英利国际置业
YING LI INTERNATIONAL
REAL ESTATE

# Ying Li International Real Estate Limited

## 2Q / 1H FY2017 Financial Results



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# Financial Performance

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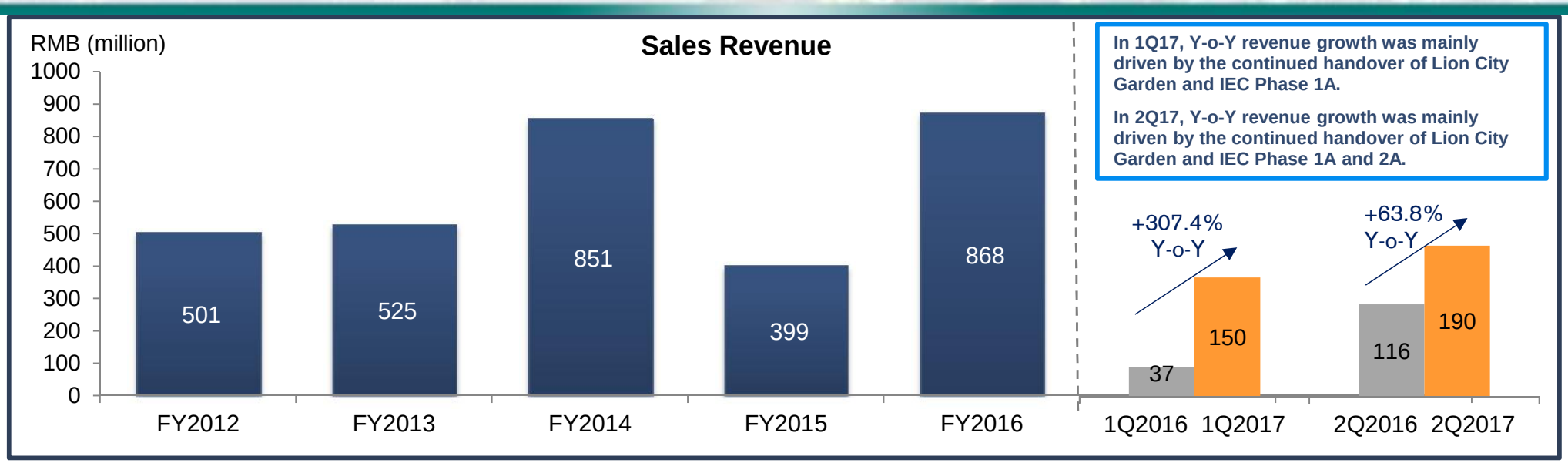
# 2Q FY2017 versus 2Q FY2016
# Consolidated Statement of Comprehensive Income

| (RMB '000) | 2Q FY2017 | 2Q FY2016 | Change % |
|---|---|---|---|
| Revenue | 243,626 | 169,294 | 43.9 |
| Cost of Sales | (177,463) | (100,758) | 76.1 |
| **Gross Profit** | **66,163** | **68,536** | **(3.5)** |
| | | | |
| Other income | 11,223 | 16,255 | (31.0) |
| Selling expenses | (13,549) | (18,025) | (24.8) |
| Administrative expenses | (28,274) | (26,725) | 5.8 |
| Administrative expenses – Share based payment expense | - | (319) | n.m. |
| Finance costs | (25,111) | (25,310) | (0.8) |
| **Profit before income tax** | **10,452** | **14,412** | **(27.5)** |
| | | | |
| Taxation – Current | (5,160) | (8,199) | (37.1) |
| Taxation – Deferred | 933 | 2,089 | (55.3) |
| **Profit for the period** | **6,225** | **8,302** | **(25.0)** |
| | | | |
| **Profit attributable to ordinary shareholders of the company** | **5,011** | **5,002** | **0.2** |

# 1H FY2017 versus 1H FY2016
# Consolidated Statement of Comprehensive Income

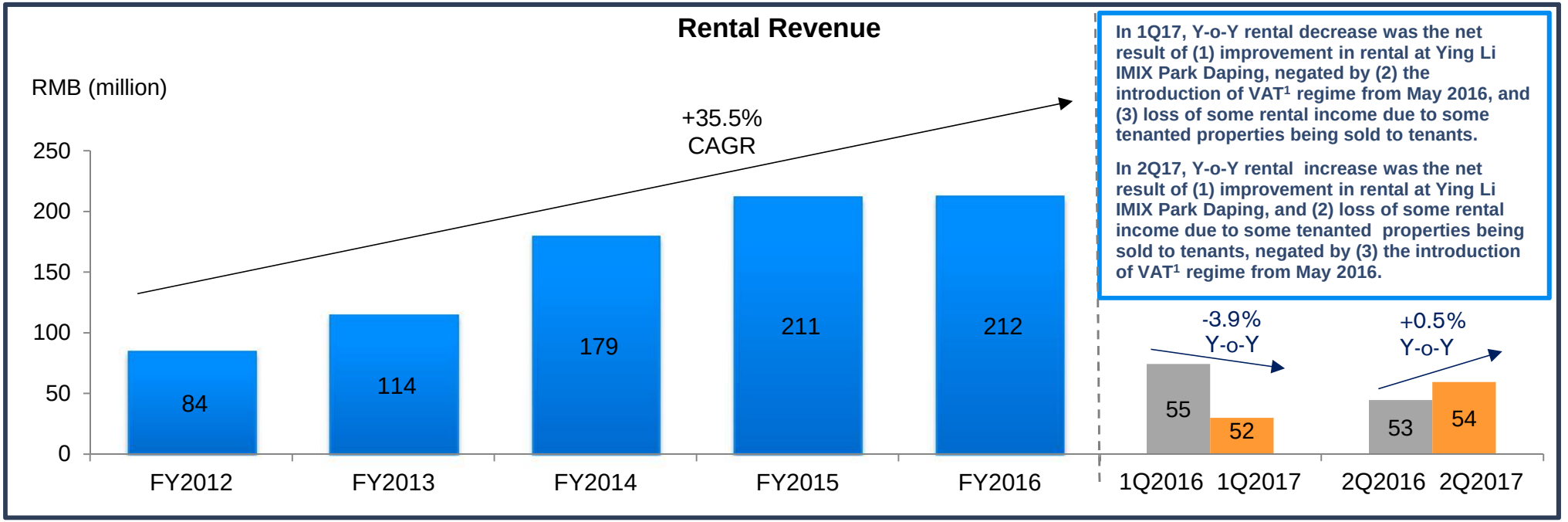
| (RMB '000) | 1H FY2017 | 1H FY2016 | Change % |
|---|---|---|---|
| Revenue | 445,748 | 260,611 | 71.0 |
| Cost of Sales | (325,024) | (128,780) | 152.4 |
| **Gross Profit** | **120,724** | **131,831** | **(8.4)** |
| | | | |
| Other income | 21,335 | 30,110 | (29.1) |
| Selling expenses | (27,230) | (31,729) | (14.2) |
| Administrative expenses | (41,147) | (42,980) | (4.3) |
| Administrative expenses – Share based payment expense | - | (319) | n.m. |
| Finance costs | (48,040) | (47,247) | 1.7 |
| **Profit before income tax** | **25,642** | **39,666** | **(35.4)** |
| | | | |
| Taxation – Current | (6,642) | (15,185) | (56.3) |
| Taxation – Deferred | (1,470) | 2,738 | n.m. |
| **Profit for the period** | **17,530** | **27,219** | **(35.6)** |
| | | | |
| **Profit attributable to ordinary shareholders of the company** | **15,750** | **21,795** | **(27.7)** |

