



CHINA RESOURCES LAND LIMITED

2007 Annual Results Review

28th Mar, 2008

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Highlights

- Net profit in 2007 rose 66.7% yoy to HK\$1,431.1mn on the back of 44.3% yoy increase in revenue (HK\$5,681.1mn vs. HK\$3,936.7mn) and substantial margin improvement;
- Both gross and net profit margins improved substantially to 36.7% and 25.2% respectively, against 32.4% and 21.8% for the previous year, core net profit rose 121.4% yoy to \$1,176.9mn;
- On an adjusted basis, basic EPS in 2007 rose 91.1% yoy (HK32.7cents vs. HK17.1cents);
- Development operation saw a respective yoy growth of 38.9% in revenue and 89.6% in gross profit, thanks to rise in completion area, rising selling prices and optimization costs;
- IP sustained its strong underlying performance, with 20.9% and 23.1% yoy growth in revenue and gross profit;
- We replenished land bank of 8.2mn sqm GFA (including those acquired from CRH in Dec.) during the year, adding to a strong pipeline which extends well beyond 2010;
- As at end Feb. 2008, 44% of target new completion for 2008 (in GFA terms) has already been locked in, indicating high earnings certainty this year;
- Looking ahead, 2009 will be the year of explosive growth, with completion area expected to reach historical high at 2.4mn sqm or a growth of 92.7% over 2008;
- CRL is uniquely positioned to be a net beneficiary of current market environment thanks to our strong management, unique business model, well formulated and executable strategy and relentless supports from the parent, and strong balance sheet.

Income statement

Year Ended 31 Dec (HK\$ mn)	2007	% of Sales	2006	% of Sales	YOY Change
Turnover	5,681.1		3,936.7		44.3%
<i>Development</i>	4,333.5	76.3%	3,120.9	79.3%	38.9%
<i>Investment Property</i>	986.4	17.4%	815.9	20.7%	20.9%
Gross Profit	2,083.6	36.7%	1,274.4	32.4%	63.5%
<i>Development</i>	1,406.8	32.5%	742.1	23.8%	89.6%
<i>Investment Property</i>	655.1	66.4%	532.3	65.2%	23.1%
IP Revaluation Gain	800.0		528.6		
Taxation	-1,296.2		-480.6		
<i>Taxation due to change in tax rate</i>	-378.3		-		
<i>Other Taxation</i>	-917.9		-480.6		
Minority Interest	44.2		-6.8		
Attributable Net Profit	1,431.1	25.2%	858.7	21.8%	66.7%
<i>Core Profit</i>	1,176.6		531.6		121.3%
<i>IP Revaluation Gain</i>	594.8		437.2		36.1%
<i>One-off Items incl. taxation due to tax rate change</i>	-340.3		-110.2		
EPS - Basic (HK\$)	0.398		0.276		44.2%
EPS - Fully Diluted (HK\$)	0.392		0.272		44.1%
DPS (HK\$)	0.098		0.071		38.0%

Net Profit grew 67% yoy, driven by margin expansion, rise in completion area + IP contribution

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Adjusted Attributable Net Profit and EPS

Year Ended 31 Dec (HK\$ mn)	2007	2006	YOY Change
Reported Attributable Net Profit	1,431.1	858.7	66.7%
Reported EPS (HK\$)			
- Basic	0.398	0.276	44.2%
- Fully Dilluted	0.392	0.272	44.1%
Adjustments for Non-recurrent or Non-comparable Items			
<i>Less:</i>			
Discount on acquisition of additional non-controlling interests in subsidiaries	20.4	-	
Gain on salesof avaiable-for-sale investments	17.6	-	
Fair Value Gain on Currency Swap	-	7.1	
<i>Add:</i>			
Provision for a LT investment, net of deferred tax	-	117.3	
Adjustment in taxation for tax rate change	378.3	-	
Adjusted Underlying Attributable Net Profit	1,771.4	968.8	82.8%
<i>of which,</i>			
<i>Core net profit</i>	1,176.6	531.6	121.3%
<i>Revaluation gain, net of deferred tax</i>	594.8	437.2	36.1%
Adjusted Underlying EPS (HK\$)			
- Basic	0.327	0.171	91.1%
- Fully Dilluted	0.322	0.168	91.2%

