



景業名邦集團控股有限公司

(於開曼群島註冊成立的有限公司)

股份代號：2231

# 2019 Annual Results Announcement

26 March 2020





# Disclaimer

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# Result Highlights





# 2019 Results Highlights

## Achieved Rapid Growth in Revenue and Profit

- **Revenue** was RMB**2,402.8 million**, representing an increase of **80.8%** over 2018
- Gross profit and **gross profit margin** were RMB**1,144.2 million** and **47.6%**, an increase of **123.2%** and **9 percentage points** from 2018
- **Core net profit\*** amounted to RMB**446.9 million**, representing an increase of **171.0%** as compared with RMB164.9 million in 2018
- **Profit attributable to owners** of the Company was RMB**501.5 million**, representing an increase of **29.8%** over 2018

## Annual contracted sales performed satisfactorily, Recognised sales of property development achieved high growth

- **Annual contracted sales** amounted to approximately RMB**3,116.3 million**, representing an increase of approximately **35.6%** as compared with RMB2,298.2million over 2018
- **Recognised sales of property development** amounted to RMB**2,290.3 million**, representing an increase of **83.8%** as compared with RMB1,245.8 million in 2018
- The average selling price was RMB**19,125 per sq.m.**, an increase of **14.7%** from RMB 16,672 per sq.m. in 2018

## Successfully grasped the opportunities of industry development

- The real estate market will gradually transit to **an era of upgraders** from new commodity residential properties dominated by fundamental demand. The demand for upgrading products, vacation products and health care products will increase accordingly.
- JY Grandmark focuses on the high-quality market and has **obvious advantages in upgrading products and vacation products**

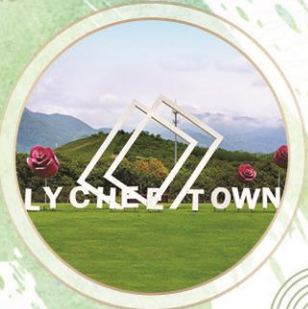
## Increased quality land bank

- Maintain **diversified land acquisition strategies** to capture profitable opportunities
- Expanding the business scale and **promoting business diversification**

\*Core net profit represents profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.



# Epidemic Response Measures





# Ability to Respond Swiftly to the Epidemic

## Property development and sales

### Turning crisis into opportunity

- During the epidemic, the Group grasped the advantages of "Eco-friendly and People-oriented Property" and carried out market promotion around **healthy housing**.
- In response to the epidemic, the online sales center "**Jingfanghui**" was launched to realize online display, live broadcast, and room selection to facilitate customer transactions. In the first three rounds of launches, the cumulative number of online subscriptions exceeded **300 units**.

## Property management

### Safeguarding the communities and standing in the frontline of pandemic prevention

- **Work resumption and staff training arrangements** in a timely manner to ensure community protection during the epidemic.
- Safeguard the communities with **lockdown management** in time, requiring residents to register and measure body temperature when entering or leaving the communities.
- Disinfect public areas **more than 3 times** a day to prevent viruses.
- **Caring for owners**: including services such as giving masks to the elderly and purchasing living supplies for the owners.

## Hotel operations

### Comprehensive arrangement and thoughtful services

- Take emergency measures in a timely manner, **clean and disinfect** all areas of the hotel regularly every day and add a **health checkpoint** at the front desk.
- Conduct **epidemic prevention training and investigations** for employees to protect the health of employees and customers while ensuring logistics continuity and safety.
- Donated **1,000** hotel deluxe rooms to the medical staff of designated anti-epidemic hospitals with free accomodation.

## Commercial property investment

### Full support to tide over difficulties together

- Understand the needs of tenants and **provide assistance proactively**.
- JY Yarra New Street , a commercial project of the Group, offered to **waive rent for half month to help the tenants**.





# Financial Review





# Financial Summary



(RMB Million)	2019	2018	Change
Revenue	<b>2,402.8</b>	1,328.9	+80.8%
Gross profit	<b>1,144.2</b>	512.6	+123.2%
Gross profit margin	<b>47.6%</b>	38.6%	+9.0 ppts
*Core net profit	<b>446.9</b>	164.9	+171.0%
Core net profit margin	<b>18.6%</b>	12.4%	+6.2 ppts
Profit attributable to shareholders	<b>501.5</b>	386.5	+29.8%
Basic and diluted earnings per share (RMB)	<b>0.41</b>	0.32	+28.1%
Dividend per share (RMB Cents)	<b>9.14</b>	N/A	N/A

\*Core net profit represents profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.



