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XIN - Q4 2015 Xinyuan Real Estate Co Ltd Earnings Call

EVENT DATE/TIME: MARCH 01, 2016 / 1:00PM GMT



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CONFERENCE CALL PARTICIPANTS

Karen Kwan *Deutsche Bank - Analyst*

Craig Mary - Analyst

Peter Myers - Analyst

Richard Geronimo - Analyst

Brett Mayo - Analyst

PRESENTATION

Operator

Good day, everyone, and welcome to the Xinyuan Real Estate Company Limited Fourth Quarter 2015 Earnings Conference Call. Please note that today's call is being recorded.

I would now like to turn the conference over to Mr. Bill Zima of ICR. Please go ahead.

Bill Zima - ICR Inc. - Managing Director

Hello, everyone, and welcome to Xinyuan's Fourth Quarter 2015 Earnings Conference Call. The company's fourth quarter earnings results were released earlier today and are available on the company's IR website as well as on Newswire services.

Before we continue, please note that the discussion today will contain forward-looking statements made under the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. As such, our results will be materially different from the views expressed today.

Further information regarding these and other risks and uncertainties included in our Registration Statement, in our Form 20-F and other documents filed with the U.S. Securities and Exchange Commission. Xinyuan does not assume any obligation to update any forward-looking statements, except as required under applicable law.

Today, you will hear from Mr. Yong Zhang, the company's Chairman, who will comment on the operating results. He will be followed by Mr. George Liu, the company's Chief Financial Officer, who will provide some additional color on Xinyuan's performance, review the company's financial results and discuss the financial outlook. Following management's prepared remarks, we will open up the call to questions. During the Q&A question, Mr. Zhang will speak in Mandarin and his comments will be translated into English.

With that said, I would now like to turn the call over to Xinyuan's Chairman, Mr. Zhang. Please go ahead.

Yong Zhang - Xinyuan Real Estate Co. Ltd - Founder, Chairman

Thank you, Bill. Good morning, and thank you all for joining our fourth quarter 2015 earnings conference call. We are very pleased with our fourth quarter and the full year 2015 results. Growth was driven by strong sales activity, especially for our projects in Tier 2 cities. We also continued



benefiting from favorable government policies in the real estate industry, which helped in driving GFA sales. During the course of 2015, there were 22 active development projects, including our Oosten project in New York City, which represents a record for Xinyuan.

Moving into 2016, we are optimistic about the projects in our existing markets. We also intend to explore new land acquisitions, both in China and the overseas market. Xinyuan remains committed to driving contract sales and the net income growth this year while continuing our commitment to our shareholders through our dividend policies and share repurchase program.

Now please allow me to turn the call over to our CFO, Mr. George Liu. George, please go ahead.

George Liu - Xinyuan Real Estate Co. Ltd - CFO

Thank you, Chairman. Hello, everyone, and welcome to Xinyuan's Fourth Quarter 2015 Earnings Conference Call. We are pleased with our fourth quarter 2015 financial performance and continue to make good progress on our development activities.

Overall, there were several positive developments for Xinyuan in the first quarter -- in the fourth quarter. Favorable government policies in China's real estate sector, including easing monetary policy, relaxed home purchase restrictions and lower downpayment requirements, have supported the markets we serve.

Now please allow me to further review our financial results for the fourth quarter 2015.

Contract sales increased by 42.6% to \$574.2 million from \$402.6 million in the fourth quarter of 2014 and increased by 85.4% from \$309.7 million in the third quarter of 2015.

Total gross floor area sales increased by 66.9% to 420,900 square meters from 252,200 square meters sold in the fourth quarter of 2014 and increased by 80.4% from 233,300 square meters sold in the third quarter of 2015.

The average selling price per square meter sold was RMB8,493 or \$1,364 in the fourth quarter of 2015 compared to RMB8,000 -- compared to RMB9,806 or \$1,596 in the fourth quarter of 2014, and RMB8,196 or \$1,328 in the third quarter of 2015.

The company commenced pre-sales of two new projects in the fourth quarter of 2015, Zhengzhou Fancy City and Tianjin Spring Royal Palace, which contributed 13.7% and 3.3% of total GFA sales, respectively.

