The following is the text of a report, prepared for the purpose of incorporation in this document, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong.

PRICEWATERHOUSECOOPERS

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[●]

The Directors
Glorious Property Holdings Limited

[●]

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Glorious Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out in Section I to III below, for inclusion in [●]. The Financial Information comprises the consolidated balance sheets of the Group as at 31 December 2006, 2007, 2008 and 30 April 2009, the balance sheets of the Company as at 31 December 2007, 2008 and 30 April 2009, and the consolidated income statements, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2006, 2007 and 2008 and the four months ended 30 April 2008 and 2009 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory notes.

The Company was incorporated in the Cayman Islands on 27 July 2007 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. Pursuant to a group reorganisation as described in Note 1 of Section II headed "Reorganisation" below, which was completed in September 2007, the Company became the holding company of the subsidiaries comprising the Group (the "Reorganisation").

As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in Note 1 of Section II below. All of these companies are private companies.

All companies comprising the Group have adopted 31 December as their financial year end date. Details of the financial statements of the companies comprising the Group that are subject to audit and the names of the respective auditors are set out in Note 1 of Section II below.

For the purpose of this report, the directors of the Company have prepared consolidated financial statements of the Company for the Relevant Periods, in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (the "Underlying Financial Statements"). We have audited the Underlying Financial Statements for each of the years ended 31 December 2006, 2007 and 2008 and the four months ended 30 April 2009 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information has been prepared based on the Underlying Financial Statements with no adjustment made thereon.

Directors' responsibility

The directors of the Company are responsible for the preparation and true and fair presentation of the Underlying Financial Statements in accordance with HKFRSs.

For the financial information for each of the years ended 31 December 2006, 2007 and 2008 and the four months ended 30 April 2009, the directors of the Company are responsible for the preparation and true and fair presentation of the financial information in accordance with HKFRSs. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the financial information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

For the financial information for the four months ended 30 April 2008, the directors of the Company are responsible for the preparation and the presentation of the financial information in accordance with the accounting policies set out in Note 2 of Section II below which are in conformity with HKFRSs.

Reporting accountant's responsibility

For the financial information for each of the years ended 31 December 2006, 2007 and 2008 and the four months ended 30 April 2009, our responsibility is to express an opinion on the financial information based on our examination and to report our opinion to you. We examined the Underlying Financial Statements used in preparing the financial information and carried out such additional procedures as we considered necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by HKICPA.

For the financial information for the four months ended 30 April 2008, our responsibility is to express a conclusion on the financial information based on our review and to report our conclusion to you. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion and review conclusion

In our opinion, the financial information for each of the years ended 31 December 2006, 2007 and 2008 and the four months ended 30 April 2009, for the purpose of this report, gives a true and fair view of the state of affairs of the Company as at 31 December 2007 and 2008 and 30 April 2009 and of the state of affairs of the Group as at 31 December 2006, 2007 and 2008 and 30 April 2009 and of the Group's results and cash flows for the respective years and period then ended.

Based on our review, which does not constitute an audit, nothing has come to our attention that causes us to believe that the financial information for the four months ended 30 April 2008, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 2 to Section II below which are in conformity with HKFRSs.

I CONSOLIDATED FINANCIAL INFORMATION

(a) Consolidated balance sheets

	Note	31 December 2006	31 December 2007	31 December 2008	30 April 2009
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property and equipment	6	17,197	16,400	392,313	421,870
Investment properties	8	—	—	1,103,500	2,144,940
Intangible asset	9	—	—	—	2,441
Investment in an associate		—	—	4,500	4,500
Deferred income tax assets	20	65,737	58,960	26,820	31,180
		82,934	75,360	1,527,133	2,604,931
Current assets					
Properties under development	10	4,505,737	5,829,489	7,345,976	7,482,943
Completed properties held for sale	11	513,600	357,893	1,201,268	1,073,625
Inventories	12	—	—	—	5,719
Trade and other receivables and prepayments	13	4,490,087	3,107,299	2,595,899	2,429,835
Prepaid taxes		42,133	71,378	106,257	106,641
Financial assets at fair value through profit or loss	14	—	21,091	—	—
Restricted cash	15	97,630	66,690	84,468	96,379
Cash and cash equivalents	16	112,187	3,199,105	297,221	327,524
		9,761,374	12,652,945	11,631,089	11,522,666
Total assets		9,844,308	12,728,305	13,158,222	14,127,597

(a) Consolidated balance sheets (continued)

	Note	31 December 2006	31 December 2007	31 December 2008	30 April 2009
		RMB'000	RMB'000	RMB'000	RMB'000
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	17	—	962	962	962
Reserves	18	1,607,958	(336,935)	918,056	1,691,594
Total equity/(deficit)		1,607,958	(335,973)	919,018	1,692,556
LIABILITIES					
Non-current liabilities					
Borrowings	19	2,671,890	2,317,730	537,000	609,560
Deferred income tax liabilities	20	—	—	172,937	351,091
		2,671,890	2,317,730	709,937	960,651
Current liabilities					
Advanced proceeds received from customers		1,060,271	4,480,950	3,742,816	3,756,823
Trade and other payables	21	3,215,657	1,438,661	1,185,235	1,025,065
Income tax payable		118,532	277,782	664,091	760,230
Borrowings	19	1,170,000	4,549,155	5,937,125	5,932,272
		5,564,460	10,746,548	11,529,267	11,474,390
Total liabilities		8,236,350	13,064,278	12,239,204	12,435,041
Total equity and liabilities		9,844,308	12,728,305	13,158,222	14,127,597
Net current assets		4,196,914	1,906,397	101,822	48,276
Total assets less current liabilities		4,279,848	1,981,757	1,628,955	2,653,207

(b) Balance sheets of the Company

	Note	31 December 2007	31 December 2008	30 April 2009
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Interests in subsidiaries	7	3,426,584	3,237,792	3,238,066
Current assets				
Prepayments	13	3,781	48,067	57,279
Cash and cash equivalents	16	214,575	8,912	7,289
		218,356	56,979	64,568
Total assets		3,644,940	3,294,771	3,302,634
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	17	962	962	962
Reserves	18	(44,530)	(1,042,714)	(1,405,732)
Total equity		(43,568)	(1,041,752)	(1,404,770)
LIABILITIES				
Current liabilities				
Trade and other payables	21	8,597	358	96
Amounts due to subsidiaries	22	14,756	29,150	37,236
Borrowings	19	3,665,155	4,307,015	4,670,072
Total current liabilities		3,688,508	4,336,523	4,707,404
Total equity and liabilities		3,644,940	3,294,771	3,302,634
Net current liabilities		(3,470,152)	(4,279,544)	(4,642,836)
Total assets less current liabilities		(43,568)	(1,041,752)	(1,404,770)

(c) Consolidated income statements

	Note	Year ended 31 December 2006 RMB'000	Year ended 31 December 2007 RMB'000	Year ended 31 December 2008 RMB'000	Four months ended 30 April 2008 RMB'000 (unaudited)	Four months ended 30 April 2009 RMB'000
Revenue	5	1,718,132	1,791,942	3,948,959	975,811	933,980
Cost of sales	25	(1,091,112)	(1,164,818)	(2,293,339)	(462,566)	(480,847)
Gross profit		627,020	627,124	1,655,620	513,245	453,133
Other income	23	15,068	17,194	21,405	7,106	6,671
Other (losses)/gains, net	24	—	(34,513)	825,563	(22,099)	735,117
Selling and marketing expenses	25	(46,534)	(77,426)	(150,494)	(46,347)	(34,278)
Administrative expenses	25	(100,187)	(105,666)	(214,818)	(65,071)	(90,251)
Finance costs	26	(73,702)	(97,225)	(54,479)	(18,061)	(11,376)
Profit before income tax		421,665	329,488	2,082,797	368,773	1,059,016
Income tax expenses	29	(162,481)	(221,394)	(827,806)	(194,047)	(285,478)
Profit for the year/period attributable to equity holders of the Company		259,184	108,094	1,254,991	174,726	773,538
Other comprehensive income:						
Gain/loss recognised directly in equity		—	—	—	—	—
Total comprehensive income for the year/period attributable to equity holders of the Company		259,184	108,094	1,254,991	174,726	773,538
Earnings per share for profit attributable to the equity holders of the Company (expressed in RMB per share)						
— Basic and diluted	30	N/A	N/A	12.55	1.75	7.74

(d) Consolidated statements of changes in equity

	Attributable to equity holders of the Company					
	Share capital (note 17)	Merger reserve (note 18(b))	Statutory reserve (note 18(c))	Other reserve (note 18(d))	(Accumulated losses)/ retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2006	—	758,800	11,027	—	(101,053)	668,774
Total comprehensive income for 2006	—	—	—	—	259,184	259,184
Transfer to statutory reserve	—	—	13,059	—	(13,059)	—
Capital injections to subsidiaries by their then shareholders	—	680,000	—	—	—	680,000
Balance at 31 December 2006	—	1,438,800	24,086	—	145,072	1,607,958
Total comprehensive income for 2007	—	—	—	—	108,094	108,094
Transfer to statutory reserve	—	—	22,730	—	(22,730)	—
Issue of share capital	962	—	—	—	—	962
Capital injections to subsidiaries by their then shareholders	—	124,377	—	—	—	124,377
Shareholder's contribution in relation to Notes borrowing	—	—	—	156,290	—	156,290
Deemed distribution to equity owner	—	(2,333,654)	—	—	—	(2,333,654)
Balance at 31 December 2007	962	(770,477)	46,816	156,290	230,436	(335,973)
Total comprehensive income for 2008	—	—	—	—	1,254,991	1,254,991
Transfer to statutory reserve	—	—	32,373	—	(32,373)	—
Balance at 31 December 2008	962	(770,477)	79,189	156,290	1,453,054	919,018
Total comprehensive income for the period	—	—	—	—	773,538	773,538
Balance at 30 April 2009	962	(770,477)	79,189	156,290	2,226,592	1,692,556
Unaudited:						
Balance at 1 January 2008	962	(770,477)	46,816	156,290	230,436	(335,973)
Total comprehensive income for the period	—	—	—	—	174,726	174,726
Balance at 30 April 2008	962	(770,477)	46,816	156,290	405,162	(161,247)

(e) Consolidated statements of cash flows

		Year ended 31 December			Four months ended 30 April	
	Note	2006	2007	2008	2008	2009
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cash flows from operating activities						
Cash (used in)/generated from operations	31	(1,917,005)	2,387,579	(1,864,380)	(2,300,793)	413,876
Income tax paid		(40,898)	(84,612)	(271,300)	(28,675)	(15,929)
Interest paid		(251,744)	(342,144)	(590,730)	(102,707)	(46,777)
Net cash (used in)/generated from operating activities		(2,209,647)	1,960,823	(2,726,410)	(2,432,175)	351,170
Cash flows from investing activities						
Investment income		1,800	4,127	—	—	—
Purchases of property and equipment		(4,941)	(5,063)	(16,871)	(10,510)	(32,437)
Cash outflow in the construction of investment properties		—	—	—	—	(4,047)
Proceeds from disposals of property and equipment		8	—	963	—	233
Acquisition of subsidiary	36	—	—	—	—	(2,000)
Advances to and receipt of advances to related parties and third parties, net		(957,854)	1,763,559	791,445	622,113	(1,986)
Interest received		3,528	6,702	7,900	4,028	248
Net cash (used in)/generated from investing activities		(957,459)	1,769,325	783,437	615,631	(39,989)
Cash flows from financing activities						
Proceeds from issuance of ordinary shares		—	962	—	—	—
Deemed distribution to equity owner		—	(2,333,654)	—	—	—
Capital injections to subsidiaries by their then shareholders		680,000	124,377	—	—	—
Advances from and repayment of advances from related parties and third parties, net		787,812	(1,475,390)	(362,052)	(368,397)	14,501
Proceeds from borrowings		2,962,000	3,325,155	489,000	145,000	120,000
Repayment of borrowings		(1,320,110)	(3,965,315)	(1,062,620)	(468,980)	(415,350)
Proceeds from Notes borrowing		—	3,717,350	—	—	—
Net cash generated from/(used in) financing activities		3,109,702	(606,515)	(935,672)	(692,377)	(280,849)
Net (decrease)/increase in cash and cash equivalents		(57,404)	3,123,633	(2,878,645)	(2,508,921)	30,332
Cash and cash equivalents at beginning of the year/period		169,591	112,187	3,199,105	3,199,105	297,221
Exchange losses on cash and bank balances		—	(36,715)	(23,239)	(18,461)	(29)
Cash and cash equivalents at end of the year/period	16	112,187	3,199,105	297,221	671,723	327,524

II NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 General Information and Group Reorganisation

(a) General information

Glorious Property Holdings Limited (the "Company") was incorporated in the Cayman Islands on 27 July 2007 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 and is the holding company of its subsidiaries (together, the "Group"). During the Relevant Periods, the subsidiaries of the Company were principally engaged in the development of real estate projects in the People's Republic of China (the "PRC").

