



仁恒置地集团 YANLORD LAND GROUP LIMITED

4Q and FY 2017 Results Presentation



仁恒
YANLORD





Yanlord 4Q and FY 2017 Business Review





- Average selling price (“ASP”) rose significantly in 4Q 2017 to RMB66,234/sqm from RMB25,739/sqm in 4Q 2016 driven by the delivery of higher priced and higher margin projects. On the back of this increase, Yanlord’s recognised revenue in 4Q 2017 rose 13.9% to RMB11.276 billion from RMB9.902 billion in 4Q 2016.
- Underlined by the revenue growth, gross profit margin rose to **49.0%** in 4Q 2017 from 42.5% in 4Q 2016. Consequently, gross profit rose 31.5% to RMB5.529 billion from RMB4.206 billion in 4Q 2016. Profit for the period similarly rose to RMB2.746 billion in 4Q 2017 from RMB2.384 billion in 4Q 2016.
- Demand for quality developments in the Group’s core markets continue to drive sales, accumulated pre-sales pending recognition as at 31 December 2017 stood at RMB23.262 billion with advances received for pre-sale of properties and car parks amounting to approximately RMB20.696 billion.



Yanlord 4Q and FY 2017 Business Review



- In-line with the Group's delivery schedule whereby a lower GFA was delivered in FY 2017, recognized revenue declined marginally to RMB25.638 billion from RMB25.664 billion on FY 2016. Despite the decline, gross profit in FY 2017 rose **50.2%** to RMB 12.044 billion on the back of a healthy rise in gross profit margins which rose to **47.0%** in FY 2017 from 31.2% in FY2016.
- Buoyed by the healthy margin expansion, profit attributable to owners of the Company in FY 2017 rose 19.2% to RMB3.216 billion, while basic earnings per share on a fully diluted basis rose 19.9% to 166.12 Renminbi cents in FY 2017 as compared to 138.56 Renminbi cents in FY 2017.
- Excluding the effects of fair value gain on investment properties, fair value from put liability to acquire non-controlling interests and net foreign exchange effect, FY 2017 profit attributable to owners of the Company leapt **39.9%** to RMB3.206 billion.
- Attributable to the Group's prudent financial policies, Yanlord remains in a healthy financial position with cash and cash equivalents of RMB17.798 billion as at 31 December 2017. Net debt to total equity gearing ratio was 50.8%





- To further enhance shareholder value and drive the Company's long term development strategy, the Board of Directors is pleased to propose a higher (**up 56.3%**) first and final dividend of 6.80 Singapore cents (approximately 33.31 Renminbi cents per ordinary share) representing a dividend payout ratio increase to approximately 20% of FY 2017 earnings from 15% in FY 2016.
- Capitalising on the PRC market potential, Yanlord actively sought to broaden its market presence through the addition of approximately **1.43 million sqm** of prime development landbank within its core markets of Shanghai, Nanjing, Zhuhai, Chengdu and had also entered the new cities of Hangzhou, Wuhan and Jinan through a series of acquisitions and collaborations in FY 2017.
- Yanlord remains confident about its future performance, driven by continued sales of its developments and larger proportion of pre-sales recognition in subsequent periods.
- In 1Q 2018, the Group has slated for launch a brand new project, Yanlord Majestive Mansions in Tianjin.





Key Financial Highlights



Statement of Profit or Loss – 4Q 2017 VS 4Q 2016



	4Q 2017	4Q 2016	% Change
GFA delivered (sqm)	164,915	379,299	(56.5)
ASP (RMB/ sqm)	66,234	25,739	157.3
Revenue (RMBm)	11,276.0	9,901.9	13.9
Cost of sales (RMBm)	(5,747.1)	(5,696.0)	0.9
Gross profit (RMBm)	5,528.9	4,205.9	31.5
Gross profit margin (%)	49.0	42.5	6.5 ppt
Profit before income tax (RMBm)	5,365.1	4,300.2	24.8
Income tax (RMBm)	(2,619.5)	(1,916.6)	36.7
Profit for the period (RMBm)	2,745.6	2,383.6	15.2
Net profit margin (%)	24.3	24.1	0.2 ppt
Profit attributable to owners of the Company (RMBm)	1,192.4	1,549.1	(23.0)
Net attributable profit margin (%)	10.6	15.6	(5 ppt)
Basic earnings per share¹ (RMB cents)	61.72	79.77	(22.6)

Note:

