



# ANNUAL RESULTS 2011

1 March 2012

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# Performance Review

- **Record High Revenue**

2011 Total Revenue: RMB10.27bn (+47%)  
Revenue Growth 2009-2011: CAGR 44%

- **Improving Profitability**

2011 ROE: 25% (+ 18ppt); 9.6% (+5ppt.) if exclude fair value gains  
ROE Growth 2009-2011: CAGR 118% and 61% respectively

- **Rising Contracted Sales**

2011 Contracted Sales: RMB9.05bn (101% of the sales target)  
Contracted Sales Growth 2009-2011: CAGR 22%

- **Guangzhou International Finance Center**

2011 July: GZ IFC office became fully operational  
RMB4.70bn fair value gains recorded in 2011

- **Healthy Cash Flow**

Cash on Hand: RMB6.13bn  
Undrawn committed bank facilities: RMB2.8bn



# 1. Financial Highlights



# Income Statement

RMB bn.	2011	2010	Changes
Total Revenue <sup>(1)</sup>	10.27	6.98	+47%
Fair Value Gains	4.96	0.26	+1,816%
Operating Profit	8.08	1.80	+349%
Net Profit	5.14	0.92	+459%
Core Net Profit*	1.61	0.73	+121%
Earnings per Share (RMB)	0.5533	0.1228	+351%
Core EPS* (RMB)	0.1730	0.0974	+78%
Dividend per Share (HKD) <sup>^</sup>	0.085	-	-

Note: <sup>(1)</sup> Including Sales of IPs

\*Excluding fair value gains

<sup>^</sup> Final Dividend for 2011: \$0.045

# Balance Sheet

RMB bn.	2011	2010	Changes
Cash	6.13	7.47	-18.0%
Incl. Charged Bank Deposits	1.31	1.02	+27.8%
Total Bank Borrowings	21.78	17.69	+23.2%
Gearing Ratio (1)	45.5%	41.6%	+3.9ppt
Net Gearing Ratio (2)	75.5%	62.8%	+12.7ppt
Total Asset	61.20	50.78	+20.5%
Shareholder's Equity (3)	20.29	15.86	+27.9%
Book Value per Share (HKD)	2.696	2.007	+34.3%

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

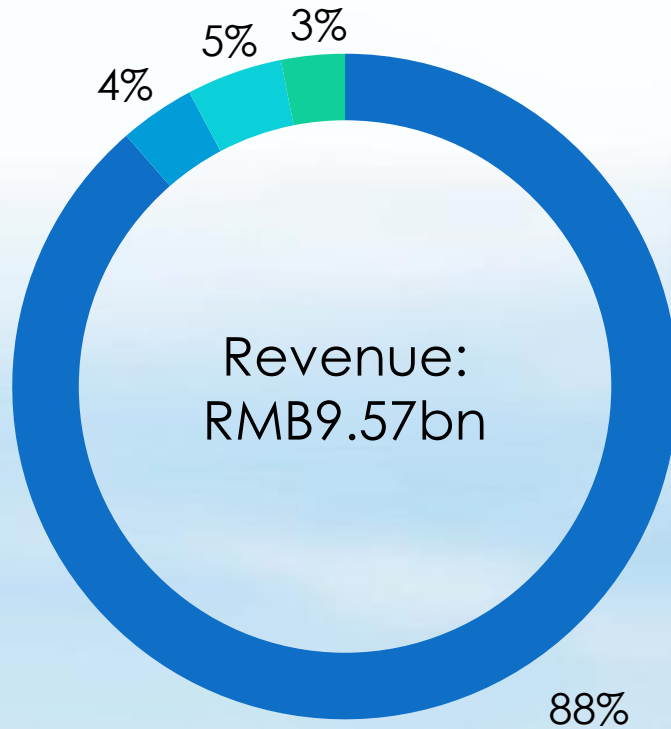
(2) Net Gearing Ratio = (Total Bank Borrowings – Cash)/ Equity

(3) Excluding Minority Interests

# Revenue Breakdown & Gross Margin

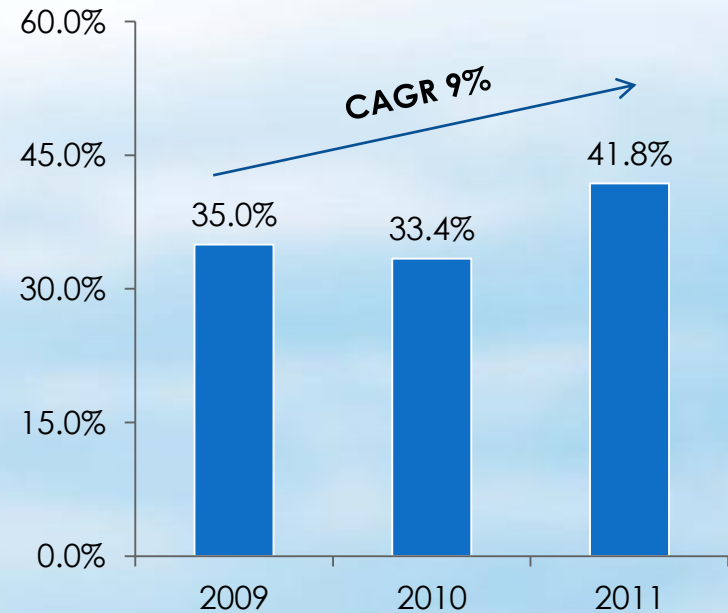


## Revenue



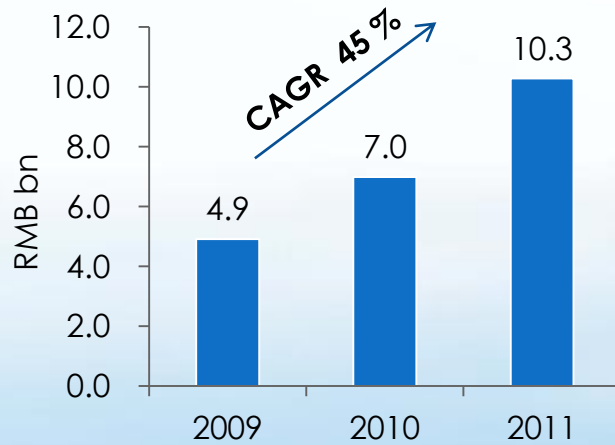
- Property Development
- Property Management
- Property Investment
- Others

