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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 2011**

Highlights

- Revenue for the year ended 31 December 2011 amounted to HK\$35,795 million, increased by 39.1% as compared with the corresponding period of 2010.
- Net profit attributable to shareholders for the year ended 31 December 2011 amounted to HK\$8,070 million, representing a growth of 34.4 % as compared with the corresponding period of 2010.
- Gross profit margin for the year was 39.6 % as compared with 39.5% for 2010.
- Net profit margin attributable to shareholders for the year was 22.5%, as compared with 23.3% in 2010.
- Earnings per share amounted to HK147.7 cents, increased by 23.7 % from HK119.4 cents in 2010.
- Booked GFA amounted to 2.17 million square metres, increased by 21.0% as compared with 1.79 million square metres for the corresponding period of 2010.
- As of 7 March 2012, total land bank was 29.85 million square meters. Since the beginning of 2011, total land bank newly added amounted to 9.42 million square meters.
- In 2012, up to 7 March, the Group has achieved contracted value of RMB4,371 million with a contracted GFA of 394,511 square meters. As of 7 March 2012, the Group has achieved total contracted value of RMB35,351 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 before 2012 but not yet recognized. Specifically, the Group has locked up total revenue of RMB18,611 million from the residential property development for recognition in 2012.
- The Board of Directors recommended a final dividend of HK16.6 cents per share. Dividends for the year amounted to HK26.1 cents.

The Board of Directors (the “Board”) 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 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	<u>NOTES</u>	<u>2011</u> HK\$'000	<u>2010</u> HK\$'000 (Restated)
Revenue	3	35,794,801	25,729,158
Cost of sales		<u>(21,612,495)</u>	<u>(15,576,849)</u>
Gross profit		14,182,306	10,152,309
Gain on changes in fair value of investment properties		3,240,092	2,850,182
Gain on changes in fair value of inventory of properties transferred to investment properties		-	97,120
Gain (loss) on changes in fair value of derivative financial instruments		46,662	(8,963)
Other income		1,208,120	531,607
Selling and marketing expenses		(1,545,906)	(727,723)
General and administration expenses		(2,104,796)	(1,051,311)
Share of results of associates		49,444	48,053
Share of result of a jointly controlled entity		(4,112)	-
Finance costs		<u>(698,748)</u>	<u>(304,445)</u>
Profit before taxation		14,373,062	11,586,829
Income tax expense	4	<u>(6,131,032)</u>	<u>(4,270,115)</u>
Profit for the year	5	8,242,030	7,316,714
Other comprehensive income (expense)			
Exchange differences arising on translation to presentation currency		3,786,363	2,248,374
Gain (loss) on changes in fair value of cash flow hedges		<u>9,177</u>	<u>(20,435)</u>
		<u>3,795,540</u>	<u>2,227,939</u>
Total comprehensive income for the year		<u>12,037,570</u>	<u>9,544,653</u>
Total comprehensive income attributable to:			
Owners of the Company		11,606,995	8,013,726
Non-controlling interests		<u>430,575</u>	<u>1,530,927</u>
		<u>12,037,570</u>	<u>9,544,653</u>
Profit for the year attributable to:			
Owners of the Company		8,069,984	6,004,618
Non-controlling interests		<u>172,046</u>	<u>1,312,096</u>
		<u>8,242,030</u>	<u>7,316,714</u>
Earnings per share	7		
Basic		<u>HK147.7 cents</u>	<u>HK119.4 cents</u>
Diluted		<u>HK147.2 cents</u>	<u>HK118.8 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	<u>NOTES</u>	<u>31.12.2011</u> HK\$'000	<u>31.12.2010</u> HK\$'000 (Restated)	<u>1.1.2010</u> HK\$'000 (Restated)
Non-current assets				
Property, plant and equipment		4,070,444	3,304,156	3,051,925
Prepaid lease payments		1,139,920	843,766	685,812
Investment properties		29,588,952	21,953,068	16,742,284
Interests in associates		766,788	708,733	668,666
Interest in a jointly controlled entity		8,131	-	-
Amount due from an associate		-	259,744	238,614
Available-for-sale investments		179,653	188,962	194,473
Deposits paid for non-current assets		7,362,103	2,476,969	-
Deferred taxation assets		711,117	490,749	474,419
		<u>43,827,108</u>	<u>30,226,147</u>	<u>22,056,193</u>
Current assets				
Inventory of properties		98,100,675	63,141,100	42,950,389
Prepaid lease payments		22,727	19,725	17,366
Other inventories		165,188	66,712	55,606
Trade receivables, other receivables and deposits paid	8	20,956,816	24,095,142	16,752,521
Amounts due from customers for contract works		1,013,977	398,081	281,615
Amounts due from fellow subsidiaries		102,238	53,807	231,832
Amount due from immediate holding company		718	495	4,103
Amount due from a jointly controlled entity		596,404	-	-
Taxation prepaid		431,597	1,160,037	707,019
Cash and bank balances		15,368,281	12,553,587	20,073,884
		<u>136,758,621</u>	<u>101,488,686</u>	<u>81,074,335</u>
Current liabilities				
Trade and other payables	9	15,150,499	7,800,582	5,923,163
Deposits received from pre-sales of properties		26,648,418	21,750,006	18,943,304
Amounts due to customers for contract works		463,329	456,121	374,575
Amounts due to fellow subsidiaries		599,524	5,931,345	3,552,383
Amount due to immediate holding company		-	1,004,408	2,838,022
Amounts due to non-controlling interests		1,074,414	796,749	988,111
Taxation payable		5,206,084	3,386,793	1,849,380
Bank borrowings - due within one year		22,073,099	8,554,849	1,827,206
Derivative financial instruments		14,924	-	-
		<u>71,230,291</u>	<u>49,680,853</u>	<u>36,296,144</u>
Net current assets		<u>65,528,330</u>	<u>51,807,833</u>	<u>44,778,191</u>
Total assets less current liabilities		<u>109,355,438</u>	<u>82,033,980</u>	<u>66,834,384</u>

	<u>31.12.2011</u> HK\$'000	<u>31.12.2010</u> HK\$'000 (Restated)	<u>1.1.2010</u> HK\$'000 (Restated)
Capital and reserves			
Share capital	582,647	538,724	503,001
Reserves	<u>59,733,508</u>	<u>45,479,069</u>	<u>37,180,308</u>
Equity attributable to owners of the Company	<u>60,316,155</u>	<u>46,017,793</u>	<u>37,683,309</u>
Non-controlling interests	<u>6,046,126</u>	<u>3,540,333</u>	<u>1,230,610</u>
	<u>66,362,281</u>	<u>49,558,126</u>	<u>38,913,919</u>
Non-current liabilities			
Bank borrowings - due after one year	30,898,536	29,252,389	25,631,576
Deferred taxation liabilities	4,259,162	3,070,966	2,165,788
Derivative financial instruments	81,736	152,499	123,101
Senior notes	<u>7,753,723</u>	<u>-</u>	<u>-</u>
	<u>42,993,157</u>	<u>32,475,854</u>	<u>27,920,465</u>
	<u>109,355,438</u>	<u>82,033,980</u>	<u>66,834,384</u>

Notes:

1. MERGER ACCOUNTING RESTATEMENT

Merger accounting for business combination involving entities under common control

The Group acquired Speedy Hill Investments Limited and its subsidiaries ("Speedy Hill Group") 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, 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") for the year ended 31 December 2011. As a result, the comparative consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 December 2010 and consolidated statement of financial position as at 1 January 2010 and 31 December 2010 have therefore been restated, in order to include the results of the combining entities since the date of which first come under common control.

