

WHERE GOOD
LIVING STARTS

2022
Interim Results

18 August 2022



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RESULTS HIGHLIGHTS

1

Contracted Sales RMB48.91 bn ↑ 3.2%

- Contracted sales value reached approx. RMB48.91 bn, +3.2% y-o-y
- Contracted sales value in GBA reached approx. RMB31.75 bn, among which Guangzhou reached approx. RMB29.34 bn, +10.4% y-o-y
- As of 30 June, unrecognized sales value was approx. RMB156.4 bn, +3.8% compared with the beginning of the year



2

Core Net Profit RMB2.13 bn Maintained Steady Growth

- Core net profit was approx. RMB2.13 bn, +1.4% y-o-y
- An interim dividend of RMB0.275 per share was declared, +1.5% y-o-y
- Dividend payout ratio was 40% of core net profit



3

“Three Red Lines” All in “Green Lights”

- Total liabilities/total assets ratio(ex. unearned revenue), net gearing ratio and cash/short-term debt ratio were 69.4%, 59.7% and 1.45x respectively. “Three Red Lines” indicators remained in “green lights”
- Successfully issued onshore RMB6.15 bn corporate bonds at low-cost, with 3+2-year coupon rates ranging from 2.84% to 2.90%, and 5+2-year coupon rates ranging from 3.35% to 3.38%
- Average borrowing interest rate decreased by 34 b.p.t. to 4.11% compared with 1H 2021 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

4

Landbank Newly Added 3.46 mm sq.m.

- Through “6+1” unique and diversified land acquisition platform, 16 land parcels with a total GFA of 3.46 mm sq.m. in 7 cities were newly acquired, 7 parcels with GFA of 1.63 mm sq.m. were added in GBA, of which 5 parcels with GFA of 1.26 mm sq.m. were added in Guangzhou
- 55% of the new land parcels was acquired through such land acquisition channels as TOD, SOEs cooperation, and industry-driven acquisition
- As of 30 June, the total landbank of the Group was 28.60 mm sq.m., of which the GBA and Guangzhou accounted for 52.9% and 45.2% respectively



5

TOD Model A Breakthrough in National Expansion

- First TOD project, Hangzhou Gouzhuang TOD project, was obtained outside the GBA through Hangzhou Equity Exchange, with a total GFA of approx. 0.37 mm sq.m., the TOD model achieved a new breakthrough in national expansion
- Successfully acquired Guangzhou Pazhou South TOD project from the parent company with a total GFA of approx. 0.43 mm sq.m.
- Total landbank of TOD projects were 3.59 mm sq.m., accounting for 12.6% of the Group’s total landbank
- TOD projects achieved solid contracted sales of RMB12.07 bn in 1H , +58.8% y-o-y



6

ESG Management Improved Continuously

- Established the ESG Committee of the Board in March 2022 to fully undertake ESG management responsibilities; improved and enriched the ESG leading group and execution group. ESG governance was comprehensively enhanced
- Joined the Hang Seng Climate Change 1.5°C Target Index for the first time in 1H; Selected as a component stock of the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years, with an ESG rating of A; MSCI ESG rating is BB; GRESB rating is 3-star, higher than the industry averages



INCOME STATEMENT ITEMS

RMB bn	1H 2022	1H 2021	Y-O-Y
Revenue	31.29	24.24	+29.1%
Gross Profit	6.65	6.49	+2.5%
Gross Profit Margin	21.2%	26.8%	-5.6 p.p.t.
Net Other Gains	-0.06	0.09	-
SG&A Expenses	1.36	1.11	+22.7%
Profit Attributable to Equity Holders	1.71	2.30	-25.8%
Core Net Profit ⁽¹⁾	2.13	2.10	+1.4%
EPS	RMB0.5513	RMB0.7429	-25.8%
Interim Dividend Per Share(RMB) ⁽²⁾	RMB0.275	RMB0.271	+1.5%
Interim Dividend Per Share(HKD) ⁽²⁾	HKD0.319	HKD0.326	-2.1%
Dividend Payout Ratio	40%	40%	

Notes: (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)

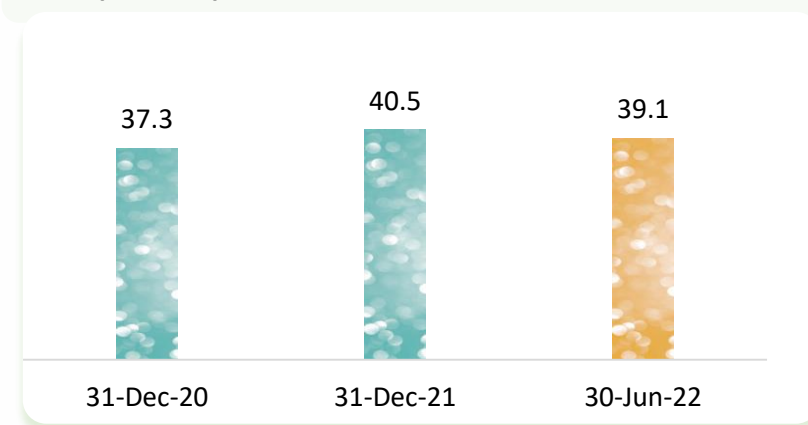
(2) The weighted average number of ordinary shares in 1H 2022 were 3,096,456,087

