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*Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated September 21, 2007 (the “Prospectus”) issued by the Company.*



## **CHINA AOYUAN PROPERTY GROUP LIMITED**

### **中國奧園地產集團股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3883)**

## **EXERCISE OF OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Joint Global Coordinators on behalf of the International Underwriters on 18 October 2007 in respect of an aggregate of 105,000,000 Shares, representing 15% of the number of the Offer Shares initially available under the Global Offering.

52,500,000 Shares will be issued and allotted by the Company, and 52,500,000 Shares will be sold by the Selling Shareholders, at HK\$5.20 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Hong Kong Public Offering and the International Offering.

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Joint Global Coordinators on behalf of the International Underwriters on 18 October 2007 in respect of an aggregate of 105,000,000 Shares (the “**Over-allotment Shares**”), representing 15% of the number of the Offer Shares initially available under the Global Offering.

Among the Over-allotment Shares, 52,500,000 Shares will be issued and allotted by the Company, and 52,500,000 Shares will be sold by the Selling Shareholders, at HK\$5.20 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Hong Kong Public Offering and the

International Offering. The Over-allotment Shares will be used to cover over-allocations in the International Offering. Immediately after the issue by the Company and the sale by the Selling Shareholders of the Over-allotment Shares, approximately 35.7% of the issued share capital of the Company will be held by the public.

Listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:30 a.m. on 23 October 2007.

The shareholding structure of the Company immediately before and immediately after the issue by the Company and the sale by the Selling Shareholders of the Over-allotment Shares is as follows:

	Immediately before the issue and sale of the Over-allotment Shares		Immediately after the issue and sale of the Over-allotment Shares	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's enlarged issued share capital
Ace Rise	1,168,650,000	53.1%	1,154,325,000	51.3%
Cathay Property	307,500,000	14.0%	293,175,000	13.0%
Win Power	23,850,000	1.1%	—	—
Public investors	700,000,000	31.8%	805,000,000	35.7%
Total number of Shares	2,200,000,000	100.00%	2,252,500,000	100%

The net proceeds of approximately HK\$263.42 million from the issue of the 52,500,000 Over-allotment Shares by the Company will be applied by the Company in accordance with the purposes and proportion as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The Company will not receive any of the proceeds from the sale of the 52,500,000 Over-allotment Shares by the Selling Shareholders.

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

Hong Kong, 18 October 2007

*As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning and Mr. Zhang Jian Jun; the non-executive directors of the Company are Mr. Paul Steven Wolansky and Mr. Leung Ping Chung, Hermann; and the independent non-executive directors of the Company are Mr. Song Xian Zhong, Mr. Ma Kwai Yuen and Mr. Tsui King Fai.*