# Revenue




**In 1Q17, Y-o-Y revenue growth was mainly driven by the continued handover of Lion City Garden and IEC Phase 1A.**

**In 2Q17, Y-o-Y revenue growth was mainly driven by the continued handover of Lion City Garden and IEC Phase 1A and 2A.**




**In 1Q17, Y-o-Y rental decrease was the net result of (1) improvement in rental at Ying Li IMIX Park Daping, negated by (2) the introduction of VAT[1] regime from May 2016, and (3) loss of some rental income due to some tenanted properties being sold to tenants.**

**In 2Q17, Y-o-Y rental increase was the net result of (1) improvement in rental at Ying Li IMIX Park Daping, and (2) loss of some rental income due to some tenanted properties being sold to tenants, negated by (3) the introduction of VAT[1] regime from May 2016.**

Note: 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 is deemed to be inclusive of VAT which will be deducted directly from revenue and paid to the tax authorities.

# Statement of Financial Position

| (RMB '000) | As at 30 Jun 2017 | As at 31 Dec 2016 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 63,628 | 54,656 |
| Investment properties | 4,451,750 | 4,457,926 |
| Other investment | 620,000 | 620,000 |
| Deferred assets | 29,275 | 28,108 |
| **Total non-current assets** | **5,164,653** | **5,160,690** |
| | | |
| **Current assets** | | |
| Development properties | 5,108,936 | 5,187,210 |
| Trade and other receivables | 901,260 | 841,759 |
| Cash and cash equivalents | 407,990 | 676,315 |
| **Total current assets** | **6,418,186** | **6,705,284** |
| | | |
| **Total assets** | **11,582,839** | **11,865,974** |

Net decrease due to progress made on Ying Li International Commercial Centre and Ying Li International Electrical and Hardware Centre ("IEC") Phase 2A projects but mitigated by the decrease of Lion City Garden as well as IEC Phase 1A due to the continual handover of the completed phases.

Increase mainly due to (i) an increase in deposits placed with government agencies for land tenders, and (ii) an increase in prepaid taxes for pre-sales at Lion City Garden and IEC projects.

Decrease was partly due to the repayment of borrowings

# Statement of Financial Position (cont'd)

| (RMB '000) | As at 30 Jun 2017 | As at 31 Dec 2016 |
|---|---|---|
| **Non-current liabilities** | | |
| Deferred taxation | 543,997 | 573,209 |
| Borrowings – Secured | 1,798,409 | 1,804,559 |
| **Total non-current liabilities** | **2,342,406** | **2,377,768** |
| | | |
| **Current liabilities** | | |
| Trade and other payables | 1,151,152 | 1,265,015 |
| Provision for taxation | 171,861 | 156,958 |
| Borrowings – secured | 2,898,273 | 3,004,222 |
| **Total current liabilities** | **4,221,286** | **4,426,195** |
| | | |
| **Total liabilities** | **6,563,692** | **6,803,963** |
| | | |
| Capital and reserves | 4,958,723 | 5,003,367 |
| Non-controlling interest | 60,424 | 58,644 |
| **Total equity** | **5,019,147** | **5,062,011** |
| | | |
| **Total equity and liabilities** | **11,582,839** | **11,865,974** |

Decrease in total borrowings mainly due to repayment of loans

Decrease due to lower advance payment from customers as some pre-sales units were handed over

Decrease due to i) a decrease in Exchange fluctuation Reserve because of RMB devaluation in FY2017 and (ii) a reduction in Retained Profits mainly due to the payment of distributions for the Perpetual Convertible Securities

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

| | 2Q FY2017 | 2Q FY2016 | % Change |
|---|---|---|---|
| **EPS (RMB per share)** | 0.002 | 0.002 | 0.2 |
| | **30 Jun 2017** | **31 Dec 2016** | **% Change** |
| **NAV (RMB) per share** | 1.94 | 1.96 | (1.0) |

**Key Milestones**

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

- Total sales and contracted pre-sales amounted to RMB1,044 million as at 30 June 2017.

**Lion City Garden**

- Total sales and contracted pre-sales for Phase 2A, 2B and 2C amounted to RMB826 million as at 30 June 2017.

**Beijing Tongzhou project**

- Total contracted pre-sales as of 23 Jul 2017:
  - SOHO Tower 1 – 100% pre-sold amounting to approximately RMB1.06 billion, representing an ASP of RMB 34,500 / sqm.
  - SOHO Tower 2 – 98.0% pre-sold amounting to approximately RMB1.90 billion, representing an ASP of RMB 35,800 / sqm.
  - SOHO Tower 3 – 86.0% pre-sold amounting to approximately RMB1.30 billion, representing an ASP of RMB 48,400 / sqm.

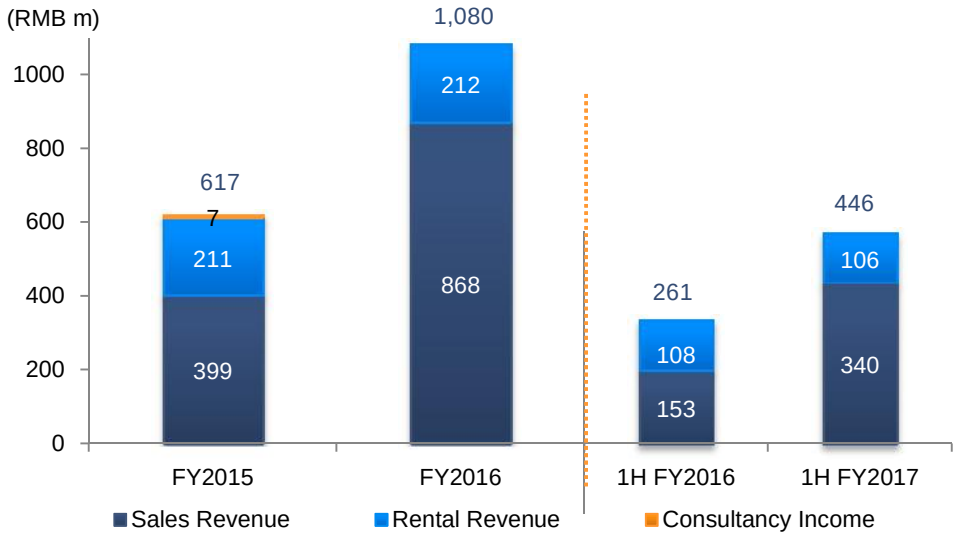
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# Financial Highlights

