

23 February 2017



WHERE GOOD LIVING STARTS





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# FINANCIAL HIGHLIGHTS

## Significant Growth in Contracted Sales and Core Net Profit

- In 2016, contracted sales value reached approx. RMB30.25 bn, +21.7% y-o-y, which achieved 117.3% of full year sales target of RMB25.80 bn
- Profit attributable to equity holders was approx. RMB1.54 bn, +52.1% y-o-y
- Core net profit was approx. RMB1.72 bn, +38.6% y-o-y
- A final dividend of HK\$0.032 per share was declared, the dividends for the full year was HK\$0.065 per share, +35.4% y-o-y, accounted for 40% of core net profit

## Diversified Increases in Landbank and Focused on Three Core Regions

- As at the date of results announcement, the Group has acquired 11 land parcels mainly located in Guangzhou, Hangzhou, Wuhan, Qingdao, etc., the total GFA was 4.21 mm sq.m., and the attributable GFA was 2.04 mm sq.m., and the attributable land cost was RMB10.58 bn
- Successfully acquired the Nansha Phase 10 Land, with a total GFA of approx. 0.94 mm sq.m., from parent company further consolidating the Group's leading market position in Guangzhou
- Continued emphasis on Pearl River Delta, Yangtze River Delta and Central Region, three regions accounted for approx. 90% of the Group's total landbank and approx. 94% of total contracted sales value in 2016
- Achieved net operating cash inflow of approx. RMB5.15 bn; the total cash as at the end of 2016 was approx. RMB22.02 bn, +45.2% y-o-y
- Successfully issued corporate bonds of RMB8.0 bn in P.R.C. with a weighted average coupon rate of 2.9963%; the Group's average borrowing interest rate decreased to 4.64% from 4.95% of 2015; the net gearing ratio decreased to 53.1% from 73.1% at the beginning of the year
- Proportion of HKD/USD borrowings decreased to 14.5% from 53.4% at the beginning of the year, the impact of foreign exchange risk on P&L was basically eliminated

## Issued Corporate Bonds at Low Cost and Eliminated FX Exposure

## Sustained Improvements in Refined Management

- Implemented and optimized activity-based costing system and the refined management centered with management accounting, operating costs and major expenses ratios constantly declined
- Fully promoted and optimized the plan of co-investment by project management teams and win-win profit-sharing plan; successfully implemented share incentive scheme for senior management
- Optimized organizational structures and business platforms, further increasing development and operational efficiency

# INCOME STATEMENT

RMB bn	2016	2015	Change
Revenue	<b>20.87</b>	22.12	-5.6%
Gross Profit	<b>4.34</b>	4.66	-6.9%
Gross Profit Margin	<b>20.8%</b>	21.1%	-0.3 p.p.t.
Fair Value (Loss)/Gain	<b>(0.31)</b>	0.44	-
Net Other Gains	<b>1.06</b>	0.11	+828.9%
SG&A Expenses	<b>1.50</b>	1.61	-7.2%
Profit Attributable to Equity Holders	<b>1.54</b>	1.01	+52.1%
Core Net Profit <sup>(1)</sup>	<b>1.72</b>	1.24	+38.6%
EPS	<b>RMB0.1242</b>	RMB0.0817	+52.1%
Final Dividend Per Share <sup>(2)</sup>	<b>HKD0.032</b>	HKD0.019	+65.9%
Total Dividends Per Share	<b>HKD0.065</b>	HKD0.048	+35.4%
Dividend Payout Ratio <sup>(3)</sup>	<b>40%</b>	40%	-

Note : (1) Excluding the net fair value (loss)/gain of investment properties and the net foreign exchange (loss)/gain

(2) Weighted average number of ordinary shares in issue for 2016: 12,401,306,631

(3) Percentage of core net profit

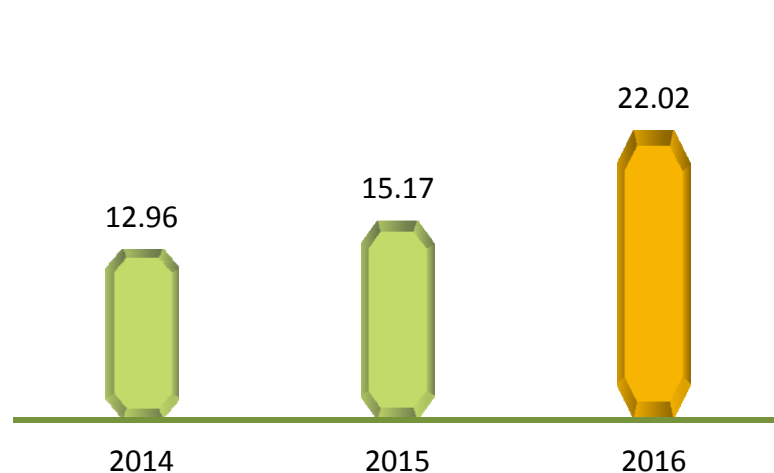
# BALANCE SHEET

RMB bn	31 Dec 2016	31 Dec 2015	Change
Cash	22.02	15.17	+45.2%
Total Debt	40.29	38.17	+5.6%
Gearing Ratio <sup>(1)</sup>	39.7%	47.6%	-7.9 p.p.t.
Net Gearing Ratio <sup>(2)</sup>	53.1%	73.1%	-20.0 p.p.t.
Total Assets	125.36	112.03	+11.9%
Shareholders' Equity	30.62	29.62	+3.4%
Net Asset per Share	RMB2.47	RMB2.39	+3.4%

