



越秀服務集團有限公司  
YUEXIU SERVICES GROUP LIMITED

# 2021 ANNUAL RESULTS

Where  
*Good Service*  
Starts



2022年1月27

3 March 2022

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***Results Highlights*** **1**

***Financial Review*** **2**

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# Results Highlights



## Fast-growing Net Profit

- Revenue: **1,918mn** **+64.2%** ▲
- Gross profit margin: **35.0%**
- Net profit<sup>2</sup>: **360mn** **+80.6%** ▲
- Net profit excluding listing expenses and net exchange losses: **395mn**

## Steady Expansion in Management Scale

- GFA under management: **38.87mn** sq.m. **+19.1%** ▲
- Newly obtained GFA under management in 2021: **7.96mn** sq.m.
- Contracted GFA: **58.38mn** sq.m. **+17.0%** ▲
- Newly obtained contracted GFA in 2021: **10.21mn** sq.m.

## Breakthrough in TOD PM model

- Revenue from TOD business : **238mn**, **12.4%** of total revenue
- Newly obtained contracted GFA of TOD projects in 2021: **1.14mn** sq.m.
- Established a footprint outside Guangzhou for the first time by contracting for **Fuzhou** Metro Line 2 project

## Continuous Development of Commercial PM and Operation

- Revenue of commercial segment: **493mn**, **25.7%** of total revenue **+38.2%** ▲
- GP margin of commercial segment: **35.8%**
- Newly obtained contracted GFA of commercial projects in 2021: **1.66mn** sq.m. **+183.2%** ▲

## Rapid Growth in Community VAS

- Revenue from community VAS: **442mn** **+228.8%** ▲
- Segment revenue represented **23.0%** of total revenue **+11.5p.p.** ▲
- Actively promoted the home decoration services, generating revenue of **139mn**

Note:

1. Currency: RMB

2. Net profit=profit attributable to the owners of the Company

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# Results Overview



## Overview of Income Statement

RMB mn	2021	2020	Changes
Revenue	1,918	1,168	+64.2%
Cost of sales	(1,248)	(765)	+63.1%
Gross profit	671	403	+66.3%
Gross profit margin	35.0%	34.5%	+0.5p.p.
Net profit <sup>1</sup>	360	199	+80.6%
Net profit margin <sup>2</sup>	18.7%	17.0%	+1.7p.p.
Basic earnings per share <sup>3</sup> (RMB)	0.27	0.20	+35.0%
Dividend (RMB)	0.083	-	-
Dividend (HKD)	0.102	-	-

## Overview of Balance Sheet

RMB mn	2021.12.31	2020.12.31	Changes
Cash and cash equivalents	3,803	995	+282.4%
Total assets	5,131	2,411	+112.9%
Equity attributable to shareholders	2,932	615	+377.0%

Note:

1. Net profit=Profit attributable to the owners of the Company. Excluding the listing expenses and net exchange losses, profit attributable to owners of the Company amounted to RMB395mn

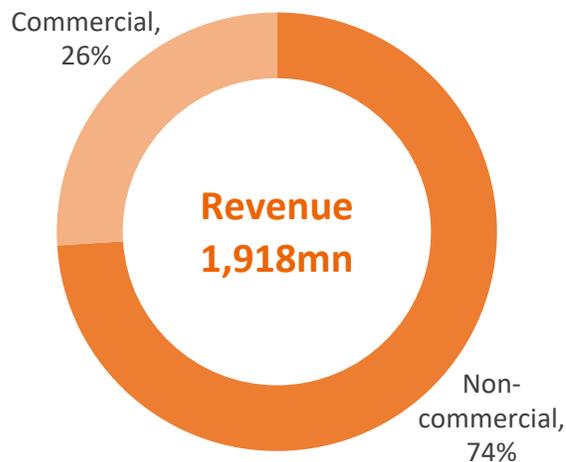
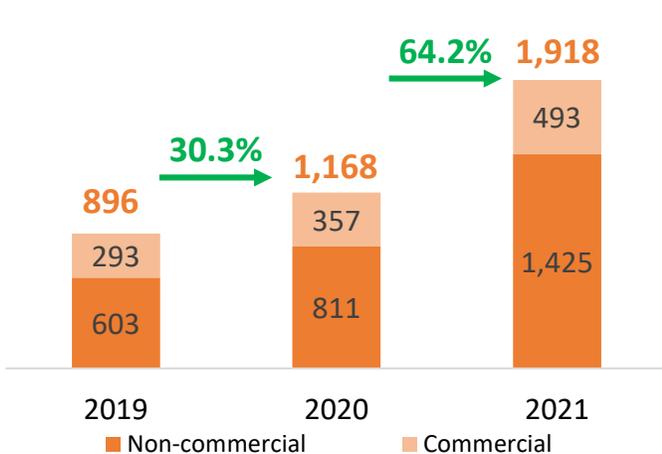
2. Net profit margin=profit attributable to the owners of the Company/revenue\*100%

3. The weighted average number of ordinary shares in 2021 and 2020 were 1,308,445,000 and 1,018,600,000 respectively

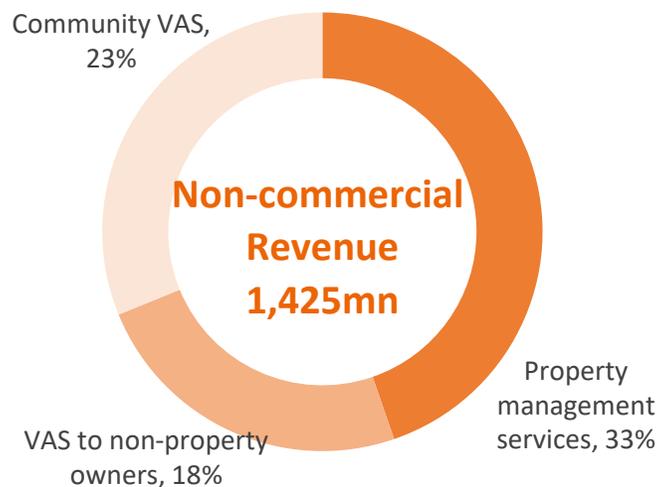
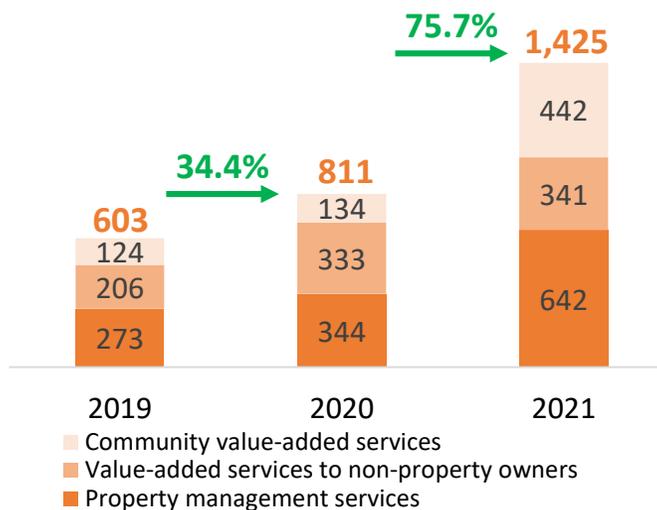
# Revenue



