



CHINA RESOURCES LAND LIMITED

2008 Annual Results Review

27th Mar., 2009

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Highlights

- The Group sustained its strong performance in 2008 despite challenging operating environment with net profit in 2008 up 42.4% yoy to HK\$2,037.6mn;
- Both development and IP operation continue to see steady margin improvements. Development gross margin rose to 33.7% for 2008 from 32.5% for 2007 on a 60.4% increase in revenue, higher average selling prices and changes in revenue mix. EBITDA margin for IP operation continued to stay above 70%;
- Development operation saw a respective yoy growth of 60.4% in revenue and 66.7% in gross profit, thanks to rising revenue, higher selling prices and cost optimization;
- IP sustained its strong underlying performance, with a 14.7% and 20.1% yoy growth in revenue and gross profit respectively;
- We replenished land bank of 4.3mn sqm GFA through acquisition from parent co. (CRH) in Jul. 2008, adding to a strong pipeline which extends well beyond 2011;
- As at 22 Mar. 2009, RMB8.6 revenue in development revenue was locked in 2009, of which RMB 6.1bn was achieved through sales contracted in 2008 + RMB2.5 in 2009 to date, indicating high earnings certainty this year;
- Differentiated business model, unparalleled parent supports, strong balance sheet and low funding costs put the Group in an unrivalled position to deliver strong and sustained growth.

Income statement

Year Ended 31 Dec (HK\$ mn)	2008	% of Sales	2007	% of Sales	YOY Change
Turnover	9,133.6		5,681.1		60.8%
<i>Development</i>	6,949.4	76.1%	4,333.5	76.3%	60.4%
<i>Investment Property</i>	1,131.2	12.4%	986.4	17.4%	14.7%
Gross Profit	3,258.2	35.7%	2,083.6	36.7%	56.4%
<i>Development</i>	2,344.7	33.7%	1,406.8	32.5%	66.7%
<i>Investment Property</i>	787.0	69.6%	655.1	66.4%	20.1%
IP Revaluation Gain	369.8		800.0		
Taxation	-965.6		-1,296.2		
Minority Interest	53.7		44.2		
Attributable Net Profit	2,037.6	22.3%	1,431.1	25.2%	42.4%
<i>Core Profit</i>	1,829.8	20.0%	1,176.6	20.7%	55.5%
<i>IP Revaluation Gain</i>	277.4		594.8		
<i>Non-recurrent Items</i>	-69.5		-340.3		
EPS - Basic (HK\$)	0.469		0.398		17.8%
EPS - Fully Diluted (HK\$)	0.465		0.392		18.6%
DPS (HK\$)	0.117		0.098		19.4%

Net Profit grew 42% yoy, driven by surge of revenue

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Attributable Net Profit and EPS Adjusted for Apple-to-Apple Comparison

Year Ended 31 Dec (HK\$ mn)	2008	2007	YOY Change
Reported Attributable Net Profit	2,037.6	1,431.1	42.4%
Reported EPS (HK\$)			
- Basic	0.469	0.398	17.8%
- Fully Dilluted	0.465	0.392	18.6%
Adjustments for Non-recurrent or Non-comparable Items			
Less:			
Discount on acquisition of additional non-controlling interests in subsidiaries	2.7	20.4	
Gain on sales of avaiable-for-sale investments	0.8	17.6	
Recovery of Trade Receivables Prior Written Off	27.7	0.0	
Add:			
Adjustment in taxation for tax rate change	0.0	378.3	
Mark-to-market loss on interest rate swap	100.7	0.0	
Adjusted Underlying Attributable Net Profit	2,107.1	1,771.423	19.0%
of which,			
Core net profit	1,829.8	1,176.6	55.5%
Revaluation gain, net of deferred tax	277.4	594.8	
Adjusted Underlying EPS (HK\$)			
- Basic	0.421	0.327	28.8%
- Fully Dilluted	0.418	0.322	29.8%

