



銀城國際控股有限公司

YINCHENG INTERNATIONAL HOLDING CO., LTD.

Stock Code : 1902

Annual Results
Announcement

2021

March 31 2022



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1 2021 Annual Results Highlight

2021 Annual Results Highlights



Contract sales amount
hit a record high

25.3 billion

Contract sales amount
hit a record high

22,265

Contracted ASP
increased **10.6%** YoY
(RMB/sqm)



Stable development to
ensure sustainable operation

106%

Annual consolidated
recovery rate achieve
industry benchmark level

9 months

Positive fund
back cycle

18 months

Positive cash flow-
back cycle

3.8 months

Acquisition of four certificates
required for land parcels

6.9 months

Initial sales period

90%

Resources distributed
in the first-cities and
second-tier cities

100%

On-time delivery
rate

Customer satisfaction
maintained high-level

88%



Market expansion with
diversify land acquisition

14

Land acquired in
2021

6,060

The average cost of the
land parcels acquired
(RMB/ sq.m.)

2.97million

Newly added total GFA
(sq.m.)

44.3 billion

Newly added
saleable inventory
amount



Stable finance with
continuous optimization of liabilities

17.2%

Gross Profit Margin
Increased **6.4 ppt** YoY

5.5%

Net profit margin
Increased **1.9 ppt** YoY

5.1%

Interest-bearing debt
decreased

35%

Proportion of short-term
debt further decreased

14.5%

Short-term debt
decreased

7.0%

Average financing cost



Sufficient and
high-quality land bank

7.25 million

Total land bank
(sq.m.)

34.1 billion

Sold but unrecognized
inventory amount

68.5 billion

Total saleable amount

2.89 million

Total saleable GFA
remaining unsold
(sq.m.)



2 Financial Performance

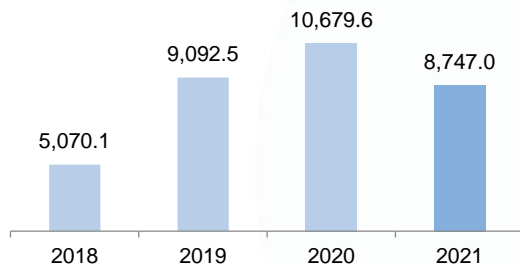
Gross Profit Margin and Net Profit Margin Increase Steadily



- In 2021, the Group further consolidated its position on regional market and strengthened quality management, enhanced profitability through persistent management and achieved comprehensive development
- The Group achieved revenue of approx. RMB 8.75 billion, gross profit of approx. RMB 1.51 billion, net profit of approx. RMB 490 million, and profit attributable to owners of the company of RMB 142 million.
- Gross profit margin was 17.2% and net profit margin was 5.5%, an increase of 6.4 and 1.9 percentage points respectively YoY

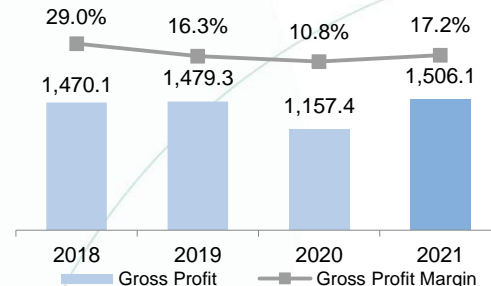
Revenue

(RMB million)



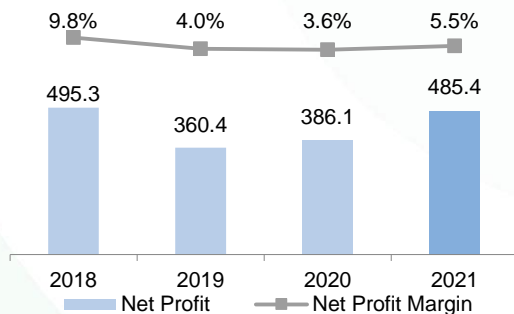
Gross Profit

(RMB million)



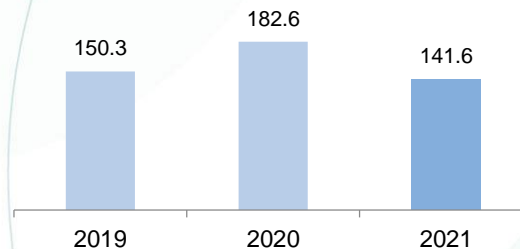
Net Profit

(RMB million)



