Stock Code: 02337

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SHANGHAI FORTE LAND CO.,LTD.

Interim Report 2009

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Mr. Wang Zhe

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Mr. Chen Qiyu
Mr. Feng Xiekun

Independent Non-Executive Directors
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Mr. Chen Yingjie
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Authorized Representatives
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Ms. Lo Yee Har Susan

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Shanghai Pudong Development Bank
China Construction Bank
Bank of East Asia
Bank of China

Stock Code
02337

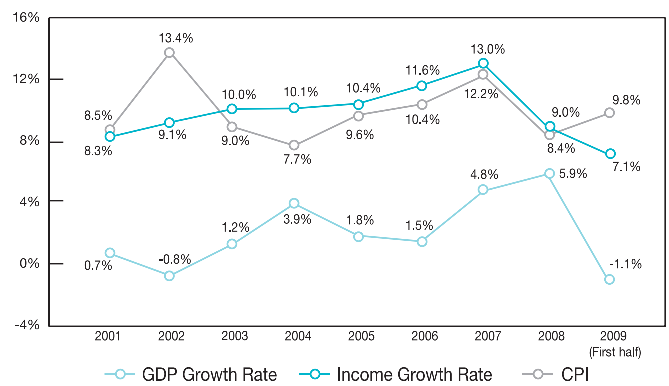
The Board of Directors (the "Board") of Shanghai Forte Land Co., Ltd. (the "Company") is pleased to announce its unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 (the "Reporting Period") (the "Interim Results"). The Interim Results have been reviewed and confirmed by the audit committee of the Company (the "Audit Committee").

MARKET REVIEW

1. The macroeconomy and market

The economic slowdown of the PRC showed signs of remission in the second quarter of 2009 as a result of the economic stimulus policies adopted by the central government which include a significant decrease in interest rates, expanding credit and the RMB4 trillion stimulus program. Certain economic indicators rebounded. The GDP growth rate increased from 6.1% in the first quarter of 2009 to 7.9% in the second quarter of 2009. However, the export and individual consumption indicators remained low. Liquidity was abundant due to the lax monetary policy. However, the majority of funds have flowed into the stock and property markets. As a result, stock and property prices of the PRC increased rapidly in the first half of 2009.

Comparison of major macro economic indicators (2001-2009 (First half))



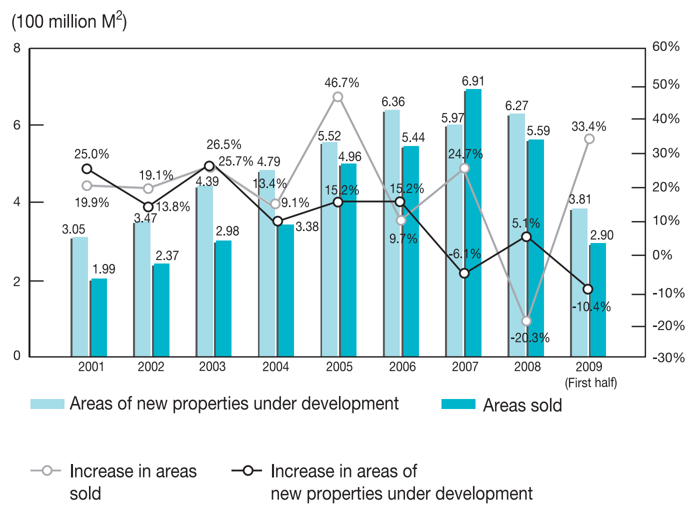
Source: National Statistics Bureau

MARKET REVIEW (Continued)

1. The macroeconomy and market (Continued)

In the first half of 2009, the PRC property market was lightly regulated. Reduction and exemption of transaction taxes together with the favourable credit policy have released huge demands of self-use home buyers who held a wait-and-see attitude in 2008 and also stimulated investment activities. Accordingly, the property market boomed in the first half of the year and transaction volume of residential properties in major cities increased by approximately 100% compared with the same period last year. Property prices have rebounded since March 2009. In June 2009, property prices in many cities have recovered to those in August 2007 before the recession of the property market . The prosperous market reinforced the confidence of property developers, resulting in a significant increase in the number of new residential property development projects in the first half of 2009. Bidding prices in land auctions in many cities also reached record highs.

Areas of new residential properties under development and areas sold in the PRC (2001-2009 (First half))



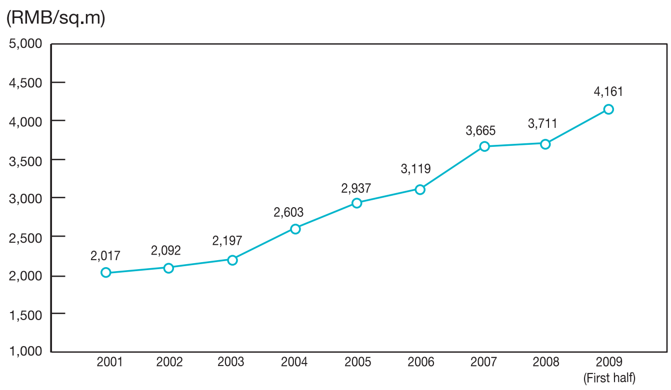
Source: National Statistics Bureau

Various signs indicate continuous improvement of macroeconomic performance in the second half of 2009. Although the overheated property market remains to be a concern, the central government is also worried that any policies punching the property market may hinder the recovery of the economy. It is therefore less likely for the central government to implement new polices regulating the property market in the second half of the year of 2009. Nonetheless, the decrease in available credit and tightening of customer credit policy might be unavoidable. We therefore estimate that there might be possibilities the transaction volume of residential properties will decrease in the second half of the year but the prices will continue to rise moderately.

MARKET REVIEW (Continued)

1. The macroeconomy and market (Continued)

Weighted average prices of commodity residential properties in the PRC (2001-2009 (First half))



Source: National Statistics Bureau (weighted average price = consideration/transacted areas)

2. Regional markets

(1) Shanghai

The land supply in recent years has remained tight. The transaction volume of land in 2008 was particularly low. The areas of and the investment in newly-developed properties have continued to record negative growth since the fourth quarter of 2007. As such, for the first half of 2009, the newly added supply of residential properties in Shanghai was only 5.7 million sq.m. whereas the transaction volume of residential properties increased significantly to 8.73 million sq.m. (an increase of 69.5% compared to the same period last year), almost reaching the annual transaction volume of 8.97 million sq.m. in 2008.

In the first half of the year, the boom in the Shanghai property market was a typical reflection of the movements in the overall property market in the PRC. Driven by a series of economic stimulus policies promulgated at the end of October 2008, transaction volume in property market in Shanghai increased to 0.8 million sq.m. per month with prices decreasing in the fourth quarter of 2008. In the first quarter of 2009, transaction volume maintained its growth with prices lingering at record lows showing no signs of an increase. First-time home buyers were the primary buyers. In the second quarter, the transaction volume surged significantly with purchases for property replacement and property investments. Monthly transaction volume amounted to 2 million sq.m. per month. Property prices also increased rapidly. Some projects recorded an increase of 20% in prices. As the property supply structure featured an increasing number of properties in the outskirts, the supply in the downtown areas continued to decrease. Average transaction volume declined compared to the same period last year.

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(1) Shanghai (Continued)

Supply, demand and prices of residential properties in Shanghai for the first half of 2009

Category	Shanghai	
	Value	Growth Rate
GDP (RMB billion)	661.2	5.6%
Per capita disposable income of urban residents (RMB)	14,965	7.6%
GFA of residential properties approved for pre-sale (thousand sq.m.)	5,698.1	-7.8%
GFA of residential properties sold (thousand sq.m.)	8,732.9	69.5%
Average selling price of residential properties (RMB/sq.m.)	13,944	-2.1%

Source: Housing and Land Administration Bureau of Shanghai Municipality

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(2) Beijing

In the first half of 2009, the property market in Beijing recovered gradually. The 2008 Beijing Olympics led to the suspension of some projects. For the first half of the year, the supply of new residential properties in Beijing decreased to 4.89 million sq.m., a decrease of 28.1% compared to the same period last year, which was the largest decrease in recent years. Nevertheless, the transaction volume doubled to 8.47 million sq.m., exceeding the aggregate transaction volume last year. The supply and demand ratio was approximately 1:2. Transaction prices also showed signs of increase. Due to the tumbling property prices in Beijing from September 2008 to the first quarter of 2009, overall weighted average price in the second quarter this year recorded a decrease of 2.8% compared to the same period last year despite the surge of property prices and the record high prices of quite a few properties sold during the period. For the second quarter, with surging property prices in Beijing, property developers slowed down the launch of new projects. The supply of new properties in June and July dropped to an extremely low level of 0.5 million sq.m. Authorities such as housing and land administration bureaus even urged property developers to launch new projects available for the public.

