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YING LI INTERNATIONAL
REAL ESTATE

Ying Li International Real Estate Limited

FY 2014 Financial Results



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Highlights



4Q 2014 versus 4Q 2013
Consolidated Statement of Comprehensive Income

(RMB '000)	4Q 2014	4Q 2013	Change %
Revenue	243,753	417,648	(41.6)
Cost of Sales	(65,696)	(292,479)	(77.5)
Gross Profit	**178,057**	**125,169**	**42.3**
Other income	10,335	4,163	148.3
Selling expenses	(14,867)	(15,909)	(6.5)
Administrative expenses – Normal recurring	(55,492)	(27,494)	101.8
Administrative expenses – Share based payment	(1,283)	(4,995)	(74.3)
Fair value gain on investment properties	115,425	259,592	(55.5)
Finance costs	17,573	(28,473)	n.m
Profit before income tax	**249,748**	**312,053**	**n.m**
Taxation	(54,155)	(84,968)	(36.3)
Profit for the period	**195,593**	**227,085**	**(7.5)**
Foreign currency translation differences (at nil tax)	(13,005)	17,793	n.m
Total comprehensive income for the period	**182,588**	**244,878**	**(25.4)**

Source: Company information.

FY 2014 versus FY 2013
Consolidated Statement of Comprehensive Income

(RMB '000)	2014	2013	Change %
Revenue	1,030,491	638,823	61.3
Cost of Sales	(552,494)	(387,540)	42.6
Gross Profit	**477,997**	**251,283**	**90.2**
Other income	15,580	7,075	120.2
Selling expenses	(56,228)	(37,990)	48.0
Administrative expenses – Normal recurring	(117,120)	(90,424)	29.5
Administrative expenses – Share based payment	(11,116)	(6,234)	78.3
Fair value gain on investment properties	115,425	259,592	(55.5)
Finance costs	(68,494)	(91,018)	(24.7)
Profit before income tax	**356,043**	**292,284**	**21.8**
Taxation	(102,423)	(87,125)	17.6
Profit for the period	**253,620**	**205,159**	**23.6**
Foreign currency translation differences (at nil tax)	(20,575)	56,490	n.M
Total comprehensive income for the period	**233,046**	**261,649**	**(10.9)**

Source: Company information.

Statement of financial position

(RMB '000)	As at 31 Dec 2014	As at 31 Dec 2013
Non-current assets		
Property, plant and equipment	58,992	8,748
Investment properties	3,968,486	3,837,685
Available-for-Sale Financial Assets	500,000	
Prepayment	1,060	208
Total non-current assets	**4,528,538**	**3,846,641**
Current assets		
Development properties	3,694,206	3,241,928
Trade and other receivables	319,109	177,245
Cash and cash equivalents	965,136	727,132
Total current assets	**4,978,451**	**4,146,305**
Total assets	**9,506,989**	**7,992,946**
Non-current liabilities		
Deferred taxation	570,462	483,593
Borrowing – Secured	1,058,750	814,375
Total non-current liabilities	**1,629,212**	**1,297,968**
Current liabilities		
Trade and other payables	645,496	1,159,083
Provision for taxation	89,948	95,641
Other borrowings – unsecured	-	96,112
Borrowings – secured	2,085,742	1,892,344
Total current liabilities	**2,821,186**	**3,243,180**
Total liabilities	**4,450,398**	**4,541,148**
Capital and reserves	5,002,023	3,396,830
Non-controlling interest	54,568	54,968
Total equity	**5,056,591**	**3,451,798**

Source: Company information.

Financial Ratio and Key Milestones

Financial Ratio

	FY2014	FY2013	% Change
EPS (RMB per share)	0.111	0.095	16.8
Annualised ROE (%)	0.05	0.06	(16.7)
NAV (RMB per share)	1.96	1.57	24.8

Key Milestones

- Issuance and allotment of 381,000,000 Subscription Shares to Everbright Hero Limited, a nominee of Everbright Hero Holdings Limited
- Issuance of S$165,000,000 in aggregate principle amount of Tranche 1 Perpetual Convertible Securities and S$20,000,000 in aggregate principle amount of Tranche 2 Perpetual Convertible Securities to Everbright Hero Mauritius Limited, the nominee of Everbright Hero Holdings Limited
- Completed construction of Ying Li International Plaza Tower Block 1 & 2 and handover remains on track
- Commenced 1st batch of pre-sales for San Ya Wan Phase 2 in early October 2014
- Made the first investment outside of Chongqing through its investment in Shanghai Zhao Li Partnership (Beijing Tongzhou Project)

Source: Company information.

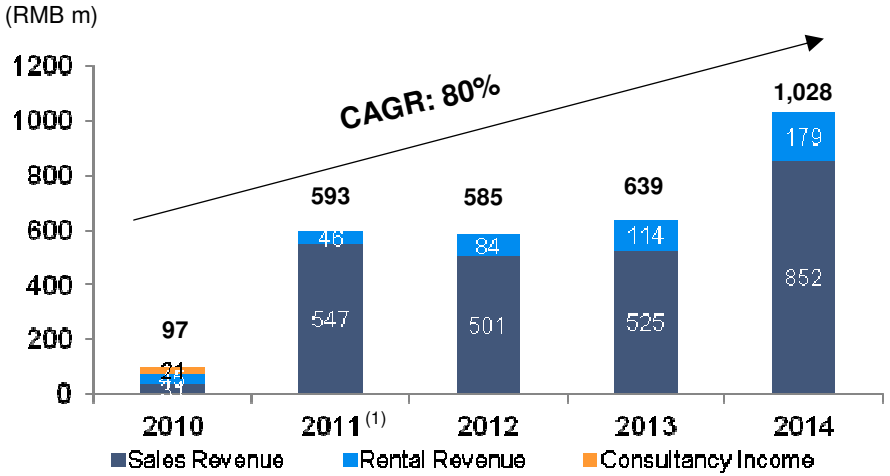
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Financial Highlights