Total revenue for the fourth quarter increased by 13.9% to \$413.6 million from \$362.9 million in the fourth quarter of 2014, and increased by 33.9% from \$309 million in the third quarter of 2015.

Gross profit for the fourth quarter of 2015 was \$81.4 million or 19.7% of revenue compared to a gross profit of \$96.1 million or 26.5% of revenue in the fourth quarter of 2014, and a gross profit of \$82.7 million or 26.8% of revenue in the third quarter of 2015.

SG&A expenses were \$55.2 million for the fourth quarter of 2015 compared to \$53.1 million for the fourth quarter of 2014 and \$48.8 million for the third quarter of 2015. As a percentage of total revenue, SG&A expenses were 13.3% compared to 14.6% in the fourth quarter of 2014 and 15.8% in the third quarter of 2015.

Net income for the fourth quarter of 2015 was \$19.1 million compared to \$23.8 million for the fourth quarter of 2014 and \$22.7 million for the third quarter of 2015. We sold higher levels of lower-margin units in Tier 2 cities during the fourth quarter, which had an impact on our net profit.

Diluted net earnings per ADS attributable to shareholders was \$0.26 compared to \$0.30 per ADS in the fourth quarter of 2014 and \$0.31 per ADS in the third quarter of 2015.

Now allow me to quickly review the highlights of our full year 2015 financial results.

For the year ended December 31, 2015, total revenues increased 26.6% to \$1,164.3 million from \$919.7 million in 2014. GFA sales increased 56.7% to 986,100 square meters from 629,100 square meters in 2014.

Contract sales increased 34.5% to \$1,401.1 million from \$1,041.6 million in 2014.

Gross profit was \$273 million or 23.4% of revenue in 2015 compared to a gross profit of \$242.2 million or 26.3% of revenue in 2014. The company commenced presales of six projects in 2015.

SG&A expenses were \$167.5 million or 14.4% of revenue compared to \$145.1 million or 15.8% of revenue in 2014.

Net income was \$66.5 million in 2015 compared to \$48.5 million in 2014. Diluted earnings per ADS were \$0.91 in 2015 compared to \$0.58 per ADS in 2014.

As of December 31, 2015, Xinyuan's cash and cash equivalents, including restricted cash, increased to \$750.7 million from \$555.9 million as of September 30, 2015.

Total debt outstanding was \$1.74 billion, a decrease of \$52.2 million compared to \$1.79 billion at the end of the third quarter of 2015. The balance of our real estate property under development at the end of the fourth quarter of 2015 was \$1.88 billion compared to \$2.01 billion at the end of the third quarter of 2015.

During the fourth quarter of 2015, we continue to make good progress on our Oosten project based in Brooklyn, New York. As of the end of the fourth quarter, the company has presold approximately 64% of its total units. Unit demand remained steady at our project and average selling prices were also very healthy in the fourth quarter.

Last month, we acquired our second land parcel in New York City to expand our presence in this residential real estate development market. This city block-front parcel of land, located in the Midtown of Manhattan, allows for approximately 105,000 square feet or 9,755 square meters of gross buildable development. The company's plan for the mixed-use project include approximately 75 to 90 one- and two-bedroom condo residences with remarkable amenities and a landscaped roof deck as well as approximately 20,000 square feet of ground floor retail space. We look forward to providing you with updates on this project in the months ahead.

As we move into 2016, we hope to benefit from existing government real estate policy implemented over the last year as well as from the more recent government policies implemented since the start of this year, such as lower taxes on home transactions, which could also benefit homebuyers in the markets that we serve.

We have made strides improving our balance sheet, highlighted by our increased cash position, lower debt level and improved coupon rates associated with our outstanding debt. In December 2015 and February 2016, our China subsidiary completed the issuance of our first and second tranches of onshore corporate bonds in China. The issue size of the first tranche of bonds is RMB1 billion with a coupon rate of 7.5%. And the issue size of the second tranche of bonds is RMB700 million with a coupon rate of 7.47%.

In the fourth quarter of 2015, we repurchased 495,759 ADS at a total cost of approximately \$1.7 million. For the full year 2015, we repurchased 1.09 million ADS at a total cost of approximately \$3.35 million.

