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 2008

Highlights

- Sales for the year ended 31 December 2008 amounted to HK$9,134 million, increased by 60.8% as compared with the corresponding period of 2007.
- Net profit attributable to shareholders for the year ended 31 December 2008 amounted to HK$2,038 million, representing a growth of 42.4% as compared with the corresponding period of 2007.
- Gross profit margin for the year was 35. 7% compared with 36.7% for 2007.
- Net profit margin attributable to shareholders for the year was 22.3%, as compared with 25.2% in 2007.
- Earning per share amounted to HK46.9 cents, increased by 17.8% from HK39.8 cents in 2007.
- As of 31 December 2008, total land bank was 22.32 million square meters. During the course of 2008, total land bank newly added amounted to 4.29 million square meters.
- The Board of Directors declared a final dividend of HK8.3 cents per share. Dividends for the year amounted to HK11.7 cents, representing an increase of 19.4% over 2007.

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 2008 as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	NOTES	2008 HK$'000	2007 HK$'000
Revenue	3	9,133,605	5,681,095
Cost of sales		(5,875,379)	(3,597,462)
Gross profit		3,258,226	2,083,633
Gain on changes in fair value of investment properties		308,098	799,955
Gain on changes in fair value of inventory of properties transferred to investment properties		61,706	-
Loss on changes in fair value of derivative financial instruments		(100,665)	-
Other income	4	384,379	389,695
Selling and marketing expenses		(341,390)	(141,504)
General and administration expenses		(473,216)	(275,233)
Share of results of associates		97,094	67,715
Finance costs	5	(137,312)	(152,827)
Profit before taxation		3,056,920	2,771,434
Income tax expense	6	(965,596)	(1,296,192)
Profit for the year		2,091,324	1,475,242

	Note		
Attributable to:			
Equity holders of the Company		2,037,631	1,431,082
Minority interests		53,693	44,160
		2,091,324	1,475,242
Dividends	7		
Paid		458,917	281,013
Proposed		391,373	297,865
Earnings per share	8		
Basic		HK46.9 cents	HK39.8 cents
Diluted		HK46.5 cents	HK39.2 cents

CONSOLIDATED BALANCE SHEET

	AT 31 DECEMBER	
	2008	2007
	HK$'000	HK$'000 (Restated)
Non-current assets		
Goodwill	87,459	50,423
Property, plant and equipment	2,263,789	1,273,490
Prepaid lease payments	2,876,565	2,399,137
Investment properties	9,998,305	8,967,812
Interests in associates	731,099	593,600
Amount due from an associate	265,178	237,464
Available-for-sale investments	187,994	196,220
Deferred taxation assets	395,333	374,174
	16,805,722	14,092,320
Current assets		
Inventory of properties	38,024,692	22,097,459
Prepaid lease payments	75,485	41,686
Other inventories	59,363	12,734
Trade receivables, other receivables and deposits paid	9,876,713	6,766,924
Amounts due from customers for contract works	210,929	190,784
Amounts due from fellow subsidiaries	15,598	2,791
Amounts due from immediate holding company	7,629	5,026
Tax prepaid	128,731	52,532
Cash and bank balances	5,553,441	4,516,801
	53,952,581	33,686,737
Current liabilities		
Trade and other payables	4,226,299	2,096,676
Deposits received from pre-sales of properties	5,689,910	3,573,992
Amounts due to customers for contract works	341,963	124,248
Amounts due to fellow subsidiaries	13,098	425
Amount due to a minority shareholder	911,573	503,084
Bank borrowings - due within one year	4,062,895	2,712,212
Taxation payable	686,238	863,635
	15,931,976	9,874,272
Net current assets	38,020,605	23,812,465

Total assets less current liabilities	54,826,327	37,904,785
Capital and reserves		
Share capital	471,535	402,520
Reserves	33,333,600	21,726,941
Equity attributable to equity holders of the Company	33,805,135	22,129,461
Minority interests	2,334,009	1,776,649
	36,139,144	23,906,110
Non-current liabilities		
Bank borrowings - due after one year	17,030,097	12,721,736
Deferred taxation liabilities	1,520,162	1,276,939
Derivative financial instruments	136,924	-
	18,687,183	13,998,675
	54,826,327	37,904,785

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 interpretations and amendments ("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 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) - Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) - Int 12	Service Concession Arranagements
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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.

