

主席報告

Chairman's Statement



本集團各項業務已進入收成期，展望未來，我們充滿信心。

The Group's various businesses are bearing fruit, we are full of confidence to our promising future.

二零零六年是集團由住宅開發商轉型為綜合性地產商後的首個財政年度，也是集團取得全面發展、成績斐然的一年。

The year 2006 was the first financial year of the Group after transforming from a residential property developer into an integrated real estate company. It was also a fruitful and remarkable year of comprehensive development for the Group.

這一年，集團實現了住宅開發和出租兩個業務領域並行、高速的業績增長，確立了集團未來盈利構成中物業開發、租金收入和長期資本增值三足鼎立的增長模式。此外，集團在二零零六年大幅增加了土地儲備，進入了一些新城市。除此之外，集團於二零零六年十二月收購了大股東華潤集團位於成都一幅土地及在北京的一幅土地的權益，為集團未來持續、健康、快速地發展奠定了更為堅實的基礎。

In the year, the Group experienced balanced and rapid growth in terms of the results of residential property development and leasing, and established a future profit-generating model comprising three major elements: property development, rental income and long-term capital appreciation. Through its penetration into some new cities, the Group substantially expanded its land bank in 2006. Furthermore, the Group acquired a parcel of land in Chengdu and the interests in a parcel of land in Beijing from CR Holding, our major shareholder, in December 2006. All of the above will lay a solid foundation for the continuous, healthy and rapid development of the Group in the future.

本年度，集團實現綜合營業額及股東應佔溢利分別為港幣39.37億及8.59億，與二零零五年相比分別增長45.4%和123.3%。期內，每股盈利為港幣27.2仙，較上年同期增長11.3%。董事會建議派發末期股息每股港幣5.1仙，加上每股港幣2仙的中期股息，全年每股股息為港幣7.1仙，較二零零五年每股港幣3.3仙的全年股息同比增長115.2%。

The Group's consolidated turnover and profit attributable to shareholders for the year were HK\$3,937 million and HK\$859 million respectively, representing an increase of 45.4% and 123.3% over 2005. Earnings per share was HK27.2 cents representing a year on year growth of 11.3%. The Board of Directors (the "Board") declared a final dividend of HK5.1 cents, together with the interim dividend of HK2 cents per share, making a total dividend of HK7.1 cents per share for the whole year, representing an increase of 115.2% when compared with the final dividend of HK3.3 cents per share in 2005.

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二零零六年集團的利潤率顯著上升，毛利潤率和淨利潤率分別由二零零五年同期的19.4%和14.2%躍升為二零零六年的27.6%和21.8%。從出租業務來看，隨著向大股東華潤集團收購的大型優質收租物業（包括北京華潤大廈、上海華潤時代廣場、深圳華潤中心一期及在建的深圳華潤中心二期）於二零零六年一月一日起正式併入集團損益表，加之各收租物業自身的強勁增長，本期來自收租物業和物業管理的營業額達到港幣約8.16億元，同比大幅攀升411.1%；而住宅開發業務則受全年可結算面積同比增長和銷售價格持續向好因素的驅動，集團住宅開發業務二零零六年營業額上升到港幣31.21億元，年增長達22.5%。

對內地房地產市場的展望

過去兩年，中國政府採取了若干針對房地產市場的宏觀調控政策，在土地供應、融資、稅收和行業秩序等方面實施了若干新的措施，以進一步抑制投機和投資性購買需求，穩定房價，規範住房交易市場秩序，解決部分城市房地產投資規模過大，房價上漲過快的問題。中國政府的調控政策有利於內地房地產市場健康有序的發展。

由於本集團所開發的樓盤普遍為面向自用型客戶的樓盤，宏觀調控措施對非自用性住房需求的某些抑制效應對集團樓盤的銷情未帶來實質影響；另一方面，本集團擁有大量商業物業，這些商業物業基本不受宏觀調控政策（包括最新的土地增值稅清算政策）的影響。

The profit margin of the Group increased significantly in 2006. Gross profit margin and net profit margin surged from 19.4% and 14.2% in 2005 to 27.6% and 21.8% in 2006 respectively. With respect to the rental business, the premier large scale rental properties, which were acquired from our major shareholder CR Holding, including Beijing China Resources Building, Shanghai China Resources Times Square, Shenzhen City Crossing Phase 1 and its currently developing Phase 2, have been consolidated into the Group's profit and loss account since 1 January 2006. Together with the strong underlying growth of its own rental properties, turnover from rental properties and property management soared to HK\$816 million, representing a 411.1% year-on-year increase. Driven by the growth in completion area and selling price for the full year, turnover from residential property development in 2006 increased to HK\$3,121 million, representing a year on year growth of 22.5%.

Outlook of the Mainland Property Market

In the past two years, the PRC government implemented a number of new macro-control measures on the real estate market in terms of land supply, financing, tax and rules and regulations, aiming to further curtail property speculative and investment activities, stabilize property prices and regulate residential property transactions, so as to prevent excessive investment in the property market in certain cities and overshooting of property price. The real estate market in the PRC would benefit from those measures implemented by the PRC government which help maintain a healthy and orderly development.

No impact on the sales of our properties in real terms by such austerity measures has been shown since the properties developed by the Group generally target at end users while those measures are targeted to suppress the speculative demand. On the other hand, the Group has a large number of commercial properties which are not affected by the macro-control measures, including the recently implemented land appreciation tax policy.

