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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

HIGHLIGHTS

- The contracted sales in 2017 was approximately RMB45,590 million, representing a year-on-year increase of 78.1%. 'Compound Annual Growth Rate' from 2012 to 2017 was approximately 54.1%.
- The revenue was approximately RMB19,115 million, representing a year-on-year increase of 61.6%.
- Gross profit increased by 56.0% to approximately RMB5,111 million and gross profit margin was 26.7%.
- Net profit was approximately RMB1,952 million increased by 93.9% year-on-year, and net profit margin was 10.2%. Basic earnings per share were RMB61.35 cents.
- Core net profit (excluding non-recurring profits and loss items and their related tax expenses, comprising fair value gain on investment properties, net exchange gain/loss and loss on early redemptions of senior notes, etc) amounted to approximately RMB1,889 million, increased by 54.5% year-on-year.
- As at 31 December 2017, total bank balances and cash were approximately RMB26,540 million, and net gearing ratio was 51.0%.
- Recommended a final dividend of RMB25 cents per share.

The board of directors (the "Board") of China Aoyuan Property Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	NOTES	**2017** *RMB'000*	2016 *RMB'000*
Revenue	*3*	**19,115,255**	11,827,268
Cost of sales		**(14,003,778)**	(8,550,184)
Gross profit		**5,111,477**	3,277,084
Other income, gains and losses	*5*	**291,823**	(230,817)
Change in fair value of investment properties		**336,543**	309,527
(Loss) gain on disposal of subsidiaries		**(4,201)**	385
Selling and distribution expenses		**(926,166)**	(592,275)
Administrative expenses		**(799,638)**	(489,359)
Share of results of joint ventures		**(116,390)**	(32,137)
Share of results of associates		**3**	–
Finance costs	*6*	**(267,859)**	(157,419)
Profit before tax	*7*	**3,625,592**	2,084,989
Income tax expense	*8*	**(1,673,640)**	(1,078,381)
Profit for the year		**1,951,952**	1,006,608
Other comprehensive income (expense)			
Items that maybe reclassified to profit or loss			
Net fair value gain on available-for-sale investment, net of income tax		**19,062**	2,803
Gain on disposal of available-for-sale investment reclassified to profit and loss		**(21,865)**	–
Exchange differences on translating foreign operations		**6,593**	26,911
		3,790	29,714
Profit and total comprehensive income for the year		**1,955,742**	1,036,322
Profit for the year attributable to:			
– Owners of the Company		**1,639,928**	880,962
– Non-controlling interests		**312,024**	125,646
		1,951,952	1,006,608
Profit and total comprehensive income for the year attributable to:			
– Owners of the Company		**1,641,946**	902,664
– Non-controlling interests		**313,796**	133,658
		1,955,742	1,036,322
Earnings per share			
Basic *(RMB cents)*	*10*	**61.35**	32.30
Diluted *(RMB cents)*	*10*	**61.28**	32.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	NOTES	**2017** **RMB'000**	2016 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**718,995**	505,983
Prepaid lease payments		**80,735**	14,939
Investment properties		**6,360,204**	5,424,507
Goodwill		**28,755**	1,602
Intangible assets		**4,698**	2,956
Interests in joint ventures		**43,749**	163,790
Interests in associates		**170,003**	–
Available-for-sale investment		**–**	9,707
Deferred tax assets		**305,272**	183,279
Deposits paid for acquisitions of subsidiaries		**928,222**	130,000
Deposit paid for acquisition of a joint venture		**39,229**	–
Deposit paid for acquisition of property, plant and equipment		**278,367**	–
Amount due from a non-controlling shareholder of a subsidiary		**92,383**	–
Amount due from a joint venture		**152,029**	152,009
Trade and other receivables	*11*	**492,996**	–
		9,695,637	6,588,772
CURRENT ASSETS			
Properties for sale		**77,069,025**	43,486,574
Inventories		**138,227**	26,481
Trade and other receivables	*11*	**7,407,313**	3,604,457
Deposits paid for acquisition of land use rights and property projects		**1,114,490**	147,053
Amounts due from non-controlling shareholders of subsidiaries		**1,579,937**	364,823
Amounts due from related parties		**71,381**	98,206
Amounts due from joint ventures		**868,846**	386,350
Amounts due from associates		**73,525**	–
Financial assets designated as at fair value through profit or loss ("FVTPL")		**200,000**	–
Tax recoverable		**1,040,960**	616,404
Prepaid lease payments		**2,080**	435
Derivative financial instruments		**4,377**	142,402
Restricted bank deposits		**1,770,880**	485,578
Bank balances and cash		**24,769,183**	10,470,878
		116,110,224	59,829,641
CURRENT LIABILITIES			
Trade and other payables	*12*	**14,579,493**	6,794,500
Deposits received for sale of properties		**34,760,145**	20,523,884
Amounts due to non-controlling shareholders of subsidiaries		**609,591**	163,098
Amounts due to joint ventures		**227,332**	132,819
Amount due to an associate		**20**	–
Loans from non-controlling shareholders of the subsidiaries		**632,180**	–
Tax liabilities		**3,171,912**	2,592,685
Bank and other borrowings		**13,371,376**	2,997,390
Senior notes and bonds		**7,118,223**	1,508,498
Provisions		**1,102,882**	1,429,723
		75,573,154	36,142,597
NET CURRENT ASSETS		**40,537,070**	23,687,044
TOTAL ASSETS LESS CURRENT LIABILITIES		**50,232,707**	30,275,816

