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**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 2012 INTERIM RESULTS**

**HIGHLIGHTS**

- Consolidated revenue for the period ended 30 June 2012 amounted to HK\$7,919 million, increased by 2.9% as compared with HK\$7,694 million for the corresponding period of 2011.
- Consolidated net profit attributable to the owners of the Company for the period amounted to HK\$3,689 million, representing a slight growth of 2.2%, as compared with HK\$3,608 million for the corresponding period of 2011.
- Gross profit margin for the period was 47.6%, compared with 41.4% and 39.6% for the corresponding period and year of 2011 respectively.
- Net profit margin for the period was 46.6%, compared with 46.9% and 22.5% for the corresponding period and year of 2011 respectively.
- Earnings per share for the period amounted to HK63.5 cents, decreased by 5.6% as compared with HK67.3 cents for the corresponding period of 2011.
- Booked area for the period amounted to 405,926 square metres, at a similar level as compared with 405,863 square metres for the corresponding period of 2011.
- As of 12 August 2012, total land bank was 28.19 million square metres, increased by 0.89 million square metres in 2012.
- As of 12 August 2012, the Group has achieved contracted value of RMB29,543 million with a contracted GFA area of 2.70 million square meters. As of 12 August 2012, the Group has achieved total contracted value of RMB60,523 million that are subject to recognition in 2012 and years to come, including the contracted value of RMB30,980 million in property sales that was achieved in 2011 and before but not yet recognized. Specifically, the Group has locked up total revenue of RMB26,877 million from the residential property development for recognition in 2012.
- The Board of Directors declared an interim dividend of HK6.3 cents per share.

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 2012 as follows:

## Interim Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June	
		2012 HK\$'000 <i>Unaudited</i>	2011 HK\$'000 <i>Unaudited and restated</i>
Revenue	4	7,919,442	7,694,010
Cost of sales		(4,153,367)	(4,507,364)
Gross profit		3,766,075	3,186,646
Gain on changes in fair value of investment properties		3,089,473	3,104,318
Gain on changes in fair value of derivative financial instruments		28,909	17,325
Other income		348,260	292,583
Selling and marketing expenses		(704,318)	(492,195)
General and administration expenses		(582,371)	(549,105)
Share of results of associates		-	24,223
Share of results of jointly controlled entities		21,845	(1,526)
Finance costs		(357,945)	(293,081)
Profit before taxation		5,609,928	5,289,188
Income tax expenses	5	(1,865,869)	(1,621,801)
Profit for the period	6	3,744,059	3,667,387
Other comprehensive (expense)/income			
Exchange differences arising on translation to presentation currency		(435,925)	1,659,732
Gain on changes in fair value of cash flow hedges		8,306	293
		(427,619)	1,660,025
Total comprehensive income for the period		3,316,440	5,327,412
Total comprehensive income attributable to:			
Owners of the Company		3,346,595	5,154,474
Non-controlling interests		(30,155)	172,938
		3,316,440	5,327,412
Profit for the period attributable to:			
Owners of the Company		3,688,977	3,608,200
Non-controlling interests		55,082	59,187
		3,744,059	3,667,387
Earnings per share	7		
- Basic		HK63.51 cents	HK67.25 cents
- Diluted		HK63.41 cents	HK67.00 cents

## Interim Consolidated Statement of Financial Position

	Notes	30 June 2012 HK\$'000 <i>Unaudited</i>	31 December 2011 HK\$'000 <i>Audited</i>
<b>Non-current assets</b>			
Property, plant and equipment		4,243,308	4,070,444
Land use rights		1,467,633	1,139,920
Investment properties		37,999,874	29,588,952
Interests in associates		-	766,788
Interests in jointly controlled entities		1,950,456	8,131
Available-for-sale investments		164,599	179,653
Prepayments for non-current assets		1,328,368	7,362,103
Deferred taxation assets		645,025	711,117
		<u>47,799,263</u>	<u>43,827,108</u>
<b>Current assets</b>			
Properties for sale		121,115,894	98,100,675
Land use rights		-	22,727
Other inventories		178,594	165,188
Trade receivables, other receivables, prepayments and deposits	9	14,285,058	20,956,816
Amounts due from customers for contract works		874,059	1,013,977
Amounts due from fellow subsidiaries		147,913	102,238
Amount due from an intermediate holding company		13,126	718
Amounts due from jointly controlled entities		574,205	596,404
Prepaid taxation		1,281,211	431,597
Cash and bank balances		19,784,197	15,368,281
		<u>158,254,257</u>	<u>136,758,621</u>
<b>Current liabilities</b>			
Trade and other payables	10	15,475,808	15,150,499
Advances received from pre-sales of properties		43,208,164	26,648,418
Amounts due to customers for contract works		534,367	463,329
Amounts due to fellow subsidiaries		370,217	599,524
Amount due to an intermediate holding company		233,065	-
Amounts due to ultimate holding company		119	-
Amounts due to non-controlling interests		1,722,161	1,074,414
Taxation payable		4,469,039	5,206,084
Bank borrowings – due within one year		18,534,788	22,073,099
Derivative financial instruments		27,687	14,924
		<u>84,575,415</u>	<u>71,230,291</u>
Net current assets		<u>73,678,842</u>	<u>65,528,330</u>
Total assets less current liabilities		<u>121,478,105</u>	<u>109,355,438</u>
<b>Capital and reserves</b>			
Share capital		582,729	582,647
Reserves		62,193,505	59,733,508
Equity attributable to owners of the Company		<u>62,776,234</u>	<u>60,316,155</u>
Non-controlling interests		6,448,452	6,046,126
		<u>69,224,686</u>	<u>66,362,281</u>

	<b>30 June 2012 HK\$'000 Unaudited</b>	<b>31 December 2011 HK\$'000 Audited</b>
Non-current liabilities		
Bank borrowings – due after one year	39,421,609	30,898,536
Senior notes	7,748,716	7,753,723
Deferred taxation liabilities	5,051,336	4,259,162
Derivative financial instruments	31,758	81,736
	<u>52,253,419</u>	<u>42,993,157</u>
	<u>121,478,105</u>	<u>109,355,438</u>

Notes:

### 1. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2012 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### 2. MERGER ACCOUNTING RESTATEMENT

The Group acquired Speedy Hill Investments Limited and its subsidiaries from a subsidiary of China Resources (Holdings) Company Limited on 11 October 2011, which is considered as business combination involving entities under common control and has been accounted for using merger accounting method, in accordance with the guidance set out in Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants. As a result, the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2011 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 2011 has resulted in an increase in the Group’s total comprehensive income attributable to the owners of the Company for the six months ended 30 June 2011 of HK\$175,808,000 and an increase in the Group’s profit attributable to the owners of the Company for the six months ended 30 June 2011 of HK\$47,169,000, respectively.