Supply, demand and price of residential properties in Beijing for the first half of 2009

	Beijing	
Category	Value	Growth Rate
GDP (RMB billion)	530.843	7.8%
Per capita disposable income of urban residents (RMB)	13,567	8.1%
GFA of residential properties approved for pre-sale (thousand sq.m.)	4,885.3	-28.1%
GFA of residential properties sold (thousand sq.m.)	8,466.6	93.1%
Average selling price of residential properties (RMB/sq.m.)	12,432	-2.8%

Source: Beijing Municipal Commission of Housing and Urban-Rural Development

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(3) Hangzhou, Nanjing and Wuxi

The Hangzhou property market was negatively affected by the financial crisis from the third quarter of 2008. The activities of investors reduced. Property prices in certain regions fell drastically by 20% to 30%. Since the beginning of last September, monthly transaction volume decreased to a record low of less than 0.2 million sq.m. Commencing from the first quarter of 2009, the launch of a series of economic stimulus policies in Hangzhou resulted in an increase in demand of self-use home buyers and the buyers from other regions outside of Hangzhou. The transaction volume continued to increase. In the second quarter of 2009, investors and purchasers for property replacement dominated the market, driving an increase in transaction volume and prices. In June, monthly transaction volume in Hangzhou exceeded one million sq.m. Land supply and newly-developed properties in Hangzhou extended to suburban areas such as Yuhang and Xiaoshan which resulted in a larger decrease in the aggregate transaction volume in urban areas compared to the same period last year.

Supply, demand and prices of residential properties in Hangzhou, Nanjing and Wuxi for the first half of 2009

	Hangzhou		Nanjing		Wuxi	
Category	Value	Growth Rate	Value	Growth Rate	Value	Growth Rate
GDP (RMB billion)	221.08	6.6%	191.105	10.2%	230.217	10.4%
Per capita disposable income of urban residents (RMB)	14,874	14.6%	13,691	10.0%	12,961	8.8%
GFA of residential properties approved for pre-sale (thousand sq.m.)	1,780	2%	2,360	-32%	1,040	-48%
GFA of residential properties sold (thousand sq.m.)	3,410	197%	4,600	85%	2,690	104%
Average selling price of residential properties (RMB/sq.m.)	12,199	-14%	6,364	2%	5,670	-2%

Source: Housing and Land Administration Bureaus of Hangzhou, Nanjing and Wuxi

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(3) Hangzhou, Nanjing and Wuxi (Continued)

The market became overheated resulting from the large volume of investments in 2007. The price and supply of the residential properties in Nanjing began to drop earlier than the other cities in eastern China in the second half of 2008. At the end of the fourth quarter of 2008, the increase of transaction volume in Nanjing was slightly higher than the other cities due to the stimulus policies of the government and a further reduction in property prices by many developers. In 2009, the property market in Nanjing has recovered remarkably along with the general economic conditions. In the first half of the year, the transaction volume and average transaction price increased by 85% and 2% respectively compared to the same period last year.

During the last few years, Wuxi has been one of the most stable property markets in eastern China. The property prices have been varying in a narrow range and the proportion of investors is lower than major cities like Shanghai and Hangzhou. As a result, the extent of slowdown in Wuxi was slightly less than the other cities in 2008. However, due to the unfavourable land market in Wuxi from the fourth quarter of 2007 to the end of 2008, the supply of newly constructed properties in the first half of 2009 decreased significantly by 48% compared to the same period last year. Along with the rebounding nationwide property market, the transaction volume of residential properties in the first half of 2009 increased by 104% compared to the same period last year.

(4) Chongqing, Chengdu and Xi'an

For the first half of 2009, despite the increasing supply and demand of properties in Chongqing, the abundant inventory and the supply of new properties hindered the growth of property prices. In the fourth quarter of 2007, the property market in Chongqing first underwent re-adjustment in the mid-west region. In the first quarter of 2009, property prices in Chongqing again were the lowest among the medium-to-large cities in the PRC. After the Lunar New Year of 2009, the booming in the property market in 2007 reappeared in Chongqing market. For the first half of 2009, transaction volume in Chongqing exceeded Shanghai and ranked first among the cities in the PRC. In the first half of 2009, although there was an increase of approximately 10% for the prices of various projects, the overall transaction prices were dragged down by the launch of various major projects located away from downtown areas. As such, the overall average property prices in Chongqing recorded a decrease of 13% compared to the same period last year.

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(4) Chongqing, Chengdu and Xi'an (Continued)

After the outbreak of "5.12 earthquake" last year, Chengdu, with the approval of the State Council, implemented a number of favourable policies to encourage the purchases of residential properties. This, to a certain extent, relieved the deteriorating property market of Chengdu. Since the preferential measures were due at the end of this May, the transaction volume of residential properties in Chengdu in the second quarter of the year increased significantly with an average monthly transaction volume of more than 1,600,000 sq.m., which was comparable to that of Shanghai, Beijing and Chongqing. In the first half of 2009, the area of residential properties sold in Chengdu increased by 158% compared to the same period last year. Notwithstanding the considerable increases in property prices in the first half of 2009, the property prices recorded a decrease of 10% compared to the same period last year resulting from a rapid decline in property prices after the earthquake on 12 May 2008. Nevertheless, Chengdu remained to be the city with the highest residential property prices in the central west region of the PRC.

Supply, demand and prices of residential properties in Chongqing, Chengdu and Xi'an for the first half of 2009

	Chongqing		Chengdu		Xi'an	
Category	Value	Growth Rate	Value	Growth Rate	Value	Growth Rate
GDP (RMB billion)	232.047	12.5%	195.128	14.3%	107.634	13.3%
Per capita disposable income of urban residents (RMB)	8,823	9.8%	9,408	12.5%	9,616	23.3%
GFA of residential properties approved for pre-sale (thousand sq.m.)	6,560	77%	4,000	-18%	4,170	-16%
GFA of residential properties sold (thousand sq.m.)	10,430	123%	7,090	158%	4,510	60%
Average selling price of residential properties (RMB/sq.m.)	4,333	-13%	5,310	-10%	4,586	6%

Source: Housing and Land Administration Bureaus of Chongqing, Chengdu and Xi'an

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(4) Chongqing, Chengdu and Xi'an (Continued)

In 2008, the transaction volume of residential properties in Xi'an dropped by approximately 30% with a slight decrease in prices. Xi'an was less affected by the financial crisis. In the first half of 2009, the transaction volume of properties in Xi'an increased by 60%, which was relatively modest compared to other major cities. As a large amount of land beyond the central ring was sold in the last two years, the property market of Xi'an extended outward at a faster pace. However, the new supply in downtown areas such as Gaoxin and Qujiang remained high. The barginning power of branded developers increased. Initiated by several major developers, the prices of residential properties in Xi'an increased by 6% in the first half of 2009.

(5) Tianjin, Wuhan and Changchun

In the first half of 2009, the supply of new residential properties in Tianjin increased by 35% while the transaction volume amounted to 5,620,000 sq.m., representing an increase of 115% and 30% respectively compared to the same period of 2008 and 2007. Although the prices of major projects have grown significantly since this year, the average prices for the first half of 2009 dropped by 4% compared to the same period last year due to the significant decline in the transaction prices since the third quarter of 2008.

Supply, demand and prices of residential properties in Tianjin, Wuhan and Changchun for the first half of 2009

	Tianjin		Wuhan		Changchun	
Category	Value	Growth Rate	Value	Growth Rate	Value	Growth Rate
GDP (RMB billion)	315.485	16.2%	198.318	10.1%	119.430	12.1%
Per capita disposable income of urban residents (RMB)	10,133	13.4%	9,702	11.9%	8,349	13.2%
GFA of residential properties approved for pre-sale (thousand sq.m.)	3,700	35%	2,510	-34.0%	1,270	-33%
GFA of residential properties sold (thousand sq.m.)	5,620	115%	4,910	105%	2,450	84%
Average selling price of residential properties (RMB/sq.m.)	6,837	-4%	5,163	2%	4,211	2%

Source: Housing and Land Administration Bureaus of Tianjin, Wuhan and Changchun

MARKET REVIEW (Continued)

2. Regional markets (Continued)

(5) Tianjin, Wuhan and Changchun (Continued)

In 2008, the decrease in the property prices of Wuhan was the second largest after Shenzhen among major cities. In the second quarter of 2009, Wuhan became one of the cities with the strongest rebound in the residential property market. Monthly transaction volume was over 1 million sq.m., which was comparable to the period in 2007, the year with the best performance in property market. The prices of luxury residential properties increased by over 20%. However, different from the situation in 2007, both new supply and inventory declined sharply in the property market of Wuhan in the first half of 2009, leading to a severe imbalance of demand and supply.

