



JY GRANDMARK HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 2231

# 2021 Interim Results Announcement

19 August 2021



# Disclaimer

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# Result Highlights



# 2021 Interim Result Highlights



## Continuous Increase in Recognised Revenue

- Recognised revenue was RMB **1,042.8 million**, representing an **increase of 12.8%** from the same period of 2020
- Gross profit amounted to RMB **412.1 million**, representing an **increase of 1.9%** from the same period of 2020
- Core net profit\* amounted to RMB **167.5 million**, representing a decrease of 13.6% from the same period of 2020
- Profit attributable to owners of the Company was RMB **170.8 million**, representing a decrease of 13.3% from the same period of 2020

## Substantial Increase in Contracted Sales and Contracted Sales GFA

- Contracted sales amounted to approximately RMB **2,486.4 million**, representing a substantial growth of **128.2%** from the same period of last year
- Contracted sales GFA was approximately **197,000 sq.m.** with a substantial growth of **97.0%** from the same period of last year
- **Jinke JY Grand Garden in Zengcheng District, Guangzhou and the first phase of JY Logan Jiuyun Mansion in Liuhe District, Nanjing** have received enthusiastic response from the market which has boosted the overall sales performances

## Increased Land Bank Improved Geographic Footprint

- The Group has acquired one parcel of land in Zengcheng District, Guangzhou, Guangdong province with the aggregated estimated GFA of **123,000 sq.m.**
- As at 30 June 2021, the Group had a total land bank of nearly **4.1 million sq.m.**

## Successful Implementation of Urban Renewal Business Forge New Growth Driver

- The Group was selected as the qualified cooperative enterprises for the **redevelopment project of Zhujiang Village, Huangpu District, Guangzhou, Guangdong province** with total estimated GFA of **785,800 sq.m.** within the overall redevelopment scope
- The property projects are **located at the core position of the eastern Guangzhou's urban development**, driving the business growth significantly

## Continuous Optimisation of Capital Structure Stable Net Gearing Ratio

- On 8 February 2021, the Company successfully issued **7.5%** senior notes in an aggregate principal amount of **US\$155,000,000**, which comprised of the exchange offer of the existing senior notes amounting to US\$137,500,000
- The net gearing ratio\*\* was maintained at an industry-low level of **20.3%**

\*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

\*\* Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as of the end of the reporting period

# Epidemic Response Measures



# Ability to Respond Swiftly to the Epidemic

## Property Development and Sales

### Seizing opportunity in the post-epidemic era

- JY Grandmark further developed its long-term advantages in **home upgrading, vacation-property sectors** and market segments
- Applying the strategy of “internal consolidation and external expansion” and promoting projects to go out, and stimulated the sales of home upgrading and vacation property projects in Guangdong, Hainan and Yunnan provinces by **improving the community experience and the added-value of products** with the in-depth research of residents’ demands and the innovative idea of creating the community culture
- JY Uniworld** in Zhaoqing and **JY Gaoligong Town** in Yunnan province **achieved improvement in both sales and brand reputation**, and brought strong branding effect to the Group

## Property Management

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

- Offering **great care** to the residents
- Fulfilling its social responsibilities through actively participated in the **community epidemic prevention** work organised by the government, further improved its service quality and team reputation

## Hotel Operations

### Developing online services and providing diversified choices

- Focused on developing online channels and launched more packages that met **mainstream customer demands**
- Seized the opportunity of tourism recovery in the first half of 2021** by improving hotel facilities, expanding marketing channels, optimising channel cooperation and launching promotional activities



# Financial Summary





# Financial Summary

(RMB million)	1H2021	1H2020	Change
Revenue	<b>1,042.8</b>	924.7	<b>+ 12.8%</b>
Gross profit	<b>412.1</b>	404.5	<b>+ 1.9%</b>
Gross profit margin	<b>39.5%</b>	43.7%	<b>- 4.2ppts</b>
*Core net profit	<b>167.5</b>	193.8	<b>- 13.6%</b>
Core net profit margin	<b>16.1%</b>	21.0%	<b>- 4.9ppts</b>
Profit attributable to owners of the Company	<b>170.8</b>	196.9	<b>- 13.3%</b>
Basic and diluted earnings per share (RMB)	<b>0.10</b>	0.12	<b>- 16.7%</b>
Dividend per share (RMB cents)	<b>3.63</b>	3.59	<b>+ 1.1%</b>

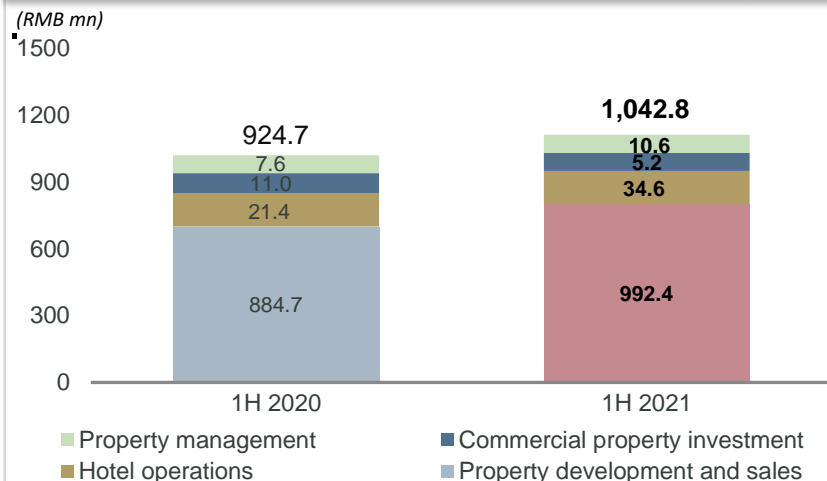
\*Core net profit represents profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries

# Financial Summary (Cont.)

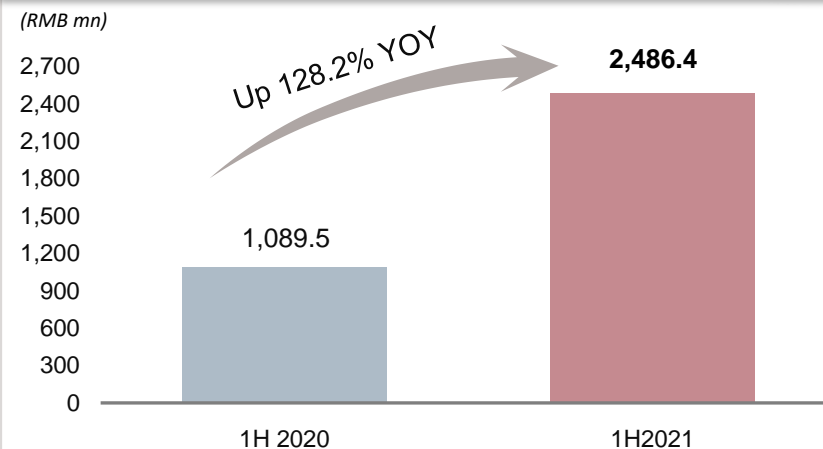
(RMB million)	As at 30 June 2021	As at 31 December 2020	Change
Total assets	<b>11,835.3</b>	10,886.4	<b>+ 8.7%</b>
Total liabilities	<b>7,276.2</b>	6,433.4	<b>+ 13.1%</b>
Total equity	<b>4,559.1</b>	4,453.0	<b>+ 2.4%</b>
Cash and cash equivalents and restricted cash	<b>2,245.1</b>	2,361.4	<b>- 4.9%</b>
Net gearing ratio	<b>20.3%</b>	16.9%	<b>+ 3.4ppts</b>

# Financial Highlights

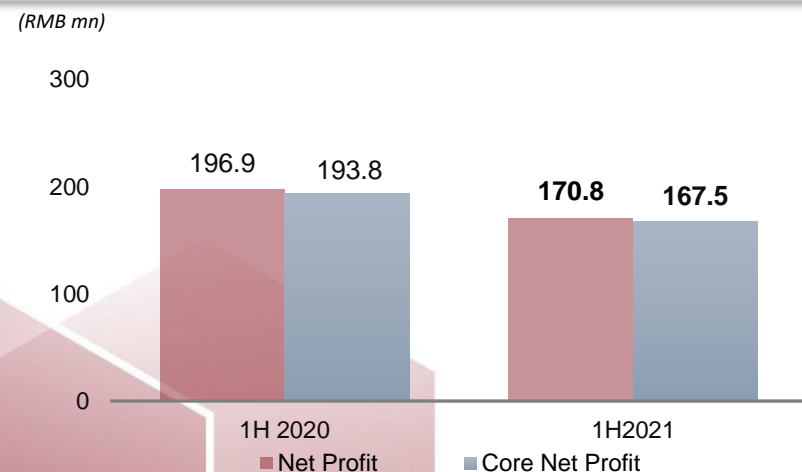
### Revenue (by business type)