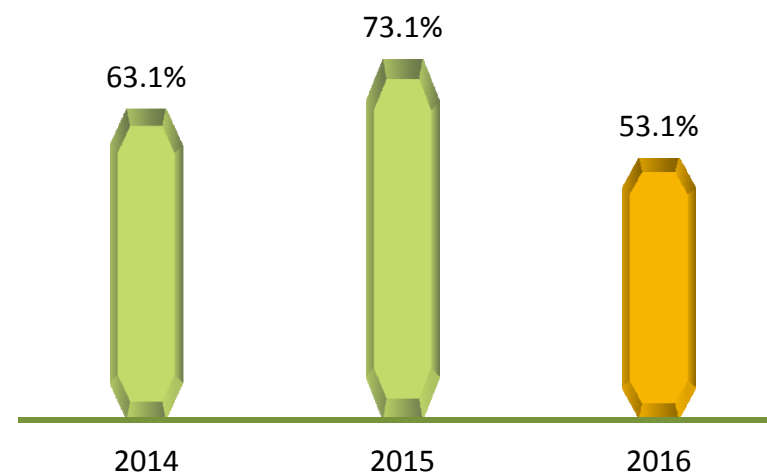
Note: (1) Gearing Ratio = ( Total Borrowings – Cash ) / Total Capitalization

(2) Net Gearing Ratio = ( Total Borrowings - Cash ) / Net Asset

### CASH (RMB bn)



### NET GEARING RATIO





# 2016 CASH FLOW ANALYSIS

	2016 (RMB bn)	2015 (RMB bn)
<b>Cash on hand at beginning of the year*</b>	<b>15.17</b>	<b>12.96</b>
Cash from Operation	28.26	23.60
Operating Expenses	(23.11)	(23.61)
Development Cost	(9.28)	(9.10)
Land Premium Paid	(4.96)	(5.82)
Tax and Administrative and Other Expenses	(8.87)	(8.69)
<b>Cash Inflow (Outflow) from Operation</b>	<b>5.15</b>	<b>(0.01)</b>
<b>Cash Inflow (Outflow) from Investing</b>	<b>(2.26)</b>	<b>(5.84)</b>
<b>Cash Inflow (Outflow) from Financing</b>	<b>3.96</b>	<b>8.06</b>
<b>Cash on hand at 31 Dec 2016*</b>	<b>22.02</b>	<b>15.17</b>

\*Note : Including cash and cash equivalents and charged bank deposit



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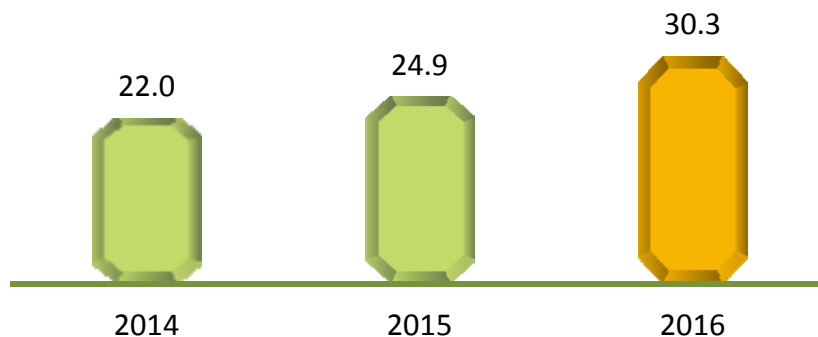
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# CONTRACTED AND RECOGNIZED SALES

## Contracted Sales

- In 2016, contracted sales value (including the contracted sales by joint venture projects) was RMB30.25 bn, +21.7% y-o-y, and the contracted sales GFA was 2.33 mm sq.m., +2.5% y-o-y, ASP was RMB13,000/sq.m.
- Achieved 117.3% of full year sales target of RMB25.8 bn

