

# Roadshow Presentation

Yango Group Co., Ltd.

October 2020



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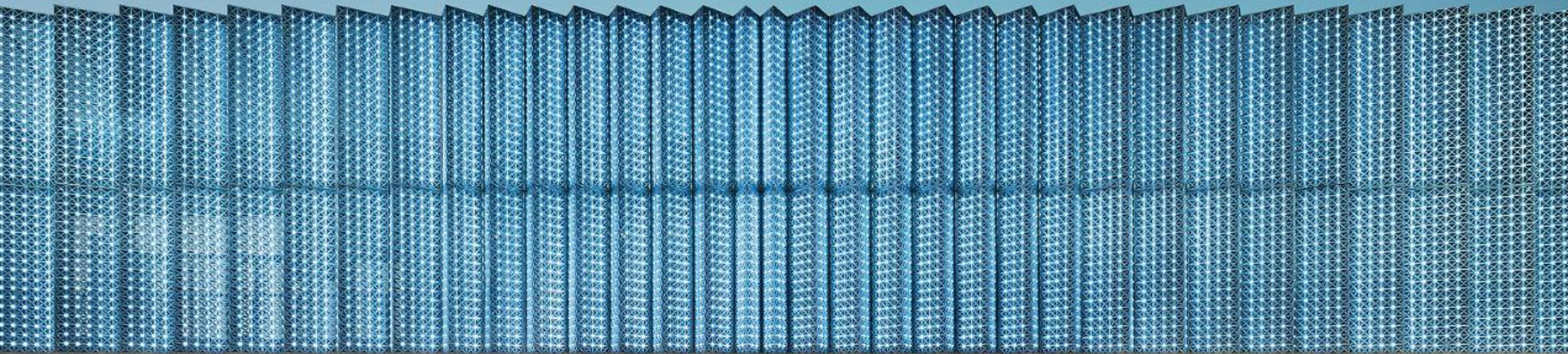
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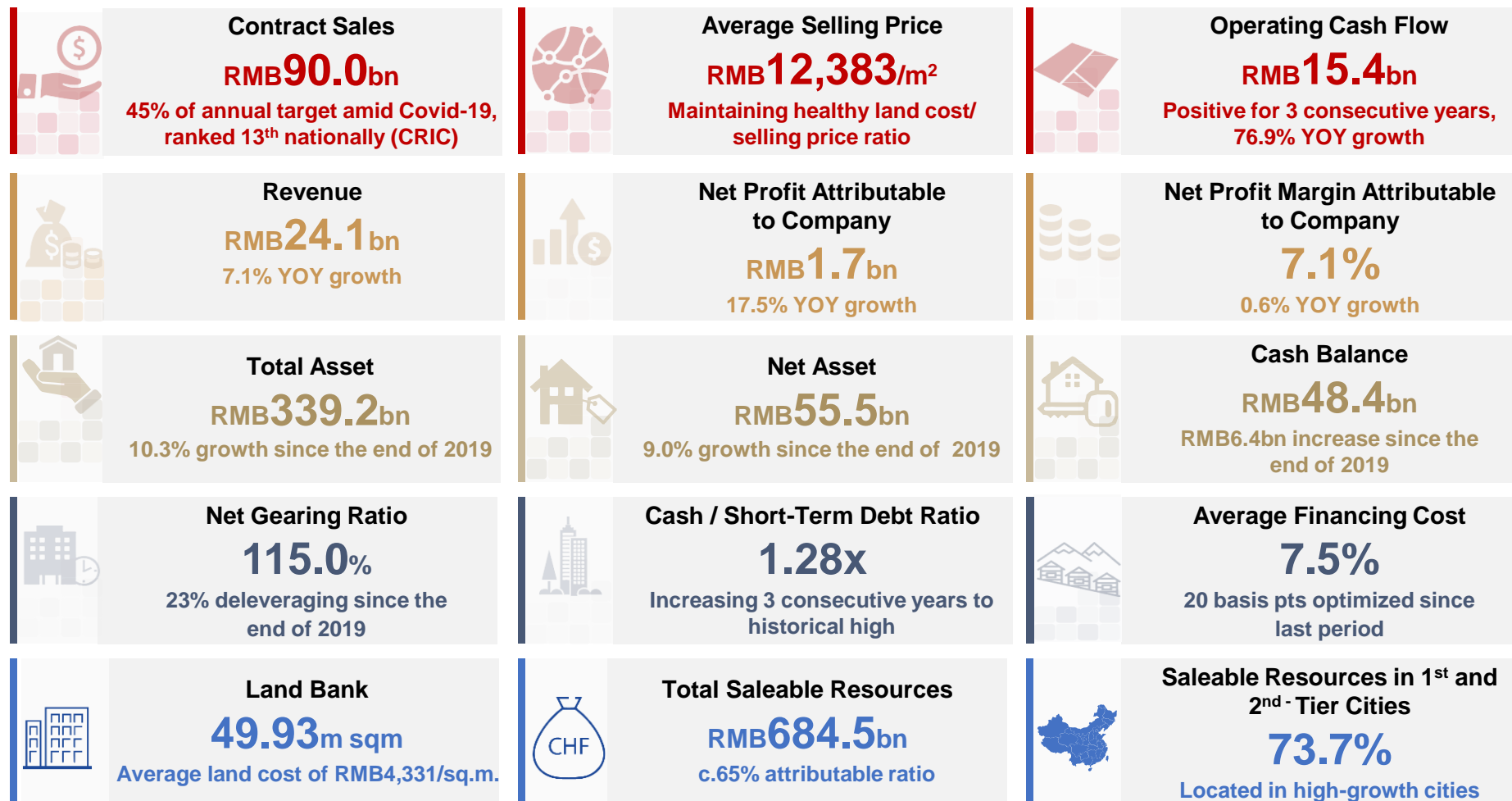
Section 1

# Company Overview



# Yango Group Co.,Ltd Overview

As of June 30th, 2020, the Company achieved saleable growth amid COVID with optimized debt profile and deleveraged capital structure. While maintaining ample cash flow, it has launched landmark projects and achieved prudent reserves for future development



Source: Company filings

# Yango Group – A High-growth Residential and Complex Property Developer



## Company Overview

- Founded in 1995, Yango Group is a leading company in Fujian Province. The Company has strategically entered cities with high growth potential since 2008 and becomes a leading nationwide real estate developer. The total consolidated sales of the Company in 1H2020 reached RMB90.0bn, ranked 13<sup>th</sup> nationally according to CRIC
- Apart from focusing on rigid demand and improving residential projects, the Company also emphasizes on the development of complex projects and operation of starred hotel in CBDs. As of end of six months ended 2020, the Company has an accumulated saleable GFA of 49.93m sqm<sup>1</sup> and saleable resources of **RMB684.5bn**
- The Company's land bank locates in high growth strategic cities nationwide with a focus on four fast-growing economic regions, namely Yangtze River Delta, Greater Fujian Area, Pearl River Delta and Beijing-Tianjin-Hebei Region, with **73.7% saleable resources located in Tier 1 and 2 cities**
- As one of the first public listed real estate companies in China, Yango Group was listed on the Shenzhen Stock Exchange in 1996. As of October 21, 2020, its market capitalization reached RMB29.1bn

## Operation Results

- **Strong sales performance with contracted sales over RMB90bn:** 2019 contracted sales level achieved RMB211.0bn, a yoy increase of 29.5%. The cumulative contracted sales in 1H2020 reached **RMB90bn**
- **Quality land bank precisely acquired at low cost:** As of six months ended 2020, our land bank had total saleable GFA remaining unsold of approximately 49.93m sqm with 73.7% located in Tier 1 and 2 cities; average land cost was only RMB4,431/sqm. 1H2020 ASP was RMB12,383/sqm, maintaining reasonable average land cost/selling price level
- **Improving financial metrics:** Total revenue in 1H2020 reached RMB24.1bn, up 7.1% yoy. Gross margin has increased 1.5% from 2017-2019 and reached 26.5% in 1H2020, up 3.4% yoy. Net gearing ratio<sup>2</sup> has declined for three consecutive years and decreased from 260% in 2016 to 115% in 1H2020. Moody's upgraded our credit rating to B1 with stable outlook

## Development Strategy

- **"Green Wise Home" strategy:** Nearly 76 projects across the country have implemented the concept of "Green Wise Home". The Group established the Green Wise Home Research Institute. Product upgrades are continuously deepened in new projects. The Company has also been recognized in the market, which has enabled many projects to achieve product premiums and with excess profits created
- **Organization Reform:** We have completed the organization reform which was implemented in 2019. The reform upgraded our past "Group-Region-Project" organization structure by reducing total regions from 28 to 16, which enhanced the capacity of project department at project level and enabled the release of new development momentum through the optimized three-tier structure

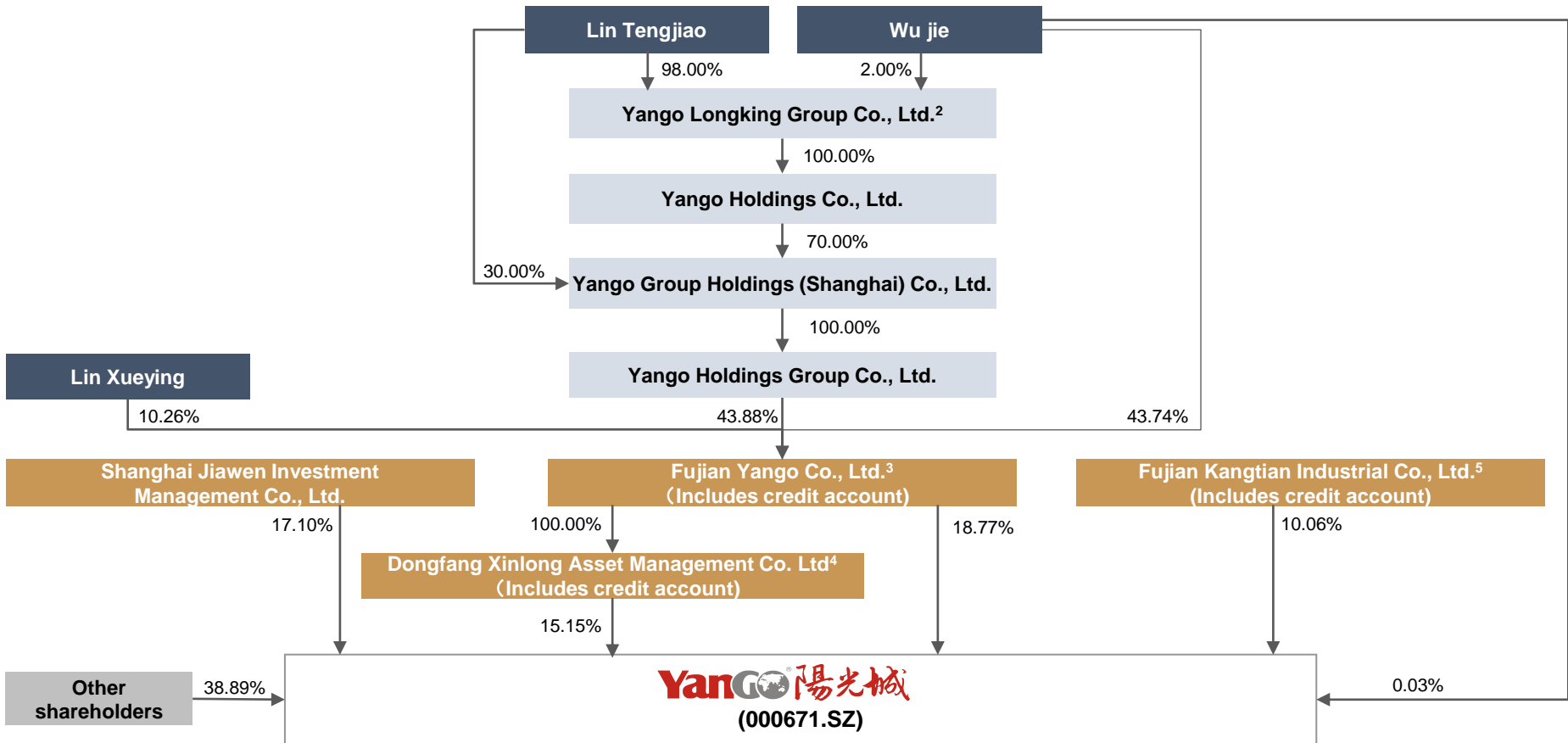
### Notes:

1. Including land reserves that has been transferred ownership title as well as land reserves that has been locked and waiting for transfer

2. Net gearing ratio = Net debt / Total equity

# Shareholding Structure

Shareholding Structure Chart<sup>1</sup>



Note:

1. Shareholding structure as of June 30<sup>th</sup> 2020
2. Yango Financial Holding Investment Group Co., Ltd. changed its name to Yango Longking Group Co., Ltd. On April 16th 20183.
3. Holds a total of 768,627,764 shares in CITIC securities Co., Ltd.'s customer credit transaction guarantee securities account and ordinary account
4. Holds 64,156,723 shares in CITIC securities Co., Ltd.'s customer credit transaction guarantee securities account and 556,214,224 in ordinary account, with a total of 620,370,947 shares held
5. Holds 1 share in CITIC securities Co., Ltd.'s customer credit transaction guarantee securities account and 411,785,922 shares in ordinary account, with a total of 411,785,923 shares held

# Taikang Life and Taikang Pension Become Shareholders

- On September 9<sup>th</sup> 2020, Taikang Life Insurance Co. Ltd. (“Taikang Life”) and Taikang Pension Insurance Co. Ltd. (“Taikang Pension”) and the Company’s second largest shareholder, Shanghai Jiawen Investment Management Co., Ltd. (Shanghai Jiawen), signed the “Share Transfer Agreement”

## Investor Overview

- Taikang Insurance Group Co., Ltd. (“Taikang Insurance Group”) was established in 1996 and is headquartered in Beijing. It has developed into a large financial and insurance service group covering the three core businesses: insurance, asset management, and medical care. Its subsidiaries include **Taikang Life**, Taikang Assets, **Taikang Pension**, Taikang Health Investment, Taikang Online and others.
- As of the end of 2019, Taikang Insurance’s AUM exceeded RMB1,700bn, pension management scale exceeded RMB380bn, with over 4,000 insurance branches and a sales team of 800,000 employees serving over 60 million individual customers and 420,000+ corporates. It has been in the Fortune Global 500 list for two consecutive years and **ranked 4th among China’s top 10 life insurance companies**.
- Taikang Insurance actively implements the Healthy China strategy by integrating insurance payment and medical care services and building a large ecosystem of the healthcare industry. As the first pilot company to invest in elderly care communities, Taikang has innovated the medical care integration model, created a health-wealth planning team, and completed building elderly care communities and rehabilitation hospitals in major cities. Realizing operation across China, it has become the country’s largest high-quality elderly care service group.

