



越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

2011 INTERIM RESULTS



17 August 2011

www.yuexiuproperty.com

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Guangzhou IFC



Jiangmen Starry Mountain



Panyu Southern District Land

1. Results Analysis
2. Business Review
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Revenue Hit Record High

- Property revenue soared to a record high of RMB4.86bn, an increase of 348% year on year .
- Unrecognized contracted sales GFA and revenue amounted to 431,000sqm and RMB6.62bn respectively.

A Significant Increase in Profitability Ratios

- Gross margin increased by 5.4 percentage points to 45.3%
- Return on equity improved from 1.8% to 6.1% and total asset turnover from 4.3% to 10.4%

IFC's Office Commenced Operation

- Fair value gains during the period amounted RMB4.89bn of which RMB 4.70bn was attributable to IFC
- Occupancy Rate of IFC's office reached 45% at the end of the reporting period

Financial Position Remained Healthy & Dividend Resumed

- Cash on hand remained largely unchanged at RMB7.4bn during the reporting period.
- The Board resolved to resume dividend payment.

Rapid Growth Anticipated

- 1 mil. new start added in the 1H2011 and PUD grew to 3.67m sqm, a new high
- With 23 projects under construction and 9 new launches planned in the 2H, rapid growth is expected

Income Statement Highlights

RMB mil	1H 2011	1H 2010	Changes
Total Revenue	5,402	1,740	+210%
Fair Value Gains	4,886	187	+2513%
Operating Profit	6,876	415	+1558%
Core Operating Profit*	1,990	228	+774%
Net Profit	4,481	356	+1160%
Core Net Profit*	998	222	+351%
Earnings Per Share	RMB 0.4827	RMB 0.0498	+869%
Core EPS*	RMB 0.1076	RMB 0.0310	+247%
Dividend Per Share	HK\$0.04	-	-

*Excluding the Fair Value Gains on Revaluation of IP

Balance Sheet Highlights

RMB mil	6/30/2011	12/31/2010	Changes
Cash	7,402	7,473	-1%
Incl. Charged Bank Deposits	785	1,022	-23%
Total Bank Borrowings	20,974	17,687	+19%
Gearing Ratio ⁽¹⁾	41.6%	41.6%	-
Net Gearing Ratio ⁽²⁾	67.2%	64.4%	+2.8 pts
Total Asset	59,534	50,781	+17%
Shareholder's Equity ⁽³⁾	20,211	15,860	+27%
Book Value Per Share (RMB)	RMB 2.177	RMB 1.708	+27%
Book Value Per Share (HKD)	HK\$2.618	HK\$2.007	+30%

(1) Gearing Ratio = (Total Bank Borrowings – Cash)/ (Total Bank Borrowings – Cash + Equity)

(2) Net Gearing Ratio = (Total Bank Borrowings – Cash)/ Equity

(3) Excluding Minority Interests

Key Ratio Analysis

Ratio	1H 2011	1H 2010	Changes (ppt)
Gross Profit Margin	45.3%	39.9%	+5.4
Property Sales Margin (Incl. IP)	43.6%	38.7%	+4.9
ROE ⁽¹⁾	6.0%	1.8%	+4.2
Total Asset Turnover ⁽¹⁾	10.4%	4.3%	+6.1
Administrative Expenses Ratio ⁽²⁾	5.4%	17.1%	-11.7
Selling and Marketing Expenses Ratio ⁽²⁾	1.5%	5.3%	-3.8

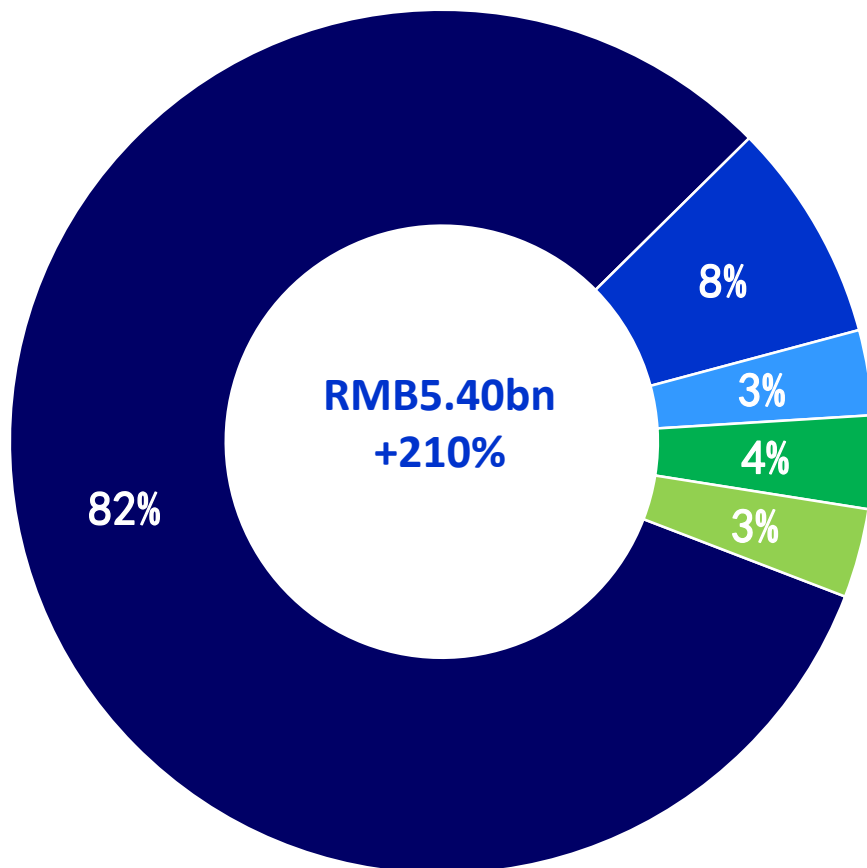
Ratio	6/30/2011	12/31/2010	Changes (ppt)
Net Gearing Ratio	67.2%	64.4%	+2.8
Gearing Ratio	41.6%	41.6%	-

Note: ⁽¹⁾ Excluding the minority interests and fair value gains on half year figures

⁽²⁾ Base on total revenue (including sales of IP)

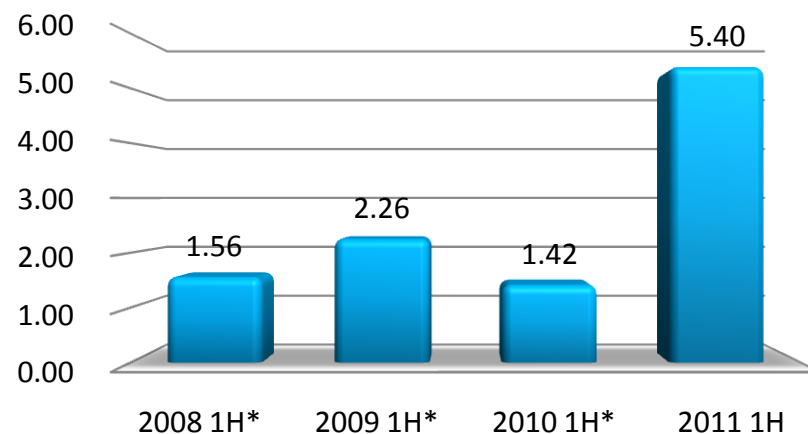
Total Revenue Breakdown

➤ After the disposal of non-property business in the past three years, 100% of revenue is now generated by property related business



