

---

**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 your stockbroker, 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 to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

---



**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)**

**SCRIP DIVIDEND DISTRIBUTION IN RELATION TO  
THE SPECIAL DIVIDEND**

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected Timetable</b> .....	3
<b>Letter from the Board</b> .....	4

---

## DEFINITION

---

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

“Ace Rise”	Ace Rise Profits Limited, which is owned as to 90% by Joy Pacific Group Limited (which in turn is wholly-owned by Sturgeon Limited) and as to 10% by Hopka Investments Limited, a company wholly-owned by Ms. Su Chaomei who is the lawful wife of GZN. As a result, GZN has a deemed effective interest of about 4.41% of the Company. Sturgeon Limited 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 Golden Jade. As at the date of this circular, GZW and Ms. Jiang Miner, lawful wife of GZW are the directors of Ace Rise
“AGM”	the annual general meeting of the Company convened and held at 11:00 a.m. on Wednesday, 15 May 2013 at Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong
“associates”	has the meaning as defined under Listing Rules
“Board”	the board of Directors
“business days”	any day on which the Stock Exchange is open for the transaction of business
“Company”	China Aoyuan Property Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company from time to time
“Excepted Shareholders”	those Overseas Shareholders, the Board, after making enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Scrip Dividend Distribution to them
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

---

## DEFINITION

---

“Golden Jade”	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 Golden Trust are GZW and Ms. Jiang Miner, lawful wife of GZW
“Group”	the Company and its subsidiaries
“Guo Group”	GZW, Ace Rise, Golden Jade and associates of GZW (including but not limited to GZN)
“GZN”	Mr. Guo Zi Ning, vice chairman, chief executive officer and executive director of the Company and brother of GZW
“GZW”	Mr. Guo Zi Wen, the chairman and executive director of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	holder(s) of Shares whose address(es) as shown on the register of members on the Record Date is/are outside Hong Kong

---

## DEFINITION

---

“Qualifying Shareholders”	holders of Shares not being Excepted Shareholders who are entitled to the Scrip Dividend Distribution
“Record Date”	24 May 2013, being the record date for determination of entitlements to the Special Dividend
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Scrip Dividend Distribution”	the distribution of Scrip Dividend Shares
“Scrip Dividend Shares”	the new Shares to be issued under the Scrip Dividend Distribution
“SFC”	Securities and Futures Commission
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Special Dividend”	the special dividend of HK\$0.26 per Share in cash and/or in Scrip Dividend Shares payable to Shareholders whose names appear on the register of members of the Company on the Record Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver by the Executive pursuant to the Takeover Code in respect of the obligation of Guo Group to make a mandatory offer for the Shares not already owned by it

---

## EXPECTED TIMETABLE

---

Last day of dealings in the Shares on a cum-Entitlement basis .....	Thursday 16 May 2013
Commencement of dealings in the Shares on an ex-Entitlement basis .....	Monday 20 May 2013
Latest time for lodging transfer of the Shares in order to be entitled to the Special Dividend .....	4:30 p.m. on Tuesday 21 May 2013
Register of members of the Company closes for the Scrip Dividend Shares .....	Wednesday 22 May 2013 to Friday, 24 May 2013 (both dates inclusive)
Record date for determination of entitlements to the Scrip Dividend Shares .....	Friday 24 May 2013
Latest time for form of election to be returned by Qualifying Shareholders .....	4:30 p.m. on Friday 21 June 2013
Payment of the Special Dividend in cash and/or Certificates for the Scrip Dividend Shares expected to be dispatched .....	on or before Thursday 4 July 2013
Commencement of dealing of Scrip Dividend Shares .....	9:00 a.m. on Friday 5 July 2013

---

## 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  
Ms. Xin Zhu

*Registered Office:*

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

*Non-executive Director:*

Mr. Paul Steven Wolansky

*Principal Place of Business in  
Hong Kong:*

Unit 1901-02, 19th Floor  
One Peking, No. 1 Peking Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

*Independent Non-executive Directors:*

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

*To the Shareholders*

Dear Sir/Madam,

### **SCRIP DIVIDEND DISTRIBUTION IN RELATION TO THE SPECIAL DIVIDEND**

#### **INTRODUCTION**

Reference was made to the announcement of the Declaration and Distribution of Special Dividend of the Company dated 26 April 2013, in which the Board announced that it had declared special dividend of HK\$0.26 per Share, which is proposed to be payable to Qualifying Shareholders (other than Excepted Shareholders) whose names appear on the register of members of the Company on the Record Date. Qualifying Shareholders may elect to receive such dividend in the form of cash or in the form of Scrip Dividend Shares, or a combination of these.

