

## **Xinyuan Real Estate Co., Ltd. Announces Third Quarter 2016 Financial Results**

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- **2016 Third Quarter Contract Sales Up 69.6% YoY to US\$525.4 Million**
- **2016 Third Quarter Net Income Up 23.3% YoY to US\$28.0 Million**

Xinyuan Real Estate Co., Ltd. ("Xinyuan" or the "Company") (NYSE: XIN), an NYSE-listed real estate developer and property manager primarily in China and in other countries, today announced its unaudited financial results for the third quarter ended September 30, 2016.

### **Third Quarter 2016 Highlights**

- Total third quarter revenue increased 43.8% to US\$444.3 million from US\$309.0 million in the third quarter of 2015 and increased 18.0% from US\$376.6 million in the second quarter of 2016.
- Contract sales increased 69.6% to US\$525.4 million from US\$309.7 million in the third quarter of 2015 and increased 10.8% from US\$474.4 million in the second quarter of 2016.
- Total gross floor area ("GFA") sales increased 46.0% to 340,700 square meters from 233,300 square meters sold in the third quarter of 2015 and decreased 1.1% from 344,600 square meters sold in the second quarter of 2016.
- Selling, General and Administrative ("SG&A") expenses as a percent of total revenue decreased to 12.1% from 15.8% in the third quarter of 2015 and increased from 10.9% in the second quarter of 2016.
- Net income was US\$28.0 million, compared to US\$22.7 million in the third quarter of 2015 and US\$27.8 million in the second quarter of 2016.
- Diluted net earnings per American Depositary Share ("ADS") attributable to shareholders were US\$0.41, compared to US\$0.31 in the third quarter of 2015 and US\$0.39 in the second quarter of 2016.

Mr. Yong Zhang, Xinyuan's Chairman, stated, "We are pleased to report another quarter of solid operational and financial results with significant growth in both contract sales and revenue. Overall project sales remained active in the third quarter aided by steady market demand resulting in GFA and ASP growth at the majority of our projects. We were also pleased to complete our debt refinancing through a series of activities that extended the maturity of our long-term debt, lowered financing costs and hedged our exposure to currency risk.

Among our U.S. projects, our Oosten project in Williamsburg, Brooklyn is performing well with approximately 76% of the total units at this project pre-sold as of September 30, 2016. As construction at Oosten nears successful completion, we expect to begin construction on the other two projects in Manhattan and Queens respectively in the quarters ahead. Among our projects in China, we were pleased to expand our presence in the provincial capital cities of Zhengzhou and Changsha. Given the convenient location and attractive land price paid for these two projects, we can establish average selling prices at levels that can provide highly attractive returns on investment for Xinyuan.

In early October, the local governments in about 20 cities announced housing purchase restriction policies to cool a market with escalating prices. These policies will negatively impact our financial results in the fourth quarter. While we remain cautious about recent policy changes, our financial position is solid and we have confidence in our prudent operational strategy. Finally, we remain committed to delivering value to our shareholders through the continuation of our quarterly cash dividend program and remain committed to our share repurchase program," concluded Mr. Zhang.

### **Third Quarter 2016 Financial Results**

#### **Contract Sales**

Contract sales totaled US\$525.4 million in the third quarter of 2016 compared to US\$ 309.7 million in the third quarter of

2015 and US\$474.4 million in the second quarter of 2016. The Company's GFA sales increased to 340,700 square meters in the third quarter of 2016 from 233,300 square meters in the third quarter of 2015 and decreased from 344,600 square meters in the second quarter of 2016. The average selling price ("ASP") per square meter sold was RMB10,140 (US\$1,542) in the third quarter of 2016 compared to RMB8,196 (US\$1,328) in the third quarter of 2015 and RMB8,992 (US\$1,377) in the second quarter of 2016.

The Company commenced pre-sales of two new projects in the third quarter of 2016, Kunshan Xindo Park and Zhengzhou International New City I, which contributed 9.1% and 0.4% of total GFA sales, respectively.

