



建業地產股份有限公司
Central China Real Estate Limited

(Stock Code: 832)

2009
Interim Results Presentation





Roadshow Team

Team Member

Positions



Mr. WANG Tianye

Chief Executive Officer and Executive Director



Mr. TANG Man Joe

Financial Controller and Company Secretary







Mr. GUO Wei Qiang

Deputy General Manager of the Board Office





Agenda

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|  Business and Operation Overview | 4 |
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Overview of Central China

- **The leading residential property developer in Henan Province overall** in terms of scale, profitability and growth rate
- **17 year track record** of developing integrated residential complexes targeting mid- to high-end customers, the “Forest Peninsula” and “Green Garden” are our key residential product series
- Rapid expansion in Henan province pursuant to our **Provincial Strategy**
- **Strategic Investor: CapitaLand** holds 27.1%
- **Land Bank:** 52 projects in 22 cities and a landbank of GFA 7.6MM sq.m. as of 30 Jun, 2009.
- **The issuance of Convertible Bond:** 5 years tenure, HK\$765 million at 4.9% coupon rate, subscribed by Fountainvest and West Hill.
- **Net debt to equity:** net cash as at June 30th, 2009

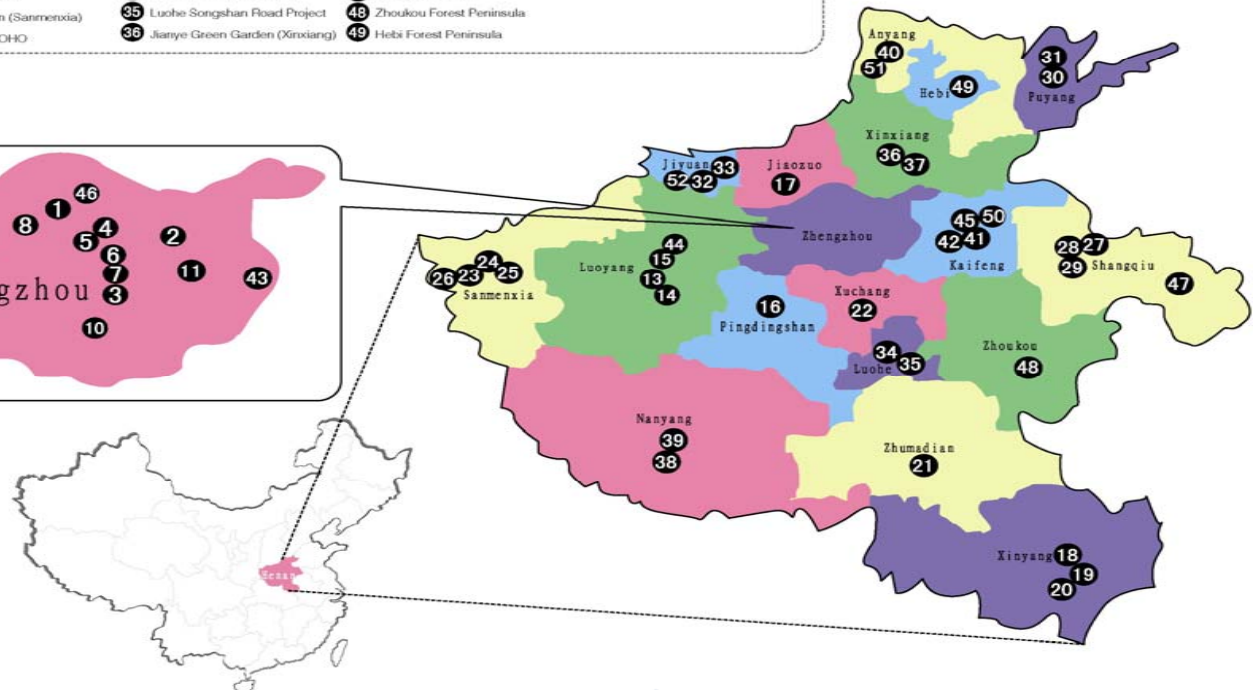




Our Geographic Footprint – All Major Cities in Henan

Pursuant to the Provincial Strategy, Central China has 52 projects in 22 cities across Henan Province, including 18 prefecture-level cities and 4 county-level cities

