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 2009 INTERIM RESULTS

Highlights

- Consolidated revenue for the six months ended 30 June 2009 amounted to HK$3,378million, increased by 14.3% as compared with HK$2,956 million for the corresponding period of 2008.

- Consolidated net profit attributable to shareholders amounted to HK$1,319 million, representing a growth of 58.9%, as compared with HK$830 million for the corresponding period of 2008.

- Gross profit margin for the period was 39.0%, compared with 35.1% and 35.6% for the corresponding period and yearly average of 2008 respectively.

- Net profit margin for the period was 39.1%, compared with 28.1% and 22.3% for the corresponding period and yearly average of 2008 respectively.

- Earning per share amounted to HK 27.53 cents, increased by 33.7% as compared with HK20.59 cents for the corresponding period of 2008.

- Completion area amounted to 243,357 sqm, increased by 4.0% as compared with 234,110 sqm for the corresponding period of 2008.

- As of 15 September 2009, total land bank was 25.32 million sqm, increased by 3.23 million sqm in 2009.

- As of 15 September 2009, the Group has achieved contracted value of RMB15,473 million with a contracted GFA area of 1,589,876 square meters, representing a respective increase of 229.2% and 324.9% over the same period of last year.

- As of 15 September 2009, the Group has achieved total contracted value of RMB21,583 million that are subject to recognition, including the contracted value of RMB 6,110 million in property sales that was achieved in 2008 but not yet recognized. Specifically, the Group has locked up total revenue of RMB9,527 million from the residential property development for recognition in 2009.

- The Board of Directors declared an interim dividend of HK5.4 cents per share, increased HK2.0 cents as compared with HK3.4 cents for the corresponding period of 2008.

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 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2009

	NOTES	Six months ended 30 June 2009 HK$'000 (Unaudited)	Six months ended 30 June 2008 HK$'000 (Restated and unaudited)
Revenue	4	3,377,895	2,956,261
Cost of sales		(2,061,957)	(1,917,727)
Gross profit		1,315,938	1,038,534
Gain on changes in fair value of investment properties		1,238,743	256,078
Gain on changes in fair value of derivative financial instruments		19,718	61,972
Other income	5	72,966	236,666
Selling and marketing expenses		(191,251)	(150,598)
General and administration expenses		(213,411)	(248,895)
Share of results of associates		11,372	2,178
Finance costs	6	(61,842)	(88,664)
Profit before taxation		2,192,233	1,107,271
Income tax expense	7	(628,868)	(243,192)
Profit for the period		1,563,365	864,079
Other comprehensive income			
Gain on changes in fair value of cash flow hedges		19,968	-
Exchange differences arising on translation to presentation currency		138,208	2,064,660
Other comprehensive income for the period		158,176	2,064,660
Total comprehensive income for the period		1,721,541	2,928,739
Profit for the period attributable to:			
Owners of the Company		1,319,105	830,392
Minority interests		244,260	33,687
		1,563,365	864,079
Total comprehensive income attributable to:			
Owners of the Company		1,467,680	2,771,814
Minority interests		253,861	156,925
		1,721,541	2,928,739
Earnings per share	8		
- Basic		HK27.53 cents	HK20.59 cents
- Diluted		HK27.39 cents	HK20.42 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2009

	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Restated)
Non-current assets		
Property, plant and equipment	1,969,291	2,263,789
Prepaid lease payments	273,913	510,592
Investment properties	13,563,600	9,998,305
Interests in associates	637,917	731,099
Amount due from an associate	288,426	265,178
Available-for-sale investments	188,556	187,994
Deferred taxation assets	468,935	395,333
	17,390,638	14,352,290
Current assets		
Inventory of properties	38,118,188	35,512,151
Prepaid lease payments	6,815	11,523
Other inventories	52,907	59,363
Trade receivables, other receivables and deposits paid	9,502,763	9,876,713
Amounts due from customers for contract works	213,587	210,929
Amounts due from fellow subsidiaries	45,533	15,598
Amount due from immediate holding company	7,656	7,629
Taxation prepaid	235,176	128,731
Cash and bank balances	9,543,360	5,553,441
	57,725,985	51,376,078
Current liabilities		
Trade and other payables	4,245,162	4,226,299
Deposits received from pre-sales of properties	13,036,956	5,689,910
Amounts due to customers for contract works	382,047	341,963
Amounts due to fellow subsidiaries	26,380	13,098
Amounts due to minority shareholders	903,880	911,573
Taxation payable	857,997	686,238
Bank borrowings - due within one year	760,209	4,062,895
	20,212,631	15,931,976
Net current assets	37,513,354	35,444,102
Total assets less current liabilities	54,903,992	49,796,392

	30 June 2009 HK$'000	31 December 2008 HK$'000
	(Unaudited)	(Restated)
Capital and reserves		
Share capital	502,464	471,535
Reserves	35,517,863	29,848,196
Equity attributable to owners of the Company	36,020,327	30,319,731
Minority interests	1,048,193	798,526
	37,068,520	31,118,257
Non-current liabilities		
Bank borrowings - due after one year	15,887,385	17,030,097
Deferred taxation liabilities	1,850,849	1,511,114
Derivative financial instruments	97,238	136,924
	17,835,472	18,678,135
	54,903,992	49,796,392

Notes:

1. INDEPENDENT REVIEW

The interim results for half year ended 30 June 2009 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 Hong Kong Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. 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 31 December 2008 except as described below.