### Breakdown of GFA Sales and ASPs by Project

| Project                            | Q3 2015              |        | Q2 2016              |        | Q3 2016              |        | Unsold<br>GFA<br>(m <sup>2</sup> 000) |
|------------------------------------|----------------------|--------|----------------------|--------|----------------------|--------|---------------------------------------|
|                                    | GFA                  | ASP    | GFA                  | ASP    | GFA                  | ASP    |                                       |
|                                    | (m <sup>2</sup> 000) | (RMB)  | (m <sup>2</sup> 000) | (RMB)  | (m <sup>2</sup> 000) | (RMB)  |                                       |
| Zhengzhou Xin City                 | 0.1                  | 3,927  | -0.1                 | 13,136 | -0.7                 | 14,767 | 5.6                                   |
| Zhengzhou Thriving Family          | -                    | 3,401  | 0.1                  | 10,446 | -                    | -      | 16.1                                  |
| Xingyang Splendid I                | 4.2                  | 5,149  | 2.1                  | 5,281  | 2.7                  | 6,020  | 38.8                                  |
| Xingyang Splendid II               | 0.2                  | 9,500  | 8.6                  | 5,253  | 16.2                 | 4,979  | 104.2                                 |
| Kunshan Royal Palace               | 36.4                 | 9,148  | 29.0                 | 15,586 | 8.4                  | 21,099 | 18.4                                  |
| Suzhou Lake Royal Palace           | 39.0                 | 9,446  | 10.6                 | 21,575 | 6.1                  | 20,782 | 23.2                                  |
| Jinan Xinyuan Splendid             | 3.3                  | 7,986  | 1.3                  | 9,499  | 0.1                  | 9,401  | 9.3                                   |
| Jinan Royal Palace                 | 26.2                 | 6,294  | 32.0                 | 6,874  | 28.2                 | 7,501  | 229.0                                 |
| Xuzhou Colorful City               | 5.1                  | 9,424  | 2.9                  | 9,895  | 3.6                  | 11,182 | 54.1                                  |
| Beijing Xindo Park                 | 0.6                  | 20,439 | -0.3                 | 31,469 | 1.4                  | 34,193 | 12.6                                  |
| Chengdu Thriving Family            | 9.7                  | 5,401  | 30.7                 | 5,639  | 31.9                 | 6,703  | 73.8                                  |
| Changsha Xinyuan Splendid          | 14.1                 | 5,611  | 39.2                 | 6,355  | 29.8                 | 7,439  | 74.7                                  |
| Sanya Yazhou Bay No.1              | 0.1                  | 12,194 | 4.2                  | 12,438 | -1.2                 | 22,139 | 102.4                                 |
| Xi'an Metropolitan                 | 35.8                 | 6,350  | 21.7                 | 7,133  | 23.6                 | 7,786  | 97.3                                  |
| Shanghai Royal Palace              | 5.4                  | 21,606 | 7.0                  | 30,594 | 8.0                  | 28,556 | 13.3                                  |
| Zhengzhou Xindo Park               | 4.8                  | 9,584  | 10.2                 | 6,448  | 4.4                  | 6,590  | 96.0                                  |
| Jinan Xin Central                  | 22.3                 | 9,019  | 11.9                 | 10,793 | 13.9                 | 9,330  | 89.0                                  |
| Henan Xin Central I                | 25.4                 | 7,493  | 29.9                 | 8,083  | 65.7                 | 8,775  | 63.1                                  |
| Zhengzhou Fancy City I             | -                    | -      | 29.0                 | 8,970  | 15.1                 | 9,234  | 35.3                                  |
| Zhengzhou Fancy City II (South)    | -                    | -      | 5.6                  | 8,897  | 37.9                 | 9,613  | 40.6                                  |
| Tianjin Spring Royal Palace        | -                    | -      | 68.5                 | 7,429  | 12.3                 | 7,377  | 171.0                                 |
| Kunshan Xindo Park                 | -                    | -      | -                    | -      | 30.9                 | 18,612 | 60.3                                  |
| Zhengzhou International New City I | -                    | -      | -                    | -      | 1.4                  | 10,662 | 360.5                                 |
| Others                             | 0.6                  | -      | 0.5                  | -      | 1.0                  | -      | 3.7                                   |
| Total                              | 233.3                | 8,196  | 344.6                | 8,992  | 340.7                | 10,140 | 1,792.3                               |

### Revenue

In the third quarter of 2016, the Company's total revenue increased 43.8% to US\$444.3 million from US\$309.0 million in the third quarter of 2015 and increased 18.0% from US\$376.6 million in the second quarter of 2016. The revenue increase was mainly due to strong real estate market demand in China's Tier I and Tier II cities where many Xinyuan development projects are located.