The acquisition of Speedy Hill Group had resulted in increase in the Group's total comprehensive income for the year and decrease in profit for the year ended 31 December 2010 attributable to the owners of the Company by HK\$109,219,000 and HK\$21,852,000 respectively.

1. MERGER ACCOUNTING RESTATEMENT - continued

The effect of the merger accounting restatement described above on the consolidated statement of comprehensive income for the year ended 31 December 2010 by line items is as follows:

	Year ended 31 December 2010 HK\$'000 (Originally stated)	Merger accounting restatement HK\$'000	Year ended 31 December 2010 HK\$'000 (Restated)
Revenue	25,729,158	-	25,729,158
Cost of sales	<u>(15,576,849)</u>	-	<u>(15,576,849)</u>
Gross profit	10,152,309	-	10,152,309
Gain on changes in fair value of investment properties	2,850,182	-	2,850,182
Gain on changes in fair value of inventory of properties transferred to investment properties	97,120	-	97,120
Loss on changes in fair value of derivative financial instruments	(8,963)	-	(8,963)
Other income	530,216	1,391	531,607
Selling and marketing expenses	(721,086)	(6,637)	(727,723)
General and administration expenses	(1,028,893)	(22,418)	(1,051,311)
Share of results of associates	48,053	-	48,053
Finance costs	<u>(304,445)</u>	-	<u>(304,445)</u>
Profit before taxation	11,614,493	(27,664)	11,586,829
Income tax expense	<u>(4,275,759)</u>	5,644	<u>(4,270,115)</u>
Profit for the year	<u>7,338,734</u>	<u>(22,020)</u>	<u>7,316,714</u>
Other comprehensive income (expense)			
Exchange differences arising on translation to presentation currency	2,116,399	131,975	2,248,374
Loss on changes in fair value of cash flow hedge	<u>(20,435)</u>	-	<u>(20,435)</u>
	<u>2,095,964</u>	<u>131,975</u>	<u>2,227,939</u>
Total comprehensive income for the year	<u>9,434,698</u>	<u>109,955</u>	<u>9,544,653</u>
Total comprehensive income attributable to:			
Owners of the Company	7,904,507	109,219	8,013,726
Non-controlling interests	<u>1,530,191</u>	736	<u>1,530,927</u>
	<u>9,434,698</u>	<u>109,955</u>	<u>9,544,653</u>
Profit for the year attributable to:			
Owners of the Company	6,026,470	(21,852)	6,004,618
Non-controlling interests	<u>1,312,264</u>	(168)	<u>1,312,096</u>
	<u>7,338,734</u>	<u>(22,020)</u>	<u>7,316,714</u>
Earnings per share			
Basic	<u>HK119.8 cents</u>	<u>HK(0.4) cents</u>	<u>HK119.4 cents</u>
Diluted	<u>HK119.2 cents</u>	<u>HK(0.4) cents</u>	<u>HK118.8 cents</u>

1. MERGER ACCOUNTING RESTATEMENT - continued

The effects of the merger accounting restatement described above on the consolidated statement of financial position as at 1 January 2010 and 31 December 2010 by line items are as follows:

	1 January 2010 HK\$'000 (Originally stated)	Merger accounting restatement HK\$'000	1 January 2010 HK\$'000 (Restated)	31 December 2010 HK\$'000 (Originally stated)	Merger accounting restatement HK\$'000	31 December 2010 HK\$'000 (Restated)
Non-current assets						
Property, plant and equipment	3,050,933	992	3,051,925	3,299,277	4,879	3,304,156
Prepaid lease payments	685,812	-	685,812	843,766	-	843,766
Investment properties	16,742,284	-	16,742,284	21,953,068	-	21,953,068
Interests in associates	668,666	-	668,666	708,733	-	708,733
Amount due from an associate	238,614	-	238,614	259,744	-	259,744
Available-for-sale investments	194,473	-	194,473	188,962	-	188,962
Deposits paid for non-current assets	-	-	-	2,476,969	-	2,476,969
Deferred taxation assets	471,756	2,663	474,419	482,281	8,468	490,749
	<u>22,052,538</u>	<u>3,655</u>	<u>22,056,193</u>	<u>30,212,800</u>	<u>13,347</u>	<u>30,226,147</u>
Current assets						
Inventory of properties	42,918,048	32,341	42,950,389	61,883,161	1,257,939	63,141,100
Prepaid lease payments	17,366	-	17,366	19,725	-	19,725
Other inventories	55,606	-	55,606	66,712	-	66,712
Trade receivables, other receivables and deposits paid	15,035,153	1,717,368	16,752,521	19,859,289	4,235,853	24,095,142
Amounts due from customers for contract works	281,615	-	281,615	398,081	-	398,081
Amounts due from fellow subsidiaries	242,435	(10,603)	231,832	65,363	(11,556)	53,807
Amount due from immediate holding company	4,103	-	4,103	495	-	495
Taxation prepaid	707,019	-	707,019	1,160,037	-	1,160,037
Cash and bank balances	19,873,080	200,804	20,073,884	11,972,212	581,375	12,553,587
	<u>79,134,425</u>	<u>1,939,910</u>	<u>81,074,335</u>	<u>95,425,075</u>	<u>6,063,611</u>	<u>101,488,686</u>
Current liabilities						
Trade and other payables	5,921,958	1,205	5,923,163	7,787,114	13,468	7,800,582
Deposits received from pre-sales of properties	18,943,304	-	18,943,304	21,750,006	-	21,750,006
Amounts due to customers for contract works	374,575	-	374,575	456,121	-	456,121
Amounts due to fellow subsidiaries	2,217,090	1,335,293	3,552,383	70,693	5,860,652	5,931,345
Amount due to immediate holding company	2,264,473	573,549	2,838,022	945,043	59,365	1,004,408
Amounts due to non-controlling interests	988,111	-	988,111	796,749	-	796,749
Taxation payable	1,849,380	-	1,849,380	3,386,793	-	3,386,793
Bank borrowings - due within one year	1,827,206	-	1,827,206	8,554,849	-	8,554,849
	<u>34,386,097</u>	<u>1,910,047</u>	<u>36,296,144</u>	<u>43,747,368</u>	<u>5,933,485</u>	<u>49,680,853</u>
Net current assets	<u>44,748,328</u>	<u>29,863</u>	<u>44,778,191</u>	<u>51,677,707</u>	<u>130,126</u>	<u>51,807,833</u>
Total assets less current liabilities	<u>66,800,866</u>	<u>33,518</u>	<u>66,834,384</u>	<u>81,890,507</u>	<u>143,473</u>	<u>82,033,980</u>
Capital and reserves						
Share capital	503,001	-	503,001	538,724	-	538,724
Reserves	37,187,327	(7,019)	37,180,308	45,376,869	102,200	45,479,069
Equity attributable to owners of the Company	<u>37,690,328</u>	<u>(7,019)</u>	<u>37,683,309</u>	<u>45,915,593</u>	<u>102,200</u>	<u>46,017,793</u>
Non-controlling interests	<u>1,190,073</u>	<u>40,537</u>	<u>1,230,610</u>	<u>3,499,060</u>	<u>41,273</u>	<u>3,540,333</u>
	<u>38,880,401</u>	<u>33,518</u>	<u>38,913,919</u>	<u>49,414,653</u>	<u>143,473</u>	<u>49,558,126</u>
Non-current liabilities						
Bank borrowings - due after one year	25,631,576	-	25,631,576	29,252,389	-	29,252,389
Deferred taxation liabilities	2,165,788	-	2,165,788	3,070,966	-	3,070,966
Derivative financial instruments	123,101	-	123,101	152,499	-	152,499
	<u>27,920,465</u>	<u>-</u>	<u>27,920,465</u>	<u>32,475,854</u>	<u>-</u>	<u>32,475,854</u>
	<u>66,800,866</u>	<u>33,518</u>	<u>66,834,384</u>	<u>81,890,507</u>	<u>143,473</u>	<u>82,033,980</u>

