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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)

ANNOUNCEMENT UNDER RULE 13.09 OF THE LISTING RULES
EARLY REDEMPTION OF THE CONVERTIBLE NOTES

This announcement is made pursuant to rule 13.09(1) of the Listing Rules.

Reference is made to the prospectus of the Company dated 21 September 2007 relating to, *inter alia*, the Note Purchase Agreement.

The Board is pleased to announce that on 15 April 2010, the Company entered into the Agreement with Sunrise Partners, pursuant to which the Company and Sunrise Partners had mutually agreed to the early redemption of the Convertible Notes.

Shareholders of the Company and potential investors are advised to exercise due care when dealing in the shares of the Company.

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Reference is made to the prospectus of the Company dated 21 September 2007 relating to, *inter alia*, the Note Purchase Agreement.

The Board is pleased to announce that on 15 April 2010, the Company entered into the Agreement with Sunrise Partners, pursuant to which the Company and Sunrise Partners had mutually agreed to the early redemption of the Convertible Notes in the following manner:

- (a) The Company shall on the First Redemption Date redeem US\$25,000,000 in principal amount of the Convertible Notes in cash at a price equal to 105% of US\$25,000,000, plus accrued and unpaid interest thereon to the First Redemption Date. On the First Redemption Date, the Company paid a total sum of US\$26,462,500 (equivalent to approximately HK\$205,600,000) to Sunrise Partners.

- (b) The Company shall on the Second Redemption Date redeem all the then outstanding Convertible Notes, in cash at a redemption price equal to the greater of:
- (i) the total amount in the US\$ equivalent to 108% of US\$35,000,000 plus any interest earned in respect of such amount in designated bank accounts maintained by the Onshore SPV since the First Redemption Date; and
 - (ii) 108% of the principal amount of the Convertible Notes then outstanding,
- plus accrued and unpaid interest on such outstanding Convertible Notes to the Second Redemption Date.
- (c) The Company shall on the First Redemption Date (i) deposit into designated bank accounts maintained by the Onshore SPV a total amount in RMB equivalent of 108% of US\$35,000,000 and (ii) appoint Mr. Leung Ping Chung, Hermann, the non-executive Director, as the authorised signatory of the said designated bank accounts of the Onshore SPV and a member of the board of directors of the Onshore SPV. On the First Redemption Date, the Company deposited a total sum of US\$37,800,000 (equivalent to approximately HK\$293,700,000) to the said designated bank accounts of the Onshore SPV.

The exchange rate adopted under the Agreement shall be the closing middle point spot rate for the US\$ to RMB effective on the day immediately preceding the First Redemption Date or Second Redemption Date, where applicable, as announced by the People's Bank of China.

The total amount of repayment for the early redemption is approximately HK\$502,000,000 and was arrived at after arm's length negotiations between the Company and Sunrise Partners with reference to the coupon rate of the Convertible Notes and the total amount which the Company will be required to pay to Sunrise Partners without the early redemption. The Company will satisfy the payments by its internal resources and/or bank financing. The Board is confident that the early redemption of the Convertible Notes would not have any adverse effect on the Group's financial position, which would remain sound following the early redemption process. Upon redemption of all the Convertible Notes by the Second Redemption Date, all the Convertible Notes will be cancelled and the Company will not have any outstanding Convertible Notes and accordingly the Group would not incur further finance costs in relation to the accrued interests of the Convertible Notes.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms and fair and reasonable and in the interest of the Company and of its shareholders as a whole.

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DEFINITIONS

“Agreement”	the agreement of amendment to and limited waiver of the amended and restated note purchase agreement dated 15 April 2010 entered into between the Company and Sunrise Partners
“Board”	the board of Directors
“Company”	China Aoyuan Group Property Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange
“Convertible Notes”	the notes in registered form comprising a total principal amount of US\$60,000,000 bearing interest at an annual rate of LIBOR (the London interbank offered rates) plus 3%, issued by the Company to Sunrise Partners pursuant to the Note Purchase Agreement
“Directors”	directors of the Company
“First Redemption Date”	15 April 2010
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Note Purchase Agreement”	the note purchase agreement constituting the convertible notes due 2012 dated 9 February 2007 entered into between, <i>inter alia</i> , Add Hero Limited, a direct wholly-owned subsidiary of the Company, and Sunrise Partners as amended and restated by a note purchase agreement dated 9 October 2007 entered into between, <i>inter alia</i> , the Company and Sunrise Partners
“Onshore SPV”	廣州市番禺金業園房地產開發有限公司 (for identification purpose only, in English, Guangzhou Panyu Jin Ye Yuan Real Estate Development Company Limited), a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company
“PRC”	People’s Republic of China
“Second Redemption Date”	31 August 2010
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Sunrise Partners”	Sunrise Partners Limited Partnership
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

For reference purposes only and unless otherwise specified, US\$ has been converted to HK\$ at the rate of US\$1.00 = HK\$7.77 in this announcement.

By order of the Board
China Aoyuan Property Group Limited
Guo Zi Wen
Chairman and Chief Executive Officer

Hong Kong, 15 April 2010

As at the date of this announcement, the directors comprising (1) the executive directors namely Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Hu Da Wei, Mr. Lam Kam Tong and Ms. Xin Zhu; (2) the non-executive directors namely Mr. Wu Jie Si, 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.