BALANCE SHEET ITEMS

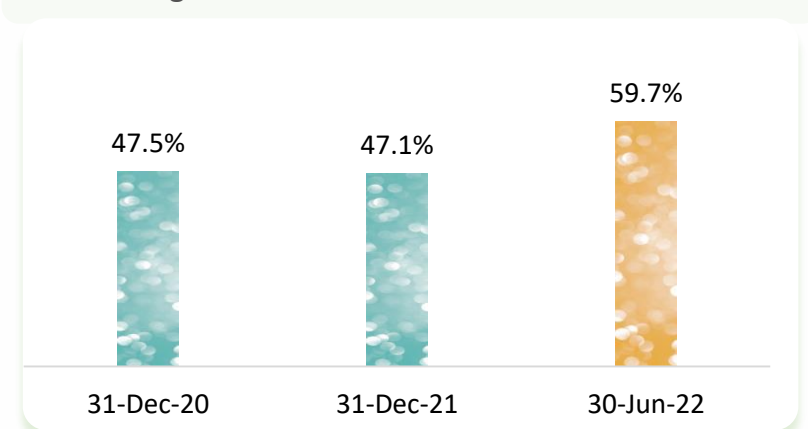
RMB bn	30 June 2022	31 December 2021	Change
Cash ⁽¹⁾	39.05	40.50	-3.6%
Total Borrowings	84.57	75.53	+12.0%
Gearing Ratio ⁽²⁾	43.8%	37.0%	+6.8 p.p.t.
Net Gearing Ratio ⁽³⁾	59.7%	47.1%	+12.6 p.p.t.
Total Assets	320.95	313.85	+2.3%
Shareholders' Equity	46.69	46.24	+1.0%
Net Asset Per Share	RMB15.08	RMB14.93	+1.0%

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

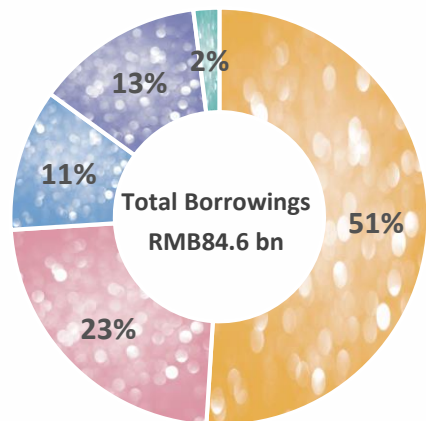
Cash (RMB bn)



