

2021 INTERIM RESULTS

12 August 2021

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Results Highlights

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Financial Review

2

Business Review

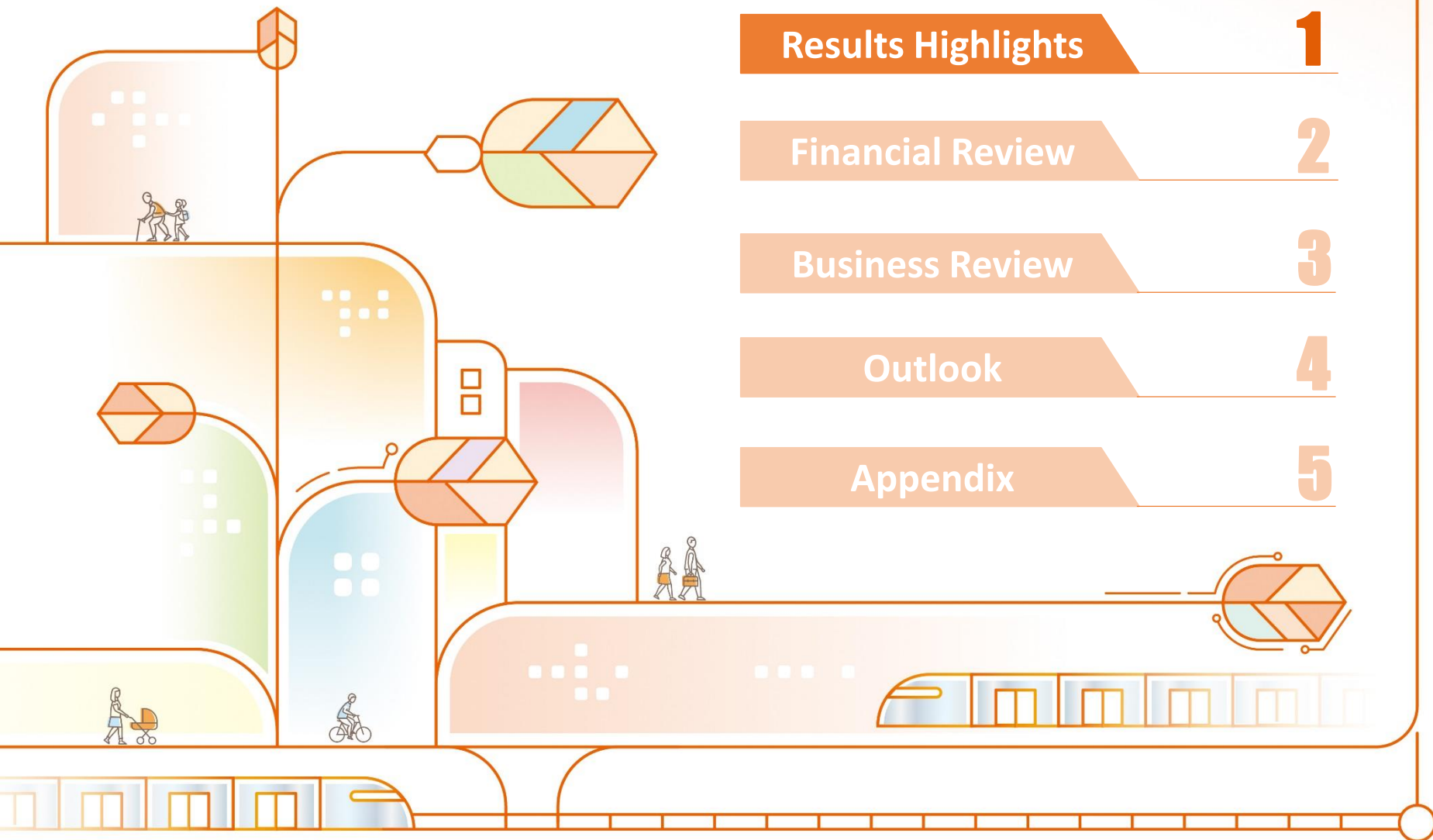
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Results Highlights

Net Profit Surged

Up 134.0% YoY

- Revenue: **958mn** **+108.2%** ↑
- GPM: **35.8%** **+3.6p.p.** ↑
- Net profit²: **178mn** **+134.0%** ↑
- NPM³: **18.5%** **+2.0p.p.** ↑

High Growth on Commercial PM and Operation

Revenue Surged 97.1% YoY

- Revenue of commercial segment was **280mn**, 29.2% of total revenue, up **97.1%** YoY ↑
- GP margin of commercial segment was **34.7%**
- Newly obtained contracted GFA of commercial segment: **830,000** sq.m., up **268.1%** YoY ↑

Note :

1. Currency: RMB

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

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

Management Scale Expansion

New Contracted GFA 4.19mn sq.m.

- GFA under management: **35.04mn** sq.m.
- Newly obtained GFA under management in 1H: **3.76mn** sq.m., up **63.0%** YoY ↑
- Contracted GFA: **52.73mn** sq.m.
- Newly obtained contracted GFA in 1H: **4.19mn** sq.m., up **41.4%** YoY ↑

Enhancement of Community VAS

19.3% of Total Revenue

- Revenue generated by community VAS was **184mn**, up **210.0%** YoY ↑
- Actively promoted the home decoration services, generating revenue of **50mn**

Unique TOD PM Model

Revenue Jumped to 117mn

- Revenue of TOD projects was **117mn**, 12.2% of total revenue, gross profit margin: **27.9%** and net profit margin: **17.3%**
- Newly obtained contracted GFA of TOD projects in 1H: **930,000** sq.m.
- Contracted GFA of TOD projects: **6.12mn** sq.m.

Explored “One-For-All” Services

Community Upgrading Business

- Integrated the resources of “PM + Community commercial operation + Intelligence + X” to develop the “One-For-All” services and successfully secured the community upgrading project for Yangming Garden in Wuxi City
- Newly obtained GFA under management of such business: **600,000** sq.m.

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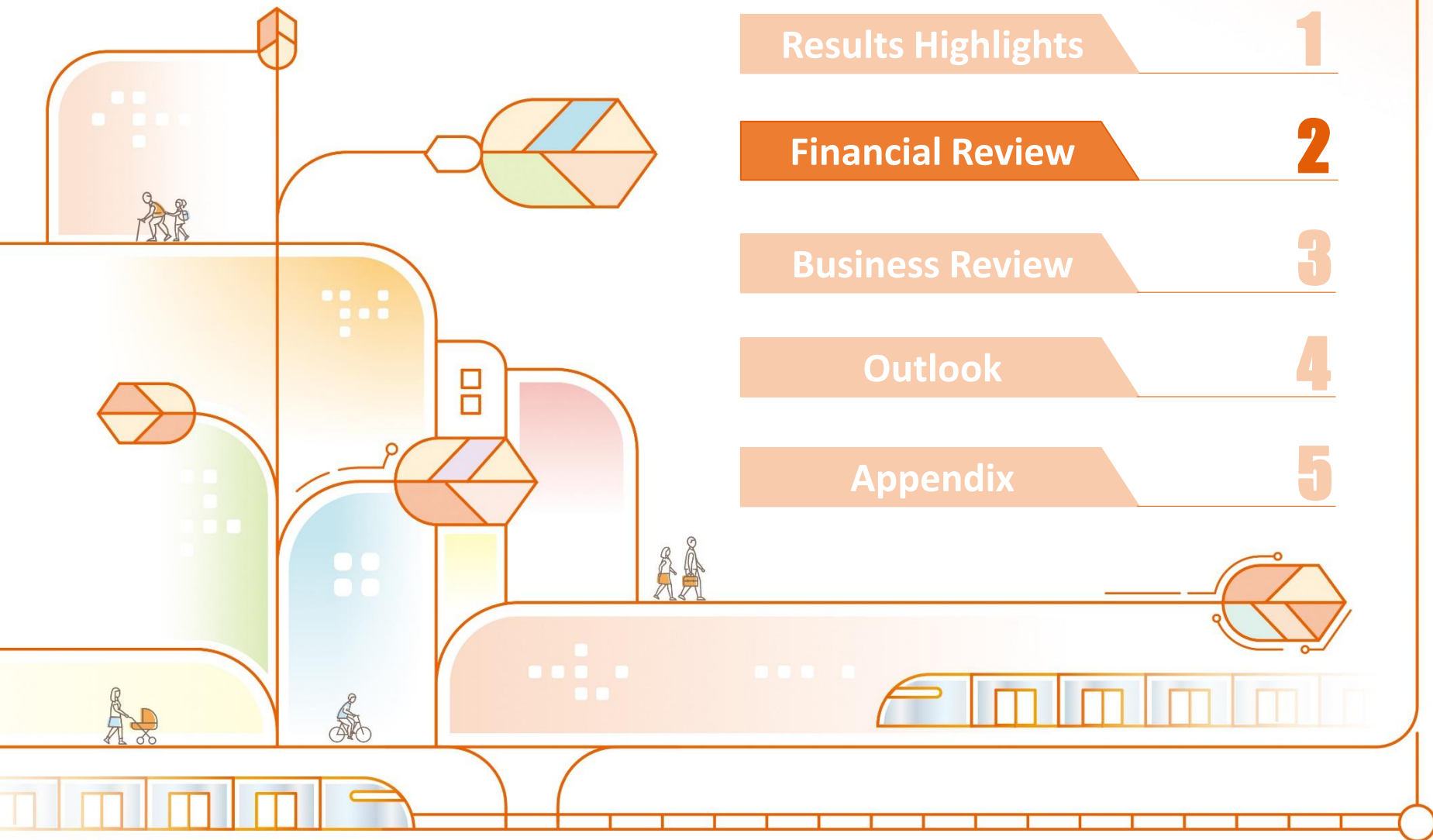
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Results Overview