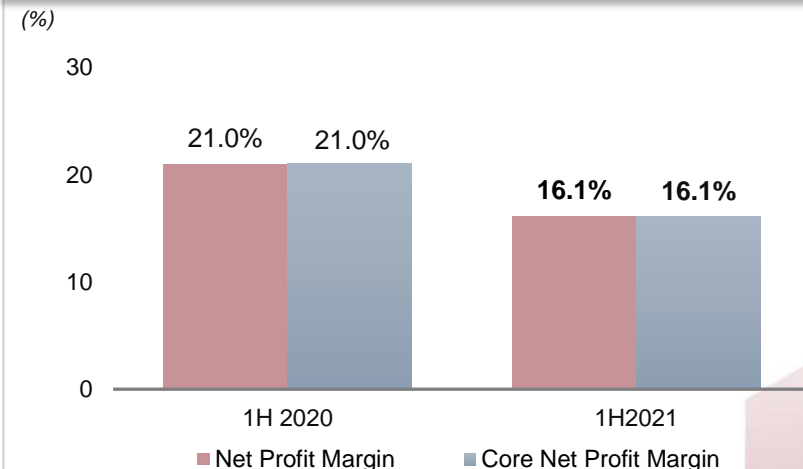
### Contracted sales



### Net profit and core net profit\*



### Net profit margin and core net profit margin

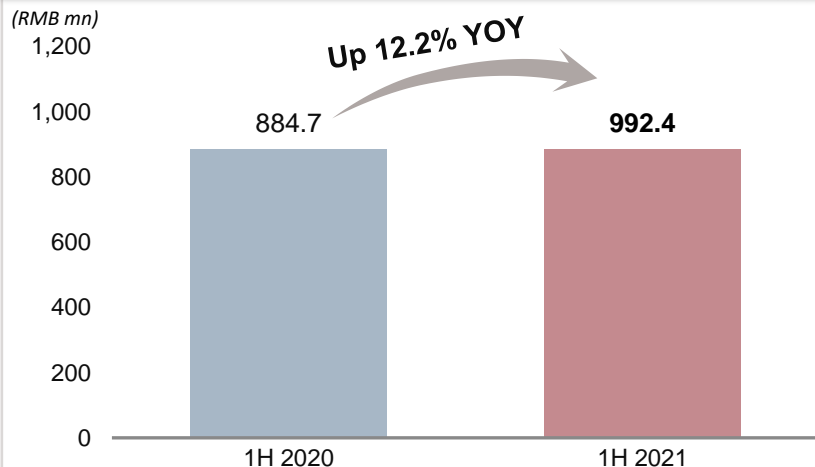


\*\*Core net profit refers to the profit for the year excluding the post-tax gains arising from changes in fair value of investment properties and disposals of subsidiaries.

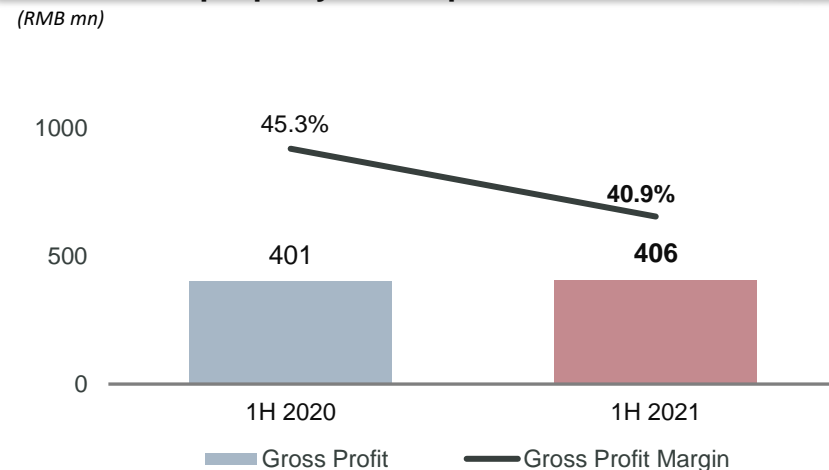
# Steady Operational Performance

## Maintain Growth in Property Sales

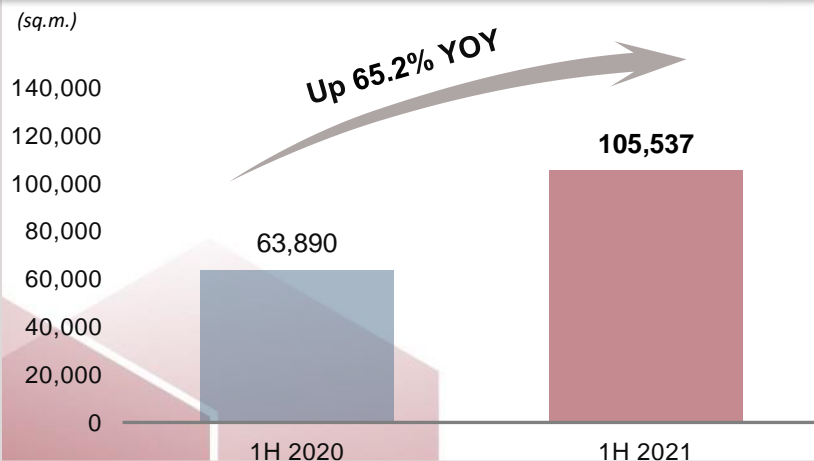
### Revenue of property development and sales



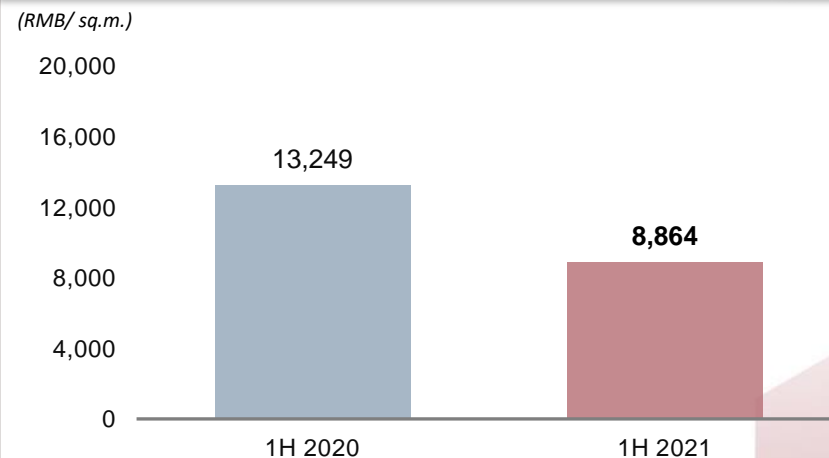
### Gross profit & gross profit margin of property development and sales



