

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in China Aoyuan Property Group Limited, 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 or transfer 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)**

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS**  
**AND**  
**PROPOSED GRANTING OF GENERAL MANDATES TO**  
**REPURCHASE SHARES AND TO ISSUE NEW SHARES**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of China Aoyuan Property Group Limited to be held at Kowloon Shangri-La, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 15 May 2012 at 11:00 a.m. is set out on pages 14 to 17 of this circular. A form of proxy for use at the 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.hkexnews.hk>) and the Company ([www.aoyuan.com.cn](http://www.aoyuan.com.cn)).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it 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 as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

## IMPORTANT

This circular (“Circular”) (in both English and Chinese versions) has been posted on the Company’s website at [www.aoyuan.com.cn](http://www.aoyuan.com.cn) and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkex.com.hk>.

Shareholders who have chosen to receive the Company’s Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) via the Company’s website and for any reason have difficulty in gaining access to the Circular posted on the Company’s website will promptly upon request be sent by post the Circular in printed form free of charge. Shareholders may at any time change their choice of means of receipt and language of the Corporate Communications.

Shareholders may request for printed copy of the Circular or change their choice of means of receipt and language of the Corporate Communications by sending reasonable notice in writing 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 or by sending an email to [aoyuan.hk@aoyuangroup.com](mailto:aoyuan.hk@aoyuangroup.com).

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

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	an annual general meeting of the Company to be held at Kowloon Shangri-La, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 15 May 2012 at 11:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 17 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company currently in force;
“Board”	the board of Directors;
“Company”	China Aoyuan Property Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 4 of the Letter from the Board/ a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 14 to 17 of this circular;
“Latest Practicable Date”	5 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

## DEFINITIONS

“Shares(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Repurchase Mandate”	as defined in paragraph 3 of the Letter from the Board/ a general mandate proposed to be granted to the Directors to purchase Shares on the Stock Exchange of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 14 to 17 of this circular;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong.

LETTER FROM THE BOARD



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

*Non-executive Directors:*

Mr Wu Jie Si (*vice chairman*)  
Mr Paul Steven Wolansky

*Independent Non-executive Directors:*

Mr Ma Kwai Yuen  
Mr Song Xian Zhong  
Mr Tsui King Fai  
Mr Cheung Kwok Keung

*Registered Office:*

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

*Principal Place of Business in  
Hong Kong:*

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

13 April 2012

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE NEW SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for (i) the re-election of the retiring Directors; and (ii) the granting to the Directors of the Share Repurchase Mandate and the Issuance Mandate to repurchase Shares and to issue new Shares respectively.

## LETTER FROM THE BOARD

### **2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 87 of the Articles of Association, Mr Guo Zi Ning, Ms Xin Zhu, Mr Song Xian Zhong and Mr Ma Kwai Yuen shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

### **3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 17 June 2011, general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to purchase Shares on the Stock Exchange of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 14 to 17 of this circular (i.e. an aggregate nominal amount of Shares up to HK\$2,615,500 (equivalent to 261,550,000 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of Annual General Meeting / no further Shares are issued or repurchased before the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

### **4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 17 June 2011, general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 14 to 17 of this circular (i.e. an aggregate nominal amount of Shares up to HK\$5,231,000 (equivalent to 523,100,000 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of Annual General Meeting / no further Shares are issued or repurchased before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the aggregate nominal amount of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

## LETTER FROM THE BOARD

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 17 of this circular.

Pursuant to the Listing Rules and the Company's Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([www.aoyuan.com.cn](http://www.aoyuan.com.cn)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at 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 as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

### 6. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Share Repurchase Mandate and Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**Guo Zi Wen**  
*Chairman*



<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

**Mr Guo Zi Ning (“Mr Guo”)**, aged 51, is an executive Director, a vice chairman and the chief executive officer. He is also a director of the subsidiaries of the Group, and holds a Master’s Degree in Business Administration. He joined the Group in 1998, now primarily responsible for administration and human resources, legal affairs, investment and business expansion and leads the overall management of the Group. Mr Guo ceased to be a director of Aoyuan Group Company Limited during the period of being the vice president of the Council 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, an executive Director and the chairman of the Board. Save as disclosed above, Mr Guo 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 3 years commenced from 3 April 2007, and which will 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. 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.

