



**英利国际置业**  
YING LI INTERNATIONAL  
REAL ESTATE

# Ying Li International Real Estate Limited

## 4Q FY2016 and FY2016 Financial Results



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## Financial Performance

# 4Q FY2016 versus 4Q FY2015

## Consolidated Statement of Comprehensive Income

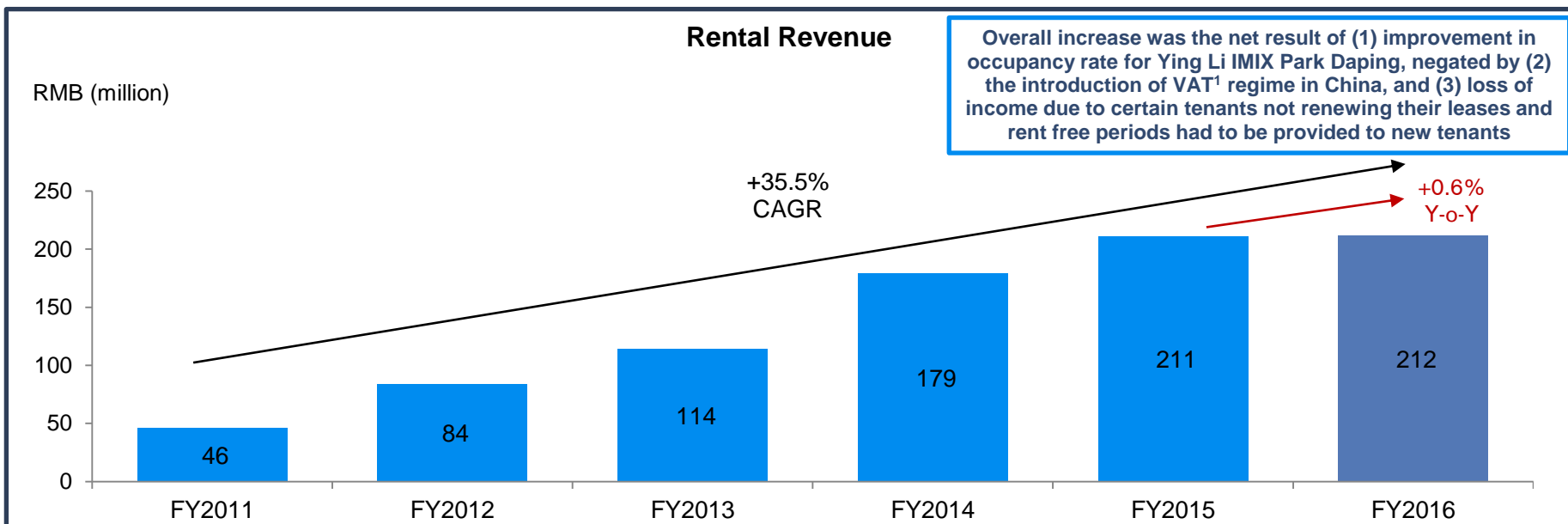
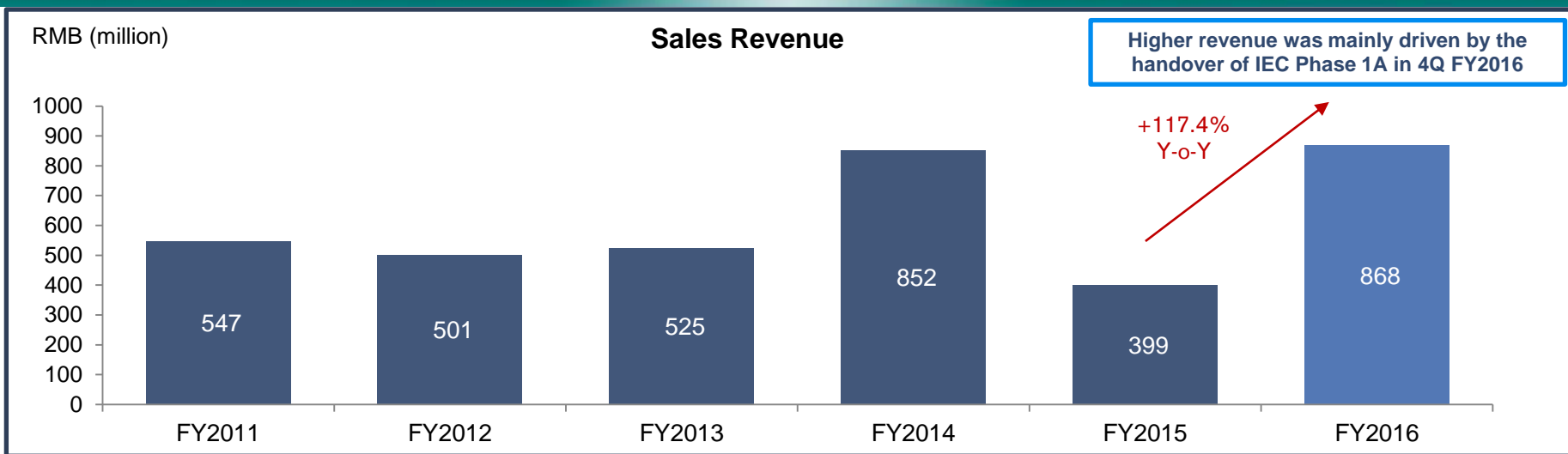
(RMB '000)	4Q FY2016	4Q FY2015	Change %
Revenue	567,916	306,932	85.0
Cost of Sales	(421,961)	(227,786)	85.2
<b>Gross Profit</b>	<b>145,955</b>	<b>79,146</b>	<b>84.4</b>
Other income	15,409	15,835	(2.7)
Selling expenses	(27,683)	(27,541)	0.5
Administrative expenses	(59,443)	(44,032)	35.0
Administrative expenses – Share based payment expense	-	2,459	n.m.
Fair value gain on investment properties and other investments	42,273	157,910	(73.2)
Finance costs	(21,501)	(22,857)	(5.9)
<b>Profit before income tax</b>	<b>95,010</b>	<b>160,920</b>	<b>(41.0)</b>
Taxation – Current	(4,272)	(14,317)	(70.2)
Taxation – Deferred	(26,344)	(28,433)	(7.3)
<b>Profit for the period</b>	<b>64,394</b>	<b>118,170</b>	<b>(45.5)</b>
<b>Profit attributable to ordinary shareholders of the company</b>	<b>65,870</b>	<b>114,355</b>	<b>(42.4)</b>

