



Yuexiu Property Monthly Update

Issue 8 2014

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I. Operating Data (Unaudited)

**Aggregate Contracted Sales Value Grew 20% Year-on-Year to RMB13.301 billion from January to August 2014
Accomplished 60% of Full Year Target**

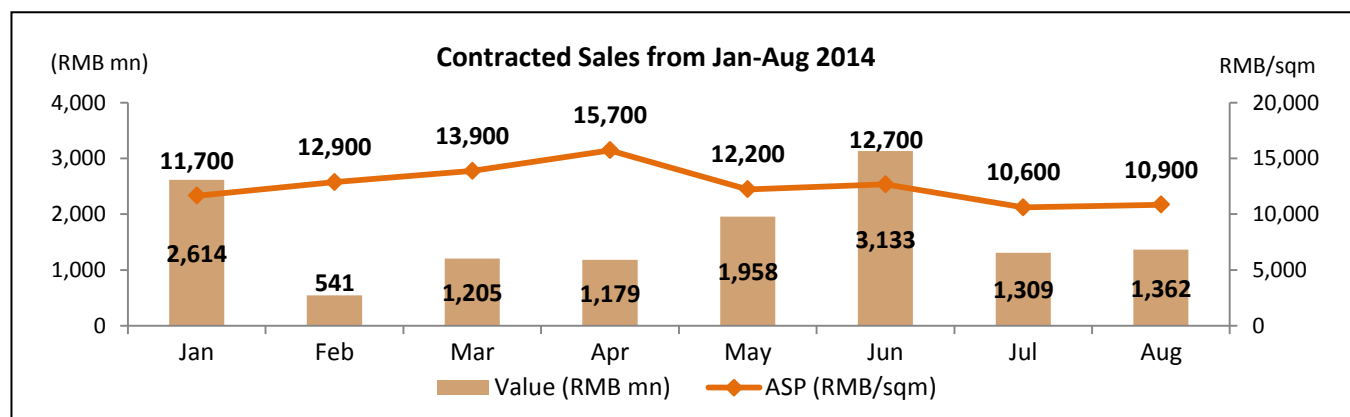
For the month of August 2014, **Yuexiu Property Company Limited** (“Yuexiu Property” or the “Company”) (HKEx Stock Code: 00123) registered contracted sales (“contracted sales” include contracted sales by joint venture projects) value of approximately RMB1.362 billion with contracted sales gross floor area (“GFA”) amounted to approximately 125,500 sq.m., representing year-on-year increases of 63% and 71%, and month-on-month increases of 4% and 1%, respectively.

For January to August 2014, the aggregate contracted sales value amounted to approximately RMB13.301 billion, representing a year-on-year growth of 20%. The corresponding contracted sales GFA amounted to 1,084,800 sq.m., representing a year-on-year increase of 31%. The aggregate contracted sales value accounted for approximately 60% of the 2014 sales target of RMB22 billion. According to the Company’s project launch schedule for 2014, the contracted sales performance for the period from January to August 2014 was in line with the expectation of the management.

Yuexiu Property Announced 2014 Interim Results



(Please refer to page 2 for more details)



II. Other News

Yuexiu Property Proposes Raising HK\$3.846 billion by Way of Rights Issue Enhances Financial Flexibility and Further Strengthens Financial Position Proactively Identifying Quality Land Reserves and Preparing to Grasp Future Growth Opportunities

Yuexiu Property announced on September 3 that it proposed issuing rights shares at a subscription price of HK\$1.25 per Rights Share, on the basis of 33 Rights Shares for every 100 existing shares held by qualifying shareholders, to raise approximately HK\$3.846 billion to reinforce its financial strength and enhance its overall financial flexibility.

The announced proposed rights issue plan has received investors' support. International credit rating agency Moody's Investors Service published a report commenting that Yuexiu Property's proposed rights issue is "credit positive" as it will improve the Company's capital structure and reduce its reliance on debt-funded growth. The rights issue will also strengthen the Company's liquidity profile and provide it with financial flexibility for future business expansion.

Overall, the Company's financial position remained healthy and solid. Net proceeds from the Rights Issue is expected to further improve the Company's net gearing ratio, cash position and availability of working capital, which will further solidify the Company's healthy financial position, setting the stage for future expansion.

Following the strategy of "Home Base in Guangzhou and Strategic Expansion Nationwide" and "Returning to First- and Second-Tier Cities", the Company is strategically well-positioned to capture investment opportunities which are believed to emerge in the second half of this year or early next year, especially on the Company's home turf, Guangzhou and the Pearl River Delta region. In addition, the Company will closely identify market opportunities to acquire and replenish land reserves in domestic and overseas markets, in an effort to strike a balance between safeguarding its investment grade ratings and promoting its sustainable development, in order to create greater returns to the shareholders.