(b) Reorganisation

Mr. Zhang Zhi Rong (hereinafter referred to as the "Founder") established various companies in the PRC engaging in the property development business. As part of the Reorganisation, the Founder incorporated Best Era International Limited ("Best Era"), which then established Bright New Investments Limited ("Bright New"). Both Best Era and Bright New were incorporated in the British Virgin Islands ("BVI"). In May 2007, Bright New acquired from a company owned by the Founder five BVI companies namely Allied Honest Holdings Limited, East Harbour Development Limited, Vieward Group Limited, Regal World Development Limited and Grand Target Group Limited (collectively referred to as the "BVI Subsidiaries"). In 2006, the BVI Subsidiaries acquired five Hong Kong companies namely Rich Tech International Enterprise Limited, Extreme (Asia) Limited, Venture Hong Kong Group Limited, Worldex Investment Development Limited, and Cheston Holdings Limited (collectively referred to as the "HK Subsidiaries") from a third party. In May 2007, the HK Subsidiaries acquired all the interest in the registered capital of nine wholly foreign owned enterprises (the "WFOEs") from third parties. At the respective dates of acquisition, all these BVI Subsidiaries, HK Subsidiaries and WFOEs did not have business operations except for investment holding.

In June 2007, the WFOEs acquired the entire equity interest in four companies namely Shanghai Yijing Property Development Co., Ltd., Wuxi Wangjiarui Co., Ltd., Tianjin Yangguang Xindi Investment Co., Ltd. and Liaoning Yangguang Xindi Property Development Co., Ltd. (collectively referred to as the "Regional Companies"), all of which were incorporated in the PRC, from the Founder at an aggregate cash consideration of RMB1,289,020,000. During the period from May to June 2007, the Regional Companies acquired the entire or remaining equity interest of other nine PRC incorporated project companies (the "Project Companies") at an aggregate cash consideration of RMB1,044,634,000 from the Founder. The considerations for the acquisitions of the Regional Companies and Project Companies were determined with reference to valuations of these companies as at 31 May 2007 prepared by an independent valuer and were settled in cash.

On 27 July 2007, the Company was incorporated by Best Era. On 17 September 2007, the Company acquired the entire share capital of Bright New from Best Era by issuing 900 shares of the Company's ordinary shares.

Upon the completion of the Reorganisation, the Company became the holding company of the subsidiaries comprising the Group. Best Era also became the immediate and ultimate holding company of the Company.

During 2007, Best Era transferred 0.7% equity interest in the Company to the Investors in relation to the Notes borrowing as further mentioned in note 19(a). Immediately after such transfer, the Company is owned as to 99.3% by Best Era.

(c) Acquisitions

In 2009, the Group acquired the entire interest in Shanghai Mingbao Construction Co. Ltd. ("Shanghai Mingbao") at cash consideration of RMB2,500,000, the purpose of which is to acquire the business licence held by Shanghai Mingbao. For details of this acquisition, please refer to note 36.

In 2008, the Group acquired the entire interests in two companies namely Nantong Rongsheng Building Real Estate Development Co., Ltd. (南通熔盛大厦房地產開發有限公司) ("Nantong Rongsheng ") and Tianjin Tianxingjian Real Estate Investment Co., Ltd. (天津天行建房地產投資有限公司) ("Tianjin Tianxingjian") at cash considerations of RMB31,803,000, and RMB454,180,000 respectively, the purpose of which is to acquire the land use rights or property development projects owned by these companies. For details of these acquisitions, please refer to note 36.

In 2008, the Group also acquired 45% equity interest in Shanghai Chuangmeng International Architectural Design Co., Ltd. (上海創盟國際建築設計有限公司) (formerly known as Shanghai Haichao Architectural Design Institute, Shanghai Haichao Architectural Design Co., Ltd. and Shanghai Chuangmeng Architectural Design Co., Ltd.) at cash consideration of RMB4,500,000 from the Founder.

Particulars of the subsidiaries of the Company as at the date of this report and during the Relevant Periods are set out below:

Name	Date of incorporation/ establishment	Country/place of incorporation/ establishment and operation	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest					Principal activities
					31 December			30 April 2009	At the date of this report	
					2006	2007	2008			
Directly held:										
Bright New Investments Limited (明新投資有限公司)	2 May 2007	The BVI	Limited company	US$50,000	N/A	100%	100%	100%	100%	Investment holding
Indirectly held:										
Allied Honest Holdings Limited	30 March 2006	The BVI	Limited company	US$1,000	—	100%	100%	100%	100%	Investment holding
Better Score Limited	25 February 2009	The BVI	Limited company	US$1	N/A	N/A	N/A	100%	—	Investment holding
East Harbour Development Limited	9 March 2006	The BVI	Limited company	US$1,000	—	100%	100%	100%	100%	Investment holding
Grand Target Group Limited (君達集團有限公司)	23 January 2006	The BVI	Limited company	US$1,000	—	100%	100%	100%	100%	Investment holding
Regal World Development Limited	21 February 2006	The BVI	Limited company	US$1,000	—	100%	100%	100%	100%	Investment holding
Vieward Group Limited (景向集團有限公司)	15 February 2006	The BVI	Limited company	US$1,000	—	100%	100%	100%	100%	Investment holding
Rich Tech International Enterprise Limited (富達國際企業有限公司)	2 June 2006	Hong Kong	Limited company	HK$1	—	100%	100%	100%	100%	Investment holding
Extreme (Asia) Limited (永和(亞洲)有限公司)	15 May 2006	Hong Kong	Limited company	HK$1	—	100%	100%	100%	100%	Investment holding

Name	Date of incorporation/ establishment	Country/place of incorporation/ establishment and operation	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest 31 December 2006	2007	2008	30 April 2009	At the date of this report	Principal activities
Cheston Holdings Limited (卓怡集團有限公司)	14 June 2006	Hong Kong	Limited company	HK$1	—	100%	100%	100%	100%	Investment holding
Worldex Investment Development Limited (恒滙投資發展有限公司)	14 June 2006	Hong Kong	Limited company	HK$1	—	100%	100%	100%	100%	Investment holding
Venture Hong Kong Group Limited (富昇香港集團有限公司)	26 June 2006	Hong Kong	Limited company	HK$1	—	100%	100%	100%	100%	Investment holding
Greater Base Ltd. (基鉅有限公司)	3 March 2009	Hong Kong	Limited company	HK$1	N/A	N/A	N/A	100%	—	Investment holding
Fusheng Real Estate Development (Nantong) Co., Ltd. (富昇房地產開發(南通)有限公司)	27 June 2005	The PRC	Limited company	US$29,960,000	—	100%	100%	100%	100%	Property development and investment holding
Fuda Real Estate Development (Nantong) Co., Ltd. (富達房地產開發(南通)有限公司)	1 August 2006	The PRC	Limited company	US$12,880,000	—	100%	100%	100%	100%	Property development and investment holding
Yonghe Real Estate Development (Nantong) Co., Ltd. (永和房地產開發(南通)有限公司)	10 April 2006	The PRC	Limited company	US$14,800,000	—	100%	100%	100%	100%	Property development and investment holding
Henghui Real Estate Development (Nantong) Co., Ltd. (恒滙房地產開發(南通)有限公司)	22 July 2005	The PRC	Limited company	US$13,990,000	—	100%	100%	100%	100%	Property development and investment holding
Nantong Jigui Road Estate Development Co., Ltd. (南通杰滙置業發展有限公司)	14 April 2006	The PRC	Limited company	US$29,990,000	—	100%	100%	100%	100%	Property development and investment holding
Nantong Jiangle Real Estate Development Co., Ltd. (南通江樂房地產開發有限公司)	27 June 2006	The PRC	Limited company	US$29,800,000	—	100%	100%	100%	100%	Property development and investment holding
Nantong Lehua Real Estate Development Co., Ltd. (南通樂華房地產開發有限公司)	29 June 2006	The PRC	Limited company	US$29,800,000	—	100%	100%	100%	100%	Property development and investment holding
Nantong Huangshi Hui Real Estate Development Co., Ltd. (南通皇室會房地產開發有限公司)	25 July 2005	The PRC	Limited company	US$29,990,000	—	100%	100%	100%	100%	Property development and investment holding

Name	Date of incorporation/ establishment	Country/place of incorporation/ establishment and operation	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest 31 December 2006	2007	2008	30 April 2009	At the date of this report	Principal activities
Zhuo Yi Real Estate Development (Nantong) Co., Ltd. (卓怡房地產開發(南通)有限公司)	2 August 2006	The PRC	Limited company	US$29,800,000	—	100%	100%	100%	100%	Property development and investment holding
Shanghai Yijing Property Development Co., Ltd. (上海意景房地產開發有限公司)	22 January 2001	The PRC	Limited company	RMB563,587,214	100%	100%	100%	100%	100%	Property development and investment holding
Tianjin Yangguang Xindi Investment Co., Ltd. (天津陽光鑫地投資有限公司)	19 May 2003	The PRC	Limited company	RMB806,039,565	100%	100%	100%	100%	100%	Property development and investment holding
Wuxi Wangjiarui Co., Ltd. (無錫旺佳瑞有限公司)	7 September 2004	The PRC	Limited company	RMB1,197,911,767	100%	100%	100%	100%	100%	Property development and investment holding
Liaoning Yangguang Xindi Property Development Co., Ltd. (遼寧陽光鑫地置業有限公司)	6 June 2005	The PRC	Limited company	RMB1,333,502,483	100%	100%	100%	100%	100%	Property development and investment holding
Shanghai Xintai Property Development Co., Ltd. (上海鑫泰房地產發展有限公司)	22 April 1999	The PRC	Limited company	RMB800,000,000	100%	100%	100%	100%	100%	Property development
Shanghai Shentong Property Development Co., Ltd. (上海勝通房地產開發有限公司)	19 June 2001	The PRC	Limited company	RMB8,000,000	100%	100%	100%	100%	100%	Property development
Shanghai Anshun Property Development Co., Ltd. (上海安順房地產發展有限公司)	18 January 1996	The PRC	Limited company	RMB30,000,000	100%	100%	100%	100%	100%	Property development
Shanghai Haosen Property Co., Ltd. (上海豪森房地產有限公司)	6 October 1998	The PRC	Limited company	RMB80,000,000	100%	100%	100%	100%	100%	Property development
Suzhou Hongsheng Property Co., Ltd. (蘇州弘晟房地產有限公司)	17 March 2005	The PRC	Limited company	RMB170,000,000	100%	100%	100%	100%	100%	Property development
Nantong Zhuowei Trade Development Co., Ltd. (南通焯煒貿易發展有限公司)	5 June 2003	The PRC	Limited company	RMB155,000,000	100%	100%	100%	100%	100%	Property development

Name	Date of incorporation/ establishment	Country/place of incorporation/ establishment and operation	Type of legal entity	Issued/ paid-in/ registered capital	Percentage of attributable equity interest					Principal activities
					31 December			30 April 2009	At the date of this report	
					2006	2007	2008			
Beijing Yangguang Xindi Property Development Co., Ltd. (北京陽光鑫地置業有限公司)	25 February 2003	The PRC	Limited company	RMB129,000,000	100%	100%	100%	100%	100%	Property development
Beijing Hetian Hexin Property Development Co., Ltd. (北京合天和信房地產開發有限公司)	25 December 2001	The PRC	Limited company	RMB130,000,000	100%	100%	100%	100%	100%	Property development
Tianjin Hongyun Investment Co., Ltd. (天津弘耘投資有限公司)	13 September 2004	The PRC	Limited company	RMB88,000,000	100%	100%	100%	100%	100%	Property development
Anhui Hengmao Property Development Co., Ltd. (安徽恒茂房地產開發有限公司)	24 October 2007	The PRC	Limited company	RMB509,830,227	N/A	100%	100%	100%	100%	Property development
Harbin Yangguang Binhai Property Co., Ltd. (哈爾濱陽光濱海置業有限公司)	19 December 2007	The PRC	Limited company	RMB260,000,000	N/A	100%	100%	100%	100%	Property development
Nantong Rongsheng Building Real Estate Development Co., Ltd. (南通熔盛大廈房地產開發有限公司)	12 December 2007	The PRC	Limited company	RMB30,000,000	N/A	—	100%	100%	100%	Property development
Tianjin Tianxingjian Real Estate Investment Co., Ltd. (天津天行建房地產投資有限公司)	20 March 2006	The PRC	Limited company	RMB53,480,000	—	—	100%	100%	100%	Property development
Shanghai Hongye Property Development Co., Ltd. (上海弘曄房地產發展有限公司)	7 April 2008	The PRC	Limited company	RMB150,000,000	N/A	N/A	100%	100%	100%	Property development
Wuxi Wangjiarui Decoration and Renovation Co., Ltd. (無錫旺佳瑞裝飾裝修有限公司)	13 May 2008	The PRC	Limited company	RMB5,000,000	N/A	N/A	100%	100%	100%	Interior and exterior decoration and renovation
Shanghai Shuntianlong Concrete Co., Ltd. (上海順添隆混凝土有限公司)	14 November 2008	The PRC	Limited company	RMB30,000,000	N/A	N/A	100%	100%	100%	Sales of concrete
Shanghai Qiwei Industry Co., Ltd. (上海祺偉實業有限公司)	24 September 2008	The PRC	Limited company	RMB5,000,000	N/A	N/A	100%	100%	100%	Wholesale of construction materials
Shanghai Mingbao Construction Co., Ltd. (上海明寶建設工程有限公司)	17 January 2004	The PRC	Limited company	RMB6,000,000	—	—	—	100%	100%	Interior and exterior decoration and renovation

