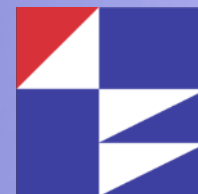




仁恒置地集团 YANLORD LAND GROUP LIMITED

2Q and 1H 2017 Results Presentation



仁 恒
YANLORD





Yanlord 2Q and 1H 2017 Business Review



- The Group's pre-sales continue to be supported by healthy market demand in the PRC. Pre-sale of properties and car parks in 1H 2017 was RMB13.938 billion while accumulated pre-sales pending recognition as at 30 June 2017 was RMB27.849 billion.
- In-line with the Group's delivery schedule whereby a lower GFA was delivered in 2Q 2017, revenue for the period declined to RMB4.277 billion in 2Q 2017 from RMB7.404 billion in 2Q 2016. Despite the lower revenue for the period, the delivery of higher-profit-margin developments and additional sale of carparks in 2Q 2017 propelled gross profit margins to **42.5%** in 2Q 2017 from 20.2% in 2Q 2016 which consequently raised gross profit for the period by 21.3% to RMB1.817 billion in 2Q 2017 from RMB1.498 billion in 2Q 2016.
- Underscored by the higher profit margins, profit attributable to owners of the Company in 2Q 2017 rose 42.8% to RMB462.5 million in 2Q 2017 from RMB323.9 million in 2Q 2016.



Yanlord 1H 2017 Business Review



- Recognised revenue for 1H 2017 rose 3.3% to RMB10.598 billion lead by higher ASP for units delivered during the period and increased sale of carparks mitigated against lower GFA delivered during the period in-line with the Group's delivery schedule. Underscored by the delivery of higher-profit-margin projects during the period, gross profit margin of the Group surged to **46.6%** in 1H 2017 from 22.6% in 1H 2016. Buoyed by the profit margin, 1H 2017 gross profit rose **113.6%** to **RMB4.943 billion** from RMB2.315 billion in 1H 2016.
- Driven by the strong momentum, profit attributable to owners of the Company rose **139.1%** to **RMB1.397 billion** in 1H 2017 from RMB584.1 million in 1H 2016. Net attributable profit margin rose to 13.2% in 1H 2017 from 5.7% in 1H 2016. Fully diluted earnings per share similarly rose **140.4%** to 72.05 Renminbi cents in 1H 2017 from 29.97 Renminbi cents in 1H 2016.
- Attributable to the Group's prudent financial policies, Yanlord remains in a healthy financial position. Cash and cash equivalents of RMB16.090 billion as at 30 June 2017 coupled with a net debt to total equity gearing ratio of 64.2% provides the Group with the necessary foundations to drive its future development.
- Yanlord is confident about its performance for FY 2017, driven by continued sales of its developments and larger proportion of pre-sales recognition in subsequent periods.





Key Financial Highlights



Statement of Profit or Loss – 2Q 2017 VS 2Q 2016



	2Q 2017	2Q 2016	% Change
GFA delivered (sqm)	127,951	260,363	(50.9)
ASP (RMB/ sqm)	28,494	28,400	0.3
Revenue (RMBm)	4,277.1	7,403.6	(42.2)
Cost of sales (RMBm)	(2,459.9)	(5,905.7)	(58.3)
Gross profit (RMBm)	1,817.2	1,497.9	21.3
Gross profit margin (%)	42.5	20.2	22.3 ppt
Profit before income tax (RMBm)	1,530.2	1,215.7	25.9
Income tax (RMBm)	(882.4)	(715.3)	23.4
Profit for the period (RMBm)	647.8	500.4	29.4
Net profit margin (%)	15.1	6.8	8.3 ppt
Profit attributable to owners of the Company (RMBm)	462.5	323.9	42.8
Net attributable profit margin (%)	10.8	4.4	6.4 ppt
Basic earnings per share ¹ (RMB cents)	23.88	16.62	43.7

Note:

