



### (01628.HK) Stock Data

Close Price (7/Sep/2018)	HK\$3.50
52-week Range	HK\$3.50 – 6.18
Market Cap	HK\$14.67 billion
No. of Issued Shares	4,191 million shares
Listing Date	2 November 2009

### 2018IR Financial Highlights

Revenue	RMB 9,243 million
Gross Profit	RMB 2,914 million
Profit Attributable to Shareholders	RMB 1,391 million
Core Profit Attributable to Shareholders	RMB 1,158 million
Basic Earnings per Share	RMB 31 cents
Core Earnings per Share	RMB 28 cents

### Contact Us

#### Corporate Finance and Investor Relations Team

Email: [ir@yuzhou-group.com](mailto:ir@yuzhou-group.com)

**Hong Kong Office**  
Tel: +852 2508 1718  
Fax: +852 2510 0265

**Shenzhen Office**  
Tel: +86 755 8321 7980  
Fax: +86 755 8321 5470

WeChat ID: yuzhouproperties



### Inside the Newsletter

- I. Sales Performance as of August 2018
- II. Monthly Sales Chart
- III. Monthly Press Room
- IV. Monthly Research Report
- V. Awards
- VI. Upcoming Investor Relations Activities
- VII. Company Profile

### I. Sales Performance as of July 2018

**2018 first eight months contracted sales reached RMB 27,308 million, contracted sales in August 2018 was RMB 2,798 million.**

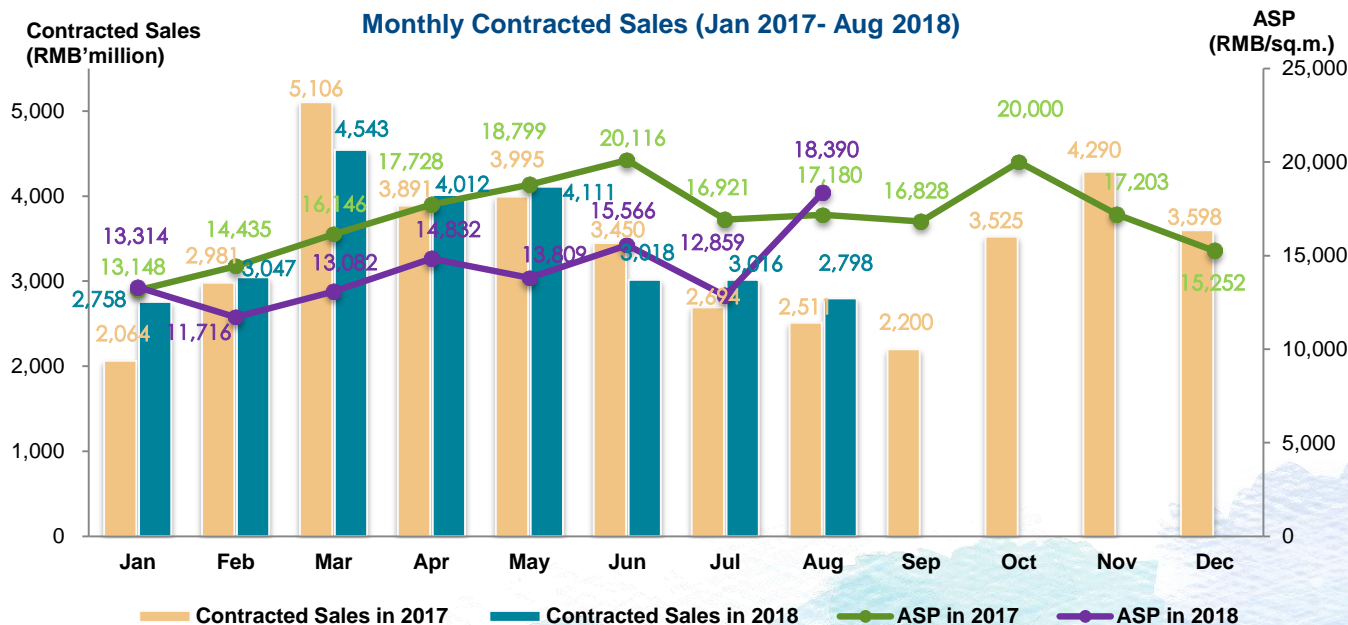
- Our contracted sales in August 2018 was **RMB 2,798 million, increased by 11%/y/y**. The contracted GFA was **152,163 sq.m.** ASP for this month was **RMB 18,390/ sq.m., increased by 7% y/y**.
- In the first eight months in 2018, Yuzhou achieved a total contracted sales of approximately **RMB 27,308 million**. Achieved contracted GFA was **1,964,437 sq.m., increased by 24% y/y**. ASP for the first eight months was **RMB 13,901/sq.m.** In addition, approximately **RMB 1,291 million** was subscribed but in the process of signing contracts.