No statutory audited financial statements have been prepared for those companies incorporated in the BVI where there is no statutory audit requirement. No statutory audited financial statements is required to be issued for the period ended 30 April 2009. The companies that have statutory audited financial statements and the name of the statutory auditors are as follows:

	Statutory auditors		
Subsidiaries	**Year 2006**	**Year 2007**	**Year 2008**
Rich Tech International Enterprise Limited (富達國際企業有限公司)	N/A	PricewaterhouseCoopers	PricewaterhouseCoopers
Extreme (Asia) Limited (永和(亞洲)有限公司)	N/A	PricewaterhouseCoopers	PricewaterhouseCoopers
Cheston Holdings Limited (卓怡集團有限公司)	N/A	PricewaterhouseCoopers	PricewaterhouseCoopers
Worldex Investment Development Limited (恒滙投資發展有限公司)	N/A	PricewaterhouseCoopers	PricewaterhouseCoopers
Venture Hong Kong Group Limited (富昇香港集團有限公司)	N/A	PricewaterhouseCoopers	PricewaterhouseCoopers
Greater Base Limited (基鉅有限公司)	N/A	N/A	N/A
Fusheng Real Estate Development (Nantong) Co., Ltd. (富昇房地產開發(南通)有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Fuda Real Estate Development (Nantong) Co., Ltd. (富達房地產開發(南通)有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Yonghe Real Estate Development (Nantong) Co., Ltd. (永和房地產開發(南通)有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Henghui Real Estate Development (Nantong) Co., Ltd. (恒滙房地產開發(南通)有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Nantong Jigui Road Estate Development Co., Ltd. (南通杰滙置業發展有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Nantong Jiangle Real Estate Development Co., Ltd. (南通江樂房地產開發有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Nantong Lehua Real Estate Development Co., Ltd. (南通樂華房地產開發有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Nantong Huangshi Hui Real Estate Development Co., Ltd. (南通皇室會房地產開發有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Zhuo Yi Real Estate Development (Nantong) Co., Ltd. (卓怡房地產開發(南通) 有限公司)	N/A	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gaojian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Shanghai Yijing Property Development Co. Ltd. (上海意景房地產開發有限公司)	Shanghai Zhong Qin Wan Xin Certified Public Accountants Co., Ltd. (上海中勤萬信會計師事務所有限公司)	Shanghai Zhong Qin Wan Xin Certified Public Accountants Co., Ltd. (上海中勤萬信會計師事務所有限公司)	Shanghai Tianyi Certified Public Accountants Firm (上海天一會計師事務所)

	Statutory auditors		
Subsidiaries	**Year 2006**	**Year 2007**	**Year 2008**
Shanghai Xintai Property Development Co., Ltd. (上海鑫泰房地產發展有限公司)	Shanghai East Asia Certified Public Accountants Co., Ltd. (上海東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)
Shanghai Shentong Property Development Co., Ltd. (上海勝通房地產開發有限公司)	Shanghai East Asia Certified Public Accountants Co., Ltd. (上海東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)
Shanghai Anshun Property Development Co., Ltd. (上海安順房地產發展有限公司)	Shanghai East Asia Certified Public Accountants Co., Ltd. (上海東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)
Shanghai Haosen Property Co., Ltd. (上海豪森房地產有限公司)	Shanghai East Asia Certified Public Accountants Co., Ltd. (上海東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)	Shanghai HDDY Certified Public Accountants Co., Ltd. (上海宏大東亞會計師事務所有限公司)
Wuxi Wangjiarui Co., Ltd. (無錫旺佳瑞有限公司)	Wuxi Gong Qin CPAs Ltd. (無錫公勤會計師事務所有限公司)	Wuxi Gong Qin CPAs Ltd. (無錫公勤會計師事務所有限公司)	Wuxi Gong Qin CPAs Ltd. (無錫公勤會計師事務所有限公司)
Suzhou Hongsheng Property Co., Ltd. (蘇州弘晟房地產有限公司)	Jiangsu Xinrui Certified Public Accountants Co., Ltd. (江蘇新瑞會計師事務所有限公司)	Jiangsu Xinrui Certified Public Accountants Co., Ltd. (江蘇新瑞會計師事務所有限公司)	Changshu Xinlian Certified Public Accountants Co., Ltd. (常熟新聯會計師事務所有限公司)
Nantong Zhuowei Trade Development Co., Ltd. (南通焯煒貿易發展有限公司)	Rugao Gao Jian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gao Jian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)	Rugao Gao Jian Certified Public Accountants Co., Ltd. (如皋皋劍會計師事務所有限公司)
Tianjin Yangguang Xindi Investment Co., Ltd. (天津陽光鑫地投資有限公司)	Tian Jin Tian Rui Certified Public Accountants Firm Ltd. (天津天瑞有限責任會計師事務所)	Tian Jin Bohai Certified Public Accountants Ltd. (天津市渤海會計師事務所有限責任公司)	Tian Jin Bohai Certified Public Accountants Ltd. (天津市渤海會計師事務所有限責任公司)
Tianjin Hongyun Investment Co., Ltd. (天津弘耘投資有限公司)	Tian Jin Bohai Certified Public Accountants Ltd. (天津市渤海會計師事務所有限責任公司)	Tian Jin Bohai Certified Public Accountants Ltd. (天津市渤海會計師事務所有限責任公司)	Tian Jin Bohai Certified Public Accountants Ltd. (天津市渤海會計師事務所有限責任公司)
Beijing Yangguang Xindi Property Development Co., Ltd. (北京陽光鑫地置業有限公司)	Beijing Hengcheng Yongxin Certified Public Accountants Co., Ltd. (北京恒誠永信會計師事務所)	Beijing Hengcheng Yongxin Certified Public Accountants Co., Ltd. (北京恒誠永信會計師事務所)	Beijing Hengcheng Yongxin Certified Public Accountants Co., Ltd. (北京恒誠永信會計師事務所)
Beijing Hetian Hexin Property Development Co., Ltd. (北京合天和信房地產開發有限公司)	Beijing Hengcheng Yongxin Certified Public Accountants Co., Ltd. (北京恒誠永信會計師事務所)	Beijing Hengcheng Yongxin Certified Public Accountants Co., Ltd. (北京恒誠永信會計師事務所)	Beijing Zhong Yihe Certified Public Accountants Co., Ltd. (北京中怡和會計師事務所有限公司)
Liaoning Yangguang Xindi Property Development Co., Ltd. (遼寧陽光鑫地置業有限公司)	Liaoning Tiantuo Certified Public Accountants Co., Ltd. (遼寧天拓會計師事務所有限公司)	Liao Ning Concept Certified Public Accountants Co., Ltd. (遼寧理念會計師事務所有限公司)	Liao Ning Concept Certified Public Accountants Co., Ltd. (遼寧理念會計師事務所有限公司)
Anhui Hengmao Property Development Co., Ltd. (安徽恒茂房地產開發有限公司)	N/A	N/A	Anhui Huazhou Certified Public Accountants (安徽華洲會計師事務所)
Wuxi Wangjiarui Decoration and Renovation Co., Ltd. (無錫旺佳瑞裝飾裝修有限公司)	N/A	N/A	Wuxi Gong Qin CPAs Ltd (無錫公勤會計師事務所有限公司)

	Statutory auditors		
Subsidiaries	**Year 2006**	**Year 2007**	**Year 2008**
Harbin Yangguang Binhai Property Co. Ltd. (哈爾濱陽光濱海置業有限公司)	N/A	N/A	Heilongjiang Huaxin Certified Public Accountants Co. Ltd (黑龍江華新會計師事務所有限公司)
Nantong Rongsheng Building Real Estate Development Co., Ltd. (南通熔盛大廈房地產開發有限公司)	N/A	N/A	Rugao Gao Jian Certified Public Accountants Co., Ltd (如皋皋劍會計師事務所有限公司)
Tianjin Tianxingjian Real Estate Investment Co., Ltd. (天津天行建房地產投資有限公司)	N/A	N/A	Tian Jin Bohai Certified Public Accountants Ltd (天津市渤海會計師事務所有限責任公司)

The English names of the PRC companies and statutory auditors referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied during the Relevant Periods, unless otherwise stated.

(a) Basis of presentation

For the purpose of this report, the Financial Information has been prepared to reflect the Reorganisation of a business under common control, in which certain companies comprising the Group are ultimately controlled by the Founder. Accordingly, the Reorganisation has been accounted for as a reorganisation of business under common control using the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combination" issued by the HKICPA.

The consolidated income statements, consolidated statements of cash flows and consolidated statements of changes in equity of the Group for the Relevant Periods include the Financial Information of the companies comprising the Group as a result of the Reorganisation as if the current group structure had been in existence throughout the Relevant Periods, except that the Financial Information of those companies newly set up during the Relevant Periods and of those companies accounted for using purchase method of accounting are included in the Financial Information of the Group since their respective dates of establishment/incorporation and acquisition.

The Financial Information has been prepared in accordance with the HKFRSs under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss.

The preparation of Financial Information in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4 below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the accounting periods of the Group. The following sets out the changes in accounting policies for the current and prior accounting periods reflected in this Financial Information.

(i) Amendment and interpretations effective in 2008

HKICPA has issued certain new and revised HKFRSs which are effective for accounting periods beginning on or after 1 January 2008.

HKAS 39 & HKFRS 7 (Amendments)	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures — Reclassification of Financial Assets
HK(IFRIC) - Int 11	HKFRS 2 — Group and Treasury Share Transactions
HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

These amendments to standards and interpretations did not result in substantial changes to the Group's accounting policies.

(ii) Amendment to standard early adopted by the Group in 2008

The Group has early adopted the following amendment to standard in the preparation of the Financial Information for the year ended 31 December 2008.

HKAS 40	Investment Property

Earlier adoption is permitted and the adoption of the above amendment has resulted in the changes in the Group's accounting policy relating to valuation of property that is under construction or development. Pursuant to the amendment, property that is under construction or development for future use as investment property is within the scope of HKAS 40, such property is measured at fair value under the fair value model. As the Group had no properties under construction which were designated as investment properties as at 31 December 2006 and 2007, there was no impact on the Financial Information as at and for the years then ended 31 December 2006 and 2007 upon the adoption of the amendment. This amendment to HKAS 40 has been applied prospectively.

(iii) Standards and amendments effective in 2009

The following new standards and amendments to standards 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' are required to be shown separately in income statement.

- 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, who makes strategic decisions.

- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but have no significant impact on the Group's Financial Information for the current and prior accounting periods.

HKAS 23 (Revised)	Borrowing Costs
HKAS 32 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to HKFRS 1	First-time adoption of HKFRS and HKAS 27 - Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
Improvements to HKFRS — Amendments to:	
HKAS 1 (Revised)	Presentation of Financial Statement
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 16	Property, Plant and Equipment
HKAS 19	Employee Benefits
HKAS 20	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 23 (Revised)	Borrowing Costs
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 29	Financial Reporting in Hyperinflationary Economies
HKAS 31	Interests in Joint Ventures
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 41	Agriculture
Other minor amendments to:	
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events After the Balance Sheet Date
HKAS 18	Revenue
HKAS 34	Interim Financial Reporting

(iv) Amendments and interpretations that are not yet effective and have not been early adopted by the Group

The following new standards, amendments and interpretations have been issued but are not yet effective for the period ended 30 April 2009 and which the Group has not early adopted:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)
HKAS 39 (amendment)	Financial Instruments: Recognition and measurement (effective for annual periods beginning on or after 1 July 2009)
HKFRS 1 (Revised)	First-time adoption of HKFRS (effective for annual periods beginning on or after 1 July 2009)
Amendments to HKFRS 2	Share-based Payment Group Cash-settled share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)
HKFRS 3 (Revised)	Business Combination (effective for annual periods beginning on or after 1 July 2009)
HK(IFRIC) - Int 17	Distributions of non-cash assets to owners (effective for annual periods beginning on or after 1 July 2009)
HK(IFRIC) - Int 18	Transfer of assets from customers (effective for annual periods beginning on or after 1 July 2009)
Improvements to HKFRS — Amendments to:	
HKAS 1	Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2010)
HKAS 7	Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010)
HKAS 17	Leases (effective for annual periods beginning on or after 1 January 2010)
HKAS 18	Revenue (effective for annual periods beginning on or after 1 July 2009)
HKAS 36	Impairment of Assets (effective for annual periods beginning on or after 1 January 2010)
HKAS 38	Intangible Assets (effective for annual periods beginning on or after 1 July 2009)
HKAS 39	Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1 January 2010)
HKFRS 2	Share-based Payment (effective for annual periods beginning on or after 1 July 2009)
HKFRS 5	Non-current assets held for sales and discontinued operations (First and second amendments to be effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, respectively)
HKFRS 8	Operating Segments (effective for annual periods beginning on or after 1 January 2010)
HK(IFRIC) - Int 9	Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 July 2009)
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 July 2009)

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) Consolidation

The Financial Information include the financial statements of the Company and all of its subsidiaries.

(i) ***Subsidiaries***

Subsidiaries are all entities (including special purpose vehicles) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that the control ceases.

In the Company's balance sheet, the investment in subsidiaries are stated at cost less provision for impairment losses (note 2(g)). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(ii) ***Business combination under common control***

The Financial Information incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded have been recognised directly in equity as part of the capital reserve.

