



越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

2021 ANNUAL RESULTS

10 March 2022

Where Good
Living Starts



Contents

1 Annual Results

2 Business Updates

3 Future Outlook



RESULTS HIGHLIGHTS



Contracted Sales

RMB115.15 bn

Up 20.2%

Solid Growth in Contracted Sales

- Contracted sales value reached RMB115.15 bn, +20.2% y-o-y, contracted sales GFA reached 4.18 mm sq.m., +10.1% y-o-y
- Contracted sales value in GBA reached RMB71.37 bn, +12.1% y-o-y, among which Guangzhou reached RMB60.60 bn, +8.6% y-o-y. Contracted sales value in Eastern China reached RMB25.93 bn, +30.1% y-o-y. Contracted sales value in Central China reached RMB10.17 bn, +48.6% y-o-y
- As of 31 December 2021, unrecognized sales value was RMB150.65 bn, +25.9% compared with the beginning of the year



Core Net Profit

RMB4.15 bn

Up 3.2%

Steady Growth in Core Net Profit

- Core net profit was RMB4.15 bn, +3.2% y-o-y
- Final dividend per share was HKD0.328, +4.1% y-o-y
- Annual dividend per share was HKD0.654, +9.0% y-o-y
- Dividend payout ratio was 40% of core net profit



“Three Red Lines”

All in “Green Lights”

Safe and Healthy Financial Position

- Total liabilities/ Total Assets Ratio(ex. unearned revenue), net gearing ratio and cash/short-term debt ratio were 69.1%, 47.1% and 1.36x respectively. “Three Red Lines” indicators remain in “green lights”
- Successfully issued offshore USD650 mm 5-year and USD150 mm 10-year USD bonds with coupon rates of 2.8% and 3.8% respectively and issued onshore RMB6 bn corporate bonds with an average coupon rate of 3.29%
- Average borrowing interest rate decreased by 36 b.p.t. to 4.26% and debt structure has been continuously optimizing with diversified financing channels
- Maintained Baa3 and BBB- Investment Grade ratings with “Stable” outlooks by Moody’s and Fitch respectively

RESULTS HIGHLIGHTS



Landbank

Newly Added
9.18 mm sq.m.

New Landbank Added by Diversified Channels

- Through “6+1” unique and diversified land acquisition platform, 37 land parcels with a total GFA of 9.18 mm sq.m. in 18 cities were acquired, 16 parcels with a total GFA of 4.42 mm sq.m. were in GBA, of which 12 parcels with a total GFA of 3.90 mm sq.m. were in Guangzhou
- 56% of the new land parcels was acquired through diversified land acquisition channels such as TOD, “city operation”, and SOEs cooperation, etc.
- As of 31 December 2021, the total landbank of the Group was 27.11 mm sq.m., +10.5% y-o-y, of which the GBA and Guangzhou accounted for 55.0% and 47.6%, respectively



TOD Model

Further Enforced

TOD Model Further Enforced

- Newly acquired a TOD project named Yue Voyage (Guangzhou Huangpu Miaotou) with a total GFA of 0.21 mm sq.m.
- Total landbank of TOD projects were 3.76 mm sq.m., accounting for 13.9% of the Group’s total landbank and 25.2% of total landbank in GBA
- TOD projects achieved strong contracted sales of RMB17.87 bn, +5.1% y-o-y. Yue Galaxy achieved RMB3.50 bn, Yue Infinity achieved RMB4.00 bn, and TOD Town achieved RMB4.59 bn



Capital Operation

Empowered Business

Business Empowered by Capital Operation

- In 1H, Yuexiu Services (6626. HK) was successfully spun-off and separately listed on the Hong Kong Stock Exchange, raising net proceeds of HKD1.96 bn. As of 31 December 2021, Yuexiu Property held 66.9% equity interests in Yuexiu Services
- In 2H, the Group successfully sold Guangzhou Yuexiu Financial Tower to Yuexiu REIT, the “Dual Platform” Interaction between Yuexiu Property and Yuexiu REIT has been regularly conducted

INCOME STATEMENT ITEMS

RMB bn	2021	2020	Y-O-Y
Revenue	57.38	46.23	+24.1%
Gross Profit	12.48	11.63	+7.4%
Gross Profit Margin	21.8%	25.1%	-3.3p.p.t.
Net Other Gains	1.50	0.67	+124.6%
SG&A Expenses	3.21	2.55	+25.8%
Profit Attributable to Equity Holders	3.59	4.25	-15.5%
Core Net Profit ⁽¹⁾	4.15	4.02	+3.2%
EPS ⁽²⁾	RMB1.1590	RMB1.3718	-15.5%
Final Dividend Per Share(RMB) ⁽³⁾	RMB0.265	RMB0.265	-
Final Dividend Per Share(HKD) ⁽³⁾	HKD0.328	HKD0.315	+4.1%
Total Dividend Per Share(RMB) ⁽³⁾	RMB0.536	RMB0.520	+3.1%
Total Dividend Per Share(HKD) ⁽³⁾	HKD0.654	HKD0.600	+9.0%
Dividend Payout Ratio	40%	40%	-

- Notes:
- (1) Excluding the net foreign exchange loss recorded in the consolidated income statement, net increase/(decrease) value and related tax effects assessed by the continuous holding of investment properties (excluding current disposal of investment properties)
 - (2) The Company completed the share consolidation on June 10 2021, the number of ordinary shares after and before the consolidation were 3,096,456,087 and 15,482,280,438 respectively. According to the accounting standards, the EPS in 2021 and 2020 were calculated by the weighted average number of ordinary shares of 3,096,456,087
 - (3) After the consolidation, final and total dividend per share for 2021 and 2020 were calculated by the number of 3,096,456,087 ordinary shares issued. Before the consolidation, final and total dividend per share for 2020 was RMB0.053/HKD0.063 and RMB0.104/HKD0.120

BALANCE SHEET ITEMS

RMB bn	31 December 2021	31 December 2020	Change
Cash ⁽¹⁾	40.50	37.31	+8.6%
Total Borrowings	75.53	67.84	+11.3%
Gearing Ratio ⁽²⁾	37.0%	38.6%	-1.6p.p.t.
Net Gearing Ratio ⁽³⁾	47.1%	47.5%	-0.4p.p.t.
Total Assets	313.85	263.20	+19.2%
Shareholders' Equity	46.24	43.75	+5.7%
Net Asset Per Share ⁽⁴⁾	RMB14.93	RMB14.13	+5.7%

