



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

WHERE GOOD
LIVING STARTS

2017 ANNUAL RESULTS

28 February 2018



CONTENTS

Financial Results 1

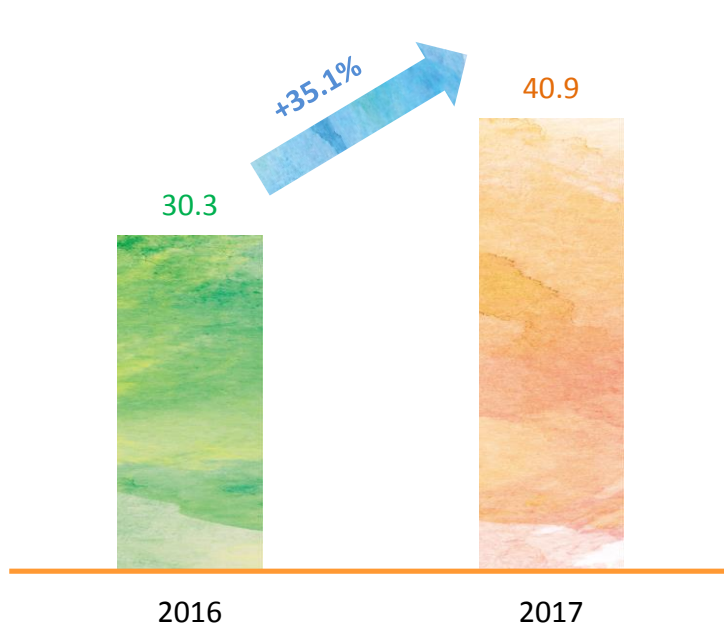
Business Updates 2

Outlook 3



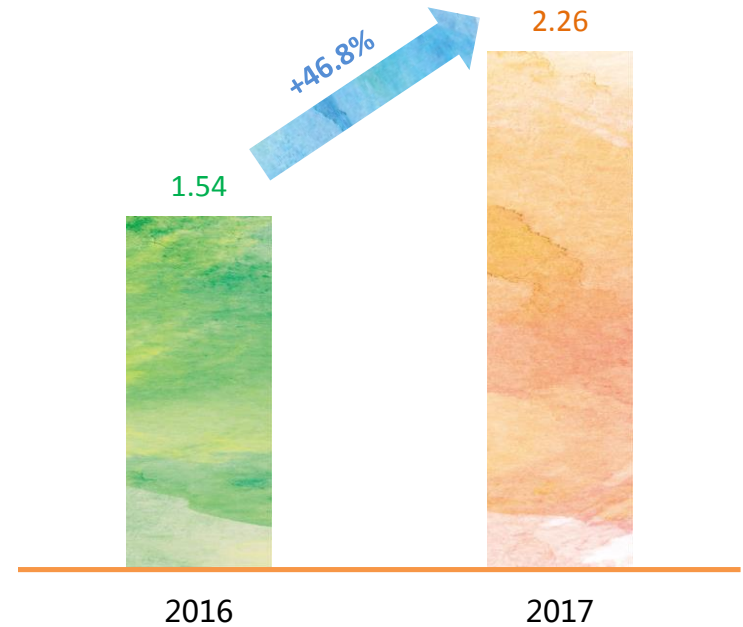
Highlights - Fast Growth in Sales & Profit

Contracted Sales Value*
(RMB bn)



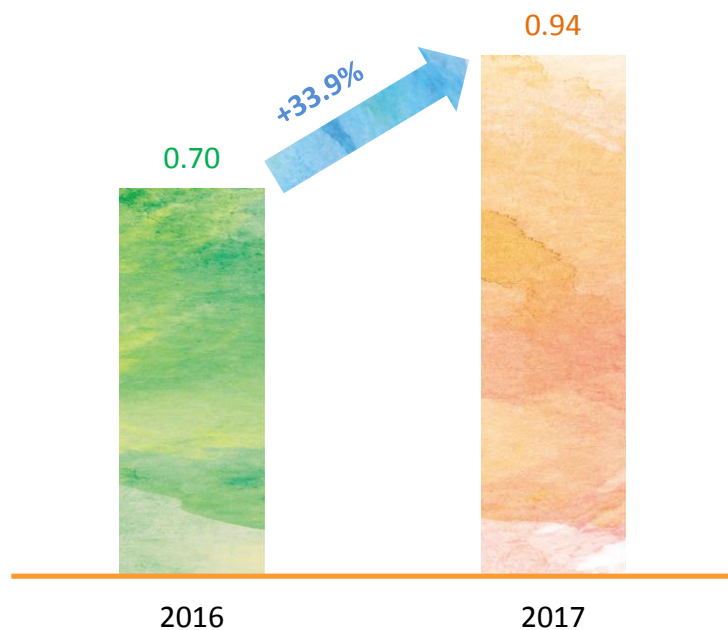
*Note: including sales from joint venture projects

Profit Attributable to Equity Holders
(RMB bn)

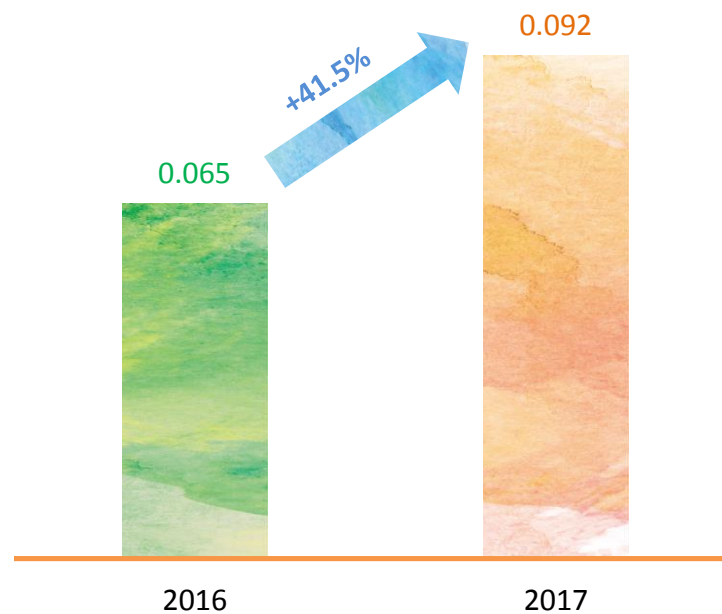


Highlights – High Growth in Dividends

Total Dividend Amount
(RMB bn)