Core net profit growth was strong at 55% yoy

Booking of property development income

Year Ended 31 Dec

Turnover

GFA

HK\$ mn

sqm

Beijing Oak Bay	984.8	64,775
Beijing Phoenix City 3	401.7	14,927
Beijing Phoenix Plaza	425.5	29,277
Beijing Others	81.9	2,473
Shanghai Bund Side	977.1	26,774
Shanghai Oak Bay	187.9	4,171
Chengdu Jade City	1839.0	257,798
Chengdu Phoenix City	749.3	103,272
Wuhan Phoenix City	193.7	23,164
Hefei French Annecy	419.4	69,340
Wuxi Taihu Int'l Community	689.1	86,560
2008 FY Total:	6,949.4	682,529
2007 FY Total	4,333.5	454,855
YOY Change, %	60.4%	50.1%

Development revenue rose strongly on increases in completion area and ...

Average Selling Price of Key Projects

RMB/sqm	2008 FY	2007 FY	YOY Change
Beijing Phoenix City	28,672	21,581	32.9%
Beijing Oak Bay	15,473	14,957	3.4%
Shanghai The Bund Side	33,835	27,425	23.4%
Chengdu Jade City	6,551	7,375	-11.2%
Chengdu 24 City	6,514	7,318	-11.0%
Chengdu Phoenix City	6,139	6,846	-10.3%
Wuhan Phoenix City	7,784	7,386	5.4%
Hefei French Annecy	5,705	4,645	22.8%
Wuxi Taihu Int'l Community	7,359	7,112	3.5%
Hangzhou MIXc Residence	27,586	N.A.	N.A.
Weighted Average:	11,405	9,682	17.8%

... gains in selling prices for most projects

Income from IP + Property Management

Year Ended 31 Dec

	2008	2007	YOY Change	2008	2007
	Turnover HK\$ mn			Occupancy Rate %	
Beijing China Resources Building	155.1	132.2	17.3%	96.4%	100.0%
Shanghai China Resources Times Square	173.7	164.2	5.8%	95.5%	95.5%
Shenzhen City Crossing Phase 1	554.2	474.6	16.8%	99.7%	99.7%
Other Investment Properties	84.2	92.5	-8.9%	92.4%	94.5%
Residential Property Management Fee	163.7	122.9	33.2%	NA	NA
Total Rental Income:	1,130.9	986.4	14.7%		

IP sustained its strong revenue growth of 15%, on a rise in underlying rental +improvement in tenant mix

Margins

Year Ended 31 Dec (HK\$ mn)	2008	2007	YOY Change
Turnover			
Development	6,949.4	4,333.5	60.4%
Investment	967.5	863.4	12.0%
Gross Profit			
Development	2,344.7	1,406.8	66.7%
Investment	792.7	644.9	22.9%
Gross Profit Margin			
Development	33.7%	32.5%	
Investment	81.9%	74.7%	

Both Development + IP sustained margin improvement

Other income

Year Ended 31 Dec (HK\$ mn)	2008	2007
Interest Income	74.7	79.7
Exchange Gain	168.4	267.7
Recovery of Trade Receivables Prior Written Off	36.9	-
Others	104.3	42.3

Finance costs

Year Ended 31 Dec (HK\$ mn)	2008	2007	YOY Change
Interest on Bank Loans	981.5	695.5	41.1%
<i>Less: Capitalisation</i>	-844.2	-542.6	55.6%
Finance Costs on P/L	137.3	152.8	-10.2%
Average Interest Rate (p.a.)	5.37%	5.30%	

Ready access to low cost debt funding offers CRL a unique competitive advantage

Financial position

Year Ended 31 Dec (HK\$ mn)	2008	2007	YOY Change
Total Borrowings	21,093.0	15,433.9	36.7%
<i>% in HK\$</i>	52%	53%	
<i>% in RMB</i>	48%	47%	
Cash On Hand	5,553.4	4,516.8	23.0%
<i>% in HK\$</i>	9%	13%	
<i>% in RMB</i>	91%	86%	
Net Borrowings	15,539.6	10,917.1	42.3%
<i>% in HK\$</i>	68%	70%	
<i>% in RMB</i>	32%	30%	
Equity*	33,805.1	22,129.5	52.8%
Net Debt to Equity Ratio	46.0%	49.3%	N.A.
Book Value (HK\$)	7.17	5.50	30.4%

- In 2008, new loans totaling HK\$1.55bn at HIBOR+80/105bp and RMB8.09bn were raised.
- Issued 675,799,850 new shares (at HK\$13.34 per share) as consideration for asset injection from CRH in Jul. 2008.

