



China XLX Fertiliser Ltd
CXLX.SG

4Q/FY2008

Results Briefing

为了明天更美好
For a Better Tomorrow



Disclaimer

This presentation includes forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that China XLX expects or anticipates will or may occur in the future are forward-looking statements. China XLX's actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties. In addition, China XLX makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.



Agenda



4Q/FY2008 Results Highlights



Financial Results



Updates in Recent Regulations/ Events



Outlook





FY2008 Results Highlights

- Revenue increased by 35.3% YoY to RMB2,084.9 million
- Net profit attributable to shareholders increased by 9.2% YoY to RMB346.4 million
- Gross profit margin slightly reduced to 23.4% from 27% in FY07
- Earnings per share were RMB34.64 cents
- Recommended dividend payment of SGD1.6 cents per share
- The 3rd plant to commence operations in mid-2009



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4Q/FY2008 Financial Results

(RMB M)	FY07	FY08	%	4Q07	4Q08	%
Revenue	1541	2085	35	406	465	14
Cost of sales	(1125)	(1597)	42	(280)	(382)	36
Gross profit	416	488	17	126	83	(34)
PBT	333	349	5	89	33	(62)
Tax	(16)	(3)	(79)	(16)	12	(178)
PAT	317	346	9	73	45	(37)

- Higher FY08 profit mainly due to increased urea and compound fertiliser sales volume, increased gross margins for compound fertiliser and new urea service income amounting to RMB26m
- Lower 4Q08 profit due to financial crisis which led to ASP increase lower than cost increase



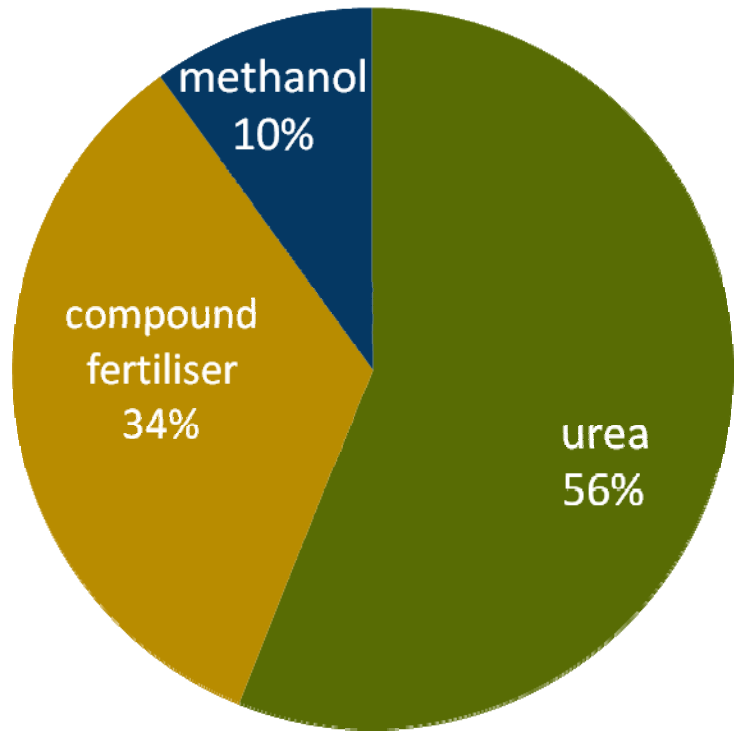
FY2008 Revenue Breakdown by Product

(RMB M)	4Q07	4Q08	%	FY07	FY08	%
Urea	235	347	147	928	1156	24
Methanol	71	35	-51	206	215	4
Compound Fertiliser	98	81	-17	401	708	77