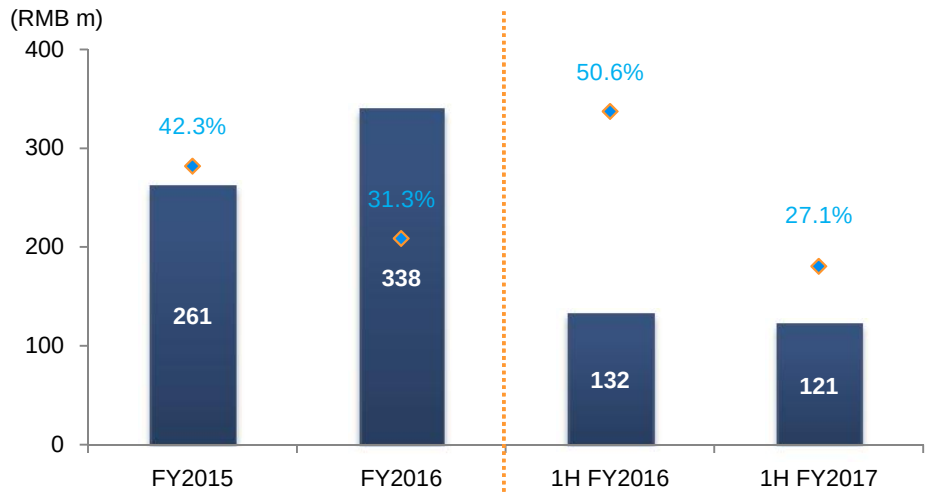


# Financial Highlights

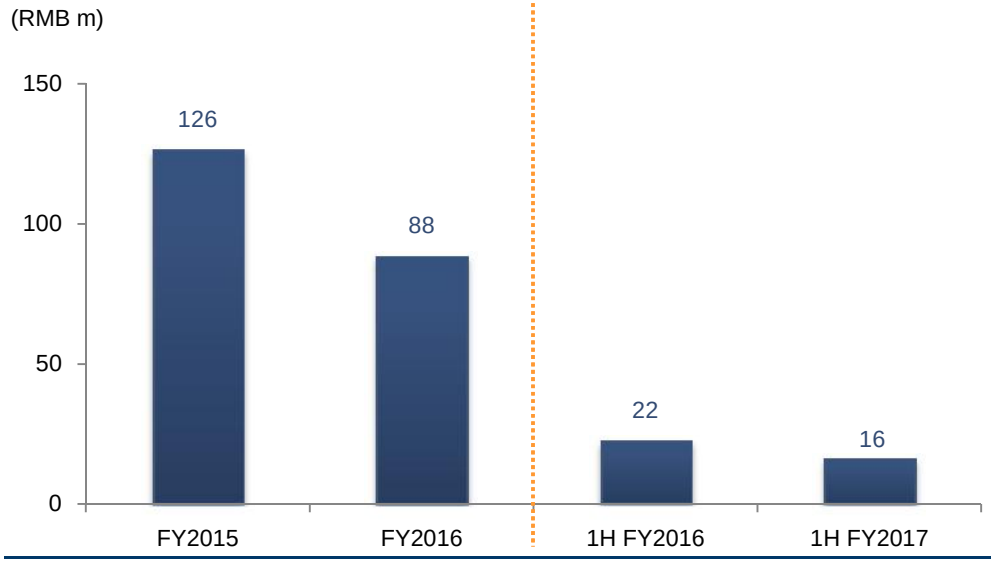
## Revenue



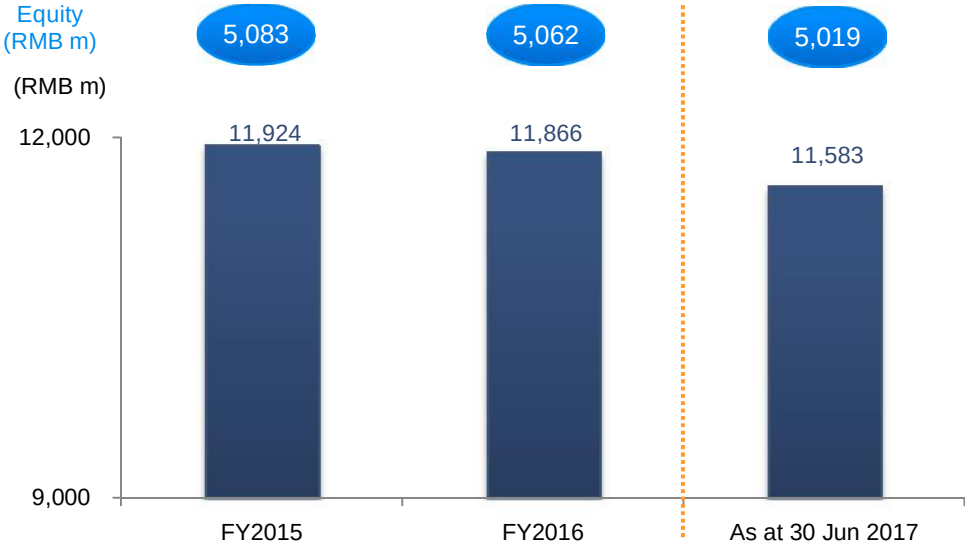

## Gross Profit and Gross Profit Margin




## Profit Attributable to Ordinary Shareholders




## 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

### Financial Institutions

DBS
泰康人寿 TAIKANG LIFE
OCBC Bank 华侨银行
兴业银行 INDUSTRIAL BANK CO.,LTD.
NOAH 诺亚财富 专属于您的理财专家 纽交所上市代码:NOAH
华夏信财 HUAXIA FINANCE
CITIC

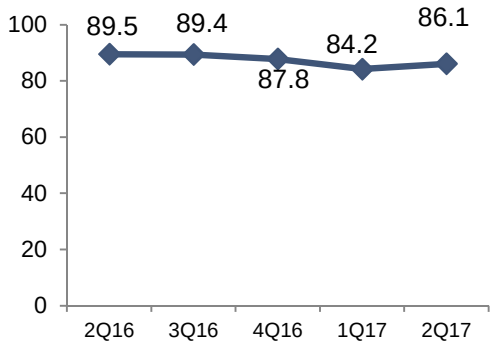
### Global MNCs / SOEs

CapitaLand
GuocoLand A Member of the Hong Leong Group
SAMSUNG
EPSON EXCEED YOUR VISION
JCDecaux 德高中国
HITACHI
ARUP
上海外服 SFSC 以人为本 全球为你 People First Care More
KFC
CBEST 重百

### Government-related Agencies

Kingdom of the Netherlands
HONG KONG
中国PPP研究院
CITS 中国国旅
意大利签证中心

### Occupancy Rate[1] (%)




## Selected Retail Tenants

### Branded retails

Levi's
FILA
new balance
Samsonite RED
TOMMY HILFIGER
adidas
EVISU
H&M
ecco
HOTWIND
VANS
LI-NING
NIKE
LACOSTE
SKECHERS
paul frank
G-STAR RAW

### Entertainments / Gym

万达电影 WANDA CINEMAS
Play1
MIC派對空間KTV
YUYUTO 悠游堂
常樂
WILL'S 威尔士健身

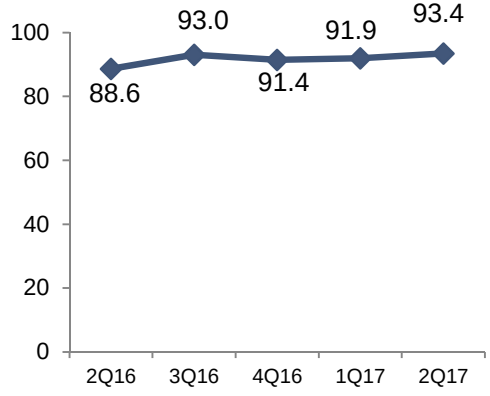
### F&B

鲜芋仙
满记甜品
俏江南 SOUTH BEAUTY
illy
Pizza Hut
王品 台塑牛排 Wang Steak

### Super markets / Personal care

CBEST 重百
新世纪百货 NCDS
乐天玛特 LOTTE Mart
新世界百貨 NEW WORLD DEPARTMENT STORES
万宁 mannings
watsons 屈臣氏
LAWSON 罗森

### Occupancy Rate[2] (%)




Source: Company information.