Underlying net profit growth was even stronger at 83% yoy

Booking of property development income

Year Ended 31 Dec	Turnover	GFA
	HK\$ mn	sqm
Fortune Island	170.6	28,779
Phoenix City 2	123.6	7,399
Phoenix City 3	991.4	44,993
Oak Bay 1	767.5	85,065
Beijing Other Residential	59.0	3,669
Shanghai The Bund Side	566.5	24,093
Chengdu Jade City	1,091.7	158,824
Wuhan Phoenix City	230.8	30,429
Hefei French Annecy	332.4	71,604
2007 Total:	4,333.5	454,855
2006 Total	3,120.9	400,259
YOY Change, %	38.9%	13.6%

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

Average Selling Price of Key Projects

RMB/sqm	2007	2006	YOY Change
Beijing Phoenix City 2	16,265	15,121	7.6%
Beijing Phoenix City 3	21,581	14,407	49.8%
Beijing Oak Bay 1	15,123	8,611	75.6%
Shanghai The Bund Side 1	27,425	20,869	31.4%
Chengdu Jade City 2	11,419	5,701	100.3%
Chengdu Jade City 3	7,214	6,271	15.0%
Chengdu Jade City 4	7,375	NA	NA
Chengdu Phoenix City 1	6,846	NA	NA
Chengdu Twenty-Four City	7,318	NA	NA
Wuhan Phoenix City	7,385	5,228	41.3%
Hefei French Annecy	4,645	4,670	-0.5%

... strong gains in selling prices

Margins

Year Ended 31 Dec (HK\$ mn)	2007	2006	YOY Change
Turnover			
Development	4,333.5	3,120.9	38.9%
Investment & Others	986.4	815.9	20.9%
Gross Profit			
Development	1,406.8	742.1	89.6%
Investment & Others	655.1	532.3	23.1%
Gross Profit Margin			
Development	32.5%	23.8%	
Investment & Others	66.4%	65.2%	

2007 saw sustainable and cross-the-board margin improvements

Income from IP + Property Management

Year Ended 31 Dec

	Turnover HK\$ mn			Occupancy Rate %		
	2007	2006	YOY Change	2007	2006	YOY Change
Beijing China Resources Building	132.2	121.4	8.8%	100.0%	96.1%	3.9%
Shanghai China Resources Times Square	164.2	138.9	18.2%	95.5%	94.4%	1.1%
Shenzhen City Crossing Phase 1	474.6	370.3	28.2%	99.7%	99.1%	0.6%
Other Investment Properties	92.5	78.3	18.1%	94.5%	95.4%	-0.9%
Residential Property Management Fee	122.9	106.9	15.0%	NA	NA	NA
Total Rental Income:	986.4	815.9	20.9%			

IP sustained its strong revenue growth

Other income

Year Ended 31 Dec (HK\$ mn)	2007	% of Total	2006	% of Total
Re-valuation of Investment Properties *	800.0	67.2%	528.6	72.3%
Interest Income	79.7	6.7%	73.7	10.1%
Exchange Gain	267.7	22.5%	113.4	15.5%
Others	42.3	3.6%	15.4	2.1%
Total:	1,189.7	100%	731.0	100%

*After-tax impact of revaluation gains, net of deferred taxation, is HK\$ 594.8mn for 2007 vs.HK\$ 437.2mn for 2006

Investment properties appreciate steadily reflecting increases in rental and occupancy rates

