



YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司 (HKSE: 1628)

2009 Annual Results Announcement

March 2010





# Table of Contents

<b>Section 1</b>	<b>Overview</b>
<b>Section 2</b>	<b>Financial Highlights</b>
<b>Section 3</b>	<b>Business Overview</b>
<b>Section 4</b>	<b>Development and Sales Plans</b>
<b>Section 5</b>	<b>Land Bank</b>
<b>Section 6</b>	<b>Competitive Strengths and Strategies</b>
<b>Appendix</b>	<b>Xiamen Property Market Overview</b>





YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

## Section 1 Overview



# Overview

## Results

- Revenue increased by 13.2% YoY to RMB1,992MM, mainly due to the increase in average selling price
- Gross profit amounted to RMB988MM; Gross profit margin increased from 42.6% in 2008 to 49.6% in 2009
- Profit attributable to shareholders increased by 2.8 times YoY to RMB1,101MM. If excluding after-tax revaluation gains and other non-recurring items, core profit attributable to shareholders amounted to RMB401MM, representing a core profit margin of 20.2%
- Proposed a final dividend of HK\$7.5 cents per share, representing a payout ratio of close to 40%, which exceeds the target ratio of 30% mentioned in prospectus

## Business Development

- Acquired 5 land parcels in Xiamen and Shanghai with a total planned GFA of 1.03 million sq.m. which increased the land reserve to 3.90 million sq.m., 2.13 million sq.m of which is in Xiamen, which further strengthened our leading position in West Strait Economic Zone. We will continue our low-cost land acquisition through both government land auction and project level acquisition to maintain a net profit margin of over 20%
- 448,000 sq.m. contracted GFA sold to be booked in 2010, representing 77% of 2010E GFA to be booked
- We target to achieve contracted GFA sold of 560,000 sq.m. in 2010, and build up a total land bank of over 10 million sq.m. by 2012
- Strengthened our management team and laid a solid foundation for sustainable growth





YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

## Section 2 Financial Highlights



# 2009 Annual Financial Highlights

- Core profit attributable to shareholders amounted to RMB401MM, 7.5% higher than the profit forecast in the prospectus and almost doubled from 2008
- Core profit margin achieved a high level at 20.2%
- Proposed a final dividend of HK\$7.5 cents per share, representing close to 40% of our core profit attributable to shareholders, which exceeds the target ratio of 30% mentioned in prospectus

## 2009 Annual Financial Highlights

RMB

	For the Year Ended 31 Dec		Change
	2009	2008	
Turnover (MM)	1,992	1,760	13.2%
Gross Profit (MM)	988	750	31.8%
Gross Profit Margin (%)	49.6%	42.6%	
Profit Attributable to Shareholders (MM)	1,101	292	276.8%
Net Profit Margin (%)	55.3%	16.6%	
Core Profit Attributable to Shareholders <sup>(1)</sup> (MM)	401	211	90.1%
Core Profit Margin (%)	20.2%	12.0%	
Basic Earnings per Share (RMB)	0.58	N/A	
Full-Year Dividend per Share (HK\$ Cents)	7.50	N/A	

### Notes

1. Adjusted for the after-tax revaluation gains on investment properties

# 2009 Annual Balance Sheet Highlights

- The successful IPO in Oct 2009 as well as the property revaluation gains in 2009 increased the equity base by 321.5% to RMB3,705MM and decreased the net gearing ratio to 17.7%

## 2009 Annual Balance Sheet Highlights

RMB MM

	As at 31 December		Change
	2009	2008	
Cash and Cash Equivalents <sup>(1)</sup>	1,572	205	667.8%
Total Debt	2,229	2,365	(5.7%)
Short-term Debt	783	972	(19.4%)
Long-term Debt	1,446	1,393	3.8%
Total Assets	11,142	7,273	53.2%
Net Debt	657	2,160	(69.6%)
Shareholders' Equity	3,705	879	321.5%
Net Gearing Ratio (%)	17.7%	245.7%	

