

IMPORTANT

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

If you have sold or transferred all your shares in China Aoyuan Property Group Limited (the “Company”), 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 was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND INFORMATION ON THE RETIRING DIRECTORS TO BE RE-ELECTED AT THE 2011 ANNUAL GENERAL MEETING AND NOTICE OF THE 2011 ANNUAL GENERAL MEETING

A letter from the board of directors of the Company (the “Board”) is set out on pages 1 to 13 of this circular. A notice convening the annual general meeting (the “2011 Annual General Meeting”) of the Company to be held at Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 17 June 2011 at 3:00 p.m. is set out on pages 19 to 22 of this circular.

A form of proxy for the 2011 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.hkex.com.hk>) and the Company (www.aoyuan.com.cn). Whether or not you desire to attend the 2011 Annual General Meeting, you are requested to complete the form of proxy in accordance with the instruction printed thereon and return the same 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 not less than 48 hours before the time appointed for the 2011 Annual General Meeting. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the 2011 Annual General Meeting or any adjournment thereof if you so wish.

15 April 2011

IMPORTANT

This circular, in both English and Chinese versions, (the “**Circular**”) is available on the Company’s website at www.aoyuan.com.cn (the “**Company Website**”) and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkex.com.hk>.

Shareholders of the Company who have chosen to receive the corporate communications of the Company (the “**Corporate Communications**”) via the Company Website and who for any reason have difficulty in receiving or gaining access to the Circular posted on the Company Website may request the Circular in printed form. The Circular in printed form will be sent free of charge by the Company upon request.

Shareholders of the Company may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language (either English only or Chinese only or both languages) of Corporate Communications by notice in writing to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East Hong Kong or by sending an email to at aoyuan.hk@aoyuanguroup.com.

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

LETTER FROM THE BOARD OF DIRECTORS



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

15 April 2011

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES
AND
INFORMATION ON THE RETIRING DIRECTORS TO BE RE-ELECTED
AT THE 2011 ANNUAL GENERAL MEETING
AND
NOTICE OF THE 2011 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Company's existing general mandates to issue shares and to repurchase shares were approved by the Company's shareholders at the annual general meeting on 11 June 2010 by written resolutions. Unless otherwise renewed, the existing general mandates to issue shares and to repurchase shares will lapse at the conclusion of the 2011 Annual General Meeting.

LETTER FROM THE BOARD OF DIRECTORS

In order to ensure flexibility when it is desirable to allot additional shares or to repurchase shares, the directors of the Company (the “**Directors**”) will seek the approval of shareholders of the Company to grant new general mandates to issue shares and to repurchase shares at the 2011 Annual General Meeting.

The purpose of this circular is to, inter alia, provide you with information on i) the proposed renewal of the general mandates to issue shares and to repurchase shares; and ii) the retiring Directors to be re-elected for your consideration on the relevant resolutions to be put forward at the 2011 Annual General Meeting.

2. GENERAL MANDATE TO ISSUE SHARES (THE “ISSUANCE MANDATE”)

Two ordinary resolutions, as set out in the notice of the 2011 Annual General Meeting, will be proposed for the following purposes:

Ordinary resolution no. 5 – to grant to the Directors a general mandate to allot, issue and deal with new shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and

Ordinary resolution no. 7 – to increase the aggregate nominal amount of share capital of the Company which the Directors may allot, issue and deal with under the general mandate if given in the ordinary resolution no. 5 by the aggregate nominal of share capital of the Company repurchased under the general mandate if given in the ordinary resolution no. 6.

The Company had in issue an aggregate of 2,612,500,000 shares of HK\$0.01 each as at 8 April 2011, (the “**Latest Practicable Date**”), being the latest practicable date before the printing of this circular for ascertaining certain information to be included herein. Subject to the passing of the aforesaid ordinary resolution no. 5 and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with additional shares up to the aggregate nominal amount of a maximum of 522,500,000 shares on the basis that no further shares will be issued or repurchased prior to the 2011 Annual General Meeting.

3. GENERAL MANDATE TO REPURCHASE SHARES (THE “REPURCHASE MANDATE”)

The ordinary resolution no. 6 as set out in the notice of the 2011 Annual General Meeting, will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase the Company’s fully paid up shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

The Issuance Mandate and Repurchase Mandate will continue in force until the conclusion of the next general meeting of the Company held after the 2011 Annual General Meeting or any earlier date as referred in ordinary resolutions nos. 5 and 6 set out in the notice of the 2011 Annual General Meeting. With reference to the Issuance Mandate and Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue or repurchase any shares pursuant thereto.

