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 2008 INTERIM RESULTS

Highlights

- Consolidated revenue for the six months ended 30 June 2008 amounted to HK$2,781 million, increased by 58.4% as compared with HK$1,755 million for the corresponding period of 2007.
- Consolidated net profit attributable to shareholders amounted to HK$829 million, representing a growth of 44.3%, as compared with HK$575 million for the corresponding period of 2007.
- Gross profit margin for the period was 35.3%, compared with 44.3% and 36.7% for the corresponding period and yearly average of 2007 respectively.
- Net profit margin for the period was 29.8%, compared with 32.7% and 25.2% for the corresponding period and yearly average of 2007 respectively.
- Earning per share amounted to HK20.56 cents, increased by 22.7% as compared with HK16.76 cents for the corresponding period of 2007.
- Completion area amounted to 234,110 sqm, increased by 48.5% as compared with 157,686 sqm for the corresponding period of 2007.
- Other income amounted to HK$551 million, representing a growth of 54.8%, as compared with HK$356 million for the corresponding period of 2007.
- As of 31 August 2008, total land bank was 21.94 million sqm, increased by 4.29 million sqm in 2008.
- The Board of Directors declared an interim dividend of HK3.4 cents per share, increased HK1.0 cent as compared with HK2.4 cents for the corresponding period of 2007.

The directors of China Resources Land Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

	NOTES	Six months ended 30th June, 2008 HK$'000 (Unaudited)	2007 HK$'000 (Restated)
Revenue		2,780,748	1,754,981
Cost of sales		(1,798,570)	(977,794)
Gross profit		982,178	777,187
Other income	6	550,552	355,901
Selling and marketing expenses		(130,118)	(53,597)
General and administration expenses		(215,186)	(109,796)
Share of results of associates		2,178	705

Finance costs	7	(77,425)	(66,550)
Profit before taxation		1,112,179	903,850
Income tax expense	8	(239,420)	(319,738)
Profit for the period		872,759	584,112
Attributable to:			
Equity holders of the Company		829,400	574,705
Minority interests		43,359	9,407
		872,759	584,112
Dividends	9	298,623	190,981
Earnings per share	10		
- Basic		HK20.56 cents	HK16.76 cents
- Diluted		HK20.40 cents	HK16.51 cents

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30TH JUNE, 2008

	30.6.2008 HK$'000 (Unaudited)	31.12.2007 HK$'000 (Restated)
Non-current assets		
Goodwill	50,423	50,423
Property, plant and equipment	1,710,983	1,273,490
Prepaid lease payments	2,389,623	2,399,137
Investment properties	9,825,906	8,967,812
Interests in associates	635,887	593,600
Amount due from an associate	259,281	237,464
Available-for-sale investments	196,489	196,220
Deferred taxation assets	423,859	374,174
Derivative financial instruments	61,972	-
	15,554,423	14,092,320
Current assets		
Inventory of properties	25,764,050	22,097,459
Prepaid lease payments	49,416	41,686
Other inventories	12,243	12,734
Trade receivables, other receivables and deposits paid	10,068,712	6,766,924
Amounts due from customers for contract works	181,320	190,784
Amounts due from fellow subsidiaries	35,082	2,791
Amounts due from immediate holding company	6,968	5,026
Tax recoverable	197,737	52,532
Cash and bank balances	4,852,866	4,516,801
	41,168,394	33,686,737
Current liabilities		
Trade and other payables	2,661,756	2,096,676

	30.6.2008 HK$'000 (Unaudited)	31.12.2007 HK$'000 (Restated)
Deposits received from pre-sales of properties	4,159,204	3,573,992
Amounts due to customers for contract works	210,025	124,248
Amounts due to fellow subsidiaries	19,577	425
Amount due to a minority shareholder	524,978	503,084
Bank borrowings - due within one year	4,419,576	2,712,212
Taxation payable	376,931	863,635
	12,372,047	9,874,272
Net current assets	28,796,347	23,812,465
Total assets less current liabilities	44,350,770	37,904,785
Capital and reserves		
Share capital	403,695	402,520
Reserves	23,962,462	21,726,941
Equity attributable to equity holders of the Company	24,366,157	22,129,461
Minority interests	1,937,422	1,776,649
	26,303,579	23,906,110
Non-current liabilities		
Bank borrowings - due after one year	16,580,688	12,721,736
Deferred taxation liabilities	1,466,503	1,276,939
	18,047,191	13,998,675
	44,350,770	37,904,785

Notes:

1. **INDEPENDENT REVIEW**

The interim results for half year ended 30th June, 2008 are unaudited and have been reviewed by Deloitte Touche Tohmatsu.