## Gross Margin

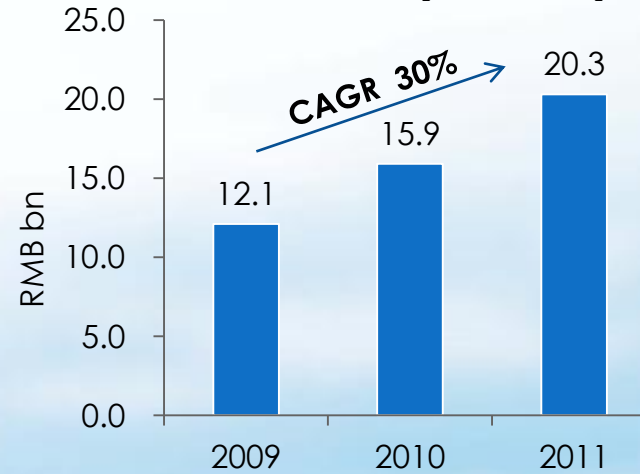


# Performance Trends (I)

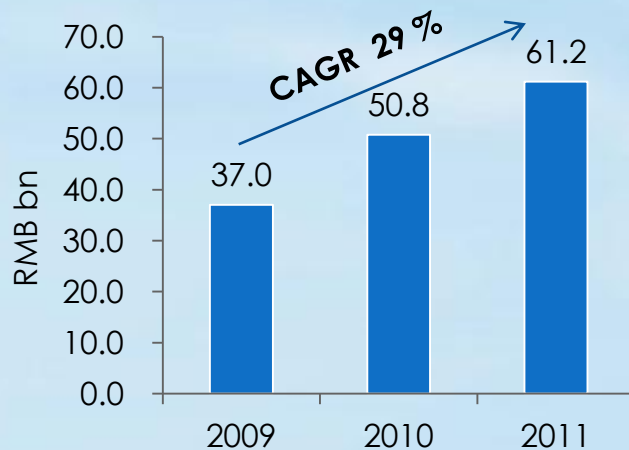
### Total Revenue



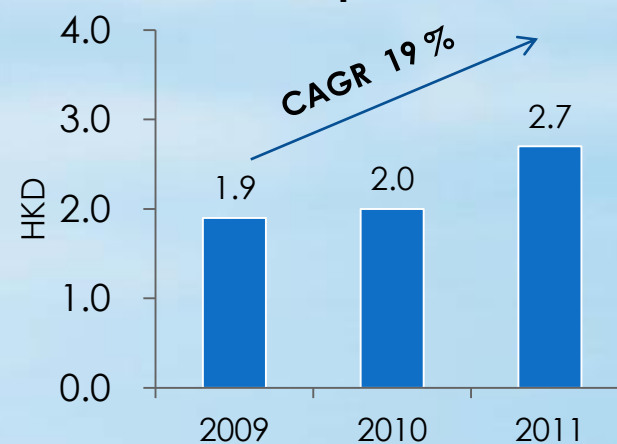
### Net Asset (excl. MI)



