



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

WHERE GOOD
LIVING STARTS

2020 ANNUAL RESULTS

16 March 2021





Contents

- 1 Annual Results
- 2 Business Updates
- 3 Growth Strategies
- 4 Outlook

RESULTS HIGHLIGHTS

**Contracted Sales:
RMB95.76 bn
Up 32.8%**

- Contracted sales value reached approx. RMB95.76 bn, +32.8% y-o-y, achieved 119.4% of the full-year target of RMB80.20 bn
- Contracted sales value in GBA reached approx. RMB63.66 bn, +51.1% y-o-y, among which Guangzhou reached approx. RMB55.79 bn, +52.4% y-o-y. Contracted sales value in Eastern China reached approx. RMB19.92 bn, +18.0% y-o-y
- As of 31 December 2020, unrecognized sales value was approx. RMB119.62 bn, +35.1% compared with the beginning of the year

**Core Net Profit:
RMB4.02 bn
Up 14.6%**

- Profit attributable to equity holders was approx. RMB4.25 bn, +21.9% y-o-y
- Core net profit was approx. RMB4.02 bn, +14.6% y-o-y
- Annual dividend per share was RMB0.104, +14.3% y-o-y
- Annual dividend per share was HKD0.120, +17.6% y-o-y

**“Three Red
Lines”
Indicators
All in Green
Lights**

- Gearing ratio (ex. unearned revenue), net gearing ratio and cash/short-term debt ratio were 69.2%, 47.5% and 2.25x respectively. The “Three Red Lines” indicators were all in green lights
- As of 31 December 2020, the cash on hand was approx. RMB37.31 bn, +23.6% y-o-y, with ample liquidity
- Average borrowing interest rate decreased by 31 b.p.t. to 4.62% and debt structure has been continuously optimized with diversified financing channels
- Maintained Baa3 and BBB- Investment Grade ratings with stable outlook by Moody’s and Fitch respectively

RESULTS HIGHLIGHTS

New Land Acquisitions with a Total GFA of 5.6 mm sq.m.

- 22 land parcels in 11 cities with a total GFA of approx. 5.60 mm sq.m. were acquired via the “6+1” unique & diversified land acquisition platform
- 4 land parcels in Guangzhou with a total GFA of approx. 1.41 mm sq.m. were acquired by “Residential+Government Projects” model
- 54.1% of the new land parcels (in sq.m.) was bought by non-open market means, in which TOD, “Residential+Government Projects” and SOEs Cooperation models accounted for 18.5%, 25.2% and 10.4% respectively
- As of 31 December 2020, the Group had a total landbank of approx. 24.54 mm sq.m., satisfying development needs for the next 3-5 years

TOD Strategy Deeply Implemented

- Newly acquired two TOD projects Guangzhou Yue Fantasy (Shuixi) and Guangzhou TOD Town (Zhenlong), adding approx. 1.03 mm sq.m. premium landbank. TOD projects of the Group are located in Huangpu, Zengcheng and Panyu District of Guangzhou, with a total GFA of approx. 3.88 mm sq.m., accounting for approx. 15.8% of the Group’s total landbank and approx. 28.7% of its landbank in GBA
- TOD project sales grew rapidly and achieved full year contracted sales value of RMB17.0 bn, +236.6% y-o-y. Yue Melody achieved contracted sales value of RMB7.53 bn, Yue Infinity achieved RMB2.99 bn, Yue Galaxy achieved RMB2.93 bn, TOD Town achieved RMB2.32 bn and Yue Fantasy achieved RMB1.25 bn

Deepened Penetration in GBA & Strengthened “1+4” Regional Layout

- Penetration in GBA was deepened and “1+4” regional layout strengthened. The Group had project development in 21 cities nationally and newly entered two key Tier-2 cities Nanjing and Chongqing
- As of 31 December 2020, the Group’s landbank in GBA was approx. 13.53 mm sq.m., accounting for approx. 55.1%; the landbank in Eastern China Region, Central China Region, Northern China Region and Southwestern China Region was 3.03 mm sq.m., 3.80 mm sq.m., 3.21 mm sq.m. and 0.97 mm sq.m. respectively, accounting for approx. 12.3%, 15.5%, 13.1% and 4.0% of the Group’s landbank respectively

INCOME STATEMENT ITEMS

RMB bn	2020	2019	Y-O-Y
Revenue	46.23	38.34	+20.6%
Gross Profit	11.63	13.12	-11.4%
Gross Profit Margin	25.1%	34.2%	-9.1p.p.t.
Fair Value Gains/(Losses)	0.64	-0.02	-
Net Other Gains	0.03	0.8	-96.6%
SG&A Expenses	2.55	2.23	+14.3%
Profit Attributable to Equity Holders	4.25	3.48	+21.9%
Core Net Profit ⁽¹⁾	4.02	3.51	+14.6%
EPS ⁽²⁾ (Calculated by the weighted average number of ordinary shares)	RMB0.2744	RMB0.2410	+13.9%
Final Dividend Per Share (RMB)	RMB0.053	RMB0.044	+20.5%
Final Dividend Per Share (HKD)	HKD0.063	HKD0.049	+28.6%
Total Dividends Per Share (RMB)	RMB0.104	RMB0.091	+14.3%
Total Dividends Per Share (HKD)	HKD0.120	HKD0.102	+17.6%
Payout Ratio	40%	40%	-

Notes: (1) Excluding the net fair value gains/(losses) of investment properties and the net foreign exchange(losses)/gains

(2) The weighted average number of ordinary shares in 2020 was 15,482,280,438, the weighted average number of ordinary shares in 2019 was 14,455,289,169, up 7.1%

