

 中國中化集團公司成員企業
A Sinochem Member Company

 **方興地產(中國)有限公司**
FRANSHION PROPERTIES (CHINA) LIMITED

(於香港註冊成立的有限公司)
(Incorporated in Hong Kong with limited liability)

股票代號
Stock Code : 00817

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2010 中期報告
Interim Report

集團概覽 GROUP AT A GLANCE

+61%

收入較去年同期增長
Increase in revenue over the same period of last year

物業開發 Property Development

- 擁有八處處於不同開發階段的物業項目，總建築面積約148萬平方米
Own eight property projects under different stages of development with a total GFA of approximately 1.48 million square meters

物業租賃 Property Leasing

- 擁有三處高品質投資物業項目，總建築面積約36萬平方米
Own three high quality investment properties with a total GFA of approximately 360,000 square meters

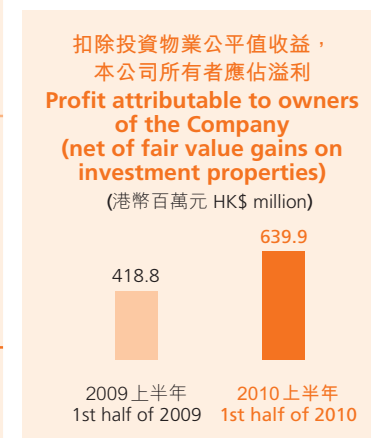
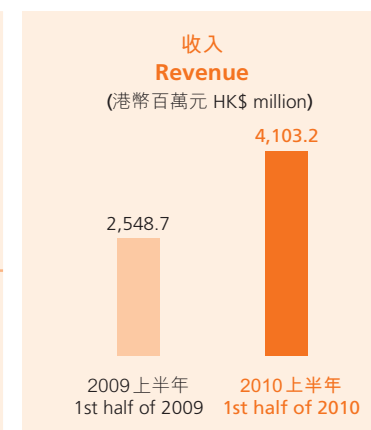
酒店經營 Hotel Operations

- 擁有六所豪華酒店，共有2,872間客房
Own six luxurious hotels with 2,872 rooms

集團概況 GROUP DESCRIPTION	收入 (港幣百萬元) REVENUE (HK\$ million)	主要收入來源 MAJOR SOURCE OF INCOME	表現 PERFORMANCE
物業開發 PROPERTY DEVELOPMENT 	10 2,373.2 09 1,270.2 +87%	<ul style="list-style-type: none"> • 上海港國際客運中心地塊B項目部分樓盤的銷售收入 • Sales revenue from the sales of some units of Site B of Shanghai Port International Cruise Terminal Project. 	強勁表現 STRONG PERFORMANCE 上海港國際客運中心地塊B項目銷售再創佳績，土地儲備工作取得突破性進展 Site B of Shanghai Port International Cruise Terminal Project achieved remarkable sales performance; whereas land reserve efforts attained breakthrough development 
物業租賃 PROPERTY LEASING 	10 428.8 09 428.8 —	<ul style="list-style-type: none"> • 旗下三處投資物業的租金收入 • Rental income from our three investment properties. 	穩定的收入 STABLE REVENUE 旗下投資物業高租金、高出租率，位列同行業前列 Investment properties of the Group maintained high rental income and high occupancy rate and were among the front ranks in the industry. 
酒店經營 HOTEL OPERATIONS 	10 1,007.3 09 723.3 +39%	<ul style="list-style-type: none"> • 旗下六所酒店的經營收入 • Revenue from the operations of our six hotels. 	高速增長 RAPID GROWTH 酒店業績較上年同期大幅增長，經營效率顯著提升，繼續領先於同行業水平 Performance of hotel operations grew substantially over the corresponding period of last year, with a significant improvement in operating efficiency; and continued to outperform its peers. 

財務摘要 FINANCIAL HIGHLIGHTS

		截至6月30日止六個月 For the six months ended 30 June		
		2010年 (未經審核) 港幣百萬元 2010 (Unaudited) HK\$ million	2009年 (未經審核) 港幣百萬元 2009 (Unaudited) HK\$ million	變動 百分比 Percentage change %
收入	Revenue	4,103.2	2,548.7	61
本公司所有者應佔溢利	Profit attributable to owners of the Company	1,042.9	434.1	140
本公司所有者應佔溢利— 扣除投資物業公平值收益 (已扣除遞延稅項)	Profit attributable to owners of the Company – net of fair value gains on investment properties (net of deferred tax)	639.9	418.8	53
每股基本盈利(港仙)	Basic earnings per share (HK cents)	11.38	5.40	111
每股基本盈利—扣除投資物業公平值 收益(已扣除遞延稅項)(港仙)	Basic earnings per share – net of fair value gains on investment properties (net of deferred tax) (HK cents)	6.98	5.21	34
		於2010年6月30日 (未經審核) 港幣百萬元 As at 30 June 2010 (Unaudited) HK\$ million	於2009年12月31日 (經審核) 港幣百萬元 As at 31 December 2009 (Audited) HK\$ million	變動 百分比 Percentage change %
資產總額	Total assets	41,664.2	40,142.5	4
本公司所有者應佔權益	Equity attributable to owners of the Company	17,382.7	16,419.6	6



2010 業績表現 Performance Highlights

- 扣除投資物業公平值收益，本公司所有者應佔溢利較去年同期增長
Increase in profit attributable to owners of the Company (net of fair value gains on investment properties) over the same period of last year

+53%

公司資料
CORPORATE INFORMATION

公司名稱 Company Name	方興地產(中國)有限公司 Franshion Properties (China) Limited	
主要辦事處 Principal Office	香港灣仔 港灣道1號 會展廣場辦公大樓47樓 4702-4703室	Rooms 4702-4703 47th Floor, Office Tower, Convention Plaza No. 1 Harbour Road Wan Chai, Hong Kong
非執行董事 Non-executive Directors	羅東江先生(主席) 李雪花女士(副主席) 王紅軍先生	Mr. LUO Dongjiang (Chairman) Ms. LI Xuehua (Vice Chairman) Mr. WANG Hongjun
執行董事 Executive Directors	何操先生(副主席及 首席執行官) 賀斌吾先生(副總裁) 江南先生	Mr. HE Cao (Vice Chairman and Chief Executive Officer) Mr. HE Binwu (Vice President) Mr. JIANG Nan
獨立非執行董事 Independent Non-executive Directors	劉漢銓先生 蘇錫嘉先生 劉洪玉先生 魏偉峰先生 高世斌先生	Mr. LAU Hon Chuen, Ambrose Mr. SU Xijia Mr. LIU Hongyu Mr. NGAI Wai Fung Mr. GAO Shibin
首席財務官 Chief Financial Officer	江南先生	Mr. JIANG Nan
合資格會計師 Qualified Accountant	廖繼勤先生	Mr. LIAO Chi Chiun
公司秘書 Company Secretary	廖繼勤先生	Mr. LIAO Chi Chiun
授權代表 Authorized Representatives	何操先生 江南先生	Mr. HE Cao Mr. JIANG Nan
法律顧問 Legal Advisors	貝克•麥堅時律師事務所 香港夏懿道10號 和記大廈14樓	Baker & McKenzie 14th Floor, Hutchison House 10 Harcourt Road Central, Hong Kong
	瑞生國際律師事務所 香港中環 康樂廣場8號 交易廣場第一座41樓	Latham & Watkins 41st Floor, One Exchange Square, 8 Connaught Place Central, Hong Kong
	北京市天元律師事務所 中華人民共和國 北京市西城區金融大街35號 國際企業大廈C座11樓	Tian Yuan Law Firm 11th Floor, Tower C, Corporate Square 35 Financial Street, Xicheng District Beijing, People's Republic of China
核數師 Auditor	安永會計師事務所 香港中環金融街8號 國際金融中心2期18樓	Ernst & Young 18th Floor, Two International Finance Centre 8 Finance Street, Central, Hong Kong
股份代碼 Stock Code	00817	00817
股份過戶登記處 Share Registrar and Transfer Office	香港中央證券登記有限公司 香港灣仔 皇后大道東183號 合和中心 17樓1712-1716室	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong
投資者聯絡方式 Investor Enquiry	電話：852-28299521 傳真：852-28240300 電子郵件： franshion@sinochem.com	Tel: 852-28299521 Fax: 852-28240300 Email: franshion@sinochem.com
公司網站 Website	www.franshion.com	www.franshion.com

主席致辭

CHAIRMAN'S STATEMENT

尊敬的各位股東：

本人欣然代表方興地產(中國)有限公司(「本公司」)董事會(「董事會」)提呈本公司及其子公司(「本集團」、「我們」)截至2010年6月30日止六個月(「回顧期」、「上半年」)之中期業績報告，敬請各位股東審閱。

回顧期內，本公司所有者應佔溢利為港幣1,042.9百萬元，較2009年同期港幣434.1百萬元增長140%；若扣除投資物業公平值收益(已扣除遞延稅項)，本公司所有者應佔溢利為港幣639.9百萬元，較上年同期港幣418.8百萬元增長53%。董事會建議不派發中期股息。

對本公司而言，2010年上半年是充滿機遇和挑戰的半年，既有海南建設國際旅遊島、上海舉辦2010世博會等利好因素出現，又有國家對房地產市場宏觀調控政策的連續出台。這半年，世界經濟顯示出恢復增長的勢頭，但復甦仍處於脆弱而不平衡狀態。在外部環境深刻變革之時，本集團審時度勢、未雨綢繆，一方面把握機遇大力提升業績水平，另一方面積極把握政策動向趨利避害，在2010年上半年取得了令人滿意的業績。同時，本集團的綜合執行力不斷增強，各個項目都有出色表現，這將有效推動下半年本公司業績的穩步增長。

2010年4月，國務院發出「關於堅決遏制部份城市房價過快上漲的通知」，對引導房地產行業健康發展、遏制房地產投機、抑制土地價格非理性上漲發揮了有效作用，房價過快上漲的勢頭已得到初步遏制，目前土地溢價率較年初已有所下降。土地出讓制度改革使房地產公司獲取土地的成本正在逐步回歸合理範圍。作為國民經濟的重要支柱，中國房地產市場中期仍將保持增長，懷抱對未來市場的信心，未來1-3年我們對市場保持審慎樂觀。本公司將密切關注政策動態和市場走勢，及時研判和制訂應對策略，把握機遇，努力發展成為中國領先的高端地產開發商和運營商。

主席致辭
CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board") of Franshion Properties (China) Limited (the "Company"), I am pleased to present the interim report of the Company and its subsidiaries (the "Group", "we" or "us") for the six months ended 30 June 2010 ("the period under review" or "the first half of the year") for your review.

During the period under review, profit attributable to owners of the Company amounted to HK\$1,042.9 million, representing an increase of 140% over HK\$434.1 million in the corresponding period of 2009; whereas profit attributable to owners of the Company less fair value gains on investment properties (net of deferred tax) amounted to HK\$639.9 million, representing an increase of 53% over HK\$418.8 million in the corresponding period of last year. The Board does not recommend payment of interim dividend.

For the Company, the first half of 2010 was a period of opportunities with favorable factors such as the construction of Hainan International Tourism Island as well as the hosting of 2010 Shanghai World Expo, and a period of challenges with a series of austerity measures on the real estate market promulgated by the PRC government. Over the past six months, the global economy saw signals of recovery, but such recovery was fragile and unstable. At times of profound transformation of the external environment, the Group adopted a prudent approach to prepare for the contingency by capturing the opportunities to enhance its results on one hand, and by taking advantages of the prospective changes of the policies to avoid loss and to benefit from such changes on the other hand. This has led to a satisfactory performance for the Group in the first half of 2010. In the meantime, with the strengthening of the Group's integrated execution capabilities, all of the projects of the Group performed remarkably, which will effectively drive the steady growth of the Company's performance in the second half of the year.