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



Statement of Profit or Loss – 1H 2017 VS 1H 2016



	1H 2017	1H 2016	% Change
GFA delivered (sqm)	286,329	340,550	(15.9)
ASP (RMB/ sqm)	33,940	29,741	14.1
Revenue (RMBm)	10,598.4	10,257.0	3.3
Cost of sales (RMBm)	(5,655.3)	(7,942.3)	(28.8)
Gross profit (RMBm)	4,943.1	2,314.7	113.6
Gross profit margin (%)	46.6	22.6	24 ppt
Profit before income tax (RMBm)	4,515.5	1,877.8	140.5
Income tax (RMBm)	(2,400.0)	(977.5)	145.5
Profit for the period (RMBm)	2,115.5	900.3	135.0
Net profit margin (%)	20.0	8.8	11.2 ppt
Profit attributable to owners of the Company (RMBm)	1,396.6	584.1	139.1
Net attributable profit margin (%)	13.2	5.7	7.5 ppt
Basic earnings per share ¹ (RMB cents)	72.05	29.97	140.4

Note:

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



Financials – Snapshot as at 30 June 2017



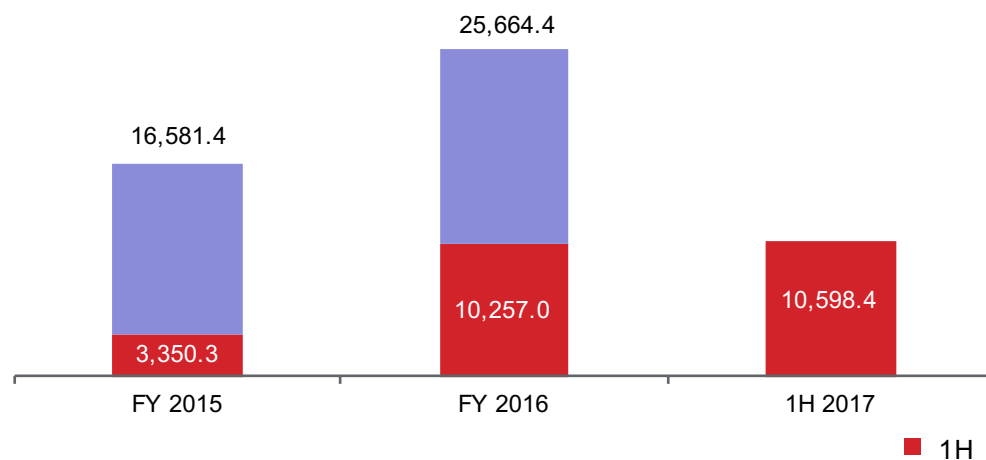
	As at 30 Jun 17	As at 31 Dec 16	% Change
Current assets (RMBm)	66,795.7	70,610.5	(5.4)
Non-current assets (RMBm)	38,064.8	22,837.9	66.7
Total assets (RMBm)	104,860.5	93,448.4	12.2
Current liabilities (RMBm)	41,785.0	46,997.9	(11.1)
Non-current liabilities (RMBm)	32,986.1	16,440.9	100.6
Total equity (Incl. NCI) (RMBm)	30,089.4	30,009.6	0.3
Cash and cash equivalents (RMBm)	16,090.2	17,583.4	(8.5)
Short-term debt (RMBm)	6,281.9	8,983.1	(30.1)
Senior notes (RMBm)	3,015.4	1,916.3	57.4
Long-term debt (RMBm)	26,124.1	12,775.6	104.5
Net debt (RMBm)	19,331.2	6,091.6	217.3



