



# 仁恒置地集团 YANLORD LAND GROUP LIMITED

Interim 2007 Financial Results Presentation  
- August 2007

# Presentation Content



## I. Company Overview

## II. Key Financial Highlights



## III. Outlook

## IV. Growth Strategies



# Company Overview



- **Top tier property developer**
  - Incorporated in Singapore
  - Properties and land bank based in People's Republic of China (PRC)
- **“Yanlord” brand**
  - Strong market brand recognition
  - Premium high-quality, fully-fitted residential development projects
- **Project Milestones:**
  - 1993 in Shanghai
  - 1994 in Nanjing
  - By 2005, expanded geographical reach to 7 cities exposure to the 4 main economic regions of the PRC
    - **Yangtze River Delta** - Shanghai, Nanjing and Suzhou
    - **Pearl River Delta** - Zhuhai
    - **Bohai Rim** - Tianjin
    - **Western China** - Chengdu and Guiyang



- **Share and Convertible Bonds**
  - Listed on SGX-ST Main Board on 22 June 2006
  - Initial Public Offering (IPO) at S\$1.08 per share
  - Concurrent Equity (150 million new shares at S\$2.07) and CB Offerings (total funds raised at S\$477.25 million) in Feb 07
  - Market cap. approx. S\$5.77 billion as at 8 August 07 (based on S\$3.24 per share)
  - Public Float approximately 24%
- The Group's revenue is recognized in accordance with the **Financial Reporting Standard 18** - when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon release of the handover notice of the property to the buyer, whichever is earlier.



## **Key Financial Highlights**

## 2Q2007 Results Highlights



- Pre-sales contracts increased to S\$860.0 million from S\$455.0 million in 1Q2007, following strong take-up rates and strong average selling prices (“ASP”) of existing and new projects
- Gross floor area sold in 1H2007 amounted to 37,000 sqm, representing an overall ASP of approximately RMB13,791
- Management expects performance in 3Q2007 to be significantly better than 2Q2007, based on number of units pre-sold to-date, expected delivery schedule and on-schedule construction works in progress

# Income Statement – 2Q2007



2Q2007 revenue decreased 93% to S\$21.5 million. This is mainly attributable to pre-sales revenue not recognized in the current period, to be booked in later periods

	2Q2007	2Q2006	% Change
	S\$'000	S\$'000	+ / (-)
Revenue	21,451	328,873	(93)
Cost of sales	(14,226)	(188,505)	(92)
Gross profit	7,225	140,368	(95)
Gross profit margin (%)	33.7	42.7	-
(Loss) Profit before tax	(12,365)	130,506	(109)
Income tax	684	(23,831)	(103)
Profit for the period	(11,681)	106,675	(111)
Profit attributable to Equity holders of the parent	(22,452)	76,126	(129)

# Income Statement – 1H2007



**1H2007 revenue decreased 71% to S\$110.9 million, in tandem with the lower recognized sales in 2Q2007**

	<b>1H2007</b>	<b>1H2006</b>	<b>% Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+/(-)</b>
<b>Revenue</b>	<b>110,918</b>	<b>382,066</b>	<b>(71)</b>
<b>Cost of sales</b>	<b>(70,082)</b>	<b>(215,788)</b>	<b>(68)</b>
<b>Gross profit</b>	<b>40,836</b>	<b>166,278</b>	<b>(75)</b>
<b>Gross profit margin (%)</b>	<b>36.8</b>	<b>43.5</b>	<b>-</b>
<b>(Loss) Profit before tax</b>	<b>4,395</b>	<b>144,999</b>	<b>(97)</b>
<b>Income tax</b>	<b>(7,191)</b>	<b>(25,341)</b>	<b>(72)</b>
<b>Profit for the period</b>	<b>(2,796)</b>	<b>119,658</b>	<b>(102)</b>
<b>Profit attributable to Equity holders of the parent</b>	<b>(19,546)</b>	<b>84,211</b>	<b>(123)</b>