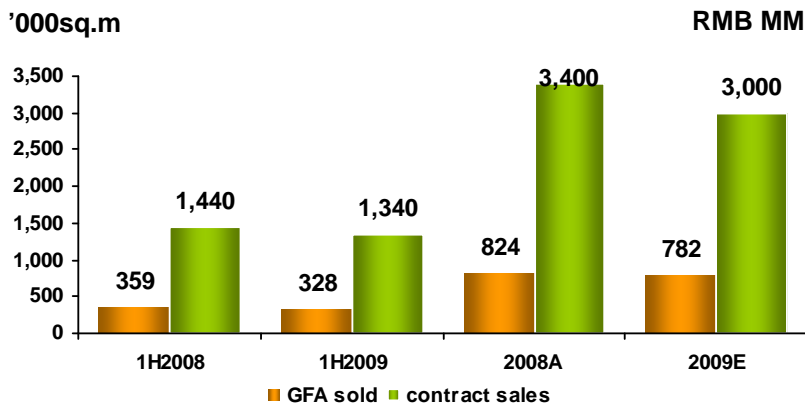
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|--|-------------------------------------|------------------------------------|--------------------------------------|----------------------------------|
| 1 Forest Peninsula (Zhengzhou) | 13 Forest Peninsula (Luoyang) | 25 Lakeside Square (Sanmenxia) | 37 Xiroxiang Golden Dragon Project | 50 Xibei Lake Wetland |
| 2 U-Town (Zhengzhou) | 14 Gentlest Lake | 26 Forest Peninsula (Sanmenxia) | 38 Green Garden (Nanyang) | 51 Anyang Xiaowu Village Project |
| 3 Landmark (Zhengzhou) | 15 Jiarye One City (Luoyang) | 27 Green Garden (Shangqiu) | 39 Taohua Island (Nanyang) | 52 Jiyuan Yugong Road Project |
| 4 Jiarye Square (Zhengzhou) | 16 Forest Peninsula (Pingdingshan) | 28 Forest Peninsula (Shangqiu) | 40 Guihua House Construction | |
| 5 Jinshui Garden (Zhengzhou) | 17 Forest Peninsula (Jiaozuo) | 29 Sweet-Scented Osmanthus Garden | 41 Kaifeng Zhengkai Forest Peninsula | |
| 6 Jiarye City Garden (Zhengzhou) | 18 Forest Peninsula (Xinyang) | 30 Jiarye City (Puyang) | 42 Kaifeng Jiarye Dahong City Garden | |
| 7 Home Universe (Zhengzhou) | 19 Xinyang Nanwan | 31 Jiarye Green Garden (Puyang) | 43 Zhongmou St. Andrews Project | |
| 8 Jiarye One City (Zhengzhou) | 20 Xinyang Nanwan Fish Farm Project | 32 Forest Peninsula (Jiyuan) | 44 Huayang Square (Luoyang) | |
| 9 Jiarye Code International Garden (Zhengzhou) | 21 Zhumadian Project | 33 Landmark (Jiyuan) | 45 Kaifeng Water System | |
| 10 Jiarye Champagne Garden (Zhengzhou) | 22 Xuchang Project | 34 Forest Peninsula (Luohu) | 46 Maple Garden | |
| 11 Zhengzhou Xiangsheng Garden | 23 Green Garden (Sanmenxia) | 35 Luohu Songshan Road Project | 47 Shangqiu U-Town | |
| 12 Forest Peninsula (Shangjie) | 24 Sanmenxia SOHO | 36 Jiarye Green Garden (Xiroxiang) | 48 Zhoukou Forest Peninsula | |
| | | | 49 Hebi Forest Peninsula | |





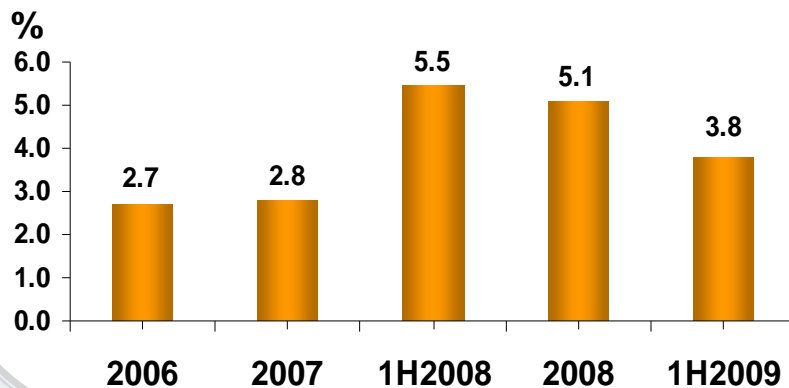
Our Leading Position in Henan Province - Sales Performance and Market Share

Contract GFA and Sales



- Our sale performance slightly decreased due to lower pace of recovery in Henan and adjustment on development schedule of projects.

Market Share in Henan Province



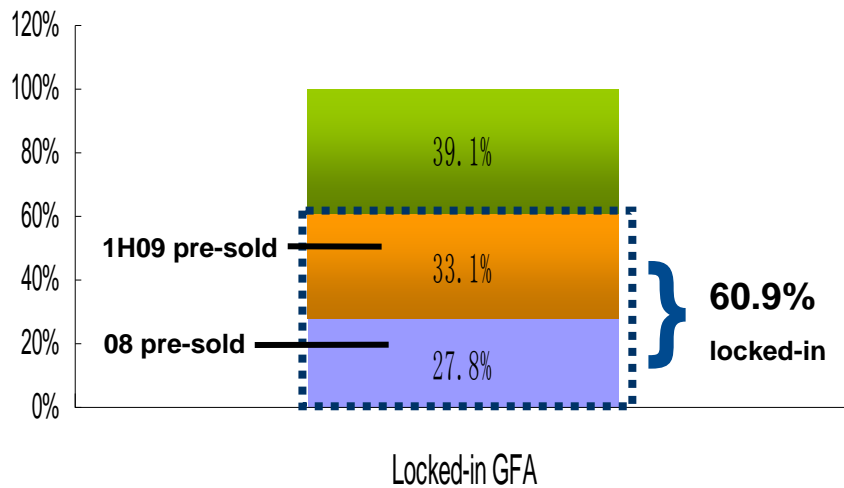
- Our market share in Henan in terms of contracted sales grew from 2.7% in 2006 to 5.1% in 2008.
- Market share declined in 1H09 because of prudent decision to push back the launch and completion of certain projects.