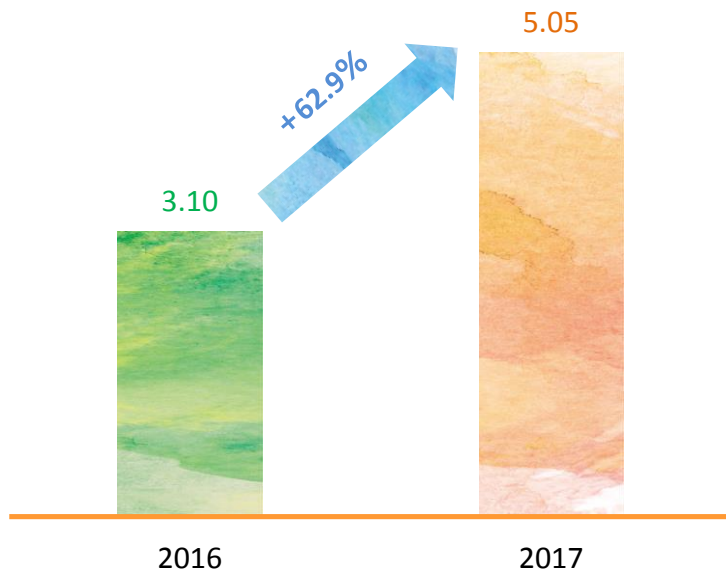


Dividend per Share
(HKD)

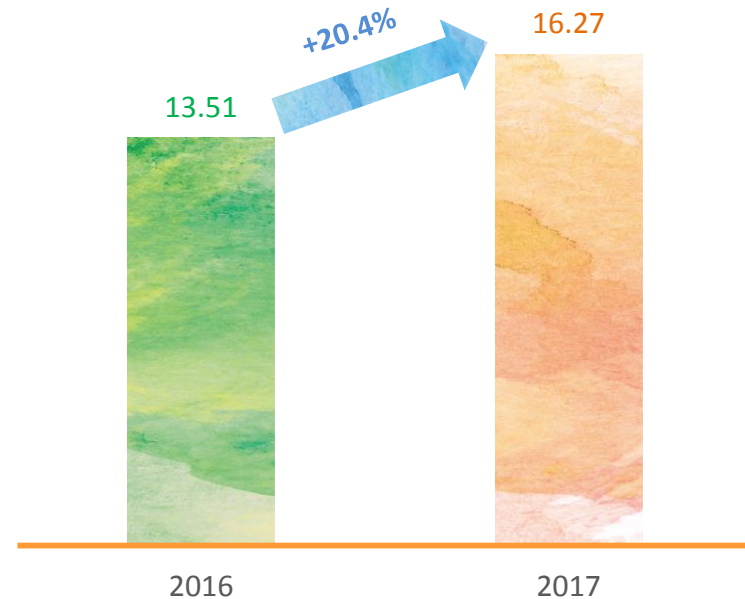


Highlights – Significant Growth in Landbank

New Land Acquisitions GFA
(mm sq.m.)

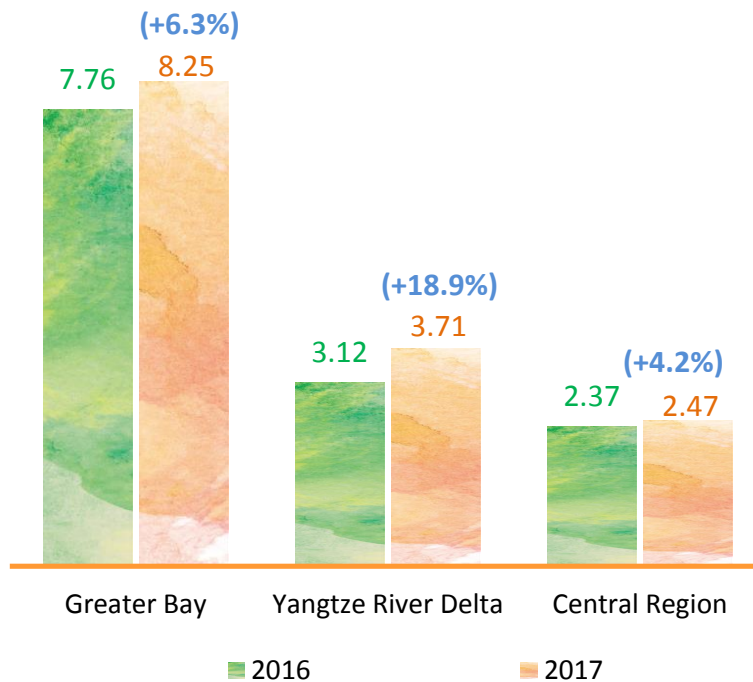


Total Landbank GFA
(mm sq.m.)

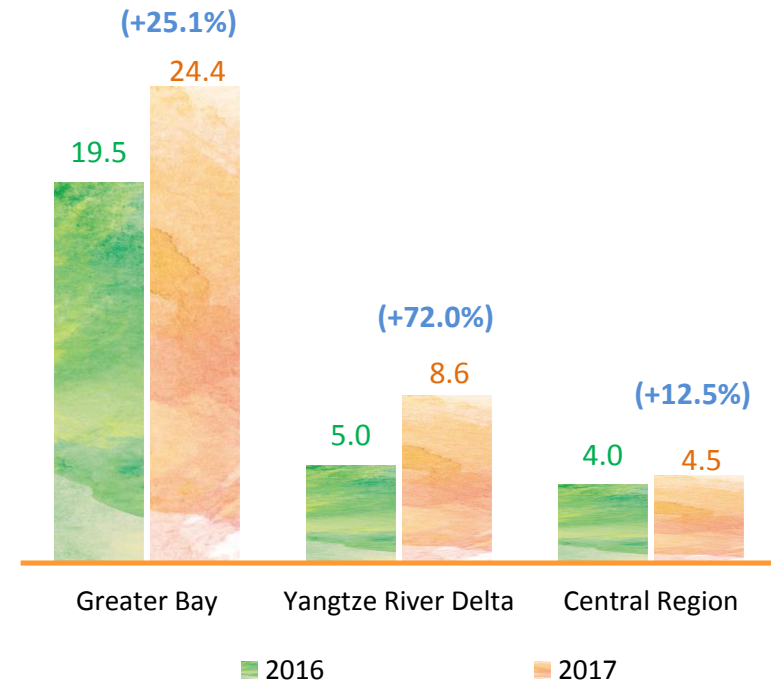


Highlights – Penetrations in Core Regions

Landbank in Core Regions
(mm sq.m.)



