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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)

**MAJOR TRANSACTION AND
RESUMPTION OF TRADING**

On 22 July 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into the following agreements with the Vendor, Century Profit and Wangs:

1. Subscription Agreement;
2. RMB110m Loan Agreement; and
3. RMB130m Loan Agreement.

The Acquisition, Further Acquisition, Advance and Further Commitment, when aggregated under Rule 14.22 of the Listing Rules, constitute a major transaction for the Company under the Listing Rules and will be subject to approval of the Shareholders.

A circular containing, among other things, further details of the Further Acquisition, Advance and Further Commitment and a notice of the EGM for the purpose of approving, inter alia, the Subscription Agreement, RMB110m Loan Agreement and RMB130m Loan Agreement and the transactions contemplated thereunder will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

As the Financial Assistance to Century Profit, an affiliated company of the Company, exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Financial Assistance constitutes financial assistance to affiliated companies of an issuer, and guarantees given for facilities granted to affiliated companies of an issuer under Rule 13.16 of the Listing Rules. As the total advance to Century Profit under the Financial Assistance exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Financial Assistance also constitutes an advance to an entity under Rule 13.13 of the Listing Rules.

At the request of the Company, trading of its Shares was suspended with effect from 9:30 a.m. on 23 July 2009 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading from 9:30 a.m. on 30 July 2009.

INTRODUCTION

Reference is made to the announcements of the Company dated 7 July 2009 and 20 July 2009 respectively. The Board wishes to announce that on 27 July 2009, the Purchaser advanced a sum of HK\$522,964,984, being the Hong Kong dollars equivalent of RMB460,000,000, to Century Profit pursuant to the provisions of the RMB460m Loan Agreement, and completion of the Acquisition took place on 28 July 2009.

On 22 July 2009, the Purchaser, a wholly-owned subsidiary of the Company, further entered into the following agreements with the Vendor, Century Profit and Wangs:

1. Subscription Agreement;
2. RMB110m Loan Agreement; and
3. RMB130m Loan Agreement.

SUBSCRIPTION AGREEMENT

Date 22 July 2009

Parties Issuer: the Vendor, an Independent Third Party

Subscriber: the Purchaser

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

The Convertible Notes in the principal amount of RMB296,000,000 with a coupon rate of 11% and are guaranteed and convertible into the Sale Shares in the future, which represents 11.36% of the entire issued share capital of Century Profit.

As at the date of this announcement, Century Profit is held as to 41.33% by the Purchaser and 58.67% by the Vendor. Upon completion of the Subscription Agreement, the Purchaser will hold the Convertible Notes but Century Profit will still be held as to 41.33% by the Purchaser and 58.67% by the Vendor.

Upon conversion of the conversion rights represented by the Convertible Notes in September 2010, the Purchaser will own 52.69% of Century Profit, and Century Profit will become a subsidiary of the Company.

Consideration

The consideration for the Convertible Notes is RMB296,000,000 and shall be paid by the Purchaser to the Vendor upon completion of the Subscription Agreement.

The consideration for the Convertible Notes and the Sale Shares was reached after arm's length commercial negotiations between the Purchaser and the Vendor with reference to (1) the consideration for the 41.33% interest in Century Profit; (2) extent of participation of the Group in the management of the Target Companies; (3) the estimated amount of proceeds from the sale and leasing of the properties developed on the Project Land; and (4) the expected costs and expenses for the Further Acquisition.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement and the conditions of the Convertible Notes are on normal commercial terms and fair and reasonable.

The consideration for the Convertible Notes will be satisfied in cash.

Refundable prepayment

The Purchaser has agreed to advance a prepayment of RMB60,000,000 to the Vendor prior to the EGM. It was further agreed between the Purchaser and the Vendor that:

- (i) such advance was made on the condition that if the Subscription Agreement is not approved by the Shareholders at the EGM, the Vendor shall forthwith refund to the Purchaser the said RMB60,000,000 together with interest incurred thereon (at an interest rate of 11% per annum) after the Purchaser has served a written notice to the Vendor requesting for the refund of the prepayment; and

- (ii) if the Subscription Agreement is approved by the Shareholders at the EGM, the said RMB60,000,000 shall be treated as part of the consideration payable by the Purchaser to the Vendor under the Subscription Agreement.