1. Based on adjusted weighted average number of shares on a fully diluted basis



Statement of Profit or Loss – FY 2017 VS FY 2016



	FY 2017	FY 2016	% Change
GFA delivered (sqm)	556,237	944,834	(41.1)
ASP (RMB/ sqm)	43,288	26,812	61.5
Revenue (RMBm)	25,638.4	25,664.4	(0.1)
Cost of sales (RMBm)	(13,594.5)	(17,644.7)	(23.0)
Gross profit (RMBm)	12,043.9	8,019.7	50.2
Gross profit margin (%)	47.0	31.2	15.8 ppt
Profit before income tax (RMBm)	11,362.2	7,472.2	52.1
Income tax (RMBm)	(5,742.0)	(3,495.0)	64.3
Profit for the period (RMBm)	5,620.3	3,977.2	41.3
Net profit margin (%)	21.9	15.5	6.4 ppt
Profit attributable to owners of the Company (RMBm)	3,216.4	2,697.4	19.2
Net attributable profit margin (%)	12.5	10.5	2 ppt
Basic earnings per share¹ (RMB cents)	166.12	138.56	19.9

Note:

1. Based on adjusted weighted average number of shares on a fully diluted basis



Financials – Snapshot as at 31 December 2017



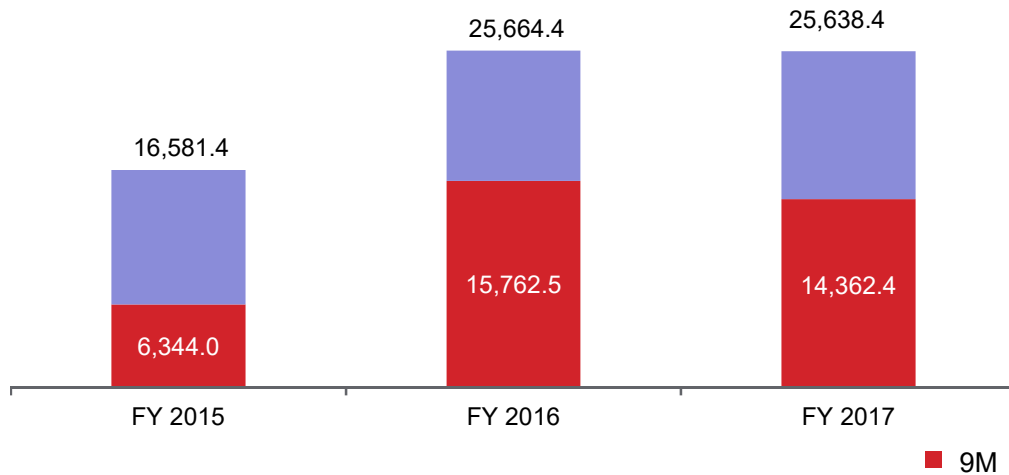
	As at 31 Dec 17	As at 31 Dec 16	% Change
Current assets (RMBm)	63,218.0	70,610.5	(10.5)
Non-current assets (RMBm)	42,983.4	22,837.9	88.2
Total assets (RMBm)	106,201.4	93,448.4	13.6
Current liabilities (RMBm)	37,577.0	46,997.9	(20.0)
Non-current liabilities (RMBm)	35,921.6	16,440.9	118.5
Total equity (Incl. NCI) (RMBm)	32,702.8	30,009.6	9.0
Cash and cash equivalents (RMBm)	17,798.3	17,583.4	1.2
Short-term debt (RMBm)	2,557.0	8,983.1	(71.5)
Senior notes (RMBm)	2,911.6	1,916.3	51.9
Long-term debt (RMBm)	28,930.0	12,775.6	126.4
Net debt (RMBm)	16,600.3	6,091.6	172.5



