



DIT Group Limited

2020 Interim Results Presentation



August 2020

Disclaimer

These materials have been prepared by JS Global Lifestyle Company Limited ("JS Global" or the "Company") solely for use at this presentation to research analysts, for information purposes only, and have not been independently verified. No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness, completeness or correctness of the information, opinions, estimates, forecasts or projections presented or contained in these materials. None of the Company, the Joint Sponsors, the Joint Bookrunners, or any of their shareholders, directors, officers, employees, advisers or representatives or any of their respective affiliates shall have any liability whatsoever, as a result of negligence or otherwise, for any loss howsoever arising from any information, opinions, estimates, valuations and projections presented or contained in these materials. The information, opinions, estimates, valuations and projections presented or contained in these materials are subject to change without notice, and shall only be considered current as of the date hereof. These materials contain statements that reflect the Company's intentions, beliefs or expectations about the future or future events as of the respective dates indicated therein ("forward-looking statements"). These forward looking statements are based on a number of assumptions about the Company's operations, its future development plans, market (financial and otherwise) conditions, growth prospects and certain plans and objects of the management of the company, and are subject to significant risks, uncertainties and other factors beyond the Company's control, and accordingly, actual results may differ materially from these forward-looking statements. You should not take any forward-looking statements contained in these materials regarding past trends or activities as a representation that such trends or activities will continue in the future. Each of the Company, the Joint Sponsors and the Joint Bookrunners expressly disclaim any obligation to update these forward-looking statements for events/or circumstances that occur subsequent to such dates.

These materials do not constitute or form part of and should not be construed as, an offer or invitation to acquire, purchase or subscribe for any securities nor are they calculated to invite any such offer or invitation. In particular, these materials do not constitute and are not an offer to sell or a solicitation of any offer to buy securities in Hong Kong, the United States or anywhere else. No part of these materials shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The securities referred to herein have not been, and will not be, registered under the US Securities Act of 1933 ("the Securities Act") may not be offered or sold in the United States without registration under the Securities Act or an applicable exemption from such registration. In Hong Kong, no securities of the Company may be offered to the public unless a prospectus in connection with the offering for sale or subscription of such securities has been authorized by The Stock Exchange of Hong Kong Limited for registration by the Registrar of Companies of Hong Kong under the provisions of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), and has been so duly registered. Otherwise, without due registration, a prospectus must not be distributed, issued or circulated in Hong Kong. The prospectus and international offering circular of the Company in connection with the offering in the United States or Hong Kong or elsewhere will contain detailed information about the Company and its management as well as the financial statements of the Company. Nothing in these materials constitutes or forms any part of an offer of securities for sale in the United States, Hong Kong or any other jurisdiction, nor does it constitute or form any part of an invitation by or on behalf of the Company, its subsidiaries or affiliates or the Joint Sponsors or the Joint Bookrunners or any of their respective affiliates, advisers or representatives to subscribe for or purchase any securities. Any decision to purchase securities in the offering should be made solely on the basis of the information contained in the prospectus or international offering circular to be published in relation to the offering.

These materials and the information presented orally or otherwise forms a part of the "Confidential Information" as defined in the confidentiality agreement previously signed by you are highly confidential, are being given solely for your information and for your use only in connection with the proposed offering and preparation of analyst reports. The information contained herein may not be copied, reproduced, redistributed, published or otherwise disclosed, directly or indirectly, in whole or in part, to any other person (whether within or outside your organization / firm) in any manner. By attending this presentation, you are agreeing to maintain absolute confidentiality regarding this presentation and the information disclosed in these materials.

Neither these materials nor any part or copy of them may be taken or transmitted into or distributed in or into, directly or indirectly, the United States of America (including its territories and possessions, any State of the United States and the District of Columbia). Any failure to comply with these restrictions may constitute a violation of relevant securities laws. The distribution of these materials in other jurisdictions may be restricted by law, and persons into whose possession these materials come should inform themselves about, and observe, any such restrictions. The materials are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident in any jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.