Conditions Precedent

Completion of the Subscription Agreement is subject to the fulfillment of, inter alia, the following conditions precedent:

- (a) the Company, having convened an EGM at which resolutions shall have been duly passed by the Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder (including without limitation to the acquisition of the Sale Shares);
- (b) the representations and warranties set out in the Subscription Agreement to be repeated on the completion date are true in all material respects and will be true in all material respects immediately after completion;
- (c) no default is outstanding or would result from the completion; and
- (d) no event has occurred which would trigger a redemption of the Convertible Notes pursuant to provisions of the Notes Instrument.

Completion

Completion shall take place on a date which is the third (3rd) Business Day after the date on which the conditions precedent are satisfied or waived or such other date as the Vendor and the Purchaser may agree in writing.

Principal Terms of the Convertible Notes

The terms of the Convertible Notes have been negotiated on arm's length basis and the principal terms of which are summarized below:

<i>Principal amount</i>	RMB296,000,000
<i>Interest</i>	11% per annum
<i>Maturity</i>	30 September 2010
<i>Conversion price</i>	RMB296,000,000

<i>Ranking</i>	The Sale Shares are fully paid up and rank pari passu in all respects with all existing shares of Century Profit in issue at the date of conversion.
<i>Transferability</i>	The Convertible Notes will be transferable if the written consent of the Vendor is obtained.
<i>Conversions rights</i>	<ol style="list-style-type: none"> 1. The Convertible Notes are convertible in whole (but not in part) into the Sale Shares at any time during the exercise period commencing on 27 September 2010 and ending on 30 September 2010. Upon the exercise of the conversion rights under the Convertible Notes, the Vendor will transfer the Sale Shares to the Purchaser. 2. The Purchaser must exercise the conversion rights during the exercise period referred above. If the Purchaser fails to exercise the conversion rights as contemplated, the Vendor shall have the right to request the Purchaser to convert the Convertible Notes. 3. The stamp duty payable on the transfer of the Sale Shares shall be borne by the Purchaser and the Vendor in equal shares.
<i>Voting rights</i>	The Convertible Notes do not confer any voting rights at any meetings of Century Profit.
<i>Status of the Convertible Notes</i>	<p>The Convertible Notes constitute a direct, unconditional and guaranteed obligation of the Vendor, rank and will rank:</p> <ol style="list-style-type: none"> (a) senior in right and priority of payment to all other present and future unsecured indebtedness (actual or contingent) of the Vendor (except as otherwise required by law); and (b) pari passu without any preference among themselves.

Further Commitment of the Purchaser

1. Upon completion of the share transfer agreements in relation to the 62% Transfer which will take place immediately after the registrations of the 62% Transfer in the relevant PRC authorities have been completed, the Transferor will no longer be a shareholder of the Project Company. The Company and Wangfu have agreed to execute the Guarantee Letter in favour of the Transferor prior to the registration of the 62% Transfer, pursuant to which the Company and Wangfu will jointly guarantee the Project Company's obligation to repay all the shareholder's loans advanced by the Transferor to the Project Company. The Company's maximum obligation under the Guarantee Letter is equivalent to the total amount of shareholder's loans advanced by the Transferor to the Project Company together with interest accrued thereon. It is expected that the outstanding shareholder's loans and interest will be repaid by the Project Company in full by 31 December 2009. By 31 December 2009, the total outstanding shareholder's loans and interest is expected to be approximately RMB1,310,000,000. There is no guarantee fee or security under the Guarantee Letter.

The guarantee under the Guarantee Letter will be discharged as soon as the shareholder's loans due to the Transferor together with interest accrued thereon is repaid by the Project Company in full.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Transferor and Wangfu are Independent Third Parties.

2. The Purchaser has agreed that, if requested by the Project Company, the Purchaser will provide a shareholder's loan to Century Profit for a total sum not exceeding RMB320,000,000 and will procure Century Profit to advance the proceeds of the said shareholders' loan to the Project Company which shall be used solely as capital for the development of the Project Land. The Project Company shall repay the shareholder's loan together with interest incurred thereon (at an interest rate of 15% per annum) to the Purchaser as soon as the Project Company has obtained project financing for the development of the Project Land. As at the date of this announcement, Century Profit has not made such request and the terms of the shareholder's loan other than the interest rate are yet to be decided. The Company will include the terms of the RMB320,000,000 shareholder's loan in the circular and issue a separate announcement to disclose the terms in this regard.

