



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

Where Good  
Living Starts

# 2019 ANNUAL RESULTS

10 March 2020





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## 1 Result Highlights

## 2 Business Updates

## 3 Outlook





## **Contracted Sales: RMB72.11 bn, up 24.8%**

- Contracted sales value reached RMB72.11 bn, +24.8% y-o-y, achieved 106.0% of the full-year target of RMB68 bn
- Contracted sales value of “Railway+Property” was RMB5.08 bn
- As at 31 December 2019, unrecognized sales value was RMB88.55 bn, +38.6% y-o-y



## **Core Net Profit: RMB3.51 bn, up 24.8%**

- Profit attributable to equity holders was RMB3.48 bn, +27.7% y-o-y
- Core net profit was RMB3.51bn, +24.8% y-o-y
- Annual dividend per share was RMB0.091, +13.8% y-o-y



## **Cash on Hand: RMB30.19 bn, up 11.2%**

- As at the end of 2019, the cash on hand was RMB30.19 bn, +11.2% y-o-y
- Average borrowing interest rate slightly increased by 11b.p.t. to 4.93%
- Debt structure was optimized with diversified financing channels and the Group successfully issued various bonds of approximately RMB7.30 bn with terms from 3 to 5 years and coupons rates from 3.60% to 4.03%



## Successful Implementation of “Railway+Property” Model

- In Apr, the Group acquired 86% interest in Yue Galaxy, the Group’s first “Railway+Property” project, from Yuexiu Group and Guangzhou Metro Group, with a total GFA of 1.36 mm sq.m.
- Guangzhou Metro Group became the second-largest shareholder of the Group with shareholding of approximately 19.9%
- In Oct, the Group acquired 51% interest in Yue Melody (Luogang Project) and Yue Infinity (Chentougang Project), with a total GFA of 1.79 mm sq.m.



## New Land Acquisitions with a Total GFA of 7.71 mm sq.m.

- As at the end of 2019, total landbank was 23.87 mm sq.m., of which 12.34 mm sq.m. (51.7%) was in the Greater Bay Area and 3.15 mm sq.m. (13.2%) for the “Railway+Property” projects
- Acquired 27 lands in Guangzhou, Shenzhen, Zhongshan, Jiangmen, Hangzhou, Suzhou, Jiaxing, Zhengzhou, Changsha, Qingdao and Chengdu with a total GFA of 7.71 mm sq.m. (attributable GFA: 5.21 mm sq.m.)
- The GFA of new lands acquired through cooperation with SOEs, reached 1.49 mm sq.m., 19.3% of total new lands. The model of cooperation with SOEs became one important channel of acquiring landbank
- Obtained the qualifications to re-develop two old villages of Lirendong and Dongliu in Guangzhou, with a potential landbank of 1.63 mm sq.m.



## Continuously Strengthened Regional Layout

- Implemented the Greater Bay Area-rooted Strategy smoothly with operations in six cities including Guangzhou, Shenzhen, Foshan, Zhongshan, Jiangmen and Hong Kong
- Newly entered five cities of Shenzhen, Chengdu, Zhengzhou, Changsha and Jiaxing to consolidate and optimize the regional layout
- Deepened Greater Bay Area-rooted strategy, prioritized developments in East China Region, Central China Region, North China Region and West China Region and further optimized the “1+4” national layout

# INCOME STATEMENT

RMB bn	2019	2018	Change
Revenue	38.34	26.43	+45.0%
Gross Profit	13.12	8.39	+56.3%
Gross Profit Margin	34.2%	31.8%	+2.4p.p.t.
Fair Value(Losses)/Gains	-0.02	0.37	-
Net Other Gains	0.8	1.04	-23.1%
SG&A Expenses	2.23	1.70	+31.8%
Profit Attributable to Equity Holders	3.48	2.73	+27.7%
Core Net Profit <sup>(1)</sup>	3.51	2.81	+24.8%
EPS <sup>(2)</sup>	RMB0.2410	RMB0.2200	+9.5%
Final Dividend Per Share	RMB0.044	RMB0.044	-
Final Dividend Per Share	HKD0.049	HKD0.051	-3.9%
Total Dividends Per Share <sup>(3)</sup>	RMB0.091	RMB0.080	+13.8%
Total Dividends Per Share <sup>(3)</sup>	HKD0.102	HKD0.093	+9.7%
Payout Ratio <sup>(4)</sup>	40%	40%	-

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

(2)The weighted average number of ordinary shares in 2019 was 14,455,289,169, the weighted average number of ordinary shares in 2018 was 12,401,306,631, up 16.6%

(3)The number of ordinary shares at the end of 2019 was 15,482,280,438, the number of ordinary shares at the beginning of 2019 was 12,401,306,631, up 24.8%

(4)Payout ratio was the ratio of the total dividend to the core net profit; The calculation of total dividend in 2018 was based on the number of ordinary shares issued on the record dates of interim and final dividend in 2018.

