



GUANGZHOU INVESTMENT COMPANY LIMITED

越秀投資有限公司

(Stock Code: 123)

越秀

Corporate Presentation 2009 Interim Results

1 September 2009

- Business Overview
- 2009 Interim Results of GZI



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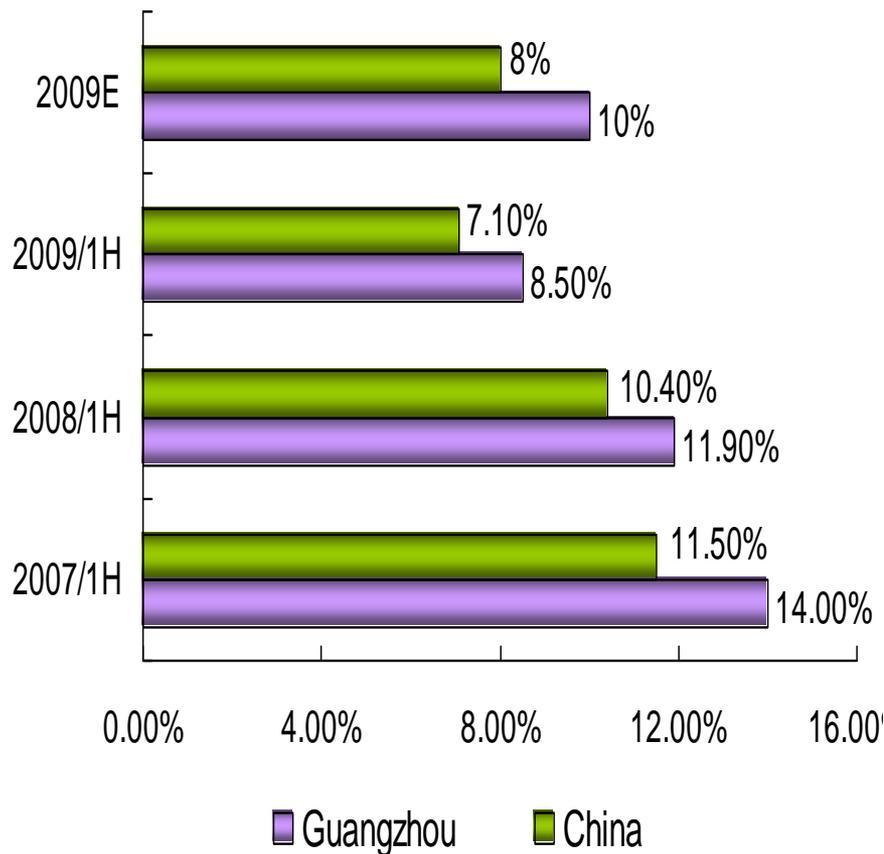
Business Overview



Overview of Economy(1)



GDP Growth Rate of Guangzhou & China



Guangzhou – Business Home Base

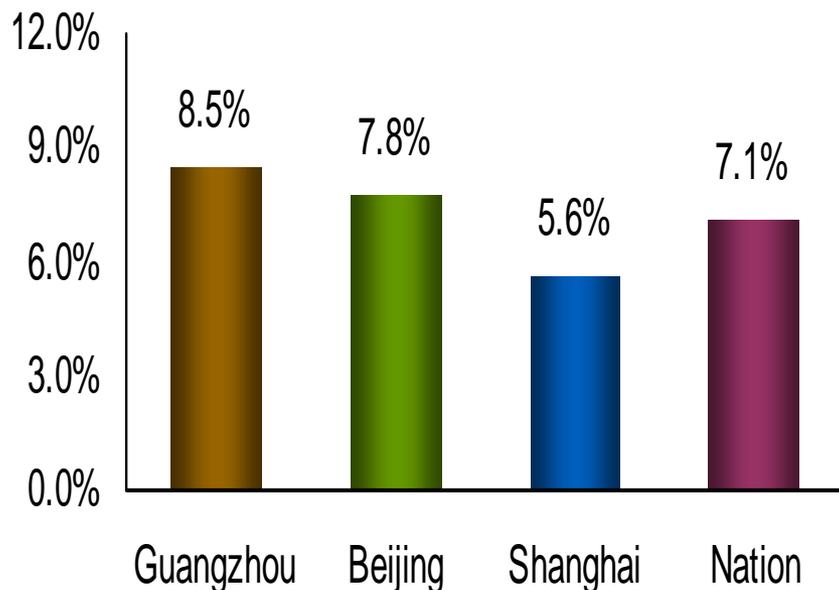




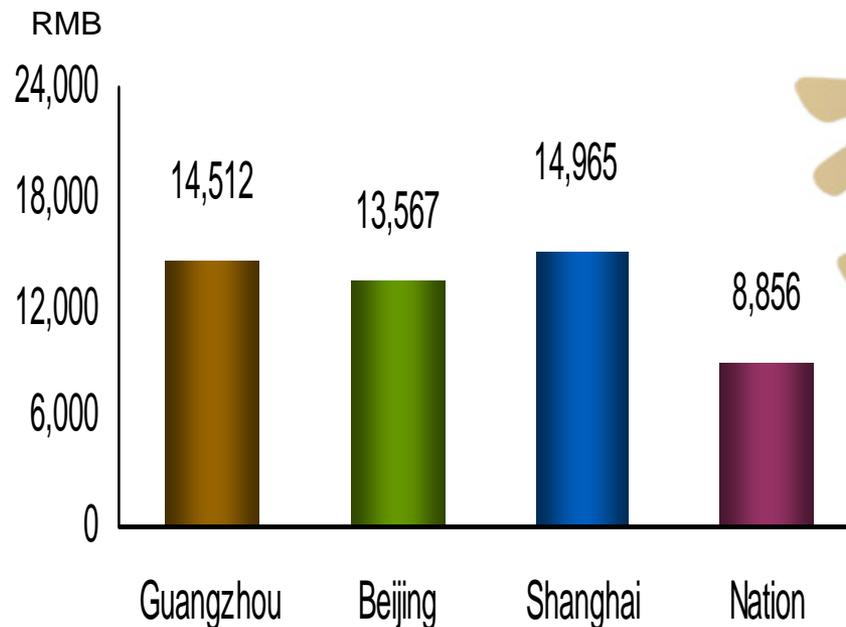
Overview of Economy(2)