### Gross Profit

Gross profit for the third quarter of 2016 was US\$105.0 million, or 23.6% of revenue, compared to a gross profit of US\$82.7 million, or 26.8% of revenue, in the third quarter of 2015 and a gross profit of US\$77.3 million, or 20.5% of revenue, in the second quarter of 2016. The gross margin increase was due to favorable sales at higher margin projects including the Company's Kunshan Xindo Park and Henan Xin Central I projects.

### Selling, General and Administrative Expenses

SG&A expenses were US\$53.8 million for the third quarter of 2016 compared to US\$48.8 million for the third quarter of 2015 and US\$41.0 million for the second quarter of 2016. As a percentage of total revenue, SG&A expenses were 12.1% compared to 15.8% in the third quarter of 2015 and 10.9% in the second quarter of 2016.

### Net Income

Net income for the third quarter of 2016 was US\$28.0 million, compared to US\$22.7 million for the third quarter of 2015 and US\$27.8 million for the second quarter of 2016. Net margin was 6.3%, compared to 7.3% in the third quarter of 2015 and 7.4% in the second quarter of 2016. Diluted earnings per ADS were US\$0.41, compared to US\$0.31 per ADS in the third quarter of 2015 and US\$0.39 per ADS in the second quarter of 2016.

## Balance Sheet

As of September 30, 2016, the Company's cash and cash equivalents (including restricted cash) increased to US\$1,345.6 million from US\$899.0 million as of June 30, 2016. Total debt outstanding was US\$2,260.0 million, an increase of US\$281.1 million, compared to US\$1,978.9 million at the end of the second quarter of 2016. The balance of the Company's real estate property under development at the end of the third quarter of 2016 was US\$2,330.2 million, compared to US\$2,082.7 million at the end of the second quarter of 2016.

## Real Estate Project Status in China

Below is a summary table of projects that were active and available for sale in the third quarter of 2016.

| Project                            | GFA                  |                | Contract Sales       |                |              | Project Cost % Complete |
|------------------------------------|----------------------|----------------|----------------------|----------------|--------------|-------------------------|
|                                    | (m <sup>2</sup> 000) |                | (US\$ millions)      |                |              |                         |
|                                    | Total Active Project | Sold to date   | Total Active Project | Sales to date  | % Sold       |                         |
| Zhengzhou Xin City                 | 211.1                | 205.5          | 362.0                | 327.9          | 90.6%        | 95.1%                   |
| Zhengzhou Thriving Family          | 131.5                | 115.4          | 154.1                | 127.6          | 82.8%        | 87.6%                   |
| Xingyang Splendid I                | 117.3                | 78.5           | 87.2                 | 61.8           | 70.9%        | 77.6%                   |
| Xingyang Splendid II               | 137.2                | 33.0           | 144.5                | 28.9           | 20.0%        | 51.0%                   |
| Kunshan Royal Palace               | 279.9                | 261.5          | 492.2                | 420.0          | 85.3%        | 93.8%                   |
| Suzhou Lake Royal Palace           | 169.6                | 146.4          | 376.6                | 272.9          | 72.5%        | 98.2%                   |
| Jinan Xinyuan Splendid             | 572.2                | 562.9          | 759.0                | 752.1          | 99.1%        | 99.5%                   |
| Jinan Royal Palace                 | 449.0                | 220.0          | 671.2                | 220.1          | 32.8%        | 66.3%                   |
| Xuzhou Colorful City               | 130.2                | 76.1           | 203.2                | 107.5          | 52.9%        | 79.0%                   |
| Beijing Xindo Park                 | 133.1                | 120.5          | 457.3                | 374.8          | 82.0%        | 97.9%                   |
| Chengdu Thriving Family            | 211.4                | 137.6          | 382.0                | 121.4          | 31.8%        | 89.4%                   |
| Changsha Xinyuan Splendid          | 251.8                | 177.1          | 362.9                | 162.7          | 44.8%        | 80.7%                   |
| Sanya Yazhou Bay No.1              | 116.9                | 14.5           | 303.1                | 28.1           | 9.3%         | 75.4%                   |
| Xi'an Metropolitan                 | 290.7                | 193.4          | 483.4                | 195.6          | 40.5%        | 75.1%                   |
| Shanghai Royal Palace              | 57.8                 | 44.5           | 287.2                | 167.3          | 58.3%        | 97.5%                   |
| Zhengzhou Xindo Park               | 144.4                | 48.4           | 202.3                | 59.1           | 29.2%        | 63.6%                   |
| Jinan Xin Central                  | 194.7                | 105.7          | 366.0                | 155.1          | 42.4%        | 68.0%                   |
| Henan Xin Central I                | 262.2                | 199.1          | 369.4                | 246.0          | 66.6%        | 59.4%                   |
| Zhengzhou Fancy City I             | 166.6                | 131.3          | 241.5                | 168.9          | 69.9%        | 54.3%                   |
| Zhengzhou Fancy City II (South)    | 84.1                 | 43.5           | 140.6                | 63.4           | 45.1%        | 43.9%                   |
| Tianjin Spring Royal Palace        | 278.6                | 107.6          | 447.2                | 127.9          | 28.6%        | 31.3%                   |
| Kunshan Xindo Park                 | 91.2                 | 30.9           | 279.4                | 88.1           | 31.5%        | 59.1%                   |
| Zhengzhou International New City I | 362.0                | 1.5            | 682.3                | 2.3            | 0.3%         | 27.3%                   |
| Others remaining GFA               | 3.7                  | -              | -                    | -              | -            | -                       |
| <b>Total active projects</b>       | <b>4,847.2</b>       | <b>3,054.9</b> | <b>8,254.6</b>       | <b>4,279.5</b> | <b>51.8%</b> | <b>73.9%</b>            |

