



碧桂園控股有限公司

COUNTRY GARDEN HOLDINGS COMPANY LIMITED

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 2007

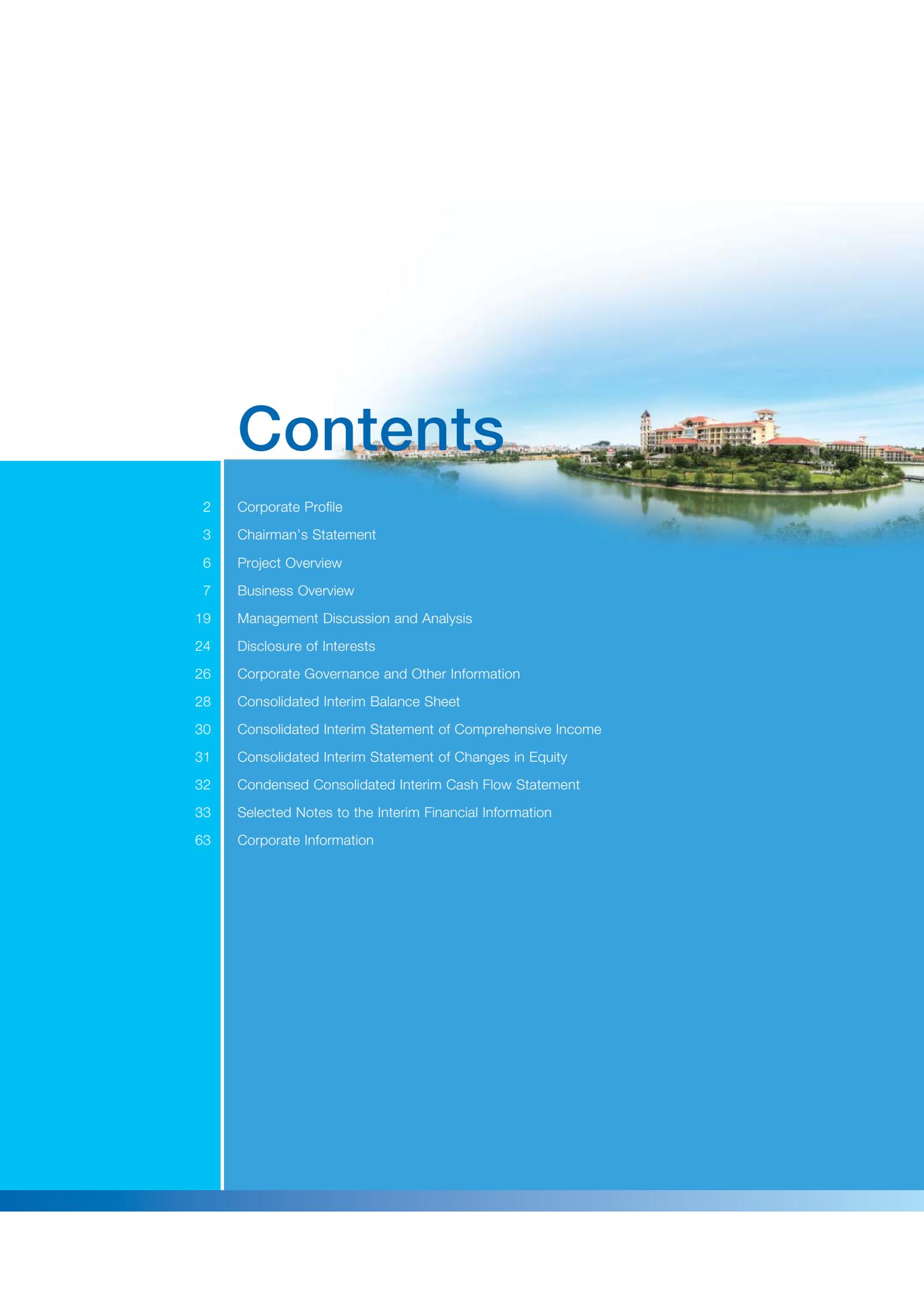
2011 中期報告
Interim Report



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Corporate Profile

Country Garden Holdings Company Limited (“Country Garden” or the “Company”) together with its subsidiaries, (collectively, the “Group”) (stock code: 2007.HK) is one of China’s leading integrated property developers. The Group runs a centralized and standardized business model that comprises construction, decoration, project development, property management, as well as hotel development and management. Country Garden offers a broad range of products to cater for diverse market demands. Its various products include large-scale residential projects such as townhouses, apartment buildings, as well as car-parks and retail shops. The Group also develops and manages hotels within some of its projects to enhance the potential for property value appreciation. It also develops hotels which are independent of property developments. The Group’s brand was named by the People’s Republic of China (the “PRC”) State Administration for Industry and Commerce in 2006 as “China’s Well-known Trademarks”.

Country Garden was listed on the Main Board of the Hong Kong Stock Exchange on 20 April 2007. The listing not only provided the Group with additional funding to sustain healthy growth in the future, but it also assisted the Group to establish its foothold in the international capital market. Country Garden was well recognized by the market post listing. It was included in the MSCI Global Standard Index on 1 September 2007. It also became a constituent stock of the Hang Seng Composite Index, Hang Seng Mainland Composite Index and Hang Seng Mainland Freefloat Index on 10 September 2007. All these symbolized the capital market’s recognition of Country Garden as a major component of the Hong Kong stock market and also strengthened the Group’s benchmarking position in the international capital markets.

Since its inception in 1997, Country Garden has been benefiting from the flourishing economy of the PRC, particularly in Guangdong Province. As at 30 June 2011, Country Garden had operations in a number of strategically selected locations beyond Guangdong Province, including Hunan Province, Jiangsu Province, Hubei Province, Liaoning Province, Anhui Province, Inner Mongolia Autonomous Region, Heilongjiang Province, Chongqing Municipality, Tianjin Municipality as well as Guangxi Zhuang Autonomous Region. The associated strategic acquisitions further reinforced the Group’s leading position in Guangdong Province and strengthened its developments in other provinces across the nation, demonstrating the excellent execution ability and the strong replication potential of the Group’s successful business model.

Looking ahead, Country Garden will continue to focus on developing high quality property projects in the suburban areas of first tier cities as well as second and third tier cities with promising economic growth potential. Leveraging on its unique competitive strengths, and under the direction and guidance of government’s macro policies, Country Garden will further replicate its successful business model into new high growth regions through strategic selection of project locations, a short project development schedule characterized by fast asset turnover and excellent execution ability, as well as innovative product offering closely in line with market demand, all with a view to developing the Group into a leading large-scale residential property developer with a national presence and a well recognized brand name.



Chairman's Statement

HIGHLIGHTS

- Total revenue for the six months ended 30 June 2011 amounted to approximately RMB15.6 billion, representing an increase of approximately 32.9% compared with the first six months of 2010; recognised GFA reached approximately 2.93 million sq.m., representing an increase of approximately 39.6% compared with the first six months of 2010.
- Profit attributable to owners of the Company amounted to approximately RMB2.9 billion (including the approximately RMB125.9 million fair value gain on Equity Swap), representing an increase of approximately 62.8% compared with the first six months of 2010.
- Earnings per share amounted to approximately RMB17.19 cents, increased by approximately 60.4% compared with the first six months of 2010.

Dear Shareholders,

I am pleased to present the interim results of Country Garden Holdings Company Limited ("Country Garden" or the "Company", together with its subsidiaries, the "Group") for the six months ended 30 June 2011.

During the period under review, Country Garden, in accordance with national policies, actively responded to the market changes, and achieved excellent performance. The Group's contracted sales in the first half of 2011 amounted to approximately RMB21.5 billion and contracted gross floor area ("GFA") totaled approximately 3.43 million sq.m., posting an year-on-year growth of about 64% and 42%, respectively. Recognised GFA for the period amounted to approximately 2.93 million sq.m., representing an increase of approximately 39.6% compared with first half of 2010. The Group's total revenue and gross profit reached approximately RMB15,641.8 million and RMB5,087.3 million respectively, representing a year-on-year increase of approximately 32.9% and 27.5%, respectively. Profit attributable to owners of the Company rose to approximately RMB2,870.6 million (inclusive of the fair value gain on the Equity Swap of approximately RMB125.9 million), posting a year-on-year increase of approximately 62.8%. The Board did not recommend the payment of interim dividend for the six months ended 30 June 2011.

The Group launched 4 new projects for pre-sales in the first half of 2011, among which 3 were in Guangdong. New projects recorded in aggregate contracted sales of approximately RMB3.4 billion. The Group's project development model received extensive recognition from buyers in different regions. For instance, the second project of the Group in Jiangsu Province, Country Garden — Phoenix City (Jurong), was launched for pre-sales on 15 May. Of the approximately 2,500 units initially launched, over 70% or more than 1,800 units were sold in the first two days of launch, posting a transaction amount of nearly RMB1.2 billion.



Chairman's Statement

The Group continued to achieve strong results in Guangdong Province, its core market, which accounted for around 66% of the Group's total contracted sales. Moreover, with the new projects outside Guangdong gradually reaching the delivery phases, and the improvement in the surrounding environment and ancillary facilities of these new projects over the past two years, the Directors believe that the recognition of Country Garden's brand name has been further enhanced outside Guangdong. This will not only boost the revenue growth of these new projects, but will also lay a solid foundation for the long-term development of the Group.

As at 30 June 2011, the Group has 93 projects under different stages of development, including 55 in Guangdong. Attributable GFA with land use right certificates was approximately 52.02 million sq.m. (approximately 45% in Guangdong), among which attributable GFA with construction permits was around 13.86 million sq.m..

The encouraging and steadily growing contract sales during the period under review further validates the strong replicability and sustainability of Country Garden's business model, proves that our strategy of offering value-for-money products has won extensive market recognition. It also demonstrates the Group's strong dedication, in accordance with the national policy, to develop quality housings that are affordable by the public.

Alongside the continuing expansion in property development and sales, the Group's hotel business broadened its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. Hotel revenue in the first half of 2011 amounted to approximately RMB323.0 million, representing a year-on-year growth of about 58.5%. As at 30 June 2011, the Group operates 5 five-star hotels, 13 five-star standard hotels, as well as 1 four-star hotel, with a total of 5,827 guest rooms. Most of the Group's hotels are located within the Group's property projects. The development of five-star standard hotels within these property projects assists in sales promotion and enhances the ancillary value of the projects. The Group has signed hotel management agreements with a few high calibre international hotel management firms, such as Hilton and Maritim, aiming at further unlocking the long-term value potential of the hotel business segment.

In the aspect of internal management, the Group further strengthened the series of reforms initiated in 2009. Especially, reforms in the areas of evaluating the changing demands of customers, adopting more stringent quality control of its products as well as encouraging product design innovations have gradually taken effects, which can be demonstrated by increasing demand for the Group's new high-value-for-money residential products. Moreover, the corporate initiatives on project management on the basis of establishing regional project management structure, strengthening execution capabilities and the establishment of an effective incentive mechanism, have also shown positive effects, resulting in further enhancement of development efficiency and product quality for new projects.

With regards to financial management, the Group actively explored various funding channels in the capital markets in addition to its strong bank financing capabilities with major commercial banks. In February 2011, the Group re-entered the international capital market, and successfully issued senior notes with a 7-year tenor of US\$900 million to consolidate the liquidity position and provide long-term capital for further development. The issuance is the largest single deal among Asian property developers this year, and has received strong demand with significant oversubscription, which reflects investors' confidence in the Group's operation model and financial strength.

The Company appointed Ms. YANG Ziyang as an executive director of the Company on 31 May 2011. Prior to joining the Group in 2008 as an assistant to Chairman, Ms. YANG worked in a renowned global investment bank. Ms. YANG is primarily responsible for overseeing finances of the Group, including offshore and onshore financing.



Chairman's Statement

With the nationwide development of Country Garden's projects, the Group has paid more attention to its brand image of "Country Garden". In the first half of 2011, on top of the guiding motto, "Country Garden – Giving you a five-star home", the Group further launched a theme of "Happy Country Garden", and continues to provide high-quality "happy homes" to our customers through high-value-for-money products, beautiful environment, convenient transportation, comprehensive facilities and attentive services, and to help our home owners, employees, business partners and investors to experience "happy enterprise" through continuously improving internal management and healthily growing performance.

Looking forward, the Group will continue to strategically select and develop property projects that are in line with national development strategies and the macroeconomic environment, leveraging on the Group's fast track development and strong project execution capabilities to maintain quick asset turnover. We are committed to offering value-for-money property products, creating value for the society and generating satisfactory returns for our shareholders.



APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude as always to the entire management team and every staff member of Country Garden. The growth of Country Garden would not have been possible without your dedication and contribution. The Group would also like to thank the local governments for their continued support in making possible the smooth progress of our various projects. We would also like to express our appreciation to our shareholders, investors, customers and business partners for their strong support and confidence in the Group. The management and staff of Country Garden will continue to dedicate their professional knowledge with excellent team spirit to create lucrative returns for our shareholders.

YEUNG Kwok Keung

Chairman

Foshan, Guangdong Province, PRC

16 August 2011



Project Overview

The following map shows the location of the cities where the 93 projects are located.