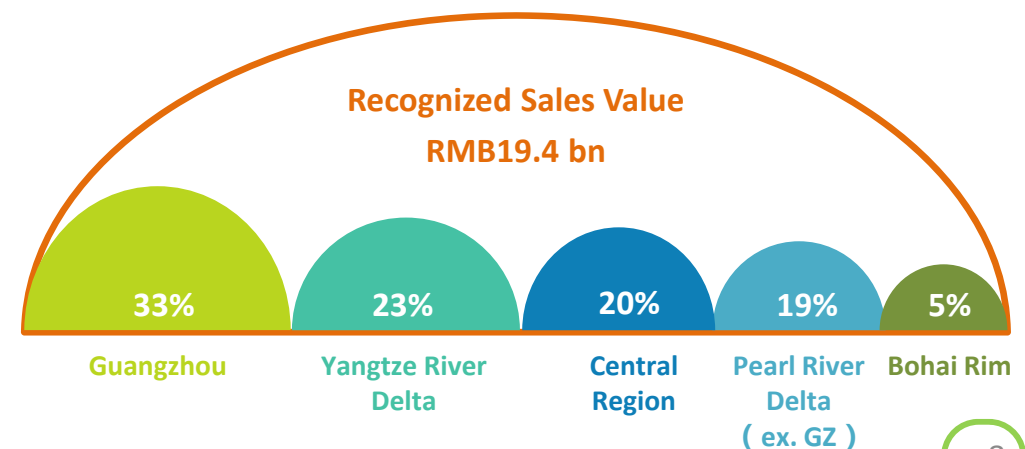
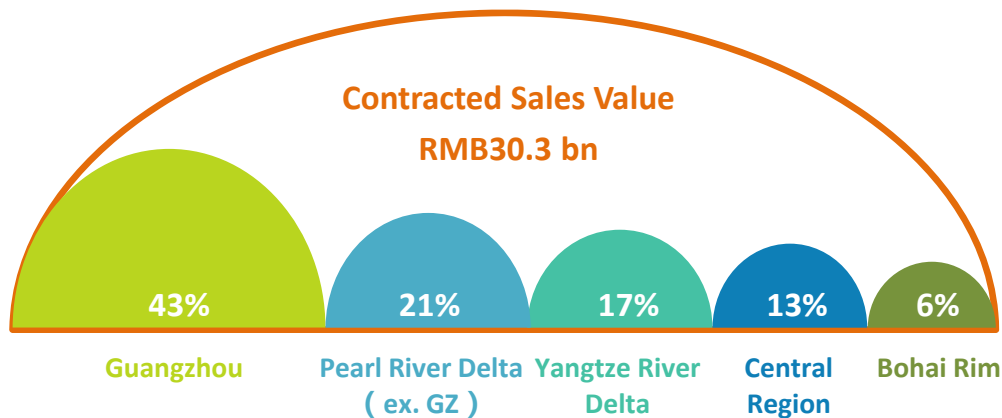
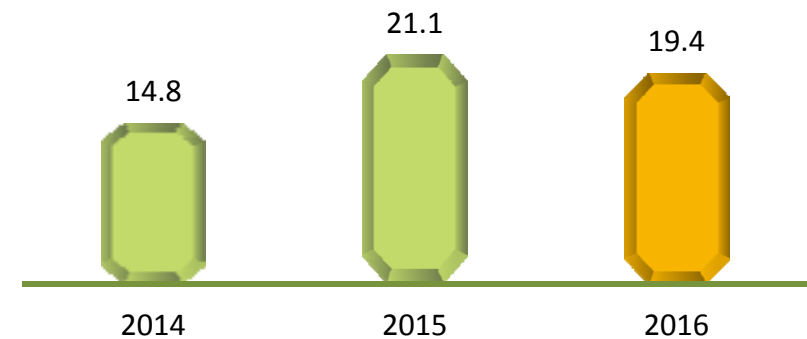
### CONTRACTED SALES VALUE (RMB bn)



## Recognized Sales

- In 2016, recognized sales value was RMB19.35 bn, -8.2% y-o-y, and the recognized sales GFA was 1.84 mm sq.m., -7.2% y-o-y, ASP was RMB10,600/sq.m.

### RECOGNIZED SALES VALUE (RMB bn)





# LAND ACQUISITIONS

	New Land Acquisitions	Type	Total GFA (sq.m.)	Equity Holding	Attributable GFA (sq.m.)
1	Guangzhou Baiyun Tangcha Road Land II	R	53,700	15.9%	8,500
2	Guangzhou Nansha Phase 10 Land	R	941,700	95.0%	894,600
3	Guangzhou Nansha Tantou Land	R	270,300	6.8%	18,400
4	Hangzhou Crystal City	R	125,200	28.6%	35,800
5	Hangzhou Jianggan Niutan Land	R	76,900	95.0%	73,100
6	Hangzhou Genbei New Town East Land	R/C	333,300	32.0%	106,700
7	Suzhou Taicang Xiangdong Island Land	R/C	936,000	47.5%	444,600
8	Wuhan Wuchang Zhongbei Road Land	C	55,800	51.4%	28,700
9	Wuhan Yangsi Port Land	R/C	1,107,800	12.3%	136,300
10	Jiangmen Starry Regal Court	R	170,800	95.4%	162,900
11	Qingdao Yuexiu Infinite Mansion	R	138,100	95.1%	131,300
	<b>Total</b>		<b>4,209,600</b>	<b>-</b>	<b>2,040,900</b>



Acquired Guangzhou Nansha Phase 10 Land from the parent with a reasonable price by leveraging on the parent's resources advantage



