



華潤置地有限公司

China Resources Land Limited

(Stock Code 股份代號:1109)

# CHINA RESOURCES LAND LIMITED

## 2015 Interim Results Review

24 August 2015



# AGENDA

Highlights

Financial Review

Business Review

Appendix

Note:

1. The interim financial information of the Group for the 6 months ended 30 Jun 2015, together with the comparative figures (2014 and 1H14), were restated and prepared using the principles of merger accounting.
2. The other comparative figures including 2011-13 annual and interim are not restated.

## Highlights

**Consolidated revenue for 1H 2015 amounted to HK\$37.14 bn, up by 29.7% YoY. Development property revenue up by 31.4% YoY to HK\$32.83 bn, rental income of investment properties (including hotel operations) up by 17.4% YoY to HK\$3.11 bn.**

**Consolidated gross profit margin improved to 32.2% in 1H 2015 from 30.4% in 1H 2014. Development property gross profit margin improved to 30.8% in 1H 2015 from 28.0% in 1H 2014, while investment property (including hotel operations) gross profit margin lowered to 60.8% in 1H 2015 from 63.3% in 1H 2014.**

**Core profit attributable to the owners of the Company excluding revaluation gain from investment properties reached HK\$5.02 bn, representing a YoY growth of 31.8%; profit attributable to the owners of the Company up by 26.6% YoY to HK\$6.45 bn.**

**As of 30 Jun 2015, the Group has locked in contracted sales of HK\$88.98 bn that are subject to recognition as development revenue in 2015 (including revenue booked in 1H 2015), exceeding that of FY14 by 10.6%.**

**In 1H 2015, total land bank newly added amounted to 2.69 mn square meters. As of 30 Jun 2015, the Group's total land bank was approximately 42.15 mn square meters.**

**Weighted average borrowing cost remained low at 4.37%, with net debt/equity ratio increased slightly to 39.4% as at end-Jun 2015 from 39.0% as at end-2014.**

**The Board resolved to declare an interim dividend of HK8.7 cents per share, up by 2.4% YoY from HK8.5 cents per share in 1H 2014.**

# AGENDA

Highlights

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Business Review

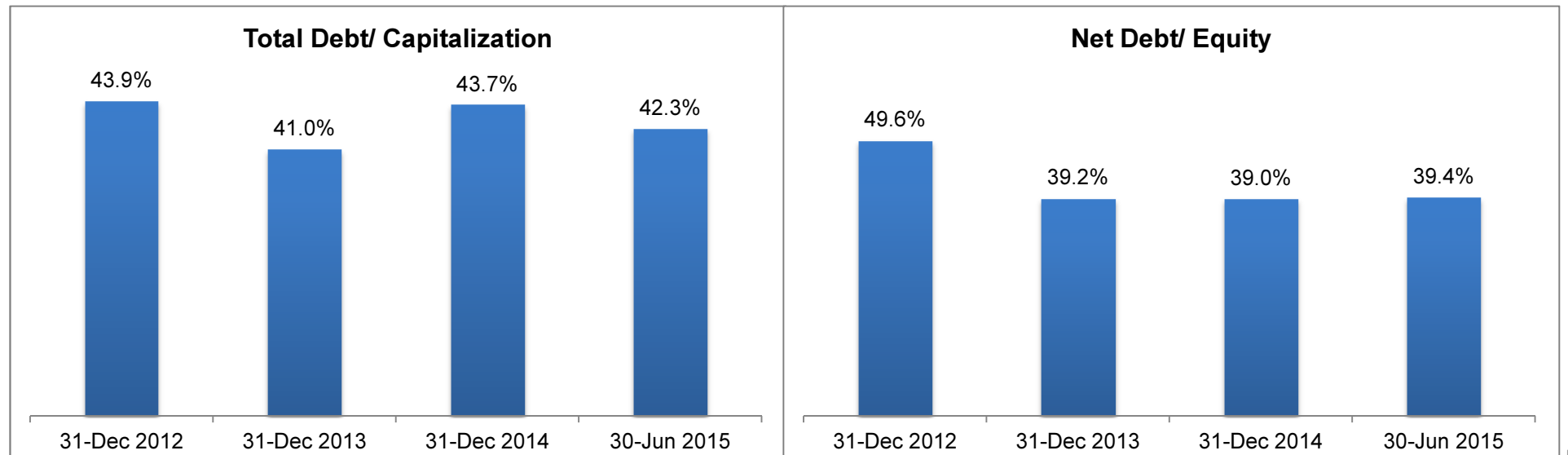
Appendix

# Income Statement

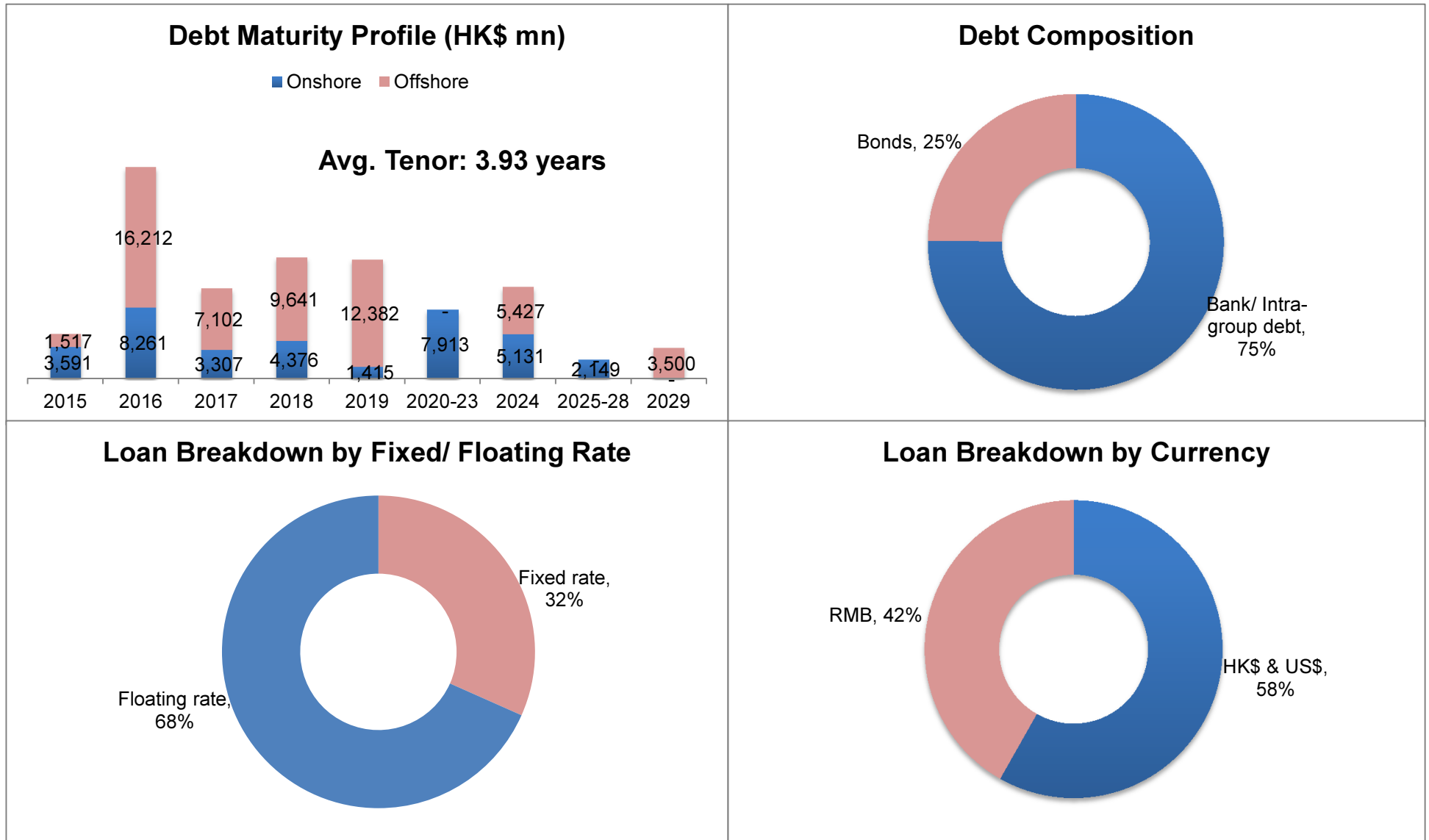
(HK\$ mn)	1H15	1H14 (Restated)		Change
Turnover	37,144	28,641	↑	29.7%
<i>Development</i>	32,827	24,985	↑	31.4%
<i>Investment Property</i>	3,110	2,650	↑	17.4%
Gross Profit	11,943	8,699	↑	37.3%
<i>Development</i>	10,098	6,991	↑	44.4%
<i>Investment Property</i>	1,892	1,678	↑	12.8%
Gross Profit Margin	32.2%	30.4%	↑	+1.8pt
<i>Development</i>	30.8%	28.0%	↑	+2.8pt
<i>Investment Property</i>	60.8%	63.3%	↓	-2.5pt
<i>IP (excluding hotel)</i>	68.9%	71.8%	↓	-2.9pt
Attributable Net Profit	6,450	5,093	↑	26.6%
Core Profit	5,021	3,811	↑	31.8%
Core Net Profit Margin	13.5%	13.3%	↑	+0.2pt
Net Profit Margin	17.4%	17.8%	↓	-0.4pt
EPS - Basic (HK cents)	97.9	78.0	↑	25.5%
EPS - Fully Diluted (HK cents)	97.8	77.9	↑	25.5%
DPS (HK cents)	8.7	8.5	↑	2.4%

## Balance Sheet Highlights

(HK\$ mn)	30-Jun-15	31-Dec-14 (Restated)	Change
Cash and cash equivalents	42,628	44,822	-4.9%
Total debt	92,295	90,231	2.3%
Net debt	49,667	45,409	9.4%
Total equity	126,091	116,315	8.4%
Total capitalization	218,386	206,546	5.7%
Total debt/ capitalization	42.3%	43.7%	-1.4pt
Net debt/ equity	39.4%	39.0%	+0.4pt