Profit attributable to owners of the parent

(RMB million)



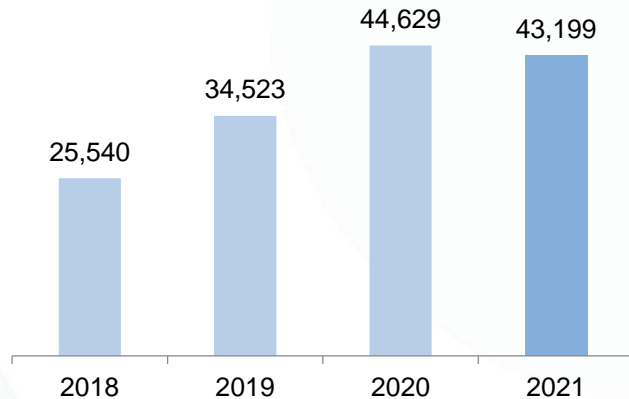


Overall Scale Grew Steadily

- As of 31 December 2021, the Group's total assets was approximately RMB43.2 billion
- As of 31 December 2021, the Group's total equity remained stable and reached RMB 5.2billion

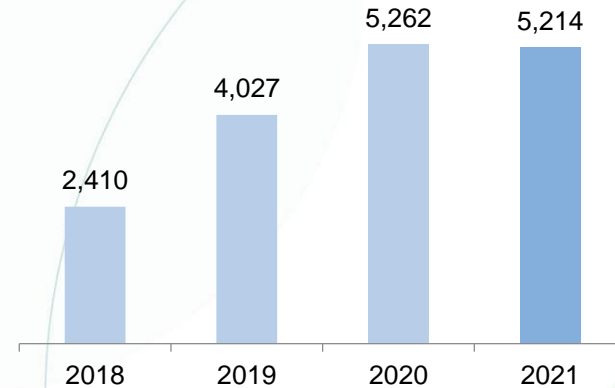
Stable Development of Total Assets

(RMB billion)



Total Equity Remained Stable

(RMB billion)



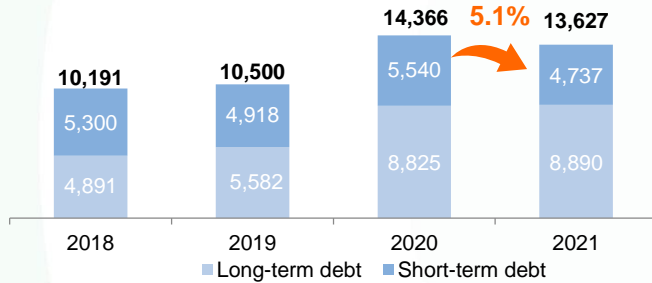


Interest-bearing Debt and Short-term debt Decrease Efficiently

- The Group continued to optimise the financial structure instead of engaging in aggressive expansion. As of 31 December 2021, The Group's total interest-bearing liabilities and short-term interest-bearing liabilities decreased compared with the end of last year, meanwhile further decreased the proportion of short-term borrowings

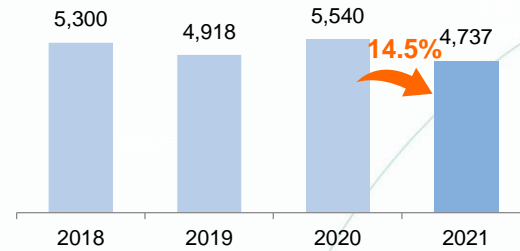
Orderly managed interest-bearing debt

(RMB million)



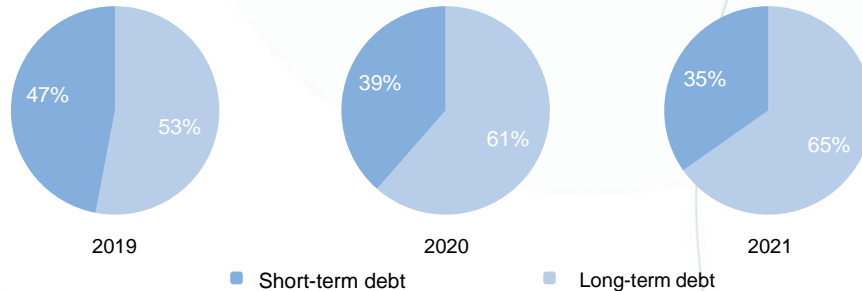
Short-term debt

(RMB million)