Contracted Sales in Core Regions
(RMB bn)



Income Statement



RMB bn	2017	2016	Change
Revenue	23.79	20.87	+14.0%
Gross Profit	6.11	4.34	+40.8%
Gross Profit Margin	25.7%	20.8%	+4.9p.p.t.
Fair Value (Loss)/Gain	(0.12)	(0.31)	-
Net Other Gains	0.67	1.06	-36.9%
SG&A Expenses	1.59	1.50	+5.9%
Profit Attributable to Equity Holders	2.26	1.54	+46.8%
Core Net Profit ⁽¹⁾	2.35	1.72	+36.7%
EPS	RMB0.1823	RMB0.1242	+46.8%
Final Dividend Per Share ⁽²⁾	HKD0.052	HKD0.032	+62.5%
Total Dividends Per Share	HKD0.092	HKD0.065	+41.5%
Dividend Payout Ratio ⁽³⁾	40%	40%	-

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

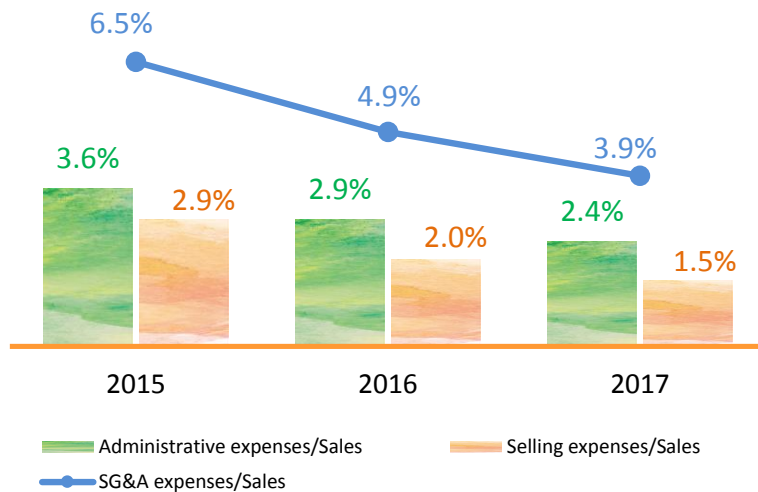
(2) Weighted average number of ordinary shares in issue for 2017: 12,401,306,631

(3) Percentage of core net profit

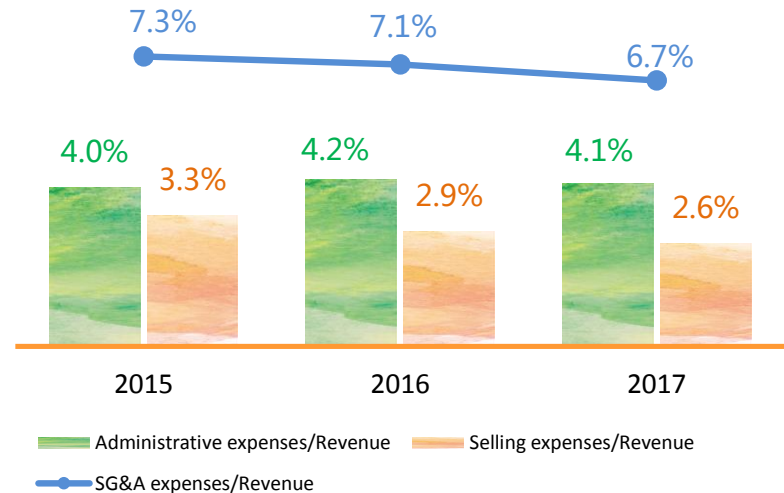
Operating Ratios

Ratios	2017	2016	2015
Administrative expenses/Contracted sales	2.4%	2.9%	3.6%
Selling expenses/Contracted sales	1.5%	2.0%	2.9%
SG&A expenses/Contracted sales	3.9%	4.9%	6.5%
Administrative expenses/Revenue	4.1%	4.2%	4.0%
Selling expenses/Revenue	2.6%	2.9%	3.3%
SG&A expenses/Revenue	6.7%	7.1%	7.3%

SG&A Ratios (To Contracted Sales)



SG&A Ratios (To Revenue)



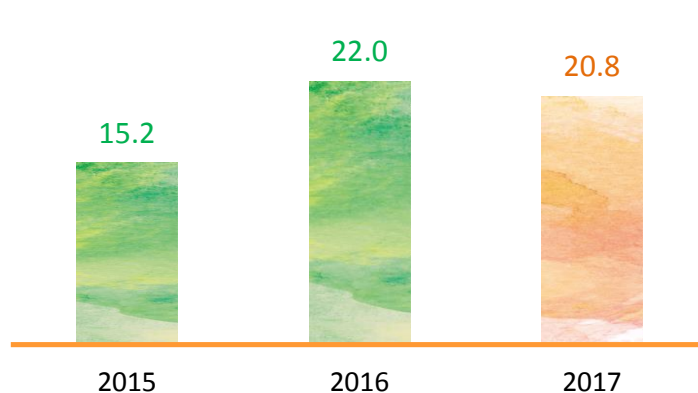
Balance Sheet

RMB bn	31 Dec 2017	31 Dec 2016	Change
Cash	20.79	22.02	-5.6%
Total Debt	47.71	40.29	+18.4%
Gearing Ratio ⁽¹⁾	45.6%	39.7%	+5.9p.p.t.
Net Gearing Ratio ⁽²⁾	72.8%	53.1%	+19.7p.p.t.
Total Assets	133.14	125.36	+6.2%
Shareholders' Equity	32.39	30.62	+5.8%
Net Asset per Share	RMB2.61	RMB2.47	+5.7%

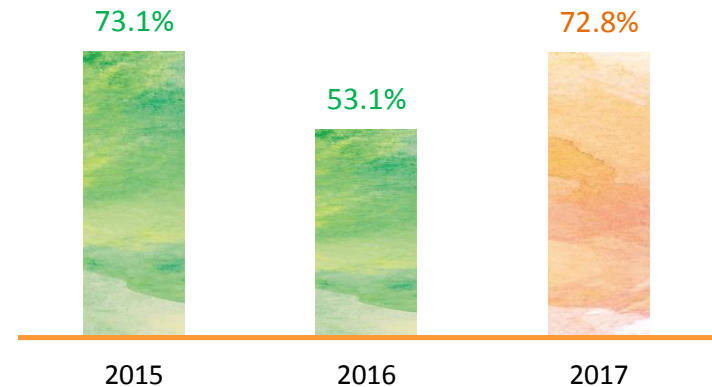
Note: (1) Gearing Ratio = (Total Borrowings – Cash) /Total Capitalization

