

WHERE GOOD
LIVING STARTS

2022 ANNUAL RESULTS

15 March 2023





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- 2 Business Updates
- 3 Future Outlook

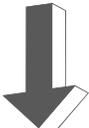
RESULTS HIGHLIGHTS

 **RMB125.03 bn**
Contracted Sales  **8.6%**

- Contracted sales value reached RMB125.03 bn, +8.6% y-o-y
- Contracted sales value in GBA reached RMB59.68 bn, accounting for 47.7%, among which Guangzhou sold RMB53.19 bn, accounting for 42.5%
- Contracted sales value in Eastern China reached RMB42.95 bn, accounting for 34.4%
- As of 31 December 2022, unrecognized sales value was RMB178.97 bn, +18.8% compared with the beginning of the year

 **RMB4.24 bn**
Core Net Profit  **2.1%**

- Profit Attributable to Equity Holders was RMB3.95 bn, +10.2% y-o-y
- Core net profit was RMB4.24 bn, +2.1% y-o-y
- Final dividend per share was RMB0.272, +2.6% y-o-y
- Annual dividend per share was RMB0.547, +2.1% y-o-y
- Dividend payout ratio was 40% of core net profit
- In addition, to reward shareholders for their unwavering support, on the 30th anniversary of listing and the 40th anniversary of the establishment of Yuexiu Property, the Board has resolved to declare the Special Dividend in the form of the Distribution in Specie of certain Units of Yuexiu REIT held by the Group to the qualifying shareholders on the basis of 62 Units for every 1,000 Shares

 **4.16%**
Average Borrowing Cost  **10b.p.t.**

- Total liabilities/total assets ratio(ex. unearned revenue), net gearing ratio and cash/short-term debt ratio were 68.8%, 62.7% and 2.23x respectively. “Three Red Lines” indicators remained all in “green lights”
- Successfully issued onshore RMB9.84 bn corporate bonds at low-cost, with weighted average coupon rate of 3.11%
- Average borrowing cost decreased by 10 b.p.t. to 4.16% and debt structure was continuously optimized with multiple financing channels
- Maintained Baa3 and BBB- Investment Grade ratings with “Stable” outlooks by Moody’s and Fitch respectively

RESULTS HIGHLIGHTS

6.95 mm sq.m.

Newly Added Landbank

- Through “6+1” unique and diversified land acquisition platform, 37 land parcels with a total GFA of 6.95 mm sq.m. were newly acquired in 12 cities, all of which are located in first-and second-tier cities. 15 parcels with GFA of 2.92 mm sq.m. were added in GBA, of which 10 parcels with GFA of 2.27 mm sq.m. were added in Guangzhou. 11 parcels with GFA of 1.72 mm sq.m. were added in Eastern China Region
- 53% of the new land parcels was acquired through such land acquisition channels as TOD, city operation and SOEs cooperation, etc.
- As of 31 December, the total landbank of the Group was 28.45 mm sq.m., of which the GBA, Guangzhou and Eastern China Region accounted for 49.8%, 42.8% and 16.1% respectively

TOD Model A Breakthrough in National Expansion

- Successfully acquired Guangzhou Pazhou South TOD project from the parent company with a total GFA of approx. 0.43 mm sq.m., achieving sales of RMB10.14 bn within the year
- First TOD project, Hangzhou Gouzhuang TOD project, was obtained outside the GBA through Hangzhou Equity Exchange, with a total GFA of approx. 0.37 mm sq.m., achieving sales of RMB0.76 bn within the year. The TOD model achieved a new breakthrough in national expansion
- Total landbank of TOD projects were 3.86 mm sq.m., accounting for 13.6% of the Group’s total landbank
- TOD projects achieved solid contracted sales of RMB22.09 bn in the year, +23.6% y-o-y

Operation Management Improved Continuously

- Made solid progress in four major refining management initiatives by focusing on digital marketing, product standardization, lean costs management and high quality delivery
- Continuously optimized organizational system by fully implementing “big project manager” management mechanism and constructing a "project-centric, cross-disciplinary" operation model to improve front-line operational efficiency and stimulate productivity
- The incentive mechanism was continuously optimized with enriched and improved KPI, and the stock incentive plan was integrated with the daily operation incentives. The staff structure was continuously optimized

