



2016 Interim Results Presentation | Media Briefing

30 August 2016



Contents

1. Financial Summary
2. Business Review
3. Outlook for 2H2016



Financial Summary

Consolidated Income

		1H2016	1H2015
Turnover	(HK\$ million)	9,992	7,489
Gross Profit	(HK\$ million)	1,719	1,273
Overall Gross Profit Margin		17.2%	17.0%
Profit Attributable to Shareholders	(HK\$ million)	59	103
Basic EPS	(HK cents)	1.60	2.81

- For the first half of 2016, the Group's turnover was approximately HK\$9,992 million, representing an increase of 33.4% as compared with the corresponding period of last year;
- Gross profit was approximately HK\$1,719 million; Overall gross profit margin was around 17.2%;
- Profit attributable to shareholders was approximately HK\$59 million. Basic earnings per share was HK1.60 cents.

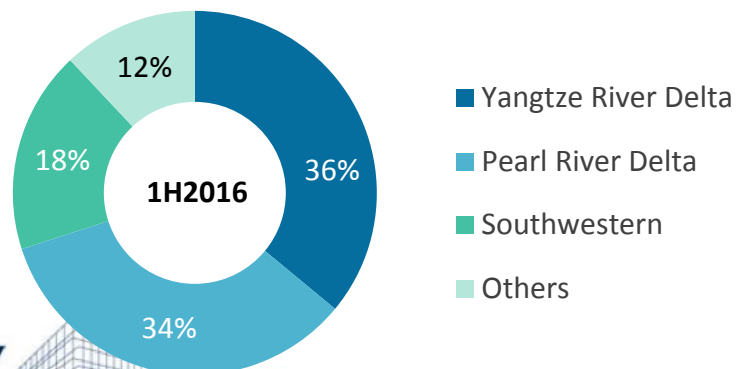
Recognized Sales – Property Development

- For the first half of 2016, the recognized sales and the recognized area sold reached approximately RMB8.16 billion and 796,200 sq.m., respectively. The Recognized average selling price was approximately RMB10,247 per sq.m..

		1H2016	1H2015
Recognized Sales	(RMB billion)	8.16	5.61
Recognized Area Sold	('000 sq.m.)	796	535
Recognized Average Selling Price	(RMB/sq.m.)	10,247	10,487

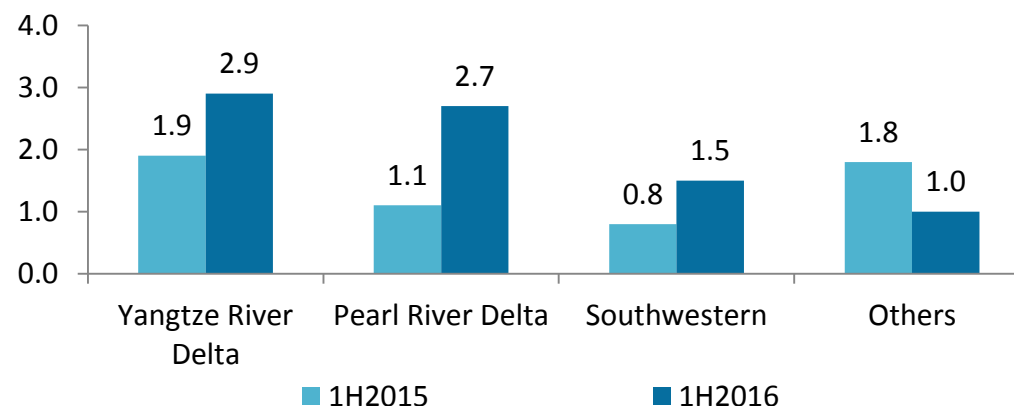
Note: The calculation of Recognized Average Selling Price includes the selling of parking lots.