As far as the Directors are aware, as at the Latest Practicable Date, Mr Guo was not interested or deemed to be interested in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is Mr Guo involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Guo that need to be brought to the attention of the Shareholders.

**Ms Xin Zhu (“Ms Xin”)**, aged 44, is an executive Director and is an executive vice president. 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 onshore financing, accounting and internal audit. 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 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.

<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Save as disclosed above, Ms Xin has not held any directorship in any 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 which will 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 Association. 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.

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:

	<b>Capacity</b>	<b>No. of shares options to be subscribed for Shares of the Company</b>	<b>Approximate % of the issued share capital</b>
Ms Xin	Beneficial owner	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.

There is no information which is discloseable nor is Ms Xin involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Ms Xin that need to be brought to the attention of the Shareholders.

**Mr Song Xian Zhong** (“**Mr Song**”), aged 48, was appointed as an independent non-executive Director 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 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 Electric Power Development Co., Ltd (廣東電力發展股份有限公司), a company listed on the Shenzhen Stock

<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Exchange. He had been 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 and consequently resigned as a director in March 2011.

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.

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 Association. Mr Song's remuneration is fixed at HK\$200,000 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:

		<b>No. of shares options to be subscribed for Shares of the Company</b>	<b>Approximate % of the issued share capital</b>
Mr Song	Beneficial owner	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.

There is no information which is discloseable nor is Mr Song involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Song that need to be brought to the attention of the Shareholders.

**Dr. Ma Kwai Yuen ("Dr. Ma")**, aged 59, was appointed as an independent non-executive Director of the Company on 13 September 2007. Dr. Ma received a Doctor of Philosophy in Business Administration from Bulacan State University in May 2011. He received a master's degree in international corporate and finance law from the University of Wolverhampton in 2009, a graduate certificate in company law, auditing and taxation from the New South Wales Institute of Technology in 1985 and a higher diploma in accounting from Hong Kong Polytechnic University in 1977. Dr. Ma is a fellow member of the Chartered Institute of Management Accountants, an associate member of the Hong Kong

<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Institute of Certified Public Accountants and a fellow member of the Australian Certified Practising Accountants Australia. He has over 30 years of professional experience in accounting, financial management and business consultancy. Dr. Ma is a director and principal consultant of Wellon Consultants Limited. Dr. Ma serves as an independent non-executive director at Genvon Group Limited (正峰集團有限公司) and PacMOS Technologies Holdings Limited (弘茂科技控股有限公司); Dr. Ma has also been an independent non-executive director of China Fiber Optic Network System Group Limited (中國光纖網絡系統集團有限公司) since June 3, 2011, all of which are listed on the Main Board of the Stock Exchange. He had also been an independent non-executive director of China Shineway Pharmaceutical Group Limited (中國神威藥業集團有限公司), from May 2008 to December 2009 and Vision Tech International Holdings Limited (金科數碼國際控股有限公司), from March 2008 to June 2009, all are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Dr. Ma does not hold any directorship in other listed public company 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.

Dr. Ma 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 Dr. Ma may agree in writing. As a Director, Dr. Ma is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association. Dr. Ma's remuneration is fixed at HK\$250,000 per annum. Dr. Ma'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, Dr. Ma had the following interests in the Shares/underlying Shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	<b>Capacity</b>	<b>No. of shares options to be subscribed for Shares of the Company</b>	<b>Approximate % of the issued share capital</b>
Dr. Ma	Beneficial owner	300,000	0.01%

Save as disclosed above, Dr. Ma 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.

