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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 RESULTS FOR THE FINANCIAL YEAR
 ENDED 31 DECEMBER 2009**

Highlights

- Sales for the year ended 31 December 2009 amounted to HK\$16,601 million, increased by 77.3% as compared with the corresponding period of 2008.
- Net profit attributable to shareholders for the year ended 31 December 2009 amounted to HK\$4,409 million, representing a growth of 121.1% as compared with the corresponding period of 2008.
- Gross profit margin for the year was 35.8% compared with 35.7% for 2008.
- Net profit margin attributable to shareholders for the year was 26.6%, as compared with 21.3% in 2008.
- Earning per share amounted to HK90.2 cents, increased by 96.5% from HK45.9 cents in 2008.
- As of 31 December 2009, total land bank was 22.19 million square meters. During the course of 2009, total land bank newly added amounted to 6.05 million square meters.
- The Board of Directors declared a final dividend of HK18.3 cents per share. Dividends for the year amounted to HK23.7 cents, representing an increase of 102.6% over 2008.

The directors of China Resources Land Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2009 as follows:

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>NOTES</u>	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)
Revenue	3	16,601,348	9,365,833
Cost of sales		<u>(10,662,798)</u>	<u>(6,023,550)</u>
Gross profit		5,938,550	3,342,283
Gain on changes in fair value of investment properties		2,295,062	308,098
Gain on changes in fair value of inventory of properties transferred to investment properties		67,208	61,706
Gain (loss) on changes in fair value of derivative financial instruments		2,390	(100,665)
Other income		248,252	402,413
Selling and marketing expenses		(547,249)	(373,817)
General and administration expenses		(755,990)	(580,302)
Share of results of associates		41,481	97,094
Finance costs		<u>(153,961)</u>	<u>(151,275)</u>

	<u>NOTES</u>	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)
Profit before taxation		7,135,743	3,005,535
Income tax expense	4	<u>(2,285,219)</u>	<u>(967,541)</u>
Profit for the year		<u>4,850,524</u>	<u>2,037,994</u>
Other comprehensive income			
Exchange differences arising on translation to presentation currency		(54,784)	1,766,467
Gain (loss) on changes in fair value of cash flow hedges		<u>11,433</u>	<u>(36,259)</u>
		<u>(43,351)</u>	<u>1,730,208</u>
Total comprehensive income for the year		<u><u>4,807,173</u></u>	<u><u>3,768,202</u></u>
Total comprehensive income attributable to:			
Owners of the Company		4,408,510	3,579,875
Minority interests		<u>398,663</u>	<u>188,327</u>
		<u><u>4,807,173</u></u>	<u><u>3,768,202</u></u>
Profit for the year attributable to:			
Owners of the Company		4,408,909	1,993,973
Minority interests		<u>441,615</u>	<u>44,021</u>
		<u><u>4,850,524</u></u>	<u><u>2,037,994</u></u>
Earnings per share	6		
Basic		<u>HK90.2 cents</u>	<u>HK45.9 cents</u>
Diluted		<u>HK89.8 cents</u>	<u>HK45.5 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2009

	<u>NOTES</u>	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)	<u>1.1.2008</u> HK\$'000 (Restated)
Non-current assets				
Property, plant and equipment		2,578,850	2,274,429	1,520,609
Prepaid lease payments		453,068	631,924	446,625
Investment properties		16,742,284	9,998,305	8,967,812
Interests in associates		668,666	731,099	593,600
Amount due from an associate		238,614	265,178	237,464
Available-for-sale investments		179,772	187,994	196,220
Deferred taxation assets		471,022	398,634	375,547
		<u>21,332,276</u>	<u>14,487,563</u>	<u>12,337,877</u>
Current assets				
Inventory of properties		40,827,522	38,149,775	22,201,622
Prepaid lease payments		11,188	12,898	10,880
Other inventories		55,606	61,387	37,588
Trade receivables, other receivables and deposits paid	7	13,751,430	9,884,625	9,334,047
Amounts due from customers for contract works		281,615	210,929	190,784
Amounts due from fellow subsidiaries		99,999	15,598	274,012
Amounts due from immediate holding company		4,103	7,629	5,026
Taxation prepaid		707,019	128,731	52,532
Cash and bank balances		19,513,576	5,658,521	4,834,298
		<u>75,252,058</u>	<u>54,130,093</u>	<u>36,940,789</u>
Current liabilities				
Trade and other payables	8	5,657,260	4,258,280	2,144,333
Deposits received from pre-sales of properties		18,943,304	5,689,910	3,573,992
Amounts due to customers for contract works		374,575	341,963	124,248
Amounts due to fellow subsidiaries		23,976	1,945,751	2,166,958
Amount due to immediate holding company		-	981,299	2,648,081
Amounts due to minority shareholders		988,111	911,573	728,920
Bank borrowings - due within one year		1,827,206	4,062,895	2,712,212
Taxation payable		1,849,380	686,238	864,397
		<u>29,663,812</u>	<u>18,877,909</u>	<u>14,963,141</u>
Net current assets		<u>45,588,246</u>	<u>35,252,184</u>	<u>21,977,648</u>
Total assets less current liabilities		<u>66,920,522</u>	<u>49,739,747</u>	<u>34,315,525</u>

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)	<u>1.1.2008</u> HK\$'000 (Restated)
Capital and reserves			
Share capital	503,001	471,535	402,520
Reserves	<u>37,306,983</u>	<u>29,791,551</u>	<u>19,268,256</u>
Equity attributable to owners of the Company	37,809,984	30,263,086	19,670,776
Minority interests	<u>1,190,073</u>	<u>798,526</u>	<u>619,598</u>
	<u>39,000,057</u>	<u>31,061,612</u>	<u>20,290,374</u>
Non-current liabilities			
Bank borrowings - due after one year	25,631,576	17,030,097	12,748,212
Deferred taxation liabilities	2,165,788	1,511,114	1,276,939
Derivative financial instruments	<u>123,101</u>	<u>136,924</u>	<u>-</u>
	<u>27,920,465</u>	<u>18,678,135</u>	<u>14,025,151</u>
	<u>66,920,522</u>	<u>49,739,747</u>	<u>34,315,525</u>