As the property market of Changchun was at its early stage of development, the impact of financial crisis emerged later than other cities in 2008. The residential property market was not negatively impacted until October last year. In the first half of 2009, the Changchun market rebounded moderately. Due to the decrease in areas under construction from 2008, the supply of new residential area dropped by 30% for the first half of 2009. Transaction volume and prices increased by 84% and 2% respectively compared to the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the second half of 2008, the negative impact of the global financial crisis on China gradually increased. Last September, in response, the central government quickly and significantly lowered interest rates, increased available credit, invested RMB4 trillion in infrastructure and adopted an active fiscal policy. As a result, at the beginning of the second quarter of 2009, the slowdown in the economy showed signs of remission and some economic indicators began to recover: GDP growth increased from 6.1% in the first quarter to 7.9% in the second quarter. China's real estate market benefited from the range of economic stimulus policies implemented last October, and, coupled with a supportive policy environment and monetary liquidity, China's real estate market grew during the first half of 2009: transaction volume increased significantly and prices rose quickly during the second quarter.

Major achievements of the Group during the Reporting Period are reflected in the following aspects:

PROJECT DEVELOPMENTS

During the Reporting Period, there were 29 projects (including projects of associated companies in which the Group has interests) under development with a total gross floor area ("GFA") of approximately 3,004,141 square meters, of which a total GFA of 2,091,285 square meters was attributable to the Company, representing an increase of approximately 35.7% as compared to the same period last year (2008 interim: a total GFA of 1,540,789 square meters was attributable to the Company).

Development Projects in the first half of 2009

Region	Approximate Total GFA (square meters)	
	In total	Attributable to the Company
Shanghai	911,050	609,665
Beijing	291,712	209,394
Tianjin	151,903	113,927
Nanjing	516,379	211,457
Zhejiang	481,136	400,956
Wuxi	57,369	28,685
Chongqing	154,400	154,400
Wuhan	234,922	164,445
Xi'an	138,274	131,360
Changchun	66,996	66,996
Total:	3,004,141	2,091,285

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROJECT DEVELOPMENTS (Continued)

Out of these projects, there were five newly developed projects with a total GFA of approximately 505,468 square meters, of which a GFA of 255,756 square meters was attributable to the Company, representing a decrease of approximately 21.2% as compared to the same period last year (2008 interim: a total GFA of 324,504 square meters was attributable to the Company).

Out of these projects, there were four completed projects available for occupation with a total GFA of approximately 135,001 square meters, of which a GFA of 90,375 square meters was attributable to the Company, representing an increase of approximately 108.3% as compared to the same period last year (2008 interim: a total GFA of 43,383 square meters was attributable to the Company).

LAND BANK

During the Reporting Period, the Group increased its land bank in various ways such as participating in tenders, auctions and acquisitions of equity interests pursuant to the Group's business strategies and industry background. During the Reporting Period, the Group acquired three projects with a total saleable GFA of approximately 510,000 square meters, of which a GFA of approximately 430,000 square meters was attributable to the Company, representing an increase of approximately 7.5% as compared to the same period last year (2008 interim: a total GFA of 400,000 square meters was attributable to the Company).

Land bank acquired in the first half of 2009

No.	City	Project Name	Approximate Total GFA (square meters)	Interest Attributable to the Company	Approximate Total GFA (square meters) Attributable to the Company	Usage
1	Shanghai	Allen Poem (Phase2B)	7,313	100.00%	7,313	Residential
2	Zhejiang	Hangzhou Fuyang Project	234,185	100.00%	234,185	Residential and Commercial
3	Tianjin	Tianjin Konggang Project	265,533	70.00%	185,873	Residential
	Total		507,031		427,371	

To include the existing land bank of the Group (including projects of associated companies in which the Group has interests), the total planned GFA of the Group's land bank amounted to approximately 10,780,000 square meters as at 30 June 2009.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

LAND BANK (Continued)

Land bank (as at 30 June 2009)

	Total		Under construction		Planning	
Region	In total	Attributable to the Company	In total	Attributable to the Company	In total	Attributable to the Company
Shanghai	1,998,816	1,193,875	891,993	590,608	1,106,823	603,267
Beijing	283,323	201,004	271,781	189,462	11,542	11,542
Tianjin	381,992	273,217	116,459	87,345	265,533	185,873
Nanjing	1,118,488	486,730	455,811	186,655	662,677	300,075
Hangzhou	909,207	780,556	481,136	400,956	428,071	379,600
Wuxi	701,997	350,999	57,369	28,685	644,628	322,314
Chongqing	625,948	625,948	154,400	154,400	471,548	471,548
Wuhan	1,064,490	745,143	234,922	164,445	829,568	580,698
Xi'an	2,634,289	1,441,450	138,274	131,360	2,496,015	1,310,090
Chengdu	200,000	200,000	—	—	200,000	200,000
Changchun	862,226	862,226	66,996	66,996	795,230	795,230
Total	10,780,776	7,161,148	2,869,141	2,000,911	7,911,635	5,160,237

Remarks:
1. Land bank includes projects under development and land not yet developed;
2. Of the 7,911,635 square meters land bank under planning, 4,760,000 square meters have land use right certificates (in total).

The current land bank of the Group is sufficient to satisfy its development needs for the next three to five years, and thereby provides a solid foundation for the Group's long-term rapid development.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROPERTY SALES

During the Reporting Period, the Group's total GFA sold and sales revenue were approximately 539,391 square meters and RMB4,320,346,000 respectively (including projects of associated companies in which the Group has interests), in which the total GFA sold and sales revenue attributable to the Company were approximately 429,966 square meters and RMB3,470,216,000, representing an increase of approximately 188.6% and 121.2% respectively (2008 interim: total GFA sold and sales revenue attributable to the Company was 148,979 square meters and RMB1,568,651,000 respectively).

Total GFA sold by contract and Sales Revenue in the first half of 2009

	Saled GFA (square meters)		Sales Revenue (RMB)	
Region	In total	Attributable to the Company	In total	Attributable to the Company
Shanghai	59,950	32,689	943,349,000	517,218,000
Chongqing	54,596	54,596	284,501,000	284,501,000
Beijing	200,374	200,374	1,850,670,000	1,850,670,000
Hangzhou	77,604	58,203	495,293,000	371,470,000
Wuhan	43,515	30,349	283,500,000	197,973,000
Tianjin	66	49	1,539,000	1,154,000
Changchun	1,936	1,936	9,756,000	9,756,000
Xi'an	13,524	12,847	57,564,000	54,685,000
Wuxi	19,705	9,853	92,227,000	46,113,000
Nanjing	68,120	29,069	301,947,000	136,686,000
Total	539,391	429,966	4,320,346,000	3,470,216,000

Note: This includes a land of 139,033 square meters in Beijing.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROPERTY BOOKED

During the Reporting Period, the Group's GFA booked and booked revenue amounted to approximately 265,682 square meters and RMB2,575,801,000 (including projects of accociated companies in which the Group has interests), of which the GFA booked and booked revenue attributable to the Company amounted to 248,457 square meters and RMB2,362,891,000, representing an increase of approximately 469.2% and 225.5% as compared to the same period last year (2008 interim: GFA booked and booked revenue attributable to the Company was 43,652 square meters and RMB725,887,000).

As of 30 June 2009, the Group's GFA carried forward amounted to 636,853 square meters, of which the GFA carried forward attributable to the Company amounted to 412,101 square meters, representing an increase of approximately 79.0% as compared to the end of last year (the end of 2008: GFA carried forward attributable to the Company was 230,274 square meters).

