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 2011 INTERIM RESULTS

Highlights

- Consolidated revenue for the six months ended 30 June 2011 amounted to HK$7,681 million, decreased by 38.3% as compared with HK$12,454 million for the corresponding period of 2010.
- Consolidated net profit attributable to the owners of the Company amounted to HK$3,561 million, representing a slight growth of 3.9%, as compared with HK$3,426 million for the corresponding period of 2010.
- Gross profit margin for the period was 41.4%, compared with 38.7% and 39.5% for the corresponding period and year of 2010 respectively.
- Net profit margin for the period was 46.4%, compared with 27.5% and 23.4% for the corresponding period and year of 2010 respectively.
- Earning per share amounted to HK66.37 cents, decreased by 2.9% as compared with HK68.32 cents for the corresponding period of 2010.
- Booked area amounted to 405,863 square metres, decreased by 50.1% as compared with 813,770 square metres for the corresponding period of 2010.
- As of 17 August 2011, total land bank was 26.10 million square metres, increased by 3.96 million square metres in 2011.
- As of 17 August 2011, the Group has achieved contracted value of RMB17,805 million with a contracted GFA area of 1.56 million square meters. As of 17 August 2011, the Group has achieved total contracted value of RMB33,842 million that are subject to recognition in 2011 and years to come, including the contracted value of RMB21,037 million in property sales that was achieved in 2010 and before but not yet recognized. Specifically, the Group has locked up total revenue of RMB22,759 million from the residential property development for recognition in 2011.
- The Board of Directors declared an interim dividend of HK9.5 cents per share, at a similar level when compared with HK9.5 cents for the corresponding period of 2010.

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 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011

	NOTES	Six months ended 30 June 2011 HK$'000 (Unaudited)	Six months ended 30 June 2010 HK$'000 (Unaudited and restated)
Revenue	5	7,681,182	12,453,744
Cost of sales		(4,504,935)	(7,636,998)
Gross profit		3,176,247	4,816,746
Gain on changes in fair value of investment properties		3,057,984	2,600,680
Gain (loss) on changes in fair value of derivative financial instruments		17,325	(22,854)
Other income		227,306	135,750
Selling and marketing expenses		(465,722)	(310,132)
General and administration expenses		(529,131)	(537,097)
Share of results of associates		24,223	24,892
Share of result of a jointly controlled entity		(1,526)	-
Finance costs		(260,931)	(124,670)
Profit before taxation		5,245,775	6,583,315
Income tax expense	6	(1,625,324)	(2,041,727)
Profit for the period	7	3,620,451	4,541,588
Other comprehensive income			
Exchange differences arising on translation to presentation currency		1,528,518	618,053
Gain (loss) on changes in fair value of cash flow hedges		293	(23,317)
		1,528,811	594,736
Total comprehensive income for the period		5,149,262	5,136,324
Total comprehensive income attributable to:			
Owners of the Company		4,978,666	3,918,951
Non-controlling interests		170,596	1,217,373
		5,149,262	5,136,324
Profit for the period attributable to:			
Owners of the Company		3,561,031	3,425,979
Non-controlling interests		59,420	1,115,609
		3,620,451	4,541,588
Earnings per share	8		
- Basic		HK66.37 cents	HK68.32 cents
- Diluted		HK66.12 cents	HK67.95 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2011

	NOTES	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		3,477,117	3,299,277
Prepaid lease payments		863,529	843,766
Investment properties		27,092,636	21,953,068
Interests in associates		749,689	708,733
Interest in a jointly controlled entity		694	-
Amount due from an associate		274,239	259,744
Available-for-sale investments		181,960	188,962
Deposits paid for non-current assets		5,630,469	2,476,969
Deferred taxation assets		595,784	482,281
		38,866,117	30,212,800
Current assets			
Inventory of properties		75,450,527	61,883,161
Prepaid lease payments		20,945	19,725
Other inventories		129,099	66,712
Trade receivables, other receivables and deposits paid	10	22,068,018	19,859,289
Amounts due from customers for contract works		560,289	398,081
Amounts due from fellow subsidiaries		691,105	65,363
Amount due from a jointly controlled entity		144,237	-
Amount due from immediate holding company		446	495
Prepaid taxation		1,572,529	1,160,037
Cash and bank balances		18,660,185	11,972,212
		119,297,380	95,425,075
Current liabilities			
Trade and other payables	11	9,552,252	7,787,114
Deposits received from pre-sales of properties		30,670,473	21,750,006
Amounts due to customers for contract works		554,507	456,121
Amounts due to fellow subsidiaries		1,109,054	70,693
Amounts due to immediate holding company		3	945,043
Amounts due to non-controlling interests		795,862	796,749
Taxation payable		2,887,881	3,386,793
Bank borrowings - due within one year		15,977,564	8,554,849
		61,547,596	43,747,368
Net current assets		57,749,784	51,677,707
Total assets less current liabilities		96,615,901	81,890,507

	30 June 2011 HK$'000 (Unaudited)	31 December 2010 HK$'000 (Audited)
Capital and reserves		
Share capital	538,793	538,724
Reserves	49,123,510	45,376,869
Equity attributable to owners of the Company	49,662,303	45,915,593
Non-controlling interests	3,776,160	3,499,060
	53,438,463	49,414,653
Non-current liabilities		
Bank borrowings - due after one year	33,291,927	29,252,389
Deferred taxation liabilities	3,945,267	3,070,966
Derivative financial instruments	134,880	152,499
Senior notes	5,805,364	-
	43,177,438	32,475,854
	96,615,901	81,890,507

Notes:

1. INDEPENDENT REVIEW

The interim results for the six months ended 30 June 2011 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 and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3. MERGER ACCOUNTING RESTATEMENT

The Group acquired Fast Lead Investments Limited and its subsidiaries ("Fast Lead Group") from a subsidiary of China Resources (Holdings) Company Limited on 3 November 2010, which is considered as business combination involving entities under common control and has been accounted for using merger accounting method, based on the guidance set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, for the year ended 31 December 2010. As a result, the comparative condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2010 have been restated, in order to include the results of the combining entities since the date of which first come under common control.