Contents

01

Financial Review

02

Business Review

03

Market Outlook

04

Development Strategies



Chapter 1

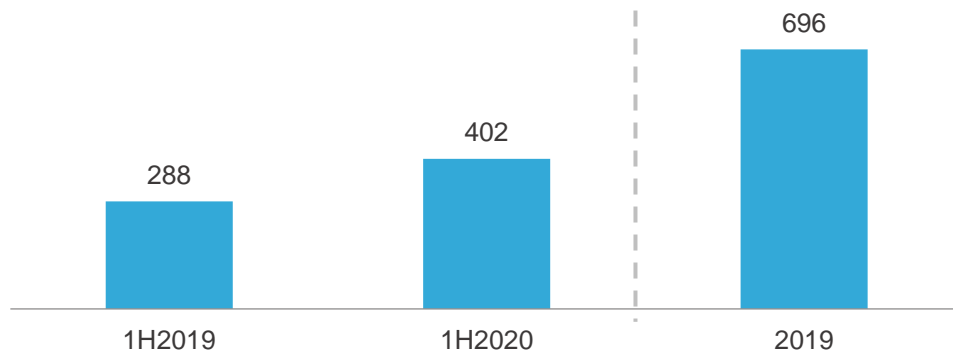
Financial Review



Income Statement of 2020 Interim

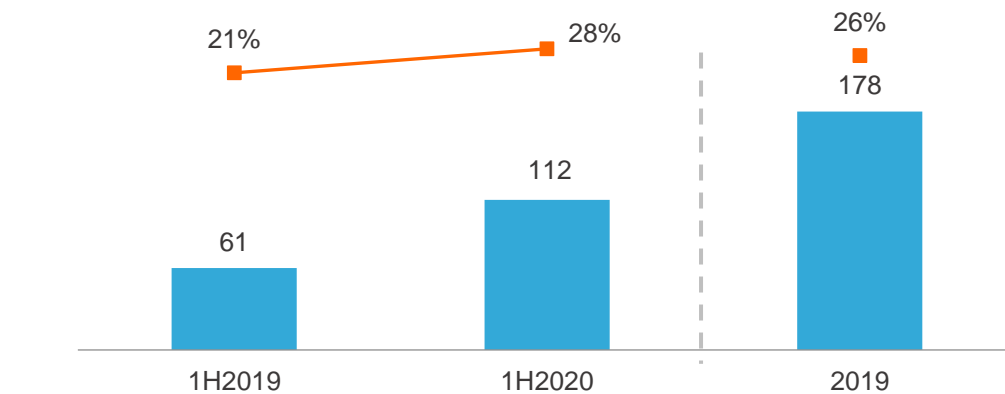
Revenue

HKD mn



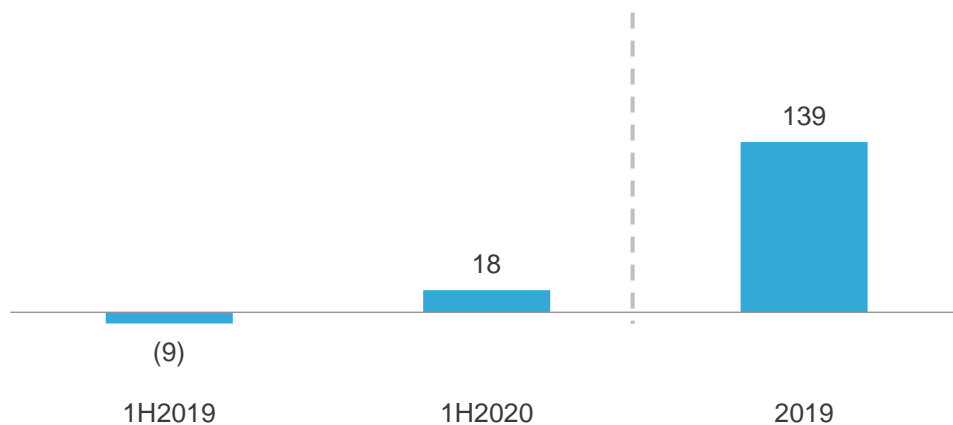
Gross Profit & GP Margin

HKD mn



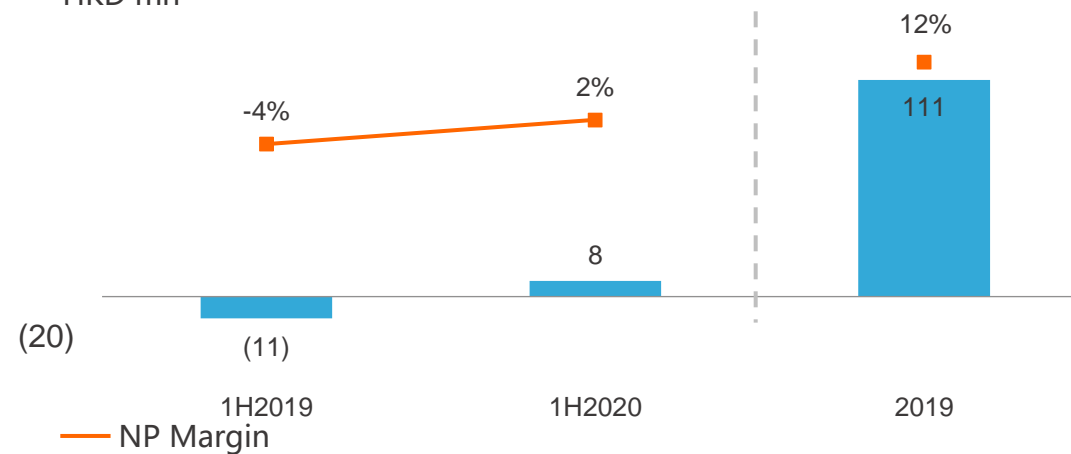
Profit before Tax

HKD mn



Net Profit Attributable to Shareholders & NP Margin

HKD mn



Balance Sheet

- Gearing ratio below industry average

| (HKD' 000) | As at 30 Jun 2020 | As at 31 Dec 2020 | As at 30 Jun 2019 |
|--|-------------------|-------------------|-------------------|
| Total Assets | 3,761,708 | 3,466,997 | 3,309,715 |
| Total Equity | 2,417,258 | 2,419,043 | 2,357,696 |
| Total Liabilities | 1,344,450 | 1,047,954 | 952,019 |
| Cash & Cash Equivalents | 74,520 | 82,415 | 37,675 |
| Restricted Cash | 177,815 | 124,371 | 134,791 |
| Net Assets | 2,417,258 | 2,419,043 | 2,357,696 |
| Gearing Ratio (%) (Total Liabilities/Total Assets) | 36% | 30% | 29% |
| Net Gearing Ratio (%) (Net Liabilities/Total Equities) | 18% | 12% | 15% |



Chapter 2

Business Review



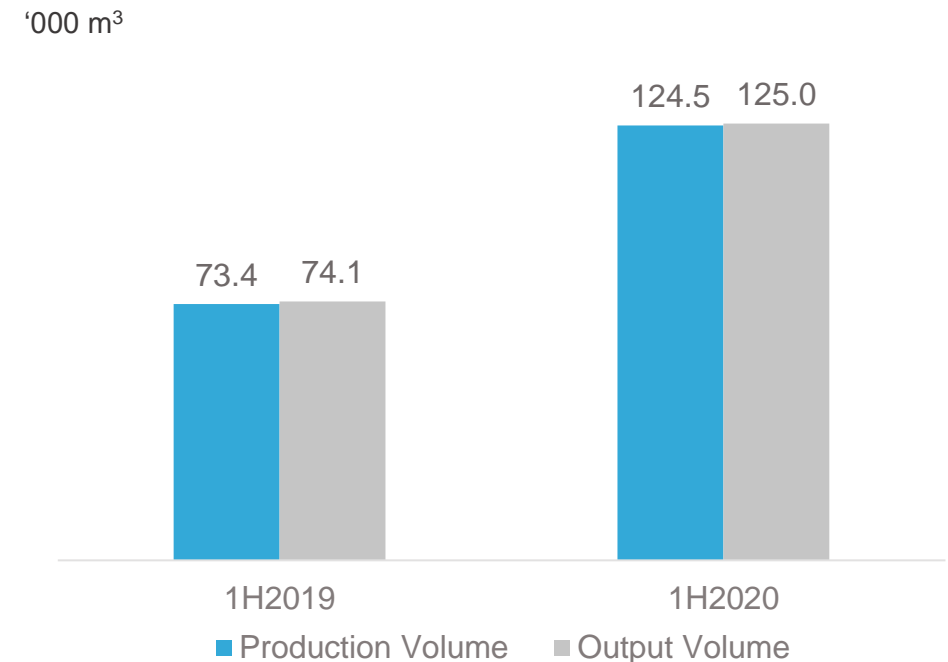
PC Manufacturing Business

- As at 30 Jun 2020, we ran **9** self-operated PC plants, **8** franchised plants and **several** plants under our management (asset-light plants) .
- In 1H2020, the Group delivered products of **125,100** m³, and the production volume reached **124,500** m³, a y-o-y increase of **70%**. The utilization rate increased to 39% from 26% in 2019.

