

IMPORTANT

If you are in any doubt about the circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Aoyuan Property Group Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND INFORMATION ON THE RETIRING DIRECTORS TO BE RE-ELECTED AT THE 2010 ANNUAL GENERAL MEETING AND NOTICE OF THE 2010 ANNUAL GENERAL MEETING

A letter from the board of directors of the Company (the “Board”) is set out on pages 1 to 9 of this circular. A notice convening the annual general meeting (the “**2010 Annual General Meeting**”) of the Company to be held at Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 11 June 2010 (Friday) at 3:00 p.m. is set out on pages 15 to 18 of this circular.

A form of proxy for the 2010 Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>) and the Company (<http://aoyuan.com.cn>). Whether or not you desire to attend the 2010 Annual General Meeting, you are requested to complete the form of proxy in accordance with the instruction printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the 2010 Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the 2010 Annual General Meeting or any adjournment thereof if you so wish.

IMPORTANT

This circular, in both English and Chinese versions, (the “**Circular**”) is available on the Company’s website at <http://aoyuan.com.cn> (the “**Company Website**”) and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkex.com.hk>.

Shareholders of the Company who have chosen to receive the corporate communications of the Company (the “**Corporate Communications**”) via the Company Website and who for any reason have difficulty in receiving or gaining access to the Circular posted on the Company Website may request the Circular in printed form. The Circular in printed form will be sent free of charge by the Company upon request.

Shareholders of the Company may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language (either English only or Chinese only or both languages) of Corporate Communications by notice in writing to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East Hong Kong or by sending an email to at aoyuan.hk@aoyuanguroup.com.

Shareholders of the Company who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of the Circular since both languages are bound together into one booklet.

LETTER FROM THE BOARD OF DIRECTORS



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)

Executive Directors:

Mr Guo Zi Wen (*chairman and chief executive officer*)
Mr Guo Zi Ning
Mr Hu Da Wei
Mr Lam Kam Tong
Ms Xin Zhu

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-Executive Directors:

Mr Wu Jie Si (*vice chairman*)
Mr Paul Steven Wolansky (*vice chairman*)
Mr Leung Ping Chung, Hermann
(*Mr Leung is also the alternate Director of Mr Paul Steven Wolansky*)

Independent Non-Executive Directors:

Mr Ma Kwai Yuen
Mr Song Xian Zhong
Mr Tsui King Fai

*Principal Place of Business
in Hong Kong:*

Room 5105, The Center
99 Queen's Road Central
Hong Kong

30 April 2010

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES AND
INFORMATION ON THE RETIRING DIRECTORS TO BE RE-ELECTED AT
THE 2010 ANNUAL GENERAL MEETING
AND
NOTICE OF THE 2010 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Company's existing general mandates to issue shares and to repurchase shares were approved by the Company's shareholders at the annual general meeting on 8 June 2009 by written resolutions. Unless otherwise renewed, the existing general mandates to issue shares and to repurchase shares will lapse at the conclusion of the 2010 Annual General Meeting.

LETTER FROM THE BOARD OF DIRECTORS

In order to ensure flexibility when it is desirable to allot additional shares or to repurchase shares, the directors of the Company (the “**Directors**”) will seek the approval of shareholders of the Company to grant new general mandates to issue shares and to repurchase shares at the 2010 Annual General Meeting.

The purpose of this circular is to, inter alia, provide you with information on i) the proposed renewal of the general mandates to issue shares and to repurchase shares; and ii) the retiring Directors to be re-elected for your consideration on the relevant resolutions to be put forward at the 2010 Annual General Meeting.

2. GENERAL MANDATE TO ISSUE SHARES (the “Issuance Mandate”)

Two ordinary resolutions, as set out in the notice of the 2010 Annual General Meeting, will be proposed for the following purposes:

Ordinary resolution no. 6 — to grant to the Directors a general mandate to allot, issue and deal with new shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and

Ordinary resolution no. 8 — to increase the aggregate nominal amount of share capital of the Company which the Directors may allot, issue and deal with under the general mandate if given in the ordinary resolution no. 6 by the aggregate nominal of share capital of the Company repurchased under the general mandate if given in the ordinary resolution no. 7.

The Company had in issue an aggregate of 2,612,500,000 shares of HK\$0.01 each as at 23 April 2010, (the “**Latest Practicable Date**”), being the latest practicable date before the printing of this circular for ascertaining certain information to be included herein. Subject to the passing of the aforesaid ordinary resolution no. 6 and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with additional shares up to the aggregate nominal amount of a maximum of 522,500,000 shares on the basis that no further shares will be issued or repurchased prior to the 2010 Annual General Meeting.