2. **BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. **ADJUSTMENTS TO FAIR VALUES OF NET ASSETS OF SUBSIDIARIES ACQUIRED IN PRIOR YEAR**

During the period ended 30th June, 2008, the Group has completed its exercise of assessing the fair values of the respective assets and liabilities acquired in respect of the acquisition of 100% equity interest of Speedy Gain Investments Limited ("Speedy Gain") in December 2007. The acquisition of Speedy Gain was accounted for as the acquisition of assets in last year's financial statements. Upon the completion of the assessment of fair values, the directors of the Company increased the initial carrying amounts of prepaid lease payment, inventory of properties and minority interests by HK$2,038 million, HK$ 144 million and HK$294 million, respectively and decreased the initial carrying amount of the construction in progress (included in property, plant and equipment) by HK$1,888 million. The comparative figures in the condensed consolidated balance sheet have been restated accordingly.

4. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2007, except as described below.

In the current interim period, the Group has applied, for the first time, the following new interpretations ("new Interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning 1st January, 2008.

HK(IFRIC) 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) 12	Service Concession Arrangements
HK(IFRIC) 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recongised.

The Group has not early applied the following new and revised HKFRSs that have been issued by the HKICPA 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]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) 13	Customer Loyalty Programmes[3]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[4]

[1] Effective for annual periods beginning on or after 1st January, 2009
[2] Effective for annual periods beginning on or after 1st July, 2009
[3] Effective for annual periods beginning on or after 1st July, 2008
[4] Effective for annual periods beginning on or after 1st October, 2008

The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group except for the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised). The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

5. SEGMENT INFORMATION

Results for the six months period ended 30th June, 2008

	Sale of developed properties	Property investments and management	Construction and decoration service	Eliminations	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE					
External sales	1,729,335	544,303	507,110	-	2,780,748
Inter-segment sales	-	-	218,806	(218,806)	-
Total	1,729,335	544,303	725,916	(218,806)	2,780,748

5. **SEGMENT INFORMATION - continued**

RESULT					
Segment results	338,690	573,659	11,988	-	924,337
Unallocated other income					294,474
Unallocated corporate expenses					(31,385)
Share of results of associates					2,178
Finance costs					(77,425)
Profit before taxation					1,112,179
Income tax expense					(239,420)
Profit for the period					872,759

Results for the six months period ended 30th June, 2007 (Note)

	Sale of developed properties HK$'000	Property investments and management HK$'000	Consolidated HK$'000
REVENUE			
External sales	1,288,408	466,573	1,754,981
RESULT			
Segment results	362,383	519,957	882,340
Unallocated other income			116,465
Unallocated corporate expenses			(29,110)
Share of results of associates			705
Finance costs			(66,550)
Profit before taxation			903,850
Income tax expense			(319,738)
Profit for the period			584,112

Note: Certain figures have been restated to comply with the presentation of segment information for the current period.

6. OTHER INCOME

	Six months ended 30th June, 2008 HK$'000	2007 HK$'000
Net exchange gain	188,340	76,139
Gain on changes in fair value of derivative financial instruments	61,972	-
Gain on changes in fair value of investment properties	256,078	239,436
Interest income	30,811	35,571
Others	13,351	4,755
	550,552	355,901

7. FINANCE COSTS

	Six months ended 30th June, 2008 HK$'000	2007 HK$'000
Interest on borrowings wholly repayable within five years	(444,772)	(299,419)
Less: Amount capitalised in properties under development included in inventory of properties	367,666	233,701
	(77,106)	(65,718)
Other bank charges	(319)	(832)
Total finance costs	(77,425)	(66,550)

8. INCOME TAX EXPENSE

	Six months ended 30th June, 2008 HK$'000	2007 HK$'000
The charge comprises:		
Current tax:		
PRC Corporate and Foreign Enterprise Income Tax	(119,225)	(133,551)
Land Appreciation Tax	(56,989)	(83,757)
	(176,214)	(217,308)
Deferred taxation		
Current period	(63,206)	(55,419)
Attributable to change in tax rate	-	(47,011)
	(63,206)	(102,430)
	(239,420)	(319,738)

8. **INCOME TAX EXPENSE - continued**

Provision for the PRC Foreign Enterprise Income Tax for current period was made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries in the PRC.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Foreign Enterprise Income tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th 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 33% to 25% for certain subsidiaries from 1st January, 2008.