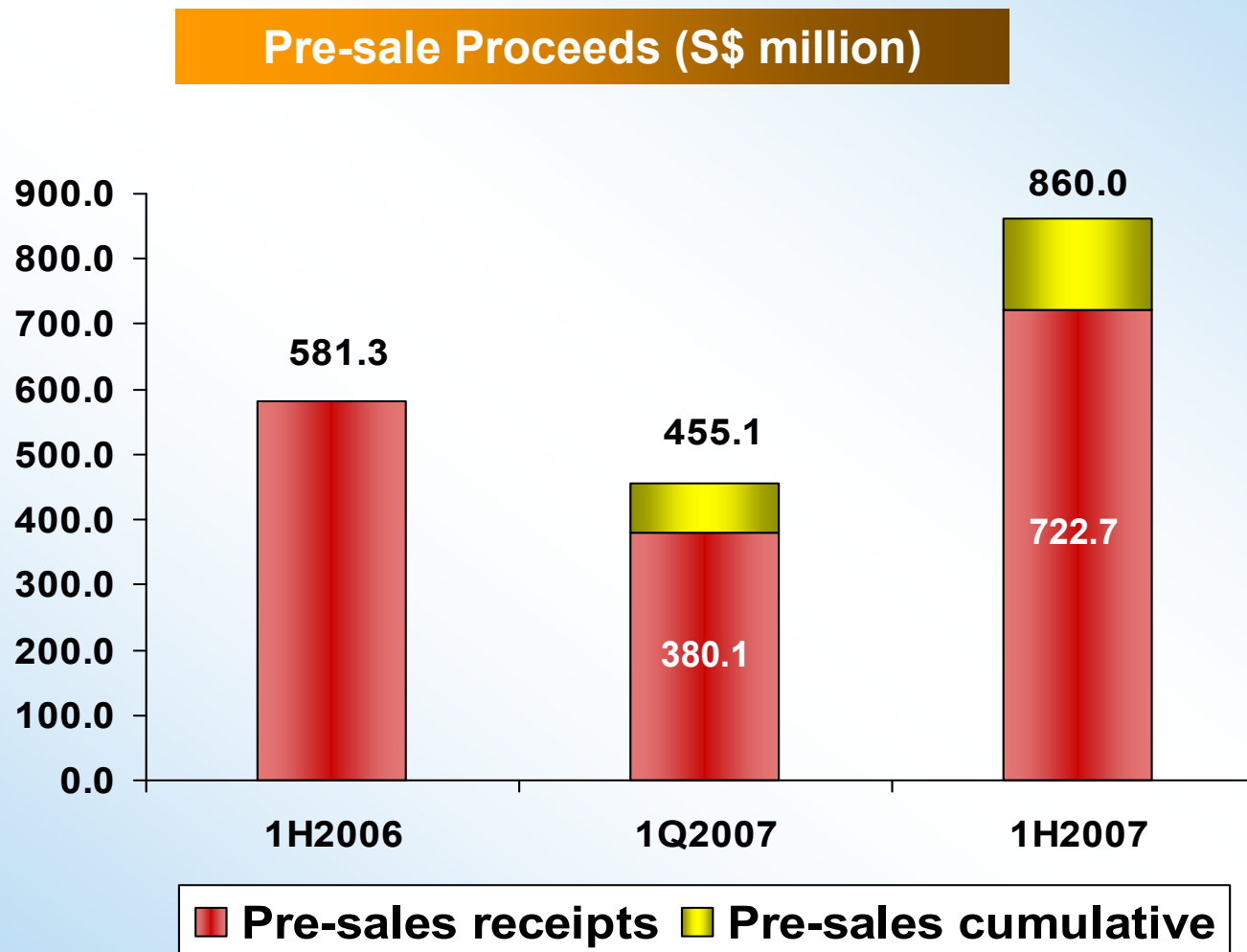
# Balance Sheet – AS AT 30 JUNE 2007



**Group remains in net cash position as at 30 June 2007 due to strong cashflow from operations and proceeds from the concurrent offerings of new shares and convertible bonds in Feb 2007**

	<b>As at 30 June 07</b>	<b>As at 31 Dec 06</b>	<b>% Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+/(-)</b>
<b>Total Current Assets</b>	<b>2,458,250</b>	<b>1,763,332</b>	<b>39.4</b>
<b>Total Current Liabilities</b>	<b>1,077,811</b>	<b>628,685</b>	<b>71.4</b>
<b>Total Assets</b>	<b>3,294,508</b>	<b>2,150,359</b>	<b>53.2</b>
<b>Total Equity (Excl. MI)</b>	<b>1,176,724</b>	<b>909,842</b>	<b>29.3</b>
<b>Cash and Cash Equivalents</b>	<b>991,497</b>	<b>622,237</b>	<b>59.3</b>
<b>ST + LT Debt + Conv. Bonds</b>	<b>819,187</b>	<b>519,366</b>	<b>57.7</b>

