



中國新城市商業發展有限公司  
China New City Commercial Development Limited

# 2014 Annual Results Presentation

(Stock code: 1321.HK)

March 2015





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中國新城市商業發展有限公司  
China New City Commercial Development Limited

Part 1

# Results Overview



# Results Overview

## Sales Performance

- Contracted sales revenue for the whole year of 2014 was approximately RMB235 million, representing an increase of 168% from 2013
- Contracted sales area for the year was about 21,534 square meter ( "sq. m." ), or an increase of 123% over 2013
- Average price of contracted sales was around RMB10,913 per sq. m.

## Financial Performance

- In 2014, revenue of the Group was approx. RMB209 million, representing a decrease of about 76.2% from 2013; Profit attributable to owners of the parent increased 30.7% to RMB477 million; EPS amounted to RMB0.32
- As of 31 December 2014, the Group' s total cash and undrawn borrowing facilities were around RMB864 million and RMB808 million respectively; the ratio of net debt to equity was 67.6%

## Land Bank

- As at 31 December 2014, the property development projects owned by the Group included 8 completed projects and units in 2 completed buildings, 5 projects under development and 5 projects held for future development
- The total GFA of land reserves of the Group was approximately 3,540,000 sq. m., which can support the development of future five years



# Strategies to Cope with Market Challenges

## New team brought in, new systems innovated

- At the beginning of 2015, the Group has brought in a new team of management. The new members have rich experiences, and have down to earth practical and operational experience in commercial properties. The new team will bring in new ideas and a new atmosphere

## Expansion of IOC project

- The Group has acquired 160 mu land at a superb plot along the river of Hangzhou Qianjiang Century City for the creation of an integrated commercial complex of approximately 800,000 sq. m.. The GFA already constructed as at 31 Dec 2014 was 320,000 sq. m.. The Group has planned to further enlarge the land reserve in Hangzhou Qianjiang Century City and seek to increase the size of IOC project to around 1,250,000 sq. m.
- IOC project will become the flagship integrated commercial complex of the Group as well as one of the landmark integrated commercial complexes in Hangzhou

## To develop a group of O2O integrated commercial complexes

- The Group grasps that development opportunity and timing to enter into the property development market of new cities and towns in China with large potential
- We intend to first go to the eastern region, and then penetrate into the central region, and to develop a group of O2O integrated commercial complexes at city, town and community level, create the “China New City Commercial City” brand

## Prudent and diversified financial strategies

- The Group will insist on its prudent financial strategies, cut finance costs, optimize the debt structure, and maintain stable and adequate cash flow to provide strong finance backup for the business development
- Meanwhile, by gradually setting up an efficient investor relation management system, the Group will develop long term interactive and good relationship with the capital market and the media, ensure good transparency and corporate governance level of the Group, and strengthen the foundation of shareholders of the Company





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Part 2

# Financial Review



# Financial Review

<i>(RMB '000)</i> <i>As of 31 Dec 2014</i>	2014	2013	change
<b>Turnover</b>	<b>208,853</b>	875,842	-76.2%
<b>Gross profit</b>	<b>108,614</b>	368,848	-70.6%
<b>Gross profit margin</b>	<b>52%</b>	42%	+10 bps
<b>Profit attributable to owners of the parent</b>	<b>476,504</b>	364,623	+30.7%
<b>Profit for the period</b>	<b>462,504</b>	395,784	+16.9%
<b>Core net profit*</b>	<b>-54,984</b>	158,115	-134.8%
<b>Basic earning per share (RMB)</b>	<b>0.32</b>	0.29	+10.3%
<b>Dividend per share (RMB)</b>	--	--	

\* Including increase in fair value of investment properties, after tax (approx. 0.517 billion)