# Financial Summary (Cont.)

(RMB Million)	2019	2018	Change
Total assets	9,213.1	6,614.2	+39.3%
Total liabilities	6,393.7	5,960.9	+7.3%
Total equity	2,819.4	653.3	+331.6%
Cash and cash equivalents and Restricted cash	1,976.1	483.4	+308.8%
Net gearing ratio	47.1%	42.0%	+5.1 pts

## Use of proceeds

JY Grandmark listed on the Main Board of the Stock Exchange since 5 December 2019. Net proceeds from the IPO amounted to RMB1,201.1 million.

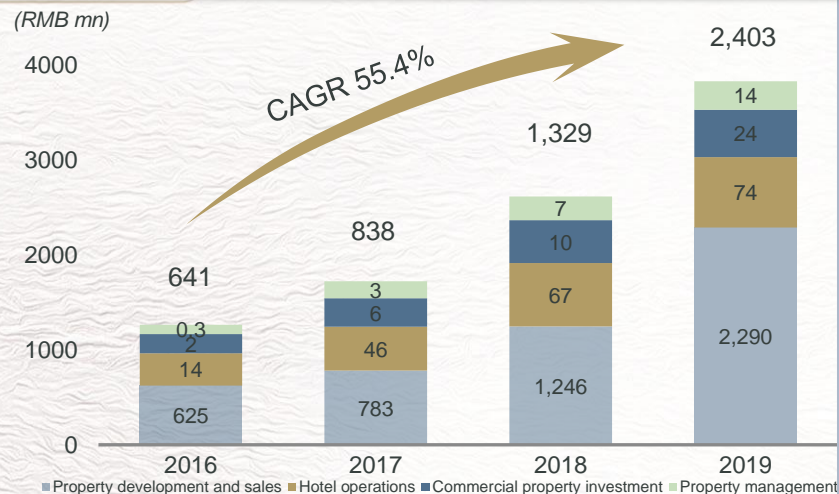
- Approximately 60% will be used as the development costs for certain projects
- Approximately 30% will be used as acquisition of land parcels
- Approximately 10% will be used as general working capital

As of December 31, 2019, the Group had utilised RMB 71.0 million, accounting for 5.9% of the total proceeds.

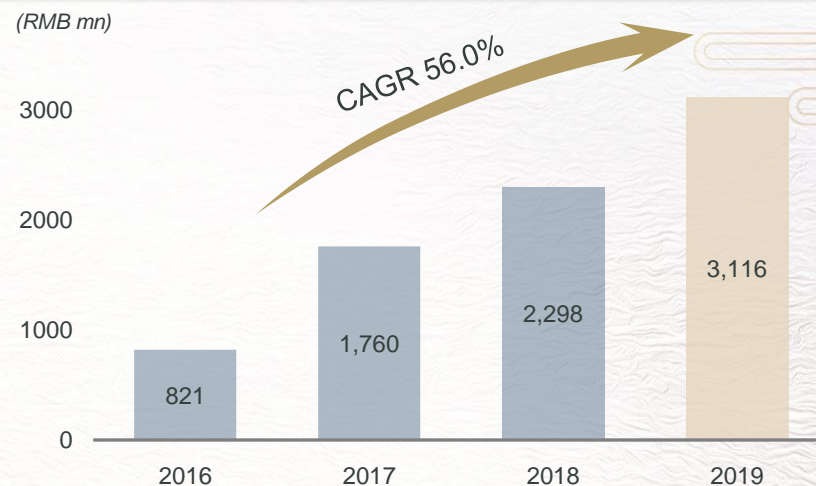


# Financial Highlights

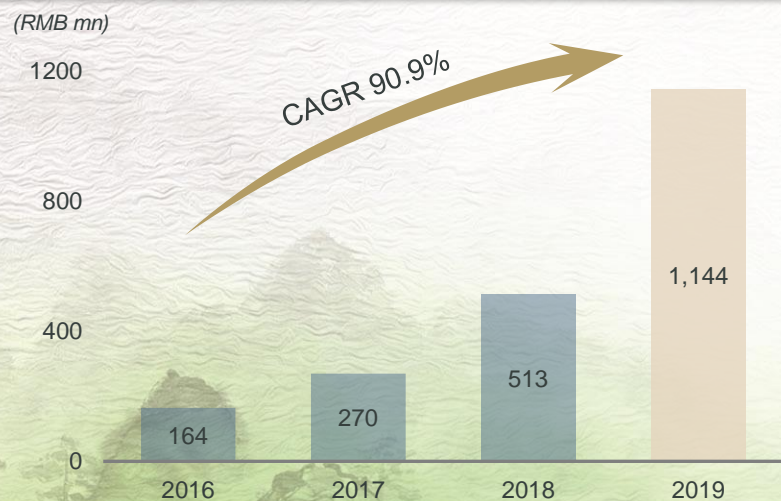
## Revenue (by business type)



