

Yuexiu Services Annual Results 2023

18 March 2024





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Steady Growth in Revenue and Net Profit

Revenue
3,224mn 29.7% ↑

Net Profit
487mn 17.0% ↑

Stable Expansion of Management Scale

Contracted GFA
83.45mn sq.m. 18.2% ↑

GFA under Management
65.21mn sq.m. 26.2% ↑

Healthy Financial Position

Operating Cash Inflow
695mn

Trade Receivables Turnover Days
77 days 12 days ↓

Continuous Improvement of VAS

Revenue - Community VAS
932mn 43.3% ↑

Revenue - Home Decoration Business
345mn 62.1% ↑

Increasing Shareholder Returns

Final Dividend
RMB**0.079**/share
Annual Dividend
RMB**0.160**/share 64.9% ↑
Dividend Payout Ratio
50% 15p.p. ↑

Improved Cash Management Efficiency

Cash and Fixed Bank Deposits
4,704mn 7.9% ↑

Interest Income
107mn 42.9% ↑



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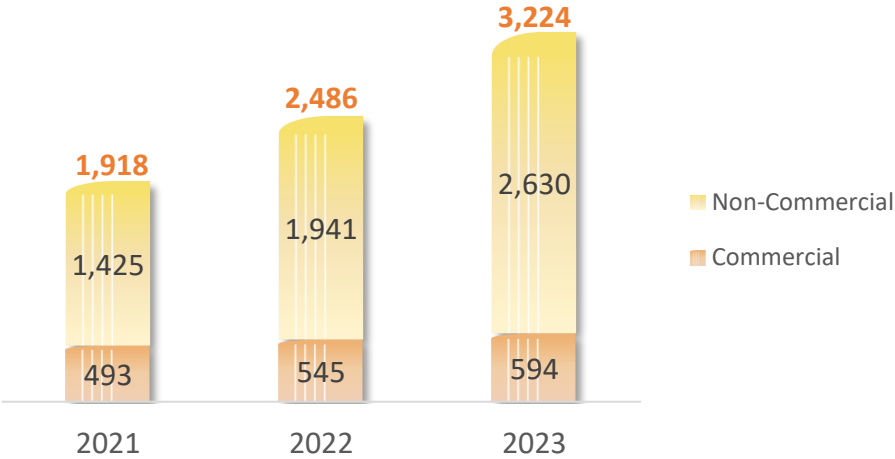
◆ *Outlook* 04

Overview of Income Statement

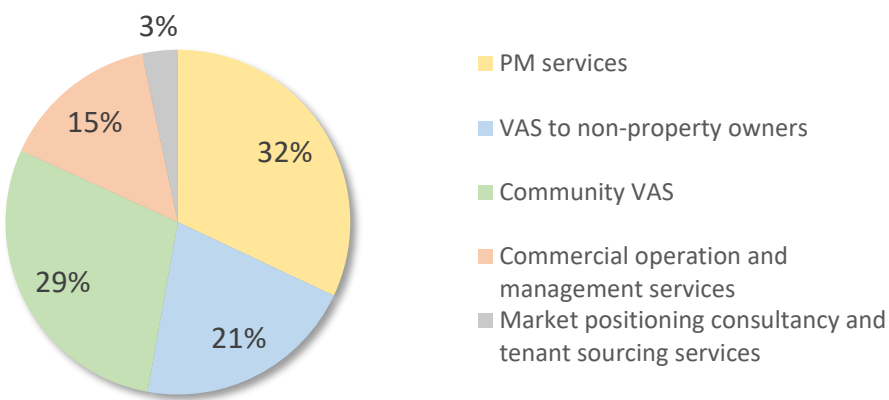
RMB mn	2023	2022	Changes
Revenue	3,224	2,486	+29.7%
Cost of sales	(2,367)	(1,807)	+31.0%
Gross profit margin	26.6%	27.3%	-0.7 p.p.
Administrative expense rate	8.7%	8.5%	+0.2 p.p.
Finance income	107	75	+42.9%
Net profit	487	416	+17.0%
Net profit margin ¹	15.1%	16.7%	-1.6 p.p.
Basic earnings per share ² (RMB)	0.32	0.27	+18.5%
Final dividend per share (RMB)	0.079	-	-
Final dividend per share ³ (HKD)	0.087	-	-
Annual dividend per share (RMB)	0.160	0.097	+64.9%
Annual dividend per share ³ (HKD)	0.176	0.109	+61.5%
Dividend payout ratio	50%	35%	+15 p.p.

