



JY GRANDMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2231

2020 Interim Results Announcement

20 August 2020



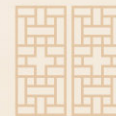
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Result Highlights



2020 Interim Result Highlights

Steady Growth in Revenue and Profit

- Revenue was RMB 924.7 million, representing an increase of 21.3% from the same period in 2019
- Gross profit was RMB 404.5 million, an increase of 2% from the same period in 2019
- Core net profit* was RMB 193.8 million, representing an increase of 43.9% from the same period in 2019
- Profit attributable to owners of the Company was RMB 196.9 million, an increase of 6.4% from the same period in 2019

Recognized sales of property development grew satisfactorily, Contracted sales continuously increased

- Contracted sales amounted to approximately RMB 1,089.5 million, a decrease of 9.8% from the same period in 2019
- Total contracted sales GFA was approximately 100,000 sq.m., an increase of 1.0% over the same period of 2019
- Revenue from recognised sales of property development was RMB 884.7 million, an increase of 24.2% over the same period in 2019

Increased land bank, Improved geographic footprint

- Actively participated in tenders, auctions or listing-for-sale, acquired nine land parcels in Tengchong, Yunnan province, increased the developing areas by approximately 1.006 million sq.m.
- Formed a project company with Jinke Properties in July to acquire the high-quality land above the metro in Kengbei Village, Zengcheng District, Guangzhou, with developing areas of approximately 100,000 sq.m.
- As at 30 June 2020, the Group had a total land bank of approximately 4 million sq.m.

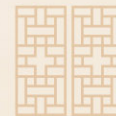
Solid financial position Repeated recognitions by capital market

- In March 2020, issued US\$150 million 7.5% senior notes, oversubscribed by institutional and individual investors
- In May 2020, included as a constituent of the MSCI China Small Cap Index by Morgan Stanley Capital International
- Sound financial conditions and diversified funding channels enabled the Group to achieve sustainable and high-quality development

Market opportunities arise for "Eco-friendly and People-oriented Property"

- The epidemic has caused the demand for home purchasing and for home upgrade to rise continuously, and tends to gradually exceed the rigid demand for home purchasing
- The Group has been focusing on segmented markets, and targeting at purchasers looking for a home upgrade and multiple-house ownership
- Attach great importance to the health value that the internal and external living environment brings when selecting project sites, which helps our products gain increasing popularity in the market and brings opportunities for further penetrating the market.

*Core net profit represents profit for the period 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**. For example, the Guangzhou villa project JY Hot Spring Villas has stepped up efforts to promote the concept of "health" to the market, achieving a monthly subscription of over **60 million**
- 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

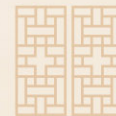
- Take emergency measures in a timely manner, **clean and disinfect** all areas of the hotel regularly every day and add a **health checkpoint** at the front desk.
- Conduct **epidemic prevention training and investigations** for employees to protect the health of employees and customers while ensuring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

Commercial Property investment

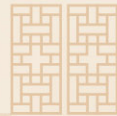
Full support to tide over difficulties together

- 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 Summary



Financial Summary

(RMB million)	1H2020	1H2019	Change
Revenue	924.7	762.4	+ 21.3%
Gross profit	404.5	396.4	+ 2.0%
Gross profit margin	43.7%	52.0%	- 8.3 pts
*Core net profit	193.8	134.7	+ 43.9%
Core net profit margin	21.0%	17.7%	+3.3 pts
Profit attributable to shareholders	196.9	185.0	+ 6.4%
Basic and diluted earnings per share (RMB)	0.12	0.15	- 20.0%
Dividend per share (RMB Cents)	3.59	N/A	N/A

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

Financial Summary (Cont.)

(RMB Million)	As at 30 June 2020	As at 31 December 2019	Change
Total assets	9,795.1	9,213.1	+ 6.3%
Total liabilities	6,939.3	6,393.7	+ 8.5%
Total equity	2,855.8	2,819.4	+ 1.3%
Cash and cash equivalents and restricted cash	2,168.2	1,976.1	+ 9.7%
Net gearing ratio	67.2%	47.1%	+ 20.1 pts

Use of proceeds

JY Grandmark listed on the Main Board of the Stock Exchange since 5 December 2019.

