



GUANGZHOU INVESTMENT COMPANY LIMITED

越秀投資有限公司

(Stock Code: 123)

越秀

Corporate Presentation 2008 Annual Results

26 March 2009



Agenda

越秀

- Business Overview
- 2008 Annual Results of GZI



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Business Overview

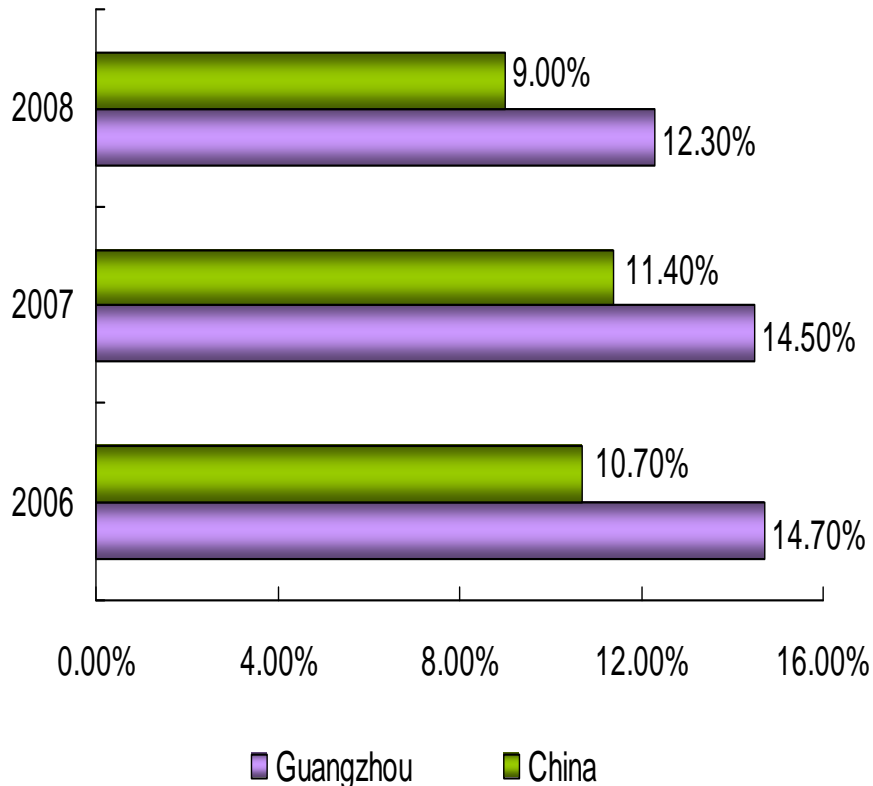




Overview of Economy(1)



GDP Growth Rate of Guangzhou & China

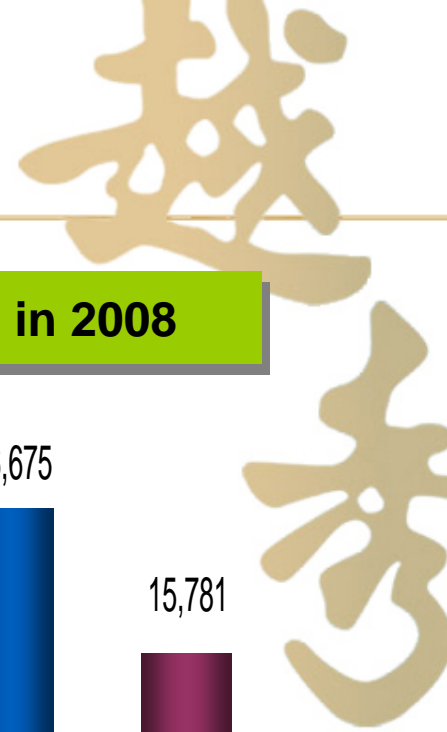


Guangzhou – Business Home Base

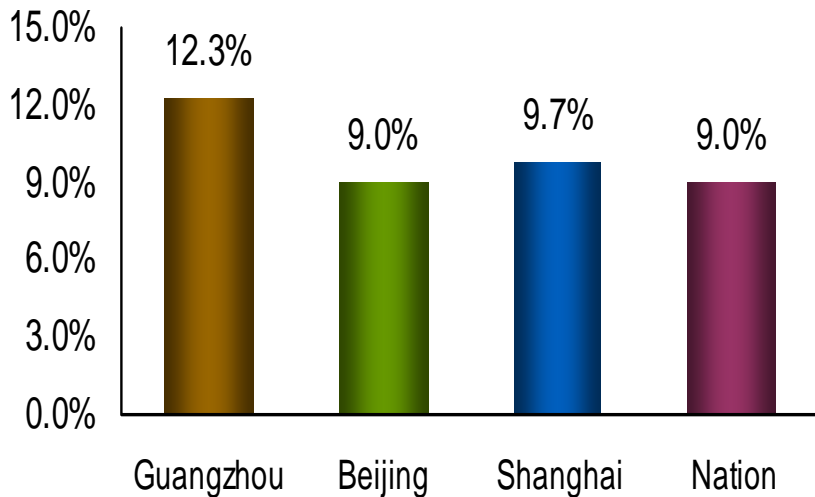




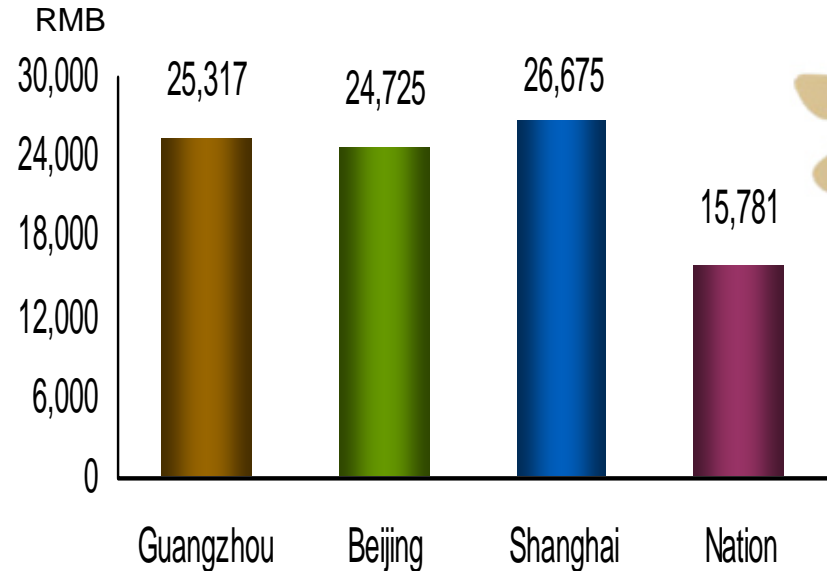
Overview of Economy(2)



GDP Growth Rate in 2008



Income per Capita in 2008



Source: Statistics Bureau of National, Beijing, Shanghai, Guangzhou Municipal Government

- In 2008, GDP growth rate of Guangzhou was higher than that of Beijing, Shanghai and the nation.
- In 2008, Guangzhou's income per capita ranked in the front to RMB25,317 of China.