GDP Growth in 1H /2009



Income per capita of urban citizens in 1H/2009



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

- **The GDP growth rates of Guangzhou in 1H 2009 is higher than that of Beijing, Shanghai and the nation.**
- **Income per capita of urban citizens of Guangzhou in 1H2009 amounted to RMB 14,512, which ranked among the top.**

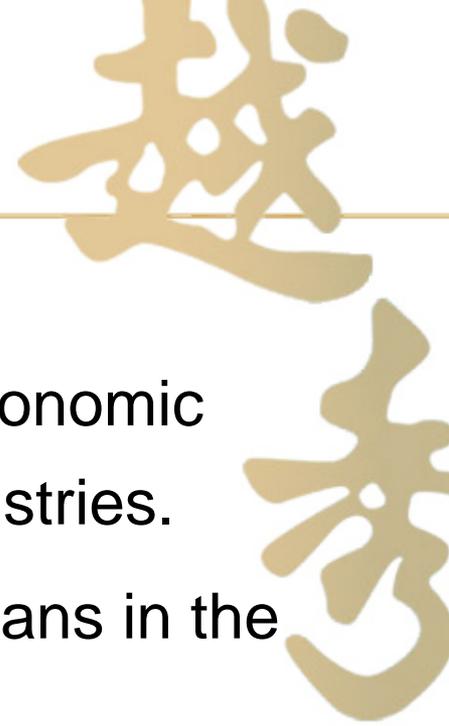
Property Market in China



Property Transactions	2009/1H	2008/1H	Change
Total GFA in the PRC (mil. sq. m.)	341	259	+31.7%
Total value in the PRC (RMB bn.)	1,580	1,032.7	+53.0%
Total ASP in the PRC (RMB/ sq. m.)	4,632	3,987	+16.2%

Source: Statistics Bureau of PRC.

Macroeconomic Policies

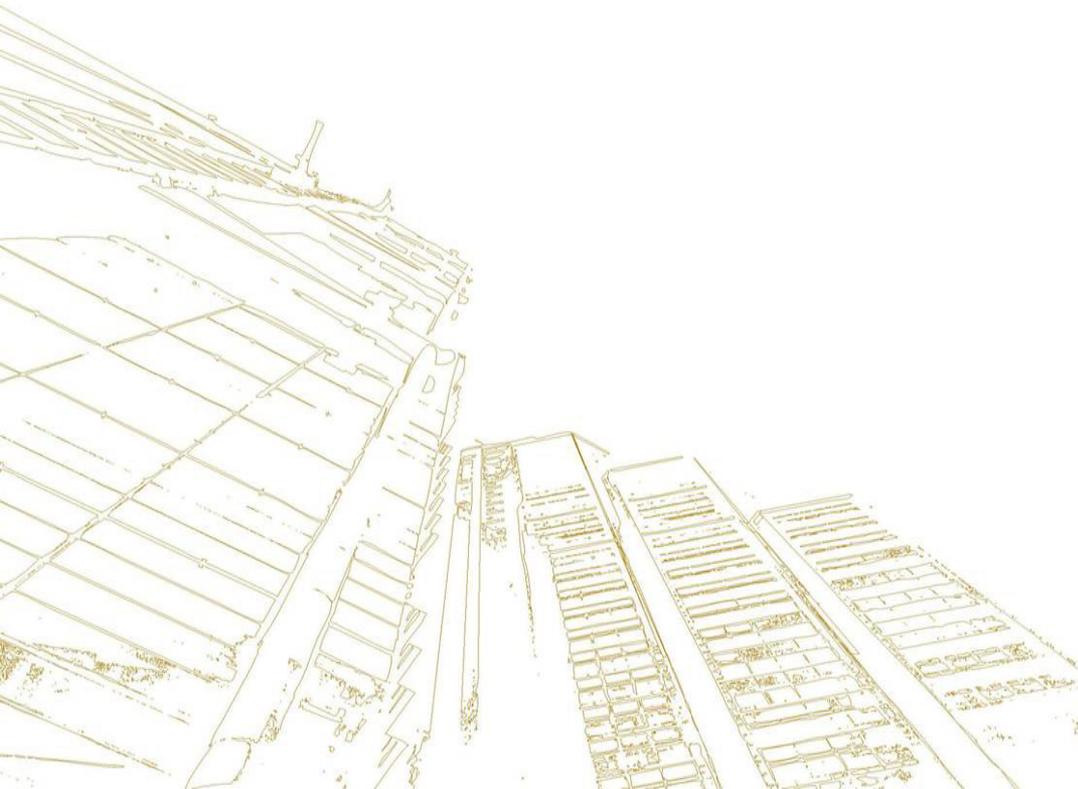


- **Fiscal and Monetary Policies**
 - Active fiscal policies: RMB 4.0 trillion economic stimulus、 Policy supports for the 10 industries.
 - Moderately loose monetary policies : Loans in the first half increased by RMB7.37 trillion.
- **Policies in the Property Sector**
 - Central and local governments aim for “promoting the healthy development of the real estate market”
 - In the first half: Costs of homeowners lowered、 Capital requirements of developers eased.