#	Project	City	Interest in Project (%)	Contracted Sales (RMB mn)	As of Total (%)	Contracted GFA (sq.m.)	Contracted ASP (RMB/sq.m.)
1	Yuzhou Central Coast	Xiamen	100%	50	0.2%	3,435	14,422
2	Yuzhou Riverside City Town	Xiamen	100%	298	1.1%	16,198	18,390
3	Haicang Dream Town	Xiamen	20%	95	0.3%	3,940	24,066
4	Yuzhou Lucca Town	Xiamen	100%	50	0.2%	2,123	23,624
5	Chunjiang Central	Xiamen	51%	111	0.4%	6,101	18,155
6	Yuzhou Gushan No.1	Fuzhou	100%	205	0.7%	8,377	24,441
7	Yuzhou Oriental Venice	Fuzhou	100%	553	2.0%	31,679	17,470
8	Yuzhou Cambridge Town	Fuzhou	100%	24	0.1%	1,516	15,783
9	Yuzhou Reliance Central Mansion	Fuzhou	66%	929	3.4%	30,482	30,481
10	Yuzhou Royale Riverside Mansion	Fuzhou	100%	42	0.2%	1,790	23,473
11	Shimao Joy Center	Fuzhou	20%	22	0.1%	856	25,658
12	Yuzhou City Plaza	Quanzhou	100%	2,447	9.0%	293,666	8,334
13	Yuzhou Castle above City	Longyan	100%	768	2.8%	136,042	5,647
14	Yuzhou Royale The Bay	Zhangzhou	51%	84	0.3%	2,402	34,883
15	Others	Xiamen	100%	335	1.2%	11,576	28,997
<b>West Strait Economic Zone</b>				<b>6,013</b>	<b>22.0%</b>	<b>550,183</b>	
16	Yuzhou City Plaza	Shanghai	100%	8	0.0%	621	12,301
17	Beautiful Garden Life	Shanghai	100%	121	0.4%	3,877	31,268
18	Yuzhou Noble Mansion	Shanghai	100%	1,617	5.9%	43,085	37,538
19	Yuzhou Mansion	Shanghai	40%	90	0.3%	1,983	45,386
20	Yuzhou Dongtan Grace Mansion	Shanghai	80%	171	0.6%	4,698	36,504
21	Yuzhou The Bustling Center	Shanghai	100%	271	1.0%	8,604	31,513
22	Yuzhou Central Plaza	Hefei	100%	718	2.6%	68,170	10,535
23	Yuzhou Central Town	Hefei	100%	612	2.2%	50,426	12,137
24	Yuzhou Sky Aqua Mall	Hefei	100%	773	2.8%	53,855	14,353
25	Yuzhou Moon Lake Mansion	Hefei	36%	499	1.8%	34,332	14,548
26	Yuzhou Royal Seal	Hefei	100%	37	0.1%	4,633	7,932
27	Yuzhou Town	Hefei	51%	43	0.2%	4,756	9,026
28	Yuzhou The Jiqing	Nanjing	100%	108	0.4%	3,199	33,752
29	Redsun Yuzhou The Times	Nanjing	51%	95	0.3%	7,107	13,336
30	Redsun Yuzhou The Spring	Nanjing	51%	905	3.3%	38,963	23,222
31	Yuzhou Hechang Golden East	Nanjing	8%	1,851	6.8%	81,843	22,619
32	Yuzhou Riverside Sapphire	Hangzhou	49%	3,109	11.4%	98,175	31,663
33	Yuzhou Majestic Mansion	Zhoushan	50%	271	1.0%	15,482	17,516
34	Zhaoshang The Absolute	Suzhou	20%	1,122	4.1%	78,760	14,251
35	Yuzhou Prince Lakeshire	Bengbu	51%	755	2.8%	93,931	8,034
36	Yuzhou New Inner City	Bengbu	40%	1,421	5.2%	188,138	7,552
<b>Yangtze River Delta</b>				<b>14,597</b>	<b>53.2%</b>	<b>884,638</b>	
37	Coastal Silo City	Wuhan	100%	1,330	4.9%	107,932	12,324
38	Coastal Lingjiao River No. 1	Wuhan	100%	1,088	4.0%	44,401	24,500
<b>Central Region</b>				<b>2,418</b>	<b>8.9%</b>	<b>152,333</b>	
39	Yuzhou Wujing The Scenery	Huizhou	51%	69	0.3%	6,201	11,085
40	Coastal Xingting	Foshan	100%	3	0.0%	395	7,610
<b>GHM Bay Area</b>				<b>72</b>	<b>0.3%</b>	<b>6,596</b>	
41	Yuzhou Lianfa Red Shire	Tianjin	40%	638	2.3%	30,390	21,008
42	Yuzhou Joy Mansion	Tianjin	49%	783	2.9%	63,375	12,348
43	Yuzhou Fengnan New Town	Tangshan	90%	1,761	6.4%	181,149	9,719
44	Shenyang Yuzhou Plaza	Shenyang	100%	1,026	3.8%	95,773	10,714
<b>Bohai Rim Region</b>				<b>4,208</b>	<b>15.4%</b>	<b>370,687</b>	
<b>Total</b>				<b>27,308</b>		<b>1,964,437</b>	<b>13,901</b>





