

WHERE GOOD
LIVING STARTS

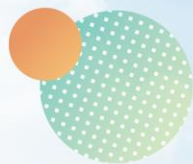
2021
INTERIM RESULTS

18 August 2021



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- 1 Interim Results
- 2 Business Updates
- 3 Growth Strategies
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RESULTS HIGHLIGHTS

Contracted Sales

RMB
47.38 bn
Up
26.1% y-o-y

- Contracted sales value reached approx. RMB47.38 bn, +26.1% y-o-y, Contracted sales GFA reached 1.79 mm sq.m., +17.9% y-o-y
- Contracted sales value in GBA reached approx. RMB33.67 bn, +50.4% y-o-y, among which Guangzhou reached approx. RMB26.59 bn, +31.3% y-o-y
- As of 30 June, unrecognized sales value was approx. RMB137.38 bn, +14.8% compared with the beginning of the year

Profit Attributable to Equity Holders

RMB
2.30 bn
Up
15.3% y-o-y

- Profit attributable to equity holders was approx. RMB2.30 bn, +15.3% y-o-y
- Core net profit was approx. RMB2.10 bn, +5.6% y-o-y
- An interim dividend of HKD0.326 per share was declared, +14.4% y-o-y

“Three Red Lines”

Remain in
“Green Lights”

- Gearing ratio (ex. unearned revenue), net gearing ratio and cash/short-term debt ratio were 69.4%, 49.8% and 1.80x respectively. “Three Red Lines” indicators remain in “green lights”
- Successfully issued USD650 mm 5-year and USD150 mm 10-year USD bonds, with coupon rates of 2.8% and 3.8%, respectively
- Average borrowing interest rate decreased by 26 b.p.t. to 4.45% 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

Landbank

Newly Added
5 mm sq.m.

- Through the “6+1” unique and diversified land acquisition platform, 23 land parcels in 11 cities with a total GFA of approx. 5.00 mm sq.m. were acquired, of which 8 parcels were in Guangzhou with a total GFA of 2.51 mm sq.m.
- 50.9% of the new land parcels was acquired via non-open market channels, while 49.1% was acquired through open market auction
- As 30 June 2021, the total landbank of the Group was 28.09 mm sq.m., up 18.9% y-o-y, of which the Greater Bay Area accounted for 54.6%

TOD Model

Further
Penetration

- Newly acquired a TOD project named Yue Voyage (Guangzhou Huangpu Miaotou) with a total GFA of 0.21 mm sq.m.. Total landbank of TOD projects were 4.06 mm sq.m., accounting for approx. 14.5% of the Group’s total landbank and approx. 26.5% of total landbank in GBA
- TOD projects achieved rapid sales growth in 1H with contracted sales value of RMB7.60 bn, up 50.7% y-o-y. Yue Infinity achieved RMB2.53 bn, Yue Galaxy achieved RMB2.50 bn and TOD Town achieved RMB1.39 bn

Yuexiu Services

Successfully
listed

- Yuexiu Services (6626. HK) was successfully spun-off and separately listed on the Hong Kong Stock Exchange in 1H, raising net proceeds of approx. HKD1.96 bn. As of 26 July, Yuexiu Property held 66.92% equity interests in Yuexiu Services
- In 1H, profit attributable to equity holders of Yuexiu Services was approx. RMB0.18 bn, +134.0% y-o-y, and the gross profit margin was 35.8%, +3.6p.p.t. y-o-y
- As of 30 June, the GFA under management reached 35.04 mm sq.m. and contracted GFA reached 52.73 mm sq.m.. The management scale was increased steadily

INCOME STATEMENT ITEMS

RMB bn	1H 2021	1H 2020	Y-O-Y
Revenue	24.24	23.71	+2.2%
Gross Profit	6.49	6.64	-2.4%
Gross Profit Margin	26.8%	28.0%	-1.2p.p.t.
Fair Value(Losses)/Gains	0.07	(0.02)	-
Net Other Gains	0.02	0.01	+42.3%
SG&A Expenses	1.11	1.06	+4.7%
Profit Attributable to Equity Holders	2.30	1.99	+15.3%
Core Net Profit ⁽¹⁾	2.10	1.99	+5.6%
EPS ⁽²⁾	RMB0.7429	RMB0.6442	+15.3%
Interim Dividend Per Share(RMB) ⁽³⁾	RMB0.271	RMB0.255	+6.3%
Interim Dividend Per Share(HKD) ⁽³⁾	HKD0.326	HKD0.285	+14.4%
Dividend Payout Ratio	40%	40%	-

Income Statement

- Notes:
- (1) Excluding the net fair value gains/(losses) of investment properties and the net foreign exchange (losses)/gains
 - (2) The Company completed the share consolidation on June 10 2021, the number of ordinary shares after and before the consolidation were 3,096,456,087 and 15,482,280,438 respectively. According to the accounting standards, the EPS in 1H 2021 and 1H 2020 were calculated by the weighted average number of ordinary shares of 3,096,456,087
 - (3) After the consolidation, interim dividend per share for 2021 and 2020 were calculated by the number of 3,096,456,087 ordinary shares issued. Before the consolidation, interim dividend per share for 2020 was RMB0.051 and HKD0.057