Balance sheet remains strong

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Land Bank: Total attributable land bank up to 21.8mn sqm

City	Residential Property (sqm)	Investment Property (sqm)	Total GFA (sqm)
Beijing	2,309,430	639,200	2,948,630
Shanghai	470,029	97,139	567,168
Shenzhen	111,039	434,766	545,805
Chengdu	4,046,730	719,121	4,765,851
Wuhan	474,817	-	474,817
Hefei	412,279	-	412,279
Hangzhou	240,400	568,059	808,459
Wuxi	1,268,440	453,000	1,721,440
Ningbo	556,090	-	556,090
Dalian	1,722,157	91,138	1,813,295
Changsha	1,984,242	-	1,984,242
Suzhou	105,961	-	105,961
Chongqing	2,723,535	303,723	3,027,258
Mianyang	947,000	60,000	1,007,000
Xiamen	361,287	-	361,287
Tianjin	177,182	-	177,182
Shenyang	1,042,150	-	1,042,150
Grand Total:	18,952,768	3,366,146	22,318,914
Attributable GFA:	18,201,651	2,814,071	21,766,839

LAND BANK

Land bank sufficient to meet development needs in the next few years

Land bank added during 2008 amounted to 4.3mn sqm

Project Name	City	GFA (sqm)	Use
Mentougou Project	Beijing	348,048	Mid/low-rise Residential
Daxing Project #17	Beijing	267,115	Mid/low-rise Residential
Central Park	Wuhan	423,315	High-rise Residential
Twenty-four City	Chongqing	1,916,011	High-rise Residential
Oak Bay	Shenyang	1,025,300	Mid/low-rise Residential
Oriental Xanadu	Dalian	312,164	Commercial & Residential
Total:		4,291,953	

The land bank were acquired through injection from CRH (parent co.) with a consideration of HK\$9.015bn by issuing 675,799,850 new shares (at HK\$13.34 per share) in Jul 2008

Land bank sufficient to meet development needs in the next few years

Land Bank: Up-and-running investment properties

Property Name	City	Interest	GFA (sqm)	Attributable (sqm)	Use
City Crossing 1	Shenzhen	100%	229,938	229,938	
The MIXc			133,281	133,281	Retail
China Resources Building			40,990	40,990	Office
Car Park			55,667	55,667	Car Park
Hua Rui Building	Shenzhen	100%	13,789	13,789	Hotel
CR Times Square	Shanghai	100%	97,139	97,139	
Mall			51,190	51,190	Retail
Office			36,843	36,843	Office
China Resources Building	Beijing	100%	65,222	65,222	Office
Xidan Cultural Centre	Beijing	96.07%	36,184	34,762	Retail
Grand Constellation	Beijing	96.07%	16,786	16,126	Retail
U-Space	Beijing	96.07%	10,685	10,265	Retail
Jing Tong	Beijing	96.07%	17,952	17,246	Retail
Phoenix City Commercial	Beijing	96.07%	13,210	12,691	Retail
Huawei Centre	Beijing	48.04%	54,214	26,042	Res./Retail
Huanan Building	Beijing	15.30%	70,058	10,718	Retail/Office
Others	Beijing	96.07%	50,499	48,514	Office/Retail
Total			675,676	582,453	
	Retail		501,551	409,549	
	Office		174,124	172,903	

LAND BANK

Substantial IP assets solidify future earnings while mitigating earnings risks

Land Bank: Held by CRH (parent co.)