As of September 30, 2016, the Company's total sellable GFA was approximately 2,429,500 square meters for active projects and under planning stage projects in China. Below is a summary of all of the Company's planning stage projects:

| Unsold GFA<br>(m <sup>2</sup> 000) | Pre sales<br>Targeted |
|------------------------------------|-----------------------|
|------------------------------------|-----------------------|

|  |         |                  |
|--|---------|------------------|
| Zhengzhou Fancy City II (North)            | 119.6   | Q3 2017          |
| Zhengzhou International New City II        | 175.7   | Q3 2017          |
| Xinyang Splendid III                       | 37.4    | To be determined |
| Beijing Liyuan project                     | 102.3   | To be determined |
| Henan Xin Central II                       | 108.9   | Q4 2016          |
| Changsha New project                       | 93.3    | Q2 2017          |
| <b>Total projects under planning</b>       | 637.2   |                  |
| <b>Total active projects</b>               | 1,792.3 |                  |
| <b>Total all Xinyuan projects in China</b> | 2,429.5 |                  |

### **Real Estate Project Update in the U.S.**

Xinyuan delivered nine apartment units at its Oosten project resulting in \$34.5 million in revenue at the end of the third quarter.

As of the end of the third quarter, the Company had pre-sold approximately 76% of the total units at its Brooklyn-based Oosten project and had begun the closing and delivery process for the presold units. The local market demand and price trend remained healthy in the third quarter.

Xinyuan's second New York project, announced in January 2016, and located in midtown Manhattan, has completed its design work. The Company is in the selection process for the general contractor and the sales listing agency, and expects to begin demolition and foundation work before the end of the year. The superior location and design of this project have attracted high interest from a number of major national retail chains, including potential large tenants, with whom the Company is in ongoing negotiations.

In August 2016, Xinyuan announced a new land acquisition in Flushing, Queens, New York City. Xinyuan expects to begin construction on this property in the first half of 2017.

### **Business Outlook**

For the full year 2016, the Company expects full year contract sales to grow 20%-25% and net income to grow 20%-25% in RMB terms compared to 2015. Factoring in the foreign currency exchange impact, the Company expects full year contract sales to grow 12%-17% and net income to grow 12%-17% in USD terms compared to 2015.

### **Conference Call Information**

The Company will hold a conference call at 8:00 am ET on November 14, 2016 to discuss third quarter 2016 results. Listeners may access the call by dialing:

US: 1-888-740-6144

International: 1-913-312-1279

A webcast will also be available through the Company's investor relations website at <http://ir.xyre.com>.