Finance costs

Year Ended 31 Dec (HK\$ mn)	2007	2006	YOY Change
Interest on Bank Loans	695.5	342.6	103.0%
<i>Less: Capitalisation</i>	-542.6	-165.7	227.6%
Finance Costs on P/L	152.8	176.9	-13.6%
Average Interest Rate (p.a.) at End-Dec	5.30%	5.74%	

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

Financial position

Year Ended 31 Dec (HK\$ mn)	2007	2006	YOY Change
Total Borrowings	15,433.9	9,591.6	60.9%
<i>% in HK\$/USD</i>	53%	46%	
<i>% in RMB</i>	47%	54%	
Cash On Hand	4,516.8	3,357.6	34.5%
<i>% in HK\$/USD</i>	13%	26%	
<i>% in RMB</i>	86%	74%	
Net Borrowings	10,917.1	6,233.9	75.1%
<i>% in HK\$/USD</i>	70%	42%	
<i>% in RMB</i>	30%	58%	
Equity	22,129.5	11,513.4	92.2%
Net Debt to Equity Ratio	49.3%	54.1%	N.A.
Book Value (HK\$)	5.50	3.46	58.7%

- In 2007, signed a HK\$ 5bn new syndicated loan in a 5-year tenure at HIBOR+34bp.
- As at end 2007, there was HK\$1.86bn and RMB3.98bn un-drawn bank facilities.
- In May 07, placed 400mn new shares at @HK\$9.82 (net), raised about HK\$3.9bn.

Balance sheet remains strong, despite a large build-up in land bank in the year

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Total land bank rose to 17.8mn sqm, up 79% yoy

City	Under Development (sqm)	Completed for sale (sqm)	Total GFA (sqm)	of which, total new GFA added in 2007	Attributable GFA (sqm)
Beijing	1,682,993	302,423	1,985,416	153,956	1,915,271
Shanghai	491,373	2,083	493,456	-	493,456
Shenzhen	302,078	-	302,078	-	302,078
Chengdu	4,714,775	52,092	4,766,867	528,156	4,766,867
Wuhan	61,228	53,165	114,393	61,228	114,393
Hefei	482,679	11,949	494,628	373,664	494,628
Hangzhou	812,980	-	812,980	812,980	487,788
Wuxi	1,832,426	-	1,832,426	1,832,426	1,099,456
Ningbo	557,562	-	557,562	379,164	557,562
Dalian	1,501,151	-	1,501,151	1,501,151	1,501,151
Changsha	2,163,471	-	2,163,471	540,000	2,163,471
Suzhou	128,093	-	128,093	-	128,093
Chongqing	572,306	-	572,306	572,306	572,306
Mianyang	861,916	-	861,916	861,916	861,916
Xiamen	380,771	-	380,771	380,771	380,771
Tianjin	152,200	-	152,200	152,200	152,200
Sub-total:	16,698,002	421,712	17,119,714	8,149,918	15,991,407
IP Land Bank (completed)			671,193		577,384
Grand Total:			17,790,907	8,149,918	16,568,791

LAND BANK

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

Land bank added during 2007 amounted to 8.2mn sqm

City	Acquisition Date	GFA (sqm)	Total Land Premium (RMB mn)	Use	Attributable GFA (sqm)	Attributable Land Premium (RMB mn)
Hefei	Mar. 2007	373,228	359.6	Residential & Commercial	373,228	359.6
Wuhan	Apr. 2007	61,228	161.3	High-end Res/Com	61,228	161.3
Chengdu	Jun. 2007	528,156	834.7	High-rise Residential	528,156	834.7
Ningbo	Jul. 2007	11,554	49.7	Mid to low-rise Residential	11,554	49.7
Changsha	Jul. 2007	540,000	840.0	High-rise Residential	540,000	840.0
Xiamen	Jul. 2007	380,771	1,956.0	High-rise Residential	380,771	1,956.0
Ningbo	Sep. 2007	367,610	1,185.0	High-rise Residential	367,610	1,185.0
Tianjin	Sep. 2007	152,200	780.1	Mid to low-rise Residential	152,200	780.1
Chongqing	Nov. 2007	572,306	887.6	High-rise Residential	572,306	887.6
Mianyang	Nov. 2007	861,916	551.0	Mid to low-rise Residential	861,916	551.0
Beijing	Dec. 2007	153,956	918.2	Mid to low-rise Residential	147,182	877.8
Hangzhou	Dec. 2007	812,980		Commercial & Residential	487,788	
Wuxi	Dec. 2007	1,832,426	4,241.2	Residential & Commercial	1,099,456	4,241.2
Dalian	Dec. 2007	1,501,151		Residential & Commercial	1,501,151	
Total:		8,149,482	12,764.4		7,084,546	12,724.0

