

SALES OVERVIEW

Aoyuan recorded contracted sales totaling approximately RMB21.71 billion, with contracted gross floor area (GFA) sold amounted to approximately 2,062,000 sq.m., representing y-o-y increases of approximately 65% and 29%, respectively, in the first eight months of 2017. The average selling price was RMB10,528 per sq.m..

In August 2017, Aoyuan achieved contracted sales totaling approximately RMB2.66 billion, with contracted GFA sold amounting to approximately 225,000 sq.m., representing y-o-y increases of 85% and 42%, respectively.

Contracted Sales in January to August of 2017:

Project	Contracted Sales (RMB million)	Contracted GFA Sold (sq.m.)	Average Selling Price (RMB/sq.m.)
Shenzhen Aoyuan SOHO	2,247	91,000	24,693
Shenzhen Aoyuan Jade Bay	2,135	74,000	28,838
Guangzhou Aoyuan International Center	1,026	72,100	14,232
Foshan Aoyuan The Prime Palace	966	69,500	13,907
Zhuhai Aoyuan Plaza	946	52,900	17,875
Foshan Aoyuan Central Parkview	847	62,600	13,523
Chengdu Chenghua Aoyuan Plaza	760	55,300	13,763
Guangzhou Aoyuan Lianfeng State	734	51,500	14,258
Aoyuan Shaoguan Lingnan Impression	700	120,400	5,814
Chongqing Aoyuan Beyond Era	669	95,300	7,021
Others	10,675	1,317,100	8,105
Total	21,706	2,061,700	10,528

COMPANY NEWS

Aoyuan Announces 2017 Interim Results Net Profit Increases 43% YoY to RMB858 Million

On 16 August, Aoyuan Announces 2017 Interim Results. The Company's revenue increased by 26% y-o-y to approximately RMB8.15 billion. Gross profit margin increased by 1.9p.p. to 26.9%. Net profit increased by 43% y-o-y to approximately RMB858 million, while net profit margin increased by 1.2p.p. to 10.5%.

In the first half of 2017, the Company maintained strong growth momentum. The contracted sales surged 57% y-o-y to approximately RMB16.52 billion, achieving approximately 50% of the full-year target of RMB33.3 billion. Contracted sales from the Guangdong-Hong Kong-Macau Big Bay Area ("the Big Bay Area"), such as Shenzhen, Guangzhou and Zhuhai, amounted to RMB9.93 billion, accounting for 60% of the total contracted sales. Aoyuan upholds a prudent financial management while diversifying its onshore and offshore financing channels. It has continued to lower its borrowing costs and optimize its debt structure. As of 30 June 2017, the net gearing ratio of the Company was 63% at reasonable levels on par with the industry. Total borrowing costs further decreased from 8.1% at the end of 2016 to 7.6%.



Looking forward into the second half of the year, we will further strengthen the balanced layout of cities and maintain its focus on the Tier 1 and 2 cities and the surrounding cities. We will optimize strategic layout in the Big Bay Area, and expand in the Yangtze River Delta and core region of Central and Western China, while facilitating parallel development in domestic and overseas markets to ensure strong growth, thus delivering fruitful returns to its shareholders and investors.

Aoyuan Issues US\$250 million 5.375% Senior Notes at Par Due 2022

On 6 Sep, Aoyuan successfully issued US\$250 million 5.375% Senior Notes at par due 2022.

The estimated net proceeds of the Notes (after deducting the underwriting commission and other expenses incurred in the Notes Issue) will amount to approximately US\$245.3 million. The Company intends to use the proceeds to refinance its existing offshore indebtedness. The joint lead managers and the joint bookrunners of the Notes Issue are (in alphabetical order) ABC International, AMTD, Bank of America Merrill Lynch, China Industrial Securities International, China Merchants Securities (HK), Deutsche Bank, Guotai Junan International, Haitong International, Morgan Stanley and UBS.

Aoyuan became the first Asian issuer to complete 6.35% senior notes at par earlier this year. The issuance of the Notes has once again been well received by the capital markets and was oversubscribed by 12 times. This is by far the lowest cost of US dollar-denominated senior notes issued by Aoyuan, which will help extend the Company's debt maturity and lower its borrowing cost. Since 2016, Aoyuan has been the only PRC developer with credit rating upgrades by all three major international rating agencies, namely Fitch (BB-), Moody's (B1), and Standard & Poor's (B+). The Company's onshore corporate rating has also been upgraded by United Credit Ratings (AA+). In September 2017, Aoyuan was successfully included in the List of Eligible Securities under Shenzhen-Hong Kong Stock Connect, further enhancing the liquidity and valuation of Aoyuan's shares and expanding its shareholder base. Both Aoyuan's bonds and shares have been actively traded, reaffirming the capital markets' confidence and recognition in Aoyuan's comprehensive strength. Aoyuan will continue its robust business growth while maintaining its prudent financial management and diversifying its onshore and offshore financing channels, so as to build a solid foundation for sustainable development.

COMPANY NEWS

Aoyuan Successfully qualified as Eligible Securities under Shenzhen-Hong Kong Stock Connect

According to the latest Index Review Results announced by Hang Seng Indexes Company Limited on 16 August, Aoyuan was successfully included in the List of Eligible Securities for Southbound Trading under Shenzhen-Hong Kong Stock Connect, which will be effective on 4 September. It indicates that qualified mainland China investors will be able to participate directly in the trading of Aoyuan's shares. The qualification as eligible securities for Southbound Trading will further enhance the liquidity of Aoyuan's shares, expand shareholder base and strengthen brand awareness, resulting in a reflection of Aoyuan's long-term corporate value.

Aoyuan Acquires Quality Project in Huizhou, Guangdong for RMB784 million

On 7 August, Aoyuan has successfully acquired 100% equity interest of a quality residential and commercial project in Huizhou, Guangdong Province, for a total consideration of RMB784 million. The project has a total GFA of approximately 356,000 sq.m., representing an average land cost of approximately RMB2,200 per sq.m.

The development of Guangdong-Hong Kong-Macau Big Bay Area has been raised to a national strategic level. With the ongoing development of the transportation network, the integration between the Big Bay Area cities is accelerating. A world-class metropolitan area with complementary industries and strong economic capabilities is underway. The Group has been developing projects in Pearl River Delta since establishment. This acquisition will not only create synergies with the Group's existing projects in Shenzhen, Dongguan and Huizhou, but will also further strengthen its strategic layout in the Big Bay Area.

LAND BANK

As of 30 June 2017, Aoyuan had 95 projects with a total land bank of 17.12m sqm. of GFA located in South China, core region of Central & Western China, East China and Bohai Rim, and currently expands into Sydney of Australia, and Vancouver of Canada. Of the total land bank, approximately 30% were properties under development, approximately 8% were completed properties and approximately 57% were held for future development. The current reserve will be sufficient to meet Aoyuan's development needs in next 3 to 4 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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