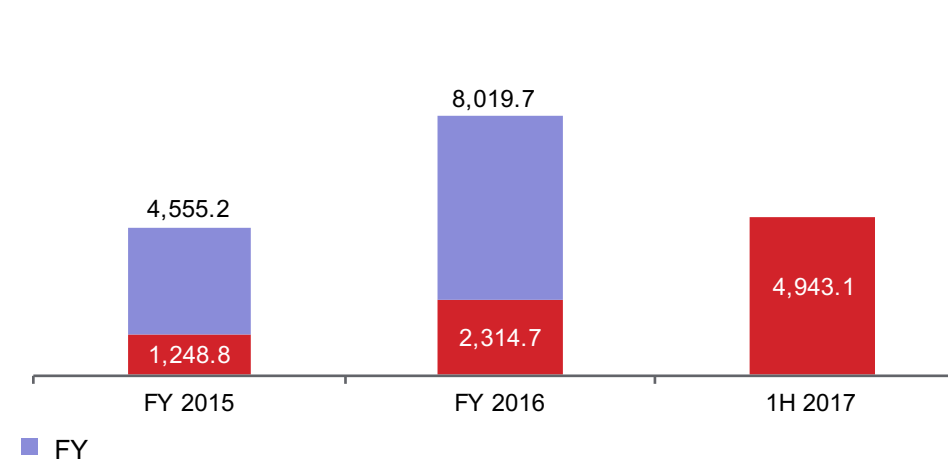
Profitability Analysis



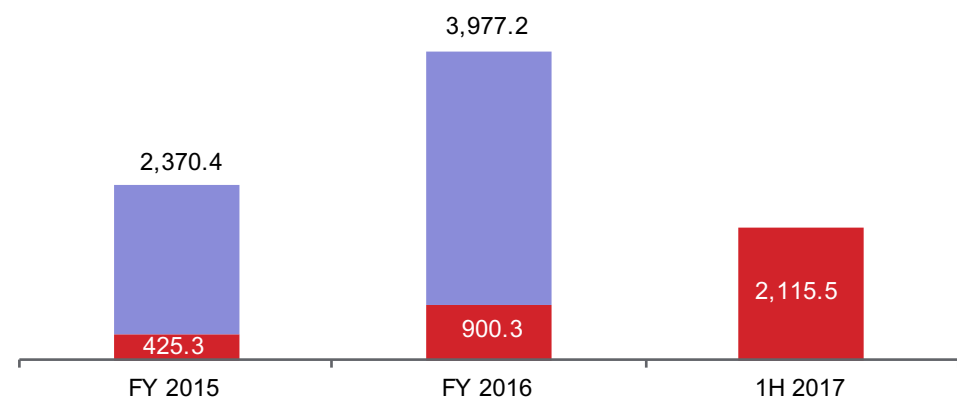
Revenue (RMBm)



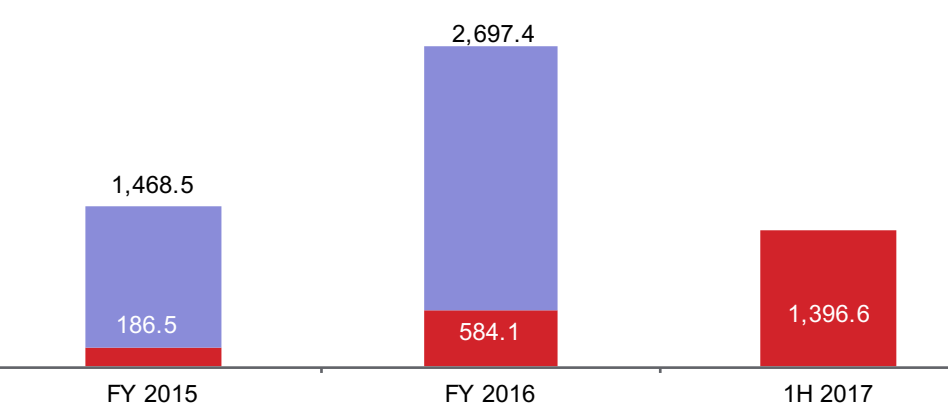
Gross profit (RMBm)



Profit for the period (RMBm)



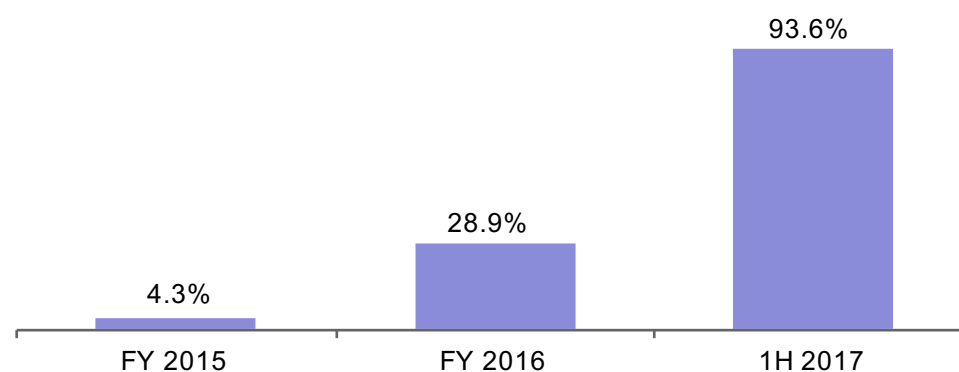
Profit attributable to owners of the Company (RMBm)



