



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

2015 Annual Results Presentation

(Stock code: 1321.HK)

March 2016





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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

Operating Performance

- In 2015, the recognized and contracted sales of properties amounted to approx. RMB398 million and RMB746 million, representing an year-on-year increase of 3.6 times and 2.2 times respectively, mainly due to the completion and recognized sales of Jia Run Mansion
- The total revenue for leasing business decreased 2.3% year-on-year to approx. RMB88 million. The revenue of hotel operation increased 1.0% to approx. RMB48 million compared to the same period last year

Financial Performance

- In 2015, the total revenue of the Group was approx. RMB504 million, representing an increase of about 141.3% from 2014; Profit attributable to equity holders of the Company increased 55.4% to RMB740 million; EPS amounted to RMB0.43, representing an increase of 34.4% as compared to the same period in 2014
- As at 31 December 2015, the total cash and bank balances of the Group were approx. RMB1.09 billion. The ratio of net debt to total equity was 51.2%

Land Bank

- The Group acquired a land parcel in Hangzhou in 2015. As at 31 December 2015, the total GFA of land reserves of the Group was approximately 2,721,000 sq. m.
- The property development projects owned by the Group included 7 completed projects and units in 2 completed buildings, 5 projects under development, 5 projects held for future development and 2 projects contracted to be acquired

Market and Business Review

Property Development

- The delivery of part of the property of Jia Run Mansion, the serviced apartments of the International Office Center ("IOC") (Plot A3), was completed smoothly, which drove up property sales income significantly
- During the year under review, with Hangzhou Municipal Government announcing that it has successfully won the hosting of the 2022 Asian Games and is also the hosting city of the 2016 Group of Twenty (G20) Summit, the sales of Jia Run Mansion which is adjacent to the Olympic Sports Center and Hangzhou International Convention Center went buoyant
- The Group will continue to launch other part of Jia Run Mansion till next year and expects the average selling price of the project will increase further

Investment Properties

- The rental income of the shopping mall and office tower of Highlong Plaza in Xiaoshan District of Hangzhou City remained stable. Facing the dual bombardments from both emerging e-commerce as well as massive new supply in recent years, the Group continued to adjust the commercial combinations and business structure of its commercial properties, striving to improve customers' sense of experience
- In Sep 2015, the Group reached the strategic cooperation with Beijing Yintai Landmark Commercial Co., Ltd. to pursue the joint operation of Yuyao Zhong An Yintai City under the internet+ model, thereby enhancing the attraction of Yuyao Zhong An Time Square project significantly

Hotel Operations

- The hotel Holiday Inn Hangzhou Xiaoshan operated well and the construction progress of the Hangzhou Qiandao Lake Run Zhou Resort Hotel project was also inline with its expectation
- In Sep 2015, the Group announced the commencement of its new homestay business by rolling out an O2O platform "Zhong Jia Le Homestay Travel Web" and the operations of self-operated chain of homestay facilities under the brand name of "Another Village" . As at 31 Dec 2015, the Group had already owned two self-operated homestay facilities under the brand name of "Another Village" and 33,000 rooms available for travelers to book on the Zhong Jia Le Homestay Travel Web



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Part 2

Financial Review



Financial Review

<i>(RMB '000)</i> <i>As of 31 Dec 2015</i>	2015	2014	change
Turnover	503,986	208,853	141.3%
Gross profit	179,444	108,614	65.2%
Gross profit margin	35.6%	52.0%	-16.4 bps
Profit attributable to equity holders of the Company	740,337	476,504	55.4%
Profit for the period	751,170	462,504	62.4%
Basic earning per share (RMB)	0.43	0.32	34.4%
Dividend per share (RMB)	--	--	

Balance Sheet Highlights

<i>(RMB '000)</i>	As of 31 Dec 2015	As of 31 Dec 2014
Total Cash (1)	1,088,532	863,667
Total assets	11,293,164	10,043,821
Total assets less current liabilities	9,220,916	7,413,984
Shareholder' s equity	5,039,459	4,287,874
Total equity (Net asset)	5,219,842	4,457,424

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

Note (2): As of 31 Dec 2015, the Group' s undrawn borrowing facilities were approx. RMB536 million and available financial resources amounted to approx. RMB4.297 billion