# BALANCE SHEET

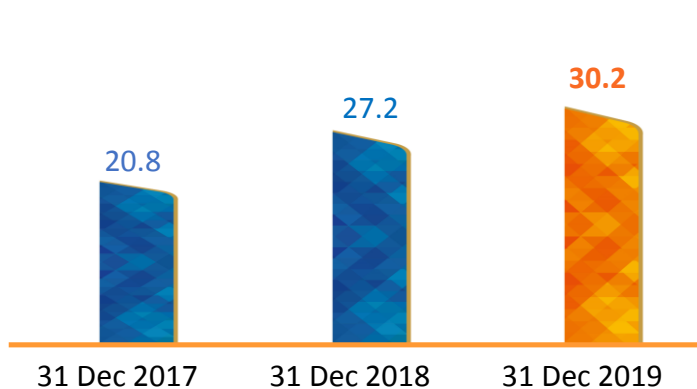
RMB bn	31 Dec 2019	31 Dec 2018	Change
Cash <sup>(1)</sup>	30.19	27.16	+11.2%
Total Borrowings	71.02	53.41	+33.0%
Gearing Ratio <sup>(2)</sup>	46.3%	42.3%	+4.0p.p.t.
Net Gearing Ratio <sup>(3)</sup>	74.0%	61.2%	+12.8p.p.t.
Total Assets	234.70	168.82	+39.0%
Shareholders' Equity	40.72	33.83	+20.4%
Net Asset Per Share	RMB2.63	RMB2.73	-3.7%

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

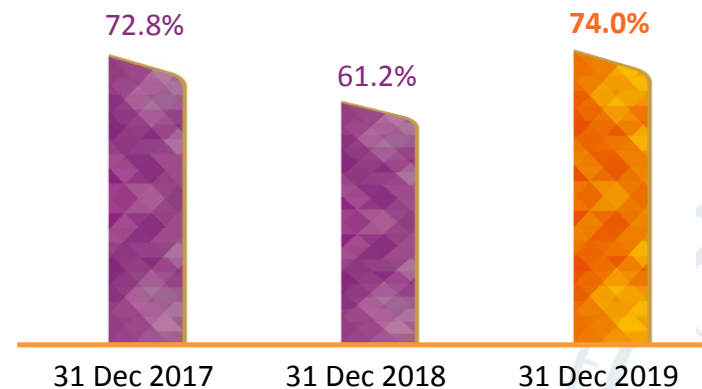
(2) Gearing Ratio=(Total Borrowings-Cash)/Total Capitalization