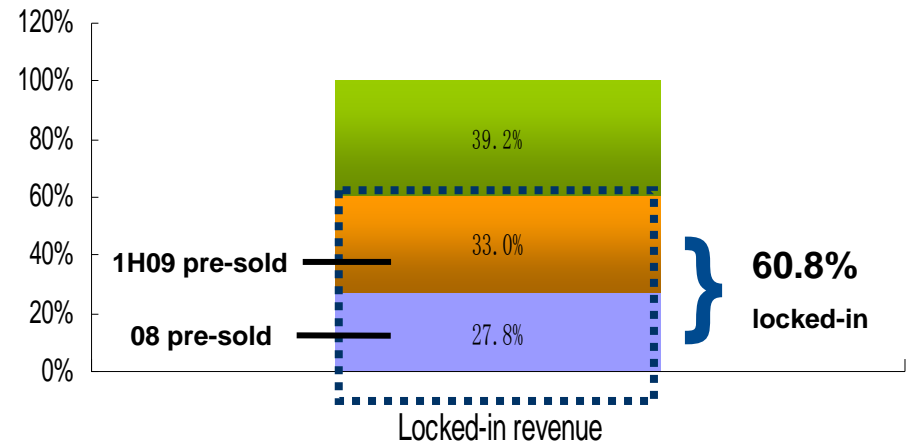
Locked-in in 1H2009

61% sales was locked-in during the first half of 2009 in terms of targeted GFA delivered and recognized revenue for 2009

Locked-in GFA



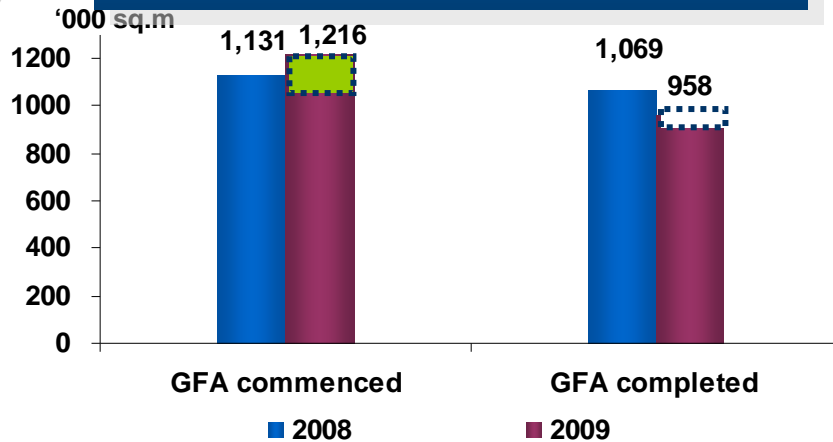
Locked-in Revenue





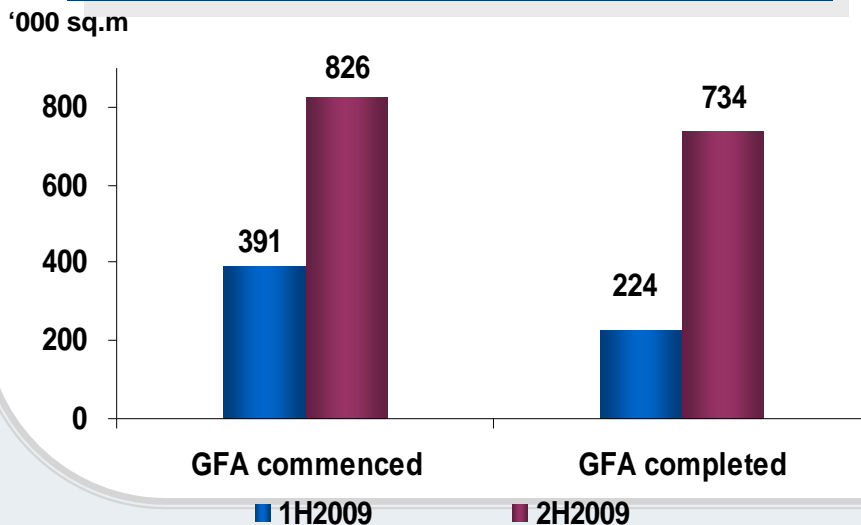
Timely adjustment - Development Pace in 2009

Adjustment on Development Pace



- The company pushed back the completion schedule of several projects initiatively considering global financial crisis in late 2008.

GFA Commenced and Completed



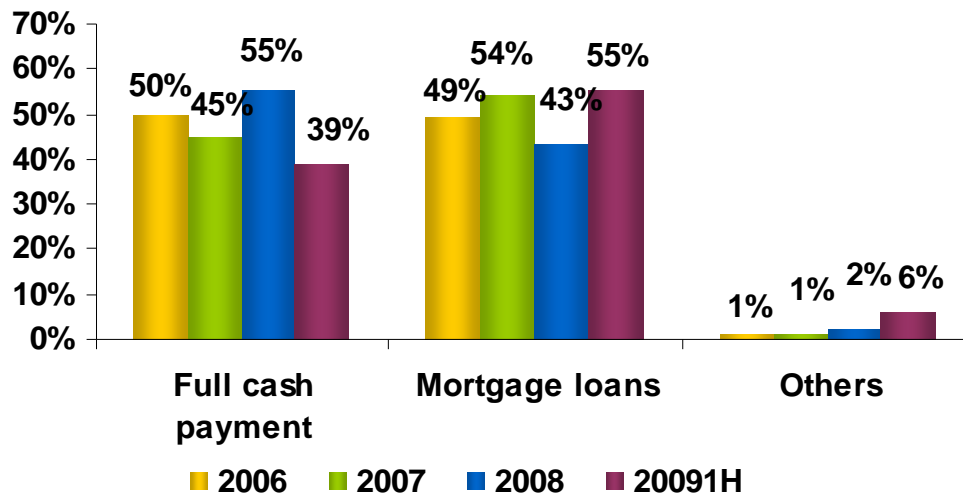
- The company expanded its GFA newly commenced in the second half of 2009 in view of the sign of recovery of property market in Henan.





Customer Matrix - Customer Distribution

Customer Breakdown of CCRE



- Low level of interest rate in 2009 led more and more people to choose mortgage payment method.
- Purchasing power is still strong in Henan.