The adoption of merger accounting for the six months ended 30 June 2010 has resulted in an increase in the Group's total comprehensive income for the period and a decrease in the Group's profit for the period attributable to the owners of the Company by HK$4,553,000 and HK$35,789,000 respectively.

4. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used and methods of computation in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2010 except as described below.

Jointly controlled entity

Joint venture arrangement that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entity.

The results and assets and liabilities of jointly controlled entity are incorporated in the condensed consolidated financial statements using the equity method of accounting. Under the equity method, investment in jointly controlled entity is initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entity. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of a jointly controlled entity recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss. The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 “Impairment of Assets” as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's condensed consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

4. PRINCIPAL ACCOUNTING POLICIES - continued

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 2011.

- Improvements to HKFRSs Issued in 2010
- HKAS 24 (Revised 2009) Related Party Disclosures
- Amendments to HKAS 32 Classification of Rights Issues
- Amendments to HK(IFRIC) - Int 14 Prepayments of a Minimum Funding Requirement
- HK(IFRIC) - Int 19 Extinguishing Financial Liabilities with Equity Instruments

HKAS 24 “Related Party Disclosures” as revised in 2009

The Group has applied HKAS 24 "Related Party Disclosures" (as revised in 2009) in full for the first time in the current period. The application of HKAS 24 (as revised in 2009) has resulted in changes in related party disclosures on the following aspect:

The Group is a government-related entity as defined in HKAS 24 (as revised in 2009). HKAS 24 (as revised in 2009) provides a partial exemption from the disclosure requirements for government-related entities whilst the previous version of HKAS 24 did not contain specific exemption for government related entities. Under HKAS 24 (as revised in 2009), the Group has been exempted from making the disclosures required by paragraph 18 of HKAS 24 (as revised in 2009) in relation to related party transactions and outstanding balances (including commitments) with (a) the government that has control, joint control or significant influence over the Group and (b) other entities that are controlled, jointly controlled, significantly influenced by the same government. Rather, in respect of these transactions and balances, HKAS 24 (as revised in 2009) requires the Group to disclose (a) the nature and amount of each individually significant transaction, and (b) a qualitative or quantitative indication of the extent of transactions that are collectively, but not individually, significant.

In addition, HKAS 24 (as revised in 2009) has revised the definition of a related party.

HKAS 24 (as revised in 2009) requires retrospective application. The application of HKAS 24 (as revised in 2009) has had no effect on the amounts recognised or recorded in the condensed consolidated financial statements for the current and prior periods.

The application of the other new and revised HKFRSs in the current period has no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards and amendments that have been issued but are not yet effective. The following new or revised standards and amendments have been issued after the date of the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

4. PRINCIPAL ACCOUNTING POLICIES - continued

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

HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Involvement with Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 1 (Amendments)	Presentation of Financial Statements[2]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 July 2012.

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

5. SEGMENT INFORMATION

Segment revenues and results

Information reported to the chief operating decision maker was specifically focused on the segment of sale of developed properties, property investments and management, hotel operations and construction, decoration services and others for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

For the six months ended 30 June 2011

	Sale of developed properties HK$'000	Property investments and management HK$'000	Hotel operations HK$'000	Construction, decoration services and others HK$'000	Consolidated HK$'000
REVENUE					
External sales	5,651,816	1,114,578	286,736	628,052	7,681,182
RESULT					
Segment results	1,781,916	494,549	3,327	8,310	2,288,102
Unallocated other income					227,306
Gain on changes in fair value of investment properties					3,057,984
Unallocated expenses					(89,383)
Share of results of associates					24,223
Share of result of a jointly controlled entity					(1,526)
Finance costs					(260,931)
Profit before taxation					5,245,775

5. SEGMENT INFORMATION - continued

Segment revenues and results – continued

For the six months ended 30 June 2010

	Sale of developed properties HK$'000 (restated)	Property investments and management HK$'000 (restated)	Hotel operations HK$'000 (restated)	Construction, decoration services and others HK$'000	Consolidated HK$'000 (restated)
REVENUE					
External sales	11,061,659	750,448	144,978	496,659	12,453,744
RESULT					
Segment results	3,877,866	368,796	(88,758)	8,271	4,166,175
Unallocated other income					135,750
Gain on changes in fair value of investment properties					2,600,680
Unallocated expenses					(219,512)
Share of results of associates					24,892
Finance costs					(124,670)
Profit before taxation					6,583,315

6. INCOME TAX EXPENSE

	Six months ended 30 June 2011 HK$'000	Six months ended 30 June 2010 HK$'000
The income tax expense comprises:		
Current taxation		
People's Republic of China ("PRC") Enterprise Income Tax	487,762	787,923
Land Appreciation Tax in the PRC	437,702	536,043
Deferred taxation		
Current period	699,860	717,761
	1,625,324	2,041,727

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

	Six months ended 30 June 2011 HK$'000	Six months ended 30 June 2010 HK$'000 (restated)
Release of prepaid lease payments	10,758	6,075
Less: Amount capitalised in construction in progress included in property, plant and equipment	(6,283)	(3,908)
	4,475	2,167
Depreciation of property, plant and equipment	131,900	94,627

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 2011 HK$'000	Six months ended 30 June 2010 HK$'000 (restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	3,561,031	3,425,979

	2011	2010
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,365,509,818	5,014,804,337
Effect of dilutive potential ordinary shares on		
Share options	9,957,201	15,426,706
Awarded shares - unvested	10,256,500	11,354,233
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,385,723,519	5,041,585,276

The weighted average number of ordinary shares shown above has been arrived at after deducting the effect on 28,829,000 shares (six months ended 30 June 2010: 18,612,000 shares) held by BOCI-Prudential Trustee Limited, a trustee company for the Company's Restricted Share Award Scheme.