In 1H2020, utilization rate has increased from 26% last year to 39%

| # | Plant | Production Capacity ('000 m ³) | Production Output Rate | |
|---|-----------|--|------------------------|----------------------|
| | | | As at 30 Jun 2020 | As at 31 Dec 2019 |
| 1 | Changsha | 60 | 63% | 42% |
| 2 | Nanjing | 120 | 31% | 50% |
| 3 | Hengyang | 70 | 4% | 13% |
| 4 | Huizhou | 70 | 19% | 18% |
| 5 | Hefei | 80 | 42% | 30% |
| 6 | Foshan | 60 | 32% | 31% |
| 7 | Xiangtan* | 60 | 60% | 13% |
| 8 | Jiaozuo* | 60 | 90% | 17% |
| 9 | Kunshan | 60 | 25% | 30% |
| | Total | 640 | 39% | 26% |

Production volume increased by 70% y-o-y



*Commenced operation since Jun 2019

Rapid response to the epidemic as an indicator of strong capability

Prevention measures to maintain zero infection among staff

- Since the outbreak of Novel Coronavirus in late Jan, the Group has strictly taken all infection control measures in accordance with national guidelines, maintaining **zero infection** among staff.

Proactively facilitated production resumption by fostering a virus-free working environment

- The Group actively resumed work and production, as a result, multiple industrial plants have been back in operation in since 10 Feb.
- CCTV News reported the work resumption case of Jiaozuo factory, in which the supply to key construction projects in Henan Province was secured.

PC production volume increased by 70% in 1H 2020 against all odds

- Some plants have reached a monthly capacity utilization rate of **more than 100%**
- Accumulated production volume of PC plants nationwide exceeded **125,000 m³**, representing a y-o-y growth of **70%** from 73,000 m³ for the same period of last year; capacity utilization rate increased from 26% last year to **39%**



Achieved all-round cost reduction and efficiency enhancement

Effective cost reduction achieved amidst severe impacts of the pandemic

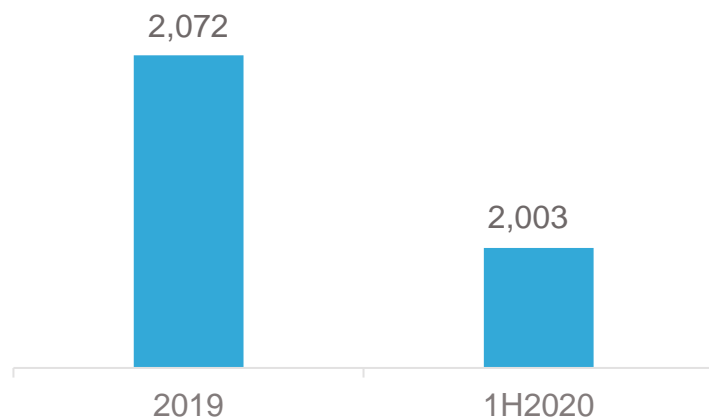
- Severely affected by the epidemic in 1Q 2020, the unit cost in 1H 2020 was reduced to RMB2,003/m³, decreased by **7% y-o-y**, 3% compared to RMB2,072/m³ for the full year of last year. The unit cost of some plants have dropped to less than RMB1,700 /m³.

Enhanced the full automation level of PC unit production line

- Successfully installed the **first** environmentally friendly PC mold automatic cleaning equipment in China to extend service life of the moulds; reduce its cost of use, and improve the production quality of PC Units

The unit cost/m² decreased by 3% compared to that of 2019 full year

RMB/m³



Leading industrial development with the support of controlling shareholder

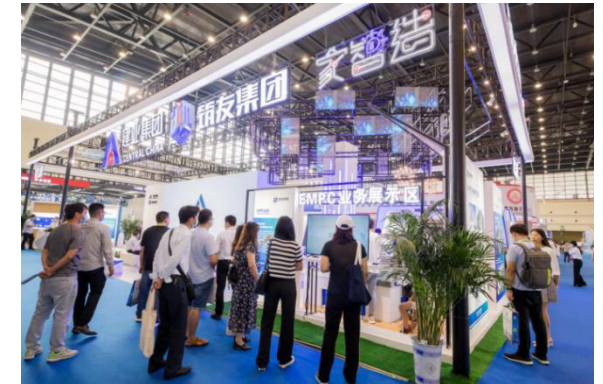
Drawin Group, parent company of DIT, signed strategic cooperation agreement with Tentimes Group to promote industrialization of construction

- Our parent company Drawin Group signed a strategic cooperation framework agreement with Tentimes Group on the later stages of **EMPC, the supply of PC components, purchase of industrial lands and joint development of property projects**, representing the two parties' joint effort to build a platform for the modernization of the construction industry.



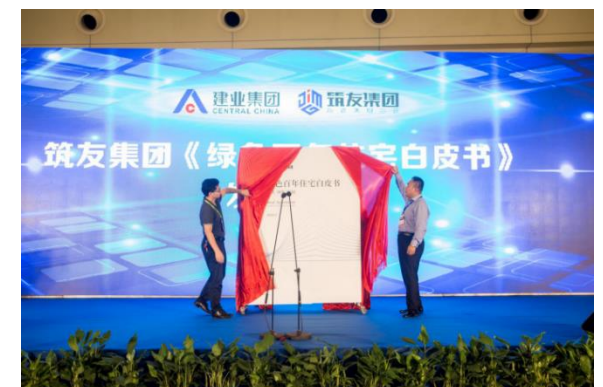
DIT participated in Zhengzhou Building & Construction Fair 2020, marked the debut of 'Intelligent Home' strategy

- DIT, together with the parent company participated in the Zhengzhou Building & Construction Fair 2020, launching the first-ever 'Intelligent Home' strategy with a mission of building an innovative yet synergetic mode of whole industrial chain. The white paper 'Green Century Residence' published also showcased the success achieved in the 3rd generation of intelligence PC factory, intelligent residence, driving the Industrialization of Prefabricated Construction.



Controlling shareholder increased stakes to demonstrate the business value

- Mr. Wu Po Sum, the controlling shareholder, increased his stake in the company with a total consideration of approx. HK\$303 mn, demonstrating **full confidence** in the group's prospects and value.