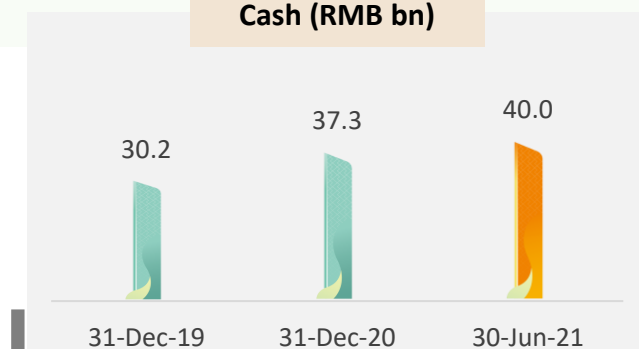
BALANCE SHEET ITEMS

RMB bn	30 June 2021	31 December 2020	Change
Cash ⁽¹⁾	40.00	37.31	+7.2%
Total Borrowings	74.72	67.84	+10.1%
Gearing Ratio ⁽²⁾	40.0%	38.6%	+1.4p.p.t.
Net Gearing Ratio ⁽³⁾	49.8%	47.5%	+2.3p.p.t.
Total Assets	297.23	263.20	+12.9%
Shareholders' Equity	46.10	43.75	+5.4%
Net Asset Per Share ⁽⁴⁾	RMB14.89	RMB14.15	+5.2%

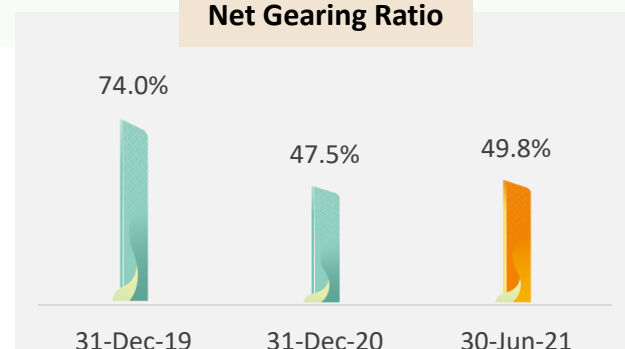
Balance Sheet

- 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
 - (4) The Company completed the share consolidation on June 10 2021, the number of ordinary shares after and before the consolidation were 3,096,456,087 and 15,482,280,438 respectively. According to the accounting standards, the net asset per share as of 30 Jun 2021 and as of 31 Dec 2020 were calculated by the number of ordinary shares of 3,096,456,087

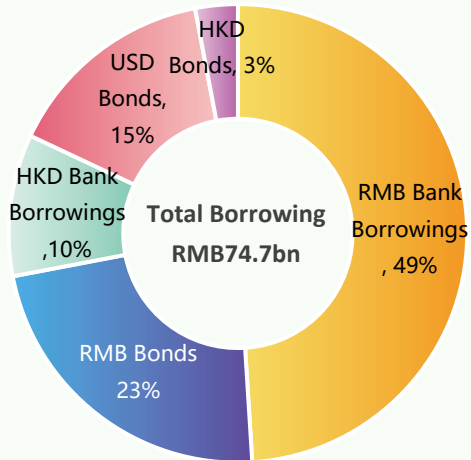
Cash (RMB bn)



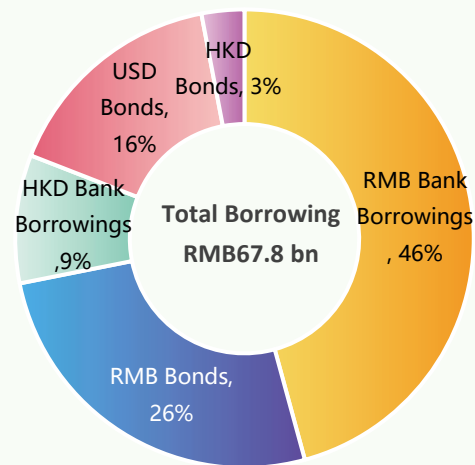
Net Gearing Ratio



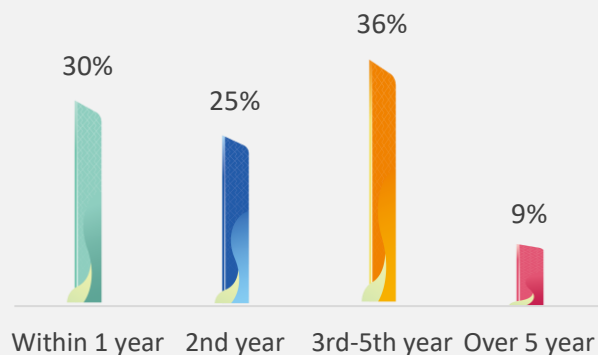
DEBT STRUCTURE ANALYSIS



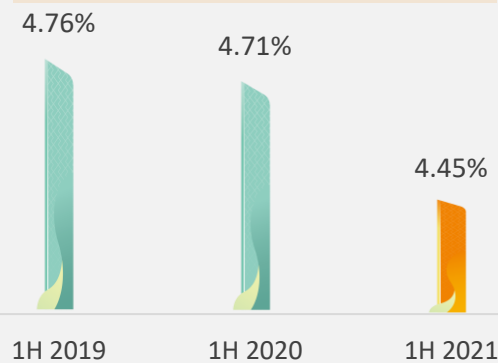
30 Jun 2021 | 31 Dec 2020



Debt Maturity



Average Borrowing Interest Rate



CASH FLOW ANALYSIS

RMB bn	1H 2021	1H 2020
Cash at the Beginning of the Year*	37.31	30.19
Cash from Operation	40.95	20.53
Operating Expenses	(40.50)	(20.32)
Development Cost	(10.92)	(6.90)
Land Premium Paid and Auction Deposits	(23.16)	(5.75)
Tax and Administrative and Other Expenses	(6.42)	(7.67)
Cash Inflow from Operating	0.45	0.21
Cash (Outflow) from Investing	(7.85)	(1.11)
Cash Inflow from Financing	10.09	0.87
Cash at 30 June 2021*	40.00	30.16