- Property Development
- Sales of Investment Properties
- Rental Income
- Property Management
- Others

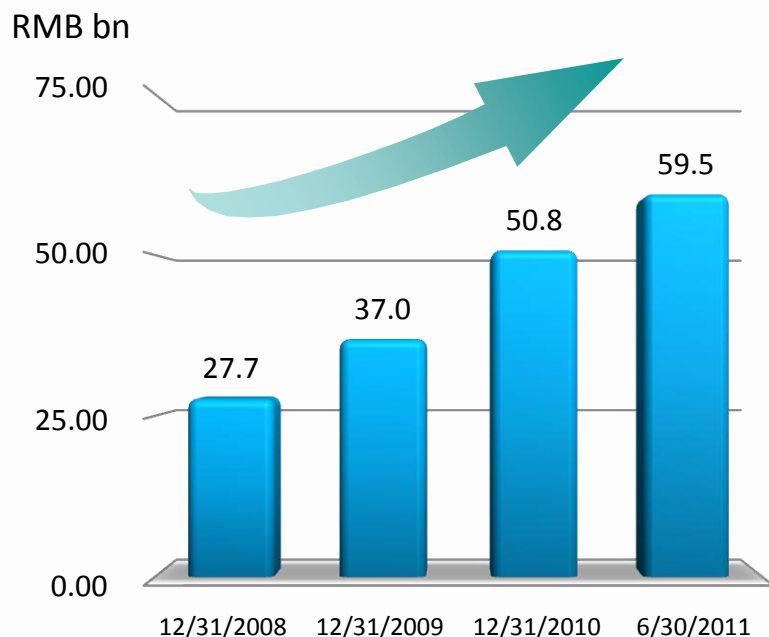
Trend of the Revenue from the Property Related Business



* From property related business only

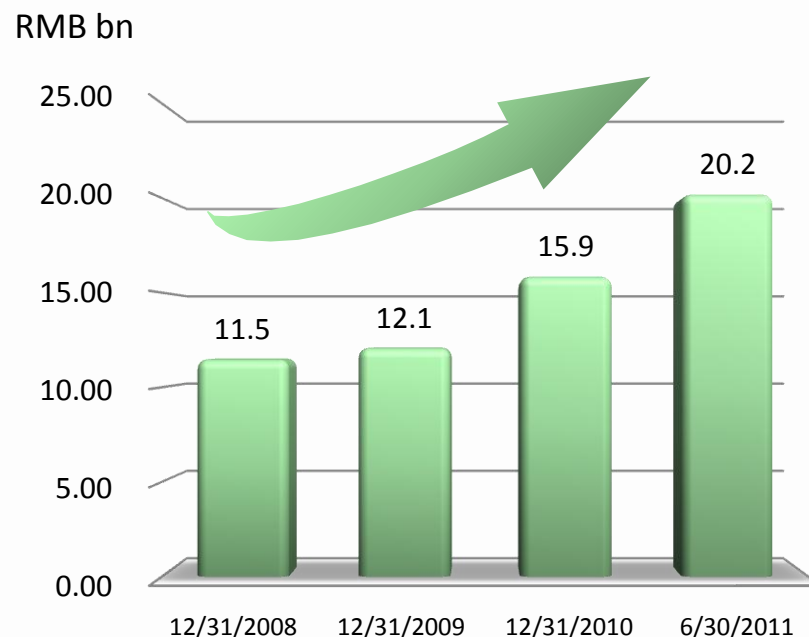
Total Asset and Net Asset Trends

Total Asset



CAGR +36%

Net Asset (Excluding Minority Interests)



CAGR +25%

- The compound annual growth rates of the total asset and the net asset excluding the minority interests were 36% and 25% respectively over the past three years

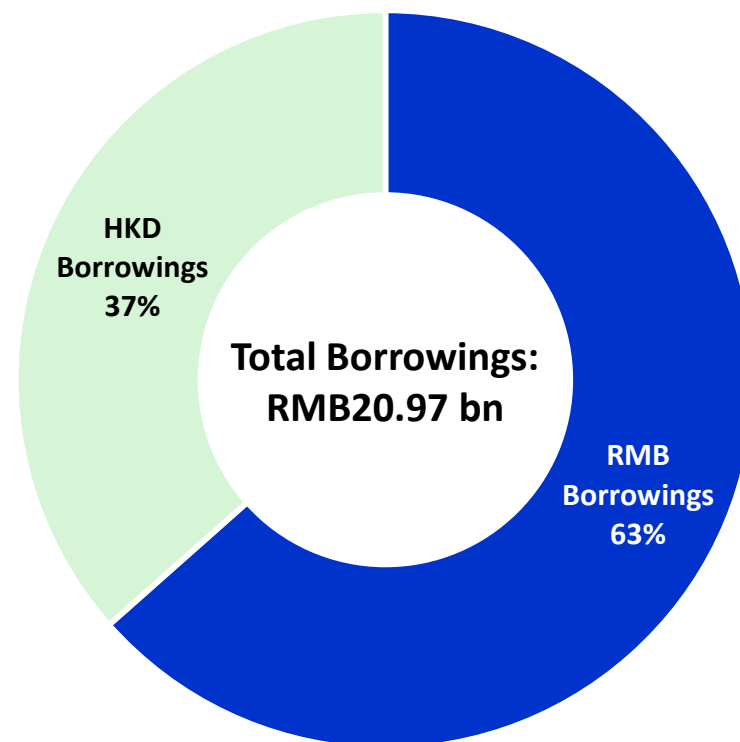
By Years

(RMB bn)	Bank Borrowings	Percentage
Within 1 Yr	5.68	27%
Within 2 Yrs	8.32	40%
3 rd – 5 th Yrs	3.96	19%
Over 5 Years	3.00	14%
Total	20.97	100%

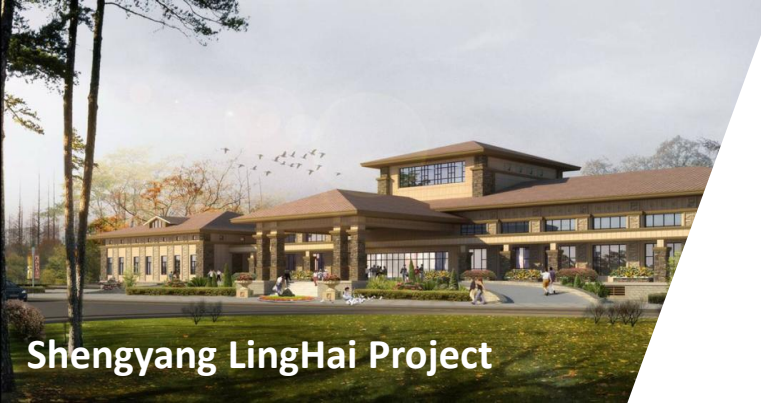
Interest Cost

(RMB mil)	2011 1H	2010 1H
Interest on Bank Borrowings	470	328
Interest Expensed	140	73
Interest Capitalized	330	255
Effective Interest Rate	5.4%	4.7%
Interest Rate in HK	2.4%	2.4%
Interest Rate in China	7.0%	6.0%


By Currency



- The proportion of HKD borrowings increased from 27% at the year end of 2010 to 37% at the end of June this year.



