# Corporate Presentation

## March 2014

HKEX Stock code: 119

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# Agenda

- Company Overview
- FY2013 Financial Highlights
- 2M2014 Business Updates

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# Our Company

Poly Property Group is a nationwide PRC property company with more than 60 projects across 21 locations inclusive of first-tier cities, second-tier cities and provincial capitals. We established a reputable real estate brand in the PRC, offering a diverse product range from apartments, offices and commercial properties.

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# Milestones

**2012** Renamed to **Poly Property Group Co., Limited**

**2010** Received asset injection from China Poly Group with projects located in Shenzhen, Suzhou and Deqing

**2009** Received asset injection from China Poly Group with projects located in Shanghai, Suzhou, Guangzhou, Shenzhen, Foshan and Hainan

In November, the Company became one of the constituent stocks of MSCI China Index, Hang Seng China Affiliated Corporations Index, Hang Seng Mainland 100 and Hang Seng Composite Index Series

**2008** Received asset injection from China Poly Group with projects located in Guangzhou, Shenzhen, Guiyang, Nanning, Harbin, Jinan, Kunming and Huizhou

**2006** Shifted business focus to property development and received asset injection from China Poly Group with projects located in Shanghai, Wuhan and Suzhou

**1993** **China Poly Group** took control of the Company

**1973** Established as a shipping company

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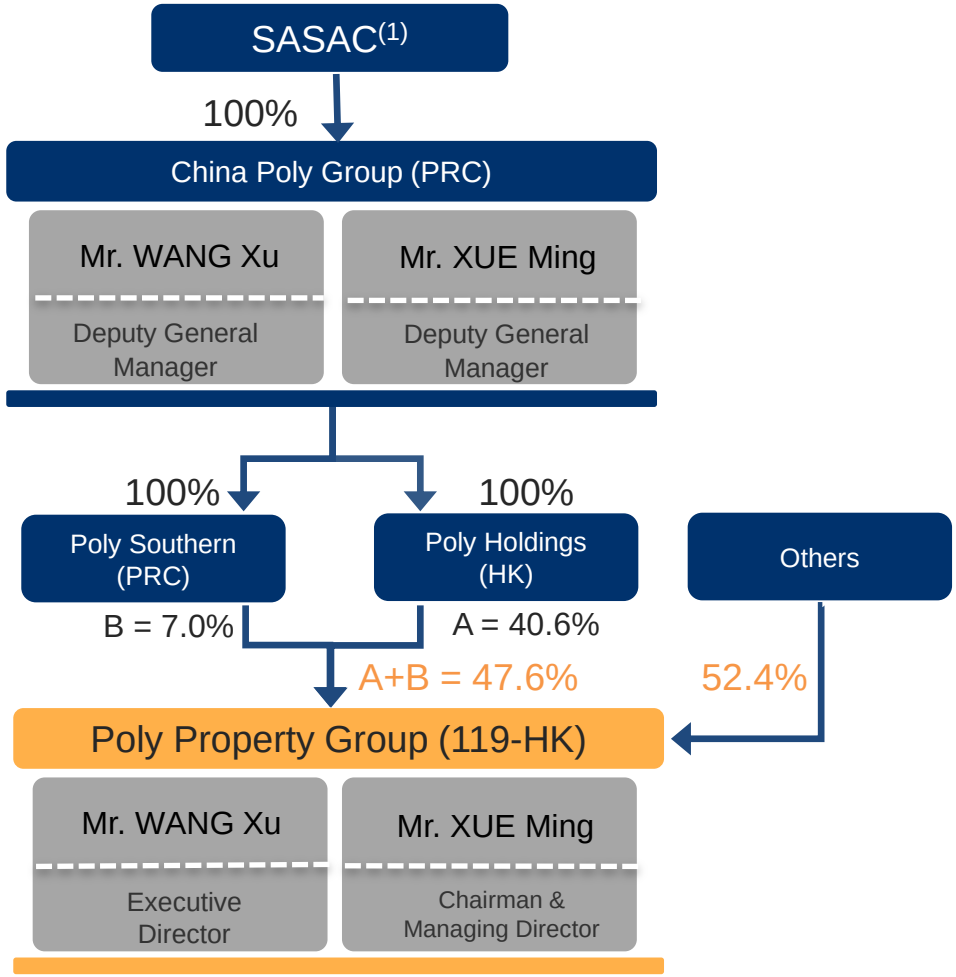
# Shareholding Structure and Management

As at end February 2014, the total number of issued shares is 3.6 billion.




