

SALES OVERVIEW

Aoyuan's contracted sales achieved contracted sales totaling approximately RMB19.32 billion in the first ten months of 2016, representing a y-o-y increase of approximately 73%. The Company has completed 115% of its full-year target. The contracted gross floor area (GFA) sold reached approximately 2,216,000 sq.m., representing a y-o-y increase of approximately 55%, with an average selling price of RMB8,720 per sq.m..

In October, the Company's contracted sales recorded approximately RMB2.50 billion, with contracted GFA sold amounting to approximately 310,000 sq.m., representing increases of approximately 66% and 56% y-o-y, respectively.

Contracted Sales in January to October 2016:

Project	Contracted Sales (RMB million)	Contracted GFA Sold (sq.m.)	Average Selling Price (RMB/sq.m.)
Zhuhai Aoyuan Plaza	1,587	79,500	19,966
Foshan Aoyuan Prime Palace	1,531	69,900	21,915
Foshan Aoyuan Central Parkview	1,342	136,600	9,825
Chengdu Chenghua Aoyuan Plaza	1,332	95,100	14,002
Chongqing Aoyuan Panlong Yihao	1,319	173,500	7,604
Guangzhou Aoyuan International Center	1,231	46,300	26,571
Guangzhou Luogang Aoyuan Plaza	911	64,200	14,197
Bengbu Aoyuan Hanlin Huafu	760	127,200	5,977
Nanhai Aoyuan	753	85,500	8,808
One30 Hyde Park Sydney	607	5,000	120,313
Others	7,947	1,333,200	5,961
Total	19,320	2,216,000	8,720

COMPANY NEWS

S&P Upgrades Aoyuan Rating Outlook to “Positive”

On 5 Oct, Aoyuan’s corporate credit rating outlook has been upgraded to “Positive” from “Stable” by S&P Global Ratings (“S&P”), a global leader in credit ratings, with its “B” corporate credit rating affirmed.

According to S&P, the upgrade reflects that Aoyuan’s credit profile will moderately improve while sales growth remains stable. It also reflects that Aoyuan will maintain a disciplined approach towards land acquisitions. Aoyuan has a larger operating scale in terms of sales than many of its similarly rated peers. In the first eight months of 2016, Aoyuan generated sales of RMB13.2 billion. Aoyuan is likely to control its spending on land acquisitions, and is not highly aggressive in its scale expansion. Aoyuan’s low-cost land reserves provide additional support for profitability and lower the need for aggressive land replenishment. At the same time, Aoyuan borrowing costs have continued to improve, and its liquidity is adequate. S&P may raise the rating if Aoyuan’s leverage ratio improves while the company maintains stable sales growth and margins.

Aoyuan management commented, “Since the beginning of this year, the credit rating outlook of Aoyuan has been upgraded to “Positive” by the three major international rating agencies, namely Moody’s, S&P and Fitch, demonstrating wide recognition of Aoyuan’s operational efficiency, profitability and business strategies by capital markets and general public.”

Aoyuan Acquires Quality Residential Project in Guangzhou at RMB650 million

On 24 Oct, Aoyuan successfully acquired a 100% equity interest in a quality residential project in Guangzhou at a total consideration of RMB650 million. The project has a total GFA of approximately 138,000 sq.m., representing an average land cost of approximately RMB4,700 per sq.m..

The project is well located at Zengcheng District, Guangzhou and is only a half hour’s drive away from Zhujiang New Town and Tianhe District of the city center in Guangzhou. Enjoying convenient transportation, the project is only 500 meters away from the Yongning exit of the Guangzhou-Huizhou expressway and right next to The Guangzhou East transportation hub currently being developed, which is the junction of Guangzhou metro Line #13 and #16, Guangzhou-Dongguan-Shenzhen City Rail, Guangzhou-Shenzhen and Guangzhou-Shanwei high-speed railway. The project is also in close proximity to other prominent communities with comprehensive auxiliary facilities including large-scale shopping centers, primary and secondary schools and hospitals.

Aoyuan remains positive about the long-term development of Guangzhou market. The acquisition will further replenish Aoyuan’s land bank in Guangzhou, creating synergy with the existing projects in Guangzhou as well as optimizing Aoyuan’s strategic layout in first-tier cities and the Pearl River Delta Region.

Aoyuan Issues 3-year RMB1.5 Billion 5.88% Non-public Domestic Corporate Bonds

On 14 Oct, a wholly-owned subsidiary Aoyuan has successfully issued RMB1.5 billion non-public domestic corporate bonds with a term of three years and a coupon rate of 5.88% per annum. The proceeds from the non-public corporate bonds issue are expected to be used for repayment of its existing debts and for replenishment of its general working capital.

Through the non-public domestic corporate bond issue, Aoyuan will not only lower its borrowing cost but also optimize its debt structure. Looking forward, Aoyuan will adhere to prudent financial management and diversify financing channels in onshore and offshore capital markets

COMPANY NEWS

Aoyuan makes donation to Lions Library in further promotion of “Dream Building” charity campaign

On 13 Oct, Aoyuan donated 10,000 books to six primary schools in mountainous areas of Shaoguan, Guangdong in collaboration with the charity organization Guangdong Lions Club. Representatives of the local educational department and schools expressed their gratitude to Aoyuan for the library, which resolves the long-standing basic educational resources scarcity, such as books.

This is part of the “Aoyuan Dream Building 2016” charity campaign. Aoyuan will continue to convey the brand principle of “building a healthy life” and perform its corporate social responsibility. Aoyuan is committed to exploring further how it can assist in the healthy development of youngsters. Aoyuan is initiating its staff and property owners to participate in this meaningful charity campaign.



LAND BANK

As of 30 June 2016, Aoyuan had 61 projects with a total land bank of 13.76m sqm. of GFA located in Pearl River Delta, Core region of Central and Western China, Yangtze River Delta, Beibuwan and Bohai Rim in China and Sydney of Australia. Of the total land bank, 5.35 million sq.m. were properties under development, 1.83 million sq.m. were completed properties and the remaining 6.59 million sq.m. were held for future development. The current reserve will be sufficient to meet Aoyuan’s development needs in over 5 years.

For details on the Aoyuan’s land bank, please click on the following link:
<http://www.aoyuan.com.cn/siteen/asp/ProjectSingle.aspx>

IR CONTACT

Mr. Jacky Chan
Vice President,
President of Australia Office,
Head of Corporate Finance &
Investor Relations

(852) 3622 2122
jackychan@aoyuan.net

Mr. Anthony Cheng
Financial Controller

(852) 2180 6981
anthonycheng@aoyuan.net

Dr. Emma Qi
Senior Manager,
Corporate Finance & Investor
Relations

(852) 2180 9566
emmaqi@aoyuan.net