## II. Monthly Sales Chart



## III. Monthly Press Room

### ■ Yuzhou Group Won "Influential Listed Company of the Year" Chairman of Board Lam Lung On Emphasized to Direct Major Function of Property back to Providing Dwellings

(2 August 2018, Hainan) From 1 to 4 August, the 18th Boao Real Estate Forum was held in Hainan as scheduled. Yuzhou Group was awarded the "2018 China's Influential Listed Property Company of the Year" for its solid performance. Mr. Lam Lung On, chairman of the board of directors of the Group attended the forum as a special guest, interacting and exchanging ideas with other participants. The chairman stated that the real estate development should emphasize the function of de-speculation and return to the project of people's livelihood, which is the future development direction and should be controlled by the country.



### ■ Leaders of China Construction Bank (Shanghai Branch) Visited Headquarters of Yuzhou Group

(8 August 2018, Shanghai) On 7 August, Mr. Lam Lung On, J.P., Chairman of Board of Directors and Executive Director of Yuzhou Group and the key management members of the company welcomed the visit of Lin Shunhui, secretary to the party committee and president of China Construction Bank (Shanghai Branch), and Xu Zhonghua, deputy secretary to the party committee and vice president of China Construction Bank (Shanghai Branch), at its Shanghai headquarters at 26/F, Yuzhou Square. President Lin Shunhui, on behalf of China Construction Bank, thanked Yuzhou group for supporting its business development over the years and expressed confidence in its future cooperation with Yuzhou group.







### III. Monthly Press Room

#### ■ Yuzhou Group Entitled a Number of Honors, Shining at 2018 China Real Estate Strategic Summit

(10 August 2018, Shanghai) At the 2018 China Real Estate Strategic Summit held at the Ritz-Carlton Shanghai, Pudong on 9 August, Yuzhou Group entitled a number of awards, including the “Chinese Property Company by Brand Value in 2018” (Rank 35<sup>th</sup>) and the “2018 Top 10 Chinese Property Companies by Capital Market Attention”, owing to its leading comprehensive strengths and sound reputation. Yuzhou Group stands out from other fast-growing companies by taking concrete steps, indicating that Yuzhou Group’s efforts in various areas are widely recognized by the industry.



