



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

# Ying Li International Real Estate Limited

## Third Quarter 2014 Financial Results

12 November 2014



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## Highlights



# 3Q 2014 versus 3Q 2013

## Consolidated Statement of Comprehensive Income

(RMB '000)	3Q 2014	3Q 2013	Change %
Revenue	260,699	28,209	824.2
Cost of Sales	(158,487)	(5,997)	2,542.8
<b>Gross Profit</b>	<b>102,212</b>	<b>22,212</b>	<b>360.2</b>
Other income	3,016	1,003	200.7
Selling expenses	(12,828)	(8,319)	54.2
Administrative expenses – Normal recurring	(33,031)	(13,216)	149.9
Administrative expenses – Share based payment	(3,616)	12,580	(128.7)
Finance costs	(27,264)	(29,646)	8.0
<b>Profit before income tax</b>	<b>28,489</b>	<b>(15,386)</b>	<b>n.m</b>
Taxation	(17,666)	3,157	n.m
<b>Profit for the period</b>	<b>10,823</b>	<b>(12,229)</b>	<b>n.m</b>
Foreign currency translation differences (at nil tax)	34,219	4,089	(969.3)
<b>Total comprehensive income for the period</b>	<b>45,042</b>	<b>(8,140)</b>	<b>n.m</b>

Source: Company information.



# Statement of financial position

(RMB '000)	As at 30 Sep 2014	As at 31 Dec 2013
<b>Non-current assets</b>		
Property, plant and equipment	20,055	8,748
Investment properties	3,836,032	3,837,685
Prepayment	6,241	208
<b>Total non-current assets</b>	<b>3,862,328</b>	<b>3,846,641</b>
<b>Current assets</b>		
Development properties	3,526,299	3,241,928
Trade and other receivables	266,359	177,245
Cash and cash equivalents	856,829	727,132
<b>Total current assets</b>	<b>4,649,487</b>	<b>4,146,305</b>
<b>Total assets</b>	<b>8,511,815</b>	<b>7,992,946</b>
<b>Non-current liabilities</b>		
Deferred taxation	511,766	483,593
Borrowing – Secured	814,375	814,375
<b>Total non-current liabilities</b>	<b>1,326,141</b>	<b>1,297,968</b>
<b>Current liabilities</b>		
Trade and other payables	865,412	1,159,083
Provision for taxation	95,730	95,641
Other borrowings – unsecured	102,426	96,112
Borrowings – secured	2,128,357	1,892,344
<b>Total current liabilities</b>	<b>3,191,925</b>	<b>3,243,180</b>
<b>Total liabilities</b>	<b>4,518,066</b>	<b>4,541,148</b>
Capital and reserves	3,939,444	3,396,830
Non-controlling interest	54,306	54,968
<b>Total equity</b>	<b>3,993,750</b>	<b>3,451,798</b>

Source: Company information.

# Financial Ratio and Key Milestones

## Financial Ratio

	3Q 2014	3Q 2013	% Change
EPS (RMB per share)	0.005	(0.006)	183.3
Annualised ROE (%)	0.09	-0.97	109.3
NAV (RMB per share)	1.54	1.45	6.2

## 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 1<sup>st</sup> batch of pre-sales for San Ya Wan Phase 2 in early October 2014

Source: Company information.

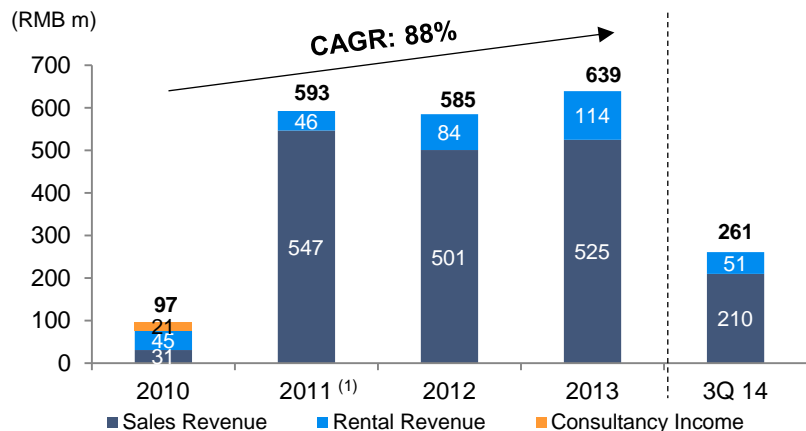


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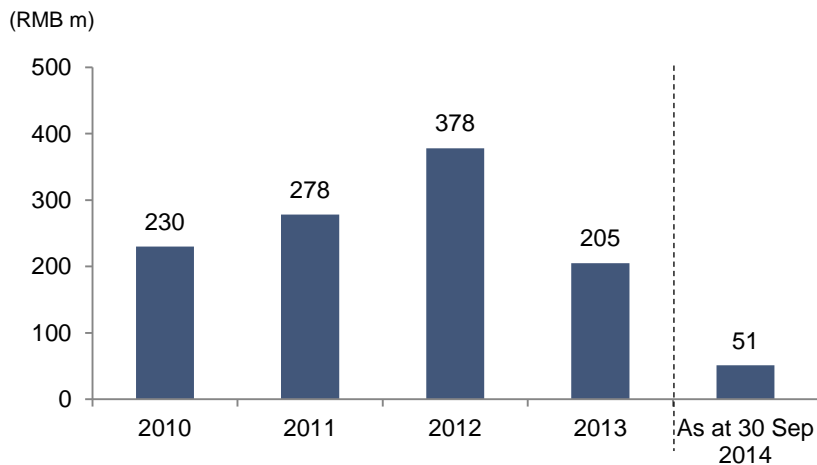
## Financial Highlights