Guangdong

1. Country Garden East Court
2. Shawan Country Garden
3. Huanan Country Garden — Phases One to Five and Phase Seven
4. Huanan Country Garden — Phase Six
5. Licheng Country Garden
6. Country Garden Phoenix City
7. Nansha Country Garden
8. Holiday Islands — Huadu
9. Shunde Country Garden — including Country Garden West Court
10. Jun'an Country Garden
11. Peninsula Country Garden
12. Gaoming Country Garden
13. Nanhai Country Garden
14. Heshan Country Garden
15. Wuyi Country Garden
16. Xinhui Country Garden
17. Taishan Country Garden
18. Yangdong Country Garden
19. Zhaoqing Lanling Residence
20. Zhaoqing Country Garden
21. Shaoguan Country Garden
22. Huiyang Country Garden
23. Lechang Country Garden
24. Enping Country Garden
25. Shanwei Country Garden
26. Shaoguan Country Garden — Sun Palace
27. Sihui Country Garden
28. Maoming Country Garden
29. Yangshan Country Garden
30. Country Garden — Lychee Park
31. Zhaoqing Country Garden — Hill Lake Palace
32. Country Garden — Park Prime
33. Country Garden — Grand Garden
34. Country Garden — Sunshine Coast
35. Holiday Islands — Qingyuan
36. Country Garden Wonderland

37. Dalang Country Garden
38. Country Garden Grand Palace
39. Huaiji Country Garden
40. Country Garden City Garden
41. Country Garden Grand Palace
42. Deqing Country Garden
43. Yunfu Country Garden
44. Jianghai Country Garden
45. Xinhui Country Garden — Phase Four
46. Country Garden — Ten Miles Beach
47. Country Garden — Spring City
48. Country Garden Grand Lake
49. Fengkai Country Garden
50. Country Garden — Hill Lake Grand Palace
51. Ronggui Country Garden
52. Country Garden — Dongjiang Phoenix City
53. Meijiang Country Garden
54. Shilou Country Garden
55. Country Garden Shine Hill Lake City

Guangxi

56. Beiliu Country Garden

Hunan

57. Changsha Country Garden
58. Country Garden — Hill Lake Palace
59. Yiyang Country Garden
60. Liuyang Country Garden
61. Xiangtan Country Garden
62. Zhangjiajie Country Garden
63. Country Garden Wonderland

Chong qing

64. Changshou Country Garden

Hubei

65. Wuhan Country Garden
66. Xianning Country Garden

67. Country Garden — Hot Spring City
68. Suizhou Country Garden
69. Jingmen Country Garden

Jiangsu

70. Taizhou Country Garden
71. Country Garden — Phoenix City
72. Country Garden — Triumph Palace

Anhui

73. Country Garden Lakeside City
74. Chizhou Country Garden
75. Country Garden — Hill Lake City
76. Huangshan Country Garden
77. Anqing Country Garden
78. Wuhu Country Garden
79. Chaohu Country Garden
80. Country Garden — Europe City
81. Country Garden — City Garden

Tianjin

82. Tianjin Country Garden
83. Tianjin Tanggu District Office Building

Liaoning

84. Country Garden — Sun Palace
85. Shenyang Country Garden
86. Country Garden — Galaxy Palace
87. Country Garden — Phoenix City
88. Haicheng Country Garden
89. Country Garden Grand Garden

Inner Mongolia

90. Manzhouli Country Garden
91. Xing'anmeng Country Garden
92. Tongliao Country Garden

Heilongjiang

93. Suihua Country Garden



Business Overview

BUSINESS REVIEW

As of 30 June 2011, the Group had ninety-three projects at various stages of development. Fifty-five of the projects are located in Guangdong Province including twelve in Guangzhou city, nine in Foshan city, ten in Jiangmen city, one in Yangjiang city, three in Shaoguan city, seven in Zhaoqing city, two in Huizhou city, one in Shanwei city, one in Maoming city, four in Qingyuan city, one in Yunfu city, one in Dongguan city, one in Heyuan city, one in Meizhou city and one in Zhongshan city. Another thirty-eight projects are located in other provinces and regions including four in Changsha city and one in each of Yiyang city, Zhangjiajie city, Xiangtan city in Hunan Province, one in each of Wuhan city, Suizhou city, Jingmen city and two in Xianning city in Hubei Province, one in each of Taizhou city, Zhenjiang city, Wuxi city in Jiangsu Province, three in Chaohu city, two in Chuzhou city, one in each of Anqing city, Chizhou city, Huangshan city and Wuhu city in Anhui Province, five in Shenyang city and one in Anshan city in Liaoning Province, one in each of Hulunbeier city, Xing'anmeng and Tongliao city in Inner Mongolia, one in Suihua city in Heilongjiang Province, one in Chongqing Municipality, two in Tianjin Municipality, and one in Yulin city in Guangxi Zhuang Autonomous Region.

As of 30 June 2011, the Group's ninety-three projects had an aggregate completed GFA of 25,079,070 sq.m., and aggregate GFA under development of 14,646,729 sq.m., and aggregate GFA of 35,702,973 sq.m. relating to properties held for future development.

PROPERTY MANAGEMENT

Through a wholly-owned property management subsidiary of the Company, Guangdong Country Garden Property Management Co. Ltd. ("Guangdong Management Co."), the Group provides post sales property management and services to the residents of each of the projects developed.

As at 30 June 2011, the Group had approximately 14,486 staff working for its 79 property management branches. The Group aims to continue to provide property management and services, including public security and assisting the management of public order, maintenance of public facilities, cleaning of public areas, domestic assistance, gardening and landscaping, intra-community shuttle bus operations and other customer services. The Group has established a market reputation for the quality of these services. For example, Guangdong Management Co. has been certified by the Ministry of Construction as a class-one property management company, the highest level a PRC property management company can achieve.

HOTEL OPERATION

The Group has developed currently 5 five-star hotels and 1 four-star hotel, as well as 13 hotels which have been developed to the five-star rating standard under the "Star-Rating Standard for Tourist Hotels". In addition, the Group has 20 hotels that are under construction in accordance with the five-star rating standard of the "Star-Rating Standard for Tourist Hotels".



Business Overview

The development status of the Group's hotel properties as at 30 June 2011 is as follow:

Name of Hotel	Location	Actual/ Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Shunde Country Garden Holiday Resort (順德碧桂園度假村)	Shunde Country Garden, Foshan, Guangdong Province	Feb-00	152	Four-Star (in operation)
Guangzhou Country Garden Phoenix City Hotel (廣州碧桂園鳳凰城酒店)	Country Garden Phoenix City, Guangzhou, Guangdong Province	Nov-03	573	Five-Star (in operation)
Qingyuan Country Garden Holiday Islands Hotel (清遠市碧桂園假日半島酒店)	Qingyuan Holiday Islands Country Garden, Qingyuan, Guangdong Province	Dec-04	201	Five-Star (in operation)
Heshan Country Garden Phoenix Hotel (鶴山碧桂園鳳凰酒店)	Heshan Country Garden, Jiangmen, Guangdong Province	Jul-05	280	Five-Star (in operation)
Yangjiang Country Garden Phoenix Hotel (陽江碧桂園鳳凰酒店)	Yangdong Country Garden, Yangjiang, Guangdong Province	May-07	342	Five-Star (in operation)
Taishan Country Garden Phoenix Hotel (台山碧桂園鳳凰酒店)	Taishan Country Garden, Jiangmen, Guangdong Province	Nov-07	337	Five-Star (in operation)
Wuyi Country Garden Phoenix Hotel (五邑碧桂園鳳凰酒店)	Wuyi Country Garden, Jiangmen, Guangdong Province	Dec-05	95	According to five-star rating standard (in operation)
Changsha Venice Palace Hotel (長沙威尼斯酒店)	Changsha Country Garden, Changsha, Hunan Province	Oct-07	343	According to five-star rating standard (in operation)
Zhaoqing Country Garden Phoenix Hotel (肇慶碧桂園鳳凰酒店)	Zhaoqing Country Garden, Zhaoqing, Guangdong Province	Feb-09	285	According to five-star rating standard (in operation)
Xinhui Country Garden Phoenix Hotel (新會碧桂園鳳凰酒店)	Xinhui Country Garden, Jiangmen, Guangdong Province	Mar-09	374	According to five-star rating standard (in operation)
Gaoming Country Garden Phoenix Hotel (高明碧桂園鳳凰酒店)	Gaoming Country Garden, Foshan, Guangdong Province	Nov-09	337	According to five-star rating standard (in operation)
Country Garden Phoenix Hot Spring Hotel (碧桂園鳳凰溫泉酒店)	Country Garden — Hot Spring City, Xianning, Hubei Province	Nov-09	335	According to five-star rating standard (in operation)
Chongqing Country Garden Phoenix Hotel (重慶碧桂園鳳凰酒店)	Changshou Country Garden, Changshou, Chongqing Municipality	Sep-10	336	According to five-star rating standard (in operation)
Jingmen Country Garden Phoenix Hotel (荊門碧桂園鳳凰酒店)	Jingmen Country Garden, Jingmen, Hubei Province	Oct-10	138	According to five-star rating standard (in operation)



Business Overview

Name of Hotel	Location	Actual/ Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Wuhu Country Garden Maritim Hotel (蕪湖碧桂園瑪麗蒂姆酒店)	Wuhu Country Garden, Wuhu, Anhui Province	Dec-10	602	According to five-star rating standard (in operation)
Wuhan Country Garden Phoenix Hotel (武漢碧桂園鳳凰酒店)	Wuhan Country Garden, Wuhan, Hubei Province	Jan-11	334	According to five-star rating standard (in operation)
Binhu City Phoenix Hotel (濱湖城鳳凰酒店)	Country Garden Lakeside City, Chaohu, Anhui Province	Jan-11	337	According to five-star rating standard (in operation)
Huangshan Country Garden Phoenix Hotel (黃山碧桂園鳳凰酒店)	Huangshan Country Garden, Huangshan, Anhui Province	Mar-11	376	According to five-star rating standard (in operation)
Shenyang Country Garden Holiday Hotel (瀋陽碧桂園假日酒店)	Shenyang Country Garden, Shenyang, Liaoning Province	May-11	50	According to five-star rating standard (in operation)
Anqing Country Garden Phoenix Hotel (安慶碧桂園鳳凰酒店) ⁽²⁾	Anqing Country Garden, Anqing, Anhui Province	2011*	334	According to five-star rating standard (trial operation)
Suizhou Country Garden Phoenix Hotel (隨州碧桂園鳳凰酒店) ⁽³⁾	Suizhou Country Garden, Suizhou, Hubei Province	2011*	378	According to five-star rating standard (trial operation)
Chizhou Country Garden Phoenix Hotel (池州市碧桂園鳳凰酒店) ⁽⁴⁾	Chizhou Country Garden, Chizhou, Anhui Province	2011*	338	According to five-star rating standard (trial operation)
Shaoguan Country Garden Phoenix Hotel (韶關碧桂園鳳凰酒店) ⁽⁵⁾	Shaoguan Country Garden, Shaoguan, Guangdong Province	2011*	335	According to five-star rating standard (trial operation)
Chaohu Phoenix Hotel (巢湖鳳凰酒店)	Chaohu Country Garden, Chaohu, Anhui Province	2011*	336	According to five-star rating standard (under construction)
Ningxiang Country Garden Phoenix Hotel (寧鄉碧桂園鳳凰酒店)	Country Garden — Hill Lake Palace, Changsha, Hunan Province	2011*	137	According to five-star rating standard (under construction)
Yunfu Phoenix Hotel (雲浮鳳凰酒店)	Yunfu Country Garden, Yunfu, Guangdong Province	2011*	133	According to five-star rating standard (under construction)
Lechang Country Garden Phoenix Hotel (樂昌碧桂園鳳凰酒店)	Lechang Country Garden, Shaoguan, Guangdong Province	2011*	129	According to five-star rating standard (under construction)
Shenyang Country Garden Maritim Hotel (瀋陽碧桂園瑪麗蒂姆酒店)	Country Garden — Galaxy Palace, Shenyang, Liaoning Province	2011*	631	According to five-star rating standard (under construction)



Business Overview

Name of Hotel	Location	Actual/ Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Tianjin Phoenix Hotel (天津鳳凰酒店)	Independent Hotel, Tanggu, Tianjin Municipality	2013*	1,229	According to five-star rating standard (under construction)
Zhangjiajie Phoenix International Resort Hotel (張家界鳳凰國際度假酒店)	Zhangjiajie Country Garden, Zhangjiajie, Hunan Province	2012*	1,121	According to five-star rating standard (under construction)
Tongliao Country Garden Phoenix Hotel (通遼碧桂園鳳凰酒店)	Tongliao Country Garden, Tongliao, Inner Mongolia	2012*	134	According to five-star rating standard (under construction)
Fogang Hot Spring Hotel (佛岡溫泉酒店)	Country Garden — Spring City, Qingyuan, Guangdong Province	2011*	11	According to five-star rating standard (under construction)
Huiyang Phoenix Hotel (惠陽鳳凰酒店)	Huiyang Country Garden, Huizhou, Guangdong Province	2012*	133	According to five-star rating standard (under construction)
Tianjin Balizhou Country Garden Hotel (天津八里洲碧桂園酒店)	Tianjin Country Garden, Balitai, Tianjin Municipality	2011*	134	According to five-star rating standard (under construction)
Taizhou Country Garden Phoenix Hotel (泰州碧桂園鳳凰酒店)	Taizhou Country Garden, Taizhou, Jiangsu Province	2011*	330	According to five-star rating standard (under construction)
Chuzhou Country Garden Phoenix Hotel (滁州碧桂園鳳凰酒店)	Country Garden — Europe City, Chuzhou, Anhui Province	2011*	336	According to five-star rating standard (under construction)
Beiliu Country Garden Phoenix Hotel (北流碧桂園鳳凰酒店)	Beiliu Country Garden, Yulin, Guangxi Zhuang Autonomous Region	2013*	207	According to five-star rating standard (under construction)
Foshan Country Garden Hilton Hotel (佛山碧桂園希爾頓酒店)	Country Garden City Garden, Foshan, Guangdong Province	2012*	664	According to five-star rating standard (under construction)
Hilton Wuhan Optics Valley Hotel (武漢光谷希爾頓酒店)	Country Garden — Eco City, Wuhan, Hubei Province	2013*	510	According to five-star rating standard (under construction)

Notes:

- (1) Hotels are only allowed to apply for star hotel certification after one year of operation.
- (2) Anqing Country Garden Phoenix Hotel commenced partial trial operation on 29 October 2009.
- (3) Suizhou Country Garden Phoenix Hotel commenced partial trial operation on 20 May 2009.
- (4) Chizhou Country Garden Phoenix Hotel commenced partial trial operation on 28 January 2011.
- (5) Shaoguan Country Garden Phoenix Hotel commenced partial trial operation on 18 January 2011.