Overview of Income Statement

RMB mn	1H 2021	1H 2020	Changes
Revenue	958	460	+108.2%
Cost of sales	(616)	(312)	+97.3%
Gross profit	343	148	+131.1%
Gross profit margin	35.8%	32.2%	+3.6p.p.
Administrative expenses	(88)	(49)	+78.9%
Net profit ¹	178	76	+134.0%
Net profit margin ²	18.5%	16.5%	+2.0p.p.
Basic earnings per share (RMB) ³	0.16	0.07	+128.6%

Overview of Balance Sheet

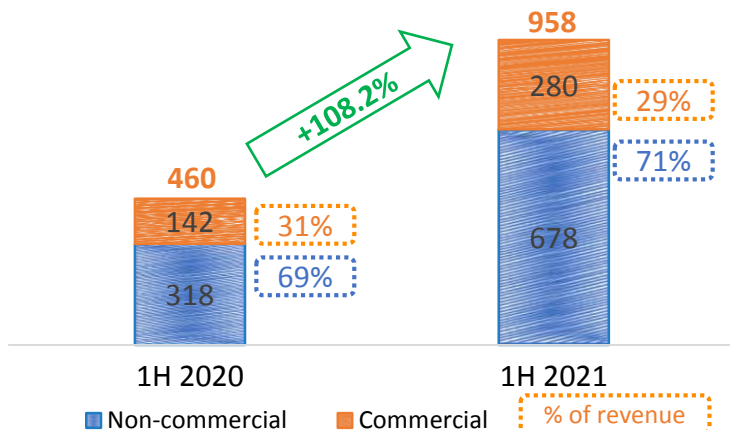
RMB mn	2021.6.30	2020.12.31	Changes
Cash and cash equivalents	3,191	995	+220.9%
Total assets	4,436	2,411	+84.0%
Equity attributable to shareholders	2,575	615	+319.0%

Note :

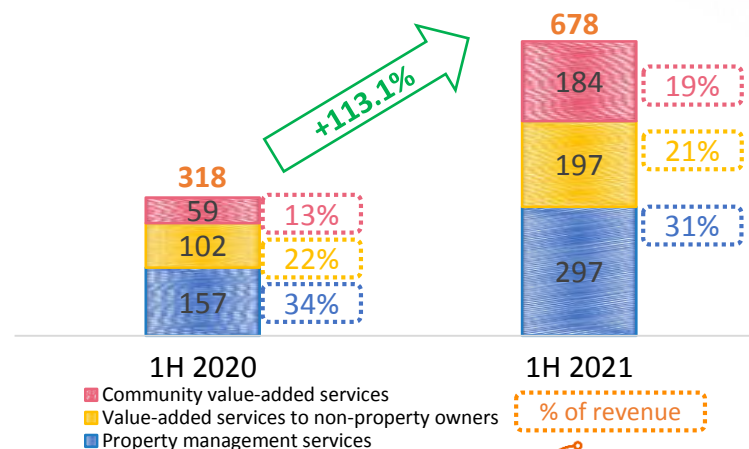
1. Net profit = profit attributable to the owners of the Company
2. Net profit margin=profit attributable to the owners of the Company/revenue*100%
3. The weighted average number of ordinary shares in 1H 2021 and 1H2020 was 1,096,547,000 and 1,018,600,000 respectively

Revenue

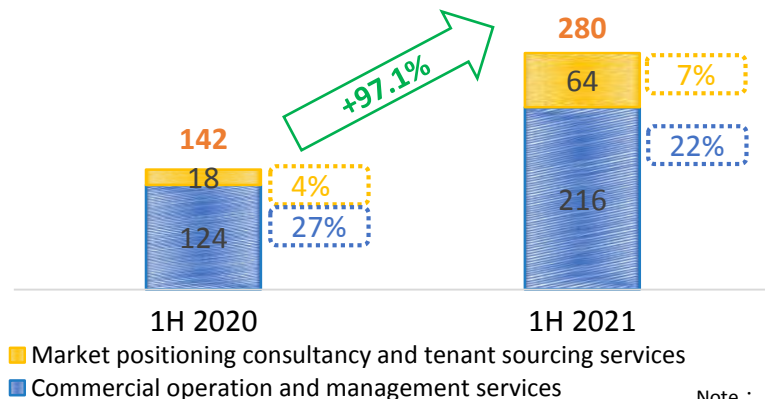
Revenue



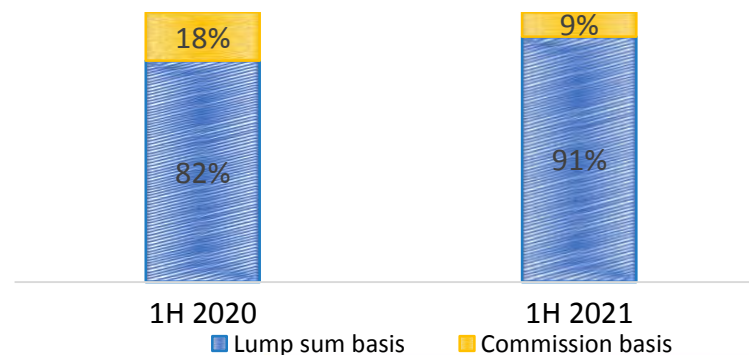
Non-commercial Revenue



Commercial Revenue



Lump Sum and Commission²



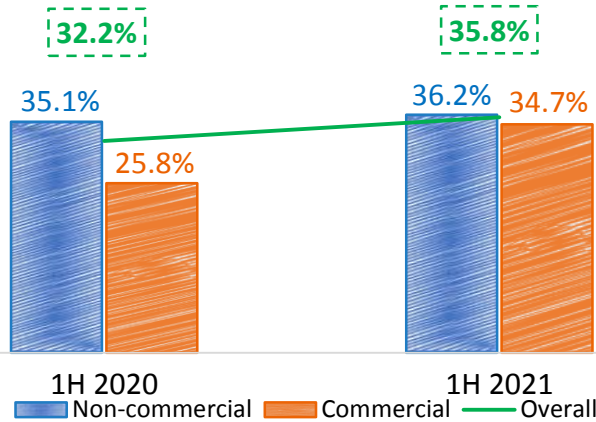
Note :

