



# 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

# 2009

中期報告 Interim Report







# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## CONTENTS

Corporate Profile	2
Chairman's Statement	3
Project Overview	6
Business Review	7
Management Discussion and Analysis	19
Disclosure of Interests	25
Corporate Governance and Other Information	27
Consolidated Interim Balance Sheet	29
Consolidated Interim Statement of Comprehensive Income	31
Consolidated Interim Statement of Changes in Equity	32
Condensed Consolidated Interim Cash Flow Statement	33
Selected notes to the Interim Financial Information	34
Corporate Information	63



## 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 centralised and standardised 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 recognised 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 symbolised 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 market.

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 2009, 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, Heilongjiang Province, Inner Mongolia Autonomous Region, Chongqing and Tianjin Municipality. The associated strategic acquisitions further consolidated the Group’s leading position in Guangdong Province, while strengthening its developments in other provinces across the nation.

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 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 characterised by fast asset turnover and strong execution ability, as well as innovative product offering close 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 recognised brand name.



## CHAIRMAN'S STATEMENT

### 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 2009.

During the period under review, with the Chinese government's timely introduction of appropriate relaxation of its austerity measures in 2008, the Chinese economy gradually showed signs of stabilisation and recovery. The policies implemented in the fourth quarter of 2008 with an aim to stabilising the property market had also led to a recovery in transaction volume of the overall Chinese property market.

The Group's property development and sales progress in the first half of the year have been in line with the target set at the beginning of the year. For the six months ended 30 June 2009, the Company achieved contract sales in terms of gross floor area (GFA) of approximately 1.92 million sq.m., and total contract sales amounted to approximately RMB8.79 billion, representing an increase of 30% and 6.5%, respectively, as compared with those of the same period last year. A new project outside Guangdong, which is located in Jingmen in Hubei province, was launched successfully during the first half of the year, increasing the total number of projects launched outside Guangdong to 22. This further strengthened the Company's customer base and brand equity for future development in these regions.

Development of projects outside Guangdong is still at the initial stage of investment, and the Group expects these new projects to gradually become more mature over the coming years. Many of the projects in Guangdong also went through similar growth path with different stages of development. Against the backdrop of continues development of regional economies in China, together with the delivery of those new projects and the improvement in project environment and ancillary facilities, the recognition of Country Garden's brand name will be further enhanced across these new regions.

All these will not only help boost the revenue growth of these new projects, but also lay a solid foundation for the long term development of the Group outside Guangdong. It is expected that the Group's contract sales and new project launch performance will pick up as scheduled in the second half of this year. We are confident on the sales launch of these projects, especially for those new projects that are built on the newly acquired land sites in Guangdong, which will further demonstrate the Group's competitiveness in replicating its unique and successful business model.

While gradually realising its sales target set at the beginning of the year, the Company strategically increased its land bank. After re-evaluating the quantity of its existing land bank as well as the time span of the return on investment for projects across different regions, the Group had increased its land bank in Guangdong by 2.01 million GFA sq.m. during the first half of this year. As of 30 June 2009, the Group had 58 projects under different stages of development, including 30 in Guangdong. Attributable GFA with land use right certificates was approximately 43.65 million sq.m., among which, attributable GFA for which we had obtained construction permits was around 13.30 million sq. m.





## COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Alongside the continuous expansion in property development and sales, the Group's hotel business broadens its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. As at 30 June 2009, the Group operated 4 five-star hotels, 5 five-star standard hotels, as well as 1 four-star hotel with a total of 2,982 guest rooms. Most of the Group's hotels are located in the Group's property projects. The development of five-star standard hotels in the projects will facilitate sales promotion of properties and enhance the ancillary value of the projects.

The Group continues to strengthen various reform measures over the first half of the year. By monitoring the changing demand of customers, the launch of products with modified design was well received by the market, which further accelerated the cash inflow. The reform on project management on the basis of establishing an incentive mechanism has also shown positive effects, representing a further enhancement in development efficiency for new projects. At the same time, the Group continues to adopt stringent cost control measures over development and operation. With regard to financial management, the Group will continue to seek various funding possibilities, wherever appropriate, in addition to bank financing.

The financial performance of the first half of this year largely reflected the volatility of the macro economy, especially the impact dated back to the second half of 2008. It also reflected the impact of new project development, which is still at an initial stage, outside Guangdong province. During the period under review, the Group's total revenue and gross profit reached RMB9,202.8 million and RMB2,926.8 million, respectively. Profit attributable to equity owners amounted to RMB1,816.3 million; which included the fair value gain on equity swap of RMB431.8 million. The Board of Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2009.

Similar to the situation of the Chinese economy and the property market, Country Garden is also experiencing a period of historical adjustment. Over the past years, the rapid growth of Country Garden was supported by the general public and in particular, its wide customer base. The reason behind Country Garden's extensive recognition and support from its customers lies in its unique strategic vision in business development as well as its appropriate and accurate positioning in the marketplace, that



## COUNTRY GARDEN HOLDINGS COMPANY LIMITED

is to provide large quantities of quality residential properties to the society and the general public at affordable prices. This helps create quality residential communities with high accessibility and comprehensive ancillary facilities for home buyers. Adhering to its existing development strategy, the Group is experiencing a tactical adjustment, which includes the modifications of product design in accordance with the changes in market demand, selective land acquisition alongside the ever changing regional economic landscape as well as the reform in management structure in light of intensifying market competition. These adjustments and reforms are necessary for the growth of an enterprise and are positive and healthy. It enables the Group to prepare for future growth while learning from past experiences. With the balanced development of and the continuous urbanization in the Chinese regional economies, the entire management and staff members of Country Garden are confident and are highly capable in overcoming challenges. The Group will continue to strategically select and develop property projects that are in line with national development strategies and macro economic environment. We are committed to offering high quality property products with good value for money, 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 and every staff member of Country Garden. The growth of Country Garden would have not 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 entire management and staff of Country Garden will continue to dedicate their professional knowledge with excellent team spirit to generate satisfactory returns for our shareholders.

**YEUNG Kwok Keung**

*Chairman*

Hong Kong, the PRC, 25 August 2009

PROJECT OVERVIEW

The following map shows the location of the cities where the 58 projects of the Group are located.





## BUSINESS REVIEW

### PROPERTY DEVELOPMENT

As of 30 June 2009, the Group had fifty-eight projects at various stages of development. Thirty of the projects were located in Guangdong Province including eight in Guangzhou city, five in Foshan city, six in Jiangmen city, one in Yangjiang city, three in Shaoguan city, three in Zhaoqing city, one in Huizhou city, one in Shanwei city, one in Maoming city and one in Qingyuan city . Another Twenty-eight projects were located in other provinces and regions including three in Changsha city and one in Yiyang city in Hunan Province, one in each of Wuhan city, Suizhou city, Jingmen city and two in Xianning city in Hubei Province, one in Taizhou city in Jiangsu Province, three in Chaohu city, one in each of Anqing city, Chizhou city, Huangshan city and Wuhu city in Anhui Province, four 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 and one in Tianjin Municipality.

As of 30 June 2009, the Group's fifty-eight projects had an aggregate completed GFA of 13,756,052 sq.m., an aggregate GFA under development of 13,399,110 sq.m., and an aggregate GFA of 29,618,992 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 2009, the Group had approximately 12,200 staffs working for its 52 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, intracommunity 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 and currently operates 4 five-star hotels and 1 four-star hotel, as well as 5 hotels which have been developed to the five-star rating standard under the "Star-Rating Standard for Tourist Hotels". In addition, the Group has 9 hotels that are under construction in accordance with the five-star rating standard of the "Star-Rating Standard for Tourist Hotels".

The development status of the Group's hotel properties as at 30 June 2009 is as follow:

Name of Hotel	Location	Opening Date	Number of Rooms	Star-rating <sup>(i)</sup>
Shunde Country Garden (順德碧桂園度假村)	Shunde Country Garden, Foshan, Guangdong Province	February 2000	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	November 2003	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	December 2004	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	July 2005	280	Five-Star (in operation)
Yangjiang Country Garden Phoenix Hotel (陽江碧桂園鳳凰酒店)	Yangjiang Country Garden, Yangjiang, Guangdong Province	May 2007	342	Five-Star (in operation)
Wuyi Country Garden Phoenix Hotel (五邑碧桂園鳳凰酒店)	Wuyi Country Garden, Jiangmen, Guangdong Province	December 2005	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	October 2007	343	According to five-star rating standard (in operation)
Taishan Country Garden Phoenix Hotel (台山碧桂園鳳凰酒店)	Taishan Country Garden, Jiangmen, Guangdong Province	November 2007	337	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	February 2009	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	March 2009	374	According to five-star rating standard (in operation)

## COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Name of Hotel	Location	Opening Date	Number of Rooms	Star-rating <sup>(i)</sup>
Gaoming Country Garden Phoenix Hotel (高明碧桂園鳳凰酒店)	Gaoming Country Garden, Foshan, Guangdong Province	September 2009 <sup>(ii)</sup>	337	According to five-star rating standard (under construction)
Suizhou Country Garden Phoenix Hotel (隨州碧桂園鳳凰酒店)	Suizhou Country Garden, Suizhou, Hubei Province	2009 <sup>(ii)</sup>	378	According to five-star rating standard (under construction)
Chongqing Country Garden Phoenix Hotel (重慶碧桂園鳳凰酒店)	Changshou Country Garden, Chongqing, Chongqing Municipality	2010 <sup>(ii)</sup>	336	According to five-star rating standard (under construction)
Wuhan Country Garden Phoenix Hotel (武漢碧桂園鳳凰酒店)	Wuhan Country Garden Wuhan, Hubei Province	2010 <sup>(ii)</sup>	334	According to five-star rating standard (under construction)
Chaohu Country Garden La Phoenix Hotel (巢湖碧桂園鳳凰酒店)	Country Garden Lakeside City, Chaohu, Anhui Province	2010 <sup>(ii)</sup>	337	According to five-star rating standard (under construction)
Chaohu Country Garden Le Phoenix Hotel (巢湖碧桂園鳳凰酒店)	Chaohu Country Garden, Chaohu, Anhui Province	2010 <sup>(ii)</sup>	336	According to five-star rating standard (under construction)
Huangshan Country Garden Phoenix Hotel (黃山碧桂園鳳凰酒店)	Huangshan Country Garden, Huangshan, Anhui Province	2010 <sup>(ii)</sup>	376	According to five-star rating standard (under construction)
Wuhu Country Garden Phoenix Hotel (蕪湖碧桂園鳳凰酒店)	Wuhu Country Garden, Wuhu, Anhui Province	November 2009 <sup>(ii)</sup>	602	According to five-star rating standard (under construction)
Anqing Country Garden Phoenix Hotel (安慶碧桂園鳳凰酒店)	Anqing Country Garden, Anqing, Anhui Province	November 2009 <sup>(ii)</sup>	334	According to five-star rating standard (under construction)

