



JY GRANDMARK HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2231

2020 Annual Results Announcement

25 March 2021



Disclaimer

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Result Highlights



2020 Annual Result Highlights

Increase in Contracted Sales and GFA

- The aggregated contracted sales of the Group was approximately **RMB3,523.6 million**, representing a year-on-year growth of **13.1%**
- The total contracted sales GFA was approximately **351,000 sq.m.**, representing an increase of **38.7%** as compared to the previous year

Increased land bank, Improved geographic footprint

- Acquired 9 lands in **Tengchong, Yunnan** with an estimated GFA of **983,000 sq.m.**
- Successfully won the bid for the land located at **Kengbei Village, Zengcheng District, Guangzhou City**, with the total estimated GFA of **136,000 sq.m.**
- Successfully won the bid for the land located at **Shitan Town, Zengcheng District, Guangzhou City**, with an estimated GFA of **80,800 sq.m.**
- Successfully won the bid for the land in **Liuhe District, Nanjing City**, with an estimated GFA of **110,000 sq.m.**
- Throughout the year, the Group acquired a total of **12 lands** via bidding in three hotspot provinces, Guangdong, Yunnan and Jiangsu, adding approximately **1,141,000 sq.m. of attributable GFA** to the reserve development area
- As at 31 December 2020, the Group had a total land bank of approximately **4 million sq.m.**

Solid financial position Smooth financing at home and aboard Continuous optimisation of capital structure

- Met “**Three Red Lines**” requirements
- In March, issued senior notes in an aggregate principal amount of **US\$150,000,000** with coupon rate of **7.5%**
- In December, entered into a facilities agreement of **HK\$734 million** with certain financial institutions
- As of 31 December 2020, net gearing ratio was at an industry-low level of **16.9%**, decreased from 47.1% as of 31 December 2019

Strengthening urban renewal business with target land bank of 4 million sq.m.

- The Group is actively studying and participating in **over 10 urban renewal projects**, such as the core areas of Guangzhou and Foshan.
- The overall planned GFA is approximately **4 million sq.m.**, which is planned to be gradually converted in the future, thereby bringing rapid growth to the land reserve and results of the Group.



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)	Year ended 31 December 2020	Year end 31 December 2019	Change
Revenue	2,347.1	2,402.8	-2.3%
Gross profit	912.7	1,144.2	-20.2%
Gross profit margin	38.9%	47.6%	-8.7ppts
*Core net profit	427.3	446.9	-4.4%
Core net profit margin	18.2%	18.6%	-0.4ppts
Profit attributable to owners of the Company	485.2	501.5	-3.3%
Basic and diluted earnings per share (RMB)	0.29	0.41	-29.3%
Dividend per share (RMB cents)	10.32**	9.14	+12.9%

*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.

**Includes the 2020 interim dividend of RMB3.59 cents per share and the proposed final dividend of RMB6.73 cents per share

Financial Summary (Cont.)

(RMB million)	As at 31 December 2020	As at 31 December 2019	Change
Total assets	10,886.4	9,213.1	+18.2%
Total liabilities	6,433.4	6,393.7	+0.6%
Total equity	4,453.0	2,819.4	+57.9%
Cash and cash equivalents and restricted cash	2,361.4	1,976.1	+19.5%
Net gearing ratio	16.9%	47.1%	-30.2ppts

Use of proceeds

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

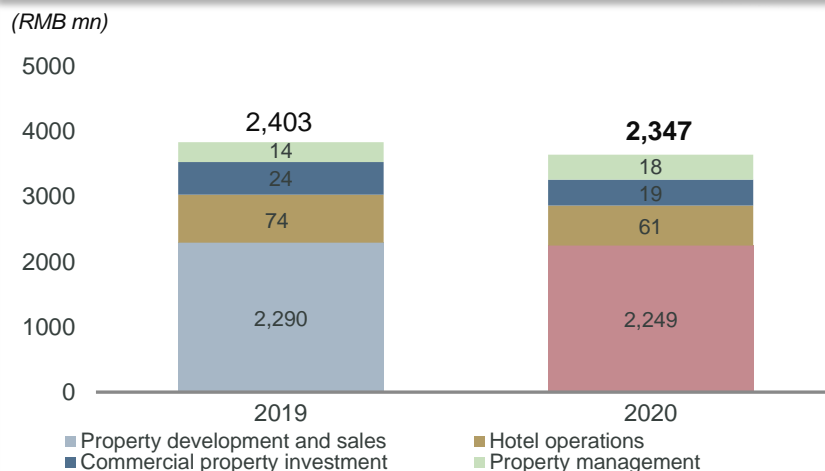
Net Proceeds from the IPO amounted to RMB1,201.1 million

- 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

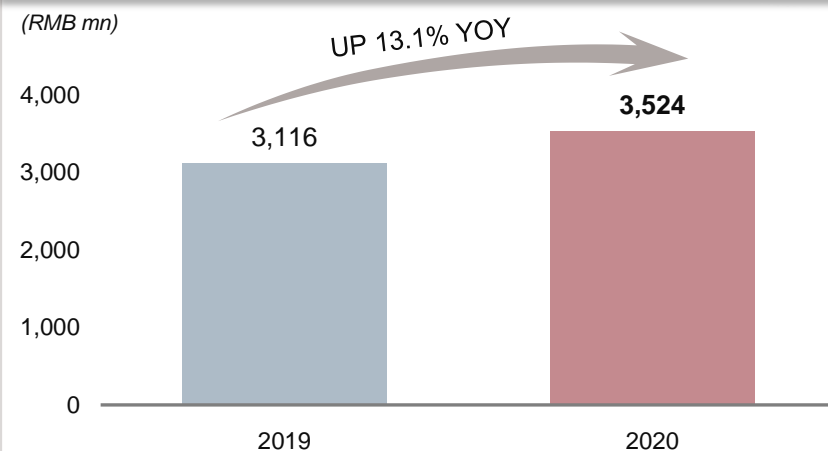
As at 31 December 2020, all the Net Proceeds has been utilised for the purpose in accordance with the future plans and use of proceeds as set out in the Prospectus.