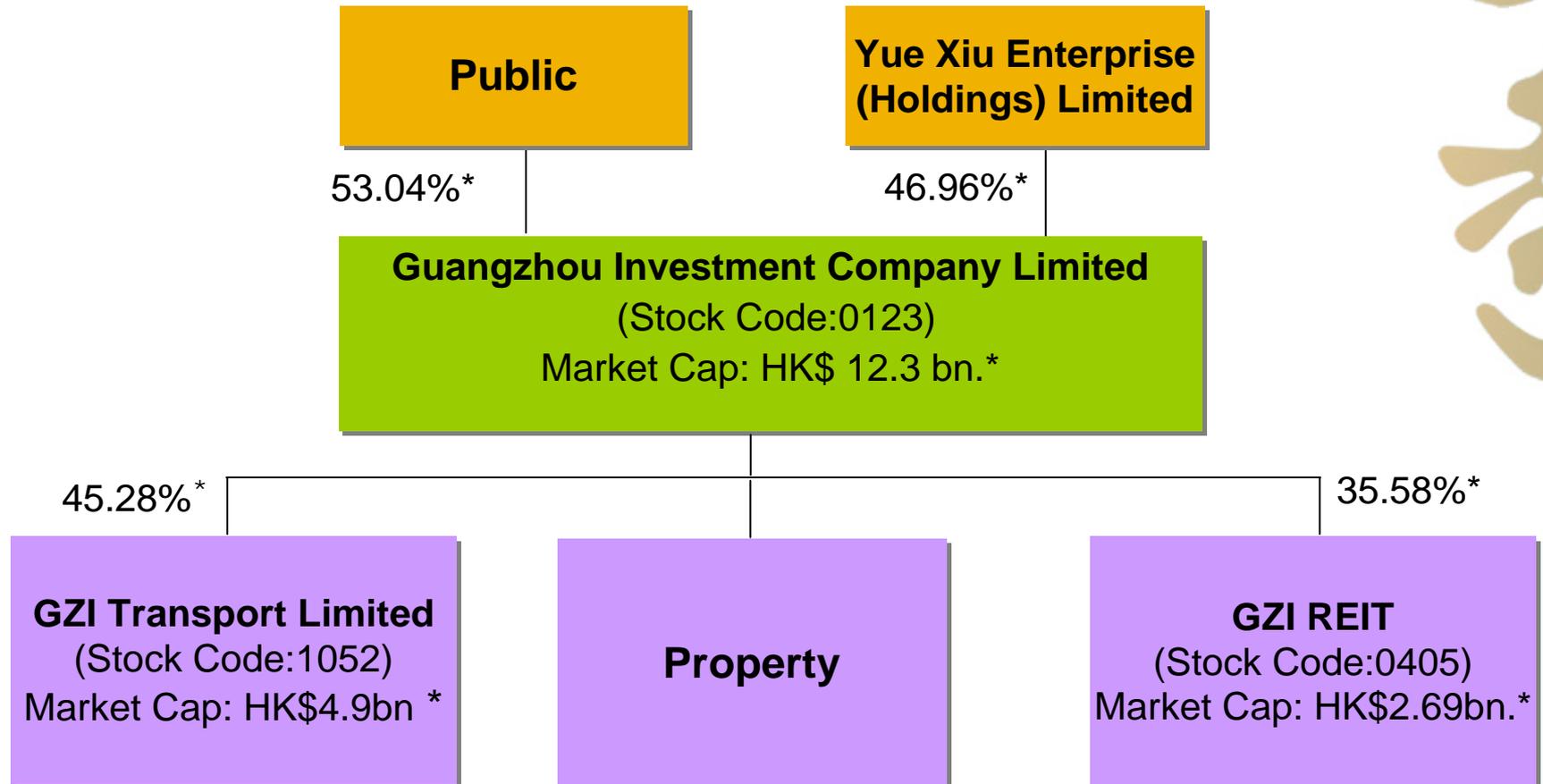
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2009 Interim Results of GZI





Structure



* As at 30 Jun. 2009

Financial Highlights(1)



(HK\$ mil.)	2009/1H	2008/1H	Change
Revenue	3,015	2,120	+42.2%
Gain on sales of investment properties	17	24	-29.2%
Fair value (losses) /gains on revaluation of investment properties	349	12	N/A
Selling and distribution expenses	85	78	+9.3%
General and administrative expenses	352	319	+10.2%
Finance costs	40	185	-78.4%
Profit attributable to equity holders ⁽¹⁾	684	465	+47.0%
Basic EPS ⁽¹⁾ (HK cents)	9.60	6.53	+47.0%

(1)Excluding minority interests



Financial Highlights(2)



(HK\$ mil.)	30 Jun 2009	31 Dec 2008	Change
Cash and cash equivalents	4,123	3,497	+17.9%
Total Bank Borrowings	11,838	9,729	+21.7%
Total liabilities	24,185	21,795	+11.0%
Total assets	46,252	42,933	+7.7%
Shareholders' equity ⁽¹⁾	15,382	14,479	+6.2%
NAV per share ⁽¹⁾ (HK\$)	2.16	2.03	+6.2%
Gearing ratio ⁽²⁾	34.5%	31.5%	+ 3 percentage points

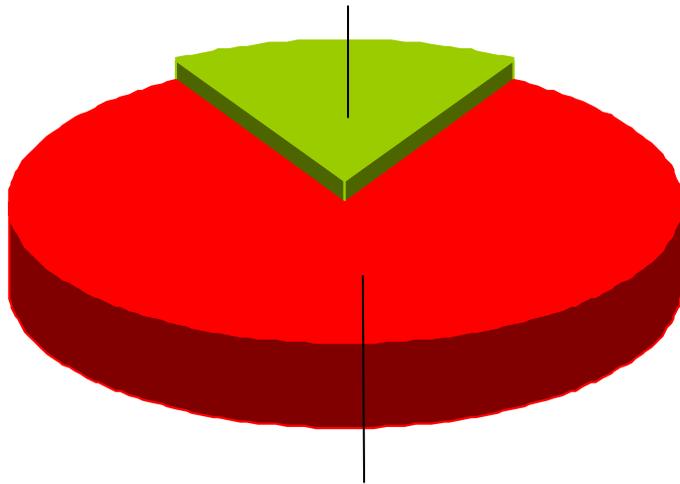
(1) Excluding minority interests

(2) Gearing ratio is equivalent to net borrowings to total capitalization

Proportion of the Business

Revenue

Toll Road
HK\$507 mil.
(16.8%)

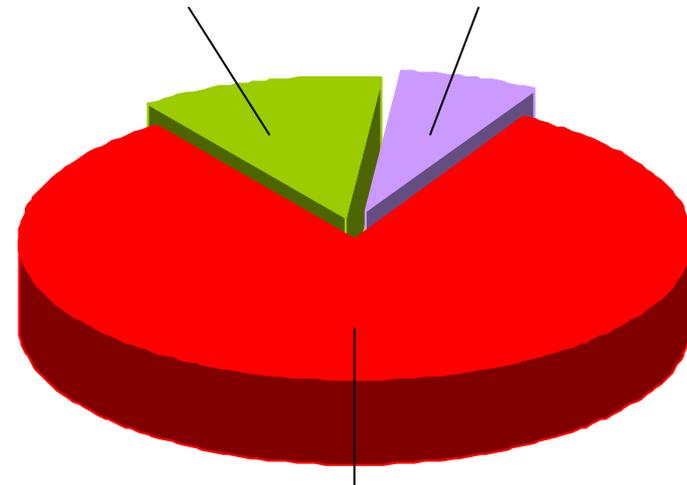


Property
HK\$2,508 mil.
(83.2%)