### Notes

1. Including restricted cash





YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

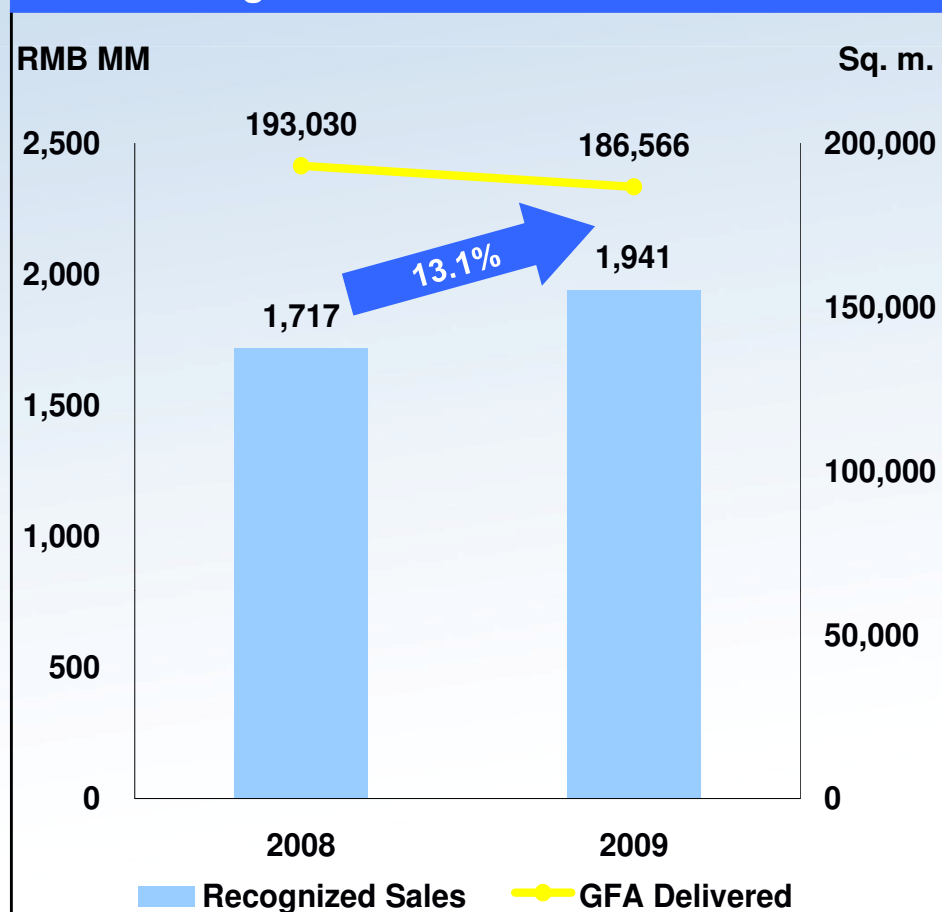
## Section 3 Business Overview



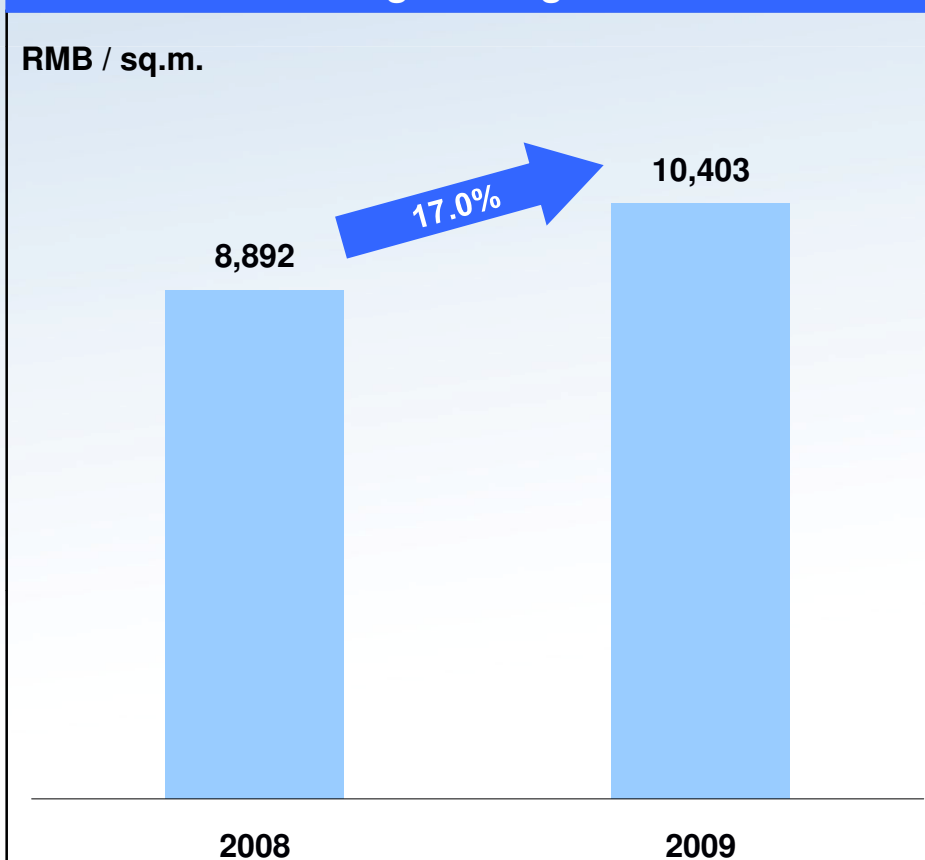


# Recognized Sales, GFA Delivered and ASP for Property Development

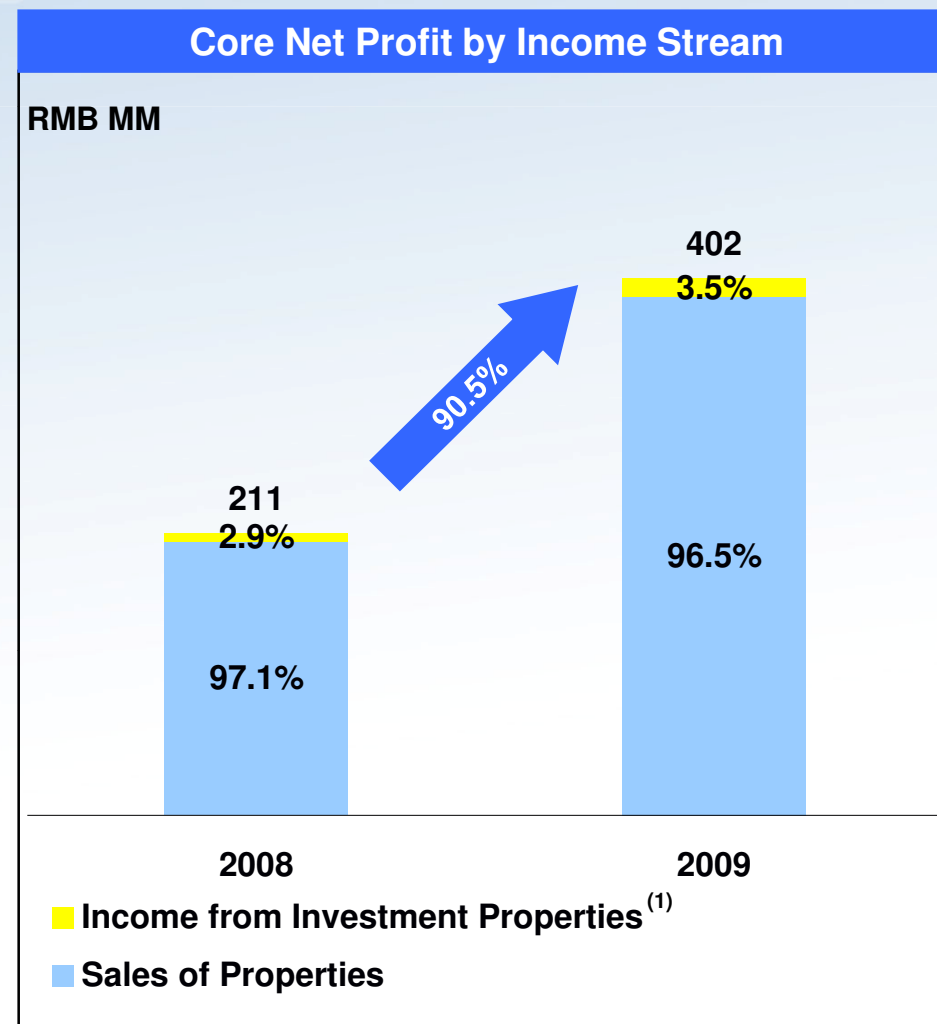
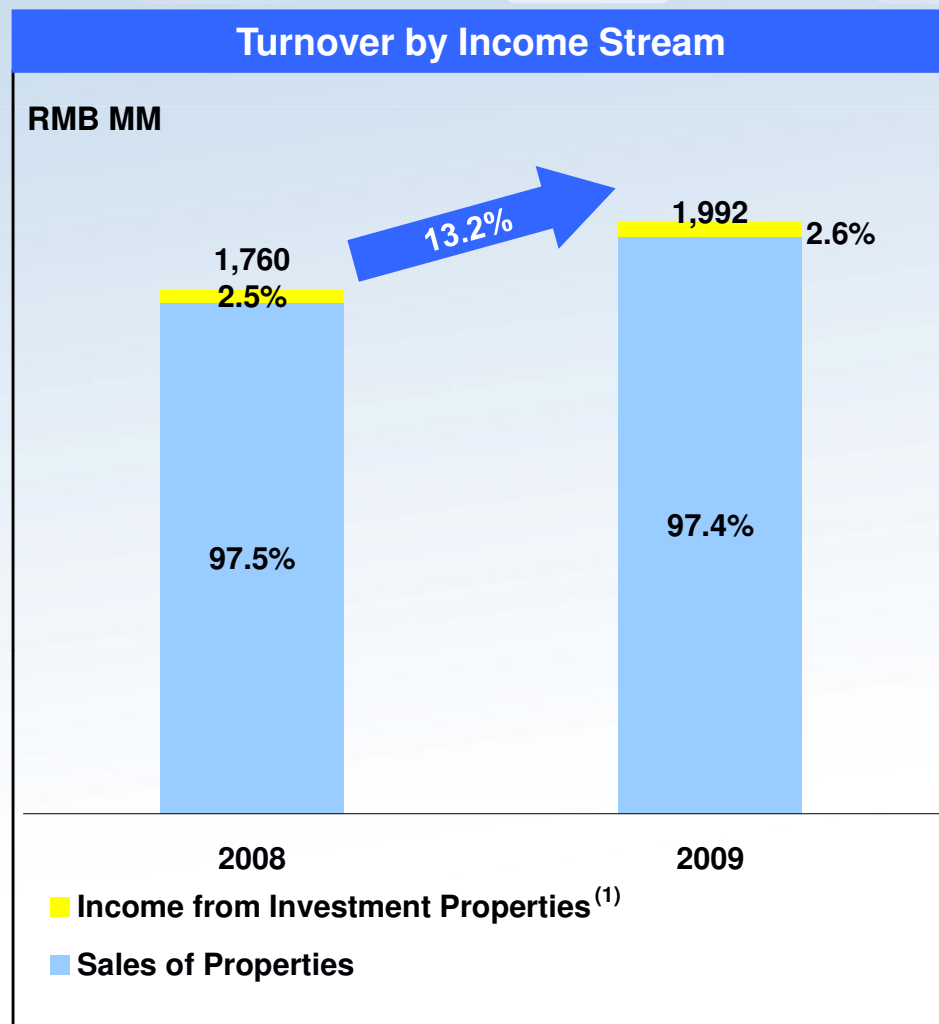
## Recognized Sales and GFA Delivered



