

[For Immediate Release]

Yuexiu Property Announces 2019 Interim Results
Operating Results Grow Significantly
Contracted Sales Hit New High

- The value of contracted sales for 1H 2019 was approximately RMB 36.90 billion, representing a period-to-period increase of 31.9%, accounting for 54.3% of the full-year contracted sales target of RMB68.0 billion.
- The gross profit margin was approximately 30.0%, representing a period-to-period increase of 4.2 percentage points.
- Profit attributable to equity holders was approximately RMB1.87 billion, representing a period-to-period increase of 42.4%.
- Core net profit was approximately RMB1.83 billion, representing a period-to-period increase of 63.2%.
- The value of unrecognized sales amounted to approximately RMB77.55 billion, representing an increase of 21.4% as compared to the beginning of the year.
- As of 30 June, Cash and cash equivalents and charged bank deposits amounted to approximately RMB31.58 billion, representing an increase of 16.3% as compared to the beginning of the year.
- The Group successfully acquired 86% interest of Yue Galaxy from Yuexiu Group and Guangzhou Metro which was the first such “Railway + Property” project, increasing the Group’s landbank in GFA by approximately 1.39 million sq.m..
- The Group acquired new landbank with a total GFA of 3.74 million sq.m. in 1H 2019, and the total landbank as of 30 June 2019 amounted to approximately 21.52 million sq.m..
- The Board has resolved to declare an interim dividend of RMB0.047 per share for 1H 2019, up by 30.6% period-to-period and equal to approximately 40% of core net profit per share.

(13 August 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 six months ended 30 June 2019.

Remarkable Growth in Operating Results

In the first half of 2019, the Group focused on the annual aim of “further improving management capability and driving development with operations”, and through enhancing management competitiveness and stress awareness of results driven by operations and by improving the management capability and building up its core competitiveness for business development, the Group sustained quality growth in operating results.

During the first half of 2019, the revenue of the Group was approximately RMB21.79 billion, representing a period-to-period increase of 114.4%. The gross profit margin was approximately 30.0%, representing a period-to-period increase of 4.2 percentage points. Profit attributable to equity holders was approximately RMB1.87 billion, representing a period-to-period increase of 42.4%. Core net profit (profit attributable to equity holders excluding net fair value gain/(loss) 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 RMB1.83 billion, representing a period-to-period increase of 63.2%. The Board has resolved to declare an interim dividend of RMB0.047 per share for 1H 2019, up by 30.6% period-to-period and equal to approximately 40% of core net profit per share.

Contracted Sales Hit Record High

In the first half of 2019, the Group timely adjusted its sales strategies according to the government’s policies on regulating the property markets and the specific conditions of each market. It also accelerated the pace of sales and collection of sales proceeds. As a result, it achieved good results in contracted sales.

In the first half of the year, the Group recorded aggregate contracted sales value (including contracted sales for joint venture projects) of approximately RMB36.90 billion, up by 31.9% period-to-period, and the aggregate contracted sales GFA was approximately 1.64 million sq.m., up by 19.3% period-to-period. The Group has accomplished approximately 54.3% of the full-year contracted sales target of RMB68.0 billion. The average selling price was RMB22,500 per sq.m., up by 10.8% period-to-period. The aggregate contracted sales value in the Guangdong-Hong Kong-Macau Greater Bay Area (“Greater Bay Area”) was approximately RMB23.16 billion, accounting for approximately 62.8% of the Group’s total contracted sales.

High-quality New Landbank Added

The Group added its new landbank through various models, including “Railway + Property”, cooperation with other state-owned enterprises, industry-leveraging acquisitions, and bidding for lands on the open market. In the first half of 2019, the Group acquired 14 land parcels, with a total GFA of

approximately 3.74 million sq.m., located in the prime locations of 7 cities, including Guangzhou, Shenzhen, Hangzhou, Chengdu, Zhengzhou, Qingdao and Jiangmen at low premiums.

As of 30 June 2019, the total landbank of the Group was approximately 21.52 million sq.m., located in 17 cities, approximately 49.0% of its landbank are located in the Greater Bay Area. The Group continued to optimize its geographical layout by developing further its business in the Greater Bay Area, Eastern China Region, Central China Region and Northern China Region.