The consolidated income statements includes the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or businesses first came under common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the Financial Information are presented as if the entities or business had been consolidated at the earliest balance sheet date presented or when they first came under common control, whichever is the later.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as an expense in the period in which they are incurred.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) ***Purchase method of accounting***

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

(iv) ***Associates***

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (note 2(g)).

The Group's share of its associates post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses in associates are recognised in the consolidated income statement.

(c) Foreign currency translation

(i) ***Functional and presentation currency***

Items included in the financial statements of each of the companies comprising the Group are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The Financial Information is presented in Renminbi ("RMB"), which is the Company's functional and presentation currency.

(ii) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statements.

(iii) ***Group companies***

The results and financial positions of all the companies comprising the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

— Assets and liabilities for each balance sheet of the companies comprising the Group are translated at the closing rate at the date of that balance sheet;

— Income and expenses for each income statement of the companies comprising the Group are translated at average exchange rates; and

— All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Repairs and maintenance are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Computer and office equipment	5 years
Motor vehicles	5 years
Furniture, fitting and equipment	5 years
Leasehold improvements	Over the lease terms of 1 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated income statements.

Properties under construction in progress are stated at historical cost less impairment losses. Historical cost includes expenditure that is directly attributable to the development of the properties which comprises land costs, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to land and buildings within property and equipment.

No depreciation is provided for properties under construction in progress. The carrying amount of properties under construction is written down immediately to its recoverable amount if the assets carrying amount are greater than their estimated recoverable amount (note 2(g)).

(e) Investment properties

Property that is held for long-term rental yields and is not occupied by the Group is classified as investment property. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease. Investment property is carried at fair value, representing open market value determined annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by an independent and professionally qualified valuer, changes in fair values are recorded in the consolidated income statement as part of "other gains/losses, net".

Property that is currently being constructed or developed for future use as investment property is classified as investment properties and stated at fair value. Where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date of construction is completed or the date at which fair value becomes reliably measurable.

If an item of completed properties held for sale becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in the consolidated income statement.

(f) Intangible asset

Intangible asset represented the licence which was recorded at cost of acquisition on initial recognition. The licence has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licence over their estimated useful lives of 5 years.

(g) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(ii) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "trade and other receivables" in the consolidated balance sheet (note 2(m)).

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value and loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the consolidated income statement within "Other gains/losses, net", in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. Impairment testing of trade and other receivables is described in note 2(m).

(i) Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion based on prevailing marketing conditions.

Development cost of property primarily comprises land costs, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(j) Completed properties held for sale

Completed properties remaining unsold at the balance sheet date are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

(k) Land use rights

Land use rights are up-front payments to acquire long-term interest in leasehold properties, which are stated at cost and are amortised on a straight-line basis over the lease period to the consolidated income statement. The amortisation during the period of construction of the properties is capitalised as cost of properties under development.

(l) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(m) Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within "administrative expenses". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the consolidated income statement.

Trade and other receivables are included in current assets, except for those mature after 12 months of the balance sheet date which are classified as non-current assets.

(n) Cash and cash equivalents

Cash and cash equivalent includes cash in hand and at banks and deposits held at call with banks with original maturities of three months or less. Bank deposits which are restricted to use are not included in the cash and cash equivalents.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade and other payables

Payables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the respective balance sheet date.

(r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the consolidated income statement in the year in which they are incurred.

(s) Deferred income tax

The income tax expenses for the period comprise current and deferred tax. Tax is recognised in the consolidated income statement.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates position taken in tax return with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(t) Employee benefits

(i) ***Employee leave entitlements***

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) ***Retirement benefits***

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC governments.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HK$1,000. The assets of this pension scheme are held separately from those of the Group in independently administrated funds.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

(u) Share-based payments

In relation to the provision of certain loans by the Investors, Best Era, which is the Company's immediate holding company and is wholly owned by the Founder has transferred 0.7% equity interest in the Company to the Investors (note 19 (a)) as arrangement fees for the loans. The fair value of the 0.7% equity interest is recognised as part of the transaction costs for obtaining the loans. It is offset against the loans and form part of the borrowing costs as determined by using the effective interest method (note 2(q)).

(v) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discount and is recognised as follows:

(i) ***Sales of properties***

Revenue from sale of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which occurs when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as advanced proceeds received from customers under current liabilities.

(ii) ***Interest income***

Interest income is recognised on a time-proportion basis using the effective interest method.

(w) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

(x) Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) ***The Group is the lessee***

Payments made under operating leases (net of any incentives received from the lessor), including up-front prepayment made for the land use rights, are charged to the consolidated income statement or capitalised in the properties under development (note 2(i)) on a straight-line basis over the period of the lease.

(ii) ***The Group is the lessor***

Properties leased out under operating leases, that management intends to sell in the ordinary course of business, are included in completed properties held for sale. Properties leased out under operating leases, that management intends to held for long-term rental yields, are included in investment properties.

(y) Dividend distribution

Dividend distribution to the then equity holders of the companies comprising the Group during the Relevant Periods is recognised as a liability in the Group's consolidated financial information in the period in which the dividends are appropriately authorised and no longer at the discretion of the entity.

(z) Financial guarantee

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group for property purchasers.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the balance sheet when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

(aa) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the Financial Information. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

(ab) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's major financial instruments include cash and bank deposits, trade and other receivables, financial assets at fair value through profit and loss, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) ***Foreign currency exchange risk***

The Group's property development projects are all located in the PRC and all the related transactions are settled in RMB. The Company and certain of the Group's intermediate holding companies operate in Hong Kong which have recognised assets and liabilities in currencies other than RMB. The directors consider the exposures to those assets and liabilities to be insignificant. As at 31 December 2007, the Group holds a significant amount of United States dollars ("USD") , which represented the Notes (see note 19(a)) drew down from the Investors in November and December 2007 in the form of USD cash. As the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government, the USD cash have not yet been converted into RMB for the Group's property development projects as at 31 December 2007. For the year ended 31 December 2008, the majority of the USD cash have been converted into RMB.

The Group does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2006, all of the Group's financial assets and liabilities were denominated in RMB. As at 31 December 2007 and 31 December 2008 and 30 April 2009, if RMB had strengthened by 5% against USD, with all other variables held constant, post-tax profit for the year ended 31 December 2007 and 2008 and 30 April 2009 would have been approximately RMB78 million, RMB1 million and RMB1 million lower.

(ii) ***Interest rate risk***

As the Group has no significant assets that bear floating interest rates, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's receivables that carry fixed interest rates expose the Group to fair value interest rate risk.

The Group's exposures to changes in interest rates are mainly attributable to its borrowings (note 19). Borrowings issued at variable rates expose the Group to cash flow interest risk. Borrowings issued at fixed rates exposed the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis and will consider the interest rate exposure when enter into any refinancing, renewal of existing positions and alternative financing transactions.

(iii) ***Price risk***

The Group is not exposed to material equity securities price risk and commodity price risk as the Group only has very minimal investments in securities that are exposed to price risk.

(iv) ***Credit risk***

Credit risk is managed on a group basis. The Group's credit risk arises from cash deposits, trade and other receivables. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

For banks and financial institutions, deposits are only placed with reputable banks. For credit exposures to customers, generally, the Group requires full payment from customers before delivery of properties. Credit terms are only granted to customers for very rare cases upon obtaining approval from the Company's senior management after assessing the credit history of those customers. The Group has set out policies to ensure follow-up action is taken to recover overdue debts and the Group reviews regularly the recoverable amount of each individual trade and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is made in note 34.

(v) *Liquidity risk*

Management of the Group aims to maintain sufficient cash from operating activities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the Group's liquidity by preparing and reviewing rolling cashflow forecast that covers (i) monthly cash flow forecast for the coming month and (ii) quarterly cash flow forecast for the next six-month period.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the consolidated balance sheets for borrowings and trade and other payables.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2006				
Borrowings	1,376,395	377,903	2,518,162	4,272,460
Trade and other payables	3,225,340	—	—	3,225,340
Financial guarantee	528,603	—	—	528,603
Total	5,130,338	377,903	2,518,162	8,026,403
At 31 December 2007				
Borrowings	5,623,985	973,047	1,499,146	8,096,178
Trade and other payables	1,444,548	—	—	1,444,548
Financial guarantee	1,860,806	—	—	1,860,806
Total	8,929,339	973,047	1,499,146	11,401,532
At 31 December 2008				
Borrowings	6,983,177	565,479	—	7,548,656
Trade and other payables	1,193,093	—	—	1,193,093
Financial guarantee	2,662,065	—	—	2,662,065
Total	10,838,335	565,479	—	11,403,814
At 30 April 2009				
Borrowings	6,591,444	632,552	—	7,223,996
Trade and other payables	1,035,427	—	—	1,035,427
Financial guarantee	3,112,399	—	—	3,112,399
Total	10,739,270	632,552	—	11,371,822

(b) Capital risk management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets, as shown in the consolidated balance sheets. During the Relevant Periods, the Group's strategy was to maintain a gearing ratio below 60%. The gearing ratios as at 31 December 2006, 2007 and 2008 and 30 April 2009 were as follows:

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Total borrowings	3,841,890	6,866,885	6,474,125	6,541,832
Total assets	9,844,308	12,728,305	13,158,222	14,127,597
Gearing ratio	39%	54%	49%	46%

The increase in gearing ratio for the years ended 31 December 2007, 2008 and for the four months ended 30 April 2009 was resulted primarily from the issuance of the Notes borrowing as further mentioned in note 19(a).

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair values due to their short maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the Financial Information are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income tax and deferred income tax

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(b) Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its land appreciation taxes calculation and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related taxes. The Group recognised these land appreciation taxes based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and deferred income tax provisions in the periods in which such taxes have been finalised with local tax authorities.

(c) Estimated valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent and professionally qualified valuer.

In determining the fair value, the valuer has based on property valuation techniques which involve, inter alia, certain estimates including comparable sales in the relevant market, current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market condition.

5 Segment Information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

Management regularly reviews the operating results by property development projects. As property development projects are all located in the PRC, their revenue are primarily derived from the sales of properties, and are related and subject to common risk and returns, all property development projects are aggregated into a single reportable segment in accordance with HKFRS 8 "Operating segments". No segment information is presented.

6 Property and equipment

	Computer and office equipment	Motor vehicles	Furniture, fitting and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2006						
Cost	2,582	15,850	850	—	—	19,282
Accumulated depreciation	(810)	(2,203)	(418)	—	—	(3,431)
Net book amount	1,772	13,647	432	—	—	15,851
Year ended 31 December 2006						
Opening net book amount	1,772	13,647	432	—	—	15,851
Additions	1,402	3,357	182	—	—	4,941
Disposals	(8)	(5)	—	—	—	(13)
Depreciation	(677)	(2,736)	(169)	—	—	(3,582)
Closing net book amount	2,489	14,263	445	—	—	17,197

	Computer and office equipment	Motor vehicles	Furniture, fitting and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2006						
Cost	3,966	19,202	1,032	—	—	24,200
Accumulated depreciation	(1,477)	(4,939)	(587)	—	—	(7,003)
Net book amount	2,489	14,263	445	—	—	17,197
Year ended 31 December 2007						
Opening net book amount	2,489	14,263	445	—	—	17,197
Additions	1,053	3,317	693	—	—	5,063
Disposals	(4)	(2)	—	—	—	(6)
Depreciation	(898)	(4,739)	(217)	—	—	(5,854)
Closing net book amount	2,640	12,839	921	—	—	16,400
At 31 December 2007						
Cost	4,953	22,479	1,725	—	—	29,157
Accumulated depreciation	(2,313)	(9,640)	(804)	—	—	(12,757)
Net book amount	2,640	12,839	921	—	—	16,400
Year ended 31 December 2008						
Opening net book amount	2,640	12,839	921	—	—	16,400
Acquisition of subsidiaries (note 36)	48	—	—	—	—	48
Additions	2,658	8,160	1,499	4,554	—	16,871
Transfer from properties under development	—	—	—	—	367,325	367,325
Disposals	(39)	(776)	(477)	—	—	(1,292)
Depreciation	(967)	(5,048)	(269)	(755)	—	(7,039)
Closing net book amount	4,340	15,175	1,674	3,799	367,325	392,313
At 31 December 2008						
Cost	7,446	29,141	2,714	4,554	367,325	411,180
Accumulated depreciation	(3,106)	(13,966)	(1,040)	(755)	—	(18,867)
Net book amount	4,340	15,175	1,674	3,799	367,325	392,313
Four months ended 30 April 2009						
Opening net book amount	4,340	15,175	1,674	3,799	367,325	392,313
Additions	4,396	160	8	—	27,873	32,437
Disposals	(11)	(295)	—	—	—	(306)
Depreciation	(409)	(1,686)	(164)	(315)	—	(2,574)
Closing net book amount	8,316	13,354	1,518	3,484	395,198	421,870
At 30 April 2009						
Cost	11,816	28,783	2,722	4,554	395,198	443,073
Accumulated depreciation	(3,500)	(15,429)	(1,204)	(1,070)	—	(21,203)
Net book amount	8,316	13,354	1,518	3,484	395,198	421,870

Construction in progress comprises the land costs, construction costs, borrowing costs and professional fees incurred during the development period. The movement of land use rights are as follows:

	Year ended 31 December			Four months ended 30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Opening net book amount	—	—	—	39,440
Transfer from properties under development	—	—	39,440	—
Amortisation				
- Capitalised in plant and equipment	—	—	—	(288)
	—	—	39,440	39,152

Depreciation charge was capitalised or expensed in the following categories in the consolidated balance sheets and the consolidated income statements:

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Properties under development	468	261	468	173	98
Cost of sales	32	67	—	—	—
Selling and marketing expenses	97	207	260	111	148
Administrative expenses	2,985	5,319	6,311	1,812	2,328
	3,582	5,854	7,039	2,096	2,574

7 Interests in subsidiaries — Company

	31 December		30 April
	2007	2008	2009
	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost	—	—	—
Advances to subsidiaries (a)	3,426,584	3,237,792	3,238,066
	3,426,584	3,237,792	3,238,066

(a) The advances to subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the Company's directors, these advances are considered as quasi-equity loans to the subsidiaries.