Net Gearing Ratio



DEBT STRUCTURE ANALYSIS

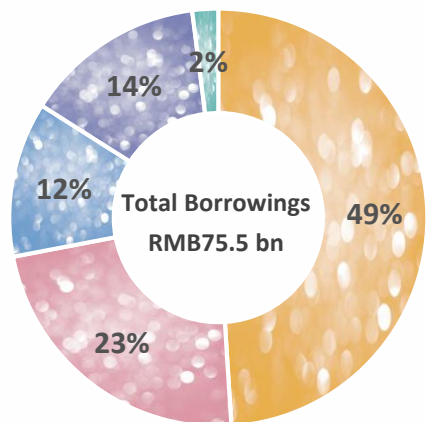


Onshore Borrowings: **74%**

Offshore Borrowings: **26%**

30 June 2022

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



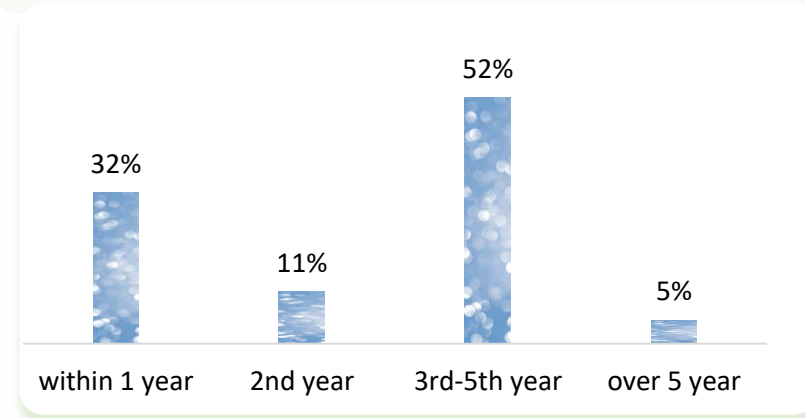
Onshore Borrowings: **72%**

Offshore Borrowings: **28%**

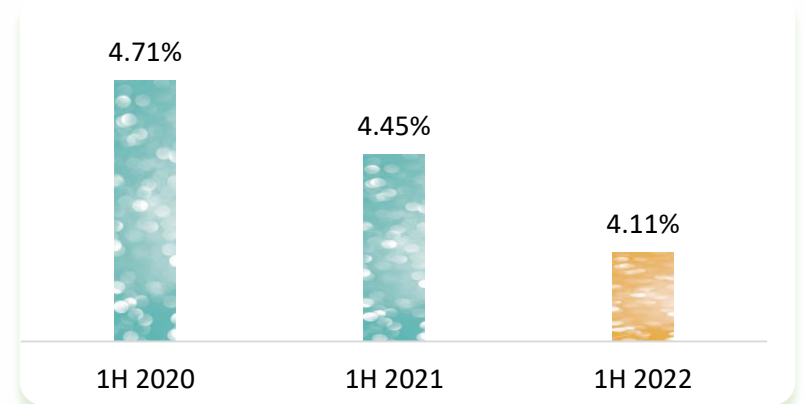
31 December 2021

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

Debt Maturity



Average Borrowing Interest Rate



CASH FLOW ANALYSIS

RMB bn	1H 2022	1H 2021
Cash at the Beginning of the Year*	40.50	37.31
Cash from Operation	32.37	40.95
Operating Expenses	(33.95)	(40.50)
Land Premium Paid and Auction Deposits	(16.08)	(23.16)
Development Cost	(10.68)	(10.92)
Tax and Administrative and Other Expenses	(7.19)	(6.42)
Cash (Outflow)/Inflow from Operating	(1.58)	0.45
Cash (Outflow) from Investing	(0.71)	(7.85)
Cash Inflow from Financing	0.84	10.09
Cash at 30 June 2022*	39.05	40.00

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

“THREE RED LINES” INDICATORS & CREDIT RATINGS

“Three Red Lines” Indicators

69.4% <70%
Total liabilities/ Total Assets Ratio
(Ex. Unearned Revenue)

59.7% <100%
Net Gearing Ratio

1.45x >1.0x
Cash/Short-term
Debt Ratio

All “Three Red Lines” indicators remain in
“green lights”

“Investment” Grade Credit Ratings

MOODY'S
INVESTORS SERVICE

Rating: Baa3, Outlook Stable

Key Rating Drivers

- Strong sales performance
- Abundant and high quality landbank
- Stable and safe financial position
- Strong support from parent company

FitchRatings

Rating: BBB-, Outlook Stable

Key Rating Drivers

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

ESG PERFORMANCE

ESG governance level enhanced continuously

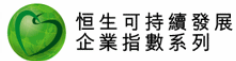
The Group established the ESG Committee of the Board in March 2022, which is chaired by the Chairman of the Board and also include one Executive Director and three independent Non-executive Directors as members. The Board takes the full responsibility for ESG affairs of the Group, with leading group and execution group led by senior management to charge the daily ESG works



Index Joined and Ratings

HSSUSB

Selected as a component stock for 3 consecutive years with grade A (satisfactory)



MSCI ESG Rating

Rating upgraded from B to BB in 2021

Hang Seng Climate Change 1.5°C Target Index

First joined in 1H 2022



GRESB Rating

First appraised in 2021 and won three-star rating with 80 points

ESG environmental performance continued to improve compared to 2020

Newly Added Total Certified Green Building Floor Area in 2021

Over **2.34** mm sq.m.

↑ 58.3%

Water Consumption Intensity in 2021

35.71 m³/RMB1,000,000 revenue

↓ 39.9%

Energy Consumption Intensity in 2021

104.42 mWh/RMB1,000,000 revenue

↓ 16.5%

ESG social performance achieved remarkable results

In 2021

Emergency Drills

1,524 times

Safety Inspection

3,574 times

Number of Attendance of Safety Educations

58,000 person-time

Employee Training Coverage Rate

100%

Training Hours Per Employee

37.82 hours

Number of Employees Participating in Volunteer Service

4,238 person-time

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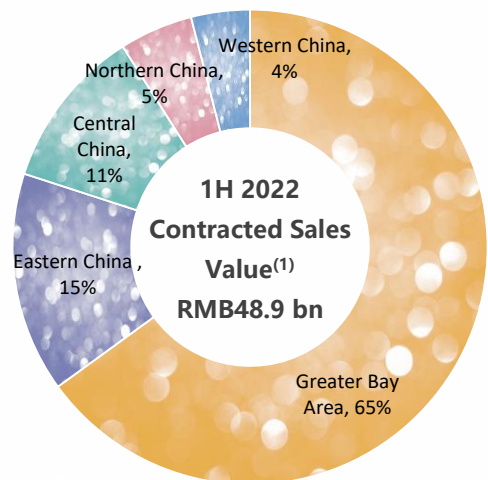
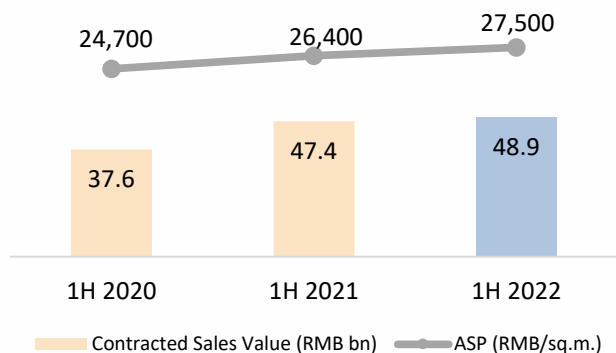
03.

