

Newsletter

2019 Q1

I. Financial Highlights

On 24 March 2019, Skyfame released its annual results announcement for year 2018:

- Revenue of RMB 6.19 billion (as referred to hereafter), increased by 51.7% YOY;
- Gross profit of RMB 1.89 billion, increased by 113.6% YOY;
- Net profit of RMB 0.82 billion, increased by 50% YOY, net profit attributable to owners of the Company RMB 0.75 billion, increased by 36.5% YOY;
- Basic earnings per share RMB 0.095; Proposed final dividend HKD 0.023 per share;
- Contracted sales of approx. RMB 9.37 billion, increased by 61.5% YOY, representing 17.1% increase from annual target of RMB 8.0 billion.

II. Land Reserves

The Group's existing land reserves of aggregated GFA of approx. 25.60 million sq.m., consists of :

- 9 existing projects under development with a total GFA of approx. 5.87 million sq.m.;
- 2 projects for future development with a total GFA of approx. 0.26 million sq.m.;
- Potential land reserves with a total GFA of approx. 19.47 million sq.m., including potential land reserves obtained through urban redevelopment programs with a total GFA of approx. 6.54 million sq.m. and co-operation agreements entered with local governments or third parties for obtaining land titles through future public auctions with a total GFA of approx. 12.93 million sq.m..

III. Major Quarterly Events

1. Skyfame signed a strategic co-operative agreement with Guangzhou Rural Commercial Bank | Gelonghui , April 25, 2019

Riding on its rich experience and market influences in urban renewal, Skyfame and Guangzhou Rural Commercial Bank, by virtue of the latter's leading status in financial service provided to rural fields, comprehensive financial product system and strict capital supervision system, will carry out strategic co-operation with priority in the city redevelopment process in Guangzhou. Guangzhou Rural Commercial bank intends to provide RMB 6 billion financial support for Skyfame's phase one of its redevelopment projects in Guangzhou with favorable conditions to ensure successful implementation of remodelling projects.

2. Skyfame's Nanning project company signed a co-operative agreement with ICBC for RMB 4 billion financial support | Guandian Real Estate Network, April 12, 2019

ICBC intends to provide up to RMB 4 billion financial support for Skyfame's projects, focusing on in-depth cooperation in urban renewal and development, shantytowns transformation, cultural and industrial upgrading in the medical sector, and to establish a stable strategic partnership.

3. Skyfame signed a strategic co-operative agreement with Dongguan Trust |

Gelonghui, March 30, 2019

Both parties will innovate their business models and cooperate in the launch of real estate funds with investment fund size up to RMB 5 billion. The focus will be on in-depth cooperation in urban renewal and development, shantytowns transformation and industries upgradings and the establishment of a stable and win-win strategic partnership.

4. Skyfame Shenzhen Dachitdat renewal project officially obtained the confirmation of re-development right | Skyfame Horizon, March 22, 2019

The project is located at Guangming Street, Guangming District, Shenzhen, with transportation convenience. The site area for demolition is 40,458.8 sq.m. and for construction is 23,600.3 sq.m. and the overall project GFA is 141,600 sq.m.. The successful implementation of the project marks the Group's strategic and important entry into the Greater Bay Area of Guangdong-Hong Kong-Macau.

5. 2019 China Real Estate Development Enterprises Top 500 | Zhongfang Network, March 20, 2019

Skyfame was ranked 163rd on the list of "2019 China Real Estate Development Enterprises Top 500" issued by the China Real Estate Association and the China Real Estate Evaluation Center of Shanghai Yiju Real Estate Research Institute.

6. 2018 China Real Estate Enterprise Top 200 | CRIC, January 4, 2019

Skyfame was ranked 167th and 182nd nation-wide among the mainland real estate developers on the list of the "2018 China Real Estate Enterprises Top 200" by contracted saleable area and amount respectively as published by CRIC Research Center.

