



Yuzhou Properties Company Limited
禹洲地產股份有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1628

2010 Interim Results Announcement

August 2010

Table of Contents

Section 1

Overview

Section 2

Financial Highlights

Section 3

Business Overview

Section 4

Development and Sales Plans

Section 5

Land Bank

Section 6

Strategies





Yuzhou Properties Company Limited
禹洲地產股份有限公司

Section 1 Overview



Overview

Results

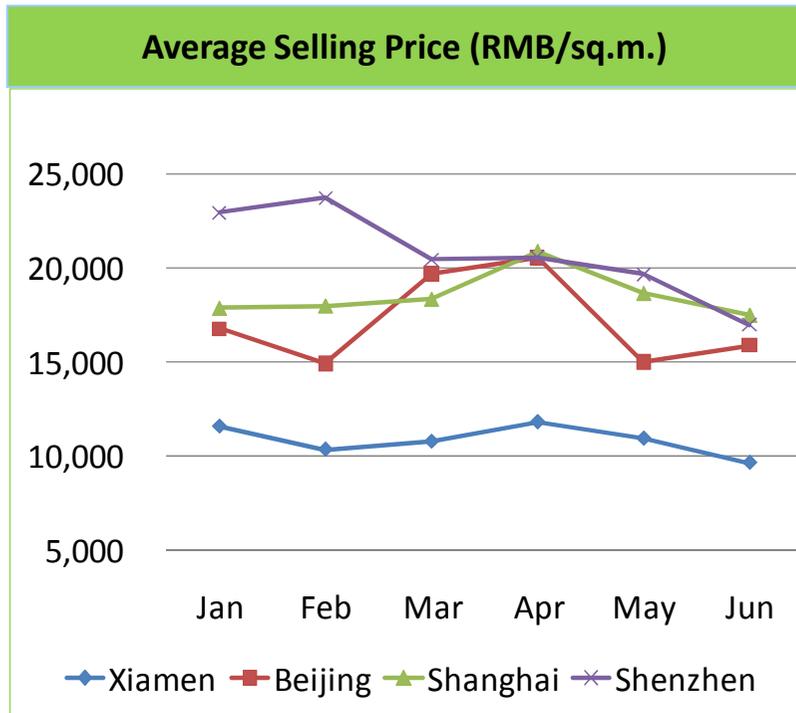
- Revenue increased by 56.2% YoY to RMB2,044MM
- Gross profit growth by 59.6% amounted to RMB1,009MM; GP margin increased to 49.4%
- Core net profit attributable to shareholders (profit attributable to shareholders excluding fair value gains on investment properties and net of deferred tax) increased by 64.1% to RMB456MM; Core profit margin increased to 22.3%
- Core earnings per share were RMB19 cents

Business Development

- Acquired 3 land parcels in Xiamen, Shanghai and Quanzhou with a total planned GFA of 2.4m sq.m. with an average land cost of approximately RMB364/sq.m., which is far below the market level. As at 30 Jun 2010, the Group's attributable land reserves aggregate GFA was 6.24 m sq.m., with an average land cost of approximately RMB 1,100/sq.m.
- Over 450,000 sq.m. of contracted GFA sold is expected to be recognized as revenue in 2010, which accounted for 90% of the forecasted sales area carried forward 2010
- The Group issued bonds with an aggregate amount of HK\$1,000 million with Guotai Junan Securities (Hong Kong) Limited and China Life Trustees Limited in July 2010. The agreement further enhances the Group's financial position and lays a solid foundation for its future development.



