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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**  
**ACQUISITION OF COMMERCIAL OFFICES**

The Board wishes to announce that during 20 to 22 July 2010, the Purchaser (an indirect wholly-owned subsidiary of the Company) as purchaser and the Vendor as vendor entered into the Sale and Purchase Agreements and the Supplemental Agreements pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Commercial Offices at a total consideration of RMB161,474,899, which may be adjusted subject to the Certificate Area in relation to the Commercial Offices.

The Sale and Purchase Agreements and the Supplemental Agreements are not inter-conditional. Given the size or value, the acquisition of the Commercial Offices does not alone constitute a discloseable transaction for the Company. Nevertheless, on aggregating the size or value under the Sale and Purchase Agreements (by reason of the Acquisition constitutes a series of transactions as described in Rule 14.22 of the Listing Rules), the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

**THE ACQUISITION**

Reference is made to the Announcement of the Company dated 29 March 2010 in relation to the Framework Agreement.

The Board wishes to announce that during 20 to 22 July 2010, the Purchaser (an indirect wholly-owned subsidiary of the Company) as purchaser and the Vendor as vendor entered into the Sale and Purchase Agreements and the Supplemental Agreements pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Commercial Offices at a total consideration of RMB161,474,899, which may be adjusted subject to the Certificate Area in relation to the relevant Commercial Office(s). Under the Sale and Purchase Agreements and the Supplemental Agreements, the Purchaser has the naming right to the office tower where the Commercial Offices are located.

## **THE SALE AND PURCHASE AGREEMENTS AND THE SUPPLEMENTAL AGREEMENTS**

Save as the description of the location of each Commercial Office, terms of each Sale and Purchase Agreement and Supplemental Agreement are identical. Summarised below are the principal terms of the Sale and Purchase Agreements and the Supplemental Agreements:

### **Dates**

20 to 22 July 2010

### **Parties**

Purchaser: the Purchaser

Vendor: the Vendor, an Independent Third Party

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

Pursuant to the Sale and Purchase Agreements and the Supplemental Agreements, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Commercial Offices with the naming right to the office tower where the Commercial Offices are located.

### **Consideration**

The total consideration of the Commercial Offices is RMB161,474,899 (subject to the adjustment in accordance with the Certificate Area) which will be satisfied by the Purchaser in the following manner:

- (a) the Purchaser will pay an approximate sum of RMB81,480,000, being approximately 50% of the total consideration to the Vendor within one (1) day from the date of the execution of the Sale and Purchase Agreements and the Supplemental Agreements; and
- (b) the remaining balance of the total consideration of the Commercial Offices will be settled by way of mortgage from a bank.

If any of the first instalment of the consideration of the relevant Commercial Office(s) has been overdue, a penalty charge of 0.05% of the overdue amount per day will be paid by the Purchaser to the Vendor. If such amount has been overdue for more than 30 working days, the Vendor will have the right to terminate the relevant Sale and Purchase Agreement(s) and the relevant consideration paid by the Purchaser will be returned to the Purchaser subject to the payment of a penalty charge of 20% of the relevant consideration payable to the Vendor.

### **Adjustment to the consideration**

Since the actual gross floor area of the Commercial Offices as stated in the Property Ownership Certificates will be determined by the relevant PRC authority upon completion of its full plan inspection of the whole construction project where the Commercial Offices are located, both parties have agreed that the total consideration of RMB161,474,899 will be subject to the following adjustment upon issue of the Property Ownership Certificates:

- (a) while the area discrepancy is 0.6% or below, the consideration will remain unchanged;
- (b) while the area discrepancy is between 0.6% to 3% (exclusive of 0.6% but inclusive of 3%), the Vendor or the Purchaser (as the case may be) will pay the difference at a consideration of (in case of the Commercial Offices situate at the 17th to 20th Floors of the Property) RMB33,869.36 per square meter and (in case of the Commercial Offices situate at the 21st Floor of the Property) RMB35,594.2 per square meter;
- (c) while the area discrepancy is over 3% and the Certificate Area is larger than the Agreement Area:
  - (i) the Purchaser will pay to the Vendor the difference for the area discrepancy of up to 3% at a consideration of (in case of the Commercial Offices situate at the 17th to 20th Floors of the Property) RMB33,869.36 per square meter and (in case of the Commercial Offices situate at the 21st Floor of the Property) RMB35,594.2 per square meter; and
  - (ii) the Purchaser is not obliged to pay any difference for any area discrepancy over 3%.
- (d) while the area discrepancy is over 3% and the Certificate Area is less than the Agreement Area:
  - (i) the Vendor will pay to the Purchaser the difference for the area discrepancy of up to 3% at a consideration of (in case of the Commercial Offices situate at the 17th to 20th Floors of the Property) RMB33,869.36 per square meter and (in case of the Commercial Offices situate at the 21st Floor of the Property) RMB35,594.2 per square meter; and
  - (ii) the Vendor will pay to the Purchaser the difference for the area discrepancy of over 3% at a consideration of (in case of the Commercial Offices situate at the 17th to 20th Floors of the Property) RMB67,738.72 per square meter and (in case of the Commercial Offices situate at the 21st Floor of the Property) RMB71,188.4 per square meter.

The area discrepancy is calculated as follow:

$$\text{Area discrepancy} = \frac{(\text{Certificate Area} - \text{Agreement Area})}{\text{Agreement Area}} \times 100\%$$

### **Delivery of the Commercial Offices**

The Commercial Offices shall be delivered before 15 August 2010. On the delivery of the Commercial Offices to the Purchaser, among other things, (a) the Vendor will deliver to the Purchaser all relevant plans inspection approvals and construction work completion documents in relation to the Commercial Offices issued by the relevant PRC authorities; and (b) the infrastructure and other facilities will be satisfied the requirements as set out in the Sale and Purchase Agreements as supplemented by the Supplemental Agreements.