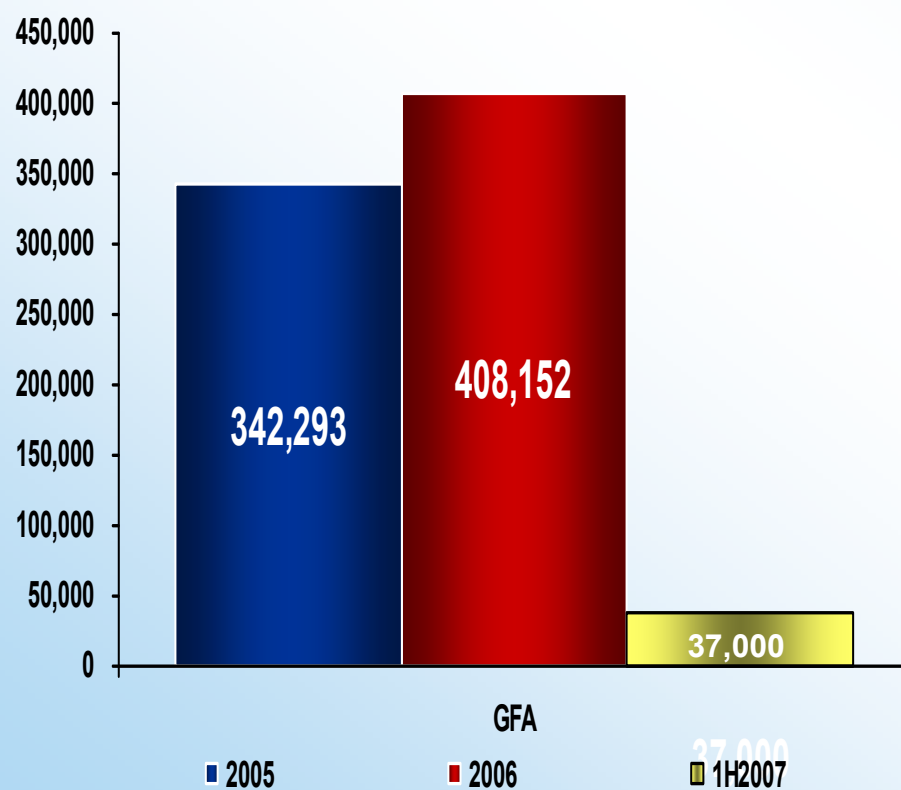
# PRE-SALES CONTRACTS



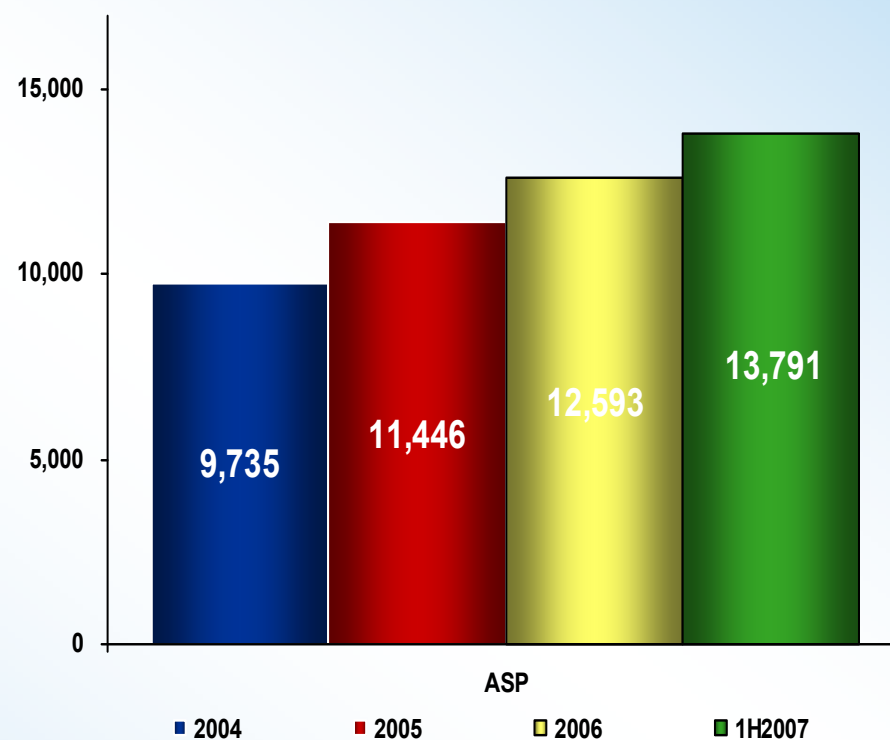
# GFA & ASP Overview



GFA (sqm)