## Average Selling Price



# Turnover Breakdown



## Notes

1. Including rental income and property management fees



# Turnover Breakdown (Cont'd)

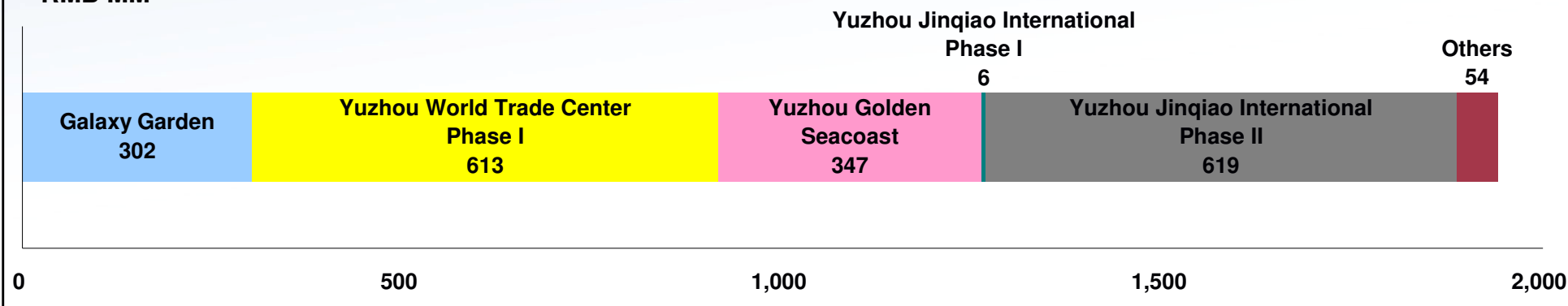
- Recognized sales in Xiamen accounted for 68% of our total sales of properties in 2009, while the rest of sales were from projects in Shanghai

## Sales of Properties — Projects Sales Recognized in 2009

Projects	Location	Group's Interest in Project	Turnover RMB MM	GFA Delivered sq.m.	Average Selling Price RMB/sq.m.
<b>Western Strait Economic Zone</b>					
Galaxy Garden	Xiamen	100%	302.0	36,302	8,320
Yuzhou World Trade Center Phase I	Xiamen	100%	612.9	43,053	14,236
Yuzhou Golden Seacoast	Xiamen	100%	346.9	55,846	6,211
Others	Xiamen		54.5	12,521	4,353
<b>Sub-Total</b>			<b>1,316.3</b>	<b>147,722</b>	<b>8,911</b>
<b>Yangtze River Delta Region</b>					
Yuzhou Jinqiao International Phase I	Shanghai	100%	5.5	391	14,156
Yuzhou Jinqiao International Phase II	Shanghai	100%	619.0	38,453	16,098
<b>Sub-Total</b>			<b>624.5</b>	<b>38,844</b>	<b>16,078</b>
<b>Total</b>			<b>1,940.9</b>	<b>186,566</b>	<b>10,403</b>