### Total Asset



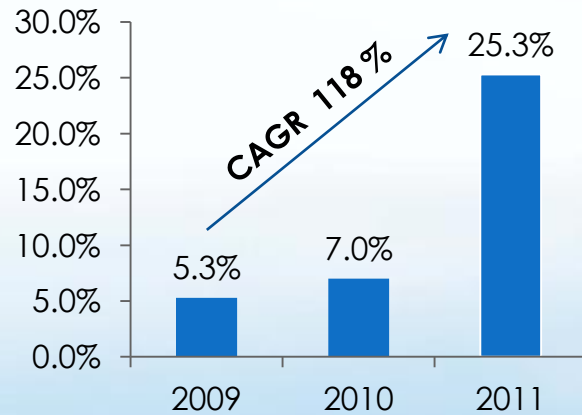
### NAV per Share



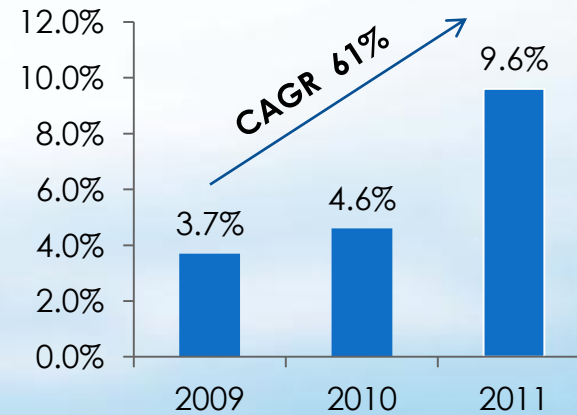


# Performance Trends (II)

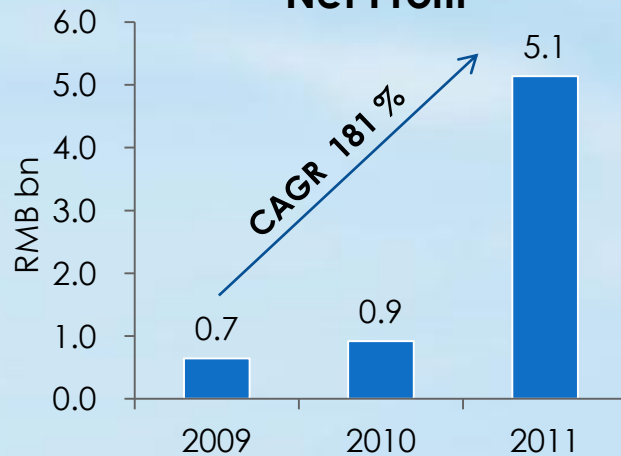
### ROE



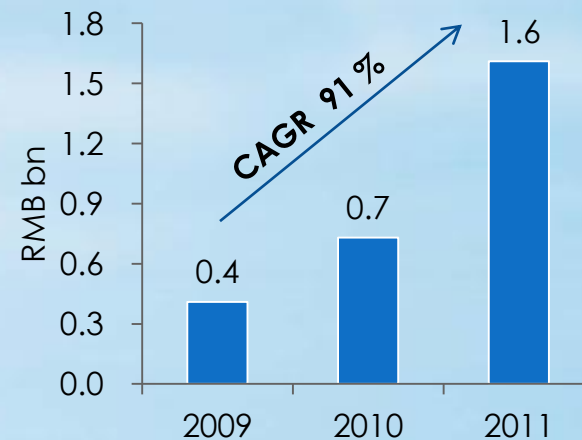
### Core ROE



### Net Profit

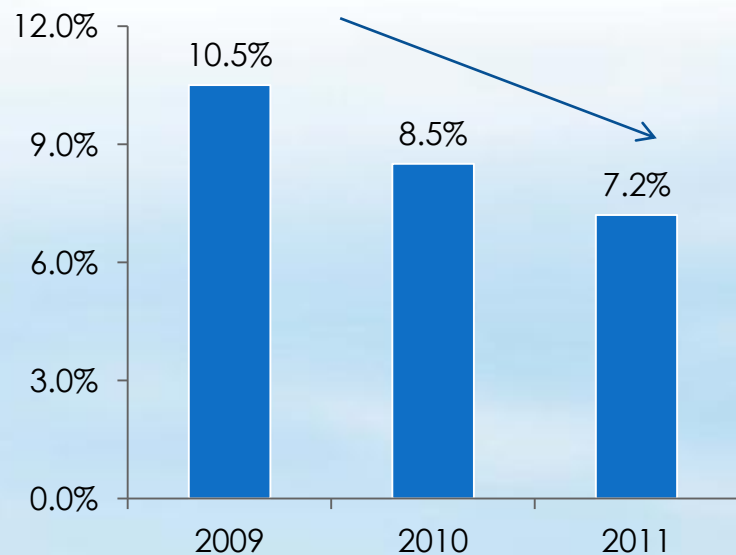


### Core Net Profit



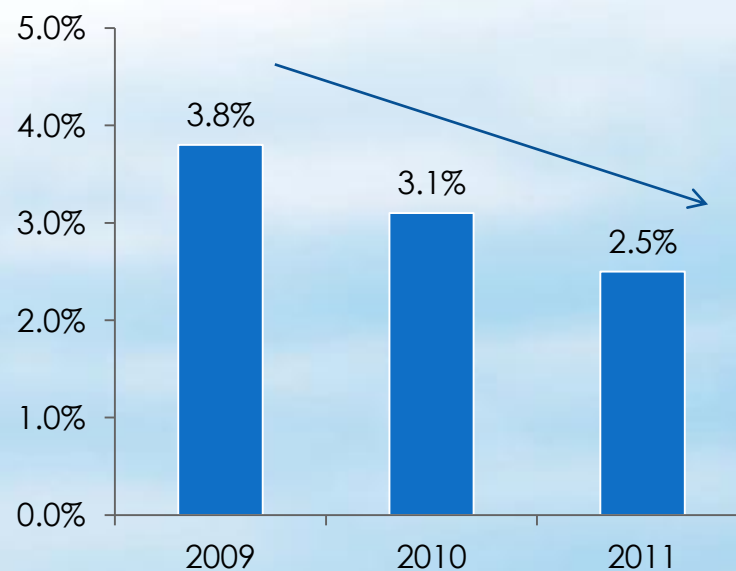
# Expenses Ratio

## Administrative Expenses



Administrative Expenses Ratio =  
Administrative Expenses/Total Revenue

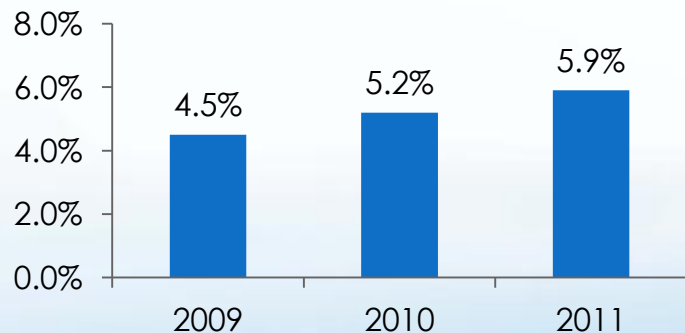
## Selling and Marketing Costs



Selling Expenses Ratio =  
Selling and Marketing Costs/Total Revenue

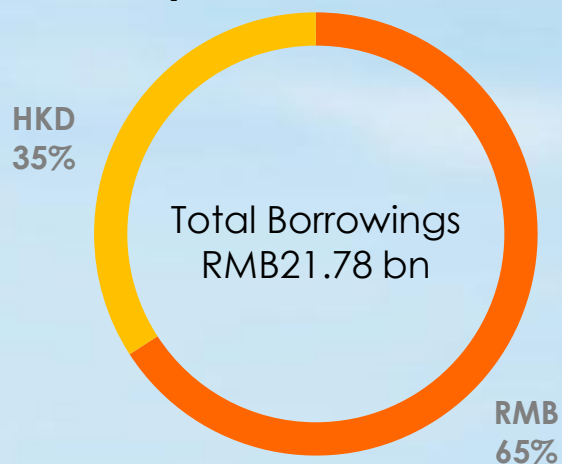
# Bank Borrowings Analysis

## Effective Interest Rate



By Years (RMB bn)	Total Borrowings	Ratio
Within 1 Yr	10.59	49%
Within 2 Yrs	8.19	37%
3 <sup>rd</sup> – 5 <sup>th</sup> Yrs	3.00	14%
Total	21.78	100%

## By Currency



Interest Cost (RMB bn)	2011	2010
Interest on Bank Borrowings	1.19	0.76
Interest Capitalized	0.72	0.54
Interest Expensed	0.47	0.22
Effective Interest Rate	5.9%	5.2%
Interest Rate in HK	2.4%	2.4%
Interest Rate in China	7.7%	6.3%

## 2. Business Overview



# Adjustment & Optimization (2009-2011)

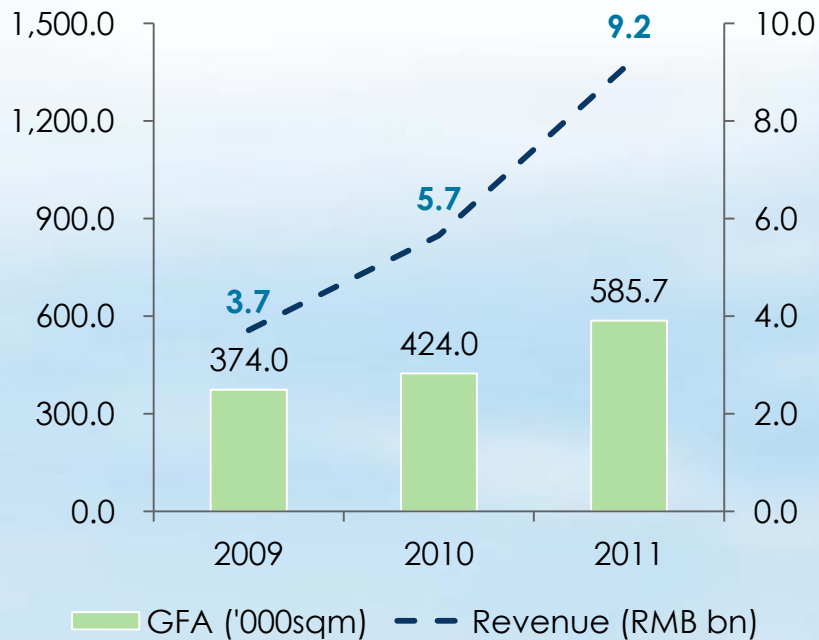
- Capital Structure Adjustment  
2009: Separation of Toll Road Business  
2010: HKD3.4bn raise from a Right Issues
- Disposal of Non-property Businesses  
2008: Newsprint Business  
2010: Supermarket Business
- Disposal of Non-core Investment Properties