Business Overview

Completed property developments

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	Completed GFA ⁽¹⁾ sq.m.	Total completed saleable GFA ⁽¹⁾ sq.m.	Total saleable sold and delivered ⁽¹⁾ sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	Completion date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100%	240,550	238,860	234,999	252	29-Jun-2002
Shawan Country Garden (沙灣碧桂園)	Guangzhou (Panyu)	278,834	100%	278,834	273,702	273,702	0	31-Dec-2009
Huanan Country Garden – Phases One to Five and Phase Seven (華南碧桂園 – 一至五期及七期)	Guangzhou (Panyu)	1,073,825	100%	977,972	884,588	884,235	0	25-Jun-2010
Huanan Country Garden – Phase Six (華南碧桂園 – 六期)	Guangzhou (Panyu)	423,467	50%	408,391	407,612	407,552	0	20-Dec-2007
Licheng Country Garden (荔城碧桂園)	Guangzhou (Zengcheng)	568,729	100%	568,729	550,765	542,572	0	30-Jun-2010
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,603,067	100%	3,334,672	3,191,485	3,115,669	885	30-Jun-2011
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	515,889	100%	515,889	491,002	489,431	319	28-Jun-2010
Holiday Islands – Huadu (假日半島 – 花都)	Guangzhou (Huadu)	444,403	100%	356,112	354,025	245,477	27,083	30-Jun-2011
Shunde Country Garden – including Country Garden West Court (順德碧桂園 (含碧桂園西苑))	Foshan (Shunde)	2,414,553	100%	2,201,603	2,024,851	1,958,374	2,247	29-Jun-2011
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	254,510	90%	224,458	214,110	213,246	0	20-Jun-2011
Peninsula Country Garden (半島碧桂園)	Foshan (Shunde)	294,330	100%	294,330	287,323	286,021	0	16-Apr-2008
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	986,189	100%	758,171	748,648	720,142	288	24-Dec-2010
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	569,446	100%	553,574	542,780	540,782	0	30-Mar-2011
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,000,924	100%	1,372,320	1,306,438	1,250,254	1,237	10-Jun-2011
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	954,989	100%	739,845	704,066	692,756	1,568	30-Apr-2011
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	585,792	100%	386,233	384,174	377,088	423	30-Jan-2011
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,630,108	100%	551,593	532,486	437,350	9,667	30-Jun-2011
Yangdong Country Garden (陽東碧桂園)	Yangdong (Yangdong)	390,847	100%	390,847	370,202	362,837	691	21-Dec-2010
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,003,316	100%	704,771	658,956	549,427	30,812	24-May-2011
Zhaoqing Lanling Residence (肇慶藍領公寓)	Zhaoqing (Gaoxin)	185,721	100%	185,721	106,180	4,546	203	26-Jun-2009
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	466,705	51%	333,029	317,001	313,607	1,922	01-Apr-2011
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	1,906,761	100%	1,027,550	1,013,888	961,569	19,390	30-May-2011
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	741,788	100%	456,127	439,393	331,938	2,751	22-Mar-2011
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	1,031,911	90%	308,522	303,100	186,401	72,633	29-Jun-2011
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	1,589,271	100%	83,864	83,569	53,929	814	30-Nov-2009
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	591,037	100%	149,203	148,846	72,823	44,258	17-Jun-2011
Country Garden – Sun Palace (碧桂園 • 太陽城)	Shenyang (Daoyi)	1,060,264	100%	217,773	214,784	185,596	4,626	26-Oct-2010
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	1,457,428	100%	251,782	248,847	155,069	3,693	22-Jun-2011
Country Garden – Galaxy Palace (碧桂園 • 銀河城)	Shenyang (Yuhong)	1,942,774	100%	369,688	353,798	295,617	19,867	30-Jun-2011
Country Garden – Phoenix City (碧桂園 • 鳳凰城)	Shenyang (Suijiatun)	1,171,672	100%	283,933	280,825	232,616	4,379	30-Apr-2011
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	334,749	100%	221,799	215,190	172,210	12,988	17-Jun-2011
Country Garden – Hill Lake Palace (碧桂園 • 山湖城)	Changsha (Ningxiang)	720,933	100%	256,405	229,117	124,058	11,781	14-Jan-2011
Country Garden Lakeside City (碧桂園濱湖城)	Chaohu (Zhongmiao)	948,126	100%	395,560	392,801	341,623	2,105	23-May-2011
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	457,317	100%	172,122	166,083	163,815	571	28-Feb-2011
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	1,018,404	100%	254,364	252,161	172,628	4,679	27-Jan-2011
Shaoguan Country Garden – Sun Palace (韶關碧桂園 • 太陽城)	Shaoguan (Xilian)	3,568,958	100%	235,432	230,639	218,844	1,216	29-Apr-2011
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	602,308	100%	47,381	45,232	27,409	1,265	30-May-2011
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianq)	941,302	100%	108,535	101,388	81,827	2,229	13-Oct-2010
Chizhou Country Garden (池州碧桂園)	Chizhou (Chizhou)	393,072	100%	136,261	134,695	114,835	2,891	02-Jun-2011
Country Garden – Hill Lake City (碧桂園 • 如山湖城)	Chaohu (Hexian)	902,428	100%	428,337	404,445	90,540	0	29-Mar-2011



Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	Completed GFA ⁽¹⁾ sq.m.	Total completed saleable GFA ⁽¹⁾ sq.m.	Total saleable GFA sold and delivered ⁽¹⁾ sq.m.	Total saleable GFA pre-sold pending delivery sq.m.	Completion date
Sihui Country Garden (四會碧桂園)	Zhaoqing (Sihui)	47,102	100%	47,102	45,492	43,359	866	30-Jun-2010
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	603,146	100%	203,909	200,209	121,601	13,128	29-Jun-2011
Country Garden – Hot Spring City (碧桂園 • 溫泉城)	Xianning (Xian'an)	612,274	100%	117,557	117,097	78,646	30,927	29-Jun-2011
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,422,115	100%	238,445	234,048	169,246	20,679	29-Apr-2011
Changshou Country Garden (長壽碧桂園)	Chongqing (Changshou)	418,089	100%	387,110	366,541	337,549	516	22-Oct-2010
Tongliao Country Garden (通遼碧桂園)	Tongliao (Keerqin)	1,664,356	100%	165,133	164,438	139,081	2,952	24-May-2011
Huangshan Country Garden (黃山碧桂園)	Huangshan (Huangshan)	334,331	100%	260,776	239,859	215,548	796	30-May-2011
Anqing Country Garden (安慶碧桂園)	Anqing (Anqing)	1,840,419	100%	311,551	308,548	281,073	991	27-Jan-2011
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,069,261	100%	568,518	560,269	347,456	21,855	29-Jun-2011
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	640,300	100%	130,674	130,158	100,582	11,256	23-Mar-2011
Chaohu Country Garden (巢湖碧桂園)	Chaohu (Nan'an)	762,795	100%	149,490	149,490	143,816	1,325	30-Mar-2011
Liuyang Country Garden (瀏陽碧桂園)	Changsha (Liuyang)	372,574	100%	119,910	116,006	101,823	5,021	24-Jan-2011
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	376,538	100%	195,090	188,693	118,900	28,177	09-Jun-2011
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	1,149,643	100%	90,879	88,488	85,205	440	29-Mar-2011
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	268,244	100%	89,974	89,551	71,767	4,121	29-Jul-2010
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	250,370	100%	199,872	198,974	189,466	5,665	28-May-2011
Country Garden – Lychee Park (碧桂園 • 荔園)	Guangzhou (Zengcheng)	88,837	100%	88,837	87,590	85,398	125	26-May-2010
Zhaoqing Country Garden – Hill Lake Palace (肇慶碧桂園 • 山湖城)	Zhaoqing (Gaoyao)	265,202	51%	106,762	101,393	85,210	7,811	28-Mar-2011
Country Garden – Park Prime (碧桂園 • 公園1號)	Jiangmen (Heshan)	225,580	100%	58,275	56,486	55,025	333	30-Dec-2010
Country Garden – Grand Garden (碧桂園 • 豪園)	Guangzhou (Zengcheng)	1,095,800	100%	163,500	153,500	142,267	1,124	21-Jan-2011
Country Garden – Sunshine Coast (碧桂園 • 陽光水岸)	Jiangmen (Kaiping)	48,718	100%	48,718	48,446	43,108	572	15-Dec-2010
Holiday Islands – Qingyuan (假日半島 – 清遠)	Qingyuan (Qingcheng)	436,058	100%	273,756	272,702	239,003	24,107	29-Mar-2011
Huajij Country Garden (懷集碧桂園)	Zhaoqing (Huajij)	126,608	100%	86,721	85,603	48,842	30,907	17-Jun-2011
Deqing Country Garden (德慶碧桂園)	Zhaoqing (Deqing)	194,903	100%	55,982	55,656	0	48,707	20-Jun-2011
Beiliu Country Garden (北流碧桂園)	Yulin (Beiliu)	333,977	100%	59,696	53,868	0	49,909	27-May-2011
Jianghai Country Garden (江海碧桂園)	Jiangmen (Jianghai)	471,925	100%	54,866	52,842	0	40,489	29-Jun-2011
Zhangjiajie Country Garden (張家界碧桂園)	Zhangjiajie (Yongding)	407,007	100%	23,685	0	0	0	28-Sep-2010
合計		58,821,541		25,079,070	24,014,002	21,127,385	642,532	

Note:

- (1) “Completed GFA”, “Total completed saleable GFA” and “Total saleable GFA sold” for completed property developments are based on the surveying reports relevant government departments.



Business Overview

Properties under development

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA under development ⁽¹⁾ sq.m.	Total saleable GFA under development ⁽²⁾ sq.m.	Actual commencement date	Total saleable GFA pre-sold ⁽³⁾ sq.m.	Actual/Estimated pre-sale commencement date	Estimated completion date
Huanan Country Garden — Phases One to Five and Phase Seven (華南碧桂園 — 一至五期及七期)	Guangzhou (Panyu)	1,073,825	100%	95,853	75,156	07-Dec-2009	70,437	17-Aug-2010	4th Quarter, 2011
Huanan Country Garden — Phase Six (華南碧桂園 — 六期)	Guangzhou (Panyu)	423,467	50%	1,076	0	15-Oct-2004	0	—	4th Quarter, 2011
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,603,067	100%	944,538	861,722	29-Apr-2007	448,601	30-Apr-2008	4th Quarter, 2012
Holiday Islands — Huadu (假日半島 — 花都)	Guangzhou (Huadu)	444,403	100%	67,330	49,634	11-May-2006	20,926	29-Apr-2010	4th Quarter, 2011
Shunde Country Garden — including Country Garden West Court (順德碧桂園 (含碧桂園西苑))	Foshan (Shunde)	2,414,553	100%	206,823	108,007	26-Mar-2008	26,178	16-Sep-2010	3rd Quarter, 2012
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	986,189	100%	215,018	212,761	31-May-2006	103,063	19-Aug-2010	3rd Quarter, 2012
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,000,924	100%	493,522	489,300	15-Jan-2010	159,424	09-Jul-2010	4th Quarter, 2012
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	954,989	100%	212,024	206,186	30-Apr-2010	78,329	26-Sep-2010	2nd Quarter, 2013
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	585,792	100%	193,097	191,457	16-Apr-2008	185,039	30-Apr-2010	1st Quarter, 2012
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,630,108	100%	331,851	324,152	24-May-2006	104,685	17-Dec-2009	3rd Quarter, 2013
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,003,316	100%	157,545	157,009	31-Dec-2009	39,463	25-Sep-2010	2nd Quarter, 2012
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	1,906,761	100%	306,513	292,832	17-Jan-2007	44,550	02-Aug-2010	4th Quarter, 2012
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	741,788	100%	173,837	165,444	27-Jun-2007	27,661	30-Sep-2010	2nd Quarter, 2012
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	1,031,911	90%	211,042	196,734	30-Jun-2009	3,572	26-Sep-2010	4th Quarter, 2012
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	1,589,271	100%	292,187	286,253	23-Jul-2007	0	3rd Quarter, 2011	2nd Quarter, 2014
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	591,037	100%	122,911	118,390	11-Apr-2008	10,487	21-Oct-2008	3rd Quarter, 2012
Country Garden — Sun Palace (碧桂園 • 太陽城)	Shenyang (Daoyi)	1,060,264	100%	179,319	174,502	06-Nov-2007	915	11-Sep-2009	2nd Quarter, 2013
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	1,457,428	100%	152,956	152,590	21-Jul-2007	983	03-Jun-2008	4th Quarter, 2012
Country Garden — Galaxy Palace (碧桂園 • 銀河城)	Shenyang (Yuhong)	1,942,774	100%	376,675	375,660	19-Mar-2008	123,310	25-Sep-2008	4th Quarter, 2012
Country Garden — Phoenix City (碧桂園 • 鳳凰城)	Shenyang (Suijiatun)	1,171,672	100%	881,074	872,049	24-Sep-2007	49,921	04-Nov-2008	2nd Quarter, 2013
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	334,749	100%	15,626	15,426	13-Dec-2007	0	4th Quarter, 2011	2nd Quarter, 2012
Country Garden — Hill Lake Palace (碧桂園 • 山湖城)	Changsha (Ningxiang)	720,933	100%	13,134	13,134	16-Oct-2008	0	4th Quarter, 2011	4th Quarter, 2011
Country Garden Lakeside City (碧桂園濱湖城)	Chaochu (Zhongmiao)	948,126	100%	261,695	258,418	29-Jan-2008	84,356	20-Jan-2010	4th Quarter, 2012
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	457,317	100%	172,137	170,209	11-Mar-2010	104,822	07-May-2010	3rd Quarter, 2012



Business Overview

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Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	1,018,404	100%	400,943	367,877	30-Jan-2008	37,839	28-May-2010	4th Quarter, 2013
Shaoguan Country Garden – Sun Palace (韶關碧桂園 • 太陽城)	Shaoguan (Xilian)	3,568,958	100%	101,870	101,870	28-Dec-2009	53,096	30-Sep-2010	1st Quarter, 2013
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	602,308	100%	13,691	13,691	01-Jun-2010	1,853	30-Sep-2010	3rd Quarter, 2011
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianqi)	941,302	100%	196,865	196,865	20-Sep-2007	61,095	11-Aug-2010	4th Quarter, 2012
Chizhou Country Garden (池州碧桂園)	Chizhou (Chizhou)	393,072	100%	184,279	183,949	27-Jan-2008	102,372	28-Sep-2008	3rd Quarter, 2012
Country Garden – Hill Lake City (碧桂園 • 如山湖城)	Chaohu (Hexian)	902,428	100%	221,789	221,105	26-Sep-2009	62,482	29-Sep-2009	4th Quarter, 2011
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	603,146	100%	31,978	31,844	25-Sep-2009	13,275	17-Sep-2010	2nd Quarter, 2012
Country Garden – Hot Spring City (碧桂園 • 溫泉城)	Xianning (Xian'an)	612,274	100%	147,408	146,920	29-Apr-2010	67,976	28-Sep-2010	2nd Quarter, 2012
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,422,115	100%	118,860	118,308	21-May-2008	49,584	31-Jul-2010	4th Quarter, 2011
Tongliao Country Garden (通遼碧桂園)	Tongliao (Keerqin)	1,664,356	100%	243,077	239,926	03-Nov-2007	6,582	28-Dec-2010	4th Quarter, 2013
Huangshan Country Garden (黃山碧桂園)	Huangshan (Huangshan)	334,331	100%	29,106	29,106	12-Feb-2010	8,636	28-Oct-2010	1st Quarter, 2012
Anqing Country Garden (安慶碧桂園)	Anqing (Anqing)	1,840,419	100%	491,348	426,004	19-Jun-2008	74,988	27-Oct-2010	4th Quarter, 2012
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,069,261	100%	219,935	195,928	27-Jun-2008	71,310	30-Sep-2009	2nd Quarter, 2012
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	640,300	100%	32,351	32,165	28-Jan-2011	11,238	28-Feb-2011	4th Quarter, 2011
Chaohu Country Garden (巢湖碧桂園)	Chaohu (Nan'an)	762,795	100%	224,767	196,474	16-May-2008	104,507	11-Nov-2008	4th Quarter, 2012
Liuyang Country Garden (瀏陽碧桂園)	Changsha (Liuyang)	372,574	100%	35,209	35,059	10-Nov-2010	6,358	20-Jan-2011	4th Quarter, 2011
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	376,538	100%	114,573	105,178	14-May-2010	37,634	05-Jul-2010	4th Quarter, 2012
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	1,149,643	100%	49,163	49,008	27-Sep-2010	13,383	17-Nov-2010	1st Quarter, 2012
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	268,244	100%	43,744	43,744	25-Sep-2008	15,992	20-Sep-2010	3rd Quarter, 2012
Tianjin Country Garden (天津碧桂園)	Tianjin (Baítai)	980,196	100%	483,234	442,973	12-Jun-2010	178,206	09-Jul-2010	3rd Quarter, 2013
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	250,370	100%	8,072	8,072	12-May-2011	0	3rd Quarter, 2011	4th Quarter, 2011
Zhaoqing Country Garden – Hill Lake Palace (肇慶碧桂園 • 山湖城)	Zhaoqing (Gaoyao)	265,202	51%	151,744	151,377	01-Jun-2009	51,145	28-Apr-2010	1st Quarter, 2013
Country Garden – Park Prime (碧桂園 • 公園1號)	Jiangmen (Heshan)	225,580	100%	101,952	101,952	22-Apr-2010	46,971	29-Apr-2011	2nd Quarter, 2012
Country Garden – Grand Garden (碧桂園 • 豪園)	Guangzhou (Zengcheng)	1,095,800	100%	237,862	235,409	10-Feb-2010	172,449	30-Aug-2010	4th Quarter, 2011
Holiday Islands – Qingyuan (假日半島 – 清遠)	Qingyuan (Qingcheng)	436,058	100%	162,302	161,617	18-May-2010	49,462	28-Sep-2010	2nd Quarter, 2012
Country Garden Wonderland (碧桂園山水桃源)	Foshan (Nanhai)	143,988	100%	143,988	142,898	22-Dec-2009	71,790	30-Sep-2010	4th Quarter, 2011