Turnover from Property Development (By Region)



Turnover from Property Development (YoY Comparison by Region)

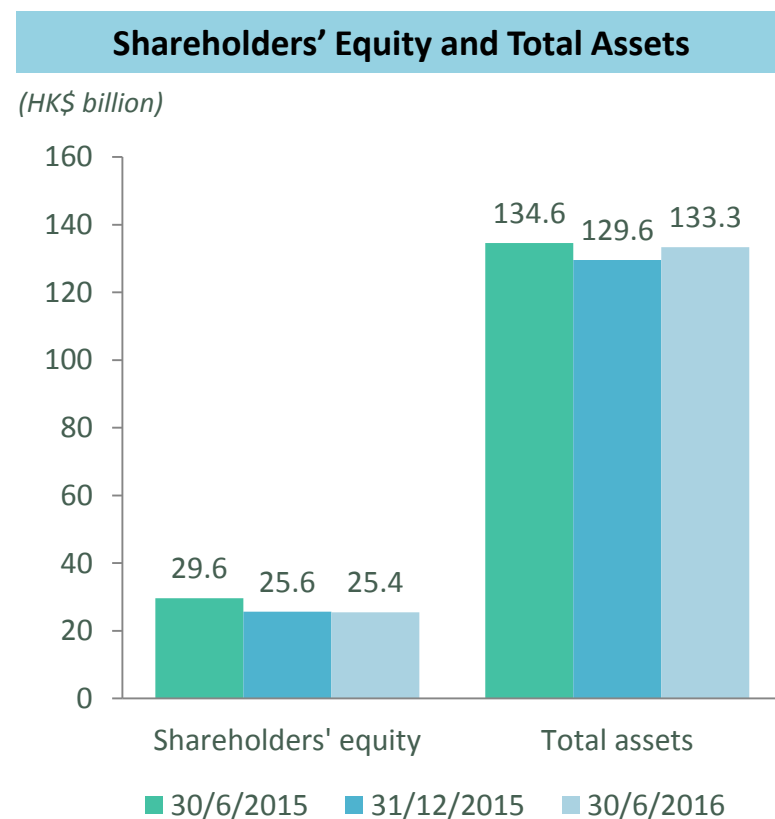
(RMB billion)



Assets and Liabilities

- As of 30 June 2016, total assets grew by approximately 2.9% to HK\$133.3 billion, from approximately HK\$129.6 billion as at the end of 2015. Cash was approximately HK\$21.4 billion, increasing 16.9% compared to the beginning of the year. Shareholders' Equity reached approximately HK\$25.4 billion, and the net asset value per share was approximately HK\$6.93, both remaining flat comparing as of 31 Dec 2015.

		30 Jun. 2016	31 Dec. 2015	Change (%)
Total Assets	(HK\$ billion)	133.3	129.6	2.9%
--- including: Cash	(HK\$ billion)	21.4	18.3	16.9%
Total Liabilities	(HK\$ billion)	104.4	100.2	4.2%
--- including:				
Borrowings from Financial Institutions and Bonds	(HK\$ billion)	55.7	53.2	4.7%
Shareholders' Equity	(HK\$ billion)	25.4	25.6	-0.8%
Net Asset Value per Share	(HK\$)	6.93	6.98	-0.7%





Business Review

Business Review



- In the first half of 2016, the Group adhered to “Inventory Clearance, Investment Control, Risk Prevention, and Efficacy Enhancement in an Innovative Way to Boost Sustainable Growth” as the core strategy in undertaking its key objectives:

1. Management Policy

“Improve management structure and enhance financial performance”

Through effective management supervision, clear responsibility delegation, the Group has implemented suitable solutions to key problems and strategically positioned the development blue print



“Control cost and prevent risk”

Real-time monitoring on the development progress of each project; Formulated balanced investment proposal with stringent IRR threshold and focused investment strategy



“Broaden financing channels and reduce funding cost”

Controlled the total debt level and replaced high-cost debt with lower-cost debt

Business Review



- In the first half of 2016, the Group adhered to “Inventory Clearance, Investment Control, Risk Prevention, and Efficacy Enhancement in an Innovative Way to Boost Sustainable Growth” as the core strategy in undertaking its key objectives:

2. Branding & Marketing

“Focused on sales and cash collections to deliver a solid performance”

Achieved 17% and 10% yoy growth on contracted sales and contracted area sold; sell-through rate increased by 3% yoy

“Provided differentiated guidance and focused on targeted area”

Performed region-by-region inventory analysis and established inventory clearance action team to optimize product and propel sales

“Improved brand image and escalated brand position”

Successfully marketed properties under the annual theme of “Poly Brings You Joyful Living” in 2016 and achieved satisfying sales performance



Contracted Sales

- During the period, contracted area sold amounted to 1.44 million sq.m. and the contracted sales amounted to approximately RMB17.0 billion, accounting for approximately 61% of the annual target of RMB28 billion.