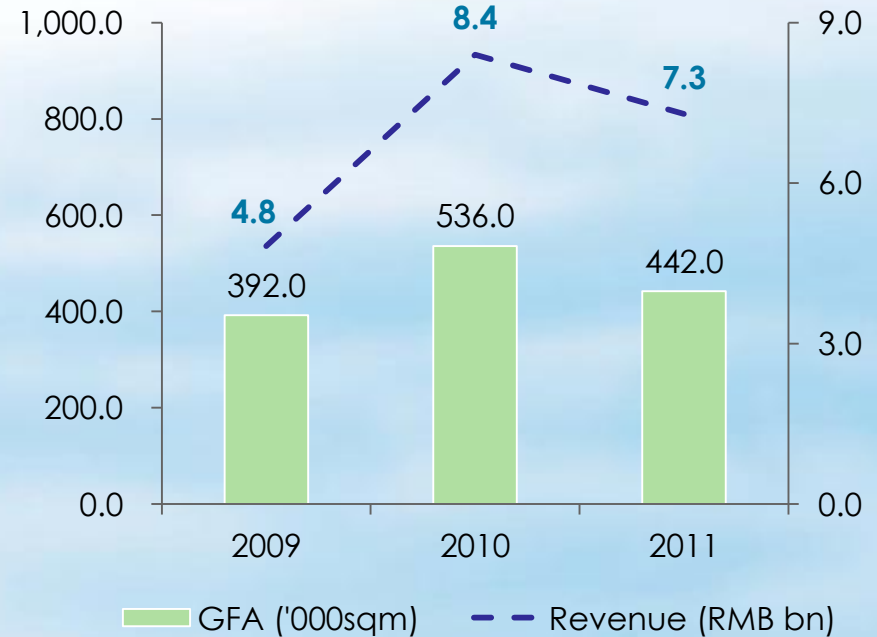
Year	GFA (sqm)	Revenue (RMB mil)	Cost (RMB mil)
2008	33,700	492	334
2009	12,400	236	197
2010	81,000	1,345	876
2011	36,500	703	596
<b>Total</b>	<b>163,600</b>	<b>2,776</b>	<b>2,003</b>

# Recognized & Unrecognized Sales

## Recognized Sales



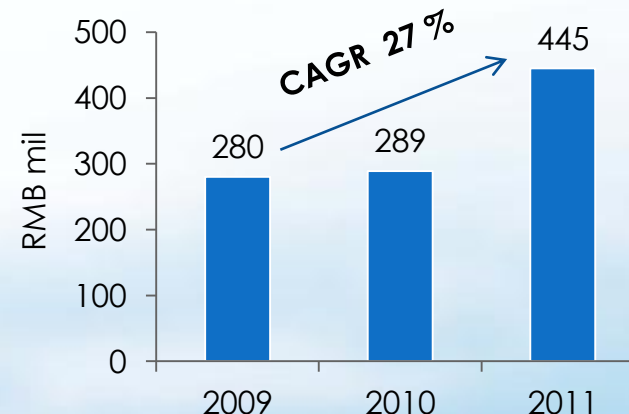
## Unrecognized Sales



# Rental Revenue

- Quality of rental income has improved through disposal of non-core IPs in the last 3 years
- GZ IFC office became fully operational in July 2011

Rental Income



## IP Portfolio Summary

	Office	Commercial	Carpark & Others	Total
2009 Rental Income (RMB mil)	151	109	20	280
2010 Rental Income (RMB mil)	111	157	21	289
2011 Rental Income (RMB mil)	155	209	81	445
Guangzhou IFC (sqm)	182,000	47,000	71,000	302,000
GFA Leased (sqm)	283,500	200,200	213,700	697,400
Evaluated Value (RMB bn)	7.22	3.38	1.32	11.92

# Investment Properties – Up and Coming

- About 30% of Yuexiu Property's total landbank are in quality commercial developments

## Fortune Center 財富中心



- High-end commercial development in Pearl River New City with a GFA of 210,000 sqm
- To be the 3<sup>rd</sup> tallest building in PRNC at 310 meters
- Estimated completion in 2014

## Fortune World Plaza 財富天地廣場



- An integrated wholesale and retail shopping mall with a GFA of 266,000 sqm
- Total investment of RMB 2.5bn
- Preleasing to commence in 2012
- Target opening in 2013

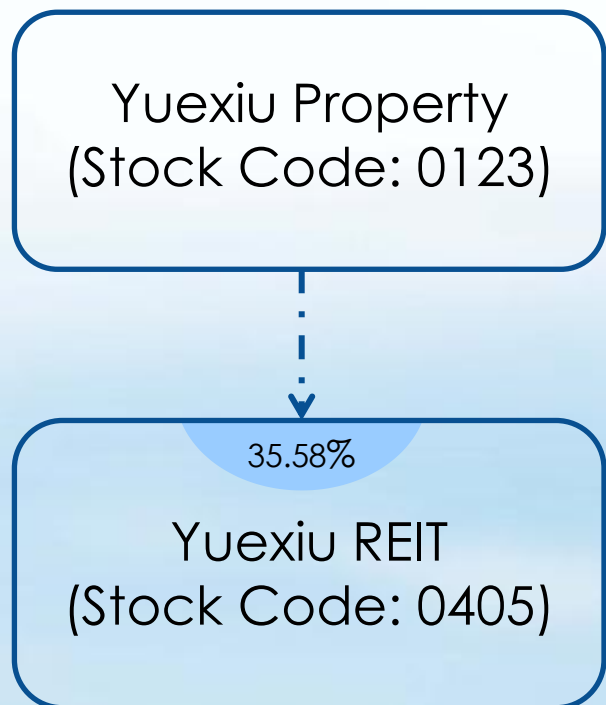
## Asia Pacific Century Plaza 亞太世紀廣場



- Flagship commercial development in Tianhe CBD
- Integrated mixed-use commercial complex featuring high-end shopping mall, grade A offices and 5-star hotel



# Yuexiu REIT - A Unique Platform



- Yuexiu Property is the only listed Chinese developer who owns a listed REIT platform in HK
- Yuexiu REIT is to become the commercial property management arm of Yuexiu Property
- The interaction between Yuexiu Property and Yuexiu REIT will be an important part of the Group's future strategy

# Yuexiu REIT - Particulars of Properties



**White Horse Building**  
(白馬大廈)



**Fortune Plaza**  
(財富廣場)



**City Development Plaza**  
(城建大廈)



**Victory Plaza**  
(維多利廣場)



**Neo Metropolis**  
(越秀新都會大廈)

Type	Wholesale shopping center	Grade A office	Grade A office	Retail shopping center	Commercial complex
Total Rental Area(sqm)	50,100	41,400	42,400	27,300	49,900 <sup>(1)</sup>
Area of Ownership	50,200	41,400	42,400	27,700	62,000
Year completed	1990	2003	1997	2003	2007
LUR tenure	2045–2055	2042–2052	2037	2044	2045–2055
Valuation (RMB mil.)	3,651	750	612	747	712
Occupancy	100.00%	99.05%	98.61%	99.96%	98.81% <sup>(1)</sup>