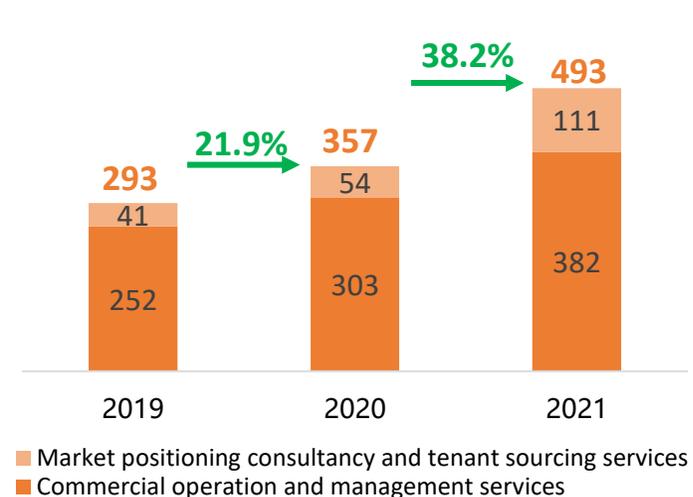
## Revenue



## Non-commercial Revenue

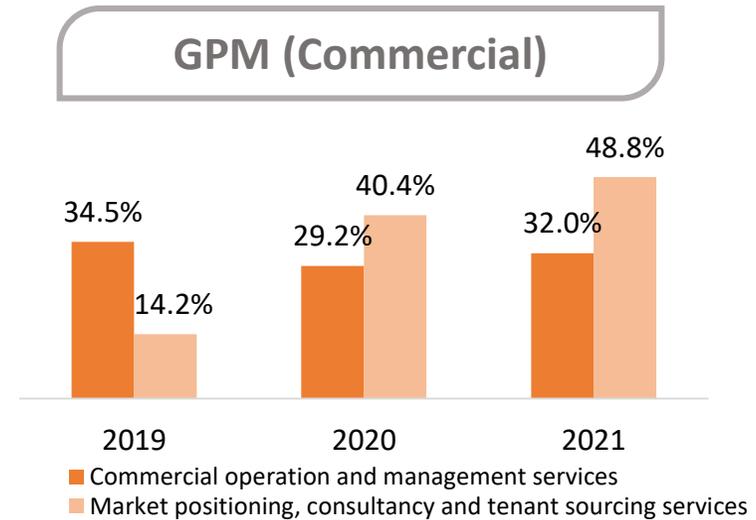
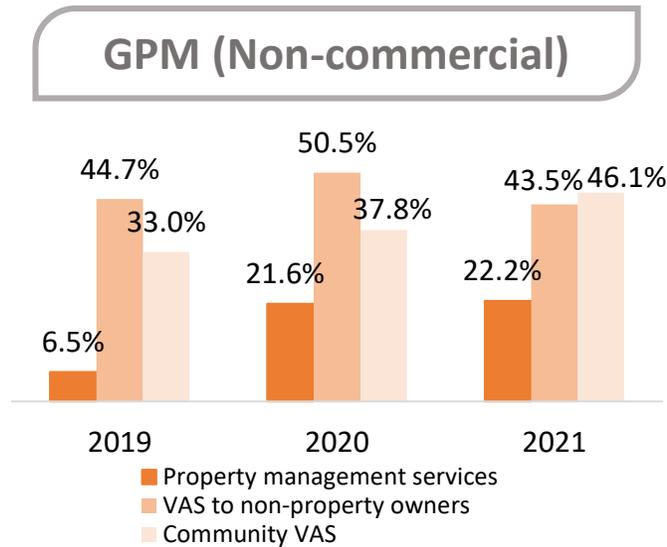
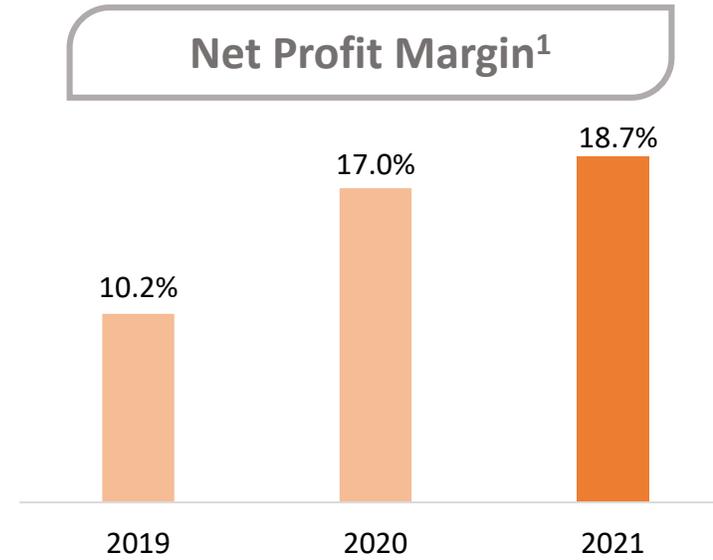
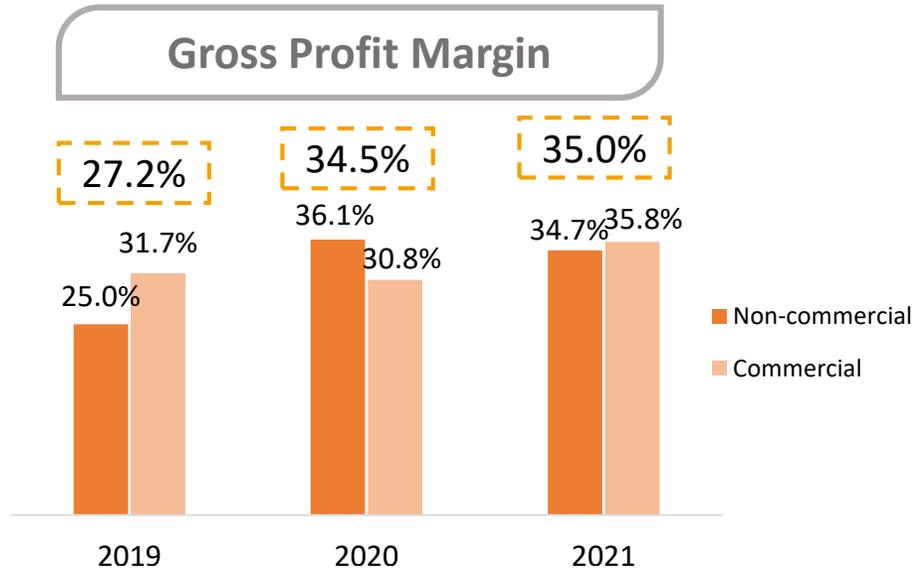