Today, we also announced a cash dividend for the fourth quarter of 2015 of \$0.025 per common share or \$0.05 per ADS, which will be paid to investors on March 29, 2016, to shareholders of record as of March 15, 2016 of this year. At this time, we do not have any intention to change our dividend or share repurchase policies.

Now I would like to conclude my comments by discussing our full year financial outlook of 2016. While uncertainties still remain in China's real estate market, we expect the favorable government policies to drive additional demand for our projects.

For the full year of 2016, we expect contract sales to grow between 10% to 15% and net income to grow between 15% to 20% compared to the prior year period, i.e. 2015. Please note that our 2016 forecast also includes a partial contribution from our Oosten project in Brooklyn.

This concludes my prepared remarks for today's call. Operator, we are now ready to take some questions. Thank you.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We'll take our first question from Craig Mary.

Craig Mary - - Analyst

I had a question regarding the 2016 operations. You were saying sales were going to be up 10% to 15%. That indicates -- if that includes the Oosten project, that indicates that China sales will be down roughly 10% to 15% because Oosten, if completed in 2016, would account for 30% to 35% of revenues, not quite that much contract sales. Thank you.

George Liu - Xinyuan Real Estate Co. Ltd - CFO

As we have already elaborate in my remarks, our 2016 forecast already include a partial contribution from our Oosten project in Brooklyn. You are right that we probably account between 30% to 40% of our Oosten project in our 2016 financials.

Craig Mary - - Analyst

Okay. One last question on Oosten. You should be getting fairly close to the completion of the construction phase. What is your total estimated construction cost on the Oosten project?

George Liu - Xinyuan Real Estate Co. Ltd - CFO

We are still finalizing the number, but I will suspect that any total cost of the Oosten project is probably in the range of \$200 million to \$300 million.

Craig Mary - - Analyst

That's a pretty wide range.

George Liu - Xinyuan Real Estate Co. Ltd - CFO

Yes, it is. But as you know, that -- all those regulations in the space is very heavy. We still -- we are yet to finalize all those regulatory requirements.

Operator

We'll go next to Karen Kwan with Deutsche Bank.



Karen Kwan - *Deutsche Bank - Analyst*

I have a few questions. First of all, can you let us know what the 2015 capitalized interest was? And secondly, any plans for onshore asset-backed securities issuance or panda bond issuance? And my last question is, what is your expectation of foreign currency debt as a portion of total debt at the end of 2016? Thanks a lot.

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Firstly, our capitalized interest for the full year -- for the fourth quarter is roughly around \$40 million. So for the full year, you'll probably expect something like around \$150 million.

And your second question is about the onshore bond, yes, we have got approval from the authority to issue RMB2.2 billion onshore bonds. We have issued already RMB1.7 billion, and we do plan to issue the rest, RMB500 million, in the near future. Whether we are going to do it more if the market is good and our cost is low, I would consider it a good idea to issue further low-cost onshore bond to kind of further reduce our financing costs.

And I did not quite get your third question. You're talking about some numbers. Can you repeat it?

Karen Kwan - *Deutsche Bank - Analyst*

Sure. Basically, at the end of 2016, what do you expect the portion of foreign currency debt, like U.S. dollar, Hong Kong dollar, as a percentage of total debt?

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

At the end of this year, we are still expecting a -- we haven't -- actually, we haven't decided on how much offshore debt we are going to retire this year. But I would still expect roughly 15% to 30% -- 15% to 25% of our debt will be -- will remain in foreign currency.

Karen Kwan - *Deutsche Bank - Analyst*

Thanks a lot.

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Thank you.

Operator

(Operator Instructions) We'll go next to Richard Geronimo.

Richard Geronimo - *Analyst*

A couple of questions. It appears that Malaysia is doing a little better. Is there any interest in the project there?

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

We do have a kind of an option there that we have acquired in Malaysia project. Are we going to do -- this is probably not one of our focus in future market development, but we got our Malaysia project at a very low price. So any uptrend in local market actually increase our value of holding that project.

Richard Geronimo - *Analyst*

Okay, great. Now with the tranches that you've just completed and potentially more, the 13.25% bonds and the U.S. denominated, does that come into play? Or are you going to try to reduce your Chinese bonds before?