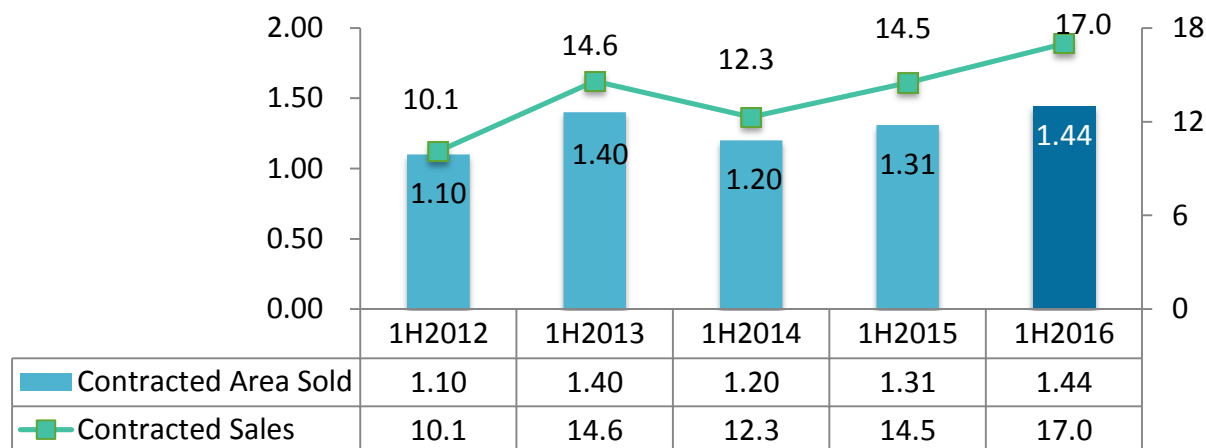
- A total of 58 projects were put for sale with 4 debut launches.



Contracted Sales and Contracted Area Sold

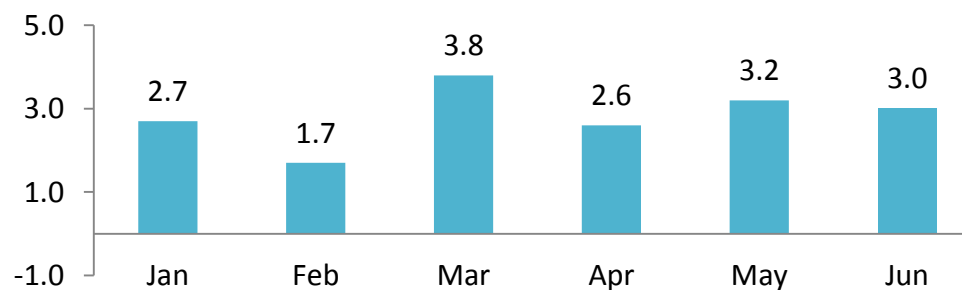
(million sq.m.)

(RMB billion)



Contracted Sales By Month

(RMB billion)