9. DIVIDENDS

On 25 March 2011, a final dividend of HK$1,158,257,000 at HK21.5 cents per share for 2010, which was included in other payables as at 30 June 2011, was declared and subsequently paid on 4 July 2011 to shareholders. On 26 March 2010, a final dividend of HK$920,492,000 at HK18.3 cents per share for 2009 was declared and subsequently paid on 2 July 2010 to shareholders. The payment of additional final dividend of HK$149,000 for 2010 (six months ended 30 June 2010: HK$1,175,000 for 2009) was due to exercise of share options and/or placement of new shares in respective interim period.

The directors have resolved that an interim dividend of HK9.5 cents per share (six months ended 30 June 2010: HK9.5 cents) should be paid to the shareholders of the Company whose names appear in the Register of Members on 11 November 2011.

10. TRADE RECEIVABLES, OTHER RECEIVABLES AND DEPOSITS PAID

	30 June 2011 HK$'000	31 December 2010 HK$'000
Trade receivables	603,164	1,270,233
Less: allowance for doubtful debts (note)	(40,265)	(359,236)
	562,899	910,997
Deposits paid for acquisition of land use rights	17,971,042	16,183,270
Other receivables	1,301,855	1,079,073
Less: allowance for doubtful debts	(328,576)	(375,182)
	973,279	703,891
Prepayments and deposits	2,560,798	2,061,131
	22,068,018	19,859,289

Note: Included in allowance for doubtful debts, there were HK$330,215,000 doubtful debts which had been previously provided and written off as uncollectible in the current period.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period:

	30 June 2011 HK$'000	31 December 2010 HK$'000
Within one year	349,694	713,699
Over one year	213,205	197,298
	562,899	910,997

11. TRADE AND OTHER PAYABLES

	30 June 2011 HK$'000	31 December 2010 HK$'000
Trade payables	5,540,301	5,419,815
Other payables and accrued charges	4,011,951	2,367,299
	9,552,252	7,787,114

The following is an aged analysis of trade payables at the end of the reporting period:

	30 June 2011 HK$'000	31 December 2010 HK$'000
Within one year	2,118,652	3,738,053
Over one year	3,421,649	1,681,762
	5,540,301	5,419,815

CHAIRMAN'S STATEMENT

In the first half of 2011, China experienced liquidity tightening, cost of funding rising, and persistent austerity measures on property sector. Amid such tough macroeconomic and industrial environment, the Group has continuously committed to enhance its internal management and cost control. Meanwhile, the Group also dedicated itself to accelerate asset turnover while successfully maintained its high-quality reputation; and at the same time adjusted its product and marketing strategies. As a result, the Group achieved satisfactory performance on every facet of its core businesses, laying a solid foundation for a promising result for the full year.

Results and Dividend Distribution in the First Half of 2011

In the first half of 2011, the Group's consolidated turnover was HK$7,681 million, representing a decrease of 38.3% as compared with the corresponding period of last year. The decline was due to the fact that most of the Group's bookable projects for the year of 2011 are scheduled to be delivered in the second half. In the first half of 2011, turnover from the residential development business was HK$5,652 million, a decrease of 48.9% as compared with the same period of 2010. Nevertheless, from 2011 full year's perspective, the Group's bookable GFA will see a notable growth over the full year of 2010. As of 17 August 2011, the Group has locked in unbooked revenue of HK$27,124 million and unbooked area of 1.93 million square meters from the residential property development for recognition in 2011 (inclusive of those recognized in 2011 interim results), representing a substantial growth of 20.1% and 8.0% respectively, if compared with that for the full year of 2010.

In the first half of 2011, the Group's property leasing business and property management business sustained its outstanding performance, with a turnover of HK$1,401 million, representing a substantial increase of 56.7% over the corresponding period of 2010. Accordingly, the EBITDA of property leasing business maintained at a relative high level. In the first half of 2011, turnover from the Group's other businesses, including construction, decoration and furniture business, reached to HK$628 million, representing a year-on-year growth of 26.5%.

For the period under review, profit attributable to owners reached HK$3,561 million, representing a slight increase of 3.9% over the corresponding period of 2010. In particular, profit attributable to owners from core businesses saw a 32.8% year-on-year decline to HK$1,284 million, due also to the fact that most of the Group's bookable projects for the year of 2011 are scheduled to be delivered in the second half. While the Group's total development revenue and GFA locked in as of 17 August 2011 and bookable from 2011 full year's perspective have already well exceeded the amounts actually booked for the full year in 2010, the Group is fully confident to achieve its 2011 full year performance targets.

Having benefited from the substantial growth in rental income and increased number of operating investment properties, the net profit contribution from revaluation gain of our investment properties reached HK$2,277 million (excluding non-controlling interests), representing an increase of 50.4% over the same period of 2011. As of 31 July 2011, the Group has achieved a total leasing and property management income of HK$1,682 million, representing a significant increase of 65.6% over the corresponding period of 2010. If taking out the contribution from the newly added investment properties year to date, organic growth rate of rental and property management income from the investment properties launched before 2011 was as high as 62.4%. All the aforesaid factors have laid down a solid foundation for sustainable growth and promising financial results of 2011.