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

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

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) - Int 18	Transfers of Assets from Customers[7]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2009
[3] Effective for annual periods beginning on or after 1 July 2009
[4] Effective for annual periods ending on or after 30 June 2009
[5] Effective for annual periods beginning on or after 1 July 2008
[6] Effective for annual periods beginning on or after 1 October 2008
[7] Effective for transfers on or after 1 July 2009

The application 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 period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The application of the amendment to HKAS40 “Investment Property” which is contained in HKFRSs (Amendments) “Improvement to HKFRS” may affect the accounting for property under construction or development for future use as an investment property of the Group. The amendment to HKAS 40 brings such property within the scope of HKAS 40 which, therefore, shall be accounted for under the fair value model in accordance with the Group’s accounting policy. Such property is currently accounted for at cost less impairment in accordance with HKAS 16 “Property, Plant and Equipment”. The amendment is to be applied prospectively and is effective for the Group’s financial period beginning 1 January 2009.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. REALLOCATION OF THE NET ASSETS OF SUBSIDIARIES ACQUIRED IN PRIOR YEAR

During the year, the Group has completed an exercise of assessing the appropriate classification of the 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 2007 financial statements.

Upon the completion of the above review, the directors of the Company made certain reclassification entries which 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 consolidated balance sheet have been restated accordingly.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

Year ended 31 December 2008

	Sale of developed properties HK$'000	Property investments and management HK$'000	Construction and decoration services HK$'000	Consolidated HK$'000
Revenue				
External sales	6,949,401	1,131,177	1,053,027	9,133,605
Result				
Segment result	1,814,018	1,021,684	66,368	2,902,070
Unallocated interest income				74,736
Unallocated other income				187,979
Unallocated corporate expenses				(67,647)
Share of results of associates	-	97,094	-	97,094
Finance costs				(137,312)
Profit before taxation				3,056,920
Taxation				(965,596)
Profit for the year				2,091,324

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

(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.

4. OTHER INCOME

	2008 HK$'000	2007 HK$'000
Exchange gain	168,399	267,745
Bank interest income	74,736	79,694
Imputed interest income in respect of amount due from an associate	12,403	-
Government grants *(Note)*	53,658	-
Recovery of other recoverable written off in the prior years	17,933	-
Reversal of allowance for inventory of properties	18,966	-
Discount on acquisition of additional non-controlling interests in a subsidiary	2,708	20,415
Gain on disposal of available-for-sale investments	765	17,570
Others	34,811	4,271
	384,379	389,695

Note: The amount represents mainly the compensations, subsidies and refunds of various taxes as incentives by the government authorities in various cities in Chinese Mainland.

5. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest on bank loans wholly repayable:		
Within five years	(965,188)	(659,076)
Over five years	(16,274)	(12,078)
Total borrowing cost	(981,462)	(671,154)
Fair value adjustment of amount due from an associate	-	(24,322)
Less: Amount capitalised in properties under development for specific bank borrowings	844,150	542,649
	(137,312)	(152,827)

6. INCOME TAX EXPENSE

	2008 HK$'000	2007 HK$'000
The income tax expense comprises:		
Current tax:		
Hong Kong Profit Tax	(1,894)	(410)
Chinese Mainland Enterprise Income Tax	(512,506)	(474,971)
	(514,400)	(475,381)
Land appreciation tax ("LAT") in the Chinese Mainland	(296,581)	(256,965)
Deferred taxation		
Current year	(154,615)	(185,520)
Attributable to changes in tax rates	-	(378,326)
	(154,615)	(563,846)
	(965,596)	(1,296,192)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax has been provided at 16.5% (2007: 17.5%) of the estimated assessable profits for the year.

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.

LAT is calculated at progressive rates on the appreciated value, with certain allowable deductions.

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

7. DIVIDENDS

	2008 HK$'000	2007 HK$'000
Dividend paid:		
Interim dividend paid during the year - HK3.4 cents (2007: HK2.4 cents) per ordinary share	160,294	90,032
Final dividend in respect of 2007, approved and paid - HK7.4 cents per ordinary share	297,865	-
Final dividend in respect of 2006, approved and paid - HK5.1 cents per ordinary share	-	169,464
Additional final dividend for prior year due to exercise of share options and placement of new shares	758	21,517
	458,917	281,013
Dividend proposed:		
Final dividend proposed for the year - HK8.3 cents (2007: HK7.4 cents) per ordinary share	391,373	297,865

The final dividend of HK8.3 cents per ordinary share in respect of the financial year ended 31 December 2008 has been proposed by the directors of the Company which is based on the latest number of shares of 4,715,346,168 in issue and is subject to approval by the shareholders in the forthcoming general meeting.