#### ■ Yuzhou Ranked 8th Among Top 100 Companies in Xiamen

(15 August 2018, Xiamen) Co-organized by the Xiamen Enterprises and Entrepreneurs Association, Xiamen Daily, Xiamen Media Group and other industrial associations, the election of the “2018 Top 100 Companies in Xiamen” was concluded. Yuzhou Group was ranked 8th among the “2018 Top 100 Companies in Xiamen” and 7th among the “2018 Top 10 Service Companies in Xiamen”. Adhering to the operating principle of “Building Cities with Heart, Building Homes with Love”, Yuzhou will extend its footprints from Xiamen to other cities and support urban development to build more sophisticated residence.

2018 厦門企業100強	
1	廈門國貿控股集團有限公司
2	廈門建發集團有限公司
3	廈門象屿集團有限公司
4	戴爾(中國)有限公司
5	均和(廈門)控股有限公司
6	廈門航空有限公司
7	廈門港務控股集團有限公司
8	廈門禹洲集團股份有限公司
9	盛屯矿业集团
10	廈門路桥工程

2018 厦門服務業企業10強	
1	廈門國貿控股集團有限公司
2	廈門建發集團有限公司
3	廈門象屿集團有限公司
4	均和(廈門)控股有限公司
5	廈門航空有限公司
6	廈門港務控股集團有限公司
7	廈門禹洲集團股份有限公司
8	廈門路桥工程物業有限公司
9	廈門德興集團有限公司
10	廈門夏商集團有限公司

#### ■ Yuzhou Properties Ranked Among Top 20 of “2018 Best Board of Directors in China”

(24 August 2018, Shanghai) On 23 August, the “Power of Board of Directors in VUCA Era” award presentation ceremony co-organized by the leading international financial magazine the Fortune and the world famous human resources company Aon Hewitt was held at the Peninsula Shanghai. Thanks to the comprehensive evaluation in many fields such as precise strategic guidance, efficient enterprise operation and robust risk control, Yuzhou Group was ranked among Top 20 of “2018 Best Board of Directors in China”. Mr. Cai Minghui, the Executive President of Yuzhou Property, was invited as a VIP guest and accepted the award on behalf of Yuzhou Property.



#### ■ Gear up for Challenges, Guard against Risks Revenue Growth by 28% YoY, Net Profit Enjoy a huge Surge by 84%

(24 August 2018, Hong Kong) Yuzhou Properties announced the consolidated results the Group for the six-month period ended 30 June 2018. For the Period, the contracted sales of the Group was approximately RMB21,494.23 million, which is in line with the projected launching split of 35% in the first half and 65% in the second half. With sufficient supply, the Group is confident to achieve the full year contracted sales target of RMB60 billion. During the Period, the gross profit of the Group was RMB2,914.09 million, a rise of 22.03% year-on-year. The gross profit margin was 31.53%, remaining at a relatively high level in the industry. As at end of June, Yuzhou Properties’ coverage has been expanded to 25 cities across the country, with a total land reserve of over 17.25 million sq.m. and over RMB300 billion salable resources. The Group is on the right track to its journey of RMB100 billion. Interim dividend of HK11 cents was proposed; payout ratio was 34.85%. Yuzhou Group shares results with shareholders in advance.







### III. Monthly Press Room

#### ■ **Yuzhou Group ranked among 2018 Top 500 Chinese Private Companies**

(30 August 2018, Liaoning) On 29 August, the 2018 Top 500 Chinese Private Companies Summit organized by the All-China Federation of Industry and Commerce was held in Shenyang, Liaoning and the list of the Top 500 Chinese Private Companies was released. Yuzhou Group continued its strong momentum and jumped 97 places to reach 343th rank with operation revenue amounting to RMB21.7 billion. On the basis of the survey of large-scale private enterprises, the list of China's top 500 private enterprises is generated by the independent declaration of private enterprises and checked by the All-China Federation of Industry and Commerce. It fully demonstrates the growing role of China's private enterprises in the national economic development.