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從長期來看，宏觀調控對中國房地產行業和對本集團總體影響是正面的。首先，中國國民經濟的持續快速發展，居民可支配收入和消費能力的提高以及不斷加快的城市化進程將帶動城市中產階層的增長，並為房地產市場提供日益擴大、具實際支付能力的剛性住宅需求。

其次，中國政府將推行的兩稅合併所產生的利好將能部分抵消土地增值稅等政策對盈利和現金流帶來的影響。

再者，宏觀調控將能提高行業的風險意識和風險防範能力，有助於規範行業秩序，因而有利於行業長期可持續地健康發展。

此外，宏觀調控將加速行業整合，促進土地資源的優化配置，從而可能為包括本集團在內的資金實力強、具品牌影響力、專業開發能力強的房地產企業提供難得的發展機會。

發展戰略和前景

集團在過去一年裡進一步深化和完善了發展戰略。集團將致力於在中國內地提供高品質的樓宇產品和服務，通過實施差異化的產品設計和綜合服務，來持續提升地產價值鏈的生產力，塑造華潤置地企業品牌和項目品牌，滿足中等收入以上消費者日益提升的住宅需求和品牌零售商對營業場所以及高端企業對寫字樓的租賃需求，使公司在未來幾年裡發展成為中國地產行業具競爭力和領導地位的綜合型地產公司，在公司規模和淨資產回報率方面達到行業領先水平。

In the long run, the austerity measures will have positive impacts on the domestic real estate industry and on the Group's overall performance. Firstly, with sustained booming of the domestic economy, increasing disposable income and spending power amongst the community, as well as accelerating urbanization, the population of the middle class will continue to grow, generating increasing demand on residential property market with sufficient purchasing power.

Secondly, effect of land appreciation tax on profit and cash flow will be offset partially by the advantages brought by the unification of enterprise income taxes implemented by the PRC government.

Further, industry players will be increasingly aware of risk exposure and more capable of mitigating risk under the macro-economic environment, thereby facilitating an orderly real estate industry, which will ultimately create a sustainable and healthy industry landscape.

Moreover, the implementation of the austerity measures will bring along an accelerated industry consolidation and an optimized allocation of land resources. Industry players with strong capital base, renowned brand name and competent development capabilities, including the Group, are set to capture this valuable opportunity for further expansions.

Strategy and Prospect

Our development strategy was further refined in the past year. Devoted to provide quality properties and services in the PRC, the Group will improve the productivity of the value chain of real estates, and promote the corporate image and project brand of China Resources Land by means of differentiation through unique architectural designs and composite services. We aim at becoming a competitive and leading integrated property company, in terms of company scale and return on net assets, in the PRC real estate industry within the coming years, in order to cater for the increasing demand of residential properties from middle-to-high income consumers, as well as leasing demand of operation premises from brand retailers and offices from high-end corporations.

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根據集團總體發展戰略目標，本集團將繼續向一線城市和相對發達城市以及中型項目傾斜資源，並保持住宅和出租物業的合適比例，力求保持較快的土地增持節奏，並相應形成與戰略匹配的全國性地域佈局。在住宅產品方面，本集團將重點發展以翡翠城為代表的花園洋房為主導的近郊產品系列、以鳳凰城和上海灘花園為代表的高層精裝修房為主導的市區產品系列以及高端產品，同時探討「住宅+大型商場」的住宅產品組合，謀求以大型住宅拉動商業地產的開發，把公司的住宅開發能力及購物商場開發能力在項目上結合，從而發揮兩者的優勢互補。在投資物業方面，本集團將會重點開發並在全國各地複製以大型購物中心為核心的都市綜合體產品系列。在增長方式上，本集團將遵循自主經營、有機增長(organic growth)為主，合資經營、收購兼併為輔的發展路徑。

在二零零六年取得良好業績的基礎上，展望未來，董事會充滿信心。本集團各項業務已進入收成期。在出租物業租金水平持續提升、住宅竣工結算面積大幅增長以及利潤率水平不斷提高等因素的帶動下，本集團未來兩年將繼續保持快速的利潤增長。根據目前估計，集團二零零七年的竣工結算面積將可達到62萬平方米，而二零零八年則會大幅增加至約180萬平方米。

最後，我謹代表董事會，向過去一年裡支持集團發展的各位股東，向為集團取得良好業績做出貢獻的全體員工表達誠摯的謝意。

宋林
主席

二零零七年三月三十日，香港

In accordance with its overall development strategy, the Group will continue to allocate more resources to first-tier cities, relatively developed cities and medium sized projects. The Group will also maintain proper composition of residential and rental properties, accelerate the pace of land bank expansion and foster a strategy-complemented national geographical coverage. With respect to residential properties, our focus will be on low-rise in the suburban area, such as La Firenze, high rise apartments with luxury decoration in the urban area, such as Phoenix City and The Bund Side, and high-end products. Meanwhile, the Group is exploring “residential + large shopping mall” projects, which target to leverage on large scale residential properties to drive the development of commercial properties. We intend to achieve synergies by combining our ability in developing residential projects and shopping malls. Regarding investment properties, we will focus on the development of cosmopolitan complex projects with shopping malls as the core, and will subsequently replicate these products throughout the country. Our strategy is to expand mainly by ways of independent operation and organic growth, together with the establishment of joint ventures and acquisition and mergers.

In view of the outstanding results of 2006, the board of directors is confident of the future. The Group's various businesses are bearing fruit. Profit of the Group will grow rapidly in the next couple of years driven by the increases in rental, completion residential area and profit margin. According to the current estimation, the completion area of the Group will reach approximately 620,000 square meters in 2007 and boost to approximately 1,800,000 square meters in 2008.

Last, on behalf of the Board, I would like to express my sincere appreciation to the shareholders, for their support to the Group's development, and all the staff, for their contribution to the Group's satisfactory results in the past year.

Song Lin
Chairman

30 March 2007, Hong Kong