Sufficient Land Reserves in Strategic Locations

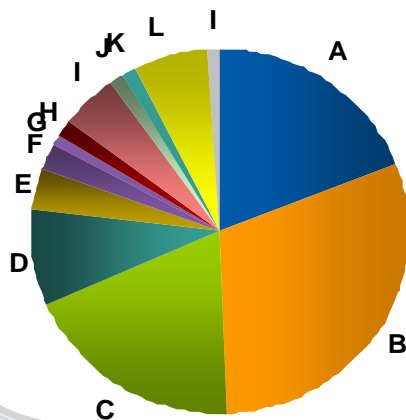
We have successfully accumulated large areas of land bank for future development

As of 30 Jun 2009, we held:

- 1,187,031 sq.m. of GFA under development
- 5,464,882 sq.m. of GFA for future development
- 894,970 sq.m. of GFA for which land use right certificates are pending

Total: 7,546,883 sq.m. planned GFA (6.0 million sq.m attributable), excluding two parcel of land in Anyang and Jiyuan acquired in July and August with total GFA of 161,000 sq.m and 480,000 sq.m respectively.

Land Reserve by City



Index	City	% Total GFA	Index	City	% Total GFA
A	Zhengzhou	21.6%	H	Sanmenxia	0.5%
B	Kaifeng	26.6%	I	Shangqiu	4.4%
C	Luoyang	19.8%	J	Xinxiang	1.4%
D	Luohe	9.6%	K	Jiaozuo	1.0%
E	Puyang	3.7%	L	Zhoukou	6.4%
F	Xinyang	2.5%	I	Hebi	1.3%
G	Zhumadian	1.2%		Total	100%



Land Acquisition in 2009 YTD

Total attributable GFA increased in 2009: 1,006,119 sq.m



Huayang Square

Forest Peninsula

Forest Peninsula

Forest Peninsula

	Huayang Square	Forest Peninsula	Forest Peninsula	Forest Peninsula
Location	Luoyang	Hebi	Anyang	Jiyuan
Uses	Residential, Retail	Residential, Retail	Residential, Retail	Residential, Retail
Total GFA (sq.m.)	890,064 (attributable GFA ↑ : 267,019)	98,100	161,000	480,000
Unit Land Price (Rmb/sq.m)	393	643	516	255
Attributable Interest	Increased from 65% to 95%	100%	100%	100%
Acq. Method	Equity	Open bidding	Open bidding	Open bidding
Expected Completion (Final Phase)	November 2014	December 2015	December 2015	December 2019





Issuance of Convertible Bond

Type of Security

4.9% Convertible Notes (“Bond”) due 2014

Amount

HK\$765mm

Maturity

5 year

Yield to Maturity

8% per annum

Conversion Price

HK\$3.10

Warrant





5 Year, HK\$312mm @ exercise price of HK\$4.10

Investors

FountainVest / West Hill



Agenda

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Strong Economic Fundamentals

North-South, East-West Transportation Hub of China

Largest Population of over 100MM

Extensive Infrastructure



Rank 5 on GDP with higher growth rate

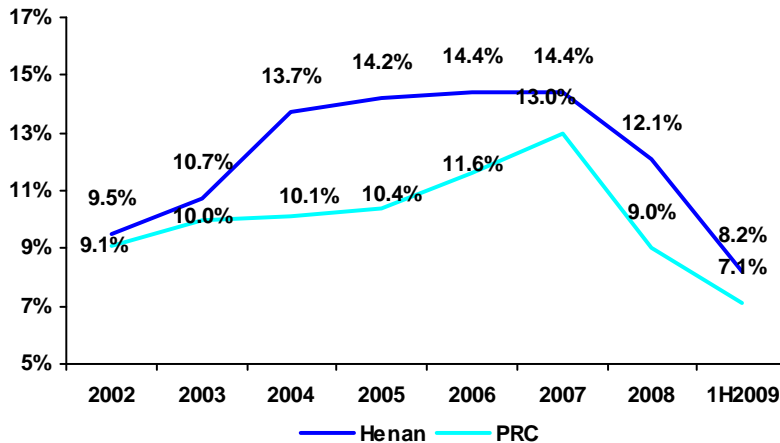
127 Cities with Rapid Urbanization

Leading Producer of Grain, Meat and Mining Resources



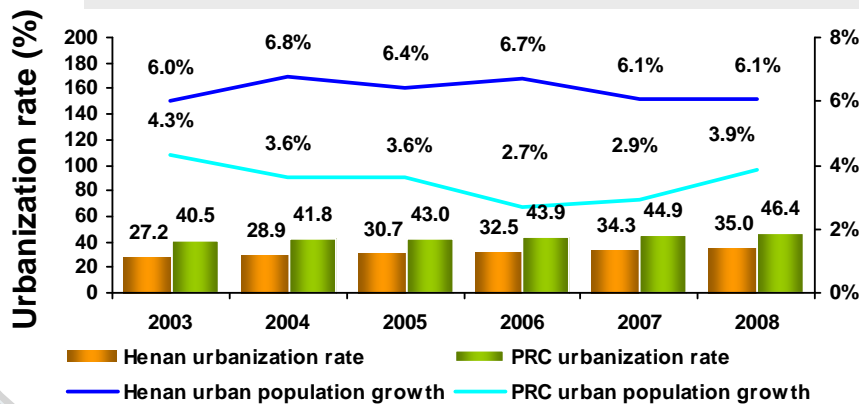
Stable Economic Growth and Rapid -Urbanization