1. MERGER ACCOUNTING RESTATEMENT - continued

The effects of the merger accounting restatement described above to the Group's equity on 1 January 2010 and 31 December 2010 are as follows:

	1 January 2010 HK\$'000 (Originally stated)	Merger accounting restatement HK\$'000	1 January 2010 HK\$'000 (Restated)	31 December 2010 HK\$'000 (Originally stated)	Merger accounting restatement HK\$'000	31 December 2010 HK\$'000 (Restated)
Share capital	503,001	-	503,001	538,724	-	538,724
Share premium	29,203,188	-	29,203,188	30,694,543	-	30,694,543
Capital reserve	204,567	-	204,567	204,567	-	204,567
General reserves	415,995	-	415,995	483,988	-	483,988
Translation reserve	3,337,654	1,496	3,339,150	5,236,126	132,567	5,368,693
Share held for Strategic Incentive Award Scheme	(196,736)	-	(196,736)	(227,735)	-	(227,735)
Employee share-based compensation reserve	7,911	-	7,911	75,847	-	75,847
Merger reserve	(5,129,454)	-	(5,129,454)	(5,011,342)	-	(5,011,342)
Hedging reserve	(24,826)	-	(24,826)	(45,261)	-	(45,261)
Other reserve	-	-	-	2,286	-	2,286
Retained profits	9,369,028	(8,515)	9,360,513	13,963,850	(30,367)	13,933,483
Non-controlling interests	1,190,073	40,537	1,230,610	3,499,060	41,273	3,540,333
	<u>38,880,401</u>	<u>33,518</u>	<u>38,913,919</u>	<u>49,414,653</u>	<u>143,473</u>	<u>49,558,126</u>

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

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

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects:

HKAS 24 (as revised in 2009) has changed the definition of a related party. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) has not changed the identification of related parties under the previous standard.

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

HKAS 24 (as revised in 2009) requires retrospective application. The application of HKAS 24 (as revised in 2009) has had no impact on the Group's financial performance and positions for the current and prior years.

New and Revised HKFRSs Issued but not yet Effective

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

Amendments to HKFRS 7	Disclosures - Transfers of Financial Assets ¹ Disclosures - Offsetting Financial Assets and Financial Liabilities ² Mandatory Effective Date of HKFRS 9 and Transaction Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets ⁴
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

¹ Effective for annual periods beginning on or after 1 July 2011.

² Effective for annual periods beginning on or after 1 January 2013.

³ Effective for annual periods beginning on or after 1 January 2015.

⁴ Effective for annual periods beginning on or after 1 January 2012.

⁵ Effective for annual periods beginning on or after 1 July 2012.

⁶ Effective for annual periods beginning on or after 1 January 2014.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

New and Revised HKFRSs Issued but not yet Effective – continued

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2015 and that the application of the new standard may impact on amounts reported in respect of the Group's available-for-sale investment, which is currently stated at cost less impairment and will be measured at fair value upon adoption. It is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

New and Revised HKFRSs Issued but not yet Effective – continued

New and revised standards on consolidated, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK (SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

New and Revised HKFRSs Issued but not yet Effective – continued

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements financial year ending 31 December 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 12 Deferred Tax - Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The directors anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

3. SEGMENT REVENUE AND RESULTS

Information reported to the Board of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of performance focused on the segment of sale of developed properties, property investments and management, hotel operations, construction, decoration services and others. These divisions are the basis on which the Group reports its segment information under HKFRS 8 *Operating Segments*.

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

Year ended 31 December 2011

	<u>Sale of developed properties</u> HK\$'000	<u>Property investments and management</u> HK\$'000	<u>Hotel operations</u> HK\$'000	<u>Construction, decoration services and others</u> HK\$'000	<u>Total</u> HK\$'000
Revenue					
External sales	<u>31,300,719</u>	<u>2,624,650</u>	<u>597,587</u>	<u>1,271,845</u>	<u>35,794,801</u>
Result					
Segment result	<u>10,305,498</u>	<u>1,099,789</u>	<u>(9,616)</u>	<u>(14,300)</u>	11,381,371
Unallocated other income					1,208,120
Gain on changes in fair value of investment properties					3,240,092
Unallocated expenses					(803,105)
Share of results of associates					49,444
Share of result of a jointly controlled entity					(4,112)
Finance costs					<u>(698,748)</u>
Profit before taxation					<u>14,373,062</u>

Year ended 31 December 2010

	<u>Sale of developed properties</u> HK\$'000 (Restated)	<u>Property investments and management</u> HK\$'000	<u>Hotel operations</u> HK\$'000	<u>Construction, decoration services and others</u> HK\$'000	<u>Total</u> HK\$'000 (Restated)
Revenue					
External sales	<u>22,586,519</u>	<u>1,711,662</u>	<u>352,149</u>	<u>1,078,828</u>	<u>25,729,158</u>
Result					
Segment result	<u>7,954,581</u>	<u>783,961</u>	<u>(119,332)</u>	<u>30,415</u>	8,649,625
Unallocated other income					531,607
Gain on changes in fair value of investment properties					2,947,302
Unallocated expenses					(285,313)
Share of results of associates					48,053
Finance costs					<u>(304,445)</u>
Profit before taxation					<u>11,586,829</u>

3. SEGMENT REVENUE AND RESULTS - continued

Except for investment properties which were reviewed based on cost, the accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned or loss incurred 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, share of result of a jointly controlled entity and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	<u>2011</u> HK\$'000	<u>2010</u> HK\$'000 (Restated)
Current tax:		
Hong Kong Profits Tax	(773)	(534)
PRC Enterprise Income Tax	<u>(2,307,546)</u>	<u>(1,752,440)</u>
	(2,308,319)	(1,752,974)
Land appreciation tax in the PRC	(3,095,943)	(1,711,422)
Deferred taxation:		
Current year	<u>(726,770)</u>	<u>(805,719)</u>
	<u>(6,131,032)</u>	<u>(4,270,115)</u>

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 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 tax rate would increase from 15% over 5 years to 25% as a result of the grandfathering provisions.