# FY2016 versus FY2015

## Consolidated Statement of Comprehensive Income

(RMB '000)	FY2016	FY2015	Change %
Revenue	1,079,543	616,838	75.0
Cost of Sales	(741,478)	(355,931)	108.3
<b>Gross Profit</b>	<b>338,065</b>	<b>260,907</b>	<b>29.6</b>
Other income	54,517	53,179	2.5
Selling expenses	(80,144)	(73,162)	9.5
Administrative expenses	(128,712)	(119,160)	8.0
Fair value gain on investment properties and other investments	42,273	157,910	(73.2)
Finance costs	(93,017)	(102,296)	(9.1)
<b>Profit before income tax</b>	<b>132,982</b>	<b>177,378</b>	<b>(25.0)</b>
Taxation – Current	(24,543)	(22,711)	8.1
Taxation – Deferred	(19,109)	(26,042)	(26.6)
<b>Profit for the period</b>	<b>89,330</b>	<b>128,625</b>	<b>(30.6)</b>
<b>Profit attributable to ordinary shareholders of the company</b>	<b>87,672</b>	<b>126,203</b>	<b>(30.5)</b>

# Revenue



<sup>1</sup> With effect from 1 May 2016, Value Added Tax ("VAT") will be imposed on revenue received from customers in place of business tax. Revenue received will be deemed to be inclusive of VAT and the tax will be deducted directly from revenue and paid to the tax authorities:

# Statement of Financial Position

(RMB '000)	As at 31 Dec 2016	As at 31 Dec 2015
<b>Non-current assets</b>		
Property, plant and equipment	54,656	60,598
Investment properties	4,457,926	4,391,519
Other investment	620,000	602,000
Deferred assets	28,108	22,840
<b>Total non-current assets</b>	<b>5,160,690</b>	<b>5,076,957</b>
<b>Current assets</b>		
Development properties	5,187,210	4,651,332
Trade and other receivables	841,759	872,515
Cash and cash equivalents	676,315	1,322,708
<b>Total current assets</b>	<b>6,705,284</b>	<b>6,846,555</b>
<b>Total assets</b>	<b>11,865,974</b>	<b>11,923,512</b>

Increase due to progress made on Ying Li International Commercial Centre and Ying Li International Electrical and Hardware Centre ("IEC") projects

Decrease mainly due to decrease in security deposits placed with contractors, suppliers and the relevant authorities

Decrease was mainly due to payment made to suppliers, payment for income tax and repayment of borrowings

# Statement of Financial Position (cont'd)

(RMB '000)	As at 31 Dec 2016	As at 31 Dec 2015
<b>Non-current liabilities</b>		
Deferred taxation	573,209	549,019
Borrowings – Secured	1,457,056	2,263,230
Bonds	347,503	-
<b>Total non-current liabilities</b>	<b>2,377,768</b>	<b>2,812,249</b>
<b>Current liabilities</b>		
Trade and other payables	1,265,015	1,033,222
Provision for taxation	156,958	172,830
Borrowings – secured	3,004,222	2,822,420
<b>Total current liabilities</b>	<b>4,426,195</b>	<b>4,028,472</b>
<b>Total liabilities</b>	<b>6,803,963</b>	<b>6,840,721</b>
Capital and reserves	5,003,367	5,025,805
Non-controlling interest	58,644	56,986
<b>Total equity</b>	<b>5,062,011</b>	<b>5,082,791</b>
<b>Total equity and liabilities</b>	<b>11,865,974</b>	<b>11,923,512</b>

Decrease in total borrowings mainly due to repayments of loans.

Increase due to three projects under development and pre-sales proceeds collected

Decrease due to i) a reduction in Retained Profits mainly due to the payment of distributions on the Perpetual Convertible Securities; and (ii) a decrease in the Exchange fluctuation reserve because of RMB devaluation

Note: In accordance with Singapore FRS 1, the Group has recorded loans with repayment periods that falls within its operating cycle (development period of properties) as current liabilities.



# Financial per share and Key Milestones

## Financial per share

	FY2016	FY2015	% Change
EPS (RMB per share)	0.034	0.050	(30.5)
	31 Dec 2016	31 Dec 2015	% Change
NAV (RMB) per share	1.96	1.97	(0.5)

## Key Milestones

### **Ying Li International Hardware and Electrical Centre (IEC) – Phase 1A and 2A**

- Completion and commenced the handover of Phase 1A in Dec 2016 .
- Total sales and contracted pre-sales as at 31 December 2016 amounted to RMB946 million. Cumulatively, RMB391 million had been recognized.
- Total amount from registered interest with deposit paid pending conversion to sales contract as at 31 December 2016 amounted to RMB208 million.

### **Lion City Garden**

- Lion City Garden project continues to draw healthy demand as total sales and contracted pre-sales for Phase 2A, 2B and 2C as at 31 December 2016 amounted to RMB809 million. Cumulatively, RMB660 million had been recognized.

