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

The Board wishes to announce that on 9 April 2010, Aoyuan Group, a wholly-owned subsidiary of the Company, entered into the following agreements:

- (1) Entrusted Loan Agreement with the Bank and the Project Company;
- (2) Facility Consultant Agreement with the Project Company; and
- (3) Provisional Agreement with the Project Company.

As the total amount of the Entrusted Loan and the Facility Arrangement Fee, when aggregated under Rule 14.22 of the Listing Rules, exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Entrusted Loan Agreement and Facility Consultant Agreement constitute a discloseable transaction for the Company under the Listing Rules.

As the aggregate amount advanced to Century Profit and the Project Company, the affiliated companies of the Company, exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Entrusted Loan constitutes financial assistance to affiliated companies of an issuer under Rule 13.16 of the Listing Rules.

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### **ENTRUSTED LOAN AGREEMENT**

Summarised below are the principal terms of the Entrusted Loan Agreement:

Loan	:	Entrusted Loan through the Bank ( <i>Note</i> )
Date	:	9 April 2010
Lender	:	Aoyuan Group
Bank	:	the Bank
Borrower	:	the Project Company
Loan amount	:	RMB283,000,000, which had been advanced to the Project Company on 9 April 2010, the date of the Entrusted Loan Agreement
Term of the loan	:	three (3) months from the date of the Entrusted Loan Agreement
Interest rate	:	4.86% per annum, which is comparable to the prevailing market rate offered by commercial banks in the PRC. The interest shall accrue from day to day and shall be paid on the maturity date
Repayment	:	the principal amount of the Entrusted Loan shall be repayable in full together with the interest accrued thereon on or before the expiry of the term of the Entrusted Loan, or immediately upon demand, or such later date (if any) as the parties may agree in writing subject to compliance by the Company with the relevant requirements under the Listing Rules
Use of loan proceeds	:	the proceeds of the Entrusted Loan shall be used to repay the remaining balance of the Beijing Capital's Loan, which will be a full and final settlement of the Beijing Capital's Loan

*Note:* Under the present PRC laws and regulations, companies established under the laws of the PRC are not allowed to offer or grant loan facility to another company directly. In the circumstances, the usual and legal loan arrangement in the PRC is that a company will provide funds equivalent to the amount of the loan to a commercial bank in the PRC and entrust the bank to grant the loan facility to the borrower. Under the present arrangement, Aoyuan Group has provided the principal amount of the Entrusted Loan to the Bank and entrusted the Bank to grant the Entrusted Loan to the Project Company with the terms aforesaid.

The amount of the Entrusted Loan advanced by Aoyuan Group to the Project Company under the Entrusted Loan Agreement was reached after arm's length negotiation between the Company and the Project Company with reference to the amount due by the Project Company to Beijing Capital and the interest rate thereon is comparable to the prevailing market rate for the similar loan offered by the commercial banks in the PRC.

#### **FACILITY CONSULTANT AGREEMENT**

On 9 April 2010, Aoyuan Group and the Project Company entered into the Facility Consultant Agreement, pursuant to which Aoyuan Group had agreed to introduce a commercial bank in the PRC to and arrange the Entrusted Loan for the Project Company and the Project Company had agreed to pay to Aoyuan Group the Facility Consultant Fee of RMB9,296,550. The Facility Consultant Fee shall be payable within three (3) months from the drawdown date of the Entrusted Loan.

Terms of the Facility Consultant Agreement were on normal commercial terms and were reached after arm's length negotiation between the Company and the Project Company with reference to the amount of the Entrusted Loan.

#### **PROVISIONAL AGREEMENT IN RELATION TO THE COMMODITY APARTMENTS DEVELOPED UNDER THE PROJECT LAND**

On 9 April 2010, as security for the repayment of the Entrusted Loan and the payment of the Facility Consultant Fee by the Project Company, the Project Company and Aoyuan Group entered into the Provisional Agreement for the purchase of 54 commodity apartments developed on the Project Land. The total value of the commodity apartments under the Provisional Agreement, which was determined with reference to the market value of similar properties in similar locations with discount, is approximately RMB296,000,000. In the event that the Project Company fails to repay any amount of the Facility Arrangement Fee, the Entrusted Loan together with the accrued interest, Aoyuan Group shall have an option to obtain the legal title to any of the 54 commodity apartments or resell the commodity apartments to any third party, total purchase price of which shall be equivalent to the total outstanding balance of the Facility Arrangement Fee, together with the Entrusted Loan and the accrued interest. Such total outstanding balance shall set off the purchase price of the commodity apartments.

#### **FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES OF THE COMPANY UNDER RULE 13.16**

Pursuant Rule 13.16 of the Listing Rules, a general disclosure obligation arises as the Group's total financial assistance provided by the Group to Century Profit, a company in which the Group is interested in 41.33% and the Project Company, a company in which Century Profit is interested in 96.8%, exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

As disclosed in the Announcement, the Group has committed to provide financial assistance to Century Profit and the Project Company in the aggregate amount of approximately RMB2,719,732,206 (approximately HK\$3,091,553,324). Details of which are set out in the Circular and the Announcement. After the provision of the Entrusted Loan and the discharge of the guarantee made by the Company in favour of Beijing Capital, the total financial assistance provided and to be provided by the Group to affiliated companies amounted to approximately RMB1,692,732,206 (approximately HK\$1,924,149,689), which exceeds 8% under the assets ratio. The financial assistance was/will be made by the Group from its internal resources as shareholder's loan to Century Profit and the Project Company.