Note: [1]Occupancy of Investment Properties' office area (consisting of Ying Li International Financial Centre, Minsheng Southern Garden and others) as of 30 Jun 2017 with a GFA of 36,637 sqm.
[2]Occupancy of Investment Properties' retail area (consisting of Future International, Ying Li IMIX Park JFB, Ying Li IMIX Park Daping, Southern Garden and others) as of 30 Jun 2017 with a GFA of 223,971 sqm.

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

## Kids Talent Competition



## Mother's Day Jewellery Making Class



## Kids Modelling Competition



## Spring Blossom Festival



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

## Indoor Sports Day for Kids




## Kid's Summer Camp



## Mahjong Competition



## Children's Day Celebration



## Kids Modelling Competition



## 'Live' Indoor Combat Games



# Re-positioning: Ying Li IMIX Park Daping

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



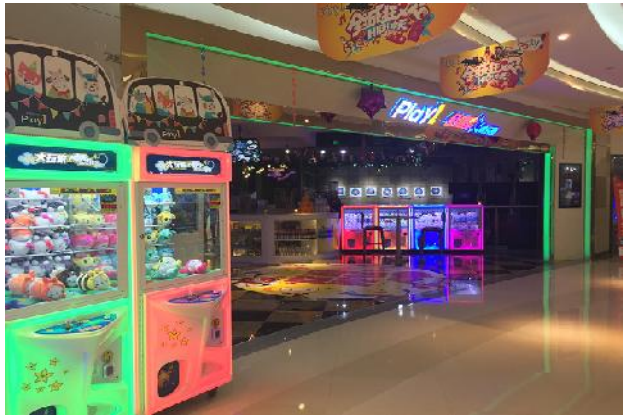


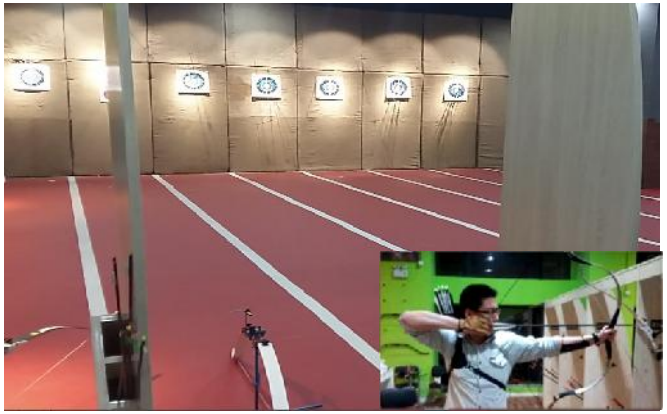
New fitness centre Will's


















# AEI: Ying Li IMIX Park Jiefangbei and Daping

**Continual Tenant Mix Rejuvenation and 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): 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
- ✓ Buyers have gradually moved in upon handover
- ✓ As at 30 Jun 2017, total sales and contracted pre-sales amounted to RMB1,044 million



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

| | |
|---|---|
| Type | Commercial<br>('Built-to-order' model) |
| Total Land Area:<br>Phase 1<br>Phase 2A | ~667,000 sqm<br>~199,773 sqm<br>~160,935 sqm |
| Phase 1 GFA<br>Phase 2A GFA | ~481,560 sqm<br>~150,000 sqm |
| Target Completion | Phase 1A: 4Q2016 (commenced)<br>Phase 2A: 2017 |
| Total sales and contracted pre-sales as of 30 Jun 2017 (Phase 1A and 2A) | RMB1,044 million |

Broad View of Phase 1A and Phase 2A



# Update (A): 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

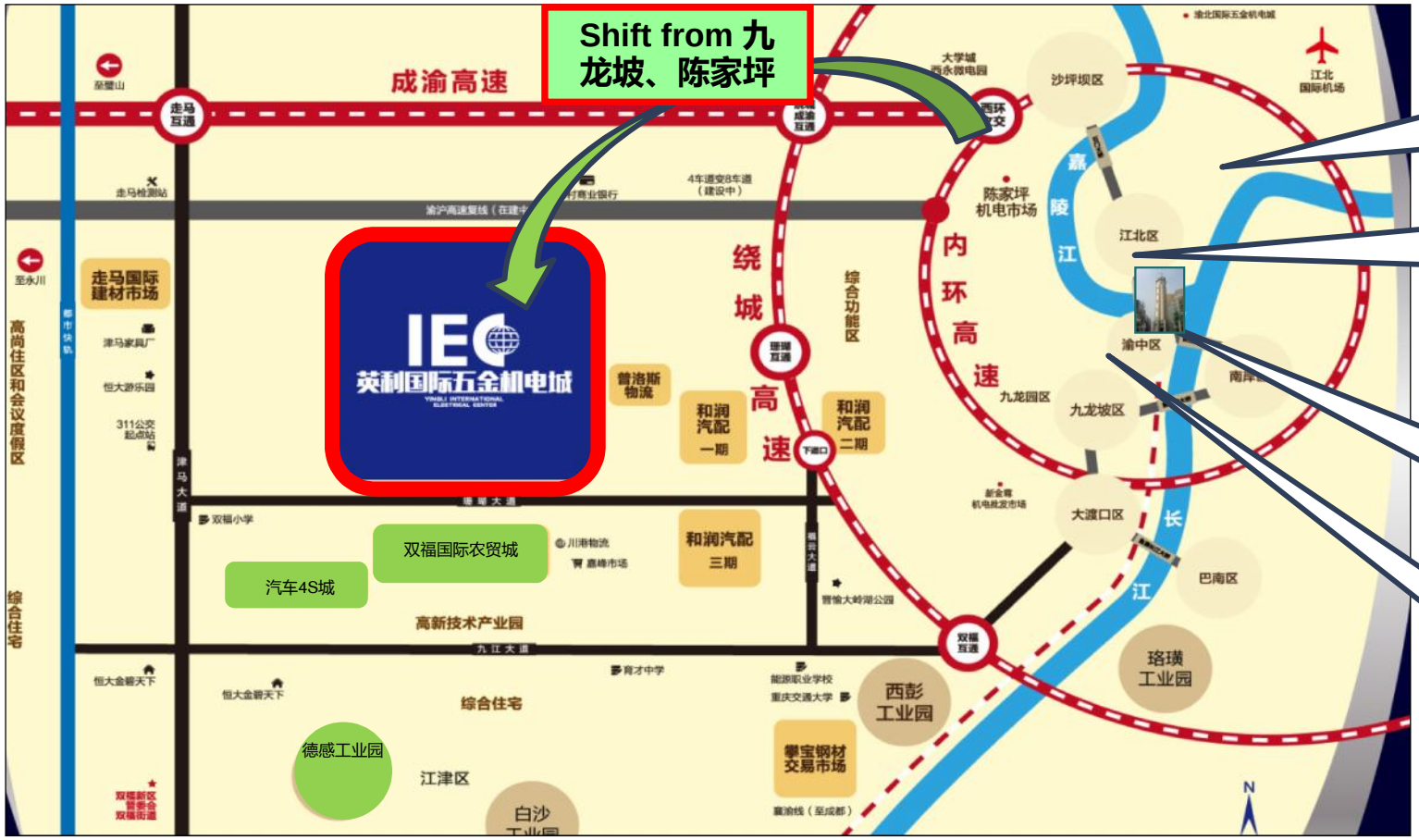











San Ya Wan P2 (Lion City Garden)

