



越秀地產股份有限公司

YUEXIU PROPERTY COMPANY LIMITED

[For Immediate Release]

Yuexiu Property Announces 2018 Interim Results

Contracted Sales Hit a New High

Operating Results Grew Steadily

- The value of aggregate contracted sales for the first half of 2018 was approximately RMB 27.98 billion, representing a period-to-period increase of 39.5%, accounting for 50.9% of the full year contracted sales target of RMB55.0 billion.
- The gross profit margin was approximately 25.8%, representing a period-to-period increase of 0.9 percentage point.
- Profit attributable to equity holders was approximately RMB1.31 billion, representing a period-to-period increase of 19.2%.
- The value of the unrecognized sales amounted to approximately RMB56.10 billion at the end of the period, representing an increase of 41.3% as compared to the beginning of the year.
- Cash and cash equivalents and charged bank deposits amounted to approximately RMB25.83 billion at the end of the period, representing a period-to-period increase of 24.2% as compared to the beginning of the year.
- The net gearing ratio decreased by 8.5 percentage points from 72.8% at the beginning of the year to 64.3%.
- The GFA of newly acquired land parcels accounted to approximately 2.49 million sq.m., the total landbank of the Group was approximately 18.22 million sq.m. at the end of the period.
- The Board has resolved to declare an interim dividend for 2018 of HKD0.042 per share, representing a period-to-period increase of 5%, total interim dividends accounted for approximately 40% of the core net profit.

(13 August 2018 – 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 2018.

Stable Grow in Operating Results

In the first half of 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 first half of the year, the revenue of the Group was approximately RMB10.16 billion, representing a period-to-period decrease of 14.9%. The gross profit was approximately 25.8%, representing a period-to-period increase of 0.9 percentage point. Profit attributable to equity holders was approximately RMB1.31 billion, representing a period-to-period increase of 19.2%. 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 RMB1.12 billion, representing a period-to-period increase of 7.8%.

Contracted Sales Hit Record High

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

In the first half of year, the Group recorded a contracted sales value (including contracted sales by joint venture projects) of approximately RMB27.98 billion, 39.5% up on a period-to-period basis and the contracted sales GFA was approximately 1.38 million sq.m., 10.5% up on a period-to-period basis, which accounted for approximately 50.9% of the full year contracted sales target of RMB55.0 billion. The average selling price was RMB20,300 per sq.m., 26.1% up on a period-to-period basis. The aggregate contracted sales value in Greater Bay Area, Yangtze River Delta and Central China Region was approximately RMB25.38 billion, accounting for approximately 90.7% of the Group’s total contracted sales.

Continuous Expansion of Prime Landbank

In the first half of the year, through various models including cooperation with state-owned enterprises, bidding, mergers and acquisitions, the Group newly

acquired nine prime land parcels located in seven cities including Guangzhou, Jiangmen, Wuhan, Suzhou, Yantai, Qingdao, and Ji'nan at low premiums, with a total GFA of approximately 2.49 million sq.m..

As at 30 June 2018, the total landbank of the Group was approximately 18.22 million sq.m.. In terms of regional expansion layout, the Group made Greater Bay Area, Yangtze River Delta, and Central China Region as its three major growth regions. The Group's landbank was in 13 cities, with approximately 85% located in Greater Bay Area, Yangtze River Delta and Central China Region.

Stable and Sound Financial Position

In the first half of the year, fully leveraging the advantages of multiple financing channels onshore and offshore, the Group strengthened capital management, optimised the financing models, effectively reduced the financing cost. During the reporting period, the Group successfully issued US\$800 million 3-year and US\$400 million 5.5-year bonds with coupon rates of 4.875% and 5.375% respectively, thereby optimising the debt portfolio and debt structure. At the end of the reporting period, the Group's total cash and cash equivalents and charged bank deposits amounted to approximately RMB25.83 billion, representing an increase of 24.2% as compared to the beginning of the year; and its net gearing ratio was 64.3%, decreased by 8.5 percentage points as compared to the beginning of the year.

Continued Improvement in Operation and Management Capabilities

To adapt to the Group's regional and national development and the need for management of scale development, the Group continued to optimise its internal management system. The Group enhanced the management and control of headquarters over lines of business and functions, focused on optimising the control of business lines such as product, construction, cost and procurement, and strengthened the support of the strategy, workforce, finance and other functions. Through the creation of value resource management system, project progress control system, business plan management system, the Group endeavored to accelerate the development of the project. At the same time, the Group stepped up the cultivation and introduction of core talents, enhanced the efficiency of human capital, accelerated the upgrade and optimisation of the performance incentive system, and provided human capital support for the development of the Group.

Mr. Lin Zhaoyuan, Vice Chairman and General Manager of the Group, said, "In the second half of the year, the Group will adhere to the theme of 'business-driven quality improvement, innovation-driven development' and devote every effort to achieve its annual sales and business targets. The Group will develop

targeted sales strategies according to different cities and different projects, with an aim to achieve the annual sales target of RMB55.0 billion. Also, the Group will endeavour to promote the cash collection of sales proceeds through all kinds of flexible measures. Meanwhile, the Group will continue to improve business operation and management ability, speed up project turnover, enforce cost control to raise corporate profits. The Group will continue to optimize the long-term incentive mechanism, stimulate the internal impetus of enterprise development, thereby promoting further remarkable development.”

Mr. Zhang Zhaoxing, Chairman of the Group, said, “Looking forward to the future, the government will expedite the establishment of a housing system featuring multisuppliers, multi-channels’ protection and concurrent developments of renting and purchase. The government will also accelerate the construction of long-term mechanisms to promote the steady and healthy development of the property market. As a pillar industry, the property industry will continue to play an essential role in stabilising the economy and boosting growth. 2018 is a crucial year for implementing the Group’s ‘13th Five-year’ development plan. The Group will grasp the ‘13th Five-year’ strategic theme of ‘revitalizing resources, enhancing capacity, strengthening commercial business, adjusting structure, promoting transformation and seeking development.’ The Group will take advantage of current strategic development opportunities, and comprehensively enhance the professionalism and competitiveness of all links of the real estate value chain and continue to improve the rate of return on capital of 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 30 June 2018, the Company's total GFA of properties under development and undeveloped properties was approximately 18.22 million sq.m..

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