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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

HIGHLIGHTS

- The Group recorded unaudited contracted sales of RMB5.25 billion in 2012 with total sales area of approximately 835,800 sq.m. The Group achieved 105% of the full year contract sales target of RMB5.0 billion for the year ended 31 December 2012.
- The Group's recognized revenue for the year ended 31 December 2012 was RMB3,943.2 million representing a substantial increase of RMB921.0 million or 30.5% as compared to 2011. Gross profit increased by 45.1% to RMB1,186.5 million and gross profit margin also increased to 30.1% in 2012.
- Net profit of the Group for the year significantly increased to RMB932.6 million in 2012, representing an increase of 110.7% as compared with 2011. Basic earnings per share were RMB35.57 cents in 2012, representing an increase of 114.5% as compared to 2011.
- As of 31 December 2012, the Group had bank balances of RMB3,143.5 million. After the issuance of the 5 year US dollar senior notes in November 2012 the Group still maintained its low gearing with net gearing ratio of 25.6%. The Group further issued senior notes in January 2013.
- With successful land acquisitions in including Chongqing, Zhuzhou and Guangzhou in 2012, Aoyuan's land bank was increased to 9.96 million sq.m. GFA as of 31 December 2012 with average land cost of approximately RMB900 per sq.m..
- Recommended a final dividend of RMB5.2 cents per share and also a special dividend of HK$26 cents per share with an option to the shareholders to take cash or new shares or partly in cash and partly in new shares in respect of the special dividend.
- The Group constructed its first large-scale commercial complex for investment purpose in Panyu, Guangzhou — the Aoyuan Plaza, which is a large shopping mall and had its grand opening in December 2012, signifying the commencement of the Group's operation of commercial properties and the implementation of the "developing commercial and residential properties in parallel" strategy.

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 2012, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	2012 RMB'000	2011 RMB'000 (restated)
Revenue	4	**3,943,205**	3,022,154
Cost of sales		**(2,756,665)**	(2,204,571)
Gross profit		**1,186,540**	817,583
Other income and gains	5	**102,138**	270,638
Change in fair value of investment properties		**183,310**	151,864
Gain on disposal of a jointly controlled entity		**858,179**	–
Selling and distribution expenses		**(236,736)**	(159,988)
Administrative expenses		**(369,840)**	(252,831)
Impairment loss on property, plant and equipment		**(125,000)**	–
Finance costs	6	**(66,006)**	(26,037)
Share of result of a jointly controlled entity		**(7,404)**	(22,269)
Profit before taxation	7	**1,525,181**	778,960
Income tax expense	8	**(592,537)**	(336,300)
Profit and total comprehensive income for the year		**932,644**	442,660
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**930,272**	433,048
Non-controlling interests		**2,372**	9,612
		932,644	442,660
Earnings per share (cents)			
Basic	9	**35.57**	16.58
Diluted	9	**35.57**	16.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012

	Notes	**2012** **RMB'000**	2011 RMB'000 (restated)	2010 RMB'000 (restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**375,826**	491,730	448,417
Prepaid lease payments		**3,046**	3,115	6,102
Investment properties		**1,949,434**	1,382,701	1,099,339
Interest in a jointly controlled entity		–	506,934	599,169
Available-for-sale investment		**25,000**	22,370	–
Amount due from a jointly controlled entity		–	1,413,872	666,524
Deposits paid for acquisition of land use rights		**1,705,435**	–	–
Deposits to acquire equity interest in a company		–	86,000	–
Other property interests		–	–	86,952
Restricted bank deposits		–	–	140,000
Deferred taxation assets		**70,549**	85,381	44,373
		4,129,290	3,992,103	3,090,876
CURRENT ASSETS				
Properties for sale		**11,547,814**	8,335,980	5,523,986
Deposits paid for acquisition of land use rights		**1,116,940**	–	–
Trade and other receivables	*10*	**735,421**	611,425	622,190
Amounts due from non-controlling shareholders of subsidiaries		**32,904**	–	–
Amounts due from a jointly controlled entity		–	–	29,599
Income tax prepayment		**107,139**	148,802	92,828
Prepaid lease payments		**69**	2,987	6,275
Restricted bank deposits		**762,481**	2,945,946	1,495,978
Bank balances and cash		**2,380,983**	877,228	2,203,128
		16,683,751	12,922,368	9,973,984
Assets held for sales		–	–	85,840
		16,683,751	12,922,368	10,059,824