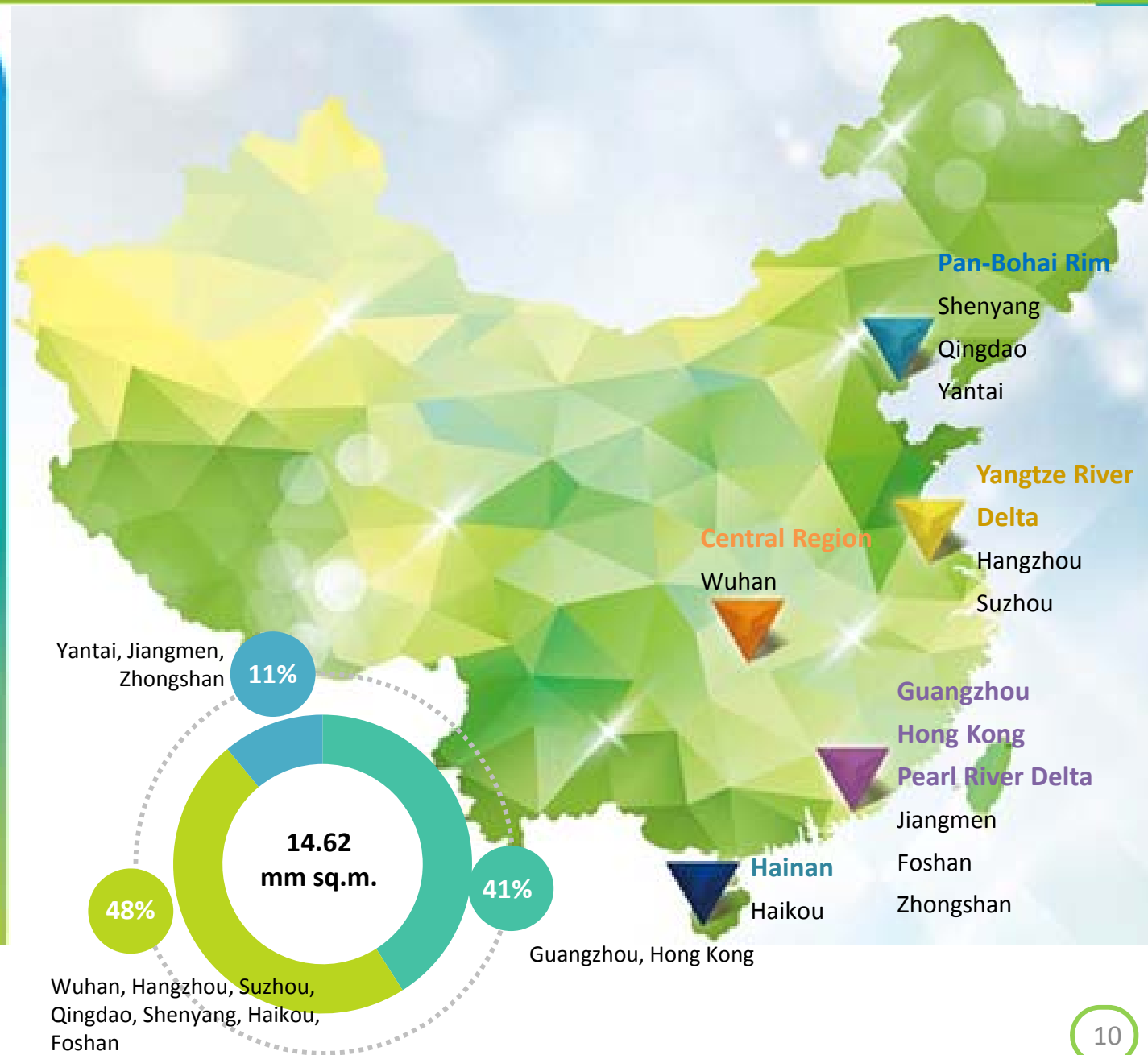
Acquired high quality projects such as Hangzhou Genbei New Town East Land, Wuhan Yangsi Port Land, Suzhou Taicang Xiangdong Island Land, etc. mainly through M&A and JV



Acquired various quality projects with reasonable premiums by capturing the opportunities in open land market

# LANDBANK

Region	GFA (mm sq.m.)	%
<b>Guangzhou</b>	<b>5.93</b>	<b>40.5%</b>
Include: Nansha	2.85	19.5%
<b>Pearl River Delta</b>	<b>1.77</b>	<b>12.1%</b>
Jiangmen	0.70	4.8%
Foshan	0.33	2.2%
Zhongshan	0.74	5.1%
<b>Yangtze River Delta</b>	<b>3.12</b>	<b>21.4%</b>
Hangzhou	2.01	13.8%
Suzhou	1.11	7.6%
<b>Central Region</b>	<b>2.37</b>	<b>16.2%</b>
Wuhan	2.37	16.2%
<b>Pan-Bohai Rim</b>	<b>1.26</b>	<b>8.6%</b>
Shenyang	0.65	4.5%
Qingdao	0.39	2.6%
Yantai	0.22	1.5%
<b>Hainan</b>	<b>0.10</b>	<b>0.7%</b>
Haikou	0.10	0.7%
<b>Hong Kong</b>	<b>0.07</b>	<b>0.5%</b>
<b>Total</b>	<b>14.62</b>	





