

# Yuexiu Property Monthly Update

Issue 10 2013

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## I. Operating Data (Unaudited)

**Contracted Sales Value in October 2013 Grew 34% Year-on-Year**  
**Contracted Sales Value Reached RMB13.4 Billion During January to October**  
**Completed 92% of Upgraded Full-year Sales Target**

Yuexiu Property Company Limited (“Yuexiu Property” or the “Company”) delivered robust sales performance during October 2013 with contracted sales value amounting to approximately RMB860 million, representing year-on-year growth of 34%. The corresponding contracted sales gross floor area (“GFA”) amounted to approximately 81,900 sq.m., representing year-on-year increase of 25%.

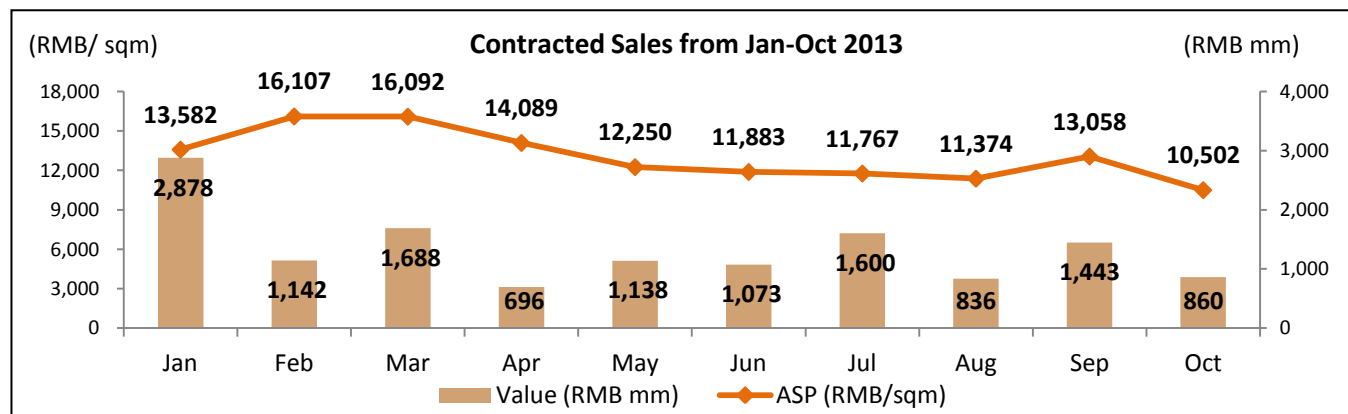
During January to October 2013, aggregate contracted sales value of the Company rose 15% year-on-year to approximately RMB13.356 billion, representing approximately 92% of the upgraded full-year sales target of RMB14.5 billion. Aggregated contracted sales GFA grew 6% year-on-year to approximately 1,022,300 sq.m., accounting for approximately 86% of the upgraded full-year target of 1,190,000 sq.m.. The average selling price increased during January to October 2013 to approximately RMB13,065 per sq.m., representing growth of 7.9% compared to the corresponding period in 2012.

The aggregate value of contracted sales and preliminary sales (formal sales contracts which are expected to be entered into soon) for the period from January to October 2013 was approximately RMB14.486 billion and the aggregate GFA of contracted sales and preliminary sales totaled approximately 1,099,900 sq.m..

**Yuexiu Property Hosted Guangzhou IFC Nation-wide Ascent Challenge**  
**(Please see details on P.2)**



**Mr. Zhang Zhaoxing, Chairman of Yuexiu Group and Yuexiu Property presented the award to the top three winners of the men’s category in the public teams.**



## II. Other News

### Guangzhou IFC Hosted the World's Highest Building Ascent Challenge

On 3 November, Yuexiu Property Company Limited and Yuexiu Real Estate Investment Trust announced the conclusion of the first Guangzhou International Finance Center ("Guangzhou IFC") Nation-wide Ascent Challenge. The Ascent Challenge attracted contestants from different countries and different parts of China to compete. The public team race was the most competitive, and the winner of the men's race, Li Zicheng from Qingdao climbed the 103-storey Guangzhou IFC at an impressive time record of 13 minutes and 54 seconds. Meanwhile, Gan Xue from Beijing won the stair-climbing race in the women's category by completing the ascent of the 103 storeys of the building in 16 minutes and 47 seconds.

The competition started at the building's office tower lobby on the first floor. As the world's tallest stair climbing race, Guangzhou IFC Ascent Challenge surpasses those of the United States' Empire State Building, Taipei's 101 Tower and Hong Kong's International Commerce Centre (ICC). Through the Ascent Challenge, Yuexiu Property hopes to encourage contestants and citizens alike to make personal breakthroughs and to promote green living and healthy lifestyles. The Company plans to establish the Guangzhou IFC Ascent Challenge as an annual sporting event.