	Notes	2012 RMB'000	2011 RMB'000 (restated)	2010 RMB'000 (restated)
CURRENT LIABILITIES				
Trade and other payables	11	**2,298,530**	1,408,652	1,075,403
Sales deposits		**4,244,228**	3,288,802	1,614,396
Amounts due to non-controlling shareholders of subsidiaries		**156,174**	89,320	21,620
Taxation payable		**1,205,957**	1,116,644	997,538
Secured bank loans		**1,674,685**	2,615,832	1,359,629
Provision		**525,032**	–	–
		10,104,606	8,519,250	5,068,586
NET CURRENT ASSETS		**6,579,145**	4,403,118	4,991,238
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,708,435**	8,395,221	8,082,114
NON-CURRENT LIABILITES				
Secured bank loans		**2,497,952**	2,015,714	2,114,302
Amounts due to non-controlling shareholders of subsidiaries		**45,000**	–	–
Deferred taxation liabilities		**311,472**	150,730	109,424
Senior notes		**750,326**	–	–
		3,604,750	2,166,444	2,223,726
NET ASSETS		**7,103,685**	6,228,777	5,858,388
CAPITAL AND RESERVES				
Share capital		**25,015**	25,015	24,990
Reserves		**6,926,320**	6,134,167	5,782,415
Equity attributable to owners of the Company		**6,951,335**	6,159,182	5,807,405
Non-controlling interests		**152,350**	69,595	50,983
TOTAL EQUITY		**7,103,685**	6,228,777	5,858,388

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised IFRSs") issued by the International Accounting Standards Board ("IASB").

Amendments to IAS 12	Deferred tax: Recovery of Underlying Assets
Amendments to IFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to IAS 1	As part of the Annual Improvements to IFRSs 2009-2011 Cycle issued in 2012

Except as described below, the application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets

Under the amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets, investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to IAS 12, the directors reviewed the Group's and jointly controlled entity's investment property portfolios and concluded that the Group's and jointly controlled entity's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to IAS 12 is not rebutted.

As a result, the Group and jointly controlled entity recognised the deferred tax on changes in fair value of the Group's and jointly controlled entity's investment property portfolios in the PRC taking into account the land appreciation tax and enterprise income tax payable upon sales of those investment properties. Previously, the Group and jointly controlled entity recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use and hence only the enterprise income tax effects were taken into account.

Amendments to IAS 1 Presentation of Financial Statements (as part of the Annual Improvements to IFRSs 2009-2011 Cycle issued in June 2012)

Various amendments to IFRSs were issued in June 2012, the title of which is Annual Improvements to IFRSs (2009 – 2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to IAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

IAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to IAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to IAS 12 Deferred Tax: *Recovery of Underlying Assets* for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 January 2011. In accordance with the amendments to IAS 1, the Group has therefore presented a third statement of financial position as at 1 January 2011 without the related notes.

Summary of the effect of the above change in accounting policy

The effect of the change in accounting policy described above on the results for the current and prior years by line items are as follows:

	2012	2011
	RMB'000	*RMB'000*
Increase in share of result of a jointly controlled entity	**4,298**	5,389
Increase in income tax expense	**(49,248)**	(20,798)
Increase in gain on disposal of a jointly controlled entity	**91,019**	–
Net increase (decrease) in profit for the year	**46,069**	(15,409)

The effect of the above change in accounting policy on the financial positions of the Group as at the end of the immediately preceding financial year, 31 December 2011, is as follows:

	31.12.2011	Adjustments	31.12.2011
	RMB'000	*RMB'000*	*RMB'000*
	(originally stated)		(restated)
Interest in a jointly controlled entity	602,251	(95,317)	506,934
Deferred tax liabilities	(111,898)	(38,832)	(150,730)
Total effects on net assets	490,353	(134,149)	356,204
Retained profits, total effects on equity	1,651,131	(134,149)	1,516,982

The effect of the above change in accounting policy on the financial positions of the Group as at the beginning of the comparative period 1 January 2011, is as follows:

	1.1.2011 *RMB'000* (originally stated)	Adjustments *RMB'000*	1.1.2011 *RMB'000* (restated)
Interest in a jointly controlled entity	699,875	(100,706)	599,169
Deferred tax liabilities	(91,390)	(18,034)	(109,424)
Total effects on net assets	608,485	(118,740)	489,745
Retained profits, total effects on equity	1,304,427	(118,740)	1,185,687

Impact on basic earnings per share

	2012 ***RMB cents***	2011 *RMB cents*
Basic earnings per share before adjustments		
Adjustments arising from change in accounting policy (see note 2) in relation to:	**33.81**	17.17
– application of amendments to IAS 12 in respect of deferred taxes on investment properties	**1.76**	(0.59)
Reported basic earnings per share	**35.57**	16.58

Impact on diluted earnings per share

	2012 ***RMB cents***	2011 *RMB cents*
Diluted earnings per share before adjustments		
Adjustments arising from change in accounting policy (see note 2) in relation to:	**33.81**	17.15
– application of amendments to IAS 12 in respect of deferred taxes on investment properties	**1.76**	(0.59)
Reported diluted earnings per share	**35.57**	16.56