Pipelines for potential injections are strong and have further enriched

Land bank: CRL breakdown of 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	95.62%	36,184	34,599	Retail
Grand Constellation	Beijing	95.62%	14,105	13,487	Retail
U-Space	Beijing	95.62%	10,685	10,217	Retail
Jing Tong	Beijing	95.62%	17,952	17,166	Retail
Phoenix City Commercial	Beijing	95.62%	13,210	12,631	Retail
Huawei Centre	Beijing	47.81%	54,214	25,920	Res./Retail
Huanan Building	Beijing	15.29%	70,058	10,712	Retail/Office
Others	Beijing	95.62%	48,697	46,564	Office/Retail
Total			671,193	577,384	
	Retail		502,826	411,067	
	Office		168,367	166,317	

LAND BANK

Substantial IP assets solidify future earnings

Land bank: Held by CRH (parent co.)

City	Acquisition Date	Total GFA (sqm)	Use	Interest	Attributable GFA (sqm)	Attributable Land Cost (RMB mn)
Dalian	Sep. 2006	312,164	Commercial	55%	171,690	824
Chongqing	Dec. 2006	2,053,599	Residential	100%	2,053,599	1,900
Shenyang	Jan. 2007	729,900	Residential	100%	729,900	558
Shenyang	Feb. 2007	695,850	Com./Res.	100%	695,850	1,040
Wuhan	Apr. 2007	540,497	Residential	100%	540,497	1,621
Wuhan	Apr. 2007	426,795	Residential	100%	426,795	1,353
Wuhan	Sep. 2007	536,889	Com./Res.	100%	536,889	2,692
Shenyang	Oct. 2007	880,000	Residential	100%	880,000	1,367
Wuxi	Nov. 2007	312,300	Residential	100%	312,300	1,278
Beijing	Dec. 2007	286,121	Residential	100%	286,121	1,500
Beijing	Dec. 2007	227,323	Residential	100%	227,323	1,430
Nanning	Dec. 2007	569,000	Com./Res.	100%	569,000	955
Total:		7,570,438			7,429,964	16,518

Pipelines for potential injections are strong and have further enriched

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Sales Contracted in 2007

Year Ended 31 Dec	Product Type	Estimated Completion	Total GFA (sqm)	Accumulated GFA Sold (sqm)	GFA Sold in 2007 (sqm)	Contracted Value (RMB mn)
Beijing						
Phoenix City 2	High Rise Res.	Completed	186,450	121,597	7,399	120
Phoenix City 3	High Rise Res.	Completed	171,583	96,893	41,154	888
Oak Bay 1	High Rise Res.	Dec. 2008	867,500	141,463	57,245	866
Other Residential	Residential	Completed	N.A.	N.A.	4,629	56
Car Park	Car Park	Completed	N.A.	N.A.	2,932	22
Shanghai						
The Bund Side 1	High Rise Res.	Dec. 2008	94,222	64,303	26,175	718
Chengdu						
Jade City 2	Low Rise Res.	Completed	178,668	168,645	4,953	57
Jade City 3	Low Rise Res.	Dec. 2008	189,409	170,939	122,014	880
Jade City 4	Low Rise Res.	Dec. 2008	333,426	61,246	61,246	452
Twenty-four City 1	High Rise Res.	Jun. 2009	362,764	66,938	66,938	490
Phoenix City 1	High Rise Res.	Dec. 2008	394,255	64,271	64,271	440
Other Residential	Residential	Completed	NA	NA	532	3
Car Park	Car Park	Completed	NA	NA	16,592	62
Wuhan						
Phoenix City	High Rise Res.	Completed	157,300	106,954	30,429	225
Hefei						
French Annecy	Low Rise Res.	Jun 2008	226,892	129,567	74,269	345
Grand Total:					580,778	5,623