Financial Highlights

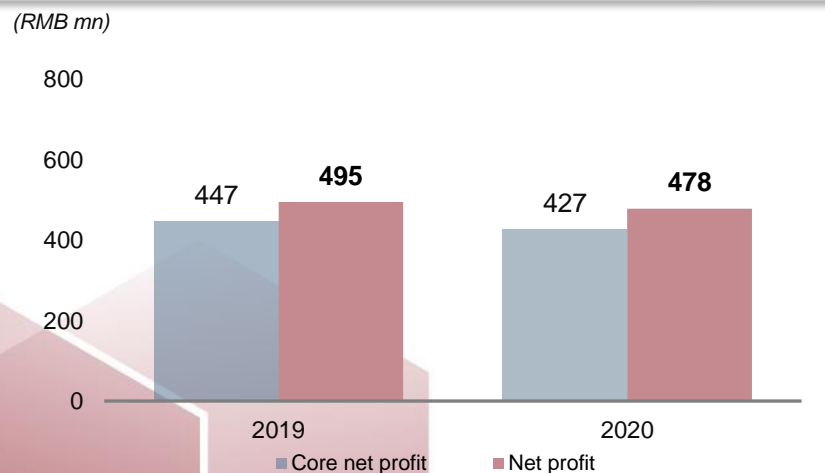
Revenue (by business type)



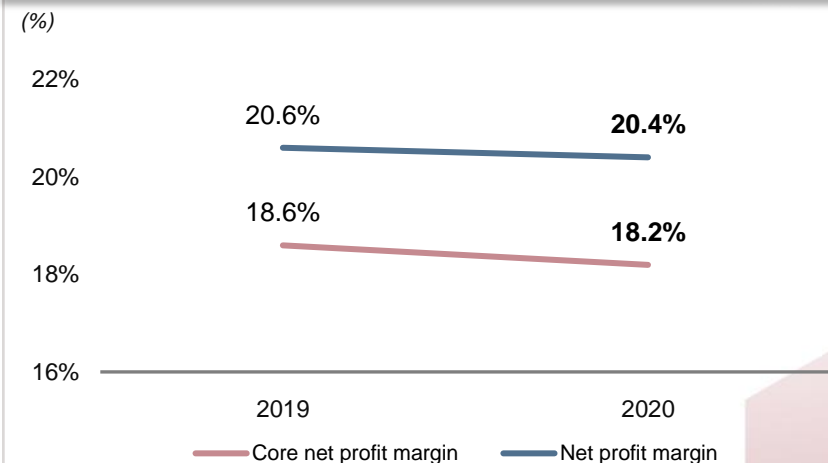
Contracted sales



Net profit and core net profit*



Net profit margin and core net profit margin

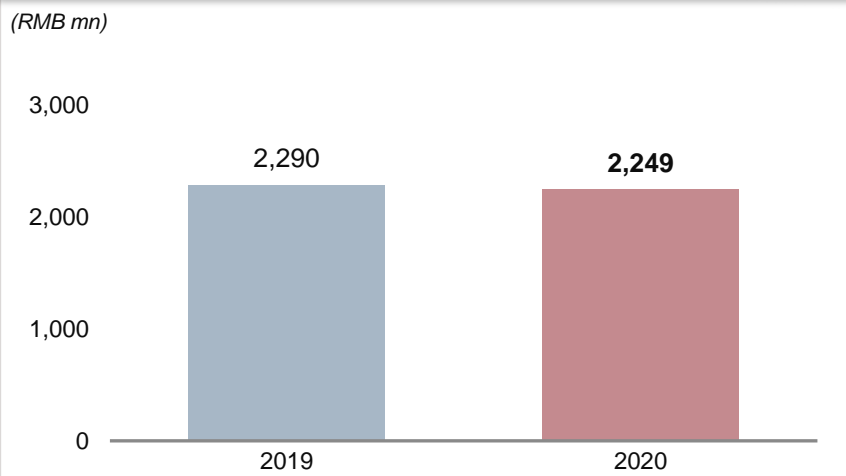


*Core net profit refers to the profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.

