華潤置地有限公司
China Resources Land Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1109)

ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

Highlights

- Sales for the year ended 31 December 2007 amounted to HK$5,681 million, increased by 44.3% as compared with the corresponding period of 2006.
- Net profit attributable to shareholders for the year ended 31 December 2007 amounted to HK$1,431 million, representing a growth of 66.7% as compared with the corresponding period of 2006.
- Gross profit margin for the year was 36.7% compared with 32.4% last year.
- Net profit margin attributable to shareholders for the year was 25.2% compared with 21.8% last year.
- Earning per share amounted to HK39.8 cents, increased by 44.2% from HK27.6 cents as compared with the corresponding period of 2006.
- As of 31 December 2007, total land bank was 17.79 million square meters, increased by 8.15 million square meters in 2007.
- The Board of Directors declared a final dividend of HK7.4 cents per share. Dividends for the year amounted to HK9.8 cents, representing an increase of 38.0% over last year.

The directors of China Resources Land Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	2007 HK$'000	2006 HK$'000 (Restated)
Revenue	2	5,681,095	3,936,730
Cost of sales		(3,597,462)	(2,662,373)
Gross profit		2,083,633	1,274,357
Gain on changes in fair value of investment properties		799,955	528,551
Other income	3	389,695	202,419
Selling and marketing expenses		(141,504)	(110,814)
General and administration expenses		(275,233)	(238,324)
Impairment loss recognised in respect of available-for-sale investments		-	(158,658)
Share of results of associates		67,715	11,874
Finance costs	4	(152,827)	(176,919)
Profit before taxation		2,771,434	1,332,486
Taxation	5	(1,296,192)	(480,611)
Profit for the year		1,475,242	851,875

Attributable to:

Equity holders of the Company		1,431,082	858,675
Minority interests		44,160	(6,800)
		1,475,242	851,875
Dividends	6		
Paid		281,013	166,048
Proposed		297,865	169,464
Earnings per share	7		
Basic		HK39.8 cents	HK27.6 cents
Diluted		HK39.2 cents	HK27.2 cents

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER

	2007 HK$'000	2006 HK$'000 (Restated)
Non-current assets		
Goodwill	50,423	-
Property, plant and equipment	3,161,640	817,831
Prepaid lease payments	401,735	40,362
Investment properties	8,967,812	7,619,400
Interests in associates	593,600	489,394
Amount due from an associate	237,464	245,070
Available-for-sale investments	196,220	197,305
Deferred taxation assets	374,174	369,403
	13,983,068	9,778,765
Current assets		
Inventory of properties	21,953,226	9,171,918
Prepaid lease payments	923	923
Other inventories	12,734	12,138
Trade receivables, other receivables and deposits paid	6,766,924	4,388,697
Amounts due from customers for contract works	190,784	-
Amounts due from fellow subsidiaries	2,791	3,735
Amounts due from immediate holding company	5,026	-
Tax prepaid	52,532	25,511
Cash and bank balances	4,516,801	3,357,628
	33,501,741	16,960,550
Current liabilities		
Trade and other payables	2,096,676	1,738,495
Deposits received from pre-sales of properties	3,573,992	1,398,610
Amounts due to customers for contract works	124,248	-
Amounts due to fellow subsidiaries	425	85,506
Amount due to immediate holding company	-	1,228,300
Amount due to a minority shareholder	503,084	-
Bank borrowings - due within one year	2,712,212	3,434,031
Taxation payable	863,635	297,372

	2007 HK$'000	2006 HK$'000 (Restated)
	9,874,272	8,182,314
Net current assets	23,627,469	8,778,236
Total assets less current liabilities	37,610,537	18,557,001
Capital and reserves		
Share capital	402,520	332,281
Reserves	21,726,941	11,181,076
Equity attributable to equity holders of the Company	22,129,461	11,513,357
Minority interests	1,482,401	219,817
	23,611,862	11,733,174
Non-current liabilities		
Bank borrowings - due after one year	12,721,736	6,157,538
Deferred taxation liabilities	1,276,939	666,289
	13,998,675	6,823,827
	37,610,537	18,557,001

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]

HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions[3]
HK(IFRIC)-Int 12	Service Concession Arranagements[4]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[5]
HK(IFRIC)-Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 March 2007
[4] Effective for annual periods beginning on or after 1 January 2008
[5] Effective for annual periods beginning on or after 1 July 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