# Balance Sheet Highlights

<i>(RMB '000)</i>	As of 31 Dec 2014	As of 31 Dec 2013
<b>Total Cash (1)</b>	<b>863,667</b>	323,158
<b>Total assets</b>	<b>10,043,821</b>	9,000,465
<b>Total assets less current liabilities</b>	<b>7,413,984</b>	5,393,198
<b>Shareholder' s equity</b>	<b>4,287,874</b>	2,326,407
<b>Total equity (Net asset)</b>	<b>4,457,424</b>	2,541,282

Note (1): Total cash = Cash and cash equivalent + Restricted cash

Note (2): As of 31 Dec 2014, undrawn banking facilities was approx. RMB 0.808 billion, which made up the total available financial resources of approx. RMB 1.672 billion





# Key Financial Ratios

	As of 31 Dec 2014	As of 31 Dec 2013
<b>Net debt to total equity ratio</b>	<b>67.6%</b>	<b>83.1%</b>
<b>Net debt to total capital ratio</b>	<b>30.0%</b>	<b>23.5%</b>
<b>Total liability to total assets ratio</b>	<b>55.6%</b>	<b>71.8%</b>
<b>Current ratio</b>	<b>0.96</b>	<b>0.80</b>

Note (1): Net debt = Total debt – Total cash

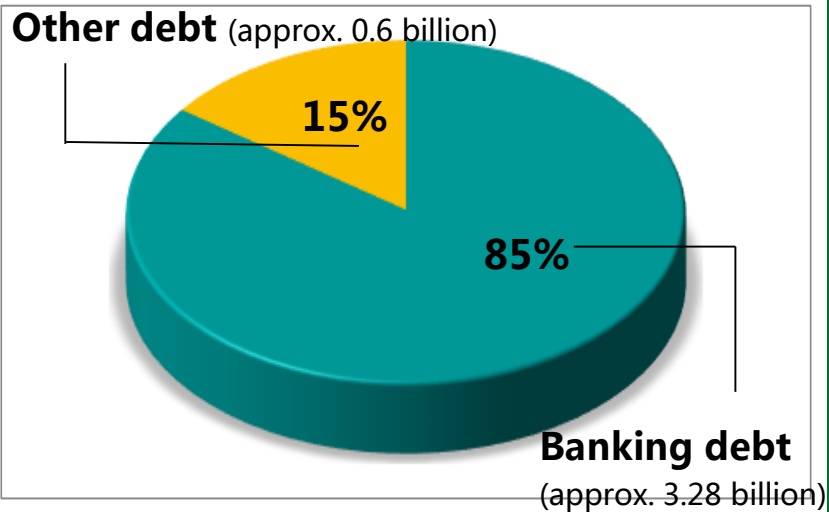
Note (2): Total capital = Total liability + Total equity