Note :(1) Denotes State-owned Assets Supervision and Administration commission of the State Council

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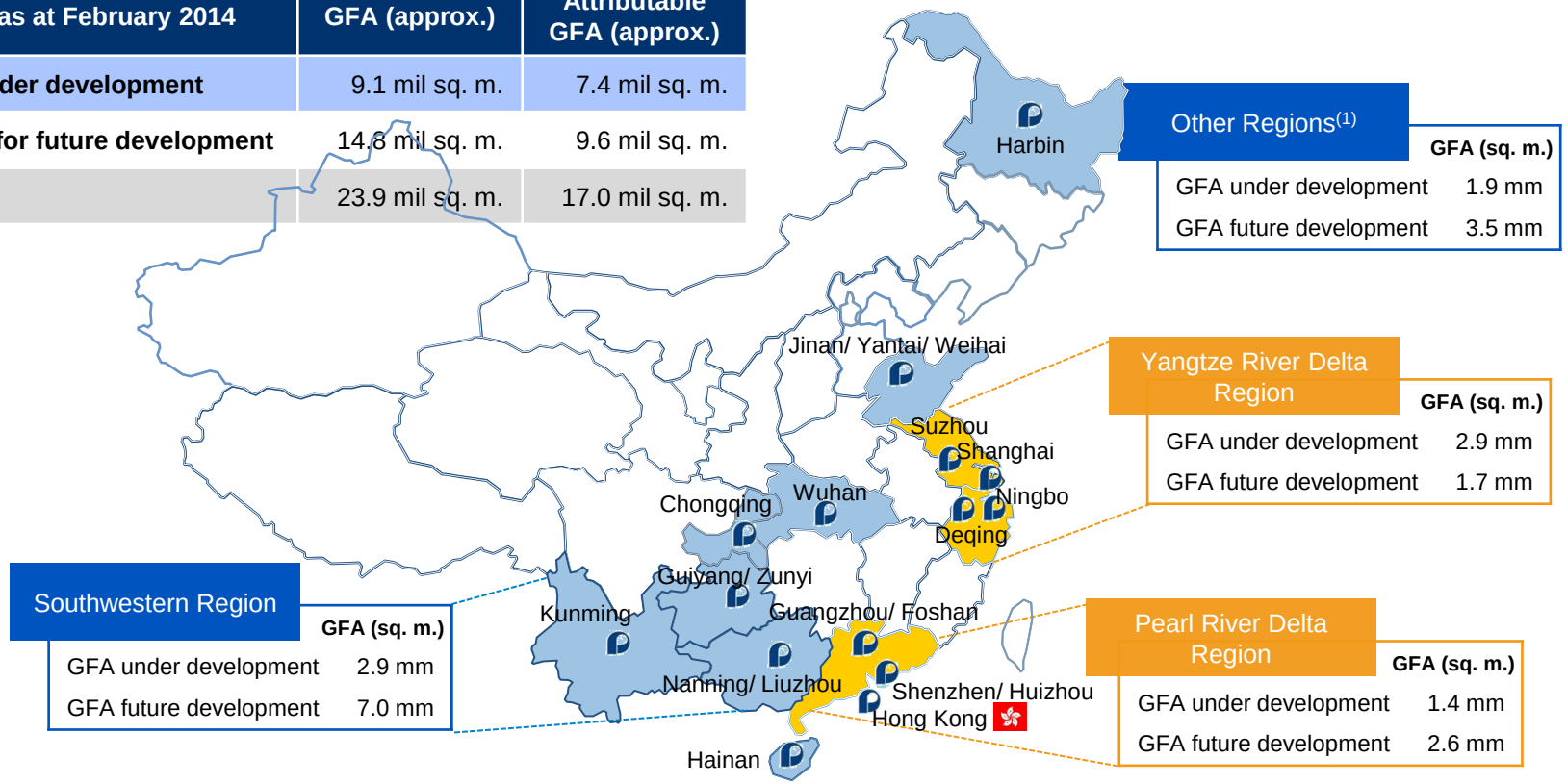
# Land Bank

The total land bank for both projects under development and land reserved for future development as at end February 2014 was about 24 million sq.m..

| Land Bank as at February 2014 | GFA (approx.) | Attributable GFA (approx.) |
|---|---|---|
| **Projects under development** | 9.1 mil sq. m. | 7.4 mil sq. m. |
| **Land bank for future development** | 14.8 mil sq. m. | 9.6 mil sq. m. |
| **Total** | 23.9 mil sq. m. | 17.0 mil sq. m. |




Note: (1) Other regions include cities such as Hong Kong, Harbin, Jinan, Yantai, Weihai and Wuhan

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# Major Investment Properties