#### ■ **Yuzhou Properties Successfully Introduces OCT as Strategic Shareholder Strong Forces Scale New Heights in Greater Bay Area**

(3 September 2018, Hong Kong) Yuzhou Properties Company Limited is pleased to announce that the Company has entered into a subscription agreement with Overseas Chinese Town (Asia) Holdings Limited ("OCT Asia"; stock code: 03366.HK). Pursuant to the agreement, the Company will allot and issue 460,489,606 shares to OCT Asia at a price of HK\$3.96 per share, representing approximately 9.90% of the issued share capital as enlarged of the Company. The aggregate proceeds from the placing will be approximately HK\$1.824 billion, which will be used for possible investment projects in the future. The introduction of OCT Asia as the second largest shareholder demonstrates Yuzhou Properties' unswerving determination to move into a new stage of development.



#### ■ **Subsidiary of Yuzhou Properties in China will issue 7.85% corporate bonds of RMB1,000 million through private placement**

(31 August 2018, Xiamen) Yuzhou Properties Company Limited announced that its wholly-owned subsidiary Xiamen Yuzhou Hongtu Property Development Co., Ltd. issued 7.85% corporate bonds of RMB1,000 million through private placement with a term of 1+1+1. Since 2018, the overall environment of the domestic bond market in severe situation, and the issuance of real estate bonds is generally difficult. The one-time completion of a total of RMB1 billion issuance was fully recognized by investors. The interest rate of the issue was 7.85 per cent, which is one of the lowest rate compared with private fundraising by non-state property companies this year, and the lowest in August as well.



### IV. Monthly Research Report

Date	Institution	Rating	Target Price	Summary
8.17	Essence International	Buy	HKD6.0	<p>Essence International considered that the gearing ratio of Yuzhou Properties was at a healthy level. The land reserve was amounted to RMB300 billion, which is mostly located in the area of intensive development. The development strategy is prudent and defensive in the reverse cycle. Sales growth is expected to resume in 2H2018 and reached the 6,000 million sales target set for 2018, considering the approx. 92 billion saleable resources in 2018 which mainly in West Strait and Yangtze River Delta Region. Essence International issued a "BUY" rating on Yuzhou Properties for the first time and set a HKD6.0 target price.</p>
8.28	JP Morgan	Buy	HKD7.5	<p>J.P. Morgan restating its "BUY" rating on Yuzhou Properties with the target price of HK\$7.5. According to the bank, the core net profit of Yuzhou Properties in the first half of 2018 increased by 20% year-on-year, 6% higher than its expectation and the gross profit margin (before land value-added tax) slightly dropped to 31.2%. As Yuzhou Properties will deliver more projects with high average price, the bank expects the gross profit margin of the company will increase in the second half of the year to reach 33% for the year. The net debt ratio increased slightly to the average level of the industry while the dividend payout ratio grew to 36%, a rise of 29% over the same period of the previous year. The performance of the company in the first half of 2018 was better than expected.</p>
8.28	CICC	Recommend	HKD5.7	<p>Yuzhou Properties announced the 2018 interim results: the revenue increased by 27.5% year-on-year to RMB9.2 billion; the core net profit (excluding distribution for perpetual bonds) increased by 20.3% year-on-year to RMB1.1 billion; the core diluted earnings per share was RMB0.26. The dividend for the interim period amounted to HKD0.11. The P/E ratios for 2018 and 2019 against the current share price are 3.7x and 2.9x respectively. The bank reiterated the "RECOMMEND" rating and set the target price at HKD5.7, which indicates 44% upside potential.</p>
8.29	Haitong International	Buy	HKD8.07	<p>The core net profit of Yuzhou Properties in the first half of 2018 increased by 26% year-on-year to RMB1.2 billion. According to Bloomberg, the core profit of Yuzhou in the first half of the year represented 31% of the market expectation based on the data of the company for 2018 (same as the net profit distribution in the first and second half of 2017). The Company is also raising its interim dividend per share by 29% YoY, lifting the 1H payout ratio to 35%. It is believed that Yuzhou is striking a good balance between sales growth and financial health and making steady strides towards its core net profit goal for 2018. Raised the target price to HKD8.07.</p>