As of 17 August 2011, the Group has achieved total contracted sales of RMB17,805 million in 2011, representing a significant increase of 75.2% over the same period of 2010. Together with an unrecognized contracted value achieved before the end of 2010, as of 17 August 2011, the Group has so far locked in total unrecognized development revenue of RMB38,842 million, among which RMB22,759 million will be booked in 2011 and RMB16,083 million will be booked in 2012 and following years.

The Group declared an interim dividend of HK9.5 cents per share, at a similar level compared with the Group's 2010 interim dividend of HK9.5 cents per share.

Land Bank

As of 17 August 2011, the Group acquired a total GFA of 3.96 million square meters at an average cost of RMB1,819 per square meter year to date. The Group has established its presence in 32 cities nationwide with a total land bank of 26.10 million square meters in GFA, of which land bank for residential development stood at 22.07 million square meters, while that of investment properties under construction and investment properties in operation totaled 4.02 million square meters and 1.47 million square meters respectively.

The Group has now established a land bank portfolio that is reasonably balanced in its proportion for residential development and investment properties, ideally diversified in its geographic reach, strategically matching to the Group's long term plan, and can largely support the Group's development needs in the coming years. While leveraging its unparalleled advantages in its access to quality and low cost land bank and to low cost funding, the Group would increase its quality land reserves in a disciplined and strategy-guided manner and on a selective basis while strictly adhering to its financial criteria, and maintaining an ideal balance between the need of business development and financial stability.

Vision and Development Strategy

The Groups has its vision to promote the value of urban life and to help people fulfil their dreamed living, aims to become the most prominent integrated property company in China and a market leader in mid-to-high end residential and commercial property sectors by way of its persistent pursuit of quality excellence and the "differentiated" competitive strategy and its adoption of unique business model of "residential development + property investment + value-added services".

The Group's "differentiated" competitive strategy, unique business model of "residential development + property investment + value-added services" along with "quality excellence" form the core components of the Group's development strategy, which in turn guarantees the Group to achieve its vision and helps to build up long-term core competitiveness.

Under guidance of the aforementioned strategies, after years of persistent efforts, the Group has formed six series of residential products, including Park Lane Manor Series, the premium high-rise residential products in urban area; Blue Lake City Series, the premium mixed density residential products in suburban area; Central Park Series, the elite high-rise residential products in city centre; Oak Bay Series, the elite mixed density residential products in suburban area; MIXc Residence/The Arc Series, the luxury high rise residential products in city centre; and The Bound Series, the luxury low rise residential products in suburban area. These products are tailored for different customer needs ranging from living improvement, quality pursuit to high-end home purchase. The Group's persistent pursuit of high quality has been highly recognized by the market and customers through demonstration of the above product series.

As of the date of this announcement, the Group's metropolitan complex project "City Crossing", which has been highly recognized by the market and industry peers, has been expanded to eight cities in China, three of which are completed (including Shenyang MIXc Phase I, which became operational in May 2011), the other five are under construction. "Regional Commercial Centre" (named as "Rainbow City Series"), currently being piloted in Beijing Oak Bay project, have further broadened our commercial product lines and expanded our geographic presence. Phase one of the first "Rainbow City" project, the one in Beijing, was recently put into operation in July this year, "Rainbow City Series" product has now been expanded to several cities including Beijing, Shanghai, and Zibo.

Since its successful trial in Beijing Oak Project, "the standardized and serialized storage space", as the first of such value-added services offered to the market, has already been extended to 17 cities; meanwhile, the Group has introduced other value-added services on a trial basis, including in-house developed "flexible/adjustable furniture". Those services were applauded by customers and market when being applied in Beijing Eco Living project and helped the project to achieve better sales and premium in selling prices.

Since the second half of 2010, the Group carried out and accomplished the implementation of its new "dual-headquarter" managerial framework (group headquarter + regional headquarters). This reform aimed to cater for the needs for the Group's rapid expansion along with a more disciplined and systematic product duplication based on well-established standardized product lines, targeting for a faster asset turn. It will also facilitate the Group to achieve its strategic goal of "high quality, high efficiency and low cost" more effectively. The introduction of this "dual-headquarter" has already shown positive effects to the Group's financial performance. For several land parcels acquired since the second half of 2010, the average time length between land acquisition and presale of the first phase is 8.3 months.

Prospects

Since the beginning of 2011, Chinese government launched new rounds of tightening policies towards property sector, including "Home Purchase Restriction" and "Property-related Loans Limitation", with an aim to curb continuously rising property price since the second half of 2009 and speculative overheat. These austerity policies form a vital part of Chinese government's efforts to adjust economic structure, tighten liquidity, control inflation, and maintain a stable and healthy economic growth. There is no doubt that these tightening policies will have certain negative impact on the Group's business performance in short term, nevertheless they have also motivated the Group to further strengthen and improve its internal management and execution capability, which will facilitate the Group to achieve its long-term development goal. Ultimately, these tightening measures would be beneficial and essential for sustainable and healthy development of China's property market, could better serve the government's policy objectives in curbing land cost and property prices from a rapid and irrational appreciation in a short period, thus ensuring social harmony as well as sustainable growth of the property sector, while protecting the real economy from potential damages caused by the collapse of asset bubbles. The Groups is fully confident of overcoming the short-term difficulties caused by market volatilities and achieving its 2011 performance targets.

MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of 2011, the Group's residential development and investment property business both achieved satisfactory performance. The progress achieved in contracted sales and construction schedule both met management's expectation, laying a solid foundation for promising financial results of 2011 and 2012.