According to a joint circular of the Ministry of Finance and State Administration of Taxation - Cai Shui [2008] No. 1, dividend distributed out of the profits generated since 1st January, 2008 shall be subject to PRC Enterprise Income Tax and which held by the PRC entity pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment Enterprises and Foreign Enterprises. Deferred tax of HK$10,224,000 on the undistributed earnings has been charged to the condensed consolidated income statement for the six-months period ended 30th June, 2008.

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. On 26th June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30th June, 2008. The estimated average annual tax rate used is 16.5% (Six months ended 30th June, 2007: 17.5%) for the six-months period ended 30th June 2008.

No provision for Hong Kong Profits Tax has been made in the prior period as the Group did not generate any profits subject to Hong Kong Profits Tax for that period.

9. **DIVIDENDS**

On 30th June, 2008, a dividend of HK7.4 cents per share was paid to shareholders as the final dividend for 2007 (Six months ended 30th June, 2007: HK5.1 cents per share was paid as the final dividend for 2006).

The directors have resolved that an interim dividend of HK3.4 cents per share (2007: HK2.4 cents) should be paid to the shareholders of the Company whose names appear in the Register of Members on 10th October, 2008.

10. **EARNINGS PER SHARE**

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

	Six months ended 30th June,	
	2008	2007
	HK$'000	HK$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (Profit for the period attributable to equity holders of the Company)	829,400	574,705

	Number of shares	
	2008	2007
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	4,033,142,774	3,429,417,870
Effect of dilutive potential ordinary shares - share options	32,927,544	50,977,831
Weighted average number of shares for the purpose of diluted earnings per share	4,066,070,318	3,480,395,701

11. **COMPARATIVE FIGURES**

In prior period, the land appreciation tax was included in the Group's cost of sales. In the current period, the Group considered it is more appropriate to include the land appreciation tax in income tax expense and therefore, land appreciation tax of HK$83,757,000 was reclassified from "cost of sales" to "income tax expense". The comparative amount has been restated to conform to the current period presentation. And certain figures of segment information in prior period have been restated to comply with the presentation of segment information for the current period.

CHAIRMAN'S STATEMENT

During the first half of 2008, in the face of economic uncertainties both domestically and internationally and the challenging operation conditions in our industry, the Group resulted and maintained a balanced and steady growth in its core businesses, namely residential property development and leasing.

Results and Dividend for the first half of 2008

According to the unaudited consolidated results of the Group for the six months ended 30th June, 2008, the Group's consolidated turnover and profit attributable to shareholders for the period were HK$2,781 million and HK$829 million respectively, representing an increase of 58.4% and 44.3% over the corresponding period of 2007 respectively. Turnover of the residential development business increased to HK$1,729 million, representing a year-on-year growth of 34.2% as a result of more completion areas and higher selling prices. During the period, turnover attributable to property leasing and management amounted to approximately HK$544 million.

For the first half of 2008, gross and net profit margins of the Group were 35.3% and 29.8% respectively, as compared with 44.3% and 32.7% in the first half 2007, and yearly average corresponding margins of 36.7% and 25.2% for the whole year 2007. For the first half of 2008, gross profit margin of the residential development business was 32.9%, representing a slight decrease from 35.6% of the corresponding period of 2007. The decrease was mainly caused by the fact that the proportion of Beijing Phoenix City Phase 3 with higher gross margin in the first half of 2007 was larger than that of this year. EBITDA profit margin of property leasing and management increased from 64.4% for the corresponding period of 2007 to 70.6% for the first half of 2008, while the gross profit margin of value-added services for the first half of 2008 was 4.7%.

In consistent with its payout policy, the Group declared an interim dividend of HK3.4 cents per share, increased by 41.7% when compared with the interim dividend of HK2.4 cents per share for the corresponding period in 2007.