Cash Flow

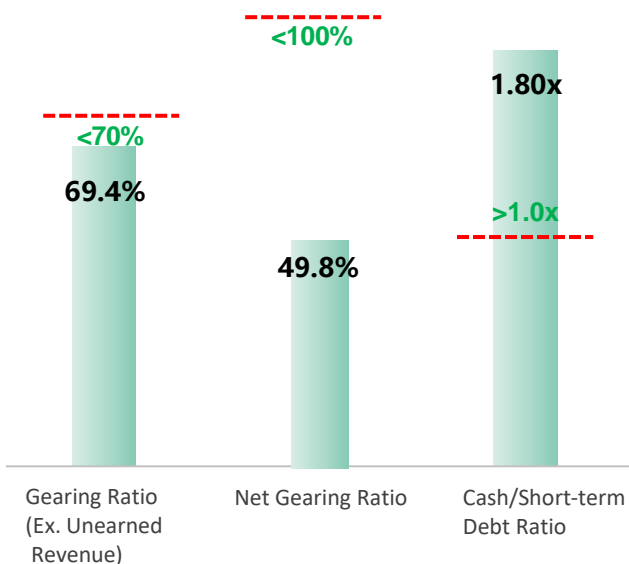
*Note: Including cash, cash equivalents and charged bank deposits



“THREE RED LINES” INDICATORS & CREDIT RATINGS

“Three Red Lines” Indicators

All “Three Red Lines” indicators remain in green lights



Investment Grade Ratings

Key Rating Drivers

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

Rating: Baa3, Outlook Stable

MOODY'S
INVESTORS SERVICE

Key Rating Drivers

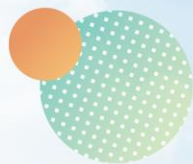
- Strong and sustainable parental support
- SOE background supports the acquisitions of high quality landbank by diversified channels
- Abundant sellable resources to form a solid base for scale growth and meeting sales target
- Stable financial position