Breakdown of Revenue

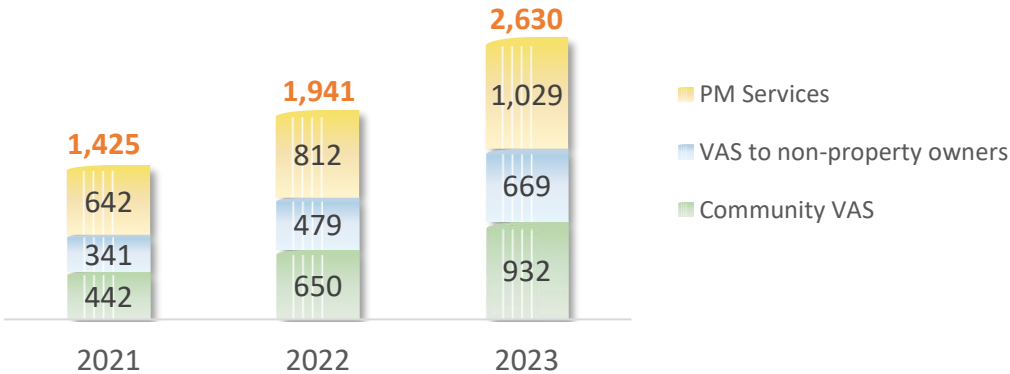
Revenue



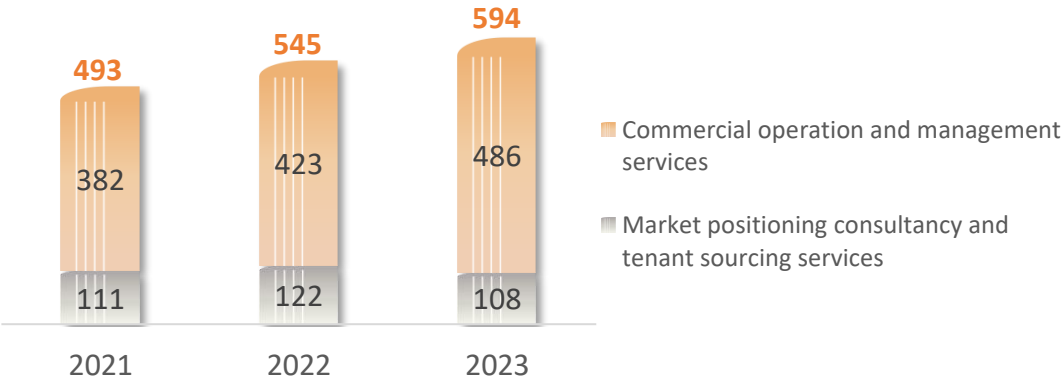
Revenue Mix



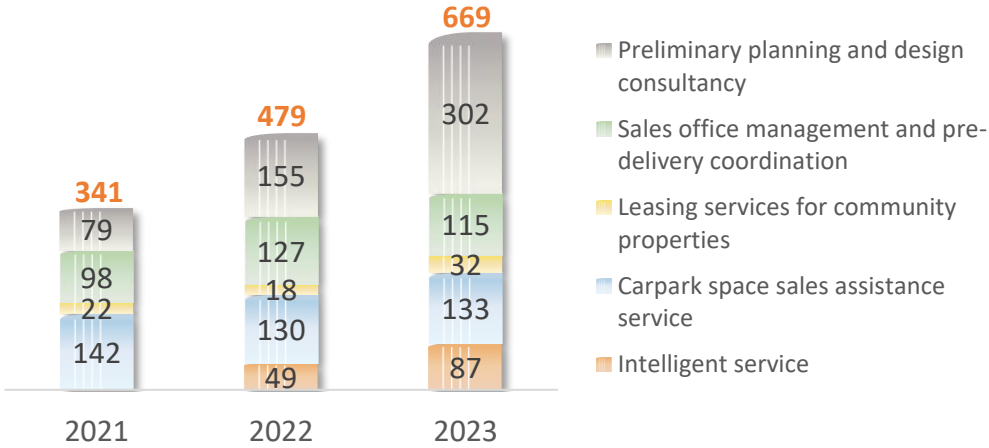
Non-commercial Revenue



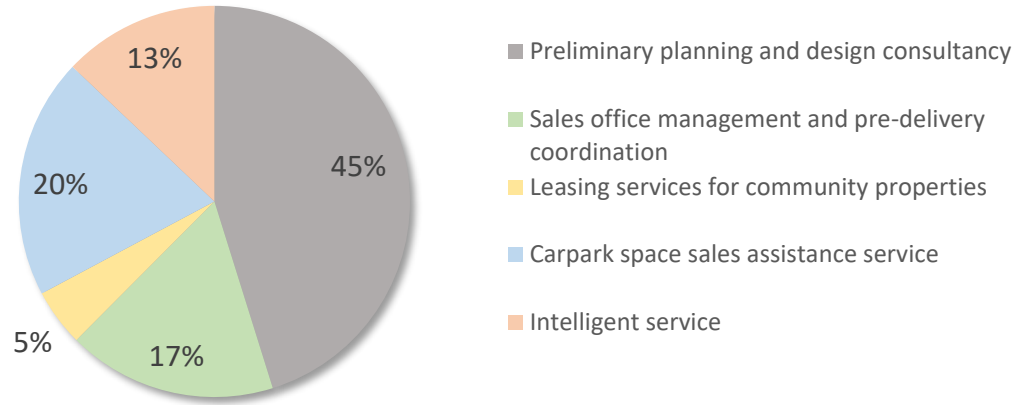
Commercial Revenue



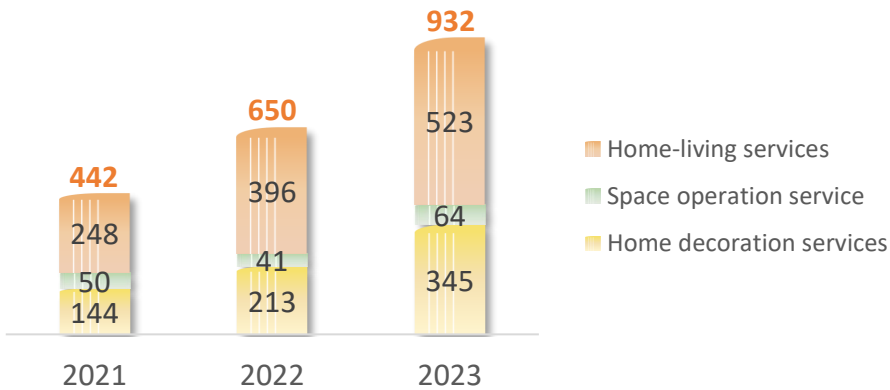
Revenue of VAS to Non-property Owners



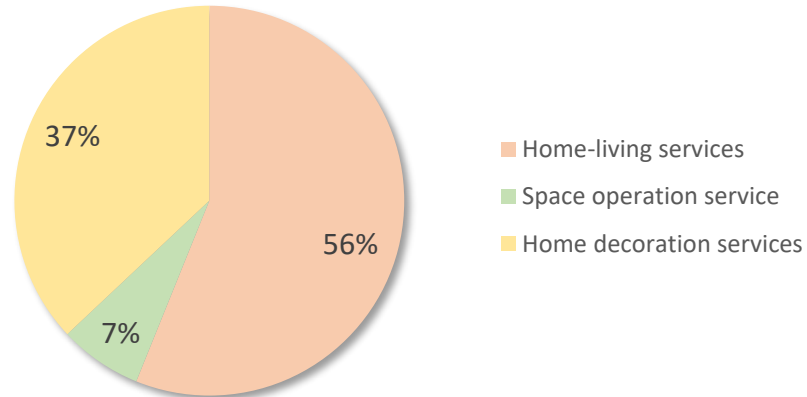
Revenue Mix of VAS to Non-property Owners



