



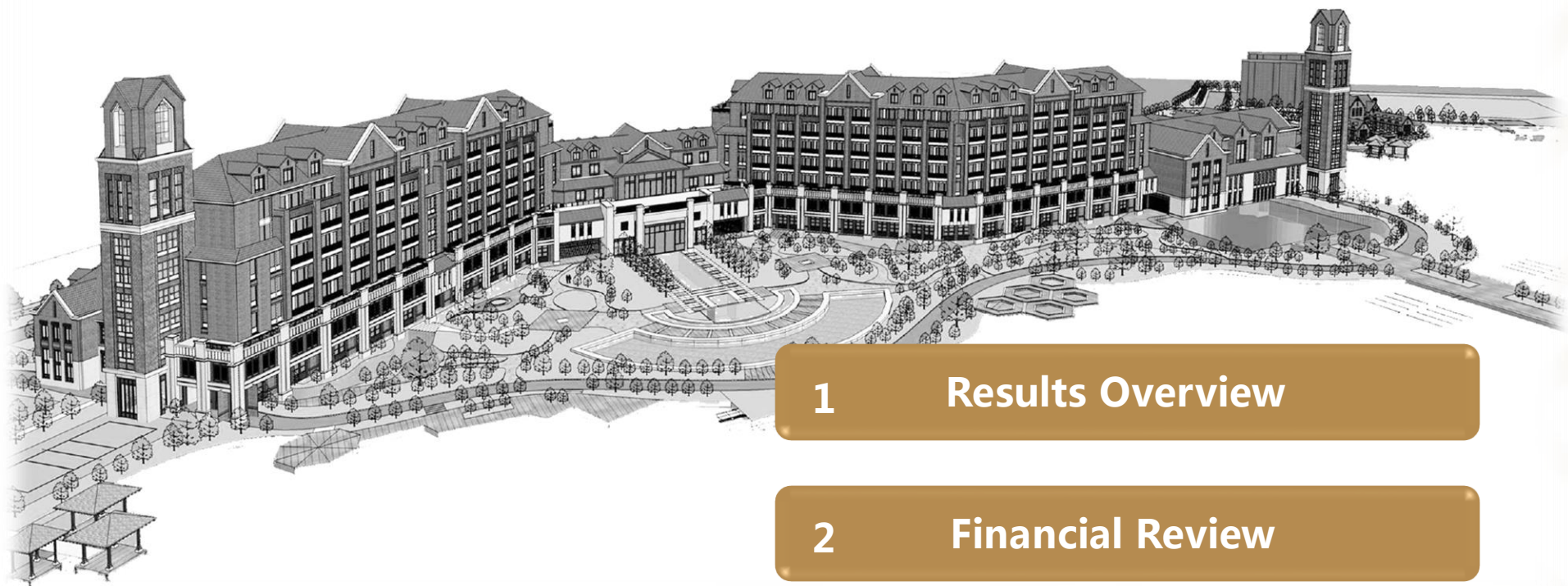
中國新城市商業發展有限公司  
China New City Commercial Development Limited

# 2016 Annual Results Presentation

(Stock code: 1321.HK)

March 2017





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**2 Financial Review**

**3 Operations Review**

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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

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# Results Overview

## Operating Performance

- In 2016, sale of properties increased 93.6% to approx. RMB770 million year-on-year, driven by the large increase of sales from Jia Run Mansion during the year under review
- Property leasing income and hotel operating income decreased 34.0% and 2.8% to approx. RMB58 million and approx. RMB47 million respectively, mainly due to the refurbishment project undertaken by Highlong Plaza during the year

## Financial Performance

- The revenue of the Group was approx. RMB858 million, representing an YoY increase of about 70.3%; Profit attributable to equity holders of the Company decreased 80.1% YoY to RMB147 million as the Group recognized fair value gain upon transfer to investment properties and nonrecurring income such as other interest income and gain on disposal of joint ventures in 2015
- As of 31 Dec 2016, the total cash and bank balances of the Group were approx. RMB463 million. The ratio of net debt to total equity was 53.1%