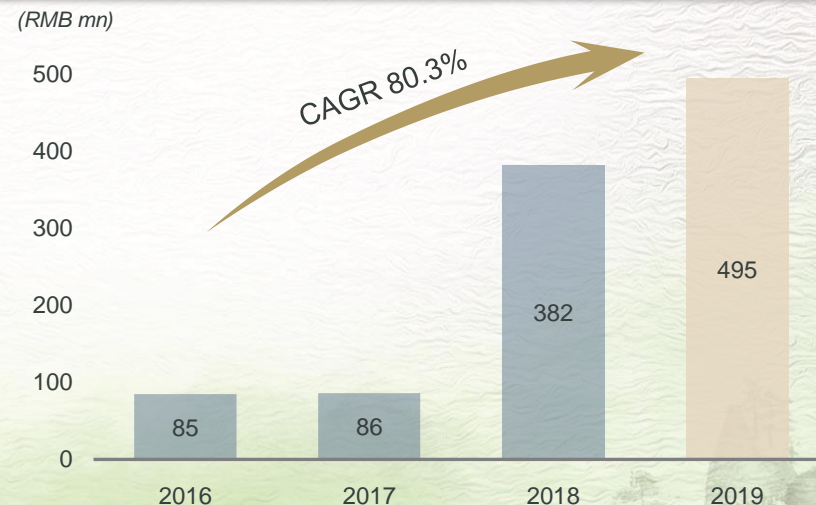
## Contracted sales



## Gross profit



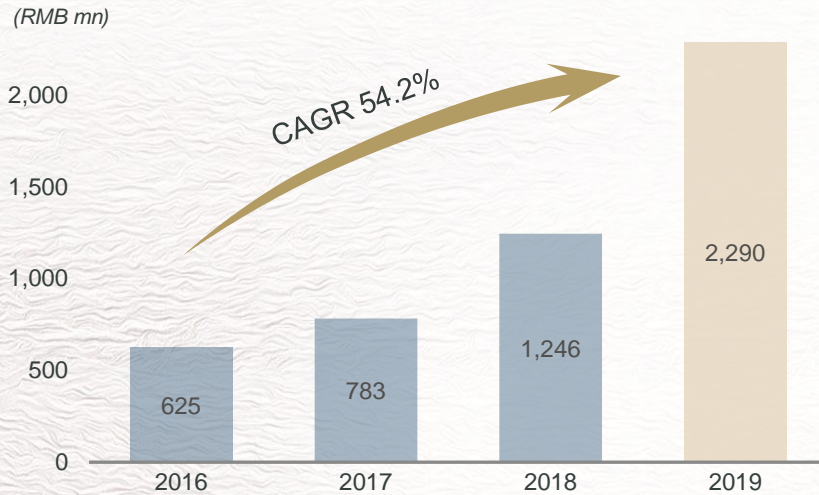
## Net profit



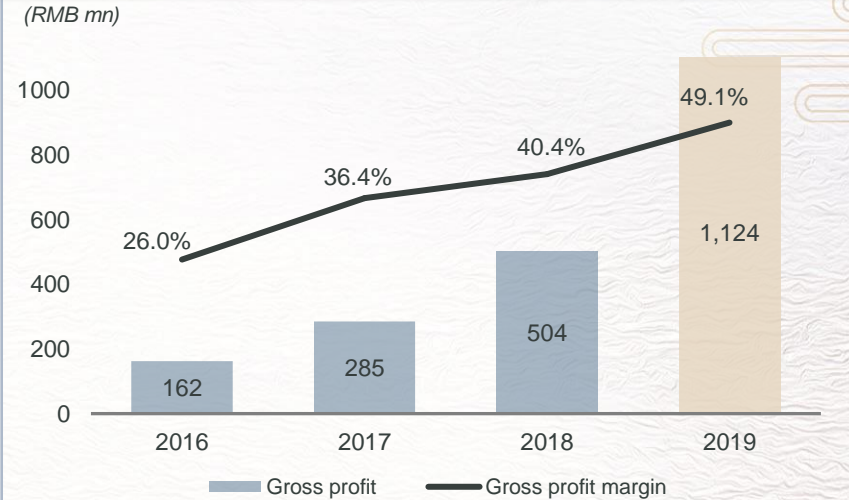


# Rapid Growth in Revenue and Profit Steady