	NOTE	2017 RMB'000	2016 RMB'000
NON-CURRENT LIABILITIES			
Other payables	*12*	**1,042,259**	–
Bank and other borrowings		**14,422,940**	3,795,392
Loans from non-controlling shareholders of subsidiaries		**1,492,800**	1,187,400
Deferred tax liabilities		**691,196**	582,560
Senior notes and bonds		**5,457,222**	10,079,171
		23,106,417	15,644,523
NET ASSETS		**27,126,290**	14,631,293
CAPITAL AND RESERVES			
Share capital		**25,333**	25,292
Reserves		**10,129,703**	8,892,801
Equity attributable to owners of the Company		**10,155,036**	8,918,093
Non-controlling interests		**16,971,254**	5,713,200
		27,126,290	14,631,293

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK").

The Company acts as an investment holding company.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year.

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRSs	Annual Improvements to IFRSs Standards 2014 – 2016 Cycle

The application of the above amendments to IFRSs in the current year has had no material effect on the Group's financial performance and position for the current and prior years and/or disclosures set out in the consolidated financial statements.

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective.

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
IFRS 16	Leases[2]
IFRS 17	Insurance Contracts[4]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]
IFRIC 23	Uncertainty over Income Tax Treatments[2]
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts[1]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to IAS 28	As part of Annual Improvements to IFRS Standards 2014 – 2016 Cycle[1]
Amendments to IAS 40	Transfers of Investment Property[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015 – 2017 Cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2021

3. REVENUE

The Group is principally engaged in the property development and property investment in the People's Republic of China (the "PRC"). An analysis of the Group's revenue for the year is as follows:

	2017	2016
	RMB'000	*RMB'000*
Sale of properties	**17,960,391**	11,239,878
Rental income	**119,032**	73,013
Hotel, property management services income and sale of goods	**1,035,832**	514,377
	19,115,255	11,827,268

4. SEGMENT INFORMATION

Information regularly reported to the Group's chief executive officer (the chief operating decision maker) for the purposes of resource allocation and assessment of performance focuses on the type of operation. The Group's reportable and operating segments under IFRS 8 are as follows:

Property development – development and sale of properties
Property investment – lease of investment properties
Others – hotel operation, provision of property management services and sale of goods

No operating segments have been aggregated in arriving at the reportable segments of the Group.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Year ended 31 December 2017			
	Property development	**Property investment**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
External segment revenue	**17,960,391**	**119,032**	**1,035,832**	**19,115,255**
Segment profit	**3,117,062**	**325,864**	**384,784**	**3,827,710**
Other income, gains and losses				**291,823**
Loss on disposal of subsidiaries				**(4,201)**
Unallocated corporate expenses				**(105,494)**
Share of results of joint ventures				**(116,390)**
Share of results of associates				**3**
Finance costs				**(267,859)**
Profit before tax				**3,625,592**

	Year ended 31 December 2016			
	Property development *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
External segment revenue	11,239,878	73,013	514,377	11,827,268
Segment profit (loss)	2,303,043	354,999	(71,295)	2,586,747
Other income, gains and losses				(230,817)
Gain on disposal of a subsidiary				385
Unallocated corporate expenses				(81,770)
Share of results of joint ventures				(32,137)
Finance costs				(157,419)
Profit before tax				2,084,989

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit generated or loss incurred by each segment without allocation of central administration costs including directors' salaries, head office operating expenses, other income, gains and losses, finance costs, share of results of associates and joint ventures and (loss) gain on disposal of subsidiaries. This is the measure reported to the Group's chief executive officer for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	2017 *RMB'000*	2016 *RMB'000*
Property development	**89,105,766**	47,750,943
Property investment	**6,399,989**	5,459,173
Others	**699,561**	419,596
Total segment assets	**96,205,316**	53,629,712
Unallocated assets:		
Interests in joint ventures	**43,749**	163,790
Interests in associates	**170,003**	–
Available-for-sale ("AFS") investment	**–**	9,707
Deferred tax assets	**305,272**	183,279
Amounts due from joint ventures	**1,020,875**	538,359
Amounts due from associates	**73,525**	–
Tax recoverable	**1,040,960**	616,404
Financial assets designated as FVTPL	**200,000**	–
Derivative financial instruments	**4,377**	142,402
Restricted bank deposits	**1,770,880**	485,578
Bank balances and cash	**24,769,183**	10,470,878
Others	**201,721**	178,304
Consolidated assets	**125,805,861**	66,418,413

Segment liabilities

	2017	2016
	RMB'000	*RMB'000*
Property development	**53,868,630**	29,754,635
Property investment	**53,873**	73,383
Others	**296,847**	270,587
Total segment liabilities	**54,219,350**	30,098,605
Unallocated liabilities:		
Bank and other borrowings	**27,794,316**	6,792,782
Senior notes and bonds	**12,575,445**	11,587,669
Amounts due to joint ventures	**227,332**	132,819
Amount due to an associate	**20**	–
Tax liabilities	**3,171,912**	2,592,685
Deferred tax liabilities	**691,196**	582,560
Consolidated liabilities	**98,679,571**	51,787,120

For the purposes monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable and operating segments other than interests in associates and joint ventures, AFS investments, financial assets designated as FVTPL, deferred tax assets, amounts due from joint ventures and associates, tax recoverable, derivative financial instruments, restricted bank deposits, bank balances and cash and other assets not attributable to respective segment.