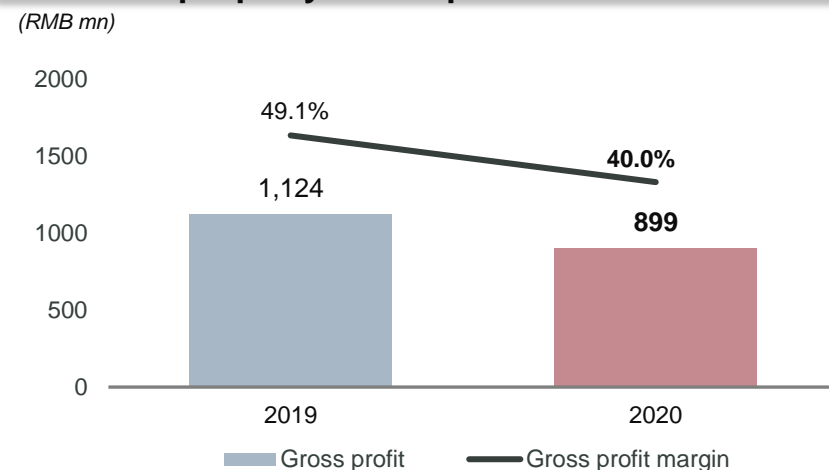
Stable Operational Performance

Steady Performance in Property Development and Sales

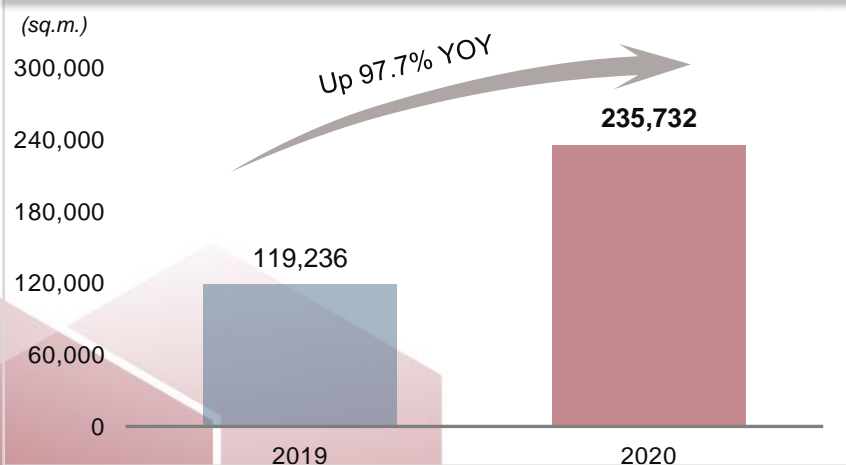
Revenue of property development and sales



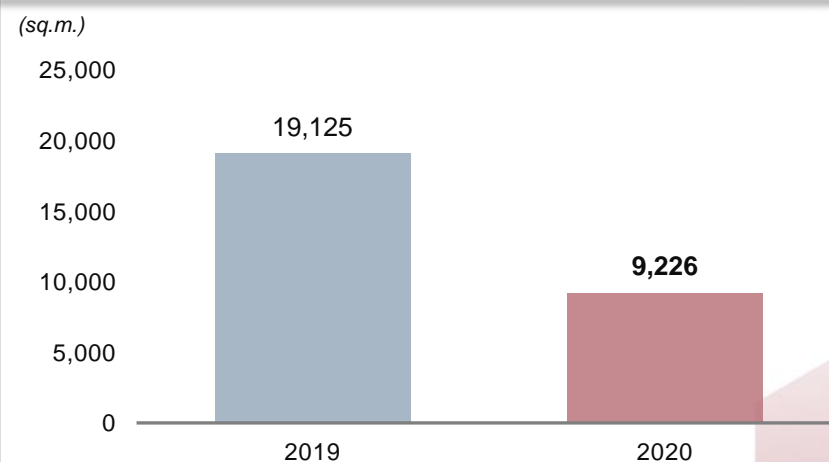
Gross profit & gross profit margin of property development and sales



Recognised GFA

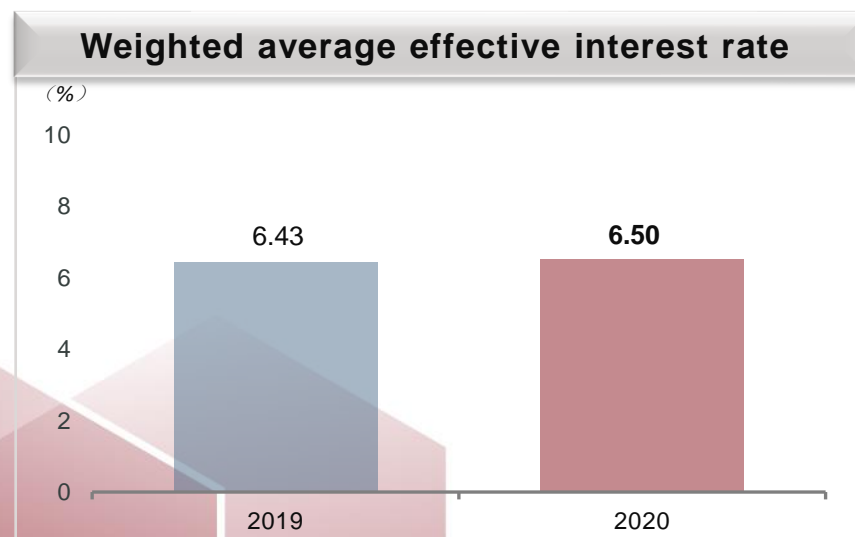
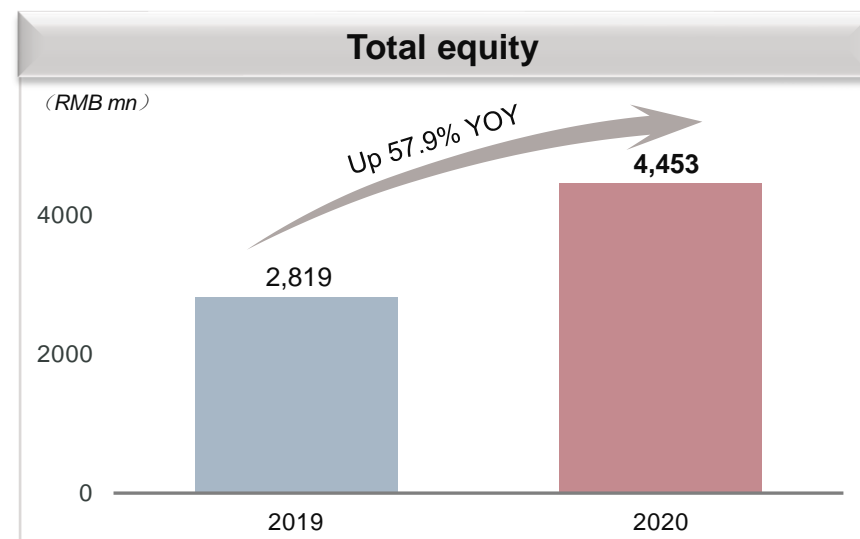
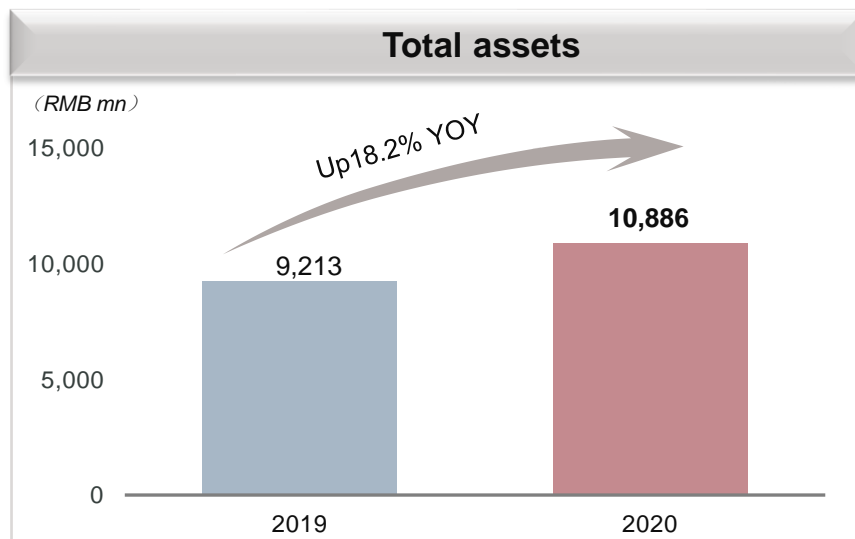