Completion Schedule for 2008- post 2010

City	Project	Total GFA (sqm)	GFA (sqm) Yet Completed	Projected Completion Schedule (sqm)		
				2008E	2009E	Post 2010E
Beijing	Oak Bay	867,500	782,435	83,843	83,627	614,965
	Phoenix Plaza	248,025	248,025	131,937	116,088	-
	Majestic Garden	92,000	92,000	-	-	92,000
	Land acquired in Nov 2006	280,385	280,385	-	-	280,385
	Land acquired in Dec 2007	153,956	153,956	-	-	153,956
Shanghai	The Bund Side	241,404	213,287	19,407	23,857	170,023
	Oak Bay	303,963	303,963	18,849	42,877	242,237
Chengdu	Jade City	1,263,479	867,766	413,772	121,481	332,513
	Phoenix City	851,487	851,487	371,925	196,729	282,833
	Twenty-four City	2,519,458	2,519,458	-	360,839	2,158,619
	Oak Bay	528,156	528,156	-	37,740	490,416
Wuhan	Land acquired in Apr 2007	61,228	61,228	-	53,000	8,228
Hefei	French Annecy	226,892	192,567	87,832	8,476	96,259
	Land acquired in Mar 2007	373,664	373,664	-	120,457	253,207
Shenzhen	City Crossing 2	302,078	302,078	-	302,078	-
Ningbo	Land acquired in Sep 2006	189,952	189,952	-	140,785	49,167
	Land acquired in Sep 2007	367,610	367,610	-	36,220	331,390
Changsha	Phoenix City	1,623,471	1,623,471	-	129,240	1,494,231
	Land acquired in Aug 2007	540,000	540,000	-	-	540,000
Suzhou	Land acquired in Oct 2006	128,093	128,093	-	42,630	85,463
Xiamen	Oak Bay	380,771	380,771	-	-	380,771
Tianjin	Land acquired in Sep 2007	152,200	152,200	-	-	152,200
Chongqing	Land acquired in Oct 2007	572,306	572,306	-	-	572,306
Mianyang	Land acquired in Nov 2007	861,916	861,916	-	-	861,916
Hangzhou	Hangzhou MIXc	812,980	812,980	-	252,234	560,746
Wuxi	Taihu International Community	1,832,426	1,832,426	166,135	120,000	1,546,291
Dalian	China Sea	1,501,151	1,501,151	-	244,609	1,256,542
Total completion in the year:				1,293,700	2,432,967	13,006,664

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

About 44% of areas targeted for completion in 2008 are already locked-in as of end Feb. 2008