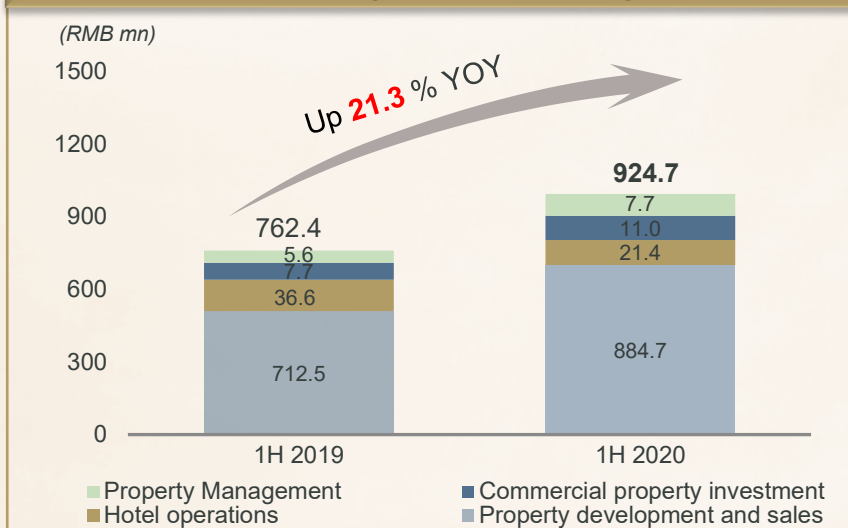
Net Proceeds from the IPO amounted to RMB1,201.1 million

- 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

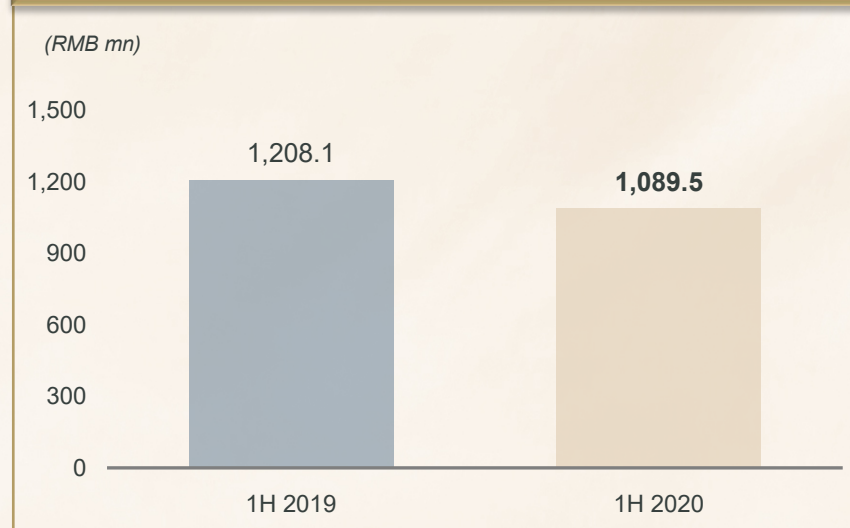
As of June 30, 2020, the Group has utilised RMB 862.6 million, accounting for 71.8 % of the total proceeds.

Financial highlights

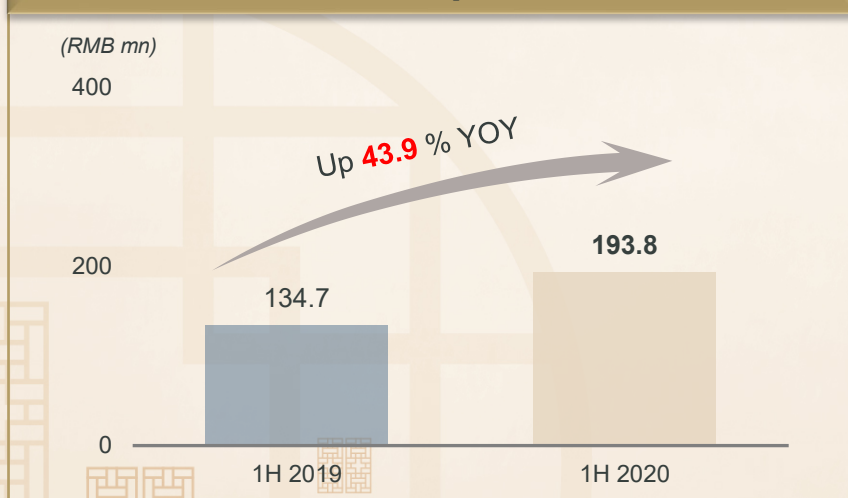
Revenue (by business type)