Key Financial Ratios

	As of 31 Dec 2015	As of 31 Dec 2014
Current ratio	1.37	0.96
Total liability to total assets ratio	53.8%	55.6%
Net debt to total assets ratio	23.6%	30.0%
Net debt to total equity ratio	51.2%	67.6%

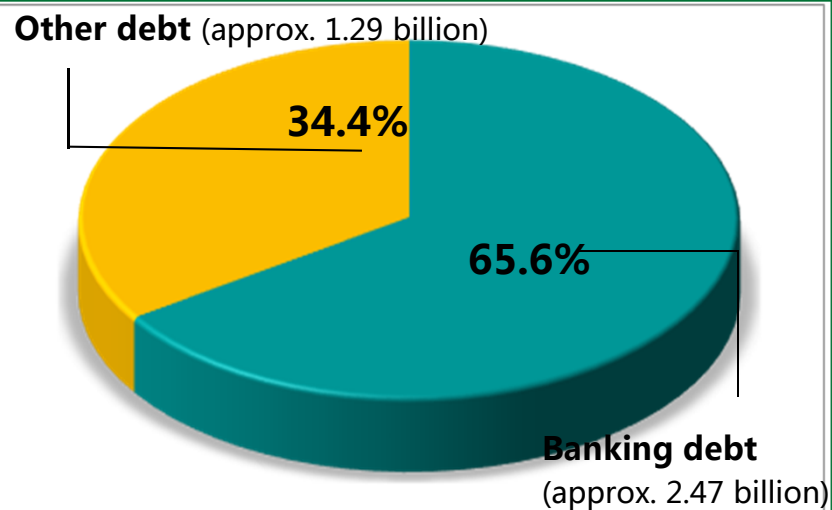
Note (1): Current ratio = Current assets / Current liabilities

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

Note (3): Net debt = Total debt – Total cash

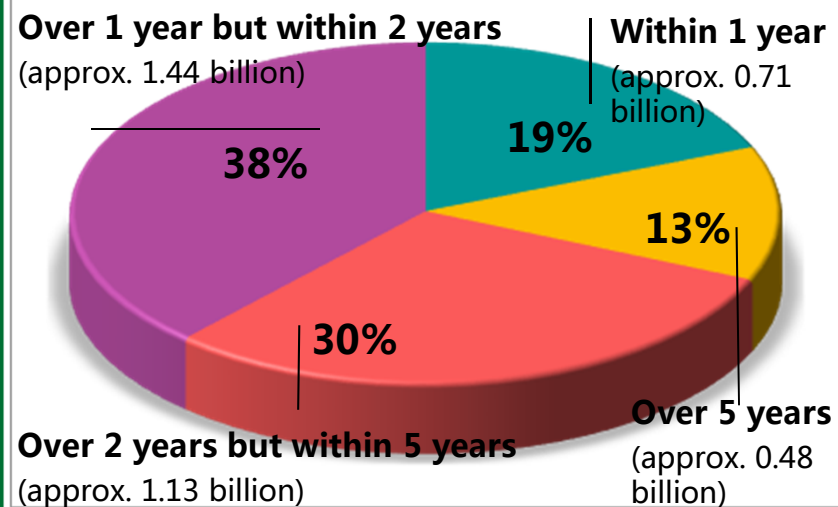
Debt Structure

Total Debt: RMB 3.76 billion Debt Composition



(As of 31 Dec 2015)

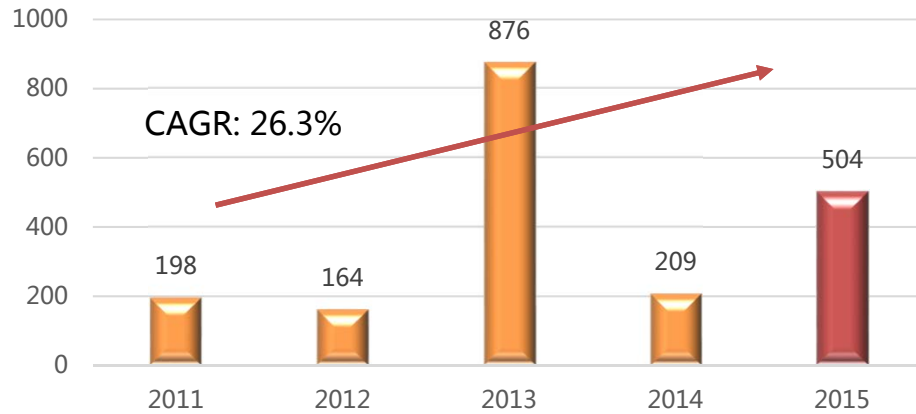
Total Debt: RMB 3.76 billion Debt Maturity