City	Acquisition Date	Total GFA (sqm)	Use	Interest	Attributable Land Cost (RMB mn)	AV (RMB/sqm)
Shenyang	Jan. 2007	587,716	Residential	100%	558	950
Shenyang	Feb. 2007	886,615	Commercial	100%	1,040	1,173
Wuhan	Apr. 2007	476,000	Residential	100%	1,621	3,405
Wuhan	Sep. 2007	433,650	Commercial	100%	2,692	6,208
Wuxi	Nov. 2007	260,000	Residential	100%	1,278	4,915
Nanning	Dec. 2007	569,000	Commercial	55%	524	1,676
Fuzhou	May 2008	715,533	Residential	100%	1,815	2,537
Shenzhen*	Dec 2008	330,000	Residential	100%	N.A.	N.A.
Total:		4,258,514			9,529	

* CRH is negotiating with Shenzhen government on a relocation program, involving a total GFA of 2.8mn sqm. When acquired, CRH will become the largest land bank holder in Shenzhen, with its land bank all located in prime areas.

Pipelines for potential injections are strong and continue to be enriched

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Sales Contracted in 2008

City	Year Ended 31 Dec	Product Type	Estimated Completion	Phase GFA (sqm)	Accumulated GFA Sold (sqm)	GFA Sold in 2008 (sqm)	Ave. Price (RMB/sqm)	Contracted Value (RMB mn)
Beijing	Phoenix City 2	High Rise Res.	Completed	185,030	121,829	232	20,679	4.80
	Phoenix City 3	High Rise Res.	Completed	171,583	109,393	12,500	28,672	358.40
	Oak Bay	High Rise Res.	Dec. 2009	307,157	149,833	16,621	15,473	257.18
	Eco Living	Low Rise Res.	Dec. 2010	283,129	5,591	5,036	15,888	80.01
	Other Residential	Residential	Completed	N.A.	N.A.	738	9,754	7.20
	Car Park	Car Park	Completed	N.A.	N.A.	8,099	5,763	46.67
Shanghai	The Bund Side	High Rise Res.	Completed	107,764	78,683	13,965	33,835	472.51
	Oak Bay	Low Rise Res.	Dec. 2009	79,318	18,805	18,800	23,707	445.69
Chengdu	Jade City 3	Low Rise Res.	Completed	189,409	174,168	3,158	11,655	36.81
	Jade City 4	Low Rise Res.	Jun. 2009	333,426	147,976	86,730	6,551	568.17
	Twenty-four City	High Rise Res.	Jun. 2009	362,764	129,641	62,703	6,514	408.45
	Phoenix City	High Rise Res.	Dec. 2009	394,255	103,272	39,248	6,139	240.94
	Car Park	Car Park	Completed	136,685	29,278	12,391	4,035	50.00
Wuhan	Phoenix City	High Rise Res.	Completed	157,300	126,642	20,761	7,784	161.60
	Car Park	Car Park	Completed	8,324	2,404	2,404	4,540	10.91
Hefei	French Annecy	Low Rise Res.	Completed	200,503	165,607	49,036	5,705	279.75
	Car Park	Car Park	Completed	24,983	9,640	4,684	2,594	12.15
	Park Lane Manor	High Rise Res.	Dec. 2009	264,566	26,240	26,240	5,263	138.10
Hangzhou	MIXc Residence	High Rise Res.	Dec. 2009	147,900	96,260	96,260	27,566	2,653.50
Wuxi	Taihu Int'l Community 1	Low Rise Res.	Dec. 2009	204,464	95,521	30,758	7,330	225.46
	Taihu Int'l Community 2	Low Rise Res.	Dec. 2009	230,859	11,480	11,480	7,438	85.39
Ningbo	Tuscany Lake	Low Rise Res.	Dec. 2009	77,152	19,898	19,898	14,689	292.28
	Central Park	High Rise Res.	Dec. 2010	31,832	3,949	3,949	9,475	37.42
Dalian	Oriental Xanadu	Low Rise Res.	Dec. 2009	108,916	13,046	13,046	26,719	348.58
	Maritime	High Rise Res.	Dec. 2009	244,312	64,864	64,864	7,242	469.75
Suzhou	Suzhou Villa	Low Rise Res.	Dec. 2010	67,942	735	735	28,974	21.30
Changsha	Phoenix City 1	High Rise Res.	Dec. 2009	224,636	41,566	41,566	3,242	134.76
Chongqing	Twenty-four City 1	High Rise Res.	Dec. 2010	179,485	35,229	35,229	4,152	146.27
2008 Total:						701,131	11,402	7,994
2007 Total:						580,778	9,682	5,623