In 2021, the Group's average financing cost was maintained at a relatively low level at 7.0% to keep efficiency of maintain funds utilisation

The proportion of short-term borrowings continues to decline, continuously optimising debt structure



In 2021, the proportion of short-term debt continuously decreased. The short-term liquidity of the Group became more relaxed, overall financial risks has dropped substantially



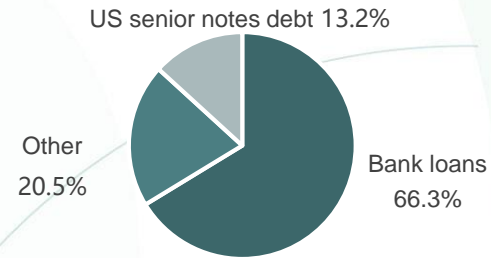
Continuously Optimising Financing Structure with sufficient credit lines from banks

Financing structure is dominated by bank loans with low overall cost

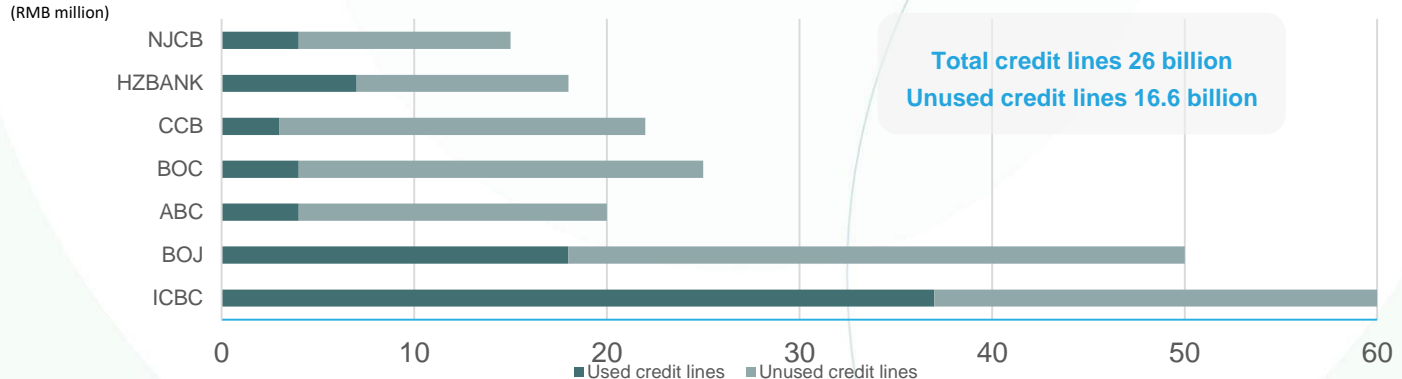
Approx. RMB13.6 billion
Total borrowing as of 31 December 2021

Approx. RMB9.03 billion
bank loans
accounting for **66.3%**
of total debt

Approx. 5.2%
Interest rate of bank loans



Partial credit lines and utilization from banks





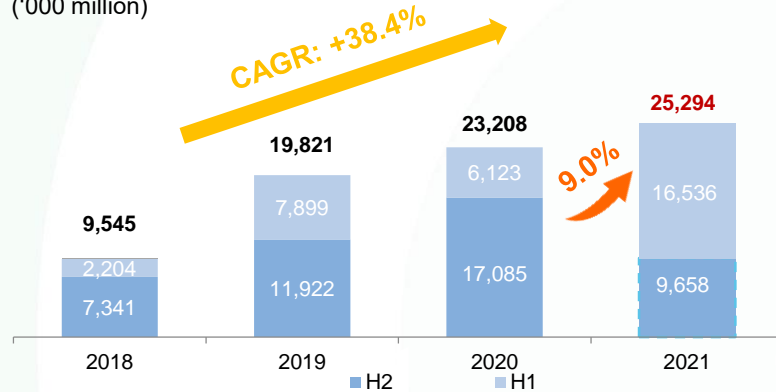
3 Business Highlights

Annual Contracted Sales Hit a High Record with Sustainable Growth



Contracted Sales

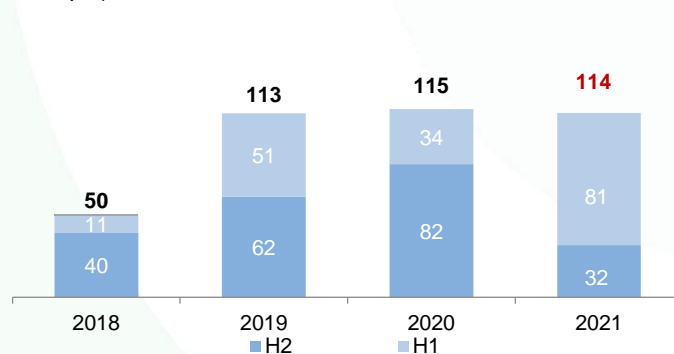
('000 million)