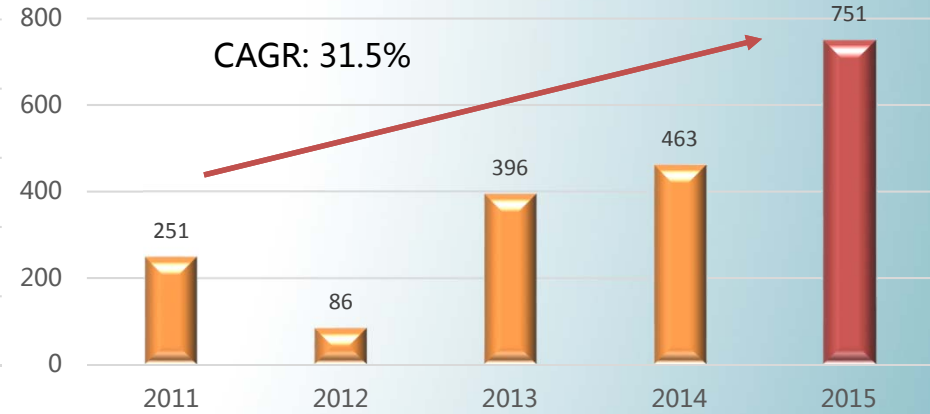
(As of 31 Dec 2015)

Sustainable Growth

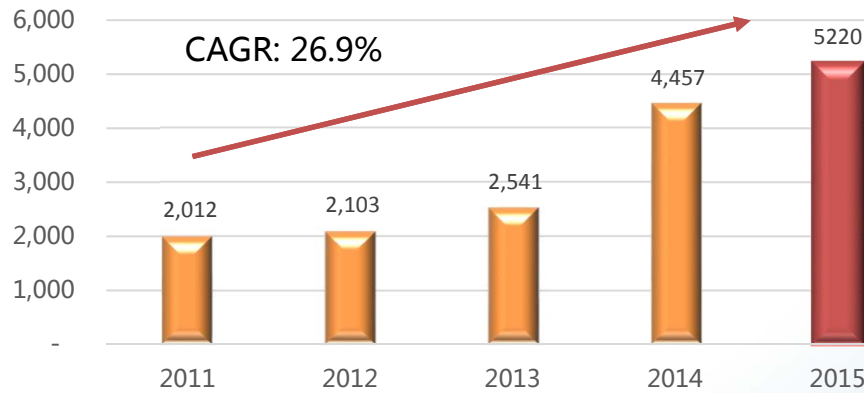
Revenue (RMB million)



Profit for the Year (RMB million)



Net Asset (RMB million)



Net Asset per Share (RMB million)