Operational Performance

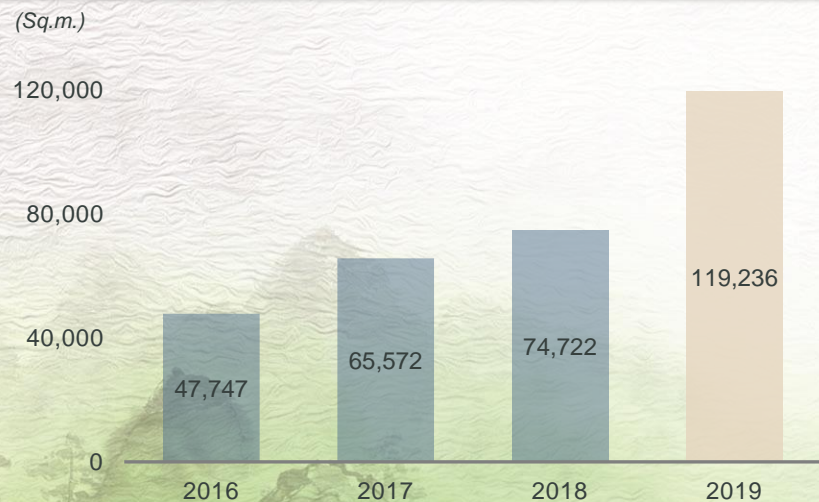
## Revenue of property development and sales



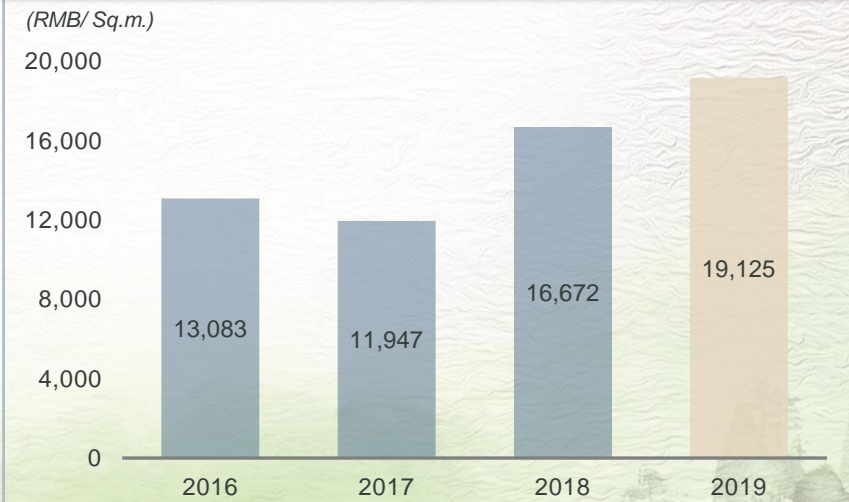
## Gross profit & gross profit margin of property development and sales



