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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
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, 30 December 2022 and 31 March 2023 in relation to the quarterly update on resumption progress; (vi) 4 October 2022 in relation to the Investigation Reports; and (vii) 11 April 2023 in relation to the engagement of the Independent Financial Adviser (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 has continuously been 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 would like to provide 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 the first six months of 2023 was approximately RMB7.48 billion. As at the date of this announcement, over 90% of the Group's real estate projects are progressing according to schedule. 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.

Debt Restructuring

The Company and its advisors are in active communications with certain major offshore creditors 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.

Progress has been made with the ad hoc group of holders of certain offshore senior notes by the Company (representing approximately 33.01% of the outstanding principal amount of those offshore senior notes) (the "AHG") on the terms of the holistic debt restructuring (the "**Restructuring**"). Once implemented, the Restructuring will provide the Group with a sustainable capital structure, allowing the Company to focus on its daily operations with a view to enhance stakeholder value.

The Company is pleased to announce that it has agreed the key commercial terms of the Holistic Restructuring with the AHG. Please refer to the Company's inside information announcement dated 2 July 2023 for further information on the terms that have been agreed.

The Company continues to engage in constructive discussions with all relevant stakeholders with the assistance of KPMG.

As at the date of this announcement, the Group has also entered into contractual arrangements with certain onshore financial institutions to complete the extension of the maturity of existing onshore financing arrangements of over RMB32.7 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. 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 support the Company in implementing a potential restructuring plan:

KPMG Advisory (China) Limited

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

Email: aoyuan.restructuring@kpmg.com

Publication of Financial Results

On 30 June 2023, the Company published all the outstanding financial results, including the 2021 Annual Results, the 2022 Interim Results and the 2022 Annual Results. The 2021 Annual Report, the 2022 Interim Report and the 2022 Annual Report containing all the information required by the Listing Rules will be despatched in due course.

Independent Investigation

In relation to the Fund Flows Matters and the AH Investigations, the Independent Investigation Committee has engaged the Independent Financial Adviser to provide independent views on, among other things, the adequacy of the AH Investigations and the integrity of the personnel involved during the corresponding period. Further, the Independent Investigation Committee has engaged FTI Consulting (Hong Kong) Limited (the “**Independent Investigator**”) to conduct independent forensic investigation (the “**Forensic Investigation**”) into the Fund Flows Matters. The Forensic Investigation seeks to establish the relevant facts and circumstances surrounding the Fund Flows Matters, which may be followed by a targeted internal control assessment to assess whether there are indications of potential weaknesses or deficiencies in the Company's internal control systems in connection with the Fund Flows Matters, together with the status of any rectification measures that may have been implemented to-date.

The Company has been actively cooperating with the Independent Financial Adviser and the Independent Investigator. The Board wishes to emphasize that the work of the Independent Financial Adviser and the Independent Investigator is still in progress and no conclusion has been drawn as at the date of this announcement. The Independent Investigation Committee will provide its views after reviewing the reports from the Independent Financial Adviser and the Independent Investigator.

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 June 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.