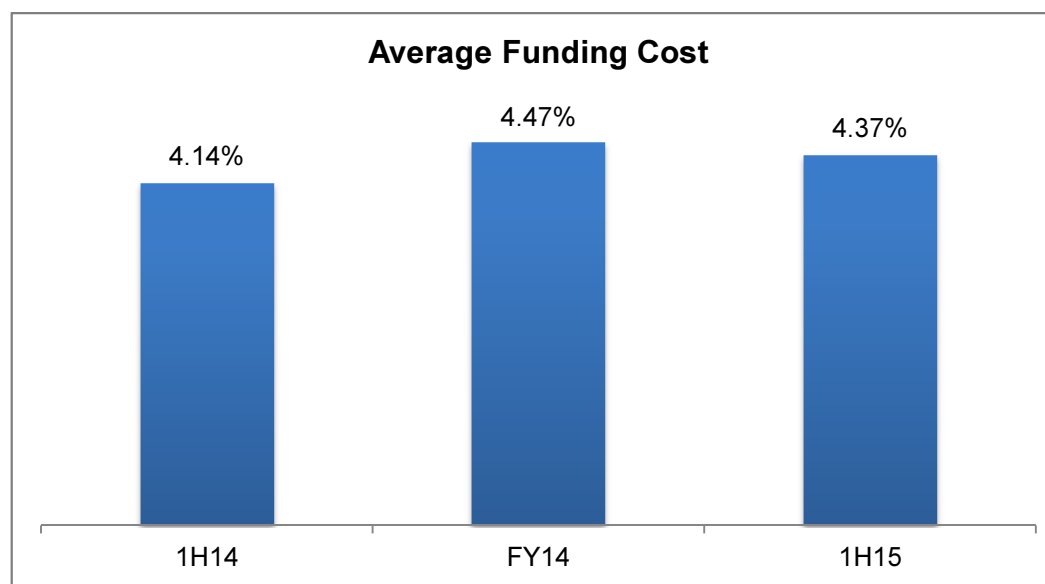
# Debt Profile (as at 30 Jun 2015)



# Finance Costs

(HK\$ mn)	1H15	1H14	YoY Change
Total Interest	2,281	1,539	48.2%
<i>Less: Capitalisation</i>	(1,788)	(1,247)	43.3%
Exchange (gain)/ loss	(141)	9	
Finance Costs on P/L	352	301	16.9%

**Weighted Average Funding Cost** **4.37%** **4.14%** **0.23pt**



*Finance cost among the lowest in the sector.*



## Foreign Exchange Risk Analysis

	30-Jun-15		31-Dec-14 <sup>(1)</sup>	
	HK\$ mn	as % of total	HK\$ mn	as % of total
<b>Total Borrowings</b>	<b>92,295</b>	<b>100%</b>	<b>86,064</b>	<b>100%</b>
<b>RMB Borrowings</b>	<b>38,588</b>	<b>42%</b>	<b>30,946</b>	<b>36%</b>
<b>Foreign Currency Borrowings</b>	<b>53,707</b>	<b>58%</b>	<b>55,118</b>	<b>64%</b>
USD	22,707	25%	22,011	26%
HKD	31,000	33%	33,107	38%
<b>Foreign Currency Cash Balance</b>	<b>5,009</b>	<b>100%</b>	<b>1,298</b>	<b>100%</b>
USD	2	0%	35	3%
HKD	5,007	100%	1,263	97%
<b>Net Foreign Currency Borrowings</b>	<b>48,698</b>	<b>100%</b>	<b>53,820</b>	<b>100%</b>
USD	22,705	47%	21,975	41%
HKD	25,993	53%	31,845	59%

(1) Not including the impact of 2015 asset injection.

**If RMB:USD fixing rate depreciates by 5% to 6.4193 from 6.1136 on 30<sup>th</sup> Jun 15**

Estimated Impact		HK\$ mn <sup>(2)</sup>
CF	Cash inflow/(outflow) <sup>(3)</sup>	(150)
P&L	Exchange gain/(loss)	(120)
BS	Change in translation reserve +/-	(9,000)
<b>Net Gearing (Net Debt/Equity)</b>		<b>+3.0pt</b>

(2) Based on financial data as of 30<sup>th</sup> Jun 2015.

(3) Based on projected cash outflows between 1<sup>st</sup> Aug and 31<sup>st</sup> Dec 2015.

# AGENDA

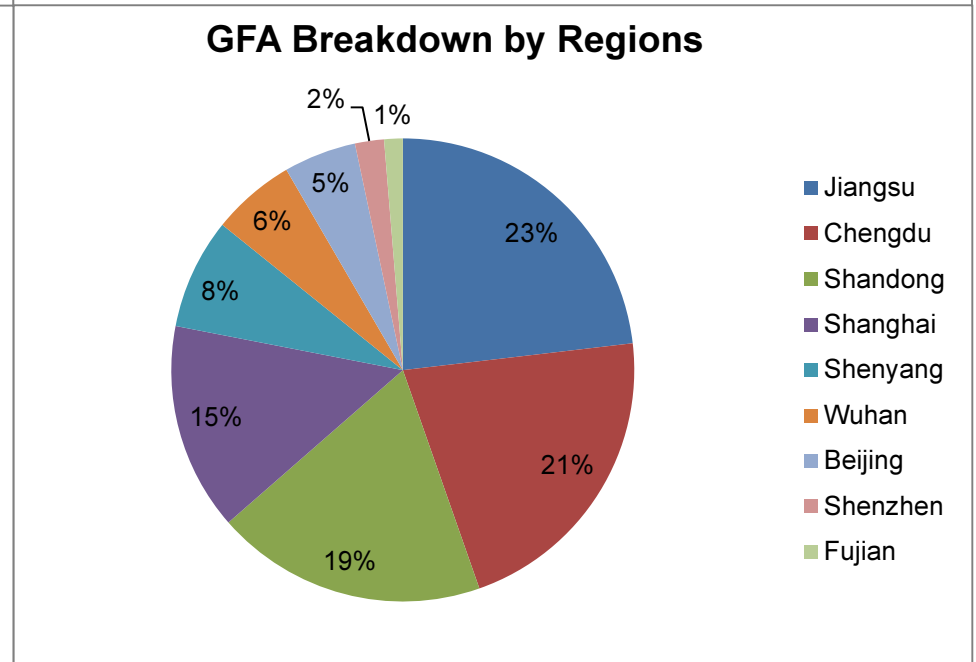
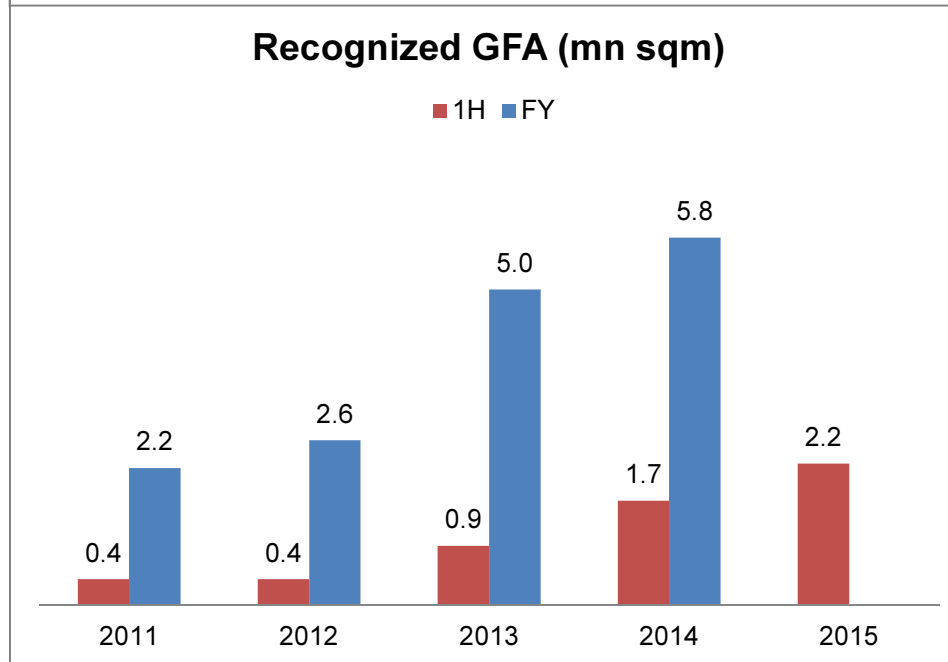
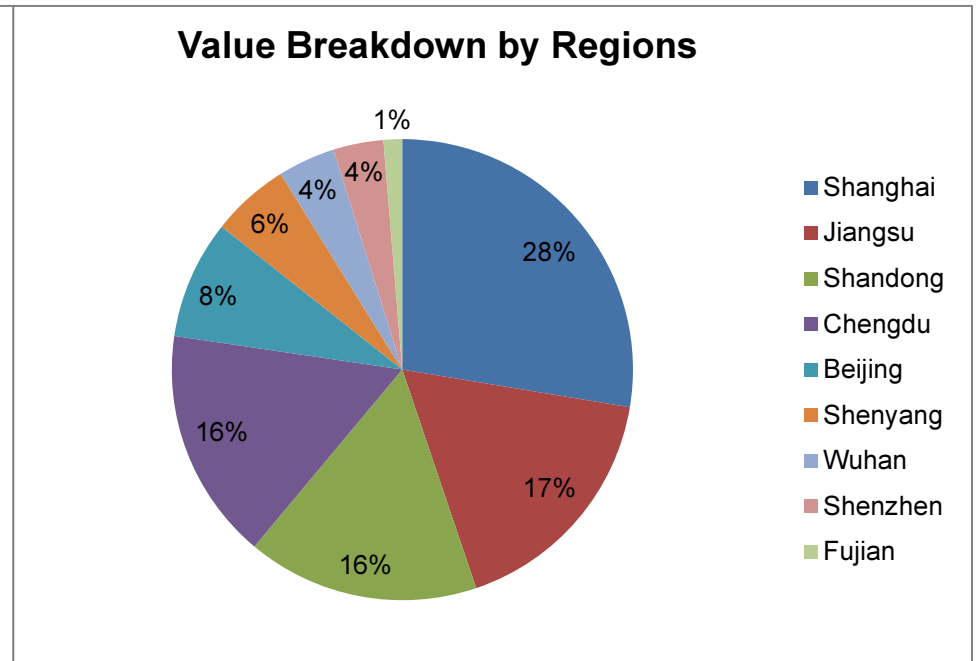
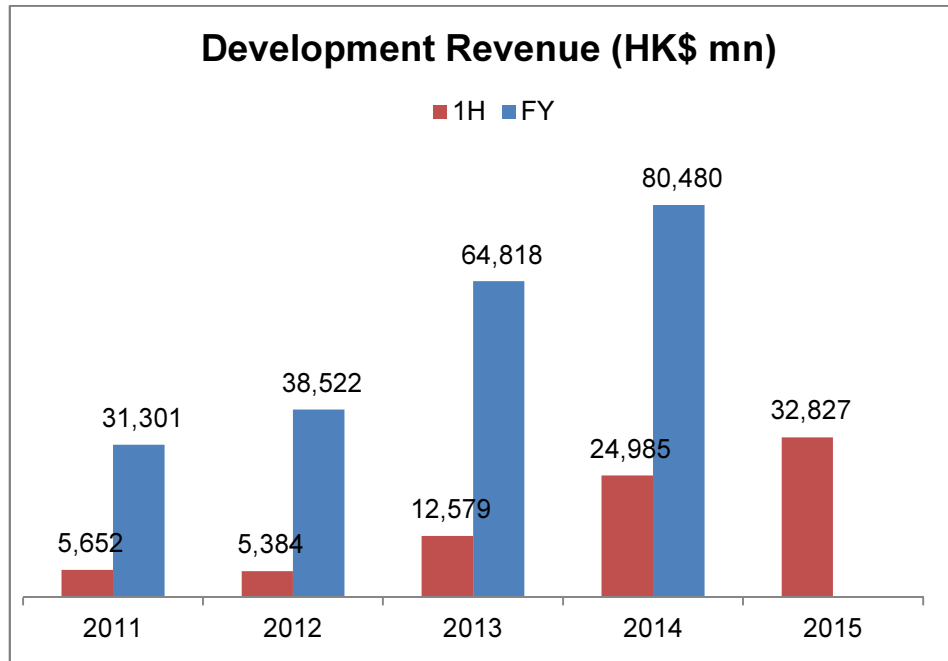
Highlights