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle, except for the amendments IAS 1[1]
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[2]
IFRS 9	Financial Instruments[3]
IFRS 10	Consolidated Financial Statements[1]
IFRS 11	Joint Arrangement[1]
IFRS 12	Disclosure of Interests in Other Entities[1]
IFRS 13	Fair Value Measurement[1]
IAS 19 (as revised in 2011)	Employee Benefits[1]
IAS 27 (as revised in 2011)	Separate Financial Statements[1]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to IAS 1	Presentation of Item of Other Comprehensive Income[4]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[2]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 January 2014
[3] Effective for annual periods beginning on or after 1 January 2015
[4] Effective for annual periods beginning on or after 1 July 2012

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC-Int 12 *Consolidation – Special Purpose Entities*. IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 *Interests in Joint Venture*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-Int 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these five IFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied early at the same time.

The directors anticipate that the application of these five standards has no significant impact on amounts reported in the consolidated financial statements when the new standards are applied in the future accounting periods.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of net realisable value of properties under development for sale and completed properties for sale

Properties under development for sale and completed properties for sale are stated at the lower of the cost and net realisable value. Cost of each unit in each phase of development is determined using the weighted average cost method. The net realisable value is the estimated selling price less estimated selling expenses and estimated cost of completion (if any), which are estimated based on best available information. Where there is any decrease in the estimated selling price arising from any changes to the property market conditions in the PRC, there may be written down on the properties under development for sale and completed properties for sale. As at 31 December 2012, the carrying amount of properties under development and completed properties for sale amounted to approximately RMB11,547,814,000 (net of write-down of RMB33,951,000) (2011: carrying amount of RMB8,335,980,000, net of write-down of RMB4,715,000). In 2012, the increase in write-down of properties for sale was due to the construction cost increased.

Impairment of hotel assets included in property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed annually and adjusted for impairment in accordance with IAS 36 whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the assets is the higher of fair value less costs to sell and value in use. In assessing fair value less costs to sell, a combination of the market approach and depreciated replacement cost approach was adopted in assessing the land portion and the buildings structures of the hotel respectively, taking into account of discount for vacancy and cost to sell the hotel property.

Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalised their land appreciation tax calculations and payments with any local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Income taxes

As at 31 December 2012, a deferred tax asset of RMB35,892,000 (2011: RMB61,545,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB428,533,000 (2011: RMB38,097,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Provisions for land acquired

The provisions for land acquired have been determined by the directors based on their best estimates. The directors of the Company estimated this liability for land acquired based upon detailed calculations of the amount and timing of future cash flows spending on the properties development, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the costs expected to be required to settle the obligation. However, in so far as the effect on the land and properties development becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near term. The provision is reviewed regularly such that it properly reflects the present value of the obligation arising from the current and past properties development.

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, which is also the basis of organisation in the Group. The Group's reportable and operating segments under IFRS 8 are as follows:

Property development – developing and selling of properties in the PRC

Property investment – leasing of investment properties in the PRC

Others – hotel operation, provision of consulting services and management services

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

	Year ended 31 December 2012			
	Property development	**Property investment**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
External segment revenue	**3,865,079**	**31,211**	**46,915**	**3,943,205**
Segment results	**799,459**	**190,363**	**(188,405)**	**801,417**
Other income and gains				**102,138**
Unallocated corporate expenses				**(163,143)**
Finance costs				**(66,006)**
Share of result of a jointly controlled entity				**(7,404)**
Gain on disposal of a jointly controlled entity				**858,179**
Profit before taxation				**1,525,181**

	Year ended 31 December 2011 (restated)			
	Property development	Property investment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
External segment revenue	3,004,272	5,966	11,916	3,022,154
Segment results	583,652	145,972	(24,834)	704,790
Other income and gains				270,638
Unallocated corporate expenses				(148,162)
Finance costs				(26,037)
Share of result of a jointly controlled entity				(22,269)
Profit before taxation				778,960

Note: There is no inter-segment revenue in both years.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit earned or loss incurred by each segment without allocation of central administration costs including directors' salaries, head office operating expenses, bank interest and other income, finance costs, share of result of a jointly controlled entity and gain on disposal of a jointly controlled entity. This is the measure reported to Group's chief executive officer for the purposes of resource allocation and performance assessment.

5. OTHER INCOME AND GAINS

	2012	2011
	RMB'000	*RMB'000*
Other income and gains comprises of:		
Bank interest income	**75,622**	72,140
Interest income on amount due from a jointly controlled entity	**–**	65,880
Interest income on amount due from a venturer of a jointly controlled entity	**–**	1,885
Exchange gain	**–**	108,829
Reversal of accruals *(note a)*	**20,515**	–
Deposit forfeited *(note b)*	**–**	16,617
Others	**6,001**	5,287
	102,138	270,638

Notes:

(a) The accrual of construction costs outstanding over 3 years were not required to pay and reversed as income accordingly.