- all liabilities are allocated to reportable and operating segments other than amounts due to joint ventures and an associate, tax liabilities, bank and other borrowings, senior notes and bonds, deferred tax liabilities and other liabilities not attributable to respective segment.

Other segment information

	Year ended 31 December 2017				
	Property development	**Property investment**	**Others**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Amounts included in the measure of segment profit or loss or segment assets:					
Additions of property, plant and equipment	**43,966**	**–**	**50,495**	**29,931**	**124,392**
Additions of investment properties	**–**	**647,993**	**–**	**–**	**647,993**
Depreciation of property, plant and equipment	**26,736**	**–**	**21,492**	**5,100**	**53,328**
Amortisation of intangible assets (included in administrative expenses)	**–**	**–**	**656**	**–**	**656**
Release of prepaid lease payments	**–**	**–**	**478**	**–**	**478**
Loss on disposal of property, plant and equipment	**3,246**	**–**	**913**	**–**	**4,159**
Change in fair value of investment properties	**–**	**336,543**	**–**	**–**	**336,543**

	Year ended 31 December 2016				
	Property development *RMB'000*	Property investment *RMB'000*	Others *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Additions of property, plant and equipment	15,241	–	25,054	2,226	42,521
Additions of investment properties	–	660,707	–	–	660,707
Depreciation of property, plant and equipment	21,801	–	14,529	5,340	41,670
Amortisation of intangible assets	–	–	129	–	129
Release of prepaid lease payments	–	–	435	–	435
Loss on disposal of property, plant and equipment	737	–	42	323	1,102
Change in fair value of investment properties	–	309,527	–	–	309,527

Geographical information

The Group's operation and location of non-current assets are substantially in the PRC.

Information about major customers

There is no individual customer who contributed over 10% of the total revenue of the Group during the years ended 31 December 2017 and 2016.

5. OTHER INCOME, GAINS AND LOSSES

	2017 *RMB'000*	2016 *RMB'000*
Other income, gains and losses comprise of:		
Exchange gain (loss)	**407,402**	(472,358)
(Loss) gain on change in fair value of derivative financial instruments	**(78,484)**	142,402
Gain on disposal of AFS investment	**29,153**	11,919
Loss on early redemptions of senior notes	**(198,808)**	–
Bank interest income	**75,130**	54,458
Other interest income	**19,681**	4,313
Government subsidy	**2,894**	7,500
Others *(note)*	**34,855**	20,949
	291,823	(230,817)

Note: Others mainly include the forfeited deposits from customers.

6. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interest on:		
Bank and other borrowings	**1,024,337**	670,224
Loans from non-controlling shareholders of subsidiaries	**134,732**	111,856
Senior notes and bonds	**916,077**	942,256
Other payables	**25,105**	–
Others	**34,804**	47,103
Total borrowing costs	**2,135,055**	1,771,439
Less: amounts capitalised to properties under development for sale	**(1,848,773)**	(1,602,043)
amounts capitalised to investment properties under development	**(18,423)**	(11,977)
	267,859	157,419

Interest capitalised arose on the general borrowing pool of the Group was calculated by applying a capitalisation rate of approximately 6.52% (2016: 8.49%) per annum to expenditure on the qualifying assets.

7. PROFIT BEFORE TAX

	2017	2016
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging (crediting):		
Auditors' remuneration	**4,800**	4,380
Directors' emoluments	**12,734**	13,004
Staff salaries	**763,943**	402,028
Retirement benefit scheme contributions	**34,423**	21,664
Share-based payment	**1,100**	376
Total staff costs	**812,200**	437,072
Less: amounts capitalised to properties under development for sale	**(166,511)**	(86,404)
	645,689	350,668
Cost of inventories recognised as an expense	**13,857,771**	8,305,628
Release of prepaid lease payments	**479**	435
Depreciation of property, plant and equipment	**53,328**	41,670
Amortisation of intangible assets (included in administrative expense)	**656**	129
Loss on disposal of property, plant and equipment	**4,159**	1,102
Rental expenses in respect of rented premises under operating leases	**38,686**	34,087
Gross rental income in respect of investment properties	**(119,032)**	(73,013)
Less: direct operating expenses from investment properties that generated rental income during the year	**33,778**	21,406
	(85,254)	(51,607)

8. INCOME TAX EXPENSE

	2017 *RMB'000*	2016 *RMB'000*
Income tax expense recognised comprises of:		
Current tax:		
Enterprise Income Tax ("EIT")	**972,040**	515,117
Land Appreciation Tax ("LAT")	**727,997**	420,931
Other jurisdictions	**206**	–
	1,700,243	936,048
Deferred tax		
PRC	**(16,600)**	142,333
Other jurisdictions	**(10,003)**	–
Income tax expense for the year	**1,673,640**	1,078,381

Under the Law of the People's Republic of China on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Under the Provisional Regulations of the People's Republic of China on LAT (the "LAT Provisional Regulations") and Implementation Regulation of the LAT Provisional Regulations, the tax rate of the PRC subsidiaries is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group's income neither arises in, nor is derived from, Hong Kong.

