

# 2023 Interim Results

25 August 2023

WHERE GOOD  
LIVING STARTS





# Contents

- 1 Interim Results
- 2 Business Updates
- 3 Future Outlook







# RESULTS HIGHLIGHTS

## Contracted Sales

RMB**83.63 bn**



**71.0%**

- Contracted Sales value reached approx. RMB83.63 bn, +71.0% y-o-y
- Contracted sales value in GBA reached approx. RMB46.13 bn, +45.3% y-o-y, among which Guangzhou reached approx. RMB40.26 bn, +37.2% y-o-y
- Contracted sales value in Eastern China Region reached approx. RMB18.63 bn, +151.4% y-o-y
- As of 30 June, unrecognized sales value was approx. RMB221.19 bn, +23.6% compared with the beginning of the year

## Core Net Profit

RMB**2.15 bn**



**0.8%**

- Profit attributable to equity holders was approx. RMB2.18 bn, +27.5% y-o-y
- Core net profit was approx. RMB2.15 bn, +0.8% y-o-y
- An interim dividend of RMB0.213 per share was declared
- Dividend payout ratio was 40% of core net profit

## Average Borrowing Interest Rate

**3.98%**



**13 b.p.t.**

- “Three Red Lines” indicators remained in “green lights”, total liabilities/total assets ratio(ex. unearned revenue), net gearing ratio and cash/short-term debt ratio were 66.8%, 53.2% and 4.2x respectively
- Issued a total of RMB5.4 bn onshore corporate bonds with a weighted average borrowing interest rate of 3.37% per annum; issued RMB3.4 bn FTZ bonds with a weighted average borrowing interest rate of 3.92% per annum
- Completed the Rights Issue, which was 1.15 times oversubscribed, raising approximately HKD8.3 bn in net proceeds, with a focus on investing in the GBA, Eastern China Region, and other key provincial capital cities
- Average borrowing interest rate decreased by 13 b.p.t. to 3.98% compared with 1H 2022 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

## Newly Added Quality Landbank 2.17 mm sq.m.

- Through “6+1” unique and diversified land acquisition platform, 11 land parcels with a total GFA of 2.17 mm sq.m. were newly acquired in 8 cities, all of which are located in tier 1 and key tier 2 cities. 3 parcels with total GFA of 0.43 mm sq.m. were added in Beijing, while the rest are located in Guangzhou, Shanghai, Hangzhou, Chengdu, Wuhan, Qingdao and Xi'an.
- 63% of the new landbank was acquired through such land acquisition channels as TOD, industry-driven acquisition and SOEs cooperation
- As of 30 June, the total landbank of the Group was 28.13 mm sq.m., of which the GBA, Guangzhou and Eastern China Region accounted for 46%, 40% and 19% respectively

## Newly Added TOD Landbank 0.48 mm sq.m.

- Hangzhou Xingqiao TOD project was acquired with a GFA of approx. 0.48 mm sq.m., which is the second TOD project acquired by the Group in a city outside Guangzhou, and is also the Group's second project in co-operation with Hangzhou Metro, marking new progress in the national expansion of the TOD model
- The Group has a total of 9 TOD projects with a total GFA of 3.98 mm sq.m., accounting for 14.2% of the total landbank
- TOD projects achieved solid contracted sales of RMB18.51 bn in 1H , +53.3% y-o-y

## Lean Management Strategy Made In-depth Progress

- Completed the upgrading of the customer research system to support project feasibility study and product positioning
- The effectiveness of digital marketing was remarkable and proportion of transactions through self-owned channels increased significantly; the supply-side management capability continued to improve; and the cost control has achieved better results
- Continuously carried out the action of "building good products with high quality", promoted the implementation of construction standards and systems, and put into practice the "four-step rule" of quality control by the integration of design and construction
- Comprehensively optimized the assessment and incentive system, focusing on both scale and profit and significantly increasing the weighting of profit and efficiency indicators and newly adopting the assessment indicator ROIC (return on invested capital)



# INCOME STATEMENT ITEMS

RMB bn	1H 2023	1H 2022	Y-O-Y
Revenue	32.10	31.29	+2.6%
Gross Profit	5.70	6.65	-14.2%
Gross Profit Margin	17.8%	21.2%	-3.4 p.p.t.
Net Other Gains	(0.02)	(0.06)	-
SG&A Expenses	1.35	1.36	-1.0%
Profit Attributable to Equity Holders	2.18	1.71	+27.5%
Core Net Profit <sup>(1)</sup>	2.15	2.13	+0.8%
EPS <sup>(2)</sup>	RMB0.6345	RMB0.5152	+23.2%
Interim Dividend Per Share(RMB) <sup>(3)</sup>	RMB0.213	RMB0.275	-22.5%
Interim Dividend Per Share(HKD) <sup>(3)</sup>	HKD0.232	HKD0.319	-27.3%
Dividend Payout Ratio <sup>(4)</sup>	40%	40%	-

(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 1H 2023 were 3,431,871,678