1、 Currency: RMB mn

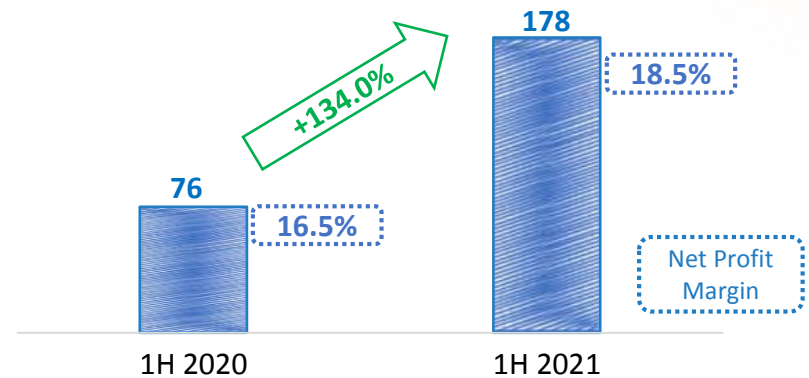
2、 Revenue by property management services

GPM and NPM

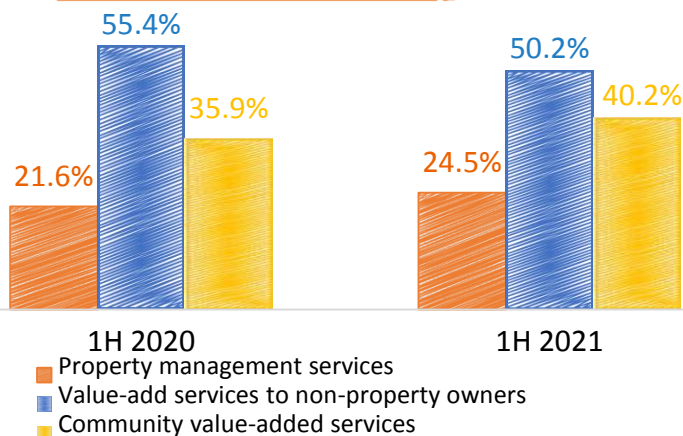
Gross Profit Margin



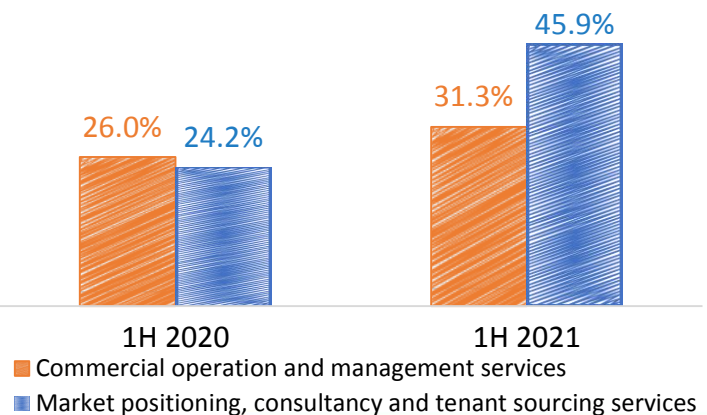
Net Profit and NPM²



GPM (Non-commercial)



GPM (Commercial)

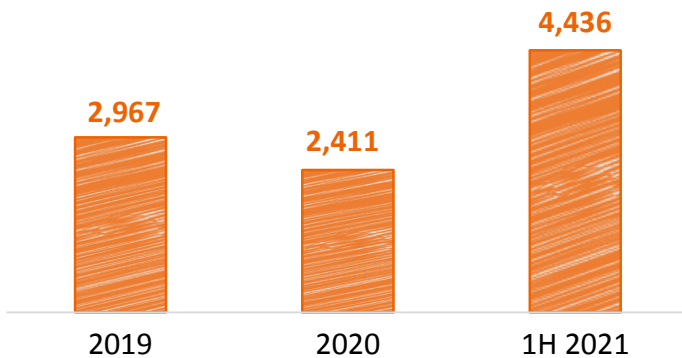


Note :

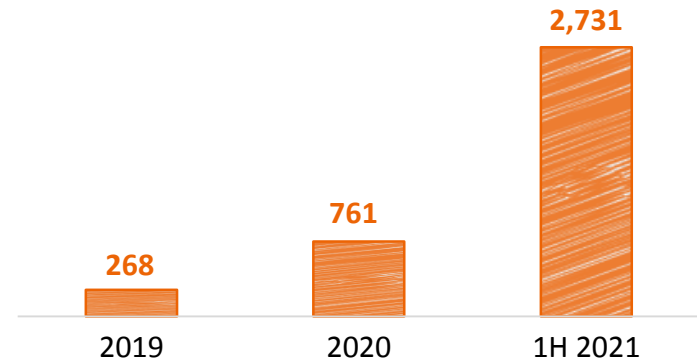
1. Currency: RMB mn
2. Net profit = profit attributable to the owners of the Company, net profit margin=profit attributable to the owners of the Company/revenue*100%

Overview of Balance Sheet

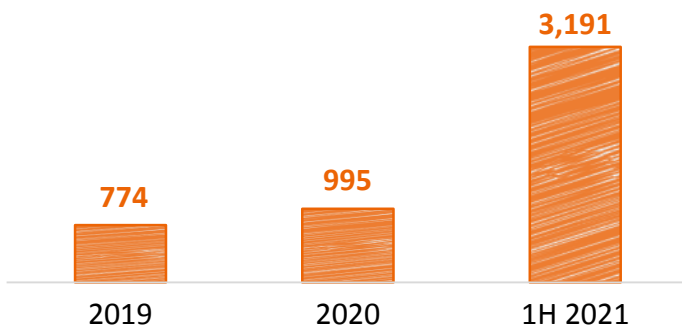
Total Assets



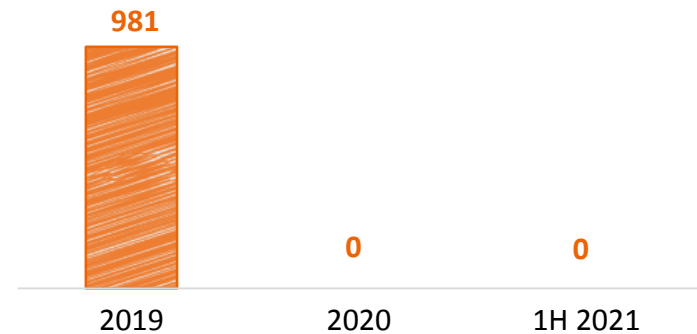
Net Assets



Cash and Cash Equivalents



Borrowings²

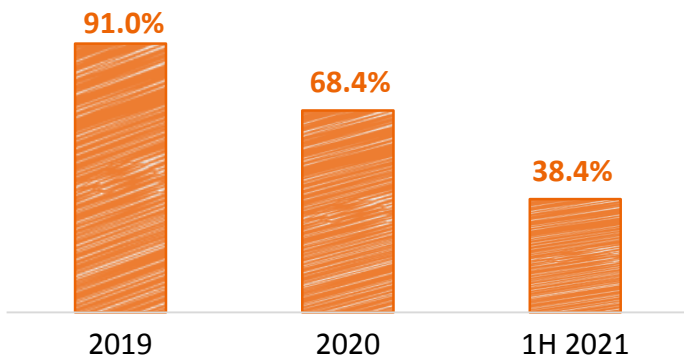


Note :

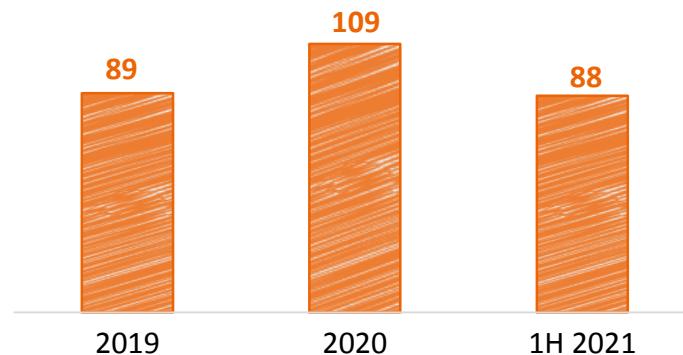
1. Currency: RMB mn
2. As of 31 December 2020 and as of 30 June 2021, the Company had no borrowings