- 2021 contracted sales amount to RMB**25.3** billion, increased **9.0%** YoY
- 2018-2021 total contracted sales CAGR was over **38.4%**

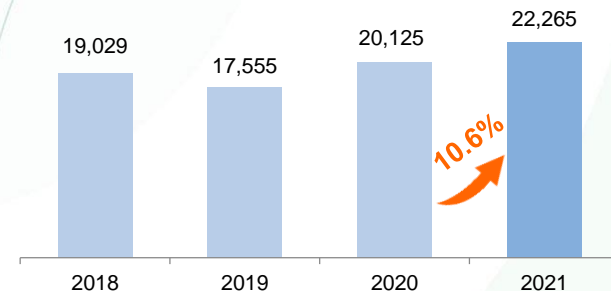
Contracted GFA Sold

('000 sq.m)



Contracted ASP increased steadily

(RMB/sq.m)





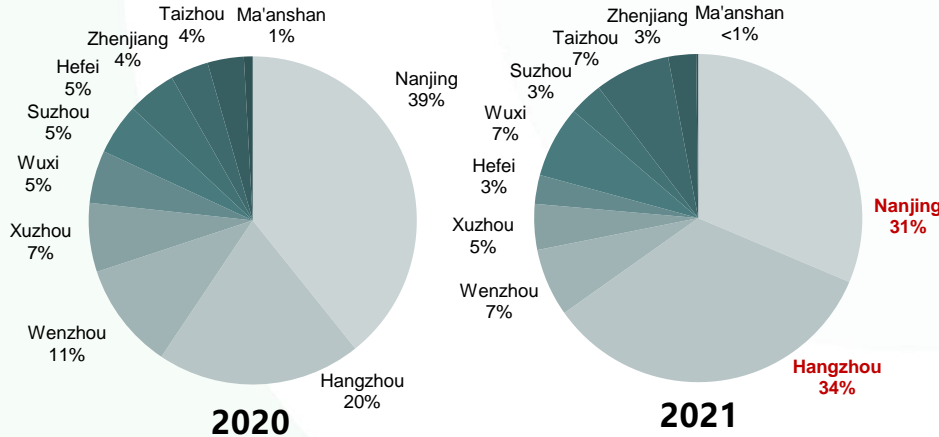
Precisely Deploy Key Market, Payment Collection Rate Remained Stable

Excellent sales in new first-tier cities

- The Group recorded an outstanding performance in 2021. Under the strategy of consolidating our positions in new first-tier cities, projects in **Nanjing** and **Hangzhou** continued to be cultivated and contributed approx. **65%** of total contract sales

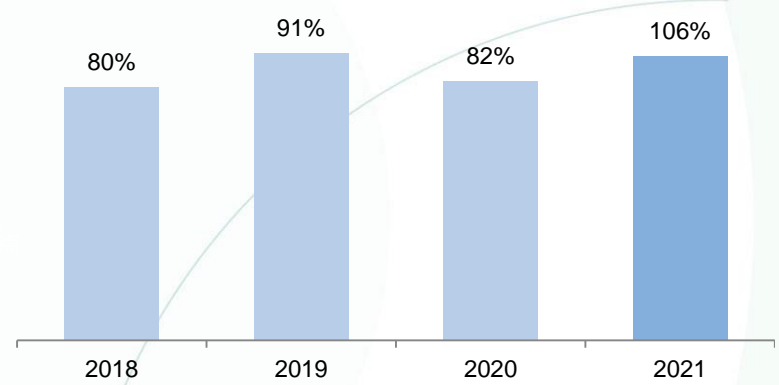


Four projects continued to have good sales performance and contributed in aggregate approximately **42%** of the total contracted sales



Payment collection rate achieved new high

- In 2021, the Group maintained a steady growth trend with continuously growing contracted sales while achieving a high level and stable payment collection rate



90% projects reached the annual payment collection indicator

An above par achievement in the industry

Excellent Project Sell-through Rate, High-level Development Efficiency



Projects achieved excellent sales record

Nanjing
Yunwangfu



All 914 residential units in the Nanjing Yunwangfu project were immediately sold out after its launch in three phrases, with 462 units at the first launch in April, 260 units at the second launch in June and 192 units at the third launch in September, all of which were sold out on the launch day.