Profit attributable to equity holders

Toll Road
HK\$80 mil.
(11.7%)

REIT
HK\$ 46 mil.
(6.7%)



Property
Hk\$558 mil.
(81.6%)

- **Booked Sales** (excluding investment properties)
 - GFA = 169,200 sq. m. (+104.3%)
 - Amount = HK\$1,871 mil. (+94.4%)
 - Gross Profit = HK\$ 715 mil. (+94%)
 - Gross Margin = 38% (unchanged)



Property Market in Guangzhou

Property Transactions	2009/1H	2008/1H	Change
Total GFA in the Guangzhou (mil. sq. m.)	5.03	3.13	+60.8%
Total value in the Guangzhou (RMB bn.)	45.8	31.3	+46.5%
Total ASP in the Guangzhou (RMB/ sq. m.)	9,101	9,989	-8.9%

Source: Statistics Bureau of Guangzhou Municipal Government

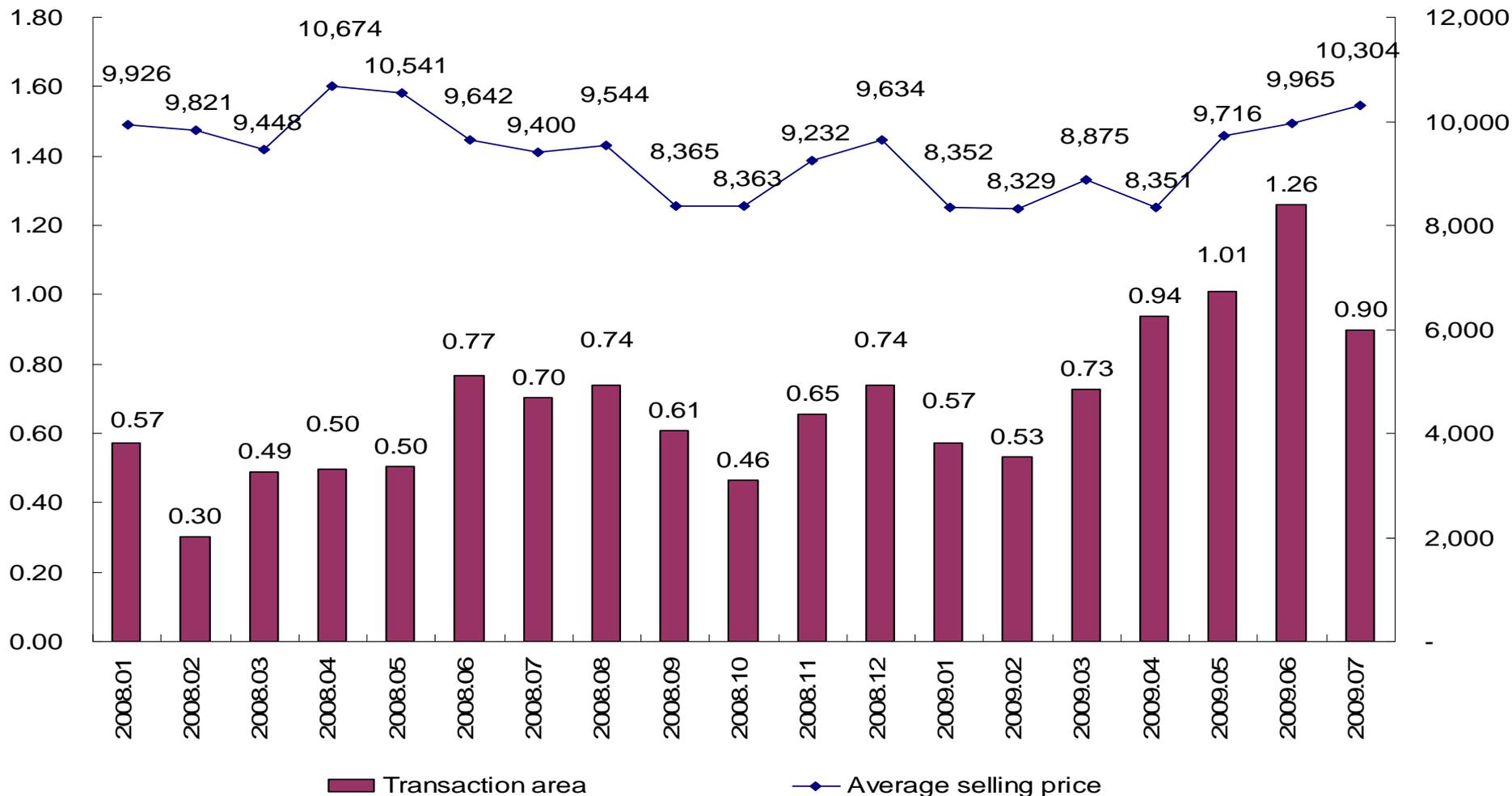


Monthly Transaction of Properties in Guangzhou



mil sq.m.

RMB/sq.m.





GZI Property Sales Overview



	2009/1H	2008/1H	Change
Contracted GFA (sq.m.)	207,200	151,500	+36.8%
Contracted sales (HK\$ mil.)	2,387	1,924	+24.1%
Average selling price (HK\$ / sq.m.)	11,500	12,700	-9.3%