1. Results Analysis
2. Business Review
3. Future Prospects

- 
- * Recognized sales GFA increased by 344.8% to 305,000 sqm
 - * Recognized sales revenue increased by 348.1% to RMB4.86bn
 - * Overall gross margin was 43.6%, an increase of 4.9 ppts.

- * Unrecognized GFA and revenue was 431,000 sqm and RMB6.62bn
- * ASP was about RMB15,400/sqm
- * About 60% of the unrecognized GFA will be booked in 2H 2011.

- * Construction started on 8 projects or 1 mil sqm, in 1H 2011
- * The 1H 2011 actual new starts represented 72% of the full year target
- * The target might be raised from 1.38 mil sqm to as high as 2 mil sqm

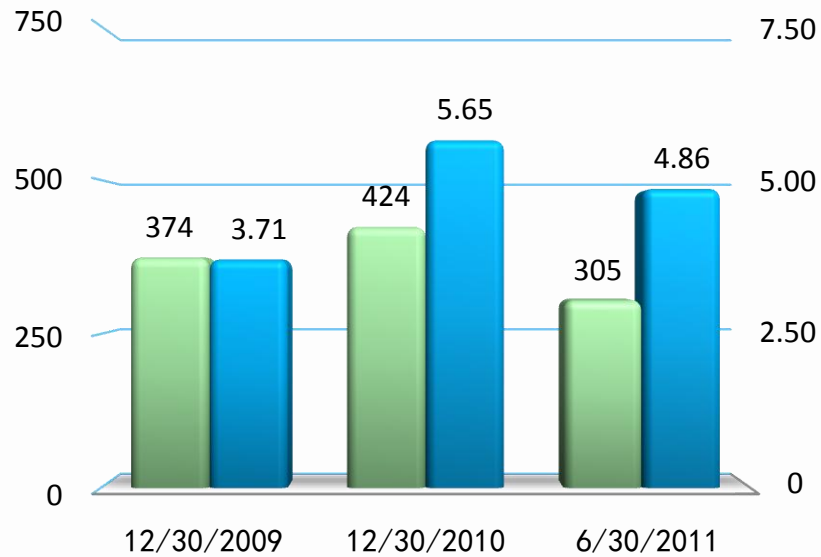
- * The IFC office commenced full operation at the end of 1H 2011
- * Occupancy rate climbed from 25% at the end of last year to 45%
- * The highest lease signed reached RMB 280/sqm/m, a record in Guangzhou

Recognized & Unrecognized Sales

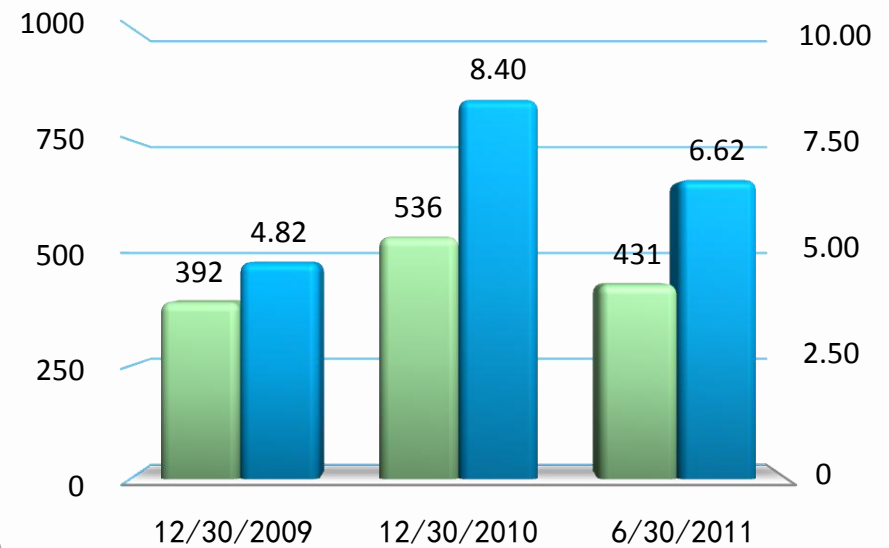
■ GFA ('000sqm)

■ Revenue (RMB bn)

Recognized Sales



Unrecognized Sales



Recognized Sales Breakdown

	Project Name	Chinese Name	Type*	GFA (sqm)	Revenue (RMB mil)	ASP (RMB/sqm)	Location
1	Jiang Nan New Mansion	江南新苑	R	83,200	1,440	17,300	Tianhe, Guangzhou
2	Springland Garden	翠城花園	R	82,500	1,223	14,800	Haizhu Gugnazhou
3	Starry Winking	星匯雲錦	R	47,900	1,119	23,400	Tianhe, Guangzhou
4	Southern Le Sand	南沙濱海花園	R	49,300	389	7,900	Nansha, Guangzhou
5	Other Projects		-	14,300	246	17,200	Guangzhou
	Subtotal			277,200	4,417	16,000	
	Investment Properties		-	27,500	445	16,200	Guangzhou
	Total			304,700	4,862	16,000	
	Year-on-Year Change			+345%	+348%	+13%	

Note:* R: Residential

Unrecognized Sales Breakdown

	Project Name	Chinese Name	Type [^]	GFA (sqm)	Revenue (RMB mil)	ASP (RMB/sqm)	Location
1	Jiang Nan New Mansion	江南新苑	R	63,100	1,160	18,400	Haizhu, Guangzhou
2	Ling Nan Riverside	嶺南灣畔	R	149,800	2,425	16,200	Liwan, Guangzhou
3	Starry Winking	星匯雲錦	R	3,400	114	34,100	Tianhe, Guangzhou
4	Springland Garden	翠城花園	R/C	23,300	546	23,400	Haizhu, Guangzhou
5	Paradiso Homeland	可逸家園	R	42,600	995	23,400	Haizhu, Guangzhou
6	Southern Le Sand	南沙濱海花園	R	76,000	627	8,200	Nansha, Guangzhou
7	Cong Hua Glade Village	從化逸泉山莊	R	57,300	416	7,300	Conghua, Guangzhou
8	Other Projects		-	4,500	90	20,000	Guangzhou
	Sub-total			420,000	6,373	15,200	
	Investment Properties		-	10,700	242	22,600	Guangzhou
	Total			430,700	6,615	15,400	

[^] R: Residential;

C: Commercial

1H 2011 Contracted Sales

	2011 Jan - June	2010 Jan - June	Change
GFA (sqm)	199,100	331,800	-40%
Revenue (RMB mil)	3,074	5,423	-43%
ASP (RMB/sqm)	15,400	16,300	-6%