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Dalang Country Garden (大朗碧桂園)	Dongguan (Dalang)	383,020	100%	383,020	375,735	27-Apr-2010	114,195	20-Nov-2010	4th Quarter, 2012
Country Garden Grand Palace (碧桂園豪庭)	Guangzhou (Nansha)	165,373	100%	165,373	154,273	22-Apr-2010	89,098	08-Oct-2010	3rd Quarter, 2012
Huajiji Country Garden (懷集碧桂園)	Zhaoqing (Huajiji)	126,608	100%	39,887	39,887	05-Feb-2010	38,608	09-Aug-2010	3rd Quarter, 2011
Country Garden City Garden (碧桂園城市花園)	Foshan (Chancheng)	437,590	90%	437,590	425,208	30-Jul-2010	84,809	12-Jan-2011	2nd Quarter, 2013
Country Garden Grand Palace (碧桂園豪庭)	Guangzhou (Nansha)	369,295	100%	369,295	365,348	03-Feb-2010	144,459	23-Aug-2010	4th Quarter, 2012
Deqing Country Garden (德慶碧桂園)	Zhaoqing (Deqing)	194,903	100%	87,999	87,479	28-Jul-2010	22,019	30-Sep-2010	3rd Quarter, 2012
Yunfu Country Garden (雲浮碧桂園)	Yunfu (Jinshan)	394,874	100%	161,181	160,902	07-May-2010	54,987	30-Oct-2010	1st Quarter, 2013
Beiliu Country Garden (北流碧桂園)	Yulin (Beiliu)	333,977	100%	99,083	98,539	25-Sep-2010	33,022	30-Dec-2010	3rd Quarter, 2012
Jianghai Country Garden (江海碧桂園)	Jiangmen (Jianghai)	471,925	100%	203,059	203,059	18-Jan-2011	23,646	15-Apr-2011	4th Quarter, 2013
Xinhui Country Garden – Phase Four (新會碧桂園 – 四期)	Jiangmen (Xinhui)	407,157	100%	403,258	401,778	24-Mar-2010	62,014	21-Sep-2010	4th Quarter, 2013
Country Garden – Ten Miles Beach (碧桂園 • 十里銀灘)	Huizhou (Huidong)	3,259,670	100%	157,303	157,303	14-Jun-2011	0	27-Jun-2011	2nd Quarter, 2012
Country Garden – Spring City (碧桂園 • 清泉城)	Qingyuan (Fogang)	528,992	100%	102,064	102,064	02-Apr-2010	63,589	13-Jan-2011	2nd Quarter, 2012
Country Garden Grand Lake (碧桂園秀麗湖)	Zhongshan (Wuguishan)	79,886	100%	79,886	74,477	29-Sep-2010	0	3rd Quarter, 2011	2nd Quarter, 2012
Country Garden – Phoenix City (碧桂園 • 鳳凰城)	Zhenjiang (Jurong)	3,432,431	100%	562,357	531,313	11-Jan-2011	303,699	29-Apr-2011	2nd Quarter, 2012
Country Garden – Europe City (碧桂園 • 歐洲城)	Chuzhou (Nanqiao)	1,457,628	100%	444,172	438,780	12-Oct-2010	0	3rd Quarter, 2011	4th Quarter, 2012
Fengkai Country Garden (封開碧桂園)	Zhaoqing (Fengkai)	187,544	100%	73,213	70,421	14-Oct-2010	49,487	08-Apr-2011	2nd Quarter, 2012
Country Garden – Hill Lake Grand Palace (碧桂園 • 山水豪園)	Jiangmen (Heshan)	760,251	80%	122,298	116,312	18-Feb-2011	0	3rd Quarter, 2011	3rd Quarter, 2012
Xiangtan Country Garden (湘潭碧桂園)	Xiangtan (Xiangtan)	360,084	100%	92,210	89,679	31-May-2011	0	4th Quarter, 2011	4th Quarter, 2012
Ronggui Country Garden (容桂碧桂園)	Foshan (Shunde)	310,541	100%	310,541	308,039	22-Jun-2011	0	4th Quarter, 2011	2nd Quarter, 2013
Country Garden – City Garden (碧桂園 • 城市花園)	Chuzhou (Lai'an)	808,580	100%	35,057	27,554	23-Jun-2011	0	4th Quarter, 2011	2nd Quarter, 2012
Country Garden Wonderland (碧桂園 • 山水桃園)	Changsha (Ningxiang)	49,990	100%	49,990	49,990	30-Sep-2010	0	3rd Quarter, 2011	4th Quarter, 2011
合計：		68,534,645		14,646,729	14,024,484		4,140,577		

Notes:

- (1) "GFA under development" is based on the actual measurements by the housing management department of the Group.
- (2) "Total saleable GFA under development" and "Total saleable GFA pre-sold" for properties under development are derived from the Commodity Properties Pre-sale Permit.



Business Overview

Properties for future development – with land use right certificates

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completion date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100%	28,672	1st Quarter, 2012	3rd Quarter, 2012	2nd Quarter, 2013
Huanan Country Garden – Phase Six (華南碧桂園 – 六期)	Guangzhou (Panyu)	423,467	50%	14,000	1st Quarter, 2012	–	4th Quarter, 2012
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,603,067	100%	323,857	3rd Quarter, 2011	1st Quarter, 2012	4th Quarter, 2013
Holiday Islands – Huadu (假日半島 – 花都)	Guangzhou (Huadu)	444,403	100%	20,961	1st Quarter, 2012	2nd Quarter, 2012	2nd Quarter, 2013
Shunde Country Garden – including Country Garden West Court (順德碧桂園(含碧桂園西苑))	Foshan (Shunde)	2,414,553	100%	6,127	1st Quarter, 2012	–	4th Quarter, 2012
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	254,510	90%	30,052	1st Quarter, 2012	3rd Quarter, 2012	4th Quarter, 2012
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	986,189	100%	13,000	1st Quarter, 2012	–	4th Quarter, 2012
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	569,446	100%	15,872	1st Quarter, 2012	2nd Quarter, 2012	4th Quarter, 2012
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,000,924	100%	135,082	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	954,989	100%	3,120	3rd Quarter, 2011	–	2nd Quarter, 2013
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	585,792	100%	6,462	3rd Quarter, 2011	–	1st Quarter, 2012
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,630,108	100%	1,746,664	3rd Quarter, 2011	4th Quarter, 2011	1st Quarter, 2015
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,003,316	100%	141,000	3rd Quarter, 2011	1st Quarter, 2012	4th Quarter, 2012
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	466,705	51%	133,676	3rd Quarter, 2011	1st Quarter, 2012	2nd Quarter, 2013
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	1,906,761	100%	572,698	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2015
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	741,788	100%	111,824	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	1,031,911	90%	512,347	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2014
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	1,589,271	100%	1,213,220	1st Quarter, 2012	3rd Quarter, 2012	4th Quarter, 2024
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	591,037	100%	318,923	3rd Quarter, 2011	1st Quarter, 2012	4th Quarter, 2014
Country Garden – Sun Palace (碧桂園•太陽城)	Shenyang (Daoyi)	1,060,264	100%	663,172	3rd Quarter, 2011	1st Quarter, 2012	4th Quarter, 2014
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	1,457,428	100%	1,052,690	4th Quarter, 2011	2nd Quarter, 2012	4th Quarter, 2015
Country Garden – Galaxy Palace (碧桂園•銀河城)	Shenyang (Yuhong)	1,942,774	100%	1,196,411	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2015
Country Garden – Phoenix City (碧桂園•鳳凰城)	Shenyang (Suijiatun)	1,171,672	100%	6,665	3rd Quarter, 2011	–	2nd Quarter, 2013
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	334,749	100%	97,324	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2012
Country Garden – Hill Lake Palace (碧桂園•山湖城)	Changsha (Ningxiang)	720,933	100%	451,394	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Country Garden Lakeside City (碧桂園濱湖城)	Chaozhou (Zhongmiao)	948,126	100%	290,871	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	457,317	100%	113,058	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	1,018,404	100%	363,097	4th Quarter, 2011	1st Quarter, 2012	4th Quarter, 2013



Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completion date
Shaoguan Country Garden – Sun Palace (韶關碧桂園•太陽城)	Shaoguan (Xilian)	3,568,958	100%	3,231,656	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2024
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	602,308	100%	541,236	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2015
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianqi)	941,302	100%	635,902	1st Quarter, 2012	2nd Quarter, 2012	4th Quarter, 2016
Chizhou Country Garden (池州碧桂園)	Chizhou (Chizhou)	393,072	100%	72,532	3rd Quarter, 2011	2nd Quarter, 2012	4th Quarter, 2012
Country Garden – Hill Lake City (碧桂園•如山湖城)	Chaohu (Hexian)	902,428	100%	252,302	3rd Quarter, 2011	2nd Quarter, 2012	4th Quarter, 2013
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	603,146	100%	367,259	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Country Garden – Hot Spring City (碧桂園•溫泉城)	Xianning (Xian'an)	612,274	100%	347,309	3rd Quarter, 2011	4th Quarter, 2011	2nd Quarter, 2013
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,422,115	100%	1,064,810	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2015
Changshou Country Garden (長壽碧桂園)	Chongqing (Changshou)	418,089	100%	30,979	3rd Quarter, 2011	4th Quarter, 2011	3rd Quarter, 2012
Tongliao Country Garden (通遼碧桂園)	Tongliao (Keerqin)	1,664,356	100%	1,256,146	1st Quarter, 2012	3rd Quarter, 2012	4th Quarter, 2016
Huangshan Country Garden (黃山碧桂園)	Huangshan (Huangshan)	334,331	100%	44,449	3rd Quarter, 2011	4th Quarter, 2011	2nd Quarter, 2012
Anqing Country Garden (安慶碧桂園)	Anqing (Anqing)	1,840,419	100%	1,037,520	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2014
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,069,261	100%	1,280,808	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2018
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	640,300	100%	477,275	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Chaohu Country Garden (巢湖碧桂園)	Chaohu (Nan'an)	762,795	100%	388,538	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2014
Liuyang Country Garden (瀏陽碧桂園)	Changsha (Liuyang)	372,574	100%	217,455	3rd Quarter, 2011	3rd Quarter, 2011	2nd Quarter, 2013
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	376,538	100%	66,875	3rd Quarter, 2011	1st Quarter, 2012	4th Quarter, 2013
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	1,149,643	100%	1,009,601	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	268,244	100%	134,526	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Tianjin Tanggu District Office Building (天津塘沽區寫字樓)	Tianjin (Tanggu)	114,504	100%	114,504	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2012
Tianjin Country Garden (天津碧桂園)	Tianjin (Balitai)	980,196	100%	496,962	3rd Quarter, 2011	4th Quarter, 2011	3rd Quarter, 2014
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	250,370	100%	42,426	3rd Quarter, 2011	3rd Quarter, 2011	3rd Quarter, 2012
Zhaoqing Country Garden – Hill Lake Palace (肇慶碧桂園•山湖城)	Zhaoqing (Gaoyao)	265,202	51%	6,696	4th Quarter, 2011	–	1st Quarter, 2013
Country Garden – Park Prime (碧桂園•公園1號)	Jiangmen (Heshan)	225,580	100%	65,353	4th Quarter, 2011	4th Quarter, 2012	4th Quarter, 2013
Country Garden – Grand Garden (碧桂園•豪園)	Guangzhou (Zengcheng)	1,095,800	100%	694,438	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2014
Deqing Country Garden (德慶碧桂園)	Zhaoqing (Deqing)	194,903	100%	50,922	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Yunfu Country Garden (雲浮碧桂園)	Yunfu (Jinshan)	394,874	100%	233,693	3rd Quarter, 2011	2nd Quarter, 2012	2nd Quarter, 2014
Beiliu Country Garden (北流碧桂園)	Yulin (Beilin)	333,977	100%	175,198	4th Quarter, 2011	3rd Quarter, 2012	2nd Quarter, 2014



Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completion date
Jianghai Country Garden (江海碧桂園)	Jiangmen (Jianghai)	471,925	100%	214,000	3rd Quarter, 2011	4th Quarter, 2012	2nd Quarter, 2015
Xinhui Country Garden – Phase Four (新會碧桂園 – 四期)	Jiangmen (Xinhui)	407,157	100%	3,899	3rd Quarter, 2011	–	4th Quarter, 2013
Country Garden – Ten Miles Beach (碧桂園 • 十里銀灘)	Huizhou (Huidong)	3,259,670	100%	3,102,367	3rd Quarter, 2011	3rd Quarter, 2011	4th Quarter, 2015
Country Garden – Spring City (碧桂園 • 清泉城)	Qingyuan (Fogang)	528,992	100%	426,928	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Country Garden – Phoenix City (碧桂園 • 鳳凰城)	Zhenjiang (Jurong)	3,432,431	100%	2,870,074	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2015
Country Garden – Europe City (碧桂園 • 歐洲城)	Chuzhou (Nanqiao)	1,457,628	100%	1,013,456	3rd Quarter, 2011	4th Quarter, 2011	1st Quarter, 2015
Fengkai Country Garden (封開碧桂園)	Zhaoqing (Fengkai)	187,544	100%	114,331	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Country Garden Grand Garden (碧桂園)	Shenyang (Qipanshan)	132,353	100%	132,353	3rd Quarter, 2011	3rd Quarter, 2011	4th Quarter, 2013
Country Garden – Triumph Palace (碧桂園凱旋華庭)	Wuxi (Xishan)	156,255	100%	156,255	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2012
Country Garden – Hill Lake Grand Palace (碧桂園 • 山水豪園)	Jiangmen (Heshan)	760,251	80%	637,953	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2014
Xiangtan Country Garden (湘潭碧桂園)	Xiangtan (Xiangtan)	360,084	100%	267,874	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2013
Country Garden – City Garden (碧桂園 • 城市花園)	Chuzhou (Lai'an)	808,580	100%	773,523	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2015
Country Garden – Dongjiang Phoenix City (碧桂園 • 東江鳳凰城)	Heyuan (Yuancheng)	924,800	100%	924,800	3rd Quarter, 2011	4th Quarter, 2011	4th Quarter, 2014
Meijiang Country Garden (梅江碧桂園)	Meizhou (Meijiang)	310,836	100%	310,836	3rd Quarter, 2011	4th Quarter, 2011	2nd Quarter, 2013
Shilou Country Garden (石樓碧桂園)	Guangzhou (Panyu)	142,055	100%	142,055	3rd Quarter, 2011	3rd Quarter, 2012	3rd Quarter, 2013
Zhangjiajie Country Garden (張家界碧桂園)	Zhangjiajie (Yongding)	407,007	100%	383,322	3rd Quarter, 2011	4th Quarter, 2011	2nd Quarter, 2014
Country Garden Shine Hill Lake City (碧桂園新亞山湖城)	Qingyuan (Qingcheng)	309,338	51%	309,338	3rd Quarter, 2011	1st Quarter, 2012	2nd Quarter, 2013
合計：		69,433,591		35,702,973			

Note:

(1) "GFA held for future development" for each project is the GFA expected to be built.