Land Bank

During the period under review, the Group acquired new quality land bank from its major shareholder China Resources (Holdings) Co., Ltd. ("CR Holdings") in return for shares placed to CR Holdings. The acquired projects will begin to launch presales from the second half of 2008 onwards. By building up a land bank that well matches its national development strategy in terms of its quality and geographic diversity, this acquisition has further solidified its foundation for the Group's sustainable and accelerated growth in the years to come.

Our land bank portfolio is now ideally balanced in its proportion for residential development and investment properties, in its geographic mix. The size of our land bank is sufficient for our development in the coming years. While upholding its principal to ensure healthy cash flow, the Group will only increase its land reserves on a selective basis, and expedite the development of existing land parcels in order to generate more sales and cash inflow.

Development Strategy

Our long-stated and well-articulated mission is to provide quality and innovative properties and services in mainland China to constantly enhance the productivity along the full value chain of the property business by way of differentiation in product design and provision of comprehensive and integrated services. We are also dedicated 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 in order to raise the brand awareness of our products and projects. Ultimately, the Group aims 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 in terms of business scale and of profitability in the coming years.

During the past six months, the Group continued to adhere to its mission and strategy. In line with our strategy, we acquired in the first half of the year furniture manufacturing and sale business from CR Holdings, with a consideration of HK$197 million. This acquisition further enhanced its uniqueness in the Group's business model of "residential development + property investment + value-added customer services". The move allows the Group to further explore integration potential along its value chain of the property business, to strengthen the competitive edge in its differentiated business model and to improve its long-term profitability.

Prospects

Capital markets, both domestic and international, have embraced profound changes in market environment, following the outbreak of the sub-prime mortgage crisis in the United States since last September and in aftermath of much tightened monetary policy adopted in Mainland China since the end of last year. The serious snowstorm at the beginning of the year and the Sichuan earthquake in May also have exacerbated negative impacts on the property market in short-term.

However, the Group believes that the impacts of such external factors will not last long. The underlying factors supporting the long-term development of the property market in the PRC, including sustainable economic growth, on-going urbanisation and expanding demand for living improvement continue to hold firm. Affordability-backed market demand remains strong. The periodic adjustments that we are currently experiencing have not and will not alter the fundamentals leading to a promising future for the industry in the long-run. In the second half of 2008, the Group is scheduled to launch presales of many more projects as those projects meet conditions for presales. In light of the encouraging presale results of its five projects newly launched since August and accumulation of potential buyers in other projects, the Group is confident of achieving satisfactory sales results for the whole year.

As a major integrated real estate company, the Group enjoys advantages in terms of market reputation, financing capability and costs. In addition, the Group's land bank mainly locate in prime areas of major cities, and most of our properties are catered for end-users. Furthermore, the Group is relatively less affected by the downturn of residential property market, thanks to its unique business model and its large portfolio of commercial properties. As a result, the impacts from the current undesirable environment on the Group are relatively insignificant. Despite so, the Group will pay close attention to the market trend, and timely evaluate and adjust product and marketing strategies accordingly. The Board is confident about the Group's full year performance.

Song Lin
Chairman

12 September 2008, Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of the year, both residential development and rental operations of the Group had satisfactory performances. During the period, our projects progressed on schedule, laying down a solid foundation of promising results for 2008 and the coming year.

Review of Residential Development Business in the first half of 2008

For the period under review, the unaudited turnover of Residential Development Business of the Group amounted to HKD1,729 million, with a completion area of 234,110 square metres, representing an increase of 34.2% and 48.5% respectively over the same period of last year.

The following table shows the details of area and turnover booked by projects in the first half of 2008:

As at the end of June 2008	Turnover Recognised (HKD'000)	Area Booked (Sqm)
Beijing Phoenix City Phase 3	147,733	3,625
Beijing Oak Bay	3,779	917
Beijing Other residential developments	12,764	515
Beijing Car Parks	45,797	7,224
Beijing Subtotal	**210,073**	**12,281**
Chengdu Jade City	636,041	97,382
Chengdu Car Parks	4,425	1,057
Chengdu Subtotal	**640,466**	**98,439**
Wuhan Phoenix City	**49,654**	**4,851**
Hefei French Annecy	326,940	54,655
Hefei Car Parks	950	313
Hefei Subtotal	**327,890**	**54,968**
Wuxi Taihu International Community	**501,252**	**63,571**
Total	**1,729,335**	**234,110**

In the second half of 2008, there will be more projects scheduled for completion. A portion of revenue from those projects is already locked in as some of those projects commenced presales from last year. With those projects still available for sales for the remaining period of this year, the management is confident of achieving full year revenue target for the year of 2008.