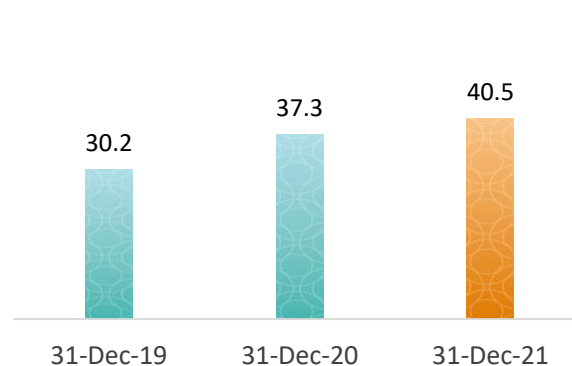
Notes: (1) Including cash, cash equivalents and charged bank deposits

(2) $\text{Gearing Ratio} = (\text{Total Borrowings} - \text{Cash}) / \text{Total Capitalization}$

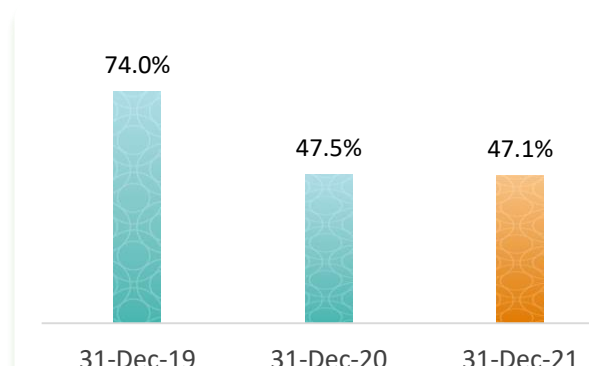
(3) $\text{Net Gearing Ratio} = (\text{Total Borrowings} - \text{Cash}) / \text{Net Asset}$

(4) The Company completed the share consolidation on June 10 2021, the number of ordinary shares after and before the consolidation were 3,096,456,087 and 15,482,280,438 respectively. According to the accounting standards, the net asset per share as of 31 Dec 2021 and as of 31 Dec 2020 were calculated by the number of ordinary shares of 3,096,456,087

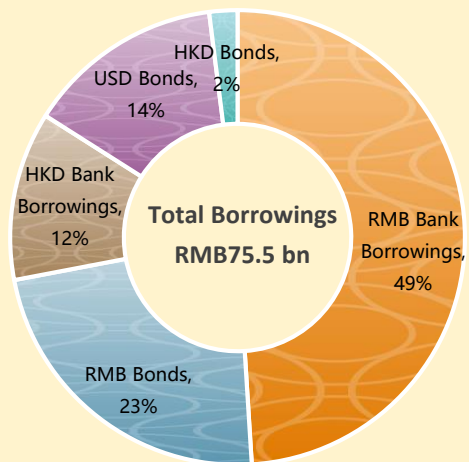
Cash (RMB bn)