(b) In June 2011, a venturer of a jointly controlled entity and its associated company placed a deposit of RMB16,617,000 for potential acquisition of the Group's 52.69% equity interest in this jointly controlled entity. This transaction was not proceeded and this deposit had been forfeited.

6. FINANCE COSTS

	2012	2011
	RMB'000	*RMB'000*
Interest on bank loans wholly repayable within five years	**440,667**	333,706
Interest on bank loans not wholly repayable within five years	**28,458**	39,459
Interest on senior notes	**11,149**	–
Interest on amounts due to non-controlling shareholders of subsidiaries	**3,234**	–
	483,508	373,165
Less: Amount capitalised to properties under development for sale	**(417,502)**	(347,128)
	66,006	26,037

Interest capitalised arose on the general borrowing pool of the Group was calculated by applying a capitalisation rate of approximately 8.26% (2011: 8.89%) per annum to expenditure on the qualifying assets.

7. PROFIT BEFORE TAXATION

	2012	2011
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging (crediting):		
Staff salaries including directors' emoluments and share-based payment expenses	**236,750**	154,759
Retirement benefit scheme contributions	**10,224**	5,556
Total staff costs	**246,974**	160,315
Less: Amount capitalised to properties under development for sales	**(22,118)**	(19,874)
	224,856	140,441
Marketing promotion expenses	**119,962**	89,591
Release of prepaid lease payments	**2,987**	6,275
Auditor's remuneration	**3,000**	2,800
Depreciation of property, plant and equipment	**30,503**	30,850
Loss on disposal of property, plant and equipment	**1,870**	1,098
Exchange loss	**14,686**	–
Rental expenses in respect of rented premises under operating leases	**12,087**	3,573
Rental income in respect of investment properties under operating leases, less direct operating expenses from investment properties that generated rental income during the year of approximately RMB10,374,000 (2011: RMB1,544,000)	**(20,837)**	(4,422)
Share of income tax of a jointly controlled entity	**2,895**	(3,715)

8. INCOME TAX EXPENSE

	2012	2011
	RMB'000	*RMB'000*
		(restated)
Income tax expense recognised comprises of:		
Current tax		
Enterprise Income Tax in the PRC	**292,243**	188,345
Land appreciation tax	**143,398**	147,657
Deferred taxation	**156,896**	298
Income tax expense for the year	**592,537**	336,300

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

PRC land appreciation tax 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.

Under the EIT Law, withholding income tax is imposed on dividends relating to profits earned in year ended 31 December 2008 onwards to foreign investors for the companies established in the PRC. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB1,487,796,000 (2011: RMB975,351,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The Group has provided deferred taxation amounting to approximately RMB15,000,000 (2011: RMB10,000,000) related to the undistributed profit of PRC subsidiaries based on the Group's dividend plan.

No provision for taxation has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

9. EARNINGS PER SHARE

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

Earnings

	2012	2011
	RMB'000	*RMB'000*
		(restated)
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	**930,272**	433,048

Number of shares

	2012	2011
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,615,500**	2,612,771
Effect of dilutive potential ordinary shares:		
– Share options	**–**	2,438
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,615,500**	2,615,209

Note: The computation of diluted earnings per share for the year ended 31 December 2012 has not accounted for the effect of all share options granted because the exercise price of those options was higher than the average market price of the Company's shares.

The computation of diluted earnings per share for the year ended 31 December 2011 has not accounted for the effect of certain share options granted because the exercise price of those options was higher than the average market price of the Company's shares.

10. TRADE AND OTHER RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**19,425**	84,514
Accrued rental receivables	**25,009**	–
Other receivables	**312,143**	117,259
Advances to suppliers	**68,441**	182,437
Deposits paid to respective local governments for granting the rights to purchase land by auction	**115,000**	108,670
Other tax prepayments	**195,403**	118,545
	735,421	611,425

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

	2012	2011
	RMB'000	*RMB'000*
Age		
0 to 60 days	**7,694**	33,009
61 to 180 days	**9**	6,470
181 to 365 days	**1,036**	24,866
1 to 2 years	**4,836**	17,844
2 to 3 years	**5,287**	115
over 3 years	**563**	2,210
	19,425	84,514

11. TRADE AND OTHER PAYABLES

	2012	2011
	RMB'000	*RMB'000*
Trade payables	**1,863,564**	1,031,398
Other payables	**363,243**	331,799
Other taxes payable	**71,723**	45,455
	2,298,530	1,408,652

Trade payables principally comprise amounts outstanding for trade purchases and on-going cash expenses. The average credit period for trade purchases is from 6 months to 1 year. No interest is charged by the suppliers on the trade payables. The management closely monitors the payments of the payable to ensure that all payables are paid within the credit timeframe.