3. GENERAL MANDATE TO REPURCHASE SHARES (the “Repurchase Mandate”)

The ordinary resolution no. 7 as set out in the notice of the 2010 Annual General Meeting, will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase the Company’s fully paid up shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

The Issuance Mandate and Repurchase Mandate will continue in force until the conclusion of the next general meeting of the Company held after the 2010 Annual General Meeting or any earlier date as referred in ordinary resolutions nos. 6 and 7 set out in the notice of the 2010 Annual General Meeting. With reference to the Issuance Mandate and Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue or repurchase any shares pursuant thereto.

The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

LETTER FROM THE BOARD OF DIRECTORS

In accordance with the Listing Rules, the appendix to this circular serves as the explanatory statement, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution for granting of the Repurchase Mandate.

4. INFORMATION ON THE RETIRING DIRECTORS TO BE RE-ELECTED AT THE 2010 ANNUAL GENERAL MEETING

For your further information, we set out below the relevant details of the retiring Directors proposed to be re-elected at the 2010 Annual General Meeting:

Mr Guo Zi Ning (“**Mr Guo**”), aged 48, is an executive Director and the executive vice president of the Board. He is also a director of the subsidiaries of the Company, and holds a Master’s Degree in Business Administration. He joined the Group in 1998, now primarily responsible for administration, investments and business expansion and legal affairs of the Group. Mr Guo ceased to be a director of Aoyuan Group Company Limited during the period of being the vice president of Beijing Normal University Nanguo Aoyuan Experimental School. In 2006, Mr Guo was reappointed as a director of Aoyuan Group Company Limited.

Mr Guo is the brother of Mr Guo Zi Wen, the chairman and chief executive officer of the Board. Save as disclosed above, he has not held any directorship in other listed public companies during the past three years, and he is not related to any Directors, senior management, other substantial or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he held any positions with the Company or any of its subsidiaries.

Mr Guo has entered into a service contract with the Company for a term of three years commenced from 3 April 2007 and his appointment would continue thereafter unless and until terminated by either party giving 3 months’ written notice. As a Director, Mr Guo is subject to retirement by rotation and re-election at annual general meetings in accordance with the articles of association (the “**Articles**”) of the Company. He is entitled to receive salary being HK\$2,700,000 per annum. Mr Guo’s remuneration, which is commensurate with his duties and responsibilities held, is approved by the Board with reference to the prevailing market situation for similar appointment.

LETTER FROM THE BOARD OF DIRECTORS

As far as the Directors are aware, as at the Latest Practicable Date, Mr Guo had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the Securities and Future Ordinance (the “SFO”):

	No. of share options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr Guo	10,000,000	0.38%

Save as disclosed above, Mr Guo did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Board is not aware of any other matters or information that need to be brought to the attention of shareholders of the Company or to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) in relation to the proposed re-election of Mr Guo.

Mr Lam Kam Tong (“**Mr Lam**”), aged 41, is an executive Director of our Board and the chief financial officer and company secretary of the Company. He joined our Company in December 2008 and has been appointed as an executive Director since 25 September 2009. Mr Lam is primarily responsible for the enforcement of compliance with the relevant law and regulations, investor relations management, merger and acquisition and overseas financing. He has over 14 years of experience in professional audit and is a member of the Hong Kong Institute of Certified Public Accountant and the Association of Chartered Certified Accountants. He also holds a Bachelor’s Degree in Business Management from The Chinese University of Hong Kong. Before joining our Company, he was the chief financial officer and company secretary of another listed company engaged in PRC property development business for three years.

Save as disclosed above, Mr Lam has not held any directorship in other listed public companies during the past three years, and he is not related to any Directors, senior management, other substantial or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he hold any positions with the Company or any of its subsidiaries.

Mr Lam has entered into a service contract with the Company for a term of 3 years commenced from 25 September 2009 and his appointment would continue thereafter unless and until terminated by either party giving 3 months’ written notice. As a Director, Mr Lam is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of the Company. Mr Lam is entitled to receive salaries being HK\$2,500,000 per annum and RMB600,000 per annum, and a discretionary bonus of HK\$500,000 per annum which is based on the performance of the Company and of Mr Lam, determined by the Board or its delegated committee with reference to his duties and responsibilities as well as the prevailing market conditions.

