Auditor dated 25 March 2022 and the Allegations (collectively, the "**Investigation Reports**"). The Investigation Reports set out, among other things, the key findings of the Investigation Firm in respect of the relevant Fund Flows Matters and the Allegations, details of which are disclosed in the announcement of Aoyuan Healthy dated 3 October 2022 (the "**AH Announcement**"). As at the date of this announcement, the Board is still reviewing and assessing the key findings as disclosed in the AH Announcement. The Board will make further announcement in due course to inform the Shareholders and potential investors of the Company if further work will be conducted.

### 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 implementation of the proposed debt restructuring will be subject to many factors not within the control of the Company. As there is no assurance that the proposed debt 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 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, 30 December 2022

*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 and Mr. Chen Zhi Bin; and the independent non-executive directors of the Company are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Lee Thomas Kang Bor.*