Year ended 31 December 2007

	Sale of developed properties HK$'000	Property investments and management HK$'000	Construction and decoration services HK$'000	Consolidated HK$'000
Revenue				
External sales	4,333,536	986,362	361,197	5,681,095
Result				
Segment result	1,200,551	1,297,377	13,492	2,511,420
Unallocated interest income				79,694
Unallocated other income				310,001
Unallocated corporate expenses				(44,569)
Share of results of associates	-	67,715	-	67,715
Finance costs				(152,827)
Profit before taxation				2,771,434
Taxation				(1,296,192)
Profit for the year				1,475,242

(a) Business segments - continued

Year ended 31 December 2006

	Sale of developed properties HK$'000 (Restated)	Property investments and management HK$'000	Consolidated HK$'000 (Restated)
Revenue			
External sales	3,120,870	815,860	3,936,730
Result			
Segment result	641,769	885,096	1,526,865
Unallocated interest income			73,656
Unallocated other income			128,763
Income from investments			7,120
Unallocated corporate expenses			(80,215)
Impairment loss recognised in respect of available-for-sale investments			(158,658)
Share of results of associates	-	11,874	11,874
Finance costs			(176,919)
Profit before taxation			1,332,486
Taxation			(480,611)
Profit for the year			851,875

(b) *No geographical segment analysis is shown as more than 90% of the Group's businesses are derived from activities in, and from customers located in the Chinese Mainland and more than 90% of the carrying values of assets of the Group are situated in the Chinese Mainland.*

3. OTHER INCOME

	2007 HK$'000	2006 HK$'000
Exchange gain	267,745	113,359
Bank interest income	79,694	73,656
Discount on acquisition of additional non-controlling interests in a subsidiary	20,415	-
Gain on changes in fair value on derivative financial instruments	-	7,120
Gain on disposal of available-for-sale investments	17,570	-
Others	4,271	8,284
	389,695	202,419

4. FINANCE COSTS

	2007 HK$'000	2006 HK$'000
Interest on bank loans wholly repayable:		
Within five years	(659,076)	(342,586)
Over five years	(12,078)	-
Others	(24,322)	-

Total borrowing cost	(695,476)	(342,586)
Less: Amount capitalised in properties under development for specific borrowings	542,649	165,667
	(152,827)	(176,919)

5. TAXATION

	2007 HK$'000	2006 HK$'000 (Restated)
The charge comprises:		
Current tax:		
Hong Kong Profit Tax	(410)	-
Chinese Mainland Enterprise Income Tax	(474,971)	(213,458)
Land Appreciation Tax	(256,965)	(188,833)
Underprovision in prior years:		
Chinese Mainland Enterprise Income Tax	-	(51,751)
	(732,346)	(454,042)
Deferred taxation		
Current year	(185,520)	(26,569)
Attributable to changes in tax rates	(378,326)	-
	(1,296,192)	(480,611)

Provision for Chinese Mainland Enterprise Income Tax for both years has been made based on the subsidiaries' estimated assessable profits calculated in accordance with the relevant enterprise income tax laws applicable to the subsidiaries in the Chinese Mainland.

Hong Kong Profits Tax has been provided at 17.5% of the estimated assessable profits for the year.

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for the Group’s certain subsidiaries from 1 January 2008. For those subsidiaries enjoying privilege rate of 15%, the new tax rate is progressively increasing to 25% over five years. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

The deferred taxation charge attributable to changes in tax rates of approximately HK$387 million resulting from changes in applicable tax rates as mentioned above included the effect of approximately HK$247 million in relation to the deferred tax liabilities of the fair value adjustment arising from the assets injection from the Company's immediate holding company, China Resources (Holdings) Company Limited, in December 2005. The discount arising from such assets injection amounting to approximately HK$1,132 million was credited to the capital reserve account in the consolidated statement of changes in equity for the year ended 31 December 2005.