Future
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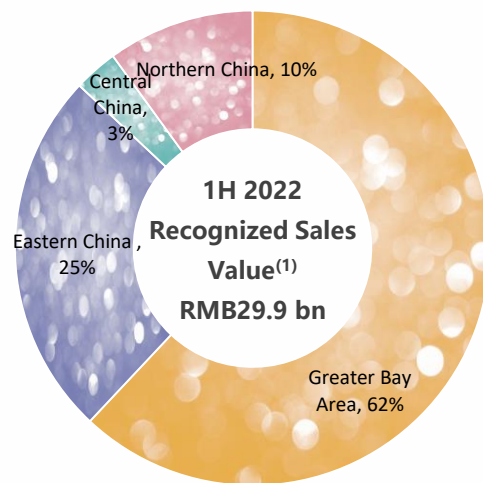
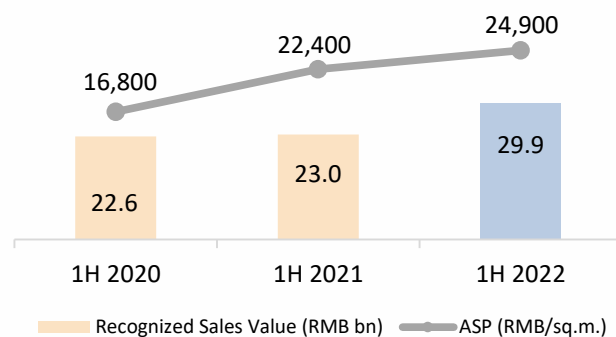


CONTRACTED, RECOGNIZED & UNRECOGNIZED SALES

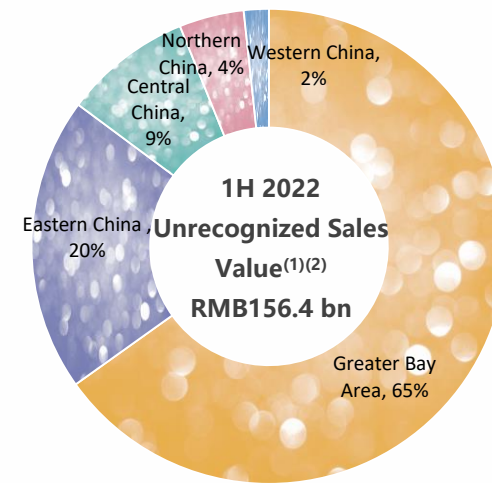
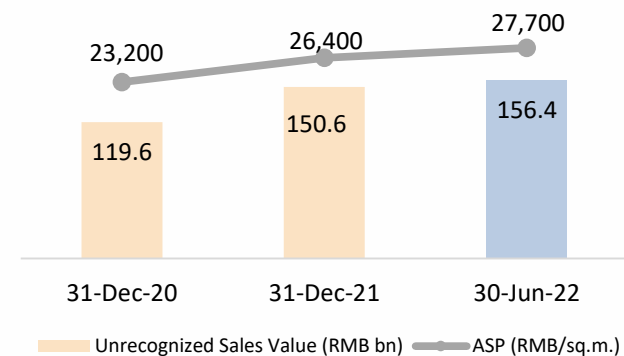
Contracted Sales



Recognized Sales



Unrecognized Sales



Notes:

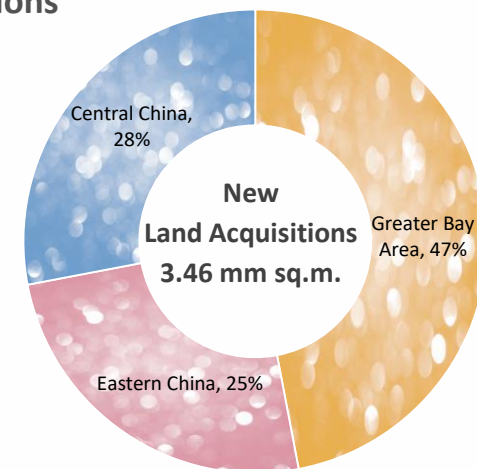
(1) Including sales from joint venture projects and associates

(2) The consolidated value of unrecognized sales as at 30 June 2022 was RMB95.1 bn, ASP was RMB27,100 per sq.m.