(3) Number of ordinary shares as at 30 June 2023 were 4,025,392,913

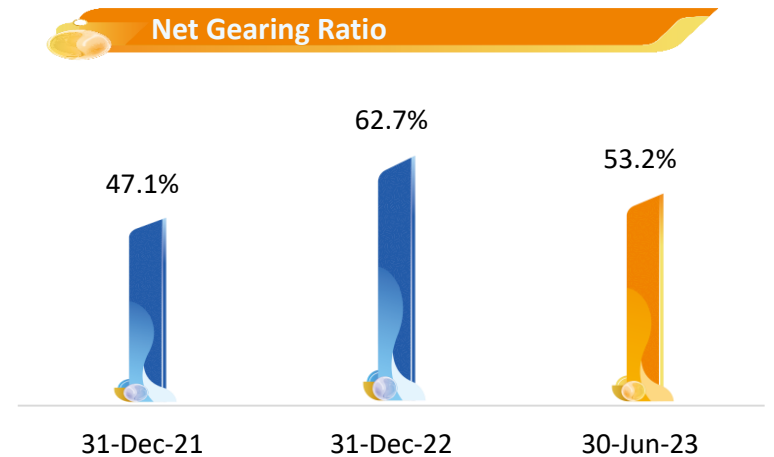
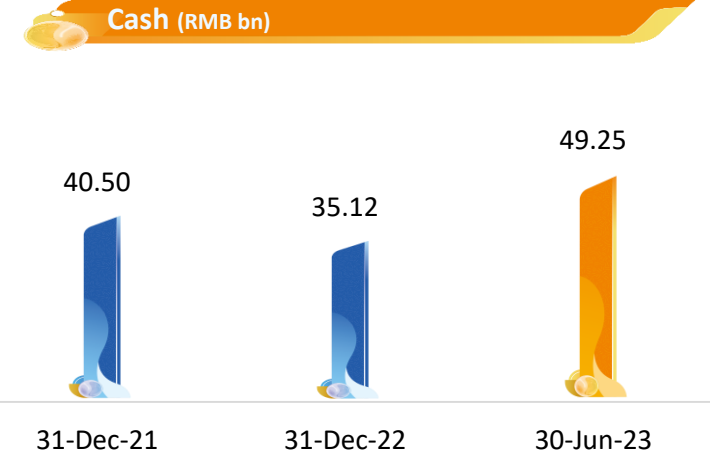
(4) Proportion of core net profit



# BALANCE SHEET ITEMS

RMB bn	30 June 2023	31 December 2022	Change
Cash <sup>(1)</sup>	49.25	35.12	+40.2%
Total Borrowings	99.82	88.30	+13.0%
Gearing Ratio <sup>(2)</sup>	42.5%	44.3%	-1.8 p.p.t.
Net Gearing Ratio <sup>(3)</sup>	53.2%	62.7%	-9.5 p.p.t.
Total Assets	379.42	346.35	+9.5%
Shareholders' Equity	55.24	47.43	+16.5%
Net Asset Per Share	RMB13.72	RMB15.32	-10.4%

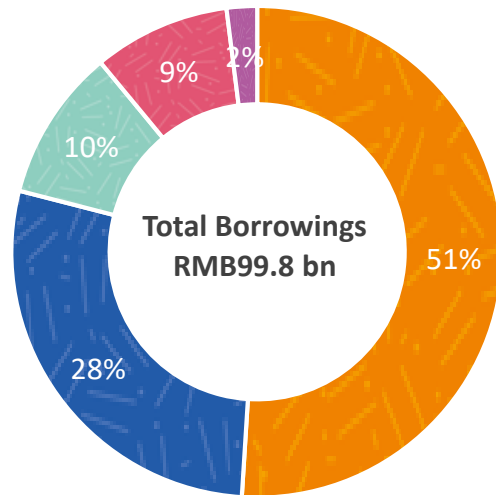
- Notes:
- (1) Including cash, cash equivalents and charged bank deposits
  - (2)  $\text{Gearing Ratio} = (\text{Total Borrowings} - \text{Cash}) / \text{Total Capitalization}$
  - (3)  $\text{Net Gearing Ratio} = (\text{Total Borrowings} - \text{Cash}) / \text{Net Asset}$