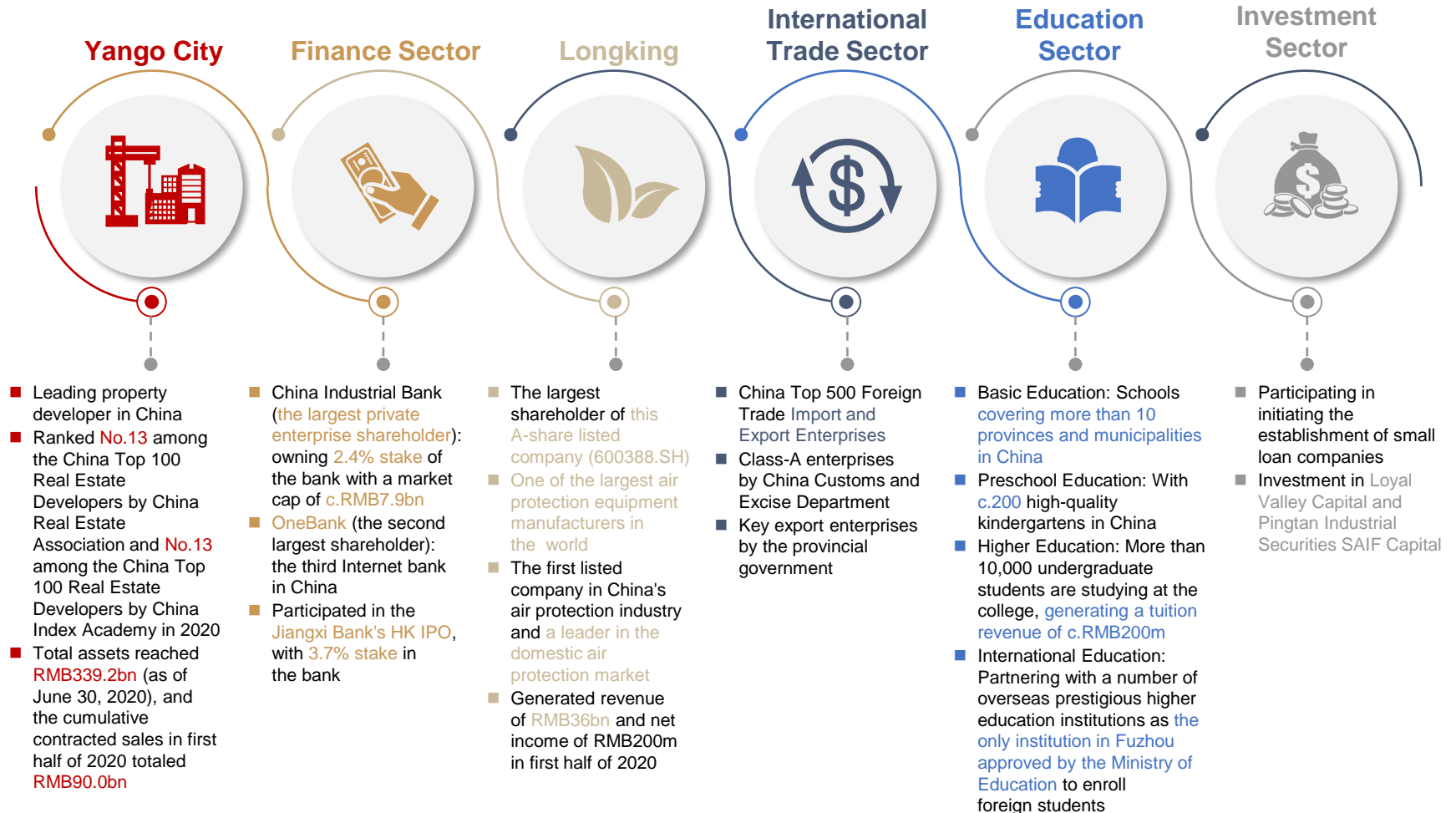
## Main Agreement Terms

- Taikang Life and Taikang Pension agreed to take **13.53%** (554,710,264 shares) of ListCo’s shares held by Shanghai Jiawen, of which **8.53%** (349,693,308 shares) for Taikang Life and **5.00%** (205,016,956 shares) for Taikang Pension. The negotiated transfer price is RMB6.09 per share.
- The Company agrees to give Taikang **two board seats** and amends the articles to ensure that **annual cash dividend** is not less than 30% of the Company’s distributable profit.
- The controlling shareholder supports the Company’s development and makes performance commitments to future net profit attributable to parent. Based on the RMB4.02bn net profit in 2019, the annual average growth rate for the first five years should **not be less than 15%**, and the cumulative net profit attributable to the parent in the first five years should not be less than RMB34.059bn (or an average annual growth rate of 18.13%); the annual growth rate in 6-8 years **should not be less than 10%** and in 9-10 years **should not be less than 5%**. If it fails to meet these requirements, the controlling shareholder will compensate the ListCo for the difference.
- A core management binding agreement of an **employee stock ownership plan** has been set up to take over 80m Shanghai Jiawen’s shares. The Company’s president and other remaining directors and core management, who are the plan’s participants (30% for President, 40% for the remaining core management and 30% reserved), are bind to a 5-year and 4-year block period, respectively. Unblocking would take place gradually after the block-period. The plan also sets performance commitment terms and signs an agreement with the core management to commit to the service term.
- The controlling shareholders can not reduce their stake. Taikang has the **pre-emptive right** if shareholders decide to reduce their stake after negotiation.
- As the shareholder, Taikang will provide resource support and promote strategic cooperation in the Company’s related businesses.

# Controlling Shareholder – Yango Long King Overview

- Yango Long King Group Co., Ltd. ("Yango Long King") was founded in 1995 by Mr. Lin Tengjiao, a patriotic overseas Chinese entrepreneur
- With a revenue of USD35.9bn in 2019, Yango Long King has ranked No.354 among Fortune Global 500
- By insisting on its operating philosophy of "diversification of investment and professionalism of management", Yango Long King has steadily developed to be a leading large investment holding company in China after years of arduous pioneering and continuous growth

## Six Business Segments







Section 2

Credit Highlights

# Credit Highlights Overview

1

Fast-growing Leading Property Developer in China

2

Quality Land Bank Focusing on Tier-1 and Tier-2 Fast-growing Cities



3

High Turnover Driven by Strong Execution Capability

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Diversified Funding Channels and Improving Financial Metrics

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Experienced Management Team and Sound Governance Structure

# 1 Fast-growing Leading Property Developer in China

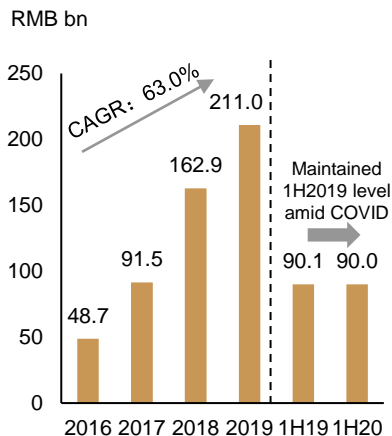
- Founded in 1995, Yango Group is a leading company in Fujian Province. The Company has strategically entered cities with high growth potential since 2008 and has become a leading real estate developer nationwide. It ranked **No.13 in among "China Top 100 Real Estate Developers Enterprise" in 2020<sup>1</sup>** and **No.1 among "Top 10 Fastest Growing Real Estate Enterprises"<sup>2</sup>**

- The **contracted sales** in 1H2020 totaled **RMB90.0bn** with **average cash collection rate of 80%**

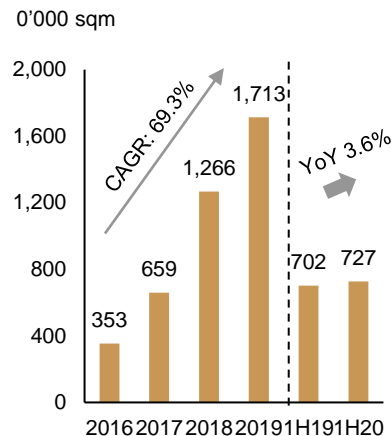
- The Company has gradually built a national footprint with contracted sales contributed by multiple regions. In first half of 2020, the Company delivered outstanding results in key economic regions in China, including **strategic cities, Yangtze River Delta, Greater Fujian Region, Pearl River Delta and Beijing-Tianjin-Hebei Region**

- Contracted sales of RMB18.7bn in Fujian
- Contracted sales of RMB16.0bn in Zhejiang
- Contracted sales of RMB12.5bn in Shanghai

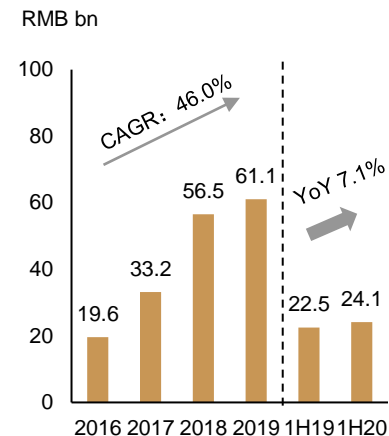
## Contracted Sales



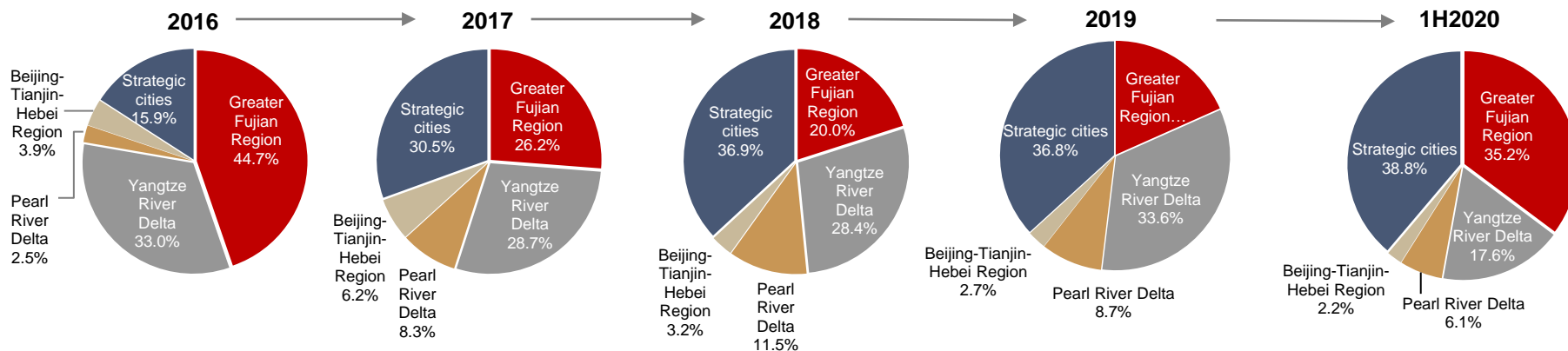
## Contracted GFA



## Revenue



## Contracted Sales from Diversified Regions<sup>3</sup>



Notes:  
 1. Based on CIH Top 10 Research Group's 2020 ranking  
 2. Based on Chinese Real Estate Industry Association's Top 500 Real Estate Companies 2020 ranking  
 3. On a 100% basis