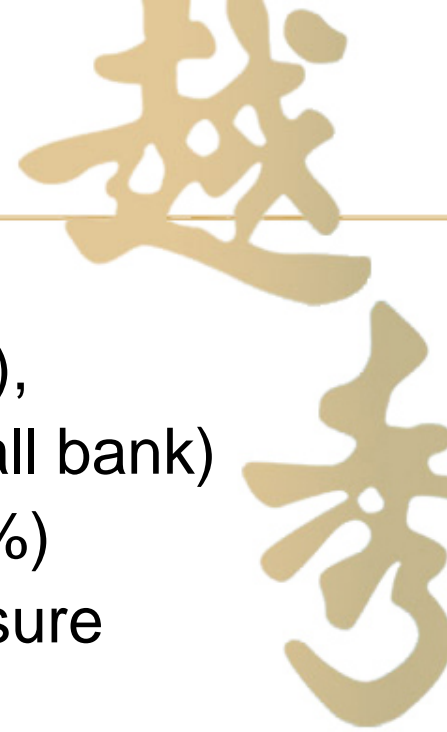
Property Market in Guangzhou and China

Property Transactions	2008	2007	Change
Total GFA in the PRC (mil. sq. m.)	620	772.1	-19.7%
Total value in the PRC (RMB bn.)	2,407.1	2,990.2	-19.5%
Total GFA in Guangzhou (mil. sq. m.)	7.04	10.81	-34.8%
Total value in Guangzhou (RMB bn.)	67.1	94.4	-28.9%

Source: Statistics Bureau of Guangzhou Municipal Government



Macroeconomic Policies



- **Fiscal and Monetary Policies**

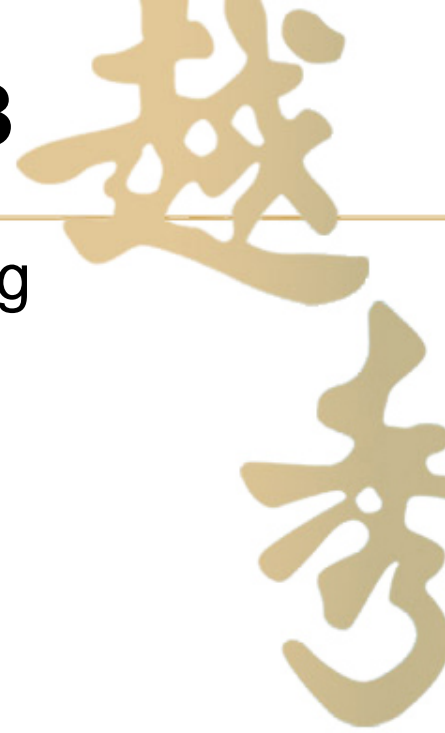
- Bank Reserve Ratios : 15.5 % (large bank),
13.5% (mid. & small bank)
- 1-Year loan interest Rate : 5.31% (2.16%)
- Moderate and loose monetary policy to ensure stable money supply and loan growth

- **Policies in the Property Sector**

- “Ensure healthy development of the property market” policy introduced by both the State Council and Guangdong Province.
- Mortgage rates lowered
- First time buyer initial deposits lowered
- Trading cost of second home lowered



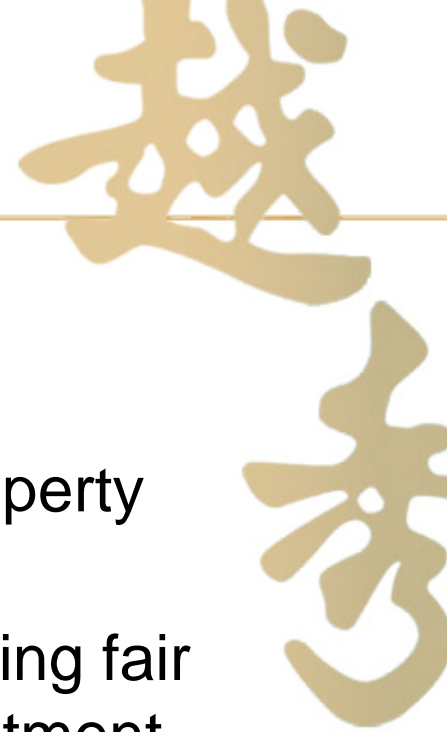
Major Achievements in 2008



- Sale of non-core newsprint business, improving financial conditions
- Made good progress on major projects
- Sold Yue Xiu Metropolis to GZI REIT



Results Summary



- **GZI**
 - Profit before tax (excluding investment property revaluation) = HK\$ 1.648 bn. (+18.2%)
 - Profit attributable to equity holders (excluding fair value gains/ losses on revaluation of investment properties – after taxation and shares by minority interest) = HK\$ 805 mil. (+5.1%)
 - Profit attributable to equity holders =HK\$608 mil. (- 41%)
 - Gearing Ratio = 31.5% (2007: 40%)

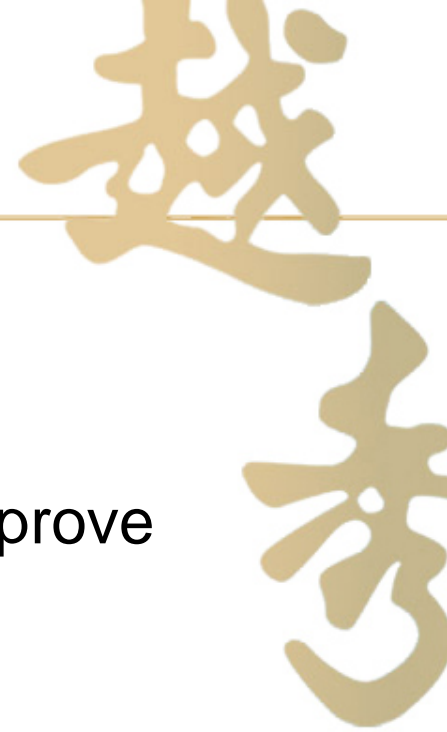


2009 – Opportunities and Challenges

- Property : Increase land bank, enhance sales and marketing ability, complete GFA over 450,000 sq.m., and control costs and expenses so as to improve profit margins.
- Toll Roads : Focus on acquisition opportunities in the Pearl River Delta, Yangtze River Delta and Pan-Bohai Economic Zone.
- REIT : Expand assets scale, optimize property portfolio and diversify operating risks.



Development Strategies

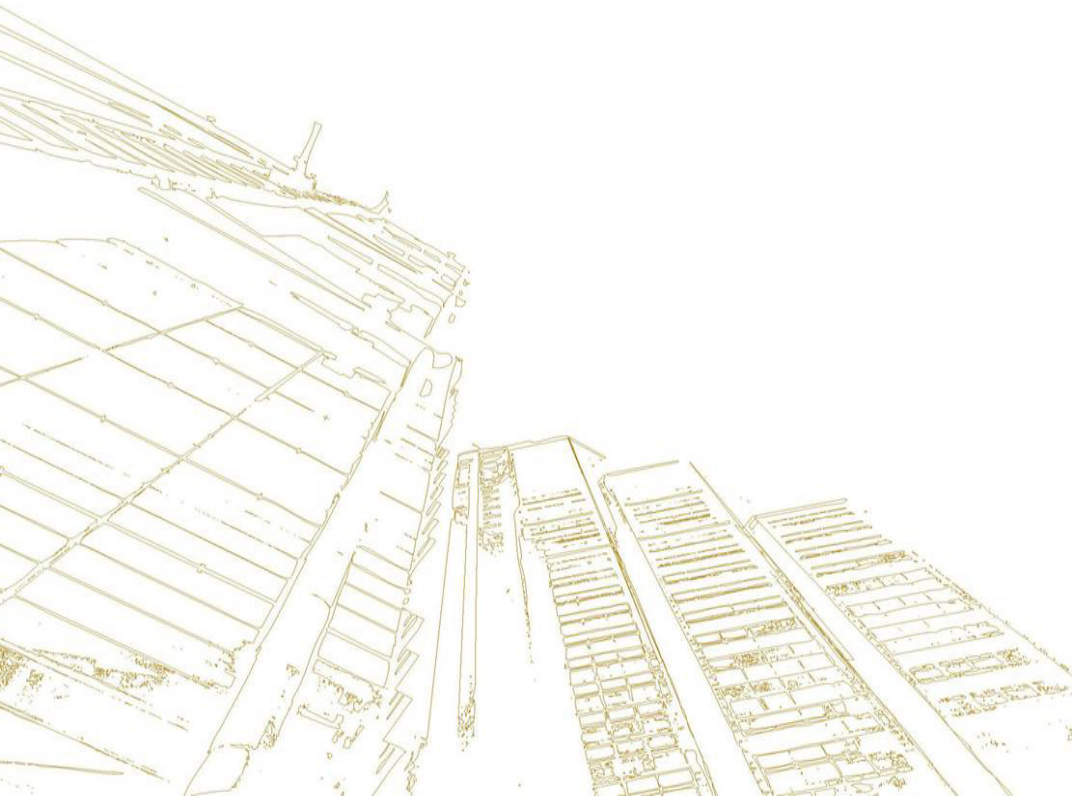


- Focus on Property and Toll Roads
- Optimize business and capital structure - improve competitive advantage
- Emphasize co-ordination of scale, quality and profit
- Twin-engine : Business management as well as Capital management
- Adhere to stable, long term and healthy growth



