



# 2015 Interim Results

20 August 2015

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1. **Financial Highlights**
2. Business Overview
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# FINANCIAL HIGHLIGHTS

## Steady Growth in Results

- Revenue of 2015 1H was RMB6,625 mm, +4.7% y-o-y
- The Board proposed to declare an interim dividend for 2015 of HK\$0.029 per share, equivalent to approx. RMB0.024 per share
- Contracted sales hit another new high. In 2015 1H, the aggregate contracted sales value was approx. RMB11,487 mm, and achieved 46% of the full year sales target RMB24.8 bn

## Financial Position Remained Healthy

- In 2015 1H, the bank loan financing amount of approx. RMB4,500 mm was realized
- The average funding cost was decreased to 5.02%
- Total cash amounted to approx. RMB11,275 mm, the net gearing ratio was 65.5%

## Joining Hands with Heavyweights for Mutual Benefits

- Jointly developed Guangzhou Haizhu Guangzhi Land Parcels with its subsidiaries under Greenland Group and Ping An Group
- In 2015, the Group acquired land parcels located in Guangzhou, Foshan and Kunshan respectively. In terms of attributable interest, GFA was approx. 762,900 sq.m., the consideration was approx. RMB6,394 mm
- Total landbank was approx. 14.77 mm sq.m., in terms of attributable interest, the landbank was approx. 11.75 mm sq.m.

## Establishing Long-term Effective Incentive Mechanism

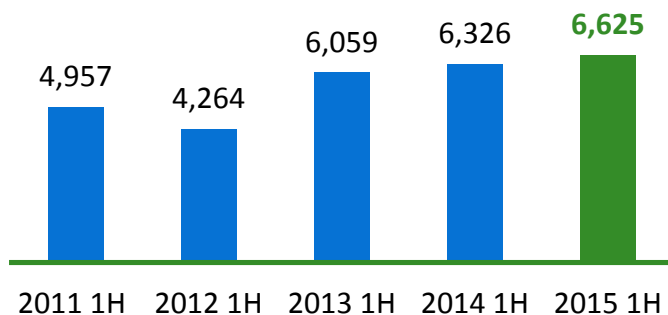
- Guided by the “create value to share value” principle, in 2015 1H the Group first established an employee incentive scheme in Foshan Chancheng Foping Road Project
- The objective of scheme is to align the interests of the project management and the interests of the Group and to enhance project returns

# INCOME STATEMENT

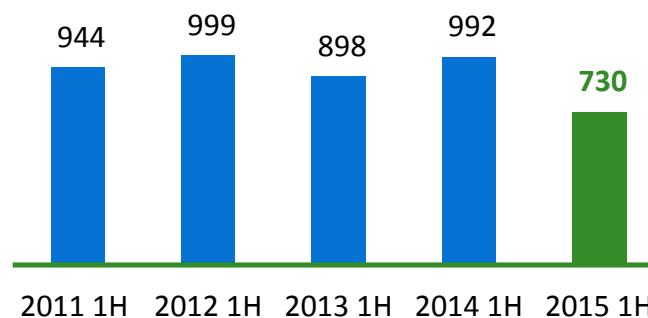
RMB mm	2015 1H	2014 1H	Change
Revenue	6,625	6,326	+4.7%
Gross Profit	1,737	2,176	-20.2%
Fair Value Gains	679	1,251	-45.7%
SG&A Expenses	504	539	-6.5%
Net Profit	1,198	1,676	-28.5%
Core Net Profit <sup>(1)</sup>	730	992	-26.4%
Basic Earning per Share <sup>(2)</sup>	RMB0.0966	RMB0.1798	-46.3%
Proposed Interim Dividend per Share	HKD0.029	HKD0.049	-40.8%
Interim Dividend Payout Ratio <sup>(3)</sup>	40%	37%	-

Note: (1) Excluding the fair value gains of investment properties and the foreign exchange loss/ gain  
 (2) Weighted average number of ordinary shares in issue of 2015 1H was 12,401,306,631 (2014 1H: 9,322,782,000)  
 (3) Based on Core Net Profit