Newly Launched Projects

Debuted in February, 2016

Guangzhou Poly Gratified West Bay



Location : South of Liwan District, Guangzhou

Proposed usage : Residential & Commercial

Debuted in March, 2016

Weihai Poly Maple Valley



Location : Huancui Area of Weihai

Proposed usage : Mainly highrises

Debuted in June, 2016

Guangzhou Poly Jade Hills



Location : North Jianshe Road, Huadu Area, Guangzhou

Proposed usage : Residential & Commercial

Shanghai Poly Greenland Plaza



Location : Dalian Road, Inner Circle of Yangpu Area

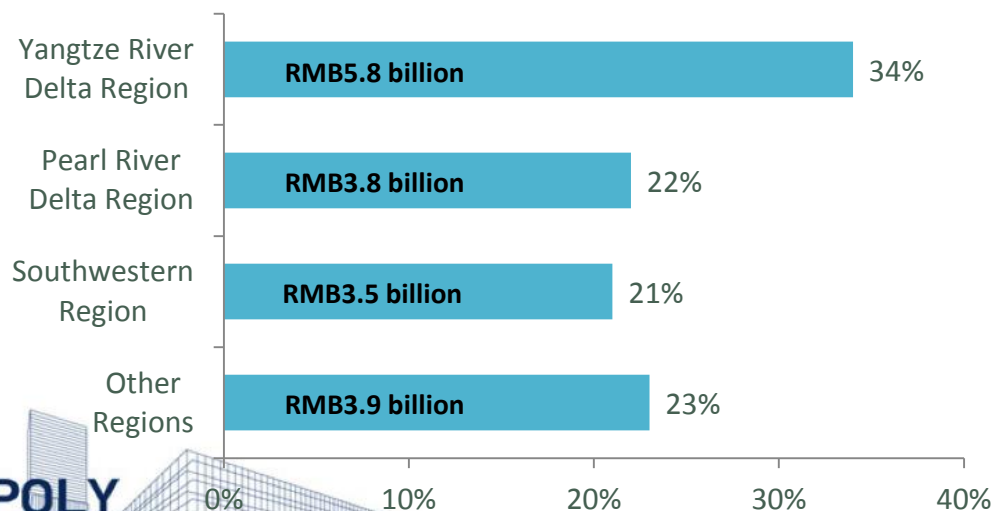
Proposed usage : Commercial



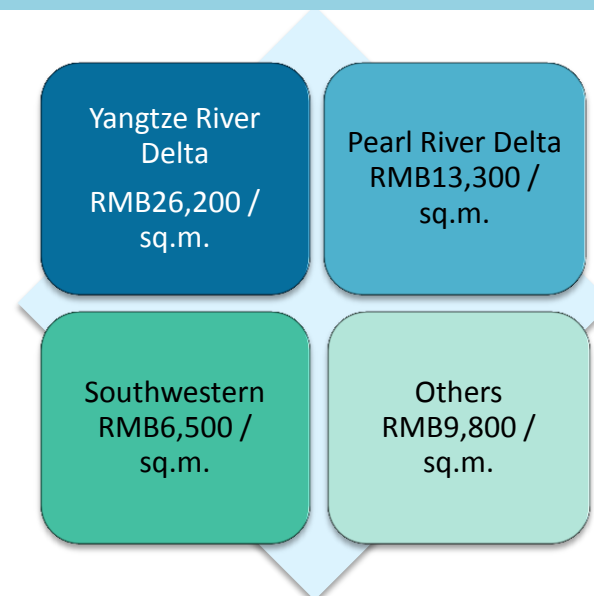
Contracted Sales – By Region

- During the period, the Group actively launched marketing campaigns under the annual theme of “Poly Brings You Joyful Living”. By adopting proactive sales strategy, the Group seized the positive market sentiment, launched new projects, and at the same time accelerated inventory cycle, successfully surpassing the sales target set for 1H2016.
- During the period, the top five cities in terms of contracted sales were Shanghai, Guiyang, Guangzhou, Suzhou and Wuhan.

**Contracted Sales in 1H2016
(By Region)**



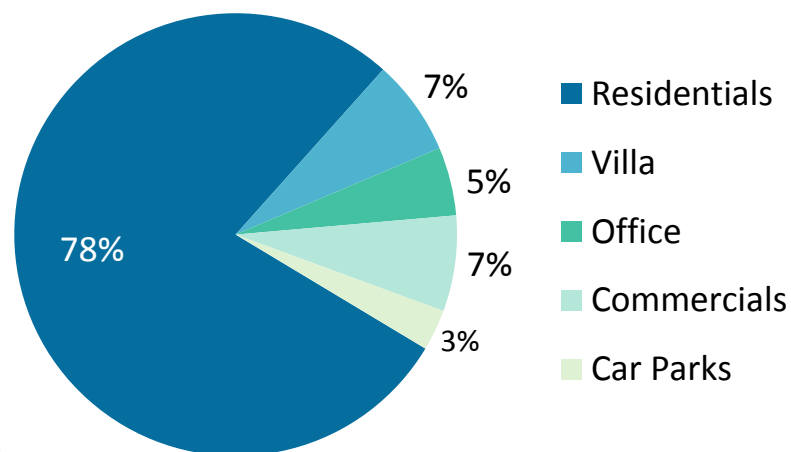
**Average Selling Price in 1H2016
(By Region)**



