



# 仁恒置地集团 YANLORD LAND GROUP LIMITED

## 2Q and 1H 2009 Results Presentation

# Yanlord 2Q 2009 Business Review



- ❖ Riding on the impetus of the stimulus package and record lending, the PRC real estate sector continued to exhibit signs of recovery. Total value of contracted property sales in 1H 2009 grew 53% to RMB1.58 trillion from a year earlier.
- ❖ Shanghai Yanlord Riverside City ranked No.1 in terms of contract sales in a single property development sale in 1H 2009 in China.
- ❖ In June 2009, Yanlord announced the concurrent offering of equity and convertible bonds consisting the issuance of 110 million new shares at S\$2.08 per share raising S\$228 million and convertible bond (due 2014) raising S\$375 million.
- ❖ As part of our land bank acquisition strategy, we have formed a joint venture with Singapore's Sembcorp Industrial Parks Ltd. and Surbana Land Pte. Ltd. to develop a "Sino-Singapore Nanjing Eco High-Tech Island". The development will be progressively completed in three phases and spans a total GFA of approximately 6 million sqm.



# Presentation Content



## I. Key Financial Highlight



## II. Business and Operation Overview

## III. Outlook



- Yanlord Riverside City  
(Shanghai)

## Yanlord Land Group Limited – Key Financial

## Key Financial Highlights



- ❖ Revenue has grown 55.6% to 615.8 million in the 2Q 2009 compared to 2Q 2008. Net profit attributable to equity holders of the company has grown 36.2% to 91.6 million in the 2Q 2009 compared to 2Q 2008.
- ❖ Average selling price recognized in 2Q 2009 rose 45.8% to approximately RMB23,152 per sqm from RMB15,875 per sqm in 2Q 2008.
- ❖ Cash and Bank Balance increased to S\$1.275 billion including the proceeds from the equity offering; excludes proceeds of S\$375 .0 million from the convertible bonds due in 2014 which was concluded in July 2009.
- ❖ As of 30 June 2009, the Group's total pre-contracted sales to be recognized grew 44.9% to S\$800.1 million from S\$552.1 million as of 31 March 2009. Total pre-contracted sales included S\$536.2 million of advances received and S\$263.9 million of pre-sale proceeds that will be collected in subsequent financial periods.
- ❖ The Group continues its prudent financial policy. As of 30 June 2009, net debt to equity ratio was 9.3%.

# Income Statement – 2Q2009 VS 2Q2008



	2Q2009	2Q2008	% Change
	S\$'mil	S\$'mil	+/( -)
Revenue	615.8	395.7	55.6
Cost of sales	(233.1)	(177.9)	31.0
Gross profit	382.7	217.8	75.7
Gross profit margin (%)	62.1	55.0	7.1 ppt
Profit before income tax	361.8	199.0	81.8
Income tax	(224.8)	(97.5)	130.6
Profit for the period	137.0	101.5	35.0
Net profit margin (%)	22.3	25.7	(3.4 ppt)
Profit attributable to equity holders of the Company	91.6	67.2	36.3
Basic earnings per share (cents) <sup>(1)</sup>	4.69	3.46	35.5
GFA delivered (sqm)	123,618	128,779	(4.0)
ASP (RMB/sqm)	23,152	15,875	45.8

(1): Based on adjusted weighted average number of shares on a fully diluted basis

# Income Statement – 1H2009 VS 1H2008



	1H2009	1H2008	% Change
	S\$'mil	S\$'mil	+/(-)
Revenue	802.2	511.9	56.7
Cost of sales	(300.0)	(250.5)	19.7
Gross profit	502.3	261.4	92.1
Gross profit margin (%)	62.6	51.1	11.5 ppt
Profit before income tax	459.9	230.0	100.0
Income tax	(283.2)	(118.4)	139.2
Profit for the period	176.8	111.6	58.4
Net profit margin (%)	22.0	21.8	0.2 ppt
Profit attributable to equity holders of the Company	115.8	76.6	51.3
Basic earnings per share* (cents)	5.97	3.97	50.4
GFA delivered (sqm)	156,281	170,450	(8.3)
ASP (RMB/sqm)	23,531	15,253	54.3

\*Based on adjusted weighted average number of shares on a fully diluted basis

# Financials – Snapshot as of 30 June 2009



	As of 30 June 09	As of 31 Dec 08	% Change
	S\$'mil	S\$'mil	+/(.)
<b>Current assets</b>	<b>3,325.1</b>	<b>2,265.9</b>	<b>46.7</b>
<b>Non-current assets</b>	<b>2,739.6</b>	<b>2,553.3</b>	<b>7.3</b>
<b>Total assets</b>	<b>6,064.7</b>	<b>4,819.2</b>	<b>25.8</b>
<b>Current liabilities</b>	<b>1,841.8</b>	<b>1,219.7</b>	<b>51.0</b>
<b>Non-current liabilities</b>	<b>1,217.5</b>	<b>1,269.1</b>	<b>(4.1)</b>
<b>Total equity (Incl. MI)</b>	<b>3,005.3</b>	<b>2,330.4</b>	<b>29.0</b>
<b>Cash and bank balances*</b>	<b>1,274.6</b>	<b>375.7</b>	<b>239.3</b>
<b>Convertible bonds</b>	<b>336.4</b>	<b>323.6</b>	<b>4.0</b>
<b>Short-term debt</b>	<b>425.9</b>	<b>350.0</b>	<b>21.7</b>
<b>Long-term debt (excl. convertible notes)</b>	<b>792.2</b>	<b>898.9</b>	<b>(11.9)</b>
<b>Net Debt</b>	<b>279.9</b>	<b>1,196.8</b>	<b>(76.6)</b>

*\*Excluding net proceeds of S\$369 million received in July 2009 from convertible bonds issued in June 2009*

