

China Resources Land Limited



華潤置地有限公司
China Resources Land Limited

2017 中期業績發佈會 Interim Results Announcement



AGENDA

 1H17 HIGHLIGHTS

 FINANCIAL REVIEW

 BUSINESS REVIEW

Highlights

Financial Review

Business Review

1H17 HIGHLIGHTS

1H17 Results Highlights

Further improved gross profit margin and DPS

Revenue HK\$35.3 bn	▼ 21.0%	Rental income HK\$4.0 bn	▲ 13.2%
Core net profit HK\$3.3 bn	▼ 48.1%	Gross margin 34.9%	▲ 1.0 pt
EPS HK73.8 cents	▼ 33.1%	Interim DPS HK10.0 cents	▲ 8.7%
Net gearing 41.5%	▲ 17.7 pt	Contr. sales RMB63.2bn	▲ 13.8%

*YoY performance



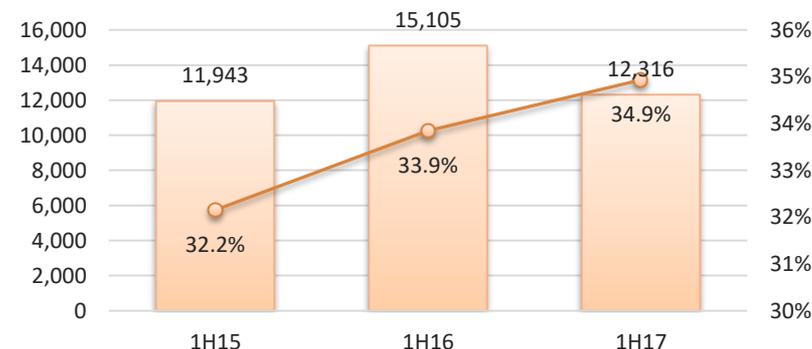
FINANCIAL REVIEW

Income Statement

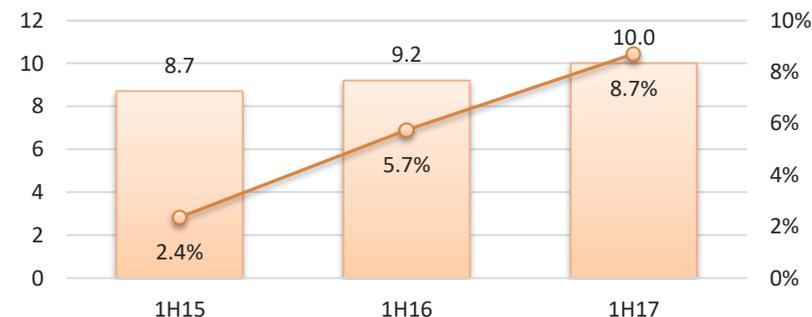
Sustainable margin expansion

(HK\$ mn)	1H17	1H16	Change
Turnover	35,259	44,624	-21.0%
<i>Development</i>	29,087	39,242	-25.9%
<i>Investment Property</i>	4,013	3,545	13.2%
Gross Profit	12,316	15,105	-18.5%
<i>Development</i>	9,599	12,752	-24.7%
<i>Investment Property</i>	2,498	2,162	15.5%
Gross Profit Margin	34.9%	33.9%	1.0pt
<i>Development</i>	33.0%	32.5%	0.5pt
<i>Investment Property</i>	62.3%	61.0%	1.3pt
<i>IP (excluding hotel)</i>	70.2%	67.7%	2.5pt
Attributable Net Profit	5,112	7,647	-33.1%
Core Profit	3,253	6,267	-48.1%
Core Net Profit Margin	9.2%	14.0%	-4.8pt
Net Profit Margin	14.5%	17.1%	-2.6pt
EPS - Basic (HK cents)	73.8	110.3	-33.1%
EPS - Fully Diluted (HK cents)	73.8	110.3	-33.1%
DPS (HK cents)	10.0	9.2	8.7%

Gross Profit (HK\$ mn)/GP Margin



DPS (HK\$ cents)/DPS Growth Rate

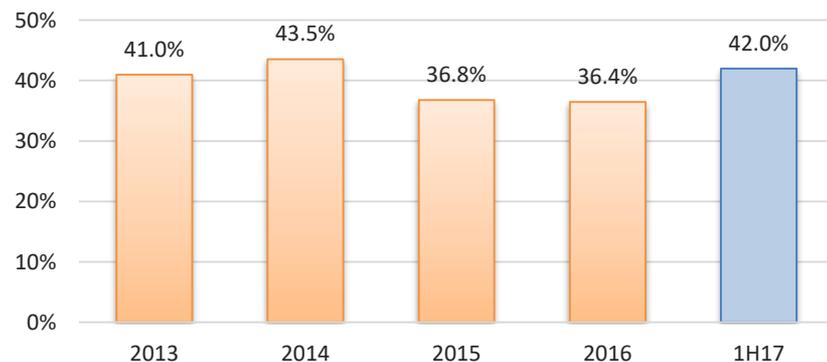


Balance Sheet Highlights

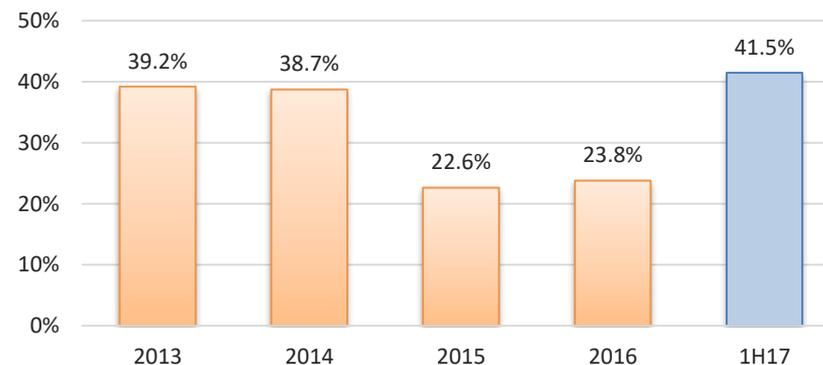
Leverage flexible balance sheet to support sustainable growth