# Fast-growing Leading Property Developer in China

## 1 (Cont'd)

### Multiple High-quality Product Lines to Precisely Meet Customer Needs

Customer needs	Product line	Target group and design philosophy	Representative projects
Rigid demand for first-time home purchases	Fashion apartment	<ul style="list-style-type: none"> <li>Target the rigid demand of young people for small compact housing units with convenient ancillary facilities</li> </ul>	Wenlan Fu, Lijing Bay
Improvement and upgrade	Urban luxury, romantic city	<ul style="list-style-type: none"> <li>Provide various types of properties in core areas to meet the diversified needs of middle class customers</li> </ul>	Tan Jing, Tan Yue, Tan Fu
High-end luxury	Ecological villa	<ul style="list-style-type: none"> <li>Offer high-end customers with one-stop services with scarce ecological resources</li> </ul>	Feili Coast, Shaoxing Xiyuan
Commerce and hotel	Business office, commercial complex, high-end hotel	<ul style="list-style-type: none"> <li>Provide urban landmark-level business centers, build high-quality complexes and partner with international well-known hotel operators, such as Hilton and IHG</li> </ul>	Shanghai Jingan Ruiwan, Taiyuan Intercontinental, Fuzhou Olympic Yango Complex

### Yango City as a Highly Recognized Brand



#1

Ranked No.13 in Top 20 Chinese Real Estate Developers and No.1 in Top Ten Fastest Growing Real Estate Enterprises by E-House (2020)



#11

Ranked No.11 in Top 100 Chinese Real Estate Companies in terms of Brand Value by Eh-Consulting (2019)



#13

Ranked No.13 among Chinese Real Estate Developers in terms of Sales Value by CRIC (2019)



Top 10

Our product series *Tan* ranked Elite Product Series Top 10 by CRIC (2019)

### Diversified Regional Presence with Strong Results in Various Local Markets

#### Fujian



- The national base of Yango and upgraded to Fujian area in 2019, covering Fuzhou, Jinjiang, Zhangzhou, Quanzhou, Wenzhou, Nanping. In first half of 2020, the Company reported contracted sales and contracted sales area in the Fujian region of RMB18.7bn and 1.55m sqm respectively, and ranked No.1 among real estate peers in Fuzhou in terms of contracted sales and contracted sales area with the largest market share for the seventh consecutive year and was awarded 2019 No.1 real estate company in terms of overall strength

#### Shanghai



- The Company entered Shanghai in 2012. As a result of its focus on core areas of the Yangtze River Delta, the Company recorded contracted sales and contracted sales area in the Shanghai region of RMB12.4bn and 0.77m sqm respectively in first half of 2020. Of which, the Shanghai Binjiangyue Project received the Excellence Award for Residential Project at the fourth annual China Real Estate Design Awards and the Tanyue 101 Project is a winner of ICONIC AWARDS. Taicang Feili Yuncui was awarded Red Hot Design Award

#### Zhejiang



- The Company entered Hangzhou in 2013 and has been focusing on Hangzhou, Taizhou, Ningbo and Jinhua. Since 2019 Zhejiang area project company was established, also has presence in Anhui key cities. Currently we have 35 delivered projects with 21 in Hangzhou. In first half of 2020, the contracted sales in the Zhejiang was RMB16.0bn, with GFA sold of 0.85m sqm

#### Yungui



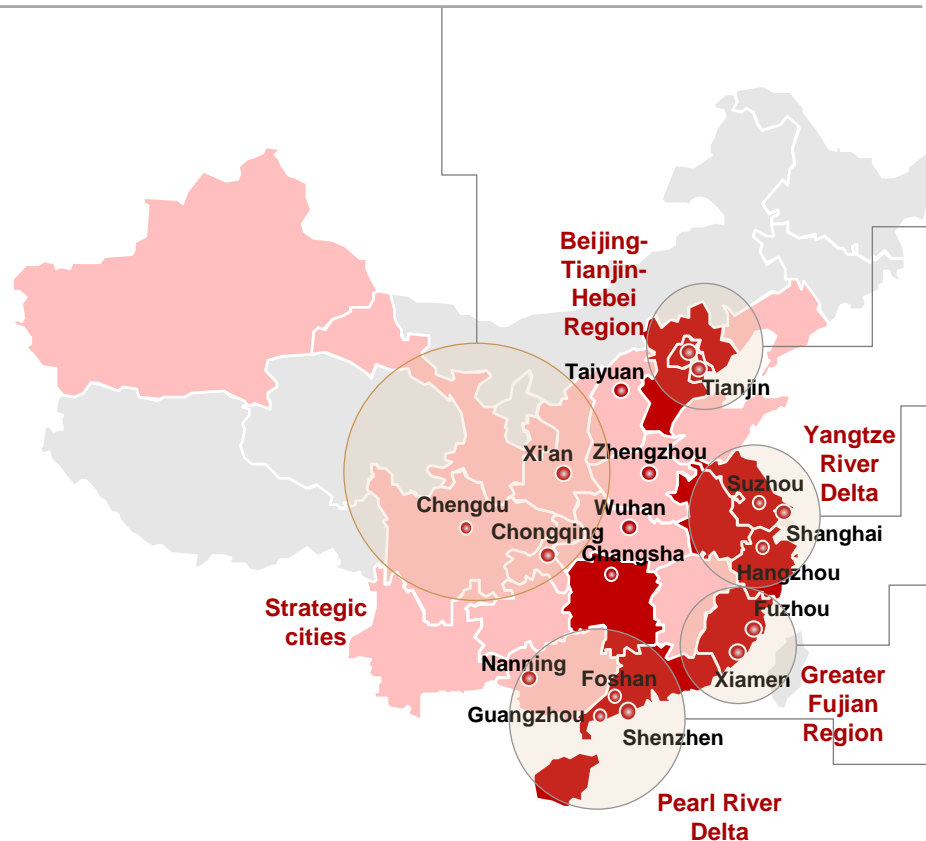
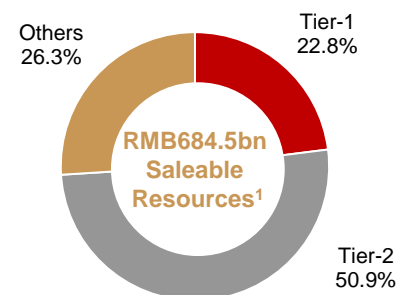
- We entered the Yunnan-Guizhou region in 2017. As of June 2020, we have established presence in Kunming, Guiyang, Zunyi and other cities, with a remaining saleable value of RMB26.9bn. The company has built many high-quality real estates in Yunnan-Guizhou region, such as Dianchi Mid-levels and Wangxiang. The products combine beautiful natural scenery, excellent architectural design and complete supporting facilities to improve the living experience and increase the product premium.

# Quality Land Bank Focusing on Tier-1 and Tier-2

## 2 Fast-growing Cities

- Strategically acquire projects in core cities and cities with high growth potential
- Sufficient land reserves of 49.93m sqm with a total market value of RMB684.5bn<sup>1</sup> as of six months ended 2020, of which over 73.7% located in Tier-1 and Tier-2 cities

Region <sup>1</sup>	Remaining Saleable GFA (0,000 sqm)	Remaining Saleable Resources (RMB00m)	As % of Total GFA	As % of Total Saleable Resources
Strategic cities	2,482	2,378	49.7%	34.7%



Region <sup>1</sup>	Remaining Saleable GFA (0,000 sqm)	Remaining Saleable Resources (RMB00m)	As % of Total GFA	As % of Total Saleable Resources
Beijing-Tianjin-Hebei Region	204	448	4.1%	6.5%

Region <sup>1</sup>	Remaining Saleable GFA (0,000 sqm)	Remaining Saleable Resources (RMB00m)	As % of Total GFA	As % of Total Saleable Resources
Yangtze River Delta	821	1,260	16.4%	18.5%

Region <sup>1</sup>	Remaining Saleable GFA (0,000 sqm)	Remaining Saleable Resources (RMB00m)	As % of Total GFA	As % of Total Saleable Resources
Greater Fujian Region	650	995	13.0%	14.5%

Region <sup>1</sup>	Remaining Saleable GFA (0,000 sqm)	Remaining Saleable Resources (RMB00m)	As % of Total GFA	As % of Total Saleable Resources
Pearl River Delta	837	1,764	16.8%	25.8%

Note:  
1. Includes land reserves that has been transferred ownership title as well as land reserves that has been locked and waiting for transfer

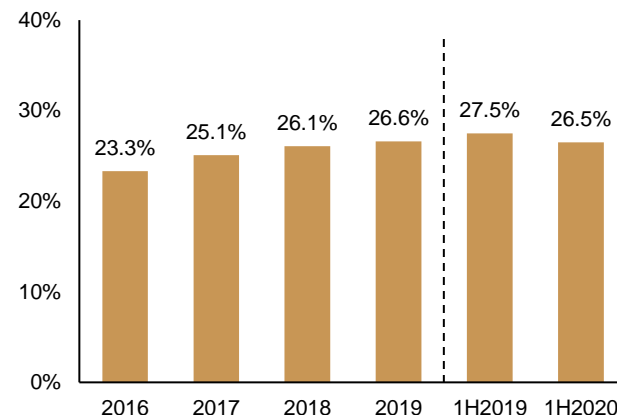
# Quality Land Bank Focusing on Tier-1 and Tier-2 Fast-growing Cities (Cont'd)

## 2

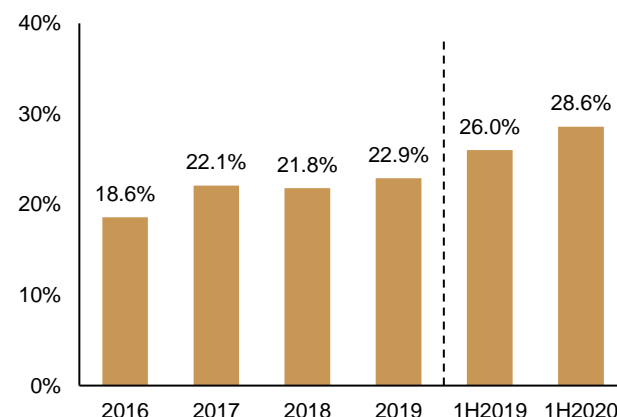
### Land Acquisition Policies

<b>Consolidate Resources to Acquire Land</b>	<ul style="list-style-type: none"> <li>The Company utilizes diversified acquisition channels to acquire high quality land plots, including public auction, primary land development, urban redevelopment, distinctive town development, industrial guide, industrial real estate, project M&amp;A and group M&amp;A</li> <li>Such approaches help the Company to consolidate resources, lower capital requirement, and achieve a powerful alliance and advantage-sharing cooperation</li> </ul>
<b>Strategic Locations</b>	<ul style="list-style-type: none"> <li>Cover strategic cities with high growth potential across China, with a focus on four fast-growing economic regions, namely Yangtze River Delta, Greater Fujian West Strait Economic Zone, Pearl River Delta and Beijing-Tianjin-Hebei Region</li> <li>Focus on core Tier-1 and Tier-2 cities and surrounding cities with high growth potential and profitability</li> </ul>
<b>Maintain an Optimally-Sized Land Bank</b>	<ul style="list-style-type: none"> <li>Adjust land bank replenishment according to contracted sales, ensuring sufficient land reserve for rapid expansion</li> <li>Land bank to support next 2-3 years growth</li> </ul>
<b>Sustain Low Cost Relative to Selling Price</b>	<ul style="list-style-type: none"> <li>Ensure land cost to target ASP ratio remains at a reasonable level</li> <li>Precisely grasp the market windows and expand renovation and comprehensive land development projects. We successfully secured several old town renovation projects in Guangzhou, Shenzhen, Taiyuan, Kunming and Guiyang in 2019. Shanxi Wagua Town, as our first old town renovation project, had been launched for sales in 2019</li> </ul>
<b>Ensure Rapid Asset Turnover</b>	<ul style="list-style-type: none"> <li>Target fast asset turnover of properties upon completion of development</li> <li>Average 7 months from land acquisition to property sale</li> </ul>

### Gross Margin



### EBITDA Margin<sup>1</sup>



Note:

1. EBITDA is based on EBIT adjusted for non-recurring income/loss, fair value change, D&A, impairment provision, investment income/loss (adding back income/loss from JV) and capitalized interest in COGS

# Quality Land Bank Focusing on Tier-1 and Tier-2

## 2 Fast-growing Cities (Cont'd)

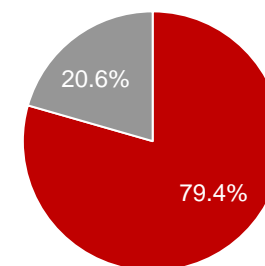
- Utilize diversified acquisition channels to acquire high quality land plots, such as public auction, primary land development, urban redevelopment, distinctive town development, industrial guide, industrial real estate, project acquisition and group acquisition
- Acquire land with significant upside potential to enable flexible pricing