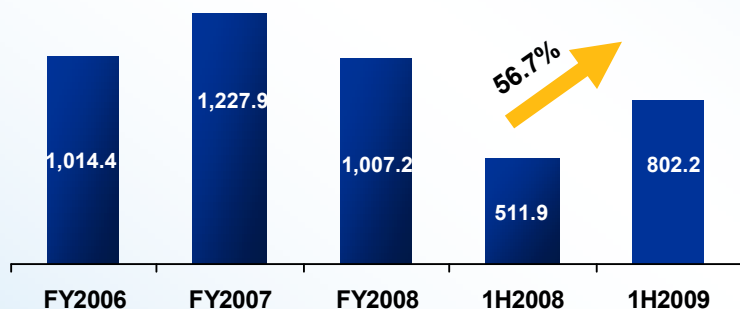


# Strong Profitability and Sustained Growth

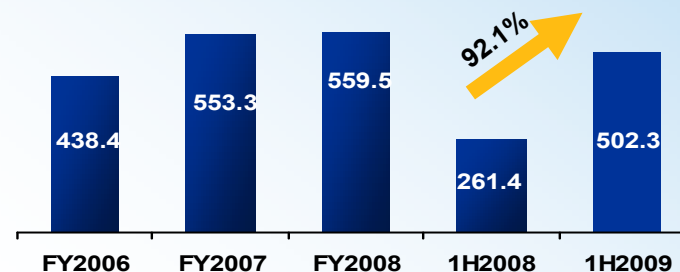


S\$ million

## Revenue

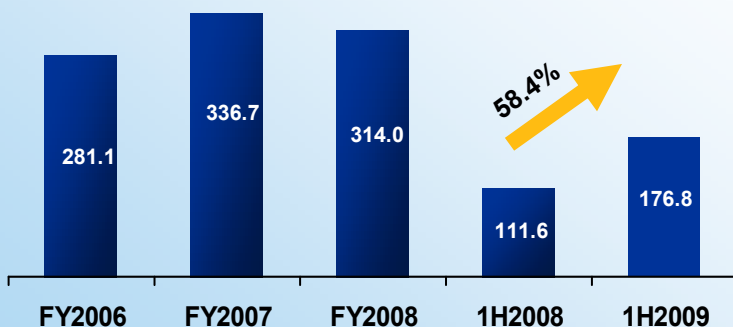


## Gross Profit

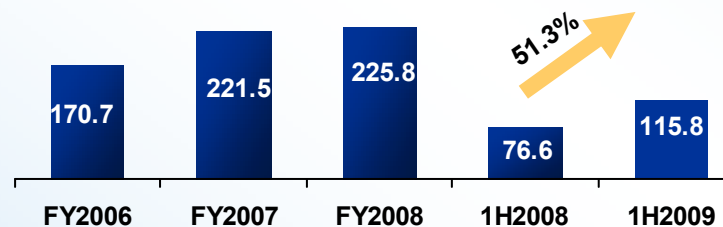


	FY06	FY07	FY08	1H08	1H09
Margins (%)	43.2	45.1	55.5	51.1	62.6

## Profit for the Period



## Profit Attributable to Equity Holders



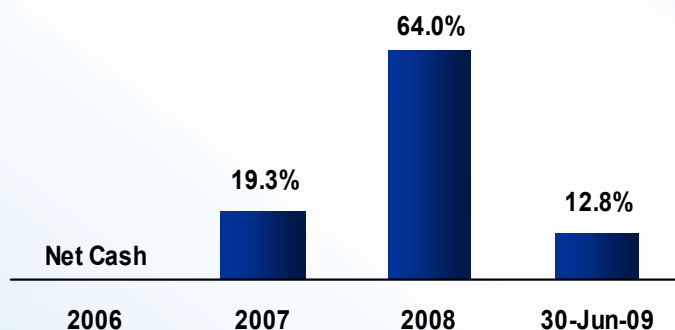
	FY06	FY07	FY08	1H08	1H09
Margins (%)	27.7	27.4	31.2	21.8	22.0

	FY06	FY07	FY08	1H08	1H09
Margins (%)	16.8	18.0	22.4	15.0	14.4

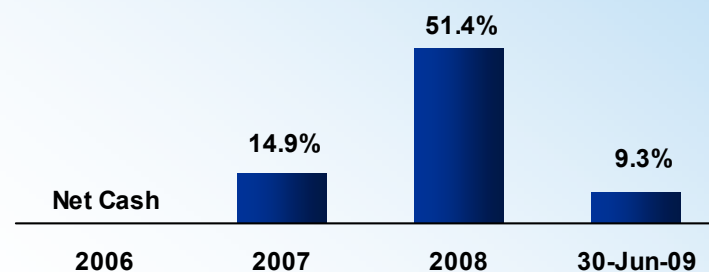
# Strong Credit Statistics



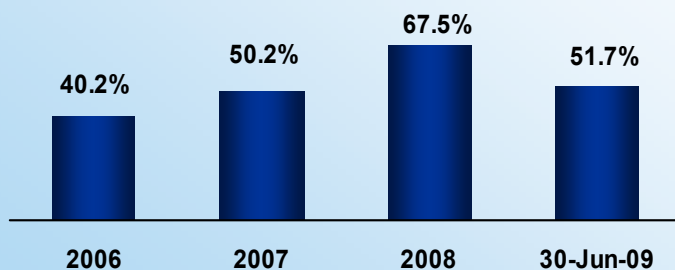
## Net Debt / Equity (Excl. MI)



