



中國新城市商業發展有限公司

China New City Commercial Development Limited

# 2020 Annual Results Briefing

26 Mar 2021



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# 1.Highlights



## (1) Stable income and optimized capital structure:

- Sales revenue reached RMB **1.07 billion**, including sales of RMB **820 million** investment properties
- Leasing and property management income was RMB **145 million**
- Revenue of the hotel segment reached RMB **183 million**, a YoY increase of **29.2%**
- Net profit attributable to the parent reached RMB **40 million**, with a YoY increase of **69.1%**
- Total equity in 2020 was approximately RMB **6.1 billion**
- The company has a cash book value of approximately RMB **1.1 billion**
- **All assets and liabilities indicators have been improved, and the capital structure has been optimized**



## (2) Contract sales hit a new high

- Total contracted sales for the whole year of 2020 reached **RMB 1.24 billion**, an increase of 16.3% year-on-year, and the contracted sales area was approximately **60,936 sq.m.**

## (3) Financial stability

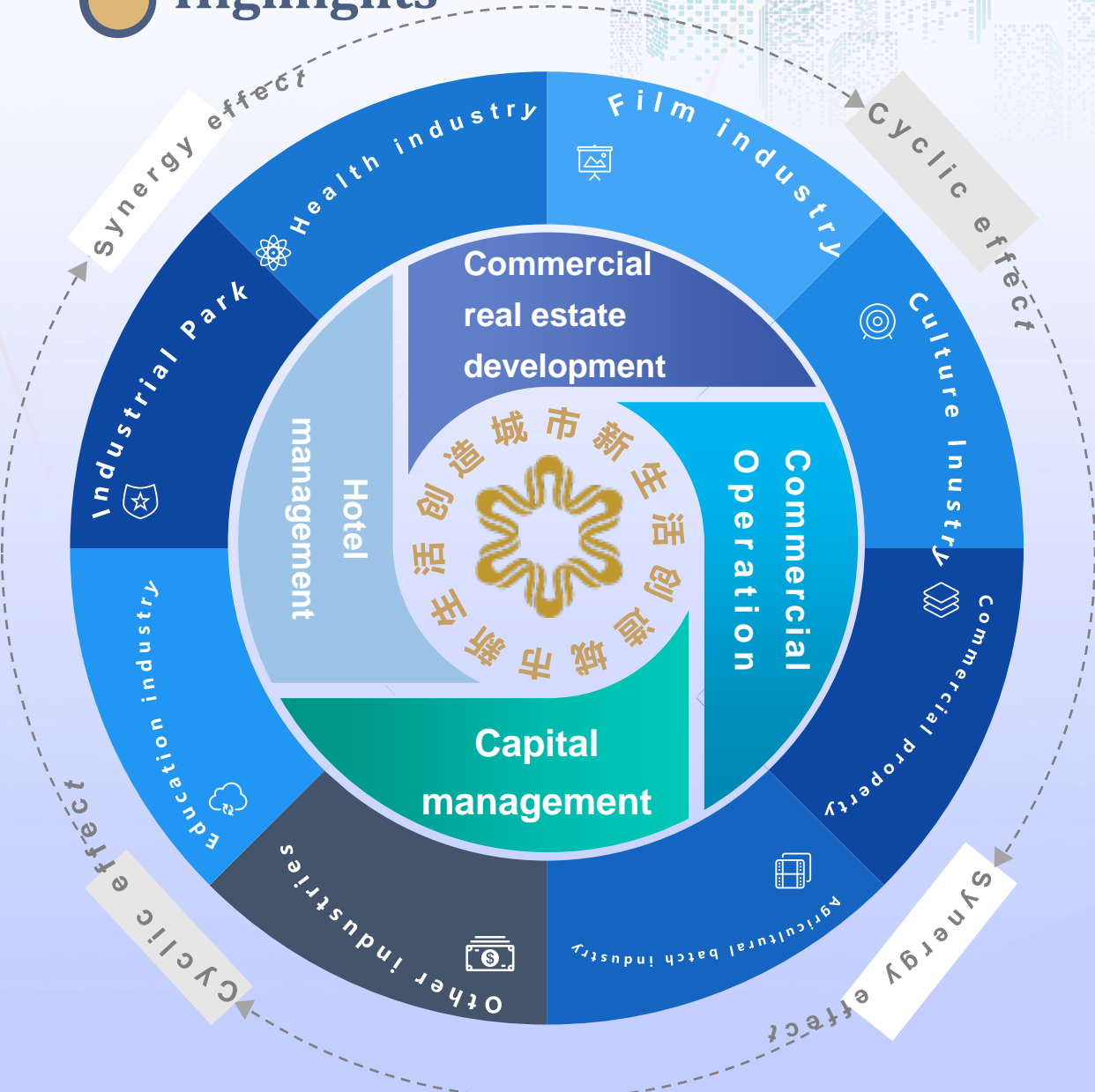
- The company's gearing ratio in 2020 was around **72%**, and the current ratio was **1.69**