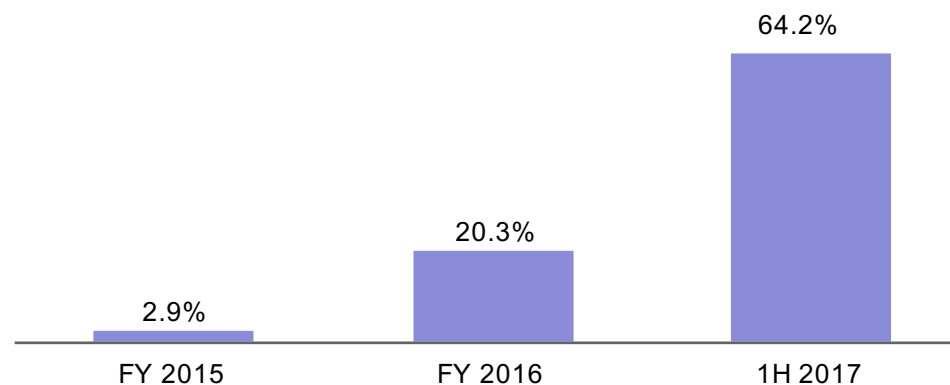
Strong Credit Metrics



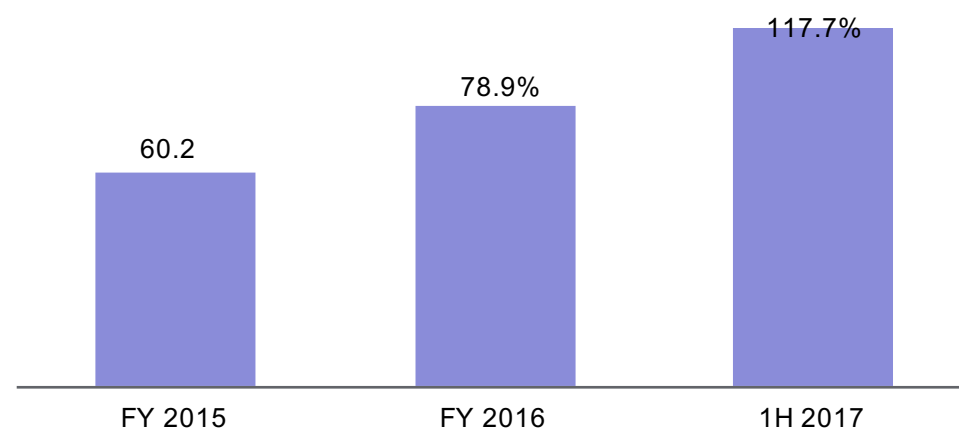
Net debt/ equity (Excl. NCI)



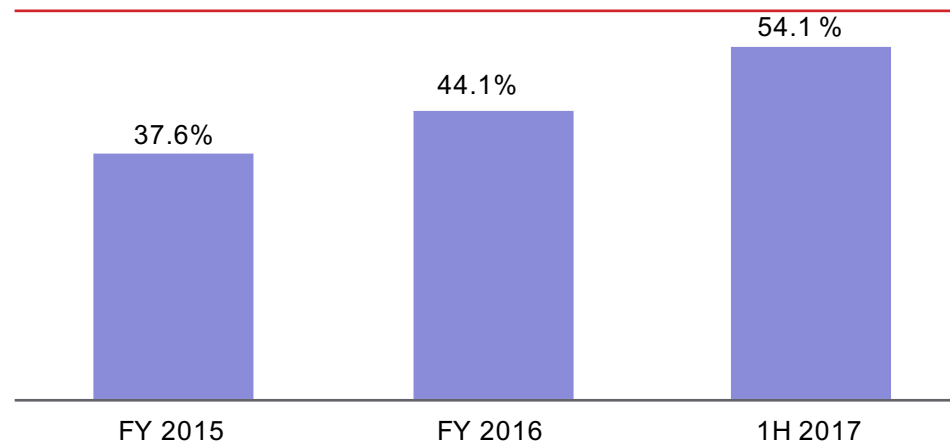
Net debt/ total equity (Incl. NCI)