Recognised ASP



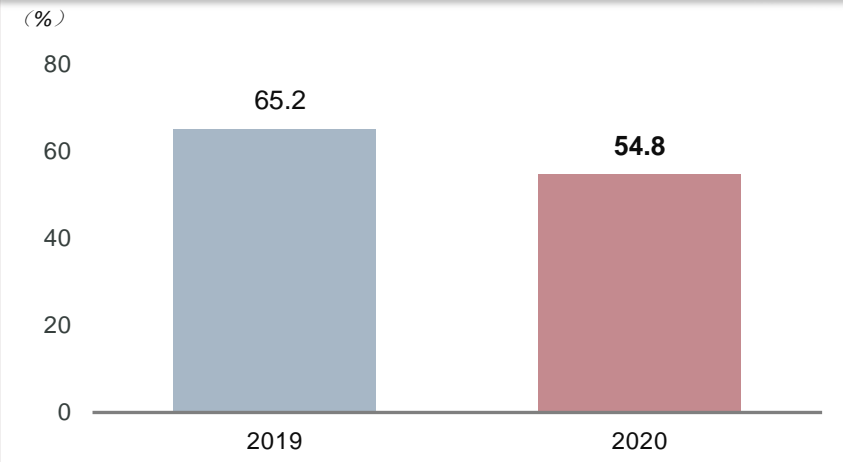
Solid Financial Position

Continuous Optimisation of Capital Structure

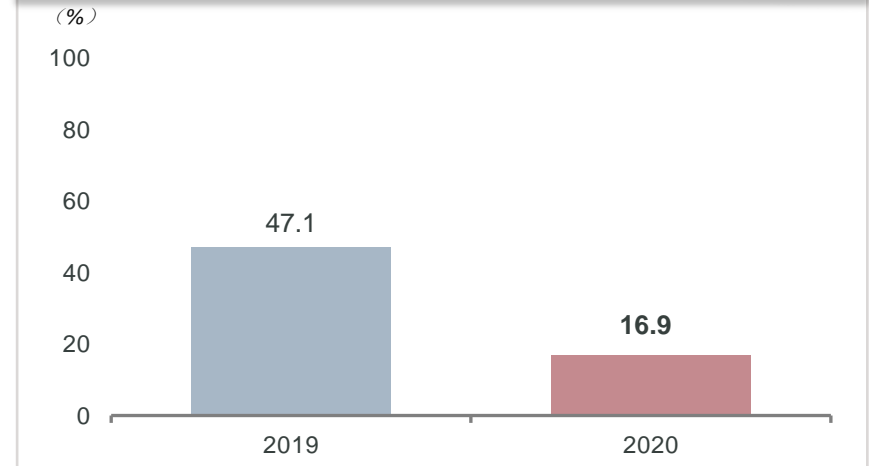


Abundant Liquidity Met the “Three Red Lines” Requirements

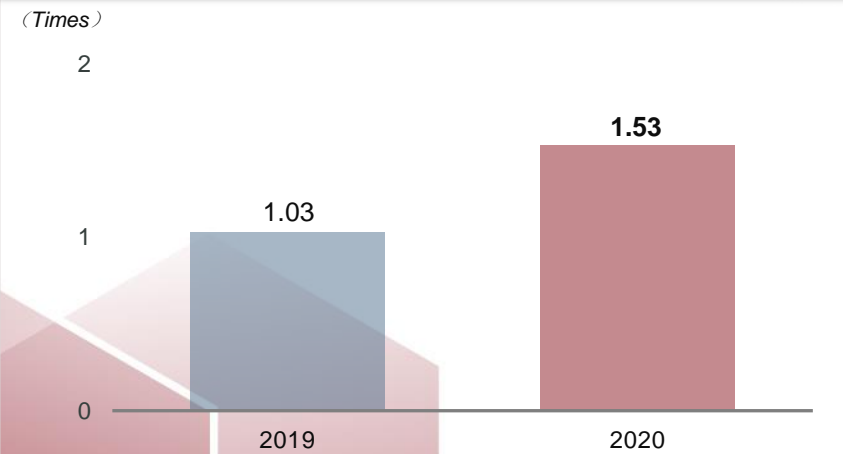
Liabilities to assets ratio (excluding contract liabilities)



Net gearing ratio



Cash to current borrowings ratio





Business Review



Diversified Business Portfolio

Four Core Businesses

- Property Development and Sales are 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 sales were derived from the Greater Bay Area, Hainan, Yunnan and Hunan.