Projects booked and booked revenue in the first half of 2009

	Booked GFA (square meters)		Booked Revenue (RMB)	
Region	In total	Attributable to the Company	In total	Attributable to the Company
Shanghai	35,965	31,020	589,282,000	494,741,000
Tianjin	15,786	11,839	322,449,000	241,837,000
Beijing	181,831	181,831	1,500,582,000	1,500,582,000
Nanjing	1,988	1,988	22,080,000	22,080,000
Wuxi	15,582	7,791	69,906,000	34,953,000
Wuhan	1,355	813	7,011,000	4,207,000
Chongqing	13,175	13,175	64,491,000	64,491,000
Total	265,682	248,457	2,575,801,000	2,362,891,000

Note: This includes a land of 139,033 square meters in Beijing.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FUTURE STRATEGIES:

- **Pay close attention to the market, flexibly adjust sales price, ensure returns to the shareholders of the Company while taking into consideration the cash return to the Company**

  The performance of the nationwide real estate market since March has been enhanced. In the second half of the year, the Group will closely monitor real time data from all regional markets, organize sales and promotional activities for various projects, broaden customer bases, make flexible adjustments to prices, while at the same time securing cash flow requirements and taking into consideration higher profits, providing shareholders with even higher returns.

- **Continue to accelerate the development of existing projects**

  Considering the recovery of the nationwide real estate market, notwithstanding the expectation that macroeconomic policy and mortgage lending will be tightened, the Company still considers that for the next one to two years the market will continue to grow. In the second half of the year, the Group will continue to accelerate the development of its existing land banks to ensure that more newly commenced projects will meet pre-sale standards in a timely manner and increase availability of saleable area so as to be well prepared for next year's competitive market.

- **Capture opportunities to increase land banks by maintaining a cautiously optimistic attitude**

  For the second half of the year, the Group will maintain its cautiously optimistic attitude, continue to monitor the market and capture opportunities in the primary or secondary market with the objective of increasing its land banks at the right time to prepare for the competitive market.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FUTURE STRATEGIES: (Continued)

- **Strengthen cooperation with foreign investors, domestic investors and other domestic enterprises to expand the sources of funding**

  The Company obtained the approval from the China Securities Regulatory Commission on 17 August 2009 for the public issue of domestic corporate bonds with an aggregate principal amount of not more than RMB1,900,000,000. The Company will actively implement the arrangements of the issue of domestic corporate bonds in accordance with relevant requirements. Besides continuing with its plan to pursue the offering of A shares, the Group will continue to seek new cooperative opportunities with foreign investors, domestic investors and other domestic enterprises with the objective of expanding its sources of funding and exploring new projects. The Group will also actively explore other means of financing.

- **Refine the Group's internal operation system and policies and enhance the efficiency of operations**

  In the second half of the year, the Group will continue to refine its nationwide systems and policies to ensure smooth and efficient internal operations and management. At the same time, it will strengthen the development of non-residential property projects and the formation of operational teams whose objective is to secure and develop non-residential property projects. The Group will continue to deploy, train and manage talented personnel, provide each individual with an appropriate platform to exhibit his talent, and in the meantime better position the Group in this increasingly competitive environment.

FINANCIAL ANALYSIS

1. Revenue and Operating Results

During the current period, the Group recorded a total turnover of approximately RMB2,033,574,000, an increase of 93.9% as compared to RMB1,033,117,000 for the same period in 2008. The increase in turnover was mainly attributed to an increase of 284.6% in the amount of booked GFA from projects consolidated into the accounts of the current period. During the first half, booked projects on a consolidated basis include Allen Poem (phase 3), Tianjin Center (service apartment), Xintianjiayuan South, Forte International Apartment and Forte Times, totaling 250,000 square meters, as opposed to 2008 interim's 65,000 square meters, with Yi He Hua Cheng and Peking House (North) accounting for the majority of the booked GFA.

The Group's gross profit during the current period was approximately RMB701,226,000, representing an increase of 12.3% as compared to RMB624,364,000 for the same period in 2008. Gross profit margin for the period was 35%, a decrease of 25.4 percentage points compared to 60.4% for the same period in 2008.

The booked revenue during current period recorded a normal gross profit margin except for a primary land development project, Xintianjiayuan (South), which has a lower gross profit margin than that of the normal property development business. While during the comparable period in 2008, Yihehuacheng project contributed the majority of the booked revenue with considerable higher gross profit margin. The higher gross profit margin of Yihehuacheng project was mainly attributable to the fact that the underlying land was acquired relatively early with lower average cost and the properties of Yihehuacheng were low density residential properties with higher selling price.

During the current period, profit attributable to equity holders of the Company was approximately RMB286,700,000, representing an increase of 696.8% as compared to RMB35,981,000 for the same period in 2008, which was mainly attributable to the following reasons:

First of all, the booked GFA in current period is approximately 185,000 square meters higher than that of the prior comparable period, an increase of 93.9% in booked revenue. Secondly, notwithstanding a significant increase in booked revenue during current period, the Group improved its management efficiency through optimizing general administration and sales management, which resulted in the decrease of general and administrative expenses and selling expenses by 17.9% and 15.8%, respectively, as compared with that of prior comparable period. In addition, a majority of the projects booked in current period were attributed by wholly owned subsidiaries,as such most of the net profit are attributable to the equity holders of the Company. During the first half of 2009, profit attributable to equity holders of the Company accounted for approximately 95% of the net profit. While during the comparable prior period, profit attributable to equity holders of the Company was only 27.1% of net profit.

Based on the total weighted number of shares of the Group of 2,529,306,000 shares during the Period, earnings per share was RMB0.113.

FINANCIAL ANALYSIS (Continued)

1. Revenue and Operating Results (Continued)

An analysis of the Group's turnover is as follows:

Revenue	Six months ended 30 June 2009 RMB'000
Sale of properties	2,050,895
Property agency income	21,825
Property management income	16,402
Rental income from investment property	7,801
Construction supervisory and consulting income	3,239
Decoration and provision of construction materials	2,639
Property sales planning and advertising income	2,559
Less: Business tax and government surcharges	(101,786)
Total revenue	2,003,574

2. LAT prepayments and provisions

During the interim period of 2009, pursuant to tax notice issued by the relevant local tax authorities, the Group made LAT prepayments of approximately RMB30,069,000 at rates ranging from 1% to 3% on proceeds of the sale and pre-sale of properties. Meanwhile, during the interim period of 2009, the Group made an additional LAT provision in the amount of approximately RMB112,659,000 in respect of the relevant properties in accordance with the requirements set forth in the relevant LAT laws and regulations issued by the State Administration of Taxation, representing a decrease of 31.7% as compared to RMB165,016,000 for the comparable period in 2008. Pursuant to the deed of tax indemnity entered into between the Group and Fosun High Technology, the indemnity of LAT from Fosun High Technology in respect of the additional LAT provisions made by the Group during the interim period of 2009 was approximately RMB11,027,000.

FINANCIAL ANALYSIS (Continued)

3. Financial resources, liquidity and liabilities

During the Period, the Group's liquidity maintained at a healthy level, and its financial resources were allocated in a reasonable manner. As at 30 June 2009, the total assets of the Group amounted to approximately RMB22,637,998,000, in which current assets accounted for approximately RMB13,562,008,000. Total liabilities amounted to approximately RMB16,348,973,000, in which current liabilities amounted to approximately RMB10,002,374,000 and non-current liabilities amounted to approximately RMB6,346,599,000. The equity attributable to equity holders of the Company amounted to approximately RMB5,682,296,000.

As at 30 June 2009, the Group's cash and bank deposits amounted to approximately RMB2,896,765,000. The Group has sufficient working capital for its operations, with sound liquidity of assets and solvency.

4. Repayment of Borrowings

The following table sets forth annual principal amounts due by year of maturity for the debt outstanding as of 30 June 2009.

	Amount due (RMB'000)				
	within one year or on demand	in the second year	in the third to fifth years	Over five years	Total
Bank loans and other borrowings repayable	3,471,507	3,423,205	2,497,665	27,177	9,419,554
Loans from related companies	–	78,935	78,700	–	157,635
Total debt repayable	3,471,507	3,502,140	2,576,365	27,177	9,577,189

The bank loans bear interest at rates ranging from 1.551% to 8.694% per annum. The other loans bear interest at rates ranging from 2.099% to 7.178% per annum. The Group does not use derivative financial instruments to hedge its interest rate risk.

5. Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds or issue new shares. No changes were made in the Group's objectives, policies or processes for managing capital during the six months ended 30 June 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank loans and other borrowings, loans from related companies and interest bearing bonds, if any, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent and minority interests. The gearing ratio as at the balance sheet date was as follows:

	30 June 2009 RMB'000
Interest-bearing loans and other borrowings	9,419,554
Loans from related companies	157,635
Less: Cash and cash equivalents	(2,896,765)
Net debt	6,680,424
Total equity	6,289,025
Capital and net debt	12,969,449
Gearing ratio	52%

6. Pledge of assets

As at 30 June 2009, properties under development with total book value of approximately RMB6,092,732,000, completed and available for sale properties with total book value of approximately RMB 31,589,000, self-owned properties with total book value of approximately RMB73,817,000, investment properties with total book value of RMB1,351,205,000 and available for sale financial assets with total book value of RMB132,225,000, and deposits with total book value of RMB 70,000,000 were pledged to financial institutions for the guarantee of bank loans of the Group. The corresponding bank loans amounted to RMB5,918,399,000.

7. Contingent liabilities

The Group provided bank guarantees in favour of its customers in respects of the mortgage loans provided by the banks to such customers for purchases of the Group's properties. These guarantees will expire upon the submission of the relevant property ownership certificates to the mortgagee bank by the relevant customers. As at 30 June 2009, the remaining amount of bank guarantees provided amounted to approximately RMB2,314,133,000.

As at 30 June 2009, the Company and Shanghai Home Value Holding (Group) Co., Ltd. ("Shanghai Home Value") provided guarantees in respect of a loan amounted to RMB900,000,000 with a term of eight years ("Loan"), of which, the maximum guarantees provided by the Company was RMB441,000,000. The Loan was secured by the pledge of properties owned by Beijing Hehua.

Save as disclosed above, the Group did not have any outstanding loan capital, bank overdrafts, and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase commitments, or guarantees or other material contingent liabilities outstanding as at 30 June 2009 apart from the intra-group liabilities.

8. Commitments

As at 30 June 2009, the Group has irrevocable operating leases commitments of approximately RMB552,287,000, of which approximately RMB38,416,000 shall be paid within one year, approximately RMB378,977,000 shall be paid in two to five years (inclusive), and approximately RMB134,894,000 shall be paid after five years.

As at 30 June 2009, the Group has commitments approximately RMB5,628,502,000 capital projects contracted but not provided for and approximately RMB143,844,000 capital projects authorized but not yet contracted.

DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2009. (2008 interim: Nil).

EMPLOYEES

As at 30 June 2009, the Group has a total of 1,958 employees (2008 interim: 2,210 employees). The number of employees with university education or above was 842, representing approximately 43.0% of the Group's total employees. The number of employees aged below 40 was 1,531, representing approximately 78.2% of the Group's total employees. The number of engineers and technicians was 620, representing approximately 31.6% of the Group's total employees. The number of operational management staff was 497, representing approximately 25.4% of the Group's total employees.

OTHER INFORMATION

SHARE CAPITAL

Shareholding structure of the Company as at 30 June 2009:

Class of shares	Number of shares	Percentage(%)
Domestic shares	1,473,768,065	58.27
Of which:		
Shanghai Fosun High Technology (Group) Company Limited ("Fosun High Technology")	1,191,746,150	47.12
Shanghai Fosun Pharmaceutical Development Company Limited ("Fosun Pharmaceutical")	267,217,615	10.56
Dahua (Group) Company Limited	7,402,150	0.29
Dazhong Transportation (Group) Company Limited	7,402,150	0.29
H shares	1,055,538,122	41.73
Total	2,529,306,187	100.00

Note: On June 5, 2009 Fosun Pharmaceutical entered a share transfer agreement with Fosun High Technology with regard to Fosun Pharmaceutical's holding of 25,300,000 shares of the Company's stock. The signed agreement still needs to be submitted to the Ministry of Commerce and other relevant government agencies for approved.

OTHER INFORMATION (Continued)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN SHARES AND UNDERLYING SHARES

As at 30 June 2009, so far as is known to any director or chief executives, the following shareholders (who are neither Directors nor chief executives of the Company) had 5% or more beneficial interest or short positions in the issued shares, underlying shares and debentures of the Company as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"):

Name of shareholders	Class of shares	Number of shares	Percentage in the relevant class of share capital	Percentage in total share capital
Fosun High Technology	Domestic Shares	1,458,963,765 (L) (Note 1)	99.00%	57.68%
Fosun International Limited ("Fosun International")	Domestic Shares	1,458,963,765 (L) (Note 2)	99.00%	57.68%
	H Shares	325,710,000 (L)	30.86%	12.88%
Fosun Holdings Limited	Domestic Shares	1,458,963,765 (L) (Note 3)	99.00%	57.68%
	H Shares	325,710,000 (L)	30.86%	12.88%
Fosun International Holdings Ltd.	Domestic Shares	1,458,963,765 (L) (Note 4)	99.00%	57.68%
	H Shares	325,710,000 (L)	30.86%	12.88%
Fosun Pharmaceutical	Domestic Shares	267,217,615 (L)	18.13%	10.56%
Shanghai Fosun Pharmaceutical (Group) Company Limited ("Fosun Pharmaceutical (Group)")	Domestic Shares	267,217,615 (L) (Note 5)	18.13%	10.56%
Platinum Asset Management Limited	H Shares	86,256,000 (L)	8.17%	3.41%

OTHER INFORMATION (Continued)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

1. Of these 1,458,963,765 shares, 1,191,746,150 shares are directly held by Fosun High Technology and the remaining 267,217,615 shares are deemed corporate interests indirectly held through the wholly-owned subsidiary of Fosun Pharmaceutical (Group).

2. Fosun High Technology is wholly owned by Fosun International. Fosun International is deemed to be interested in 1,191,746,150 shares directly held by Fosun High Technology and 267,217,615 shares directly held by Fosun Pharmaceutical.

3. Fosun Holdings Limited owns 78.24% share interests in Fosun International.

4. Fosun Holdings Limited is wholly owned by Fosun International Holdings Ltd..

5. Fosun Pharmaceutical (Group) owns 100% equity interest in Fosun Pharmaceutical. It is deemed to be interested in 267,217,615 shares held by Fosun Pharmaceutical.

6. (L) represents long position.

DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2009, the interests and short positions of the Directors, chief executive and Supervisors' in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing The Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

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

Name of Director	Class of shares	Nature of Interest	Number of shares	Percentage in the relevant class of shares capital
Guo Guangchang	Domestic Shares	Corporate	1,458,963,765	99.00%
	H Shares	Corporate	325,710,000	30.86%

(b) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO):

Name of Director	Name of associated corporation	Nature of interest	Number of shares directly and indirectly held	Approximate percentage of shares in issue of the associated corporation
Guo Guangchang	Fosun International Holdings Ltd.	Individual	29,000	58%
	Fosun Holdings Limited	Corporate	1	100%
	Fosun International	Corporate	5,024,555,500	78.24%
	Fosun Pharmaceutical (Group)	Individual	76,050	0.01%
Fan Wei	Fosun International Holdings Ltd.	Individual	5,000	10%

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Period.

CODE OF CORPORATE GOVERNANCE PRACTICES

The directors of the Company are of the opinion that the Company has complied with the provisions set out in the Code of Corporate Governance Practices in Appendix 14 of the Listing Rules during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors. After specific enquiries have been made by the Company, all directors have confirmed that they have complied with the required standards set out in such code of conduct throughout the Reporting Period.

AUDIT COMMITTEE

During the Reporting Period, the Audit Committee of the Company consisted of four members. All of them were independent non-executive directors of the Company.

The major duties of the Audit Committee of the Company were to audit and supervise the financial reporting procedures and internal control system of the Company. It also provides advices and suggestions to the Board.

This interim results for the six months ended 30 June 2009 are unaudited, but have been reviewed by Ernst & Young. The Audit Committee of the Company has reviewed this interim report.

PUBLICATION OF INTERIM REPORT

The interim report of the Company will be despatched to shareholders of the Company and will be available at the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.forte.com.cn).

OTHERS

As at the date of this report, the executive directors of the Company are Mr. Fan Wei and Mr. Wang Zhe, the non-executive directors of the Company are Mr. Guo Guangchang, Mr. Chen Qiyu and Mr. Feng Xiekun, and the independent non-executive directors of the Company are Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan.