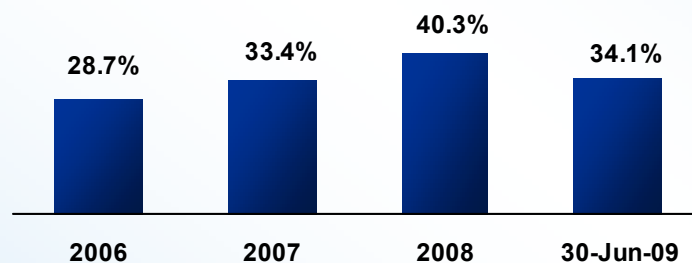
## Net Debt / Total Equity (Incl. MI)



## Total Debt / Total Equity (Incl. MI)



## Total Debt / Capitalization\*



\* Capitalization is equal to the sum of total equity and total debt (including minority interest)

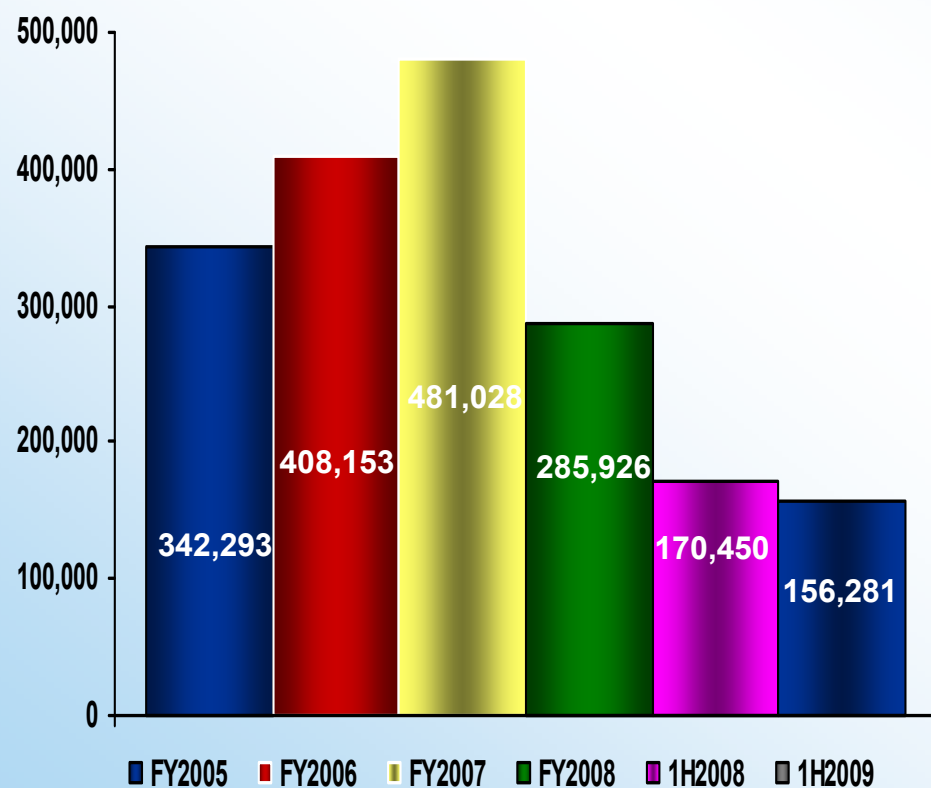


# **Business and Operation Overview**

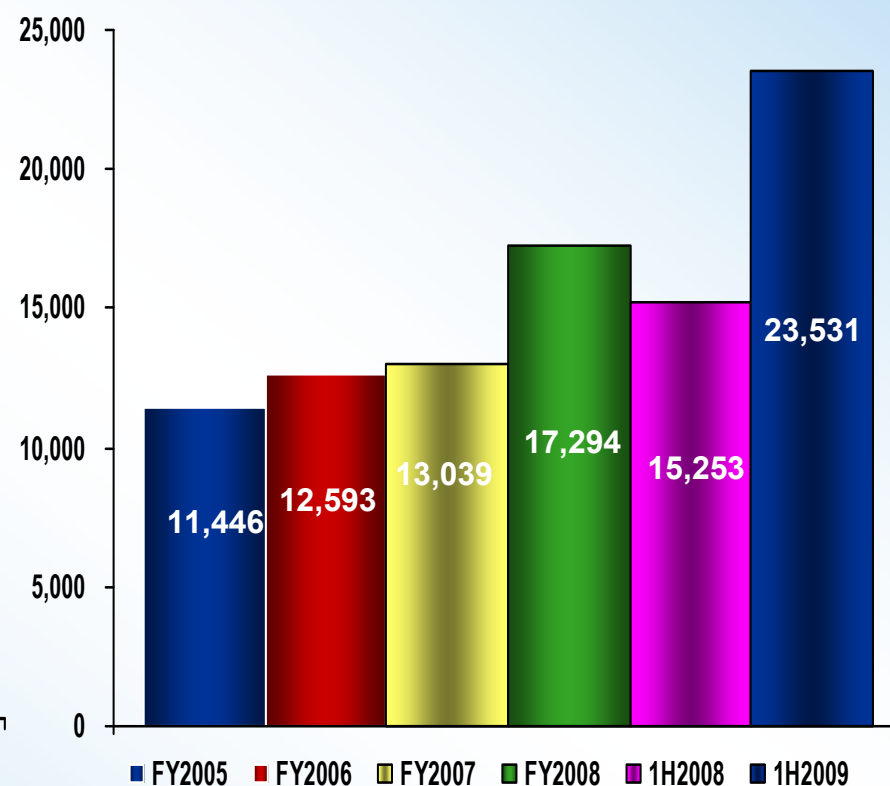
# GFA & ASP Overview



## GFA Delivered (sqm)



## Overall ASP (RMB per sqm)



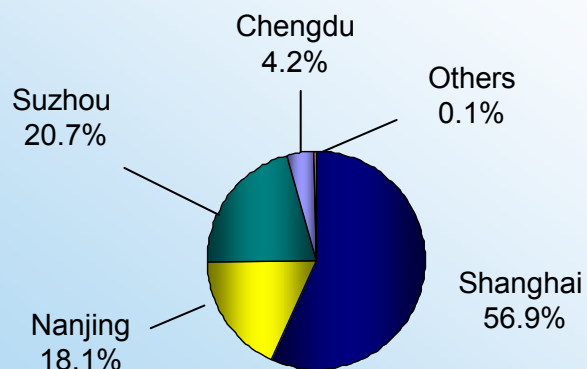


# GFA/ Property Sale Contribution Analysis of 1H 2009 by City, Project and ASP

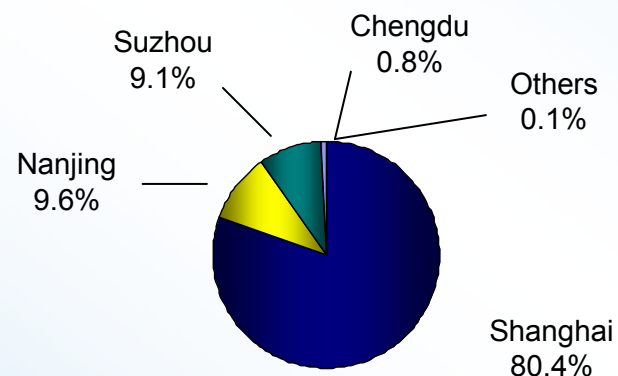