(a) Changes in accounting policy and restatements

Merger accounting for business combination involving entities under common control

In prior years, the Group has accounted for all its business combinations, including those combinations involving entities under common control, under the purchase method. Subsequent to 30 June 2009, China Resources (Holdings) Limited ("CRH") transferred all its equity interest in Day Rejoice Limited and its subsidiaries to the Group. The directors of the Company have determined that the application of merger accounting to this acquisition from CRH being a business combination under common control of China Resources National Corporation ("CRNC"), will provide more relevant and useful information to financial statement users as it better reflects the economic substance of the transaction. The Group and the entities acquired pursuant to this group reorganisation are regarded as continuing entities, and the application of merger accounting is consistent with the other subsidiaries of CRH which have also accounted for the business combinations involving entities under common control of CRNC under merger accounting. Accordingly, the Group has applied the principles of merger accounting based on the guidance set out in Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the HKICPA to business combinations involving entities under the common control of CRNC.

Under merger accounting, the consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party, CRNC.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustments to eliminate share capital of the combining entities or business against the related investment costs have been made to merger reserve in the condensed consolidated statement of financial position.

In addition, the directors of the Company have also revisited the terms and substance of the previous acquisitions of subsidiaries in light of the issuance of HKFRS 3 (Revised) Business Combination in March 2008. They are of the view that several past acquisitions under common control which were previously accounted for as acquisitions of assets meet the required definition of business and should be accounted for as business combination.

Merger accounting has been applied retrospectively to group reorganisations in prior periods involving acquisition of entities or businesses from CRH. The condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the prior periods have been restated to include the operating results of the entities or businesses acquired from CRH as if these acquisitions had been completed at the previous reporting dates or since the dates the respective entities or businesses came under the control of CRNC during the respective accounting periods, whichever is appropriate. The condensed consolidated statement of financial position as at 31st December, 2008 has been restated to adjust the carrying amounts of the assets and liabilities of the entities or businesses acquired from CRH as if those entities or

3. PRINCIPAL ACCOUNTING POLICIES - continued

(a) Changes in accounting policy and restatements - continued

businesses were combined from the date when they first came under the control of CRNC (see below for the financial impact).

The effect of changes in accounting policy and restatements described above on the condensed consolidated statement of comprehensive income for the six months ended 30 June 2008 by line items is as follows:

	Six months ended 30 June 2008 HK$'000 (Originally stated)	Changes in accounting policy and restatements HK$'000	Six months ended 30 June 2008 HK$'000 (Restated)
Revenue	2,780,748	175,513	2,956,261
Cost of sales	(1,798,570)	(119,157)	(1,917,727)
Gross profit	982,178	56,356	1,038,534
Gain on changes in fair value of investment properties	256,078	-	256,078
Gain on changes in fair value of derivative financial instruments	61,972	-	61,972
Other income	232,502	4,164	236,666
Selling and marketing expenses	(130,118)	(20,480)	(150,598)
General and administration expenses	(215,186)	(33,709)	(248,895)
Share of results of associates	2,178	-	2,178
Finance costs	(77,425)	(11,239)	(88,664)
Profit before taxation	1,112,179	(4,908)	1,107,271
Income tax expense	(239,420)	(3,772)	(243,192)
Profit for the period	872,759	(8,680)	864,079
Exchange differences arising on translation to presentation currency, representing other comprehensive income for the period	1,824,336	240,324	2,064,660
Total comprehensive income for the period	2,697,095	231,644	2,928,739
Profit for the period attributable to:			
Owners of the Company	829,400	992	830,392
Minority interests	43,359	(9,672)	33,687
	872,759	(8,680)	864,079
Total comprehensive income attributable to:			
Owners of the Company	2,531,507	240,307	2,771,814
Minority interests	165,588	(8,663)	156,925
	2,697,095	231,644	2,928,739

3. PRINCIPAL ACCOUNTING POLICIES - continued

(a) Changes in accounting policy and restatements - continued

The effect of changes in accounting policy and restatements described above on the consolidated statement of financial position as at 31 December 2008 by line items is as follows:

	31 December 2008 HK$'000 (Originally stated)	Changes in accounting policy and restatements HK$'000	31 December 2008 HK$'000 (Restated)
Non-current assets			
Goodwill	87,459	(87,459)	-
Property, plant and equipment	2,263,789	-	2,263,789
Prepaid lease payments	2,876,565	(2,365,973)	510,592
Investment properties	9,998,305	-	9,998,305
Interests in associates	731,099	-	731,099
Amount due from an associate	265,178	-	265,178
Available-for-sale investments	187,994	-	187,994
Deferred taxation assets	395,333	-	395,333
	16,805,722	(2,453,432)	14,352,290
Current assets			
Inventory of properties	38,024,692	(2,512,541)	35,512,151
Prepaid lease payments	75,485	(63,962)	11,523
Other inventories	59,363	-	59,363
Trade receivables, other receivables and deposits paid	9,876,713	-	9,876,713
Amounts due from customers for contract works	210,929	-	210,929
Amounts due from fellow subsidiaries	15,598	-	15,598
Amount due from immediate holding company	7,629	-	7,629
Taxation prepaid	128,731	-	128,731
Cash and bank balances	5,553,441	-	5,553,441
	53,952,581	(2,576,503)	51,376,078
Current liabilities			
Trade and other payables	4,226,299	-	4,226,299
Deposits received from pre-sales of properties	5,689,910	-	5,689,910
Amounts due to customers for contract works	341,963	-	341,963
Amounts due to fellow subsidiaries	13,098	-	13,098
Amounts due to minority shareholders	911,573	-	911,573
Taxation payable	686,238	-	686,238
Bank borrowings - due within one year	4,062,895	-	4,062,895
	15,931,976	-	15,931,976
Net current assets	38,020,605	(2,576,503)	35,444,102
Total assets less current liabilities	54,826,327	(5,029,935)	49,796,392