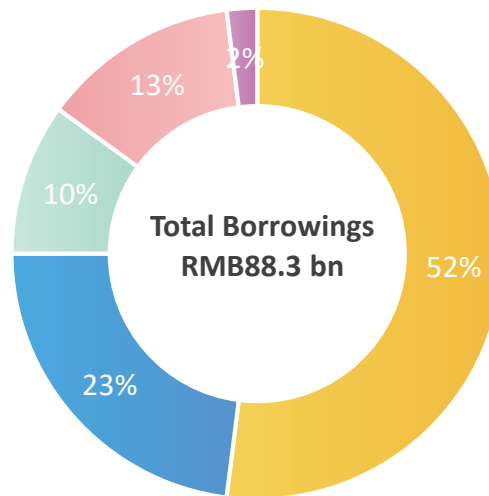
# DEBT STRUCTURE ANALYSIS

### 30 June 2023



Onshore Borrowings: **79%**  
Offshore Borrowings: **21%**

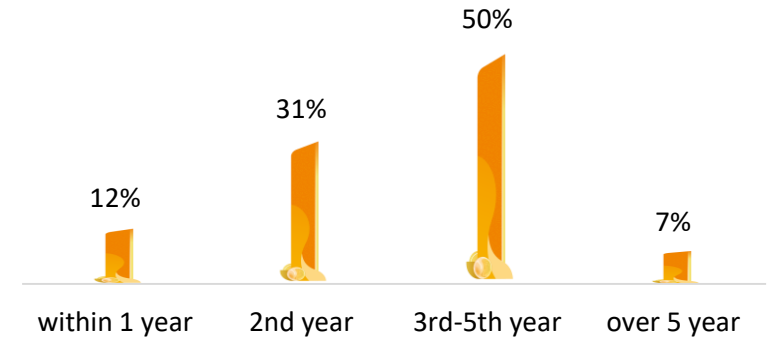
### 31 December 2022



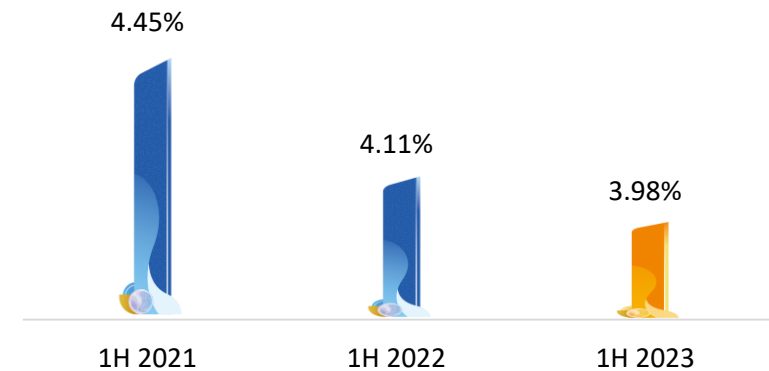
Onshore Borrowings: **75%**  
Offshore Borrowings: **25%**

■ RMB Bank Borrowings ■ RMB Bonds ■ HKD Bank Borrowings ■ USD Bonds ■ HKD Bonds

## Debt Maturity



## Average Borrowing Interest Rate





# CASH FLOW ANALYSIS

RMB bn	1H 2023	1H 2022
<b>Cash at the Beginning of the Year*</b>	<b>35.12</b>	<b>40.50</b>
Cash from Operation	48.44	32.37
Operating Expenses	(37.12)	(33.95)
Land Premium Paid and Auction Deposits	(14.47)	(16.08)
Development Cost	(11.21)	(10.68)
Tax and Administrative and Other Expenses	(11.44)	(7.19)
<b>Cash Inflow/(Outflow) from Operating</b>	<b>11.32</b>	<b>(1.58)</b>
<b>Cash (Outflow) from Investing</b>	<b>(0.48)</b>	<b>(0.71)</b>
<b>Cash Inflow from Financing</b>	<b>3.29</b>	<b>0.84</b>
<b>Cash at 30 June 2023*</b>	<b>49.25</b>	<b>39.05</b>

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



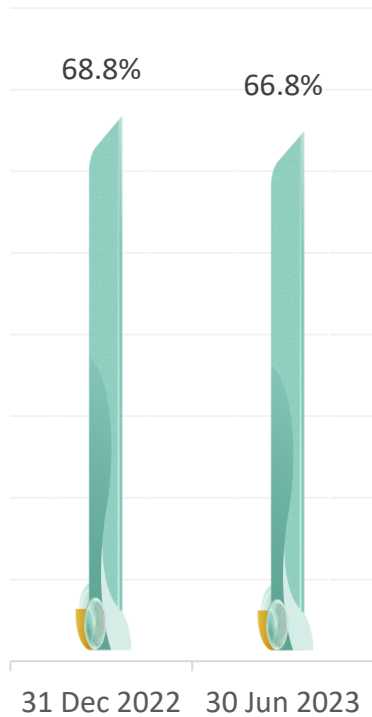


# “THREE RED LINES” INDICATORS & CREDIT RATINGS

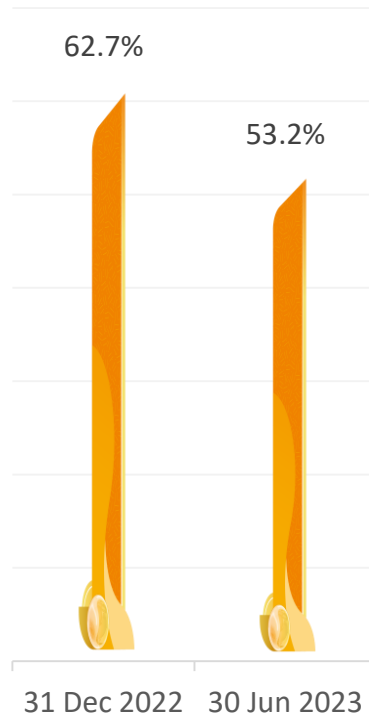
All “Three Red Lines” indicators remain in “green lights” and optimize continuously



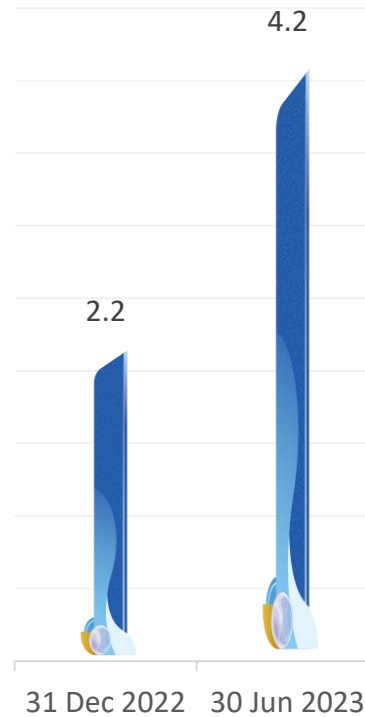
Total liabilities/ Total Assets Ratio  
(Ex. Unearned Revenue)  
<70%