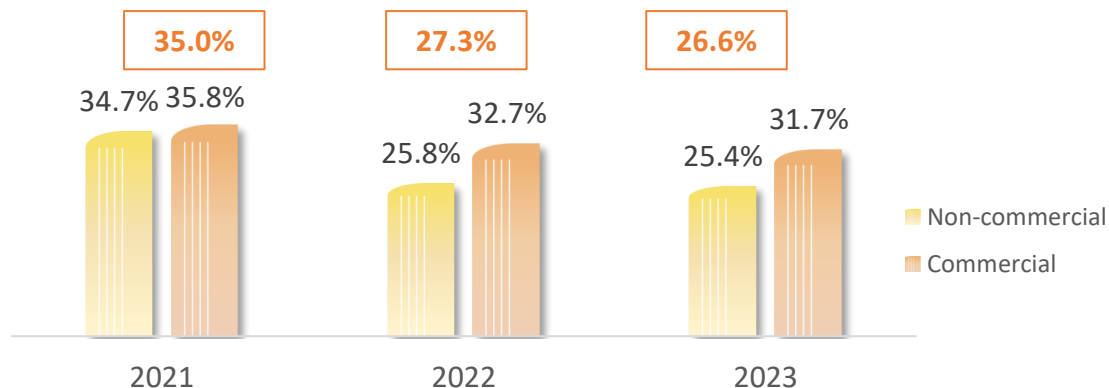
Revenue of Community VAS



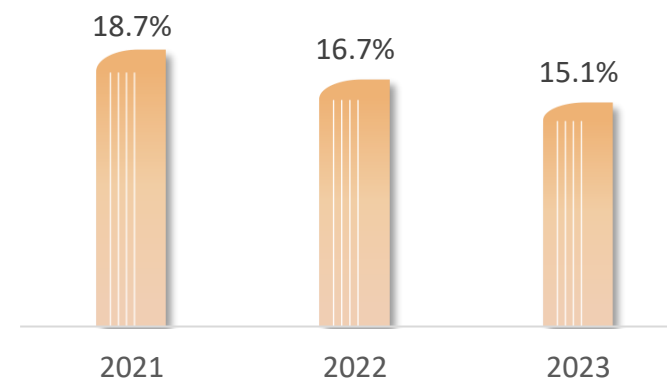
Revenue Mix of Community VAS



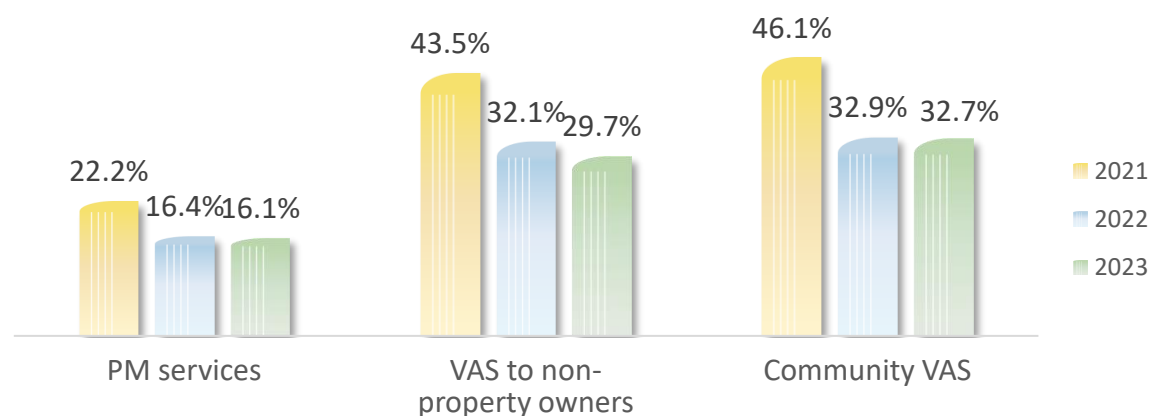
Gross Profit Margin



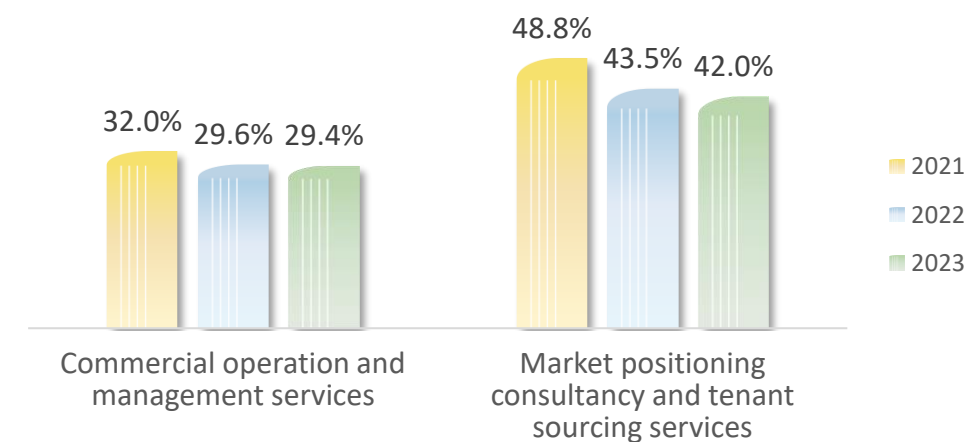
Net Profit Margin¹



GPM (Non-commercial)

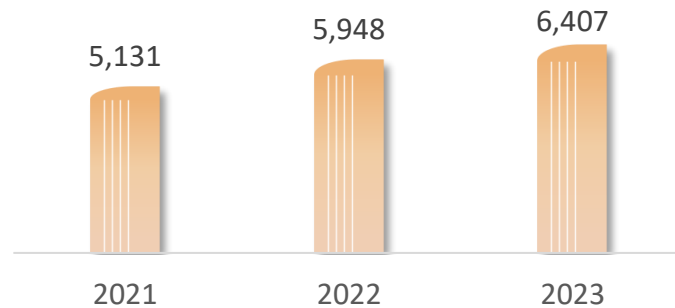


GPM (Commercial)