# Highlights



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China New City Commercial Development Co., Ltd. currently **focuses on four major business segments: commercial real estate development, commercial operation, hotel management, and capital management**. At the same time, it has a layout of multiple industries such as film and television, health, cultural tourism, property, education, agricultural batches, and industrial parks. Strong synergy and circular effects have been formed among various industrial sectors, and it is a **service provider for comprehensive operation and resource integration of new urbanization**.



## ◆ Focus on the future core of the city

Based on the Yangtze River Delta Region, closely following the national development strategy, committed to serving China's economic development

## ◆ Eight industry collaborations, circular innovation

Industrial synergy, which will boost development and increase income sources

## ◆ Contribute to the organic renewal of cities

2 new projects were added to the village reserve and continued to expand in the future



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## 2. Business Operation







# The "dual" development model of "commercial + residential" (themed commercial and development) :



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10+

More than 10 years of experience in commercial real estate development

150+

More than 150 business in-depth strategic partners

10000+

Over 10,000 various brand resource libraries

2000000+

The commercial area under management exceeded 2 million square meters

## ➤ Business operation, committed to becoming the leader of innovative life in China

Relying on rich experience in commercial real estate development and advanced operating concepts, a comprehensive management model integrating investment research, business planning, project development, commercial investment, operation management, and asset management has been formed. Management formats are subdivided into urban complexes, theme commercials, office buildings, and long-term rental apartments. After years of industry accumulation and product research and development, a complete themed commercial product line that gathers Zhong'an Center, Zhong'an Plaza, Zhong'anli, Purple Street, Happy Hour, etc. has been formed.