Major Financial Indicators

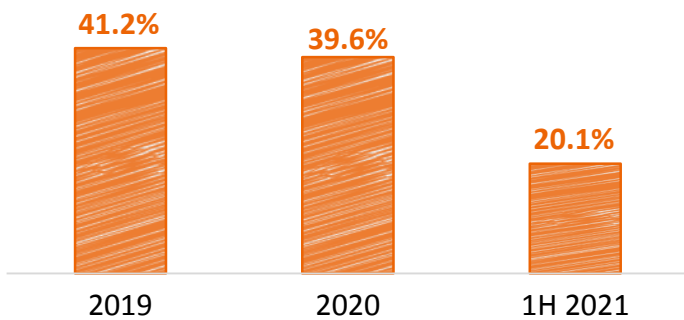
Liabilities to Assets Ratio¹



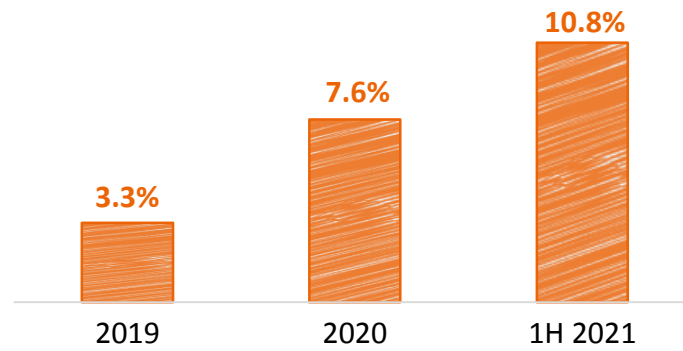
Trade Receivables Turnover Days²



ROE³



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 or the period/Revenue
3. ROE for 1H 2021 is annualized ROE

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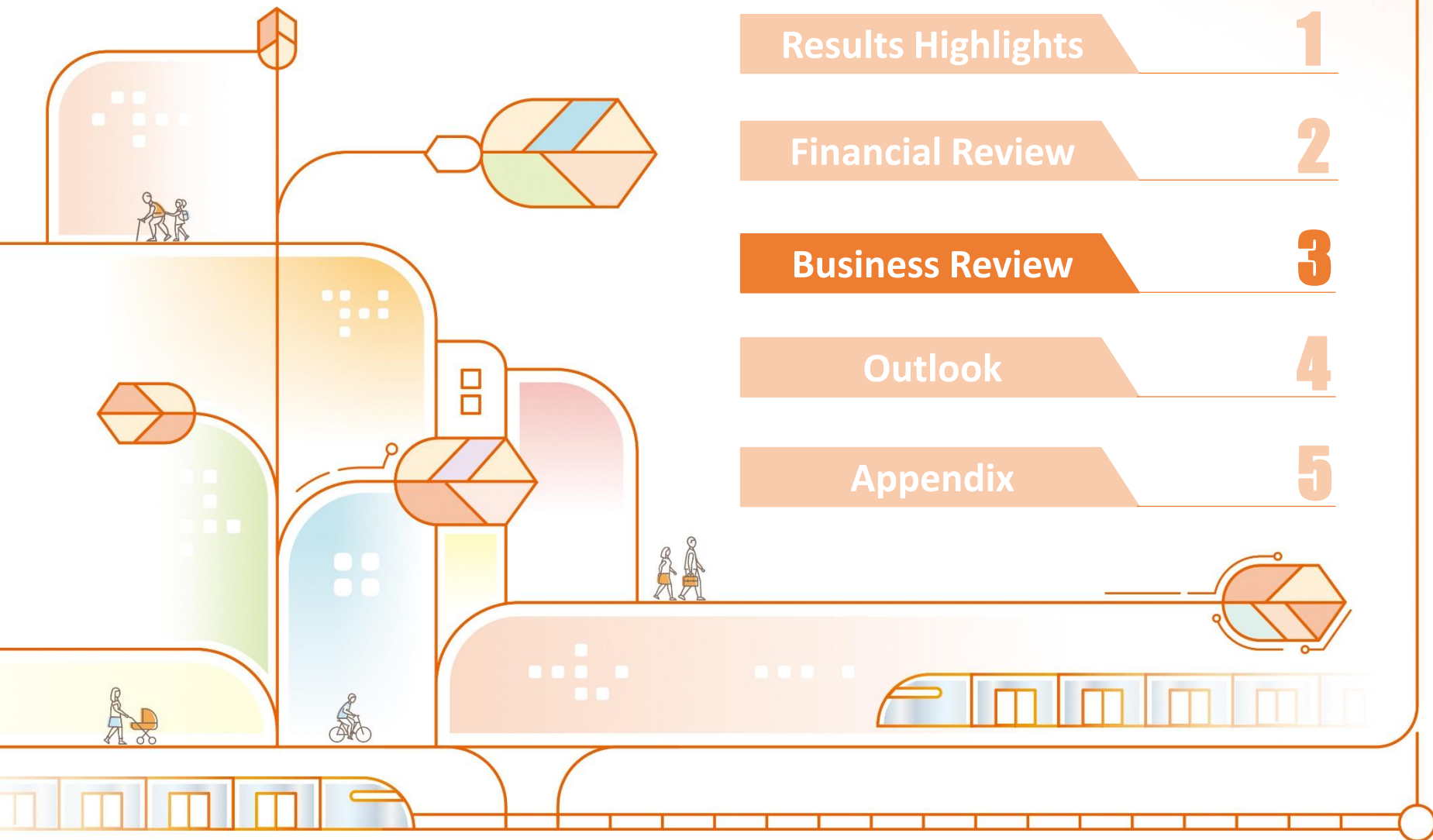
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Urban Operation Service Provider



Residential

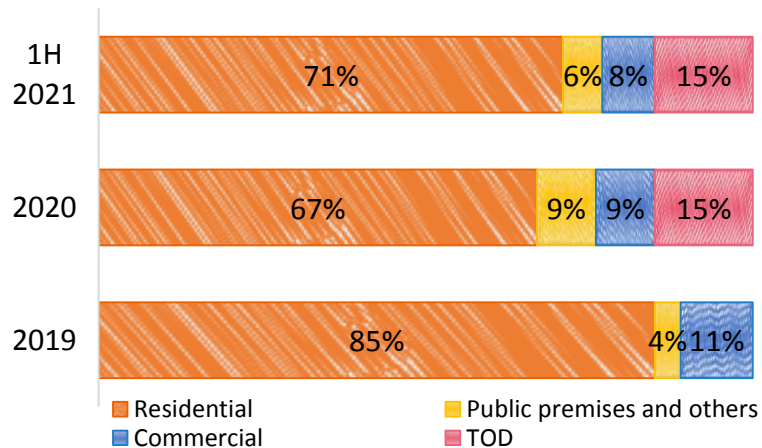


TOD

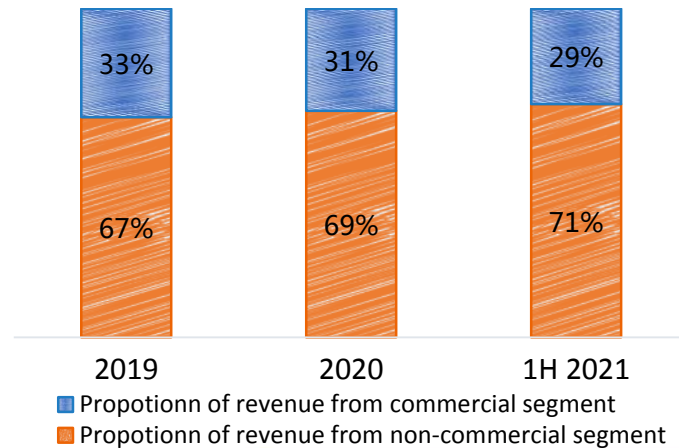


Commercial

Balanced PM Profile¹



Mix of Non-commercial and Commercial



Note :
1. By GFA under management

Steady Increase in Business Scale

GFA under management¹

35.04mn
sq.m.

