



Boyuan Holdings Limited

ASX/Media Release

25 August 2017

BOYUAN REPORTS HALF-YEAR RESULT

Continued progress in delivering strong platform for future growth

Property group, Boyuan Holdings Limited (ASX: BHL) today announced its half-year financial result and operating highlights for the six-month period ended 30 June 2017.

For the period, BHL reported a net operating loss of \$1.177 million compared to a net profit of \$1.072 million for the prior corresponding period.

BHL Chief Executive Officer, Caden Wan, said the operating loss reflected the company's strategic acquisitions and investments for future growth and also the adverse movements in the AUD/RMB exchange rate compared to the prior period.

"During the period, we have continued our investments in strategic acquisitions for future growth in the business. While those investments, together with a delay in selling our commercial and residential properties in China impacted profitability in the first half, we continue to create a stronger strategic platform and development pipeline to deliver profitability over the medium term," he said.

Group revenue was \$4.0 million compared to \$5.5 million in the prior period.

Revenue in the first half of 2017 comprised commercial property sales from Chinese subsidiaries of \$2.35 million, rental income of \$1 million and management fees from local subsidiary Cyan Stone's projects of \$0.367 million and income from its majority-owned funds management business, Integer Securities, of \$0.227 million.

Mr Wan said he was pleased with the progress the company continued to make in implementing its strategy to focus on its Australian development portfolio.

"After the Group's decision not to undertake any further developments in China, we have been working hard on implementing the next phase of our strategy for the Australian market," Mr Wan said.

"We've established a solid operational platform which is driving our key acquisitions in the local property market, particularly in the south west and north-west growth corridors of Sydney.

"We have also expanded our operations into the hospitality and fast-growing retirement and lifestyle community's sectors to further enhance and diversify our income stream."

Mr Wan said BHL's operational highlights for the period included:

- BHL has engaged consultants to commence the process of applying for the rezoning of a 40.5-hectare site on the Northern Road at Bringelly which BHL acquired for \$70 million. The site lies within the south west priority Growth Area, just 14 kilometres from Sydney's proposed second airport at Badgerys Creek and five kilometres from the Oran Park Town Centre.
- BHL's subsidiary company, Austral (BHL) signing a Project Management Agreement (PMA) with another of its subsidiaries, Boyuan Real Estate Holdings Pty Ltd (BREH) and a third-party, Tcap Kelly St Pty Ltd, to develop a 158 lot sub-division in Austral, in the south west growth corridor. Under the terms of the PMA, Austral (BHL) Developments will earn fees as the developer of the land sub-division;
- BHL's diversifying its investment portfolio with the \$15.5m acquisition of the Peachtree Hotel in Penrith in Western Sydney. The Hotel sits on a 10,055m² site strategically located close to the Penrith CBD;
- BHL's access to the fast-growing retirement and community living sector in NSW after entering into agreements for the \$63 million acquisition (excluding costs) of a portfolio of two existing lifestyle living communities, a DA-approved brownfields site with significant existing infrastructure and a DA-approved greenfield development site across NSW;
- BHL continuing to work with specialist heritage architects and other consultants to explore the best use for heritage House (Clydesdale) to be incorporated into an "living heritage" urban village at Marsden Park, in Sydney's north-west. The mixed-use development will feature 600 designer homes and 2000 luxury apartments, together with retail, entertainment and recreational activities and open green space; and
- BHL continuing to work with three of Australia's most respect architects to transform two sites at Pokolbin, in the Hunter Valley, into a world-class accommodation and leisure resort.

"Our strategy has been significantly advanced over the reporting period and BHL now has an even stronger and more diverse development pipeline and asset portfolio to deliver growth," Mr Wan said.

"We remain focused on implementing this growth strategy which we believe is accretive to our shareholders."

About Boyuan

Boyuan Holdings Limited is an ASX-listed property development company (ASX: BHL). BHL is committed to creating communities and is focused on developing residential sites at Pokolbin and Austral and residential/commercial sites at Bringelly and Marsden Park.

BHL media contact: Richard Lenarduzzi 0411 254 390