Zhong An Centre

Crowded playing



Zhong An Square

Gather for joy



Zhong An Li

Enjoy life



Happy Hour Complex /MINI

Together with wisdom and health



Purple Street  
Slow life/fast pace

Zhongyue Modern





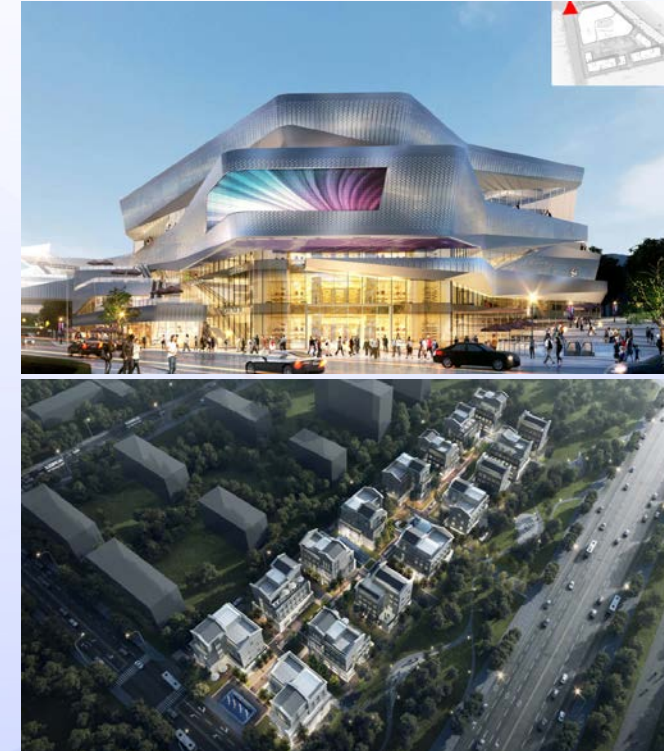


## The "dual" development model of "commercial + residential" (Helping the organic renewal of the city)



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Sandun Dagang Bridge Project



➤ Helping the organic renewal of the city is one of the key directions for the future development of China New City

- **Hangzhou has huge potential for urban renewal:** The planned reserved land in Hangzhou is 11,000 mu. If calculated at a plot ratio of 2.5, the total construction area can reach 16.65 million square meters. At present, the state-owned land for sale in the urban area of Hangzhou is gradually decreasing, and the village reserved land has a huge potential.
- **China new city is the first section to obtain tickets for urban organic renewal:** Xihu District currently has a total of about 5,000 acres of land reserved for development of villages. The premise of the development is to be included in the government cooperation library and sign a cooperation with Xitou Group. The new city is already a storage cooperative unit and has signed a cooperation with Xitou Group for joint development.



Xinjie Xincheng Village Project



Zhuantang Lingjia Bridge Project

Xixi Manhattan Project



# Contracted Sales



## Contracted Sales

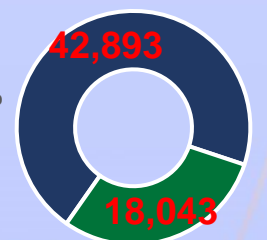
In 2020, the total contracted sales and reached RMB1.24 billion, with a YoY increase of around 16.3%

The attributable sales area was 60,936 sq.m. in 2020, which increase by approximately 24.4%

