

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Practice Statement Letter contains important information that is of interest to Scheme Creditors (as defined herein), and contains matters which may affect their legal rights and entitlements. Scheme Creditors are recommended to consult their own professional advisers as to legal, tax, financial or other aspects relevant to any action they might take in relation to contents of this Practice Statement Letter. All depositories, custodians and other intermediaries receiving this Practice Statement Letter are requested to expedite re-transmittal to the Scheme Creditors in a timely manner.

This Practice Statement Letter does not constitute an offer to sell or the solicitation of an offer to buy any securities. None of the securities referred to in this Practice Statement Letter may be sold, issued or transferred in any jurisdiction to or from any person to whom it is unlawful to make such an offer or invitation or solicitation in such jurisdiction, or in contravention of applicable law.

Nothing contained in this Practice Statement Letter constitutes a recommendation, or the giving of advice, by the Company (as defined herein) and its subsidiaries (together, the China Aoyuan Group) or the Information Agent (as defined herein) in relation to, buying, selling, subscribing for, exchanging, redeeming, holding, underwriting, disposing of, or converting Existing Debt (as defined herein) or any other financial instruments, securities, assets or liabilities of the Company or any other member of the China Aoyuan Group.

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**From** : China Aoyuan Group Limited (the *Company*)  
**To** : The Scheme Creditors (defined in paragraph 3.12 below);  
**To:** : The Existing Debt Administrative Parties (defined in paragraph 3.13 below);  
**To** : Morrow Sodali Limited (the *Information Agent*); and  
**To:** : Madison Pacific Corporate Services Ltd. (the Blocked Scheme Creditor Tabulation Agent as defined in paragraph 7.10 below).

9 October 2023

Dear Sir / Madam

Proposed schemes of arrangement in relation to the Company pursuant to: (i) section 86 of the Cayman Islands Companies Act (2023 Revision) (the *Cayman Companies Act*); and (ii) sections 670, 673 and 674 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the *HK Companies Ordinance*)

**1 PURPOSE OF THIS PRACTICE STATEMENT LETTER**

1.1 The Company is proposing linked and inter-conditional schemes of arrangement (as described below) in (i) the Cayman Islands pursuant to section 86 of the Cayman Companies Act, and (ii) Hong Kong pursuant to sections 670, 673 and 674 of the HK Companies Ordinance. This Practice Statement Letter has been made available to you because we believe you are a Scheme Creditor or a person representing a Scheme Creditor (as defined below).

1.2 In accordance with the procedures and guidance laid down by the Grand Court of the Cayman Islands (the **Cayman Court**) in practice direction No. 2 of 2010 (pursuant to Order 1, rule 12 of the Cayman Islands Grand Court Rules, 1995 (As Revised)), the purpose of this Practice Statement Letter is to inform Scheme Creditors of:

- (a) the Company's intention to formally propose the China Aoyuan Schemes (as defined below) to the Scheme Creditors;
- (b) the objectives which the China Aoyuan Schemes are designed to achieve;
- (c) the Company's application to the Cayman Court, which has been listed for hearing on 31 October 2023 (the **China Aoyuan Cayman Scheme Convening Hearing**), for an order granting certain directions in relation to the Company's Cayman Islands scheme of arrangement (the **China Aoyuan Cayman Scheme**), including permission to convene a single meeting of Scheme Creditors for the purpose of considering and, if thought fit, approving, the China Aoyuan Cayman Scheme (the **Cayman Scheme Meeting**);
- (d) the Company's application to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (**HK Court**, and together with the Cayman Court, the **Courts**), which has been listed for hearing on 31 October 2023 (**China Aoyuan HK Scheme Convening Hearing** and together with the China Aoyuan Cayman Scheme Convening Hearing, the **Convening Hearings**), for an order granting certain directions in relation to the Company's Hong Kong scheme of arrangement (the **China Aoyuan HK Scheme**, and together with the China Aoyuan Cayman Scheme, the **China Aoyuan Schemes**), including permission to convene a single meeting of Scheme Creditors for the purpose of considering and, if thought fit, approving, the China Aoyuan HK Scheme (the **HK Scheme Meeting**, and together with the Cayman Scheme Meeting, the **Scheme Meetings**);
- (e) certain jurisdictional considerations in relation to the China Aoyuan Schemes; and
- (f) the composition of the meetings of Scheme Creditors that the Company proposes to convene for the purposes of voting on the China Aoyuan Schemes.

1.3 Unless otherwise defined herein or the context requires otherwise, capitalised terms shall have the meanings given to them in the Restructuring Support Agreement dated 10 July 2023.

## 2 **WHAT IS A SCHEME OF ARRANGEMENT**

2.1 A scheme of arrangement is an arrangement entered into between a company and its creditors, as provided for under (i) section 86 of the Cayman Companies Act; and (ii) sections 670, 673 and 674 of the HK Companies Ordinance. A scheme of arrangement becomes legally binding on all holders of claims subject to the scheme, including both those voting against the scheme of arrangement and those not voting, if at least a majority in number of the relevant creditors, holding at least seventy-five per cent (75%) in value of claims, present and voting (either in person or by proxy) at the scheme meetings, vote in favour of the scheme of arrangement, the relevant Court then sanctions it and the scheme is delivered to the applicable registrar of companies with a copy of the Court order sanctioning the scheme. Where there are two or more classes of scheme creditors, each class must satisfy the above voting requirements in order for the scheme to be approved and for the Court to have the power to sanction it.

2.2 A scheme of arrangement may be sanctioned by the relevant Court if it is satisfied, among other things that: (i) the relevant provisions of section 86 of the Cayman Companies Act or

sections 670, 673 and 674 of the HK Companies Ordinance (as applicable) have been complied with; and (ii) the terms of the scheme of arrangement are such that an intelligent and honest creditor, a member of the class concerned and acting in respect of its own interest, might reasonably vote in favour of it.

### 3 INTRODUCTION TO THE PROPOSED SCHEME CREDITORS

3.1 The Company has incurred indebtedness which includes the **ICA Debt** and **Non-ICA Debt** (together the **Existing Debt**). The Company and its direct wholly owned BVI incorporated subsidiary (**Add Hero**) are implementing a restructuring of the Existing Debt (the **Restructuring**), which will involve the following processes:

- (a) two parallel and inter-conditional court-approved schemes of arrangement in respect of the Company – i.e., the China Aoyuan Schemes; and
- (b) two parallel and inter-conditional court-approved schemes of arrangement in respect of Add Hero (i) in Hong Kong pursuant to sections 670, 673 and 674 of the HK Companies Ordinance and (ii) in the BVI pursuant to section 179A of the BVI Companies Act (the **Add Hero HK Scheme** and the **Add Hero BVI Scheme** respectively, and collectively, the **Add Hero Schemes**).

#### *ICA Debt*

3.2 The ICA Debts are obligations owed by the Company under the following instruments listed in Appendix 1 to this Practice Statement Letter and consists of the following:

- (a) A series of public notes as provided in Part A to Appendix 1 (**Existing Public Notes**); and
- (b) A series of syndicated loans as listed in Part B to Appendix 1 (the **Existing Syndicated Facilities**);

3.3 Certain direct and indirect subsidiaries of the Company (including Add Hero) have granted guarantees in favour of the holders of the Existing Public Notes (the **Existing Public Notes Guarantors**) and the Existing Syndicated Facilities (the **Existing Syndicated Facilities Guarantors**) in respect of all of the obligations of the Company to pay the principal, premium (if any), and interest under the ICA Debt. Additionally, substantially all of the ICA Debt is secured by a first priority lien over the capital stock of all the Existing Public Notes Guarantors and Existing Syndicated Facilities Guarantors.

3.4 The Existing Public Notes are governed by New York law, while the Existing Syndicated Facilities are governed by Hong Kong law.

3.5 The aggregate outstanding principal amount of the ICA Debt was approximately US\$4,034,583,220 as at the date of this Practice Statement Letter.

#### *Non-ICA Debt*

3.6 The Non-ICA Debts are obligations owed by the Company under the following instruments:

- (a) A series of bilateral facilities as listed in Part C to Appendix 1 (**Existing Bilateral Facilities (SBLC)**);

- (b) A series of facilities (***Existing Other Offshore Financings***) as listed in Part D to Appendix 1 (***Existing Other Offshore Financings***) to this Practice Statement Letter;
- (c) A series of private notes as listed in Part E to Appendix 1 (***Existing Private Notes***) to this Practice Statement Letter;
- (d) A series of onshore facilities (***Existing Onshore Facilities***) as listed in Part F to Appendix 1 to this Practice Statement Letter;
- (e) A series of facilities (***Existing Private Loans***) as listed in Part G to Appendix 1 to this Practice Statement Letter;
- (f) ***USD100m Noble Prestige Facility*** means the US\$100,000,000 term loan facilities agreement dated 31 December 2020, entered into between, among others, the Company as borrower, Add Hero as guarantor, Aoyuan Group Company Limited as PRC guarantor and Noble Prestige (Cayman) Limited as lender, as amended or supplemented from time to time.

3.7 The Non-ICA Debt is governed by the laws of Hong Kong, England & Wales or the People's Republic of China (***PRC***).