Out-performed GDP Growth Rate



▶ Henan's GDP growth rate is 1.1% over the national average in 1H2009

Improving Urbanization Rate



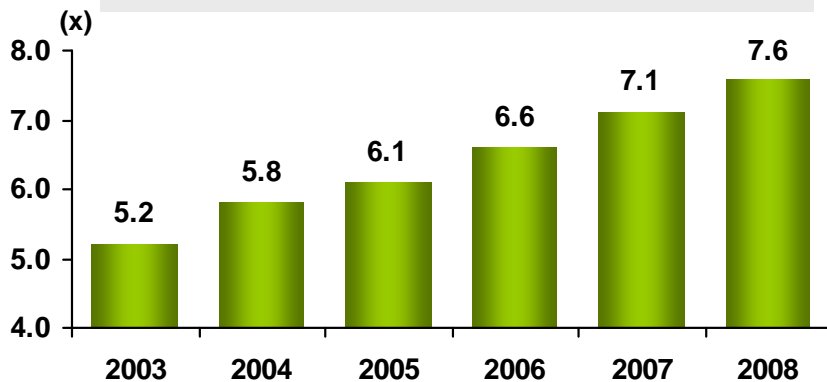
▶ Henan's urban population has been growing at twice the national average

▶ Nearly 2 million people move into cities each year



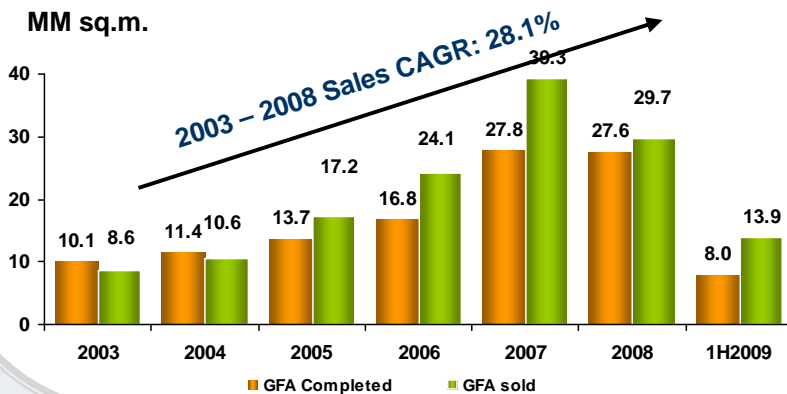
A Relatively Healthy Property Market - Affordability and Supply/Demand

Rising GDP per Capita / ASP



- The CAGR of Henan's per capita disposable income (13%) and the CAGR of Henan's GDP per capita (20%) both outpace the ASP CAGR of 11% from 2003 to 2008, leading to stable affordability for housing

Positive Supply / Demand Dynamics

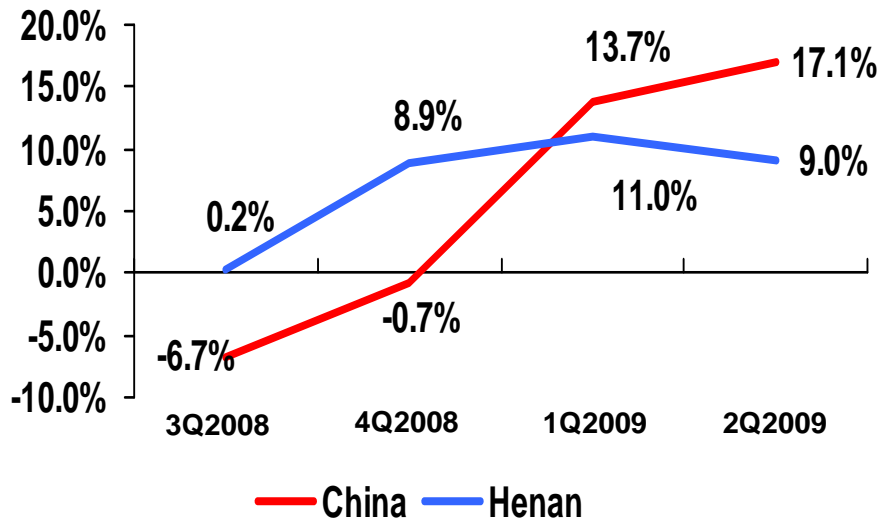


- Since 2005, the demand for property consistently outstripped supply in Henan



A Relatively Healthy Property Market - Low Volatility in ASP

Average Price YoY change in China & Henan



🕒 The fluctuation of ASP in Henan is lower than that of the Nation.



A Relatively Healthy Property Market - Performance of Major Cities in 1st Half 2009

Performance of Property Market in 18 Major cities

	<u>GFA Sold</u>	<u>Amount</u>	<u>ASP</u>
The Year-on-year Increase (No. of City)	13	13	13
The Year-on-year Decline (No. of City)	5	5	5

🕒 The real estate market in Henan started to recover since April 09.





Performance

	<u>GFA Sold</u>	<u>Amount</u>	<u>ASP</u>
Zhengzhou	↑ 63.7%	↑ 71.9%	↑ 5.0%
Luoyang	↓ 5.1%	↓ 10.3%	↓ 5.4%
Kaifeng	↑ 27.8%	↑ 37.9%	↑ 7.9%

🕒 Overall upward trend in Henan was mainly driven by Zhengzhou's tremendous growth in GFA sold.