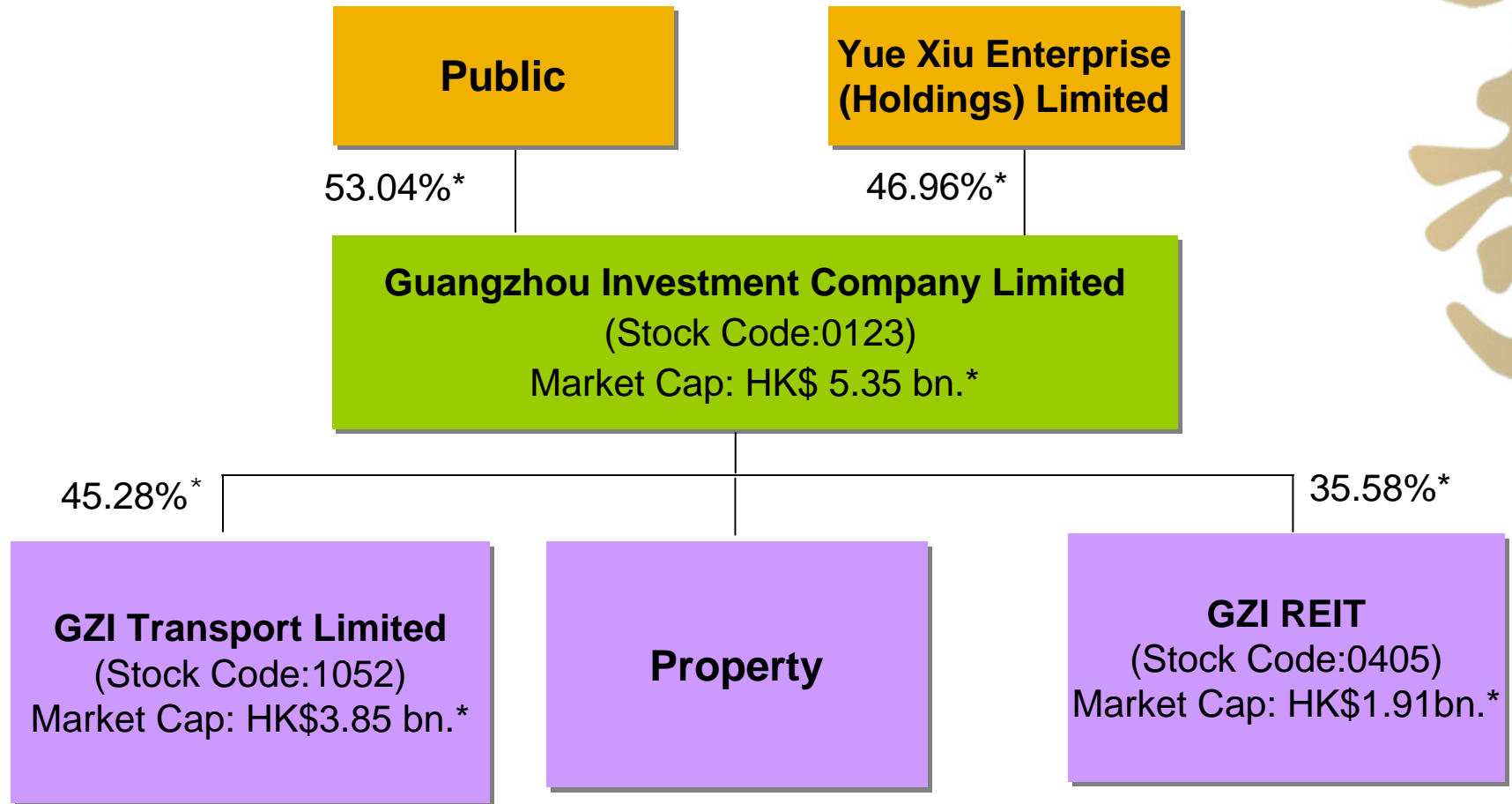
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2008 Annual Results of GZI





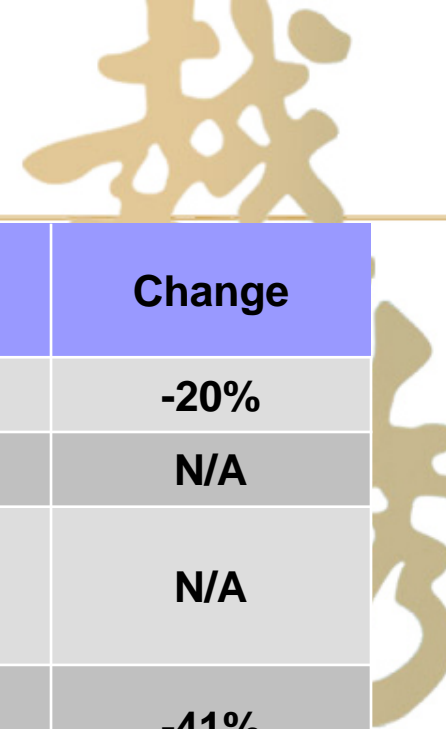
Structure



* As at 31 Dec. 2008



Financial Highlights(1)

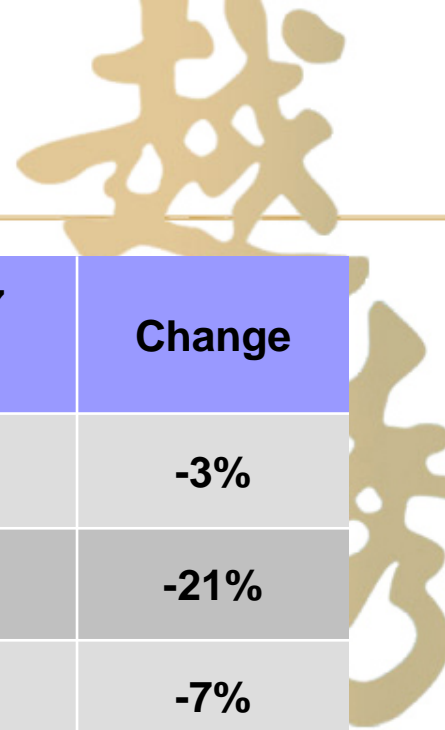


(HK\$ mil.)	2008	2007 (Restated)	Change
Revenue	4,173	5,244	-20%
Gross profit margin	44%	34%	N/A
Fair value (losses) /gains on revaluation of investment properties	-272	362	N/A
Profit attributable to equity holders ⁽¹⁾	608	1,031	-41%
Profit attributable to equity holders (excluding fair value gains/ losses on revaluation of investment properties – after taxation and shares by minority interest)	805	766	+5.1%
Basic EPS ⁽¹⁾ (HK cents)	8.53	14.88	-43%
Final dividend ⁽¹⁾ (HK cents)	0.80	2.50	-68%
Dividend payout ratio	40%	31%	N/A

(1)Excluding minority interests



Financial Highlights(2)



