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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)

TERMINATION OF THE PROPOSED INTRA-GROUP EQUITY TRANSFER

Reference is made to the announcement of the Company dated 12 October 2009 in relation to the discloseable transactions involving the acquisition of 50% of the issued share capital in the JV Company and the proposed intra-group transfer of 49% of the entire equity interest in the Project Company.

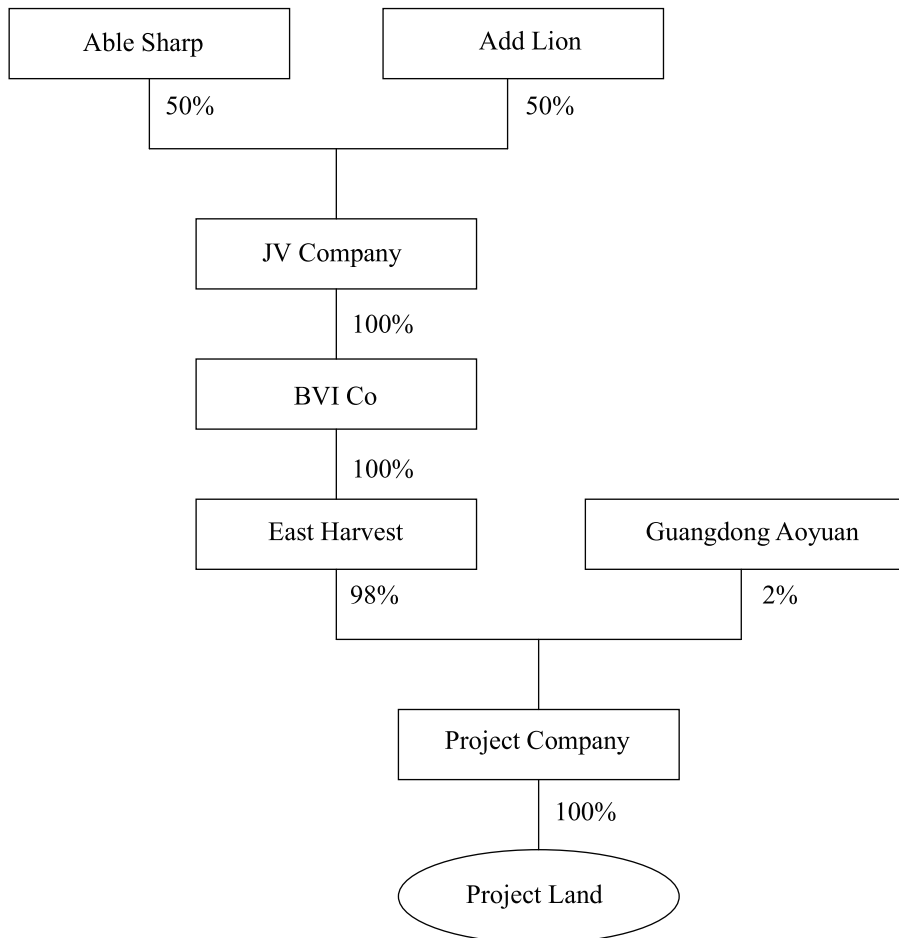
The Board announces that the Group will not proceed with the Equity Transfer. The Board considers that the termination of the Equity Transfer has no adverse impact on the existing business operations of the Group.

Reference is made to the announcement of the Company dated 12 October 2009 in relation to the discloseable transactions involving the acquisition of 50% of the issued share capital in the JV Company and the proposed intra-group transfer of 49% of the entire equity interest in the Project Company (the “**Announcement**”). Terms defined in the Announcement shall have the same meanings when used herein unless the context otherwise requires.

As disclosed in the Announcement, the Acquisition was completed on 9 October 2009 and the Project Company has become a wholly-owned subsidiary of the Group. The Equity Transfer is subject to the approval of the PRC Authorities and application for the said approval has yet to be filed as at the date of this announcement.

The Board announces that the Group will not proceed with the Equity Transfer. As both the vendor and the purchaser under the ETA are wholly-owned subsidiaries of the Company and the Project Company is and will remain to be wholly-owned by the Company regardless of the Equity Transfer, the Board considers that the termination of the Equity Transfer has no adverse impact on the existing business operations of the Group.

As the Equity Transfer will not proceed and the Acquisition was completed, the corporate structure of the JV Company and its subsidiaries as at the date of this announcement is as follows:



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

Hong Kong, 16 October 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.