BALANCE SHEET ITEMS

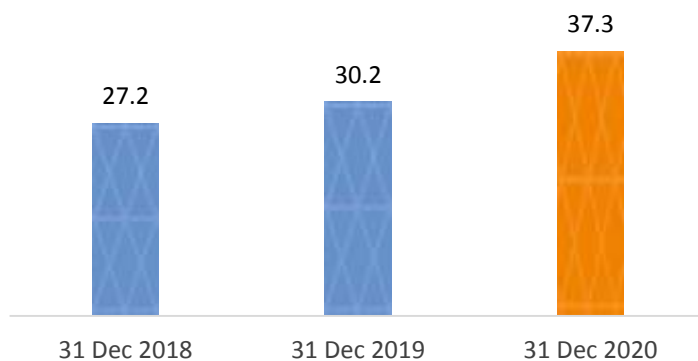
RMB bn	31 December 2020	31 December 2019	Change
Cash ⁽¹⁾	37.31	30.19	+23.6%
Total Borrowings	67.84	71.02	-4.5%
Gearing Ratio ⁽²⁾	38.5%	46.3%	-7.7p.p.t.
Net Gearing Ratio ⁽³⁾	47.5%	74.0%	-26.5p.p.t.
Total Assets	263.20	234.70	+12.1%
Shareholders' Equity	43.75	40.72	+7.4%
Net Asset Per Share	RMB2.83	RMB2.63	+7.6%

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

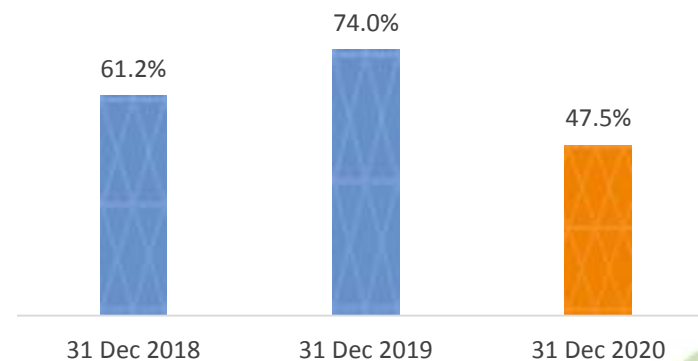
(2) Gearing Ratio=(Total Borrowings-Cash)/Total Capitalization

(3) Net Gearing Ratio=(Total Borrowings-Cash)/Net Asset

Cash (RMB bn)

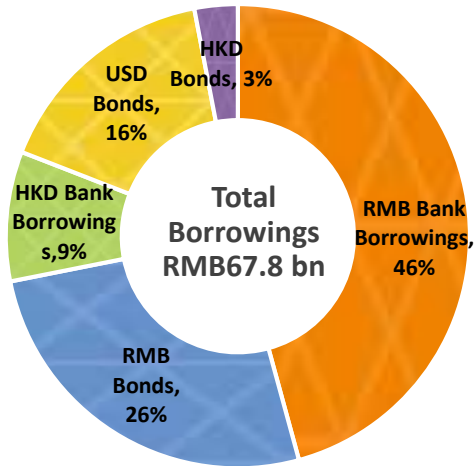


Net Gearing Ratio

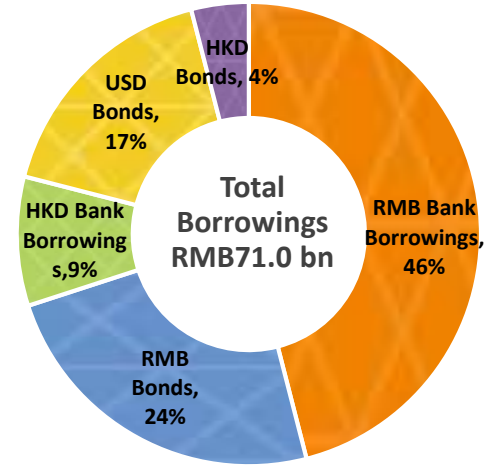


DEBT STRUCTURE ANALYSIS

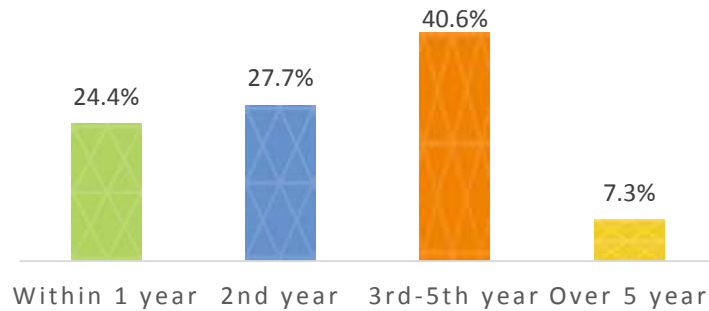
31 Dec 2020



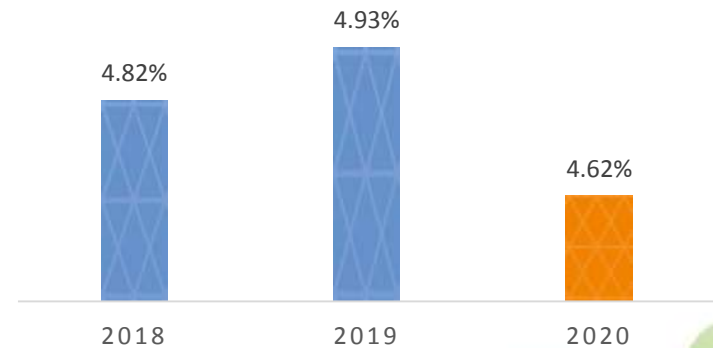
31 Dec 2019



Debt Maturity



Average Borrowing Interest Rate



CASH FLOW ANALYSIS

RMB bn	2020	2019
Cash at the Beginning of the Year*	30.19	27.16
Cash from Operation	64.01	53.52
Operating Expenses	(47.92)	(47.15)
Development Cost	(13.39)	(12.61)
Land Premium Paid and Auction Deposits	(17.96)	(19.40)
Tax and Administrative and Other Expenses	(16.57)	(15.14)
Cash Inflow from Operating	16.09	6.37
Cash (Outflow) from Investing	(6.87)	(19.24)
Cash (Outflow) /Inflow from Financing	(2.10)	15.90
Cash at 31 December 2020*	37.31	30.19