A replay of the call will be available through November 21, 2016 by dialing:

US: 1-877-870-5176

International: 1-858-384-5517

Access code: 9087229

### **About Xinyuan Real Estate Co., Ltd.**

Xinyuan Real Estate Co., Ltd. ("Xinyuan") is an NYSE-listed real estate developer and property manager primarily in

China and in other countries. In China, the Company develops and manages large scale, high quality real estate projects in over ten tier one and tier two cities, including Beijing, Shanghai, Zhengzhou, Jinan, Xi'an, Suzhou, among others. Xinyuan was one of the first Chinese real estate developers to enter the U.S. market and over the past few years has been active in real estate development in New York. The Company aims to provide comfortable and convenient real estate related products and services to middle-class consumers. For more information, please visit <http://www.xyre.com>.

### **Forward Looking Statements**

Certain statements in this press release constitute "forward-looking statements". These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements includes statements about estimated financial performance, sales performance and activity, among others and can generally be identified by terminology such as "will", "expects", "anticipates", "future", "intends", "plans", "believes", "estimates" and similar statements. Statements that are not historical statements are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including, but not limited to, our ability to continue to implement our business model successfully; our ability to secure adequate financing for our project development; our ability to successfully sell or complete our property projects under construction and planning; our ability to enter into new geographic markets and expand our operations; the marketing and sales ability of our third-party sales agents; the performance of our third-party contractors; the impact of laws, regulations and policies relating to real estate developers and the real estate industry in the countries in which we operate; our ability to obtain permits and licenses to carry on our business in compliance with applicable laws and regulations; competition from other real estate developers; the growth of the real estate industry in the markets in which we operate; fluctuations in general economic and business conditions in the markets in which we operate; and other risks outlined in our public filings with the Securities and Exchange Commission, including our annual report on Form 20-F for the year ended December 31, 2015. Except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statement is made.

### **Notes to Unaudited Financial Information**

This release contains unaudited financial information which is subject to year-end audit adjustments. Adjustments to the financial statements may be identified when the audit work is completed, which could result in significant differences between our audited financial statements and this unaudited financial information.

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**XINYUAN REAL ESTATE CO., LTD. AND ITS SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
 (All US\$ amounts and number of shares data in thousands, except per share data)

|   | Three months ended |               |               |
|---|--------------------|---------------|---------------|
|   | September 30,      | June 30,      | September 30, |
|   | 2016               | 2016          | 2015          |
|   | (unaudited)        | (unaudited)   | (unaudited)   |
| Total revenue   | 444,278            | 376,623       | 308,954       |
| Total costs of revenue  | (339,322)          | (299,317)     | (226,288)     |
| Gross profit  | 104,956            | 77,306        | 82,666        |
| Selling and distribution expenses                                     | (19,233)           | (8,801)       | (13,163)      |
| General and administrative expenses                                   | (34,584)           | (32,197)      | (35,673)      |
| Operating income  | 51,139             | 36,308        | 33,830        |
| Interest income   | 2,116              | 4,223         | 6,333         |
| Interest expense  | (6,558)            | (5,063)       | (5,021)       |
| Net realized gain on short-term investments                           | 1,392              | 807           | 80            |
| Unrealized gain/(loss) on short-term investments                      | 91                 | (153)         | 17            |
| Other (expense)/ income   | (27)               | 4,101         | (35)          |
| Exchange (loss)/gains   | (37)               | 182           | 269           |
| Share of gain/(loss) of equity investee                               | 412                | (641)         | 974           |
| Income from operations before income taxes                            | 48,528             | 39,764        | 36,447        |
| Income taxes  | (20,481)           | (11,960)      | (13,756)      |
| Net income  | <u>28,047</u>      | <u>27,804</u> | <u>22,691</u> |
| Net loss/(income) attributable to non-controlling interest            | 157                | (1,278)       | -             |
| Net income attributable to Xinyuan Real Estate Co., Ltd. shareholders | <u>28,204</u>      | <u>26,526</u> | <u>22,691</u> |
| Earnings per ADS:   |                    |               |               |
| Basic   | 0.43               | 0.40          | 0.31          |
| Diluted   | 0.41               | 0.39          | 0.31          |
| ADS used in computation:  |                    |               |               |
| Basic   | 66,121             | 66,005        | 73,434        |
| Diluted   | 69,329             | 68,164        | 73,499        |