3. PRINCIPAL ACCOUNTING POLICIES - continued

(a) Changes in accounting policy and restatements - continued

	31 December 2008 HK$'000 (Originally stated)	Changes in accounting policy and restatements HK$'000	31 December 2008 HK$'000 (Restated)
Capital and reserves			
Share capital	471,535	-	471,535
Reserves	33,333,600	(3,485,404)	29,848,196
Equity attributable to owners of the Company	33,805,135	(3,485,404)	30,319,731
Minority interests	2,334,009	(1,535,483)	798,526
	36,139,144	(5,020,887)	31,118,257
Non-current liabilities			
Bank borrowings - due after one year	17,030,097	-	17,030,097
Deferred taxation liabilities	1,520,162	(9,048)	1,511,114
Derivative financial instruments	136,924	-	136,924
	18,687,183	(9,048)	18,678,135
	54,826,327	(5,029,935)	49,796,392

The financial effect of the changes in accounting policy and restatements to the Group's equity on 1 January 2008 is summarised below:

	1 January 2008 HK$'000 (Originally stated)	Changes in accounting policy and restatements HK$'000	1 January 2008 HK$'000 (Restated)
Share capital	402,520	-	402,520
Share premium	16,219,556	593,006	16,812,562
Capital reserve	1,131,520	(922,538)	208,982
General reserve	96,189	15,996	112,185
Employee share-based compensation reserve	27,570	-	27,570
Merger reserve	-	(4,198,261)	(4,198,261)
Translation reserve	1,278,187	355,632	1,633,819
Retained profits	2,973,919	1,958,579	4,932,498
Minority interests	1,482,401	(862,803)	619,598
	23,611,862	(3,060,389)	20,551,473

3. **PRINCIPAL ACCOUNTING POLICIES - continued**

(b) Adoption of new and revised standards, amendments and interpretations ("new and revised HKFRSs")

In the current interim period, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2009 in relation to the amendment to paragraph 80 of HKAS 39

HKAS 1 (Revised) Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

HKAS 23 (Revised) Borrowing Costs

HKAS 23 (Revised) requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. The option of immediately expensing those borrowing costs is removed. The adoption of HKAS 23 (Revised) does not have any impact to the Group as the Group has already applied the accounting policy of capitalising the borrowing costs which is consistent with HKAS 23 (Revised).

HKFRS 8 Operating Segments

HKFRS 8 requires the presentation of operating segments in a manner consistent with the internal reports that are regularly reviewed by the Group's chief operating decision maker (see note 4 for details). HKFRS 8 replaces HKAS 14 Segment Reporting which required an entity to identify two sets of segments (business and geographical). The adoption of HKFRS 8 has not resulted in redesignation of the Group's reportable segments and has had no impact on the reported results or financial position of the Group.

3. PRINCIPAL ACCOUNTING POLICIES - continued

(b) Adoption of new and revised standards, amendments and interpretations ("new and revised HKFRSs") - continued

HK(IFRIC) - Int 15 Agreements for the Construction of Real Estates

HK(IFRIC) - Int 15 supersedes HK Int-3 Revenue - Pre-completion Contracts for the Sale of Development Properties. HK(IFRIC) - Int 15 clarifies whether HKAS 18 Revenue or HKAS 11 Construction Contracts should be applied to particular transactions. The adoption of this interpretation does not have any material impact to the Group.

Improvements to HKFRSs issued in 2008

HKAS 40 Investment Property has been amended to include within its scope properties under construction or development for future use as investment properties and to require such properties to be measured at fair value (where the fair value is reliably determinable). In the past, the leasehold land and building elements of properties under construction were accounted for separately. The leasehold land element was accounted for as an operating lease in accordance with HKAS 17 Leases and the building element was carried at cost less accumulated impairment losses in accordance with HKAS 16 Property, Plant and Equipment. The Group has applied the amendment to HKAS 40 prospectively from 1 January 2009 in accordance with the relevant transitional provision. As a result of the application of the amendment, the Group's properties under construction for future use as investment properties that include the leasehold land and buildings elements, which were previously included in construction in progress under property, plant and equipment, with carrying amount of HK$648,815,000 as at 31 December 2008 and prepaid lease payments for land with carrying amount of HK$238,274,000 as at 31 December, 2008 have been reclassified as investment properties and measured at fair value of HK$9,998,305,000 as at 1 January 2009 and HK$13,563,600,000 as at 30 June 2009, with the fair value gain being recognised in the consolidated statement of comprehensive income for the six months ended 30 June 2009. Included in the fair value gain for the six months ended 30 June 2009 is the fair value gain of HK$1,093,921,000 that represents the difference between the fair value of the properties as at 1 January 2009 and the previous carrying amount as at 1 January 2009.