Relatively Stable Property Market in Xiamen





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Section 2 Financial Highlights



2010 Interim Financial Highlights

2010 Interim Financial Highlights

RMB

	For the 6 months Ended 30 June		Change
	2010	2009	
Turnover (MM)	2,044	1,308	+56.2%
Gross Profit (MM)	1,009	633	+59.6%
Gross Profit Margin (%)	49.4%	48.4%	+1.0pp
Profit Attributable to Shareholders (MM)	521	977	-46.7%
Net Profit Margin (%)	25.47%	74.68%	-49.21pp
Core Profit Attributable to Shareholders ⁽¹⁾ (MM)	456	278	+64.1%
Core Profit Margin (%)	22.3%	21.3%	+1.0pp
Basic Earnings per Share (RMB)	0.22	0.54	-59.26%
Core Earnings per share ⁽²⁾ (RMB)	0.19	0.15	+26.7%

Notes

1. Adjusted for the after-tax revaluation gains on investment properties
2. Core profit attributable to shareholders divided by weighted average number of shares for the period

2010 Interim Balance Sheet Highlights

2010 Interim Balance Sheet Highlights

RMB MM

	As at 30 June 2010	As at 31 December 2009	Change
Cash and Cash Equivalents	673	1,570	-57.1%
Total Debt	2,393	2,229	+7.4%
Short-term Debt	744	783	-5.0%
Long-term Debt	1,650	1,446	+14.1%
Total Assets	11,255	11,142	+1.0%
Net Debt	1,720	657	+161.8%
Shareholders' Equity	4,077	3,705	+10.0%
Net Gearing Ratio (%)	42.2%	17.7%	+24.5pp