### 3. PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

#### (a) Amendments to standards and interpretations adopted by the Group as of 1 January 2012

The following amendments to standards and interpretations are mandatory for the Group’s financial year beginning 1 January 2012. The adoption of these amendments to standards and interpretations does not have any significant impact to the results and financial position of the Group.

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendment)	Disclosures - Transfers of Financial Assets
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets

#### (b) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

#### 4. SEGMENT INFORMATION

##### Segment revenues and results

Information reported to the directors of the Company, the chief operating decision makers of the Group, 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 2012

	Sales 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	5,383,791	1,586,040	298,097	651,514	7,919,442
RESULT					
Segment results	1,642,606	698,088	(12,923)	219,103	2,546,874
Unallocated other income					348,260
Gain on changes in fair value of investment properties					3,089,473
Gain on changes in fair value of derivative financial instruments					28,909
Unallocated expenses					(67,488)
Share of result of jointly controlled entities					21,845
Finance costs					(357,945)
Profit before taxation					5,609,928

#### 4. SEGMENT INFORMATION (continued)

##### Segment revenues and results (continued)

For the six months ended 30 June 2011

	Sales of developed properties HK\$'000 <i>(Restated)</i>	Property investments and management HK\$'000 <i>(Restated)</i>	Hotel operations HK\$'000	Construction, decoration services and others HK\$'000 <i>(Restated)</i>	Consolidated HK\$'000 <i>(Restated)</i>
REVENUE					
External sales	5,651,816	1,127,407	286,736	628,051	7,694,010
RESULT					
Segment results	1,722,111	500,983	3,327	8,310	2,234,731
Unallocated other income					292,583
Gain on changes in fair value of investment properties					3,104,318
Gain on changes in fair value of derivative financial instruments					17,325
Unallocated expenses					(89,385)
Share of results of associates					24,223
Share of result of a jointly controlled entity					(1,526)
Finance costs					(293,081)
Profit before taxation					5,289,188

## 5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2012 HK\$'000	2011 HK\$'000 <i>(Restated)</i>
Current income tax		
PRC corporate income tax	534,659	487,762
PRC land appreciation tax	450,584	437,702
Hong Kong profits tax	-	-
Deferred income tax	880,626	696,337
	<u>1,865,869</u>	<u>1,621,801</u>

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2012 and 2011. Hong Kong profits tax has not been provided as the Group did not have any assessable profit in Hong Kong for the six months ended 30 June 2012 (six months ended 30 June 2011: nil).

### PRC corporate income tax

The main business of the Group is conducted by group entities incorporated in the Chinese Mainland (the "PRC subsidiaries"). PRC corporate income tax (the "CIT") is provided for on the basis of its profit reported in the PRC statutory financial statements, adjusted for income and expenses, which are not assessable or deductible for income tax purpose. Pursuant to the PRC Corporate Income Tax Law, the CIT rate is 25% (six months ended 30 June 2011: 25%).

### PRC land appreciation tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rates, except for certain group companies which calculate the LAT based on deemed tax rates in accordance with the approved taxation method obtained from tax authorities.

### Overseas income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2003 Revision) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Subsidiaries of the Company incorporated in the British Virgin Islands (the "BVI") are incorporated under the International Business Companies Act of the BVI and, accordingly are exempted from income tax in the BVI.

## 6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting) the following items:

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
		<i>(Restated)</i>
Amortisation of land use rights	17,593	10,758
Less: Amount capitalised in property, plant and equipment	(12,140)	(6,283)
	5,453	4,475
Depreciation of property, plant and equipment	159,809	132,537
(Reversal)/provision of impairment of receivables	(110,050)	2,598
Gain on disposal of a subsidiary	(102,157)	-
Gain on disposal of investment properties	(16,234)	-

## 7. 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	
	2012	2011
	HK\$'000	HK\$'000
		<i>(Restated)</i>
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	3,688,977	3,608,200
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,808,662,628	5,365,509,818
Effect of dilutive potential ordinary shares on		
- Share options	8,959,306	9,957,201
- Awarded shares - unvested	-	10,256,500
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,817,621,934	5,385,723,519

The weighted average number of ordinary shares shown above has been arrived at after deducting the effect on 18,172,000 shares (six months ended 30 June 2011: 28,829,000 shares) held by a financial institute as a trustee of the Company for the Strategic Incentive Award Scheme.

## 8. DIVIDENDS

A dividend of HK16.6 cents per share that relates to the year ended 31 December 2011, amounting to HK\$967,330,000 was accrued during the six months ended 30 June 2012 and paid on 4 July 2012.

In addition, an interim dividend of HK6.3 cents per share (interim dividend for the six months ended 30 June 2011: HK9.5 cents per share) was proposed by the board of directors of the Company on 17 August 2012. This interim dividend, amounting to HK\$367,119,000 (interim dividend for the six months ended 30 June 2011: HK\$511,854,000), has not been recognised as a liability in this condensed consolidated interim financial statements.



**9. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS**

	<b>30 June 2012 HK\$'000</b>	<b>31 December 2011 HK\$'000</b>
Trade receivables (Note a)	1,193,520	1,697,977
Less: allowance for doubtful debts	(159,016)	(161,136)
	<u>1,034,504</u>	<u>1,536,841</u>
Prepayments for acquisition of land use rights	<u>8,388,992</u>	<u>15,763,361</u>
Other receivables	1,532,186	1,500,277
Less: allowance for doubtful debts	(249,327)	(346,309)
	<u>1,282,859</u>	<u>1,153,968</u>
Prepayments and deposits	<u>3,578,703</u>	<u>2,502,646</u>
	<u>14,285,058</u>	<u>20,956,816</u>

- (a) Proceeds receivable in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of properties are required to settle the balance within 30 days.

Except for the proceeds receivable from sale of properties, rental income from lease of properties and proceeds from construction contracts which are payable in accordance with the terms of the relevant agreements, the Group generally allows a credit period not exceeding 45 days to its customers.

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

	<b>30 June 2012 HK\$'000</b>	<b>31 December 2011 HK\$'000</b>
Within one year	958,746	1,356,466
Over one year	75,758	180,375
	<u>1,034,504</u>	<u>1,536,841</u>

**10. TRADE AND OTHER PAYABLES**

	<b>30 June 2012 HK\$'000</b>	<b>31 December 2011 HK\$'000</b>
Trade payables	8,604,909	9,083,074
Other payables and accrued charges	6,870,899	6,067,425
	<u>15,475,808</u>	<u>15,150,499</u>

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

	<b>30 June 2012 HK\$'000</b>	<b>31 December 2011 HK\$'000</b>
Within one year	6,628,027	5,915,210
Over one year	1,976,882	3,167,864
	<u>8,604,909</u>	<u>9,083,074</u>

## **CHAIRMAN'S STATEMENT**

In the first half of 2012, especially since May, the property market has experienced a structural recovery, which is characterized by “rising volume but with stable price” and supported by gradually increasing end-user demands from first-time home buyers and first-time upgraders. To better adapt to the market's changes, the Group has effectively adjusted its product mix and pricing strategy, continued to promote its product sales by implementing its strategy for a balanced approach between selling prices and sales volume and between cash flow and profitability, while further optimized its controls over various costs and expenses. As a result, the Group delivered satisfactory performance in its financial results for the first half of this year, while laying down a solid foundation for promising results for the full year.