3.8 The Non-ICA Debt constitutes unsecured liabilities of the Company. However, certain debt instruments under the Non-ICA Debt have the benefit of guarantees or security provided by certain direct and indirect subsidiaries of the Company.

3.9 The aggregate outstanding principal amount of the Non-ICA Debt was approximately US\$2,215,336,282 as at the date of this Practice Statement Letter.

#### *Excluded Liabilities*

3.10 The claims of the Scheme Creditors (whether principal, guarantee and/or security) against Add Hero, the Existing Public Notes Guarantors, the Existing Syndicated Facilities Guarantors, any member of the China Aoyuan Group (which is incorporated in the People's Republic of China (***PRC***)) and other entities as listed in Schedule 2 in respect of the Existing Debt are not intended to be subject to the arrangement and compromise effected by the China Aoyuan Schemes (the ***China Aoyuan Scheme Excluded Liabilities***).

#### *Scheme Creditors*

3.11 The Company is proposing two substantially identical schemes of arrangement with holders of the Existing Debt, being the "China Aoyuan Schemes" described at paragraph 1.2 above.

3.12 ***Scheme Creditors*** for the purposes of the China Aoyuan Schemes are any persons holding an economic or beneficial interest as principal in any of the Existing Debt. A ***Scheme Claim*** is any claim, save for the China Aoyuan Scheme Excluded Liabilities, against the Company and any subsidiary within the China Aoyuan Group (but only where such entities are incorporated outside of the PRC).

3.13 The trustee, together with the common depositaries for the Clearing Systems (acting through their respective nominee(s) as registered holders of the Existing Public Notes and the Existing Private Notes) and the facility and security agents under the ICA Debt and/or Non-ICA Debt (as applicable) (the ***Existing Debt Administrative Parties***) (as set out in Appendix 2) are each Scheme Creditors for the purpose of being bound by the China Aoyuan Schemes. However,

they will not be entitled to vote at the Scheme Meetings (to avoid double counting) or receive the Scheme Consideration Entitlement (as defined below).

- 3.14 You have been identified as a person, who may be a Scheme Creditor, or a person, who may be representing a Scheme Creditor as set out in paragraph 3.12 above. If you are a Scheme Creditor, your legal rights and entitlements will be affected by the proposed China Aoyuan Schemes (if approved by the requisite statutory majorities of the Scheme Creditors at the Scheme Meetings and then sanctioned by the relevant Courts) regardless of whether you have voted for or against the China Aoyuan Schemes or whether you have voted at all.
- 3.15 If each of the relevant Courts grant leave to convene the Scheme Meetings at the Convening Hearings, an explanatory statement will be made available to all Scheme Creditors in advance of those Scheme Meetings which will contain all information reasonably necessary for Scheme Creditors to make an informed decision about the merits of the proposed China Aoyuan Schemes (the *Explanatory Statement*).
- 3.16 A time and date (the *Voting Instruction Deadline*) will be fixed for the purpose of identifying Scheme Creditors entitled to attend and vote at the Scheme Meetings. Details of the Voting Instruction Deadline will be set out in the Explanatory Statement.
- 3.17 The Scheme Meetings in respect of the China Aoyuan HK Scheme and China Aoyuan Cayman Scheme will be convened as one meeting at the same time and place. The Scheme Meeting will be held at the offices of Linklaters at 11th Floor Alexandra House, Chater Road, Hong Kong (**Linklaters Hong Kong Office**), in the week commencing 27 November 2023, with any adjournment as may be appropriate. There will also be a live video conference linked to the offices of Harney Westwood & Riegels, LP at 3<sup>rd</sup> Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (**Harneys Cayman Office**). Scheme Creditors will be able to attend the Scheme Meeting either in person, by a duly authorised representative (if a corporation) or by proxy. Telephone conference facilities will also be made available to Scheme Creditors (other than Blocked Scheme Creditors as defined below) upon request to the Information Agent allowing Scheme Creditors (other than Blocked Scheme Creditors as defined below) to listen in to the Scheme Meeting and to ask questions, however those that participate via telephone or video conference will not be able to cast their vote. Scheme Creditors may visit the Transaction Website (<https://projects.morrowsodali.com/Aoyuan>) for further details on the Scheme Meeting.
- 3.18 If you have assigned, sold or otherwise transferred your interests in any Scheme Claims or intend to do so, you should forward a copy of this Practice Statement Letter immediately to the person or persons to whom you have assigned, sold or otherwise transferred such interests or to the proposed assignee and/or transferee. If you remain a lender of record under the Existing Debt or if you remain a beneficial holder as principal of the Existing Debt and will be such as at the Voting Instruction Deadline, you will be the person entitled to vote at the relevant Scheme Meetings and should read this Practice Statement Letter and the Explanatory Statement (when available).

#### 4 BACKGROUND TO THE COMPANY AND THE CHINA AOYUAN GROUP

- 4.1 The Company was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 6 March 2007 with registration number 183222. The Company is registered as a non-Hong Kong company in Hong Kong with registration number F0015202. The shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 3883) on 9 October 2007.

- 4.2 The authorised share capital of the Company is HKD1,000,000,000 divided into 100,000,000,000 ordinary shares of a nominal or par value of HKD0.01 each, of which 2,965,571,354 of the 100,000,000,000 ordinary shares of HKD0.01 each have been issued and are fully paid up, or credited as fully paid up, with the rest remaining unissued.
- 4.3 The Company is the holding company of the China Aoyuan Group. The China Aoyuan Group comprises the Company and its directly or indirectly owned subsidiaries, located across various jurisdictions including the British Virgin Islands, Australia, Canada, Hong Kong and the PRC.
- 4.4 The China Aoyuan Group is a leading commercial and residential property developer which focuses on the Guangdong-Hong Kong-Macao Greater Bay Area, and covers four major regions including Southern China, core regions of Central and Western China, Eastern China, and the Bohai Economic Rim. The China Aoyuan Group primarily focuses on urban redevelopment projects in the PRC, and its subsidiaries are primarily located in the BVI, Hong Kong and the PRC.

## 5 BACKGROUND TO THE RESTRUCTURING

### *Financial Position of the Company and the China Aoyuan Group*

- 5.1 The China Aoyuan Group, like many companies in the PRC real estate sector, has been negatively affected by the recent events affecting the PRC real estate sector in various respects.
- 5.2 Since the second half of 2021, the PRC real estate sector and the capital markets that have funded growth and development of the sector have experienced an inflection point. Tightening of financing policies and reduced bank lending for real estate development have resulted in reduced access by PRC property developers to onshore capital.
- 5.3 In addition, the continued economic downturn in the PRC, reduced bank lending for mortgage finance for buyers, as well as buyers' concerns about future incomes and property price movements and the ability of property developers to complete projects have resulted in reduced property sales for both the industry and the China Aoyuan Group. The China Aoyuan Group's other businesses have also been similarly adversely affected owing to the overall downturn of the upstream real estate industry. Adverse reaction to these onshore events by offshore capital markets has limited the China Aoyuan Group's funding sources to address upcoming maturities on its outstanding indebtedness.
- 5.4 The confluence of the above factors has: (i) resulted in a significant deterioration of the China Aoyuan Group's financial position, with the China Aoyuan Group's total revenue decreasing from approximately RMB32,510 million for the six-month period ended 30 June 2021 to approximately RMB10,941 million for the six-month period ended 30 June 2023; and (ii) affected the China Aoyuan Group's ability to sustain its existing capital structure.

### *Negotiations with the Scheme Creditors and the appointment of Advisers*

- 5.5 In light of market conditions and following a comprehensive consideration of the strategic options available to the Company, the Company is of the view that formulating a comprehensive restructuring with the Scheme Creditors (as holders of the Existing Debt) as a top priority will be the best option for all stakeholders of the China Aoyuan Group (including the Scheme Creditors).
- 5.6 As disclosed in the Company's announcements dated 22 November 2021 and 5 August 2022, the Company appointed Linklaters as legal adviser, as well as KPMG Advisory (China) Limited

(**KPMG**) and its affiliates as financial adviser to assist the Company in evaluating the liquidity position of the China Aoyuan Group and formulating a restructuring plan that provides for a consensual resolution for all its stakeholders. In the announcements, the Company's offshore creditors were invited to contact the Company's advisers to initiate discussions in connection with the China Aoyuan Group's debt restructuring.