The Notice on the Determined Suppression of the Exceedingly Rapid Rise of Housing Prices in Certain Cities promulgated by the State Council in April 2010 had a positive effect on facilitating the healthy development of the real estate industry, suppressing real estate speculation and restraining the irrational surge in land prices. Accordingly, the rapid rise in property prices has initially been restrained and the current land premium rate has decreased as compared with that at the beginning of the year. The reform of the land transfer system has contained the land acquisition costs paid by real estate developers to a reasonable level. As a key pillar of the domestic economy, the real estate market of China is expected to maintain its growth. Looking into the coming one to three years, with confidence in the future market, we will remain prudently optimistic about the market. The Company will closely monitor the policy trends and market movement, timely investigate and formulate corresponding strategies, and seize every opportunity in an effort to become the leading high-end real estate developer and operator in China.

主席致辭
CHAIRMAN'S STATEMENT

回顧期內，本集團的各板塊業務均取得了很好的發展和運營。今年上半年，上海港國際客運中心地塊B項目再創佳績，成為本集團上半年整體利潤貢獻的重要部份。地產開發方面，本集團加快了包括北京廣渠路15號地塊項目、上海國際航運服務中心項目、上海崇明島項目的開發進程，加快獲取土地儲備工作。作為本集團最為重要的高端住宅綜合開發項目之一，北京廣渠路15號地塊項目已完成了前期策劃和設計，預計在下半年正式開工建設，本集團將密切關注市場動向，明年擇機開盤銷售。上海崇明島項目也已完成了前期策劃、設計及施工準備工作，並且引入了凱悅高端酒店品牌，為未來建成的酒店奠定基礎。作為上海市建設國際航運中心戰略的重點項目，本公司投資建設的上海國際航運服務中心項目正加緊施工，回顧期內，本集團對該項目西地塊的股權收購進展順利，已在2010年6月25日召開的股東特別大會獲得股東的批准，目前正在辦理交割手續。此外，本集團與青島城市建設投資(集團)有限責任公司(「青島城投集團」)於2010年5月11日訂立框架性合作協議，共同合作開發位於青島市的藍海新港城項目，該項目為發展住宅、商業、服務和文體娛樂的綜合物業項目，預計地上總建築面積約為80萬平方米。

回顧期內，本集團寫字樓出租業務運行平穩。北京、上海上半年的吸納量均超過了新增供應，反映出客戶和投資者對市場的樂觀預期，兩地甲級寫字樓空置率持續下降，租金進入上升通道。上半年，本集團持有的北京凱晨世貿中心、金茂大廈和中化大廈出租率均領先週邊同等級寫字樓水平，品牌聲譽進一步提升。

從今年年初開始，國內酒店市場開始回暖，今年上半年，北京、上海、三亞等地高檔豪華酒店的每房收益指標都有較大增幅，國內酒店市場顯示出局部復甦跡象。本集團積極把握將海南島定位為「國際旅遊島」的國家發展戰略和2010上海世博會等機遇，繼續以「在同等條件下比競爭對手做得更好」為管理目標，採用靈活的市場策略和運營管控手段，使得上半年本集團持有之酒店業績有較大幅度的增長，經營效率顯著提升，在競爭中處於領先水平。尤其是本集團持有的金茂三亞麗思卡爾頓酒店及上海金茂君悅大酒店，業績大幅超過去年同期，繼續領跑當地豪華酒店市場。

今年下半年，隨着國內房地產市場受調控政策的影響逐步加深，以及世界經濟走向仍存在的不確定性，預計國內住宅市場將會持續低成交量運行，售價也將出現下跌趨勢。政府調控政策短期內抑制了部份購房需求，但從整體看，剛性的購房需求依然存在，房價下跌到一定程度時，購房剛性需求會對成交量起到一定的支撐作用，本公司開發的住宅項目也將把握市場時機，擇機入市，以期達到最好的回報。而在商業物業方面，中外企業投資寫字樓、個人投資商鋪等市場仍將表現出較好的發展形勢，這將使本公司在商業地產開發和銷售中受益。

During the period under review, all business segments of the Group grew satisfactorily and performed well. In the first half of the year, Site B of Shanghai Port International Cruise Terminal Project achieved remarkable performance again and became a significant driver of the Group's overall profit contribution for the first half of the year. As for real estate development, the Group accelerated the project development process, including the construction of the Beijing No.15 Guangqu Road Project, the Shanghai International Shipping Service Center Project and the Shanghai Chong Ming Island Project, and speeded up the expansion of its land reserves. As one of the major high-end residential integrated development projects of the Group, preliminary planning and design of the Beijing No. 15 Guangqu Road Project has been completed and the construction is expected to commence officially in the second half of the year. The Group will closely monitor the market trends and launch sales in the next year when favorable opportunities arise. The Shanghai Chong Ming Island Project has also completed the preliminary planning, design and construction preparing work. By introducing a high-end hotel brand, Hyatt, the project has laid the foundation for the hotel to be completed in the future. As a key project in the strategies to establish Shanghai as an international shipping center, the construction of Shanghai International Shipping Service Center Project, which is invested by the Company, has been accelerated. During the period under review, the acquisition of the equity interests of the western site of the project by the Group was in smooth progress and had been approved at the extraordinary general meeting held on 25 June 2010. At present, the procedures for delivery are in progress. Moreover, the Group and Qingdao Urban Construction Investment (Group) Co., Ltd. ("Qingdao Urban Investment Group") entered into a framework cooperative agreement on 11 May 2010 to jointly develop the Lanhai Xingang City Project in Qingdao. The project is an integrated property project, covering residential, commercial, services and cultural & entertainment functions and is expected to have a total gross floor area above ground of approximately 800,000 square meters.

During the period under review, the office leasing business of the Group operated steadily. In the first half of the year, the demand in Beijing and Shanghai both exceeded the additional supply, reflecting that customers and investors were optimistic about the market given the falling vacancy rate and rising rental of the grade A offices in Beijing and Shanghai. During the first half of the year, the occupancy rate of the Beijing Chemsunny World Trade Centre, the Jin Mao Tower and the Sinochem Tower held by the Group outperformed the same grade office buildings in the surrounding regions. Our brand and reputation were further enhanced.

From the beginning of this year, the domestic hotel market began to pick up. In the first half of the year, the revenue per available room ("RevPAR") of high-end luxurious hotels in Beijing, Shanghai and Sanya grew significantly, while the hotel markets in certain areas of China were showing signs of partial recovery. Capitalizing on the State's growth strategy to develop Hainan Island into the "International Tourism Island" and the opportunities arising from 2010 Shanghai World Expo, the Group's hotel performance for the first half of the year grew considerably with a marked improvement in the operating efficiency as a result of the adoption of flexible market strategies and operational management measures by the Group in adherence to its objective of "outperforming its peers under the same conditions". This has enabled the Group to maintain a leading position among its competitors. In particular, the Ritz-Carlton Sanya and Grand Hyatt Shanghai held by the Group both achieved substantial growth in performance over the corresponding period of last year and continued to outperform the luxurious hotel market in the local region.

In the second half of the year, as the impacts of the austerity policies on the real estate market in China gradually intensify, coupled with the uncertainties that remain with the global economic outlook, it is expected that the transaction volume in the residential housing market in China will remain low, along with falling property prices. In the near-term, the government's austerity measures will restrain part of the demand for property purchase. But as a whole, there is still a rigid demand for property purchase. As property prices drop to a certain level, the rigid demand for property purchase, to a certain extent, will act as a driving force for the transaction volume. As for residential projects, the Company will capture market opportunities to launch sales at the right time with a view to generating the best returns. For commercial properties, offices invested by Chinese and foreign enterprises and retail shops invested by individuals will continue to perform well, which in turn will benefit the development and sales of commercial properties of the Company.

主席致辭
CHAIRMAN'S STATEMENT

在本次調控中，本集團商業地產開發與持有的經營模式再次顯現出良好的抗風險能力，無論是寫字樓出租、酒店經營以及商業地產的銷售都未受到調控的影響，業績穩步提升。而隨着國家針對房地產住宅市場的調控政策進一步深入，作為以商業地產為運營主體的房地產公司將會受到更多投資者的青睞。

在經歷了世界金融危機後，中國經濟正通過轉變經濟發展方式、調整產業結構來解決中長期發展的問題，儘管經濟增速會有所放緩，但中國作為世界新興經濟體發揮深遠的影響力已不可逆轉。展望未來，本人對中國經濟的前景充滿信心，對未來十到二十年內的中國房地產業發展仍充滿信心。本集團在快速發展的過程中，將繼續堅持開發大型城市綜合體、打造城市名片的精品戰略發展模式，積極把握發展機遇，加速規模增長，致力於發展成為中國領先的高端地產開發商和運營商。

借此機會，本人謹代表董事會向本集團股東、客戶、合作伙伴、地方政府、管理層以及廣大員工表示誠摯的感謝！並希望繼續得到大家的鼎力支持，我們將再接再厲，積極進取，不斷創造本集團更輝煌的業績，為全體股東實現最大收益！

羅東江
主席

香港，2010年8月20日

主席致辭
CHAIRMAN'S STATEMENT

Under the impacts of the austerity measures, the Group's operational mode of commercial property development and holding has demonstrated strong resistance to risks again. Its office buildings leasing, hotel operation and commercial property sales remained unaffected but the macro controls and grew steadily. As the PRC government further stepped up its efforts in the real estate related austerity policies, real estate developers principally engaging in commercial property development will be under the spotlight of more investors.

As a result of the global financial crisis, the PRC economy is trying to resolve its medium-to-long term growth issues through transformation of its economic growth and industry structural adjustment. Despite that the pace of economic growth will slow down, China, as an emerging economy, has undoubtedly had a far-reaching influence on the world's economy. Looking ahead, I am confident about the prospects of the PRC economy and remain confident about the growth of the real estate industry in China in the coming ten to twenty years. In the course of a fast growth, the Group will continue to adopt refined strategies in developing large-scale urban integrated projects and build its brand as an urban quality brand and actively seize the opportunities to speed up sizable expansion in an effort to become the leading high-end real estate developer and operator in China.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all the Group's shareholders, clients, business partners, local governments, management and staff, and hope we can continue to win your invaluable support. We would continue our unremitting dedication and active pursuits to achieve even more splendid results for the Group with a view to maximizing the interests of all our shareholders.

LUO Dongjiang
Chairman

Hong Kong, 20 August 2010

市場回顧

從宏觀經濟層面看，2010年上半年中國經濟整體穩步增長，國內生產總值同比增長11.1%；全社會固定資產投資同比增長25%，其中房地產開發投資同比增長38.1%；社會消費品零售總額同比增長18.2%。

從地產行業層面看，2010年3月全國房地產開發景氣指數達到上半年峰值，4月份以來受國家調控政策影響而持續回落，至2010年6月國房景氣指數已下降為105.06，較峰值降低0.83點。2010年1月至6月，住宅、辦公樓及商業用房銷售面積及銷售額雖然同比有所增長，但二季度增速已出現大幅回落，「成交量下跌，房價漲幅收窄」成為當前房地產市場的重要特徵，同時開發商的信貸支持在二季度的增速也開始放緩，「房產新政」的效果已經初步顯現。雖然房地產市場信心有所回落，觀望氣氛日益濃厚，但房地產市場長期向好的趨勢並未有明顯的改變，房地產投資額及房屋施工面積等開發指標仍有所增長。

從區域寫字樓市場層面看，隨着全球經濟轉向復甦，市場總體已開始回暖，國內經濟的突出表現更使跨國企業加固了對中國市場的信心。繼第一季度市場呈現穩步回升的信號後，二季度寫字樓市場需求進一步升溫。隨着一線城市推出更多政策刺激本地寫字樓市場，以及隨着整個市場的轉好，近期甲級寫字樓市場高企的空置率正在得到緩解，這表明在實體經濟持續復甦下，業主對市場的信心正在逐漸恢復。

MARKET REVIEW

From the macroeconomic perspective, China's economy enjoyed a stable growth as a whole during the first half of 2010, as evidenced by an 11.1% growth in GDP as compared with that of the corresponding period last year. Total fixed asset investment in the PRC grew by 25% as compared with the same period last year while the real estate development investment saw a growth of 38.1% as compared with that of the same period last year. Total retail sales amount of consumer goods grew by 18.2% as compared with the same period of the previous year.