6. DIVIDENDS

	2007 HK$'000	2006 HK$'000
Dividend paid:		
Interim dividend paid during the year - HK2.4 cents (2006: HK2.0 cents) per ordinary share	90,032	62,712
Final dividend in respect of 2006, approved and paid - HK5.1 cents per ordinary share	169,464	-
Final dividend in respect of 2005, approved and paid - HK3.3 cents per ordinary share	-	102,679
Additional final dividend for prior year due to exercise of share options and placement of new shares	21,517	657
	281,013	166,048

Dividend proposed:		
Final dividend proposed for the year		
- HK7.4 cents (2006: HK5.1 cents) per ordinary share	297,865	169,464

The final dividend of HK7.4 cents per ordinary share in respect of the financial year ended 31 December 2007 has been proposed by the directors of the Company which is based on the latest number of shares of 4,025,201,318 in issue and is subject to approval by the shareholders in the forthcoming general meeting.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2007 HK$'000	2006 HK$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to equity holders of the Company)	1,431,082	858,675

	2007	2006
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,599,933,445	3,109,038,980
Effect of dilutive potential ordinary shares on share options	47,443,349	48,175,061
Weighted average number of ordinary shares for the purposes of diluted earnings per share	3,647,376,794	3,157,214,041

8. COMPARATIVE FIGURES

In prior year, the land appreciation tax was included in the Group's cost of sales. In the current year, the Group considered it is more appropriate to include the land appreciation tax in taxation and therefore, land appreciation tax of HK$256,965,000 (2006: HK$188,833,000) was reclassified from "Cost of sales" to "Taxation". Accordingly, unpaid land appreciation tax of HK$165,917,000 in 2006 was reclassified from "Trade and other payables" to "Taxation payable". The comparative amounts have been restated to conform to the current year presentation.

CHAIRMAN'S STATEMENT

The Group experienced another year of rapid growth in 2007. Fuelled by China's prosperous economy and real estate industry, the Group achieved satisfactory performances in both residential development and property leasing. Furthermore, the Group acquired the construction and decoration businesses from its major shareholder CR Holdings during the year, aiming to further explore its potential in integrating related segments along the full value chain of the property business and strengthen the Group's competitive edge in differentiation, while providing more value-added services to our customers. This strategic move has further solidified our foundation for the Group's sustainable, healthy and rapid growth well into the future.

Annual Results and Dividend Distribution

This year, the Group realized consolidated turnover of HK$5,681 million and profit attributable to shareholders of HK$1,431 million, representing an increase of 44.3% and 66.7% respectively when compared with the year of 2006. Driven by year-on-year increase in completion areas and rising selling prices, turnover from residential development business raised to HK$4,334 million, representing an annual increase of 38.9%. Turnover from property leasing and management amounted to HK$986 million, a 20.9% increase over 2006. In 2007, the Group sustained its margin improvement, with its gross and net profit margin surged to 36.7% and 25.2% respectively from a respective 32.4% and 21.8% for the corresponding period in 2006. Segment wise, the gross profit margin of residential development business surged from 23.8% in 2006 to 32.5% in 2007. Gross profit margin of property leasing and management increased from 65.2% in 2006 to 66.4% in 2007, while that of value-added services in 2007 was 6.0%.

A final dividend of HK7.4 cents per share was recommended. Together with interim dividend of HK2.4 cents per share, this makes a total dividend of HK9.8 cents per share for the full year, representing a year-on-year increase of 38% when compared with a total dividend of HK7.1 cents for the full year in 2006.

Land Bank

The Group accelerated its efforts in replenishing its land bank in a well-planned, differentiated and strategy-guided manner. In consistency with and in support to the Group's overall strategy to foster a nation-wide geographical presence, the Group's land replenishment is implemented under and guided by the following strategic principles: first, resources are geared more towards medium-sized land and towards first-tier, relatively more developed and economically prosperous cities; second, geographic penetrating into second and third-tier cities is to be made on a prudent basis with strategic guidance and differentiated plans. As of the end of 2007, including acquisition of Wuxi, Hangzhou and Dalian projects from our major shareholder CR Holding, we replenished 14 parcels of land sites, raising our land bank by 8.15 million square metres to 17.79 million square metres. Along with the rapid increase in the total size of our land bank, we maintained an appropriate land bank profile with an optimal ratio between the land bank for residential development and that for investment property. During the year, we entered into 7 new cities namely Chongqing, Xiamen, Tianjin, Mianyang, Hangzhou, Wuxi and Dalian, expanding our geographic reach from 9 cities to 16, complementary to our well-formulated nation-wide expansion strategy. As a result, the Group has by now established its strong footholds in major cities that are important for China's real estate market, and our land bank is now sizeable enough to meet the needs of rapid growth for the coming years. In cities already entered, we would spade husbandry to enhance and strengthen the sustainability in business development of those city companies.