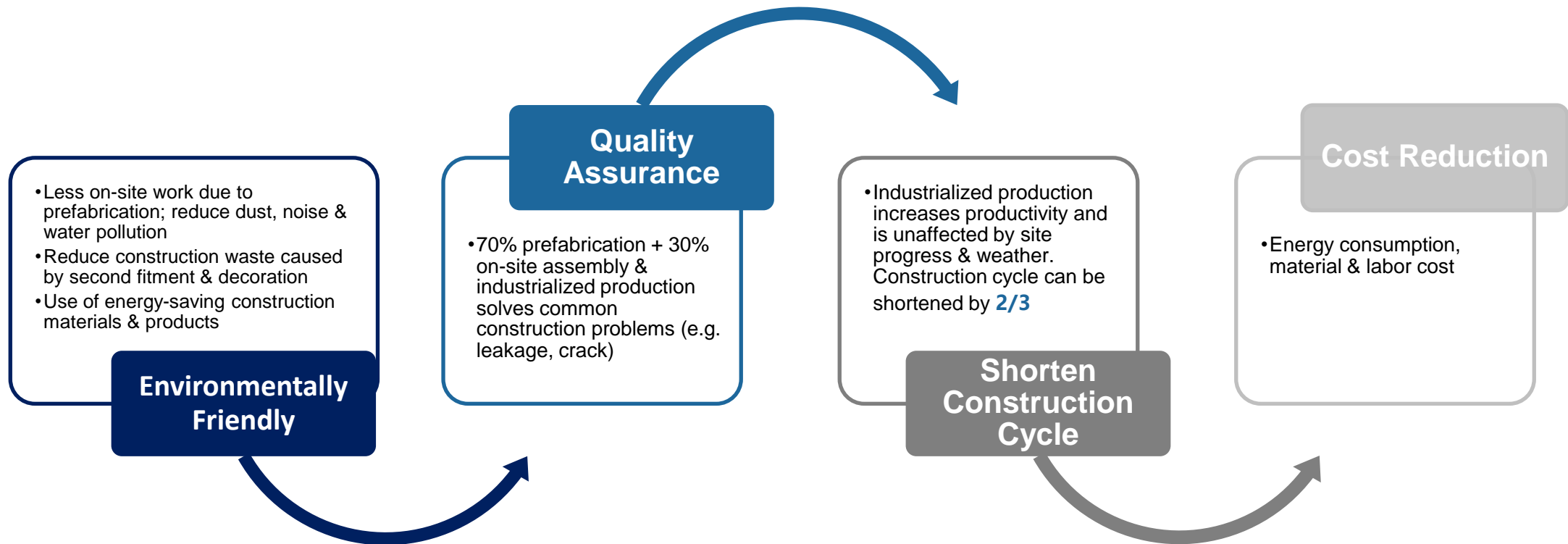
Chapter 3

Market Outlook



Prefabricated & Industrialized Construction – A High-Tech Based Industry

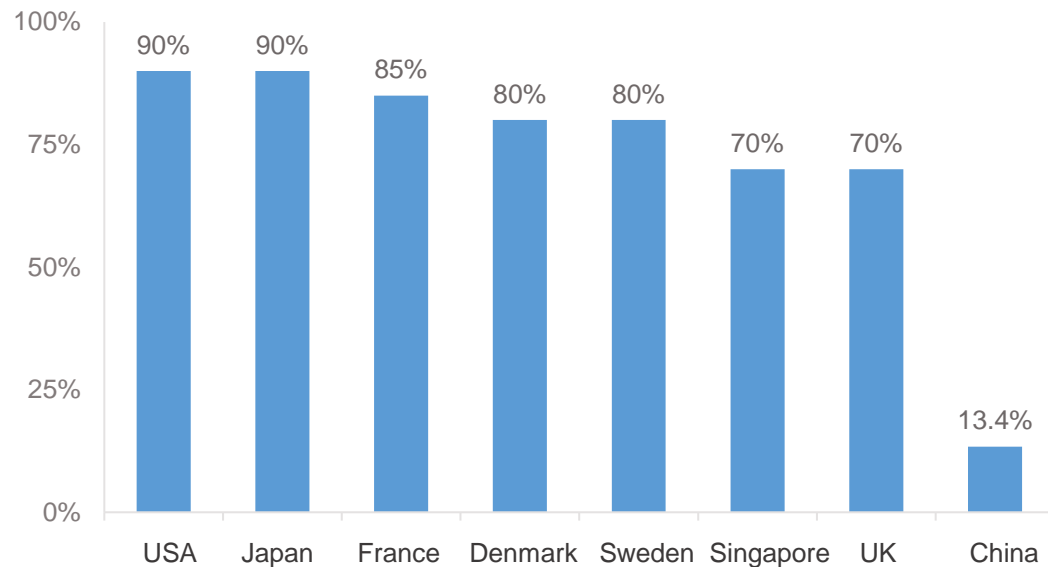
- A sustainable & green construction method emphasizes on prefabrication & industrialized production and integrates the entire construction industrial chain, i.e. R&D, design, manufacture, logistics & assembly
- Compared with traditional construction, prefabricated construction produces high-quality product with lower cost, by applying integrated design, precise manufacture, and real time SOP management



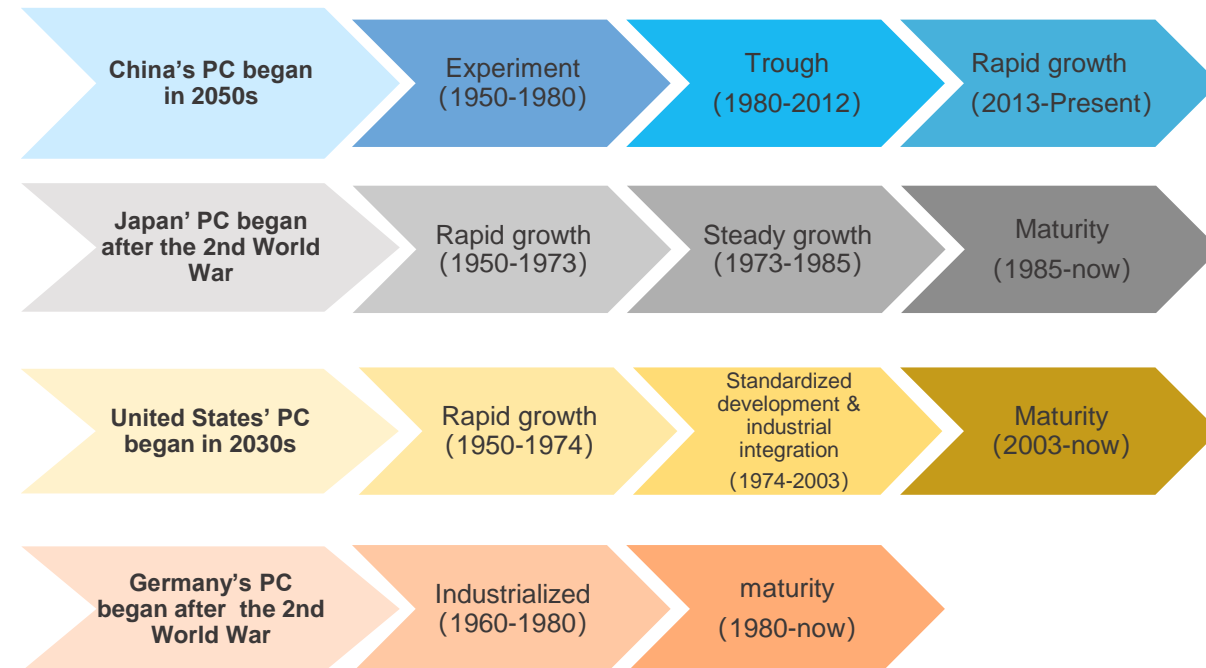
Accelerating development of China's prefabricated construction, but still lagging behind as compared with matured markets