## **BUSINESS REVIEW**

In the first half of 2012, the Group recognized consolidated turnover of HK\$7,919 million and net profit attributable to shareholders of HK\$3,689 million, representing an increase of 2.9% and 2.2% over the same period of 2011 respectively. Segmental wise, the Group achieved turnover of HK\$5,384 million from residential development business, down by 4.7% year-on-year; as of 12 August, the Group has locked in HK\$33.0 bn development revenue for recognition in 2012, already exceeding HK\$31.3 bn for full year 2011 by 5.5%. In the first half of 2012, revenue from investment property business including hotel operations achieved HK\$1,700 million, up 38.5% over the same period of last year.

In the first half of 2012, earnings per share was HK63.5 cents, down by 5.6% over the corresponding period of 2011, and net book value per share increased by 4.0% to HK\$10.77. The Group recommended an interim dividend of HK6.3 cents per share.

## **RESIDENTIAL DEVELOPMENT**

In the first half of 2012, the Group achieved robust contracted sales of RMB23,314 million, with a 76.4% surge year-on-year. Along with further expansion in the scale of our residential development operation, the Group have firmly implemented its strategy to pursue a faster asset turnover with high execution efficiency, and further streamlined its product lines in order to enhance efficiency and product duplication, with an aim to provide more small-to-medium sized units to meet prevailing market demand.

Meanwhile, the Group has continuously dedicated to high quality strategy. In the first half of 2012, Beijing Oak Bay and Chengdu Twenty-Four City were rewarded by China Civil Engineering Society with Gold Medal of “2012 Tien-yow Jeme Civil Engineering Prize”.

## **INVESTMENT PROPERTY**

With Chengdu MIXc's grand opening in May 2012, the Group's investment property portfolio received a further boost, bringing the total number of operating MIXc malls to four. As of 30 June 2012, the Group's total operating GFA of investment property reached 1.87 million square meters, representing an increase of 16.2% over 1.61 million square meters at the beginning of 2012. The Group will continue to take effective measures to enhance its control over construction and ensure development and completion schedule of its MIXc projects currently under construction fall within its internal standards. In addition, the Group will strategically increase the proportion of mixed-use projects with both residential and investment property in its future landbank acquisitions, with an aim to constantly lift the profit contribution from investment property in a long run.

## **VALUE-ADDED SERVICES**

During the first half of 2012, the Group continuously dedicated to its differentiated business model and further strengthened the promotion and innovation of value-added services. At the same time, the Group broadened value-added services in its scope and piloted various newly-offered services including butler service, community service, optimized utilization of underground space, and value-added services for sellable commercial products and landscape design, some of which have shown promising results.

## **LANDBANK**

In its new land bank acquisitions, the Group has strictly adhered to its principals to allocate its financial resources on a strategy-guided basis and to add new land bank in a manner complementary to its business model of “residential development+ investment property + value-added services”. Since the beginning of 2012, the Group has taken a prudent stance in land acquisition and only acquired two land blocks in Rizhao and Shenyang with a total GFA of 0.89 million square meters. Specifically, Rizhao project is for development of a complex with “residential + rainbow city” components. As of 12 August 2012, the Group’s geographic coverage was further expanded to 39 cities with a total landbank of GFA 28.19 million square meters, among which residential landbank amounted to 23.63 million square meters, investment property under construction stood at 4.56 million square meters, while operating investment property totalled 1.87 million square meters.

The Group has now established a landbank portfolio that is reasonably balanced in its proportion between residential development and investment property, ideally diversified in its geographic spread, strategically matching to the Group’s long term plan, and can largely support the Group’s development needs in the coming years. 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 long-term business development and financial stability.

## **FINANCIAL POLICY**

In the first half of 2012, thanks to its prudent financial policy, the Group’s total interest bearing debt ratio, net interest bearing debt ratio and EBITDA to interest coverage ratio were all kept well under control within the ranges set by rating agencies for investment grade credit rating. The credit rating of the Group is “BBB with stable outlook” by Standard & Poor’s and “Baa2 with stable outlook” by Moody’s.

## **OUTLOOK**

In the second half of 2012, the property market is expected to continue to face uncertainties and consistent policy tightening. Under the backdrop of such macro environment, we expect overall industry to remain relatively stable. The Group will closely monitor market situations and enhance our capability to predict the market changes and to respond to such changes. Further, the Group will take proactive measures to optimize its product mix and adopt a flexible pricing strategy as a response to changing market conditions, while adhering to its balanced approach between sales volume and selling prices though with volume as priority. The Group holds a cautiously optimistic view on the overall property market in the second half of 2012.

As of 12 August 2012, the Group has achieved total contracted sales of RMB29,543 million year-to-date. Together with the contracted value of RMB30,980 million which was achieved before the end of 2011 but remained unrecognized in 2011, the Group had a total contracted value of RMB60,523 million available for booking in 2012 and onwards. Specifically, the Group has so far locked in RMB26,877 million in development revenue for recognition in 2012, thus laying down a solid

foundation for promising financial results for full year of 2012. In addition, rental income from the Group's operating investment properties sustained its growth momentum, which will be further boosted by the newly opened Chengdu MIXc.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of 2012, the Group's residential development and investment property business both achieved satisfactory performance. While contracted sales were in line with expectation, all our projects progressed as scheduled, thus laying down a solid foundation for promising financial results of 2012 and 2013.

### Review of Residential Development Business in the First Half of 2012

During the first half of 2012, the Group achieved contracted sales of RMB23,314 million with the area sold totalling 2,116,026 square meters, representing a significant year-on-year growth of 76.4% and 90.9% respectively.