# Financial Highlights

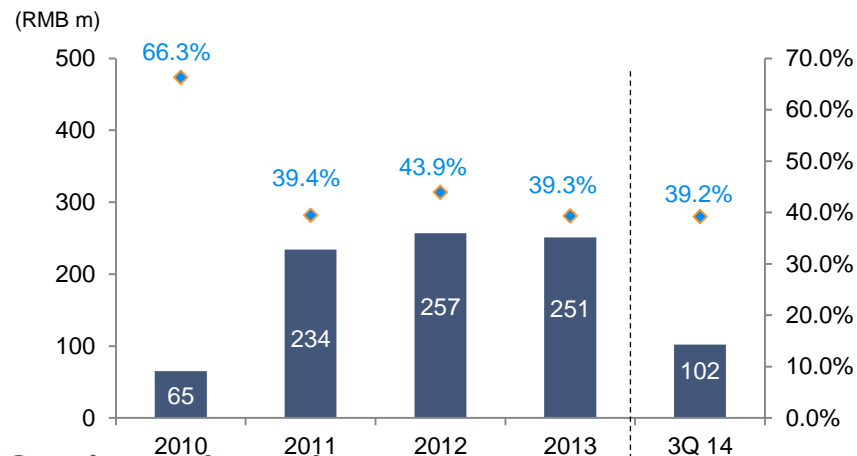
## Strong revenue growth



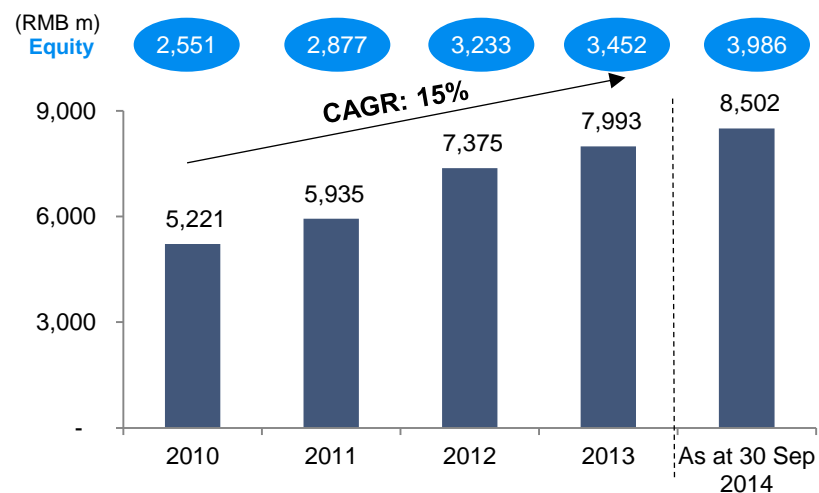
## Net profit after tax



## Gross profit and gross profit margin



## Growing total asset base



Source: Company financials.

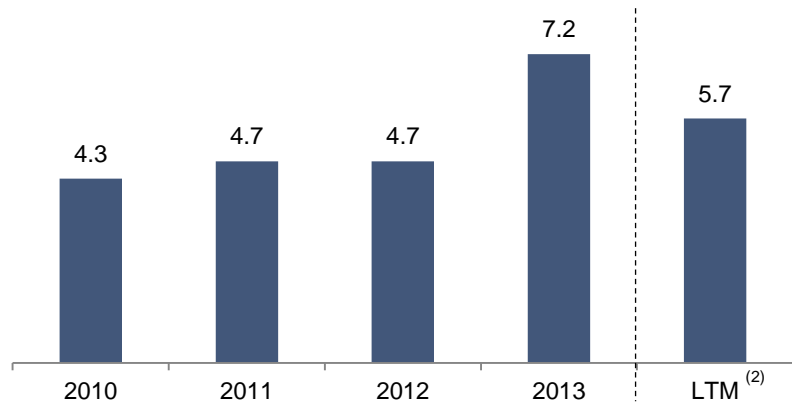
(1) Significant increase in 2011 revenue mainly due to the recognition of sales in Ying Li International Financial Centre and San Ya Wan Phase 1A, as well as the sale of investment properties units in New York New York, Bashu Cambridge and San Ya Wan Phase 1.