### REVENUE (RMB mm)



### CORE NET PROFIT (RMB mm)



# BALANCE SHEET

RMB mm	30 Jun 2015	31 Dec 2014	Change
Cash <sup>(1)</sup>	11,275	12,957	-13.0%
Total Borrowings	31,926	32,059	-0.4%
Gearing Ratio <sup>(2)</sup>	44.4%	44.4%	-
Net Gearing Ratio <sup>(3)</sup>	65.5%	63.1%	+2.4ppt
Total Assets	100,587	93,075	+8.1%
Shareholders' Equity <sup>(4)</sup>	30,313	29,104	+4.2%
Net Asset per Share	RMB2.444	RMB2.347	+4.1%

Note :

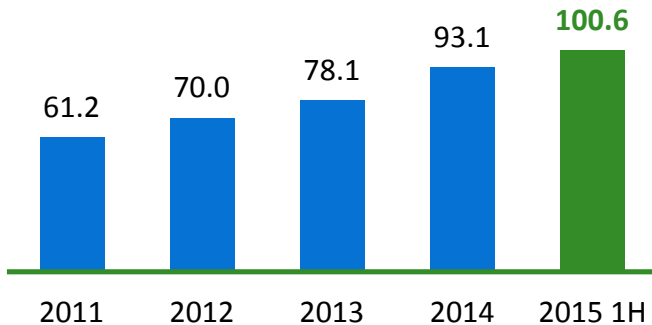
(1) Including the charged bank deposits of RMB4,530mm as of 30 June 2015 ( 2013 : RMB5,075 mm )

(2) Gearing Ratio = ( Total Borrowings – Available Cash ) / Total Capitalization

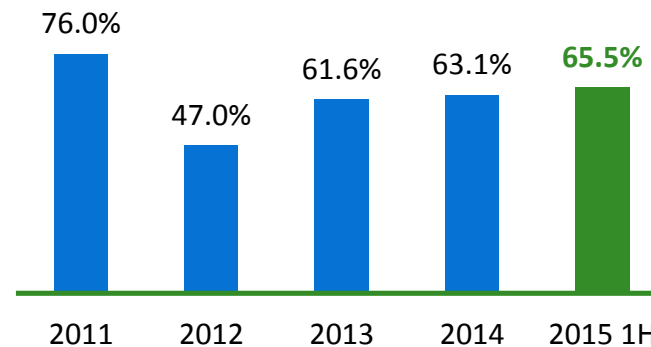
(3) Net Gearing Ratio = ( Total Borrowings - Cash ) / Net Asset