### Quality Land Bank with Significant Value Advantage

#### 1H2020 Land Acquisition Overview

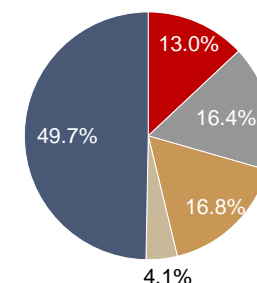
	Public Auction				M&A and Partnership			
	Site Area (0,000 sqm)	Net Sellable Area (0,000 sqm)	Attributable Considerati on (RMB00m)	Average Land Cost (RMB/sqm)	Site Area (0,000 sqm)	Net Sellable Area (0,000 sqm)	Attributable Considerati on (RMB00m)	Average Land Cost (RMB/sqm)
Greater Fujian Region	26	66	30	9,128	-	-	-	-
Yangtze River Delta	106	227	136	9,899	19	44	34	10,797
Pearl River Delta	21	60	54	10,523	10	31	8	2,553
Beijing- Tianjin-Hebei Region	11	17	9	8,262	-	-	-	-
Strategic cities	78	123	31	2,705	132	261	93	13,375
<b>Total/ Average</b>	<b>244</b>	<b>493</b>	<b>261</b>	<b>8,022</b>	<b>161</b>	<b>335</b>	<b>67</b>	<b>4,595</b>

#### 1H2020 Land Acquisition Policy<sup>1</sup>



■ Public Auction ■ M&A and Partnership

#### 1H2020 Land Bank GFA Breakdown by Region



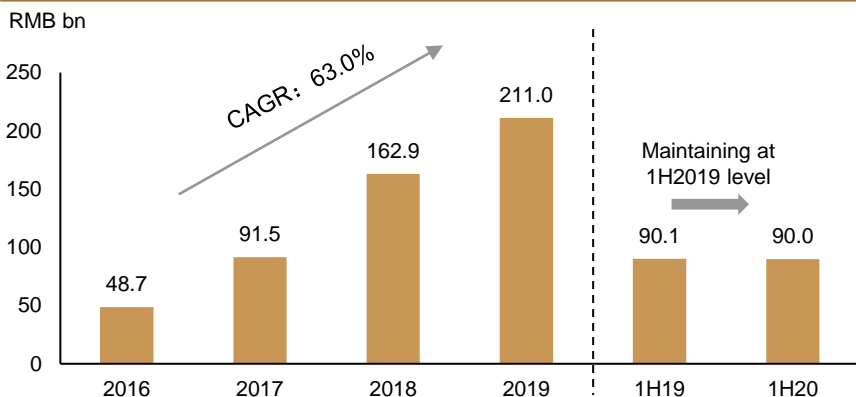
■ Greater Fujian Region ■ Yangtze River Delta  
 ■ Pearl River Delta ■ Beijing-Tianjin-Hebei Region  
 ■ Strategic cities

Note:  
1. Based on inventory value.

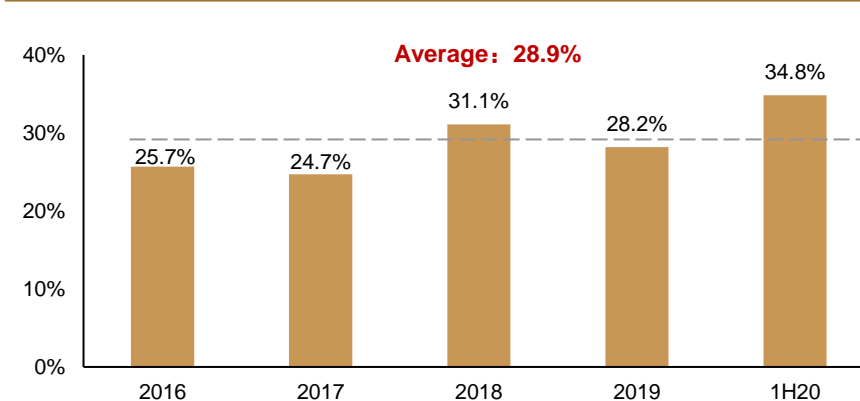
# High Turnover Driven by Strong Execution Capability

- By adjusting inventory turnover based on market conditions to ensure stable profit margin and follow the cash management requirements regarding revenue and expenditures<sup>1</sup>. **2020 six months ended cash collection rate achieved 80%**
- Ensure turnover capability in key regions and implement the high turnover strategy, with an average of 7 months from land acquisition to sales launch
- Continuous business expansion under the high turnover mode. **Contracted sales in 1H2020 reached RMB90bn, with 2016-19 CAGR of 63.0%**
- **The company's operating net cash inflows in the first half of 2020 increased by 76.9% yoy**

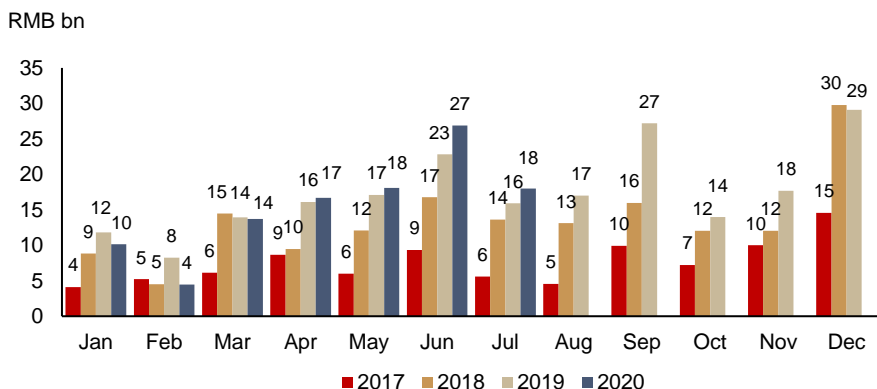
## Rapid Growth of Contracted Sales



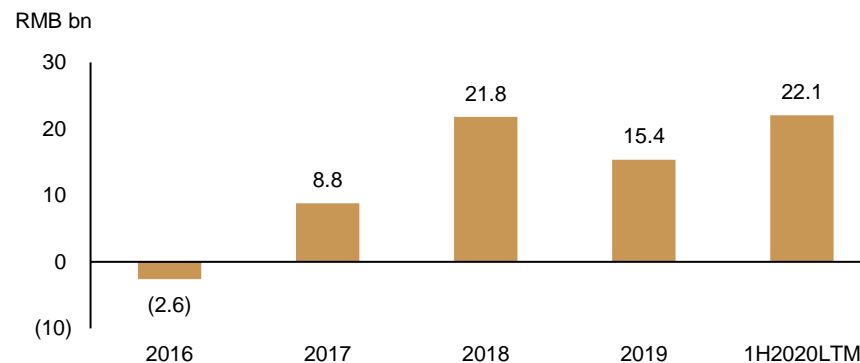
## Inventory Turnover<sup>2</sup>



## Comparison of Monthly Contracted Sales (2017-1H2020)



## Improving Operating Cash Flows



Notes:

1. Cash Management principle of "ratifying expenditures according to revenue, collecting receivables prior to making payment, and ensuring expenditures not to exceed revenue"

2. Inventory turnover rate = COGS over the period / Average of the beginning and ending inventory balance (including property under construction and completed but not sold properties)



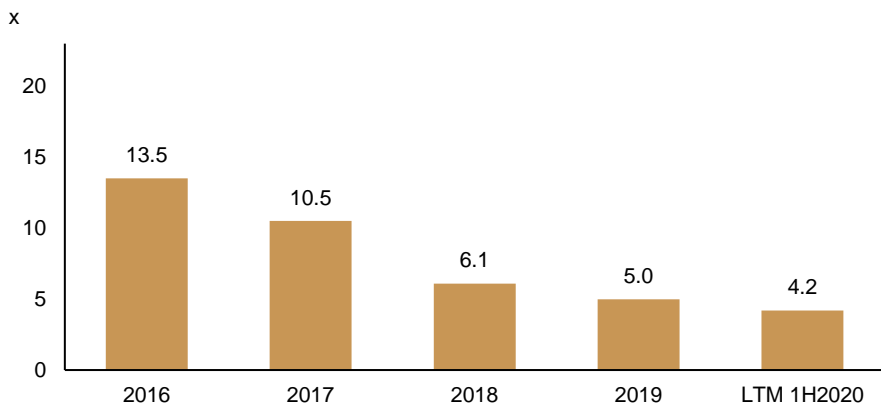
# Diversified Funding Channels and Improving

4

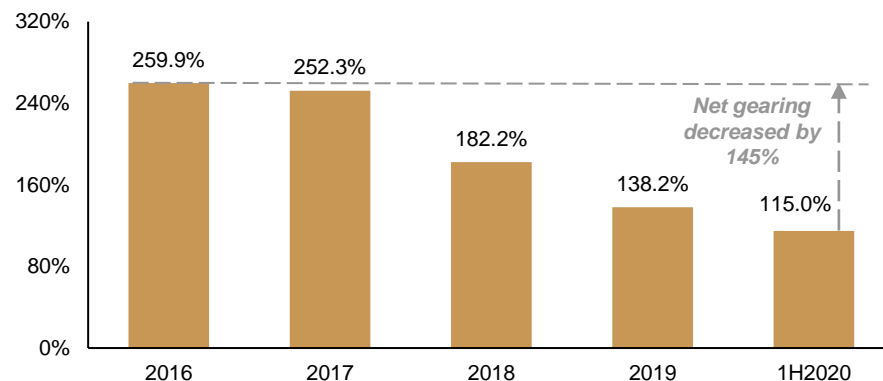
## Financial Metrics

- We achieved outstanding deleveraging results Our net gearing ratio decreased 23% since year end 2019 with total debt of RMB112.2bn as of end of June 2020, achieving business expansion without incurring further debt
- Continuing to optimize debt structure: within interest-bearing debt, non-bank financing percentage decreased to 22.2%

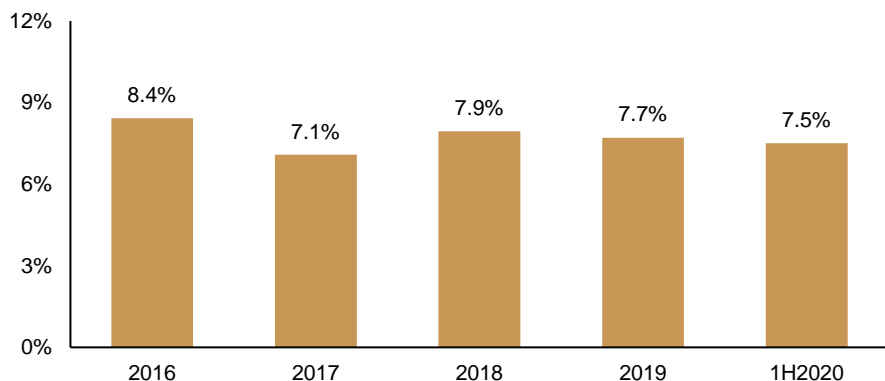
### Net debt / EBITDA<sup>1</sup> Improves Significantly



### Diversified Sources of Interest-bearing Debts<sup>2</sup>



### Stable Financing Cost



### Net Gearing Ratio<sup>3</sup> Decreases Each Year

Type	2019 (RMBbn)	% of total	1H2020 (RMBbn)	% of total	Change in proportion
Bank Loans	53.1	47.2%	49.5	44.2%	↓
Bonds	31.2	27.7%	37.7	33.6%	↑
Non-bank Loans	28.0	24.9%	24.9	22.2%	↓
<b>Total</b>	<b>112.3</b>	<b>100.0%</b>	<b>112.2</b>	<b>100.0%</b>	

Notes:

1. EBITDA is based on EBIT adjusted for non-recurring income/loss, fair value change, D&A, impairment provision, investment income/loss (adding back income/loss from JV) and capitalized interest in COGS

2. As of June 30, 2020

3. Net gearing ratio = (Interest-bearing debts - monetary funds) / owner's equity

# Diversified Funding Channels and Improving Financial Metrics (Cont'd)

4

## Diversified Financing Channels to Ensure Sufficient Capital for Land Acquisition and Project Development

### Commercial Banks

- Favorable credit terms from key financial institutions and long-term relationships with major commercial banks in China
- As of June 2020, we had total credit line of RMB110.3bn with RMB62.4bn used and **RMB47.9bn unused**

Key banking relationship:



### Capital Markets

- Utilize multiple capital market financing channels including equity financing, debt financing, REITs and ABS products to optimize capital structure
- Onshore and offshore capital market platform
  - For the first 9 months in 2020, the Company has raised RMB6.57bn in the onshore bond market, includes CMBN of RMB1.42bn
  - For the first 9 months in 2020, the Company has raised USD1.08bn in the offshore bond market

### Multiple Financing Channels

- Innovative financing channels including non-bank financial institutions, CMBS, ABN and long-term leasing REITs
- Optimize balance sheet structure and lower funding cost by fully utilizing capital market products such as private placement, corporate bond and medium-term notes