- In 2019, the new PC gross floor areas ("GFA") nationwide reached 420 mn m², an increase of 45% compared to 2018, accounting for approx. **13.4%** of the newly built GFAs.
- The precast penetration in China has increased rapidly since 2014, but compared to the 70% or above penetration rate in major countries, a large gap remains

Penetration rate of China's PC in 2019 at approx. 13.4%, much lower than that in the matured markets

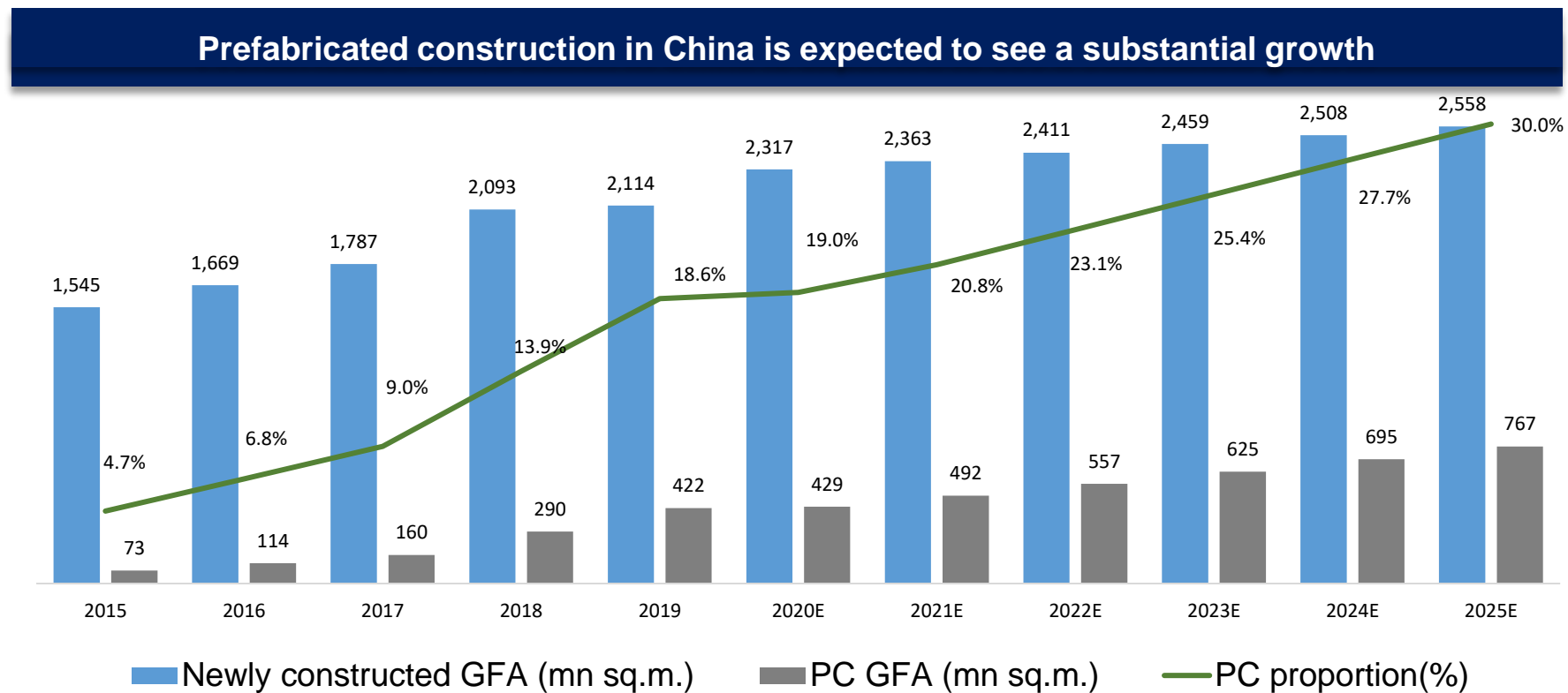


PC's development timeline of different countries



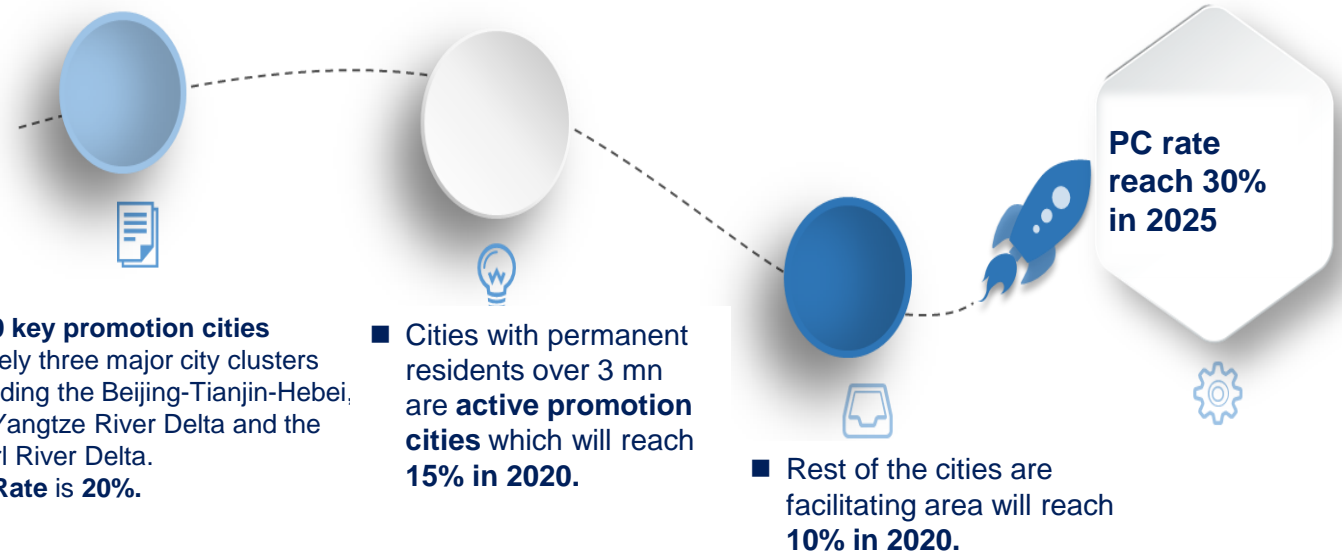
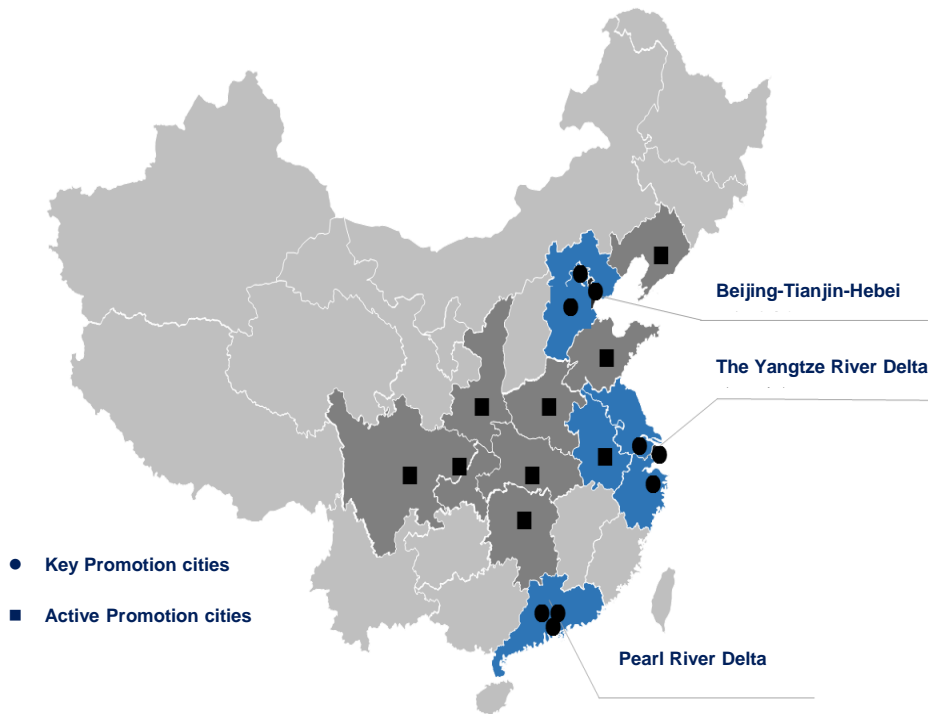
PC Construction as a core to China's construction industrialization development with huge market potential