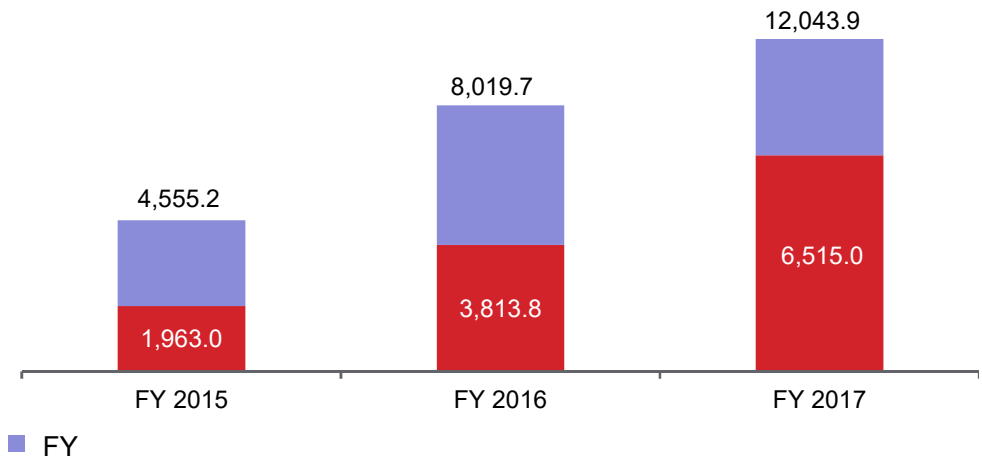
Profitability Analysis



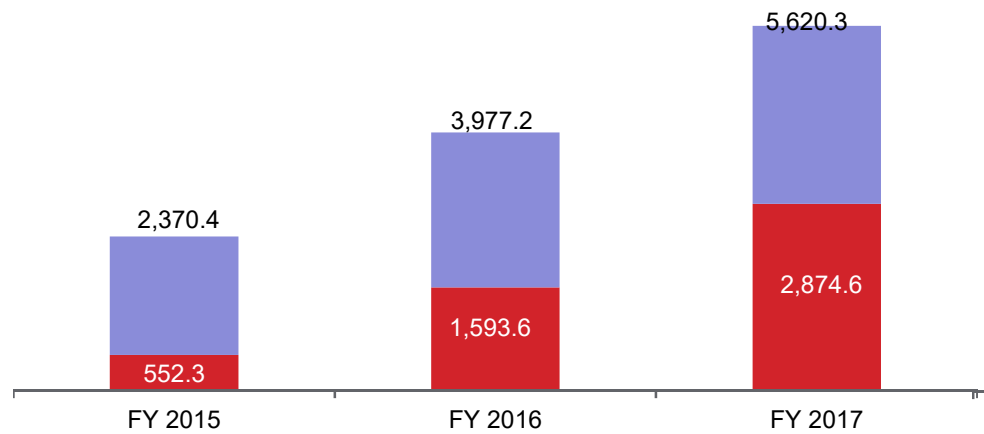
Revenue (RMBm)



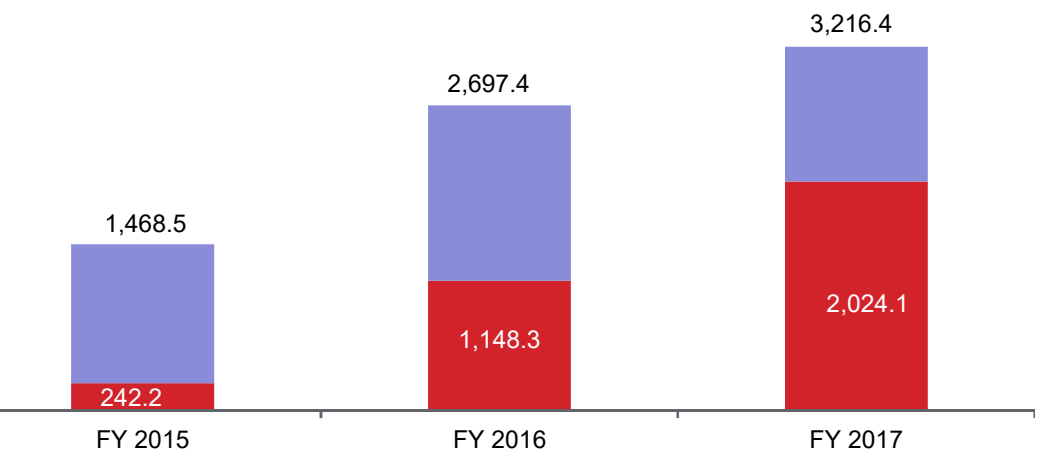
Gross profit (RMBm)



Profit for the period (RMBm)