---

## LETTER FROM THE BOARD

---

The terms of the Scrip Dividend Distribution are set out below.

### SCRIP DIVIDEND DISTRIBUTION

#### Details of the Scrip Dividend Distribution

Shareholders may elect to receive the Special Dividend in one of the following ways:

- (i) a cash dividend of HK\$0.26 per Share;
- (ii) an allotment of such number of Shares credited as fully paid and having an aggregate market value (calculated as described below), save for adjustment for fractions, equal to the total amount of the Special Dividend which such Shareholder would otherwise be entitled to receive in cash; or
- (iii) partly in cash and partly in Shares.

**The last day on which Shareholders will be entitled to select their desired form of the Special Dividend is Friday, 21 June 2013.**

#### Basis of allotment of the Scrip Dividend Shares

Subject to the conditions as set out under the heading “Conditions of Scrip Dividend Distribution” below, the Scrip Dividend Shares is proposed to be allotted and issue to the Qualifying Shareholders. The Scrip Dividend Shares will be issued and credited as fully paid at par.

For the purpose of calculating the number of Scrip Dividend Shares to be allotted and issued, the market value of the Scrip Dividend Shares will be the average of the closing prices of one Share traded on the Stock Exchange for the 10 consecutive trading days up to and including the Record Date. The Company will inform the Shareholders the market value fixed for the purpose of calculating the number of Scrip Dividend Shares to be allotted in the circular. Accordingly, the number of Scrip Dividend Shares which the Qualifying Shareholders will receive in respect of the existing Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of Scrip} & & \text{Number of Shares} & & \text{HK\$0.26} \\ \text{Dividend Shares to} & = & \text{held on the Record} & \times & \text{(Special Dividend per Share)} \\ \text{be received} & & \text{Date} & & \hline & & & & \text{HK\$1.643} \end{array}$$

The number of Scrip Dividend Shares to be allotted and issued to each Qualifying Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Dividend Shares will not be allotted and issued and the benefits thereto will be accrued to the benefits of the Company.



---

## LETTER FROM THE BOARD

---

### **Effect of the Scrip Dividend Distribution**

Based on 2,615,500,000 Shares in issue as at the close of business on the Record Date and assuming all the Qualifying Shareholders elect to receive the Special Dividend wholly in the form of an allotment of Scrip Dividend Shares credited as fully paid in lieu of cash, the maximum number of Scrip Dividend Shares to be issued under the Scrip Dividend Distribution would be 413,895,313 representing approximately 15.82% of the existing and approximately 13.66% of the enlarged issued share capital of the Company. **Shareholders should note that the Scrip Dividend Shares may give rise to notification requirements under Part XV of the Securities Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

### **Record Date and closure of register of members**

The Scrip Dividend Shares will be issued to the Qualifying Shareholders. Arrangement for the Excepted Shareholders are further elaborated below under the heading “Overseas Shareholders”.

The register of members of the Company has been closed from Wednesday, 22 May 2013 to Friday, 24 May 2013, both days inclusive, in order to determine the entitlement of the Shareholders under the Special Dividend.

### **Reasons for the proposed Scrip Dividend Distribution**

For the year ended 31 December 2012, the Group recorded a recognized revenue and profit of RMB3,943.2 million and RMB932.6 million respectively. Due to the excellent performance of the Group and in recognition of the continual support of the Shareholders, the Board declared the Special Dividend. The Scrip Dividend Distribution will give the Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. In addition to that, the Directors believe that the Scrip Dividend Distribution will enhance the liquidity of the Shares in the market and thereby enlarging the Company’s shareholders and capital base.

### **Overseas Shareholders**

As at the Record Date, there was 1 Overseas Shareholder having its respective address registered in the British Virgin Islands.