Under Australian tax law, the tax rate used for the year is 30% (2016: 30%) on taxable profits on Australian incorporated entities. No tax provision has been made in the consolidated financial statements as there is no assessable profit arises in Australia for both years.

Under Canadian tax law, the tax rate used for the year is 26.5% (2016: N/A) on taxable profits on Canadian incorporated entities.

The income tax expense for the year can be reconciled to the profit before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2017 *RMB'000*	2016 *RMB'000*
Profit before tax	**3,625,592**	2,084,989
Tax charge at domestic tax rate of 25%	**906,398**	521,247
Tax effect of share of results of joint ventures and associates	**29,098**	8,034
Tax effect of expenses not deductible for tax purpose	**203,345**	162,284
Tax effect of income that are not taxable for tax purpose	**(170,062)**	(2,267)
Tax effect of tax losses not recognised	**113,471**	50,274
Utilisation of tax losses previously not recognised	**(10,211)**	(14,559)
LAT provision	**727,997**	420,931
Tax effect of LAT	**(181,999)**	(105,233)
Deferred tax effect of LAT on revaluation of investment properties	**57,944**	38,920
Effect of different tax rate of subsidiaries operating in other jurisdictions	**(2,341)**	(1,250)
Income tax expense for the year	**1,673,640**	1,078,381

9. DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Dividends, recognised as distribution during the year:		
2016 final – RMB9.7 cents (2016: 2015 final dividend RMB8.8 cents) per share	**259,143**	244,978
2016 special dividend – RMB5.3 cents (2016: Nil) per share	**141,593**	–
	400,736	244,978

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2017 of RMB25 cents per ordinary share, in an aggregate amount of approximately RMB669,768,000, taking into account the 2,679,071,354 ordinary shares in issue at the reporting date, have been proposed by the Board of Directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period have not been recognised as liabilities in these consolidated financial statements.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following datas:

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	**1,639,928**	880,962

	2017	2016
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,673,106**	2,727,595
Effect of dilutive potential ordinary shares – Share options	**3,086**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,676,192**	2,727,595

Those share options granted have no impact on the computation of diluted earnings per share for the year ended 31 December 2016, as the exercise price of the options was higher than the average market price of the Company's shares.

11. TRADE AND OTHER RECEIVABLES

	Notes	2017 RMB'000	2016 RMB'000
Trade receivables	*(a)*	**444,556**	244,018
Rental receivables	*(b)*	**36,878**	34,062
Other receivables		**3,723,496**	1,402,205
Security deposits		**479,992**	363,054
Advances to constructors and suppliers		**605,700**	213,637
Deposits paid for potential purchases of land use rights and property projects		**1,079,379**	536,171
Other tax prepayments		**1,530,308**	811,310
		7,900,309	3,604,457
Analysed for reputing purpose:			
Non-current assets		**492,996**	–
Current assets		**7,407,313**	3,604,457
		7,900,309	3,604,457

Notes:

(a) Considerations in respect of properties sold are paid by purchasers in accordance with the terms of the related sale and purchase agreements.

Management and services fee is received in accordance with the terms of the relevant property service agreements, normally within 30 days to 1 year after the issuance of demand note to the residents. Each customer from the property operation services has a designated credit limit.

The following is the aging analysis of trade receivables determined based on the date of the properties delivered and sales were recognised:

	2017 RMB'000	2016 RMB'000
0 to 60 days	**248,545**	126,437
61 to 180 days	**47,737**	18,302
181 to 365 days	**45,342**	22,969
1 to 2 years	**33,628**	34,533
2 to 3 years	**33,496**	19,659
Over 3 years	**35,808**	22,118
	444,556	244,018

Trade receivables mainly represent receivables amounting to RMB277,473,000 (2016: RMB171,392,000) from properties buyers and RMB167,083,000 (2016: RMB72,626,000) from customers for purchases of goods and tenants for property management services.

Payments terms with wholesale customer for purchases of goods are mainly on credit. The wholesale customers are allowed a credit period of 0 to 60 days from date of issuance of the invoices. There is no credit period granted for retail customers.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

As at 31 December 2017, there were receivables amounting to RMB102,932,000 (2016: RMB76,310,000) aged more than 1 year that were past due but not impaired. The management of the Company is of the opinion that no provision for impairment is necessary in respect of these receivables as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience.

(b) Rental receivables from tenants are payable on presentation of demand notes.

12. TRADE AND OTHER PAYABLES

	Note	2017 RMB'000	2016 RMB'000
Trade payables	(a)	**7,294,500**	4,568,181
Other payables		**2,771,313**	1,927,635
Project consideration payables		**3,070,260**	–
Acquisition consideration payables		**2,070,842**	218,000
Other taxes payables		**414,837**	80,684
		15,621,752	6,794,500
Analysed for reputing purpose:			
Non-current liabilities		**1,042,259**	–
Current liabilities		**14,579,493**	6,794,500
		15,621,752	6,794,500

(a) The following is an aging analysis of trade payables determined based on the invoice date:

	2017 RMB'000	2016 RMB'000
0 to 60 days	**3,215,299**	1,753,004
61 to 180 days	**1,502,680**	955,048
181 to 365 days	**1,709,756**	482,286
1 to 2 years	**440,636**	600,527
2 to 3 years	**122,311**	366,545
Over 3 years	**303,818**	410,771
	7,294,500	4,568,181

At 31 December 2017, the balance of trade payables with age over 1 year include retention money payable of RMB495,814,000 (2016: RMB492,312,000) to the sub-contractors of property development projects, which represents approximately 5% to 10% of the contract prices.

