

[For Immediate Release]

Yuexiu Property Announces 2019 Annual Results

Core Net Profit Grow 24.8%

“Railway+Property” Model Successfully Implemented

- The revenue was approximately RMB38.34 billion, representing a year-on-year increase of 45.0%.
- The gross profit margin was approximately 34.2%, representing a year-on-year increase of 2.4 percentage points
- Profit attributable to equity holders was approximately RMB3.48 billion, representing a year-on-year increase of 27.7%.
- Core net profit was approximately RMB3.51 billion, representing a year-on-year increase of 24.8%
- The value of the aggregate contracted sales (including contracted sales by joint venture projects) for the year amounted to approximately RMB72.11 billion, representing a year-on-year increase of 24.8%, and accounted for 106.0% of the full year target of RMB68.0 billion. The contracted sales value of “Railway+Property” projects amounted to approximately RMB5.08 billion.
- The newly acquired landbank of the Group was approximately 7.71 million sq.m. and the total landbank was approximately 23.87 million sq.m. at the end of the year.
- The Group successfully acquired 86% equity interest in Yue Galaxy from Guangzhou Yuexiu Group and Guangzhou Metro Group; acquired 51% equity interest in Yue Melody and Yue Infinity both from Guangzhou Yuexiu Group. The successful acquisition of these three projects contributed 3.15 million sq.m. to the Group’s “Railway+Property” landbank.
- The Group completed 3.08 billion shares subscription by Guangzhou Metro Group, who became the second-largest shareholder of the Group with shareholding of approximately 19.9%.
- The Group obtained the qualification to re-develop two old villages of Lirendong and Dongliu in Guangzhou, with a potential landbank of 1.63 million sq.m.
- Total dividend for the full year was RMB0.091 per share, representing a year-on-year increase of 13.8%.

(10 March 2020 – 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 annual results for the year ended 31 December 2019.

Steady Growth in Operating Results

In 2019, the Group centered on the annual work theme of “deepen management ability improvement, accelerate operation-driven development”. By improving the management ability and building the core competitiveness of business development, the Group realised steady and sustainable business growth.

In 2019, the revenue of the Group was approximately RMB38.34 billion, representing a year-on-year increase of 45.0%. The gross profit margin was approximately 34.2%, representing a year-on-year increase of 2.4 percentage points. Profit attributable to equity holders was approximately RMB3.48 billion, representing a year-on-year increase of 27.7%. Core net profit was approximately RMB3.51 billion, representing a year-on-year increase of 24.8%.

Contracted Sales Hit Record High

In 2019, the Group adopted flexible and proper sales strategies and grasped market opportunities in response to the control policies of “housing for living in rather than for speculation”, “policy implementation in line with each city” and changes in the market, accelerated sales and cash collection, achieved significant growth in contracted sales, hitting a record high.

During the year, the Group recorded a contracted sales value (including contracted sales by joint venture projects) of approximately RMB72.11 billion, representing a year-on-year increase of 24.8%, accounting for 106.0% of the full year contracted sales target of RMB68.0 billion. The contracted sales GFA was approximately 3.49 million sq.m., representing a year-on-year increase of 26.1%. The average selling price was approximately RMB20,700 per sq.m. The “Railway+Property” projects contributed RMB5.08 billion to total contracted sales value.

Increase High-quality Landbank through Diversified Models

In 2019, through various distinct channels including “Railway+Property”, “Yuexiu Group Incubation-Yuexiu Property Purchase”, cooperation with state-owned enterprises (“SOEs”), urban renewal, land acquisition by application mechanism, auction in the open market, the Group newly acquired 27 prime

land parcels located in eleven cities including Guangzhou, Shenzhen, Zhongshan, Jiangmen, Hangzhou, Suzhou, Jiaxing, Zhengzhou, Changsha, Qingdao and Chengdu at relatively low premiums, with a total GFA of approximately 7.71 million sq.m., and the attributable GFA was approximately 5.21 million sq.m. The GFA of new lands acquired through cooperating with SOEs reached 1.49 million sq.m., accounting for 19.3% of the total new lands and the cooperation with SOEs model became an important channel of land acquisitions.