3. PRINCIPAL ACCOUNTING POLICIES - continued

(b) Adoption of new and revised standards, amendments and interpretations ("new and revised HKFRSs") - continued

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) - Int 18	Transfers of Assets from Customers[4]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate
[3] Effective for annual periods beginning on or after 1 January 2010
[4] Effective for transfers on or after 1 July 2009

The adoption of HKFRS 3 (Revised in 2008) may affect the Group's accounting for business combination for which the acquisition date is on or after the beginning of the Group's annual reporting period beginning on or after 1 January 2010. HKAS 27 (Revised in 2008) will affect the accounting treatment for changes in Group's ownership interest in a subsidiary that do not result in a loss of control of the subsidiary, which will be accounted for as equity transactions.

The directors of the Company anticipate that the application of other new or revised standards, amendments or interpretations will not have material impact on the results and financial position of the Group.

4. **SEGMENT INFORMATION**

Results for the six months period ended 30 June 2009

	Sale of developed properties HK$'000	Property investments and management HK$'000	Construction and decoration services and others HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE					
External sales	2,360,764	604,442	412,689	-	3,377,895
Inter-segment sales	-	-	711,590	(711,590)	-
Total	2,360,764	604,442	1,124,279	(711,590)	3,377,895
RESULT					
Segment results	550,573	1,588,101	36,833	-	2,175,507
Unallocated other income					92,684
Unallocated expenses					(25,488)
Share of results of associates					11,372
Finance costs					(61,842)
Profit before taxation					2,192,233
Income tax expense					(628,868)
Profit for the period					1,563,365

Results for the six months period ended 30 June 2008 (restated)

	Sale of developed properties HK$'000	Property investments and management HK$'000	Construction and decoration services and others HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE					
External sales	1,729,335	544,303	682,623	-	2,956,261
Inter-segment sales	-	-	218,806	(218,806)	-
Total	1,729,335	544,303	901,429	(218,806)	2,956,261
RESULT					
Segment results	320,267	573,659	32,576	-	926,502
Unallocated other income					298,638
Unallocated expenses					(31,383)
Share of results of associates					2,178
Finance costs					(88,664)
Profit before taxation					1,107,271
Income tax expense					(243,192)
Profit for the period					864,079

4. **SEGMENT INFORMATION - continued**

The following is an analysis of the Group's segment assets by operating segment:

	30 June 2009 HK$'000	31 December 2008 HK$'000
Sales of developed properties	49,434,993	45,627,834
Property investments and management	13,738,217	12,083,043
Construction and decoration services and others	532,383	722,359
	63,705,593	58,433,236

5. **OTHER INCOME**

	Six months ended 30 June 2009 HK$'000	Six months ended 30 June 2008 HK$'000
Net exchange gain	2,037	188,340
Interest income	40,023	30,811
Others	30,906	17,515
	72,966	236,666

6. **FINANCE COSTS**

	Six months ended 30 June 2009 HK$'000	Six months ended 30 June 2008 HK$'000
Interest on borrowings wholly repayable within five years	(295,776)	(448,993)
Interest on borrowings not wholly repayable within five years	(6,377)	(7,018)
Less: Amount capitalised in properties under development included in inventory of properties	243,162	367,666
	(58,991)	(88,345)
Other bank charges	(2,851)	(319)
Total finance costs	(61,842)	(88,664)

7. **INCOME TAX EXPENSE**

	Six months ended 30 June 2009 HK$'000	Six months ended 30 June 2008 HK$'000
The income tax expense comprises:		
Current tax:		
PRC Corporate and Foreign Enterprise Income Tax	(177,486)	(122,997)
Land Appreciation Tax	(184,026)	(56,989)
	(361,512)	(179,986)
Deferred taxation		
Current year	(267,356)	(63,206)
	(628,868)	(243,192)

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	1,319,105	830,392

	Number of shares	
	2009	2008
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,791,717,908	4,033,142,774
Effect of dilutive potential ordinary shares on share options	24,626,816	32,927,544
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,816,344,724	4,066,070,318

9. DIVIDENDS

On 3 June 2009, a final dividend of HK8.3 cents per share for 2008, amounting to HK$416,916,000 in aggregate, was declared and was subsequently paid on 3 July 2009. On 30 June 2008, a final dividend of HK$298,623,000 with HK7.4 cents per share was paid to shareholders as the final dividend for 2007.

The directors have resolved that an interim dividend of HK5.4 cents per share (six months ended 30 June 2008: HK3.4 cents) should be paid to the shareholders of the Company whose names appear in the Register of Members on 12 October 2009.

CHAIRMAN'S STATEMENT

In the first half of 2009, China's economy and real estate industry experienced profound and rapid changes. While the world economy, threatened by the global financial crisis, was risking a recession, the Chinese government has effectively adopted and implemented a series of comprehensive coordinative stimulus policies and measures, including but not limited to, encouraging the investments and spending in real estate sector. The stimulus package has greatly expanded China's domestic investment and consumption, relieved the negative impact of the global financial crisis on China's economy, and played a vital role in assuring a stable growth in domestic economy.

Since the outbreak of global financial crisis, real estate industry being a cornerstone of the overall economy has become more potent. The sector's optimum development has significantly invigorated domestic consumption and multiple sectors in the national economy, helped to maintain steady and healthy growth of China's economy and also effectively enhanced China's economic defensiveness against global financial crisis. All these vital roles of the sector have become more distinct and have won unprecedented attention from both Chinese government and general public. Under the favorable macro-economic and sector-specific policies, China's real estate industry has quickly picked up from the downturn since the second half of 2008 with a comprehensive and sustainable recovery.