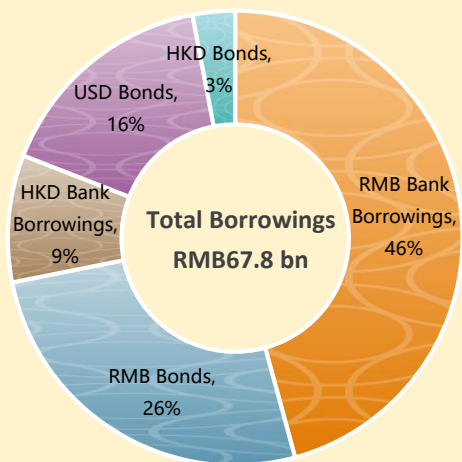
Net Gearing Ratio



DEBT STRUCTURE ANALYSIS

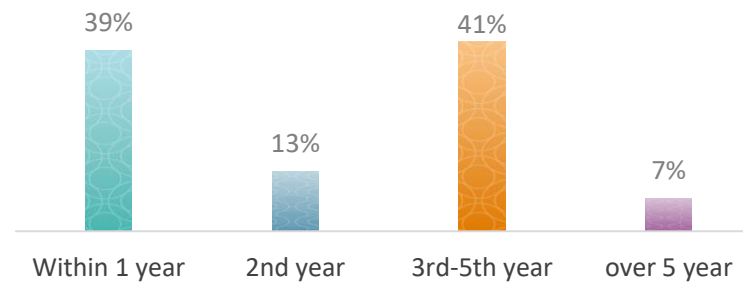


31 Dec 2021

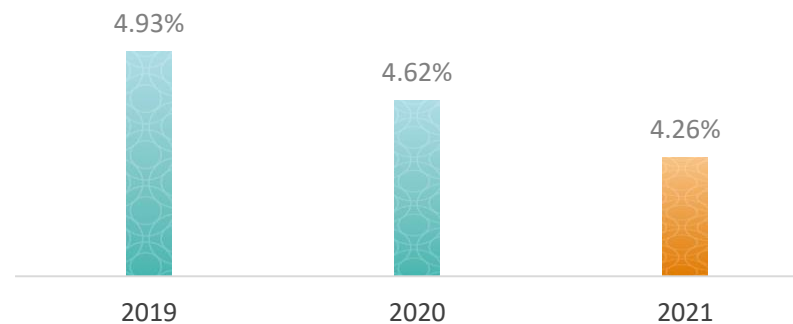


31 Dec 2020

Debt Maturity Schedule



Average Borrowing Interest Rate



CASH FLOW ANALYSIS

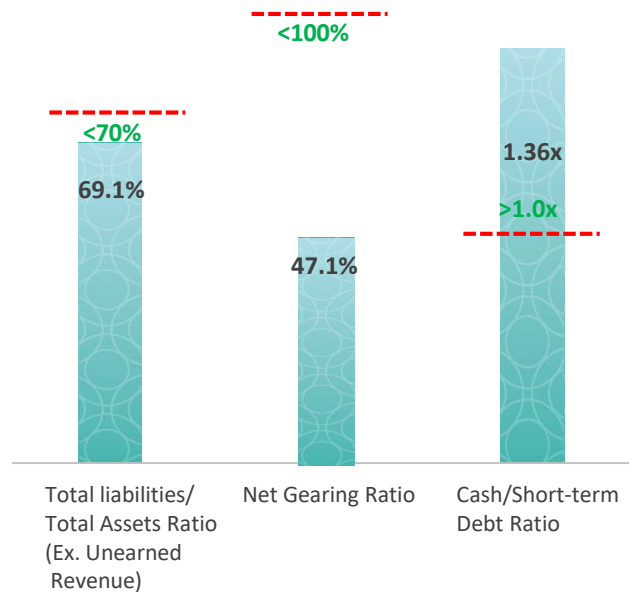
RMB bn	2021	2020
Cash at the Beginning of the Year*	37.31	30.19
Cash from Operation	75.46	64.01
Operating Expenses	(80.16)	(47.92)
Land Premium Paid and Auction Deposits	(44.48)	(17.96)
Development Cost	(18.12)	(13.39)
Tax and Administrative and Other Expenses	(17.56)	(16.57)
Cash (Outflow)/ Inflow from Operating	(4.70)	16.09
Cash (Outflow) from Investing	(7.03)	(6.87)
Cash Inflow/ (Outflow) from Financing	14.92	(2.10)
Cash at 31 December 2021*	40.50	37.31

*Note: Including cash, cash equivalents and charged bank deposits

"THREE RED LINES" INDICATORS & CREDIT RATINGS

"Three Red Lines" Indicators

All "Three Red Lines" indicators remain in "green lights"



"Investment Grade" Ratings

MOODY'S
INVESTORS SERVICE

Rating: Baa3, Outlook Stable

FitchRatings

Rating: BBB-, Outlook Stable

Key Rating Drivers

- Strong SOE background
- Strong support from parent company
- Stable sales growth
- Abundant and high quality landbank
- "Dual Platform" Interaction enhances financial health

Key Rating Drivers

- Strong and sustainable parental support
- SOE background supports the acquisitions of high quality landbank by diversified channels
- Abundant sellable resources to form a solid base for scale growth and meeting sales target
- Stable financial position

ESG PERFORMANCE

The Group consistently implements the concept of sustainable development in its overall operation process and cares for stakes of stakeholders all the time to improve the ESG management continuously

Published reports for 11 consecutive years

2010-2015: the Corporate Social Responsibility Reports

2016 to present: ESG Reports

2021 ESG Highlights

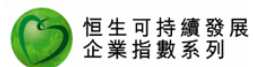
- ✓ **Environment** —Continuously promoted green building design and prefabricated construction, upgraded the on-site standardized construction system (SSCS), promoted green management and green leasing, and accelerated green and low-carbon development
- ✓ **Employment** — Strictly abided by the human resources regulations to recruit talents through various channels and protect the legitimate rights and interests of employees. Strived to create a safe and healthy working environment for employees, and continued to organize four major training programs
- ✓ **Operation** — Created the engineering digital platform and established the quality control inspection mechanism to continuously improve project quality and work safety. Built the digital bidding and purchase platform to achieve fairness and efficiency in the bidding and procurement process
- ✓ **Community** —Continued to provide targeted poverty alleviation to Chimi Village of Yingde for 5 consecutive years and promoted the rural revitalization. Helped build the Phase II of Guangzhou International Campus of South China University of Technology. Donated more than 40 batches of materials to support frontline medical personnel for epidemic prevention

Chosen to be a component of the authoritative index and upgraded ratings by major institutions, several awards were accredited for the recognitions from capital market and media

Index Joined and Ratings

HSSUS

Selected as a component stock of the HSSUS series for 3 consecutive years with grade A (satisfactory)



MSCI ESG Rating

Rating upgraded from B to BB in 2021



GRESB Rating

First appraised in 2021 and won three stars with 80 points



2021 Awards

- 🏆 BDO 2021 ESG Best Performance Award (Mid-Cap), Best ESG Report (Mid-Cap)
- 🏆 2021 Enterprise with Outstanding Contribution to Social Responsibility (Excellent Urban Development Influence) (China Business News)
- 🏆 2020 Standard-making Enterprise of Guangdong Social Responsibility Award (Guangdong Real Estate Association)
- 🏆 2020 Brand of Annual Social Responsibility in China Real Estate Champion List (Guangdong Real Estate Chamber of Commerce, NetEase News Real Estate)

Contents

1 Annual Results

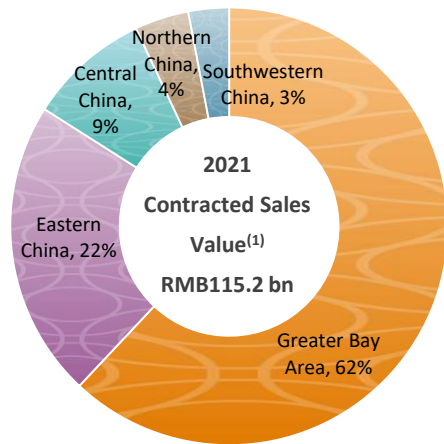
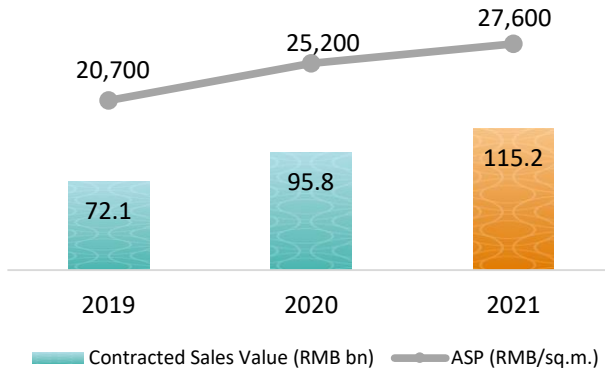
2 Business Updates