Strategy

In the past year, the Group continued to adhere to our mission "to provide quality and innovative property products and services to improve people's life; to be socially responsible in this era of rapid social and economic evolution era; and to maximize the value for its shareholders and employees". We are committed to provide quality property products and services in Mainland China to persistently enhance productivity along the full value chain of all property segments by way of differentiation in our product design and integration of our service, to cater for the increasing demand for residential properties from middle to high income consumers, the demand for rental premises from brand retailers and that for office space from high-end corporate clients, and by doing so, to raise growing awareness of our brand both at the group and project levels. Ultimately, the Group aim to become a competitive and leading integrated provider of quality property products and services in the real estate market in Mainland China, and to become an industry leader both operationally in terms of the scale of our business and financially in return, such as ROE in a near future.

To satisfy our needs of providing differentiated and customized products and services, the Group acquired construction and decoration operation from our major shareholder CR Holdings at a consideration of HK$170 million during the year. This strategic move has further allowed the Group to successfully transform its business model from "residential development + investment property" to "residential development + investment property + value-added customer services", and, in turn, further strengthened the Group's competitive edge in differentiation, thus paved the way to enhance the Group's future profitability.

Prospects

Further to the austerity measures implemented in 2005 and 2006, this year, the central government adopted certain new measures in relation to land supply, monetary and fiscal policies, industry regulation and market entry, aiming to further dampen speculative and investment demands, stabilize property prices and regulate residential property transactions. They also aim to cool down escalated property prices and excessive investment in property market in certain cities, so as to maintain a stable, rational and sustainable development for the real estate industry.

We believe that the government policy mainly targeted to curtail speculative investment activities, enhance residential security for low-income population and encourage end user demand. The Group's land bank is primarily located in city centers. In addition, we only have a minimal exposure in our land bank in "Pearl River Delta" area, where property prices surged the most in recent years and thus under imminent downside pressure. Further, the Group's products are generally targeted to meet end-user demands. Therefore, the impact of austerity measures on us is relatively small. Besides, the Group owns a large number of commercial properties which are less affected by austerity measures. In the long run, factors supporting the long-term growth of real estate property market (including sustainable economic growth, urbanization and demand for better living conditions) still exist and the potential market demand remains huge. We expect the real estate industry in China to regain its stable development, after a short period of transitional adjustments and we remain bullish on the long term prospects of the industry.

Looking into the future on a basis of our outstanding performance achieved in 2007, the Board of Directors is full of confidence about our promising future. Driven by factors such as the significant increase in residential completion area, profit margin and rental income, the Group is capable of sustaining its rapid growth rate while creating greater value to its shareholders and employees.

Last but not the least on behalf of the Board, I would like to express my sincere appreciation to shareholders for their support to the Group's development, and to all the employees, for their contribution to the Group's satisfactory results in the past year.

Song Lin
Chairman

28 March 2008, Hong Kong

Management Discussion and Analysis

Review on Residential Property Business in 2007

In 2007, residential property development business achieved impressive results. During the period, sales volume of residential properties rose significantly and the average selling prices of all projects increased, by varying degrees, over those of 2006. Phase 3 of the Phoenix City in Beijing, Oak Bay in Beijing, the Bund Side in Shanghai, and Phase 2 of the Phoenix City in Wuhan all recorded rises in average selling prices of more than 30% over the previous year, with Beijing Oak Bay being particularly strong, up 75% over 2006.

The comparatively satisfactory sales volume and selling prices have not only led to a substantial rise in profit from the development business in 2007, but also set a strong foundation for the Group's profitability in 2008. By the end of December 2007, contracted value of our property sales in 2007 increased by approximately 42% year-on-year to RMB5,623 million, while the area sold grew by 32% year-on-year to approximately 580,778 square metres.

Detailed sales breakdown for 2007 in various cities are set out as follows:

City	Contract Value RMB'000	%	Area sold Square Metres	%
Beijing	1,952,181	34.7	113,359	19.5
Shanghai	717,839	12.8	26,175	4.5
Chengdu	2,383,362	42.4	336,546	58.0
Wuhan	224,747	4.0	30,429	5.2
Hefei	345,013	6.1	74,269	12.8
Total	**5,623,142**	**100.0**	**580,778**	**100.0**

In 2007, Beijing and Chengdu were the most important income sources of the Group. Contracted value from the two cities amounted to RMB4,336 million, and contracted area was 449,905 square metres, accounting for approximately 77.1% and 77.5% of the Group's total respectively. The three major sales contributors in Beijing in 2007 included Phase 2 and 3 of Phoenix City and Oak Bay projects, while those of Chengdu in 2007 included Jade City, Phoenix City and Twenty-Four City.