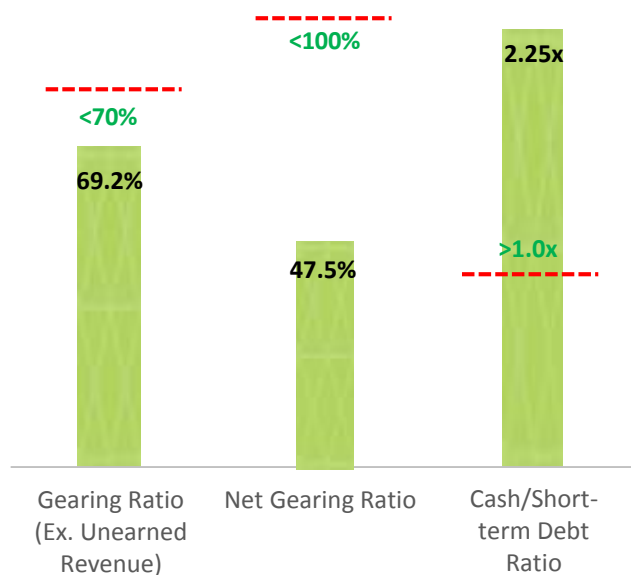
*Note: Including cash, cash equivalents and charged bank deposits

“THREE RED LINES” INDICATORS & CREDIT RATINGS

“Three Red Lines” Indicators

Investment Grade Ratings

“Three Red Lines” indicators are all in green lights



MOODY'S
INVESTORS SERVICE

FitchRatings

Rating: Baa3, Outlook Stable

Rating: BBB-, Outlook Stable

Key Rating Drivers

- Appropriate debt leverage
- Stable sales growth
- Abundant and high quality landbank
- Diversified financing channels
- SOE background supports diversified land acquisitions

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



Contents

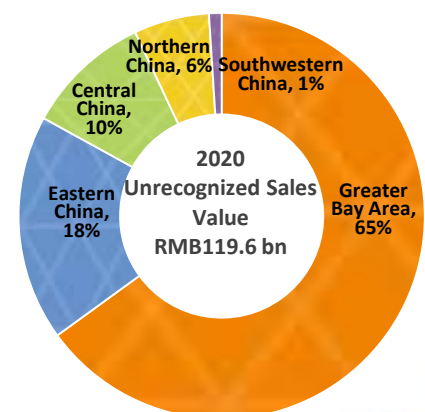
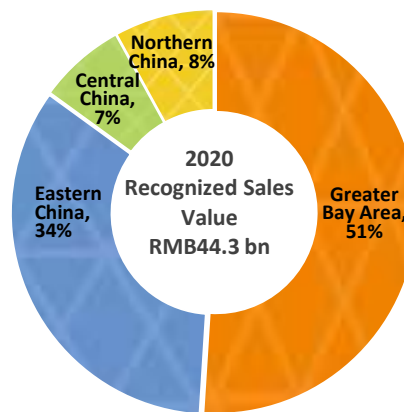
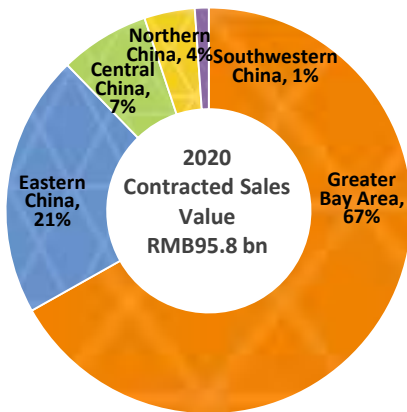
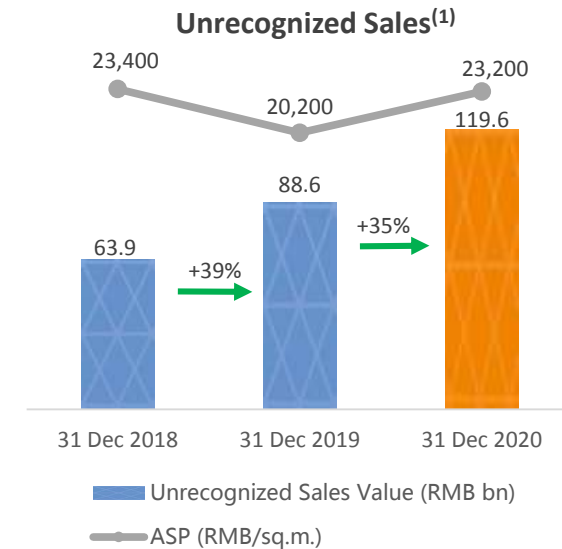
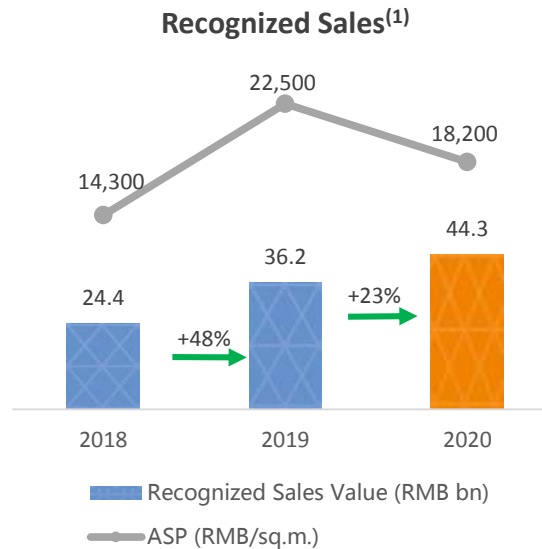
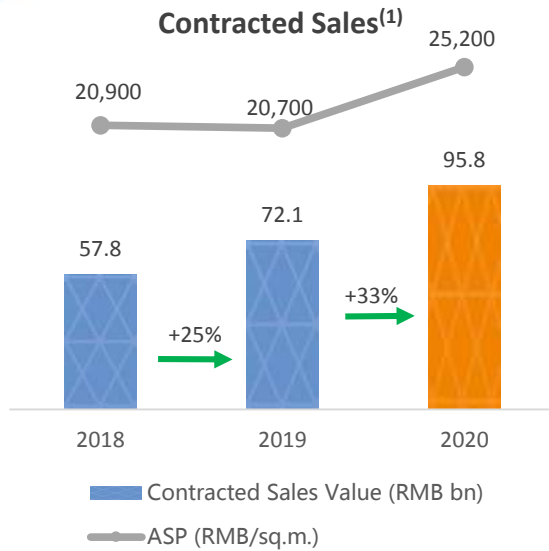
1 Annual Results