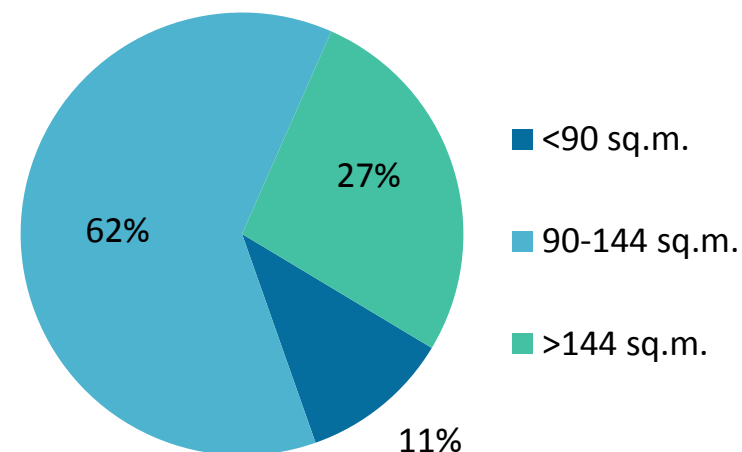
Contracted Sales – By Product

- During the period, residential units accounted for approximately 78% of the Group’s total contracted sales; of which residential units below 90 sq.m. were accounted for 11%, residential units from 90 to 144 sq.m. were accounted for 62% (small-to-medium sized residential units accounted for 73% in total); and residential units that are larger than 144 sq.m. were accounted for 27%.

**Contracted Sales in 1H2016
(By Product Mix)**



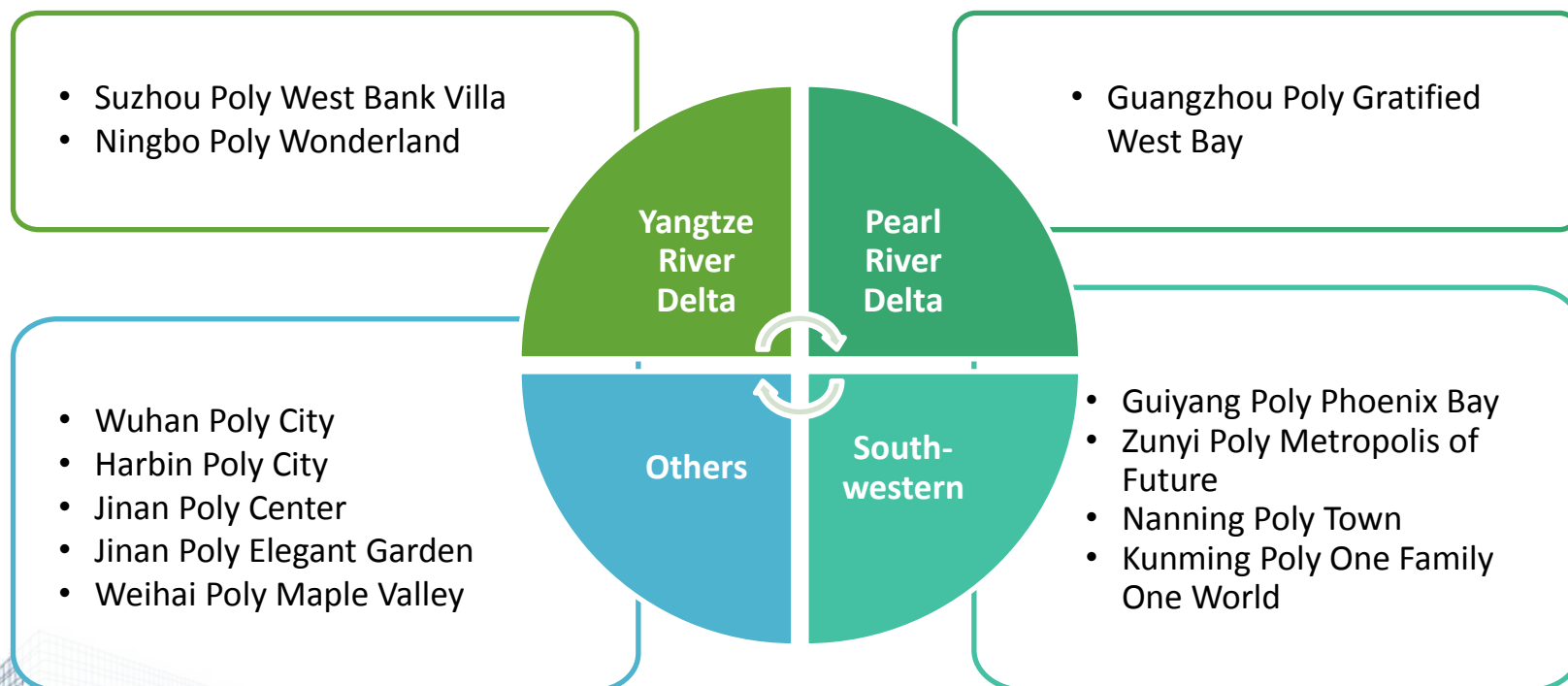
**Contracted Sales in 1H2016
(By the Size of Residential Units)**