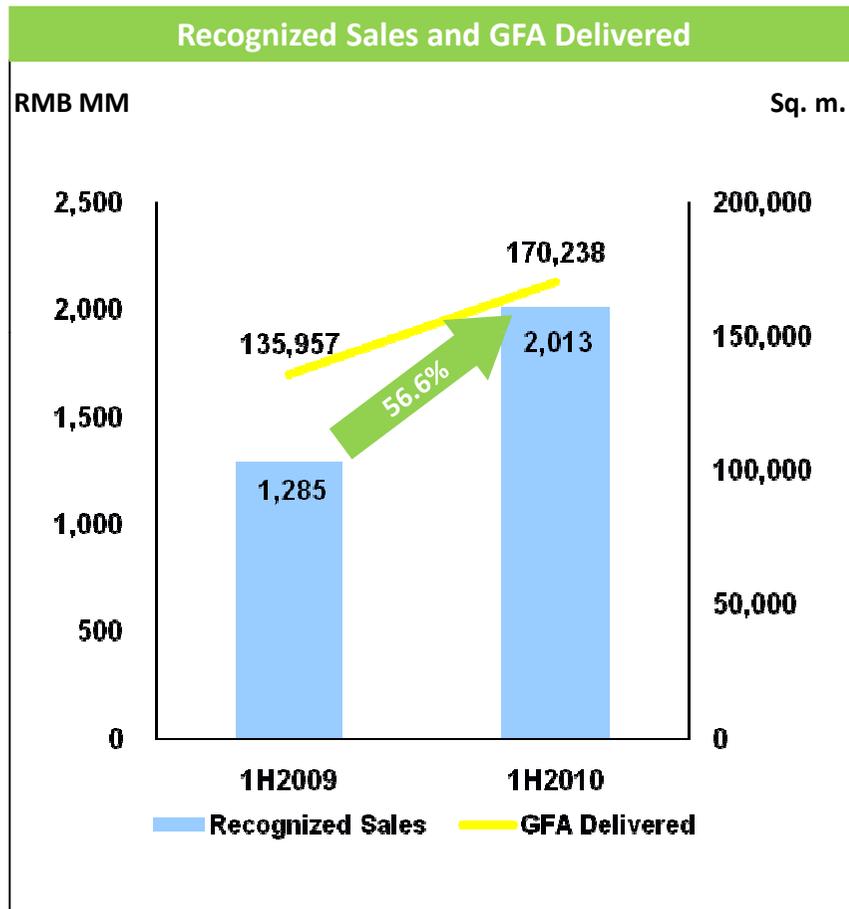


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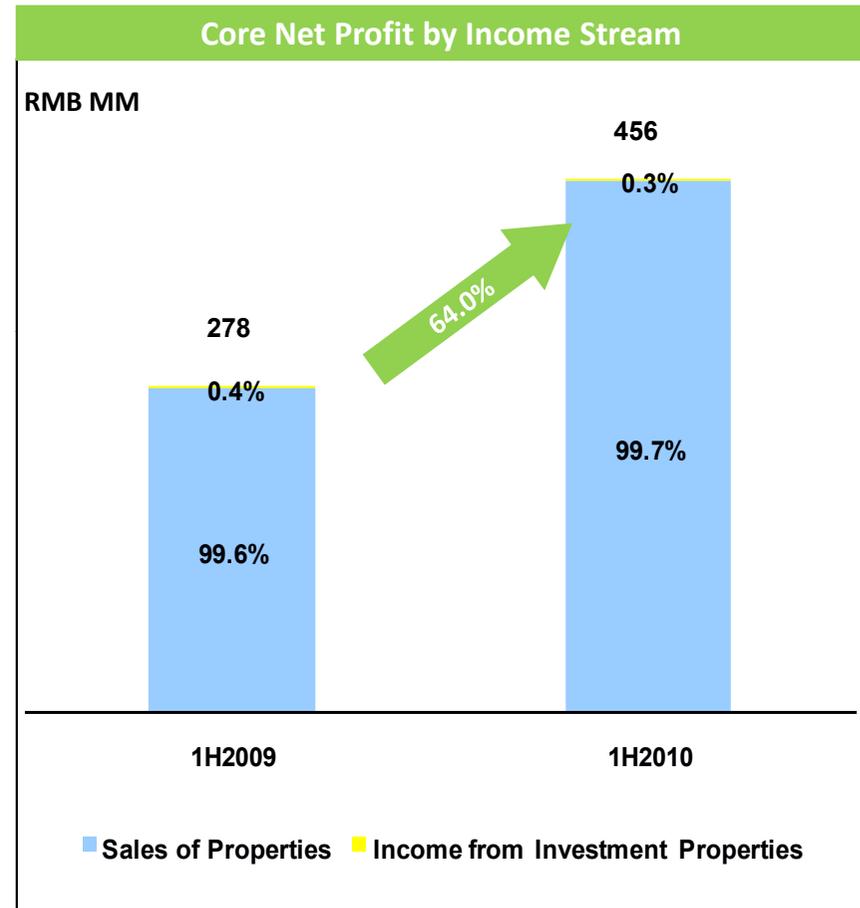
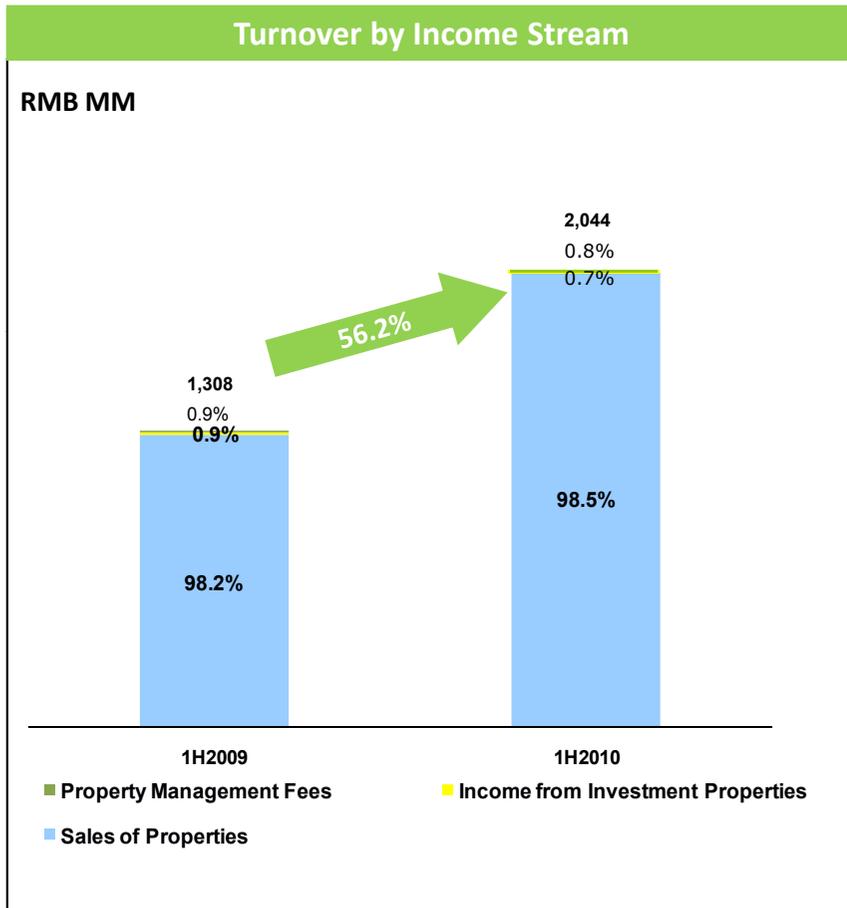
Section 3 Business Overview



