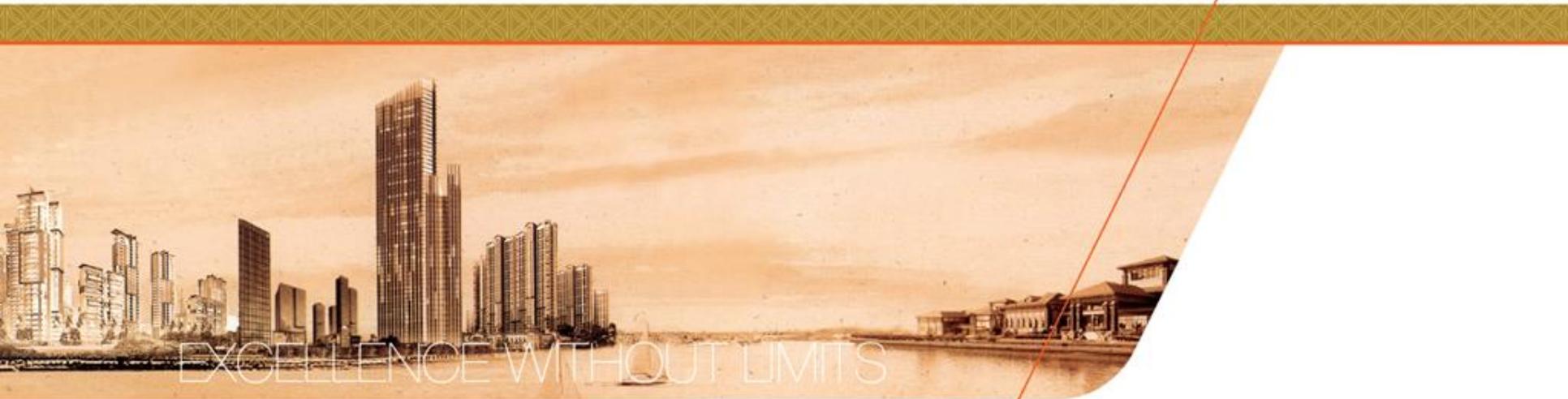


[www.yuexiuproperty.com](http://www.yuexiuproperty.com)

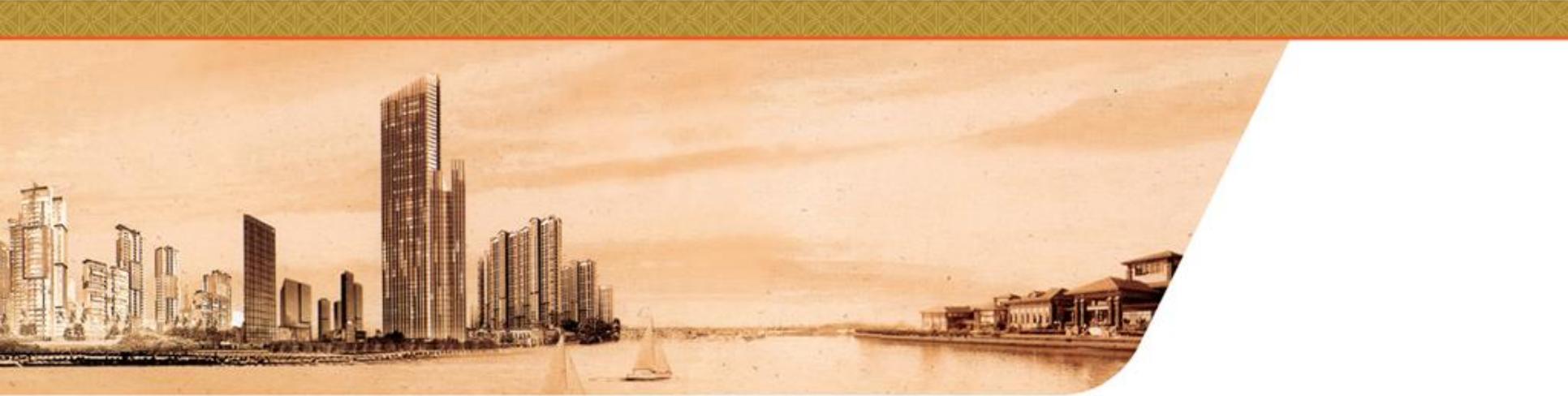


EXCELLENCE WITHOUT LIMITS

# 2012 Annual Results

21 March, 2013

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1. FINANCIAL HIGHLIGHTS

2. BUSINESS OVERVIEW

3. FUTURE PROSPECTS

# 2012 RESULTS HIGHLIGHTS

## Record High Property Sales

- Contracted sales: RMB12.3bn, +35.9% y-o-y, surpassed the full-year sales target of RMB10.0bn
- Including preliminary sales amounted to RMB16.13bn with corresponding GFA of 1.30mm m<sup>2</sup>
- The unrecognized sales amounted to RMB11.8bn of which RMB8.5bn will be booked in 2013

## Innovative Business Model

- GZIFC transaction brought in approx. RMB4.9bn of cash and reduced RMB4.5bn of bank borrowings
- Affirms the “Development + Operation + Securitization” model
- Shortens the payback period of commercial projects and accelerates the capital turnover

## Diversified Financing Channels

- Rated by Fitch and Moody's with Investment Grade ratings of “BBB-” and “Baa3” respectively
- Successfully issued US\$350 mm 3.25% 5-year senior notes and US\$500 mm 4.5% 10-year senior notes
- Became one of the three HK listed PRC property developers with investment-grade ratings

## Deepened Our Presence in PRC

- Invested approx. RMB8.03bn in 12 parcels of land with total GFA of 3.78mm m<sup>2</sup>
- Diversified development models by forming joint ventures with other renowned developers
- At 2012 year end, total landbank amounted approx. 14.40mm m<sup>2</sup>, spreading in 12 cities

## Return to Shareholders

- To share our achievements, the Board proposed to declare a final dividend of HK\$0.022 per share
- 2012 full year dividend will be HK\$0.064 per share, representing 40% payout on core profit
- In addition, the Board also proposed a special dividend of HK\$0.031 per share.

# INCOME STATEMENT & DIVIDEND

RMB bn	2012	2011	CHANGE
Revenue <sup>(1)</sup>	8.98	10.27	-12.6%
Gross Profit (Incl. Property Sales & Related Business)	4.10	4.11	-0.3%
Gross Profit Margin	47%	40%	+7ppt
Fair Value Gains	1.57	4.96	-68.4%
Operating Profit <sup>(2)</sup>	3.24	3.13	+3.6%
Profit Attributable to Shareholders <sup>(2)</sup>	1.03	1.01	+2.5%
Basic Earning per Share	RMB0.2672	RMB0.5640	-52.7%
FY 2012 Dividend per Share <sup>(3)</sup>	HKD0.064	HKD0.085	-24.7%
Dividend Payout Ratio <sup>(4)</sup>	40%	40%	-
Special Dividend per Share	HKD0.031	-	-
Total Dividend per Share	HKD0.095	HKD0.085	+11.7%

Note:

(1) Including the sales of investment properties

(2) Inclusive of sales of properties and related business but excluding the fair value gain on investment properties of the Group.