(HK\$ mn)	1H17	FY16	Change
Cash and cash equivalents	45,176	46,674	-3.2%
Total debt	105,754	79,751	32.6%
Net debt	60,578	33,077	83.1%
Total equity	146,136	139,159	5.0%
Total capitalization	251,890	218,910	15.1%
Total debt/ capitalization	42.0%	36.4%	5.6pt
Net debt/ equity	41.5%	23.8%	17.7pt

Total Debt / Capitalization



Net Debt / Equity



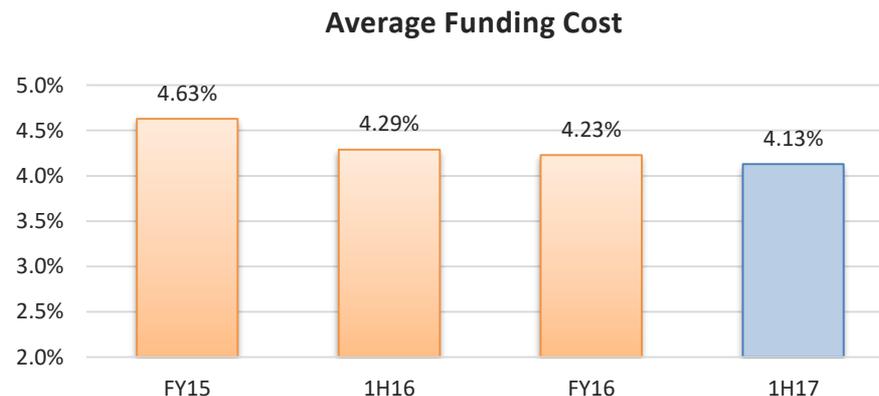
Balance Sheet Highlights

Diversified financing channels supporting sector low funding cost

- Average funding cost lowered to 4.13%.

Rating Agency	CRL's Credit Rating	Outlook
 S&P Global	BBB+	Stable
	Baa1	Stable
	BBB+	Stable
	AAA	Stable

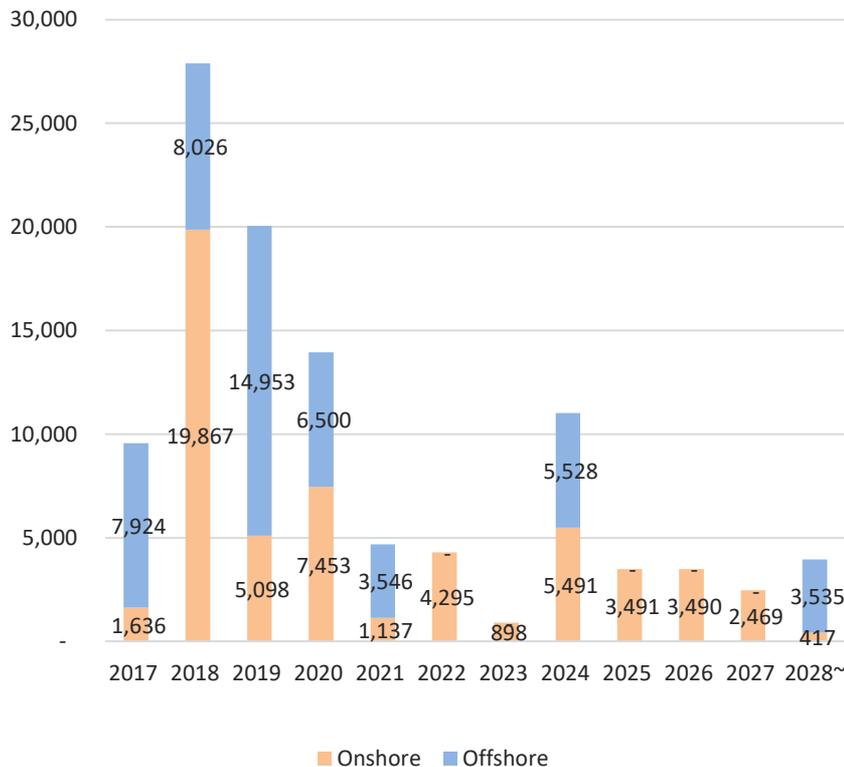
(HK\$ mn)	1H17	1H16	YoY Change
Total Interest	2,362	2,205	7%
Bank Charges	72	94	-23%
<i>Less: Capitalisation</i>	(1,708)	(1,779)	-4%
Exchange loss/ (gain)	884	(266)	-432%
Finance Costs on P/L	1,611	253	536%