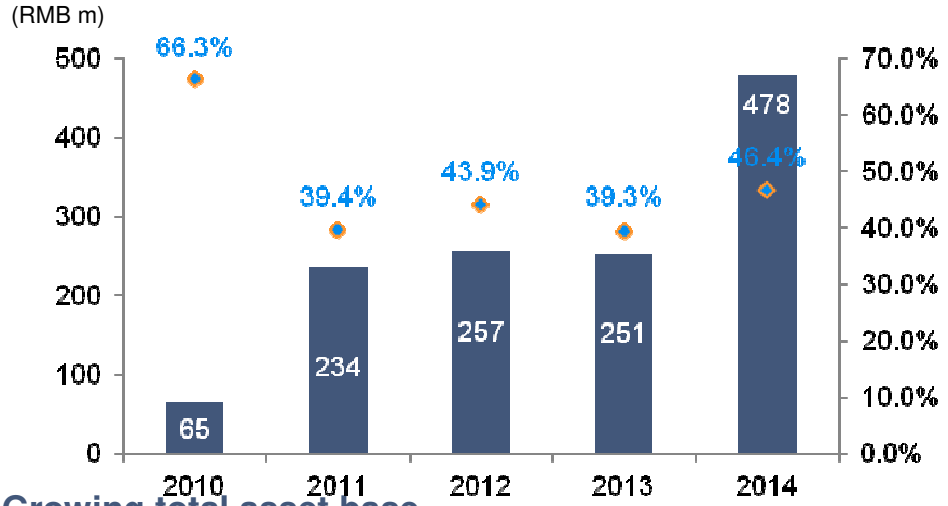


Financial Highlights

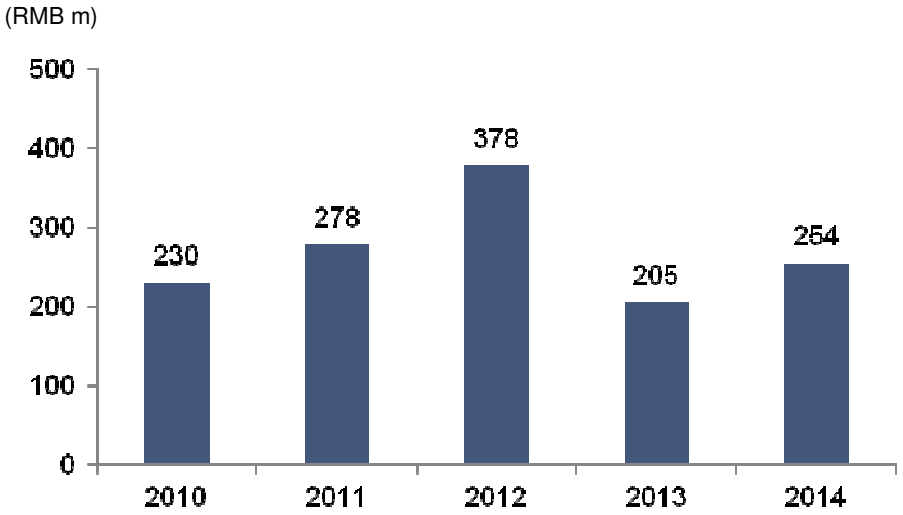
Strong revenue growth



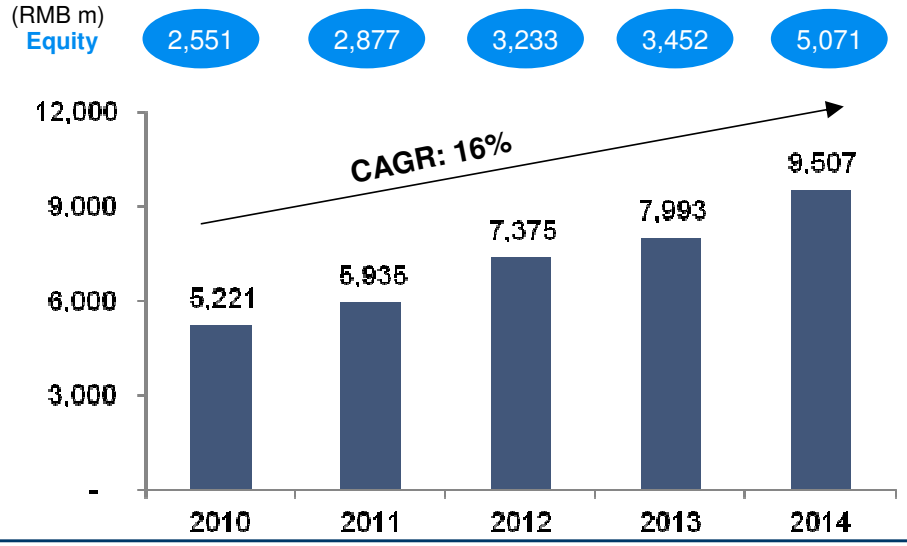
Gross profit and gross profit margin



Net profit after tax



Growing total asset base

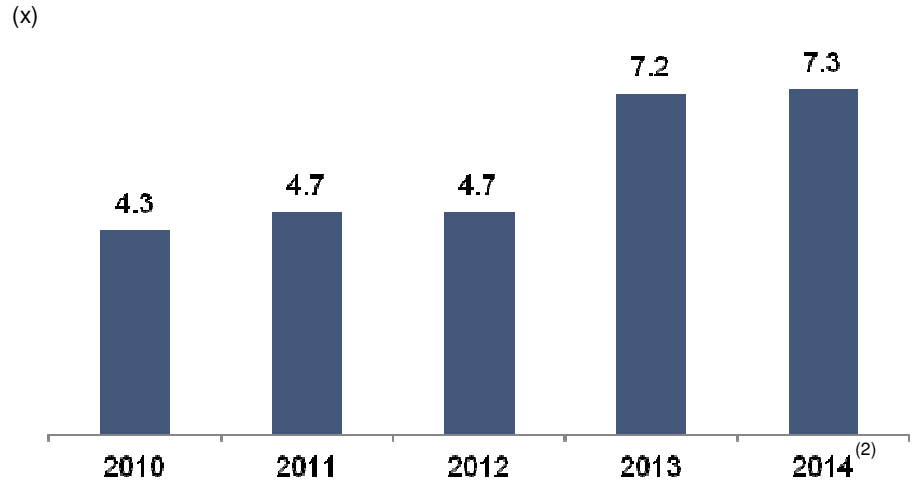


Source: Company financials.

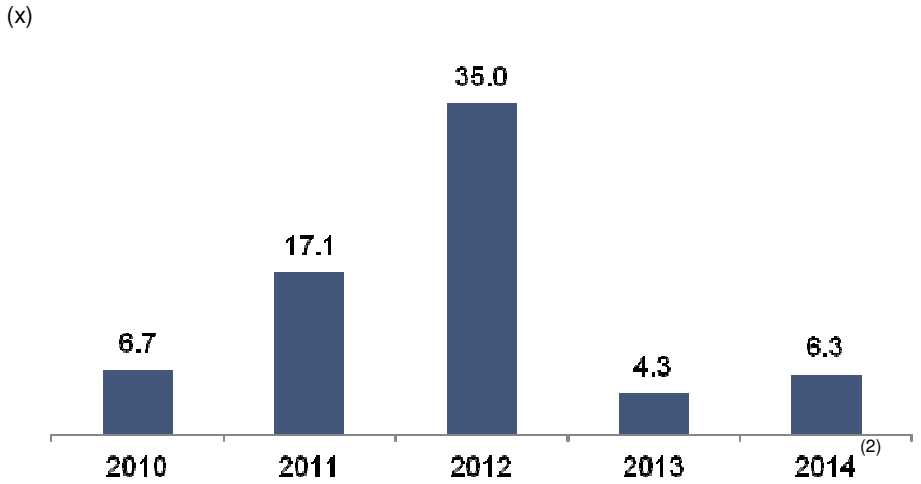
(1) Significant increase in 2011 revenue mainly due to the recognition of sales in Ying Li International Financial Centre and San Ya Wan Phase 1A, as well as the sale of investment properties units in New York New York, Bashu Cambridge and San Ya Wan Phase 1.