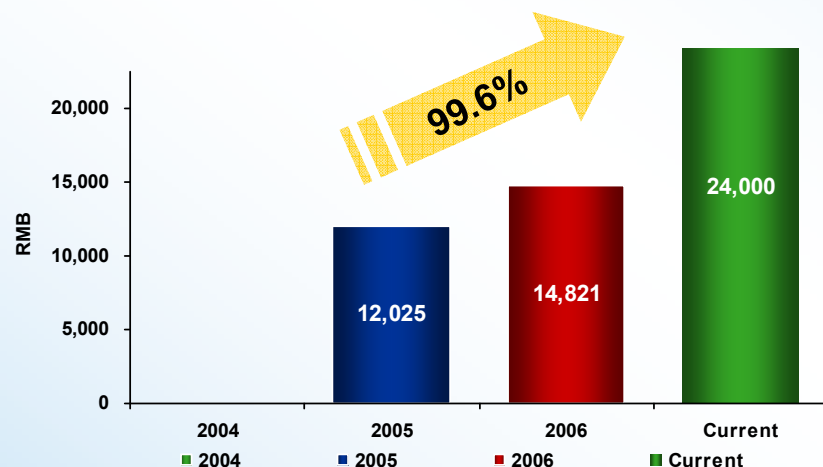
Overall ASP (RMB per sqm)



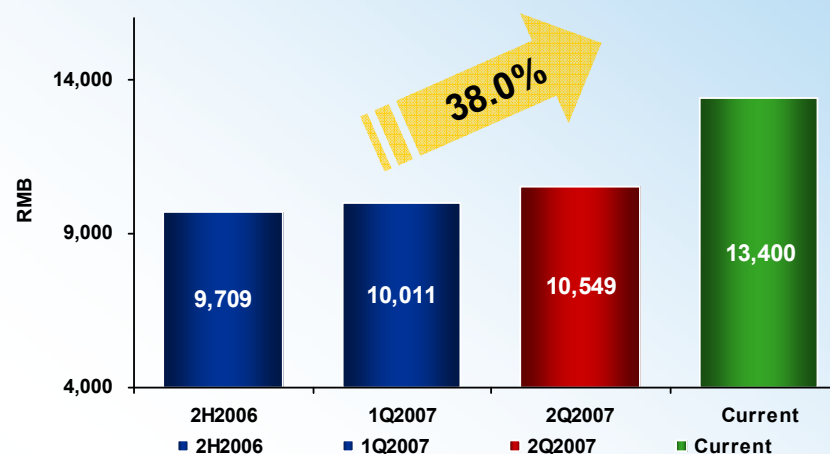
# ASP Overview (Main Existing Projects)



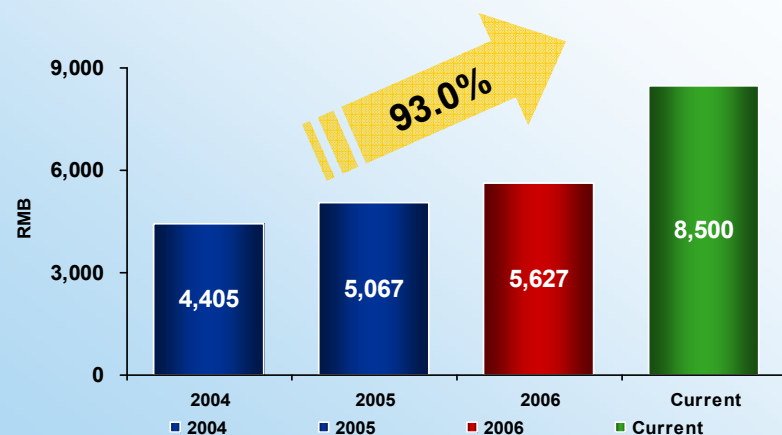
## Yanlord Riverside City (Phases 1 & 2)