- Well-balanced investment property portfolio provides stable recurring income

| Major investment properties under operation | GFA (sq. m.) | Attributable GFA (sq. m.) |
|---|---|---|
| **Hotel** | 148,000 | 116,000 |
| **Others (except hotels)** | 449,000 | 434,000 |
| **Total** | **597,000** | **550,000** |

| First-tier Cities | | GFA (sq. m.) | Occupancy | Rent/ Rate (1) |
|---|---|---|---|---|
| Beijing | Poly Plaza | 20,000 | 100% | 8.2 |
| | Poly Plaza Hotel(2) | 75,000 | 53.5% | 569.3 |
| Shanghai | Poly Plaza (portion) | 103,000 | 98% | 7.3 |
| | Stock Exchange Building | 46,000 | 87.7% | 8.0 |
| Shenzhen | Poly Cultural Plaza (portion) | 133,000 | 99% | 2.2 |

| Provincial Capitals | | GFA (sq. m.) | Occupancy | Rent/ Rate (1) |
|---|---|---|---|---|
| Wuhan | Poly Plaza | 147,000 | 36% | 1.8 |
| | Poly Hotel(3) | 34,000 | 48.8% | 491.1 |
| Guiyang | Regal Poly Guiyang Hotel | 39,000 | 49.3% | 627.2 |

Note:
(1) Rent for office and commercial premises are in RMB/day/sq. m. as at end February 2014. Rate for hotel represents average daily rate in RMB.
(2) GFA includes the hotel and a 1,300-seats opera theatre.
(3) Previously known as Hubei Poly White Rose Hotel.

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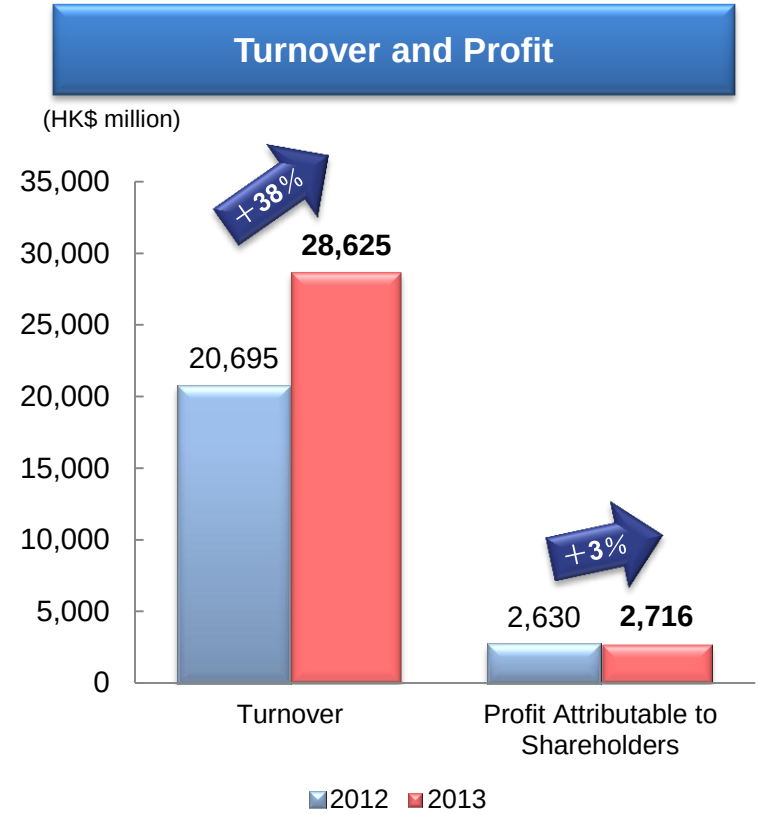
# Turnover

In 2013, turnover surged by 38% compared with the same period last year to approximately HK$28.6 billion. Profit attributable to shareholders increased by around 3% to approximately HK$2.7 billion. Basic earnings per share was HK74.74 cents, up by around 3% compared with the same period last year.

| Consolidated Income (Audited) | | | | |
|---|---|---|---|---|
| | | 2013 | 2012 | Change (%) |
| Turnover | (HK$ million) | 28,625 | 20,695 | 38.3% |
| Profit Attributable to Shareholders | (HK$ million) | 2,716 | 2,630 | 3.3% |
| Basic EPS | (HK cents) | 74.74 | 72.88 | 2.6% |