Financial Review

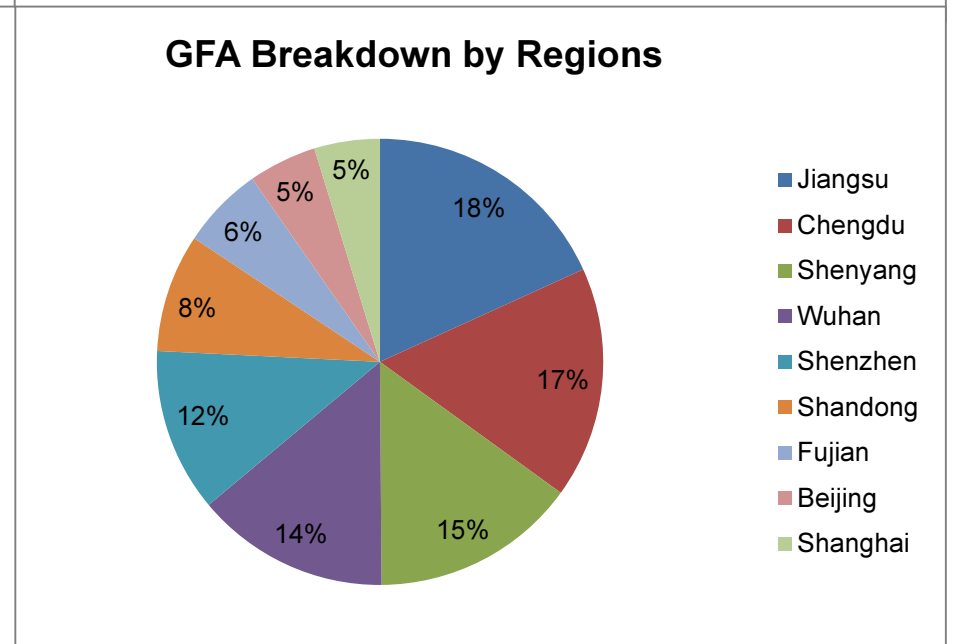
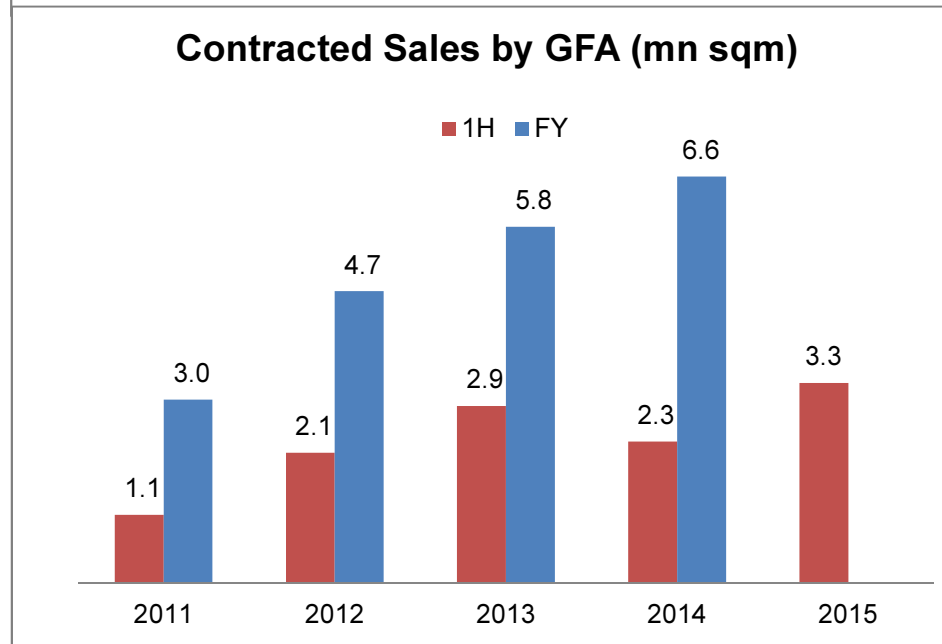
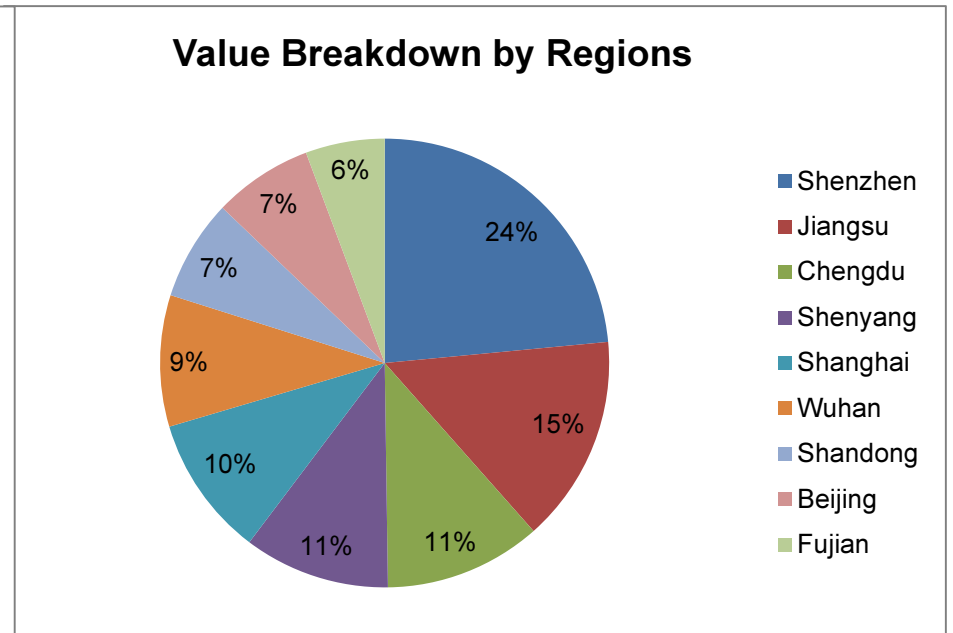
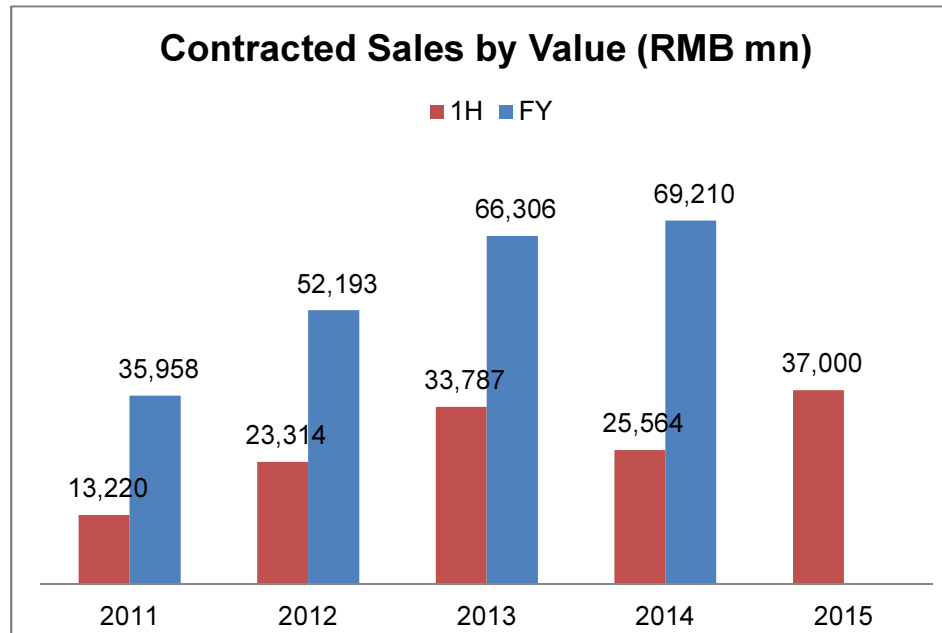
Business Review