(3) Interim Dividend per share: HKD0.042, Final Dividend: HKD0.022, in total of HKD0.064 per share

(4) Excluding fair value gains on IP and negative goodwill of the Group

# BALANCE SHEET

RMB bn	2012	2011	CHANGE
Cash <sup>(1)</sup>	9.26	6.13	+51.1%
Total Bank Borrowings	20.13	21.78	-7.6%
Gearing Ratio <sup>(2)</sup>	37%	46%	-9ppt.
Net Gearing Ratio <sup>(3)</sup>	47%	76%	-29ppt.
Total Assets	70.00	61.21	+14.4%
Shareholder's Equity <sup>(4)</sup>	22.16	20.29	+9.8%
Net Assets per Share	RMB2.383	RMB2.175	+10.0%

Note:

(1) Including the charged bank deposits of RMB1.99bn in 2012 (RMB1.31bn in 2011)

(2) Gearing Ratio = (Total Bank Borrowings - Cash) / (Total Bank Borrowings - Cash + Equity)

(3) Net Gearing Ratio = (Total Bank Borrowings - Cash) / Equity

(4) Excluding Minority Interest

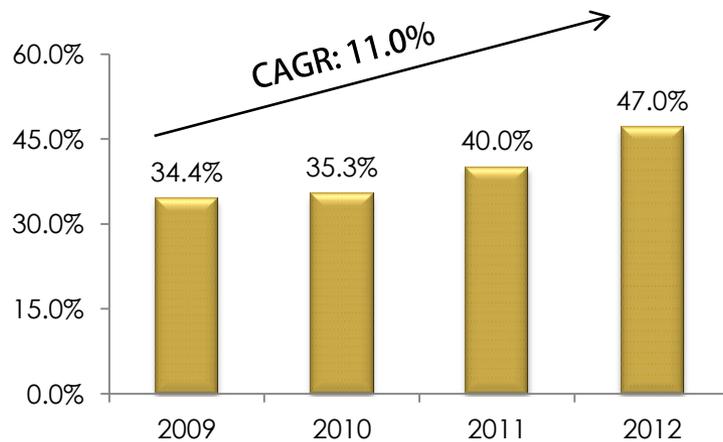
# MULTIPLE CHANNELS OF INCOME

TYPE	INCOME (RMB bn)	
	2012	
Property Sales	6.95	
Sales of IP	0.86	
Property Related Businesses	1.17	
Subtotal	8.98	
Disposal of Popark Plaza	0.98	
Total	9.96	

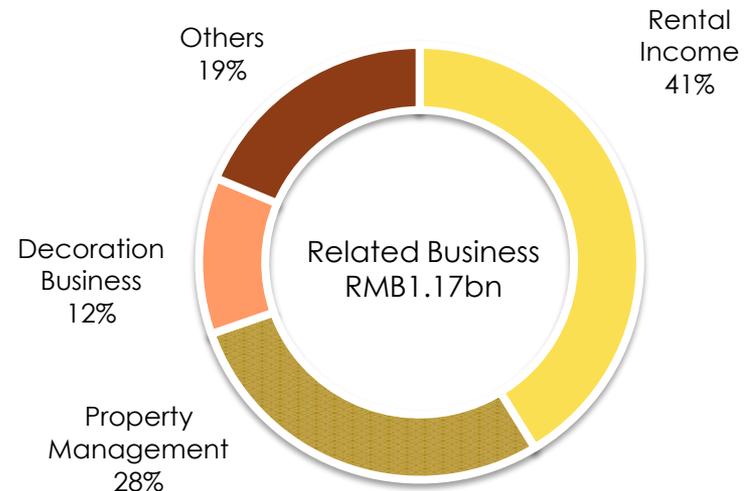
## Diversified Channels:

- Property Sales
- Sales of IP
- Property Related Businesses
- Disposal of IP in sale of shares (Popark Plaza)

## GROSS MARGIN



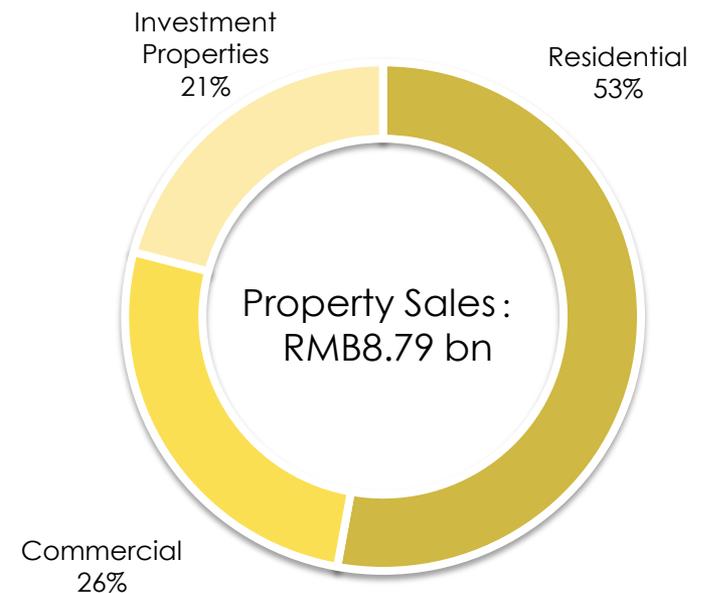
## PROPERTY RELATED BUSINESSES



# TOTAL PROPERTY SALES – RMB8.79BN

PROJECT	GFA (m <sup>2</sup> )	REVENUE (RMB bn)	ASP (RMB)
<b>RESIDENTIAL</b>	408,500	4.65	11,400
1 GZ Paradiso Homeland	42,500	0.99	23,300
2 GZ Ling Nan Riverside	40,000	0.85	21,300
3 GZ Starry Winking	10,100	0.39	38,500
4 Southern Le Sand	165,300	1.35	8,100
5 Huadu Glad Greenland	46,400	0.32	6,800
6 Jiangmen Starry Regal Court	90,600	0.62	6,900
7 Shenyang Yuexiu Hill Lake	13,600	0.13	9,300
<b>COMMERCIAL</b>	82,900	2.30	27,800
8 Springland Garden (Parking)	3,800	0.09	22,400
9 Springland Garden (Shops)	19,800	0.49	24,600
10 Jiang Nan New Mansion	23,900	1.00	41,800
11 Fortune Century Square	6,900	0.20	29,300
Others	28,500	0.52	12,800
<b>INVESTMENT PROPERTY</b>	69,700	0.86	12,300
12 Hong Fa Building	32,800	0.32	9,800
13 Bingjiang Yiyuan	6,900	0.18	25,500
14 Lu Lake Complex	10,900	0.17	15,600
Others	19,100	0.19	10,000
<b>DISPOSAL IN FORM OF EQUITY</b>	117,200	0.98	8,400
15 Popark Plaza*	117,200	0.98	8,400
<b>Total</b>	<b>678,300</b>	<b>8.79</b>	<b>13,000</b>

- Total Property Sales was RMB8.79bn, in which residential projects and commercial projects amounted to RMB4.64bn and RMB2.30bn respectively.
- Sales of IP was RMB1.84bn, of which RMB0.98bn from Popark Plaza disposal by way of shares sale
- The aggregated property sales from 2008-2012 is approx. RMB28.5bn, inclusive of the sales of IP amounted to RMB4.6bn (Incl. Popark Plaza)
- The company's asset structure has been optimized and the asset quality has been improved.