Newly Commenced Construction

- In the first half of 2016, 12 projects commenced construction with an total GFA of approximately 1,879,000 sq.m..
- During the period, the completed gross floor area amounted to 682,000 sq.m..

Projects with Newly Commenced Construction in 1H2016 (By Region)



New Land Reserves

- During the period, the Group obtained 1 land parcel which was located in Kunming, with a total gross floor area of approximately 652,000 sq.m..



Kunming Poly One Family One World

Usage : Residential, Commercial and Office

Total Planned GFA ('000 sq.m.) : 652

Interest Attributable to the Group : 73%

Current Status* : Under Construction

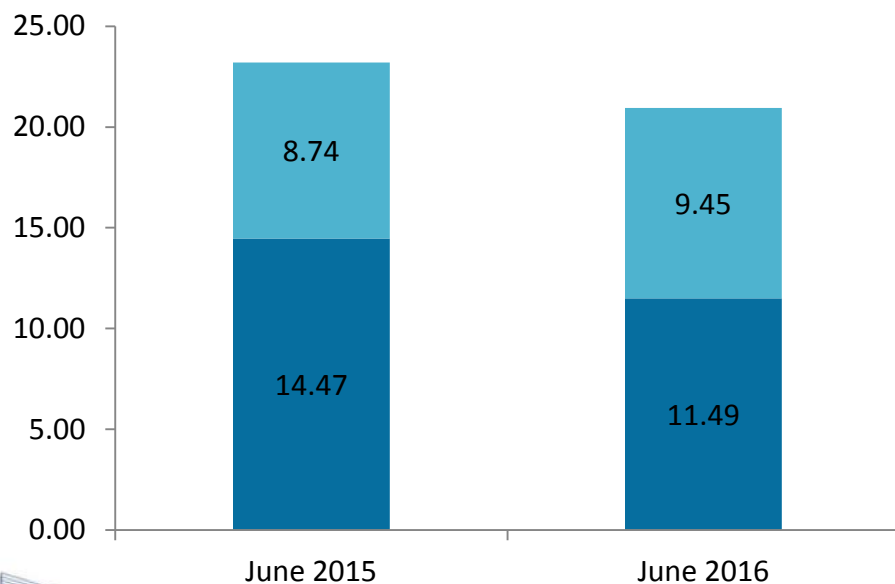
**Note: As at the end of July, 2016*

Land Bank Portfolio

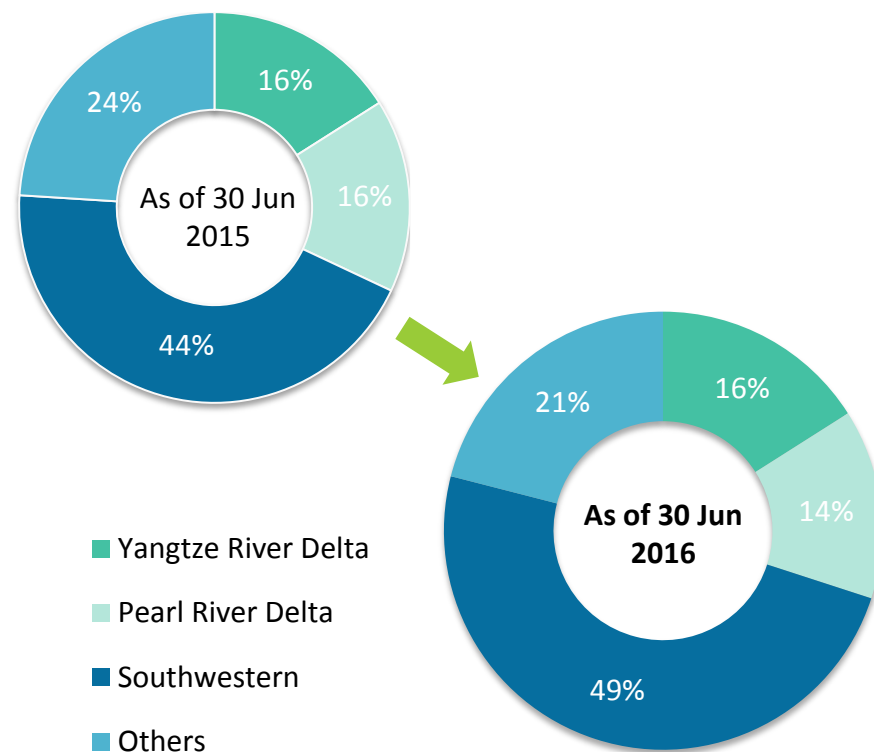