5. PROFIT FOR THE YEAR

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

	<u>2011</u> HK\$'000	<u>2010</u> HK\$'000 (Restated)
Release of prepaid lease payments	7,662	8,249
Depreciation of property, plant and equipment	<u>318,057</u>	<u>243,477</u>

6. DIVIDENDS

	<u>2011</u> HK\$'000	<u>2010</u> HK\$'000
Dividends recognised as distribution during the year:		
2011 Interim - HK9.5 cents (2010: 2010 Interim HK9.5 cents) per share	551,696	470,595
2010 Final - HK21.5 cents (2010: 2009 Final HK18.3 cents) per share	1,158,257	920,492
Additional final dividend for prior year due to exercise of share options and placement of new shares	<u>149</u>	<u>1,175</u>
	<u>1,710,102</u>	<u>1,392,262</u>
Dividend proposed:		
Final dividend proposed for the year		
2011 Final - HK16.6 cents (2010: 2010 Final HK21.5 cents) per share	<u>967,194</u>	<u>1,158,257</u>

The final dividend of HK16.6 cents per ordinary share in respect of the year ended 31 December 2011 (2010: final dividend of HK21.5 cents per ordinary share in respect of the year ended 31 December 2010) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

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

	<u>2011</u> HK\$'000	<u>2010</u> HK\$'000 (Restated)
<u>Earnings</u>		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>8,069,984</u>	<u>6,004,618</u>
<u>Number of shares</u>	<u>2011</u>	<u>2010</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,464,557,214	5,030,169,590
Effect of dilutive potential ordinary shares on		
- Share options	9,582,539	12,945,886
- Shares held under Strategic Incentive Award Scheme - unvested	<u>7,543,755</u>	<u>12,027,047</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>5,481,683,508</u>	<u>5,055,142,523</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting the effect on 18,172,000 shares (2010: 21,681,000 shares) held by BOCI - Prudential Trustee Limited, a trustee company for the Company's Strategic Incentive Award Scheme.

8. TRADE RECEIVABLES, OTHER RECEIVABLES AND DEPOSITS PAID

	<u>31.12.2011</u> HK\$'000	<u>31.12.2010</u> HK\$'000 (Restated)	<u>1.1.2010</u> HK\$'000 (Restated)
Trade receivables	1,697,977	1,268,792	1,172,274
Less: allowance for doubtful debts	<u>(161,136)</u>	<u>(359,236)</u>	<u>(349,661)</u>
	<u>1,536,841</u>	<u>909,556</u>	<u>822,613</u>
Deposits paid for acquisition of land use rights (Note a)	<u>15,763,361</u>	<u>20,407,104</u>	<u>13,925,760</u>
Other receivables (Note b)	1,500,277	1,079,073	1,497,938
Less: allowance for doubtful debts	<u>(346,309)</u>	<u>(375,182)</u>	<u>(362,577)</u>
	<u>1,153,968</u>	<u>703,891</u>	<u>1,135,361</u>
Prepayments and deposits	<u>2,502,646</u>	<u>2,074,591</u>	<u>868,787</u>
	<u><u>20,956,816</u></u>	<u><u>24,095,142</u></u>	<u><u>16,752,521</u></u>

Notes:

- (a) The amount represents the partial payments made by the Group for the acquisition of land use rights 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. Among the deposits paid, the management expects the Group would obtain the relevant land use right certificates in the coming twelve months after the end of reporting period are HK\$15,056,733,000.
- (b) Other receivables include mainly temporary payments paid for potential projects and project-related deposits which would be refundable upon completion of the development projects.

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>31.12.2011</u> HK\$'000	<u>31.12.2010</u> HK\$'000 (Restated)	<u>1.1.2010</u> HK\$'000
Within one year	1,356,466	712,258	618,594
Over one year	<u>180,375</u>	<u>197,298</u>	<u>204,019</u>
	<u><u>1,536,841</u></u>	<u><u>909,556</u></u>	<u><u>822,613</u></u>

9. TRADE AND OTHER PAYABLES

	<u>31.12.2011</u> HK\$'000	<u>31.12.2010</u> HK\$'000 (Restated)	<u>1.1.2010</u> HK\$'000 (Restated)
Trade payables	9,083,074	5,425,128	4,129,566
Other payables and accrued charges (Note)	<u>6,067,425</u>	<u>2,375,454</u>	<u>1,793,597</u>
	<u>15,150,499</u>	<u>7,800,582</u>	<u>5,923,163</u>

Note: Amounts include mainly receipt in advances, other taxes payable, temporary receipts and accrued salaries.

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

	<u>31.12.2011</u> HK\$'000	<u>31.12.2010</u> HK\$'000 (Restated)	<u>1.1.2010</u> HK\$'000 (Restated)
Within one year	5,915,210	3,743,366	2,379,294
Over one year	<u>3,167,864</u>	<u>1,681,762</u>	<u>1,750,272</u>
	<u>9,083,074</u>	<u>5,425,128</u>	<u>4,129,566</u>

CHAIRMAN'S STATEMENT

In 2011, the Group's consolidated turnover and profit attributable to shareholders reached HK\$35,795 million and HK\$8,070 million, increased by 39.1% and 34.4% respectively over the corresponding period of 2010. As of 31 December 2011, the Group's earnings per share increased by 23.7% year on year to HK147.7 cents, and net assets per share increased by 22.4% to HK\$10.4 over the same period of 2010.

The board of directors recommended a final dividend of HK16.6 cents per share, together with the 2011 interim dividend of HK9.5 cents, the annual dividend in 2011 amounted to HK26.1 cents per share, the payout ratio in 2011 was 27.0%.

Business Review

2011 was a year with deepened policy tightening towards property sector. During the year, the Group proactively implemented the "balanced sales" policy and achieved substantial growth in both revenue and profit attributable to shareholders. During the year under review, the Group achieved consolidated turnover and profit attributable to shareholders of HK\$35,795 million and HK\$8,070 million, increased by 39.1% and 34.4% year on year respectively. Specifically, the residential development business turnover amounted to HK\$31,301 million, up 38.6% year on year; rental income from investment property business including hotel operation totaled HK\$2,792 million, representing a year-on-year growth of 57.1%.

Residential Development

In 2011, along with its expansion in business scale, the Group firmly implemented its strategy to speed up asset turnover. As such, the Group has streamlined its product lines, enriched its handbook for duplicable products, and re-adjusted benchmark periods between land acquisition and initial presale, all of which have effectively improved execution efficiency. During the year under review, a total of seven projects launched presales within 10 months after land acquisitions.

Meanwhile, in order to better cope with the impact of policy tightening which has served to curb investment demands, the Group timely adjusted its development strategies and its project positioning in response to changing market conditions, with an aim to tailor its products largely to meet end-user demands in its residential portfolio. In 2011, Dalian Maritime and Hangzhou MIXc Residence were rewarded with Tien-yow Jeme Civil Engineering Prize by China Civil Engineering Society.

Investment Property

In 2011, Shenyang MIXc shopping mall and CR Building as well as Beijing Rainbow City came into operation on schedule, thus further enlarged the Group's investment property portfolio. The Group strategically penetrated into more third-tier cities by adding land banks suitable for "Residential + Rainbow City" typed developments that are mixed with residential and commercial elements, while also making strenuous efforts to speed up development and shorten development cycle for investment property projects, including those for MIXc developments.

Value-added Services

Value-added service is a unique component in the Group's business model and forms the core part of the Group's overall competitiveness. In 2011, the Group continuously strengthened the promotion and innovation efforts in relation to its "standardized storage space product series", satisfactory accomplishments were achieved in standardizing and patenting its product designs and in marketing products under specifically-created brands. During the year, the Group obtained six national patents in its "standardized and storage space product series". Other value-added services are also piloted and experimented with satisfactory results, including those related to more optimal utilization of public spaces, such as lobby and parking areas.