Appendix

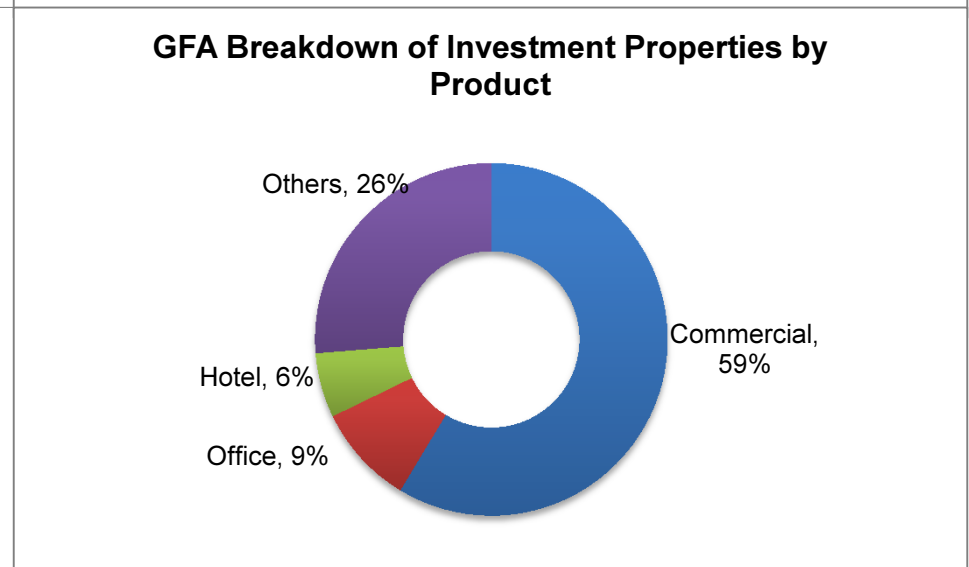
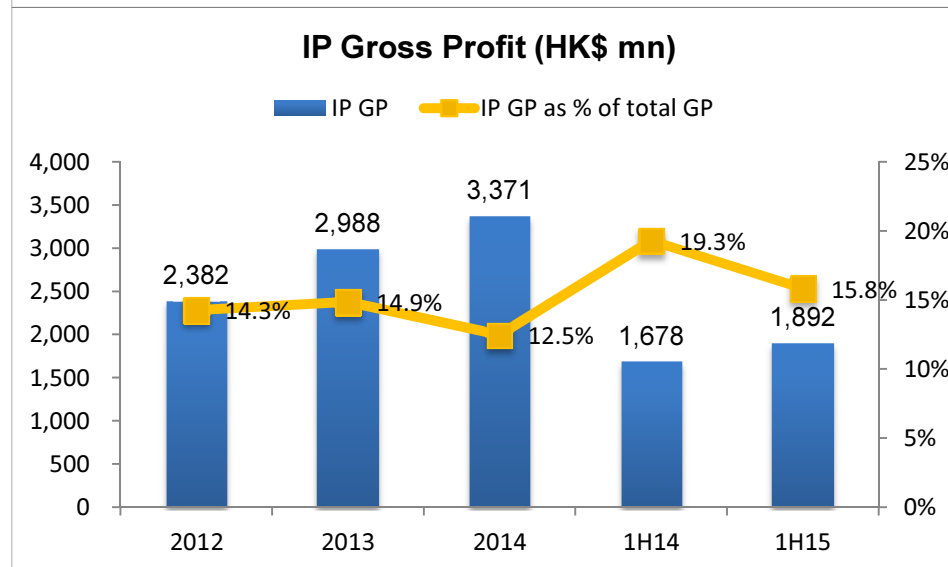
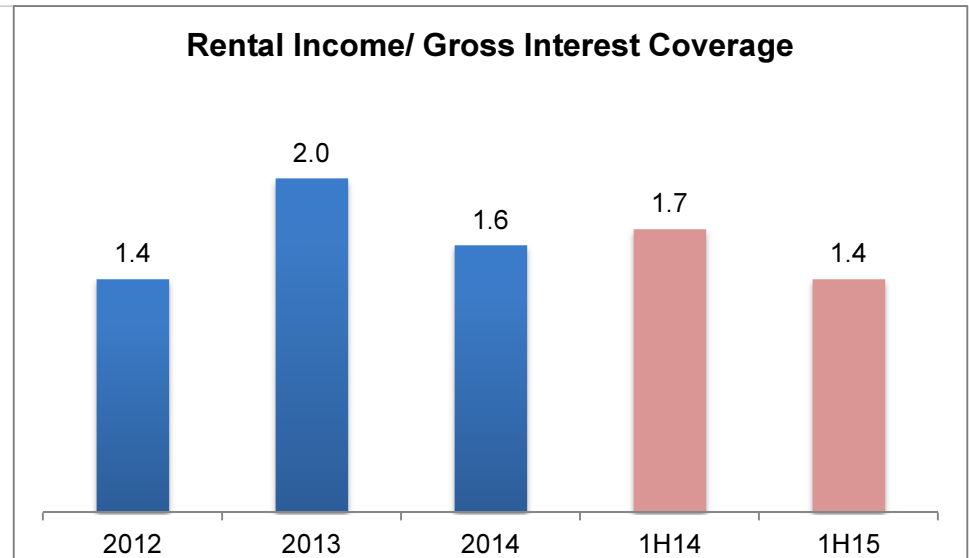
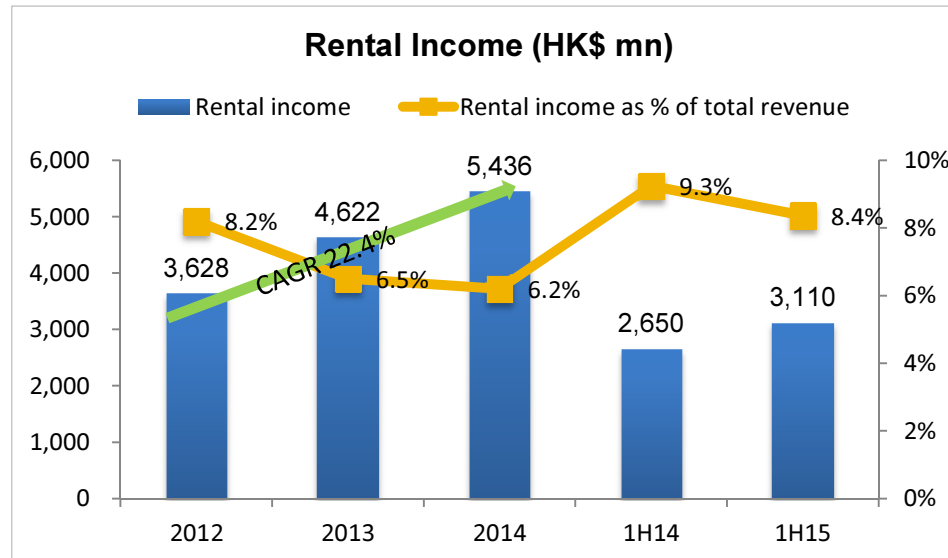
# Development Revenue in 1H15



# Contracted Sales in 1H15



# Premium IP and Fast Growing Recurrent Income



## Rental Income Breakdown in 1H15

Investment Property	Turnover (HK\$'000)			Average Occupancy Rate (%)		
	1H15	1H14	% yoy	1H15	1H14	pt
1 Shenzhen Mixc	524,514	499,923	4.9%	99.5%	99.8%	-0.3
2 Hangzhou Mixc	239,087	239,295	-0.1%	98.9%	98.3%	0.6
3 Shenyang Mixc	195,108	199,093	-2.0%	96.0%	97.3%	-1.3
4 Chengdu Mixc	128,626	126,592	1.6%	96.7%	98.5%	-1.8
5 Nanning Mixc	245,158	224,686	9.1%	99.2%	99.2%	-
6 Zhengzhou Mixc	61,648	35,868	71.9%	93.5%	91.2%	2.3
7 Chongqing Mixc	83,477	N/A	N/A	85.0%	N/A	N/A
8 Wuxi Mixc	62,326	N/A	N/A	75.4%	N/A	N/A
9 Qingdao Mixc	56,876	N/A	N/A	82.6%	N/A	N/A
10 Shanghai Times Square Commercial	59,156	66,331	-10.8%	90.1%	93.9%	-3.8
11 Beijing Phoenix Plaza Commercial	40,800	38,964	4.7%	97.4%	97.0%	0.4
12 Beijing Qinghe Hi5	129,198	108,950	18.6%	100.0%	99.9%	0.1
13 Hefei Shushan Hi5	15,155	5,059	199.6%	96.1%	94.2%	1.9
14 Zhejiang Yuyao Hi5	29,270	N/A	N/A	89.8%	N/A	N/A
15 Shanghai Nanxiang Hi5	20,232	N/A	N/A	99.2%	N/A	N/A
16 Shandong Zibo Mixc One	24,052	N/A	N/A	85.0%	N/A	N/A
17 Shenzhen CR Building	81,804	76,191	7.4%	99.2%	99.2%	-
18 Shenyang CR Building	56,087	59,193	-5.2%	89.3%	95.6%	-6.3
19 Chengdu CR Building	32,790	27,381	19.8%	70.2%	62.0%	8.2
20 Nanning CR Building	19,275	15,821	21.8%	91.9%	94.5%	-2.6

## Rental Income Breakdown in 1H15

Investment Property	Turnover (HK\$'000)			Average Occupancy Rate (%)		
	1H15	1H14	%yoy	1H15	1H14	pt
21 Beijing CR Building	115,397	112,295	2.8%	91.3%	89.4%	1.9
22 Shanghai Times Square Office	63,472	60,487	4.9%	96.2%	100.0%	-3.8
23 Beijing Phoenix Plaza Office	177,049	171,635	3.2%	92.0%	97.9%	-5.9
24 Beijing Hi5 Office	12,174	12,700	-4.1%	100.0%	100.0%	-
25 Others	169,577	193,120	-12.2%	N/A	N/A	N/A
26 Shenzhen Grand Hyatt Hotel	261,897	236,901	10.6%	74.0%	69.9%	4.1
27 Shimei Bay Le Meridien Hotel	36,009	47,949	-24.9%	53.2%	34.3%	18.9
28 Shenyang Grand Hyatt Hotel	109,269	91,276	19.7%	67.4%	61.9%	5.5
29 Dalian Grand Hyatt Hotel	60,465	N/A	N/A	36.6%	N/A	N/A
<b>Total</b>	<b>3,109,948</b>	<b>2,649,710</b>	<b>17.4%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