- 5.7 Together with its financial adviser and legal adviser, the Company has been involved in extensive negotiations and discussions with its major offshore creditors, including (i) an ad hoc group of certain holders of the Existing Public Notes (**AHG**), and (ii) a coordinating committee of certain lenders under the Existing Syndicated Facilities (**CoCom**). These discussions were guided by the China Aoyuan Group's ongoing objective of implementing a holistic financial restructuring that would provide the China Aoyuan Group with a sustainable capital structure to deliver long term value for all of its stakeholders.
- 5.8 The successful restructuring of the Existing Debt will also provide the China Aoyuan Group with a stable platform to address the onshore indebtedness of the China Aoyuan Group through bilateral negotiations between China Aoyuan Group and creditors under those financings.
- 5.9 On 30 June 2023, the Company agreed the key commercial terms of the Restructuring with the AHG as set out in the Term Sheets. On 10 July 2023, the Company entered into the Restructuring Support Agreement with the AHG, who represented approximately 33.10% of the outstanding principal amount of the Existing Public Notes at the material time.
- 5.10 On 11 July 2023, the Company announced the terms of the proposed Restructuring and invited other Scheme Creditors who had not executed the Restructuring Support Agreement to submit a duly executed Accession Letter to the Restructuring Support Agreement to support the Restructuring.
- 5.11 The Restructuring comprises the debt restructuring of the Existing Debt, pursuant to which the obligations of the Company and members of the China Aoyuan Offshore Group (as defined below) that are arising, directly or indirectly, in relation to, or arising out of or in connection with, the Existing Debt, will be subject to a compromise and arrangement effected by the China Aoyuan Schemes, specifically:
  - (a) the obligations of Add Hero and its subsidiaries incorporated outside the PRC (**Add Hero Offshore Group**) in respect of the ICA Debt and the USD100m Noble Prestige Facility will be compromised pursuant to the Add Hero Schemes; and
  - (b) the obligations of the Company and its subsidiaries incorporated outside the PRC (**China Aoyuan Offshore Group**) in respect of the ICA Debt and Non-ICA Debt will be compromised pursuant to the China Aoyuan Schemes, to the extent their obligations were not compromised pursuant to the Add Hero Schemes.
- 5.12 The Company believes that, as part of the Restructuring, the successful implementation of the China Aoyuan Schemes will reduce the short-term debt burden of the Company and the wider China Aoyuan Group, leaving them with a sustainable capital structure and a strengthened balance sheet that will allow the Company, Add Hero and the other entities within the China Aoyuan Group to comply with their post-restructuring obligations and liabilities and to trade on a going-concern basis.
- 5.13 As at the date of this Practice Statement Letter, the following Scheme Creditors have executed or acceded to the Restructuring Support Agreement:

- (a) holders of the ICA Debt representing more than 72% of the aggregate outstanding principal amount of the ICA Debt; and
- (b) holders of the Non-ICA Debt representing more than 22% of the aggregate outstanding principal amount of Non-ICA Debt.

5.14 Scheme Creditors who have executed or acceded to the Restructuring Support Agreement are required, subject to their rights to terminate their participation in the Restructuring Support Agreement, to take all commercially reasonable actions within their power which they are reasonably requested to take by the Company to support the Restructuring and vote in favour of the China Aoyuan Schemes and Add Hero Schemes.

*RSA Fee*

5.15 An RSA Fee (as defined below) shall be paid to Scheme Creditors who are Eligible Creditors in accordance with the terms of the Restructuring Support Agreement (including but not limited to, the requirement that the Eligible Creditors must comply with their undertakings therein). Subject to compliance with and in accordance with the terms of the Restructuring Support Agreement, each Scheme Creditor who is an Eligible Creditor will be entitled to receive:

- (a) an amount of 0.25 per cent of the aggregate Eligible Restricted Debt held by such Eligible Creditor as at the Record Date, which shall be paid in full and in cash, free and clear of all withholding taxes or other deductions and rounded to the nearest USD0.01, with half a cent being rounded downwards; and
- (b) Aoyuan New Notes (as defined below) in the principal amount equal to its RSA Fee Eligible Proportion multiplied by US\$100,000,000 in principal amount of Aoyuan New Notes,

(together, the ***RSA Fee***).

*Jurisdiction of the Cayman and HK Courts*

5.16 The Company considers that the Cayman Court and the HK Court respectively have jurisdiction in relation to the China Aoyuan Schemes and jurisdiction to convene the Scheme Meetings in respect of the Company.

5.17 The Cayman Court has jurisdiction in relation to the China Aoyuan Cayman Scheme and jurisdiction to convene the Cayman Scheme Meeting in respect of the Company, on the basis that the Company is a Cayman Islands incorporated and registered exempted company and is liable to be wound up under Part V of the Cayman Companies Act.

5.18 The HK Court has jurisdiction in relation to the scheme of a foreign company such as the China Aoyuan HK Scheme as there is sufficient connection between the China Aoyuan HK Scheme and Hong Kong, on the basis that, among other things: (i) the Company is registered in Hong Kong as a non-Hong Kong company under Part 16 of the HK Companies Ordinance; and (ii) the Company is listed on HKEX and has shareholders present in Hong Kong.

**6 PURPOSE OF THE CHINA AOYUAN SCHEMES AND THE RESTRUCTURING**

6.1 The purpose of the China Aoyuan Schemes and the Restructuring is to:

- (a) avoid the Company and other members of the China Aoyuan Group entering insolvent liquidation in the near future, as a result of which the anticipated recoveries for Scheme Creditors would likely be significantly less than if the Restructuring were to be completed successfully;
- (b) provide the China Aoyuan Group with a more stable capital structure, which will enable the China Aoyuan Group to comply with its obligations and liabilities following the Restructuring, to continue to trade on a going concern basis and to recover as the PRC property market stabilises; and
- (c) increase the prospect of delivering long-term value for all the Scheme Creditors and all of the other stakeholders of the Company.

## 7 OVERVIEW OF THE CHINA AOYUAN SCHEMES AND THE RESTRUCTURING

- 7.1 The Restructuring in respect of the Company shall be implemented through the China Aoyuan Schemes. The China Aoyuan Schemes will affect the rights of the Scheme Creditors under the Existing Debt (save for the China Aoyuan Scheme Excluded Liabilities). The China Aoyuan Schemes are linked with and inter-conditional upon one another and the Add Hero Schemes.
- 7.2 The China Aoyuan Schemes are part of a wider plan to restructure the indebtedness of the China Aoyuan Group. In addition to the China Aoyuan Schemes, the China Aoyuan Group is intending to implement the restructuring via the Add Hero Schemes, in respect of creditor claims arising from the Existing Debt against Add Hero and the Add Hero Offshore Group. The Add Hero Schemes are inter-conditional with the China Aoyuan Schemes.

### *Scheme Consideration*

- 7.3 Pursuant to the China Aoyuan Schemes, the Company will distribute (or otherwise allocate) the following entitlements under the China Aoyuan Schemes (the ***Scheme Consideration Entitlement***) to Scheme Creditors in accordance with their pro rata share of the total claims under the China Aoyuan Schemes:
  - (a) new public notes in the aggregate principal amount of US\$400,000,000 to be issued by the Company (the ***Aoyuan New Notes***);
  - (b) new mandatory convertible bonds in the aggregate principal amount of US\$143,000,000 to be issued by the Company (the ***Aoyuan MCB***);
  - (c) new perpetual securities in the aggregate principal amount of US\$1,600,000,000 to be issued by the Company (the ***Aoyuan Perpetuals***); and
  - (d) 1,000,000,000 shares of the Company to be issued by the Company on the Restructuring Effective Date (***New Shares***); and
  - (e) 400,000,000 shares of the Company, which are beneficially owned by Mr Guo Zi Wen (***Transfer Shares***).
- 7.4 The terms of the Aoyuan New Notes, Aoyuan MCB and Aoyuan Perpetuals are detailed in Section D, E and F of the Term Sheet relating to the China Aoyuan Schemes. A summary of the terms of the Scheme Consideration Entitlement will also be set out in the Explanatory Statement and copies of the relevant documentations will be available on the Transaction Website.

### *Voting*

- 7.5 For the avoidance of doubt, Scheme Creditors will have their claims admitted at full value for the purposes of voting on the China Aoyuan Schemes at the Scheme Meetings (without double counting, and without permitting duplicative claims or portions of claims against the Company other than for US\$1, and in any event subject to the discretion of the chairperson of the Scheme Meetings). This means that a Scheme Creditor's claim will in principle (and subject to the exceptions above) be admitted for voting purposes at a value of (a) the outstanding principal amount of the debt in which each Scheme Creditor held an economic or beneficial interest and/or legal interest (as applicable) as principal at the Record Date; plus (b) all accrued and unpaid interest relating to such claim up to and including the Reference Date.
- 7.6 Scheme Creditors (other than Blocked Scheme Creditors as defined below) will be required to submit (among other things) the relevant Account Holder Letter and Lender Proxy Form to the Information Agent by the Voting Instruction Deadline in order to vote, or appoint a proxy to vote on its behalf, at the Scheme Meetings.
- 7.7 Details of the steps that each Scheme Creditor will need to take in order to vote at the Scheme Meetings, or appoint a proxy to vote on its behalf, will be set out in full in the Explanatory Statement and the accompanying solicitation packet (the ***Solicitation Packet***) to be made available to Scheme Creditors should the respective Courts grant orders convening the Scheme Meetings.