## Recognised GFA



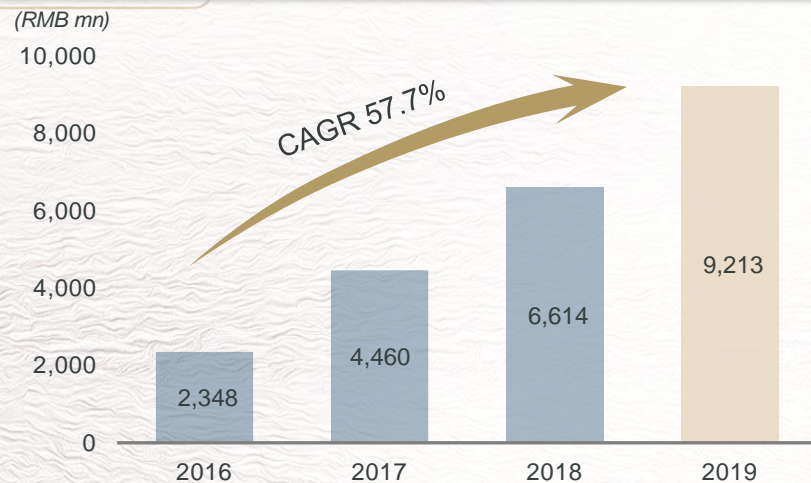
## Recognised ASP



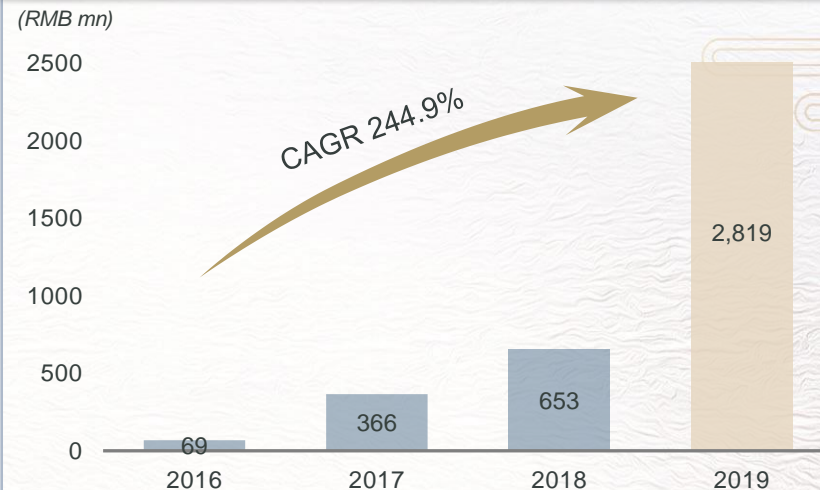


# Continuous Strengthening of Financial Position

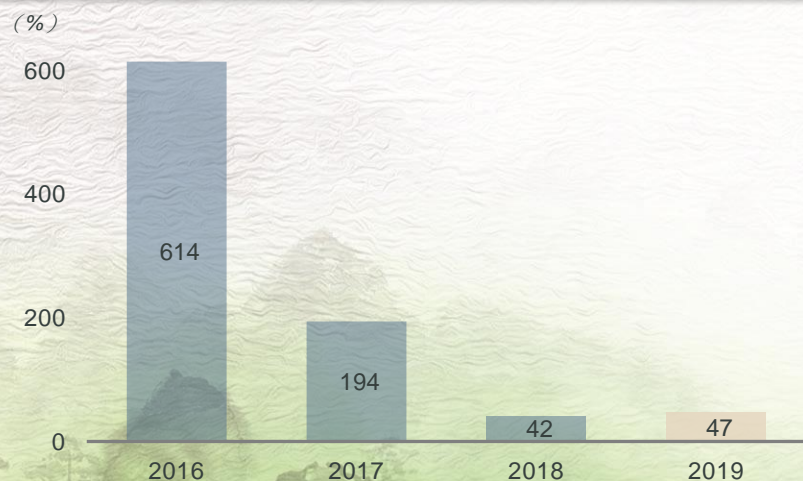
## Total assets



## Total equity



## Net gearing ratio

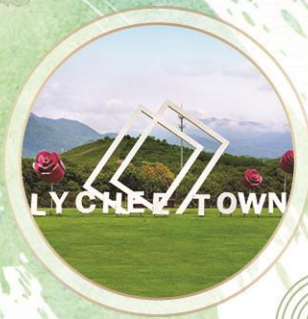


## Average effective interest rate





# Business Review





# Eco-friendly and People-oriented Property Developer

## — Develop Homes and Communities that are Truly Liveable



- JY GRANDMARK, which incorporated in 2013, is a **property developer, operator and property management service provider based in the PRC**
- Principally offered residential properties in Guangdong and Hainan provinces, and have land resources in Guangdong, Hainan, Yunnan and Hunan provinces for future development



Self-positioning : “**Eco-friendly and People-oriented Property Developer**”, leveraging the natural resources, unique landscapes and features as well as rich culture of selected project sites to develop homes and communities that consider to be truly liveable for buyers



Targeted sites : Priority for places with iconic **natural resources**



Targeted purchasers : Mainly target purchasers looking for a **home upgrade, a second home or a vacation home**, those who value a home that is surrounded by tranquil environment while still located in proximity to first-tier cities for convenience.



# Diversified Business Portfolio

## Four core businesses

**Property development and sales**

**Hotel operations**

**Property management**

**Commercial property investment**

- Property development and sales are the Group's core business. The Group focuses on the development of quality residential properties with comfortable and convenient living environment
- Revenue from property development and sales were derived from properties located in Guangzhou, Hainan Lingshui, Zhongshan and Tengchong
- Property management services generally include security, cleaning, gardening, car park management and repair and maintenance services
- Charged a range of RMB2.2 per sq.m. per month to RMB5.8 per sq.m. per month for different types of properties during the year

- The Group currently operates two hotels: Just Stay Hotel and Just Stay Resort
- Revenue from hotel operations include leasing of hotel rooms, revenue from self-operated restaurants and food and beverage outlets, and revenue from operations of hot spring facilities

Commercial properties for leasing include :

- Seven commercial premises situated at the neighbourhood of Just Stay Hotel at Xingnan Avenue and South Avenue, Nancun Town, Panyu District, Guangzhou, China
- Portions of Just Stay Hotel held for investment which comprise three premises
- Sub-leased part of the commercial property rented for use as headquarters to others