## Booked Sales Breakdown by Project

RMB MM



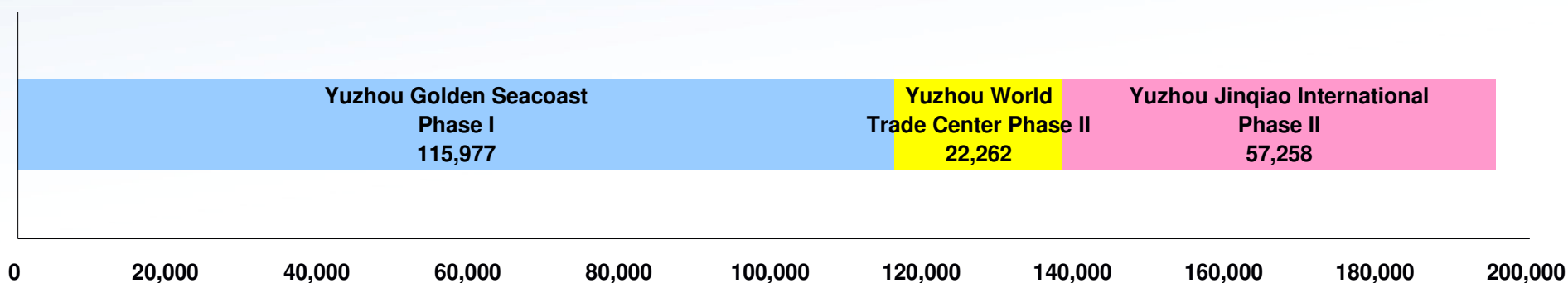
# Completion Breakdown

## Completion Breakdown in 2009

Projects	Group's Interest in Project %	GFA Completed sq.m.
Yuzhou Golden Seacoast Phase I	100%	115,977
Yuzhou World Trade Center Phase II <sup>(1)</sup>	100%	22,262
Yuzhou Jinqiao International Phase II	100%	57,258
<b>Total</b>		<b>195,497</b>

## Completion Breakdown by Project

Sq. m.



### Notes

1. Shopping mall portion



# Investment Property Operating Performance

## Revenue from Investment Properties

	2009 RMB MM	2008 RMB MM	Change %
Rental Income	25.0	21.6	16.0%
Property Management Fees	25.9	21.8	19.0%
<b>Total</b>	<b>50.9</b>	<b>43.3</b>	<b>17.5%</b>

## Key Investment Properties

	Usage	GFA sq.m.	Date of Commencing Operation	2009 Revenue RMB MM
Yuzhou World Trade Center Phase I	Retail	33,332	Dec-2008	24
Yuzhou World Trade Center Phase II	Retail	16,505	Dec-2009	1
Yuzhou World Trade Plaza <sup>(1)</sup>	Retail	41,314	Sep-2010	N/A
Yuzhou Square <sup>(2)</sup>	Office	48,998	Jul-2012	N/A
Yuzhou International Hotel	Hotel	102,142	Sep-2012	N/A
Others	Retail	165,588	After 2009	N/A

## Accumulated Completed GFA of Investment Properties

'000 sq.m.

38.3

2008A

78.8

2009A

407.9

2013E

### Notes

1. The commercial portion of Yuzhou Golden Seacoast
2. Previously named Yuzhou Gangyi Square



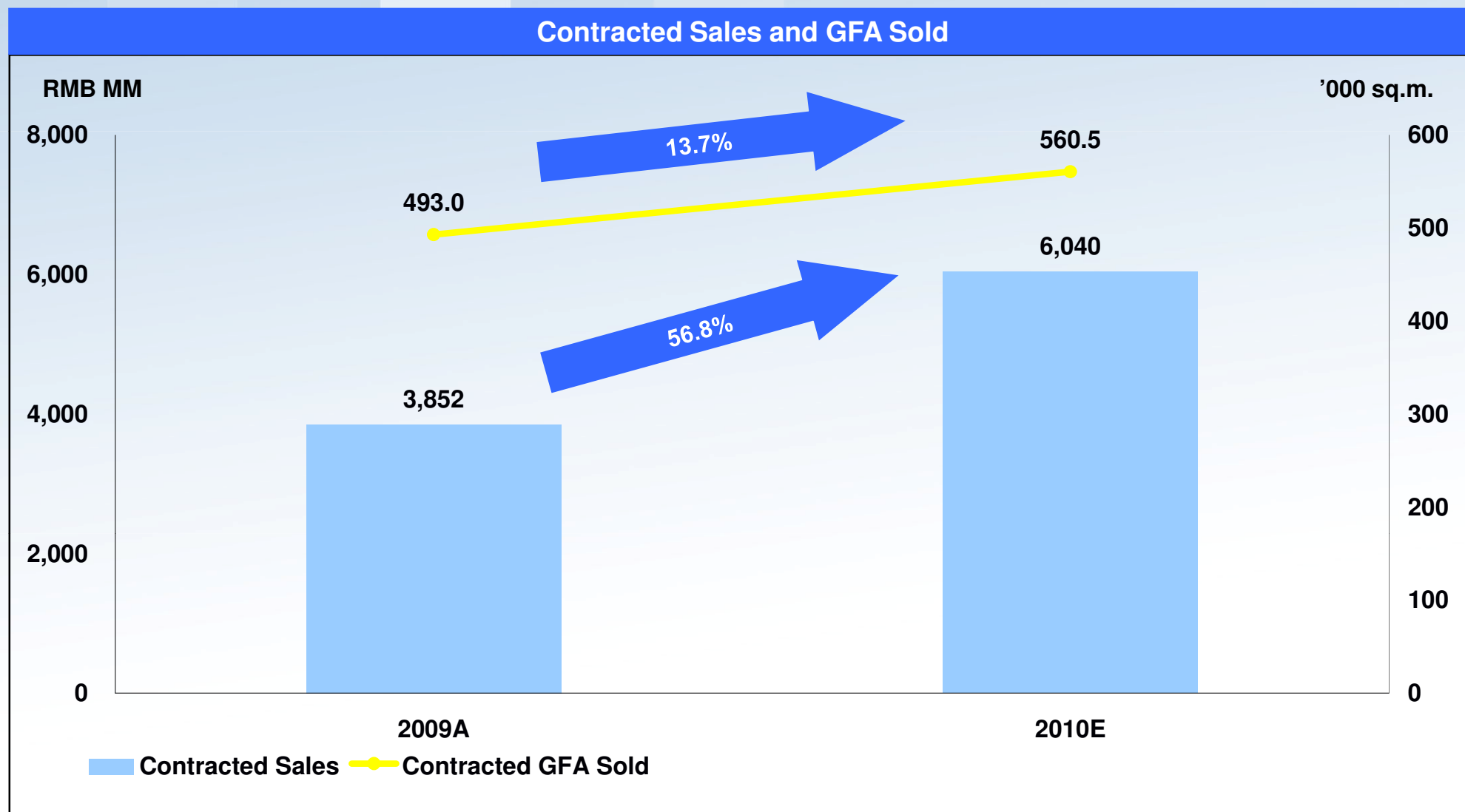
YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