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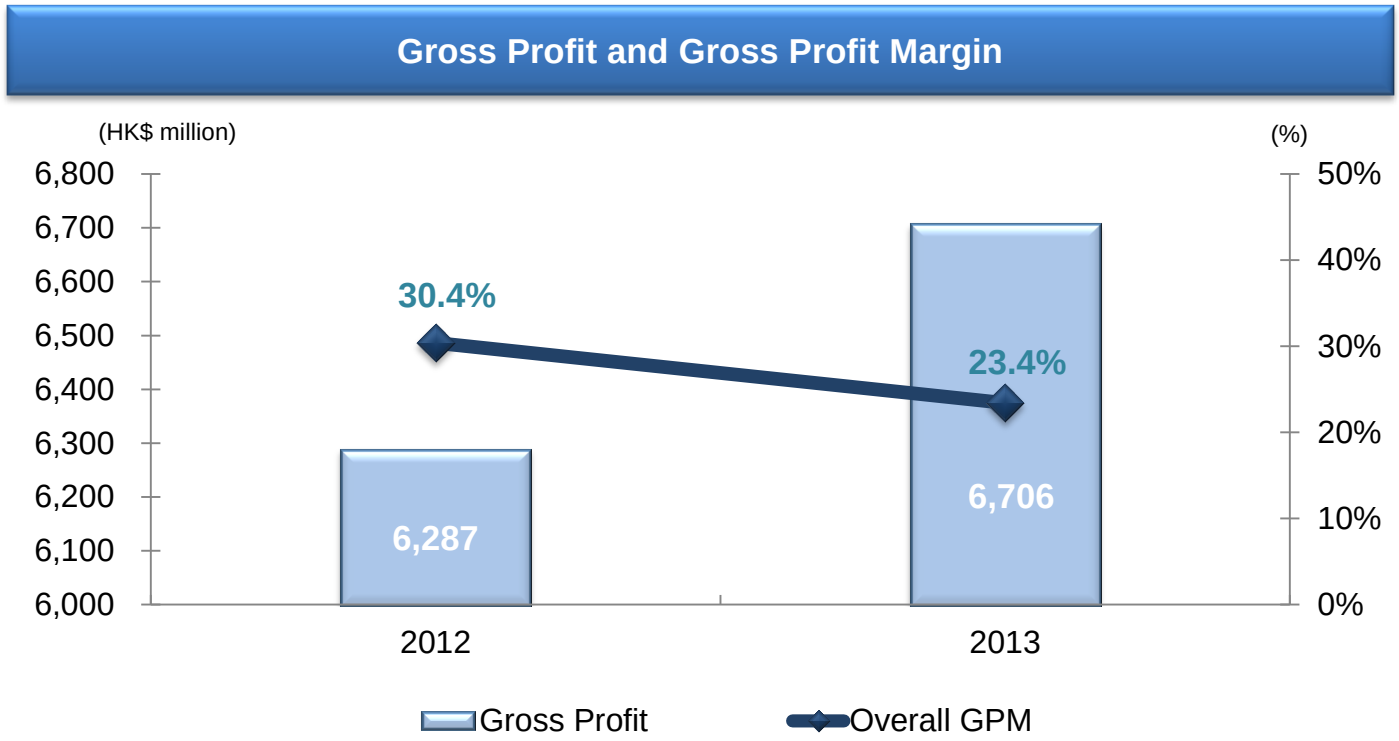
# Gross Profit and Gross Profit Margin

The overall gross profit for 2013 was approximately HK$6.7 billion, representing an increase of approximately 7% compared to the corresponding period in 2012. Overall gross profit margin was approximately 23.4%.

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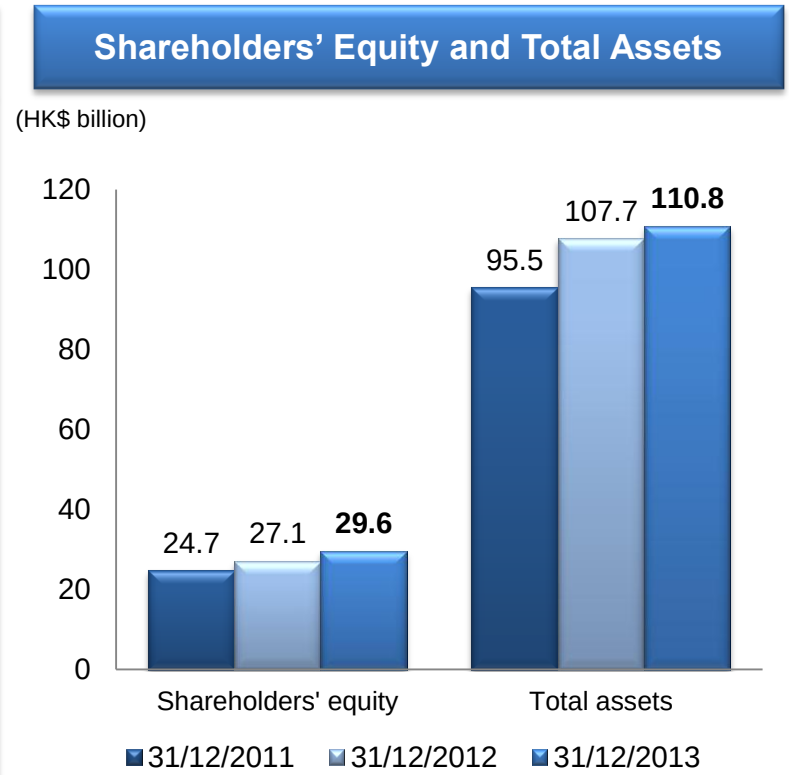
# Assets and Liabilities