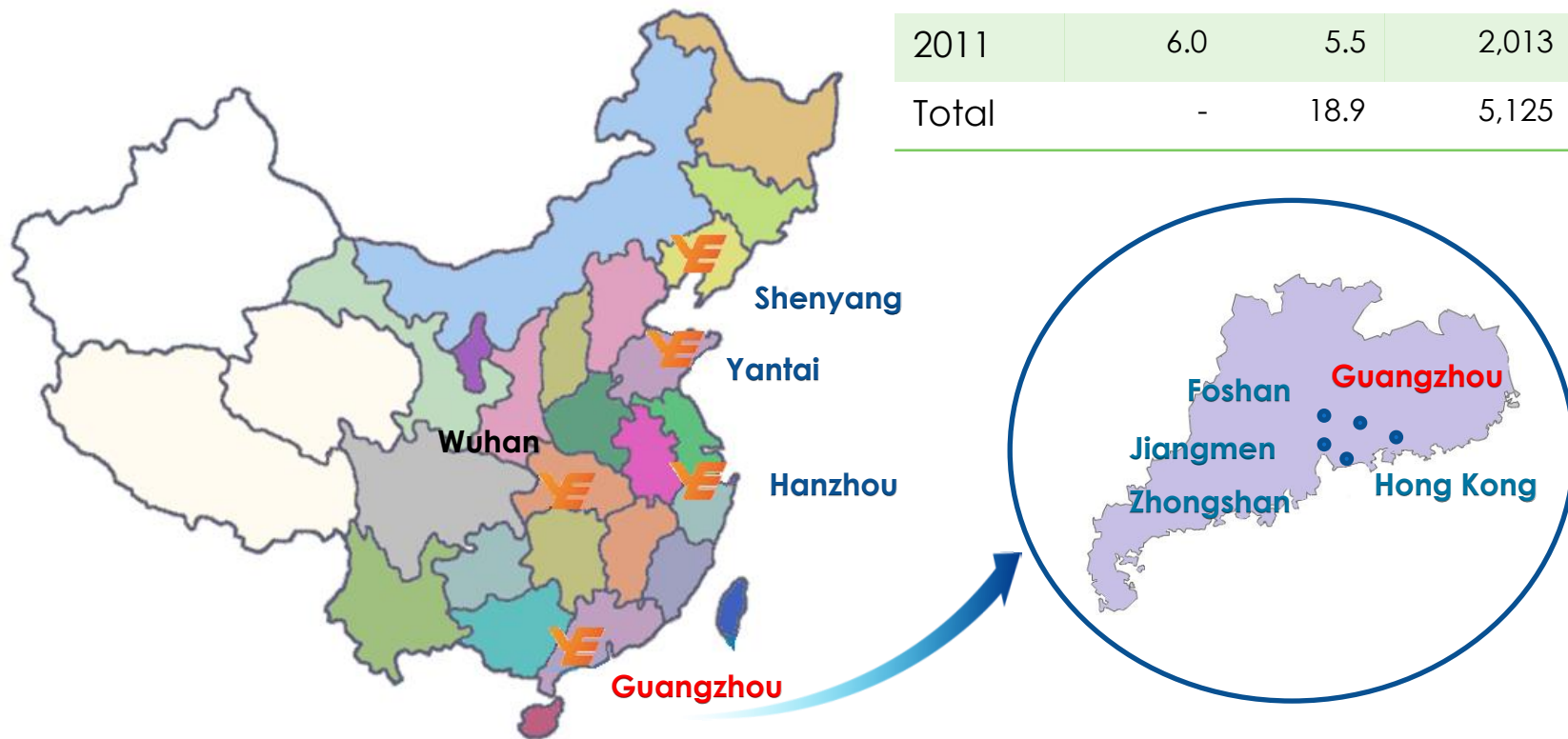
Note:

<sup>(1)</sup> Excluding 7,500sqm of parking space and 4,500sqm of clubhouse and common facilities area

# Land Acquisitions (2009-2011)



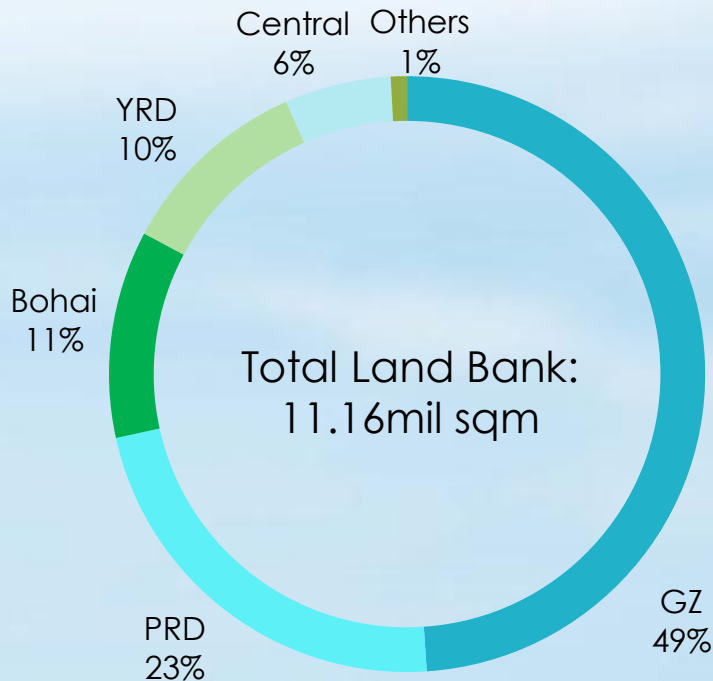
	Planned (RMB bn)	Actual (RMB bn)	GFA (000'sqm)	AV (RMB/sqm)
2009	5.5	5.1	1,379	3,698
2010	5.5	8.3	3,112	2,673
2011	6.0	5.5	2,013	2,740
Total	-	18.9	5,125	3,688



# Landbank Analysis

- Avg. Cost/sqm: < RMB3,000
- Outstanding Premium:  
RMB1.08bn (2011/12/31)  
RMB0.4bn (2012/03/01)