Net Gearing Ratio  
<100%



Cash/Short-term Debt Ratio  
>1.0 X



MOODY'S  
INVESTORS SERVICE

Rating: Baa3, Outlook Stable

FitchRatings

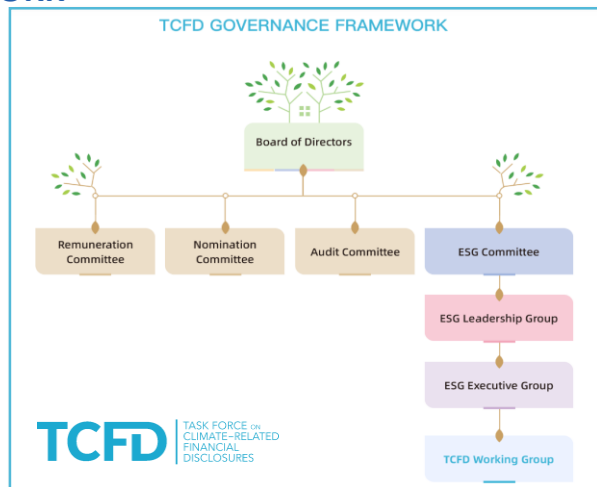
Rating: BBB-, Outlook Stable



# ESG PERFORMANCE

## SUSTAINABLE GOVERNANCE FRAMEWORK

- In 2022, the Board of Directors established an **Environmental, Social and Governance (ESG) Committee**, and upgrade the ESG Leadership Group and Executive Group.
- In light of the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), a **TCFD working group** has been established under the ESG Committee structure to identify specific climate-related risks and opportunities and implement management works.



## 2022/2023 ESG INDEX JOINED AND RATINGS

Rated BB in 2022  
Rated B in 2021



Two-star, 6<sup>th</sup> in Eastern Asia Diversified Listed  
2022 Score: 79/100



Hang Seng Climate Change 1.5°C Target Index  
First joined in 2022



Four-and-a-half-star Rating for 2022 ESG Report  
First rated in 2023



## CONTINUOUS IMPROVEMENT IN ESG DISCLOSURE



- Yuexiu Property's ESG report was released alongside its annual report on 24 April 2023, **disclosing Yuexiu Property's 2030 Sustainability Vision for the first time**.
- On the same day, Yuexiu Property launched version 2.0 of the "Sustainability" section on its **official website** and the "Sustainability" section on its **WeChat Official Account** respectively, providing more disclosure channels for stakeholders to understand the progress of Yuexiu Property's sustainability issues.



## ENHANCEMENT IN KEY ESG INDICATORS (2022)

90 points  
(3-point improvement over 2021)

CO<sub>2</sub> 29.4% ↓  
Reduced Carbon Intensity<sup>(1,2)</sup>

7.7% ↓  
Reduced Electricity Consumption<sup>(1)</sup>

Customer Satisfaction  
34 projects  
(Increased by 113% compared to 2021)

100%  
Employee Training Coverage

13 years  
Publication of ESG reports

Notes: (1) Compare to 2021 base.  
(2) Including Scope 1 and Scope 2 greenhouse gas



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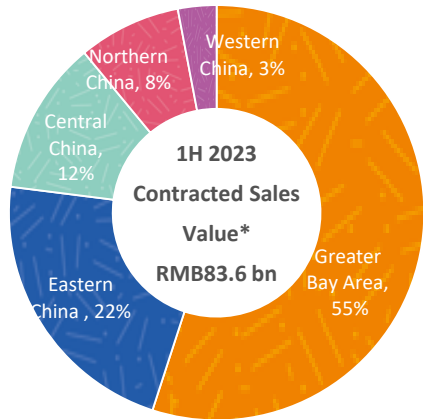
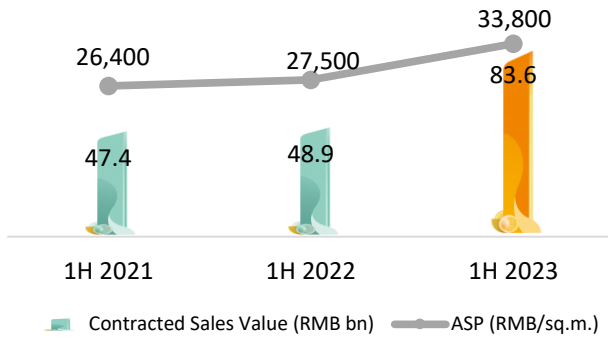




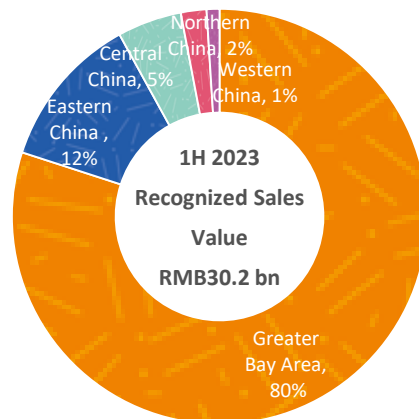
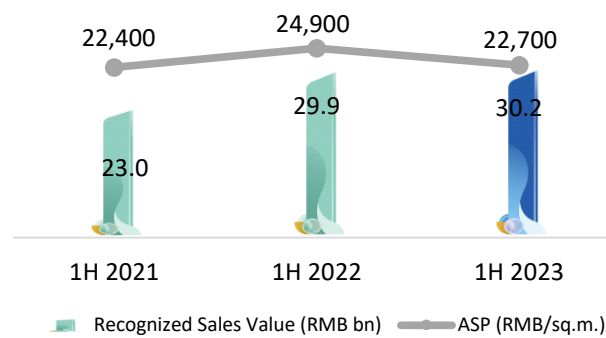
# CONTRACTED, RECOGNIZED & UNRECOGNIZED SALES