In 2013, total assets grew by around 3% from HK$107.7 billion to HK$110.8 billion. Shareholders' Equity increased about 9% to approximately HK$29.6 billion. Net asset value per share also increased about 8% from HK$7.50 to HK$8.13. Net gearing ratio decreased further to 90% from 94% as at the end of 2012.

| | | 31 Dec 2013 | 31 Dec 2012 | Change (%) |
|---|---|---|---|---|
| Cash | (HK$ billion) | 15.5 | 15.3 | 1.5% |
| Total assets | (HK$ billion) | 110.8 | 107.7 | 2.9% |
| Total liabilities | (HK$ billion) | 78.2 | 77.7 | 0.7% |
| Shareholders' Equity | (HK$ billion) | 29.6 | 27.1 | 9.4% |
| Bank borrowings & Bonds | (HK$ billion) | 42.0 | 40.7 | 3.0% |
| Net gearing ratio (bank loans + bonds - cash)/ shareholder equity | (%) | 90% | 94% | -4.3% |
| Net asset value per share | (HK$) | 8.13 | 7.50 | 8.4% |

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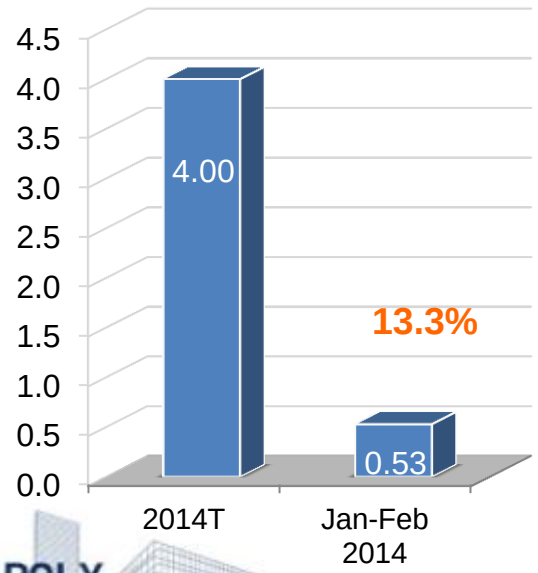
# 2014 Target and Completion Status

As at end February 2014, newly commenced construction GFA aggregated 530,000 sq.m., accounted for 13.3% of the annual target of 4 million sq.m.. Contracted sales reached RMB 4.1 billion, with contracted area sold totaling 370,000 sq.m. Contracted sales accounted for 14.6% of the annual sales target of RMB 28 billion.

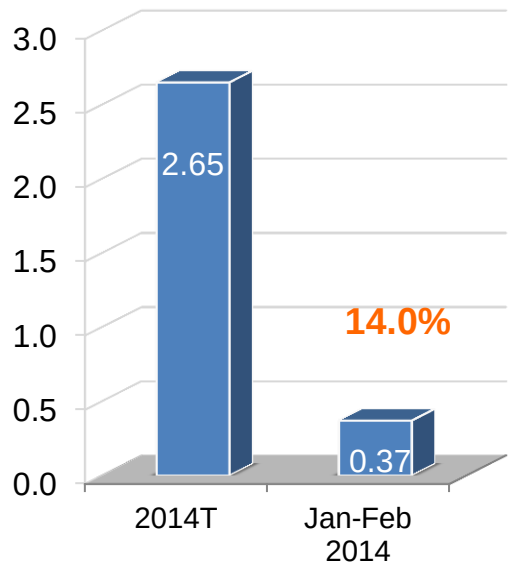
**Newly Commenced Construction GFA**

(million sq.m.)



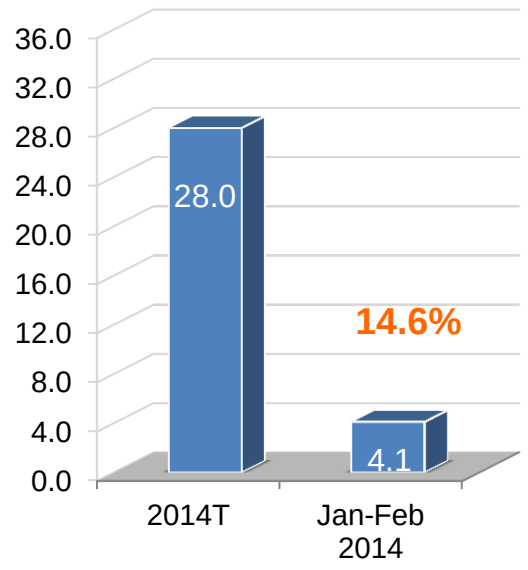

**Contracted GFA**

(million sq.m.)