### **Beijing Tongzhou project**

- Continues to register robust demand with contracted pre-sales as of 31 December 2016:
- SOHO Tower 1 – 100% pre-sold amounting to approximately RMB1.06 billion, representing an ASP of RMB 34,500 sqm
- SOHO Tower 2 – 96.0% pre-sold amounting to approximately RMB1.89 billion, representing an ASP of RMB 35,800 sqm
- SOHO Tower 3 – 30.0% pre-sold amounting to approximately RMB0.41 billion, representing an ASP of RMB 44,300 sqm

### **Refinanced at lower interest rate**

- Refinance some of the existing loans, average interest lowered to 6.91% as of 31 Dec 2016, from 7.65% as of 31 Dec 2015

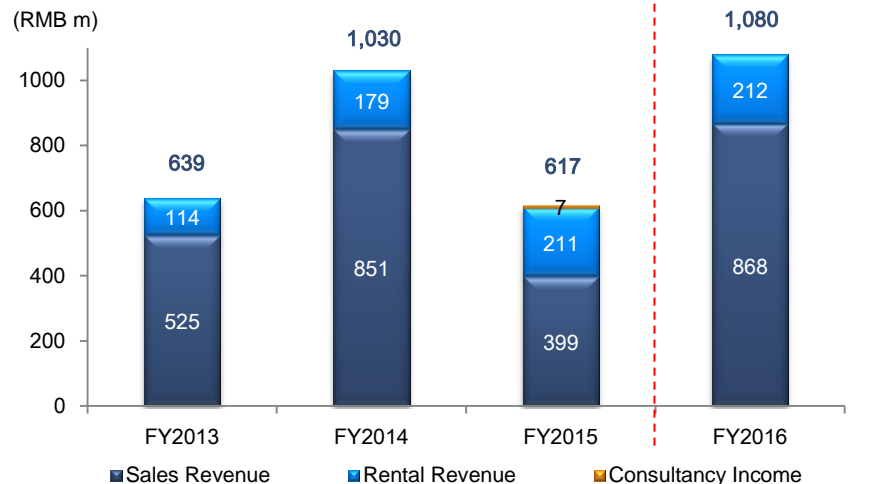


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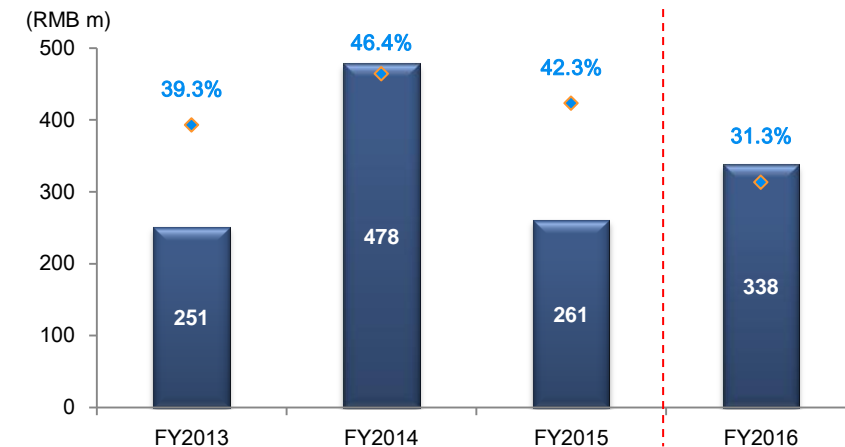
## Financial Highlights

# Financial Highlights

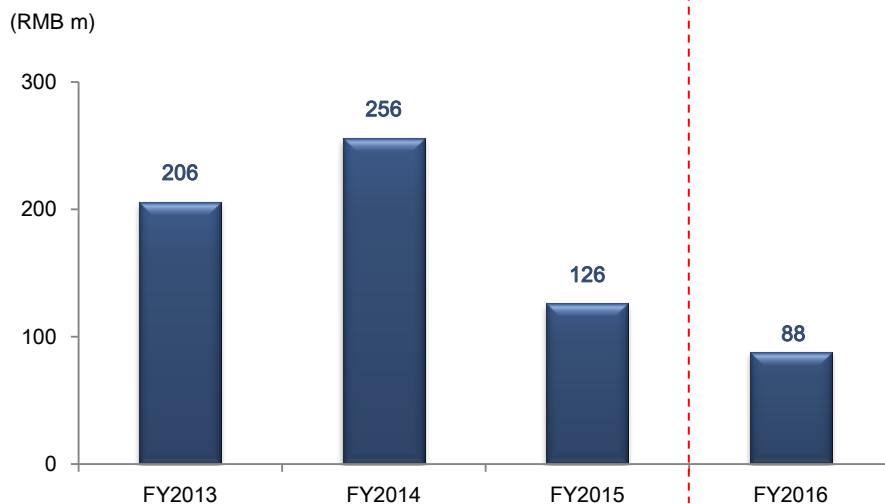
## Revenue



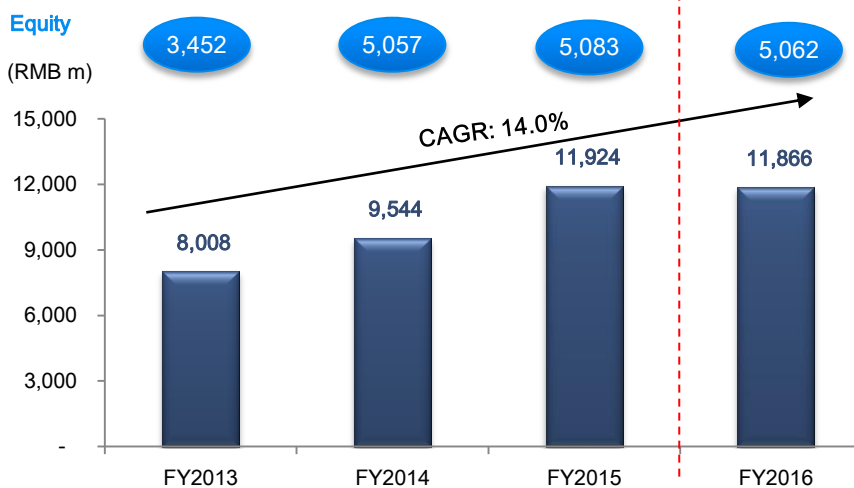
## Gross Profit and Gross Profit Margin



## Profit Attributable to Ordinary Shareholders



## Growing Total Asset Base



Source: Company financials



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## Operational Review

# Balanced Portfolio with Diversified Quality Tenants' Base; Recurring Income Provides Stability and Growth

## Selected Office Tenants



Blended occupancy<sup>(1)</sup>: 87.8%

## Selected Retail Tenants



Blended Occupancy<sup>(2)</sup>: 91.4%

Source: Company information

(1) Occupancy of Investment Properties' office area (consisting of Ying Li International Financial Centre, Minsheng Southern Garden and others) as of 31 Dec 2016 with a GFA of 47,814 sqm.