Agenda

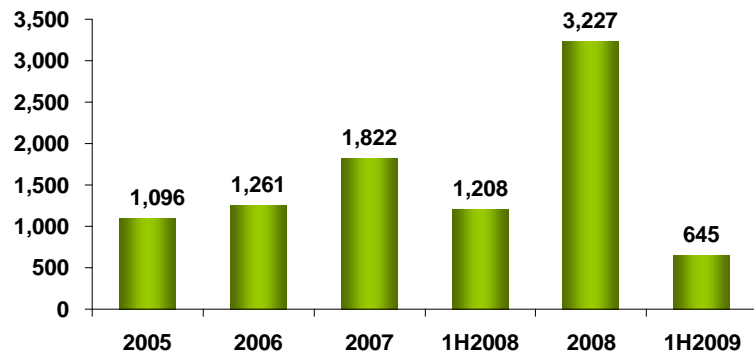
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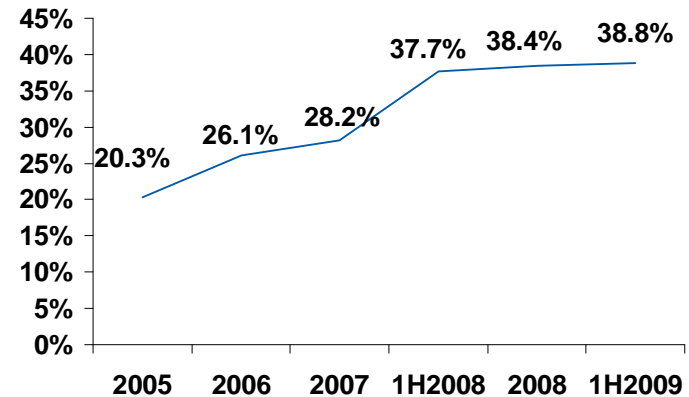
Income Statement Highlights

Turnover

RMB MM

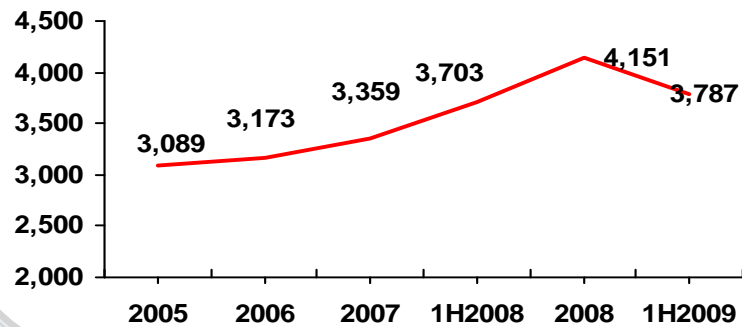


Gross Profit Margin



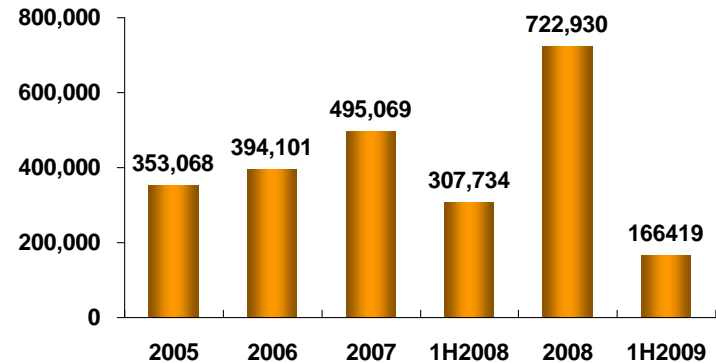
Recognized ASP

RMB per sq.m.



GFA Recognized

Sq.m.