# Operational Performance Outshine Industry Segment



## Property development and sales

As a “**Eco-friendly and people-oriented property developer**”, the Group’s product positioning and premium capabilities are strong

- JY Grand Garden of Yingde project and JY Mountain Lake Gulf of Zhuzhou project are the **benchmark projects** in the local market, both attracted active subscription from customers
- JY Gaoligong Town of Tengchong project features various apartment types and product patterns, making customers willing to complete purchases on their **first visit**. The outcome of destocking and price trends are satisfying.
- JY Clearwater Bay No. 3 achieved zero inventory; JY Grand Garden and JY Gaoligong Town **ranked the third in the local market respectively**; JY Lychee Town entered into a closing stage; the 2019-newly launched JY Mountain Lake Gulf in Zhuzhou and JY Uniword in Zhaoqing both achieved good sales performance in the local market.
- The projects developed by JY Grandmark won various awards in respect of sales, engineering and design and have gained **strong premium capabilities**



## Property management

The Group took over about **900 houses** in 2019

- Zhuodu Property Management, one of its property management companies, owns a **chargeable area of approximately 300,064 square meters** and will increase the chargeable areas of different types of properties through multiple channels
- It is expected that there will be a **significant increase** in property companies’ business scale and operating income in **2020**
- At present, Zhuodu Property Management is prepared for business improvement by virtue of its well-established brand system



## Hotel operations

The Group’s two self-operated hotels: Just Stay Hotel and Just Stay Resort

- Apart from achieving sustainable growth, such hotels have also reached agreements with a number of **governments, chambers of commerce, enterprises, Hong Kong Jockey Club**, etc. to be the designated or agreed reception hotels
- Won the **most popular hotel awards** from platforms such as Ctrip



# Develop Benchmark Property Projects



### JY Lychee Town

- The first property project developed by our Group in the PRC. The project is located in Conghua District, Guangzhou, Guangdong. It consists of two phases.
- Occupy a total site area of approximately 70,385 sq.m.



### JY Hot Spring Villas

- Located at a famous hot spring area, each property is equipped with a private hot spring pool.
- Occupy a total site area of 131,091 sq.m.



### JY Clearwater Bay

- A property project located in Lingshui Lizu Autonomous County, Hainan.
- Consist of five phases - phase I, phase II, phase III, phase VI and phase VII



### JY Mountain Lake Gulf

- A residential and commercial property project located in Hetang District, Zhuzhou, Hunan. It consists of four phases.



### JY Gaoligong Town

- A residential property project located in Tengchong, Yunnan
- The project consists of three phases, occupying a site area of 252,047 sq.m.



### JY Uniworld

- Located in Zhaoqing, the project is well received by the market
- Incorporate the spatial philosophy of Lingnan into apartment design
- Occupy a site area of 40,335 sq.m.



# An Award-winning Property Developer with Strong Capability



Nominated as a finalist for the SBID International Design Awards (JY Gaoligong Town)



“Yang Meng” WORKS 2019 Winning Award (JY Gaoligong Town)



China's Real Estate Kingstone Prize – China's Quality and Livable Model Property Project 2019



Excellence Award in 2019 APDC Design Awards (JY Gaoligong Town )



Annual Most Influential Sales Centre Space (JY Gaoligong Town)



The Most Anticipated Property Project for 2019 (JY Mountain Lake Gulf)



Green Residential Area in Guangdong Province (JY Lychee Town)



# Details of Property Projects

▲ 30 property projects in Guangdong, Hainan, Yunnan and Hunan

▲ Aggregate GFA totaled approximately 3.0 million sq.m. ▲ Average land costs\* was approximately RMB931 only

## Completed Projects :

1. JY Lychee Town Phase I
2. JY Lychee Town Phase II
3. JY Hot Spring Villas
4. JY Clearwater Bay No. 3 Phase I
5. JY Clearwater Bay No. 3 Phase II
6. JY Clearwater Bay No. 3 Phase III
7. JY Clearwater Bay No. 3 Phase VI
8. JY Clearwater Bay No. 3 Phase VII
9. JY Donghuzhou Haoyuan
10. Zhongshan Yueying Xincheng
11. JY Gaoligong Town Phase I

## Projects Under Development:

1. JY Grand Garden Phase I
2. JY Grand Garden Phase II
3. JY Gaoligong Town Phase II
4. JY Mountain Lake Gulf Phase I
5. JY Uniworld