In Beijing, the sales volume and prices of the Group's residential properties in Zone B2 and B3 of Oak Bay both exceeded our expectations. While contracted value totalled RMB844 million, the annual average selling price reached RMB15,000 per square metre, representing an increase of 75% over that for Zone A1 in 2006. Timely grasping the uprising trend of high-end residential properties during the year, Phase 3 of Phoenix City was able to make good use of the trend in rising prices for high-end residential properties during the year and achieved sales area of 41,154 square metres and annual contracted value of RMB888 million. The sales results of the remaining residential properties of Phase 2 of Phoenix City was also satisfactory in the year and the contract value secured amounted to RMB120 million with an increase of 8% in its average selling price. As at the end of the year, the aggregate area sold accounted for 96% of the total saleable area of the residential properties in Phase 2 of the Phoenix City.

In Shanghai, due to the hot sales of the block from the second batch of Phase I of The Bund Side launched in the previous year, another block with 77 units was launched at the end of March 2007.A total of 38 sales contracts were secured on the launching day, while over two-third of the units were sold within a month after launching. In September 2007, the Group launched the block of Phase 1 of The Bund Side namely "12 Aristocratic Family", and 6 units were sold within that month, representing a sales ratio of 50%.

In Chengdu, after three years of successful sales, the Jade City brought to the market its Phase 3 and 4 in 2007. A total of 183,260 square metres were sold during the year with an aggregate contracted value of approximately RMB1,332 million. Together with the strong sales of the Jade City, the Group's other two projects in Chengdu, Phase 1 of Phoenix City and Phase 1 of Twenty-Four City, were put on sale in September and November respectively. In two to three months since launching, these two projects had secured contracted values of RMB440 million and RMB490 million respectively. In particular, the Phoenix City Project received overwhelming responses and sold 92% of the 347 units on the launching day.

In Wuhan, sale results were also encouraging. Taking advantage of amicable market conditions, our Phoenix City in Wuhan achieved satisfactory results in maximise premium in selling prices, while recorded a strong growth in overall sales volume. The sales during the year increased 41% over last year with contracted value amounted to RMB225 million.

Sales efforts for the French Annecy Project were primarily focused on Zone B of Phase 1 and Zone D/ E of Phase 2. The project had secured contracted value of RMB345 million during the year.

The following table shows the sales details of the Group by projects in 2007:

	Location	Expected Completion Date	Project Type	Total GFA	Accumulated area sold as at 31 December 2007 (Sqm)	Area Sold in 2007 (Sqm)	Average selling Price in 2007 (RMB/ Sqm)
Phoenix City Phase 2	Beijing	Completed	High Density Residential	185,030	121,597	7,399	16,265
Phoenix City Phase 3	Beijing	Completed	High Density Residential	171,583	96,893	41,154	21,581
Oak Bay Residential	Beijing	December 2008	High Density Residential	867,500	141,463	57,245	15,123
Other Residential	Beijing	Completed		NA	NA	4,629	12,188
Car Park	Beijing	Completed		NA	NA	2,932	7,368
The Bund Side Phase 1	Shanghai	December 2008	High Density Residential	94,222	64,303	26,175	27,425
Chengdu Jade City Phase 2	Chengdu	Completed	Middle-Low Density Residential	178,668	168,645	4,953	11,419
Chengdu Jade City Phase 3	Chengdu	December 2008	Middle-Low Density Residential	189,409	170,939	122,014	7,214

Chengdu Jade City Phase 4	Chengdu	December 2008	Middle-Low Density Residential	333,426	61,246	61,246	7,375
Chengdu Twenty-Four City Phase 1	Chengdu	June 2009	High Density Residential	362,764	66,938	66,938	7,318
Chengdu Phoenix City Phase 1	Chengdu		High Density Residential	394,255	64,271	64,271	6,846
Other Residential	Chengdu	Completed		NA	NA	532	5,073
Car Park	Chengdu	Completed		NA	NA	16,592	3,763
Wuhan Phoenix City	Wuhan	Completed	High Density Residential	157,300	106,954	30,429	7,385
French Annecy Project	Hefei	June 2008	Middle-Low Density Residential	226,892	129,567	74,269	4,645