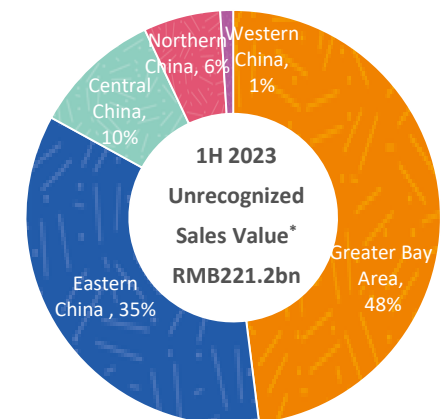
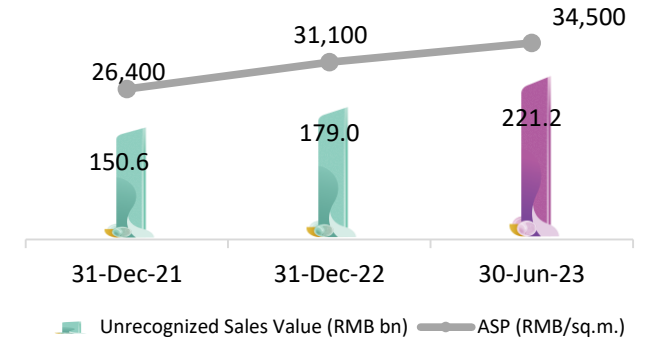
## Contracted Sales



## Recognized Sales



## Unrecognized Sales



\*note: Including sales from joint venture projects and associates

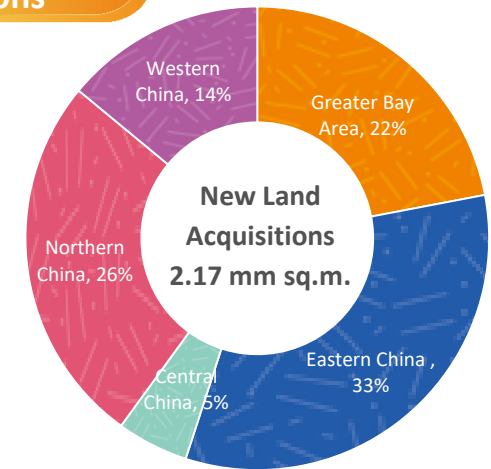




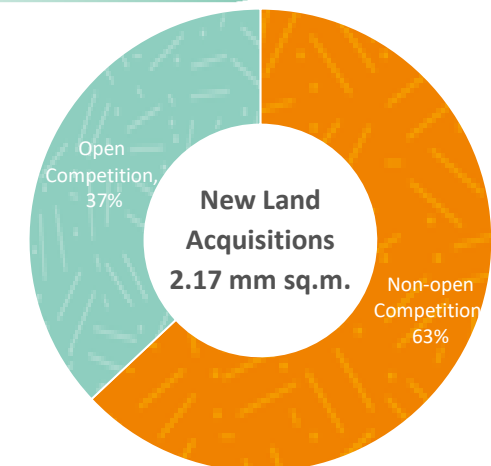
# NEW LAND ACQUISITIONS IN 1H

No.	Projects	GFA (sq.m.)	Equity Holding
1	Nansha Hong Kong People's Community	478,200	27.77%
	<b>Subtotal (Greater Bay Area)</b>	<b>478,200</b>	
2	Shanghai Jing'an Land	17,800	95.00%
3	Hangzhou Jadeite	213,400	38.86%
4	Hangzhou Xingqiao TOD	478,500	18.05%
	<b>Subtotal (Eastern China)</b>	<b>709,700</b>	
5	Wuhan Qiaokou Land	118,900	27.73%
	<b>Subtotal (Central China)</b>	<b>118,900</b>	
6	Beijing Haidian Land	164,700	95.00%
7	Beijing Yuexiu Tianyue	94,100	100.00%
8	Beijing Yuexiu Melody	175,300	100.00%
9	Qingdao Grand Mansion	132,500	51.00%
	<b>Subtotal (Northern China)</b>	<b>566,600</b>	
10	Chengdu Chenghua Land	133,200	27.73%
11	Xi'an Gaoxin Land	162,800	49.00%
	<b>Subtotal (Western China)</b>	<b>296,000</b>	
	<b>Total</b>	<b>2,169,400</b>	

## By Regions



## By Acquisition Channels





# LANDBANK OF TOD PROJECTS

9 projects in Guangzhou and Hangzhou with a total GFA of **3.98 mm** sq.m. \*

Newly acquired in 1H 2023:  
**Hangzhou Xingqiao TOD**

GFA: 478,500 sq.m.  
Equity Holding: 19%

**Hangzhou Infinite Island**

GFA: 370,700 sq.m.  
Equity Holding: 51%

**Guangzhou Pazhou South TOD**

GFA: 429,100 sq.m.  
Equity Holding: 49%

**Guangzhou Galaxy TOD**

GFA: 906,600 sq.m.  
Equity Holding: 86%

**Guangzhou Infinity TOD**

GFA: 613,900 sq.m.  
Equity Holding: 51%

**Guangzhou Melody TOD**

GFA: 319,000 sq.m.  
Equity Holding: 51%

**Guangzhou TOD Town**

GFA: 374,900 sq.m.  
Equity Holding: 51%

**Guangzhou Fantasy TOD**

GFA: 280,100 sq.m.  
Equity Holding: 51%

**Guangzhou Voyage TOD**

GFA: 208,400 sq.m.  
Equity Holding: 62.06%



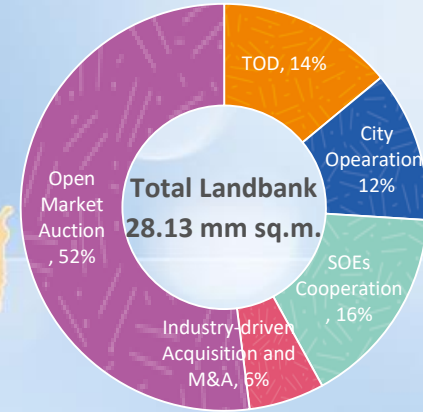
Rendering image of Guangzhou Pazhou South TOD