Recognized Sales, GFA Delivered and ASP for Property Development



Turnover Breakdown



Notes

1. Including rental income and property management fees

Turnover Breakdown (Cont'd)

- Recognized sales in Xiamen accounted for 53% of our total sales of properties in 1H2010, while the recognized sales in Shanghai surged by 177 times ,contributing for the rest of total sales

Sales of Properties — Projects Sales Recognized in 1H2010

Projects	Location	Group's Interest in Project	Turnover RMB MM	GFA Delivered sq.m.	Average Selling Price RMB/sq.m.
Western Strait Economic Zone					
Galaxy Garden	Xiamen	100%	232.7	34,714	6,703
Yuzhou World Trade Center Phase I	Xiamen	100%	126.9	7,071	17,946
Yuzhou World Trade Center Phase II	Xiamen	100%	446.9	30,158	14,820
Yuzhou Golden Seacoast	Xiamen	100%	216.8	30,319	7,151
Others	Xiamen		37.7	6,318	5,973
Sub-Total			1,061.1	108,580	9,772
Yangtze River Delta Region					
Yuzhou Jinqiao International Phase II	Shanghai	100%	107.1	6,750	15,870
Yuzhou Jinqiao International Phase III	Shanghai	100%	844.6	54,908	15,382
Sub-Total			951.7	61,658	15,435
Total			2,012.8	170,238	11,823

Booked Sales Breakdown by Project

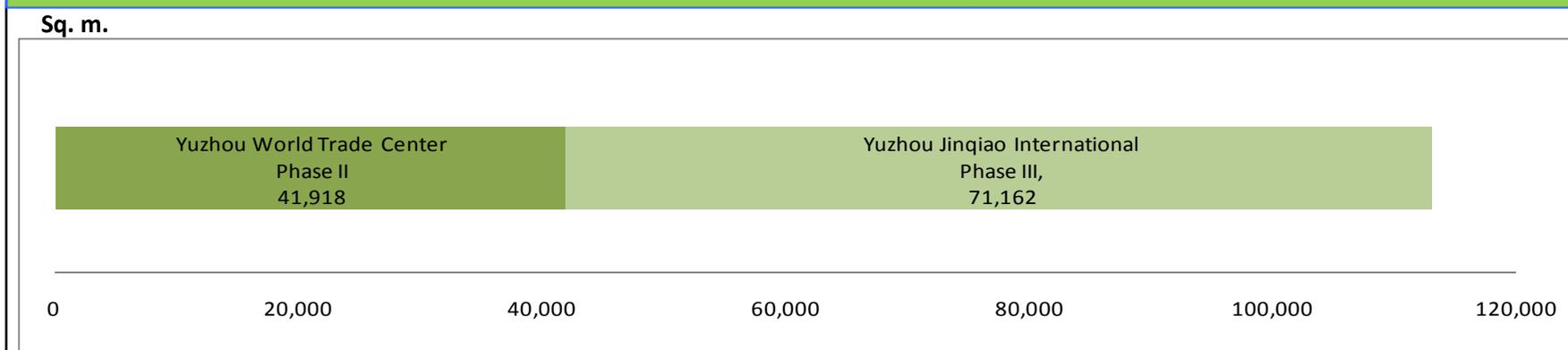


Completion Breakdown

Completion Breakdown in 1H 2010

Projects	Group's Interest in Project %	GFA Completed sq.m.
Yuzhou World Trade Center Phase II	100%	41,918
Yuzhou Jinqiao International Phase III	100%	71,162
Total	100%	113,080