Note: Disposal in form of Equity in 2011 and booked in 2012

# GZIFC TRANSACTION – RMB 13.44BN

## UNIQUE MODEL OF YUEXIU PROERTY & YUEXIU REIT

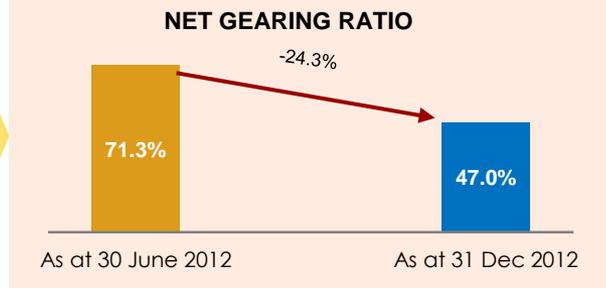
- Successfully spun-off 4 investment properties including White Horse Building in 2005 through the listing of YX REIT
- Part of the proceeds to purchase the land plots for GZ IFC, Fortune World Plaza and Fortune Centre

## IMPACT OF GFZIFC TRANSACTION TO YUEXIU PROPERTY

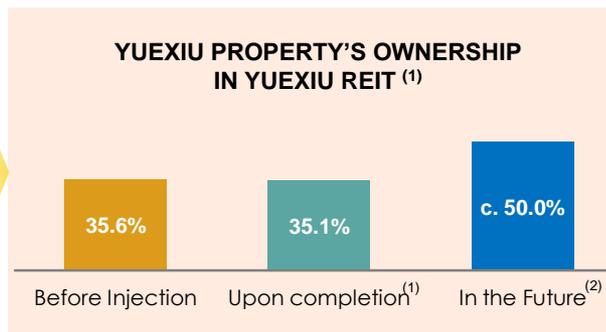
- GZIFC transaction generated revenue of RMB13.44bn
- Cash inflow of about RMB 4.9bn and reduction of RMB 4.5bn bank borrowings
- Through owing stakes in Yuexiu REIT, Yuexiu Property continues to enjoy stable, recurring income from GZ IFC



### Net Gearing Ratio



### Stake in Yuexiu REIT will Increase after the DPU Issues



Note:

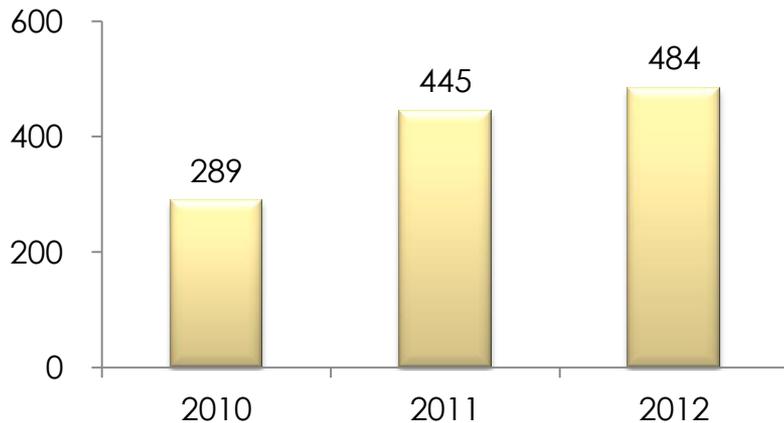
1. The injection of GZ IFC was completed on 8 October 2012. As at 19 November 2012, Yuexiu Property's shareholding in Yuexiu REIT dropped to 35.14% from 36.71%.
2. Deferred units will be issued from 2016 and Yuexiu Property's holding in Yuexiu REIT will grow to c. 50% gradually.

# RECURRING INCOME – IP & REIT

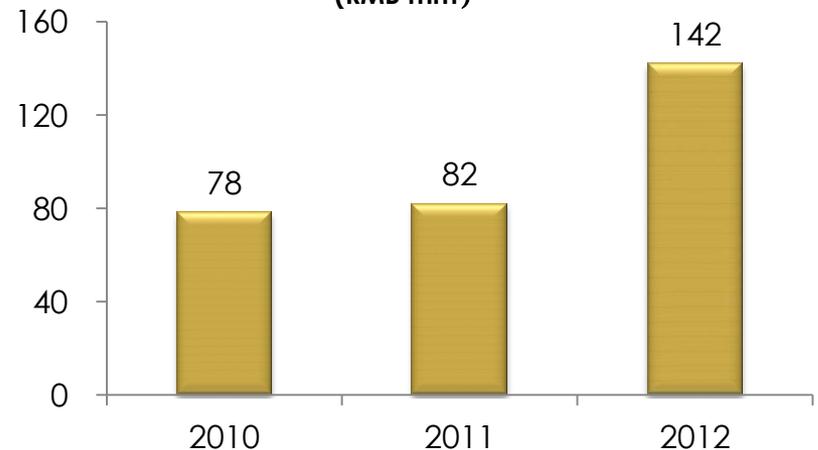
PROJECT	OFFICE	COMMERCIAL	PARKING	OTHERS	TOTAL
Rental Income (RMB mm)	238	190	36	20	484*
Rentable GFA (m <sup>2</sup> )	121,900	254,900	148,800	46,300	571,900
Appraised Value(RMB mm)	794	2,499	718	102	4,113

Note:  
Including the rental income of RMB218mm generating from GZIFC before the transaction

**RENTAL INCOME ( RMB mm )**

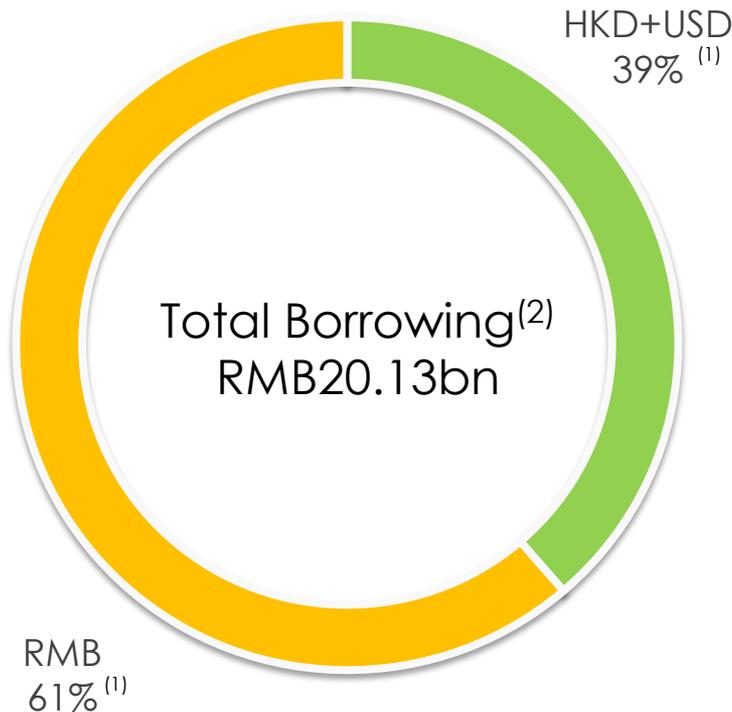


**DIVIDEND FROM YUEXIU REIT (RMB mm)**



# BANK BORROWINGS ANALYSIS

## BY CURRENCY



BY YEAR (RMB bn.)	TOTAL BORROWINGS	RATIO
Within 1 Yr	6.83	34%
2 <sup>nd</sup> Yr	7.22	36%
3 <sup>rd</sup> – 5 <sup>th</sup> Yrs	5.49	27%
Over 5 Yrs	0.59	3%
Total	20.13	100%