(4) Excluding the Minority Interest

## TOTAL ASSETS (RMB bn)



## NET GEARING RATIO

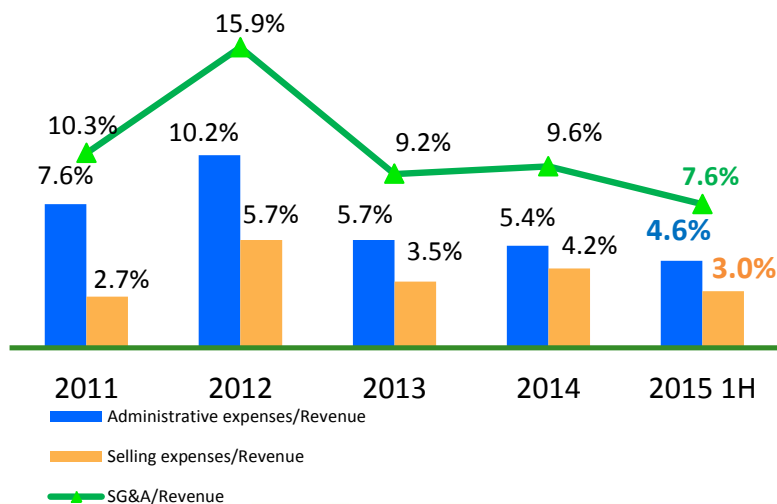


# OPERATING RATIO ANALYSIS

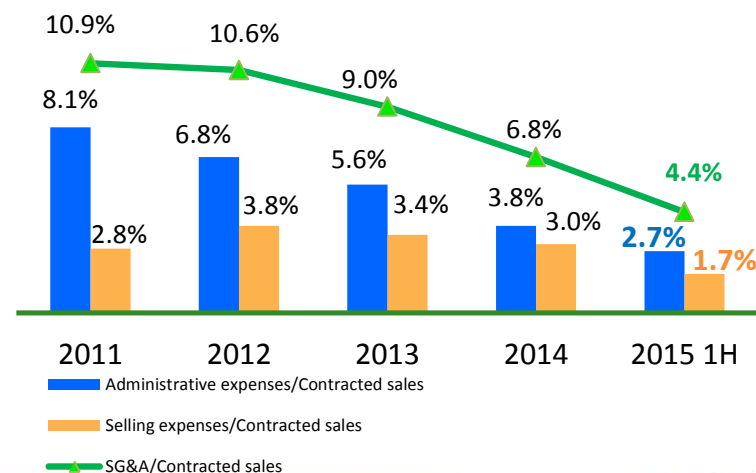
Ratios	2015 1H	2014	2013	2012	2011
Administrative expenses/Revenue	4.6%	5.4%	5.7%	10.2%	7.6%
Selling expenses/Revenue	3.0%	4.2%	3.5%	5.7%	2.7%
SG&A/Revenue	7.6%	9.6%	9.2%	15.9%	10.3%
Administrative expenses/Contracted sales	2.7%	3.8%	5.6%	6.8%	8.1%
Selling expenses/Contracted sales	1.7%	3.0%	3.4%	3.8%	2.8%
SG&A/Contracted sales	4.4%	6.8%	9.0%	10.6%	10.9%
ROE <sup>(1)</sup>	6.3% <sup>(2)</sup>	10%	12%	12%	28%

Notes: (1) Excluding Minority Interest  
(2) Annualized

## SG&A RATIO (REVENUE)



## SG&A RATIO (CONTRACTED SALES)

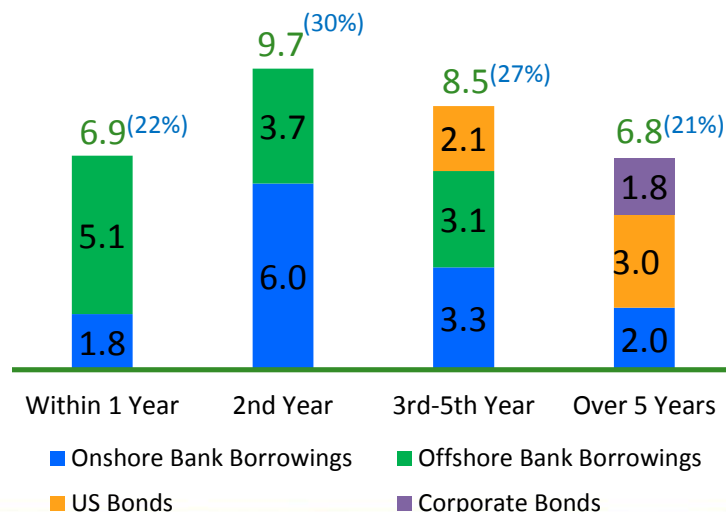


# DEBT STRUCTURE ANALYSIS

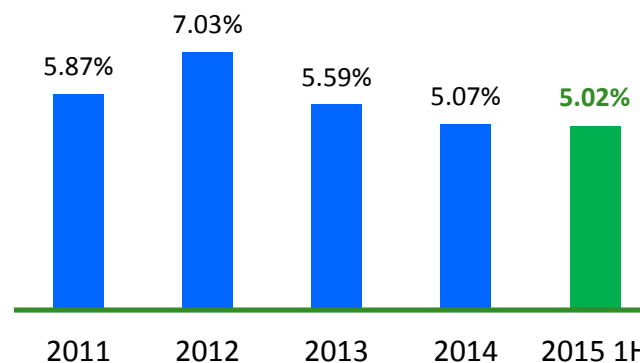
- In 2015 1H, the bank loan financing amount of approx. RMB4.5 bn was realized, including approx. RMB3.3 bn onshore and RMB1.2 bn offshore
- Fixed rate bonds accounted for approx. 22% of total borrowings
- Onshore and offshore borrowings ratio was 41%:59%

Borrowings (RMB mm)	30 Jun 2015	Proportion
USD Bonds	5,148	16%
HKD Bonds	1,788	6%
Offshore Bank Borrowings	11,837	37%
Onshore Bank Borrowings	13,153	41%
<b>Total</b>	<b>31,926</b>	<b>100%</b>

### MATURITY PROFILE ( RMB bn )



### AVERAGE COST OF FUNDING



# RATING AND BOND ISSUANCES

## RATINGS

	Date	Results
S & P	Sep 2014	BBB-/Stable
Fitch	Jan 2013	BBB-/Stable
Moody's	Jan 2013	Baa3/Stable