INCOME STATEMENT ITEMS

RMB bn	2022	2021	Y-O-Y
Revenue	72.42	57.38	+26.2%
Gross Profit	14.81	12.48	+18.6%
Gross Profit Margin	20.4%	21.8%	-1.4 p.p.t.
Net Other Gains	0.21	1.50	-
SG&A Expenses	3.81	3.21	+18.6%
Profit Attributable to Equity Holders	3.95	3.59	+10.2%
Core Net Profit ⁽¹⁾	4.24	4.15	+2.1%
EPS	RMB1.2767	RMB1.1590	+10.2%
Final Dividend Per Share(RMB) ⁽²⁾	RMB0.272	RMB0.265	+2.6%
Final Dividend Per Share(HKD) ⁽²⁾	HKD0.307	HKD0.328	-6.4%
Annual Dividend Per Share(RMB) ⁽²⁾	RMB0.547	RMB0.536	+2.1%
Annual Dividend Per Share(HKD) ⁽²⁾	HKD0.626	HKD0.654	-4.3%
Dividend Payout Ratio	40%	40%	

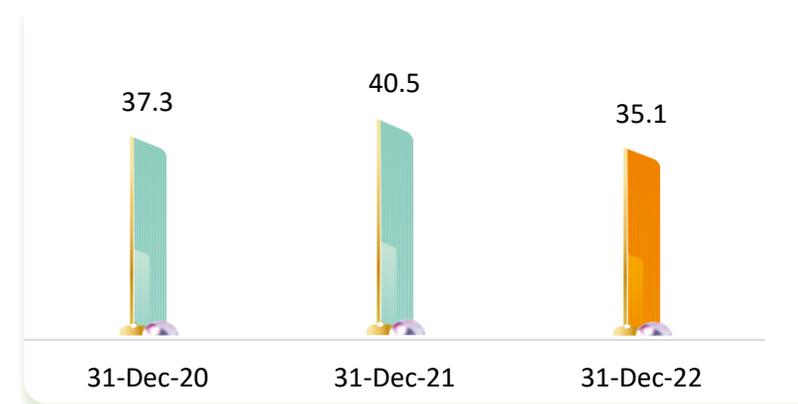
- Notes:
- (1) Excluding the net foreign exchange gain/(loss) recorded in the consolidated income statement, net increase/(decrease) value and related tax effects assessed by the continuous holding of investment properties (excluding current disposal of investment properties)
 - (2) The weighted average number of ordinary shares in 2022 were 3,096,456,087

BALANCE SHEET ITEMS

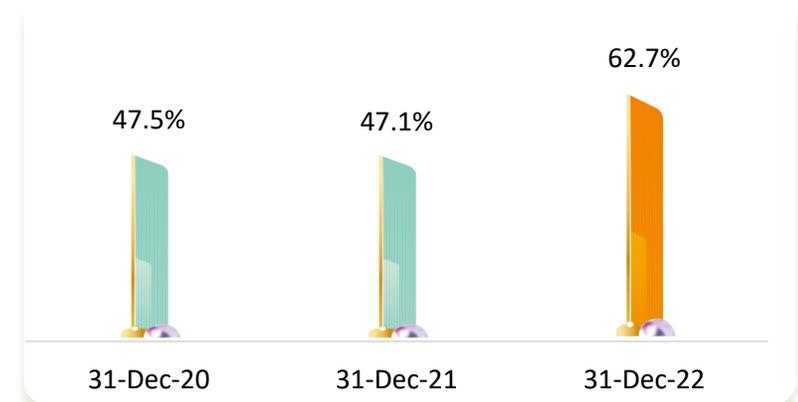
RMB bn	31 December 2022	31 December 2021	Change
Cash ⁽¹⁾	35.12	40.50	-13.3%
Total Borrowings	88.30	75.53	+16.9%
Gearing Ratio ⁽²⁾	44.3%	37.0%	+7.3 p.p.t.
Net Gearing Ratio ⁽³⁾	62.7%	47.1%	+15.6 p.p.t.
Total Assets	346.35	313.85	+10.4%
Shareholders' Equity	47.43	46.24	+2.6%
Net Asset Per Share	RMB15.32	RMB14.93	+2.6%