Rating: BBB-, Outlook Stable

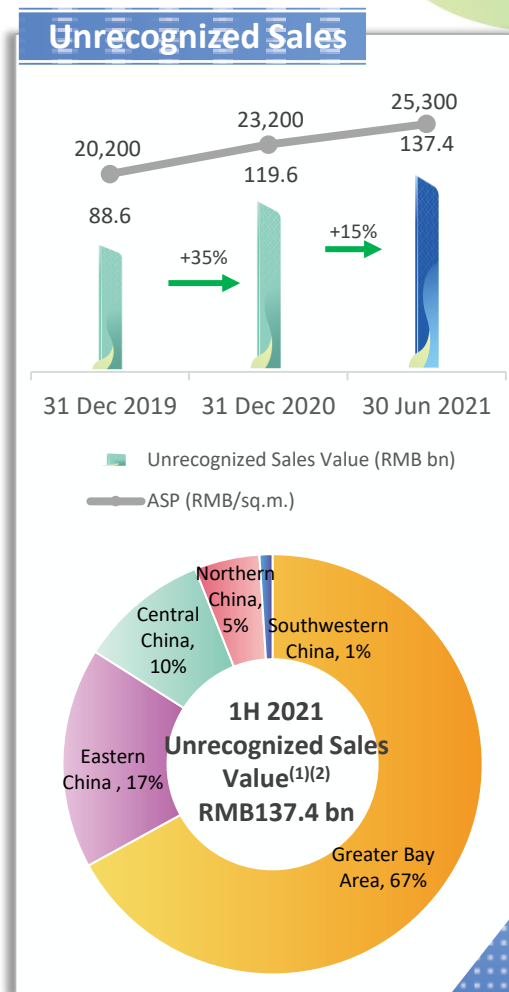
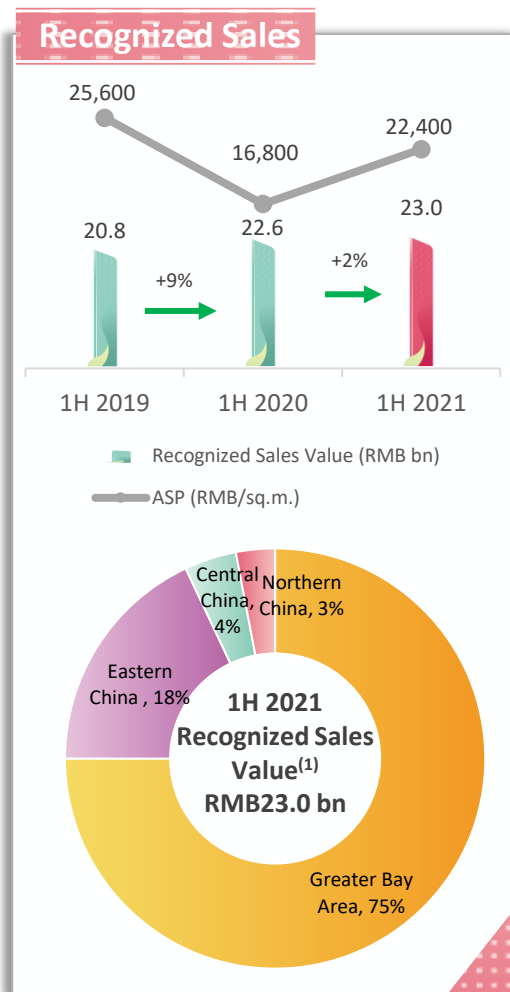
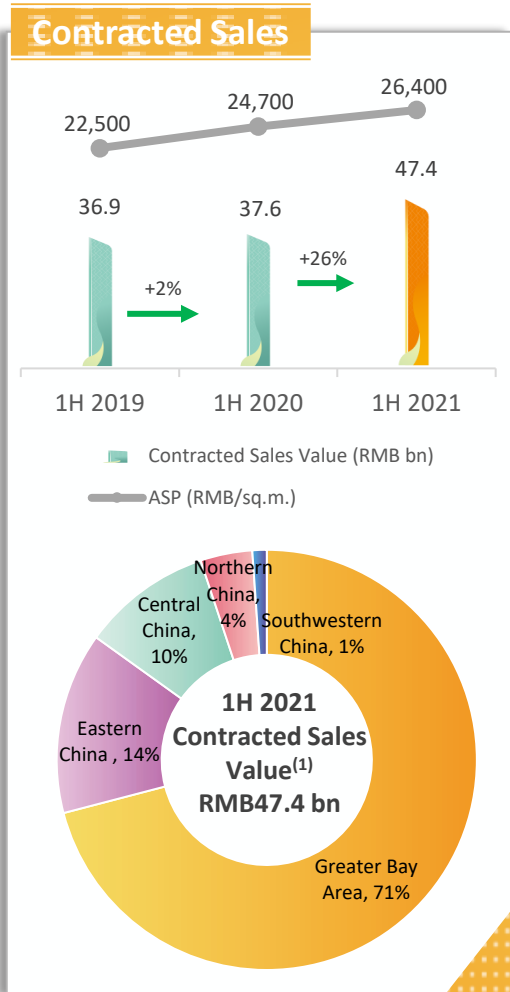
FitchRatings

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CONTRACTED, RECOGNIZED & UNRECOGNIZED SALES



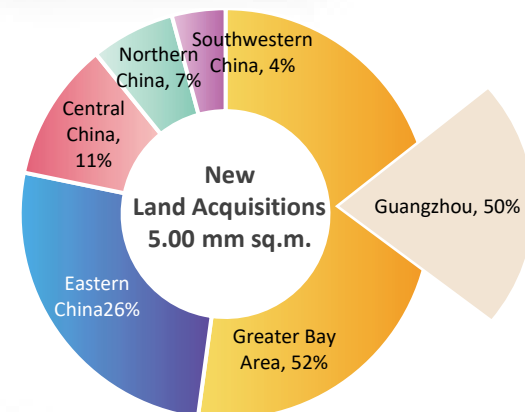
- Notes:
- (1) Including sales from joint venture projects
 - (2) The consolidated value of unrecognized sales as at 30 June 2021 was RMB98.3 bn, ASP was RMB27,700 per sq.m.

NEW LAND ACQUISITIONS

No.	Projects	GFA (sq.m.)	Equity Holding	Attributable GFA (sq.m.)
1	Guangzhou Baiyun Avenue Land	192,800	48.69%	93,900
2	Guangzhou Baiyun Guanglong Land	1,041,000	95.48%	994,000
3	Guangzhou Liwan Haizhong Village Land	165,200	9.50%	15,700
4	Guangzhou Panyu Guangzhou South Railway Station Land	234,400	95.48%	223,700
5	Guangzhou Panyu Guangzhou International Innovative City Land	319,500	9.55%	30,500
6	Guangzhou Yue Voyage (previous name: Guangzhou Huangpu Miaotou Land)	208,400	95.48%	199,000
7	Guangzhou Huangpu Knowledge City Land	137,100	95.48%	130,900
8	Nansha Hengli Island Land	214,800	42.97%	92,300
9	Dongguan Liaobu Land	89,500	9.55%	8,500
Subtotal (Greater Bay Area)		2,602,700		1,788,500
10	Hangzhou Xiacheng Land	421,900	32.14%	135,600
11	Suzhou Wuzhong Xukou Land II	164,000	42.79%	70,200
12	Suzhou Wuzhong Luzhi Land	104,200	42.75%	44,500
13	Nanjing Art Times (previous name: Nanjing Pukou Qiaolin Land II)	133,700	31.35%	41,900
14	Nanjing Yuhuatai Land	237,700	51.00%	121,200
15	Nanjing Jiangning Fangzheng New Town Land	130,600	23.28%	30,400
16	Ningbo Yinzhou Jiangshan Land	119,800	9.50%	11,400
Subtotal (Eastern China)		1,311,900		455,200
17	Wuhan Jiang'an Land	71,500	9.50%	6,800
18	Wuhan Yuexiu Garden (previous name: Wuhan Donghu Gaoxin Land)	215,800	46.55%	100,500
19	Changsha Yuhua Yatang Land	259,500	50.00%	129,800
Subtotal (Central China)		546,800		237,100
20	Beijing Huai'rou Land	329,200	46.55%	153,200
Subtotal (Northern China)		329,200		153,200
21	Chongqing Yubei Huixing Land I	147,500	31.18%	46,000
22	Chongqing Yubei Huixing Land II	39,200	95.48%	37,500
23	Bijie Baili Land	23,800	95.00%	22,600
Subtotal (Southwestern China)		210,500		106,100
Total		5,001,100		2,740,100