# Financial Highlights

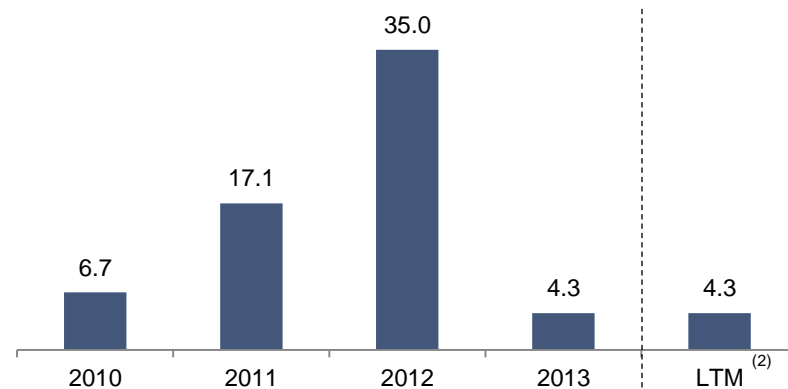
## Debt to EBITDA<sup>(1,2)</sup>

(x)



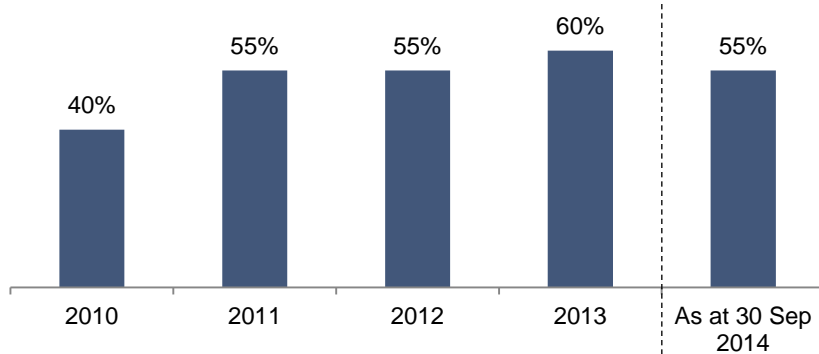
## Interest coverage<sup>(1,3)</sup>

(x)



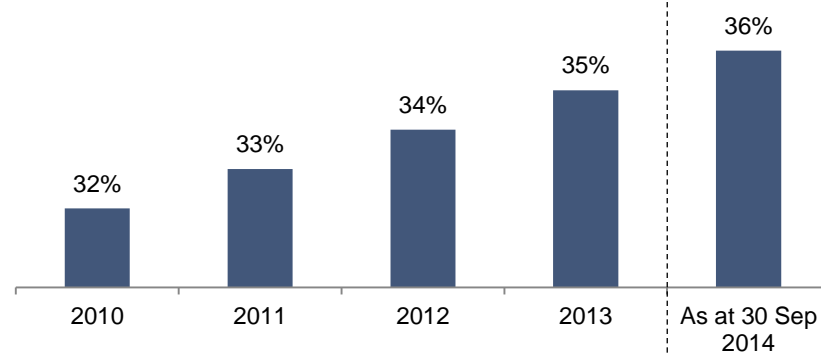
## Net debt to total equity

(%)



## Total debt to total assets

(%)



Source: Company financials.

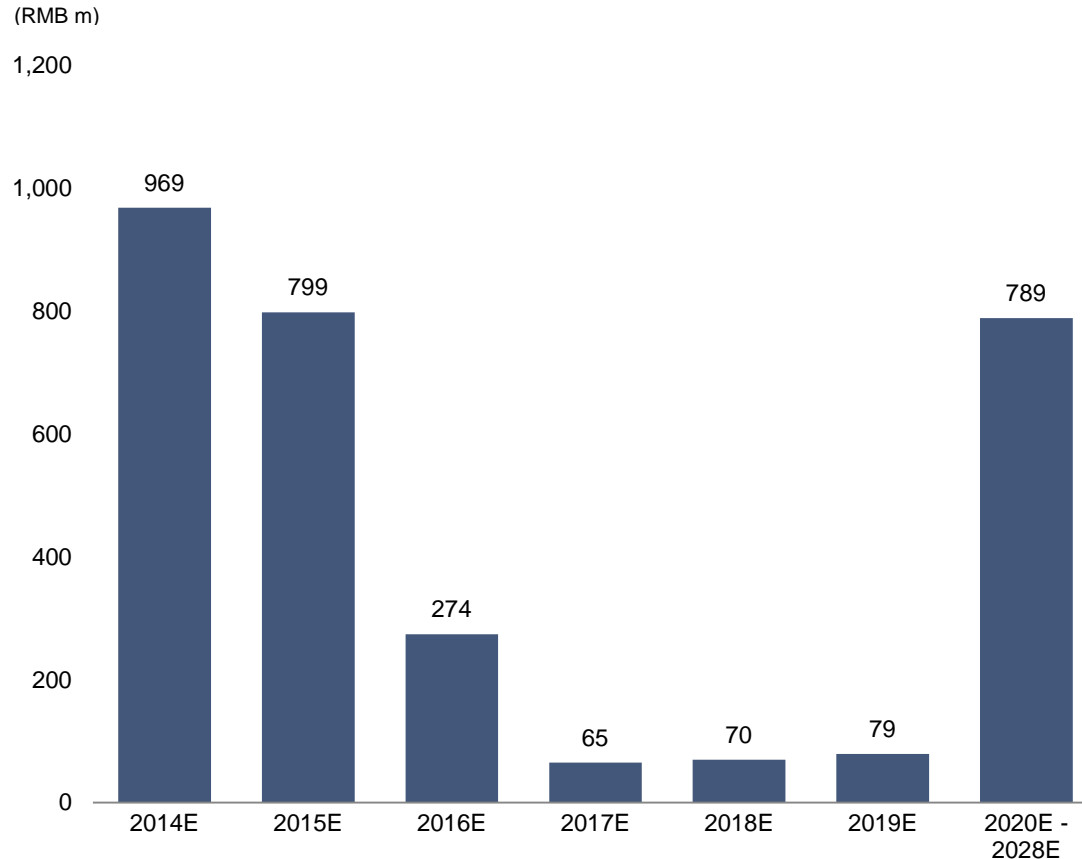
(1) EBITDA derived from the summation of profit for the period (after tax), minority interest, depreciation and amortisation, tax and interest expense.

