



Yuexiu Property Monthly Update

Issue 1 2014

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I. Operating Data (Unaudited)

Contracted Sales Value Reached RMB2.614 billion in January 2014
Yuexiu Property kicked off 2014 with 370% month-on-month sales growth

Yuexiu Property Company Limited (“Yuexiu Property” or the “Company”) (HKEx Stock Code: 00123) delivered strong sales performance during January 2014 with contracted sales value amounting to approximately RMB2.614 billion, representing month-on-month growth of 370% and year-on-year decrease of 9%. The corresponding contracted sales gross floor area (“GFA”) amounted to approximately 224,300 sq.m., representing month-on-month and year-on-year growth of 254% and 6%, respectively.

In January 2014, the aggregate value of contracted sales value and preliminary sales (formal sales contracts which are expected to be entered into soon) was approximately RMB3.426 billion and the GFA of contracted sales and preliminary sales totaled approximately 291,800 sq.m..

Various new projects launched by the Company during the fourth quarter of 2013 continued to be well-received by the market in the new year. The second phase of Guangzhou Lingnan Hillside in Luogang District of Guangzhou registered contracted sales value of approximately RMB490 million in January 2014, while Paradiso Lanting in Kunshan of Jiangsu Province recorded contracted sales value of approximately RMB440 million during the month. Launched in January 2014, Lingnan Woods in Luogang District of Guangzhou (previously known as Luogang Changling Road Land Parcel) also received overwhelming market responses.

Paradiso Lanting in Kunshan of Jiangsu Province Received Overwhelming Market Response



II. Other News

Yuexiu Property Ranked Among the “Top 30 Responsible Property Developers in PRC” for The Rating’s Third Year Running

Recently, Yuexiu Property was rated as one of the “Top 30 Responsible Property Developers in PRC” by the country’s Policy Research Centre of the Ministry of Housing and Urban-Rural Development for its outstanding performance as a corporate citizen. As a socially responsible property developer, Yuexiu Property regards fulfilling its social responsibility as a fundamental principle, and advocates low-carbon emission and green architectural concepts. It also participates actively in charitable activities.

Yuexiu Property Ranked Among “Top 30 Responsible Property Developers in PRC”



II. Other News

Yuexiu Property Acquired Commercial and Residential Land Parcel on Gudun Road in Yuhang District, Hangzhou City

***Another High Quality Land Acquisition in Yangtze River Delta
Business Scale Expanded through Innovative Land Acquisition Model***

On 22 January 2014, Yuexiu Property acquired a commercial and residential land parcel located on Gudun Road of Yuhang District in Hangzhou City on a joint bidding basis through its subsidiary and investment fund. Each will hold 10% and 90% equity interest of the project company respectively. The land parcel has a site area of approximately 57,257 sq.m. and a total gross floor area of approximately 182,298 sq.m.. The total land premium of the land parcel is approximately RMB 1.0 billion. Based on the total gross floor area, the average land cost amounted to approximately RMB5,489 per sq.m..

Near the downtown of Hangzhou, the land parcel is situated within the ring of Hangzhou City highway, and between Yuhang District and West Lake District. Lifestyle needs are also well-accommodated with nearby facilities including educational institutions, rivers and parks. The land parcel also enjoys a convenient transportation network as the nearby Gudun Road is the city's arterial road allowing easy access to the downtown. It is also located near the Xinyue Road Station of Metro Line 2, which is currently under construction and is expected to commence operations in 2018, and thus has the huge potential for appreciation.

The Company has adopted the innovative land acquisition model in cooperation with the investment fund used since the previous year, which allows the Company to achieve effective resource allocation and increase financial flexibility, to maintain a relatively low gearing ratio as well as to realize economies of scale.

III. Project Introduction

Guangzhou Lingnan Woods Received Overwhelming Market Response

Guangzhou Lingnan Woods (previously known as Luogang Changling Road Project) is located south of Changling Road in Luogang District of Guangzhou, Guangdong Province. The project will consist of 88 villas and 16 high-rise apartments with total GFA of approximately 450,000 sq.m.. Jointly developed by Yuexiu Property and Poly Real Estate, the project is the Group's latest property development in the Luogang District after Guangzhou Lingnan Hillside and Guangzhou Lingnan Villas, and it will strengthen the Group's brand presence in the region.

Bounded by hills on three sides, the location enjoys a natural setting. Lifestyle needs are also fully met by the nearby facilities including a commercial street, swimming pool, hospital and school. The project is conveniently located with the central business district of Zhujiang New Town only a 30-minute drive away. It is also near the Luogang Coach Terminal, Xiangxue Station on Guangzhou Metro Line No. 6, which is currently under construction, and the Changping Station on the Metro Line No. 21, which is under planning. The project site will be part of the Guangzhou municipal government's Changling International Ecological Residential Zone, and thus is expected to have great development prospects.

Lingnan Woods' first phase, consisting of townhouses of 200 sq.m to 230 sq.m. each, was launched in January 2014 and received overwhelming market response.