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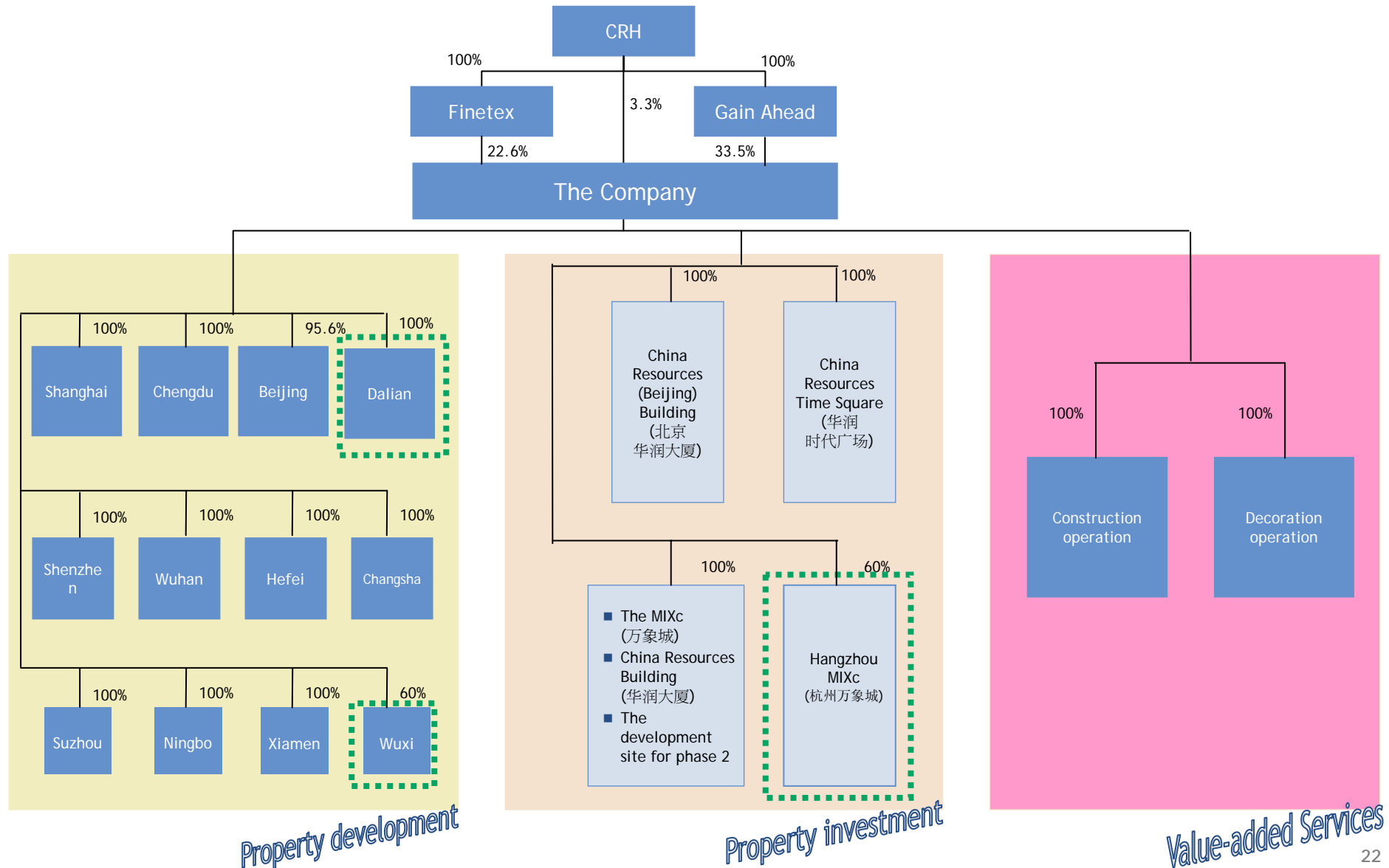
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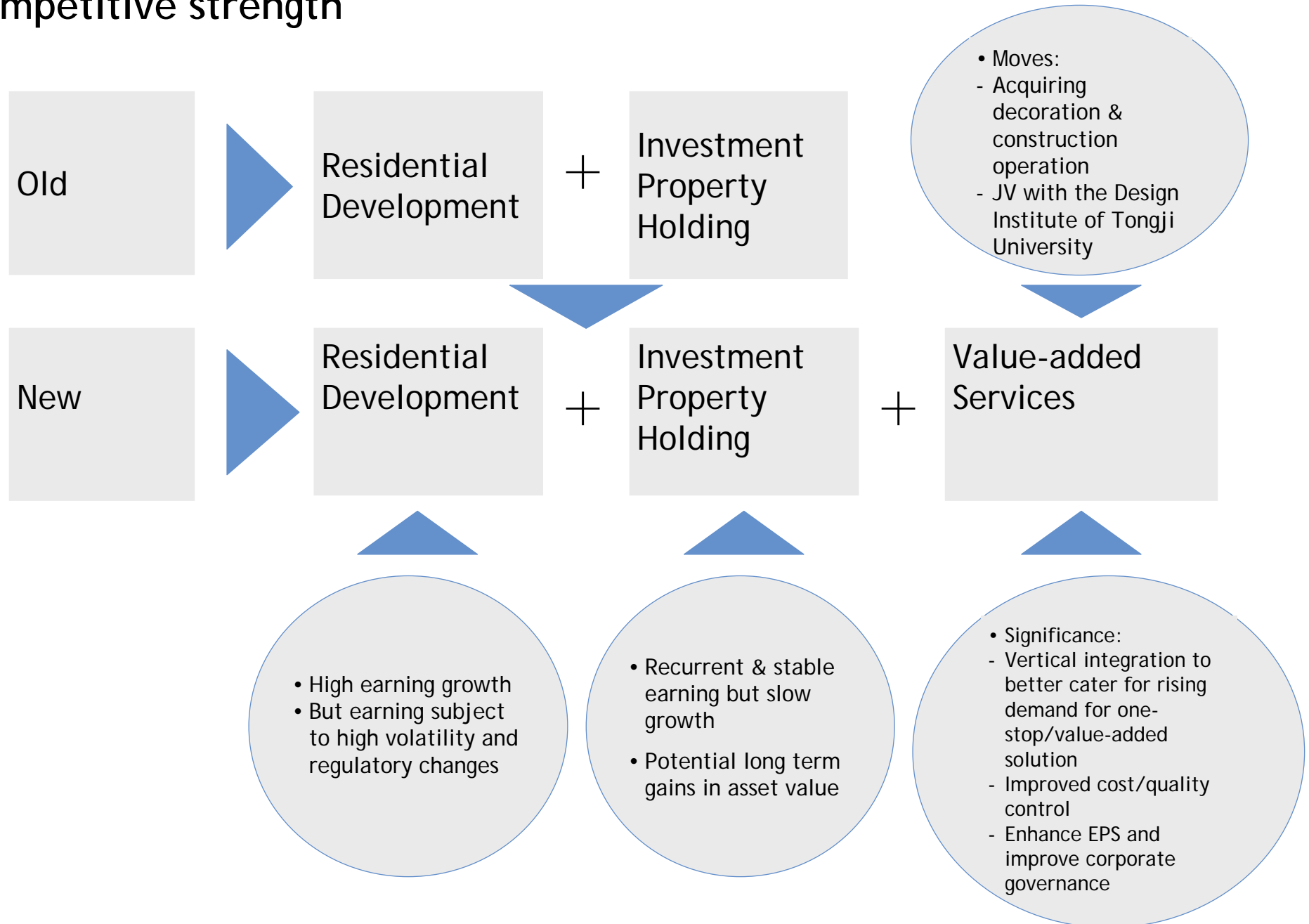
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Major corporate developments in 2007: acquisition of the construction & decoration business and 3 large-size land bank from CRH