(2) Derived using total debt as at 30 September 2014 and LTM EBITDA. LTM refers to financial year ending 30 September 2014.

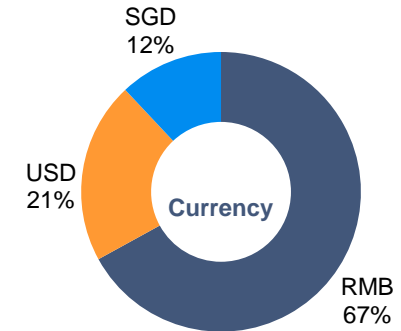
(3) Derived using LTM EBITDA and LTM Interest Expenses. LTM refers to financial year ending 30 September 2014.

# Debt Maturity Profile

## Debt maturity profile as of 30 September 2014<sup>(1)</sup>



## Funding mix as of 30 September 2014<sup>(1)</sup>



## Key debt metrics as of 30 September 2014<sup>(1)</sup>

- Total outstanding debt is RMB 3.0bn
- 36.0% LTV<sup>(2)</sup>
- Weighted average cost of debt: 7.75% per annum
- RMB 856.8m 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.

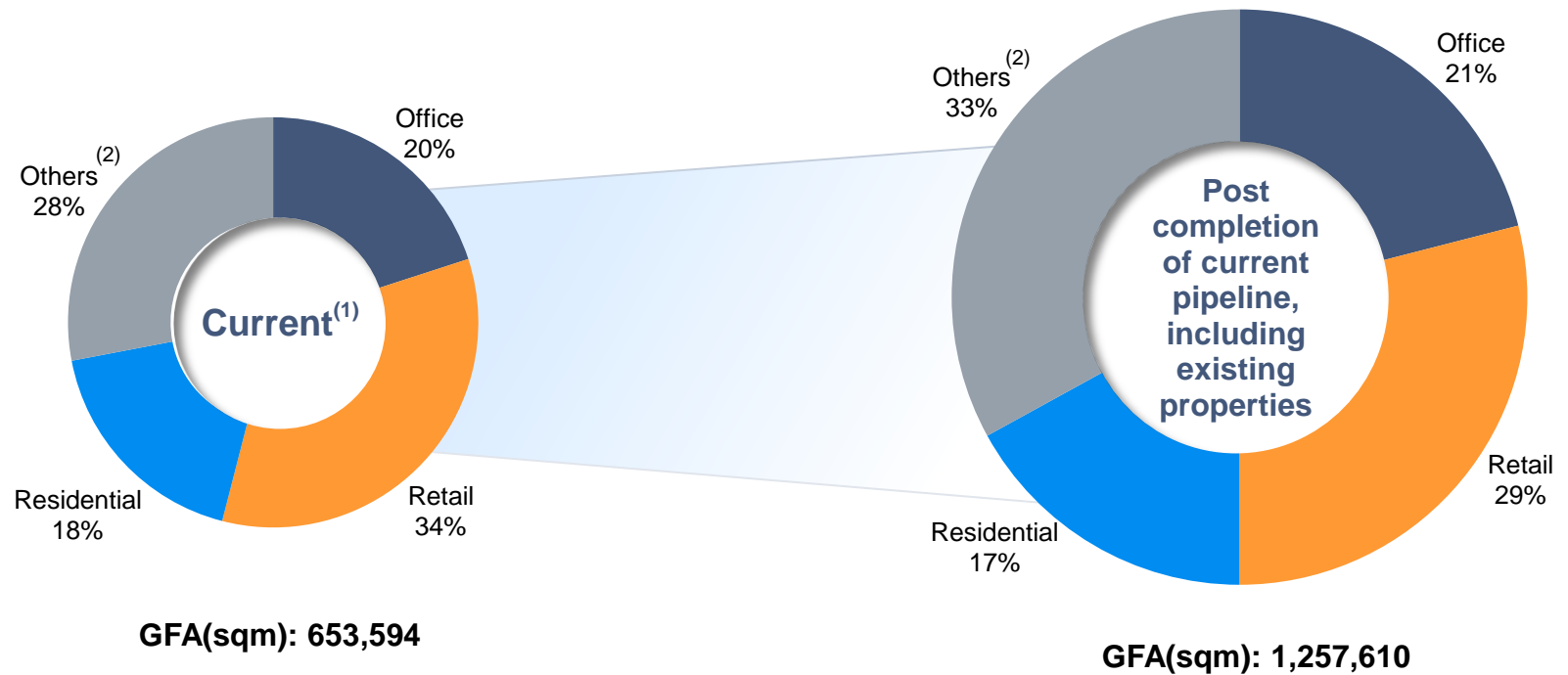
(2) LTV calculated as total loans drawn as of 30 September 2014 divided by total asset value as of 30 September 2014.