Sales breakdown by city during the first half of 2012 are set out below:

City	Contracted Value		Area Sold	
	RMB'000	%	Sqm	%
Beijing	3,728,874	16.0%	122,718	5.8%
Shanghai	1,677,611	7.2%	47,552	2.2%
Shenzhen	186,096	0.8%	1,927	0.1%
Chengdu	2,475,678	10.6%	256,051	12.1%
Wuhan	637,981	2.7%	57,584	2.7%
Hefei	1,121,096	4.8%	156,273	7.4%
Hangzhou	458,009	2.0%	19,488	0.9%
Wuxi	1,193,728	5.1%	128,101	6.0%
Ningbo	1,103,637	4.7%	92,705	4.4%
Dalian	915,865	3.9%	90,155	4.3%
Changsha	497,763	2.1%	98,830	4.7%
Suzhou	437,313	1.9%	27,244	1.3%
Shenyang	1,431,244	6.2%	161,056	7.6%
Chongqing	1,574,186	6.8%	229,632	10.8%
Xiamen	262,701	1.1%	28,866	1.4%
Tianjin	613,959	2.6%	79,236	3.7%
Mianyang	128,814	0.6%	27,841	1.3%
Fuzhou	779,272	3.4%	76,475	3.6%
Changzhou	252,226	1.1%	40,060	1.9%
Nanjing	314,220	1.3%	12,462	0.6%
Nantong	326,871	1.4%	46,029	2.2%
Qingdao	504,656	2.2%	18,850	0.9%
Yangzhou	240,026	1.0%	31,030	1.5%
Tangshan	303,692	1.3%	41,907	2.0%
Xuzhou	213,343	0.9%	17,658	0.8%
Changchun	120,305	0.5%	18,493	0.9%
Nanchang	93,788	0.4%	11,900	0.6%
Wanning	811,333	3.5%	35,457	1.7%
Taizhou	285,186	1.2%	44,807	2.1%

Zibo	385,538	1.7%	55,620	2.6%
Yancheng	144,040	0.6%	26,747	1.3%
Qinhuangdao	94,932	0.4%	13,272	0.6%
<b>Total</b>	<b>23,313,983</b>	<b>100.0%</b>	<b>2,116,026</b>	<b>100.0%</b>

Sales breakdown of key projects in the first half of 2012:

Project	City	Project Type	Total GFA	Accumulated area sold as of 30 June 2012 (Sqm)	Area sold in 1H 2012 (Sqm)	Average selling price in 1H 2012 (RMB/Sqm)
Oak Bay	Beijing	Mid-high density residential	620,100	443,159	47,781	32,788
Eco Living	Beijing	High density residential	217,490	181,435	27,941	34,554
Positano Vita	Beijing	Mid-low density residential	286,121	20,126	11,128	24,288
Park Land	Beijing	Mid-low density residential	227,323	75,106	35,040	26,132
The Bund Side	Shanghai	High density residential	87,677	81,972	1,611	63,749
The Bound of Bund	Shanghai	High density residential	79,240	34,393	2,724	96,139
Oak Bay	Shanghai	Mid-low density residential	230,795	133,422	23,762	37,470
Central Park	Shanghai	Mid-low density residential	470,564	70,353	11,985	23,459
Eternal Palace	Shanghai	Low density residential	121,719	3,171	2,392	40,743
Park Lane Manor	Shenzhen	High density residential	110,000	103,024	1,927	96,590
Jade City	Chengdu	Mid-high density residential	1,298,414	989,831	15,632	14,550
Twenty-Four City	Chengdu	High density residential	1,548,000	644,648	70,522	11,604
Phoenix City	Chengdu	High density residential	699,567	620,548	75,545	9,146
Oak Bay	Chengdu	High density residential	519,529	226,683	42,681	7,165
Emerald Forest	Chengdu	Mid-high density residential	121,712	69,871	42,493	8,074
Jinyue Bay	Chengdu	Mid-low density residential	336,420	9,239	2,985	19,971
Central Park	Wuhan	Mid-high density residential	346,696	237,816	22,376	12,045
Oak Bay	Wuhan	Mid-low density residential	476,000	99,704	30,723	9,545
Landmark Residence	Wuhan	High density residential	41,231	25,906	4,450	15,685
French Annecy	Hefei	Mid-low density residential	202,020	200,399	6,838	8,826
Palace Glorious	Hefei	High density residential	199,500	198,387	19,999	6,455
Oak Bay	Hefei	Mid-high density residential	677,600	114,764	77,725	6,645
The Arch	Hefei	High density residential	618,292	65,578	44,805	8,875
Taihu Int'l Community	Wuxi	Mid-low density residential	1,004,800	780,947	110,905	8,669

Top Mansion	Wuxi	Mid-high density residential	260,000	32,350	17,126	13,344
Tuscany Lake Valley	Ningbo	Low density residential	130,352	115,707	3,945	33,099
Central Park	Cixi	Mid-low density residential	284,348	183,701	1,883	14,259
The Arch	Ningbo	Mid-high density residential	196,000	67,388	46,293	10,970
Landmark Residence	Ningbo	Mid-high density residential	196,062	40,353	40,353	10,813
Oriental Xanadu	Dalian	Mid-low density residential	166,662	89,641	5,243	37,908
Maritime	Dalian	Mid-high density residential	1,309,592	551,309	60,770	7,528
CR Plaza	Dalian	High density residential	472,600	18,871	18,871	11,162
Phoenix City	Changsha	High density residential	1,155,439	743,627	93,729	5,189
Suzhou Villa	Suzhou	Low density residential	67,595	35,492	3,977	35,678
The Bound of Kunyu	Suzhou	Mid-low density residential	285,987	45,645	9,187	17,551
Oak Bay	Suzhou	Mid-high density residential	362,543	41,957	14,051	9,538
MIXc Residence	Shenyang	High density residential	216,400	50,790	9,302	21,748
The Arch	Shenyang	High density residential	240,700	258,272	52,621	8,805
Oak Bay	Shenyang	Mid-high density residential	813,600	229,678	46,734	7,091
CR Plaza	Shenyang	High density residential	379,500	36,787	26,979	8,051
The Bound of Mukden	Shenyang	Mid-high density residential	419,100	11,770	11,770	9,093
Twenty-Four City	Chongqing	High density residential	1,555,000	571,703	134,689	7,053
Central Park	Chongqing	High density residential	574,924	246,928	94,885	6,577
Oak Bay	Xiamen	High density residential	310,800	41,320	28,866	9,101
Oak Bay	Tianjin	Mid-low density residential	708,600	35,863	29,716	7,597
Central Park	Tianjin	Mid-low density residential	152,200	74,796	49,519	7,840
Central Park	Mianyang	Mid-high density residential	691,731	114,399	19,207	5,421
Oak Bay	Fuzhou	Mid-low density residential	578,100	285,135	75,768	10,223
CR Int'l Community	Changzhou	Mid-high density residential	1,166,800	117,105	40,060	6,296
Ning Mansion	Nanjing	High density residential	277,792	24,954	12,462	25,214
Oak Bay	Nantong	Mid-high density residential	441,700	126,800	46,029	7,101
City Crossing	Qingdao	High density residential	369,202	18,850	18,850	26,772
Oak Bay	Yangzhou	Mid-low density residential	200,260	77,048	29,600	7,853
Oak Bay	Tangshan	Mid-high density residential	463,400	116,450	41,907	7,247