Future International

IFC / ICC

Ying Li International Plaza

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

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



**Total GFA: ~320,000 sqm**

| | |
|---|---|
| Type | Commercial<br>(Retail / SOHO / Office) |
| Land Area | ~18,400 sqm |
| Target Completion | Phase 1: 2018<br>Phase 2: 2020 |






*Photos taken in July 2017*

# Update (B): 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



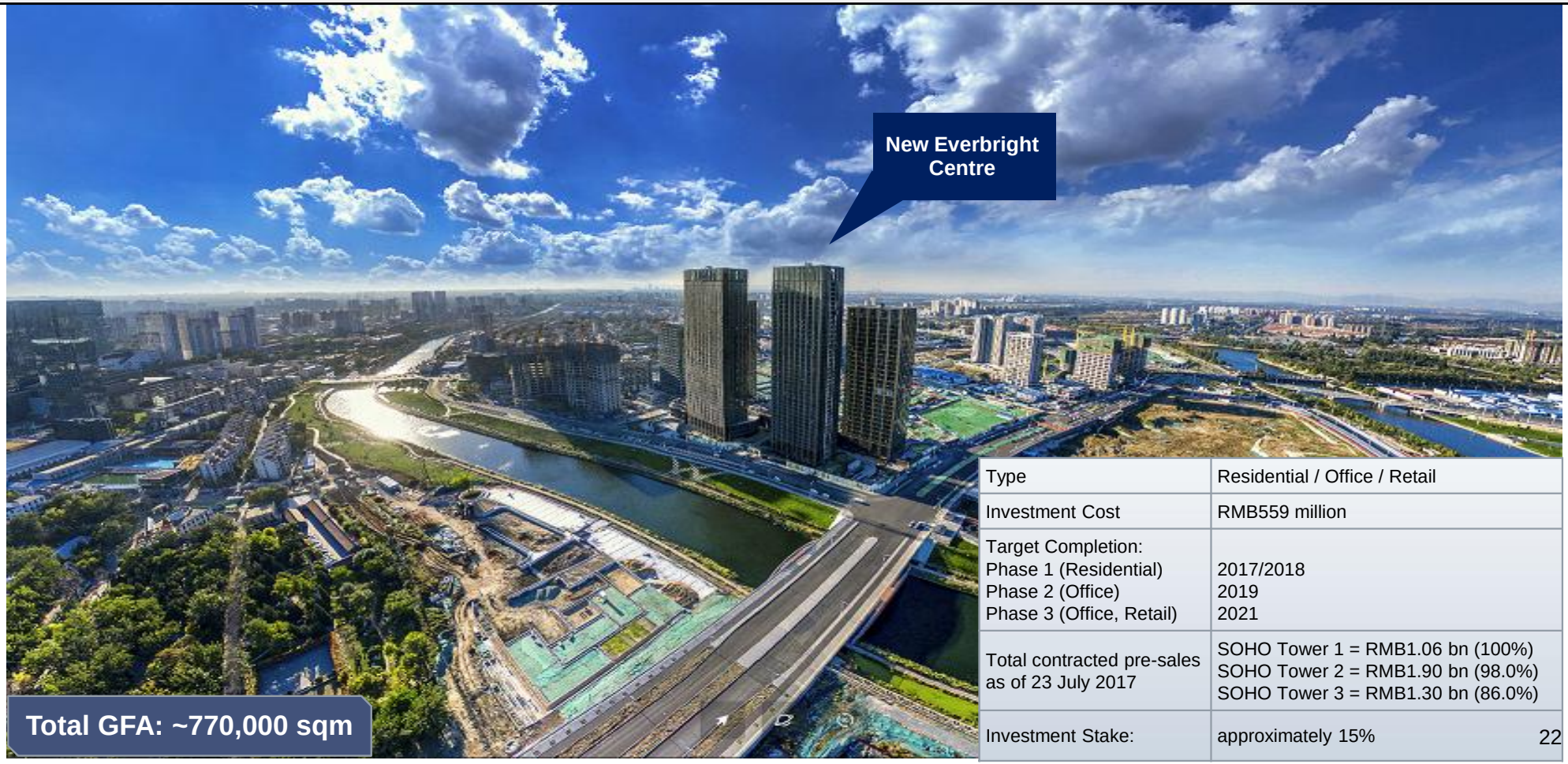





*Photos taken in Oct 2016*

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

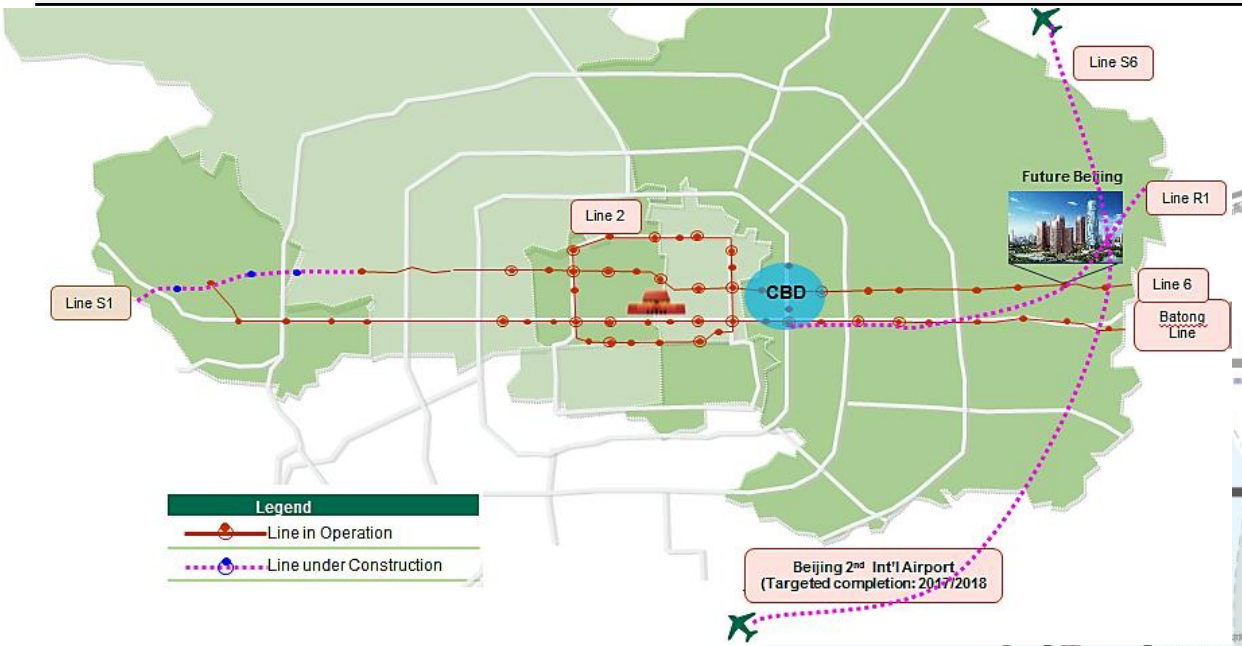
- ✓ Mixed-used development located in the Tongzhou New City Canal Core Area, the second CBD of Beijing
- ✓ Approximately 2 million Beijing residents will gradually shift to Tongzhou as part of a massive urban extension project to relief the current over-crowded CBD area
- ✓ The SOHO Towers continue to register robust demand with contracted pre-sales as of 23 July 2017:
  - SOHO Tower 2 – 98.0% pre-sold amounting to approximately RMB1.90 billion, representing an ASP of RMB 35,800 sqm
  - SOHO Tower 3 – 86.0% pre-sold amounting to approximately RMB1.30 billion, representing an ASP of RMB 48,400 sqm