2 Business Updates

3 Growth Strategies

4 Outlook

CONTRACTED, RECOGNIZED & UNRECOGNIZED SALES



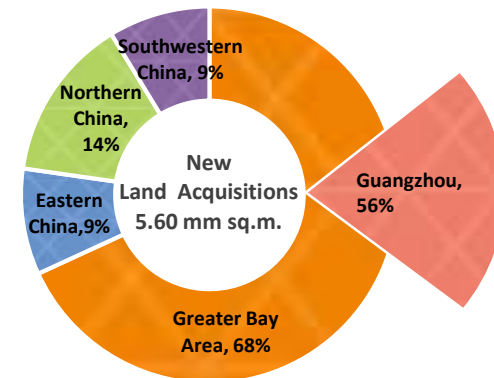
Notes: (1) Including sales from joint venture projects

(2) The consolidated value of unrecognized sales as of 31 December 2020 was approx. RMB86.3 bn, ASP was RMB26,500 per sq.m.

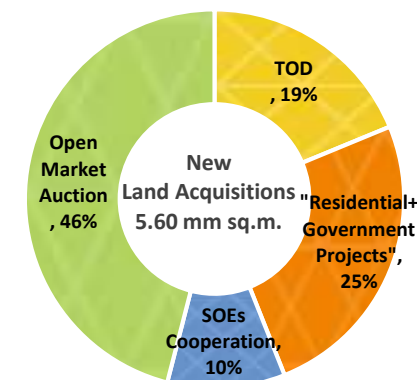
NEW LAND ACQUISITIONS

No.	Projects	GFA (sq.m.)	Equity Holding	Attributable GFA (sq.m.)
1	Guangzhou Baiyun Tinggang Station Land	445,700	95.48%	425,600
2	Guangzhou Baiyun Jinshazhou Land	332,000	95.48%	317,000
3	Guangzhou Liwan Fangcun Avenue Land	154,400	47.50%	73,300
4	Guangzhou Grand Mansion (previous name: Guangzhou Panyu Changlong South Land)	457,400	95.48%	436,700
5	Guangzhou Panyu Changlong North Land	402,800	46.79%	188,500
6	Guangzhou Panyu Guangzhou International School Area of South China University of Technology Phase II Land	175,000	95.48%	167,100
7	Guangzhou Yue Fantasy	330,200	48.69%	160,800
8	Guangzhou TOD Town	703,400	48.69%	342,500
9	Guangzhou Nansha Bay Land	149,700	42.96%	64,300
10	Nanhai Lake View Mansion (previous name: Nanhai Shishan Land)	237,100	9.50%	22,500
11	Jiangmen Binjiang New District Land	403,800	9.50%	38,400
	Subtotal (Greater Bay Area)	3,791,500	-	2,236,700
		67.7%		67.1%
12	Hangzhou Joy Lane (previous name: Hangzhou Lin'an Shuanglin Land)	163,000	95.00%	154,800
13	Suzhou Cloud Mansion (previous name: Suzhou Wuzhong Xukou Land)	31,900	100.00%	31,900
14	Suzhou Industrial Park Shengpu Land	129,500	28.50%	36,900
15	Suzhou Impressive Mansion (previous name: Suzhou Taicang Shaxi Land)	61,100	95.00%	58,000
16	Nanjing Pukou Qiaolin Land	103,400	100.00%	103,400
	Subtotal (Eastern China)	488,900	-	385,000
		8.7%		11.6%
17	Qinghai Pingdu Southern New Town Land I	157,200	37.24%	58,500
18	Qinghai Pingdu Southern New Town Land II	268,200	38.76%	104,000
19	Yantai Hi-Tech Zone Yantai No.2 Middle School East Land	146,700	100.00%	146,700
20	Ji'nan Lixia District Land	237,800	9.50%	22,600
	Subtotal (Northern China)	809,900	-	372,400
		14.5%		11.2%
21	Chongqing Yubei Central Park Land	206,300	95.48%	197,000
22	Chengdu Tianfu New District Science City Land	300,800	46.55%	140,000
	Subtotal (Southwestern China)	507,100	-	337,000
		9.1%		10.1%
	Total	5,597,400	-	3,290,500

By Region



By Acquisition Channels



NEW TOD PROJECT – TOD TOWN

New Landbank: 703,000 sq.m.