Note (3): Current ratio = Current assets / Current liabilities



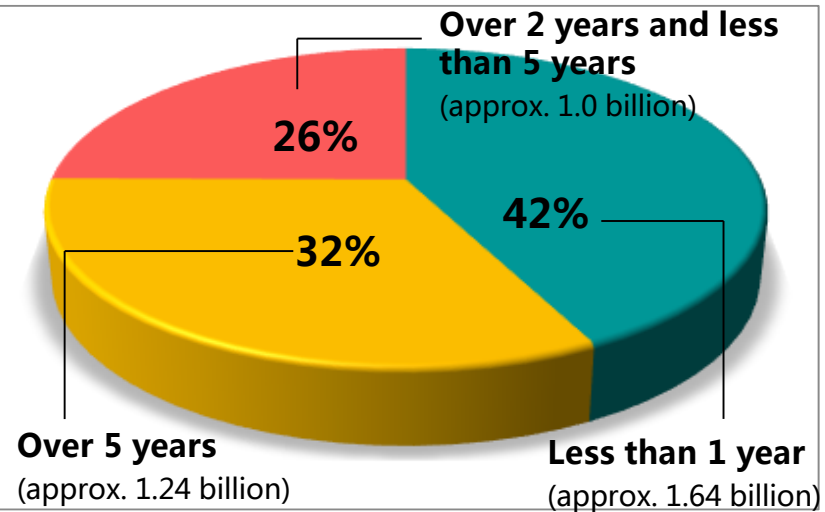
# Debt Structure

## Total Debt: RMB 3.88 billion Debt Composition



*(As of 31 Dec 2014)*

## Total Debt: RMB 3.88 billion Debt Maturity



*(As of 31 Dec 2014)*





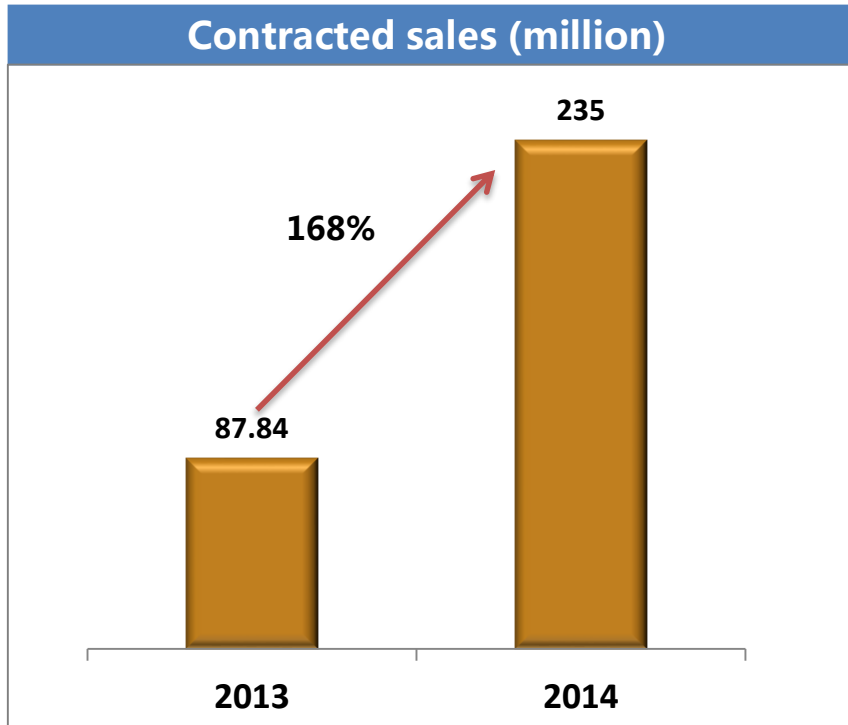
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Part 3

