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 2010 INTERIM RESULTS

Highlights

- Consolidated revenue for the six months ended 30 June 2010 amounted to HK$12,412 million, increased by 267.5% as compared with HK$3,378 million for the corresponding period of 2009.
- Consolidated net profit attributable to the owners of the Company amounted to HK$3,462 million, representing a growth of 168.5%, as compared with HK$1,289 million for the corresponding period of 2009.
- Gross profit margin for the period was 38.9%, compared with 39.0% and 35.8% for the corresponding period and year of 2009 respectively.
- Net profit margin for the period was 27.9%, compared with 38.2% and 26.6% for the corresponding period and year of 2009 respectively.
- Earning per share amounted to HK69.03 cents, increased by 156.6% as compared with HK26.90 cents for the corresponding period of 2009.
- Booked area amounted to 813,770 square metres, increased by 234.4% as compared with 243,357 square metres for the corresponding period of 2009.
- As of 22 August 2010, total land bank was 22.61 million square metres, increased by 2.53 million square metres in 2010.
- As of 22 August 2010, the Group has achieved contracted value of RMB10,159 million with a contracted GFA area of 1.05 million square meters. As of 22 August 2010, the Group has achieved total contracted value of RMB29,272 million that are subject to recognition in 2010 and years to come, including the contracted value of RMB19,113 million in property sales that was achieved in 2009 but not yet recognized. Specifically, the Group has locked up total revenue of RMB16,612 million from the residential property development for recognition in 2010.
- The Board of Directors declared an interim dividend of HK9.5 cents per share, increased HK4.1 cents as compared with HK5.4 cents for the corresponding period of 2009.

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 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	NOTES	Six months ended 30 June 2010 HK$'000 (Unaudited)	Six months ended 30 June 2009 HK$'000 (Unaudited and restated)
Revenue	4	12,412,461	3,377,895
Cost of sales		(7,588,516)	(2,061,957)
Gross profit		4,823,945	1,315,938
Gain on changes in fair value of investment properties		2,600,680	1,171,535
Gain on changes in fair value of inventory of properties transferred to investment properties		-	67,208
(Loss) gain on changes in fair value of derivative financial instruments		(22,854)	19,718
Other income		131,410	72,570
Selling and marketing expenses		(299,799)	(202,149)
General and administration expenses		(514,500)	(231,761)
Share of results of associates		24,892	11,372
Finance costs		(124,670)	(61,847)
Profit before taxation		6,619,104	2,162,584
Income tax expense	5	(2,041,727)	(628,868)
Profit for the period		4,577,377	1,533,716
Other comprehensive income			
Exchange differences arising on translation to presentation currency		577,711	134,709
(Loss) gain on changes in fair value of cash flow hedges		(23,317)	19,968
		554,394	154,677
Total comprehensive income for the period		5,131,771	1,688,393
Total comprehensive income attributable to:			
Owners of the Company		3,914,398	1,434,532
Non-controlling interests		1,217,373	253,861
		5,131,771	1,688,393
Profit for the period attributable to:			
Owners of the Company		3,461,768	1,289,456
Non-controlling interests		1,115,609	244,260
		4,577,377	1,533,716
Earnings per share	6		
- Basic		HK69.03 cents	HK26.90 cents
- Diluted		HK68.66 cents	HK26.76 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2010

	NOTES	30 June 2010 HK$'000 (Unaudited)	31 December 2009 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		2,758,591	2,578,850
Prepaid lease payments		454,584	453,068
Investment properties		20,138,825	16,742,284
Interests in associates		700,968	668,666
Amount due from an associate		248,058	238,614
Available-for-sale investments		180,289	179,772
Deferred taxation assets		438,779	471,022
		24,920,094	21,332,276
Current assets			
Inventory of properties		44,430,992	40,827,522
Prepaid lease payments		11,390	11,188
Other inventories		87,802	55,606
Trade receivables, other receivables and deposits paid	8	22,417,880	13,751,430
Amounts due from customers for contract works		340,264	281,615
Amounts due from fellow subsidiaries		103,536	99,999
Amount due from immediate holding company		8,251	4,103
Prepaid taxation		926,822	707,019
Cash and bank balances		15,471,800	19,513,576
		83,798,737	75,252,058
Current liabilities			
Trade and other payables	9	6,780,235	5,657,260
Deposits received from pre-sales of properties		17,185,024	18,943,304
Amounts due to customers for contract works		413,505	374,575
Amounts due to fellow subsidiaries		480,540	23,976
Amounts due to non-controlling interests		802,935	988,111
Taxation payable		2,267,540	1,849,380
Bank borrowings - due within one year		2,001,205	1,827,206
		29,930,984	29,663,812
Net current assets		53,867,753	45,588,246
Total assets less current liabilities		78,787,847	66,920,522