## Land Bank

- As at 31 Dec 2016, the property development projects held by the Group included 7 completed projects, units in 2 completed buildings, 4 projects under development, 4 projects held for future development and 2 projects contracted to be acquired
- The total GFA of land reserves of the Group was approx. 2,900,000 sq. m., and is expected to support its development at lease in the next five years





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Part 2

# Financial Review

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# Financial Review

<i>(RMB '000)</i> <i>For the year ended 31 Dec 2016</i>	2016	2015	change
<b>Turnover</b>	<b>858,371</b>	503,986	+70%
<b>Gross profit</b>	<b>324,991</b>	179,444	+81%
<b>Gross profit margin</b>	<b>37.9%</b>	35.6%	+2.3 bps
<b>Profit attributable to equity holders of the Company</b>	<b>147,042</b>	740,337	-80%
<b>Core profit before tax*</b>	<b>140,713</b>	7,853	+1,692%
<b>Basic earning per share (RMB)</b>	<b>8 cents</b>	43 cents	-81%
<b>Dividend per share (RMB)</b>	--	--	--

\*Note: Core profit before tax is net profit before tax excluding fair value gain upon transfer to investment properties, changes in fair value of investment properties and nonrecurring income such as other interest income from a joint venture and gain on disposal of joint venture recognized in last year





# Balance Sheet Highlights

<i>(RMB '000)</i>	As of 31 Dec 2016	As of 31 Dec 2015
<b>Total Cash</b>	<b>462,797</b>	1,088,532
<b>Total assets</b>	<b>11,288,945</b>	11,293,164
<b>Total assets less current liabilities</b>	<b>8,523,262</b>	9,220,916
<b>Shareholder' s equity</b>	<b>5,171,653</b>	5,039,459
<b>Total equity (Net asset)</b>	<b>5,342,059</b>	5,219,842

Note: Total cash = Cash and cash equivalent + Restricted cash



# Key Financial Ratios

	As of 31 Dec 2016	As of 31 Dec 2015
<b>Current ratio</b>	<b>1.09</b>	1.37
<b>Total liability to total assets ratio</b>	<b>52.7%</b>	53.8%
<b>Net debt to total assets ratio</b>	<b>25.1%</b>	23.6%
<b>Net debt to total equity ratio</b>	<b>53.1%</b>	51.2%