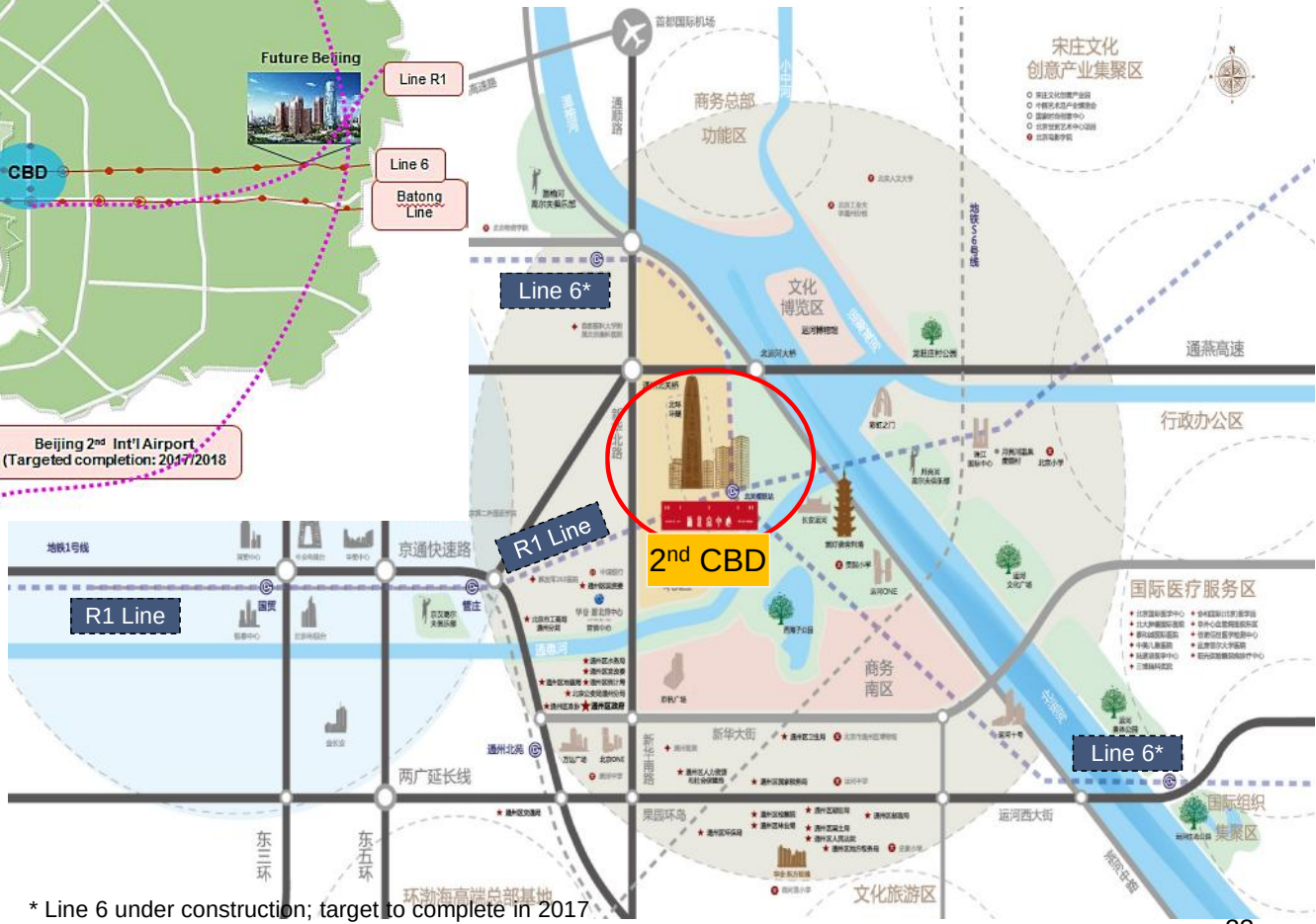



| | |
|---|---|
| Type | Residential / Office / Retail |
| Investment Cost | RMB559 million |
| Target Completion:<br>Phase 1 (Residential)<br>Phase 2 (Office)<br>Phase 3 (Office, Retail) | <br>2017/2018<br>2019<br>2021 |
| Total contracted pre-sales as of 23 July 2017 | SOHO Tower 1 = RMB1.06 bn (100%)<br>SOHO Tower 2 = RMB1.90 bn (98.0%)<br>SOHO Tower 3 = RMB1.30 bn (86.0%) |
| Investment Stake: | approximately 15% |

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

- ✓ 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 (targeted to complete by fourth quarter of 2018)
- ✓ Will be home to Universal Studio's 6th theme park which will be its largest in the world by 2020