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

We haven't -- we actually haven't issued any Chinese bonds before these two tranches. So this is why it's the first time ever that Xinyuan has made a presence in the domestic capital market of China, which definitely also attracted some attention of domestic investors in both our bonds and our equities.

Are we going to retire our offshore bonds? We don't know for the moment, but we are evaluating -- actively evaluating any kind of possible options to help us reduce our financing costs. And a [core] of onshore bonds is definitely an option on the table.

Richard Geronimo - *Analyst*

Okay, great. So with that money that you've received, are our prices becoming more reasonable in China that you might purchase more land? Or what do you have in mind as far as increasing your -- I mean, as we all know, you have to buy good land at a good location at a reasonable price to make money in a real estate development company. So what are your thoughts about that?

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

We are going to -- we do plan to acquire more lands this year than last year. But still, it will be less than 2014. And actually in the first quarter of 2016, we have acquired a few land parcels, land lots in Zhengzhou and in Beijing. So we actually -- but all those deals are being finalized. And once -- we do plan news announcement once it has been fully finalized.

Operator

(Operator Instructions) We'll go next to Brett Mayo.

Brett Mayo - *Analyst*

First off, a shout out to management, good execution, good quarter. The net margin was a little lower than I might have thought, but I thought that the explanation of kind of turning through, for lack of a better word, higher levels of low-cost buildings in Tier 2 cities drove the margins down a little bit, if I understood that right.

One question, what are your thoughts on the yuan devaluation? And is that a big deal for XIN or not? And if it is a big deal, are there any things that you all are trying to do to kind of hedge your risk on that?

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Certainly, we are watch now for those currency depreciation issues. So if at all possible, we are going to match our U.S. dollar liabilities with our U.S. dollar excess in -- hopefully ASAP. Also, we are -- for instance, we are using a domestic financing to cover our domestic real estate environment in China. That helps to balance our currency risks.

And about the lower margin, I guess, this has probably raised some [queries] in some of our -- in the minds of some of our investors. In a way, consider that, that in a market that is not so good, only good product sells. That's why we actually have a better margin in the third quarter of last year. But in the fourth quarter, when you see our contract sales and tier-based sales have increased significantly, that means that even some not-so-good projects and not-so-good products in Tier 2 cities has been selling well, which is actually a good sign for the overall performance of this company.

Brett Mayo - - *Analyst*

Yes. No, that's actually a great answer. And just to you personally, George, I would say the road shows in New York and Beijing and the hard work pushing through the onshore bonds and all that, I could not be happier with the job that you're doing.

The question on the Oosten project in New York, I read the 64% are sold, when will -- or to the best of your knowledge, when will the revenue profit start being reported? I know that you said a partial contribution in, I guess, towards the end of this year. But are you saying that probably 30% or 40% of the Oosten, the expenses and profits from it will come in this year in the balance of the 70% -- or 60% or 70% will fall into 2017's numbers? Or just some color on when we might expect to start being able to kind of measure. I think, back of the envelope, we know that the Oosten has been a great success and it's really good, but it will be nice to start seeing the actual numbers come in from that project.

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

That is right. I would say that at the moment, the best estimate for the booking of Oosten project is we're probably, we will book 30% to 40% of the project in 2016, another 30% to 40% in 2017 and the rest will probably be booked in 2018.

Operator

(Operator Instructions) We have a follow-up question from Richard Geronimo.

Richard Geronimo - - *Analyst*

Yes. George, you mentioned getting into the cinema business, and I was wondering how that is helping Xinyuan. And also, you mentioned potential partnerships or some diversity. What can you tell us about that?

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Yes. Cinema business, we have invested actually a very small amount of money. It's probably less than \$2 million for the moment. It does help our business. One of the things is that we are able to have cinemas in all those projects that we are developing. We actually have better bargaining [tool] with the other cinema chains that are probably better brands and bigger chains. But now since we have our own chain, we actually have a bigger bargaining tool to negotiate with them. And of course, there is also a good chance that we might be able to spin off this cinema chain in a couple of years. So this is one thing. But so far, it's a small investment and I think we are getting -- because even in terms of promotion, it's worth its money.