### IV. Monthly Research Report

Date	Institution	Rating	Target Price	Summary
8.29	CIMB	Buy	HKD6.6	<p>The core profit of Yuzhou in the first half of 2018 was 28% higher than the annual expectation made by CIMB. As the 65% inventory will be launched for sale in the second half of 2018, the management is confident in reaching the annual sales target. It is expected the gross profit margin for 2018 would be maintained at a relatively higher level of 32-33%. As the company has sufficient cash flows, CIMB considered that Yuzhou would have no problem in repaying short-term debts and refinancing. The bank reiterated its "BUY" rating and set the target price at HKD6.6.</p>
8.30	Citi	Buy	HKD6.8	<p>Solid results for the first half of 2018 in line with the expectation; giving generous interim dividend to shareholders. Yuzhou's current valuation is very attractive (P/E ratio of 2019 expected to be only 2.8x and profit margin 12%). Citi believes Yuzhou's effort to refuel for the next growth phase is well under way and the scale expansion will gradually translate into high earnings and DPS growth. Citi reiterated its "BUY" rating and set the target price at HKD6.8.</p>
8.30	CMBI	Buy	HKD5.6	<p>Yuzhou's 1H2018 revenue increased by 27.5% to 9.24 billion and the net profit largely increased by 83.5% to 1.39 billion. Gross profit margin was 31.5%. CMBI increased its profit expectation for 2018 by 10.7% to RMB3.95 billion and core profit expectation from RMB3.57 billion to RMB3.88 billion. It expected the net asset value per share would reach HK\$9.33. CMB International reiterated its "BUY" rating and set the target price at HKD5.60, representing a discount of 40%.</p>
8.31	Credit Suisse	Outperform	HKD5.6	<p>Yuzhou's contracted sales stayed largely flattish over 7M2018, mainly due to the back-loaded new launches. Management has guided for sales growth to resume resilience from September and felt confident to meet the full year sales target. The share price of Yuzhou is at a discount of 63% to the net asset, with the P/E ratio for 2019 of 3.4x. Credit Suisse increased the valuation of net asset to HK\$11.1 to reflect Yuzhou's proactive efforts in replenishing quality land reserves. The bank issued a target price of HKD5.6 and reiterated its "OUTPERFORM" rating.</p>
8.31	Huatai	Buy	HKD5.9	<p>The company announced the payment of interim dividend of HK11 cents per share, with the core profit dividend payout ratio of 35%. The expected P/E ratio for 2018 is 3.7x against the current share price of the company and the dividend payout ratio for 2018 is expected to remain at a considerable level of 9%. Therefore, the shares are attractive to the capital from the south. Huatai reiterated its "BUY" rating and set the target price at HKD5.90. Expecting the P/E ratio for 2018 to be 5.5x, it is optimistic about the risk-return ratio of the shares of the company.</p>