(All US\$ amounts and number of shares data in thousands, except per share data)

|   | Nine months ended                    |                                      |
|---|--------------------------------------|--------------------------------------|
|   | September 30,<br>2016<br>(unaudited) | September 30,<br>2015<br>(unaudited) |
| Total revenue   | 1,056,285                            | 750,738                              |
| Total costs of revenue  | <u>(825,130)</u>                     | <u>(559,147)</u>                     |
| Gross profit  | 231,155                              | 191,591                              |
| Selling and distribution expenses                                     | (36,155)                             | (31,810)                             |
| General and administrative expenses                                   | <u>(90,189)</u>                      | <u>(80,466)</u>                      |
| Operating income  | 104,811                              | 79,315                               |
| Interest income   | 14,810                               | 18,244                               |
| Interest expense  | (16,621)                             | (14,972)                             |
| Net realized gain on short-term investments                           | 2,308                                | 842                                  |
| Unrealized gain on short-term investments                             | 858                                  | 36                                   |
| Other income  | 4,081                                | 4,687                                |
| Exchange gains  | 198                                  | 264                                  |
| Share of (loss)/gain of equity investee                               | <u>(186)</u>                         | <u>1,452</u>                         |
| Income from operations before income taxes                            | 110,259                              | 89,868                               |
| Income taxes  | <u>(47,513)</u>                      | <u>(42,503)</u>                      |
| Net income  | <u>62,746</u>                        | <u>47,365</u>                        |
| Net income attributable to non-controlling interest                   | (1,897)                              | -                                    |
| Net income attributable to Xinyuan Real Estate Co., Ltd. shareholders | <u>60,849</u>                        | <u>47,365</u>                        |
| Earnings per ADS:   |                                      |                                      |
| Basic   | 0.91                                 | 0.64                                 |
| Diluted   | 0.88                                 | 0.64                                 |
| ADS used in computation:  |                                      |                                      |
| Basic   | 66,910                               | 73,490                               |
| Diluted   | 69,090                               | 73,579                               |

**XINYUAN REAL ESTATE CO., LTD. AND ITS SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(All US\$ amounts and number of shares data in thousands)**

|                           | September 30,<br>2016<br>(unaudited) | June 30,<br>2016<br>(unaudited) | December 31,<br>2015<br>(audited) |
|---------------------------|--------------------------------------|---------------------------------|-----------------------------------|
| ASSETS                    |                                      |                                 |                                   |
| Current assets            |                                      |                                 |                                   |
| Cash and cash equivalents | 927,717                              | 416,829                         | 387,528                           |

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| Restricted cash                              | 417,904          | 482,125          | 363,137          |
| Short-term investments                       | 37,330           | 32,398           | 1,245            |
| Accounts receivable                          | 21,889           | 17,228           | 42,040           |
| Other receivables                            | 48,963           | 28,331           | 147,652          |
| Deposits for land use rights                 | 29,950           | 49,765           | 46,199           |
| Other deposits and prepayments               | 239,912          | 261,492          | 254,048          |
| Advances to suppliers                        | 36,713           | 55,850           | 50,534           |
| Real estate properties development completed | 21,471           | 21,987           | 24,077           |
| Real estate properties under development     | 2,330,204        | 2,082,680        | 1,887,322        |
| Amounts due from related parties             | 8,347            | 45,591           | 58,630           |
| Amounts due from employees                   | 2,435            | 1,872            | 351              |
| Other current assets                         | <u>196</u>       | <u>115</u>       | <u>201</u>       |
| <br>   |                  |                  |                  |
| Total current assets                         | <u>4,123,031</u> | <u>3,496,263</u> | <u>3,262,964</u> |
| <br>   |                  |                  |                  |
| Real estate properties held for lease, net   | 67,429           | 68,664           | 71,133           |
| Property and equipment, net                  | 36,313           | 36,778           | 39,323           |
| Other long-term investment                   | 242              | 31,108           | 31,108           |
| Investment in joint ventures                 | 7,838            | 11,009           | 6,125            |
| Deferred tax assets                          | 28,435           | 28,807           | 15,489           |
| Deposits for land use rights                 | 74,875           | 78,417           | 107,798          |
| Other assets                                 | <u>12,543</u>    | <u>13,310</u>    | <u>14,943</u>    |
| <br>   |                  |                  |                  |
| TOTAL ASSETS                                 | <u>4,350,706</u> | <u>3,764,356</u> | <u>3,548,883</u> |