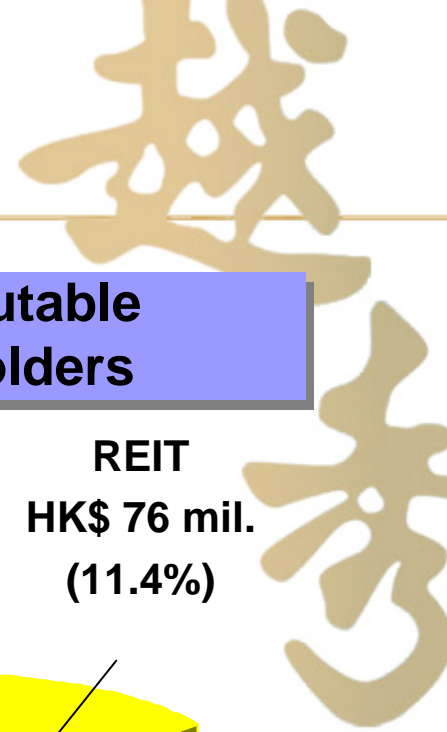
(HK\$ mil.)	31 Dec. 2008	31 Dec. 2007 (Restated)	Change
Cash and cash equivalents	3,497	3,588	-3%
Total Bank Borrowings	9,729	12,238	-21%
Total liabilities	21,795	23,422	-7%
Total assets	42,933	44,078	-3%
Shareholders' equity ⁽¹⁾	14,479	13,790	+5%
Net asset per share ⁽¹⁾ (HK\$)	2.03	1.94	+5%
Gearing ratio ⁽²⁾	31.5 %	40 %	N/A

(1) Excluding minority interests

(2) Gearing ratio = net borrowings / total capitalization

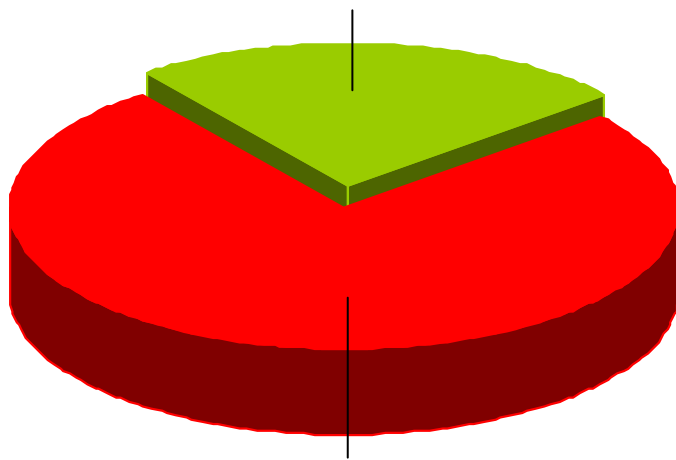


Proportion of the Business



Revenue

Toll Road
HK\$ 1,014 mil.
(24.3%)

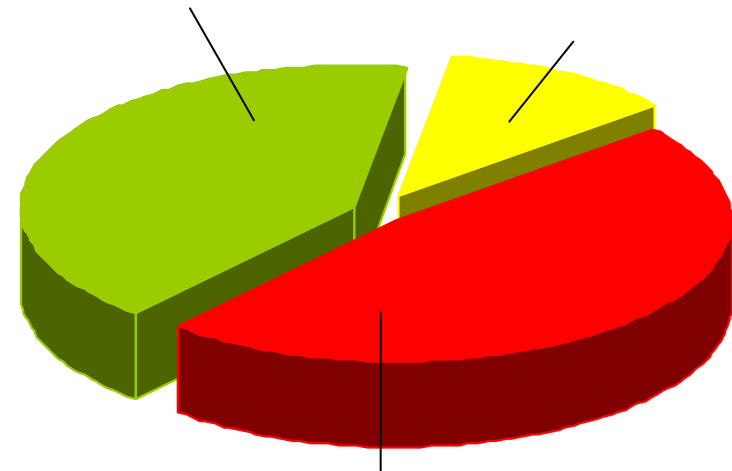


Property
HK\$ 3,159 mil.
(75.7%)

Profit attributable to equity holders

Toll Road
HK\$ 275 mil.
(41.2%)

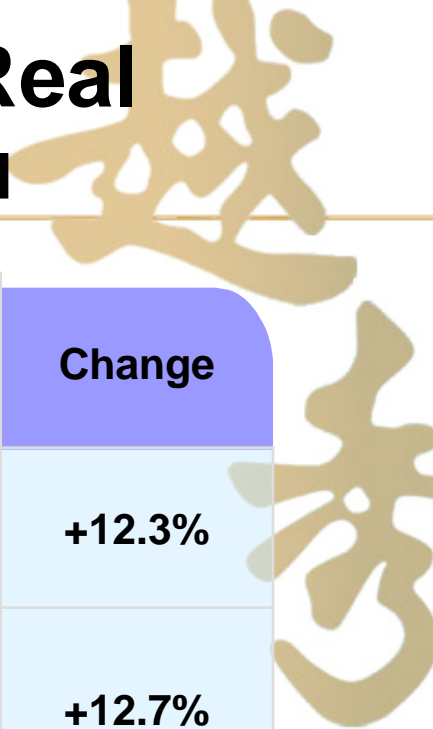
REIT
HK\$ 76 mil.
(11.4%)



Property
HK\$ 317 mil.
(47.4%)