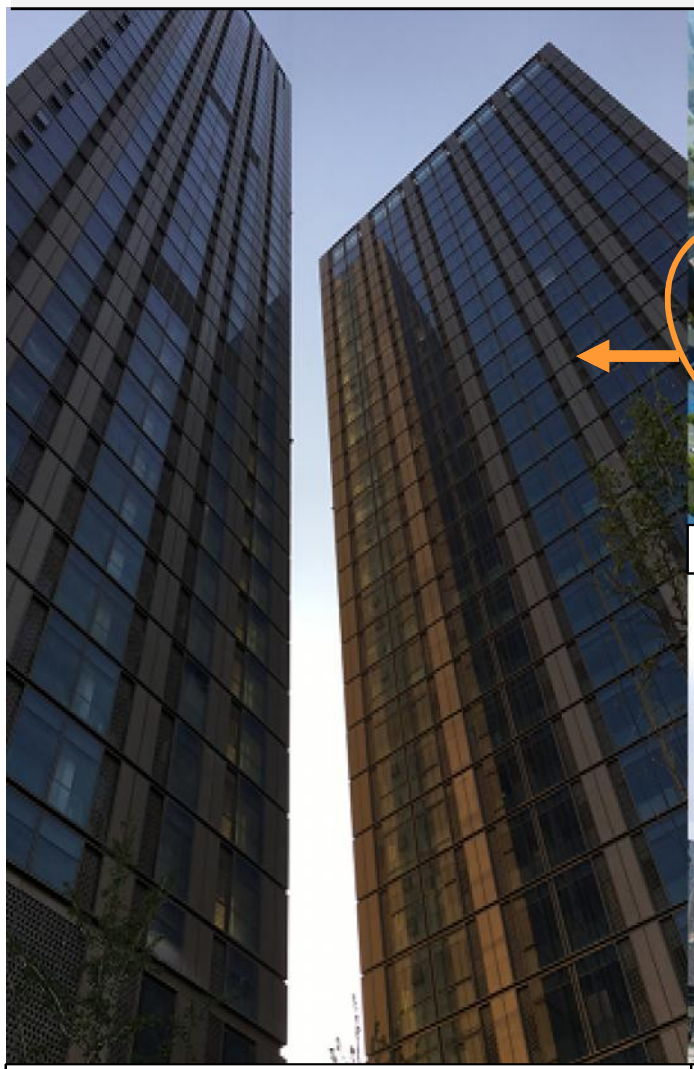



* Line 6 under construction; target to complete in 2017

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

- ✓ Façade installation completed for all 4 SOHO Towers
- ✓ Renovation works for interior common areas are ongoing and nearing completion
- ✓ Broke ground for the office/retail land site



*Actual site: Completed façade for SOHO Towers*



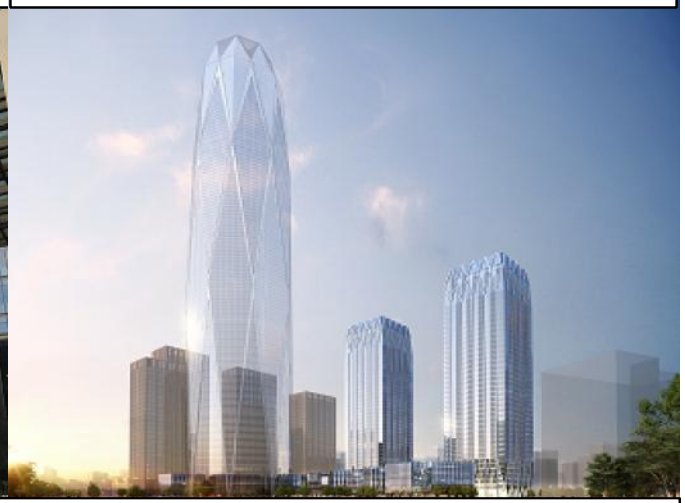
*Artist's impression of entire project*



*Actual site: Broke ground for the office/retail land site*




*Actual site: Project showroom*



*Artist's impression of entire project*

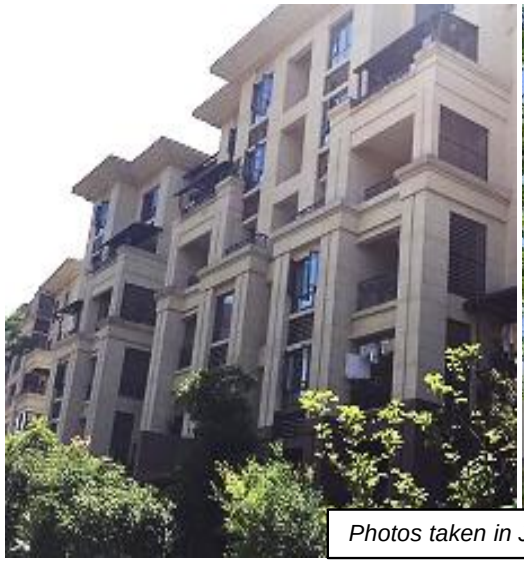
# Update (D): San Ya Wan Phase 2 (Lion City Garden), Chongqing

- ✓ Garden-like residential community comprising quality apartments targeted for the emerging middle class
- ✓ Final Phase (2D) is in planning stage
- ✓ Buyers have largely moved in upon handover of Phase 2A, 2B and 2C
- ✓ As at 30 Jun 2017, total sales and contracted pre-sales for Phase 2A, 2B and 2C amounted to RMB826 million



**Total GFA: ~273,656 sqm**







*Photos taken in July 2017*

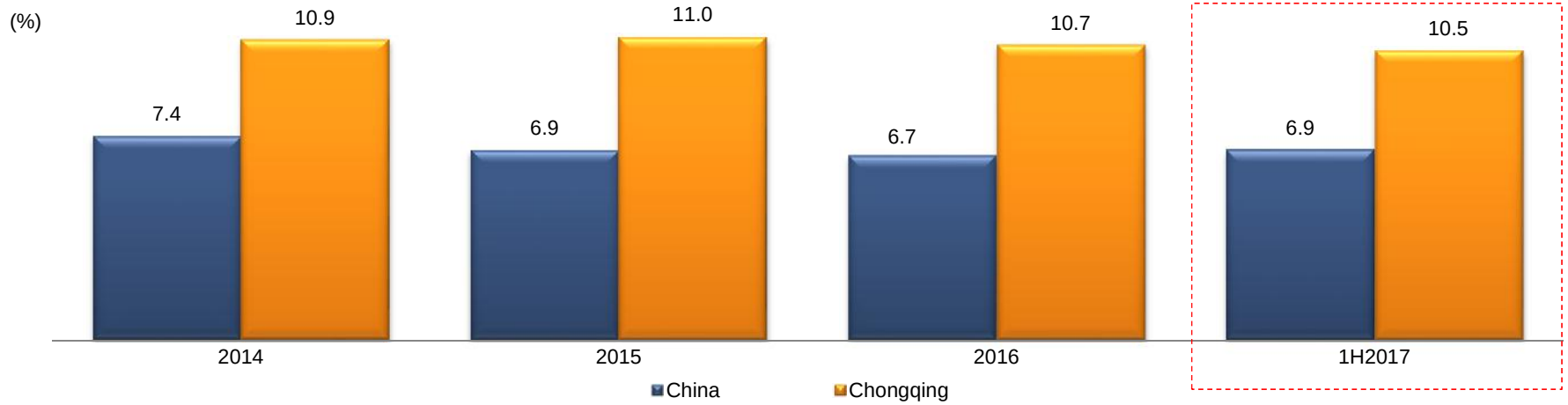
| | |
|---|---|
| Type | Residential / Retail |
| Target Completion | Phase 2A: 2015 (commenced)<br>Phase 2B: 2016 (commenced)<br>Phase 2C: 2017 (commenced) |
| Total sales and contracted pre-sales as of 30 Jun 2017 (Phase 2A, 2B, 2C) | RMB826 million |