Hangzhou
Qingshanhupan



Qingshanhupan in Hangzhou released 310 units in May and achieved a robust sales performance. It ranked first in terms of sale performance in Lin'an in 2021.

Hangzhou
GuanHuZhiChen



The GuanHuZhiChen project has achieved excellent selling performance of "seven launches and seven sold out" from May to September 2021 upon their first launch in November 2020, with contracted sales of RMB 4,112 million and sales proceeds of RMB3.8 billion after 1,439 units were sold out in a sales cycle of less than one year.

Nanjing
JinLingJiuYuan



By the end of 2021, the residential units of Nanjing JinLingJiuYuan project, which was first launched at late December 2020, were sold out during the three launches, making it the No. 1 residential transaction in Nanjing's midtown area in 2021 and the No. 1 in Nanjing in terms of area, number of units and total sales amount of residential units sold with a total price of over RMB20 million.

Maintained high-level development efficiency



Operational efficiency
improvement

3.8 months

Acquisition of four certificates
for land parcels



Lean management

**9
months**

Positive fund
back cycle

**18
months**

Positive cash
flow-back cycle



100%

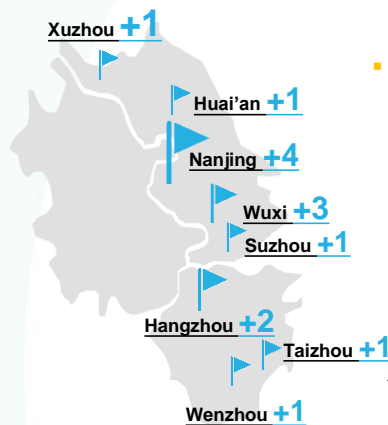
On-time delivery rate
All projects were delivered on time in
2021

Prudent expansion of saleable projects

Investments and operations achieve quality and efficiency enhancement



Further penetrate 5 regional markets



- **Nanjing**
- **Sunan** (Wuxi, Suzhou, Zhenjiang)
- **Huaihai** (Xuzhou, first foray into Huai'an in 2021)
- **Zhejiang** (Hangzhou, Wenzhou, Taizhou)
- **Anhui** (Hefei, Ma'anshan)

New land acquisition in 2021

14 land parcels

Newly added total GFA in 2021

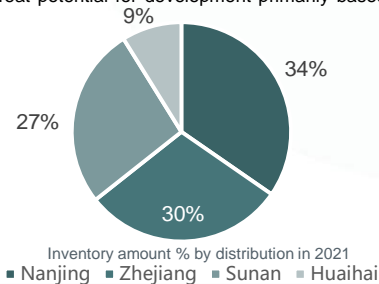
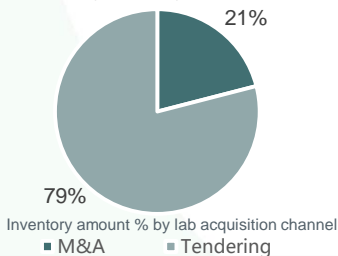
Approx. 2.97 million sq.m.