With respect to the real estate industry, the National Booming Index for the Development of Real Estate (the "Booming Index") in March 2010 hit half-year high but followed by a successive drop since April under the impact of the national economic adjustment policies. In June 2010, the Booming Index fell to 105.06, down by 0.83 point from the peak level. From January to June 2010, despite the increase of sales area and sales revenue of residential buildings, office buildings and commercial buildings as compared with those of the corresponding period last year, the growth rate plummeted in the second quarter. At present, the real estate market is particularly characterized by lower trading volume and shrinking growth in property price. At the same time, the growth rate of credit facilities available to property developers in the second quarter also began to slow down as a result of the implementation of the "Property Sector Concessionary Measures". Although sentiments in the property market became more cautious with weakening confidence, the positive momentum in the long-term and development of the property market has not been severely affected and the development indicators such as the amount of investment in real estate and building construction area etc. continued to rise.

From the perspective of the regional office buildings market, the market generally began to rebound along with the recovery of the global economy. The outstanding performance of China's economy further strengthened the confidence of multi-national enterprises in the market of China. Following the signals of a steady pick up of the office buildings market in the first quarter, the market was further revitalized in the second quarter. Due to the implementation of more policies to stimulate the local office buildings market in the first-tier cities as well as the improvement of the overall market, the pressure from high vacancy rate of A-grade office buildings was relieved, indicating that landlords' confidence in the market has been on the track of restoration under a continuously reviving economy.

市場回顧 (續)

從區域酒店市場層面看，2009年下半年開始持續至2010年上半年，隨着全球經濟的企穩和中國經濟的率先回升，全球商務活動開始活躍、旅遊市場開始復甦，全國酒店行業整體回暖勢頭明顯，尤其是2010上半年受惠於國家出台的將海南島定位為「國際旅遊島」的國家發展戰略以及上海世博會利好因素的影響，海南和上海的旅遊及商務酒店整體入住率和平均房價都有大幅的提升。

業務回顧

綜述

回顧期內，本集團在重組併購、業務運營及市場開拓方面均進展順利。

2010年5月18日，本公司與中化香港（集團）有限公司（「中化香港」）訂立收購協議，收購上海銀匯房地產開發有限公司（「上海銀匯」）全部權益的50%，總代價為1.361億美元（等值人民幣9.288億元）。完成上述收購後，本公司將取得上海銀匯所擁有的上海國際航運服務中心項目西幅地塊（佔地面積約為41,345平方米）的土地使用權，將會對本公司拓展業務規模、提高土地儲備質量方面均有重要意義。

回顧期內上海港國際客運中心地塊B項目再創佳績，成為本集團上半年整體利潤貢獻的重要部份；旗下各酒店業績表現出強勁增長態勢，在同類競爭組合中繼續保持領先地位；各項投資物業仍保持較高的出租率和租金水平，三大板塊業務穩步協同發展。

此外，本集團與青島城投集團於2010年5月11日訂立框架性合作協議，共同合作開發位於青島市的藍海新港城項目，該項目為發展住宅、商業、服務和文體娛樂的綜合物業項目，預計地上總建築面積約為80萬平方米，這將加快本集團拓展土地儲備和業務覆蓋區域，為本集團謀求長遠發展奠定堅實基礎。

MARKET REVIEW (Continued)

From the perspective of the regional hotel market, starting from the second half of 2009 until the first half of 2010, along with the stabilized global economy and a leading recovery of China's economy, active business activities around the world and the recovery of the tourism market created an obvious recovery momentum in the whole hotel industry in China. In particular, benefiting from the national development strategies of the State, under which Hainan Island has been positioned as the "International Tourism Island", and the favorable factors brought by the Shanghai World Expo, the overall occupancy rate and average room rates of the tourist and business hotels in Hainan and Shanghai saw a substantial rise.

BUSINESS REVIEW

OVERVIEW

During the period under review, the Group successfully proceeded with the restructuring, merger and acquisition, business operation and market exploration.

On 18 May 2010, the Company and Sinochem Hong Kong (Group) Company Limited ("Sinochem Hong Kong") entered into an acquisition agreement in relation to the acquisition of 50% interests in Shanghai Yin Hui Property Development Company Limited ("Shanghai Yin Hui") at a total consideration of US\$136,100,000 (equivalent to RMB928,800,000). After completion of such acquisition, the Company will obtain the land use rights of the western site of Shanghai International Shipping Service Center Project from Shanghai Yin Hui with an area of approximately 41,345 square meters, which is of particular importance to the expansion of Company's business and enhancement of the quality of its land bank.

During the period under review, Site B of Shanghai Port International Cruise Terminal Project again achieved remarkable performance and became a significant driver of the Group's overall profit contribution for the first half of the year. The hotel operations segment also underwent a considerable growth and continued to maintain its leading position in peer competition. All investment properties maintained a relatively high occupancy rate and rental, which in turn contributed to the steady co-development of our three major business segments.

Besides, the Group entered into a Framework Cooperation Agreement on 11 May 2010 with Qingdao Urban Investment Group for the joint development of Lanhai Xingang City Project in Qingdao City, which is an integrated residential, commercial, service and recreational property development project with a total gross floor area above ground of approximately 800,000 square meters. Through such developments, the Group will accelerate the expansion of its land reserve and regional business coverage, thereby laying a solid foundation for the Group's long-term development.

業務回顧 (續)

物業開發板塊

回顧期內本集團的物業開發項目銷售取得較好成績，在建的工程項目施工進展順利。

發展中的上海港國際客運中心地塊B項目（位於上海虹口北外灘黃浦江西岸）已完成了大部份銷售或預售，其中有三幢寫字樓在上半年完成了與業主的交接，實現了銷售收入，另有一幢由本集團下屬一家全資子公司購入。至此該項目的十一幢寫字樓中已有八幢實現了交付，佔預計竣工後可供出售總建築面積的71%。目前該項目剩餘未售的樓棟正處於施工的收尾階段，預計年內全部竣工，且大多都已有銷售意向。根據合約安排，本集團佔有上海港國際客運中心地塊B項目50%的權益。

發展中的上海國際航運服務中心項目（位於上海虹口北外灘黃浦江西岸）作為上海市重大工程，已成為上海城市發展戰略的重要組成部份。回顧期內本集團收購了該項目的西幅地塊，從而擁有了對該項目東、中、西三幅地塊的土地使用權，預計整合開發後該項目總計建築面積約為527,720平方米。目前，該項目已進入施工階段，各項工程正在有序進行中。同時本集團積極拓展市場，力爭與潛在客戶達成銷售意向。目前，本集團佔有上海國際航運服務中心項目50%的權益。

BUSINESS REVIEW (Continued)

Property development segment

During the period under review, the Group achieved satisfactory results from the sales of the property development projects while the construction progress of the projects under development was on schedule.

Site B of Shanghai Port International Cruise Terminal Project (situated on the west bank of the Huangpu River, North Bund of Hongkou District) is under development and most of its sale and presale has been completed. In the first half of the year, three office buildings of this project have been handed over to the owners and sales revenue was recognized; and another one has been purchased by a wholly-owned subsidiary of the Group. Up to date, eight out of the eleven office buildings of this project have been delivered, which is expected to account for 71% of the total gross floor area available for sale upon completion. At present, the construction of the unsold buildings under the project has entered the final stage and is expected to be completed by the end of this year. Letters of intent for sale have been received for the majority of the unsold buildings. Pursuant to the contractual arrangement, the Group is entitled to 50% interest in Site B of Shanghai Port International Cruise Terminal Project.

Shanghai International Shipping Service Center Project (situated on the west bank of the Huangpu River, North Bund of Hongkou District), being a key project of Shanghai City, is currently under development. This project has been considered as a key integral part of the urban growth strategies in Shanghai. During the period under review, the Group acquired the western site of the project and thereby has ownership of the land use rights relating to the three major sites of the project, namely the eastern, central and western sites. It is expected that, after the consolidated development, the project will have a total gross floor area of approximately 527,720 square meters. At present, the project is currently under construction and all construction works are conducted on schedule. In the meanwhile, the Group is active in exploring its market and endeavored to secure letters of intent with the potential customers. The Group currently owns 50% interest in Shanghai International Shipping Service Center Project.

業務回顧 (續)**物業開發板塊 (續)**

發展中的上海崇明島項目（位於上海崇明島陳家鎮）將被開發成為集會所、低密度住宅、酒店及酒店式公寓於一身的濱江高檔休閒、運動、度假中心。該項目土地面積約為220,000平方米，預計總建築面積136,000平方米。目前該項目施工前期準備工作正在積極推進中，預計今年下半年正式開工。本集團擁有上海崇明島項目100%的權益。

發展中的北京廣渠路十五號地塊項目（位於北京市朝陽區東四環內）將被開發成為集高端居住物業、高檔商業、體育公園、知名小學等在內的融合人文、休閒、教育和時尚功能為一體的城市地標級的高端居住綜合體。該項目土地面積155,918平方米，預計建築總面積382,120平方米。目前，該項目施工前期準備工作正在積極推進中，預計今年下半年開工。本集團擁有北京市廣渠路十五號地塊項目100%的權益。

BUSINESS REVIEW (Continued)**Property development segment (Continued)**

Shanghai Chongming Island Project (situated in Chenjia Town, Shanghai Chong Ming Island Project) is currently under development and will be developed into a high-end integrated recreational, sports and resort center along the riverbank, comprising clubs, low-density residential area, hotels and serviced apartments. This project has a site area of approximately 220,000 square meters with an estimated total gross floor area of 136,000 square meters. Currently, the preparatory work before commencement of the construction is in active process and the construction is expected to commence in the second half of the year. The Group owns 100% interests in the Shanghai Chong Ming Island Project.

Beijing No. 15 Guangqu Road Project (situated in the east of Fourth Ring Road in Chaoyang District, Beijing) is under development and will be developed into a high-end residential complex, consisting of high-end residential properties, high-end commercial area, sports parks and renowned schools. It will represent a metropolitan landmark with a hybrid of humanities, recreational, educational and fashionable elements. This project has a site area of approximately 155,918 square meters with an estimated total gross floor area of 382,120 square meters. Currently, the preparatory work before commencement of the construction is in active process and the construction is expected to commence in the second half of the year. The Group owns 100% interest in the Beijing No. 15 Guangqu Road Project.