INTEREST COST (RMB bn)	2012	2011
Interest on Bank Borrowings	1.71	1.19
Interest Capitalized	1.15	0.72
Interest Expensed	0.55	0.47
Effective Interest Rate	7.0%	5.9%
Interest Rate in HK	3.3%	2.4%
Interest Rate in China	10.0%	7.7%

<sup>(1)</sup> The HKD+USD and RMB borrowings ratio was adjusted to 50:50 after the bonds were issued on 16 Jan, 2013

<sup>(2)</sup> As at the end of 2012

# RATINGS & BOND ISSUANCES



## COMPANY RATINGS

- Rated “BBB-” by Fitch
- Rated “Baa3” by Moody’s
- Became one of the three HK listed PRC developers with investment-grade ratings

COMPANY	Moody’s	Standard & Poor’s	Fitch
China Overseas	Baa2	BBB	-
China Resources Land	Baa2	BBB	-
Yuexiu Property	Baa3	-	BBB-

## THE MED-TERM NOTE PROGRAMME

- Established a USD2.0bn medium term note programme on 11 Jan, 2013

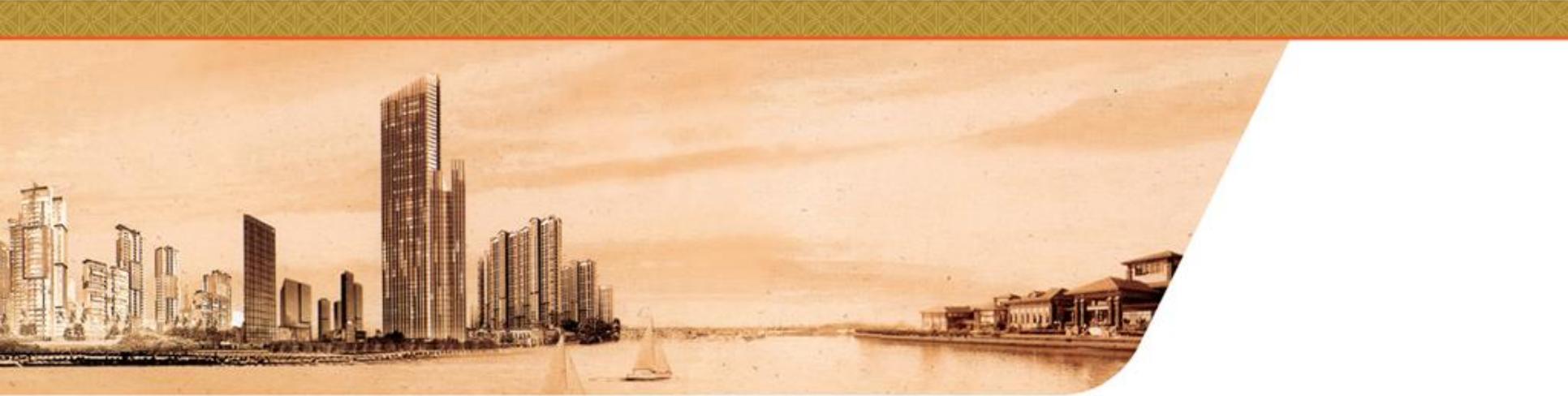
USD bn	MATURITY	COUPON ( % )
0.35	5 Yrs	3.25
0.50	10Yrs	4.50

## USD BOND ISSUANCE

- Successfully issued the USD350 mm 3.25% 5 year senior note and USD500 mm 4.5% 10-year senior notes for the first time on 24 Jan, 2013

*The bond issuance not only broadened the financing channels and effectively reduced the overall average financing costs, but also optimized the Group’s term of debt portfolio and debt maturity structure and significantly improved the financial flexibility*

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# OPERATION HIGHLIGHTS

2012 Theme: “Deepen Core Competitiveness, Improve Sustainability ”

## Sales Reached Record high

- Contracted sales amounted to RMB12.3bn, +35.9% y-o-y, surpassed RMB10.0bn target
- Accumulated contracted sales and preliminary sales revenue amounted to RMB16.13bn with corresponding GFA of 1.30mm m<sup>2</sup>
- The unrecognized sales amounted to RMB11.8bn of which RMB8.5bn will be booked in 2013

## Development Cycle Shortened

- Continued to shorten development cycle so as to improve the assets turnover
- 2012 New Construction starts: 2.58mm m<sup>2</sup>, supporting the saleable resources in the future
- 25 projects are under construction with GFA of 5.53mm m<sup>2</sup> and GFA of properties for future development is 8.87mm m<sup>2</sup>

## Commercial Operation Capability Improved

- The Commercial Property Department is established to further enhance the commercial operation capability
- The new department to support the dual platform of “Yuexiu Property + Yuexiu REIT”
- Fortune World Plaza achieved new breakthrough and the pre-lease rate exceeded 50% and average rent reached RMB140/m<sup>2</sup>

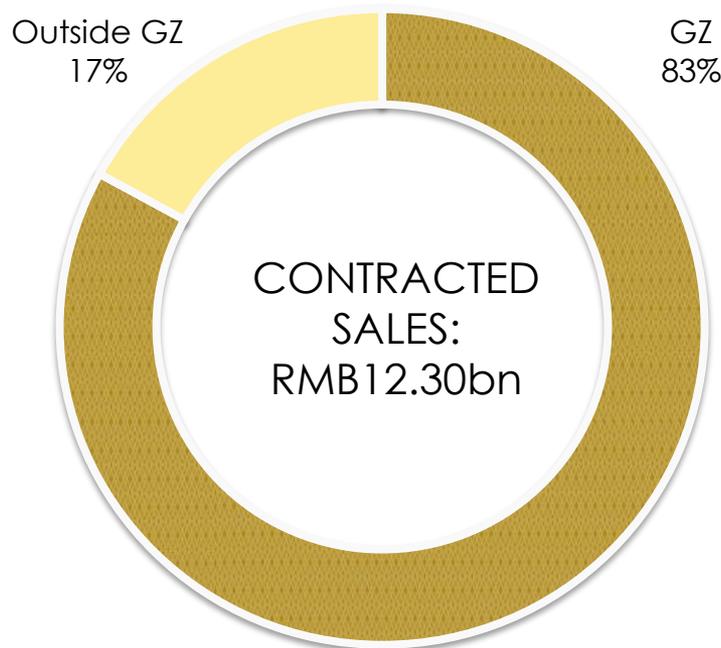
## Deepened our Presence in PRC

- Invested RMB8.03bn for total GFA of 3.78mm m<sup>2</sup> in 2012
- Explored diversified development model and cooperated with other renowned developers
- As at the end of the year, the Group’s total landbank reached 14.40mm m<sup>2</sup> in 12 cities in China

