

[For Immediate Release]

Yuexiu Property Announces 2018 Annual Results

Operating Results Grow Steadily

Contracted Sales Hit a New High

- The value of aggregate contracted sales for 2018 was approximately RMB 57.78 billion, representing a year-on-year increase of 41.4%, accounting for 105.1% of the full year contracted sales target of RMB55.0 billion.
- Revenue was approximately RMB26.43 billion, representing a year-on-year increase of 11.1%
- The gross profit was approximately RMB8.39 billion, representing a year-on-year increase of 37.4%
- The gross profit margin was approximately 31.8%, representing a year-on-year increase of 6.1 percentage points
- Profit attributable to equity holders was approximately RMB2.73 billion, representing a year-on-year increase of 20.7%.
- Core net profit was approximately RMB2.81 billion, representing a year-on-year increase of 19.6%
- The value of the unrecognized sales amounted to approximately RMB63.90 billion at the end of the year, representing an increase of 60.9% as compared to the beginning of the year.
- Cash and cash equivalents and charged bank deposits amounted to approximately RMB27.16 billion at the end of the year, representing a year-on-year increase of 30.6% as compared to the beginning of the year.
- The net gearing ratio was 61.2%, decreased by 11.6 percentage points compared with the beginning of the year.
- The newly acquired landbank was approximately 5.05 million sq.m., and the total landbank of the Group was approximately 19.41 million sq.m. at the end of the year.
- The Board has resolved to declare a final dividend for 2018 of HKD0.051 per share, together with the interim dividend, total dividends for the full year was HKD0.093 per share, representing a year-on-year increase of 1.1%.

(27 February 2019 – 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 year ended 31 December 2018.

Sustainable Grow in Operating Results

In 2018, the Group centered on the annual work theme of “operation-driven quality improvement, innovation-driven development”. By improving the management ability and innovating the development mode, the Group built the endogenous dynamics and core ability of the business development and realized sustained and stable business growth.

During the year, the revenue of the Group was approximately RMB26.43 billion, representing a year-on-year increase of 11.1%. The gross profit margin was approximately 31.8%, representing a year-on-year increase of 6.1 percentage points. Profit attributable to equity holders was approximately RMB2.73 billion, representing a year-on-year increase of 20.7%. Core net profit (profit attributable to equity holders excluding net fair value gains on revaluation of investment properties and the related tax effect and net foreign exchange gain/(loss) recognized in the consolidated statement of profit or loss) was approximately RMB2.81 billion, representing a year-on-year increase of 19.6%.

Contracted Sales Hit Record High

In 2018, faced with the continuous tightening of industry regulation policies and severe market environment, the Group adjusted the sales strategy in a timely manner according to the specific conditions of different markets, accelerated the pace of sales and cash collection of sales proceeds, and achieved positive sales results.

During the year, the Group recorded a contracted sales value (including contracted sales by joint venture projects) of approximately RMB57.78 billion, up 41.4% year-on-year, and the contracted sales GFA was approximately 2.77 million sq.m., up 24.7% year-on-year, which accounted for approximately 105.1% of the full year contracted sales target of RMB55.0 billion. The average selling price was RMB20,900 per sq.m., up 13.6% year-on-year. The aggregate contracted sales value in Guangdong-Hong Kong-Macau Greater Bay Area, Yangtze River Delta and Central China Region was approximately RMB53.68 billion, accounting for approximately 92.9% of the Group’s total contracted sales.

Increase High-quality Landbank through Diversified Models

In 2018, through various models including cooperation with state-owned enterprises, open auctions, mergers and acquisitions, etc., the Group newly acquired 16 prime land parcels located in 8 cities including Guangzhou, Jiangmen, Wuhan, Xiangyang, Suzhou, Yantai, Qingdao, and Ji'nan, at low premiums, with a total GFA of approximately 5.05 million sq.m.. In terms of the attributable interest to the Group, the attributable GFA was approximately 1.92 million sq.m..

As at 31 December 2018, the total landbank of the Group was approximately 19.41 million sq.m.. In terms of regional expansion layout, the Group made Guangdong-Hong Kong-Macau Greater Bay Area, Yangtze River Delta, and Central China Region as its three major growth regions. The Group's landbank was in 14 cities, with approximately 86.3% located in Guangdong-Hong Kong-Macau Greater Bay Area, Yangtze River Delta and Central China Region.

Continuous Improvement in Financial Position

As at the end of the reporting period, the Group's total cash and cash equivalents and charged bank deposits amounted to approximately RMB27.16 billion, representing an increase of 30.6% as compared to the beginning of the year; and its net gearing ratio was 61.2%, decreased by 11.6 percentage points as compared to the beginning of the year.

In 2018, fully leveraging the advantages of multiple financing channels onshore and offshore, the Group strengthened capital management, and optimised the financing models. During the reporting period, the Group successfully issued US\$800 million 3-year and US\$400 million 5.5-year corporate bonds with coupon rates of 4.875% and 5.375% respectively in the offshore market and issued RMB800 million 3-year and RMB700 million 5-year onshore corporate bonds with coupon rates of 4.24% and 4.25% respectively, thereby optimising the debt portfolio and debt structure.

Steady Development of Commercial Properties and New Businesses

The Group strives to develop its commercial operation capacity, develop commercial properties business as an "stabiliser" for the Group. In 2018, the Group disposed Hangzhou Victory Business Center, a high-quality property to Yuexiu REIT at a total consideration of RMB557 million, further implementing the development model of "development + operations + securitization". As at

the end of 2018, the Group directly owned approximately 0.81 million sq.m. of investment properties for lease and recorded a rental income of approximately RMB685 million, representing a year-on-year increase of 10.8%. The Group holds 36.12% of Yuexiu REIT, which had 0.97 million sq.m. of commercial properties for lease, achieving a revenue of approximately RMB2.03 billion for the year, representing a year-on-year increase of 9.6%.

Furthermore, the Group's urban renewal business proceeded smoothly, the "Railway + Properties" development model registered substantial progress. The business pattern of the elderly-care business has been fully developed. The housing leasing business also progressed steadily.

Mr. Lin Zhaoyuan, Chairman of the Group, said, "Looking ahead to 2019, the Group will focus on 'Deepening Management and Improving Capabilities, Driving Development through Operation', and strive to accomplish the annual sales and business goals. The Group will take advantage of the strategic development opportunities of the formal introduction of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, further develop the business in the key cities in the Greater Bay Area and consolidate the Group's market leader position in the Greater Bay Area, strengthening the core business of residential and commercial development. The Group will focus on incubating the new business, including urban renewal business, elderly-care business, and long-term leasing business, to comprehensively enhance the professionalism and competitiveness of all links of the real estate value chain, promote the rapid and high-quality development of our business, and continue 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 Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta, Central Region and Pan-Bohai Rim. As of 31 December 2018, the Company's total GFA of properties under development and undeveloped properties was approximately 19.41 million sq.m..

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