**Notes:**

- (i) Hotels are only allowed to apply for star hotel certification after one year of operation
- (ii) Expected opening date





# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## COMPLETED PROPERTY DEVELOPMENTS

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	Completed GFA <sup>(1)</sup> (sq.m)	Total completed saleable GFA <sup>(1)</sup> (sq.m)	Total saleable GFA sold and delivered <sup>(1)</sup> (sq.m)	Total saleable GFA pre-sold pending delivered <sup>(1)</sup> (sq.m)	Completion Date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100%	240,550	238,860	234,400	480	29/Jun/2002
Shawan Country Garden (沙灣碧桂園)	Guangzhou (Panyu)	279,216	100%	212,244	211,281	151,689	58,810	29/Jun/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)	1,010,231	100%	910,959	854,296	847,691	4,207	27/Feb/2009
Huanan Country Garden - Phase Six (華南碧桂園一六期)	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)	519,337	100%	519,337	502,554	495,025	100	17/Apr/2009
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,928,696	100%	2,696,971	2,574,618	2,474,616	26,649	17/Apr/2009
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	535,900	100%	366,738	331,258	323,782	765	29/Jun/2009
Holiday Islands - Huadu (假日半島-花都)	Guangzhou (Huadu)	577,487	100%	230,105	228,492	182,691	16,360	27/Mar/2009
Shunde Country Garden - including Country Garden West Court (順德碧桂園(含碧桂園西苑))	Foshan (Shunde)	2,426,411	100%	2,121,524	1,982,862	1,901,564	4,009	27/May/2009
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	260,570	90%	223,593	213,246	209,878	0	16/Oct/2008
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)	1,006,647	100%	457,250	449,115	414,841	5,243	25/Jun/2009
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	571,357	100%	423,440	413,668	407,433	728	24/Apr/2009
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,270,333	100%	691,016	676,446	637,001	27,169	30/Jun/2009
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	688,755	100%	667,253	631,534	620,712	843	27/Apr/2009
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	590,028	100%	182,615	180,352	161,744	18,476	31/Dec/2008
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,696,872	100%	271,898	253,900	193,865	9,628	28/May/2009
Yangdong Country Garden (陽東碧桂園)	Yangjiang (Yangdong)	388,771	100%	372,530	352,601	302,304	16,842	30/Dec/2008
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,292,886	100%	617,114	565,279	398,728	18,908	27/Mar/2009
Zhaoqing Lanling Residence (肇慶藍領公寓)	Zhaoqing (Gaoxin)	186,257	100%	186,257	20,268	1,449	0	26/Jun/2009

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	Completed GFA <sup>(1)</sup> (sq.m)	Total completed saleable GFA <sup>(1)</sup> (sq.m)	Total saleable GFA sold and delivered <sup>(1)</sup> (sq.m)	Total saleable GFA pre-sold pending delivered <sup>(1)</sup> (sq.m)	Completion Date
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	369,413	51%	297,294	285,805	222,992	14,083	23/Jun/2009
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	2,428,496	100%	320,267	310,823	208,890	62,788	19/Dec/2008
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	972,620	100%	103,766	103,766	40,893	6,381	30/Mar/2009
Country Garden - Sun Palace (碧桂園 • 太陽城)	Shenyang (Daoyi)	1,088,229	100%	53,327	53,327	24,490	23,963	25/Jun/2009
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	522,208	100%	69,934	69,934	57,299	7,579	25/Jun/2009
Country Garden - Galaxy Palace (碧桂園 • 銀河城)	Shenyang (Yuhong)	1,848,897	100%	98,239	94,929	43,685	27,498	16/Jun/2009
Country Garden - Phoenix City (碧桂園 • 鳳凰城)	Shenyang (Suijiatun)	1,320,842	100%	172,293	172,293	0	116,090	11/Jun/2009
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	314,092	100%	89,663	84,203	33,566	12,829	20/Apr/2009
Country Garden - Hill Lake Palace (碧桂園 • 山湖城)	Changsha (Ningxiang)	268,933	100%	34,492	34,492	5,628	22,314	30/Jun/2009
Country Garden Lakeside City (碧桂園濱湖城)	Chaohu (Zhongmiao)	754,173	100%	94,258	94,258	76,633	3,272	29/Jun/2009
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	509,216	100%	58,546	58,546	29,306	9,670	26/May/2009
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	625,732	100%	103,036	100,855	39,423	3,950	27/Jun/2009
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,415,716	100%	6,857	6,857	4,390	656	30/Jun/2009
Changshou Country Garden (長壽碧桂園)	Chongqing (Changshou)	462,513	100%	55,028	52,544	32,247	1,490	27/Mar/2009
Huangshan Country Garden (黃山碧桂園)	Huangshan (Huangshan)	385,868	100%	46,787	46,787	12,127	5,585	29/Jun/2009
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,569,135	100%	58,150	58,150	11,646	29,925	29/Jun/2009
<b>Total:</b>		<u>37,072,856</u>		<u>13,756,052</u>	<u>13,003,134</u>	<u>11,496,201</u>	<u>557,290</u>	

Note:

- (1) "Completed GFA", "Total completed saleable GFA", "Total saleable GFA sold and delivered" and "Total saleable GFA pre-sold pending delivery" for completed property developments are based on the surveying reports relevant government departments.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## PROPERTIES UNDER DEVELOPMENT

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA under development <sup>(1)</sup> (sq.m)	Total saleable GFA under development <sup>(2)</sup> (sq.m)	Actual commencement date	Actual Total saleable GFA pre-sold <sup>(2)</sup> (sq.m)	Actual/ Estimated	Estimated Completion Date
								date of obtaining pre-sale permit	
Shawan Country Garden (沙灣碧桂園)	Guangzhou (Panyu)	279,216	100%	66,972	62,421	25/Jul/2007	60,606	17/Jan/2008	4 <sup>th</sup> Quarter 2009
Huanan Country Garden - Phases One to Five and Phase Seven (華南碧桂園一 一至五期及七期)	Guangzhou (Panyu)	1,010,231	100%	65,072	30,107	27/May/2005	3,774	20/Nov/2008	2 <sup>nd</sup> Quarter 2010
Huanan Country Garden - Phase Six (華南碧桂園一六期)	Guangzhou (Panyu)	423,467	50%	1,076	0	15/Oct/2004	0	—	4 <sup>th</sup> Quarter 2009
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,928,696	100%	259,489	239,626	29/Apr/2007	170,633	30/Apr/2008	4 <sup>th</sup> Quarter 2011
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	535,900	100%	169,162	154,423	29/Jan/2007	148,195	22/Nov/2007	1 <sup>st</sup> Quarter 2010
Holiday Islands - Huadu (假日半島-花都)	Guangzhou (Huadu)	577,487	100%	305,959	298,804	11/May/2006	2,565	25/Jul/2008	2 <sup>nd</sup> Quarter 2011
Shunde Country Garden - including Country Garden West Court (順德碧桂園 (含碧桂園西苑)	Foshan (Shunde)	2,426,411	100%	297,783	160,936	28/Nov/2006	14,905	29/Nov/2006	4 <sup>th</sup> Quarter 2010
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	1,006,647	100%	512,453	508,651	31/May/2006	75,578	10/Jul/2008	1 <sup>st</sup> Quarter 2012
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	571,357	100%	131,024	129,974	8/Mar/2006	63,959	24/Nov/2008	4 <sup>th</sup> Quarter 2010
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,270,333	100%	504,370	453,634	22/Mar/2007	125,028	13/Sep/2007	4 <sup>th</sup> Quarter 2010
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	688,755	100%	21,502	21,442	29/Apr/2007	17,603	25/Dec/2007	4 <sup>th</sup> Quarter 2009
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	590,028	100%	188,742	187,809	18/Oct/2007	60,623	15/Apr/2009	4 <sup>th</sup> Quarter 2010
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,696,872	100%	672,622	667,310	31/Mar/2006	9,132	30/Aug/2007	4 <sup>th</sup> Quarter 2011
Yangdong Country Garden (陽東碧桂園)	Yangjiang (Yangdong)	388,771	100%	16,241	16,241	31/May/2006	10,908	17/Sep/2008	2 <sup>nd</sup> Quarter 2010
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,292,886	100%	110,330	110,089	28/Dec/2006	7,243	15/Jan/2009	3 <sup>rd</sup> Quarter 2010
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	369,413	51%	37,632	36,971	19/Sep/2006	2,370	20/Apr/2007	1 <sup>st</sup> Quarter 2010
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	2,428,496	100%	710,370	699,283	17/Jan/2007	47,040	29/Sep/2007	4 <sup>th</sup> Quarter 2012
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	972,620	100%	346,501	343,631	27/Jun/2007	95,391	28/Dec/2007	4 <sup>th</sup> Quarter 2010
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	1,424,300	90%	797,171	787,776	22/Aug/2007	51,497	24/Sep/2008	4 <sup>th</sup> Quarter 2011



# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA under development <sup>(1)</sup> (sq.m)	Total saleable GFA under development <sup>(2)</sup> (sq.m)	Actual commencement date	Actual/ Estimated		
							Total saleable GFA pre-sold <sup>(2)</sup> (sq.m)	date of obtaining pre-sale permit	Estimated Completion Date
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbei'er (Manzhouli)	3,384,294	100%	376,041	369,808	23/Jul/2007	5,103	20/Sep/2008	4 <sup>th</sup> Quarter 2011
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	407,594	100%	130,955	130,955	23/Oct/2007	9,593	21/Oct/2008	4 <sup>th</sup> Quarter 2011
Country Garden - Sun Palace (碧桂園 • 太陽城)	Shenyang (Daoyi)	1,088,229	100%	583,330	573,236	21/Jul/2007	36,555	30/Jul/2008	2 <sup>nd</sup> Quarter 2012
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	522,208	100%	221,309	218,405	21/Jul/2007	64,192	3/Jun/2008	4 <sup>th</sup> Quarter 2010
Country Garden - Galaxy Palace (碧桂園 • 銀河城)	Shenyang (Yuhong)	1,848,897	100%	515,133	514,118	19/Mar/2008	60,767	18/Jul/2008	4 <sup>th</sup> Quarter 2013
Country Garden - Phoenix City (碧桂園 • 鳳凰城)	Shenyang (Suijiatun)	1,320,842	100%	1,122,107	1,016,809	24/Sep/2007	19,620	4/Nov/2008	2 <sup>nd</sup> Quarter 2013
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	314,092	100%	127,105	125,664	13/Dec/2007	0	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2011
Country Garden - Hill Lake Palace (碧桂園 • 山湖城)	Changsha (Ningxiang)	268,933	100%	167,727	141,311	12/Nov/2007	34,355	14/Oct/2008	2 <sup>nd</sup> Quarter 2010
Country Garden Lakeside City (碧桂園濱湖城)	Chaohu (Zhongmiao)	754,173	100%	362,541	292,337	13/Dec/2007	57,014	10/Jul/2008	3 <sup>rd</sup> Quarter 2010
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	370,719	100%	83,641	83,641	1/Sep/2008	0	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2010
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	509,216	100%	413,583	395,845	30/Jan/2008	60,539	4/Jun/2008	4 <sup>th</sup> Quarter 2013
Shaoguan Country Garden - Sun Palace (韶關碧桂園 • 太陽城)	Shaoguan (Xilian)	3,740,477	100%	96,204	91,486	10/Mar/2008	0	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2010
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	632,364	100%	447,956	444,586	25/Oct/2007	0	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2011
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianqi)	941,595	100%	305,693	302,793	20/Sep/2007	6,095	23/Aug/2008	2 <sup>nd</sup> Quarter 2012
Chizhou Country Garden (池州碧桂園)	Chizhou (Chizhou)	423,187	100%	206,515	204,949	27/Jan/2008	16,651	28/Sep/2008	2 <sup>nd</sup> Quarter 2011
Country Garden - Hill Lake City (碧桂園 • 如山湖城)	Chaohu (Hexian)	2,168,515	100%	322,904	318,852	9/May/2008	0	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2010
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	625,732	100%	204,987	184,379	15/Jan/2008	11,912	24/Jun/2008	2 <sup>nd</sup> Quarter 2011
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,415,716	100%	283,712	280,496	21/May/2008	41,178	23/Jun/2008	2 <sup>nd</sup> Quarter 2011
Changshou Country Garden (長壽碧桂園)	Chongqing Changshou	462,513	100%	331,240	313,840	5/Nov/2007	57,524	25/Apr/2008	4 <sup>th</sup> Quarter 2011
Tongliao Country Garden (通遼碧桂園)	Tongliao (Ke'erqin)	1,621,231	100%	564,952	562,048	3/Nov/2007	24,049	20/Aug/2008	4 <sup>th</sup> Quarter 2013

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA under development <sup>(1)</sup> (sq.m)	Total saleable GFA under development <sup>(2)</sup> (sq.m)	Actual commencement date	Total saleable GFA pre-sold <sup>(2)</sup> (sq.m)	Actual/ Estimated date of obtaining pre-sale permit	Estimated Completion Date
Huangshan Country Garden (黃山碧桂園)	Huangshan (Huangshan)	385,868	100%	159,668	153,772	6/Jan/2008	37,612	29/Aug/2008	4 <sup>th</sup> Quarter 2011
Anqing Country Garden (安慶碧桂園)	Anqing (Anqing)	1,591,180	100%	174,311	171,335	19/Jun/2008	77,813	30/Oct/2008	2 <sup>nd</sup> Quarter 2010
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,569,135	100%	487,606	485,474	6/Jun/2008	62,587	20/Sep/2008	2 <sup>nd</sup> Quarter 2012
Chaohu Country Garden (巢湖碧桂園)	Chaohu (Nan'an)	593,465	100%	118,493	115,011	23/Apr/2008	41,724	15/Nov/2008	3 <sup>rd</sup> Quarter 2010
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	324,930	100%	29,220	23,366	4/Mar/2009	0	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	307,667	100%	19,693	17,484	1/Dec/2008	0	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	271,600	100%	271,600	271,007	25/Sep/2008	6,724	28/Sep/2008	4 <sup>th</sup> Quarter 2011
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	144,300	100%	56,413	56,413	15/Jan/2009	37,218	20/Apr/2009	3 <sup>rd</sup> Quarter 2010
<b>Total:</b>		<u>53,890,558</u>		<u>13,399,110</u>	<u>12,768,548</u>		<u>1,735,875</u>		

**Note:**

- (1) "GFA under development" is based in 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.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## Properties for futuer development - with land use rights certificates

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA for future development <sup>(1)</sup> (sq.m)	Estimated commencement date	Estimated date of obtaining pre-sale permit	Estimated Completed Date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100%	28,672	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2011
Huanan Country Garden - Phases One to Five and Phase Seven (華南碧桂園— 一至五期及七期)	Guangzhou (Panyu)	1,010,231	100%	34,200	1 <sup>st</sup> Quarter 2010	—	4 <sup>th</sup> Quarter 2010
Huanan Country Garden - Phase Six (華南碧桂園—六期)	Guangzhou (Panyu)	423,467	50%	14,000	1 <sup>st</sup> Quarter 2010	—	4 <sup>th</sup> Quarter 2010
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,928,696	100%	1,972,236	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2013
Holiday Islands - Huadu (假日半島—花都)	Guangzhou (Huadu)	577,487	100%	41,423	3 <sup>rd</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2011
Shunde Country Garden - including Country Garden West Court (順德碧桂園 (含碧桂園西苑))	Foshan (Shunde)	2,426,411	100%	7,104	1 <sup>st</sup> Quarter 2010	—	4 <sup>th</sup> Quarter 2010
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	260,570	90%	36,977	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2010	4 <sup>th</sup> Quarter 2011
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	1,006,647	100%	36,944	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2011
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	571,357	100%	16,893	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2010
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,270,333	100%	1,074,947	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2013
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	590,028	100%	218,671	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2011
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,696,872	100%	1,752,352	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2015



# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA for future development <sup>(1)</sup> (sq.m)	Estimated commencement date	Estimated	Estimated Completed Date
						date of obtaining pre-sale permit	
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,292,886	100%	565,442	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2011
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	369,413	51%	34,487	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2010
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	2,428,496	100%	1,397,859	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2019
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	972,620	100%	522,353	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2015
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	1,424,300	90%	627,129	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2010	4 <sup>th</sup> Quarter 2012
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	3,384,294	100%	3,008,253	2 <sup>nd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2011	4 <sup>th</sup> Quarter 2024
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	407,594	100%	276,639	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2014
Country Garden - Sun Palace (碧桂園•太陽城)	Shenyang (Daoyi)	1,088,229	100%	451,572	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2010	4 <sup>th</sup> Quarter 2013
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	522,208	100%	230,965	3 <sup>rd</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	4 <sup>th</sup> Quarter 2013
Country Garden - Galaxy Palace (碧桂園•銀河城)	Shenyang (Yuhong)	1,848,897	100%	1,235,525	2 <sup>nd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2011	4 <sup>th</sup> Quarter 2015
Country Garden - Phoenix City (碧桂園•鳳凰城)	Shenyang (Sujiatun)	1,320,842	100%	26,442	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2012
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	314,092	100%	97,324	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2011	4 <sup>th</sup> Quarter 2011
Country Garden - Hill Lake Palace (碧桂園•山湖城)	Changsha (Ningxiang)	268,933	100%	66,714	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2010
Country Garden Lakeside City (碧桂園濱湖城)	Chaohu (Zhongmiao)	754,173	100%	297,374	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2012
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	370,719	100%	287,078	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2012
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	509,216	100%	37,087	3 <sup>rd</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2010	4 <sup>th</sup> Quarter 2013
Shaoguan Country Garden - Sun Palace (韶關碧桂園•太陽城)	Shaoguan (Xilian)	3,740,477	100%	3,644,273	3 <sup>rd</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	4 <sup>th</sup> Quarter 2024

## COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA for future development <sup>(1)</sup> (sq.m)	Estimated commencement date	Estimated	Estimated Completed Date
						date of obtaining pre-sale permit	
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	632,364	100%	184,408	1 <sup>st</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2011	4 <sup>th</sup> Quarter 2013
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianqi)	941,595	100%	635,902	3 <sup>rd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2011	4 <sup>th</sup> Quarter 2016
Chizhou Country Garden (池州碧桂園)	Chizhou (Chizhou)	423,187	100%	216,672	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2012
Country Garden - Hill Lake City (碧桂園•如山湖城)	Hexian (Hexian)	2,168,515	100%	1,845,611	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2016
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	625,732	100%	317,709	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2015
Country Garden - Fountain Village (碧桂園•溫泉城)	Xianning (Xian'an)	315,611	100%	315,611	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2014
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,415,716	100%	1,125,147	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2018
Changshou Country Garden (長壽碧桂園)	Chongqing Changshou	462,513	100%	76,245	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2011
Tongliao Country Garden (通遼碧桂園)	Tongliao (Ke'erqin)	1,621,231	100%	1,056,279	1 <sup>st</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2012	4 <sup>th</sup> Quarter 2016
Huangshan Country Garden (黃山碧桂園)	Huangshan (Huangshan)	385,868	100%	179,413	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2012
Anqing Country Garden (安慶碧桂園)	Anqing (Anqing)	1,591,180	100%	1,416,869	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2014
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,569,135	100%	2,023,379	1 <sup>st</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2011	4 <sup>th</sup> Quarter 2024
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	252,082	100%	252,082	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2011
Chaohu Country Garden (巢湖碧桂園)	Chaohu (Nan'an)	593,465	100%	474,972	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2014
Liuyang Country Garden (瀏陽碧桂園)	Changsha (Liuyang)	396,046	100%	396,046	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2012

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

Project	City (District)	Aggregate GFA for entire project (sq.m)	Interest attributable to the Company (%)	GFA for future development <sup>(1)</sup> (sq.m)	Estimated commencement date	Estimated	Estimated Completed Date
						date of obtaining pre-sale permit	
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	324,930	100%	295,710	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2012
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	307,667	100%	287,974	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2013
Tianjin Country Garden 3 <sup>rd</sup> Quarter 2011 (provisional name) (天津碧桂園 (暫定名))	Tianjin (Balitai)	145,155	100%	145,155	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	144,300	100%	87,887	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2012
Zhaoqing Country Garden - Hill Lake Palace (肇慶碧桂園 • 山湖城)	Zhaoqing (Gaoyao)	60,178	51%	60,178	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2010
Country Garden - Park Prime (碧桂園 • 公園 1 號)	Jiangmen (Heshan)	184,808	100%	184,808	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2010
<b>Total:</b>		53,609,988		29,618,992			

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 comprises primarily the proceeds from the sale of properties or provision of services after the elimination of transactions between the companies now comprising the Group. The revenue is primarily generated from its four business segments: property development, construction and decoration, property management and hotel operation. The revenue increased by 23.7% to approximately RMB9,202.8 million in the first half of 2009 from approximately RMB7,438.1 million for the corresponding period in 2008, primarily attributable to the increase in sales of property. The revenues generated from property development, construction and decoration, property management and hotel operation are RMB8,648.3 million, RMB258.2 million, RMB162.0 million and RMB134.3 million, respectively.