Financial Highlights

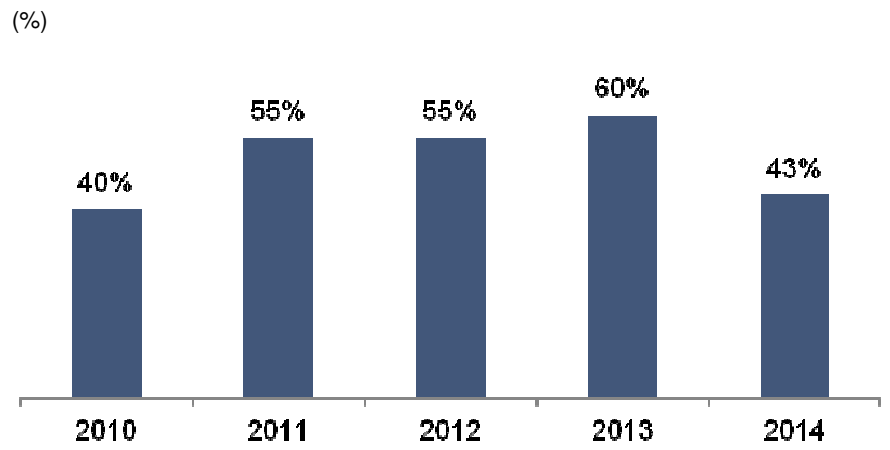
Debt to EBITDA[1,2]



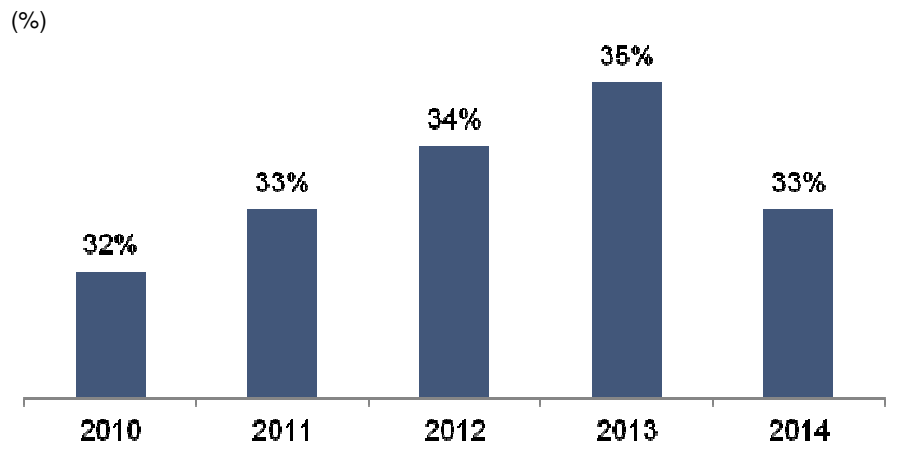
Interest coverage[1,3]



Net debt to total equity



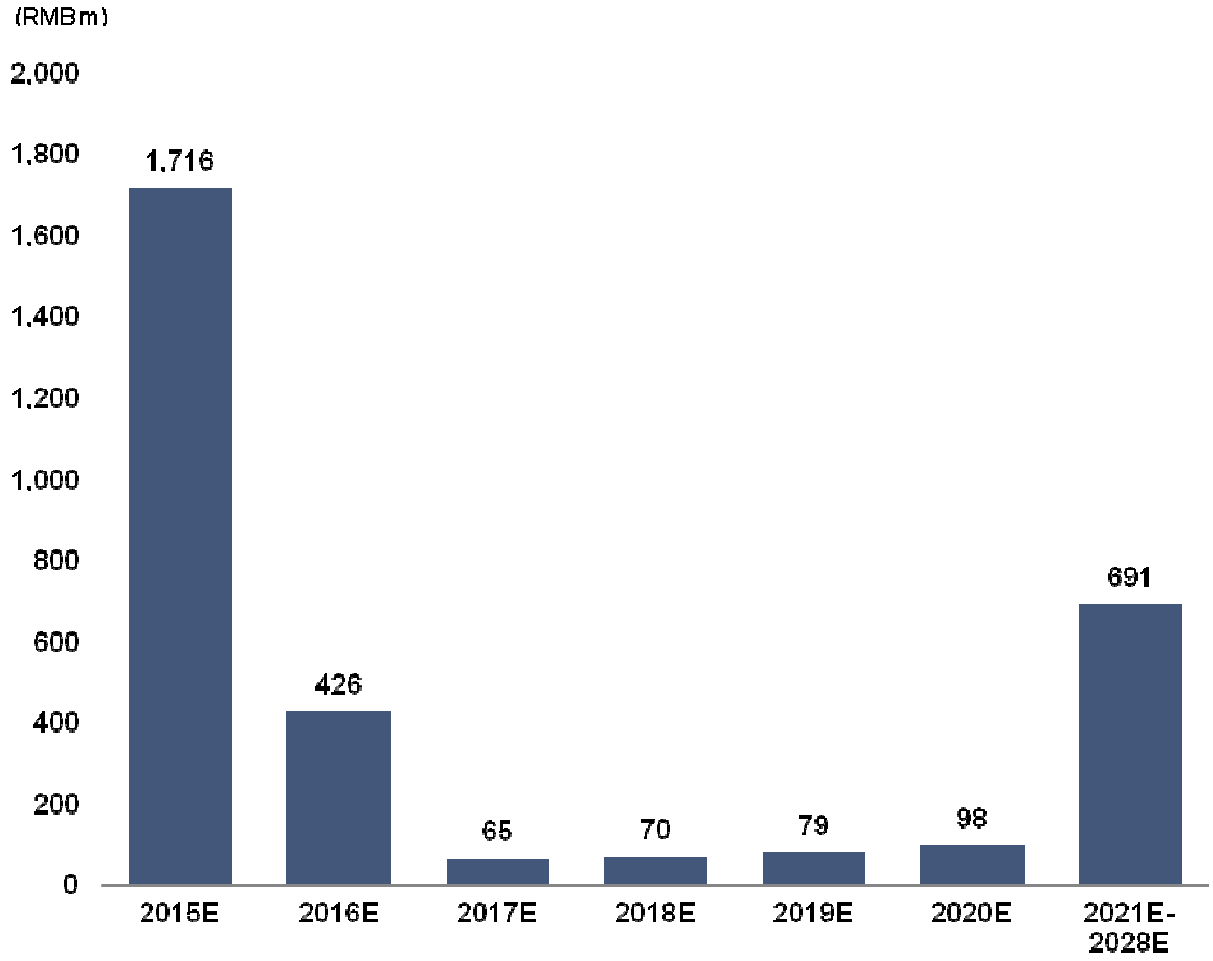
Total debt to total assets



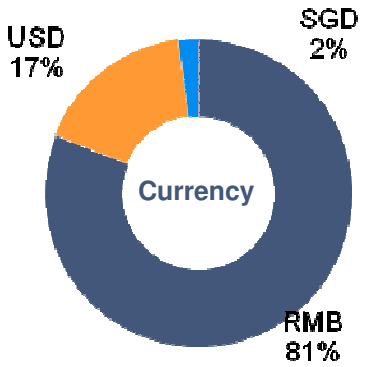
Source: Company financials.
(1) EBITDA derived from the summation of profit for the period (after tax), minority interest, depreciation and amortisation, tax and interest expense.
(2) Derived using total debt as at 31 December 2014 and LTM EBITDA.
(3) Derived using LTM EBITDA and LTM Interest Expenses.