業務回顧 (續)**物業租賃板塊**

本集團物業租賃板塊的三處物業以其優異的品質、極佳的地理位置及高水平的物業服務，出租率及租金水平在同類別物業中繼續保持着較高水平。

位於北京金融區內復興門內大街上的**北京凱晨世貿中心**由於所處的黃金地段及優異的品質贏得了市場及客戶的廣泛認可，知名的國內外企業爭相入駐，其出租率及租金水平一直保持着較高的水平。截至2010年6月30日，北京凱晨世貿中心的出租率為94.4% (2009年6月30日：91.0%)。主要租戶為中國中化集團公司及其關聯公司、以及金融、諮詢等行業的優秀公司。目前，本集團擁有北京凱晨世貿中心100%的權益。

位於北京金融街商圈復興門外大街上的**中化大廈**是集智能化辦公與人性化服務為一體的純寫字樓。回顧期內該項物業通過調整租戶結構，不僅有效提高了租金水平，而且出租率繼續保持高位。截至2010年6月30日，中化大廈的出租率為96.0% (2009年6月30日：93.4%)。主要租戶為金融、軟件、諮詢等行業的優秀公司及本集團關聯公司。目前，本集團擁有中化大廈100%的權益。

位於上海浦東陸家嘴金融貿易區內的**金茂大廈**作為中國標誌性建築之一，卓越的地標效應使其一直成為國內外知名機構在滬辦公的首選場所之一。雖然期內隨着區域內新建寫字樓陸續推出，寫字樓競爭日益加劇，但本集團積極採取相應對策，出租率和租金仍保持在穩定水平。截至2010年6月30日，金茂大廈的出租率為87.2% (2009年6月30日：92.2%)。主要租戶為財富500強公司或福布斯2000公司及本集團關聯公司。目前，本集團擁有金茂大廈100%的權益。

BUSINESS REVIEW (Continued)**Property leasing segment**

The three properties under the properties leasing segment of the Group continued to maintain a relatively high level of occupancy rate and rental as compared with other similar properties, mainly due to their excellent quality, prime geographical location and high-quality property services.

Within the financial district of Beijing and situated in Fuxingmen Nei Street, **Beijing Chemsunny World Trade Centre** is widely recognized by the clients throughout the market due to its prime location and ideal quality, and hence appealing to both domestic and foreign enterprises, which gives support to a continuous high level of occupancy rate and rental. As at 30 June 2010, the occupancy rate of Beijing Chemsunny World Trade Centre was 94.4% (30 June 2009: 91.0%). The primary tenants of this property are Sinochem Group and its related companies, and some other eminent companies from finance and consulting industries. Currently, the Group owns 100% interest in Beijing Chemsunny World Trade Centre.

Situated on Fuxingmen Wai Street, the prime location of the business circle of the financial street, Beijing, **Sinochem Tower** is an office building supported by sophisticated office facilities and personalized services. During the period under review, after adjustment of tenant structure, the Group not only effectively increased the rental level but also maintained a high level of the occupancy rate. As at 30 June 2010, the occupancy rate of Sinochem Tower was 96.0% (30 June 2009: 93.4%). The principal tenants are eminent enterprises in the finance, software, and consulting industries and the related companies of the Group. Currently, the Group owns 100% interest in Sinochem Tower.

Situated in the Lujiazui Finance and Trade Zone of Pudong, Shanghai, **Jin Mao Tower** is one of China's landmark buildings and it has become one of the most preferred locations for domestic and overseas well-known institutions to set up their offices in Shanghai. Even though various new office buildings were successively set up in the region and the competition among office buildings has been fierce during the period, the Group took proactive measures to maintain and stabilize the occupancy rate and the rental. As at 30 June 2010, the occupancy rate of Jin Mao Tower was 87.2% (30 June 2009: 92.2%). The primary tenants are the Fortune 500 companies, Forbes 2000 companies and the related companies of the Group. Currently, the Group owns 100% interest in Jin Mao Tower.

業務回顧 (續)**酒店經營板塊**

今年上半年本集團酒店經營板塊抓住市場回暖的時機採取靈活措施，及時把握住外部有利時機，實現了業績水平的大幅提升。

位於金茂大廈內的**上海金茂君悅大酒店**把握上海世博會的契機，在確保入住率的前提下積極提升房價，取得了業績的大幅上漲。尤其是在世博會期間，該酒店連續多日達到滿房狀態，呈現出一房難求的態勢，業績與競爭對手拉開了差距，迅速確立了在該區域同業競爭組合中遙遙領先的地位。截至2010年6月30日，上海金茂君悅大酒店客房平均入住率為70.4%，平均房價為人民幣1,935元（2009年6月30日：50.3%和人民幣1,807元）。目前，本集團擁有上海金茂君悅大酒店100%的權益。

2010年初國家提出了把海南島建設成為「國際旅遊島」的宏偉規劃，帶動了海南三亞旅遊消費的增長。本集團位於海南三亞亞龍灣內的金茂三亞麗思卡爾頓酒店和金茂三亞希爾頓大酒店充分利用有利的外部條件，通過制定合理的營銷策略和價格策略，使自身產品的核心競爭力大大增強，繼續保持其在亞龍灣的領先地位。截至2010年6月30日，金茂三亞麗思卡爾頓酒店客房平均入住率為79.5%，平均房價為人民幣2,562元（2009年6月30日：73.2%和人民幣1,933元），金茂三亞希爾頓大酒店平均入住率為72.2%，平均房價為人民幣1,862元（2009年6月30日：65.8%和人民幣1,453元）。目前，本集團擁有金茂三亞麗思卡爾頓酒店100%的權益和金茂三亞希爾頓大酒店60%的權益。

BUSINESS REVIEW (Continued)**Hotel operations segment**

In the first half of 2010, capitalizing on the recovery of the market, the hotel operations segment of the Group adopted flexible measures to seize favorable opportunities available in the market and achieved substantial improvement in its results.

Situated inside Jin Mao Tower, **Grand Hyatt Shanghai** seized the opportunities brought by the Shanghai World Expo to take initiatives to increase its room rate while maintaining the occupancy rate, and therefore achieved a substantial growth in performance. In particular, during the period of Shanghai World Expo, all rooms of the hotel have been fully occupied for consecutive days. The fact that we have high room demand has enabled us to further outperform our competitors in terms of performance, thereby rapidly ensuring our leading position among the competitors in the same region. As at 30 June 2010, the average occupancy rate and average room rate of Grand Hyatt Shanghai were 70.4% and RMB1,935 respectively (30 June 2009: 50.3% and RMB1,807 respectively). Currently, the Group owns 100% interests in Grand Hyatt Shanghai.

At the beginning of 2010, the State announced a major plan in relation to the development of Hainan Island into an "International Tourism Island", which fueled the growth in the tourist spendings in Sanya, Hainan Province. Situated at the enchanting Yalong Bay, Sanya, Hainan Province, **the Ritz-Carlton Sanya and the Hilton Sanya Resort & Spa** of the Group fully capitalized the external conditions by formulating appropriate marketing strategies and pricing policies to greatly enhance the core competitiveness of their own products, thereby enabling themselves to secure the leading position in Yalong Bay. As at 30 June 2010, the average occupancy rate and average room rate of the Ritz-Carlton, Sanya were 79.5% and RMB2,562 respectively (30 June 2009: 73.2% and RMB1,933 respectively) while the average occupancy rate and average room rate of Hilton Sanya Resort & Spa were 72.2% and RMB1,862 respectively (30 June 2009: 65.8% and RMB1,453 respectively). Currently, the Group owns 100% interest in the Ritz-Carlton Sanya and 60% interest in the Hilton Sanya Resort & Spa.

業務回顧 (續)**酒店經營板塊 (續)**

位於北京朝陽區燕莎商圈內的**金茂北京威斯汀大飯店**2010年上半年平均入住率和平均房價較去年同期均有較大幅度的增長。該酒店自開業以來，充分利用其優勢的產品和地理位置，獲得穩定的優質客戶及政府團隊支持，依靠靈活的定價策略，逐漸擴展市場份額，目前該酒店已躋身於該區域同業競爭組合的前列，截至2010年6月30日，金茂北京威斯汀大飯店客房平均入住率為63.7%，平均房價為人民幣1,265元（2009年6月30日：42.9%和人民幣1,155元）。位於北京王府井大街上的**王府井大飯店**在穩定出租率的同時，平均房價也有小幅提升。該酒店充分利用其便利的地理位置，採取多種靈活的經營策略，取得了良好的經濟效益，截至2010年6月30日，王府井大飯店客房平均入住率為61.3%，平均房價為人民幣575元（2009年6月30日：63.0%和人民幣571元）。目前，本集團擁有金茂北京威斯汀大飯店和王府井大飯店100%的權益。

位於深圳福田區內的**金茂深圳JW萬豪酒店**自去年開業以來，通過優化營銷團隊積極拓展市場份額，在協議市場和旅行社市場取得很大進展，商務團隊生意亦有不錯業績。截至2010年6月30日，金茂深圳JW萬豪酒店客房平均入住率為65.6%，平均房價為人民幣799元（2009年6月30日：20.8%和人民幣801元）。目前，本集團擁有金茂深圳JW萬豪酒店100%的權益。

BUSINESS REVIEW (Continued)**Hotel operations segment (Continued)**

Situated at Yansha Business Circle, Chaoyang District, Beijing, **Westin Beijing, Chaoyang** achieved a relatively substantial growth in both average occupancy rate and average room rate for the first half of 2010 as compared with those of the corresponding period last year. Since the inception of its operation, the hotel won the continued support from its stable and quality customers and government authorities by taking the advantages of its product strength and favorable geographical location. Leveraging on the flexible pricing strategies and gradually enlarged market share, the hotel is currently among the best-performed hotels in the peer competition in the region. As at 30 June 2010, the average occupancy rate and average room rate of Westin Beijing, Chaoyang were 63.7% and RMB1,265 respectively (30 June 2009: 42.9% and RMB1,155 respectively). Situated on Wangfujing Avenue in Beijing, **Wangfujing Grand Hotel** made a slight increase in its averaging room rate while maintaining a stable level of the occupancy rate. Capitalizing on its geographical location, the hotel has adopted various flexible business strategies and achieved sound economic benefits. As at 30 June 2010, the average occupancy rate and average room rate of Wangfujing Grand Hotel were 61.3% and RMB575 respectively (30 June 2009: 63.0% and RMB571 respectively). Currently, the Group owns 100% interest in Westin Beijing, Chaoyang and Wangfujing Grand Hotel.

Located in Futian District, Shenzhen, **JW Marriott Shenzhen** made a huge progress both in the agreement market and travel agency market through optimizing the marketing team to actively expand the market share. The business tour operation also achieved satisfactory performance. As at 30 June 2010, the average occupancy rate and average room rate of JW Marriott Shenzhen were 65.6% and RMB799 respectively (30 June 2009: 20.8% and RMB801 respectively). Currently, the Group owns 100% interest in JW Marriott Shenzhen.

業務回顧 (續)**儲備項目**

位於雲南麗江世界遺產公園原址的**金茂世界遺產公園重建項目**土地面積約為333,330平方米。本集團計劃將該項目發展成為綜合商業項目(其中至少包括一座五星級度假酒店)，旨在將納西文化與國際設計理念融為一體，在中國建造最具特色的高端度假酒店及低密度住宅，預計總建築面積約為170,000平方米。目前，本集團擁有金茂世界遺產公園重建項目100%的權益。

位於雲南麗江玉龍雪山甘海子的**金茂玉龍雪山度假酒店項目**，目前本集團已購得土地面積約為54,241平方米。同時，本集團正在積極購置緊鄰該地塊東南側的約53,360平方米的土地，目前已完成約11,340平方米土地的交易過戶手續，餘下的土地過戶手續正在辦理過程中。本集團計劃將該項目開發為五星級豪華酒店及低密度住宅，目標客戶為當地及外地的高級遊客，預計總建築面積約為32,260平方米。目前，本集團擁有金茂玉龍雪山度假酒店項目100%的權益。

以上項目都將與國際酒店管理品牌掛鉤進行管理及營運，達成規模效益及協同效應。目前，項目正在推進前期規劃設計工作，整個項目將分期開發，逐步推向市場。

此外，本集團與青島城投集團於2010年5月11日訂立框架性合作協議，共同合作開發位於青島市的藍海新港城項目，該項目為發展住宅、商業、服務和文體娛樂的綜合物業項目，預計地上總建築面積約為80萬平方米。

BUSINESS REVIEW (Continued)**Reserved projects**

Jin Mao World Heritage Park Redevelopment Project is located at the original site of Yunnan Lijiang World Heritage Park, with a site area of approximately 333,330 square meters. The project is set to be an integrated commercial project, which consists of at least one 5-star resort hotel, and aims to combine the Naxi culture with international design concepts, so as to become the most unique high-end resort hotel and low-density dwelling houses in China. The estimated total gross floor area is approximately 170,000 square meters. Currently, the Group owns 100% interest in the Jin Mao World Heritage Park Redevelopment Project.