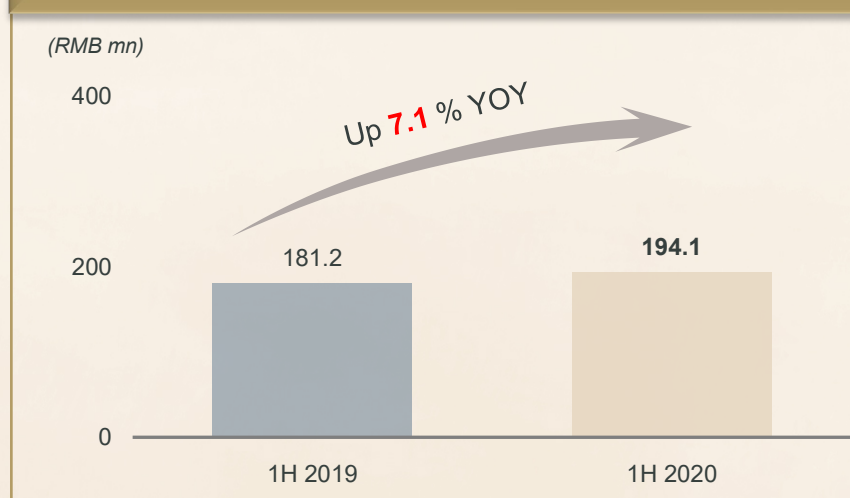
Contracted sales



*Core net profit



Net profit

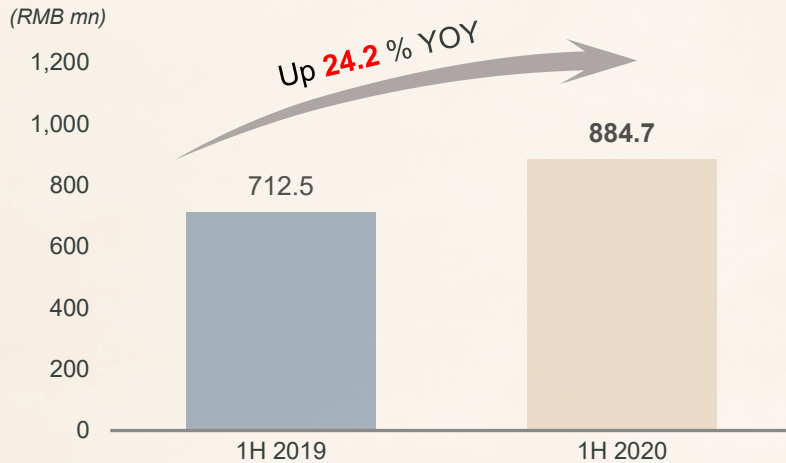


*Core net profit refers to the profit for the period excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.