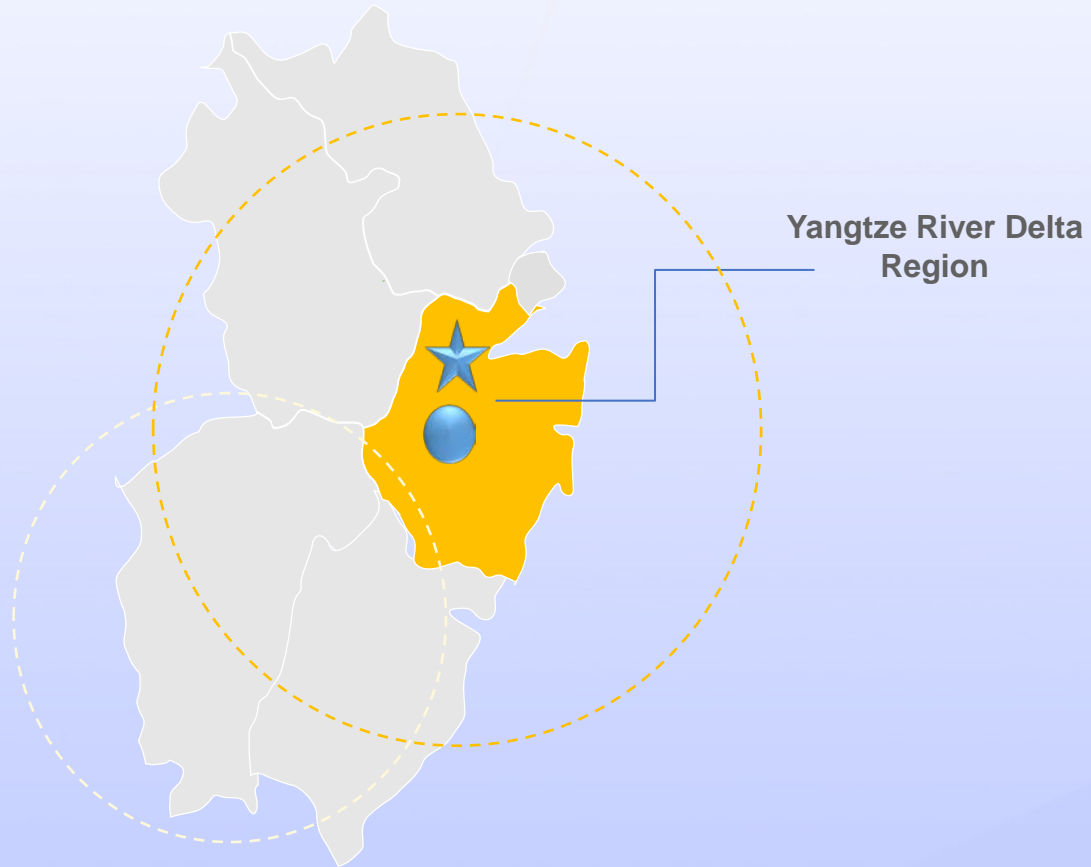
Project	Contracted sales area(sq.m)	ASP (RMB)	Contracted sales revenue (RMB million)
Fashion Color City	1,707	26,714	45.6
Yuyao Zhong An Times Square Phase I	4,477	7,661	34.3
Yuyao Zhong An Times Square Phase II	13,566	8,536	115.8
Binhai Commercial Plaza	4,325	11,931	51.6
Hinglong Plaza	306	14,706	4.5
Xinnongdu	14,620	12,695	185.6
IOC A3	16,982	38,011	645.5
IOC A2	2,950	47,186	139.2
Chaoyang Yinzuo	1,960	10,051	19.7

### Contributed Sales by region

- Hangzhou 78%
- Yuyao 22%



- As of 31 December 2021, **15** projects layout in **Yangtze River Delta Region**
- The attributable land reserve area was around **4.1 million sq.m.**



New Projects

• 5

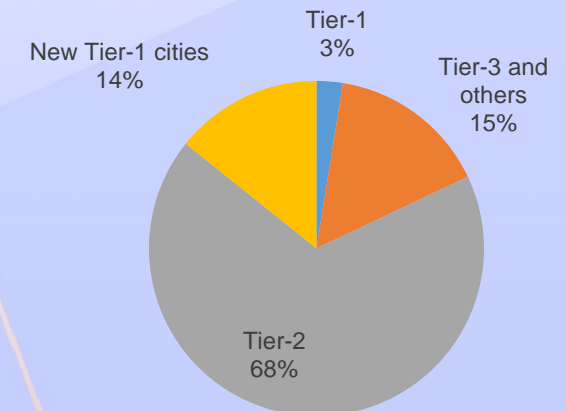
GFA

• 1.02 million sq.m

Average Land Cost

• RMB 1,670/m<sup>2</sup>

### New land reserve area by city tier





# Commercial sector

- **Committed to the development of commercial real estate and building the core business of the city**

After more than ten years of experience in commercial real estate development and operation, the group has relied on rich commercial real estate development experience and advanced operating concepts. At present, the company's existing projects are mainly concentrated in Zhejiang Province. Yuyao Zhong An Plaza, Hinglong Plaza, Jia Run Mansion, Xixi New City, etc. have been developed and operated. In the future, there will be more projects landing and continuous development, leading China's innovation life.