- Notes:
- (1) Including cash, cash equivalents and charged bank deposits
 - (2) $\text{Gearing Ratio} = (\text{Total Borrowings} - \text{Cash}) / \text{Total Capitalization}$
 - (3) $\text{Net Gearing Ratio} = (\text{Total Borrowings} - \text{Cash}) / \text{Net Asset}$

Cash (RMB bn)

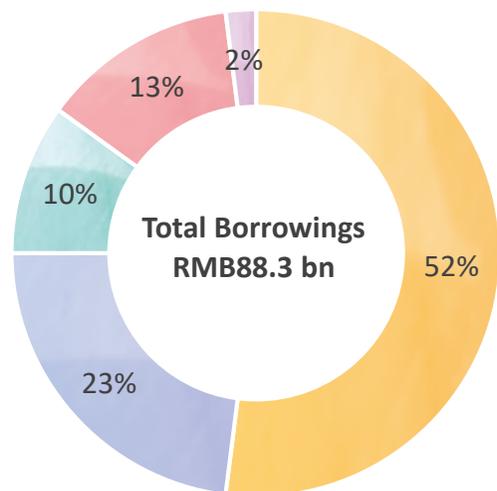


Net Gearing Ratio



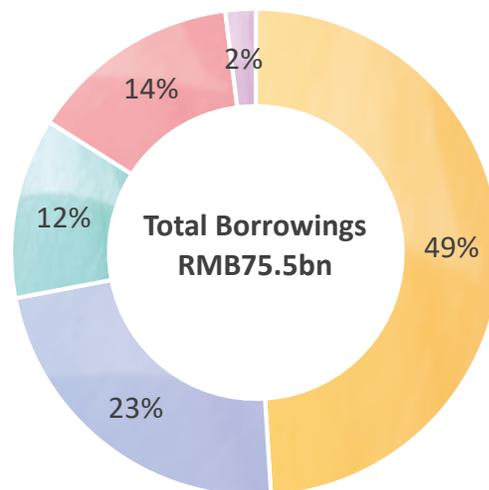
DEBT STRUCTURE ANALYSIS

31 December 2022



Onshore Borrowings: **75%**
Offshore Borrowings: **25%**

31 December 2021



Onshore Borrowings: **72%**
Offshore Borrowings: **28%**

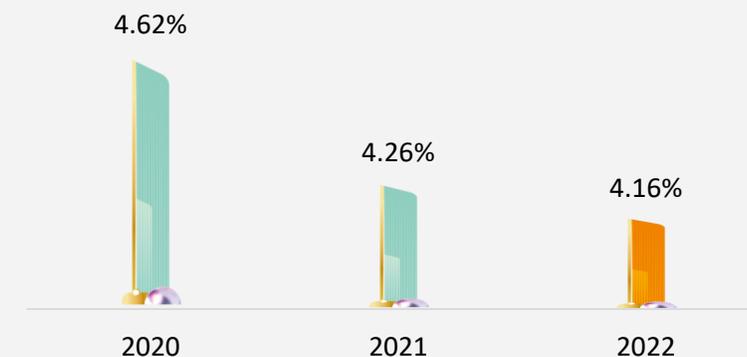
- RMB Bank Borrowings
- HKD Bank Borrowings
- HKD Bonds

- RMB Bonds
- USD Borrowings

Debt Maturity



Average Borrowing Interest Rate



CASH FLOW ANALYSIS

RMB bn	2022	2021
Cash at the Beginning of the Year*	40.50	37.31
Cash from Operation	78.30	75.46
Operating Expenses	(74.64)	(80.16)
Land Premium Paid and Auction Deposits	(41.58)	(44.48)
Development Cost	(15.07)	(18.12)
Tax and Administrative and Other Expenses	(17.99)	(17.56)
Cash Inflow/(Outflow) from Operating	3.66	(4.70)
Cash (Outflow) from Investing	(1.55)	(7.03)
Cash (Outflow)/Inflow from Financing	(7.49)	14.92
Cash at 31 December 2022*	35.12	40.50

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

“THREE RED LINES” INDICATORS & CREDIT RATINGS

“Three Red Lines” Indicators

68.8% <70%
Total liabilities/ Total Assets Ratio
(Ex. Unearned Revenue)