Projects under management¹

226

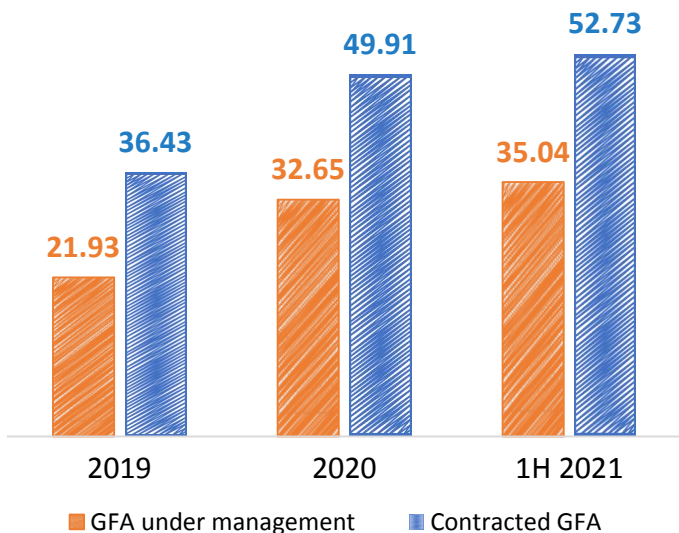
Contracted GFA¹

52.73mn
sq.m.

Contracted Projects¹

276

Steady Increase in Business Scale²



Note :
1. As of 30 June 2021
2. mn sq.m.

Changes in Business Scale

(mn sq.m.)	GFA under management	Contracted GFA
2020.12.31	32.65	49.91
Add :		
Newly obtained in 1H 2021	3.76	4.19
Less :		
Terminated in 1H 2021	1.37	1.37
2021.6.30	35.04	52.73

Seeking Breakthroughs in Expansion

No. of Projects
Obtained through
Bidding¹

24

Total Contract
Value¹

360mn

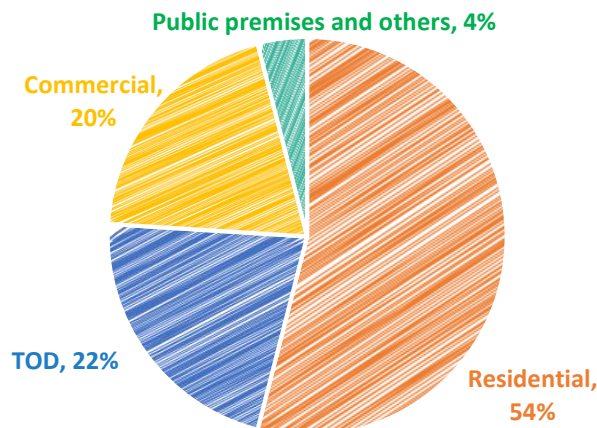
Contracted GFA¹

4.19mn
sq.m.

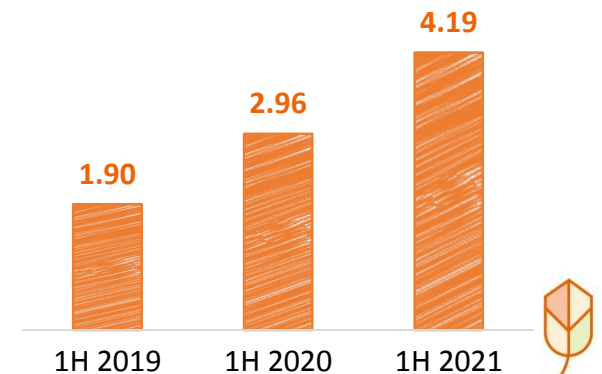
Competitive Advantages in Expansion

- ◆ **Specialized market expansion task force**
 - A 70-people strong investment and expansion task force
 - Cooperation between headquarters and regional offices
 - Market-oriented incentive plan
- ◆ **SOE-backed market expansion**
 - Office buildings for local SOEs
 - Local community properties
 - Local party school of CPC and other educational institutions

Profile of New Contracted GFA



New Contracted GFA²



Note :

1. For the six months ended 30 June 2021; Currency: RMB
2. mn sq.m.

Nationwide “1+4” Geographical Coverage

GFA under management¹:

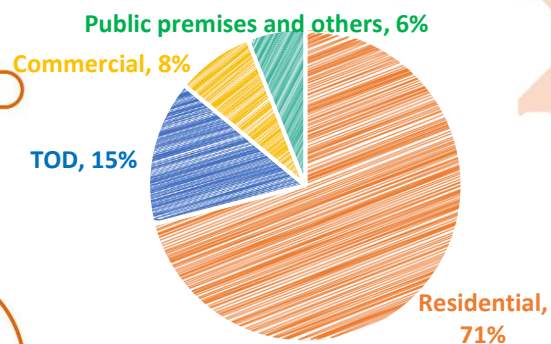
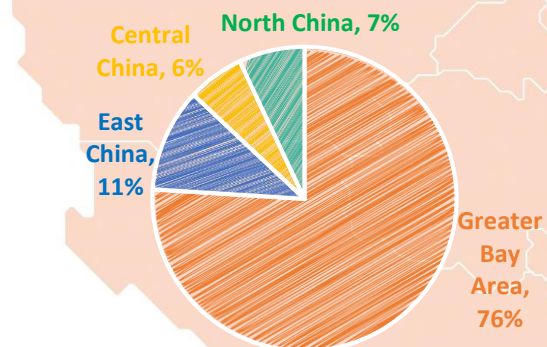
35.04mn sq.m.

By Region

- **GBA:** 26.47mn sq.m.
- **East China:** 3.93mn sq.m.
- **Central China:** 2.27mn sq.m.
- **North China:** 2.37mn sq.m.
- **Southwest China²:** -

By Profile

- **Residential:** 24.92mn sq.m.
- **TOD:** 5.10mn sq.m.
- **Commercial:** 2.96mn sq.m.
- **Public premises and others:** 2.05mn sq.m.



Note :

1. As of 30 June 2021
2. The projects in Southwest China region is contracted, and not yet deliver to manage

Unique TOD PM Model



广州地铁
Guangzhou Metro

Underground PM

- Metro Stations
- Metro Depots



越秀地产
YUEXIU PROPERTY

Above - ground PM

- TOD residential projects developed by Yuexiu Property
- Contracted GFA: Over **4mn** sq.m.

Growth¹

- PM services for 71 metro stations and 25 metro depots of GZ Metro
- GFA under management: **5.10mn** sq.m., contracted GFA: **6.12mn** sq.m.
- Newly obtained contracted GFA in 1H2021: **930,000** sq.m.

Profitability²

- Revenue generated by TOD projects was **117mn** in 1H2021, accounting for **12.2%** of total revenue
- GP margin of TOD projects was **27.9%**, up 1.9 p.p. YoY
- NP margin of TOD projects was **17.3%**, up 5.7 p.p. YoY

Uniqueness

- The exclusive service provider of PM services for GZ metro depots
- The exclusive service provider of cleaning work for special equipment such as metro trains
- Yuexiu Services has established a technological edge in cleaning work for special equipment

Note :

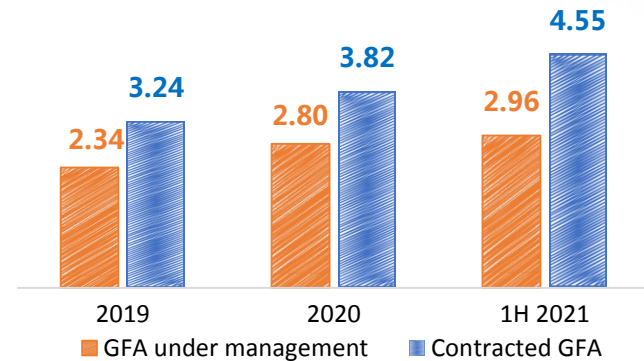
1. As of 30 June 2021, excluded GFA of TOD residential projects developed by Yuexiu Property
2. For the six months ended 30 June 2021, excluded the revenue and profit of TOD residential projects developed by Yuexiu Property
3. Currency : RMB

Solid Growth in Commercial Business

Contracted GFA from Third Parties¹

No.	Project Name	Contracted GFA (sq.m.)
1	Guangzhou Main Tower of Skyworth Science City	53,000
2	Guangzhou Daily Media Building	81,000
3	Guangzhou Cloud Economy Eco Park	101,000
4	Wuxi Yangming Science & Technology Innovation Center	72,000
5	Cangzhou Renqui Wanda Shopping Mall	75,000

Continuous Expansion of Commercial Business²



(260,000 sq.m.)