Jin Mao Yulong Snow Mountain Resort Hotel Project is situated at Ganhaizi in Lijiang Yulong Snow Mountain. Currently, the Group has acquired a total site area of approximately 54,241 square meters for the project. At the same time, the Group is active in acquiring the land parcel with a site area of approximately 53,360 square meters at the southeast of such land parcel. Out of which an area of 11,340 square meters for the project has been completed for transfer procedures of the land parcel already while the procedures for the remaining portion of the area is currently in progress. The Group plans to develop this project into a super five-star luxury hotel and low-density dwelling houses, targeting high-end local and outside tourists, with an estimated total gross floor area of approximately 32,260 square meters. Currently, the Group owns 100% interest in the Jin Mao Yulong Snow Mountain Resort Hotel Project.

The above projects would be managed and operated jointly with the international hotel management brands in order to achieve the economies of scale and synergy effect. At present, the initial planning and design works for such projects are currently underway. These projects will be developed on a stage-by-stage basis and launched to the market gradually.

Besides, the Group entered into a framework cooperation agreement on 11 May 2010 with Qingdao Urban Investment Group for the joint development of Lanhai Xingang City Project in Qingdao City, which is an integrated property development, covering residential, commercial, services and cultural & entertainment functions, with an estimated total gross floor area above ground of approximately 800,000 square meters.

未來展望

2010年上半年國家陸續出台了各項針對房地產市場的調控政策，本階段政府調控態度堅決，範圍波及之廣，執行力度之大都是前所未有的。這在一定時期內會對整個房地產市場帶來重大影響，調整在所難免。

但從中長期來看，本集團認為隨着中國城市化進程的推進，對住宅剛性需求這一支撐房地產市場持續增長的因素並未改變；同時房地產業作為國民經濟的支柱產業，關係着國民經濟的增長速度，其發展的速度直接影響到中國整體經濟的發展進度，因此我們對未來的房地產市場依然保持審慎的樂觀判斷。此外，隨着中國經濟的騰飛和全球經濟的回暖，以寫字樓、商業零售、綜合體等業態為主的商業地產投資在中國的發展潛力巨大，機遇難得，可以說商業地產行業的精彩才剛剛開始！

本集團將繼續保持穩健的投資原則，密切關注諸如青島、長沙等重點目標城市的優質地塊，持續增加土地儲備資源，為公司未來穩定及可持續的增長奠定基礎；對於在建項目，在保證工程質量及安全的前提下，穩步推進工程進展使其符合預期；對於已竣工的開發項目，積極調整銷售策略，不斷挖掘潛在客戶資源；同時不斷提升各個出租物業的經營質量、提高客戶滿意度；靈活調整酒店板塊經營策略和營銷措施，提升服務質量，穩定入住率，充分利用外部有利環境，實現業績的大幅提升。

本集團將繼續通過不懈努力，為股東創造更大價值和回報，為社會創造更大財富。

FUTURE OUTLOOK

In the first half of 2010, the State has promulgated a series of adjustment and control policies against the real estate market. The existing adjustment and control measures cover a wide range of areas and involve unprecedented efforts in implementation, reflecting the determination of the government. Such measures will have material impacts on the whole real estate market for a certain period of time and the consolidation is inevitable.

For a medium-to-long term, the Group holds the view that, with the progress of urbanization in China, there will be no change in the rigid demand for housing, which is a driving force for the sustainable growth of the property market. Also, as one of the key industries supporting the domestic economy, the development of the real estate sector is closely related to the growth rate of the domestic economy, thereby directly affecting the pace of growth in the overall China's economy. As such, we remain prudent but optimistic about the future development of the property market. Besides, riding on China's booming economy and recovery of the global economy, there are huge potentials in the development of the investments in commercial properties targeting the office buildings, commercial retailing and complex buildings in China. With these rare opportunities, the prosperity of the commercial property industry has just begun.

The Group will continue to uphold its prudent principle of investment, and keep a watchful eye on high-quality land parcels in certain target cities such as Qingdao and Changsha so as to enrich the land bank and lay a foundation for a stable and sustainable development of the Company in the future. With respect to the projects under development, the Group will promote the construction progress of such projects at a steady pace according to the pre-set schedule, provided that the quality and safety of construction are ensured. For the completed development projects, the Group will proactively adjust its sales strategies and explore the potential customer base. In the meanwhile, the Group will also enhance the quality of operation and customers' satisfaction for all leased properties. On the hotel operations segment, the Group will flexibly adjust the operating strategies and marketing measures with an aim to increase the quality of service and stabilize the occupancy rate by capitalizing on the favorable external condition, and finally achieve a substantial growth in results.

The Group will continue its endeavors to create higher value and return for its shareholders and create more wealth for the society.

財務回顧

一、 收入

截至2010年6月30日止六個月，本集團收入達港幣4,103.2百萬元（截至2009年6月30日止六個月：港幣2,548.7百萬元），較上年同期增長61%。主要為物業銷售及酒店經營收入上升所致。

按業務分布劃分之收入

FINANCIAL REVIEW

I. REVENUE

For the six months ended 30 June 2010, revenue of the Group amounted to HK\$4,103.2 million (six months ended 30 June 2009: HK\$2,548.7 million), representing an increase of 61% as compared with the corresponding period of last year, which was mainly attributable to the increase in the sale of properties and revenue from hotel operations.

Revenue by business segment

截至6月30日止六個月
For the six months ended 30 June

		2010年 2010		2009年 2009		
		佔總收入之 百分比 (%)		佔總收入之 百分比 (%)		變動百分比 (%)
		(未經審核) (Unaudited) 港幣百萬元 HK\$ million	Percentage of the total revenue (%)	(未經審核) (Unaudited) 港幣百萬元 HK\$ million	Percentage of the total revenue (%)	Percentage change (%)
物業開發	Property development	2,373.2	58	1,270.2	50	87
物業租賃	Property leasing	428.8	10	428.8	17	-
酒店經營	Hotel operations	1007.3	25	723.3	28	39
其他	Others	293.9	7	126.4	5	133
總計	Total	4,103.2	100	2,548.7	100	61

2010年上半年，本集團物業銷售收入約為港幣2,373.2百萬元，較上年同期增長87%，主要源自上海港國際客運中心項目地塊B項目的部份樓盤的收入結轉；物業租賃收入與去年同期持平；酒店經營收入較上年同期增長39%，增長主要源自各酒店及時抓住了當地市場回暖的機遇，收入有了大幅的增加；其他收入主要包括金茂大廈88層觀光廳、物業管理、樓宇裝修等房地產相關業務的收入，主要的增長來自於觀光廳收入及樓宇裝修業務收入的增加。

In the first half of 2010, revenue from property sales increased by 87% over that in the corresponding period of last year to approximately HK\$2,373.2 million, which was mainly attributable to the revenue carried forward from some units of Site B of Shanghai Port International Cruise Terminal Project. Revenue from property leasing was substantially the same as that of the corresponding period of last year. Revenue from hotel operations increased by 39% over that of last year, which was primarily attributable to the substantial increase in revenue, as various hotels promptly captured the opportunities arising from the recovery of the local markets. The increase in others (primarily including the property-related revenues arising from the observation deck on the 88th floor of Jin Mao Tower, property management and building decoration) was mainly due to the increase in revenue from the observation deck and the revenue from building decoration business.

財務回顧 (續)

二、 銷售成本及毛利率

截至2010年6月30日止六個月，本集團之銷售成本約為港幣2,071.4百萬元（截至2009年6月30日止六個月：港幣1,327.9百萬元）。2010年上半年本集團整體銷售毛利率為50%，較2009年上半年之48%有所上升。

今年上半年物業銷售毛利率達43%（上年同期36%），毛利率的上升主要在於本年度銷售的上海港國際客運中心地塊B項目的平均售價高於去年同期該項目的平均售價；本期物業租賃板塊出租率及租金水平保持穩定，毛利率仍保持在90%的高位水平（上年同期91%）；酒店經營毛利率為54%（上年同期46%），毛利率的上升主要在於今年酒店客房價格上升所致。

三、 其他收入和收益

截至2010年6月30日止六個月，本集團之其他收入和收益約為港幣692.8百萬元，較上年同期港幣202.1百萬元增長243%，主要在於本集團持有的投資物業所產生的投資物業公平值收益為港幣537.4百萬元，較2009年同期投資物業公平值收益港幣20.5百萬元增長2,521%。

四、 銷售和營銷開支

截至2010年6月30日止六個月，本集團之銷售和營銷開支為港幣97.9百萬元，較上年同期港幣87.2百萬元增長12%，主要在於部份新開業酒店房產稅增加所致。銷售和營銷開支主要包括本集團日常經營中發生的廣告宣傳費用、支付給相關銷售代理機構的佣金以及其他與市場推廣相關的開支。銷售和營銷開支佔本集團總收入之百分比為2%（截至2009年6月30日止六個月：3%）。

FINANCIAL REVIEW (Continued)

II. Cost of sales and gross profit margin

For the six months ended 30 June 2010, cost of sales of the Group was approximately HK\$2,071.4 million (for the six months ended 30 June 2009: HK\$1,327.9 million) and the overall gross profit margin of the Group in the first half of 2010 increased to 50% from 48% in the first half of 2009.

During the first half of the year, the gross profit margin of property development was 43% (corresponding period of last year: 36%). The increase in the gross profit margin was mainly because the average selling price of the units of Site B of Shanghai Port International Cruise Terminal Project during this year was higher than that in the corresponding period of last year. During the period, the occupancy rate and rental rate of the property leasing segment remained steady, with gross profit margin maintaining at the high level of 90% (corresponding period of last year: 91%). The gross profit margin of hotel operations was 54% (corresponding period of last year: 46%). The increase in gross profit margin was primarily attributable to the rise in the room rate of hotels for this year.

III. Other income and gains

For the six months ended 30 June 2010, other income and gains of the Group increased by 243% from HK\$202.1 million in the corresponding period of last year to approximately HK\$692.8 million. The increase was mainly due to the fair value gains on investment properties arising from the investment properties held by the Group increased by 2,521% to HK\$537.4 million, as compared with the fair value gains on investment properties of HK\$20.5 million in the corresponding period of last year.

IV. Selling and marketing expenses

For the six months ended 30 June 2010, selling and marketing expenses of the Group increased by 12% to HK\$97.9 million, from HK\$87.2 million in the corresponding period of last year, mainly because of the increase in real estate tax of some newly-opened hotels. Selling and marketing expenses comprise primarily the advertising expenses, commissions paid to the relevant sales agencies and other expenses in relation to market promotion incurred in the Group's daily operations. Selling and marketing expenses accounted for 2% (for the six months ended 30 June 2009: 3%) of the Group's total revenue.