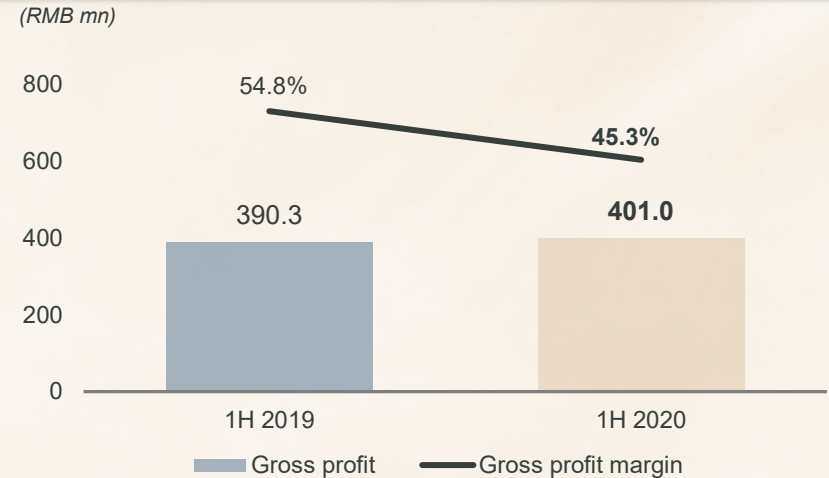
Rapid Growth in Revenue and Profit

Steady Operational Performance

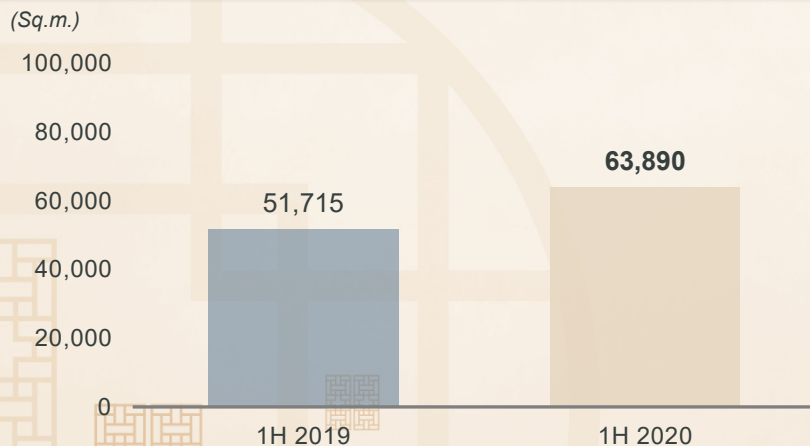
Revenue of property development and sales



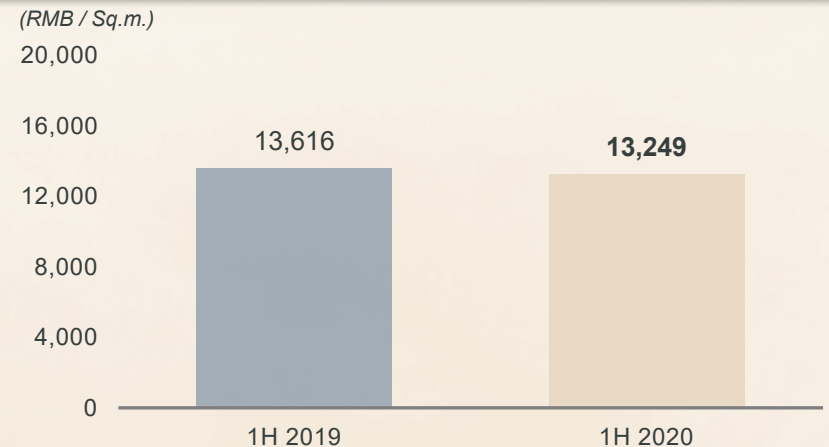
Gross profit & gross profit margin of property development and sales