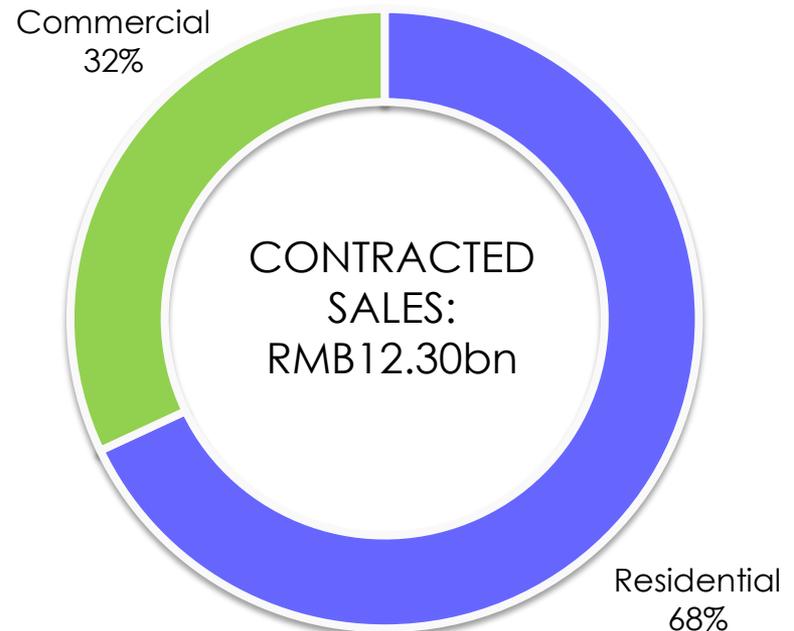
# 2012 CONTRACTED SALES ANALYSIS

- The better-than-expected operation performance was due to the leading position in Guangzhou, quality product portfolio, and the advantage of "Commercial and Residential" product mix
- 11 projects were launched in 2012, including high end projects such as Guangzhou Starry Wenhan, Starry Wenyu and commercial project such as Fortune Apartment, and projects outside Guangdong Province such as Hangzhou Starry City and Wuhan Starry Winking

## BY REGION



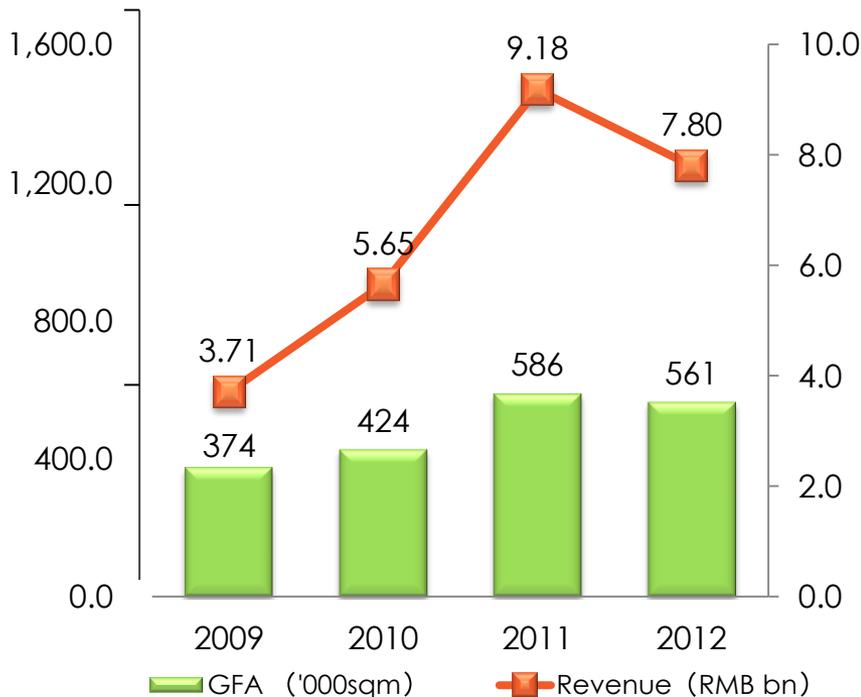
## BY PRODUCT



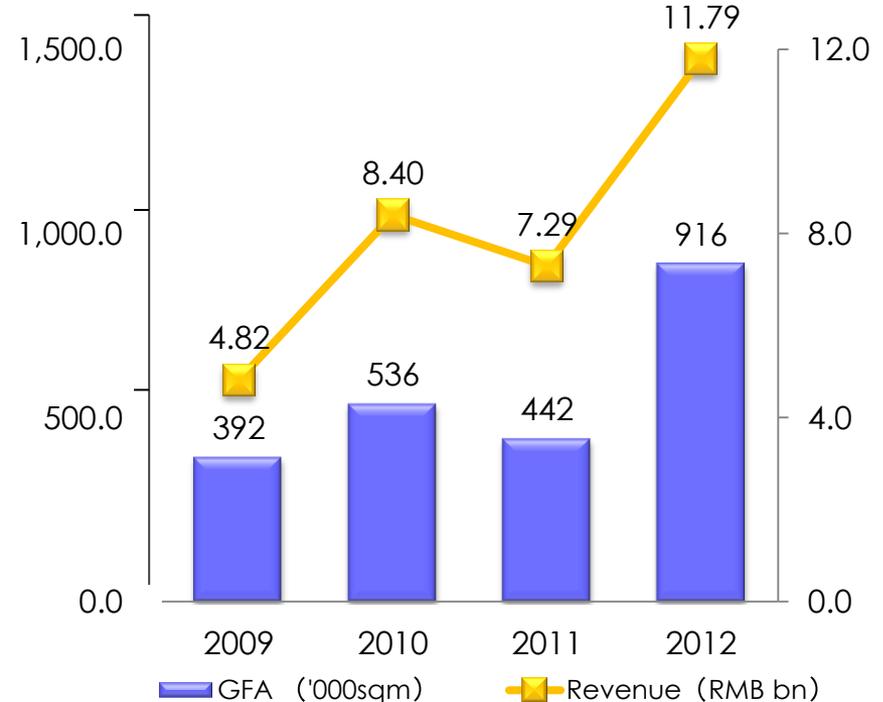
# RECORD HIGH UNRECOGNIZED SALES

- Due to the effects of the development cycle and product mix, the recognized sales revenue and GFA amounted to RMB7.80bn and 561,000m<sup>2</sup> respectively, slightly lower than previous year.
- Expect 1.54mm m<sup>2</sup> of completion GFA in 2013 compared to 1.06mm m<sup>2</sup> in 2012
- The RMB11.79 bn unrecognized sales will set a solid foundation for FY 2013