Overview of Economy and Real Estate Market in Guangzhou

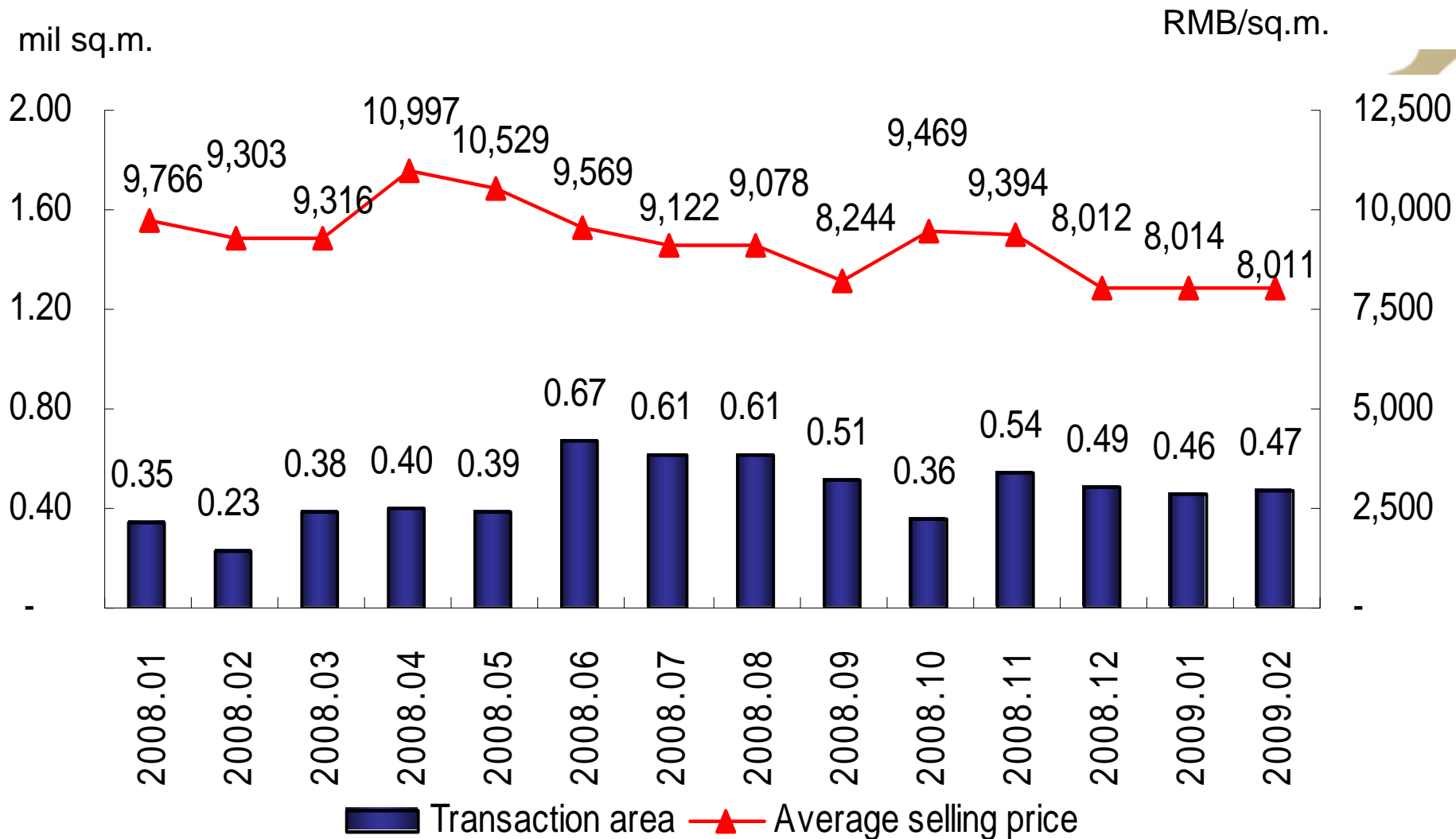


	2008	2007	Change
GDP (RMB bn.)	821.6	705.1	+12.3%
Income per capita (RMB)	25,317	22,469	+12.7%
ASP of properties in Guangzhou (RMB per sq.m.)	9,528	8,733	+9.1%
Transaction GFA of properties in Guangzhou (mil. sq.m.)	7.04	10.81	-35%

Source : Guangzhou Construction Committee, Statistics Bureau of Guangzhou Municipal Government

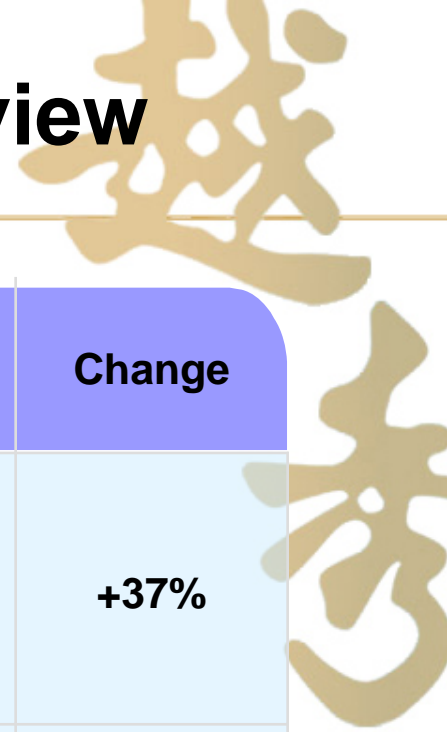


Monthly Transaction of Residential Properties in Guangzhou





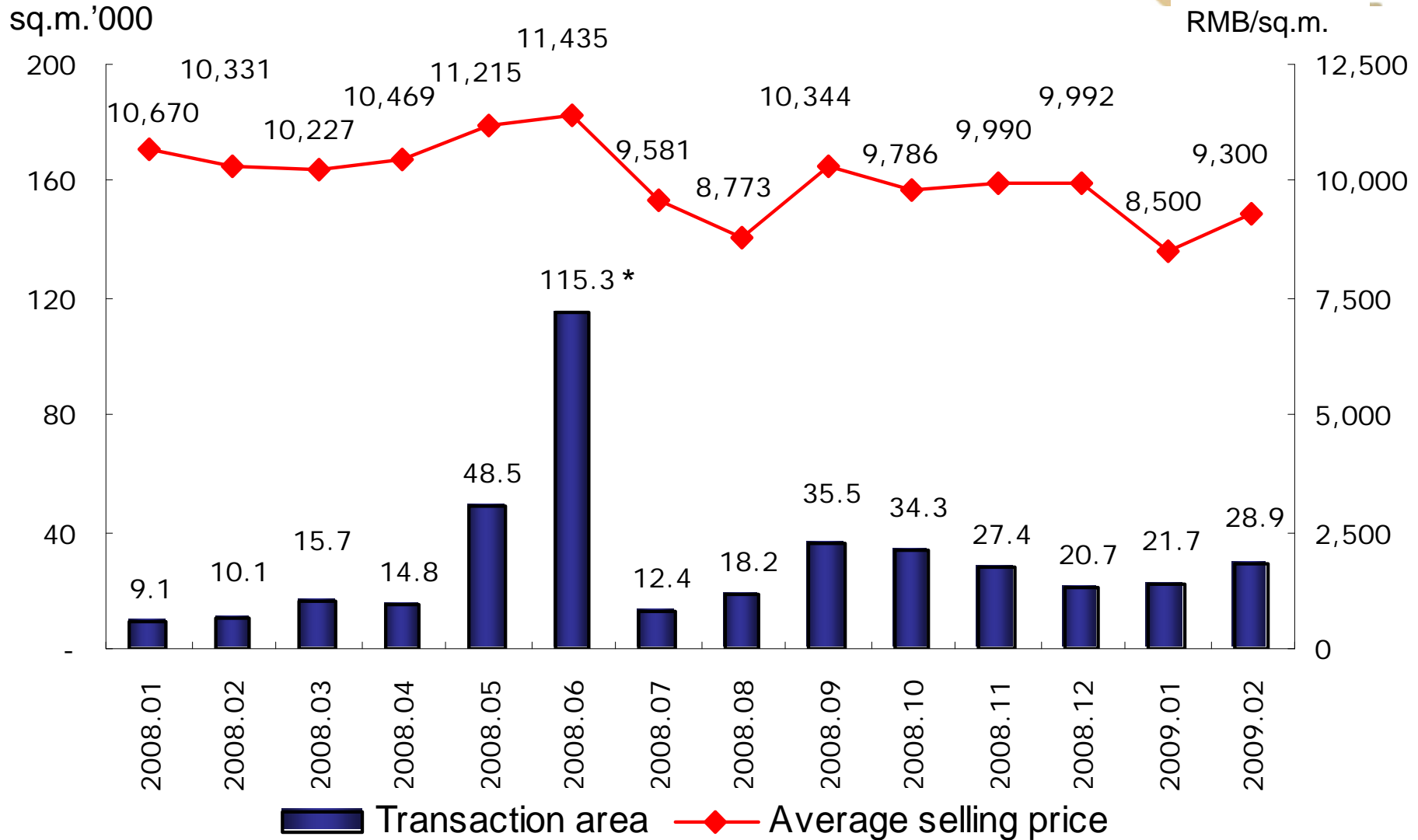
GZI Real Estate Sales Overview



	2008	2007	Change
Contracted GFA (sq.m.)	360,000	260,000	+37%
Contracted sales (HK\$ mil.)	4,168	3,250	+28%
Average selling price (HK\$ / sq.m.)	11,600	12,400	-6.3%



Monthly Sales of GZI



* Including Yue Xiu Metropolis sold as a subsidiary



Contracted Sales in 2008



Projects	Land Use	GFA (sq.m.)	Average price (HK\$/sq.m.)	Total (HK\$ mil.)
Springland Garden	Residential	92,500	11,600	1,075
Rayon Jardin	Residential	71,700	12,600	904
Ling Nan Ya Yuan	Residential	45,600	8,200	374
Southern Le Sand	Residential	25,700	10,200	263
Glade Village	Residential	23,700	6,400	152
Other Projects	N/A	38,900	18,900	737
Subtotal		298,100	11,750	3,504
Yue Xiu Metropolis *	Office /commercial	61,964	10,700	664
Total		Approx.360,000	11,600	4,168

* sold as a subsidiary



Booked Sales in 2008



Projects	Land Use	GFA (sq.m.)	Average price (HK\$/sq.m.)	Total (HK\$ mil.)
Springland Garden	Residential	45,700	10,000	456
Southern Le Sand	Residential	35,100	9,300	325
Ling Nan Ya Yuan	Residential	26,100	9,100	237
Victory Plaza	Office	25,000	17,600	440
Glade Village	Residential	18,400	9,600	176
Other Projects	N/A	17,600	12,900	242
Subtotal		167,900	11,100	1,875
Investment properties sales	N/A	33,700	16,000	541
Subtotal		201,600	12,000	2,416
Yue Xiu Metropolis *	Office/ commercial	61,964	10,700	664
Total		Approx. 264,000	11,700	3,080