According to the construction contracts, the retention money is interest-free and would be paid to the sub-contractors in 1 to 3 years upon completion of development of the properties.

Trade payables principally comprise amounts outstanding for payments to sub-contractors of property development projects and purchases of construction materials. The average credit period for trade purchases is from 6 months to 1 year. The management closely monitors the payments of the payable to ensure that all payables are paid within the credit timeframe.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB25 cents (2016: final dividend of RMB9.7 cents and special dividend of 5.3 cents) per ordinary share ("Proposed Final Dividend") to shareholders of the Company for the year ended 31 December 2017. The Proposed Final Dividend will be paid to shareholders whose names appear on the Register of Members of the Company on Friday, 8 June 2018, of which the aggregate amounts of the Proposed Final Dividend is approximately RMB669,768,000, if the Proposal Final Dividend is approved by the shareholders of the Company at the forthcoming Annual General Meeting ("2018 AGM").

The Proposed Final Dividend shall be declared in RMB and paid in Hong Kong dollars. The Proposed Final Dividend payable in Hong Kong dollars will be converted from RMB at the average mean rate of RMB to Hong Kong dollars as announced by the People's Bank of China on Tuesday, 29 May 2018. The Proposed Final Dividend is expected to be paid on Friday, 13 July 2018.

ANNUAL GENERAL MEETING

The 2018 AGM will be held on Tuesday, 29 May 2018 and the notice of 2018 AGM will be published and despatched to the shareholders in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed during the following periods:

i) from Tuesday, 22 May 2018 to Tuesday, 29 May 2018, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2018 AGM which is scheduled on Tuesday, 29 May 2018, the Register of Members of the Company will be closed. In order to be eligible to attend and vote at the 2018 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 21 May 2018; and

ii) from Wednesday, 6 June 2018 to Friday, 8 June 2018, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the Proposed Dividends, the Register of Members of the Company will be closed. In order to establish entitlements to the Proposed Dividends, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 5 June 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

I. China Property Market

In 2017, the global economy has turned brightly on a gradual pace. The global economic growth and growth forecast were on the rise, in which the economic growth in developed economies keeps up its momentum, whilst growth in emerging markets and developing economies have showcased a significant recovery. China's economy has kept its stable momentum for a brighter growth and showcased a greater resilience.

In 2017, the real estate policy adheres to the keynote that "the property is used for housing rather than for speculation". Each region transformed from the traditional demand-side suppression to the supply-side increase. In the meantime, the convergence of short-term control and long-term mechanism becomes more closely, whilst vigorously nurturing and developing the housing rental market and deepening the development of pilot projects on shared property rights, improving the multi-level housing supply system and constructing a real estate system to develop house renting and purchasing simultaneously, a long-term mechanism was also established and improved. The market tends to be stable, the concentration of the real estate industry continued to rise, new changes took place in the enterprise development pattern, results of brand real estate enterprises hit a new high, their market share increased rapidly and the industry scale effect continued to be fermented.

II. Business Review of the Group

In 2017, The Group conformed to market change with the adoption of an active investment strategy and a flexible and tactful sales strategy, achieved good sales results, showing a strong and steady development momentum can be articulated.

As at 31 December 2017, the Group achieved total contracted sales of approximately RMB 45,590 million, representing a substantial increase of approximately 78.1% as compared with the year 2016. Contracted sales area for the year was approximately 4.49 million sq.m., representing a year-on-year increase of approximately 50.6%; average selling price was RMB10,158 per sq.m., representing a year-on-year increase of 18.2%. Guangdong – Hong Kong – Macau Big Bay Area generated an outstanding contracted sales performance of approximately RMB24,280 million, representing approximately 53% of the total contracted sales.

Details of contracted sales breakdown of the Group by major projects are as follows:

Project	**Contracted Sales** *(RMB million)*	**Contracted GFA Sold** *(sq.m.)*
Shenzhen Aoyuan Jade Bay	3,056	101,700
Shenzhen Aoyuan Fenghui	2,378	96,900
Guangzhou Aoyuan Lianfeng State	1,496	88,800
Zhuhai Aoyuan Plaza	1,485	79,200
Chengdu Chenghua Aoyuan Plaza	1,455	105,700
Foshan Aoyuan Peach City	1,278	104,400
Foshan Aoyuan The Prime Palace	1,266	81,400
Chongqing Aoyuan Beyond Era	1,200	159,400
Shaoguan Aoyuan	1,183	206,300
The Sydney projects	1,155	23,600
Nanning Aoyuan Yonghe Mansion	1,086	102,200
Others	28,552	3,337,900
Total	**45,590**	**4,487,500**

Continuing to leapfrog with overall strength and upgrade again

In March, the "2017 China Real Estate Top 100 Enterprises Research Release Conference cum the 14th China Real Estate 100 Entrepreneurs Summit" jointly organized by the Enterprise Institute of the Development Research Center of the State Council, Real Estate Research Institute of Tsinghua University, and China Index Research Institute was held in Beijing. With its outstanding operating results, sound financial position and ever-increasing corporate brand influence, Aoyuan Group ranked 28th, which was higher than that in 2016, among the "2017 China Top 100 Real Estate Developers".