COMPLETION SCHEDULE

RMB 6.1bn contracted in 2008 will be recognized in 2009 while contracted sales as at Mar 22 in 2009 amounted to RMB 3.1bn₁₉

Completion Schedule for 2009- post 2011

City	Project	Total GFA (sqm)	GFA (sqm) Yet Bookd	Projected Completion Schedule (sqm)		
				2009	2010	Post 2011E
Beijing	Oak Bay	1,027,100	877,267	95,850	-	781,417
	Phoenix Plaza	256,725	227,448	87,380	-	140,068
	Majestic Garden	92,000	92,000	-	-	92,000
	Eco Living	283,129	283,129	34,953	192,967	55,209
	Daxing Project #15	153,956	153,956	-	-	153,956
	Mentougou Project	348,048	348,048	-	-	348,048
	Daxing Project #17	227,323	227,323	-	-	227,323
	Shanghai	The Bund Side	272,418	176,263	-	118,391
Oak Bay		297,937	293,766	42,693	82,885	168,188
Chengdu	Jade City	1,430,292	787,037	-	282,097	504,940
	Phoenix City	851,487	748,215	-	267,900	480,315
	Twenty-four City	2,583,960	2,583,960	392,164	273,801	1,917,995
Wuhan	Oak Bay	646,638	646,638	81,890	-	564,748
	Minzhu Road Project	47,800	47,800	-	81,890	-
Hefei	Central Park	390,439	390,439	73,367	91,470	225,602
	Park Lane Manor	375,478	362,040	134,868	127,352	99,820
Shenzhen	French Annecy	225,486	50,239	6,500	-	43,739
	City Crossing 2	302,078	302,078	300,000	-	2,078
Ningbo	Tuscany Lake	200,772	200,772	77,152	68,834	54,786
	Central Park	355,318	355,318	-	163,203	192,115
Changsha	Phoenix City	1,404,242	1,404,242	262,121	-	1,142,121
	Hanpu Project	580,000	580,000	-	127,339	452,661
Suzhou	Suzhou Villa	105,961	105,961	-	47,080	58,881
Xiamen	Oak Bay	361,287	361,287	-	53,677	307,610
Tianjin	Xinjiayuan Project	177,182	177,182	-	3,255	173,927
Chongqing	Jiangbei Project	702,572	702,572	-	-	702,572
	Twenty-four City	2,324,686	2,324,686	-	179,680	2,145,006
Mianyang	Entrepreneur Park Project	1,128,635	1,128,635	-	79,653	1,048,982
Hangzhou	Hangzhou MIXc	808,459	808,459	390,745	-	417,714
Wuxi	Taihu International Community	1,721,440	1,721,440	106,600	81,200	1,533,640
Dalian	Maritime	1,501,131	1,501,131	162,588	86,744	1,251,799
	Oriental Xanadu	312,164	312,164	108,321	-	203,843
Shenyang	Oak Bay	1,042,150	1,042,150	-	61,000	981,150
Total new completion in the year:				2,357,192	2,470,418	16,530,125

Notes: The above does not include land bank of CRH (parent co.).

The attributable interests of projects in Beijing (except Oak Bay is 98%, Mentougou & Daxing #17 are 100%), Hangzhou, Wuxi and Dalian (Oriental Xanadu only) are 96%, 60%, 60% and 55% respectively. The rest are all 100%.