* sold as a subsidiary



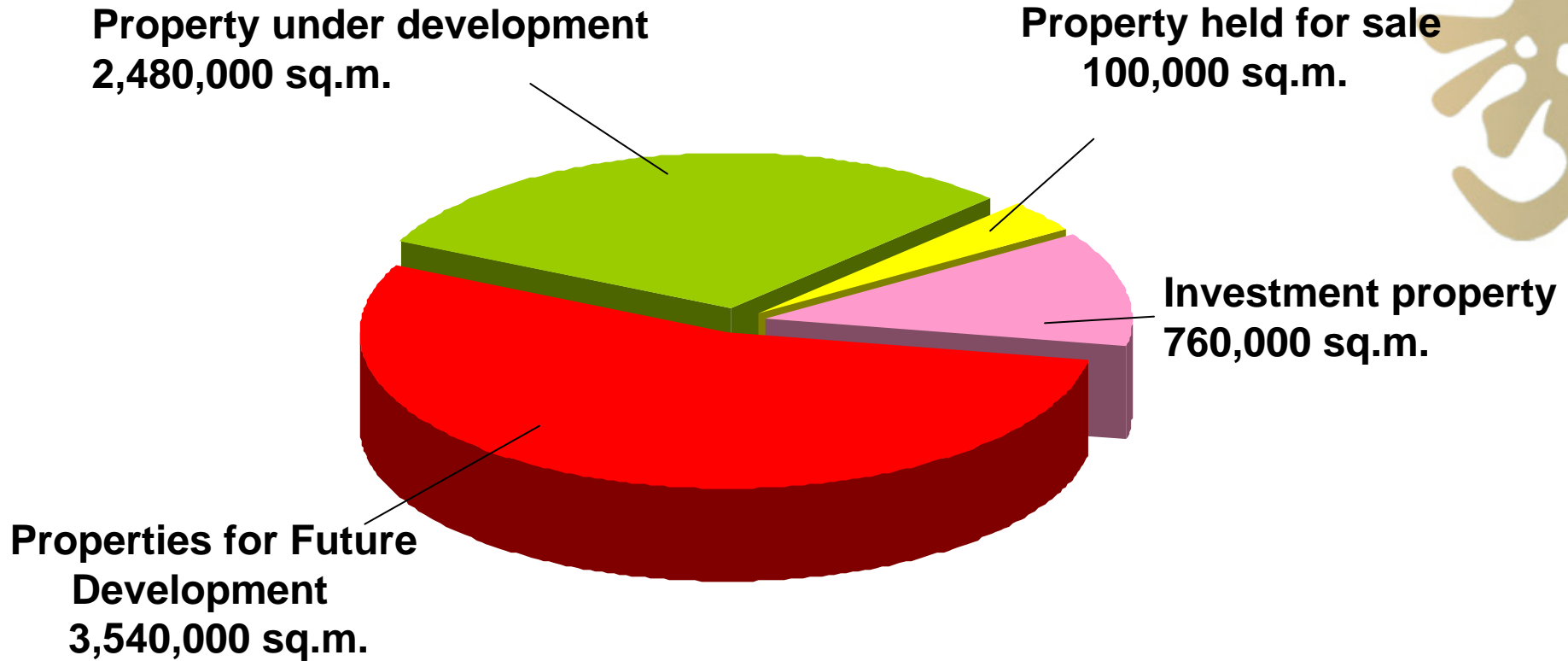
Pre-sold Area Not Yet Booked in 2008

Projects	Land Use	GFA (sq.m.)	Average price (HK\$/sq.m.)	Total (HK\$ mil.)
Springland Garden	Residential	89,100	11,800	1,048
Rayon Jardin	Residential	71,700	12,600	904
Ling Nan Ya Yuan	Residential	25,700	7,900	276
Southern Le Sand	Residential	25,700	10,700	204
Glade Village	Residential	22,400	7,100	160
Other Projects	N/A	5,100	14,300	73
Total		Approx. 240,000	11,100	2,665



Total GFA of Properties by Stage of Development

Properties by Stage of Development



* As at 31 Dec. 2008



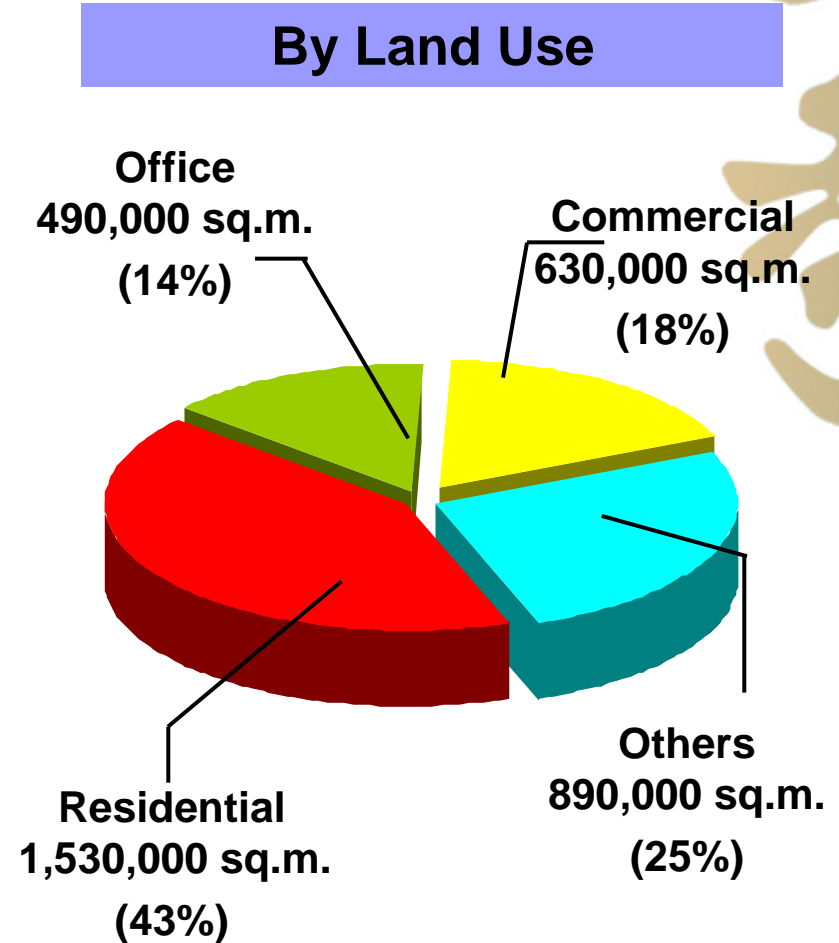
Major Land Bank and Property under Development Location Map





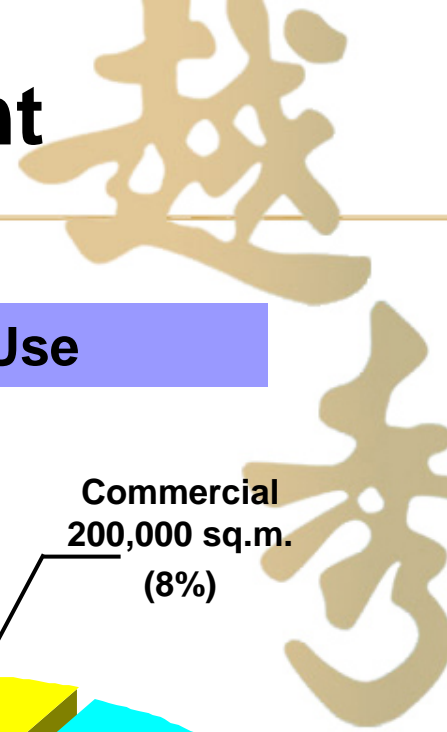
Properties for Future Development

Major Projects	GFA(sq.m.)
Southern Le Sand	1,869,000
Jin Sha Zhou Plot	425,000
Fortune World Plaza	334,000
Pearl River New City Site	346,000
Jiang Nan New Village phase 3&4	151,000
Sports Stadium Building	125,000
Hua Du Plot	91,000
Glade Village	67,000
Yau Tong Plot	59,000
Other Projects	74,000
Total	Approx. 3,540,000