Notes:

1. CHANGES IN ACCOUNTING POLICY AND RESTATEMENTS

Merger accounting for business combination involving entities under common control

In prior years, the Group has accounted for all its business combinations, including those combinations involving entities under common control, using the purchase method. On 3 September 2009, China Resources (Holdings) Company Limited ("CRH") transferred all its equity interest in Day Rejoice Limited and its subsidiaries to the Group. The directors of the Company have determined that the application of merger accounting to this acquisition from CRH being a business combination involving entities under common control will provide more relevant and useful information to financial statement users as it better reflects the economic substance of the transaction. The Group and the entities acquired pursuant to this group reorganisation is regarded as a continuing entity, and the application of merger accounting is consistent with certain subsidiaries of CRH which have also accounted for the business combinations involving entities under common control of China Resources National Corporation ("CRNC") under merger accounting.

Under merger accounting, based on the guidance set out in Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), the consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party, CRNC.

The directors have reviewed all of the previous acquisitions of subsidiaries from CRH and looked into the substance of the transactions both in terms of common control and the clarified definition of business in HKFRS 3 (Revised) Business Combinations issued in March 2008. Prior to 1 January 2008, acquisitions previously accounted for as business combination included Boom Go Group Limited and its subsidiaries and King Role Limited, while acquisitions which were previously accounted for as acquisition of assets included Cosmart Resources Limited and its subsidiaries, Speedy Gain Investments Limited and its subsidiaries and Toprun Investments Limited and its subsidiaries. Acquisitions in 2008 included Bridge Win Investments Limited and its subsidiaries and Smooth Day Group Limited and its subsidiaries which were accounted for as acquisition of assets or business combination. These acquisitions have been restated using merger accounting. Merger accounting is also applied for the acquisition from CRH in 2009, which includes Day Rejoice Limited and its subsidiaries.

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

1. CHANGES IN ACCOUNTING POLICY AND RESTATEMENTS - continued

Merger accounting has been applied retrospectively to group reorganisations in prior periods involving acquisition of entities or businesses from CRH. The consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the prior years have been restated to include the operating results, changes in equity and cash flows of the entities or businesses acquired from CRH as if these acquisitions had been completed at the beginning of the earliest prior period presented or since the dates the respective entities or businesses came under the control of CRNC during the respective accounting periods, whichever is appropriate. The consolidated statement of financial position as at 31 December 2008 and 1 January 2008 have been restated to include the carrying amounts of the assets and liabilities of the entities or businesses acquired from CRH as if those entities or businesses were combined as at those dates (see below for the financial impact).

The effect of the changes in accounting policy and restatements described above on the consolidated statement of comprehensive income for the year ended 31 December 2008 by line items is as follows:

	Year ended 31 December <u>2008</u> HK\$'000 (Originally stated)	Changes in accounting policy and <u>restatements</u> HK\$'000	Year ended 31 December <u>2008</u> HK\$'000 (Restated)
Revenue	9,133,605	232,228	9,365,833
Cost of sales	<u>(5,875,379)</u>	<u>(148,171)</u>	<u>(6,023,550)</u>
Gross profit	3,258,226	84,057	3,342,283
Gain on changes in fair value of investment properties	308,098	-	308,098
Gain on changes in fair value of inventory of properties transferred to investment properties	61,706	-	61,706
Loss on changes in fair value of derivative financial instruments	(100,665)	-	(100,665)
Other income	384,379	18,034	402,413
Selling and marketing expenses	(341,390)	(32,427)	(373,817)
General and administration expenses	(473,216)	(107,086)	(580,302)
Share of results of associates	97,094	-	97,094
Finance costs	<u>(137,312)</u>	<u>(13,963)</u>	<u>(151,275)</u>
Profit before taxation	3,056,920	(51,385)	3,005,535
Income tax expense	<u>(965,596)</u>	<u>(1,945)</u>	<u>(967,541)</u>
Profit for the year	2,091,324	(53,330)	2,037,994
Other comprehensive income			
Exchange differences arising on translation to presentation currency	1,373,610	392,857	1,766,467
Loss on changes in fair value of cash flow hedge	<u>(36,259)</u>	<u>-</u>	<u>(36,259)</u>
Total comprehensive income for the year	<u>3,428,675</u>	<u>339,527</u>	<u>3,768,202</u>
Total comprehensive income attributable to:			
Owners of the Company	3,240,347	339,528	3,579,875
Minority interests	<u>188,328</u>	<u>(1)</u>	<u>188,327</u>
	<u>3,428,675</u>	<u>339,527</u>	<u>3,768,202</u>
Profit for the year attributable to:			
Owners of the Company	2,037,631	(43,658)	1,993,973
Minority interests	<u>53,693</u>	<u>(9,672)</u>	<u>44,021</u>
	<u>2,091,324</u>	<u>(53,330)</u>	<u>2,037,994</u>
Earnings per share			
Basic	<u>HK46.9 cents</u>	<u>HK(1 cent)</u>	<u>HK45.9 cents</u>
Diluted	<u>HK46.5 cents</u>	<u>HK(1 cent)</u>	<u>HK45.5 cents</u>

1. CHANGES IN ACCOUNTING POLICY AND RESTATEMENTS - continued

The effect of the changes in accounting policy and restatements described above on the consolidated statement of financial position as at 1 January 2008 and 31 December 2008 by line items is as follows:

	1 January 2008 HK\$'000 (Originally stated)	Changes in accounting policy and restatements HK\$'000	1 January 2008 HK\$'000 (Restated)	31 December 2008 HK\$'000 (Originally stated)	Changes in accounting policy and restatements HK\$'000	31 December 2008 HK\$'000 (Restated)
Non-current assets						
Goodwill	50,423	(50,423)	-	87,459	(87,459)	-
Property, plant and equipment	1,273,490	247,119	1,520,609	2,263,789	10,640	2,274,429
Prepaid lease payments	2,399,137	(1,952,512)	446,625	2,876,565	(2,244,641)	631,924
Investment properties	8,967,812	-	8,967,812	9,998,305	-	9,998,305
Interests in associates	593,600	-	593,600	731,099	-	731,099
Amount due from an associate	237,464	-	237,464	265,178	-	265,178
Available-for-sale investments	196,220	-	196,220	187,994	-	187,994
Deferred taxation assets	374,174	1,373	375,547	395,333	3,301	398,634
	<u>14,092,320</u>	<u>(1,754,443)</u>	<u>12,337,877</u>	<u>16,805,722</u>	<u>(2,318,159)</u>	<u>14,487,563</u>
Current assets						
Inventory of properties	22,097,459	104,163	22,201,622	38,024,692	125,083	38,149,775
Prepaid lease payments	41,686	(30,806)	10,880	75,485	(62,587)	12,898
Other inventories	12,734	24,854	37,588	59,363	2,024	61,387
Trade receivables, other receivables and deposits paid	6,766,924	2,567,123	9,334,047	9,876,713	7,912	9,884,625
Amounts due from customers for contract works	190,784	-	190,784	210,929	-	210,929
Amounts due from fellow subsidiaries	2,791	271,221	274,012	15,598	-	15,598
Amount due from immediate holding company	5,026	-	5,026	7,629	-	7,629
Taxation prepaid	52,532	-	52,532	128,731	-	128,731
Cash and bank balances	4,516,801	317,497	4,834,298	5,553,441	105,080	5,658,521
	<u>33,686,737</u>	<u>3,254,052</u>	<u>36,940,789</u>	<u>53,952,581</u>	<u>177,512</u>	<u>54,130,093</u>
Current liabilities						
Trade and other payables	2,096,676	47,657	2,144,333	4,226,299	31,981	4,258,280
Deposits received from pre-sales of properties	3,573,992	-	3,573,992	5,689,910	-	5,689,910
Amounts due to customers for contract works	124,248	-	124,248	341,963	-	341,963
Amounts due to immediate holding company	-	2,648,081	2,648,081	-	981,299	981,299
Amounts due to fellow subsidiaries	425	2,166,533	2,166,958	13,098	1,932,653	1,945,751
Amounts due to minority shareholders	503,084	225,836	728,920	911,573	-	911,573
Bank borrowings - due within one year	2,712,212	-	2,712,212	4,062,895	-	4,062,895
Taxation payable	863,635	762	864,397	686,238	-	686,238
	<u>9,874,272</u>	<u>5,088,869</u>	<u>14,963,141</u>	<u>15,931,976</u>	<u>2,945,933</u>	<u>18,877,909</u>
Net current assets	<u>23,812,465</u>	<u>(1,834,817)</u>	<u>21,977,648</u>	<u>38,020,605</u>	<u>(2,768,421)</u>	<u>35,252,184</u>
Total assets less current liabilities	<u>37,904,785</u>	<u>(3,589,260)</u>	<u>34,315,525</u>	<u>54,826,327</u>	<u>(5,086,580)</u>	<u>49,739,747</u>

1. CHANGES IN ACCOUNTING POLICY AND RESTATEMENTS - continued

	1 January 2008 HK\$'000 (Originally stated)	Changes in accounting policy and restatements HK\$'000	1 January 2008 HK\$'000 (Restated)	31 December 2008 HK\$'000 (Originally stated)	Changes in accounting policy and restatements HK\$'000	31 December 2008 HK\$'000 (Restated)
Capital and reserves						
Share capital	402,520	-	402,520	471,535	-	471,535
Reserves	21,726,941	(2,458,685)	19,268,256	33,333,600	(3,542,049)	29,791,551
Equity attributable to owners of the Company	22,129,461	(2,458,685)	19,670,776	33,805,135	(3,542,049)	30,263,086
Minority interests	1,776,649	(1,157,051)	619,598	2,334,009	(1,535,483)	798,526
	<u>23,906,110</u>	<u>(3,615,736)</u>	<u>20,290,374</u>	<u>36,139,144</u>	<u>(5,077,532)</u>	<u>31,061,612</u>
Non-current liabilities						
Bank borrowings - due after one year	12,721,736	26,476	12,748,212	17,030,097	-	17,030,097
Deferred taxation liabilities	1,276,939	-	1,276,939	1,520,162	(9,048)	1,511,114
Derivative financial instruments	-	-	-	136,924	-	136,924
	<u>13,998,675</u>	<u>26,476</u>	<u>14,025,151</u>	<u>18,687,183</u>	<u>(9,048)</u>	<u>18,678,135</u>
	<u>37,904,785</u>	<u>(3,589,260)</u>	<u>34,315,525</u>	<u>54,826,327</u>	<u>(5,086,580)</u>	<u>49,739,747</u>

The effects of the changes in accounting policy and restatement described above to the Group's equity on 1 January 2008 and 31 December 2008 are as follows:

	1 January 2008 HK\$'000 (Originally stated)	Changes in accounting policy and restatements HK\$'000	1 January 2008 HK\$'000 (Restated)	31 December 2008 HK\$'000 (Originally stated)	Changes in accounting policy and restatements HK\$'000	31 December 2008 HK\$'000 (Restated)
Share capital	402,520	-	402,520	471,535	-	471,535
Share premium	16,219,556	593,006	16,812,562	25,212,757	(272,017)	24,940,740
Capital reserve	1,131,520	(926,953)	204,567	1,131,581	(927,014)	204,567
General reserve	96,189	15,384	111,573	143,216	15,384	158,600
Translation reserve	1,278,187	304,571	1,582,758	2,517,162	687,757	3,204,919
Share held for Restricted Share Award Scheme	-	-	-	(162,242)	-	(162,242)
Employee share-based compensation reserve	27,570	-	27,570	21,779	-	21,779
Merger reserve	-	(4,152,976)	(4,152,976)	-	(4,710,784)	(4,710,784)
Hedging reserve	-	-	-	(36,259)	-	(36,259)
Retained profits	2,973,919	1,708,283	4,682,202	4,505,606	1,664,625	6,170,231
Minority interests	1,776,649	(1,157,051)	619,598	2,334,009	(1,535,483)	798,526
	<u>23,906,110</u>	<u>(3,615,736)</u>	<u>20,290,374</u>	<u>36,139,144</u>	<u>(5,077,532)</u>	<u>31,061,612</u>

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group, for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised) Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

In addition, the adoption of HKAS 1 (Revised 2007) has resulted in the presentation of a third consolidated statement of financial position as at 1 January 2008 as the Group has applied accounting policies retrospectively and made a retrospective restatement of items in its consolidated financial statements during the current financial year.