### Total GFA delivered

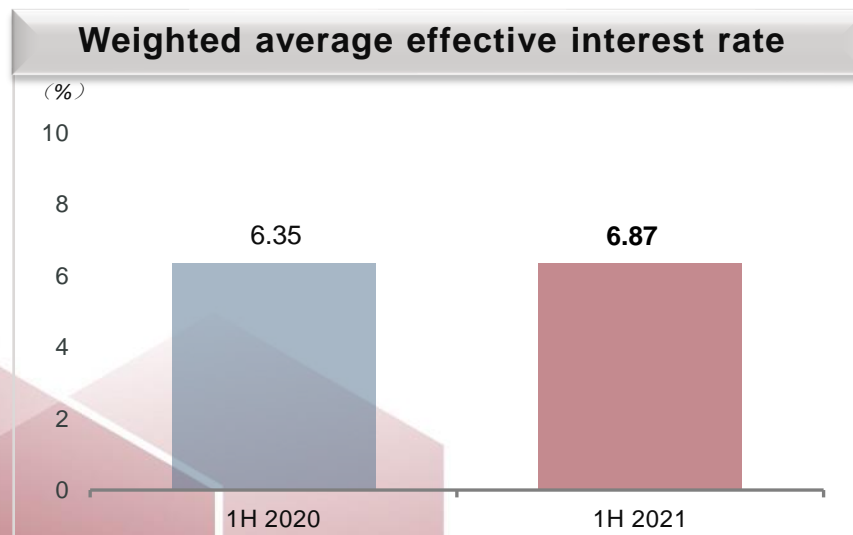
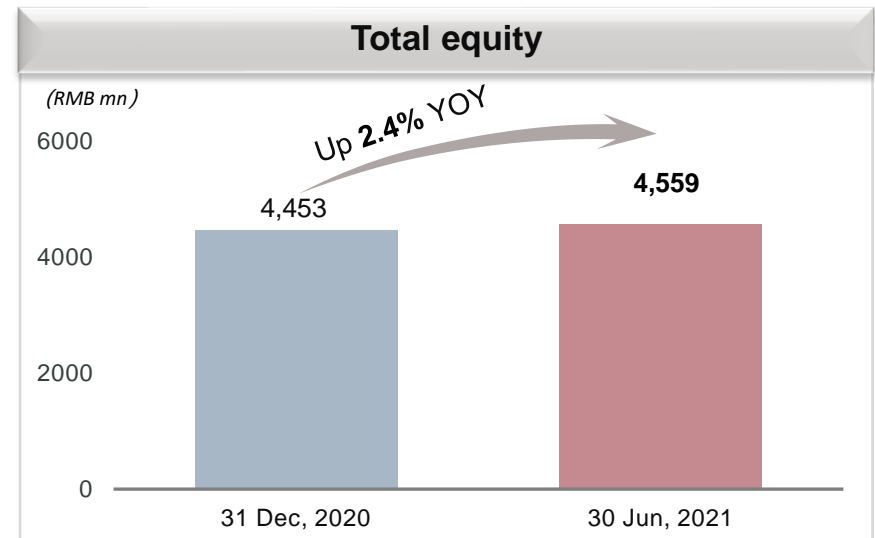
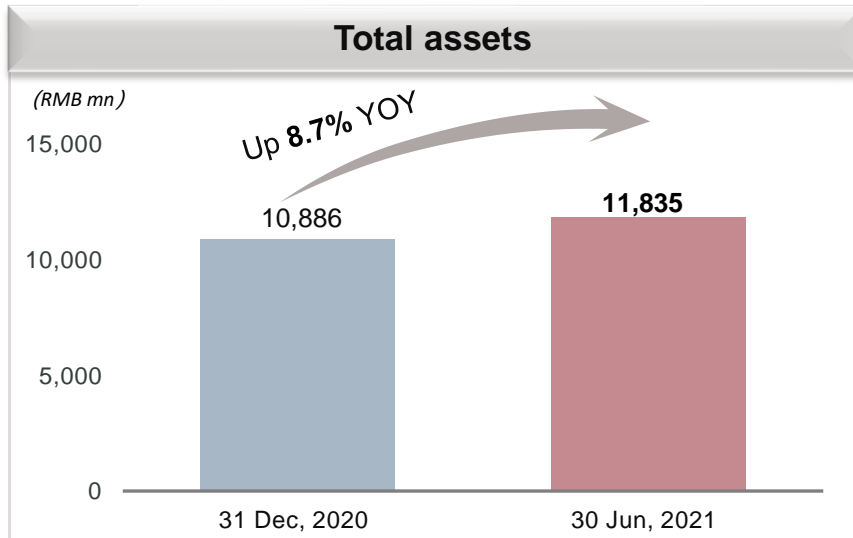