8. 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:

	2008 HK$'000	2007 HK$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to equity holders of the Company)	2,037,631	1,431,082

	2008	2007
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,347,896,126	3,599,933,445
Effect of dilutive potential ordinary shares on share options	30,706,426	47,443,349
Weighted average number of ordinary shares for the purposes of diluted earnings per share	4,378,602,552	3,647,376,794

CHAIRMAN'S STATEMENT

The year of 2008 was an eventful year. Since the outbreak of the US sub-prime crisis in September 2007, the crisis has been evolving unprecedentedly fast into a global economic crisis in an unprecendented manner and speed, and global credit crunch and demand slump thus resulted has further spread the crisis into real economy, posting a serious threat to fundamental health of global economy. On domestic front, Chinese economy, including its real estate industry, has been negatively impacted in short-term by factors such as the winter storms at the beginning of the year that is the worst in one hundred years, and the Sichuan earthquake catastrophe in May 2008.

Despite many uncertainties surrounding both domestic and international economy and a challenging operating environment, however, the Group has timely and effectively adjusted its products and marketing strategies to cope with evolving market conditions. At the same time, the Group has also made great efforts in strengthening its internal management, and reinforcing its cost control measures with an aim to achieve a higher operating efficiency. As a result, the Group achieved a balanced and steady growth in its two core businesses, namely residential property development and property leasing.

Annual Results and Dividend Distribution

During the year under review, the Group's consolidated turnover and profit attributable to shareholders for the period were HK$9,134 million and HK$2,038 million respectively, representing an increase of 60.8% and 42.4% over the corresponding period of 2007 respectively. As results of a large increase on the sales of residential properties from the same period of 2007, turnover of the residential development business increased to HK$6,949 million, representing a year on year growth of 60.4%. For the year of 2008, the business of property leasing and management sustained its growth, with an annual turnover of HK$ 1,131 million, an increase of 14.7% over the same period of last year.

For 2008, gross profit margin of the residential development business was 33.7%, representing a slight increase from 32.5% of the corresponding period of 2007. The increase was mainly resulted from higher average selling prices for most of our projects and an increased portion of revenue coming from high margin projects. EBITDA profit margin of property leasing business stayed above 70%, while the gross profit margin of value-added services for the full year of 2008 was 12.0%.

In consistence with its payout policy, the Group declared a final dividend of HK 8.3 cents per share. Together with the interim dividend of HK 3.4 cents per share, the annual dividend of 2008 reached HK 11.7 cents per share, increased by 19.4% when compared with the annual dividend of HK 9.8 cents per share for the corresponding period of 2007.

Land Bank

In the first half of 2008, the Group acquired new land parcels from its major shareholder CR Holdings ("CR Holdings") by placing new shares to CR Holdings. The acquired projects began to launch presales from the second half of 2008 onward. 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 the 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, and in its geographic mix. The size of our land bank is sufficient for our development in the coming years. While upholding its principals to ensure healthy cash flow and balance sheet, and to accelerate development of existing land bank, the Group will only increase its land reserves on a selective basis, and constantly focus on acquiring quality land parcels with relatively low costs.

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 in terms of profitability in the coming years.

During the past twelve months, the Group continued to adhere to its mission and strategy. In line with our strategy, we acquired from CR Holdings the furniture manufacturing and sales business in the first half of the year for a consideration of HK$197 million from CR Holding, and also 80% equity interest of Beijing American Club Co., Ltd. on 28 November 2008 at the cost of merely HK$1. The above purchases embodied the essence of our business strategies.

The acquisition of the furniture manufacturing and sales business 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.