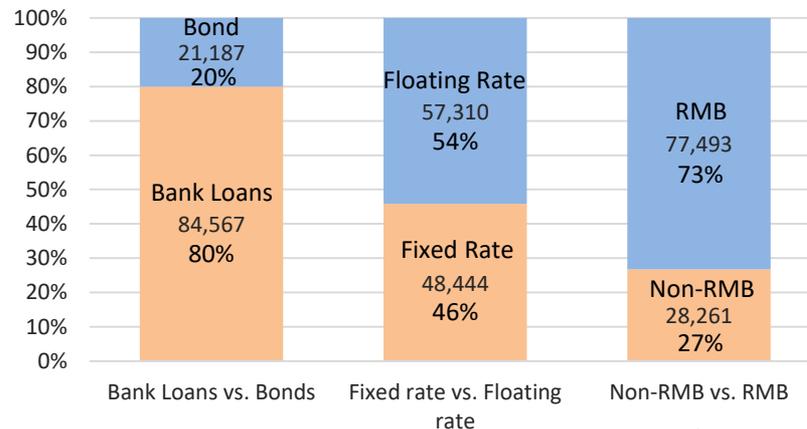
Debt Profile / Decomposition

Optimized debt profile with reduced FX risk

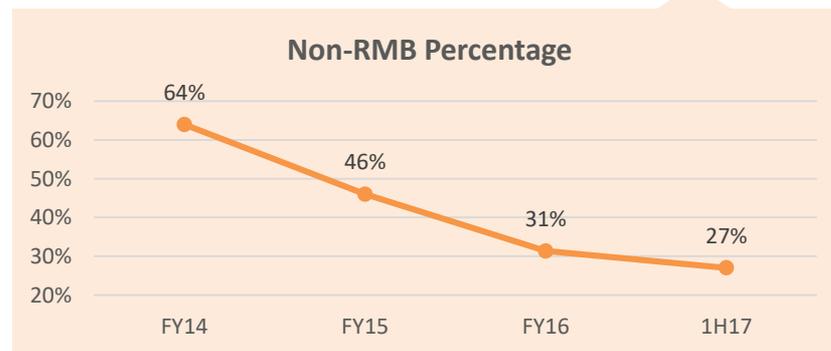
Debt Maturity Profile (HK\$ mn)



Total Debt Breakdown (HK\$ mn)



Non-RMB Percentage

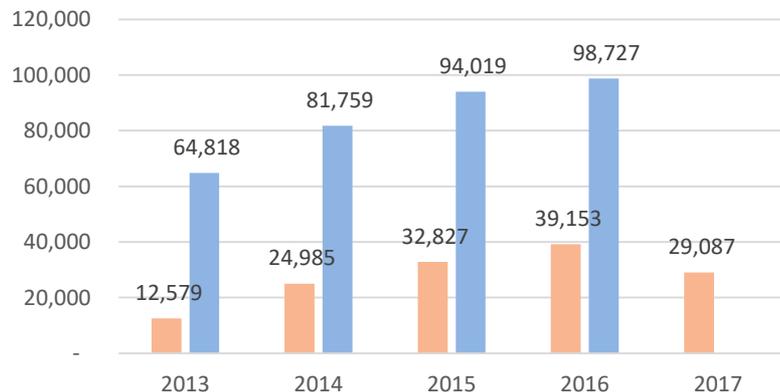


BUSINESS REVIEW

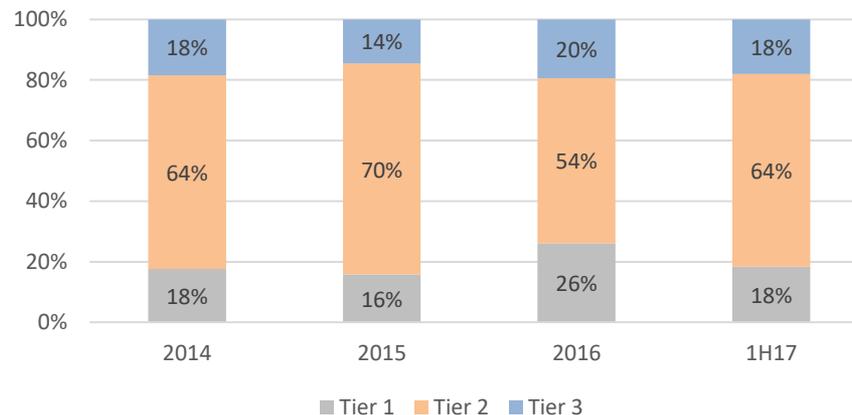
DP Revenue in 1H17

Unbalance delivery between 1H and 2H

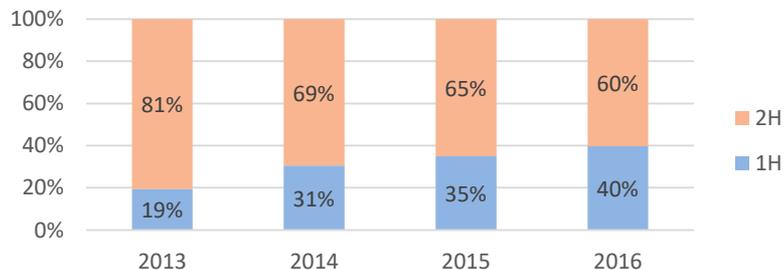
Development Revenue (HK\$ mn)



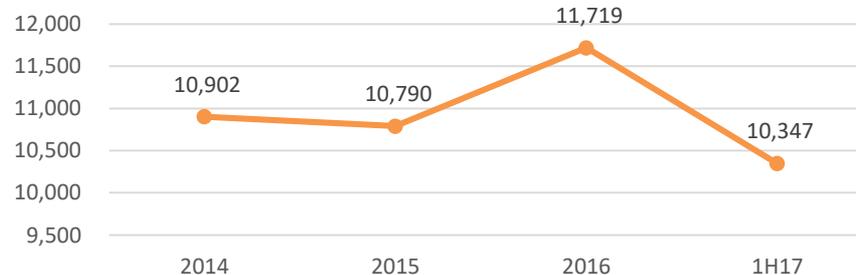
Revenue Breakdown by City Tier



DP Revenue Split between 1H&2H

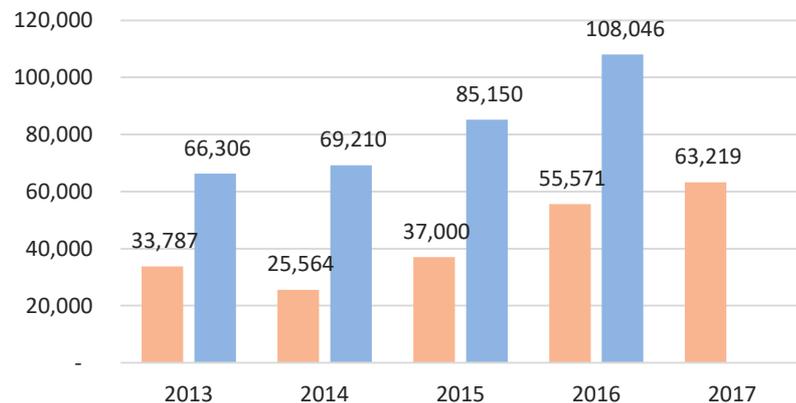


Booking ASP (RMB per sqm)