### Recognised ASP



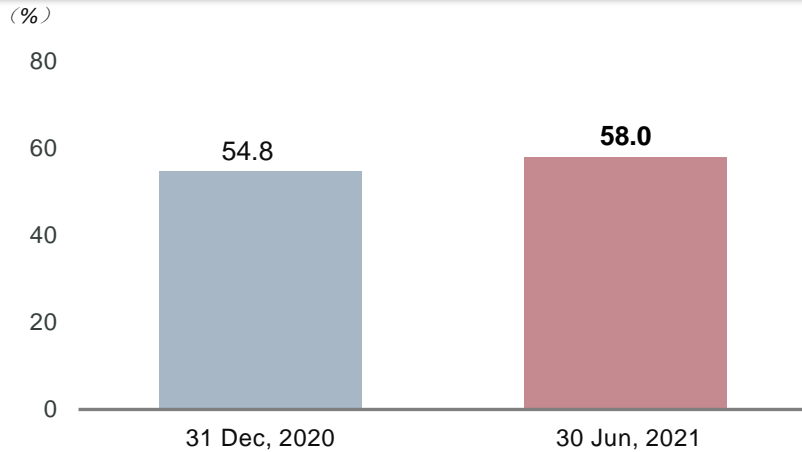
# Solid Financial Position

## Continuous Optimization of Capital Structure

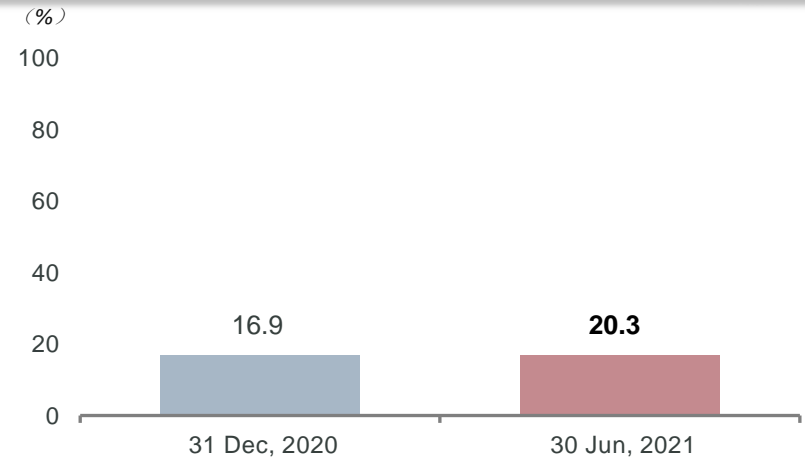


# Abundant Liquidity Met the “Three Red Lines” Requirements

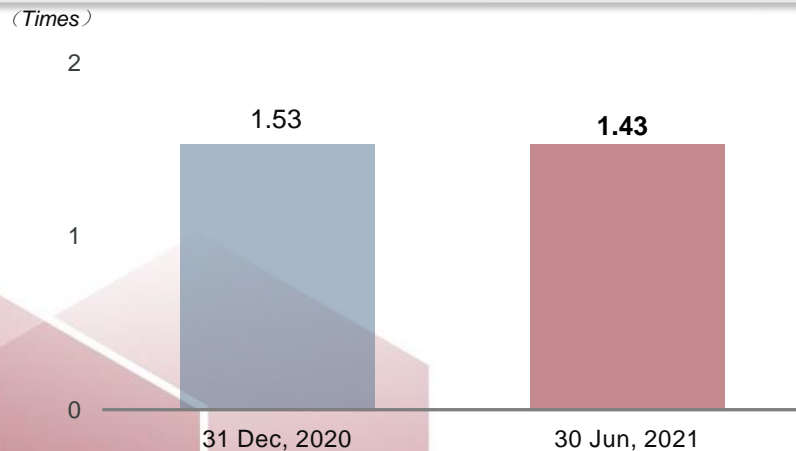
### Asset-liability ratio excluding advance receipts



### Net gearing ratio



### Cash-to-Short Debt ratio



# Business Review



# Diversified Business Portfolio

## Four Core Businesses

- Property development and sales is the core business of the company. Based on the development concept of "Eco-friendly and People-oriented Property", the Group expanded the layout of core regions and urban projects, enriched the product portfolio and offered the market diversified choices
- During the period under review, the Group has launched two new projects to the market, first phase of both projects received warmly response from the market and boosted the overall sales performance
- In April 2021, the first urban renewal project the Group participated in, Zhujiang Village Redevelopment Project in Huangpu District, Guangzhou City, was inaugurated

- Revenue from property management mainly derived from general services including security, cleaning, gardening, repairment and maintenance.
- During the period under review, the Group has recorded great performance in revenue, service improvement and brand recognition. It has also passed the annual review of ISO Quality, Environment and Occupational Health System.

**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 neighborhood 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





# Develop Benchmark Property Projects



## JY Lychee Town

- The first property project developed by the Group in the PRC. The project, which consists of two phases, is located in Conghua District, Guangzhou, Guangdong
- The total GFA is approximately 226,903 sq.m.



## JY Hot Spring Villas

- Located at a famous hot spring area, each property is equipped with a private hot spring pool
- The total GFA is approximately 44,521 sq.m.



## JY Donghuzhou Haoyuan

- A residential property project located in Pilot Free Trade Zone of Nansha, Guangzhou which consists of ten 15 to 17-storey residential buildings
- The total GFA is approximately 116,629 sq.m.



## JY Clearwater Bay

- A residential property project located in Lingshui Li Autonomous County, Hainan
- Divided into phase I, phase II, phase III, phase VI and phase VII
- The total GFA is approximately 209,190 sq.m.

# Develop Benchmark Property Projects (Cont.)



## JY Gaoligong Town

- A residential property project located in Tengchong, Yunnan
- The project consists of three phases
- The total GFA is approximately 335,286 sq.m.



## JY Uniworld

- Located in Zhaoqing, the project is well received by the market
- Incorporate the spatial philosophy of Lingnan into apartment design
- The total GFA is approximately 149,632 sq.m.



## JY Grand Garden

- A residential property project located in Qingyuan city, Guangdong
- The project consists of three phases
- The total GFA is approximately 593,924 sq.m.



