



鑫苑置业  
XINYUAN REAL ESTATE

# Xinyuan Real Estate

2Q 2020  
Earnings Presentation

September 2, 2020

## Forward Looking Statements

Certain statements in this presentation constitute “forward-looking statements”. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements includes statements about estimated financial performance and sales performance and activity, among others, and can generally be identified by terminology such as “will”, “expects”, “anticipates”, “future”, “intends”, “plans”, “believes”, “estimates” and similar statements. Statements that are not historical statements are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including, but not limited to, our ability to continue to implement our business model successfully; our ability to secure adequate financing for our project development; our ability to successfully sell or complete our property projects under construction and planning; our ability to enter successfully into new geographic markets and new business lines and expand our operations; the marketing and sales ability of our third-party sales agents; the performance of our third-party contractors; the impact of laws, regulations and policies relating to real estate developers and the real estate industry in the countries in which we operate; our ability to obtain permits and licenses to carry on our business in compliance with applicable laws and regulations; competition from other real estate developers; the growth of the real estate industry in the markets in which we operate; fluctuations in general economic and business conditions in the markets in which we operate; and other risks outlined in our public filings with the Securities and Exchange Commission, including our annual report on Form 20-F for the year ended December 31, 2019. Except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statement is made.

# AGENDA

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**Financial Highlights**

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**Overseas Projects Update**

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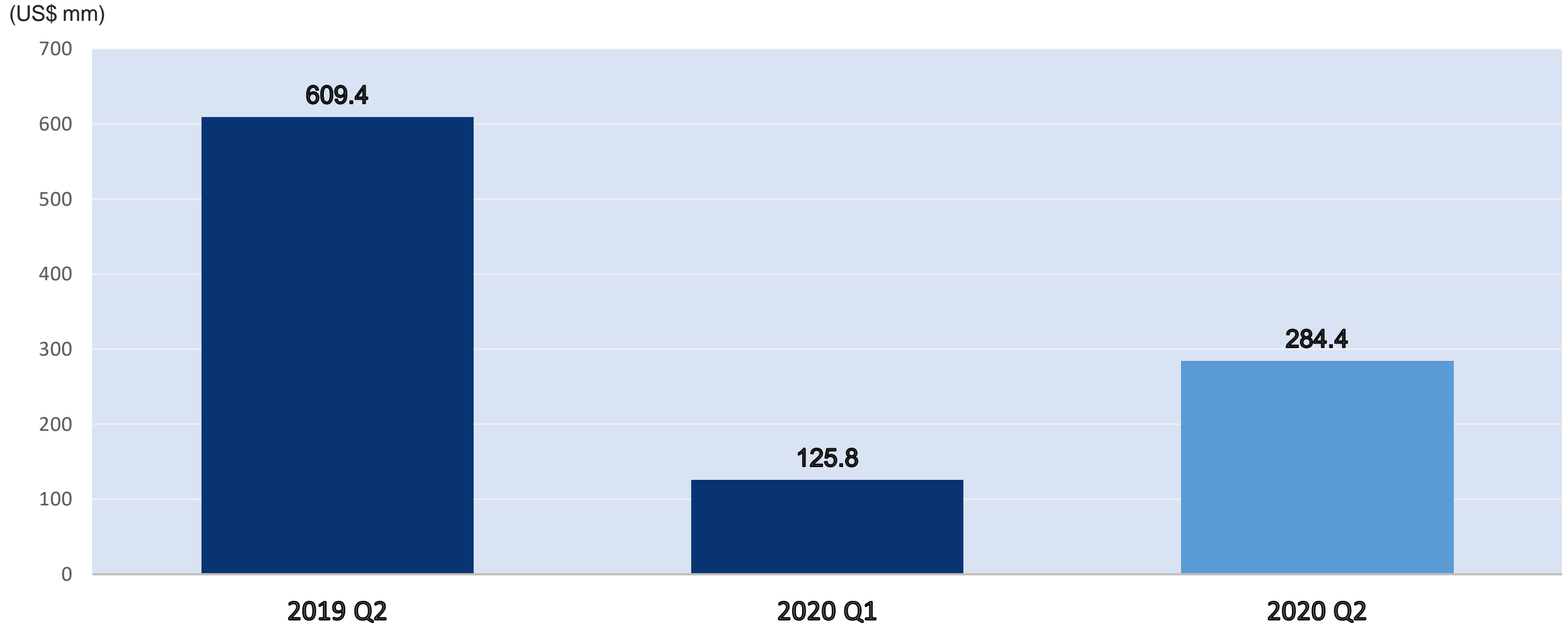
**Business Outlook**