◆ Contracted Sales from January to June

	Project Name	Chinese Name	GFA (sqm)	Revenue (RMB mil)	ASP (RMB/sqm)	Location
1	Starry Winking	星匯雲錦	1,400	49	35,000	Tianhe, Guangzhou
2	Springland Garden	翠城花園	23,300	557	23,900	Haizhu, Guangzhou
3	Jiang Nan New Mansion	江南新苑	2,100	49	23,300	Haizhu, Guangzhou
4	Ling Nan Riverside	嶺南灣畔	26,200	534	20,400	Liwan, Guangzhou
5	Paradiso Homeland	可逸家園	9,200	227	24,600	Haizhu, Guangzhou
6	Conghua Glade Village	從化逸泉山莊	23,000	201	8,700	Conghua, Guangzhou
7	Southern Le Sand	南沙濱海花園	64,800	572	8,800	Nansha, Guangzhou
8	Other Projects		21,200	383	18,000	Guangzhou
	Sub-total		171,200	2,572	15,200	
9	Investment Properties		27,900	502	18,000	Guangzhou
	Total		199,100	3,074	15,400	

(1) Contracted Sales GFA reached 36.2% of our full year target of not less than 540,000sqm

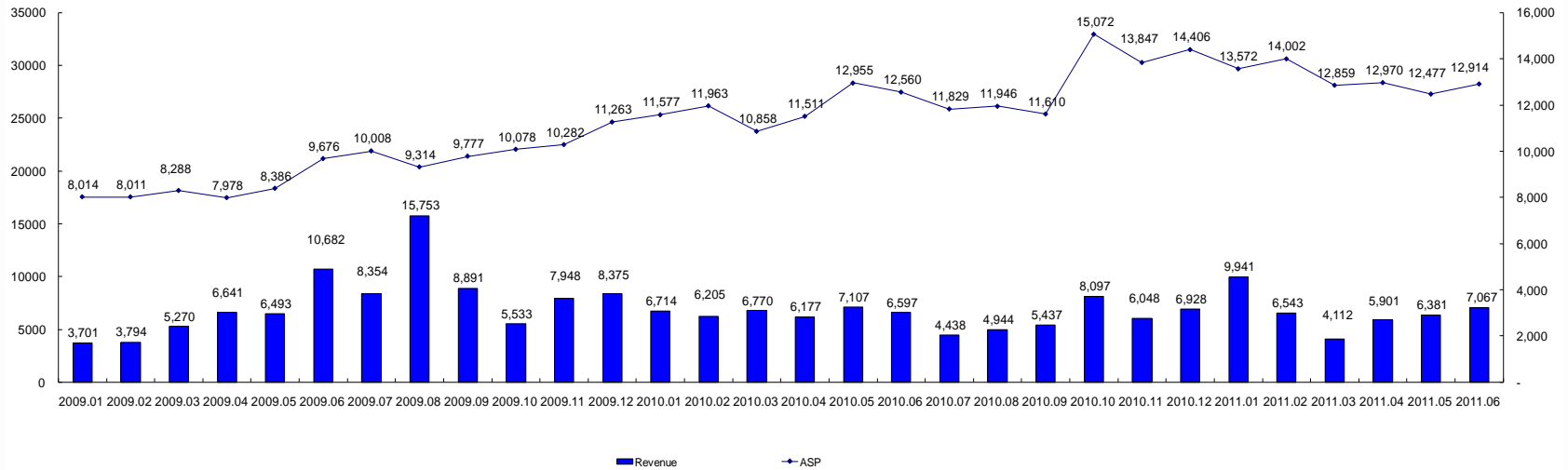
(2) Contracted Sales Revenue reached 33.8% of our full year target of not less than RMB9bn

Contracted Sales and ASP Trends

RMB mil.

Guangzhou Primary Residential Sales

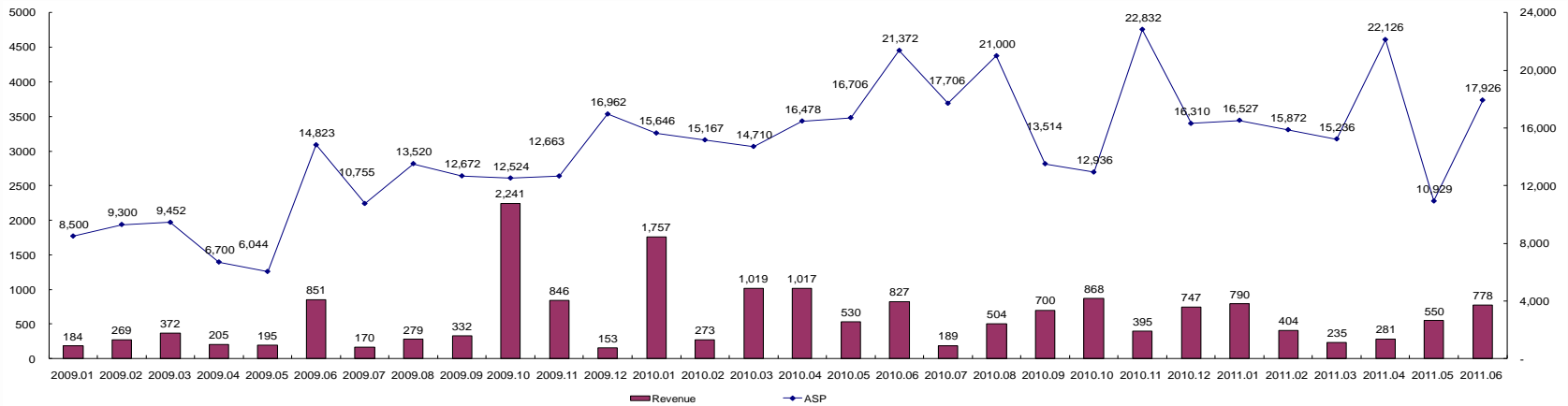
RMB/sqm



RMB mil.

Yuexiu Contracted Sales

RMB/sqm



1H 2011 Contracted Sales GFA

	Project Name(sqm)	Chinese Name	Launch Date	1H 2011 GFA Available for Sale	1H 2011 GFA of Contracted Sales	Location
1	Springland Garden	翠城花園	-	30,300	23,300	Haizhu, Guangzhou
2	Jiang Nan New Mansion	江南新苑	-	40,000	2,100	Haizhu, Guangzhou
3	Ling Nan Riverside	嶺南灣畔	-	66,000	26,200	Liwan, Guangzhou
4	Starry Winking	星匯雲錦	-	32,700	1,400	Tianhe, Guangzhou
5	Paradiso Homeland	可逸家園	-	11,300	9,200	Haizhu, Guangzhou
6	Cong Hua Glade Village	從化逸泉山莊	-	39,000	23,000	Conghua, Guangzhou
7	Southern Le Sand	南沙濱海花園	May	96,000	64,800	Nansha, Guangzhou
8	Other Projects		-	-	21,200	Guangzhou/ Others
	Investment Properties		-	54,000	27,900	Guangzhou
	Total		-	369,300	199,100	

◆ 1H 2011 contracted sales GFA represented 54% of available resources in the first half

◆ The only new project launched, Jun Cheng, phase 8 of Southern Le Sand, with total GFA of 68,000 sqm achieved a sales through rate of over 80%

◆ Accelerated disposal of non-core investment properties

Year	GFA (sqm) Disposed	Proceeded from Sales (RMB mil)	Cost (RMB mil)
2008	33,700	492	344
2009	12,400	236	197
2010	81,000	1,345	876
1H 2011	27,500	445	330
Total	154,600	2,518	1,747