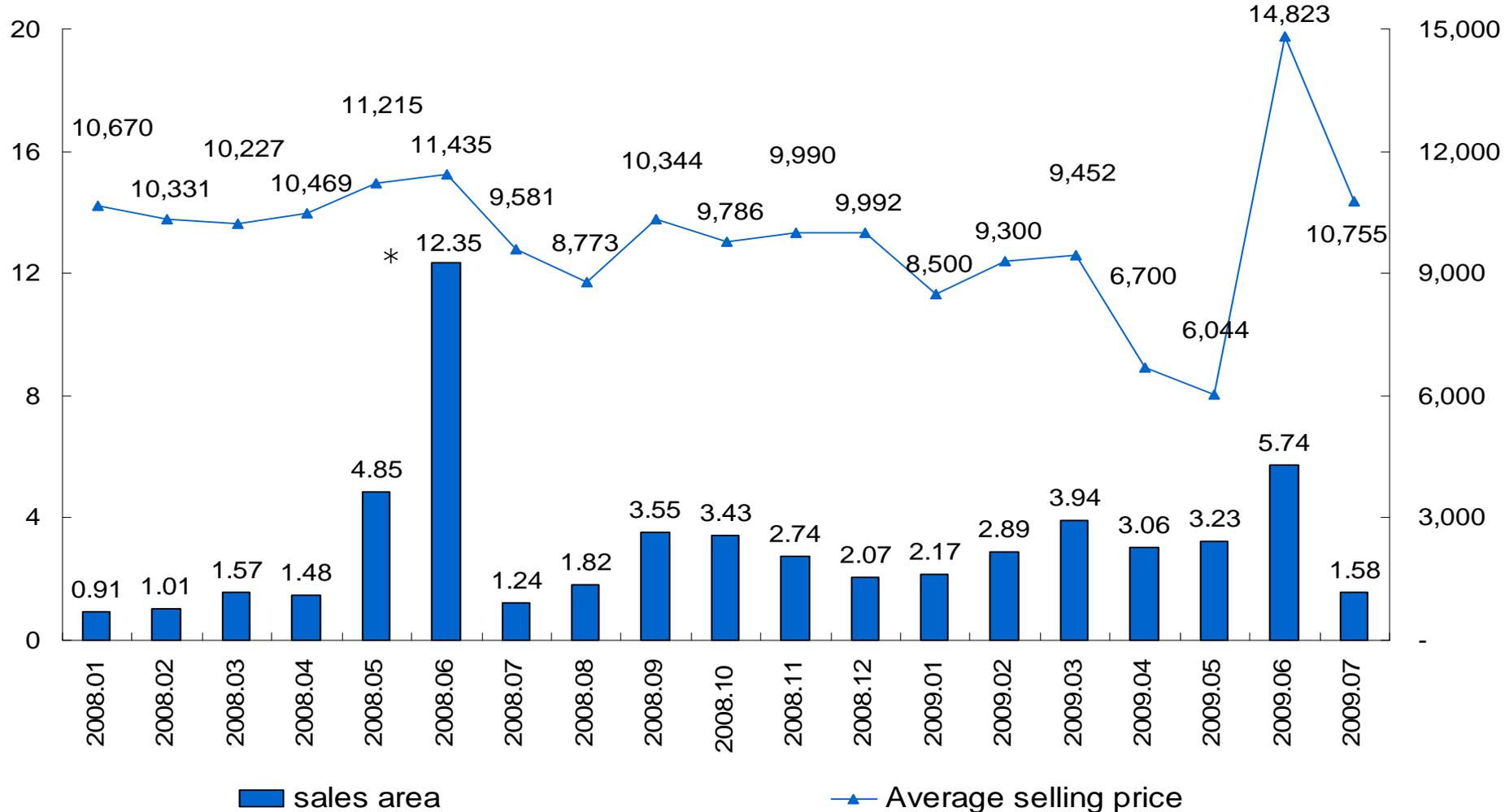


Monthly Sales of GZI



sq.m.'0000

RMB/sq.m.



* Including Yue Xiu Metropolis sold as subsidiary



Contracted Sales in 2009/1H



Projects	Land Use	GFA (sq.m.)	ASP (HK\$/sq.m.)	Total (HK\$ mil.)
Glade Village	Low-rise Apartment/villa	30,100	4,900	147
Ling Nan Ya Yuan	Residential	20,300	8,200	166
Rayon Jardin	Residential	34,000	14,500	492
Southern Le Sand	Low-rise Apartment/villa	55,900	5,700	318
Springland Garden	Residential	20,300	13,000	264
Starry Winking	Residential	37,900	22,900	867
Other Projects	N/A	8,700	15,200	133
Total		207,200	11,500	2,387



Booked Sales in 2009/1H



Projects	Land Use	GFA (sq.m.)	ASP (HK\$/sq.m.)	Total (HK\$ mil.)
Glade Village	Villa	15,100	6,000	91
Ling Nan Ya Yuan	Residential	34,600	8,200	283
Rayon Jardin	Residential	31,600	13,000	411
Southern Le Sand	Villa	19,900	11,300	225
Springland Garden	Residential	60,800	12,800	778
Other Projects	N/A	7,200	11,500	83
Subtotal		169,200	11,100	1,871
Investment properties sales	N/A	2,300	25,500	59
Total		171,500	11,250	1,930