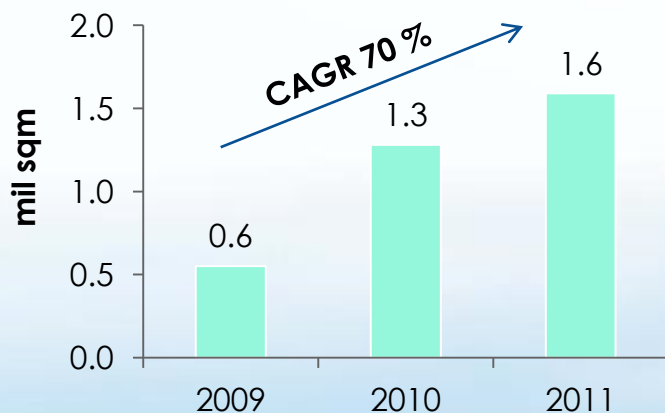
## By Region



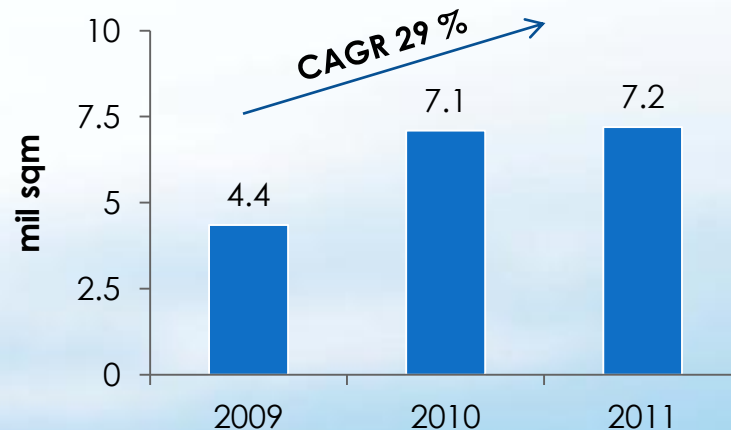
Region	GFA (sqm)
<b>Guangzhou</b>	5,460,000
<b>Pearl River Delta</b>	2,522,000
Zhongshan	1,647,000
Jiangmen	584,000
Foshan	291,000
<b>Bohai Rim</b>	1,256,000
Yantai	220,000
Shenyang	1,036,000
<b>Yangtze River Delta</b>	1,175,000
Hangzhou	1,175,000
<b>Central Regions</b>	644,000
Wuhan	644,000
<b>Others</b>	98,000

# Operational Statistics

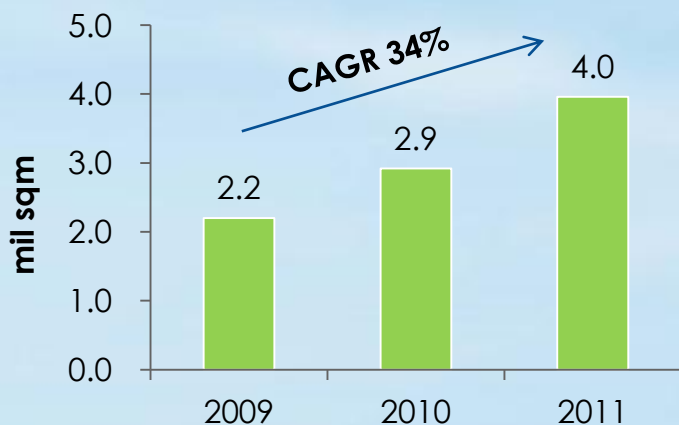
## New Construction Starts



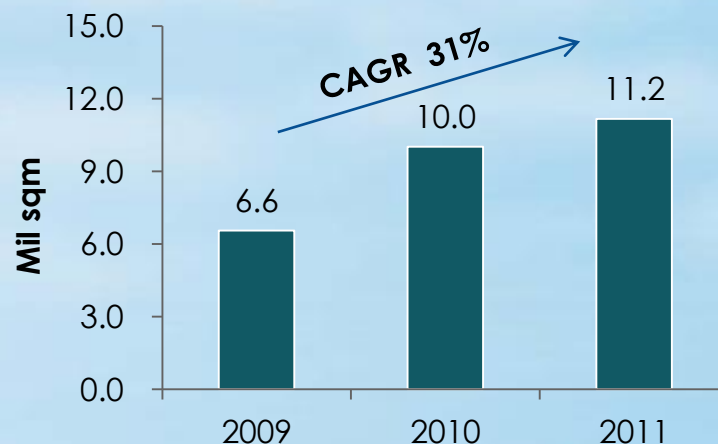
## Properties for Future Development



## Properties Under Development



## Total Landbank



# Investment Property - Guangzhou IFC (I)



Grade A offices	High-end Retail Mall	Five-star Hotel	Service Apartment
<ul style="list-style-type: none"> <li>■ GFA: 182,000sqm</li> <li>■ Floors: 1-66F</li> <li>■ Occupancy<sup>1</sup>: 54%</li> <li>■ Opened in July 2011</li> </ul>	<ul style="list-style-type: none"> <li>■ GFA: 47,000sqm</li> <li>■ Occupancy: 100%</li> <li>■ Master leased to Guangzhou Friendship Store</li> <li>■ Opened in November 2010</li> </ul>	<ul style="list-style-type: none"> <li>■ GFA: 89,000sqm</li> <li>■ Floors: 67-100F</li> <li>■ 344 rooms</li> <li>■ Managed by Four Seasons</li> <li>■ Opening in May 2012</li> </ul>	<ul style="list-style-type: none"> <li>■ GFA: 53,000sqm</li> <li>■ Floors: 6-28F</li> <li>■ 314 units</li> <li>■ Managed by Ascott</li> <li>■ Opening after 2Q of 2012</li> </ul>

Note: excludes car parks (GFA 71,000sqm )  
NFA 442,000sqm

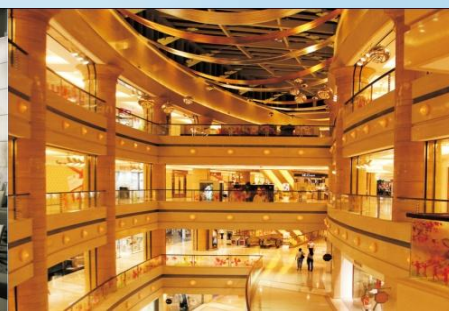
# Investment Property - Guangzhou IFC (II)