**Contracted Sales**

(RMB billion)

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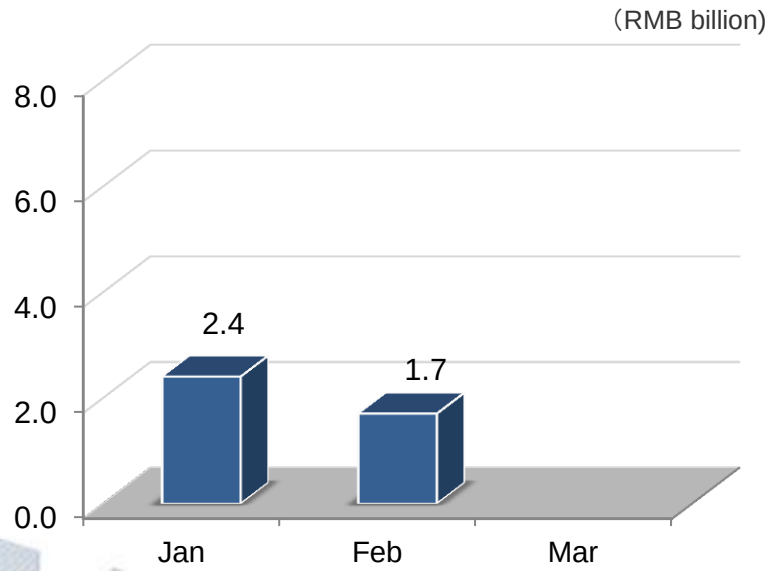
# Contracted Sales

Facing market uncertainties and different levels of macro-control measures in different cities, the Group plans to maintain the steady growth of its overall target in 2014.

The Group will continue to increase the supply of ordinary commodity homes and will launch more small-to-medium-sized homes that primarily catered to the genuine demand of the mass market.

Two new projects were launched in January 2014.

## Contracted Sales Monthly Breakdown




## Sales Pipeline – New Project Launches

| Project | Launch Date |
|---|---|
| 1. Wuhan Poly City | January 2014 |
| 2. Yantai Poly Blossom Garden | January 2014 |

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# Land Bank Acquisition in 2M 2014

Up to 2M2014, the Group acquired 4 plots of land in Shanghai, Guiyang, Harbin and Hong Kong respectively, adding a total GFA of approximately 1.3 million sq.m..

| New Land Reserves / Projects | Usage | Total Planned GFA ('000 sq.m.) | Interest Attributable to the Group | Current Status |
|---|---|---|---|---|
| 1. Shanghai Yangpu Binjiang Project | Commercial | 94 | 50% | Under Preparation |
| 2. Guiyang Poly Phoenix Bay (Plot 4&5) | Residential | 596 | 51% | Under Preparation |
| 3. Harbin Xing Guang Yao Project | Residential | 541 | 100% | Under Preparation |
| 4. Hong Kong Kai Tai Project | Residential | 70 | 100% | Under Preparation |
| Total | | 1,301 | | |