BUSINESS STRATEGIES

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 16 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.

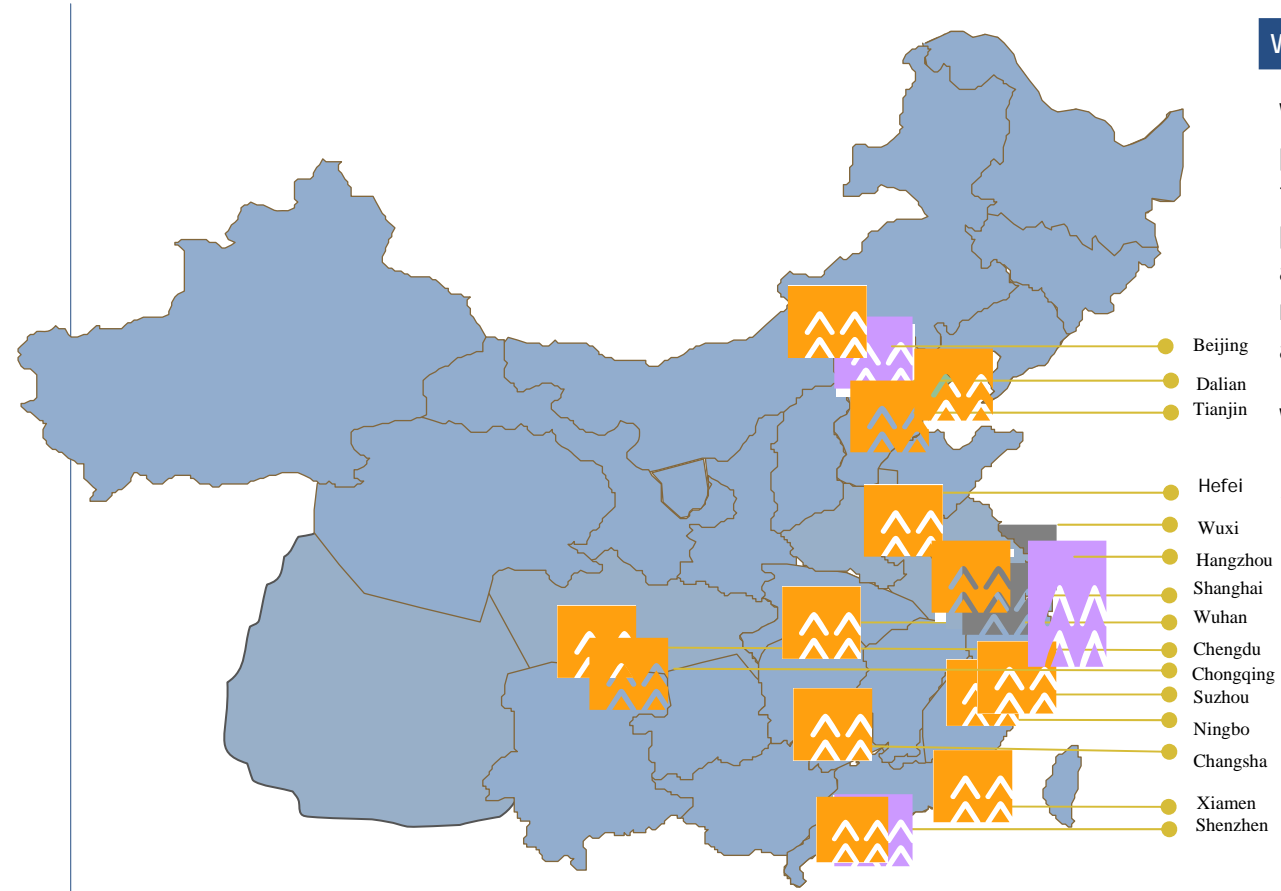
Where to?

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




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- Robust profit growth achieved in 2007, driven by margin expansion and IP contribution;
- Over 44% of GFA areas targeted for new completion in 2008 was already locked-in as at end Feb. 2008. This, together with expected strong growth from IP, indicates CRL's high earning certainty;
- GFA areas scheduled for completion in 2008 and 2009 are set to expand fast, precluding a promising outlook while with a lower execution risk;
- Truly prime investment properties safeguard the Group from new macro-economic measures, while our healthy balance sheet and ready access to low cost debt funding position us favorably both in short term opportunities and long term growth;
- Our unique business model is vital to our future success and difficult to be copied;
- The parent's relentless support should continue to offer us with a solid pipeline for future value-enhancing injections.

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