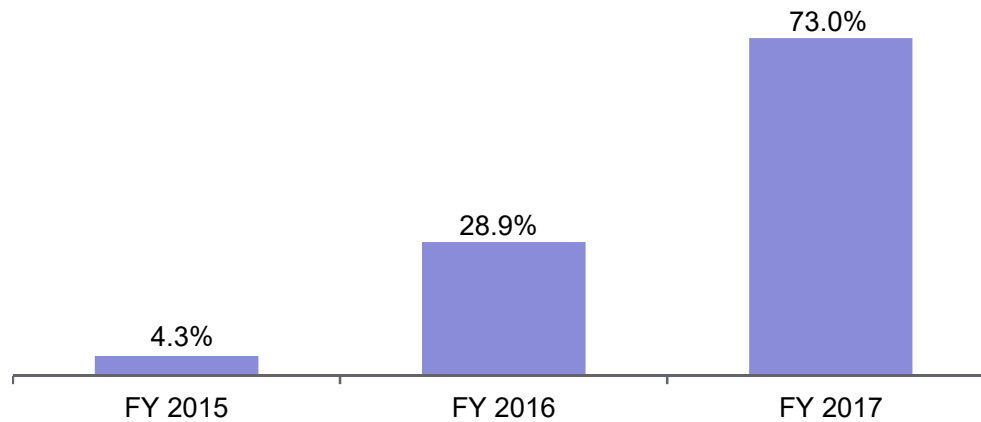
Profit attributable to owners of the Company (RMBm)



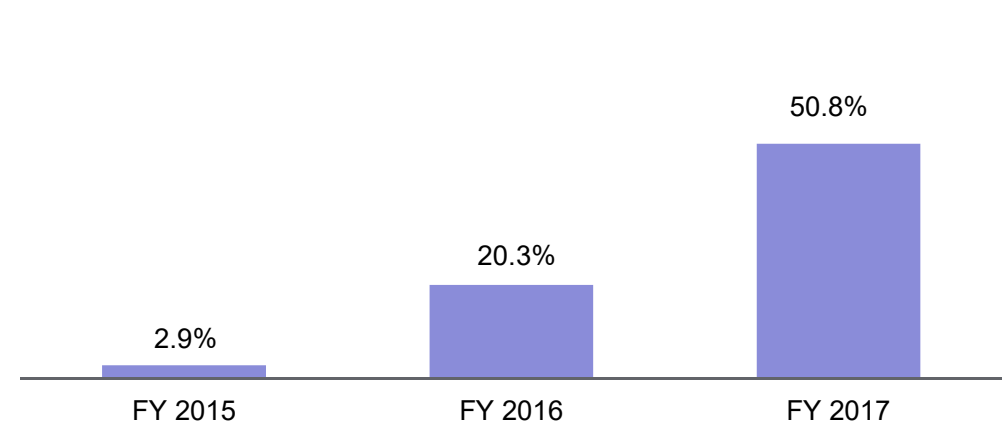
Strong Credit Metrics



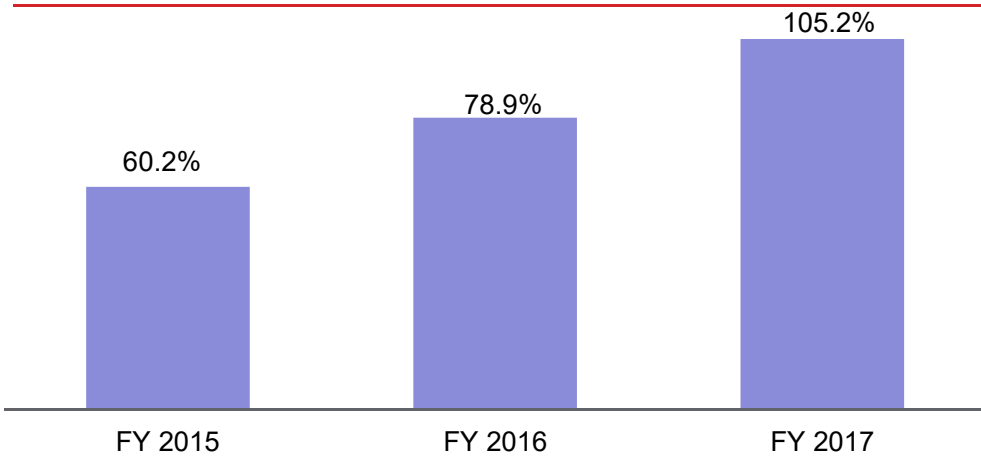
Net debt/ equity (Excl. NCI)