Recognised GFA



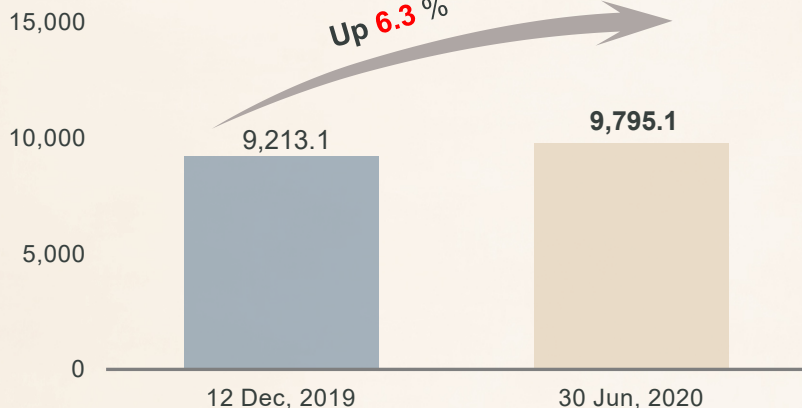
Recognised ASP



Continuous Strengthening of Financial Position

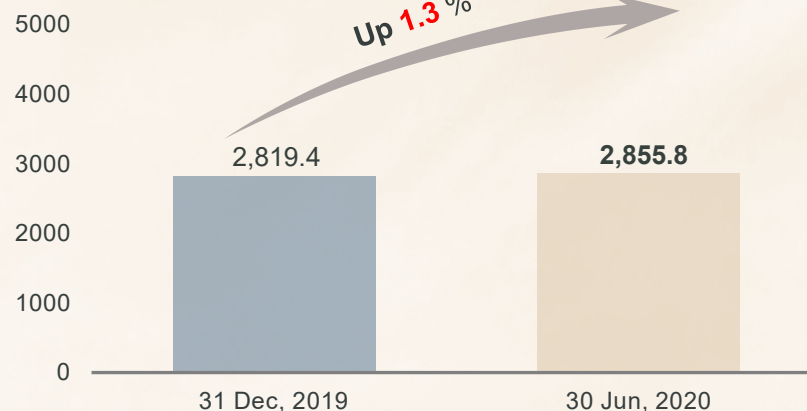
Total assets

(RMB mn)



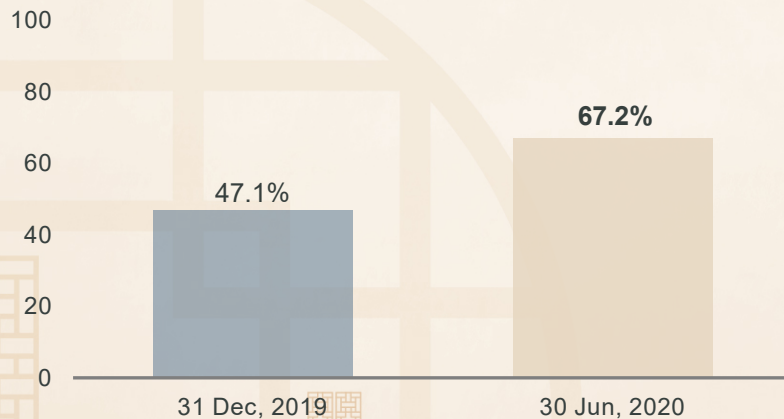
Total equity

(RMB mn)



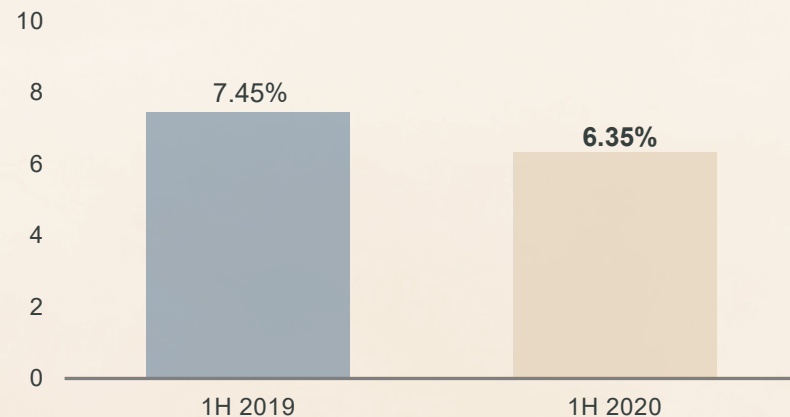
Net gearing ratio

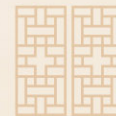
(%)



Average effective interest rate

(%)





Business Review



Diversified Business Portfolio

Four Core Business

- Property Development and Sales is the principal activities of the Group which focusing on the development of quality residential properties with comfortable and convenient living environment.
- Most of the revenue from property development and sales were derived from Guangzhou, Lingshui, Zhongshan and Tengchong.