Management Discussion and Analysis

Financial review

Revenue

Revenue of the Group was primarily comprised of the proceeds from the sale of properties and provision of services after the elimination of transactions among subsidiaries of the Company. The revenue was primarily generated from its four business segments: property development, construction, fitting and decoration, property management and hotel operation. The revenue increased by approximately 32.9% to approximately RMB15,641.8 million in the first half of 2011 from approximately RMB11,765.7 million for the corresponding period in 2010, primarily attributable to the increase in sales of properties. The revenues generated from property development, construction, fitting and decoration, property management and hotel operation are approximately RMB14,979.9 million, RMB98.4 million, RMB240.5 million and RMB323.0 million, respectively.

Property development

Revenue generated from property development increased by approximately 34.0% to approximately RMB14,979.9 million for the six months ended 30 June 2011 from approximately RMB11,179.1 million for the corresponding period in 2010; primarily attributable to an approximate 39.6% increase in total gross floor area ("GFA") sold to 2,925,087 sq.m. in the first half of 2011 from 2,095,233 sq.m. for the corresponding period in 2010. The recognised average selling price of property decreased to RMB5,121 per sq.m in the first half of 2011 from RMB5,336 per sq.m. for the corresponding period in 2010, which indicated an approximate 4.0% decrease.

Construction, fitting and decoration

Revenue generated from construction, fitting and decoration decreased by approximately 47.1% to approximately RMB98.4 million for the six months ended 30 June 2011 from approximately RMB186.1 million for the corresponding period in 2010, primarily attributable to a decrease in the volume of construction, fitting and decoration services rendered to Qingyuan Country Garden Property Development Co., Ltd., a related party of the Group.

Property management

Revenue generated from property management increased by approximately 22.2% to approximately RMB240.5 million for the six months ended 30 June 2011 from approximately RMB196.8 million for the corresponding period in 2010, primarily attributable to an increase in the cumulative GFA under management resulting from the construction completion and delivery of properties such as Country Garden Phoenix City, Heshan Country Garden, Shaoguan Country Garden, Holiday Islands-Qingyuan in the second half year of 2010 and the first half year of 2011.

Hotel operation

Revenue generated from hotel operation increased by approximately 58.6% to approximately RMB323.0 million for the six months ended 30 June 2011 from approximately RMB203.7 million for the corresponding period in 2010, primarily attributable to the opening of the five-star rating standard Chongqing Country Garden Phoenix Hotel in September 2010 and Shaoguan Country Garden Phoenix Hotel in January 2011.

Cost of sales

Cost of sales of the Group represented primarily the costs incurred directly by the property development activities which included construction, fitting and decoration, design costs, land use rights cost and business taxes.

Cost of sales increased by approximately 35.7% to approximately RMB10,554.5 million for the six months ended 30 June 2011 from approximately RMB7,776.5 million for the corresponding period in 2010. The increase in cost of sales was in line with the increase in total sales of properties.



Management Discussion and Analysis

Gross profit

Gross profit (before land appreciation tax provision) of the Group increased by approximately 27.5% to approximately RMB5,087.3 million for the six months ended 30 June 2011 from approximately RMB3,989.2 million for the corresponding period in 2010. The gross margin for the six months ended 30 June 2011 decreased to approximately 32.5% from approximately 33.9% for the corresponding period in 2010.

Other gains — net

Other gains — net of the Group increased by approximately 575.0% to approximately RMB18.9 million of gain for the six months ended 30 June 2011 from approximately RMB2.8 million of gain for the corresponding period in 2010. It was primarily attributable to an approximate 111.6% increase in return from the Equity Swap from approximately RMB12.9 million in the first half of 2010 to approximately RMB27.3 million for the corresponding period in 2011, as a result of the increase of dividend per share.

Selling and marketing costs

Selling and marketing costs of the Group increased by approximately 49.2% to approximately RMB412.2 million for the six months ended 30 June 2011 from approximately RMB276.2 million for the corresponding period in 2010, which was primarily attributable to an approximate 48.1% increase in advertisement expense from approximately RMB111.6 million in the first half of 2010 to approximately RMB165.3 million for the corresponding period in 2011, as the Group is taking great effort to promote the sales of new projects in the first half of 2011 by launching more advertisements.

Administrative expenses

Administrative expenses of the Group increased by approximately 42.1% to approximately RMB514.0 million for the six months ended 30 June 2011 from approximately RMB361.6 million for the corresponding period in 2010, primarily attributable to an approximate 18.2% increase of salary expense from approximately RMB154.3 million for the six months ended 30 June 2010 to approximately RMB182.4 million for the corresponding period in 2011. In addition, the employee welfare benefit expenses also increased by approximately 61.1% to approximately RMB55.9 million for the six months ended 30 June 2011 from approximately RMB34.7 million for the corresponding period in 2010.

Finance income/(costs) — net

The Group recorded finance income — net of approximately RMB26.5 million for the six months ended 30 June 2011, compared to finance costs — net of approximately RMB75.7 million for the corresponding period in 2010. The total interest expenses increased by approximately 74.7% to approximately RMB1,140.2 million for the six months ended 30 June 2011 from approximately RMB652.5 million for the corresponding period in 2010. The capitalized interest expenses increased by approximately 97.3% to approximately RMB946.7 million for the six months ended 30 June 2011 from approximately RMB479.8 million for the corresponding period in 2010. In addition, due to the appreciation of Renminbi, the net exchange gain of the Group was approximately RMB174.1 million for the six months ended 30 June 2011 (for the six months ended 30 June 2010: approximately RMB14.0 million).

Fair value changes on derivative financial instruments

On 22 February 2008, the Company entered into the Equity Swap with Merrill Lynch International for the Company's shares up to a value of US\$250 million (equivalent to approximately HK\$1,950 million). Under the Equity Swap, the Company receives a payment if the Final Price (as defined in the announcement of the Company dated 17 February 2008 (the "Announcement")) is higher than the Initial Price (as defined in the Announcement) and the Equity Swap Counterparty (as defined in the Announcement) receives a payment if the Final Price is lower than the Initial Price. The Initial Price will be determined in accordance with the formula sets out in the Equity Swap and the Final Price will be determined with reference to the arithmetic mean of the relevant prices of the Company's shares on specified averaging dates. Measured by the market price on 30 June 2011, the gain from the fair value change on the Equity Swap was approximately RMB125.9 million.



Management Discussion and Analysis

Profit attributable to owners of the Company

Profit attributable to owners of the Company (excluding the fair value change of the Equity Swap) for the six months ended 30 June 2011 of the Group increased by approximately 40.5% to approximately RMB2,744.7 million from approximately RMB1,954.1 million for the corresponding period in 2010. The net earning margin increased from approximately 16.6% for the first half of 2010 to approximately 17.5% for the corresponding period in 2011.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB12,200.7 million as at 30 June 2011 (31 December 2010: approximately RMB9,853.1 million). As at 30 June 2011, approximately 57.7% and 42.3% of the Group's cash and bank deposits were denominated in Renminbi and other currencies (mainly US dollars and HK dollars), respectively.

As at 30 June 2011, the carrying amount of the restricted cash was approximately RMB4,419.5 million (31 December 2010: approximately RMB4,758.8 million). Pursuant to relevant regulations, certain project companies were required to deposit a portion of proceeds from pre-sales of properties into special bank accounts. Before the completion of the pre-sold properties, the proceeds deposited in the escrow accounts could only be used for the restricted purposes of purchasing construction materials, equipments, making interim construction payments and paying tax, with the prior approval of the relevant local authorities. Additionally, the Group had approximately US\$250.0 million (equivalent to approximately RMB1,617.9 million) deposit as collateral for the Equity Swap with Merrill Lynch International.

Net current assets and current ratio

The Group had net current assets of approximately RMB19,196.4 million as at 30 June 2011 (31 December 2010: approximately RMB14,330.2 million). The current ratio being current assets over current liabilities increased from approximately 1.3 as at 31 December 2010 to approximately 1.4 as at 30 June 2011 due to the increase of properties under development under current assets from approximately RMB23,761.4 million as at 31 December 2010 to approximately RMB26,977.0 million as at 30 June 2011.

Debt and charges on Group assets

The Group had an aggregated debt as at 30 June 2011 of approximately RMB27,472.8 million, including bank borrowings of approximately RMB12,049.7 million, convertible bond of approximately RMB855.5 million, and senior notes of approximately RMB14,567.6 million.

For bank borrowings, approximately RMB4,941.8 million will be repayable within 1 year, approximately RMB6,684.7 million will be repayable between 2 and 5 years and the remaining approximately RMB423.2 million to be repayable within the future 5 to 10 years. As at 30 June 2011, the substantial part of the bank borrowings are secured by certain land use rights and properties of the Group and guaranteed by certain Group companies.

Gearing ratio

The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalents) over the equity attributable to owners of the Company. As at 30 June 2011, the gearing ratio was approximately 66.5% (31 December 2010: approximately 48.4%).



Management Discussion and Analysis

Interest rate risk

The weighted average interest rate of the Group's borrowing increased to approximately 6.81% in the first half of 2011 from approximately 5.52% as at 31 December 2010. In addition, the Group issued a senior notes in the first half of 2011, whose interest expense is calculated by effective rate method. The effective annual interest rate is approximately 11.69%. The Group has implemented certain measures to manage interest rate risk which includes, among others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

Risk of exchange rate fluctuation

The Group mainly operates in the PRC, so most of its revenue and expenses are measured in Renminbi. In the first half of 2011, the exchange rates of Renminbi to HK dollars and US dollars kept increasing steadily. For the six months ended 30 June 2011, there was a net exchange gain of approximately RMB174.1 million. The directors expect that any fluctuation of Renminbi's exchange rate will not have material adverse effect on the operation of the Group.

Land appreciation tax

According to relevant regulations and laws of the State Administration of Taxation ("SAT"), in the past, the Group has made full provision of land appreciation tax ("LAT") but paid provisional LAT calculated according to certain rates (varying from 0.5% to 3%) over sales amounts assessed by local tax bureau. For the six months ended 30 June 2011, the Group had LAT expenses of approximately RMB475.3 million. As at 30 June 2011, the Group had LAT provision balance of approximately RMB1,573.0 million.

Contingent liability

As at 30 June 2011, the Group had some contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB16,203.2 million (31 December 2010: approximately RMB18,664.1 million).

Guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans are arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Of the amounts as at 30 June 2011, approximately RMB182.1 million (31 December 2010: approximately RMB751.6 million) was to be discharged upon two years from the day the mortgaged loans become due; and approximately RMB16,021.1 million (31 December 2010: approximately RMB17,912.5 million) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loans by the purchasers of properties.

The Directors consider that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

In addition, of the contingent liability as at 30 June 2011, approximately RMB922.5 million represented the guarantee provided to Guangzhou Li He Property Development Company Limited for its bank borrowings (31 December 2010: approximately RMB1,024.6 million).

Capital and property development commitments

As at 30 June 2011, the capital commitments in connection with the property development activities amounted to approximately RMB19,738.0 million (31 December 2010: approximately RMB12,281.9 million). This amount is primarily arising from contracted construction fees or other capital commitments for future property developments. The Group expects to fund these commitments principally from pre-sale proceeds of the properties and partly from bank borrowings.



Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2011, the Group had approximately 34,040 full-time employees, which had increased by approximately 3.3% from 32,943 as at 31 December 2010.

The remuneration package of the employees includes salary, bonus and other cash subsidies. The Company has designed an annual review system to assess the performance of the employees, which forms the basis of the determination on salary increase, bonus and promotion. The Group is subject to social insurance contribution plans organized by the PRC local governments. In accordance with the relevant national and local labor and social welfare laws and regulations, the Group is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing reserve fund. The Group believes the salaries and benefits that the employees received are competitive in comparison with market rates. The employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. The Group believes its relationship with the employees is good.



Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office at 30 June 2011 had the following interests in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) at the balance sheet date as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules:

(a) Long positions in the shares and debentures of the Company

Name of Director	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at 30.6.2011	Amount of debentures held
Mr. YEUNG Kwok Keung	Interest of controlled corporation	—	—	US\$11,300,000 (Note 1) US\$11,000,000 (Note 2)
Ms. YANG Huiyan	Interest of controlled corporation	9,991,089,404 (Note 3)	59.83%	—
Mr. YANG Erzhu	Interest of controlled corporation	972,000,000 (Note 3)	5.82%	—
Mr. SU Rubo	Interest of controlled corporation	716,000,000 (Note 3)	4.29%	—
Mr. ZHANG Yaoyuan	Interest of controlled corporation	816,000,000 (Note 3)	4.89%	—
Mr. OU Xueming	Interest of controlled corporation	736,000,000 (Note 3)	4.41%	—
Mr. YANG Yongchao	Interest of spouse	3,388,043 (Note 4)	0.02%	—

Notes:

- These debentures represent the US\$550 million 11.25% senior notes due 2017 held by Joy House Enterprises Limited in which Mr. YEUNG Kwok Keung beneficially owns 99% of the issued share capital.
- These debentures represent the US\$900 million 11.125% senior notes due 2018 held by Joy House Enterprises Limited in which Mr. YEUNG Kwok Keung beneficially owns 99% of the issued share capital and by Kenpac Investments Limited in which Mr. YEUNG Kwok Keung beneficially owns 90% of the issued share capital.
- These shares represent shares held by Concrete Win Limited, Automic Group Limited, Easy Hope Holdings Limited, Acura International Global Limited and Highlander Group Limited in which Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo, Mr. ZHANG Yaoyuan and Mr. OU Xueming beneficially owns the entire issued share capital respectively.
- These shares represent shares held by Ms. SU Yuming being the spouse of Mr. YANG Yongchao.



(b) Long positions in the shares of Concrete Win Limited, an associated corporation of the Company

Name of Director	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at 30.6.2011
Ms. YANG Huiyan	Beneficial owner	2	100%

Save as disclosed above, at the balance sheet date, none of the Company's Directors, chief executives or their respective associates had any other personal, family, corporate and other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

At the balance sheet date, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors or chief executives of the Company, had long positions of 5% or more in the shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in the shares of the Company

Name of shareholder	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at 30.6.2011
Concrete Win Limited	Beneficial owner	9,991,089,404 (Note 1)	59.83%
Automic Group Limited	Beneficial owner	972,000,000 (Note 2)	5.82%

Notes:

1. These shares are held by Concrete Win Limited, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.
2. These shares are held by Automic Group Limited, the entire issued share capital of which is beneficially owned by Mr. YANG Erzhu.