### *Blocked Scheme Creditors*

- 7.8 There are also specific arrangements relating to voting and the distribution and/or allocation of the Scheme Consideration Entitlement to any "***Blocked Scheme Creditors***", being any Scheme Creditor other than any Sanctioned Scheme Creditor, as described below that is not entitled, able or permitted, whether directly or through a custodian, to submit instructions or settle through the Clearing Systems as a result of certain laws, regulations, rules and/or orders relating to economic, financial or trade sanctions, restrictive measures or embargoes imposed (***Applicable Sanctions***<sup>1</sup>) affecting the Scheme Creditor or its custodian, as determined by the Clearing Systems.
- 7.9 Blocked Scheme Creditors will not be entitled, able or permitted to (i) submit voting instructions through the Clearing Systems or to the Information Agent on the China Aoyuan Schemes or (ii) receive the Scheme Consideration Entitlement on the Restructuring Effective Date (or such later date as is permitted under the China Aoyuan Schemes) due to the Applicable Sanctions.
- 7.10 To vote, any Blocked Scheme Creditor must submit a validly completed and executed "***Blocked Scheme Creditor Form***", which will be included in the Solicitation Packet, by the Voting Instruction Deadline to Madison Pacific Corporate Services Ltd., who the Company has appointed to liaise with the Blocked Scheme Creditors (the ***Blocked Scheme Creditor Tabulation Agent***). The Information Agent will not accept forms from the Blocked Scheme Creditors.

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<sup>1</sup> Including laws, regulations, rules and/or order relating to economic, financial or trade sanctions, restrictive measures or embargoes administered, enacted, maintained and/or enforced by any Governmental Entity of the United States of America (including by the U.S. Office of Foreign Assets Control or the U.S. Department of State), the European Union, the United Kingdom and the British Overseas Territories (including, for the avoidance of doubt, The Russia (Sanctions) (EU Exit) Regulations 2019, as amended from time to time and as applicable in the Cayman Islands.

- 7.11 In terms of the Scheme Consideration Entitlement, only Scheme Creditors who have submitted the required scheme creditor forms as set out in the Solicitation Packet (**Scheme Creditor Forms**) by the Voting Instruction Deadline will receive their Scheme Consideration Entitlement on the Restructuring Effective Date. Blocked Scheme Creditors who wish to be allocated their Scheme Consideration Entitlement (**Blocked Scheme Consideration Entitlement**) on the Restructuring Effective Date will need to complete the Blocked Scheme Creditor form together with any accompanying documents as set out in the Blocked Scheme Creditor Form, the Solicitation Packet and the China Aoyuan Schemes on or before the Voting Instruction Deadline.
- 7.12 As at the date of this Practice Statement Letter, the Company is not aware of any Blocked Scheme Creditors, but it is possible that there are Blocked Scheme Creditors given the difficulty in determining whether any Scheme Creditors under the Existing Debt are Blocked Scheme Creditors until they try to submit their voting instructions through the Clearing Systems.

*Unadmitted Scheme Creditors*

- 7.13 Scheme Creditors (who are not Blocked Scheme Creditors), who are not issued with their Scheme Consideration Entitlement on the Restructuring Effective Date (**Unadmitted Scheme Creditor**), will have their share of Aoyuan New Notes, Aoyuan MCB, Aoyuan Perpetuals and the Transfer Shares (the **Unadmitted Entitlements**) delivered to a holding period trustee (**Holding Period Trustee**) to be held in accordance with the terms of the China Aoyuan Schemes. The Holding Period Trustee will hold the Unadmitted Entitlements on trust for the relevant Unadmitted Scheme Creditors as part of the assets held on trust (**Trust Assets**) subject to the terms of the **Holding Period Trust Deed**, until a date falling six (6) calendar months after the Restructuring Effective Date (the **Holding Period Expiry Date**). The Company will issue the New Shares to the Unadmitted Scheme Creditors (in accordance with their Scheme Consideration Entitlement) provided they submit the requisite Scheme Creditor Forms by the deadlines specified in the Solicitation Packet.
- 7.14 Each Unadmitted Scheme Creditor who is a Blocked Scheme Creditor should establish its entitlement to its share of (i) the relevant Trust Assets in accordance with the terms of the Holding Period Trust Deed and (ii) the New Shares in accordance with the China Aoyuan Schemes. If an Unadmitted Scheme Creditor fails to establish its entitlement to its share of the relevant Trust Assets in accordance with the terms of the Holding Period Trust Deed or to the New Shares, in each case, by the Bar Time, that Unadmitted Scheme Creditor's rights under the Holding Period Trust Deed and the China Aoyuan Schemes shall be extinguished and that Unadmitted Scheme Creditor shall not be entitled to receive any Scheme Consideration Entitlement under the Holding Period Trust Deed and the China Aoyuan Schemes.
- 7.15 In the case of an Unadmitted Scheme Creditor who is a Blocked Scheme Creditor or a Scheme Creditor who has identified themselves and has been verified by the Blocked Scheme Creditor Tabulation Agent as a Blocked Scheme Creditor, their share of the Aoyuan New Notes, Aoyuan MCB, Aoyuan Perpetuals and the Transfer Shares will be transferred to an **Escrow Agent** (to the extent permitted by the Applicable Sanctions) to be held in accordance with the terms of the **Escrow Agreement** until the earlier of: (i) the date falling one year after the Restructuring Effective Date; or (ii) the lifting of the Applicable Sanctions in respect of all Blocked Scheme Creditors (the **Escrow Period**). The Company will issue the New Shares to such Unadmitted Scheme Creditors who are Blocked Scheme Creditors (in accordance with their Blocked Scheme Consideration Entitlement) at the end of the Escrow Period provided the Applicable Sanctions in respect of all Blocked Scheme Creditors have been lifted.

*Sanctioned Scheme Creditors*

7.16 As will be more specifically described in the Explanatory Statement, any Scheme Creditor who is designated on any Applicable Sanctions lists or otherwise subject to a full asset freeze will be a **Sanctioned Scheme Creditor**. Sanctioned Scheme Creditors will not be entitled to vote on the China Aoyuan Schemes.

7.17 As at the date of this Practice Statement Letter, the Company is not aware of any Sanctioned Scheme Creditors or Blocked Scheme Creditors, but it is possible that there are Sanctioned Scheme Creditors given the difficulty of determining whether any Scheme Creditors are Sanctioned Scheme Creditors or Blocked Scheme Creditors until they try to submit their voting instructions through the Clearing Systems.

*Releases*

7.18 With effect from the Restructuring Effective Date, all of the rights, title and interest of:

- (a) each Scheme Creditor to its Scheme Claims; and
- (b) each Existing Debt Administrative Party to any claims they have or may have under any of the finance documents relating to the Existing Debt (the **Existing Debt Finance Documents**) or any parallel debt covenants (as applicable),

shall, in each case, against the China Aoyuan Group (save for the China Aoyuan Scheme Excluded Liabilities), be discharged fully and absolutely by operation of the China Aoyuan Schemes and without any action on the part of any Scheme Creditor or any other person, in each case so as to bind each Scheme Creditor and its respective successors and assigns (including, without limitation, any person to whom a Scheme Creditor has transferred all or any part of its interest in and/or title to the Existing Debts or otherwise all or any part of its Scheme Claims after the Record Date).

7.19 With effect from the Restructuring Effective Date, each Scheme Creditor, in each case, on behalf of itself and each of its successors and assignees, irrevocably and unconditionally, fully and finally waives and releases and forever discharges all claims (save for the China Aoyuan Scheme Excluded Liabilities) against: (i) the China Aoyuan Group; (ii) certain advisers; (iii) any director of a company within the China Aoyuan Group (iv) the administrators of the China Aoyuan Schemes (the Scheme Administrators); (v) the Information Agent; (vi) the Blocked Scheme Creditor Tabulation Agent; (vii) the Existing Debt Administrative Parties; (viii) the administrative parties in respect of the Scheme Consideration Entitlement; (ix) the Holding Period Trustee; (x) the person appointed by the Company to determine disputed Scheme Claims (the Adjudicator); (xi) the AHG; (xii) the Escrow Agent and/or (xiii) any other Scheme Creditor (or its Designated Recipient, as applicable) or its Affiliates in relation to, inter alia, (i) the Existing Debt Finance Documents; (ii) Scheme Claims and/or (iii) the negotiation, preparation, implementation and/or consummation of the China Aoyuan Schemes and/or the Restructuring.

**8 CONSTITUTION OF CLASSES**

8.1 It is the responsibility of the Company to determine whether more than one meeting of creditors is required and, if so, to ensure that the meeting(s) is/are properly constituted. Each class of creditors must be properly constituted so that any meeting of that class comprises creditors whose rights against the Company are not so dissimilar as to make it impossible for them to consult together with a view to their common interest. If the rights of Scheme Creditors in a class are so different or would be affected so differently by the respective Schemes as to make it impossible for them to consult together with a view to their common

interest, they must be divided into separate classes and a separate scheme meeting must be held for each class of creditor.