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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 30 September 2014, consists of properties currently held as investment properties.

(2) Others are mainly car parks.

# Project pipeline – Ying Li International Plaza



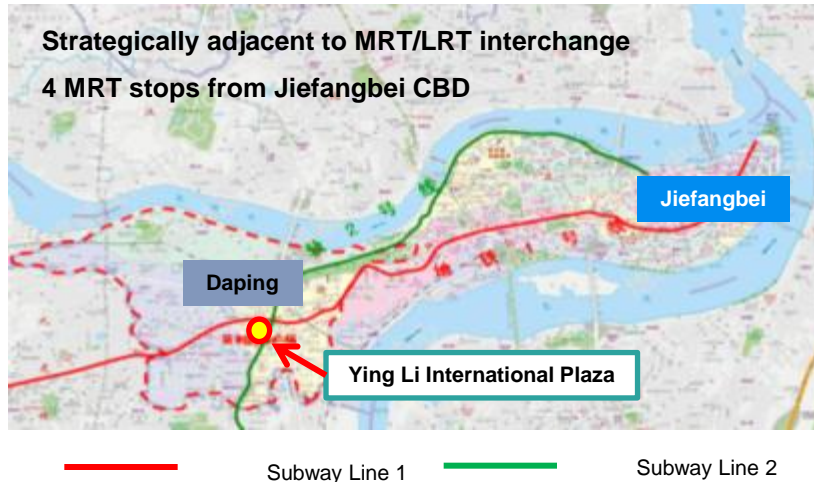
- Strategically located in the centre of Da Ping, the mall benefits from good frontage exposure with access to two main roads and is supported by a comprehensive public transport network infrastructure
- An integrated commercial development designed with a vibrant “Live-Work-Play” theme. Comprises quality residences, SOHO, Grade A offices and a retail mall targeted at family and lifestyle
- 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	<b>409,141 sqm</b>
- Residential / SOHO	- 116,445 sqm
- Office	- 78,695 sqm
- Retail mall	- 100,524 sqm
- Car park and others	- 113,477 sqm
Expected Handover	Q4 2013/14 (in phases)

## Ying Li International Plaza development summary <sup>(1)</sup>

	Type	Launch / Opening date	Handover	% Units Sold
<b>Tower 1</b>	Office	May 13	28% handed over	45.7%
<b>Tower 2</b>	SOHO	Sep 12	77% handed over	95.1%
<b>Tower 3</b>	Residential	Jul 12	94% handed over	99.5%
<b>Tower 4</b>	Residential	Mar 12	98% handed over	100.0%
<b>Tower 5</b>	Residential	Dec 11		100.0%
<b>Podium</b>	Retail mall	20 Dec 13	79% contracted lease + 7% LOI	



Source: Company information.  
 (1) As at 30 September 2014



# Project pipeline – Ying Li International Plaza

## Development Progress



\*Pictures taken in November 2014

- Handed over 96% 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
- Sold 39% of office space allocated for sale<sup>(1)</sup> in the first year and achieved 80% contracted occupancy at opening
- Achieved a record sales price of RMB 27,000 per sqm during the pre-sale of the IFC

## Key property statistics

<b>Office – Total GFA: 89,971sqm</b>	<b>(%)</b>
Sales in year 1 – Launched Feb 2011	39%
Sales in year 2 (2012)	76%
Contracted sales proceeds	92% (RMB979m)
Contracted occupancy (as at 30 Sep 14)	89.1%
<b>Retail mall – Total GFA: 49,873sqm</b>	
Opening date	Dec 11
Contracted occupancy at opening	80%
Contracted occupancy (as at 30 Sep 14)	97%

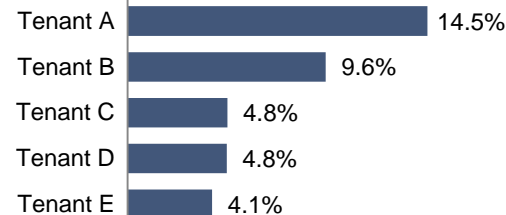
Source: Company information.