Debt Maturity Profile

Debt maturity profile as of 31 December 2014(1)



Funding mix as of 31 December 2014(1)



Key debt metrics as of 31 December 2014(1)

- Total outstanding debt is RMB3.1bn
- 33.0% LTV(2)
- Weighted average cost of debt: 7.34% per annum
- RMB 965.1m in cash and cash equivalents
- Company currently does not pay dividends, given it is in its growth phase

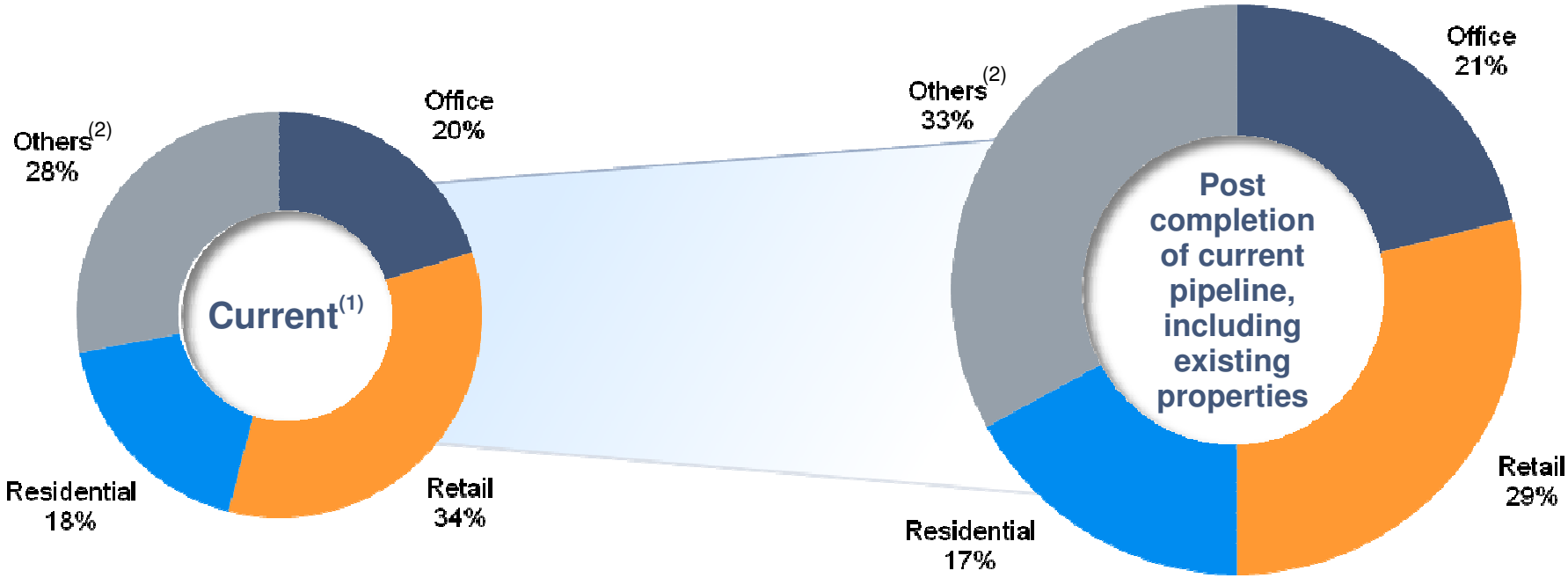
Source: Company information.
(1) Exchange rates of RMB 4.8314 : S$1 and RMB 6.1504 : US$1 were used in to convert all non RMB denominated loans into RMB.
(2) LTV calculated as total loans drawn as of 31 December 2014 divided by total asset value as of 31 December 2014.

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Operational Review



Diversified Portfolio

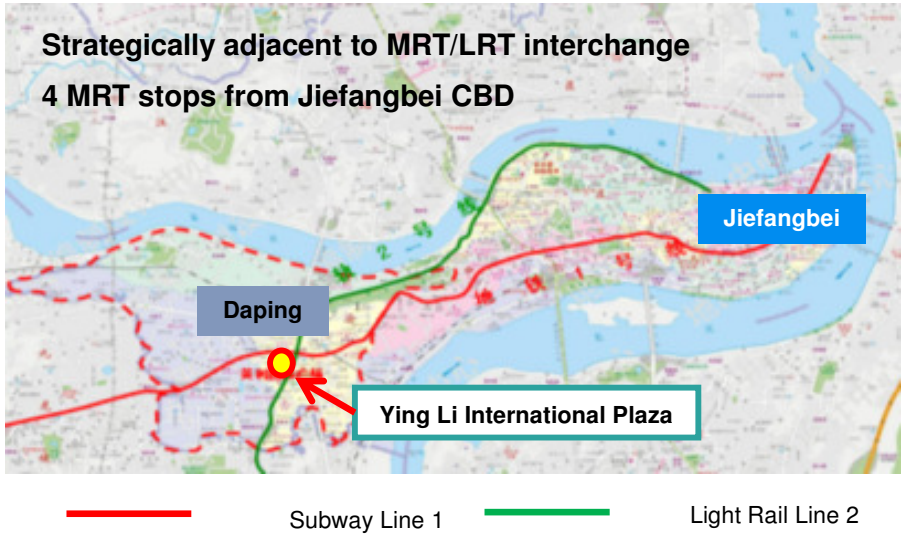


Diversified portfolio will enable to be more resilient to different cyclical changes

Source: Company information.
Note: 2010 property sales include a one-off consultancy income of RMB 21mn.
(1) As of 31 December 2014, consists of properties currently held as investment properties.
(2) Others are mainly car parks.

Project pipeline – Ying Li International Plaza





- Located right in the centre of Daping; the most densely populated area in Yuzhong district, the mall is at the intersection of two major roads and easily accessible with a comprehensive public transport network such as the Subway Line 1 and Light Rail Line 2
- The 9-storey family and lifestyle themed mall beside offering a diverse and vibrant choices of retail, F&B, lifestyle and entertainment outlets also has quality residential apartments, SOHO and Grade A offices
- Benefits from a large catchment of 400,000 population as well as working professionals in the upcoming Yuzhong District Headquarters Economic Zone

Key property statistics

Land area	28,226 sqm
Gross floor area	**409,141 sqm**
- Residential / SOHO	- 116,445 sqm
- Office	- 78,695 sqm
- Retail mall	- 100,524 sqm
- Car park and others	- 113,477 sqm
Expected Handover	FY2015 in phases

Ying Li International Plaza development summary (1)

	Type	Launch / Opening date	Handover	% Units Sold
Tower 1	Office	May 13	67% handed over	47.3%
Tower 2	SOHO	Sep 12	89% handed over	95.9%
Tower 3	Residential	Jul 12	97% handed over	99.2%
Tower 4	Residential	Mar 12	98% handed over	100.0%
Tower 5	Residential	Dec 11		100.0%
Podium	Retail mall	20 Dec 13	71% contracted lease + 1% LOI	