	30 June 2010 HK$'000 (Unaudited)	31 December 2009 HK$'000 (Audited)
Capital and reserves		
Share capital	503,643	503,001
Reserves	40,480,489	37,306,983
Equity attributable to owners of the Company	40,984,132	37,809,984
Non-controlling interests	2,405,515	1,190,073
	43,389,647	39,000,057
Non-current liabilities		
Bank borrowings - due after one year	32,354,597	25,631,576
Deferred taxation liabilities	2,874,330	2,165,788
Derivative financial instruments	169,273	123,101
	35,398,200	27,920,465
	78,787,847	66,920,522

Notes:

1. **INDEPENDENT REVIEW**

The interim results for six months ended 30 June 2010 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. **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 consolidated financial statements for the year ended 31 December 2009 except as described below.

(a) Restatements of prior period figures

Merger accounting for business combination involving entities under common control

In the prior year, the Group changed its accounting policy for business combinations involving entities under common control from the purchase method to merger accounting, based on the guidance set out in Accounting Guideline 5 Merger Accounting for Common Control Combinations, issued by the HKICPA.

The Group acquired Day Rejoice Limited and its subsidiary ("Day Rejoice Group") from a subsidiary of CRH subsequent to 30 June 2009, which is considered as business combination involving entities under common control and has been accounted for using merger accounting method for the year ended 31 December 2009. As a result, the comparative condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2009 have therefore been restated, in order to include the results of the combining entities since the date of which first come under common control.

3. PRINCIPAL ACCOUNTING POLICIES - continued

(a) Restatements of prior period figures – continued

Merger accounting for business combination involving entities under common control - continued

The adoption of merger accounting for the six months ended 30 June 2009 has resulted in decrease in the Group's total comprehensive income for the period and profit for the period attributable to the owners of the Company by HK$33,148,000 and HK$29,649,000 respectively.

(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 2010.

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

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no significant transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) is applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the condensed consolidated statement of financial position. The amendment to HKAS 17 has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17 Leases, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of these leases, and considered that the application of which had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 9	Financial Instruments[5]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
[2] Effective for annual periods beginning on or after 1 February 2010
[3] Effective for annual periods beginning on or after 1 July 2010
[4] Effective for annual periods beginning on or after 1 January 2011
[5] Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

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. REVENUE AND SEGMENT INFORMATION

Information reported to the chief operating decision maker was specifically focused on the segment of sale of developed properties, property investments and management, construction, decoration services and others and the new segment of hotel operations. Since the construction of hotel properties was only completed in late 2009 and commenced operation in this period, a new operating segment, hotel operations, has added to the information regularly reported to chief operating decision maker for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating segment.

Results for the six months period ended 30 June 2010

	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	11,061,659	749,236	104,907	496,659	12,412,461
RESULT					
Segment results	3,896,476	370,298	(68,741)	8,271	4,206,304
Unallocated other income					131,410
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					6,619,104

Results for the six months period ended 30 June 2009

	Sale of developed properties HK$'000 (restated)	Property investments and management HK$'000 (restated)	Hotel operations HK$'000	Construction, decoration services and others HK$'000 (restated)	Consolidated HK$'000 (restated)
REVENUE					
External sales	2,360,764	604,437	-	412,694	3,377,895
RESULT					
Segment results	576,390	338,051	-	19,024	933,465
Unallocated other income					72,570
Gain on changes in fair value of investment properties					1,171,535
Gain on changes in fair value of inventory of properties transferred to investment properties					67,208
Unallocated expenses					(31,719)
Share of results of associates					11,372
Finance costs					(61,847)
Profit before taxation					2,162,584