#### *Property development*

Revenue generated from property development increased by 24.8% to approximately RMB8,648.3 million for the six months ended 30 June 2009 from approximately RMB6,932.4 million for the corresponding period in 2008; primarily attributable to a 100.9% increase in total gross floor area ("GFA") sold to 1,738,758 sq.m in the first half of 2009 from 865,360 sq.m for the corresponding period in 2008. The recognised average selling price of property decreased to RMB4,973 per sq.m in the first half of 2009 from RMB8,012 per sq.m for the corresponding period in 2008, which indicated a 37.9% decrease.

#### *Construction and decoration*

Revenue generated from the construction and decoration increased by 7.6% to approximately RMB258.2 million for the six months ended 30 June 2009 from approximately RMB239.9 million for the corresponding period in 2008, primarily attributable to an increase in the volume of construction and decoration services rendered to Qingyuan Country Garden Property Development Co., Ltd. (a related party of the Group).

#### *Property management*

Revenue generated from the property management increased by 15.1% to approximately RMB162.0 million for the six months ended 30 June 2009 from approximately RMB140.8 million for the corresponding period in 2008, 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, Wuyi Country Garden, Shaoguan Country Garden and Heshan Country Garden in the second half year of 2008 and the first half year of 2009.

#### *Hotel operation*

Revenue generated from the hotel operation increased by 7.4% to approximately RMB134.3 million for the six months ended 30 June 2009 from approximately RMB125.0 million for the corresponding period in 2008, primarily attributable to the opening of five-star standard Xinhui Country Garden Phoenix Hotel and Zhaoqing Country Garden Phoenix Hotel during the period.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## Cost of sales

Cost of sales of the Group represents primarily the costs we incur directly for our property development activities which include construction, decoration and design costs, land use rights cost and business taxes. Property developments require substantial capital investment for land acquisition and construction and may take several months or years before generating positive cash flows.

Cost of sales increased by 77.7% to approximately RMB6,276.0 million for the six months ended 30 June 2009 from approximately RMB3,530.9 million for the corresponding period in 2008. The increase in construction, decoration and design costs was in line with the increase of GFA delivered.

## Gross profit

Gross profit of the Group decreased by 25.1% to approximately RMB2,926.8 million for the six months ended 30 June 2009 from approximately RMB3,907.2 million for the corresponding period in 2008. The gross margin for the first half of 2009 decreased to 31.8% from 52.5% for the corresponding period in 2008.

## Other gains-net

Other gains-net of the Group decreased by 67.9% to approximately RMB12.5 million of gain for the six months ended 30 June 2009 from approximately RMB38.9 million of gain for the corresponding period in 2008. It is mainly due to the 68.1% decrease in return from the Equity Swap from RMB27.0 million to RMB8.6 million during the period.

## Selling and marketing costs

Selling and marketing costs of the Group decreased by 51.2% to approximately RMB106.7 million for the six months ended 30 June 2009 from approximately RMB218.6 million for the corresponding period in 2008, which is primarily attributable to a 76.3% decrease in advertisement expense from RMB100.2 million in the first half of 2008 to RMB23.7 million for the corresponding period of 2009. This is due to the heavy publicity of new projects in 2008.

## Administrative expenses

Administrative expenses of the Group decreased by 29.3% to approximately RMB393.7 million for the six months ended 30 June 2009 from approximately RMB556.6 million for the corresponding period in 2008, primarily attributable to the measures taken by the Group to effectively cut its administrative expense. Among all the administration expenses, salary decreased by 26.7% from RMB153.3 million for the first half of 2008 to RMB112.3 million for the corresponding period of 2009; donation expense witness a decrease by 96.7% from RMB70.0 million for the six months ended 30 June 2008 to RMB2.3 million for the corresponding period of 2009.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## Finance costs - net

Finance costs-net of the Group decreased by 29.6% to approximately RMB390.0 million for the six months ended 30 June 2009 from approximately RMB554.1 million for the corresponding period in 2008. For the first six months of 2009, the interest expense and exchange loss of the Group was RMB409.9 million compare with RMB593.3 million for the corresponding period of 2008. The decrease was due to the decrease of bank loan interest rate in the second half of 2008. Besides, according the HKAS 23(revised), the Group started to capitalise its borrowing cost since 1 January 2009, so for the six months ended 30 June 2009 approximately RMB69.2 million of borrowing cost has been capitalised and recorded as properties under development instead of finance cost.

## Fair value changes on derivative financial instruments

On 15 February 2008, the company entered into a cash settled equity swap transaction (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 dated 17 February 2008) is higher than the Initial Price (as defined in the announcement dated 17 February 2008) and the Equity Swap Counterparty 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 2009, the profit from the fair value change on the Equity Swap was approximately RMB431.8 million for the six months ended 30 June 2009.

## Profit attributable to the equity owners

Profit attributable to the equity owners (after adjustments for profit from the fair value change of the Equity Swap ) for the six months ended 30 June 2009 of the Group decreased by 5.1% to approximately RMB1,384.5 million from approximately RMB1,458.5 million for the corresponding period in 2008. The net profit margin fell from 19.6% for the first half of 2008 to 15.0% for the corresponding period as a result of the cumulative effect of the foregoing factors.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### *Cash position*

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB9,432.1 million as at 30 June 2009 (31 December 2008: RMB5,734.6 million). As at 30 June 2009, 80.2% and 19.8% 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 2009, the carrying amount of the restricted cash was approximately RMB4,576.9 million (31 December 2008: RMB2,728.1 million). Pursuant to relevant regulations, certain of the project companies are 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 may 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 has approximately US\$250.0 million (equivalent to approximately RMB 1,708.0 million) deposit as collateral for the Equity Swap with Merrill Lynch International and RMB 1,570.0 million as collateral for borrowing which is deposited in specific bank accounts.

### *Net current assets and current ratio*

The Group had net current assets of approximately RMB15,819.4 million as at 30 June 2009 (31 December 2008: RMB14,310.5 million). The current ratio being current assets over current liabilities kept relatively stable as approximately 1.7 as at both 31 December 2008 and 30 June 2009.

### *Borrowings and charges on group assets*

The Group had an aggregated borrowing as at 30 June 2009 of approximately RMB10,828.1 million, of which approximately RMB4,781.1 million will be repayable within 1 year, approximately RMB5,597.0 million will be repayable between 2 and 5 years and the remaining RMB450.0 million to be repayable within the future 5-10 years. As at 30 June 2009, the substantial part of the bank borrowings are secured by land use rights and properties of the Group and guaranteed by Group companies.

### *Net gearing ratio*

The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalent) over the total capital and reserves attributable to equity owners. As at 30 June 2009, the gearing ratio was 35.7% (31 December 2008: 40.9%).

### *Interest rate risk*

The weighted average interest rate of the Group's borrowing decreased to 4.99% for the six months ended 30 June 2009 from 7.37% for 2008. In addition, the Group issued a convertible bond in the first half of 2008, whose interest rate is calculated using effective interest rate method. The effective annual interest rate of the liability component is 9.24%. The Group has implemented certain interest rate management which includes, among the 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 2009, the exchange rates of Renminbi to Hong Kong dollars kept stable. For the six months ended 30 June 2009, there was an exchange losses of RMB0.7 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 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 2009, the Group had LAT expenses of approximately RMB154.4 million. As by 30 June 2009, the Group had LAT provision balance of RMB1,564.4 million.

## *Contingent liability*

As at 30 June 2009, the Group had some contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB11,262.6 million (31 December 2008: approximately RMB10,450.8 million).

This 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 2009, approximately RMB372.9 million (31 December 2008: approximately RMB392.2 million) was to be discharged two years from the day the mortgaged loans become due; and approximately RMB10,889.7 million (31 December 2008: approximately RMB10,058.6 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 loan by the purchasers of properties.

The Directors consider that in case of default in payments, the net realisable 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.

## *Capital and property development commitments*

As at 30 June 2009, the capital commitments in connection with the property development activities amounted to approximately RMB6,209.8 million (31 December 2008: approximately RMB6,024.4 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.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## *EMPLOYEES AND REMUNERATION POLICY*

As at 30 June 2009, the Group had 25,234 full-time employees, which had decreased by 3,834 from 29,068 as at 31 December 2008. According to its development strategy, the Group has been optimizing and downsizing its positions and reducing the recruitment of low level employees since 2009. 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 organised 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 receive 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. As at the date of this report, there were no significant labor disputes which adversely affect or likely to have an adverse effect on the operations of the business occurred.

## DISCLOSURE OF INTERESTS

### DIRECTORS' AND EXECUTIVES' INTERESTS

As at 30 June 2009, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register which were required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(i) *Interest in the Company (long position)*

Name of Director	Capacity	Number of ordinary shares	Percentage to issued share capital
Mr. CUI Jianbo	interest of spouse (Note 1)	7,921,000	0.05%
Ms. YANG Huiyan	interest of controlled corporation (Note 2)	9,672,546,000	59.12%
Mr. YANG Erzhu	interest of controlled corporation (Note 2)	972,000,000	5.94%
Mr. SU Rubo	interest of controlled corporation (Note 2)	716,000,000	4.38%
Mr. ZHANG Yaoyuan	interest of controlled corporation (Note 2)	816,000,000	4.99%
Mr. OU Xueming	interest of controlled corporation (Note 2)	736,000,000	4.50%
Mr. YANG Yongchao	interest of spouse (Note 3)	3,310,000	0.02%

(ii) *Interest in an associated corporation of the Company (long position)*

Name of Director	Name of the associated corporation	Number of class of securities	Shareholding percentage
Ms. YANG Huiyan	Concrete Win Limited	2 shares of US\$1.00	100%

Notes:

Note 1: The shares represent shares held by Ms. HE Jianxun being the spouse of Mr. CUI Jianbo.

Note 2: 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.

Note 3: The shares represent shares held by Ms. SU Yuming being the spouse of Mr. YANG Yongchao.

Save as disclosed above, as at 30 June 2009, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register which were required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code. As at 30 June 2009, none of Directors or their spouse or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2009, the interests and short positions of persons, other than the Directors or chief executive of the Company, in the shares and the underlying shares of the Company representing 5% or more of the nominal value of shares comprised in the relevant share capital of the Company as recorded in the register kept by the Company under Section 336 of the SFO were as follows:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Percentage to issued share capital</b>
Concrete Win Limited ( <i>Note 1</i> )	beneficial owner	9,672,546,000	59.12%
Automic Group Limited ( <i>Note 2</i> )	beneficial owner	972,000,000	5.94%

*Notes:*

*Note 1:* These 9,672,546,000 shares are held by Concrete Win Limited, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.