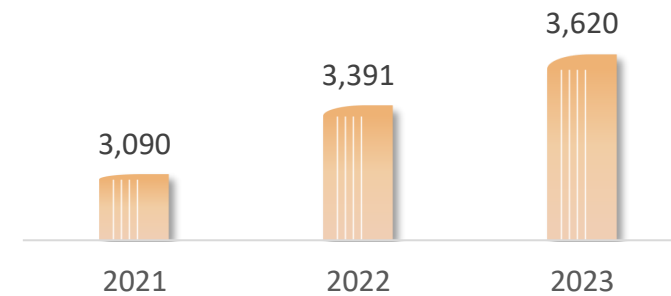


Overview of Balance Sheet and Cash Flows

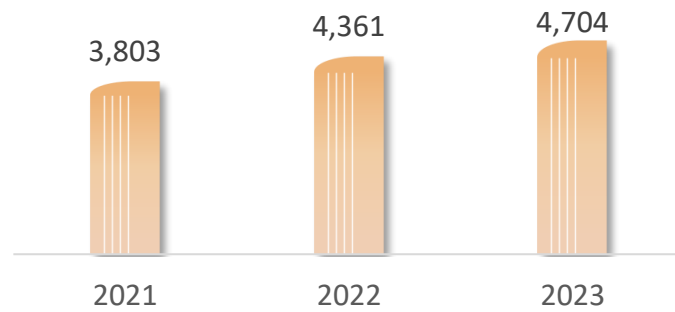
Total Assets



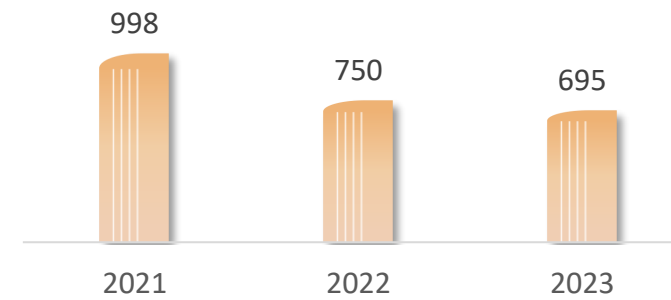
Net Assets



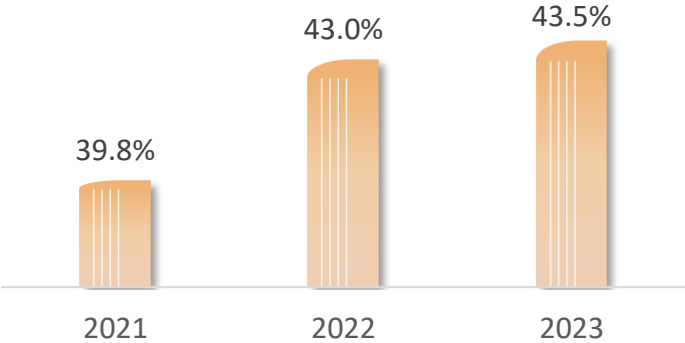
Cash and Fixed Bank Deposits



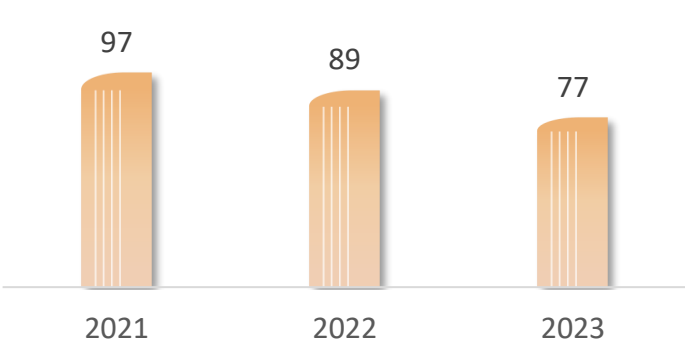
Operating Cash Inflow



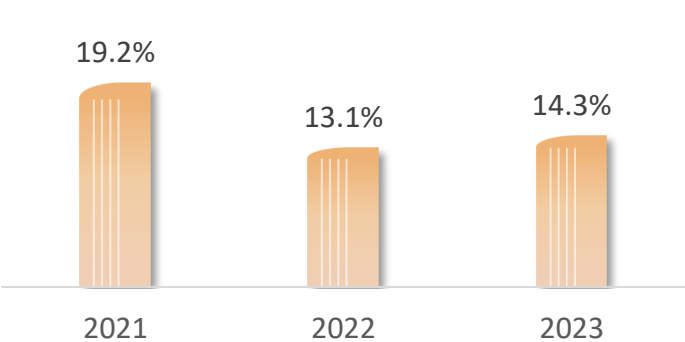
Liabilities to Assets Ratio¹



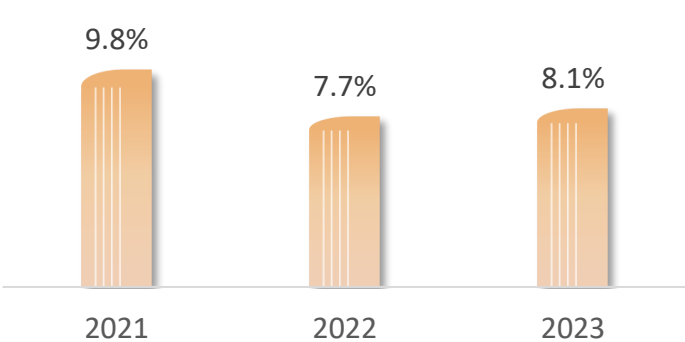
Trade Receivables Turnover Days²



ROE³



ROA⁴



Notes: 1. Liabilities to Assets Ratio = Total Liabilities/Total Assets; 2. Trade Receivables Turnover Days = (Opening and Closing Trade Receivables, incl contract liabilities)/2×the relevant days of the period/Revenue;
3. ROE=Profit for the period/ ((Total Equity at the beginning of the period + Total Equity at the end of the period)/2) ×100%; 4. ROA=Profit for the period/((Total Assets at the beginning of the period + Total Assets at the end of the period)/2) ×100%



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Contracted GFA

83.45mn sq.m.

GFA under Management

65.21mn sq.m.

476

Contracted Projects

408

Projects under Management

Serving

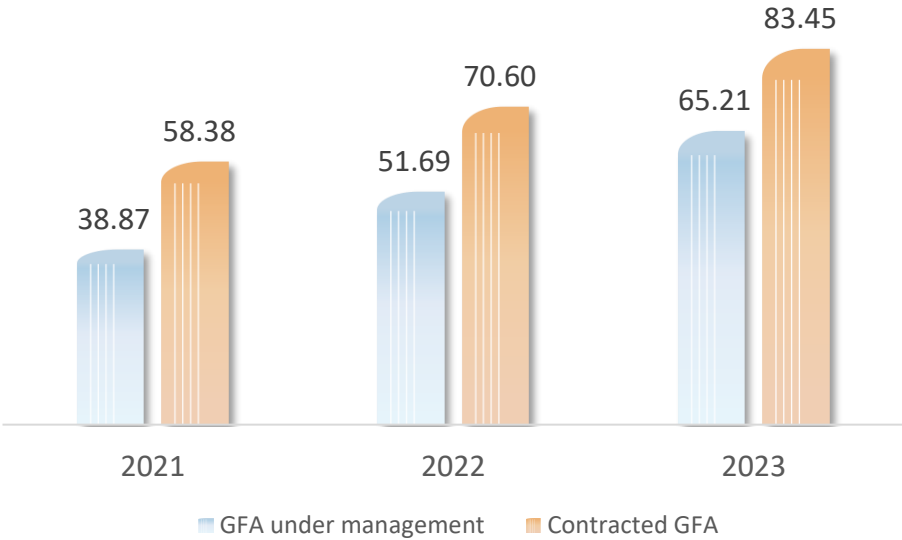
280,000

Property owners

Changes in Management Scale

(mn sq.m.)	Contracted GFA	GFA under management
2022.12.31	70.60	51.69
Add: Newly obtained in 2023	15.42	16.09
Less: Terminated in 2023	2.57	2.57
2023.12.31	83.45	65.21

Steady Expansion of Business Scale



Distribution of Scale by Business Type

Residential (63%)

41.21mn sq.m.

TOD (11%)

7.04mn sq.m.

Commercial buildings and
industrial parks (16%)

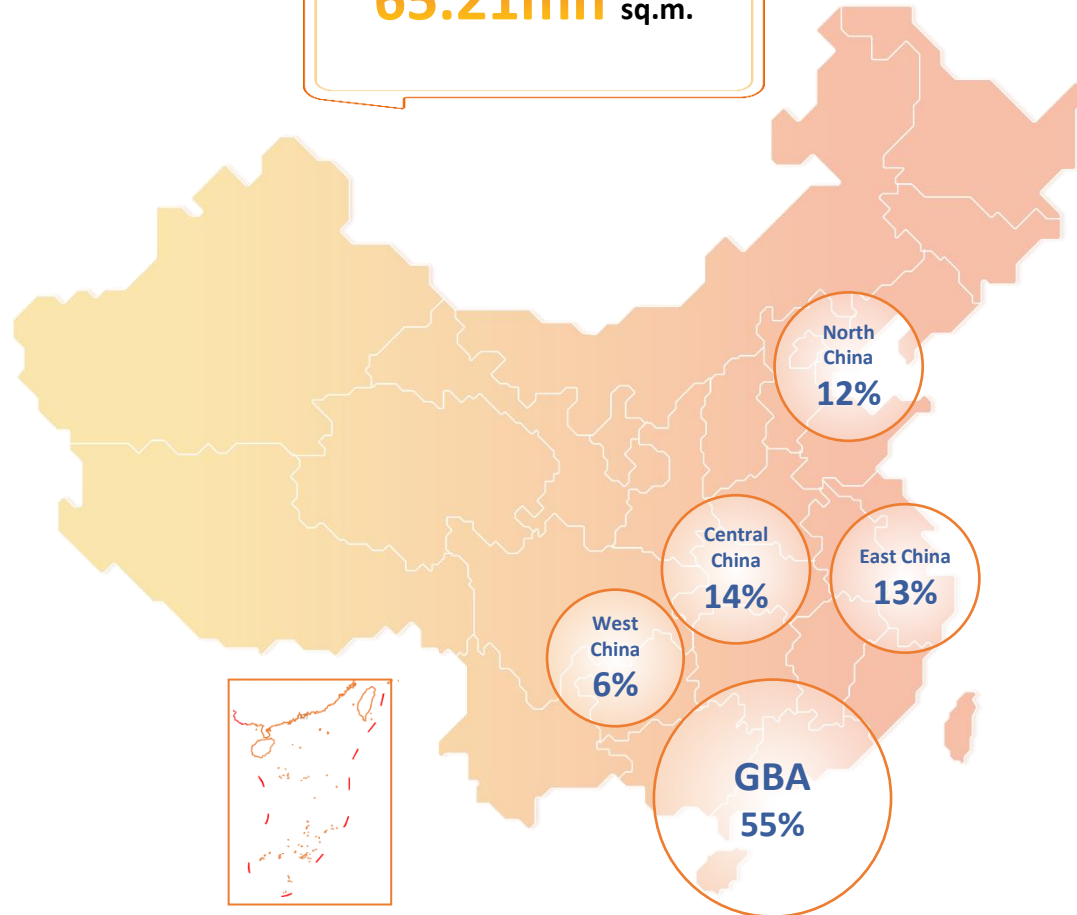
10.41mn sq.m.

