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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)**

**UPDATE ON PROPOSED STANDSTILL ARRANGEMENT**

This announcement is made by China Aoyuan Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) 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).

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; (vi) 4 October 2022 in relation to the Investigation Reports; (vii) 30 December 2022 in relation to the quarterly update on resumption progress; and (viii) 28 February 2023 in relation to the Proposed Standstill Arrangement (the “**28 February Announcement**”) (together, the “**Announcements**”). Terms used in this announcement shall have the same respective meanings as those defined in the Announcements unless otherwise stated.

Reference is made to the following notes issued by the Company:

- (a) US\$188m 4.2% Senior Notes Due 2022 (ISIN: XS2282587505);
- (b) US\$200m 8.0% Senior Notes Due 2022 (ISIN: XS2264537684);
- (c) US\$500m 8.5% Senior Notes Due 2022 (ISIN: XS1937690128);
- (d) US\$250m 5.375% Senior Notes Due 2022 (ISIN: XS1611005957);
- (e) US\$50 Million 8.5% Senior Notes due 2022 (ISIN: XS2378476951);

- (f) US\$475m 7.95% Senior Notes Due 2023 (ISIN: XS1952585112);
  - (g) US\$200m 7.35% Senior Notes Due 2023 (ISIN: XS2014471432);
  - (h) US\$460m 6.35% Senior Notes Due 2024 (ISIN: XS2196807833);
  - (i) US\$200m 7.95% Senior Notes Due 2024 (ISIN: XS2351242461);
  - (j) US\$230m 5.98% Senior Notes Due 2025 (ISIN: XS2258822233);
  - (k) US\$350m 6.2% Senior Notes Due 2026 (ISIN: XS2233109409); and
  - (l) US\$350m 5.88% Senior Notes Due 2027 (ISIN: XS2307633565),
- ((a) to (l) collectively, the “**Offshore Senior Notes**”).

## **OVERVIEW**

As noted in the 28 February Announcement, the AHG (representing approximately 20% of the outstanding principal amount of the Offshore Senior Notes) provided their in-principle agreement in writing in connection with the Standstill Term Sheet which outlines the key terms of the Proposed Standstill Arrangement. Since then, the Company together with its financial and legal advisors have worked closely with the financial and legal advisors of the AHG with a view to agreeing the definitive documentation to implement the Proposed Standstill Arrangement in respect of the Offshore Senior Notes (the “**Standstill Agreement**”).

To that end, the Company is pleased to announce that the members of the AHG have duly signed the Standstill Agreement on the date of this announcement, and the effective date of the Standstill Agreement is expected to occur on Monday 27 March 2023. Other holders of the Offshore Senior Notes may accede to the Standstill Agreement by executing the RP Restricted Notes Notice (available at <https://projects.morrowsodali.com/Aoyuan>) and submitting this to the Information Agent at <https://projects.morrowsodali.com/Aoyuan>.

At the same time, the Company continues to be in discussions with its other major offshore creditors regarding separate standstill arrangements in respect of the other offshore debt instruments of the Company and hopes to agree the terms of such standstill arrangements (on substantially the same terms as the Standstill Agreement) with them as soon as possible. The Company will issue further announcement(s) to provide updates on the Proposed Standstill Arrangement, such other standstill arrangement as may be agreed with other offshore creditors and other relevant matters as and when appropriate.

## STANDSTILL AGREEMENT

Assuming the standstill becomes effective on 27 March 2023, the key terms of the Standstill Agreement entered into with the AHG are as follows:

- (a) during the standstill period, each consenting creditor agrees to, among other things:
  - (i) standstill and forbear from taking any enforcement action in respect of the Offshore Senior Notes; and
  - (ii) support (at the Company's cost) any actions taken by any member of the Group to dismiss any enforcement actions (including commencement of insolvency proceedings) taken or proposed by any other holders of the Offshore Senior Notes;
- (b) the Company shall pay or procure the payment of the following consent fees:
  - (i) to each consenting creditor who accedes to the Standstill Agreement on or before 20 April 2023 (the "**Early-Bird Consent Fee Deadline**"), (A) an early-bird consent fee in an amount equal to 0.25% of the principal amount of the Offshore Senior Notes due to such creditor as at the Early-Bird Consent Fee Deadline and (B) the General Consent Fee (as defined below); and
  - (ii) to each consenting creditor who accedes to the Standstill Agreement on or before 27 April 2023 (the "**General Consent Fee Deadline**"), a general consent fee in an amount equal to 0.5% of the principal amount of the Offshore Senior Notes due to such creditor as at the General Consent Fee Deadline, provided that the Standstill Agreement has not been terminated at the date of such execution/accession (the "**General Consent Fee**"),

(together, the "**Consent Fees**");
- (c) during the Standstill Period, the Company shall not, and shall not permit any member of the Group to sell, dispose, transfer or undertake any similar transaction in respect of certain material offshore assets of the Group (the "**Specified Assets**") unless:
  - (i) such disposal is carried out on an arm's-length basis, among other requirements;
  - (ii) in the case of individual units of certain Specified Assets, such disposal is carried out on an arm's-length basis, for fair market value and in the ordinary course of business; or
  - (iii) the majority of the initial consenting creditors (representing more than 50% in value of the aggregate Offshore Senior Notes held by all initial consenting creditors) have consented to such disposal (such consent not to be unreasonably withheld);

- (d) in the event the Group disposes any of the Specified Assets in accordance with (c) above, it shall:
- (i) first, to the extent the Specified Asset was subject to any security interest, use the net cash proceeds from such disposal to discharge the relevant secured indebtedness; and
  - (ii) second, deposit all of the remaining net cash proceeds into certain specified offshore account(s) (“**Designated Account(s)**”) within 5 business days after the disposal (or such later date as may be agreed between the Company and a third-party monitoring accountant (“**Monitoring Accountant**”)), where such net cash proceeds shall be maintained; and
- (e) the Company undertakes to, among other things:
- (i) set aside all the amounts in each Designated Account solely for the purposes of (i) paying the Consent Fees, (ii) discharging the Offshore Indebtedness in a manner to be determined in the Holistic Restructuring, (iii) paying costs and expenses (including advisor fees, consent fees and any upfront fee payments) incurred in connection with the Proposed Standstill Arrangement and the Holistic Restructuring; and
  - (ii) not to make any withdrawal of any amount from any Designated Account unless with the prior approval of the Monitoring Accountant.

Holders of the Offshore Senior Notes are encouraged to direct any requests for information in respect of the Standstill Agreement to the Company’s financial advisor or legal advisor, or to the Information Agent (see contact details below):

**Financial Advisor**

KPMG Advisory (China) Limited

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

Email: aoyuan.restructuring@kpmg.com

**Legal Advisor**

Linklaters

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

Email: dlaoyuanlinklaters@linklaters.com

**Information Agent**

Morrow Sodali Limited

Website: <https://portal.morrowsodali.com/aoyuan>

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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 implementation of the proposed debt restructuring will be subject to many factors outside of 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 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, 24 March 2023

*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. Cheung Kwok Keung, Mr. Lee Thomas Kang Bor and Mr. Wong Wai Keung Frederick.*