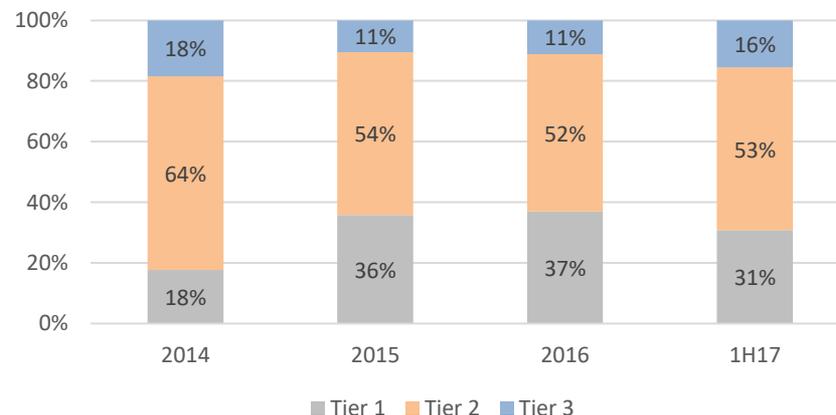


Contracted Sales in 1H17

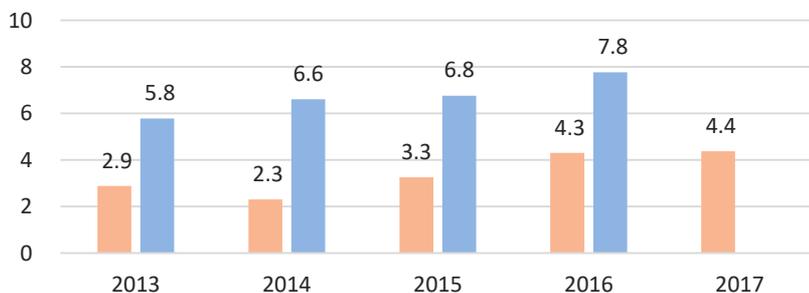
Contracted Sales (RMB mn)



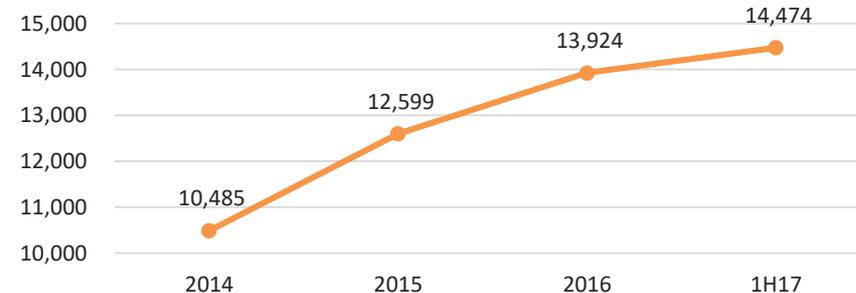
Contracted Sales Breakdown by City Tier



Contracted GFA (mn sqm)

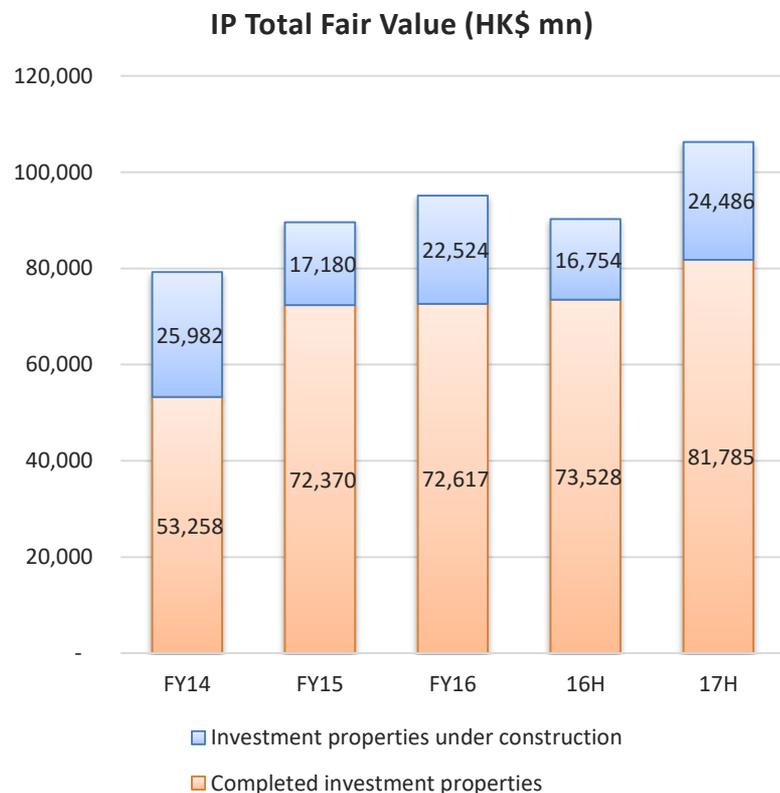


ASP (RMB per sqm)

