



英利国际置业  
YING LI INTERNATIONAL  
REAL ESTATE



# 1Q 2012 Results Presentation

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# Agenda

**1. 1Q 2012 Financial Results**

**2. Economy Updates & Outlook**

**3. Business Updates & Outlook**

**4. Appendix**

# 1Q 2012 Financial Results



# 1Q 2012 – Revenue

	1Q 2012 (RMB'000)	1Q 2011 (RMB'000)	% CHANGE
Sale of Properties	107,615	18,869	470.3%
Rental Income	13,406	11,191	19.8%
<b>Total Revenue</b>	<b>121,021</b>	<b>30,060</b>	<b>302.6%</b>

- Group revenue for 1Q 2012 increased 302.6% to RMB 121.0million due to higher revenue recorded by the Sale of Properties segment
- Increased in Sale of Properties for 1Q 2012 by 470.3% to RMB 107.6million primarily due to sales from IFC office units
- Increased in Rental Income for 1Q 2012 by 19.8% to RMB 13.4million due to new contribution of IFC and increased in rental rates

# 1Q 2012 – Gross Profit and Margin

	1Q 2012 (RMB'000)	Gross Profit Margin	1Q 2011 (RMB'000)	Gross Profit Margin
Sale of Properties	40,771	37.9%	8,043	42.6%
Rental Income	9,741	72.7%	7,785	69.6%
<b>Gross Profit</b>	<b>50,512</b>	<b>41.7%</b>	<b>15,828</b>	<b>52.7%</b>

- Gross profit for 1Q 2012 increased by RMB 34.7million or 219.1% to RMB 50.5 million mainly due to higher sales achieved from the sales of IFC office units
- Gross profit margin for 1Q 2012 decreased by 11.0 percentage points to 41.7% as a result of higher Land Appreciation Tax (“LAT”) rate applicable for IFC office units

# 1Q 2012 – Profit attributable to owners of the parent

Profit / (Loss) attributable to :	1Q 2012 (RMB'000)	1Q 2011 (RMB'000)	% CHANGE
- Owners of the parent	5,540	(4,195)	n.m.
- Non-Controlling Interest (NCI)	(1,923)	(326)	489.9%
<b>Profit / (Loss) for the period</b>	<b>3,617</b>	<b>(4,521)</b>	<b>n.m.</b>

- Profit attributable to the Owners of the parent increased to RMB 5.5million for 1Q 2012 due to higher profit achieved from the sales of IFC office units
- Excluding the one-off non-recurring administrative expenses, the net profit after tax for the period would be RMB 12.5million

# 1Q 2012 – Statement of Financial Position

(RMB'000)	31 Mar 12	31 Dec 11
<b>Total Assets</b>	<b>5,971,848</b>	<b>5,934,825</b>
<b>Total Liabilities</b>	<b>3,119,246</b>	<b>3,057,821</b>
<b>Total Equity</b>	<b>2,852,602</b>	<b>2,877,004</b>
<b>Net Gearing</b>	<b>60.5%</b>	<b>55.4%</b>

- Increase in Total assets by RMB 37.0 million to RMB 5,971.8million mainly due to increase in
  - i. Investment and development cost of IFC and Ying Li International Plaza
  - ii. Trade and other receivables from the sale of IFC office units
- Increase in Total liabilities by RMB 61.4million to RMB 3,119.2 million mainly due to increase in borrowings for project cost incurred on Ying Li International Plaza
- Decrease in Total equity by RMB 24.4million to RMB 2,852.6 million due to translation losses



# Economy Update & Outlook



# China's Investment Landscape

- **China Macroeconomic News**

- 12 May 2012 – PBoC lowered the reserve requirement ratio (RRR) for commercial lenders by 50 basis points, the second time this year to inject more liquidity into the economy

- **Chongqing's Investment Landscape**

- Chongqing government announced the construction of 5 new ports as part of the development of the Yangtze river shipping center
- Chongqing assembled 11million units of laptop valued at RMB 25.5billion during 1Q 2012, a jump of more than 600% year-on-year
- Hewlett Packard (HP) and Foxconn to build a Global Printing & Imaging Equipment Manufacturing Base in Chongqing to manufacture more than 30million ink-jet printer per year
- Hitachi Chemical Co to construct production base for production of photosensitive dry film, strengthening the development of Chongqing's electronic information industry
- Chongqing Changan Suzuki Automobile Co invested initial RMB 2.3billion for Passenger Vehicle Capacity Expansion Project, to become Suzuki Motor's most advanced and green model plant in China
- Changan Ford Mazda invested USD 600million to construct its third plant in Chongqing, boosting annually production capacity to 950,000 vehicles when it is put into operation in 2014
- Sany Group to set up production assembly factories, marketing network and service platform in Chongqing after purchasing German construction machinery giant, Putzmeister, for €360 million
- Chongqing launched its first direct air cargo route that will link with the United States and Australia