New Land Acquisitions

By Region



By Acquisition Channels



LANDBANK OF TOD PROJECTS

New Acquisition:

① Yue Voyage
(Guangzhou Huangpu Miaotou Land)

GFA: 208,400 sq.m.
Equity Holding: 95.48%

② Yue Galaxy

GFA: 1,098,300 sq.m.
Equity Holding: 86%

③ Yue Melody

GFA: 840,400 sq.m.
Equity Holding: 51%

④ Yue Infinity

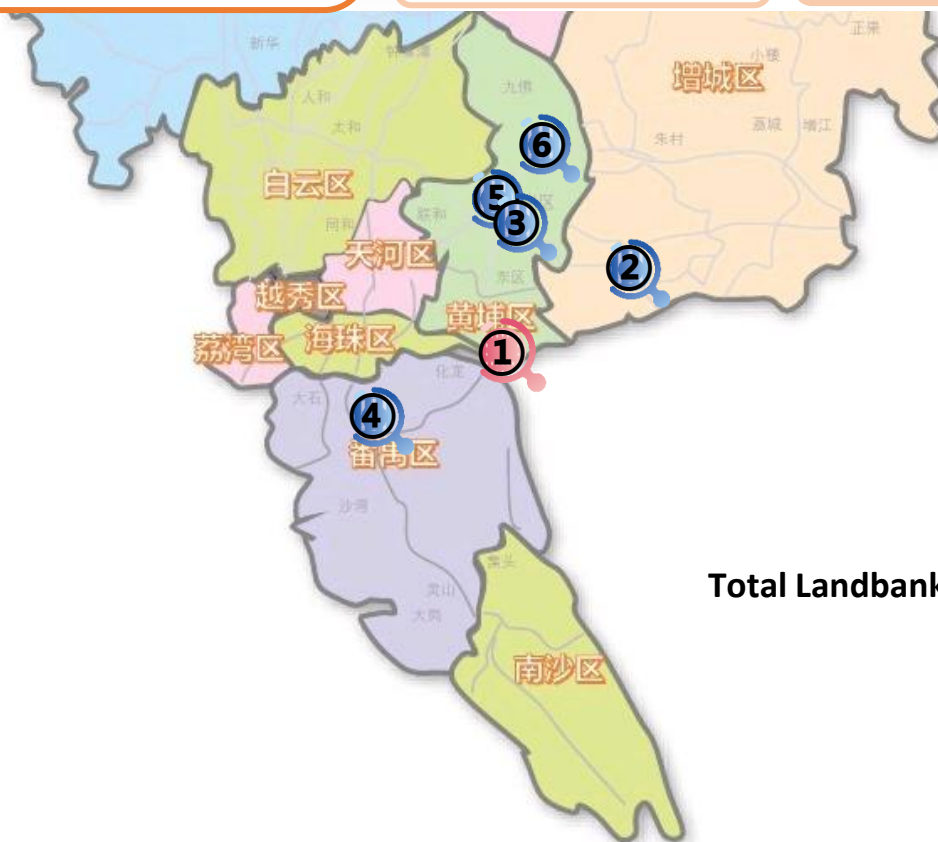
GFA: 881,200 sq.m.
Equity Holding: 51%

⑤ Yue Fantasy

GFA: 330,200 sq.m.
Equity Holding: 51%

⑥ TOD Town

GFA: 703,400 sq.m.
Equity Holding: 51%

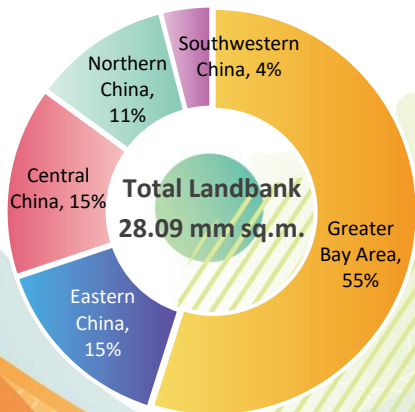


Total Landbank of TOD projects: **4,061,900** sq.m.

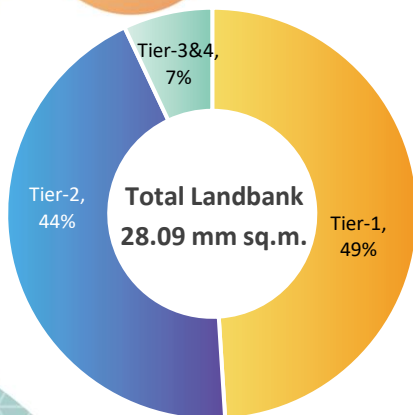


TOTAL LANDBANK

By Region



By Tier



Northern China

Cities: **Beijing**, Shenyang, Qingdao, Ji'nan, Yantai

Landbank: 3.25 mm sq.m.