### V. Awards

Date	Award	Organization
	2017 China Financial Market Awards - Shenzhen-Hong Kong Stock Connect Best Investment Value Award”	China Financial Market
Jan 2018	2017 Hong Kong Golden Stocks’ Listed Company Nomination Ceremony - 2017 “Hong Kong Golden Stocks” Most Valuable Real Property Company Award	Zhitong Financial HiThink Royal Flush Information Network (Tonghuashun) Snowball
	2017 China’s Excellent IR Best Project Award, 2017 China’s Excellent Best IR Innovation Award, and 2017 China’s Excellent Best IR Director Award	RoadShowChina
	7 <sup>th</sup> China Charity Festival – Personel Award, and 7 <sup>th</sup> China Charity Festival – Action Award	China Media
	2018 Best 50 China Real Estate Developers (Rank 37th) 2018 Best 10 China Real Estate Developers with Development Potential (Rank 3rd )	China Real Estate Research Association China Real Estate Association and CRIC
March 2018	2018 Ranking of China’s 100 Best Real Estate Enterprises (Rank 36th) 2018 China’s Top 30 Listed Real Estate Enterprises (G30) (Rank 28th) 2018 Ranking of China’s Real Estate Enterprises with Best Brand Value (Top 30)	Guandian.cn
April 2018	Hong Kong Connect Company with the Greatest Interests from Mainland Institutional Investors” (Top 100 Companies)	Yuediaoyan Platform and Gelonghui
	2017 Top 100 Hong Kong Listed Companies Awards - Outstanding Property Industry Award	Tencent and Finet
May 2018	2018 Best 50 China Real Estate Listed Companies with Strongest Comprehensive Strengths (Rank 35th) 2018 Best 5 China Real Estate Listed Companies with Best Business Performances (Rank 2nd)	China Real Estate Association and CRIC
	2018 Quality Chinese Real Estate Enterprises Award	Organizing Committee for Quality Chinese Real Estate Enterprises Award
June 2018	2018 Fujian’s Top 10 Development Real Estate Enterprises (Rank 4th)	China Real Estate Research Association China Real Estate Association and CRIC
July 2018	Listed Company of the Year	Hong Kong Institute of Financial Analysts and Professional Commentators Limited
	Fortune China 500 for 2018 (Rank 339) Top 20 Best Board of Directors in China (Rank 20)	The Fortune China





### V. Awards

Date	Award	Organization
	2018 Corporate Social Responsibility Exemplar Award	China Finance Summit
July 2018	2018 Best Chinese Real Estate Companies by Brand Value (Rank 39 <sup>th</sup> )	China Real Estate Chamber of Commerce China Real Estate Business China Real Estate Website China Real Estate Think Tank
	2018 China's Influential Listed Property Company of the Year	Boao Real Estate Forum Association
	Chinese Property Company by Brand Value in 2018 (Rank 35 <sup>th</sup> ) 2018 Top 10 Chinese Property Companies by Capital Market Attention	Yihan Zhiku China Real Estate Chamber of Commerce
August 2018	2018 Top 100 Companies in Xiamen (Rank 8 <sup>th</sup> ) 2018 Top 10 Service Companies in Xiamen (Rank 7 <sup>th</sup> )	Xiamen Enterprises Entrepreneurs Association Xiamen Daily Xiamen Media Group
	Top 20 of 2018 Best Board of Directors in China	The Fort Aon Hewitt
	2018 Top 500 Chinese Private Companies (Rank 343 <sup>th</sup> )	All-China Federation of Industry and Commerce

### VI. Upcoming Investor Relations Activities

No	Date	Location	Event
1	Sep 6	Shanghai	Changjiang Securities Autumn Investment Strategic Conference 2018
2	Sep 12	Hong Kong	25th CLSA Investors' Forum
3	Sep 19	Shanghai	Non Deal Roadshow
4	Sep 20-21	Singapore	Non Deal Roadshow

### VII. About Yuzhou Properties Company Limited (01628.HK)

Established in 1994, Yuzhou Properties is a national property developer which headquartered in Shanghai. Adhering to its strategy of Cultivating in Regions Leading the Market, Yuzhou Properties strives to develop residential and commercial properties which focus on in-depth development in first-and second-tier cities. As at 30 June 2018, the Company had over 118 projects under various stages of development in Shanghai, Tianjin, Nanjing, Hefei, Hangzhou, Suzhou, Huizhou, Hong Kong and so on. The total construction area under construction and held for future development is 17.25 million sq.m. in aggregate GFA, accounting for about 41.8%, 24.1%, 21.6%, 5.8%, 4.0% and 2.7%, respectively in the Yangtze River Delta Region, Bohai Rim Region, West Strait Economic Zone, Central China Region, southwest Region, the Bay Area. Renowned for its distinguished product quality, diversified product portfolio, strong brand awareness and seasoned management team, Yuzhou Properties has been named "Top 100 China Real Estate Enterprises" for eleven years in a row; and Top 50 China Real Estate Enterprises from 2011 to 2017. In 2018, Yuzhou Properties was selected as the Hang Seng Composite LargeCap & MidCap Index Constituent Stocks, Shanghai-Hong Kong Stock Connect, and becomes constituent of MSCI China Index.