財務回顧 (續)

五、 管理費用

截至2010年6月30日止六個月，本集團之管理費用為港幣295.7百萬元，較上年同期港幣241.9百萬元增長22%，主要在於人工成本、酒店折舊及攤銷費用的增加所致。管理費用主要包括員工費用、諮詢費用、交際費用、一般辦公開支及物業的折舊。管理費用佔本集團總收入之百分比為7%（截至2009年6月30日止六個月：9%）。

六、 融資成本

截至2010年6月30日止六個月，本集團之融資成本為港幣281.3百萬元，較上年同期港幣216.6百萬元增長30%，主要在於今年上半年貸款增加所致。

七、 所得稅費用

截至2010年6月30日止六個月，本集團的所得稅費用支出為港幣637.6百萬元，較上年同期港幣288.5百萬元增長121%，主要在於今年上半年稅前利潤的增長導致所得稅增加及物業銷售的增長導致土地增值稅增加。

八、 本公司所有者應佔溢利

截至2010年6月30日止六個月，本公司所有者應佔溢利為港幣1,042.9百萬元，較2009年同期港幣434.1百萬元增長140%；若扣除投資物業公平值收益（已扣除遞延稅項），本公司所有者應佔溢利為港幣639.9百萬元，較上年同期港幣418.8百萬元增長53%。

九、 投資物業

於2010年6月30日，投資物業包括北京凱晨世貿中心中座及西座、金茂大廈（出租部份）及中化大廈。投資物業由2009年12月31日的港幣11,539.7百萬元增至2010年6月30日的港幣12,192.9百萬元，主要是由於投資物業評估增值所致。

FINANCIAL REVIEW (Continued)

V. Administrative expenses

For the six months ended 30 June 2010, administrative expenses of the Group amounted to HK\$295.7 million, representing an increase of 22% from HK\$241.9 million in the corresponding period of last year. The increase was mainly attributable to the increase in labor costs, depreciation and amortization expenses of hotels. Administrative expenses mainly comprise staff costs, consulting fees, entertainment expenses, general office expenses and depreciation expenses. Administrative expenses accounted for 7% (for the six months ended 30 June 2009: 9%) of the Group's total revenue.

VI. Finance costs

For the six months ended 30 June 2010, finance cost of the Group was HK\$281.3 million, representing an increase of 30% from HK\$216.6 million in the corresponding period of last year. The increase in finance cost was mainly attributable to the increase of loans in the first half of the year.

VII. Income tax expense

For the six months ended 30 June 2010, the Group had an income tax expense of HK\$637.6 million, representing an increase of 121% from HK\$288.5 million in the corresponding period of last year. The increase in income tax expense was primarily because, in the first half of the year, the higher profit before the tax caused the increase in the income tax, while the increase in the land appreciation tax was due to more property sales.

VIII. Profit attributable to owners of the Company

For the six months ended 30 June 2010, profit attributable to owners of the Company amounted to HK\$1,042.9 million, representing an increase of 140% compared with HK\$434.1 million in the corresponding period of 2009. Profit attributable to owners of the Company excluding fair value gains on investment properties (net of deferred tax) amounted to HK\$639.9 million, representing an increase of 53% compared with HK\$418.8 million in the corresponding period last year.

IX. Investment properties

As at 30 June 2010, investment properties comprise the Central and West Tower of Beijing Chemsunny World Trade Centre, Jin Mao Tower (the leased portion) and Sinochem Tower. Investment properties increased from HK\$11,539.7 million as at 31 December 2009 to HK\$12,192.9 million as at 30 June 2010. The increase was mainly due to the appreciation of investment properties.

財務回顧 (續)

十、發展中物業

於2010年6月30日，發展中物業的非流動部份包括北京廣渠路十五號地塊項目、上海國際航運服務中心項目、上海崇明島項目、雲南麗江項目的物業開發成本，而發展中物業的流動部份則為上海港國際客運中心地塊B項目的物業開發成本。

發展中物業（流動及非流動）由2009年12月31日的港幣11,301.3百萬元減至2010年6月30日的港幣10,255.2百萬元，主要在於上海港國際客運中心地塊B項目部份樓盤竣工而被轉撥。

十一、持作出售物業

於2010年6月30日，持作出售物業主要包括上海港國際客運中心地塊B項目一號樓、珠海每一間花園項目未售部份、北京凱晨世貿中心東座及車位未售部份。

持作出售物業由2009年12月31日的港幣470.5百萬元增至2010年6月30日的港幣1,035.9百萬元，新增的持作出售物業主要為上海港國際客運中心地塊B項目一號樓，該幢樓已由本集團的一家全資子公司購買。

十二、應收貿易賬款

於2010年6月30日，應收貿易賬款為港幣922.0百萬元，較2009年12月31日的港幣227.4百萬元增加305%，主要在於本集團於今年6月份向一家關連人士銷售上海港國際客運中心地塊B項目樓盤產生的應收款。

十三、應付貿易賬款和應付票據

於2010年6月30日，應付貿易賬款和應付票據為港幣637.2百萬元，較2009年12月31日的港幣719.3百萬元減少11%，主要由於應付貿易款項以及應付工程款減少所致。

FINANCIAL REVIEW (Continued)

X. Properties under development

As at 30 June 2010, the non-current portion of properties under development comprised property development costs for No.15 Guangqu Road Beijing Project, Shanghai International Shipping Service Center, Shanghai Chong Ming Island Project and Yunnan Lijiang Project, whereas the current portion of properties under development was property development costs for Site B of Shanghai Port International Cruise Terminal Project.

Properties under development (current and non-current) decreased from HK\$11,301.3 million as at 31 December 2009 to HK\$10,255.2 million as at 30 June 2010, which was partially offset by the transfer as a result of the completion of part of the units in Site B of Shanghai Port International Cruise Terminal Project.

XI. Properties held for sale

As at 30 June 2010, properties held for sale mainly included the Building No.1 of Site B of Shanghai Port International Cruise Terminal, the unsold portion of Zhuhai Every Garden Project, East Tower of the Beijing Chemsunny World Trade Centre and unsold portion of parking spaces.

The increase in properties held for sale from HK\$470.5 million as at 31 December 2009 to HK\$1,035.9 million as at 30 June 2010. The addition to the properties held for sale was mainly Building No.1 of Site B of Shanghai Port International Cruise Terminal Project, which has been purchased by a wholly-owned subsidiary of the Group.

XII. Trade receivables

As at 30 June 2010, trade receivables were HK\$922.0 million, representing an increase of 305% from HK\$227.4 million as at 31 December 2009. The increase in trade receivables was primarily due to the receivables from the sales of some units in Site B of Shanghai Port International Cruise Terminal Project by the Group to a connected person in June this year.

XIII. Trade and bills payables

As at 30 June 2010, trade and bills payables were HK\$637.2 million, representing a decrease of 11% from HK\$719.3 million as at 31 December 2009. The decrease was primarily due to the reduction in trade payables and construction cost payable.

財務回顧 (續)

十四、計息銀行貸款及其他借款

於2010年6月30日，計息銀行貸款和其他借款（流動及非流動）為港幣17,474.5百萬元，較2009年12月31日的港幣16,512.1百萬元增長6%。計息銀行貸款和其他借款增加，主要是由於本集團用於新項目開發的對外貸款增加所致。

計息銀行貸款和其他借款分析

FINANCIAL REVIEW (Continued)

XIV. Interest-bearing bank and other borrowings

As at 30 June 2010, interest-bearing bank and other borrowings (including current and non-current) were HK\$17,474.5 million, representing an increase of 6% over HK\$16,512.1 million as at 31 December 2009. The increase in interest-bearing bank and other borrowings was primarily due to the increase in external loans used for new project development by the Group.

Analysis of interest-bearing bank and other borrowings

		2010年 6月30日 (未經審核) As at 30 June 2010 (Unaudited) (港幣百萬元) (HK\$ million)	2009年 12月31日 (經審核) As at 31 December 2009 (Audited) (港幣百萬元) (HK\$ million)	變動百分比 (%) Percentage change (%)
計息銀行貸款和其他借款 (流動及非流動)	Interest-bearing bank and other borrowings (including current and non-current)	17,474.5	16,512.1	6
扣除：本集團內部委託貸款	Less: internal entrusted loans of the Group	(3,730.1)	(3,911.7)	-5
非本集團內部委託貸款	non-internal entrusted loans of the Group	(1,070.6)	(1,163.1)	-8
以本集團銀行存款質押的 貸款	loans pledged by bank deposits of the Group	(360.9)	(364.6)	-1
扣除委託貸款及銀行存款質押 貸款後的計息銀行貸款及 其他借款	Interest-bearing bank and other borrowings after entrusted loans and loans pledged by bank deposits	12,312.9	11,072.7	11

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財務回顧 (續)

十五、資產負債比率

本集團按淨債務與調整後資本比率的基準監控資本，該比率按淨債務除以調整後資本計算。淨債務按計息銀行貸款和其他借款總額扣除限制性銀行結餘、已抵押存款及現金和現金等價物計算。調整後資本包括權益各組成部份和應付關聯方款項。本集團旨在維持合理的淨債務與調整後資本比率。於2010年6月30日及2009年12月31日的淨債務與調整後資本比率如下：

FINANCIAL REVIEW (Continued)

XV. Gearing ratio

The Group monitors its capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings less restricted bank balances, pledged deposits and cash and cash equivalents. Adjusted capital comprises all components of equity as well as the amounts due to related parties. The Group aims to maintain the net debt-to-adjusted capital ratio at a reasonable level. The net debt-to-adjusted capital ratio as at 30 June 2010 and 31 December 2009 were as follows:

		2010年 6月30日 (未經審核) As at 30 June 2010 (Unaudited) (港幣百萬元) (HK\$ million)	2009年 12月31日 (經審核) As at 31 December 2009 (Audited) (港幣百萬元) (HK\$ million)
計息銀行貸款和其他借款 (流動及非流動)	Interest-bearing bank and other borrowings (current and non-current)	17,474.5	16,512.1
扣除：現金和現金等價物 限制性存款及抵押存款	Less: cash and cash equivalents restricted deposits and pledged deposits	(4,268.4) (4,099.8)	(3,523.3) (4,279.2)
淨債務	Net debt	9,106.3	8,709.6
權益總額	Total equity	19,311.3	17,946.9
加：應付關聯方款項	Add: amount due to related parties	65.0	71.0
調整後資本	Adjusted capital	19,376.3	18,017.9
淨債務與調整後資本比率	Net debt-to-adjusted capital ratio	47%	48%

財務回顧 (續)

十六、流動資金與資本資源

本集團的現金主要用於支付資本開支、建築成本、土地成本 (主要是支付土地出讓金和搬遷成本)、基建成本、支付給建築師和設計師的諮詢費用和融資成本，以及清償本集團的債務、償還應付關聯方款項及關聯方貸款，以及撥付營運資金和日常經常性開支。本集團主要通過內部資源、銀行貸款及發行新股滿足其流動資金需求。

於2010年6月30日，本集團有現金和現金等價物港幣4,268.4百萬元，主要以人民幣、港元及美元計值。(於2009年12月31日：港幣3,523.3百萬元)

於2010年6月30日，本集團有計息銀行貸款及其他借款合共港幣17,474.5百萬元 (2009年12月31日：港幣16,512.1百萬元)。以下為本集團之計息銀行貸款及其他借款的分析：

		2010年 6月30日 (未經審核) As at 30 June 2010 (Unaudited) (港幣百萬元) (HK\$ million)	2009年 12月31日 (經審核) As at 31 December 2009 (Audited) (港幣百萬元) (HK\$ million)
一年內	Within 1 year	9,940.3	10,642.2
第二年	In the second year	1,705.7	443.0
第三年至第五年，包括首尾兩年	In the third to fifth years, inclusive	3,613.8	3,510.8
五年以上	Over five years	2,214.7	1,916.1
合計	Total	17,474.5	16,512.1

計息銀行貸款及其他借款約港幣9,940.3百萬元須於一年內償還，並列賬為流動負債，其中包含本公司和本公司子公司的少數股東通過金融機構向本公司子公司所提供的合共約港幣4,800.7百萬元的委託貸款，預計將在到期日續期。本集團所有借款以人民幣及美元計值並按浮動利率計息。本集團的借款需求並無重大的季節性影響。

FINANCIAL REVIEW (Continued)

XVI. Liquidity and capital resources

The Group primarily uses its cash to pay for capital expenditure, construction costs, land costs (principally the payment for land premium and relocation costs), infrastructure costs, consulting fees paid to architects and designers and finance costs, as well as to service the Group's indebtedness, repay amounts owing to and loans from related parties, and fund working capital and normal recurring expenses. The Group has financed its liquidity requirements primarily through internal resources, bank loans and issue of new shares.