- Property management services basically included security, cleaning, gardening, repair and maintenance. Also, around 30% revenue comes from other businesses such as property management and vacant property management
- Charged a range of RMB1.8 per sq.m. to RMB5.8 per sq.m. per month for different types of properties during the reporting 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
- JY Lychee Town store premises
- JY Grandmark Building and JY Guangzhou Asian Games City Area Project



Milestones in 2020

Month	Event
March 2020	<ul style="list-style-type: none"> Issued US\$150 million 7.5% senior notes due March 2021 Announced 2019 annual results with strong growth in key indicators Won the bid for nine pieces of land in Tengchong with our land bank increasing by 983,000 sq.m.
May 2020	<ul style="list-style-type: none"> Included as a constituent for the MSCI China Small Cap Index
June 2020	<ul style="list-style-type: none"> Signed strategic cooperation agreement with Guangdong Yangcheng Evening News Group
July 2020	<ul style="list-style-type: none"> Won the bid for the land located at Kengbei Village, Zhongxin Town, Zengcheng District, Guangzhou City jointly with Jinke Property Listed on “The Top 20 Creditworthy Property Developers of Guangdong” selected by the Guangdong branches of the Industrial and Commercial Bank (ICBC), the Agricultural Bank of China (ABC), the Bank of China (BOC), and the China Construction Bank (CCB)
August 2020	<ul style="list-style-type: none"> Announced 2020 interim results with 43.9% growth in core net profit
September 2020	<ul style="list-style-type: none"> Jinke JY Grand Garden, the project located on the land at Kengbei Villiage, Zengcheng District commenced construction
November 2020	<ul style="list-style-type: none"> JY Egret Bay, our first project in Lingao, Hainan Province, was launched for sale Entered into a strategic cooperation agreement with Everbright Senior Healthcare to introduce community senior caring business
December 2020	<ul style="list-style-type: none"> Won the bid for the land in Liuhe District, Nanjing City, establishing our presence in Nanjing successfully and commencing our planning in East China Won the bid for the residential land in Shitan Town, Zengcheng District, Guangzhou City Granted long-term syndicated loan facilities with the first batch of loans HK\$734 million

Major Honours and Awards

Honour/Award	Awarding body
2019 CSR Ranking for Public Enterprises in Guangdong-Hong Kong-Macao Greater Bay Area – Annual Newly Listed Companies	Xinhua Net, China Securities Journal, Shanghai Securities News, Xinhua News Agency’s National Brands Project Office and Corporate Social Responsibility Research Center of Chinese Academy of Social Sciences
Top 100 Outstanding Real Estate Enterprises in China – 2020 TOP 10 Performance of Newly Listed Companies in Real Estate Industry in China	Guandian Index Academy
2020 Real Estate Industry Anti-epidemic Donation Award	Guandian Real Estate New Media
Top 20 of the 19 th Creditworthy Property Developers of Guangdong	Guangdong Province branches and Guangzhou branches of ICBC, Agricultural Bank of China, CCB, Bank of China and China Creditworthy Property Enterprises Association
The 15th “Golden Elephant Award” of China’s Brand Building Case – Award for Outstanding Cultural Marketing of the Year	21st Century Media (21st Century Business Herald)
2020 Architizer A+ Awards – SHORTLISTED SHOWROOM CATEGORY – POPULAR CHOICE WINNERS (JY Gaoligong Town)	Architizer.com, a website for global architects with over 400 million users
The 6th CHINA REAL ESTATE & DESIGN AWARD – Gold Prize for Residential Project (JY Gaoligong Town)	DJSER.com
The 10th IDEA-KING INTERNATIONAL LANDSCAPE PLANNING AND DESIGN COMPETITION – The Best Landscape Design (JY Uniworld)	Architecture and Culture Society of China
2020 Gold Prize for Qingyuan’s Top Apartment Type (JY Grand Garden)	Tencent Ads, gd.qq.com, Qingyuan Property Market Release , Yingde Property Market
2020 CBDA+ Award – Gold Prize at Best Design Works in China (JY Maofeng Town)	China Building Decoration Association
Interior Art Design Invitational Contest “Gacdi Award” – Bronze Prize (JY Mountain Lake Gulf)	Guangdong Association of Art and Decoration
Interior Art Design Invitational Contest “Gacdi Award” – Excellence Award (JY Gaoligong Town)	Guangdong Association of Art and Decoration
The 5 th Chinese Soft Décor Award Long Cheng Award – Bronze Award (JY Gaoligong Town)	Organizing committee for Long Cheng Award, China Soft Decoration Custom Union

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 Donghuzhou Haoyuan

- A residential property project located in Pilot FreeTrade Zone of Nansha, Guangzhou, which consists of ten 15 to 17-storey residential buildings



JY Clearwater Bay

- A residential property project located in Lingshui Lizu Autonomous County, Hainan
- Divided into phase I, phase II, phase III, phase VI and phase VII

Develop Benchmark Property Projects (Cont.)



JY Gaoligong Town

- A 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 94,152 sq.m



JY Mountain Lake Gulf

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

Develop Benchmark Property Projects (Cont.)