- Property management services basically included security, cleaning, gardening, repair and maintenance.
- Charged a range of RMB2.2 per sq.m. to RMB5.8 per sq.m. per month for different types of properties during the period

Property
Development
and Sales

Hotel
Operations

Property
Management

Commercial
Property
Investment

- The Group operates Just Stay Hotel and Just Stay Resort under its hotel operations business.
- 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
- Positions 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
- JY Yarra New Street in Zhongshan



Develop Benchmark Property Projects



JY Lychee Town

- The first property project developed by our Group in the PRC. The project, which consists of two phases, is located in Conghua District, Guangzhou, Guangdong.
- 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 approximately 131,091 sq.m.



JY Mountain Lake Gulf

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



JY Clearwater Bay

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

Develop Benchmark Property Projects (Cont.)



JY Gaoligong Town

- A residential property project located in Tengchong, Yunnan
- The project consists of three phases with a total site area of approximately 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 approximately 40,335 sq.m.



JY Grand Garden

- A residential property project located in Qingyuan city, Guangdong
- The project consists of three phases with a total site area of approximately 67,812 sq.m



JY Egret Bay

- A residential property project located in Lingao County, Hainan
- The project integrates tourism, leisure, residence and commerce
- Occupy a total site area of approximately 25,329 sq.m

Details of Property Projects

- ▲ As of 30 June 2020, the Group had a property portfolio of 32 property projects in Guangdong, Hainan, Yunnan and Hunan, with an aggregate GFA of approximately 4 million sq.m.
- ▲ Average land cost* was approximately RMB808/ sq.m.
- ▲ In July 2020, formed a joint venture with Jinke Properties, and obtained a high-quality land parcel at the top of the metro in Kengbei Village, Zengcheng District, Guangzhou with developing areas of approximately 100,000 sq.m.

- 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. JY Yarra New Street
 11. JY Gaoligong Town Phase I

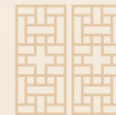
- Projects Under Development :**
1. JY Grand Garden Phase I
 2. JY Grand Garden Phase II
 3. JY Gaoligong Town Phase II
 4. JY Mountain Lake Gulf Phase I
 5. JY Uniworld
 6. JY Egret Bay

- Future Development Projects :**
1. JY Grandmark Building
 2. JY Guangzhou Asian Games City Area Project
 3. JY Well-being Valley Phase II
 4. JY Well-being Valley Phase III
 5. JY Grand Garden Phase III
 6. JY Canglong Bay Project
 7. JY Yonghua Shijia Project
 8. JY Yingde Jinxiang Project
 9. JY Gaoligong Town Phase III
 10. JY Mountain Lake Gulf Phase II
 11. JY Mountain Lake Gulf Phase III
 12. JY Mountain Lake Gulf Phase IV
 13. Zhaoqing International Technology and Innovation Centre (Zone A)
 14. JY Jiangshan Shili
 15. JY Yunshan Xigu

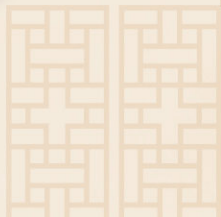


Location		Total Land Bank (sq.m.)	
Guangdong	Guangzhou	Conghua	65,424
		Nansha	25,872
		Panyu	51,260
	Zhongshan	54,087	
	Qingyuan	1,320,000	
	Zhaoqing	277,850	
Hainan	Lingshui	1,022	
	Lingao	159,735	
Yunnan	Tengchong	1,295,651	
Hunan	Zhuzhou	672,506	
Total		3,923,407	

● Projects that are completed or comprise completed project phase
▲ Projects held for future development
■ Projects under development
* Excluding the land bank of JY Yarra New Street in Zhongshan which are completed held-for-sale properties acquired by the Group



Market Outlook



Favorable Industry Factors and Market Outlook



Market Opportunities Arise for "Eco-friendly and People-oriented Property"

- The epidemic outbreak occurred has brought a change to the supply side of the property market – **"health"** has gradually become a reference indicator with growing concern for the housing consumption preference.
- **The demand for home purchasing and for home upgrade continues to rise** and tends to gradually exceed the rigid demand for home purchasing. Besides, environment and health are the major concern of purchasers looking for home upgrade under the epidemic.
- The Group has been focusing on segmented markets and targeting at purchasers looking for a home upgrade and multi-house ownership. With **"Eco-friendly and People-oriented Property"** serving as our product development concept, we attach great importance to the health value that the internal and external living environment brings when selecting project sites, which helps our products gain increasing popularity in the market and bring opportunities for the Group to **further penetrate the market.**