The following is an aged analysis of trade payables determined based on the invoice date:

	2012	2011
	RMB'000	*RMB'000*
Age:		
0 to 60 days	**948,494**	374,939
61 to 180 days	**493,574**	345,646
181 to 365 days	**125,238**	165,337
1 to 2 years	**180,065**	115,436
2 to 3 years	**112,760**	1,086
Over 3 years	**3,433**	28,954
	1,863,564	1,031,398

At 31 December 2012, the balance of trade payables with age over 1 year include retention money of approximately RMB153,054,000 (2011: RMB91,953,000) which relates to 5% to 10% of the contract prices.

According to the construction contracts, the retention money is interest-free, and would be paid to constructors after 1 to 3 years from the completion of construction.

Included in other payable is an interest-free balance of approximately RMB32,701,000 (2011: RMB138,546,000) payable to the former shareholder of a subsidiary acquired in 2011 and is expected to pay off in 2013. The remaining balances of other payable mainly represent deposits received, payable for staff payroll, staff welfare and operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2012, the Group recorded total contracted sales of approximately RMB5,251 million with total contracted sale areas of approximately 835,800 sq.m.

In 2012, sales of the Group were mainly contributed by the following projects: Shenyang Aoyuan • Convention Plaza, Shenyang Aoyuan • The Metropolis, Zhongshan Aoyuan, Aoyuan Health Plaza, and Chongqing Aoyuan • Jinyu.

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

Project	**Contracted Sales** *(RMB million)*	**Area** *('000 sq.m.)*
Shenyang Aoyuan • Convention Plaza	644	125,300
Shenyang Aoyuan • The Metropolis	643	120,600
Zhongshan Aoyuan	633	127,700
Aoyuan Health Plaza	630	40,300
Chongqing Aoyuan • Jinyu	561	80,200
Nansha Aoyuan	265	32,000
Kunshan Aoyuan	250	37,200
Zhongshan • Jinyu	217	33,800
Jiangmen Aoyuan	201	28,600
Yulin Aoyuan	187	48,000
Aoyuan • Hai Jing Cheng	158	19,300
Others	862	142,800
Total	5,251	835,800

Land Bank

In 2012, the Group leveraged on its solid financial conditions to complete successful investments and acquisitions, including eight parcels of premium commercial and residential lands in Chongqing, Hunan Zhuzhou, Guangdong Foshan and Guangzhou Panyu where market demand remained rigid and impacts by the macroeconomic control policies of the central government were less apparent. This added approximately 1,874,000 sq.m. of gross floor area ("GFA"). The newly acquired lands are all located in core district areas with sophisticated municipal facilities and convenient transportation. In particular, the Group acquired four projects in Zhuzhou in 2012 through acquisitions and auctions to mark its grand entry into central China market.

The Group adopts a strategy of maintaining quality land bank at low cost. On 31 December 2012, the Group had land bank with GFA of approximately 9,955,000 sq.m. at average cost of approximately RMB900 per sq.m GFA. The lands were mainly located in Guangdong, Shenyang, Hunan, Chongqing and Guangxi, among which 42.0% was located in Guangdong. The management believes that the existing abundant land bank can meet the needs of the Group's project development in the coming five to seven years.

Looking forward, we will continue to closely monitor market developments and stick to our strategy of focusing on land acquisition in areas with existing presence, such as Guangdong and Chongqing, where there is rigid demand and less prospect of being affected by the macroeconomic control policies of the central government. Meanwhile, the Group will also actively cooperate with the government to carry out the works on the "transformation of the three olds" in a bid to acquiring lands with development potential at a low cost, so as to provide quality land bank for the Group's development projects.

FINANCIAL REVIEW

Operating results

The revenue is primarily generated from two business segments: property development and other revenue such as hotel operation. In 2012, the Group's total revenue was RMB3,943.2 million, representing an increase of RMB921.0 million or 30.5% over RMB3,022.2 million in 2011. Property development revenue, other revenue such as hotel operation and property investment revenue accounted for 98.0%, 1.2% and 0.8% respectively.

In 2012, the Group's revenue generated from property development amounted to RMB3,865.1 million, representing an increase of RMB860.8 million or 28.7% over RMB3,004.3 million in 2011. The GFA of delivered properties increased by 57.0% to 486,931 sq.m. from 310,224 sq.m. in 2011, while the average selling price decreased by 18.0% to RMB7,938 per square meter from RMB9,684 per square meter in 2011. This was mainly attributable to a lower proportion of the revenue in 2012 of 51.1% was derived from a relative high average selling price of commercial projects and townhouses projects against 65.8% in 2011. For the year ended 31 December 2012, the Group's sales revenue derived from commercial properties accounted for 37.2% (2011: 36.1%) of total sales revenue generated from property development; sales revenue derived from townhouses has decreased to 13.9% from 29.7% in 2011. Overall, the revenue generated from property development of Shenyang Aoyuan • The Metropolis (residential and townhouses projects), Aoyuan • Hai Jing Cheng (commercial and residential projects) and Aoyuan Plaza (commercial projects) were the main source of property development revenue for the Group, with sales revenue amounting to RMB2,291.6 million in total. The revenue generated from property development attributable to Guangzhou, Shenyang, Zhongshan and other cities accounted for 48%, 26%, 14% and 12% respectively.