(2) Occupancy of Investment Properties' retail area (consisting of Future International, Ying Li IMIX Park JFB, Ying Li IMIX Park Daping and others) as of 31 Dec 2016 with a GFA of 212,794 sqm.

# Jiefangbei: Traditional CBD and Retail Centre of Chongqing

Massive Countdown for 2017 in Jiefangbei



Source: 重庆微生活

# Mall Activities: Ying Li IMIX Park Jiefangbei (aka IFC mall)

Motorbike Show



Promotion for New Fitness Club Will's



Car Show



Giving Hearts Event



# Mall Activities: Ying Li IMIX Park Daping (aka Int'l Plaza mall)

Jacky Chan's Movie Promo



Christmas Eve Dinner Party



Baby Olympics Event



Acting Talent Hunt for Kids



Kids Autumn Performance Event



Sports Meet for Kids





# Re-positioning: Ying Li IMIX Park Daping

Focusing on Entertainment and Family/Children-related Concepts Tailored to the Needs of Consumers



# AEI: Ying Li IMIX Park Jiefangbei and Daping

Ongoing Space Optimisation to Generate Recurring Revenue and Higher Foot Traffic

## Ying Li IMIX Park Jiefangbei



## Ying Li IMIX Park Daping





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## Project Updates



# Update (A): San Ya Wan Phase 2 (Lion City Garden), Chongqing

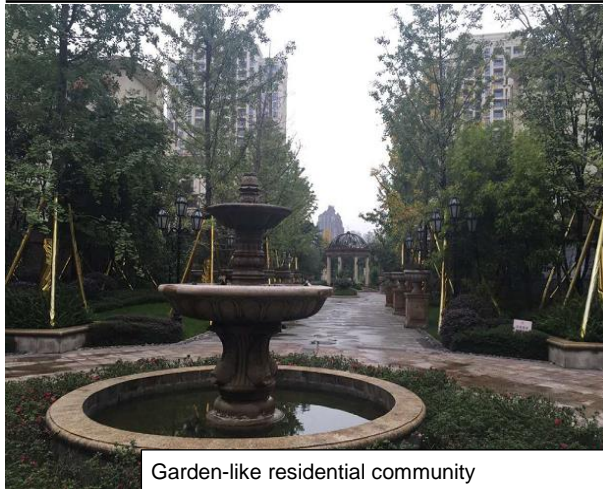
- ✓ Garden-like residential community comprising quality apartments targeted for the emerging middle class
- ✓ Continues to register healthy demand for the three phases (2A, 2B and 2C) launched
- ✓ Buyers have gradually moved in upon handover
- ✓ Total sales and contracted pre-sales for Phase 2A, 2B and 2C amounted to RMB809 million as at 31 Dec 2016



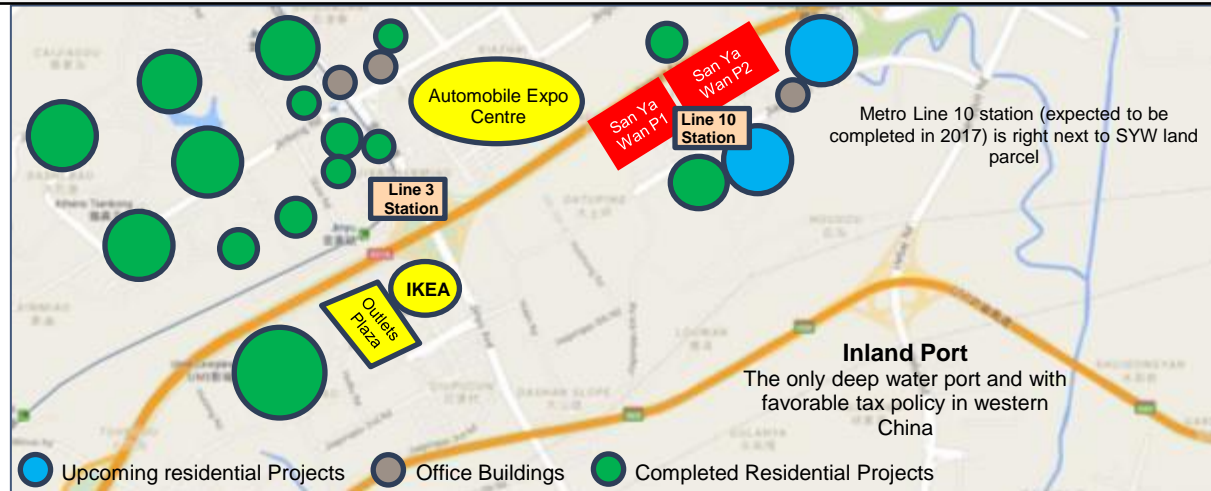
Type	Residential / Retail
Target Completion Dates	2015 / 2016 / 2017
Pre-sales (Phase 2D)	2017-2018
Total sales and contracted pre-sales as of 31 Dec 2016 (Phase 2A, 2B, 2C)	RMB809 million