Beijing American Club Co. Ltd. is the operating entity of the Beijing American Club. The attributable net book value for the 80% equity was HK$ 3,719,800 as of 31 October 2008. Beijing American Club itself is one of the key tenants and clients of Beijing China Resources Building Co. Ltd, which is a subsidiary of the Group. With a diverse and elite membership culled from both local and expatriate communities, Beijing American Club prides itself on having top drawer professionals, entrepreneurs, ambassadors and celebrities by providing them the exclusive and specialized services on food and beverage, meetings and entertainments. This strategic acquisition not only maintains and enhances the importance and the market image of Beijing China Resources Building as a Grade A office building in the industry, but also plays an influential role in its financial performance.

Prospects

The Group is confident about the sustainability of steady and rapid growth in Chinese economy and the prospect of the real estate industry.

In the second half of 2008, the Chinese government implemented specific measures with an aim to stimulate domestic demand. Correspondingly, the central government adjusted its fiscal policy and adopted a moderately relaxed monetary policy so as to stimulate economy. Since September 2008, most of the local governments also announced and implemented various real-estate specific simulative policies and measures catering to their respective local market conditions. The entire stimulus package not only is requisite for the sustainable growth of the economy, but also has been and will continue to be effective in spurring and releasing massive underlying demand for quality real estate products. The total contracted value and the area sold achieved by the Group this year up to 22 March surged significantly year-on-year respectively to RMB3,058 million and 390,000 square meters . Including the contracted value of RMB 6,110 million property sales that has been achieved in the course of 2008 but is to be recognized in 2009, the Group has so far locked up total revenue of RMB 8,644 million for the residential property development business.

The underlying factors supporting the long-term development of the property market in the PRC, including sustainable economic growth, on-going urbanization and increasing demand for living improvement continue to hold firm. Affordability-backed market demand remains strong. The periodic correction 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.

As a major integrated real estate company, the Group enjoys competitive advantages in terms of market reputation, capability and costs of funding. In addition, the Group's land bank is mainly located 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.

The Board is fully confident of the Group's future development and its upcoming performance.

Song Lin
Chairman

27 March 2009, Hong Kong

Management Discussion and Analysis

In the year of 2008, residential development of the Group delivered satisfactory performance. Meanwhile, our leasing operations also performed well, contributing steady cash flow and profits to the Group. During the period under review, our projects progressed on schedule, laying down a solid foundation of promising results for 2008 and 2009.

Review of Residential Development Business in 2008

For the period under review, the contracted value from residential properties amounted to HKD 7,995 million, with a contracted sales area of 701,130 square meters (Sqm), representing an increase of 42.2% and 20.7% respectively over the same period of last year.

Detailed sales breakdown for 2008 by cities are set out as follows:

City	Contracted Value	Percent	Area Sold	Percent
	RMB'000	%	Sqm	%
Beijing	753,064	9.4%	43,211	6.2%
Shanghai	918,197	11.5%	32,765	4.7%
Chengdu	1,304,376	16.3%	204,230	29.1%
Wuhan	172,503	2.2%	23,164	3.3%
Hefei	430,027	5.4%	79,961	11.4%
Hangzhou	2,653,463	33.2%	96,260	13.7%
Wuxi	310,842	3.9%	42,239	6.0%
Ningbo	331,556	4.1%	23,861	3.4%
Dalian	818,319	10.2%	77,910	11.1%
Changsha	134,756	1.7%	41,566	5.9%
Suzhou	21,282	0.3%	735	0.1%
Chongqing	146,277	1.8%	35,229	5.0%
Total	**7,994,662**		**701,130**	

The following table shows the sales details of the Group by projects in 2008:

Project Name	City	Expected Completion Date	Project Type	Total GFA	Accumulated area sold as at Dec 31 2008	Area Sold in 2008	Average Selling Price in 2008
					(Sqm)	(Sqm)	(RMB/Sqm)
Phoenix City Phase 2	Beijing	Completed	High Density Residential	185,030	121,829	232	20,679
Phoenix City Phase 3	Beijing	Completed	High Density Residential	171,583	109,393	12,500	28,672
Oak Bay Phase 1	Beijing	Dec 2009	High Density Residential	307,157	149,833	16,621	15,473
Eco Living	Beijing	Jun 2010	Middle-Low Density Residential	283,129	5,591	5,036	15,888
Others	Beijing	Completed		NA	NA	738	9,754
Beijing Car Park	Beijing	Completed		NA	NA	8,099	5,763
The Bund Side	Shanghai	Completed	High Density Residential	107,764	78,683	13,965	33,835
Oak Bay Phase 1	Shanghai	Dec 2009	High Density	79,318	18,805	18,800	23,707