LETTER FROM THE BOARD OF DIRECTORS

The Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

In accordance with the Listing Rules, the appendix to this circular serves as the explanatory statement, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution for granting of the Repurchase Mandate.

4. INFORMATION ON THE RETIRING DIRECTORS TO BE RE-ELECTED AT THE 2011 ANNUAL GENERAL MEETING

For your further information, we set out below the relevant details of the retiring Directors proposed to be re-elected at the 2011 Annual General Meeting:

Mr. Guo Zi Wen

Mr. Guo Zi Wen (“Mr. Guo”), aged 46, is the founder of the Group, and holds a Master’s degree in Business Management. He is an executive Director and the chairman. He is mainly responsible for the formulation of development strategies of the Company, as well as giving guidance to the Group’s project planning, financing and investment work. Mr. Guo is the brother of Mr. Guo Zi Ning, an executive Director and the chief executive officer of the Company.

He is currently a committee member of the Chinese People’s Political Consultative Conference in Guangdong Province (廣東省政協委員), the vice chairman of the Guangdong Federation of Industry and Commerce (廣東省工商業聯合會副主席) and the chairman of the Guangdong Investment Chamber of Private Enterprises (廣東省民營企業投資商會主席). In 2001, Mr. Guo was honoured by national main stream media and China Real Estate Association (中國房地產協會) as one of the Top 10 Persons in Real Estate Industry (中國房地產十大風雲人物). In 2004, Mr. Guo received the National Real Estate Special Contribution Award (中國房地產特別貢獻獎) and the China Real Estate Theory Research Contribution Award (中國房地產理論研究貢獻獎), and was named one of the Top 10 Outstanding Real Estate Entrepreneurs in the PRC (中國房地產十大傑出企業家) in the same year. In 2008, Mr. Guo was awarded as one of the Top 10 Outstanding Entrepreneurs of the Past Three Decades in China Real Estate (中國房地產30年十大傑出貢獻人物獎), and was recognized as one of the Top 30 Leaders in the Residential Construction of Guangdong (廣東住宅建設30強領軍人物). In 2010, Mr. Guo was named “Outstanding Leader” in the event “Leaders of Real Estate of Guangdong in Ten Golden Years (黃金十年廣東地產領袖榜•領袖人物) .

Save as disclosed above, Mr. Guo did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

LETTER FROM THE BOARD OF DIRECTORS

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Guo had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the Securities and Futures Ordinance (“SFO”):

	Capacity	Number of shares held	Approximate % of the issued share capital
Mr. Guo	Held by controlled corporation	1,154,325,000 <i>(Note)</i>	44.18%

Note: These 1,154,325,000 ordinary 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 report, the beneficiaries of The Golden Jade Trust are Mr. Guo Zi Wen and Ms. Jiang Miner.

Save as disclosed above, Mr. Guo did not have or was not deemed to have any other interests or short positions in the Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Mr. Guo has entered into a service contract with the Company for a term of three years commenced from 3 April 2007, and which will continue thereafter until terminated by either party thereto giving to the other party not less than three months’ prior notice in writing. 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 of the Company. Mr. Guo’s existing remuneration is HK\$2,900,000 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.

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 of the Company.

Mr. Hu Da Wei

Mr. Hu Da Wei (“Mr. Hu”), aged 48, is an executive Director a vice president. He is also a director of the subsidiaries of the Group. He joined the Group in 1998, primarily responsible for project management and development of the Group in Northern Region.

LETTER FROM THE BOARD OF DIRECTORS

Mr. Hu graduated from Hunan University of Science and Technology majoring in architecture and served as a designer in Guangdong Guangzhou Panyu Architecture Design Institute (廣東省廣州市番禺建築設計院) from 1988 to 1998. Mr. Hu has over 10 years of experience in real estate development and management.

Save as disclosed above, Mr. Hu did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Hu had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	Capacity	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr. Hu	Beneficial owner	4,000,000	0.15%

Save as disclosed above, Mr. Hu 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.

Mr. Hu has entered into a service contract with the Company for an appointed term from 8 April 2008 to 2 April 2010, and which will continue thereafter until terminated by either party thereto giving to the other party not less than three months' prior notice in writing. As a director, Mr. Hu is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Hu's existing remuneration is HK\$2,500,000 per annum. Mr. Hu'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.