\*Note: as at 30 June 2023



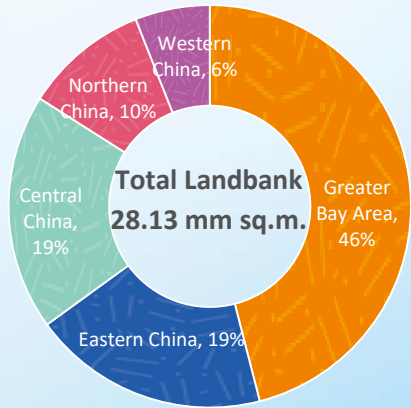
# TOTAL LANDBANK

## By Acquisition Channels

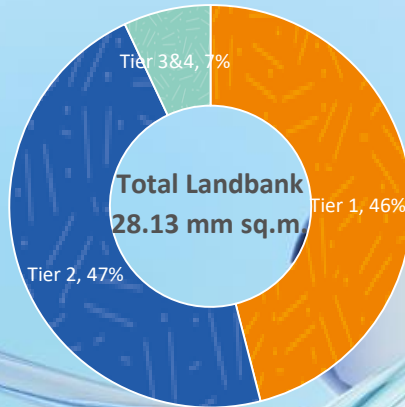


**Total Landbank: 28.13 mm sq.m.**  
**Number of Cities Entered: 30**

## By Regions



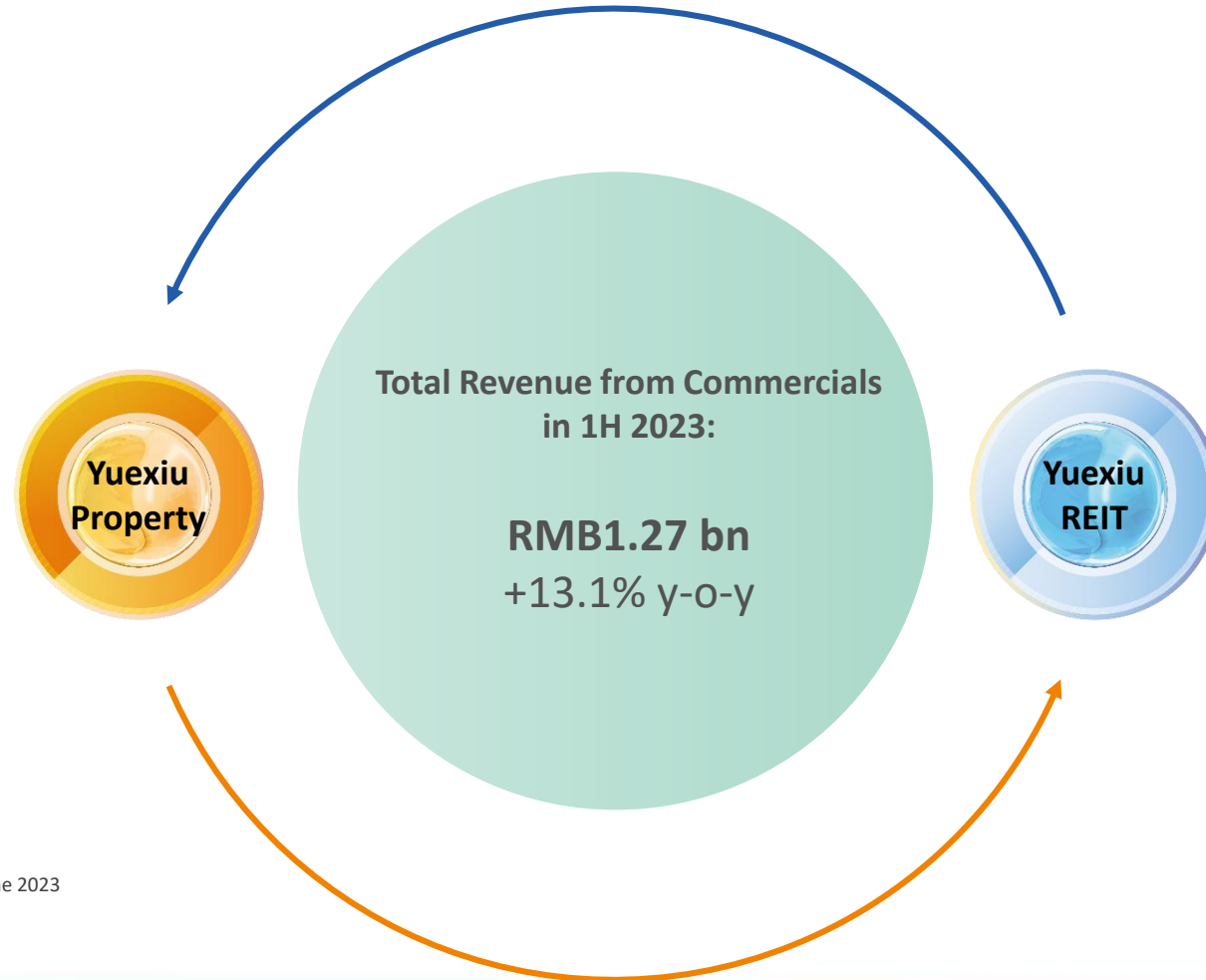
## By Tier





# DEEPEN THE STRATEGY OF “COORDINATED DEVELOPMENT OF COMMERCIALS AND RESIDENTIALS”: YUEXIU COMMERCIAL ASSET MANAGEMENT

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



Total Rental Income in 1H 2023:  
**RMB0.21 bn**

- Leasing GFA: 865,800 sq.m.
- PUD GFA: 324,600 sq.m.
- PFD GFA: 563,500 sq.m.

Total Revenue in 1H 2023:  
**RMB1.06 bn**

- Total GFA<sup>(2)</sup>: 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 36.83% of Yuexiu REIT as at 30 June 2023

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





# DEEPEN THE STRATEGY OF “COORDINATED DEVELOPMENT OF COMMERCIALS AND RESIDENTIALS”: YUEXIU SERVICES AND YUEXIU HEALTH



## 2023 Interim Results

**1,512**  
RMB million

↑ 38.7%

Revenue

**58.76**  
million sq.m.

↑ 13.7%

GFA under management

**248**  
RMB million

↑ 17.5%

Net Profit

**77.49**  
million sq.m.

↑ 9.8%

Contracted GFA

**50%**

Dividend Payout Ratio

**250,000**

No. of households served

Residential

Commercial

Mass  
Transportation

Urban Services  
(incl. public  
premises)

Pursue the development of four key business types

\*Note: as at 30 June 2023, Yuexiu Property held 66.92% and 100% of Yuexiu Services and Yuexiu Health, respectively



A total of **19** projects and nearly **8,000** beds in the two key economic regions of the Greater Bay Area and Yangtze River Delta, with **6,127** beds currently in operation



### HAI Series

HAIYIYUAN  
HAIYUEHUI(Xiwan Road)  
HAIYUEHUI(Jingyun Rod)

### YUE Series

YUELUJU

### Yiyuan Series

Yuexiu Yinxing Yiyuan (Xiaoyuan North Road)  
Yuexiu Yinxing Yiyuan (Chigang West Road)  
Yuexiu Yinxing Yiyuan (Dade Road)

### Langgao Series

Wuxi Langgao Nursing Home  
Taizhou Luqiao Langgao Nursing Home  
Wuxi Meiyuan Nursing Home  
Wenling Langgao Medical and Nursing Home  
Taizhou Huangyan Langgao Nursing Home  
Huzhou Langgao Nursing Home  
Taizhou Huangyan Rehabilitation and Nursing Centre for the Disabled  
Wenling Langgao Zeguo Nursing Home  
Taizhou Jiaojiang Langgao Rehabilitation and Nursing Home

### Other Projects

Yuexiu Evergreen College (University for the Elderly)  
South China Institute for Healthcare Research  
Zhenjiang Xingrui Nursing Home



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# PROPERTY MARKET OUTLOOK IN 2H

## Policy

The regulatory policies in 2H will insist on “city-specific” and loosening to support residents' self-occupation and upgrading housing demand for maintaining a healthy recovery and development of property market