HKFRS 8 Operating Segments

HKFRS 8 requires the presentation of operating segments in a manner consistent with the internal reports that are regularly reviewed by the Group's chief operating decision maker (see note 3 for details). HKFRS 8 replaces HKAS 14 Segment Reporting which required an entity to identify two sets of segments (business and geographical). The adoption of HKFRS 8 has not resulted in redesignation of the Group's reportable segments but has changed the measurement of segment results and segment assets.

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

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

New and revised HKFRSs affect the reported results and/or financial position

Amendments to HKAS 40 Investment Property

As part of Improvements to HKFRSs (2008), HKAS 40 has been amended to include within its scope properties under construction or development for future use as investment properties and to require such properties to be measured at fair value (where the fair value model is used and the fair values of the properties are reliably determinable). In the past, the leasehold land and building elements of investment properties under construction were accounted for separately. The leasehold land element was accounted for as an operating lease and the building element was carried at cost less accumulated impairment losses, if any. The Group has used the fair value model to account for its investment properties.

The Group has applied the amendments to HKAS 40 prospectively from 1 January 2009 in accordance with the relevant transitional provision. As a result of the application of the amendment, the Group's investment properties under construction that include the leasehold land and buildings elements with previous carrying amounts of HK\$238,274,000 and HK\$648,815,000 as at 1 January 2009 respectively, have been reclassified as investment properties and measured at fair value as at 1 January 2009, with the recognition of fair value gain of HK\$1,093,921,000 and related deferred taxation expense of HK\$273,480,000. As at 31 December 2009, the impact has been to decrease prepaid lease payments and property, plant and equipment by HK\$232,374,000 and HK\$2,889,005,000 respectively, to increase investment properties by HK\$5,068,092,000, to increase deferred taxation liabilities by HK\$486,082,000 and to increase profit for the year by HK\$1,458,246,000 of which HK\$1,037,826,000 attributable to owners of the Company and increase basic and diluted earnings per share by HK21.2 cents and HK21.1 cents respectively. The amendments to HKAS 40 Investment Property did not have any financial impact on the reported results and basic and diluted earnings per share for the year ended 31 December 2008.

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

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

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

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ⁶
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ⁵
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 1 (Amendment)	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised 2008)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 July 2010

⁶ Effective for annual periods beginning on or after 1 January 2011

⁷ Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the accounting for the Group's business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

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 the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The factor that used to identify the entity's reportable segment, including the basis of organisation is mainly on the basis of the types of properties sold, property investments and services provided by the Group's operating divisions (i.e. Property management, construction, decoration services and others).

The adoption of HKFRS 8 has changed the basis of measurement of segment results. In the past, changes in fair value of investment properties were included in segment results under HKAS 14.

3. REVENUE AND SEGMENT INFORMATION - continued

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

Year ended 31 December 2009

	Sale of developed <u>properties</u> HK\$'000	Property investments and <u>management</u> HK\$'000	Construction, decoration services and others HK\$'000	<u>Consolidated</u> HK\$'000
Revenue				
External sales	<u>14,450,366</u>	<u>1,292,143</u>	<u>858,839</u>	<u>16,601,348</u>
Result				
Segment result	<u>4,197,548</u>	<u>573,260</u>	<u>18,065</u>	4,788,873
Unallocated other income				248,251
Gain on changes in fair value of investment properties				2,362,270
Unallocated expenses				(151,171)
Share of results of associates				41,481
Finance costs				<u>(153,961)</u>
Profit before taxation				<u>7,135,743</u>

Year ended 31 December 2008

	Sale of developed <u>properties</u> HK\$'000 (Restated)	Property investments and <u>management</u> HK\$'000	Construction, decoration services and others HK\$'000 (Restated)	<u>Consolidated</u> HK\$'000 (Restated)
Revenue				
External sales	<u>6,949,401</u>	<u>1,131,177</u>	<u>1,285,255</u>	<u>9,365,833</u>
Result				
Segment result	<u>1,795,720</u>	<u>651,880</u>	<u>29,210</u>	2,476,810
Unallocated other income				280,750
Gain on changes in fair value of investment properties				369,804
Unallocated expenses				(67,648)
Share of results of associates				97,094
Finance costs				<u>(151,275)</u>
Profit before taxation				<u>3,005,535</u>

Except for investment properties were reviewed based on cost, the accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of incomes or expenses which are not recurring in nature and unrelated to the Group's operating performance, fair value changes on investment properties, central administration costs, directors' salaries, share of results of associates and finance costs. This is the measure reported to the chief operating decision makers that are the directors of the Company for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)
Current tax:		
Hong Kong Profits Tax	(229)	(1,894)
PRC Enterprise Income Tax	<u>(949,679)</u>	<u>(516,277)</u>
	<u>(949,908)</u>	<u>(518,171)</u>
Land appreciation tax ("LAT") in the PRC	<u>(752,134)</u>	<u>(296,581)</u>
Deferred taxation:		
Current year	<u>(583,177)</u>	<u>(152,789)</u>
	<u>(2,285,219)</u>	<u>(967,541)</u>

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Pursuant to the PRC Enterprise Income Tax law (the "EIT Law") and its detailed implementation rules promulgated on 16 March 2007 and 6 December 2007 respectively, for those subsidiaries without preferential tax rates, the new tax rate for domestic and foreign enterprises was unified at 25% and had become effective from 1 January 2008. For those subsidiaries enjoying a preferential tax rate, the new tax rate would increase from 15% over 5 years to 25% as a result of the grandfathering provisions.