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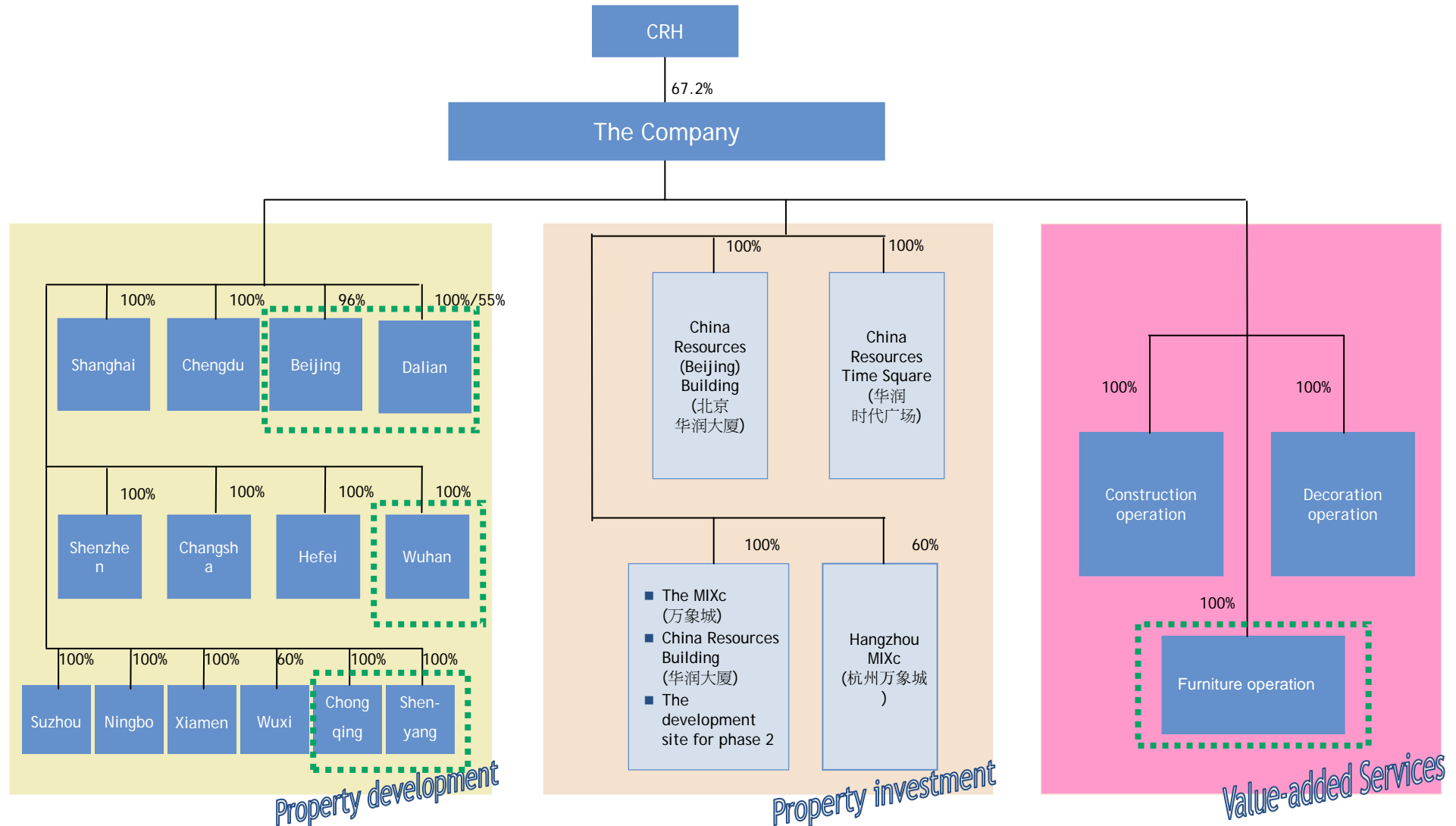
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