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

Cash (RMB bn)

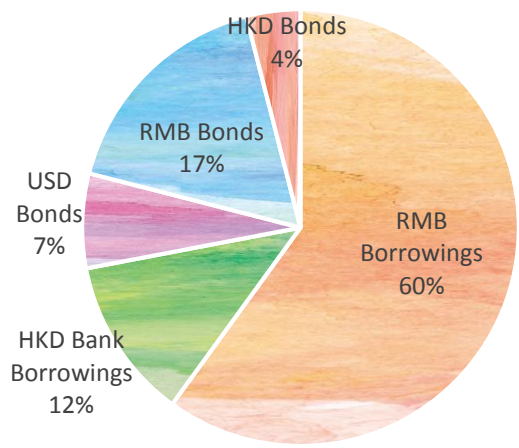


Net Gearing Ratio

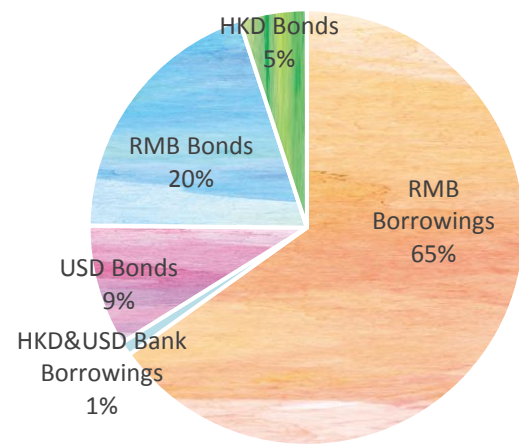


Debt Structure

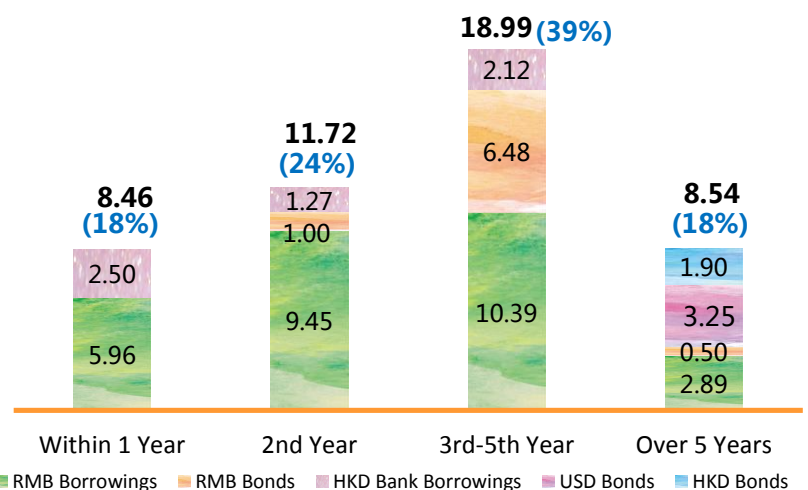
2017 Total Debt: RMB47.7bn



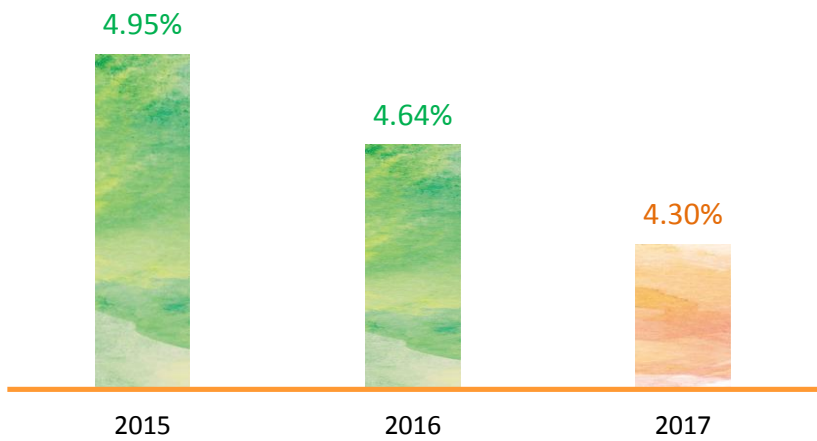
2016 Total Debt: RMB40.3bn



Maturity Profile (RMB bn)