3 Future Outlook

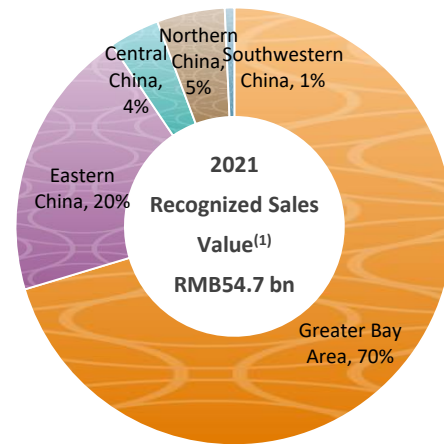
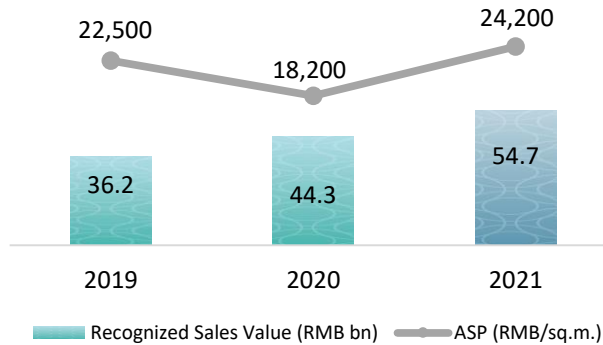


CONTRACTED, RECOGNIZED & UNRECOGNIZED SALES

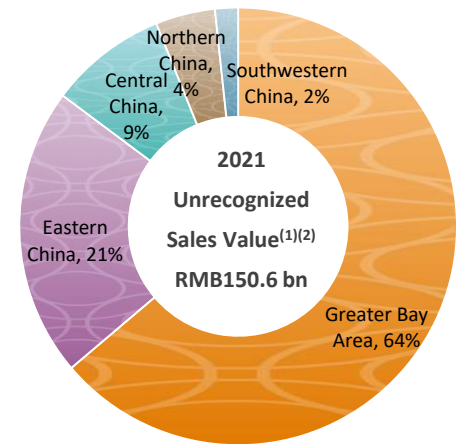
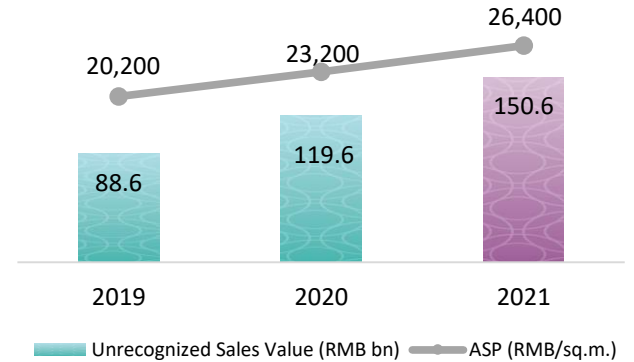
Contracted Sales



Recognized Sales



Unrecognized Sales



Notes:

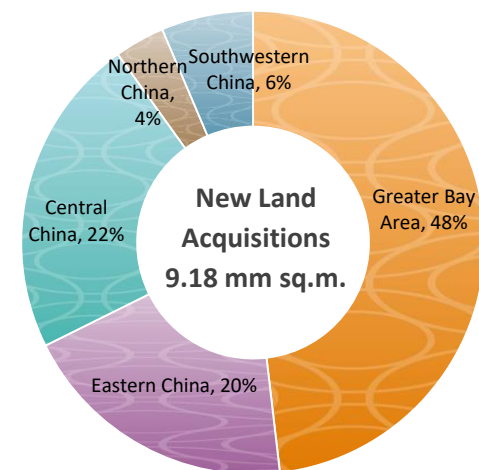
(1) Including sales from joint venture projects

(2) The consolidated value of unrecognized sales as at 31 December 2021 was RMB100.0 bn, ASP was RMB27,100 per sq.m.