Newly added inventory amount in 2021

Approx. 44.3 billion

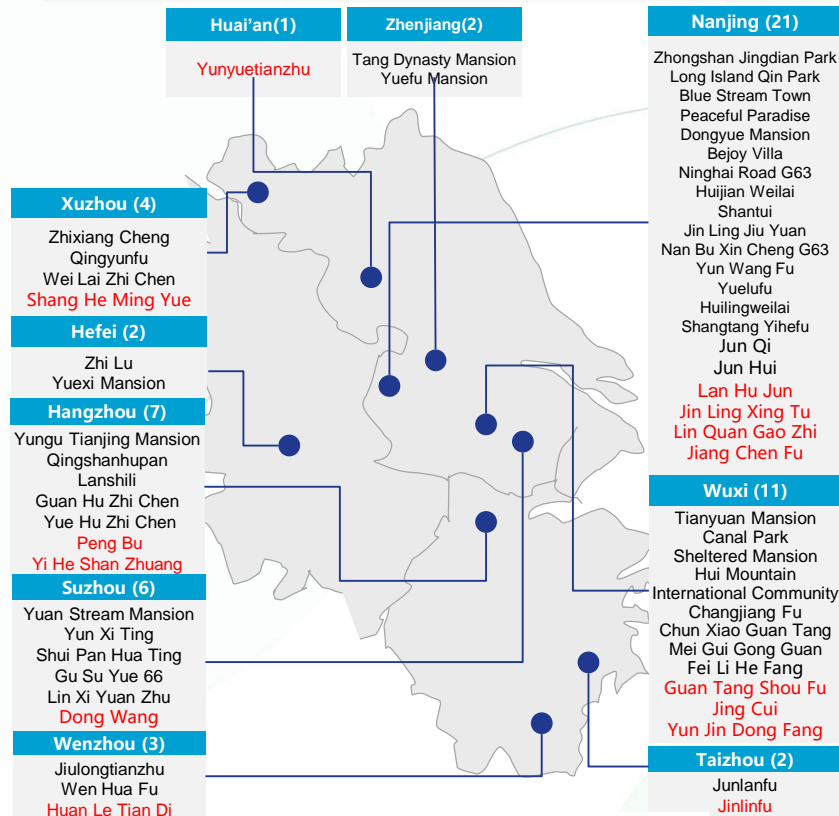
Diversified land acquisition channels with precise target and strict cost control

- Diversified channels for the acquisition of land parcels, while the proportions of newly added inventory amount through M&A accounts for 21% of that in 2021
- Avoid robust competitive tendering in land. In 2021, the average cost of the land parcels acquired was only RMB6,059 per sq.m.
- In 2021, newly acquired land with great potential for development primarily based in Nanjing, Zhejiang and Sunan



Project reserve

As of 31 December 2021, the Group established presence with 59 development projects in 10 core cities in Yangtze River Delta

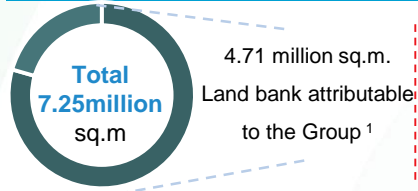


* Projects highlighted in red are newly added as of the end of December 2021

Sufficient Land Reserves and Saleable Projects Supporting Future Development



Land bank mainly situated in core cities of the Yangtze River Delta Economic Megalopolis, booked sales and unearned income supports future revenue



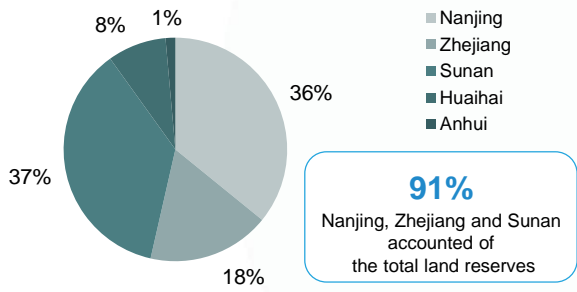
RMB68.5 billion
Total saleable amount

2.89 million sq.m.
Total saleable GFA

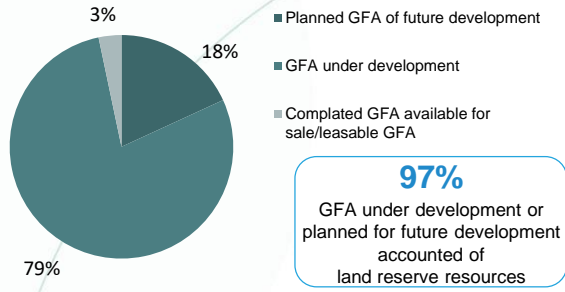
Approx. RMB23,700 sq.m.
ASP

Booked sales and unearned income	GFA ('000 sq.m.)	Amount (RMB billion)
Total	1,524	34.1
Attributable to the Group	787	16.7
Consolidated into financial statement	660	16.1

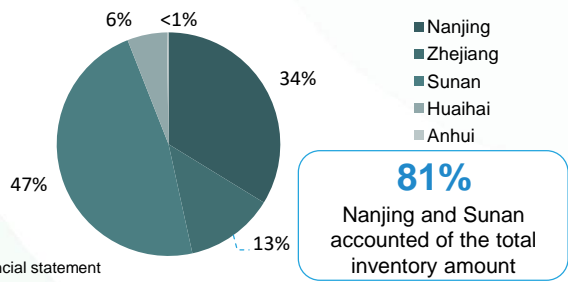
Distribution of the land bank by 5 regional markets