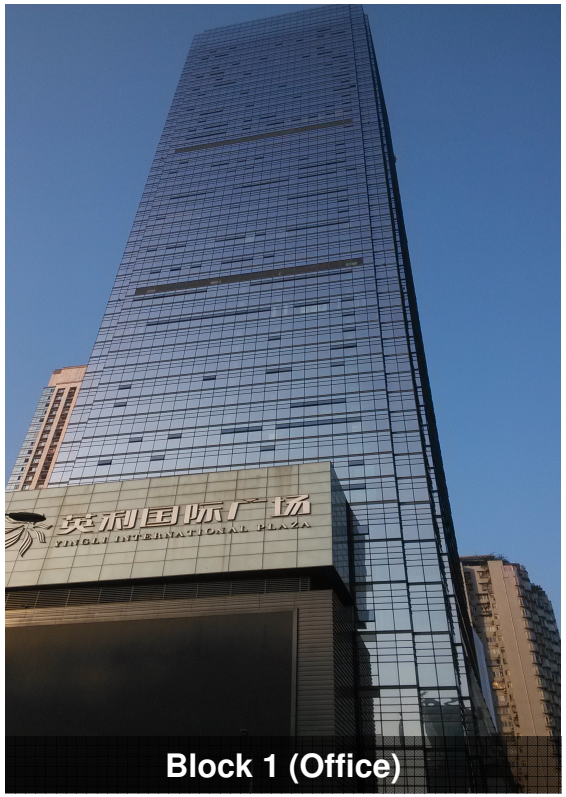
Source: Company information.
(1) As at 31 December 2014

Project pipeline – Ying Li International Plaza

Development Progress



Block 2 (SOHO)



Block 1 (Office)





*Pictures taken in November 2014

- Handed over 98% of 976 of the residential units in Tower 3, 4 & 5 of the Ying Li International Plaza project
- Construction completed for Tower Block 1 & 2 and handover remains on track

International Financial Center (IFC)







- Strategically located in the heart of the Jiefangbei area, Ying Li International Financial Centre ("IFC") is an integrated development with a shopping mall and Grade A office building
- As at 31 December 2014, sold 95% of office space allocated for sale(1) and achieved 95.2% occupancy rate

Key property statistics

Office – Total GFA: 89,971sqm	(%)
Sales in year 1 – Launched Feb 2011	39%
Sales in year 2 (2012)	76%
Contracted sales proceeds	92% (RMB979m)
Contracted occupancy (as at 31 Dec 14)	95.2%

Retail mall – Total GFA: 49,873sqm	
Opening date	Dec 11
Contracted occupancy at opening	80%
Contracted occupancy (as at 31 Dec 14)	97%

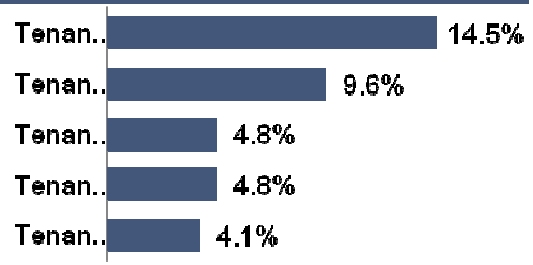
Source: Company information.

Diversified and high quality tenant base

Selected office tenants

Hong Kong Financial Secretary Incorporated

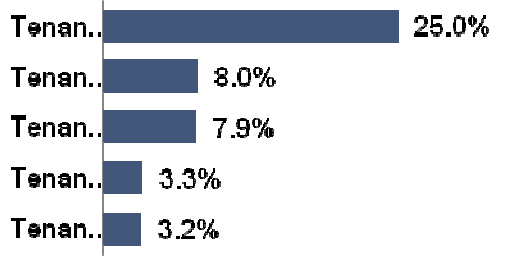
Top 5 tenants account for 37.8% of office rental space



- WALE[(1)]: 2.52 years
- Occupancy[(1)]: 95.2%

Selected retail tenants

Top 5 tenants account for 47.3% of retail rental space



- WALE[(2)]: 8.90 years
- Occupancy[(2)]: 97.0%

Source: Company information.
(1) Weighted average lease expiry and occupancy of leased office area as of 31 December 2014.
(2) Weighted average lease expiry and occupancy of three developments (Future International, Ying Li International Financial Centre and Ying Li International Plaza mall) with leased retail areas as of 31 December 2014.

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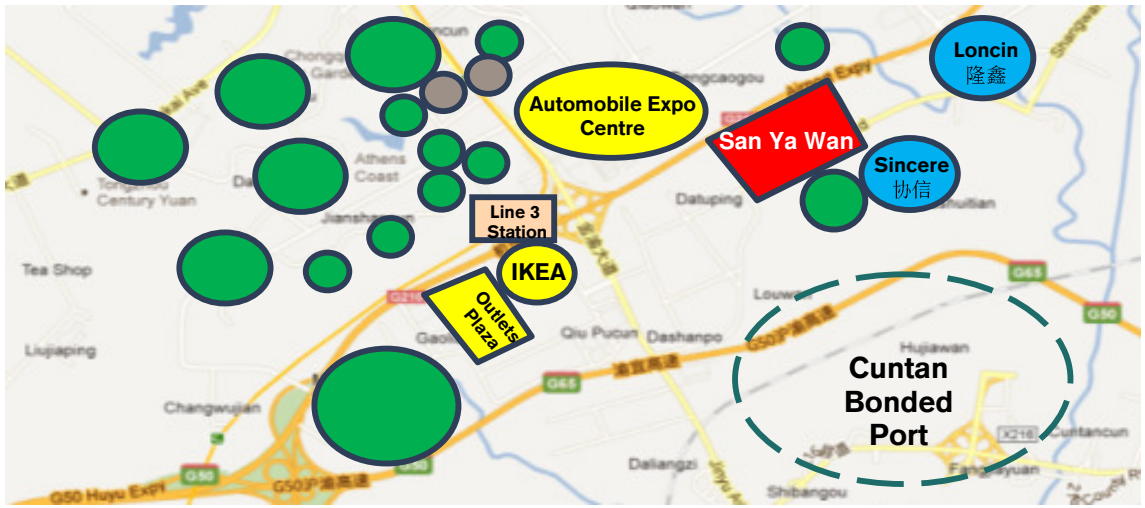
Business and Market Outlook



Project pipeline – San Ya Wan Phase 2



- San Ya Wan Phase 2 project is strategically located in the Yubei district, Chongqing
  - Near to Lianglu Cuntan Bonded Port, Western China's only dual functional tax-free bonded port
  - 15 minutes from Jiangbei International and Domestic Airport via light rail or highway
  - 20 minutes to core CBD area
- Guided by the Singapore city planning concept, SYW's design aimed at creating a garden-like residential community
- Focusing on the development of quality apartment and well-supported surrounding amenities, SYW targets at the emerging middle class clientele pursuing higher quality city living standard



Project Description	
Type	Residential
Land Area (approx)	73,300 sqm
Total GFA (approx)	307,000 sqm
Expected Handover	2015/16

Upcoming Projects

Office Buildings

Completed Residential Projects

Source: Company information.