As at 30 June 2010, the Group had cash and cash equivalents of HK\$4,268.4 million, mainly denominated in RMB, HK dollar and US dollar (as at 31 December 2009: HK\$3,523.3 million).

As at 30 June 2010, the Group had total interest-bearing bank and other borrowings of HK\$17,474.5 million (as at 31 December 2009: HK\$16,512.1 million). An analysis of the interest-bearing bank and other borrowings of the Group is set out as follows:

Interest-bearing bank and other borrowings of approximately HK\$9,940.3 million repayable within one year shown under current liabilities include entrusted loans totaling approximately HK\$4,800.7 million provided by the Company and minority shareholders of the Company's subsidiaries to the subsidiaries of the Company through financial institutions. It is expected that such entrusted loans will be renewed upon their maturity dates. All of the Group's borrowings are denominated in RMB and USD and bear interest at floating rates. There is no material seasonal effect on the Group's borrowing requirements.

財務回顧 (續)

十六、流動資金與資本資源 (續)

於2010年6月30日，本集團有銀行信貸額度港幣30,473.9百萬元，全部以人民幣、港幣及美元計值，已動用銀行信貸額度為港幣16,328.2百萬元。

本集團截至2010年6月30日止六個月的現金流入淨額為港幣723.0百萬元，包括：

1. 經營活動現金流出淨額港幣110.8百萬元，主要是由於本集團支付建築成本、營銷費用、管理費用、利息及稅費所致，部份因收到售樓款、物業租金及酒店經營收入而被抵銷。
2. 投資活動現金流入淨額港幣9.0百萬元，主要是由於本集團收回委託貸款所致，部份因支付投資意向金、購置固定資產所抵銷。
3. 融資活動現金流入淨額港幣824.8百萬元，主要是由於本集團少數股東注資給本公司非全資子公司及新增銀行貸款及其他借款所致，部份因償還銀行貸款和其他借款所抵銷。

十七、抵押資產

於2010年6月30日，本集團的計息銀行貸款及其他借款乃以本集團的酒店物業及樓宇港幣2,149.7百萬元、土地使用權港幣705.6百萬元、投資物業港幣7,248.5百萬元及銀行存款港幣4,098.0百萬元作抵押。

十八、或然負債

於2010年6月30日，本集團並無任何重大或然負債。

FINANCIAL REVIEW (Continued)

XVI. Liquidity and capital resources (Continued)

As at 30 June 2010, the Group had banking facilities of HK\$30,473.9 million denominated in RMB, HK dollar and US dollar. The amount of banking facilities utilised was HK\$16,328.2 million.

The Group's net cash inflow of HK\$723.0 million for the six months ended 30 June 2010 consisted of:

1. A net cash outflow of HK\$110.8 million from operating activities, which was mainly attributable to the payment of construction costs, selling expenses, administrative expenses, interests and taxes by the Group, which was partially offset by receipt of the proceeds from the sales of properties, the rental from leased properties and the revenues from hotel operations.
2. A net cash inflow of HK\$9.0 million from investing activities, which was mainly attributable to the recovery of entrusted loans of the Group, which was partially offset by the payment of earnest money and purchase of fixed assets.
3. A net cash inflow of HK\$824.8 million from financing activities, which was mainly attributable to capital injections to the non-wholly owned subsidiaries of the Company by the Group's minority shareholders and the increase of bank and other borrowings, which was partially offset by repayments of bank and other borrowings.

XVII. Pledge of assets

As at 30 June 2010, the Group's interest-bearing bank and other borrowings were secured by the Group's hotel properties and buildings of HK\$2,149.7 million, land use rights of HK\$705.6 million, investment properties of HK\$7,248.5 million and bank deposits of HK\$4,098.0 million.

XVIII. Contingent liabilities

As at 30 June 2010, the Group did not have any material contingent liabilities.

財務回顧 (續)

十九、資本承擔

於結算日，本集團的資本承擔如下：

		2010年 6月30日 (未經審核) As at 30 June 2010 (Unaudited) (港幣百萬元) (HK\$ million)	2009年 12月31日 (經審核) As at 31 December 2009 (Audited) (港幣百萬元) (HK\$ million)
已訂約但未計提準備的發展中物業	Contracted, but not provided for properties under development	602.8	80.0
合計	Total	602.8	80.0

二十、市場風險

本集團的資產主要為土地使用權、發展中物業、持作出售物業及投資物業。倘國內物業市場嚴重回落，則該等資產未必可實時變現。

二十一、利率風險

本集團面臨因利率波動而產生的利率風險。本集團所面臨的市場利率變動風險主要與本集團的長期債務有關。利率上升會導致本集團尚未償還浮動利率借款的利息支出增加，並增加新增債務的成本。利率的波動還會導致本集團債務欠款公平值的大幅波動。本集團目前並沒有運用任何衍生工具控制利率風險。

二十二、外匯風險

本集團大部份營業收入和成本均以人民幣結算。本集團以港元呈報財務業績。因此，本集團面臨匯率波動的風險。本集團目前並沒有利用對沖控制貨幣風險。即使日後本集團決定進行對沖，但本集團無法保證任何未來的對沖活動可以使本集團免受匯率波動的影響。

FINANCIAL REVIEW (Continued)

XIX. Capital commitments

The Group had the following capital commitments at the balance sheet date:

		2010年 6月30日 (未經審核) As at 30 June 2010 (Unaudited) (港幣百萬元) (HK\$ million)	2009年 12月31日 (經審核) As at 31 December 2009 (Audited) (港幣百萬元) (HK\$ million)
已訂約但未計提準備的發展中物業	Contracted, but not provided for properties under development	602.8	80.0
合計	Total	602.8	80.0

XX. Market risk

The Group's assets are predominantly in the form of land use rights, properties under development, properties held for sale and investment properties. In the event of a severe downturn in the domestic property market, these assets may not be readily realized.

XXI. Interest rate risk

The Group is exposed to interest rate risk resulting from fluctuations in interest rates. The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's long term debt obligations. Increase in interest rates will increase the interest expenses relating to the Group's outstanding floating rate borrowings and increase the cost of new debt. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of our debt obligations. The Group does not currently use any derivative instruments to manage the Group's interest rate risk.

XXII. Foreign exchange risk

Substantially all of the Group's turnover and costs are denominated in Renminbi. The Group reports its financial results in Hong Kong dollar. As a result, the Group is exposed to the risk of fluctuations in foreign exchange rates. The Group has not currently engaged in hedging to manage its currency risk. To the extent the Group decides to do so in the future, the Group cannot assure that any future hedging activities will protect the Group from fluctuations in exchange rates.

財務回顧 (續)

二十三、僱員及薪酬政策

於2010年6月30日，本集團合共有6,200名職員。本集團向僱員提供具競爭力的薪金和獎金，以及其他福利，包括退休計劃、醫療保險計劃、意外保險計劃、失業保險計劃、分娩保險計劃和房屋福利。本集團會定期按市場標準檢討本集團的薪金水平。

二十四、股票期權計劃

本公司於2007年11月22日已採納一項股票期權計劃（「計劃」），旨在加強參與者對本公司之承擔，以及努力實踐本公司之目標。

根據本公司股票期權計劃的規定，董事會有權自計劃批准日起10年內任何時間全權決定授予參與者按認購價認購一定數量的期權的權利。參與者，即期權授予的對象，包括任何本集團成員中現任的執行或非執行董事、任何集團成員中的高級管理人員、關鍵技術、專業人員、經理及員工，但不包括本公司的獨立非執行董事。

在任何時候根據計劃和本公司其他股票期權計劃授予的所有期權在行權時配發的股票數量的總和不得超過本公司當時已發行股本的10%。根據本公司在本中期報告日期所發行的9,161,489,489股已發行股本，本公司可根據計劃向參與者發行最多916,148,948股股票。

FINANCIAL REVIEW (Continued)

XXIII. Employees and remuneration policies

As at 30 June 2010, the Group employed 6,200 staff in total. The Group provides competitive salaries and bonuses for its employees, as well as other benefits, including retirement schemes, medical insurance schemes, accident insurance schemes, unemployment insurance schemes, maternity insurance schemes and housing benefits. The Group's salary levels are regularly reviewed against market standards.

XXIV. Share option scheme

On 22 November 2007, the Company adopted a share option scheme (the "Scheme"), the purpose of which is to increase the commitment of participants to the Company and encourage them to fulfill the objectives of the Company.

According to the terms of the Scheme of the Company, the Board shall at its absolute discretion be entitled to grant to any participant the right to subscribe a certain number of options at a subscription price at any time within 10 years after the adoption date of the Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive directors of any member of the Group, any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive director of the Company.

The number of shares to be issued at any time upon exercise of all options granted under the Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the issued share capital of the Company at that time. Based on the issued share capital of 9,161,489,489 shares of the Company in issue at the date of this interim report, up to 916,148,948 shares may be issued by the Company to participants under the Scheme.

財務回顧 (續)

二十五、期權的授出及行使

2008年5月5日，本公司向合資格參與者授出5,550,000份股票期權，行使價為每股股份港幣3.37元，乃為期權授予日前連續五個交易日本公司股票在香港聯合交易所有限公司（「聯交所」）的平均收市價。股票期權的行使期為2010年5月5日至2015年5月4日（包括首尾兩日）。股票期權將分三批歸屬，由授出日期起計第二、第三及第四週年分別歸屬40%、30%及30%，因此，承授人須由授出日期起最少服務本集團四年以悉數行使所獲股票期權。此外，股票期權僅於本集團、承授人部門及承授人達到原定表現目標方會歸屬。除非已達到所有目標，否則股票期權會失效。

回顧期內，除李麟女士因於2009年7月28日辭任本公司董事並退休，其所獲授予的期權於2010年1月28日失效外，概無計劃內股票期權授出、行使、注銷或失效。

FINANCIAL REVIEW (Continued)

XXV. Grant and exercise of options

On 5 May 2008, 5,550,000 share options were granted to eligible participants at the exercise price of HK\$3.37 for each share of the Company to be issued, which was the average closing price of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five consecutive trading days immediately preceding the grant date in respect of such options. The share options with an exercise period from 5 May 2010 to 4 May 2015 (both dates inclusive) will be vested in three batches as to 40%, 30% and 30% respectively on the second anniversary, third anniversary and fourth anniversary from the grant date. Accordingly, a grantee has to remain in service of the Group for at least a period of four years from the grant date in order to exercise the share options granted to him/her in full. In addition, the share options will only be vested if the respective pre-set performance targets for the Group, the grantee's department and the grantee are achieved. Otherwise, the share options shall lapse.

During the period under review, save as the lapse of the options granted to Ms. LI Lun on 28 January 2010 due to her resignation and retirement as a director of the Company on 28 July 2009, no share options were granted, exercised, cancelled or lapsed under the Scheme.