8. Investment properties

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Opening carrying value	—	—	—	1,103,500
Additions	—	—	—	4,047
Transfer from properties under development	—	—	257,415	134,212
Transfer from completed properties held for sale	—	—	—	167,992
Fair value gains (included in other gains/(losses), net)	—	—	846,085	735,189
	—	—	1,103,500	2,144,940

The investment properties were valued on 31 December 2008 and on 30 April 2009 at fair value, comprising market value by Jones Lang LaSalle Sallmanns Limited, an independent and professionally qualified valuer.

The Group's interests in investment properties at their carrying amounts are analysed as follows:

	31 December	30 April
	2008	2009
	RMB'000	RMB'000
In the PRC, held on:		
Leases of 10-50 years	1,103,500	1,137,700
Leases of over 50 years	—	1,007,240
	1,103,500	2,144,940

9 Intangible asset

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
For the years/period ended				
Opening net book amount	—	—	—	—
Acquisition of subsidiary (note 36)	—	—	—	2,500
Amortisation charge	—	—	—	(59)
Closing net book amount	—	—	—	2,441
At years/period ended				
Cost	—	—	—	2,500
Accumulated amortisation	—	—	—	(59)
Net book amount	—	—	—	2,441

10 Properties under development

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Within normal operating cycle included under current assets	4,505,737	5,829,489	7,345,976	7,482,943
Amount comprised:				
Land use rights (a)	2,040,802	2,072,702	3,182,450	3,073,655
Construction costs and capitalised expenditures	2,198,913	3,148,044	2,674,982	2,540,718
Interest capitalised	266,022	608,743	1,488,544	1,868,570
	4,505,737	5,829,489	7,345,976	7,482,943

The properties under development are all located in the PRC.

As at 31 December 2006, 2007, 2008 and 30 April 2009, properties under development of carrying values of approximately RMB2,742,886,000, RMB2,891,913,000, RMB2,541,852,000 and RMB2,079,764,000 were pledged as collateral for the Group's borrowings, respectively (note 19).

(a) The movements of land use rights are as follows:

	Year ended 31 December			Four months ended 30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Opening net book amount	1,770,073	2,040,802	2,072,702	3,182,450
Additions	503,355	310,658	2,004,377	17,413
Amortisation:				
- capitalised in properties under development	(30,080)	(35,527)	(48,444)	(18,788)
Transfer to completed properties held for sale	(202,546)	(243,231)	(770,195)	(76,345)
Transfer to investment properties	—	—	(36,550)	(31,075)
Transfer to property and equipment	—	—	(39,440)	—
	2,040,802	2,072,702	3,182,450	3,073,655

11 Completed properties held for sale

	31 December			30 April
	2006	**2007**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Completed properties held for sale comprised:				
Land use rights (a)	87,650	77,331	359,539	337,635
Construction costs and capitalised expenditures	417,454	273,196	784,436	697,523
Interest capitalised	8,496	7,366	57,293	38,467
	513,600	357,893	1,201,268	1,073,625

The completed properties held for sale are all located in the PRC.

As at 31 December 2006, 2007 and 2008 and 30 April 2009, completed properties held for sale of carrying values of approximately RMB41,408,000, RMB10,133,000, RMB315,590,000 and RMB73,364,000 were pledged as collateral for the Group's borrowings, respectively (note 19).

As at 31 December 2007, completed properties held for sale of carrying values of approximately RMB118,232,000 were pledged as collateral for certain borrowings of three related companies. The Group's maximum credit risk exposure as at 31 December 2007 was the carrying value of the collaterals of approximately RMB118,232,000. As at 31 December 2008, such pledge has been fully released. No completed properties held for sale were pledged as collateral for borrowings of other companies as at 31 December 2006, 31 December 2008 and 30 April 2009.

(a) The movements of land use rights are as follows:

	Year ended 31 December			Four months ended 30 April
	2006	**2007**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Opening net book amount	46,850	87,650	77,331	359,539
Transfer from properties under development	202,546	243,231	770,195	76,345
Amortisation included in administrative expenses	(695)	(2,634)	(2,948)	(2,901)
Transfer to cost of sales	(161,051)	(250,916)	(485,039)	(70,548)
Transfer to investment properties	—	—	—	(24,800)
	87,650	77,331	359,539	337,635

12 Inventories

	31 December			30 April
	2006	**2007**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Construction materials, at cost	—	—	—	5,719

13 Trade and other receivables and prepayments

Group	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables:	28,663	32,360	4,419	6,354
Third parties (a)	28,663	32,360	4,419	6,354
Other receivables:	3,068,108	1,286,663	43,647	59,187
Related parties (note 33(c))	3,008,426	1,243,556	—	—
Third parties (b)	59,682	43,107	43,647	59,187
Prepayments:	1,393,316	1,788,276	2,547,833	2,364,294
Related parties (note 33(c))	1,013,559	653,586	1,170,403	1,114,621
Third parties	379,757	1,134,690	1,377,430	1,249,673
	4,490,087	3,107,299	2,595,899	2,429,835

Company	31 December		30 April
	2007	2008	2009
	RMB'000	RMB'000	RMB'000
Prepayments to third parties	3,781	48,067	57,279

(a) Trade receivables are mainly arisen from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements and customers are generally required to settle the receivables within 30 days after the date of signing the sales and purchase agreements. The ageing analysis of trade receivables at the balance sheet dates is as follows:

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Not yet due	1,557	5,787	300	1,800
Within 6 months	23,744	13,150	250	2,588
Between 7 and 12 months	—	859	—	10
Between 13 months and 3 years	3,362	12,564	3,869	1,956
	28,663	32,360	4,419	6,354

As at 31 December 2006, 2007 and 2008 and 30 April 2009, trade receivables of RMB27,106,000, RMB26,573,000, RMB4,119,000 and RMB4,554,000 were overdue but not impaired. Trade receivables that are past due but not impaired relate to certain customers that have a good track record with the Group. Based on past experience, management believes that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully receivable. All trade receivables were denominated in RMB.

(b) Other receivables due from third parties are unsecured, interest-free and repayable on demand.

As at 31 December 2006, 2007 and 2008 and 30 April 2009, the fair values of the Group's and the Company's trade and other receivables approximate their carrying amounts. The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security. None of the receivables from third parties is either past due or impaired.

As at 31 December 2006 and 2007, the Group's receivables due from Shanghai Ditong amounted to RMB1,301,875,000 and RMB782,984,000 respectively, representing 42.0% and 59.4% of the Group's total trade and other receivables as at each balance sheet date. As set out in note 33(c)(i), the other receivables due from Shanghai Ditong has been fully settled subsequent to 31 December 2007.

14 Financial assets at fair value through profit or loss

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Listed securities				
— Equity securities in the PRC	—	4,591	—	—
Unlisted securities				
— funds in the PRC	—	16,500	—	—
Market value of listed and unlisted securities	—	21,091	—	—

Cash flows associated with financial assets at fair value through profit or loss are presented within "operating activities" in the consolidated statements of cash flows.

Changes in fair value of financial assets at fair value through profit or loss are recorded in "other (losses)/gains, net" in the consolidated income statements (note 24).

The fair value of all equity securities is based on their current bid prices in an active market.

15 Restricted cash

Restricted cash represents guaranteed deposits for the mortgage loan facilities granted by the banks to the purchasers of the Group's properties. Such restrictions will be released at the earlier of (i) getting agreement from the banks for releasing such restriction, and (ii) the property ownership certificates have been provided to the banks.

16 Cash and cash equivalents

Group	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and in hand:				
Denominated in RMB	209,817	991,641	355,104	405,348
Denominated in USD	—	2,273,197	23,341	14,525
Denominated in HKD	—	957	3,244	4,030
	209,817	3,265,795	381,689	423,903
Less: Restricted cash	(97,630)	(66,690)	(84,468)	(96,379)
	112,187	3,199,105	297,221	327,524
Maximum exposure to credit risk	208,836	3,264,893	380,871	422,654

As at 31 December 2006, 2007 and 2008 and 30 April 2009, the Group's five highest bank balances amounted to RMB170,835,000, RMB2,891,422,000, RMB298,816,000 and RMB337,970,000 respectively, representing 81.4%, 88.5%, 78.3% and 79.7% of the Group's total cash and bank balances as at each balance sheet date.

Company	31 December		30 April
	2007	2008	2009
	RMB'000	RMB'000	RMB'000
Cash at bank and in hand:			
Denominated in USD	214,043	8,760	7,134
Denominated in HKD	532	152	155
	214,575	8,912	7,289

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.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

17 Share capital

Company and Group	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
		HK$	RMB'000
Authorised:			
Ordinary shares of HK$0.1 each at 27 July 2007 (date of incorporation) (a)	3,800,000	380,000	
Increase pursuant to share sub-division (d)	34,200,000	—	
	38,000,000	380,000	
Creation of additional authorised shares (e)	342,000,000	3,420,000	
Ordinary shares of HK$0.01 each at 31 December 2007	380,000,000	3,800,000	
Creation of additional authorised shares (g)	37,620,000,000	376,200,000	
Ordinary shares of HK$0.01 each at 31 December 2008 and 30 April 2009	38,000,000,000	380,000,000	
Issued:			
Ordinary shares of HK$0.1 each issued on 27 July 2007 (date of incorporation) (a)	100	10	—
Issue of shares for acquisition of Bright New (b)	900	90	—
Allotment of shares of HK$0.1 each (c)	999,000	99,900	96
	1,000,000	100,000	96
Increase pursuant to share sub-division (d)	9,000,000	—	—
	10,000,000	100,000	96
Allotment of new shares of HK$0.01 each (f)	90,000,000	900,000	866
Ordinary shares of HK$0.01 each at 31 December 2007, 31 December 2008 and 30 April 2009	100,000,000	1,000,000	962

(a) The Company was incorporated in the Cayman Islands on 27 July 2007 with an authorised share capital of HK$380,000 divided into 3,800,000 shares of HK$0.1 each. On the same date, the Company issued and allotted 100 nil-paid shares to Best Era.

(b) On 17 September 2007, the Company acquired the entire share capital of Bright New from Best Era in the consideration of (i) issuing 900 ordinary shares of HK$0.1 each and (ii) by crediting as fully paid at par 100 shares in the name of Best Era.

(c) On 18 October 2007, the Company further allotted and issued 999,000 shares to Best Era at par.

(d) Pursuant to a resolution on 18 October 2007, every issued and unissued ordinary share of HK$0.1 was sub-divided into 10 shares of HK$0.01 each such that the Company had an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each and 10,000,000 shares of HK$0.01 each in issue.

(e) Pursuant to a resolution on 2 November 2007, the Company's authorised share capital was increased from HK$380,000 to HK$3,800,000 by the creation of an additional 342,000,000 shares of HK$0.01 each.

(f) On 2 November 2007, the Company further allotted 90,000,000 shares of HK$0.01 each to Best Era at par.

(g) Pursuant to a resolution on 17 June 2008, the Company's authorised share capital was increased from HK$3,800,000 to HK$380,000,000 by the creation of an additional 37,620,000,000 shares of HK$0.01 each.

(h) Pursuant to a board resolution dated 9 September 2009, conditional on the share premium account of the Company being credited, the Company will capitalise an amount of HK$55,250,000 standing to the credit of its share premium account in paying up in full at par 5,525,000,000 shares, each of which will be alloted and issued to the shareholders.

18 Reserves

(a) Company reserves

	Other reserve (note (d))	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000
As at date of incorporation	—	—	—
Total comprehensive loss for the period from date of incorporation to 31 December 2007	—	(200,820)	(200,820)
Shareholder's contribution in relation to Notes borrowing (note 19(a))	156,290	—	156,290
Balance at 31 December 2007	156,290	(200,820)	(44,530)
Total comprehensive loss for the year	—	(998,184)	(998,184)
Balance at 31 December 2008	156,290	(1,199,004)	(1,042,714)
Total comprehensive loss for the period	—	(363,018)	(363,018)
Balance at 30 April 2009	156,290	(1,562,022)	(1,405,732)

(b) Merger reserve

Merger reserve arises from merger accounting for Reorganisation.

Movement of merger reserve during the Relevant Periods includes paid in capital of the subsidiaries acquired in the Reorganisation and cash considerations of RMB2,333,654,000 paid to the Founder for the acquisition of interests in subsidiaries and assets and liabilities related to the Regional Companies and Project Companies pursuant to the Reorganisation (note 1(b)) which have been treated as a deemed distribution to the equity owner in the consolidated statements of changes in equity. Details of the movement in merger reserve are set out in the consolidated statement of changes in equity.