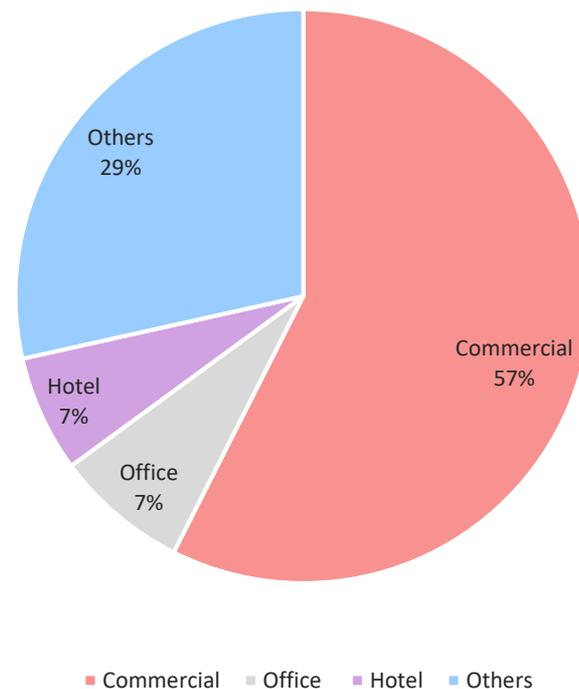


IP Business Overview

Largest commercial IP portfolio in PRC among listed companies



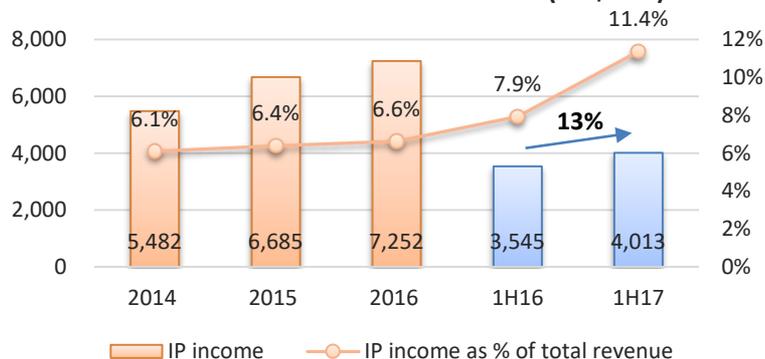
IP GFA Breakdown of by Asset Class (sqm mn)



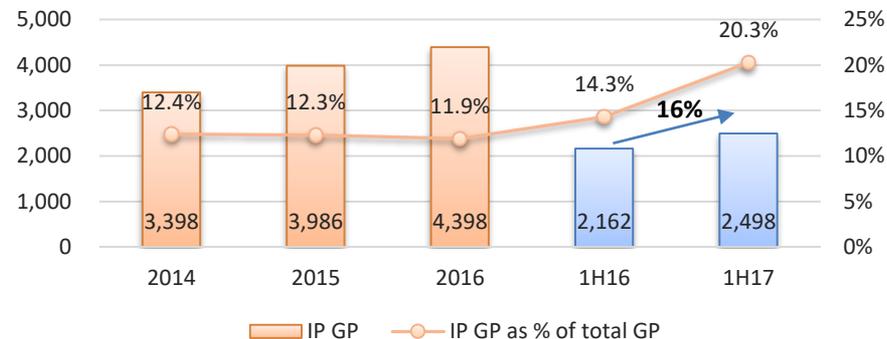
IP Overall Financial Review

Fast growing recurrent income with margin expansion

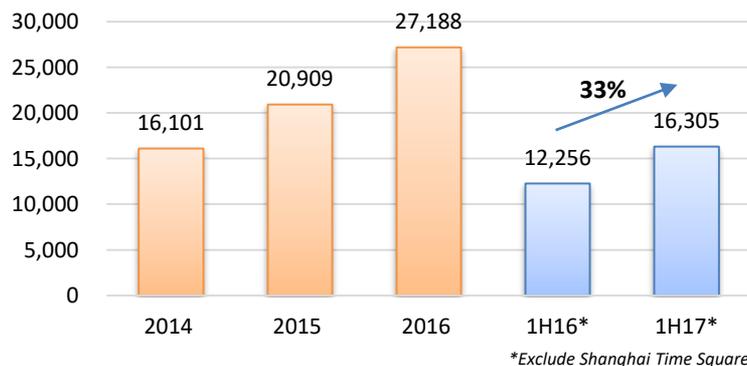
IP Income and % of Total Revenue (HK\$ mn)



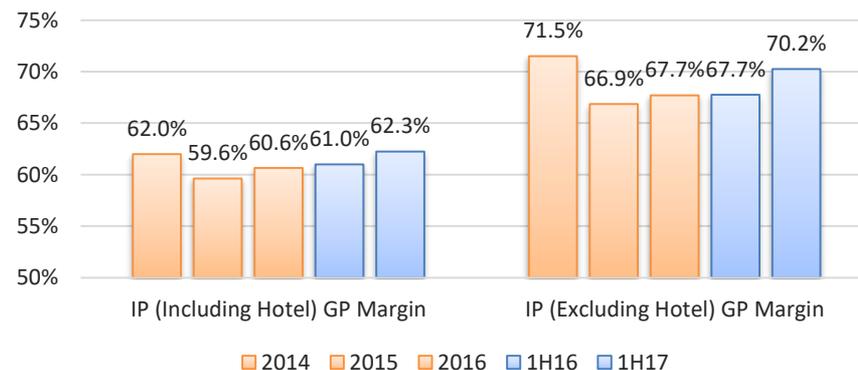
IP Gross Profit and % of Total GP (HK\$ mn)



Retail Sales (RMB mn)