*Note 2:* These 972,000,000 shares are held by Automic Group Limited, the entire issued share capital of which is beneficially owned by Mr. YANG Erzhu.

Save as disclosed, none of the Directors knows of any person (not being a Director or chief executive of the Company) who will have an interest or short position in the shares or underlying shares of the Company as representing 5% or more of the nominal value of shares comprised in the relevant share capital of the Company.



## 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 2009. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim results for the six months ended 30 June 2009 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.

### COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code as the code for dealing in securities of the Company by the Directors. Specific confirmation has been obtained from all Directors to confirm compliance with the required standard set out in the Model Code for six months ended 30 June 2009. No incident of non-compliance was noted by the Company to date in 2009. 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 for six months ended 30 June 2009.

### 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.

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 during the six months ended 30 June 2009.

### 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 share options were granted during the period since adoption.

# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## EMPLOYEE INCENTIVE SCHEME

The Company proposed to set up an 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. 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. During the period, for the purpose of the Employee Incentive Scheme, the Company had through its subsidiary purchased from the market a total of 1,104,000 shares. The total amount paid to acquire these 1,104,000 shares during the period was about RMB1,850,000. As at 30 June 2009, the cumulative total of the shares purchased under the Employee Incentive Scheme were 58,711,000 shares.

## PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

Save as disclosed under “Employee Incentive Scheme”, during the six months ended 30 June 2009, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listing securities.

## INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2009 (2008: Nil).

## CONSOLIDATED INTERIM BALANCE SHEET

(All amounts in RMB thousand unless otherwise stated)

	<i>Note</i>	<b>Unaudited 30 June 2009</b>	Audited 31 December 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	<b>2,999,897</b>	2,841,970
Investment property	4	<b>145,048</b>	148,865
Intangible assets	4	<b>13,681</b>	13,342
Land use rights	4	<b>8,333,290</b>	7,596,813
Available-for-sale financial assets		<b>29,999</b>	29,999
Properties under development		<b>3,929,097</b>	3,949,275
Deferred income tax assets		<b>932,980</b>	1,092,357
		<b>16,383,992</b>	15,672,621
<b>Current assets</b>			
Land use rights	4	<b>5,485,748</b>	6,042,427
Properties under development		<b>13,595,077</b>	14,992,197
Completed properties held for sale		<b>4,040,106</b>	3,205,398
Inventories		<b>199,981</b>	154,347
Trade and other receivables	5	<b>3,479,953</b>	3,338,589
Prepaid taxes		<b>909,399</b>	974,874
Restricted cash	6	<b>4,576,890</b>	2,728,115
Cash and cash equivalents	7	<b>4,855,235</b>	3,006,492
		<b>37,142,389</b>	34,442,439
<b>Total assets</b>		<b>53,526,381</b>	50,115,060
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity owners</b>			
Share capital and premium	8	<b>14,684,724</b>	14,686,574
Reserves	9	<b>859,729</b>	859,729
Retained earnings			
- proposed final dividend		—	490,800
- others		<b>4,879,986</b>	3,063,640
		<b>20,424,439</b>	19,100,743
<b>Minority interest</b>		<b>305,216</b>	279,926
<b>Total equity</b>		<b>20,729,655</b>	19,380,669

## COUNTRY GARDEN HOLDINGS COMPANY LIMITED

	<i>Note</i>	<b>Unaudited 30 June 2009</b>	Audited 31 December 2008
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings	10	<b>6,047,072</b>	5,003,250
Convertible bond	11	<b>4,146,638</b>	4,018,482
Deferred government grants		<b>107,780</b>	—
Derivative financial instruments	13	<b>809,692</b>	1,241,530
Deferred income tax liabilities		<b>362,514</b>	339,196
		<b>11,473,696</b>	10,602,458
<b>Current liabilities</b>			
Advanced proceeds received from customers		<b>8,435,156</b>	9,113,623
Trade and other payables	12	<b>5,318,592</b>	5,485,674
Dividend payable	19	<b>490,800</b>	—
Income tax payable		<b>2,297,423</b>	2,709,572
Bank borrowings	10	<b>4,781,059</b>	2,823,064
		<b>21,323,030</b>	20,131,933
<b>Total liabilities</b>		<b>32,796,726</b>	30,734,391
<b>Total equity and liabilities</b>		<b>53,526,381</b>	50,115,060
<b>Net current assets</b>		<b>15,819,359</b>	14,310,506
<b>Total assets less current liabilities</b>		<b>32,203,351</b>	29,983,127

The notes on pages 34 to 62 form an integral part of this interim financial information.



## CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB thousand unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2009	2008
<b>Revenue</b>	3	<b>9,202,812</b>	7,438,138
Cost of sales	15	<b>(6,276,024)</b>	(3,530,914)
<b>Gross profit</b>		<b>2,926,788</b>	3,907,224
Other gains – net	14	<b>12,525</b>	38,933
Selling and marketing costs	15	<b>(106,699)</b>	(218,599)
Administrative expenses	15	<b>(393,745)</b>	(556,603)
<b>Operating profit</b>		<b>2,438,869</b>	3,170,955
Finance income		<b>19,889</b>	39,176
Finance costs		<b>(409,880)</b>	(593,285)
Finance costs - net	16	<b>(389,991)</b>	(554,109)
Fair value changes on derivative financial instruments	13	<b>431,838</b>	(442,755)
<b>Profit before income tax</b>		<b>2,480,716</b>	2,174,091
Income tax expense	17	<b>(639,080)</b>	(1,108,130)
<b>Profit for the period</b>		<b>1,841,636</b>	1,065,961
Other comprehensive income		—	—
<b>Total comprehensive income for the period</b>		<b>1,841,636</b>	1,065,961
<b>Profit and total comprehensive income attributable to:</b>			
Equity owners of the Company		<b>1,816,346</b>	1,015,769
Minority interest		<b>25,290</b>	50,192
		<b>1,841,636</b>	1,065,961
<b>Earnings per share attributable to the equity holders of the Company (RMB cents)</b>			
<b>Basic and diluted</b>	18	<b>11.14</b>	6.22
<b>Dividends</b>	19	—	—

The notes on pages 34 to 62 form an integral part of this interim financial information.

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(All amounts in RMB thousand unless otherwise stated)

	Unaudited					
	Attributable to equity owners of the Company					
	Share capital and premium <i>(Note 8)</i>	Reserves <i>(Note 9)</i>	Retained earnings	Total	Minority interest	Total equity
<b>Balance at 1 January 2008</b>	14,989,639	278,785	3,889,828	19,158,252	240,868	19,399,120
Capital injections to subsidiaries by their then shareholders	—	—	—	—	2,250	2,250
Equity component of convertible bonds	—	424,821	—	424,821	—	424,821
Purchase of treasury shares	(288,450)	—	—	(288,450)	—	(288,450)
Profit for the period	—	—	1,015,769	1,015,769	50,192	1,065,961
Dividends	—	—	(1,557,472)	(1,557,472)	—	(1,557,472)
<b>Balance at 30 June 2008</b>	<u>14,701,189</u>	<u>703,606</u>	<u>3,348,125</u>	<u>18,752,920</u>	<u>293,310</u>	<u>19,046,230</u>
<b>Balance at 1 January 2009</b>	<b>14,686,574</b>	<b>859,729</b>	<b>3,554,440</b>	<b>19,100,743</b>	<b>279,926</b>	<b>19,380,669</b>
Purchase of treasury shares <i>(note 8(a))</i>	(1,850)	—	—	(1,850)	—	(1,850)
Profit for the period	—	—	1,816,346	1,816,346	25,290	1,841,636
Dividend <i>(note 19)</i>	—	—	(490,800)	(490,800)	—	(490,800)
<b>Balance at 30 June 2009</b>	<u>14,684,724</u>	<u>859,729</u>	<u>4,879,986</u>	<u>20,424,439</u>	<u>305,216</u>	<u>20,729,655</u>

The notes on pages 34 to 62 form an integral part of this interim financial information.

## CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

(All amounts in RMB thousand unless otherwise stated)

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2009</b>	2008
Net cash flows from/(used in) operating activities	<b>592,924</b>	(4,514,971)
Net cash used in investing activities	<b>(174,148)</b>	(1,894,796)
Net cash from financing activities	<b>1,429,967</b>	1,952,722
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	<b>1,848,743</b>	(4,457,045)
Cash and cash equivalents at the beginning of the period	<b>3,006,492</b>	8,483,420
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	<b>4,855,235</b>	4,026,375
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 34 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.

The interim financial information is presented in units of Renminbi ("RMB") thousand, unless otherwise stated and was approved by The Board of Directors of the Company for issue on 25 August 2009.

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 2009 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34, 'Interim Financial Reporting'. The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

#### 2.2 Accounting policies

Except the change for accounting policy for borrowing cost as stated below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, 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.



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

2 Basis of preparation and accounting policies *(continued)*

2.2 Accounting policies *(continued)*

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009:

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the consolidated statement of comprehensive income) or two statements (the consolidated income statement and consolidated statement of comprehensive income).

The Group has elected to present one performance statement (the consolidated statement of comprehensive income). The interim financial information has been prepared under the revised disclosure requirements.

- HKAS 23 (Revised) 'Borrowing costs'. The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed.

Prior to 1 January 2009, borrowing costs were charged to the consolidated income statement in the accounting period in which they were incurred in accordance with benchmark treatments under HKAS 23 'Borrowing costs'. The adoption of the revised HKAS 23 has resulted in a change in the accounting policy for borrowing costs. The Group applied the revised HKAS 23 from 1 January 2009 prospectively according to the transitional provisions of the revised HKAS 23. The adoption of the revised HKAS 23 resulted in:

	<b>Unaudited 30 June 2009</b>
Increase in properties under development	<b>69,178</b>
	<b>Unaudited Six months ended 30 June 2009</b>
Decrease in finance costs – net	<b>69,178</b>
Increase in basic and diluted earnings per share (RMB cents)	<b>0.42</b>

## SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

### 2 Basis of preparation and accounting policies *(continued)*

#### 2.2 Accounting policies *(continued)*

- HKAS 40 (Amendment), 'Investment property' (and consequential amendments to HKAS 16). Property that is under construction or development for future use as investment property is within the scope of HKAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment did not have any impact on the Group's operations, as no investment properties under construction or development for future use are held by the Group.
- HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM makes strategic decisions. The adoption of this standard did not have any material impact on the disclosure of segment information.
- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The Group will make additional relevant disclosures in its financial statements for the year ending 31 December 2009.
- HK(IFRIC) - Int 15, 'Agreements for construction of real estates' supercedes HK Int-3, 'Revenue – Pre-completion contracts for the sale of development properties'. HK(IFRIC) - Int 15 clarifies whether HKAS 18, 'Revenue' or HKAS 11, 'Construction contracts' should be applied to particular transactions. The adoption of this interpretation did not have any material impact on the Group's financial statement.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group:

- HKFRS 1 (amendment), 'First time adoption of HKFRS' and HKAS 27 'Consolidated and separate financial statements'.
- HKFRS 2 (amendment), 'Share-based payment'.
- HKAS 32 (amendment), 'Financial instruments: presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.
- HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

## SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

### 2 Basis of preparation and accounting policies *(continued)*

#### 2.2 Accounting policies *(continued)*

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 July 2009 and have not been early adopted or not relevant:

- HKAS 27 (Revised), 'Consolidated and separate financial statements', effective for annual periods beginning on or after 1 July 2009. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.
- Amendment to HKAS 39, 'Financial instruments: Recognition and measurement' on eligible hedged items, effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it does not have any hedged items.
- HKFRS 3 (revised), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The Group does not have any associates or joint ventures.