			Residential				
Jade City Phase 3	Chengdu	Completed	Middle-Low Density Residential	189,409	174,168	3,158	11,655
Jade City Phase 4	Chengdu	Completed	Middle-Low Density Residential	333,426	147,976	86,730	6,551
Twenty-Four City Phase 1	Chengdu	Jun 2009	High Density Residential	362,764	129,641	62,703	6,514
Phoenix City Phase 1	Chengdu	Completed	High Density Residential	394,255	103,272	39,248	6,139
Car Park of Jade City	Chengdu	Completed		136,685	29,278	12,391	4,035
Phoenix City Phase 2	Wuhan	Completed	High Density Residential	157,300	126,642	20,761	7,784
Wuhan Car Park	Wuhan	Completed		8,324	2,404	2,404	4,540
French Annecy	Hefei	Completed	Middle-Low Density Residential	200,503	165,607	49,036	5,705
French Annecy Car Park	Hefei	Completed		24,983	9,640	4,684	2,594
Park Lane Manor Phase 1	Hefei	Dec 2009	High Density Residential	264,566	26,240	26,240	5,263
MIXc Residence	Hangzhou	Dec 2009	High Density Residential	147,900	96,260	96,260	27,566
Wuxi Taihu International Community Phase 1	Wuxi	Dec 2009	Middle-Low Density Residential	204,464	95,521	30,758	7,330
Wuxi Taihu International Community Phase 2	Wuxi	Dec 2009	Middle-Low Density Residential	230,859	11,480	11,480	7,438
Tuscany Lake Phase 1	Ninbo	Dec 2009	Low Density Residential	77,152	19,898	19,898	14,689
Central Park Phase 1	Cixi	Dec 2010	High Density Residential	31,832	3,949	3,949	9,475
Maritime No.1 Phase 1	Dalian	Dec 2009	Middle-Low Density Residential	108,916	13,046	13,046	26,719
Maritime Phase 1	Dalian	Dec 2009	High Density Residential	244,312	64,864	64,864	7,242
Suzhou Villa	Suzhou	Jun 2010	Low Density Residential	67,942	735	735	28,974
Phoenix City Phase 1	Changsha	Dec 2009	High Density Residential	224,636	41,566	41,566	3,242
Twenty-Four City Phase 1	Chongqing	Dec 2010	High Density Residential	179,485	35,229	35,229	4,152

Details of the projects completed and booked in 2008

During 2008, the Group's residential development business achieved a turnover of RMB 6,949 million with 682,531 Sqm sold, increased by 60.4% and 50.1% respectively over the corresponding period of 2007.

Details of the projects booked and turnover of the Group in 2008 are listed below:

Project Name	Area Booked (Sqm)	Turnover (HK$'000)
Oak Bay	64,775	984,766
Phoenix City Phase 3	14,927	401,687
Phoenix Plaza	29,277	425,463

Others	2,473	81,904
Beijing Subtotal	111,452	1,893,820
The Bund Side	26,774	977,060
Oak Bay	4,171	187,914
Shanghai Subtotal	30,945	1,164,974
Jade City	257,798	1,839,003
Phoenix City	103,272	749,337
Chengdu Subtotal	361,070	2,588,341
Wuhan Phoenix City	23,164	193,741
Hefei French Annecy	69,340	419,404
Wuxi Taihu International Community	86,560	689,123
Total	**682,531**	**6,949,402**

Since the beginning of 2009, the Group's projects have been selling well. As at 22 March 2009, the contracted value of sales was RMB 3,058 million with area sold of 390,000 square meters, both increased significantly over the same period of 2008, as detailed below:

In Beijing, Eco Living, which is located near western 2nd Ring road of the city, is one of the high-end products the Group offered in 2009. The project achieved a contracted value of RMB 294 million with 201 units sold. Since 2009, Phoenix City Phase 3, the Group's another high-end product in Beijing, also had satisfactory sales performances contributing a contracted value of RMB 172 million with 28 units sold. For the Group's Beijing Oak Bay project, 19,600 square meters were sold adding RMB 258 million in contacted value. The Group's business in Beijing had locked in a contracted value of RMB 769 million.

In Shanghai, 113 units of Oak Bay were sold, contributing a contracted value of RMB 176 million.