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**Industry Overview**

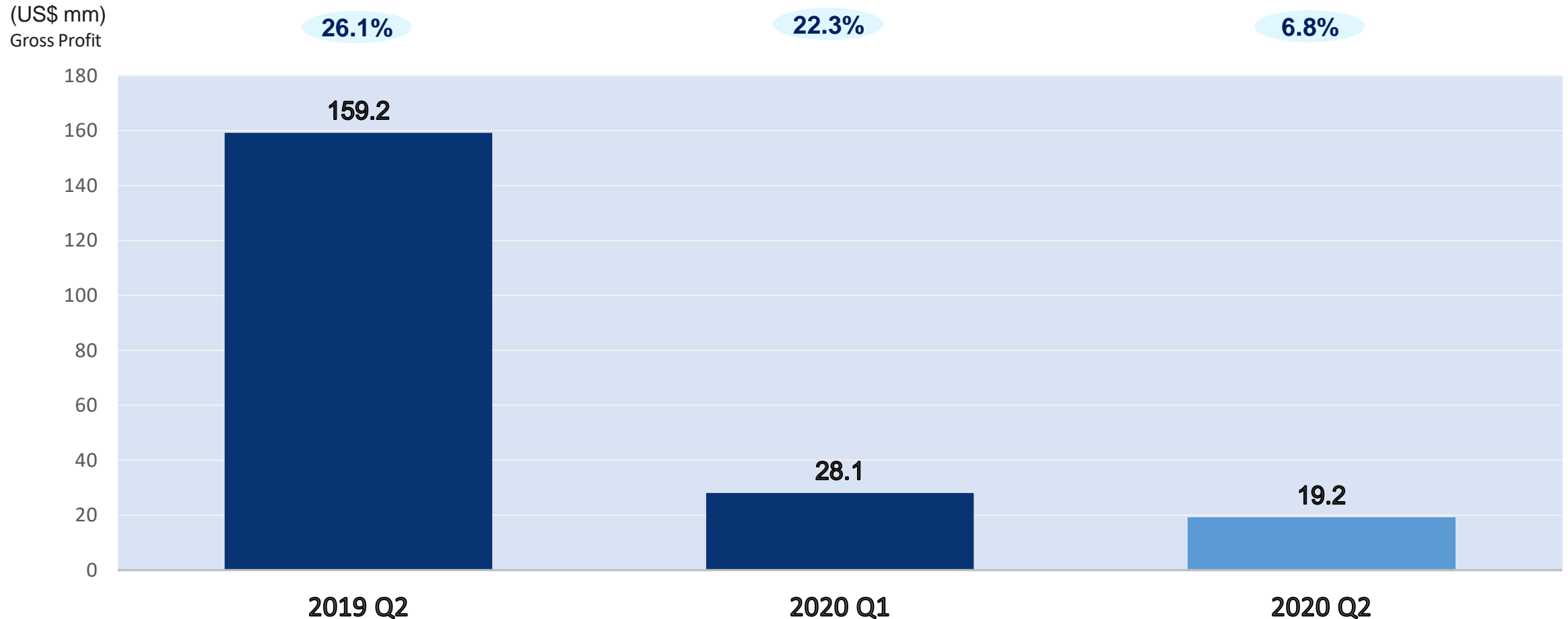
# Revenue

- Total revenues were US\$284.4 million in 2Q 2020, compared to US\$609.4 million in 2Q 2019 and US\$125.8 million in 1Q 2020.



