

[For Immediate Release]

Yuexiu Property Announces 2021 Annual Results
Continuous Improvement in Operating Results
Steady Growth of Contracted Sales and Core Profit

- Revenue was approximately RMB57.38 billion, representing an increase of 24.1% year on year.
- Core net profit was approximately RMB4.15 billion, representing an increase of 3.2% year on year.
- The contracted sales value (including contracted sales of joint-venture and associate projects) for the year increased by 20.2% year on year to approximately RMB115.15 billion. During the year, the contracted sales value in the Greater Bay Area increased by 12.1% year on year to RMB71.37 billion.
- The Group has entered 8 new cities including Beijing, Shanghai, Ningbo, Dongguan, Nantong, Xi'an, Bijie and Chenzhou, expanding its geographical presence to cover all of the first-tier cities for the first time. It has continued to optimize the “1+4” strategy for regional presence, and added 37 premium land parcels in 18 cities with a total GFA of approximately 9.18 million sq.m. through its “6+1” unique and diversified land acquisition platforms.
- The Group’s total landbank amounted to approximately 27.11 million sq.m., of which 14.91 million sq.m. were located in the Greater Bay Area, accounting for approximately 55.0%.
- During the year, the Group added a new TOD property project, known as Guangzhou Yue Voyage, located in Guangzhou Huangpu Miaotou, with a total GFA of 0.21 million sq.m.. As of December 31, the landbank of TOD property projects was approximately 3.76 million sq.m., accounting for approximately 13.9% of the total landbank.
- The “Three Red Lines” indicators of the Group were all in “green lights”. With a total liabilities/total assets ratio (excluding unearned revenue) of 69.1%, a net gearing ratio of 47.1% and a cash to short-term debt ratio of 1.36 times, the Group’s financial position has remained sound and healthy.
- The Group has continued to optimize its debt structure and diversify its financing channels, having successfully issued USD650 million five-year bonds and USD150 million ten-year bonds with coupon rates of 2.8% and 3.8% respectively in the offshore market and RMB6 billion bond with an average coupon rate of 3.29% in the onshore market. The average borrowing interest rate decreased by 36 basis points to 4.26%.

- Yuexiu Services was successfully spun off and listed on the main board of HKEX, with net proceeds of around HKD1.96 billion.
- The Group has successfully sold Guangzhou Yuexiu Financial Tower to Yuexiu REIT, normalizing the “dual platform” interaction between Yuexiu Property and Yuexiu REIT.
- The Group’s ESG efforts have continued to be recognized by the capital market, and it has been included in the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years with an “A” rating. Its MSCI ESG rating has been upgraded to “BB”, and it has received a “three star” rating from the GRESB for the first time.
- The Board recommended to declare a final dividend of HKD0.328 per share (equivalent to RMB0.265 per share) for 2021, which, together with the interim dividend, will bring the total dividend for 2021 to HKD0.654 per share (equivalent to RMB0.536 per share). The total dividend per share for 2021 in Hong Kong dollars increased by 9.0% compared to the previous year.

(10 March 2022 – Hong Kong) **Yuexiu Property Company Limited** (“Yuexiu Property” or the “Company”, together with its subsidiaries, collectively the “Group”, HKEX Stock Code: 00123) is pleased to announce its annual results for the year ended 31 December 2021.

Steady Growth in Core Net Profit

In 2021, the Group centered on the annual theme of “improving structure and opening new beginning, strengthening capability and improving quality”, and adhered to the strategy of focusing on operation and pandemic prevention while maintaining a steady growth in operating results.

The Group recorded a revenue of approximately RMB57.38 billion in 2021, up 24.1% year on year. Core net profit was approximately RMB4.15 billion, up 3.2% year on year. The dividend payout ratio based on core net profit remained stable at 40%.

Sustained Rapid Growth in Contracted Sales

The Group actively responded to market adjustment and continued to strengthen the efforts of online and offline integrated marketing. As a result of the precision marketing strategies of “one city, one policy” and “one project, one policy” formulated by the Group, its contracted sales maintained a rapid growth for the full year, with contracted sales value reaching new heights and a sales growth rate that was among the highest in the industry.

In 2021, the Group recorded a contracted sales value (including contracted sales of joint venture projects) of approximately RMB115.15 billion, representing a year-on-year increase of 20.2%. The GFA of the aggregate contracted sales was approximately RMB4.18 million sq.m., representing a year-on-year increase of 10.1%. During the year, the GFA of the aggregate contracted sales in the Greater Bay Area was approximately RMB71.37 billion, 12.1% higher than the previous year.

Obtaining High-quality Landbank through Diversified Channels

In 2021, the group fully utilized its unique and diversified “6+1” land acquisition platform, and formulated relevant investment strategies based on its proactive studies of the changes in the land transfer policies and their impacts as well as enhanced research of the local markets. The Group acquired 37 new land parcels in 18 cities, including Guangzhou, Foshan, Dongguan, Zhongshan, Shanghai, Hangzhou, Suzhou, Nantong, Nanjing, Ningbo, Wuhan, Xiangyang, Changsha, Chenzhou, Beijing, Chongqing, Xi’an and Bijie, at reasonable prices, with a total GFA of approximately 9.18 million sq.m.. Among them, 56% were acquired through the approach of non-open competition. Those that were acquired through the TOD mode, “city operation”, and cooperation with SOEs accounted for 2.3%, 25.5% and 9.3% of the newly acquired landbank respectively.