MIXc Residence	Xuzhou	Mid-low density residential	351,569	17,658	17,658	12,082
Oak Bay	Changchun	Mid-high density residential	328,253	18,493	18,493	6,505
Oak Bay	Nanchang	Mid-high density residential	279,924	11,900	11,900	7,881
Shimei Bay	Wanning	Low density residential	967,062	51,707	35,457	22,882
CR Int'l Community	Taizhou	High density residential	792,500	79,109	44,807	6,365
Central Park	Zibo	High density residential	444,600	81,556	25,929	6,320
The Arch	Zibo	High density residential	178,500	29,374	29,374	6,455
Oak Bay	Yancheng	Mid-high density residential	350,000	49,351	25,153	5,719
Oak Bay	Qinhuangdao	Mid-high density residential	193,115	13,272	13,272	7,153

Stepping into the second half of 2012, the Group has maintained strong momentum in contracted sales. As of 12 August 2012, the Group has achieved contracted sales of RMB29,543 million with the area sold amounting to 2.70 million square meters. Together with RMB30,980 million contracted value which was achieved before the end of 2011 but remained unbooked in the year of 2011, the Group has an aggregate amount of RMB60,523 million in contracted value (including the amount already recognized in the first half of 2012) available for recognition upon completion and delivery of the corresponding projects in 2012 and onwards.

#### Details of Projects Delivered and Booked in First half of 2012

During the first half of 2012, the Group's residential development business achieved a turnover of HK\$5,384 million, representing a year-on-year decrease of 4.7%; area delivered during the period was 405,926 square meters, at a similar level when compared with the corresponding period in 2011. The slight decline in turnover was due to the fact that most projects available for booking this year are scheduled to deliver in the second half. As of 12 August 2012, the Group has locked in a total of RMB26,877 million in contracted sales from the residential property development for recognition in 2012, already exceeding the amount of HK\$31,301 million for the full year in 2011 by approximately 5.5%. The Group's gross profit margin of residential development business was 44.2% for the first half of 2012, improved by 3.0 percentage points as compared with 41.2% for the corresponding period of 2011.

Details of the projects booked and turnover of the Group in the first half of 2012 are listed below:

Project Name	Turnover HK\$'000	Area Booked Sqm
Beijing Oak Bay	106,191	5,267
Beijing Eco Living	258,761	4,959
Beijing Phoenix City	129,922	5,323
Others	15,369	769
<b>Beijing Subtotal</b>	<b>510,243</b>	<b>16,318</b>
Shanghai The Bound of Bund	563,750	7,132
Shanghai Oak Bay	192,635	4,525
<b>Shanghai Subtotal</b>	<b>765,385</b>	<b>11,657</b>
Shenzhen MIXc Residence	194,256	1,244
Chengdu Jade City	62,321	3,985

Chengdu Phoenix City	85,890	9,536
Chengdu Oak Bay	1,543,053	167,212
Chengdu Twenty-Four City	673,710	37,479
Chengdu Ginkgo Park	623,585	55,573
<b>Chengdu Subtotal</b>	<b>2,988,559</b>	<b>273,785</b>
Wuhan Central Park	171,101	11,419
Hefei Palace Glorious	106,231	14,124
Hefei Frency Annecy	2,366	305
Hefei Park Lane Manor	5,515	886
<b>Hefei Subtotal</b>	<b>114,112</b>	<b>15,315</b>
Wuxi Taihu Int'l Community	5,158	2,135
Ningbo Central Park	3,756	380
Dalian Oriental Xanadu	9,660	717
Dalian Maritime	43,821	3,090
<b>Dalian Subtotal</b>	<b>53,481</b>	<b>3,807</b>
Changsha Phoenix City	52,042	12,531
Suzhou Villa	83,080	2,241
Chongqing Central Park	138,500	16,466
Shenyang The Arch	230,082	26,035
Mianyang Central Park	49,267	11,199
Fuzhou Oak Bay	33,769	1,394
<b>Total</b>	<b>5,383,791</b>	<b>405,926</b>

## Review of Investment Property in the First Half of 2012

As of 30 June 2012, book value of the investment properties of the Group totalled HK\$38,000 million, which accounted for 18.4% of the Group's total assets. In compliance with relevant accounting policies, during the period under review, the Group has recognized a revaluation gain of HK\$2,299 million (net off taxation and minority interests) based on an appraisal conducted by an independent third party on the Group's investment properties, including projects under construction. During the first half of 2012, the turnover of property leasing business including hotel operation and property management business amounted to HK\$1,884 million, representing a year-on-year growth of 33.2%.

The following table sets out the turnover and occupancy rates of the key investment properties in the first half of 2012:

Investment Properties	Turnover (HK\$'000)			Average Occupancy Rate (%)		
	2012	2011	YoY (%)	2012	2011	YoY (pt)
Beijing China Resources Building	86,947	75,985	14.4%	98.4%	98.5%	-0.1
CR Land Beijing Others	195,961	99,544	96.9%	89.5%	99.1%	-9.6
Shanghai CR Times Square	126,295	115,293	9.5%	98.7%	99.0%	-0.3
Shenzhen City Crossing	543,163	471,750	15.1%	99.9%	98.6%	1.3
MIXc Chengdu	10,520	N/A	N/A	54.9%	N/A	N/A
MIXc Hangzhou	191,066	156,567	22.0%	98.5%	98.6%	-0.1



MIXc Shenyang	156,938	7,705	1936.8%	83.2%	90.0%	-6.8
Other Rental Income	91,351	26,768	241.3%	N/A	N/A	N/A
Shenzhen Grand Hyatt	234,251	212,379	10.3%	69.8%	65.8%	4.0
Shimei Bay Le Meridien Hotel	63,846	74,357	-14.1%	37.5%	52.7%	-15.2
Property Management	183,797	173,795	5.8%	N/A	N/A	N/A

Details of the Group's key investment properties in the PRC are listed below:

Property	City	Interest Attributable to the Group (%)	Total GFA(Sqm)	Attributable GFA (Sqm)	Usage
Beijing CR Building	Beijing	100.0%	65,222	65,222	Office
Rainbow City	Beijing	98.2%	65,000	63,850	Retail
Block A,F and H, Phoenix Plaza, Office	Beijing	96.5%	80,986	78,176	Office
Block A, Phoenix Plaza, Car Park	Beijing	96.5%	13,242	12,783	Car Park
Block M, Phoenix Plaza, Mall	Beijing	96.5%	37,122	35,834	Retail
Xidan Cultural Centre	Beijing	96.5%	36,184	34,928	Retail
Grand Constellation Shopping Mall	Beijing	96.5%	16,787	16,204	Retail
U-Space Mall	Beijing	96.5%	10,685	10,314	Retail
Jing Tong Shops	Beijing	96.5%	17,952	17,329	Retail
Phoenix City Commercial Street	Beijing	96.5%	13,210	12,752	Retail
Huawei Building	Beijing	48.3%	54,214	26,166	Retail
Huanan Building	Beijing	15.3%	70,058	10,726	Retail
Building 22, Guanyingyuan	Beijing	96.5%	4,155	4,011	Office
Jin Hui Garden	Beijing	96.5%	3,926	3,790	Retail
Building 49, Fortune Island, Jade City	Beijing	96.5%	5,681	5,484	Retail
Building 1, Plot B2, Jade City	Beijing	96.5%	2,007	1,937	Retail
Others	Beijing	96.5%	34,729	33,524	Others
Shanghai Times Square	Shanghai	100.0%	97,139	97,139	
Mall			51,190	51,190	Retail
Office			36,843	36,843	Office
Car Park			9,106	9,106	Car Park
Shenzhen City Crossing	Shenzhen	100.0%	323,748	323,748	
The MIXc			159,585	159,585	Retail
Shenzhen CR Building			40,990	40,990	Office
Grand Hyatt Hotel			67,506	67,506	Hotel
Car Park			55,667	55,667	Car Park
Shenzhen Huarui Building	Shenzhen	100.0%	13,789	13,789	Hotel
Chengdu CR Building	Chengdu	100.0%	312,260	312,260	
The MIXc			152,098	152,098	Retail

Chengdu CR Building			73,660	73,660	Office
Car Park			86,502	86,502	Car Park
Hangzhou MIXc Ph.1	Hangzhou	60.0%	242,845	145,707	
The MIXc			173,709	104,225	Retail
Car Park			69,136	41,482	Car Park
Shenyang City Crossing	Shenyang	100.0%	305,905	305,905	
The MIXc			173,863	173,863	Retail
Shenyang CR Building			55,500	55,500	Office
Car Park			76,542	76,542	Car Park
Hainan Wanning Shimei Bay Le Meridien Hotel	Wanning	100.0%	41,926	41,926	Hotel
<b>Total GFA</b>			<b>1,868,772</b>	<b>1,673,504</b>	
Retail			1,043,271	880,276	
Office			357,356	354,402	
Hotel			123,221	123,221	
Others			344,924	315,605	

Details of the Group's key investment properties under construction are listed below:

Property Name	City	Interest Attributable to the Group (%)	Total GFA (Sqm)	Attributable GFA (Sqm)	Usage
Grand Hyatt Hotel	Shenyang	100.0%	57,040	57,040	Hotel
The Arch, Commercial	Shenyang	100.0%	119,420	119,420	Commercial
The Arch, Office	Shenyang	100.0%	41,663	41,663	Office
Changbai Island Project	Shenyang	100.0%	92,000	92,000	Commercial
Grand Hyatt Hotel	Dalian	55.0%	76,138	41,876	Hotel
CR Plaza, Commercial	Dalian	60.0%	69,000	41,400	Commercial
CR Plaza, Hotel	Dalian	60.0%	20,000	12,000	Hotel
Park Lane Manor, Commercial	Anshan	100.0%	36,000	36,000	Commercial
Oak Bay, Commercial	Changchun	100.0%	80,200	80,200	Commercial
Fun Square	Harbin	100.0%	118,000	118,000	Commercial
Rainbow City(Eastern Area)	Beijing	98.2%	83,900	82,392	Commercial
CR Building Ph.2, Commercial	Beijing	96.5%	10,000	9,650	Commercial
CR Building Ph.2, Office	Beijing	96.5%	30,000	28,950	Office
CR Building Ph.2, Hotel	Beijing	96.5%	35,000	33,775	Hotel
CR Plaza, Serviced Apartment	Beijing	96.5%	20,498	19,781	Hotel
The MIXc	Zhengzhou	100.0%	94,344	94,344	Commercial
CR Building	Zhengzhou	100.0%	72,000	72,000	Office
In City	Zhengzhou	100.0%	73,656	73,656	Commercial
City Crossing, Commercial	Qingdao	96.5%	166,964	161,120	Commercial
City Crossing, Office	Qingdao	96.5%	104,239	100,591	Office
City Crossing, Hotel	Qingdao	96.5%	88,802	85,694	Hotel
Rainbow City, Commercial	Zibo	100.0%	134,896	134,896	Commercial
Rainbow City, Office	Zibo	100.0%	73,777	73,777	Office
Rainbow City, Commercial	Rizhao	100.0%	91,069	91,069	Commercial

Rainbow City, Hotel	Rizhao	100.0%	39,186	39,186	Hotel
Rainbow City, Office	Rizhao	100.0%	40,261	40,261	Office
The MIXc	Wuxi	60.0%	114,700	68,820	Commercial
Taihu Int'l Community, Office	Wuxi	60.0%	35,146	21,088	Office
Taihu Int'l Community, Hotel	Wuxi	60.0%	39,544	23,726	Hotel
Oak Bay, Commercial	Suzhou	100.0%	25,000	25,000	Commercial
CR Int'l Community, Commercial	Changzhou	100.0%	122,201	122,201	Commercial
CR Int'l Community, Office	Changzhou	100.0%	53,070	53,070	Office
CR Int'l Community, Commercial	Taizhou	100.0%	100,000	100,000	Commercial
CR Int'l Community, Office	Taizhou	100.0%	100,000	100,000	Office
Oak Bay Commercial	Yancheng	52.0%	52,519	27,310	Commercial
The Bound of Bund, Serviced Apartment	Shanghai	100.0%	22,859	22,859	Hotel
The MIXc	Shanghai	50.0%	164,100	82,050	Commercial
Wuzhong Road Project, Hotel	Shanghai	50.0%	34,500	17,250	Hotel
MIXc Residence, Commercial	Hangzhou	60.0%	14,344	8,606	Commercial
CR Building	Hangzhou	60.0%	78,727	47,236	office
Park Hyatt Hotel	Hangzhou	60.0%	36,018	21,611	Hotel
Rainbow City	Ningbo	100.0%	79,000	79,000	Commercial
Rainbow City, Hotel	Ningbo	100.0%	15,300	15,300	Hotel
Park Lane Manor, Commercial	Hefei	100.0%	45,000	45,000	Commercial
Park Lane Manor, Office	Hefei	100.0%	60,000	60,000	Office
The MIXc	Hefei	100.0%	166,000	166,000	Commercial
CR Building	Hefei	100.0%	57,000	57,000	Office
The MIXc, Hotel	Hefei	100.0%	57,000	57,000	Hotel
Oak Bay, Commercial	Hefei	100.0%	35,315	35,315	Commercial
Phoenix City, Commercial	Changsha	100.0%	50,000	50,000	Commercial
Twenty-Four City, Hotel	Chengdu	100.0%	23,000	23,000	Hotel
Twenty-Four City Ph.2, Commercial	Chengdu	100.0%	220,763	220,763	Commercial
Twenty-Four City, Other Commercial	Chengdu	100.0%	80,000	80,000	Commercial
Donghu Project, Office	Chengdu	100.0%	13,880	13,880	Office
Jinyue Bay, Retail	Chengdu	100.0%	1,877	1,877	Commercial
Ginkgo Park, Retail	Chengdu	100.0%	5,560	5,560	Commercial
Oak Bay, Retail	Chengdu	100.0%	10,461	10,461	Commercial
Jade City, Retail	Chengdu	100.0%	18,033	18,033	Commercial
Twenty-Four City, Retail	Chengdu	100.0%	13,394	13,394	Commercial
Emerald Forest, Commercial	Chengdu	100.0%	35,000	35,000	Commercial
The MIXc	Chongqing	100.0%	225,900	225,900	Commercial
CR Building	Chongqing	100.0%	120,600	120,600	Office
Twenty-Four City, Hotel	Chongqing	100.0%	35,000	35,000	Hotel
Central Park, Commercial	Mianyang	100.0%	50,794	50,794	Commercial