As the regulatory policies continue to loosen, market confidence improves and home-buyer's expectations gradually recover, property market is expected to bottom out and stabilize in 2H, and the market size and prices will be stable for the year, with further intensified differentiation in cities, markets and developers. Tier 1 and key tier 2 cities and Eastern China and the Greater Bay Area have obvious advantages in clustering various resources and market potential

## Market

## Land

The government will increase land supply in 2H, and the land market will continue to differentiate, with land markets in Tier 1 and core Tier2 cities remaining highly competitive, and those in tier 3 and tier 4 cities remaining weak

The financing environment for the sector will remain differentiated in 2H, developers with sound financials and high-quality operations will position themselves well for better access to financial resources through various channels with low financing cost

## Finance



# INVESTMENT STRATEGIES

“6+1” unique, diversified land acquisition platform

Industry-driven Acquisition

Urban Renewal

SOEs Cooperation

TOD

City Operation

M&A

Open Market Auction

## Investment Strategies

Adhere to steady growth approach and prudent investment strategy of “pinpoint investment”, “city-specific decision” and “in line with sales cash inflows”

Sustainably penetrate those regions and cities with strengths of economy, industry and population net inflow such as Greater Bay Area, Eastern China Region and Tier 1 and key Tier 2 cities

Investment focuses on projects in core cities and locations with high returns

Continuously deepen the "6+1" unique and diversified land acquisition platform to acquire high-quality landbank

## “6+1” Land Acquisition

- **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
- **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
- **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
- **M&A:** Take advantage of policy encouragement and favorable environment to look for opportunities for acquiring high quality M&A projects
- **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





# OPERATION STRATEGIES

1

## Market Strategy

- Implement pinpoint project based marketing strategy, improve sell-through rate and accelerate property sales and cash inflows by improving digital marketing ability with “Yuexiu Fangbao” and focusing on de-stocking
- Achieve the annual sales target

2

## Product Strategy

- Build a full-cycle product operation system of “Good Products” by solidly pushing forward the integration of customer research, product standardization, BIM system, design and construction to strengthen its product power to meet the mainstream demand of the rigid and improvement markets and the demand for product upgrades.
- Constantly improve unique TOD product lines and service systems