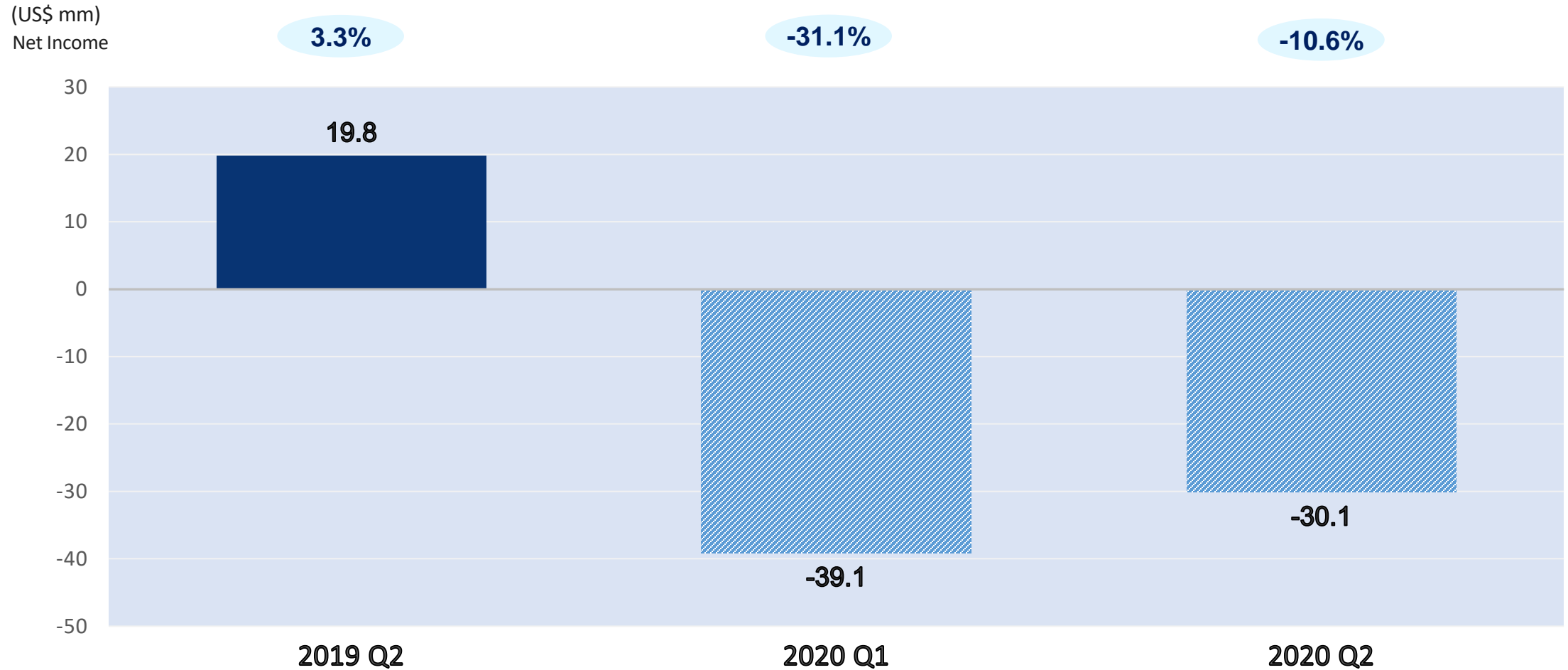
# Gross Profit

- Gross profit was US\$19.2 million in 2Q 2020, compared to US\$159.2 million in 2Q 2019 and US\$28.1 million in 1Q 2020.