62.7% <100%
Net Gearing Ratio

2.23x >1.0x
Cash/Short-term
Debt Ratio

All “Three Red Lines” indicators remain in
“green lights”

“Investment” Grade Credit Ratings

MOODY'S
INVESTORS SERVICE

Rating: Baa3, Outlook Stable

Key Rating Drivers

- Strong sales performance
- Abundant and high quality landbank
- Stable and safe financial position
- Strong support from parent company

FitchRatings

Rating: BBB-, Outlook Stable

Key Rating Drivers

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

ESG PERFORMANCE

Sustainable Governance Structure

The Group established the ESG Committee of the Board and consolidated the leading group and the execution group in 2022. Under the guidance of the ESG Committee of the Board, the Group carried out ESG management through the circular management process of P-D-C-A (Plan-Do-Check-Act) to continuously enhance and improve the ESG management



Index Joined and Ratings

MSCI ESG Rating



Rating maintained BB in 2022

GRESB Rating



Won two - star rating with 79 points

Hang Seng Climate Change
1.5°C Target Index



First joined in 2022

ESG transparency continued to improve

The official website has launched a sustainability section, including sustainability goals, sustainability reports, sustainability governance, sustainability policies, ESG ratings and sustainability developments to provide a more convenient and comprehensive channel for stakeholders to understand the progress of Yuexiu Property's ESG work



ESG environmental performance continued to improve

Compared to 2021

Newly Added Total Certified Green Building Floor Area in 2022

4.99 mm sq.m.

↑ 113%

Electricity consumption in 2022

38.99 mm kWh

↓ 1%

Total greenhouse gas emissions in 2022

64,000 tons of carbon dioxide equivalent

↓ 10.8%

Social performance indicators achieved remarkable results

In 2022

Customer satisfaction

90 points

Coverage rate of safety education

100%

Number of Attendance of Responsible marketing training

7,700

Employee training coverage rate

100%

Total training hours

331,600

Employee participation in volunteer service hours

25,877

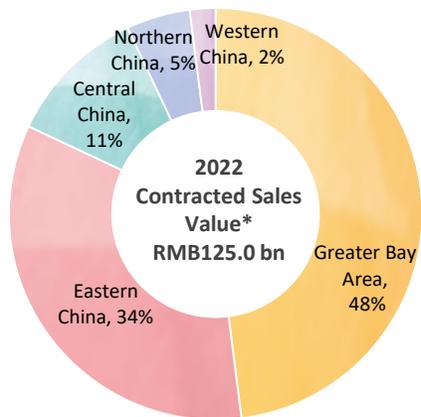
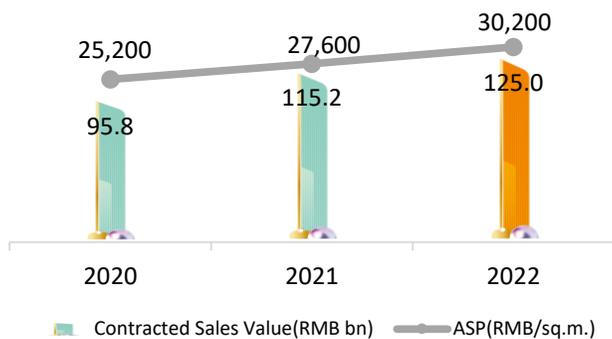


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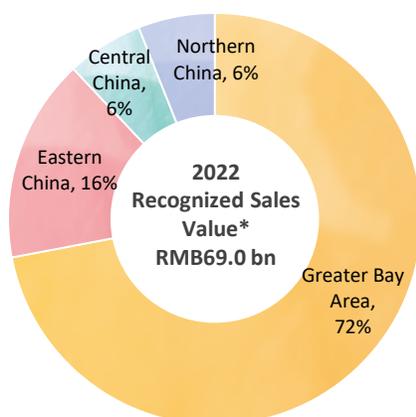
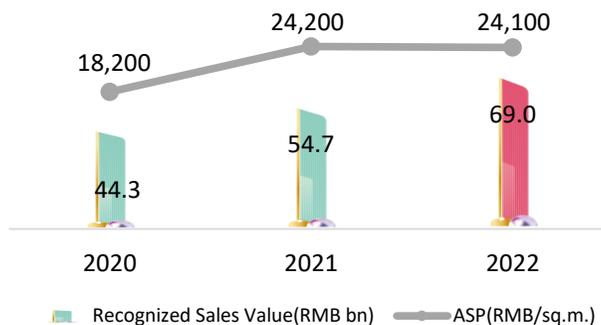
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CONTRACTED, RECOGNIZED & UNRECOGNIZED SALES