Average Borrowing Interest Rate



CONTENTS

Financial Results 1

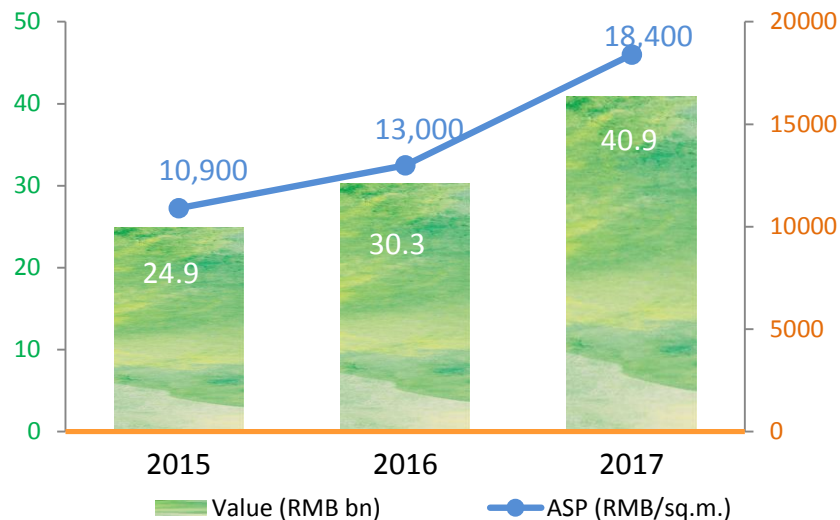
Business Updates 2

Outlook 3

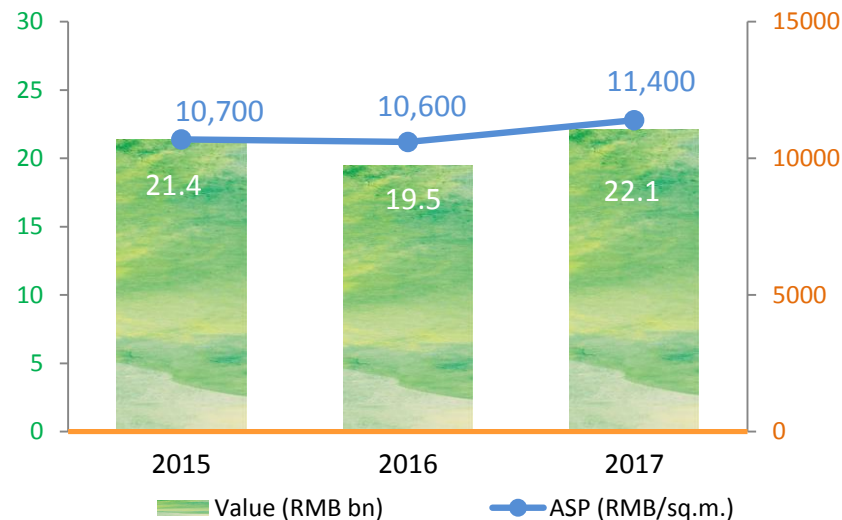


Contracted & Recognized Sales

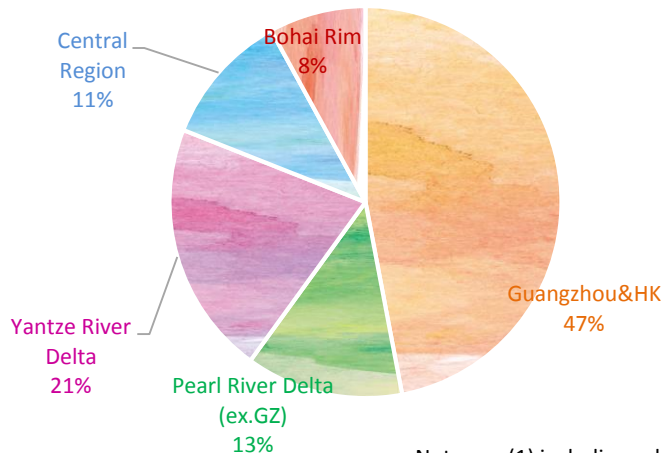
Contracted Sales⁽¹⁾



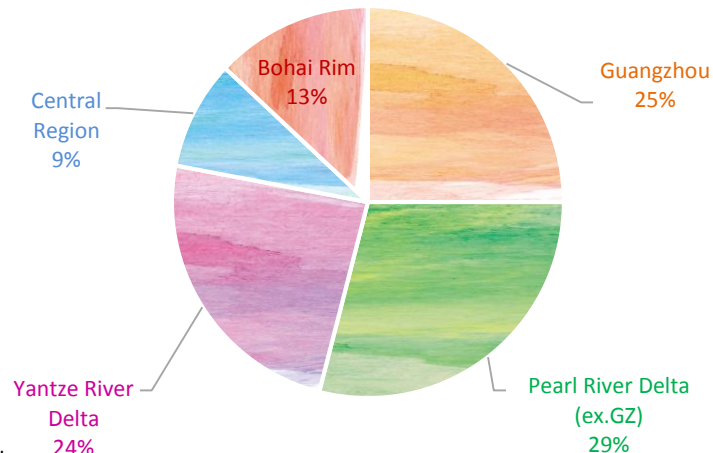
Recognized Sales⁽²⁾



2017 Contracted Sales Value RMB40.9 bn



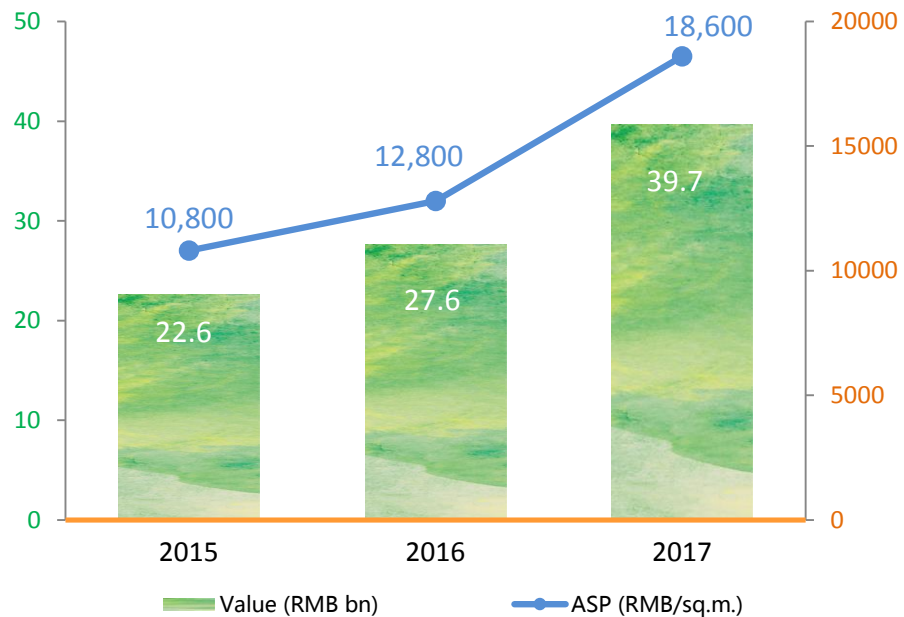
2017 Recognized Sales Value RMB22.1 bn



Note: (1) including sales from joint venture projects
(2) Including sales of investment property