5. INCOME TAX EXPENSE

	Six months ended 30 June 2010 HK$'000	Six months ended 30 June 2009 HK$'000
The income tax expense comprises:		
Current tax:		
People's Republic of China ("PRC") Enterprise Income Tax	787,923	177,486
Land Appreciation Tax in the PRC	536,043	184,026
	1,323,966	361,512
Deferred taxation		
Current year	717,761	267,356
	2,041,727	628,868

6. 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 2010 HK$'000	Six months ended 30 June 2009 HK$'000 (restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	3,461,768	1,289,456

	Number of shares 2010	Number of shares 2009
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,014,804,337	4,794,395,058
Effect of dilutive potential ordinary shares on		
Share options	15,426,706	24,626,816
Awarded shares - unvested	11,354,233	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,041,585,276	4,819,021,874

The weighted average number of ordinary shares shown above has been arrived at after deducting the effect on 18,611,878 shares (six months ended 30 June 2009: 23,958,000 shares) held by BOCI-Prudential Trustee Limited, a trustee company for the Company's restricted share award scheme.

7. DIVIDENDS

On 26 March 2010, a final dividend of HK$920,492,000 at HK18.3 cents per share for 2009 was declared and was subsequently paid on 2 July 2010 to shareholders. On 27 March 2009, a final dividend of HK$391,373,000 at HK8.3 cents per share for 2008 was declared and was subsequently paid on 3 July 2009 to shareholders. The payment of additional final dividend of HK$1,175,000 for 2009 (six months ended 30 June 2009: HK$25,543,000 for 2008) 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 2009: HK5.4 cents) should be paid to the shareholders of the Company whose names appear on the Register of Members on 20 September 2010.

8. TRADE RECEIVABLES, OTHER RECEIVABLES AND DEPOSITS PAID

	30 June 2010 HK$'000	31 December 2009 HK$'000
Trade receivables	741,791	1,166,551
Less: allowance for doubtful debts	(352,407)	(349,661)
	389,384	816,890
Deposits paid for acquisition of land use rights	20,000,571	11,087,733
Other receivables	1,482,660	1,340,710
Less: allowance for doubtful debts	(361,349)	(362,577)
	1,121,311	978,133
Prepayments and deposits	906,614	868,674
	22,417,880	13,751,430

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

	30 June 2010 HK$'000	31 December 2009 HK$'000
Within one year	199,152	612,871
Over one year	190,232	204,019
	389,384	816,890

9. TRADE AND OTHER PAYABLES

	30 June 2010 HK$'000	31 December 2009 HK$'000
Trade payables	4,245,867	4,032,505
Other payables and accrued charges	2,534,368	1,624,755
	6,780,235	5,657,260

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

	30 June 2010 HK$'000	31 December 2009 HK$'000
Within one year	3,642,617	2,290,818
Over one year	603,250	1,741,687
	4,245,867	4,032,505

CHAIRMAN'S STATEMENT

In the first half of this year, under the current economic circumstances, the Group persistently strengthened its internal management to further explore cost potentials, and at the same time adjusted its product and marketing strategies to tailor those to specific conditions in respective local markets, products and locations. The efforts have led to the satisfactory results both in residential development and property leasing in the first half, and have laid down a solid foundation for a satisfactory performance for the full year.

In the first half of 2010, Chinese government has implemented a series of tightening policies towards real estate industry. Those policies have effectively reined property prices from further escalation that characterized the market since the second half of 2009 until the first quarter of this year. Although those measures have, in the short run, resulted in sharp contraction in market transaction volumes, and the Group's sales in the first half has also been affected to a certain extent, we believe the related policies and measures would be beneficial and necessary for the long term healthy development of real estate industry. The ultimate purposes of these policies are to keep the rapid and irrational increase of land cost and property prices under check, thus to ensure an optimum and sustainable development of the industry and to prevent the real economy from potential damage caused by the collapse of asset bubbles. Therefore these policies and measures will not change the fundamental bullish outlook of real estate industry and its role as a pillar industry in China's overall economy; on the contrary they would contribute to the long term healthy development of the industry. Our Group believes that, by leveraging on our long-term development strategies and unique business model as well as strict internal management and powerful integration capability in labour, finance and project resources, we would benefit from the future development of Chinese real estate market and ensure healthy, rapid and sustainable development of the Group.