In Chengdu, 798 units of Jade City Phase 4 were sold with a contracted value of RMB 420 million; while 638 units of Chengdu Twenty-Four City Phase 1 were sold with a contracted value of RMB 360 million; and 137 units of Chengdu Phoenix City Phase 1 were sold with a contracted value of RMB 90 million. The whole Chengdu area had secured a contracted value of RMB 874 million.

In Wuhan, 96 units were sold in Central Park and Phoenix City projects together adding a total contracted value of RMB 121 million.

In Hefei, 182 units of French Annecy and Hefei Park Lane Manor projects together were sold, achieving a contracted value of RMB 99 million.

In Wuxi, Taihu International Community project had satisfactory sales performances with 476 units sold and a contracted value of RMB 326 million.

In Ninbo, Tuscany Lake, one of the Group's high-end products, a total of 15 units were sold with a contracted value of RMB 87 million. Moreover, Ninbo's Cixi Central Park project also achieved a contracted value of RMB 53 million.

In Dalian, Oriental Xanadu and Maritime projects together had a total of 138 units sold, contributing a contracted value of RMB 197 million.

In Changsha, Phoenix City had 452 units sold, with a contracted value of RMB 148 million achieved.

In Suzhou, 9 units,of Suzhou Villa project, another high-end project of the Group, were sold, adding a contracted value of RMB 69 million.

In Chongqing, 240 units of Twenty-Four City were sold, contributing a contracted value of RMB 107 million.

The satisfactory sales performance achieved in 2009 to date have laid down solid foundation of promising results for the whole year of 2009. Together with a contracted value of RMB 6,110 million achieved in 2008 that will be recognized in 2009, the Group has so far locked in development revenue of RMB 8,644 million .

Review of the Leasing Operation in 2008

As at 31 December 2008, the book value of the investment properties of the Group totalled HK$9,998 million, including a revaluation gain of HK$370 million based on an appraisal conducted by an independent third party during the period. The investment properties accounted for 14.1% of the total assets of the Group. In 2008, the turnover of property leasing and management business amounted to HK$967 million, representing an increase of 12.0% over the corresponding period of 2007. Along with rising rental income, the EBITDA profit margin of the leased properties remained above 70%.

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

Investment property company	Revenue（HK$'000）			Average occupancy rate (%)		
	2008	2007	%yoy	2008	2007	Changes in %
Beijing China Resources Building	155,056	132,153	17.3%	96.4%	100.0%	-3.6%
CR Land Beijing Others	84,199	92,467	-8.9%	92.4%	94.5%	-2.1%
CR Times Square	173,707	164,198	5.8%	95.5%	95.5%	0.0%
Shenzhen City Crossing	554,233	474,620	16.8%	99.7%	99.7%	0.0%
Property Management	163,727	122,924	33.2%	N/A	N/A	N/A

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	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	Car Park
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	96.07%	36,184	34,762	Retail
Grand Constellation Shopping Mall	Beijing	96.07%	16,787	16,127	Retail
U-Space Mall	Beijing	96.07%	10,685	10,265	Retail
Jing Tong Shops	Beijing	96.07%	17,952	17,246	Retail
Beijing Phoenix City Commercial Street	Beijing	96.07%	13,210	12,691	Retail
Huawei Centre	Beijing	48.04%	54,214	26,042	Residential/Retail
Huanan Building	Beijing	15.30%	70,058	10,718	Retail/Office
22# Building , Guanyingyuan	Beijing	96.07%	4,155	3,992	Office

Jin Hui Garden	Beijing	96.07%	3,926	3,772	Retail
Building 49, Fortune Island, La Firenze	Beijing	96.07%	5,681	5,457	Retail
Building 1,Plot B2,La Firenze	Beijing	96.07%	2,007	1,928	Retail
Others	Beijing	96.07%	34,729	33,364	Office/Retail
Total GFA*			**675,676**	**582,453**	
Comprising：Retail			501,551	409,549	
Office			174,124	172,903	

** Not including Beijing Phoenix Plaza, Beijing Oak Bay Commercial Property , Shenzhen City Crossing Phase 2 , Chengdu Jade City Commercial Property, Chengdu Twenty-Four City Commercial Property, Chengdu Oak Bay Commercial Property, Mianyang Project Commercial Property, The MIXc in Hangzhou , Wuxi Taihu International Community Commercial Property, Oriental Xanadu Hotel in Dalian and Chongqi Twenty-Four City Commercial Property, all of which are currently under construction. (If including those items, the Group's commercial GFA would total 2,690,470 square metres)*

Review of Value-added Services

The acquisition of construction and renovation businesses in 2007, together with the acquisition of both furniture manufacture and supply business in July 2008 from CR Holdings and the Beijing American Club in November 2008, all 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 2008 were HK$1,053 million and 12.0% respectively.