# Launch Schedule for New Malls in 2015-2017

**14** malls, 2.70mn sqm    **20** malls, 4.30mn sqm    **22** malls, 4.69mn sqm    **31\*** malls, 7.14mn sqm

2014



### Malls in Operation

- 1 Shanghai Times Square
- 2 Shenzhen Mixc
- 3 Hangzhou Mixc Ph.1
- 4 Shenyang Mixc
- 5 Beijing Phoenix Plaza
- 6 Chengdu Mixc Ph.1
- 7 Nanning Mixc
- 8 Beijing Qinghe Hi5
- 9 Zhengzhou Mixc Ph.1
- 10 Hefei Hi5
- 11 Ningbo Hi5
- 12 Chongqing Mixc
- 13 Shanghai Hi5
- 14 Wuxi Mixc

2015



### New Malls

- 1 Qingdao Mixc
- 2 Zibo Mixc One
- 3 Ganzhou Mixc
- 4 Hefei Mixc
- 5 Shenyang Mixc One
- 6 Changsha Mixc One

2016



### New Malls

- 1 Wenzhou Mixc
- 2 Rizhao Mixc One

2017



### New Malls

- 1 Shanghai Mixc
- 2 Xian Mixc One
- 3 Taiyuan Mixc
- 4 Nantong Mixc
- 5 Chengdu Mixc Ph.2
- 6 Hangzhou Mixc One
- 7 Shenzhen Mixc World
- 8 Beijing Miyun Mixc One
- 9 Kunshan Mixc One
- 10 Xiamen Mixc

\* Chengdu Mixc Ph.2 is not counted as an individual mall

Note: Opening schedules will be adjusted based on prevailing market conditions.



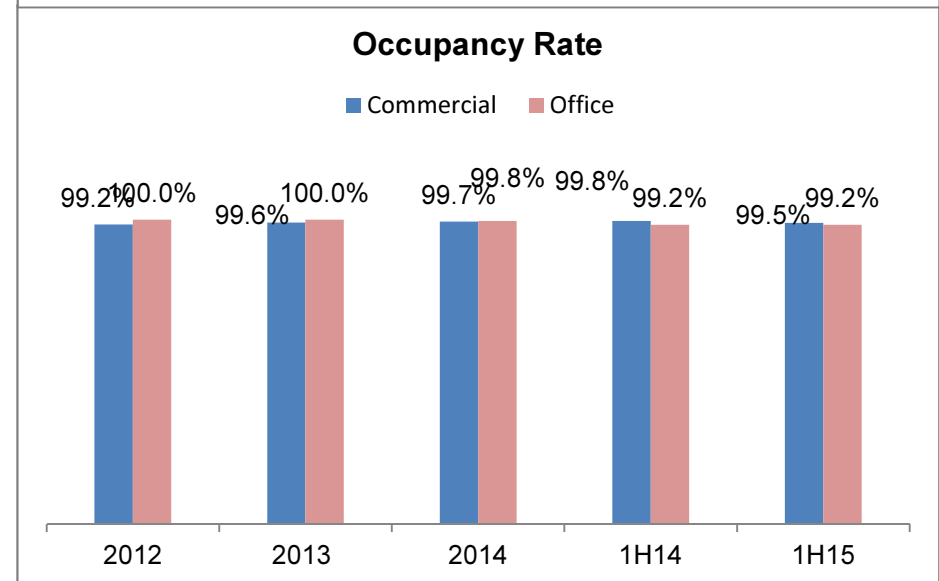
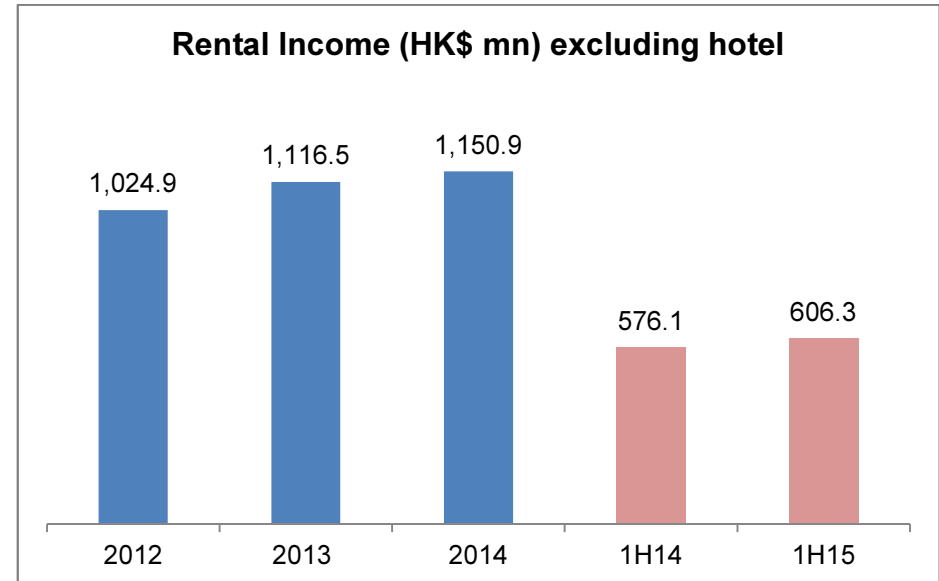
# City Crossing Project Profile

## Shenzhen City Crossing-- Mixc + Office + Grand Hyatt + Residential Park Lane Manor



**Representative Tenants**

LV, Gucci, Prada, Dolce&Gabbana, Hermes, Dior, Zegna, Cartier, Emporio Armani, Ferragamo, Bottega Veneta



# City Crossing Project Profile (cont'd)

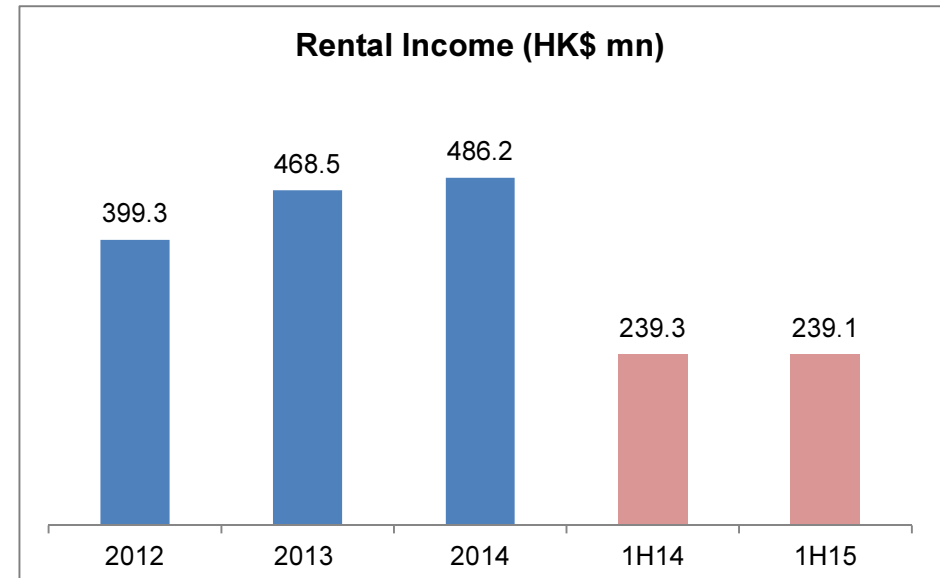
## Hangzhou City Crossing – Mixc + Serviced Apartment + Park Hyatt + MIXc Residence



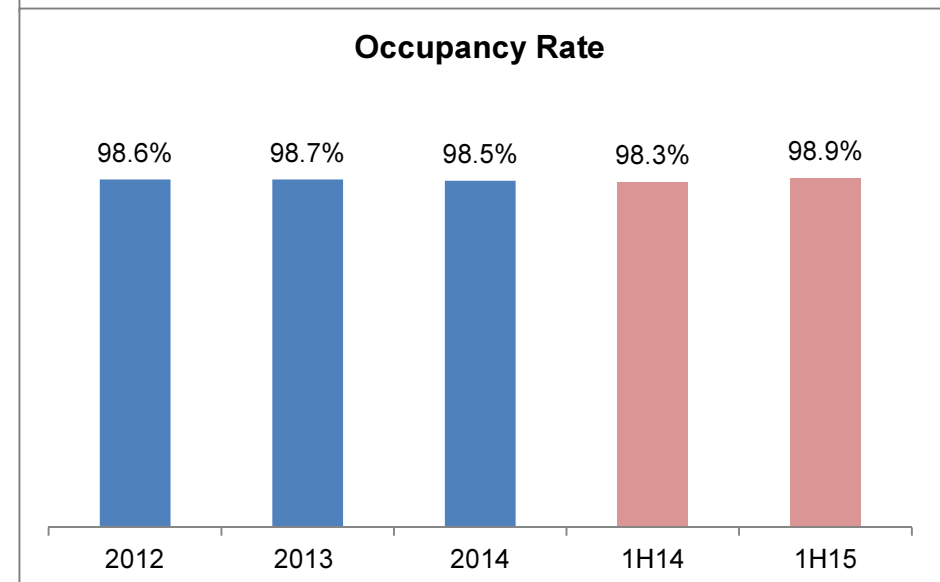
**Representative Tenants**

LV, Prada, Dior, Zegna, Cartier, Emporio Armani, Ferragamo, Marni, ALFRED DUNHILL, Bottega Veneta