Positive Property Market Fundamental underpinned by Rigid Demand

- As the epidemic got under control relatively quickly in Mainland China, the **property market has shown a significant recovery trend**
- Expect a **significant increase in sales** in the property market of the PRC, especially in key cities
- **Both transaction volumes and prices** of the property markets in the cities where the Group operates have also begun to **rebound significantly**
- There is objective demand for purchasing as well as vibrancy for squeezing and outbreak in the market

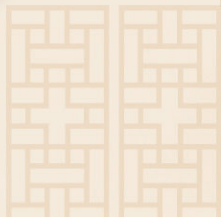


"No Speculation of Residential Properties" and "One City, One Policy"

- The Central Economic Work Conference stressed that **"more efforts should be put on urban renewal and inventory renovation and upgrading"** and more support would be provided to encourage property developers to participate in urban construction and development from policy and credit levels.
- **Moderately loose local policies** and **smooth adjustment of the loan prime rate in the PRC** will benefit the property market



Development Strategies



Development Strategies

1

Strategic focus on **Greater Bay Area**, enhance market position and strategically develop into selected markets

2

Deepen the building of **“Eco-friendly and People-oriented properties”**, further enhance brand’s market competitiveness

3

Maintain diversified land acquisition strategies; Step up deployment in **urban renewal** and accelerate business growth

4

Adhere to **prudent financial policies** and **proactive management of capital structure**

Continue to Create Properties with **High Quality, High Premiums** to Meet the Increasing Demand in the Middle and High-End Consumption Markets

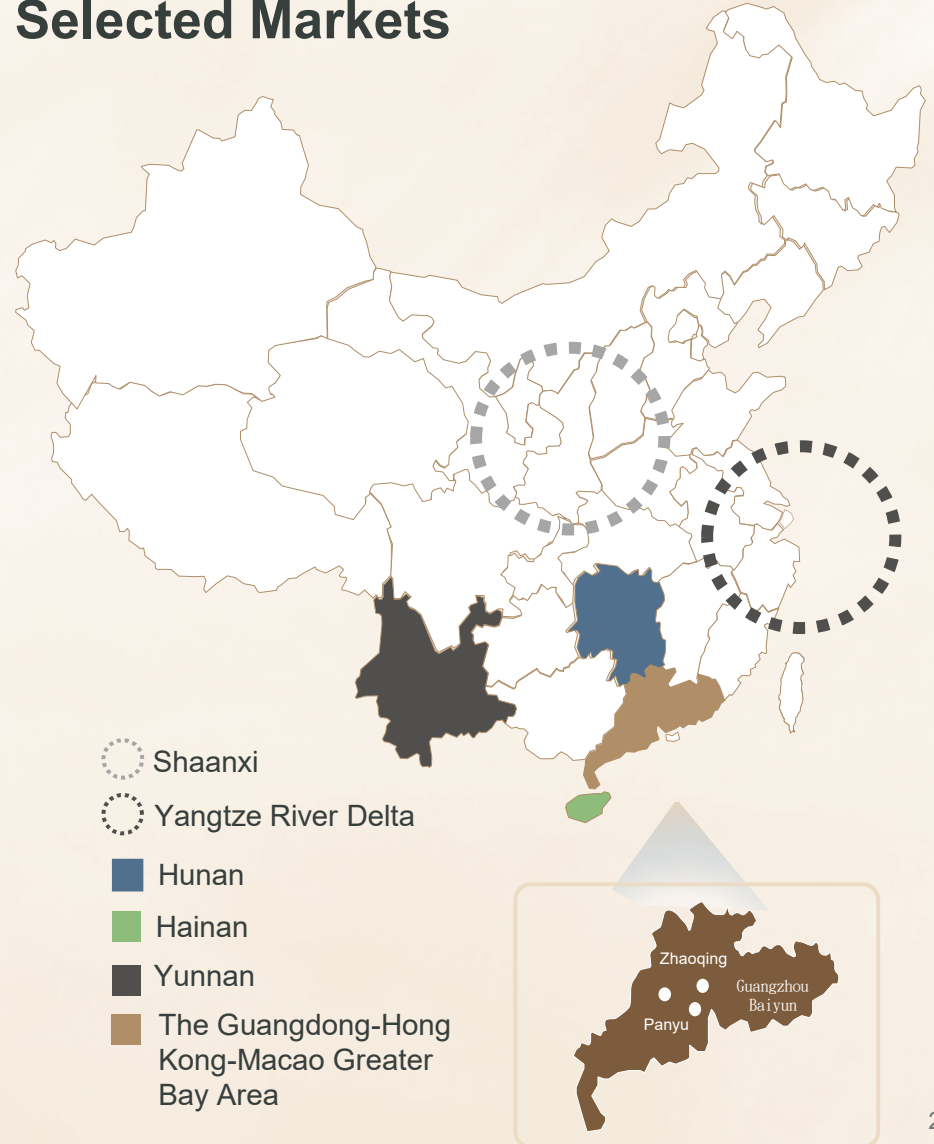
Maintain **Business Diversification Strategies** and Diversify Product Lines to Expand Market Share and Brand Influence in the Market Segment