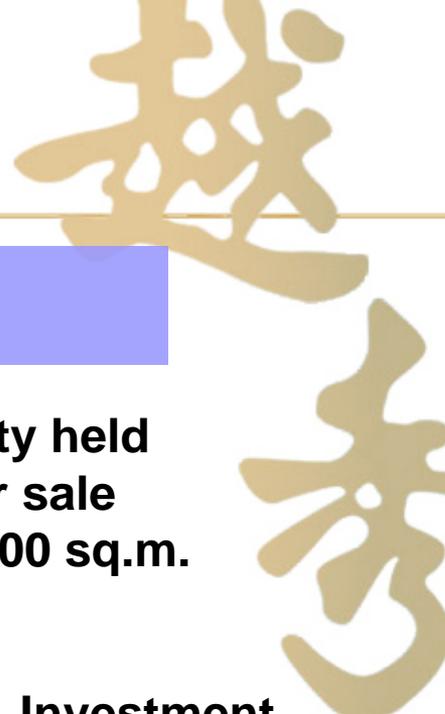
Pre-sold Area Not Yet Booked in 2009/1H



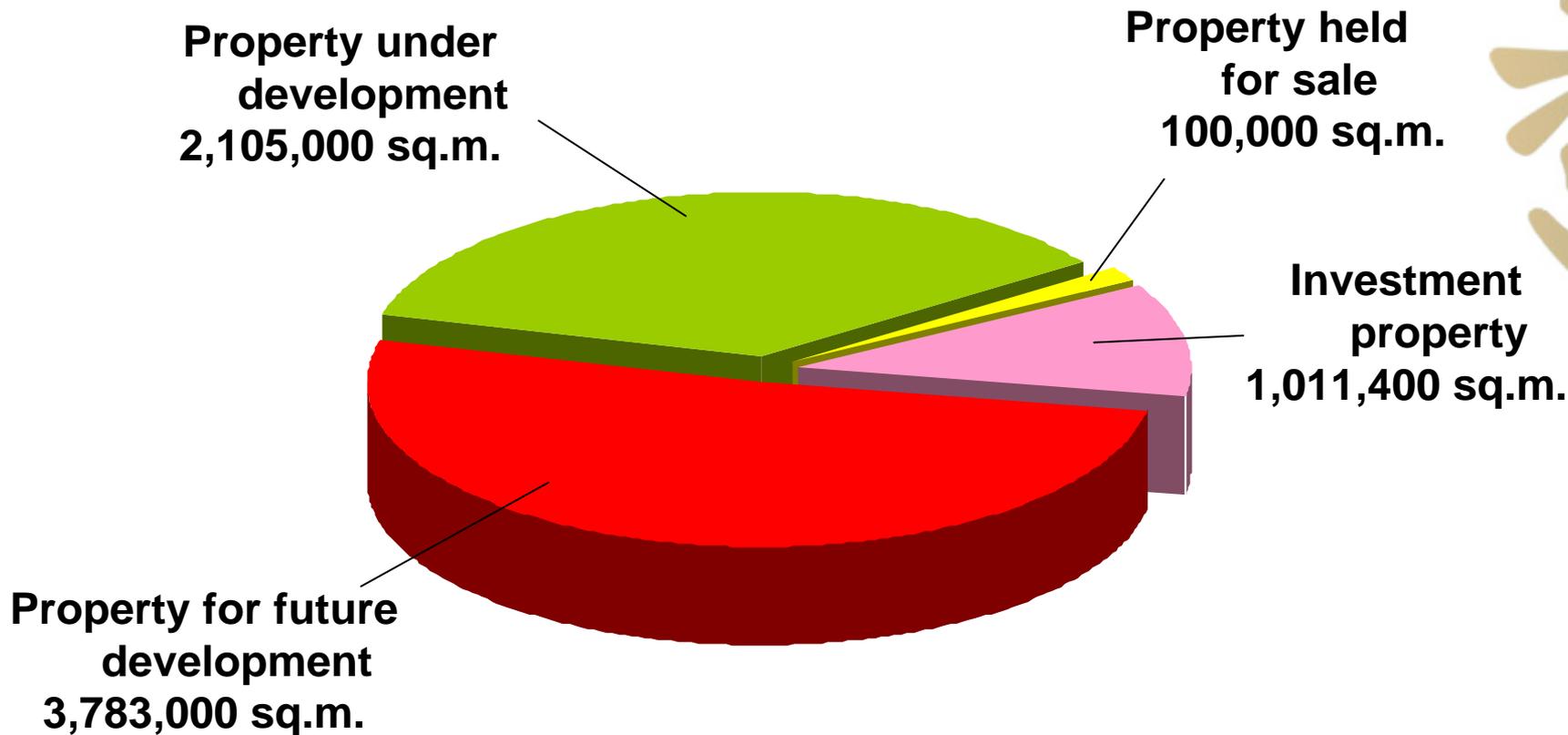
Projects	Land Use	GFA (sq.m.)	ASP (HK\$/sq.m.)	Total (HK\$ mil.)
Glade Village	Residential/Villa	37,400	5,900	222
Ling Nan Ya Yuan	Residential	11,400	8,100	93
Rayon Jardin	Residential	74,200	13,700	1,014
Southern Le Sand	Residential/Villa	61,700	6,100	378
Springland Garden	Residential	48,700	11,600	566
Starry Winking	Residential	37,900	22,900	867
Other Projects	N/A	4,100	15,700	65
Total		275,400	11,600	3,205



Total GFA of Properties by Stage of Development



Total Land Bank : 7,000,000 sq.m.



* As at 31 Aug. 2009



Major Projects Location Map - Guangzhou





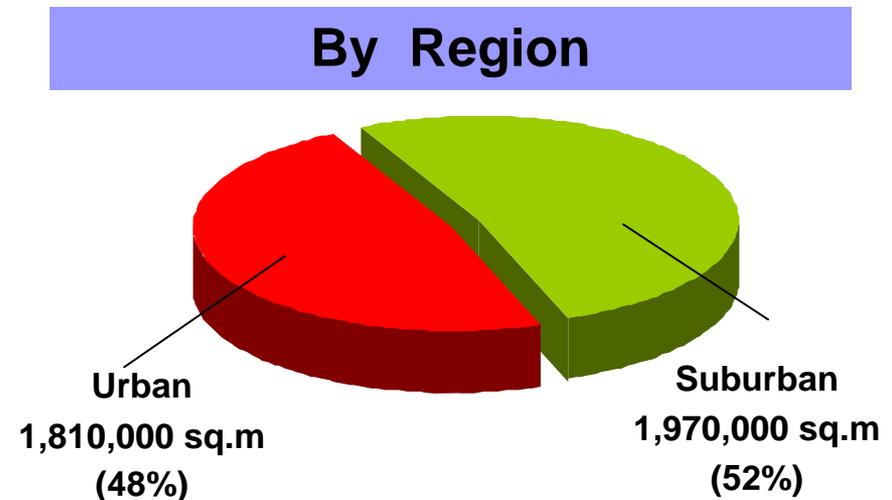
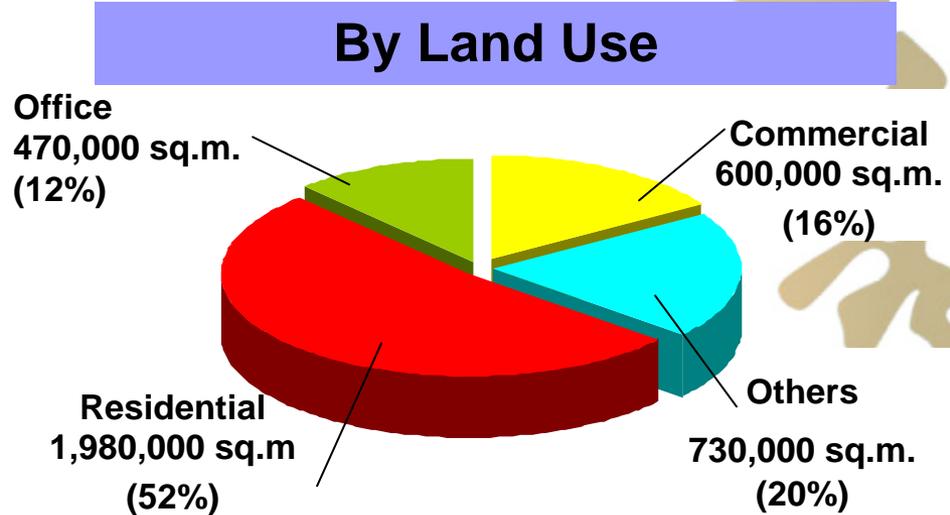
Major Projects Location Map - Jiangmen





