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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 A SUBSIDIARY
SUPPLEMENTAL AGREEMENT

The Board wishes to announce that on 20 August 2009, the Purchaser (a wholly-owned subsidiary of the Company) as purchaser, the Vendor as vendor, and Mr. Chau as guarantor entered into the Supplement Agreement to amend certain provisions of the Agreement.

Reference is made to the announcement published by China Aoyuan Property Group Limited (the “**Company**”) on 19 June 2009 (the “**Announcement**”) in relation to the acquisition of a subsidiary by the Company. Capitalized terms used in this announcement shall have the same meanings as in the Announcement unless otherwise defined.

The Board wishes to announce that on 20 August 2009, the Purchaser (a wholly-owned subsidiary of the Company) as purchaser, the Vendor as vendor, and Mr. Chau as guarantor entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend certain provisions of the Agreement.

Pursuant to the Agreement, one of the conditions precedent of the Acquisition (the “**Condition Precedent**”) was that within 15 days from the date of the Agreement, the Purchaser shall provide with the Vendor a new plan for the Project Land and within 60 days from the date of provision of the new plan, the Vendor shall provide valid “Planning Permit for the Construction Project” and “The Key Elements in Construction Project Plan and Architectural Design” issued by the relevant government authorities showing that the land use right of the Project Land shall be owned by the Project Company, the developer is not required to construct any charitable facilities and the Project Land shall be used for

commercial and residential purposes, and (in respect of an application for “Capital Verification Certificate for Property Development Enterprise”) the Project Company is entitled to develop and construct the Project Land in accordance with the new plan for the Project Land.

It was further agreed that if the Vendor provides all the necessary approvals within the time limit under the above condition, the Purchaser agrees to pay the Vendor an additional RMB7,500,000 (or its Hong Kong dollars equivalent) being the fees and expenses incurred in the application for the approvals.

Under the Supplemental Agreement, it was agreed between the Purchaser, the Vendor, and Mr. Chau that, *inter alia*, the Condition Precedent and the above payment term shall be replaced by the following provisions:

(1) Condition Precedent

within 15 days from the date of the Agreement, the Purchaser shall provide with the Vendor a new plan for the Project Land (the “**New Plan**”) which should be compliance with the requirements of Zhongshan Planning Bureau. Within 60 days from the date of Vendor’s receipt of the New Plan, the Vendor shall provide a valid “The Key Elements in Construction Project Plan and Architectural Design” issued by Zhongshan Planning Bureau in accordance with the standards of New Plan clearly indicating that the land use right of the Project Land shall be solely owned by the Project Company, apart from the associated primary school, kindergarten, community service centre, market and sanitary centre, the developer is not required to construct any other charitable facilities (including (a) famous tertiary institution as a productivity, academic and research station: sansheng (life, biology and ecology) forum with 226,000 square meters, (b) China Kind Park with 35,000 square meters and (c) Taiwan Club with 25,000 square meters) so that the whole Project Land shall be used for commercial and residential purposes (a part of the Project Land of 18 mu for development of a school included).

(2) Payment

The parties to the Supplemental Agreement agreed that:

- (a) if the Vendor provides all the necessary valid approvals issued by relevant governmental departments in relation to the “The Key Elements in Construction Project Plan and Architectural Design” within the time limit in compliance with the above condition, the Purchaser agrees to pay the Vendor an additional RMB2,000,000 (or its Hong Kong dollars equivalent) being the fees and expenses incurred by the Vendor in the application for the approvals; and
- (b) if the Project Company can purchase land use right of a piece of land of 20 mu for the consideration of between RMB450,000 and RMB500,000 per mu for the purpose of developing a school, the Purchaser agrees to pay the Vendor an additional RMB2,000,000 (or its Hong Kong dollars equivalent) being the fees and expenses incurred during the negotiation of the purchase. The parties thereto agree that the Project Company should develop the school

utilizing a part of Project Land not greater than 18 mu and it shall not have any impact on the plot ratio as stated in the “The Key Elements in Construction Project Plan and Architectural Design”.

The Purchaser shall pay to the Vendor RMB2,000,000 (or its Hong Kong dollars equivalent) within three business days from the date on which the Vendor provides the Purchaser with a certificate issued by Zhongshan Land and Resources Bureau indicating the piece of land is sold to the Purchaser for the total consideration of between RMB9,000,000 and RMB10,000,000 and that the Purchaser is the sole legal owner of the land for the development of a school without any mortgage, pledge, charge, lien, encumbrance or other rights which will have adverse effects on the entitlement of the land.

The Supplemental Agreement shall become effective and binding on the parties on the date of the Supplemental Agreement and save as expressly amended, the Agreement shall remain in full force and effect.

The Board believes that terms of the Supplement Agreement furnish the Company with more flexibility and cost efficient. The Board also considers that the terms of the Supplement Agreement are normal commercial terms, fair and reasonable and in the best interest of the Shareholders as a whole.

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

Hong Kong, 20 August 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 Guo Zi Ning is also the alternate director of Mr He Jian Bing), Mr Zheng Jian Jun and Mr Hu Da Wei; (2) the non-executive directors namely Mr Paul Steven Wolansky, Mr Leung Ping Chung, Hermann (Mr Leung Ping Chung, Hermann is also the alternate director of Mr Paul Steven Wolansky) and Mr He Jian Bing; (3) the independent non-executive directors namely Mr Song Xian Zhong, Mr Ma Kwai Yuen and Mr Tsui King Fai.