Breakdown of property development revenue in 2012 by product type:

Product	Revenue (RMB million)	Sold and Delivered Area ('000 sq.m.)
Apartments	1,889.0	319.3
Commercial properties	1,438.9	108.3
Townhouses	537.2	59.3
Total	3,865.1	486.9

Gross Profit and Margin

In 2012, the gross profit of the Group was RMB1,186.5 million, representing an increase of 45.1% over RMB817.6 million in 2011. Though the average selling price for the revenue recognised from property development decreased to RMB7,938 per square meter from RMB9,684 per square meter in 2011, the gross margin increased to 30.1%. The gross margin of the Group increased steadily was attributable to the success of the Group's stringent cost control and increased efforts in central procurement.

Gain on Disposal of a Jointly Controlled Entity

In 2012, the Group recorded gain on disposal of a jointly controlled entity amounted to RMB858.2 million, which was the gain from disposing Century Profit Zone Investments Limited (Beijing Project). There was no such gain and loss in 2011.

Selling and Administrative Expenses

In 2012, total selling and distribution expenses were RMB236.7 million, representing an increase of 47.9% from RMB160.0 million in 2011, which is attributable to the increase in the corresponding staff cost owing to the increased amounts in total contracted sales and delivery of properties. Total administrative expenses increased by 46.3% from RMB252.8 million in 2011 to RMB369.8 million, mainly due to the opening of the shopping mall of Aoyuan Plaza, the gradual increase of property management companies and the increase in the number of employees to expedite the development of the projects which were acquired 2011. In particular, the increase of employees' salaries by 64.3% from RMB98.6 million in 2011 to RMB162.0 million in 2012. The total number of employees was increased by 31.7% to 1,972 in 2012, as compared to 1,497 in 2011.

Taxation

Income tax expense comprised of PRC enterprise income tax, land appreciation tax and deferred taxation. The effective tax rate of 38.9% is higher than standard PRC enterprise income tax rate of 25%, primarily due to land appreciation tax of approximately RMB143.4 million.

Profit Attributable to Owners of the Company

In 2012, profit attributable to owners of the Company increased significantly to RMB930.3 million (2011: RMB433.0 million).

Financial Position

As at 31 December 2012, the Group's total assets amounted to RMB20,813.0 million (as at 31 December 2011: RMB16,914.5 million) and total liabilities were RMB13,709.4 million (as at 31 December 2011: RMB10,685.7 million).

Current ratio was 1.7 as at 31 December 2012 (as at 31 December 2011: 1.5).

Financial Resources and Liquidity

In 2012, the Group's sources of fund primarily included income generated from business operations, cash from bank borrowings, income from disposal of Beijing project and issuance of senior notes in US dollar, which were used in our business operations and investment in development projects.

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

Cash Position

As at 31 December 2012, the Group had cash and bank deposits of approximately RMB2,381.0 million (as at 31 December 2011: RMB877.2 million).

As at 31 December 2012, the Group had restricted bank deposits of approximately RMB762.5 million (as at 31 December 2011: RMB2,945.9 million). The restricted bank deposits were only for payments to construction contractors.

As at 31 December 2012, cash, bank deposits and restricted bank deposits of the Group mentioned above totaled RMB3,143.5 million, of which 66.2% was denominated in Renminbi and 33.8% was denominated in other currencies (mainly HK dollar).

Borrowings, Senior Notes and Net Gearing Ratio

Bank borrowings and Senior Notes

As at 31 December 2012, the Group had bank borrowings of approximately RMB4,172.6 million (as at 31 December 2011: RMB4,631.5 million) and senior notes of approximately RMB750.3 million (as at 31 December 2011: nil) as follows:

Repayment period	**31 December 2012** *RMB Million*	31 December 2011 *RMB Million*
Repayment period		
Within one year	**1,674.7**	2,615.8
More than one year, but not exceeding two years	**893.7**	1,077.5
More than two years, but not exceeding five years	**2,033.9**	516.0
More than five years	**320.6**	422.3
	4,922.9	4,631.6

The majority of bank 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. The effective interest rate on bank borrowings in 2012 was 9.5% per annum, which was slightly higher than 9.4% in 2011. The Group has implemented certain interest rate management policies which mainly included, among others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

In November 2012, the Group successfully issued offshore US$125,000,000 13.875% 5-year senior notes, to ensure the Group's cash flow is healthy and stable in the future.