In September, the "2017 China Real Estate Brand Value Research Release Conference cum 14th China Real Estate Brand Development Summit Forum" jointly organized by the Enterprise Institute of the Development Research Center of the State Council, Real Estate Research Institute of Tsinghua University, and China Index Research Institute was held in Beijing. Aoyuan Group ranked 17th, which was higher than that in 2016, among the "2017 Top 20 Brands of China Real Estate Companies" with a higher brand value of RMB7,265 million.

Echoing from north to south, cultural tourism "Industry+" model has begun to harvest

In 2017, Cultural Tourism Group successively joined forces with the two major projects of Xucun (Fuzili) town in Huangshan, Anhui Province, and SongJiang Garden Hotel in Shanghai to speed up the industrial layout in East China and promote them efficiently. In August, Aoyuan Yingde Xinhua town started in full swing. Aoyuan Cultural Tourism classic mold was marked with the core tea culture experience and Karst Geothermal Spa injecting into the Aoyuan Cultural Tourism DNA. Meanwhile, Aoyuan Cultural Tourism has become a strategic partner of Sheraton Marriott Hotel Group and Hilton Hotels Group. Among them, DoubleTree by Hilton Qingyuan Yingde Hot Spring Garden Hotel (清遠英德希爾頓逸林溫泉度假酒店) in Guangdong will start trial operation in December 2018 and Sheraton Guangzhou Aoyuan Hotel (廣州奧園喜來登酒店) will be officially opened in June 2019, the introduction of the two international five-star hotel brands laid a solid foundation for the international integration of Aoyuan Cultural Tourism.

Perfecting the layout of the "Regimen and Healthcare" and strategy starts to be effective

Aoyuan Healthy Life Group has three core businesses: business operations, property management and health industry. The influence and operating capability of Aoyuan Plaza operated by Aoyuan Commercial Management continued to increase. Wuhua Aoyuan Plaza, Shaoguan Aoyuan Cultural Tourism City, Jiangmen Aoyuan Plaza, and Chongqing Panlong Aoyuan Plaza were grandly opened. There are 8 projects in operation. Aoyuan Commercial Management has also achieved remarkable results in light asset output management. The rapid expansion of the projects has achieved fruitful results in Foshan, Huizhou, Tangshan, Huaihua and Bazhong. Aoyuan Property, with more than 100 projects under its management in 2017, was ranked 19th among the"2017 Top 100 Property Management Enterprises"and successfully obtained the first class qualification of the People's Republic of China property service company. Aoyuan Regimen and Healthcare relies on the community and business circle to implement the "Healthy China" national strategy and form a comprehensive large-scale health industry cluster that integrates community medical care, community care for the elderly, community medical care, online medical platform, and medical specialty tourism projects.

III. Land Bank

The acquisition of quality land is a prerequisite for the leapfrog development of the Company. The Group continues to apply a strategy of urban layout, opts for the appropriate regions for investment, consistently adheres the approach of combined development and intensive regional cultivation while aggressively expanding districts with greater commercial and residential demand but less market restrictions. In 2017, the Group acquired a total of 58 high quality commercial and residential projects. Newly added GFA available for development was approximately 12.86 million sq.m., with an average land cost RMB2,446 per sq.m..

As at 31 December 2017, the total land bank of the Group was approximately 24.87 million sq.m., with an average cost of approximately RMB2,131 per sq.m., among which 2.56 million sq.m. of properties were completed, 9.01 million sq.m. of properties were under construction and 13.30 million sq.m. were reserved for future development.

IV. Future Outlook

In 2018, China's economy will keep growing. At the end of last year, the Central Economic Work Conference concluded the keynote of "accelerating the establishment of a housing system with multi-agent supply, multi-channel protection and developing house renting and purchasing simultaneously, improving the long-term mechanism of promoting the steady and healthy development of the real estate market.

To establish a more stable foundation for the real estate market. For developers, on one hand, they should continue to grasp the incremental market space, cultivate key metropolitan areas and urban agglomerations, pay attention to the development of different cities, grasp the development rule of key and potential cities to expand their own scale; on the other hand, they follow the situation and persist in making rigid demand products. Meanwhile, they can provide long-term driving force for the sustainable development of the business by maintaining the sustainable and steady development of the enterprise and the reform and innovation of business models and service modes.

FINANCIAL REVIEW

Operating Results

The revenue is primarily generated from property development. In 2017, the Group's total revenue was RMB19,115 million, representing an increase of RMB7,288 million or 61.6% over RMB11,827 million in 2016. Property development revenue, other revenue such as hotel operation and property investment revenue accounted for 94.0%, 5.4% and 0.6% respectively.

