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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)

**ISSUANCE OF US\$100,000,000 13.875% SENIOR NOTES DUE 2017
(TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$125,000,000
13.875% SENIOR NOTES DUE 2017 ISSUED ON 23 NOVEMBER 2012)**

Reference is made to the announcements of the Company dated 15 November 2012 and 21 January 2013.

The Board is pleased to announce that on 21 January 2013, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with BofA Merrill Lynch, Citi and UBS in connection with the issue of US\$100,000,000 13.875% senior notes due 2017 to be consolidated and form a single series with the Original Notes.

The estimated net proceeds of the New Notes Issue, after deduction of the underwriting discount and other estimated expense payable in connection with this offering, will amount to approximately US\$106,000,000 and the Company intends to use the net proceeds to primarily fund existing and new property projects and land acquisition and for general corporate purposes.

Application will be made to HKSE for the listing of, and permission to deal in, the New Notes by way of debt issues to professional investors only. Approval for the listing and quotation of the New Notes on HKSE is not to be taken as an indication of the merits of the Company, the New Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries (if any).

The issue of the New Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

THE NEW NOTES ISSUE

Reference is made to the Announcements of the Company dated 15 November 2012 and 21 January 2013. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcements.

The Board is pleased to announce that on 21 January 2013, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with BofA Merrill Lynch, Citi and UBS in connection with the issue of New Notes to be consolidated and form a single series with the Original Notes by the Company. The New Notes will have the same terms and conditions as the Original Notes, save for the issue date and the Issue Price.

Citi and UBS are the joint global coordinators, and BofA Merrill Lynch, Citi and UBS are the joint lead managers and joint bookrunners, in respect of the offer and sale of the New Notes. They are also the initial purchasers of the New Notes.

To the best knowledge of the Directors, after reasonable enquiry, each of BofA Merrill Lynch, Citi and UBS is independent of and not connected with the Company and its connected persons.

PRINCIPAL TERMS OF THE NOTES

New Notes to be Issued

Subject to certain conditions to completion, the Company will issue the New Notes in the aggregate principal amount of US\$100,000,000 which will mature on 23 November 2017, unless earlier redeemed pursuant to the terms thereof.

Issue Price

The Issue Price of the New Notes will be 106.668% of the principal amount of the New Notes, plus accrued interest from (and including) 23 November 2012 to (but excluding) 28 January 2013.

Issue Date

As at the date of this announcement, the New Notes are expected to be issued on 28 January 2013.

Interest

The New Notes will bear interest from (and including) 23 November 2012 at the rate of 13.875% per annum, payable semi-annually in arrears on 23 May and 23 November of each year.

Ranking of the Notes

The Notes are general obligations of the Company and are guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations described in the Indenture. The New Notes will be consolidated and form a single series with, and will rank *pari passu* with, the Original Notes. The Notes are (1) senior in right of payment to any future obligations of the Company expressly subordinated in right of payment to the Notes, (2) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), (3) effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor, and (4) effectively subordinated to all existing and future obligations of the subsidiaries of the Company that are not Subsidiary Guarantors.

USE OF THE PROCEEDS

The estimated net proceeds of the New Notes Issue, after deduction of the underwriting discount and other estimated expense payable in connection with this offering, will amount to approximately US\$106,000,000 and Company intends to use the proceeds of the New Notes to primarily fund existing and new property projects and land acquisition and for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and thus reallocate the use of proceeds.

LISTING

Application will be made to HKSE for the listing of, and permission to deal in, the New Notes by way of debt issues to professional investors only. Approval for the listing and quotation of the New Notes on HKSE are not to be taken as an indication of the merits of the Company, the New Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries (if any).

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Announcements”	announcements dated 15 November 2012 and 21 January 2013, respectively, in relation to issue of Original Notes and Proposed New Notes Issue
“Board”	the board of Directors
“BofA Merrill Lynch”	Merrill Lynch International, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the New Notes
“Citi”	Citigroup Global Markets Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the New Notes

“Company”	China Aoyuan Property Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the HKSE
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKSE”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	the indenture dated 23 November 2012 (as amended and supplemented by the supplemental indenture dated 9 January 2013 and as amended and supplemented from time to time), among the Company (as the issuer), the Subsidiary Guarantors (as guarantors) and DB Trustees (Hong Kong) Limited (as trustee) that specifies the terms of the Notes including the interest rate of the Notes and the maturity date
“Issue Price”	the final price at which the New Notes will be sold
“JV Subsidiary Guarantors”	certain of the Company’s future joint venture subsidiaries guaranteeing the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on HKSE
“New Notes”	the US\$100,000,000 13.875% senior notes due 2017 to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“New Notes Issue”	the proposed issue of the New Notes by the Company
“Notes”	the Original Notes and the New Notes
“Original Notes”	the 13.875% senior notes due 2017 issued by the Company on 23 November 2012 in an aggregate principal amount of US\$125,000,000
“Purchase Agreement”	the purchase agreement entered into by and among the Company, the Subsidiary Guarantors, BofA Merrill Lynch, Citi and UBS in relation to the New Notes Issue
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes

“Subsidiary Guarantors”	certain of the Company’s subsidiaries that guarantee the Notes
“UBS”	UBS AG, Hong Kong Branch, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the New Notes
“US\$” or “USD”	United States dollars
“U.S. Securities Act”	the United States Securities Act of 1933, as amended

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

Hong Kong, 22 January 2013

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