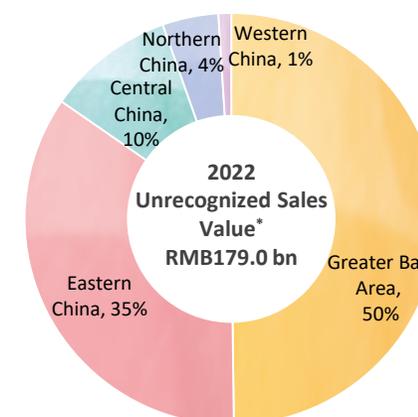
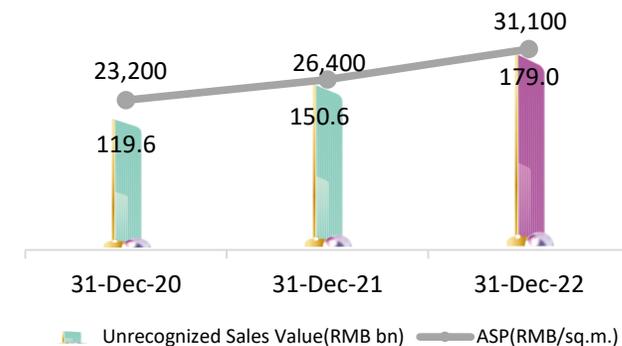
Contracted Sales



Recognized Sales



Unrecognized Sales



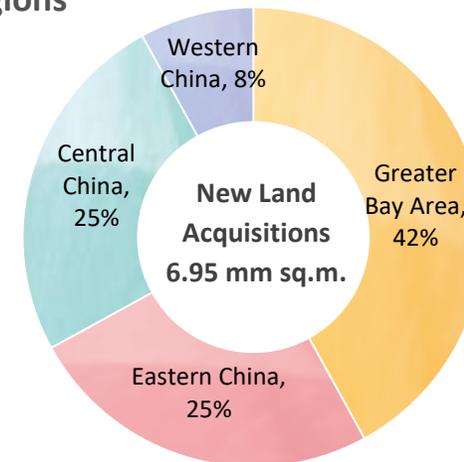
*Note: Including sales from joint venture projects and associates