Completion Breakdown by Project



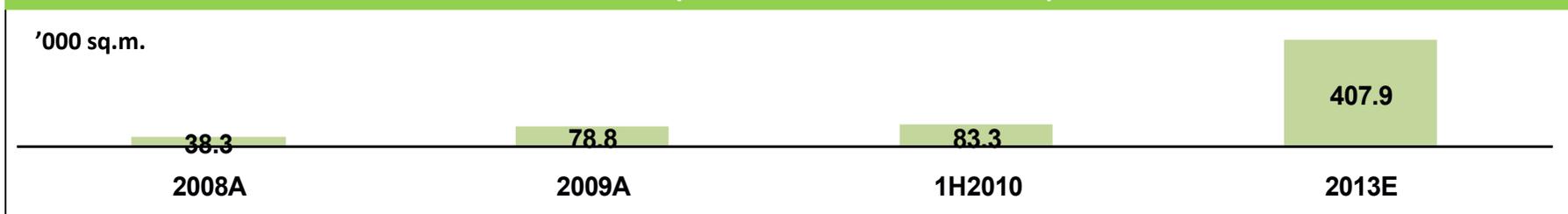
Notes

Investment Property Operating Performance

Revenue from Investment Properties

	1H2010 RMB MM	1H2009 RMB MM	Change %
Rental Income	17.0	11.7	45.4%
Property Management Fees	14.1	11.2	25.6%
Total	31.1	22.9	35.8%