Major Projects delivered in 1H 2009	GFA (sqm)	ASP (RMB/sqm)	Property Sale Contribution by project (%)
Shanghai Yanlord Riverside City (Phase 2)	25,448	30,667	21.4
Shanghai Yanlord Riverside City (Phase 3)	59,570	35,555	57.5
Shanghai Yunjie Riverside Gardens	3,737	14,488	1.4
Suzhou Yanlord Peninsula (Townhouse)	3,611	14,851	1.4
Suzhou Yanlord Peninsula (Apartment)	28,778	9,789	7.5
Nanjing Bamboo Gardens (Phase 3)	24,278	11,603	7.8
Nanjing Yanlord International Apartments	2,877	20,332	1.6
Chengdu Hengye Star Gardens	6,607	4,791	0.8
Others	1,375	N/A	0.6

GFA contribution by City



Property Sale contribution by City



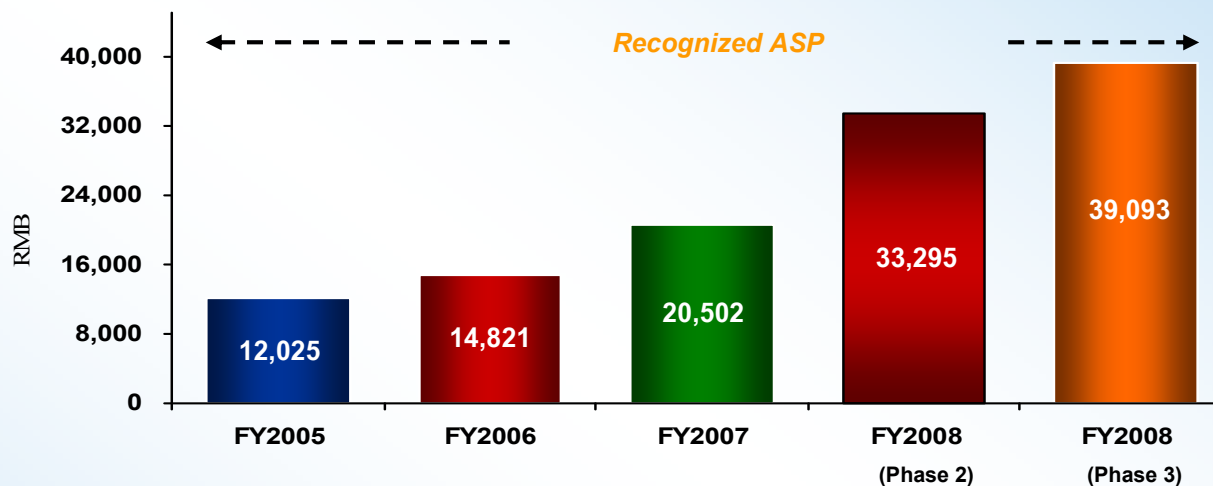
# Fully-fitted Apartments with Quality Product Finish



