

SALES OVERVIEW

In the first quarter of 2017, Aoyuan recorded contracted sales totaling approximately RMB6.06 billion, with contracted gross floor area (GFA) sold amounting to approximately 523,000 sq.m., representing y-o-y increases of 61% and 12%, respectively. Average selling price amounted to RMB11,580 per sq.m..

In March 2017, Aoyuan achieved contracted sales totaling approximately RMB2.27 billion, up 47% y-o-y. Contracted gross floor area (GFA) amounted to approximately 181,000 sq.m..

Contracted Sales in the first quarter of 2017:

Project	Contracted Sales (RMB million)	Contracted GFA Sold (sq.m.)	Average Selling Price (RMB/sq.m.)
Guangzhou Aoyuan International Center	1,026	72,100	14,232
Zhuhai Aoyuan Plaza	604	28,300	21,334
Chengdu Chenghua Aoyuan Plaza	536	39,000	13,745
Guangzhou Luogang Aoyuan Plaza	498	25,000	19,893
Foshan Aoyuan Central Parkview	389	21,500	18,807
Foshan Aoyuan Prime Palace	380	8,700	43,522
Guangzhou Aoyuan Kangwei Plaza	339	26,500	12,785
Chongqing Aoyuan Beyond Era	191	30,500	6,262
Aoyuan Shaoguan Lingnan Impression	181	31,300	5,794
Chongqing Aoyuan City Plaza	180	19,300	9,350
Others	1,735	221,000	7,850
Total	6,059	523,200	11,580

COMPANY NEWS

Aoyuan Announces 2016 Annual Results Contracted Sales Surges to RMB25.6 Billion Exceeds Full Year Target by 51%

On 12 Mar, Aoyuan announced its 2016 annual results. In 2016, the Company achieved total contracted sales of approximately RMB25.6 billion, representing a significant y-o-y increase of 69%, and exceeded its annual target by 51%.

Aoyuan achieved revenue of approximately RMB11.8 billion, representing a y-o-y increase of 24%. Gross profit margin remained at approximately 27.7%. Net profit excluding exchange loss increased by 25% y-o-y to approximately RMB1.48 billion. To celebrate the 10th year anniversary Aoyuan's listing on the Stock Exchange of Hong Kong and its robust sales performance, the Board of Directors recommended a final dividend of RMB9.7 cents per share and special dividend of RMB5.3 cents per share, respectively. Thus the total recommended dividend is RMB15.0 cents per share.



Aoyuan upholds a prudent financial management while proactively diversifying its onshore and offshore financing channels. As of 31 December 2016, the net gearing ratio was 50.7% and the cash collection ratio remained at a relatively industry-high level of 90%, generating positive operating cash flow. Benefiting from rapid sales growth, disciplined land acquisition and healthy financial profile, Aoyuan became the only PRC developer whose credit rating outlook was upgraded to "Positive" by the three major international rating agencies, namely Moody's, S&P and Fitch Ratings, in 2016, and Fitch Ratings further upgraded its long-term corporate credit rating to 'BB-' afterwards.

Moody's Upgrades Aoyuan Credit Rating to "B1" with "Stable" Outlook

On 29 Mar, Aoyuan announced that the Company's corporate credit rating has been upgraded to "B1" from "B2" by Moody's Investors Service ("Moody's"), international credit rating agencies, with a "stable" outlook. According to Moody's, the upgrade reflects Aoyuan's growing scale and improved geographic diversity. Moody's also expects Aoyuan's credit metrics will improve over the next 12 months. Meanwhile, the Company's B1 rating also reflects the strength of its management through previous down cycles, its adequate liquidity and access to offshore bank funding.

Aoyuan Chairman Increases Shareholding by 2% at HK\$2.4 per Share Demonstrates Confidence in Company's Future Prospects

On 16 Mar, Aoyuan announced that, Mr. Guo Zi Wen, the controlling shareholder and Chairman of Aoyuan, through his wholly-owned subsidiary Joy Pacific Group Limited, has entered into a sale and purchase agreement with Cathy Capital Group, the Company's second largest shareholder, through its wholly-owned subsidiary Cathay Sino Property Ltd. on 16 March 2017. Pursuant to the agreement, Chairman Guo agreed to acquire and Cathay Capital Group agreed to dispose a total of 53,431,563 shares in the Company (representing approximately 2% of the entire issued share capital of the Company), for a cash consideration of HK\$2.4 per share. Following the share purchases, Chairman Guo's shareholding in the Company increased to 54.11%.