By order of the Board of Directors
Fan Wei
Chairman

Shanghai, the PRC, 19 August 2009

INTERIM CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	Notes	For the six months ended 30 June **2009** **RMB'000** **(Unaudited)**	 2008 RMB'000 (Unaudited)
REVENUE	4	**2,003,574**	1,033,117
Cost of sales		**(1,302,308)**	(408,753)
Gross profit		**701,266**	624,364
Other income and gains	4	**114,295**	34,435
Selling and distribution costs		**(101,935)**	(121,098)
Administrative expenses		**(116,581)**	(141,959)
Other expenses		**(9,671)**	(6,716)
Operating profit		**587,374**	389,026
Finance costs	5	**(29,477)**	(19,348)
Share of profits and losses of:			
Jointly-controlled entities		**6,407**	2,909
Associates		**(4,768)**	(616)
PROFIT BEFORE TAX	6	**559,536**	371,971
Tax	7	**(257,569)**	(239,050)
PROFIT FOR THE PERIOD		**301,967**	132,921
Attributable to:			
Equity holders of the Company		**286,700**	35,981
Minority interests		**15,267**	96,940
		301,967	132,921
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– BASIC (RMB)	8	**0.113**	0.014

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**301,967**	132,921
Exchange differences on translating foreign operations	**2,745**	6,008
Net gain/(loss) on available-for-sale investments	**99,994**	(81,673)
Income tax relating to components of other comprehensive income	**—**	—
Other comprehensive income/(loss) for the period, net of tax	**102,739**	(75,665)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**404,706**	57,256
Attributable to:		
Equity holders of the Company	**389,439**	(39,684)
Minority interests	**15,267**	96,940
	404,706	57,256

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2009

	Notes	**30 June 2009 RMB'000 (Unaudited)**	31 December 2008 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property and equipment		**227,574**	202,187
Investment property	9	**1,351,205**	429,000
Properties under development	10	**4,516,388**	6,718,930
Goodwill		**35,719**	35,719
Other intangible assets		**5,489**	5,780
Investments in jointly-controlled entities		**634,588**	629,232
Investments in associates		**290,197**	256,278
Available-for-sale investments	11	**213,948**	77,018
Loan receivables		**220,000**	220,000
Prepayments	12	**1,153,452**	1,156,383
Deferred tax assets		**427,430**	383,549
Total non-current assets		**9,075,990**	10,114,076
CURRENT ASSETS			
Cash and cash equivalents		**2,896,765**	1,213,089
Pledged deposits		**113,420**	19,449
Income tax recoverable		**105,835**	95,684
Trade receivables	13	**384,676**	185,189
Loan receivables		**220,000**	—
Prepayments, deposits and other receivables		**835,356**	569,331
Amounts due from related companies		**444,361**	454,759
Amount due from the holding company		**70,468**	59,441
Completed properties held for sale		**1,045,388**	987,604
Properties under development	10	**7,445,739**	6,263,042
Total current assets		**13,562,008**	9,847,588

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

30 June 2009

	Notes	**30 June 2009 RMB'000 (Unaudited)**	31 December 2008 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	14	**3,471,507**	2,507,736
Trade and bills payables	15	**1,255,784**	1,275,421
Advances from customers		**3,348,296**	2,110,091
Accrued liabilities and other payables		**385,718**	447,005
Tax payable		**1,240,997**	1,191,732
Amounts due to related companies		**300,072**	227,368
Total current liabilities		**10,002,374**	7,759,353
NET CURRENT ASSETS		**3,559,634**	2,088,235
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,635,624**	12,202,311
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	14	**5,948,047**	5,938,232
Loans from related companies		**157,635**	152,193
Deferred tax liabilities		**240,917**	261,687
Total non-current liabilities		**6,346,599**	6,352,112
Net assets		**6,289,025**	5,850,199
EQUITY			
Equity attributable to equity holders of the Company:			
Issued capital		**505,861**	505,861
Reserves		**5,125,849**	4,728,140
Proposed final dividend		**50,586**	50,586
		5,682,296	5,284,587
Minority interests		**606,729**	565,612
Total equity		**6,289,025**	5,850,199

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to equity holders of the Company										
	Issued capital RMB'000	Share premium account RMB'000	Available-for-sale investment revaluation reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Proposed final dividend RMB'000	Total RMB'000	Minority interests RMB'000	Total equity RMB'000
At 1 January 2009	505,861	2,624,510	—	237,680	592,172	6,567	1,267,211	50,586	5,284,587	565,612	5,850,199
Profit for the period	—	—	—	—	—	—	286,700	—	286,700	15,267	301,967
Other comprehensive income	—	—	99,994	—	—	2,745	—	—	102,739	—	102,739
Total comprehensive income	—	—	99,994	—	—	2,745	286,700	—	389,439	15,267	404,706
Capital contribution from minority shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	25,850	25,850
Indemnity receivable of land appreciation tax ("LAT") from the holding company	—	—	—	11,027	—	—	—	—	11,027	—	11,027
Tax effect of LAT indemnity	—	—	—	(2,757)	—	—	—	—	(2,757)	—	(2,757)
At 30 June 2009 (unaudited)	505,861	2,624,510	99,994	245,950	592,172	9,312	1,553,911	50,586	5,682,296	606,729	6,289,025

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2009

	Attributable to equity holders of the Company									
	Issued capital RMB'000	Share premium account RMB'000	Available-for-sale investment revaluation reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Minority interests RMB'000	Total equity RMB'000
At 1 January 2008	505,861	2,624,510	(46,863)	193,099	481,302	50	1,327,012	5,084,971	524,616	5,609,587
Profit for the period	—	—	—	—	—	—	35,981	35,981	96,940	132,921
Other comprehensive income	—	—	(81,673)	—	—	6,008	—	(75,665)	—	(75,665)
Total comprehensive income	—	—	(81,673)	—	—	6,008	35,981	(39,684)	96,940	57,256
Disposal of equity interest in a subsidiary	—	—	—	—	—	—	—	—	(1,075)	(1,075)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	62,838	62,838
Dividends paid to minority shareholders	—	—	—	—	—	—	—	—	(43,550)	(43,550)
Indemnity receivable of LAT from holding company	—	—	—	46,831	—	—	—	46,831	—	46,831
Tax effect of LAT indemnity	—	—	—	(11,708)	—	—	—	(11,708)	—	(11,708)
At 30 June 2008 (unaudited)	505,861	2,624,510	(128,536)	228,222	481,302	6,058	1,362,993	5,080,410	639,769	5,720,179

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**866,415**	(1,319,310)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(182,175)**	(131,576)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**999,436**	1,773,698
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,683,676**	322,812
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1,213,089**	2,379,169
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,896,765**	2,701,981
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances (excluding pledged deposits)	**2,896,765**	2,701,981

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. CORPORATE INFORMATION

Shanghai Forte Land Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on 13 August 1998 as a limited company. Pursuant to an approval document, "Hu Fu Ti Gai Shen [2001] No. 026" dated 12 September 2001 issued by the Shanghai Municipal Government, the Company was reorganised as a joint stock limited company on 27 September 2001. The principal activities of the Company are property development, property agency, property investment, property management and all consultancy services relating to such businesses.

The principal activity of the Company and its subsidiaries (the "Group") is property development. The registered office of the Company is located at 9th Floor, 510 Caoyang Road, Shanghai, the PRC. The principal place of business of the Company is located at 5th-7th Floor, Fuxing Business Building, No.2 East Fuxing Road, Shanghai, the PRC.

In the opinion of the directors, the holding company of the Group is Fosun High Technology which was established in the PRC; the intermediate holding company of the Group is Fosun International which was incorporated in Hong Kong; the ultimate holding company of the Group is Fosun International Holdings Ltd., which was incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2009 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2008, except for the adoption of certain new and revised International Financial Reporting Standards ("IFRSs", which also include IASs and Interpretations), as set out in note 2.3.

2.3 ADOPTION OF NEW AND REVISED IFRSs

During the six months ended 30 June 2009, the following new and revised IFRSs came into effect.

IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 *First time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
IFRS 8	*Operating Segments*
IAS 1 (Revised)	*Presentation of Financial Statements*
IAS 23 (Revised)	*Borrowing Costs*
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
IFRIC 9 & IAS 39 Amendments	Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
IFRIC 13	*Customer Loyalty Programmes*
IFRIC 15	*Agreements for the Construction of Real Estate*
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*
Annual Improvements to IFRSs 2008	

In May 2008, the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

Except for IAS 1 (Revised) which affected the presentation of the interim condensed consolidated financial statements, the Group expects that the adoption of these new and revised IFRSs is unlikely to have a significant impact on the accounting policies of the Group and the method of computation in the interim condensed consolidated financial statements.