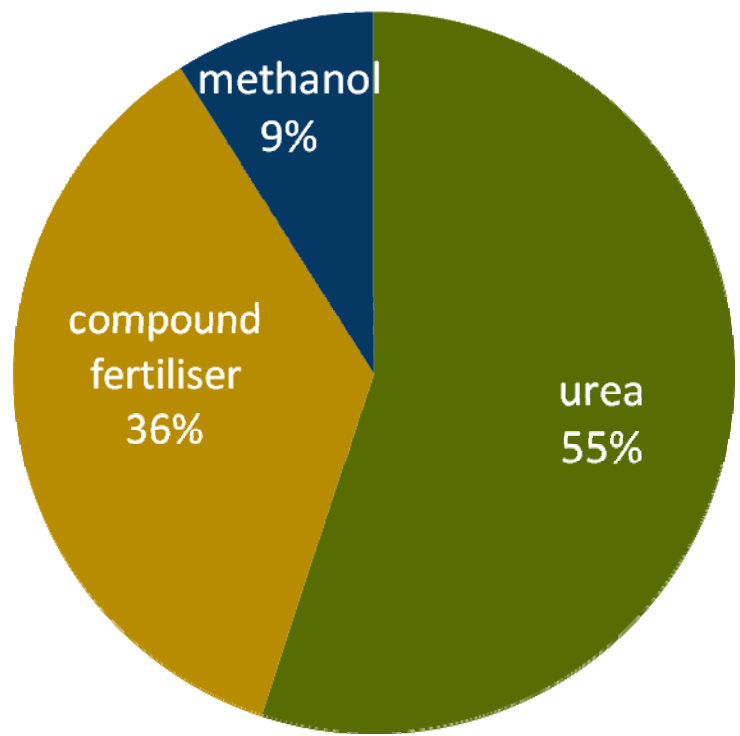


FY2008 Revenue / Profit Breakdown

Revenue



Gross Profit





FY2008 Sales Volume by Product

(RMB'000 tons)	4Q07	4Q08	%	FY07	FY08	%
Urea	142	193	36	593	662	12
Methanol	26	20	-23	92	88	-6
Compound Fertiliser	49	19	-61	229	251	10



ASP by Product

(RMB/ton)	4Q07	4Q08	%	FY07	FY08	%
Urea	1,658	1,670	1	1,565	1,707	9
Methanol	2,761	1,727	-37	2,217	2,452	11
Compound Fertiliser	2,013	4,262	112	1,753	2,821	61



FY2008 Gross Profit Margin

	%	4Q2007	4Q2008	%	FY2007	FY2008	%
Urea		34	18	-16	32	22	-10
Methanol		44	-26	-70	32	19	-13
Compound Fertiliser		15	36	21	14	25	11
Overall		31	18	-13	27	23	-4





Financial Position

(RMB M)	Dec 2007	Dec 2008	Diff
Fixed Asset	1,023	1,690	667
Current Asset	810	792	(18)
Current Liability	(571)	(489)	82
Non-current Liability	(105)	(541)	(436)
Equity	1,156	1,451	295



Financial Position

	Dec 07	Dec 08	Diff
Cash (M)	510	200	(310)
Bank loans (M)	377	578	201
Net gearing (loans-cash)/Equity (%)	Net cash	32.2%	
ST-LT loan ratio	3.19	0.33	-2.86



Cash Flow

(RMB' M)	FY07	FY08	Diff
PBT	333	350	17
Adjustment	(26)	20	46
Operating cash flow	307	370	63
Investing cash flow	(610)	(901)	(291)
Financing cash flow	651	224	(427)
Net cash flow changes	348	(307)	(655)
Opening balance	158	507	349
Closing balance	507	200	(307)