Project pipeline – San Ya Wan Phase 2

Development Progress







- 12 blocks of residential townhouses units have achieved structural completion. Façade construction work completed for 4 blocks of residential townhouses units.
- Commenced 1st batch of pre-sales in early October 2014
- Construction progressing smoothly and completion of project expected to be in stages in 2015 and 2016

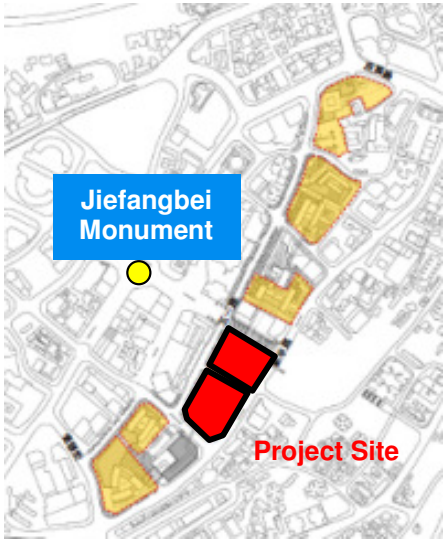
*Pictures taken in November 2014

Project pipeline – Ying Li Financial Street Project

Chongqing Financial Street

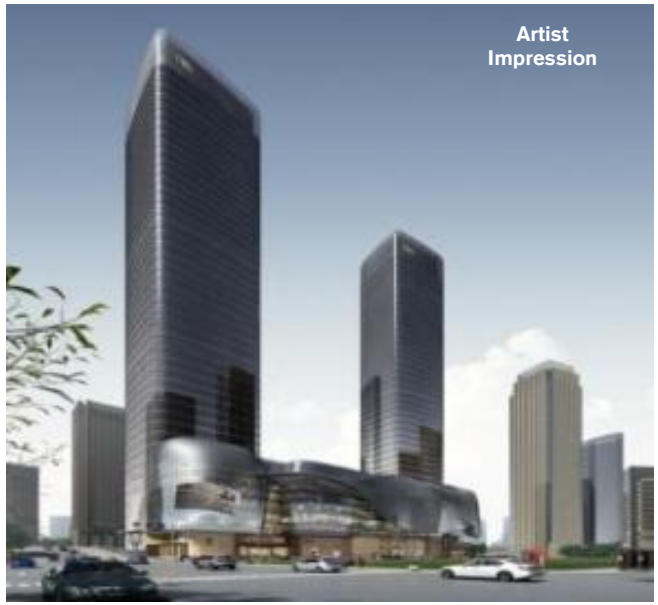






- Chongqing Financial Street ("CQFS") comprises 7 land parcels for mixed-use development with office, retail and hotel components. Ying Li secured 2 prime plots
- Chongqing Municipal Government has earmarked RMB 15 billion to develop CQFS into the "Wall Street" of Western China

Ying Li Financial Street Project



- Strategically located along Chongqing Financial Street in Yuzhong Jiefangbei CBD
- Ying Li's Financial Street Project is the largest project land plot closest to the Jiefangbei Pedestrian Street with exposure to main roads

Project Description	
Type	Commercial (Office, Retail, etc)
Land area	17,000 sqm
Total GFA (approx)	297,000 sqm
Expected Handover	2017/19 (two phases)

Source: Company information.

Project pipeline – Ying Li Financial Street Project

Development Progress







- Construction of tower block reached 12th storey of 44
- Construction of retail podiums reached 9th storey of 9
- Completion of project expected to be in stages from 2017

*Pictures taken in October 2014

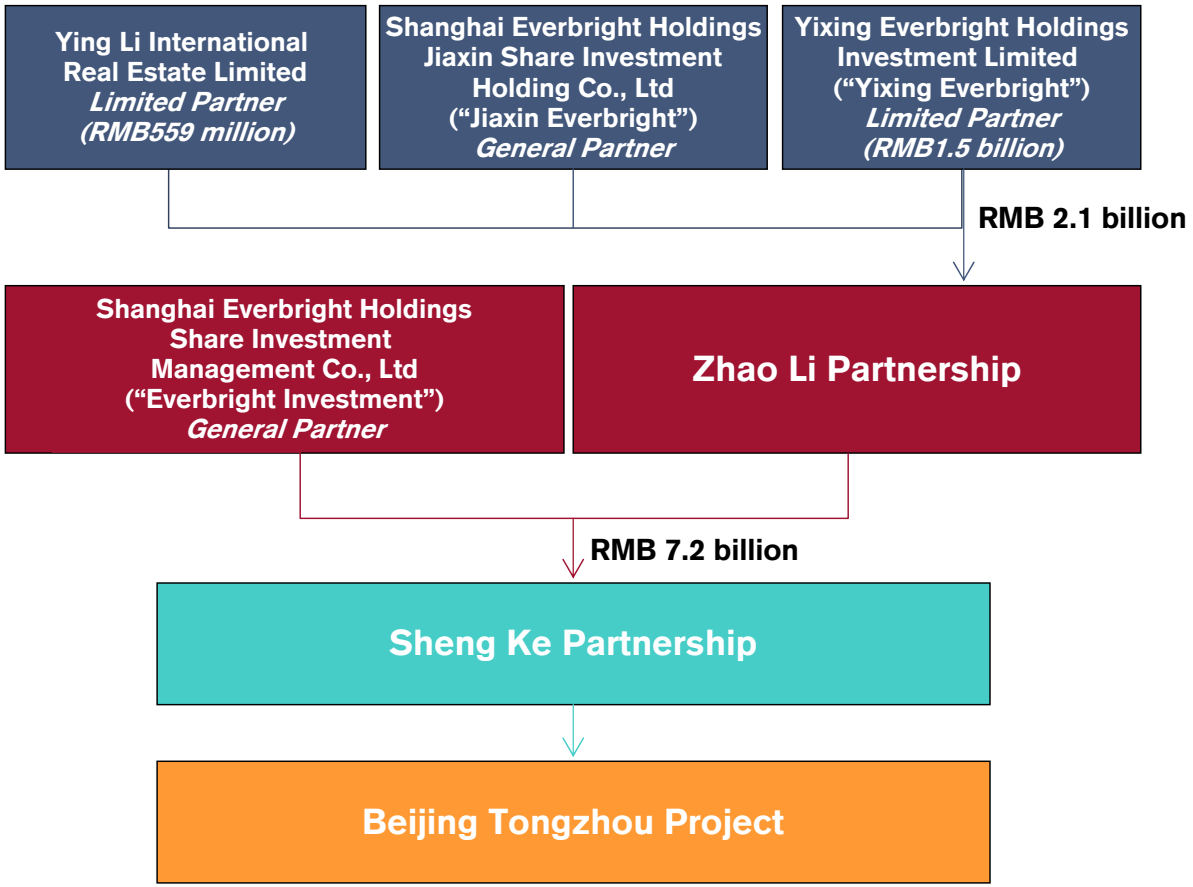
New Project: Beijing Tongzhou (Announced on 31 December 2014)