IP GP Margin



IP Performance – Shopping Mall

Growing shopping mall portfolio with sector high occupancy

Investment Properties	Rental Income (RMB mn)			Average Occupancy Rate (%)		
	1H17	1H16	YoY	1H17	1H16	Change
Shenzhen Mixc	468	421	11%	99.2%	98.3%	0.9pt
Hangzhou Mixc	224	218	3%	92.6%	94.6%	-2.0pt
Shenyang Mixc	254	204	25%	99.1%	93.8%	5.3pt
Chengdu Mixc	125	91	37%	96.0%	96.1%	-0.1pt
Nanning Mixc	240	209	15%	99.5%	99.4%	0.1pt
Zhengzhou Mixc	43	43	0%	80.5%	87.9%	-7.4pt
Chongqing Mixc	114	91	25%	92.0%	92.5%	-0.5pt
Wuxi Mixc	54	48	13%	85.2%	76.7%	8.5pt
Qingdao Mixc	153	107	43%	90.8%	91.1%	-0.3pt
Hefei Mixc	91	71	28%	96.0%	92.6%	3.4pt
Ganzhou Mixc	51	48	6%	96.2%	98.6%	-2.4pt
Wenzhou Mixc	83	32	159%	86.5%	81.6%	4.9pt
Xi'an Xixian Mixc	13	-	-	97.0%	-	-
Beijing Phoenix Plaza	45	46	-2%	97.6%	98.4%	-0.8pt
Beijing Qinghe Hi5	124	120	3%	99.4%	100.0%	-0.6pt
Hefei Shushan Hi5	16	14	14%	100.0%	98.2%	1.8pt
Ningbo Yuyao Hi5	30	26	15%	96.1%	90.7%	5.4pt
Shanghai Nanxiang Hi5	17	16	6%	98.4%	99.4%	-1.0pt
Shandong Zibo Mixc One	57	45	27%	91.6%	90.0%	1.6pt
Shenyang Tiexi Mixc One	74	49	51%	95.3%	88.4%	6.9pt
Changsha Kingsha Mixc One	26	19	37%	98.4%	99.0%	-0.6pt
Shandong Rizhao Mixc One	29	-	-	99.8%	-	-
Total / Average for Commercial	2,331	1,918	22%	94.2%	92.7%	1.5pt

IP Financial Review for Malls – Opened before the End of 2012

Improving efficiency = stronger operational and financial performance

7 Malls: 5 Mixc + 1 Mixc One + Beijing Phoenix Plaza.

	1H17	1H16	YoY Change
Total Rental Income (RMB mn)	1,480	1,309	↑ 13%
Average Occupancy	97.6%	97.1%	↑ 0.5pt
Yield on Cost	31.5%	28.8%	↑ 2.7pt
Total Retail Sales (RMB mn)	10,227	8,055	↑ 27%



Shenzhen
Mixc



Hangzhou
Mixc



Shenyang
Mixc



Chengdu
Mixc



Nanning
Mixc



Beijing
Hi 5

IP Financial Review for Malls – Opened in & after 2014

Ramping up new malls = big potential for growth

15 Malls: 8 Mixc + 7 Mixc One

	1H17	1H16	YoY Change
Total Rental Income (RMB mn)	851	609	↑ 40%
Average Occupancy	92.5%	90.2%	↑ 2.3pt
Yield on Cost	8.8%	8.6%	↑ 0.2pt
Total Retail Sales (RMB mn)	6,078	4,201	↑ 45%

Xi'an Xixian Mixc Performance on Opening Day

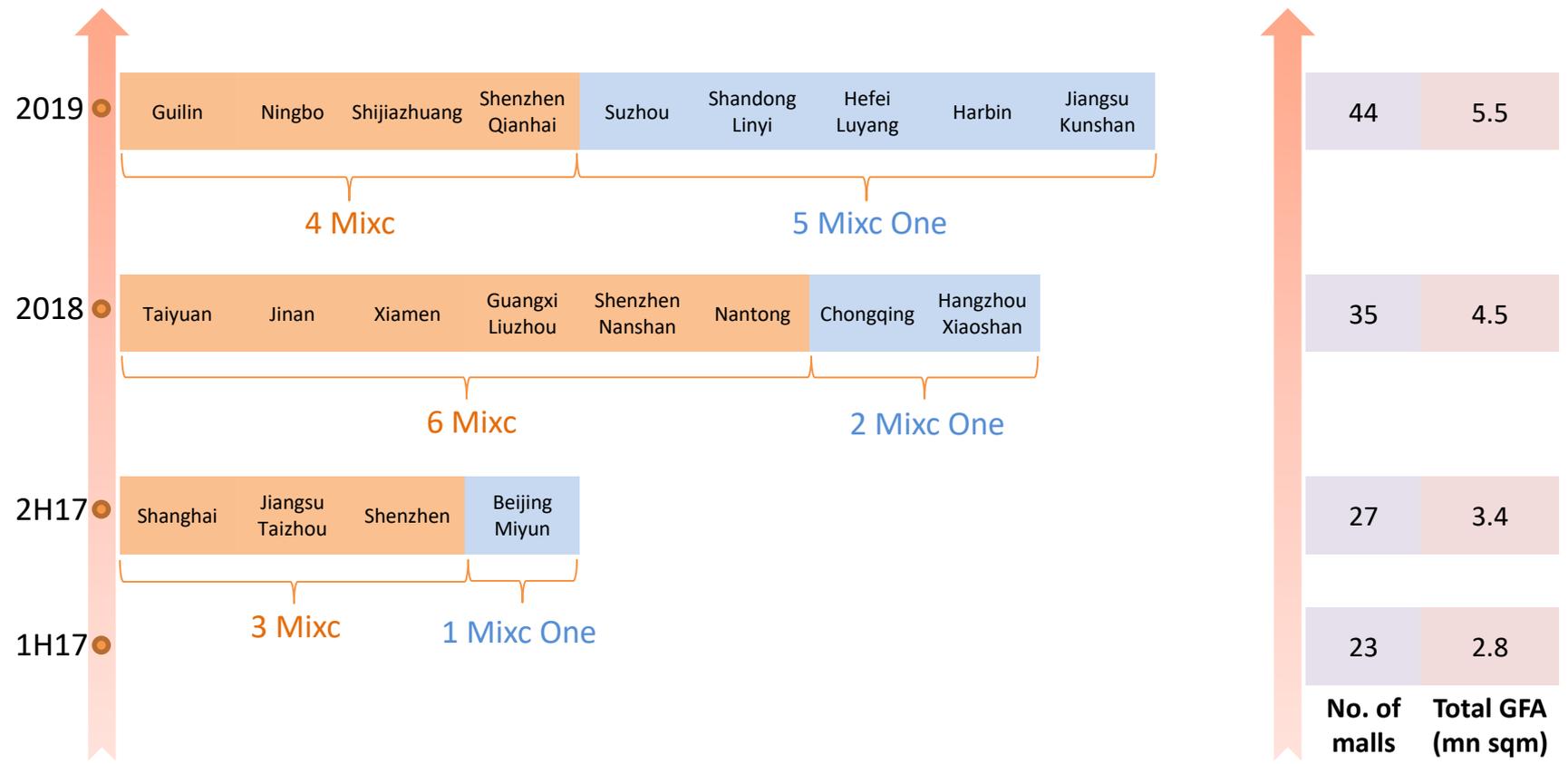
	2017/4/21
Total Retail Sales (RMB mn)	6.02
Foot Traffic ('000)	176
Traffic Volume	3,000
Opening Rate	90%



