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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)

DISCLOSEABLE TRANSACTION

RECENT DEVELOPMENT OF THE ENFORCEMENT

The Board wishes to inform that the Company received a Writ of Summons dated 15 August 2011 and an Inter Parte Summons dated 16 August 2011 issued by Hong Da as plaintiff against the Parties, the Purchaser, the Security Agent and the Receivers named as defendants.

The Application was heard on 19 August 2011. At the hearing, (a) an adjournment for hearing of the Application was granted until 20 October 2011; and (b) before determination of the Application, each of the Parties, the Purchaser and the Security Agent undertook not to deal with, whilst the Receivers were restrained from dealing with the Security Assets and the relevant interest in Beijing Yaohui.

The Group has instructed lawyers to handle the legal proceedings of the Application and will continue to use its best endeavours to protect the interests of the Company and the Shareholders as a whole.

Further announcement(s) will be made as and when appropriate to keep the Shareholders informed of the material developments in this matter.

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

Reference is made to the announcements of the Company dated 31 July 2011 and 5 August 2011 (the “**Announcements**”) in relation to a discloseable transaction entered into by the Group. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements, unless otherwise provided herein.

The Application

The Board wishes to inform that the Company received a Writ of Summons dated 15 August 2011 and an Inter Parte Summons dated 16 August 2011 (the “**Application**”) issued by Hong Da as plaintiff with the Company, Aoyuan International, Century Profit (collectively, the “**Parties**”), the Purchaser (being existing lender of the Loan), Soar Wealth Limited (the “**Security Agent**”; a wholly-owned subsidiary of the Company and the successor security agent and successor facility agent of the Finance Documents), the receivers and managers (the “**Receivers**”) of the Security Assets named as defendants.

Under the Application, Hong Da applied to the court for the following, inter alia:

- (a) an injunction to compel the Parties, the Purchaser, the Security Agent and the Receivers to release and transfer back Hong Da’s Century Profit shares to Hong Da;
- (b) an injunction restraining the Parties, the Purchaser, the Security Agent and the Receivers from disposing of and/or dealing with the shares of Beijing Yaohui registered in the name of Century Profit without the consent of Hong Da; and
- (c) other damages, interest, cost and/or other reliefs.

The Hearing of the Application

The Application was heard on 19 August 2011. In the hearing, (a) an adjournment for hearing of the Application was granted until 20 October 2011; and (b) before determination of the Application, each of the Parties, the Purchaser and the Security Agent undertook not to deal with, whilst the Receivers were restrained from dealing with the Security Assets and the relevant interest in Beijing Yaohui.

The Group instructed lawyers to handle the legal proceedings of the Application and will continue to use its best endeavours to protect the interests of the Company and the Shareholders as a whole.

Current Status of Century Profit and Beijing Yaohui

As at the date of this announcement and since the appointment of Receivers, the Receivers appointed two new directors in place of Mr. Wang Zhi Cai and Mr. Wang Qing Fu in the board of directors of Century Profit with effect from 29 July 2011. Currently, according to the written resolutions of directors of Beijing Yaohui, Mr. Wang Zhi Cai resigned as the chairman and legal representative of Beijing Yaohui and Mr. Guo Zi Wen was appointed as the chairman and legal representative of Beijing Yaohui. Also, Century Profit issued an instruction letter to notify Beijing Yaohui that Century Profit nominated and appointed Mr. Zhou Xian Ju and Mr. J. David Selvia as the directors of Beijing Yaohui, in place of Mr. Wang Zhi Cai and Mr. Ba Zheng Rong. Save as disclosed above, other members to the board of directors of Century Profit and Beijing Yaohui remained unchanged.

General

As mentioned in the Announcements, Hong Da, being one of the joint venture parties to Century Profit, had been in default of its obligations to the Original Lenders under the Finance Documents which constituted events of default thereunder. Accordingly, the Security Agent appointed the Receivers and enforced the Security Assets pursuant to its rights duly given under the Share Mortgage in order to protect the interests of the Purchaser as creditor of the Loan and of the Security Agent as mortgagee of the Security Assets respectively.

Further announcement(s) will be made as and when appropriate to keep the Shareholders informed of the material developments in this matter.

Save as disclosed above, so far as the Board is aware of, there are no litigation or arbitration proceedings made or threatened to be made against the Company, which would have a significant impact on the business or operations of the Company or would be discloseable under the general obligation imposed by Rules 13.09 of the Listing Rules.

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

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

Hong Kong, 24 August 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.