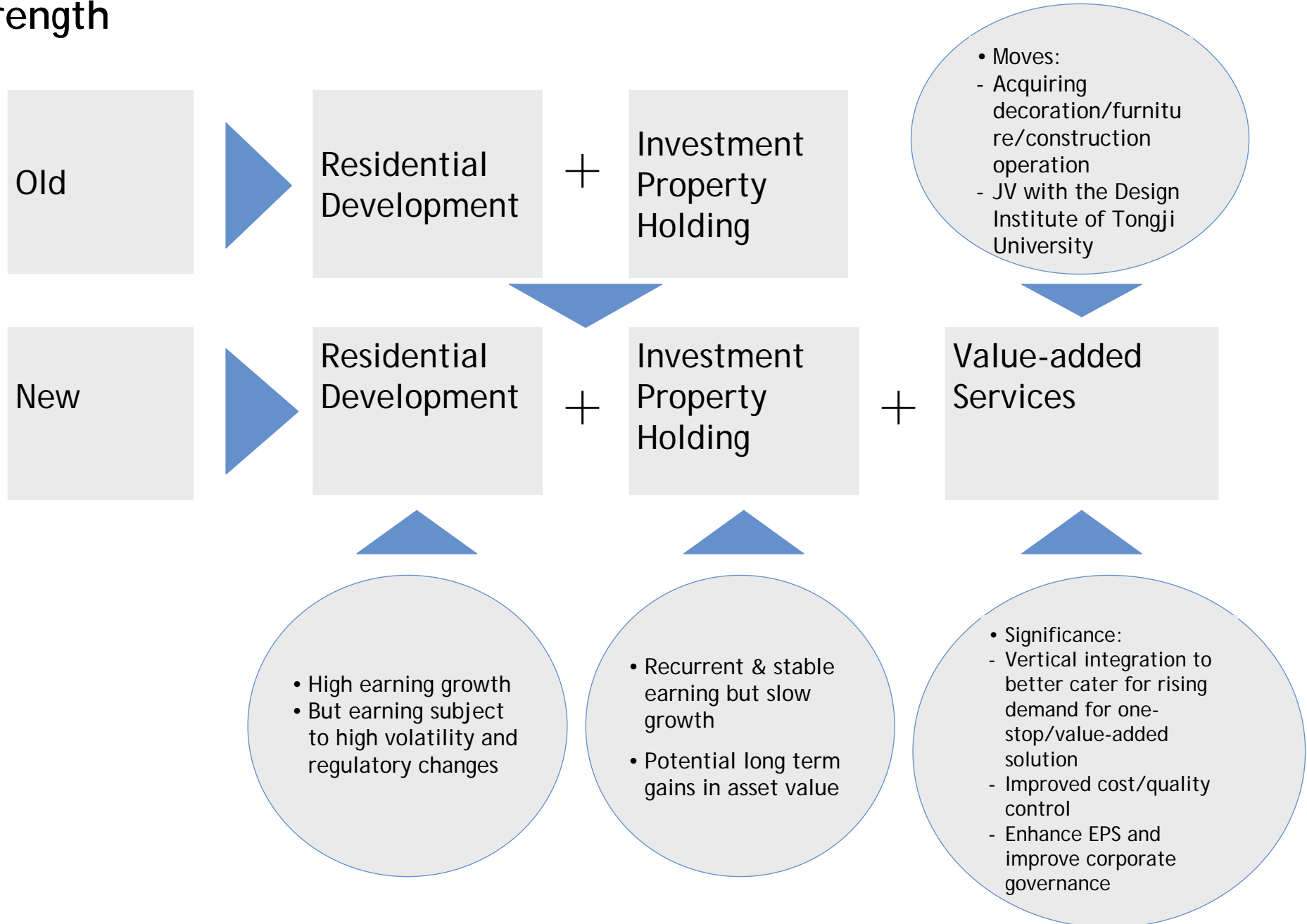
Major corporate developments in 2008: acquisition of land bank & furniture business from CRH