Review of Residential Development Business in the First Half of 2011

During the first half of 2011, the Group achieved contracted sales of RMB13,220 million with area sold totalled 1,108,692 square meters, representing respective increases of 81.9% and 48.5% as compared with the corresponding period of 2010.

Details in sales breakdown by cities during the first half of 2011 are set out as follows:

City	Contracted Value		Area Sold	
	RMB'000	%	Sqm	%
Beijing	990,068	7.5%	42,918	3.9%
Shanghai	1,676,807	12.7%	47,460	4.3%
Chengdu	2,279,390	17.2%	242,287	21.9%
Wuhan	925,575	7.0%	74,835	6.7%
Hefei	319,369	2.4%	45,125	4.1%
Hangzhou	1,136	0.0%	60	0.0%
Wuxi	1,254,151	9.5%	118,996	10.7%
Ningbo	642,478	4.9%	35,802	3.2%
Dalian	437,194	3.3%	20,848	1.9%
Changsha	716,209	5.4%	137,685	12.4%
Suzhou	420,662	3.2%	11,785	1.1%
Chongqing	382,864	2.9%	57,550	5.2%
Shenyang	1,232,058	9.3%	74,563	6.7%
Fuzhou	735,156	5.6%	67,139	6.1%
Xiamen	100,990	0.7%	7,725	0.7%
Tianjin	161,018	1.2%	12,923	1.2%
Mianyang	193,756	1.5%	31,576	2.8%
Nantong	563,236	4.3%	56,830	5.1%
Yangzhou	187,673	1.4%	22,585	2.0%
Total	**13,219,790**	**100.0%**	**1,108,692**	**100.0%**

Sales breakdown by projects in the first half of 2011:

Project	City	Project Type	Total GFA	Accumulated area sold as of 30 June 2011 (Sqm)	Area sold in the first half of 2011 (Sqm)	Average selling price in the first half of 2011 (RMB/Sqm)
Oak Bay	Beijing	Mid-high density residential	764,170	349,226	3,731	26,385
Eco Living	Beijing	High density residential	192,542	140,805	13,822	44,388
The Bund Side	Shanghai	Mid-high density residential	189,818	107,502	3,720	100,935
Oak Bay	Shanghai	Mid-low density residential	230,795	98,546	12,516	43,855
Central Park	Shanghai	Mid-low density residential	467,197	30,933	30,933	23,834
Eternal Palace	Shanghai	Low density residential	121,719	290	290	52,210
Jade City	Chengdu	Mid-high density residential	1,034,890	965,690	19,178	13,340
Twenty-Four City	Chengdu	High density residential	2,127,555	537,006	45,943	11,875
Phoenix City	Chengdu	High density residential	698,059	477,229	53,204	9,316
Oak Bay	Chengdu	High density residential	528,155	134,300	67,197	7,777
Ginkgo Park	Chengdu	Mid-high density residential	73,058	53,522	41,615	9,364
Central Park	Wuhan	Mid-high density residential	346,696	202,358	21,721	12,177
Landmark Residence	Wuhan	Mid-high density residential	41,231	11,515	11,515	15,757
Oak Bay	Wuhan	Mid-high density residential	475,671	41,544	41,544	11,539
Park Lane Manor	Hefei	Mid-high density residential	279,487	193,121	4,116	4,540
Palace Glorious	Hefei	High density residential	225,120	157,259	34,976	8,052
Wuxi Taihu International Community	Wuxi	Mid-low density residential	1,673,528	536,151	118,997	10,539
Central Park	Ningbo	High density residential	284,235	165,482	35,727	17,971
Oriental Xanadu	Dalian	Mid-low density residential	242,800	69,668	4,395	57,724
Maritime	Dalian	Mid-high density residential	1,308,613	388,972	15,426	11,397
Suzhou Villa	Suzhou	Low density residential	67,595	23,214	3,491	44,450
The Bound of Kunyu	Suzhou	Mid-low density residential	285,987	8,294	8,294	32,010
Phoenix City	Changsha	Mid-high density residential	1,205,331	597,641	137,306	5,203
Twenty-Four City	Chongqing	High density residential	1,913,969	340,292	4,710	10,400
Central Park	Chongqing	Mid-high density residential	571,361	109,863	37,150	7,548
MIXc Residence	Shenyang	High density residential	430,682	22,503	22,503	21,692
The Arch	Shenyang	High density residential	730,040	167,316	29,512	16,460
Oak Bay	Shenyang	Mid-low density residential	892,448	56,225	20,997	11,764
Oak Bay	Fuzhou	Mid-low density residential	601,395	176,113	57,635	11,794
Oak Bay	Xiamen	Mid-high density residential	313,201	7,725	7,725	13,073
Central Park	Tianjin	Mid-low density residential	152,409	12,923	12,923	12,460
Central Park	Mianyang	Mid-high density residential	861,916	70,774	25,158	6,220
Oak Bay	Nantong	Mid-high density residential	414,516	56,830	56,830	9,911
Oak Bay	Yangzhou	Mid-low density residential	200,000	22,585	22,585	8,310

Stepping into the second half of 2011, the Group witnessed stabilization in sale of our residential products and recorded satisfactory contracted sales performance. As of 17 August, the Group achieved a contracted value of RMB17,805 million with the area sold amounting to 1.56 million square meters. Together with the contracted value of RMB21,037 million achieved but not yet booked before the end of 2010, the Group has an aggregate amount of RMB38,842 million in contracted value (including the amount already recognized in the first half of 2011), which will be available for recognition along with completion and delivery of the corresponding projects.

