

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. .



PROFIT WARNING

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's unaudited management accounts for the year ended 31 December 2015 and information currently available to the Board, the Group expects that, for the year ended 31 December 2015, the revenue was approximately RMB22,000 million, an increase of approximately 40% comparing with the corresponding year of 2014 and the gross profit was approximately RMB4,600 million, an increase of approximately 12% comparing with the corresponding year of 2014. However, the Group expects that the gross profit margin declined from approximately 26% for the year ended 31 December 2014 to approximately 21% for the year ended 31 December 2015. Due to the main reasons disclosed in this announcement, it is expected that the profit attributable to the equity holders of the Company decreased by approximately 50% to 60% for the year ended 31 December 2015 as compared to that for the year ended 31 December 2014 and the core net profit (profit attributable to equity holders excluding fair value gains on revaluation of investment properties and the related tax effect and foreign exchange loss/gain) declined by approximately 20% to 25%.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Yuexiu Property Company Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the “**SFO**”) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company (and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that, mainly due to:

- (1) the increase in exchange translation loss arising from the continuing devaluation of Renminbi in the second half of 2015 as the Group’s revenue was mainly derived from Renminbi while part of its borrowings were in United States dollars and Hong Kong dollars. After capitalizing part of the exchange translation loss in accordance with the relevant requirements under Hong Kong Financial Reporting Standards, the exchange translation loss to be recognized in the income statement is expected to be approximately RMB450 million;
- (2) for the year ended 31 December 2015, it is expected that the fair value on revaluation of one investment property increased by approximately RMB1,150 million (before tax) whereas the fair value on revaluation of another investment property decreased by approximately RMB790 million (before tax) due to the operation performance was worse than the expectation, resulting in the fair value gains on revaluation of investment properties in the amount of approximately RMB450 million, a decrease of approximately RMB950 million (before tax) comparing with the corresponding year of 2014; and
- (3) the Group recognized a gain on disposal of equity interest for an amount of approximately RMB449 million in 2014 whereas the Group did not have such similar gain in 2015, resulting in a substantial decrease in the net other gains in 2015 comparing with the corresponding year of 2014,

it is expected that the profit attributable to the equity holders of the Company decreased by approximately 50% to 60% for the year ended 31 December 2015 as compared to that for the year ended 31 December 2014.

The Group expects that the revenue was approximately RMB22,000 million, an increase of approximately 40% comparing with the corresponding year of 2014 and the gross profit was approximately RMB4,600 million, an increase of approximately 12% comparing with the corresponding year of 2014. However, due to the changes in product mix and regional composition of the completed projects during the year, it is expected that the gross profit margin declined from approximately 26% for the year ended 31 December 2014 to approximately 21% for the year ended 31 December 2015.