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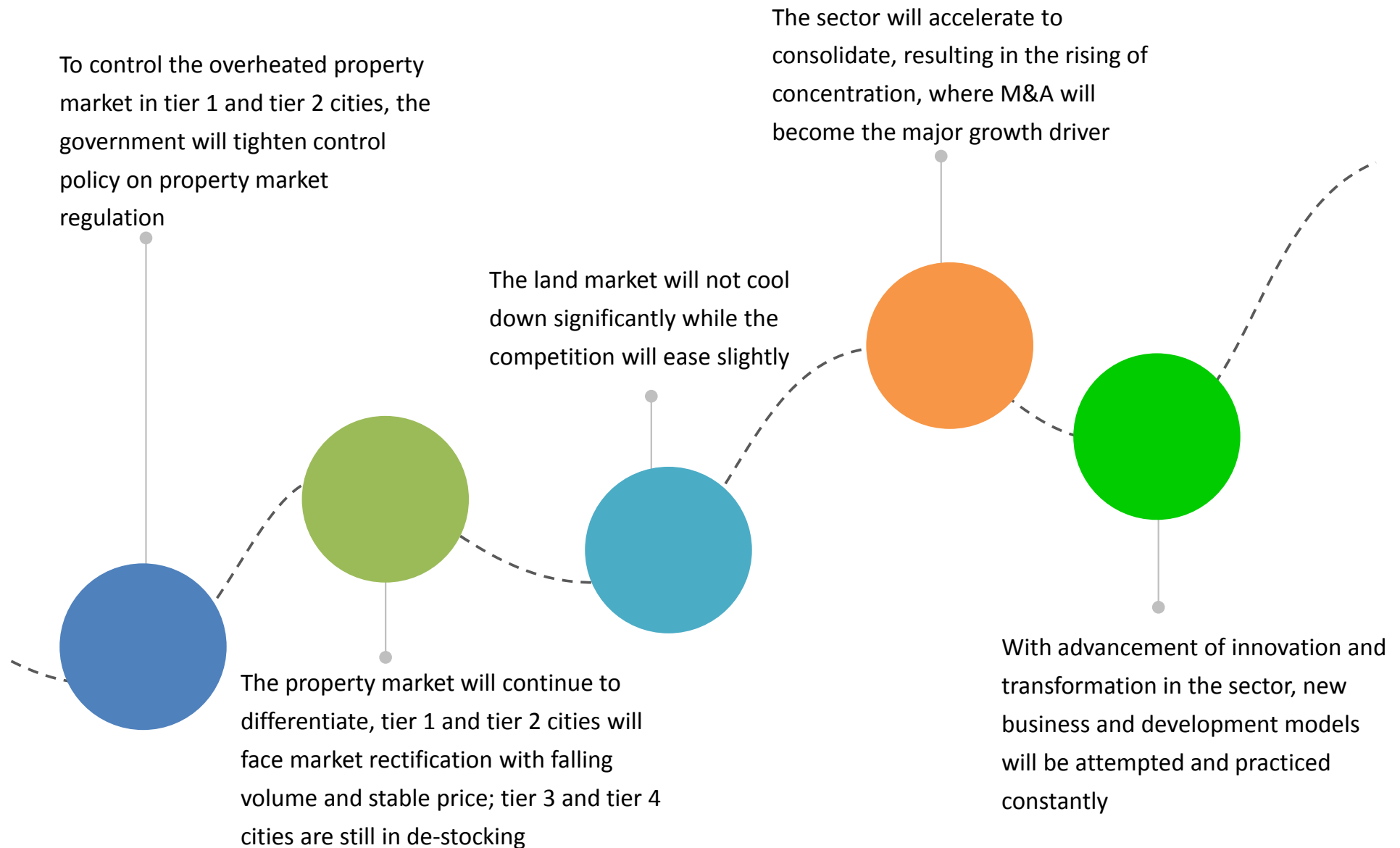
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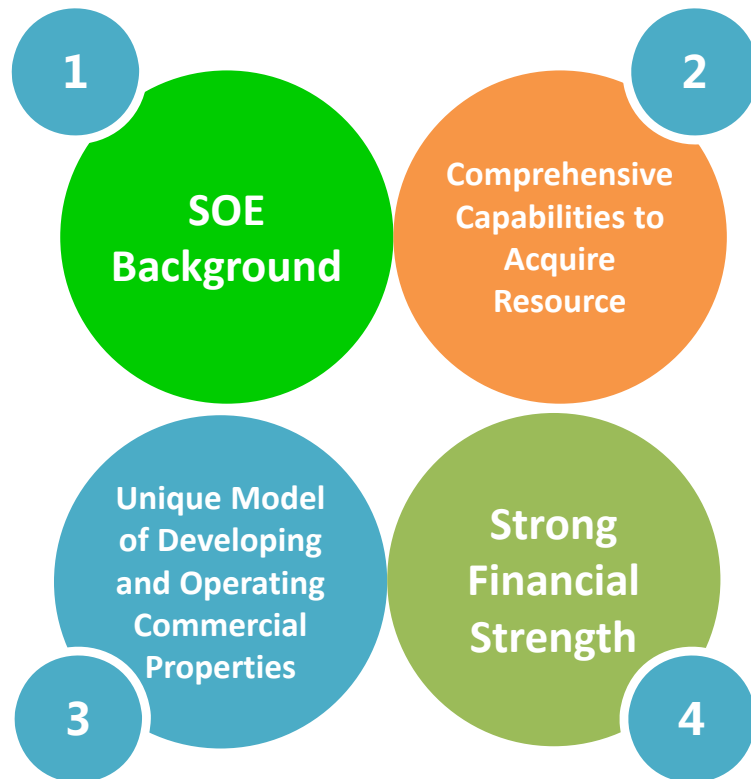
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# OUR VIEWS ON PRC PROPERTY MARKET IN 2017



# COMPETITIVE ADVANTAGES OF YUEXIU PROPERTY



## Status as the State-Owned Enterprise

Yuexiu Property's parent company, Yuexiu Group, is a SOE of Guangzhou Municipal Government. Yuexiu Group sustainably supports Yuexiu Property in business development, resources consolidation and financial resources etc.