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Jia Run Mansion



Xinsheng Village, Xinjie



Hing Long Plaza



Zhong An Square, Yiwu



Zhong An Square, Yuyao



Zhong'anli, Cixi, Ningbo





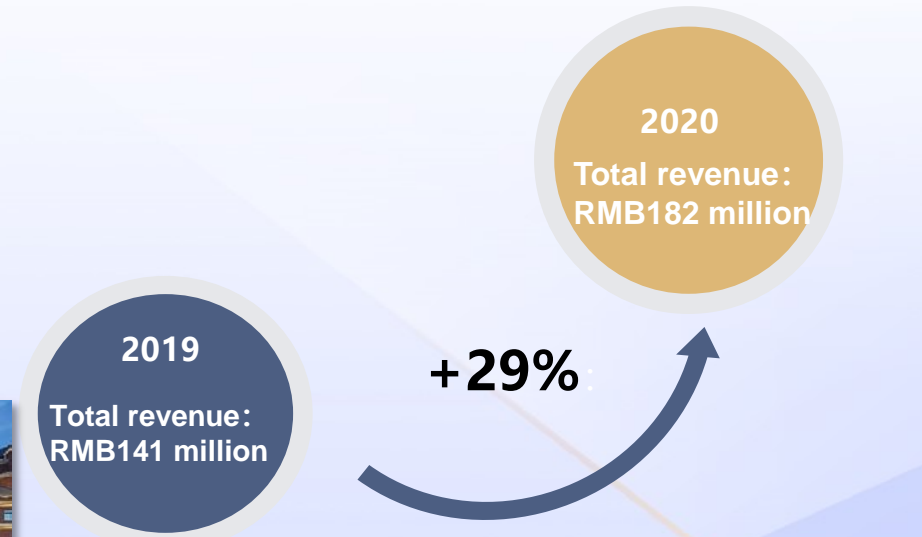
# Hotel business



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➤ Hotel management, committed to becoming the most competitive hotel brand in the mid-to-high-end accommodation industry

"Bright" means bright, whatever the sound and meaning, the establishment of the "Bright" brand hotel chain, you can see the sun when you push the window, and you can admire the bright stars when you turn off the lights. Affected by the epidemic in 2020, the company's hotel segment business will remain profitable.



- |               |  |
|---------------|--|
| Hotel Group   | 2020 China's Most Potential Domestic Hotel Group   |
| Qiandao Hotel | 2020 Best Family Resort Hotel for Donkey Mother<br>2020 Ctrip Travel Word of Mouth List Most Popular Resort Hotel Award  |
| Huaibei Hotel | Best Operation Award during the 2020 Meituan Hotel Epidemic<br>2020 Ctrip Travel Word of Mouth List Most Popular Resort Hotel Award  |
| Ningbo Hotel  | Member of Zhejiang Hotel Industry Association<br>Food Safety China 4D Food Safety Site Management Demonstration Enterprise<br>2020 Excellent New Business Hotel in East China<br>2020 Ningbo Tourism Hotel Service Skills Competition Wedding Banquet Creative Design and Set-up Second Prize<br>Yuyao City's first "Landmark Dish" exhibition and selection Yuyao Landmark Dish |



# Hotel operation and leasing business



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There are four hotels of the Group namely **Holiday Inn Hangzhou Xiaoshan, Somerset International Office Center Hangzhou Service Apartment, Qiandao Lake Bright Resort Hotel, Ningbo Bright Hotel and Huaibei Bright Hotel.**

In 2020, the hotel operation of the Group recorded a revenue of approximately **RMB183 million** (2019: approximately RMB141 million), representing an increase of approximately 29.2%, and the hotel occupancy rate was **approximately 43%** (2019: approximately 51%).

The leasing income of the Group mainly comes from **Highlong Plaza, International Office Centre and Zhong An Times Square, including office and shopping malls.**

The total revenue from leasing business for the Year was approximately **RMB145 million**, representing a decrease of approximately 17%. The average occupancy rate of leasing properties (calculated by dividing total lease area by total area available for lease) was approximately **94%** (2019: approximately 93%).