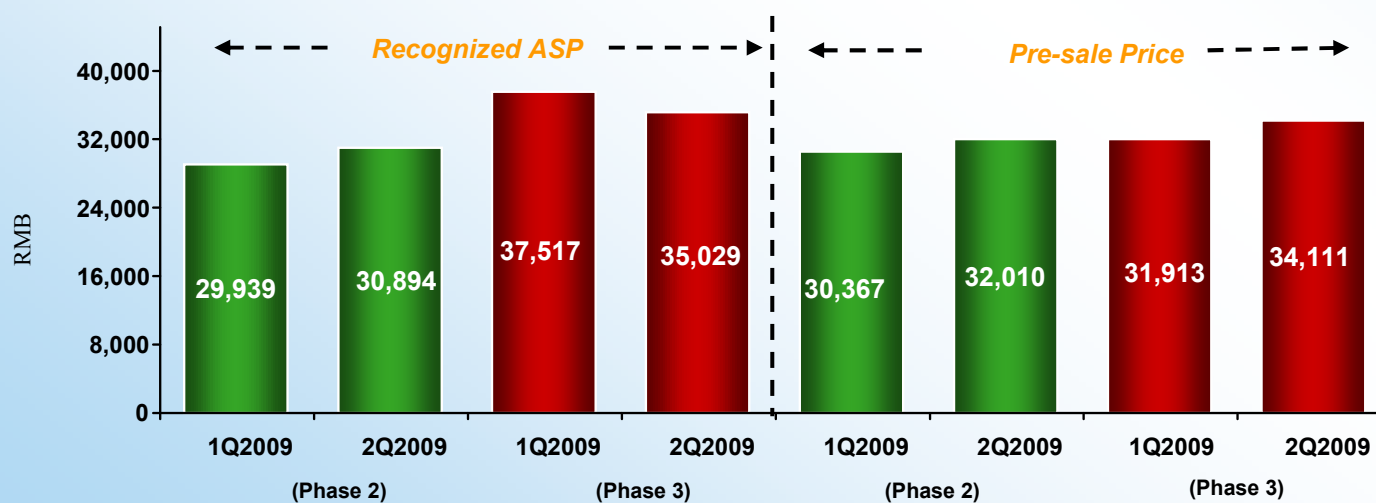
# ASP Overview – Shanghai



## Shanghai Yanlord Riverside City



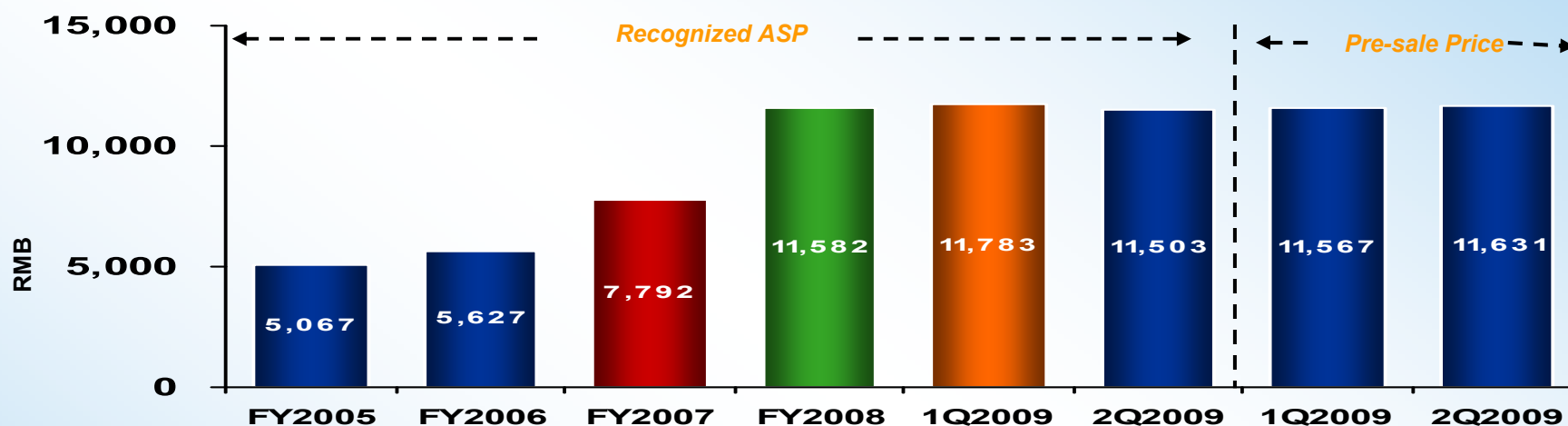
## Shanghai Yanlord Riverside City (1Q vs 2Q2009)