In the first half of 2009, the Group has made full use of favorable market conditions and policies, while adhering to the existing and effective products and marketing strategies. At the same time, the Group has made great efforts in strengthening its internal management, and reinforcing its cost control measures with an aim to achieve a higher operating efficiency. Consequently, the Group has not only achieved a balanced and steady growth for the first half of this year in its two core businesses, namely residential property development and property leasing, but also laid down a solid foundation for a strong full year results.

Results and Dividend Distribution in the First Half of 2009

In the first half of 2009, the Group has adopted the interpretation to the "Accounting Standard Agreements for the Construction of Real Estate", which requires to change the timing of revenue recognition of property sales from completion of properties to delivery of properties to the purchasers.

Based on the new accounting policy in the recognition of the revenue from property sales, the Group's consolidated turnover and profit attributable to shareholders in the first half of this year reached HK$3,378 million and HK$1,319 million respectively, representing a respective increase of 14.3% and 58.9% over the corresponding period of 2008. Though affected by the policy changing in the revenue recognition, the residential development business's turnover still recorded a strong increase, rising to HK$2,361 million with a year-on-year growth of 36.5%. In the first half of 2009, the business of property leasing and management sustained its growth, with a turnover of HK$ 604 million, an increase of 11.0% over the same period of 2008.

In the first half of 2009, gross profit margin of the residential development business was 33.9%, representing a slight increase over 32.9% for the corresponding period of 2008 and 33.7% of the whole year of 2008. EBITDA profit margin of property leasing business stayed above 70%.

In consistence with its payout policy, the Group declared an interim dividend of HK 5.4 cents per share, an increase of 58.8% compared to HK 3.4 cents per share for the corresponding period of 2008.

Land Bank

As of the date of this announcement, the Group acquired, through public bidding, auction and listing, four pieces of land in Hefei, Chengdu and Shanghai with a total gross floor area of 872,899 square meters at an aggregated cost of RMB5,326 million. In addition, the Group acquired new land parcels with a total gross floor area of 2,360,891 square meters from its major shareholder China Resources (Holdings) Co., Ltd ("CR Holdings") at a cash consideration of HK$3,570 million. Some of the acquired projects already launched or are scheduled to launch presales from the second half of 2009 onward. By building up a land bank that well matches its national development strategy in terms of quality and geographic diversity, the addition of these new projects has further solidified the foundation for the Group's sustainable and accelerated growth in the years to come.

Our land bank portfolio is 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 continue to increase its quality land reserves on a selective basis in a strategy-guided manner and by strictly sticking to financial criteria and optimizing available resources in terms of geographic mix, product type and land size.

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 and to become an industry leader both in terms of business scale and of profitability in the coming years.

In the past few years, the Group, adhering to its mission and strategy, implemented a series of asset acquisitions and corporate restructuring, including the acquisition of construction and decoration business in July 2007 and furniture manufacturing and distribution business in June 2008, both from CR Holdings, as well as another acquisition in July 2009 of 55% equity interest in Shanghai Commercial Architectural Design & Research Institute Co., Ltd. These acquisitions, on one hand, are the embodiment of the Group's strategic move under the guidance of its "differentiation" business strategy and the unique business model of "residential development + property investment + value-added customer services". On the other hand, the acquisitions further enhanced its competitive advantages in its "differentiated" business model and strategy and will form core elements of the Group's long term competence.

Prospects

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

The active fiscal policies and moderately loose monetary policy adopted by the Chinese government as well as the various policies and measures implemented by local governments to support the property market since the second half of 2008 have effectively stimulated domestic demand and promoted stable economic growth. However, we believe China's economy still faces many risk factors, both on international and domestic fronts. It is therefore reasonable to expect the government to maintain the above economic and industry-specific policies even though appropriate policy fine-tuning is possible. As a result, we expect positive fundamentals will remain both for Chinese economy and real estate market.

As of 15 September 2009, the Group has achieved contracted value of RMB15,473 million with a contracted GFA area of 1,589,876 square meters, representing a respective increase of 229.2% and 324.9% over the same period of last year. Including the contracted value of RMB 6,101 million in property sales that was achieved in 2008 but not yet recognized, as of 15 September 2009, the Group has achieved total contracted value of RMB21,583 million that are subject to recognition. Specifically, the Group has locked up total revenue of RMB9,527 million from the residential property development for recognition in 2009, representing a substantial growth of 64.4% compared with RMB5,787 million for the corresponding period of 2008. We believe that, with new scheduled launchings to come, along with the completion and delivery of the property during the rest of this year, the Group will not only be able to achieve satisfactory full-year results for 2009, but also lay down a solid foundation for a sustained growth in the year of 2010.

In the long term, the Group is committed to continuously enhance its all-around capabilities in internal management and cost controls, in product innovation, marketing as well as risk management. These ongoing efforts, together with the Group's unique business model, will constitute the key components of the Group's core competitive strength, and should, in a long run, put the Group in an invincible position in any macro-economical, industrial and competitive environments. Ultimately, our mission as a respectable and socially responsible corporate entity is to continuously create values for the society, shareholders, customers and our employees.

Wang Yin
Chairman

18 September 2009, Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

For the first half of 2009, residential development and leasing operations of the Group delivered satisfactory performances. During the period under review, both contracted sales and progress of our projects were all on schedule, laying down a solid foundation for promising results of 2009 and 2010.