* The Company listed in July 2014
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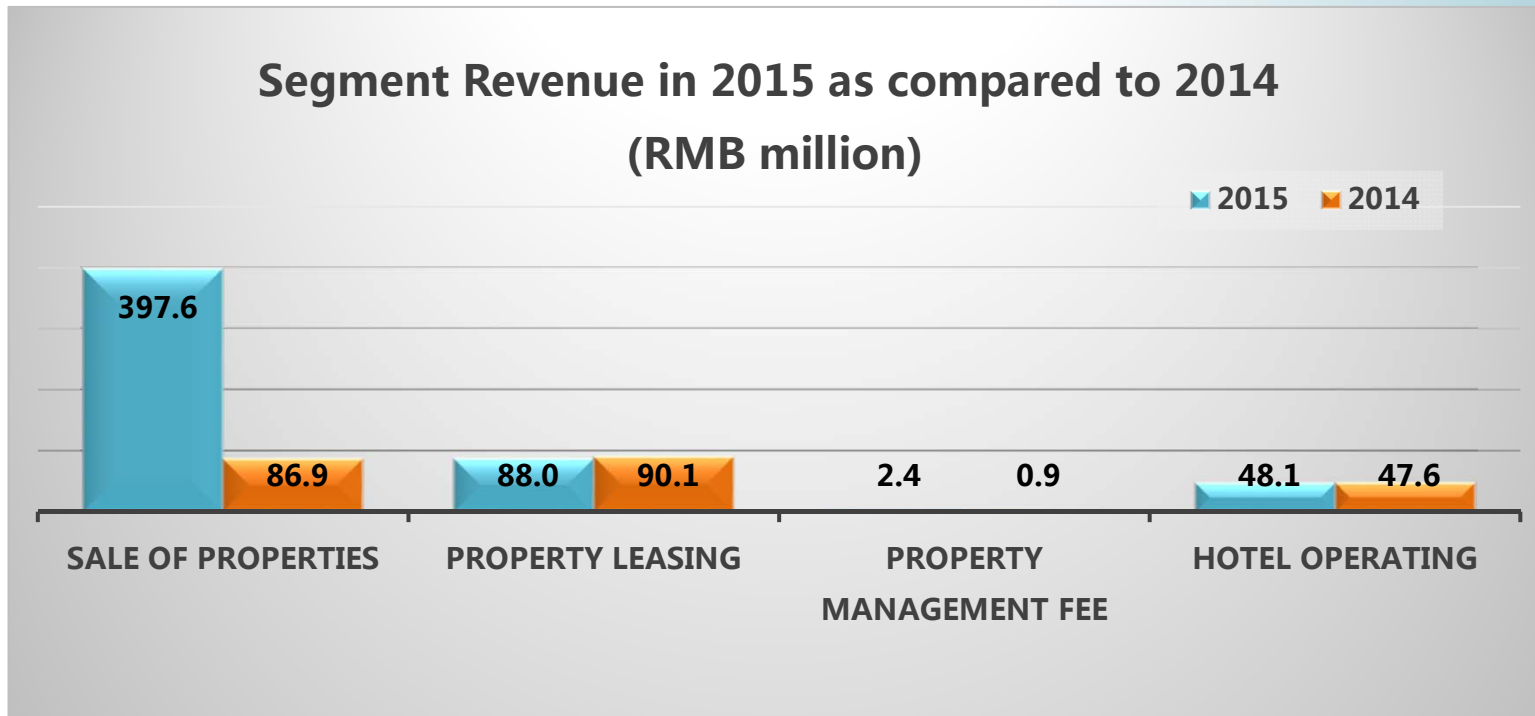
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Part 3