The Directors (including the independent non-executive Directors) consider that the terms of the Further Commitment are on normal commercial terms and fair and reasonable and in the interests of the Shareholders as a whole.

RMB110m LOAN AGREEMENT

On 22 July 2009, the Purchaser as lender, Century Profit as borrower and Wangs as guarantors entered into the RMB110m Loan Agreement pursuant to which the Purchaser has agreed to grant a loan of the Hong Kong dollars equivalent of RMB110,000,000 to Century Profit with an initial fixed term of 2 years and a rate of interest of 7% per annum. Century Profit shall repay all outstanding amount equivalent to the principal and the accrued interest on the final maturity date or the date on which Century Profit own less than 62% equity interest in the Project Company (whichever is earlier). The proceeds of the loan shall be used by Century Profit towards the contribution to the registered capital of the Project Company.

Conditions precedent of the RMB110m Loan Agreement

The Purchaser is not obliged to advance the loan to Century Profit unless, among other things, the following conditions are satisfied:

- (a) the MOC Approval remains valid;
- (b) Century Profit having provided to the Purchaser (i) a share mortgage executed by Wangs in relation to all the issued share capital of the Vendor, (ii) a share mortgage executed by the Vendor in relation to the issued share capital of Century Profit owned by the Vendor, and (iii) two deeds of guarantee executed by Wangs respectively, all in favour of the Purchaser;
- (c) Mr. Wang Zhi Cai having incorporated HK Company; and
- (d) HK Company and Century Profit having executed an equity transfer agreement in respect of the transfer of 90% interest in Wangfu.

The consideration for the RMB110m Loan Agreement will be satisfied in cash. The amount of loan to be advanced by the Purchaser to Century Profit under the RMB110m Loan Agreement was reached after arm's length commercial negotiations between the Purchaser and Century Profit with reference to the amount which Century Profit has agreed to contribute to the registered capital of the Project Company.

RMB130m LOAN AGREEMENT

On 22 July 2009, the Purchaser as lender, the Vendor as borrower and Wangs as guarantors entered into the RMB130m Loan Agreement pursuant to which the Purchaser has agreed to grant a loan of the Hong Kong dollars equivalent of RMB130,000,000 to the Vendor with an initial fixed term of 2 years and a rate of interest of 7% per annum. The Vendor shall repay all outstanding amount equivalent

to the principal and the accrued interest on the final maturity date or the date on which Century Profit owns less than 62% equity interest in the Project Company (whichever is earlier). The proceeds of the loan shall be used by the Vendor towards the repayment of the loan advanced by Merrill Lynch Capital Corporation to the Vendor.

Conditions precedent of the RMB130m Loan Agreement

The Purchaser is not obliged to advance the loan to the Vendor unless, among other things, the following conditions are satisfied:

- (a) the MOC Approval remains valid; and
- (b) the Vendor having provided to the Purchaser (i) a share mortgage executed by Wangs in relation to all the issued share capital of the Vendor, (ii) a share mortgage executed by the Vendor in relation to the issued share capital of Century Profit owned by the Vendor, and (iii) two deeds of guarantee executed by Wangs respectively, all in favour of the Purchaser.

The consideration for the RMB130m Loan Agreement will be satisfied in cash. The amount of loan to be advanced by the Purchaser to the Vendor under the RMB130m Loan Agreement was reached after arm's length commercial negotiations between the Purchaser and the Vendor with reference to the amount due by the Vendor to Merrill Lynch Capital Corporation.