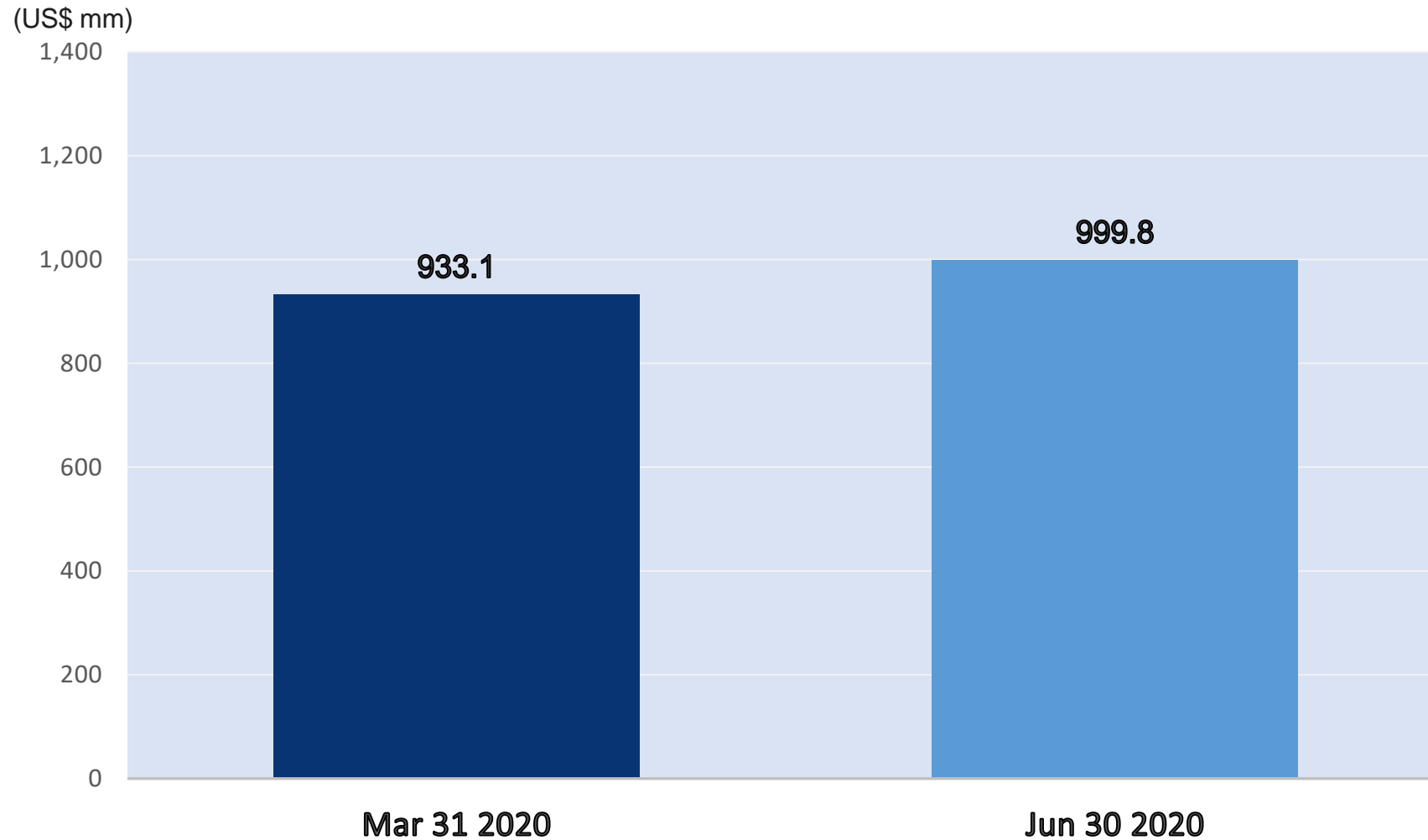
# Net Income/Loss

- Net loss was US\$30.1 million in 2Q 2020, compared to net income of US\$19.8 million in 2Q 2019 and net loss of US\$39.1 million in 1Q 2020.



# Cash and Cash Equivalents

- As of June 30, 2020, cash and restricted cash (including bank deposit for long-term debt) was US\$999.8 million, compared to US\$933.1 million as of March 31.