As a result, merger reserve as at 31 December 2007 represents the difference between the cash consideration and the paid-in capital of the subsidiaries acquired in the Reorganisation.

(c) Statutory reserve

In accordance with the relevant regulations and their articles of association, the Company's subsidiaries incorporated in the PRC are required to allocate at least 10% of their after-tax profit according to PRC accounting standards and regulations to the general statutory reserve until such reserve has reached 50% of registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the respective board of directors of the subsidiaries. These reserves can only be used for specific purposes and are not distributable or transferable in the form of loans, advances, or cash dividends. During the years ended 31 December 2006 and 2007 and 2008, appropriations to the general statutory reserve amounted to approximately RMB13,059,000, RMB22,730,000 and RMB32,373,000 respectively.

(d) Other reserve

It represents the 0.7% equity interest in the Company contributed by Best Era in connection with the Notes borrowing (note 19(a)).

19 Borrowings

Group	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings included in non-current liabilities:				
Bank borrowings - secured	2,671,890	2,317,730	537,000	609,560
Borrowings included in current liabilities:				
Bank borrowings - secured	1,170,000	204,000	1,630,110	1,262,200
Borrowing from a related party - unsecured (note 33(c))	—	680,000	—	—
Notes borrowing - secured (a)	—	3,665,155	4,307,015	4,670,072
	1,170,000	4,549,155	5,937,125	5,932,272
Total borrowings	3,841,890	6,866,885	6,474,125	6,541,832

The Group's borrowings are all denominated in RMB.

The Group's bank borrowings of approximately RMB3,481,890,000, RMB2,521,730,000, RMB2,167,110,000 and RMB1,871,760,000 as at 31 December 2006 and 2007 and 2008 and 30 April 2009 respectively were secured by certain properties under development and completed properties held for sale of the Group (note 10 and 11). Please refer to note (a) for the securities in relation to the Notes borrowing.

Company	31 December		30 April
	2007	2008	2009
	RMB'000	RMB'000	RMB'000
Borrowings included in current liabilities:			
Notes borrowing - secured (a)	3,665,155	4,307,015	4,670,072

(a) On 2 November 2007, the Company and certain investors (the "Investors") entered into a subscription agreement (as amended by a supplemental agreement dated 17 December 2007) (collectively, the "Subscription Agreement") pursuant to which the Company agreed to issue and the Investors agreed to subscribe for the RMB denominated, interest bearing, registered promissory notes with an aggregate principal amount of the RMB equivalent of USD500 million (the "Notes") to the Investors or their respective nominee(s). The Notes were drawn on 2 November 2007 and 17 December 2007 for USD200 million and USD300 million respectively and the principal amount of the Notes was fixed at RMB3,717 million, representing the RMB equivalent of USD500 million at the date of drawdown. In relation to the issue of the Notes, Best Era has transferred 0.7% equity interest in the Company to the Investors and the value of such shareholding of RMB156,290,000, which was determined based on a business valuation of the Group as at 31 October 2007 performed by an independent valuer, is regarded as a shareholder's contribution and forms part of the borrowing cost of the Notes.

The Notes shall be redeemed by the Company at the earlier of (i) at the second anniversary of the date of first drawdown and (ii) the date of a qualified initial public offering.

In consideration of the Investors agreeing to enter into the Subscription Agreement and to subscribe for the Notes pursuant to the terms and conditions thereunder, the following securities were created in favour of the Investors:

- a share mortgage over 89.3% of the shares of the Company executed by Best Era to secure the Founder's obligation under the transaction agreements in connection with the Notes (the "Note Documents");
- a share mortgage over 526,400 shares in Rongsheng Heavy Industries Group Co., Ltd. executed by Fine Profit Enterprises Limited, a BVI company controlled by the Founder and engaging in heavy industries business, to secure the respective obligations of the Founder and the Company under the Note Documents;
- a guarantee executed by the Founder to secure the obligations of the Company under the Note Documents;
- a debenture executed by the Company to secure its obligations under the Note Documents;
- guarantees executed by each of the BVI Subsidiaries and HK Subsidiaries to secure the obligations of the Company under the Note Documents;
- share mortgages executed by each of the Company, Bright New and the BVI Subsidiaries to secure the obligations of the Company under the Note Documents; and
- share pledges over the paid up capital of the WFOEs executed by each of the HK Subsidiaries to secure the obligations of the Company under the Note Documents.

All the above securities created pursuant to the above security documents shall be released upon the repayment of all sums due for the Notes.

(b) The maturities of the Group's total borrowings at respective balance sheet dates are as follows:

	31 December			30 April
	2006	**2007**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Within 1 year	1,170,000	4,549,155	5,937,125	5,932,272
After 1 and within 2 years	187,000	857,730	537,000	609,560
After 2 and within 5 years	2,484,890	1,460,000	—	—
	3,841,890	6,866,885	6,474,125	6,541,832

As at 31 December 2007 and 2008 and 30 April 2009, the Company's borrowings of RMB3,665,155,000, RMB4,307,015,000 and RMB4,670,072,000 are all repayable within one year.

(c) The fair values of the Group's current borrowings approximate their carrying amounts at each balance sheet dates for the reason that the impact of discounting is not significant or the current borrowings carry floating rate interests.

The fair values of the Group's non-current borrowings approximate their carrying amounts at each balance sheet as all the non-current borrowings carry floating rate interests.

(d) The weighted average effective interest rates at each of the balance sheet dates of the Relevant Periods were as follows:

Group	31 December			30 April
	2006	2007	2008	2009
Bank borrowings	7.07%	8.60%	6.33%	6.05%
Borrowing from a related party	N/A	0%	N/A	N/A
Notes borrowing	N/A	42.01%	24.30%	24.30%

Company	31 December		30 April
	2007	2008	2009
Notes borrowing	42.01%	24.30%	24.30%

(e) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates (or maturity date whichever is earlier) are as follows:

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Within 6 months	3,841,890	6,675,085	6,474,125	6,541,832
Between 6 and 12 months	—	—	—	—
Between 1 and 5 years	—	191,800	—	—
	3,841,890	6,866,885	6,474,125	6,541,832

20 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when the deferred income taxes relate to the same tax authority.

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets				
— to be realised after more than 12 months	48,457	47,347	11,571	22,674
— to be realised within 12 months	17,280	11,613	15,249	8,506
	65,737	58,960	26,820	31,180
Deferred income tax liabilities				
— to be realised after more than 12 months	—	—	172,937	351,091
— to be realised within 12 months	—	—	—	—
	—	—	172,937	351,091
Deferred income tax asset/(liabilities), net	65,737	58,960	(146,117)	(319,911)

The movement of the deferred income tax assets/(liabilities) is as follows:

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year/period	47,933	65,737	58,960	(146,117)
Recognised in the consolidated income statements (note 29)	17,804	(6,777)	(205,077)	(173,794)
End of the year/period	65,737	58,960	(146,117)	(319,911)

Movement in deferred income tax assets/(liabilities) during the Relevant Periods, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax income assets/(liabilities)

	Tax losses	Other expenses	Fair value gains	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2006	47,933	—	—	47,933
Credited to the consolidated income statements	17,804	—	—	17,804
At 31 December 2006	65,737	—	—	65,737
(Charged)/credited to the consolidated income statements	(14,065)	7,288	—	(6,777)
At 31 December 2007	51,672	7,288	—	58,960
Credited/(charged) to the consolidated income statements	2,216	4,228	(211,521)	(205,077)
At 31 December 2008	53,888	11,516	(211,521)	(146,117)
Credited/(charged) to the consolidated income statements	10,003	—	(183,797)	(173,794)
At 30 April 2009	63,891	11,516	(395,318)	(319,911)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through the future taxable profits is probable. As at 31 December 2006, 2007 and 2008 and 30 April 2009, there were unrecognised tax losses of approximately RMB3,567,000, RMB7,814,000, RMB28,111,000 and 38,009,000 to be carried forward for deduction against future taxable profits.

21 Trade and other payables

Group	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables (a):	973,053	646,661	742,094	510,642
Related parties (note 33(c))	524,923	479,233	523,513	274,025
Third parties	448,130	167,428	218,581	236,617
Other payables:	2,208,983	769,488	379,040	450,019
Related parties (note 33(c))	1,829,757	389,893	4,500	—
Third parties (b)	379,226	379,595	374,540	450,019
Other taxes payable	33,621	22,512	64,101	64,404
	3,215,657	1,438,661	1,185,235	1,025,065

Company	31 December		30 April
	2007	2008	2009
	RMB'000	RMB'000	RMB'000
Other payables:			
Third parties	8,597	358	96

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

Group	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Within 6 months	734,181	508,757	586,932	443,320
Between 7 and 12 months	1,024	1,794	87,499	15,858
Between 13 months and 5 years	237,848	136,110	67,663	51,464
	973,053	646,661	742,094	510,642

(b) Other payables due to third parties are unsecured and repayable on demand. Amounts of approximately RMB156,246,000, RMB106,111,000, RMB110,000,000 and RMB100,000,000 are bearing interest at rates of 7% - 18% per annum whereas amounts of approximately RMB222,980,000, RMB273,484,000, RMB264,540,000 and RMB350,019,000 are interest-free as at 31 December 2006, 2007 and 2008 and 30 April 2009 respectively.

(c) The carrying amounts of the Group's and the Company's trade and other payables are denominated in the followings currencies:

Group	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
HKD	—	436	1,413	429
RMB	3,215,657	1,430,022	1,183,451	1,024,540
Other currencies	—	8,203	371	96
	3,215,657	1,438,661	1,185,235	1,025,065

Company	31 December		30 April
	2007	2008	2009
	RMB'000	RMB'000	RMB'000
HKD	394	—	—
RMB	—	—	—
Other currencies	8,203	358	96
	8,597	358	96

22 Amounts due to subsidiaries — Company

The amounts are unsecured, interest-free and repayable on demand.

23 Other income

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income	3,529	6,702	7,900	4,028	248
Government grants (a)	7,361	3,225	—	—	—
Investment income/(loss)	1,800	4,127	(1,832)	178	—
Others	2,378	3,140	15,337	2,900	6,423
	15,068	17,194	21,405	7,106	6,671

(a) Government grants mainly represented government subsidies received by the Group from the relevant local government agencies for recognising the Group's contribution to the local government. These government grants were paid at the sole discretion of the relevant government authority and the Group does not anticipate receiving such government grants on a continuing basis.

24 Other (losses)/gains, net

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fair value changes of the financial assets at fair value through profit or loss	—	2,202	—	(1,808)	—
Fair value changes of investment properties	—	—	846,085	—	735,189
Exchange losses, net	—	(36,715)	(20,522)	(20,291)	(72)
	—	(34,513)	825,563	(22,099)	735,117

25 Profit before income tax

Profit before income tax is stated after charging the following:

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Auditors' remuneration	10	80	484	37	16
Advertising costs	22,041	43,632	83,769	23,384	12,629
Business taxes and other levies	95,202	99,175	220,693	54,103	52,102
Costs of completed properties sold	995,910	1,065,643	2,072,646	408,463	428,745
Depreciation (note 6)	3,082	5,526	6,571	1,923	2,476
Amortisation of intangible asset (note 9)	—	—	—	—	59
Amortisation of land use rights (note 11)	695	2,634	2,948	400	2,901
Staff costs - excluding directors' emoluments (note 27)	19,707	32,771	69,397	19,981	27,885
Bad debts written off	1,369	—	—	—	—
Donations	380	50	5,170	50	—
Rental expenses	9,573	8,944	21,039	4,697	10,206
Losses on disposals of property and equipment	5	6	329	—	73

26 Finance costs

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest expenses:					
- bank borrowings	232,351	303,376	213,472	73,407	49,949
- Notes borrowing	—	136,001	995,706	318,660	363,058
- other payables from					
- related parties (note 33(b))	16,145	5,809	1,282	1,282	—
- third parties	14,198	17,051	16,769	4,944	4,335
Total interest expenses	262,694	462,237	1,227,229	398,293	417,342
Less: interest capitalised in properties under development	(188,992)	(365,012)	(1,172,750)	(380,232)	(405,966)
	73,702	97,225	54,479	18,061	11,376

Borrowing costs of the loans used to finance the property development projects of the Group have been capitalised at capitalisation rate ranged from 5.27% to 42.01% during the Relevant Periods.