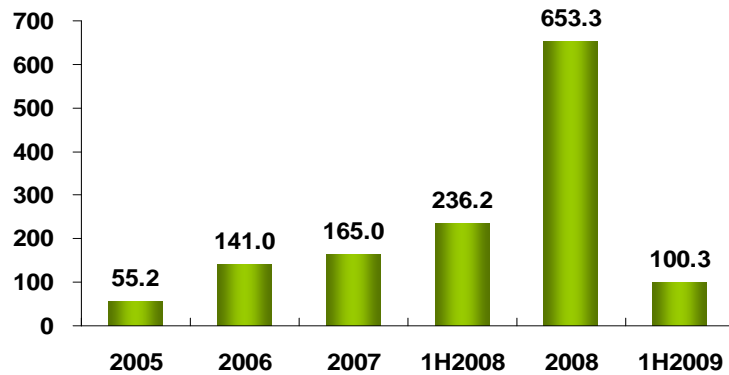




Income Statement Highlights

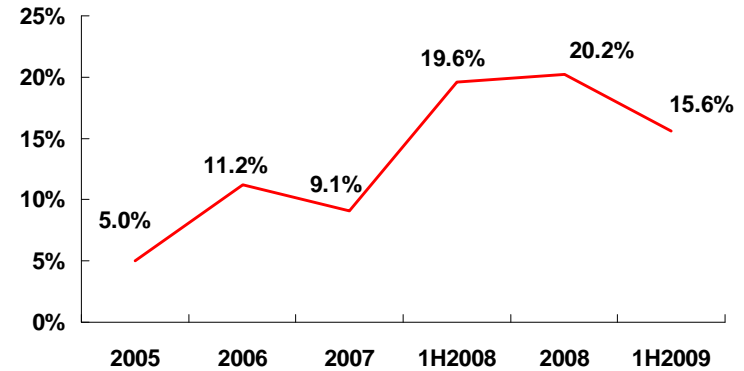
Net Profit

RMB MM



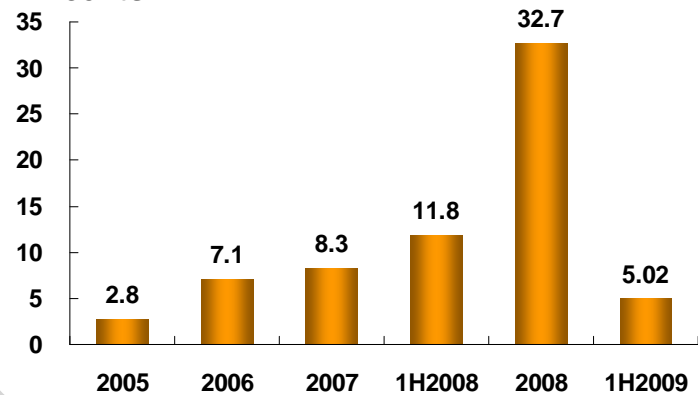
Net Profit Margin

%



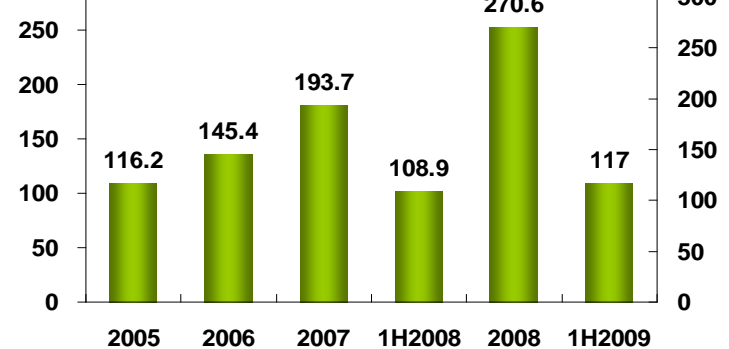
EPS

RMB cents



Selling and Administrative Expenses

RMB MM





Income Statement Highlights

	1H2009	1H2008	% Change	
	(RMB'000)	(RMB'000)	(+/ -)	
Turnover	644,845	1,208,271	↓	46.6%
Cost of sales	394,523	741,341	↓	46.8%
Gross profit	250,322	455,007	↓	45.0%
Gross profit margin (%) ⁽¹⁾	38.8	37.7	↑	1.1
Profit before taxation	142,197	354,793	↓	59.9%
Income tax	43,720	117,443	↓	62.8%
Profit attributable to equity holders	100,308	236,239	↓	57.5%
Earnings Per Share (cent)	5.02	11.81	↓	57.5%

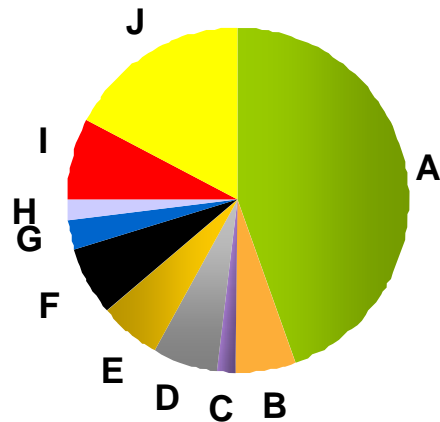
Note:

(1) Change in percentage points



Property Turnover by Cities

Property Turnover by Cities – 20091H

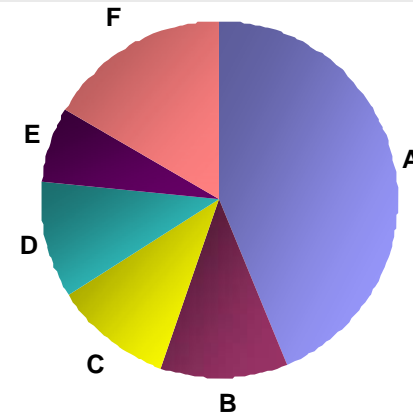


Index	City
A	Zhengzhou
B	Kaifeng
C	Jiyuan
D	Zhumadian
E	Shangqiu
F	Xinyang
G	Pingdingshan
H	Luoyang
I	Sanmenxia
J	Other
	Total

% Total Sales for 20091H

44.5%
5.8%
1.7%
6.0%
5.8%
6.5%
2.7%
1.9%
8.0%
17.1%
100%

Property Turnover by Cities – 20081H



% Total Sales for 20081H

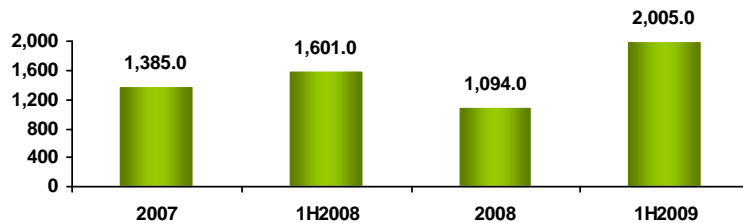
44.0%
-
10.5%
11.4%
-
-
6.8%
-
16.6%
100%