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

**Cash (RMB bn)**



**Net Gearing Ratio**

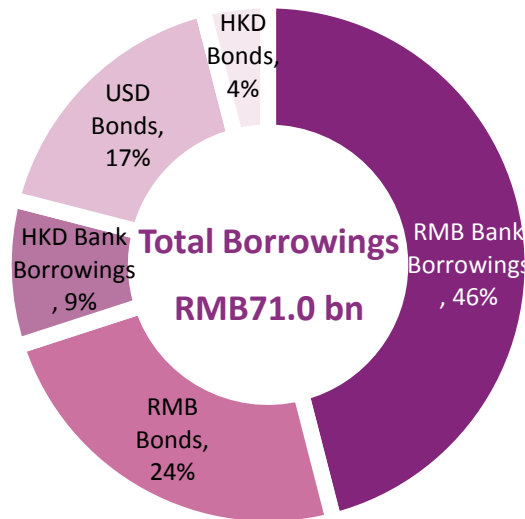


# DEBT STRUCTURE ANALYSIS

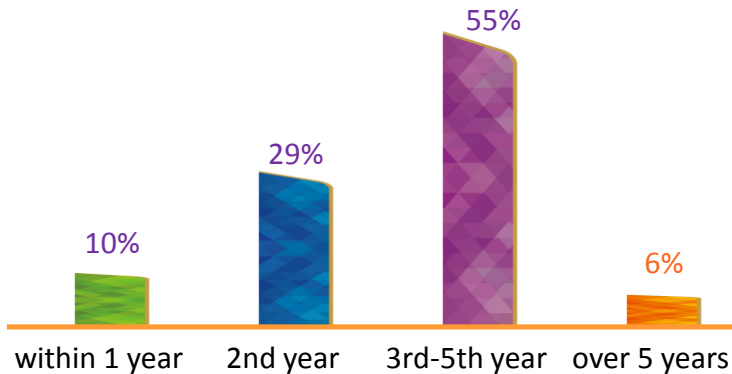


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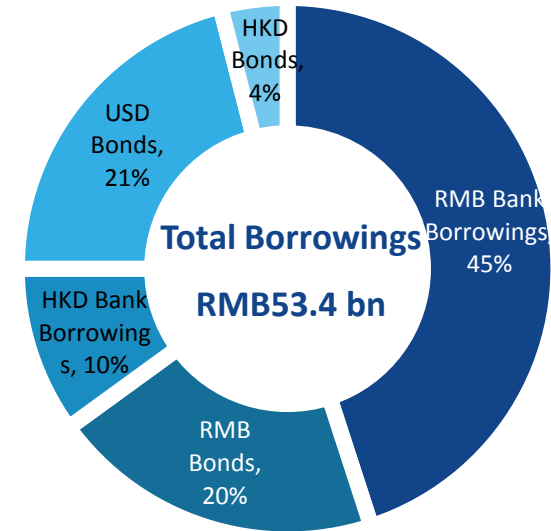
31 Dec 2019



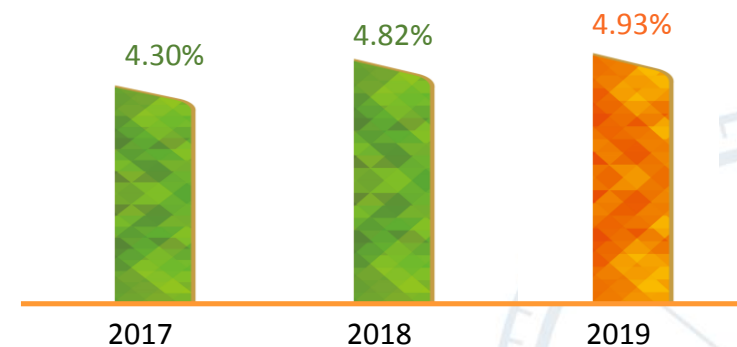
Maturity Profile



31 Dec 2018



Average Borrowing Interest Rate



# CASH FLOW ANALYSIS



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

RMB bn	2019	2018
Cash at the Beginning of the Year*	27.16	20.79
Cash from Operation	53.52	40.42
Operating Expenses	(47.15)	(29.85)
Development Cost	(12.61)	(10.25)
Land Premium Paid and Auction Deposits	(19.40)	(8.90)
Tax and Administrative and Other Expenses	(15.14)	(10.70)
Cash Inflow (Outflow) from Operating	6.37	10.57
Cash Inflow (Outflow) from Investing	(19.24)	(2.79)
Cash Inflow (Outflow) from Financing	15.90	(1.41)
Cash at 31 Dec 2019*	30.19	27.16

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





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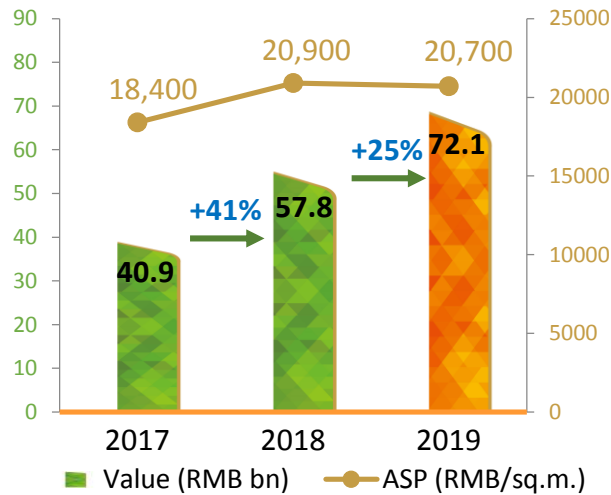
1 Result Highlights