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

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

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

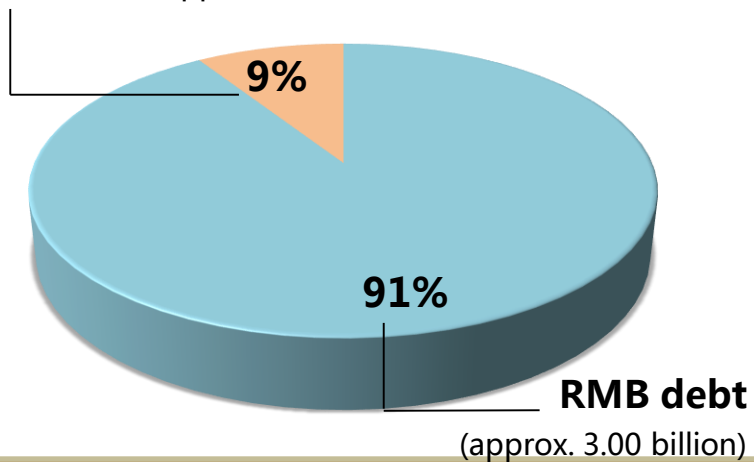




# Debt Structure

## Total Debt: RMB 3.30 billion Debt Composition

**US\$ debt** (approx. 0.30 billion)



*(As of 31 Dec 2016)*

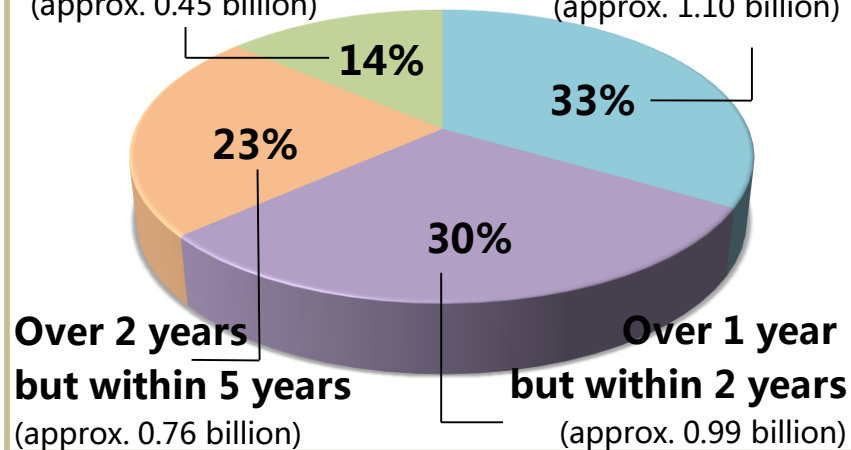
## Total Debt: RMB 3.30 billion Debt Maturity

**Over 5 years**

(approx. 0.45 billion)

**Within 1 year**

(approx. 1.10 billion)



*(As of 31 Dec 2016)*





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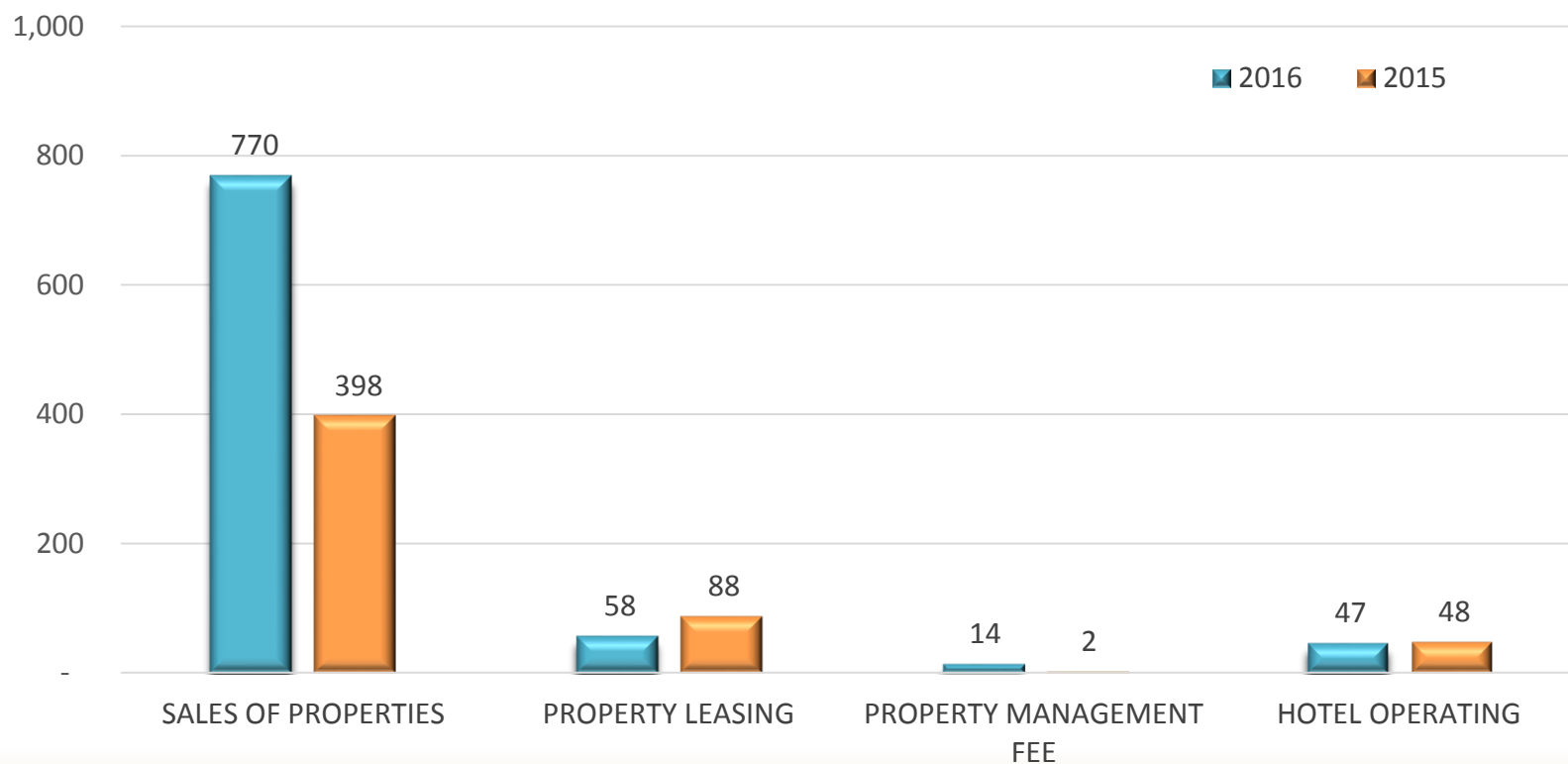
Part 3