◆ IP Portfolio Summary

	Office	Commercial	Carpark & Others	Total
2010 Rental Income (RMB mil)	111	157	21	289
1H 2011 Rental Income (RMB mil)	59	103	10	172
GFA Leased (sqm)	138,300	258,800	245,700	642,800
Guangzhou IFC (sqm)	158,900	46,900	21,300	227,100
Total GFA (sqm)	297,200	305,700	267,000	869,900
Evaluated Value (RMB bn)	7.23	4.37	1.47	13.07

Investment Properties Breakdown

	Project Name (sqm)	Chinese Name	GFA	O [^]	C [^]	Carpark & Others	Location
1	Guangzhou IFC (portion)	廣州國金中心 (部分)	227,100	158,900	46,900	21,300	Tianhe, Guangzhou
2	Popark Plaza	東方寶泰廣場	85,000	-	85,000	-	Tianhe, Guangzhou
3	Jin Han Building	錦漢大廈	45,800	45,800	-	-	Yuexiu, Guangzhou
4	Hong Kong Property	香港物業	29,700	11,100	3,200	15,400	Hong Kong
5	Guang Yuan Cultural Centre	廣源文化中心	32,000	-	20,700	11,300	Yuexiu, Guangzhou
6	Huangshi Garden	黃石花園	34,500	-	31,000	3,500	Baiyun, Guangzhou
7	Xiangkang Commercial Plaza	祥康商貿大廈	32,200	28,800	-	3,400	Yuexiu, Guangzhou
8	Victory Plaza	維多利廣場	23,000	1,100	-	21,900	Tianhe, Guangzhou
9	Yue Xiu City Plaza	越秀城市廣場	36,400	1,400	16,700	18,300	Yuexiu, Guangzhou
10	Hong Fa Building	宏發大廈	32,300	17,300	-	15,000	Tianhe, Guangzhou
11	Other Projects (incl. carparks)		291,900	32,700	102,200	157,000	
	Total		869,900	297,100	305,700	267,100	

^: Commercial

O: Office



- Guangzhou IFC at a height of 432 meters high, includes 103 floors, 4 basement levels and 28-floor annex building. It is one of the ten tallest buildings in the world with a site area of 31,100 sqm

	GFA (sqm)	Location	Floors	Partner
Office	174,000	Tower	6-66/F	CB Richard Ellis
Commercial	44,000	Podium	B1-5/F	Guangzhou Friendship Store
Hotel	91,000	Tower	1-3, 67-100/F	Four Seasons Hotel
Service Apartment	55,000	Annex	7-28/F	Ascott Group
Conference Centre	8,000	Annex	5/F	-
Carpark	70,000	Podium	B2-B4/F	-
Total GFA	442,000	Managed with Jones Lang LaSalle		



仲量聯行



◆ Cost and Investment

- 2005/09 Purchased land at RMB2,800/sqm
- 2008/12 IFC building structure completed and topped out
- 2010/12 RMB5.3bn invested
- 2011/1H Invested RMB0.4bn and total investment reached RMB5.7bn
- 2012+ RMB7.5bn expected total cost (including the land cost)

◆ Operation Timeline

- 2010/11 Commercial area opened with Guangzhou Friendship Store
- 2011/06 Office commenced full operation
- 2011/12 Four Seasons Hotel to soft open
- 2012/2Q Service Apartment to start operation

- ◆ 2011/6 Office occupancy rate reached 45% with average rental at about RMB200/sqm/m
2011 year end occupancy rate target : 65% - 80%

- ◆ IFC is expected to generate income of between RMB700m and RMB900m by 2014



- ◆ Integrated wholesale and retail shopping mall for leather goods and shoes
- ◆ GFA: 210,000 sqm
 - Commercial: 180,000 sqm
 - Carpark: 30,000 sqm
- ◆ Total Investment: RMB2.5bn
(RMB1.34bn invested as at 06/30/2011)
- ◆ 2011: Start pre-leasing
- ◆ 2012: Open in March

➤ With the rental area of 180,000 sqm and the expected initial average rental of RMB170/sqm/m, it is expected to generate RMB360m in rental income per year.



1. Results Analysis
2. Business Review
3. Future Prospects



D8-C3 Zhu Jiang New Town

*The rapid increase of PUD to 367m sqm will provide ample saleable resources for 2H 2011 and 2012

*Contracted sales to reach RMB20bn before 2015

*With 9 new launches, total available for sales in 2H 2011 is about 684,000 sqm

*50% sales through rate will generate RMB6.0bn

*Aim to improve overall planning, shorten development cycle to increase asset turnover

*To accelerate disposal of non-core IPs

*Spend RMB2.15bn in 1H 2011 for a 670,000 sqm plot of land in Shengyang

*RMB6bn is planned for land acquisition for 2011

Long-term Development Plan

- Asset structure adjusted
- Investments accelerated
- Strategic national expansion

**Phase 1:
Adjustment &
Expansion
(2008-2011)**

- Rising saleable resources
- Improve execution capability
- Contracted sales > RMB20 billion

**Phase 2:
Rapid Growth
(2012-2015)**

- Dual-mode of property development and investment
- To become a large property developer