Save as disclosed above, at the balance sheet date, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who had an interest or short position of 5% or more in the shares and underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.



Corporate Governance and Other Information

AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all of the independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald. Mr. LAI Ming, Joseph is the chairman of the Audit Committee.

The Audit Committee has reviewed with management the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 June 2011. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim results for the six months ended 30 June 2011 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as the code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard of dealings set out therein for six months ended 30 June 2011. No incident of non-compliance was noted by the Company to date in 2011. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Board and management are committed to principles of corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence.

During the six months ended 30 June 2011, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in the Appendix 14 to the Listing Rules (the “Code”), except for the deviation from the code provision E.1.2 of the Code. Under the first part of code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting. The chairman of the Board was unable to attend the annual general meeting of the Company held on 28 April 2011 (the “Meeting”) due to another business engagement. Mr. MO Bin, the president and executive director of the Company, chaired the Meeting on behalf of the chairman of the Board and was available to answer questions.

SHARE OPTION SCHEME

On 20 March 2007, a share option scheme (the “Scheme”) was adopted and approved by their then shareholders of the Company for a period of 10 years commencing on the adoption date. Since the adoption date, the Board may, at its discretion, grant share options to any eligible person to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Scheme. No any share options have been granted since adoption.



EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of the employee incentive scheme (“Employee Incentive Scheme”) for the benefit of the senior management and employees of the Group which excludes any connected persons of the Company has been approved in principle, while the scheme rules are under preparation for the Board’s approval. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance performance and efficiency. The Company did not purchase any shares during the period for the purpose of the Employee Incentive Scheme. As at 30 June 2011, the cumulative total number of the shares purchased for the purpose of the Employee Incentive Scheme were 87,176,819 shares.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

During the six months ended 30 June 2011, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the shares of the Company.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2011 (2010: Nil).

CHANGE IN THE INFORMATION OF A DIRECTOR PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to rule 13.51B(1) of the Listing Rules, change in the information of a director of the Company since the date of the Annual Report 2010 of the Company required to be disclosed in this report is as follow:

- Mr. CUI Jianbo has resigned as a director of the Company with effect from 20 January 2011.
- Ms. YANG Ziyang has been appointed as an executive director of the Company with effect from 31 May 2011.



Consolidated Interim Balance Sheet

	Note	Unaudited 30 June 2011 RMB'000	Audited 31 December 2010 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,644,452	5,552,483
Investment property	4	129,780	133,597
Intangible assets	4	18,671	18,499
Land use rights	4	996,340	1,095,982
Properties under development	5	21,960,569	17,398,573
Investment in an associate	6	218,177	83,825
Deferred income tax assets		1,162,387	1,137,203
		31,130,376	25,420,162
Current assets			
Properties under development	5	26,976,976	23,761,354
Completed properties held for sale		9,114,504	8,079,369
Inventories		248,185	206,010
Trade and other receivables	7	13,146,293	12,372,767
Prepaid taxes		2,436,497	2,388,472
Restricted cash	8	4,419,510	4,758,815
Cash and cash equivalents	9	7,781,154	5,094,298
		64,123,119	56,661,085
Total assets		95,253,495	82,081,247
EQUITY			
Equity attributable to owners of the Company			
Share capital and premium	10	15,392,104	15,392,104
Other reserves	11	963,346	993,012
Retained earnings			
— proposed final dividend		—	1,604,790
— others		9,702,090	6,831,515
		26,057,540	24,821,421
Non-controlling interests		852,537	596,654
Total equity		26,910,077	25,418,075

	Note	Unaudited 30 June 2011 RMB'000	Audited 31 December 2010 RMB'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	7,107,882	4,680,370
Convertible bond	13	855,555	—
Senior notes	14	14,567,565	8,872,270
Deferred government grants		189,520	107,780
Deferred income tax liabilities		696,202	671,903
		23,416,724	14,332,323
Current liabilities			
Advanced proceeds received from customers		25,569,120	21,729,615
Trade and other payables	15	10,327,400	9,077,248
Income tax payable		3,279,282	4,023,448
Bank borrowings	12	4,941,830	5,184,536
Derivative financial instruments	16	809,062	934,948
Convertible bond	13	—	1,381,054
		44,926,694	42,330,849
Total liabilities		68,343,418	56,663,172
Total equity and liabilities		95,253,495	82,081,247
Net current assets		19,196,425	14,330,236
Total assets less current liabilities		50,326,801	39,750,398

The notes on pages 33 to 62 form an integral part of this interim financial information.

Consolidated Interim Statement of Comprehensive Income

	Note	Unaudited Six months ended 30 June	
		2011 RMB'000	2010 RMB'000
Revenue	3	15,641,790	11,765,702
Cost of sales	18	(10,554,526)	(7,776,510)
Gross profit		5,087,264	3,989,192
Other gains — net	17	18,898	2,793
Selling and marketing costs	18	(412,248)	(276,216)
Administrative expenses	18	(514,027)	(361,589)
Operating profit		4,179,887	3,354,180
Finance income	19	46,128	82,995
Finance costs	19	(19,622)	(158,730)
Finance income/(costs) — net	19	26,506	(75,735)
Share of post-tax profit/(loss) of an associate	6	134,352	(711)
Fair value changes on derivative financial instruments	16	125,886	(190,603)
Profit before income tax		4,466,631	3,087,131
Income tax expense	20	(1,595,072)	(1,278,617)
Profit and total comprehensive income for the period		2,871,559	1,808,514
Profit and total comprehensive income attributable to:			
— Owners of the Company		2,870,575	1,763,495
— Non-controlling interests		984	45,019
		2,871,559	1,808,514
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
Basic and diluted	21	17.19	10.72

The notes on pages 33 to 62 form an integral part of this interim financial information.

	Note	Unaudited Six months ended 30 June	
		2011 RMB'000	2010 RMB'000
Dividends	22	—	—

Consolidated Interim Statement of Changes in Equity

	Unaudited					
	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
RMB'000 (note 10)	RMB'000 (note 11)	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2010	14,925,651	1,093,181	5,151,232	21,170,064	370,858	21,540,922
Total comprehensive income for the six months ended 30 June 2010	—	—	1,763,495	1,763,495	45,019	1,808,514
Transactions with owners in their capacity as owners:						
Capital injection	—	—	—	—	157,600	157,600
Dividend (note 22)	—	—	(740,320)	(740,320)	(10,000)	(750,320)
Effect of repurchase of convertible bond	—	(274,909)	—	(274,909)	—	(274,909)
Total transactions with owners	—	(274,909)	(740,320)	(1,015,229)	147,600	(867,629)
Balance at 30 June 2010	14,925,651	818,272	6,174,407	21,918,330	563,477	22,481,807
Balance at 1 January 2011	15,392,104	993,012	8,436,305	24,821,421	596,654	25,418,075
Total comprehensive income for the six months ended 30 June 2011	—	—	2,870,575	2,870,575	984	2,871,559
Transactions with owners in their capacity as owners:						
Capital injection	—	—	—	—	254,899	254,899
Dividend (note 22)	—	—	(1,604,790)	(1,604,790)	—	(1,604,790)
Effect of redemption of convertible bond (note 13)	—	(29,666)	—	(29,666)	—	(29,666)
Total transactions with owners	—	(29,666)	(1,604,790)	(1,634,456)	254,899	(1,379,557)
Balance at 30 June 2011	15,392,104	963,346	9,702,090	26,057,540	852,537	26,910,077

The notes on pages 33 to 62 form an integral part of this interim financial information.

Condensed Consolidated Interim Cash Flow Statement

	Unaudited	
	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Net cash flows (used in)/from operating activities	(2,129,038)	1,086,431
Net cash used in investing activities	(1,204,406)	(258,299)
Net cash from financing activities	6,020,300	971,247
Net increase in cash and cash equivalents	2,686,856	1,799,379
Cash and cash equivalents at the beginning of the period	5,094,298	4,608,708
Cash and cash equivalents at the end of the period	7,781,154	6,408,087

The notes on pages 33 to 62 form an integral part of this interim financial information.

Selected Notes to the Interim Financial Information

1 GENERAL INFORMATION

Country Garden Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands. The Company is engaged in investment holding and its subsidiaries (collectively, the “Group”) were principally engaged in the property development, construction, fitting and decoration, property management and hotel operation.

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 April 2007.

This interim financial information is presented in units of Renminbi (“RMB”) thousand Yuan, unless otherwise stated, and was approved by the Board of Directors of the Company for issue on 16 August 2011.

This interim financial information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This interim financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim Financial Reporting’. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2.2 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

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

(i) *Changes in accounting estimates*

The estimated useful lives of hotel properties were previously determined as 20 years when the hotel business newly commenced and management’s intention of holding those hotel properties was not certain. With the continuous growth of the hotel business, the directors are confident that the Group will hold the hotel properties for self-use, and therefore believe it is more appropriate to use remaining periods of the underlying land use rights as the estimated useful lives of hotel properties. From 1 January 2011, depreciation on hotel properties is calculated using the straight-line method to allocate their costs to their residual values over their remaining periods of underlying land use rights (ranging from 29 to 39 years). The directors believe the above change in accounting estimate reflects management’s current intention of holding hotel properties that is also consistent with the industry practices.

Selected Notes to the Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Accounting policies (continued)

(i) *Changes in accounting estimates (continued)*

HKAS 8 requires disclosure of the impact of a change in accounting estimate on both the current and future periods. Had hotel properties continued to be depreciated over 20 years, the depreciation charge for the six months ended 30 June 2011 would have been RMB39,668,000 higher than reported in this interim financial information. Since the hotel business is continuously growing, it is infeasible for directors to reliably estimate the effect of this change on depreciation charges in future periods.

(ii) *New and amended standards adopted by the Group*

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2011.

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government, which is not relevant to the Group as the Group is not related to government. It also clarifies and simplifies the definition of a related party, which has no material impact on the Group's related party disclosure.
- Amendment to HKAS 34 'Interim financial reporting' is effective for annual periods beginning on or after 1 January 2011. It emphasizes the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

(iii) *Amendments and interpretations to existing standards effective in 2011 but not relevant to the Group*

- Amendment to HKAS 32 'Classification of rights issues' is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.
- Amendment to HK(IFRIC) — Int-14 'Prepayments of a minimum funding requirement' is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.
- HK(IFRIC) — Int 19 'Extinguishing financial liabilities with equity instruments' is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.
- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 'Interim financial reporting' as disclosed in note 2.2(ii) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

Selected Notes to the Interim Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Accounting policies (continued)

(iv) *The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted:*

- HKFRS 9 'Financial instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. This new standard is not expected to have a material impact on the Group's financial statements.
- HKAS 12 (Amendment) 'Deferred tax: Recovery of underlying assets' introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted. This amendment is not expected to have a material impact on the Group's financial statements.
- HKFRS 7 (Amendment) 'Disclosures — Transfers of financial assets' introduces new disclosure requirement on transfers of financial assets. Disclosure is required by class of asset of the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's balance sheet. The gain or loss on the transferred assets and any retained interest in those assets must be given. In addition, other disclosures must enable users to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. The disclosures must be presented by type of ongoing involvement. The amendment is applicable to annual periods beginning on or after 1 July 2011 with early adoption permitted. This amendment is not expected to have a material impact on the Group's financial statements.

Selected Notes to the Interim Financial Information

3 SEGMENT INFORMATION

The executive directors of the Company (the “ED”) review the Group’s internal reporting in order to assess performance and allocate resources. The ED have determined the operating segments based on these reports.

The ED consider the business from product perspective. From a product perspective, management assesses the performance of:

- Property development,
- Construction, fitting and decoration,
- Property management and
- Hotel operation.

The ED assess the performance of the operating segments based on a measure of operating profit.

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, investment property, properties under development, completed properties held for sale, inventories, receivables and operating cash. They exclude deferred tax assets and collateral for the Equity Swap. Segment liabilities consist primarily of operating liabilities. They exclude bank borrowings, convertible bond, senior notes, derivative financial instruments, deferred income tax liabilities and income tax payable.

Revenue consists of the following:

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Sales of properties	14,979,885	11,179,125
Rendering of construction, fitting and decoration services	98,364	186,099
Rendering of property management services	240,516	196,739
Rendering of hotel services	323,025	203,739
	15,641,790	11,765,702

Sales between segments are carried out according to the terms and conditions agreed by both parties.

Over 90% of the Group’s revenue is attributable to the market in Mainland China and over 90% of the Group’s non-current assets are located in Mainland China. No geographical information is presented.

The Group has a number of customers. No revenue from a customer exceeds 10% or more of the Group’s revenue.

Selected Notes to the Interim Financial Information

3 SEGMENT INFORMATION (continued)

The segment information provided to the ED for the reportable segments for the six months ended 30 June 2011 is as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property management RMB'000	Hotel RMB'000	Total Group RMB'000
Six months ended 30 June 2011					
Total revenue	14,979,885	3,411,378	240,598	323,025	18,954,886
Inter-segment revenue	—	(3,313,014)	(82)	—	(3,313,096)
Revenue (from external customers)	14,979,885	98,364	240,516	323,025	15,641,790
Operating profit	4,157,517	11,804	36,925	(26,359)	4,179,887
At 30 June 2011					
Total segment assets	84,152,846	2,080,974	367,182	5,872,206	92,473,208
Capital expenditure	571,775	2,207	8,373	679,109	1,261,464
Total segment liabilities	33,625,300	1,390,550	517,173	553,017	36,086,040

The segment information provided to the ED for the reportable segments for the six months ended 30 June 2010 was as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property management RMB'000	Hotel RMB'000	Total Group RMB'000
Six months ended 30 June 2010					
Total revenue	11,179,125	3,016,798	196,992	203,739	14,596,654
Inter-segment revenue	—	(2,830,699)	(253)	—	(2,830,952)
Revenue (from external customers)	11,179,125	186,099	196,739	203,739	11,765,702
Operating profit	3,371,404	13,615	35,640	(66,479)	3,354,180
At 31 December 2010					
Total segment assets	72,049,141	1,591,634	252,735	5,392,082	79,285,592
Capital expenditure	664,053	14,526	3,536	1,317,301	1,999,416
Total segment liabilities	28,410,023	1,717,649	378,854	408,117	30,914,643

Selected Notes to the Interim Financial Information

3 SEGMENT INFORMATION (continued)

Reportable operating profits are reconciled to profit for the period as follows:

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Total operating profit	4,179,887	3,354,180
Financial income/(costs) — net	26,506	(75,735)
Share of post-tax profit/(loss) of an associate	134,352	(711)
Fair value changes on derivative financial instruments	125,886	(190,603)
Profit before income tax	4,466,631	3,087,131
Income tax expense	(1,595,072)	(1,278,617)
Profit for the period	2,871,559	1,808,514

Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	30 June	31 December
	2011 RMB'000	2010 RMB'000
Total segment assets	92,473,208	79,285,592
Deferred income tax assets	1,162,387	1,137,203
Collateral for Equity Swap	1,617,900	1,658,452
Total assets per balance sheet	95,253,495	82,081,247
Total segment liabilities	36,086,040	30,914,643
Deferred income tax liabilities	696,202	671,903
Income tax payable	3,279,282	4,023,448
Derivative financial instruments	809,062	934,948
Bank borrowings	12,049,712	9,864,906
Convertible bond	855,555	1,381,054
Senior notes	14,567,565	8,872,270
Total liabilities per balance sheet	68,343,418	56,663,172

Selected Notes to the Interim Financial Information

4 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Land use rights RMB'000	Investment property RMB'000	Intangible assets RMB'000
Six months ended 30 June 2010				
Opening net book amount at 1 January 2010	3,878,360	1,101,968	141,231	13,425
Additions	657,958	19,083	29	3,161
Disposals	(10,921)	—	—	—
Depreciation and amortisation	(125,624)	(14,476)	(3,817)	(2,528)
Closing net book amount at 30 June 2010	4,399,773	1,106,575	137,443	14,058
Six months ended 30 June 2011				
Opening net book amount at 1 January 2011	5,552,483	1,095,982	133,597	18,499
Additions	1,236,514	22,007	—	2,943
Reclassification	—	(108,248)	—	—
Disposals	(19,444)	—	—	—
Depreciation and amortisation	(125,101)	(13,401)	(3,817)	(2,771)
Closing net book amount at 30 June 2011	6,644,452	996,340	129,780	18,671

Selected Notes to the Interim Financial Information

5 PROPERTIES UNDER DEVELOPMENT

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Properties under development expected to be completed:		
Within normal operating cycle included under current assets	26,976,976	23,761,354
Beyond normal operating cycle included under non-current assets	21,960,569	17,398,573
	48,937,545	41,159,927
Amount comprises:		
Construction costs	24,349,774	22,692,559
Land use rights	23,444,471	17,676,443
Interest capitalised	1,143,300	790,925
	48,937,545	41,159,927

The capitalisation rate used to determine the amount of interest incurred eligible for capitalisation in 2011 was 10.80% (2010: 11.04%)

The properties under development are located in the PRC.