Details of the Projects Delivered and Booked in First Half of 2011

During the first half of 2011, the Group's residential development business achieved a turnover of HK$5,652 million with 405,863 square meters delivered, representing a year on year decrease of 48.9% and 50.1% respectively. The declines in both booked turnover and booked GFA were due to the fact that most of the bookable projects this year are scheduled to be delivered in the second half. In contrast, the GFA booked last year was basically the same between the first and second half of 2010. As of 17 August 2011, the Group has locked in unbooked revenue of RMB22,759 million from the residential property development for recognition in 2011. The Group's gross profit margin of residential development business was 41.2% for the first half of 2011, increased by 2.7 percentage points as compared with 38.5% of the corresponding period of 2010.

Details of the projects booked and turnover of the Group in the first half of 2011 are listed below:

Project Name	**Turnover**	**Area Booked**
	HK$'000	**Sqm**
Beijing Eco Living	1,031,424	52,363
Beijing Oak Bay	133,956	5,261
Beijing Others	83,497	6,855
Beijing Subtotal	1,248,877	64,479
Shanghai Oak Bay	431,348	8,271
Shenzhen Park Lane Manor	13,843	252
Chengdu Jade City	796,616	60,282
Chengdu Phoenix City	554,553	54,185
Chengdu Twenty-Four City	430,103	35,307
Chengdu Oak Bay	17,904	2,070
Chengdu Subtotal	1,799,176	151,844
Wuhan Phoenix City	323	56
Wuhan Central Park	10,578	670
Wuhan Subtotal	10,901	726
Hefei French Annecy	262	87
Hefei Park Lane Manor	21,792	4,342
Hefei Subtotal	22,054	4,429
Hangzhou MIXc Residence	1,344	60
Ningbo Tuscany Lake Valley	206,577	5,312
Ningbo Central Park	421,037	32,469
Ningbo Subtotal	627,614	37,781
Dalian Oriental Xanadu	26,283	1,449
Dalian Maritime	104,168	5,458
Dalian Subtotal	130,451	6,907
Changsha Phoenix City	8,787	1,814
Suzhou Villa	20,052	309
Chongqing Twenty-Four City	63,742	15,550
Shenyang The Arch	836,139	80,156
Shenyang Oak Bay	437,488	33,285
Shenyang Subtotal	1,273,627	113,441
Total	**5,651,816**	**405,863**

Review of Investment Property in the First Half of 2011

As of 30 June 2011, book value of the investment properties of the Group totaled HK$27,093 million, which accounted for 17.1% of the Group's total assets. In compliance with relevant accounting policies, during the period under review, the Group had conducted an evaluation for its investment properties, including projects under construction, and a revaluation gain of HK$2,277 million (net off taxation and non-controlling interests) was booked during the period based on an appraisal performed by an independent third party. During the first half of 2011, the turnover of property leasing business including hotel operation and property management business amounted to HK$1,401 million, representing a growth of 56.7% over the corresponding period of 2010.

The following table sets out the turnover and occupancy rates of the key investment properties in the first half of 2011:

Investment Property	Turnover (HK$'000)			Average Occupancy Rate (%)		
	2011	2010	%yoy	2011	2010	%yoy
Beijing China Resources Building	75,985	80,741	-5.9%	98.5%	97.4%	1.1%
CR Land Beijing Others	99,544	68,516	45.3%	99.1%	93.0%	6.1%
Shanghai CR Times Square	115,293	102,524	12.5%	99.0%	98.2%	0.8%
Shenzhen City Crossing	471,750	362,432	30.2%	98.6%	96.7%	1.9%
Hangzhou The MIXc	156,567	15,540	907.5%	98.6%	85.4%	13.2%
Shenyang The MIXc	7,705	N/A	N/A	90.0%	N/A	N/A
Other Rental Income	13,939	3,898	N/A	N/A	N/A	N/A
Hotel Income	286,736	144,978	97.8%	61.0%	32.8%	28.2%
Property Management	173,795	115,586	50.4%	N/A	N/A	N/A

Details of the Group's major investment 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	Shenzhen	100.00%	323,748	323,748	
The MIXc			159,585	159,585	Retail
CR Building			40,990	40,990	Office
Grand Hyatt Hotel			67,506	67,506	Hotel
Car Park			55,667	55,667	Car Park
Huarui Building	Shenzhen	100.00%	13,789	13,789	Others
Shanghai CR Times Square	Shanghai	100.00%	97,139	97,139	
Mall			51,190	51,190	Retail
Office			36,843	36,843	Office
Car Park			9,106	9,106	Car Park
Beijing CR Building	Beijing	100.00%	65,222	65,222	Office
Rainbow City	Beijing	98.16%	65,000	63,803	Retail
Xidan Cultural Centre	Beijing	96.39%	36,184	34,878	Retail
Grand Constellation Shopping Mall	Beijing	96.39%	16,787	16,181	Retail
U-space Mall	Beijing	96.39%	10,685	10,299	Retail
Jing Tong Shop	Beijing	96.39%	17,952	17,304	Retail
Beijing Phoenix City Commercial Street	Beijing	96.39%	13,210	12,733	Retail