## Future Development Projects :

1. JY Grandmark Building
2. JY Guangzhou Asian Games City Area Project
3. JY Well-being Valley Phase I
4. JY Well-being Valley Phase II
5. JY Well-being Valley Phase III
6. JY Grand Garden Phase III
7. JY Canglong Bay Project
8. JY Yonghua Shijia Project
9. JY Qingyuan City Jinxiong Project
10. JY Gaoligong Town Phase III
11. JY Mountain Lake Gulf Phase II
12. JY Mountain Lake Gulf Phase III
13. JY Mountain Lake Gulf Phase IV
14. Zhaoqing International Technology and Innovation Centre (Zone A)



Location		Total land bank (sq.m.)
Guangdong	Conghua	82,486
	Nansha	33,267
	Panyu	51,260
	Zhongshan	54,786
	Qingyuan	1,320,000
	Zhaoqing	277,850
Hainan	Lingshui	9,169
	Lingao	159,736
Yunnan	Tengchong	333,774
Hunan	Zhuzhou	672,506
<b>Total</b>		<b>2,994,834</b>

● Projects that are completed or comprise completed project phase

▲ Projects held for future development

■ Projects under development

\* Excluding the land bank of Zhongshan Yueheng Xincheng which are completed held-for-sale properties acquired by the Group



# Market Outlook







## Changes in the economic and consumption structure

- The number of housing units per capita of Chinese families is expected to exceed 1.5 units in 2020
- The real estate market will gradually **transit to an era of upgraders** from new commodity residential properties dominated by fundamental demand. The demand for upgrading products, vacation products and health care products will increase accordingly



## Changes in the macro policies

- Introduced policies to reduce the financial burden of property developers and enhance the market transactions
- **Initiated new favorable policies in every cities where the Group's projects are located in**
- Leverage new policies to remove restrictions on the use of commercial properties to improve sales performance



## Market outlook

- **The central government affirmed and emphasized the importance of “stabilization”**
- **The global outbreak of COVID-19 has weighed on the global economy and trade**
- **The central government may introduce policies to support the real estate industry, one of the economic pillars**
- Intensifying market segmentation
- **The property management company could enhance its brand reputation if it responded promptly and put appropriate service in place during anti-epidemic period**
- Online sales will become the new normal
- **The market will usher in a new wave of housing upgrade after the epidemic**



# Development Strategies





# Development Strategies

1

Enhance presence in existing markets and strategically develop into selected markets

2

Continue to improve customer-oriented product offerings and enhance brand recognition and customer loyalty

3

Maintain diversified land acquisition strategies to capture profitable opportunities

4

Adhere to prudent financial policies and proactive management of capital structure