6 INVESTMENT IN AN ASSOCIATE

	RMB'000
At 1 January 2010	—
Capital injection	217,600
Partial disposal	(85,725)
Share of post-tax loss	(48,050)
At 31 December 2010/1 January 2011	83,825
Share of post-tax profit	134,352
At 30 June 2011	218,177

Selected Notes to the Interim Financial Information

6 INVESTMENT IN AN ASSOCIATE (continued)

The Group's share of the results of its associate, which is unlisted, and its aggregated assets and liabilities, are as follows:

Name	Place of establishment	Principal activities	Assets	Liabilities	Revenue	Share of profit	% interest held
			RMB'000	RMB'000	RMB'000	RMB'000	
Li He Property Development Company Limited ("Li He")	PRC	Property Development	4,886,911	4,668,734	997,982	134,352	20%

7 TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Trade receivables (note (a))	1,003,920	593,812
Land auction deposits	1,465,905	1,801,055
Other receivables	977,157	974,444
Amount due from an associate (note 25(d))	1,522,096	1,522,096
Amounts due from customers for contract work (note (b))	425,323	342,774
Prepayments for land (note (c))	5,321,614	5,587,595
Other prepayments — third parties	2,430,278	1,550,991
	13,146,293	12,372,767

Amount due from an associate is unsecured, non-interest bearing, with no fixed repayment terms and repayable on demand.

As at 30 June 2011, the fair value of trade and other receivables approximates their carrying amounts.

Selected Notes to the Interim Financial Information

7 TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (a) Trade receivables are mainly arisen from rendering of sales of properties, construction services, and property management. Customers are generally granted credit terms of 1 to 3 months for construction business and no credit terms for property development and property management businesses. The ageing analysis of trade receivables is as follows:

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Within 90 days	778,355	493,877
Over 90 days and within 180 days	118,286	67,350
Over 180 days and within 365 days	80,335	18,518
Over 365 days	26,944	14,067
	1,003,920	593,812

- (b) Amounts due from customers for contract work at the balance sheet date are as follows:

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Cost incurred	3,969,597	3,877,449
Recognised profits	1,713,602	1,707,386
	5,683,199	5,584,835
Less: progress billings	(5,257,876)	(5,242,061)
	425,323	342,774
Represented by:		
Amounts due from customers	425,323	342,774
Including: Related companies (note 25(d))	403,686	325,010
Third parties	21,637	17,764

- (c) Prepayments for land are related to acquisition of land use rights upon successfully bidding at the land auctions conducted by the PRC government. The relevant land use right certificates have not been obtained at 30 June 2011.

Selected Notes to the Interim Financial Information

8 RESTRICTED CASH

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Guarantee deposits for construction of pre-sale properties (note)	2,360,712	3,005,870
Collateral for equity swap (note 16)	1,617,900	1,658,452
Collateral for borrowings (note 12)	440,898	94,493
	4,419,510	4,758,815

Note:

In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amount of presale proceeds of properties as guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and the payments of construction fee of the relevant property projects when approval from PRC State-Owned Land and Resource Bureau is obtained. Such guarantee deposits will only be released after completion of related pre-sold properties or issuance of the real estate ownership certificate, whichever is the earlier.

9 CASH AND CASH EQUIVALENTS

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Cash at bank and in hand:		
Denominated in RMB	7,034,731	6,731,748
Denominated in HK dollar	311,254	57,002
Denominated in US dollar	4,854,679	3,064,363
Less: restricted cash (note 8)	(4,419,510)	(4,758,815)
	7,781,154	5,094,298

The conversion of Renminbi denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

Selected Notes to the Interim Financial Information

10 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Treasury Shares RMB'000	Total RMB'000
Authorised						
Authorised ordinary share of HK\$0.10 each at 31 December 2010 and 30 June 2011	100,000,000,000	10,000,000	9,905,008	—	—	9,905,008
Issued and fully paid						
Opening balance at 1 January 2010	16,451,419,578	1,645,142	1,625,831	13,663,559	(363,739)	14,925,651
Treasury shares purchased	—	—	—	—	(6,589)	(6,589)
Issue of shares as a result of the script dividend scheme	247,718,465	24,772	21,699	451,343	—	473,042
At 31 December 2010, 1 January 2011 and 30 June 2011	16,699,138,043	1,669,914	1,647,530	14,114,902	(370,328)	15,392,104

Selected Notes to the Interim Financial Information

11 OTHER RESERVES

	Merger reserve (note) RMB'000	Statutory reserve RMB'000	Conversion option reserve (note 13) RMB'000	Total RMB'000
Balance at 1 January 2010	(149,801)	818,161	424,821	1,093,181
Effect of repurchase of convertible bond	—	—	(274,909)	(274,909)
Balance at 30 June 2010	(149,801)	818,161	149,912	818,272
Balance at 1 January 2011	(149,801)	1,083,346	59,467	993,012
Effect of redemption of convertible bond	—	—	(29,666)	(26,666)
Balance at 30 June 2011	(149,801)	1,083,346	29,801	963,346

Note:

Merger reserve of the Group represents the difference between the share capital of subsidiaries, acquired pursuant to a group reorganization undertaken for the listing of the Company on the main board of the Stock Exchange, over the nominal value of shares of the Company issue in exchange thereof.

Selected Notes to the Interim Financial Information

12 BANK BORROWINGS

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Borrowings included in non-current liabilities:		
Bank borrowings		
— secured	8,214,811	6,539,228
— unsecured	3,381,346	2,841,020
Less: current portion of non-current borrowings	(4,488,275)	(4,699,878)
	7,107,882	4,680,370
Borrowings included in current liabilities:		
Bank borrowings		
— secured	273,555	100,000
— unsecured	180,000	384,658
Current portion of non-current borrowings	4,488,275	4,699,878
	4,941,830	5,184,536

Movements in borrowings are analysed as follows:

	RMB'000
Opening amount as at 1 January 2010	10,888,664
Additions of borrowings	2,718,740
Repayments of borrowings	(2,973,528)
Closing amount as at 30 June 2010	10,633,876
Opening amount as at 1 January 2011	9,864,906
Additions of borrowings	5,249,532
Repayments of borrowings	(3,064,726)
Closing amount as at 30 June 2011	12,049,712

Selected Notes to the Interim Financial Information

12 BANK BORROWINGS (continued)

The Group's borrowings of RMB7,198,170,000 as at 30 June 2011 (2010: RMB5,809,228,000), were jointly secured by certain properties and land use rights of the Group with total carrying values of RMB9,938,983,000 as at 30 June 2011 (2010: RMB8,841,052,000). The Group's borrowings of RMB1,016,641,000 as at 30 June 2011 (2010: RMB730,000,000) were guaranteed by the Company and secured by the Group's equity interest in certain subsidiaries. The Group's remaining secured borrowings of RMB273,550,000 at 30 June 2011 (2010: RMB100,000,000) were secured by certain bank deposits of the Group.

The weighted average effective interest rates at balance sheet dates were as follows:

	As at	
	30 June 2011	31 December 2010
Bank borrowings	6.81%	5.52%

The carrying amounts of the Group's bank borrowings are denominated in RMB and approximate their fair value.

13 CONVERTIBLE BOND

In 2008, the Company issued a RMB denominated USD settled 2.5% convertible bond (the "Bond") due 2013, of an initial principal amount of US\$600 million (equivalent to approximately RMB4,314.0 million). At the option of bond holders, the aggregate amount of RMB4,314.0 million will be convertible into fully paid shares with a par value of HK\$0.1 each of the Company. The value of the liability component of RMB3,781.3 million and the equity conversion component of RMB424.8 million, net of transaction cost of RMB107.9 million, were determined at issuance of the Bond.

The Bond matures in five years (February 2013) from the issue date at 121.306% of the nominal value or can be converted into ordinary shares of the Company on or after 3 April 2008 at contracted price (the initial conversion price is HK\$9.05 per share) at a fixed exchange rate of RMB0.922 to HK\$1.

Also, at the option of the bond holders, the Company would redeem some or all of the Bond on 22 February 2011 at the U.S. dollar equivalent of their principal amount in RMB multiplied by 111.997%, together with accrued but unpaid interest to the date of redemption. As the above put option has been expired, the Bond is classified as a non-current liability at 30 June 2011.

The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The liability component is subsequently stated at amortised cost until extinguished on conversion or maturity of the Bond. The residual amount, representing the value of the equity conversion component, is accounted for as a conversion option reserve included in other reserves.

During the period, the Company redeemed the Bond totaling approximately RMB522.6 million out of the remaining principal amount of RMB1,303.6 million as a result of the exercise of the above put option by certain bond holders.

Selected Notes to the Interim Financial Information

13 CONVERTIBLE BOND (continued)

The total consideration (including transaction costs) paid to redeem the Bond is allocated to liability and equity components at the date of redemption. The difference between the consideration allocated to the liability component and its carrying value at the date of redemption is recognised in profit or loss. The amount of consideration relating to the equity component is recognised in equity.

The redemption resulted in a loss of approximately RMB243,000 and a decrease of RMB29,666,000 in the conversion option reserve.

The Bond recognised in the balance sheet is calculated as follows:

	RMB'000
Liability component as at 1 January 2010	4,278,511
Interest expenses	249,436
Coupon paid	(78,651)
Repurchase	(3,068,242)
Liability component as at 31 December 2010	1,381,054
Interest expenses (note 19)	46,183
Coupon paid	(16,295)
Redemption	(555,387)
Liability component at 30 June 2011	855,555

Interest expenses on the liability component of the Bond are calculated using the effective interest method, applying the effective interest rate of 9.24% p.a. to the liability component.

Up to 30 June 2011, there was no conversion of the Bond.

14 SENIOR NOTES

On 2 September 2009, the Company issued senior notes in an aggregate principal amount of US\$300,000,000. On 16 September 2009, the Company made an additional issue of senior notes in an aggregated principal amount of US\$75,000,000 (collectively the "2014 Notes"). The 2014 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2014 Notes carry interest at the rate of 11.75% per annum, payable semi-annually on March 10 and September 10 in arrears, and will mature on 10 September 2014, unless redeemed earlier.

At any time, the Company may at its option redeem the 2014 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2014 Notes plus certain premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time prior to 10 September 2012, the Company may redeem up to 35% of the aggregate principal amount of the 2014 Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 111.75% of the principal amount of the 2014 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

Selected Notes to the Interim Financial Information

14 SENIOR NOTES (continued)

On 15 April 2010, the Company issued senior notes in an aggregate principal amount of US\$550,000,000 (the "2017 Notes"). The 2017 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes carry interest at the rate of 11.25% per annum, payable semi-annually on April 22 and October 22 in arrears, and will mature on 22 April 2017, unless redeemed earlier.

At any time on or after 22 April 2014, the Company may redeem the 2017 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to (but not including) the redemption date if redeemed during the twelve month period beginning on 22 April of each of the years indicated below.

	Redemption price
2014	105.625%
2015	102.8125%
2016 and thereafter	100.00%

At any time prior to 22 April 2014, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 22 April 2013, the Company may redeem up to 35% of the aggregate principal amount of the 2017 Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 111.25% of the principal amount of the 2017 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the 2017 Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of the Company's capital stock and subject to certain conditions.

On 4 August 2010, the Company issued senior notes in an aggregate principal amount of US\$400,000,000 (the "2015 Notes"). The 2015 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2015 Notes carry interest at the rate of 10.50% per annum, payable semi-annually on February 11 and August 11 in arrears, and will mature on 11 August 2015, unless redeemed earlier.

At any time prior to 11 August 2015, the Company may at its option redeem the 2015 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2015 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 11 August 2013, the Company may redeem up to 35% of the aggregate principal amount of the 2015 Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 110.50% of the principal amount of the 2015 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2015 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Selected Notes to the Interim Financial Information

14 SENIOR NOTES (continued)

On 23 February 2011, the Company issued senior notes in an aggregate principal amount of US\$900,000,000 (the "2018 Notes"). The 2018 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes carry interest at the rate of 11.125% per annum, payable semi-annually on February 23 and August 23 in arrears, and will mature on 23 February 2018, unless redeemed earlier.

At any time and from time to time on or after 23 February 2015, the Company may redeem the 2018 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to (but not including) the redemption date if redeemed during the twelve month period beginning on 23 February of each of the years indicated below.

	Redemption price
2015	105.5625%
2016	102.7813%
2017 and thereafter	100.00%

At any time prior to 23 February 2015, the Company may at its option redeem the 2018 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

At any time and from time to time prior to 23 February 2014, the Company may redeem up to 35% of the aggregate principal amount of the 2018 Notes with the proceeds from sales of certain kinds of the Company's capital stock at a redemption price of 111.125% of the principal amount of the 2018 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the 2018 Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sale of the Company's capital stock and subject to certain conditions.

The 2014 Notes, 2017 Notes, 2015 Notes and 2018 Notes contain a liability component and the above early redemption options:

- (i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The interest charged for the period is calculated by applying an effective interest rate of approximately 12.11%, 11.81%, 11.23% and 11.69% per annum to the liability component of the 2014 Notes, 2017 Notes, 2015 Notes and 2018 Notes, respectively, since they were issued.

- (ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors consider that the fair value of the above early redemption options is insignificant on initial recognition and at 30 June 2011.