# Chongqing's Investment Landscape

- **Foreign investment into Chongqing remains unaffected**

- Hewlett-Packard (HP), PayPal, TNT Express and Foxconn consider Chongqing as a strategic location for its China operation
- Acer plans to make its base in Chongqing to develop the world's largest communication technology research and manufacturing centre in two to three years
- Aktis Group, an investment management group with interests in Chongqing says it is undeterred by the current political change and will continue to invest aggressively in the central mainland city
- CEO of German electric maker SAW Components stated that the group believes there are good opportunities in Chongqing with its high concentration of high-tech industries

- **Chongqing's New Party Secretary, Vice Premier Zhang Dejiang, on Chongqing's foreign investment**

- Vice Premier Zhang Dejiang whom replaced Mr. Bo Xilai as Chongqing's new party secretary, affirmed that Chongqing would ensure "continuity and stability" in its reform and opening-up policies
- Chongqing will further improve its policies to optimize the investment environment and improve service levels so as to create more favourable conditions for overseas companies investing in Chongqing
- Chongqing's development is at a critical stage and will continue to promote opening-up policies and improve the business environment to attract foreign investments

# Chongqing's Property Landscape

## • Chongqing's Property Landscape for 1Q 2012

- Average Grade A office availability ratio dropped 2.19 percentage point q-o-q to 17.81% this quarter with overall rents rising by 2.29% q-o-q and 3.64% y-o-y, to RMB 77.73 per sq.m per month^
- Grade A office price increased 2.3 percentage points to reach RMB 27,000 per sq.m^
- Yuzhong District's Grade A office availability ratio remained the lowest at 6.03%^
- Luxury apartments average prices edged higher by 0.5% q-o-q to RMB11,953 per sq.m stimulated by lowering mortgage interest rate for first-home buyers, increased in property tax benchmark price, price cuts and upgrading demand\*
- Global retailers continue to extend their presence in the booming Central and Western China region\*
- Chongqing retail property vacancy rate dropped by 1.1 percentage points to 8.5%\*

\* Source: CBRE research

^ Source: DTZ research

# Business Update & Outlook



# Business Update – Ying Li International Plaza

## Ying Li International Plaza Construction Progress



\*Photo as at May 2012

Ying Li Int'l Plaza (as at 11 May 12)	Construction Progress	Total Floors
Block 1	6 <sup>th</sup> Floor	50
Block 2	9 <sup>th</sup> Floor	46
Block 3	7 <sup>th</sup> Floor	38
Block 4	36 <sup>th</sup> Floor	44
Block 5	39 <sup>th</sup> Floor	44

# Business Update – Ying Li International Plaza (cont.)

## Launch of Ying Li International Plaza Phase 2 residential units



- Strong response from the launch of Ying Li International Plaza Phase 2 residential units in March 2012, with 59% of the units sold on launch day
- Both Phase 1 and 2 launched units have achieved more than 90% pre-sales respectively
- Completion of project will be in stages with full completion of the whole project expected to be in 2014

# Thank You

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# Appendix



# Chongqing Economic indicators

## Chongqing 1Q 2012 (Jan – Mar) Economic Indicators

Indicators	Unit	Value	Change y-o-y (%)
<b>GDP</b>	RMB billion	252.39	14.4
<b>Industrial Output</b>	RMB billion	280.06	19.2
<b>Fixed Asset Investment</b>	RMB billion	140.21	22.7
<b>Foreign Direct Investment (FDI)</b>	US\$ billion	1.77	38.6
<b>Retail Sales</b>	RMB billion	97.26	16.7
<b>Urban Household Annual Disposable Income per capita</b>	RMB	6,710.33	13.6
<b>Consumer Price Index</b>		104.10	4.10

Source: Chongqing Statistical Bureau

- Chongqing's 1Q 2012 GDP increased 14.4% y-o-y to RMB 252.39 billion, ranked as the 2<sup>nd</sup> fastest growing city in Western China and 3<sup>rd</sup> in China
- Total retail sales of consumer goods jumped 16.7% y-o-y, ranking 1<sup>st</sup> among all cities in China
- FDI into Chongqing's economy continue to grow, reaching USD 1.77 billion, an increase of 38.6% y-o-y