## **INFORMATION ON THE PROJECT COMPANY**

The Project Company 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.

The Project Company is held by Century Profit as to 96.8% of its equity interest. Century Profit is indirectly owned as to 41.33% by the Company and is affiliated company of the Company. In March 2010, the Project Company achieved contract sales of 16 commodity apartments developed on the Project Land with the total gross floor area of approximately 5,431 square meters.

For further information on the Project Company, please refer to the Company's announcements dated 7 July 2009, 20 July 2009, 30 July 2009 and the Circular.

## **REASONS FOR PROVISION OF THE ENTRUSTED LOAN**

As disclosed in the Circular, the Company agreed to guarantee the Project Company's obligation to repay the Beijing Capital's Loan in favour of Beijing Capital. As at the date of the Entrusted Loan Agreement, the total remaining outstanding amount of the Beijing Capital's Loan due from the Project Company to Beijing Capital was approximately RMB283,000,000. The Project Company will use the proceeds of the Entrusted Loan to repay to Beijing Capital the total remaining outstanding sum of RMB283,000,000 which will be a full and final settlement of the Beijing Capital's Loan. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, upon the settlement of the sum of RMB283,000,000, Beijing Capital has agreed to discharge the guarantee provided by the Company upon receipt of the sum of RMB283,000,000.

Since (a) Century Profit, which is holding 96.8% equity interest in the Project Company, is an affiliated company of the Group, would become a subsidiary upon conversion of the convertible note as disclosed in the Circular; and (b) the release of the guarantee given by the Company in favour of Beijing Capital will discharge all the obligations of the Company under the guarantee in full, the Directors (including the independent non-executive Directors) therefore considered that the provision of the Entrusted Loan to the Project Company and facility arrangement under the Facility Consultant Agreement will benefit the Group and improve the financial position of the Group as a whole.

The Directors (including the independent non-executive Directors) further consider that the terms of the Entrusted Loan Agreement, the Facility Consultant Agreement and the Provisional Agreement are on normal commercial terms and fair and reasonable and in the interest of the Company and of the Shareholders as a whole.

## **GENERAL**

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

As the total amount of Entrusted Loan and the Facility Arrangement Fee, when aggregated under Rule 14.22 of the Listing Rules, exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Entrusted Loan Agreement and the Facility Consultant Agreement constitute a discloseable transaction for the Company under the Listing Rules.

As the Entrusted Loan to the Project Company, an affiliated company of the Company, exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Entrusted Loan Agreement constitutes financial assistance to affiliated companies of an issuer under Rule 13.16 of the Listing Rules.

## **DEFINITIONS**

“Announcement”	the Company’s announcement dated 16 December 2009
“Aoyuan Group”	奧園集團有限公司 (for identification purpose only, in English, Aoyuan Group Company Limited) a company incorporated under the laws of the PRC and wholly-owned by the Company
“Bank”	Industrial and Commercial Bank of China, Guangzhou Liwan Branch, the PRC
“Beijing Capital”	Beijing Capital Development Co. Ltd. (北京首都開發股份有限公司), a stock company incorporated under the laws of the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange, and a previous shareholder of the Project Company
“Beijing Capital’s Loan”	the shareholder’s loan advanced by Beijing Capital to the Project Company together with the interest accrued thereon
“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
“Circular”	the Company’s circular dated 14 September 2009

“Company”	China Aoyuan Property Group Limited, a company incorporated under the laws of the Cayman Islands, shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Entrusted Loan”	a total sum of RMB283,000,000 advanced to the Project Company under the Entrusted Loan Agreement
“Entrusted Loan Agreement”	an entrusted loan agreement dated 9 April 2010 entered into between Aoyuan Group as lender, the Bank as entrusted bank and the Project Company as borrower in relation to a loan in the principal amount of RMB283,000,000
“Facility Arrangement Fee”	a facility arrangement fee of RMB9,296,550 payable by the Project Company to Aoyuan Group under the Facility Consultant Agreement
“Facility Consultant Agreement”	a Facility Consultant agreement dated 9 April 2010 entered into between Aoyuan Group and the Project Company in relation to arrangement of the Entrusted Loan for the Project Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“Project Company”	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 Wangfu and Century Profit respectively
“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
“Provisional Agreement”	a master provisional sale and purchase agreement dated 9 April 2010 entered into between Aoyuan Group and the Project Company in relation to the purchase of 54 commodity apartments developed on the Project Land, being security for the repayment of the Entrusted Loan and the payment of the Facility Arrangement Fee by the Project Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the PRC
“%”	per cent.

For reference only, the exchange rate adopted in this announcement is HK\$1.00 = RMB0.87973, which was the closing middle point spot rate for HK\$ against RMB quoted by the People’s Bank of China on 9 April 2010.

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

Hong Kong, 11 April 2010

*As at the date of this announcement, the directors comprising of (1) the executive directors namely Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Hu Da Wei, Mr. Lam Kam Tong and Ms. Xin Zhu; (2) the non-executive directors namely Mr. Wu Jie Si, 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.*