## Comprehensive Capabilities to Acquire Resources

The Group owns comprehensive advantages on land acquisition through diverse channels including "incubation by parent – acquisition by Yuexiu property", cooperation with SOEs, M&As and participation in urban renewal projects

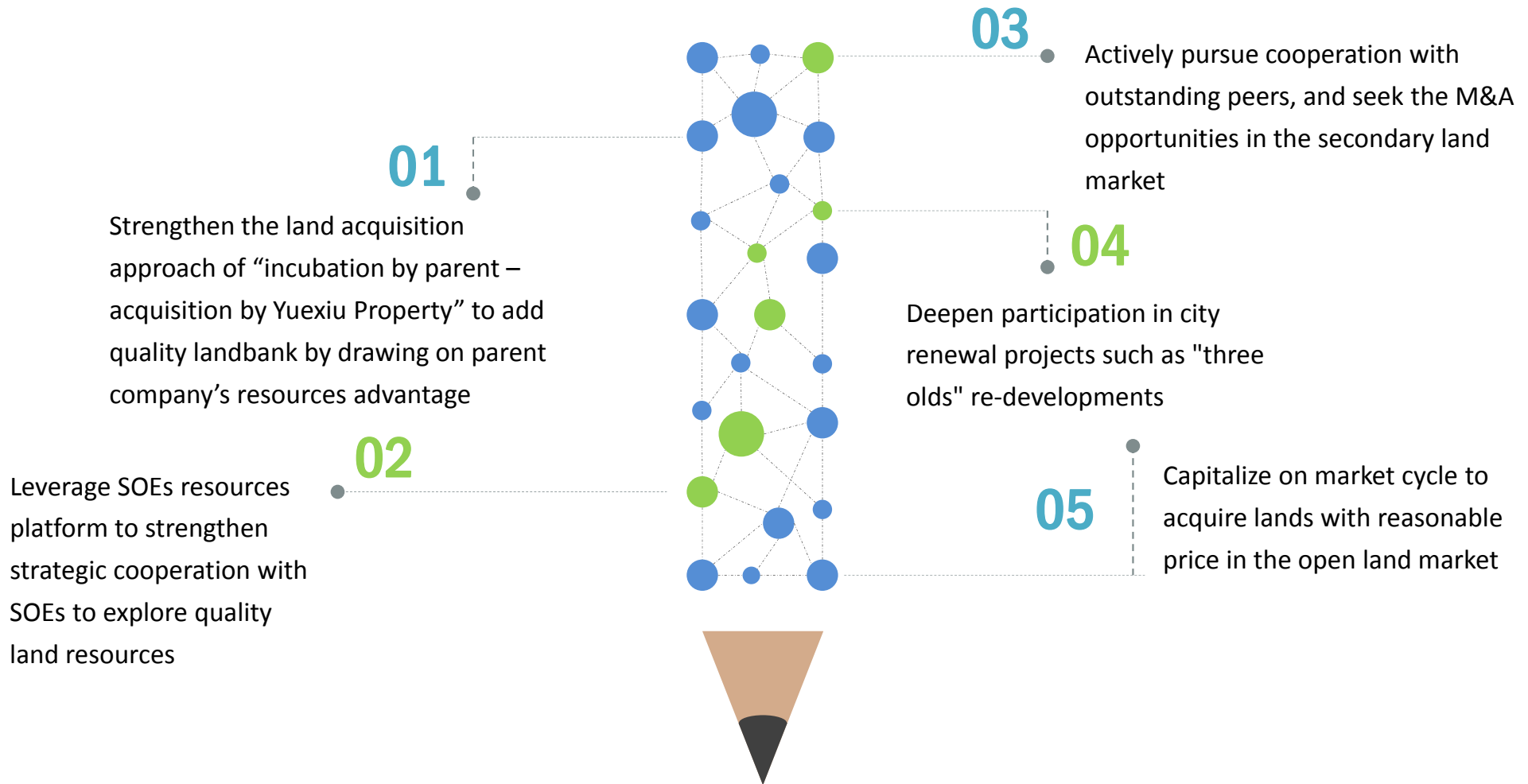
## Unique Model of Developing and Operating Commercial Properties

Successfully establish "Yuexiu Commercial Investment – REIT" dual platform, enhance the capabilities to acquire, operate and securitize commercial properties, possess a commercial model for developing and operating ultra high-rise, landmark commercial properties