Achieve **High Growth, High Profit and High-Quality Development**

1

Strategic Focus on Greater Bay Area, Enhance Market Position and Strategically Develop into Selected Markets

- “Economic zone of top level” and “entrance city of population flows” serve as the land selection standards of the Group, and are important indicators ensuring land turnover and land premium
- In addition to **Guangdong-Hong Kong-Macao Greater Bay Area** that we regards as the core of our expansion, the Group also pays great attention to lands in markets with high-growth potential, such as the **Yangtze River Delta** and **Shaanxi province**, to actively expand our presence in high-quality areas.
- Currently, JY Grandmark had a property portfolio of **32 property projects** in Guangdong, Hainan, Yunnan and Hunan, with an aggregate GFA of approximately **4,000,000 sq.m.**, securing a sufficient supply of land resources for property development over the coming **three or more years.**



2

Deepen the Building of “Eco-Friendly and People-Oriented Properties” Product Line Further Enhance Brand’s Market Competitiveness

Adhere to the development concept of “Eco-friendly and People-oriented Property Developer”

Deepen the existing product line

Product strategy to realise both good reputation and high profits

- Seize the rising demand of **customers for improving their living environment and space**, and deepen the building of a diversified “Ecofriendly and People-oriented” product line, thereby further enhancing our brand’s market competitiveness
- Based on **landscape features and the living habits of different groups of people** and taking into account the current market pursuit of “health”
- Breakthroughs in styles and customisation of differentiated apartment types will be realised and more efforts will be put into quality and details
- **Realise both good reputation and high profits** by building quality properties that meet the market needs and lead market trends and transferring higher added value into premium while ensuring the cost of projects developed under control.

3

Maintain Diversified Land Acquisition Strategies Step up Deployment in Urban Renewal

- Real estate development has come to the stock building age, and **urban renewal** becomes the blue ocean for real estate enterprises to actively deploy
- The Group is actively considering the possibility of a number of urban renewal projects, such as the core areas of **Guangzhou** and **Foshan**
- The overall planning area is approximately **4 million** sq.m., which is planned to be converted in the **next three years**

Acquiring equity interest in companies holding such land

Participating in public tenders, auctions or listing-for-sale activities organised by government

Entering into land use right transfer agreements

Jointly developing land with original land-owners

Acquiring old factories for redevelopment under the “Urban Renewal Policy”

4

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 which were over-subscribed by institutional and individual investors

In May 2020, included as a constituent of the **MSCI China Small Cap Index** by Morgan Stanley Capital International

In July 2020, on the list of “**Top 20 Guangdong Property Enterprises with High Credit**” (廣東地產資信20強) organised by the Guangzhou Province branches of the four state-owned banks, namely ICBC, Agricultural Bank of China, Bank of China and CCB.





Q&A