### Capital Markets

Rating Agency	Rating Action	Date	Current Rating
China Chengxin International	Outlook upgraded to positive	2020/3/10	AA+ positive
Golden Credit Rating	Credit rating upgrade	2020/2/20	AAA
Dagong	Credit rating upgrade	2020/1/3	AAA
Moody's	Credit rating upgrade Outlook change	2020/1/23 2019/5/30	B1 Stable
S&P	SACP upgrade	2019/10/4	B Stable SACP: b+
Fitch	Credit rating upgrade	2019/9/11	B+ Stable

# Experienced Management Team and Sound Governance Structure

5

## Directors and Management Team

### Lin Tengjiao Chairman of the Company and Yango Holdings



- Chairman of the 9th Board of Directors of the Company, Vice Chairman of Fujian Star-net Communication Co., Ltd.
- A Deputy to the National People's Congress, Member of the Standing Committee of All-China Youth Federation, Vice Chairman of China Federation of Overseas Chinese Entrepreneurs, Vice Chairman of Chinese Association for Non-Government Education, Chairman of Fujian Federation of Overseas Chinese Entrepreneurs, Vice Chairman of China Real Estate Developers and Investors Association and Vice Chairman of Fujian Federation of Commerce and Industry
- Graduated from Peking University and serves as Honorary Chairman of Fujian Alumni Association of Peking University
- Won numerous awards such as 11th Chinese Youth May 4th Medal, an Exemplary Person in Promoting National Unity and Progress, Top 10 Outstanding Persons in the 2nd Non-Government Education Appraisal, Top 10 Outstanding Figures in the 1st China Philanthropy Appraisal and Bamin Charity Award

### Zhu Rongbin Executive Chairman, President



- Served as Vice Chairman of Guangdong Real Estate Association for many years, and previously worked as Director, Assistant General Manager and Regional General Manager (Eastern China) of China Overseas Property Group, Vice President and Regional General Manager (South China) of R&F Properties, Co-President and Executive Director of Country Garden
- Over 21 years of management experience in the industry

### Wu Jianbin Executive Vice President



- Previously served as Executive Director, Vice Chairman and Financial Director of China Overseas Land & Investment Ltd., Executive Director of China Overseas Holdings Limited, Executive Director and Financial Director of Country Garden
- Won multiple awards such as "Finance Management Achievement Award after 30 Years of Reform and Opening Up" and "Leading Figure of Finance Value in China at 60th Anniversary of the Founding of the PRC."
- Over 34 years of management experience in the industry

### Kan Naigui Executive Vice President, COO



- Previously served as Vice President and Executive Director of Shimao Group, Deputy General Manager of China Overseas Development (Guangzhou) Co., Ltd. and General Manager of Development Management Department of China Overseas Property Group
- Holds a Master's degree and has Cost Engineer qualification

### Chen Ni Vice President, CFO



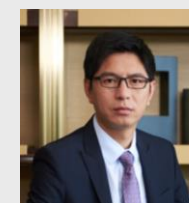
- Previously served as Finance Department Manager and Finance Director of Fujian Yango Group; currently serving as CFO and General Manager of Financial Management Center of the Company
- Over 16 years of management experience in the industry

### Xu Aiguo Executive Vice President, Investment



- Previously served as Vice President at Longfor Group and AVP at China Overseas Grand Ocean Group
- Holds MBA degree

### Chen Youjin Assistant President, Marketing



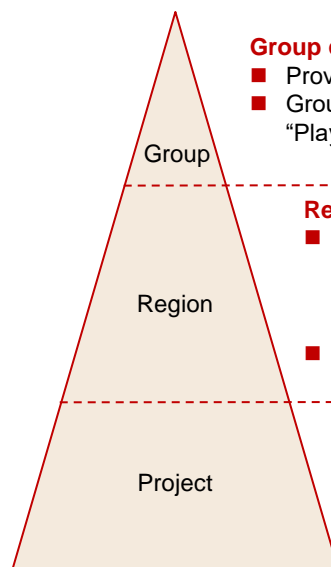
- Led our Fuzhou marketing team to win the No.1 sales position in Fuzhou from 2012 to 2017
- Was granted special contribution award of president in 2015, annual award of 2017 of Yango, led the Yango marketing team to achieve RMB100bn sales in Sep 2018 and achieved RMB200bn again in 2019

# Experienced Management Team and Sound Governance Structure (Cont'd)

## 5 Governance Structure (Cont'd)

### Sound Corporate Governance System

- Yango firmly believes that excellent corporate governance system can lead to efficient management, healthy corporate culture, successful business growth and a boost to shareholder value
- The Company upholds the modern corporate governance mechanism of elite management and separation of powers. Authorized by the board of directors, the management evaluates the Company's performance based on its financial results, while pursuing the strategy of focusing on selected regions for intensified growth; over the years, the Company has been successively led by multiple management teams, but high-growth is always a highlight of the Company
- The Company has established the governance system consisting of shareholder's meeting, board of directors and board of supervisors; meanwhile, various regulations and rules have been put in place to govern corporate activities and the mechanism of centralized control, hierarchical management and clear division of responsibilities and rights has been formed to ensure orderly and efficient operation of the Company
- In Nov 2019, when we achieved annual sales target, we have started organization structure reform which has been completed by early this year. Group, region and basement upgrade and transformation will push us develop forward



#### Group continues to grow

- Provides authorization and de-centralize
- Group's role switch between "Coach", "Referee" and "Player" depending on different region and function

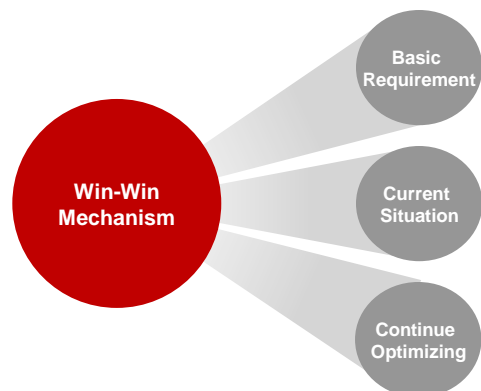
#### Region has more power

- Strength region platform buildup, achieving 1+1>2, 1+1+1>3 to build several "Small Yango": small region inside large region, similar size region in parallel operation, same region consolidation
- 28 regions changed to 16 regions, among which upgrading three A-Level region to enable region more power

#### Project level flexible management

- Project level divided into several working unit and give more power to project management team to strengthen project's basic management and improve ability
- "Amoeba" operating model

### Effective Talent Incentive Program



- It is required that, for different types of projects, self-owned capital investment and annualized income from self-owned capital investment should fully flow back to the Group within 12 – 16 months

- As of June 2020, 339 projects use win-win mechanism and average project ROE was 33%
- Employees have been highly incentivized, which has in turn enhanced the operating efficiency of the Company

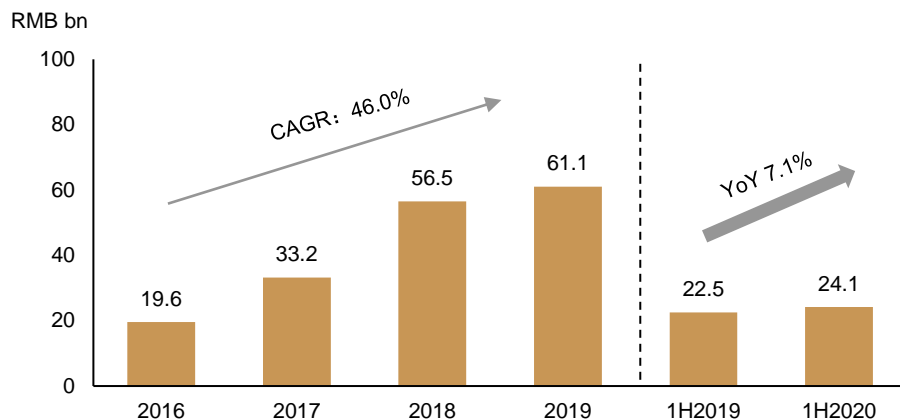
- During the reporting period, the Company continued to optimize and fine-tune the win-win mechanism to ensure its advancement and applicability

Section 3

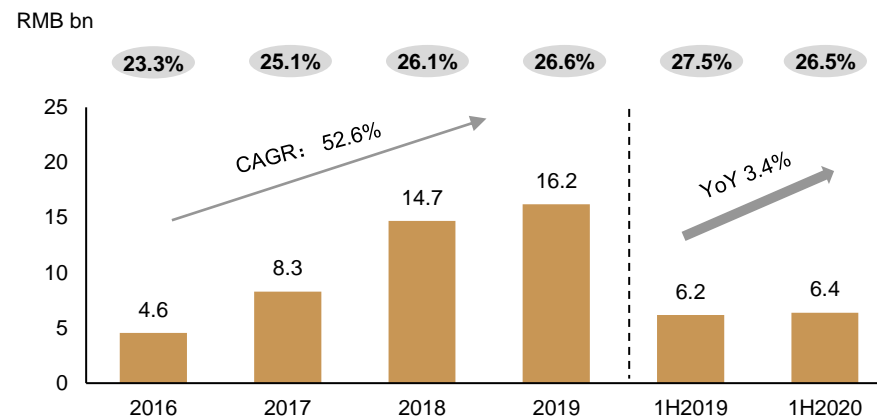
Financial Overview

# Improving Profitability

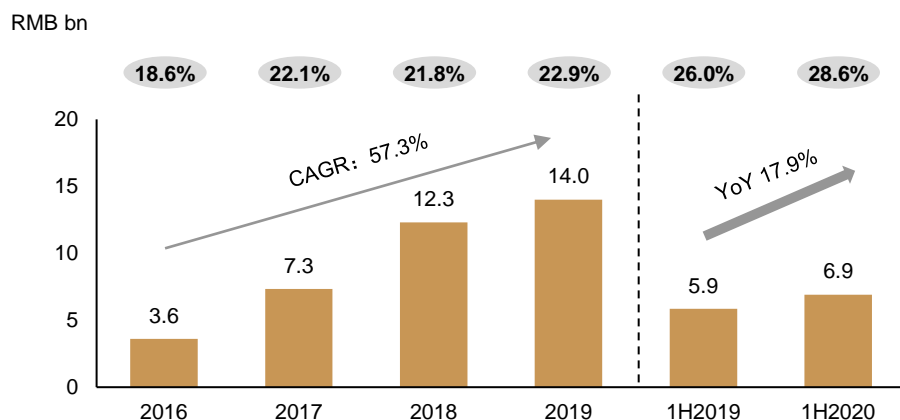
## Revenue



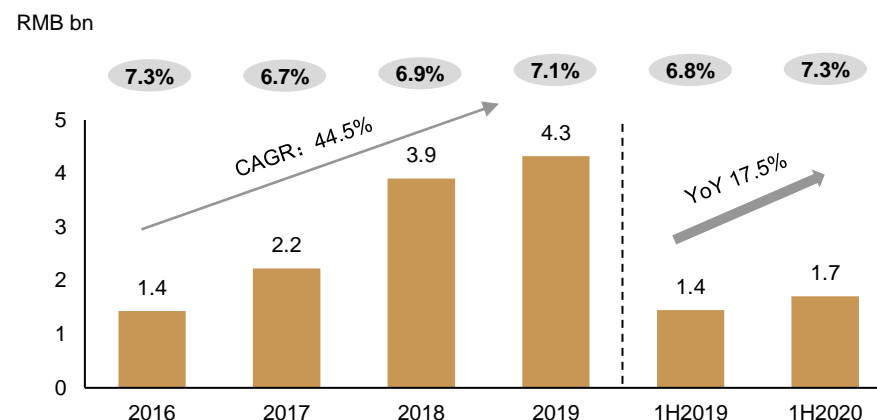
## Gross Profit and Gross Margin



## EBITDA and EBITDA Margin<sup>1</sup>



## Net Profit and Net Margin

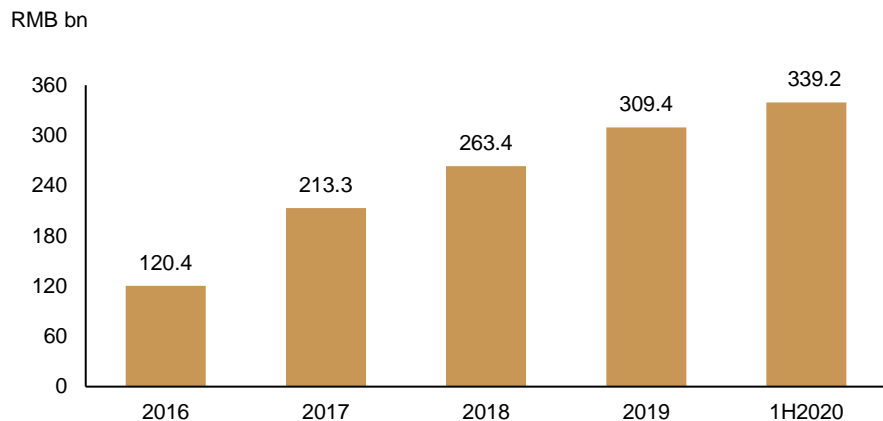


Note:

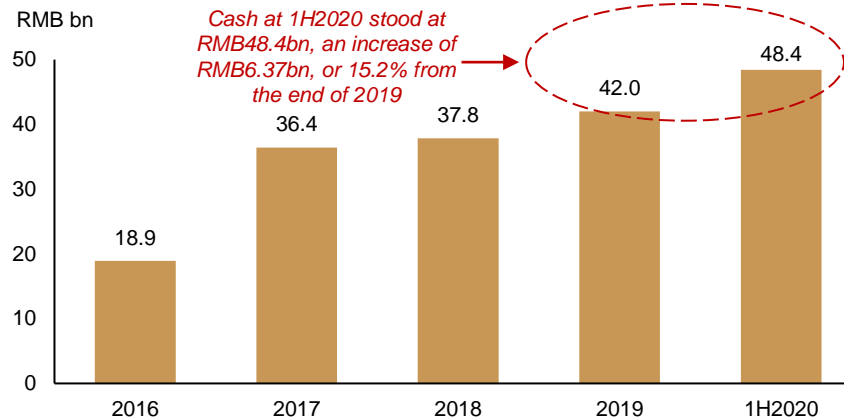
1. EBITDA is based on EBIT adjusted for non-recurring income/loss, fair value change, D&A, impairment provision, investment income/loss (adding back income/loss from JV) and capitalized interest in COGS in the last twelve months

# Balanced and Robust Balance Sheet

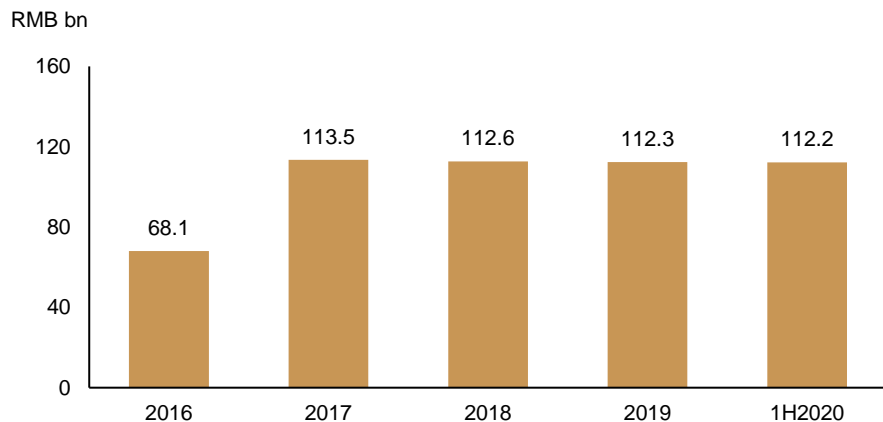
## Total Assets



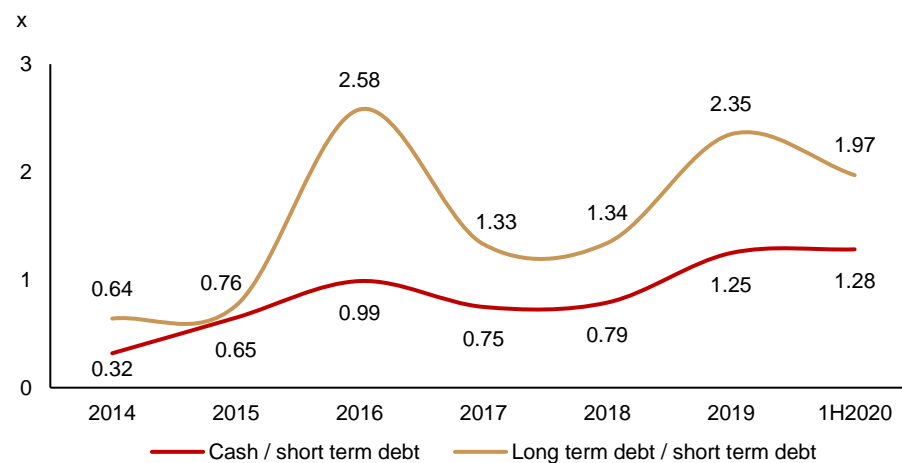
## Total Cash



## Total Debts

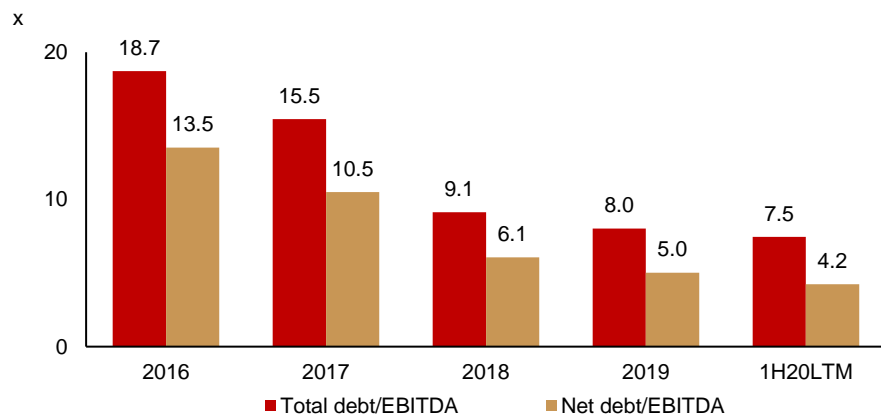


## Debt Ratios

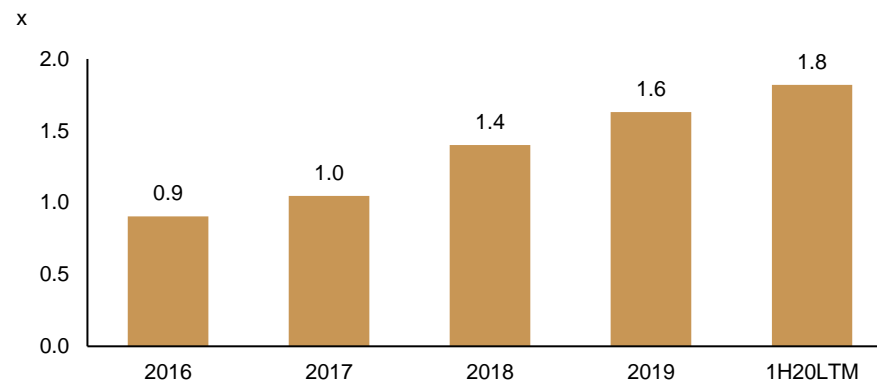


# Solid Credit Metrics

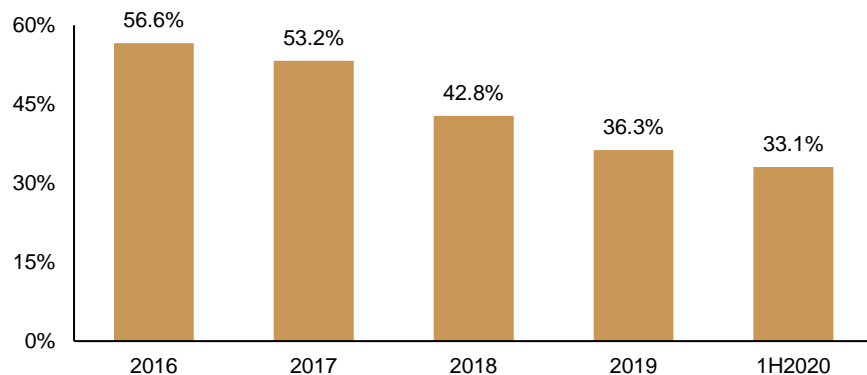
## Total Debts / EBITDA and Net Debt / EBITDA<sup>1</sup>



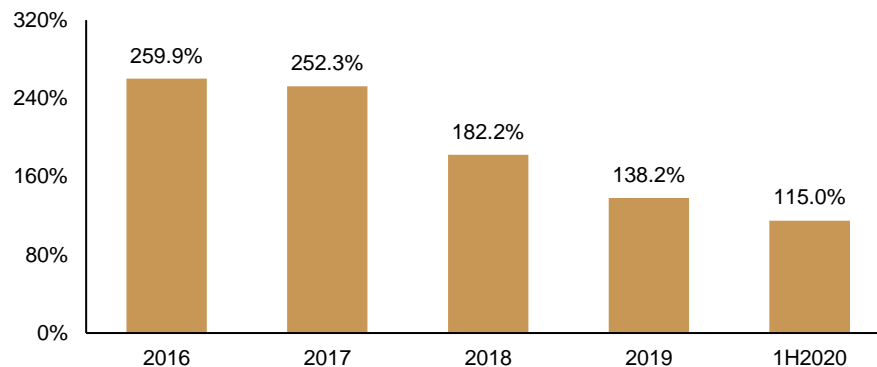
## EBITDA / Total Interest Expense<sup>2</sup>



## Total Debts / Total Assets



## Net Debt / Owner's Equity



Notes:

- EBITDA is based on EBIT adjusted for non-recurring income/loss, fair value change, D&A, impairment provision, investment income/loss (adding back income/loss from JV) and capitalized interest in COGS for the past 12 months
- Including capitalized interest



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# 匠心筑梦 一路阳光

致敬波澜壮阔的改革年代，中华民族历史在伟大复兴征程的壮阔之上，科技创新、产业变革正在深刻影响着我们的生活，作为文化科技深度融合的企业，阳光城以使命为驱动力，以责任与担当为基石，以“第一”的执着与热忱的精神，选择了一个正确的目标，就不怕困难，就怕不抛弃、不放弃。

阳光城秉承专业情怀，以匠心筑家，秉持设计先施，品质至上，卓越服务的原则，推出在品质上有革新意义的产品——绿色健康家，引领健康、智慧生活，家文化三大转型升级，旨在探索更好的居住品质，绿色健康的好产品。

品质革命，方为出路；匠心筑梦，正逢盛世。站在地产下半场，在深刻理解中国宏观经济以及房地产行业的大变革期，我们深知，只有把产品品质放在与业务同等重要的位置，才能保障竞争力，在行业寒冬突围。阳光城始终坚守，始终向前，矢志不渝，时代变革，秉持对客户之心和与生俱来的使命感，阳光人有匠心所铸工匠，所筑家！

阳光城执行董事长

阳光版图  
YANGU MAP



巨野店



绿色健康·空气  
YANGU AIR



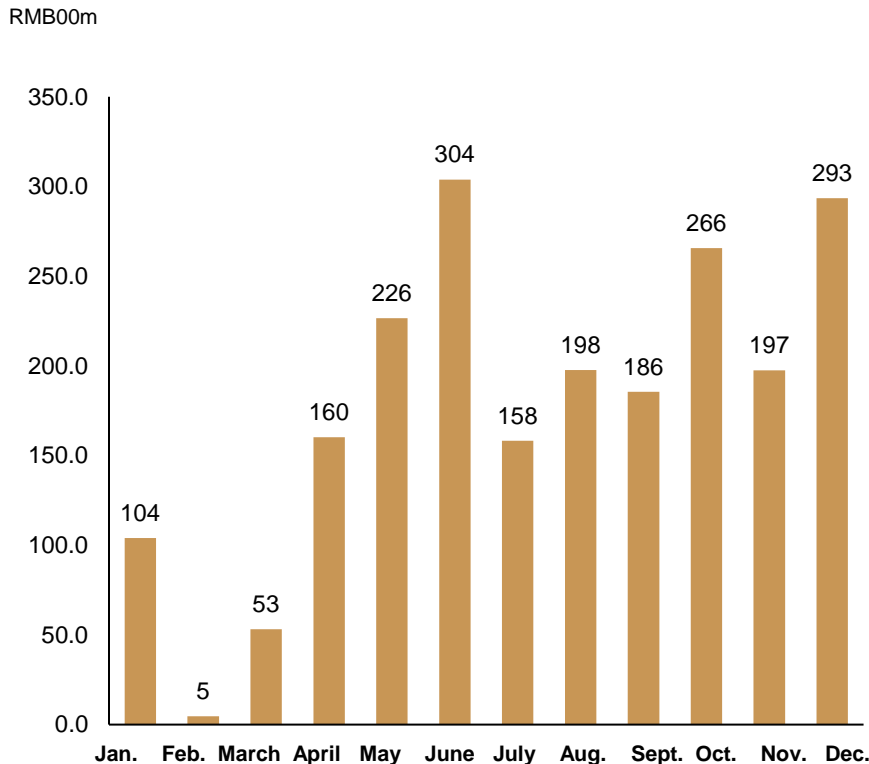
Section 4

## APPENDIX 1 – Information on Sales and Projects

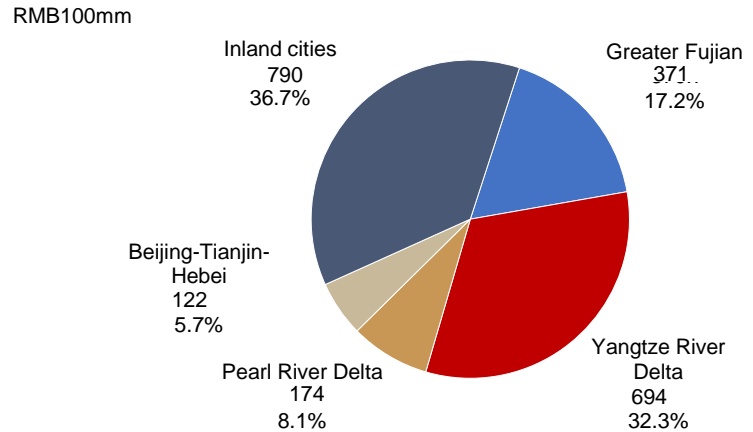
# Supply: Annual Saleable Inventory Exceeds RMB320bn

