

SALES OVERVIEW

Aoyuan recorded contracted sales totaling approximately RMB11.2 billion, with contracted gross floor area (GFA) sold amounting to approximately 1,051,700 sq.m., representing y-o-y increases of approximately 48% and 13%, respectively, in the first five months of 2017. Average selling price amounted to RMB10,650 per sq.m..

In May 2017, Aoyuan achieved contracted sales totaling approximately RMB2.63 billion, with contracted gross floor area (GFA) sold amounting to approximately 282,000 sq.m., representing y-o-y increases of 27% and 17%, respectively.

Contracted Sales in January to April of 2017:

Project	Contracted Sales (RMB million)	Contracted GFA Sold (sq.m.)	Average Selling Price (RMB/sq.m.)
Shenzhen Aoyuan Jade Bay	1,627	57,400	28,341
Guangzhou Aoyuan International Center	1,026	72,100	14,232
Zhuhai Aoyuan Plaza	686	31,800	21,573
Foshan Aoyuan Central Parkview	640	43,300	14,783
Chengdu Chenghua Aoyuan Plaza	555	40,200	13,781
Guangzhou Luogang Aoyuan Plaza	507	25,800	19,678
Aoyuan Shaoguan Lingnan Impression	457	79,700	5,743
Guangzhou Aoyuan Kangwei Plaza	377	29,100	12,951
Shenzhen Aoyuan Fenghui	356	14,500	24,497
Chongqing Aoyuan Beyond Era	340	51,100	6,653
Others	4,629	606,700	7,630
Total	11,200	1,051,700	10,650

COMPANY NEWS

Aoyuan Acquires Quality Project in Jingzhou, Hubei for RMB1.31 billion Successfully Taps Hubei Market and Enhances Strategic Layout in Core Region of Central and West China

On 15 May, Aoyuan announced the successful acquisition of a quality commercial and residential land parcel in Jingzhou, Hubei Province, for a total consideration of RMB1.31 billion through land auction. The project has a total GFA of approximately 354,000 sq.m., representing an average land cost of approximately RMB3,700 per sq.m.

Aoyuan management commented: "Located next to Wuhan on the west, Jingzhou is an important industrial base of the Central and South China and an important port in the midstream of Yangtze river. Jingzhou is also the birthplace of the Chu culture of the "Spring and Autumn" and "Warring States" periods and is a hub of the "Three-Kingdom" culture. With a history dating back over 2,700 years, it has rich tourism resources. In recent years, Jingzhou has been facilitating the transformation and upgrade of its economy to promote the development of its cultural tourism industry. In addition, with acceleration of the pace of urbanization, Shabei New District is the focus of Jingzhou's development plan with its rapidly growing population and housing demand. Tapping the Hubei market will further strengthen Aoyuan's strategic layout in the core region of Central and West China. Looking forward, Aoyuan will continue its diversified land acquisition strategy so as to enhance its sustainable and rapid business development, thus delivering excellent returns to its shareholders."

Aoyuan Named "Top 10 Most Financially Stable China Real Estate Companies Listed In Hong Kong"

On 18 May, the "2017 China Real Estate Listed Companies Research Results" press briefing was held in Beijing. It was jointly organized by three research authorities, the Development Research Center of the State Council, the Real Estate Research Institute of Tsinghua University and the China Index Academy. Aoyuan ranked 7th among "Top 10 Most Financially Stable China Real Estate Companies Listed In Hong Kong", ranked 5th among "2017 China Top 10 Hong Kong Listed Companies Based on Investment Value" and "2017 China Real Estate Listed Companies with Best Business Development", demonstrating Aoyuan's investment value and comprehensive strength are highly recognized by the market.



ABCI reiterates "BUY" rating on Aoyuan and raises target price to HK\$3.4

On 17 May, ABCI published a China Real Estate industry report with the topic "The Big Bay Area (Guangdong-Hong Kong-Macau Big Bay Area, 'BBA') Winners", rating Aoyuan as one of its top stock picks as Aoyuan will be a beneficiary of the BBA Plan with robust sales growth.

The report states that Guangdong province has always been Aoyuan's key focus, accounting for 45% of its landbank and 48% of its presales in 2016. Therefore, Aoyuan is in a better position than the national players to acquire quality sites through M&A or urban renewal sites in the region. Aoyuan has projects located in 7 of the 11 key cities in BBA. These projects would benefit from the government's initiatives to boost economic growth in BBA.

In addition, Aoyuan has solid overseas execution capabilities. Its overseas projects focus on local buyers which account for 75% of presales at present. With tightening policy in place in major tier first and second tier cities in China and a depreciating RMB, Chinese appetite for overseas property investment is set to increase.

Despite its rapid expansion pace, Aoyuan remains disciplined in borrowing and maintains a healthy cash flow. Factoring in the latest land acquisition and better-than-expected presales, ABCI reiterates its "BUY" rating and raises the target price to HK\$3.4.

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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