IV. The Group Profile

Founded in 1996, Skyfame adheres to its style of stabilities and trustworthiness. In February 2006, shares of Skyfame Realty (Holdings) Ltd. were listed on the main board of The Stock Exchange of Hong Kong Limited (00059.HK). Skyfame is rooted in Guangzhou and has explored into cities with high potentials for the development of commercial and residential projects. The Group has the ability to develop high-end residential, mega zone developments and high-end hotel properties. It has completed the development of signature projects, namely Guangzhou Zhoutouzui Skyfame Byland, Guangzhou Skyfame Garden, Guangzhou Tianhe HNA Westin Hotel and HNA Tower, Aloft Guangzhou Tianhe Hotel and HNA Huancheng Plaza. Currently, the Group is radiating from the Greater Bay area to the southwest and the Central China, turning from a traditional real estate developer to become a developer for young home buyers who targets to create the future of the cities.

The issued ordinary shares of the Group is approx. 7.92 billion shares. By the end of April 2019, the market capitalization of the Group was approx. HKD 10.2 billion. Mr. Yu Pan holds 72% of shares, while public shareholders hold 28% of shares. Since 30 November 2017, 19 March 2018 and 10 September 2018, Skyfame was admitted as an index constituent of MSCI China Small Cap Index, FTSE EPRA/NAREIT Global Emerging Markets Index and Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index respectively.

Appendix: Projects under development at a glance

Investor relationship:

Sophia Cheng / Shawn Li
Email: cs@sfr59.com

Tel: (852) 2111 2259
Web: www.tianyudc.com

Appendix: Projects under development at a glance (As at 2019 Q1)



1. Skyfame Byland in Zhoutouzui, Guangzhou

Located in Zhoutouzui of Guangzhou, the project features the only sizable luxury community development with the widest river view on sale in Guangzhou.

It is a mixed-use development with a total GFA of approx. 320,000 sq.m., consisting of 7 towers comprising residential apartments, offices, serviced apartments, municipal and other supporting commercial facilities. Other than tower A1 which is heading for final inspection for completion, other towers have been completed. Accumulated sales amounted to RMB5.9 billion (saleable GFA of 122,000 sq.m.).



3. Skyfame Garden in Nanning

Nanning Skyfame Garden and Nanning ASEAN Maker Town are collectively branded as “Nanning Skyfame City”.

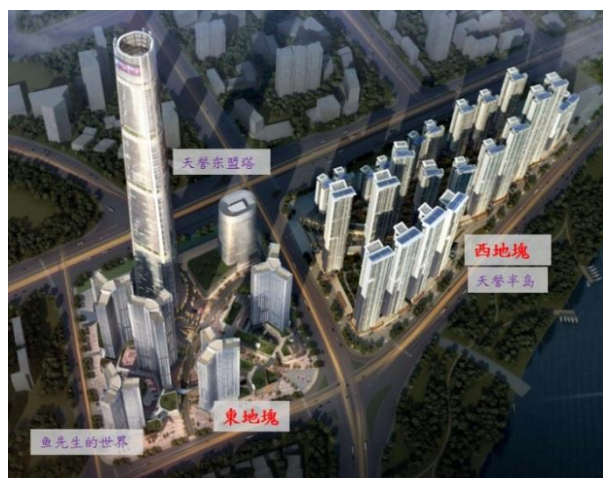
Located in the business hub of Wuxiang New District, the southeast of the downtown of Nanning. Skyfame Garden's total GFA is approx. 1,212,000 sq.m.. The entire project of 65 towers was completed in 2018 and the properties commenced delivery in 2016. Accumulated sales amounted to RMB4.6 billion (saleable GFA of approx. 668,000 sq.m.).



2. Skyfame Rainbow in Zhongshan

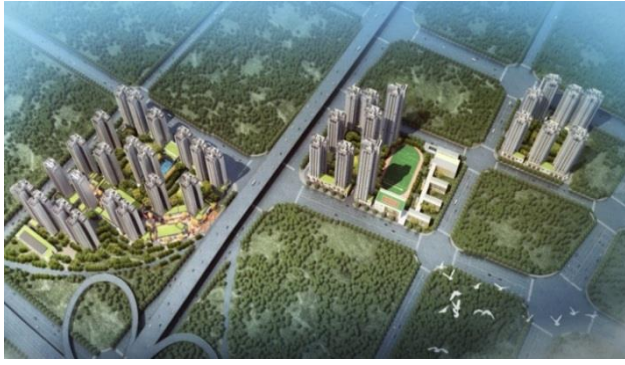
The project, located in Tsui Sha Road, Rainbow Planning Zone, at the north of West Zone, Zhongshan, Guangdong province, is mainly a residential development with ancillary commercial properties. Total GFA is about 105,000 sq.m.. Construction works will be completed in 2020.