LETTER FROM THE BOARD OF DIRECTORS

As far as the Directors are aware, as at the Latest Practicable Date, Mr Lam had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of SFO:

	No. of share options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr Lam	10,000,000	0.38%

Save as disclosed above, Mr Lam did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Board is not aware of any other matters or information that need to be brought to the attention of shareholders of the Company or to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) in relation to the proposed re-election of Mr Lam.

Ms Xin Zhu (“**Ms Xin**”), aged 41, is an executive Director of our Board and is an executive vice president of our Company. She joined our Company in July 2008 and has been appointed as an executive Director since 25 September 2009. Ms Xin is primarily responsible for overseeing the finance and accounting as well as financing. She has over 20 years of experience in accounting, auditing and corporate finance management. She is a member of The Chinese Institute of Certified Public Accountants and she has become a member of CPA Australia in January 2010. She also holds a Master’s Degree in Business Administration in International Management from The International College of Auckland Institute of Studies.

Ms Xin has not held any directorship in other listed public companies during the past three years, and she is not related to any Directors, senior management, other substantial or controlling shareholders (as defined in the Listing Rules) of the Company, nor does she hold any other positions with the Company or any of its subsidiaries.

Ms Xin has entered into a service contract with the Company for a term of 3 years commenced from 25 September 2009 and her appointment would continue thereafter unless and until terminated by either party giving 3 months’ written notice. As a Director, Ms Xin is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of the Company. Ms Xin is entitled to receive a salary being HK\$2,000,000 per annum, and a discretionary bonus of HK\$500,000 per annum which is based on the performance of the Company and of Ms Xin, determined by the Board or its delegated committee with reference to her duties and responsibilities as well as the prevailing market conditions.

LETTER FROM THE BOARD OF DIRECTORS

As far as the Directors are aware, as at the Latest Practicable Date, Ms Xin had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Ms Xin	4,000,000	0.15%

Save as disclosed above, Ms Xin did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Board is not aware of any other matters or information that need to be brought to the attention of shareholders of the Company or to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) in relation to the proposed re-election of Ms Xin.

Mr Leung Ping Chung, Hermann (“**Mr Leung**”), aged 54, was appointed as a non-executive Director on 3 April 2007. He was nominated by Cathay Sino Property Limited, a substantial shareholder of the Company. He received a Bachelor’s degree in social sciences and a Master’s degree from The Chinese University of Hong Kong. Mr Leung has over 20 years of management and operational experience throughout the Asia Pacific region, and is an executive director of New China Capital Management (HK) Ltd. He was a non-executive director of Wuxi Little Swan Company Limited (無錫小天鵝股份有限公司), a company listed on the Shenzhen Stock Exchange, until January 2010. Currently, Mr Leung is a non-executive director of Centron Telecom International Holding Limited (星辰通信國際控股有限公司) and Vinda International Holdings Limited (維達國際控股有限公司), both listed on the Main Board of the Stock Exchange. Mr Leung is the alternate Director to Mr Paul Steven Wolansky.

Save as disclosed above, Mr Leung has not held any directorship in other listed public companies during the past three years, and he is not related to any Directors, senior management, other substantial or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

Mr Leung has entered into a letter of appointment with the Company for a specific term commenced from 3 April 2007 which may be extended for such period as the Company and Mr Leung may agree in writing. As a Director, Mr Leung is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of the Company. Mr Leung’s remuneration is fixed at HK\$60,000 per annum. Mr Leung’s remuneration, which is commensurate with his duties and responsibilities held, is approved by the Board.

LETTER FROM THE BOARD OF DIRECTORS

As far as the Directors are aware, as at the Latest Practicable Date, Mr Leung had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	No. of shares of the Company	No. of share options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr Leung	293,175,000	10,000,000	11.60%
	<i>(Note)</i>		

Note: These 293,175,000 ordinary shares are registered in the name of Cathay Sino Property Ltd., which is wholly-owned by Cathay Capital Holdings, L.P. Cathay Capital Holdings, L.P. is managed by its general partner, Cathay Master GP, Ltd. which in turn is owned as to 45% by Mr Paul Steven Wolansky as trustee and 10% by a company wholly-owned by Mr Leung Ping Chung, Hermann.

Save as disclosed above, Mr Leung did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as the announcement made by the Company on 4 November 2009 pursuant to Rule 13.51B(2) that the Securities and Futures Commission has filed a petition to the court against several directors of a listed company in Hong Kong, one of whom is Mr Leung, the Board is not aware of any other matters or information that need to be brought to the attention of shareholders of the Company or to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) in relation to the proposed re-election of Mr Leung.