3

## Operation Strategy

- Continuously enhance the lean management and optimize the 3.5-level operation systems for a lean headquarter, stronger regions & cities and better projects. Improve operational efficiency, lower costs and optimize the full cost management system
- Continuously optimize and streamline the organizational structure to enhance efficiency, improve co-investment mechanism and long-term incentive scheme for management and key employees

4

## Financial Strategy

- Keep the “Three Red Lines” indicators all in “green lights” and maintain the Investment Grade Ratings of Moody's and Fitch
- Strengthen the management of sales cash flow and ensure high cash collection rate
- Reduce financing costs, expand financing channels, and ensure healthy financial position and sufficient liquidity

## New Beliefs:

Adhere to beliefs of “Good Products, Good Services, Good Brands and Good Teams”

## New Goals:

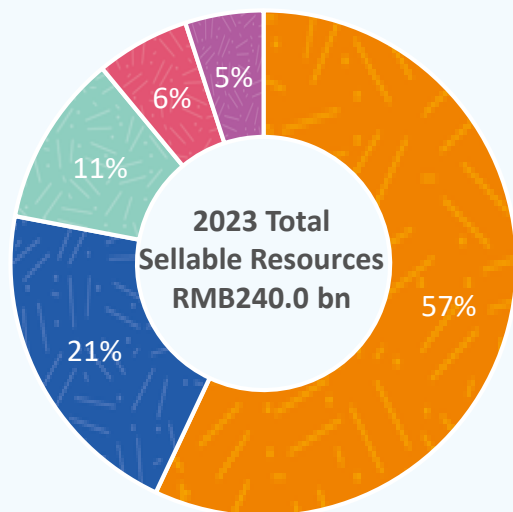
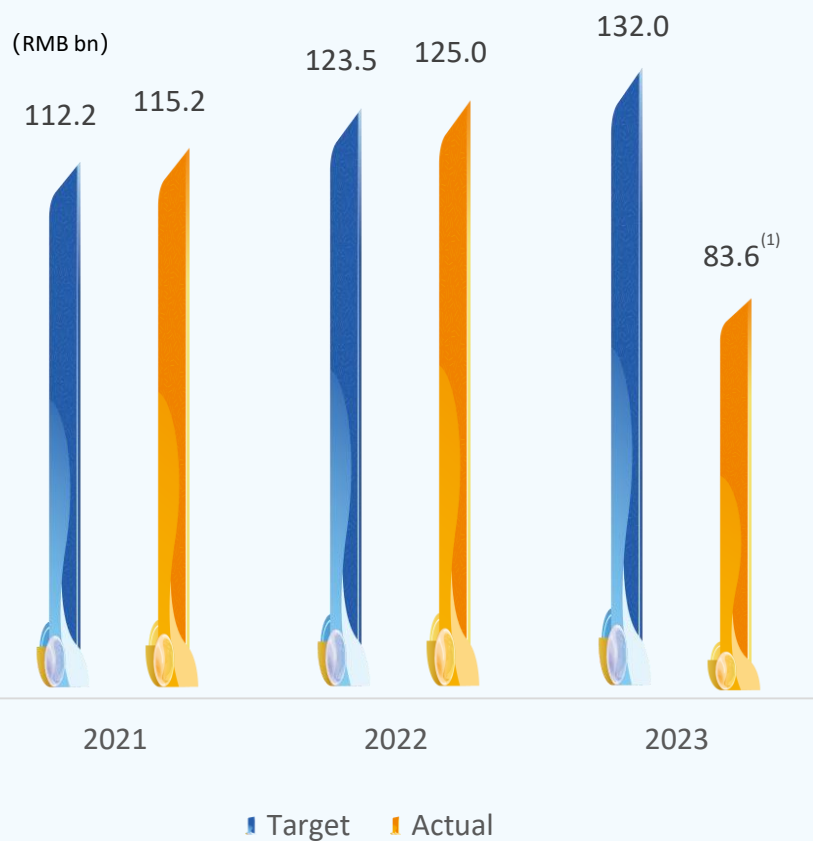
Build “New Capabilities, New Mechanisms and New Cultures”



# 2023 SALES AND OPERATIONAL TARGETS

2023 Contracted Sales Target:  
**RMB132.0bn**

2023 Total Sellable Resources:  
**RMB240.0 bn**<sup>(2)</sup>



■ Greater Bay Area 
 ■ Eastern China 
 ■ Central China  
■ Northern China 
 ■ Western China

## Operational Plans<sup>(3)</sup>

(mm sq.m.)	2023E	1H 2023
<b>PUD</b>	22.14	21.16
<b>New Construction Starts</b>	8.75	2.73
<b>Completion</b>	7.53 <sup>(4)</sup>	2.49 <sup>(5)</sup>

Notes: (1) 1H 2023 contracted sales  
(2) Excluding sellable resources provided by new acquisitions this year

(3) Including joint venture projects and associates  
(4) Completion for consolidation GFA is 4.76 mm sq.m.  
(5) Completion for consolidation GFA is 1.42 mm sq.m.

# 2023 KEY OPERATING CASH FLOWS

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

<b>Cash Outflow (RMB bn)</b>	<b>2023E</b>
Land Premium and Auction Deposits	40.00
Construction Cost	21.50
Interest Payment	5.18
Tax and Other Expenses	17.62
<b>Total</b>	<b>84.30</b>

**THANK YOU!**





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