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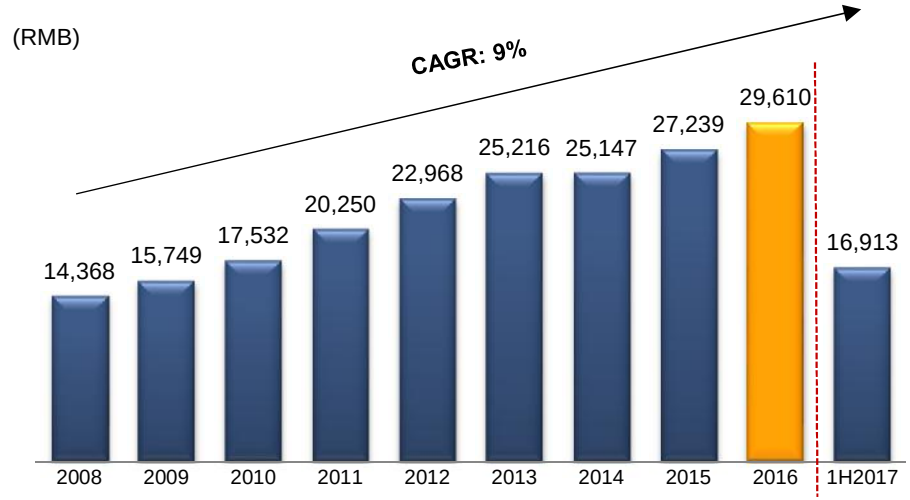
# Market Outlook

# Market Outlook

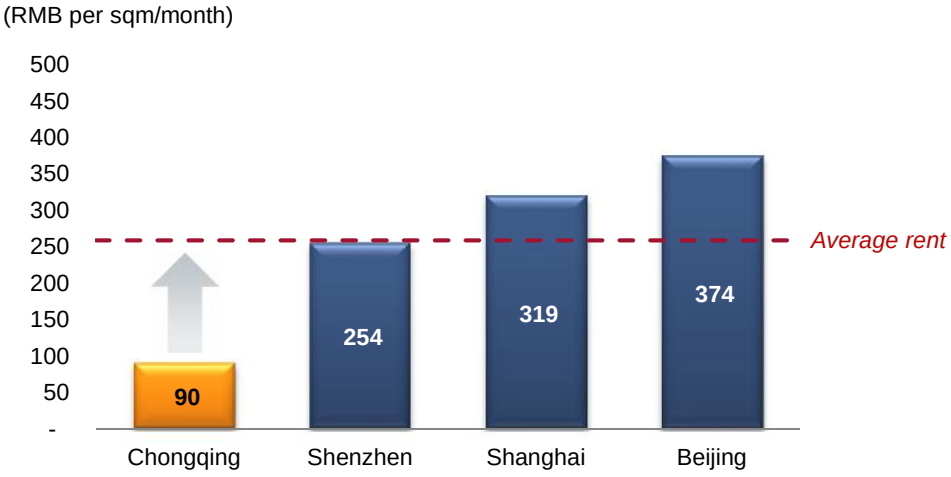
## Chongqing : The highest GDP growth in China




## Growing disposable income per capita



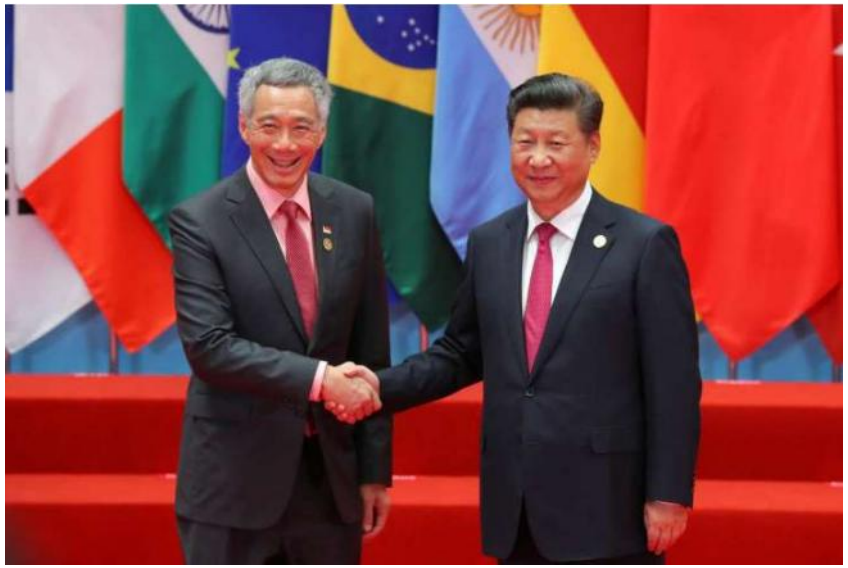

## Grade A office monthly rental rate




Source: National Bureau of Statistics of China; Chongqing Statistics Bureau, JLL Research

# 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

### Belt and Road (一带一路)



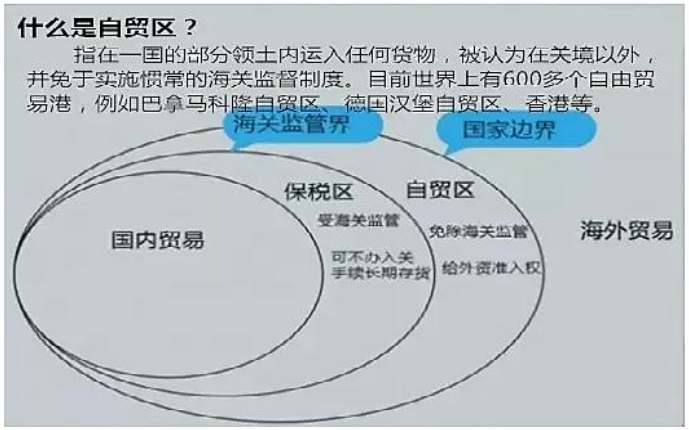

Source: Bloomberg, Straits Times Graphics

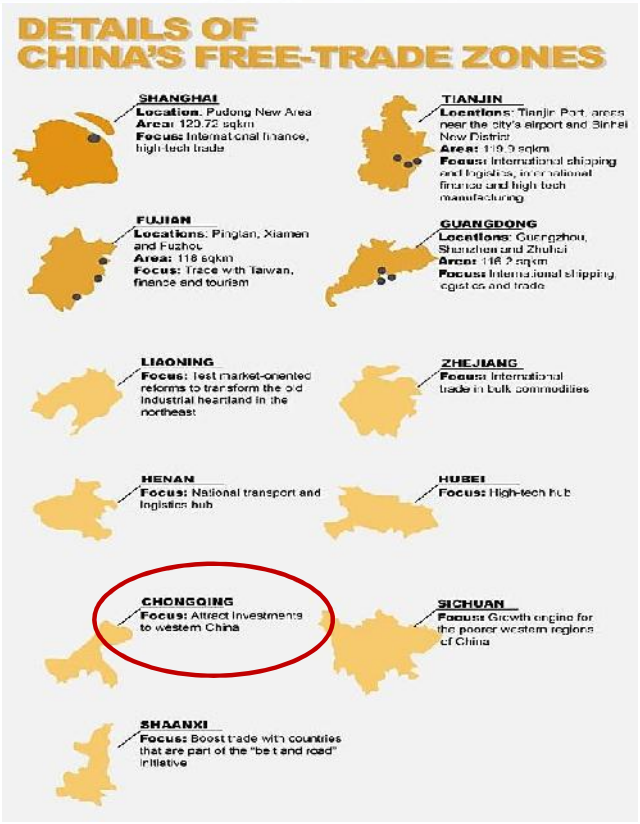
### One of the 7 New FTZs




Sources: Caixin Online; Chongqing Economic Times

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




### 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.

Sources: Caixin Online; Chongqing Economic Times

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# Thank you