- 8.2 For the purposes of assessing class, the Cayman Court and the HK Court consider the similarities and differences in (i) the existing rights of Scheme Creditors against the Company which are to be released or varied under the China Aoyuan Schemes; and (ii) the new rights which the China Aoyuan Schemes give to Scheme Creditors by way of compromise or arrangement. When assessing the existing rights of Scheme Creditors, the Cayman Court and HK Court considers the rights they would have had in the applicable alternative scenario in the event that the China Aoyuan Schemes are not sanctioned.
- 8.3 The Company has considered the existing rights of each of the Scheme Creditors against the Company and the way in which those rights would be affected by the China Aoyuan Schemes. The existing rights of Scheme Creditors have been assessed on the basis that the alternative to the China Aoyuan Schemes being sanctioned is an insolvent liquidation of the China Aoyuan Group (as further explained in paragraph 13 below).
- 8.4 The Company has concluded that the Scheme Creditors fall into one class for the purpose of voting on the China Aoyuan Schemes for the reasons explained below.
- 8.5 The Company considers that the Scheme Creditors fall into a single class on the basis that:
  - (a) the Court will consider both the existing legal rights of the Scheme Creditors against the Company and their rights against the Company in the relevant alternative in deciding whether the Scheme Creditors can consult together in a single class;
  - (b) in the event that the China Aoyuan Schemes fail, it is likely that the Company and other members of the China Aoyuan Group will enter into an insolvent liquidation. In those circumstances, although the holders of the ICA Debt have the benefit of a first priority lien over the shares of Add Hero that is granted by the Company, the Liquidation Analysis indicates that the lien over shares in Add Hero have no value as Add Hero itself is insolvent. As a result, the Scheme Creditors would have substantially the same rights against the Company and each Scheme Creditor (regardless of whether they hold ICA Debt or Non-ICA Debt) would have an estimated return of 3.7% to 4.2% from the Company based on the Liquidation Analysis (as defined below);
  - (c) if the China Aoyuan Schemes becomes effective in accordance with their terms, the existing rights of each Scheme Creditor against the Company under the Existing Debt (save for the China Aoyuan Scheme Excluded Liabilities) will be compromised (in all material respects) the same way as between themselves, and the Scheme Creditors would each have the same rights to receive the Scheme Consideration Entitlement under the China Aoyuan Schemes; and
  - (d) in all the circumstances, there is more to unite than divide all of the Scheme Creditors, so as to make any further classes unnecessary.

As a result, the Scheme Creditors' rights against the Company and the way in which those rights would be affected by the China Aoyuan Schemes are not so dissimilar as to make it impossible for them to consult together with a view to their common interest.

- 8.6 Given the financial situation of the Company and the China Aoyuan Group, the board of directors of the Company (the **Board**) considers that the most appropriate comparator for assessing whether the rights of the Scheme Creditors, being holders of ICA Debt or the Non-

ICA Debt, are not so dissimilar to make it impossible for them to consult together with a view to their common interest in an insolvent liquidation. In an insolvent liquidation of the Company, the Scheme Creditors would all have a right to receive a *pari passu* dividend from the Company based on the value of their claims, save that the value of the pool of assets from which the *pari passu* dividends will be paid will be significantly lower than that which would otherwise be available under the China Aoyuan Schemes.

#### *Blocked Scheme Creditors*

8.7 The Company has considered whether Blocked Scheme Creditors ought to be placed into a separate class for voting purposes. The Company has concluded that they should not be for the following reasons:

- (a) Blocked Scheme Creditors have the same entitlements to the Scheme Consideration Entitlement as Scheme Creditors who are not Blocked Scheme Creditors.
- (b) Blocked Scheme Creditors are restricted from receiving their portion of the Scheme Consideration Entitlement until any Applicable Sanctions affecting them have been lifted.
- (c) The Company considers that those restrictions are due to Blocked Scheme Creditors' own personal circumstances in the current regulatory environment and are not the result of their treatment under the China Aoyuan Schemes or their rights against the Company. Under the terms of the China Aoyuan Schemes, Blocked Scheme Creditors have the same ultimate entitlement to receive Scheme Consideration Entitlement as other Scheme Creditors.
- (d) Accordingly, the Company does not consider that there is any difference, or any material difference, in the rights of Blocked Scheme Creditors as compared with Scheme Creditors who are not Blocked Scheme Creditors.

#### *RSA Fee, Adviser Fee and Work Fee*

8.8 For completeness, the Company has considered whether the payment of the RSA Fee to eligible Scheme Creditors has an impact on the constitution of classes of Scheme Creditors for the purposes of the China Aoyuan Schemes, and has concluded that it does not. The existence and terms of the Restructuring Support Agreement have been made publicly available to all Scheme Creditors and the RSA Fee has been offered to all Scheme Creditors on an equal basis, provided that they become a party to the Restructuring Support Agreement as a Consenting Creditor by the deadlines stated therein and vote in favour of the China Aoyuan Schemes at the Scheme Meetings. The Company considers that it is unlikely that a Scheme Creditor who is not eligible to receive the RSA Fee would be persuaded to vote against the China Aoyuan Schemes by reasons of the existence of the RSA Fee because: (i) the RSA Fee (including US\$100,000,000 in principal amount of the Aoyuan New Notes) represents not more than 1.74% of the aggregate outstanding principal amount of the Existing Debt; and (ii) the alternative of an insolvent liquidation would result in the Scheme Creditors receiving returns that are significantly lower than the anticipated returns under the China Aoyuan Schemes. In this context, the RSA Fee is not a material factor which would influence a Scheme Creditor's decision in relation to the China Aoyuan Schemes.

8.9 The Company notes that pursuant to the Restructuring Support Agreement, certain Scheme Creditors shall, in addition to the applicable RSA Fee, benefit from the payment by the Company of the fees of advisers instructed by those Scheme Creditors and with whom the

Company has signed a fee letter or an engagement letter (pursuant to which the Company has agreed to pay the fees of those advisers in connection with the Restructuring) on or prior to the Restructuring Effective Date. The Company does not consider that the effect of these payments (either taken alone or cumulatively) makes it impossible for Scheme Creditors to vote together with the other Scheme Creditors in the same class. This is because the payment of such fees does not confer a benefit upon the relevant Scheme Creditors but instead represents a payment of costs necessarily incurred by them in engaging with the Company to facilitate the Restructuring which would not otherwise have been incurred.

8.10 Pursuant to the terms of the Restructuring, certain Scheme Creditors will, in addition to the relevant RSA Fee, benefit from the Work Fee. The Work Fee represents less than 0.29% of the aggregate outstanding principal amount of the Existing Debt. The Company considers that the Work Fees are appropriate to compensate the parties to those work fee letters for the work, time and (where applicable) risks associated with negotiating the Restructuring, including the AHG restricting themselves from trading at various points during the Restructuring negotiation due to being in receipt of “material non-public information”. In any event, given that the alternative of an insolvent liquidation would result in the Scheme Creditors receiving returns that are significantly lower than the anticipated returns under the China Aoyuan Schemes, the Company does not consider that the Work Fee is a material factor which would influence a Scheme Creditor’s decision in relation to the China Aoyuan Schemes.

## **9 SCHEME MEETINGS**

The Company intends to hold the Scheme Meetings for the China Aoyuan Schemes at the same address in the Cayman Islands with a live video conference linked to an address in Hong Kong. Telephone and video conference facilities will also be made available to Scheme Creditors upon request to the Information Agent, allowing them to listen in to the Scheme Meetings and to ask questions (but not to cast their vote).

## **10 RESTRUCTURING EFFECTIVE DATE**

10.1 The Scheme Consideration Entitlement is provided to the Scheme Creditors upon the Restructuring Effective Date (or upon the expiry of the Holding Period Expiry Date or the expiry of the Escrow Period (as applicable)), in consideration for the releases set out in paragraph 7.18 above.

10.2 If orders for the sanction of the China Aoyuan Schemes are made, certain conditions will need to be satisfied or waived before the Restructuring contemplated by the China Aoyuan Schemes will become effective in accordance with the terms of the China Aoyuan Schemes.

10.3 The conditions are further particularised in the Explanatory Statement which will be made available to Scheme Creditors in the manner set out in paragraph 17 of this Practice Statement Letter.

## **11 DETERMINATION AND ADJUDICATION PROCEDURE FOR SCHEME CLAIMS**

The claims of the Scheme Creditors shall be determined and adjudicated by the Scheme Administrators and/or the Adjudicator. Full details of the determination and adjudication of Scheme Claims will be included in the Explanatory Statement and the China Aoyuan Schemes.

## **12 HOW CREDITORS WILL BE AFFECTED BY THE CHINA AOYUAN SCHEMES**

12.1 If the China Aoyuan Schemes become effective, all Scheme Creditors will be bound by the terms of the China Aoyuan Schemes (whether or not they voted for or against the China Aoyuan Schemes or at all).

12.2 The terms of the China Aoyuan Schemes (including the documentation referred to in this Practice Statement Letter) will be included with the Scheme Documents (as defined in paragraph 17 below).

### **13 CONSEQUENCES IF THE CHINA AOYUAN SCHEMES ARE NOT SUCCESSFUL**

13.1 Kroll (HK) Limited has been engaged by the Company to carry out a detailed analysis that estimates the likely returns to Scheme Creditors should the Company be placed into liquidation proceedings (which in turn would trigger a group-wide liquidation) (the *Liquidation Analysis*). This is considered by the Company to be the likely alternative in the event that the China Aoyuan Schemes and/or the Add Hero Schemes are unsuccessful.

13.2 If the China Aoyuan Schemes and/or the Add Hero Schemes are not implemented in accordance with its terms, the Company and other members of the China Aoyuan Group may, if no other solution can be found, be subject to an insolvent liquidation.

13.3 The Liquidation Analysis outlines the estimated total recovery to the Scheme Creditors in the event of a liquidation of the Company and liquidation of other members of the China Aoyuan Group in that scenario in order to meet the claims of Scheme Creditors. The Liquidation Analysis will be set out as an appendix to the Explanatory Statement available to the Scheme Creditors.