Operations Review



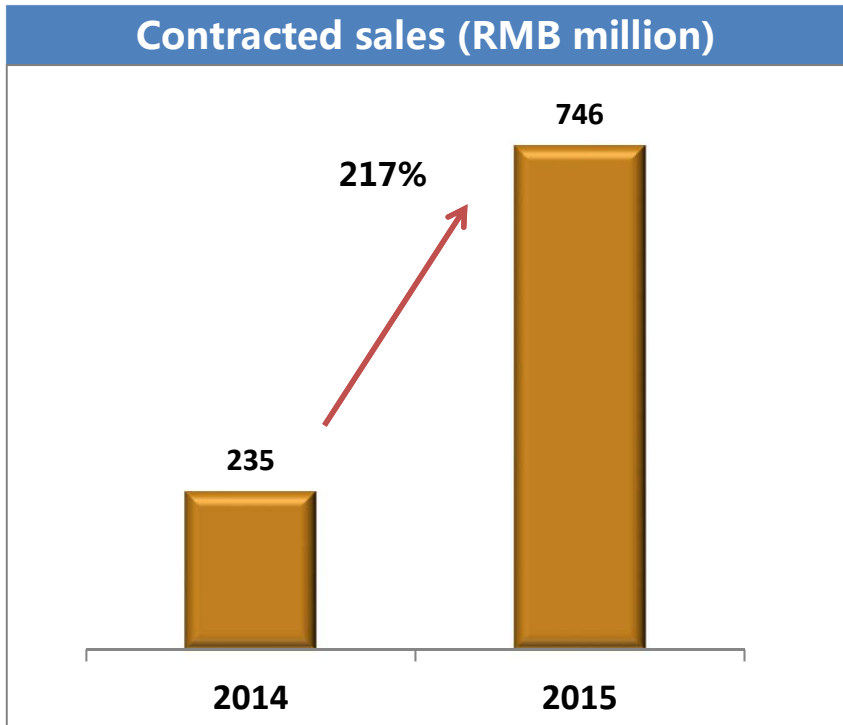
Segment Revenue



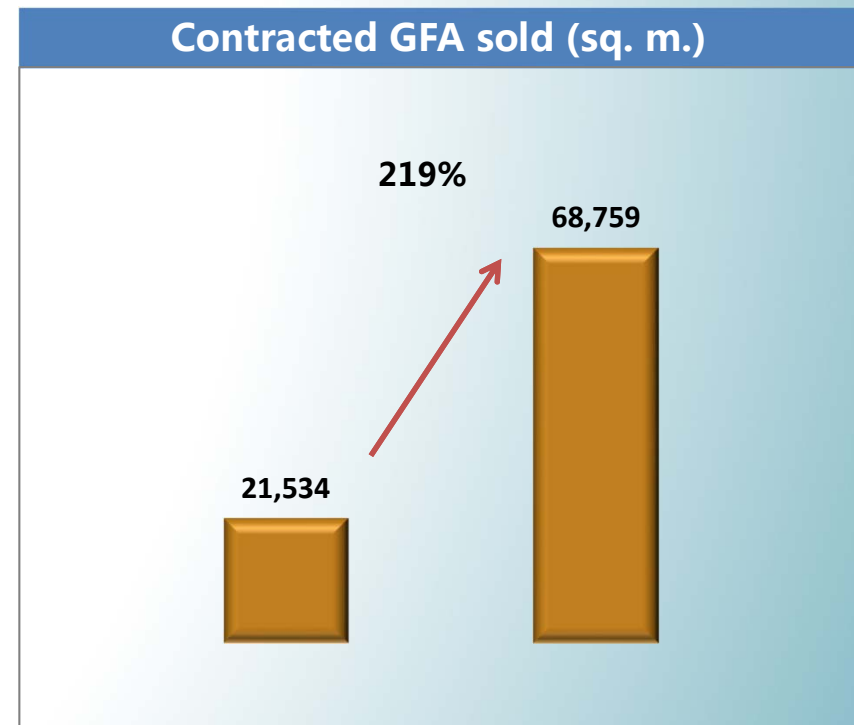
Segment revenue of 2015 as compared to the same period of 2014

+357.8%	-2.3%	+155.8%	+1.0%
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Contracted sales



The contracted sales in 2015 amounted to RMB746 million



The contracted GFA sold achieved 68,759 sq. m..

GFA available for sale/lease/operation in 2016

		GFA available for sale/lease/operation (sq. m.)	Usage
Hangzhou, Zhejiang province	International Office Center Plot A3	191,790	For sale/leasing
	Hidden Dragon Bay	108,806	For sale/leasing
	Hangzhou Qiandao Lake Run Zhou Resort Hotel	46,691	For operation
	Commercial portion of the Chaoyang Commercial Site	34,053	For sale
Yuyao, Zhejiang province	Yuyao Zhong An Times Square	96,298	For sale/leasing
Huaibei, Anhui province	Vancouver City Hotel	48,821	For operation
	Total	526,459	

主要投資物業

No.	Investment Properties	Location	Total GFA (sq. m.)	Status	Opening Year*
1	Highlong Plaza, Hangzhou	Downtown district of Xiaoshan	Approx. 171,071	In operation	2007
2	Hidden Dragon Bay, Hangzhou	Xianghu New Town, Xiaoshan	Approx. 241,695	In operation	2013
3	IOC Plot A3, Hangzhou	Qianjiang Century City, Xiaoshan	Approx. 327,996	For sale/operation	2015
4	Hangzhou Qiandai Lake Run Zhou Resort Hotel	Chunan County	Approx. 37,028	Under construction	2016
5	Zhong An Times Square, Ningbo	Downtown district of Yuyao	Approx. 628,408	Under construction	2016
6	IOC A1&A2, Hangzhou	Qianjiang Century City, Xiaoshan	Approx. 470,428	Under planning	2017