## JY Mountain Lake Gulf

- A residential and commercial property development project located in Hetang District, Zhuzhou, Hunan. It consists of four phases.
- The total GFA is approximately 752,203 sq.m.

# Develop Benchmark Property Projects (Cont.)



## JY Egret Bay

- A residential property project located in Lingao County, Hainan
- The project integrates tourism, leisure, residence and commerce
- The total GFA is approximately 199,768 sq.m.



## JY Yarra New Street

- A commercial property located in Southern District, Zhongshan, Guangzhou
- The total GFA is approximately 60,686 sq.m.



## JY Maofeng Town

- A commercial property project located in Baiyun, Guangzhou
- The total GFA approximately 137,661 sq.m.



## JY Jiangshan Shili

- A residential property project located in Yunnan. It is expected to be completed in batches from 2022 to 2025
- The total GFA is approximately 706,908 sq.m.

# Develop Benchmark Property Projects (Cont.)



## Jinke JY Grand Garden

- A residential property project located in Zengcheng, Guangzhou, Guangdong
- The total GFA is approximately 136,171 sq.m.



## Zhujiang Village Project

- An old village redevelopment project located in Huangpu District, Guangzhou, Guangdong
- The total GFA is approximately 785,800 sq.m.



## JY Logan Jiuyun Mansion

- A residential property project located in Nanjing, Jiangsu
- The total GFA is approximately 139,888 sq.m.



## Jing Ye Square

- A commercial project located in Hunan
- The total GFA is approximately 109,222 sq.m.

# Details of Property Projects

- ▲ As of 30 June 2021, the Group had a property portfolio of **38** property projects in Guangdong, Hainan, Yunnan, Jiangsu and Hunan, with a development building area of nearly **4.10million** sq.m.
- ▲ During the first half year of 2021, the Group has acquired one parcel of land in Zengcheng District, Guangzhou, Guangdong province with the aggregated estimated GFA of **123,000** sq.m..
- ▲ During the review period, the Group was selected as the qualified cooperative enterprises for the redevelopment project of Zhujiang Village, Huangpu District, Guangzhou, Guangdong province with total estimated GFA of **785,800** sq.m.. The project represents a successful implementation of the Group's development strategy on urban renewal, thus forging a new business driver for the Group.

**Future Development Projects:**

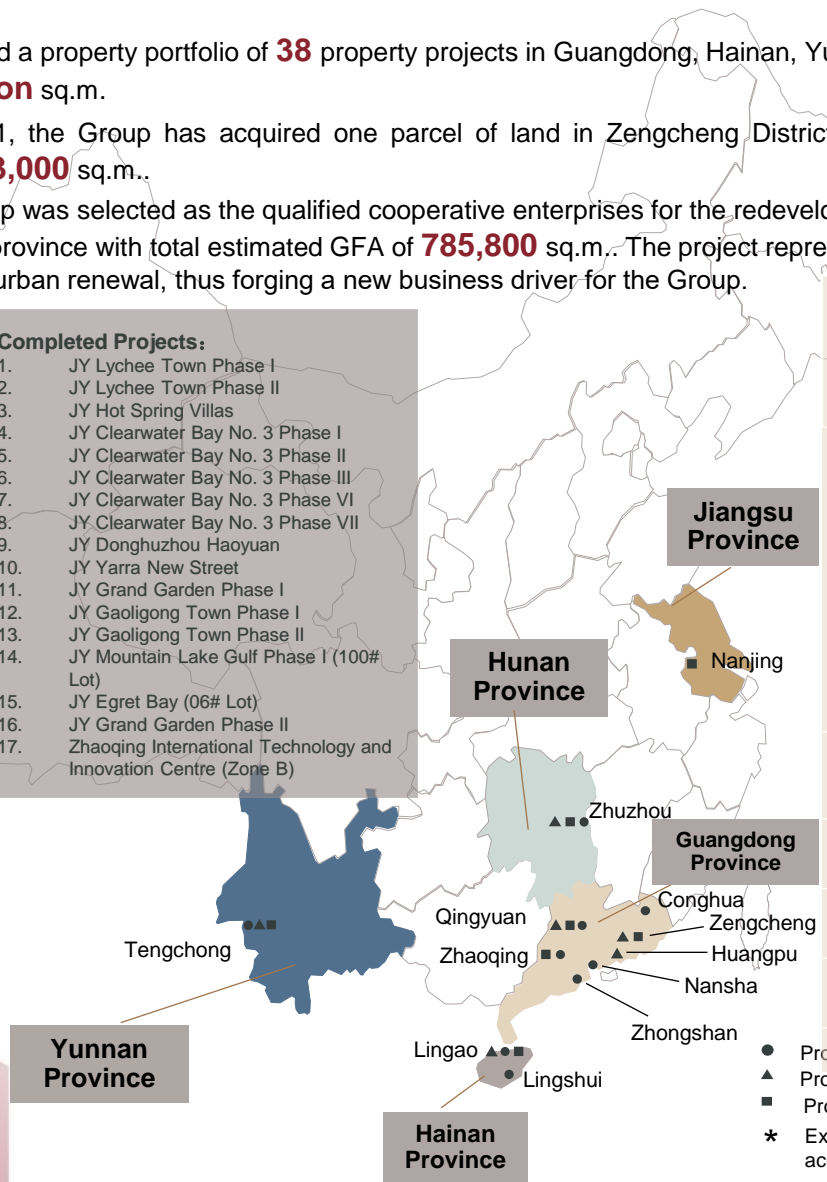
1. JY Well-being Valley Phase III (04# Lot)
2. JY Grand Garden Phase III
3. JY Canglong Bay Project
4. JY Yonghua Shijia Project
5. JY Yingde Jinxiang Project
6. JY Gaoligong Town Phase III
7. JY Mountain Lake Gulf Phase II (100# Lot)
8. JY Mountain Lake Gulf Phase III (111# Lot)
9. JY Jiangshan Shili Zone A、B、C、D
10. Jinke JY Grand Garden
11. Zengcheng Shitan Project
12. Zhongxin Town Project Zengcheng
13. JY Yunshan Xigu
14. JY Gaoligong Town Phase II
15. JY Egret Bay (07# Lot)
16. Jing Ye Square
17. Zhujiang Village Project