Aoyuan management commented, "The increase of shareholding by Chairman Guo fully demonstrates his confidence in the Company's future prospects. Looking forward to 2017, Aoyuan will maintain its rapid growth momentum, while facilitating parallel development in domestic and overseas markets and internationalizing Aoyuan's brand. We are confident in achieving our 2017 sales target of RMB33.3 billion, and will deliver fruitful returns to our shareholders and investors."

COMPANY NEWS

Aoyuan Redeems US\$300 million 11.25% Senior Notes Due 2019

On 2 Mar, Aoyuan announced that the Company has redeemed an aggregate principal amount of US\$300 million 11.25% Senior Notes due 2019. The redemption was in accordance with the indenture constituting the Notes by way of the Company exercising its optional redemption right.

Aoyuan management commented: "Aoyuan has become the first Asian issuer to successfully complete a US\$250 million senior notes offering in early 2017, followed by securing a HK\$1.5 billion three-year club loan from six offshore banks. The proceeds raised is mainly used for the early redemption of the Notes as planned, which will allow the Company to reduce its interest expenditure, lower its borrowing costs and optimize its debt structure. Looking ahead, Aoyuan will continue to diversify its financing channels in onshore and offshore capital markets, so as to continuously enhance its financial strength while maintaining its rapid business growth."

Guangzhou Aoyuan International Center cum China Aoyuan Headquarter Building Tops out

On 18 Mar, topping-out ceremony was held for Guangzhou Aoyuan International Center cum China Aoyuan headquarter building. Chairman Guo Zi Wen, Chief Executive Officer Guo Zi Ning and Chief Operating Officer Ma Jun attended the ceremony.

The 50-storey Guangzhou Aoyuan International Center is 220 metres high. Aoyuan headquarter, the international five-star hotel Sheraton Hotel and a number of well-known international and domestic enterprises will be stationed in the Center. Being a Super Grade A office with the highest quality in the Wanbo CBD, Aoyuan International Center will become the most high-end landmark of the CBD.



Aoyuan Announces its First High-end Residential Project in Canada Replicating Successful Experience in Australia and Facilitating Parallel Development in Domestic and Overseas Markets

On 1 Mar, Aoyuan has acquired a 90% equity interest in a quality residential project in Vancouver, Canada for a total consideration of CAD30.6 million (equivalent to approximately RMB161 million). With a total GFA of approximately 5,600 sq.m., this project will offer approximately 60 high-end residential units and retail shops. The project is well located at the intersection of Granville Street and 7th Avenue in Vancouver West, only a bridge away from Vancouver CBD.

Aoyuan management commented, "Aoyuan will replicate its successful experience in Australia, and develop the Vancouver project by capitalizing on its localisation strategy for overseas development, so as to facilitate its parallel development in domestic and overseas markets, enabling the diversification of our revenue stream, asset portfolio and operation, thus delivering excellent returns to its shareholders and investors."

Aoyuan Acquires Quality Project in Beijing City Center for RMB658 million

On 23 Mar, Aoyuan has successfully acquired 100% equity interest of a quality commercial and residential project in Beijing for a total consideration of RMB658 million, with a total GFA of approximately 16,000 sq.m.. Aoyuan has successfully established its presence in Beijing, optimizing its land bank in Tier 1 and 2 cities.

The project is well located at the intersection of the two main roads in Beijing city center, South 2nd Ring and You'anmen Outer Street, with a linear distance of only 5km to Tian'anmen and Forbidden City. The project is conveniently located next to a transportation hub, Beijing South Railway Station, with numerous bus lines, Metro Line 4 and 14, Beijing-Shanghai and Beijing-Tianjin Express Rail Link, etc. It is served by various well-known schools such as Beijing No.15 Middle School and Capital Medical University. It is also in close proximity to parks such as Taoranting Park and Temple of Heaven, as well as large-scale shopping malls.

LAND BANK

As of 31 December 2016, Aoyuan had 74 projects with a total land bank of 14.65m 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 currently expands into Sydney of Australia, and Vancouver of Canada. Of the total land bank, 5.46 million sq.m. were properties under development, 1.91 million sq.m. were completed properties and the remaining 7.28 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>

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