In 2017, the Group's revenue generated from property development amounted to RMB17,960 million, representing an increase of RMB6,720 million or 59.8% over RMB11,240 million in 2016. The GFA of delivered properties increased by 50.9% to 2.43 million sq.m. from 1.61 million sq.m. in 2016, while the average selling price increased by 5.8% to approximately RMB7,397 per square meter from approximately RMB6,993 per square meter in 2016. This was mainly attributable to the average selling price of residential apartments has increased from approximately RMB5,721 per sq.m. in 2016 to approximately RMB6,224 per sq.m..

Breakdown of property development revenue in 2017 by product type:

Product	Sold and Delivered Revenue *(RMB million)*	Area *('000 sq.m.)*
Residential apartments	12,596	2,024
Commercial apartments	953	109
Retail shops and others	3,830	241
Low-density residential	581	54
Total	**17,960**	**2,428**

Gross Profit and Margin

In 2017, the gross profit of the Group was RMB5,111 million, representing an increase of 56.0% over RMB3,277 million in 2016, and the gross profit margin was 26.7% although the average selling price of property development recognized revenue increased to approximately RMB7,397 from approximately RMB6,993 per sq.m. in 2016, the gross profit margin was 26.7%, mainly due to the increase in property development cost and decrease in the proportion of revenue generated from sale of shops and commercial apartments.

Other Income, Gains and Losses

In 2017, the other income, gains and losses of the Group recorded RMB292 million net gain, which mainly included exchange gain of RMB407 million, interest income of RMB95 million, loss on early redemptions of senior notes of RMB199 million, loss on change in fair value of derivative financial instruments of RMB78 million, and other income of RMB67 million.

Selling and Distribution and Administrative Expenses

In 2017, total selling and distribution expenses of the Group were RMB926 million, representing an increase of 56.4% from RMB592 million in 2016, which was mainly attributable to the increase in overall sales, marketing and promotional activities owing to the increase in contracted sales amount during the year, caused by the increase in the number of pre-sales properties during the year. Total administrative expenses increased by 63.6% from RMB489 million in 2016 to RMB800 million.

Taxation

Income tax expense comprised of EIT, LAT and deferred taxation. The effective tax rate of 46.2% is higher than the standard PRC EIT rate of 25%, mainly attributable to LAT of RMB728 million.

Profit Attributable to Owners of the Company

In 2017, profit attributable to owners of the Company was RMB1,640 million, representing an increase of 86.2% over RMB881 million in 2016. Core net profit (excluding non-recurring profits and loss items and their related tax expenses, comprising fair value gain on investment properties, net exchange gain/loss and loss on early redemptions of senior notes, etc) for the year amounted to RMB1,889 million.

Financial Position

As at 31 December 2017, the Group's total assets amounted to approximately RMB125,806 million (as at 31 December 2016: RMB66,418 million) and total liabilities were approximately RMB98,680 million (as at 31 December 2016: RMB51,787 million).

Current ratio was 1.5 as at 31 December 2017 (as at 31 December 2016: 1.7).

Financial Resources and Liquidity

In 2017, the Group's sources of fund primarily included income generated from business operations, cash from bank and other borrowings and issuance of senior notes in US dollar and corporate bonds in RMB, which were used in our business operations and investment and development of projects.

The Group expects that income generated from business operations and borrowings will continue to be the main source of funds in the coming year. Therefore, the Group will continue to strengthen out cash flow management, improve the efficiency of capital returns of projects and strictly control the cost and various expenses. Besides, the Group will continue to explore the opportunities to cooperate with foreign and domestic investors, in order to provide other sources of funding for the expansion of projects and business development.

Cash Position

As at 31 December 2017, the Group had cash and bank deposits of approximately RMB24,769 million (as at 31 December 2016: RMB10,471 million). As at 31 December 2017, the Group had restricted bank deposits of approximately RMB1,771 million (as at 31 December 2016: RMB486 million) which were mainly reserved for obtaining bank loans.

As at 31 December 2017, cash, bank deposits and restricted bank deposits of the Group mentioned above totaled RMB26,540 million, of which 98.4% was denominated in Renminbi and 1.6% was denominated in other currencies (mainly in HK dollar, US dollar, Australian dollar and Canadian dollar).

In 2017, cash collection ratio (total sales proceeds received in 2017 divided by the annual contracted sales amount) for the Group's contracted sales was approximately 80%.

Borrowings, Senior Notes, Corporate Bonds and Net Gearing Ratio

Borrowings, Senior Notes and Corporate Bonds

As at 31 December 2017, the Group had bank and other borrowings of approximately RMB27,795 million (as at 31 December 2016: 6,793 million) and senior notes and corporate bonds of approximately RMB12,575 million (as at 31 December 2016: RMB11,588 million) as follows:

	31 December 2017 *RMB Million*	31 December 2016 *RMB Million*
Repayment period		
Repayment on demand	**2,325**	811
Within one year	**18,165**	3,695
More than one year, but not exceeding two years	**10,741**	6,634
More than two years, but not exceeding five years	**9,139**	7,230
More than five years	**–**	11
	40,370	18,381

The majority of borrowings of the Group are floating-rate borrowings, of which interest rates are subject to negotiation on annual basis, thus exposing the Group to fair value interest rate risk. As at 31 December 2017, the effective interest rate on borrowings, senior notes and corporate bonds was 7.2%, which was lower than 8.1% in 2016. The Group has implemented certain interest rate management policies which included, among others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

In January 2017, the Group successfully issued 3-year offshore senior notes of US$250 million for the Group's refinancing and general corporate purposes.