Review of Residential Development Business in the first half of 2009

After a major correction last year, China’s real estate market has accumulated significant end-user demands, which triggered strong recovery in transaction volume across the country during the first half of 2009. The Group also attained satisfactory performance. In the first half of 2009, the Group recorded a year-on-year increase both in terms of contracted sales and the area sold. As at the end of June, the contracted value from residential properties was RMB 10,074 million with the area sold totaling 1,130,899 square meters, representing a respective increase of 536.9% and 555.3% from the same period of 2008.

Details in sales breakdown by cities during the first half of 2009 are set out as follows:

City	Contracted Value		Area Sold	
	RMB in 000’	%	Sqm	%
Beijing	2,908,361	28.9%	179,833	15.9%
Shanghai	498,876	5.0%	19,950	1.8%

Chengdu	2,010,267	20.0%	317,150	28.0%
Wuhai	343,515	3.4%	30,937	2.7%
Hefei	310,462	3.1%	60,848	5.4%
Hangzhou	24,388	0.2%	773	0.1%
Wuxi	911,499	9.0%	141,086	12.5%
Ningbo	936,835	9.3%	69,722	6.2%
Dalian	1,182,686	11.7%	103,541	9.2%
Changsha	431,478	4.3%	125,264	11.1%
Suzhou	165,943	1.6%	5,541	0.5%
Chongqing	349,782	3.5%	76,254	6.7%
Total	**10,074,091**	**100.0%**	**1,130,899**	**100.0%**

Sales details of the Group by projects in the first half of 2009

Project Name	**City**	**Expected Completion Date**	**Project Type**	**Total GFA**	**Accumulated areas sold as at 30 June 2009(Sqm)**	**Area sold in the first half of 2009**	**Average selling price in the first half of 2009(RMB/ Sqm)**
Phoenix City Phase 2	Beijing	Completed	High density res idential	185,030	125,148	3,320	19,444
Phoenix City Phase 3	Beijing	Completed	High density residential	171,583	126,250	16,857	23,680
Oak Bay Phase 1	Beijing	December 2009	High density residential	307,157	210,283	60,450	15,145
Eco Living	Beijing	December 2010	Mid-low density residential	283,129	96,256	90,664	16,454
Other Residential Projects in Beijing	Beijing	Completed		NA	NA	286	12,398
Total of Beijing Car Park	Beijing	Completed		NA	NA	8,256	4,084
The Bund Side	Shanghai	Completed	High density residential	107,764	81,149	2,466	34,629
Oak Bay Phase 1	Shanghai	December 2009	High density residential	79,318	36,290	17,485	23,649
Jade City Phase 3	Chengdu	Completed	Mid-low density residential	189,409	174,931	763	12,090
Jade City Phase 4	Chengdu	Completed	Mid-low density residential	333,426	264,713	116,737	6,731
Twenty-Four city Phase 1	Chengdu	December 2009	High density residential	362,764	272,021	142,380	6,240
Phoenix City Phase 1	Chengdu	Completed	High density residential	394,255	158,543	55,270	5,722
Car Park of Jade City	Chengdu	Completed		136,685	31,278	2,000	5,267
Phoenix City	Wuhan	Completed	High density residential	157,300	132,824	6,181	7,707
Central Park Phase 1	Wuhan	December 2010	High density residential	164,837	24,755	24,755	11,955
French Annecy	Hefei	Completed	Mid-low density residential	200,503	187,405	21,797	5,145
French Annecy Car Park	Hefei	Completed		24,983	10,277	637	2,410
Par Lane Manor Phase 1	Hefei	December 2009	High density residential	264,566	64,653	38,413	5,122
MIXc Residence	Hangzhou	June 2010	High density residential	147,900	97,033	773	31,550
Wuxi Taihu International Community Phase1	Wuxi	December 2009	Mid-low density residential	204,464	148,350	52,830	7,251
Taihu International Community	Wuxi	December 2009	Mid-low density residential	230,859	61,700	50,220	5,612

Phase2							
Taihu International Community Phase3	Wuxi	December 2010	Mid-low density residential	150,478	38,036	38,036	6,483
Tuscany Lake Phase 1	Ningbo	December 2009	Low density resi dential	77,152	66,401	46,503	14,977
Central Park Phase 1	Cixi	December 2010	High density residential	31,832	27,168	23,219	10,352
Oriental Xanadu Phase 1	Dalian	June 2010	Mid-low density residential	108,916	32,480	19,434	30,075
Maritime Phase 1	Dalian	June 2010	High density residential	244,312	148,971	84,107	7,113
Suzhou Villa	Suzhou	June 2010	Low density residential	105,961	6,276	5,541	29,950
Phoenix City Phase 1	Changsha	December 2009	High density residential	224,636	166,830	125,264	3,445
Twenty-Four City Phase 1	Chongqing	December 2010	High density residential	179,485	111,483	76,254	4,587

Strong momentum in contracted sales in the first half has sustained well into the second half. As of 15 September 2009, the contracted sales amounted to approximately RMB 15,473million (out of which RMB 10,074 million in contracted sales was achieved in the first half of 2009), representing a increase of 229.2% over the same period of 2008.Together with the contracted value of RMB 6,110 million achieved in 2008 but not yet recognized, the Group has so far locked in a total contracted value of RMB21,583 million, which will be recognized gradually along with the completion and delivery of the property. Specifically, the Group has locked in development revenue of RMB 9,527 million in 2009.