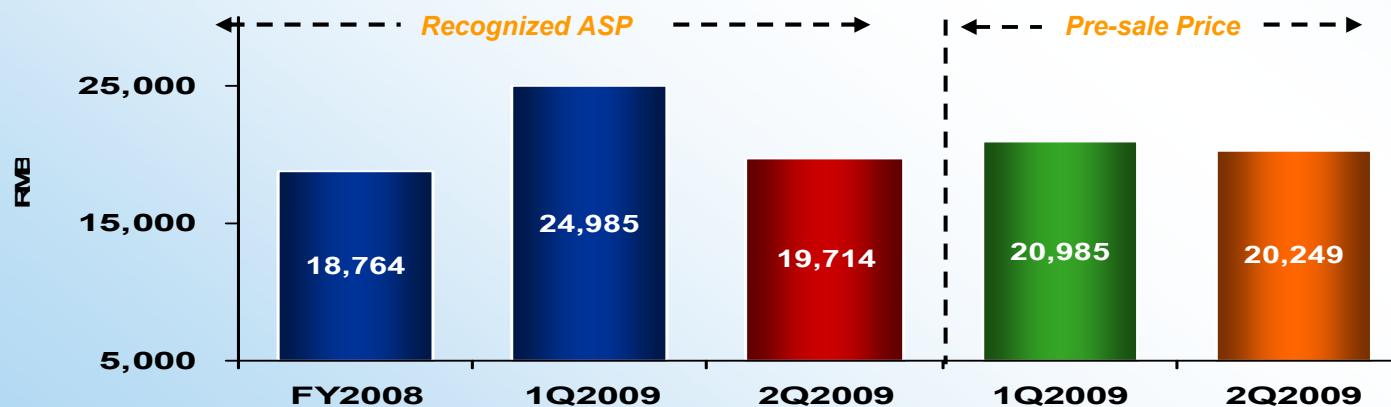
# ASP Overview – Nanjing



## Nanjing Bamboo Gardens



## Nanjing Yanlord International Apartments

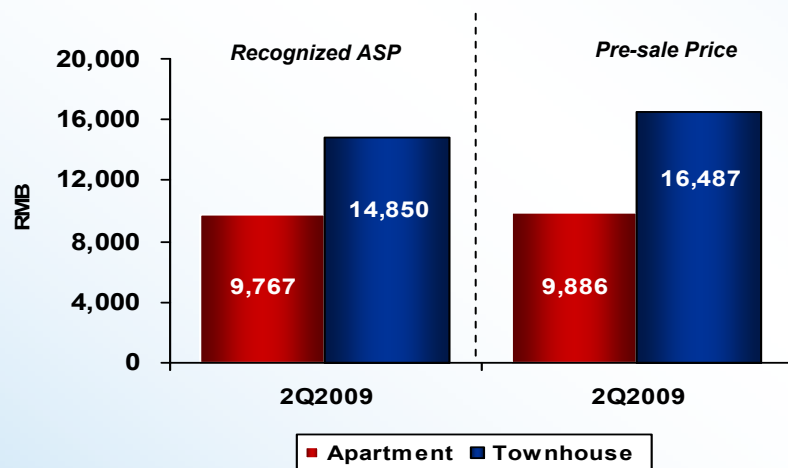




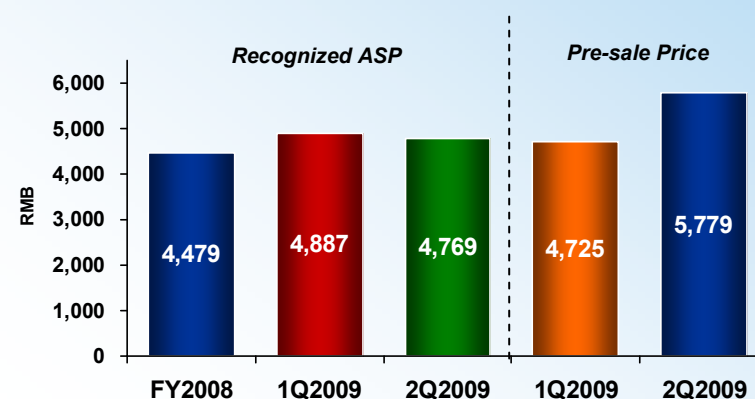
# ASP Overview – Suzhou, Chengdu, Zhuhai