5. DIVIDENDS

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000
Dividends recognised as distribution during the year:		
2009 Interim - HK5.4 cents (2008: 2008 Interim dividend HK3.4 cents) per share	271,578	160,294
2008 Final - HK8.3 cents (2008: 2007 Final dividend HK7.4 cents) per share	391,373	297,865
Additional final dividend for prior year due to exercise of share options and placement of new shares	<u>25,543</u>	<u>758</u>
	<u>688,494</u>	<u>458,917</u>
Dividend proposed:		
Final dividend proposed for the year		
2009 Final - HK18.3 cents (2008: 2008 Final HK8.3 cents) per share	<u>920,492</u>	<u>391,373</u>

The final dividend of HK18.3 cents per ordinary share in respect of the year ended 31 December 2009 (2008: final dividend of HK8.3 cents in respect of the year ended 31 December 2008) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

6. EARNINGS PER SHARE

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

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)
<u>Earnings</u>		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>4,408,909</u>	<u>1,993,973</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	4,886,605,294	4,347,896,126
Effect of dilutive potential ordinary shares on share options	<u>21,744,572</u>	<u>30,706,426</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>4,908,349,866</u>	<u>4,378,602,552</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting the effect on 23,958,000 shares (2008: 19,900,000 shares) held by BOCI - Prudential Trustee Limited, a trustee company for the Company's restricted share award scheme.

7. TRADE RECEIVABLES, OTHER RECEIVABLES AND DEPOSITS PAID

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)	<u>1.1.2008</u> HK\$'000 (Restated)
Trade receivables	1,166,551	1,194,439	645,434
Less: allowance for doubtful debts	<u>(349,661)</u>	<u>(349,888)</u>	<u>(328,707)</u>
	816,890	844,551	316,727
Deposits paid for acquisition of land use rights (Note)	11,087,733	8,090,094	8,058,314
Other receivables	1,340,710	773,459	876,502
Less: allowance for doubtful debts	<u>(362,577)</u>	<u>(320,200)</u>	<u>(258,445)</u>
	978,133	453,259	618,057
Prepayments and deposits	<u>868,674</u>	<u>496,721</u>	<u>340,949</u>
	<u>13,751,430</u>	<u>9,884,625</u>	<u>9,334,047</u>

Note: The amount represents the partial payments made by the Group for the acquisition of land use right in the Chinese Mainland for property development for sale. The land use right certificates have not yet been obtained by the Group at the end of the reporting period.

The followings are the aged analysis of trade receivables at the end of the reporting period:

Aged analysis of trade receivables net of impairment

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)	<u>1.1.2008</u> HK\$'000 (Restated)
Within one year	612,871	638,381	199,331
Over one year	<u>204,019</u>	<u>206,170</u>	<u>117,396</u>
	<u>816,890</u>	<u>844,551</u>	<u>316,727</u>

8. TRADE AND OTHER PAYABLES

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)	<u>1.1.2008</u> HK\$'000 (Restated)
Trade payables	4,032,505	2,491,149	1,232,875
Other payables and accrued charges	<u>1,624,755</u>	<u>1,767,131</u>	<u>911,458</u>
	<u>5,657,260</u>	<u>4,258,280</u>	<u>2,144,333</u>

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

	<u>2009</u> HK\$'000	<u>2008</u> HK\$'000 (Restated)	<u>1.1.2008</u> HK\$'000 (Restated)
Within one year	2,290,818	950,810	534,687
Over one year	<u>1,741,687</u>	<u>1,540,339</u>	<u>698,188</u>
	<u>4,032,505</u>	<u>2,491,149</u>	<u>1,232,875</u>

CHAIRMAN'S STATEMENT

During the course of 2009, the Group adhered to the existing and effective products and marketing strategies. At the same time, the Group has made great efforts in strengthening its internal management, and reinforcing its cost control measures with an aim to achieve a higher operating efficiency. Consequently, the Group has not only achieved a balanced and steady growth for the year of 2009 in both of its core business segments, namely residential property development and property leasing, but also laid down a solid foundation for satisfactory results of 2010.

2009 Annual Results and Dividend Distribution

In the year of 2009, the Group adopted the interpretation to the "Accounting Standard Agreements for the Construction of Real Estate," which requires to change the timing of revenue recognition of property sales from completion of properties to delivery of properties to the purchasers. The impact of new accounting policy in the recognition of revenue from property sales started to be reflected in the Group's 2009 interim results.

According to the new accounting policy in the recognition of the revenue from property sales, the Group's consolidated turnover and profit attributable to shareholders for 2009 reached 16,601 million and 4,409 million respectively, representing a respective increase of 77.3% and 121.1% over the corresponding period of 2008. Though affected by the policy changes in the revenue recognition, the residential development business's turnover still recorded a strong increase, rising to HK\$14,450 million with a year-on-year growth of 107.9%. For 2009, the business of property leasing and management sustained its growth, with a turnover of HK\$1,292 million, an increase of 14.2% over the same period of 2008.

For 2009, the gross profit margin of the residential development business was 34.1%, at par with 34.3% for the whole year of 2008; EBITDA profit margin of property leasing business stayed high at 69.1%, compared with 69.5% for 2008 if excluding revenue portion from property management fee.

In consistence with its payout policy, the Group declared a final dividend of HK18.3 cents per share, an increase of 120.5% compared to HK 8.3 cents per share for the corresponding period of 2008. Together with the interim dividend of HK 5.4 cents, the annual dividend of 2009 reached HK23.7 cents per share. The payout ratio of 2009 was 27.0%, the same level as for 2008.

Land Bank

In 2009, the Group acquired new land bank with a total gross floor area of 6.05 million square meters. As of 31 December 2009, the Group had established its presence in 21 cities nationwide with a total land bank of 22.19 million square meters in gross floor area. Land bank for residential projects, investment properties under construction and investment properties in operation was 18.52 million square meters, 2.87 million square meters and 0.80 million square meters respectively.

Now the Group has basically formed a land bank that is ideally balanced in its proportion for residential development and investment properties, in its geographic mix. The size of this land bank is sufficient for the Group's development in the coming years.