**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 (100# Lot)
15. JY Egret Bay (06# Lot)
16. JY Grand Garden Phase II
17. Zhaoqing International Technology and Innovation Centre (Zone B)

**Projects Under Development:**

1. JY Egret Bay (07# Lot)
2. JY Grand Garden Phase II
3. JY Canglong Bay Project
4. Zhaoqing International Technology and Innovation Centre (Zone A)
5. JY Jiangshan Shili Zone A
6. Jinke JY Grand Garden
7. JY Egret Bay (06# Lot)
8. JY Grand Garden Phase III
9. Jing Ye Square
10. Zhaoqing International Science Innovation Centre (Zone B)
11. Zengcheng Shitan Project
12. JY Logan Jiuyun Mansion



Location		Total Land Bank (on an attributable basis) (sq.m.)	
Guangdong	Guangzhou	Conghua	39,094
		Nansha	20,993
		Zengcheng	197,999
		Huangpu	149,559
	Zhongshan	27,908	
Hainan	Qingyuan	1,263,776	
	Zhaoqing	270,151	
	Lingshui	286	
Yunnan	Lingao	151,510	
	Tengchong	1,207,209	
Hunan	Zhuzhou	707,668	
Jiangsu	Nanjing Liuhe	36,385	
<b>Total</b>		<b>4,072,538</b>	

- Projects that are completed or comprise completed projects
- ▲ Projects held for future development
- Projects under development
- \* Excluding the completed and for-sale property acquired by the Group, JY Yarra New Street

# Market Outlook



# Favorable Industry Factors and Market Outlook



## **“Urban Renewal Business” Brings New Market Opportunities**

- The urban renewal business based on urban planning and redevelopment will stay in the uptrend period
- The Group will develop the urban renewal as an important driver of land bank expansion and business growth
- Take Guangdong-Hong Kong-Macao Greater Bay Area as the core region to actively explore the development of quality urban renewal projects



## **Property Market Remains Active, Notable Upward Trend**

- The supply, demand, and sales of the real estate market are still relatively active, with notable upward trend, indicating that there still exists great room for development in the market
- Real estate investment and development is still in a growing trend. The nationwide commercial property sales area increased by 27.7% year on year and reached a record high. The increase of both quantity and price suggested that the market has sound fundamentals.



## **“Centralised Land Supply”, “Three Red Lines”, “Two Centralisations”**

- A series of policies including “centralised land supply” and “three red lines” have been introduced in China that raised the requirements of financing, development and capital position of real estate companies, further accelerating the survival of the fittest in the industry
- Under the influence of “Two Centralisations” policy, the nationwide land supply decreased in the first half of 2021, regional imbalance arose, and hot markets experienced fierce competition in land acquisition, which forced real estate companies to adopt more prudent approaches

# Development Strategies





# Development Strategies

1

Adhere to the "high-growth" land acquisition standard  
Maintain a diversified land acquisition strategy

2

Diversified business strategy  
Cooperate with strong enterprises to expand land acquisition opportunities

3

Uphold "Eco-friendly and People-oriented" development concept  
Provide high-quality and diversified products

4

Adhere to prudent financial policies and actively manage the capital structure

Increase the speed of its development while compliancing the "Three Red Lines" policy.