# Industrial Park + Industrial Real Estate



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➤ China New City's industrial parks are moving towards the development of the entire industrial chain, especially the thematic industrial parks and new industrial parks.

On the one hand, in industrial real estate, village reserved land and other projects, from land acquisition, planning, investment and construction, investment promotion to operation, form a new model of full-link industry development, and cooperate with Taobao, Alibaba Cloud and other industry leaders to jointly create " **A benchmark industrial park with super IP as the core**, such as "Two-dimensional" and "Digital Intelligence New Retail" .

On the other hand, closely focusing on the industry positioning, starting from the actual needs of enterprises and talents, providing multi-dimensional services for settled enterprises, building a complete park supporting facilities and service system, and obtaining multiple service incomes such as consulting, investment and operation.

Themed  
Industrial  
Park



Xixi Future  
Industrial Park



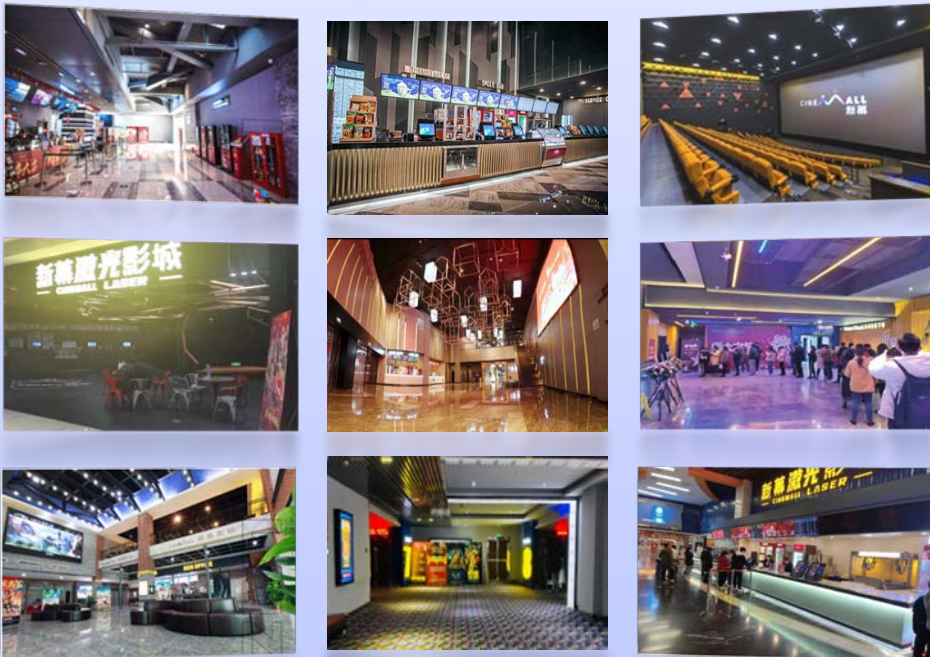
# Film and television culture



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## ➤ Film and television culture, committed to forming a comprehensive, diversified and entire industry chain

- The Group's Cinema new curtain Studios is committed to providing innovative viewing experience of high-end cinema brand, brand adhere to "socialize Studios leader" business philosophy and "Movie + Mall " product concept, to create a new movie living area, The company takes the **Yangtze River Delta and the** two key development regions of **Sichuan and Chongqing** as its base points, echoing each other and spreading across the country. At present, it has 8 theaters, 65 screens and more than 10,000 seats.
- **Repaying buyouts:** based on the characteristics of the low-price target acquisition theater, this can quickly achieve return on investment, increase return on investment; at the same time the use of theater space diversity, the site can be without affecting the operations of the theater, rent the gym , Game consoles and other operators, to increase revenue from multiple sources, increase personnel efficiency and floor efficiency. In 2020 , the company will acquire 3 theaters through retiring . Will continue to expand in this way in the future



