



[For Immediate Release]

Yuexiu Property Announces 2017 Interim Results

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Revenue Grew Significantly Core Net Profit Achieved Stable Growth

- The revenue was approximately RMB11.94 billion, representing a year-on-year increase of 135.0%. The gross profit was approximately RMB2.98 billion, representing a year-on-year increase of 132.9%.
- Profit attributable to equity holders was approximately RMB1.10 billion, representing a year-on-year increase of 13.2%; core net profit was approximately RMB1.04 billion, representing a year-on-year increase of 21.8%.
- The value of the aggregate contracted sales for the first half of 2017 amounted to approximately RMB20.05 billion, representing a year-on-year increase of 25.1%, and accounting for 60.8% of the original full year contracted sales target of RMB33.0 billion. The Group decided to adjust the full-year contracted sales target upwards from RMB33 billion to RMB36 billion.
- The net gearing ratio went down from 53.1% at the beginning of the year to 52.0%.
- The average borrowing interest rate decreased from 4.64% for 2016 to 4.54% for the first half of 2017.
- The Board proposed to declare an interim dividend for 2017 of HKD0.040 per share, representing a year-on-year increase in interim dividend of 21.2%; total interim dividends accounted for approximately 40% of the core net profit.

(18 August 2017 – Hong Kong) **Yuexiu Property Company Limited** (HKEx Stock Code: 00123) and its subsidiaries (which are collectively referred to as “Yuexiu Property” or the “Group”) is pleased to announce its interim results for the six months ended 30 June 2017.

Stable Growth in Operating Results

During the first half of the year, by conforming to the themes of “upgrading management to improve quality and integrating resources to promote development”, through comprehensively upgrading management and accelerating improvement of operation efficiency and asset quality, the Group has gathered internal growth momentum of development and enhanced core capability, and achieved continuous stable growth in business operation.

During the first half of the year, the revenue of the Group was approximately RMB11.94 billion, representing a year-on-year increase of 135.0%. Profit attributable to equity holders was approximately RMB1.10 billion, increased by 13.2% on a year-on-year basis. Core net profit

(excluding net revaluation gain or loss on investment properties and net foreign exchange gain or loss) was approximately RMB1.04 billion, increased by 21.8% on a year-on-year basis.

Significant Increase in Contracted Sales

During the first half of the year, amid the strict control on the industry and the expanding scope and extent of “policy implementation based on each individual city”, by capturing the opportunity of the strong rigid demand in the market and taking advantage of the effects on different markets brought by city-specific policies, the Group implemented differentiated and targeted sales strategy in the light of local conditions so as to speed up sales pace, thus achieving good sales results and significant increase in the sale price.

During the first half year, the Group recorded an aggregate contracted sales value (including contracted sales by joint venture projects) of approximately RMB20.05 billion, increased by 25.1% on a year-on-year basis and the aggregate contracted sales GFA was approximately 1.246 million sq.m., decreased by 12.4% on a year-on-year basis. The average selling price was to RMB16,100 per sq.m., representing an increase of 42.5%. The Group decided to adjust the full-year contracted sales target upwards from RMB33 billion to RMB36 billion.

Continuous Expansion of Premium Land Bank

As at the date of this announcement (August 18, 2017), the Group continued to expand its premium land banking by adding 12 quality land parcels in cities including Guangzhou, Hangzhou, Wuhan, etc. with a total GFA of approximately 3.09 million sq.m.. In terms of the attributable interest, GFA was approximately 1.47 million sq.m..

As at the date of this announcement (August 18, 2017), the total land bank of the Group was approximately 15.03 million sq.m.. In terms of the attributable interests, the land bank was approximately 9.30 million sq.m.. In accordance with the development strategy of the “13th Five-year Plan”, in terms of regional expansion layout, the Group made the Pearl River Delta, the Yangtze River Delta and the Central China Region as the three major growth regions and allocated resources in priority. The three major regions accounted for approximately 92.1% of the total land reserve of the Group.

Enhancement of Financial Indicators

During the first half of the year, the Group expedited the implementation of management accounting system, optimized the system of management and control indicators, and strengthened the guiding effect of each performance indicator on its operation. The Group promoted the establishment of finance-pooling center so as to increase the utilization rate of financial resources. The Group adopted effective measures to keep reducing the borrowing interest rate. The average borrowing interest rate for the first half of 2017 decreased from 4.64% for 2016 to 4.54%.

As of 30 June 2017, the Group held total cash and cash equivalents and charged bank deposits of approximately RMB23.8 billion, representing an increase of 8.1% from the beginning of the year, and the net gearing ratio of the Group decreased from 53.1% at the beginning of the year to 52.0%.

Mr. Lin Zhaoyuan, Vice Chairman and General Manager of the Group, said, "In the second half of 2017, the Group, with the aim to accomplish sales and operating targets for the full year, will continue to implement the business development plan for the year and actively promote the implementation of various development strategies under the '13th Five Year Plan'. The Group will take the opportunity of the Guangdong-Hong Kong-Macau Greater Bay Area, and continue to focus on three core regions, namely Pearl River Delta, Yangtze River Delta and Central China and strengthen and optimize the business of development and operation of residential and commercial properties so as to develop the Group into an outstanding enterprise in the industry."

Mr. Zhang Zhaoxing, Chairman of the Group, said, "Looking forward to the future, the property industry as a pillar industry will continue to play an important role in stabilizing economy and promoting growth. It is expected that the overall property market continues to maintain steady and healthy in the second half of the year. The Group seeks to gain resources advantage via various means and channels. By taking advantage of the parent company's resources platform, the Group's unique reserve increase model of 'incubation by the parent — acquisition by property' has become a normal means to gain resource. The Group has established a urban renewal group and will rely on the Group-led 'Guangzhou State-owned Asset Development Alliance' and the parent-initiated 'Guangzhou Urban Renewal Fund' to deepen its participation in urban renewal projects arising from the 'Railway + Properties' development and redevelopment plans covering old plants, old towns and old villages. The Group will strengthen cooperation with excellent peer enterprises and actively pursue M&A opportunities in the secondary market so as to increase quality land resources for the Group, promote the rapid development and continue to create value for the shareholders."

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Disclaimer

The above-mentioned data are based on the summary of internal information of the Company, which may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or semi-annual basis due to various uncertainties during the process of collection and collating of such information. As such, the above data are provided for investors' reference only. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

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 and investment with its operations mainly concentrated in the Guangzhou area and expanded into Pearl River Delta, Yangtze River Delta, Pan-Bohai Rim and Central Region. As of 18 August 2017, the Company's total GFA of properties under development and undeveloped properties was approximately 15.03 million sq.m..

IR & Media Contacts

Yuexiu Property Company Limited
Swan Wan Tel: (852) 2593 2326 Fax: (852) 2511 0832
Email: ir@yuexiu.com.hk

This press release is issued by Wonderful Sky Financial Group Company Limited on behalf of
Yuexiu Property Company Limited.

For further information, please contact:

Wonderful Sky Financial Group Company Limited
Jacqueline Wong / Barney Liu / Jessie Xu
Ext: (852) 3970 2173 / 3970 2212 / 3977 1828
Email: po@wsfg.hk / yuexiuproperty@wsfg.hk