There is no information which is discloseable nor is Mr. Hu 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. Hu that need to be brought to the attention of the shareholders of the Company.

LETTER FROM THE BOARD OF DIRECTORS

Mr. Yang Zhong

Mr. Yang Zhong (“Mr Yang”), aged 42, has been appointed as an executive Director and the chief operating officer of the Company with effect from 20 January 2011. Mr. Yang worked in two reputable property developers prior to joining the Group in September 2009 and since then, he has been primarily responsible for the overall management of the operations of the Group.

He has the qualification of a PRC registered real estate appraiser and is a registered supervision engineer with extensive, comprehensive professional and management experience in the real estate industry in the PRC.

Save as disclosed above, Mr. Yang did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Yang had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	Capacity	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr. Yang	Beneficial owner	4,000,000	0.15%

Save as disclosed above, Mr. Yang 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.

Pursuant to the service contract made between the Company and Mr. Yang, the appointment of Mr. Yang is for a term of 3 years commencing from 20 January 2011 and thereafter his appointment will continue until terminated by either party giving to the other party not less than three months’ prior written notice. As a director, Mr. Yang is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Yang is entitled to receive salaries being HK\$2,500,000 per annum, which commensurate with his duties and responsibilities as an executive Director and the prevailing market situation.

There is no information which is discloseable nor is Mr. Yang 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. Yang that need to be brought to the attention of the shareholders of the Company.

LETTER FROM THE BOARD OF DIRECTORS

Mr. Wu Jie Si

Mr. Wu Jie Si (“Mr. Wu”), aged 59, is a non-executive Director and the vice chairman of the Board. Mr. Wu holds a Doctorate Degree in Economics. He joined the Group in 2008 and acted as executive Director, primarily responsible for overseeing strategic development planning, financial management, financing and mergers and acquisitions, as well as improvement and revision of regulatory framework of the Group, and was then re-designated to be a non-executive Director since 24 December 2009.

Mr. Wu has over 20 years of banking and administrative experience in financial and corporational management sectors in Mainland China. He was appointed as the chairman of Guangdong Yue Gang Investment Holdings Company Limited (廣東粵港投資控股有限公司) and GDH Limited (廣東控股有限公司), the honorary president of Guangdong Investment Limited (粵海投資有限公司) and Guangdong Tannery Limited (粵海制革有限公司), the managing director of Hopson Development Holdings Limited (合生創展集團有限公司), the president of Shenzhen Branch of Industrial and Commercial Bank of China (中國工商銀行), the deputy mayor of the Shenzhen Municipal Government (深圳市副市長), as well as the assistant to the governor of Guangdong Province (廣東省省長助理). He is currently holding directorships in certain companies listed on the Main Board of the Stock Exchange, including being an independent non-executive director of Beijing Enterprises Holdings Limited (北京控股有限公司), China Merchants Bank Co., Ltd. (招商銀行股份有限公司) and China Taiping Insurance International Holdings Company Limited (中國太平保險控股有限公司), a non-executive director of China Water Affairs Group Limited (中國水務集團有限公司), Shenzhen Investment Limited (深圳控股有限公司) and Silver Base Group Holdings Limited (銀基集團控股有限公司).

Save as disclosed above, Mr. Wu did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wu had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	Capacity	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr. Wu	Beneficial owner	20,000,000	0.76%

LETTER FROM THE BOARD OF DIRECTORS

Save as disclosed above, Mr. Wu 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.

Mr. Wu re-designated as the non-executive Director of the Company, has entered into a letter of appointment with the Company for a term of one year with effect from 24 December 2010, and which may be extended thereafter for such period as the Company and Mr. Wu may agree in writing. As a director, Mr. Wu is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Wu's existing remuneration is HK\$1,000,000 per annum. Mr. Wu'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.

There is no information which is discloseable nor is Mr. Wu 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. Wu that need to be brought to the attention of the shareholders of the Company.

Mr. Paul Steven Wolansky

Mr. Paul Steven Wolansky (“**Mr. Wolansky**”), aged 55, is a non-executive Director with effect from 24 February 2011. He holds a Bachelor of Arts degree from Amherst College and a Juris Doctor degree from Harvard Law School.