Xin Mu Cinemas	Area (m <sup>2</sup> )	Studio	Seats
Chengdu	5900	10	1754
Yuyao	4570	8	1386
Laizhou	2500	7	986
Yiliang	3750	7	937
Zhuji	3200	8	1194
Chongqing(Yangjiaping)	5900	10	1754
Chongqing(Jiefangbei)	4100	8	1083
Shanghai	3228	7	1101
<b>Total</b>	<b>33148</b>	<b>65</b>	<b>10195</b>



# Education Business

## ➤ Hands with outstanding education brands to build an international urban area

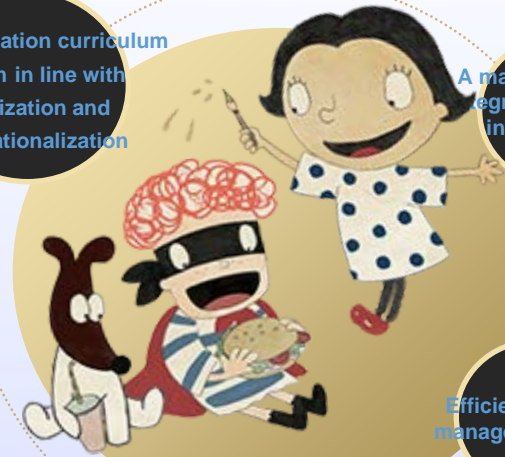
Maggie & Rose parent-child family club is the first **most well-known, most outstanding and creative** parent-child family club Maggie & Rose in London , England, when building a children-themed urban complex in a new city in China. Family Members ' Club , in the form of a joint venture company, brings the century-old British early education concept to the domestic market, and **brings the " Eat+Play+Learn " parent-child lifestyle to every family. In 2021 , there will be four clubs operating simultaneously.**



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Early education curriculum system in line with localization and internationalization

A management team that integrates localization and internationalization



Efficient operation management system

Featured parent-child business combination



Nov 2017



Nov 2018



May 2019



Feb 2021

■ Completed cooperation signing ceremony

■ Mainland China's first store in Hangzhou Xiaoshan Takahiro grand opening field on the second floor

■ China New City announcement to acquire Maggie & Rose British 31.56% stake

■ Maggie & Rose Maggie & Rose Parent-child Family Club opened its first store in Shanghai in Ruihong Tiandi





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## 3. Financial Performance





Revenue (RMB '000)	2020	2019	Change
Sales of properties	248,942	1,543,552	-83.8%
<b>Sales of properties (including sales of investment properties)</b>	<b>1,068,742</b>	<b>1,534,552</b>	<b>-30.4%</b>
Property rental	144,845	175,412	-17.4%
Hotel Operation	182,516	141,270	+29.2%
Others	124,067	104,619	+18.6%
Total	700,370	1,955,853	-64.2%
<b>Total (including sales of investment properties)</b>	<b>1,520,170</b>	<b>1,955,853</b>	<b>-22.3%</b>

Gross Profit (RMB '000)	2020	2019	Change
Gross Profit	170,155	778,236	-78.1%
Gross Profit Margin	24.3%	39.8%	-15.5%

Net Profit (RMB '000)	2020	2019	Change
Net Profit	25,081	45,289	-44.6%
Profit attributable to owners of the parent	44,429	26,270	+69.1%

Earnings per share	2020	2019	Change
Earnings per share (Basic)	RMB2.2 cents	RMB1.3 cents	+69.2%



(RMB million)	31 Dec 2020	31 Dec 2019	Change
<b>Cash</b>	<b>1,109</b>	432	+156.7%
<b>Total assets</b>	<b>15,175</b>	14,508	+4.6%
<b>Total liabilities</b>	<b>9,098</b>	8,367	+8.7%
<b>Total equity</b>	<b>6,077</b>	6,141	-1.0%
<b>- Non-controlling interests</b>	<b>243</b>	357	-32.1%
<b>Debt ratio</b>	<b>72%</b>	66%	-6%
<b>Debt analysis</b>			
<b>Secured</b>	<b>5,861</b>	2,904	+18.5%
<b>Debt ratio</b>	<b>72%</b>	66%	-101.8%





## Sales of properties



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In 2020, the recognized sales of properties sold and delivered was approximately **RMB249 million**. In addition, the sales of investment properties of approximately **RMB820 million**, was not recognized in the sales of properties in accordance with the International Accounting Standards.