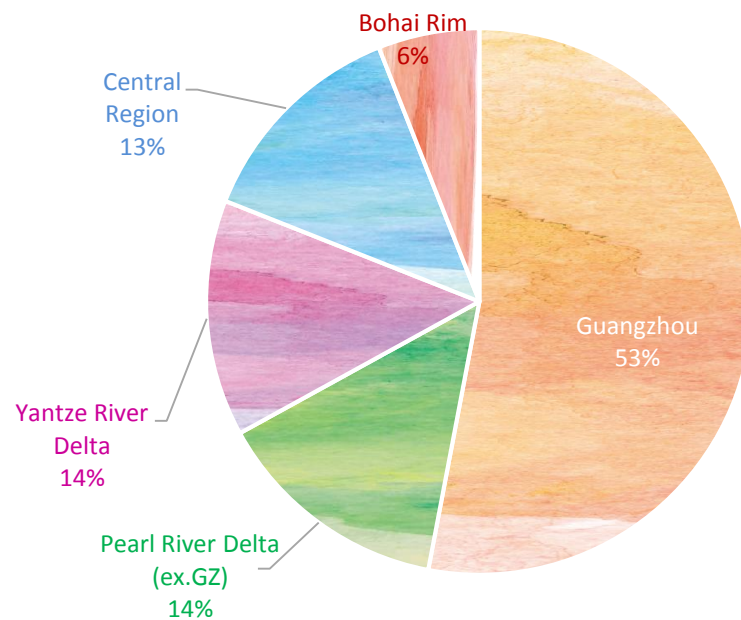
Unrecognized Sales

Unrecognized Sales*: RMB39.7 bn



*Note: including sales from joint venture projects

2017 Unrecognized Sales Composition



New Land Acquisitions

No.	New Land Acquisitions	Type	Total GFA (sq.m.)	Equity Holding	Attributable GFA (sq.m.)
1	Guangzhou Guanggang Phase 4 Land	R	259,100	15.91%	41,200
2	Guangzhou Huadu Phoenix Raod Land	R/C	218,200	9.55%	20,800
3	Nansha Jinling North Land	R/C	126,800	14.25%	18,100
4	Nansha Lingsha Island Land	C	175,800	100%	175,800
5	Jiangmen Heshan Starry Royal Court (previous name: Jiangmen Heshan Yayao Land I & II)	R	419,700	95%	398,700
6	Foshan Chancheng Chaoan Road Land	R	79,500	46.55%	37,000
7	Foshan Nanhai Pingzhou Shanghai Village Land	R	548,100	9.50%	52,100
8	Hangzhou Genbei New Town West Land	R/C	360,700	48.45%	174,800
9	Hangzhou Lin'an Binghu New District Land	R	234,000	95%	222,300
10	Hangzhou Yuhang Xingguo Road Land	R	232,600	39.18%	91,100
11	Hangzhou Jianggan Niutian Land	R	124,100	9.50%	11,800
12	Wuhan Starry Bay (previous name: Wuhan Guobo New Town Land)	C	90,600	95%	86,100
13	Wuhan Caidian Land I	R	78,800	95%	74,900
14	Wuhan Caidian Land II	R	171,900	95.48%	164,100
15	Wuhan Yangsi Port Land	R/C	925,900	12.25%	113,400
16	Wuhan Aoyuan East Land	R	44,300	95.48%	42,300
17	Wuhan Yuexiu Paradise	R	214,600	95.48%	204,900
18	Qingdao Yuexiu Elegant Mansion	R/C	81,400	95.0%	77,300
19	Qingdao Licang Qingyin Highway Land	R/C	666,300	15.75%	104,900
合计			5,052,400	-	2,111,600

Total Landbank

Total Landbank: **16.27** mm sq.m.

Region	GFA (mm sq.m.)	%
Greater Bay	8.24	50.6%
Guangzhou	6.34	38.9%
Hong Kong	0.07	0.4%
Foshan	0.65	4.0%
Jiangmen	1.02	6.3%
Zhongshan	0.16	1.0%
Yangtze River Delta	3.71	22.8%
Hangzhou	2.72	16.7%
Suzhou	0.99	6.1%
Central Region	2.47	15.2%
Wuhan	2.47	15.2%
Bohai Rim	1.75	10.8%
Shenyang	0.65	4.0%
Qingdao	0.89	5.5%
Yantai	0.21	1.3%
Hainan	0.10	0.6%
Haikou	0.10	0.6%
Total	16.27	



Greater Bay Exposure

Landbank in Greater Bay is approx. **8.24** mm sq.m., accounting for **51%** of total landbank

