



# 越秀地產股份有限公司 YUEXIU PROPERTY COMPANY LIMITED

[For Immediate Release]

## Yuexiu Property Announces 2015 Annual Results

### *Record High Revenue and Contracted Sales*

- The Group achieved revenue of approximately RMB22.12 billion, representing a year-on-year increase of 41%.
- Core net profit amounted to approximately RMB1.24 billion.
- Aggregate contracted sales value amounted to approximately RMB24.85 billion, achieving the full year sales target.
- The unrecognized sales value amounted to RMB22.61 billion.
- Average borrowing cost decreased by 0.12 percentage point to 4.95%.
- The Board proposed to declare a final dividend of HK\$0.019 per share for 2015.

(29 February 2016 – Hong Kong) **Yuexiu Property Company Limited** (HKEx Stock Code: 00123) and its subsidiaries (collectively “Yuexiu Property” or the “Group”) is pleased to announce its annual results for the year ended 31 December 2015.

### **Record High Revenue and Contracted Sales**

In the year of 2015, the Group realized revenue of approximately RMB22.12 billion, representing a year-on-year increase of 41%. Profit attributable to equity holders was approximately RMB1.01 billion. Core net profit (excluding net revaluation gains on investment properties and foreign exchange gain/loss) was approximately RMB1.24 billion.

In 2015, the Group accurately grasped the market trend and adopted diversified and innovative sales strategies, thus hitting a historical high in contracted sales. The Group recorded aggregate contracted sales value (including contracted sales by joint venture projects) of approximately RMB24.85 billion and the corresponding gross floor area (“GFA”) was approximately 2,272,000 sq.m., representing a year-on-year increase of 13% and 21% respectively. The Group successfully completed the full year sales target of RMB24.8 billion. In view of the Group’s operating conditions and the development trend of the property market, the Group further raised its contracted sales target to RMB25.8 billion for 2016 and is confident to achieve it.

## **Stable and Sound Financial Position**

In 2015, the Group proactively used its advantages of onshore and offshore financing channels to rationalize resources allocation and further optimized financial structure to enhance the utilization rate of funds. During 2015, the Group raised RMB15.20 billion. By a combination of financing methods, the average borrowing cost in 2015 was 4.95%, a decrease of 0.12 percentage point as compared with that in 2014. Moody's, Fitch and Standard & Poor's all maintained the Group's investment grade ratings in 2015.

## **Breakthroughs in Cooperation Models and Mechanism Innovation**

In 2015, the Group jointly developed Haizhu Guangzhi land parcel in Guangzhou with Greenland and jointly developed Xijiang Mansion project in Jiangmen with Country Garden, marking breakthroughs in the innovative cooperation model and resources integration in recent years. Meanwhile, the land parcels acquired by the Group in 2015 were mainly in first- and second-tier cities, with most of the transactions made at initial bidding prices, which allows the Group to enhance the return on investment.

In 2015, the Group first established an employee incentive scheme in the Yuexiu City Box project in Foshan and then promoted it to other projects. The equity investment by management team members and core employees in project companies motivated the project team to maximize benefits for the enterprises.

**Mr. Lin Zhaoyuan, Vice Chairman and General Manager of the Group**, said, "Looking ahead, the Group has formulated the development plans for the next five years. The Group will focus its development in three core regions, namely Greater Guangzhou, Central China and Yangtze River Delta, and focus new investment on projects with quick turnover, aiming to enhance the operation quality and to increase the ROE of the projects. The Group will also strengthen its ability to consolidate resources and will press ahead with the effective operational model of 'Development-Operation-Finance' and the 'Property – REIT' dual-platform interaction model. The Group will continue to optimize the financial structure, reducing the borrowing cost and maintain a reasonable debt structure in terms of onshore and offshore loans. The Group will further develop and implement the long-term incentive mechanism to stimulate its organic growth and development. With the strategy and initiatives in place, the Group endeavors to become a competitive real estate developer with sound business performance and leading integrated capabilities."

**Mr. Zhang Zhaoxing, Chairman of the Group**, said, "The real estate sector will face challenges but will also have more opportunities in the future. Under the 'New Normal' of the economy, the real estate sector will remain a pillar of China's economy. The ongoing urbanization will also add impetus to the growth in the property market.

Meanwhile, the property sector will become even more competitive and is now on the stage of consolidation. This development bodes well for strong industry players, especially those who are able to capitalize on it for faster growth and good performance. The Group will remain competitive and will grasp development opportunity in the 'New Normal' stage. The Group will achieve the strategic development target and become more optimized and strengthened and will create greater returns for our shareholders through management upgrade, innovation and reform.”

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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 31 December 2015, the Company's total GFA of properties under development and undeveloped properties was approximately 13.69 million sq.m..

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