And apart from our cinema business, we are also exploring some new initiatives, one is like the property management. We're trying to coupon the property management with some of the Internet investment and hopefully, this could increase the value of those business. And we are working on certain projects to see whether we are able to spin it off in a -- in the [circle] of China, for instance, or in other possible stock exchanges. But again, this is a small part of our business. And we are also taking our initiatives. And in general, those -- our investments on those new initiatives is very small. If we add them all together, it's probably like a small -- a portion of one land lot we acquire. So we don't want to raise the expectations of our investors. But we do think that a company like us should explore -- should spend -- at least to spend some money to explore some new opportunities apart from working well and hard on our core business of homebuilding.

Richard Geronimo -- Analyst

No, I think actually, any type of public relations that puts Xinyuan's name out there is a very healthy thing, regardless of the investment. Hopefully, the return would be very healthy.

Then the next question is, every company wants to expand and get larger and you mentioned a while ago that you're talking about some potential partnerships. Is there any fruition going on there?

George Liu - Xinyuan Real Estate Co. Ltd - CFO

Yes. We are [partner] with a few outside partners to develop our projects as well. One of the recent development is in a new land lot that we acquired in Zhengzhou where this company was founded. We have filed a partnership with [Ping'an] Group on developing those real estate projects. We're also having a partnership with other partners in other projects, like we also have a partner in Xi'an that we might find now if the project goes well. But so far, we are still having a third-party partner in that project. Generally, of course, if the terms are good, we are open to any kind of partnership.

Operator

We have another follow-up question from Karen Kwan with Deutsche Bank.

Karen Kwan - Deutsche Bank - Analyst

Sorry, a couple of maintenance questions. First of all, can you give us any cash flow guidance for 2016? Secondly, what was your 2015 depreciation and amortization? And lastly, any sort of 2016 available-for-sale resources that you can disclose?

George Liu - Xinyuan Real Estate Co. Ltd - CFO

Because you are asking some projected numbers of 2016, it's probably hard to elaborate those -- the detailed numbers at this moment, so -- and if you want to look at the numbers of our last year, you are expecting a 20-F that will come out very soon, so probably in a few weeks. So it's advisable for you to look into details in [20-F] filing.

And about the depreciation, actually, when we look at the -- if you look at the numbers that -- of our balance sheet, you can actually -- you can look at -- you can actually see from the portion of shareholders' equity that you can kind of get an idea that our -- the RMB depreciation, that even though our RMB-denominated shares equity have increased, but our U.S. dollar-denominated shares equity has decreased a little bit, and the impact is probably around \$60 million to \$80 million.

Karen Kwan - Deutsche Bank - Analyst

I'm sorry, I don't mean the renminbi depreciation. I just mean normal property depreciation and amortization.



George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Okay. Normal depreciation is roughly \$5 million last year. It's really a small money, a small amount in the [real] -- in the size -- in the context of this company's size.

Operator

We'll go next to Peter Myers.

Peter Myers - *Analyst*

This is Peter. I apologize if my question has already been answered. Some of the sound quality has not been good, I apologize for that. I'm a little puzzled. This is a very general question. I see that contract sales in Q4 are well up from last year and the previous quarter and the same for total gross floor area. Revenues are well up, expenses are not well up. So I'm trying to understand why net income for the fourth quarter is down in relation to the previous quarter, Q3, and also in relation to the previous year. Is it because prices per unit have fallen greatly in China and also because of the exchange rates? Or have I misunderstood? I hope the question is clear. Revenues -- or physical measures like gross floor area, contracts sales are well up, revenues are well up, costs are not well up, and yet profits, net income per ADS, is not up. It's down in relation to the previous quarter and also last year. So I'm trying to understand why that is.

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Yes, your Chinese is also very good. This question, I actually have kind of covered this a little bit in the last replies, but I can elaborate it further and try to give you an idea.

Basically, the selling price in the China real estate market is actually get better, it's getting actually crazy in recent weeks. But it's getting better in the last quarter of last year, I mean, 2015. And while the main reasons, main drivers why the contract sales is up and the GFA sales is up but the profit is down is mainly because the margin of the projects that we sold is lower as compared of the margin of the projects we sold -- we have sold in the quarter before or in the quarter, in the same quarter of the prior year.