# Diversified and high quality tenant base

## Selected office tenants



### Top 5 tenants account for 37.8% of office rental space

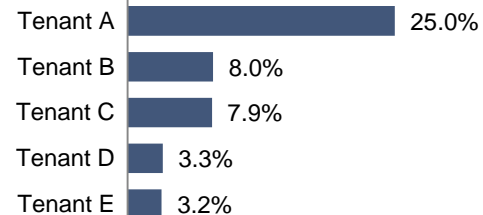


- WALE<sup>(1)</sup>: 2.77 years
- Occupancy<sup>(1)</sup>: 89.1%

## Selected retail tenants



### Top 5 tenants account for 47.3% of retail rental space



- WALE<sup>(2)</sup>: 9.15 years
- Occupancy<sup>(2)</sup>: 90.2%

Source: Company information.

(1) Weighted average lease expiry and occupancy of leased office area as of 30 September 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 30 September 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. Facade construction work completed for 4 blocks of residential townhouses units.
- Commenced 1<sup>st</sup> batch of pre-sales in early October 2014
- Construction progressing smoothly and completion of project expected to be in stages in 2015 and 2016

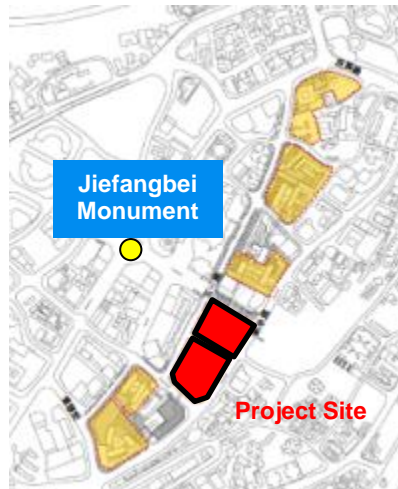
\*Pictures taken in November 2014

# Project pipeline – Ying Li Financial Street Project

## Chongqing Financial Street



Artist Impression



- 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



Artist Impression

- 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

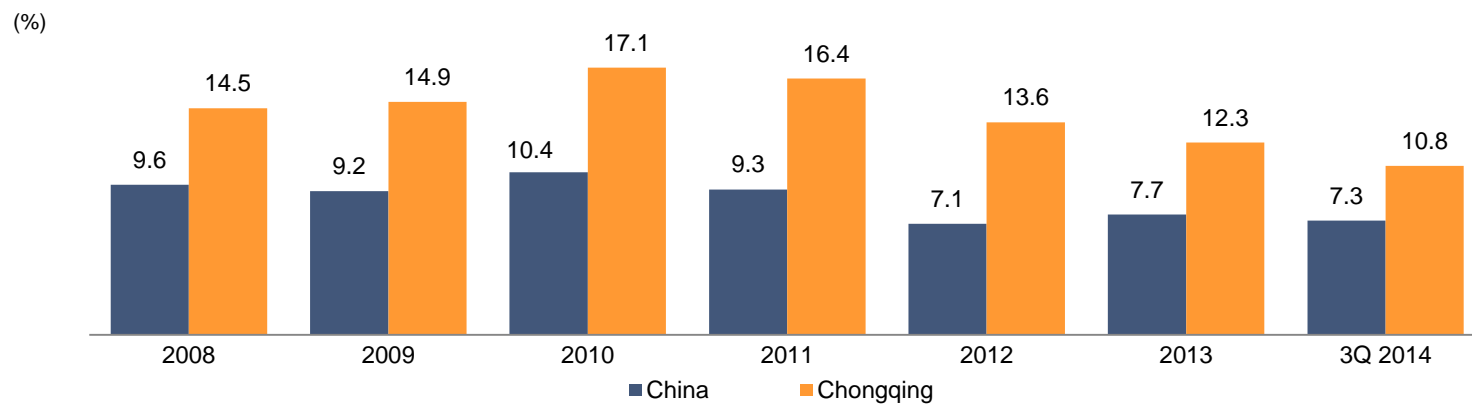


- Construction of tower block reached sixth storey
- Construction of retail podiums reached third storey
- Completion of project expected to be in stages from 2017