Urban services and public
Premises (10%)

6.55mn sq.m.

GFA under management

65.21mn sq.m.



Distribution of Scale by City Tier

Tier-1 (47%)

30.63mn sq.m.

New Tier-1 (21%)

13.68mn sq.m.

Tier-2 (19%)

12.42mn sq.m.

Others¹ (13%)

8.48mn sq.m.

Distribution of Scale by Region

GBA (55%)

35.90mn sq.m.

East China (13%)

8.39mn sq.m.

Central China (14%)

8.87mn sq.m.

North China (12%)

7.82mn sq.m.

West China (6%)

4.23mn sq.m.

Steady Growth in Scale Expansion

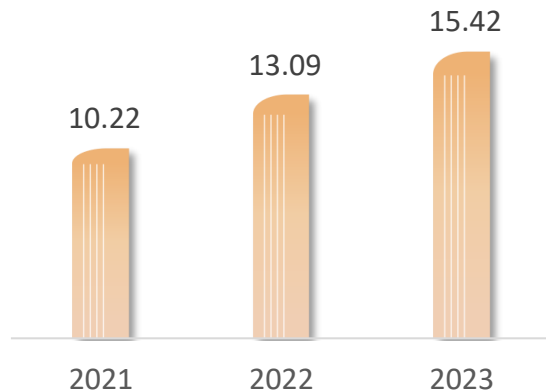
No. of newly obtained projects

113

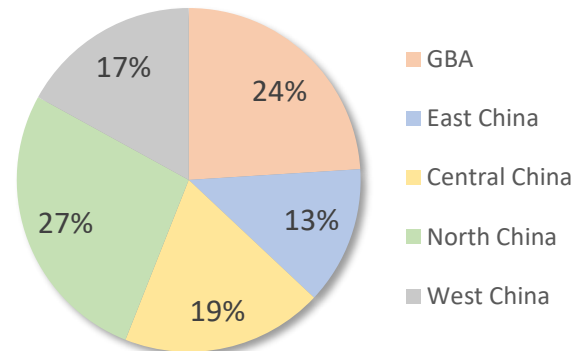
Newly obtained contracted GFA

15.42mn sq.m.

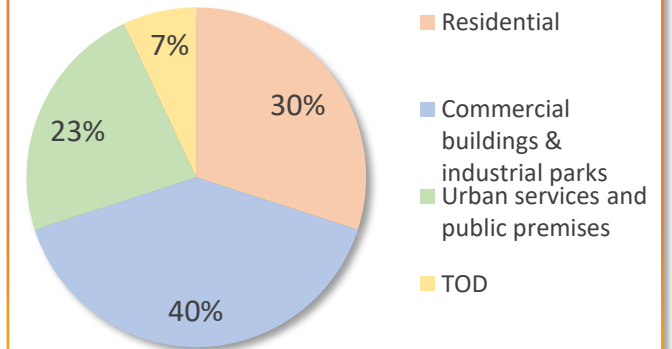
Newly Obtained Contracted GFA



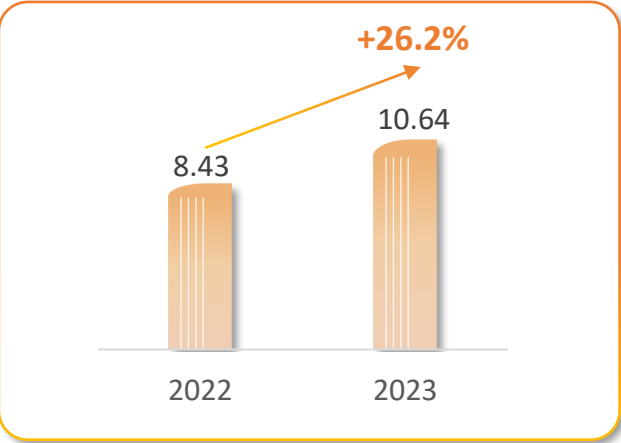
Newly Obtained Contracted GFA
(By Region)



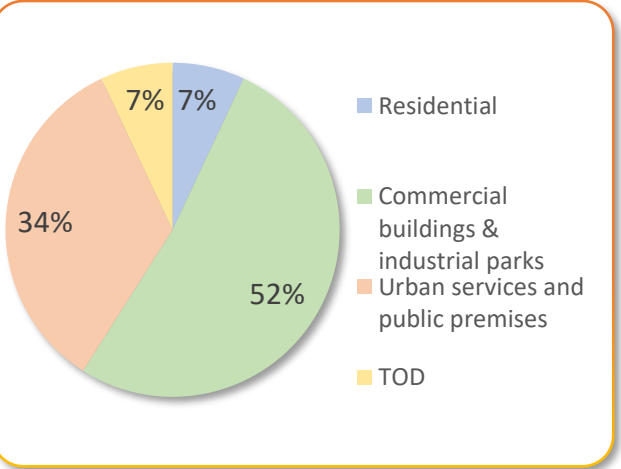
Newly Obtained Contracted GFA
(By Business Type)



Newly obtained contracted GFA through market expansion



Newly obtained contracted GFA (By Business Type)



Key Market Expansion Projects

One-stop service project of BASF, a Fortune 500 company, in Zhanjiang



TOD business continued to expand Fuzhou Line 4 and Zhengzhou Line 12



GDRC Data Center in Foshan, the first T4 data center in national financial system



Landmark projects – the Memorial Museum of Generalissimo Sun Yat-Sen's Mansion in Guangzhou



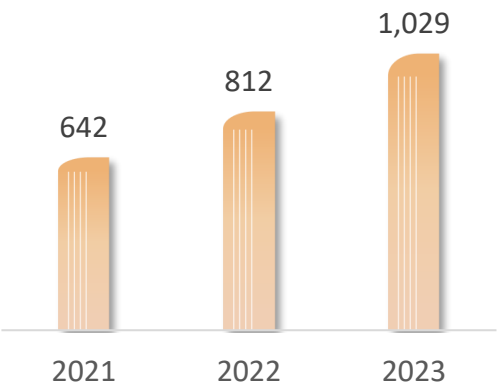
Huishan processing plant project in Shenyang, strengthening internal collaboration



New landmark, Ezhou International Convention and Exhibition Center

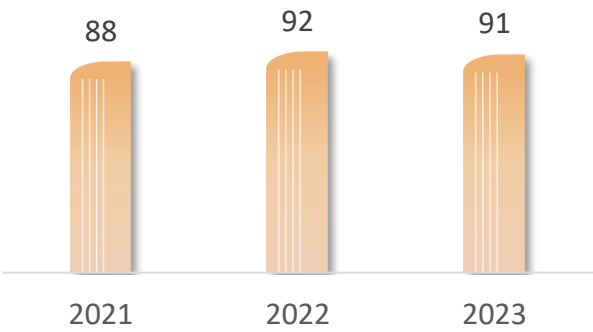


PM Revenue ¹



Customer Satisfaction

The level of **95 marks** in the industry for two consecutive years



Continuous Improvement of Professional Service Business

Professional cleaning business

Pilot self-operated cleaning service to improve cleaning quality while reducing cleaning costs

Professional greening business

Established a self-operated greening team to integrate management of professional pruning and replanting

Professional lift maintenance

Established a joint venture with Otis Electric to strengthen professional capabilities in lift repair and maintenance

First High-end Services Project Launched – Panyu Grand Mansion



Central Park



Leisure Space



Children Caring



Smart Community

Note: 1. Only refers to basic property management services under the non-commercial sector; 2. Unit: RMB mn