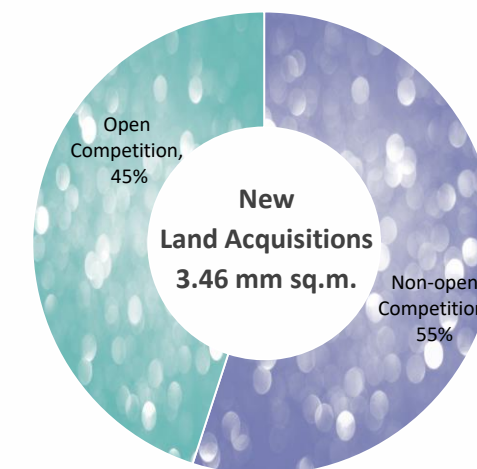
NEW LAND ACQUISITIONS IN 1H

No.	Projects	GFA (sq.m.)	Equity Holding
1	Guangzhou Pazhou South TOD Project	429,100	46.78%
2	Guangzhou Baiyun Guanglong Land II	90,600	95.48%
3	Nansha Hengli Island Land II	87,900	94.52%
4	Nansha Meishan Land	494,100	95.48%
5	Nansha Qingsheng Land	153,600	95.00%
6	Nanhai Shishan Land	176,400	9.50%
7	Zhongshan Yuexiu Grand Palace	197,800	48.45%
	Subtotal (Greater Bay Area)	1,629,500	
8	Hangzhou Cloud Palace	213,200	19.00%
9	Hangzhou Jinnan New Town Land I	69,200	50.31%
10	Hangzhou Jinnan New Town Land II	76,900	50.31%
11	Hangzhou Qingshanhu Sci-tech City Land	142,800	50.31%
12	Hangzhou Yuhang Gouzhuang Land	370,700	51.00%
	Subtotal (Eastern China)	872,800	
13	Hefei Yaohai Land	194,900	99.64%
14	Zhengzhou Yuexiu Future Mansion	410,500	48.45%
15	Zhengzhou Jinshui Land	112,000	76.00%
16	Changsha Scenery Culture	235,900	28.50%
	Subtotal (Central China)	953,300	
	Total	3,455,600	

By Regions



By Acquisition Channels



LANDBANK OF TOD PROJECTS

*Guangzhou Pazhou South TOD Project

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

*Hangzhou Gouzhuang TOD Project

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

Guangzhou Galaxy TOD

GFA: 993,600 sq.m.
Equity Holding: 86%



*Note: New Acquisitions in 1H

Guangzhou Infinity TOD

GFA: 806,000 sq.m.
Equity Holding: 51%



8 Projects
in Guangzhou and Hangzhou
with a total GFA of **3,594,400**
sq.m.

Guangzhou Melody TOD

GFA: 552,800 sq.m.
Equity Holding: 51%

Guangzhou Voyage TOD

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

Guangzhou Fantasy TOD

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

Guangzhou TOD Town

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

LANDBANK OF “CITY OPERATION” PROJECTS IN GUANGZHOU



7 Projects
with GFA of **2,855,400** sq.m.

Nansha Flourishing Bay

GFA: 214,800 sq.m.
Equity Holding: 42.97%

Guangzhou Grand Mansion

GFA: 412,400 sq.m.
Equity Holding: 95.48%

Guangzhou Joy Lake

GFA: 445,700 sq.m.
Equity Holding: 95.48%

Guangzhou Star Wave

GFA: 234,400 sq.m.
Equity Holding: 95.48%

Guangzhou Joy Golden Sand

GFA: 332,000 sq.m.
Equity Holding: 95.48%

Guangzhou Starry Wenxi

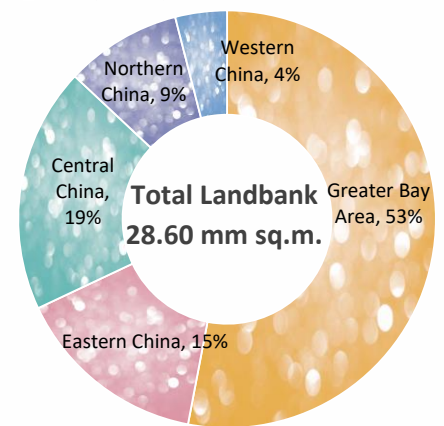
GFA: 175,000 sq.m.
Equity Holding: 95.48%

Guangzhou Baiyun Guanglong Land

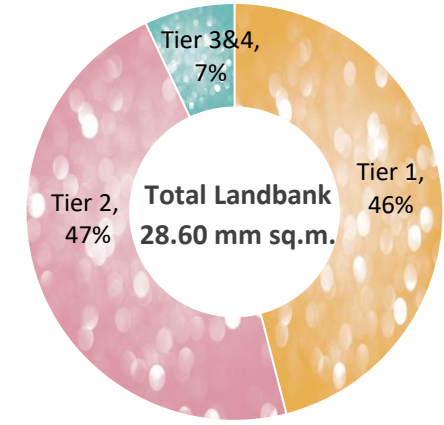
GFA: 1,041,000 sq.m.
Equity Holding: 95.48%