# Operations Review

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# Segment Revenue

Segment revenue of 2016 as compared to 2015  
(RMB million)



# Segment Revenue

## Property Sales

- The serviced apartments of the IOC Plot A3 created successive satisfactory sales results and continued to be the major driver to drive up the property sales income significantly
- The project is adjacent to the venue of 2016 G20 Summit and the stadium of Hangzhou Olympic, in which the latter will host the 2022 Asian Games, with Qianjiang New Town, the political and cultural center in Hangzhou, just across the river. Thus, it is warmly welcomed by the market due to its favorable geographical location
- The Company intends to develop Plot A2 in 2017 to assure the steady development of property sales income

## Property Leasing

- Currently, the property leasing income of the Group is mainly derived from Highlong Plaza, Xiaoshan District, Hangzhou. In order to consolidate its local influence, the shopping mall portion of the project commenced its assets optimization programs and commercial portfolio restructuring since April 2016. The occupancy rate of Highlong Plaza reached over 97% after its renovation. It also increased more shop merchant ratio for children, catering and living services with differentiation and experience
- The Company expects the Zhong An Yin Tai Cheng project in Yuyao to open in the second half year of 2017 and will contribute revenue to property leasing segment

## Hotel Operations

- The hotel Holiday Inn Hangzhou Xiaoshan operated well
- Qiandao Lake Resort Hotel and Huaibei VC Hotel will open one after another in year 2017, and to be managed and operated under self-owned brand "Bright" . The two high-end hotel projects can provide approximately 500 available guest rooms in total
- It is expected that the Group will benefit from the obvious growth in terms of the number of available hotel rooms



# Major Investment Properties

	Investment Properties	Location	Total GFA (sq. m.)	Status	Open Year*
1	<b>Highlong Plaza, Hangzhou</b>	Downtown district of Xiaoshan	Approx. 171,071	In operation	2007
2	<b>Hidden Dragon Bay, Hangzhou</b>	Xianghu New Town, Xiaoshan	Approx. 241,695	In operation	2013
3	<b>IOC Plot A3, Hangzhou</b>	Qianjiang Century City, Xiaoshan	Approx. 327,996	For sale/operation	2015
4	<b>Zhong An Times Square Phase II, Yuyao</b>	Downtown district of Yuyao	Approx. 322,912	For sale/operation	2016
5	<b>Hangzhou Qiandao Lake Resort Hotel</b>	Chunan County	Approx. 46,691	Under construction	2017
6	<b>VC Hotel, Huaibei</b>	Xiangshan District, Huaibei	Approx. 67,061	Under construction	2017
7	<b>Zhong An Times Square Phase I, Yuyao</b>	Downtown district of Yuyao	Approx. 305,473	Under construction	2017
8	<b>Jiangcun project, Hangzhou</b>	Xihu District, Hangzhou	Approx. 59,555	Under planning	To be determined
9	<b>IOC A1&amp;A2, Hangzhou</b>	Qianjiang Century City, Xiaoshan	Approx. 470,799	Under planning	To be determined