Foshan

Landbank (mm sq.m.) **0.65**

2016 Hukou Population (mm)	7.46
2016 GDP Growth	8.3%
2016 Average Disposable Income per Capita (RMB)	41,941

Jiangmen

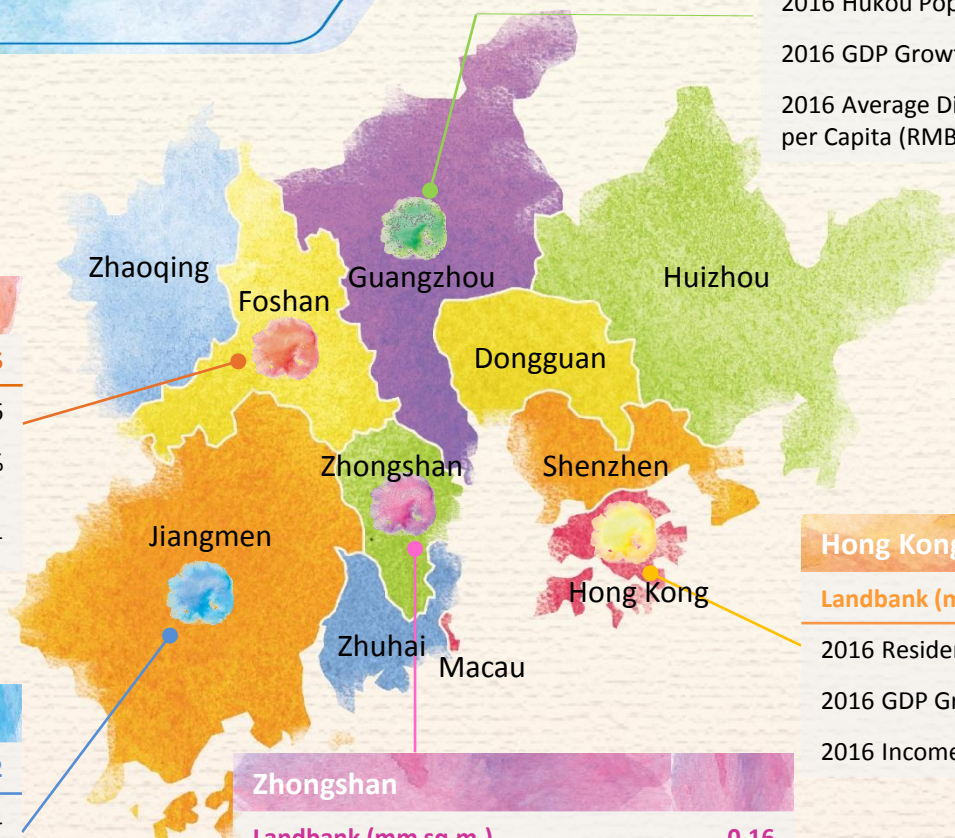
Landbank (mm sq.m.) **1.02**

2016 Hukou Population (mm)	4.54
2016 GDP Growth	9.2%
2016 Average Disposable Income per Capita (RMB)	24,427

Guangzhou

Landbank (mm sq.m.) **6.34**

2016 Hukou Population (mm)	8.70
2016 GDP Growth	9.0%
2016 Average Disposable Income per Capita (RMB)	50,941



Zhongshan

Landbank (mm sq.m.) **0.16**

2016 Hukou Population (mm)	3.14
2016 GDP Growth	7.8%
2016 Average Disposable Income per Capita (RMB)	23,829

Hong Kong

Landbank (mm sq.ft.) **0.70**

2016 Resident Population (mm)	7.38
2016 GDP Growth	1.6%
2016 Income per Capita (HKD)	348,062

"Dual Platforms" – Supporting Commercial Growth

Yuexiu Property Rental
Income: RMB0.62 bn

Yuexiu REIT Rental
Income: RMB1.85 bn

Total Rental Income: RMB2.47 bn

Major Leasing Projects	GFA (sq.m.)
Yuexiu Financial Tower	211,000
Nansha Sheraton Hotel	55,000
Xiangkang Commercial Plaza	32,000
Other Guangzhou Commercials	193,000
Nanhai Dating Mall	82,000
Nanhai Starry Winking (Commercial)	31,000
Hangzhou Victory Center	20,000
Hangzhou Starry City (Commercial)	121,000

PUD Projects	GFA (sq.m.)
Guangzhou Asia Pacific Plaza	229,000
Wuhan International Financial City (Commercial)	242,000

Under Leasing
GFA: 1.32 mm sq.m.

PUD GFA:
0.47 mm sq.m.

PFD GFA:
0.59 mm sq.m.

Yuexiu Property Total Commercial Properties GFA: 2.38 mm sq.m.

PFD Projects	GFA (sq.m.)
Nansha Southern Le Sand (Commercial)	303,000
Nansha Lingshan Island Land	175,800
Hangzhou Starry City (Commercial)	111,000

Yuexiu REIT Total Commercial Properties GFA: 0.99 mm sq.m.



Shanghai:
Shanghai Yuexiu Tower
62,000 sq.m.



Wuhan: Wuhan Fortune Center and Starry Victory Shopping Center
248,000 sq.m.

Guangzhou

	GFA (sq.m.)
GZ IFC	457,000
White Horse Building	50,000
Fortune Plaza	41,000
City Development Plaza	42,000
Victory Plaza	28,000
Neo Metropolis	62,000



CONTENTS

Financial Results 1

Business Updates 2

Outlook 3



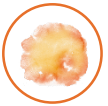
Our Views on Property Market in 2018



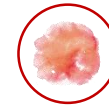
To stabilize property market, the government will sustain policy tightening, but allow city-specific differentiations



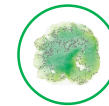
Property markets will further differentiate, 1-tier and 2-tier cities will have stable markets with sustainable policy tightening. De-stocking policy effects on 3-tier and 4-tier cities will gradually weaken and demand will fall



Local governments will supply more land, land price increase is expected to be slower and land market will become more rational

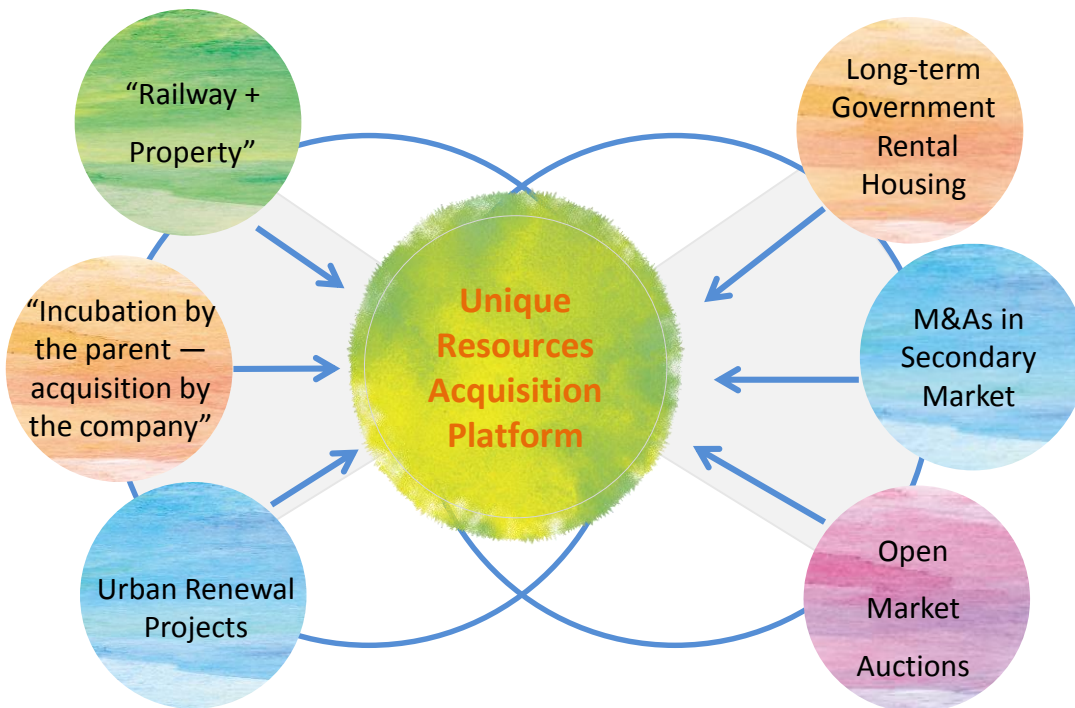


Credit financing is to be further tightened and funding costs will go up. More opportunities of M&As and cooperations will emerge, therefore, market concentration will keep rising



New business types and development models will be further explored and experimented, which will become the new growth drives

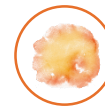
Investment Strategy



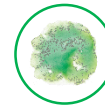
Take full advantage of our unique resource acquisition platform to add quality landbank



Deepen penetrations in markets of Greater Bay, Yangtze River Delta and Central Region