As of 15 September 2009, sales details of the Group by projects are listed below:

In Beijing, 1,107 units of Eco Living were sold with a contracted value of 1,884 million. Oak Bay sold 597 units with a contracted value of RMB 1,024 million. The whole Beijing area had secured a contracted value of RMB 3,405 million.

In Shanghai, a total of 292 units in The Bund Side and Oak Bay projects were sold, achieving a contracted value of RMB 774 million.

In Shenzhen, Park Lane project sold 259 units, with a contracted value of RMB 1,395 million.

In Chengdu, a total of 3,713 units at Twenty-Four City, Phoenix City, and Jade City projects were sold, with contracted value totaling RMB 2,822 million.

In Wuhan, 709 units of Phoenix City and Central Park projects were sold with a combined contracted value of RMB 588 million.

In Hefei, French Annecy and Park Lane projects together sold 970 units in total, involving a contracted value of RMB 570 million.

In Hangzhou, 18 units of MIXc Residence project were sold, achieving a contracted value of RMB 128 million.

In Wuxi, 1,572 units of Taihu International Community project were sold with a contracted value of RMB 1,309 million.

In Ningbo, Tuscany Lake and Central Park projects together had 279 units sold with a contracted value of RMB 1,007 million.

In Dalian, Oriental Xanadu and Maritime projects continue to sell well with 1,042 units sold with a contracted value of RMB 1,915 million in total.

In Changsha, Phoenix City project had sold 1,443 units with a contracted value of 496 million.

In Suzhou, Suzhou Villa project sold 35 units, achieving a contracted value of RMB 256 million.

In Chongqing, 833 units of Twenty-Four City project were sold with a contracted value of RMB 496 million.

In Shenyang, the Arc project, acquired from CR Holdings in second half of this year, had achieved a sale of 396 units with its contracted value totaling RMB 313 million.

For the first half of 2009, the Group has adopted the interpretation to the "Accounting Standard Agreements for the Construction of Real Estate"; and has thus changed the timing of revenue recognition of property sales from completion of properties to delivery of properties to the purchasers pursuant to the sales agreements.

Even though the Group was affected in reported results by the aforementioned changes in revenue recognition policy, the Group still achieved an unaudited development revenue of HK$ 2,361 million with a total area of 243,357 square meters booked, representing an increase of 36.5% and 4.0% over the same period of 2008 respectively.

The following table shows the details of turnover and area booked by projects in the first half of 2009:

Project Name	**Turnover HK$ '000**	**Area Booked Sqm**
Phoenix City Phase 2	76,135	3,795
Phoenix City Phase 3	455,767	17,255
Oak Bay	120,565	10,568
Others	4,026	286
Beijing Subtotal	656,494	31,905
The Bund Side	96,878	2,466
Oak Bay	132,733	3,071
Shanghai Subtotal	229,611	5,537
Jade City	913,940	120,030
Phoenix City	358,811	55,270
Chengdu Subtotal	1,272,751	175,300
Wuhan Phoenix City	53,950	6,265
Hefei French Annecy	128,995	22,435
Wuxi Taihu International Community	18,964	1,916
Total:	**2,360,764**	**243,357**

Given the Group's satisfactory sales performance during second half of 2008 and first half of 2009, the Group is fully confident about the performance for the whole year of 2009.

Review of the Leasing Business in 2009

As of 30 June 2009, book value of the investment properties of the Group totaled HK$13,564 million, and the investment properties accounted for 18.1% of the total assets of the Group. In accordance with relevant accounting standards, the Group had conducted an evaluation for its investment properties, including projects under construction, and a revaluation gain of HK$688 million were obtained during the period based on an appraisal performed by an independent third-party. In the first half of 2009, the turnover of property leasing and management business amounted to HK$510 million, representing an increase of 4.8% 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%.

The revenue and the average occupancy rate of our major property investment companies for the first half of 2009 are listed below:

Property Investment Company	**Revenue (HK$'000)**			**The Average Occupancy Rate(%)**		
	1H 2009	**1H 2008**	**%yoy**	**1H 2009**	**1H 2008**	**%yoy**
China Resources Building	78,369	78,171	0.3%	93.9%	95.2%	-1.3%
Other Properties in Beijing	50,843	38,924	30.6%	95.5%	90.9%	4.6%
Shanghai CR Times Square	92,899	82,512	12.6%	92.5%	95.8%	-3.3%
Shenzhen City Crossing	287,625	286,621	0.4%	99.0%	97.7%	1.3%
Property Management	94,702	58,075	63.1%	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 One	Shenzhen	100.00%	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
Shenzhen Hua Rui Building	Shenzhen	100.00%	13,789	13,789	Hotel
Shanghai CR Times Square	Shanghai	100.00%	97,139	97,139	
Mall			51,190	51,190	Retail
Office			36,843	36,843	Office
China Resources Building	Beijing	100.00%	65,222	65,222	Office
Xidan Cultural Centre	Beijing	96.17%	36,184	34,798	Retail
Grand Constellation Shopping Mall	Beijing	96.17%	16,787	16,144	Retail
U-Space Mall	Beijing	96.17%	10,685	10,275	Retail
Jing Tong Shops	Beijing	96.17%	17,952	17,264	Retail
Beijing Phoenix City Commercial Street	Beijing	96.17%	13,210	12,704	Retail
Huawei Centre	Beijing	48.09%	54,214	26,071	Retail
Huanan Building	Beijing	15.30%	70,058	10,718	Retail
Building 22, Guanyingyuan	Beijing	96.17%	4,155	3,996	Office
Jin Hui Garden	Beijing	96.17%	3,926	3,775	Retail
Commercial Block No.49, Jade City, Fortune Island	Beijing	96.17%	5,681	5,463	Retail
Commercial Block No.1 B2 District of Jade City	Beijing	96.17%	2,007	1,930	Retail
Others	Beijing	96.17%	34,729	33,399	Office/Retail
Total GFA			675,676	582,625	
Comprising: Retail			501,551	409,718	
Office			174,124	172,907	

