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**中國奧園地產集團股份有限公司**  
**China Aoyuan Property Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3883)**

**DISCLOSEABLE TRANSACTION**  
**PROVISION OF GUARANTEE IN RELATION TO A CREDIT FACILITY**  
**FOR AN AFFILIATED COMPANY**  
**AND**  
**ANNOUNCEMENT PURSUANT TO RULE 13.16 OF THE LISTING RULES**

The Board wishes to announce that on 9 December 2009, the Company as guarantor entered into the Credit Facility Agreement with Century Profit (an affiliated company in which the Group is interested in 41.33%) as borrower, ICBC International Investment Management Limited as arranger, Industrial and Commercial Bank of China (Asia) Limited as facility agent and security agent, and the Original Lenders pursuant to which the Lenders agreed to make available to Century Profit a term loan facility in an aggregate amount equal to HK\$670,000,000 and the Company agreed to provide the Guarantee.

As the relevant percentage ratios represented by the amount of the Guarantee exceeds 5% (but does not exceed 25%), the provision of the Guarantee constitutes a discloseable transaction for the Company under the Listing Rules.

The Company also sets out below details of the financial assistance and guarantees provided by the Group to affiliated companies in accordance with Rule 13.16 of the Listing Rules.

## **PROVISION OF GUARANTEE IN RELATION TO A CREDIT FACILITY FOR AN AFFILIATED COMPANY**

The Board wishes to announce that on 9 December 2009, the Company as guarantor entered into the Credit Facility Agreement with Century Profit (an affiliated company in which the Group is interested in 41.33%) as borrower, ICBC International Investment Management Limited as arranger, Industrial and Commercial Bank of China (Asia) Limited as facility agent and security agent, and the Original Lenders pursuant to which the Lenders agreed to make available to Century Profit a term loan facility in an aggregate amount equal to HK\$670,000,000 with a fixed term of one year (with an option for Century Profit to extend the loan for an additional year) and at a rate of interest of 12% per annum. Under the Credit Facility Agreement, the Company will guarantee the punctual performance by Century Profit of all its obligations under the Finance Documents.

The proceeds of the term loan facility are to be used for:

- (a) funding the equity contribution to be made by Century Profit to the registered capital of Yaohui to increase the paid-up registered capital of Yaohui to RMB600,000,000, up to a maximum of HK\$500,000,000;
- (b) repayment of shareholder's loans owed by Century Profit to Aoyuan International, a wholly-owned subsidiary of the Company, up to a maximum of HK\$125,000,000;
- (c) funding the debt service reserve account in accordance with the requirement of the Credit Facility Agreement; and
- (d) funding the general working capital requirement of Century Profit.

In connection with the term loan facility, Aoyuan International charged the shares in Century Profit owned by it in favour of the Security Agent to secure the obligations of Century Profit under the Finance Documents, and subordinated the shareholder's loans owed to it by Century Profit to the term loan facility. Aoyuan International also assigned its rights in the Convertible Notes to the Security Agent to secure the obligations of Century Profit under the Finance Documents.

In addition, in connection with the term loan facility, Hong Da, the other shareholder of Century Profit which is an independent third party, charged the shares in Century Profit owned by it in favour of the Security Agent to secure the obligations of Century Profit under the Finance Documents. Hong Da also granted a second ranking share charge in respect of the same shares in favour of Aoyuan International to replace the existing share charge previously granted to Aoyuan International.

## **INFORMATION ON CENTURY PROFIT**

Century Profit is indirectly owned as to 41.33% by the Company and is an affiliated company of the Company. It is a single purpose vehicle and was incorporated under the laws of Hong Kong on 14 October 2006, the business of which as at the date of this announcement was the holding of a 96.8%

equity interest in Yaohui. Yaohui is a project company and its sole business is the acquisition and development of the Project Land and the subsequent sale and leasing of the properties built on the Project Land.

Pursuant to the terms of the Convertible Notes, the Company has the right to increase its indirect interest in Century Profit by an additional 11.36% to 52.69% during the period commencing on 27 September 2010 and ending on 30 September 2010, whereupon Century Profit would be consolidated as a subsidiary of the Company.

### **REASONS FOR PROVIDING THE GUARANTEE**

The Board considers that since (i) Century Profit is an affiliated company of the Company and would be consolidated as a subsidiary upon conversion of the Convertible Notes in September 2010 and (ii) the majority of the proceeds from the term loan facility would be used for capital injection into Yaohui, the project company, and for the repayment of shareholders' loans owing to the Group, support should be given for the purpose of its raising financing. Given that the Credit Facility Agreement is entered into on normal commercial terms, the Directors believe that the terms of the Credit Facility Agreement and the provision of the Guarantee are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

### **DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES**

Immediately prior to the provision of the Guarantee, financial assistance and guarantees provided by the Group to affiliated companies in aggregate exceeded 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules. Such financial assistance comprised shareholder's loans to, and guarantees given for loans of, Century Profit and its 96.8%-owned subsidiary, Yaohui, in an aggregate amount of approximately RMB2,200,000,000 (approximately HK\$2,497,440,000), the details of which are set out in the circular of the Company dated 14 September 2009.