Central Park, Office	Mianyang	100.0%	53,004	53,004	Office
City Crossing, Commercial	Ganzhou	55.0%	120,000	66,000	Commercial
City Crossing, Hotel	Ganzhou	55.0%	40,000	22,000	Hotel
Huizhou Xiaojing Bay Project, Hotel	Huizhou	65.0%	30,000	19,500	Hotel
Shimei Bay Project, Hotel	Wanning	100.0%	17,494	17,494	Hotel
Shimei Bay Project, Commercial	Wanning	100.0%	17,519	17,519	Commercial
<b>Total</b>			<b>4,557,676</b>	<b>4,135,963</b>	
Commercial			2,936,930	2,688,751	
Office			933,367	883,120	
Hotel			687,379	564,092	

In the future, the Group will focus more on investment property, especially commercial property. Moreover, the Group plans to launch one to two investment property projects each year. The stable and recurrent rental income will continue to offer the Group counter-cyclical resilience and help optimizing the Group's sustainable profitability.

### Review of Value-added Services in the First Half of 2012

The Group has further strengthened its differentiated business model in its value-added services with customer orientation. The creative “standardized and serialized storage space solution” and “flexible/adjustable furniture for small apartments” have been applied to 31 projects and have been well received by markets and customers. Meanwhile, the Group will gradually standardize and patent its product designs in value-added services and market the products under specifically-created brands.

During the first half of 2012, the Group broadened value-added services in its scope and piloted various newly-offered services including butler service, community service, optimized utilization of underground space, value-added services for sellable commercial products and landscape design in projects located in Beijing, Shanghai, Wuxi, Yancheng, Ganzhou and Wuhan, some of which have shown promising results.

### Land Bank

As of 12 August 2012, the Group has acquired a total GFA of 0.89 million square meters of new land bank in 2012 with a total consideration of RMB1,740 million, and increased its total land bank to 28.19 million square meters in GFA. Details are set out below:

City	Total GFA (Sqm)
Beijing*	926,267
Shanghai*	970,328
Chengdu	2,484,417
Wuhan	477,272
Hefei	1,455,161
Hangzhou*	439,766
Wuxi*	731,192
Ningbo*	474,397
Dalian*	1,508,657

Changsha	932,327
Suzhou	569,047
Shenyang*	1,876,009
Chongqing	1,741,447
Xiamen	264,724
Tianjin*	755,821
Mianyang	655,246
Fuzhou	307,693
Changzhou	1,307,374
Nanjing	257,914
Nantong	285,932
Anshan	628,568
Qingdao*	707,482
Zhengzhou	464,000
Yangzhou	121,141
Tangshan	339,065
Xuzhou	291,010
Changchun	296,159
Nanchang	255,987
Wanning	989,694
Harbin	191,719
Taizhou	907,030
Zibo	556,260
Yancheng*	287,008
Huizhou*	1,606,000
Weihai	522,073
Qinhuangdao*	173,508
Ganzhou*	839,074
Rizhao	590,516
<b>Total</b>	<b>28,187,285</b>

*\*The Group holds 100.0% interest in both Beijing Park Land and Beijing Positano Vita Projects, 98.2% in Beijing Oak Bay Project and 96.5% in all other projects in Beijing; the Group holds 50.0% interest in Shanghai Wuzhong Road Project and 99.8% in Shanghai Oak Bay Project; the Group's interests in Hangzhou and Wuxi Taihu International Community Project are both 60.0%; the Group holds 50.0% interest in Ningbo The Arch Project, 55.0% in Dalian Oriental Xanadu, and 60.0% in Dalian CR Plaza; the Group owns 51.0% of Shenyang The Bound of Mukden Project; 98.2% of Tianjin projects and 96.5% of Qingdao project; the Group also holds 52.0% interest in Yancheng Oak Bay project, 65.0% interest in Huizhou project, 96.5% interest in Qinhuangdao Oak Bay, and 55.0% interest in Ganzhou Zhangjiang New District project. Other than those mentioned above, the Group holds 100.0% interest in all other projects.*

Sufficient land bank has laid down a solid foundation for the Group's sustainable growth in the future. The Group's geographic presence has been expanded to 39 cities (with new addition of Rizhao during the period).

Looking forward, the Group will continue to replenish new land bank according to its business development strategies while maintaining prudent financial policies. Further land bank acquisitions will be funded by the Group's internal resources together with external financing.

### **Borrowing and Debt Ratio, Asset Pledge, and Risk of Exchange Rate Fluctuations**

As of 30 June 2012, the Group had a total debt of HK\$65,705 million equivalent. Cash and bank balance amounted to HK\$19,784 million. The Group's net interest-bearing debt to equity ratio (including minority interests) stood at 66.3%.

As of 30 June 2012, 42.7% of the Group's interest-bearing debt was denominated in Renminbi and 57.3% in Hong Kong or US dollar. Approximately 28.2% of the interest-bearing debt is repayable within one year while the rest is long term. 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 2012 was around 4.0%.