- The Ministry of Housing and Urban-Rural Development has published the "13th Five-year Plan Prefabricated Construction Action Plan", which expressly stipulated that PC GFA should contribute **25%** of newly constructed GFA by **2023**, and 30% by **2025**. It is estimated that the proportion of PC GFA will **increase by 2%-3% annually** in the next few years.



Strong policy support from the state to local governments, requirements of local level higher than national level

- Local governments have launched supportive policies following the “13th Five-year Plan Prefabricated Construction Action Plan” issued by the Ministry of Housing and Urban-Rural Development



Strong policy support from the state to local governments, requirements of local level higher than national level (Cont'd)

Regions with stronger economy put forward higher requirements for the development of prefabricated construction

- The minimum penetration rate of prefabricated construction in Beijing, Jiangsu, Zhejiang is expected to reach **30%** by 2020
- The PC penetration rate in Jiangsu is expected to reach **50%** by 2025

By 2025, PC penetration rate on provincial level is expected to reach at least 36.2%

- The penetration rate of PC on local level is expected to reach at least **18.6%** in 2020 and at least **36.2%** in 2025, which is higher than the national policy requirements

Provincial and municipal weighted calculation indicates that the local PC GFA penetration requirements are higher than the national level

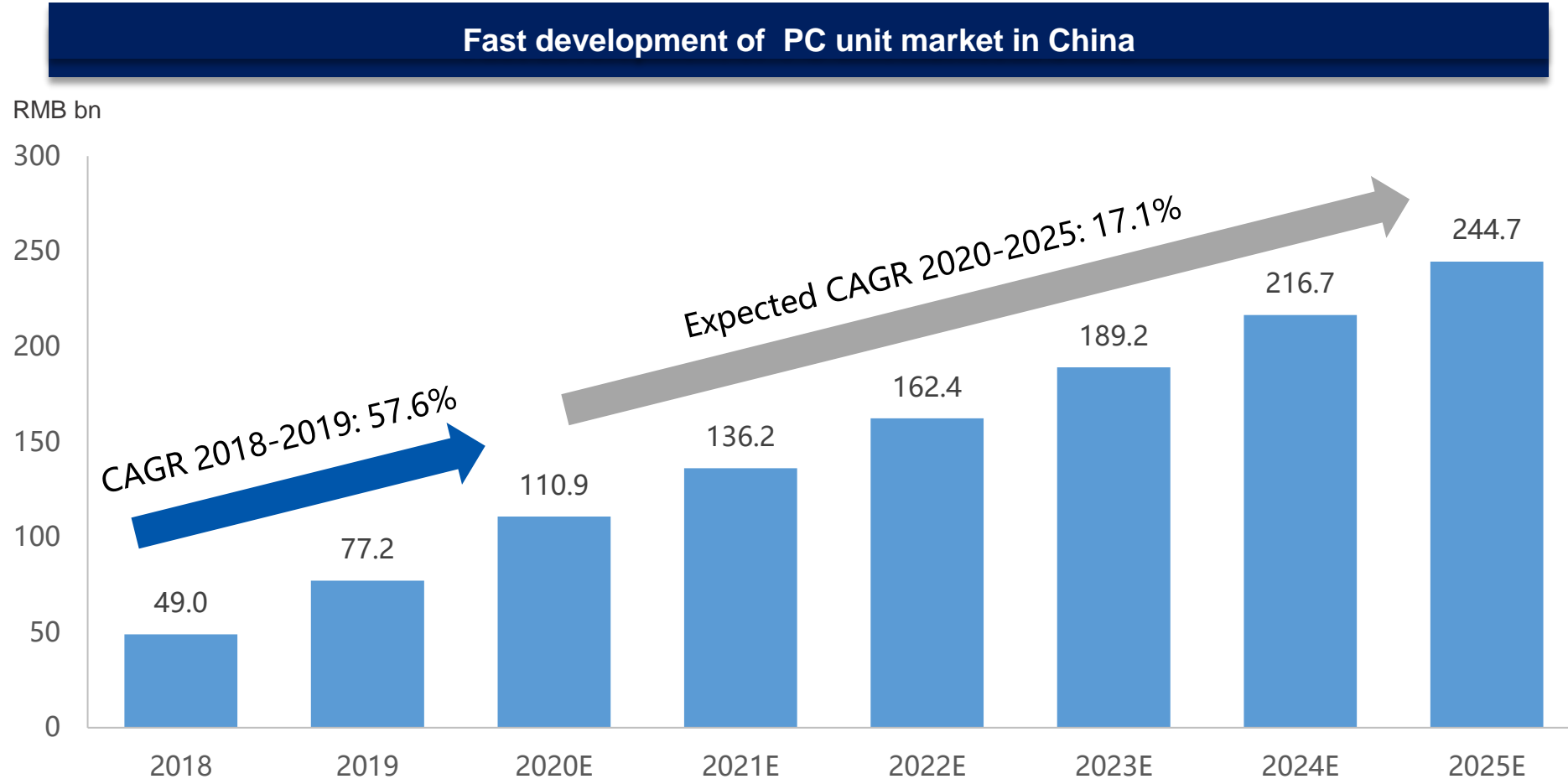
| Region | 2020 min. penetration rate | 2025 min. penetration rate | 2017 PC GFA (mn m ²) | 2018 PC GFA (mn m ²) | 2019 PC GFA (mn m ²) | 2019 proportion of newly constructed GFA |
|--------------------------------------|----------------------------|----------------------------|----------------------------------|----------------------------------|----------------------------------|--|
| Beijing | 30.0% | 30.0% | 4.49 | 13.37 (accounts for 29%) | 14.13 | 1% |
| Shanghai | 30.0% | 60.0% | 18.92 | 22.91 | 34.44 | 1% |
| Tianjin | 15.0% | 30.0% | | 2.40 | | 1% |
| Chongqing | 15.0% | 30.0% | | | | 3% |
| Heilongjiang | 10.0% | 30.0% | | 4.47 | | 1% |
| Jilin | 20.0% | 30.0% | | 2.00 | | 1% |
| Liaoning | 20.0% | 35.0% | | 7.00 | | 2% |
| Hebei | 20.0% | 30.0% | | 4.62 | 8.42 | 4% |
| Shanxi | 15.0% | 30.0% | | 3.27 | 5.60 | 2% |
| Henan | 20.0% | 40.0% | 3.30 | 8.50 | | 7% |
| Hubei | 10.0% | 30.0% | | 2.00 | 6.00 | 4% |
| Shandong | 15.0% | 40.0% | | 21.93 | | 10% |
| Hunan | 10.0% | 30.0% | 7.22 | 8.00 | | 5% |
| Inner Mongolia | 10.0% | 30.0% | | 0.87 | | 2% |
| Jiangsu | 30.0% | 50.0% | | 20.00 | | 7% |
| Anhui | 15.0% | 30.0% | | 10.00 | (accounts for 13%) | 5% |
| Zhejiang | 30.0% | 50.0% | | 56.92 | | 6% |
| Jiangxi | 30.0% | 50.0% | | 2.00 | | 3% |
| Fujian | 20.0% | 35.0% | | 6.26 | 13.37 | 3% |
| Guangdong | 15.0% | 30.0% | | 14.83 | | 8% |
| Guangxi | 20.0% | 30.0% | | 2.00 | | 4% |
| Hainan | 50.0% | 100.0% | | 0.82 | | 1% |
| Shaanxi | 10.0% | 30.0% | 1.24 | 2.00 | 10.92 | 3% |
| Gansu | 10.0% | 30.0% | | | | 1% |
| Ningxia | 10.0% | 25.0% | | | | 1% |
| Qinghai | 10.0% | 25.0% | | | | 0% |
| Xinjiang | 10.0% | 30.0% | | 1.00 | | 1% |
| Sichuan | 30.0% | 40.0% | 8.10 | 30.10 | 41.00 | 7% |
| Guizhou | 10.0% | 30.0% | | | | 3% |
| Yunnan | 10.0% | 30.0% | | 1.30 | | 4% |
| Tibet | 10.0% | 30.0% | | | | 0% |
| Regional weighted calculation | 18.6% | 36.4% | | | | |
| National | 15% | 30.0% | | | | 100% |