27 Staff costs — excluding directors' emoluments

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Wages and salaries	13,290	27,003	56,296	16,918	24,067
Retirement scheme contribution	722	775	2,040	349	311
Staff welfare	5,053	3,745	8,610	2,234	2,671
Medical benefits	166	270	422	95	114
Other allowances and benefits	476	978	2,029	385	722
	19,707	32,771	69,397	19,981	27,885

28 Emoluments for directors and five highest paid individuals

(a) Directors' emoluments

The remuneration of each director of the Company for the year ended 31 December 2006 is set out below:

	Fee	Salaries, bonus, allowance and benefits in kind	Employer's contribution to retirement scheme	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:					
Mr. Ding Xiang Yang	—	130	23	12	165
Mr. Cheng Li Xiong	—	210	23	12	245
Mr. Xia Jing Hua	—	130	23	12	165
Mr. Liu Ning	—	260	23	12	295
Mr. Li Xiao Bin	—	1,000	38	13	1,051
Mr. Yan Zhi Rong	—	130	23	12	165
Non-executive director:					
Mr. Zhang Zhi Rong	—	780	23	12	815
Independent Non-executive director:					
Mr. Yim Ping Kuen	—	—	—	—	—
Mr. Liu Shun Fai	—	—	—	—	—
Mr. Wo Rui Fang	—	—	—	—	—
Mr. Han Ping	—	—	—	—	—

The remuneration of each director of the Company for the year ended 31 December 2007 is set out below:

	Fee	Salaries, bonus, allowance and benefits in kind	Employer's contribution to retirement scheme	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:					
Mr. Ding Xiang Yang	—	390	25	13	428
Mr. Cheng Li Xiong	—	260	25	13	298
Mr. Xia Jing Hua	—	260	25	13	298
Mr. Liu Ning	—	260	25	13	298
Mr. Li Xiao Bin	—	1,000	41	14	1,055
Mr. Yan Zhi Rong	—	260	25	13	298
Non-executive director:					
Mr. Zhang Zhi Rong	—	780	25	13	818
Independent Non-executive director:					
Mr. Yim Ping Kuen	—	—	—	—	—
Mr. Liu Shun Fai	—	—	—	—	—
Mr. Wo Rui Fang	—	—	—	—	—
Mr. Han Ping	—	—	—	—	—

The remuneration of each director of the Company for the year ended 31 December 2008 is set out below:

	Fee	Salaries, bonus, allowance and benefits in kind	Employer's contribution to retirement scheme	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:					
Mr. Ding Xiang Yang	—	360	29	15	404
Mr. Cheng Li Xiong	—	240	29	15	284
Mr. Xia Jing Hua	—	240	29	15	284
Mr. Liu Ning	—	240	29	15	284
Mr. Li Xiao Bin	—	1,495	35	14	1,544
Mr. Yan Zhi Rong	—	240	29	15	284
Non-executive director:					
Mr. Zhang Zhi Rong	—	720	29	15	764
Independent Non-executive director:					
Mr. Yim Ping Kuen	—	—	—	—	—
Mr. Liu Shun Fai	—	—	—	—	—
Mr. Wo Rui Fang	—	—	—	—	—
Mr. Han Ping	—	—	—	—	—

The remuneration of each director of the Company for the four months ended 30 April 2008 is set out below:

	Fee	Salaries, bonus, allowance and benefits in kind	Employer's contribution to retirement scheme	Other benefits	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Executive director:					
Mr. Ding Xiang Yang	—	120	9	4	133
Mr. Cheng Li Xiong	—	80	9	4	93
Mr. Xia Jing Hua	—	80	9	4	93
Mr. Liu Ning	—	80	9	4	93
Mr. Li Xiao Bin	—	498	12	5	515
Mr. Yan Zhi Rong	—	80	9	4	93
Non-executive director:					
Mr. Zhang Zhi Rong	—	240	9	4	253
Independent Non-executive director:					
Mr. Yim Ping Kuen	—	—	—	—	—
Mr. Liu Shun Fai	—	—	—	—	—
Mr. Wo Rui Fang	—	—	—	—	—
Mr. Han Ping	—	—	—	—	—

The remuneration of each director of the Company for the four months ended 30 April 2009 is set out below:

	Fee	Salaries, bonus, allowance and benefits in kind	Employer's contribution to retirement scheme	Other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director:					
Mr. Ding Xiang Yang	—	120	10	5	135
Mr. Cheng Li Xiong	—	80	10	5	95
Mr. Xia Jing Hua	—	80	10	5	95
Mr. Liu Ning	—	80	10	5	95
Mr. Li Xiao Bin	—	500	13	5	518
Mr. Yan Zhi Rong	—	80	10	5	95
Non-executive director:					
Mr. Zhang Zhi Rong	—	240	10	5	255
Independent Non-executive director:					
Mr. Yim Ping Kuen (a)	—	—	—	—	—
Mr. Liu Shun Fai (a)	—	—	—	—	—
Mr. Wo Rui Fang (a)	—	—	—	—	—
Mr. Han Ping (a)	—	—	—	—	—

Note a: Resigned on 16 March 2009.

During the Relevant Periods, no director received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office, no director waived or has agreed to waive any emoluments.

Except for Mr. Liu Ning who joined the Group in June 2005, all other executive directors joined the Group before 1 January 2005.

(b) *Five highest paid individuals*

The five individuals whose emoluments were the highest in the Group in each of the years ended 31 December 2006, 2007 and 2008 and four months ended 30 April 2008 and 2009 include 4, 3, 1, 1 and 1 directors, respectively. Their emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 1, 2, 4, 4 and 4 individuals in each of the years ended 31 December 2006, 2007 and 2008 and four months ended 30 April 2008 and 2009, respectively, are as follows:

	Year ended 31 December			**Four months ended 30 April**	
	2006	**2007**	**2008**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Salaries and other benefits	1,038	1,410	6,031	1,658	1,871

The emoluments fell within the following bands:

	Number of individuals				
	Year ended 31 December			**Four months ended 30 April**	
	2006	**2007**	**2008**	**2008**	**2009**
				(unaudited)	
RMB Nil to RMB1,000,000	—	1	—	4	4
RMB1,000,001 to RMB1,500,000....	1	1	3	—	—
RMB1,500,001 to RMB2,000,000....	—	—	1	—	—
	1	2	4	4	4

29 Income tax expenses

	Year ended 31 December			Four months ended 30 April	
	2006	**2007**	**2008**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Current income tax					
- PRC corporate income tax	179,927	100,066	259,627	84,355	102,162
- PRC land appreciation tax	358	114,551	363,102	124,785	9,522
	180,285	214,617	622,729	209,140	111,684
Deferred income tax (note 20)					
- Origination and reversal of temporary differences	(17,804)	(9,159)	205,077	(15,093)	173,794
- Impact of change in tax rate.....	—	15,936	—	—	—
	(17,804)	6,777	205,077	(15,093)	173,794
	162,481	221,394	827,806	194,047	285,478

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies comprising the Group as follows:

	Year ended 31 December			Four months ended 30 April	
	2006	**2007**	**2008**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Profit before income tax	421,665	329,488	2,082,797	368,773	1,059,016
Calculated at PRC corporate income tax rate of 33% (25% for year/period ended 31 December 2008 and 30 April 2008 and 2009)...	139,149	108,731	520,699	92,193	264,754
Expenses not deductible for tax	12,253	19,832	17,063	4,902	4,304
Tax losses not recognised as deferred income tax assets	460	1,401	5,074	2,181	2,474
Provision for land appreciation tax	358	114,551	363,102	124,785	9,522
Tax effect on land appreciation tax	(118)	(37,802)	(90,776)	(31,196)	(2,380)
Effect of change in tax rate (a)	—	15,936	—	—	—
Others	10,379	(1,255)	12,644	1,182	6,804
Income tax expenses	162,481	221,394	827,806	194,047	285,478

PRC corporate income tax is provided at the rate of 33% for each of the years ended 31 December 2006 and 2007 and 25% for the year ended 31 December 2008 and for the four months ended 30 April 2008 and 2009 of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

No Hong Kong profits tax has been provided for the years ended 31 December 2007 and 2008 and for the four months ended 30 April 2008 and 30 April 2009 as there is no assessable profit for these periods. No Hong Kong profits tax was provided for the year ended 31 December 2006 as the Group did not have any companies having business in Hong Kong during the year.

PRC land appreciation tax ("LAT") 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 lease charges of land use rights and all property development expenditures, which is included in the consolidated income statements as income tax. The Group has estimated the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

(a) On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC (the "new CIT Law"). The new CIT Law reduces the corporate income tax rate from 33% to 25% with effect from 1 January 2008. Accordingly, the deferred income tax assets/liabilities of the Group that are expected to be reversed on or after 1 January 2008 were adjusted by using tax rate of 25%. The effect on the change in corporate income tax rate was recognised in the consolidated income statement for the year ended 31 December 2007.

30 Earnings per share

No earnings per share information is presented for the years ended 31 December 2006 and 2007 as its inclusion, for the purpose of this report, is not considered as meaningful due to the Reorganisation and the basis of preparation of the Financial Information as disclosed in note 1 above.

Basic earnings per share for the year ended 31 December 2008 and for the four months ended 30 April 2008 and 2009 is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year/period.

	Year ended 31 December 2008	Four months ended 30 April 2008	2009
	RMB'000	RMB'000 (unaudited)	RMB'000
Profit attributable to equity holders of the Company	1,254,991	174,726	773,538
Weighted average number of shares in issue (thousand)	100,000	100,000	100,000

The earnings per share as presented above has not taken into account the proposed capitalisation issue as described in note 17(h).

31 Cash (used in)/generated from operations

		Year ended 31 December			Four months ended 30 April	
	Note	**2006**	**2007**	**2008**	**2008**	**2009**
		RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Profit for the year/period		259,184	108,094	1,254,991	174,726	773,538
Adjustments for:						
Income tax expenses	29	162,481	221,394	827,806	194,047	285,478
Interest income	23	(3,529)	(6,702)	(7,900)	(4,028)	(248)
Interest expense	26	73,702	97,225	54,479	18,061	11,376
Investment (income)/loss	23	(1,800)	(4,127)	1,832	(178)	—
Fair value changes of the financial asset at fair value through profit or loss	24	—	(2,202)	—	1,808	—
Fair value changes of investment properties	24	—	—	(846,085)	—	(735,189)
Depreciation	6	3,582	5,854	7,039	2,096	2,574
Amortisation of intangible asset	9	—	—	—	—	59
Amortisation of land use rights	11	695	2,634	2,948	400	2,901
Bad debts written off	25	1,369	—	—	—	—
Losses on disposals of property and equipment	25	5	6	329	—	73
Foreign exchange losses on operating activities	24	—	36,715	20,522	20,291	72
Changes in working capital:						
Properties under development and completed properties held for sale		(1,248,151)	(808,711)	(1,643,283)	(1,748,332)	91,494
Inventories		—	—	—	—	(5,719)
Restricted cash		(29,737)	30,940	(17,778)	(125,638)	(11,911)
Trade and other receivables and prepayments		(713,023)	(380,771)	(998,969)	(1,075,782)	168,050
Financial assets of fair value through profit or loss		—	(18,889)	19,259	16,809	—
Trade and other payables		222,089	(314,560)	198,564	40,087	(182,679)
Advanced proceeds received from customers		(643,872)	3,420,679	(738,134)	184,840	14,007
Cash (used in)/generated from operations		(1,917,005)	2,387,579	(1,864,380)	(2,300,793)	413,876

32 Commitments

(a) Commitments for capital and property development expenditures

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted but not provided for				
Land use rights	532,522	1,237,070	2,911,901	2,286,901
Property development expenditures	5,906,903	5,669,911	5,092,779	5,153,218
	6,439,425	6,906,981	8,004,680	7,440,119
Authorised but not contracted for	34,697	24,876	17,902	13,046

(b) Operating lease commitments

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

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Not later than one year	3,671	12,338	20,845	20,818
Later than one year and not later than five years	8,518	27,102	32,676	29,223
Later than five years	49,527	49,146	48,607	49,174
	61,716	88,586	102,128	99,215

33 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

The following transactions were carried out with related parties:

(a) Purchase of services:

	Year ended 31 December			Four months ended 30 April	
	2006	**2007**	**2008**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Continuing Transactions:					
Purchase of construction services					
— Shanghai Ditong, a company controlled by close family member of the Founder	1,033,139	1,019,730	1,185,545	249,711	195,278
Non-continuing Transactions:					
Purchase of construction services:					
— Other companies controlled by close family member of the Founder	75,636	3,700	2,117	1,393	—
— Companies controlled by the Founder	1,100	—	—	—	—
	76,736	3,700	2,117	1,393	—
Purchase of gardening services:					
— A company controlled by the Founder	3,609	2,529	3,204	2,919	—
Purchase of property design services:					
— An associated company of the Founder/the Group (i)	12,631	17,524	10,656	3,395	2,598
Purchase of consultancy services:					
— A company controlled by the Founder	33,884	17,658	3,333	1,111	1,111
— An associated company of the Founder	6,000	—	—	—	—
— Other companies controlled by close family member of the Founder	—	—	—	—	—
	39,884	17,658	3,333	1,111	1,111
Commission fees paid/payable to:					
— Other companies controlled by close family member of the Founder	16,926	6,082	18,872	4,885	6,104

(i) During the years ended 31 December 2006, 2007 and 2008 and the four months ended 30 April 2008 and 2009, the Group purchased the property design services from a related company, which was an associated company of the Founder prior to the acquisition of an associate in 2008 as set out in note 1(c). Subsequent to the acquisition, such related company became an associate of the Group.

