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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**  
**TERMINATION OF COOPERATION AGREEMENT**

Reference is made to the announcement (the “**Announcement**”) of China Aoyuan Property Group Limited (the “**Company**”) dated 25 May 2011 and the circular (the “**Circular**”) dated 16 June 2011 in relation to the establishment of a joint venture which constituted a major transaction for the Company. Terms used in this announcement shall have the same meanings as those defined in the Circular unless the context otherwise requires.

This announcement is made pursuant to the Company’s disclosure obligation under Rule 14.36 of the Listing Rules.

As disclosed in the Announcement and the Circular, on 25 May 2011, Aoyuan Group, a wholly-owned subsidiary of the Company, entered into the Cooperation Agreement with Gao Su Group and the Project Company, pursuant to which Aoyuan Group will inject a sum of RMB450,000,000 into the registered capital of the Project Company. Upon completion, Aoyuan Group will own 60% of the equity interest of the Project Company.

Pursuant to the provisions of the Cooperation Agreement, prior to Aoyuan Group injecting the sum of RMB450,000,000 into the Project Company, Gao Su Group is required to obtain an approval for the Cooperation Agreement from the relevant PRC governmental authority in accordance with the PRC laws and regulations. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, since the execution of the Cooperation Agreement, Gao Su Group has been working with the relevant PRC governmental authority for the approval, but the approval is yet to be obtained.

The Board has recently reviewed the latest position of the Acquisition and evaluated the benefits expected to be brought by the Acquisition and the various other possible business and cooperation opportunities available. In view of the uncertainty of the time required for Gao Su Group to obtain the approval for the Cooperation Agreement, the Group entered into further discussions with Gao Su Group and decided to terminate the cooperation between the parties. As at the date of this announcement, the

Cooperation Agreement has been terminated and the parties have been mutually released from their respective rights and obligations under the Cooperation Agreement.

No deposit or any sort of payment has been made to Gao Su Group and/or the Project Company by the Company or Aoyuan Group under the Cooperation Agreement. The Board is of the view that the termination of the Cooperation Agreement will not have any material adverse effect on the operation and financial position of the Group and will not have any impact on the long term development of the Group.

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

Hong Kong, 30 December 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Yang Zhong, Mr. Lam Kam Tong, Ms. Xin Zhu and Mr. Hu Da Wei; the non-executive directors of the Company are Mr. Wu Jie Si and Mr. Paul Steven Wolansky; and the independent non-executive directors of the Company are Mr. Ma Kwai Yuen, Mr. Song Xian Zhong, Mr. Tsui King Fai and Mr. Cheung Kwok Keung.*