Land Bank

Persisting with its well-established and articulated business model, i.e. "residential development + investment property + value-added services", the Group has acquired a total GFA of 9.42 million square meters land bank since the beginning of 2011 in a strategy-guided manner. Those projects shared the commonality in low land costs and were mostly located in second- and third-tier cities where property prices remained reasonable. As of 7 March 2012, the Group's geographic reach was further expanded to 39 cities with a total land bank of GFA 29.85 million square

meters, among which residential land bank was 25.49 million square meters, investment property under construction was 4.36 million square meters, and operating investment property was 1.61 million square meters.

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

Financial Policy

In 2011, thanks to its prudent financial policies, 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 safe range determined by rating agencies. In the year under review, both Standard & Poor and Moody's assigned the Group 'BBB' long-term corporate credit rating.

Outlook

In 2012, the Group will closely monitor market and keep ourselves alert and swiftly responsive to changing market conditions. Despite tough property market with certain challenges in 2012, the Group is confident in its business outlook. On one hand, the Group's residential bookable GFA and value of saleable resources in 2012 will increase substantially over 2011; on the other hand, the Group's bookable and saleable resources will spread over a greater number of cities and projects, and with higher proportion from second- and third-tier cities, where end-user demands dominate the markets. What's more, rental income is expected to have significant growth with Chengdu MIXc and other investment properties coming into stream this year. Contracted sales from some non-residential products will also become the new engine for contracted sales growth.

As of 7 March 2012, the Group has achieved contracted sales of RMB4,371 million year to date. Together with the contracted value of RMB30,980 million in property sales that was achieved before 2012 but not yet recognized, the Group had a total contracted value of RMB35,351 million to be recognized in 2012 and coming years. Specifically, the Group has so far locked in RMB18,611 million in development revenue for recognition in 2012, thus laying down a solid foundation for promising financial results in 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2011, the Group's residential development and rental business achieved satisfactory performance. For the year under review, both sales and construction progress of the projects were in line with expectation, laying down a solid foundation of for the performance of 2012.

Review of Residential Development Business in 2011

In 2011, the Group achieved contracted sales of RMB35,958 million, a significant growth of 61.5% compared with that of 2010; total area sold reached 2.98 million square meters, an increase of 36.5% over the same period of 2010.

Sales breakdown by cities during the year of 2011 are set out as follows:

City	Contracted Value		Area Sold	
	RMB'000	%	Sqm	%
Beijing	4,290,175	11.9%	154,004	5.2%
Shanghai	3,419,701	9.5%	91,361	3.1%
Chengdu	4,803,870	13.4%	531,680	17.8%
Wuhan	1,589,609	4.4%	125,954	4.2%
Hefei	1,053,628	2.9%	148,903	5.0%
Hangzhou	1,348,389	3.8%	59,952	2.0%
Wuxi	2,827,467	7.9%	268,845	9.0%
Ningbo	1,332,538	3.7%	75,452	2.5%
Dalian	1,983,051	5.5%	137,278	4.6%
Changsha	1,139,513	3.2%	200,741	6.7%
Suzhou	1,686,661	4.7%	76,963	2.6%
Shenyang	3,146,945	8.8%	279,791	9.4%
Chongqing	1,322,683	3.7%	198,252	6.7%
Xiamen	152,263	0.4%	12,365	0.4%
Tianjin	359,827	1.0%	31,424	1.1%
Mianyang	304,891	0.8%	49,616	1.7%
Fuzhou	1,111,894	3.1%	102,818	3.5%
Changzhou	534,824	1.5%	77,046	2.6%
Nanjing	313,804	0.9%	12,492	0.4%
Zibo	382,881	1.1%	60,612	2.0%
Nantong	797,210	2.2%	80,550	2.7%
Yangzhou	413,300	1.1%	47,447	1.6%
Tangshan	800,321	2.2%	74,543	2.5%
Wanning	411,976	1.1%	14,728	0.5%
Taizhou	254,689	0.7%	34,277	1.2%
Yancheng	175,716	0.5%	30,492	1.0%
Total	35,957,826	100.0%	2,977,586	100.0%

Sales breakdown by major projects in the year of 2011:

Project	City	Project Type	Total GFA (Sqm)	Accumulated area sold as of 31 Dec 2011(Sqm)	Area sold in 2011 (Sqm)	Average selling price in 2011 (RMB/Sqm)
Oak Bay	Beijing	Mid-high density residential	646,604	396,114	49,443	32,417
Eco Living	Beijing	High density residential	217,490	153,494	26,216	42,961
Positano Vita	Beijing	Mid-low density residential	286,121	8,998	8,998	25,856
Park Land	Beijing	Mid-low density residential	227,323	40,066	40,066	24,984

The Bound of Bund	Shanghai	High density residential	166,917	31,669	8,249	101,111
Oak Bay	Shanghai	Mid-low density residential	230,795	109,854	23,829	43,481
Central Park	Shanghai	Mid-low density residential	467,197	58,603	58,603	25,923
Jade City	Chengdu	Mid-high density residential	1,034,348	974,200	27,615	16,403
Twenty-Four City	Chengdu	High density residential	1,620,000	574,128	82,860	12,932
Phoenix City	Chengdu	High density residential	698,590	545,003	120,978	9,022
Oak Bay	Chengdu	High density residential	527,913	183,970	116,867	7,673
Ginkgo Park	Chengdu	Mid-low density residential	84,483	55,640	43,733	9,363
Emerald Forest	Chengdu	Mid-high density residential	205,700	27,177	27,177	9,168
Jinyue Bay	Chengdu	Mid-low density residential	336,420	6,254	6,254	19,544
Central Park	Wuhan	Mid-high density residential	346,696	215,440	34,669	11,885
Oak Bay	Wuhan	Mid-low density residential	476,000	68,982	68,982	11,189
Landmark Residence	Wuhan	High density residential	41,231	21,456	21,456	15,617
Park Lane Manor	Hefei	Mid-high density residential	200,185	200,185	20,567	5,711
Palace Glorious	Hefei	High density residential	199,500	178,965	56,682	8,274
Oak Bay	Hefei	Mid-high density residential	677,600	37,025	37,025	6,520
The Arch	Hefei	High density residential	618,292	20,460	20,460	8,986
Taihu Int'l Community	Wuxi	Mid-low density residential	1,246,623	669,934	252,751	9,785
MIXc Residence	Wuxi	Mid-high density residential	260,000	15,224	15,224	20,251
Central Park	Cixi	Mid-low density residential	284,348	181,818	52,062	17,857
The Arch	Ningbo	Mid-high density residential	196,000	21,103	21,103	17,154
Oriental Xanadu	Dalian	Mid-low density residential	166,662	84,397	19,124	45,770
Maritime	Dalian	Mid-high density residential	1,309,592	490,478	116,932	9,384
Phoenix City	Changsha	High density residential	1,155,439	650,425	190,089	5,866
Suzhou Villa	Suzhou	Low density residential	67,595	31,947	12,223	35,353
The Bound of Kunyu	Suzhou	Mid-low density residential	285,987	36,458	36,458	25,792
Oak Bay	Suzhou	Mid-high density residential	362,543	27,907	27,907	11,182
MIXc Residence	Shenyang	High density residential	144,313	41,488	41,488	22,165
The Arch	Shenyang	High density residential	280,000	205,385	67,581	13,120
Oak Bay	Shenyang	Mid-high density residential	892,414	182,840	147,611	7,850
CR Plaza	Shenyang	High density residential	252,040	9,808	9,808	8,234
Twenty-Four City	Chongqing	High density residential	1,738,900	437,413	101,922	6,834
Central Park	Chongqing	High density residential	572,665	152,043	79,246	7,168
Oak Bay	Xiamen	High density residential	307,830	12,365	12,365	12,314
Oak Bay	Tianjin	Mid-low density residential	152,200	6,147	6,147	9,578
Central Park	Tianjin	Mid-low density residential	706,341	25,277	25,277	11,906
Central Park	Mianyang	Mid-high density residential	758,118	95,232	49,616	6,145
Oak Bay	Fuzhou	Mid-low density residential	603,108	209,367	90,889	11,450
CR Int'l Community	Changzhou	Mid-high density residential	1,243,354	77,046	77,046	6,942
MIXc Residence	Nanjing	High density residential	277,792	12,492	12,492	25,120
Oak Bay	Nantong	Mid-high density residential	415,200	80,550	80,550	9,897
Oak Bay	Yangzhou	Mid-low density residential	200,260	47,447	47,447	8,711
Oak Bay	Tangshan	Mid-high density residential	463,400	74,543	74,543	10,736
The Bound of Shimei Bay	Wanning	Low density residential	967,062	14,728	14,728	27,971
CR Int'l Community	Taizhou	High density residential	792,500	34,277	34,277	7,430
Central Park	Zibo	High density residential	444,600	60,612	60,612	6,317
Oak Bay	Yancheng	Mid-high density residential	350,000	30,492	30,492	5,763