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (revised) to all business combinations from 1 January 2010. This is not currently relevant for the Group as it has no any business combinations.

- HK(IFRIC) 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not relevant to the Group, as it has not made any non-cash distributions.
- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.

## SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

### 2 Basis of preparation and accounting policies *(continued)*

#### 2.2 Accounting policies *(continued)*

HKICPA's improvements to HKFRS published in May 2009:

- Amendment to HKFRS 2 'Share-based payments', effective for periods beginning on or after 1 July 2009. This clarification confirms that HKFRS 3(revised) does not change the scope of HKFRS 2. This is not currently relevant for the Group as it has not issued equity instruments for business combination under common control or for the formation of a joint venture.
- Amendment to HKFRS 5 'Non-current Assets held for sale and discontinued operations', effective for periods beginning on or after 1 January 2010. Disclosures in standards other than HKFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those HKFRSs specifically require disclosures for them. Additional disclosures about these assets or discontinued operations may be necessary to comply with the general requirements of HKAS 1 'Presentation of financial statements'. This is not currently relevant for the Group as it has no any non-current assets held for sale or discontinued operations.
- Amendment to HKFRS 8 'Operating segments', effective for periods beginning on or after 1 January 2010. Disclosure of information about total assets and liabilities for each reportable segment is required only if such amounts are regularly provided to the chief operating decision maker. The Group will apply HKFRS 8 (amendment) from 1 January 2010, but it is not expected to have a material impact on the Group's financial statements.
- Amendment to HKAS 1 'Presentation of financial statements', effective for periods beginning on or after 1 January 2010. Current / non-current classification of the liability component of convertible instruments is not affected by the holder's option which will result in the settlement by the issuance of equity instruments. The Group will apply HKAS 1 (amendment) from 1 January 2010, but it is not expected to have a material impact on the Group's financial statements.
- Amendment to HKAS 7 'Statement of cash flows', effective for periods beginning on or after 1 January 2010. Only expenditures that result in a recognised asset are eligible for classification as investing activities. The Group will apply HKAS 7 (amendment) from 1 January 2010, but it is not expected to have a material impact on the Group's financial statements.
- Amendment to HKAS 17 'Leases', effective for periods beginning on or after 1 January 2010. The amendment removes the specific guidance on the classification of long-term leases of land as operating leases. When classifying land leases, the general principles applicable to the classification of leases should be applied. The classification of land leases has to be reassessed on adoption of the amendment on the basis of information existing at inception of the leases. The Group will apply HKAS 17 (amendment) from 1 January 2010, but it is not expected to have a material impact on the Group's financial statements.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*2 Basis of preparation and accounting policies *(continued)*2.2 Accounting policies *(continued)*

HKICPA's improvements to HKFRS published in May 2009: *(continued)*

- Amendment to HKAS 36 'Impairment of assets', effective for periods beginning on or after 1 January 2010. This clarifies that the largest unit permitted for the goodwill impairment test is the lowest level of operating segment before any aggregation as defined in HKFRS 8. The Group will apply HKAS 36 (amendment) from 1 January 2010, but it is not expected to have a material impact on the Group's financial statements.
- Amendment to HKAS 38 'Intangible assets', effective for periods beginning on or after 1 July 2009. This clarifies the description of the valuation techniques commonly used to measure intangible assets acquired in a business combination when they are not traded in an active market. In addition, an intangible asset acquired in a business combination might be separable but only together with a related contract, identifiable asset or liability. In such cases, the intangible asset is recognised separately from goodwill but together with the related item. This is not currently relevant for the Group as it has no any intangible assets acquired in a business combination.
- Amendment to HKAS 39 'Financial instruments: recognition and measurement', effective for periods beginning on or after 1 January 2010. Loan prepayment penalties are treated as closely related embedded derivatives, only if the penalties are payments that compensate the lender for loss of interest by reducing the economic loss from reinvestment risk. In addition, the scope exemption to business combination contracts only applies to forward contracts that are firmly committed to be completed between the acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future acquisition date. Therefore option contracts are not in this scope exemption. This amendment also clarifies that in a cash flow hedge of a forecast transaction that a reclassification of the gains or losses on the hedged item from equity to profit or loss is made during the period the hedged forecast cash flows affect profit or loss. This is not currently relevant for the Group as it does not have such loan prepayment penalties and forward contracts.
- Amendment to HK (IFRIC) 9 'Reassessment of embedded derivatives', effective for periods beginning on or after 1 July 2009. This amendment aligns the scope of HK (IFRIC) 9 to the scope of HKFRS 3(revised): the interpretation does not apply to embedded derivatives in contracts acquired in a business combination, a common control combination or the formation of a joint venture. This is not currently relevant for the Group as it does not have such embedded derivatives.
- Amendment to HK (IFRIC) 16 'Hedges of a net investment in a foreign operation', effective for periods beginning on or after 1 July 2009. This amendment removes the restriction on the entity that can hold hedging instruments in a net investment hedge. The hedging instruments can be held by the foreign operation that itself is being hedged. This is not currently relevant for the Group as it does not have such hedge.



## SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

### 3 Revenue and segment information

The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM considers the business from product perspective. From a product perspective, management assesses the performance of:

- Property development;
- Construction, fitting and decoration;
- Property management;
- Hotel operations.

The CODM assesses the performance of the operating segments based on a measure of operating profit.

Total assets exclude available-for-sale financial assets, deferred income tax assets and collateral for equity swap, all of which are managed on a central basis.

Revenue consists of the following:

	<b>Six months ended 30 June</b>	
	<b>2009</b>	2008
Sales of properties	<b>8,648,349</b>	6,932,444
Rendering of construction and decoration services	<b>258,233</b>	239,856
Rendering of property management services	<b>162,013</b>	140,849
Rendering of hotel services	<b>134,217</b>	124,989
	<b><u>9,202,812</u></b>	<u>7,438,138</u>

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 exceed 10% or more of the Group's revenue.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

3 Revenue and segment information *(continued)*

The unaudited segment results for the six months ended 30 June 2009 are as follows:

	Property development	Construction, fitting and decoration	Property management	Hotel operation	Group
Total revenue	8,648,349	1,576,827	165,275	134,291	10,524,742
Inter-segment revenue	—	(1,318,594)	(3,262)	(74)	(1,321,930)
Revenue (from external customers)	8,648,349	258,233	162,013	134,217	(9,202,812)
Operating profit	2,396,264	69,466	19,769	(46,630)	2,438,869
Finance income	16,588	2,016	400	885	19,889
Finance costs					
-Borrowings	(218,146)	(7,753)	—	(1,900)	(227,799)
-Convertible bond					(182,081)
Fair value changes on derivative financial instruments					431,838
Profit before income tax					2,480,716
Income tax expenses					(639,080)
Profit for the period					1,841,636

The unaudited segment results for the six months ended 30 June 2008 are as follows:

	Property development	Construction, fitting and decoration	Property management	Hotel operation	Group
Total revenue	6,932,444	4,558,599	146,882	129,164	11,767,089
Inter-segment revenue	—	(4,318,743)	(6,033)	(4,175)	(4,328,951)
Revenue (from external customers)	6,932,444	239,856	140,849	124,989	7,438,138
Operating profit	3,150,792	59,437	12,396	(51,670)	3,170,955
Finance income	34,025	3,387	454	1,310	39,176
Finance costs					
-Borrowings	(450,659)	(21,131)	—	(5,064)	(476,854)
-Convertible bond					(116,431)
Fair value changes on derivative financial instruments					(442,755)
Profit before income tax					2,174,091
Income tax expenses					(1,108,130)
Profit for the period					1,065,961

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

3 Revenue and segment information *(continued)*

	Property development	Construction, fitting and decoration	Property management	Hotel operation	Group
<b>At 30 June 2009</b>					
Total segment assets	<b>44,903,961</b>	<b>2,253,253</b>	<b>200,701</b>	<b>3,497,512</b>	<b>50,855,427</b>
Capital expenditure	<b>2,128</b>	<b>478</b>	<b>283</b>	<b>264,498</b>	<b>267,387</b>
Total segment liabilities	<b>22,115,818</b>	<b>2,121,879</b>	<b>221,340</b>	<b>721,422</b>	<b>25,180,459</b>

At 31 December 2008

	Property development	Construction, fitting and decoration	Property management	Hotel operation	Group
Total segment assets	42,542,651	1,248,218	210,914	3,282,272	47,284,055
Capital expenditure	646,458	42,908	6,200	856,642	1,552,208
Total segment liabilities	20,346,514	1,579,591	229,947	269,559	22,425,611

Capital expenditure comprises additions to property, plant and equipment, investment property and intangible assets.