# Update (A): San Ya Wan Phase 2 (Lion City Garden), Chongqing

- ✓ Located in Liangjiang New Area, the 3<sup>rd</sup> state-level development area after Shanghai Pudong and Tianjin Binhai
- ✓ Conveniently situated above Metro Line 10 (target to complete in 2017)
- ✓ Close proximity to sizable shopping malls, outlets, .e.g. IKEA and Chongqing Automobile Expo Centre and Culture Plaza



Garden-like residential community



Car park for apartments



Swimming pool



Tennis court

# Update (B): Ying Li International Hardware and Electrical Centre (IEC), Chongqing

- ✓ One-stop hardware and electrical centre build-to-order (BTO) model catering to ~3,000 merchants
- ✓ Located at Shuangfu neighbourhood in Jiangjin District, Chongqing's secondary CBD, surrounded with amenities such as hospitals, schools, education institutions and other social welfare system
- ✓ As planned, Phase 1A completed in 4Q2016 and handover commenced in December 2016
- ✓ Total sales and contracted pre-sales amounted to RMB946 million as at 31 December 2016
- ✓ Total amount from registered interest with deposit paid pending conversion to sales contract amounted to RMB208 million as at 31 December 2016



**Total GFA (3 phases) : ~1.32 million sqm**

Broad View of Phase 1A and Phase 2A



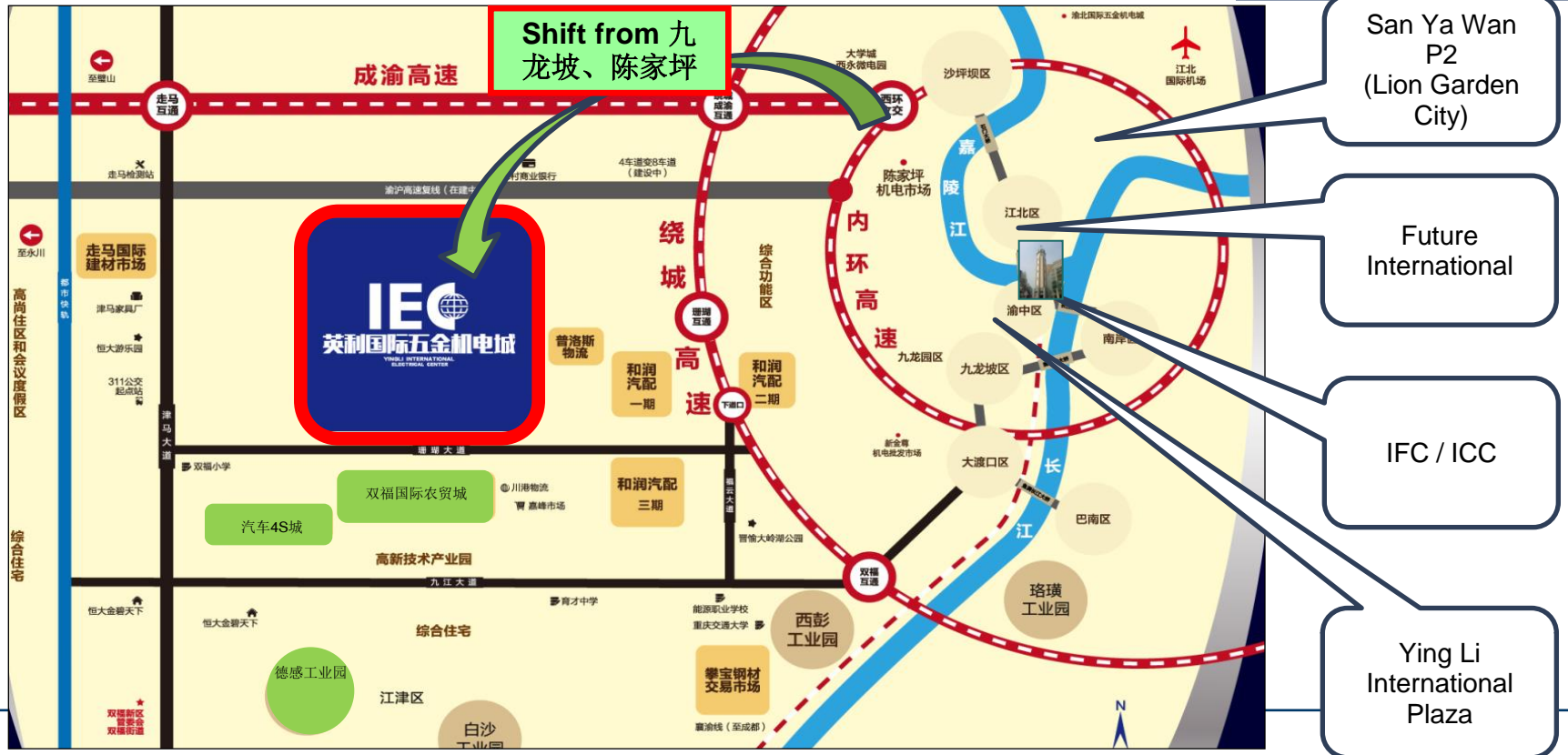
Photos taken in Jan 2017

Type	Commercial ('Built-to-order' model)
Total Land Area	~667,000 sqm
Phase 1	~199,773 sqm
Phase 1A & 1B GFA	~481,560 sqm
Phase 2A GFA	~150,000 sqm
Target Completion Date: Phase 2 & 3	2017-2018
Pre-sale Date: Phase 2A	4Q2016
Total sales and contracted pre-sales as of 31 Dec 2016 (Phase 1A and 2A)	RMB946m



# Update (B): Ying Li International Hardware and Electrical Centre (IEC), Chongqing

- ✓ Amalgamation of Chongqing's hardware and electrical vendors at IEC
- ✓ Collaboration with Chongqing Hardware & Electrical Industry Association Alliance which provides the ready customer base for the project