- The Company's total saleable resources amount to c.RMB320bn (RMB105bn rollover + RMB215bn additions), with new supplies concentrated in three major urban clusters, accounting for over 46.3% ( 32.3% in Yangtze River Delta, 8.1% in Pearl River Delta, 5.7% in Beijing-Tianjin-Hebei region). Fujian Region accounts for 16.1% of new supply with other municipalities and provincial capitals accounting for 36.7% as the Company's inland strategic cities

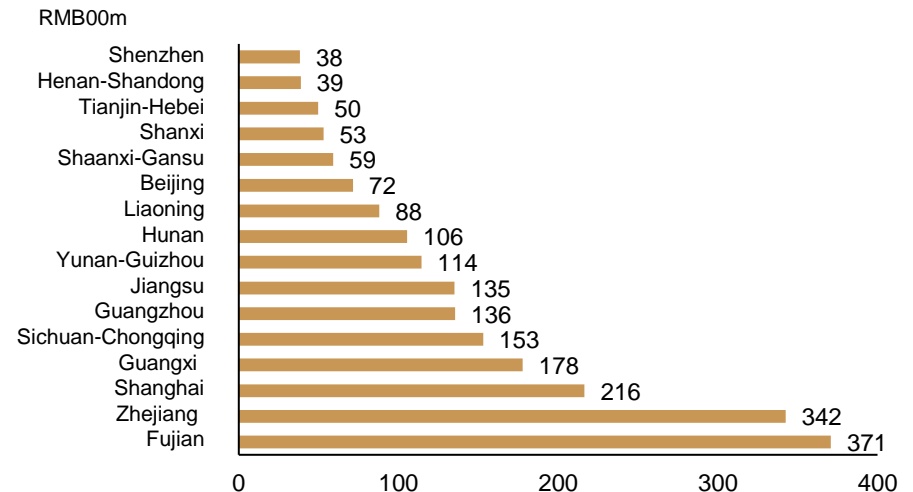
## Overall Full Year Operational Supply Plan



## 1H2020 Supply Breakdown by Region



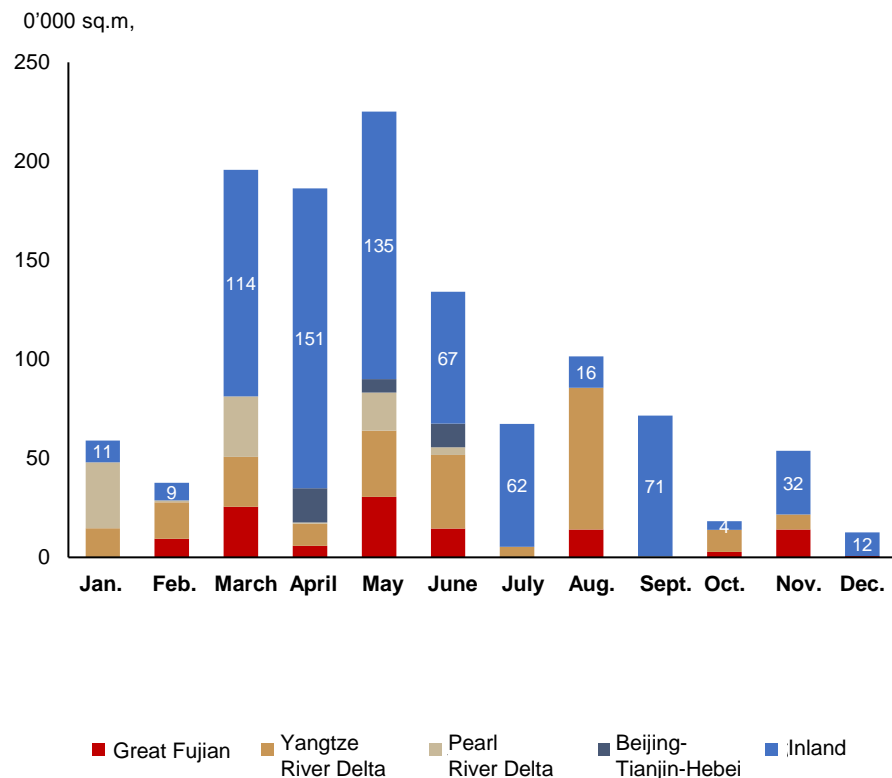
## Annual New Supply Breakdown by Region



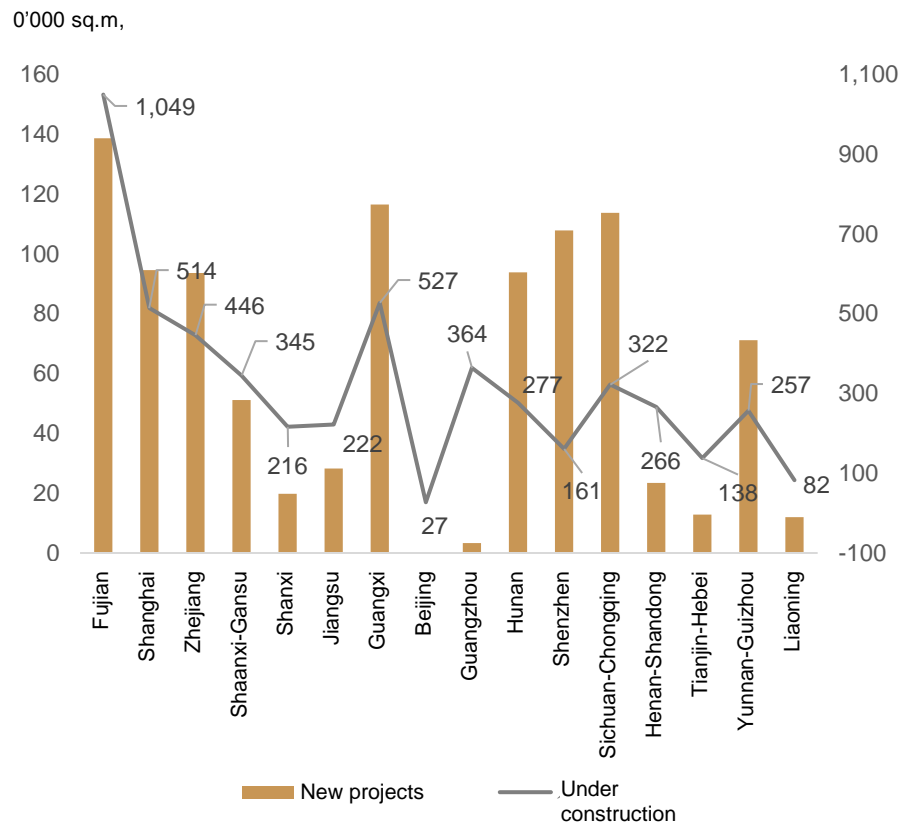
# Commencement: Properties Commenced and Under Development

- Given there are only few properties under development in Hubei, 1H2020's supply has been less affected, which reached RMB85.22 billion with January to June target of RMB91.7 billion. Since the end of February., the Company actively pushed for construction resumption and adjusted its second-half supply target to RMB129.8 billion, almost covering full-year supply target of RMB215.0bn. With a 1H:2H ratio of 4:6 combined with initial inventory of RMB105.0bn, total annual saleable resources could reach RMB320bn. With a sale-through rate of 65%, the Company can achieve this period's sales target
- As the Company adjusts its monthly supplies and commencement of projects on a dynamic basis, impact of 1H suppliers would not cause significant fluctuations in the full-year sales

## New Projects by Region



## Jan-June Properties Commenced and End of June Properties Under Development

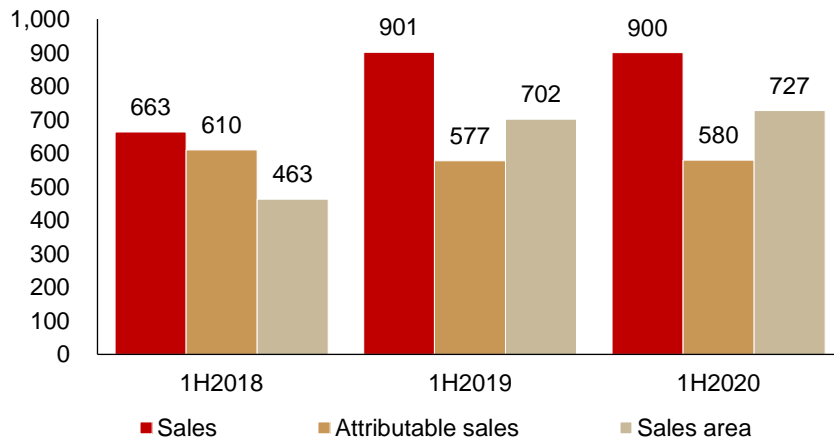


# Sales: Sales, collection, sales outstanding

- In 1H2020, the company achieved contracted sales of RMB90.01bn on a 100% basis and RMB57.97bn on an attributable basis, maintaining the same level of the same period last year; Accumulated contracted area reached 7,269,000 sq.m., increasing 3.5% yoy with an ASP of RMB12,383/m<sup>2</sup>. Sales growth is gradually picking up as the market recovers
- The Company increased focus on cash collection, realizing sales amount of RMB84.06 and sales area of 5,284,000 sq.m. on a 100% basis
- First half recorded cash collection of RMB68.26 bn on a 100% basis

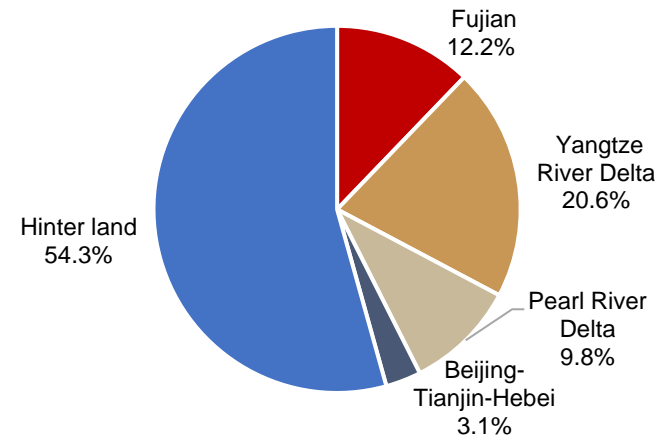
## Sales in 1H20 YOY

RMB 100 million



## Advanced Receipts from Customers (by Amount)

Advanced receipts of RMB84.3 bn at end of June, 2020



# Quality Creates Core Competitiveness

- Nearly 76 projects have been launched across the country under the concept of 'Green Wise Home' (绿色智慧家) and the Company has established its own Green Wise Home research institute. Through consistent product upgrades, the Company gained brand recognition by the market, which enables us **to charge price premium on several projects, achieving the creation of enhanced profits**
- Launched several landmark projects, such as Foshan Lvdao Lake (绿岛湖), Fuzhou Tanjing (檀境) and Nanjing Wenlanfu (文澜府). Significant premium has been charged on Project Foshan Lvdao Lake, which has realized transition from generation 1.0 to 2.0
- Given the intense competition for product quality in real estate, the Company has taken active measures to deal with the industry challenges through deepened cooperation with colleges and universities



Foshan  
Lvdao Lake (绿岛湖)



Shenzhen  
Tianyue (天悦)



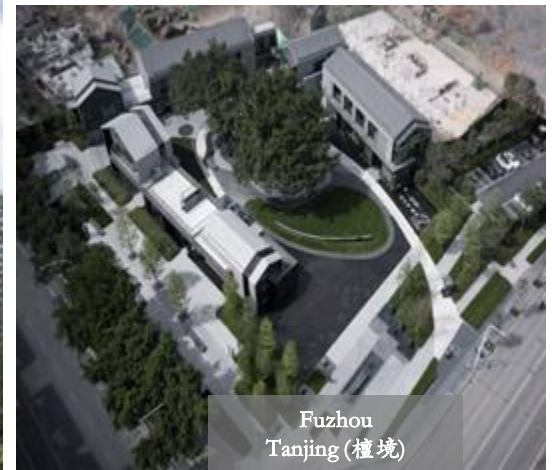
Chengdu  
Tianyue (檀悦)



Shaoxing  
Tianyuan (檀院)



Hangzhou  
Wenlanfu (文澜府)



Fuzhou  
Tanjing (檀境)