As at 31 December 2012, the Group had banking facilities of approximately RMB7,408.0 million (as at 31 December 2011: RMB6,285.0 million) for short-term and long-term bank loans, of which approximately RMB503.0 million (as at 31 December 2011: RMB1,654.0 million) were unutilized.

Net gearing ratio

Net gearing ratio is measured by the net borrowings (total amount of bank borrowings and senior notes net of cash and cash equivalents and restricted bank deposits) over the equity attributable to owners of the Company. As at 31 December 2012, the Group's net gearing ratio was 25.6%. 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 2012, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities provided by banks to purchasers amounting to approximately RMB3,676.5 million (as at 31 December 2011: RMB2,841.3 million).

The contingent liabilities represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is liable to the repayment of outstanding mortgage principals together with accrued interest and penalty owed to the banks by defaulted purchasers, and the Group is entitled to take over the legal title and possession of the related properties. The amounts as at 31 December 2012 were to be discharged upon the earlier of: (i) issuance of the real estate ownership certificate; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

In 2007, a subsidiary of the Group (the "Subsidiary") entered into an agreement with two independent third parties (the "Vendors") for a potential acquisition of a company (the "Target"). However, this acquisition agreement was subsequently terminated by the Subsidiary because of the uncertainty about the validity of the Vendors' shareholding in the Target. The Vendors then claimed against the Subsidiary for compensation of approximately RMB61,096,000. The case is in legal proceeding. No provision has been provided for this case, however, because in the opinion of the executive directors of the Group and the Group's legal counsel, the likelihood that the subsidiary is required to pay the compensation is remote.

Commitments

As at 31 December 2012, the Group had construction cost contracted and land payments but not provided for of approximately RMB5,722.5 million (as at 31 December 2011: RMB3,503.5 million). The Group expects to fund these commitments principally from sale proceeds of the properties, bank borrowings and senior notes.

Foreign currency risks

Most of the Group's revenues and operating costs were denominated in Renminbi. Except for the bank deposits denominated in foreign currencies, senior notes denominated in US dollar and bank loans denominated in Hong Kong dollars, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements as at 31 December 2012.

Pledge of assets

As at 31 December 2012, the Group pledged its properties for sales, property, plant and equipment, investment properties and restricted bank deposit of approximately RMB3,299.8 million (as at 31 December 2011: RMB3,455.6 million) to various banks to secure project loans and general banking facilities granted to the Group.

Events after the reporting period

On 28 January 2013, the Company issued additional senior notes (the "New Notes") in an aggregate principal amount of US$100,000,000, 13.875% senior notes due 2017. The New Notes will be consolidated and form a single series with the senior notes issued in November 2012 ("the Notes"). The New Notes have the same terms and conditions as the Notes in all aspects except for issue date and issue price. Up to the date these consolidated financial statements were authorized for issuance, the net proceeds of approximately US$106.0 million (equivalent to RMB665.8 million) from the issuance of the New Notes have been received in full.

On 31 January 2013, the Group, an independent individual (the "Seller") and 廣州康威集團有限公司 (for identification purpose only, Guangzhou Kang Wei Group Company Limited, the "Kang Wei") entered into an agreement pursuant to which the Group agreed to inject RMB76,500,000 registered capital into Kang Wei and the Seller agreed to make an additional capital injection of RMB4,700,000 into Kang Wei. After the completion of these capital injections, the Group will have 51% shareholding and the Seller will have 49% shareholding in Kang Wei. Kang Wei is principally engaged in premises rental, estate development, properties investment and estate management and duly holds four pieces of land in Zengcheng, Guangzhou. The above transaction has not been completed up to the date these consolidated financial statements were authorized for issuance.

In February 2013, the Group purchased two pieces of residential and commercial land in Foshan, Guangdong Province and Chongqing, respectively, at two public auctions for a consideration value of RMB726,800,000 and RMB435,000,0000. The Group has paid deposits amounting to RMB91,360,000 and HK$77,000,000 (equivalent to RMB62,370,000), respectively for the two pieces of land. The above transaction has not been completed up to the date these consolidated financial statements were authorized for issuance.

EMPLOYEES AND REMUNERATION

As at 31 December 2012, the Group employed a total of 1,972 employees. In order to encourage and retain excellent staff, the Group has adopted a performance based rewarding system since September 2007 to motivate its staff and such system was reviewed on a regular basis. As at 31 December 2012, share options in respect of a total of 8,300,000 shares of the Company were granted to certain directors. In addition to a basic salary, year-end bonuses will be offered to those staff with outstanding performance. In accordance with the relevant national and local labour laws and regulations, the Group is required to pay employees social insurance and other insurance benefits. The Group believes the salaries and benefits that the employees receive are competitive in comparison with market rates.

CORPORATE GOVERNANCE

The Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance.

The Company has complied with most of the code provisions as set out in the CG Code.