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



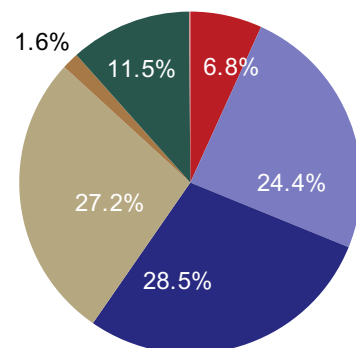
GFA/ Property Sale Contribution Analysis in 1H 2017

By city, project and ASP

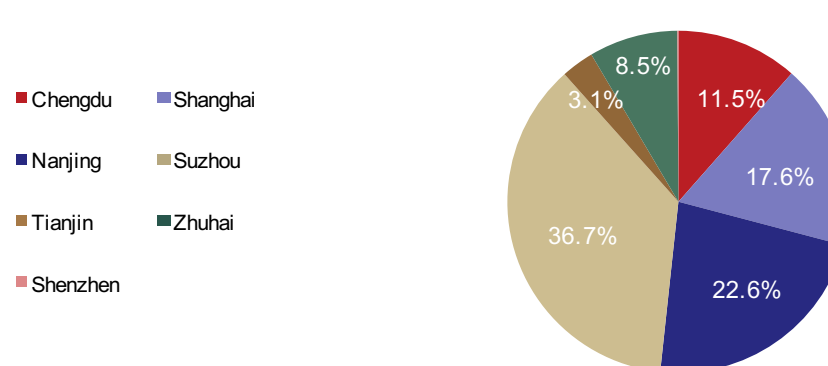


Major projects delivered in 1H 2017	GFA (sqm)	ASP (RMB/ sqm)	Property sales by project (%)
Chengdu Yanlord Riverbay (Phase 2)	27,777	20,202	5.8
Nanjing Yanlord Yangtze Riverbay Town (Phase 4)	64,647	41,585	27.9
Shanghai Yanlord Eastern Gardens	3,734	60,310	2.2
Shanghai Yanlord Western Gardens	45,241	46,063	19.9
Suzhou Tang Yue Bay Gardens	77,609	24,822	18.8
Suzhou Yanlord Lakeview Bay – Land Parcel A1	23,456	28,953	6.5
Zhuhai Yanlord Marina Peninsula Gardens (Phase 1)	4,322	20,489	1.7
Zhuhai Yanlord Marina Centre – Section B	19,636	47,909	9.8
Others	19,907	-	7.4