There is no information which is discloseable nor is Dr. Ma involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Dr. Ma that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,615,500,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of Annual General Meeting / no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 2,615,500,000 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, an aggregate nominal amount of Shares up to HK\$2,615,500 (equivalent to 261,550,000 Shares), representing 10% of the aggregate nominal amount of Shares in issue as at the date of the Annual General Meeting.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

## **4. IMPACT OF REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2011) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2011</b>		
April	1.43	1.30
May	1.38	1.27
June	1.44	1.26
July	1.45	1.31
August	1.40	1.01
September	1.08	0.68
October	0.98	0.66
November	0.97	0.80
December	0.91	0.79
<b>2012</b>		
January	1.05	0.85
February	1.17	0.97
March	1.10	1.01
April (up to the Latest Practicable Date)	1.15	1.09

**6. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

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 the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**7. TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers

Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and to the best of knowledge and belief of the Directors, the following substantial Shareholders (as defined in the Listing Rules) were directly or indirectly interested in 10% or more of the issued capital of the Company:

Name	Number of Issued shares Held/interested	Approximate Percentage of Shareholding
(1) Ace Rise Profits Limited (i)	1,154,325,000	44.13%
(2) Credit Suisse Trust Limited (i)	1,154,325,000	44.13%
(3) Mr. Guo Zi Wen (i)	1,154,325,000	44.13%
(4) Ms. Jiang Miner (i)	1,154,325,000	44.13%
(5) Seletar Limited (i)	1,154,325,000	44.13%
(6) Serangoon Limited (i)	1,154,325,000	44.13%
(7) Sturgeon Limited (i)	1,154,325,000	44.13%
(8) Mr. Selwyn Donald Sussman (ii) and (iii)	316,495,000	12.10%
(9) Capital Asset Management, Inc (iii)	293,175,000	11.21%
(10) Trust Asset Management LLP (ii) (iii)	293,175,000	11.21%
(11) Mr. Paul Steven Wolansky (ii)	293,175,000	11.21%
(12) Cathay Capital Holdings, L.P. (ii)	293,175,000	11.21%
(13) Cathay Master GP, Ltd. (ii)	293,175,000	11.21%
(14) Cathay Sino Property Ltd. (ii)	293,175,000	11.21%

On the basis that no further shares are issued or repurchased prior to the 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. 5 to be proposed at the 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. Paul Steven Wolansky; (12) Cathay Capital Holdings, L.P.; (13) Cathay Master GP, Ltd.; (14) 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) 49.04%; (2) 49.04%; (3) 49.04%; (4) 49.04%; (5) 49.04%; (6) 49.04%; (7) 49.04%; (8) 13.45%; (9) 12.45%; (10) 12.45%; (11) 12.45%; (12) 12.45% (13) 12.45% (14) 12.45% 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 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 Share 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 Share Repurchase Mandate to such an extent that would give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and / or result in the aggregate number of Shares in the hands of public shareholders falling below the prescribed minimum percentage of required by the Listing Rules.

*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 and 45% by Trust Asset Management LLP. Cathay Capital Holdings, L.P., Cathay Master GP Ltd., Mr Paul Steven Wolansky and Trust Asset Management LLP 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 23,320,000 shares are held by Mr Selwyn Donald Sussman as his personal interests.

## **8. REPURCHASE OF SHARES MADE BY THE COMPANY**

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).



## 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 an 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 Tuesday, 15 May 2012 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2011.
2. To declare a final dividend of RMB5.15 cents per share for the year ended 31 December 2011.
3. To re-elect directors and to authorize the board of directors to fix the respective directors’ remuneration.
4. To re-appoint auditors and to authorize the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**THAT:**
  - (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Repurchases, and subject to and in accordance with all applicable laws, rules and regulations;

## NOTICE OF ANNUAL GENERAL MEETING

(b) the total nominal amount of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

(c) for the purposes 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 any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

(a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

(b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

## NOTICE OF ANNUAL GENERAL MEETING

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said mandate shall be limited accordingly; and

(d) for the purposes 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 any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

7. “**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares 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 shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”

By Order of the Board  
**Guo Zi Wen**  
*Chairman*

Hong Kong, 13 April 2012

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at 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 holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Friday, 11 May 2012 to Tuesday, 15 May 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 10 May 2012.
5. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Monday, 21 May 2012 to Wednesday, 23 May 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 18 May 2012.