Selected Notes to the Interim Financial Information

14 SENIOR NOTES (continued)

The 2014 Notes, 2017 Notes, 2015 Notes and 2018 Notes recognised in the balance sheet were calculated as follows:

	RMB'000
Carrying amount as at 1 January 2010	2,602,423
Additions	6,294,734
Exchange gains	(203,259)
Interest expenses	684,288
Coupon paid	(505,916)
Carrying amount as at 31 December 2010	8,872,270
Additions	5,770,437
Exchange gains	(310,725)
Interest expenses	720,433
Coupon paid	(484,850)
Carrying amount as at 30 June 2011	14,567,565

15 TRADE AND OTHER PAYABLES

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Trade payables (note)	7,029,895	7,058,506
Other payables — third parties	2,022,982	1,004,533
Other taxes payable	753,647	340,578
Staff welfare benefit payable	299,193	539,087
Accrued expenses	221,683	134,544
	10,327,400	9,077,248

Note:

The ageing analysis of trade payables at the balance sheet dates is as follows:

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Within 90 days	5,496,105	6,685,400
Over 90 days and within 180 days	1,075,830	150,163
Over 180 days and within 365 days	266,440	124,925
Over 365 days	191,520	98,018
	7,029,895	7,058,506

Selected Notes to the Interim Financial Information

16 DERIVATIVE FINANCIAL INSTRUMENTS

Upon the issue of the RMB denominated USD settled 2.5% Bond as disclosed in note 13, the Company entered into a cash settled equity swap transaction (the "Equity Swap") for the Company's shares up to a value of US\$250 million (equivalent to approximately HK\$1,950 million) on 22 February 2008. Under the Equity Swap, the Company will either receive a payment from or settle a payment to Merrill Lynch International if the final price is higher or lower than the initial price upon termination of the Equity Swap. The initial price was determined in accordance with the formula as set out in the Equity Swap contract, and the final price will be determined with reference to the arithmetic mean of the relevant prices of the Company's shares on specified averaging dates upon termination of the Equity Swap. Besides, the termination date of the Equity Swap will be determined based on the earlier of 2013 or a date when certain condition as stipulated in the Equity Swap contract is fulfilled. According to the Equity Swap contract, both the Company and Merrill Lynch International had the option to early terminate the Equity Swap upon the occurrence of any holder of the Bond exercises the Put Option on the Put Option date, which was 22 February 2011.

On 5 January 2011, the Company entered into an amendment and restatement agreement with Merrill Lynch International (the "Amendment"). Pursuant to the Amendment, Merrill Lynch International no longer has the above option to early terminate the Equity Swap and only the Company has the option to terminate the Equity Swap early on any scheduled trading day, at its election, prior to the termination of the Equity Swap.

According to the Equity Swap transactions entered with Merrill Lynch International, Merrill Lynch International would pay the Company an amount equivalent to the number of shares under the Equity Swap multiplied by the dividend per Company's share as a return of the Equity Swap.

Derivative financial instruments liabilities as at balance sheet date are as follows:

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Equity Swap	809,062	934,948

During the effective period of the Equity Swap, the Company has put up collateral in the amount of US\$250 million (equivalent to approximately RMB1,618 million) (the "Collateral") to Merrill Lynch International. Prior to the termination date of the Equity Swap, the change in fair value of the Equity Swap caused by fluctuation in the share price shall not pose any effect on the cash flow or normal operation of the Company. As at the termination date of the Equity Swap, the maximum loss caused by the Equity Swap due to decrease in the share price shall not exceed the value of the Collateral.

Selected Notes to the Interim Financial Information

17 OTHER GAINS – NET

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Return from Equity Swap	27,290	12,918
Forfeiture income	8,744	6,429
Gains on disposal of property, plant and equipment	271	4,728
Others	(17,407)	(21,282)
	18,898	2,793

18 EXPENSES BY NATURE

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Advertising costs	165,258	111,570
Amortisation of intangible assets (note 4)	2,771	2,528
Business taxes and other levies (note)	968,379	709,351
Costs of completed properties sold	9,441,399	6,909,772
Donations	18,192	13,353
Depreciation (note 4)	128,918	129,441
Employee benefit expenses	491,149	360,006
Land use rights amortisation (note 4)	13,401	14,476
Surveillance charges	12,427	10,765
Rental expenses	8,498	9,383
Others	230,409	143,670
Total cost of sales, selling and marketing costs and administrative expenses	11,480,801	8,414,315

Note:

Business tax

The PRC companies now comprising the Group are subject to business taxes on their revenues at the following rates:

Category	Rate
Sales of properties	5%
Construction, fitting and decoration	3%
Property management	5%
Hotel services	5%

Selected Notes to the Interim Financial Information

19 FINANCE INCOME/(COSTS) – NET

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Interest expenses:		
– bank borrowings	(373,556)	(253,385)
– the Bond	(46,183)	(176,676)
– senior notes	(720,433)	(222,463)
Loss on redemption of the Bond (note 13)	(243)	–
Net foreign exchange gain on financing activities	174,113	13,967
Total finance costs	(966,302)	(638,557)
– less: interest capitalised	946,680	479,827
	(19,622)	(158,730)
Finance income:		
– bank interest income from bank deposits	46,128	47,814
– gain on repurchase of the Bond (note 13)	–	35,181
	46,128	82,995
Finance income/(costs) – net	26,506	(75,735)

Selected Notes to the Interim Financial Information

20 INCOME TAX EXPENSE

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Current income tax		
– PRC enterprise income tax (note (a))	1,120,580	720,291
– Hong Kong profits tax (note (b))	–	–
– Land appreciation tax (note (c))	475,377	491,208
Deferred income tax	(885)	67,118
	1,595,072	1,278,617

- (a) PRC enterprise income tax is provided at the rate of 25% (2010: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC enterprise income tax purpose.

As approved by the local tax authority in August 2006, Guangdong Giant Leap Construction Co., Ltd., a subsidiary of the Group, has enjoyed a tax holiday of “two years exemption and followed by three years of a 50% tax reduction” since 2006. The preferential tax rate adopted by Giant Leap Construction Co., Ltd. will also be gradually transitioned to the unified tax rate of 25% over a five-year transitional period. In light of the clarification for the transition to the new tax rate issued by the State Administration of Taxation issued on 6 December 2008, the preferential tax rate adopted by Giant Leap Construction Co., Ltd. will be expired at the shorter of the existing preferential tax period and the five-year transitional period.

Furthermore, in accordance with the PRC Enterprise Income Tax Law and the “Implementation Rules of the People’s Republic of China on the Enterprise Income Tax Law” promulgated by the State Council on 6 December 2008 and effective 1 January 2009, an income tax rate of 10% shall be applicable to any dividends payable to non-PRC enterprise investors from foreign invested enterprises.

- (b) No Hong Kong profits tax was provided for the six months ended 30 June 2011 as the Group did not have any assessable profit (2010: nil).
- (c) PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

Selected Notes to the Interim Financial Information

21 EARNINGS PER SHARE

Earnings per share attributable to owners of the Company as follows:

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares (note 10).

	Six months ended 30 June	
	2011	2010
Profit attributable to owners of the Company – Basic (RMB cents per share)	17.19	10.72
Weighted average number of ordinary shares in issue (thousands)	16,699,138	16,451,420

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's only dilutive potential ordinary share is the Bond. The Bond is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses. Since the impact of conversion of convertible bond on earnings per share is anti-dilutive for the period ended 30 June 2011 and 2010, diluted earnings per share is equal to basic earnings per share.

Selected Notes to the Interim Financial Information

22 DIVIDENDS

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Proposed interim dividend (note a)	—	—

Note:

- (a) The Board of Directors did not recommend the payment of any interim dividend for the six months ended 30 June 2011.
- (b) A final dividend in respect of 2010 of RMB9.61 cents per share, amounting to total dividends of approximately RMB1,604,790,000 has been declared in the Annual General Meeting on 28 April 2011.

23 CONTINGENCIES

The Group had the following contingent liabilities:

	As at	
	30 June	31 December
	2011	2010
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers (note (a))	16,203,178	18,664,113
Guarantee in respect of borrowings (note (b))	922,500	1,024,578
	17,125,678	19,688,691

Note:

- (a) It represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Of the amounts as at 30 June 2011, RMB182,036,000 (2010: RMB751,558,000) was to be discharged upon two years from the day the mortgaged loans become due; and RMB16,021,142,000 (2010: RMB17,912,555,000) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

The directors consider that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

- (b) This represents the maximum exposure of the guarantee provided for Li He for its bank borrowings.

Selected Notes to the Interim Financial Information

24 COMMITMENTS

(a) Commitments for capital and property development expenditures

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Contracted but not provided for Property development expenditure and land acquisition	19,725,476	12,256,870
Property, plant and equipment	12,511	25,029
	19,737,987	12,281,899

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Not later than one year	16,964	6,449
Later than one year and not later than five years	11,601	17,762
Later than five years	9,628	10,451
	38,193	34,662

(c) Operating lease rentals receivable

The future aggregate minimum lease rentals receivable under non-cancellable operating leases in respect of land and buildings are as follows:

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Not later than one year	49,231	42,998
Later than one year and not later than five years	191,737	165,671
Later than five years	41,546	59,850
	282,514	268,519

Selected Notes to the Interim Financial Information

25 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Shareholders

Mr. Yang Erzhu, Ms. Yang Huiyan, Mr. Su Rubo, Mr. Zhang Yaoyuan and Mr. Ou Xueming.

Close family members of Shareholders

Mr. Yeung Kwok Keung, Mr. Zhang Chibiao, Ms. Zhang Yingyan, Mr. Yang Minsheng, Mr. Su Zhixian, Mr. Yang Zhicheng, Mr. Yang Zhigang, Ms. Yang Ziyang, Ms. Ou Jieping, Ms. Ou Jieling and Mr. Wu Weizhong.

Controlled By Shareholders

Guangdong Elite Architectural Co., Ltd.	廣東博意建築設計院有限公司
Qingyuan Country Garden Property Development Co., Ltd.	清遠碧桂園物業發展有限公司

Controlled by Shareholders and their close family members

Foshan Shunde Jiangkou Water Plant Co., Ltd.	佛山市順德區江口自來水有限公司
Zengcheng Crystal Water Plant Co., Ltd.	增城市清源自來水廠有限公司
Foshan Shunde Grand Cement Co., Ltd.	佛山市順德區鴻業水泥製品有限公司

Associates

Li He	利合
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The English names of certain of the companies referred to above in this note represent management's best efforts in translating the Chinese names of these companies as no English names have been registered or available.

(b) Transactions with related parties:

During the period, the Group had the following significant transactions with related parties:

(i) Construction and decoration service income

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Controlled by Shareholders		
清遠碧桂園物業發展有限公司		
Qingyuan Country Garden Property Development Co., Ltd.	84,785	151,627

(ii) Purchase of design service

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Controlled by Shareholders		
廣東博意建築設計院有限公司		
Guangdong Elite Architectural Co., Ltd	104,672	93,939

Selected Notes to the Interim Financial Information

25 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties: (continued)

(iii) Purchase of construction materials and water

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Controlled by Shareholders and their close family members		
佛山市順德區江口自來水有限公司 Foshan Shunde Jiangkou Water Plant Co., Ltd.	2,214	1,864
增城市清源自來水廠有限公司 Zengcheng Crystal Water Plant Co., Ltd.	2,169	5,648
佛山市順德區鴻業水泥製品有限公司 Grand Cement Plant Co., Ltd.	7,817	73,639
	12,200	81,151

(iv) Providing guarantee for borrowings

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Associate		
利合 Li He (note 23)	922,500	760,000

(c) Key management compensation:

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Salaries and other short-term employee benefits	8,441	5,766

Selected Notes to the Interim Financial Information

25 RELATED PARTY TRANSACTIONS (continued)

(d) Balances with related parties

As at 30 June 2011, the Group had the following significant balances with related parties:

(i) Balances due from related parties

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Included in amount due from customers of contract work:		
– Controlled by Shareholders		
清遠碧桂園物業發展有限公司 Qingyuan Country Garden Property Development Co., Ltd.	403,686	325,010
Included in other receivables:		
– Controlled by Shareholders		
廣東博意建築設計院有限公司 Guangdong Elite Architectural Co., Ltd.	122,600	106,383

(ii) Balance due from an associate

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
利合 Li He	1,522,096	1,522,096

Selected Notes to the Interim Financial Information

25 RELATED PARTY TRANSACTIONS (continued)

(d) Balances with related parties (continued)

(iii) Balances due to related parties

	As at	
	30 June 2011 RMB'000	31 December 2010 RMB'000
Included in trade and other payables:		
– Controlled by Shareholders		
廣東博意建築設計院有限公司 Guangdong Elite Architectural Co., Ltd.	63,669	36,754
– Controlled by Shareholders and their close family members		
佛山市順德區鴻業水泥製品有限公司 Grand Cement Plant Co., Ltd.	471	2,335
增城市清源自來水廠有限公司 Zengcheng Crystal Water Plant Co.,	15	753
	64,155	39,842

Corporate Information

DIRECTORS

Executive Directors

Mr. YEUNG Kwok Keung (*Chairman*)
 Mr. MO Bin
 Ms. YANG Huiyan
 Ms. YANG Ziyang
 Mr. YANG Erzhu
 Mr. SU Rubo
 Mr. ZHANG Yaoyuan
 Mr. OU Xueming
 Mr. YANG Zhicheng
 Mr. YANG Yongchao

Independent Non-executive Directors

Mr. LAI Ming, Joseph
 Mr. SHEK Lai Him, Abraham
 Mr. TONG Wui Tung, Ronald

CHIEF FINANCIAL OFFICER

Ms. NG Yi Kum, Estella

COMPANY SECRETARY

Mr. HUEN Po Wah

AUTHORIZED REPRESENTATIVES

Ms. YANG Huiyan
 Mr. MO Bin
 Ms. NG Yi Kum, Estella (*alternate to Ms. YANG Huiyan*)
 Ms. NG Chi Man (*alternate to Mr. MO Bin*)

AUDIT COMMITTEE

Mr. LAI Ming, Joseph (*Chairman*)
 Mr. SHEK Lai Him, Abraham
 Mr. TONG Wui Tung, Ronald

REMUNERATION COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
 Mr. MO Bin
 Mr. LAI Ming, Joseph
 Mr. SHEK Lai Him, Abraham
 Mr. TONG Wui Tung, Ronald

REGISTERED OFFICE

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 Hutchins Drive
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 KY1-1111
 Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

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 Shunde District
 Foshan
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 PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 901-904
 9/F Manulife Provident Funds Place
 345 Nathan Road
 Kowloon
 Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Cayman) Limited
 Butterfield House
 68 Fort Street
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 Grand Cayman
 KY1-1107
 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
 26/F, Tesbury Centre
 28 Queen's Road East
 Wanchai
 Hong Kong



Corporate Information

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
UBS

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS

As to Hong Kong law:

Woo Kwan Lee & Lo
lu, Lai & Li

As to PRC law:

Jingtian & Gongcheng

STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 2007

WEBSITE

<http://www.countrygarden.com.cn>