- As at the end of June 2016, the total land bank was approximately 20.94 million sq.m., with approximately 9.45 million sq.m. under development and approximately 11.49 million sq.m. reserved for future development.

Land Bank under Development And Reserved for Future Development

(million sq. m.)



Land Bank Portfolio (By Region)





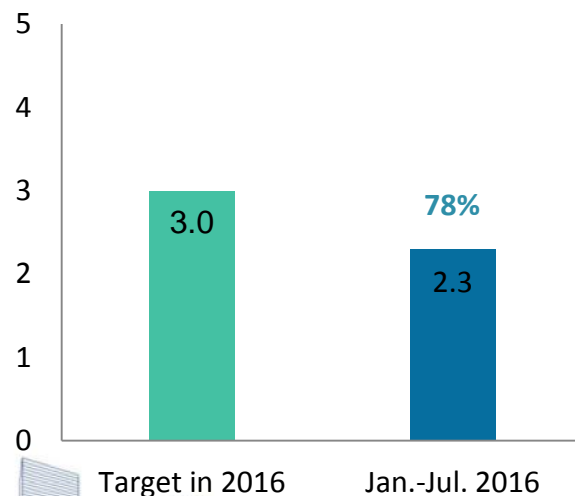
Outlook for 2H2016

Targets & Completion Status in 2016

- As at the end of July 2016, the Group's newly commenced construction area was 2,346,000 sq.m., representing 78% of the Group's full-year target.
- Contracted sales reached approximately RMB 19.6 billion, and the contracted area sold aggregated approximately 1,641,000 sq.m., representing 70% and 64% of the Group's full-year targets, respectively.

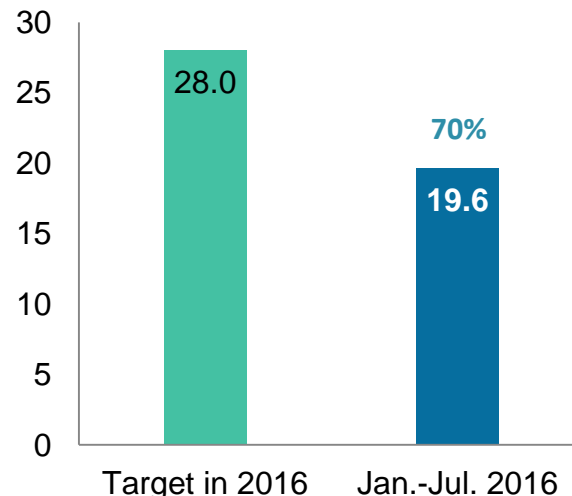
Newly Commenced Construction

(million sq.m.)