Successful Implementation of the Business Model of “Railway + Property”

In the first half of the year, the Group completed the acquisition of its first metro property project through business model of “Railway + Property”. It acquired an 86% interest in Yue Galaxy project, which is a property project atop a metro station. Guangzhou Metro also subscribed for the Group’s new shares and thereby hold a 19.9% equity stake in the Group as its second-largest shareholder. Yue Galaxy project is a large-size project for residential use with a total GFA of approximately 1.39 million sq.m. The project is positioned as a super-large residential complex with facilities for commerce, education and cultural activities. The project is located near Guangzhou metro Line 13 in Guanhu village, Xintang town, Zengcheng District, Guangzhou city. In the first half of 2019, The Yue Galaxy project recorded contracted sales of approximately RMB2.09 billion.

On 28 May 2019, the Group announced that it had entered into two options contracts with Guangzhou Yuexiu Group to secure the right to acquire 51% interest in both new metro property projects from Guangzhou Yuexiu Group. The two new metro property projects, namely Luogang project and Chentougang project, were respectively located at Huangpu District and Panyu District, in Guangzhou. The Luogang project is adjacent to Xiangxue Station on Guangzhou Metro Line 6, with a total GFA of approximately 910,000 sq.m. A large-scale complex consisting of residential buildings and educational facilities will be built on the land. The Chentougang project is located at Chentougang Station on Guangzhou Metro Line 22, and it will be a superstructure property atop the metro station. It is also a rare large-scale residential project in Panyu District, Guangzhou, with a total GFA of approximately 880,000 sq.m.. Guangzhou Metro Line 22 was expected to be opened in 2020, helping to increase the value of the project. The acquisition of the options to acquire interests in the two property projects at metro stations will provide the Group with the opportunity to acquire an additional premium landbank of approximately 1.79 million sq.m. in GFA. If the two options are to be exercised and the transactions completed as planned, the total GFA of the Group’s metro property projects will increase to approximately 3.18 million sq.m..

Prudent Financial Position

In the first half of 2019, the Group fully leveraged multiple financing channels onshore and offshore, and strengthened capital management, optimized the financing methods, and worked to reduce the financing cost. As of 30 June, cash and cash equivalents and charged bank deposits amounted to approximately RMB31.58 billion, representing an increase of 16.3% as compared to the beginning of the year. The Group successfully issued RMB2.5 billion consisting of 3-year bond at a coupon rate of 3.85% and 3+2 year bond at a coupon rate of 3.93%, thereby optimizing its debt portfolio and debt structure. In the first half of the year, the average interest rate was 4.76%, down by 6 basis points period-to-period.

Consistent Improvement in Business Operation and Management Capabilities

To match the needs of the growing size of its nationwide operations, the Group focused on constantly enhancing its internal operation system centered on project management. The Group continued to improve the management of the processes of its business, including product quality assurance, construction project, and cost control, and procurement of raw materials. It promotes a system for product standardization and develop its capability to increase the asset turnover ratio. As a result, the Group substantially improved the efficiency of property development. The Group also consistently optimized the cost structure by strengthening the project management and cost control, improving the plans for property projects, furthering the reform of the procurement process, improving the processes of selecting suppliers and tendering for property projects. It also strengthened the management of the main contractors. Moreover, the Group stepped up its effort to foster and recruit core talents, enhanced the talent team and optimized the composition of such team. It also improved the performance-based incentive mechanisms, thus ensuring sufficient human resources to support its development.

Mr. Lin Zhaoyuan, Chairman of the Group, said, “Looking ahead to the second half of 2019, we will continue to “further improve management capability and drive development with operations” and have confidence to achieve its sales and business targets for the year. The Group will try to grasp opportunities on the market by quickening the pace of launching property projects, broadening sales channels and boosting sales of metro property projects to ensure the full-year targets of sales and cash flow accomplished. Meanwhile, it will also speed up the development of its property projects, raise the asset turnover ratio and improve its products with the aim of increasing its profitability and the competitiveness. It will also improve its incentive mechanisms for the long term so as to stimulate the organic growth of its business. This can ultimately lead to rapid, quality growth of the Group.”

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Disclaimer

The above-mentioned data are based on the summary of internal information of the Group, which may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Group 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 Group. 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 Group's main business is property development and investment with its operations mainly concentrated in four core regions of the Greater Bay Area, Eastern China Region, Central China Region and Northern China Region. As of 30 June 2019, the Group's total landbank was approximately 21.52 million sq.m. in GFA.

IR & Media Contacts

Yuexiu Property Company Limited
Swan Wan
Email: ir@yuexiuproperty.com

iPR Ogilvy & Mather

Callis Lau / Gary Li / Molisa Lau / Sau Wai Chim / Joann Fang / Chloe Cheung
Tel: (852)2136 6952 / 3170 6753 / 2136 6953 / 3920 7682 / 3920 7619 / 3920 7650

Fax: (852)3170 6606

Email: yuexiuproperty@iprogilvy.com