**Phase 3:
Sustainable Stable
Growth
(2015 onwards)**

Phase 1 – Business Restructure



Disposal of Newsprint Business



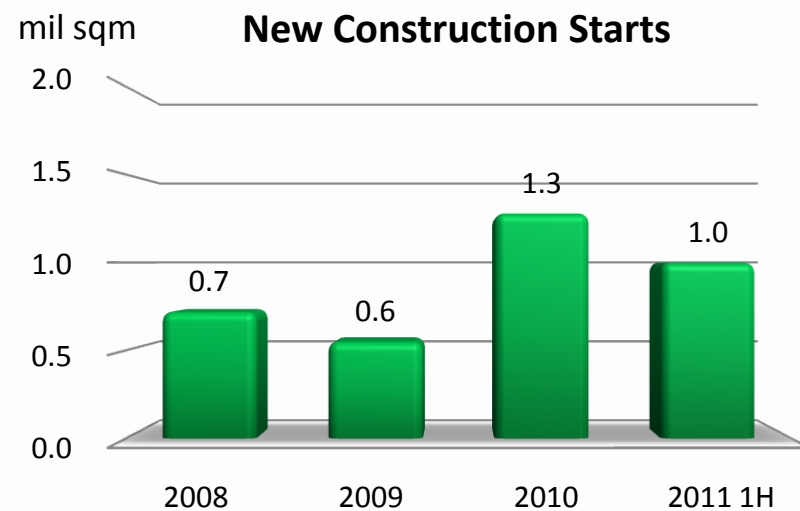
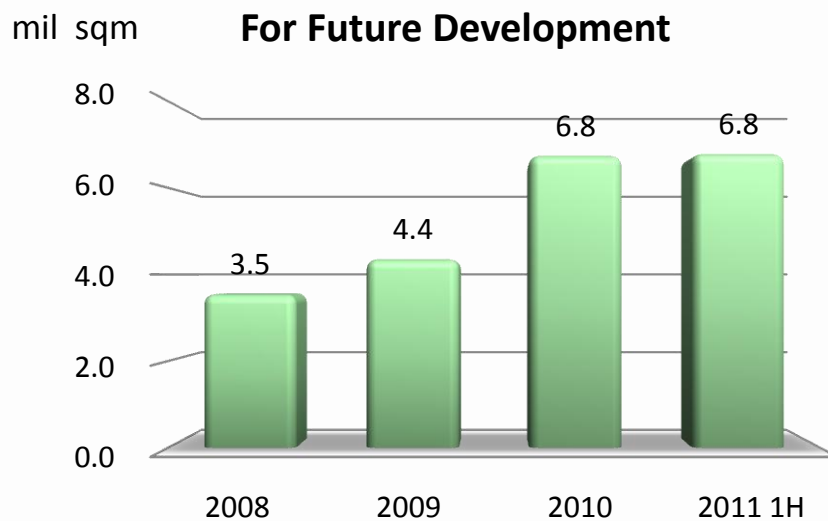
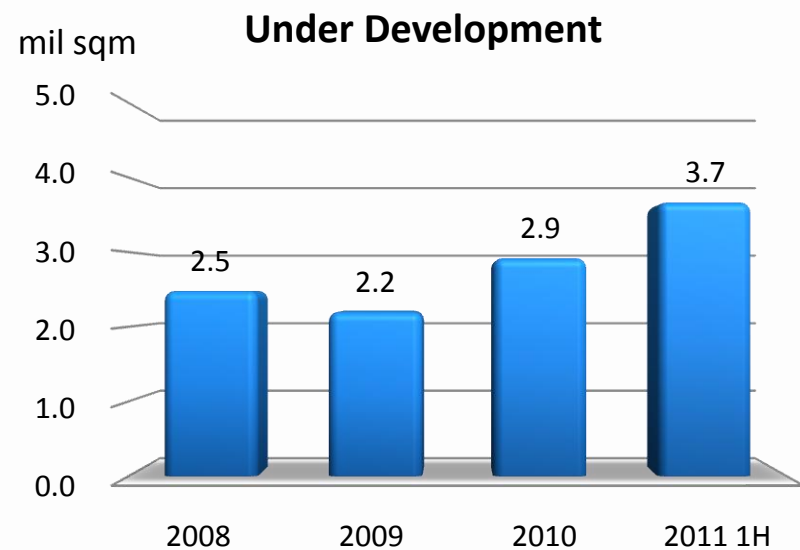
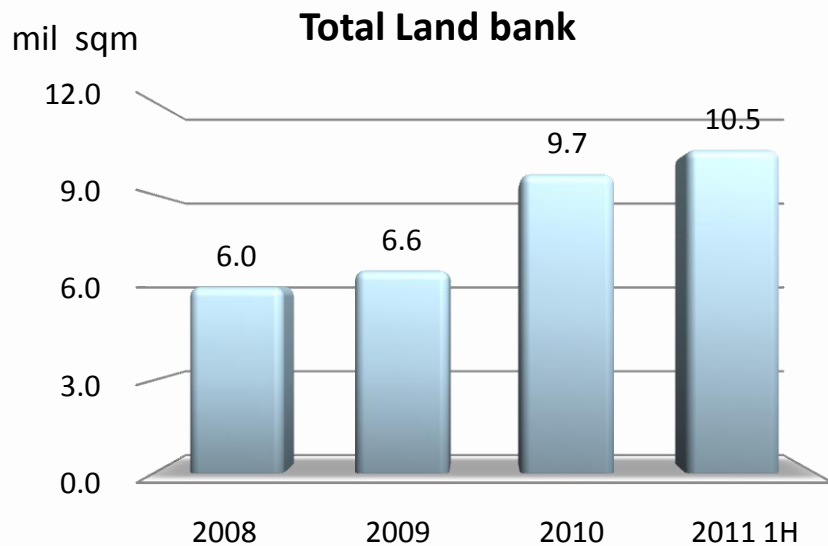
Disposal of Supermarket Business

Focus on Property Business



Separation of Toll Road Business

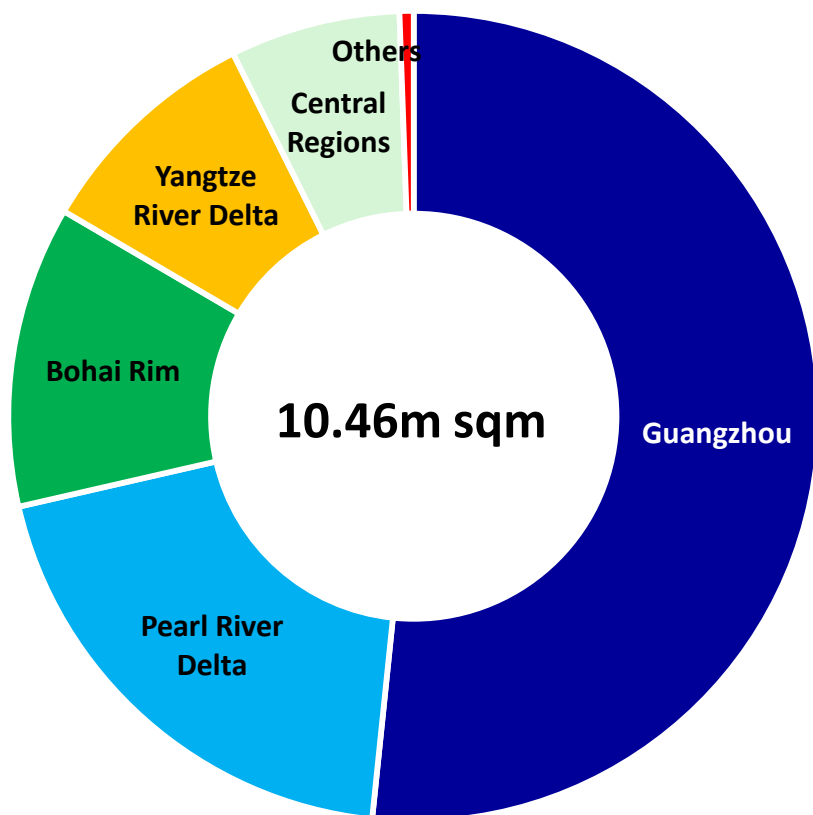
Phase 1 – Rapid Investments



Note: Figures from 2008-2010 were recorded from the year ends.