MOODY'S

FitchRatings



## US BOND ISSUANCES

Date	USD mm	Maturity	Coupon(%)
Jan 2013	350	5 years	3.25
Jan 2013	500	10 years	4.50

## RATING REVIEWS

	Date	Results
Moody's	Dec 2014	Maintain Baa3/Stable
Fitch	Apr 2015	Maintain BBB-/Stable



# 2015 1H CASH FLOW ANALYSIS

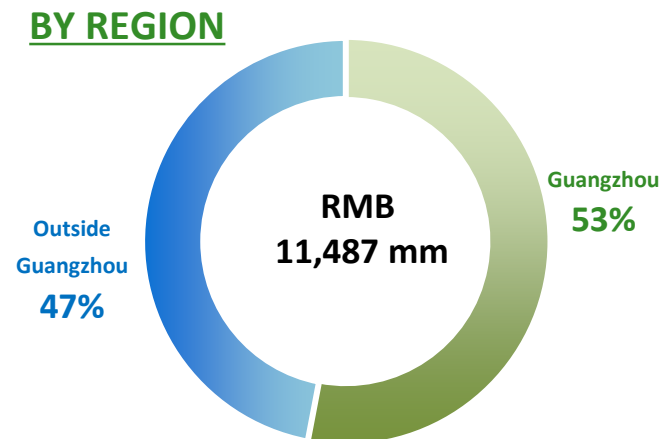
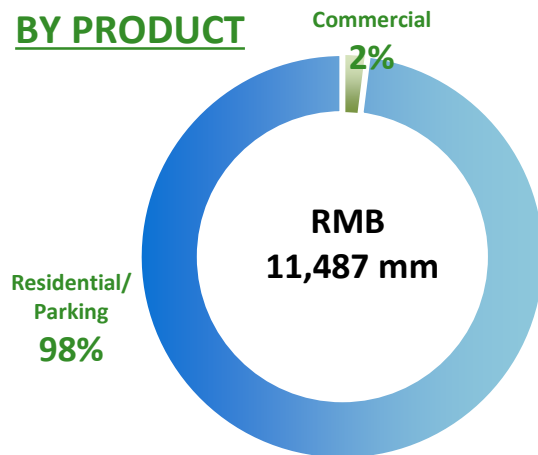
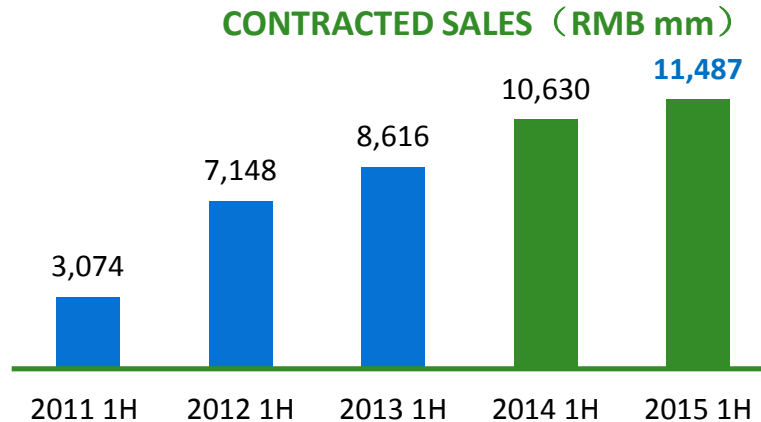
	RMB bn
<b>Cash on hand at 31 Dec 2014</b>	<b>12.96</b>
Cash from Operation	9.85
Operating Expenses	(10.05)
Development Cost	(3.99)
Tax and Administrative and Other Expenses	(2.70)
Interest of Borrowings and Bonds and Dividends	(0.80)
Land Premium Paid	(2.56)
<b>Net Cash Outflow from Operation</b>	<b>(0.20)</b>
<b>Net Cash Inflow from Financing</b>	<b>1.51</b>
<b>Net Cash Outflow from Investment</b>	<b>(2.99)</b>
<b>Cash on hand at 30 June 2015</b>	<b>11.28</b>