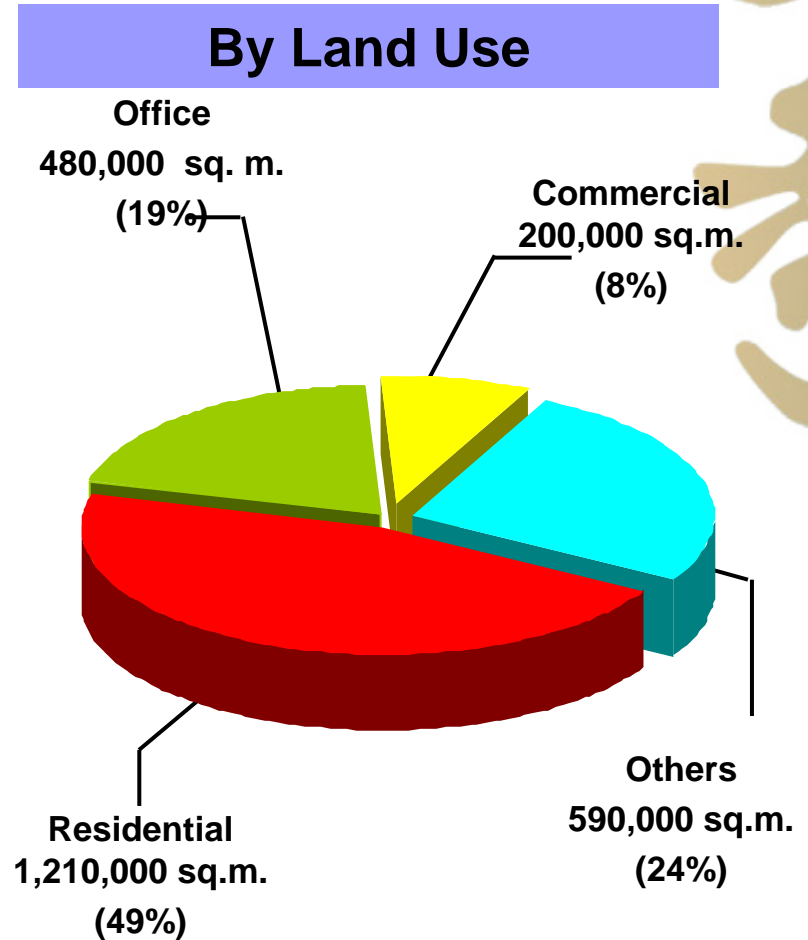




Property under Development

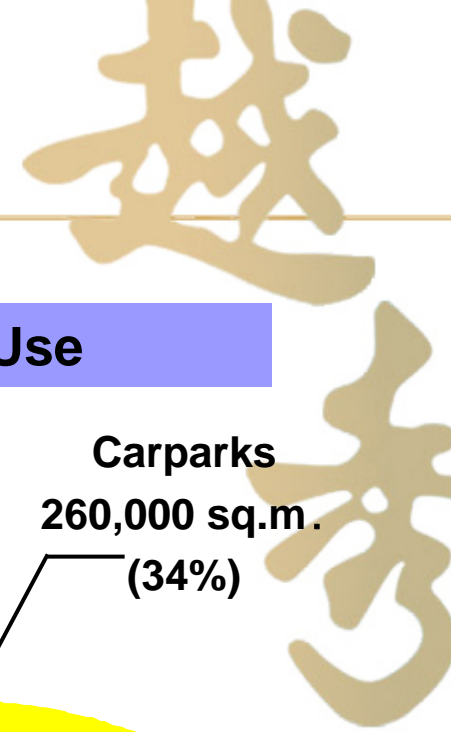


Major Projects	GFA(sq.m.)
Guangzhou IFC	451,000
Southern Le Sand	499,000
Springland Garden	298,000
Asia Pacific Century Plaza	232,000
Jiang Nan New Mansion	229,000
Ling Nan Riverside	193,000
Xin Hui Yun Jin	186,000
Rayon Jardin	154,000
Glade Village	130,000
Ling Nan Ya Yuan	41,000
Other Projects	67,000
Total	Approx. 2,480,000



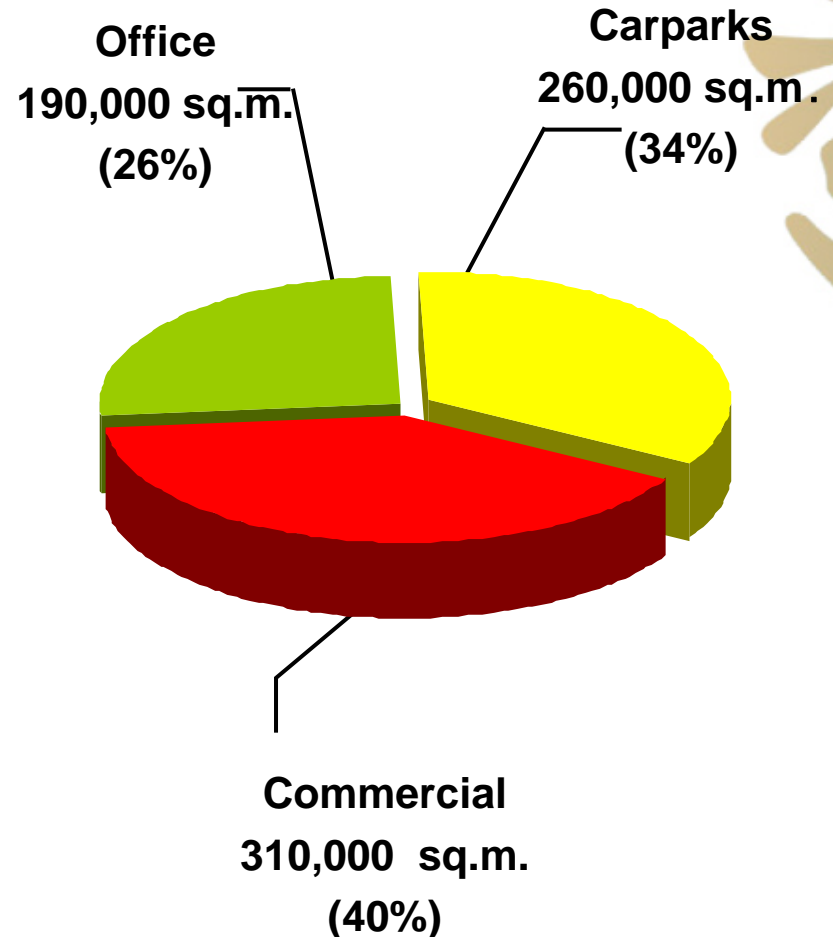


Investment Properties



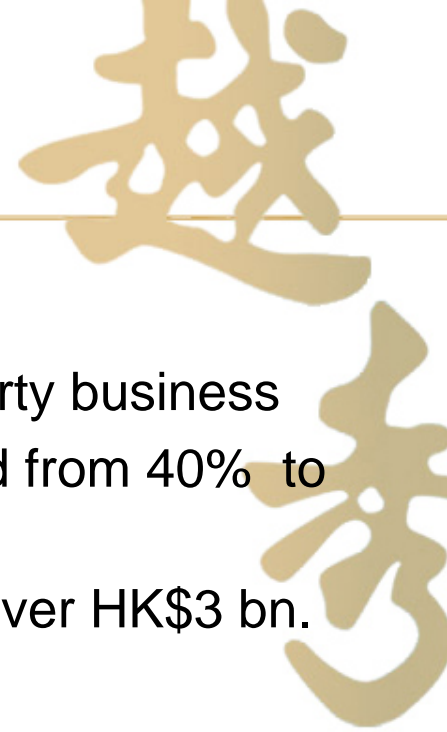
Major Projects	GFA(sq.m.)
Tian Hui Cheng Plaza	85,000
Jin Han Building	45,800
Hong Kong Property	38,000
Guang Yuan Cultural Centre	32,000
Xiangkang Commercial Plaza	28,900
Huang Shi Garden	28,600
Victory Plaza	26,000
Hong Fa Building	17,300
Jiang Xing Building	16,300
Yue Xiu City Plaza	15,500
Other Projects (include carparks)	424,000
Total	Approx. 760,000

By Land Use





Operation Highlights



- **Business Restructuring**

- Disposed newsprint business and refocus on property business
- Optimized financial structure : gearing ratio dropped from 40% to 31.5%
- Allocated more resources into property business : over HK\$3 bn.