Huawei Centre	Beijing	48.20%	54,214	26,128	Retail
Huanan Building	Beijing	15.31%	70,058	10,724	Retail
Building 22, Guanyingyuan	Beijing	96.39%	4,155	4,005	Office
Jin Hui Garden	Beijing	96.39%	3,926	3,784	Retail
Building 49, Fortune Island, Jade City	Beijing	96.39%	5,681	5,476	Retail
Building 1, Plot B2, Jade City	Beijing	96.39%	2,007	1,935	Retail
Block A, Phoenix Plaza, Office	Beijing	96.39%	30,789	29,678	Office
Block A, Phoenix Plaza, Car Park	Beijing	96.39%	13,242	12,764	Car Park
Others	Beijing	96.39%	34,729	33,475	Others
Hangzhou The MIXc Ph.1	Hangzhou	60.00%	242,845	145,707	
The MIXc			173,709	104,225	Retail
Car Park			69,136	41,482	Car Park
Hainan Wanning Shimei Bay Le Meridien Hotel	Wanning	100.00%	41,926	41,926	Hotel
Chengdu Jade City, Retail		100.00%	42,032	42,032	Retail/Others
Wuhan Central Park, Retail		100.00%	9,922	9,922	Retail/Others
Shenyang City Crossing	Shenyang	100.00%	250,405	250,405	
The MIXc			173,863	173,863	Retail
Car Park			76,542	76,542	Car Park
Total GFA			**1,465,647**	**1,273,057**	
Comprising: Retail			888,783	726,840	
Office			177,999	176,738	
Hotel			109,432	109,432	
Others			289,433	260,047	

**Not including Shenyang CR Building, Shenyang Grand Hyatt Hotel, Shenyang CR Plaza Commercial Property, Dalian Grand Hyatt Hotel, Dalian Ganjingzi Huanan Project Commercial Property, Anshan Park lane Commercial Property, Anshan Qinghuatongfang Project Commercial Property, Changchun Southern New District Project Commercial Property, Harbin Songbei Project Commercial Property, Beijing Phoenix Plaza Commercial Property, Beijing Rainbow City Eastern, Beijing CR Building Phase II, Zhengzhou MIXc Project, Qingdao City Submarine School Project, Zibo Central Park Commercial Property, Wuxi Taihu International Community Commercial Property, Suzhou Oak Bay Commercial Property, Taizhou CR International Community Commercial Property, Shanghai Bund Side Serviced Apartment, Shanghai Wuzhong Road Project Commercial Property, Hangzhou MIXc Phase II, Hefei Park lane Commercial Property, Hefei MIXc Project, Changsha Phoenix City Commercial Property, Chengdu Jade City Commercial Property, Chengdu Twenty-Four City Commercial Property, Chengdu Oak Bay Commercial Property, Mianyang Central Park Commercial Property, Chengdu Donghu Project Commercial Property, Chengdu Jingyue Bay Commercial Property, Chengdu Ginkgo Park Commercial Property, Chengdu Donglin Project Commercial Property , Chongqing Twenty-Four City Commercial Property, Hainan Shimei Bay Commercial Property, all of which are currently under construction involving a total gross floor area of 4,024,302 square meters.*

In the future, the Group plans to launch one to two investment property projects each year. The stable and recurrent rental income will enhance the Group‘s ability to defend itself against industrial cyclicality while optimizing its earnings growth sustainability.

Review of Value-added Services in the First Half of 2011

Guided by customers’ needs, the Group further strengthened its value-added services business model. The creative “standardized and serialized storage space solution” and “flexible/adjustable furniture for small apartment” have been well received and recognized by market and customers. These services were standardized and modularized from product design to realization, and have been applied in 27 projects within the Group.

Pilot tests of value-added services of public space and community service system in Wuhan showed promising outcomes; in Beijing and Fuzhou, preliminary results were achieved for the tests. Meanwhile, through synergy between city companies and Uconia and Logic Furniture, the Group has fully leveraged its professional strength in interior decoration as well as furniture design and manufacturing, and thus created a new management model for general contractors of decoration services, which has obviously enhanced decoration quality, improved efficiency both in costs and in work process. Currently, this new decoration management model is being introduced within the Group.

Landbank

As of 17 August 2011, the Group added 3.96 million square meters to its land band at an aggregated cost of RMB7,206 million, while the total land bank of the Group amounted to 26.10 million square meters in terms of GFA. Details are set out below:

City	**Total GFA （Sqm）**
Beijing*	1,284,807
Shanghai*	1,021,036
Chengdu	3,073,708
Wuhan	584,491
Hefei	1,701,294
Hangzhou*	503,625
Wuxi*	802,755
Ningbo*	413,615
Dalian*	1,681,584
Changsha	1,080,992
Suzhou	670,741
Chongqing	1,985,262
Shenyang*	1,995,002
Mianyang	693,155
Xiamen	298,815
Tianjin*	847,365
Fuzhou	426,611
Nantong	354,769
Anshan	655,800
Qingdao*	745,400
Zhengzhou	464,000
Yangzhou	177,296
Tangshan	410,344
Changchun	327,300
Wanning	1,008,375
Xuzhou	309,928
Nanchang	279,923
Taizhou	954,791
Harbin	198,250
Zibo	570,000
Weihai	575,000
Total	**26,096,034**

** The Group's interest is 100.0% in both Beijing Park Land project and Beijing Mentougou project, 98.2% in Beijing Oak Bay Project and 96.4% in all other projects in Beijing. The Group's interest is 50.0% in Shanghai Wuzhong*

Road Project, 99.8% in Shanghai Oak Bay Project and 100.0% in all other projects in Shanghai. In addition, the Group's interests in Hangzhou and Wuxi projects are both 60.0%. The Group's interest in Ningbo Beilun Project is 50.0%, and the Group's interest in all other projects in Ningbo is 100.0%, while the Group's interest in Dalian Oriental Xanadu is 55.0%n and 100.0% in all other projects in Dalian. The Group's interest in Tianjin Central Park Project is 98.2%, and 100.0% in all other projects in Tianjin. The Group's interests in Qingdao project and Shenyang Chongqing project are 96.4% and 51.0%, respectively, and 100.0% in all other projects in Shenyang.

Sufficient land bank laid a solid foundation for the Group's sustainable growth in the future. The Group's geographic reach has now been expanded from 31 to 32 cities (with the addition of Weihai) as of 17 August 2011.