JY Egret Bay

- A property project located in Lingao County, Hainan
- The project integrates tourism, leisure, residence and commerce
- Total GFA under development of approximately 25,329 sq.m



JY Yarra New Street

- A commercial property located in Southern District, Zhongshan, Guangzhou with GFA of approximately 56,452 sq.m



JY Maofeng Town

- A commercial property project located in Baiyun, Guangzhou
- Occupy a total site area of approximately 170,216 sq.m

Details of Property Projects

- ▲ As of 31 December 2020, the Group had a property portfolio of **36** property projects in Guangdong, Hainan, Yunnan, Hunan and Jiangsu, with an aggregate GFA of approximately **4 million** sq.m. ; Average land cost* was approximately **RMB1,055/ sq.m.**
- ▲ Land parcels acquired in 2020 include: In March, obtained 9 land parcels in **Tengchong, Yunnan** with development GFA of approximately **983,000 sq.m.**; In July, obtained a high-quality land parcel atop metro in **Kengbei Village, Zengcheng District, Guangzhou** with development GFA of approximately **136,000 sq.m.** ;In December, obtained land parcel in **Shitan Town, Zengcheng District, Guangzhou** with GFA of approximately **80,000 sq.m.** ; In December, obtained a high-quality land parcel atop the metro in **Phoenix Mountain Park of Liuhe District, Nanjing** with GFA of approximately **110,000 sq.m.** , leading the Group to enter new market
- ▲ The Group's urban renewal projects focus on villages: Plan ahead in Huangpu, Panyu, Nansha, Zengcheng districts in Guangzhou as well as Nanhai and Shunde districts in Foshan, with aggregate GFA under development of approximately **4 million sq.m.**

Future Development Projects:

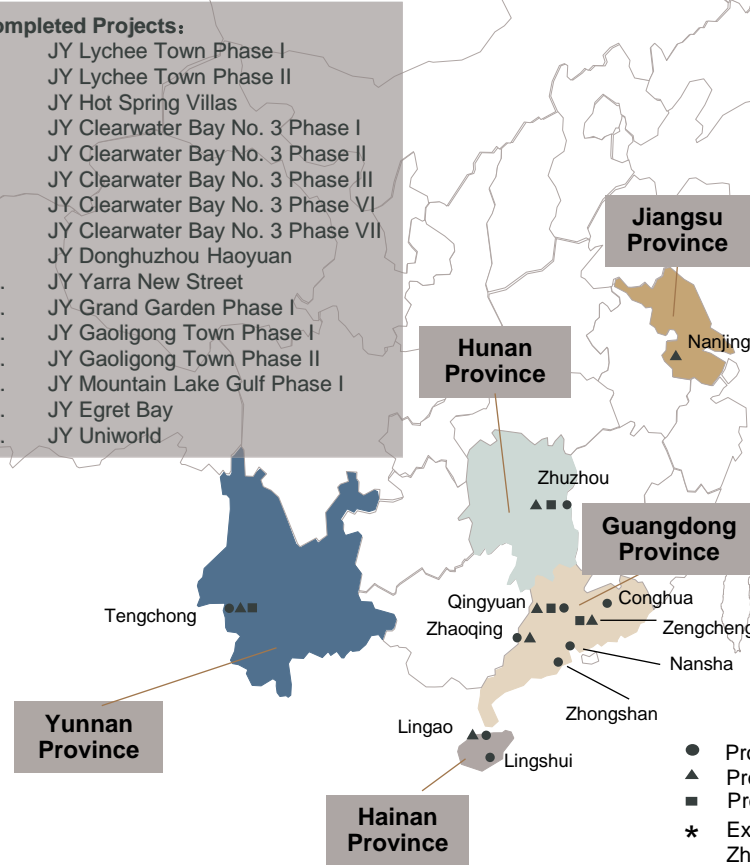
1. JY Gaoligong Town Phase II
2. JY Egret Bay
3. JY Well-being Valley Phase II
4. JY Well-being Valley Phase III
5. JY Grand Garden Phase III
6. JY Canglong Bay Project
7. JY Yonghua Shijia Project
8. JY Yingde Jinxiong Project
9. JY Gaoligong Town Phase III
10. JY Mountain Lake Gulf Phase II
11. JY Mountain Lake Gulf Project Phase III
12. JY Mountain Lake Gulf Project Phase IV
13. JY Jiangshan Shili Zone A,B,C,D
14. Jinke JY Grand Garden
15. Zengcheng Shitan Project
16. Nanjing Liuhe Project
17. JY Yunshan Xigu

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 Grand Garden Phase I
12. JY Gaoligong Town Phase I
13. JY Gaoligong Town Phase II
14. JY Mountain Lake Gulf Phase I
15. JY Egret Bay
16. JY Uniworld

Projects Under Development:

1. JY Grand Garden Phase I
2. JY Grand Garden Phase II
3. JY Canglong Bay Project
4. JY Mountain Lake Gulf Phase IV
5. Zhaoqing International Technology and Innovation Centre (Zone A)
6. JY Uniworld
7. JY Jiangshan Shili(Zone A)
8. Jinke JY Grand Garden



Location		Total land bank (sq.m.)
Guangdong	Conghua	46,273
	Nansha	22,781
	Zengcheng	101,651
	Zhongshan	28,226
	Qingyuan	1,318,833
	Zhaoqing	270,542
Hainan	Lingshui	928
	Lingao	157,195
Yunnan	Tengchong	1,234,166
Hunan	Zhuzhou	718,095
Jiangsu	Nanjing Liuhe	56,087
Total		3,954,777

- 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 22 acquired by the Group



Market Outlook



Favorable Industry Factors and Market Outlook



Market Opportunities Arise for “Eco-friendly and People-oriented Property”