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# 2015 1H CONTRACTED SALES

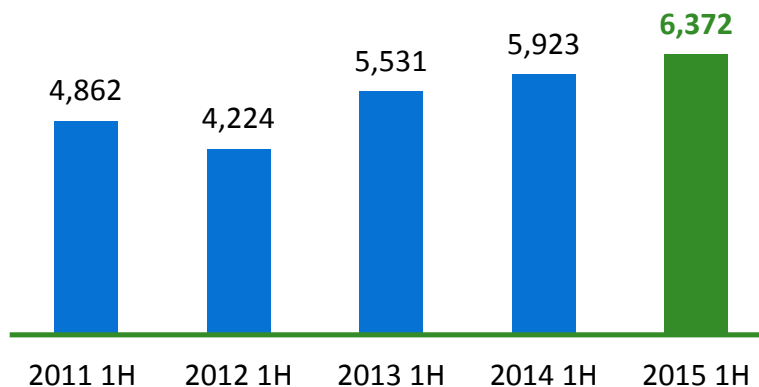
- In 2015 1H, 29 projects were being sold, contracted sales value amounted to approx. RMB11,487 mm, +8.1% y-o-y, and the contracted sales GFA amounted to approx. 1,089,600 sq.m., +30.4% y-o-y
- The ASP was approx. RMB10,500/sq.m.



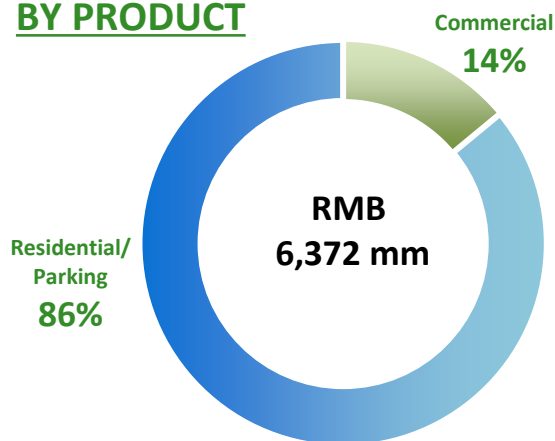
# 2015 1H RECOGNIZED SALES

- In 2015 1H, recognized sales revenue (including sales of investment properties) amounted to RMB6,372 mm, +7.6% y-o-y, recognized sales GFA was 563,100 sq.m., +33.3% y-o-y
- The ASP was approx. RMB11,300/sq.m.

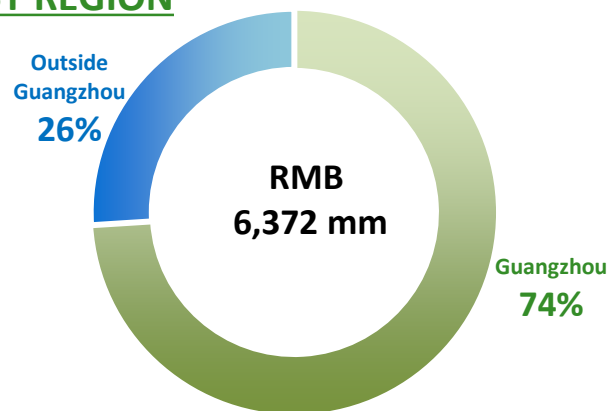
RECOGNIZED SALES (RMB mm)



BY PRODUCT

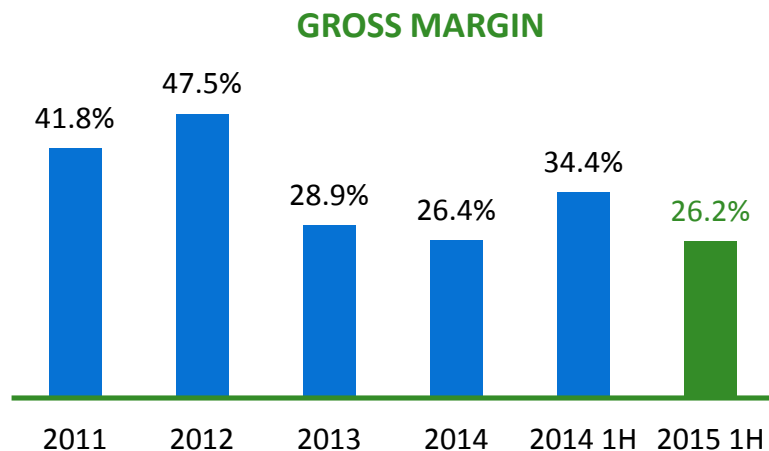


BY REGION



# 2015 1H GROSS MARGIN

- Gross margin for 2015 1H was 26.2%, remained at the same level as 2014



## BY PRODUCT

	2015 1H		2014 1H	
	Proportion	Gross Margin	Proportion	Gross Margin
Residential/ Parking	86%	23%	80%	31%
Commercial	14%	53%	20%	54%