The Group deepened the Greater Bay Area-rooted Strategy, prioritized development in East China Region, Central China Region, North China Region and West China Region, and further optimized the “1 + 4” national layout. As at the end of 2019, the total landbank of the Group amounted to approximately 23.87 million sq.m., of which 51.7% located in the Greater Bay Area and 13.2% was from “Railway + Property” projects.

Successful Implementation of “Railway+Property” Model

The Group successfully acquired 86% equity interest in Yue Galaxy from Guangzhou Yuexiu Group and Guangzhou Metro Group; acquired 51% equity interest in Yue Melody and Yue Infinity both from Guangzhou Yuexiu Group. The successful acquisition of these three “Railway+Property” projects contributed 3.15 million sq.m. to the Group’s total landbank. The Group completed 3.08 billion shares subscription by Guangzhou Metro Group, who became the second-largest shareholder of the Group with shareholding of approximately 19.9%. The smooth implementation of the Group’s “Railway+Property” model will significantly enhance the Group’s ability to acquire quality landbank.

Remarkable Progress in Urban Renewal Business

In 2019, the Group obtained the qualification to re-develop two old villages of Lirendong and Dongliu in Guangzhou, with a potential landbank of 1.63 million sq.m. For Lirendong village, the planned re-development area is approximately 1.72 million sq.m. and the total GFA will be approximately 3.49 million sq.m. after the re-development. For Dongliu village, the planned re-development area is approximately 60,000 sq.m. and the total GFA will reach approximately 0.25 million sq.m. after the re-development.

The acquisition of the qualifications for the renovation of old villages opened up a new channel for the Group to obtain land resources and becomes another important potential acquisition model after the Group successfully implemented the “Railway+Property” model.

Safe and Sound Financial Positions

As at the end of 2019, cash and cash equivalents and charged bank deposits of the Group amounted to approximately RMB30.19 billion, representing a year-on-year increase of 11.2%; the net gearing ratio was 74.0%, within a reasonable range.

In 2019, fully leveraging the advantages of multiple funding channels onshore and offshore, the Group strengthened capital management, optimised the funding models, and endeavoured to reduce the funding cost. The Group successfully issued various onshore bonds of approximately RMB7.30 billion with coupon rates between 3.60% and 4.03% and terms between 3 years and 5 years, which helps optimise the debt portfolio and debt structure. The average borrowing interest rate was 4.93%, representing a slight increase on a year-on-year basis.

Steady Development of Commercial Properties

Upholding the Strategy of “Coordinated Development of Both Residential and Commercial Properties”, the Group committed to constantly improve business operation capacity through the optimisation of the dual platform of “Yuexiu Property-Yuexiu REIT” and the active implementation of the development model of “development+operations+securitisation”. Thereby the Group developed commercial properties business as a growth pole and stabiliser for the Group. As at the end of 2019, the Group directly owned approximately 0.70 million sq.m. of investment properties for leasing and recorded a rental income of approximately RMB0.69 billion, representing a year-on-year increase of 0.7% during the year. The Group held approximately 38.1% of Yuexiu REIT, which had 0.97 million sq.m. of commercial properties for lease and achieved revenue of approximately RMB2.06 billion during the year, representing a year-on-year increase of 1.3%.

Mr. Lin Zhaoyuan, Chairman of the Group, said, “Looking forward to 2020, the Group will adhere to the theme of “in-depth management ability improvement, operation-driven development” and devote every effort to achieve its annual sales and business targets. In order to achieve a steady and sustainable growth in performance, the Group will grasp the pace of market changes and manage sales precisely. Besides, the Group will consolidate the unique and diversified land acquisition platform by improving the “Railway+Property” model and speeding up the cooperation with SOEs in high-quality land acquisitions. Moreover, the Group will steadily develop new businesses focusing on elderly-care business, long-term leasing business and the “Properties+” business. Though 2020 will face with challenges from the coronavirus outbreak in the short term, the medium to long term positive

prospects for China's property market remains unchanged. The Group will adhere to the purpose of achieving high-quality and steady development and constantly strive to create value for 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 Greater Bay Area, East China Region, Central China Region and North China Region. As of 31 December 2019, the Company's total landbank was approximately 23.87 million sq.m.

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