**Rental Income (HK\$ mn)**



**Occupancy Rate**



# City Crossing Project Profile (cont'd)

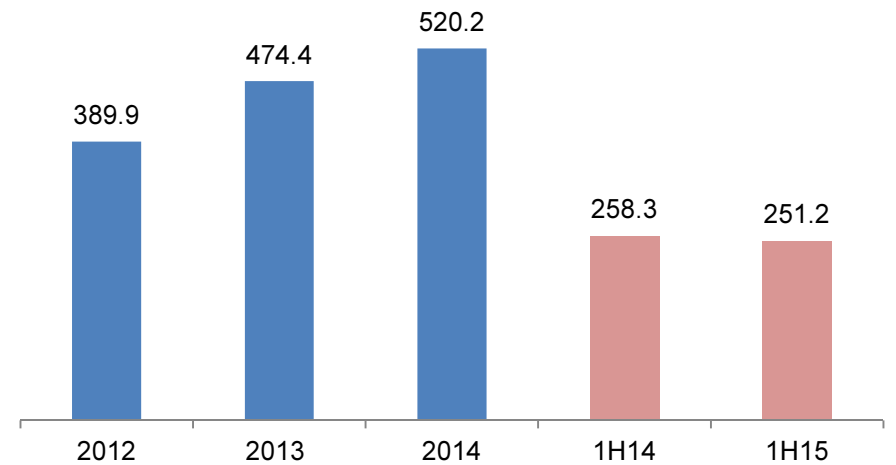
## Shenyang City Crossing – Mixc + Office + Grand Hyatt + MIXc Residence



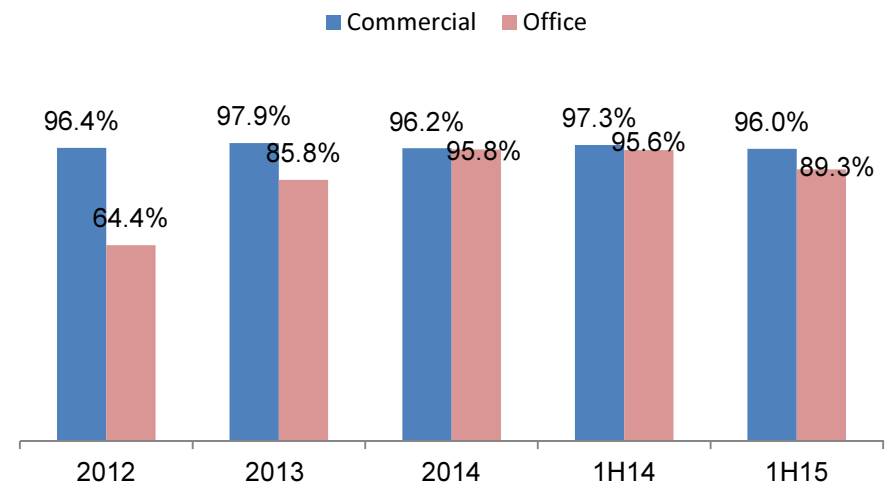
**Representative Tenants**

**Dolce&Gabbana, BALLY, Hermes, Dior, Zegna, Cartier, LV, Prada, ALFRED DUNHILL, Burberry**

**Rental Income (HK\$ mn) excluding hotel**



**Occupancy Rate**

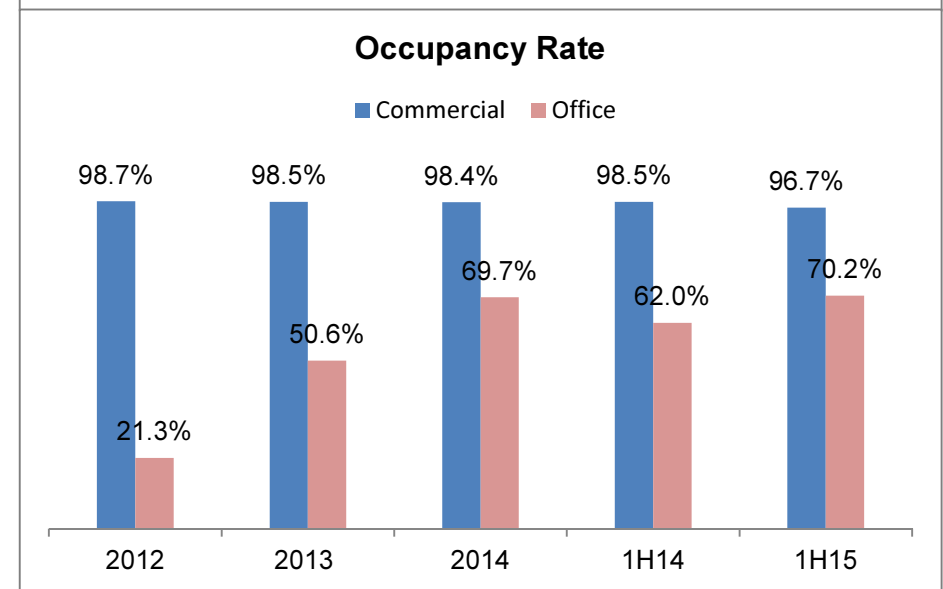
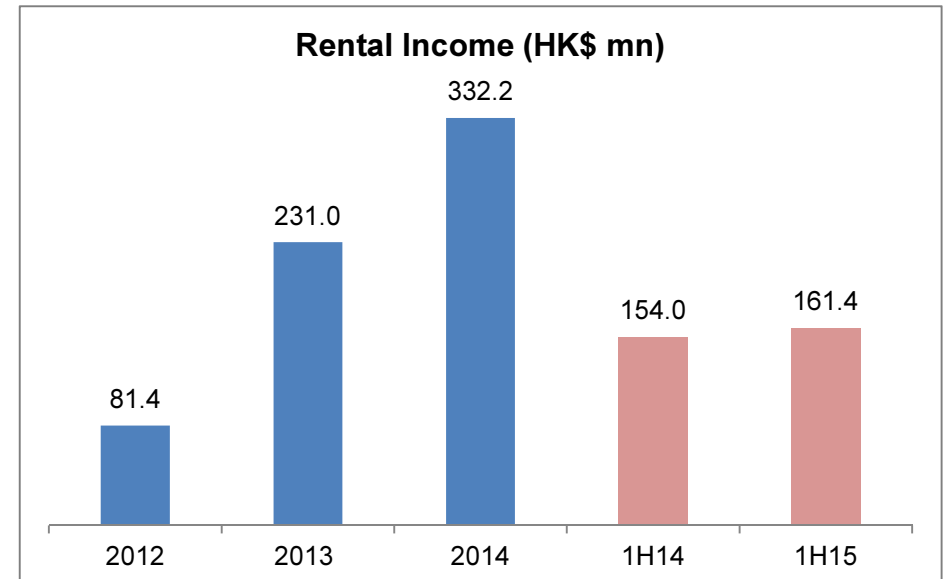


# City Crossing Project Profile (cont'd)

## Chengdu City Crossing – Mixc + Office



<b>Representative Tenants</b>	<b>BALLY, Givenchy, DAKS, Armani Collezioni, COACH</b>
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BUSINESS REVIEW

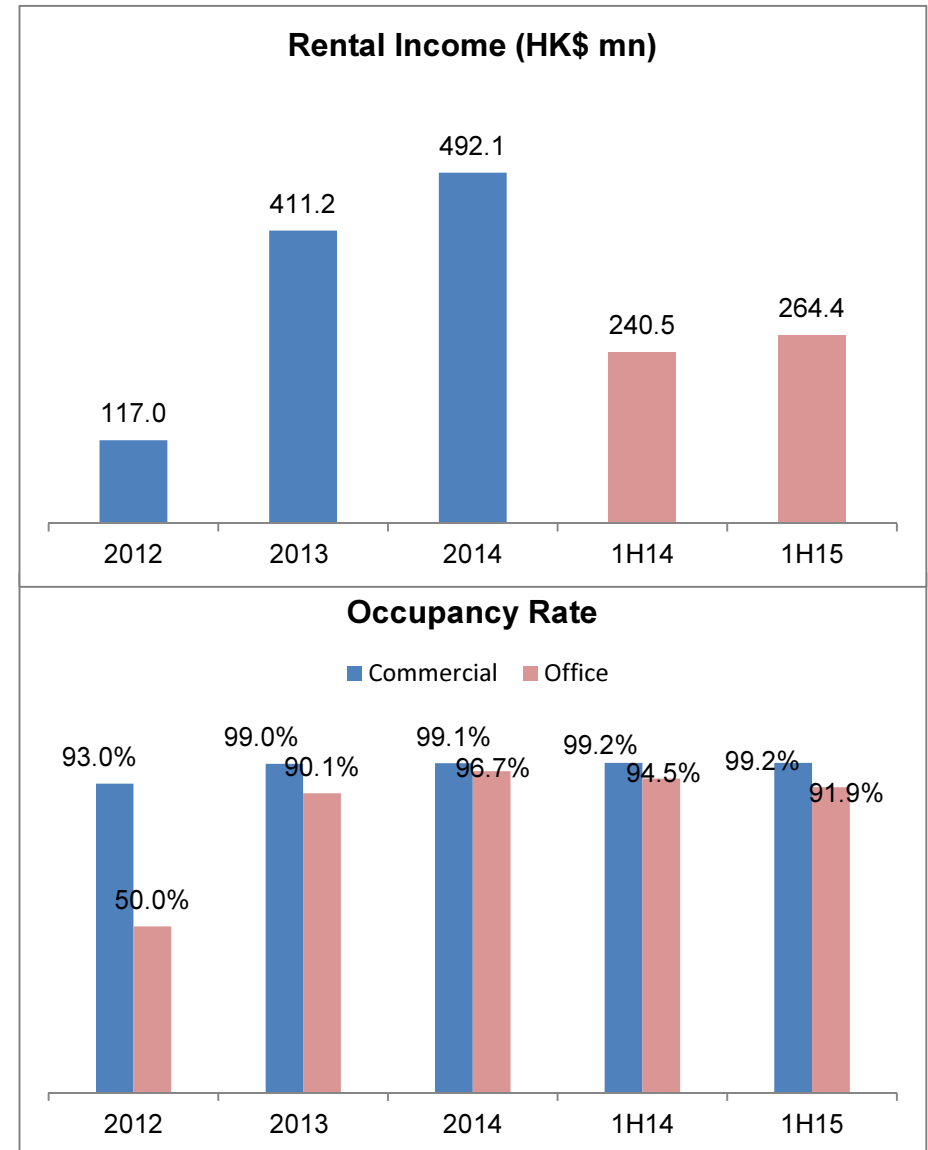
# City Crossing Project Profile (cont'd)