# Update (B): Ying Li International Hardware and Electrical Centre (IEC), Chongqing

Concept of IEC units – Showroom, office and residence under one roof



Ground floor as product showroom



2<sup>nd</sup> storey as office



3<sup>rd</sup> storey as residence



3<sup>rd</sup> storey as residence

Photos taken in Dec 2016



# Update (B): Ying Li International Hardware and Electrical Centre (IEC), Chongqing

Handover of IEC Phase 1A in December 2016



# Update (C): Ying Li International Commercial Centre (ICC), Chongqing

- ✓ Strategically located along Chongqing Financial Street in Chongqing's main CBD Jiefangbei
- ✓ Phase 1 on track to complete in 2018



Total GFA: ~310,000 sqm

Type	Commercial (Retail / SOHO / Office)
Land Area	~18,400 sqm
Target Completion Date	Phase 1: 2018 Phase 2: 2019
Target Pre-sales	Phase 1: 3Q2016 (commenced)



Photo taken in Jan 2017

# Update (C): Ying Li International Commercial Centre (ICC), Chongqing

- ✓ High-end luxury SOHO Tower fitted with innovative smart home concept offers a higher quality of living
- ✓ Façade installation for SOHO Tower has completed and interior renovation is in progress
- ✓ Completed showroom reconfiguration and layout



Photos taken in Oct 2016

# Update (D): New Everbright Centre, Beijing Tongzhou (Formerly Future Beijing)

- ✓ Mixed-used development located in the Tongzhou New City Canal Core Area, the second CBD of Beijing
- ✓ Approximately 2 million Beijing residents will gradually shift to Tongzhou as part of a massive urban extension project to relief the current over-crowded CBD area
- ✓ The SOHO Towers continue to register robust demand:
  - 96.0% pre-sold for SOHO Tower 2 amounting to approximately RMB1.89 billion, representing an ASP of RMB 35,800 sqm
  - 30.0% pre-sold for SOHO Tower 3 amounting to approximately RMB 0.41 billion, representing an ASP of RMB 44,300 sqm

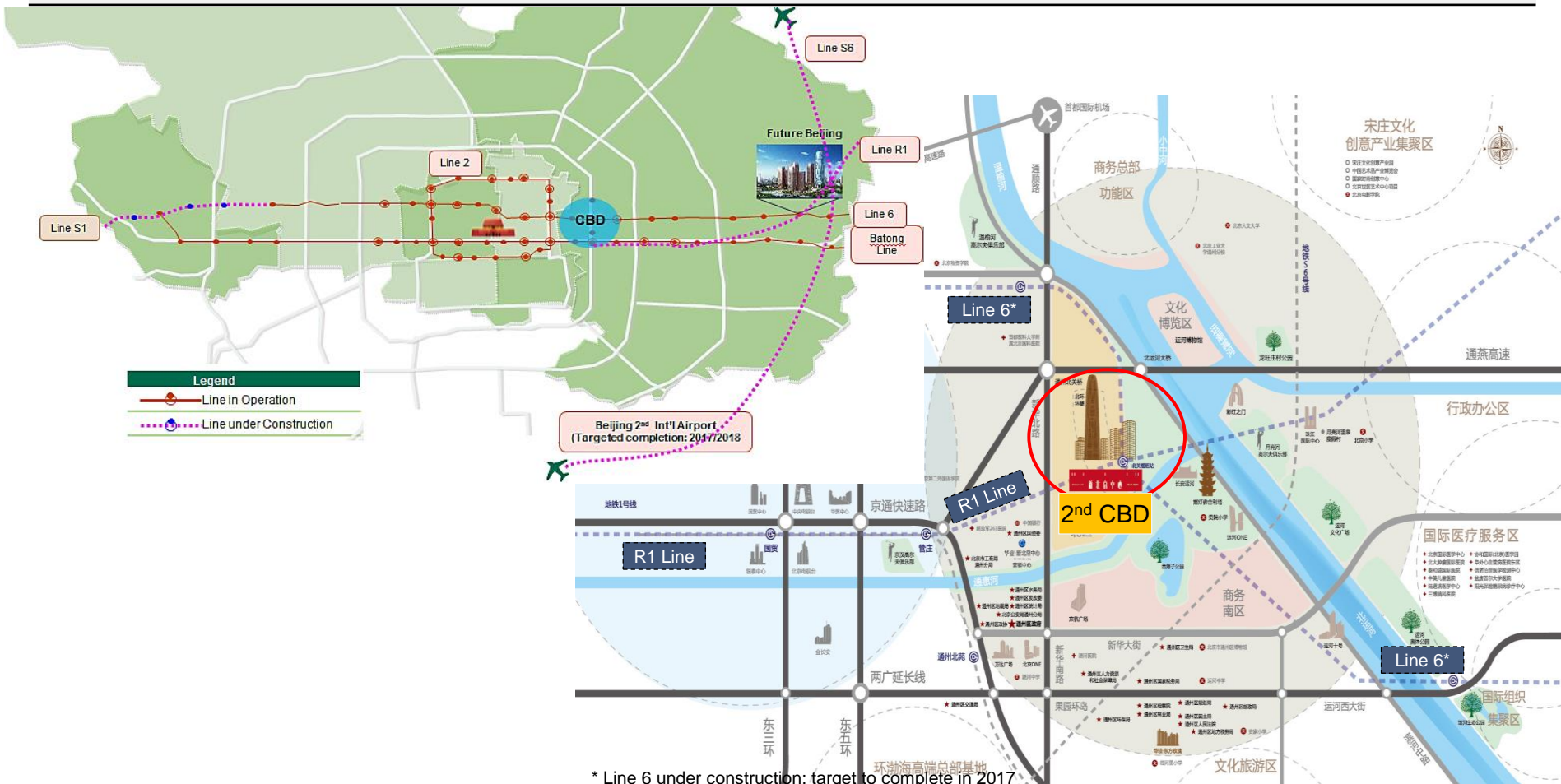


Type	Residential / Office / Retail
Investment Cost	RMB559 million
Target Completion Date:	
Phase 1 (Residential)	2017/2018
Phase 2 (Office)	2019
Phase 3 (Office, Retail)	2021
Total contracted pre-sales as of 31 Dec 2016	SOHO Tower 1 = RMB1.06 bn (100%) SOHO Tower 2 = RMB1.89 bn (96.0%) SOHO Tower 3 = RMB0.41 bn (30.0%)