Central China

Cities: Wuhan, Xiangyang, Changsha, Zhengzhou

Landbank: 4.09 mm sq.m.

Southwestern China

Cities: Chengdu, Chongqing, Bije, Haikou

Landbank: 1.18 mm sq.m.

Eastern China

Cities: Hangzhou, Suzhou, Nanjing, Jiaxing, **Ningbo**

Landbank: 4.22 mm sq.m.

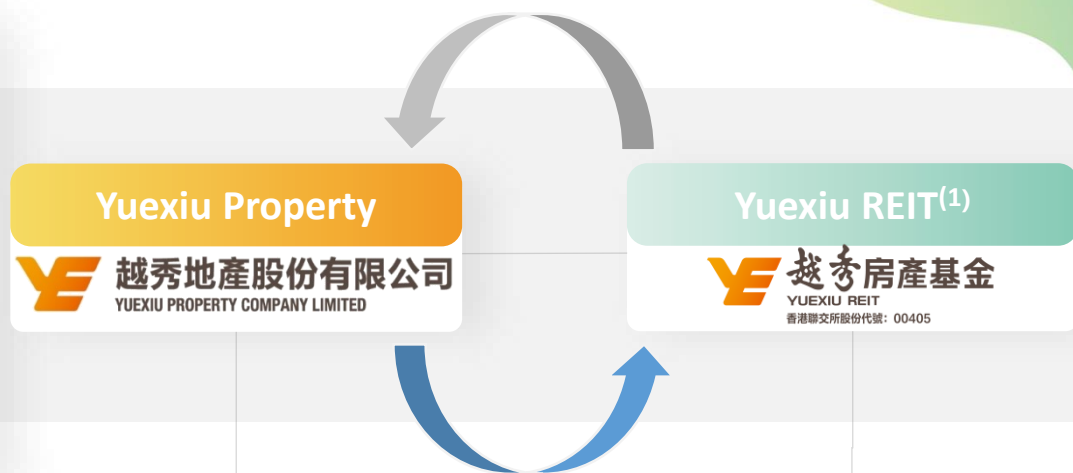
Greater Bay Area

Cities: Guangzhou, Shenzhen, Foshan, **Dongguan**, Jiangmen, Zhongshan, Hong Kong

Landbank: 15.35 mm sq.m.

UNIQUE BUSINESS MODEL FOR COMMERCIALS

- Uphold the Strategy of **“Coordinated Residential and Commercial Development ”**
- Regularize the **“Dual Platform”** Interaction between Yuexiu Property and Yuexiu REIT
- Continuously strengthen commercial management capability by promoting the **“Asset Manager”** commercial business model



Total Rental Income in 1H 2021:
RMB1.23 bn
Up 10% y-o-y



Rental Income in 1H 2021:
RMB0.35 bn
Up 20% y-o-y

Major Leasing GFA: 697,600 sq.m.
PUD GFA: 552,700 sq.m.
PFD GFA: 288,000 sq.m.



Rental Income in 1H 2021:
RMB0.88 bn
Up 6% y-o-y

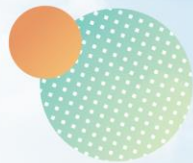
Total GFA⁽²⁾: 973,000 sq.m.
Office Assets GFA: 855,000 sq.m.
Retail Assets GFA: 67,800 sq.m.
Wholesale Assets GFA: 50,200 sq.m.

Note: (1) Yuexiu Property held 38.35% of Yuexiu REIT as at 30 June 2021

(2) 632,900 sq.m. was rentable GFA

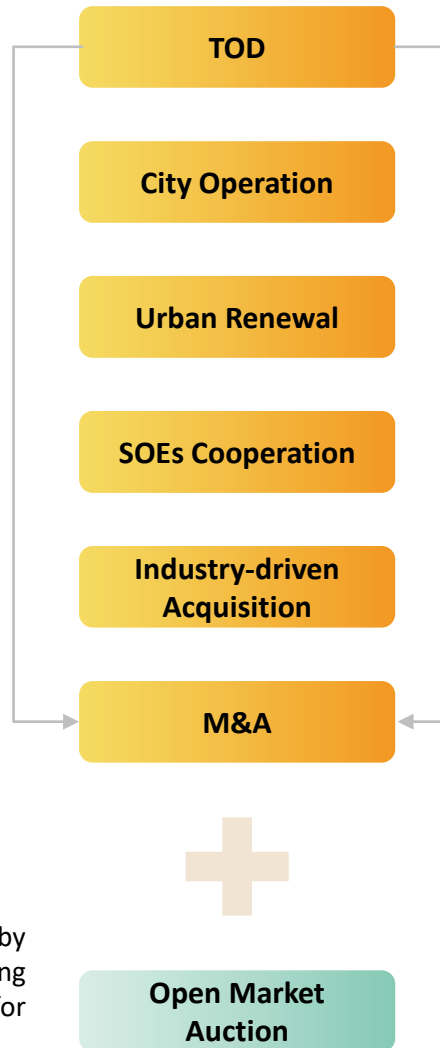
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GROWTH STRATEGY - INVESTMENT