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

	<b>30 June 2009</b>	31 December 2008
Total segment assets	<b>50,855,427</b>	47,284,055
Available-for-sale financial assets	<b>29,999</b>	29,999
Deferred income tax assets	<b>932,980</b>	1,092,357
Collateral for equity swap	<b>1,707,975</b>	1,708,649
<b>Total assets per balance sheet</b>	<b>53,526,381</b>	50,115,060
Total segment liabilities	<b>25,180,459</b>	22,425,611
Deferred income tax liabilities	<b>362,514</b>	339,196
Income tax payable	<b>2,297,423</b>	2,709,572
Derivative financial instruments	<b>809,692</b>	1,241,530
Convertible bond	<b>4,146,638</b>	4,018,482
<b>Total liabilities per balance sheet</b>	<b>32,796,726</b>	30,734,391

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

4 Property, plant and equipment, land use rights, investment property and intangible assets

	Property, plant and equipment	Land use rights	Investment property	Intangible assets
<b>Six months ended 30 June 2008</b>				
<b>Opening net book amount</b>				
at 1 January 2008	1,621,654	10,110,179	—	4,083
Additions	565,787	3,582,857	142,538	5,765
Disposals	(412)	—	—	—
Transfer to cost of sales	—	(310,515)	—	—
Depreciation	(88,433)	—	—	—
Amortisation				
- expensed in administrative expenses	—	(74,326)	—	(1,019)
- capitalised in properties under development	—	(43,996)	—	—
	<u>2,098,596</u>	<u>13,264,199</u>	<u>142,538</u>	<u>8,829</u>
<b>Closing net book amount</b>				
at 30 June 2008	<u>2,098,596</u>	<u>13,264,199</u>	<u>142,538</u>	<u>8,829</u>

	Property, plant and equipment	Land use rights	Investment property	Intangible assets
<b>Six months ended 30 June 2009</b>				
<b>Opening net book amount</b>				
at 1 January 2009	2,841,970	13,639,240	148,865	13,342
Additions	265,259	927,206	—	2,128
Disposals	(3,843)	—	—	—
Transfer to cost of sales	—	(601,419)	—	—
Depreciation	(103,489)	—	(3,817)	—
Amortisation				
- expensed in administrative expenses	—	(86,293)	—	(1,789)
- capitalised in properties under development	—	(59,696)	—	—
	<u>2,999,897</u>	<u>13,819,038</u>	<u>145,048</u>	<u>13,681</u>
<b>Closing net book amount</b>				
at 30 June 2009	<u>2,999,897</u>	<u>13,819,038</u>	<u>145,048</u>	<u>13,681</u>

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

5 Trade and other receivables

	As at	
	30 June 2009	31 December 2008
Trade receivables <i>(note (a))</i> :	<b>589,537</b>	300,519
–Third parties	<b>208,884</b>	300,519
–Related companies <i>(note 22 (d))</i>	<b>380,653</b>	—
Other receivables - third parties <i>(note (b))</i>	<b>479,546</b>	340,826
Amounts due from customers for contract work <i>(note (c))</i>	<b>204,697</b>	358,300
Prepayments – third parties <i>(note (d))</i>	<b>2,209,130</b>	2,341,901
Less: Impairment of provision of other receivables	<b>(2,957)</b>	(2,957)
	<b>3,479,953</b>	3,338,589

As at 30 June 2009, the fair value of trade and other receivables approximates their carrying amounts.



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

5 Trade and other receivables *(continued)*

Notes:

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

	As at	
	30 June 2009	31 December 2008
Within 90 days	503,313	249,441
Over 90 days and within 180 days	40,540	20,163
Over 180 days and within 365 days	34,695	24,544
Over 365 days	10,989	6,371
	<u>589,537</u>	<u>300,519</u>

- (b) Other receivables mainly related to the auction deposit in respect of application of the land use rights at land auctions conducted by the People's Republic of China (the "PRC") government.

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

	As at	
	30 June 2009	31 December 2008
Cost incurred	3,498,511	3,438,876
Recognised profits (less recognised losses)	1,676,436	1,480,054
	<u>5,174,947</u>	<u>4,918,930</u>
Less: progress billings	(4,970,250)	(4,560,630)
	<u>204,697</u>	<u>358,300</u>
Represented by:		
Amounts due from customers	<u>204,697</u>	<u>358,300</u>
Including: Related companies <i>(note 22(d))</i>	149,993	292,624
Third parties	54,704	65,676

- (d) Prepayment are mainly in respect of acquisition of land use rights of RMB1,983 million (31 December 2008: RMB1,835 million) 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 2009.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

6 Restricted cash

	As at	
	30 June 2009	31 December 2008
Guarantee deposits for pre-sale properties under construction <i>(note)</i>	1,249,583	1,019,466
Collateral for equity swap <i>(note 13)</i>	1,707,975	1,708,649
Collateral for borrowings <i>(note 10)</i>	1,570,000	—
Collateral for bills payable	49,332	—
	<b>4,576,890</b>	<b>2,728,115</b>

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 payments of construction fee of the relevant property projects when approval from the 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.

7 Cash and cash equivalents

	As at	
	30 June 2009	31 December 2008
Cash at bank and in hand:		
Denominated in RMB	7,563,806	3,667,064
Denominated in HK dollar	159,664	331,523
Denominated in US dollar	1,708,655	1,736,020
	<b>9,432,125</b>	5,734,607
Less: restricted cash <i>(note 6)</i>	<b>(4,576,890)</b>	(2,728,115)
	<b>4,855,235</b>	<b>3,006,492</b>

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 *(continued)*

8 Share capital and premium

Note	Number of ordinary shares	Nominal	Equivalent	Share premium	Treasury Shares	Total
		value of ordinary shares HK\$'000	nominal value of ordinary shares RMB'000			
Authorised ordinary share of HK\$0.10 each at 31 December 2008 and 30 Jun 2009	100,000,000,000	10,000,000	9,905,008	—	—	9,905,008
Issued and fully paid						
Opening balance at 1 January 2008	16,360,000,000	1,636,000	1,617,773	13,371,866	—	14,989,639
Treasury shares purchased	(49,386,000)	—	—	—	(288,450)	(288,450)
Closing balance at 30 June 2008	16,310,614,000	1,636,000	1,617,773	13,371,866	(288,450)	14,701,189
Opening balance at 1 January 2009	16,302,393,000	1,636,000	1,617,773	13,371,866	(303,065)	14,686,574
Treasury shares purchased (a)	(1,104,000)	—	—	—	(1,850)	(1,850)
Closing balance at 30 June 2009	<b>16,301,289,000</b>	<b>1,636,000</b>	<b>1,617,773</b>	<b>13,371,866</b>	<b>(304,915)</b>	<b>14,684,724</b>

Note:

- (a) During the period, the Group, through its wholly owned subsidiary, has acquired 1,104,000 of the Company's shares from the market for the purpose of setting up an employee incentive plan for the benefit of the senior management and employees of the Company (which excludes connected persons of the Company). 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 total amount paid to acquire the shares was RMB1,850,000. The shares are held as treasury shares and have been deducted from shareholders' equity.

The aforesaid employee incentive scheme has not been launched as at date of this report.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

## 9 Reserves

	<b>Merger reserve</b> <i>(note)</i>	<b>Statutory reserve</b>	<b>Conversion option reserve</b> <i>(note 11)</i>	<b>Total</b>
<b>Six months ended 30 June 2008</b>				
Balance at 1 January 2008	(149,801)	428,586	—	278,785
Issuance of convertible bond	—	—	424,821	424,821
	<u>(149,801)</u>	<u>428,586</u>	<u>424,821</u>	<u>703,606</u>
	<u><u>(149,801)</u></u>	<u><u>428,586</u></u>	<u><u>424,821</u></u>	<u><u>703,606</u></u>
<b>Six months ended 30 June 2009</b>				
Balance at 1 January 2009 and 30 June 2009	(149,801)	584,709	424,821	859,729
	<u>(149,801)</u>	<u>584,709</u>	<u>424,821</u>	<u>859,729</u>
	<u><u>(149,801)</u></u>	<u><u>584,709</u></u>	<u><u>424,821</u></u>	<u><u>859,729</u></u>

Note:

Merger reserve of the Group represents the difference between the share capital of subsidiaries, acquired pursuant to a group reorganisation 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 *(continued)*

10 Bank Borrowings

	As at	
	30 June 2009	31 December 2008
Borrowings included in non-current liabilities:		
Bank borrowings		
- secured	6,612,697	4,784,100
- unsecured	2,445,434	3,038,584
Less: current portion of non-current borrowings	(3,011,059)	(2,819,434)
	<u>6,047,072</u>	<u>5,003,250</u>
Borrowings included in current liabilities:		
Bank borrowings		
- secured	1,770,000	3,630
Current portion of non-current borrowings	3,011,059	2,819,434
	<u>4,781,059</u>	<u>2,823,064</u>
Movements in borrowings are analysed as follows:		
<b>Six months ended 30 June 2008</b>		
Opening amount as at 1 January 2008		6,991,770
Addition of borrowings		1,898,454
Repayments of borrowings		(2,290,570)
<b>Closing amount as at 30 June 2008</b>		<u>6,599,654</u>
<b>Six months ended 30 June 2009</b>		
Opening amount as at 1 January 2009		7,826,314
Addition of borrowings		4,937,310
Repayments of borrowings		(1,935,493)
<b>Closing amount as at 30 June 2009</b>		<u>10,828,131</u>

The Group's borrowings of RMB6,812,697,000 at 30 June 2009 (2008: RMB4,784,100,000) were secured by certain properties and land use rights of the Group with total carrying values of RMB4,441,024,000 as at 30 June 2009 (2008: RMB4,157,634,000). the Group's remaining secured borrowings of RMB1,570,000,000 at 30 June 2009 (2008: Nil) were secured by certain bank deposits of the Group (note 6).



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

10 Bank Borrowings *(continued)*

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

	As at	
	30 June 2009	31 December 2008
Bank borrowings	<u>4.99%</u>	<u>7.37%</u>

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

11 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 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 RMB3,781.3 million and the equity conversion component 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 will 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.

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 (note 9).

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

11 Convertible bond

The convertible bond recognised in the balance sheet is calculated as follows:

<b>Face value of the convertible bond issued</b>	<b>4,314,000</b>
Equity component	<b>(424,821)</b>
Transaction costs	<b>(107,850)</b>
	<hr/>
Liability component on initial recognition	<b>3,781,329</b>
Interest expenses	<b>291,078</b>
Coupon paid	<b>(53,925)</b>
	<hr/>
<b>Liability component at 31 December 2008</b>	<b>4,018,482</b>
	<hr/>
Interest expenses	<b>182,081</b>
Coupon paid	<b>(53,925)</b>
	<hr/>
<b>Liability component at 30 June 2009</b>	<b>4,146,638</b>
	<hr/> <hr/>

Interest expenses on the liability component of the convertible 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 2009, there was no conversion or redemption of the convertible bond.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

12 Trade and other payables

	As at	
	30 June 2009	31 December 2008
Trade payables ( <i>note</i> )	3,498,719	3,851,857
Other payables	1,401,383	971,931
Staff welfare benefit payable	203,365	324,607
Accrued expenses	46,190	51,670
Other taxes payable	168,935	285,609
	<b>5,318,592</b>	<b>5,485,674</b>
	<b>5,318,592</b>	<b>5,485,674</b>

*Note:*

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

	As at	
	30 June 2009	31 December 2008
Within 90 days	2,578,839	3,733,858
Over 90 days and within 180 days	576,476	35,656
Over 180 days and within 365 days	326,618	34,849
Over 365 days	16,786	47,494
	<b>3,498,719</b>	<b>3,851,857</b>
	<b>3,498,719</b>	<b>3,851,857</b>

13 Derivative financial instruments

Upon the issue of the Bond as disclosed in note 11, 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 transactions entered with Merrill Lynch International, Merrill Lynch International would pay the Company an amount equivalent to the number of shares under Equity Swap multiplied by the dividend per Company's Share as return of the Equity Swap.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

13 Derivative financial instruments *(continued)*

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

	As at	
	30 June 2009	31 December 2008
Equity Swap	<b>809,692</b>	1,241,530

The derivative financial instruments are classified as a non-current liability according to the terms defined in the agreement with Merrill Lynch International.