	Sales of properties (RMB million)		Sale of investment properties (RMB million)	
	2020	2019	2020	2019
International Office Center	-	240.2	<b>811.3</b>	9.7
Jia Run Mansion	<b>43.9</b>	-	-	-
Yuyao Zhong An Times Square Phase I	<b>37.8</b>	54.2	-	-
Yuyao Zhong An Times Square Phase II	<b>86.6</b>	104.3	-	-
Chaoyang Yinzuo	<b>19.8</b>	44.9	-	-
XixiManhattan	-	188.9	-	-
Xixi New City	<b>48.0</b>	902.1	-	-
Others	<b>12.8</b>	-	<b>8.5</b>	42.2
<b>Total</b>	<b>248.9</b>	1,534.6	<b>819.8</b>	51.9



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## 4.Future Development







## Investment, financing, management, linkage of the eight major industries, acquisition of land with the advantage of linkage

According to China New City's three-year strategic plan for new cities, by 2023 , all industries will reach a new level. With the steady increase in scale, increasingly mature development, continuous innovation of concepts, the basic realization of the development goals of new urbanization operations and resource integration service providers has laid a solid foundation for the implementation of the corporate philosophy of "creating a new urban life" .



### Investment expansion

The value of the project will reach RMB52.3 billion, and the cumulative value of the three-year project exceeded 90 billion



### Business investment

Reserves and opens projects (including asset-light)  $\geq 30$   
Management area exceeds 1 million square meters



### Hotel Management

Has opened more than 18 hotels  
The building area exceeds 700,000 square meters



### Film industry

Opens more than 50 cinemas  
Has more than 600 pieces of screens



### Commercial properties

Managed area will more than 2.5 sq.m  
Ranks among the top 100 properties in China



### Education industry

Will open more than 50 clubs  
Will complete the layout of the first, second, and third-tier key cities



### Cultural Industry

Will open more than one cultural tourism project  
Asset-light output more than once





## Deeply dig into business sector operations and promote commercial IP ; the film and television business grasps supporting services and diversified operations to seize opportunities after the epidemic; seize future acquisition opportunities

### ➤ Focus on the future core of the city

- **Follow the national development strategy**, empower urban construction, and devote itself to serving China's economic cycle and development;
- The Yangtze River Delta region, which is based on development, is one of the most active, open, and innovative regions in the country's economic development, and it is easily endorsed by favorable policies.

### ➤ Industrial Collaboration Cycle Innovation

- Cooperate with leading companies in the track such as drones, high-tech, smart AI, 5G, medical and health care with its own diversified industries and commercial IP, and **acquire diversified land acquisition methods**;
- **The innovative business concept is prominent**, and the layout of diversified emerging businesses.

### ➤ Contribute to the organic renewal of cities

- The company shortlisted village reserved land cooperative development list, **accelerates the urbanization and urban renewal of Hangzhou, and lays the foundation for the future development of Hangzhou**;
- **With strong land acquisition capabilities and huge potential for development**, the company will take organic urban renewal as one of its important development directions in the future.

### ➤ Industry + finance, boost development

- Accurately grasp the market direction, gradually integrate industrial capital into the financial field, **and use the financial market to support the scale and strength of the industry to promote rapid and safe development of enterprises**;
- Good at using **capital to help urban operations and industrial incubation and development**.







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**THANK YOU**

**26 Mar 2021**