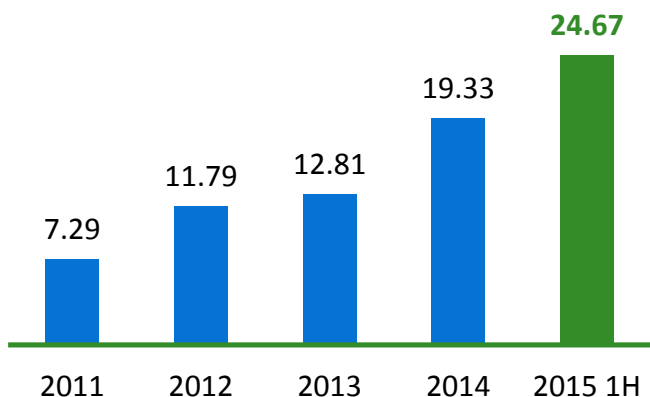
## BY REGION

	Gross Margin	Proportion	Number of Projects
Guangzhou	30%	74%	20
Guangdong (ex.GZ)	22%	7%	3
Outside Guangdong	16%	19%	6

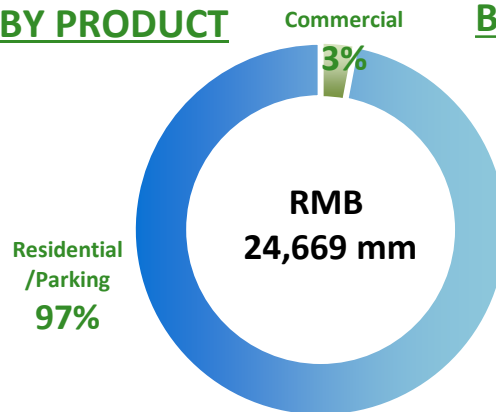
# 2015 1H UNRECOGNIZED SALES

- In 2015 1H, unrecognized sales value amounted to approx. RMB24,669 mm, corresponding GFA was approx. 2,350,000 sq.m., with ASP of approx. RMB10,500/sq.m.

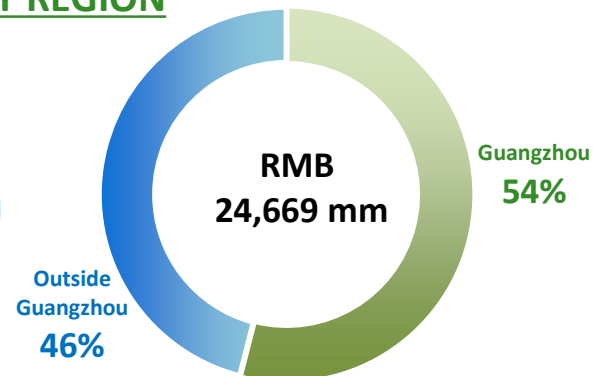
UNRECOGNIZED SALES (RMB bn)



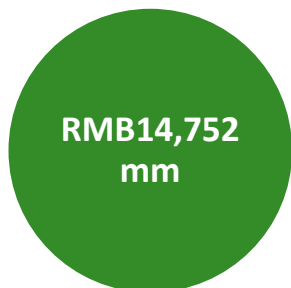
BY PRODUCT



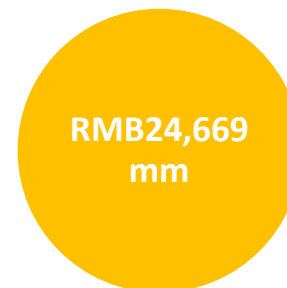
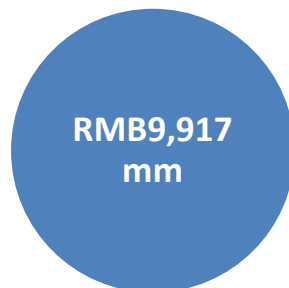
BY REGION