2 Business Updates

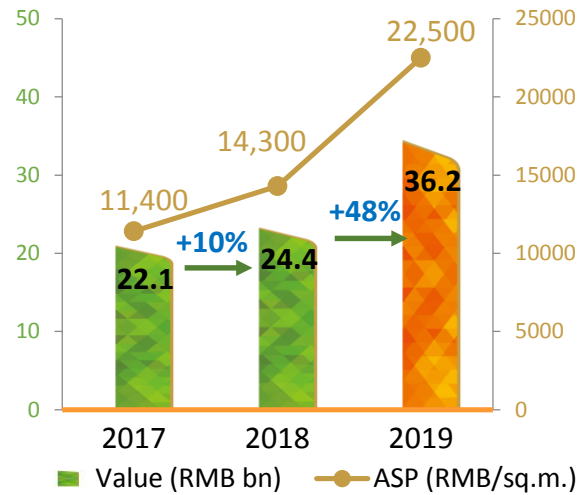
3 Outlook

# CONTRACTED, RECOGNIZED AND UNCOGNIZED SALES

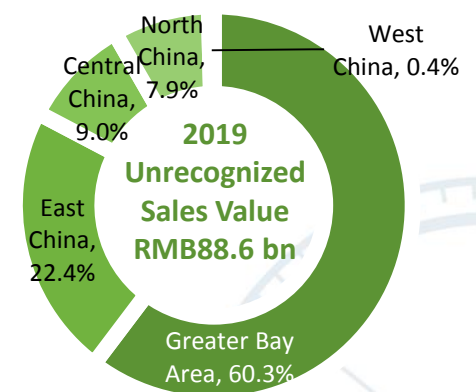
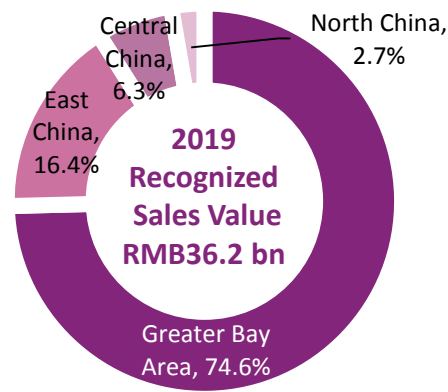
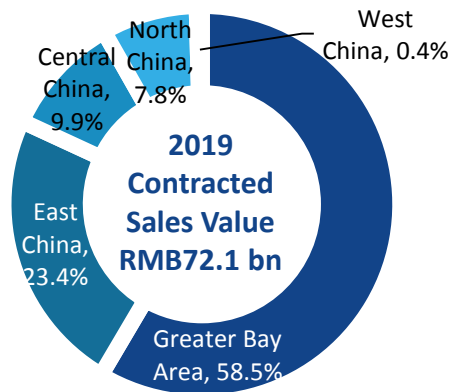
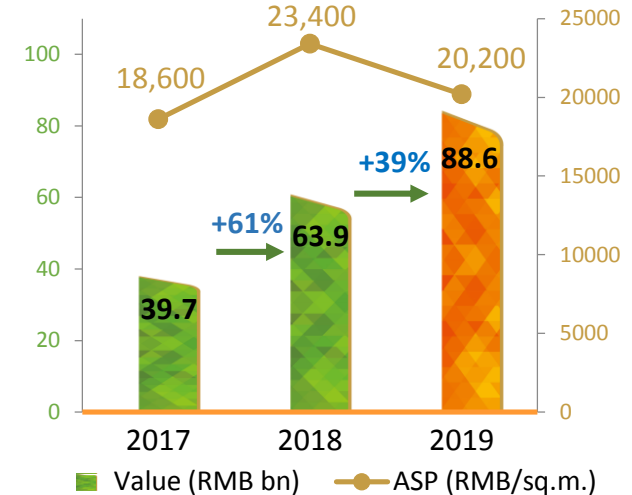
## Contracted Sales<sup>(1)</sup>