Development Strategy

Our long-stated and well-articulated mission is to provide quality and innovative properties and services in mainland China to constantly enhance the productivity along the full value chain of the property business by way of differentiation in product design and provision of comprehensive and integrated services. We are also dedicated to cater for the increasing demand for residential properties from middle-to-high income consumers, the demand for rental premises from brand retailers and that for office space from high-end corporate clients in order to raise the brand awareness of our products and projects. Ultimately, the Group aims to become a competitive and leading integrated provider of quality property and to become an industry leader both in terms of business scale and of profitability in the coming years.

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

In 2009, on the top of the metropolitan complex project "City Crossing" which has been highly recognized by the market and recognized by peers in the industry, the Group has developed a new series of commercial products, i.e. "regional commercial center", with an aim to broaden our commercial product line and to fit into our development

plan for geographic expansion for commercial products , To this end, we have taken Beijing Oak Bay as the pilot project for such new commercial product line and will expand the product nationwide once it is proven commercially successful, During the year, the Group's value-added services won a great market response and achieved a great success in Beijing Oak Bay, the pilot project selected to promote the Group's value-added services and to test market reception. The standardized and serialized storage space was overwhelmingly well received by the market and customers in our pilot project Beijing Oak Bay and has now been extended to 13 cities; Coupled with Group's high-end brands and high quality image, the "service-aided marketing model" featuring "tailor-made decoration, and integrated personalized service" was successfully applied in King Nine project in Beijing. Having obtained a good response from customers and the market, such marketing practice is now being applied to high-end projects in four other cities,

During the year of 2009, the Group launched a number of new projects with distinguishing features, such as the Dalian Xanadu, representing the low-density products; Shenzhen Park Lane Manor, Shanghai Bund Side Phase 2, representing the urban core-area residential projects. All those projects have been well recognized by the industry peers and the market. During the year, six projects of the Group won High Quality Engineering Awards either at municipal or at provincial level.

On 10 September 2009, the Group formally launched high-quality brand awareness campaign in Beijing Water Cube. During the public release conference, we have concluded to take "quality makes more changes for the city" as our brand appeal and "Fine Design Guidelines", "the high quality engineering standards "and "service by heart" as our brand connotation. The relentless pursuit of high-quality has become a common code of conduct for all staff throughout the Group.

Prospects

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

As of 22 March 2010, the Group has achieved contracted sales of RMB2.93 billion in the year of 2010, at par over the same period of 2009. Including the contracted value of RMB 19.11 billion in property sales that was achieved before the end of 2009 but not yet recognized, the Group has, as of 22 March 2010, a total development revenue of RMB22.04 billion available for booking overtime. Specifically, the Group has locked up a total revenue of RMB14.21 billion from the residential property development business for recognition in 2010, indicating a great degree of assurance for a sustained earnings growth 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 is the first adjustment since May 2009, and also 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 controls, 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 the society, shareholders, customers and also for our valuable employees.

Wang Yin
Chairman

26 March 2010, Hong Kong

Management Discussion and Analysis

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

Review of Residential Development Business in the year of 2009

In the year of 2009, the Group achieved a contracted sale of RMB 25,089 million with the area sold totalling 2,152,459 square meters, representing a respective increase of 213.8% and 207.0% from the year of 2008.

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

City	Contracted Value		Area Sold	
	RMB'000	%	Sqm	%
Beijing	5,068,806	20.2%	277,708	12.9%
Shanghai	2,466,691	9.8%	56,092	2.6%
Shenzhen	3,720,216	14.8%	95,352	4.4%
Chengdu	4,321,498	17.2%	623,318	29.0%
Wuhan	860,734	3.4%	98,400	4.6%
Hefei	769,501	3.1%	139,666	6.5%
Hangzhou	127,608	0.5%	3,912	0.2%
Wuxi	1,451,871	5.8%	200,710	9.3%
Ningbo	1,980,310	7.9%	135,067	6.3%
Dalian	2,398,065	9.6%	171,780	8.0%
Changsha	570,434	2.3%	160,235	7.4%
Suzhou	373,200	1.5%	11,793	0.5%
Chongqing	567,319	2.3%	117,887	5.5%
Shenyang	413,053	1.6%	60,539	2.8%
Total	25,089,306	100.0%	2,152,459	100.0%

Sales details of the Group by projects in the year of 2009:

Project Name	City	Project Type	Total GFA	Accumulated areas sold as at 31 Dec 2009 (sqm)	Area sold in the year of 2009 (sqm)	Average selling price in the year of 2009 (RMB/sqm)
Phoenix City	Beijing	High density residential	356,613	252,186	20,965	22,517
Oak Bay	Beijing	High density residential	616,757	286,361	128,261	18,819
Eco Living	Beijing	Mid-low density residential	217,490	122,187	116,596	18,143
The Bund Side	Shanghai	High density residential	189,776	98,569	21,824	63,361
Oak Bay	Shanghai	High density residential	230,795	53,068	34,268	31,631
Shenzhen Park Lane	Shenzhen	High density residential	110,000	95,352	95,352	39,016
Jade City	Chengdu	Mid-low density residential	1,063,542	829,496	215,630	7,319
Twenty-Four City	Chengdu	High density residential	1,640,000	369,704	239,451	7,014
Phoenix City	Chengdu	High density residential	694,576	267,807	164,632	6,374
Phoenix City	Wuhan	High density residential	141,300	133,128	6,604	7,891
Central Park	Wuhan	High density residential	346,696	91,150	91,150	8,837
French Ancecy	Hefei	Mid-low density residential	202,020	192,457	26,346	5,351
Park Lane	Hefei	High density residential	195,004	138,237	112,123	5,579
MIXc Residence	Hangzhou	High density residential	197,785	100,172	3,912	32,619
Wuxi Taihu International Community	Wuxi	Mid-low density residential	1,017,698	307,767	200,710	7,234
Tuscany Lake	Ningbo	Low density residential	130,352	90,524	70,626	17,073
Central Park	Cixi	High density residential	284,348	66,440	62,490	12,219

Oriental Xanadu	Dalian	Mid-low density residential	166,137	58,345	45,298	30,318
Maritime	Dalian	High density residential	1,309,592	191,065	126,482	8,102
Suzhou Villa	Suzhou	Low density residential	67,595	12,510	11,793	31,646
Phoenix City	Changsha	High density residential	1,198,040	201,770	160,235	3,560
Twenty-Four City	Chongqing	High density residential	1,951,620	153,116	117,888	4,812
The Arc	Shenyang	High density residential	280,000	60,539	60,539	6,823

Details of the projects delivered and booked in 2009

During 2009, the Group's residential development business achieved a turnover of HKD 14,450 million with 1,151,089 square meters being recognized, representing a respective increase of 107.9% and 68.7 % over the corresponding period in 2008. The Group's gross profit margin of the residential development business is 34.1% in the year of 2009, which maintains stable over the 34.3% of 2008.