\*实际/计划开业时间





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Part 4

# Strategies and Outlook

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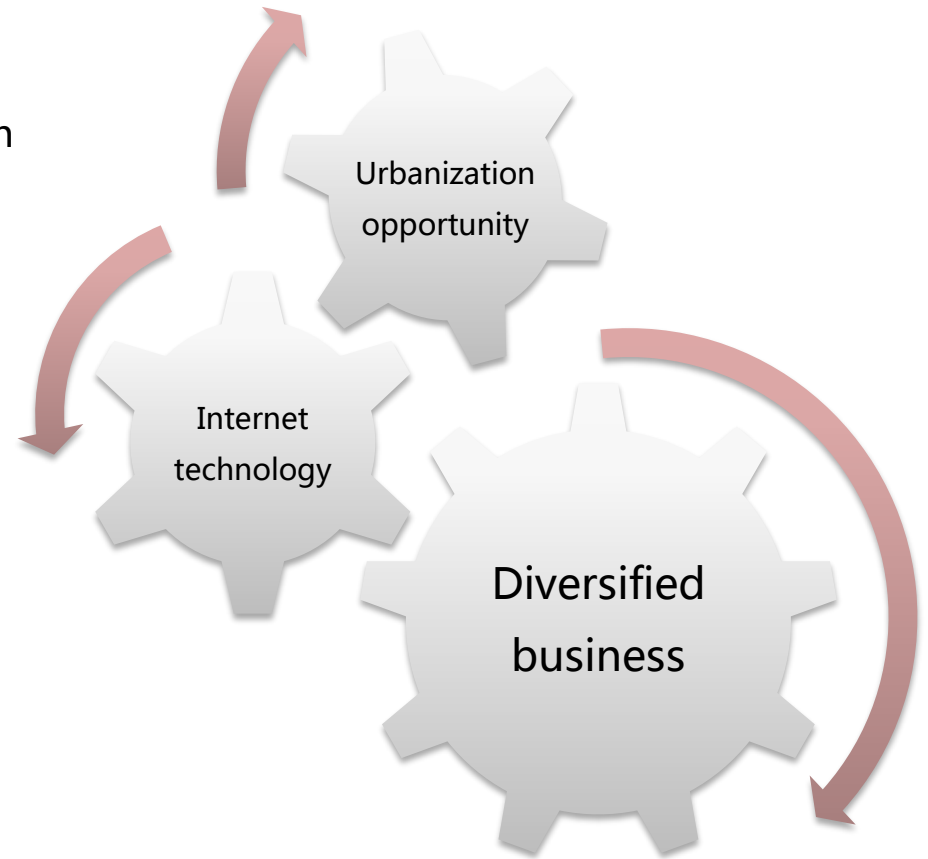
# Development Strategies

## Positioning

Commercial property developer, owner and operator, developing commercial projects in the Yangtze River Delta Region and other major economic zones

## Business

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





# Future Outlook

## Develop the major projects of IOC and Jiangcun

- The IOC project is still the major development project of the Group. Benefited from a set of favorable policies, Qianjiang Century City where the project located is under fast construction and development. Hangzhou Olympic Sports Stadium, adjacent to the IOC project, will host international major sports events such as the 2020 Asian Games in future. The Company intends to develop Plot A2 of IOC this year to create sustainable impetus to property sales
- The Group plans to start the development of Jiangcun Plot in 2017. Jiangcun Plot is located in Xihu District, Hangzhou, and is in close proximity to Xixi Wetland. The project is scheduled to construct an integrated commercial complex comprising serviced apartments, office buildings and shops

## Welcome the completion of investment properties in year 2017

- Upon its listing, the Group has been at the construction stage of main projects. In 2017, the Company will welcome the harvest period due to the completion of more investment properties. The opening up of several main projects such as Zhong An Times Square, Hangzhou Qiandao Lake Resort Hotel and Huaibei VC Hotel will significantly increase our leasable area and the number of available guest rooms of the entire investment property portfolio, providing stable cash flow support to the Group in the long run.

## Enforce the strategy of effective interaction of capital operation and asset management

- The Group will actively face the development opportunities brought by the urbanization in the PRC, promoting and deepening industry internetization, and developing diversified new property projects, and plans to explore more lands with low price but high potential in 2017 through mergers and acquisitions.
- While controlling the stable development of the existing investment size of commercial complexes effectively, it will actively develop emerging industries like leisure tourism, healthcare services, cultural and entertainment and modern agriculture
- The Company will also adhere firmly on its prudent financial strategies, enhance corporate governance transparency, seek satisfactory and continuous returns for the shareholders of the Company





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# Q & A



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**Thank You !**