## Strong Financial Strength

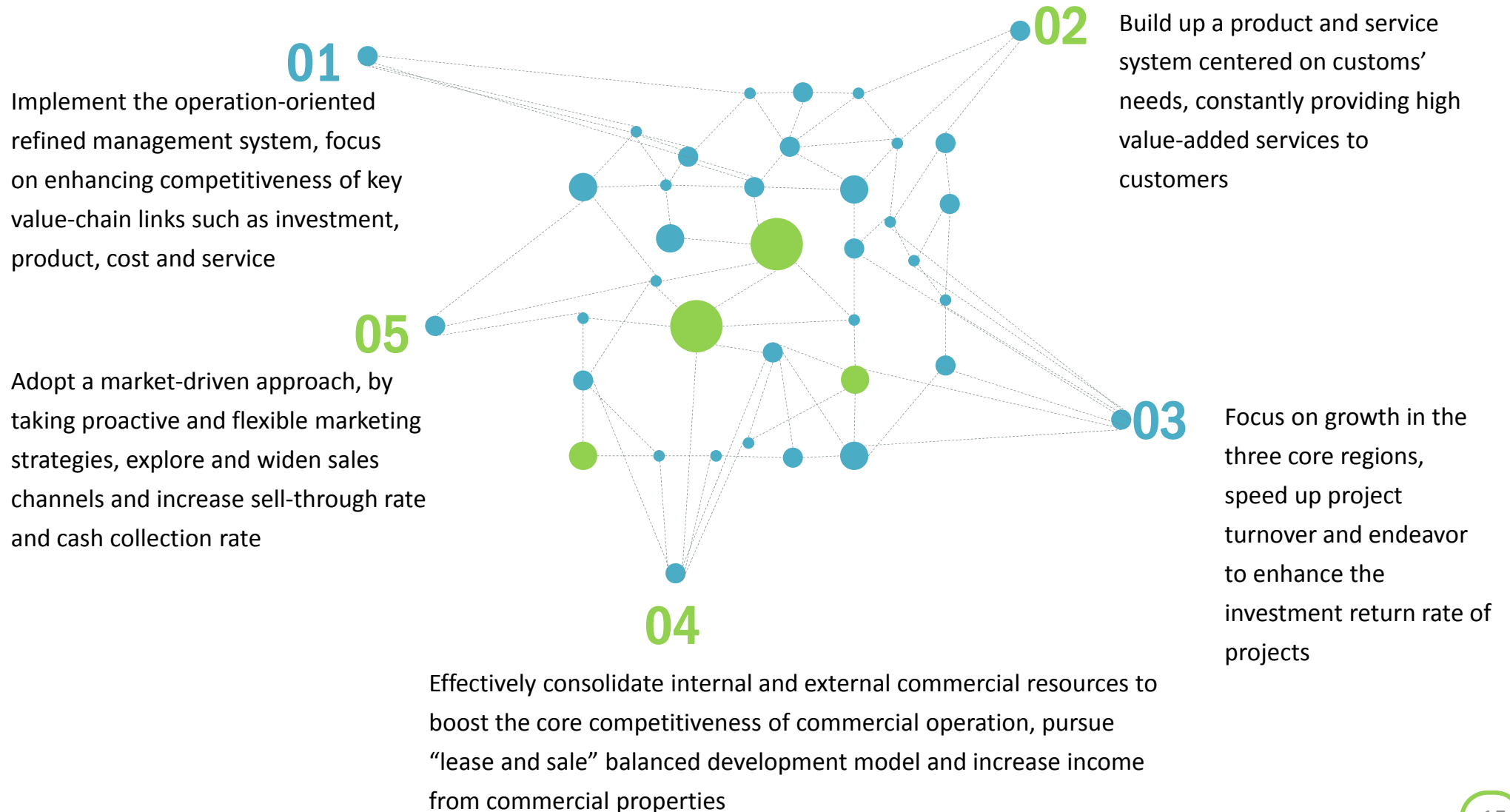
Have sound financial position, sufficient liquidity, effective controls in financial and foreign exchange risks. Diverse financing channels and low financing cost enabling the Group to seize opportunities on the market

# STRATEGIES OF YUEXIU PROPERTY- INVESTMENT





# STRATEGIES OF YUEXIU PROPERTY- OPERATION



# STRATEGIES OF YUEXIU PROPERTY- FINANCE

Improve operation cash flow consistently, reinforce cash collection and financing management, and ensure liquidity and financial safety

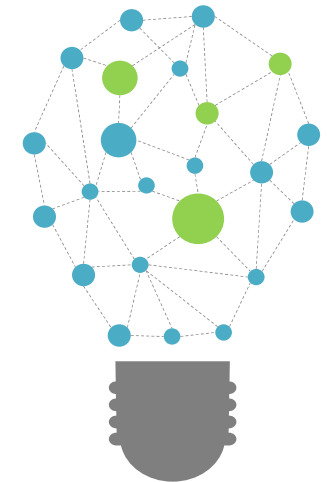
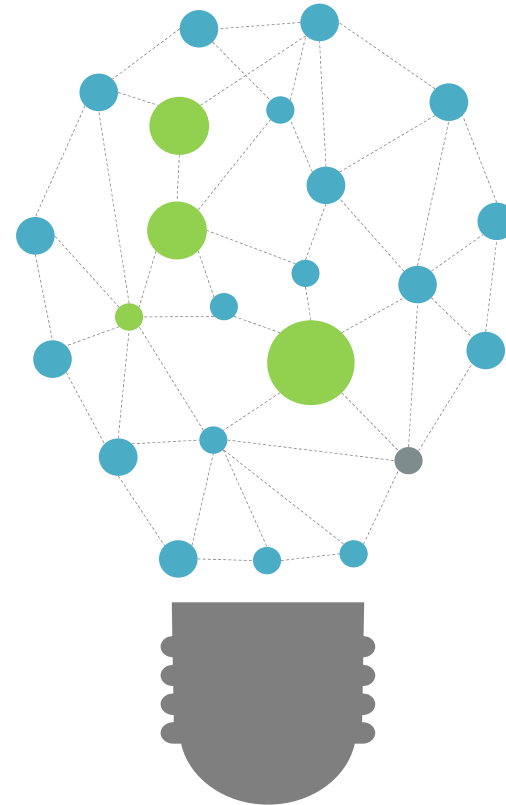
Keep optimizing the balance sheet, reduce financing cost and effectively manage foreign exchange risk