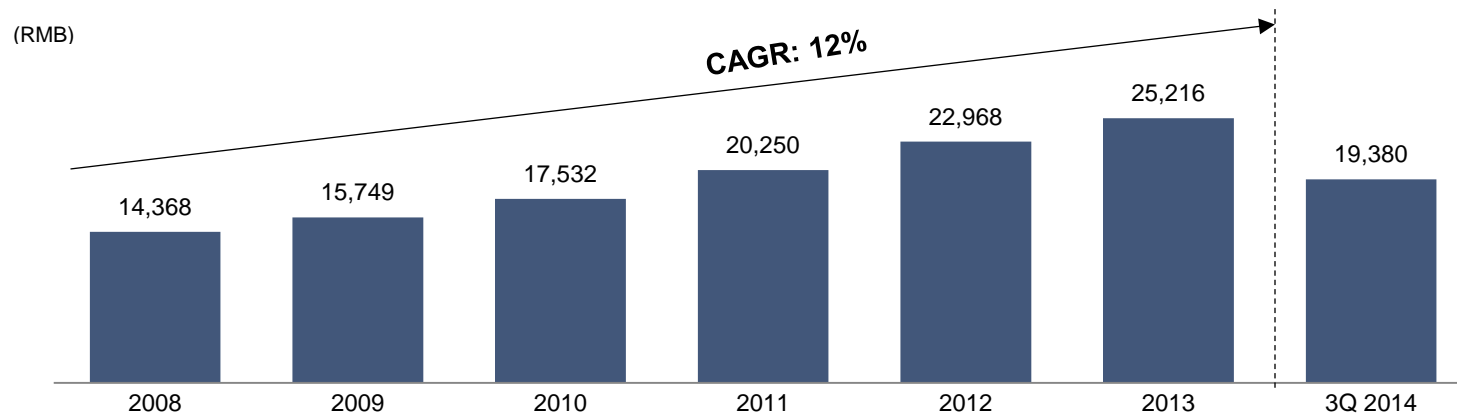
\*Pictures taken in October 2014

# Market Outlook

## One of the highest GDP growth in China



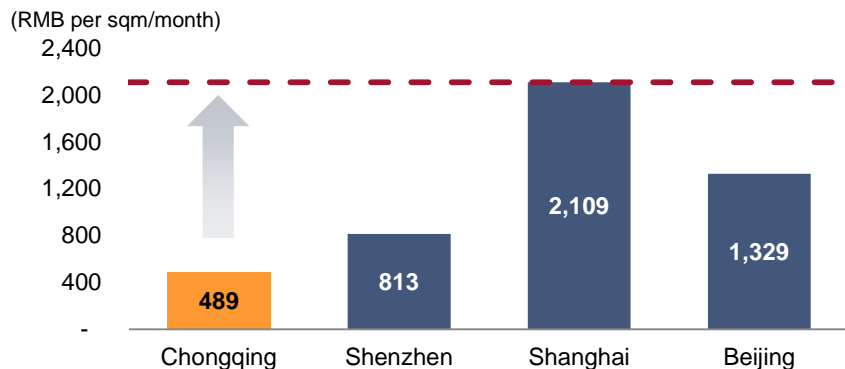
## Growing disposable income per capita



Source: Chongqing Statistics Bureau.