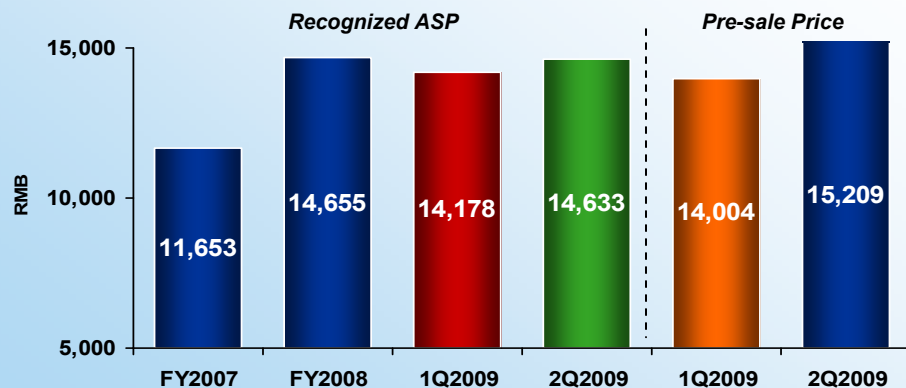
## Suzhou Yanlord Peninsula



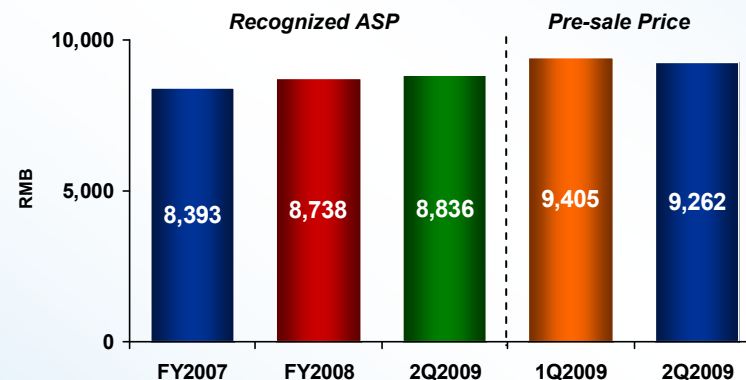
## Chengdu Hengye Star Gardens



## Shanghai Yunjie Riverside Gardens (Villa)



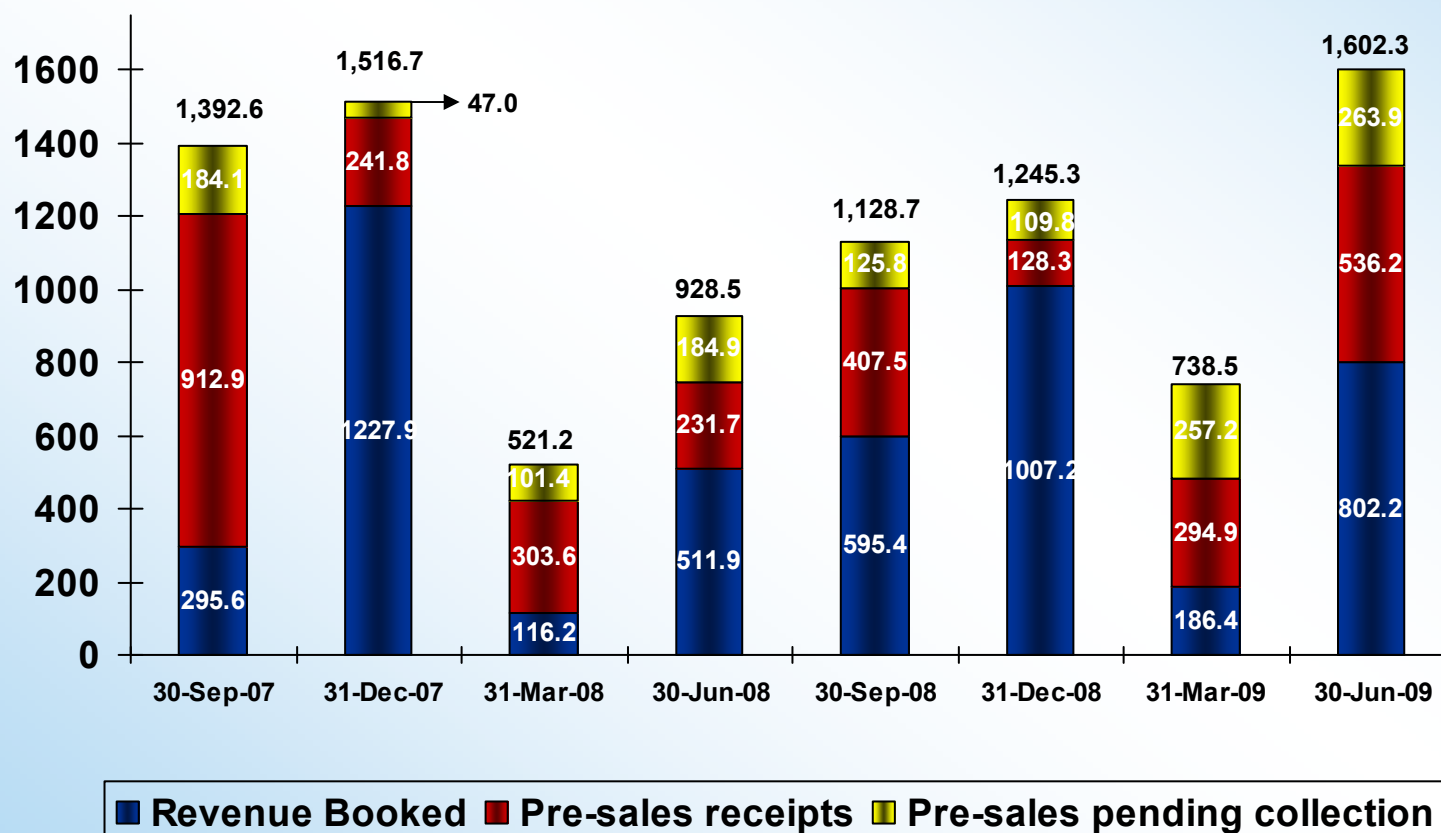
## Zhuhai Yanlord New City Gardens



# Pre-sales Contracts and Receipts



## Revenue Booked, Contract Sales and Proceeds Collected (\$ million)



# Diversified Geographic Land Bank:

*Foresight in regional economic development early 2<sup>nd</sup> tier cities expansion*



## Bohai Rim in 2004

### Tianjin

- Yanlord Riverside Plaza (359,716 sqm)
- HaiHe Development Project (326,970 sqm)

## Western China in 2001

### Chengdu

- Yanlord Landmark (166,790 sqm)
- Hengye International Plaza (40,665 sqm)
- Hengye Star Gardens (13,754 sqm)

**As at 30 June 2009:**

GFA Completed (mil sqm)	0.306
GFA under Development (mil sqm)	1.038
GFA for Future Development (mil sqm)	2.557
<b>Total Land Bank (mil sqm)</b>	<b>3.901</b>

## Yangtze River Delta in 1993

### Shanghai

- Yanlord Riverside City (144,370 sqm)
- Yunjie Riverside Gardens Phase I & II (109,693 sqm)
- San Jia Gang (35,831 sqm)
- Jiang Wan City (65,050 sqm)
- Qingpu District New Site (117,459 sqm)
- Waigaoqiao New Site (158,604 sqm)

### Nanjing

- Bamboo Gardens (5,016 sqm)
- Yanlord Int'l Apartments Tower A (37,940 sqm)
- Yanlord Int'l Apartments Tower B (34,532 sqm)
- Yanlord Yangtze Riverside City (649,847 sqm)
- Hexi New CBD Site (93,281 sqm)

### Suzhou

- Yanlord Peninsula (121,081 sqm)
- Yanlord Lakeview Bay (337,184 sqm)
- Wuzhong Area C1 Land (15,481 sqm)

## Pearl River Delta in 2004

### Zhuhai

- Yanlord New City Gardens (310,159 sqm)
- Yanlord Marina Centre (216,582 sqm)

### Shenzhen

- Longgang Ailian City Redevelopment Project (390,000 sqm)
- Baolong Development Project (144,064 sqm)

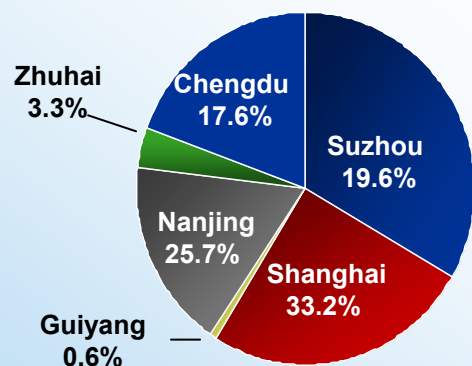
# Land Bank Analysis by Cities as of 30 June 2009



Our future projects will be more diversified in terms of development type and geographical reach