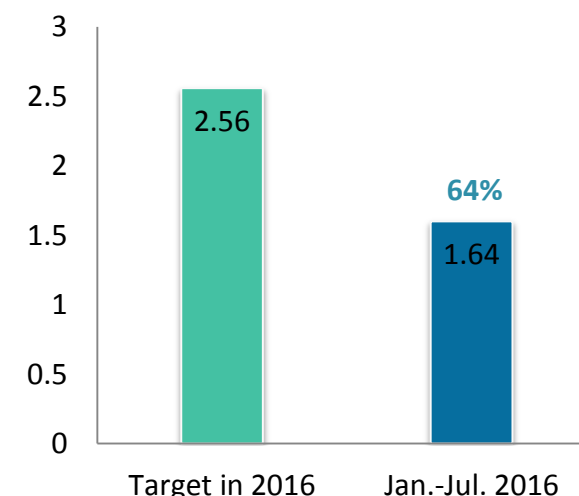
Recent and Target Contracted Sales

(RMB billion)



Recent and Target Contracted GFA

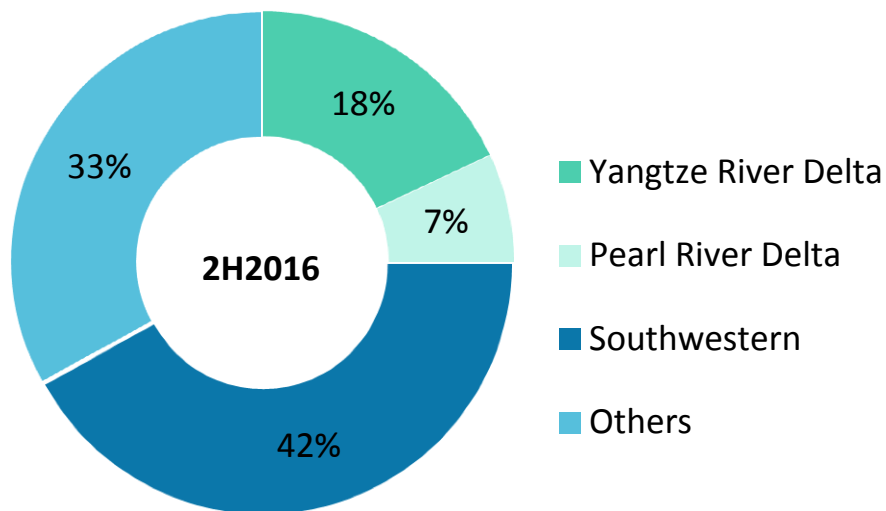
(million sq.m.)



Saleable Resources and Sales Pipeline in 2H2016

- During the second half of 2016, 4 new projects and 35 continuing projects are expected to be launched, with a total saleable GFA of approximately 1.38 million sq.m..

**Saleable GFA in 2H2016
(By Region)**



Sales Pipeline of New Projects in 2H2016

Southwestern

- Kunming Poly One Family One World
- Nanning Poly Dream River

Others

- Wuhan Poly Up Town
- Hong Kong Kai Tak Project



2H 2016 Key Missions

- Looking into the second half of 2016, inventory clearance remains to be the primary objective of the property market considering the low speed growth of economy and severe conditions of oversupply.

1 Accelerate inventory clearance and boost sales
- Maintaining a stable market condition will be the Central government’s objective on the property market. Local governments will have more flexibilities on regulations according to their respective market situations. In particular, top-tier cities are expected to adapt a cautious price monitoring and credit tightening approach.

2 Control investments to ensure stable operational cash flow
- In the second half of 2016, the Group will continue to adhere to “Inventory Clearance, Investment Control, Risk Prevention, and Efficacy Enhancement in an Innovative Way to Boost Sustainable Growth” as the key strategy, aiming to achieve the annual growth target and enhance operational efficiency.

3 Endeavour to reduce gearing and reinforce risk management
- 4** Improve management system to achieve higher operational efficiency
- 5** Rejuvenate business model through innovative ways





Thank you!