13.4 For the avoidance of doubt, the returns to Scheme Creditors in an insolvent liquidation scenario are expected to be worse than what is being offered to Scheme Creditors pursuant to the terms of the China Aoyuan Schemes.

### **14 COURT HEARINGS AND SCHEME CREDITORS' RIGHTS**

14.1 The Company has made an application to the Cayman Court for the China Aoyuan Cayman Scheme Convening Hearing and to the Hong Kong Court for the China Aoyuan HK Scheme Convening Hearing, both of which have been listed for hearing on 31 October 2023. At the Convening Hearings, the Company will seek an order granting directions in relation to the China Aoyuan Schemes, including permission to convene a single meeting of Scheme Creditors for the China Aoyuan Schemes for the purpose of considering and, if thought fit, approving the China Aoyuan Schemes can be made as soon as possible.

14.2 Scheme Creditors, including the Blocked Scheme Creditors, have the right to attend in person or through counsel and make representations at the Convening Hearing(s), although they are not obliged to do so. Scheme Creditors (other than Blocked Scheme Creditors or Sanctioned Scheme Creditors) who wish to attend the Convening Hearing(s) in person or through counsel should in the first instance contact the Information Agent (using the contact details below) to obtain instructions for attending the Convening Hearing(s). Blocked Scheme Creditors who wish to attend the Convening Hearing(s) in person or through counsel should in the first instance contact the Blocked Scheme Creditor Tabulation Agent (using the contact details below) to obtain instructions for attending the Convening Hearing(s) preferably at least forty-eight (48) hours prior to it. At the Convening Hearings, the Company will also draw to the Courts' attention any material issues raised by the Scheme Creditors in response to this Practice Statement Letter.

- 14.3 If the China Aoyuan Schemes are approved by the requisite majorities at the Scheme Meetings, there will be a second and final Court hearing for each of the China Aoyuan Schemes at which the relevant Court will decide whether to exercise its discretion to sanction the relevant China Aoyuan Scheme. This second hearing for the China Aoyuan Schemes has not been listed and the Company will further notify Scheme Creditors through the Transaction Website (defined below) when the second hearing for each of the China Aoyuan Schemes has been listed (the ***China Aoyuan HK Scheme Sanction Hearing*** and the ***China Aoyuan Cayman Scheme Sanction Hearing***, and together the ***Sanction Hearings***).
- 14.4 Scheme Creditors will also have the opportunity to raise objections at the Sanction Hearing(s) (if the China Aoyuan Schemes are approved at the Scheme Meetings by the requisite majorities).
- 14.5 This Practice Statement Letter is intended to provide Scheme Creditors with sufficient information regarding the China Aoyuan Schemes and the Restructuring so that, should they wish to raise issues that relate to the jurisdiction of the Courts to sanction the China Aoyuan Schemes, or to argue that the proposals outlined above for the convening of the Scheme Meetings are inappropriate, or to raise any other issue in relation to the constitution of the Scheme Meetings, they may attend and be represented before the Courts at the relevant Convening Hearing.
- 14.6 **IMPORTANT: If any Scheme Creditor (with the exception of Blocked Scheme Creditors and Sanctioned Scheme Creditors) has comments as to the constitution of the Scheme Meeting which is proposed, wishes to raise any other issues with the Court(s), or wishes to participate at the Convening Hearing(s) for the China Aoyuan Schemes and, for that purpose, obtain a copy of the relevant Court papers, they should in the first instance contact the Information Agent using the contact details set out below as soon as possible. Blocked Scheme Creditors should contact the Blocked Scheme Creditor Tabulation Agent using the contact details set out below as soon as possible.**

## 15 THE TRANSACTION WEBSITE

The Information Agent has, at the request of the Company, set up the transaction website: <https://projects.morrowsodali.com/Aoyuan> (***Transaction Website***) to disseminate information about the China Aoyuan Schemes to Scheme Creditors and facilitate the implementation of the China Aoyuan Schemes. Scheme Creditors may download documents relating to the China Aoyuan Schemes from the Transaction Website, subject to eligibility confirmation and registration.

## 16 CROSS-BORDER RECOGNITION

- 16.1 The Company, pursuant to the China Aoyuan Schemes, will appoint an appropriate person or persons who will be authorised to act as the representative of the Company, as relevant, on and in connection with an application for recognition and assistance in relation to the China Aoyuan Schemes in the relevant jurisdictions as the representative(s) deem necessary.

## 17 NEXT STEPS

- 17.1 If permission to convene the Scheme Meetings is granted by the respective Courts at the Convening Hearings, the Scheme Creditors will be provided with certain documents in connection with the China Aoyuan Schemes (the ***Scheme Documents***). The Scheme Documents will comprise, *inter alia*:

- (a) a notice convening the Scheme Meetings;
- (b) the Explanatory Statement;
- (c) the Solicitation Packet, which will include a sample Account Holder Letter and Lender Proxy Form, pursuant to which a Scheme Creditor will be entitled to (among other things) vote on the China Aoyuan Schemes (or appoint a proxy to vote on its behalf).

17.2 The Scheme Documents will be made available by the Information Agent to the Scheme Creditors via the Transaction Website subject to eligibility confirmation and registration.

17.3 The Information Agent will notify each known person who the Company believes may be a Scheme Creditor via email with the link to the Transaction Website, which will contain copies of this Practice Statement Letter, while also providing a notice via the relevant Clearing Systems of the availability of this Practice Statement Letter. If you have any doubts as to whether you are a Scheme Creditor, please contact the Information Agent (whose contact details are at paragraph 18.2 below).

17.4 If you are a Blocked Scheme Creditor, the Blocked Scheme Creditor Form and any other relevant Scheme Documents can be obtained from the Solicitation Packet and/or the Blocked Scheme Creditor Tabulation Agent using the contact details at paragraph 18.3 below. Blocked Scheme Creditors must complete and submit their Blocked Scheme Creditor Form to the Blocked Scheme Creditor Tabulation Agent (not to the Information Agent).

17.5 Further notice(s) will be sent out by the Company at the appropriate time confirming the date of the Scheme Meetings and the Record Date.

## 18 CONTACT DETAILS AND FURTHER INFORMATION

18.1 If you have any questions in relation to this Practice Statement Letter, the China Aoyuan Schemes or the Restructuring, please contact the Information Agent, the Company's Cayman Islands legal counsel, Harney Westwood & Riegels, the Company's international counsel, Linklaters and/or the Company's financial adviser, KPMG, using the below contact details:

### 18.2 **Morrow Sodali Limited, as the Information Agent**

Email: [aoyuan@investor.morrowsodali.com](mailto:aoyuan@investor.morrowsodali.com)

Transaction Website: <https://projects.morrowsodali.com/Aoyuan>

**In Hong Kong:**

29/F

No. 28 Stanley Street

Central, Hong Kong

Telephone: +852 2319 4130

**In London:**

103 Wigmore Street

London W1U 1QS

United Kingdom

Telephone: +44 20 4513 6933

**18.3 Madison Pacific Corporate Services Ltd., as the Blocked Scheme Creditor Tabulation Agent**

17/F Far East Finance Centre,

16 Harcourt Road,

Hong Kong SAR

Telephone: +852 2599 9500

Email: Aoyuan@madisonpac.com

**18.4 Harney Westwood & Riegels, as the Company's Cayman legal counsel**

**In Cayman :**

3<sup>rd</sup> Floor,

Harbour Place,

103 South Church Street

Grand Cayman

Cayman Islands

KY1-1002,

Telephone: +1 345 949 8599

**In Hong Kong:**

3501, The Center

99 Queen's Road Central

Central, Hong Kong

Telephone: +852 5806 7800

Email: [Projectgarden@harneys.com](mailto:Projectgarden@harneys.com)

**18.5 Linklaters, as the Company's International legal counsel**

**In Hong Kong:**

11<sup>th</sup> Floor, Alexandra House

Chater Road

Central, Hong Kong

Telephone: +852 2842 4888

**In Singapore:**

1 George St

Singapore 049145

Telephone: +65 6692 5700

Email: [dlaoyuanlinklaters@linklaters.com](mailto:dlaoyuanlinklaters@linklaters.com)

18.6 **KPMG, as the Company's financial adviser**

8th Floor, Prince's Building

10 Chater Road, Central

Hong Kong

Telephone: +852 2522 6022

Email: aoyuan.restructuring@kpmg.com

Yours faithfully

Authorised Representative

For and on behalf of **China Aoyuan Group Limited**

A handwritten signature in black ink, appearing to read 'Mark'.