Mr Song Xian Zhong (“**Mr Song**”), aged 46, was appointed as an independent non-executive Director of the Board on 13 September 2007. He is an executive committee member of the Accounting Society of China, a member of the Accounting Standards Expert Committee of Ministry of Finance, and the vice chairman of the Audit Institute of Guangzhou. Mr Song is also the head of the development planning division at Jinan University (暨南大學), with over 20 years of teaching and research experience in the fields of accounting and finance, and has published many books and articles on topics such as enterprise finance management, reorganization finance and socially responsible accounting for business enterprises. Currently, he is an independent director of Guangdong China Sunshine Media Co., Ltd. (廣東九州陽光傳媒股份有限公司), a company listed on the Shenzhen Stock Exchange, and an independent director of Guangdong Guanhao High-Tech Co., Ltd. (廣東冠豪高新技術股份有限公司), a company listed on the Shanghai Stock Exchange.

Save as disclosed above, Mr Song has not held any directorship in other listed public companies during the past three years, and he is not related to any Directors, senior management, other substantial or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

LETTER FROM THE BOARD OF DIRECTORS

Mr Song has entered into a letter of appointment with the Company for a specific term commenced from 13 September 2007 which may be extended for such a period as the Company and Mr Song may agree in writing. As a Director, Mr Song is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of the Company. Mr Song's remuneration is fixed at HK\$180,000 per annum. Mr Song's remuneration, which is commensurate with his duties and responsibilities held is approved by the Board.

As far as the Directors are aware, as at the Latest Practicable Date, Mr Song had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr Song	300,000	0.01%

Save as disclosed above, Mr Song did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

The Board is not aware of any other matters or information that need to be brought to the attention of shareholders of the Company or to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) in relation to the proposed re-election of Mr Song.

5. ACTION TO BE TAKEN

The notice convening the 2010 Annual General Meeting to be held at Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 11 June 2010 (Friday) at 3:00 p.m. is set out on pages 15 to 18 of this circular.

A form of proxy for the 2010 Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>) and the Company (<http://aoyuan.com.cn>). Whether or not you desire to attend the 2010 Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the 2010 Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the 2010 Annual General Meeting or any adjournment thereof if you so wish.

LETTER FROM THE BOARD OF DIRECTORS

6. VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the shareholders of the Company at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the 2010 Annual General Meeting in accordance with the Articles of the Company. An announcement on the poll vote results will be made by the Company after the 2010 Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. RECOMMENDATION

The Directors believe that the granting of the Issuance Mandate and the Repurchase Mandate are in the best interests of the Company and its shareholders as a whole. Moreover, the necessary information regarding the re-election of the retiring Directors at the 2010 Annual General Meeting is already set out herein for consideration. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the relevant resolutions to be proposed at the 2010 Annual General Meeting on the terms set out in the notice of that meeting.

Yours faithfully,

On behalf of the Board

Guo Zi Wen

Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to shareholders of the Company for their consideration as to whether to vote for or against the ordinary resolution to be proposed at the 2010 Annual General Meeting for granting the Repurchase Mandate.

This explanatory statement which contains all the information required pursuant to rule 10.06 of the Listing Rules is set out as follows:

SHARE CAPITAL

As at the Latest Practicable Date, the Company had in issue an aggregate of 2,612,500,000 shares of HK\$0.01 each which are fully paid.

Subject to the passing of the ordinary resolution no. 7 as set out in the notice of 2010 Annual General Meeting and in accordance with the terms therein, the Company would be allowed under the Repurchase Mandate to repurchase fully paid shares up to the aggregate nominal amount of a maximum of 261,250,000 shares (representing 10% of the shares in issue as at the Latest Practicable Date) during the period in which the Repurchase Mandate remains in force on the basis that no further shares will be issued or repurchased prior to the 2010 Annual General Meeting.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing any shares of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile. At any time in the future when shares trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders of the Company who retain their investment in the Company since their interests in the assets of the Company would increase in proportion to the number of shares repurchased by the Company and thereby resulting in an increase in net asset value per share and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that the repurchases will benefit the Company and its shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands, as the case may be.