## Commercial Revenue



Note:  
1. Currency: RMB mn

# GPM and NPM



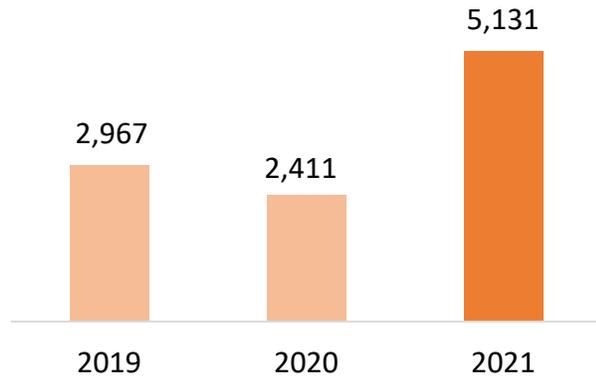
Note:

1、 Net profit margin=profit attributable to the owners of the Company/revenue\*100%

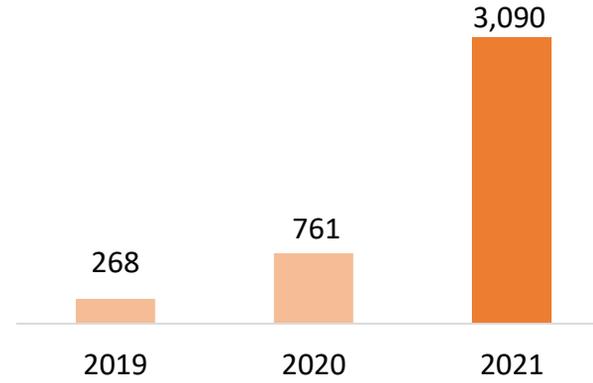
# Overview of Balance Sheet and Cash Flows Statements



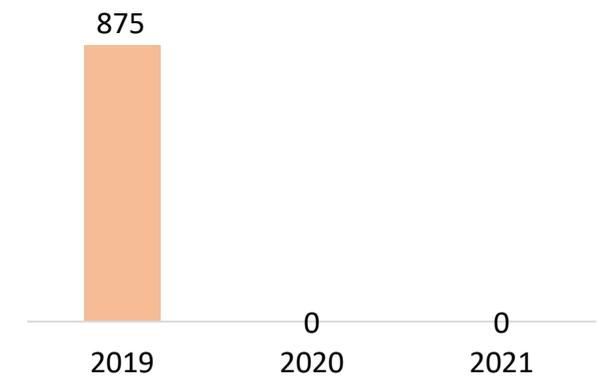
## Total Assets



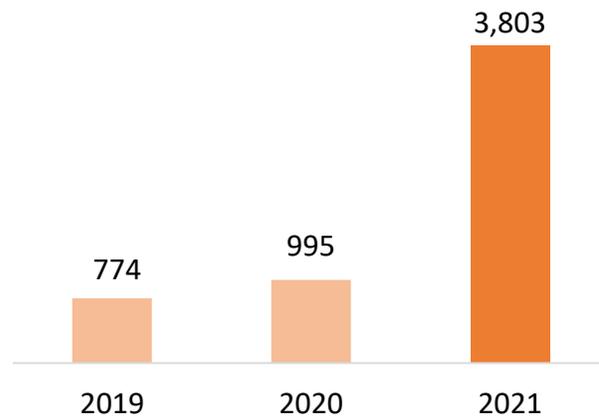
## Net Assets



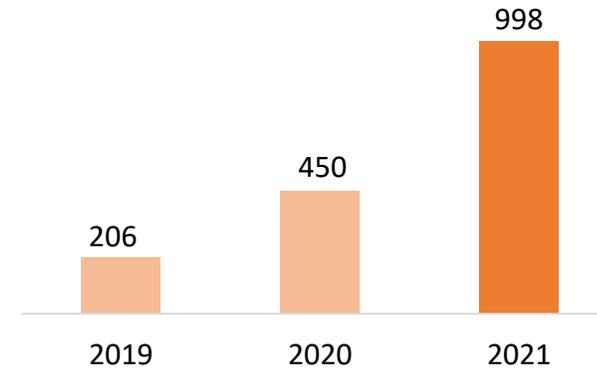
## Borrowings



## Cash and Cash Equivalents



## Operating Cash Flow



Note:

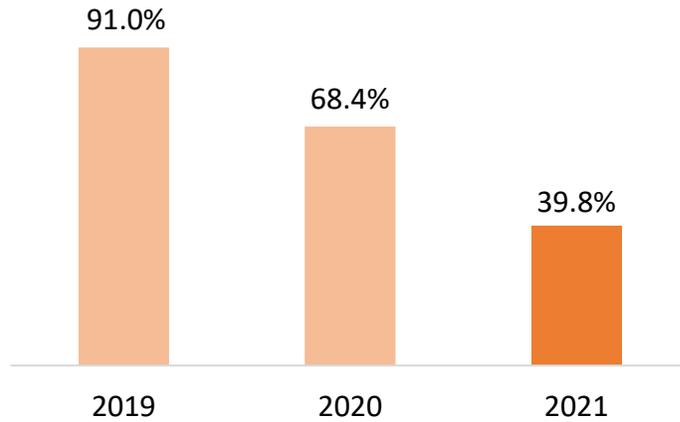
1. Currency: RMB mn

2. As of 31 December 2020 and 2021, the Company had no borrowings

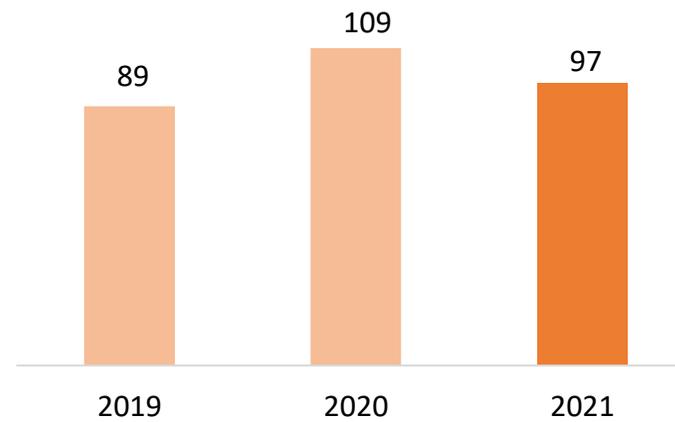
# Major Financial Indicators



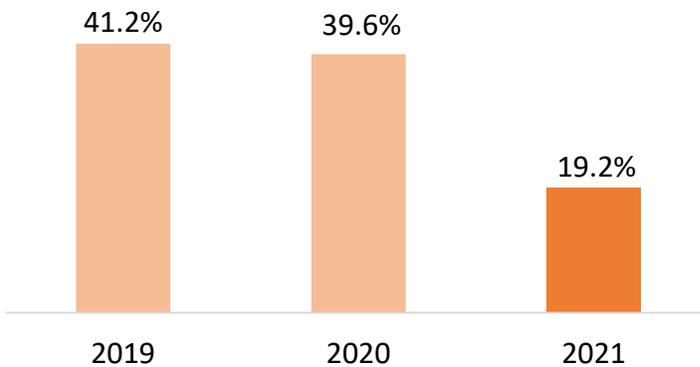
### Liabilities to Assets Ratio<sup>1</sup>



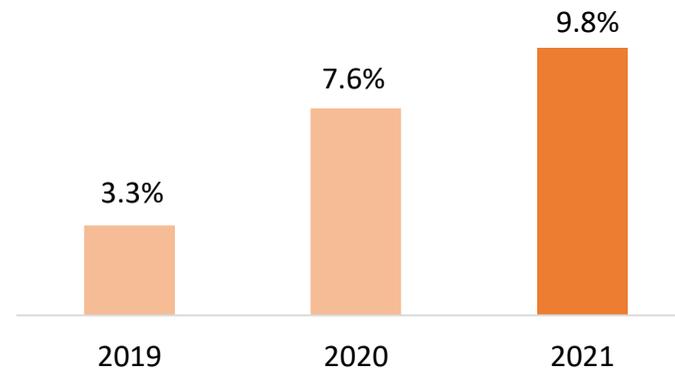
### Trade Receivables Turnover Days<sup>2</sup>



### ROE



### ROA



Note:

1. Liabilities to assets ratio=total liabilities/total assets

2. Trade Receivables Turnover Days=(opening and closing trade receivables)/2×the relevant days of the year/revenue

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# Steady Expansion in Business Scale



**GFA under management<sup>1</sup>**

**38.87** mn sq.m.

**No. of projects under management**

**251**

**Contracted GFA**

**58.38** mn sq.m.

**No. of contracted projects**

**315**

Steady Increase in Business Scale<sup>2</sup>



Changes in Business Scale

(mn sq.m.)	GFA under management	Contracted GFA
<b>2020.12.31</b>	<b>32.65</b>	<b>49.91</b>
Add: Newly obtained in 2021	7.96	10.21
Less: Terminated in 2021	1.74	1.74
<b>2021.12.31</b>	<b>38.87</b>	<b>58.38</b>

Note:

1. As of 31 December 2021

2. Unit: mn sq.m.

# Continuously Optimized Nationwide “1+4” Geographical Coverage



## Contracted GFA<sup>1</sup>:

58.38mn sq.m.

26 cities and Hong Kong



## Contracted GFA (By Region)

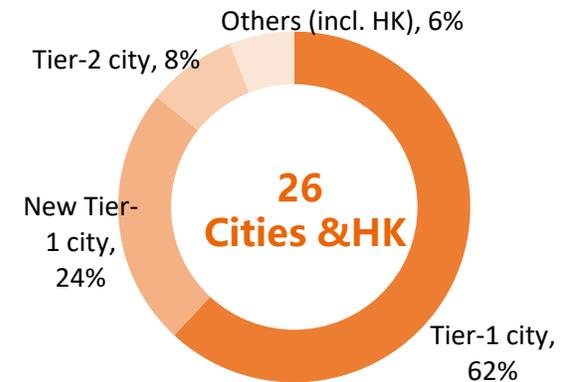
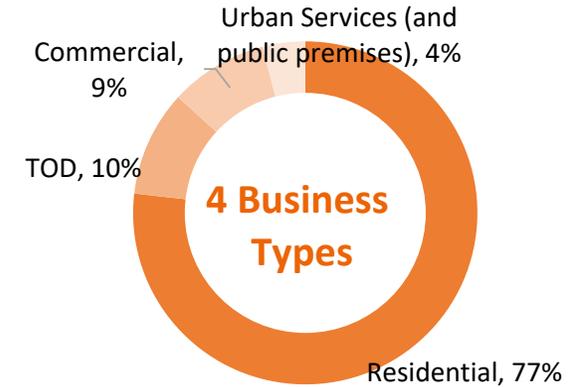
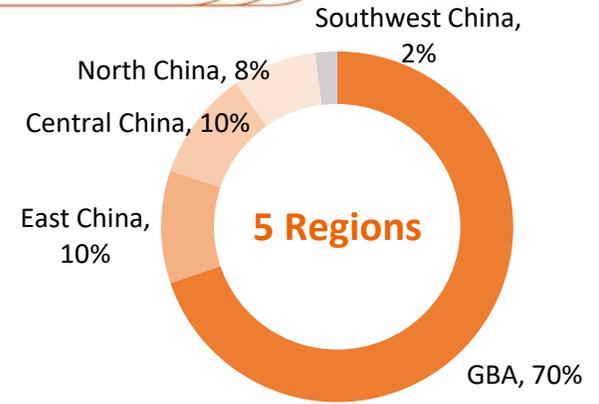
- **GBA:** 40.96mn sq.m.
- **East China:** 6.12mn sq.m.
- **Central China:** 5.76mn sq.m.
- **North China:** 4.61mn sq.m.
- **Southwest China:** 0.93mn sq.m.