- The post-epidemic era **highlights the Group’s advantage** as an “Eco-friendly and People-oriented Property Developer”
- The Group will adhere to the positioning of developing markets of high growth, reacting to market demands
- Focus on developing eco-friendly and people-oriented properties of **high quality, high gross profit and high premiums** to provide different customer groups with high-class residential and living communities



Overall Property Market Trends Positive, Underpinned by Rigid Demand

- Demands of **objective nature** in the property market will be further released as the consumption recovers, which will stimulate the sales volume
- Policies will open channels for such businesses as **urban renewal**, and property investment and development will embrace new opportunities and growth points



“No Speculation of Residential Properties ”and “Three Red Lines”

- As policies including “no speculation of residential properties” and “three red lines” remain effective, the property investment and development will be tightened to a certain extent
- **Improving the investment target** and **capital turnover** will be the key of enterprise operation
- New turning points emerge in the consumption market after the epidemic, with the focus on location and price changing to the focus on integrated experience that covers multiple aspects including products, supporting facilities and property services
- Real estate enterprises should also foster their **comprehensive operation ability** while building the products



Development Strategies



Development Strategies

1

Strategic focus on Greater Bay Area as the key, focus on high growth markets such as Yangtze River Delta and provincial capitals in central and western China

2

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

3

Deepen the building of “Eco-friendly and People-oriented properties”
Strengthen the resources coordination between businesses

4

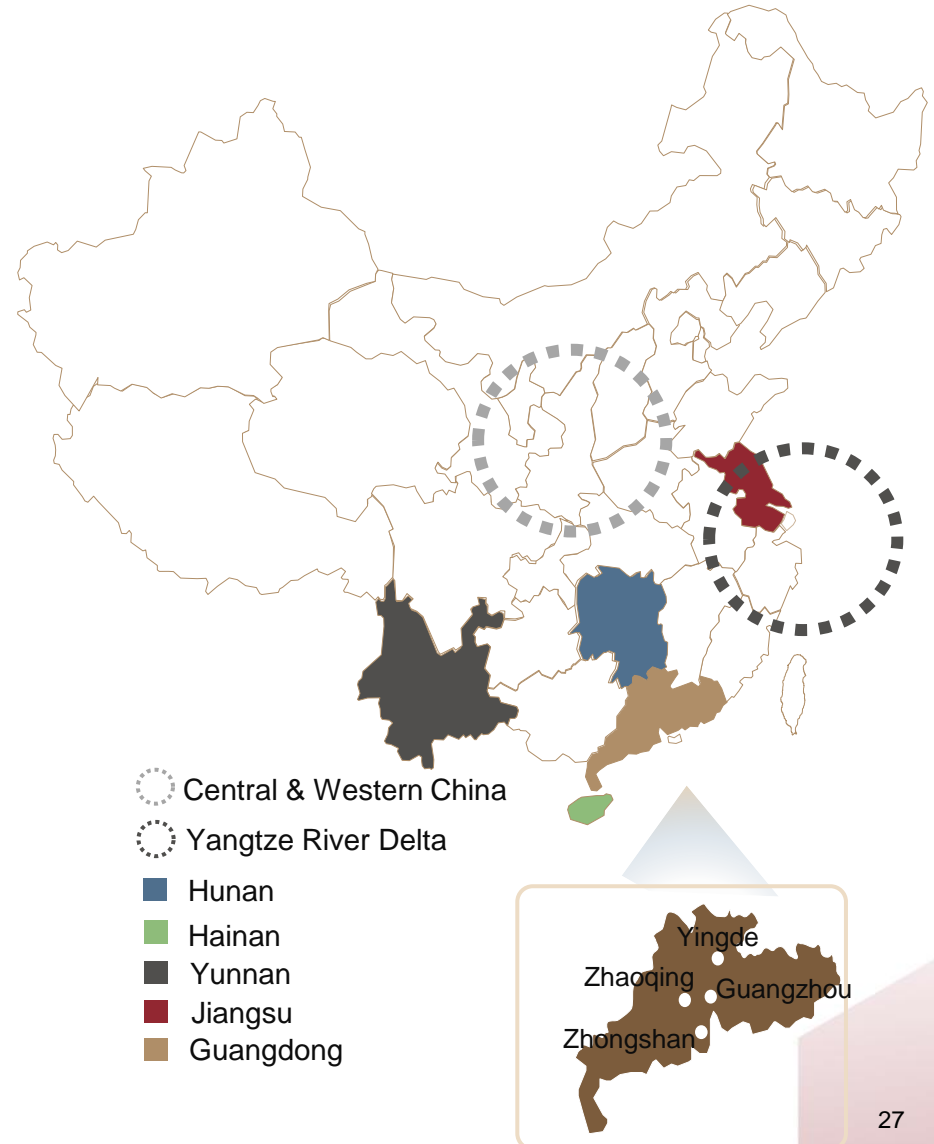
Adhere to prudent financial policies and proactive management of capital structure

The Group will maintain a **sound financial position** in 2021, based on which, it will follow policy trends and **expand diversified business channels**
Enhance our thinking of innovative operation to improve the added value to products and services, thereby cultivating a **better appreciation ability** and building the **comprehensive competitiveness in software and hardware**

1

Strategic Focus on the Greater Bay Area Enhance Market Position and Strategically Develop into selected markets