Property Sale Contribution by City



GFA Contribution by City

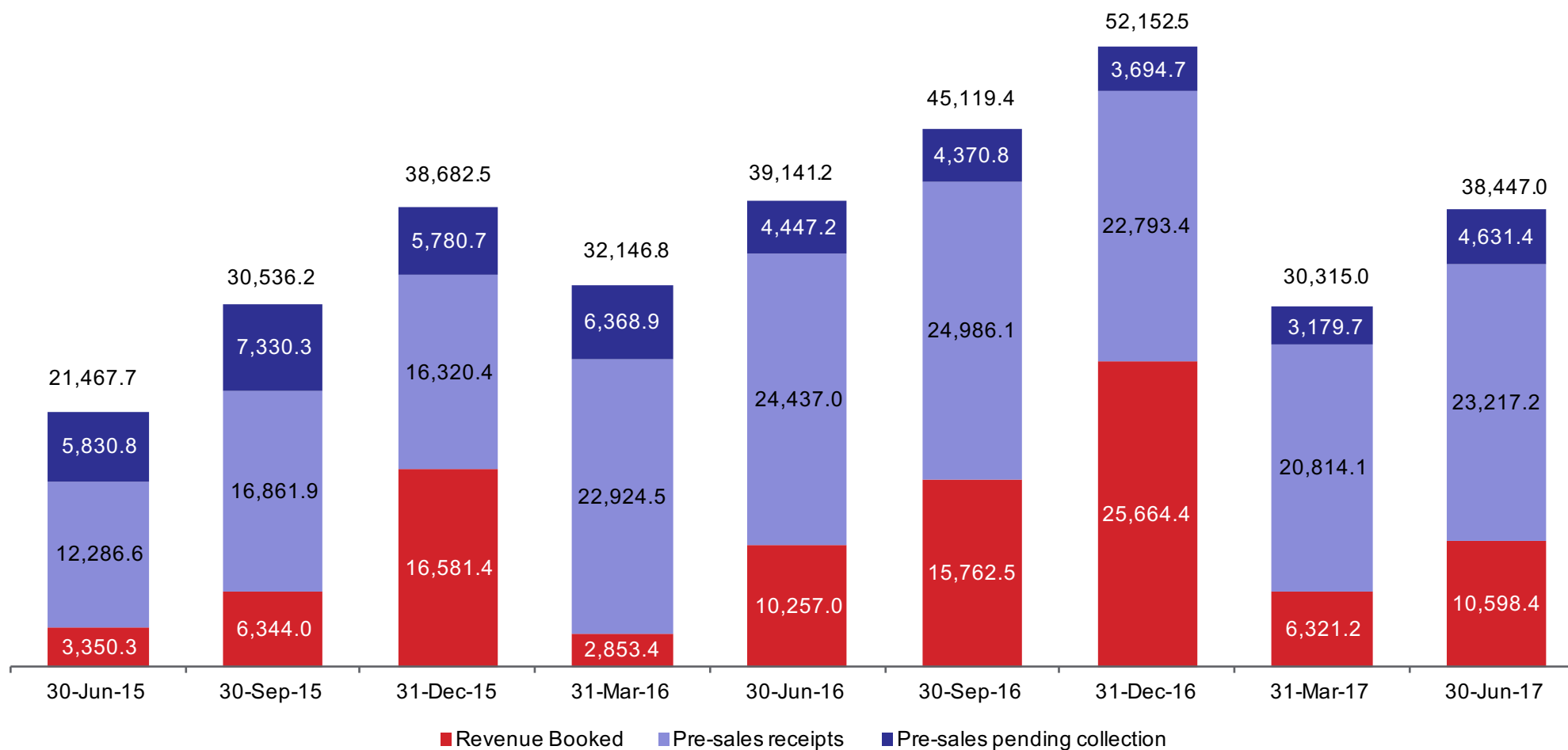


Pre-sales and Receipts

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

Bohai Rim since 2005

Tianjin

- Yanlord Riverside Plaza (132,167 sqm)
- Tianjin Jinnan Land (214,678 sqm)
- Tianjin Hong Qiao Land (260,638 sqm)*
- Tianjin No. 2013-090 Land (264,915 sqm)*
- Yanlord Majestic Mansion (243,935 sqm)

Tangshan

- Tangshan Nanhu Eco-City Land Parcels* (232,923 sqm)

Western China since 2003

Chengdu

- Yanlord Landmark (157,437 sqm)
- Hengye International Plaza (39,999 sqm)
- Yanlord Riverbay (148,921 sqm)

Central China since 2017

Wuhan

- Wuhan Metropolis Project (144,000 sqm)

As of 30 June 2017:

GFA Completed (mil sqm)	0.672
GFA Under Development (mil sqm)	2.949
GFA for Future Development (mil sqm)	2.350
Total Land Bank (mil sqm)	5.971

Hainan since 2010

Sanya

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

Yangtze River Delta since 1993

Shanghai

- Shanghai San Jia Gang Land Plot (35,831 sqm)
- Yanlord Sunland Gardens (20,391 sqm)
- Yanlord Western Gardens (86,715 sqm)
- Yanlord Eastern Gardens (77,381 sqm)
- Yanlord on the Park (148,163 sqm)
- Shanghai Yangpu District 81 and 83 Redevelopment Project (186,769 sqm)