Source: local government websites, CSC Financial (Note: figures in red are conservative estimates)

Rapid development of the PC demand driven by the improvement of precast and penetration rate, expecting 17.1% CAGR in the next five years

- CAGR of PC market is estimated to reach **17.1%** from 2020 to 2025
- Driven by the continuously growing penetration rate & precast rate, PC unit market in China is expected to maintain rapid growth



Source: National Bureau of Statistics, Ministry of Housing and Urban-Rural Development, Frost & Sullivan, CSC Financial
(estimated value from 2018 to 2019, forecast value from 2020 to 2025)

Chapter 4

Development Strategies



Become a leading service provider of integrated solutions in intelligent construction

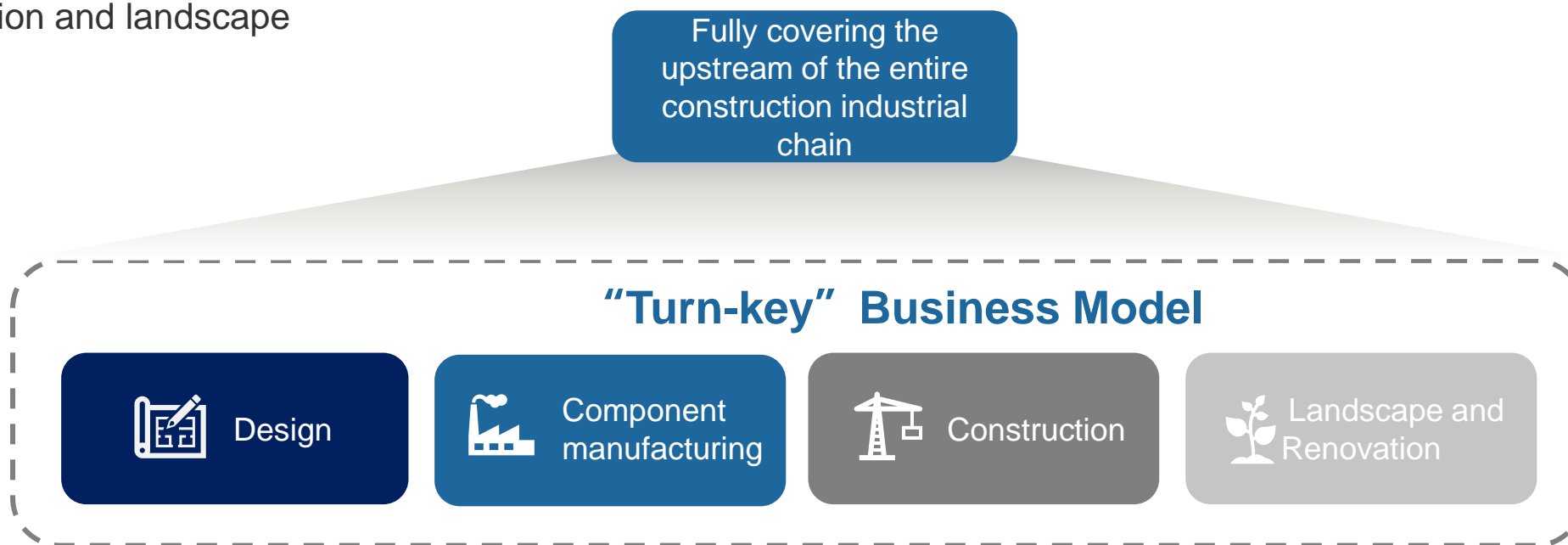
- By ways of the two major **synergies** and continuous **technological exploration** in the “**Intelligent Home**” strategy, the company will position the EMPC initiated by Drawin Group as its core business, to achieve an improvement in construction quality and PC cost reduction, exploring a better, faster path for the realization of Prefabricated Construction and its industrial development