Be recognized in 2015 2H



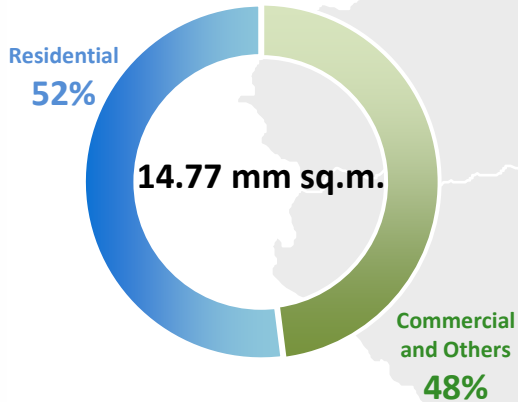
Be recognized in 2016 or after



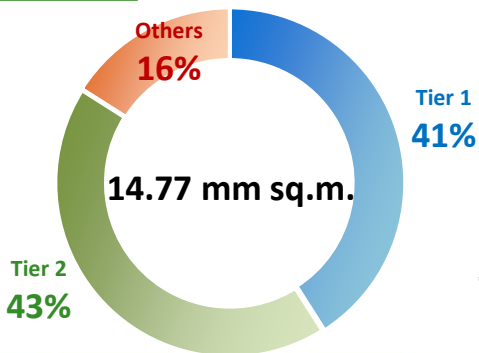
# LANDBANK

Total landbank was approx. 14.77 mm sq.m., in terms of attributable interest, the landbank was approx. 11.75 mm sq.m.

## BY PRODUCT



## BY TIER



\* Note: Tier 1 cities: Guangzhou, HongKong  
 Tier 2 cities: Wuhan, Hangzhou, Qingdao, Shenyang, Haikou, Foshan  
 Others: Yantai, Kunshan, Jiangmen, Zhongshan



Bohai Rim Economic Zone 11.5%	
Shenyang	5.5%
Yantai	2.8%
Qingdao	3.2%

Yangtze River Delta 18.0%	
Hangzhou	13.7%
Kunshan	4.3%

Central Region 13.9%	
Wuhan	13.9%

Homebase 40.9%	
Guangzhou	40.9%

Pearl River Delta 14.5%	
Foshan	5.6%
Jiangmen	1.7%
Zhongshan	7.2%

Other Regions 1.2%	
Hongkong	0.5%
Hainan	0.7%

# LAND ACQUISITION

2015 Land Acquisition	Month	Type	Total GFA (sq.m.)	Total Land Cost (RMB mm)	Attributable Land Cost (RMB mm)	Interest
1 Kunshan Starry Pavilion (formerly known as Kunshan Huaqiao Development Zone Land)	Jan	R	184,700	443	215	48.45%
2 Foshan Chancheng Foping Road Project	Feb	R/C	220,800	633	589	93.10%
3 Guangzhou Haizhu Guangzhi Land I	Jul	R/C	229,600	2,634	1,257	47.74%
4 Guangzhou Haizhu Guangzhi Land II	Jun	R/C	735,600	8,898	4,332	48.69%
<b>Total</b>			<b>1,370,700</b>	<b>12,608</b>	<b>6,394</b>	

## 2011-2015 LAND ACQUISITIONS

Year	Total Land Cost (RMB bn)	Attributable Land Cost (RMB bn)	GFA (sq.m.)
2011	5.5	5.5	2,013,000
2012	8.0	6.7	3,775,700
2013	20.1	5.8	2,709,600
2014	7.5	6.5	834,300
2015	12.6	6.4	1,370,700
<b>Total</b>	<b>53.7</b>	<b>30.9</b>	<b>10,703,300</b>



# INVESTMENT PROPERTIES

Projects under Leasing	Chinese Name	Rentable GFA (sq.m.)
1 Yuexiu Financial Tower	越秀金融大廈	202,500
2 Guangzhou Fortune World Plaza	財富天地廣場	180,000
3 Zhongshan Macalline	中山紅星美凱龍	90,400
4 Xiangkang Commercial Plaza	祥康商貿大廈	33,100
5 Guang Yuan Cultural Center	廣園文化中心	32,000
6 Victory Plaza	維多利廣場	21,900
7 Huangshi Garden	黃石花園	21,000
8 HK Yuexiu Plaza	香港越秀廣場	10,800
9 Yuexiu City Plaza	越秀城市廣場	8,600
Other Projects	其他項目	189,500
<b>Total</b>		<b>789,800</b>