## Recognized Sales



## Unrecognized Sales<sup>(2)</sup>



Notes: (1) Including sales from joint venture projects

(2) The consolidated value of 2019 unrecognized sales was RMB60.7 bn

# NEW LAND ACQUISITIONS

No.	New Land Acquisitions	Type	Total GFA (sq.m.)	Equity Holding	Attributable GFA (sq.m.)
1	Guangzhou Zhilian Automobile Town Project II	R/C	315,100	21.5%	67,700
2	Guangzhou Southern Intelligent Media Tower Project	C	160,900	48.7%	78,300
3	Nansha The Willow Shores	R	140,500	38.2%	53,700
4	Nansha China Resources Yuexiu Mansion	R	147,000	47.5%	69,800
5	Conghua Glade Village (previous name: Conghua Jiangpu Street Jiuli Land)	R/C	213,600	95%	202,900
6	Zengcheng Joy Mountain (previous name: Zengcheng Zhongxin Sanjing Land)	R	94,700	38.2%	36,200
7	Guangzhou Yue Galaxy	R	1,355,300	82.1%	1,112,800
8	Guangzhou Yue Melody	R	911,900	48.7%	444,000
9	Guangzhou Yue Infinity	R	878,600	48.7%	427,800
10	Shenzhen Majestic Mansion (previous name: Shenzhen Bao'an Jiangangshan Land)	R/C	169,300	9.6%	16,200
11	Zhongshan West District Caihong Land	R	230,100	95%	218,600
12	Jiangmen Man Wah Mansion	R/C	83,000	48.5%	40,200
13	Jiangmen Yuexiu Binjiang Enjoy City	R/C	101,400	47.5%	48,200
14	Jiangmen Yuexiu Binjiang Grand City	R/C	164,500	47.5%	78,100
<b>Subtotal (Greater Bay Area)</b>			<b>4,965,900 (64.4%)</b>	-	<b>2,894,500(55.5%)</b>
15	Hangzhou Impressive City (previous name: Hangzhou Lin'an Jinnan New City Land)	R	319,000	100%	319,000
16	Hangzhou Yuexiu Present (previous name: Hangzhou Jianggan Niutian Land II)	R/C	46,500	95%	44,200
17	Hangzhou Manyun Mansion (previous name: Hangzhou Lin'an Binhu New City Land)	R	75,200	95%	71,400
18	Suzhou Xiangcheng Changwang Land	R	142,200	45.6%	64,800
19	Jiaxing Nanhu Yuxin Land	R	224,300	52.3%	117,200
<b>Subtotal (East China Region)</b>			<b>807,200 (10.5%)</b>	-	<b>616,600(11.8%)</b>
20	Zhengzhou Elegant Mansion	R	137,900	95%	131,000
21	Changsha Yue Lake Stage	R/C	130,600	95%	124,100
22	Changsha Qinaili Lane	R	132,400	95%	125,800
23	Changsha Starry City	R/C	714,200	95%	678,500
<b>Subtotal (Central China Region)</b>			<b>1,115,100 (14.5%)</b>	-	<b>1,059,400(20.3%)</b>
24	Qingdao Starry City (previous name: Qingdao Chengyang Shangma Land)	R/C	403,700	100%	403,700
25	Qingdao Yue Mansion	R	50,800	100%	50,800
<b>Subtotal (North China Region)</b>			<b>454,500 (5.9%)</b>	-	<b>454,500(8.7%)</b>
26	Chengdu Glorious Mansion	R/C	296,900	42.8%	126,900
27	Chengdu Qinaili Lane(previous name: Chengdu Qingbaijiang Land)	R	66,200	95%	62,900
<b>Subtotal (West China Region)</b>			<b>363,100 (4.7%)</b>	-	<b>189,800(3.7%)</b>
<b>Total</b>			<b>7,705,800</b>	-	<b>5,214,800</b>

# COMPLETED ACQUISITIONS OF "RAILWAY+PROPERTY" PROJECTS



## Yue Galaxy

Total GFA	1,355,300 sq.m.
Sellable GFA	940,200 sq.m.
Total Considerations	RMB14.11 bn



## Yue Melody

Total GFA	911,900 sq.m.
Sellable GFA	610,500 sq.m.
Total Considerations	RMB4.87 bn



- Issued approximately 3.08 bn shares to Guangzhou Metro Group and the consideration was HKD6.16 bn
- Guangzhou Metro Group became the second largest shareholder of the Group with the shareholding of approximately 19.9%



## Yue Infinity

Total GFA	878,600 sq.m.
Sellable GFA	612,200 sq.m.
Total Considerations	RMB4.02 bn