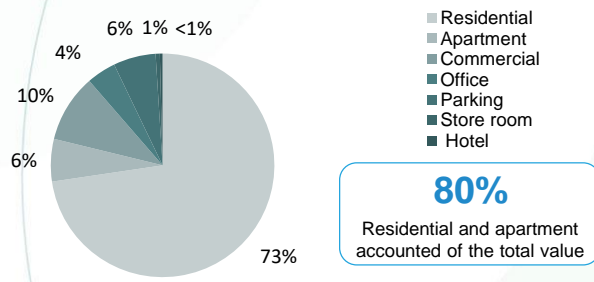
Distribution of the land bank according to the development progress



Sales distribution of total saleable amount by 5 regional markets



Sales distribution of total saleable amount by type



¹Consolidated into financial statement

Promising Comprehensive Strengths and Development Prospects

Grasping the essence of its products and services



Comprehensive strengths gradually improved

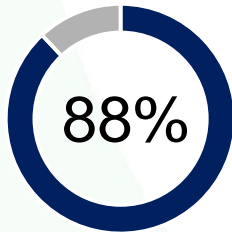
- 2021 **Top 100** Listed Real Estate Companies in China
- 2021 **Innovative** China Real Estate Enterprise
- 2021 **Valuable** Listed Real Estate Company
- 2021 Brand Value List of Chinese Listed Companies – **Top 100** of Property (rank 73)
- China Listed Real Estate Enterprise **Growth Potential Award** in 2021
- 2021 **[Good Brand 100]** Real Estate Industry Award-Winning Brands
- 2021 **Top 10** Community Operational Power of Chinese Real Estate Enterprises



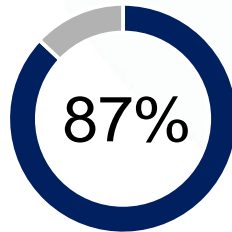
Well-recognized project and service quality

- 2021 **Top 10** Brand Values of China's Luxury Mansion Product Department (Yincheng Zhongxi)
- 2021 China's Real Estate Top Ten Annual Brand Cases - **Yinhuochong Children's Paradise**
- Real Estate **Design Award** (Interior Design Excellence Award - Jin Ling Jiu Yuan Art Center, Residential Project Excellence Award - Honor Mansion)
- 2021 Annual Real Estate Enterprise **Excellent Product Power** Model
- 2021 **Top 100** Super Product Power of Chinese Real Estate Enterprises (rank 80)

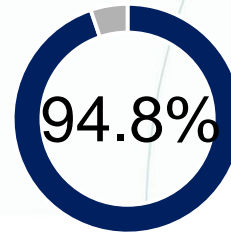
Partial awards and medal certificates:



Annual customer satisfaction rate



Annual delivery satisfaction rate



Overall housing inspection service satisfaction rate



4 Development Strategies



Future Development Strategies

Foundation
stabilization

- **No** irrational business scale expansion
- Ensure cash flow **safety**
- Adhere to cultivate the **Yangtze River Delta Megalopolis**
- Adhere to the orientation of **residential development as main**, with property holding as supplement
- **Continue to unleash** the development capabilities and brand advantages that have been established for more than 20 years
- Committed to the **customer-oriented** to achieve the above par achievement in the industry on customer satisfaction rate

Future Development Strategies(cont')



Upgrade efficiency

- **Quality high turnover** instead of using high leverage for capital repatriation irrationally
- Commit to the operation guideline of **sales-oriented on construction, income-oriented on expenditure, return-oriented on investment**
- Insist the combination of **rapid development and rapid and lean operation**

Increase effectiveness

- Continue to create **stable returns** for shareholders with price stabilization, cost reduction, and expense control
- **Price stabilization** - adhere to the strong combination of sales discounts and payment collection conditions. No omission of remaining units' assets and no cheap sale of non-residential assets
- **Cost reduction** - adhere to reduce costs with centralized procurement and optimized construction method
- **Expense control** - Repay development loan conditions as soon as possible to alleviate financial costs; lower distribution dependence to reduce marketing costs; reduce the use of non-essential third-parties, control management costs with streamline administration