The Group continued to enhance the implementation of the “1+4” strategy for building a national presence. Apart from being deeply rooted in the Greater Bay Area, the Group also focused on expanding in Eastern China, Central China, Northern China and Southwestern China. It has strategically entered 8 new key cities, namely Beijing, Shanghai, Ningbo, Nantong, Dongguan, Xi’an, Bijie and Chenzhou, expanding its geographical presence to cover all of the tier-1 cities. As of 31 December 2021, the Group had established presence in 29 cities as part of its national strategic plan, with a total landbank of 27.11 million sq.m.. The landbank in the Greater Bay Area accounted for 55.0% of the total landbank.

Reinforcing TOD Development Strategy

In 2021, the Group successfully acquired a TOD property project, known as Yue Voyage, located in Huangpu Miaotou, Guangzhou, adding 210,000 sq.m. to the TOD project landbank. As of 31 December 2021, the Group had a total of 6 TOD projects and a total TOD project landbank of 3.76 million sq.m., which accounted for approximately 25.2% of the landbank in the Greater Bay Area and 13.9% of the Group’s total landbank.

The Group’s TOD projects maintained steady sales performance, achieving a total contracted sales value of approximately RMB17.87 billion for the full year, representing a year-on-year increase of 5.1%. Among these projects, Yue

Galaxy achieved a contracted sales value of RMB3.5 billion, Yue Infinity achieved a contracted sales value of RMB4.0 billion and TOD Town achieved a contracted sales value of RMB4.59 billion.

All “Three Red Lines” Indicators Remaining in “Green Lights” with Sound and Healthy Financial Position

The Group maintained a sound and healthy financial condition with liquidity at a safe level. As of 31 December 2021, the cash, cash equivalents and charged bank deposits of the Group amounted to approximately RMB40.5 billion, representing an increase of 8.6% comparing to the beginning of the year, indicating sufficient liquidity. The total liabilities/total assets ratio (excluding unearned revenue), net gearing ratio and cash to short-term debt ratio were 69.1%, 47.1%, and 1.36 times respectively. All indicators of the “Three Red Lines” were in “green lights”.

The Group has actively expanded diversified financial channels and methods, strengthening capital management and continuously reducing funding costs. The Group successfully issued offshore five-year US bonds of USD650 million and ten-year US bonds of USD150 million with coupon rates of 2.8% and 3.8% respectively, representing a record low level of financing costs for the Group in its issuance of offshore bonds. It also successfully issued onshore corporate bonds of RMB6 billion with an average coupon rate of 3.29%. The Group’s average cost of borrowing for the year decreased by 36 bps to 4.62%. Moody’s and Fitch have continued to maintain investment grade credit ratings on the Group, with “stable” outlooks.

Capital Operation Empowering Business

In the first half of the year, the Group successfully spun off Yuexiu Services (6626.HK), which is now listed on the Hong Kong Stock Exchange. The net proceeds from the Listing amounted to around HKD1.96 billion. The spin-off has established a good platform for the development of the Group’s property management business and laid a strong foundation for its rapid growth. As of 31 December 2021, the Group held 66.9% equity interests in Yuexiu Services.

In the second half of the year, the Group successfully sold Guangzhou Yuexiu Financial Tower to Yuexiu REIT, the “dual platform” interaction between Yuexiu Property and Yuexiu REIT has been normalized.

Continuous Enhancement in ESG Standards

The Group has been publishing the corporate social responsibility report every year since 2010, and the environmental, social and governance report annually since 2016, covering material topics of concern for stakeholders including shareholders, investors, tenants, suppliers, employees, and the government.

The capital market has continued to recognize the Group's ESG efforts. The Group has been included in the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years with an "A" rating since 2019. Its MSCI ESG rating has been upgraded to "BB" in 2021. The Group has also been continuously improving in terms of green building and corporate governance standards. In 2021, the Group received a "three star" rating from GRESB, indicating a relatively high standard of performance compared with peers in the industry. The Group has also received ESG awards from various authoritative organizations domestically and overseas over the years.

Mr. Lin Zhaoyuan, Chairman of the Group, said, "The year 2021 marks the beginning of the Group's 14th Five-year Strategic Plan. It is also a year of great changes for the property industry. The Group has adhered to the mission of building homes 'Where Good Living Starts' and maintained steady growth of various business segments and their operating results under an environment with full of changes in the industry landscape, laying a strong foundation for the development of the 14th Five-year Plan. In the future, the Group will work towards building 'new capabilities, new mechanism and new culture' through 'lean management', which will be the new target of our development and will help us create new growth drivers. The Group will pursue the sustainable and steady development of our various business segments and continue to create value for shareholders."

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Disclaimer

The above-mentioned data are based on the summary of internal information of the Company, which may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or semi-annual basis due to various uncertainties during the process of collection and collating of such information. As such, the above data are provided for investors' reference only. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

About Yuexiu Property

Yuexiu Property Company Limited (HKEX Stock Code: 00123) was established in 1983 and was listed in Hong Kong in December 1992. Its mainstay business is property development and investment. To fulfil its mission of building homes "Where Good Living Starts", the Group has established presence in 29 cities across the country, with business operation mainly in the Greater Bay Area, the Eastern China Region, the Central China Region, the Northern China Region and the Southwestern China Region. As at 31 December 2021, the Group had a total asset of approximately RMB313.9 billion and a total landbank of approximately 27.11 million sq.m.. Yuexiu Property adheres to its core values of "Quality, Responsibility, Innovation, and Mutual Benefits" and aspires to become a leading property developer in China.

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