# ACQUISITIONS BY MODEL OF COOPERATION WITH SOEs

No.	New Land Acquisitions	Total GFA (sq.m.)	Equity Holding
1	Guangzhou Zhilian Automobile Town Project II	315,100	21.5%
2	Guangzhou Southern Intelligent Media Tower Project	160,900	48.7%
3	Jiangmen Man Wah Mansion	83,000	48.5%
4	Jiangmen Yuexiu Binjiang Enjoy City	101,400	47.5%
5	Jiangmen Yuexiu Binjiang Grand City	164,500	47.5%
6	Suzhou Xiangcheng Changwang Land	142,200	45.6%
7	Jiaxing Nanhu Yuxin Land	224,300	52.3%
8	Chengdu Glorious Mansion	296,900	42.8%
<b>Total</b>		<b>1,488,300</b>	<b>-</b>

**Jiangmen Yuexiu  
Binjiang Grand City**



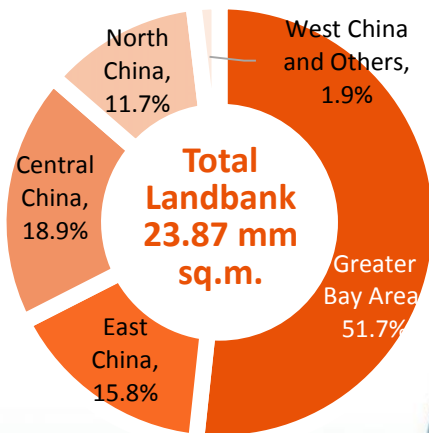
**Jiangmen Yuexiu  
Binjiang Enjoy City**