TOTAL LANDBANK

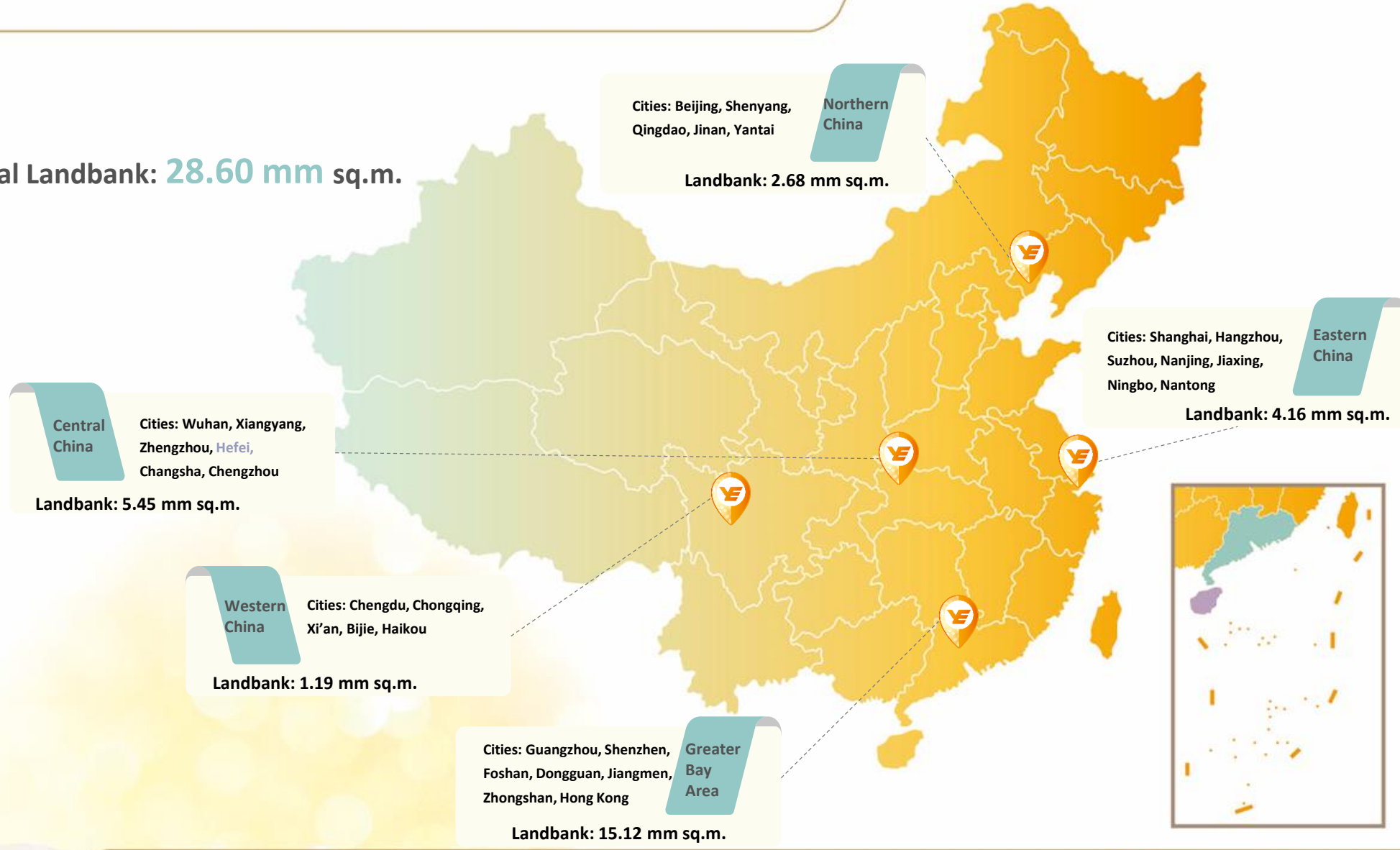
By Regions



By Tier



Total Landbank: 28.60 mm sq.m.

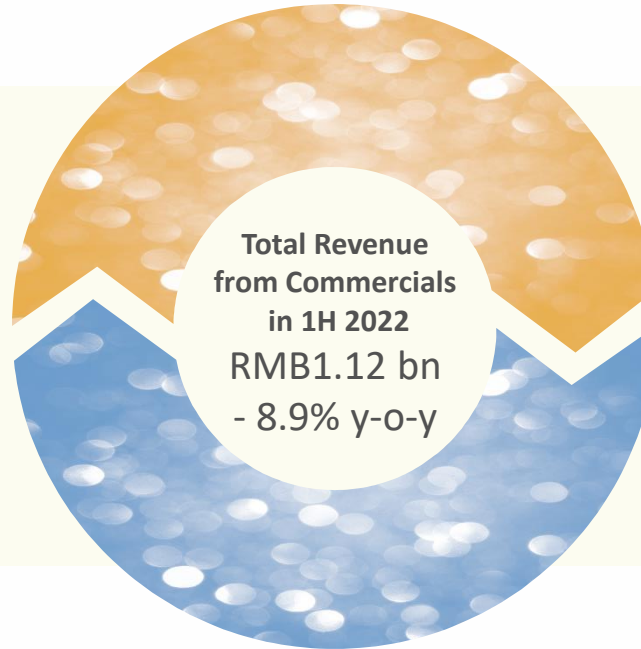


UNIQUE BUSINESS MODEL FOR COMMERCIALS

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



- Major Leasing GFA: 671,000 sq.m.
- PUD GFA: 429,900 sq.m.
- PFD GFA: 396,100 sq.m.