## ◆ Cost and Investment

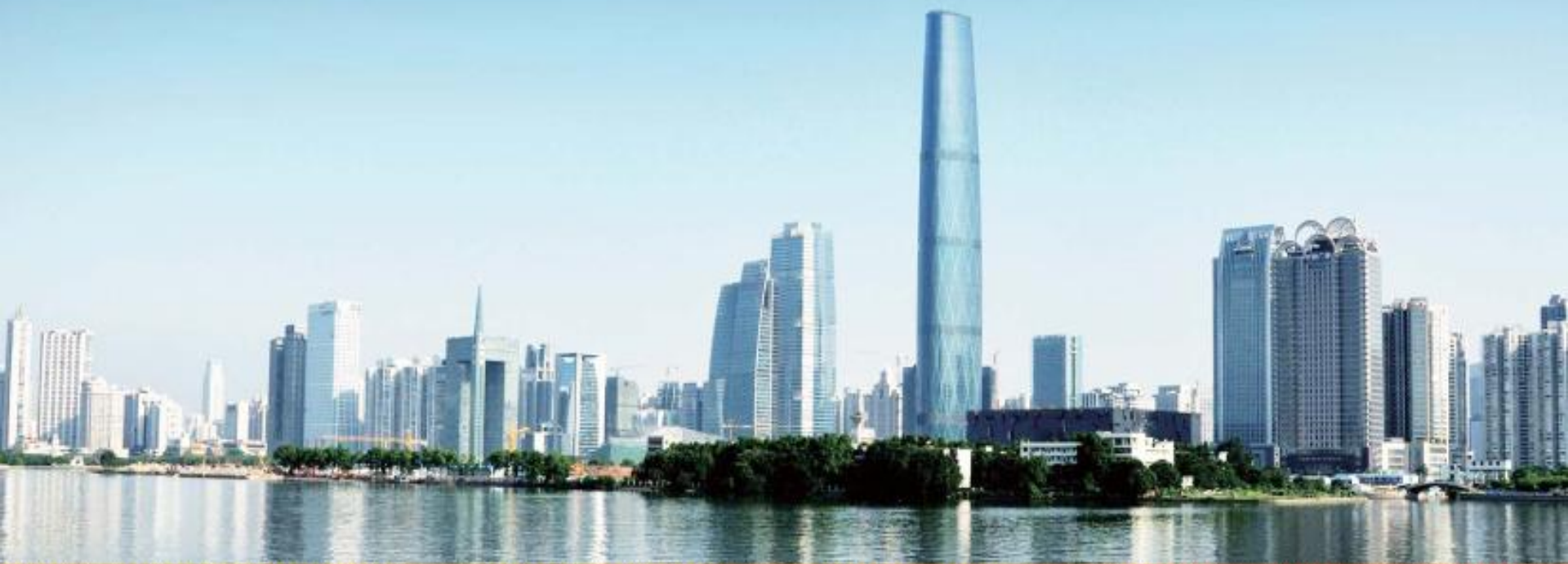
- 2005/09 Purchased land at RMB2,800/sqm
- 2008/12 IFC building structure completed and topped out
- 2011 Total investment reached RMB6.1bn
- 2012+ RMB7.9bn expected total cost (including the land cost)

## ◆ Operation Timeline

- 2010/11 Commercial area opened with Guangzhou Friendship Store
  - 2011/07 Office commenced full operation
  - 2012/05 Four Seasons Hotel to soft open
  - 2012/2Q Ascott Service Apartment to start operation
- ◆ 2011 Office occupancy rate reached 54% with average rental at about RMB210
  - 2012 Year end occupancy rate target : 80%
- ◆ IFC is expected to generate income of RMB0.9bn by 2014