NEW LAND ACQUISITIONS IN 2022

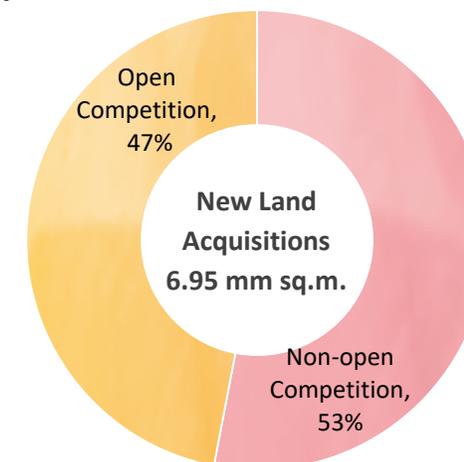
No.	Projects	GFA (sq.m.)	Equity Holding
1	Guangzhou Tianhe Grand Mansion	241,700	95.48%
2	Guangzhou Pazhou South TOD Project	429,100	46.78%
3	Guangzhou Xingang Road East Land	128,800	95.48%
4	Guangzhou Nanhua Land	28,400	9.55%
5	Guangzhou Zinc Plate Plant Land	218,700	52.42%
6	Guangzhou Baiyun Guanglong Land II	90,600	95.48%
7	Guangzhou Xingye Avenue Land	399,700	9.55%
8	Nansha Ocean One (previous name: Nansha Hengli Island Land II)	87,900	95.48%
9	Nansha Meishan Land	494,100	95.48%
10	Nansha Qingsheng Land	153,700	95.00%
11	Shenzhen Bao'an Center Land	80,600	9.55%
12	Shenzhen Bao'an Xixiang Land	96,500	9.55%
13	Nanhai Starry Wenhan	96,000	4.85%
14	Nanhai Imperial Pearl (previous name: Nanhai Shishan Land)	176,400	9.50%
15	Zhongshan Yuexiu Grand Palace	197,800	48.45%
Subtotal (Greater Bay Area)		2,920,000	
16	Shanghai City Gather	125,400	47.50%
17	Shanghai Urban Prism	268,200	47.50%
18	Hangzhou Celestial Ocean	219,600	24.47%
19	Hangzhou Celestial Palace	73,800	47.98%
20	Hangzhou Cloud Palace	213,200	19.00%
21	Hangzhou Opus Mansion	75,200	46.55%
22	Hangzhou Joy Paragon (previous name: Hangzhou Jinnan New Town Land I)	69,200	95.00%
23	Hangzhou Joy Mansion (previous name: Hangzhou Jinnan New Town Land II)	76,900	95.00%
24	Hangzhou Twinkle Mansion (previous name: Hangzhou Qingshanhu Sci-tech City Land)	142,800	50.31%
25	Hangzhou Infinite Island (previous name: Hangzhou Yuhang Gouzhuang Land)	370,700	51.00%
26	Nanjing Grand Mansion	89,100	98.00%
Subtotal (Eastern China Region)		1,724,100	
27	Hefei Starry Junlan (previous name: Hefei Yaohai Land)	194,900	99.64%
28	Hefei Tan Gim	169,300	31.35%
29	Hefei Feixi Land I	225,100	32.88%
30	Hefei Feixi Land II	171,500	32.88%
31	Zhengzhou Yuexiu Future Mansion	410,500	48.45%
32	Zhengzhou Jinshui Land	112,000	76.00%
33	Changsha Scenery Culture	235,900	28.50%
34	Changsha Mountain Mansion	196,300	9.50%
Subtotal (Central China Region)		1,715,500	
35	Chongqing Galaxy Garden	329,700	48.69%
36	Chengdu Empyreal Winking	64,700	95.00%
37	Chengdu Lake Mansion	196,600	95.00%
Subtotal (Western China Region)		591,000	
Total		6,950,600	