Results and Dividend Distribution in the First Half of 2010

In the first half of 2010, the Group's consolidated turnover and profit attributable to shareholders reached HK$12,412 million and HK$3,462 million respectively, representing a respective increase of 267.5% and 168.5% over the corresponding period of 2009. The residential development business's turnover recorded a strong increase, rising to HK$11,062 million with a year-on-year growth of 368.6%. The property leasing and management also staged a strong performance, with a turnover of HK$749 million and an increase of 24.0% over the same period of 2009. In the first half of 2010, gross profit margin of the residential development business was 38.5%, hiked from 34.7% for the corresponding period of 2009 and 34.1% for the whole year of 2009.

In consistence with its payout policy, the Group declared an interim dividend of HK9.5 cents per share, an increase of 75.9% compared to HK5.4 cents per share for the corresponding period of 2009.

Land Bank

As of the date of this results announcement, the Group acquired, through public bidding, auction and listing, five pieces of land in Hefei, Zhengzhou, Shanghai, Tianjin and Yangzhou with a total gross floor area of 2.53 million square meters at an aggregated cost of RMB5,958 million. After the above acquisitions, the Group's total land bank reached a total gross floor area of 22.61 million square meters, among which land bank for residential development and investment properties was 19.11 million square meters and 3.50 million square meters respectively, not including completed investment properties of 1.06 million square meters. The ratio of investment property land bank over total land bank has risen from 13.4% by the end of last year to 15.5%. Meanwhile, the Group has further expanded its geographic coverage from 21 cities at the end of last year to 23 cities. The Group has further optimized its land bank in terms of geographic mix and business portfolio to better support its nationwide development strategy and its plan to enhance overall exposure in and weighting of investment properties. By building up a land bank that well matches its national development strategy in terms of quality and geographic diversity, the Group further solidified the foundation for the sustainable and accelerated growth in the years to come.

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 quality land bank with low-cost through various means, guided by its well-established development strategy and by strictly sticking to financial criteria and optimizing available resources in terms of geographic mix, product type and land scale.

Prospects

As of 22 Aug 2010, the Group had achieved contracted sales of RMB10,159 million, contracted GFA area of 1.05 million square meters. Including the contracted value of RMB19,113 million in property sales that was achieved before the end of 2009 but not yet recognized, the Group had, as of 22 Aug 2010, total development revenue of RMB29,272 million available for booking in 2010 and coming years. Specifically, the Group has locked up total revenue of RMB16,612 million from the residential property development business for recognition in 2010, representing a 30.5% increase over residential development revenue of RMB12,734 million for the full year 2009, indicating high certainty and visibility for satisfactory full year results in the year of 2010.

On 5 February this year, Hang Seng Indexes Company Limited, the Hong Kong stock index compilation agency, announced that our Group will be included in Hang Seng Index since 8 March 2010. The constituent change of Hang Seng Indexes was an important milestone event in the Group’s corporate history. It not only represents the full recognition of the Group in its development strategy, corporate governance, product competitiveness, future prospects and other aspects by the capital market, but also greatly enhances the image and the influence of the Group. I, on behalf of the Board, would like to take this opportunity to express my sincere thanks to all staff for the great efforts in making this remarkable achievement possible, and to all the shareholders, customers, tenants and different circles of the community for your consistent and persistent supports to our Group. Taking this as a new start, the Group is committed to continuously enhance its all-around capabilities in internal management and cost control, in product innovation, marketing as well as risk management on its way to better realize its ultimate corporate objectives, i.e. to continuously create values for our shareholders, customers and also for our valuable employees.