## Section 4 Development and Sales Plans



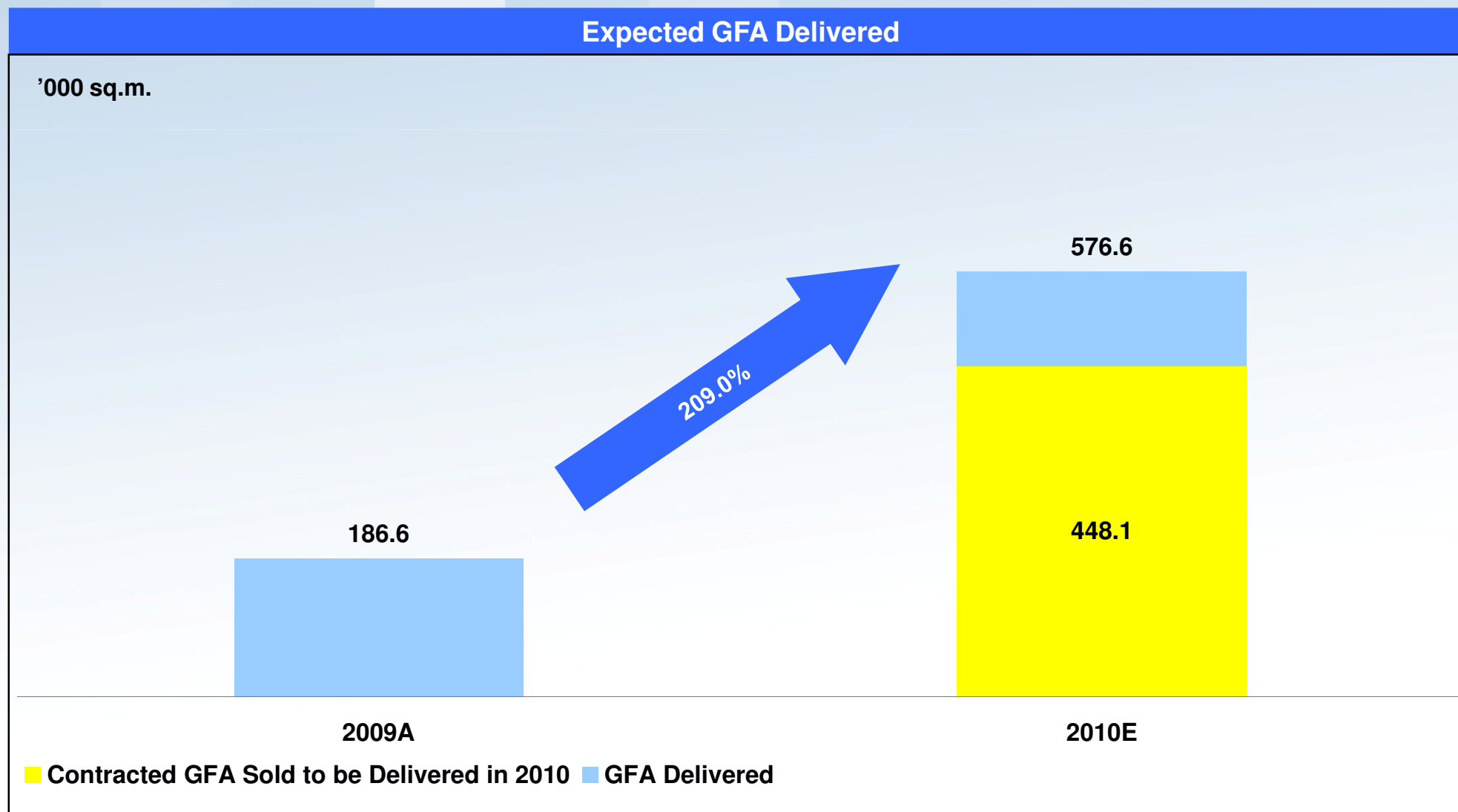


# Contracted Sales and GFA Sold





# Expected GFA Delivered





# Projects Available for Sale in 2010

## Projects Available for Sale in 2010

'000 sq.m.

Projects	Location	Expected Contracted GFA Sold in 2010	Expected GFA Delivered in 2010
Galaxy Garden	Xiamen	11.9	36.1
Yuzhou World Trade Center Phase I & II	Xiamen	18.4	58.0
Yuzhou Golden Seacoast	Xiamen	26.4	63.1
Yuzhou Yuanbo City Phase I & II	Xiamen	140.0	191.5
Yuzhou Diyuan Manor	Xiamen	87.7	-
Yuzhou Orient Golf	Xiamen	9.3	-
Yuzhou Gushan No. One	Fuzhou	32.0	10.0
Oriental Venice Phase I & II	Fuzhou	44.9	23.4
Yuzhou Jinqiao International Phase II, III & IV	Shanghai	13.8	76.6
Yuzhou Huaqiao City Phase I & II	Hefei	176.1	118.0
<b>Total</b>		<b>560.5</b>	<b>576.6</b>