Chairman and Chief Executive Officer

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals and have been clearly defined in writing.

The Chairman of the Board is Mr. Guo Zi Wen, and the Chief Executive Officer is Mr. Guo Zi Ning. With the support of the company secretary and the senior management, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings, and that all key and appropriate issues are discussed by the Board in a timely manner. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board's approval.

Code provision A.1.3

Code provision A.1.3 stipulates that at least 14 days' notice should be given for a regular Board meeting.

Certain Board meetings held during the year ended 31 December 2012 were convened with less than 14 days' notice. The Company adopted a flexible approach in convening Board meetings and ensuring that sufficient time and adequate information were given to directors for making informed decisions.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for shareholders.

Audit Committee

The Audit Committee was established in accordance with the requirements of the Listing Rules for the purposes of reviewing the financial statements and reports and consider any significant or unusual items raised by the internal auditor or external auditors before submission to the Board. Besides, the main duties of the Audit Committee are to review the adequacy and effectiveness of the Company's financial reporting system, internal control system, risk management system, associated procedures and make recommendation to the Board on any material issues in relation thereto. The Audit Committee is also responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors and considering any questions of resignation or dismissal of such auditors. The Audit Committee meets whenever deems necessary with the Company's external auditors to discuss the audit process and accounting issues. Their written terms of reference are in line with the Code provisions.

The Audit Committee comprises of four independent non-executive Directors namely Mr. Ma Kwai Yuen, Mr. Song Xian Zhong, Mr. Tsui King Fai and Mr. Cheung Kwok Keung. Mr. Ma Kwai Yuen is the chairman of the said committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

During the year under review, the Audit Committee reviewed the Group's annual results and annual report for the year ended 31 December 2012, the financial reporting and compliance procedures, the report of the internal auditor on the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors.

Nomination Committee

The Nomination Committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. The Nomination Committee is also responsible for reviewing the structure, size and composition of the Board on a regular basis and is required to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company and assesses the independence of the independent non-executive Directors. The Nomination Committee is comprised of Mr. Guo Zi Wen, Mr. Ma Kwai Yuen, Mr. Song Xian Zhong, Mr. Tsui King Fai and Mr. Cheung Kwok Keung. Mr. Guo Zi Wen is the chairman of the said committee.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. Their written terms of reference are in line with the Code provisions. The Remuneration Committee is comprised of Mr. Tsui King Fai, Mr. Ma Kwai Yuen and Mr. Cheung Kwok Keung. Mr. Tsui King Fai is the chairman of such committee.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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 as its own code of conduct regarding directors' dealings in the Company securities. Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2012.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors 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.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB5.2 cents per ordinary share to shareholders and a special dividend of HK$26 cents per ordinary share with the shareholders being given an option to elect to receive such proposed special dividend all in new shares or all in cash or partly in new shares and partly in cash (the "Scrip Dividend Scheme") of the Company for the year ended 31 December 2012. The proposed final dividend will be paid to shareholders whose names appear on the register of members of the Company on Friday, 24 May 2013, amounting to approximately RMB680.0 million, if the proposal is approved by the shareholders at the forthcoming Annual General Meeting ("2013 AGM") (2011: final dividend of RMB5.15 cents per share).

The Scrip Dividend Scheme is subject to (1) the approval of the proposed special dividend at the 2013 AGM; (2) the Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant thereto; and (3) the white wash waiver granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegate.

A circular giving full details of the Scrip Dividend Scheme together with the form of election will be sent out to the shareholders on or around 19 June 2013. It is expected the special dividend for the new shares or cash (as appropriate) will be dispatched to the shareholder on or around 19 July 2013.

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

For the year ended 31 December 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

i) from 11 May 2013 to 15 May 2013, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2013 AGM which is scheduled on 15 May 2013, the register of members of the Company will be closed. In order to be eligible to attend and vote at the 2013 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 10 May 2013; and

ii) from 22 May 2013 to 24 May 2013, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 21 May 2013.

ANNUAL GENERAL MEETING

The 2013 AGM will be held on 15 May 2013 and the Notice of 2013 AGM will be sent to the shareholders in the manner as required by the Listing Rules before the 2013 AGM.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation for the consistent confidence in and support for the Group from our shareholders, investors, business partners, customers and others who devote attention to the affairs of the Group. I would also like to thank our employees for their hard-working, admirable work ethic and professional performance during the year.

On behalf of the Board
China Aoyuan Property Group Limited
Guo Zi Wen
Chairman

Hong Kong, 22 March 2013

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Yang Zhong and Ms. Xin Zhu; (2) the non-executive directors namely Mr. Wu Jie Si and Mr. Paul Steven Wolansky; (3) the independent non-executive directors namely Mr. Ma Kwai Yuen, Mr. Song Xian Zhong , Mr. Tsui King Fai and Mr. Cheung Kwok Keung.