## Nanning City Crossing – Mixc Office + Hotel + MIXc Residence



**Representative Tenants**

**Gucci, Prada, Dolce&Gabbana, Emporio Armani, HUGO BOSS, VERSACE, BALLY, Burberry, Ferragamo, COACH**



# Hi5 Project Profile

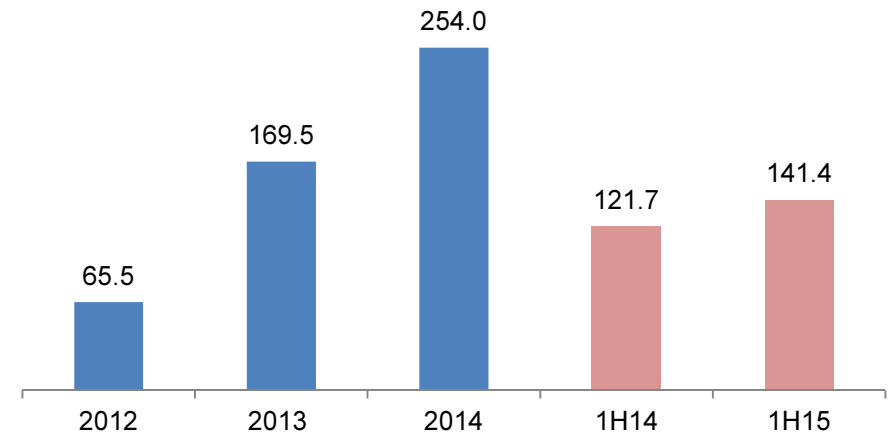
## Beijing Qinghe Hi5



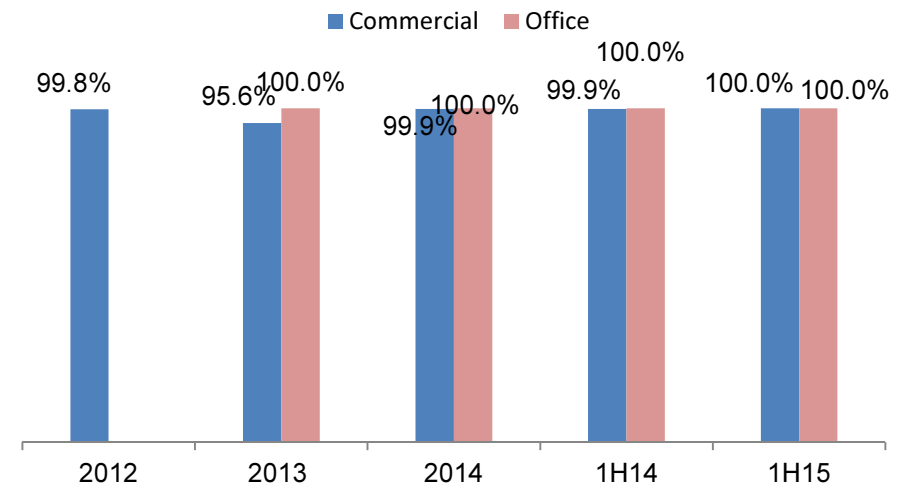
**Representative Tenants**

**Calvin Klein, Nautica, Chow Tai Fook, Apple, Disney, Walmart**

**Rental Income (HK\$ mn)**



**Occupancy Rate**



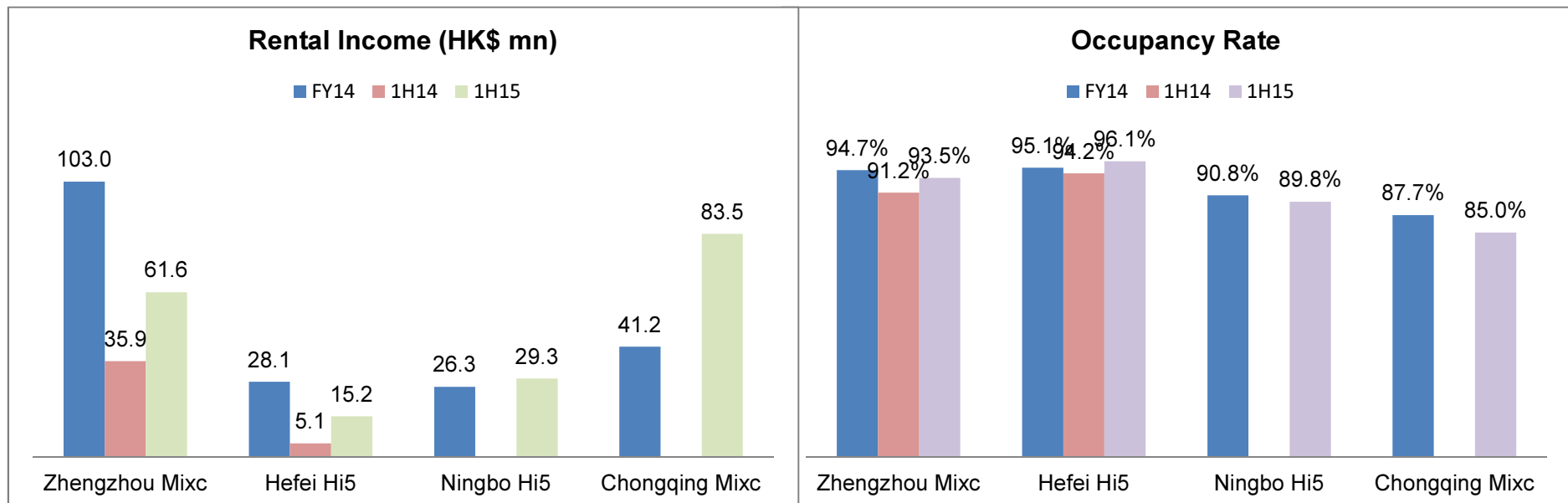
# Profiles of Malls with <2 years of Track Record

## Opening Date & Representative Tenants

1	Zhengzhou Mixc	19/4/2014	Elegant Watch & Jewelry, Givenchy, Cerruti 1881, Ole Supermarket, Parkson Department Store
2	Hefei Hi5	1/5/2014	New Balance, Nike, Converse, UNIQLO, Jasonwood, Prime Time Watch, Casio, Suguo Supermarket
3	Ningbo Hi5	28/6/2014	Adidas, FLAVIO COLLEZIONI, VERO MODA, Chow Tai Fook, Skechers, Vanguard Supermarket, Cartoon World
4	Chongqing Mixc	19/9/2014	Tod's, Roger Vivier, Coach, MONCLER, ALFRED DUNHILL, Parkson Department Store, Kidswant, Ole Supermarket, H&M, Zara, Uniqlo, Gap, Apple



## Key Data



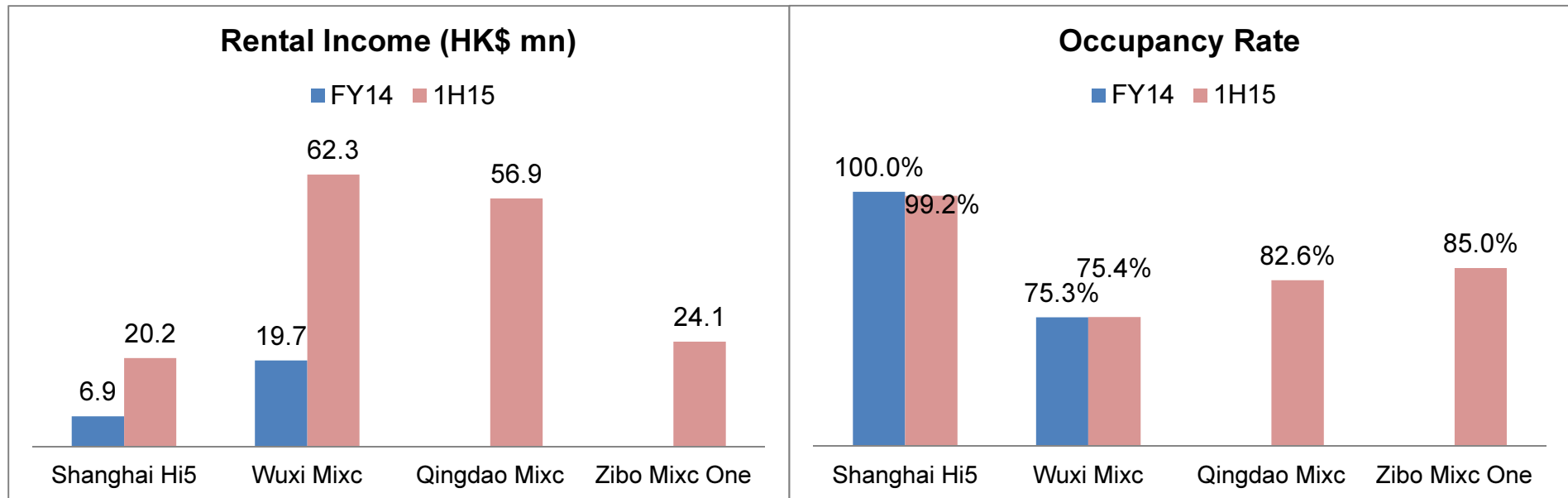
# Profiles of Malls with <2 years of Track Record

## Opening Date & Representative Tenants

1	Shanghai Hi5	2014/10/25	BLT, Starbucks, PCC, Yuyuto
2	Wuxi Mixc	2014/12/20	Sosospot, ZipPiTeeDoo, Ole Supermarket, INXX, Habitat, TIDE CALLER
3	Qingdao Mixc	2015/4/30	Armani Collezioni, Philipp Plein, Bally, COACH, ETRO, OMEGA, Parkson Department Store, Ole Supermarket, Family Box, JOYPOLIS, Sihaiyijia, Fang Suo
4	Zibo Mixc One	2015/5/27	Suning, ZARA, MUJI, H&M, UNIQLO, Sephora, Vanguard Supermarket, Myrules Education Park