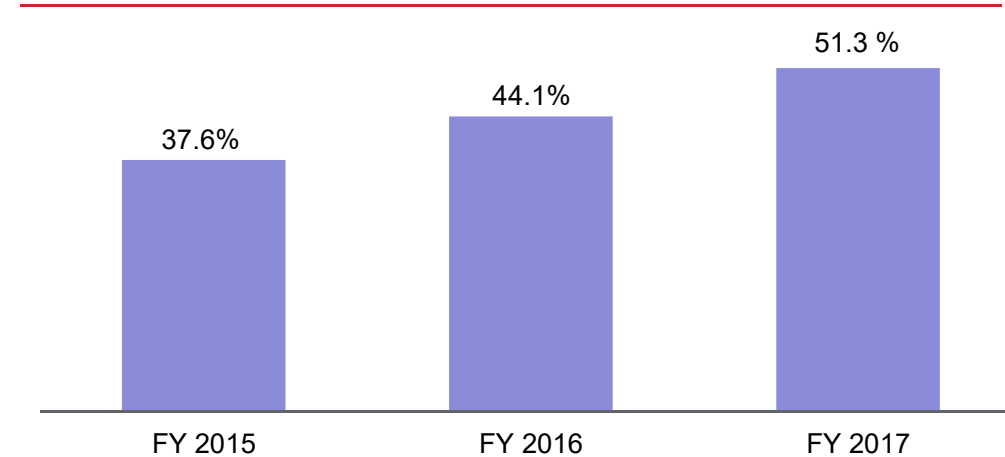
Net debt/ total equity (Incl. NCI)



Total debt/ total equity (Incl. NCI)



Total debt/ capitalization¹



Note:

1. Capitalization is equal to the sum of total equity and total debt (including non-controlling interests "NCI")





Business and Operation Overview



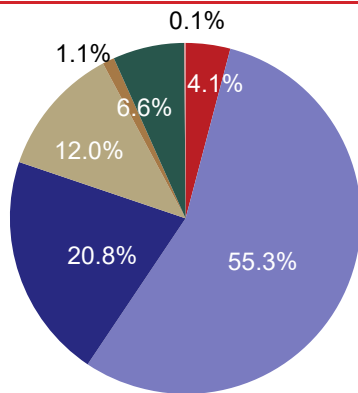
GFA/ Property Sale Contribution Analysis in FY 2017

By city, project and ASP

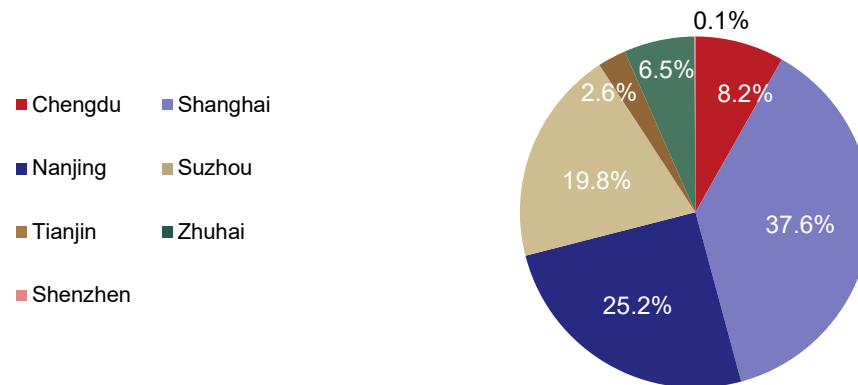


Major projects delivered in FY 2017	GFA (sqm)	ASP (RMB/ sqm)	Property sales by project (%)
Chengdu Yanlord Riverbay (Phase 2)	31,865	20,361	2.9
Nanjing Oasis New Island Gardens (Phase 2)	75,351	28,591	9.0
Nanjing Yanlord Yangtze Riverbay Town (Phase 4)	64,647	41,585	11.6
Shanghai Yanlord Eastern Gardens	64,472	57,068	14.5
Shanghai Yanlord on the Park	66,455	91,335	23.9
Shanghai Yanlord Western Gardens	75,095	49,833	15.6
Suzhou Tang Yue Bay Gardens	80,811	25,039	8.3
Suzhou Yanlord Lakeview Bay – Land Parcel A1	23,456	28,953	2.7
Zhuhai Yanlord Marina Centre – Section B	24,550	48,498	5.0
Others	49,535	-	6.5

