

[For Immediate Release]

Yuexiu Property Announces 2020 Annual Results

Core Net Profit Grew Steadily

The Company presses ahead with business strategy of “Railway+Property”

- Revenue was approximately RMB46.23 billion, representing an increase of 20.6%.
- Profit attributable to equity holders was approximately RMB4.25 billion, representing an increase of 21.9%.
- Core net profit was approximately RMB4.02 billion, representing an increase of 14.6%.
- The contracted sales value (including contracted sales at joint-venture projects) for the year increased by 32.8% to approximately RMB95.76 billion, which was equal to 119.4% of the full-year target of RMB80.2 billion.
- The contracted sales value recorded under “Railway+Property” strategy was approximately RMB17.0 billion.
- Through a distinctive “6+1” land acquisition model, the Group acquired 22 parcels of land in 11 cities with a total GFA of approximately 5.6 million sq.m.
- Through the “Residential Property + Government Projects” model, the Group acquired 4 parcels of land in Guangzhou with a total GFA of approximately 1.41 million sq.m..
- By the end of 2020, the Group’s total landbank amounted to approximately 24.54 million sq.m..
- The Group successfully acquired 51% of equity interests in two transit-oriented development (“TOD”) projects respectively, namely “Guangzhou Yue Fantasy” and “Guangzhou TOD Town” from Guangzhou Yue Xiu Holdings Limited (“Guangzhou Yuexiu”), with a total GFA of approximately 1.03 million sq.m.. By the end of 2020, the total landbank of TOD projects amounted to approximately 3.88 million sq.m., accounting for 15.8% of the Group’s total landbank.
- The Group continued to optimize its debt structure and diversify its financing channels. The average borrowing interest rate in 2020 decreased by 31 basis points (“bps”) to 4.62%. By the end of 2020, the net gearing ratio significantly decreased by 26.5 percentage points to 47.5%.
- There has been no breach of the so-called “Three Red Lines” policy. The Group’s gearing ratio (excluding unearned revenue), net gearing ratio and cash to short-term debt ratio were 69.2%, 47.5%, and 2.25 times respectively. All of them are in the “green line” defined in the policy.
- The Board recommended to declare a final dividend of HKD0.063 per share (equivalent to RMB0.053 per share) for 2020 which, together with the interim dividend, will bring the total dividend for 2020 to HKD0.120 per share (equivalent to RMB0.104 per share). The total dividend per share for 2020 in Hong Kong dollars increased by 17.6%.

(16 March 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 annual results for the year ended 31 December 2020.

Steady Growth in Core Net Profit

In 2020, the Group centered on the annual work theme of “improving efficiency by optimizing structure and driving development by operation” to neutralize the COVID-19 pandemic’s impacts. The Group won the battle against the pandemic by insisting on both epidemic prevention and operation, and achieved a solid increase in operating results.

The Group recorded revenue of approximately RMB46.23 billion in 2020, up 20.6% year-on-year. Profit attributable to equity holders was approximately RMB4.25 billion, representing a year-on-year increase of 21.9%. Core net profit was approximately RMB4.02 billion, representing a year-on-year increase of 14.6%.

Fast-Growing Contracted Sales Hitting Record High

In response to the impact brought on by the COVID-19 pandemic to the property market, the Group strove to neutralize the impact of the pandemic by proactively adopting effective measures and accelerated resumption of work and production to ensure adequate supply. By innovating sales methods, the Group actively promoted integrated marketing online and offline. The contracted sales maintained rapid growth for the full year, hitting a new high in contracted sales value.

In 2020, the Group recorded a contracted sales value (including contracted sales by joint venture projects) of approximately RMB95.76 billion, representing a year-on-year increase of 32.8%, and achieved 119.4% of the full year sales target of RMB80.2 billion. The average selling price was approximately RMB25,200 per sq.m., representing a year-on-year increase of 21.7%.

Increased High-quality Landbank through Diversified Channels

In 2020, through a diversified and distinctive “6+1” land acquisition model, the Group newly acquired 22 parcels of land in Guangzhou, Foshan, Jiangmen, Hangzhou, Suzhou, Nanjing, Qingdao, Yantai, Jinan, Chongqing and Chengdu, respectively at a lower premium for the full year, with a total GFA of approximately 5.6 million sq.m.. The Group has an innovated “Residential Property + Government Projects” model and acquired 4 premium parcels of land at reasonable prices in Guangzhou including Guangzhou Grand Mansion, increasing the landbank of approximately 1.41 million sq.m..