---

## LETTER FROM THE BOARD

---

Pursuant to Rule 13.36(2) of the Listing Rules, the Company has made enquiry in respect of the legal restrictions under the laws of the British Virgin Islands or the requirements of the relevant regulatory body or stock exchange in the British Virgin Islands for the Company to extend the Scrip Dividend Distribution to the aforesaid Overseas Shareholder. The Board notes that there is no legal restriction under the laws of the British Virgin Islands and there is no requirement of the relevant regulatory body or stock exchange in the British Virgin Islands on the proposed issue and allotment of Scrip Dividend Shares to the aforesaid Overseas Shareholder. On this basis, the Board decides to extend the Scrip Dividend Distribution to the aforesaid Overseas Shareholder.

This circular and election form will not be registered in any other jurisdiction. The Shares have not been registered under the applicable securities legislation of any jurisdictions other than Hong Kong.

**It is the responsibility of any Overseas Shareholder wishing to receive the Scrip Dividend Shares to satisfy itself as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. Shareholders who are in any doubt as to their position should consult their own professional advisers.**

---

## LETTER FROM THE BOARD

---

### Status of Scrip Dividend Shares

The Scrip Dividend Shares to be allotted and issued pursuant to the Scrip Dividend Distribution will rank pari passu in all respects with the existing Shares except that they will not be entitled to the Special Dividend. All cash dividends payable in respect of the Special Dividend will be paid out in Hong Kong dollars regardless of the place of residence of the Shareholders as at the Record Date.

### Conditions of Scrip Dividend Distribution

The Scrip Dividend Distribution is conditional upon (i) the passing of an ordinary resolution at the AGM approving the special dividend and (ii) the Listing Committee of the Stock Exchange granting the listings of, and permission to deal in, the Scrip Dividend Shares.

Application will be made to the Listing Committee of the Stock Exchange in respect of such listings of, and permission to deal in, the Scrip Dividend Shares. No part of the Company's securities is listed or dealt in on any other Stock exchange and no such listing or permission to deal is being, or is proposed to be sought.

Since Guo Group, which is currently holding 1,154,325,000 Shares representing 44.13% of the issued share capital of the Company, has indicated to the Board its intention that it would take up the Scrip Dividend Shares in the amount which would result in an increase of its shareholding of no more than 1.99% of the enlarged share capital of the Company immediately following the issue of the Scrip Dividend Shares, no obligations on the part of Guo Group to make a general offer for the Shares under Takeover Code would arise and hence no Whitewash Waiver application would be made to the Executive as stated in the Result Announcement dated 22 March 2013.

### Certificates for Scrip Dividend Shares

It is expected that certificates for the Scrip Dividend Shares will be posted by ordinary post on or before the seventh business day after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Scrip Dividend Shares are expected to commence on the second business day after the allotment and issue of the Scrip Dividend Shares.

### ELECTION FORM

**If you wish to receive your Special Dividend wholly in Scrip Dividend Shares, you do not need to take any action.**

**If you elect to receive your Special Dividend wholly in cash, or partly in cash and partly in Scrip Dividend Shares, you should use the enclosed election form.** If you sign the election form but do not specify the number of Shares in respect of which you wish to receive cash, or if you elect to receive cash in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive cash in respect of all the Shares of which you were then registered as the holder.

---

## LETTER FROM THE BOARD

---

The enclosed election form enables Shareholders to elect to receive their Special Dividend wholly or partly in cash.

The election form should be completed in accordance with the instruction printed on it and returned to the Registrar so as to be received no later than 4:30 p.m. on 21 June 2013 at:

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F, Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong

This circular and the election form do not constitute or form part of an offer or solicitation of any offer to buy securities of the Company, and the election form is non-transferable.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

---

## LETTER FROM THE BOARD

---

### GENERAL

Whether or not it is to your advantage to receive the Scrip Dividend Shares, in whole or in part, depends upon your own individual circumstances. The decision in this regard and all consequences resulting therefrom are the sole responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your own professional adviser. This applies particularly to members who are trustees, who are recommended to seek professional advice as to whether they have the power to make any relevant election and as to the effect of the election having regard to the terms of the relevant trust instrument.

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

Hong Kong, 5 June 2013

*As at the date of this circular, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Yang Zhong and, Ms. Xin Zhu; the non-executive director of the Company is Mr. Paul Steven Wolansky; and the independent non-executive directors of the Company are Mr. Ma Kwai Yuen, Mr. Song Xian Zhong, Mr. Tsui King Fai and Mr. Cheung Kwok Keung.*