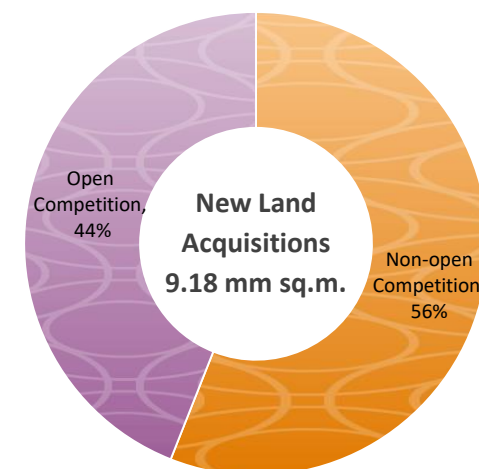
NEW LAND ACQUISITIONS IN 2021

No.	Projects	GFA sq.m.	Equity Holding
1	Guangzhou Galaxy Bay	539,800	93.57%
2	Guangzhou Joy Cloud (previous name: Guangzhou Baiyun Baiyun Avenue Land)	192,800	48.69%
3	Guangzhou Baiyun Guanglong Land	1,041,000	95.48%
4	Guangzhou Liwan Haizhong Village Land	165,200	53.20%
5	Guangzhou Star Wave (previous name: Guangzhou Panyu Guangzhou South Railway Station Land)	234,300	95.48%
6	Guangzhou Starry Wenjing (previous name: Guangzhou Panyu Jinan University Land I)	325,400	95.48%
7	Guangzhou Panyu Jinan University Land II	329,700	95.48%
8	Guangzhou Panyu Guangzhou International Innovative City Land	319,500	9.55%
9	Guangzhou Yue Voyage	208,400	62.06%
10	Guangzhou Mountain Living (previous name: Guangzhou Huangpu Knowledge City Land)	137,100	62.06%
11	Nansha Hengli Island Land	214,800	42.96%
12	Nansha Golden Bay	188,500	2.42%
13	Nanhai River Mansion	74,000	47.41%
14	Dongguan Cloud Lake (previous name: Dongguan Liaobu Land)	89,500	32.46%
15	Dongguan Joy Bay (previous name: Dongguan Shatian Land)	199,300	48.69%
16	Zhongshan Yuexiu Empyrean (previous name: Zhongshan Xiaolan Land)	157,400	57.29%
Subtotal (Greater Bay Area)		4,416,700	
17	Shanghai Minhang Land	168,400	52.25%
18	Hangzhou Gongshu Land	142,100	95.00%
19	Hangzhou Enjoy Mansion (previous name: Hangzhou Xiacheng Land)	421,900	32.14%
20	Suzhou Joy Years (previous name: Suzhou Wuzhong Xukou Land II)	164,000	44.53%
21	Suzhou Eastern Cloud (previous name: Suzhou Wuzhong Luzhi Land)	104,100	42.75%
22	Nantong Luminous Mansion (previous name: Nantong Zhongchuang Land)	168,100	46.78%
23	Nanjing Art Times (previous name: Nanjing Pukou Qiaolin Land II)	133,700	31.35%
24	Nanjing Treasure (previous name: Nanjing Yuhuatai Land)	237,700	51.00%
25	Nanjing Jade Mansion (previous name: Jiangning Zhengfang New Town Land)	130,600	30.88%
26	Ningbo Joy Cloud (previous name: Ningbo Yinzhou Jiangshan Land)	119,800	56.53%
Subtotal (Eastern China)		1,790,400	
27	Wuhan Starry Garden (previous name: Wuhan Jiang'an Land)	71,500	48.45%
28	Wuhan Yuexiu Garden	215,800	46.55%
29	Xiangyang Dongjin Land	148,200	38.00%
30	Changsha Smart Science City (previous name: Changsha Yuhua Yatang Land)	259,500	50.00%
31	Changsha Joy Star	517,400	46.55%
32	Chenzhou Starry City (previous name: Chenzhou Xicheng Land)	848,300	100.00%
Subtotal (Central China)		2,060,700	
33	Beijing Hill Mansion (previous name: Beijing Huai'rou Land)	329,200	46.55%
Subtotal (Northern China)		329,200	
34	Chongqing Avant Garde (previous name: Chongqing Yubei Huixing Land I)	147,400	34.33%
35	Chongqing Avant Jade (previous name: Chongqing Yubei Huixing Land II)	39,300	95.48%
36	Xi'an Xixian Land	374,800	46.55%
37	Bijie Baili Land	23,800	95.00%
Subtotal (Southwestern China)		585,300	
Total		9,182,300	

By Region



By Acquisition Channel



LANDBANK OF TOD PROJECTS

New Acquisitions: 0.21 mm sq.m.

① Yue Voyage

(Guangzhou Huangpu Miaotou Land)

GFA: 208,400 sq.m.

Equity Holding: 95.48%

② Yue Galaxy

GFA: 1,056,600 sq.m.

Equity Holding: 86%

③ Yue Melody

GFA: 651,400 sq.m.

Equity Holding: 51%

④ Yue Infinity

GFA: 806,000 sq.m.

Equity Holding: 51%

⑤ Yue Fantasy

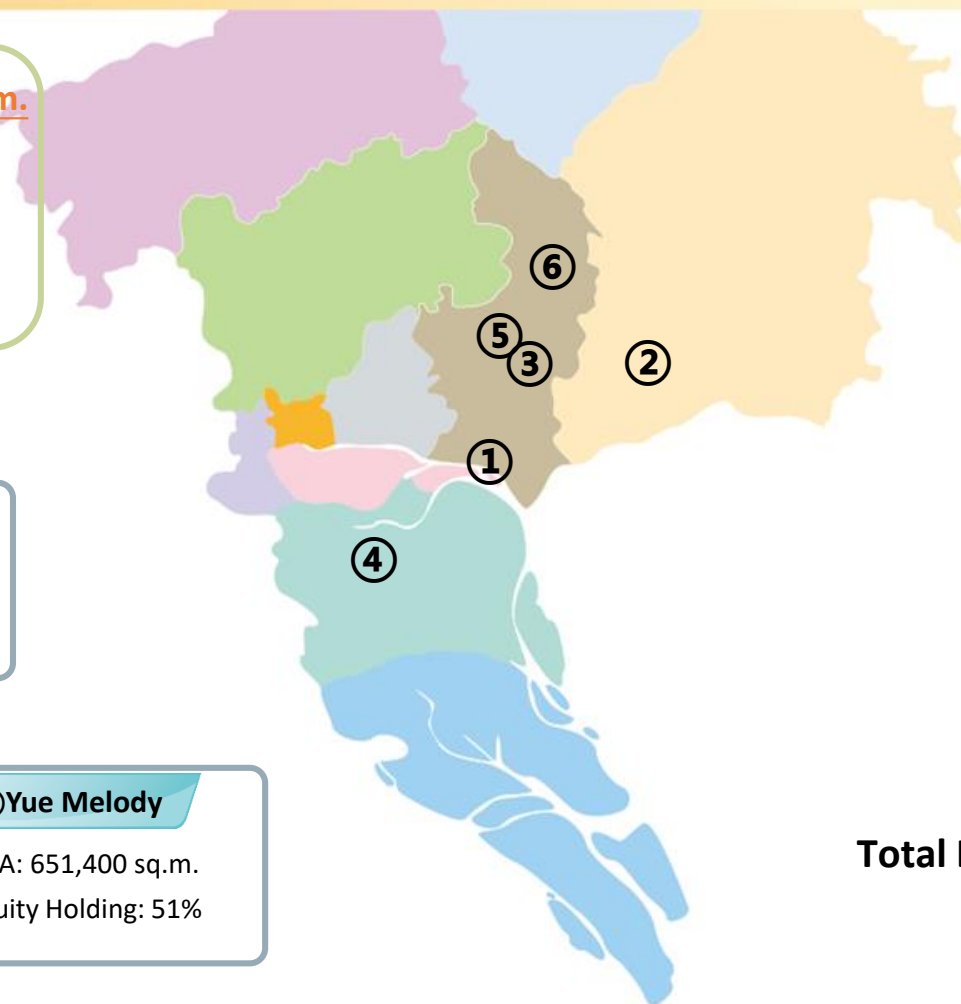
GFA: 330,200 sq.m.

Equity Holding: 51%

⑥ TOD Town

GFA: 703,400 sq.m.

Equity Holding: 51%



Total Landbank of TOD Projects: 3,756,000 sq.m.

LANDBANK OF “CITY OPERATION” PROJECTS

New Acquisitions: 2.34 mm sq.m.

①Guangzhou Baiyun Guanglong Land

GFA: 1,041,000 sq.m.