A total of 14 residential and ancillary commercial towers have been roof-topped. The first pre-sales were launched in September 2018. Accumulated sales amounted to RMB0.82 billion (saleable GFA of approx. 48,000 sq.m.).



4. Skyfame ASEAN Maker Town in Nanning

The project, a future landmark in Wuxiang New Zone, is located at the north of Wuxiang Da Road, Wuxiang New Zone, Liangqing District, Nanning, Guangxi. Total planned GFA is approx. 1,319,000 sq.m.. The east zone features A-class offices, retail properties and an international 5-star hotel branded as Westin Nanning located in a skyscraper at a height of 346 meters named as the Skyfame ASEAN Tower, and serviced apartments named as “the World of Mr. Fish”. The west zone is named as “Skyfame Byland”. The first batch of residential units and apartments were firstly handed over to the buyers in 2018 Q4. Construction works of properties are expected to be completed by 2024. Accumulated sales of RMB7.5 billion (saleable GFA of approx. 670,000 sq.m.) have been recorded.



5. Impression of Sandalwood House in Nanning

Participated in a joint venture arrangement with 40% equity interest in the project, the project is located in the core area of Wuxiang New Zone, between Skyfame Garden and Vanke Park, at the north of Yudong Avenue in Liangqing District, Nanning. The site of approx. 138,000 sq.m. with a planned GFA of approx. 764,000 sq.m. (saleable GFA of 564,000 sq.m.) includes residential and commercial properties, primary school and municipal facilities. Construction works commenced in March 2018 and will be completed by 2022. The first batch of pre-sale was launched in September 2018. Accumulated sales of RMB1.5 billion (saleable GFA of 140,000 sq.m.) have been made.



6. Danzishi Project in Chongqing

The project is located in the Danzishi CBD, Nanan District of Chongqing and is one of the city's three major CBDs. GFA totally of approx. 1.2 million sq.m. will be developed in two phases with residential, LOFT apartments and commercial properties. Development of phase 1 (namely "Gold Purple") was completed in early 2018. The remaining land, namely "Chongqing Skyfame Smart City", has a total GFA of 870,000 sq.m., is expected to be completed in four phases between 2021 to 2023. Pre-sale commenced in November 2018. Accumulated sales of RMB3.5 billion (saleable GFA of 283,000 sq.m.) have been made.

7. Skyfame Time City in Xuzhou

The project is located at the Xuzhou Quanshan Jiangsu Economic Development Zone of Xuzhou, Jiangsu province. It is situated in Times Avenue South and Xufeng Highway West in Xuzhou. It will become an eco-residential and commercial development. Total GFA is about 468,000 sq.m. (saleable GFA of 401,000 sq.m.) Construction works commenced in early of 2017 and will be completed in three phases by end of 2020. Pre-sale has been launched in July 2017. Accumulated sales of RMB2.4 billion (saleable GFA of 359,000 sq.m.) have been made.



8. Skyfame Elegance Garden in Xuzhou

The project, situated on a total area of 74,000 sq.m., was acquired in June 2017 and is located at 1 km apart from Xuzhou Skyfame Time City. It is a residential and commercial development. Total GFA is about 205,000 sq.m., with saleable GFA of 164,000 sq.m.. Construction works are expected to commence in end 2018 and to be completed in 2022. The first batch of pre-sale will be launched in 2019 Q2.

9. Linxi Valley Project in Anning, Kunming

The project consists of approx. 190,800 sq.m. and a planned GFA of approx. 296,000 sq.m. (saleable GFA of 253,000 sq.m.). It will be developed into villa, residential and ancillary commercial properties. Skyfame has a right to share not less than 40% of the distributable profits of the project. Construction works commenced in November 2018 and will be completed by 2021. First phase of pre-sale will be launched in 2019 Q2.