Keep optimizing capital management and enhance safety and stability of financial indicators

Strengthen budget and overall financial management, increase the utilization rate of financial resources, strengthen the support role of financial management in business development

# STRATEGIES OF YUEXIU PROPERTY- MANAGEMENT

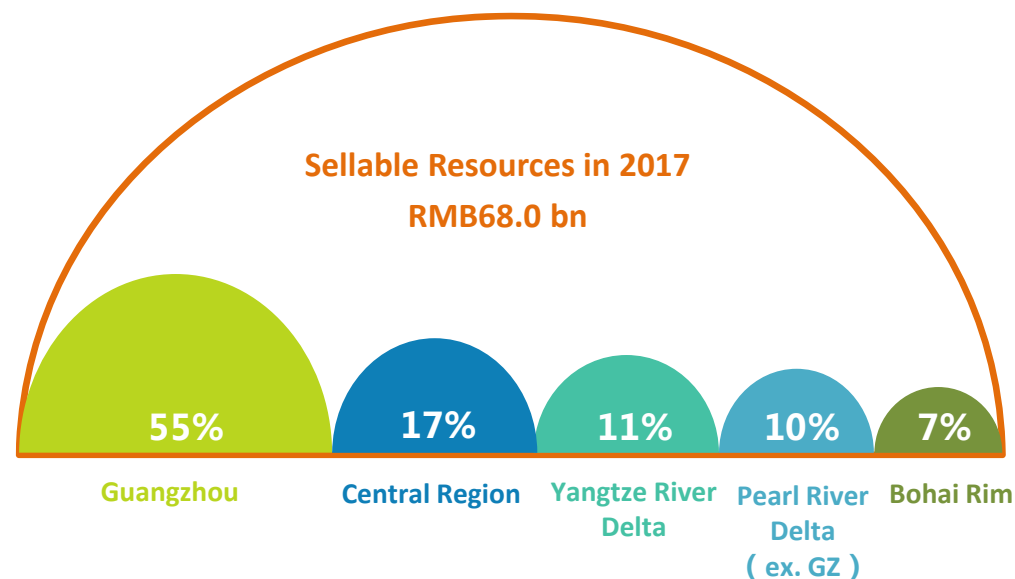
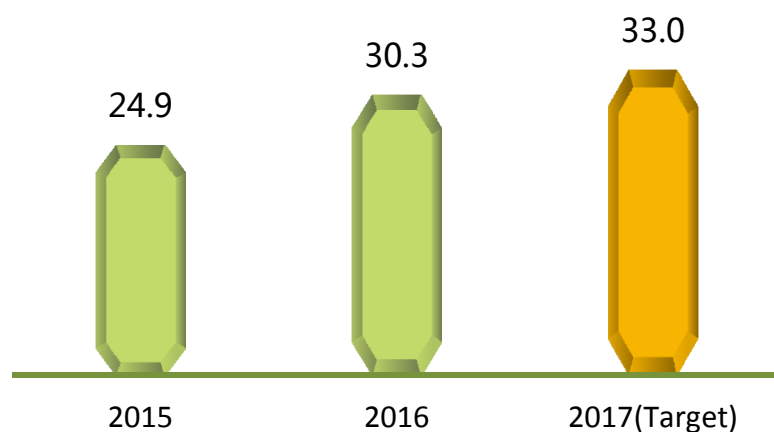
- Constantly optimize organizational structures and mechanisms for better regional management and control aiming to increase return on investment and raise operational efficiency and control risk effectively
- Comprehensively promote the plan of profit-sharing investment by project management teams and share incentive scheme of the senior management and key personnel
- Implement activity-based costing and control system and build a lean management system with management accounting as its core
- Continue to improve the market-oriented employment mechanism, strengthen the team building of professional managers





# 2017 SALES TARGET AND OPERATIONAL PLAN

## CONTRACTED SALES (RMB bn)



## OPERATIONAL PLAN

GFA ( mm sq.m. )	2016 Plan	2016 Actual	2017 Plan
PUD	6.48	7.30	7.35
New Construction Starts	1.96	3.03	2.42
Completion	3.19	3.26	2.37
Delivery	1.90	1.85	1.91

Note: New construction starts in 2017 has not included new projects to be acquired during the year



Thank You!



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