Mr. Wolansky has over 20 years of experience in fund management and direct investment. He is the chairman and the chief executive officer of New China Investment Management Inc., the investment manager of The Cathay Investment Fund, Ltd., and New China Capital Management L.P., the investment manager of Cathay Capital Holdings, L.P. and Cathay Capital Holdings II, L.P. Cathay Sino Property Limited, a substantial shareholder of the Company, is wholly owned by Cathay Capital Holdings, L.P. which is managed by its general partner, Cathay Master GP, Ltd. which in turn is owned as to 45% by Mr. Wolansky as trustee. He was also a non-executive director of Longtop Financial Technologies Limited, a company listed on the New York Stock Exchange, CNinsure Inc., a company listed on Nasdaq. Currently, Mr. Wolansky is a non-executive director of Centron Telecom International Holding Limited (星辰通信國際控股有限公司) and Youyuan International Holdings Limited (優源國際控股有限公司), both are listed on the Main Board of the Stock Exchange. Mr. Wolansky has been a non-executive Director and the vice chairman of the Board commencing from 3 April 2007 to 20 January 2011.

Save as disclosed above, Mr. Wolansky did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

LETTER FROM THE BOARD OF DIRECTORS

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wolansky had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	Capacity	Number of shares held	Approximate % of the issued share capital
Mr. Wolansky	Held by controlled corporation	293,175,000 <i>(Note)</i>	11.22%

Note: 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, 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.

Save as disclosed above, Mr. Wolansky 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.

Pursuant to the appointment letter made between the Company and Mr. Wolansky, the appointment of Mr. Wolansky is for a term of one year which can be terminated by either party giving one month's written notice. The letter may be extended for such period as the Company and Mr. Wolansky may agree in writing. Mr. Wolansky is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Wolansky's existing remuneration is fixed at HK\$60,000 per annum, which is commensurate with his duties and responsibilities as a non-executive Director and the prevailing market situation.

There is no information which is discloseable nor is Mr. Wolansky 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. Wolansky that need to be brought to the attention of the shareholders of the Company.

LETTER FROM THE BOARD OF DIRECTORS

Mr. Tsui King Fai

Mr. Tsui King Fai (“**Mr. Tsui**”), aged 61, was appointed as an independent non-executive Director on 13 September 2007.

He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in Australia and a member of the American Institute of Certified Public Accountants. He has over 30 years of extensive experience in accounting, finance and investment management, particularly in investments in Mainland China. Mr. Tsui is a director and senior consultant of a registered financial services company in Hong Kong. He has worked for two of the “Big Four” audit firms in Hong Kong and the United States of America and served in various public listed companies in Hong Kong in a senior capacity. Currently, Mr. Tsui is an independent non-executive director of Lippo Limited (力寶有限公司), Lippo China Resources Limited (力寶華潤有限公司), Hongkong Chinese Limited (香港華人有限公司) and Vinda International Holdings Limited (維達國際控股有限公司), all listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Tsui did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Tsui had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	Capacity	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr. Tsui	Beneficial owner	300,000	0.01%

Save as disclosed above, Mr. Tsui 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.

Mr. Tsui has entered into a letter of appointment with the Company and is appointed for a specific term commencing from 1 July 2010 which may be extended for such period as the Company and Mr. Tsui may agree in writing. As a director, Mr. Tsui is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company. Mr. Tsui’s existing remuneration is HK\$230,000 per annum. Mr. Tsui’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.

LETTER FROM THE BOARD OF DIRECTORS

There is no information which is discloseable nor is Mr. Tsui 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. Tsui that need to be brought to the attention of the shareholders of the Company.

Mr. Cheung Kwok Keung

Mr. Cheung Kwok Keung (“**Mr. Cheung**”), aged 44, has been appointed as an independent non-executive Director, a member of the audit committee, the remuneration committee and the nomination committee of the Company respectively with effect from 20 January 2011.

Mr. Cheung has over 20 years of experience in auditing, accounting and financial management. Mr. Cheung is the chief financial officer and company secretary of Lee & Man Paper Manufacturing Limited (理文造紙有限公司) and he is also an independent non-executive director of Sheng Yuan Holdings Limited (盛源控股有限公司), both of which are listed on the Main Board of the Stock Exchange. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, Mr. Cheung did not hold any directorship in other listed public companies in Hong Kong or overseas in the last 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.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Cheung had the following interests in the shares/underlying shares of the Company and its associated corporations pursuant to Part XV of the SFO:

	Capacity	No. of shares options to be subscribed for shares of the Company	Approximate % of the issued share capital
Mr. Cheung	Beneficial owner	300,000	0.01%

Save as disclosed above, Mr. Cheung 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.