Property Sale Contribution by City



GFA Contribution by City

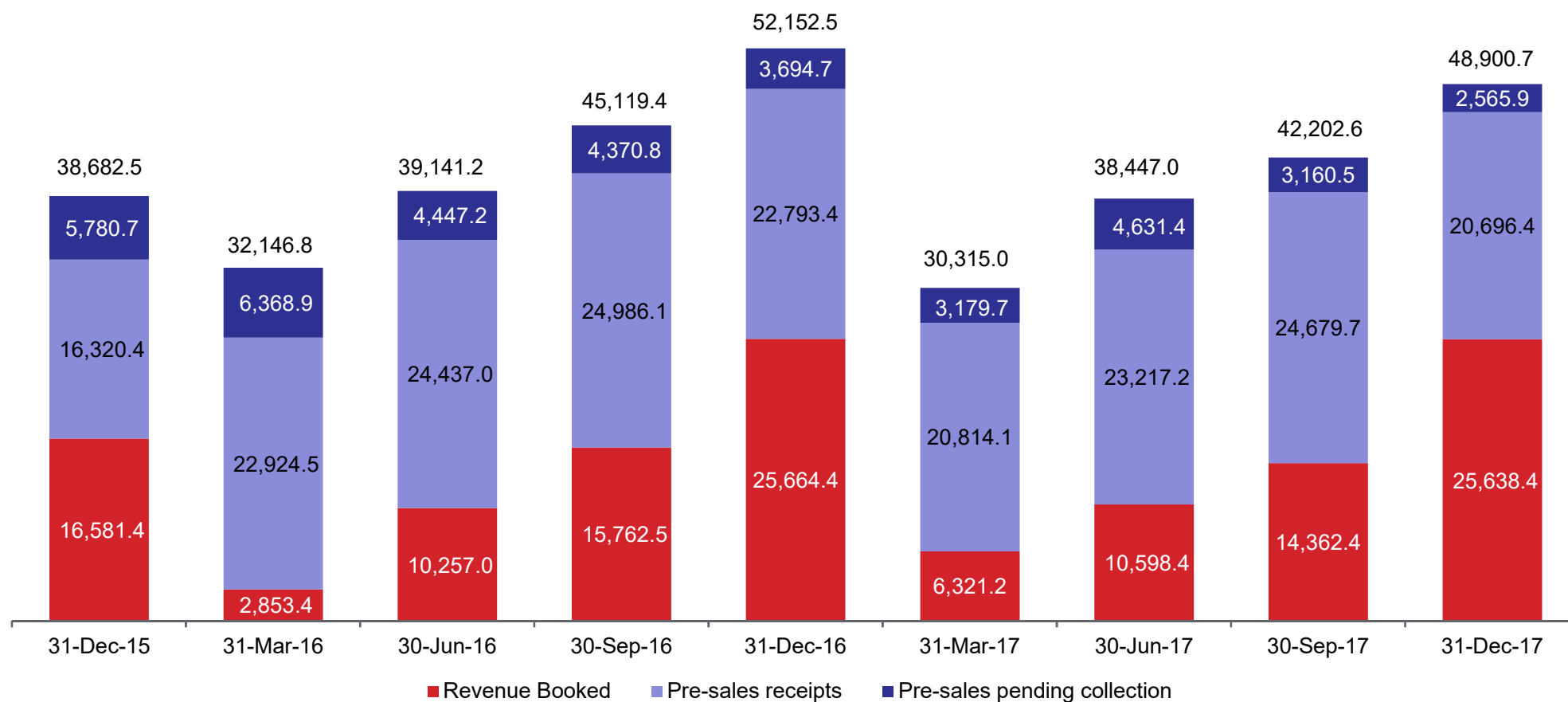


Pre-sales and Receipts

Resilient growth



Revenue Booked, Pre-Sales and Proceeds Collected (RMBm)



Diversified Geographic Coverage

Abundant land bank in high-growth cities



*Projects being held under associate or joint venture

Western China since 2003

Chengdu

- Yanlord Landmark (157,437 sqm)
- Hengye International Plaza (39,999 sqm)
- Yanlord Riverbay (136,338 sqm)
- Chongzhou Project Land Parcels (85,748 sqm)

Bohai Rim since 2005

Tianjin

- Yanlord Riverside Plaza (132,167 sqm)
- Tianjin Jinnan Land (208,998 sqm)
- Tianjin Hong Qiao Land (260,638 sqm)*
- Tianjin No. 2013-090 Land (286,048 sqm)*
- Yanlord Majestive Mansion (258,305 sqm)*

Jinan

- Jinan CBD Project - A3 Land (45,525 sqm)*
- Jinan CBD Project - B5 Land (111,246 sqm)*

Tangshan

- Tangshan Nanhu Eco-City Land Parcels* (216,986 sqm)