- Total GFA ⁽²⁾: 1,183,300 sq.m.
- Office Assets GFA: 870,400 sq.m.
- Retail Assets GFA: 120,100 sq.m.
- Hotel and Apartment GFA: 142,600 sq.m.
- Wholesale Assets GFA: 50,200 sq.m.

Total Rental Income in 1H 2022: **RMB0.18 bn**

Total Income in 1H 2022: **RMB0.94 bn**

Yuexiu Property

Yuexiu REIT ⁽¹⁾

Notes: (1) Yuexiu Property held 39.99% of Yuexiu REIT as at 30 June 2022

(2) 803,100 sq.m. was rentable GFA

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PROPERTY MARKET OUTLOOK IN 2H



Policy

The government's regulatory policies will maintain stability and flexibility, the keynote of "housing is for living rather than for speculation" and "city-specific policy" will remain unchanged. The policies are expected to be further loosened in 2H to support residents' self-occupation and upgrading housing demand, and maintain a benign circle and healthy development of property market

Market

The property market is expected to bottom out and rebound, the total market size will moderately decline and prices are stable. As the industry has entered into an era of quality competition and the differentiation intensified, companies with high debt and high leverage will be acceleratedly eliminated, and the market concentration will further rise. The markets in tier-1, strong tier-2 cities and urban agglomerations such as the Greater Bay Area and the Yangtze River Delta will take the lead in recovering

Land

The government's land supply methods and rules will be optimized continuously. With a turnaround of the housing market, the land market will gradually recover with obvious differentiation, the markets in tier-1 and tier-2 cities will be the first to recover. Developers of financial prudence and high-quality will have obvious superiority in land acquisition

Finance

The financing environment for developers will continue to differentiate, developers with sound financials and high-quality operations will better position themselves for better access to financial resources as credit support for reasonable demand is strengthened

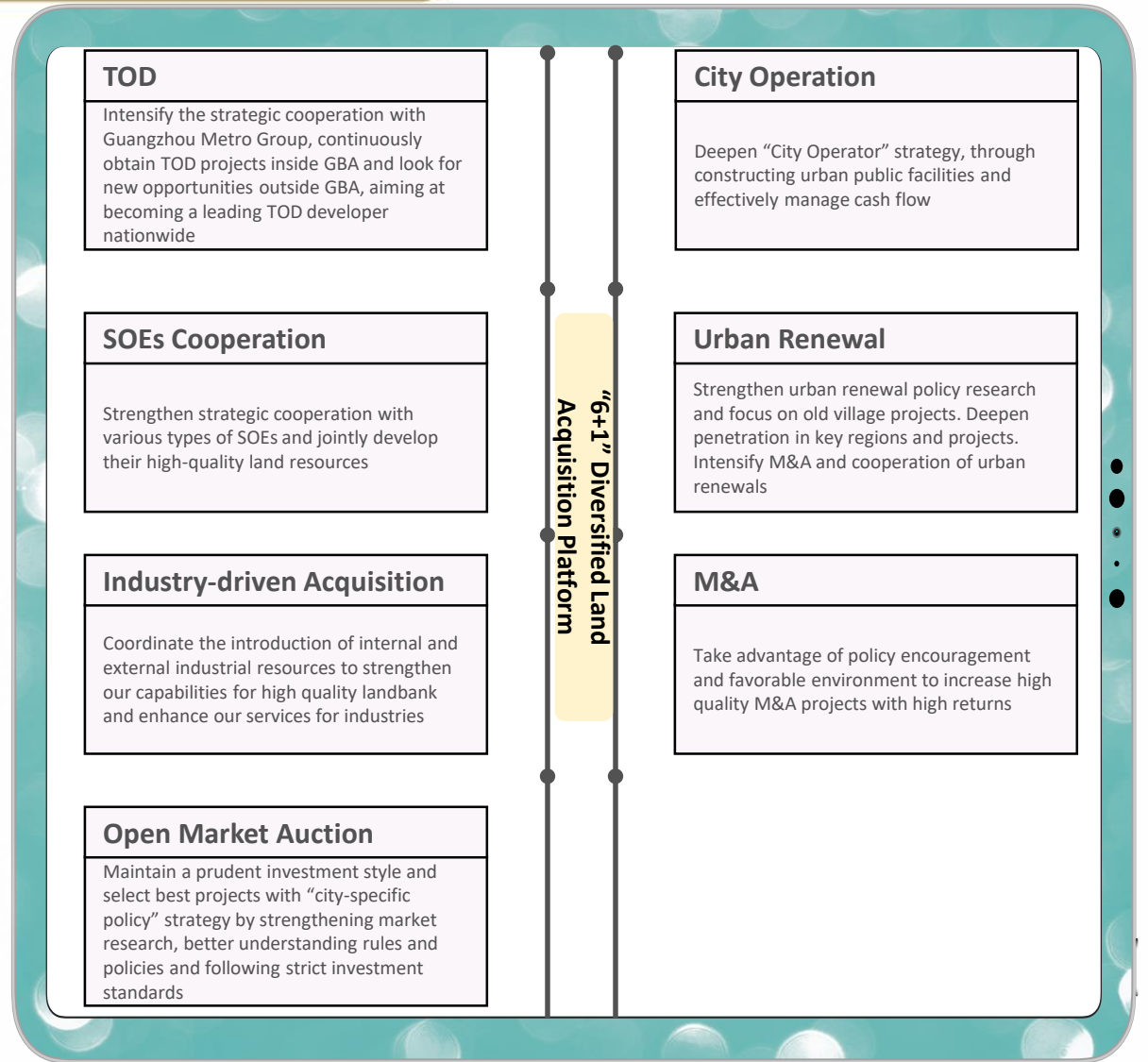
INVESTMENT STRATEGIES

Adhere to prudent investments with "city-specific policy" and "in line with sales cash inflows"