Wang Yin
Chairman

27 August 2010, Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

<u>Review of the Residential Development Business Recognized in the First Half of 2010</u>

During the first half of 2010, the Group's residential development business achieved a turnover of HK$11,062 million with 813,779 square meters recognized, representing a respective increase of 368.6% and 234.4% over the corresponding period in 2009. The Group's gross profit margin of the residential development business was 38.5% in the first half of 2010, greatly enhanced by 3.8 percentage points from 34.7% for the same period in 2009.

Details of the projects booked and turnover of the Group in the first half of 2010 are listed below:

Project Name	**Turnover** （**HK$'000**）	**Area Booked** （**Sqm**）
Eco Living	509,824	29,100
Phoenix City	3,679	262
Oak Bay	789,720	51,369
Others	16,396	168
Beijing Subtotal	1,319,619	80,899
Shanghai Oak Bay	36,710	837
Shenzhen Park Lane Manor	540,707	12,177
Jade City	255,385	38,046
Phoenix City	430,606	47,612
Twenty-Four City	2,164	126
Chengdu Subtotal	688,155	85,784
Phoenix City	3,796	596
Central Park	397,620	33,709
Wuhan Subtotal	401,416	34,305
French Annecy	3,443	619
Park Lane Manor	418,401	65,296
Hefei Subtotal	421,844	65,915
Hangzhou MIXc Residence	3,171,050	99,633
Wuxi Taihu International Community	201,711	24,492
Oriental Xanadu	2,059,391	60,414
Maritime	630,756	77,631
Dalian Subtotal	2,690,147	138,045
Changsha Phoenix City	448,187	110,177
Suzhou Villa	328,424	8,390
Chongqing Twenty-Four City	813,689	153,116
Total	**11,061,659**	**813,770**

<u>Review of Contracted Sales of Residential Development Business in the First Half of 2010</u>

The China's real estate market sustained its strength in 2009 at the beginning of this year until mid-April, when the central government re-implemented a series of tightening policies, with an aim to ensure the long-term healthy development of real estate market. Those policies and measures have effectively reined property prices from further escalation in some cities. During this period, the Group recorded decreases both in contracted volume and floor area sold compared with that of the corresponding period of last year. As of 30 June 2010, the Group achieved a contracted value of RMB7,268 million with the area sold totalling 746,601 square meters, representing a respective decrease of 27.8% and 34.0% compared with the corresponding period of 2009.

Details in sales breakdown by cities during the first half of 2010 are set out as follows:

City	Contracted Value		Area sold	
	RMB'000	%	Sqm	%
Beijing	258,398	3.6%	11,551	1.5%
Shanghai	263,336	3.6%	6,518	0.9%
Shenzhen	46,327	0.6%	1,147	0.1%
Chengdu	2,120,487	29.2%	234,820	31.5%
Wuhan	536,389	7.4%	48,426	6.5%
Hefei	731,176	10.1%	108,126	14.5%
Wuxi	193,977	2.7%	15,759	2.1%
Ningbo	766,065	10.5%	40,350	5.4%
Dalian	410,361	5.6%	35,574	4.8%
Changsha	348,744	4.8%	80,677	10.8%
Suzhou	100,220	1.4%	2,304	0.3%
Chongqing	522,432	7.2%	81,658	10.9%
Shenyang	255,975	3.5%	25,286	3.4%
Fuzhou	714,571	9.8%	54,405	7.3%
Total	**7,268,458**	**100.0%**	**746,601**	**100.0%**

Sales details of the Group by projects in the first half of 2010:

Project Name	City	Project Type	Total GFA	Accumulated areas sold as at 30 June 2010 (Sqm)	Area sold in the first half of 2010 (Sqm)	Average selling price in the year of 2010 (RMB/Sqm)
Oak Bay	Beijing	High density residential	616,757	294,942	8,582	27,713
Eco Living	Beijing	Mid-low density residential	217,490	122,406	219	36,681
The Bund Side	Shanghai	High density residential	189,776	98,840	271	64,426
Oak Bay	Shanghai	High density residential	230,795	59,316	6,247	39,357
Park Lane Manor	Shenzhen	High density residential	110,000	96,499	1,147	40,376
Jade City	Chengdu	Mid-low density residential	1,063,542	882,699	53,203	11,533
Twenty-Four City	Chengdu	High density residential	1,640,000	444,357	74,653	10,188
Phoenix City	Chengdu	High density residential	694,576	340,026	72,219	8,118
Oak Bay	Chengdu	Mid-high density residential	523,511	4,796	4,796	7,599
Phoenix City	Wuhan	High density residential	141,300	133,303	175	7,492
Central Park	Wuhan	High density residential	346,696	138,980	47,830	11,145
French Annecy	Hefei	Mid-low density residential	202,020	192,628	171	5,341
Park Lane Manor	Hefei	High density residential	195,004	161,751	23,514	7,723
Palace Glorious	Hefei	High density residential	199,500	84,217	84,217	6,508
Taihu International Community	Wuxi	Mid-low density residential	1,017,698	323,527	15,759	12,309
Tuscany Lake Valley	Ningbo	Low density residential	130,352	98,967	8,443	31,798
Central Park	Cixi	High density residential	284,348	97,297	30,857	15,901

Oriental Xanadu	Dalian	Mid-low density residential	166,137	62,285	3,941	41,813
Maritime	Dalian	High density residential	1,309,592	197,338	6,273	13,567
Suzhou Villa	Suzhou	Low density residential	67,595	14,813	2,304	43,506
Phoenix City	Changsha	High density residential	1,198,040	280,236	78,466	4,309
Twenty-Four City	Chongqing	High density residential	1,951,620	234,774	81,658	6,398
The Arc	Shenyang	High density residential	280,000	67,645	7,106	8,409
Oak Bay	Shenyang	Mid-high density residential	890,476	17,925	17,925	10,807
Oak Bay	Fuzhou	Mid-low density residential	603,108	53,096	53,096	13,289

Stepping into the second half of this year, the Group has witnessed stabilization in its contracted sales in a sluggish market environment, benefited from its high quality in projects. From 1 July till 22 August, the Group achieved a contracted value of RMB2,891 million with the area sold totalling 302,935 square meters over a period of less than two months. Details in sales breakdown by main cities over the period of 1 July till 22 August are set out as follows:

The Bund Side and Oak Bay in Shanghai sold 3,617 square meters and netted in a contracted value of RMB233 million in total.

Four projects in Chengdu including Jade City, Phoenix City, Twenty-Four City and Oak Bay had aggregated 57,693 square meters in area sold and RMB574 million in contracted value.

Wuhan Central Park sold 5,788 square metres and achieved a contracted value of RMB69 million.

Three projects in Hefei, including French Annecy, Park Lane Manor and Palace Glorious had aggregated 14,959 square metres in area sold and RMB94 million in contracted value.

Wuxi Taihu International Community sold 8,590 square metres and achieved a contracted value of RMB89 million.

Tuscany Lake Valley and Central Park in Ningbo sold 7,398 square metres and achieved a contracted value of RMB130 million in total.

Oriental Xanadu and Maritime in Dalian sold 95,243 square metres and achieved a contracted value of RMB824 million in total.

Phoenix City in Changsha sold 28,284 square metres and achieved a contracted value of RMB120 million.

Twenty-Four City in Chongqing sold 38,467 square meters and achieved a contracted value of RMB284 million.

The Arc and Oak Bay in Shenyang sold 22,629 square metres and achieved contracted value of RMB248 million.

Fuzhou Oak Bay sold 19,087 square meters and achieved a contracted value of RMB196 million.

As of 22 August 2010, the total contracted value of this year reached RMB10,159 million. Together with the contracted value of RMB19,113 million achieved but not yet booked before the end of 2009, the Group has an aggregate amount of RMB29,272 million, which has been contracted as of 22 August 2010 and is available for booking over time along with successful delivery of the corresponding projects. Specifically, the Group has locked in total development revenue of RMB16,612 million for 2010.

Review of Leasing Business in the First Half of 2010

As of 30 June 2010, book value of the investment properties of the Group totalled HK$20,139 million, which accounted for 18.5% 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$1,514 million attribute to the owners of the Company were obtained during the period based on an appraisal performed by an independent third party. In the first half of 2010, the turnover of property leasing and management business amounted to HK$634 million, representing an increase of 24.3% over the corresponding period last year.