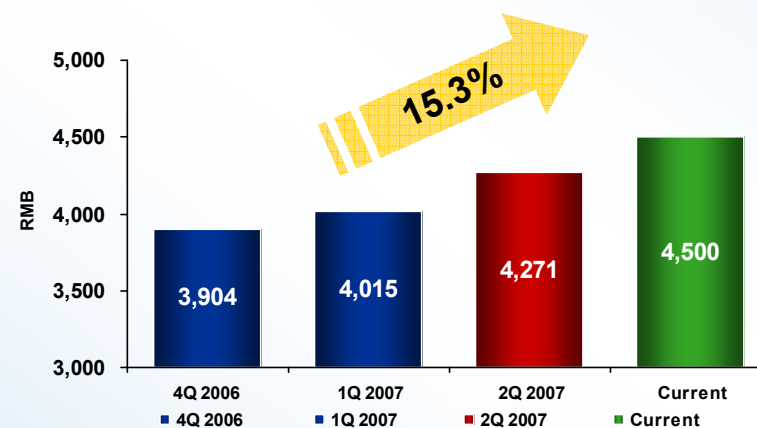
## Yanlord Town (Pre-sales)



## Bamboo Gardens (Phases 1 to 3)



## Hengye Star Garden (Pre-sales)







# Outlook



# PRC Macro Economic Overview

## ► Robust domestic economy in 1H2007 vs 1H2006

- ▲ GDP grew 11.5% to RMB10.7 trillion
- ▲ Per capita disposable income for urban residents grew 17.6% to RMB7,052
- ▲ Real estate investment grew 28.5% to RMB988.7 billion in 1H2007

## ► Yangtze River Delta Disposable Income Outstrips National Average

- ▲ Yangtze River Delta RMB10,566 (15.3% growth)
- ▲ Shanghai RMB12,278 (14.7% growth)
- ▲ Suzhou RMB10,927 (14.1% growth)
- ▲ Nanjing RMB10,863 (17.7% growth)

## ► High-end property prices in 70 largest cities grew 8.5%

- ▲ Outstrips national average property price growth of 7.1%

Source: National Bureau of Statistics  
Jiangsu Bureau of Statistics  
National Development and Reform Commission



## ► Expected strong recognition of contracted sales in 2H2007

- ▲ **S\$860.0 million** in contracted pre-sales as at **30 June 2007**, bulk to be recognised upon delivery progressively in the later part of 2007
- ▲ S\$722.7 million in advances from customers received as at 30 June 2007

## ► Continued launch of new projects

- ▲ **Zhuhai** : Yanlord New City Gardens Phase 1
  - ▲ Launched on 19 May 2007. Strong take-up rate with 77% sold on day of launch
- ▲ **Suzhou** : Townhouse component of Yanlord Peninsula
  - ▲ Launched on 1 May 2007.

# OUTLOOK



## ► Continued contribution from existing projects to drive the Group's performance moving forward

As at 30 June 2007:

### ▲ Shanghai

- ▲ Yanlord Riverside City Phase 2
- ▲ Yanlord Town
- ▲ Yunjie Riverside Garden

### ▲ Nanjing

- ▲ Bamboo Gardens Phases 2 & 3

### ▲ Chengdu

- ▲ Hengye Star Gardens

## ► Directors are confident that the Group's performance for the next 12 months and in particular, it is expected that 3Q2007 will be significantly better than that of 2Q2007, based on the units pre-sold to date, expected delivery schedule and on-schedule construction works in progress





# Growth Strategies

# GROWTH STRATEGIES



## ► Building on competitive strengths

- ▲ Core strategy of high-end city centre development
- ▲ Leverage on experienced local management teams
- ▲ Build on reputation and “Yanlord” branding

## ► Leverage on financial strengths

- ▲ Capitalize on opportunities to grow land bank in major cities and to build on economies of scale
- ▲ Net cash position provides opportunity to fund additional growth through leveraging

## ► Penetration into integrated residential and commercial property developments

- ▲ Build on familiarity with property development to generate an additional revenue stream
- ▲ Smoothens revenue cycle; providing stable and recurring cash flows

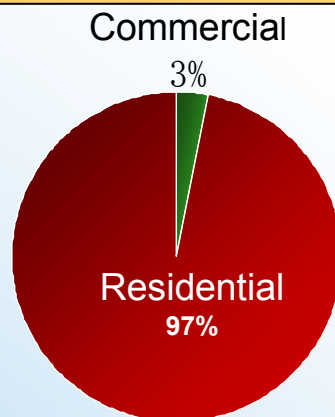
# Segregation of GFA - By Type and by Cities