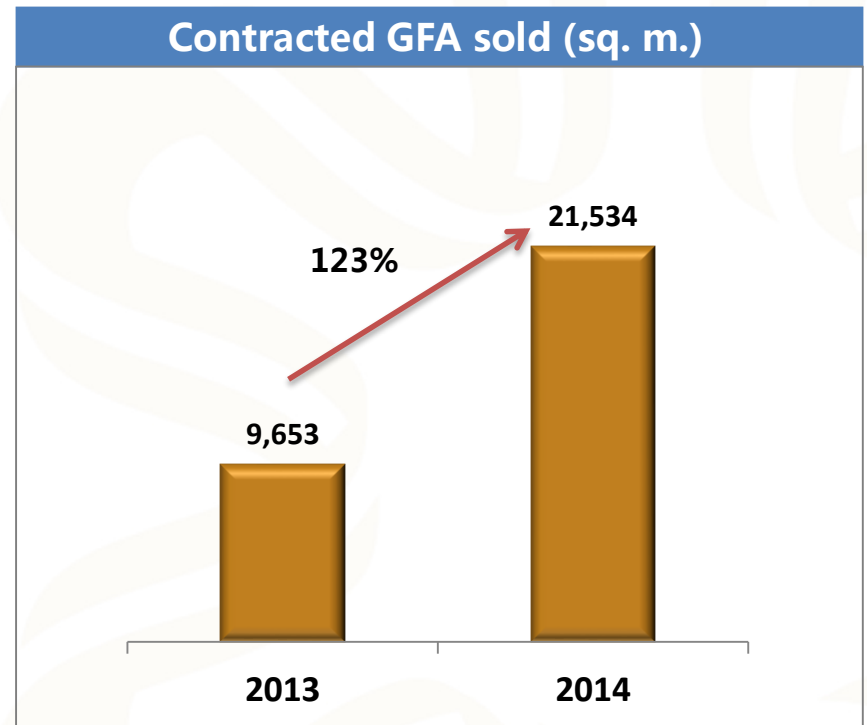
# Operations Review



# Sales Performance



The contracted sales in 2014 amounted to RMB235 million

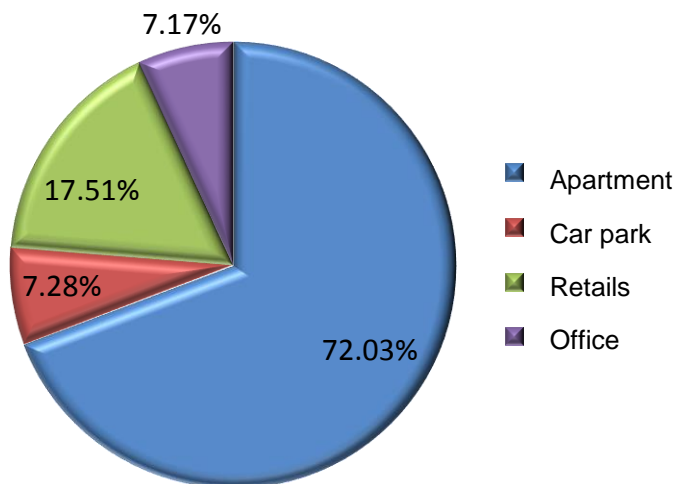


The contracted GFA sold achieved 21,534 sq. m..

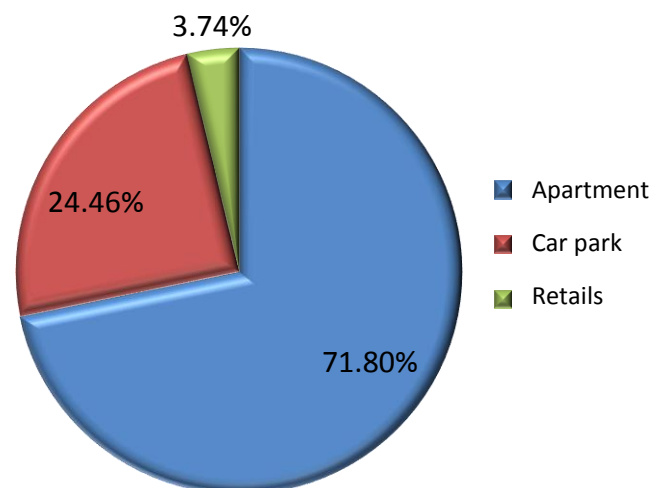


# Sales Details (by product)

2014 Contracted sales:  
RMB235 million



2014 Recognized sales:  
RMB86.85 million



# Projects Available for Sale in 2015

Project	Region	Product	Expected GFA available for sale (sq. m.)
<b>Hidden Dragon Bay</b>	Xiaoshan, Hangzhou	Serviced apartment, enterprise mansion, retails, commercial and car park	Approx. 103,000
<b>Times Square 1</b>	Yuyao, Ningbo	SOHO	Approx. 55,000
<b>Times Square 2</b>	Yuyao, Ningbo	Retails, Office	Approx. 42,000
<b>Jia Run Mansion</b>	Xiaoshan, Hangzhou	Serviced apartment	Approx. 69,000
<b>Sunrise Mansion (Commercial)</b>	Xiaoshan, Hangzhou	Singles Apartment	Approx. 34,000
<b>Total</b>			Approx. 303,000