COLLATERALS FOR THE ADVANCE UNDER THE LOAN AGREEMENTS

The Vendor and Wangs have executed the following documents in favour of the Purchaser as collaterals for the Advance:

- (a) a share mortgage executed by Wangs in relation to the entire issued share capital of the Vendor;
- (b) a share mortgage executed by the Vendor in relation to the issued share capital of Century Profit owned by the Vendor; and
- (c) two deeds of guarantee executed by Wangs.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES OF THE COMPANY UNDER RULE 13.16

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

The Group has provided and will provide financial assistance to Century Profit in the aggregate amount of approximately RMB2,200,000,000, 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 for the purpose of the development of the Project Land held by the Project Company. Details of the Financial Assistance provided by the Group are as follows:

Amount of financial assistance	Term	Interest rate	Method of repayment	Commitment capital injection	Security provided
RMB460,000,000	2 years commencing from 27 July 2009 unless terminated pursuant to the provisions of the RMB460m Loan Agreement	7% per annum	Cash	—	Please refer to the paragraph headed "Collaterals for the Advance under the Loan Agreements" above.
RMB110,000,000 (Note 1)	2 years commencing from the date of drawdown unless terminated pursuant to the provisions of the RMB110m Loan Agreement	7% per annum	Cash	—	Please refer to the paragraph headed "Collaterals for the Advance under the Loan Agreements" above.
RMB1,310,000,000 (Note 2)	Due on 31 December 2009	The prevailing lending rate of the People's Bank of China	Cash	—	None
RMB320,000,000 (Note 3)	To be agreed.	15% per annum	Cash	—	To be agreed.

Notes:

- As at the date of this announcement, Century Profit has not yet requested for the drawdown of the loan under the RMB110m Loan Agreement.
- The Company has provided a guarantee in favour of the Transferor to secure the Project Company's obligation to repay all the shareholder's loans advanced by the Transferor to the Project Company and the interest accrued thereon.

3. As at the date of this announcement, Century Profit has not made a request for the RMB320,000,000 loan and the terms of the shareholder's loan other than the interest rate are yet to be decided.

The Company will fulfill the continuing disclosure obligation under Rule 13.22 of the Listing Rules in the event the circumstances giving rise to such disclosure obligation continue to exist at the interim period end or the financial year end of the Company.

ADVANCE TO AN ENTITY UNDER RULE 13.13

Pursuant to Rule 13.13 of the Listing Rules, a general disclosure obligation will arise where any relevant advance to an entity (as defined under Rule 13.11 of the Listing Rules) exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. As the total advance to Century Profit under the Financial Assistance exceeds 8% under the assets ratio, the Financial Assistance also constitutes an advance to an entity under Rule 13.13 of the Listing Rules. Accordingly, the Company is under a general obligation to disclose the details of the Financial Assistance, which the Company has disclosed under the paragraph headed "Financial assistance and guarantees to affiliated companies of the Company under Rule 13.16" above.

INFORMATION ON THE TARGET COMPANIES

Century Profit is a single purpose vehicle and was incorporated under the laws of Hong Kong, the business of which as at the date of this announcement is the holding of 90% equity interest in Wangfu. Wangfu in turn holds 38% equity interests in the Project Company, a limited company established under the laws of the PRC.

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 has obtained the Project Land by entering into a 《Beijing State Land Use Right Transfer Contract》 on 31 August 2004 and a supplemental agreement on 1 February 2007. According to the said agreements, terms of for residential use and commercial use of the Project Land are 70 years and 40 years respectively, commencing from 31 August 2004. The Project Land is free from any charge or mortgage. Under the existing development plan, the Project Land will be developed into a luxury residential, commercial and hotel complex (including an underground car park) having a total gross floor area of approximately 247,646.3 square meters. The Project Land started construction in May 2006 and it is expected that the construction will be completed in 2010.

Further information on the Target Companies as at the date of this announcement:

(a) Information on Century Profit

Name : Century Profit Zone Investments Limited
(世紀協潤投資有限公司)

Date of incorporation : 14 October 2006

Place of incorporation : Hong Kong

Scope of business : Investment holding

Authorized share capital : 10,000 ordinary shares

Issued share capital : 10,000 ordinary shares

Shareholder	Percentage held
the Vendor	58.67%
the Purchaser	41.33%

(b) Information on the Project Company

Name : 北京耀輝置業有限公司
(Beijing Yaohui Real Estate Co. Ltd.)