LETTER FROM THE BOARD OF DIRECTORS

Pursuant to the appointment letter made between the Company and Mr. Cheung, the appointment of Mr. Cheung is for a term of one year and thereafter may be extended for such period as the Company and Mr. Cheung may agree in writing. Mr. Cheung is subject to retirement by rotation and re-election at annual general meetings in accordance with the articles of association of the Company. Mr. Cheung's remuneration is fixed at HK\$250,000 per annum, which is commensurate with his duties and responsibilities as an INED and the prevailing market situation.

There is no information which is discloseable nor is Mr. Cheung 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. Cheung that need to be brought to the attention of the shareholders of the Company.

5. ACTION TO BE TAKEN

The notice convening the 2011 Annual General Meeting to be held at Kowloon Shangri-la, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 17 June 2011 at 3:00 p.m. is set out on pages 19 to 22 of this circular.

A form of proxy for the 2011 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.hkex.com.hk>) and the Company (<http://www.aoyuan.com.cn>). Whether or not you desire to attend the 2011 Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same 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 not less than 48 hours before the time appointed for the 2011 Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the 2011 Annual General Meeting or any adjournment thereof if you so wish.

6. VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the shareholders of the Company at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the 2011 Annual General Meeting in accordance with the Articles of Association of the Company. An announcement on the poll vote results will be made by the Company after the 2011 Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD OF DIRECTORS

7. RECOMMENDATION

The Directors believe that the granting of the Issuance Mandate and the Repurchase Mandate are in the best interests of the Company and its shareholders as a whole. Moreover, the necessary information regarding the re-election of the retiring Directors at the 2011 Annual General Meeting is already set out herein for consideration. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the relevant resolutions to be proposed at the 2011 Annual General Meeting on the terms set out in the notice of that meeting.

Yours faithfully,
On behalf of the Board
Guo Zi Wen
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to shareholders of the Company for their consideration as to whether to vote for or against the ordinary resolution to be proposed at the 2011 Annual General Meeting for granting the Repurchase Mandate.

This explanatory statement which contains all the information required pursuant to rule 10.06 of the Listing Rules is set out as follows:

SHARE CAPITAL

As at the Latest Practicable Date, the Company had in issue an aggregate of 2,612,500,000 shares of HK\$0.01 each which are fully paid.

Subject to the passing of the ordinary resolution no. 6 as set out in the notice of 2011 Annual General Meeting and in accordance with the terms therein, the Company would be allowed under the Repurchase Mandate to repurchase fully paid shares up to the aggregate nominal amount of a maximum of 261,250,000 shares (representing 10% of the shares in issue as at the Latest Practicable Date) during the period in which the Repurchase Mandate remains in force on the basis that no further shares will be issued or repurchased prior to the 2011 Annual General Meeting.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing any shares of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile. At any time in the future when shares trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders of the Company who retain their investment in the Company since their interests in the assets of the Company would increase in proportion to the number of shares repurchased by the Company and thereby resulting in an increase in net asset value per share and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that the repurchases will benefit the Company and its shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands, as the case may be.

SHARE PRICES

During each of the previous 12 months preceding the Latest Practicable Date, the highest and lowest prices per share at which shares of the Company have traded were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	1.43	1.25
May	1.29	1.10
June	1.26	1.12
July	1.27	1.12
August	1.30	1.15
September	1.33	1.16
October	1.50	1.27
November	1.78	1.35
December	1.54	1.39
2011		
January	1.63	1.41
February	1.51	1.28
March	1.42	1.27
April (up to Latest Practicable Date)	1.41	1.35

REPURCHASES MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Company's shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

POSSIBLE MATERIAL ADVERSE IMPACT

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in the audited financial statements for the year ended 31 December 2010) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intends to sell shares to the Company under the Repurchase Mandate in the event that such mandate as proposed in the ordinary resolution no. 6 is approved by the shareholders of the Company.

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 such mandate as proposed in the ordinary resolution no. 6 is approved by the shareholders of the Company.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and laws of the Cayman Islands and in accordance with the regulations set out in the memorandum and articles of association of the Company.