Details of the projects booked and turnover of the Group in 2009 are listed below:

Project Name	Turnover	Area Booked
	HK\$'000	m ²
Phoenix City	540,048	22,156
Phoenix Plaza	636,447	39,866
Oak Bay	646,282	37,267
Others	40,990	3,021
Beijing Subtotal	1,863,767	102,310
The Bund Side	145,853	3,459
Oak Bay	1,362,858	43,842
Shanghai Subtotal	1,508,711	47,301
Shenzhen Park Lane	3,891,481	88,334
Jade City	1,272,225	160,522
Phoenix City	1,196,309	165,970
Twenty-Four City	2,202,478	292,998
Chengdu Subtotal	4,671,012	619,490
Wuhan Phoenix City	62,700	7,250
French Annecy	162,920	26,988
Hefei Park Lane	122,754	13,350
Hefei Subtotal	285,674	40,338
Wuxi Taihu International Community	628,197	76,261
Ningbo Tuscany Lake	1,156,460	68,060
Changsha Phoenix City	382,363	101,745
Total	14,450,365	1,151,089

Since the beginning of 2010, the Group continues to deliver satisfactory performance in project sales. As of March 22nd, the contracted value of sales was RMB2,930 million, maintained stable over the same period of 2009. Together with the contracted value of RMB13,113 million achieved before the end of 2009 but to be booked in 2010, the Group has so far locked in total development revenue of RMB14,212 million for 2010, thus laying down a solid foundation for promising financial results of 2010.

Review of Leasing Business in 2009

As of 31 December 2009, book value of the investment properties of the Group totalled HK\$ 16,742 million, which accounted for 17.3% 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 HKD \$1,351 million (net off taxation) were booked during the period based on an appraisal performed by an independent third party. In the year of 2009, the turnover of property leasing and management business amounted to

HKD 1,069 million, representing a year-on-year increase of 10.5%. Along with rising rental income, the EBITDA profit margin of the leased properties remained at a relatively high level at 69.1% if excluding revenue portion from residential management fee, largely at par with 69.5% for the year of 2008.

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

Investment Property Company	Turnover (HK\$'000)			Average Occupancy Rate(%)		
	2009	2008	%yoy	2009	2008	%yoy
Beijing China Resources Building	152,667	155,056	-1.5%	94.4%	96.4%	-2.0%
CR Land Beijing Others	103,065	84,199	22.4%	96.6%	92.4%	4.2%
CR Times Square	189,144	173,707	8.9%	94.5%	95.5%	-1.0%
Shenzhen City Crossing	611,771	554,233	10.4%	99.9%	99.7%	0.2%
Other Rental Income	12,314	N/A	N/A	N/A	N/A	N/A
Property Management	223,183	163,727	36.3%	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
China Resources Building	Beijing	100.00%	65,222	65,222	Office
Phoenix Place	Beijing	96.24%	30,863	29,703	Office
Xidan Cultural Centre	Beijing	96.24%	36,184	34,824	Retail
Grand Constellation Shopping Mall	Beijing	96.24%	16,787	16,155	Retail
U-Space Mall	Beijing	96.24%	10,685	10,283	Retail
Jing Tong Shops	Beijing	96.24%	17,952	17,277	Retail
Beijing Phoenix City Commercial Street	Beijing	96.24%	13,210	12,714	Retail
Huawei Centre	Beijing	48.12%	54,214	26,088	Retail
Huanan Building	Beijing	15.30%	70,058	10,718	Retail
Building 22, Guanyingyuan	Beijing	96.24%	4,155	3,999	Office
Jin Hui Garden	Beijing	96.24%	3,926	3,778	Retail
Building 49, Fortune Island, La Firenze	Beijing	96.24%	5,681	5,467	Retail
Building 1, Plot B2, La Firenze	Beijing	96.24%	2,007	1,932	Retail
Others	Beijing	96.24%	34,729	33,422	Office/Retail
Total GFA*			800,349	706,258	
Comprising: Retail			441,478	350,011	
Office			178,073	176,756	
Hotel			81,295	81,295	
Others			99,502	98,196	

* Not including Beijing Phoenix Plaza, Beijing Oak Bay Commercial Property, Beijing China Resources Building Phase II, Shanghai Oak Bay Service Hotel, 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 MIXC Commercial Property, The MIXC in Hangzhou, Wuxi Taihu International Community Commercial Property, Hotel in Dalian Oriental Xanadu, Suzhou Xiangcheng Project Commercial Property, Chongqing Twenty-Four City Commercial Property, MIXC in Shenyang, Shenyang CR Plaza, Qingdao Submarine School Project Commercial Property, Anshan Education Bureau Project Commercial Property, all of which are currently under construction, totalling 2,872,524 square meters.

Properties, especially commercial properties will be the product line the Group emphasizes on in the future. Now the Group has formed three tiered commercial product series: metropolitan commercial complex, i.e. City Crossing, 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, Nanjing, Qingdao and Zhengzhou. “Residential plus regional commercial centre” product line is now being piloted in Beijing Oak Bay and will also be introduced nationwide after the success of the pilot program. Moreover, “Residential plus district commercial centre”, the new product line that is smaller in scale and lower-end than the other two commercial product lines, is now being piloted in our project in Anshan city, Liaoning province in cooperation with China Resource Vanguard, a retail subsidiary under China Resources Enterprises (0291.HK) and will then be introduced to other cities.