During 2011, the Group's residential development business achieved a turnover of HK\$31,301 million with 2.17 million square meters being recognized, representing a year on year growth of 38.6% and 21.0% respectively. Gross profit margin of the residential development business rose slightly from 39.4% in 2010 to 39.5% in 2011, mainly because the average selling price of the bookable projects delivered in 2011 was slightly higher than that of 2010.

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

Project Name	Revenue (HK\$'000)	Area Booked (Sqm)
Oak Bay	2,903,061	104,950
Eco Living	3,690,945	126,552
Others	84,815	11,424
<i>Beijing Subtotal</i>	<i>6,678,821</i>	<i>242,926</i>
The Bound of Bund	2,839,705	28,837
Oak Bay	1,167,917	21,906
<i>Shanghai Subtotal</i>	<i>4,007,622</i>	<i>50,743</i>
Shenzhen MIXc	20,262	397
Jade City	1,937,980	153,912
Phoenix City	733,574	89,379
Twenty-Four City	1,761,931	138,047
Oak Bay	32,048	3,683
<i>Chengdu Subtotal</i>	<i>4,465,533</i>	<i>385,021</i>
Phoenix City	489	84
Central Park	1,496,854	111,969
<i>Wuhan Subtotal</i>	<i>1,497,343</i>	<i>112,053</i>
Palace Glorious	1,608,842	185,007
French Annecy	14,019	3,401
Park Lane Manor	56,978	6,713
<i>Hefei Subtotal</i>	<i>1,679,839</i>	<i>195,121</i>
Hangzhou MIXc Residence	1,293	60
Wuxi Taihu Int'l Community	2,016,173	169,725
Tuscany Lake Valley	206,088	5,313
Central Park	2,349,658	129,683
<i>Ningbo Subtotal</i>	<i>2,555,746</i>	<i>134,996</i>
Oriental Xanadu	23,522	1,317
Maritime	134,511	7,335
<i>Dalian Subtotal</i>	<i>158,033</i>	<i>8,652</i>
Changsha Phoenix	1,328,378	229,446
Suzhou Villa	624,291	13,362
Twenty-Four City	1,498,721	185,232
Central Park	1,147,794	130,408
<i>Chongqing Subtotal</i>	<i>2,646,515</i>	<i>315,640</i>
The Arch	1,727,627	152,537
Oak Bay	508,297	39,606
<i>Shenyang Subtotal</i>	<i>2,235,924</i>	<i>192,143</i>
Mianyang Central Park	600,307	82,047
Fuzhou Oak Bay	784,639	33,758
Total	31,300,719	2,166,090

Since the beginning of 2012, the Group has maintained its momentum in project sales and has achieved satisfactory sales performance. As of 7 March 2012, the Group has achieved contracted sales of RMB4,371 million with total contracted GFA of 394,511 square meters, representing a year on year growth of 11.1% and 14.7% respectively. Together with contracted sales of RMB30,980 million that were achieved before 2012 but remain unbooked, as at 7 March 2012, the Group has achieved a total of RMB35,351 million in sales that are contracted but unbooked and are available for recognition in 2012 and years to come. Specifically, the Group has locked up revenue of RMB18,611 million from the residential development for recognition in 2012, thus laying down a solid foundation for promising financial results in the year of 2012.

Review of Investment Property Business in 2011

As of 31 December 2011, book value of the investment properties of the Group totalled HK\$29,589 million, accounted for 16.4% of the Group's total assets value. In compliance with relevant accounting policies, the Group has conducted an evaluation for its investment properties, including projects under construction, and a revaluation gain of HK\$2,453 million (net off taxation and minority interests) was booked during the year based on an appraisal performed by an independent third party. In 2011, the turnover of investment property business including hotel business amounted to HK\$2,792 million, representing a year-on-year growth of 57.1%.

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

Investment Property	Turnover (HK\$'000)			Average Occupancy Rate (%)		
	2011	2010	yoy (%)	2011	2010	yoy (pt)
Beijing China Resources Building	161,903	149,944	8.0%	99.0%	98.1%	1.0%
Beijing Others	240,622	160,642	49.8%	99.4%	95.8%	3.6%
Shanghai CR Times Square	238,614	207,278	15.1%	99.5%	99.1%	0.4%
Shenzhen City Crossing	983,960	760,633	29.4%	94.5%	97.1%	-2.6%
Hangzhou MIXc	334,112	126,779	163.5%	98.5%	89.3%	9.2%
Shenyang MIXc	155,215	N/A	N/A	93.5%	N/A	N/A
Other Rental Income	79,845	19,155	N/A	N/A	N/A	N/A
Shenzhen Grand Hyatt	456,892	281,499	62.3%	66.8%	68.2%	-1.5%
Shimei Bay Le Meridien	140,695	70,650	99.1%	50.9%	29.1%	21.8%
Property Management	430,379	287,231	49.8%	N/A	N/A	N/A

Details of the Group's major investment properties are listed below:

Property Name	City	Interest Attributable to the Group (%)	Total GFA (Sqm)	Attributable GFA (Sqm)	Usage
Beijing CR Building	Beijing	100.00%	65,222	65,222	Office
Xidan Cultural Centre	Beijing	96.50%	36,184	34,918	Retail
Grand Constellation Shopping Mall	Beijing	96.50%	16,787	16,199	Retail
U-space Mall	Beijing	96.50%	10,685	10,311	Retail
Jing Tong Shops	Beijing	96.50%	17,952	17,324	Retail
Beijing Phoenix City Commercial Street	Beijing	96.50%	13,210	12,748	Retail
Huawei Building	Beijing	48.25%	54,214	26,158	Retail
Huanan Building	Beijing	15.31%	70,058	10,725	Retail
Building 22, Guanyingyuan	Beijing	96.50%	4,155	4,010	Office
Jin Hui Garden	Beijing	96.50%	3,926	3,789	Retail
Building 49, Fortune Island, Jade City	Beijing	96.50%	5,681	5,482	Retail
Building 1, Plot B2, Jade City	Beijing	96.50%	2,007	1,937	Retail
Block A, Phoenix Plaza, Office	Beijing	96.50%	80,986	78,151	Office
Block A, Phoenix Plaza, Car Park	Beijing	96.50%	13,242	12,779	Car Park
Block M, Phoenix Plaza, Mall	Beijing	96.50%	37,122	35,823	Retail
Rainbow City	Beijing	98.22%	65,000	63,840	Retail
Others	Beijing	96.50%	34,729	33,513	Others
Shanghai CR Times Square	Shanghai	100.00%	97,139	97,139	
Mall			51,190	51,190	Retail
Office			36,843	36,843	Office
Car Park			9,106	9,106	Car Park
Shenzhen City Crossing	Shenzhen	100.00%	323,748	323,748	
The MIXc			159,585	159,585	Retail
CR Building			40,990	40,990	Office
Grand Hyatt Hotel			67,506	67,506	Hotel

Car Park			55,667	55,667	Car Park
Shenzhen Huarui Building	Shenzhen	100.00%	13,789	13,789	Hotel
Chengdu Jade City, Retail	Chengdu	100.00%	42,032	42,032	Retail/Others
Wuhan Central Park, Retail	Wuhan	100.00%	9,922	9,922	Retail/Others
Hangzhou The MIXc Ph.1	Hangzhou	60.00%	242,845	145,707	
The MIXc			173,709	104,225	Retail
Car Park			69,136	41,482	Car Park
Shenyang The MIXc	Shenyang	100.00%	305,905	305,905	
The MIXc			173,863	173,863	Retail
Office			55,500	55,500	Office
Car Park			76,542	76,542	Car Park
Hainan Wanning Shimei Bay Le Meridien Hotel	Wanning	100.00%	41,926	41,926	Hotel
Total GFA			1,608,466	1,413,097	
Retail			925,905	762,848	
Office			283,696	280,716	
Hotel			123,221	123,221	
Others			275,644	246,312	

**not including Beijing Phoenix Plaza Service Apartment, Beijing Rainbow City West, Beijing CR Building Ph.2, Shanghai Bund Side Service Apartment, Shanghai Wuzhong Road Project Commercial Property, Chengdu Jade City Commercial Property, Chengdu Twenty-Four City Commercial Property, Chengdu Oak Bay Commercial Property, Chengdu Jinyue Bay Commercial Property, Chengdu Ginkgo Park Commercial Property, Chengdu Emerald Forest Commercial Property, Hefei Park Lane Manor Commercial Property, Hefei The MIXc, Hangzhou The MIXc Ph.2 Commercial Property, Wuxi Taihu Int'l Community Commercial Property, Ningbo Yuyao Project Commercial Property, Dalian Oriental Xanadu Hotel, Dalian CR Plaza Commercial Property, Changsha Phoenix City, Suzhou Oak Bay Commercial Property, Shenyang City Crossing Hotel, Shenyang The Arch Commercial Property, Chongqing Twenty-Four City Commercial Property, Mianyang Central Park Commercial Property, Changzhou CR Int'l Community Commercial Property, Anshan Park Lane Manor Commercial Property, Qingdao City Crossing Commercial Property, Zhengzhou The MIXc, Changchun Oak Bay Commercial Property, Hainan Shimei Bay Commercial Property, Harbin Songbei Project Commercial Property, Taizhou CR Int'l Community Commercial Property, Zibo Central Park Commercial Property, Yancheng Oak Bay Commercial Property, Huizhou Xiaojing Bay Project Hotel, Ganzhou Zhangjiang New District Project Commercial Property, and Rizhao Donggang District Project Commercial Property, all of which are currently under construction involving a total gross floor area of 4,362,439 square meters.*

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 has offered the Group greater operational resilience to defend itself against industry's cyclicality and will help optimize the Group's earnings sustainability.

Review of Value-added Services in 2011

Guided by customers' needs, the Group further strengthened its differentiated business model in its value-added services. The creative "standardized and serialized storage space solution" and "flexible/adjustable furniture for small apartments" have been applied to 32 projects of the group and have been well received by customers. In the meantime, the Group plans to standardize and patent its product designs and market products under specifically-created brands.

In 2011, value-added services were broadened in its scope and were further piloted in Beijing, Wuhan and Fuzhou. The preliminary results have been encouraging. The Group successfully developed value-added services by adding more functions in public spaces, such as in lobby and car parking, in order to better utilize the available spaces, namely by adding club function in public lobby and storage, adding automobile service function in car parking areas, and providing personalized car parking logo and dedicated parking areas for large vehicles. Recently we have initiated the national patent application process for some of the products and systems we developed in relation to our value-added services.

Meanwhile, through maximizing operational synergies among city companies, Uconia and Logic Furniture, the Group has fully leveraged its professional strength in interior decoration as well as furniture design and manufacturing, and thus created a new management model for general contractors of decoration services, which has obviously enhanced decoration quality, reduced costs and improved work efficiency. Currently, this new model is being promoted within the Group.

Land Bank

Since the beginning of 2011, the Group has acquired a total GFA of 9.42 million square meters of land bank with a total cost of RMB19,524 million (including HK\$7,002 million consideration paid for assets acquired from China Resources (Holdings) Company Limited). As of 7 March 2012, the total land bank of the Group amounted to 29.85 million square meters in terms of GFA. Details are set out below:

City	Total GFA (Sqm)
Beijing*	1,073,906
Shanghai*	1,002,840
Chengdu	2,849,767
Wuhan	536,398
Hefei	1,593,840
Hangzhou*	443,752
Wuxi*	852,493
Ningbo*	578,162
Dalian*	1,596,315
Changsha	1,043,044
Suzhou	601,259
Shenyang*	1,757,272
Chongqing	1,792,507
Xiamen	295,316
Tianjin*	828,162
Mianyang	680,903
Fuzhou	392,591
Changzhou	1,270,640
Nanjing	271,748
Nantong	339,166
Anshan	631,200
Qingdao*	745,400
Zhengzhou	464,000
Yangzhou	146,347
Tangshan	389,267
Xuzhou	309,928
Changchun	327,300
Nanchang	279,923
Wanning	989,999
Harbin	198,250
Taizhou	935,772
Zibo	517,769
Yancheng*	325,065
Huizhou*	1,606,000
Weihai	575,000
Qinhuangdao*	193,000
Ganzhou*	856,060
Rizhao	560,000
Total	29,850,361

*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% interest in Shanghai Wuzhong Road Project, 99.8% in Shanghai Oak Bay Project and 100.0% in all other projects in Shanghai; 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, the Group's interest in Dalian Oriental Xanadu is 55.0%, and the Group's interest in Dalian CR Plaza is 60.0%; the Group holds 51.0% interest in Shenyang The Bound of Fengtian

Project; the Group's interests in Tianjin projects are 98.2% and its interest in Qingdao project is 96.5%; the Group also holds 52.0% interest in Yancheng Oak Bay project, 65.0% interest in Huizhou project, 96.5% interest in Qinquangdao Oak Bay, and 55.0% interests in Ganzhou Zhangjiang New District project. Other than the above mentioned projects, the Group holds 100.0% interest in all other projects.