### Yuexiu Property Acquired Residential Land Parcel in Luogang District, Guangzhou City

On 31 October, Yuexiu Property acquired a land parcel located in the Yunpu Industrial Zone of Luogang District in Guangzhou City on a joint bidding basis through its indirect 95.48% owned subsidiary, Guangzhou Hongjing Property Development Co. Ltd. and investment fund Guangzhou Yuexiu Renda No. 5 Business Investment Enterprise. Each will hold 10% and 90% equity interest of the project company respectively. The land parcel has a site area of approximately 189,520 sq.m. and a total gross floor area of approximately 666,422 sq.m.. The total land premium of the land parcel is RMB4.35 billion. Based on the total gross floor area, the average land cost amounted to approximately RMB6,500 per sq.m..

The Company continues to adopt the innovative land acquisition model in cooperation with the investment fund, which allows the Company to achieve effective resource allocation to maintain a relatively low gearing ratio as well as to realize economies of scale. As of 31 October 2013, the Company's total landbank amounted to approximately 16.38 million sq.m..

### Guangzhou Fortune Center Officially Commences Worldwide Tenant Solicitation

On 23 October, Yuexiu Property announced that its Guangzhou Fortune Center, a grade-A office building of international standards, commences soliciting tenants globally. Its leasing office and a floor of model units are opened, targeting leading enterprises from around the world.

Located at the central business district of Zhujiang New Town and positioned as a grade-A office building of international standards, Guangzhou Fortune Center is a 309.4-meter tall and 68-storey structure. It is built on a site of 10,837 sq.m., and has gross floor area of 211,181 sq.m., of which 159,689 sq.m. is office space. The building was topped out in June 2013, and will be fully completed in June 2015.

Guangzhou Fortune Center is another masterpiece by Yuexiu Property following its Guangzhou International Finance Center. The architecture, design and service management are customized to the needs of international businesses. The office building will project an image of international commerce to attract tenants of grade-A office space.

**Mr. Li Zicheng from Qingdao won the men's public team race with an impressive time of 13 minutes 54 seconds.**



**Contestants warming up for the race.**



**Guangzhou Fortune Center**





### III. Project Introduction

#### Guangzhou Ling Nan Woods

Guangzhou Ling Nan 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 Ling Nan Hillside and Guangzhou Ling Nan Villas, and it will strengthen the Group's brand presence in the region. The project's first phase will consist of townhouses of 200 sq.m to 230 sq.m. each. Show flats have been unveiled recently, and the units will be available for sale at an opportune moment.

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.

### IV. Latest Research Reports on Yuexiu Property

Date of Report	Broker
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
2013-08-02	BOCOM
2013-07-29	Bank of America Merrill Lynch
2013-07-23	Core Pacific Yamaichi

#### Guangzhou Ling Nan Woods



#### Research Report on Yuexiu Property Issued by DBS Vickers

China / Hong Kong Company Focus  
**Yuexiu Property**

Monday, 18 September 2013  
DBS Group Research, Equity

**BUY HK\$2.22 via US\$12**

**Needs to pace land banking**

- Aggressive land banking, supported by parent
- Returning to high-stated sites
- Asset turn continues to improve, target 2013 and 2015 targets
- BCY on underlying valuations, with 17% discount at HK\$2.00

**Valuation case for Sunwah Kingway**

The company will continue to benefit from rapid APN in Guangzhou (GZ) and Nanhai, with a base scenario of 10-15% APN in 2013. Management expects steady growth for the value of 15% next period. The Sunwah Kingway is a special dividend opportunity in White Phase, get much more value than the other 22 White Phase projects. The target of the Sunwah Kingway will be given as early as 2014.

**Market Risk**

The stock price is currently trading at a 10% discount to our base scenario. 15% APN and 7.5% of GZ APN are assumed. A dividend of 0.75 HKD will be paid in the next period. The company will be able to acquire the Sunwah Kingway in the next period.

**DBS Research**

Analyst: [Name]  
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Tel: [Number]  
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E-mail: [Email]

**DBS VICKERS**

## V. Recent Investor and Media Events

Event	Date	Location
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
Guangzhou Fortune World Plaza Media Tour and Management Interview	2013-08-29	Guangzhou
Yuexiu Property 2013 Interim Results Roadshow	2013-08-22~09-03	Hong Kong, Singapore, Beijing, Shanghai
Yuexiu Property 2013 Interim Results – Europe and US Investor Conference Call	2013-08-22	Hong Kong
Yuexiu Property 2013 Interim Results Announcement	2013-08-21	Hong Kong

## VI. Upcoming Investor and Media Events

Event	Date	Location
Nomura Investment Forum	2013-12-03	Tokyo
Morgan Stanley 12th Annual Asia Pacific Summit	2013-11-14	Singapore
Citi China Investor Conference	2013-11-12	Macau

### 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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