# Key Investment Properties & Hotel Operation

No.	Investment Properties	Location	Total GFA(sq.m.)	Status	Opening Date*
1	Highlong Plaza, Hangzhou	District centre of Xiaoshan	Approx. 170,000	In operation	2007
2	Hidden Dragon Bay, Hangzhou	Xianghu New Town, Xiaoshan	Approx. 24,328	In operation	2013
3	Phase A3, International Office Centre, Hangzhou	Qianjiang Century Town, Xiaoshan	Approx. 237,935	Under construction	2015
4	Zhong An Times Square, Ningbo	Core area of Yuyao	Approx. 132,885	Under construction	2015
5	Jia Run Square, Suzhou	Suzhou Industrial Park	Approx. 62,975	Under construction	2016
6	Phase A1 & A2, International Office Centre, Hangzhou	Qianjiang Century Town, Xiaoshan	Approx. 262,500	Under planning	2017

No.	Hotel Name/Brand	No. of rooms	Grade	Status	Opening Date*
1	Holiday Inn Hangzhou Xiaoshan	417	4-star	In operation	2007
2	VC Hotel, Huanbei, Anhui**	Approx. 230	5-star	Under construction	2015
3	Doubletree by Hilton Yuyao, Ningbo	Approx 350	5-star	Under construction	2016
4	Hangzhou Qiandao Lake Run Zhou Resort Hotel**	Approx. 301	5-star	Under construction	2016
5	JW Marriott Hotel Suzhou	Approx. 298	5-star	Under planning	2017
6	Fairmont Hangzhou, Qianjiang Century Town, Hangzhou	Approx. 300	5-star	Under planning	2018

\* Actual/expected opening date    \*\* operated under our "Run Zhou" brand



# Projects Progress

*(Progress as of Dec 31, 2014)*

Project	% of Completion	Project	% of Completion
IOC A3	95%	Jia Run Square, Suzhou	45%
Qiandao Lake hotel	95%	Times square 1	90%
Times square 2 commercial	90%	Sunrise mansion commercial	90%







Part 4

# Outlook and Strategies



# Future Plan: Directed by National Development Strategies

## 18th CCP Congress Report

New Urbanism is the important foundation of building a moderately prosperous society and a key driver to the economical and social development of China.

## Central Urbanization Work Conference

Urbanization is the only way to modernization. Urbanization is an important solution to solve the problems of agriculture, rural areas and farmers, a strong support to the reality of losing regional development balance, and providing significant help to expand the domestic demand and promote industrial upgrading. Urbanization has great practical and far-reaching historical significance for building a moderately prosperous society and accelerating the socialist modernization.



# Future Plan: Guided by the Focus of the Whole Society

## Xi Jinping Proposing Standards of New Urbanism

To rely on the existing landscape of unique scenery, make the city into the nature, so that residents could see the mountains, rivers, and remember nostalgia. To introduce the modern elements, but also protect and promote the traditional culture, so that the city's history and culture continues. To let the people live more comfortable life with every detail. To strengthen the construction quality control system. In promoting the integration of urban and rural development, people should pay attention to retain the original village style, rarely cut trees, fill lakes nor demolitions, as far as possible to improve the living conditions of the villages in the original form.

## Li Keqiang proposing demands on New Urbanism

City development relies on industries, which also support the employment. We should especially develop the service industry, which will promote the employment significantly. We are facing the major issue of how to achieve integrated development of industrialization, information technology, new urbanism and agricultural, realize the mutual development of industry and city.



# Future Focus

## Expanding IOC Project, making it one of the landmark integrated commercial complexes in Hangzhou

- To study the development and demand in urbanization investment industry; To develop O2O (online to offline) integrated commercial complexes at city, town and community level; And to establish the brand of “China New City Commercial City” as integrated commercial complexes group
- Seeking the products and projects such as elder and health care, tourism, modern agriculture and so on with commercial investment value







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# Q & A





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# Thank You !