Transaction Overview	▪ The Company will invest RMB559 million in Shanghai Zhao Li Partnership by way of subscription of a limited partnership interest. ▪ The objective of the investment in the Zhao Li Partnership is to utilize the capital contributions from the Zhao Li General Partner and the Zhao Li Limited Partnership Interest Investors to subscribe for a limited partnership interest in Shanghai Sheng Ke Investment Centre LLP. ▪ The Sheng Ke Partnership will in turn utilise the subscription funds from its limited and general partners to invest and participate in the Beijing Tongzhou Project
Transaction Rationale	▪ Beijing Tongzhou project's strategic location will benefit from the unification of Beijing and Tianjin with Hebei province ▪ Participation in project of such influence and scale at a prime location in Beijing, serves as a crucial milestone for the Group penetrating into first-tier cities in China ▪ Allows the Group to participate in Beijing Tongzhou project without having to consolidate the initial huge debt liability of the project company ▪ The Group has a call option at that it can choose to exercise when the project is more mature, allowing it to acquire higher stake in the project with minimal investment at the beginning

* Source: China Everbright Group

Project pipeline: Beijing Tongzhou Project

Shareholder Structure of the Project



Project pipeline: Beijing Tongzhou Project





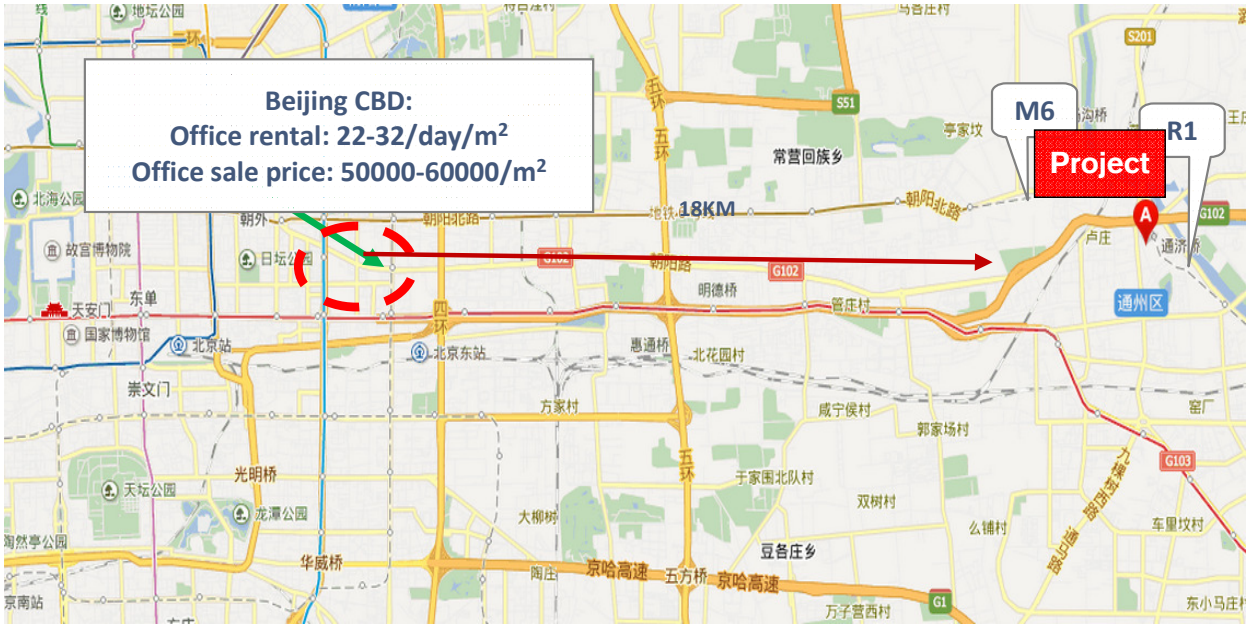


- Beijing Tongzhou Project has been incorporated in the government's 12th five-year plan
- First project in Beijing that combines the mass rapid transit, round island underground tunnel, underground retail in one single location
- Consist of super high-rise premium residential units, office buildings and retail malls

Project Description	
Type	Mix-development -Residential -Office -Retail
Land area	57,166 sqm
Total GFA (approx)	750,000 sqm
Expected kick-start of project	Phase 1 (Residential): 2014 Phase 2 & 3 (Office and Retail): 2015
Expected Presale	2Q2015 (Residential)

Note: M6 and R1 are metro stations

Project pipeline: Beijing Tongzhou Project



Beijing Tongzhou District

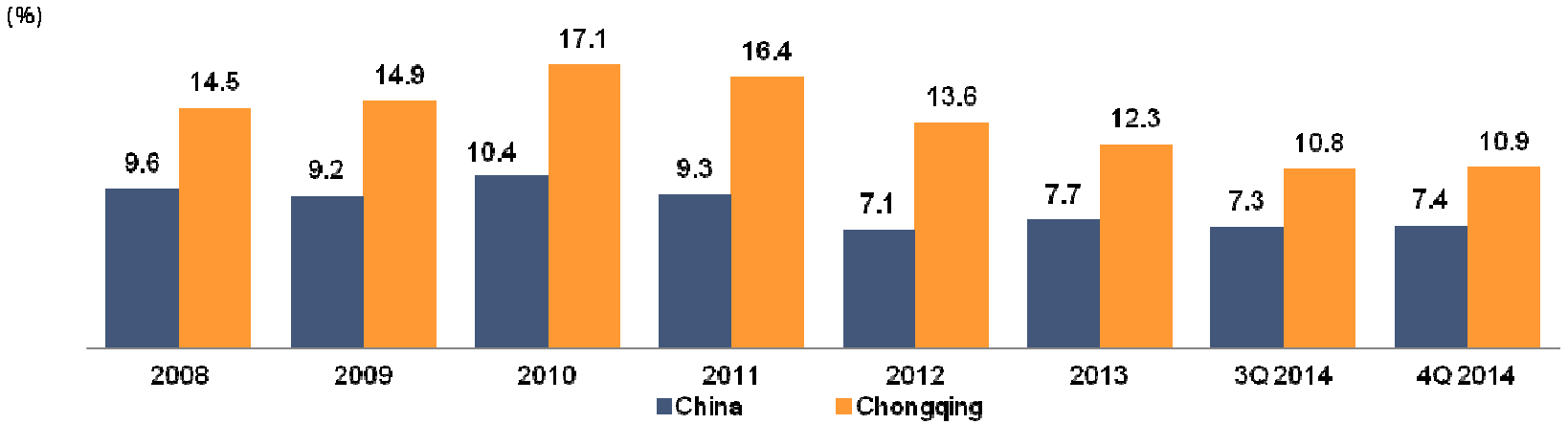
- Beijing Tongzhou is known as the Eastern gateway to Beijing, China's capital city
- Tongzhou District will be the key focal area of development in future
  - Downtown Tongzhou earmarked to redevelop into a CBD district with emphasis on consumer retail
- Entire district covers an area of 906 sqkm and has a population of 1.18 million[1]
- Home to Universal Studios, Renmin University of China, and an international healthcare and wellness city
- 18 km from Beijing's CBD; 16 km from Beijing Capital International Airport