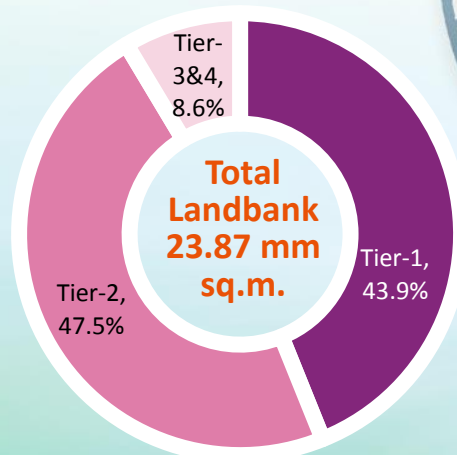
**Chengdu Glorious  
Mansion**



## Landbank - by Region



## Landbank – by Tier



### Greater Bay Area

**Cities:** Guangzhou, **Shenzhen**, Foshan, Jiangmen, Zhongshan, Hong Kong  
**Landbank: 12.34 mm sq.m.**

### East China Region

**Cities:** Hangzhou, Suzhou, **Jiaxing**  
**Landbank: 3.76 mm sq.m.**

### Central China Region

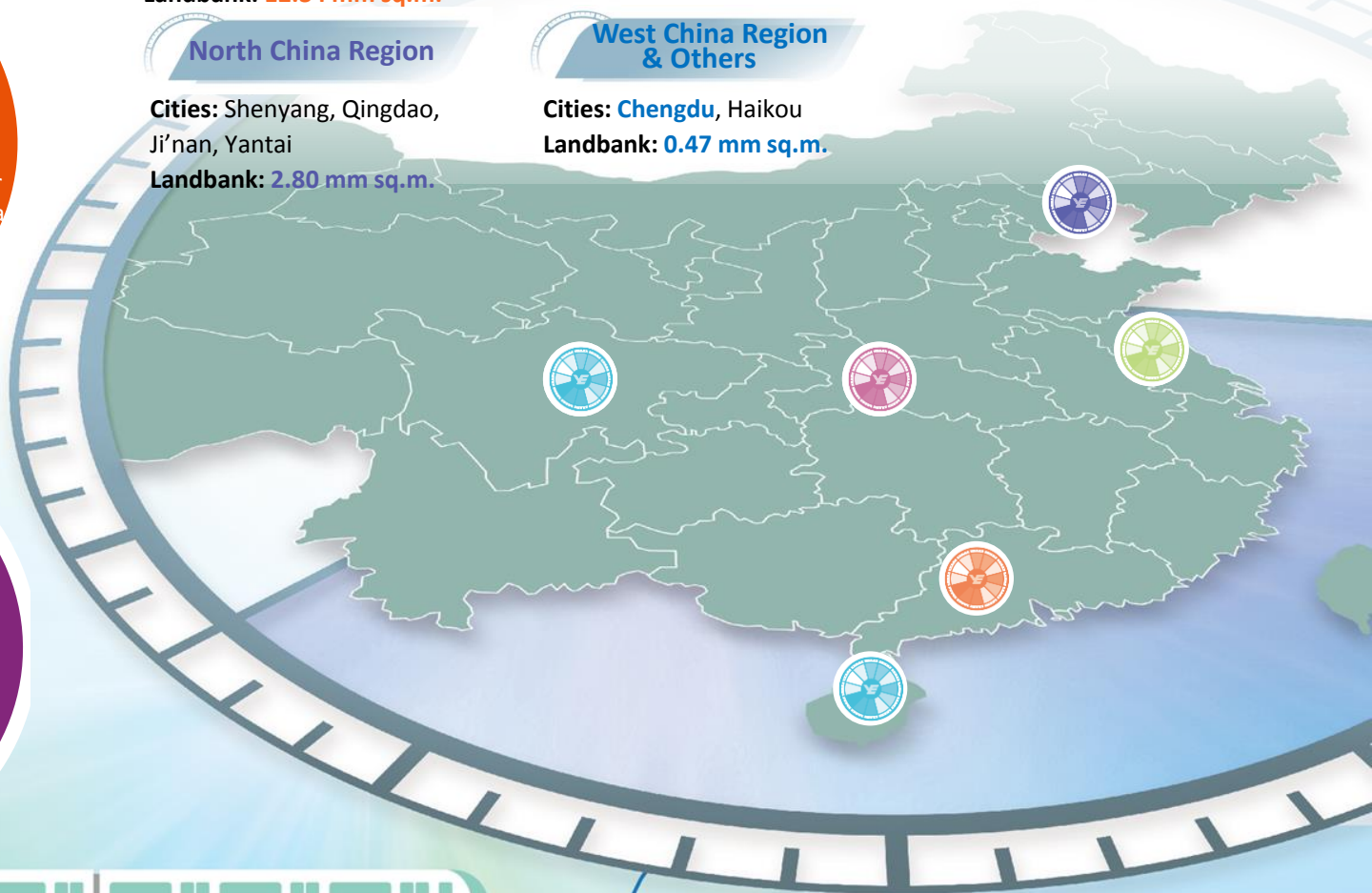
**Cities:** Wuhan, Xiangyang, **Changsha, Zhengzhou**  
**Landbank: 4.50 mm sq.m.**

### North China Region

**Cities:** Shenyang, Qingdao, Ji'nan, Yantai  
**Landbank: 2.80 mm sq.m.**

### West China Region & Others

**Cities:** **Chengdu**, Haikou  
**Landbank: 0.47 mm sq.m.**



# "DUAL PLATFORMS" FOR COMMERCIAL PROPERTIES



Rental Income of Yuexiu Property was approximately RMB0.69 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
<b>Subtotal (Under Leasing Projects)</b>	<b>697,600</b>
Guangzhou Asia Pacific Plaza	229,400
Wuhan International Financial City (Commercial)	241,800
Nansha International Financial Center	81,500
<b>Subtotal (PUD Projects)</b>	<b>552,700</b>
Nansha Southern Le Sand(Commercial)	200,000
Hangzhou Starry City (Commercial)	88,000
<b>Subtotal (PFD Projects)</b>	<b>288,000</b>
<b>Total</b>	<b>1,538,300</b>

Revenue of Yuexiu REIT was approximately RMB2.06 bn

	GFA (sq.m.)
GZ 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
<b>Total</b>	<b>973,000</b>

\*Note: Yuexiu Property held 38.1% of Yuexiu REIT as at 31 December 2019





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Stick to "Housing is for living in rather than for speculation", implement city-specific policies and establish long-term market mechanisms; stabilize land price, housing price and expectation; maintain healthy and steady growth of property market; reasonably loosen control policies by cities due to coronavirus outbreak



The government implements the categorized controls on land supply; Differentiate increases between regions and cities; the land markets remain competitive in tier-1&2 cities while the land markets are weak in tier-3&4 cities ; the overall market tends to be more reasonable



Sales volume remains stable and price increase is limited; Affected by coronavirus outbreak, sales will stay low in short term, and the markets will further differentiate; steady growths are expected in Greater Bay Area and Yangtze River Delta with strong appeal to talents and beneficial policies