Land Bank

In July 2008, the Group added 4.29 million square meters to its land bank at a total consideration of HK$9,015 million, which was satisfied by placing new shares to CR Holdings. Details of the land parcels recently acquired are set out as follows:

Project name	Location	Total GFA (Sqm)	Product form
Beijing Mentougou project	Beijing	348,048	Low Density residential
Beijing 大兴 17#地 project	Beijing	267,115	Low Density residential
Wuhan Central Park	Wuhan	423,315	Low Density residential
Chongqing Twenty Four City	Chongqing	1,916,011	Low Density residential
Shenyang Oak Bay	Shenyang	1,025,300	Low Density residential
Dalian Oriental Xanadu	Dalian	312,164	Landmark comprising hotel, residential , commercial areas
Total		**4,291,953**	

After the acquisition, the total land bank of the Group amounts to 22.32 million square meters in terms of GFA. Details are set out below:

Location	Total GPA (Sqm)
Beijing*	2,948,630
Shanghai	567,168
Shenzhen	545,805
Chengdu	4,765,851
Wuhan	474,817

Hefei	412,279
Hangzhou*	808,459
Wuxi *	1,721,440
Ningbo	556,090
Dalian*	1,813,295
Changsha	1,984,242
Suzhou	105,961
Chongqing	3,027,258
Shenyang	1,042,150
Mianyang	1,007,000
Xiamen	361,287
Tianjin	177,182
Total	22,318,914

* *The Group's interest in Beijing Oak Bay Project is 98.0%, the Group's interest in other Beijing land bank is 96.0%, 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 the Group's current portfolio of land bank for its quality and geographic breath. 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 Placement, Borrowings and Debt Ratio

As of 31 December 2008, the Group had consolidated borrowings of HK$21,093 million, as well as cash and bank balances of HK$5,553 million. The Group's net debt to equity ratio stood at 46.0 %.

As of 31 December 2008, 47.6% and 52.4% of the Group's borrowings were denominated in Renminbi and HK dollars respectively. Among the total borrowings, approximately 19.3% of the bank borrowings are due within one year while the remaining are long term borrowings. As of 31 December 2008, the weighted average interest rate of its bank loans (including RMB and HK$) was approximately 5.4% per annum.

Employee and Remuneration Policy

As of 31 December 2008, the Group employed 6,229 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, share option scheme, as well as restricted share award scheme.

Corporate Governance

Throughout the year ended 31 December 2008, 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 for the time being 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 of the board should attend the annual general meeting. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction.

Due to business trip, Chairman of the board did not attend the annual general meeting held on 30 May, 2008. Besides, due to other business commitments or being out of town, all independent non-executive directors did not attend the extraordinary general meeting held on 14 July 2008.

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.

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 31 December, 2008, the Company had through Trustee purchased 19,900,000 shares, representing 0.4931% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK$162,241,728.96 (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 year ended 31 December, 2008.

Financial Derivative Instruments

During the year under review, the Company timely seized the opportunity of current subdued interest rate level 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$3 billion in total, of which HK$1 billion had a swap period of four years and the rest in a five year period. Due to decreases in swap rates in the market since our transactions, the Company recorded a mark-to-market loss as disclosed in the annual results.

Review by Audit Committee

The 2008 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 HK8.3 cents per share for the year ended 31 December 2008 (2007: HK7.4 cents) payable on or about 3 July 2009 to shareholders whose names appear on the Register of Members of the Company on 3 June 2009.

Closure of Register of Members

The Register of Members will be closed from 27 May 2009 (Wednesday) to 3 June 2009 (Wednesday), 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 26 May 2009 (Tuesday).

Publication of Information on the Website of the Stock Exchange

The Company's 2008 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

27 March 2009, 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. Andrew Y.Yan and Mr. Wan Kam To, Peter.