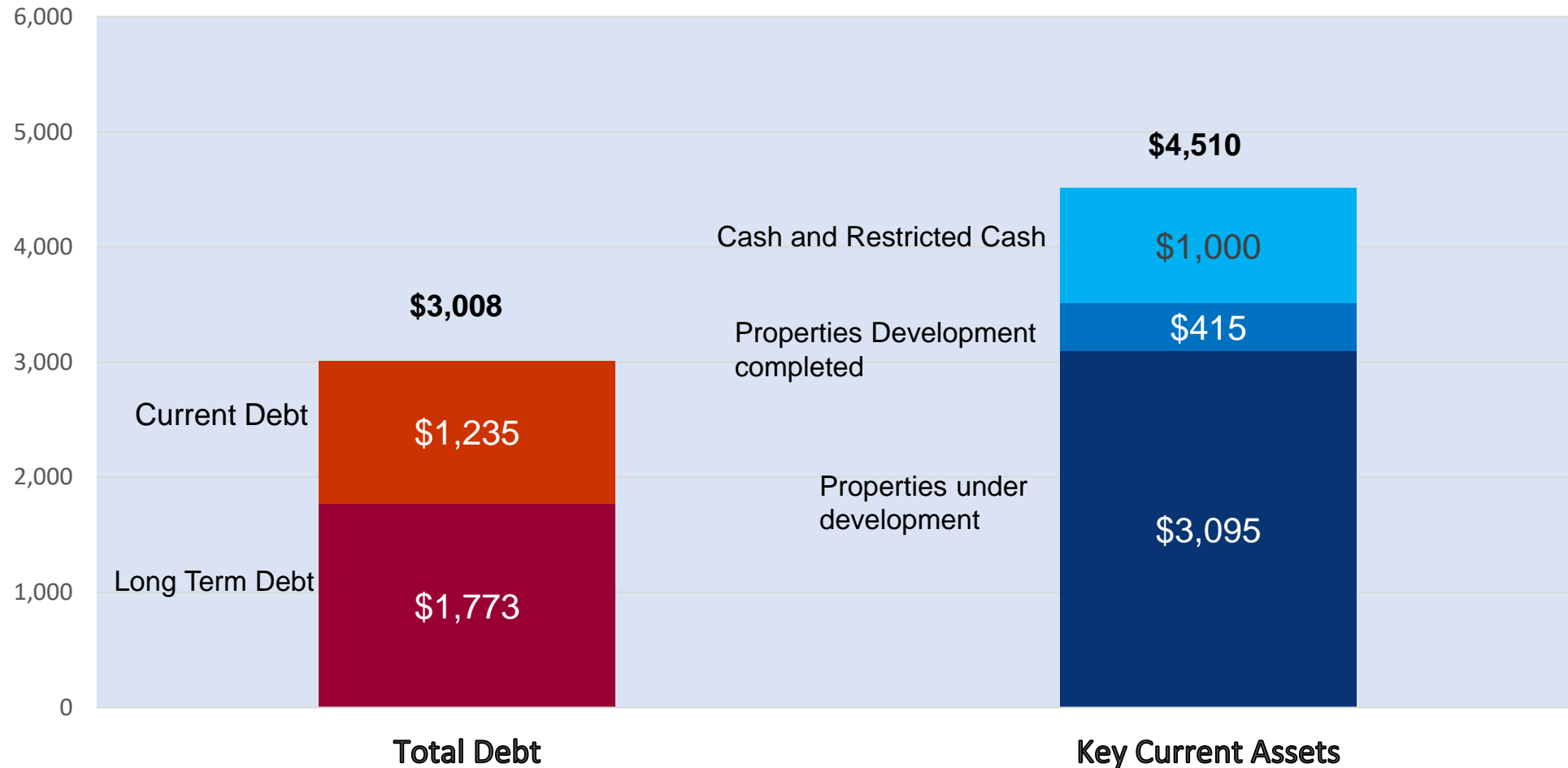


# Total Debt vs. Key Current Assets



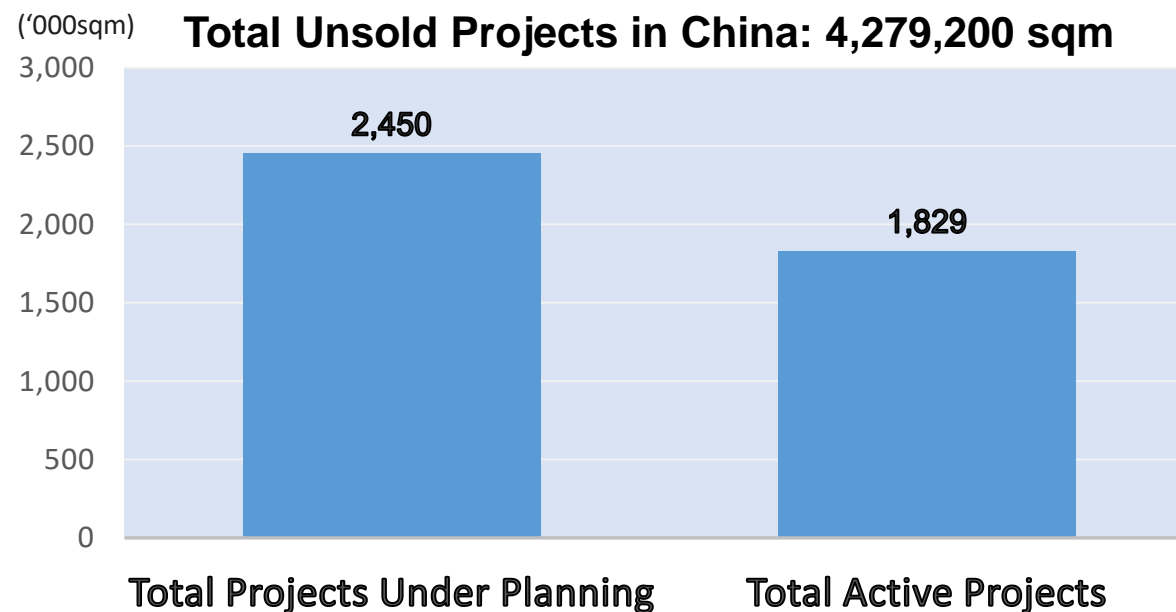
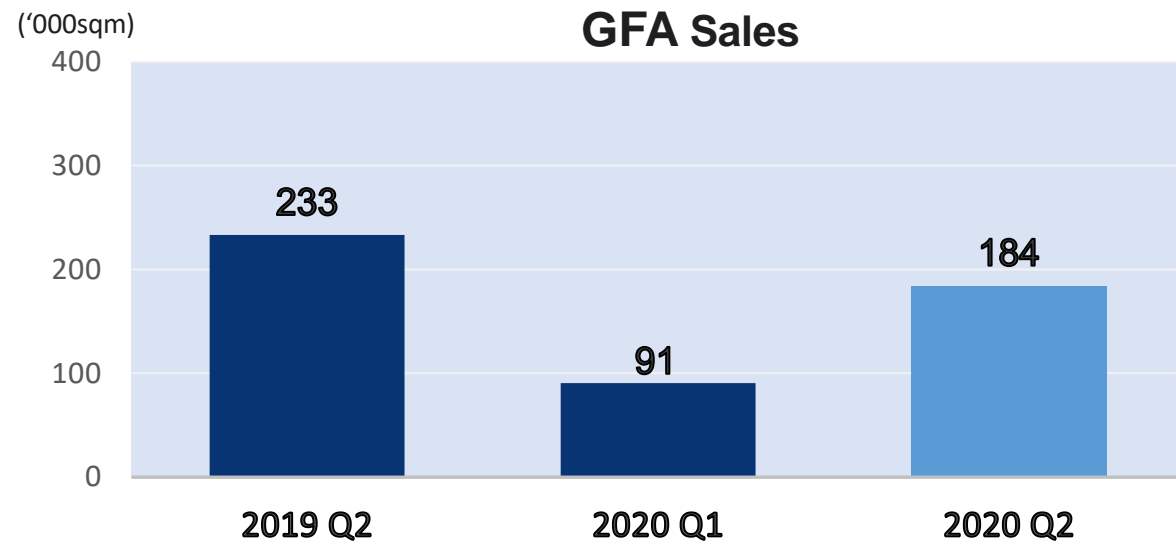
- As of June 2020, Cash and Restricted Cash was US\$ 999.8 million.
- In China, the real estate developers can do pre-sale. The average cash collection for properties under development is approximate 6-8 months conservatively. \$3.5 B properties would generate cash quickly.