- Intensify the strategic cooperation with Guangzhou Metro Group, continuously obtain TOD projects inside GBA and look for new opportunities outside GBA, aim at becoming a leading TOD developer nationwide and increase high-quality TOD landbank
- Step up effort to obtain urban renewal projects and allocate more resources, strive to become one of the top players in Guangzhou urban renewal market so as to increase high-quality strategic landbank for the Group's medium to long-term growth
- Through internally introducing industrial resources of Yuexiu Group and externally attracting industrial resources from third parties to better position ourselves for high-quality landbank and enhance our urban operator status
- Focus investments on projects with high turnover by strengthening market research, better understanding rules and policies, strict investment standards for optimizing landbank portfolio



- Deepen “City Operator” strategy, increase high-quality landbank by constructing urban public facilities and effectively manage cash flow
- Leverage our SOE background to strengthen strategic cooperation with various types of SOEs and jointly develop their high-quality land resources on hand as we enter new market and control risk
- Strengthen research on M&As at the company and projects levels, capture market opportunities to gain high-quality landbank

“6+1” Unique and Diversified Land Acquisition Platform

GROWTH STRATEGY-TOD

■ ■ ■ To be a TOD developer who is the leader in the Greater Bay Area, and the most influential brand in China

Deepen the strategic cooperation



Deepen the strategic cooperation with Guangzhou Metro Group and continuously acquire high-quality TOD projects. Strengthen cooperation with other provincial and municipal SOEs and expand TOD business outside Greater Bay Area

Improve product competitiveness



Take TOD Research Institute as the springboard to upgrade and improve TOD product lines and the development model, build standards of technology and operation management and forge competitive barriers for TOD products

Explore more TOD opportunities



With the development of TOD projects as the core, expand investment opportunities in areas along the metro lines, and actively increase more TOD landbank. Replicate the development and management model of TOD projects outside GBA to support the Group's national TOD business expansion

Optimize management systems



Continuously improve the development, operation and standard management systems of TOD projects, focus on the performance driven by operation, recruit and train TOD professionals and build up "steel culture"



GROWTH STRATEGY - BUSINESS



Market Strategy

- Implement the precise marketing strategy of "One City, One Policy" and "One Project, One Policy", accelerate property sales and cashflow by diversified means to increase sell-through rate and cash collection rate
- Achieve the annual sales target



Product Strategy

- Constantly improve product competitiveness by enhancing product planning and design systems, optimizing product standardization and construction management system
- Constantly improve 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 the whole cycle operation and speed up turnover and progress of the project, enhance cost management and efficiency



Commercial Strategy

- Further implement the "Coordinated Residential & Commercial Development" strategy and "Development +Operations+Securitization" development model, strengthen interaction between the Group and Yuexiu REIT
- Continuously strengthen commercial management capability and promote the "Asset Manager" commercial business model for greater scale and better results



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



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PROPERTY MARKET OUTLOOK IN 2H 2021

Stable Policy Differentiated Market More Landbank Supply Tightening Financing

The government's policy will maintain continuity and stability, and adhere to the keynote of "house is for living in rather than for speculation" to ensure market stability. Implement city-specific policies with more precise and intensified tightening

Though the city governments will increase supply, land in the key cities will still be in short supply with fiercer competition. Governments will improve centralized land supply rules in 2H 2021. The strengthening of government regulation and the tightening of financing for developers will lead to more rational land investment



Policy



Market



Land



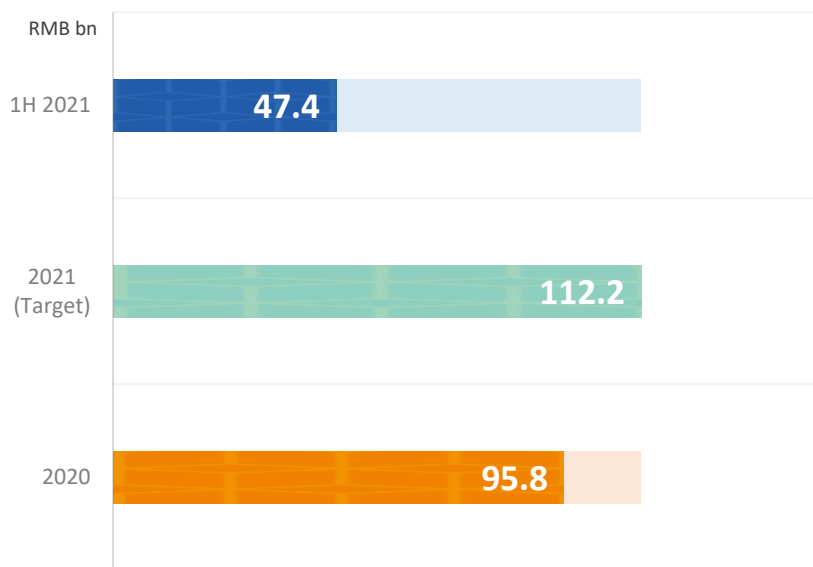
Finance

A moderate growth in the market transaction with the stable price and more intensified differentiations in city and regional markets. The Greater Bay Area and Yangtze River Delta markets will outperform and market concentration will further rise