BUSINESS STRATEGIES

- Furniture business was acquired in Jul 2008 at a total cost of HK\$197mn at an implied FY07 P/E of 8.5.
- A total of 4.3mn sqm land bank were acquired in Jul 2008 at a total cost of HK\$9,015mn, satisfied by issuance of 675,799,850 new shares to CRH.

Business model refined to strengthen CRL's "differentiation" competitive strength



Geographical Strategy: rolling out national footprint

Where is our next market?

We currently operate in 17 cities and we plan to expand to more cities in China in the next few years. At expansion, we prefer buying land directly, taking advantage of China Resources' good relationship with local governments, to acquiring other companies.

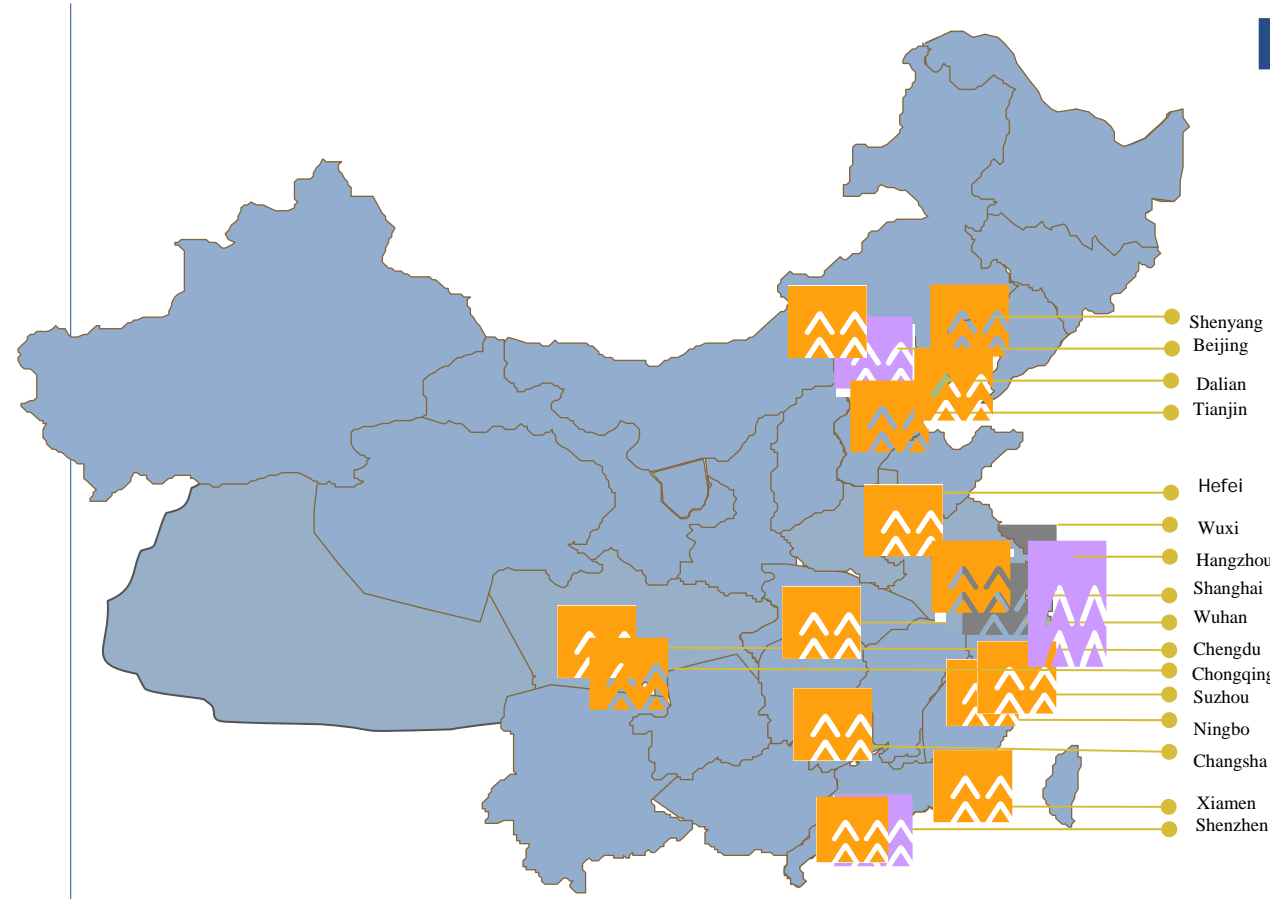
Where to?

Residential (IRR > 20%)

- Per capita GDP > US\$1,500; population > 2 million, being a regional or local hub attracting emigration and investment interests from neighboring provinces; local property market starts to grow but lagging behind the coastal areas; local projects less sophisticated and local developers less competitive

Cosmopolitan complex (cash IRR > 12%)

- Major cities, central location, landmark status; per capita GDP > US\$3,500, fast urbanization, lack of quality large scale shopping mall



BUSINESS STRATEGY

END