EFFECT OF HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of share repurchase by the Company, a substantial shareholder's proportionate interest in voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could, depending on the level of increase in the interest of shareholdings, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best of knowledge and belief of the Directors, the following persons were directly or indirectly interested in 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company:

Name	Number of Issued shares Held/interested	Approximate Percentage of Shareholding
(1) Ace Rise Profits Limited (i)	1,154,325,000	44.18%
(2) Credit Suisse Trust Limited (i)	1,154,325,000	44.18%
(3) Guo Zi Wen (i)	1,154,325,000	44.18%
(4) Jiang Miner (i)	1,154,325,000	44.18%
(5) Seletar Limited (i)	1,154,325,000	44.18%
(6) Serangoon Limited (i)	1,154,325,000	44.18%
(7) Sturgeon Limited (i)	1,154,325,000	44.18%
(8) Sussman Selwyn Donald (ii) and (iii)	316,495,000	12.11%
(9) Capital Asset Management, Inc (iii)	293,175,000	11.22%
(10) Trust Asset Management LLP (ii) and (iii)	293,175,000	11.22%
(11) Paul Steven Wolansky (ii)	293,175,000	11.22%
(12) Cathay Capital Holdings, L.P. (ii)	293,175,000	11.22%
(13) Cathay Master GP, Ltd. (ii)	293,175,000	11.22%
(14) Cathay Sino Property Ltd. (ii)	293,175,000	11.22%

On the basis that no further shares are issued or repurchased prior to the 2011 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. 6 to be proposed at the 2011 Annual General Meeting, the aforesaid interests of (1) Ace Rise Profits Limited; (2) Credit Suisse Trust Limited; (3) Guo Zi Wen; (4) Jiang Miner; (5) Seletar Limited; (6) Serangoon Limited; (7) Sturgeon Limited; (8) Sussman Selwyn Donald; (9) Capital Asset Management, Inc; (10) Trust Asset Management LLP; (11) 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) 49.09%; (2) 49.09%; (3) 49.09%; (4) 49.09%; (5) 49.09%; (6) 49.09%; (7) 49.09%; (8) 13.46%; (9) 12.47%; (10) 12.47%; (11) 12.47%; (12) 12.47% (13) 12.47% (14) 12.47% 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 and 32 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 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 Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

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.

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 the 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 Friday, 17 June 2011 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended 31 December 2010;
2. To declare a final dividend.
3. To re-elect directors and to authorize the board of directors to fix directors’ remuneration;
4. To appoint auditors and to authorize the board of directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares (“**Shares**”) in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in this resolution, otherwise than pursuant to:
 - (i) a rights issue (as defined below); or
 - (ii) the exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or
 - (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other eligible person of Shares or rights to acquire Shares of the Company; or
 - (iv) scrip dividends or under similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; and

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;

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

“Rights issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to the holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or

NOTICE OF ANNUAL GENERAL MEETING

having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”;

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (“**Shares**”) in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“**Recognized Stock Exchange**”), subject to and in accordance with the applicable laws of the Cayman Islands and the requirements of the Listing Rules or those of any other Recognized Stock Exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the approval pursuant to paragraph (a) of this resolution be limited accordingly;
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of 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 the applicable laws of the Cayman Islands to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”; and
7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT subject to the passing of the resolutions numbered 5 and 6 as set out in the notice (the “**Notice**”) convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares in the capital of the Company pursuant to the resolution

NOTICE OF ANNUAL GENERAL MEETING

numbered 5 as set out in the Notice be and the same is hereby extended (as regards the amount of share capital thereby limited) by the addition to the aggregate nominal amount of share capital of the Company 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 the share capital of the Company purchased by the Company under the authority granted pursuant to the resolution numbered 6 as set out in the Notice provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

On behalf of the Board
Guo Zi Wen
Chairman

Hong Kong, 15 April 2011

Principal Place of business in Hong Kong:
Room 5105, The Center
99 Queen’s Road Central
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the aforesaid meeting is entitled to appoint one or (if holding two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect which each such proxy is so appointed.
- (2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude members from attending and voting at the aforesaid meeting, and in such event, the form of proxy shall be deemed to be revoked.
- (4) The register of members will be closed from Wednesday, 15 June 2011 to Friday, 17 June 2011 (both dates inclusive), during which period no transfer of shares will be effected and no shares of the Company will be allotted and issued upon exercise of share options issued/granted by the Company. In order to qualify for the proposed final dividend and for attending and voting at the aforesaid meeting, all transfer forms of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4: 30 p.m. on Tuesday, 14 June 2011.
- (5) The Chinese translation of this notice (including the contents of the proposed resolutions set out herein) is for reference only. In case of inconsistency, the English version shall prevail.