* Actual/expected opening Year



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Part 4

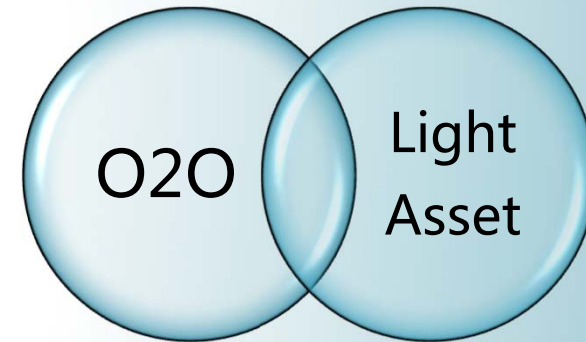
Strategies and Outlook



Development Strategies

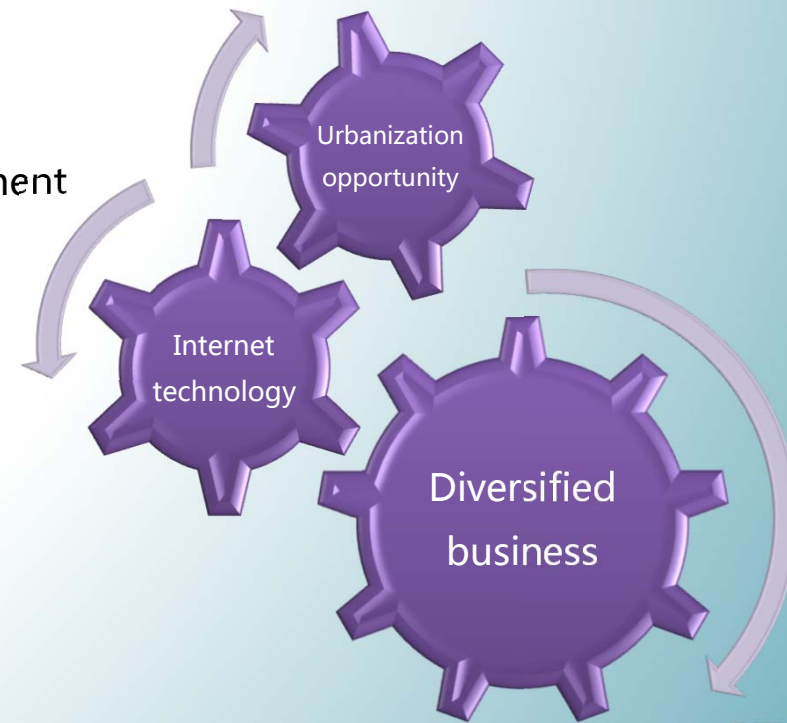
Positioning

Commercial property developer, owner and operator, with a focus on developing integrated commercial complexes in sub-city centers of second-tier cities in the Yangtze River Delta Region



Business

- Sales of properties
- Property leasing and property management
- Hotel operation
- **Urbanization related business**
 - ⋮ **Leisure and travel**
 - ⋮ **Elderly and health care**
 - ⋮ **Culture and entertainment**
 - ⋮ **Modern agriculture**



Future Outlook

Expansion of IOC project

- International Office Center (IOC) is the major development project of the Group. Qianjiang Century City, where IOC is located, and Qianjiang New Town across the river are the new main city centers of Hangzhou
- The project enjoys a spectacular river view, and is also adjacent to Hangzhou Olympic Sports Stadium, which hosts the 2022 Asian Games, and Hangzhou International Conference Center, which hosts the 2016 Group of Twenty (G20) Summit. With the ancillary infrastructure of Qianjiang Century City further improved, the value of such project will further escalate

Increase the segment revenue portion of property leasing and hotel operation

- Zhong An Times Square is a large-scale integrated commercial project located in Yuyao, Zhejiang province and will be completed by two phases. The construction of phase II is nearly completed while phase I is expected to be completed by the end of 2016. Total area of approximately 200,000 sq. m. will be held as rental property.
- As at 31 Dec 2015, Hangzhou Qiandao Lake Run Zhou Resort Hotel has been completed 75% and is expected to be completed by the second half of 2016
- The completion of above projects will significantly increase the rental area of the Group and continuously to contribute to the property sales segment

Further development of homestay and other urbanization related business

- The Group announced new homestay business in 2015 and will fully develop a diversified internet-based industry that encompasses homestay, urban apartment, eco-catering, local specialty and capital operation by leveraging on the development model of self-operated homestay under the brand names of the online “Zhong Jia Le Homestay Travel Web” and the offline “Another Village”
- the Group plans to develop and expand “Another Village” orderly in future to boost the online cooperation resource with its offline brand in establishing a new norm for the nationwide homestay industry in PRC
- Under reasonable control of existing investment size of commercial complexes, the Group will develop emerging industries like leisure and tourism, elderly and health care, cultural and entertainment and modern agriculture. The Group will keep seeking satisfactory and continuous returns for the shareholders of the Company



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Q & A





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Thank You !