Adhere to the "1+4" regional layout strategy, sustainably penetrate those regions with competitive strengths such as Greater Bay Area and Eastern China Region

Investments prioritized on projects in regions and cities with strengths of economy, industry and population net inflow

Continue to strengthen and optimize the Group's "6+1" unique, diversified land acquisition platform



OPERATION STRATEGIES

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"



Market Strategy

- Implement precise marketing strategy of "city-specific policy" and "project-specific policy", accelerate property sales and cash inflows by integrating online and offline sales channels and making good use of our digital sales platform of "Yuexiu Fangbao"
- Achieve the annual sales target



Product Strategy

- Constantly improve product competitiveness for meeting rigid and improvement demands, optimize standard systems of products and green residential products
- 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. Speed up turnover and progress of the project to guarantee supply of sellable resources and delivery of projects
- Continuously optimize co-investment mechanism and key employee share scheme



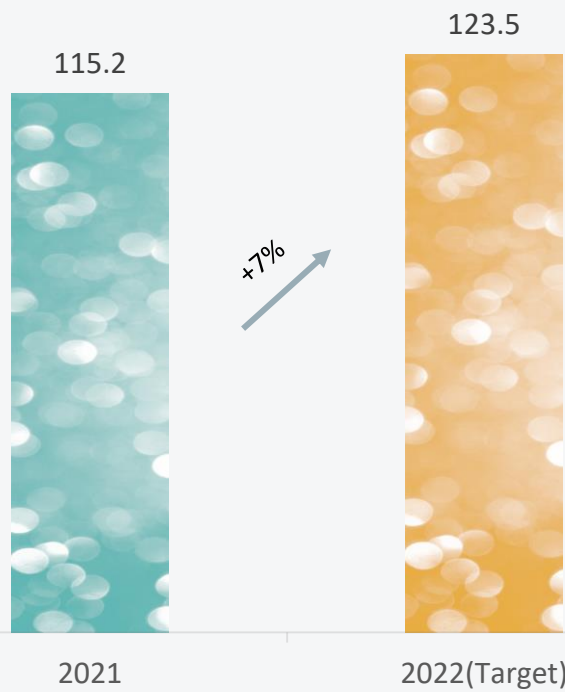
Financial Strategy

- Keep the "Three Red Lines" indicators all in "green lights"
- Strengthen the management of sales cash flow and improve the efficiency of capital utilization
- Expand financing channels, reduce financing costs, and ensure healthy financial position and sufficient cash flow
- Maintain the Investment Grade Ratings of Moody's and Fitch

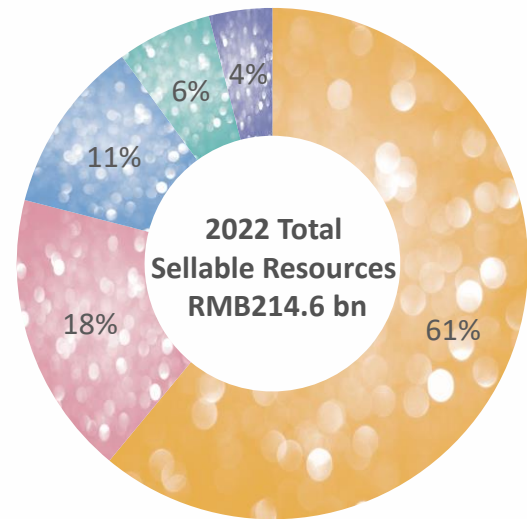
2022 SALES AND OPERATIONAL TARGETS

2022 Contracted Sales Target: RMB123.5 bn

(RMB bn)



Total Sellable Resources-by Regions



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

Operational Plans⁽¹⁾

(mm sq.m.)	2022E	1H 2022
PUD	18.92	21.80
New Construction Starts	7.75	5.87
Completion	6.73 ⁽²⁾	1.97

Notes: (1) Including joint venture projects and associates
 (2) Completion for consolidation GFA was 4.93 mm sq.m.

2022 KEY OPERATING CASH FLOWS

Cash Inflow (RMB bn)	2022E
Property Sales	88.88
Rental Income and Other	2.21
Total	91.09
Cash Outflow (RMB bn)	2022E
Land Premium and Auction Deposits*	45.72
Construction Cost	23.38
Interest Payment	3.96
Tax and Administrative and Other Expenses	17.71
Total	90.77

*Note: Excluding payment for acquisitions from Yuexiu Group



THANK YOU!

DISCLAIMER

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