Xi'an Xixian Mixc

IP New Malls in Pipeline

2H17-2019



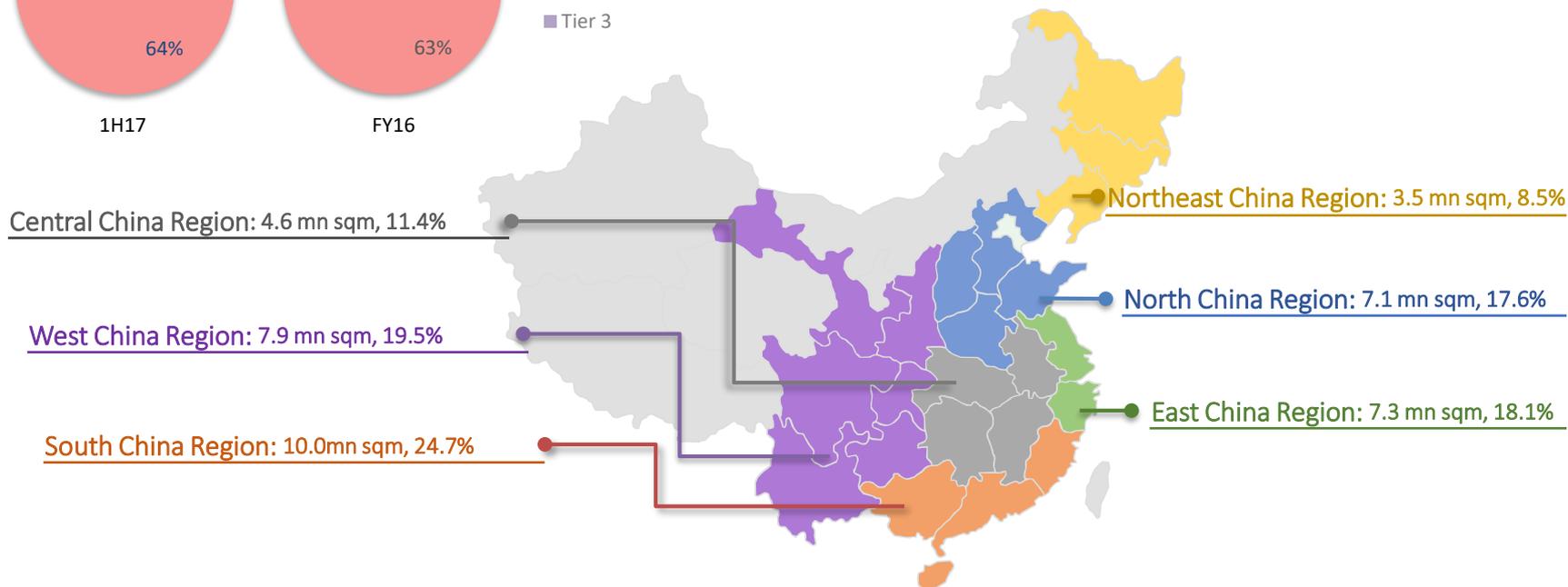
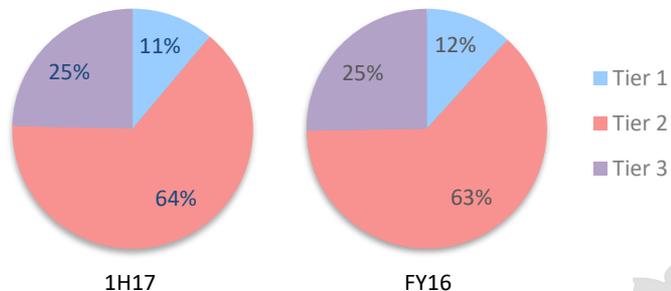
Office & Hotel Financial Review