After the provision of the Guarantee and the repayment of HK\$80,000,000 of the shareholder's loans owing to Aoyuan International from the proceeds of the term loan facility (as described above), the total financial assistance and guarantees provided by the Group to affiliated companies amounted to approximately RMB2,719,732,206 (approximately HK\$3,087,440,000).

### **GENERAL**

The principal activities of the Group comprise the property development and property investment in the PRC.

ICBC International Investment Management Limited, Industrial and Commercial Bank of China (Asia) Limited and ICBC International Finance Limited are subsidiaries of Industrial and Commercial Bank of China Limited, which is the largest commercial bank in the PRC and provides a variety of financial products and services to corporate and personal banking customers through its domestic and overseas institutions and correspondent banks worldwide.

As the relevant percentage ratios represented by the amount of the Guarantee exceeds 5% (but does not exceed 25%), the provision of the Guarantee constitutes a discloseable transaction for the Company under the Listing Rules.

## DEFINITIONS

“Aoyuan International”	China Aoyuan International Development Limited (中國奧園國際發展有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Century Profit”	Century Profit Zone Investments Limited (世紀協潤投資有限公司), a company incorporated under the laws of Hong Kong and owned by Aoyuan International as to 41.33% and Hong Da as to 58.67%
“Company”	China Aoyuan Group Property Limited, a company incorporated under the laws of the Cayman Islands, shares of which are listed on the Stock Exchange
“Convertible Notes”	the notes, in registered form comprising a total principal amount of RMB296,000,000, issued by Hong Da on 4 December 2009 and guaranteed by Mr. Wang Zhi Cai and Mr. Wang Qing Fu, and which are convertible for shares of Century Profit during the period commencing on 27 September 2010 and ending on 30 September 2010
“Credit Facility Agreement”	a credit facility agreement dated 9 December 2009 entered into between Century Profit as borrower, the Company as guarantor, ICBC International Investment Management Limited as arranger, Industrial and Commercial Bank of China (Asia) Limited as facility agent and security agent, and the Original Lenders in relation to a term loan facility in an aggregate amount equal to HK\$670,000,000
“Directors”	directors of the Company

“Finance Documents”	the Credit Facility Agreement and related finance documents comprising the security documents and a fee letter
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee by the Company of the punctual performance by Century Profit of all its obligations under the Finance Documents
“Hong Da”	Hong Da Development & Investment Holding Co. Limited (泓達投資有限公司), a company incorporated under the laws of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lenders”	the Original Lenders and any other lenders which may become parties to the Credit Facility Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Lenders”	ICBC International Finance Limited and certain independent third party individuals that are named as the Original Lenders in the Credit Facility Agreement
“PRC”	People’s Republic of China
“Project Land”	a piece of land located at East South Section, intersection of Xi Da Wang Road and Jianguo Road, Chaoyang District, Beijing, PRC (中國北京市朝陽區西大望路與建國路交匯東南角) with a total gross floor area of approximately 247,646.3 square meters for a term of 70 years for residential use expiring on 30 August 2074 and 40 years for commercial use expiring on 30 August 2044
“Security Agent”	Industrial and Commercial Bank of China (Asia) Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“Yaohui”

北京耀輝置業有限公司 (for identification purpose only, in English, Beijing Yaohui Real Estate Co. Ltd.), a limited company established under the laws of the PRC and owned by Century Profit as to 96.8% and Wangfu as to 3.2%

By the order of the Board  
**China Aoyuan Property Group Limited**  
**Guo Zi Wen**  
*Chairman and CEO*

Hong Kong, 16 December 2009

*As at the date of this announcement, the directors comprising of (1) the executive directors namely Mr. Guo Zi Wen, Mr. Wu Jie Si, Mr. Guo Zi Ning, Mr. Hu Da Wei, Mr. Lam Kam Tong and Ms. Xin Zhu; (2) the non-executive directors namely Mr. Paul Steven Wolansky and Mr. Leung Ping Chung, Hermann (Mr. Leung Ping Chung, Hermann is also the alternate director of Mr. Paul Steven Wolansky); (3) the independent non-executive directors namely Mr. Song Xian Zhong, Mr. Ma Kwai Yuen and Mr. Tsui King Fai.*

*For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.1352.*