By Regions

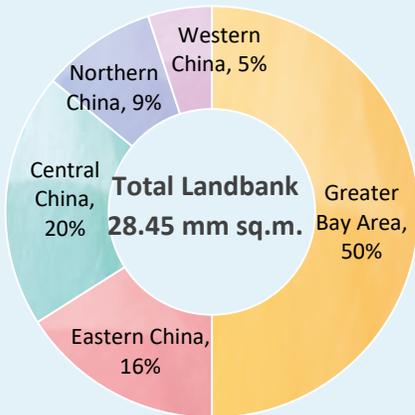


By Acquisition Channels

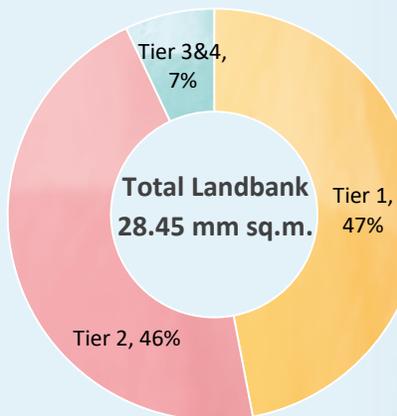


TOTAL LANDBANK

By Regions



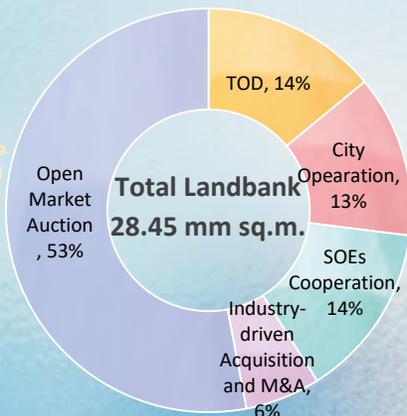
By Tier



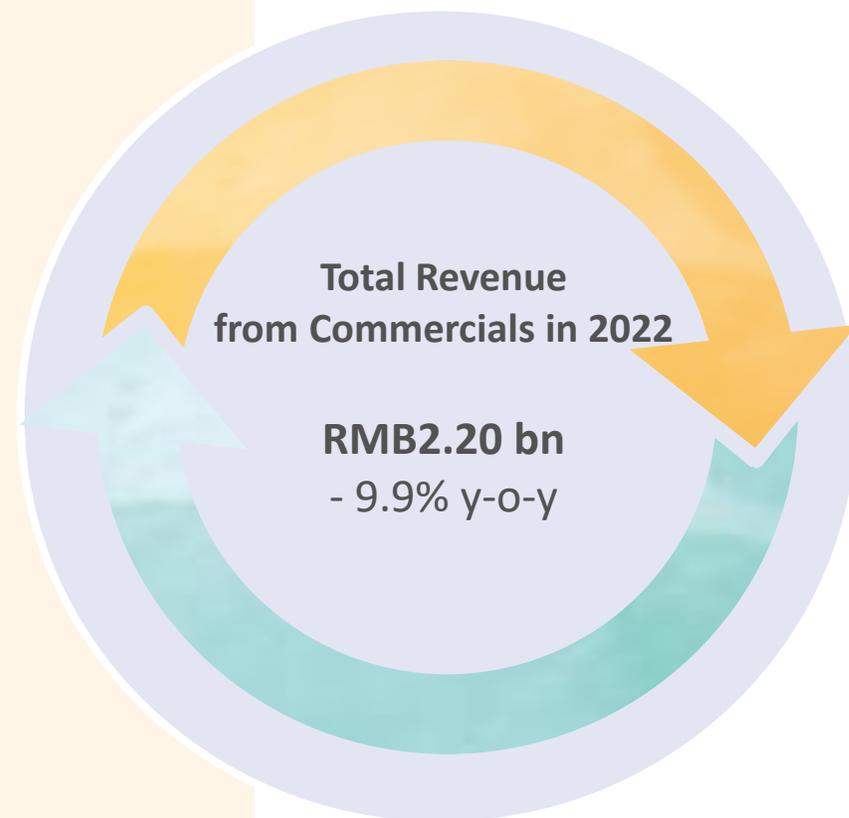
Total Landbank: 28.45mm sq.m.
Number of Cities Entered: 30



By Acquisition Channels



UNIQUE BUSINESS MODEL FOR COMMERCIALS



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



Total Rental Income in 2022: **RMB0.33 bn**

- Leasing GFA: 865,800 sq.m.
- PUD GFA: 324,600 sq.m.
- PFD GFA: 396,100 sq.m.



Total Income in 2022: **RMB 1.87 bn**

- Total GFA ⁽²⁾: 1,184,200 sq.m.
- Office Assets GFA : 871,200 sq.m.
- Retail Assets GFA: 120,200 sq.m.
- Hotel and Apartment GFA: 142,600 sq.m.
- Wholesale Assets GFA: 50,200 sq.m.

Notes: (1) Yuexiu Property held 41.39% of Yuexiu REIT as at 31 December 2022

(2) 804,000 sq.m. was rentable GFA



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PROPERTY MARKET OUTLOOK IN 2023



The regulatory policies will insist on "housing is for living rather than for speculation" and be "city-specific", and will loosen from both supply and demand sides to support residents' self-occupation and upgrading housing demand, for maintaining a healthy recovery and development of property market



As policy effectiveness to be released, market confidence improves and the willingness to buy homes gradually returns, the property market is expected to bottom out and rebound, with market size and prices stabilizing. With intensified differentiation in market and developers, market concentration will rise. The market structure and competitive structure of the industry will undergo profound changes



The land market remains weak in the short term, but with a turnaround of the housing market, the land market will gradually recover with obvious differentiation, markets in tier-1 and tier-2 cities will recover more quicker. High-quality developers with financial prudence will have obvious advantages in land acquisitions



The financing environment for the industry will gradually ease and differentiate, developers with sound financials and high-quality operations will position themselves well for better access to financial resources