## Contracted GFA (By Business Type)

- **Residential:** 44.87mn sq.m.
- **TOD:** 6.12mn sq.m.
- **Commercial:** 5.26mn sq.m.
- **Urban services (and public premises):** 2.13mn sq.m.

## Contracted GFA (By City Tier)

- **Tier-1:** 35.93mn sq.m.
- **New Tier-2:** 14.00mn sq.m.
- **Tier-2:** 4.76mn sq.m.
- **Others:** 3.58mn sq.m.
- **Hong Kong:** 0.11mn sq.m.



Note:  
1. As of 31 December 2021

# Rapid Scale Expansion



No. of projects newly obtained

71

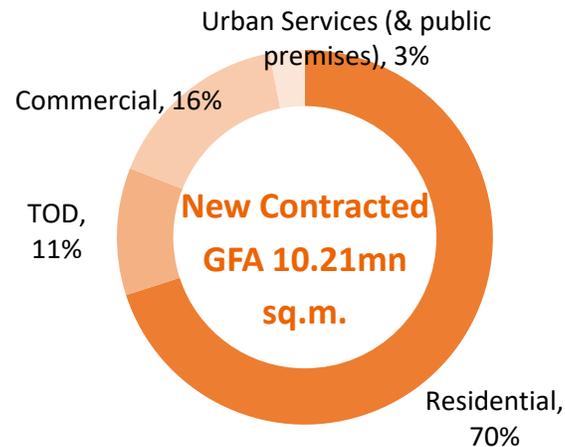
Newly obtained contracted GFA

10.21mn sq.m.

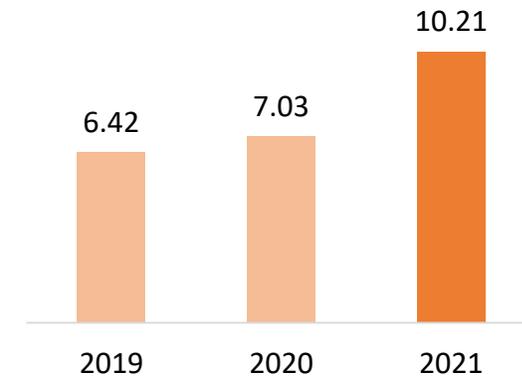
New Contracted GFA (By Region)



New Contracted GFA (By Business Type)



New Contracted GFA in 3 Years<sup>1</sup>



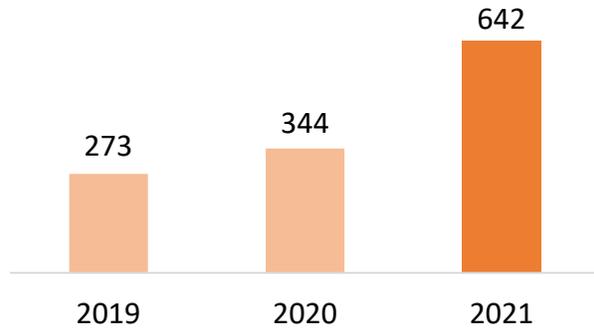
Note:

1. Unit: mn sq.m., excluding the contracted GFA from M&A

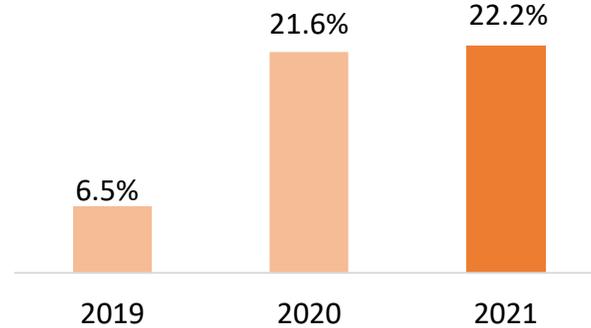
# Continuous Improvement of PM Service Capabilities



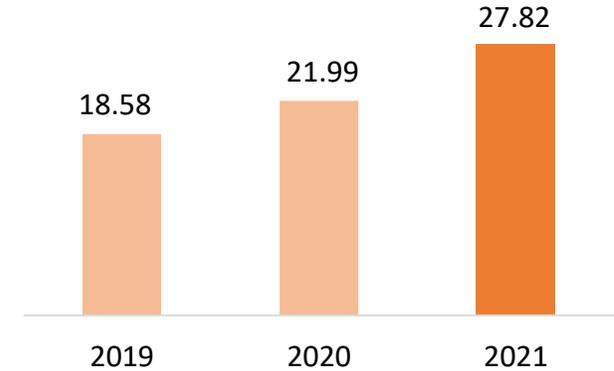
PM Revenue<sup>1</sup>



PM GP Margin



GFA under Management of Residential Projects<sup>2</sup>



## Major Indicators

Avg. PM Fee	RMB2.8/sq.m./month
Collection Rate	96.1%
Satisfaction Rate <sup>3</sup>	88.2

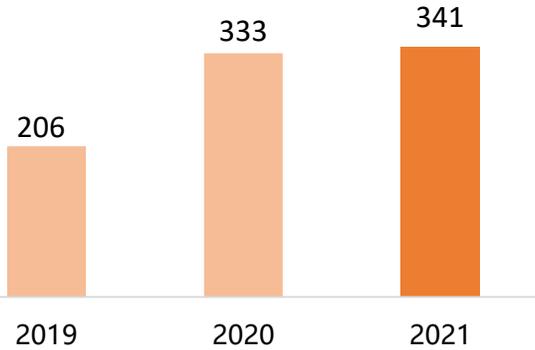


Note:  
1. PM revenue from non-commercial segment; unit: RMB mn  
2. Unit: mn sq.m.  
3. Source: survey data of a third-party research institution

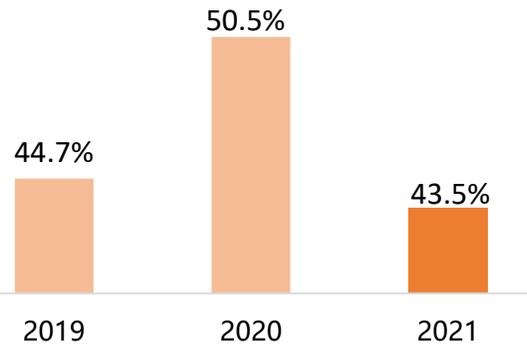
# Steady Growth in VAS to Non-property Owners



