



越秀地產股份有限公司

YUEXIU PROPERTY COMPANY LIMITED

[For Immediate Release]

Yuexiu Property Announces 2021 Interim Results *Steady Growth in Operational Performance with Continued Growth in Core Net Profit*

- Revenue was approximately RMB24.24 billion, representing an increase of 2.2% year on year.
- Profit attributable to equity holders was approximately RMB2.30 billion, up 15.3% year on year.
- Core net profit grew 5.6% year on year to RMB2.10 billion.
- The contracted sales value (including contracted sales of joint venture projects) was approximately RMB47.38 billion, representing a year-on-year increase of 26.1%.
- With a diversified and distinctive “6+1” land acquisition model, the Group acquired 23 new parcels of premium land in 11 cities with a total GFA of approximately 5.00 million sq.m..
- Total landbank reached 28.09 million sq.m., among which 15.35 million sq.m. was located in the Greater Bay Area, accounting for approximately 54.6% of the total landbank.
- The Group newly acquired a TOD project Yue Voyage (located in Huangpu Miaotou, Guangzhou) with a GFA of 0.21 million sq.m.. As of the end of June, the total landbank of TOD projects reached 4.06 million sq.m., accounting for approximately 14.5% of the total landbank of the Group.
- The Group has met all of the “Three Red Lines” requirements, with its gearing ratio (excluding unearned revenue), net gearing ratio and cash to short-term debt ratio being 69.4%, 49.8%, and 1.80 times respectively, reflecting a healthy and sound financial position.
- The Group has continued to optimize its debt structure and diversify its financing channels, having successfully issued USD650 million five-year bonds and USD150 million ten-year bonds with coupon rates of 2.8% and 3.8% respectively in the offshore market. The average borrowing interest rate decreased by 26 basis points to 4.45%.
- Yuexiu Services was successfully spun off and listed on the main board of HKEX, with multiple times of oversubscription of its shares and the net proceeds from the Listing and the exercise of the Over-allotment Option amounted to HKD1.96 billion.
- The Board has proposed to declare an interim dividend for 2021 of HKD0.326 per share (equivalent to RMB0.271 per share). The interim dividend per share in Hong Kong dollars increased by 14.4%.

(18 August 2021 – Hong Kong) Yuexiu Property Company Limited (“Yuexiu Property” or the “Company”; together with its subsidiaries, collectively the “Group”, HKEX Stock Code: 00123) is pleased to announce its interim results for the six months ended 30 June 2021.

Steady Increase in Core Net Profit

In the first half of 2021, the Group centered on the annual work theme of “improving structure and opening new beginning, strengthening ability and improving quality”, and adhered to the strategy of focusing on operation and pandemic prevention while maintaining a steady growth in operating performance.

The Group realized a revenue of approximately RMB24.24 billion in the first half of 2021, up 2.2% year on year. Profit attributable to equity holders was approximately RMB2.30 billion, representing a year-on-year increase of 15.3%. Core net profit was approximately RMB2.10 billion, up 5.6% year on year.

Sustained Rapid Growth in Contracted Sales

With the pandemic under effective control, the Group grasped the opportunities brought by continued market rebound and implemented effective marketing strategies, while adopting innovative sales approaches to strengthen online and offline integrated marketing. The Group’s contracted sales maintained rapid growth in the first half of the year, with contracted sales value hitting a record high.

In the first half of the year, the Group recorded contracted sales of approximately RMB47.38 billion, representing a year-on-year increase of 26.1%. The average contracted sales price was approximately RMB26,400 per sq.m., representing a year-on-year increase of 6.9%.

Obtaining High-quality Landbank Through Diversified Channels

In the first half of the year, the Group adopted a diversified and distinctive “6+1” land acquisition model, actively studied the new land auction policies and formulated appropriate strategies. The Group newly acquired 23 land parcels at reasonable prices in Guangzhou, Dongguan, Hangzhou, Suzhou, Nanjing, Ningbo, Wuhan, Changsha, Beijing, Chongqing and Bijie, with a total GFA of approximately 5.00 million sq.m.. Around 51% of the Group’s land acquisition in the first half of the year was conducted through non-market competition, with 4.2% through TOD, 29.8% through “City Operation” and 6.6% through cooperation with SOEs.