INVESTMENT STRATEGIES



OPERATION STRATEGIES

- Implement pinpoint project by project marketing strategy based on the characteristics of cities and projects, improve sell-through rate and accelerate property sales and cash inflows by deepening digital marketing with “Yuexiu Fangbao” and more accurate pricing
- Achieve the annual sales target

Market Strategy

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

Product Strategy

New Beliefs:

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

New Goals:

Build "New Capabilities, New Mechanisms and New Cultures"

Operation Strategy

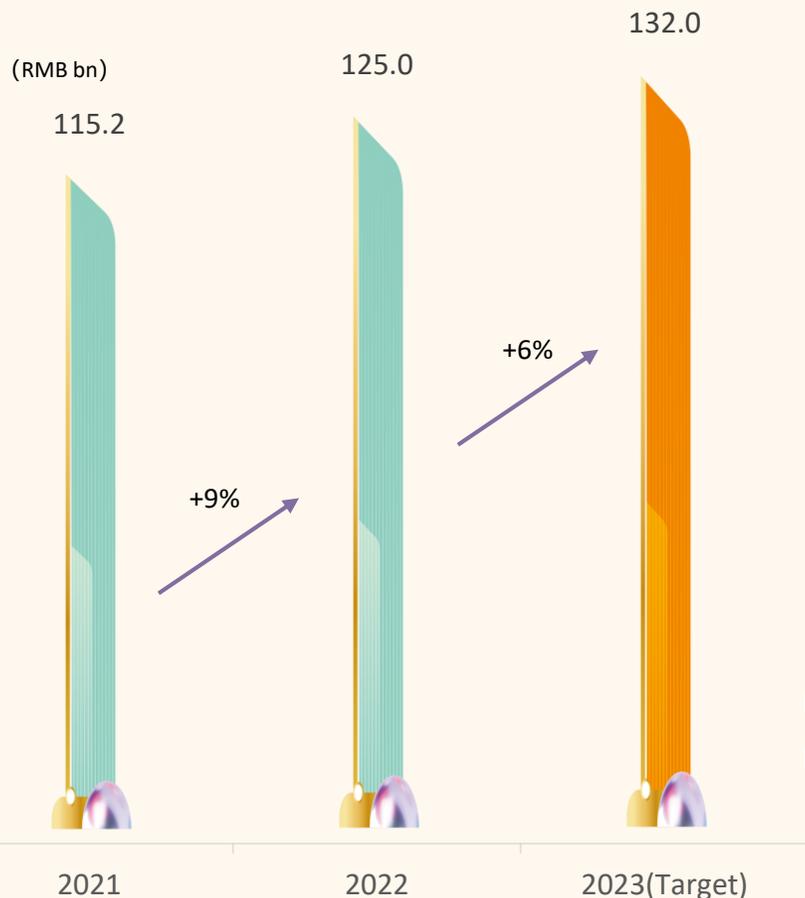
- Optimize the 3.5-level operation systems for a lean headquarter, stronger regions & cities and better projects. Improve operational efficiency, coverage of strategic procurement, engineering quality of projects and establish a full cost management system
- Continuously optimize and streamline the organizational structure to enhance efficiency, improve long-term incentive mechanisms such as co-investment mechanism and key employee share incentive scheme and adhere to culture-led talent management

Financial Strategy

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

2023 SALES AND OPERATIONAL TARGETS

2023 Contracted Sales Target: RMB132.0 bn



2023 Total Sellable Resources: RMB240.0bn



Operational Plans⁽¹⁾

(mm sq.m.)	2023E	2022A
PUD	22.14	20.92
New Construction Starts	8.75	8.59
Completion	7.53 ⁽²⁾	5.57 ⁽³⁾

Notes: (1) Including joint venture projects and associates
 (2) Completion for consolidation GFA is 4.76 mm sq.m.
 (3) Completion for consolidation GFA is 3.75 mm sq.m.

2023 KEY OPERATING CASH FLOWS

Cash Inflow (RMB bn)	2023E
Property Sales	83.29
Other Income	2.39
Total	85.68

Cash Outflow (RMB bn)	2023E
Land Premium and Auction Deposits	40.00
Construction Cost	18.50
Interest Payment	5.18
Tax and Administrative and Other Expenses	20.62
Total	84.30



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



THANK YOU!



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