Note: M6 and R1 are metro stations

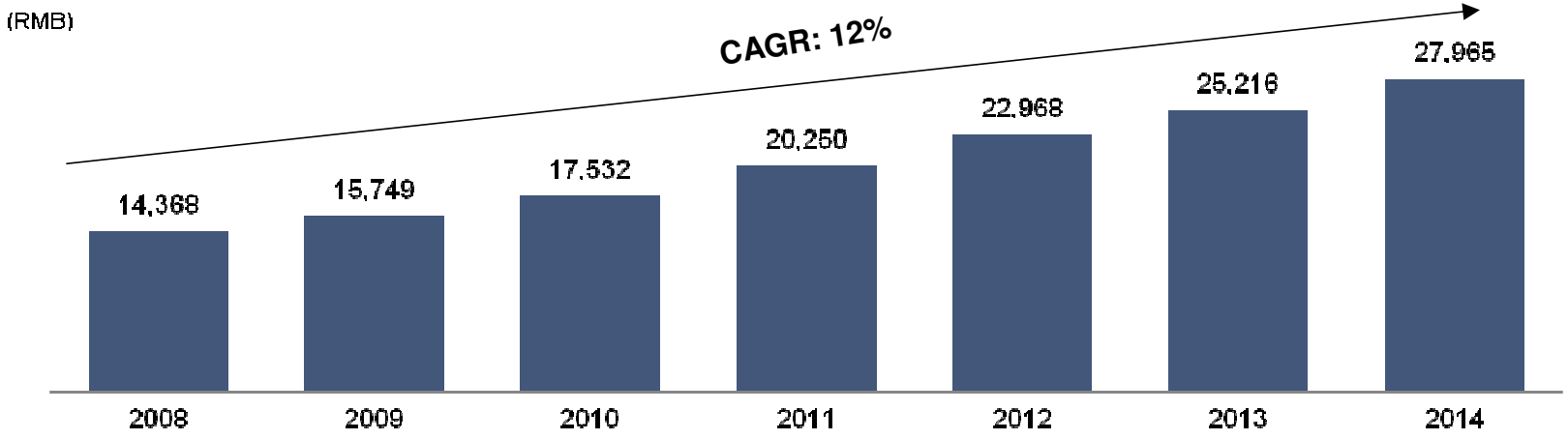
[1]: Population and Family Planning Commission of Tongzhou District, Beijing, 2010

Market Outlook

One of the highest GDP growth in China



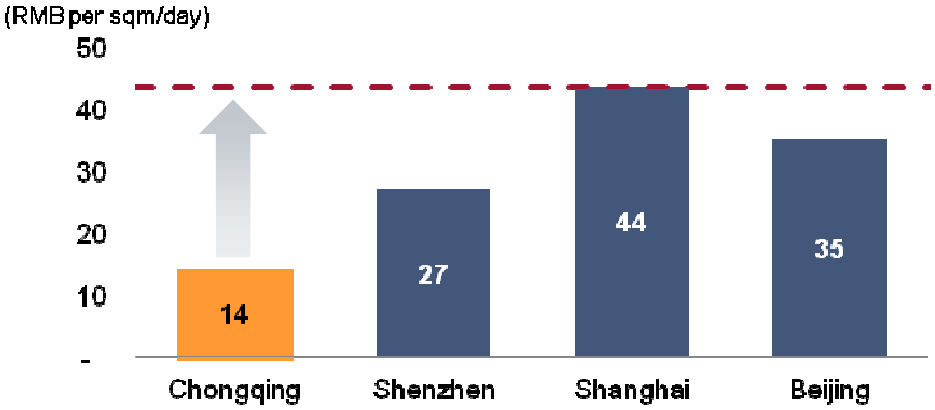
Growing disposable income per capita



Source: Chongqing Statistics Bureau.

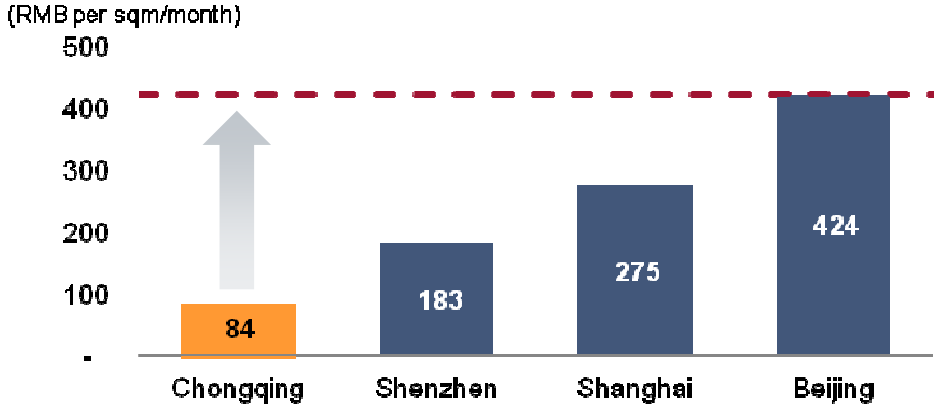
Market Outlook

Prime Retail monthly rental rate (4Q 2014)



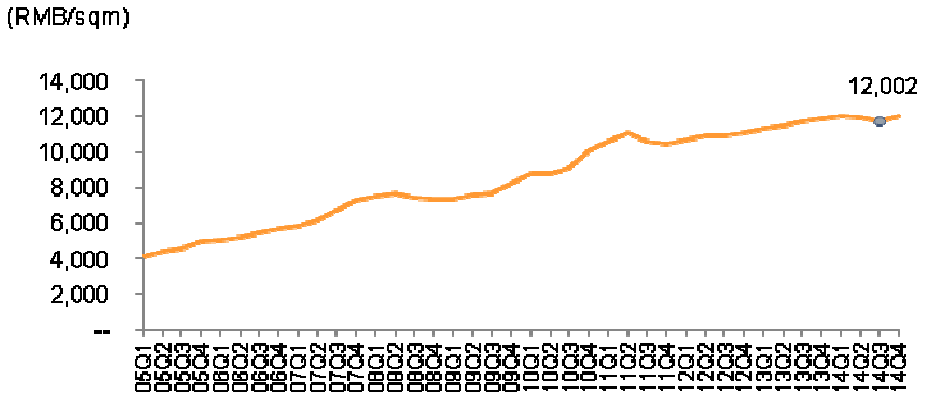
Source: CBRE

Grade A Office monthly rental rate (4Q 2014)



Source: CBRE

Marginal increase in high-end residential prices (4Q 2014)



Source: Jones Lang LaSalle, DTZ

- According to the latest figures released by the Chongqing Statistics Bureau and the National Bureau of Statistics, Chongqing's economy achieved a nominal GDP of RMB 1,426.5 billion, an increase of 10.9% year-on-year ("y-o-y") and 3.5 percentage points higher than the national average level of 7.4%. Total retail sales increased by 13.0% y-o-y to RMB 509.6 billion
- Given that the Group focuses on development of integrated properties in Chongqing, particularly in the Yuzhong district, the Group believes it will continue to benefit from the strong fundamentals and rapid urbanisation of Chongqing.
- Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2015.

Note:
(1) Investment grade office includes grade A and high-quality Grade B office buildings.

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Thank you