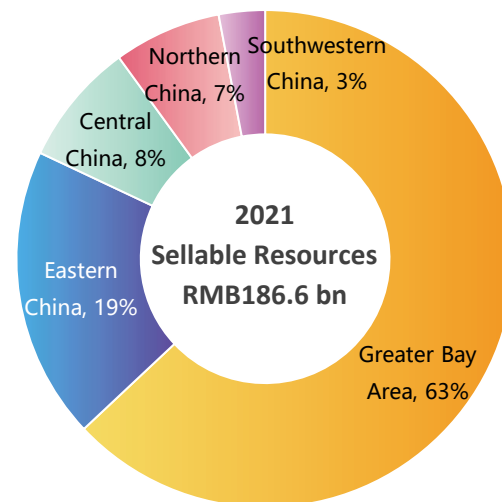
Credit policies and financing environment in the industry will generally tighten with the government's tighter regulation on financing of developers. "Three Red Lines" policy and loan concentration management on financial institutions make it more difficult for developers to add new finance. Intensification of the differentiation of developers will occur

2021 SALES AND OPERATIONAL TARGETS

2021 Contracted Sales Target: RMB112.2 bn



Total Sellable Resources



Operational Plans ⁽¹⁾

GFA (mm sq.m.)	2021E	1H 2021A
PUD	18.03	19.49
New Construction Starts	7.01	3.78
Completion	6.14 ⁽²⁾	1.45

- Notes:
- (1) Including figures from joint venture projects
 - (2) Completion for consolidation GFA was 4.23 mm sq.m.

2021 KEY OPERATING CASH FLOW

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

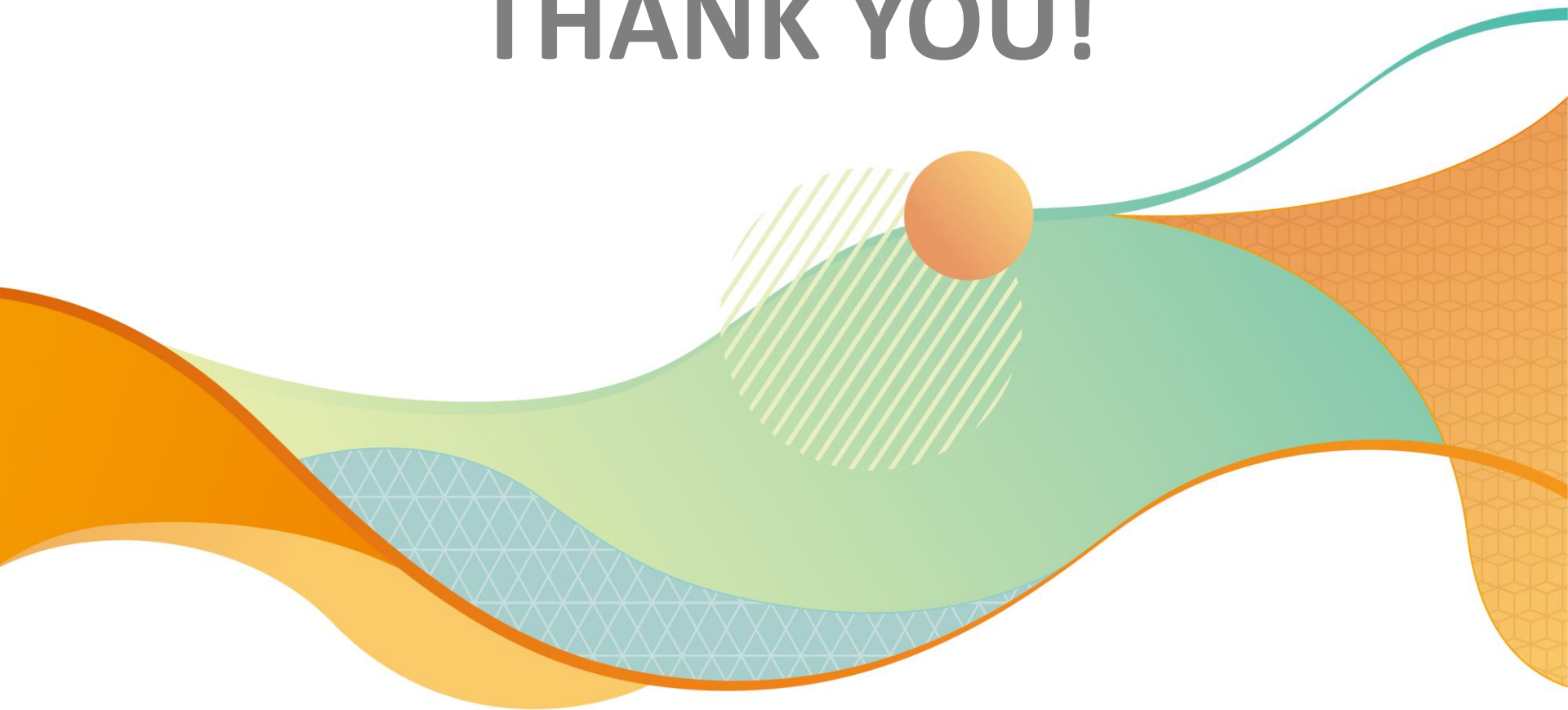
Cash Flow in 2021

*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

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