## Financing

Relaxing credit policies and financing environment on macroeconomy; credit policies for developers will loosen due to coronavirus outbreak, although overall financing on developers remains tight



01



## “Railway+Property” Model

Improve the “Railway+Property” Model and continuously acquire “Railway+Property” projects to increase landbank

02



## Cooperation with SOEs Model

Utilize the SOEs background to strengthen strategic cooperation with different SOEs and jointly develop their high quality land resources on hand

03



## Urban Renewals Model

Acquire projects of “old village, old town and old factory” re-development actively to gain quality land resources in the medium to long term

04



## Open Market Auction

Increase investment on projects with high turnover, return, sell-through and cash collection rates under strict investment standards for optimizing landbank composition and better geographical layout

05



## Innovative Acquisition Methods

Innovate land acquisitions by cooperating with industries, municipalities and other parties

## Market Strategy

Accelerate sales by capturing the market windows, launch projects in line with the pace of market; expand sales channels and accelerate sales of metro projects to achieve the annual sales target with good sell-through rate and cash collection rate

## Product Strategy

Adhere to the value of "Good product, Good Service, Good Brand", Increase product attractiveness and optimize standardization system. Develop TOD product lines and better service system for "Railway+Property" projects

## Operation Strategy

Implement project-based operation system driven by business performance and results targets, optimize project, product and cost management, improve operation mechanisms for higher turnover and efficiency

## Commercial Strategy

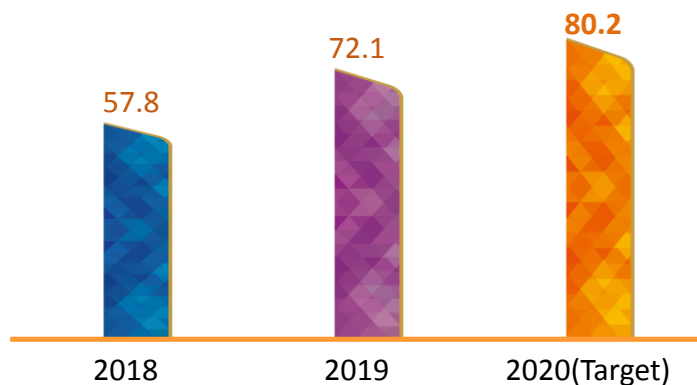
Implement "Coordinated Residential & Commercial Properties Development" strategy, improve "Development +Operations+Securitization" model, improve operation and efficiency, turn commercial business into the competitive edge and "stabilizer" of the Group

## Organization Strategy

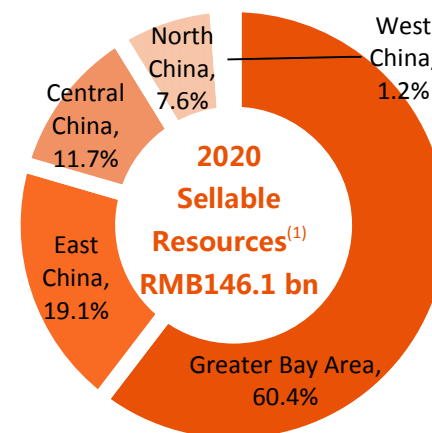
Optimize co-investment mechanism and key employee share incentive scheme, strengthen cultivation and acquisition of core talents to build a team of high execution capability and of shared value

# 2020 SALES AND OPERATIONAL TARGETS

**2020 Contracted Sales Target:**  
**RMB80.2 bn**



**Total Sellable Resources**



Note: (1) Total sellable resources from existing projects

## Operational Plans<sup>(2)</sup>

GFA (mm sq.m.)	2019E	2019A	2020E
PUD	15.14	16.47	17.91
New Construction Starts	5.95	6.90	6.95
Completion	2.95	3.04	5.51

Note: (2) Including figures from joint venture projects



# 2020 KEY OPERATING CASH FLOWS

## Cash Inflows (RMB bn)

2020E

Property Sales	58.5
Rental Income and Others	2.7
<b>Total</b>	<b>61.2</b>

## Cash Outflows (RMB bn)

2020E

Land Premium and Auction Deposits*	30.0
Construction Cost	14.0
Interest Payment	4.0
Tax and Administrative and Other Expenses	12.0
<b>Total</b>	<b>60.0</b>

\*Note: Excluding payment for acquisitions from Yuexiu Group



**Thank you!**

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