Information of the projects completed and booked in 2007
Details of the projects booked and turnover of the Group in 2007 are listed below:

At the end of December 2007	Area booked (Sqm)	Turnover recognised (HK$'000)
Phoenix City Phase 2	7,399	123,580
Phoenix City Phase 3	44,993	991,402
Oak Bay	85,065	767,463
Fortune Island	28,779	170,641
Others	3,669	58,983
Beijing Subtotal	169,905	2,112,069
The Bund Side	24,093	566,544
Chengdu Jade City	158,824	1,091,709
Wuhan Phoenix City	30,429	230,792
Hefei French Annecy	71,604	332,422
Total	**454,855**	**4,333,536**

Review on Rental Business in 2007
As at 31 December 2007, total book value of the Group's investment properties amounted to HK$8,968 million, including a revaluation gain of HK$595 million after deferred taxation according to an independent third party's appraisal. As a result, the investment properties accounted for 18.9% of the total asset of the Group. During the period, turnover of the rental business and property management business amounted to HK$986 million, representing a significant increase of 20.9% over last year; while the percentage to the Group's total turnover was 17.4% in 2007. Along with the surge of turnover of the rental business, the EBITDA profit margin also soared from 78.1% in 2006 to 80.3% in 2007.

In 2007, the substantial improvement in the performance of the rental business was mainly attributable to both the persistent high occupancy rate and further increases in rental rates. In particular, consolidated rental from Shenzhen City Crossing increased by 32.5%. CR Times Square also experienced a growth of 22.8% in its rental income over 2006, led by a rise in its occupancy rate as well as an increase of 6.0% in overall rental rates.

The following table sets out the turnover and occupancy rates of the key investment properties:

	Turnover (HK$'000)			Average occupancy rate(%)		
Investment property company	2007	2006	%yoy	2007	2006	%yoy
Beijing China Resources Building	132,153	121,435	8.8	100.0%	96.1%	3.9
CR Times Square	164,198	138,949	18.2	95.5%	94.4%	1.1
Shenzhen City Crossing	474,620	370,314	28.2	99.7%	99.1%	0.6
CR Land Beijing	92,467	78,303	18.1	94.5%	95.4%	-0.9
Property Management	122,924	106,859	15.0	N/A	N/A	N/A

The details of the Group's key rental properties in the PRC are set out as follows:

Property Name	Location	Interest attributable to the Group	Total GFA	Attributable GFA (Sqm)	Usage
Shenzhen City Crossing Phase 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	Carpark
Hua Rui Building	Shenzhen	100%	13,789	13,789	Hotel
Shanghai 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 Shopping Area	Beijing	95.62%	14,105	13,487	Retail
U-Space Mall	Beijing	95.62%	10,685	10,217	Retail
Jing Tong Shops	Beijing	95.62%	17,952	17,166	Retail
Beijing Phoenix City Commercial Street	Beijing	95.62%	13,210	12,631	Retail
Huawei Centre	Beijing	47.81%	54,214	25,920	Residential/ Retail
Huanan Building	Beijing	15.29%	70,058	10,712	Retail/ Office
Others	Beijing	95.62%	48,697	46,564	Office/ Retail
Total GFA			671,193	577,384	
Comprising: Retail			502,826	411,067	
Office			168,367	166,317	

* *Not including Shenzhen City Crossing Phase 2 (191,039 square metres), which is under construction, The MIXc in Hangzhou (463,477 square metres); Beijing Oak Bay (160,000 square metres); Beijing Phoenix Plaza (176,386) square metres.*

Value Added Service

After the acquisition of construction business (China Resources Construction Corporation --CRCC), the Group resorted to its expertise, identified common issues of customers' concerns in relation to construction quality and analysed reasons for and worked out long term solutions to those issues. The Group has established the new residential construction quality standards and management requirements to further optimise the construction quality management system of the Group. In 2007, Phase 1 of the Phoenix City in Wuhan, for which CRCC was the master contractor, was awarded a "Huanghe Prize" by Wuhan City for its excellence in quality (武漢市黃鶴杯優質工程), Phase 2 of the Phoenix City in Wuhan was even granted by Hubei Province as a quality structural work (湖北省優質結構工程). In addition, the construction quality of Phase 2 of Shenzhen City Crossing ranked top in Shenzhen City in 4th quarter inspection of 2007and was thus received public praises by the Shenzhen Construction Quality Supervision Centre.