Details of the Group's assets being pledged as of 30 June 2012 are listed below:

Pledged Project	Total Facility Quota (RMB'000)	Starting Date	Ending Date
Land Use Right of and Project Under Construction of Beijing Positano Vita Western A Block	450,000	2011.12.02	2015.06.30
Beijing CR Building	700,000	2008.12.22	2013.12.22
Shanghai Times Square	1,000,000	2009.07.20	2016.07.20
Shenzhen CR Building	400,000	2009.01.21	2014.01.20
Shenzhen The MIXc	1,500,000	2010.12.30	2020.12.29
Shenzhen Grand Hyatt Hotel Building A-E	1,500,000	2010.12.27	2025.12.26
Land Use Right of Chengdu Twenty-Four City Ph.4, Block 15	500,000	2012.01.10	2015.01.04
Land Use Right of Chengdu Phoenix City Ph.3, Block 14	500,000	2012.06.11	2015.06.10
Land Use Right of Chengdu Oak Bay Ph.2, Block 13, Section 3 & 4	390,000	2011.10.31	2014.10.31
Project Under Construction of Wuhan Oak Bay Ph.1, Shop No.2&3	60,000	2011.06.15	2014.06.14
Land Use Right of Wuhan Oak Bay Ph.2	240,000	2011.11.15	2014.11.15
Land Use Right of and Project Under Construction of Hefei Oak Bay Ph.1	300,000	2012.03.30	2013.05.28
Land Use Right of Hefei The Arch Ph.1	250,000	2012.02.17	2015.02.16
Land Use Right of and Project Under Construction of Hangzhou The MIXc Ph.2	1,300,000	2012.05.10	2017.05.09
Hangzhou The MIXc	500,000	2011.12.21	2017.12.31
Land Use Right of Wuxi Park Lane Manor Ph.1	380,000	2011.03.23	2014.03.22
Land Use Right of Wuxi Taihu Int'l Community Ph.1, Block C3	240,000	2012.03.05	2013.12.31
Land Use Right of Ningbo CR COLI The Arch	300,000	2011.12.20	2012.05.31
Land Use Right of and Project Under Construction of Dalian Xanadu Building 25-1, 25-2, and 25-3	160,000	2011.08.17	2018.08.22
Land Use Right of Dalian Xanadu Ph.2 Hotel, Ph.2 Residential, and Ph.3 Residential	360,000	2011.04.28	2018.08.22
Land Use Right of Dalian Xanadu Ph.2 Hotel, Ph.2 Residential, and Ph.3 Residential	70,000	2011.08.17	2018.08.22

Land Use Right of Suzhou The Bound of Kunyu A1-1 & B1-1, and Project Under Construction of The Bound of Kunyu Ph.1	300,000	2010.11.14	2015.01.16
Land Use Right of Suzhou The Bound of Kunyu Section B2, and Section A1-2	250,000	2012.06.25	2017.06.24
Land Use Right of and Project Under Construction of Shenyang CR Plaza (north)	120,000	2012.05.02	2015.05.01
Land Use Right of Chongqing Central Park Ph.4	95,000	2011.12.30	2014.12.29
Land Use Right of Tianjin Central Park Block 1&3, and Project Under Construction of Block 2, Villa	300,000	2011.06.24	2014.06.23
Land Use Right of Changzhou CR Int'l Community Ph.1	300,000	2011.11.11	2016.11.10
Land Use Right of Changzhou CR Int'l Community Ph.2	100,000	2011.11.28	2014.11.27
Land Use Right of and Project Under Construction of Nanjing Ning Mansion Ph.1, Building 4&5	360,000	2011.12.21	2013.12.01
Land Use Right of Nantong Oak Bay and Project Under Construction of Nantong Oak Bay Ph.1	340,000	2011.09.30	2014.09.29
Project Under Construction of Qingdao MIXc Residence Building 3,4,5 and Land Use Right of underground car park	300,000	2012.05.11	2015.05.10
Land Use Right of Zhengzhou The MIXc Block A	300,000	2012.05.25	2013.05.24
Land Use Right of Zhengzhou The MIXc Block B	800,000	2012.06.14	2013.06.13
Zhengzhou In City	400,000	2009.08.07	2018.08.25
Land Use Right of and Project Under Construction of Yangzhou Oak Bay garden	330,000	2012.01.12	2014.03.30
Land Use Right of Nanchang Oak Bay Ph.1	200,000	2012.05.14	2015.05.13
Hainan Wanning Shimei Bay Le Meridien Hotel	470,000	2011.11.08	2026.11.07
Land Use Right of Taizhou CR Int'l Community Block D	150,000	2011.12.15	2013.11.09
Land Use Right of Zibo Central Park Ph.1	145,000	2012.03.31	2014.03.30
<b>Total</b>	<b>16,360,000</b>		

The Group's residential and investment properties are all located in Mainland China. We expect RMB exchange rate to remain relatively stable, thus a mild fluctuation in RMB exchange rate will not bring material negative impact on the Group's financial position.

### **Employee and Compensation Policy**

As of 30 June 2012, The Group had approximately 15,948 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 pay level. In addition, performance bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage.

## **OTHER INFORMATION**

### **Corporate Governance**

The Company recognises the importance of maintaining high standards of corporate governance to the long-term sustainable development of the Group, and thus set up a Corporate Governance Committee on 9 March 2012 with an aim to further improve the Group's corporate governance standard. During the six months ended 30 June 2012, the Company has complied with all the code provisions set out in Appendix 14 of the Listing Rules (Code on Corporate Governance Practices

(effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012)) with the exception of the following deviations:

**Code provision A.4.1:** non-executive directors should be appointed for a specific term.

Except the independent non-executive director Mr. Andrew Y. Yan, other directors of the Company (including executive or non-executive directors) are not appointed for a fixed term. The Articles of Association of the Company stipulate that every director (including executive or non-executive directors) shall 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 and the Corporate Governance Code.

**Code provision A.6.7:** independent non-executive directors and non-executive directors should attend the general meeting.

Due to overseas business travels and other business engagements, independent non-executive directors Mr. Wang Shi, Mr. Andrew Y. Yan, Mr. Wan Kam To, Peter, Mr. Frederick Ma Si Hang and non-executive directors Mr. Yan Biao, Mr. Du Wenmin, Mr. Ding Jiemin, Mr. Wei Bin, Mr. Shi Shanbo and Dr. Zhang Haipeng were unable to attend the Company's annual general meeting held on 21 June 2012.

#### **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.

#### **Strategic Incentive 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 Strategic Incentive Award Scheme (formerly known as 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 six months ended 30 June 2012, there was no purchase of shares under the Scheme. There was no share awarded or vested during the period under review. As at the date of this announcement, a total number of 18,172,000 shares have been held in trust by the Trustee.

#### **Purchase, Sale or Redemption of Listed Securities**

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2012.

#### **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. During the period under review, HK\$1 billion four-year swap transactions reached maturity and expired. As at 30 June 2012, there was HK\$2 billion swap transactions remained in validity, and due to increase in swap rates in the market during the period under review, the Company recorded a mark-to-market gain in its interim results.

### **Review by Audit Committee and Auditor**

The 2012 Interim Report has been reviewed by Audit Committee which comprises five independent non-executive directors.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2012 has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### **Interim Dividend**

The Board has resolved to declare an interim dividend of HK6.3 cents per share for the six months ended 30 June 2012 (2011: HK9.5 cents) payable on or about 8 November 2012 to shareholders whose names appear on the Register of Members of the Company on 2 November 2012.

### **Closure of Register**

The register of Members will be closed from 29 October 2012 (Monday) to 2 November 2012 (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 26 October 2012 (Friday).

### **Publication of Information on the Website of the Stock Exchange**

The Company's 2012 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*

17 August 2012, 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. Huang Daoguo and Mr. Chen Ying; 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.*