**XINYUAN REAL ESTATE CO., LTD. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(All US\$ amounts and number of shares data in thousands)**

|  | September 30,<br><u>2016</u><br>(unaudited) | June 30,<br><u>2016</u><br>(unaudited) | December 31,<br><u>2015</u><br>(audited) |
|--|---|--|--|
| <b>LIABILITIES AND</b>                                 |   |  |  |
| <b>SHAREHOLDERS' EQUITY</b>                            |   |  |  |
| <b>Current liabilities</b>                             |   |  |  |
| Accounts payable and notes payable                     | 403,193                                     | 457,770                                | 471,176                                  |
| Short-term bank loans and other debt                   | 262,803                                     | 226,679                                | 222,226                                  |
| Customer deposits                                      | 135,022                                     | 63,833                                 | 64,452                                   |
| Income tax payable                                     | 105,044                                     | 98,037                                 | 106,034                                  |
| Deferred tax liabilities                               | 64,820                                      | 44,369                                 | 57,692                                   |
| Other payables and accrued liabilities                 | 351,649                                     | 105,787                                | 106,127                                  |
| Payroll and welfare payable                            | 13,789                                      | 8,788                                  | 22,966                                   |
| Amounts due to related parties                         | -   | 15,080                                 | -  |
| Current portion of long-term bank loans and other debt | 780,264                                     | 809,094                                | 594,834                                  |
| Current maturities of capital lease obligations        | 4,076                                       | 3,002                                  | 3,066                                    |
| Mandatorily redeemable non-controlling interests       | <u>13,103</u>                               | <u>1,206</u>                           | <u>2,310</u>                             |
| <br>   |   |  |  |
| Total current liabilities                              | <u>2,133,763</u>                            | <u>1,833,645</u>                       | <u>1,650,883</u>                         |



|  |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|
| Noncurrent liabilities                                   |                         |                         |                         |
| Long-term bank loans                                     | 50,896                  | 51,022                  | 13,860                  |
| Other long-term debt                                     | 1,166,029               | 892,098                 | 897,504                 |
| Deferred tax liabilities                                 | 14,006                  | 20,711                  | 13,500                  |
| Unrecognized tax benefits                                | 18,059                  | 18,081                  | 17,842                  |
| Capital lease obligations, net of current maturities     | 17,222                  | 16,549                  | 18,111                  |
| Mandatorily redeemable non-controlling interests         | -                       | 452                     | 1,232                   |
| TOTAL LIABILITIES  | <u>3,399,975</u>        | <u>2,832,558</u>        | <u>2,612,932</u>        |
| Shareholders' equity                                     |                         |                         |                         |
| Common shares  | 16                      | 16                      | 16                      |
| Treasury shares  | (45,262)                | (45,262)                | (24,046)                |
| Additional paid-in capital                               | 535,294                 | 533,955                 | 531,233                 |
| Statutory reserves                                       | 79,255                  | 79,255                  | 80,050                  |
| Retained earnings  | 365,630                 | 344,197                 | 317,765                 |
| Accumulated other comprehensive income                   | 4,205                   | 11,516                  | 30,952                  |
| Total Xinyuan Real Estate Co., Ltd. shareholders' equity | <u>939,138</u>          | <u>923,677</u>          | <u>935,970</u>          |
| Non-controlling interest                                 | 11,593                  | 8,121                   | (19)                    |
| Total equity   | <u>950,731</u>          | <u>931,798</u>          | <u>935,951</u>          |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY               | <u><u>4,350,706</u></u> | <u><u>3,764,356</u></u> | <u><u>3,548,883</u></u> |

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/xinyuan-real-estate-co-ltd-announces-third-quarter-2016-financial-results-300361996.html>

SOURCE Xinyuan Real Estate Co., Ltd.