



ASX/Media Release: 28 February 2017

BOYUAN REPORTS FULL-YEAR RESULT

Significant progress in creating strong platform for growth

Property group, Boyuan Holdings Limited (ASX:BHL) "Boyuan" today announced its first full-year financial result and operating highlights since listing on the Australian Securities Exchange in October 2016.

For the year-ended 31 December 2016, Boyuan reported a profit from ordinary activities after tax of \$223,000. This compares to a net profit of \$6.0 million for the prior year.

Group revenue was \$17.7 million compared to \$19.9 million in the prior year.

The major contributing factors to the result were income related to Boyuan's Jiaxing project in China, offset by a net operating loss before tax in Australia.

As indicated in the company's Initial Public Offering (IPO) prospectus, as each phase of construction of the Jiaxing Project is completed, the project's source of revenue and income transitions from property development to rental income. This project's development activities have generally been more profitable than its rental activities which, as expected, has led to lower revenue and net income in 2016 compared to the prior year.

The Australian result is attributable to one-off set-up costs involved with the IPO, including legal expenses and insurances, and further legal and accounting costs relating to the Bringelly land and Integer Holdings Pty Limited (Integer) transactions.

Boyuan Chief Executive Officer, Caden Wan said he was pleased with the progress the company had made in its first year as a public company.

"Boyuan is focused on creating and delivering market-leading, quality residential and commercial communities, targeting high growth corridors with strong housing demand and existing and proposed infrastructure.

"Over the past year, we have made significant progress in implementing this strategy.

"The company now owns a strong pipeline of quality development opportunities in Western Sydney and in the Hunter Valley. We strengthened this portfolio significantly with the Bringelly land transaction, a 40.5-hectare development site, in December 2016.

"We also diversified our capital funding base with the acquisition of a 65 per cent stake in Integer and its wholly owned subsidiary Integer Securities Limited, an ASIC regulated managed fund provider.

"These transactions have assisted the company in creating a stronger platform to implement the next stage of our growth strategy."

With the completion of the Jiaxing Project in China, Mr Wan said Boyuan is now solely focused on the Australian market, where low interest rates, tight housing supply and strong investor demand will continue to provide the company with sustained growth across the local property sector, primarily in NSW.



“We will continue to advance the development of our existing portfolio of properties, while also continuing to assess acquisitions which are value accretive to our shareholders,” he said.

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About Boyuan

Boyuan Holdings Limited is an ASX-listed property development company (ASX:BHL). The Group’s existing operations are located in Jiaxing, Zhejiang Province, China. In Australia, Boyuan is focused on developing residential sites at Pokolbin and Austral, NSW and residential/commercial sites at Marsden Park, and Bringelly, NSW.