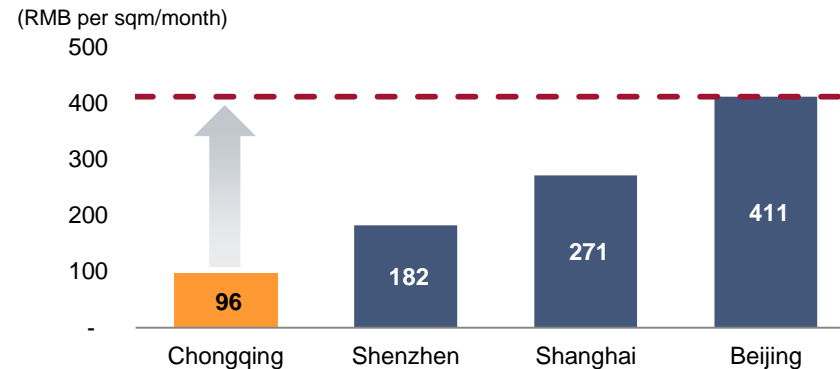
# Market Outlook

## Prime Retail monthly rental rate (3Q 2014)



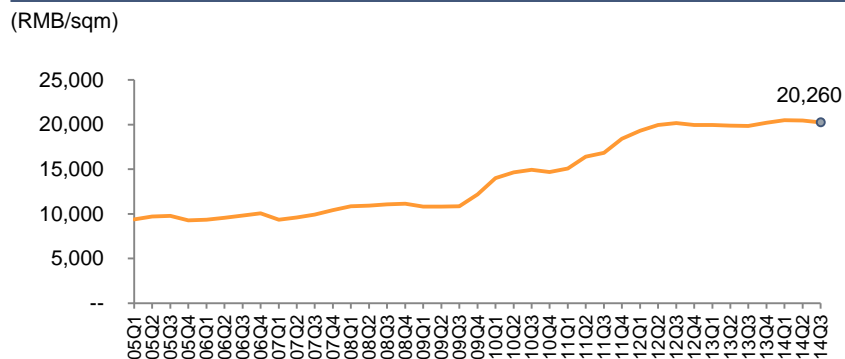
Source: CBRE

## Grade A Office monthly rental rate (3Q 2014)



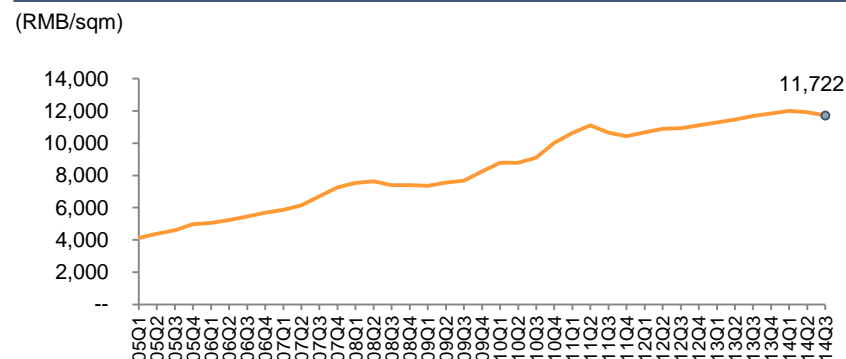
Source: CBRE

## Capital Values of Chongqing Investment Grade Office Market<sup>(1)</sup> (3Q 2014)



Source: Jones Lang LaSalle

## Marginal decrease in high-end residential prices (3Q 2014)



Source: Jones Lang LaSalle

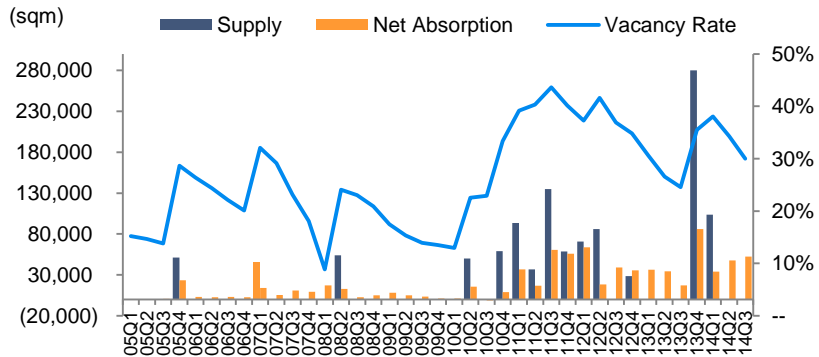
Note:

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

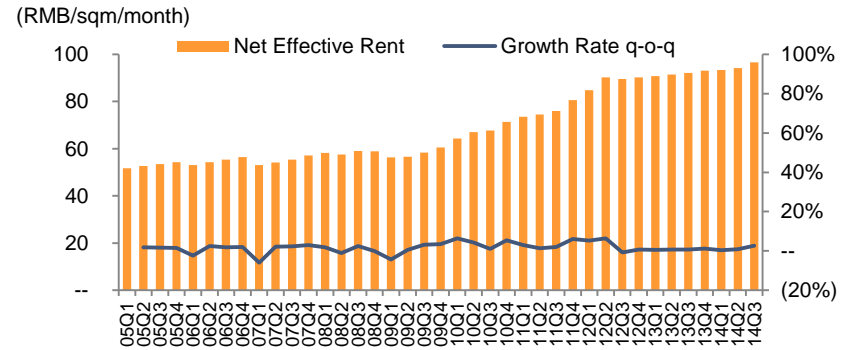


# Market Outlook

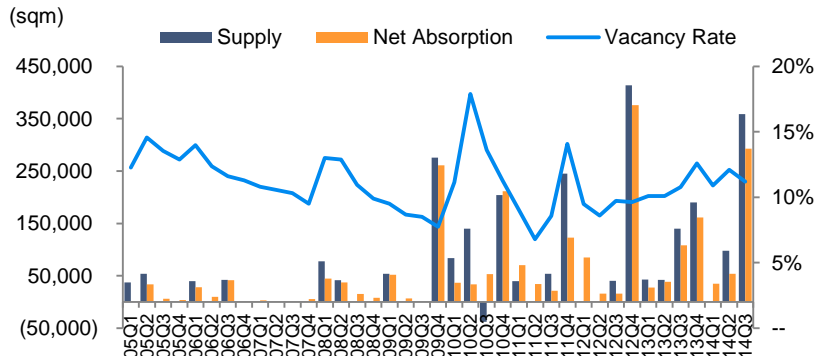
## Supply and net absorption volume of investment grade office space remained stable in 3Q 2014



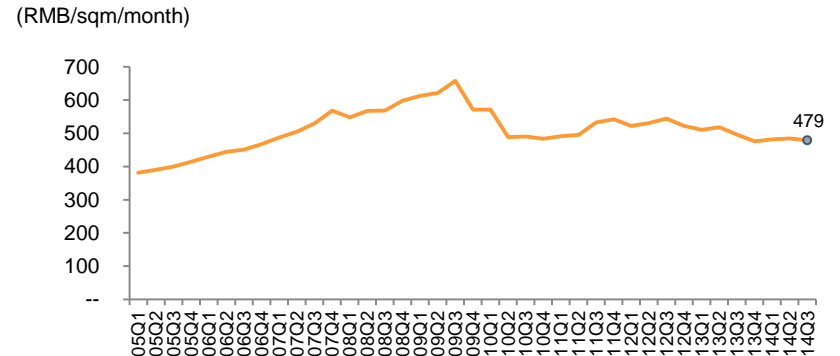
## Minor increase of Investment grade office net effective rents in 3Q 2014



## Premium retail market vacancy rate decreased slightly in 3Q 2014



## Slight decrease in average net effective rents of premium retail market recorded in 3Q 2014



Source: Jones Lang Lasalle.

- (1) Investment grade office includes grade A and high-quality Grade B office buildings.
- (2) Premium retail includes department stores and shopping malls with a mid-end positioning or higher.



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**Thank you**