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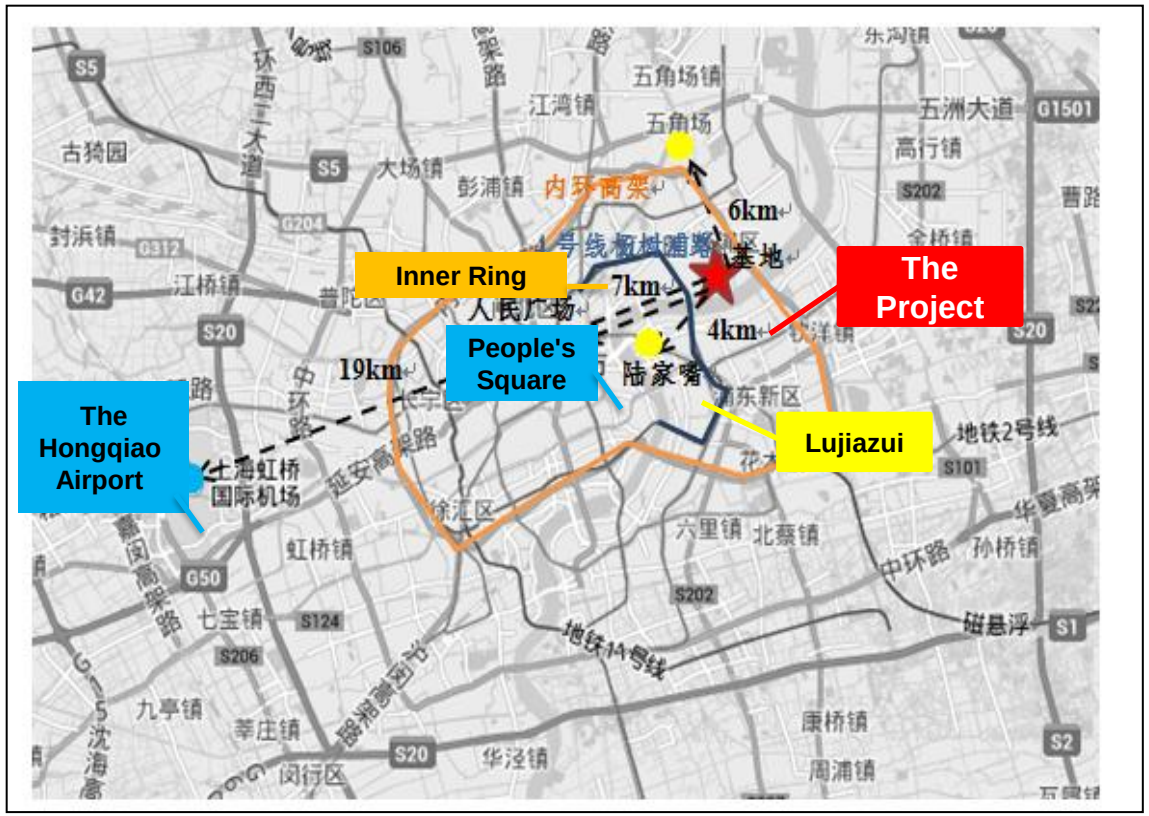
# Shanghai Yangpu Binjiang Project




## Location:

- Located in the North Bund, Yangpu district
- Within the inner ring
- Near the Yangshupu Road Station of Metro Line 4
- 500 metres to the Dandong Station of planned Metro Line 9

## Development Plan/ Type:

- Commercial

## Site Area:

- 21,000 sq. m. (approx.)

## GFA:

- 94,000 sq. m. (approx.)

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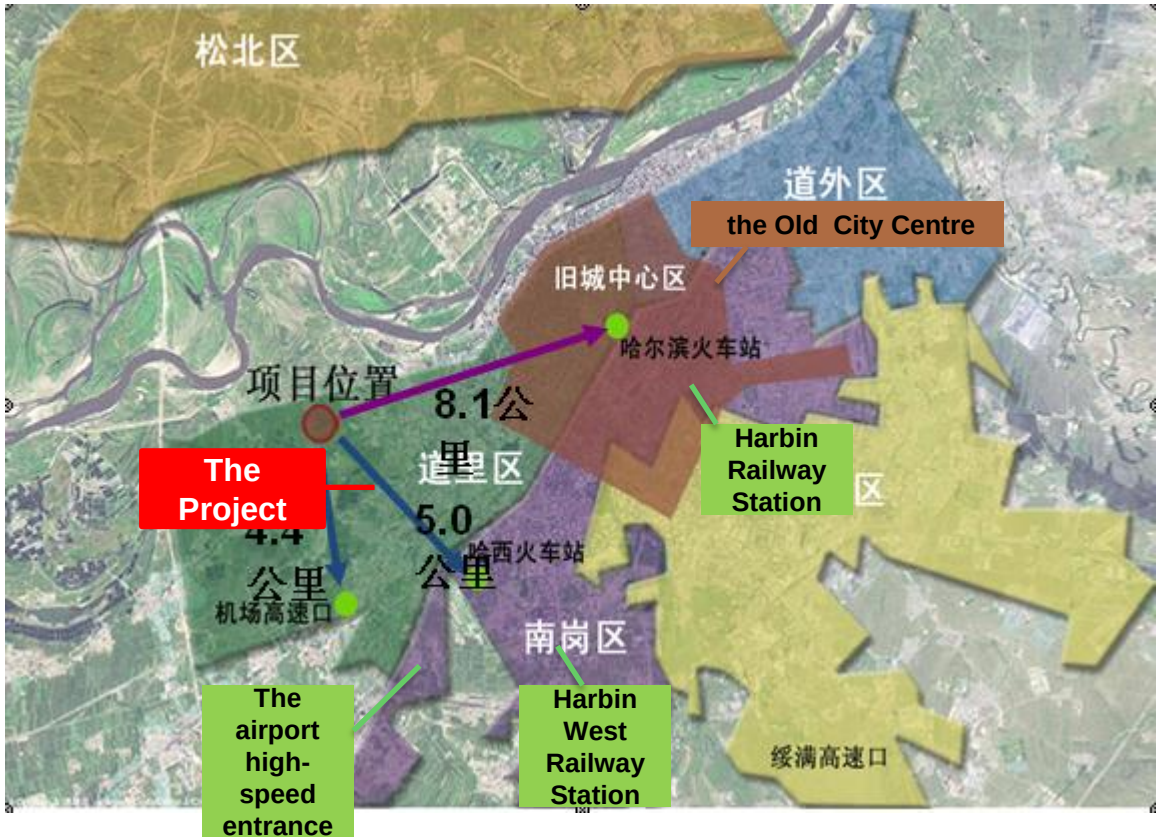
# Harbin Xingguangyao Project