(b) Interest income and expenses

	Year ended 31 December			Four months ended 30 April	
	2006	2007	2008	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Non-continuing Transactions:					
Interest expenses:					
- Other companies controlled by close family member of the Founder	3,852	3,467	824	824	—
- Companies controlled by the Founder	12,266	975	458	458	—
- An associated company of the Founder	27	1,367	—	—	—
	16,145	5,809	1,282	1,282	—

(c) Balances with related parties

As at 31 December 2006, 2007, 2008 and 30 April 2009, the Group had the following significant balances with related parties:

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Balances included in current assets:				
Prepayments of construction costs or purchase of services to related companies - included in "Prepayments"				
- Shanghai Ditong	988,709	643,863	1,165,395	1,107,529
- Other companies controlled by close family members of the Founder	—	21	8	3,003
- Companies controlled by the Founder	24,850	9,702	5,000	3,889
- An associate of the Group	—	—	—	200
	1,013,559	653,586	1,170,403	1,114,621
Non-trading balances - included in "Other receivables" (i)				
- Shanghai Ditong	1,301,875	782,984	—	—
- Other companies controlled by close family member of the Founder	268,823	21,803	—	—
- Companies controlled by the Founder	346,081	346,130	—	—
- An associated company of a company controlled by the Founder	1,000	8,350	—	—
- An associated company of the Founder	202,797	9,828	—	—
- The Founder	887,850	74,461	—	—
	3,008,426	1,243,556	—	—

	31 December			30 April
	2006	2007	2008	2009
	RMB'000	RMB'000	RMB'000	RMB'000
Balances included in current liabilities:				
Trading balances - included in "Trade payables" (ii)				
- Shanghai Ditong	417,360	393,322	489,797	245,219
- Associated companies of the Founder	5,331	8,346	—	—
- An associate of the Group	—	—	8,777	5,667
- Other companies controlled by close family member of the Founder	14,637	16,295	14,302	12,502
- Companies controlled by the Founder	87,595	61,270	10,637	10,637
	524,923	479,233	523,513	274,025
Non-trading balances - included in "Other payables" (iii)				
- Shanghai Ditong	313,145	—	—	—
- Other companies controlled by close family member of the Founder	1,097,494	225,809	—	—
- Companies controlled by the Founder	318,446	75,086	4,500	—
- The Founder	—	87,340	—	—
- An associated company of a company controlled by the Founder	—	30	—	—
- An associated company of the Founder	100,672	1,628	—	—
	1,829,757	389,893	4,500	—
Non-trading balances - included in "Borrowings" (iv)				
- A company controlled by the Founder	—	680,000	—	—

(i) Non-trading balances due from related parties included in other receivables are unsecured, interest-free and repayable on demand. None of the receivables from related parties is either past due or impaired.

(ii) Trading balances due to related parties are unsecured, interest-free and repayable on demand.

(iii) Non-trading balances due to related parties included in other payables are unsecured and repayable on demand. Of which approximately RMB66,190,000, RMB66,190,000 bear interest at rate of 8% per annum as at 31 December 2006 and 2007 respectively. Approximately RMB20,000,000 bears interest at 7.34% per annum as at 31 December 2006 whereas the rest of approximately RMB1,743,567,000, RMB323,703,000 and RMB4,500,000 are interest-free as at 31 December 2006, 2007 and 2008 respectively.

(iv) The borrowing from a related party was interest-free, unsecured and repayable within one year from drawdown.

(d) Other transactions with related companies

As disclosed in note 11 above, as at 31 December 2007, the Group's completed properties held for sale of carrying value of approximately RMB118,232,000 were pledged as collateral for certain borrowings of three related companies. As at 31 December 2008, such pledge has been released.

(e) Key management compensation

	Year ended 31 December			Four months ended 30 April	
	2006	**2007**	**2008**	**2008**	**2009**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000 (unaudited)**	**RMB'000**
Salaries and other short-term employee benefits	4,749	5,927	8,177	2,212	2,576

34 Financial guarantees

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of one to two years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of 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. The Group's guarantee period starts from the dates of grant of the mortgages. As at 31 December 2006, 2007 and 2008 and 30 April 2009, the amount of outstanding guarantees for mortgages were approximately RMB528,603,000, RMB1,860,806,000, RMB2,662,065,000 and RMB3,112,399,000 respectively. The maximum credit risk exposure at each balance sheet date is the amount of outstanding guarantees.

The directors consider that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value is immaterial.

35 Accounting adjustments under common control combination

The below information is included for the purpose of showing the adjustments arising from the common control combination on the consolidated balance sheets.

The consolidated balance sheets as at 30 April 2009:

	The Company	The Operating Group(i)	Adjustments	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
Investment in the Operating Group	—	—	—	—
Other (liabilities)/assets - net	(1,404,770)	3,097,326	—	1,692,556
Net (liabilities)/assets	(1,404,770)	3,097,326		1,692,556
Share capital	962	377	(377)	962
Merger reserve (note 18b)	—	(770,854)	377	(770,477)
Statutory reserve	—	76,800	—	76,800
Other reserve	156,290	—	—	156,290
(Accumulated losses)/retained earnings	(1,562,022)	3,791,003	—	2,228,981
	(1,404,770	3,097,326		1,692,556

The consolidated balance sheets as at 31 December 2008:

	The Company	The Operating Group(i)	Adjustments	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
Investment in the Operating Group	—	—	—	—
Other (liabilities)/assets - net	(1,041,752)	1,960,770	—	919,018
Net (liabilities)/assets	(1,041,752)	1,960,770		919,018
Share capital	962	377	(377)	962
Merger reserve (note 18b)	—	(770,854)	377	(770,477)
Statutory reserve	—	91,871	—	91,871
Other reserve	156,290	—	—	156,290
(Accumulated losses)/retained earnings	(1,199,004)	2,639,376	—	1,440,372
	(1,041,752)	1,960,770		919,018

The consolidated balance sheets as at 31 December 2007:

	The Company	The Operating Group[(i)]	Adjustments	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
Investment in the Operating Group	—	—	—	—
Other liabilities - net	(43,568)	(292,405)	—	(335,973)
Net liabilities	(43,568)	(292,405)		(335,973)
Share capital	962	377	(377)	962
Merger reserve (note 18b)	—	(770,854)	377	(770,477)
Statutory reserve	—	46,816	—	46,816
Other reserve	156,290	—	—	156,290
(Accumulated losses)/retained earnings	(200,820)	431,256	—	230,436
	(43,568)	(292,405)		(335,973)

The consolidated balance sheets as at 31 December 2006:

	The Company	The Operating Group[(i)]	Adjustments	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
Investment in the Operating Group	—	—	—	—
Other assets - net	—	1,607,958	—	1,607,958
Net assets	—	1,607,958		1,607,958
Share capital	—	1,438,800	(1,438,800)	—
Merger reserve (note 18b)	—	—	1,438,800	1,438,800
Statutory reserve	—	24,086	—	24,086
Retained earnings	—	145,072	—	145,072
	—	1,607,958		1,607,958

(i) Operating Group comprises all the subsidiaries of the Company.

36 Acquisitions

In 2008, the Group acquired 100% of the equity interests in Nantong Rongsheng at cash consideration of RMB31,803,000. Nantong Rongsheng has signed certain land acquisition agreements and had fully paid the land premium at the date of acquisition. Prior to the acquisition by the Group, Nantong Rongsheng had no business activities except for the holding of the land use right acquisition agreements.

In 2008, the Group acquired 100% of the equity interests in Tianjin Tianxingjian at cash consideration of RMB454,180,000. Tianjin Tianxingjian owned certain land use rights in Tianjin before the acquisition by the Group. Prior to the acquisition by the Group, Tianjin Tianxingjian had no business activities except for the holding of the land use rights.

The activities of Nantong Rongsheng and Tianjin Tianxingjian do not constitute a business and the Group's intention of such acquisition is to acquire the land use rights held by these two companies for future property developments. Accordingly, such acquisition is accounted for as if it is an acquisition of the underlying land use rights.

The allocation of acquisition considerations are as follows:

	At date of acquisition		
	Nantong Rongsheng	**Tianjin Tianxingjian**	**Combined**
	RMB'000	**RMB'000**	**RMB'000**
Property and equipment	48	—	48
Properties under development	157	53,408	53,565
Cash	4,693	4	4,697
Prepayment and other receivables	101,011	—	101,011
	105,909	53,412	159,321
Accruals and other payables	76,078	2	76,080
Net asset	29,831	53,410	83,241
Surplus on properties under development	1,972	400,770	402,742
Acquisition considerations	31,803	454,180	485,983

	RMB'000
Total acquisition consideration	485,983
Less: cash acquired	(4,697)
Cash outflow on acquisition (i)	481,286

(i) The cash outflow on the above acquisitions is presented within the operating activities in the consolidated statements of cash flows.

In 2009, the Group acquired 100% of the equity interest in Shanghai Mingbao at cash consideration of RMB2,500,000. Shanghai Mingbao owned business licence to conduct national interior and exterior decoration and renovation in the PRC. It's the Group intention of such acquisition to acquire the business licence held by Shanghai Mingbao. Other than business licence, no other material assets and liabilities were acquired. As at 30 April 2009, the unsettled consideration of RMB500,000 was included in the other payables in the consolidated balance sheet.

37 Share option schemes

On 17 June 2008, the board of directors approved the below share option schemes:

(i) share options to be granted to selected participants as incentives or rewards for their contribution to the Group (the "Share Option Scheme"). The exercise price per share under the Share Option Scheme will be a price determined by the Company's directors, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange Limited (the "Stock Exchange") on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share. No option has been granted under the Share Option Scheme up to the date of this report;

(ii) share options to be granted to the directors, employees, officers, consultants, and business associates of the Group (the "Pre-IPO Share Option Scheme"). The exercise price per share under the Pre-IPO Share Option Scheme shall be equal to 40% discount to the price that the Company's shares to be issued pursuant to the initial public offering of the Company's shares as detailed in the Company's offering document dated 30 June 2008. On 17 June 2008, options to subscribe for an aggregate of 56,625,000 shares have been conditionally granted to 14 grantees, subject to the condition that the Group completes the IPO within six months from the date of adopting this Pre-IPO Share Option Scheme.

The Share Option Scheme and Pre-IPO Share Option Scheme are both conditional to the successful listing of the Company's shares on the Stock Exchange. On 17 December 2008, as the Group has not completed the IPO, the Share Option Scheme and the Pre-IPO Share Option Scheme were cancelled and abandoned, and any options granted or agreed to be granted pursuant to the Pre-IPO Share Option Scheme were then forfeited.

On 9 September 2009, pursuant to the written resolution:

(i) the directors approved a pre-IPO share option scheme. Up to the date of the report, 84,000,000 options have been granted to certain directors and employees of the Group.

(ii) the directors approved a share option scheme. No options have been granted up to the date of the report.

38 Subsequent events

(a) On 11 June 2009, the Group entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with S.I. Properties Holdings Limited (the "Purchaser"), a wholly-owned subsidiary of Shanghai Industrial Holdings Limited which is listed on The Stock Exchange of Hong Kong Limited, regarding the transfer of the entire equity interest in its subsidiary, Better Score Limited, to the Purchaser at a total consideration of RMB2 billion (the "Transaction").

Pursuant to the Transaction:

(i) Block Nos. 2, 8, 9 and 10 of Shanghai Bay (the "Properties") will be transferred to the wholly-owned subsidiary of Better Score Limited. Other than the holding of the Properties, Better Score Limited and its subsidiaries are restricted in terms of their business scope;

(ii) the Group retains the right to manage and control over the operational and financial matters of the Properties, including the development, construction and the sale of the Properties;

(iii) the Purchaser will be entitled to a fixed return from the Properties;

(iv) the Group and the Purchaser has a non-cancellable options to acquire and to dispose the legal and beneficial interests in the Properties from the Purchaser and to the Group, respectively on 1 December 2011 (or such other date the parties may mutually agree).

On the basis that the risks and rewards of the Properties have not been transferred from the Group to the Purchaser, the directors are of their opinion that the Transaction, in substance, is a loan arrangement in accordance with the HKFRS. As a result, at the completion of the Transaction:

(i) the Group continues to consolidate the Properties;

(ii) the consideration of RMB2 billion is regarded as a financial liability and measured at amortised cost using the effective interest method;

(iii) the fixed return payable to the Purchaser is regarded as finance costs.

(b) As part of the financing, the Company and the Investors entered into the Deed of Amendment setting out the principal terms and conditions of the restructuring of the Notes. On 17 August 2009, the following notes restructuring transactions occurred pursuant to the terms of the Deed of Amendment:

(i) the denomination of the Notes shall be changed from RMB to USD;

(ii) the Company shall pay to each Investor the amount of outstanding cash interest in the aggregate amount of approximately USD27 million;

(iii) the Company shall partially redeem the Notes held by the Investors in the aggregate principal amount of approximately USD193 million; and

(iv) after the partial redemption of the Notes as mentioned in (iii) above, the remaining outstanding Notes in the aggregate amount of USD490 million shall be restructured into the following two tranches:

— Promissory Notes with a tenure of 18 months in the aggregate principal amount of USD325 million, which bear interest rates at 6% per annum within the first six-month period; 10% per annum after expiry of the first six-month period; and 15% per annum after the first twelve-month period. Subject to the acceleration event as defined in the Deed of Amendment, the Promissory Notes will bear interest rate at 18% per annum.

— Convertible Notes with a tenure of two years in the aggregate principal amount of USD165 million.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company and its subsidiaries in respect of any period subsequent to 30 April 2009. In addition, no dividend or distribution has been declared, made or paid by the Company or its subsidiaries in respect of any period subsequent to 30 April 2009.

Yours faithfully,
PricewaterhouseCoopers
Certified Public Accountants
Hong Kong