SHARE PRICES

During each of the previous 12 months preceding the Latest Practicable Date, the highest and lowest prices per share at which shares of the Company have traded were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	1.29	0.92
May	2.37	1.03
June	2.44	1.84
July	2.24	1.64
August	1.84	1.32
September	1.57	1.29
October	1.60	1.26
November	1.57	1.33
December	1.63	1.30
2010		
January	1.50	1.20
February	1.32	1.19
March	1.40	1.28
April (up to Latest Practicable Date)	1.43	1.27

REPURCHASES MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Company's shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

POSSIBLE MATERIAL ADVERSE IMPACT

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in the audited financial statements for the year ended 31 December 2009) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intends to sell shares to the Company under the Repurchase Mandate in the event that such mandate as proposed in the ordinary resolution no. 7 is approved by the shareholders of the Company.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any shares to the Company, or that they have undertaken not to sell any shares held by them to the Company in the event that such mandate as proposed in the ordinary resolution no. 7 is approved by the shareholders of the Company.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and laws of the Cayman Islands and in accordance with the regulations set out in the memorandum and articles of association of the Company.

EFFECT OF HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of share repurchase by the Company, a substantial shareholder's proportionate interest in voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a shareholder, or group of shareholders acting in concert, could, depending on the level of increase in the interest of shareholdings, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best of knowledge and belief of the Directors, the following persons were the substantial shareholders of the Company:

Name	Number of Issued shares Held/interested	Approximate Percentage of Shareholding
(1) Ace Rise Profits Limited (i)	1,154,325,000	44.18%
(2) Credit Suisse Trust Limited (i)	1,154,325,000	44.18%
(3) Mr Guo Zi Wen (i)	1,154,325,000	44.18%
(4) Ms Jiang Miner (i)	1,154,325,000	44.18%
(5) Seletar Limited (i)	1,154,325,000	44.18%
(6) Serangoon Limited (i)	1,154,325,000	44.18%
(7) Sturgeon Limited (i)	1,154,325,000	44.18%
(8) Mr Selwyn Donald Sussman (ii) and (iii)	406,363,462	15.55%
(9) Capital Asset Management, Inc (iii)	383,043,462	14.66%
(10) Trust Asset Management LLP (iii)	383,043,462	14.66%
(11) Mr Leung Ping Chung, Hermann (ii)	303,175,000	11.60%
(12) Mr Paul Steven Wolansky (ii)	293,175,000	11.22%
(13) Cathay Capital Holdings, L.P. (ii)	293,175,000	11.22%
(14) Cathay Master GP, Ltd. (ii)	293,175,000	11.22%
(15) Cathay Sino Property Ltd. (ii)	293,175,000	11.22%

On the basis that no further shares are issued or repurchased prior to the 2010 Annual General Meeting, in the event that the Directors exercised in full the power to repurchase shares of the Company in accordance with the terms of the ordinary resolution no. 7 to be proposed at the 2010 Annual General Meeting, the aforesaid interests of (1) Ace Rise Profits Limited; (2) Credit Suisse Trust Limited; (3) Mr Guo Zi Wen; (4) Ms Jiang Miner; (5) Seletar Limited; (6) Serangoon Limited; (7) Sturgeon Limited; (8) Mr Selwyn Donald Sussman; (9) Capital Asset Management, Inc; (10) Trust Asset Management LLP; (11) Mr Leung Ping Chung, Hermann; (12) Mr Paul Steven Wolansky; (13) Cathay Capital Holdings, L.P.; (14) Cathay Master GP, Ltd.; (15) Cathay Sino Property Ltd. in the issued share capital of the Company as at the Latest Practicable Date would be proportionally increased to approximately (1) 49.09%; (2) 49.09%; (3) 49.09%; (4) 49.09%; (5) 49.09%; (6) 49.09%; (7) 49.09%; (8) 17.28%; (9) 16.29%; (10) 16.29%; (11) 12.89%; (12) 12.47%; (13) 12.47%; (14) 12.47%; (15) 12.47% respectively.