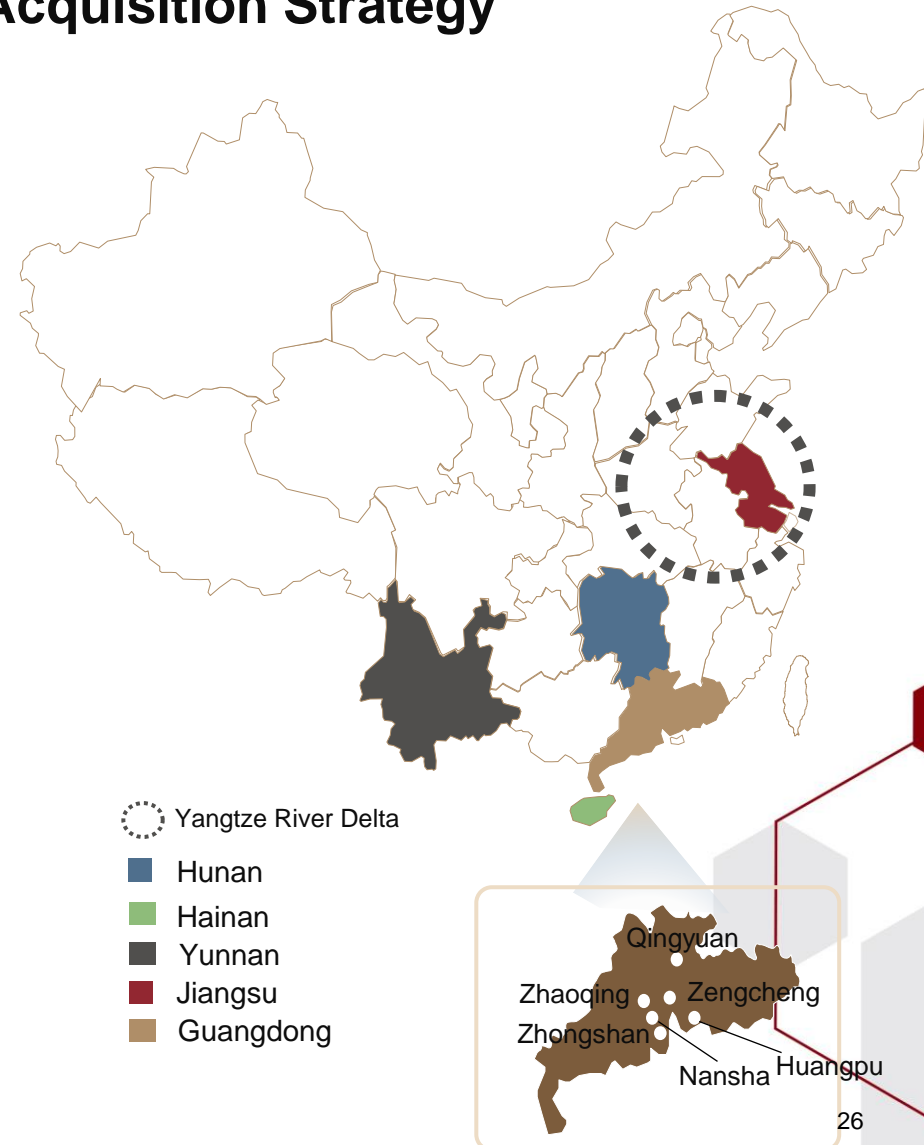
Under the new long-term property market mechanism, the Group will conduct investments more prudently and acquire lands with a more targeted approach to expand the reserve of quality lands, improve the capital turnover efficiency and

realise the balance between scale and quality development.

# 1

## Adhere to “High-growth” Land Acquisition Standard Maintain Diversified Land Acquisition Strategy

- The Group will acquire lands in economic zones of top level and cities with population inflows, the Guangdong-Hong Kong-Macao Greater Bay Area is the core of the Group’s strategic layout. The Group has acquired land reserves of certain scale in Huangpu District and Zengcheng District under the “Look East” strategy of Guangzhou
- The Group is optimistic about hot markets in East China and will devote greater effort to developing more cities in addition to Nanjing, Jiangsu Province, where the Group has achieved some success
- The Group will acquire lands through diversified channels, including tenders, auctions or listing-for-sale, mergers and acquisitions, urban renewal, under the policy of “two centralisations” to ensure the balance between the land acquisition cost and the revenue, and acquire more high-quality projects of higher returns



## 2

# Diversified Business Strategy

## Cooperate with strong enterprises to Expand Land Acquisition Opportunities

01

**Diversified business portfolio**  
**Cultivate its own integrated advantage**

- On the basis of property development, the Group implements the parallel development of property management, hotel operation, and commercial property investment, and combines these segments with property development to embed more added values in products, offer diversified customer experience, and cultivate its own integrated advantage

- In property development, the Group has established cooperation relationship with certain “top 100 real estate companies” to explore more opportunities of acquiring lands in core areas and high-quality projects under the implementation of “centralised land supply”
- With the cooperation, the Group will lower the operating leverage, help projects achieve high conversion, and improve the brand recognition
- The Group will cooperate with renowned enterprises of different sectors in terms of capital, platform, brand and channel to enhance its comprehensive competitiveness

02

**Cooperate with strong enterprises**  
**Enhance its comprehensive competitiveness**

## 3

## Uphold “Eco-friendly and People-oriented”

### Development Concept

### Provide High-quality and Diversified Products

Capitalising on the building experience and operation advantages in high-end cultural tourism property and vacation property sectors, the Group will further develop the established product lines and enrich them with new products.

- In Tengchong, Yunnan province, the Group will launch JY Jiangshan Shili and other new projects following the success of JY Gaoligong Town, to offer **diversified choices** to vacationers with design and facilities that distinguish themselves from JY Gaoligong Town.

**Integrate products with the concept of “Eco-friendly and People-oriented Property”** to create products that are ideal residence for elite groups

- For the financing land of Zhujiang Village Redevelopment Project, the Group will invite international masters to create the design with an aim of building the Group’s first masterpiece of high-end property.

Follow the trend of market demands and **develop products that better meet demands** of the market. For the requirements of old-age support, the Group will explore elderly-friendly dwellings; considering the “third-child” policy, it will design flexible dwellings that are adaptive to different growth stages of families.

# 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 February 2021, the Company issued **7.5% senior notes** in an aggregate principal amount of **US\$155,000,000**, which comprised of the exchange offer of the existing senior notes amounting to US\$137,500,000

# Q&A