(US\$ mm)



Source: Earning Release and Company Filings. As of Jun 30, 2020





Project Name	Location	Unsold GFA ('000sqm)
Tongzhou Xinyuan Royal Palace	Beijing	102.3
Xinyuan Chang'an Royal Palace	Xi'an	226.0
Zhengzhou International New City Land Bank (all land is grouped together and will be developed gradually)	Zhengzhou	879.3
Zhuhai Xin World	Zhuhai	70.0
Lingshan Bay Dragon Seal	Qingdao	383.1
Zhengzhou Hangmei Project Land Bank (all land is grouped together and will be developed gradually)	Zhengzhou	181.5
Wuhan Hidden Dragon Royal Palace	Wuhan	182.9
Dalian International Health Technology Town II	Dalian	34.4
Foshan Xinchuang AI International Science and Technology Innovation Valley II	Foshan	262.4
Taizhou Yihe Yayuan	Taizhou	128.1
<b>Total projects under planning</b>		<b>2,450.0</b>
<b>Total active projects</b>		<b>1,829.2</b>
<b>Total of all Xinyuan unsold projects in China</b>		<b>4,279.2</b>

# Update on Overseas Projects

As of June 30, 2020

## United States Real Estate Projects

- ❑ ***Oosten Project in Brooklyn, New York City***
  - 179 units out of 216 units were sold.
  - Revenue from this project has reached US\$261.0 million.
  - Of the remaining 37 unsold units, 23 are rented with lease terms ranging from 12-24 months.
- ❑ ***Hudson Garden Project, BLOOM ON FORTY FIFTH, in the Hell's Kitchen area of Manhattan, New York City***
  - The Company had completed superstructure construction, precast concrete facade, and window installation.
  - 28,090 square feet of the total sellable 34,903 square feet of retail/commercial space have been leased to the U.S. department store retailer Target for a 20-year term. Another 1,910 square feet space have been leased to a dermatologist's office for a 15-year term.
  - The construction is currently ahead of schedule and under budget. The onsite sales office and model apartments were fully furnished during 2Q 2020 and ready for showcase.
- ❑ ***RKO Project in Flushing, New York City***
  - The Company continued to execute on planning, governmental approvals, and pre-development activities.
  - GKV Architects were engaged to develop new architectural plans and completed schematic design, and the demolition is expected to be completed by the end of November 2020.

## United Kingdom Real Estate Projects

- ❑ ***The Madison Project in London***
  - Works on site continued to progress with a primary focus on internal fit out.
  - Construction is expected to complete in Q1 2021, assuming no further restrictions will be imposed.
  - All 104 Affordable Housing apartments in The Madison have been pre-sold; 144 apartments out of the remaining 319 apartments have been sold.



## The Company Expects:

01

**Contract Sales in 2020 at RMB20 billion to RMB22 billion.**

02

**Consolidated Net Income in 2020 similar to 2019.**

# Major Growth Drivers in China

## Continuation of urbanization:

- China's urbanization rate reached 60.6% in 2019, which was the goal originally set for 2020 according to the *New National Urbanization Plan (2014-2020)*.
- Hukou reform, removal of the one-child policy and formation of the resource-sharing and economically connected metropolitan clusters further accelerate urbanization and increase housing demand.