Acquired on 30 Oct 2020 and achieved contracted sales value of RMB2.32 bn in 2020

Project Details

Total Site Area	242,175 sq.m.
Total GFA	703,400 sq.m.
Total Sellable GFA	472,830 sq.m.
Total Attributable Consideration	RMB3.14 bn

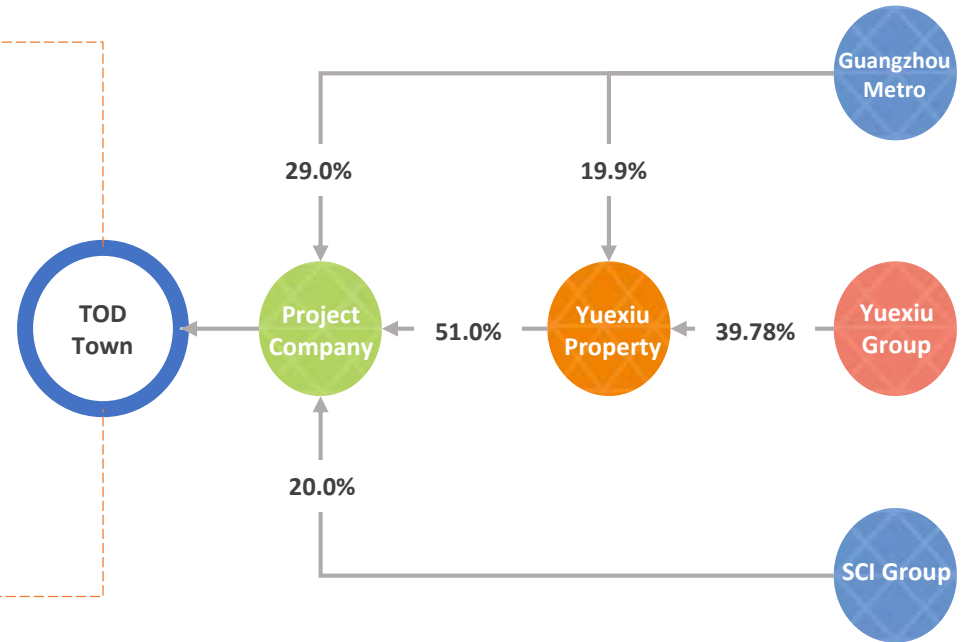
Location

On the intersection of Xinlong town of Huangpu District and Zhongxin town of Zengcheng District and on the northern side of the Guangshan Expressway, adjacent to the Zhenlong Station of the No.21 metro line (in operation)

With Sino-Singapore Knowledge City on the north, Yonghe Development Zone on the south, Science City on the west and Education City on the east, at the center of several key nearby industry towns of Guangzhou. Zhenlong area has become part of the main area of Guangzhou, a strong competitive edge in terms of location

10 minutes from Knowledge City and Zhucun Educational City, 30 minutes from the center of Luogang and Zengcheng, 1 hour from Guangzhou Zhujiang New Town, with convenient transport

Shareholding Structure



NEW TOD PROJECT – YUE FANTASY

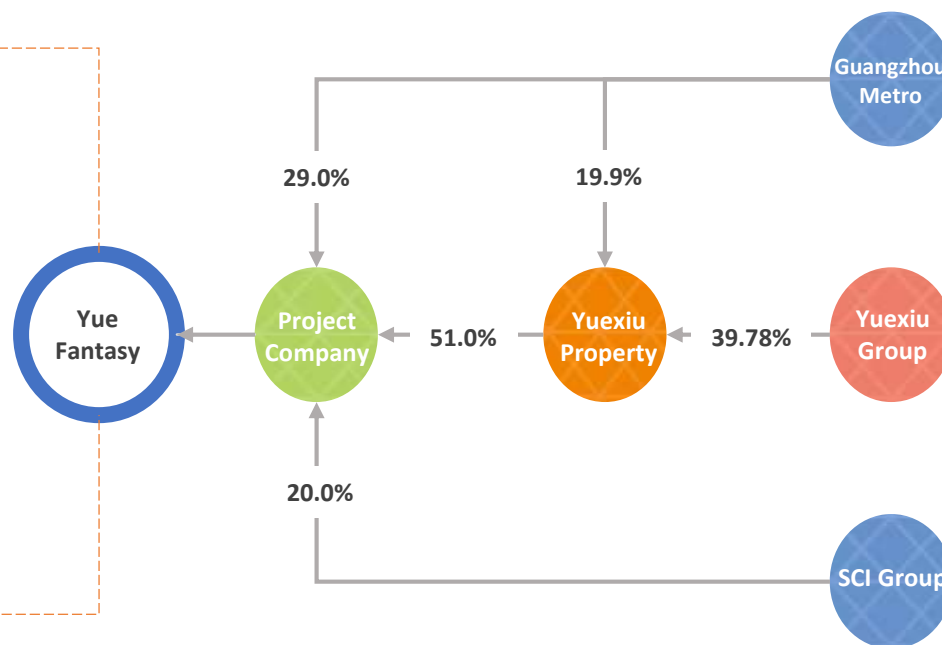
New Landbank: 330,000 sq.m.