Wholesales markets and others, 9%

Grade A plus office² (RMB/month/sq.m.):

GZ IFC (RMB33)

GZ Yuexiu Financial Tower (RMB33)

GZ ICC (RMB35)

Grade A office² (RMB/month/sq.m.):

Wuhan Fortune Center (RMB30)

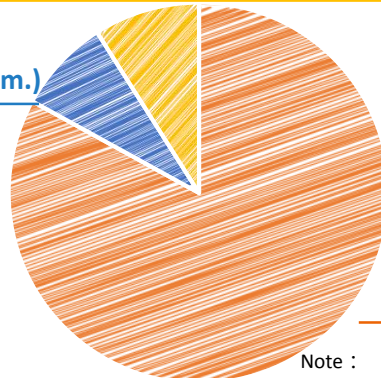
Shanghai Yuexiu Building (RMB32)

Office buildings, 83%

(2.47mn sq.m.)



Shopping malls, 8% (230,000 sq.m.)



Note :

1. Newly contracted commercial projects

2. mn sq.m.

3. Average management fee of office buildings

Strong Foothold in Community VAS

Home Decoration

- Home decoration services picked up speed and generated RMB50mn in revenue in 1H2021
- Forged ahead with four major businesses, namely hard-decoration, soft-decoration, one-stop decoration and house renovation



Sales and Leasing

- Speeded up sales and leasing business, rolled out sales and leasing shops nationwide with opening of over 70 shops
- Gained a strong foothold in communities to serve property owners and realize resource sharing
- Increased the brand awareness in order to expand the market to the surrounding communities



Community Commerce Services

Total GFA
> 200,000
sq.m.



Experience
> 10 years



Retail
Merchants
> 500

Consultancy
Service
across the
Entire Value
Chain

Lifestyle Healthcare Education Fresh Cuisine

AI Retail	Health	Early stage	Market	Tea House
AI Service	Beauty	K12	Supermarket	Catering
Sports	Therapy	Interest	Convenience	Beverage
Kids Fun	Pharmacy	Occupation	Group-shopping	Bakery

Innovation in One-For-All Services

Renovation Consultancy

Obtained the contract for the renovation plan of 10 communities in Yangming residential district from 2021 to 2022

Intelligent Services

Pressed ahead with the intelligent transformation or upgrading for Yangming Garden, Yangming Science and Technology Center and Yangming Development Center

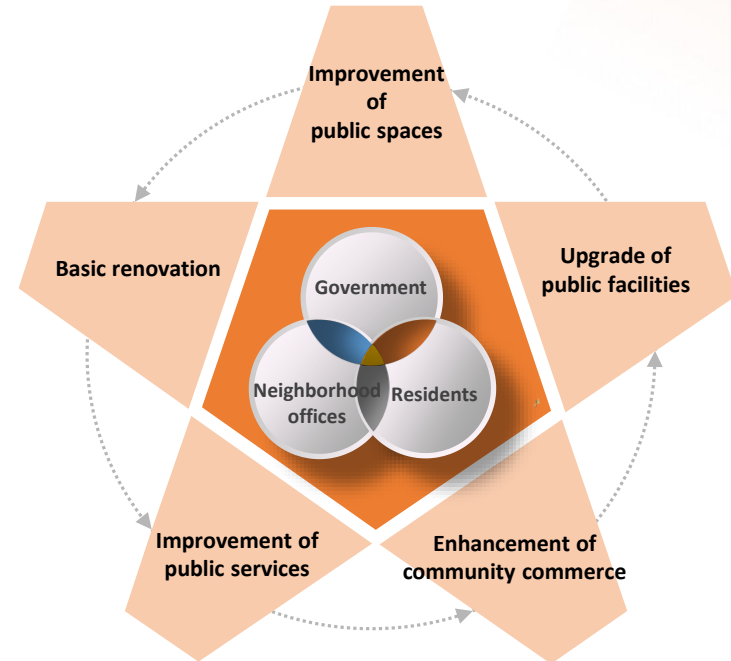
Property Management

Obtained the PM contract of Wuxi Yangming Garden and Yangming Science and Technology Center, bringing in 600,000 sq.m. of GFA under management

Commercial Asset Management

Upgrade and provide tenant sourcing for the commercial projects in Yangming residential district to enhance the value of commercial assets

One-For-All Services Model



Consultancy and coordination



Property Management



Intelligent Operation 5.5



Community Commerce Operation



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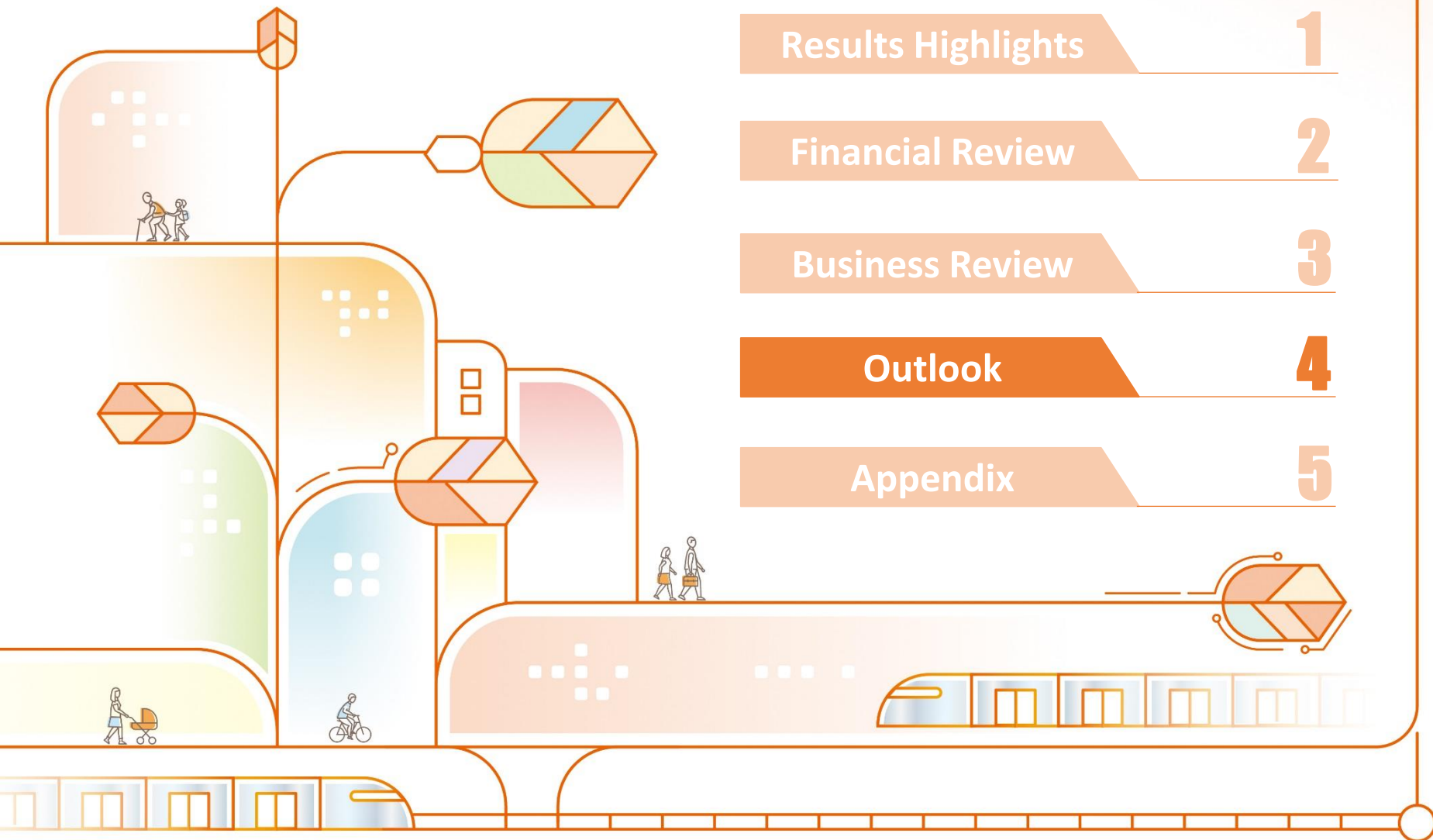
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Corporate Strategies

1

Uphold "1" principle : Maintain consistent quality to improve the brand reputation of Yuexiu Services

Continue to improve the service quality of property management, and promote the specialization, standardization, intelligence and serialization of services to lay a solid foundation for the growth of property management business

+

3

Develop "3" business segments



Residential community

- Residential properties
- Renewal and renovation of communities
- ...