In the first half of 2008, the Group recorded year-on-year decreases in the contracted sales and the area sold, partly resulted from the fact that most of our sellable projects are planned to be launched in the second half of the year and partly due to unfavourable market conditions. As at the end of June, the contracted value from residential properties was RMB1,582 million, a 21.5% decrease from the same period last year, while the area sold amounted to 172,587 square metres, a 16.4% decrease from the same period last year.

The following table shows the sales breakdown of the Group by cities in the first half of 2008:

Project Name	City	Expected completion date	Project type	Total GFA (Sqm)	Accumulated areas sold as at 30 June 2008 (Sqm)	Area sold in the first half of 2008 (Sqm)	Contract Sales in the first half of 2008 (RMB '0000)
Beijing Phoenix City Phase 3	Beijing	Completed	High density residential	171,583	100,518	3,625	133,792
Beijing Oak Bay Residential	Beijing	December 2008	High density residential	867,500	151,466	10,003	152,209
Beijing Other Residential	Beijing	Completed		NA	NA	506	8,240
Beijing Car Park	Beijing	Completed		NA	NA	7,224	41,476
Beijing Subtotal						**21,358**	**335,717**
The Bund Side Phase 1	Shanghai	December 2008	High density residential	94,222	66,778	2,475	102,522
Shanghai Oak Bay Phase 1	Shanghai	December 2008	Middle-high density residential	83,126	2,555	2,555	102,391
Shanghai Subtotal						**5,030**	**204,913**
Chengdu Jade City Phase 3	Chengdu	Completed	Middle-low density residential	189,409	174,057	3,118	35,526
Chengdu Jade City Phase 4	Chengdu	December 2008	Middle-low density residential	333,426	87,156	25,910	191,508
Chengdu Twenty-Four City Phase 1	Chengdu	June 2009	High density residential	362,764	90,754	23,816	175,631
Chengdu Phoenix City Phase 1	Chengdu	December 2008	High density residential	394,255	88,474	24,203	153,454

Chengdu Car Park	Chengdu	Completed		NA	NA	1,057	4,007
Chengdu Subtotal						**78,104**	**560,126**
Wuhan Phoenix City	Wuhan	Completed	High density residential	157,300	111,805	**4,851**	**45,127**
Hefei French Annecy	Hefei	Completed	Middle-low density residential	226,892	166,293	36,625	201,203
Hefei Car Park	Hefei	Completed		NA	NA	313	860
Hefei Subtotal						**36,938**	**202,063**
Wuxi Taihu International Community Phase 1	Wuxi	December 2008	High density residential	204,464	91,485	**26,306**	**233,777**
Total						**172,587**	**1,581,723**

In the second half of this year, a total of eleven new projects located in Beijing, Shenzhen, Wuhan, Hefei, Hangzhou, Ningbo, Dalian, Changsha, Suzhou, and Chongqing will be launched for sale. Just over the period from 1 August to 10 September, 2008, the Group launched presales in five projects in Dalian, Hangzhou, Ningbo, and Hefei. Detailed sales results are listed below:

Dalian Maritime was launched on 10 September 2008. 78 units were introduced with 36 unites sold out on the launching day, contributing a contracted value of RMB275 million.

Dalian China Sea Phase 1 was launched on 31 August 2008. 327 units were sold on the same day with 611 units introduced at an average selling price of RMB7,400 per sqm. Up to 10 September, 2008, a contracted value of RMB301 million has been realized by this project.

Hangzhou MIXc Residence was launched on 21 August 2008. All 154 units in Block 2 launched were sold out on the same day at an average selling price of RMB28,000 per sqm with a combined contracted value of RMB885 million. On 1 September 2008, 154 units in Block 1 was launched, and up to 10 September 2008, 145 units were sold out, adding another RMB840 million in contracted value.

Ningbo Tuscany Lake Valley was put on sale on 16 August 2008, of which 106 units of townhouse were offered at a price of RMB5 to 7 million per unit. As of 10 September 2008, a total of 43 units were sold with a contracted value of RMB278 million.