If the Vendor fails to deliver the Commercial Office(s) on the designated date for not more than 90 days, a penalty charge of 0.02% of the consideration of the relevant Commercial Offices under the Agreement will be paid by the Vendor to the Purchaser. If the Vendor fails to deliver the Commercial Offices on the designated date for more than 90 days, the Purchaser will have (a) the right to terminate the relevant Sale and Purchase Agreement(s) within one (1) year commencing from the 91st day; and (b) a penalty charge of 20% of the relevant consideration will be paid by the Vendor to the Purchaser.

### **Completion**

Completion of the Commercial Offices will take place upon delivery of the Property Ownership Certificates by the Vendor to the Purchaser.

### **PROVISIONAL AGREEMENT IN RELATION TO THE CAR PARKS**

Pursuant to the Framework Agreement, parties thereto agreed to sign a provisional agreement for the Car Parks. As the pre-sale permit for the Car Parks has not been issued at this stage, both parties have agreed to sign the formal sale and purchase agreement(s) for the Car Parks upon the said permit having been obtained by the Vendor.

A further announcement will be made by the Company in compliance with Chapter 14 of the Listing Rules upon the acquisition of the Car Parks has been concluded.

### **REASONS FOR THE ACQUISITION**

The Commercial Offices are situated at the commercial complex in the center of Tianhe District, Guangzhou with a total gross floor area of approximately 6,586.75 square meters for commercial use with car parks. The Commercial Offices will be held by the Group mainly for investment purposes.

The total consideration of RMB161,474,899 for the Acquisition was arrived at after arm's length negotiations between the Company and the Vendor and was determined with reference to the market value of similar properties in similar locations. With the recent upturn in the PRC property market, the Directors consider that the Acquisition is a good investment opportunity and believe that the Group will benefit from the anticipated growth in value of the Commercial Offices.

The Acquisition is conducted in the ordinary and usual course of business of the Group and will be funded by the Group's internal resources and bank financing. The Directors believe that the Acquisition is in line with the business plan of the Company and the Acquisition is in the best interest of the Group and the terms of the Sale and Purchase Agreements and the Supplemental Agreements are in normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole, through arm's length negotiations between the parties.

## **GENERAL**

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

The Vendor is a company engaged in industrial and residential construction work and property development in the PRC.

The Sale and Purchase Agreements and the Supplemental Agreements are not inter-conditional. Given the size or value, the acquisition of the Commercial Offices does not alone constitute a discloseable transaction for the Company. Nevertheless, on aggregating the size or value under the Sale and Purchase Agreements (by reason of the Acquisition constitutes a series of transactions as described in Rule 14.22 of the Listing Rules), the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

## **DEFINITIONS**

|                    |   |
|--------------------|---|
| “Acquisition”      | the acquisition of the Commercial Offices from the Vendor   |
| “Agreement Area”   | the gross floor area of the Commercial Offices as stated in the Sale and Purchase Agreement   |
| “Announcement”     | the announcement of the Company dated 29 March 2010 in relation to the proposed acquisition of the Commercial Offices and the Car Parks |
| “Board”            | the board of Directors  |
| “Car Parks”        | 43 car parks situated at Nanguo Commercial Mansion, 108 Huangpu Avenue, Tianhe District, Guangzhou, PRC                                 |
| “Certificate Area” | the actual total gross area of the Commercial Offices as stated in the Property Ownership Certificates                                  |

|                                   |  |
|-----------------------------------|--|
| “Commercial Offices”              | the 48 commercial offices situate at 17th to 21st Floors of the Property   |
| “Company”                         | China Aoyuan Property Group Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange   |
| “Directors”                       | directors of the Company   |
| “Framework Agreement”             | a framework agreement in relation to the sale and purchase of the Commercial Offices and the Car Parks dated 29 March 2010 made between the Purchaser as purchaser and the Vendor as vendor  |
| “Group”                           | the Company and its subsidiaries   |
| “Hong Kong”                       | Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party(ies)”    | (a) party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company |
| “Listing Rules”                   | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “PRC”                             | People’s Republic of China   |
| “Property”                        | Block B, Office Tower, Nanguo Commercial Mansion, 108 Huangpu Avenue, Tianhe District, Guangzhou (廣州市天河區108號黃埔大道南國商苑B棟寫字樓)   |
| ”Property Ownership Certificates” | the property ownership certificates (房產權證) in relation to the Commercial Offices to be issued by the relevant PRC authority  |
| “Purchaser”                       | 奧園集團有限公司 (for identification purpose, in English, Aoyuan Group Company Limited) a company incorporated under the law of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company and the purchaser under the Sale and Purchase Agreement    |
| “Sale and Purchase Agreements”    | 48 sets of the Guangzhou sale and purchase agreement for commodity units (pre-sale) (廣州市商品房買賣合同(預售)) in relation to the Commercial Offices entered into between the Purchaser as purchaser and the Vendor as vendor during 20 to 22 July 2010                            |
| “Stock Exchange”                  | The Stock Exchange of Hong Kong Limited  |

|                           |   |
|---------------------------|---|
| “Supplemental Agreements” | 48 sets of the supplemental agreement to the Sale and Purchase Agreements entered into between the Purchaser and the Vendor during 20 to 22 July 2010                                       |
| “Vendor”                  | 廣東瑞華集團有限公司 (for identification purpose, in English, Guangdong Rui Hua Group Limited), a company incorporated under the laws of the PRC and the vendor under the Sale and Purchase Agreement |
| “RMB”                     | Renminbi, the lawful currency of the PRC  |

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

Hong Kong, 25 July 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.*