Land Bank by Region

By Region



- ◆ Total land bank: approx. 10.46m sqm as at 6/30/2011
- ◆ Accommodation Value (AV) less than RMB3,000 /sqm
- ◆ Sufficient for at least 5 years' development

Region	GFA (sqm)	%
Guangzhou	5,400,000	52%
Pearl River Delta	2,068,000	20%
Zhongshan	1,217,000	
Jiangmen	578,000	
Foshan	273,000	
Bohai Rim	1,257,000	12%
Yantai	220,000	
Shenyang	1,037,000	
Yangtze River Delta	963,000	9%
Hangzhou	963,000	
Central Regions	710,000	7%
Wuhan	710,000	
Others	59,000	<1%

Area of Focus

- Guangzhou as home base
- Pearl River Delta cities
- Selective cities in Bohai Rim, Yangtze River Delta and Central Regions

Acquisition channels

- Public land auctions
- Guangzhou “Three Old” Urban Renewal Plan
- Mergers and Acquisitions
- Parent support

Land Acquisitions from 2010 to Present

	Project in 2010	Chinese Name	Type [^]	GFA (sqm)	Adjusted GFA [^] (sqm)	Total (RMB mil)	AV (RMB/sqm)	Adjusted AV [^] (RMB/sqm)	Location
1	Zhongshan Qiguan Plot	中山岐關地塊	R	137,000	148,000	266	2,226	1,797	Shiqi, Zhongshan
2	Panyu Southern District Land	番禺南區地塊	R/C	416,000	554,000	2,875	6,911	5,189	Panyu, Guangzhou
3	Nanhai Lands	南海地塊	R/C/O	199,000	275,000	1,350	6,767	4,909	Nahai,,Foshan
4	Zhongshan Bo-ai Land	中山博愛地塊	R/C	366,000	475,000	416	1,138	877	Dongqu, Zhongshan
5	Hangzhou Lin-an Land	杭州臨安地塊	R/C/O/H	818,000	950,000	589	720	620	Linan, Hangzhou
6	Wuhan Qiaokou Land	武漢礄口地塊	R/C	514,000	710,000	2,820	5,486	3,971	Qiaokou, Wuhan
7	Shenyang Linghai Project [#]	瀋陽領海項目 [#]	R	344,000	367,000	1,038	3,018	2,828	Xinqu, Shenyang
	Total			2,794,000	3,456,000	9,354	3,348	2,707	

	Project in 2011	Chinese Name	Type [^]	GFA (sqm)	Adjusted GFA [^] (sqm)	Total (RMB mil)	AV (RMB/sqm)	Adjusted AV [^] (RMB/sqm)	Location
1	Shenyang Nanta Street Plot	瀋陽南塔街地塊	R/C	526,000	670,000	2,150	4,085	3,209	Dongling, Shenyang

*C: Commercial H: Hotel O: Office R: Residential

[#]The acquisition was completed on 2011/01/27

[^]GFA adjusted through application to Town Planning Bureau

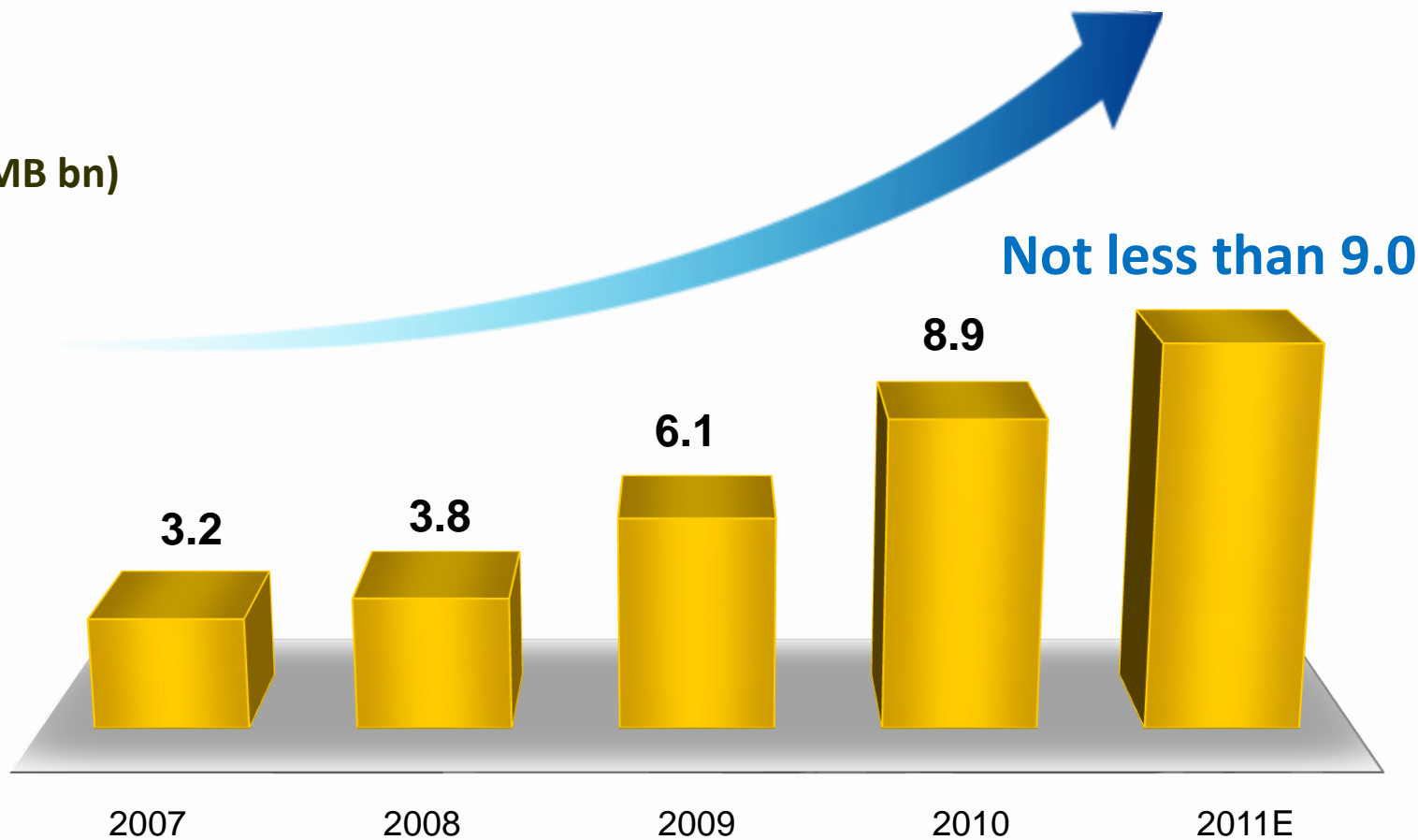
2011 New Construction Starts Target

	Project Name (sqm)	Chinese Name	Full Year GFA Target	1H Actual Starts	R [^]	O [^]	C [^]	Carpark & Others	Location
1	Fortune Center	財富中心	210,000	210,000	-	157,000	7,000	46,000	Tianhe, Guangzhou
2	D8-C3 Zhujiang New Town	珠江新城D8-C3	30,000	35,000	21,000	-	-	14,000	Tianhe, Guangzhou
3	Starry Wenhua phase 2	星匯文華二期	289,000	289,000	192,000	-	-	97,000	Panyu, Guangzhou
4	Panyu Southern District Land	番禺南區地塊一期	287,000	-	180,000	-	19,000	88,800	Panyu, Guangzhou
5	Southern Le Sand	南沙濱海花園	51,000	69,000	65,000	-	-	4,000	Nanshan, Guangzhou
6	Jiang Nan New Village phase 3&4	江南新村三、四期	10,000	28,000	20,000	-	-	8,000	Haizhu, Guangzhou
7	Fortune World Plaza phase 2	財富天地廣場二期	125,000	125,000	-	113,000	-	12,000	Liwan, Guangzhou
8	Jiangmen Starry Mountain	江門星匯名庭二期	137,000	-	104,000	-	-	33,000	Beixin, Jiangmen
9	Zhongshan Starry Winking phase 2	中山星匯雲錦二期	94,000	95,000	95,000	-	-	-	Nanqu, Zhongshan
10	Zhongshan Qiguang Plot	中山岐關地塊	148,000	148,000	106,000	-	9,000	33,000	Shiqi, Zhongshan
Total			1,381,000*	999,000	783,000	270,000	35,000	335,800	