## VAS to Non-property Owners Revenue<sup>1</sup>



## VAS to Non-property Owners GP Margin



### Preliminary Services

Bridging between developers, PM companies and property owners

Focused on "design, construction and delivery upon completion"

Provided **all-round consulting services** for project development

Contributed to product improvement and service optimization

### Delivery Services

Coordinated joint handover and acceptance processes  
Assisted with delivery service for developer and introduced property management service in advance  
Worked out the delivery reports and supervised the implementation of project rectifications  
Nearly **30,000 units** were delivered throughout the year



### Sales Office Services

No. of Sales Offices  
**73**

GZ Heyue Mansion  
**Certified by Golden Key Alliance**

Anonymous Customer Ratings<sup>2</sup>  
**98**



Note:

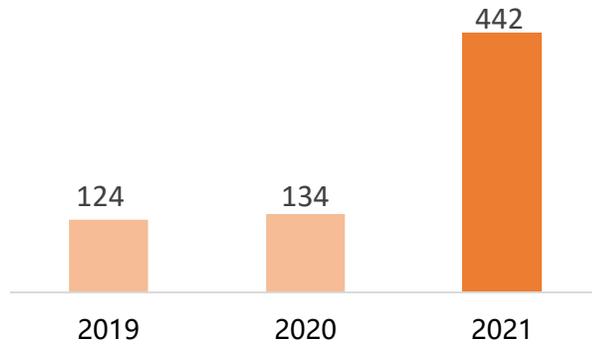
1. Currency: RMB mn

2. Source: survey data of a third-party research institution

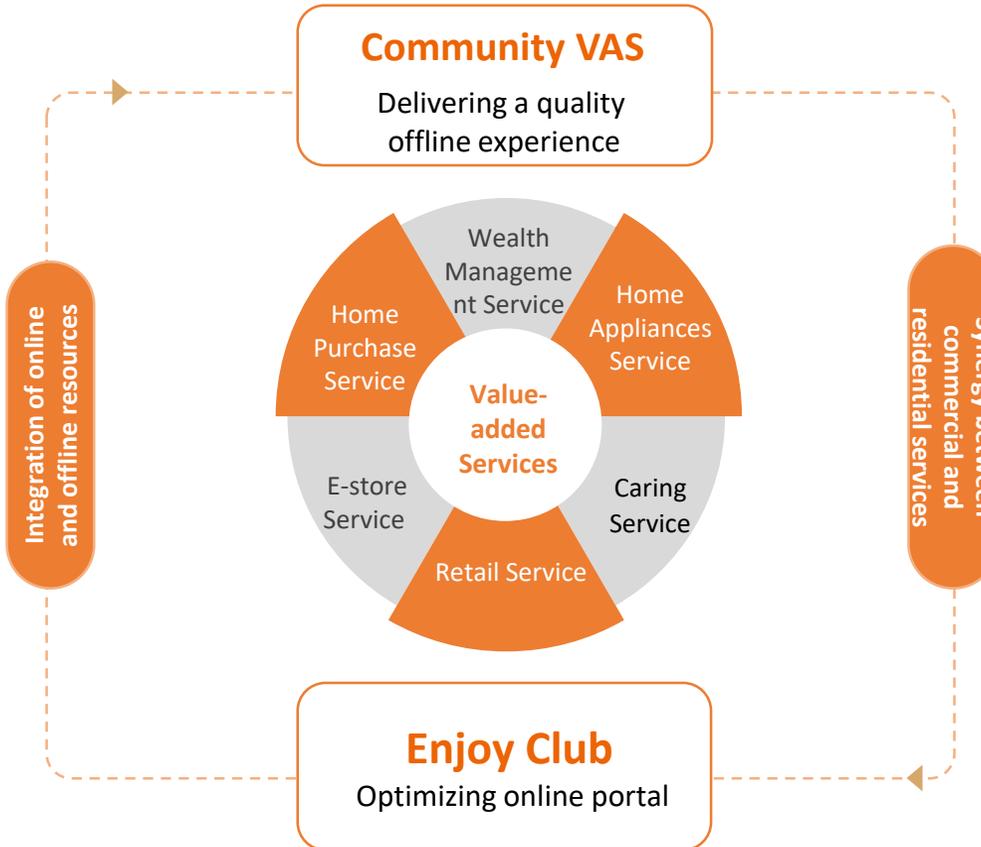
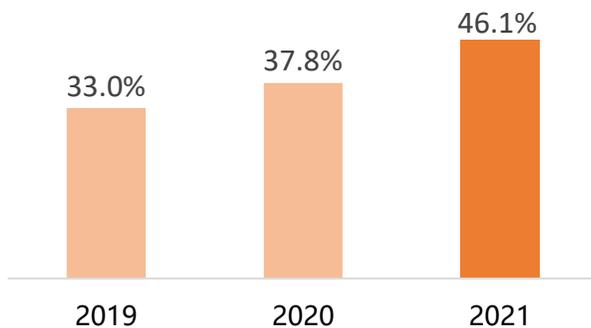
# Optimization and Enhancement of Community VAS



## Community VAS Revenue<sup>1</sup>



## Community VAS GPM



## New Retail Business

Integrating various of resources to develop self-operated products



## Home Decoration Business

Revenue in 2021: 139mn

One-step solution combining renovation, furniture shopping for a complete makeover



Note:  
1. Currency: RMB mn

# Enhanced Efficiency in Community Commercial Services



Building a professional community commercial operation platform leveraging 10 years of experience in commercial operation and management, focusing on tenant sourcing and striving for building a consultancy service system across the entire value chain and a strategic brand resource pool to cultivate the community commercial brand "Living Fun"

**Strategic cooperation brands**

**200+**

**Strategic cooperation merchants**

**500+**

**Total GFA**

**> 200,000** sq.m.

**Consultancy service**

**Across the entire value chain**



Planning



Sourcing



Promotion



Operation



**悦服务**  
Service



**悦鲜生**  
Freshness



**悦展示**  
Display



**悦健康**  
Wellness



**悦成长**  
Education



**悦美味**  
Delicacy

Research and Development

Preparation

Operation

**1**

- Market research
- Competitor analysis
- Project research

**2**

- Project consultation
- New stores introduction
- Marketing consultation & execution
- Showroom decoration consultation & execution