Transportation hub

- Metro
- High speed rails
- Airports
- ...



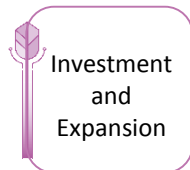
Commercial property

- Office buildings
- Shopping malls
- Wholesale markets
- ...

+

5

Enhance "5" core capabilities



Investment and Expansion



Supply Chain Management



Intelligence



Organization Management



Risk Control and Management

Scale Expansion through Diversification

**Comprehensive
Urban Operation
Service Provider**

Layout: "1+4" nationwide geographical coverage

- Region: Strengthen leading position in the GBA and further expand markets in East China, Central China, North China and Southwest China
- City: Focus on first-tier, new first-tier and second-tier cities

Strategies: Multi-driven of "Organic Growth" + "Market Expansion" + "M&A"

- Organic growth: Continuously undertake the projects brought by Yuexiu Property and Guangzhou Metro
- Market expansion: Set up a dedicated team with extensive resources and multiple channels to carry out nationwide expansion
- M&A: Take advantage of SOE's advantages to consolidate the property management resources of Guangzhou's state-owned assets and explore the potential of other cities' state-owned assets through local SOEs

Property Profile: Boost the development of "Residential + TOD + Commercial"

- Residential: Residential properties, renewal and renovation of communities, etc.
- Transportation hub: metro, high speed rails, airports, etc.)
- Commercial: Office buildings, shopping malls, wholesales markets, etc.

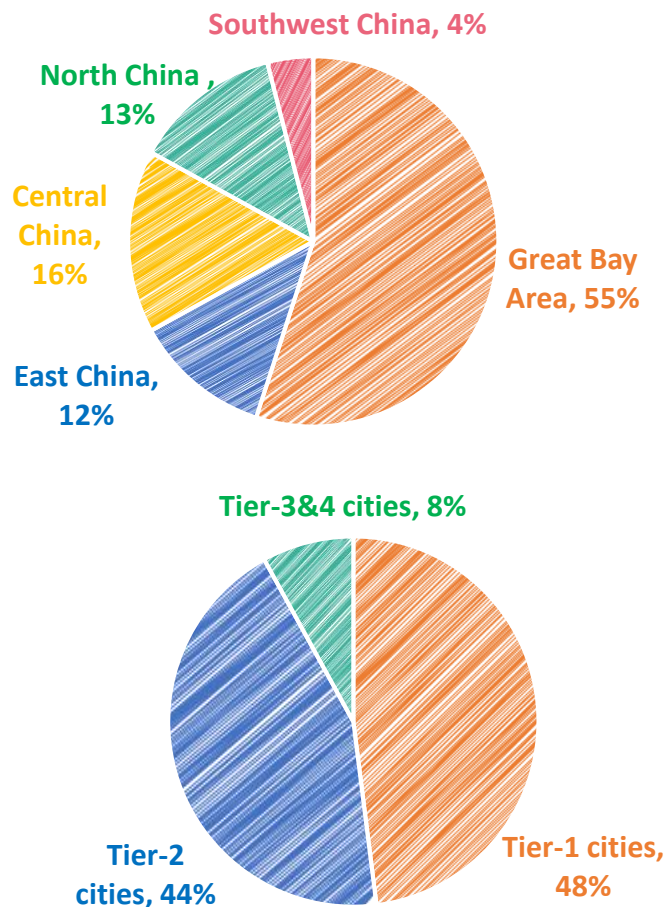
Business: Strive for accelerated expansions in "1+3" businesses

- 1 Basic Business: Property management services
- 3 Expanded Businesses: Non-property owners VAS, community VAS and commercial operation and management

Shareholders' Support for Steady Growth

Landbank of Yuexiu Property¹

2020: 24.54 mn sq.m.



GZ Metro Lines under Construction²

No.	Metro Lines	Mileages (km)	No. of Metro stations	No. of Metro depots
1	Line 18	61.3	9	2
2	Line 22	30.8	8	1
3	West Extension of Line 7	13.45	8	1
4	Line 11	44.2	32	1
5	Phase II of Line 13	33.5	23	2
6	East Extension of Line 3	9.55	4	1
7	East Extension of Line 5	9.8	6	1
8	Phase II of Line 7	21.9	11	1
9	Line 10	19.15	14	1
10	Line 12	37.6	25	2
11	Phase II of Line 14	11.9	8	0
Total		293.15	148	13

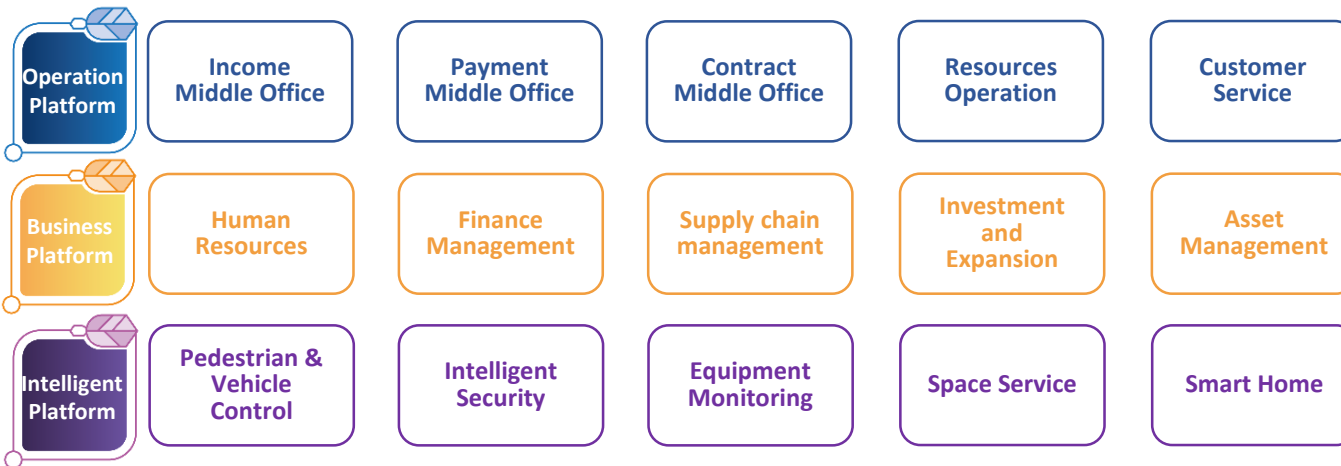
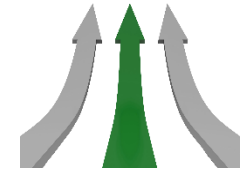
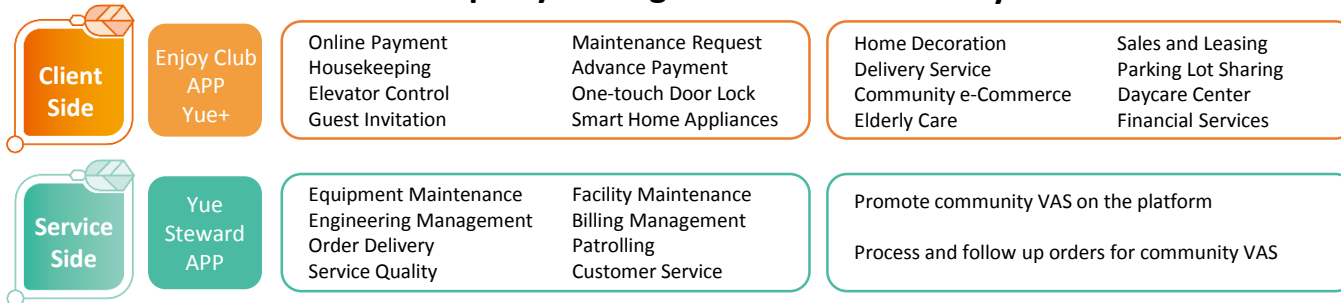
Note :