Equity Holding: 95.48%

②Guangzhou Star Wave

Guangzhou Panyu Guangzhou South Railway Station Land)

GFA: 234,300 sq.m.

Equity Holding: 95.48%

③Guangzhou Nansha Hengli Island Land

GFA: 214,800 sq.m.

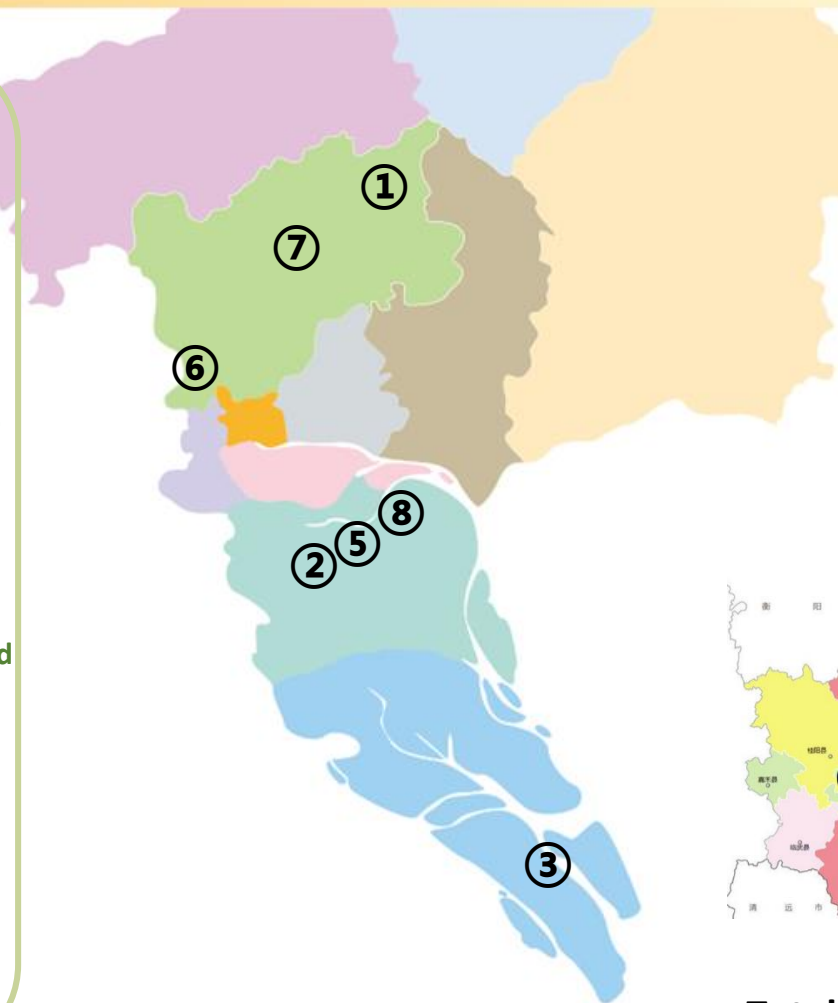
Equity Holding: 42.97%

④Chenzhou Starry City

(Chenzhou Xicheng Land)

GFA: 848,300 sq.m.

Equity Holding: 100%



⑤Guangzhou Grand Mansion

GFA: 412,400 sq.m.

Equity Holding: 95.48%

⑥Guangzhou Joy Golden Sand

GFA: 332,000 sq.m.

Equity Holding: 95.48%

⑦Guangzhou Joy Lake

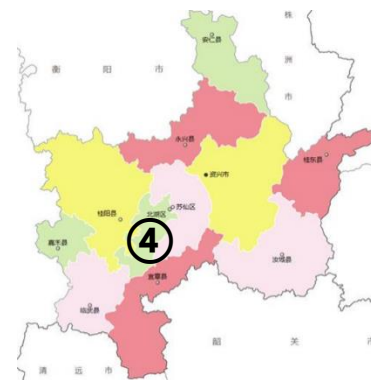
GFA: 445,700 sq.m.

Equity Holding: 95.48%

⑧Guangzhou Starry Wenxi

GFA: 175,000 sq.m.

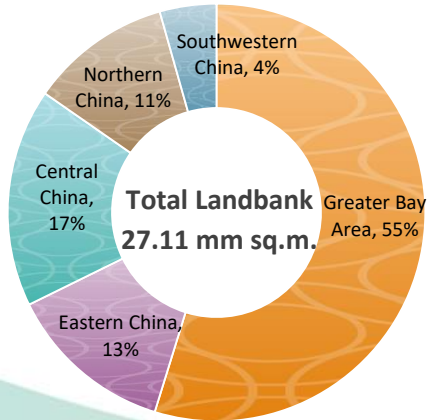
Equity Holding: 95.48%



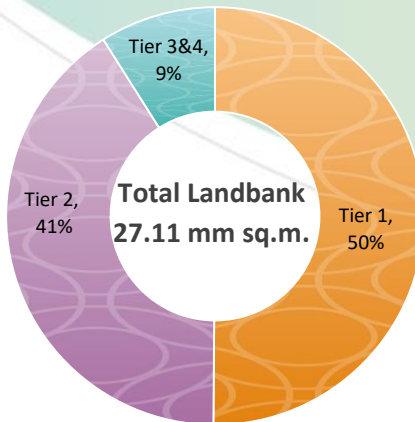
Total Landbank of “City Operation” Projects: **3,703,500 sq.m.**

TOTAL LANDBANK

By Region



By Tier



Total Landbank: 27.11 mm sq.m.



UNIQUE BUSINESS MODEL FOR COMMERCIALS

- Uphold the Strategy of “**Coordinated Residential and Commercial Development**”
- Regularize the “**Dual Platform**” Interaction between Yuexiu Property and Yuexiu REIT
- Optimize the “**Asset Manager**” commercial business model and continuously strengthen commercial management capability



Yuexiu Property

Total Rental Income in 2021:

RMB0.64 bn, +7% y-o-y

Major Leasing GFA: 882,500 sq.m.

PUD GFA: 429,900 sq.m.

PFD GFA: 396,100 sq.m.



Yuexiu REIT⁽¹⁾

Total Income in 2021:

RMB1.80 bn, +2% y-o-y

Total GFA ⁽²⁾⁽³⁾: 973,000 sq.m.