Properties for Future Development

Major Projects	GFA(sq.m.)
Southern Le Sand	1,818,000
Jiangmen Properties	432,000
Jin Sha Zhou	425,000
Pearl River New City Sites	369,000
Jiang Nan New Village phase 3&4	144,000
Sports Stadium Building	125,000
Fortune World Plaza	106,000
Hua Du Plot	91,000
Glade Village	67,000
Yau Tong Plot	59,000
University City Properties	87,000
Other Projects	60,000
Total	3,783,000

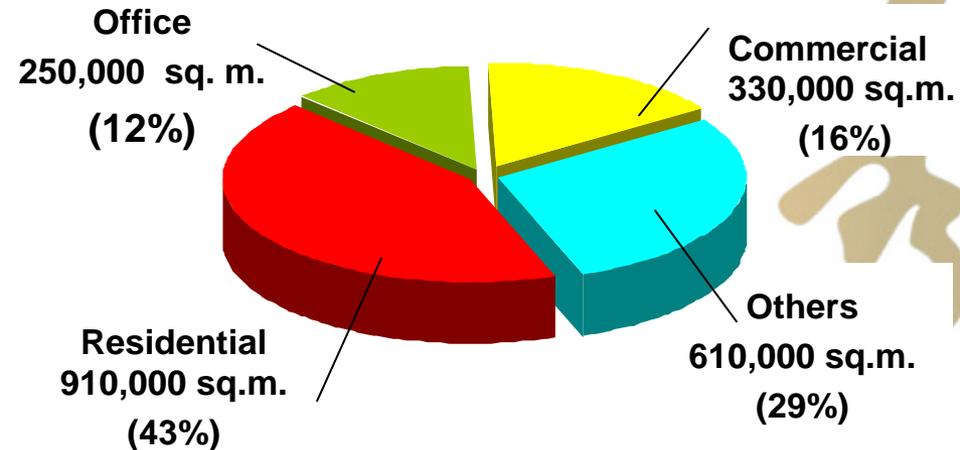




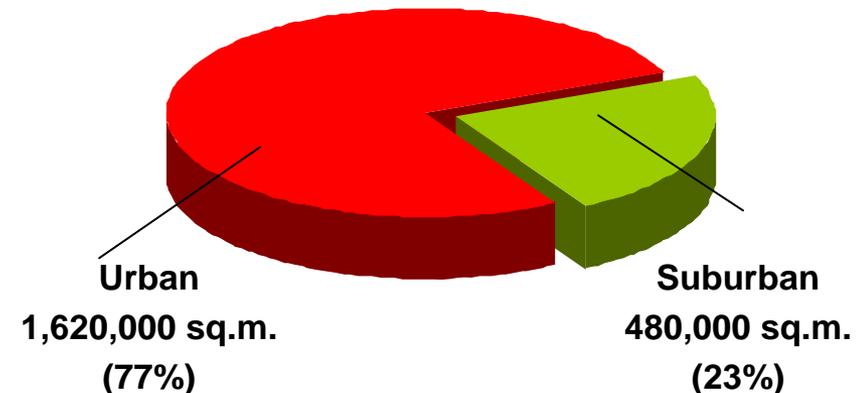
Properties under Development

Major Projects	GFA(sq.m.)
Southern Le Sand	400,000
Asia Pacific Century Plaza	232,000
Jiang Nan New Mansion	229,000
Springland Garden	220,000
Ling Nan Riverside	211,000
Fortune World Plaza	210,000
Starry winking	186,000
Guangzhou IFC	142,000
Rayon Jardin	111,000
Glade Village	86,000
Other Projects	78,000
Total	2,105,000