New Retail Business

- **Average sales per household increased significantly** to RMB246/household, a year-on-year increase of 117%
- **Customized top product categories** and launched 2 products with revenue of >5 million and 4 star products with revenue of >1 million
- **Established new channels** to increase sales through live broadcasts, residents' sporting events and other activities
- **Launched innovative business formats**, adding convenient milk stations, weekend themed markets, Yuexiu Lifestyle Hall, and various themed community activities



Property Agency

- Further improved the coverage and penetration of stores in communities and **strengthened the development of business channels**
- Revenue from leasing and sales of existing homes increased significantly, and **the market share and operational efficiency of the business continued to improve**
- **Launched "worry-free" products**, added three entrusted apartment projects and operated 300+ rooms with an occupancy rate of over 80%





Home Decoration Business

- **Front-end promotion**, conducted R&D on upgrade of eight newly launched projects based on Yuexiu Property's standard flats, and **created 12 show flats**
- **Self-operated turnkey service** continued to expand, and the business coverage of newly delivered projects exceeded 76%



Galaxy Bay duplex show flats

Heyuelinyu Uniform windows



Community Commercial Business

- Developed diversified businesses such as clubhouses, community groups, and recreational activities **to build a large community operating model**
- **Launched the first high-end clubhouse** - Tianhe Grand Mansion Clubhouse, which introduced a high-end fitness brand
- **Improved the operation and management of existing properties**, with GFA under management, occupancy rate and rental rate of existing properties increasing
- **2,000+ strategic brand resources**, such as YumChina



Tianhe Grand Mansion Clubhouse

Suzhou Living Fun



Intelligent Business

- **Vigorously developed external expansion business**, with contract value exceeding RMB100 million
- **Focused on improving delivery and service quality**, and clients' satisfaction level continued to increase
- **Achieved breakthrough through developing benchmark smart projects** in different business types including smart campuses, smart hospitals, and smart commercial complex



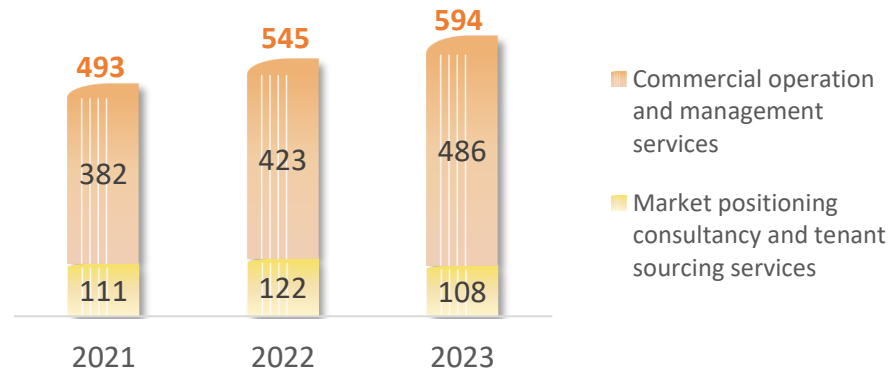
Commercial complex Centralized data management and control

Campus multimedia electronic teaching system

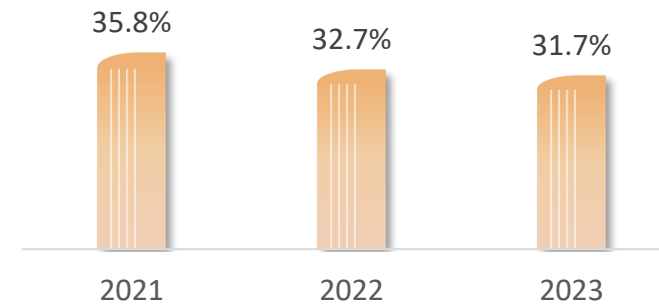


Steady Improvement of Commercial Business

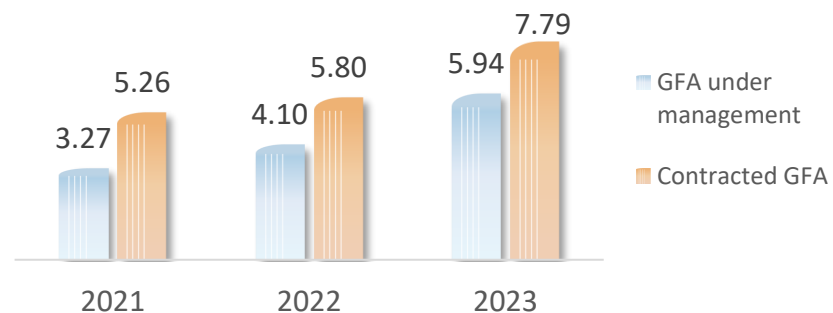
Revenue¹



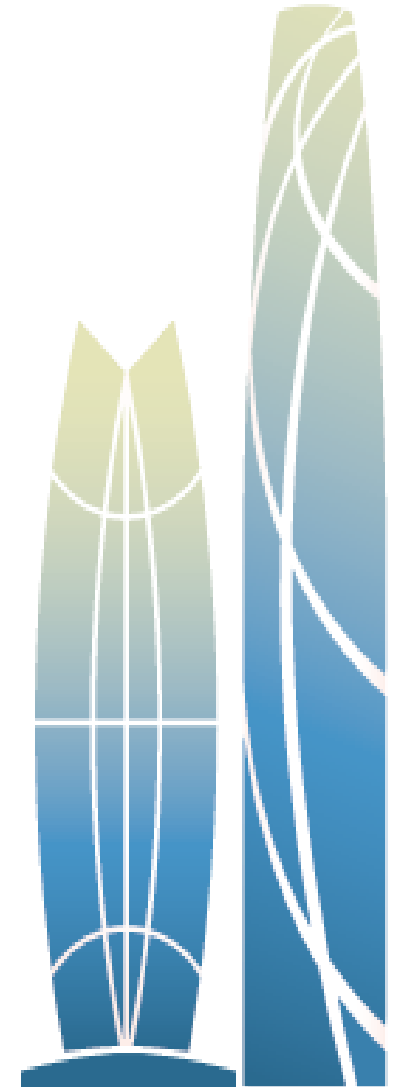
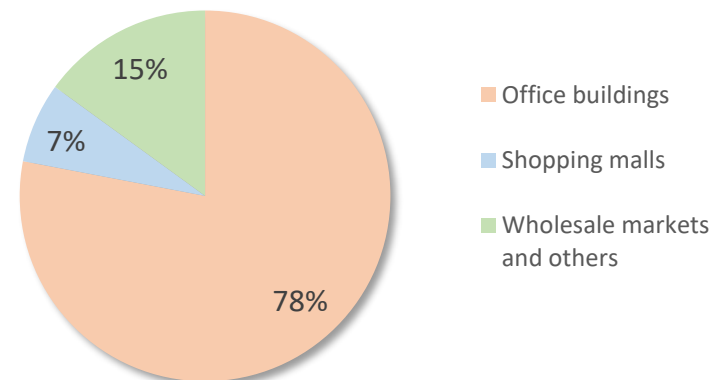
GP Margin