## RECOGNIZED SALES



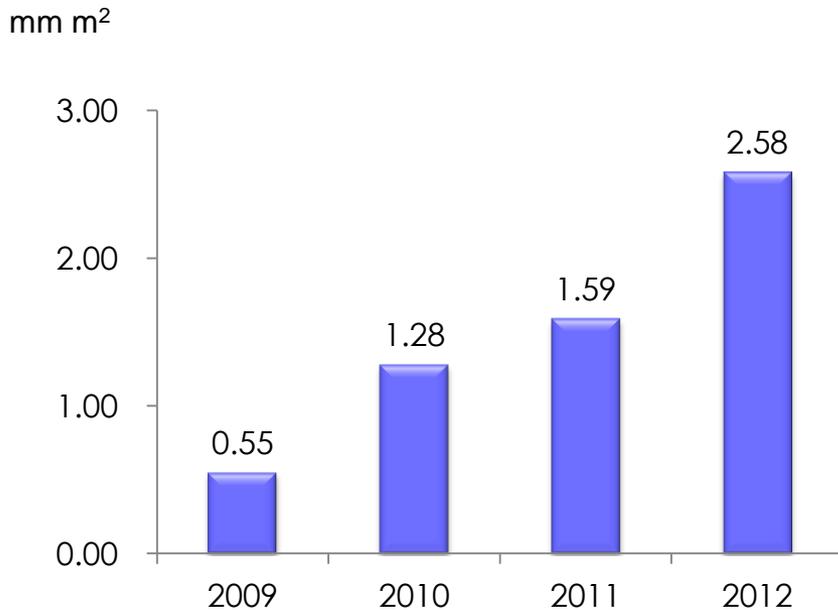
## UNRECOGNIZED SALES



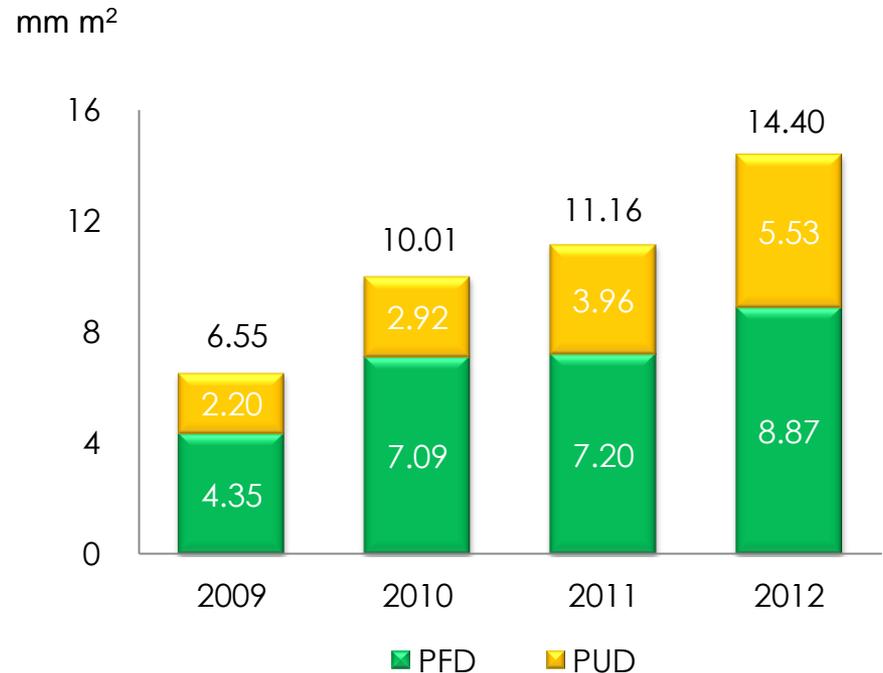
# DEVELOPMENT CAPABILITY

- As at the end of 2012, the Group's total landbank reached 14.40mm m<sup>2</sup>, of which 25 projects are under construction with the GFA of 5.53mm m<sup>2</sup>, and 8.87mm m<sup>2</sup> of properties for future development
- New Construction Starts in 2012 reached new high of 2.58mm m<sup>2</sup>, leading to rising saleable resources in the future
- Continue to enhance the development capability and further shorten the construction cycle to improve asset turnover and operation quality

## NEW CONSTRUCTION STARTS



## LANDBANK



Note: PUD: Properties Under Development;  
PFD: Properties for Future Development

PROJECT	TYPE	TOTAL GFA ( m <sup>2</sup> )	TOTAL INVESTMENT (RMB bn)	COMPLETION	FULLY OPERATIONAL
Fortune World Plaza	Trade Center	266,000	2.47	Completed	Jul 2013
Fortune Center	Office	210,000	2.62	Feb 2016	n/a
Nanghai Starry Winking	Office/Commercial	111,000	1.40	Aug 2016	n/a
Wuhan Starry Winking	Office/Commercial	244,000	2.50	Aug 2016	n/a

## IMPROVED COMMERCIAL OPERATION CAPABILITY

- The Commercial Property Department was established in 2012 with an aim of enhancing the commercial operation ability
- The Yuexiu Property Research Institute was set up to provided technical support for product innovative ability and accelerating nationwide development
- Fortune World Plaza achieved new breakthrough and the pre-occupancy rate exceeded 50% and average rent reached RMB140/m<sup>2</sup>



# 2012 LAND ACQUISITIONS

## DEEPENED THE PRESENCE IN PRC

- Seized the opportunities in land market in 2012 and acquired 3.78mm m<sup>2</sup> of GFA for RMB8.03bn
- Explored diversified development model and cooperated with renowned developers in 2012
- As at the end of 2012, the total landbank reached 14.40mm m<sup>2</sup> spreading out in 12 cities

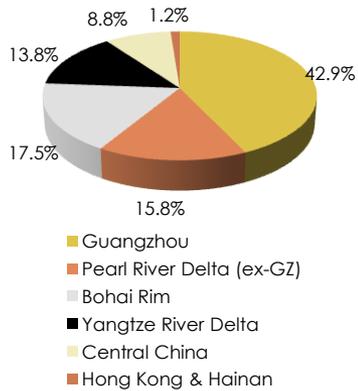
	LAND ACQUISITION	PROJECT	MONTH	TYPE*	GFA (m <sup>2</sup> )	LAND COST (RMB mm)	DEVELOPMENT MODEL	LOCATION
1	Conghua Jiangpu Town Project	從化江浦街地塊	Jun	R	188,400	164	95.48%	Conghua, Guangzhou
2	Hangzhou Lin'an Phase III Land	杭州臨安地塊第三期	Aug	R	277,700	254	100%	Lin'an, Hangzhou
3	HK Prince Edward Road Project	香港太子道西地塊	Aug	R	3,900	152	100%	Hong Kong
4	Luogang Kaiyuan Ave Land	蘿崗開源大道地塊	Sept	R	323,900	1,250	95.48%	Yantai City, Yantai
5	Yantai Development Zone Land	煙臺開發區地塊	Sept	C	601,000	530	100%	Luogang, Guangzhou
6	Luogang Changling Rd Land Parcel	蘿崗長嶺路地塊	Oct	R	446,600	1,650	47.74%	Luogang, Guangzhou
7	Wuhan Jiang'an Land	武漢江岸地塊	Oct	R	424,100	1,201	95.48%	Jiang'an, Wuhan
8	Shenyang Changbai Island Land Parcel	瀋陽長白島地塊	Nov	R	183,600	400	100%	Jiang'an, Wuhan
9	Wuhan Jiang'an Land Parcel II	武漢江岸地塊第二期	Nov	R/C	203,600	568	95.48%	Changbai Island, Shenyang
10	Hainan Simapo Island Land Parcel	海南司馬坡島地塊	Nov	R	98,000	350	47.5%	Simapo Island, Haikou
11	Kunshan Huaqiao Land Parcel	昆山花橋地塊	Dec	R	536,300	496	48.45%	Huaqiao, Kunshan
12	Qingdao Licang District Land Parcel	青島李滄地塊	Dec	R/C	488,600	1,011	100%	Licang Qingdao
	<b>Total</b>				<b>3,775,700</b>	<b>8,026</b>		