*EMPC: engineering, manufacture, procurement and construction

1 Build a brand-new business model covering the whole construction industrial chain

- The Group plans to establish an integrated industrial chain model ("turn-key"), to achieve a comprehensive upgrade to **EMPC Model*** in aspects of quality, construction period and cost. It will cover construction, decoration, and landscape, providing services throughout the entire life cycle of prefabricated construction
- A business model of vertical integration reduces the cost of each part, enabling the Group to further leverage its cost advantage
- In 2H 2020, subsidiaries will be registered under the Group to expand its business scope by adding businesses of construction, decoration and landscape



*EMPC: engineering, manufacture, procurement and construction



2

Explore synergy with Central China Group

- Since the acquisition of DIT Group last year, Mr. Wu Po Sum further **increased his stakes** in the Company, holding approx. 72.27% of the total issued share capital of the Group, demonstrating his full confidence in the Group’s prospects
- Leveraging the technological advantages of the whole industry production chain, the Group will **accelerate its national business presence** with Central China Group, actively engaging in new project development to capture the potential of the blue ocean markets of Prefabricated Construction.
- The Group has built **three major green construction industrial parks** in Jiaozuo, Zhoukou and Dengfeng to optimize the layout of production capacity in Henan Province, creating synergy with CCRE

Deepening layout in Henan Province



Synergies to build a future

- Business Synergy**
 To achieve business synergy with the **property, new life, education & investment** segments of CCRE, contracting businesses in design, PC components, construction and landscape
- Value Chain Synergy**
 To fully cover the real estate production chain with CCRE, Central China New Life, attaining synergetic development
- Geographic Synergy**
 To strengthen business presence in Henan market, expediting national layout with brand effect and technology output
- Design Synergy**
 To integrate design resources, establishing standardized PC residential product infrastructure of CCRE



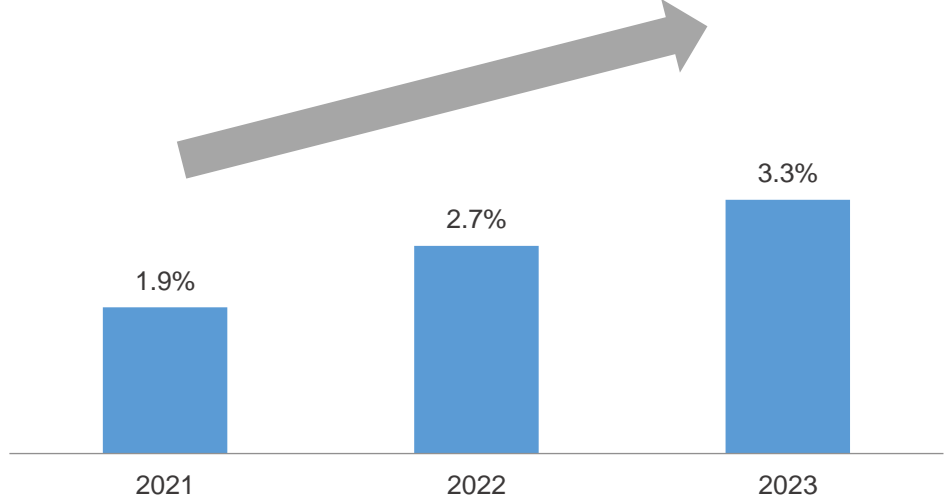
3

Deepen business layout to expand market scale

- Expect to rapidly expand national market share within 3-5 years
- By direct operation, franchise, and asset-light models to speed up setting up of PC plants, the Group will accelerate its layout focusing on the **Yangtze Delta, Pearl River Delta, Beijing-Tianjin-Hebei and Henan markets**
- Expect to put **6** new manufacturing plants into operation in 2H 2020 , significantly increasing the production capacity

| Project Name | Designed Capacity ('000 m ³) |
|--------------------------------|--|
| Huai'an Science Park | 60 |
| Qingdao Jiaozhou Science Park | 60 |
| Zhoukou Science Park | 60 |
| Nantong Science Park | 60 |
| Dengfeng Science Park | 60 |
| Chongqing Qijiang Science Park | 60 |

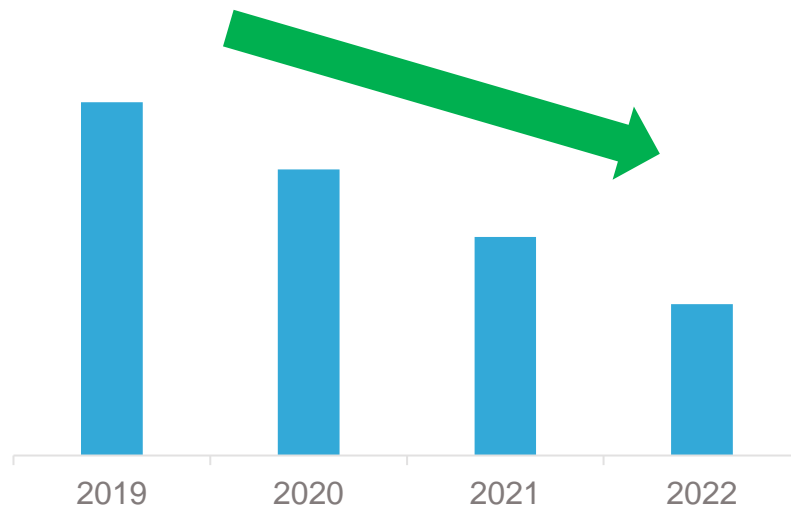
2021-2023 Target Market Share



4 Continuous cost reduction and efficiency enhancement through technological innovation empowerment

- Several equipment technological innovations in the third-generation smart PC factory of Drawin's Group are **the pioneer in China**
- The third-generation smart equipment are already in use in the **Jiaozhou** and **Xiangtan** factories

Steady Reduction of PC Unit Cost



1. Cost Reduction through R&D

- Breakthroughs in two major R&D projects, including the large-span prestressed two-way laminated floor system and the RIFF system



2. Cost reduction through Design

- Increase the application proportion of standard component to 50%, and PC unit cost is expected to decrease due to mass production
- Improve design efficiency and accuracy of BOM list, reduce manual BOM calculation in PC factories



3. Cost reduction in Procurement

- Launch a platform to manage procurement information
- Provide training to freelancers, lowering labour recruitment costs



4. Precision Management

- Stringent audit process of performance in target costing, material restrictions and monitoring of labour cost



5. Establishment of a Digitalized Intermediate Platform

- Build a network system with technologies including cloud calculator, big data, Internet of Things, AI and 5G
- Implement smart design, smart manufacturing, and smart operation, driven by design-generated BIM data



Thank you!

