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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 Announcement.

The Board is pleased to announce that on 3 August 2010, the Company early redeemed US\$35,000,000 in principal amount of the outstanding Convertible Notes at the redemption price of US\$38,369,585 in accordance with the terms and conditions of the Agreement.

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

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

Reference is made to the announcement (the “**Announcement**”) of China Aoyuan Group Property Limited (the “**Company**”) dated 15 April 2010 relating to 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. Capitalized terms used in this announcement shall have the same meaning as in the Announcement unless otherwise defined.

The Board is pleased to announce that on 3 August 2010, the Company early redeemed US\$35,000,000 in principal amount of the Convertible Notes (representing all the outstanding Convertible Notes) at the redemption price of US\$38,369,585 in cash equal to:

- (A) the total amount in the US\$ equivalent to 108% of US\$35,000,000 plus any interest accrued in respect of such amount in designated bank accounts maintained by the Onshore SPV since the First Redemption Date; plus
- (B) accrued and unpaid interest on such outstanding Convertible Notes to the actual repayment date; plus
- (C) the amount equivalent to the difference of the translation of RMB into US\$ on (i) the First Redemption Date and (ii) 29 July 2010 (being the date of notice issued by the Company for early redemption) multiplied by the aggregate amount of items (A) and (B) as specified above.

The total amount of repayment for the early redemption 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 payment was satisfied by its internal resources. 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 the said redemption, (A) all obligations of the Company under the Note Purchase Agreement and the Agreement have been released; and (B) all the Convertible Notes have been cancelled and the Company does not have any outstanding Convertible Notes and accordingly the Group will not incur further finance costs in relation to the accrued interests 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.

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, 3 August 2010

As at the date of this announcement, the directors comprising of (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.