

[For Immediate Release]

**Yuexiu Property Announces 2020 Interim Results**  
***Core Net Profit Continued to Grow***  
***“Railway+Property” Strategy Progressed Smoothly***

- The revenue was approximately RMB23.71 billion, representing a period-to-period increase of 8.8%.
- Profit attributable to equity holders was approximately RMB1.99 billion, representing a period-to-period increase of 6.7%.
- Core net profit was approximately RMB1.99 billion, representing a period-to-period increase of 8.5%.
- The contracted sales value for the first half of the year amounted to approximately RMB37.56 billion, representing a period-to-period increase of 1.8%, and achieved 46.8% of the full-year sales target of RMB80.2 billion.
- The contracted sales value of TOD projects amounted to approximately RMB5.05 billion, representing a period-to-period increase of 141.6%.
- The newly acquired landbank of the Group was approximately 1.10 million sq.m. and the total landbank was approximately 23.63 million sq.m..
- The Group has obtained the rights to acquire 51% interest in two TOD projects, namely Shuixi Project and Zhenlong Project by entering into two option deeds with Guangzhou Yuexiu Group, the ultimate controlling shareholder. The total GFA of these two projects is approximately 1.05 million sq.m.. Upon completion of the acquisitions, the landbank of TOD projects will increase to 4.19 million sq.m., accounting for 17.7% of the total landbank.
- In the first half of the year, the average borrowing interest rate decreased by 5 bpts to 4.71%. Debt structure continued to be optimized, financing channels were diversified. The Group successfully issued onshore corporate bonds of RMB1.50 billion with a coupon rate of 3.13% for a term of 3+2 years.
- The Board has proposed to declare an interim dividend of HKD0.057 per share for 2020, representing a period-to-period increase of 7.5%.

(24 August 2020 – 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 interim results for the six months ended 30 June 2020.

### **Steady Growth in Operating Results**

In the first half of the year, the Group focused on the annual work theme of “Optimize structure for efficiency improvement and accelerate operation-driven for development” to proactively respond to market changes and neutralize the pandemic’s adverse impacts so as to continually improve operations and management capacity, achieving a solid increase in operating results.

The revenue of the Group was approximately RMB23.71 billion, representing a period-to-period increase of 8.8%. Profit attributable to equity holders was approximately RMB1.99 billion, representing a period-to-period increase of 6.7%. Core net profit was approximately RMB1.99 billion, representing a period-to-period increase of 8.5%.

### **Contracted Sales Hit Record High**

In the first half of the year, as the COVID-19 pandemic has clouded the property market, the Group strived to minimize the impact of the pandemic by proactively adopting effective response measures, accelerating resumption of work and production, innovating sales methods, and actively promoting online sales. Meanwhile, the Group seized on the swift rebound in the market in the second quarter thanks to the effective control of pandemic and attached great importance to sales and cash collection. Despite a turbulent market in the first half of the year, the Group still recorded a period-to-period increase in contracted sales and even a new high in contracted sales value.

The contracted sales value (including contracted sales by joint venture projects) amounted to approximately RMB37.56 billion, representing a period-to-period increase of 1.8%, and achieving 46.8% of the full-year sales target of RMB80.2 billion. The average selling price was approximately RMB24,700 per sq.m., representing a period-to-period increase of 9.8%.

### **Increased High-quality Landbank through Diversified Channels**

In the first half of the year, through diversified land acquisition channels, the Group newly acquired 5 prime land parcels located in Guangzhou, Hangzhou, and Suzhou at relatively low premiums, with a total GFA of approximately 1.10 million sq.m.. Among them, the Group acquired Guangzhou Panyu Changlong

South Land at a floor price through the “Residential + Government Projects” model, adding landbank of approximately 440,000 sq.m..

The Group strengthened its foothold in the Greater Bay Area, prioritized the development in Eastern China Region, Central China Region, Northern China Region and Western China Region, strategically deployed in 19 cities across the country and further optimized the “1 + 4” nationwide layout. As at the end of June, the total landbank of the Group amounted to approximately 23.63 million sq.m., of which 53.9% located in the Greater Bay Area.

### **Smooth Progress of “Railway + Property” Strategy**

The three TOD projects including Yue Galaxy, Yue Melody and Yue Infinity, successfully acquired by the Group last year, continued to be the hot sellers in the first half of the year, achieving RMB5.05 billion in contracted sales, representing a period-to-period increase of 141.6%. Strategic cooperation with Guangzhou Metro Group continued smoothly.

In the first half of the year, the Group has obtained the rights to acquire 51% interest in two TOD projects, namely Shuixi Project and Zhenlong Project by entering into two option deeds with Guangzhou Yuexiu Group, the ultimate controlling shareholder. The Group intends to exercise two options and complete project acquisition in the fourth quarter of this year. Upon completion of the acquisitions, the landbank of TOD projects will reach 4.19 million sq.m., accounting for 17.7% of the total landbank. The Group has become one of the largest TOD property developers in PRC. This distinctive railway property development business will promote continuous growth for the Group.

### **Sound Financial Position**

As at June 2020, cash and cash equivalents and charged bank deposits for the Group amounted to approximately RMB30.16 billion, which was basically flat comparing with the beginning of the year; the net gearing ratio was 71.2%, decreased by 2.8 percentage points comparing with the beginning of the year. The Group's financial position is healthy and sound, with sufficient liquidity.

The Group fully leveraged multiple financing channels and strengthened capital management, optimized the financing methods, and managed to reduce the financing cost. In the first half of the year, the Group successfully issued onshore corporate bonds of RMB1.50 billion with a coupon rate of 3.13% for a term of 3+2 years. The average borrowing interest rate for the Group decreased by 5 bpts to 4.71% during the period.

### **Stable Operations in Commercial Properties**

Upholding the strategy of “equal focus on residential property development and commercial property operation”, the Group continued to improve the development mode of “development + operations + securitization” by taking advantage of the unique dual platform of “Yuexiu Property-Yuexiu REIT”. In the first half of the year, to overcome the adverse effects brought upon its business operations by the pandemic, the Group actively innovated and adjusted its operating methods across various business segments, optimized customer structures, diligently increased income and reduced expenditures, refined its management, and effectively controlled operating costs, which resulted in stable operations. In the first half of the year, the Group recorded a rental income of approximately RMB0.29 billion. The Group’s Yuexiu Financial Tower located in Zhu Jiang New Town, Guangzhou recorded a high occupancy rate of 95% at the end of the period, and a rental income of RMB0.18 billion, representing a period-to-period increase of 3.8%. Yuexiu REIT, which the Group holds approximately 38.37% interest, recorded a revenue of approximately RMB0.83 billion.

**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. In the first half of the year, the Group pressed on with its business development and made headway in all its operations despite the dire situation of the novel coronavirus pneumonia pandemic. In the second half of the year, the Group will continue “Optimize structure for efficiency improvement and accelerate operation-driven for development” while aiming for high-quality, steady development. Specifically, it will forge ahead with its business strategy of “Railway+Property” and will spare no effort to achieve the targets set for the sales and the performance of its operations in terms of various indicators for the year. It will also strive 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 19 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 Western China Region. As at 30 June 2020, the Group had a total assets of approximately RMB235.3 billion and a total landbank of approximately 23.63 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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