Hefei Parklane Project was launched for sale on 3 August 2008. Initially, newly designed units with saleable area of 80 sqm to 142 sqm were offered. 221 out of 277 units were sold on the launching day with a sales rate over 80%, which was the best launching day sale in Hefei property market in 2008. As of 10 September 2008, a total of 235 units were sold, achieving a contracted value of RMB115 million.

As of 10 September, 2008, the Group has achieved a contacted value of RMB4,694 million, increased by 54.6% over the same period of 2007.

In light of the encouraging presale results of its five projects newly launched since August and accumulation of potential buyers in other projects, the Group is confident of achieving satisfactory sales results for the whole year.

Review of the Leasing Operation in the First Half of 2008

As of 30 June 2008, book value of the investment properties of the Group totalled HK$9.83 billion, including a revaluation gain of HK$260 million based on an appraisal conducted by an independent third party during the period. The investment properties accounted for 17.3% of the total assets of the Group. In the first half of 2008, the turnover of property leasing and management business amounted to HK$486 million, representing an increase of 16.7% over the corresponding period last year. Along with rising rental income, the EBITDA profit margin of the leased properties remained at a relatively high level of over 70%. In terms of revenue, China Resources Building Beijing, Shanghai CR Time Square and Shenzhen City Crossing recorded an increase of 20.4%, 9.5% and 24.3% respectively as compared with the same period of the previous year, at respective occupancy rates of 95.2%, 95.8% and 99.6%.

The details of the Group's major leased properties in the PRC are listed below:

Property name	City	Interest attributable to the Group	Total GFA (Sqm)	Attributable GFA (Sqm)	Usage
Shenzhen City Crossing Phase 1			229,938	229,938	
The MIXc	Shenzhen	100%	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			97,139	97,139	
Mall	Shanghai	100%	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	95.80%	36,184	34,664	Retail
Grand Constellation Shopping Mall	Beijing	95.80%	16,787	16,082	Retail
U-Space Mall	Beijing	95.80%	10,685	10,236	Retail
Jing Tong Shops	Beijing	95.80%	17,952	17,198	Retail
Beijing Phoenix City Commercial Street	Beijing	95.80%	13,210	12,655	Retail
Huawei Centre	Beijing	47.90%	54,214	25,968	Residential/Retail
Huanan Building	Beijing	15.29%	70,058	10,712	Retail/Office
Others	Beijing	95.80%	53,459	51,214	Office/Retail
Total GFA			**678,637**	**584,817**	
Comprising: Retail			506,115	413,586	
Office			172,522	171,231	

** Not including Shenzhen City Crossing Phase 2 (191,039 square metres), The MIXc in Hangzhou (463,477 square metres), Beijing Oak Bay (129,295 square metres), Beijing Phoenix Plaza (176,386 square metres), Grand Hyatt Hotel (91,138 square metres) in Dalian and Jade City Commercial (61,167 square metres) in Chengdu, all of which are currently under construction.*

Review of Value-added Services in the First Half of 2008

The acquisition of construction and renovation businesses last year, together with the acquisition of furniture manufacture and supply business in July 2008 from CR Holdings, have materially enhanced the Group's project management and customer service system and further reinforced the Group's competitive advantages at project levels. Turnover and gross margin of the value-added services in the first half of 2008 were HK$507 million and 4.7% respectively.

Land Bank

In July 2008, the Group added 4.29 million square metres to its land bank at a total consideration of HK$9.015 billion, which was satisfied by placing new shares to its major shareholder CR Holdings. Details of the land parcels recently acquired are set out as follows:

Project Name	City	Total GFA (Sqm)	Product Type	Expected Phase 1 completion date
Beijing Mentougou Project	Beijing	348,048	Middle-low Density Residential	2010
Beijing Daxing 17# Project	Beijing	267,115	Middle-low Density Residential	2010
Wuhan Central Park	Wuhan	423,315	Middle-high Density Residential	2009
Chongqing Twenty-Four City	Chongqing	1,916,011	Middle-high Density Residential	2009
Shenyang Oak Bay	Shenyang	1,025,300	Middle-low Density Residential	2009
Dalian Maritime Project	Dalian	312,164	Landmark complex which includes hotel, residential and business areas	2009
Total		**4,291,953**		