Acquired on 30 Oct 2020 and achieved contracted sales value of RMB1.25 bn in 2020

Project Details

Total Site Area	81,620 sq.m.
Total GFA	330,200 sq.m.
Total Sellable GFA	207,965 sq.m.
Total Attributable Consideration	RMB2.19 bn

Shareholding Structure



Location

Located in the Science City in Huangpu District, Guangzhou, atop the Shuixi North Station of the No.7 metro line (expected to commence operation in 2023), next to the Shuixi Station of the No.21 metro line (in operation)

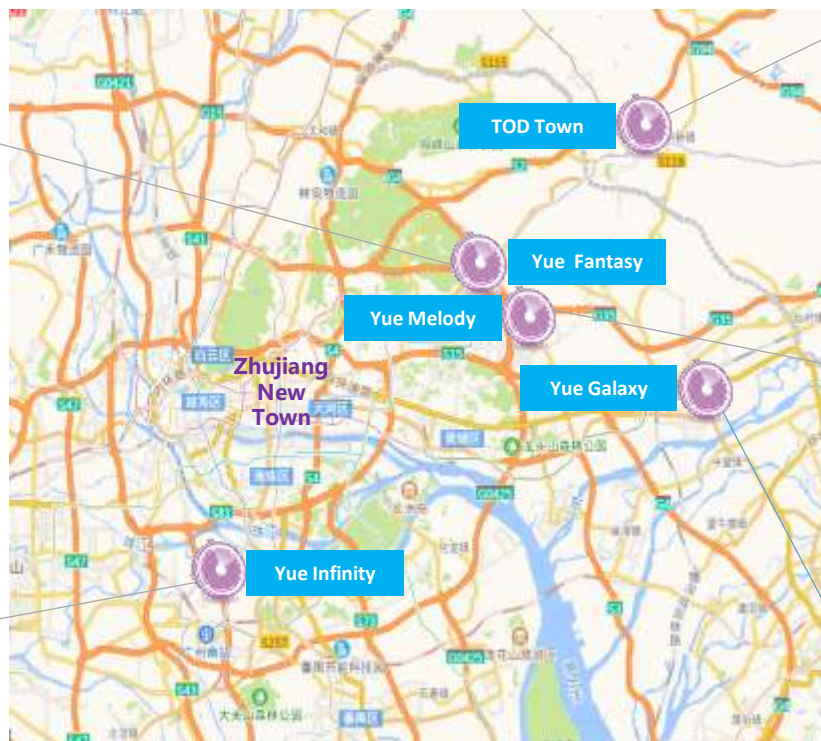
2km away from the government site of Huangpu District, 5km away from Huangpu Wanda Plaza, near the entrance and exit of Guanghui Expressway, 30 minutes (about 26km) from Zhujiang New Town, with convenient transport. The project surrounded by mountains on three sides with nice natural views

LANDBANK OF TOD PROJECTS

Total landbank of TOD projects: 3,882,800 sq.m.

Yue Fantasy	
GFA (sq.m.)	330,200
Equity Holding	51%

Yue Infinity	
GFA (sq.m.)	881,200
Equity Holding	51%



TOD Town	
GFA (sq.m.)	703,400
Equity Holding	51%

Yue Melody	
GFA (sq.m.)	840,400
Equity Holding	51%

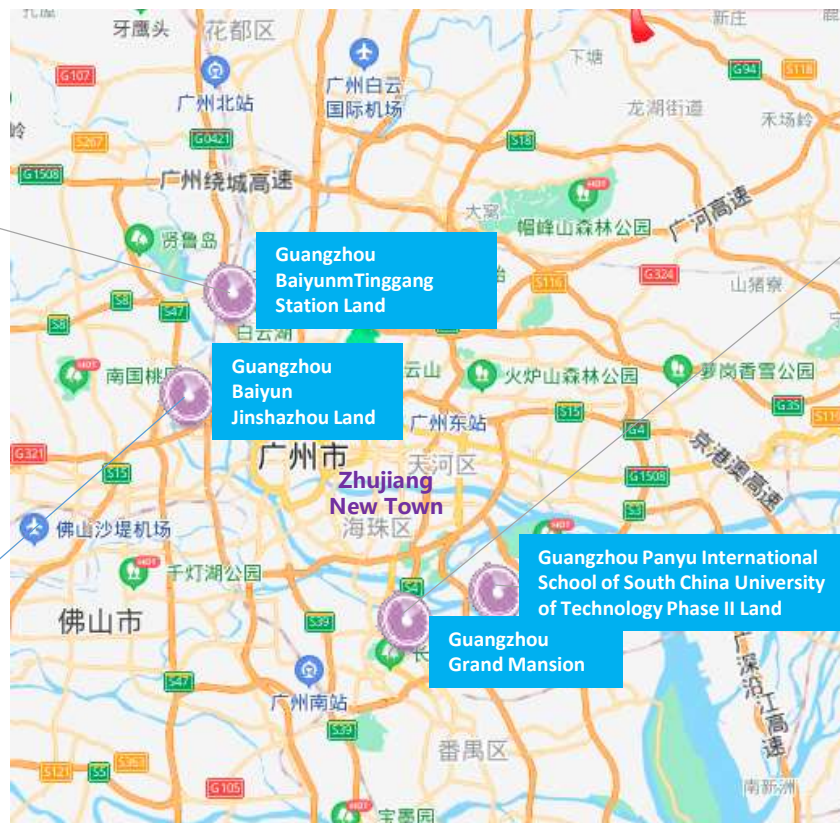
Yue Galaxy	
GFA (sq.m.)	1,127,600
Equity Holding	86%

LANDBANK OF “RESIDENTIAL+GOVERNMENT PROJECTS”

Total landbank of “Residential+Government Projects”: 1,410,100 sq.m.