## Appendix 1

### Existing Debt

#### Part A

#### Existing Public Notes

S/n	Description of Existing Public Notes	ISIN	Existing Public Notes Indenture
1.	US\$250,000,000 5.375% Senior Notes Due 2022	XS1611005957	As constituted by the indenture dated 13 September 2017, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB Trustees (Hong Kong) Limited ("DB") as trustee.
2.	US\$188,000,000 4.2% Senior Notes Due 2022	XS2282587505	As constituted by the indenture dated 21 January 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
3.	US\$500,000,000 8.5% Senior Notes Due 2022	XS1937690128	As constituted by the indenture dated 23 January 2019, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
4.	US\$200,000,000 8.0% Senior Notes Due 2022	XS2264537684	As constituted by the indenture dated 22 January 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
5.	US\$50,000,000 8.5% Senior Notes Due 2022	XS2378476951	As constituted by the indenture dated 31 August 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
6.	US\$225,000,000 7.95% Senior Notes Due 2023 and US\$250,000,000 7.95% Senior Notes Due 2023, consolidated and forming a single series	XS1952585112	In respect of the US\$225,000,000 7.95% Senior Notes Due 2023 as constituted by the indenture dated 19 February 2019, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee; and in respect of the US\$250,000,000 7.95% Senior Notes Due 2023 as constituted by the indenture dated 21 June 2021, as amended, supplemented, or otherwise modified from time to time, between China

			Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee, both consolidated forming a single series therewith, with an outstanding principal amount of US\$475,000,000.
7.	US\$200,000,000 7.35% Senior Notes Due 2023	XS2014471432	As constituted by the indenture dated 21 June 2019, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
8.	US\$460,000,000 6.35% Senior Notes Due 2024	XS2196807833	As constituted by the indenture dated 2 July 2020, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
9.	US\$200,000,000 7.95% Senior Notes Due 2024	XS2351242461	As constituted by the indenture dated 21 June 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
10.	US\$230,000,000 5.98% Senior Notes Due 2025	XS2258822233	As constituted by the indenture dated 18 November 2020, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
11.	US\$350,000,000 6.2% Senior Notes Due 2026	XS2233109409	As constituted by the indenture dated 24 September 2020, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.
12.	US\$350,000,000 5.88% Senior Notes Due 2027	XS2307633565	As constituted by the indenture dated 1 March 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.

**Part B**

**Existing Syndicated Facilities**

<b>S/n</b>	<b>Description of Existing Syndicated Facilities</b>
1.	The HK\$1,131,000,000 and US\$20,000,000 dual currency term loan facilities (which may be subsequently increased) dated 9 April 2019, entered into between, among others, China Aoyuan Group Limited as borrower and Nanyang Commercial Bank, Limited as facility agent, as amended or supplemented from time to time
2.	The HK\$1,055,000,000 and US\$95,000,000 dual currency term loan facilities (which may be subsequently increased) dated 21 January 2020, entered into between, among others, China Aoyuan Group Limited as borrower and Hang Seng Bank Limited as facility agent, as amended or supplemented from time to time
3.	The HK\$1,598,000,000 and US\$20,000,000 dual currency term loan facilities (which may be subsequently increased) dated 8 March 2021, entered into between, among others, China Aoyuan Group Limited as borrower and Hang Seng Bank Limited as facility agent, as amended or supplemented from time to time

**Part C**  
**Existing Bilateral Facilities (SBLC)**

S/n	Description of Existing Bilateral Facilities (SBLC)
1.	Facility Letter in respect of term loan facility of HK\$329,000,000 dated 10 December 2020, entered into between China Aoyuan Group Limited as borrower and Hang Seng Bank Limited as lender
2.	Facility Letter in respect of the HK\$740,000,000 term loan facility, originally dated 10 June 2021, entered into between China Aoyuan Group Limited as borrower and The Bank of East Asia, Limited as lender
3.	Facility Letter in respect of term loan facility of US\$70,000,000 dated 16 June 2021, entered into between China Aoyuan Group Limited as borrower and CMB Wing Lung Bank Limited as lender
4.	Facility Letter in respect of revolving loan facility of HK\$367,000,000 dated 16 July 2018, 23 July 2019, 23 June 2020 and 8 June 2021, entered into between China Aoyuan Group Limited as borrower and Hang Seng Bank Limited as lender

**Part D**  
**Existing Other Offshore Financings**

<b>S/n</b>	<b>Description of Existing Other Offshore Financings</b>
1.	Facility Letter in respect of the HK\$117,000,000 revolving loan facility dated 13 July 2021, entered into between China Aoyuan Group Limited as borrower and China CITIC Bank International Limited as lender
2.	Facility Letter in respect of the up to HK\$300,000,000 term loan facility dated 13 July 2021, entered into between China Aoyuan Group Limited as borrower and Nanyang Commercial Bank, Limited as lender
3.	Facility Letter in respect of the up to HK\$500,000,000 term loan facility dated 21 June 2021, entered into between China Aoyuan Group Limited as borrower and Chiyu Banking Corporation Limited as lender
4.	US\$200,000,000 term loan facilities agreement dated 16 August 2021, entered into between, among others, China Aoyuan Group Limited as borrower and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time
5.	US\$100,000,000 6.00% Guaranteed Notes Due 2021 issued by Asia Dynasty Enterprises Limited as issuer to Global Castle Investments Limited as original noteholder
6.	US\$200,000,000 term loan facilities agreement dated 14 December 2020, entered into between, among others, Happy Team Investments Limited as borrower, China Aoyuan Group Limited as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time

## Part E

### Existing Private Notes

S/n	Description of Existing Private Notes	ISIN	Existing Private Notes Instruments
1.	US\$100,000,000 6.00% guaranteed Bonds Due 2022	XS2190931365	As constituted by (i) the deed of covenant dated 19 June 2020 and fiscal agency agreement dated 19 June 2020, each as amended, supplemented, or otherwise modified from time to time, entered into by Power Linkage Limited, and (ii) the deed of guarantee dated 19 June 2020 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.
2.	US\$250,000,000 10.75% guaranteed Bonds Due 2022	XS2372877469	As constituted by (i) the deed of covenant dated 18 August 2021 and fiscal agency agreement dated 18 August 2021, each as amended, supplemented, or otherwise modified from time to time, entered into by Power Linkage Limited, and (ii) the deed of guarantee dated 18 August 2021 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.
3.	US\$200,000,000 7.38% guaranteed Bonds Due 2021	XS2265803283	As constituted by (i) the deed of covenant dated 10 December 2020 and fiscal agency agreement dated 10 December 2020, each as amended, supplemented, or otherwise modified from time to time, entered into by Luck Gain Limited, and (ii) the deed of guarantee dated 10 December 2020 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.
4.	US\$100,000,000 6.05% guaranteed Bonds Due 2022	XS2282540025	As constituted by (i) the deed of covenant dated 21 January 2021 and fiscal agency agreement dated 21 January 2021, each as amended, supplemented, or otherwise modified from time to time, entered into by Multi-Prospect Limited, and (ii) the deed of guarantee dated 21 January 2021 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.

**Part F**  
**Existing Onshore Facilities**

S/n	Description of Existing Onshore Facilities
1.	Loan between 奥园集团有限公司 (Borrower) and 广州南雅集团有限公司 (Lender) amounting to RMB2 billion
2.	Fixed assets loan between 成都市奥誉置业有限公司 (Borrower) and 渤海银行股份有限公司成都分行 (Lender) amounting to RMB800 million
3.	Enterprise loan between 奥园集团有限公司 (Borrower) and 广州农村商业银行股份有限公司华夏支行 (Lender) amounting to RMB80 million
4.	Enterprise loan between 奥园集团有限公司 (Borrower) and 广州农村商业银行股份有限公司华夏支行 (Lender) amounting to RMB240 million
5.	Enterprise loan between 奥园集团有限公司 (Borrower) and 广州农村商业银行股份有限公司华夏支行 (Lender) amounting to RMB80 million
6.	M&A loan between 奥园集团 (广东) 有限公司 (Borrower) and 中国工商银行股份有限公司广州荔湾支行 (Lender) amounting to RMB600 million
7.	Loan between 保定京汉君庭酒店有限公司 (Borrower) and 廊坊银行股份有限公司顺安道支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
8.	Loan between 金汉 (天津) 房地产开发有限公司 (Borrower) and 廊坊银行股份有限公司顺安道支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
9.	Loan between 金汉 (天津) 房地产开发有限公司 (Borrower) and 京汉置业集团有限责任公司 (Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司 and subsequently transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
10.	Loan between 京汉 (廊坊) 房地产开发有限公司 (Borrower) and 渤海国际信托股份有限公司 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
11.	Loan between 京汉置业集团有限责任公司 (Borrower) and 保定银行股份有限公司安新支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
12.	Loan between 京汉置业集团有限责任公司 (Borrower) and 国民信托有限公司 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a

	Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
13.	Debt assignment and repurchase agreement between 京汉置业集团有限责任公司, 重庆市汉基伊达置业有限公司 and 中铁信托有限责任公司 (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
14.	Loan between 京汉置业集团有限责任公司 (Borrower) and 大业信托有限责任公司 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
15.	Loan between 京汉置业集团有限责任公司 (Borrower) and 北京金汉房地产开发有限公司 (Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司 and subsequently transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
16.	Loan between 南通华东建设有限公司 (Borrower) and 廊坊银行股份有限公司顺安道支行 (Lender) (now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
17.	Loan between 天津凯华奎恩房地产开发有限公司 (Borrower) and 京汉置业集团有限责任公司 (Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司 and now transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)
18.	Loan between 重庆中翡翠置业有限公司 (Borrower) and 京汉置业集团有限责任公司 (Lender) (transferred to 中国华融资产管理股份有限公司天津市分公司 and subsequently transferred to 中国信达资产管理股份有限公司广东省分公司) (which has the benefit of a Hong Kong law governed guarantee provided by China Aoyuan Group Limited dated 17 August 2020)