Date of incorporation : 29 March 2001

Place of incorporation : Beijing, PRC

Duration of operation : From 29 March 2001 to 28 March 2011

Scope of business : Property development of the Project Land (development of land excluded; development and management of luxurious hotel, villa, high-end office and international convention centre; development and management of theme park), sale, leasing and management of the properties built on the Project Land, information consultancy services (agent services excluded) and interior decoration

Total investment amount : RMB1,000,000,000

Registered capital : RMB600,000,000

Paid up registered capital : RMB50,000,000

(c) **Combined financial information of the Target Companies**

	For the period from 1.1.2009 to 30.6.2009 (<i>unaudited</i>) RMB	For the year ended 31.12.2008 (<i>audited</i>) RMB	For the year ended 31.12.2007 (<i>audited</i>) RMB
Net loss before taxation	35,106,200.82	85,557,449.73	27,815,321.53
Net loss after taxation	35,106,200.82	85,557,449.73	27,815,321.53
	As at 30.6.2009	As at 31.12.2008	As at 31.12.2007
Net asset value	(67,537,421.42)	(35,552,493.33)	21,902,628.47

REASONS FOR THE FURTHER ACQUISITION, THE ADVANCE AND THE FURTHER COMMITMENT

The principal activities of the Group comprise property development and property investment in the PRC. Despite the recent downturn of the global financial conditions, the Board is optimistic about the economy of the PRC, including the prospect of the PRC property market. The Board is of the view that the Project Land has excellent potential for development. The Acquisition and Further Acquisition offer a chance for the Group to make its first step into Beijing.

As disclosed in the Company's announcement dated 7 July 2009, the Group entered into the SP Agreement with the Vendor for the acquisition of 41.33% of Century Profit from the Vendor. Soon after the entering into of the SP Agreement, the Group and the Vendor entered into further discussions and negotiations on the joint venture between the two parties. To this end, the Purchaser has agreed to (1) reserve the right to acquire further shares of Century Profit from the Vendor; (2) nominate its experienced staff to the senior management and directors of the Target Companies and (3) make further loans to Century Profit so that the restructuring of the Target Companies could be completed sooner.

The Further Acquisition is conducted in the ordinary and usual course of business of the Group and will be funded by the Group's internal resources. The Directors believe that the Further Acquisition is in line with the business plan of the Company and the Further Acquisition is in the best interest of the Company and the terms of the Subscription Agreement, the RMB110m Loan Agreement and the RMB130m Loan Agreement are in normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

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

The Vendor is an investment holding company and its holding company and the subsidiaries of the holding company are engaged in investment holding, property development, the provision of project management and related services in the PRC.

The Acquisition, Further Acquisition, Advance and Further Commitment, when aggregated under Rule 14.22, constitute a major transaction for the Company under the Listing Rules and will be subject to approval of the Shareholders.

A circular containing, among other things, further details of the Further Acquisition, Advance and Further Commitment and a notice of the EGM for the purpose of approving the Subscription Agreement, the RMB110m Loan Agreement and RMB130m Loan Agreement and the transactions contemplated thereunder will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

As the Financial Assistance given to Century Profit, an affiliated company of the Company, exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the Financial Assistance constitute financial assistance to affiliated companies of an issuer, and guarantees given for facilities granted to affiliated companies of an issuer under Rule 13.16 of the Listing Rules. As the total advance to Century Profit under the Financial Assistance exceeds 8% under the assets ratio, the Advance and the Further Commitment also constitute an advance to an entity under Rule 13.13 of the Listing Rules.

SUSPENSION AND RESUMPTION

At the request of the Company, trading of its Shares was suspended with effect from 9:30 a.m. on 23 July 2009 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading from 9:30 a.m. on 30 July 2009.

