

SALES OVERVIEW

Aoyuan recorded a 143% y-o-y increase in contracted sales to approximately RMB46.31 billion for the first seven months of 2018. The contracted gross floor area (GFA) sold amounted to approximately 4,418,000 sq.m., representing a 141% y-o-y increase. The average selling price was RMB10,482 per sq.m..

In July 2018, Aoyuan achieved contracted sales totaling approximately RMB6.02 billion, with contracted GFA sold amounting to approximately 480,000 sq.m., representing y-o-y increases of 138% and 75%, respectively.

Contracted Sales in January to July 2018:

Project	Contracted Sales (RMB million)	Contracted GFA Sold (sq.m.)	Average Selling Price (RMB/sq.m.)
Chengdu Chenghua Aoyuan Plaza	1,988	125,400	15,851
Shenzhen Aoyuan Jade Bay	1,882	58,600	32,097
Chengdu Aoyuan Parkview Mansion	1,223	84,100	14,542
Ningbo Aoyuan Scenery Bay	1,206	87,700	13,749
Guangzhou Aoyuan Glorious Mansion	1,111	58,400	19,018
Yangzhou Aoyuan Peach City	1,053	75,600	13,927
Guangzhou Aoyuan Lianfeng State	992	54,300	18,259
Bengbu Aoyuan Ginza	932	101,800	9,157
Nanning Aoyuan Xuefu	921	81,700	11,277
Dongguan Aoyuan Guanlan Glorious Mansion	890	41,200	21,596
Offshore Projects	1,459	30,200	48,338
Others	32,655	3,619,300	9,022
Total	46,312	4,418,300	10,482

COMPANY NEWS

Aoyuan Issues Positive Profit Alert for 2018 Interim Results Expects Core Net Profit to Increase by 50%

On July 25, Aoyuan announced positive profit alert. Based on preliminary review and analysis of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2018 and other information currently available, the Company is expected to record an increase of approximately 50% in the core net profit (excluding fair value gain on investment properties, loss on early redemptions of senior notes, net exchange difference and loss on change in fair value of derivative financial instruments) as compared to the same period of 2017. The increase was primarily attributable to the increase in the Company's total gross floor area delivered to buyers during the period from 1 January 2018 to 30 June 2018.

Aoyuan Further Issues US\$175 million 6.35% Senior Notes Due 2020 Received Overwhelming Response from Global Capital Markets with 4.3 Times Oversubscription

On July 26, Aoyuan, successfully further issued US\$175 million 6.35% senior notes due 2020. The estimated net proceeds of the new notes (after deducting the underwriting commission and other estimated expense payable in connection with this offering) will amount to approximately US\$170.7 million. The Company intends to use the proceeds to refinance its existing indebtedness and for general working capital. The joint lead managers and the joint bookrunners of the new notes are AMTD, China Industrial Securities International, China Merchants Securities (HK), Deutsche Bank, and OCBC Bank.

The further issuance of the USD senior notes was well received by the global capital markets and was oversubscribed by 4.3 times. Aoyuan has raised an aggregate of approximately HK\$7.9 billion offshore in 2018 through its successful issuance of US\$425 million three-year senior notes, an aggregate of HK\$3.2 billion three-year club loan and this further issuance, optimizing its short-term debt structure. Aoyuan will continue to maintain its prudent financial management and diversify its onshore and offshore financing channels, so as to build a solid foundation for its robust and sustainable growth.

Aoyuan Secures an Aggregate of HK\$3.2 Billion Three-year Offshore Club Loan

On July 11, Aoyuan has secured a three-year offshore club loan agreement of approximately HK\$3.2 billion in aggregate, with Nanyang Commercial Bank, Hang Seng Bank, Chiyu Banking Corporation, China Minsheng Banking Corporation Hong Kong Branch, Industrial and Commercial Bank of China (Asia), Wing Lung Bank, Industrial Bank Hong Kong Branch and Shanghai Pudong Development Bank Hong Kong Branch. The club loan will bear an interest rate of three-month HIBOR plus 3.95% per annum. The proceeds will be mainly used for refinancing the existing offshore debt.

LAND BANK

As of 31 December 2017, Aoyuan had 135 projects with a total land bank of 24.87m sqm. of GFA located in South China, core regions of Central & Western China, East China and Bohai Rim, and currently extending into Sydney, Australia, and Vancouver, Canada. Of the total land bank, approximately 36% were properties under development, approximately 10% were completed properties and approximately 53% were held for future development. The current reserve will be sufficient to meet Aoyuan's development needs in the next 3 to 4 years.

For details on the Aoyuan's strategic layout, please click on the following link:
<http://en.aoyuan.com.cn/e/about/about.aspx?strm=126012>

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