# Project Highlights (Dianchi Banshan, Wangxiang)



## ↑ Yango · Dianchi Banshan

Overlooking the vast 500-li Dianchi Lake and with the 80-li Western Mountains in sight, Yango's Dianchi Banshan is the only scenic property in the central area of Kunming that is embraced on three sides by green hills and one side by the sea. Covering an area of c. 667 mu, Phase I has been designed to create a romantic residence, highlighting a plot ratio of 1.2, a building density of 30% and a greening rate of 40%

## ← Yango · Wangxiang

Yango's Wangxiang has been designed to bring people closer to the mysterious nature with a combination of lake, mountain, waterfalls and forest roads. Covering an area of c. 310 mu, Phase I creates an ideal lifestyle for the future, highlighting a plot ratio of 1.05, a building density of 25% and a greening rate of 30%

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阳光城执行董事长

阳光版图

YANGU MAP



行研中心

YANGU



绿色健康·空气  
YANGU AIR



Section 5

## APPENDIX 2 – Debt Situation

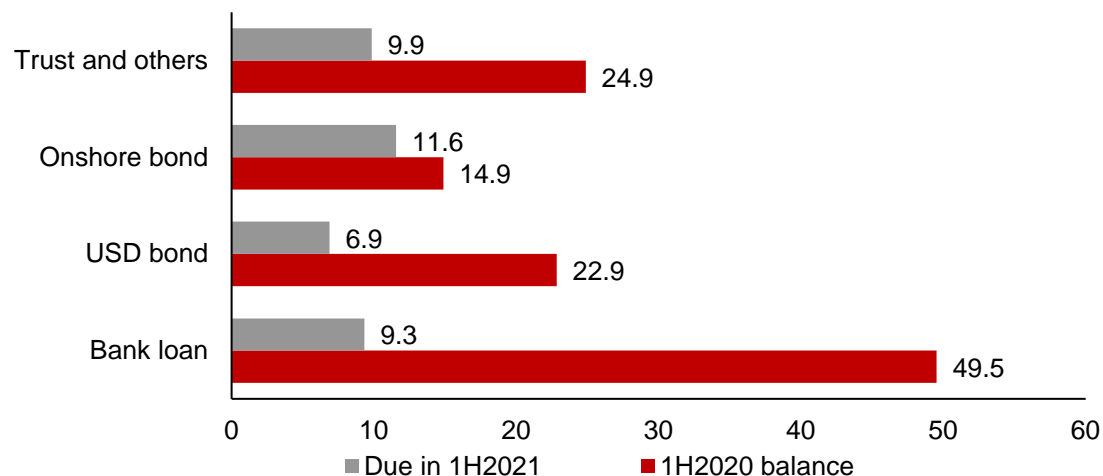
# 1H2020 Interest-Bearing Debt Maturity Profile

■ Totally, RMB37.7bn of debts will come due in 2020 with cash/short-term debt ratio of 1.28

Type	Sub-Type	1H2020 Balance (RMBbn)	% of Total
Bank Loan	Bank loan	49.5	44.2%
Bond	Onshore bond	22.9	20.4%
	Offshore bond	14.9	13.3%
Non-Bank	Trust and others	24.9	22.2%
<b>Total</b>		<b>112.2</b>	<b>100.0%</b>

## Debt Maturing in One Year

RMB bn



- RMB9.3bn of bank loans maturing in one year, which is highly likely to be refinanced
- RMB18.5bn of bonds will mature/become puttable in one year, with sufficient approvals received
- For non-bank loans, 40% will mature in one year. Non-bank financing will continue to be replaced that the percentage of non-bank loans relative to the total debts will further decrease



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阳光城执行董事长

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YANG MAP



品牌



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YANG AIR



2018年度业绩... 2019年度业绩... 2020年度业绩...

Section 6

## APPENDIX 3 – Details of Land Acquisition in 1H2020

# Yango Group's land acquisition in 1H20

Acquisition method	Month	City	Land No. or location	Attributable ratio	Total consideration (RMB00mn)	Attributable consideration (RMB00mn)	Site area (0'000 sqm)	Capacity building area (0'000 sqm)	Average land cost (RMB/sqm)	Land use
Public Auction	Jan.	Fuzhou	Minhou No. 2019-27	70%	5.0	3.5	5.8	13.3	3,757	Commercial & residential
Public Auction	Jan.	Nanping	Jiayang No.JY2019006	40%	6.8	2.7	6.9	13.8	4,929	Commercial & residential
Public Auction	Jan.	Hangzhou	CBD, East Dajiang, Qiantang New Area, Hangzhou	51%	7.2	3.6	2.9	7.4	9,623	Residential
Public Auction	Jan.	Taizhou	West to the Central Avenue and north to the Planned Road 1, Jiaojiang District, Taizhou City	30%	10.4	3.1	7.6	18.2	5,709	Commercial & residential
Public Auction	Jan.	Taizhou	East to Park Road and north to Xiaoxie Road, Luqiao District, Taizhou City	30%	7.2	2.2	11.8	20.6	3,491	Commercial & residential
Public Auction	Jan.	Changsha	[2019] Wangcheng District No. 037	51%	3.3	1.7	6.8	13.7	2,383	Residential
Public Auction	Feb.	Huizhou	Qiuchang Community, Huizhou District	100%	2.0	2.0	2.7	7.8	2,541	Commercial & residential
Public Auction	Mar.	Hefei	Binhu District, Hefei City, BK202001	47%	29.6	13.9	11.5	27.8	10,652	Commercial & residential and educational
Public Auction	March	Ningbo	Beilun District, Ningbo City, Plot No. BLZB09-04-02h	31%	9.8	3.0	3.6	7.7	12,824	Residential
Public Auction	March	Zhangzhou	Zhangzhou downtown, Plot No. 2020P03	50%	11.6	5.8	8.4	21.0	5,537	Commercial & residential
Public Auction	March	Wuxi	Starch factory plot	49%	11.6	5.7	4.2	9.3	12,548	Residential
Public Auction	March	Wuxi	Economic Zone, Plot No. XDG-2019-29	34%	30.0	10.3	8.4	16.7	17,988	Residential
Public Auction	April	Wenzhou	Danan Street, Lucheng District	49%	37.2	18.2	5.2	18.3	20,238	Commercial & residential

# Yango Group's land acquisition in 1H20

Acquisition method	Month	City	Land No. or location	Attributable ratio	Total consideration (RMB00mn)	Attributable consideration (RMB00mn)	Site area (0'000 sqm)	Capacity building area (0'000 sqm)	Average land cost (RMB/sqm)	Land use
Public Auction	April	Jian	DDA2020005	100%	2.8	2.8	2.5	5.5	5,018	Residential
Public Auction	April	Jingdezhen	DHA2020022	100%	5.7	5.7	7.2	15.8	3,625	Commercial & residential
Public Auction	April	Hangzhou	Xiaozhengchuchu, Plot No. [2020]16	31%	15.2	4.7	3.5	8.4	18,184	Residential
Public Auction	April	Fuyang	Fuyang No. [2019]-23	49%	10.9	5.4	10.5	25.2	4,344	Residential
Public Auction	April	Dongguan	2020WR005 Plot Changtang, Dalang Town	49%	17.1	8.4	3.7	9.7	17,562	Commercial & residential
Public Auction	April	Tianjin	Jinchenguang (gui) 2020-02	100%	3.9	3.9	1.8	3.5	10,969	Residential
Public Auction	April	Dalian	Project Harbin Road, Jinpu New Area, Dalian City	100%	1.7	1.7	1.6	3.6	4,825	Residential
Public Auction	May	Shenyang	No. JK2019-006, Plot Longsheng	100%	2.0	2.0	2.5	4.2	4,800	Commercial & residential
Public Auction	May	Jiaxing	Jiangkai No. 2020-04	100%	7.6	7.6	3.4	7.6	10,040	Commercial & residential
Public Auction	May	Urumchi	2020-C-075, Tianshan District, Urumchi	90%	4.4	3.9	5.9	11.7	3,731	Residential and other commercial and service land
Public Auction	May	Changzhou	North to West Qinglong Road, west to West Hengtanghe Road	51.00%	17.1	8.7	7.4	13.4	12,802	Residential
Public Auction	May	Shenyang	South to Zhixing Road, east to Wangli Street, Shenfu New Area	100.00%	4.1	4.1	21.2	37.1	1,114	Residential
Public Auction	May	Jinhua	North to Foreign Trade Avenue, Choujiang Community, Yiwu City	100%	31.0	31.0	11.9	27.4	11,332	Commercial & residential
Public Auction	June	Taian	Plot No. 2020-6	100%	5.8	5.8	4.8	5.2	11,072	Residential

# Yango Group's land acquisition in 1H20

Acquisition method	Month	City	Land No. or location	Attributable ratio	Total consideration (RMB00mn)	Attributable consideration (RMB00mn)	Site area (0'000 sqm)	Capacity building area (0'000 sqm)	Average land cost (RMB/sqm)	Land use
Public Auction	June	Foshan	TD2020 (NH) WG0013, Plot North Village, Yingbin Road, Shatou Community, Jiujiang Town, Nanhai District, Foshan City	100%	6.8	6.8	5.8	15.2	4,500	Residential
Public Auction	June	Foshan	TD2020 (SD) WG0012, Plot C2-1, East Side of Huayang Road, Chencun Town, Shunde District, Foshan City	100%	37.5	37.5	9.2	27.6	13,621	Residential
Public Auction	June	Hangzhou	Fuchun Plot No. 76	100%	19.6	19.6	8.4	20.6	9,489	Residential
Public Auction	June	Tianjin	Jinhaiheyuan (listing) 2020-008	51%	10.0	5.1	9.5	13.3	7,545	Residential
Public Auction	June	Guiyang	XW (20) 028/XW (20) 029/XW (20) 030/XW (20) 031	84%	3.4	2.9	26.0	26.0	1,320	Residential
Public Auction	June	Shanghai	Songjiang District G60 Brain Science and Intelligent Technology Innovation Base of Chinese Academy of Sciences (SJS90002 Unit No. 27-02)	100%	1.4	1.4	6.4	7.7	1,886	Commercial, residential & office
Public Auction	June	Shanghai	Fengxian New Town, Unit 18, Plot 06-B-03 (Xiaotang Road)	100%	15.7	15.7	5.0	8.9	17,605	Residential
Merger and acquisition	Jan.	Changsha	Plot west to Leigao Road, south to Guyuan Road, east to Lukai Road and north to Shanxing Road (not open to traffic yet)	100%	15.9	15.9	34.8	83.8	1,899	Commercial & residential
Merger and acquisition	Jan.	Nanchang	East to Jinshui Avenue and Hubin Road, south to reserve land, Linkong Community, Ganjiang New District,	37%	8.0	3.0	9.7	19.4	4,135	Residential
Merger and acquisition	Jan.	Changsha	West to Wanglei Avenue, north to Fenglin Road, south to Shanxing Road	100%	7.3	7.3	10.1	22.4	3,245	Commercial & residential

# Yango Group's land acquisition in 1H20

Acquisition method	Month	City	Land No. or location	Attributable ratio	Total consideration (RMB00mn)	Attributable consideration (RMB00mn)	Site area (0'000 sqm)	Capacity building area (0'000 sqm)	Average land cost (RMB/sqm)	Land use
Merger and acquisition	April	Taiyuan	Taiyuan HGZ-2002	38%	6.9	2.6	4.7	19.8	3,480	Commercial & residential
Merger and acquisition	April	Taiyuan	Taiyuan HGZ-2003	38%	2.1	0.8	1.7	7.0	3,054	Relocation
Merger and acquisition	May	Dongguan	2020WR001 Plot Tingshan Community, Houjie Town	33%	24.6	8.1	7.0	20.9	11,808	Commercial & residential
Merger and acquisition	May	Dongguan	2020WR004 Plot Wandao Road, Wanjiang Town	33%	16.3	5.4	2.8	9.8	16,725	Commercial & residential
Merger and acquisition	May	Wuhan	Plot No. P (2020) 017	50%	9.5	4.7	4.8	12.0	7,878	Residential
Merger and acquisition	May	Nanning	Nanning City, Stage 124, 2019, GC2019-127	51%	5.1	2.6	3.7	14.8	3,412	Commercial & residential
Merger and acquisition	May	Suzhou	South side of Xinyan Road and west side of Zuanshi Road, Weitang Town, Xiangcheng District	34%	14.5	4.9	5.2	13.1	11,110	Residential
Merger and acquisition	June	Suzhou	Chengxiang Town, Plot 2020-WG-5	33%	10.2	3.4	7.0	14.0	7,312	Residential
Merger and acquisition	June	Nantong	Tongzhou, Plot 2020-004	55%	3.6	2.0	2.3	3.9	9,235	Residential
Merger and acquisition	June	Hangzhou	Huafeng Lighthouse, Plot 03	18%	17.8	3.2	4.9	11.7	15,122	Commercial & residential
Merger and acquisition	June	Chongqing	Yubei District, Chongqing	30%	12.0	3.6	62.3	82.2	1,460	Commercial, School
<b>Total</b>					<b>549.2</b>	<b>328.0</b>	<b>404.6</b>	<b>827.5</b>	<b>6,636</b>	

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