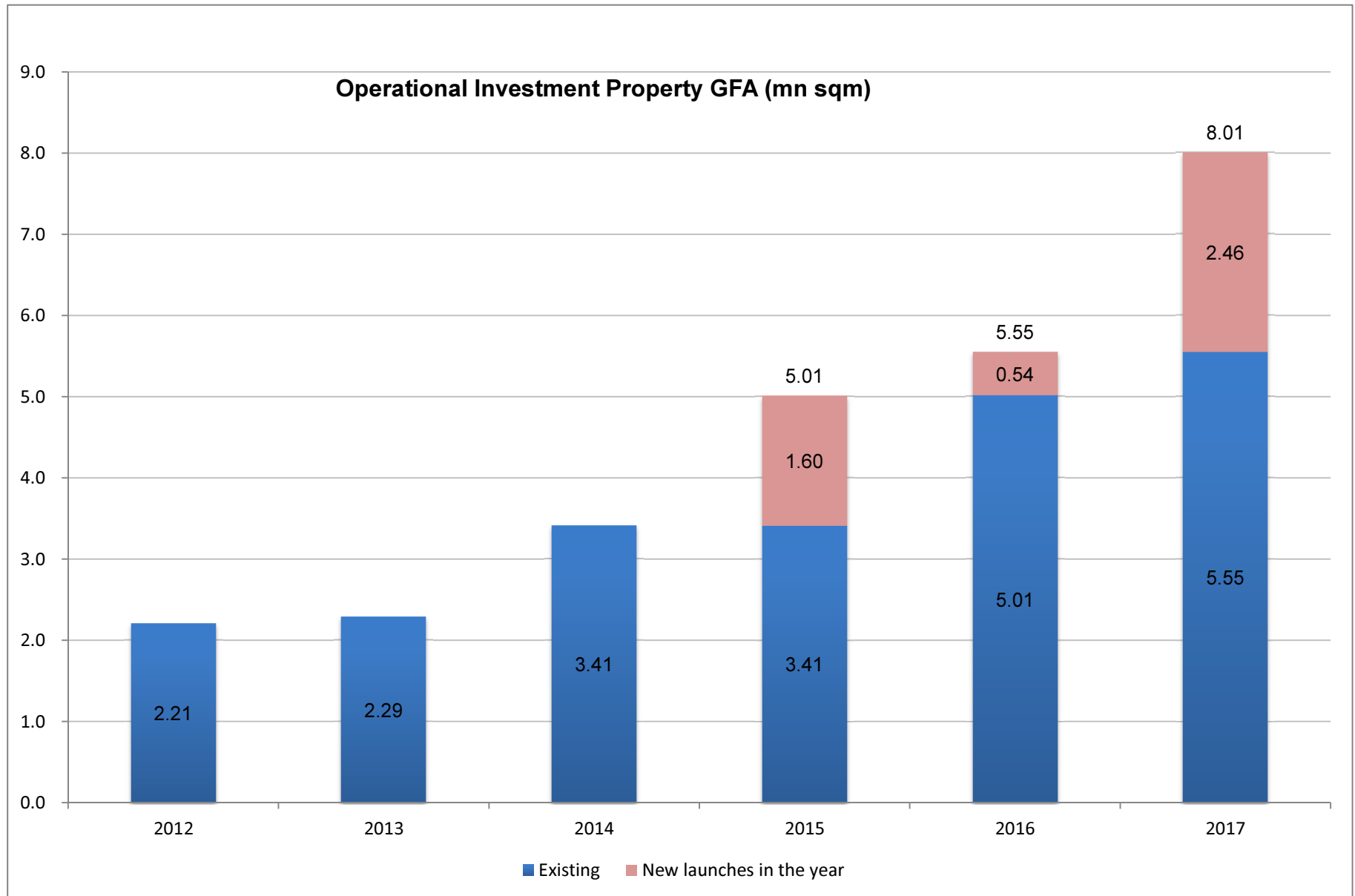


## Key Data





# Strong Growth in IP Portfolio



# Assets Injection from CRH Completed in Jan 2015

## Assets Acquired

- Acquisition of 5 projects with a total GFA of 4 mn sqm
  - Shenzhen CR City
  - Shenzhen Yinhu Blue Mountain
  - Shenzhen City Parks
  - Jinan Central Park
  - Jinan MIXc



Shenzhen CR City

## Consideration & Completion

- Total acquisition consideration of c.HK\$18.64 bn, comprising share consideration of HK\$12.60 bn and cash consideration of HK\$6.04 bn.
- The acquisition agreement was entered into on 8 Dec 2014, and the acquisition was approved by the independent shareholders at an EGM on 21 Jan 2015, with completion on the same date.



Shenzhen Yinhu Blue Mountain

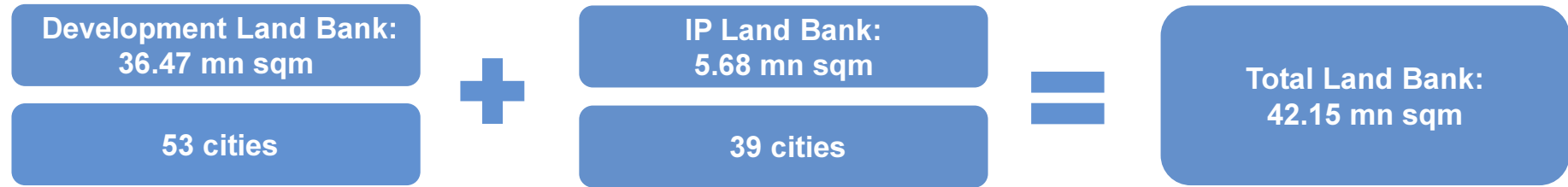
## Revenue & Contracted Sales Contribution in 1H15

- Revenue contribution: 11% of total development property revenue
  - Jinan Central Park: HK\$3,640 mn
- Contracted sales contribution: 18% of total contracted sales
  - Shenzhen CR City: RMB3,564 mn
  - Shenzhen Yinhu Blue Mountain: RMB2,742 mn
  - Jinan Central Park: RMB192 mn

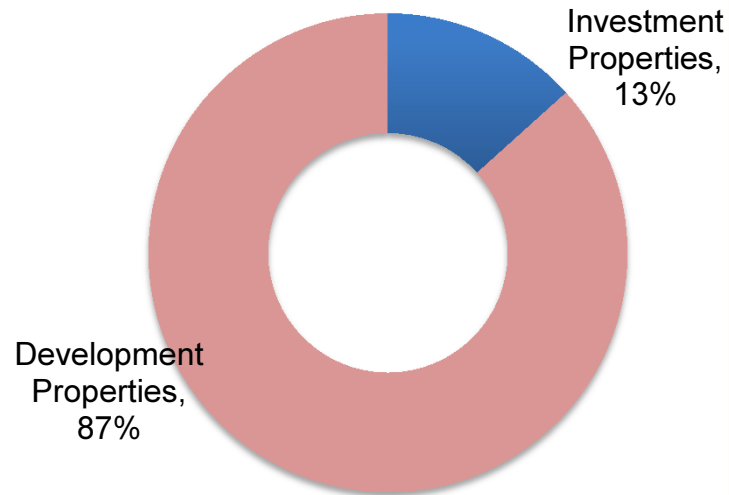


Jinan Central Park

# Land Bank (as of 30 Jun 2015)



## GFA Breakdown by Development/ Investment



# AGENDA

Highlights

Financial Review

Business Review

Appendix

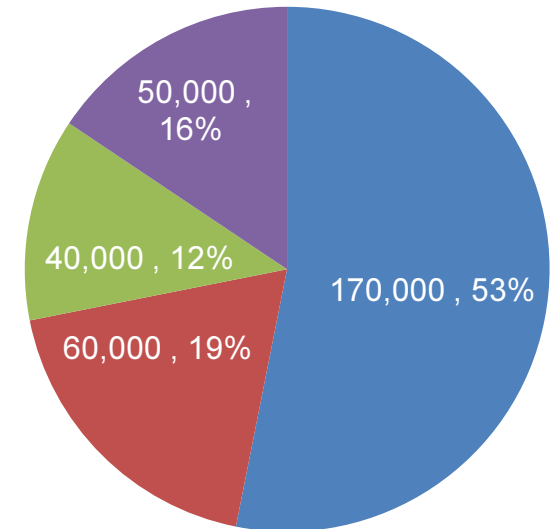
# Land Bank Held by CRH – Shenzhen Bay Project

## Project Overview

Acquisition Date	Total GFA (sqm)	Use	Average Land Cost (RMB/sqm)
Aug 2012	320,000	R+C+H+SA	12,044

## GFA Breakdown by Type

- Residential (R)
- Commercial (C)
- Hotel (H)
- Serviced Apart. (SA)



# Group Structure



# Distinguished INED Team

Mr. Ho Hin Ngai, Bosco



## Current Positions

- Authorized Person (Architect) Hong Kong, Member of Hong Kong Institute of Architects and of Royal Institute of British Architects
- Founder of Ho & Partners Architects Engineers and Development Consultants

Mr. Weihua Ma



## Current Positions

- Independent Non-Executive Director of China Eastern Airlines Corporation Limited, China World Trade Center Company Ltd., Guotai Junan Securities Co. Ltd., and Legend Holdings Corporation

## Prior Positions

- President and Chief Executive Officer, Executive Director of China Merchants Bank
- Chairman of CIGNA and CMC Life Insurance Company Ltd., China Merchants Fund and Wing Lung Bank

Mr. Wan Kam To, Peter



## Current Positions

- Independent Director of Mindray Medical and the Chairman of the Audit Committee
- Independent Non-Executive Director of Dalian Port (PDA) Company, Fairwood Holdings, Harbin Bank, Huaneng Renewables, KFM Kingdom Holdings, S. Culture International Holdings Limited, Target Insurance (Holdings) Limited, Shanghai Pharmaceuticals Holdings Co., Ltd., and the Chairman/member of their Audit Committees

## Prior Position

- Partner of Pricewaterhouse Coopers

Mr. Shi Wang



## Current Positions

- Chairman of China Vanke
- Independent Non-Executive Director of SOHU.com and Modern Media Holdings

Mr. Andrew Y. Yan



## Current Positions

- Founding Managing Partner of SAIF Partners
- Non-Executive Director of Digital China Holdings, Lai Sun Group, China Huiyuan Juice Group, and Guodian Technology & Environment Group
- Independent Non-executive Director of Cogobuy Group, CPMC Holdings Limited, China Petroleum & Chemical Corporation, Sky Solar Holdings and TCL Corporation

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