Upon acquisition of decoration business, the Group started to apply its expertise in process standardization, details quality management and customised service in various projects of the Group. The acquisition thus benefited the Group in multiple areas such as residential decoration, showroom decoration, cost control and enhancement of decoration quality.

Land Bank

In 2007, the Group added 8.2 million square metres to its land bank portfolio at a total cost of RMB12,764 million (including RMB4,241 million as the consideration for land bank acquisition from CRH, which was satisfied entirely by issuing new shares to CRH) The table below shows the details of the Group's land bank newly added in 2007:

Project Name	**Location**	**Total GFA (Sqm)**	**Total Land Premium/ Acquisition Price (RMB'0000)**	**Product Nature**
Chengdu Oak Bay Project	Chengdu	528,156	83,465	High Density Residential
Wuhan Zhongnan Project	Wuhan	61,228	16,126	High Rise Commercial Residential
Hefei Shushan District Project	Hefei	373,664	35,961	Residential/Commercial

Ningbo Dongqianhu Project	Ningbo	11,554	4,970	Middle-Low Density Residential
Changsha Wangjiang Project	Changsha	540,000	84,000	High Density Residential
Xiamen Oak Bay Project	Xiamen	380,771	195,600	High Density Residential
Ningbo［慈溪］Project	Ningbo	367,610	118,500	High Density Residential
Tianjin［雙港新家園］Project	Tianjin	152,200	78,010	Middle-High Density Residential
Chongqing［前衛儀錶廠］Project	Chongqing	572,306	88,763	High Density Residential
Mianyang［科創園］Project	Mianyang	861,916	55,100	Middle-Low Density Residential
Beijing［大興15#地］	Beijing	153,956	91,822	Middle-Low Density Residential
Hangzhou [MIXc] Project	Hangzhou	812,980		Hotels, Mall, Residential
Wuxi［太湖國際社區］Project	Wuxi	1,832,426	424,124	Residential/Commercial
Dalian［海中國］Project	Dalian	1,501,151		Residential/Commerical
Total		**8,149,918**	**1,276,441**	

Together with our existing land bank, the aggregate land bank of the Group amounts to 17.79 million square metres in terms of gross floor area. Details of land bank except operational rental properties are listed below:

City	Property under Development	Completed Property	Total GFA
	(Sqm)	(Sqm)	(Sqm)
Beijing*	1,682,993	302,423	1,985,416
Shanghai	491,373	2,083	493,456
Shenzhen	302,078	-	302,078
Chengdu	4,714,775	52,092	4,766,867
Wuhan	61,228	53,165	114,393
Hefei	482,679	11,949	494,628
Hangzhou**	812,980	-	812,980
Wuxi**	1,832,426	-	1,832,426
Ningbo	557,562	-	557,562
Dalian	1,501,151	-	1,501,151
Chengsha	2,163,471	-	2,163,471
Suzhou	128,093	-	128,093
Chongqing	572,306	-	572,306
Mianyang	861,916	-	861,916
Xiamen	380,771	-	380,771
Tianjin	152,200	-	152,200
Total	**16,698,002**	**421,712**	**17,119,714**

* *The Group's interest in Oak Bay Project in Beijing is 97.8% , and interest in other Beijing projects is 95.62%.*

** *The Group's interests in Hang Zhou and Wu Xi Projects are both 60%.*

Substantial increase in land bank of the Group has further solidified its foundation for continuous growth. Along with additions of our land bank, the Group's geographic reach has been extended accordingly to Chongqing, Xiamen, Tianjin, Mianyang, Hangzhou, Wuxi and Dalian, making it from 9 to 16 cities by the end of 2007.

Fund-raising through Share Placement, Borrowings and Debt Ratio

In May 2007, the Group raised a net proceed of approximately HK$3,922 million by placing 400 million new shares at a net price of HK$9.81 per share to independent investors. As of 31 December 2007, the Group had consolidated borrowings of HK$15,434 million, as well as cash and bank balances of HK$4,517 million. The Group's net debt to equity ratio stood at 49.3%.