Investment Properties	Rental Income RMB mn			Average Occupancy Rate %		
	1H17	1H16	% YoY	1H17	1H16	% YoY
Beijing CR Building	99	106	-7%	95.5%	96.1%	-0.6pt
Shenzhen CR Building	77	69	12%	99.8%	100.0%	-0.2pt
Shenyang CR Building	41	44	-7%	91.6%	93.0%	-1.4pt
Chengdu CR Building	37	27	37%	86.1%	83.3%	2.8pt
Nanning CR Building	15	15	0%	80.9%	80.0%	0.9pt
Hangzhou CR Building	25	11	127%	66.4%	41.7%	24.7pt
Shanghai Times Square Office	45	59	-24%	79.2%	95.0%	-15.7pt
Beijing Phoenix Plaza Office	138	143	-3%	94.4%	93.4%	1.0pt
Beijing Hi5 Office	10	10	0%	100.0%	100.0%	0.0pt
20 Gresham Street Office	13	-	-	100.0%	-	-
Shenzhen Grand Hyatt Hotel	200	190	5%	86.1%	74.1%	12.0pt
Shimei Bay Le Meridien Hotel	33	31	6%	66.0%	64.1%	1.9pt
Shenyang Grand Hyatt Hotel	89	92	-3%	48.8%	40.4%	8.4pt
Dalian Grand Hyatt Hotel	84	68	24%	47.3%	37.3%	9.9pt
Xiaojing Bay Le Meridien Hotel	30	-	-	51.8%	-	-
Zibo Sheraton Hotel	27	-	-	37.1%	-	-
Hangzhou Park Hyatt	76	-	-	54.6%	-	-
Total / Average for Office	500	484	3%	87.6%	85.9%	1.7pt
Total / Average for Hotel	539	381	41%	58.0%	55.2%	2.9pt

Land Bank

Development Property as of 30 Jun 2017 – 40.40 mn sqm GFA vs. 38.08 mn sqm GFA as of 31 Dec 2016

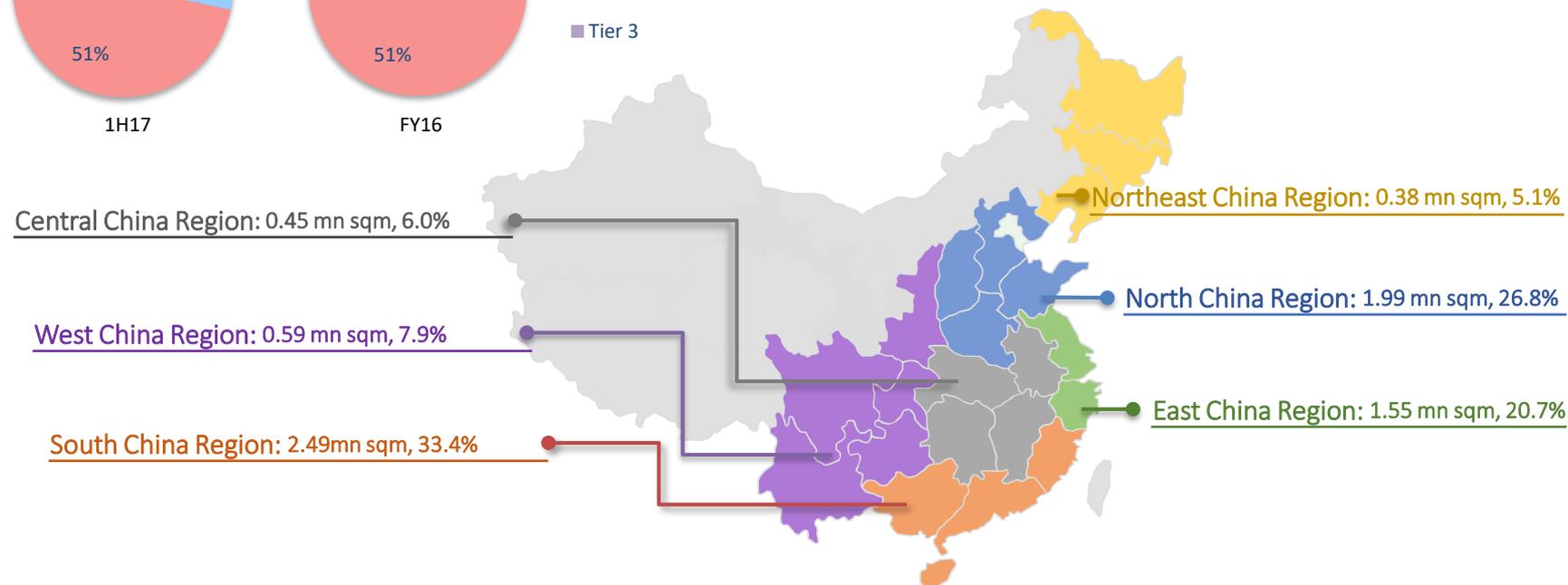
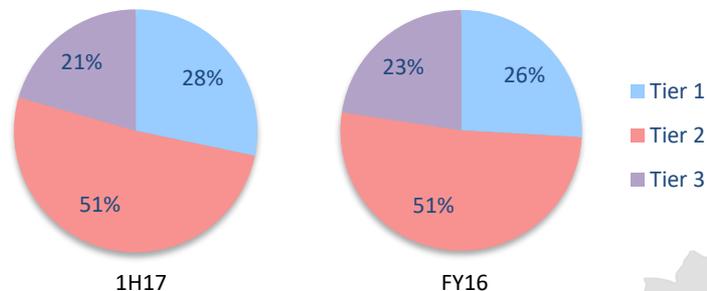
DP Land Bank Breakdown by City Tier



Land Bank

Investment Property as of 30 Jun 2017 – 7.45 mn sqm GFA vs. 6.77 mn sqm GFA as of 31 Dec 2016

IP Land Bank Breakdown by City Tier



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