The Group further strengthened its “1+4” national strategic layout by deepening penetration in the Greater Bay Area, prioritizing the development in Eastern China Region, Central China Region, Northern China Region and Southwestern China Region, and making its foray into Nanjing and Chongqing, two key second-tier cities. The Group has set foot in 21 cities nationwide. As of 31 December 2020, the Group’s total landbank amounted to approximately 24.54 million sq.m., of which 55.1% located in the Greater Bay Area.

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Pressing Ahead with Business Strategy of “Railway + Property”

In 2020, the Group successfully acquired 2 TOD projects, Guangzhou Yue Fantasy (Shuixi Project) and Guangzhou TOD Town (Zhenlong Project), increasing TOD landbank of 1.03 million sq.m.. As of the end of 2020, the Group has a total of 5 TOD projects located in three districts, Huangpu, Zengcheng and Panyu, of Guangzhou. The total landbank for TOD projects reached 3.88 million sq.m., accounting for approximately 28.7% of the landbank in the Greater Bay Area and 15.8% of the Group’s total landbank.

The Group’s 5 TOD projects continued to sell well, achieving a total contracted sales of approximately RMB17.0 billion for the full year, representing a year-on-year increase of 236.6%. Among them, the Yue Melody achieved contracted sales value of approximately RMB7.53 billion, and its sales ranked first in Huangpu District, Guangzhou, and the top three in Guangzhou. The Group will press ahead its strategic cooperation with Guangzhou Metro Group.

Sound Financial Position and No Breach of “Three Red Lines”

As of 31 December 2020, the Group’s cash and cash equivalents and charged bank deposits amounted to approximately RMB37.31 billion, which was an increase of 23.6% from that at the beginning of the year, and continued to maintain sufficient liquidity. The net gearing ratio was 47.5%, significantly decreased by 26.5 percentage points comparing with the beginning of the year. The key financial indicators were healthy while financial risks were effectively under control and sound management.

The Group actively expanded its financing channels, strengthened capital management, improved capital utilization efficiency, and continued to reduce funding costs. In 2020, the Group successfully issued onshore corporate bonds of RMB1.5 billion with a coupon rate of 3.13% for a term of 3+2 years. The Group’s average borrowing interest rate for the year decreased by 31 bps to 4.62%.

As of 31 December 2020, the Group’s gearing ratio (excluding unearned revenue), net gearing ratio and cash to short-term debt ratio were 69.2%, 47.5%, and 2.25 times, respectively, without breaching any of the “Three Red Lines” and all indicators fell within the “green line”. The Group has thus become one of the few property developers in China that no breach all three indicators.

Insistence on Sustainable Development (ESG)

The Group insisted on sustainable development strategy. Since 2010, the Group has consecutively published corporate social responsibility/ environmental, social and governance (ESG) report to society for 10 years. The Group has been elected as the constituent stock of Hang Seng Corporate Sustainable Index (HSSUS) series for two consecutive years and remained A level, thereby becoming one of the benchmarks for sustainable development of Hong Kong-listed companies, which also represented a high recognition from society to the performance of the Group in fields of sustainable operation development, environmental, social and corporate governance.

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Mr. Lin Zhaoyuan, Chairman of the Group, said, “The Group's 13th Five-year strategic plan for business is drawing to a close in 2020. The Group pressed on with its business development and made headway in all its operations despite the dire situation of the COVID-19. Looking ahead, the year 2021 marks the start of the Group's 14th Five-year strategic plan, and it is also a critical year for the Group to set various operational targets for its 14th Five-year plan. In order to achieve sustainable and steady growth in all businesses and operating results, the Group will unswervingly adhere to the goal of high-quality, sustainable and stable development and spare no effort to improve the 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 to "Where Good Living Starts", the Group has deployed in 21 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 31 December 2020, the Group had a total assets of approximately RMB263.2 billion and a total landbank of approximately 24.54 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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