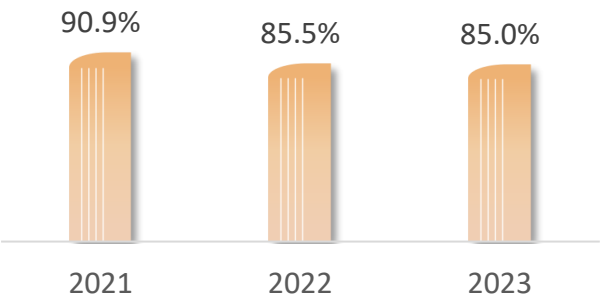
Management Scale²



Business Types³



Average Occupancy Rate of Commercial Projects¹



International management quality of landmark projects continued to improve



Guangzhou IFC obtained BOMA International 360 certification and BOMA China COE certification



Guangzhou IFC obtained BOMA International 360 certification and BOMA China COE certification



Wuhan Yuexiu Fortune Center obtained LEED Platinum Certificate

Continuous expansion of benchmark project portfolio

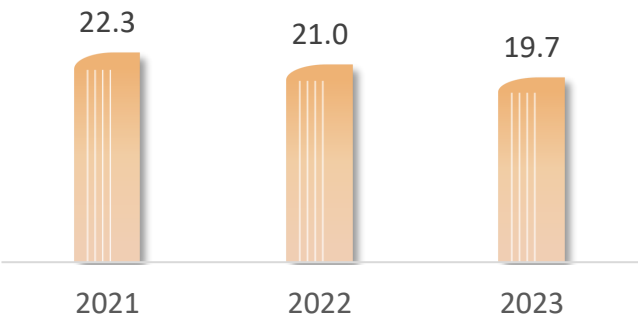


Wuhan IFC Commercial and Office Building Complex

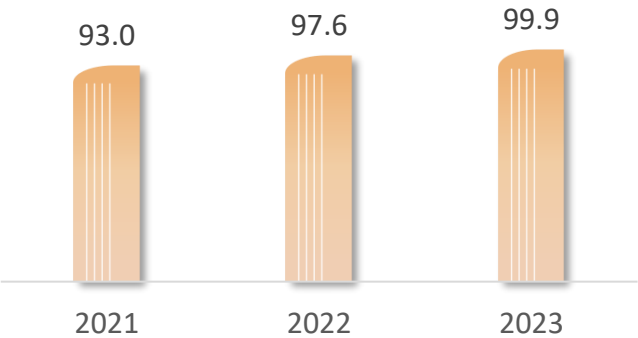


ICC Mall, first land-air TOD integrated commercial flagship project in Xi'an

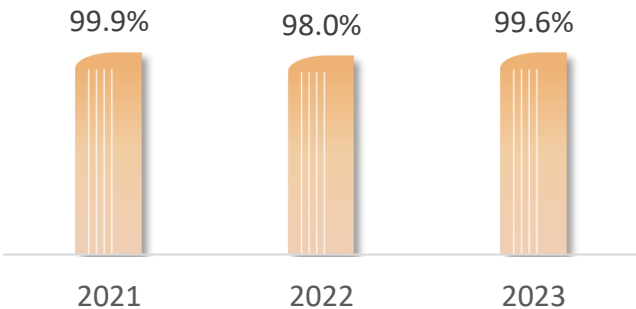
Average PM Fee of Office Buildings²



Customer Satisfaction



Fee Collection Rate

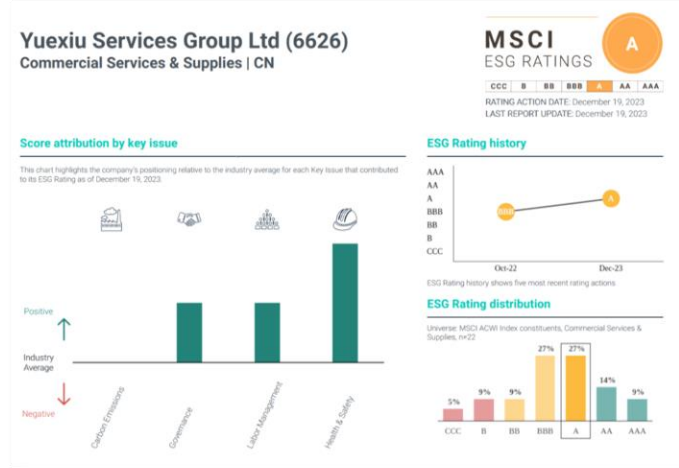


Note: 1. The occupancy rate is the period end occupancy rate, which only includes office buildings, shopping malls and wholesale markets owned by Yuexiu REIT; 2. Unit: RMB/sq.m./month 20

Received MSCI ESG A rating

The highest rating among domestic property management companies

- MSCI ESG rating elevated to **"A"** from **"BBB"**
- Currently **the highest rating for a property management company in Mainland China**
- Outperformed industry average in terms of **corporate governance, labor management, and health and safety performance**, reflecting the effective implementation of ESG management



Refined management

Green and low-carbon space operation

Energy-saving transformation, management and control

- Saved around 2 million kWh/year through **energy-saving lamp upgrade and transformer management**

Improved water resource utilization rate

- Fully utilized water resources, **recycled and reused rainwater and condensation water** to achieve water conservation

Urban farms

- To build environmentally friendly and sustainable urban farms by adopting **circular agriculture technology**



Pursued perfection with heart and passion

Supported urban renewal and focused on health and safety

Supported community renewal

- Launched the **"Spring Breeze Campaign"** community renewal project in **108 communities** across the country to improve residents' living experience
- **Over 300 items** to renovate old communities



Focused on health and safety

- Promoted the **installation of AED equipment** in commercial projects under management, and promoted the CPR training
- Conducted **targeted lift safety inspections** in residential communities, and introduced the **"Guidelines for lift Safety"** to community residents to promote related knowledge





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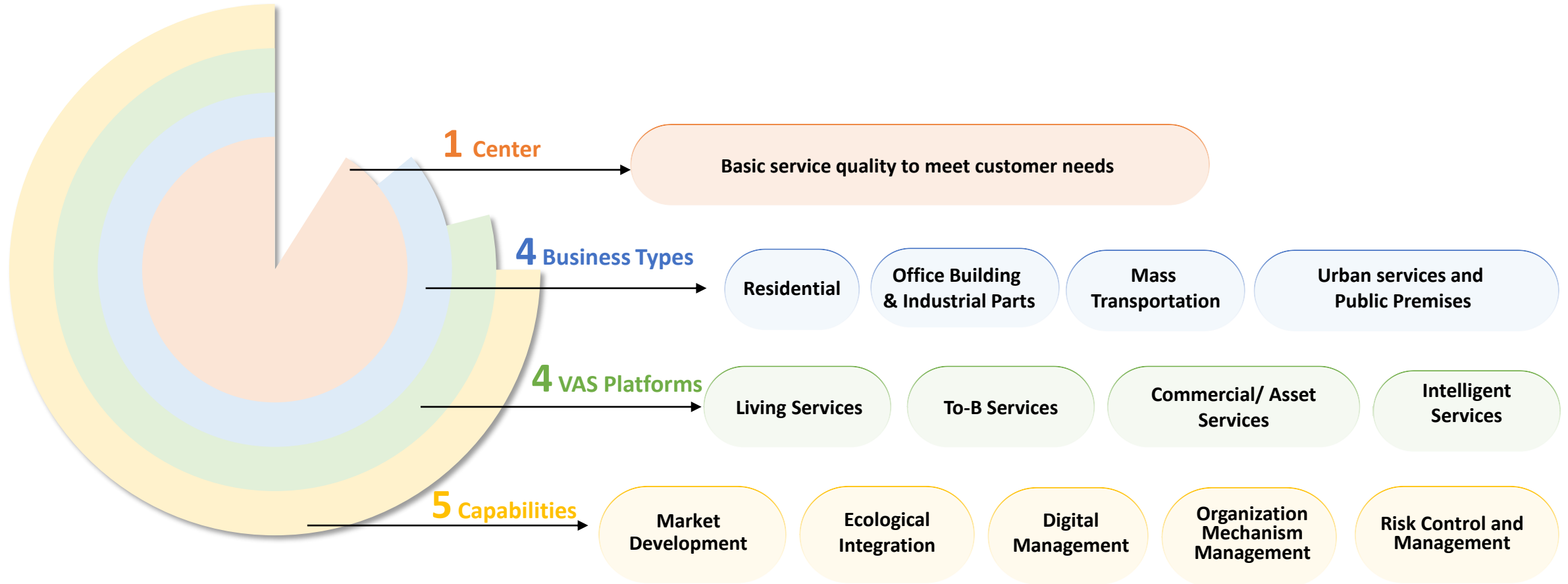
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Overall Strategy: “1+4+5+5”