Sufficient land bank has laid a solid foundation for the Group's sustainable growth in the future. Compared with the same period of 2011, the Group's geographic presence has been expanded from 31 to 39 cities (with the addition of Nanjing, Changzhou, Yancheng, Huizhou, Weihai, Qinquangdao, Ganzhou and Rizhao).

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

Borrowings and Debt Ratio, Asset Pledge, and Risk of Exchange Rate Fluctuations

In May and July 2011, the Group successfully issued overseas senior notes of US\$750 million and US\$250 million respectively, both at the coupon rate of 4.625% with a tenor of 5 years.

As of 31 December 2011, the Group had a total debt of HK\$60,725 million equivalent. Cash and bank balances amounted to HK\$15,368 million. The Group's net interest-bearing debt to equity ratio (including non-controlling interests) stood at 68.3%.

As of 31 December 2011, 41.0% of the Group's interest-bearing debt was denominated in Renminbi and 59.0% was denominated in Hong Kong & US Dollar. Maturity wise, approximately 36.3% 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 year of 2011 was around 3.6%.

Details of the Group's assets being pledged as of 31 December 2011 are listed below:

Pledged Project	Total Facility Quota (RMB'000)	Starting Date	Ending Date
Beijing CR Building	700,000	2008.12.22	2013.12.22
Shanghai Times Square	1,000,000	2009.07.20	2016.07.20
Shenzhen The MIXc	1,500,000	2010.09.03	2020.08.25
Shenzhen Grand Hyatt	1,500,000	2010.12.31	2020.12.26
Land Use Right of Chengdu 24 City Block #13	390,000	2011.10.31	2014.10.31
Land Use Right of Block C4, Wuxi Taihu Int'l Community	300,000	2010.09.15	2013.09.14
Land Use Right of Wuxi MIXc Residence Ph.1	380,000	2011.03.08	2013.12.31
Land Use Right of Dalian Xanadu Ph.2 residential and Xanadu Hotel	360,000	2011.04.28	2018.08.22
Dalian Xanadu Ph.3 under construction	70,000	2011.08.17	2019.08.16
Project Under Construction of Dalian Xanadu Ph.2	160,000	2011.08.17	2019.08.16
Land Use Right of Suzhou The Bound of Kunyu block A1-1, and Block B1-1	300,000	2011.11.10	2015.05.09
Land Use Right of Chongqing Central Park Ph.4	95,000	2011.12.31	2014.12.30
Land Use Right of Tianjin Central Park	300,000	2011.06.24	2014.06.23
Project Under Construction of Tianjin Central Park	64,000	2011.06.24	2014.06.23
Land Use Right of Fuzhou Oak Bay Block C1-07 and Block A1	300,000	2011.03.04	2014.03.03
Land Use Right of Changzhou CR Int'l Community Ph.1	300,000	2011.02.23	2016.02.21
Land Use Right of Changzhou CR Int'l Community Ph.1		2011.11.30	2016.11.10
Land Use Right of Changzhou CR Int'l Community Ph.8		2011.11.24	2016.11.23
Project Under Construction of Nanjing MIXc Residence Building #4 and Building #5(Floor 2-20)	360,000	2011.12.30	2014.12.29
Land Use Right of Nantong Oak Bay and Project Under Construction of Nantong Oak Bay	340,000	2011.09.30	2014.09.26
Zhengzhou In-City	371,300	2009.08.06	2019.08.06
Hainan Wanning Le Meridien Hotel	470,000	2011.11.10	2026.12.20
Land Use Right of Zibo Central Park Ph.1	90,000	2011.10.28	2014.10.27
Total	9,350,300		

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

Employee and Compensation Policy

As of 31 December 2011, the Group had approximately 15,920 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.

Corporate Governance

Throughout the year ended 31 December 2011, 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) for the time being in force with the exception of the following deviation. 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) 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.

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, the Company confirmed that all directors has complied with the required standard set out in the Model Code during the year 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 an incentive scheme, which is presently named as Strategic Incentive Award Scheme (the "Scheme") on 30 May 2008 (the "Adoption Date"). The Scheme was subsequently amended on 8 December 2009. Unless sooner terminated by the Board of Directors, the Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years. According to the Scheme, shares up to 2.5% of the issued share capital of the Company as at the Adoption Date will be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Scheme.

Up to 31 December 2011, the Company had through Trustee purchased 51,310,000 shares, representing 1.2715% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK\$536,234,727.81 (including transaction costs), among which, 18,846,000 shares were purchased during the year under review at a total consideration of HK\$219,563,365.45. During the year ended 31 December 2011, a total of 11,161,172 shares of the Company had been awarded to the directors and employees of the Group at no consideration, together with the granted but unvested shares as at 31 December 2010, a total number of 22,354,770 shares were vested in 2011. The sale proceeds of the vested shares have been and will be transferred to the relevant directors and employees in accordance with the amended provisions of the Scheme. As at the date of this announcement, a total number of 18,172,000 unvested shares have been held in trust by the Trustee.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed above under "**Strategic Incentive Award Scheme**", neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

Financial Derivative Instruments

During the year 2008, the Company timely seized the opportunity of current subdued interest rate level caused by the sub-prime mortgage crisis outbreak in the United States, and has fixed the interest costs of a portion of its HK\$ loans at relatively low levels by entering into interest rate swap transactions. The swap transactions involved HK\$3.0 billion in total, of which HK\$1.0 billion had a swap period of four years and the rest in a five year period. Due to increases in swap rates in the market during the year under review, the Company recorded a mark-to-market gain in its annual results.

Review by Audit Committee

The 2011 Final Results has been reviewed by Audit Committee which comprises five independent non-executive directors.

Final Dividend

The Board has resolved to recommend a final dividend of HK16.6 cents per share for the year ended 31 December 2011 (2010: HK21.5 cents) payable on or about 6 July 2012 to shareholders whose names appear on the Register of Members of the Company on 27 June 2012.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 19 June 2012 to Thursday, 21 June 2012, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 18 June 2012.

Subject to the approval of shareholders at the meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Wednesday, 27 June 2012 and the register of members of the Company will be closed on Wednesday, 27 June 2012, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by the relevant share certificates lodged with the Company's Registrar, Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 26 June 2012.

Publication of Information on the Website of the Stock Exchange

The Company's 2011 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
China Resources Land Limited
Wang Yin
Chairman

9 March 2012, Hong Kong

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Mr. Wang Yin (Chairman) and Mr. Wu Xiangdong (Managing Director); six non-executive directors, namely Mr. Yan Biao, Mr. Du Wenmin, Mr. Ding Jiemin, Mr. Wei Bin, Mr. Shi Shanbo and Dr. Zhang Haipeng; and five independent non-executive directors, namely Mr. Wang Shi, Mr. Ho Hin Ngai, Bosco, Mr. Andrew Y. Yan, Mr. Wan Kam To, Peter and Mr. Frederick Ma Si Hang.