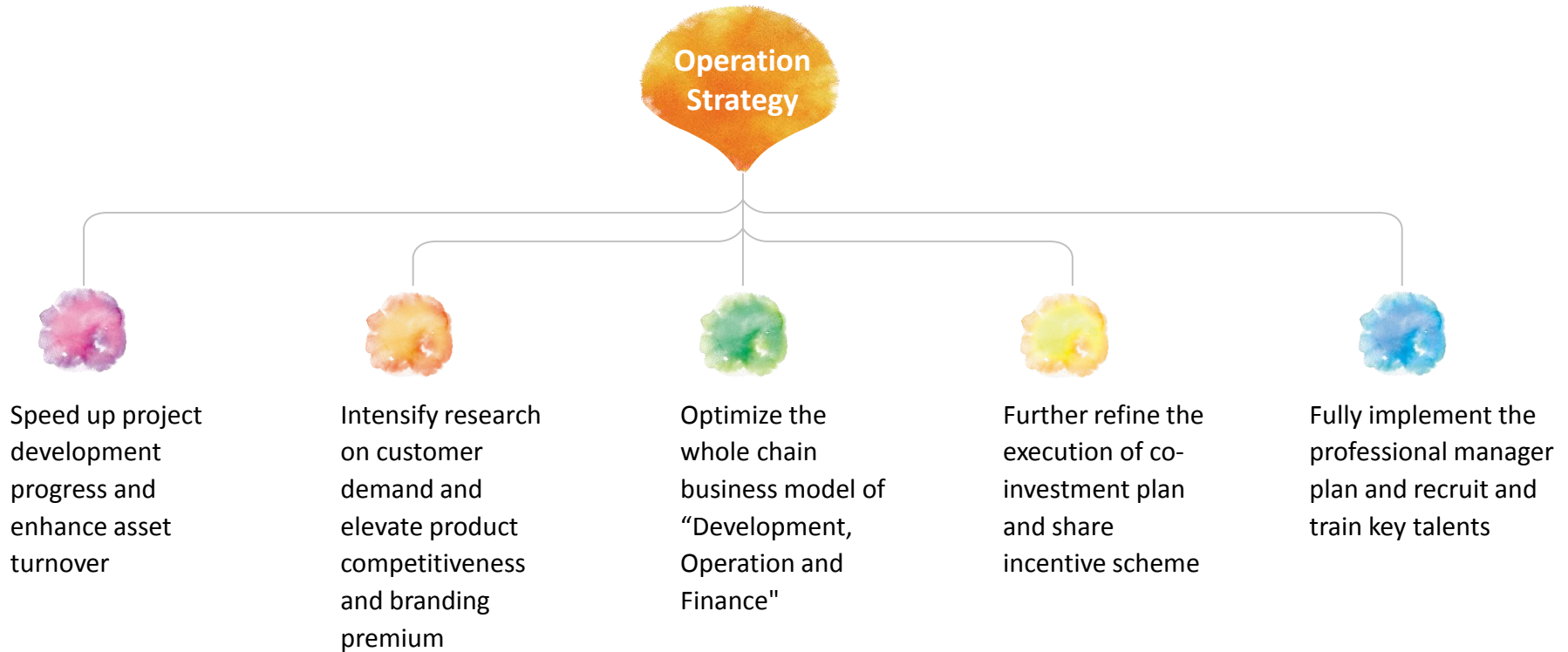


Focus on investing in high asset-turn residential projects



For Greater Guangzhou Region, the Company will concentrate on acquiring quality SOE resources to be the market leader

Operation Strategy



Diversification Strategy



Urban Renewal Business

- Operate Yuexiu Property Urban Renewal Company, to become a resource acquisition and value enhancement platform
- Cooperate in depth with local SOEs to tap into the latter's stock of land resources



Long-Term Leasing Apartment

- Leverage on Guangzhou Yuexiu Housing Lease Investment Co., Ltd., to proactively develop long-term leasing apartment business
- Become a leading enterprise with core operation capability and well-known leasing apartment brand in the sector



Elderly-Care Property

- Elderly-care property business will be actively pursued to become a leading player with strong asset management and service capability in the sector
- Strengthen the management of existing projects and to explore new projects

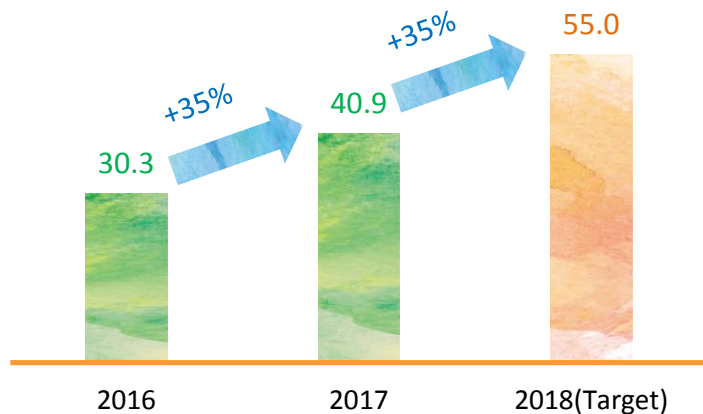


"Property+" Business

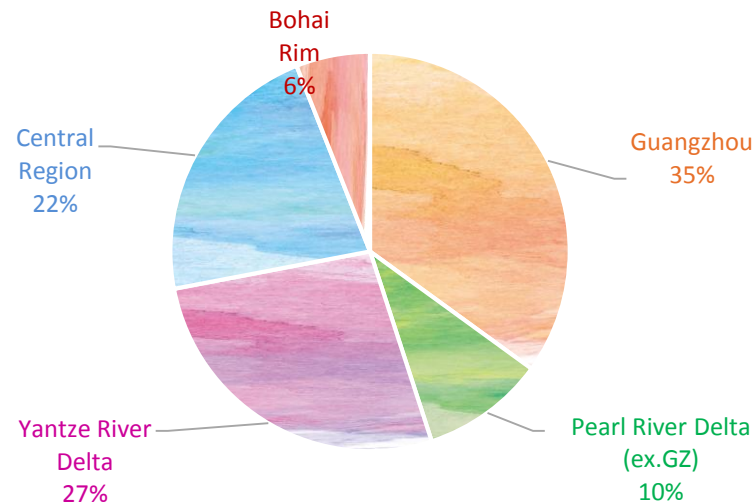
- Establish new platform companies to explore and strengthen the development of property "+ industries", "+ towns", "+ culture, business and tourism" and other new businesses

2018 Sales Target & Operation Plans

2018 Contracted Sales Target: RMB 55.0 bn



2018 Sellable Resources: RMB101.1 bn



Operation Plans

GFA (mm sq.m.)	2017 Plan	2017 Actual	2018 Plan
PUD	7.35	8.32	10.29
New Construction Starts	2.42	3.73	4.32*
Completion	2.37	2.46	2.35

Note: New construction starts in 2018 do not include new projects acquired during the year

2018 Brand New Project Launches

Regions	Brand New Projects
Guangzhou	4
Pearl River Delta (ex. GZ)	3
Yangtze River Delta	4
Central Region	5
Bohai Rim	2
Total	18



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

Thank You!





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