In September 2017, the Group successfully issued 5-year offshore senior notes of US$250 million for the Group's refinancing and general corporate purposes.

As at 31 December 2017, the Group had credit facilities of approximately RMB51,893 million (as at 31 December 2016: RMB27,051 million) for short-term and long-term borrowings, of which approximately RMB16,901 million (as at 31 December 2016: RMB13,250 million) were unutilized.

Net Gearing Ratio

Net gearing ratio is measured by the net borrowings (total amount of bank and other borrowings, senior notes and corporate bonds net of cash and cash equivalents and restricted bank deposits) over the total equity. As at 31 December 2017, the Group's net gearing ratio was 51.0%. The Group has implemented certain loan management policies, which mainly include close monitoring of the gearing ratio and any changes in net gearing ratio, and optimization of the bank credit structure when good pricing opportunities arise.

Contingent Liabilities

As at 31 December 2017, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities provided by banks to purchasers and banking facilities granted to joint ventures of the Group amounting to approximately RMB31,092 million (as at 31 December 2016: RMB21,584 million).

The Group acted as guarantor to the banks in respect of the mortgage bank loans granted to certain property purchasers of the Group's property and agreed to repay the outstanding mortgage loans upon the purchasers' default on the repayment of the outstanding mortgage loans and the loan interest accrual thereon. In the opinion of the director, the fair value of the financial guarantee contracts is not significant at the initial recognition and provision has not been made as the default rate is low.

The Group had provided guarantees in respect of banking facilities granted by banks to Zhuzhou Jinye, Zhuzhou Aoyuan and Degangjian. In the opinion of the directors, the fair value of guarantee contracts are insignificant at initial recognition. Also, no provision for the guarantee contracts at the end of the reporting period is recognised as the default risk is low.

Commitments

As at 31 December 2017, the Group had construction cost, land payments, acquisition of subsidiaries and a joint venture, and acquisition of property, plant and equipment contracted but not provided for of approximately RMB18,182 million (as at 31 December 2016: RMB11,227 million). The Group expects to fund these commitments principally from sale proceeds of properties and bank borrowings.

Foreign Currency Risks

Most of the Group's revenues and operating costs are denominated in Renminbi. Except for the bank deposits denominated in foreign currencies, senior notes denominated in US dollar and bank loans denominated in US dollars and HK dollars, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. During the year ended 31 December 2017, the Group has entered into certain foreign currency forward contracts to keep the net exposure of currency risk to an appropriate level. The management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of Assets

As at 31 December 2017, the Group pledged its properties for sales, plant and equipment, investment properties, prepaid lease payment and restricted bank deposit of approximately RMB16,546 million (as at 31 December 2016: RMB5,950 million) to various banks to secure project loans and general banking facilities granted to the Group.

Events After the Reporting Period

On 13 March 2018, the Company entered into a 3-year loan agreement, with Nanyang Commercial Bank, Limited, Hang Seng Bank Limited and China Minsheng Banking Corp., Ltd. Hong Kong Branch (collectively the "Lenders"), pursuant to which a banking facility relating to secured dual currency term loan facilities of approximately HKD1.6 billion was granted by the Lenders to the Company, with interest rate of HIBOR plus 3.95% and LIBOR plus 3.95% per annum for HK dollar facility and US dollar facility respectively.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2017, the Group had 7,211 employees (31 December 2016: 4,460 employees). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. Pursuant to relevant laws and regulations, the Group provides contributions to social insurance of the China and contribution to the Mandatory Provident Fund Scheme of Hong Kong for eligible employees. The Group also provides employees in China with medical insurance, individual work injury insurance, maternity insurance and unemployment insurance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Board confirm that the Company has maintained the public float as required by the Listing Rules as at the latest practicable date prior to the issue of this announcement.

AUDIT COMMITTEE

The audit committee of the Company, comprising Mr. Cheung Kwok Keung as chairman as well as Mr. Tsui King Fai and Mr. Hu Jiang as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2017.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

CORPORATE GOVERNANCE CODE

The Board periodically reviews the corporate governance practices of the Company to ensure that the practices continue to meet the requirements of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. The Company has applied the principles of the CG Code. For the year ended 31 December 2017, the Company has complied with the code provisions of the CG, except that:

Pursuant to code provision F.1.2, a board meeting should be held to discuss the appointment and dismissal of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. During the period from 1 January 2017 to 31 December 2017, the changes in company secretary arrangement on 18 January 2017 and 18 May 2017 have been approved by the Board by way of written resolutions respectively, through which all Directors have fully considered these proposals and have not raised any issue of concern that requires further discussion at the physical meeting. Nevertheless, the Board took the opportunity to review and re-confirm the company secretary arrangements at its meetings held on 10 March 2017 and 16 August 2017 respectively.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Model Code is sent to each director of the Company on his/her initial appointment and from time to time which is amended or restated.

Upon specific enquiry by the Company Secretaries of the Company, all directors of the Company have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2017.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aoyuan.com.cn). The annual report of the Company for the year ended 31 December 2017 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Ms. Zhong Ping and Mr. Ma Jun; and the independent non-executive directors of the Company are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Hu Jiang.

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

Hong Kong, 14 March 2018