**Total GFA: ~770,000 sqm** <sub>27</sub>

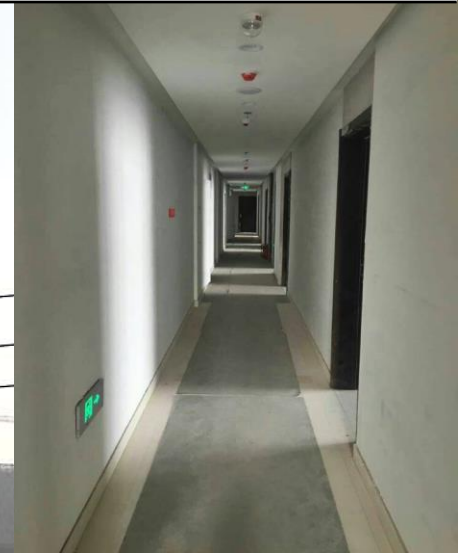
# Update (D): New Everbright Centre, Beijing Tongzhou (Formerly Future Beijing)

- ✓ Connected to two Beijing subway lines (R1 and Line 6)
- ✓ 30 minutes away from the main Beijing CBD via subway
- ✓ 16km to current Beijing Capital International Airport and approximately 45km to the future 2nd Beijing Airport (target to complete by 2017/2018)
- ✓ Will be home to Universal Studio's 6th theme park which will be its largest in the world by 2020



# Update (D): New Everbright Centre, Beijing Tongzhou (Formerly Future Beijing)

- ✓ Façade installation completed for all 4 SOHO Towers
- ✓ Renovation works for interior common areas are nearing completion for 2 of the 4 towers
- ✓ Renovation works for the SOHO units are still in progress



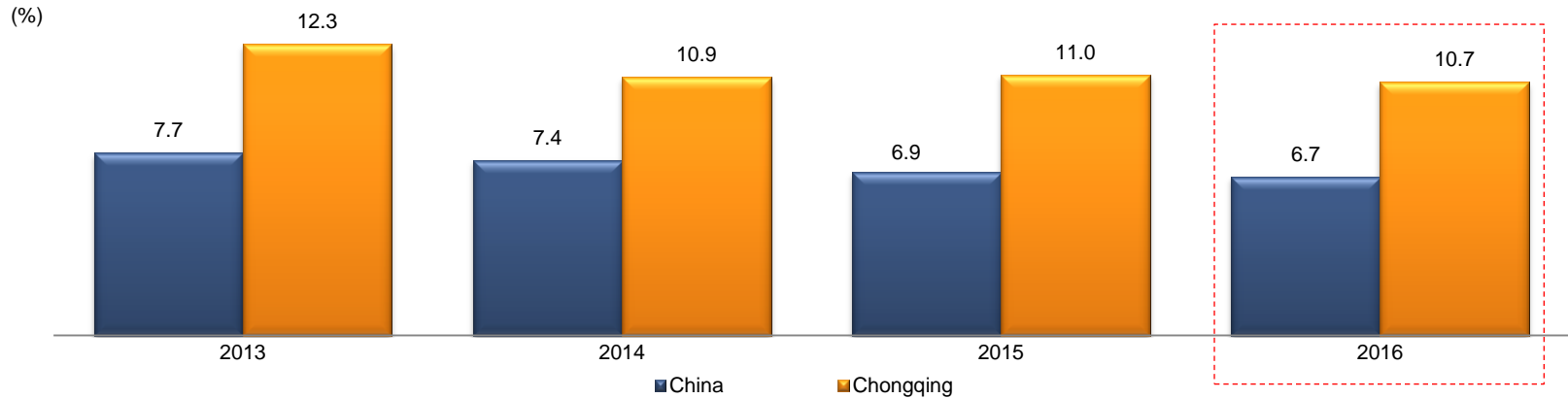


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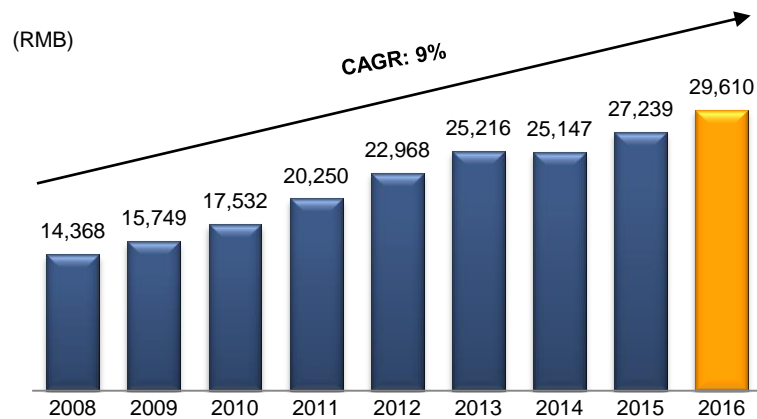
## Market Outlook