## Part G

### Existing Private Loans

S/n	Description of Existing Private Loans
1.	HK\$676,000,000 term loan facilities agreement dated 3 December 2020, entered into between Flair Honour Limited as borrower, China Aoyuan Group Limited as offshore guarantor and Lofty Time Opportunity X Limited as lender, as amended or supplemented from time to time
2.	HK\$780,000,000 term loan facilities agreement dated 24 May 2021, entered into between, among others, Luck Gain Limited as borrower and Tai Fung Bank Limited as facility agent, as amended or supplemented from time to time (the <b>HKD780m Tai Fung Bank Facility</b> )
3.	HKD equivalent of US\$100,000,000 term loan facilities agreement dated 23 December 2022, entered into between, among others, Speedy Capital Limited as borrower, China Aoyuan Group Limited as guarantor and Tai Fung Bank Limited as lender, as amended or supplemented from time to time, the purpose of which was to refinance the HKD780m Tai Fung Bank Facility
4.	US\$120,000,000 term loan facilities agreement dated 18 December 2020, entered into between, among others, King World Holdings Limited as borrower, China Aoyuan Group Limited as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time
5.	US\$150,000,000 term loan facilities agreement dated 17 March 2021, entered into between, among others, King World Holdings Limited as borrower, China Aoyuan Group Limited as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time

**Appendix 2**  
**Existing Debt Administrative Parties**

**Part A**  
**Existing Public Notes**

S/n	Description of Existing Public Notes	ISIN	Existing Public Notes Indenture	Existing Debt Administrative Parties
1.	US\$250,000,000 5.375% Senior Notes Due 2022	XS1611005957	As constituted by the indenture dated 13 September 2017, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB Trustees (Hong Kong) Limited ("DB") as trustee.	i. Deutsche Bank AG, Hong Kong Branch, in its capacity as the nominee of the depositary and as registered holder of each of the Existing Public Notes; and  ii. DB Trustees (Hong Kong) Limited, in its capacity as the trustee under the Existing Public Notes Indentures
2.	US\$188,000,000 4.2% Senior Notes Due 2022	XS2282587505	As constituted by the indenture dated 21 January 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
3.	US\$500,000,000 8.5% Senior Notes Due 2022	XS1937690128	As constituted by the indenture dated 23 January 2019, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
4.	US\$200,000,000 8.0% Senior Notes Due 2022	XS2264537684	As constituted by the indenture dated 22 January 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
5.	US\$50,000,000 8.5% Senior Notes Due 2022	XS2378476951	As constituted by the indenture dated 31 August 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	

S/n	Description of Existing Public Notes	ISIN	Existing Public Notes Indenture	Existing Debt Administrative Parties
6.	US\$225,000,000 7.95% Senior Notes Due 2023 and US\$250,000,000 7.95% Senior Notes Due 2023, consolidated and forming a single series	XS1952585112	<p>In respect of the US\$225,000,000 7.95% Senior Notes Due 2023 as constituted by the indenture dated 19 February 2019, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee; and</p> <p>in respect of the US\$250,000,000 7.95% Senior Notes Due 2023 as constituted by the indenture dated 21 June 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee,</p> <p>both consolidated forming a single series therewith, with an outstanding principal amount of US\$475,000,000.</p>	
7.	US\$200,000,000 7.35% Senior Notes Due 2023	XS2014471432	As constituted by the indenture dated 21 June 2019, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
8.	US\$460,000,000 6.35% Senior Notes Due 2024	XS2196807833	As constituted by the indenture dated 2 July 2020, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
9.	US\$200,000,000 7.95% Senior Notes Due 2024	XS2351242461	As constituted by the indenture dated 21 June 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
10.	US\$230,000,000 5.98% Senior Notes Due 2025	XS2258822233	As constituted by the indenture dated 18 November 2020, as amended, supplemented, or otherwise modified from time to	

S/n	Description of Existing Public Notes	ISIN	Existing Public Notes Indenture	Existing Debt Administrative Parties
			time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
11.	US\$350,000,000 6.2% Senior Notes Due 2026	XS2233109409	As constituted by the indenture dated 24 September 2020, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	
12.	US\$350,000,000 5.88% Senior Notes Due 2027	XS2307633565	As constituted by the indenture dated 1 March 2021, as amended, supplemented, or otherwise modified from time to time, between China Aoyuan Group Limited, the subsidiary guarantors therein and DB as trustee.	

**Part B**  
**Existing Syndicated Facilities**

S/n	Description of Existing Syndicated Facilities	Existing Debt Administrative Parties
1.	The HK\$1,131,000,000 and US\$20,000,000 dual currency term loan facilities (which may be subsequently increased) dated 9 April 2019, entered into between, among others, China Aoyuan Group Limited as borrower and Nanyang Commercial Bank, Limited as facility agent, as amended or supplemented from time to time	Nanyang Commercial Bank, Limited in its capacity as facility agent
2.	The HK\$1,055,000,000 and US\$95,000,000 dual currency term loan facilities (which may be subsequently increased) dated 21 January 2020, entered into between, among others, China Aoyuan Group Limited as borrower and Hang Seng Bank Limited as facility agent, as amended or supplemented from time to time	Hang Seng Bank Limited in its capacity as facility agent
3.	The HK\$1,598,000,000 and US\$20,000,000 dual currency term loan facilities (which may be subsequently increased) dated 8 March 2021, entered into between, among others, China Aoyuan Group Limited as borrower and Hang Seng Bank Limited as facility agent, as amended or supplemented from time to time	Hang Seng Bank Limited in its capacity as facility agent

**Part C**  
**Existing Other Offshore Financings**

S/n	Description of other loan facilities	Existing Debt Administrative Parties
1.	US\$200,000,000 term loan facilities agreement dated 16 August 2021, entered into between, among others, China Aoyuan Group Limited as borrower and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time	China Construction Bank (Asia) Corporation Limited in its capacity as facility agent
2.	US\$200,000,000 term loan facilities agreement dated 14 December 2020, entered into between, among others, Happy Team Investments Limited as borrower, China Aoyuan Group Limited as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time	China Construction Bank (Asia) Corporation Limited in its capacity as facility agent

**Part D**

**Existing Private Notes**

<b>S/n</b>	<b>Description of Existing Private Notes</b>	<b>ISIN</b>	<b>Existing Private Notes Instruments</b>	<b>Existing Debt Administrative Parties</b>
1.	US\$100,000,000 6.00% guaranteed Bonds Due 2022	XS2190931365	As constituted by (i) the deed of covenant dated 19 June 2020 and fiscal agency agreement dated 19 June 2020, each as amended, supplemented, or otherwise modified from time to time, entered into by Power Linkage Limited, and (ii) the deed of guarantee dated 19 June 2020 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.	China Construction Bank (Asia) Corporation Limited, in its capacity as common depositary and fiscal agent under each of the Existing Private Notes Instruments
2.	US\$250,000,000 10.75% guaranteed Bonds Due 2022	XS2372877469	As constituted by (i) the deed of covenant dated 18 August 2021 and fiscal agency agreement dated 18 August 2021, each as amended, supplemented, or otherwise modified from time to time, entered into by Power Linkage Limited, and (ii) the deed of guarantee dated 18 August 2021 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.	
3.	US\$200,000,000 7.38% guaranteed Bonds Due 2021	XS2265803283	As constituted by (i) the deed of covenant dated 10 December 2020 and fiscal agency agreement dated 10 December 2020, each as amended, supplemented, or otherwise modified from time to time, entered into by Luck Gain Limited, and (ii) the deed of guarantee dated 10 December 2020 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.	
4.	US\$100,000,000 6.05%	XS2282540025	As constituted by (i) the deed of covenant dated 21 January 2021 and fiscal agency agreement	

	guaranteed Bonds Due 2022	dated 21 January 2021, each as amended, supplemented, or otherwise modified from time to time, entered into by Multi-Prospect Limited, and (ii) the deed of guarantee dated 21 January 2021 entered into by China Aoyuan Group Limited as guarantor, as amended, supplemented, or otherwise modified from time to time.	
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**Part E**

**Existing Private Loans**

<b>S/n</b>	<b>Description of other loan facilities</b>	<b>Existing Debt Administrative Parties</b>
1.	HK\$780,000,000 term loan facilities agreement dated 24 May 2021, entered into between, among others, Luck Gain Limited as borrower and Tai Fung Bank Limited as facility agent, as amended or supplemented from time to time	Tai Fung Bank Limited in its capacity as facility agent
2.	US\$120,000,000 term loan facilities agreement dated 18 December 2020, entered into between, among others, King World Holdings Limited as borrower, China Aoyuan Group Limited as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time	China Construction Bank (Asia) Corporation Limited in its capacity as facility agent
3.	US\$150,000,000 term loan facilities agreement dated 17 March 2021, entered into between, among others, King World Holdings Limited as borrower, China Aoyuan Group Limited as guarantor and China Construction Bank (Asia) Corporation Limited as facility agent, as amended or supplemented from time to time	China Construction Bank (Asia) Corporation Limited in its capacity as facility agent