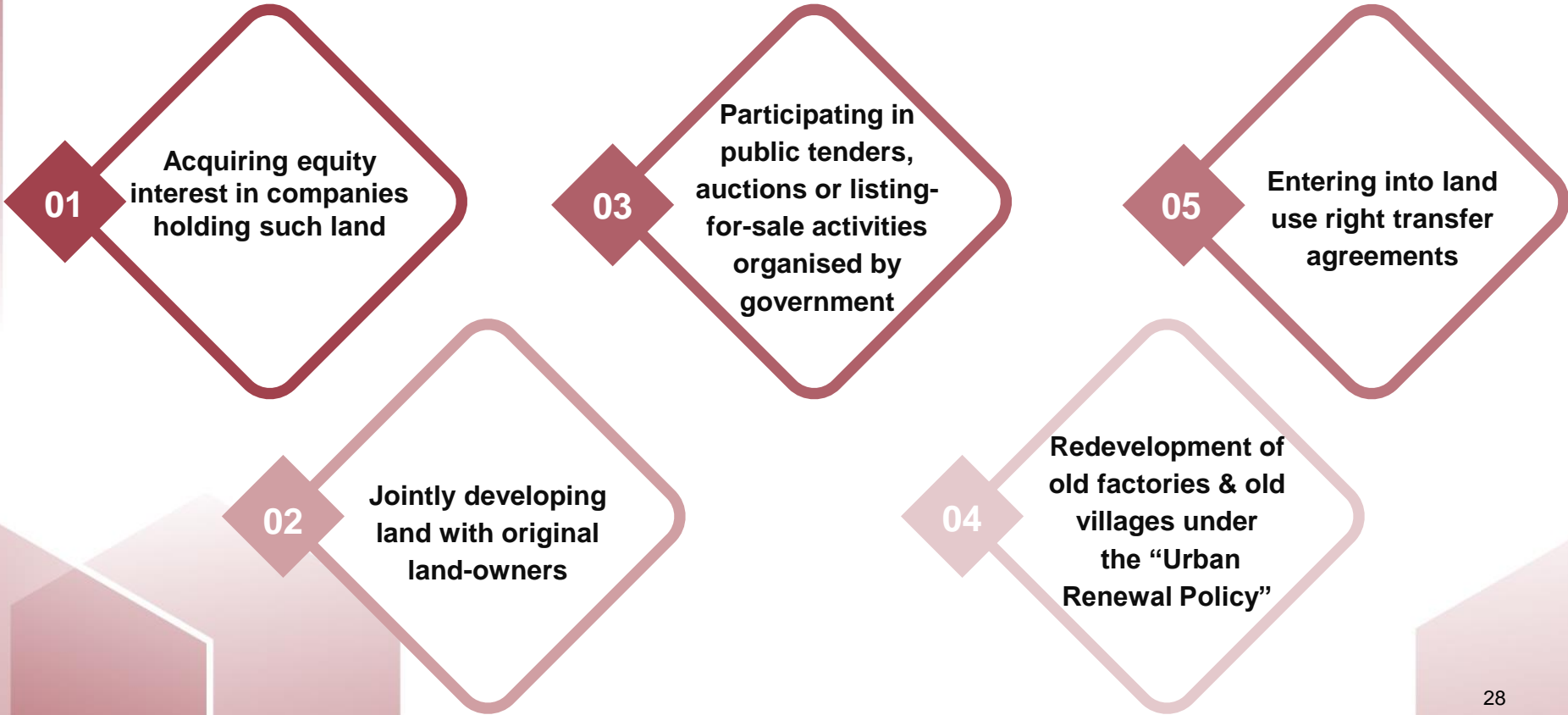
- The Group will take **top-level economic zones** and **cities with population inflows** as the core of its development layout, making the development of high-quality lands and projects in **Guangdong - Hong Kong - Macau Greater Bay Area** as the key, focusing on markets of high growth such as **Yangtze River Delta** and **provincial capitals in central and western China** and lands with **superior environment resources and humanistic resources**
- Currently, the Group has **36** property projects in Guangdong, Hainan, Yunnan, Hunan, and Jiangsu, with an approximate GFA of **4 million sq.m.**, securing a sufficient supply of land resources for property development **for the coming 3 or more years**



2

Maintain Diversified Land Acquisition Strategies Step up Deployment in Urban Renewal

- Policies will open channels for such businesses as **urban renewal**, and property investment and development will embrace new opportunities and growth points
- The Group will seize the policy opportunities and follow the process of city planning and urbanisation to develop the urban renewal business in regions of **high conversion and growth potential**
- The Group is actively evaluating the feasibility of numerous 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 gradually converted in the future



3

Deepen the Building of “Eco-Friendly and People-Oriented Properties” Product Line Strengthen the Resources Coordination between Businesses

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

Deepen the existing product line

Introduce supporting resources that offer diverse experience

Strengthen the resources coordination between businesses

- The post-epidemic era highlights the Group’s advantage as an “**Eco-friendly and People-oriented Property Developer**”, the Group will adhere to the positioning of **developing markets of high growth**, reacting to market demands
- Focus on developing eco-friendly and people-oriented properties of **high quality, high gross profit and high premiums** to provide different customer groups with high-class residential and living communities
- The Group will give greater weight to market hotspots including **ecology, aesthetics, intelligence and health** and make innovation in product style, apartment type and space designs, thus creating products characterized by unique aesthetics and superior experience
- The Group will enhance the construction of communities and groups based on **public space** and **property services**, introduce the concept of Comprehensive Health and other **supporting resources that offer diverse experience**
- By creating products with unique competitive advantages, the Group will secure greater market shares in the market segments and promote the brand upgrading further, and improve the **brand recognition** and **influence**
- Based on the business strategy of diversified development, the Group will strengthen the resource coordination in businesses of property development, property management, hotel and commercial operation, to **maximise the productivity of business segments**
- The Group will **establish ties among the business segments** with the vision of building its own industry chain, making it as a strong competitive advantage in the Group’s development of businesses

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.

In December 2020, the Group entered into a facilities agreement of **HK\$734 million** with certain financial institutions



Q&A