Office Assets GFA ⁽³⁾: 660,100 sq.m.

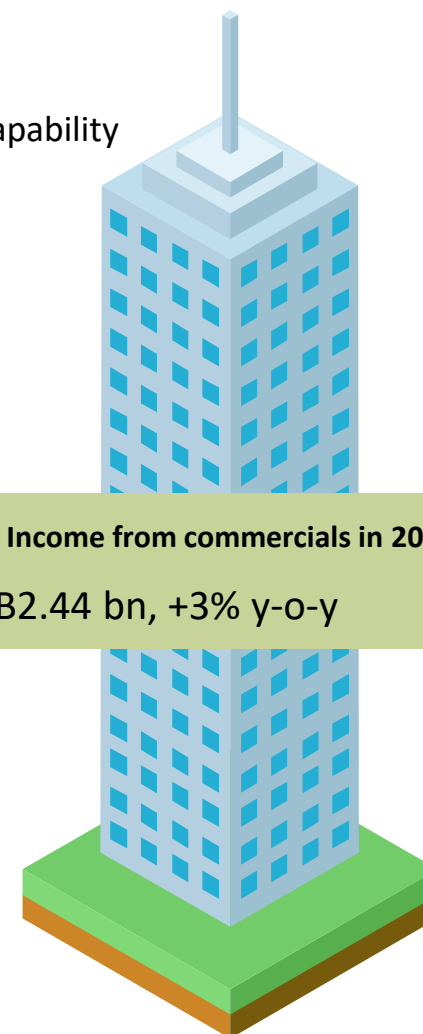
Retail Assets GFA: 120,100 sq.m.

Hotel and Apartment GFA: 142,600 sq.m.

Wholesale Assets GFA: 50,200 sq.m.

Total Income from commercials in 2021:

RMB2.44 bn, +3% y-o-y



Notes: (1) Yuexiu Property held 40.11% of Yuexiu REIT as at 31 December 2021

(2) 632,900 sq.m. was rentable GFA

(3) Excluding Yuexiu Financial Tower as the acquisition was completed on 23 December 2021

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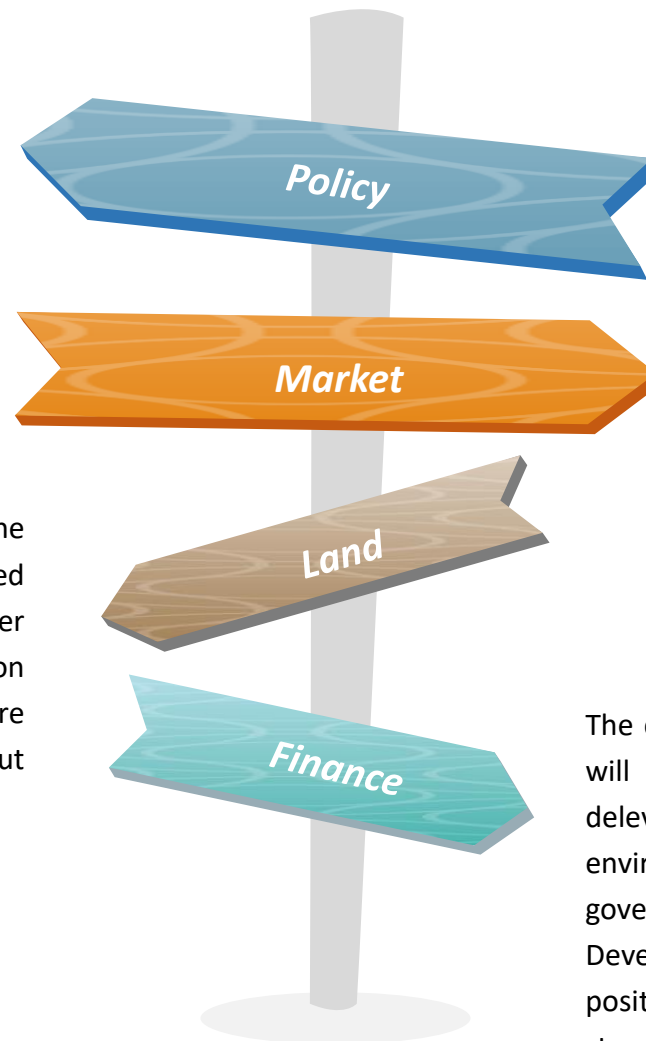
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PROPERTY MARKET OUTLOOK IN 2022

The government's regulatory policies will maintain continuity and stability, the keynote of "house is for living in rather than for speculation" and "city-specific policy" will remain unchanged for keeping a virtuous circle and healthy development of property market. It is expected that the policies will be moderately loosened to support residents' self-occupation and upgrading housing demand

The governments will increase land supply, and the centralized land supply method will be optimized continuously. The land markets will be further differentiated. The continuous government regulation and the deleveraging for developers will lead to more rational land investment with easing competition, but land in key cities will still be in short supply



Rigid and reasonable demand in property market will be continuously supported, and the market transaction will keep steady with stable price , but the differentiation will be more obvious. The industry reshuffle continues, entering an era of quality competition, so companies with high debt and high leverage will be gradually eliminated, and the market concentration will further rise. The markets in urban agglomerations such as the Greater Bay Area and the Yangtze River Delta will continue to outperform

The credit policies and financing environment in the industry will marginally loose and gradually improve, but the deleveraging trend remains unchanged. The financing environment for developers will further differentiate with the government's tightening regulation on financing of developers. Developers with sound and high quality operations will better position for more financial support as governments strengthen their credit support for reasonable demand

INVESTMENT STRATEGY

Adhere to prudent investment with "city-specific policy" and "in line with sales cash inflows"

Seize best investment opportunities and select best projects and sustainably penetrate those regions with competitive strengths

Investment resources are prioritized on existing regions and cities with strengths of economy, industry and population net inflow

Continue to strengthen and optimize the Group's "6+1" unique, diversified land acquisition platform

"6+1" Diversified Land Acquisition Platform

Open Market Auction

Maintain a prudent investment style and select best projects with "city-specific policy" strategy by strengthening market research, better understanding rules and policies and following strict investment standards