Nanjing

- Yanlord Yangtze Riverbay Town (24,845 sqm)
- Oasis New Island Gardens (170,118 sqm)
- Nanjing Eco Hi-Tech Island - Land Parcel G73 (118,653 sqm)
- Nanjing Daji Land Parcels (320,000 sqm)
- Nanjing No. 2016G01 Land (154,338 sqm)*
- Nanjing No. 2016G84 Land (540,000 sqm)

Suzhou

- Yanlord Lakeview Bay (14,185 sqm)
- Suzhou Wuzhong Area C1 Land (9,877 sqm)
- Tang Yue Bay Gardens (30,334 sqm)
- Riverbay Gardens (297,972 sqm)
- Suzhou No.2016-WG-46 Land Parcels (75,132 sqm)
- Suzhou No.2016-WG-63 Land (50,855 sqm)

Nantong

- Four Seasons Gardens (136,674 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 (5,581 sqm)
- Yanlord Landmark (37,688 sqm)
- Yanlord Centre (333,280 sqm)

Zhuhai

- Yanlord New City Gardens (11,155 sqm)
- Yanlord Marina Centre (174,923 sqm)
- Yanlord Marina Peninsula Gardens (354,518 sqm)
- Zhuhai No. 2017-21 Land (41,814 sqm)



Development Strategies

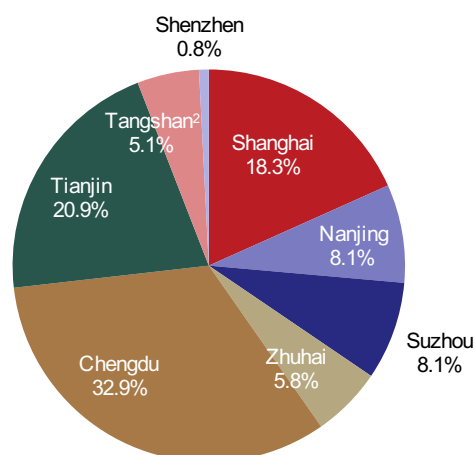
Growth of business across high-growth cities



- 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

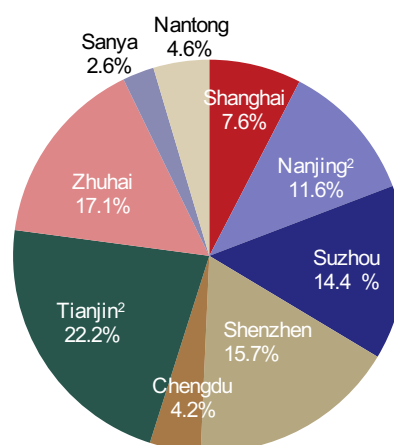
Completed projects

(672,435 sqm¹)



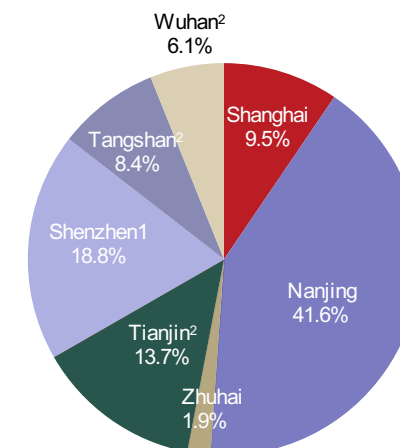
Projects under development

(2.949 million sqm)



Land bank: Future development

(2.350 million sqm)



Residential and Commercial	228,841 sqm
Investment	427,941 sqm
Fixed Assets	15,653 sqm

Residential and Commercial	2,734,779 sqm
Investment	213,787 sqm

Residential and Commercial	2,350,066 sqm
Investment	-

Note:

1. The group has completed 7.736 million sqm out of which 672,435 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



New Launches of Property for Sale in 3Q 2017



We expect to launch the following new project and new batch of existing project in 3Q 2017:

- **Nanjing**
 - Oasis New Island Gardens (Phase 3)
- **Shanghai**
 - Yanlord on the Park



Project Showcase

- Yanlord on the Park (Shanghai)



Project Showcase

- Oasis New Island Gardens (Phase 3) (Nanjing)



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