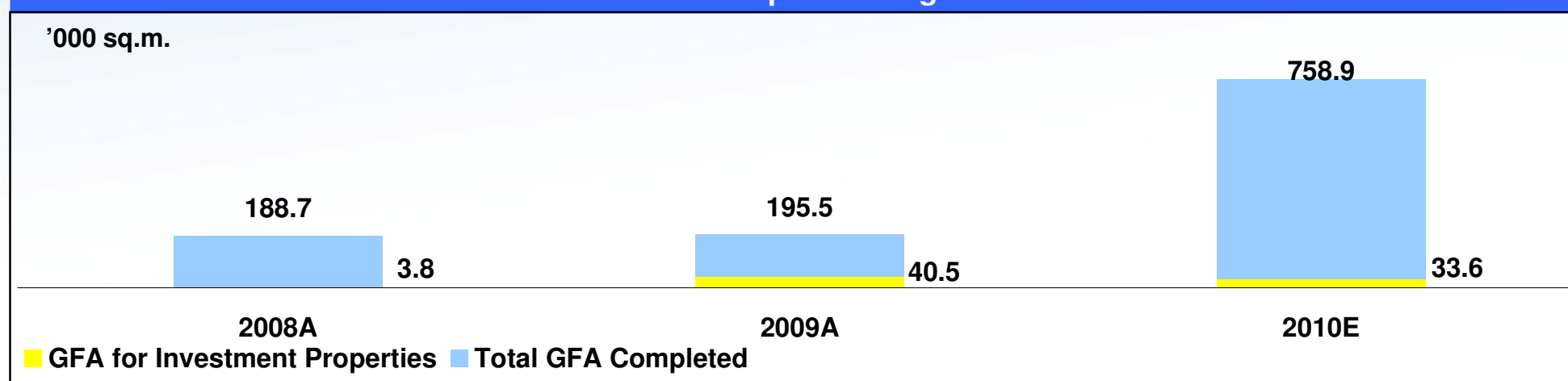


# Project Completion Schedule

## Expected To Be Completed in 2010

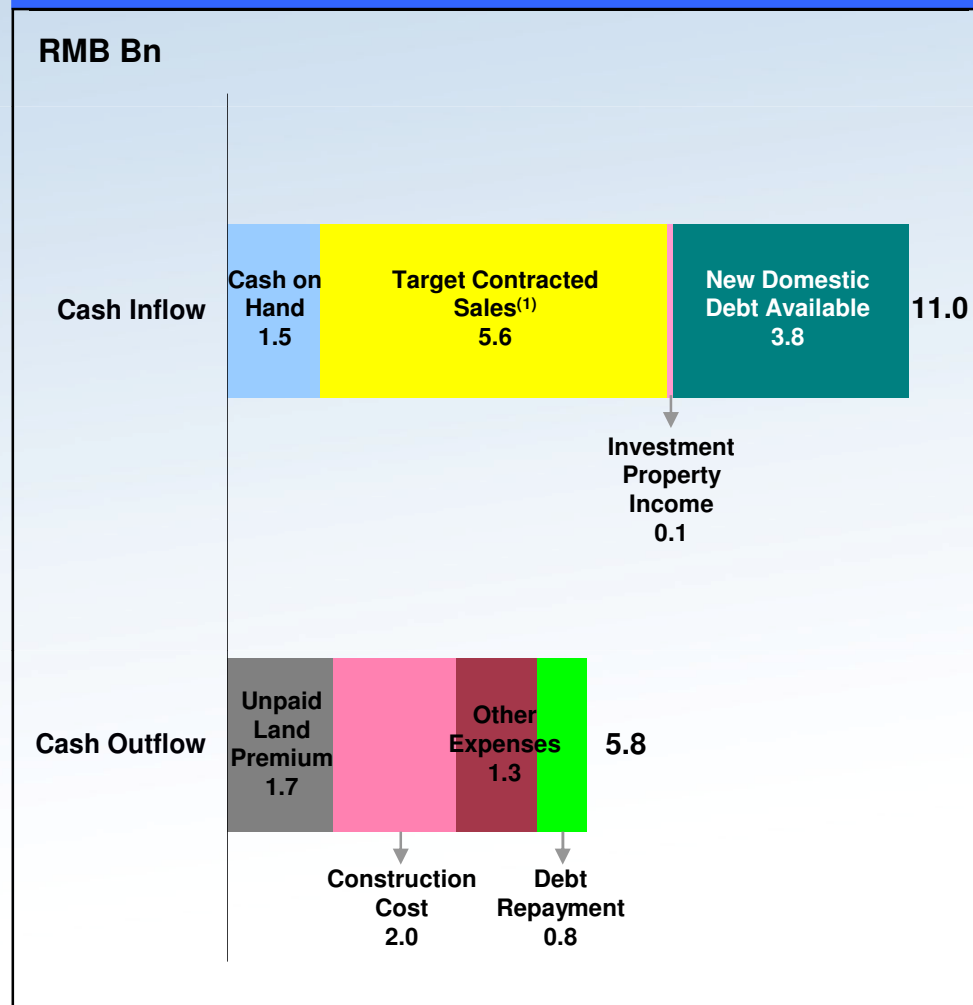
Project	Location	Estimated GFA Completed in 2010 '000 sq.m.	Group's Interest in the Project
Yuzhou Golden Seacoast Phase II	Xiamen	117.4	100%
Yuzhou World Trade Center Phase II	Xiamen	41.9	100%
Yuzhou Yuanbo City	Xiamen	197.8	100%
Oriental Venice Phase I	Fuzhou	15.3	80%
Oriental Venice Phase II	Fuzhou	60.9	80%
Yuzhou Gushan No. One	Fuzhou	83.2	60%
Yuzhou Jinqiao International Phase III	Shanghai	71.2	100%
Yuzhou Huaqiao City Phase I	Hefei	171.1	100%
<b>Total</b>		<b>758.9</b>	

## GFA Completion Target



# Cash Position

## Cash Position in 2010



	RMB Bn
Cash on Hand (January 2010)	1.5
Target Contracted Sales <sup>(1)</sup>	5.6
Investment Property Income	0.1
New Domestic Debt Available	3.8
	<b>11.0</b>
Unpaid Land Premium	1.7
Construction Cost	2.0
Other Expenses - Interest, Tax and Others	1.3
Debt Repayment	0.8
	<b>5.8</b>
<b>Projected Cash on Hand <sup>(2)</sup> (December 2010)</b>	<b>5.2</b>

### Notes

- Adjusted for the receivables portion of contracted sales in 2009 and the estimated receivables arisen from contracted sales in 2010
- Before taking into account of new land acquisition in 2010 and payment of dividends



YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

## Section 5 Land Bank





# Land Bank

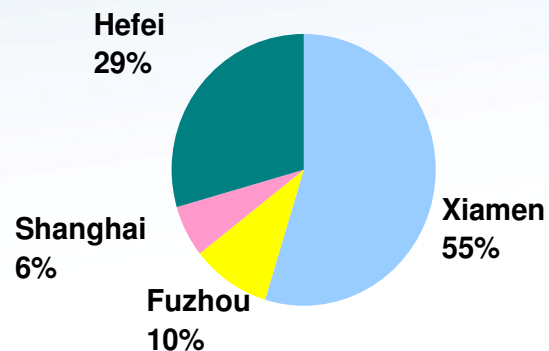
## Total GFA

MM Sq. m.