TOD

Intensify the strategic cooperation with Guangzhou Metro Group, continuously obtain TOD projects inside GBA and look for new opportunities outside GBA, aiming at becoming a leading TOD developer nationwide

City Operation

Deepen "City Operator" strategy, through constructing urban public facilities and effectively manage cash flow

SOEs Cooperation

Strengthen strategic cooperation with various types of SOEs and jointly develop their high-quality land resources

M&A

Take advantage of policy encouragement and favorable environment to increase high quality M&A projects with high returns

Industry-driven Acquisition

Coordinate the introduction of internal and external industrial resources to strengthen our capabilities for high quality landbank and enhance our services for industries

Urban Renewal

Strengthen urban renewal policy research and focus on old village projects. Deepen penetration in key regions and projects. Intensify M&A and cooperation of urban renewals

OPERATION STRATEGY

New Beliefs:

Adhere to our beliefs of "Good Products, Good Services, Good Brands and Good Teams"

New Goals:

Build our "New Capabilities, New Mechanisms and New Cultures"

Market Strategy

- Implement precise marketing strategy of "city-specific policy" and "project-specific policy", accelerate property sales and cashflow by integrating online and offline sales channels and taking good use of our digital sales platform of "Yuexiu Fangbao" and increase sell-through rate and cash collection rate
- Ensure the achievement of annual sales target

Product Strategy

- Constantly improve product competitiveness for meeting rigid and improvement demands, optimize standard systems of products and green residential products
- Constantly improve unique TOD product lines and service system

Operation Strategy

- Optimize the 3.5-level operation systems for a lean headquarter, stronger regions & cities and better projects. Speed up turnover and progress of the project to guarantee supply of sellable resources, completion and delivery of projects
- Strengthen regular interactions between the Group and Yuexiu REIT and promote the "Asset Manager" commercial business model

Financial Strategy

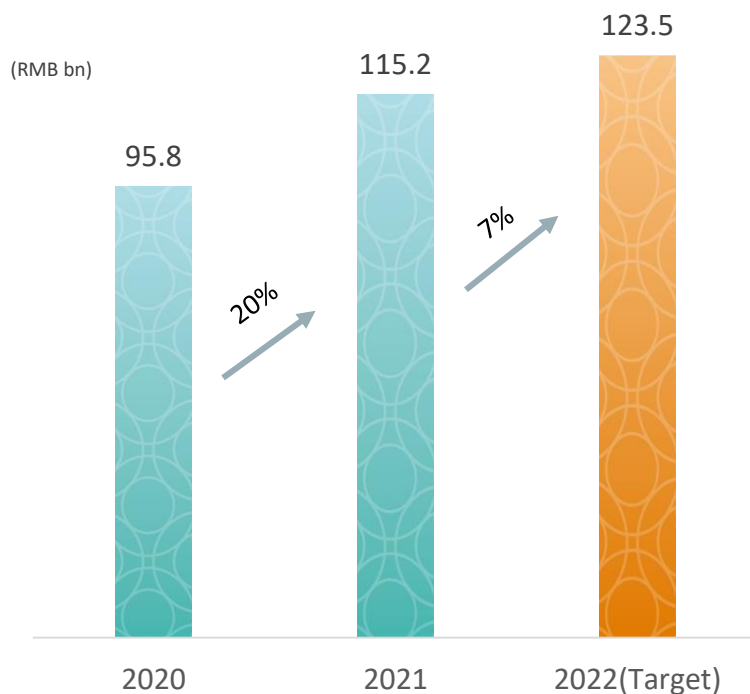
- Keep the "Three Red Lines" indicators all in "green lights" and the Investment Grade Ratings of Moody's and Fitch
- Expand financing channels, reduce financing costs, and ensure healthy financial position and sufficient cash flow

Organization Strategy

- Build an outstanding team of professional managers by strengthening external solicitation and internal cultivation of talents
- Continuously optimize performance based incentives, co-investment mechanism and key employee share scheme

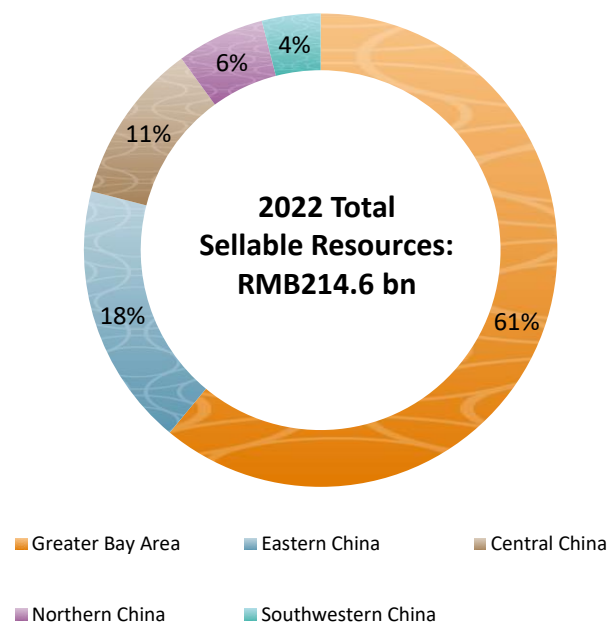
2022 SALES AND OPERATIONAL TARGETS

2022 Contracted Sales Target: **RMB123.5 bn**



Sustainable Contracted Sales Growth

Total Sellable Resources



Ample Sellable Resources

Operational plans ⁽¹⁾

GFA (mm sq.m.)	2022E	2021A
PUD	18.92	17.90
New Construction Starts	7.75	7.36
Completion	6.73 ⁽²⁾	6.62

Notes: (1) Including joint venture projects

(2) Completion for consolidation GFA was 4.93 mm sq.m.

Planned and Orderly Operation

2022 KEY OPERATING CASH FLOWS

Cash Inflow (RMB bn)	2022E
Property Sales	88.88
Rental Income and Other	2.21
Total	91.09

Cash Outflow (RMB bn)	2022E
Land Premium and Auction Deposits*	45.72
Construction Cost	23.38
Interest Payment	3.96
Tax and Administrative and Other Expenses	17.71
Total	90.77

*Note: Excluding payment for acquisitions from Yuexiu Group



越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED



THANK YOU!

DISCLAIMER

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