DEFINITIONS

“Acquisition”	the acquisition of the 41.33% issued share capital in Century Profit by the Purchaser pursuant to the SP Agreement
“Advance”	the advance made and to be made under the RMB460m Loan Agreement, RMB110m Loan Agreement and RMB130m Loan Agreement
“Board”	the board of Directors
“Business Day”	a day (not a Saturday) on which licensed banks in Hong Kong are generally open for business during their normal business hours
“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
“Convertible Notes”	the notes, in registered form comprising a total principal amount of RMB296,000,000, to be issued by the Vendor to the Purchaser upon completion of the Subscription Agreement, which may be convertible during the period commencing on 27 September 2010 and ending on 30 September 2010
“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 the target company under the SP Agreement
“Directors”	directors of the Company
“EGM”	extraordinary general meeting of the Company to be convened to approve, inter alia, the RMB110m Loan Agreement, RMB130m Loan Agreement, Subscription Agreement and the transactions contemplated thereunder
“Financial Assistance”	the financial assistance given by the Group to Century Profit under the RMB460m Loan Agreement, RMB110m Loan Agreement and Further Commitment
“Further Acquisition”	the proposed acquisition of the 1,136 issued shares of Century Profit by the Purchaser under the Subscription Agreement

“Further Commitment”	the guarantee to be given by the Company and Wangfu jointly in favour of the Transferor under the Guarantee Letter and the Purchaser’s agreement to provide a shareholder’s loan to Century Profit as capital for the development of the Project Land
“Group”	the Company and its subsidiaries
“Guarantee Letter”	the guarantee letter to be executed by the Company and Wangfu jointly in favour of the Transferor
“HK Company”	Join Harbour Limited, a company newly incorporated under the laws of Hong Kong and owned by Mr. Wang Zhi Cai
“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
“Loan Agreements”	RMB110m Loan Agreement, RMB130m Loan Agreement and RMB460m Loan Agreement
“MOC Approval”	an approval issued by Ministry of Commerce in November 2008 in relation to an approval of (a) the 62% Transfer and (b) an increase of the registered capital of the Project Company from RMB50,000,000 to RMB600,000,000
“Notes Instrument”	a note instrument dated 22 July 2009 in relation to the RMB296,000,000 11% coupon guaranteed convertible notes to be issued by the Vendor
“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 the Transferor 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
“Purchaser”	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, a wholly-owned subsidiary of the Company
“RMB110m Loan Agreement”	a loan agreement dated 22 July 2009 entered into between the Purchaser as lender, Century Profit as borrower and Wangs as guarantors in relation to a loan in the principal amount of RMB110,000,000
“RMB130m Loan Agreement”	a loan agreement dated 22 July 2009 entered into between the Purchaser as lender, the Vendor as borrower and Wangs as guarantors in relation to a loan in the principal amount of RMB130,000,000
“RMB460m Loan Agreement”	a loan agreement dated 6 July 2009 entered into between the Purchaser as lender, Century Profit as borrower and Wangs as guarantors in relation to a loan in the principal amount of RMB460,000,000
“Sale Shares”	1,136 issued shares of Century Profit
“Shareholders”	shareholders of the Company
“Shares”	the ordinary shares of the Company of HK\$0.01 each
“SP Agreement”	agreement dated 6 July 2009 made between the Purchaser as purchaser, the Vendor as vendor and Wangs as guarantors in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	a subscription agreement dated 22 July 2009 in relation to the subscription for the RMB296,000,000 11% coupon guaranteed convertible notes to be issued by the Vendor
“Target Companies”	Century Profit and the Project Company

“Transferor”	Beijing Capital Development Co. Ltd. (北京首都開發股份有限公司), the transferor under the 62% Transfer, a stock company incorporated under the laws of the PRC with limited liability and whose shares are listed on the Shanghai Stock Exchange. The principal business of the Transferor comprises property development and management in the PRC
“Vendor”	Hong Da Development & Investment Holding Co. Limited (泓達投資有限公司), a company incorporated under the laws of Hong Kong
“Wangfu”	北京王府世紀發展有限公司 (for identification purpose only, in English, Beijing Wangfu Century Development Co. Ltd.), a company established under the laws of the PRC with limited liability
“Wangs”	Mr. Wang Qing Fu (王清福) and Mr. Wang Zhi Cai (王志才), the guarantors
“62% Transfer”	the transfer of 62% of equity interest in the Project Company from the Transferor to Century Profit at a consideration of RMB458,700,000
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

The exchange rate adopted for the purpose of the Subscription Agreement, RMB110m Loan Agreement and RMB130m Loan Agreement will be the buy rate for HK\$ against RMB quoted by Bank of China Limited on the relevant payment date.

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

Hong Kong, 30 July 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.