Guangzhou Baiyun Tinggang Station Land	
GFA (sq.m.)	445,700
Equity Holding	95.48%
Attributable Consideration (RMB bn)	6.41

Guangzhou Baiyun Jinshazhou Land	
GFA (sq.m.)	332,000
Equity Holding	95.48%
Attributable Consideration (RMB bn)	3.32



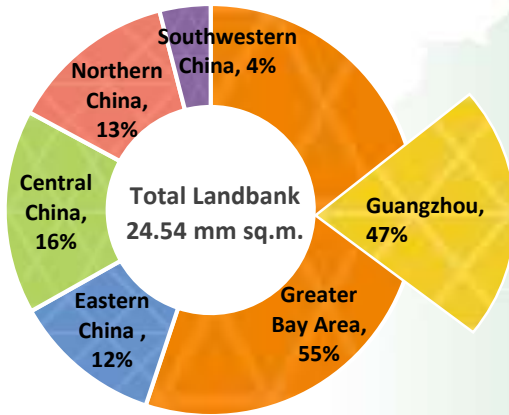
Guangzhou Grand Mansion	
GFA (sq.m.)	457,400
Equity Holding	95.48%
Attributable Consideration (RMB bn)	7.51

Guangzhou Panyu International School of South China University of Technology Phase II Land	
GFA (sq.m.)	175,000
Equity Holding	95.48%
Attributable Consideration (RMB bn)	2.66

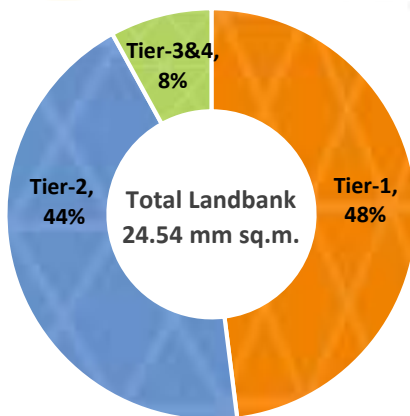
Note : Construction costs of government project are included in the attributable considerations

TOTAL LANDBANK

By Region



By Tier



UNIQUE “DUAL PLATFORMS” MODEL FOR COMMERCIALS



Rental income of Yuexiu Property was approx. RMB0.60 bn

	GFA (sq.m.)
Yuexiu Financial Tower	211,500
Nansha Sheraton Hotel	54,600
Xiangkang Commercial Plaza	31,800
Other Guangzhou Commercials	205,600
Hangzhou Starry City (Commercial)	120,600
Other projects	73,500
Subtotal (Major Leasing Projects)	697,600
Guangzhou International Commerce Center	229,400
Wuhan International Financial City (Commercial)	241,800
Nansha IFC	81,500
Subtotal (PUD Projects)	552,700
Nansha Southern Le Sand (Commercial)	200,000
Hangzhou Starry City (Commercial)	88,000
Subtotal (PFD Projects)	288,000
Total	1,538,300

Revenue of Yuexiu REIT⁽¹⁾ was approx. RMB1.76 bn

	GFA (sq.m.)
Guangzhou IFC	457,400
White Horse Building	50,200
Fortune Plaza	42,800
City Development Plaza	44,500
Victory Plaza	27,700
Hangzhou Victory Center	40,100
Shanghai Yuexiu Building	62,100
Wuhan Fortune Center and Starry Victory Shopping Center	248,200
Total	973,000⁽²⁾

“Dual Platform” Model

Notes: (1) Yuexiu Property held 38.04% of Yuexiu REIT as at 31 December 2020

(2) 633,000 sq.m. was rentable GFA

Pursuing Sustainable Growth of the Group

01

10 years

Released Social Responsibility/ Environmental reports and ESG reports annually for consecutive 10 years since 2010

02

HSSUS

Included in Hang Seng Sustainable Enterprise Index (HSSUS) in the past two years, maintaining Grade A level and being one of the benchmark enterprises among the HKEX listed companies. The company's achievements in business development, Environmental, Social & Governance have been highly recognized

03

Awards

BDO: ESG Awards 2021-Best in ESG Reporting Awards
XKB News: 2020 Real Estate Conference: City Development Contribution Award-Real Estate Brand of the Year
China Index Academy: 2020 Leading TOD Enterprise
Real Estate Guide: 2020 China City Sustainable Development Golden Tripod Award - Outstanding Company of the Year
Leju: 2019 High Quality life Enterprise
GuruClub: 2019 China Listed Real Estate Company Social Responsibility Award

04

Social Responsibilities

- **COVID-19 Prevention:**
 - ① Yuexiu Property donated RMB10 million to Red Cross Society of China Wuhan Branch
 - ② Yuexiu Commercials implemented "Six Tenants Support Measures", including cutting or waiving the rent
 - ③ Yuexiu Services helped the tenants to shop, collect mail parcels and utilize the "Smart Community" system to prevent COVID-19 together with the tenants
- **Poverty Relief :**
 - ① Support the poverty relief of Chimi Village, Xiniu Town in Qingyuan, Guangdong
- **Education Support :**
 - ① Donated 52,500 cartons of Fengxing School Milk to 10 schools in Guangzhou, worth of RMB3.15 million





Contents

- 1 Annual Results
- 2 Business Updates
- 3 Growth Strategies**
- 4 Outlook

GROWTH STRATEGY – INVESTMENT



GROWTH STRATEGY – TOD

To be a TOD Developer who is the best in Greater Bay Area,
leading and most influential in China



Deepen the strategic cooperation with Guangzhou Metro Group and continuously acquire high-quality TOD projects



Upgrade TOD product lines and improve TOD development model; Build up a new “Property Development+Urban Operation+Industry Introduction” multi-functional comprehensive TOD urban ecosystem



Foster the comprehensive development of the surrounding area of metro lines centered around our TOD projects to achieve the integrations of both “station and city development” & “industry and city development”. Deepen penetration in Guangzhou, focus on TOD projects in Greater Bay Area and replicate nationally