The following table sets out the turnover and occupancy rates of the key investment properties in the first half of 2010:

Investment Property Company	Turnover (HK$'000)			Average Occupancy Rate (%)		
	2010	2009	%yoy	2010	2009	%yoy
Beijing China Resources Building	80,741	78,369	3.0%	97.4%	93.9%	3.5%
CR Land Beijing Others	68,516	50,843	34.8%	93.0%	95.5%	-2.5%
Shanghai CR Times Square	102,524	92,899	10.4%	98.2%	92.5%	5.7%
Shenzhen City Crossing	362,432	287,625	26.0%	96.7%	99.0%	-2.3%
Hangzhou The MIXc	15,540	N/A	N/A	85.4%	N/A	N/A
Property Management	116,054	94,702	22.5%	N/A	N/A	N/A

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	Shenzhen	100.00%	323,748	323,748	
The MIXc			159,585	159,585	Retail
China Resources Building			40,990	40,990	Office
Grand Hyatt Hotel			67,506	67,506	Hotel
Car Park			55,667	55,667	Car Park
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
Beijing China Resources Building	Beijing	100.00%	65,222	65,222	Office
Beijing Phoenix Plaza	Beijing	96.28%	44,031	42,393	Office/Car Park
Xidan Cultural Centre	Beijing	96.28%	36,184	34,838	Retail
Grand Constellation Shopping Mall	Beijing	96.28%	16,787	16,162	Retail
U-Space Mall	Beijing	96.28%	10,685	10,287	Retail
Jing Tong Shops	Beijing	96.28%	17,952	17,284	Retail
Beijing Phoenix City Commercial Street	Beijing	96.28%	13,210	12,719	Retail
Huawei Centre	Beijing	48.14%	54,214	26,099	Retail
Huanan Building	Beijing	15.30%	70,058	10,719	Retail
Building 22, Guanyingyuan	Beijing	96.28%	4,155	4,001	Office
Jin Hui Garden	Beijing	96.28%	3,926	3,780	Retail
Building 49, Fortune Island, La Firenze	Beijing	96.28%	5,681	5,469	Retail
Building 1, Plot B2, La Firenze	Beijing	96.28%	2,007	1,932	Retail
Others	Beijing	96.28%	34,729	33,437	Office/Retail

Hangzhou The MIXc	Hangzhou	60.00%	242,845	145,707	Retail/Car Park
Total GFA			**1,056,362**	**864,725**	
Comprising: Retail			615,188	454,290	
Office			191,788	190,488	
Hotel			67,506	67,506	
Others			181,880	152,441	

** Not including Beijing Phoenix Plaza, Beijing Oak Bay Commercial Property, Beijing China Resources Building Phase II, Shanghai Bund Side Service Apartment, Shanghai Wuzhong Road Project Commercial Property, Chengdu Jade City Commercial Property, Chengdu Twenty-Four City Commercial Property, Chengdu Oak Bay Commercial Property, Mianyang Project Commercial Property, Chengdu Donghu Project Commercial Property, Hefei Park Lane Manor Commercial Property, Hefei Zhengwuqu Project, The MIXc Phase II in Hangzhou, Wuxi Taihu International Community Commercial Property, Hotel in Dalian Oriental Xanadu, Suzhou Xiangcheng Project Commercial Property, Chongqing Twenty-Four City Commercial Property, The MIXc in Shenyang, Shenyang CR Plaza, Qingdao Submarine School Project Commercial Property, Anshan Education Bureau Project Commercial Property, Zhengzhou Minzhu Road Project, all of which are currently under construction involving a total gross floor area of 3,498,679 square meters.*

Investment properties, especially commercial properties will be the key product line of the Group in the future. Until now the Group has formed a three-tier product series: Metropolitan Commercial Complex, Residential plus Regional Commercial Centre, Residential plus District Commercial Centre. With the success of Shenzhen MIXc, an example of "City Crossing", the City Crossing product line is now being copied or will be copied in Hangzhou, Shenyang, Chengdu, Qingdao and Zhengzhou. "Residential plus Regional Commercial Centre" product line is now being piloted in Beijing Oak Bay and will be introduced nationwide after the success of the trial. The Group's "Residential plus District Commercial Centre" product line is now being piloted in Anshan city, Liaoning province will also be introduced to other cities after its successful trial.