**Expand Our Business Scale and Promote Business Diversification**

**Continue to Flourish and Realise High-Quality Growth**

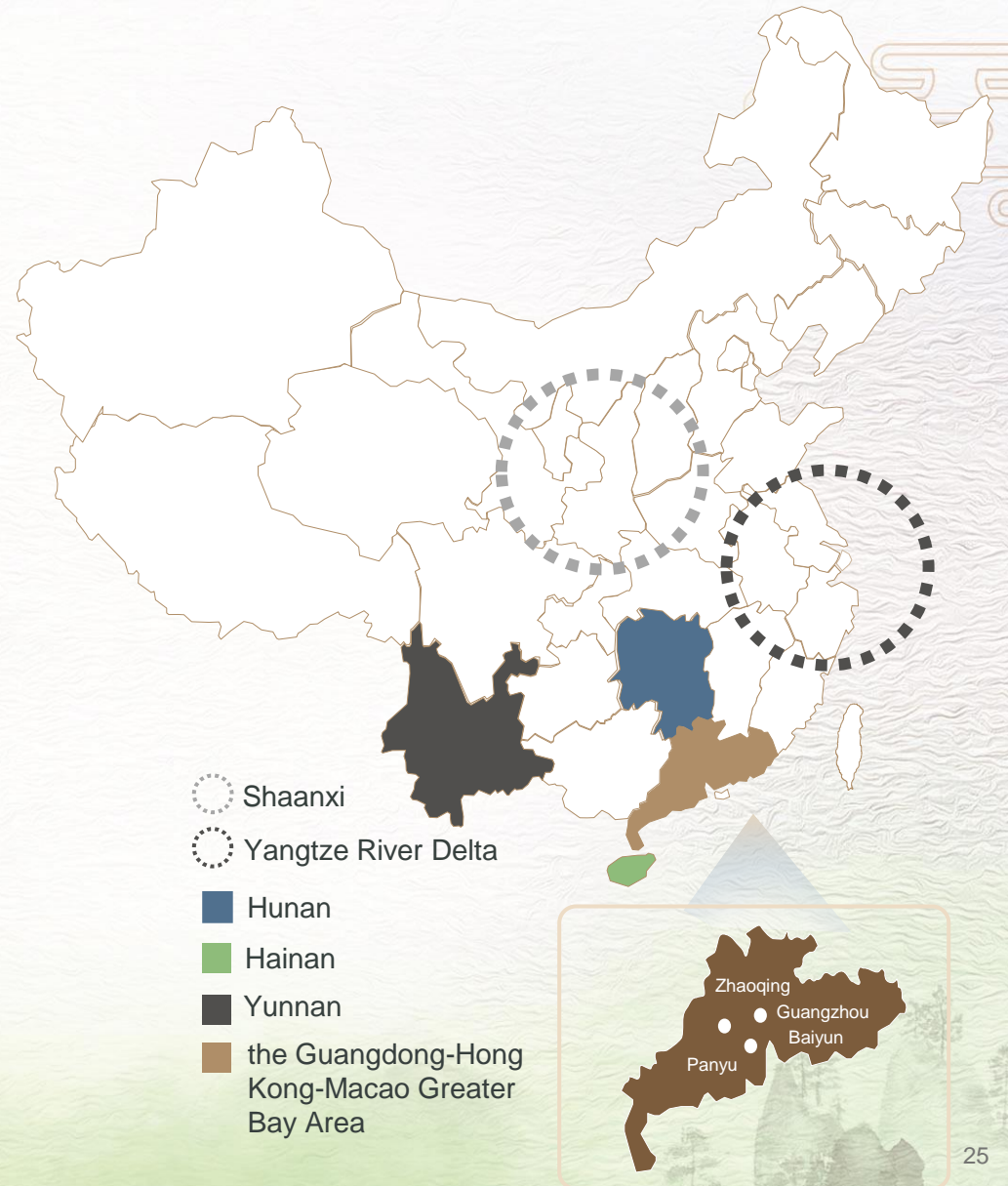
**Endeavour to Achieve the Goals of High Growth, High Profit and High-Quality Development**



## 1

# Enhance Presence in Existing Markets and Strategically Develop into Selected Markets

- Evaluate the feasibility of establishing a presence in more potential cities such as Yangtze River Delta and Shaanxi to increase the market share
- Acquire more high-quality lands in the Guangdong-Hong Kong-Macao Greater Bay Area and Yunnan
- Currently, JY Grandmark had a property portfolio of **30 property projects** in Guangdong, Hainan, Yunnan and Hunan, with an aggregate GFA of approximately **3,000,000 sq.m.**, securing a sufficient supply of land resources for property development over the coming **three or more years**.





## 2

# Improve Customer-oriented Product Offerings and Enhance Brand Recognition and Customer Loyalty



**Adhere to a strategic market positioning focused on high-growth market**

- focuses on the development of eco-friendly and people-oriented properties with high-quality and high gross profit, and commits to offering high-quality residential properties

**Launch a complex project**

- Launched a comprehensive industrial project in Baiyun District, Guangzhou, integrating the three functions of ecology, production, and living and adopting the long-term rental business model

**Consider the regional characteristics of the project sites, market trends and customer feedback**

- Consider the regional characteristics of the project sites, market trends and customer feedback as well as preferences and needs of customers when creating designs for properties

**Strengthen quality control policies**

- Closely monitor the quality of property projects throughout all stages of property development to ensure the quality of properties are up to standard

**Increase promotion and advertising**

- Enhance our brand recognition through marketing initiatives such as advertising campaign



### 3

## Maintain Diversified Land Acquisition Strategies to Capture Profitable Opportunities

- Adopt flexible means to acquire desirable project sites and believe that it increases chance to acquire suitable land for projects at desirable costs, which in turn facilitate higher profit margin
- Avoid over-priced land, ensure the company's profitability and financial health

Acquiring equity interest in companies holding such land

Bidding for land in auction or listing-for-sale activities organised by government

Bidding for land in auction or listing-for-sale activities organised by government

Jointly developing land with original land-owners

Acquiring old factories for redevelopment under the "Urban Renewal Policy"



## Adhere to Prudent Financial Policies and Proactive Management of Capital Structure



Adhere to prudent internal financial policies and carefully manage land acquisition costs, construction costs and operating expenses



Monitor cash flow such as preparing budget plans and conducting cost assessments and reviews throughout property development process



Implement centralised procurement and formulate financial policies to manage administrative expenses and sales and marketing costs



Only short-term financial impact of the epidemic on the Group and additional epidemic prevention costs are controllable



In March 2020, issued US\$150 million 7.5% senior notes due March 2021 successfully



# Q&A