Yuexiu Property Announces 2014 Interim Results Operating Results Achieved Stable Growth Contracted Sales Rose Amidst the Market Downturn

Yuexiu Property Company Limited and its subsidiaries (collectively "Yuexiu Property") announced on August 27 its interim results for the six months ended 30 June 2014. In the first half of 2014, the Company realized revenue of approximately RMB6.326 billion, representing a year-on-year increase of 4.4%. Gross profit margin rose to 34.4% from 28.9% for the full year of 2013. Core net profit (excluding fair value gains on revaluation of investment properties and foreign exchange loss/gain) grew 10.5% year-on-year to approximately RMB992 million. Core net profit margin was 15.7%. During the first half of the year, the average funding cost was approximately 5.2%, a decrease of 0.4 percentage point from 2013. The Company's overall financial position remained healthy.

As at the end of June 2014, Yuexiu Property had properties sold but not yet recognized of approximately RMB17.236 billion, of which approximately RMB7.385 billion is expected to be recognized in the second half of 2014, ensuring steady growth of operational indicators.

The Board has resolved to declare an interim dividend of HK\$0.049 per share for 2014.

Yuexiu Property Held 2014 Interim Results Announcement Presentation



Yuexiu Property Named 2014 China's Outstanding Property Developer by Economic Digest

Yuexiu Property was named 2014 China's Outstanding Property Developer by Economic Digest. The award once again indicates the capital market's recognition of the Company and enhances the Company's brand profile.

In the "2014 China's Outstanding Property Developers" which was organized by Economic Digest, property developers were judged according to their performance in five major aspects, namely profitability, project execution ability, management ability, brand image, and corporate social responsibility. Yuexiu Property Company Limited was named one of "2014 China's Outstanding Property Developers" for the sixth consecutive year.

III. Latest Research Reports on Yuexiu Property

Date of Report	Broker
2014-08-28	BOCOM
2014-08-28	BOCI
2014-08-28	Morgan Stanley
2014-08-28	DBS Vickers
2014-08-28	Mizuho
2014-08-28	Kim Eng
2014-08-27	Citi
2014-07-23	Kim Eng
2014-07-21	Citi
2014-07-08	Morgan Stanley
2014-07-08	DBS Vickers
2014-06-26	Citi
2014-05-20	Deutsche Bank
2014-03-25	Daiwa
2014-03-24	Citi
2014-03-24	BOCOM
2014-03-24	CIMB
2014-03-24	Morgan Stanley
2014-03-24	Mizuho
2014-03-24	DBS Vickers
2014-03-24	BOCI
2014-03-22	First Shanghai
2014-03-22	Standard Chartered
2014-03-06	Daiwa

Yuexiu Property Named 2014 China's Outstanding Property Developer



Research Report on Yuexiu Property Issued by Mizuho Securities



IV. Recent Investor and Media Events

Event	Date	Location
Yuexiu Property Rights Issue Investor Conference Call	2014-09-04	Hong Kong
Yuexiu Property 2014 Interim Results Roadshow	2014-08~09	Hong Kong, Singapore
Yuexiu Property 2014 Interim Results Announcement	2014-08-27	Hong Kong
Economic Digest - 2014 China's Outstanding Property Developer Award Ceremony	2014-08-22	Hong Kong
Credit Suisse China Property Corporate Day	2014-06-30	Singapore
Citi Asia Pacific Property Conference	2014-06-26	Hong Kong
JP Morgan Global China Summit	2014-06-10	Beijing
DB Access Asia Conference	2014-05-19	Singapore
Barclays Asia Financial and Property Conference	2014-05-16	Hong Kong
Morgan Stanley Fifth Annual HK Summit	2014-05-15	Hong Kong
DBSV Pulse of Asia Conference	2014-05-13	Hong Kong
Macquarie Greater China Conference	2014-05-07	Hong Kong
Yuexiu Property 2013 Annual Results Roadshow	2014-03	Hong Kong, Singapore, Beijing, Shanghai
Yuexiu Property 2013 Annual Results Announcement Conference	2014-03-21	Hong Kong
5th Annual Borrowers & Investors Forum, North Asia	2014-03-06	Hong Kong
Barclays China Property Day	2014-01-06	Hong Kong

V. Upcoming Investor and Media Events

Event	Date	Location
Standard Chartered Bond Investor Roadshow	2014-09-18	Hong Kong
Morgan Stanley Annual Asia Pacific Summit	2014-11-12	Singapore

About Yuexiu Property

Yuexiu Property Company Limited (HKEx Stock Code: 00123) was listed in Hong Kong in December 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 2014, the Company's combined GFA of properties under development and undeveloped properties was approximately 15.07 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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