The Group continued to deepen the implementation of the “1+4” nationwide coverage strategy. On top of being deep-rooted in the Greater Bay Area, the Group also focused on expanding in Eastern China, Central China, Northern China and Southwestern China, and strategically entered four new key cities, namely Beijing, Dongguan, Ningbo and Bijie. As of June 30, the Group established presence in 25 cities as part of its national strategic plan, with a total landbank of 28.09 million sq.m.. The landbank in the Greater Bay Area accounted for 54.6% of the total landbank.

Deepening TOD Development Strategy

In the first half of the year, the Group successfully acquired a TOD project Yue Voyage (located in Huangpu Miaotou, Guangzhou), which added 0.21 million sq.m. to the TOD projects landbank. As of the end of June, the Group had a total of six TOD projects under development in the regions of Huangpu, Zengcheng and Panyu in Guangzhou. The total landbank of TOD projects reached 4.06 million sq.m., accounting for approximately 26.5% of the landbank in the Greater Bay Area and 14.5% of the Group’s total landbank.

The Group’s TOD projects in Guangzhou continued to achieve strong sales in the first half of the year, with a total contracted sales value of approximately RMB7.60 billion, representing a year-on-year increase of 50.7%. Among these projects, Yue Galaxy achieved contracted sales value of approximately RMB2.50 billion while Yue Infinity achieved contracted sales value of approximately RMB2.53 billion.

Meeting All “Three Red Lines” Requirements with Sound and Healthy Financial Position

As of the end of June, the Group’s cash and cash equivalents and charged bank deposits amounted to approximately RMB40 billion, which was 7.2% higher than the beginning of the year, demonstrating adequate liquidity. The Group’s gearing ratio (excluding unearned revenue), net gearing ratio and cash to short-term debt ratio were 69.4%, 49.8%, and 1.80 times respectively. The Group has met all of the “Three Red Lines” requirements, remaining in “green lights”. The strong and safe financial indicators demonstrate that the Group has managed the financial risks well.

The Group actively expanded financing channels, optimized debt maturity profile and debt structure, and continued to reduce its funding costs. In the first half of the year, the Group successfully issued in the offshore market USD650 million five-year bonds and USD150 million ten-year bonds with coupon rates of 2.8% and 3.8% respectively. The financing costs hit a record low for the Group in its issuing of offshore bonds. The average borrowing interest rate

decreased by 26 basis points to 4.45% in the first half of the year. Moody's and Fitch Ratings have maintained the Group's investment grade credit ratings.

Yuexiu Services Successfully Listed on HKEX

In the first half of the year, the Group successfully spun off Yuexiu Services (6626.HK) to be listed on the Hong Kong Stock Exchange. The initial public offering received multiple times of oversubscription in both public offering and international offering, the net proceeds from the Listing and the exercise of the Over-allotment Option amounted to HKD1.96 billion. The spin-off has established a good platform for the development of the Group's property management business and laid a strong foundation for its rapid growth. As of 26 July 2021, the Group held 66.92% equity interests in Yuexiu Services.

Mr. Lin Zhaoyuan, Chairman of the Group, said, "2021 marks the beginning of the Group's 14th Five-year Strategic Plan. In the first half of the year, the Group adhered to the mission of 'Creating Beautiful Life' and devoted to the strategy of focusing on both business operation and pandemic prevention, to proactively maintain steady growth in all aspects of the business and lay a solid foundation for the 14th Five-year Strategic Plan. Looking ahead, the Group will keep up the efforts and continue to pursue strong operational performance and steady business development, achieve sustained and solid growth of various business segments, and enhance return on equity and shareholder value."

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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 established in 1983 and was listed in Hong Kong in December 1992. Its mainstay business is property development and investment. To fulfil its mission of "Where Good Living Starts", the Group has deployed in 25 cities across the country for business development. It has built business presence mainly in the Greater Bay Area, Eastern China Region, Central China Region, Northern China Region and Southwestern China Region. As at 30 June 2021, the Group had a total assets of approximately RMB297.2 billion and a total landbank of approximately 28.09 million sq.m.. Yuexiu Property adheres to its core values of "Quality, Responsibility, Innovation, and Mutual Benefits" and aspires to become a leading property developer in China.

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