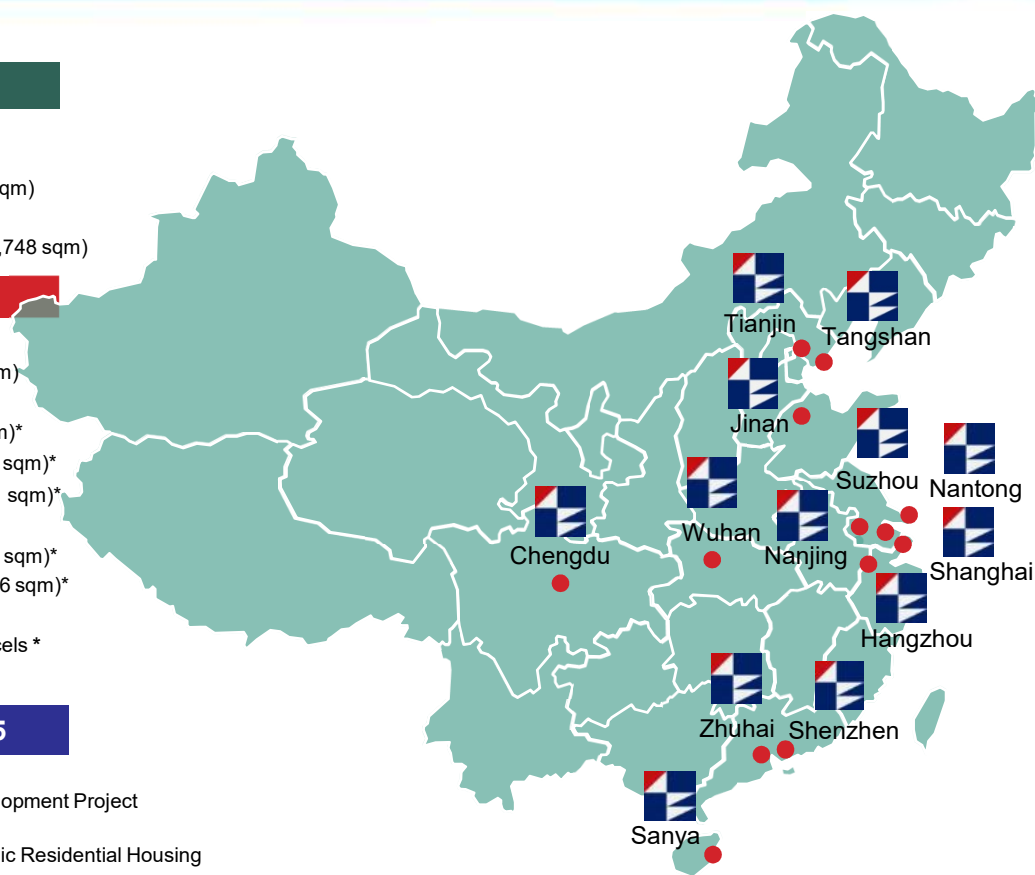
Pearl River Delta since 2005

Shenzhen

- Shenzhen Longgang District Redevelopment Project (390,000 sqm)
- Shenzhen Longgang District Economic Residential Housing (144,064 sqm)
- Yanlord Rosemite (5,370 sqm)
- Yanlord Landmark (37,688 sqm)
- Yanlord Centre (332,880 sqm)

Zhuhai

- Yanlord New City Gardens (11,155 sqm)
- Yanlord Marina Centre (170,779 sqm)
- Yanlord Marina Peninsula Gardens (346,892 sqm)
- Zhuhai No. 2017-21 Land (36,489 sqm)



As of 31 December 2017:

GFA Completed (mil sqm)	0.732
GFA Under Development (mil sqm)	2.868
GFA for Future Development (mil sqm)	3.139
Total Land Bank (mil sqm)	6.739

Yangtze River Delta since 1993

Shanghai

- Shanghai San Jia Gang Land Plot (35,831 sqm)
- Yanlord Sunland Gardens (20,391 sqm)
- Yanlord Western Gardens (56,860 sqm)
- Yanlord Eastern Gardens (16,643 sqm)
- Yanlord on the Park (79,534 sqm)
- Shanghai Yangpu District 81 and 83 Redevelopment Project (182,287 sqm)

Nanjing

- Yanlord Yangtze Riverbay Town (17,138 sqm)
- Oasis New Island Gardens (94,663 sqm)
- Nanjing Eco Hi-Tech Island – Land Parcel G73 (97,034 sqm)
- Nanjing Daji Land Parcels (314,204 sqm)
- Nanjing No. 2016G01 Land (154,254 sqm)*
- Nanjing No. 2016G84 Land (534,160 sqm)*
- Nanjing No. 2017G01 Land (84,052 sqm)*

Suzhou

- Yanlord Lakeview Bay (13,166 sqm)
- Suzhou Wuzhong Area C1 Land (9,265 sqm)
- Tang Yue Bay Gardens (27,132 sqm)
- Riverbay Gardens (297,972 sqm)
- Suzhou No.2016-WG-46 Land Parcels (74,500 sqm)
- Suzhou No.2016-WG-63 Land (52,514 sqm)