1. Source : Yuexiu Property annual report (mn sq.m.)
2. Source : GZ Metro's official website

Technological Empowerment Strategy

Basic Property Management

Community Value Added Services



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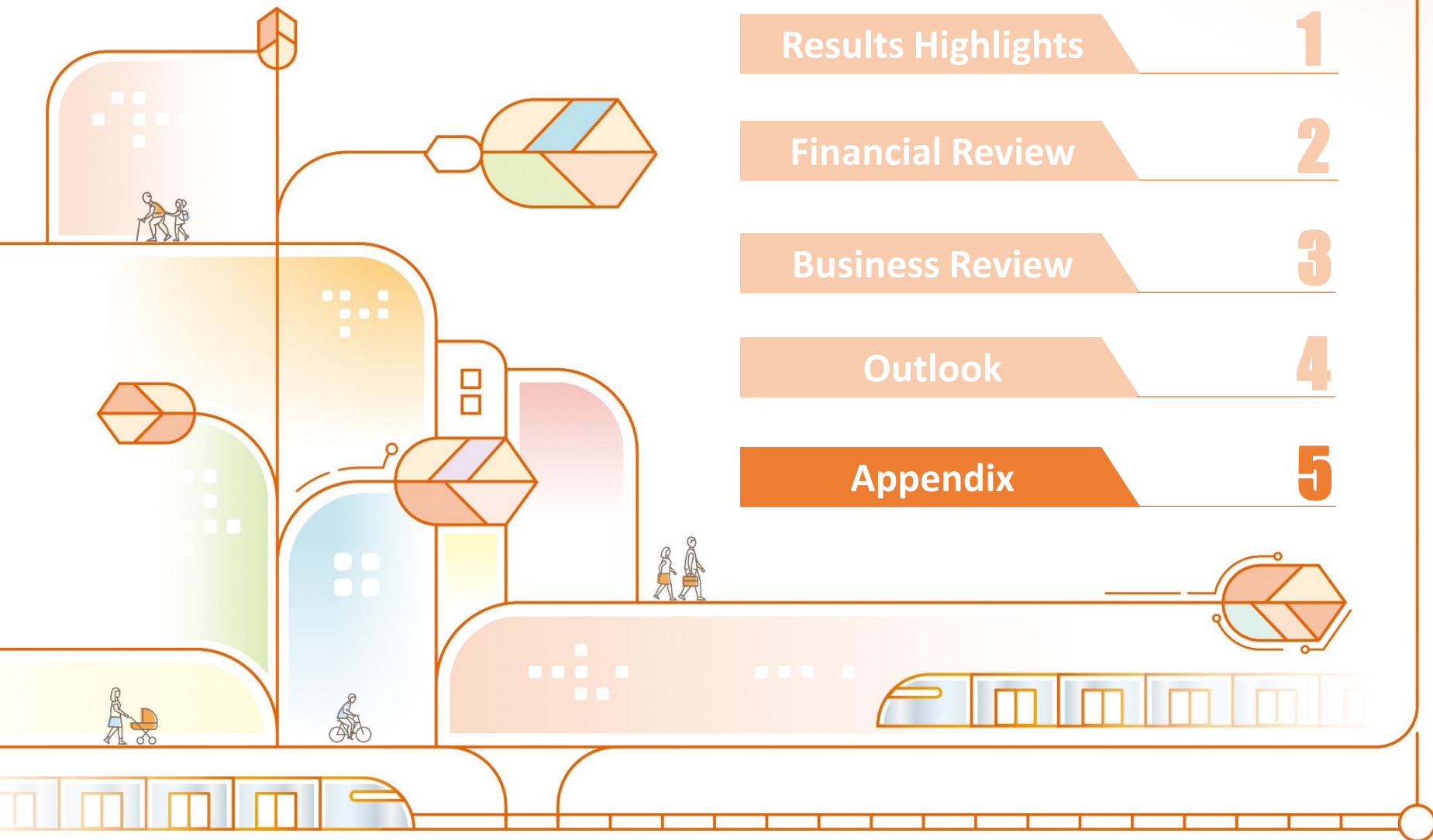
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Consolidated Income Statement

	2018	2019	2020	1H 2020	1H 2021
Revenue	762,802	896,332	1,168,048	460,311	958,185
Cost of sales	-565,288	-652,915	-764,757	-312,088	-615,603
Gross profit	197,514	243,417	403,291	148,223	342,582
Administrative expenses	-110,136	-116,804	-143,919	-49,379	-88,323
Net impairment losses on financial assets	-9,063	-4,844	-2,563	-692	-482
Other income	39,371	68,558	45,166	32,310	6,629
Other (losses)/gains – net	-726	604	488	127	282
Operating profit	116,960	190,931	302,463	130,589	260,688
Finance income	1,760	2,140	6,973	1,637	6,803
Finance costs	-52,848	-64,763	-29,225	-26,918	-2,309
Finance costs – net	-51,088	-62,623	-22,252	-25,281	4,494
Share of net profit of joint ventures	-	-	-	-	270
Profit before income tax	65,872	128,308	280,211	105,308	265,452
Income tax expenses	-18,558	-35,101	-76,501	-28,086	-80,946
Profit for the year/period	47,314	93,207	203,710	77,222	184,506
Profit attributable to :					
Owners of the Company	45,458	91,327	199,131	75,924	177,691
Non-controlling interests	1,856	1,880	4,579	1,298	6,815
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss – Exchange differences on translation of foreign operations	1,695	1,004	-1,749	2,555	-743
Items that will not be reclassified to profit or loss – Changes in the fair value of equity investments at fair value through other comprehensive incomes, net of tax	803	4,388	-662	-694	-2129
Other comprehensive income/(loss) for the year/period, net of tax	2,498	5,392	-2,411	1,861	-2,872
Total comprehensive income for the year/period	49,812	98,599	201,299	79,083	181,634
Total comprehensive income attributable to :					
Owners of the Company	47,956	96,719	196,720	77,785	174,819
Non-controlling interests	1,856	1,880	4,579	1,298	6,815

Consolidated Balance Sheet

	2018	2019	2020	2021.6.30
Assets				
Non-current assets				
Property, plant and equipment	21,996	35,113	41,084	43,924
Right-of-use assets	155,332	128,243	100,017	81,083
Intangible Assets	2,901	4,420	343,908	341,916
Share of equity interest of joint ventures	-	-	-	884
Financial assets at fair value through other comprehensive income	30,189	35,558	34,784	31,993
Deferred income tax assets	6,460	7,349	8,635	9,562
Restricted cash	6,745	625	6,536	8,558
	223,623	211,308	534,964	517,920
Current assets				
Inventories	578	686	899	1,080
Trade and other receivables and prepayments	1,872,382	1,960,825	861,963	703,291
Prepaid income taxes	6,155	14,777	11,191	21,773
Cash and cash equivalents	598,137	773,689	994,629	3,191,315
Restricted cash	-	6,120	7,061	1,025
	2,477,252	2,756,097	1,875,743	3,918,484
Total assets	2,700,875	2,967,405	2,410,707	4,436,404
Equity				
Equity attributable to owners of the Company				
Shared capital	-	-	581,017	2,367,005
Other reserves	-3,170	359	-366,346	-369,218
Retained earnings	174,149	258,547	399,953	577,644
	170,979	258,906	614,624	2,575,431
Non-controlling interests	12,684	9,389	146,056	155,881
Total equity	183,663	268,295	760,680	2,731,312

Consolidated Balance Sheet (Cont'd)

	2018	2019	2020	2021.6.30
Liabilities				
Non-current liabilities				
Borrowings	981,000	875,000	-	-
Deferred income tax liabilities	7,162	11,685	35,765	44,016
Lease liabilities	97,670	70,550	52,323	30,774
Other payables	-	15,497	6,144	-
	1,085,832	972,732	94,232	74,790
Current liabilities				
Trade and other payables	1,141,462	1,422,922	1,272,335	1,298,033
Contract liabilities	105,606	93,035	163,183	222,645
Borrowings	99,000	106,000	-	-
Lease liabilities	63,090	66,946	56,929	57,287
Current income tax liabilities	22,222	37,475	63,348	52,337
	1,431,380	1,726,378	1,555,795	1,630,302
Total liabilities	2,517,212	2,699,110	1,650,027	1,705,092
Total equity and liabilities	2,700,875	2,967,405	2,410,707	4,436,404

Thank you !



DISCLAIMER

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