# 3. Future Prospects





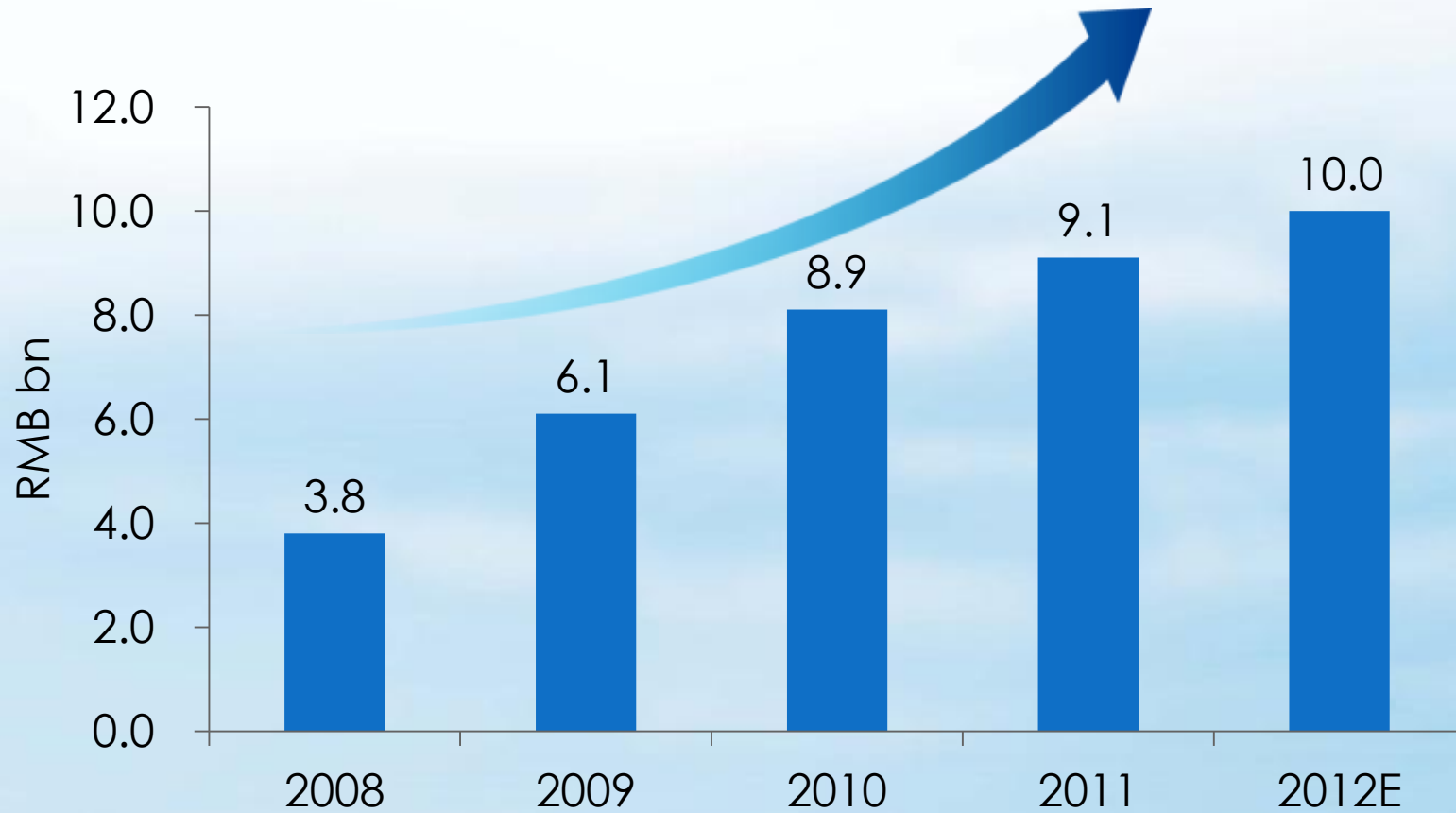
# 2012 Available for Sales



	Project (sqm)	Chinese Name	Type*	Avg. Salable GFA (sqm)	Launch Date	Contracted Sales GFA Target (sqm)	Location
1	Fortune Apartment	財富公館	R/C	78,700	2012	73,500	Liwan, Guangzhou
2	Southern Le Sand	南沙海濱花園	R	163,300	2011	142,400	Nansha, Guangzhou
3	Huadu Glade Greenland	花都逸泉韻翠	R	59,500	2011	35,700	Huadu, Guangzhou
4	Jiangmen Starry Regal Court	江門星匯名庭	R	74,700	2011	56,900	Beixin, Jiangmen
5	Zhongshan Starry Winking	中山星匯雲錦	R	95,800	2012	62,100	Nanqu, Zhongshan
6	Zhongshan Starry Junting	中山星匯隼庭	R	36,500	2012	38,300	Shiqi, Zhongshan
7	Shenyang Yuexiu Hill Lake	瀋陽越秀玥湖郡	R	73,600	2011	33,300	Xinqu, Shenyang
8	Fortune Century Square	財富世紀廣場	O/S	70,800	2011	36,300	Tianhe, Guangzhou
9	Yantai Starry Phoenix	煙台星匯鳳凰	R	95,400	2011	57,200	Zhifu, Yantai
10	Starry Golden Sands	星匯金沙	R	114,200	2011	52,900	Baiyun, Guangzhou
11	Starry Wenhua	星匯文華	R	104,500	2011	26,100	Panyu, Guangzhou
12	Starry Wenyu	星匯文宇	R	37,200	2012	22,300	Panyu, Guangzhou
13	Starry Wenhan	星匯文翰	R	54,600	2012	27,300	Panyu, Guangzhou
14	Panyu Southern District Plot	番禺南區項目	R	63,300	2012	51,700	Panyu, Guangzhou
15	Wuhan Qiankou Project	武漢硤口項目	R	62,200	2012	32,000	Qiaokou, Wuhan
16	Hangzhou Lin'an Land	杭州臨安項目	R	128,000	2012	110,100	Linan, Hangzhou
	Others		-	79,100	-	74,000	
	Investment Properties		C	55,500	-	29,100	
	<b>Total</b>		-	<b>1,446,900</b>		<b>961,200</b>	

Note: Type\* C: Commercial O: Office R: Residential S: Service Apartment

# 2012 Contract Sales Target



# 2012 Key CAPEX Plan

Available Capital (RMB bn.)	2012
Cash on Hand at Start	6.1
Contracted Sales	10.0
Undrawn Bank Facilities	2.8
<b>Total</b>	<b>18.9</b>

Key CAPEX (RMB bn.)	2012
Land Premium Payable*	1.1
Construction Costs	7.6
<b>Total</b>	<b>8.7</b>

\*As at 1 March, 2012, the land premium payable is about RMB0.4bn



# Strategies

## 2012 – 2015 “Refine and Increase Execution Capabilities”

- **Property Development**

Strengthen “Development & Construction Capability” to shorten development cycle and increase asset turnover rate

Increase product quality and range from “Personalized High-end” to “Standardized Mid-end” developments

- **Selling Capability**

To maintain strong sales forces from both internal and external sources

Well planned marketing strategy to lead ahead of the project starts

- **Commercial Property Operation**

“Residential + Commercial” project development are “Twin Engines”

To create a strong commercial property operation with professional management team

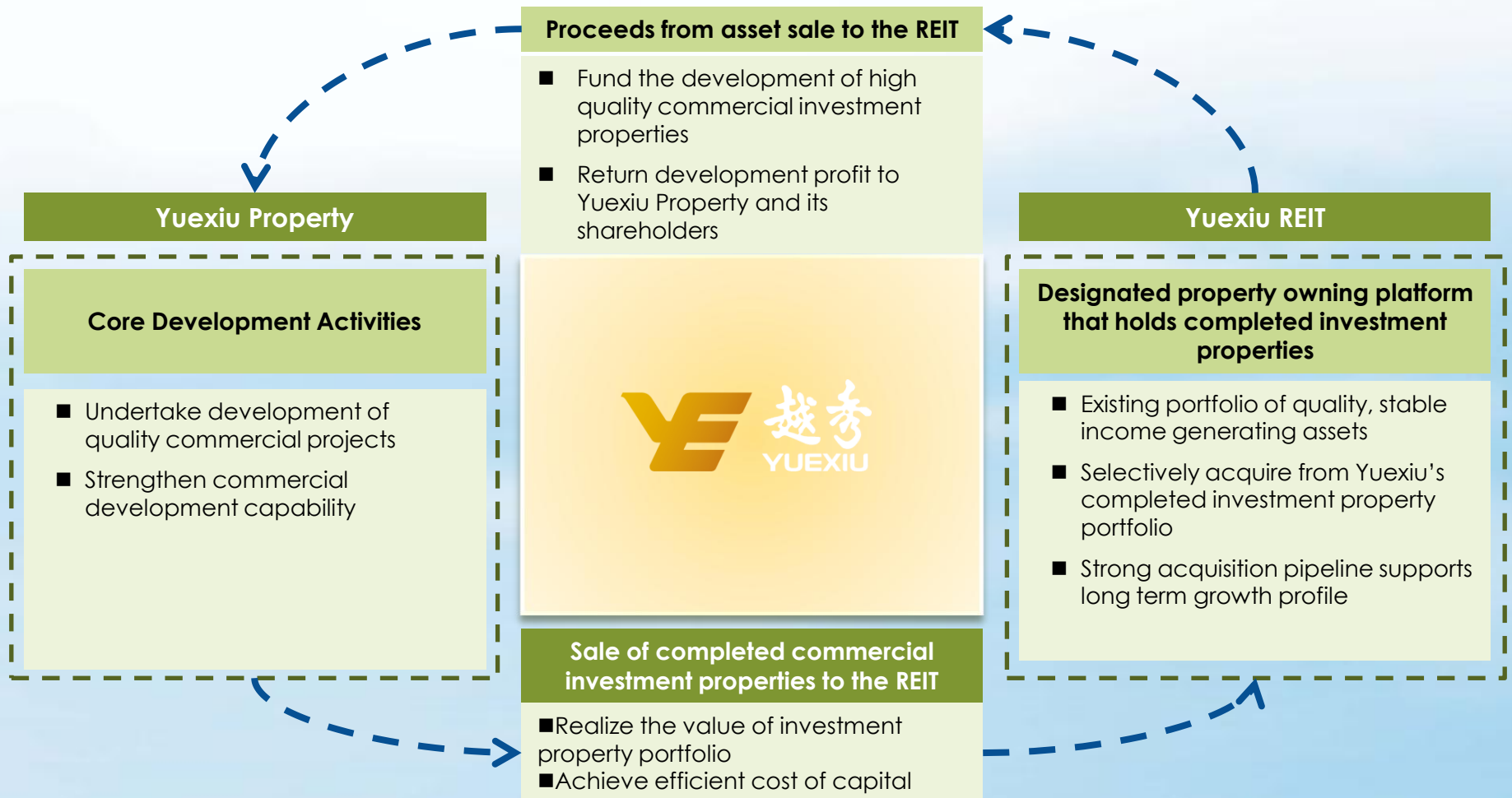
- **Yuexiu Property and Yuexiu REIT**

To fully utilize the REIT platform

To pursue an active interactive strategy

# Interactive Model

An interactive and capital-efficient model to foster long term growth



*Thank You*



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