And this is, in a way, actually a good sign because in the markets, as you might know that, usually, the good product sells faster and earlier than the bad products. So in the last quarter of 2015, one of the reasons that caused this is because we are able to sell some of our bad projects or I'd say the projects with lower margins in a much bigger scale than the quarter before and the quarter in the prior year. That actually is an increase of our asset turnover, which is a good sign for the market and for this company. And otherwise, those projects just remain our books in inventory while the selling is actually very slow. So generally, that is the main cause of such a number, such numbers, as you correctly pointed out.

Peter Myers - *Analyst*

Okay. So there's been a bit of a mix shift, if I understand, a mix shift towards projects with lower margin. What then happened to the kind of projects that were going in the previous quarter, Q3 and last year? Are there just fewer of those kinds where the margins were higher and hence, income per ADS was higher? Are there fewer of those on your books now than there were before? Or have they gone into hibernation a bit with prices not being so good? In other words, what's the prognosis for the future regarding net income per ADS, please? Thank you.

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Generally speaking, the margin of the real estate projects are actually getting smaller as compared with prior years. That's an industry trend, it's not just Xinyuan. Everyone is going down. But in our specific, particular case, we are actually raising our pricing in our group of products. And just

make it -- and also, it might be worth mention that even in the same project, there's good products and bad products. We are -- we intend -- since the pricing of those good projects, it's actually getting -- running high in a crazy way so we are raising our price significantly. Basically, we slowed down sales of our good products while we are trying to push sales of our bad products in such a heated market.

I can give you two interesting examples, like one of the best-selling projects is our Suzhou project. We raised the average price of the Suzhou project from around RMB9,500 per square meter in September to roughly RMB15,000 per square meter in December of last year. And for the Shanghai project, we are -- we were selling that in RMB22,000 in February of 2016. But as you might know, the residence market in Shanghai is getting over heat, so we probably will increase 30% to 40% of our pricing in March or in April. So that would definitely slow down our sales, but that will actually increase the value of our inventory.

But for the inventory, for the projects that we are not that certain of its future sales when the market turns [soar], we are still pushing big sales of those projects.

Peter Myers -- Analyst

I still have one more question, if you don't mind. It's a very general one. I'm just an individual investor and it's the kind of question that maybe proper analysts can't answer, so I have an advantage there.

It appears to me, having been a shareholder for many years, that your net income per ADS is now approximately \$1 per year, \$1 per year. And that you have been, for a long time and continue to give away one fifth of that, 20% in dividends. The share price is barely even \$4, so your dividend rate is 5%. And your price-to-earnings ratio is extremely low, presently about 4, if I calculate it right, share price \$4, net income per ADS about \$1.

Do you have anything that you can offer in the way of public relations or speaking to American shareholders in general that would increase such an absurdly low price to earnings ratio? Maybe just too general a question, but something seems wrong here. You have a great company, your accounting is completely honest, you have genuine auditors, you have a genuine business. There are a lot of Chinese businesses that maybe aren't that way, but yours is just of a very high quality. So it doesn't seem acceptable that the PE is so low given that the business is so good. Is there anything that you could say to the public, to the American market or Wall Street like to improve the situation?

George Liu - Xinyuan Real Estate Co. Ltd - CFO

Yes, we understand your concerns. As you know, I just came onboard last April, less than a year. Once we -- I have come to board, with the support of the Chairman and the board, we start doing more in this regard. And the share price has since increased roughly 80%, and if you add up the dividends you have received, you basically got probably double -- a 100% return in the last 52 weeks.

Are we going to do better? We certainly hope so. We do plan to do more in terms of both PR and IR and media exposure. But again, whether we -- our stock will be popular, will be chased by the investors, remains to be tested by the market. But I assure you that across the board, the Chairman and myself, we'll do every effort to increase the shareholders' return.

Operator

At this time, I'd like to turn the conference back to management for any additional or closing remarks.

George Liu - Xinyuan Real Estate Co. Ltd - CFO

We thank you for joining us on today's call and appreciate your ongoing support. We look forward to updating you on our progress in the weeks and months ahead. Thank you again.



Operator

This concludes today's conference. You may now disconnect.

George Liu - *Xinyuan Real Estate Co. Ltd - CFO*

Thank you.

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