Properties Under Development	1.43
Future Developments	2.22
Completed Investment Properties	0.06
Others <sup>(1)</sup>	0.19
<b>Total Land Bank</b>	<b>3.90</b>
<b>Attributable Land Bank</b>	<b>3.76</b>

## Distribution by Region <sup>(2)</sup>

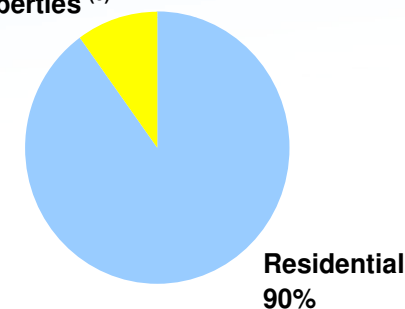
### Four Cities



## Breakdown by Property Type <sup>(2)</sup>

### Investment Properties <sup>(3)</sup>

10%



## Notes

1. Including completed GFA held for sale and completed GFA to be delivered
2. As at 31 December 2009
3. Including the planned GFA of investment properties under development

# Land Replenishment in 2009

- After the land replenishment in 2009, the average cost of our total land bank is about RMB1,600 per sq.m.
- Land cost accounted for around 17.7% of the average selling price in 2009

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
F1 Plaza	Xiamen	May-2009	226	55.0	4,109	100%
Yuzhou Zun Hai	Xiamen	Sep-2009	1,500	301.0	4,983	100%
Yuzhou Hai Cang	Xiamen	Nov-2009	144	90.0	1,600	100%
Yuzhou Jimei	Xiamen	Dec-2009	1,338	535.0	2,500	100%
Yuzhou Kangqiao	Shanghai	Nov-2009	167	49.2	3,400	100%
<b>Total</b>				<b>1,030.2</b>	<b>3,276</b>	



YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

## Section 6 Competitive Strengths and Strategies





# Competitive Edges of the Group

1

- Well-established property developer with nationwide strategy
  - With a strong foothold in Xiamen, we focus on the nationwide strategy, proactively expanding into other cities like Shanghai, Hefei, Fuzhou and other top-tier cities

2

- An undisputable leader in Xiamen
  - 9.1% market share in Xiamen in 2009
  - The largest residential property developer in Xiamen based on GFA sold in 2009
  - China Top 100 RE Cos for the past 5 years

3

- High quality land bank in various cities
  - 55% in Xiamen, a city with its ASP higher than most other cities in China, including Guangzhou
  - The remaining 43% scatters over Shanghai, Hefei and Fuzhou

4

- Best positioned to reap the next economic growth
  - We benefit from the robust economy growth and increasing income of the residents in China
  - China's plan to develop the Western Strait Economic Zone will give a strong push to the local economy and property market

5

- Over 20% profit margin expected as a direct result of high quality low cost land bank vs. perceived peers
  - One of the listed developers with such high sustainable profit margin

# Development Strategies – 3 Year Plan

National Player  
Focusing on West  
Strait Economic  
Zone and Seek  
Opportunities in  
Other Regions

- Further strengthen our leading position in West Strait Economic Zone by actively identifying opportunities in Xiamen, Fuzhou as well as other cities in the region, and seek opportunities in other regions

Secure Low Cost  
Land Bank

- 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

Build Diversified  
Portfolio

- Property development remains as a key focus while target to increase profit contribution of investment properties to 10% by strengthening our investment property portfolio

Achieve Steady  
Growth

- Target to achieve RMB 6 billion contracted sales in 2010 and increase the amount by over 20% annually during the period

Manage Financial  
Position Prudently

- Cautiously adjust our gearing and leverage the robust balance sheet and strong cash flow in the expansion of our business

## Mission

**With a strong foothold in Xiamen, Yuzhou Properties strives to strengthen its leading position in the West Strait Economic Zone with a view to becoming a national property developer.**







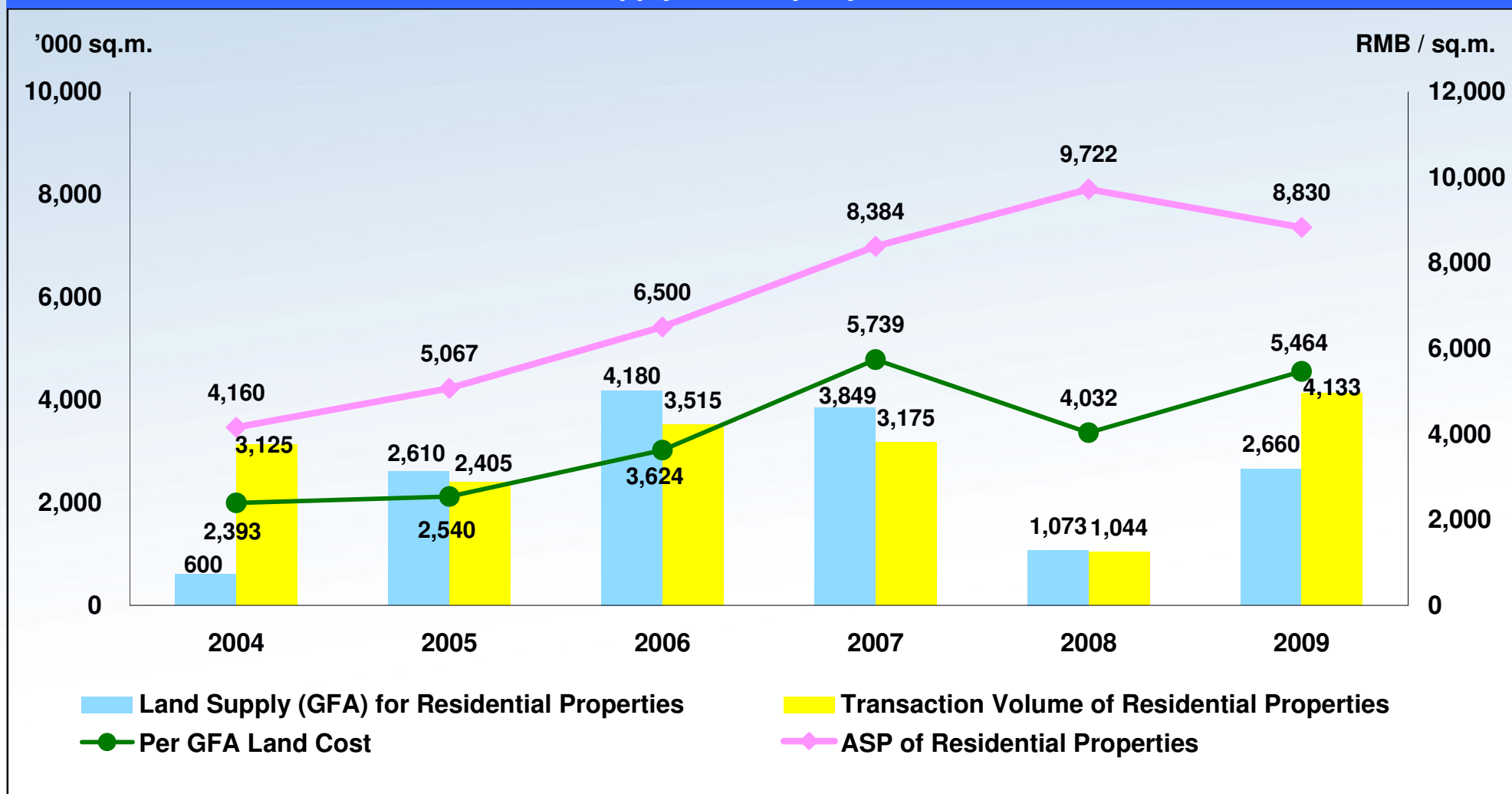
YUZHOU PROPERTIES COMPANY LIMITED  
禹洲地產股份有限公司