2.4 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective in the interim condensed consolidated financial statements.

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRS – Additional Exemptions for First-time Adopters*[2]
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Accounting for Group Cash-settled Share-based Payment Transactions*[2]
IFRS 3 (Revised)	*Business Combinations*[1]
IAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
IAS 39 Amendment	Amendment to IAS 39 *Financial Instruments: Recognition and Measurement - Eligible Hedged Items*[1]
IFRIC 17	*Distribution of Non-cash Assets to owners*[1]
IFRIC 18	*Transfers of Assets from Customers*[1]

Apart from the above, the IASB has also issued *Improvements to IFRSs* in 2009* which sets out amendments to a number of IFRSs with a view to removing inconsistencies and clarifying wording. Except for the amendments to IFRS 2, IFRIC 9, IFRIC 16 and certain amended paragraphs of IAS 38, which are effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2010.

1 Effective for financial years beginning on or after 1 July 2009
2 Effective for financial years beginning on or after 1 January 2010
* Improvements to IFRSs include amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16.

Further information about the changes arising from the adoption of the new and revised IFRSs that are expected to significantly affect the Group is as follows:

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

2.4 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary is without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rate*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, it has concluded that while the adoption of IFRS 3 (Revised) and IAS 27 (Revised) may affect future acquisitions, loss of control and transactions with minority interests.

Except as stated above, the adoption of other new/revised IFRSs is unlikely to have a significant impact on the Group's financial statements in the period of initial application.

3. SEGMENT INFORMATION

The Group's revenue and contribution to profit from operating activities for the six months ended 30 June 2009 (the "Period") were mainly derived from property development in the PRC. The principal assets employed by the Group are located in the PRC. Accordingly, no segment analysis by business or geographical segment is provided.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of properties	**2,050,895**	1,048,625
Rental income from investment property	**7,801**	3,532
Property agency income	**21,825**	32,524
Property sales planning and advertising income	**2,559**	2,106
Property management income	**16,402**	6,546
Decoration and provision of construction materials	**2,639**	—
Construction supervisory and consulting income	**3,239**	1,279
	2,105,360	1,094,612
Less: Business tax and government surcharges	**(101,786)**	(61,495)
Total revenue	**2,003,574**	1,033,117
Other income		
Government grants	**13,104**	11,422
Reversal of impairment of inventories	**26,813**	—
Bank interest income	**3,832**	3,172
Interest income for loan receivables	**3,566**	5,463
Miscellaneous rental income	**7,608**	1,970
Others	**3,702**	2,408
	58,625	24,435
Gains		
Gain on fair value adjustment of an investment property	**55,670**	10,000
Other income and gains	**114,295**	34,435

5. FINANCE COSTS

	For the six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interest expenses	**323,607**	301,176
Less: interest capitalised	**(296,077)**	(278,245)
Interest expenses, net	**27,530**	22,931
Exchange gain	**—**	(3,858)
Bank charges and others	**1,947**	275
Total finance costs	**29,477**	19,348

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**1,302,308**	408,753
Staff costs	**83,225**	99,200
Depreciation	**9,331**	9,630
Amortisation of other intangible assets	**291**	—
Reversal of impairment of inventories	**(26,813)**	—
Loss on disposal of items of property and equipment	**97**	144

7. TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the Period.

The major components of tax expense for the six months ended 30 June 2009 and 2008 are as follows:

		For the six months ended 30 June	
		2009	2008
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Unaudited)
Current tax			
– Income tax in the PRC	(1)	**195,066**	137,918
– LAT in the PRC	(2)	**129,912**	175,843
Deferred tax		**(67,409)**	(74,711)
Total tax charge		**257,569**	239,050

(1) The provision for PRC current income tax has been based on a statutory rate of 25% of the assessable profit of the Group for the six months ended 30 June 2009 (six months ended 30 June 2008: 25%), except for certain subsidiaries of the Group in the PRC, which are taxed at preferential rates of 15%, 18% and 20%, respectively.

(2) According to tax notice issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 1% to 3% on proceeds of the sale and pre-sale of properties from 2004. Prior to the year end of 2006, except for this amount paid to the local tax authorities, no further provision for LAT had been made. The directors considered that the relevant tax authorities would unlikely impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

From year 2006 onward, the Group provided additional LAT in respect of the properties sold in accordance with the requirements as set forth in the relevant PRC tax laws and regulation. For six months ended 30 June 2009, based on the latest understanding of LAT regulations from tax authorities, the Group made an additional LAT provision in the amount of RMB112,659,000 (six months ended 30 June 2008: RMB165,016,000) in respect of properties sold during six months ended 30 June 2009.

In 2004, upon the reorganisation and the listing of the Company, the Company and Fosun High Technology entered into a deed of tax indemnity whereby Fosun High Technology has undertaken to indemnify the Company in respect of the LAT payable attributable to the Group in excess of the prepaid LAT based on 1% to 3% of sales proceeds, after netting off potential income tax savings, in consequence of the disposal of the properties owned by the Group as at 30 November 2003. As at 30 June 2009, the indemnity of LAT receivable from the holding company after netting off potential income tax saving amounted to RMB70,468,000 (31 December 2008: RMB59,441,000), and the deferred tax liability arising thereon amounted to RMB65,319,000 (31 December 2008: RMB62,562,000). This LAT indemnity after netting off the corresponding tax liability was credited to capital reserve directly.

7. TAX (Continued)

(3) The share of tax attributable to jointly-controlled entities and associates amounting to RMB999,200 (six months ended 30 June 2008: RMB1,832,000) and RMB1,352,000 (six months ended 30 June 2008: RMB790,000), respectively, is included in "Share of profits and losses of jointly-controlled entities and associates" on the face of the interim condensed income statement.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the Period attributable to equity holders of the Company for the Period of approximately RMB286,700,000 (six months ended 30 June 2008: RMB35,981,000) and the weighted average number of ordinary shares of 2,529,306,000 (six months ended 30 June 2008: 2,529,306,000) in issue during the Period.

Diluted earnings per share amounts for the six months ended 30 June 2008 and 2009 have not been disclosed as no diluting events existed during these periods.

9. INVESTMENT PROPERTY

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Carrying amount at beginning of period	**429,000**	456,000
Transfer from properties under development	**1,295,535**	—
Gain/(loss) from fair value adjustment	**55,670**	(27,000)
Disposal	**(429,000)**	—
Carrying amount at end of period	**1,351,205**	429,000

The Group's investment property is situated in Beijing, the PRC.

The Group's investment property was revalued on 30 June 2009 at RMB1,351,205,000 by Jones Lang LaSalle Sallmanns Limited, independent professionally qualified valuers, on an open market, existing use basis. The valuation was made on the estimated market value for which a property should exchange on the date of valuation between a willing buyer and a willing seller after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

10. PROPERTIES UNDER DEVELOPMENT

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Land costs	7,440,504	8,227,326
Construction costs	3,435,024	3,801,908
Capitalised financial costs	1,086,599	952,738
	11,962,127	12,981,972
Portion classified as current assets	(7,445,739)	(6,263,042)
	4,516,388	6,718,930

The Group's properties under development are situated in Shanghai, Hangzhou, Wuhan, Nanjing, Beijing, Chongqing, Xi'an, Tianjin, Changchun and Chengdu, the PRC.

11. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Unlisted equity investments, at cost	22,798	3,529
Listed equity investment, at fair value	191,150	73,489
	213,948	77,018

As at 30 June 2009, the Group's unlisted equity investments represent the Group's 5% equity interests in four unlisted companies established in the PRC with limited liability. These unlisted equity investments were stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of these investments in the near future.

The Group's listed equity investment represents the Group's 8.43% equity interests in Shanghai Zendai Property Development Co., Ltd., a company listed on the Main Board of Hong Kong Stock Exchange. This investment was designated as available-for-sale financial asset, the fair value of which is based on quoted market prices.

12. PREPAYMENTS

Payments are in respect of the following:

(a) Prepayment for the proposed acquisition of an equity interest in Beijing Hehua Real Estate Development Co., Ltd.

On 28 December 2006, the Group entered into a cooperative agreement with Home Value Holding Co., Ltd. ("Home Value") to acquire a 33% equity interest in a subsidiary of Home Value, Beijing Hehua Real Estate Development Co., Ltd. ("Beijing Hehua"), for the joint development of JW Marriott Centre in Beijing (the "Agreement"), pursuant to which (i) the Group conditionally agreed to inject an aggregate amount of US$7,600,000 (equivalent to RMB60,000,000) by way of contribution to the registered capital of Beijing Hehua; (ii) the Group conditionally agreed to provide additional investment of RMB387,000,000 by way of a shareholder loan, which is unsecured, interest-free and repayable on demand.