## Increasing investment in real estate:

- Total real estate investment increased to RMB 13,219 billion in 2019 from RMB 9,504 billion in 2014.
- As residential property owners do not pay property tax, the continuously increasing ASP of residential property attracts more people to invest before it gets even higher.
- People who work in top-tier cities tend to invest in real estate properties for value appreciation.
- Growing disposable income allow urban residents to buy and upgrade housing.

## Government regulations:

- A series of government policies were introduced to assure first-time buyers and upgraders a fair chance to purchase houses.

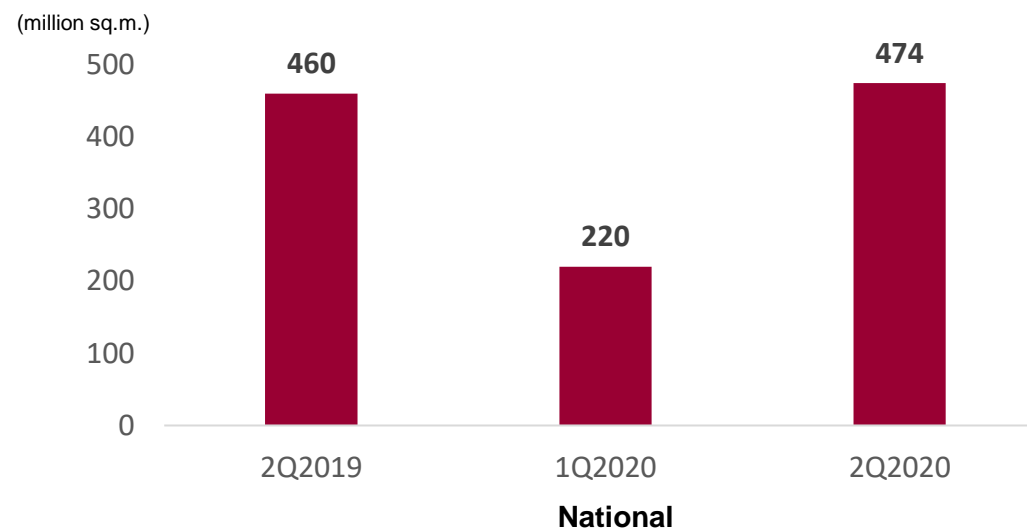
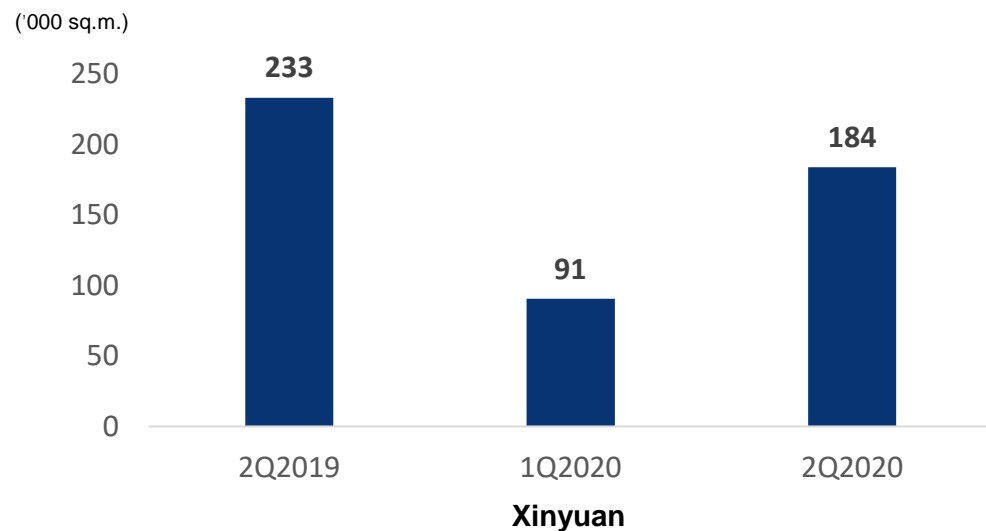
Selected Indicators	2014	2015	2016	2017	2018	2019	2014-2019 CAGR
Urbanization rate	54.8%	56.1%	57.4%	58.5%	59.6%	60.6%	N/A
Total real estate investment (RMB billion)	9,504	9,598	10,258	10,980	12,026	13,219	6.8%
Total GFA under construction (million sq.m.)	7,265	7,357	7,590	7,815	8,223	8,938	4.2%
Total GFA sold (million sq.m.)	1,206	1,285	1,573	1,694	1,717	1,716	7.3%
ASP of real estate property (RMB per sq.m.)	6,324	6,793	7,476	7,892	8,738	9,310	8.0%
ASP of residential property (RMB per sq.m.)	5,933	6,473	7,203	7,614	8,544	9,287	9.4%
Per capita disposable income of urban residents (RMB)	28,844	31,195	33,616	36,396	39,251	42,359	8.0%