After the acquisition, the total land bank of the Group amounts to 21.94 million square metres in terms of GFA. Details are set out below:

City	Total GFA (Sqm)
Beijing*	2,959,931
Shanghai	580,316
Shenzhen	545,805
Chengdu	4,662,005
Wuhan	544,427
Hefei	440,592
Hangzhou*	812,980
Wuxi*	1,768,856
Ningbo	565,754
Dalian*	1,813,314
Changsha	2,205,213
Suzhou	130,393
Chongqing	2,488,317
Shenyang	1,025,300
Mianyang	861,916
Xiamen	380,771
Tianjin	152,200
Total	**21,938,090**

** The Group's interest in Beijing Oak Bay Project is 97.8%, the Group's interest in other Beijing land bank is 95.8%, the Group's interests in land bank in Hangzhou and Wuxi are both 60.0%, while the Group's interest in Dalian Maritime Project is 55.0%.*

A solid foundation for continued growth of the Group has thus laid down with current portfolio of land bank. By now, the Group has further extended its geographic reach to 17 cities, up from 16 cities (with the addition of Shenyang).

Fund-raising through Share Placing, Borrowings and Debt Ratio

As of 30 June 2008, the Group had consolidated borrowings of HK$21 billion, as well as cash and bank balances of HK$4,852 million. The Group's net debt to equity ratio stood at 66.27%, which would have been much lowered if taking into account the new equity added via share placement to CR Holdings in July for the land bank acquisition.

As of 30 June 2008, 50.93% and 49.07% of the Group's borrowings were denominated in Renminbi and HK dollars respectively. Among the total borrowings, approximately 21.05% of the bank borrowings are repayable within one year while others are non-current borrowings. In the first half of 2008, the weighted average interest rate of its bank loans (including Renminbi and HK dollars) was approximately 4.88% per annum.

Employee and Compensation Policy

As of 30 June 2008, the Group had approximately 4,710 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, 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, share option scheme, restricted share award scheme, etc.

OTHER INFORMATION

Corporate Governance

As of 30 June, 2008, the Company has complied with the code provisions set out in Appendix 14 to the Listing Rules(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 on Corporate Governance Practices.

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 30 May, 2008.

Model Code for Securities Transactions by Directors

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, all directors confirmed that they have complied with the required standard set out in the Model Code during the period under review.

Restricted Share Award Scheme

As an incentive to retain and encourage the employees for the continual operation and development of the Group, the Board of the Company resolved to adopt the Restricted Share Award Scheme (the "Scheme") on 30 May, 2008 (the "Adoption Date"). Unless sooner terminated by the Board of Directors, the Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years. According to the Scheme, shares up to 2.5% of the issued share capital of the Company as at the Adoption Date will be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Scheme.

Up to 30 June, 2008, the Company had through Trustee purchased 2,586,000 shares, representing 0.06% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK$29,966,573.77 (including transaction costs). As at the date of this announcement, the purchased shares have been held in trust by the Trustee.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed above under "**Restricted Share Award Scheme**", neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's list securities during the six months ended 30 June, 2008.

Financial Derivative Instruments

During the period under review, the Company timely seized the opportunity of HK$ interest rate downturn caused by the sub-prime mortgage crisis outbreak in the United States, and has fixed the interest costs of a portion of its HK$ loans at relatively low levels by entering into interest rate swap transactions. The swap transactions involved HK$2 billion in total, of which HK$1 billion had a swap period of four years and the rest in a five year period. Thanks to increases in swap rates in the market since our transactions, the Company recorded a mark-to-market gain as disclosed in the interim results.

Review by Audit Committee

The 2008 interim results have been reviewed by Audit Committee which comprises four independent non-executive directors.

Interim Dividend

The Board has resolved to declare an interim dividend of HK3.4 cents per share for the six months ended 30 June, 2008 (2007: HK2.4 cents) payable on or about 21 October, 2008 to shareholders whose names appear on the Register of Members of the Company on 10 October, 2008.

Closure of Register

The register of members will be closed from 10 October, 2008 (Friday) to 16 October, 2008 (Thursday), both days inclusive. In order to be eligible for the interim 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 9 October, 2008 (Thursday).

Publication of Information on the Website of the Stock Exchange

The Company's 2008 Interim 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

12 September 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, Mr. Du Wenmin and Mr. Ding Jiemin; 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.