Improve the development, operation and standard management systems of TOD projects; implement big project manager management mechanism; recruit and train TOD professionals and build up “steel culture”

GROWTH STRATEGY – BUSINESS

Market Strategy

- Accelerate property sales by diversified means and combine online and offline channels to increase sell-through rate and cash collection rate
- Increase sell-through rate and cash collection rate of TOD projects
- Achieve the annual sales target

Product Strategy

- Increase product power, create “Good product, Good Brand”, build up our unique product system
- Enhance product planning and design systems, optimize product standardization and construction management system
- Develop 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
- Strengthen construction management, improve construction management organization system, enhance cost management and efficiency

Commercial Strategy

- Continue to implement the “Coordinated Residential & Commercial Development” strategy and “Development +Operations+Securitization” development model, strengthen interaction between the Group and Yuexiu REIT
- Foster the implementation of “Asset Manager” commercial asset management model and light asset model

Organization Strategy

- Strengthen internal cultivation and external acquisition of core talents, guided by strategy and business performance
- Optimize performance based incentives, co-investment mechanism and key employee share scheme





Contents

- 1 Annual Results
- 2 Business Updates
- 3 Growth Strategies
- 4 Outlook**

2021 PROPERTY MARKET OUTLOOK



Policy

Maintain “Housing is for living in rather than for speculation”, implement city-specific policies to ensure market stability; increase supply of affordable housing and public rental housing in Tier-1 cities; establish long-term real estate mechanisms to maintain a steady and healthy growth of real estate market



Market

Total market scale remain stable with limited price increase; market differentiation, competition and concentration further strengthen. City-cluster areas such as Greater Bay Area and Yangtze River Delta will outperform with strong demand



Land

The city governments will increase supply and implement the categorized controls to relieve the tension between supply and demand; more land supply for housing in big cities and public rental housing; demand in Tier 1&2 cities higher than supply cause stronger competition; land market tend to be more rational under policy controls



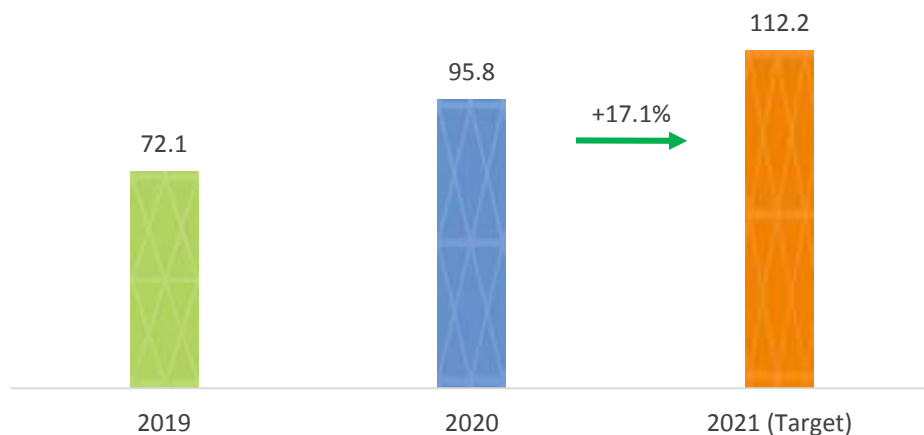
Finance

Maintain easing credit policies and financing environment with stable liquidity; the government tighten supervision on financing of developers, “Three Red Lines” policy and loan concentration management on financial institutions tighten financing on developers and exert impact on different developers very differently

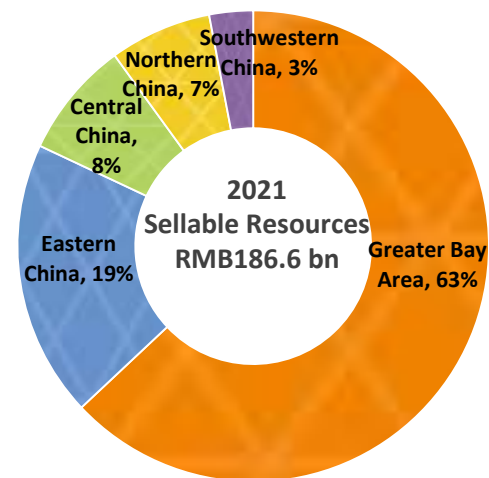
2021 SALES AND OPERATIONAL TARGETS

2021 Contracted Sales Target: RMB112.2 bn

RMB bn



Total Sellable Resources



Operational Plans⁽¹⁾

GFA (mm sq.m.)	2020E	2020A	2021E
PUD	17.91	17.16	18.03
New Construction Starts	6.95	6.30	7.01
Completion	5.51	5.61	6.14 ⁽²⁾

Notes : (1) Including figures from joint venture projects

(2) Completion for consolidation GFA was 4.23 mm sq.m.

2021 KEY OPERATING CASH FLOWS

Cash Inflow (RMB bn)	2021E
Property Sales	79.62
Rental Income and Other	4.40
Total	84.02
Cash Outflow (RMB bn)	2021E
Land Premium and Auction Deposits*	52.30
Construction Cost	16.58
Interest Payment	4.49
Tax and Administrative and Other Expenses	10.12
Total	83.49

*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

- The material in this document is a presentation of general background information about the Company's activities at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to potential investors. These documents are not an offer of securities for sale inside or outside of the United States. Securities may not be offered or sold in the United States unless they are registered or exempt from registration. Any offering of securities to be made in the United States will be made by means of an offering circular that may be obtained from the Bank. Such offering circular will contain detailed information about the company and its management, as well as the Company's financial statements.
- This document may not be copied or otherwise reproduced and may not be distributed in the United States or to U.S. persons, or in Canada or Japan.