Major Projects under Construction	Chinese Name	GFA (sq.m.)
1 Nanhai Starry Winking (Commercial)	南海星匯雲錦(商業)	112,100
<b>Total</b>		<b>112,100</b>

## SALES OF NON-CORE IPs IN RECENT YEARS

Year	GFA (sq.m.)	Value (RMB mm)	Cost (RMB mm)	Gross Margin
2010	81,000	1,345	876	35%
2011	36,500	703	596	15%
2012	69,700	856	617	28%
2013	20,200	364	288	21%
2014	3,900	72	50	31%
2015 1H	8,300	216	144	33%
<b>Total</b>	<b>219,600</b>	<b>3,556</b>	<b>2,571</b>	<b>28%</b>

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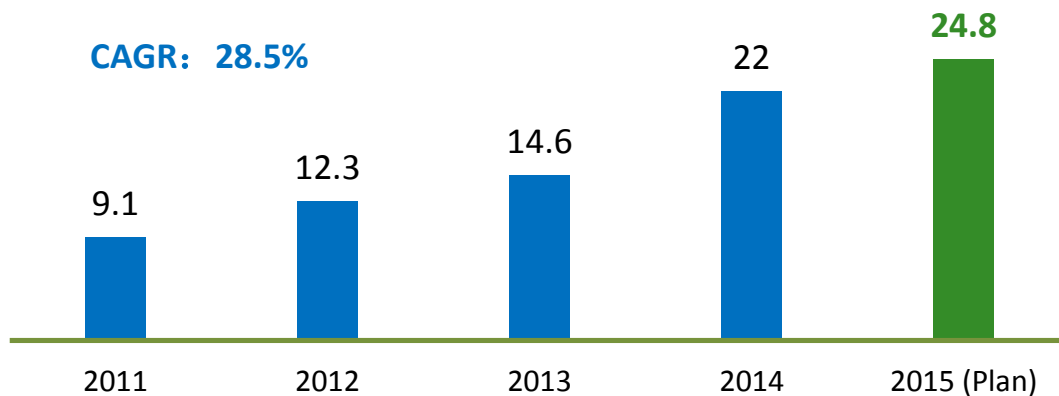
# 2015 OPERATIONAL PLANS



GFA ( mm sq.m. )	2015 Plan	2015 1H Actual	Completion Rate
PUD	6.93	7.56	109%
New Construction Starts	1.93	0.80	41%
Completion	2.82	1.05	37%
Delivery	1.96	0.56	29%

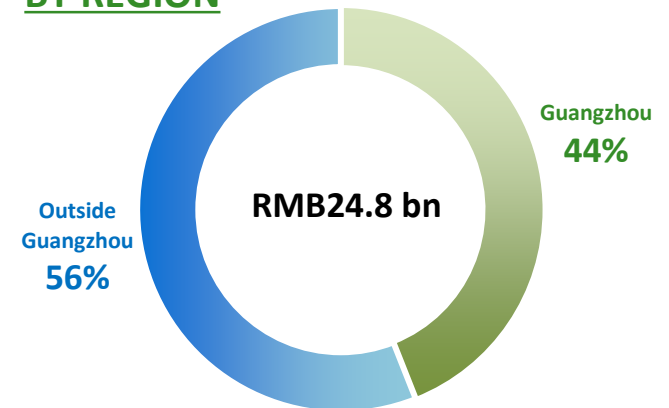
# 2015 CONTRACTED SALES

## CONTRACTED SALES (RMB bn)



- ✓ In 2015 1H, the aggregate contracted sales value was approx. RMB11,487 mm
- ✓ Achieved 46% of the full year sales target RMB24.8 bn

## BY REGION



# 2015 KEY CAPEX

<b>Available Capital (RMB bn)</b>	<b>2015E</b>
Cash on Hand at Start	13.0
Contracted Sales	24.8
Undrawn Bank Facilities	3.5
<b>Total</b>	<b>41.3</b>

<b>Key CAPEX (RMB bn)</b>	<b>2015E</b>
Land Premium Payable	0.9
Construction Costs	12.0
Land Acquisition	10.4*
<b>Total</b>	<b>23.3</b>

Note : \* The Group will make adjustment to the acquisition CAPEX according to the market and financial condition.



越秀地產股份有限公司  
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THANK YOU



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