## Location:

- Located in the west of Harbin, along Songhua river
- New residential district

## Development Plan/ Type:

- Residential

## Site Area:

- 157,000 sq. m. (approx.)

## GFA:

- 541,000 sq. m. (approx.)

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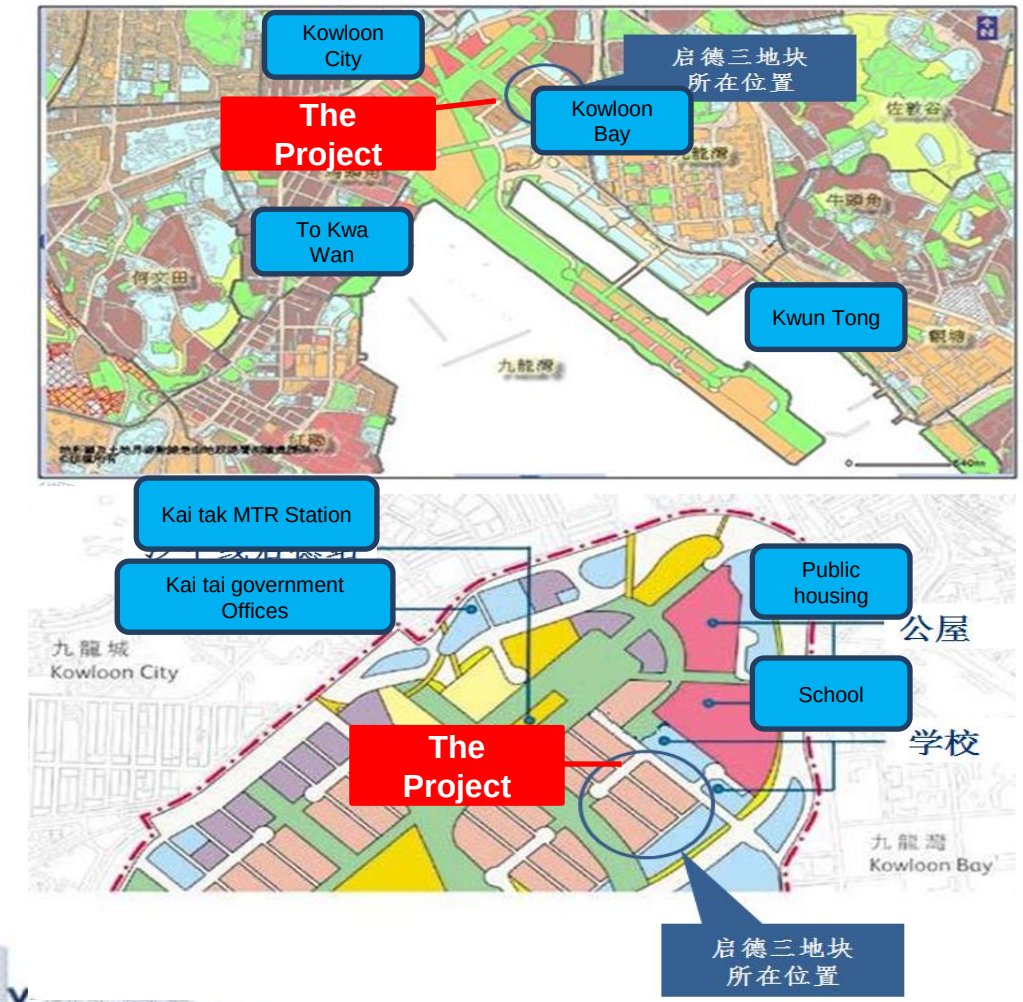
# Hong Kong Kai Tai Project




## Location:

- Located in Kai Tai development zone, north Kowloon, HK
- Near the Kai Tai station of metro line from Shatin to Centre which is under construction

## Development Plan/ Type:

- Residential

## Site Area:

- 10,000 sq. m. (approx.)

## GFA:

- 70,000 sq. m. (approx.)

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