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 earnings mix.

Review of Value-added Services

In the year of 2009, the Group has further enhanced its project management system and customer value-adding service system.

We took Beijing King Nine project as the pilot project to test market reception by offering high-end customers with total personalized and tailor-made furnishing solutions. After the success in Beijing King Nine project, we have expanded such service-aided marketing model to other high-end projects in Shanghai, Suzhou, Dalian, Ningbo.

The standardized and serialized storage space designed by our Group after careful and thorough market research was first introduced in Beijing Oak Bay project, was overwhelmingly well received by the market and customers and is now extended to 13 cities.

To better meet customers’ needs, the Group promoted a brand slogan in 2009 “ quality brings more changes to cities”, and principles such as “fine design guidelines”, “the high quality engineering standards” and “service by heart” have become a common code of conduct for all staff throughout the Group. In the 2009’s Gallup Customer Satisfaction Survey, the Group’s rating of customer satisfaction and overall satisfaction both reached the top end of the benchmark of the industry.

Land Bank

In 2009, the Group added 6.05 million square meters to its land bank. As of the end of December 2009, the total land bank of the Group amounted to 22.19 million square meters in terms of GFA, which was located in 21 cities. Details are set out below:

Location	Total GFA(m²)
Beijing*	2,124,262
Shanghai	1,000,539
Shenzhen	348,487
Chengdu	3,686,021
Wuhan	396,100
Hefei	482,123
Hangzhou	662,538
Wuxi*	1,210,841
Ningbo	364,925
Dalian*	1,551,867

Changsha	1,556,591
Suzhou	430,138
Chongqing	2,768,239
Shenyang	2,038,732
Mianyang	893,949
Xiamen	307,826
Tianjing	151,541
Fuzhou	603,108
Nantong	415,200
Anshan	586,400
Qingdao	610,400
Total	22,189,827

* The Group's interest is 100% in Beijing Daxing 17# Project, 98.1% in Beijing Oak Bay Project and 96.2% in all other projects in Beijing. In addition, the Group's interests in Hangzhou MIXc project and Wuxi projects are both 60.0%, while the Group's interest in Dalian Oriental Xanadu Project is 55.0%.

Share Placement, Borrowings and Debt Ratio

In May 2009, the Group raised net proceeds of approximately HK\$4,240 million by placing 300 million new shares in open market to independent investors at the net price of HK\$14.13 per share. The share placement further enhanced the Group's financial strength and created a greater room for the Group to gear up its balance sheet to fund its growth in the future. As of 31 December 2009, the Group had a total gross borrowing of HK\$ 27,459 million, as well as cash and bank balance of HK\$19,514 million. The Group's net debt to equity ratio stood at 21.0 %.

As of 31 December 2009, 51.5% and 48.5% of the Group's borrowings were denominated in Renminbi and HK dollars respectively. Among the total borrowings, approximately 6.7% 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 at approximately 2.9% per annum only.

Employee and Compensation Policy

As of 31 Dec 2009, the Group had approximately 6,411 full time staff in Mainland China and Hong Kong (including its property management and agency subsidiaries). The Group remunerates its employees based on their performance, experience and the prevailing market wage level. In addition, performance bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage, share option scheme, restricted share award scheme, etc.

Corporate Governance

Throughout the year ended 31 December 2009, the Company has complied with the code provisions set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Code on Corporate Governance Practices) with the exception of the following deviations. The considered reasons are as follows:

Code provision A.4.1: non-executive directors should be appointed for a specific term, subject to retirement and re-election by rotation at annual general meetings.

Except Mr. Andrew Y. Yan, other directors for the time being of the Company (including executive or non-executive directors) are not appointed for a fixed term. The Articles of Association of the Company stipulate that every director (including executive or non-executive directors) retire and be re-elected at least once every three years. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the Code.

Code provision E.1.2: Chairman of the board should attend the annual general meeting.

Due to business trip, Mr. Song Lin, the then Chairman of the board did not attend the annual general meeting held on 3 June 2009.

Model Code

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, the Company confirmed that all directors has complied with the required standard set out in the Model Code during the year under review.

Restricted Share Award Scheme

As an incentive to retain and encourage the employees for the continual operation and development of the Group, the Board of the Company resolved to adopt the Restricted Share Award Scheme (the “Scheme”) on 30 May 2008 (the “Adoption Date”). Unless sooner terminated by the Board of Directors, the Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years. According to the Scheme, shares up to 2.5% of the issued share capital of the Company as at the Adoption Date will be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Scheme.

Up to 31 December 2009, 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). As at the date of this announcement, the purchased shares have been held in trust by the Trustee.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed above under “**Restricted Share Award Scheme**”, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s list securities during the year ended 31 December 2009.

Financial Derivative Instruments

During the year under review, the Company timely seized the opportunity of current subdued interest rate level caused by the sub-prime mortgage crisis outbreak in the United States, and has fixed the interest costs of a portion of its HK\$ loans at relatively low levels by entering into interest rate swap transactions. The swap transactions involved HK\$3 billion in total, of which HK\$1 billion had a swap period of four years and the rest in a five year period. Due to decreases in swap rates in the market since our transactions, the Company recorded a mark-to-market loss for which a provision was made in full year results in 2008. However, as the market value of the swap transactions recovered slightly from the end-2008 levels, a mark-to-market profit was thus recorded in the annual results.

Review by Audit Committee

The 2009 Final Results has been reviewed by Audit Committee which comprises five independent non-executive directors.

Final Dividend

The Board has resolved to declare a final dividend of HK18.3 cents per share for the year ended 31 December 2009 (2008: HK8.3 cents) payable on or about 2 July 2010 to shareholders whose names appear on the Register of Members of the Company on 1 June 2010.

Closure of Register of Members

The Register of Members will be closed from 26 May 2010 (Wednesday) to 1 June 2010 (Tuesday), both days inclusive. In order to be eligible for the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 pm on 25 May 2010 (Tuesday).

Publication of Information on the Website of the Stock Exchange

The Company's 2009 Annual Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company in due course.

By Order of the Board
Wu Xiangdong
Managing Director

26 March 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.