# Chinese Real Estate Industry Overview



Selected National Indicators	1H 2020	YoY Change
Total real estate investment (RMB billion)	6,278	1.9%
Total real estate investment - residential (RMB billion)	4,635	2.6%
Total GFA under construction (million sq.m.)	7,927	2.6%
Total GFA under construction - residential (million sq.m.)	5,588	3.8%
Total GFA newly started (million sq.m.)	975	-7.6%
Total GFA newly started - residential (million sq.m.)	716	-8.2%
Total GFA completed (million sq.m.)	290	-10.5%
Total GFA completed - residential (million sq.m.)	207	-9.8%
Total GFA sold (million sq.m.)	694	-8.4%
Contract Sales (RMB billion)	6,690	-5.4%

**In 2Q 2020, Xinyuan's GFA sales increased 103.3% quarter-over-quarter, while National GFA sales increased 115.8%.**



# Investment Opportunity

- Government regulations on stabilizing housing price continue to be effective, which will allow more consumers to purchase and upgrade.
- A relatively lower P/B ratio of 0.17 and P/E ratio of 1.49 indicate the greater potential and lower risk to invest in Xinyuan for the long-term.

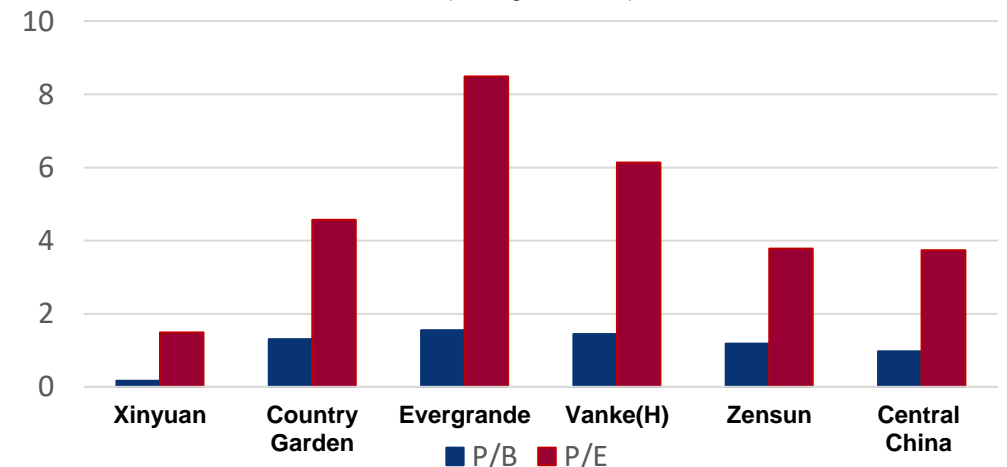
## June New Residential Property Sales Price Index

City	Chain Index	YoY Base	Fixed Base
	May 2020=100	June 2019=100	Yr. 2015=100
Beijing	100.4	103.6	145.6
Tianjin	100.6	100.0	133.2
Dalian	100.9	105.0	140.7
Shanghai	100.5	103.7	153.1
Jinan	100.3	96.9	141.4
Qingdao	100.8	102.5	140.5
Zhengzhou	100.4	99.6	144.4
Wuhan	101.4	107.9	164.1
Changsha	101.4	105.4	151.3
Chengdu	100.9	110.0	160.1
Xi'an	100.8	107.8	174.1
Sanya	100.3	104.1	155.0

## Sweetome Hurun Global House Price Index 2019

City	2019 World Ranking	2018 World Ranking	2019 Sales Price Change	2018 Sales Price Change
Xi'an	3	3	19.7%	14.6%
Wuhan	13	N/A	12.0%	4.1%
Chengdu	16	N/A	11.8%	5.6%
Dalian	19	11	11.0%	12.6%
Jinan	21	N/A	10.4%	6.9%
Qingdao	28	40	9.5%	7.6%
Sanya	29	15	9.3%	11.9%
Changsha	46	37	7.3%	7.7%

## P/B & P/E Ratio (Trailing 12 Months)



**Note:** Sweetome Hurun Global House Price Index 2019 published in February 2020.

P/B and P/E ratio data generated from Eikon as of August 21, 2020.

A chain index is an index number in which the value of any given period is related to the value of its immediately preceding period (resulting in an index for the given period expressed against the preceding period = 100)

**Source:** Eikon, National Bureau of Statistics of China



Thank You!