Future Development Target



Achieved investment target,
continue to enhance efficiency

Strategic deployment under the “dual-concentrations” policy

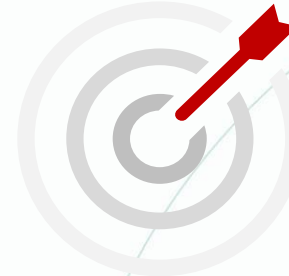
Maintain stable investment expansion in the future

2022 Contracted sales target



Maintain relatively stable level

25-26 billion



Adjusting land acquisition schedule by rigorous assessment of market factors

- Take gross profit margin of above 15% as the investment entry threshold
- Maintain and increase the proportion of land acquisition through M/A with further diversified channels
- Comprehensive consideration of different land parcels and markets to achieve balanced profit and cash flow management

Continuously enhance investment strategy

Improve projects operating efficiency

9
months

Positive return for
owner’s equity

18
months

Positive operating
cash flow



Q&A



Appendix

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income



Consolidated Statement of Profit or Loss and Other Comprehensive Income		
<i>(RMB'000)</i>	2021	2020
Revenue	8,746,959	10,679,634
Cost of sales	(7,240,810)	(9,522,203)
Gross profit	1,506,149	1,157,431
Other income and gains	92,459	64,773
Selling and distribution expenses	(277,614)	(258,419)
Administrative expenses	(245,710)	(226,693)
Other expenses	(141,662)	(20,142)
Fair value gains on investment properties	(3,212)	125,670
Finance costs	(253,007)	(202,330)
Share of profits and losses of:		
Joint ventures	(29,750)	(9,879)
Associates	32,542	43,988
Profit before tax	680,195	674,399
Income tax expense	(194,751)	(288,255)
Profit for the Year	485,444	386,144
Attributable to:		
Owners of the parent	141,551	182,627
Non-controlling interests	343,893	203,517
	485,444	386,144
Earnings per share attributable to ordinary equity holders of the company		
Basic and diluted	RMB0.10	RMB0.13

Consolidated Statement of Financial Position



Consolidated Statement of Financial Position		
<i>(RMB'000)</i>	2021	2020
Non-current assets		
Property, plant and equipment	789,090	941,547
Investment properties	3,093,300	2,788,700
Right-of-use assets	164,062	163,755
Intangible assets	5,879	7,084
Investments in joint ventures	678,544	180,725
Investments in associates	3,433,364	2,142,510
Deferred tax assets	447,868	278,034
Other non-current assets	20,498	527,709
Equity investments designated at fair value through other comprehensive income	632,157	643,710
Total non-current assets	9,264,762	7,673,774
Current assets		
Properties under development	19,575,100	20,327,503
Completed properties held for sale	2,633,439	2,851,239
Trade receivables	9,113	1,294
Due from related companies	3,755,083	971,286
Prepayments, deposits and other receivables	3,696,804	3,762,707
Financial assets at fair value through profit or loss	574,303	1,934,292
Tax recoverable	825,464	629,284
Contract cost assets	132,703	56,610
Inventories	623	523
Cash and bank balances	2,731,889	6,420,932
Total current assets	33,934,521	36,955,670

Consolidated Statement of Financial Position (cont')



Consolidated Statement of Financial Position (cont')

<i>(RMB'000)</i>	2021	2020
Current liabilities		
Trade and bills payables	3,880,873	4,001,807
Other payables, deposits received and accruals	1,346,798	3,166,054
Due to related companies	3,101,670	4,950,820
Interest-bearing bank and other borrowings	2,935,394	3,323,086
Senior notes	1,801,330	2,217,378
Lease liabilities	15,439	5,164
Contract liabilities	14,686,024	11,384,909
Tax payable	1,166,193	1,346,693
Provision for financial guarantee contracts	20,778	-
Total current liabilities	28,954,499	30,395,911
Net current assets	4,980,022	6,559,759
Total assets less current liabilities	14,244,784	14,233,533
Non-current liabilities		
Interest-bearing bank and other borrowings	8,889,999	8,825,094
Deferred tax liabilities	136,968	143,125
Lease liabilities	4,048	3,543
Total non-current liabilities	9,031,015	8,971,762
Net assets	5,213,769	5,261,771
Equity		
Equity attributable to owners of the Company	2,722,727	2,760,067
Share capital	124,119	124,119
Treasury shares	(7)	(7)
Reserves	2,598,615	2,635,955
Non-controlling interests	2,491,042	2,501,704
Total equity	5,213,769	5,261,771



Thank You !

Contact of investor relation : ir@yincheng.hk