Accumulated Completed GFA of Investment Properties



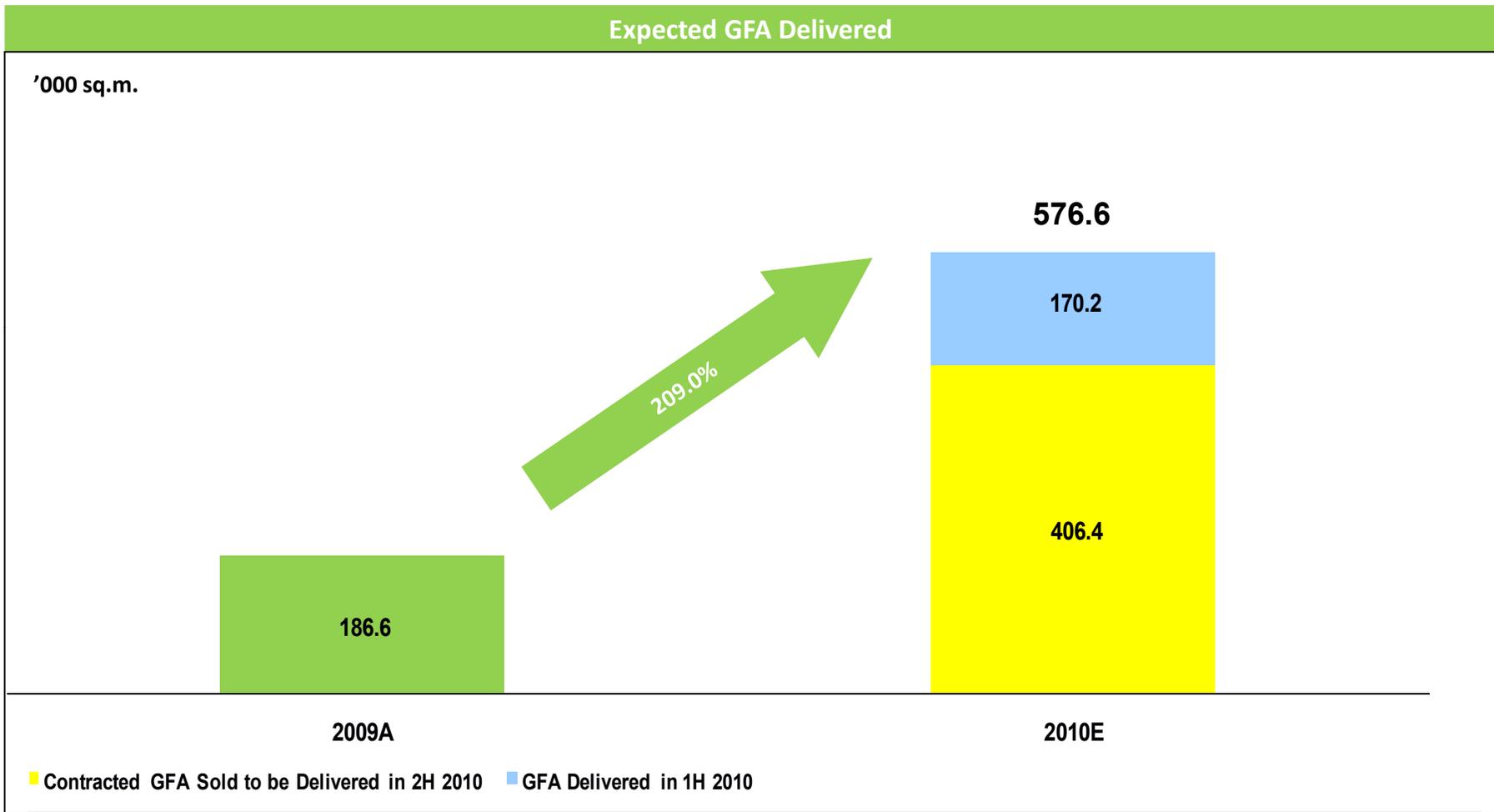


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Section 4 Development and Sales Plans



Expected GFA Delivered



Major Projects Available for Sale in 2H 2010

Major Projects Available for Sale in 2H 2010

'000 sq.m.

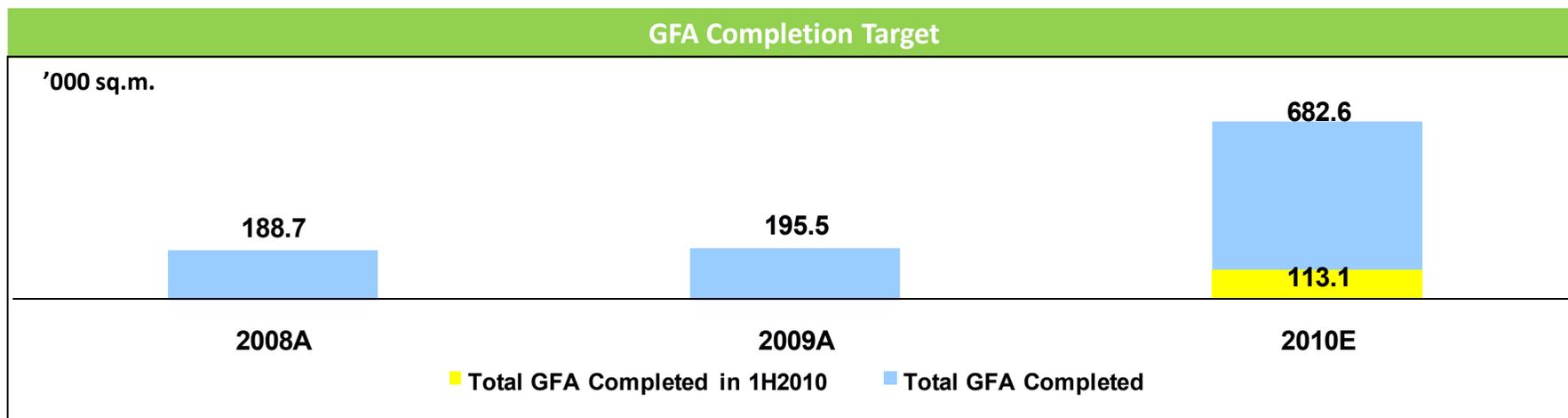
Projects	Location	GFA
Yuzhou University Phase II	Xiamen	197.8
Yuzhou Castle above City	Xiamen	173.8
Yuzhou Gushan No. One	Fuzhou	83.2
Yuzhou Jinqiao International Phase IV	Shanghai	69.5
Yuzhou Huaqiao City Phase II	Hefei	100.0
Total		624.3