In the future, the Group plans to launch one to two investment property projects each year. The stable and recurrent rental income from rental properties will offer the Group a greater operational resilience to defend against risks from industry fluctuations while optimizing its earning mix.

Review of Value-added Services in the First Half of 2010

By establishing product R&D center and fully utilizing the Group's traditional advantages on decoration business, the Group further promoted its product line in "standardized and serialized storage space solution", which covers product R&D, design and decoration to fully realize a systematic solution to satisfy customers' needs.

After its successful pilot tests in Beijing Oak Bay and Beijing Eco Living, the "standardized and serialized storage space solution" was overwhelmingly well received by the market, and will be extended to the Group's other projects.

Land Bank

As of 22 August 2010, the Group added 2.53 million square meters to its land bank at an aggregated cost of RMB5,958 million, making the Group's total land bank located in 23 cities at 22.61 million square meters in terms of GFA. Details are set out below:

City	Total GFA (Sqm)
Beijing*	1,613,014
Shanghai	1,237,563
Shenzhen	9,489
Chengdu	3,630,151

Wuhan	362,216
Hefei	1,307,912
Hangzhou*	504,669
Wuxi*	983,466
Ningbo	364,925
Dalian*	1,413,822
Changsha	1,452,539
Suzhou	421,748
Chongqing	2,371,170
Shenyang	2,038,732
Mianyang	307,826
Xiamen	603,108
Tianjin*	860,171
Fuzhou	775,861
Nantong	586,400
Anshan	415,200
Qingdao*	745,400
Zhengzhou	404,000
Yangzhou	200,260
Total	**22,609,642**

** The Group's interest is 100% in both Beijing Daxing 17# project and Beijing Mentougou project, 98.1% in Beijing Oak Bay Project and 96.3% in all other projects in Beijing. In addition, the Group's interests in Hangzhou The MIXc project and Wuxi projects are both 60.0%, while the Group's interest in Dalian Oriental Xanadu Project is 55.0%.The Group's interests in Tianjin projects are 98.1% and its interest in Qingdao project is 97.8%.*

Share Placement, Borrowings and Debt Ratio

As of 30 June 2010, the Group had a total gross borrowing of HK$34,356 million, cash and bank balance of HK$15,472 million, while the Group's net debt to equity ratio stood at 46.1 %.

As of 30 June 2010, 29.6% and 70.4% of the Group's borrowings were denominated in Renminbi and HK dollars respectively. Among the total borrowings, approximately 5.8% of the bank borrowings are repayable within one year while the rest 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 for this year at approximately 2.23% per annum only.

Employee and Compensation Policy

As of 30 June 2010, the Group had approximately 8,969 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 and restricted share award scheme are granted on a discretionary basis. Other employee welfare includes provident fund, medical insurance coverage, etc.

OTHER INFORMATION

Corporate Governance

During the six months ended 30 June 2010, 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.

Up to 30 June 2010, the Company had through Trustee purchased 23,958,000 shares, representing 0.5937% 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). During the period ended 30 June 2010, a total of 21,975,904 shares of the Company had been awarded to the directors and employees of the Group at no consideration, among which 5,346,122 shares have been vested during the period. The sale proceeds of the vested shares were and will be transferred to the relevant directors and employees in accordance with the provisions of the Scheme. As at the date of this announcement, a total number of 18,611,878 unvested 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 2010.

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 2010, the Company recorded a mark-to-market loss for which a provision was made in the interim results.

Review by Audit Committee

The 2010 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 2010 (2009: HK5.4 cents) payable on or about 28 September 2010 to shareholders whose names appear on the Register of Members of the Company on 20 September 2010.

Closure of Register

The register of Members will be closed from 20 September 2010 (Monday) to 24 September 2010 (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 17 September 2010(Friday).

Publication of Information on the Website of the Stock Exchange

The Company’s 2010 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

27 August 2010, 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. 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, Mr. Wan Kam To, Peter and Mr. Frederick Ma Si Hang.