## Appendix Xiamen Property Market Overview



# Xiamen Property Market Overview

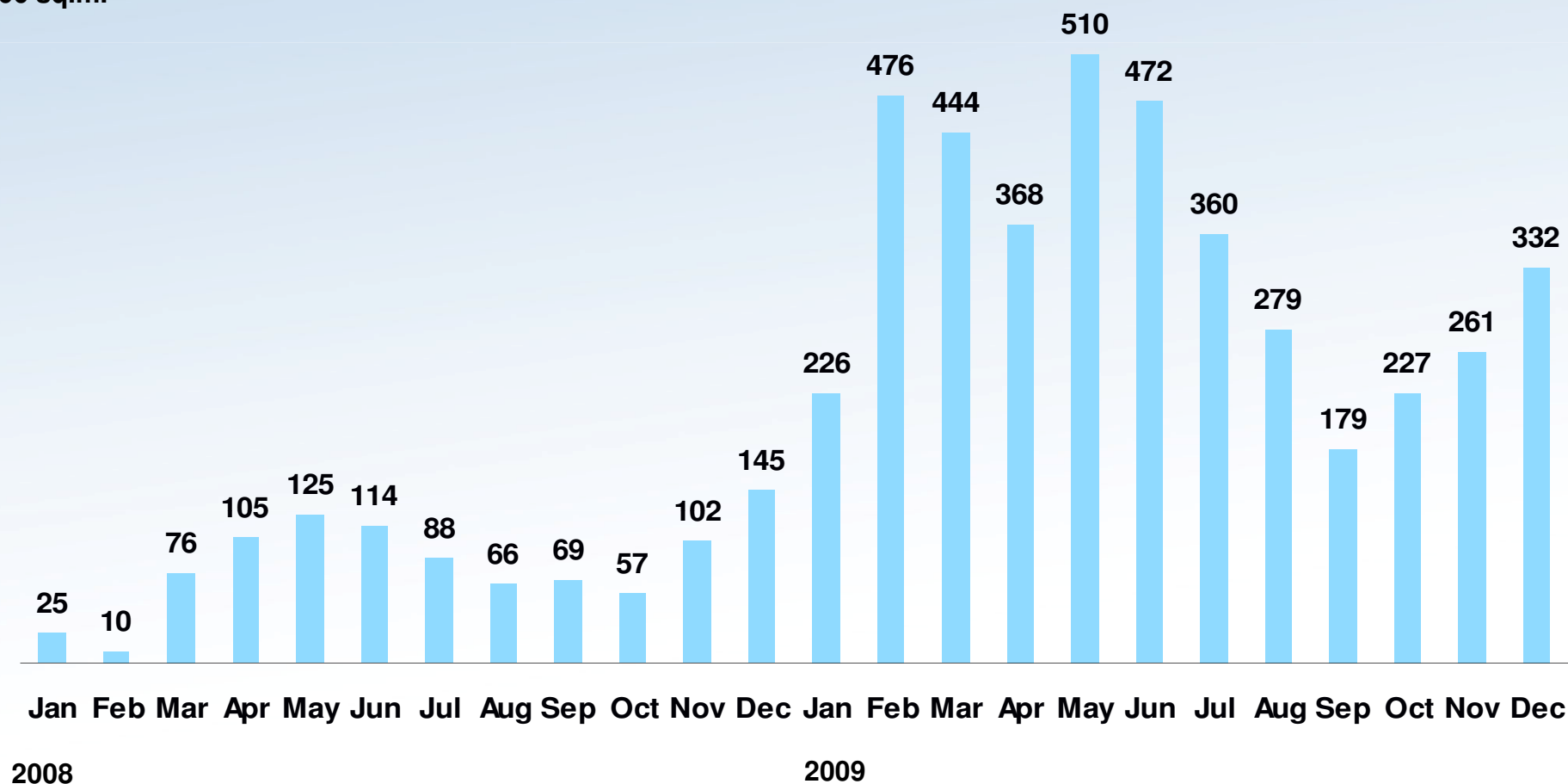
## Residential Land Supply and Property Transactions in Xiamen



# Transaction Volume of Xiamen Residential Properties

## Monthly Transaction Volume of Residential Properties

'000 sq.m.





# Disclaimer

These materials have been prepared by Yuzhou Properties Company Limited (the “Company”) solely for informational use during its presentation to current and/or prospective investors to provide an update on the business performance and development of the Company.

No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. The information contained in these materials should be considered in the context of the circumstances prevailing at the time and is subject to change without notice and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. None of the Company nor any of its respective directors, officers, employees, affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss or damage howsoever arising from any use of these materials or their contents or otherwise arising in connection with these materials.

These materials and subsequent discussions may contain certain statements which would constitute "forward-looking statements". Such forward-looking statements involve risks, uncertainties, future events, our future financial, operational, business or other performance and are subject to a number of uncertainties and factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed by, or implied by the forward-looking statements in these materials. There can be no assurance that the results and events contemplated by the forward-looking statements contained in these materials will in fact occur. You should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of this presentation. These forward-looking statements are based on our own information and on information from other sources we believe to be reliable. Past performance cannot be relied on as a guide to future performance.

This document does not constitute an offer or invitation to purchase or subscribe for any securities of the Company or any holding company or any of its subsidiaries or an inducement to enter into any investment activity. No part of these materials, or the fact of its distribution or use, shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.