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

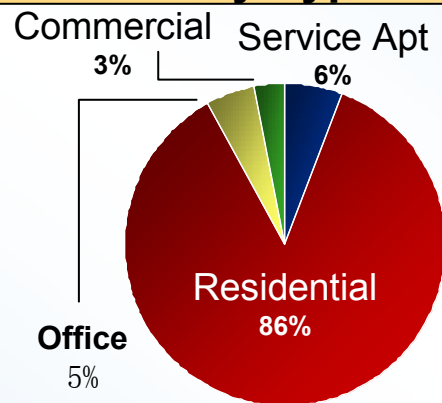
## Completed Projects

Total GFA = 1.88 million sqm



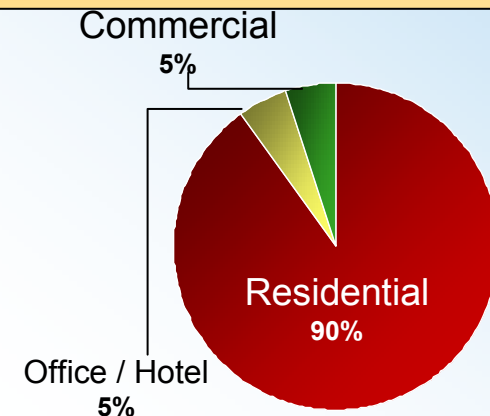
## Projects Under Development

Total GFA = 1.50 million sqm



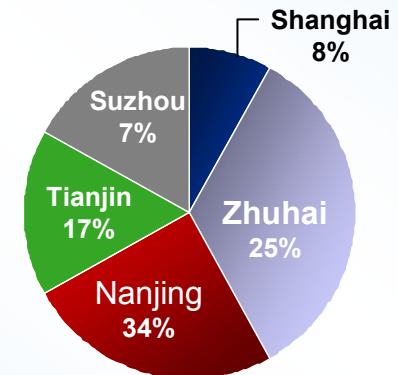
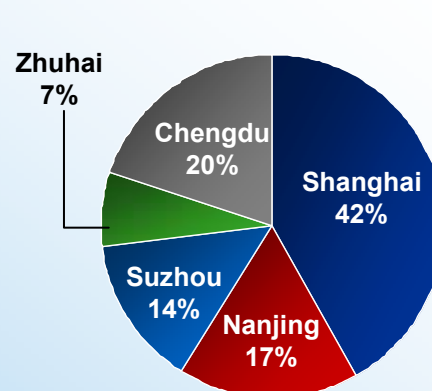
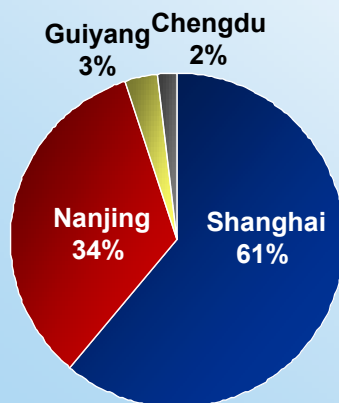
## Landbank: Future Development

Total GFA = 2.04 million sqm



## By Type

## By Cities



# Long-Term Sustainable Land Bank

## Diverse Projects in the Pipeline



A sustainable development pipeline to drive profitability and cash flow in the long term







# Latest Developments

## ► Commencement of construction work

### ▲ Tianjin

- ▲ Yanlord Riverside Plaza
- ▲ Ground breaking in January 2007
- ▲ GFA of 347,000sqm

### ▲ Shanghai

- ▲ Shanghai Yanlord Riverside City Phase 3
- ▲ GFA of 207,000sqm

### ▲ Zhuhai

- ▲ Yanlord New City Garden Phase 2
- ▲ GFA of 108,000sqm

## ► Land Acquisitions

- ▲ February 2007 - Increase interests in Zhuhai Marina Centre from 60% to 95%
  - ▲ Investment of RMB330 million
- ▲ June 2007 – Acquisition of land in Suzhou
  - ▲ GFA of 336,788 sqm
  - ▲ Investment of RMB 2.16 billion

## New Land Acquisition: Suzhou

- Successfully acquired Land Plot 05, i.e. Shuanghu Plate Area in Suzhou for RMB2.16 billion at a land auction conducted on 19 June 2007
- Total GFA approximately 336,788 sqm,
- Intended to be developed into a high-end residential zone comprising townhouses, fully fitted apartments, ancillary commercial facilities and serviced apartments.
- Ideally situated between the picturesque Dushu and Jinji lakes,
  - Possesses the rustic charms of waterfront view of two natural lakes
  - Retains the convenience of urban amenities through its excellent connections to major arterial roadways



# 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 contains 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.