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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)

GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules with respect to the Loan Agreement which contains specific performance obligations on the controlling shareholder of the Company.

This announcement is made pursuant to Rule 13.18 of the Listing Rules in respect of the Loan Agreement entered into between the Company as borrower and the Lenders as lenders on 9 April 2019 which contains specific performance obligations on the controlling shareholder of the Company.

LOAN AGREEMENT

(1) General

On 9 April 2019, the Company as borrower and the Lenders as lenders entered into the Loan Agreement, pursuant to which a banking facility relating to secured dual currency term loan facilities of approximately HK\$1,131,000,000 and US\$20,000,000 was granted by the Lenders to the Company, consisting of the HK\$ Facility and the US\$ Facility.

Pursuant to the Loan Agreement, the Company shall pay to the Lenders interest on all outstanding amounts, in the case of the HK\$ Facility on a basis of a 365-day year, and in the case of the US\$ Facility on a basis of a 360-day year.

Unless the facilities are terminated earlier by the Lenders in accordance with the terms of the Loan Agreement, both the HK\$ Facility and the US\$ Facility will mature on the date falling thirty-six (36) months/three (3) years from the date of the Loan Agreement.

(2) Principal Terms of the Loan Agreement

Interest and Fees

The Loan Agreement will bear interest from the Drawdown Date to the maturity date of the facilities at the rate of (a) in respect of the loan under the HK\$ Facility, HIBOR plus 4.95% per annum; and (b) in respect of the loan under the US\$ Facility, LIBOR plus 4.95% per annum.

In connection with the Loan Agreement, the Company will pay to the Lenders certain arrangement fees, commitment fees and other related fees.

Guarantee

The Subsidiary Guarantors will jointly and severally guarantee the due and punctual payment of the principal, interest and all other amounts payable under the Loan Agreement.

Security

The Company's obligations under the Loan Agreement will be secured by share charges granted by the Company and certain of its subsidiaries in respect of capital stock of certain Subsidiary Guarantors.

Covenants

The Loan Agreement will limit the ability of the Company and Subsidiary Guarantors to, among other things:

- (a) amend or permit any amendments to be made to the constituent documents;
- (b) create or have outstanding any encumbrance on or over their respective present or future assets except in limited circumstances;
- (c) merge or consolidate with any other company or person; and
- (d) make any substantial change to the general nature or scope of the business of the Company, the Subsidiary Guarantors, any other member of the Group or the Group as a whole.

Use of Proceeds

The amount borrowed by the Company under the Loan Agreement will be used for the purposes of refinancing existing financial indebtedness of the Company (including any existing loan facility or any existing bonds or notes), and for financing general corporate purposes of the Group (including the working capital and capital expenditure requirements of the Group), provided that at all times not less than 80% of the amounts borrowed by the Company under the Loan Agreement will be applied for refinancing existing financial indebtedness of the Company.

(3) Specific Performance Obligations Imposed on the Controlling Shareholder of the Company

The Loan Agreement contains the specific performance obligations on the controlling shareholder of the Company, Mr. Guo Zi Wen. As long as any part of the loan under the Loan Agreement remains outstanding, the Company shall procure that:

- (a) Mr. Guo Zi Wen and Mr. Guo Zi Ning shall at all times collectively maintain, directly or indirectly, at least 40% of beneficial shareholding in the Company, collectively remain the single largest shareholder of the Company and/or maintain management control over the Company; and
- (b) Mr. Guo Zi Wen and Mr. Guo Zi Ning shall remain the chairman and the vice chairman of the board of directors of the Company respectively.

(4) Impact of Breach of the Specific Performance Obligations Imposed

A breach of any of the said specific performance obligations will constitute an event of default under the Loan Agreement whereupon, the Lenders will have the power to declare the commitment under the Loan Agreement to be cancelled and/or declare all outstanding amounts together with interest accrued and all other sums payable by the Company to be immediately due and payable.

GENERAL

This announcement is made in compliance with the disclosure requirement under Rule 13.18 of the Listing Rules. In accordance with the requirements pursuant to Rule 13.21 of the Listing Rules, disclosure will be included in the interim and annual reports of the Company for so long as the said specific performance obligations imposed on Mr. Guo Zi Wen under the Loan Agreement continue to exist.

DEFINITIONS

“Company”	China Aoyuan Group Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange
“Drawdown Date”	the date on which a drawing made by the Company is made in accordance with the Loan Agreement
“Group”	the Company and its subsidiaries
“HK\$” and “Hong Kong dollar”	the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“HIBOR”	Hong Kong interbank offered rate as determined in the manner set out in the Loan Agreement

“Lenders”	a group of financial institutions named as original lenders in the Loan Agreement
“LIBOR”	London interbank offered rate as determined in the manner set out in the Loan Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	A dual currency term loan facility agreement dated 9 April 2019 entered into between, among others, the Company, as borrower and the Lenders as lenders, in relation to a secured dual currency term loan facilities of approximately HK\$1,131,000,000 and US\$20,000,000 granted by the Lenders to the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	certain of the subsidiaries of the Company which will jointly and severally guarantee the due and punctual payment of the principal of and interest on, and all other amounts payable under the Loan Agreement
“HK\$ Facility”	a HK\$ facility under the Loan Agreement
“US\$ Facility”	a US\$ facility under the Loan Agreement
“US\$” or “US dollar”	United States dollar, the lawful currency of the United States of America

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

Hong Kong, 12 April 2019

As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Ms. Zhong Ping and Mr. Ma Jun; and the independent non-executive directors of the Company are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Hu Jiang.