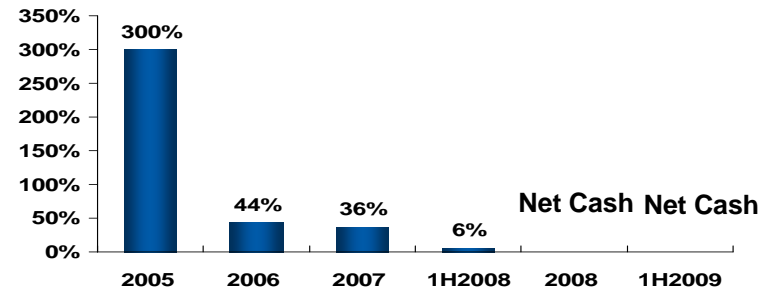


Strong Debt Structure and Cash Reserve

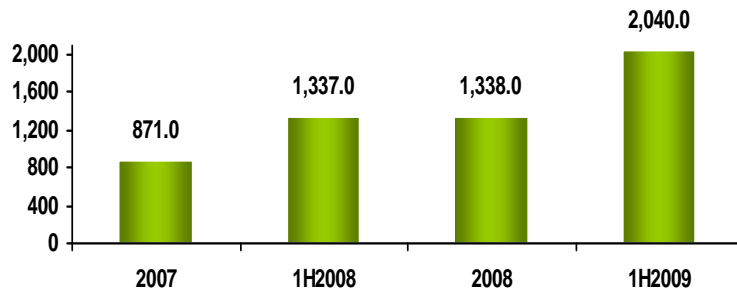
Interest-bearing Loans



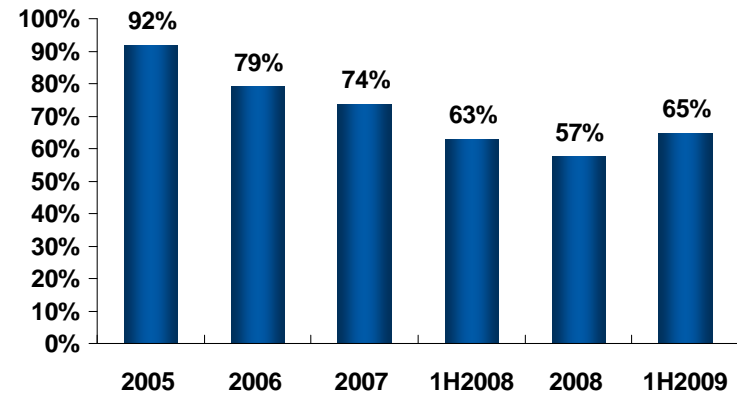
Net Debt / Equity (1)



Cash plus Restricted Deposits



Total Liabilities / Total Assets










■ Cash plus restricted deposits

Note: (1) Net Debt / Equity = LT debt + ST debt – cash and cash equivalents – restricted bank deposits



Financials Highlights

	30 June 09	31 Dec 08	% Change
	<i>RMB'000</i>	<i>RMB'000</i>	<i>+/-</i>
Cash and cash equivalents	1,402,905	927,721	 51.2%
Restricted Bank Deposits	637,483	409,797	 55.6%
Bank loans	1,590,950	933,207	 70.5%
Other Loans	414,530	160,740	 157.9%
Shareholders' Equity	2,847,928	2,940,132	 3.1%
Net Debt / Equity (%) ⁽¹⁾	Net Cash	Net Cash	
ROE (%) – annualised ⁽²⁾	7.0	22.2	 15.2
ROA (%) – annualised ⁽²⁾	2.3	9.0	 6.7

Note:

(1) Net Debt / Equity = LT debt + ST debt – cash and cash equivalents – restricted bank deposits

(2) Change in percentage points



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View on 2009 Property Market

- **The current economy in China situates at the most important stage of stability and recovery.**
- **In general, the real estate market will follow the upward trend formed in the first half in 2009.**
- **Rapid urbanization and improving living standard are the fundamental factors behind the development of real estate industry. Therefore, the PRC residential property market is still one of the most attractive and potential markets in the PRC for the next decade.**





Development Tactics

- Improve Our Product Quality and Competency

Set up brand new “Central China Standard” for constructing high quality products and first-class customer services platform

Strengthen the control ability of cost and expenses

Comprehensively enhance professionalism and competence of the team

Cautiously expand our land reserves while preserving capital sufficiency



Outlook



Conservative Cash Flow Target for 2009

	1H09	2H09	FY2009 (Rmb MM)
Contracted Sales	1,256	1,744	3,000
Land cost pending for payment	225	175	400
Construction costs payment	922	1,078	2,000
Selling and general administrative expenses	100	194	294
Taxation	190	110	300
Finance costs	60	85	145

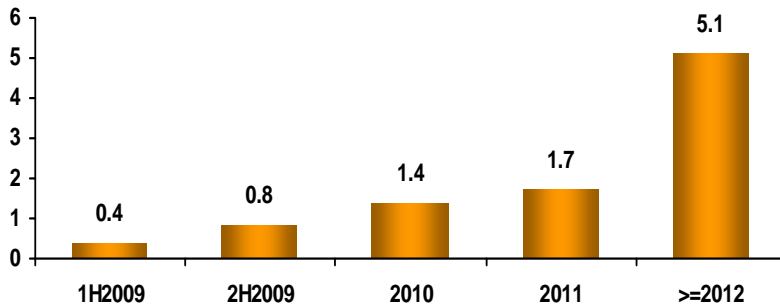




Development Plans up to 2012

GFA Commenced

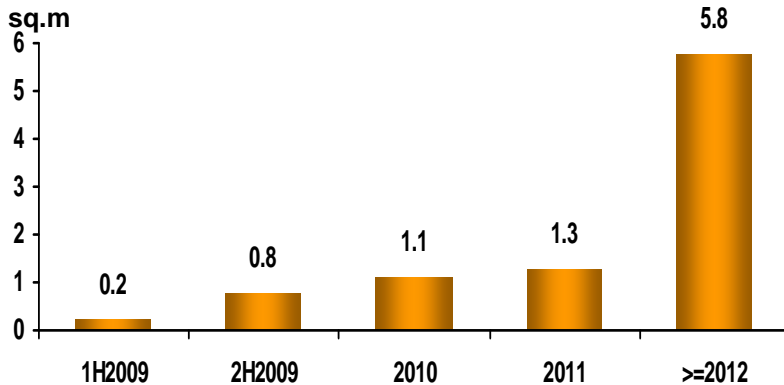
MM sq.m



■ GFA commenced

GFA Completed

MM sq.m



■ GFA completed

- We have established a strong foundation for future expansion with sufficient landbank and cash on hand.

- With 8.2 million sq.m of landbank on hand for development, our GFA commenced and completed each year will achieve a CAGR of not less than 20%.



Outlook



Thank you!
Q & A



建業地產股份有限公司
Central China Real Estate Limited