## Completed Projects

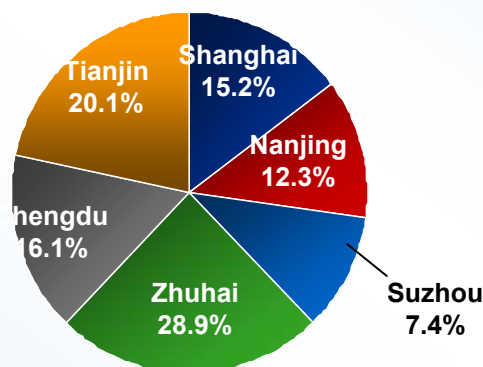
Total GFA = 306,156 sqm<sup>(1)</sup>



Residential	205,813 sqm
Investment	94,417 sqm
Fixed Assets	5,924 sqm

## Projects Under Development

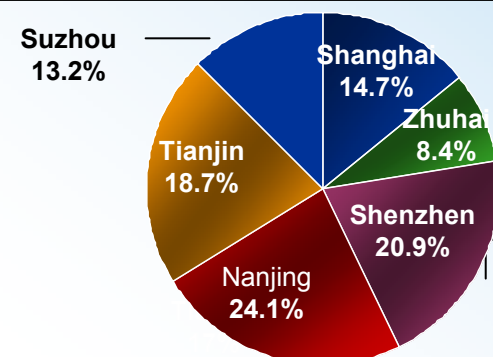
Total GFA = 1.04 million sqm



Residential	796,534 sqm
Investment	241,915 sqm

## Landbank: Future Development

Total GFA = 2.56 million sqm



Residential	2,405,520 sqm
Investment	151,910 sqm

<sup>(1)</sup>The group has completed 3.02 million sqm out of which 306,156 sqm are GFA completed retained as investment properties, fixed assets, or yet to be sold/delivered to customers.





# Investment Properties Updated

## Yanlord Landmark, Chengdu



### Shopping Mall

- Approximate GFA of 47,000 sqm to be officially opened in May 2010
- First and second floor are positioned to attract the world class brands and around 85% of leasable area has been contracted for lease by 31 July 2009
- Current signed tenants include LV, Dior, Hugo Boss, Zegna and Versace, etc

### Office Building

- 32 floors with an aggregate 70,000 sqm of GFA
- Start advertising for lease in August 2009 and scheduled to commence the leases in June 2010

## Yanlord Riverside Plaza, Tianjin



### Shopping Mall

- Approximate GFA of 110,000 sqm (inclusive of 41,414.55 sqm of non-saleable underground floor area)
- Lease contract has been signed with South Korea's Lotte department store to operate the 50,000 sqm department store
- Lease contract has been signed with South Korea's CJ CGV to operate the eight screen Cineplex

### Office Building

- To commence construction in 2H 2009

## Recent Developments



- ❖ On 17 July 2009, Yanlord announced the ground-breaking of its RMB4 billion, 300,000 sqm GFA Zhuhai Yanlord Marina Centre, which is an integrated residential and commercial development.
- ❖ On 18 July 2009, Yanlord launched its inaugural batch of 636 apartment units in Nanjing Yanlord Yangtze Riverbay Town (Phase 1). 94% or 597 of the 636 apartment units were sold out during the first week with total contracted pre-sales of RMB 1.15 billion.
- ❖ On 1 August 2009, Yanlord launched its inaugural batch of 250 apartment units in Tianjin Yanlord Riverside Plaza (Phase 1). 99.2% or 248 of the 250 units were sold during the first three days with total contracted pre-sales of RMB 667 million.



## New Launches of property for sale in 2H 2009

- ▶ **Launches from existing and new projects in various cities resulting in more diversified revenue base in 2H 2009:**
  - ▲ **Shanghai**
    - ▲ Yanlord Riverside City (Phase 3)
    - ▲ Yunjie Riverside Gardens (Phase 2)
  - ▲ **Nanjing**
    - ▲ Yanlord International Apartments Tower B (Residential component)
    - ▲ Yanlord Yangtze Riverbay Town (Phase 1)
  - ▲ **Chengdu**
    - ▲ Hengye Star Gardens
  - ▲ **Suzhou**
    - ▲ Yanlord Peninsula – Townhouse
    - ▲ Yanlord Peninsula - High-rise Apartment
  - ▲ **Zhuhai**
    - ▲ Yanlord New City Gardens (Phase 2 – S1)
  - ▲ **Tianjin**
    - ▲ Yanlord Riverside Plaza (Phase 1)

# Commencement of New Constructions



**1H 2009: No new project construction was commenced**

**2H 2009: Plan to commence the following projects for new constructions**

- ▲ Shanghai
  - ▲ New Jiangwan Urban Area Land
  - ▲ Qingpu District Site
- ▲ Nanjing
  - ▲ Hexi New Urban Area Land
  - ▲ Yanlord Yangtze Riverbay Town (Phase 2)
- ▲ Suzhou
  - ▲ Yanlord Lakeview Bay (Phase 1)
- ▲ Zhuhai
  - ▲ Yanlord Marina Centre
- ▲ Tianjin
  - ▲ Yanlord Riverside Plaza (Phase 2)
  - ▲ Haihe Land (Phase 1)





# Growth Strategies

## ► Build on competitive strengths

- ▲ Continue to build high quality development in high growth cities
- ▲ Capitalize on opportunities to grow land bank at a reasonable price to ensure targeted return
- ▲ Leverage on experienced local management teams
- ▲ Keep on building Yanlord branding equity

## ► Leverage on financial strengths

- ▲ Maintain strong cash position and prudent financial policy

## ► Penetration into integrated residential and commercial property developments

- ▲ Continue to build more integrated residential and commercial developments which will be retained for recurring rental income
- ▲ Further development of talent and experience in managing commercial properties

# High Potential Growth Area in the City

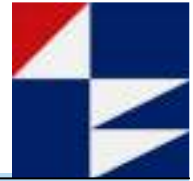
Foresight in regional development – 1993 started from Pudong Financial District





# Diversified Geographic Coverage – Prime Location

## Early expansion in 2nd tier cities in 2001



### Mixed-Use Multi Product Developments

– Townhouse, Low-rise and High-rise Residential, Serviced Apartment, Retail Mall, Grade A Office



Nanjing



Suzhou



Chengdu



Tianjin

# Diversified Geographic Coverage – Prime Location

Early expansion in 2nd tier cities



Mixed-Use Multi Product Developments-  
Low-rise and High-rise Residential, Retail Mall, Hotels, Grade A Office Tower



Hongkong – Zhuhai – Macau  
Bridge

Expansion to Zhuhai in 2004





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