**3**

- Tenant sourcing management and operation

# Unique TOD PM model



## Scale Growth

**6.12mn sq.m.<sup>1</sup>**  
Total Contracted GFA

**5.65mn sq.m.<sup>1</sup>**  
Total GFA under Management

**1.14mn sq.m.<sup>2</sup>**  
New Contracted GFA

**98<sup>1</sup>**  
Metro Stations

**24<sup>1</sup>**  
Metro Depots/Car parks

## Stable Earnings

Revenue: **238mn<sup>2</sup>**  
12.4% of Total Revenue

**23.4%<sup>2</sup>**  
GPM

## Breakthroughs in Expansion

**2022** won the bid for  
Fuzhou Metro Line 2

Built Business Relationships with  
Chongqing, Changsha, Kunming,  
Fuzhou, Nanning and Qingdao

Note:  
1. As of 31 December 2021  
2. For the year ended 31 December 2021

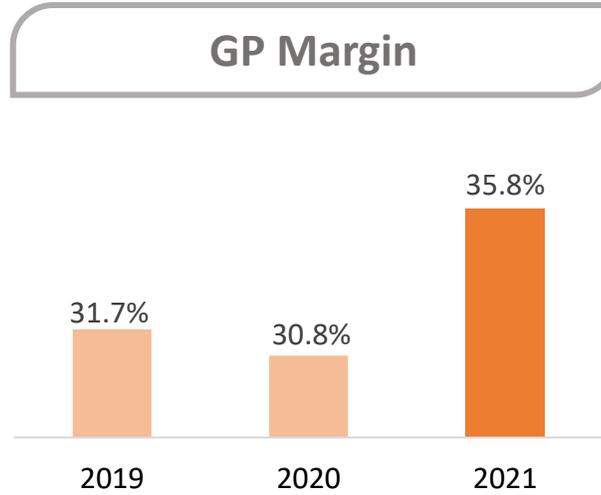
# Solid Growth in Commercial Business



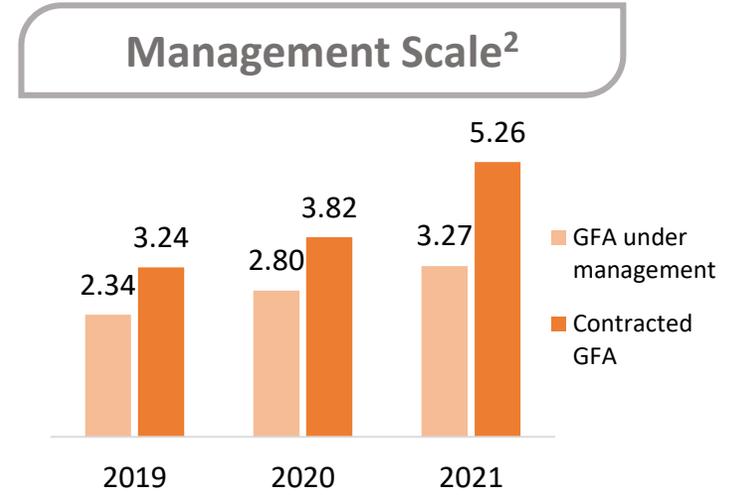
Revenue<sup>1</sup>



GP Margin



Management Scale<sup>2</sup>



Note:

1. Currency: RMB mn

2. As of 31 December 2021; unit: mn sq.m.



# Leader in Premium Office Property Management

- **Management scale of office buildings:** 30+ office buildings under management with GFA of 2.61mn sq.m.<sup>1</sup>, located in Guangzhou, Shanghai, Wuhan, Hangzhou and others
- **Managing skyscraper landmark projects:** Guangzhou IFC - 432m, Guangzhou Yuexiu Finance Tower - 310m, Yuexiu Fortune Center - 330m

## Premium Office Showcase



**Guangzhou IFC**  
As the landmark of Guangzhou and an integral part of Guangzhou's vibrant economy, GZ IFC has been radiating its influence across southern China and serves as a gateway to Asia Pacific and even the rest of the world

### PM Fees of High-end Office Buildings

#### Grade A plus office

(RMB/sq.m/month.):

GZ IFC: 33

GZ Yuexiu Financial Tower: 33

GZ ICC: 35

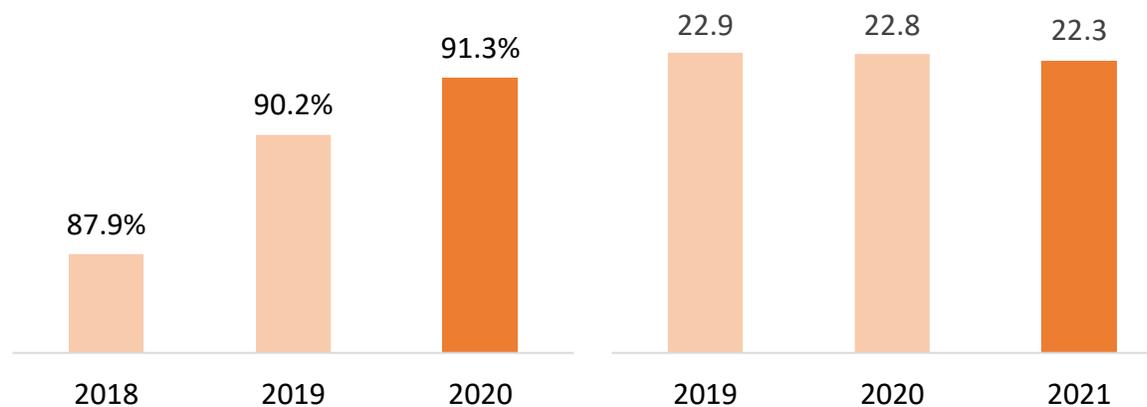
#### Grade A office

(RMB/sq.m/month.):

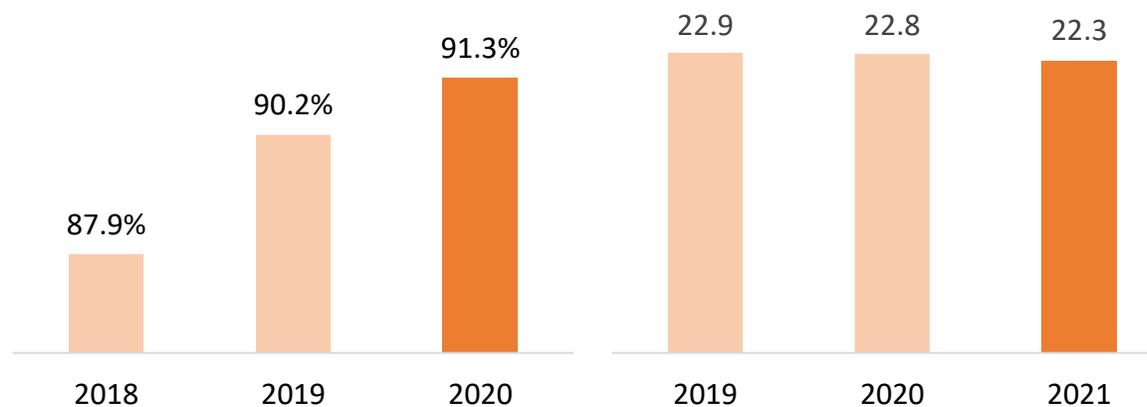
Wuhan Fortune Center: 30

Shanghai Yuexiu Building: 32

### Avg. Occupancy Rate of Office Buildings<sup>2</sup>



### Avg. PM Fee of Office Buildings<sup>3</sup>



## Honors and Awards



**CTBUH 10-Year Award of Excellence**



**BOMA 360 Performance Program®**



**2020 Sustainability Achievement of the Year**

Note:

1. As of 31 December 2021

2. Only for offices owned by Yuexiu REIT

3. Unit: RMB/sq.m/month.

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# Our “1+4+5+5” Strategies



## Leading Urban Operation Service Provider in China

### 1 Focus

Ensure quality PM services to meet customer needs

### 4 Business Types

Residential

Commercial

Transportation

Urban Service  
(incl. public premises)

### 5 Major VAS

#### Customer-end VAS

Provide asset management and daily services centering around customer needs

#### Home Decoration Service

Provide interior finishing and furnishing services to meet living needs

#### Community Commercial Service

Provide tenant sourcing and operation services to community

#### Technology Service

Build smart communities and smart homes as part of efforts to build smart cities

#### Commercial Consultation and Operation

Provide public area management and logistics outsourcing services to meet the needs of customers

### 5 Core Competencies

Investment and post-investment integration

Supply chain and partnership management

Digital management and operation

Organizational management and talent development

Risk control and management

# GBA Strategy: Increase Penetration in GBA



## GBA Strategy

Leveraging the strengths of parent company Yuexiu Property in GBA, Yuexiu Services will further strengthen and enhance the "1+4" geographical coverage by increasing its penetration in GBA with Guangzhou as the center, and strive to become a leading integrated urban operation service provider in China

GBA's GDP in 2021 is expected to reach **12.54 trillion**, up **8.1% YoY**

No. of **trillion-GDP-cities** in GBA is expected to reach **5** in 2021

Annual economic growth rate of GBA is expected to reach **5.0% in 2022**

GBA is one of the **fastest growing regions** in China in terms of **population growth**



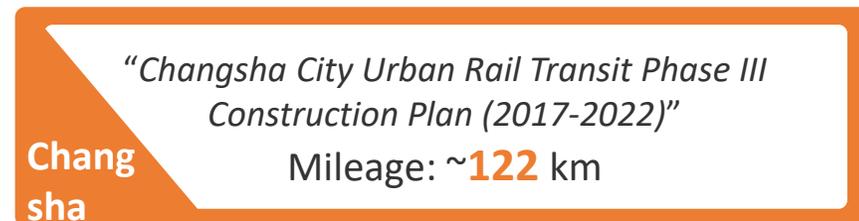
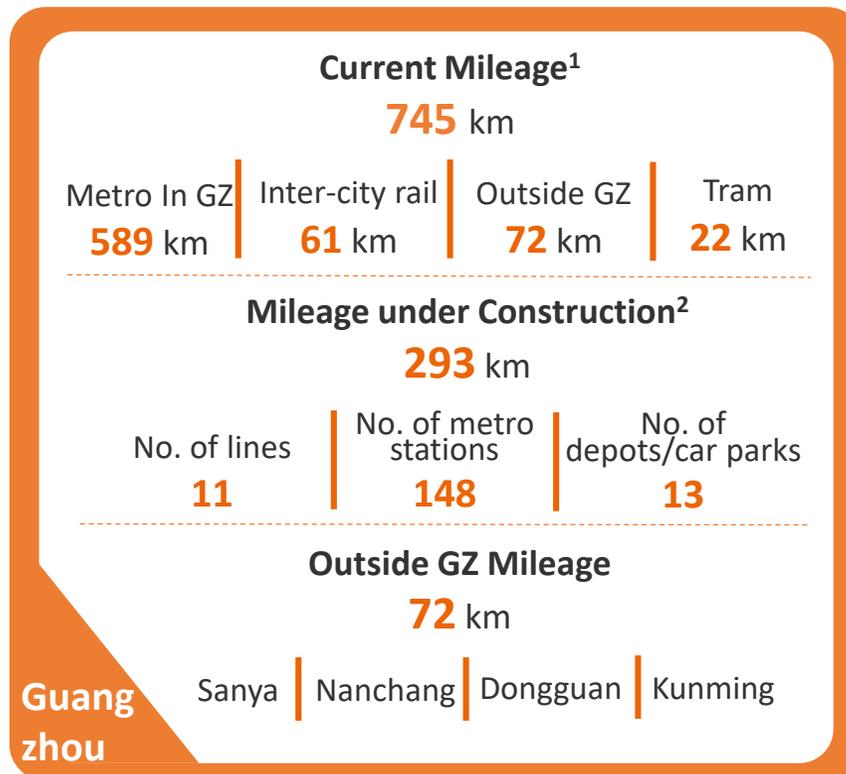


## National TOD Market

According to “14th Five-Year plan for the development of modern comprehensive transportation system” issued by the State Council:

Urban rail transit operating mileage reached **6,600km** in 2020, and is expected to reach **10,000km** in 2025

## Local TOD Markets



Note:  
 1. As of 28 October 2021  
 2. As of 16 February 2022  
 3. Source: Metro official websites of each city

# Commercial Strategy: a Leading AM Service Provider



## Commercial Strategy

To become a leading asset management service provider by providing services across the entire value chain covering operation, management and VAS for landmark projects in non-residential sectors (office buildings, complexes, industrial parks, etc.)

### Grade A Offices

Continue to obtain more Grade A plus and Grade A office projects, replicating the successful premium office PM model to new projects



### Retail Projects

To tap the strong demand for tenant sourcing and operation management to promote our commercial service experience, customer resources and management system, in order to obtain new commercial projects



### Manufacturer-run Commercial Projects

Seizing the opportunity of the state-backed development of high-tech industries, we will obtain more manufacturer-run commercial projects, such as industrial parks and auxiliary commercial and apartment complexes, to facilitate long-term development





# Thank You!

## DISCLAIMER

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