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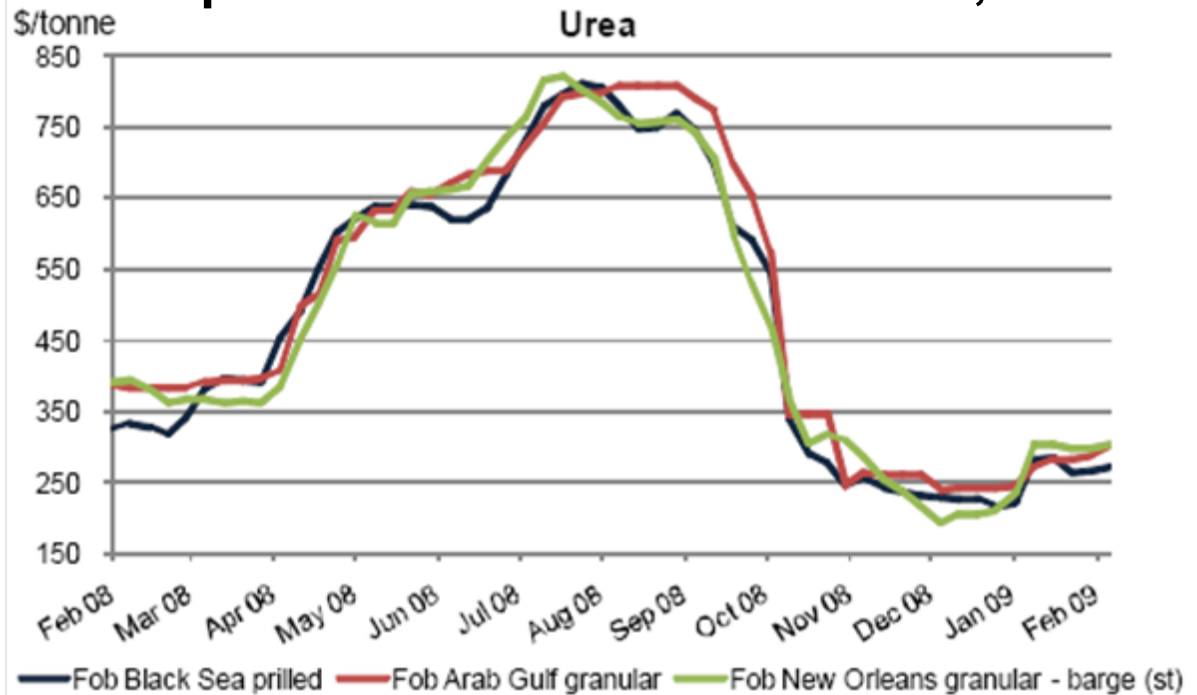




Updates in Recent Regulations/ Events

Price Ceiling Lifted

- Government lifted price ceiling controls effective 25 January 2009
- Removed urea ex-factory price cap of RMB1,725/ton
- Since 2009, international urea price ranged between USD200/ton to USD300/ton
- Chinese domestic urea price increased from RMB1,650/ton to RMB1,780/ton



(Source: Fertilizer Week- British Sulphur Consultants)



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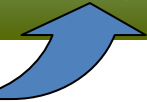

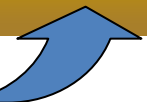

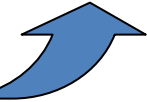


1Q09/FY09 Outlook

Industry	<ul style="list-style-type: none">• Profitability uncertainties due to threats of oversupply• Oversupply led by weak economic fundamentals and low global urea prices• Chinese urea exports uncompetitive at current export tax rate• Price cap lifted by Government, enabling domestic prices to rise recently• China coal price might not decline as much as international coal prices• Possible impact from recent drought in China
Company	<ul style="list-style-type: none">• Capacity increase - urea and methanol increase by third plant by 400k and 50k respectively along with compound capacity increase• Efficiency increase - through technical upgrades, enhance cost efficiency of old plant to catch up with the new one• Start tax payment at 50% of corporate tax rate in FY2009-2011 vs. full tax exemption in FY2008



Future Production Capacities

PRODUCTS		04	05	06	07	08E	09E	10E
Urea	Production Capacity	230	250	315	680	720	920	1,120
	Actual Output	229	250	370 ¹	705	740	 	
	Utilisation Rate (%)	99.6	100	94.3	103.7	102.8	3 rd Plant- 400k	
Compound Fertiliser	Production Capacity	180	260	300	300	300	500	600
	Actual Output	142	161	174	231	253	 	
	Utilisation Rate (%)	78.9	61.9	58.0	77.0	84.3	300k expansion	
Methanol	Production Capacity	35	35	35	100	100	125	150
	Actual Output	39	33	48 ²	93	88	 	
	Utilisation Rate (%)	111.4	94.3	97.1	93.0	88.0	3 rd Plant- 50k	



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Thank you!

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