Major Project Completion Schedule

Expected To Be Completed in 2 H 2010

Project	Location	Estimated GFA Completed in 2H 2010 '000 sq.m.	Group's Interest in the Project
Yuzhou Golden Seacoast Phase II	Xiamen	117.4	100%
Yuzhou University City Phase II	Xiamen	197.8	100%
Yuzhou Gushan No. One	Fuzhou	83.2	60%
Yuzhou Huaqiao City Phase I	Hefei	171.1	100%
Total		569.5	





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Section 5 Land Bank



Land Bank

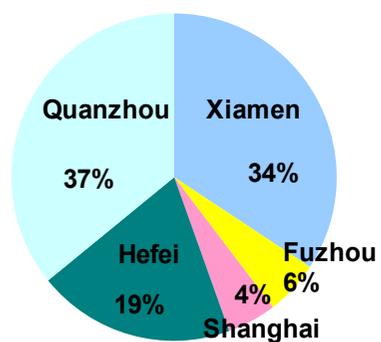
Total GFA

MM Sq. m.

Properties Under Development	2.60
Future Developments	3.61
Completed Investment Properties	0.08
Others ⁽¹⁾	0.05
Total Land Bank	6.34
Attributable Land Bank	6.24

Distribution by Region⁽²⁾

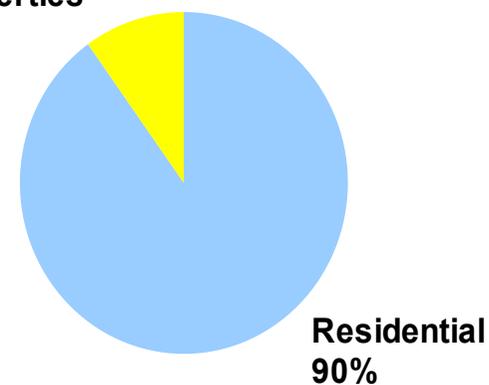
Five Cities



Breakdown by Property Type⁽²⁾

Investment Properties ⁽³⁾

10%



Notes

1. Including completed GFA held for sale and completed GFA to be delivered
2. As at 30 June 2010
3. Including the planned GFA of investment properties under development

Land Replenishment in 1H2010

- After the land replenishment in 1H2010, the average cost of our total land bank is lowered to about RMB1,100 per sq.m.
- Land cost accounted for around 9.3% of the average selling price in 1H2010

Project	Location	Acquisition Date	Land Cost RMB MM	Total Planned GFA '000 sq.m.	Cost per sq.m. RMB	Group's Interest in the Project
Tongan District site	Xiamen	Jun-2010	94.0	59.3	1,585	100%
Shanghai Xiersi site	Shanghai	Jun-2010	261.5	110.5	2,585	100%
Quanzhou site	Quanzhou	Jun-2010	520.0	2,238.0	232	100%
Total			875.5	2,407.8	364	

Unit Cost of Land Bank As at 30 June 2010

Region	Unit Cost RMB/sq.m.
Western Strait Economic Zone	
Xiamen	2,225
Fuzhou	2,462
Quanzhou	232
Yangtze River Delta Region	
Shanghai	2,172
Hefei	377





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Section 6 Strategies



Development Strategies – 3 Year Plan

<p>National Player Focusing on West Strait Economic Zone and Seek Opportunities in Other Regions</p>	<ul style="list-style-type: none">• Further strengthen our leading position in West Strait Economic Zone• Actively expand to the economic district centers in Yangtze River Delta, Eastern China• Extend coverage to Northern and Southern China
<p>Secure Low Cost Land Bank</p>	<ul style="list-style-type: none">• Secure low cost land bank through both government land auction and project level acquisition to maintain a target net profit margin of over 20%• Target to build up a land bank of over 10 million sq.m. by 2012
<p>Build Diversified Portfolio</p>	<ul style="list-style-type: none">• Property development remains as a key focus while target to increase profit contribution of investment properties to 10% by strengthening our investment property portfolio
<p>Manage Financial Position Prudently</p>	<ul style="list-style-type: none">• Cautiously adjust our gearing and leverage the robust balance sheet and strong cash flow in the expansion of our business



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Open Forum



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