During the effective period of the Equity Swap, the Company has put up collateral in the amount of US\$250 million (equivalent to approximately RMB1,708 million) (the "Collateral") to Merrill Lynch International. Prior 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, being US\$250 million (equivalent to approximately RMB1,708 million).

14 Other gains – net

	Six months ended 30 June	
	2009	2008
Forfeiture income	<b>4,484</b>	3,489
Gains/(loss) on disposals of property, plant and equipment	<b>3,279</b>	(272)
Return from Equity Swap (note 13)	<b>8,586</b>	27,006
Others	<b>(3,824)</b>	8,710
	<b>12,525</b>	38,933

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

15 Expenses by nature

	Six months ended 30 June	
	2009	2008
Advertising costs	23,742	100,213
Amortisation of intangible assets	1,789	1,019
Business taxes and other levies <i>(note)</i>	511,316	507,242
Costs of completed properties sold	5,376,842	2,725,082
Costs of materials	206,586	186,500
Donations	2,308	70,000
Depreciation <i>(note 4)</i>	107,306	88,433
Employee benefit expenses	255,447	406,950
Land use rights amortisation <i>(note 4)</i>	86,293	74,326
Surveillance charges	5,660	6,583
Rental expenses	5,653	6,200
Land usage taxes	80,647	70,143
Others	112,879	63,405
	<hr/>	<hr/>
Total cost of sales, administrative and selling expenses	<b>6,776,468</b>	4,306,116
	<hr/> <hr/>	<hr/> <hr/>

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%
Property construction and decoration	3%
Property management	5%
Hotel services	5%



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

16 Finance costs - net

	Six months ended 30 June	
	2009	2008
Interest expense:		
- bank borrowings wholly repayable within five years	478,405	349,835
- less: interest capitalised	(69,178)	—
	<u>409,227</u>	<u>349,835</u>
Net foreign exchange loss on financing activities	653	243,450
	<u>409,880</u>	<u>593,285</u>
Total finance costs	(19,889)	(39,176)
Less: Bank interest income from bank deposits	<u>389,991</u>	<u>554,109</u>

17 Income tax expense

	Six months ended 30 June	
	2009	2008
Current income tax		
- PRC enterprise income tax <i>(note (a))</i>	301,989	637,153
- Hong Kong profits tax <i>(note (b))</i>	—	—
- Land appreciation tax <i>(note (c))</i>	154,396	665,174
Deferred income tax	182,695	(194,197)
	<u>639,080</u>	<u>1,108,130</u>

Notes:

- (a) PRC enterprise income tax is provided at the rate of 25% (2008: 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, Giant Leap Construction Co., 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., will also be gradually transited 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 2007, the Group estimated that the preferential tax rate adopted by Giant Leap Construction Co. will be expired at the shorter of the existing preferential tax period and the five-year transitional period. The change in the carrying amount of the deferred tax assets and liabilities, as a result of the change in tax rate, has been reflected in the financial information of the Group for the period ended 30 June 2008.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

17 **Income tax expense** *(continued)*

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 2007 and effective 1 January 2008, an income tax rate of 10% shall be applicable to any dividends payable to non-PRC enterprise investors from foreign invested enterprises.

In accordance with the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income”, a 5% withholding tax rate will be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong.

- (b) No Hong Kong profits tax was provided for the six months ended 30 June 2009 as the Group did not have any assessable profit (2008: 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.

18 **Earnings per share**

Earnings per share attributable to equity holders of the Company is as follows:

(a) **Basic**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period of 16,301,289,000 (2008: 16,322,293,000), excluding ordinary shares purchased by the Company and held as treasury shares (*note 8a*).

	<b>Six months ended 30 June</b>	
	<b>(cents per share)</b>	
	<b>2009</b>	2008
Profit attributable to equity holders of the Company		
- Basic	<b>11.14</b>	6.22
	<hr/> <hr/>	<hr/> <hr/>

(b) **Diluted**

Diluted earnings per share equals basic earnings per share because there were no potential dilutive ordinary shares outstanding during the period ended 30 June 2009.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

19 Dividends

	Six months ended 30 June	
	2009	2008
Proposed interim dividend ( <i>note (a)</i> )	—	—

Notes:

- (a) The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2009.
- (b) A final dividend in respect of 2008 of RMB3.00 cents per share, amounting to total dividends of approximately RMB 490,800,000 has been declared in the Annual General Meeting on 4 June 2009. These financial statements reflect this dividend payable. On 19 June 2009, a script dividend scheme has been issued whereas shareholders may elect to receive cash dividend of RMB3.00 cents per share or an allotment of such number of new shares credited as fully paid and having an aggregate market value equal to, save for adjustment for fractions, the total amount of 2008 final dividend which such shareholder could receive in cash. On 17 July 2009, 91,419,578 new shares were issued as a result of the above script dividend scheme.

20 Contingencies

The Group had the following contingent liabilities:

	As at	
	30 June 2009	31 December 2008
Guarantees in respect of mortgage facilities for certain purchasers	<b>11,262,630</b>	10,450,826

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 2009, RMB372,864,000 (2008: RMB392,219,000) was to be discharged two years from the day the mortgaged loans become due; and RMB10,889,766,000 (2008: RMB10,058,607,000) 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 realisable 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.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

21 Commitments

(a) *Commitments for capital and property development expenditures*

	As at	
	30 June 2009	31 December 2008
Contracted but not provided for		
Property, plant and equipment	30,030	23,625
Property development expenditure and land acquisition	6,179,793	6,000,788
	<u>6,209,823</u>	<u>6,024,413</u>

(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 2009	31 December 2008
Not later than one year	4,989	13,634
Later than one year and not later than five years	20,831	17,938
Later than five years	12,351	16,313
	<u>38,171</u>	<u>47,885</u>

(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 2009	31 December 2008
Not later than one year	18,680	31,140
Later than one year and not later than five years	142,120	122,990
Later than five years	171,356	152,476
	<u>332,156</u>	<u>306,606</u>

## SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

### 22 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 Landcoin Fiber Reinforce Plastic Co., Ltd. 佛山市順德區樂而康玻璃鋼製品有限公司

Foshan Shunde Grand Cement Co., Ltd. 佛山市順德區鴻業水泥製品有限公司

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.

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

22 Related party transactions *(continued)*

(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	
	2009	2008
<b>Controlled by Shareholders</b>		
清遠碧園物業發展有限公司 Qingyuan Country Garden	<u>255,545</u>	<u>204,204</u>

- (ii) Purchase of design service

	Six months ended 30 June	
	2009	2008
<b>Controlled by Shareholders</b>		
廣東博意建築設計院有限公司 Guangdong Elite Arhitectural Co., Ltd.	<u>51,863</u>	<u>107,209</u>

- (iii) Purchase of construction materials and water

	Six months ended 30 June	
	2009	2008
<b>Controlled by Shareholders and their close family members</b>		
佛山市順德區樂而康玻璃製品有限公司		
Foshan Landcoin Fiber Reinforce Plastic Co., Ltd.	—	102
佛山市順德區江口自來水有限公司		
Foshan Shunde Jiangkou Water Plant Co., Ltd.	1,397	2,816
增城市清源自來水廠有限公司		
Zengcheng Crystal Water Plant Co., Ltd.	5,882	5,548
佛山市順德區鴻業水泥製品有限公司		
Grand Cement Plant Co., Ltd.	<u>23,759</u>	<u>102,463</u>
	<u>31,038</u>	<u>110,929</u>



SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

22 Related party transactions *(continued)*

(c) Key management compensation:

	Six months ended 30 June	
	2009	2008
Salaries and other short-term employee benefits	<u>9,788</u>	<u>15,957</u>

(d) Balances with related parties

As at 30 June 2009 the Group had the following significant trading balances with related parties:

(i) Balances due from related parties

	As at	
	30 June 2009	31 December 2008
<b>Included in trade receivables</b>		
<b>Controlled by Existing Shareholders</b>		
清遠碧桂園物業發展有限公司 Qingyuan Country Garden	<u>380,653</u>	<u>—</u>
<b>Included in amounts due from customers for contract work</b>		
<b>Controlled by Existing Shareholders</b>		
清遠碧桂園物業發展有限公司 Qingyuan Country Garden	<u>149,993</u>	<u>292,624</u>

SELECTED NOTES TO THE INTERIM FINANCIAL INFORMATION *(continued)*

22 Related party transactions *(continued)*

(d) Balances with related parties *(continued)*

(ii) Balances due to related parties

	As at	
	30 June 2009	31 December 2008
<b>Included in trade payables</b>		
<b>Controlled by Existing Shareholders</b>		
廣東博意建築設計院有限公司 Guangdong Elite Arhitectural Co., Ltd.	37,417	41,801
<b>Controlled by Existing Shareholders and their close family members</b>		
佛山市順德區鴻業水泥製品有限公司 Grand Cement Plant Co., Ltd.	1,934	7,923
增城市清源自來水廠有限公司 Zengcheng Crystal Water Plant Co.,	3,609	—
	<u>42,960</u>	<u>49,724</u>
<b>Included in other trade payables</b>		
<b>Controlled by Existing Shareholders</b>		
清遠碧桂園物業發展有限公司 Qingyuan Country Garden	23,100	23,100
	<u>23,100</u>	<u>23,100</u>

## CORPORATE INFORMATION

### DIRECTORS

#### *Executive Directors*

Mr. YEUNG Kwok Keung (*Chairman*)  
Mr. CUI Jianbo  
Ms. YANG Huiyan  
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

### AUTHORISED REPRESENTATIVES

Ms. YANG Huiyan  
Mr. CUI Jianbo  
Ms. NG Yi Kum, Estella (*alternate to Ms. YANG Huiyan*)  
Mr. CHAN Yik Shun (*alternate to Mr. CUI Jianbo*)

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

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# COUNTRY GARDEN HOLDINGS COMPANY LIMITED

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE    AUDITOR

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PricewaterhouseCoopers

## LEGAL ADVISORS

### *As to Hong Kong Law:*

Woo Kwan Lee & Lo  
Lu, Lai & Li

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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26/F, Tesbury Centre  
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Hong Kong

### *As to PRC law:*

Jingtian & Gongcheng

## STOCK CODE

The Stock Exchange of Hong Kong Limited  
Stock Code: 2007

## 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  
CITIC Ka Wah Bank Limited

## WEBSITE

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