- **Property Business**

- Contracted sales GFA : 260,000 sq.m. 360,000 sq.m.
- Property under development : 1,840,000 sq.m. 2,480,000 sq.m., a historical high.
- Increased development speed and shortened development cycle by 20%.



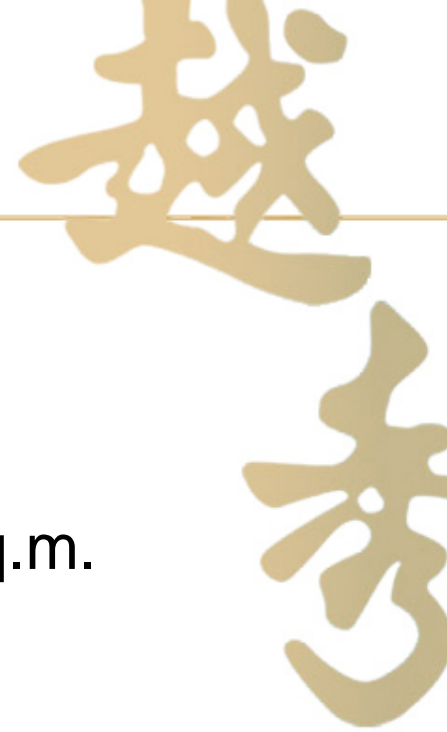
Business Outlook (1)



- **Property Market Analysis**
 - Long-term : underlying growth intact
 - Economic growth
 - Urbanization
 - Needs for better housing
 - Short-term : the positive impacts from recent favorable macroeconomic policies and economic stimulus packages are starting to appear



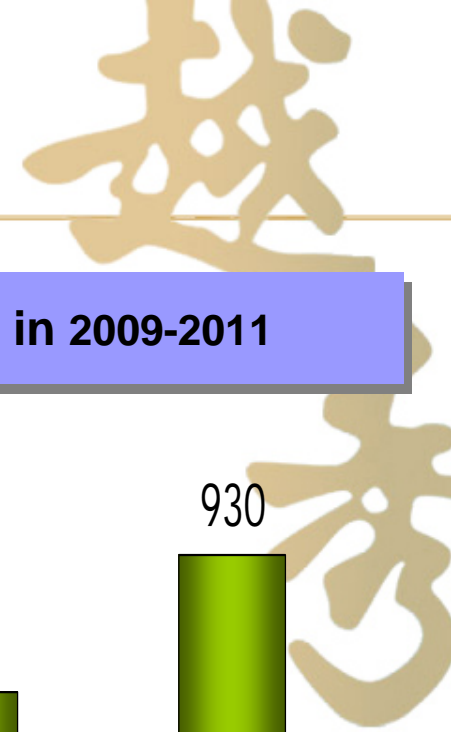
Business Outlook (2)



- **2009**
 - Proactively increase land bank
 - Complete GFA of not less than 450,000 sq.m.
 - Launching 4 major projects:
 - Xin Hui Yun Jin
 - Jiang Nan New Mansion
 - Ling Nan Riverside
 - Springland Garden
 - Strictly control costs and expenses

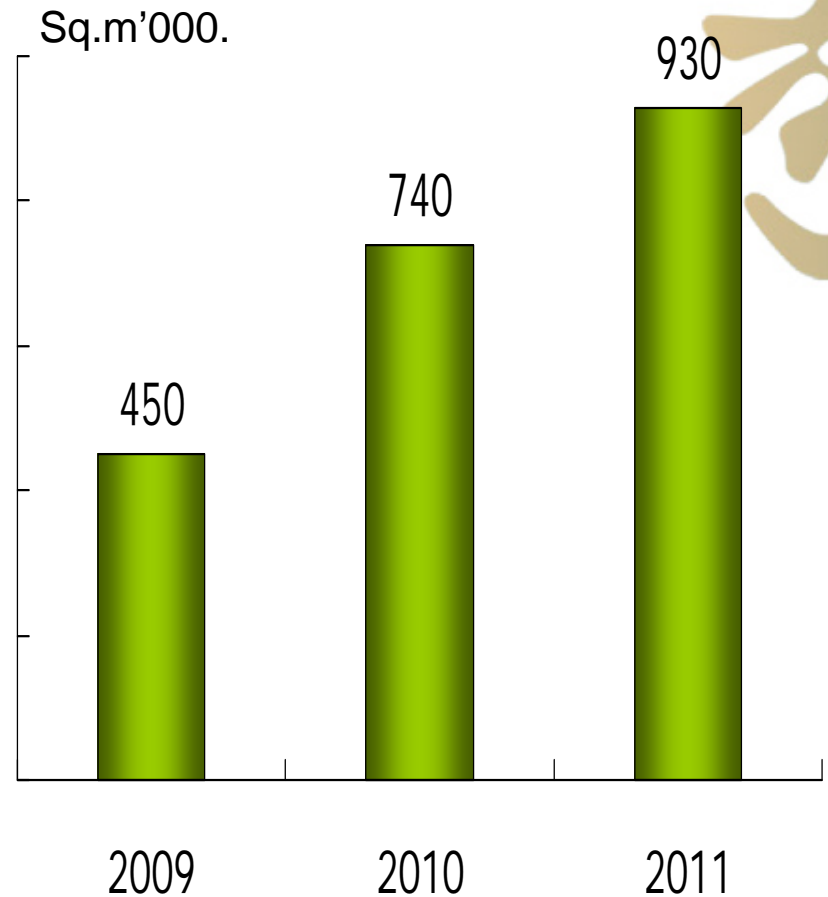


Business Outlook(3)



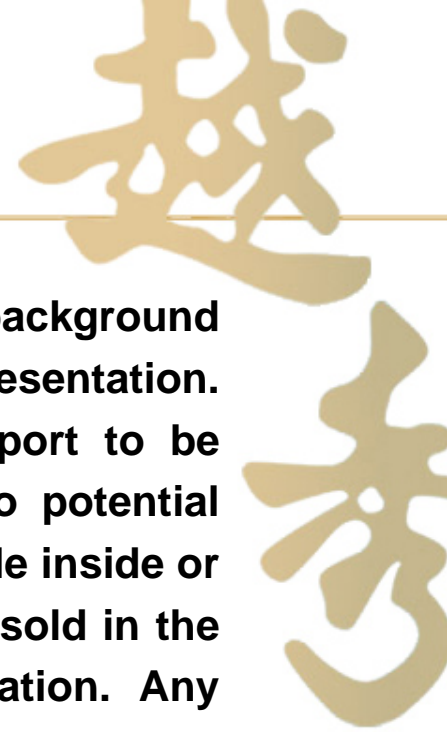
Completed projects in 2009	GFA (sq.m.)
Rayon Jardin	154,000
Springland Garden	133,000
Southern Le Sand	72,000
Ling Nan Ya Yuan	49,000
Glade Village	44,000
Total	Approx. 450,000

Completed GFA in 2009-2011





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