* 2011 new construction starts target might be raised from 1.38m sqm to as high as 2m sqm

2011 Contracted Sales Target

(RMB bn)



2H 2011 Contracted Sales GFA Target

	Project Name	Chinese Name	Type [^]	Available GFA for Sales (sqm)	Launch Date ⁽¹⁾	Contracted Sales GFA Target (sqm)	Location
1	Ling Nan Riverside	嶺南灣畔	R	14,000	n/a	10,500	Liwan, Guangzhou
2	Jiang Nan New Mansion	江南新苑	R/C	40,300	n/a	29,000	Haizhu, Guangzhou
3	Springland Garden	翠城花園	R/C	10,300	n/a	700	Haizhu, Guangzhou
4	Starry Winking	星滙雲錦	R	37,100	n/a	2,800	Tianhe, Guangzhou
5	Cong Hua Glade Village	從化逸泉山莊	R	18,100	n/a	1,700	Conghua, Guangzhou
6	Southern Le Sand	南沙濱海花園	R	72,400	May	4,900	Nansha, Guangzhou
7	Huadu Glade Greenland	花都逸泉韻翠	R	71,100	July	39,700	Huadu, Guangzhou
8	Jiangmen Starry Regal Court phase 1	江門星匯名庭一期	R	80,000	July	66,200	Beixin, Jiangmen
9	Shenyang Linghai Project	瀋陽領海項目	R	48,000	August	10,000	Xinqu, Shenyang
10	Fortune Century Square	財富世紀廣場	O/S	96,700	August	33,400	Tianhe, Guangzhou
11	Yantai Starry Phoenix	煙臺星匯鳳凰	R	38,500	August	27,700	Zhifu, Yantai
12	Starry Golden Sands	星匯金沙	R	26,300	October	23,000	Baiyun, Guangzhou
13	Starry Wenhua	星匯文華	R	70,100	September	36,800	Panyu, Guangzhou
14	Other Projects		-	28,400	n/a	9,100	Guangzhou
	Investment Properties		C	32,700	n/a	26,200	Guangzhou
	Total			684,000		321,700⁽²⁾	

[^]C: Commercial

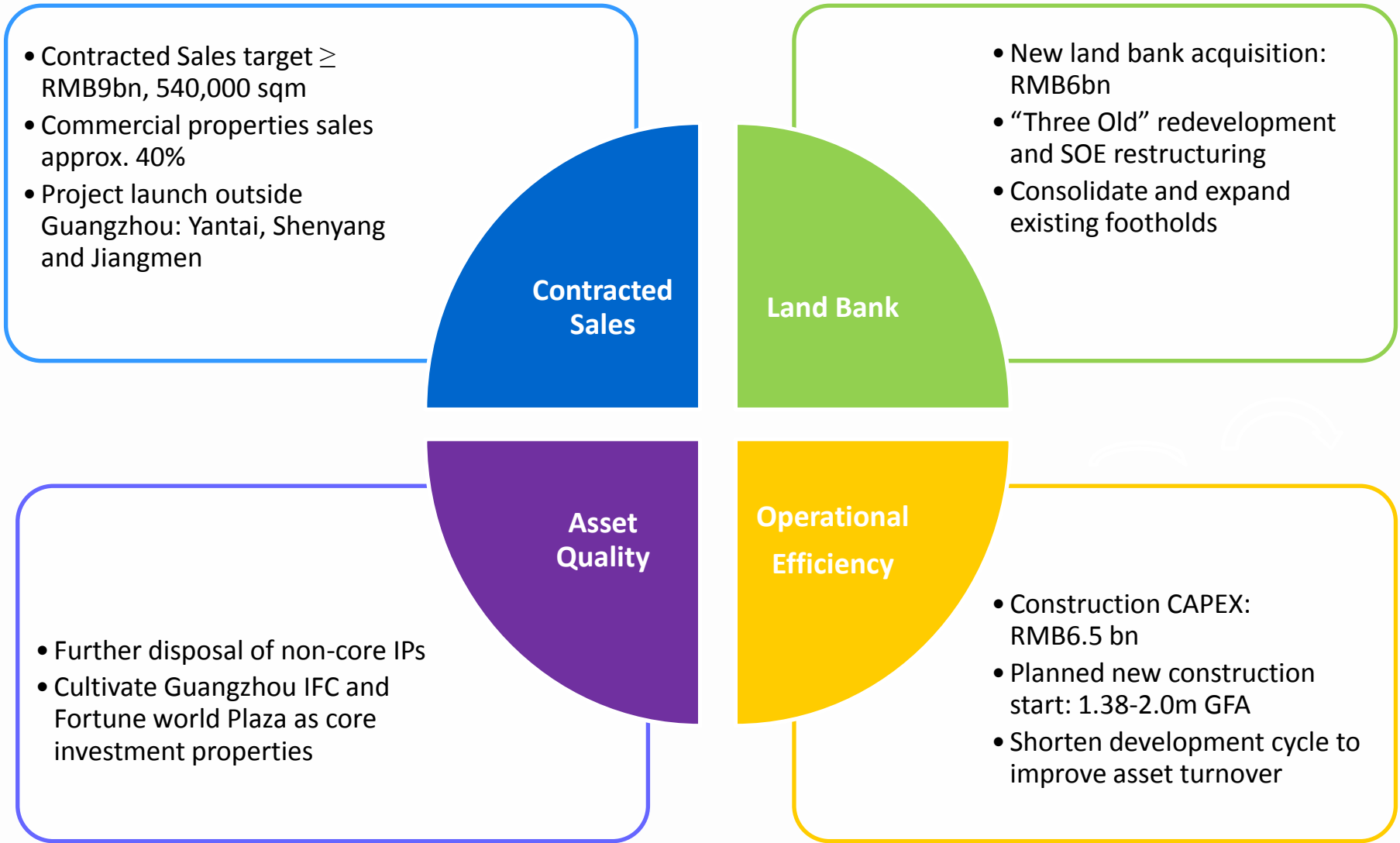
O: Office

R: Residential

S: Service Apartment

(1) n/a: Existing Inventory

(2) Contracted sales GFA target is 47% of available GFA for sales and is expected to generate RMB6bn of contracted sales revenue.



2011 Key CAPEX Plan

Available Capital (RMB bn)	2H 2011 Plan	1H 2011 Actual	2010
Cash on Hand at Start	7.4	7.5	6.2
Contracted Sales	6.0	3.0	8.9
Fund Raised (Open Offer)	-	-	3.0
New Bank Borrowings	-	3.3	5.1
Undrawn Bank Facilities	1.5	3.1	-
Total	14.9	16.9	23.2

Key CAPEX (RMB bn)	2H 2011 Plan	1 H 2011 Actual	2010
Land Premium Payable	1.1	2.0	2.6
Construction Costs	4.3	2.2	5.0
Land Acquisitions	3.8	2.2	5.5
Total	9.2	6.4	13.1

Thank you 謝謝