On 23 June 2009, Easley Investment Limited ("Easley"), a wholly-owned subsidiary of the Group entered into an equity transfer agreement with Lion King Group Limited ("Lion King"), a subsidiary of Home Value, pursuant to which (i) the finalized acquisition interest of Beijing Hehua was increased from 33% to 37% and (ii) the Group and Lion King agreed to invest in the project by proportion of 37%:63%.

As at 30 June 2009, the Group advanced RMB565,070,000 (31 December 2008: RMB540,070,000) to Beijing Hehua, including the capital injection of RMB60,000,000 as set out in the Agreement.

(b) Prepayment for the proposed acquisition of an equity interest in Shanghai Dijie Real Estate Limited

On 20 December 2007, Shanghai Forte Investment Management Co., Ltd. ("Forte Investment"), a wholly-owned subsidiary of the Group, entered into a cooperative agreement with Shanghai Vanke Real Estate Co., Ltd. ("Shanghai Vanke") in respect of the joint development of a property development project in Shanghai, for a total consideration of RMB2,430,690,000, pursuant to which (i) Shanghai Vanke and Forte Investment will jointly acquire 60% and 40% equity interests in Shanghai Dijie Real Estate Limited ("Dijie"), respectively, and (ii) Forte Investment will contribute 40% of the total consideration in proportion to its shareholding in Dijie in the amount of RMB972,276,000.

As at 30 June 2009, the Group advanced RMB588,382,000 (31 December 2008: RMB616,313,000) to Shanghai Vanke. The remaining capital commitment not paid as at 30 June 2009 amounting to RMB383,894,000 is set out in note 17.

13. TRADE RECEIVABLES

An aged analysis of the trade receivables as at 30 June 2009, based on the payment due date, is as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Undue	**384,676**	185,189

Credit terms granted to the Group's customers	30 to 360 days

14. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	Notes	**30 June 2009 RMB'000 (Unaudited)**	31 December 2008 RMB'000 (Audited)
Bank loans, secured	(1)	**5,918,399**	3,702,442
Bank loans, unsecured		**1,448,500**	2,183,500
		7,366,899	5,885,942
Other borrowings, unsecured	(2)	**2,052,655**	2,560,026
Total bank loans and other borrowings		**9,419,554**	8,445,968
Portion classified as current liabilities		**(3,471,507)**	(2,507,736)
Non-current portion		**5,948,047**	5,938,232

14. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (Continued)

Notes:

(1) The Group's bank loans are secured by the pledge of the following:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Pledged deposits	70,000	—
Available-for-sale investment	132,225	61,380
Investment property	1,351,205	429,000
Property and equipment	73,817	7,960
Properties under development	6,092,732	3,937,313
Completed properties held for sale	31,589	—
	7,751,568	4,435,653
The bank loans bear interest at rates per annum in the range of	1.551% to 8.694%	2.790% to 8.590%

(2) Other borrowings

	30 June 2009	31 December 2008
The other borrowings bear interest at rates per annum in the range of	2.099% to 7.178%	2.099% to 9.340%

15. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at 30 June 2009, is as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within six months	799,445	1,079,125
More than six months, but within one year	333,730	7,698
Over one year	122,609	188,598
	1,255,784	1,275,421

16. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment property under operating lease arrangements, with leases negotiated for terms ranging from two to five years.

At 30 June 2009, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within one year	**14,265**	17,233
In the second to fifth years, inclusive	**40,042**	29,766
After five years	**—**	395
	54,307	47,394

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to twenty years.

At 30 June 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within one year	**38,416**	13,996
In the second to fifth years, inclusive	**378,977**	4,950
After five years	**134,894**	—
	552,287	18,946

17. COMMITMENTS

In addition to the operating lease commitments detailed in note 16(b), the Group had the following capital commitments at 30 June 2009:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Authorised, but not contracted for:		
Investment	**143,844**	—
Contracted, but not provided for:		
Investment	**403,894**	375,963
Property and equipment	**53,123**	46,439
Properties under development	**5,171,485**	4,108,550
	5,628,502	4,530,952

18. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	Notes	**30 June 2009 RMB'000 (Unaudited)**	31 December 2008 RMB'000 (Audited)
Guarantees given to banks in connection with banking facilities granted to third parties	(1)	**441,000**	441,000
Guarantees given to banks in connection with banking facilities granted to its customers	(2)	**2,314,133**	1,938,549
		2,755,133	2,379,549

(1) On 23 October 2008, Beijing Hehua entered into a bank loan agreement ("Loan Agreement") with Shanghai Pudong Development Bank to obtain a long-term bank loan amounting to RMB900,000,000 ("Loan"), which is secured by the pledge of properties owned by Beijing Hehua. Pusuant to the Loan Agreement: (i) this Loan bears an interest rate of 7.2% per annum and is repayable on 23 October 2016; and (ii) the maximum guarantees provided by the Company is RMB441,000,000.

(2) As at 30 June 2009, the Group provided guarantees of approximately RMB2,314,133,000 (2008: RMB1,938,549,000) in favour of their customers in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties.

19. RELATED PARTY TRANSACTIONS

(a) During the Period, the Group had the following material transactions with related parties:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Holding company:		
LAT indemnity	**11,027**	46,831
Entrusted bank loans received	**—**	250,000
Interest expenses on entrusted bank loans	**32,822**	83,045
Associates:		
Property management fee	**6,108**	4,276
Sales agency service income	**—**	296
Jointly-controlled entities:		
Interest income of entrusted bank loans	**7,132**	10,926
Entrusted bank loans provided	**220,000**	—
Shareholder loans provided	**—**	266,400
Notional interest expense	**2,582**	2,636
Project consulting service income	**—**	1,772
Property management service income	**297**	—
Sales agency service income	**33**	345
Other related parties:		
Interest expenses of entrusted bank loans	**32,966**	—
Operating lease fee	**2,509**	4,595
Property management fee	**1,890**	—
Operating lease income	**—**	1,339
Notional interest expense	**2,861**	2,702

19. RELATED PARTY TRANSACTIONS (Continued)

(b) Guarantees provided by related parties of the Group

According to a financial assistance agreement entered into by the Group and Fosun International on 25 October 2007, Fosun High Technology and Fosun International would provide the Group with bank guarantees in the aggregate amount of RMB1,300,000,000, free of charges.

As at 30 June 2009, part of the Group's short-term bank loans amounting to HK$206,850,000 (equivalent to RMB182,338,000) and RMB740,000,000 were guaranteed by Fosun International.

In the opinion of the directors, except for the tax indemnity receivable from the holding company, all related party transactions as set out above were conducted on normal commercial terms.

(c) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**6,674**	8,752
Pension scheme contributions	**122**	101
Total compensation paid to key management personnel	**6,796**	8,853

20. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

(a) On 9 August 2009, the Company entered into an equity transfer agreement with Jiangyin Lichang Property Development Co., Ltd. and Jiangsu Zhengyang Property Management Co., Ltd. to acquire their 51% and 49% equity interest, respectively, in Nanjing Runchang Property Development Co., Ltd. ("Nanjing Runchang") for the purpose of acquiring and developing one piece of land located in Nanjing, the PRC at a total consideration of RMB1,044,500,000.

This is a parcel of land of an aggregate area of approximately 176,751.70m^2 and an aggregate gross floor area of approximately 300,417m^2 located in Nanjing, the PRC for residential and commercial uses. Nanjing Runchang will make instalment payments of the land premium in an aggregate amount of RMB1,750,000,000 and apply for the land use rights certificate under its name.

(b) On 17 August 2009, the Company obtained the "Approval for the Public Issue of Domestic Corporate Bonds by Shanghai Forte Land Co., Ltd." (Zheng Jian Xu Ke [2009] No.786) from the China Securities Regulatory Commission ("CSRC") whereby the Company is permitted to issue domestic corporate bonds with an aggregate principal amount of not more than RMB1,900,000,000.

(c) Subsequent to the business re-registration of Beijing Hehua and the completion of the equity transfer effective on 18 August 2009, the Group's proposed acquisition of the 37% equity interest in Beijing Hehua, as set out in note 12, was completed.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 19 August 2009.