**Yuexiu Property Acquired
Another Land Parcel
in Hangzhou**
Below photos are Starry City
currently selling in Hangzhou



Lingnan Woods



Qingdao Starry Lanwan Will Be Launched Soon

Qingdao Starry Lanwan (formerly known as the Qingdao Licang Land) is located in the transportation and commercial hub of Licang District in Qingdao City of Shandong Province. It is situated at a prime location with pleasant scenery and convenient transportation, and has bright prospects and high potential. To the west of the project is the “Mother Bay of Qingdao City” - Jiaozhou Bay. The project enjoys a superior scenic view of the bay and fresh air. The project is also easily accessible by train at the Qingdao North Railway Station, and Qingdao Metro Lines No. 1, No. 3 and No. 8. Construction of Qingdao Metro Line No. 1 is in progress and is expected to be completed in 2014, while Metro Lines No. 3 and No. 8 are being planned. Meanwhile, as nearby large-scale urban complexes and commercial buildings for corporate headquarters are completed and as tenants are signing up for rental deals, the surrounding infrastructure will be enhanced.

As Yuexiu Property’s first project in Qingdao, Starry Lanwan will be a large coastal community with sea view in the Qingdao Licang district and will meet the standards of the quality properties of Yuexiu Property’s “Starry” series. The project aims at enhancing the quality of living environment of the district and facilitating Qingdao City’s urbanization. The project is expected to be launched in the first half of 2014.

IV. Latest Research Reports on Yuexiu Property

Date of Report	Broker
2014-01-30	DBS Vickers
2014-01-14	Citi
2014-01-06	BOCI
2013-12-12	Kim Eng
2013-12-06	Deutsche Bank
2013-11-25	Citi
2013-11-01	ICBC International
2013-09-16	DBS Vickers
2013-09-13	Standard Chartered
2013-08-23	ICBC International
2013-08-23	First Shanghai
2013-08-22	Standard Chartered
2013-08-22	Morgan Stanley
2013-08-22	BOCOM
2013-08-22	DBS Vickers
2013-08-22	Citi
2013-08-22	Kim Eng
2013-08-22	Mizuho
2013-08-22	Sunwah Kingsway
2013-08-21	CIMB
2013-08-21	Bank of America Merrill Lynch

Qingdao Starry Lanwan



Research Report on Yuexiu Property Issued by DBS Vickers

China / Hong Kong Company Focus
Yuexiu Property
 Research Report on Yuexiu Property
 DBS Group Research - Buy
 05 January 2014

BUY HK\$1.62 HKD 12.141

Watch out for margins

- 2013 completion on track and should release concerns over delivery slowdown
- Buy given margins and ability to disengage
- Cost FY13 & FY14 by 15%, each in line with lower gross margin assumptions
- ROE up underpinned by deleveraging and improving asset mix, with TP raised to HK\$1.15

Key metrics

Key Metric	2012	2013	2014E	2015E
Revenue	4,800	5,200	6,000	6,800
Profit	400	500	600	700
EPS	0.15	0.18	0.22	0.26

Key risks

- Margin compression
- Delivery delays
- Debt covenants

Key catalysts

- 2013 completion on track
- Margin improvement
- Debt covenants relaxation

DBS VICKERS SECURITIES

V. Recent Investor and Media Events

Event	Date	Location
Barclays China Property Day	2014-01-06	Hong Kong
HKIRA & HKEx Investor Relations Forum	2013-12-12	Hong Kong
<i>The Asset</i> "Corporate Governance Awards 2013" Award Ceremony	2013-12-10	Hong Kong
RHB OSK Securities Investor Luncheon	2013-12-10	Hong Kong
IR Magazine Greater China Investor Relations Forum	2013-12-05	Hong Kong
<i>The Hong Kong IFAPC</i> "Outstanding Listed Company Award" Award Ceremony	2013-11-28	Hong Kong
<i>Capital Weekly</i> "The Excellence of Listed Enterprise Award 2013" Award Ceremony	2013-11-18	Hong Kong
Morgan Stanley 12 th Annual Asia Pacific Summit	2013-11-14	Singapore
Citi China Investor Conference	2013-11-12	Macau
Bank of America Merrill Lynch China Conference	2013-11-07	Beijing
Standard Chartered Asia Pacific Emerging Corporate Conference	2013-10-28	Hong Kong
Daiwa Property and REIT Conference	2013-09-18	Hong Kong
Yuexiu Property 2013 Interim Results Roadshow	2013-09-17	Taiwan
Mizuho Securities Investment Conference	2013-09-09~10	Tokyo
Yuexiu Property "279 Prince Edward Road West" Project Groundbreaking Ceremony and Media Interview	2013-09-09	Hong Kong
Nomura China Investor Forum	2013-09-05	Shanghai

VI. Upcoming Investor and Media Events

Event	Date	Location
Yuexiu Property 2013 Annual Results Announcement	2014-03	Hong Kong
Yuexiu Property Post-2013 Annual Results Roadshow	2014-03	Singapore, Beijing, Shanghai, Hong Kong
5th Annual Borrowers & Investors Forum, North Asia	2014-03-06	Hong Kong

About Yuexiu Property

Yuexiu Property Company Limited (HKEx Stock Code: 00123) was listed in Hong Kong in 1992. The Company's main business is property development with its operations mainly concentrated in the Guangzhou area. Its business is gradually expanding to Pearl River Delta, and branching out to selective locations in the Yangtze River Delta, Bohai Rim Economic Zone and Central China. As of 30 June 2013, the Company's combined GFA of properties under development and undeveloped properties was approximately 14.45 million sq.m..

Disclaimer

The Company wishes to remind investors that the above operational statistics are based on the Group's internal records which are unaudited. Differences may arise between such statistics and the data disclosed in subsequent audited financial statements. Such statistics are provisional and for reference purposes only. Investors are cautioned not to rely unduly on such statistics.

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