Nantong

- Four Seasons Gardens (136,674 sqm)

Hangzhou

- Hangzhou Intelligent City Project – Medical Land Parcels (450,773 sqm)*
- Hangzhou Intelligent City Project – Commercial Land Parcels (294,830 sqm)*

Central China since 2017

Wuhan

- Wuhan Metropolis Project (141,379 sqm)*

Hainan since 2010

Sanya

- Sanya Hai Tang Bay - Land Parcel 9 (75,592 sqm)



Development Strategies

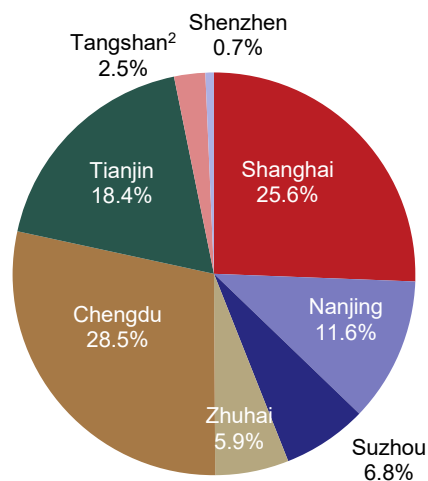
Growth of business across high-growth cities



- Increase the market share in cities where Yanlord already has established a superior brand name
- Expand into new cities within the 6 regions where Yanlord is currently in
- Existing land bank sustainable for development in each of these cities for approx. 5 years
- Future projects will be more diversified in terms of development type and geographical reach

Completed projects

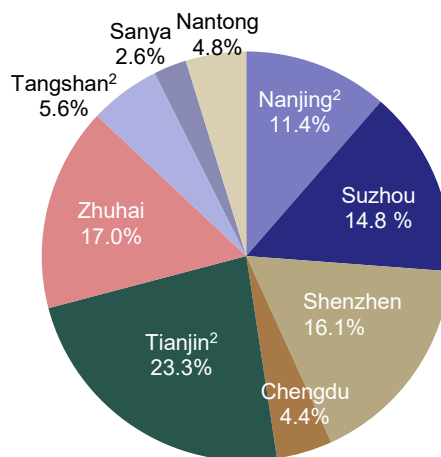
(731,659 sqm¹)



Residential and Commercial	288,065 sqm
Investment	427,941 sqm
Fixed Assets	15,653 sqm

Projects under development

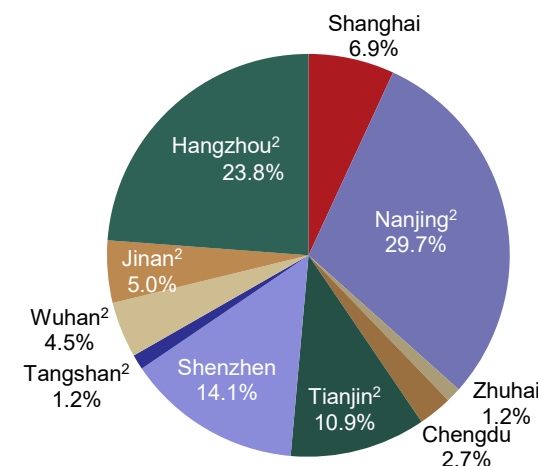
(2.868 million sqm)



Residential and Commercial	2,655,450 sqm
Investment	212,358 sqm

Land bank: Future development

(3.139 million sqm)



Residential and Commercial	3,139,091 sqm
Investment	-

- Note:
1. The group has completed 8.091 million sqm out of which 731,659 sqm are GFA completed and retained as investment properties, fixed assets or yet to be sold/ delivered to customers
 2. Contains projects being held under associate or joint venture



Project Showcase

- Yanlord on the Park (Shanghai)



Project Showcase

- Yanlord Eastern Gardens (Shanghai)



Project Showcase

- Four Seasons Gardens (Nantong)



Disclaimer



This document contains information that is commercially sensitive, subject to professional privilege and is proprietary and confidential in nature. Any professional privilege is not waived or lost by reason of mistaken delivery or transmission. If you receive a copy of this document but are not an authorized recipient, you must not use, distribute, copy, disclose or take any action in reliance on this document or its contents.

The information contained in this document has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this document should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. Neither Company nor any of its respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

The document may contain statements that reflect the Company's beliefs and expectations about the future. These forward-looking statements are based on a number of assumptions about the Company's operations and factors beyond the Company's control, and accordingly, actual results may differ materially from these forward-looking statements. The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