** Not including 2,690,470 square meters of investment properties which are currently under construction: 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 Chongqing Twenty-Four City Commercial Property.*

Review of Value-added Services in the First Half of 2009

The acquisition of furniture manufacture and supply business and Beijing American Club last year has materially enhanced the Group's project management and customer service system and further reinforced the Group's competitive advantages at project levels. As of 30 June 2009, the turnover and gross margin of the value-added services were HK$1,124 million and 21.2% respectively.

Land Bank

As of 15 September 2009, the Group added 3.23 million square metres to its land bank at a total consideration of RMB8,473 million (including the asset acquisition from CR Holdings involving a full cash consideration of HK$3,570 million). Details of the land parcels recently acquired are set out as follows:

Project name	Interest Attributable to the Group	Location	Total GFA(Sqm)	Total Land Premium/ Acquisition Consideration (RMB 00' Million)	Project Type
Hefei Tire Factory Project	100%	Hefei	199,500	2.35	High Rise Residential
Chengdu Wukuaishi Project	100%	Chengdu	84,483	1.69	High Rise Residential
Shanghai Jiading Nanxiang Project	100%	Shanghai	467,197	35.22	High Rise Residential /Courtyard Villa
Fuzhou Oak Bay	100%	Fuzhou	832,826		High Rise Residential /Courtyard Villa
Shenyang City Crossing	100%	Shenyang	524,311		City Complex
Shenyang China Resources Arch	100%	Shenyang	941,472	31.47	High Rise Residential
Beijing China Resources Hotel	100%	Beijing	62,282		N/A
Shanghai Songjiang District Gulou Road 2# Project	100%	Shanghai	3,233,790	84.73	Low density residential
Total			**3,233,790**	**84.73**	

After the acquisition, the total land bank of the Group amounts to 25.32 million square metres in terms of GFA. Details are set out below:

Location	Total GPA (Sqm)
Beijing*	2,917,517
Shanghai	1,173,406
Shenzhen	578,617
Chengdu	4,681,831
Wuhan	468,552
Hefei	570,498
Hangzhou*	949,717
Wuxi*	1,719,524
Ningbo	556,090
Dalian*	1,813,295
Changsha	1,984,242
Suzhou	105,961
Chongqing	3,027,258
Shenyang	2,516,481
Mianyang	1,007,000

Xiamen	361,287
Tianjin	177,182
Fuzhou	715,533
Total	**25,323,992**

* *The Group's interest is 100% in Beijing Daxing 17# Project, 98% in Beijing Oak Bay Project and 96.2% in all other projects in Beijing. In addition, the Group's interests in Hangzhou and Wuxi projects 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 18 cities, up from 17 cities (with the addition of Fuzhou).

Share Placement, Borrowings and Debt Ratio

In May this year, the Group raised net proceeds of approximately HK$4,240 million by placing 300 million new shares in open market to independent investors at the net price of HK$14.13 per share. The share placement further enhanced the Group's financial strength and created a greater room for the Group to gear up its balance sheet to fund its growth in the future. As of 30 June 2009, the Group had a total borrowing of HK$16,648 million, as well as cash and bank balances of HK$9,543 million. The Group's net debt to equity ratio stood at 19.7%.

As of 30 June 2009, 41.5% and 58.5% of the Group's borrowings were denominated in Renminbi and HK dollars respectively. Among the total borrowings, approximately 4.6% of the bank borrowings are repayable within one year while others are long term borrowings. The Group has kept its borrowing costs at a relatively low level, with its weighted average interest rate of its bank loans at approximately 3.20% per annum only.

Employee and Compensation Policy

As of 30 June 2009, the Group had approximately 6,658 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 2009, 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 the independent non-executive director 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 3 June 2009.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules 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 May 30, 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 June 30, 2009, the Company had through Trustee purchased 23,958,000 shares, representing 0.59% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK$196,735,600.52 (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 2009.

Financial Derivative Instruments

During the year 2008, 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 for which a provision was made in full year results in 2008. However, as the market value of the swap transactions recovered slightly from the end-2008 levels, a market-to-market profit was thus recorded in the interim results.

Review by Audit Committee

The 2009 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 HK5.4 cents per share for the six months ended 30 June 2009 (2008: HK3.4 cents) payable on or about 20 October 2009 to shareholders whose names appear on the Register of Members of the Company on 12 October 2009.

Closure of Register

The register of Members will be closed from 12 October 2009 (Monday) to 16 October 2009 (Friday), 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 2009 (Friday).

Publication of Information on the Website of the Stock Exchange

The Company's 2009 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

Wu Xiangdong
Managing Director

18 September 2009, Hong Kong

As at the date of this announcement, the executive directors of the Company are Mr. Wang Yin (Chairman) and Mr. Wu Xiangdong (Managing Director); the non-executive directors of the Company 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 of the Company are Mr. Wang Shi, Mr. Ho Hin Ngai, Bosco, Mr. Andrew Y. Yan and Mr. Wan Kam To, Peter.