\*Type: R: Residential; C: Commercial

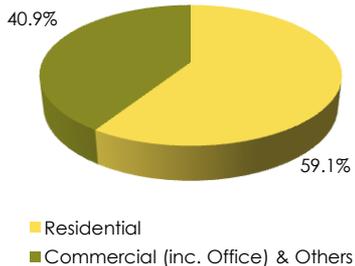
# Leading Integrated Development & Operational Capabilities

## Diversified regional footprint

Land Bank – by Regions



Land Bank – by Type



**Total Land Bank:** 14.40mm m<sup>2</sup>  
**Total Residential:** 8.51mm m<sup>2</sup>  
**Total Commercial and others:** 5.89mm m<sup>2</sup>  
**Under Construction:** 5.53mm m<sup>2</sup>  
**Undeveloped :** 8.87mm m<sup>2</sup>

### Central Region

**City:** Wuhan  
**Land bank:** 1.27mm m<sup>2</sup>  
**Residential:** 0.61mm m<sup>2</sup>  
**Commercial and others:** 0.66mm m<sup>2</sup>

### Yangtze River Delta

**City:** Hangzhou  
**Land Bank::** 1.99mm m<sup>2</sup>  
**Residential:** 1.44mm m<sup>2</sup>  
**Commercial and others:** 0.55mm m<sup>2</sup>

### Bohai Rim Economic Zone

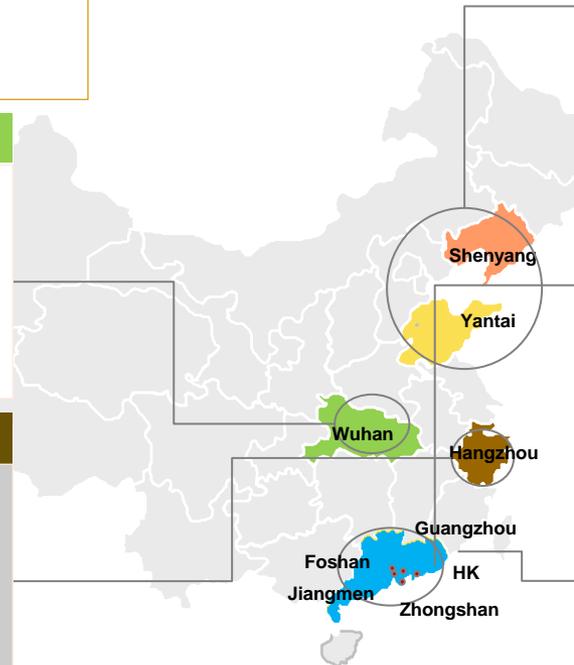
**City:** Shenyang , Yantai  
**Land bank:** 2.52mm m<sup>2</sup>  
**Residential:** 1.69mm m<sup>2</sup>  
**Commercial and others:** 0.83mm m<sup>2</sup>

### Pearl River Delta (ex-GZ)

**City:** Zhongshan, Jiangmen and Foshan  
**Land bank:** 2.27mm m<sup>2</sup>  
**Residential:** 1.39mm m<sup>2</sup>  
**Commercial and others:** 0.88mm m<sup>2</sup>

### Guangzhou

**City:** Guangzhou, Conghua & Nansha etc.  
**Land bank::** 6.18mm m<sup>2</sup>  
**Residential:** 3.30mm m<sup>2</sup>  
**Commercial and others:** 2.88mm m<sup>2</sup>

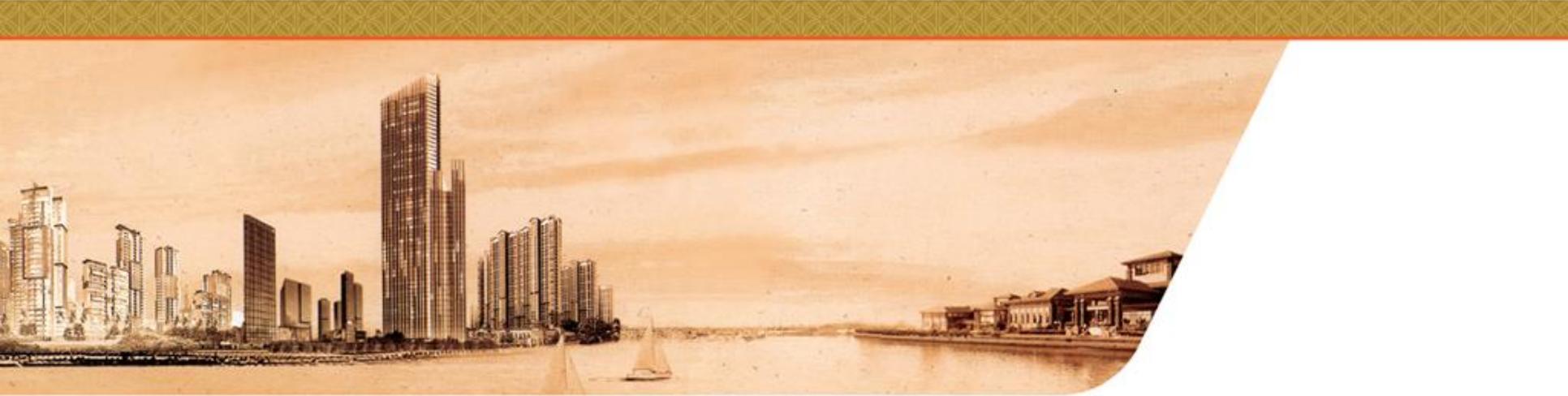


Diversified regional footprint with land bank of 14.40 million m<sup>2</sup> , including 5.53 million m<sup>2</sup> under construction and 8.87 million m<sup>2</sup> for future development as of 31 December 2012

Note:

1. As of 31 December 2012, land bank in HK was 75,800 m<sup>2</sup>, Land bank in Hainan was 98,000 m<sup>2</sup>

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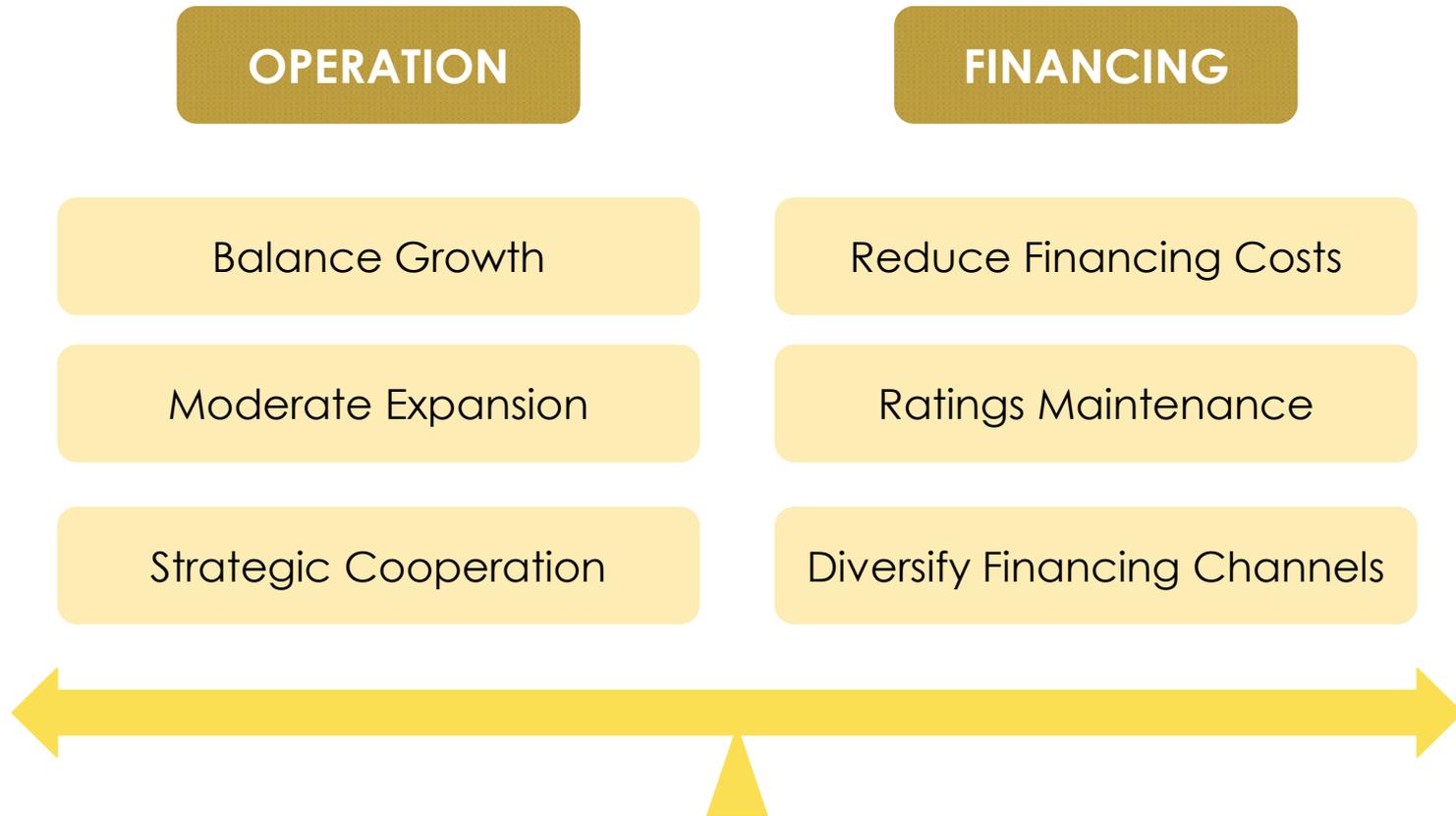


1. FINANCIAL HIGHLIGHTS

2. BUSINESS OVERVIEW

3. FUTURE PROSPECTS

Theme: Increasing Overall Quality, Diversifying Development Model



# 2013 CONTRACTED SALES TARGET

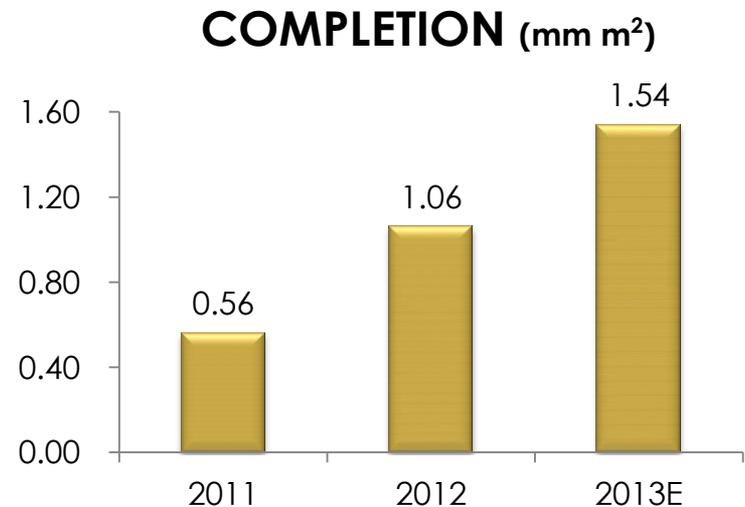
- A total of 25 projects including three new ones (Guangzhou Lingnan Hillside, Conghua Jiangpu Street Project and Yantai Development Zone Project ) will be launched in 2013
- Expect saleable GFA of 1.80mm m<sup>2</sup>, of which 200,000m<sup>2</sup> are completed flats and 1.60mm m<sup>2</sup> are saleable GFA under constructions.



# 2013 OPERATIONAL TARGETS

- Enhance the development capability, further shorten the construction cycle
- With a goal of shortening the period from land acquisition to commencement of construction to six months
- Improve the asset turnover and net asset turnover and enhance the quality of the assets and operation

GFA (mm m <sup>2</sup> )	2012	2013
PUD	5.53*	6.65*
New Construction Starts	2.58	2.66
Completion	1.06	1.54



Note: \* As at the end of the year

## 2013 KEY CAPEX

AVAILABLE CAPITAL (RMB bn)	2013E	2012
Cash on Hand at Start	9.3	6.1
Contracted Sales	13.2	12.3
GZIFC Transaction	-	4.9
Undrawn Bank Facilities	3.9	2.8
Total	26.4	26.1

KEY CAPEX (RMB bn)	2013E	2012
Outstanding Land Premium	2.7	1.1
Construction Costs	9.4	6.2
Land Acquisition	3.4	6.5*
Total	15.5	13.8

Note : Total land acquisition paid in 2012

## 3 ENSURINGS, 3 BREAKTHROUGHTS, 3 DEEPENING

### Ensuring

- Ensuring Steady Growth of Operational Indicators
- Ensuring the Security and Demand of Funds
- Ensuring an Appropriate Scale of Expansion

### Breakthroughs

- Breakthroughs in the Integration and Allocation of Resources
- Breakthroughs in Building Core Advantages
- Breakthrough in Improving Quality and Efficiency

### Deepening

- Reinforcing the Reform on Human Resources
- Reinforcing Comprehensive Risk Management
- Reinforcing Control Model



**越秀地產股份有限公司**

YUEXIU PROPERTY COMPANY LIMITED



**THANK YOU!**

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