As of 31 December 2007, 46.6% and 53.4% of the Group's borrowings were denominated in Renminbi and HK dollars respectively. Among the total borrowings, approximately 17.6% of the bank borrowings are repayable within one year while the rests are all long term borrowings. As of 31 December 2007, all of the Group's borrowings denominated in foreign currencies are interest-bearing at floating interest rates. The Group managed to maintain its borrowing cost at relatively low levels. The Group's current borrowing costs of the HK dollars loans were less than 5.8% per annum and that of Renminbi loans stood at 10% below the benchmark interest rate, which is the lowest level permitted by relevant regulations. The weighted average interest rate for bank loans was approximately 5.3% per annum during the year.

To prepare for our future development needs, the Group obtained HK$5,000 million 5-year new loans in 2007 at an interest rate of HIBOR plus 0.40%, timely capitalized on the abundant pool of HK dollars in the capital market and the prevailing low-cost funding opportunity.

Employee and Remuneration Policy
As of 31 December 2007, the Group employed approximately 3,073 full time staff in Mainland China and Hong Kong (including its property management and agency subsidiaries). The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. In addition, performance bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage as well as share option scheme.

Corporate Governance
Throughout the year ended 31 December 2007, the Company has complied with the code provisions set out in Appendix 14 to the Rules Governing the listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Code on Corporate Governance Practices) with the exception of the following deviations. The considered reasons are as follows:

Code provision A.4.1: non-executive directors should be appointed for a specific term, subject to retirement and re-election by rotation at annual general meetings.

Except Mr. Chan Mo Po, Paul and Mr. Andrew Y. Yan, other directors of the Company (including executive or non-executive directors) are not appointed for a fixed term. The Articles of Association of the Company stipulate that every director (including executive or non-executive directors) retire and be re-elected at least once every three years. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the Code.

Code provision E.1.2: Chairman should attend the annual general meeting.

Due to business trip, Chairman of the Company did not attend the annual general meeting held on June 4, 2007.

Code provision A.4.2: all directors appointed to fill a causal vacancy shall be subject to election by shareholders at the first general meeting after their appointment.

Mr. Xie Sheng Xi resigned as a non-executive director on 31 August 2007. On the same day, Mr. Li Fuzuo and Mr. Du Wenmin were appointed as non-executive directors of the Company. At the annual general meeting to be held on 30 May 2008, a resolution will be put forth to approve the re-election of Mr. Li Fuzuo and Mr. Du Wenmin as directors of the Company. However, according to the code provision, all directors appointed to fill a causal vacancy shall be subjecto to election by shareholders at the first general meeting after their appointment, i.e. the general meeting of the Company held on 21 December 2007.

Model Code
The Company has adopted the Model Code set out in Appendix 10 to the Listing Rule as code of conduct regarding securities transactions by the directors. Having made specific enquiry with all directors, the Company confirmed that all directors has complied with the required standard set out in the Model Code during the year under review.

Purchase, Sale or Redemption of Listed Securities
Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2007.

Review by Audit Committee
The 2007 Final Results has been reviewed by Audit Committee which comprises four independent non-executive directors.

Final Dividend
The Board has resolved to declare a final dividend of HK7.4 cents per share for the year ended 31 December 2007 (2006: HK5.1 cents) payable on or about 30 June 2008 to shareholders whose names appear on the Register of Members of the Company on 30 May 2008.

Closure of Register
The Register of Members will be closed from 26 May 2008 (Monday) to 30 May 2008 (Friday), both days inclusive. In order to be eligible for the final dividend, all completed transfer forms accompanied by the relevant share certificates

must be lodged with the share registrars of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on 23 May 2008 (Friday).

Publication of Information on the Website of the Stock Exchange

The Company's 2007 Annual Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company in due course.

By Order of the Board
Wang Yin
Managing Director

28 March 2008, Hong Kong

As at the date of this announcement, the executive directors of the Company are Mr. Song Lin (Chairman) and Mr. Wang Yin (Managing Director); the non-executive directors are Mr. Jiang Wei, Mr. Yan Biao, Mr. Liu Yan Jie, Mr. Li Fuzuo and Mr. Du Wenmin; and the independent non-executive directors are Mr. Wang Shi, Mr. Ho Hin Ngai, Bosco, Mr. Chan Mo Po, Paul and Mr. Andrew Y.Yan.