Looking forward, the Group will continue to acquire new land bank according to its business development strategies while maintaining prudent financial policies. Future land bank acquisition will be funded by its internal resources together with external financing.

Share Placement, Borrowings and Debt Ratio, Asset Mortgage, and Risk of Interest Fluctuation

In May 2011, the Group successfully issued overseas senior notes of US$750 million, at the coupon rate of 4.625% with a tenor of 5 years.

As of 30 June 2011, the Group had a total debt of HK$55,075 million equivalent, including bank borrowings of HK$49,270 million equivalent and senior notes of HK$5,805 million equivalent. Cash and bank balances accounted for HK$18,660 million. The Group's net interest-bearing debt to equity ratio (including non-controlling interests) stood at 68.1%.

As of 30 June 2011, 40.3% and 59.7% of the Group's borrowings were denominated in Renminbi and Hong Kong Dollar respectively. Among the total bank borrowings, approximately 32.4% of the bank borrowings are repayable within one year while the rest are long term borrowings. The Group has maintained its borrowing cost at a relatively low level, and the weighted average interest rate of its total interest-bearing borrowings for the first half of year 2011 was around 3.0%.

Details of the Group's assets being pledged as of 30 June 2011 are listed below:

Mortgaged Projects	Line of Credit (RMB'000)	Starting Date	Ending Date
Beijing CR Building	700,000	2008.12.22	2013.12.22
Shanghai Times Square	50,000	2009.08.25	2011.08.25
Shanghai Times Square	500,000	2009.08.31	2011.08.31
Shanghai Times Square	450,000	2009.08.31	2011.11.12
Shenzhen The MIXc Ph.I	1,500,000	2010.09.10	2015.09.09
Shenzhen The MIXc Ph.I		2010.10.25	2013.01.24
Shenzhen The MIXc Ph.I		2011.01.01	2015.12.21
Shenzhen Grand Hyatt Hotel	1,500,000	2011.01.28	2021.01.27
Shenzhen Grand Hyatt Hotel		2011.02.01	2021.01.31
Shenzhen Grand Hyatt Hotel		2011.02.18	2021.02.17
Shenzhen Grand Hyatt Hotel		2011.02.25	2021.02.24
Shenzhen Grand Hyatt Hotel		2011.03.04	2021.03.03
Land Use Right of Block C4, Wuxi Taihu Int'l Community	300,000	2011.01.27	2014.01.27
Land Use Right of Block C4, Wuxi Taihu Int'l Community		2011.02.26	2014.01.27
Land Use Right of Wuxi Taihu Int'l Community, Block C4		2011.05.04	2014.01.27
Land Use Right of Dalian Xanadu Ph.2 residential, Ph.3 residential and over ground construction, and	800,000	2011.04.29	2018.08.22

Xanadu Hotel			
Land Use Right of Fuzhou Oak Bay, Area C1, Block 7	300,000	2011.03.04	2014.03.03
Land Use Right of Fuzhou Oak Bay, Area C1, Block 7		2011.05.06	2014.03.03
Land Use Right of Fuzhou Oak Bay, Area C1, Block 7		2011.05.31	2014.03.03
Land Use Right of Fuzhou Oak Bay, Area C1, Block 7		2011.06.03	2014.03.03
Total	**6,100,000**		

The Group's residential and investment properties are all located in mainland China. We do not expect Renminbi appreciation, if any, to have negative impact on the Group's financial position.

Employee and Compensation Policy

As of 30 June 2011, the Group had approximately 12,537 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, medical coverage, share option scheme, and restricted share award scheme, etc.

OTHER INFORMATION

Corporate Governance

During the six months ended 30 June 2011, the Company has complied with the code provisions set out in Appendix 14 (Code on Corporate Governance Practices) to the Listing Rules 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 has been appointed for fixed term of three years, 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.

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 30 May 2008 (the "Adoption Date"). The Scheme was subsequently amended on 8 December 2009. 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.

During the period under review, the Company had through Trustee purchased 7,148,000 shares at a total consideration of HK$90,543,042.87 (including transaction costs). As of 30 June 2011, the Company had through Trustee purchased an aggregate of 39,612,000 shares, representing 0.9816% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK$407,214,405.23 (including transaction costs). Other than the shares awarded and vested in 2010 as disclosed in our 2010 annual report, there was no shares awarded or vested during the six months ended 30 June 2011. As at the date of this announcement, a total number of 28,829,000 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 2011.

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, as of 30 June 2011, the Company recorded a mark-to-market loss for which a provision was made in the interim results.

Review by Audit Committee

The 2011 interim results have been reviewed by Audit Committee which comprises five independent non-executive directors.

Interim Dividend

The Board has resolved to declare an interim dividend of HK9.5 cents per share for the six months ended 30 June 2011 (2010: HK9.5 cents) payable on or about 18 November 2011 to shareholders whose names appear on the Register of Members of the Company on 11 November 2011.

Closure of Register

The register of Members will be closed from 7 November 2011 (Monday) to 11 November 2011 (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 4 November 2011 (Friday).

Publication of Information on the Website of the Stock Exchange

The Company's 2011 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
CHINA RESOURCES LAND LIMITED
WANG Yin
Chairman

19 August 2011, 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. Yan Biao, Mr. Wei Bin, Mr. Du Wenmin, Mr. Ding Jiemin, Mr. Shi Shanbo and Dr. Zhang Haipeng; and the independent non-executive directors of the Company are Mr. Wang Shi, Mr. Andrew Y. Yan, Mr. Ho Hin Ngai, Bosco, Mr. Wan Kam To, Peter and Mr. Frederick Ma Si Hang.