By Land Use

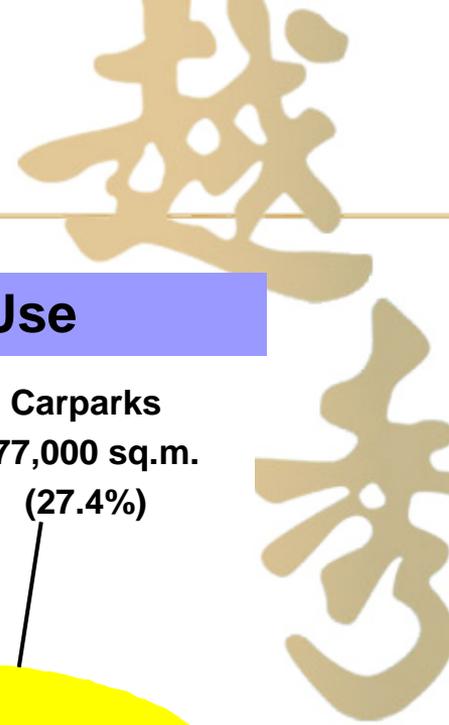


By region



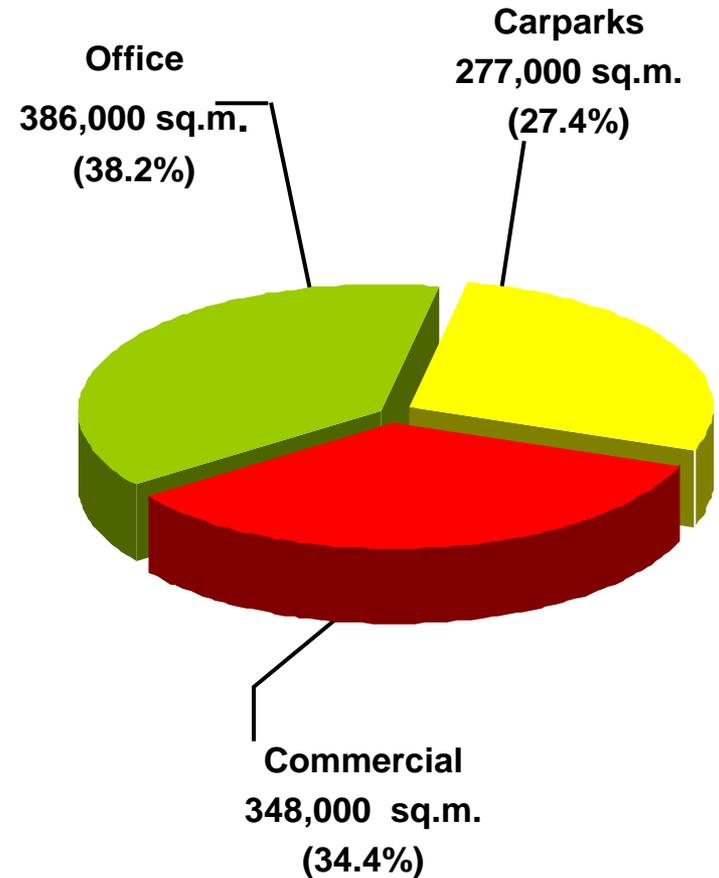


Investment Properties



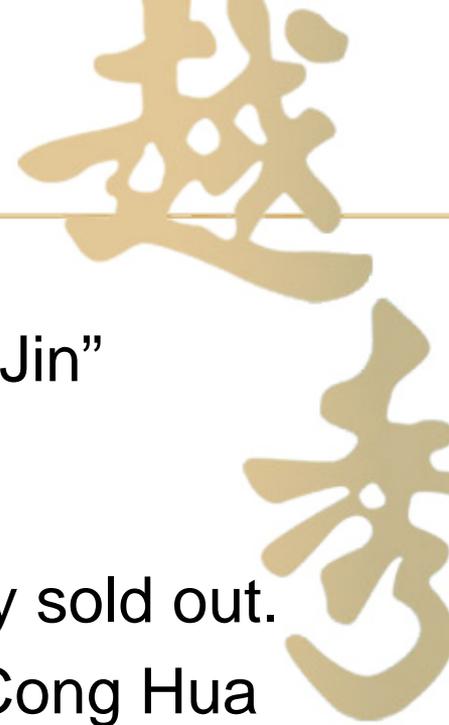
Major Projects	GFA(sq.m.)
Guangzhou IFC	256,900
Popark Plaza	85,000
Jin Han Building	45,800
Hong Kong Property	38,000
Guang Yuan Cultural Centre	32,000
Huang Shi Garden	30,900
Xiangkang Commercial Plaza	28,900
Victory Plaza	26,000
Jiang Xing Building	17,900
Yue Xiu City Plaza	17,500
Hong Fa Building	17,300
Other Projects (include carports)	415,200
Total	1,011,400

By Land Use





Operation Highlights(1)



- **Sales and marketing strengthened**
 - Sales of “Starry Winking” or “Xing Hui Yun Jin” exceeded RMB500 mil. in the first day
 - Urban projects: “Rayon Jardin”, “Springland Garden”, “Ling Nan Ya Yuan” are completely sold out.
 - Suburban projects: “Southern Le Sand”、 “Cong Hua Glade Village” are showing momentum.
- **Development speed accelerated**
 - Development cycle from construction start to launch reduced to 14-17 months. (Starry Winking-17months, Springland Garden-15 months, Jiang Nan New Mansion-14 months, Ling Nan Riverside -14 months)



Operation Highlights(2)



- **Selectively increased Land Bank**
 - Added 540,000 sq.m. of residential GFA (RMB1.9 bil.)
 - Jiangmen Properties: 432,000 sq.m. (RMB968 mil.)
 - Pearl River New Town D8-C3: 22,500 sq.m. (RMB345 mil.)
 - University City Sites: 86,700 sq.m. (RMB625 mil.)
- **Pre-lease of “Guangzhou IFC” started**
 - Teamed up with world class operators (Four Seasons Hotel, CB Richard Ellis, Jones Lang LaSalle)
 - Partial revaluation of property under development into investment property due to a newly adopted accounting principal amounted HK\$ 365 mil.



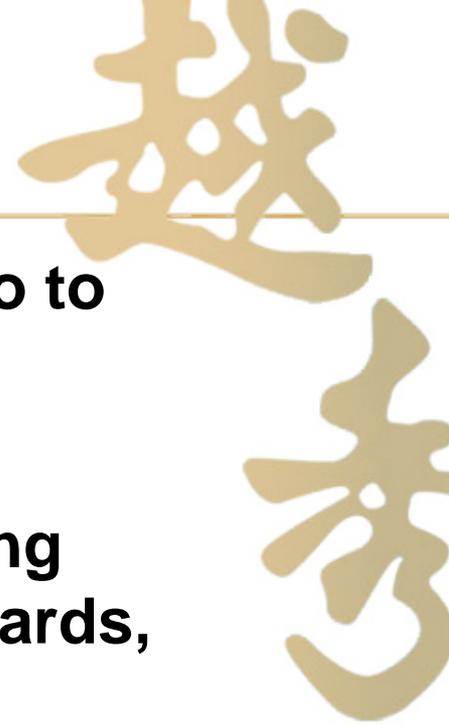
Business Outlook (1)



- **China Property Market Analysis**
 - Long-Term: Stable and healthy development
 - Short-Term: Despite short-term volatilities, long-term trend is not to be changed
- **Guangzhou Property Market Analysis**
 - Urban: Market to remain HOT
 - Suburban: Positive momentum to continue



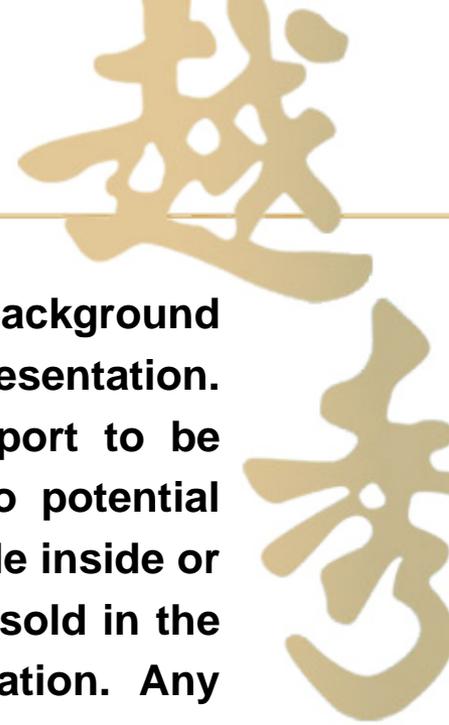
Business Outlook (2)



- **Continue to strengthen market research so to further expand the land bank**
- **Improve product competitiveness by raising design, development and marketing standards, and by shorten development cycle**
- **Speed up sales and cash flow return to realize high capital efficiency .**
- **Put in place a world-class systems and teams for the pre-leasing of investment properties such as “Guangzhou IFC” to ensure long term growth**



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