# Market Outlook

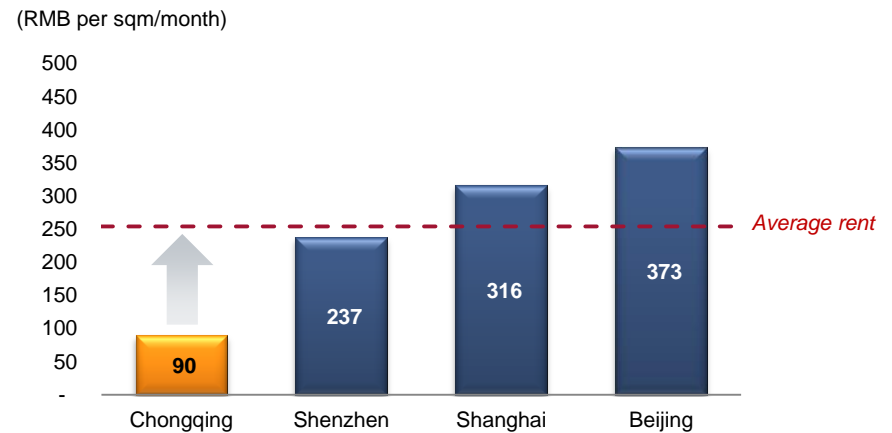
## Chongqing : The highest GDP growth in China



## Growing disposable income per capita



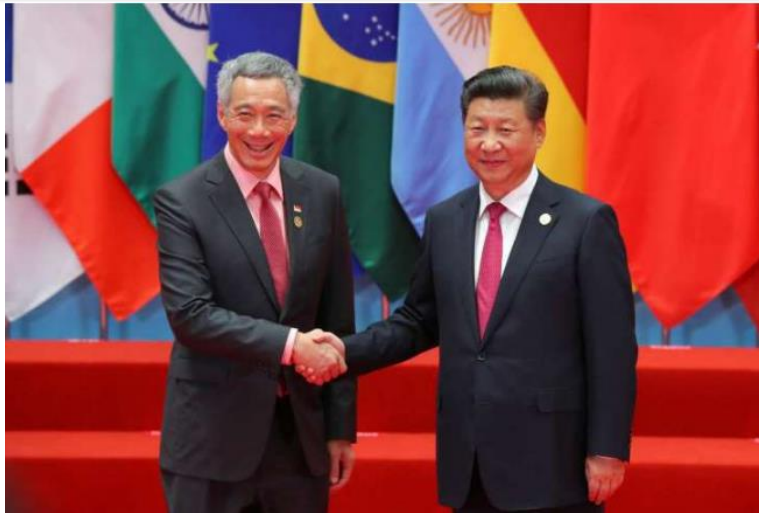
## Grade A office monthly rental rate





# Exposure to Fast Economic Growth of Chongqing: 3 Key Developments to Boost Economic Growth

## 3rd G-to-G project is in Chongqing



Source: Ministry of Communications and Information

### China and Singapore have three G-to-G projects

- 1) Suzhou Industrial Park (1994) in east China's Jiangsu Province
- 2) Tianjin Eco-city (2008) in north China
- 3) The 3rd G-to-G project is in Chongqing, known as 'China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity'

#### ■ Four main areas of collaboration:

- Financial services
- Aviation
- Logistics
- Information Technology

- Chongqing will be a high-level innovation zone utilizing the city's geographical position close to western regions and the Yangtze River economic belt

## One belt One road (一带一路)

### China's One Belt, One Road initiative



Source: Bloomberg, Straits Times Graphics

## One of the 7 New FTZs

### FREE-TRADE ZONES IN CHINA



Sources: Caixin Online; Chongqing Economic Times

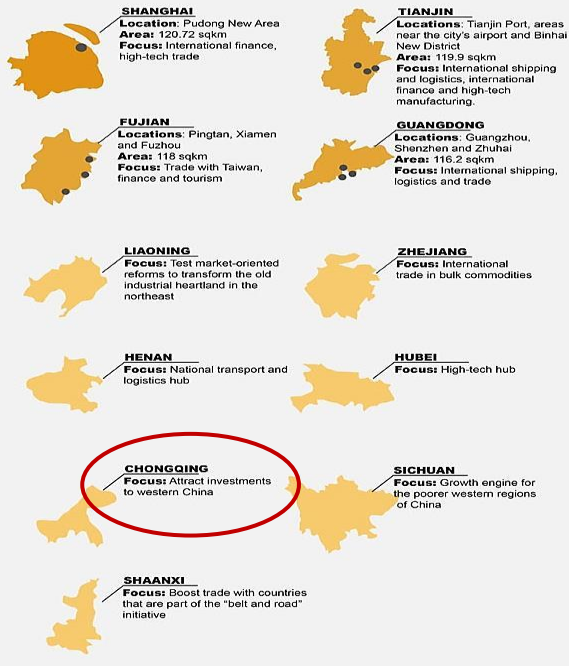
# Exposure to Fast Economic Growth of Chongqing: Chongqing Selected as One of the 7 New FTZs

## 什么是自贸区？

指在一国的部分领土内运入任何货物，被认为在关境以外，并免于实施惯常的海关监督制度。目前世界上有600多个自由贸易港，例如巴拿马科隆自贸区、德国汉堡自贸区、香港等。



## DETAILS OF CHINA'S FREE-TRADE ZONES



## What is a Free Trade Zone (FTZ)?

A FTZ is an area set up in a sole country or region within which goods may be landed, handled, manufactured or reconfigured, and re-exported without the intervention of customs authorities. It is set up with the aim of lowering international trade cost and boosting export and international investment.

## Differences between Bonded Areas and FTZs:

- 1 Import and export of goods are customs supervised in Bonded Areas but not in FTZs.
- 2 Most goods in FTZ are managed by gate sentry whereby procedures are simplified and the transaction costs are lower. Goods in Bonded Area are managed by bookkeeping since the tariff and tax exemption are only temporary.
- 3 FTZ acts as a logistics distribution center with large volumes of goods flowing in and out with well-developed trade processing which will lead to regional economic development. Bonded Area mainly serves as entrepot, not a major impetus to regional economic development.

## Why Chongqing?

- Strategic and pivotal role as the gateway to western China.
- Location: Liangjiang New Area, the western logistics park and a micro-electronics park  
Size: 120 sq km  
Focus: To attract investments to western China
- Next step:
  - Ministry of Commerce will meet with the relevant departments to study the FTZ program and perform all necessary checks before implementation.



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**Thank you**