On the basis of the aforesaid increase of shareholding held by each substantial shareholder set out above, the Directors are not aware of any consequences of such repurchases of shares that would result in any shareholder, or group of shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 and 32 of the Takeovers Code except that the persons set out in the above items nos. (1) to (7) may be required to make a general offer if the Repurchase Mandate were exercised in full and the percentage interests of the aforesaid persons over a 12-month period are increased by more than 2%. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

Notes:

- (i) The 1,154,325,000 shares are registered in the name of Ace Rise Profits Limited. Ace Rise Profits Limited is held by Sturgeon Limited, which is owned as to 50% by Seletar Limited and 50% by Serangoon Limited, as nominees and trustees for Credit Suisse Trust Limited as the trustee holding such interests on trust for the beneficiaries of The Golden Jade Trust. The Golden Jade Trust is a discretionary family trust established under the laws and regulations of Singapore. As at the date of this circular, the beneficiaries of The Golden Jade Trust are Mr Guo Zi Wen and Ms Jiang Miner.
- (ii) The 293,175,000 shares are registered in the name of Cathay Sino Property Ltd. which is wholly-owned by Cathay Capital Holdings, L.P. Cathay Capital Holdings, L.P. is managed by its general partner, Cathay Master GP, Ltd. which in turn is owned as to 45% by Mr Paul Steven Wolansky as trustee, 45% by Trust Asset Management LLP. and 10% by Nice Wealth Investment Limited which is wholly-owned by Mr Leung Ping Chung, Hermann. Cathay Capital Holdings, L.P., Cathay Master GP Ltd., Mr Paul Steven Wolansky, Trust Asset Management LLP and Mr Leung Ping Chung, Hermann are all deemed to be interested in the 293,175,000 shares under the SFO.
- (iii) Capital Asset Management, Inc is the general partner of Trust Asset Management LLP, which has 45% interest in Cathay Master GP, Ltd., the general partner of Cathay Capital Holdings, L.P. As Mr Selwyn Donald Sussman is holding 100% interest in Capital Asset Management, Inc, Mr Selwyn Donald Sussman, Capital Asset Management, Inc. and Trust Asset Management LLP are all deemed to be interested in the 293,175,000 shares held by Cathay Sino Property Ltd. The remaining 89,868,462 shares are held in the form of convertible notes issued to Sunrise Partners Limited Partnership. As Trust Asset Management LLP is the general partner of Sunrise Partners Limited Partnership, Capital Asset Management, Inc, Trust Asset Management LLP and Mr Selwyn Donald Sussman are deemed to be interested in the 89,868,462 shares under the SFO.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Aoyuan Property Group Limited (the “**Company**”) will be held at Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 11 June 2010 (Friday) at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended 31 December 2009;
2. To declare a final dividend for the year ended 31 December 2009;
3. To declare a special dividend for the year ended 31 December 2009;
4. To re-elect directors and to authorize the board of directors to fix directors’ remuneration;
5. To appoint auditors and to authorize the board of directors to fix their remuneration;
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares (“**Shares**”) in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in this resolution, otherwise than pursuant to:
- (i) a rights issue (as defined below); or
 - (ii) the exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or
 - (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other eligible person of Shares or rights to acquire Shares of the Company; or
 - (iv) scrip dividends or under similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; and

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to the holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”;

NOTICE OF ANNUAL GENERAL MEETING

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (“**Shares**”) in the capital of the Company or securities convertible into Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“**Recognized Stock Exchange**”), subject to and in accordance with the applicable laws of the Cayman Islands and the requirements of the Listing Rules or those of any other Recognized Stock Exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares and securities convertible into Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the approval pursuant to paragraph (a) of this resolution be limited accordingly;
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”; and
8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT subject to the passing of the resolutions numbered 6 and 7 as set out in the notice (the “**Notice**”) convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares in the capital of the Company pursuant to the resolution numbered 6 as set out in the Notice be and the same is hereby extended (as regards the amount of share capital thereby limited) by the addition to the aggregate nominal amount of share capital of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company under the authority

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granted pursuant to the resolution numbered 7 as set out in the Notice provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

On behalf of the Board
Guo Zi Wen
Chairman and Chief Executive Officer

Hong Kong, 30 April 2010

Principal Place of business in Hong Kong:
Room 5105, The Center
99 Queen’s Road Central
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the aforesaid meeting is entitled to appoint one or (if holding two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect which each such proxy is so appointed.
- (2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude members from attending and voting at the aforesaid meeting, and in such event, the form of proxy shall be deemed to be revoked.
- (4) The register of members will be closed from 9 June 2010 (Wednesday) to 11 June 2010 (Friday) (both dates inclusive), during which period no transfer of shares will be effected and no shares of the Company will be allotted and issued upon exercise of share options issued/granted by the Company. In order to qualify for the proposed final dividend and special dividend and for attending and voting at the aforesaid meeting, all transfer forms of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 8 June 2010 (Tuesday).
- (5) The Chinese translation of this notice (including the contents of the proposed resolutions set out herein) is for reference only. In case of inconsistency, the English version shall prevail.