Service Enhancement Strategy: High-Quality Service with a Customer-Centric Approach

Develop professional property management services in different sectors

Residential Property Service

- Build three product lines of “**Zhenyue (臻越)**, **Boyue (铂越)** and **Xiangyue (享越)**” and provide differentiated services to customers
- Provide whole life-cycle services with improved “**product + customer + operation**” experience

TOD Property Management Service

- Build a S-TOD four-dimensional urban service system of “**topside properties + public space + industrial service**”
- Ensure service quality through MSDS and 6S standardized management process

Office Buildings and Industrial Parks Service

- Establish **first-class service in Guangzhou IFC**, so that customers can enjoy the excellent benchmark service
- To be a leader in super high-rise property management to provide customers with high-quality services integrating “**asset + service + operation**”

Urban services and Public Premises

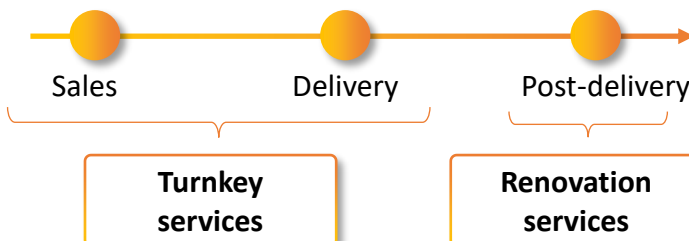
- Establish a business model of “**basic property management + industrial service + smart city (digital intelligence service)**” to enhance the service capabilities for public premises and industrial parks



Operation Enhancement Strategy: Build Core Products and Integrate Supply Chain

Home Decoration

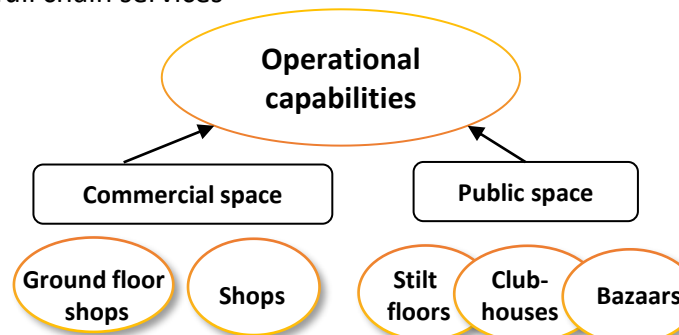
An integrated decoration service provider to provides a better living environment



Covering the entire life cycle of houses

Community Commercial Business

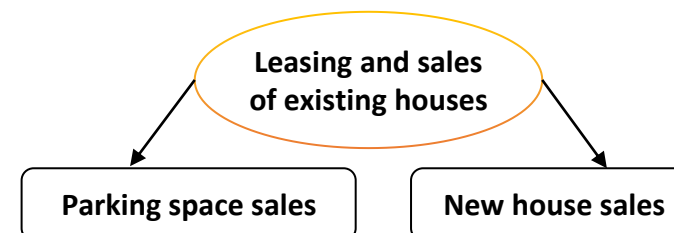
Build up the service brand of “Living Fun” and provide full chain services



Property Agency

Become an integrated real estate broker

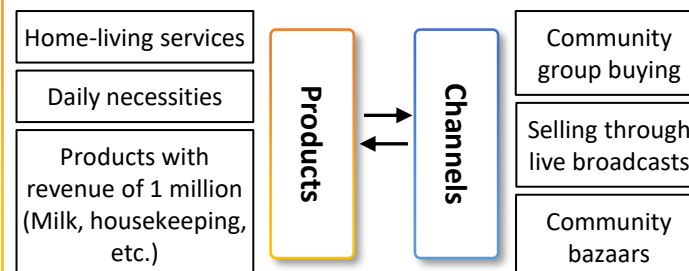
Build up store brands



New Retail

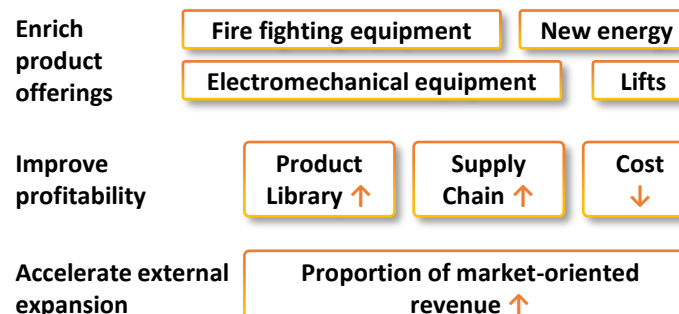
Explore customer needs and develop differentiated products and services

Focus on customer needs



Intelligent business

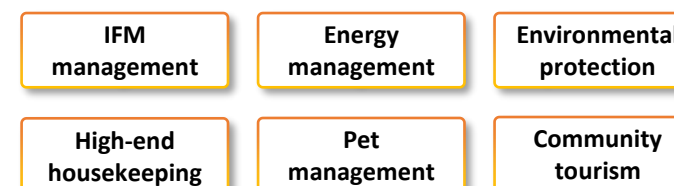
Intelligent application service operator centered on IoT



Businesses to be incubated

Focus on improving service capability for core business types such as office buildings and industrial parks

Investment and cooperation



ESG Strategy: Fulfilling Social Responsibility and Building Sustainable Development Core Competitiveness

Increase core competitiveness of sustainable development

Focus Areas of ESG Strategy



Good Governance



Quality Services



Green Property Management



Caring for Employees



Win-Win Cooperation



Social Well-being

Policy

Formulate and disclose guidelines and specific management policies

Goal

Set goals and regularly review progress

Management

Improve ESG management mechanism to achieve efficient governance

Action

Continue to implement practical ESG-related actions

Integrate ESG into business operations

Develop photovoltaic power and develop low-carbon demonstration projects

Development goals

Develop renewable energy sources such as photovoltaic power, achieve zero carbon emissions in some scenarios, and build low-carbon communities

Development measures

- ① Connect grid-connected photovoltaic power and utility power to residential lifts and lighting equipment in public areas, so as to realize self-generation and self-supply of power
- ② Increase energy storage equipment, reduce photovoltaic power waste, and maximize green power utilization
- ③ Improve energy conservation in clubhouses, property management offices, parking lots, and charging stations

Development plan



Power consumption of marketing centers and clubhouses

Stage 1 (2 years)



Power consumption of PM offices



Energy-saving lighting upgrades for parking lots



Charging stations

Stage 2 (3rd to 5th year)

Thank You!

DISCLAIMER

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