財務回顧 (續)

FINANCIAL REVIEW (Continued)

二十五、期權的授出及行使 (續)

XXV. Grant and exercise of options (Continued)

以下為截至2010年6月30日止六個月根據計劃尚未行使的股票期權：

The following share options were outstanding under the Scheme during six months ended 30 June 2010:

參與者姓名或類別	Name or category of participant	股票期權數目 Number of share options					2010年 6月30日	授出股票 期權日期	股票期權 行使期 (包括首尾兩日)	股票期權 行使價	本公司股票 緊接期權 授出日期 之前的 收市價 Closing price of the shares of the Company immediately preceding the grant date of share options HK\$
		2010年 1月1日	期內授出	期內行使	期內注銷/ 失效	2010年 1月1日					
董事	Director										
潘正義先生 (離任) (附註一)	Mr. PAN Zhengyi (resigned) (Note 1)	487,451	-	-	-	487,451	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
李麟女士 (離任)	Ms. LI Lun (resigned)	487,451	-	-	(487,451)	-	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
王紅軍先生	Mr. WANG Hongjun	415,532	-	-	-	415,532	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
李雪花女士	Ms. LI Xuehua	487,451	-	-	-	487,451	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
賀斌吾先生	Mr. HE Binwu	487,451	-	-	-	487,451	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
江南先生	Mr. JIANG Nan	421,525	-	-	-	421,525	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
		2,786,861	-	-	(487,451)	2,299,410					
僱員合計	Employee in aggregate	2,682,977	-	-	-	2,682,977	05.05.2008	05.05.2010至 04.05.2015	3.37	3.36	
合計	Total	5,469,838	-	-	(487,451)	4,982,387					

財務回顧 (續)

二十五、期權的授出及行使 (續)

附註一：潘正義先生於2009年2月13日辭任本公司非執行董事，因其離任屬於被調離，根據計劃，其所獲授予的期權將於生效之日起六(6)個月後失效(如尚未行權)。回顧期內，其所獲授予的所有期權尚未失效。

二十六、未經審核中期業績

董事會欣然宣布本集團截至2010年6月30日止六個月的未經審核中期簡明綜合業績連同比較數字如下。

本公司之核數師安永會計師事務所已審閱本集團截至2010年6月30日止六個月的中期簡明綜合業績，並出具相關的審閱報告，詳情載於本中期報告第32頁至第54頁。

FINANCIAL REVIEW (Continued)

XXV. Grant and exercise of options (Continued)

Note 1: Mr. PAN Zhengyi resigned as a non-executive director of the Company on 13 February 2009. As his resignation was due to transfer orders, and pursuant to the Scheme, the share options granted to him will forthwith lapse (if not exercised) after the six (6) months period from the date on which the options become exercisable. During the period under review, all the share options granted to him had not yet lapsed.

XXVI. Unaudited interim results

The Board is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2010 together with comparative figures as follows.

The Company's auditor, Ernst & Young has reviewed the condensed consolidated interim results of the Group for six months ended 30 June 2010, and issued relevant review report, the details of which are set out from pages 32 to 54 of this interim report.



致方興地產（中國）有限公司董事會
（於香港註冊成立的有限公司）

引言

我們已審閱列載於第32頁至第54頁方興地產（中國）有限公司的中期財務資料，包括貴集團於2010年6月30日之簡明綜合財務狀況表，及截至該日止六個月期間的簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表以及解釋附註。香港聯合交易所有限公司證券上市規則要求須按照相關規定及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）的規定編製中期財務資料的報告。

董事須負責根據香港會計準則第34號編製並列報本中期財務資料。我們的責任是在實施審閱工作的基礎上對本中期財務資料作出結論。我們的報告僅就雙方所協議的審閱業務約定書條款向全體董事會報告，並不能做除此之外的其他用途。我們概不就本報告之內容，對任何其他人士負責或承擔任何責任。

審閱範圍

我們已按照香港會計師公會頒佈的香港審閱工作準則第2410號「實體之獨立核數師對中期財務數據之審閱」的規定進行審閱，審閱中期財務資料包括主要向負責財務會計事宜的人員進行詢問，並實施分析性覆核和其他審閱程序。該審閱工作範圍遠小於根據香港審計準則進行審計工作的範圍，我們因而無法保證能在審閱工作中發現若進行審計工作的情况下所能發現的所有重大事項。因此，我們不發表任何審計意見。

To the board of directors of
Franshion Properties (China) Limited
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 54, which comprises the condensed consolidated statement of financial position of Franshion Properties (China) Limited as at 30 June 2010, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim 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.

結論

根據我們的審閱，我們並無發現任何事項使我們相信中期財務資料未能在所有重大方面按照香港會計準則第34號的規定編製。

安永會計師事務所
執業會計師

香港
中環金融街8號
國際金融中心2期18樓
2010年8月20日

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

18th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong
20 August 2010

簡明綜合收益表

CONDENSED CONSOLIDATED INCOME STATEMENT

截至2010年6月30日止六個月 For the six months ended 30 June 2010

		截至6月30日止六個月 For the six months ended 30 June		
		附註	2010年 (未經審核) 港幣千元	2009年 (未經審核) 港幣千元
		Notes	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
收入	REVENUE	3	4,103,175	2,548,675
銷售成本	Cost of sales		(2,071,370)	(1,327,918)
毛利	Gross profit		2,031,805	1,220,757
其他收入和收益	Other income and gains	4	692,833	202,050
銷售和營銷開支	Selling and marketing expenses		(97,852)	(87,246)
管理費用	Administrative expenses		(295,697)	(241,932)
其他費用	Other expenses		(160)	(122)
融資成本	Finance costs	5	(281,345)	(216,614)
分佔共同控制實體 利潤和虧損	Share of profits and losses of jointly-controlled entities		1,908	(1,160)
稅前利潤	PROFIT BEFORE TAX	6	2,051,492	875,733
所得稅費用	Income tax expense	7	(637,578)	(288,509)
本期利潤	PROFIT FOR THE PERIOD		1,413,914	587,224
下列應佔部分：	Attributable to:			
母公司所有者	Owners of the parent		1,042,946	434,123
非控制權益	Non-controlling interests		370,968	153,101
			1,413,914	587,224
			港仙 HK cents	港仙 HK cents
母公司所有者應佔 每股盈利 基本和攤薄	EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	9	11.38	5.40

簡明綜合全面收益表

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2010年6月30日止六個月 For the six months ended 30 June 2010

		截至6月30日止六個月 For the six months ended 30 June	
		附註 2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
本期利潤	PROFIT FOR THE PERIOD	1,413,914	587,224
其他全面收益／(虧損)	OTHER COMPREHENSIVE INCOME/(LOSS)		
匯兌變動儲備：	Exchange fluctuation reserve:		
換算海外業務產生的匯兌差額	Exchange differences on translation of foreign operations	167,216	(23,227)
重新分類調整－因子公司取消註冊計入簡明綜合收益表的收益	Reclassification adjustments for gains included in condensed consolidated income statement in relation to de-registration of subsidiaries	4 (1,895)	–
本期其他全面收益／(虧損)，扣除稅項	OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	165,321	(23,227)
本期全面收益總額	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,579,235	563,997
下列應佔部分：	Attributable to:		
母公司所有者	Owners of the parent	1,191,505	414,923
非控制權益	Non-controlling interests	387,730	149,074
		1,579,235	563,997

簡明綜合財務狀況表

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		附註	2010年 6月30日 (未經審核) 港幣千元 30 June (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
		Notes		
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	10	6,656,405	6,683,415
發展中物業	Properties under development		9,133,552	8,700,008
投資物業	Investment properties		12,192,872	11,539,660
預付土地租賃款項	Prepaid land lease payments		1,620,406	1,624,887
無形資產	Intangible assets		25,723	27,928
於共同控制實體的權益	Interests in jointly-controlled entities		125,978	118,944
遞延稅項資產	Deferred tax assets		165,773	80,983
已抵押存款	Pledged deposits		–	249,876
非流動資產總額	Total non-current assets		29,920,709	29,025,701
流動資產	CURRENT ASSETS			
發展中物業	Properties under development		1,121,629	2,601,271
持作出售物業	Properties held for sale		1,035,945	470,451
存貨	Inventories		34,060	35,352
應收貿易賬款	Trade receivables	11	922,044	227,413
預付款項、按金和其他 應收款	Prepayments, deposits and other receivables		257,985	178,252
應收關聯方款項	Due from related parties	15(b)	3,362	4,252
可收回稅項	Tax recoverable		293	47,242
受限制銀行結餘	Restricted bank balances		1,729	2,892
已抵押存款	Pledged deposits		4,098,023	4,026,411
現金和現金等價物	Cash and cash equivalents		4,268,385	3,523,274
流動資產總額	Total current assets		11,743,455	11,116,810
流動負債	CURRENT LIABILITIES			
應付貿易賬款和應付票據	Trade and bills payables	12	637,225	719,348
其他應付款項和應計款項	Other payables and accruals		1,059,736	2,546,325
計息銀行貸款和其他借款	Interest-bearing bank and other borrowings		9,940,348	10,642,243
應付關連方款項	Due to related parties	15(b)	65,020	71,024
應付稅項	Tax payable		288,900	102,297
應付股息	Dividends payable		229,037	–
土地增值稅撥備	Provision for land appreciation tax		759,002	571,175
流動負債總額	Total current liabilities		12,979,268	14,652,412
流動負債淨額	NET CURRENT LIABILITIES		(1,235,813)	(3,535,602)
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		28,684,896	25,490,099

簡明綜合財務狀況表(續)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
非流動負債	NON-CURRENT LIABILITIES		
計息銀行貸款和其他借款	Interest-bearing bank and other borrowings	7,534,153	5,869,814
遞延稅項負債	Deferred tax liabilities	1,839,452	1,673,419
非流動負債總額	Total non-current liabilities	9,373,605	7,543,233
淨資產	Net assets	19,311,291	17,946,866
權益	EQUITY		
母公司所有者應佔權益	Equity attributable to owners of the parent		
已發行股本	Issued capital	9,161,489	9,161,489
儲備	Reserves	8,221,198	7,029,119
擬派末期股息	Proposed final dividend	-	229,037
非控制權益	Non-controlling interests	17,382,687	16,419,645
		1,928,604	1,527,221
權益總額	Total equity	19,311,291	17,946,866

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2010年6月30日止六個月 For the six months ended 30 June 2010

		母公司所有者應佔 Attributable to owners of the parent										
		已發行股本 (未經審核) 港幣千元	股份溢價賬 (未經審核) 港幣千元	資本儲備 (未經審核) 港幣千元	中國法定 盈餘儲備 (未經審核) 港幣千元	股票 期權儲備 (未經審核) 港幣千元	匯兌 變動儲備 (未經審核) 港幣千元	保留溢利 (未經審核) 港幣千元	擬派 末期股息 (未經審核) 港幣千元	總計 (未經審核) 港幣千元	非控制權益 (未經審核) 港幣千元	權益總額 (未經審核) 港幣千元
		PRC										
		Share Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Capital reserve (Unaudited) HK\$'000	statutory surplus reserves (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Proposed final dividend (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
於2010年1月1日	At 1 January 2010	9,161,489	6,109,789	(2,134,455)	266,569	2,498	1,283,901	1,500,817	229,037	16,419,645	1,527,221	17,946,866
本期全面收益總額	Total comprehensive income for the period	-	-	-	-	-	148,559	1,042,946	-	1,191,505	387,730	1,579,235
已宣派2009年末期股息	Final 2009 dividend declared	-	-	-	-	-	-	-	(229,037)	(229,037)	-	(229,037)
股份結算股票期權安排	Equity-settled share option arrangements	-	-	-	-	574	-	-	-	574	-	574
非控制股東注資	Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	13,653	13,653
於2010年6月30日	At 30 June 2010	9,161,489	6,109,789*	(2,134,455)*	266,569*	3,072*	1,432,460*	2,543,763*	-	17,382,687	1,928,604	19,311,291

* 該等儲備賬目包括簡明綜合財務狀況表內的綜合儲備港幣8,221,198,000元(2009年12月31日:港幣7,029,119,000元)。

* These reserve accounts comprise the consolidated reserves of HK\$8,221,198,000 (31 December 2009: HK\$7,029,119,000) in the condensed consolidated statement of financial position.

簡明綜合權益變動表(續)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

截至2010年6月30日止六個月 For the six months ended 30 June 2010

		母公司所有者應佔										
		Attributable to owners of the parent										
		已發行股本 (未經審核)	股份溢價賬 (未經審核)	資本儲備 (未經審核)	中國法定 盈餘儲備 (未經審核)	股票 期權儲備 (未經審核)	匯兌 變動儲備 (未經審核)	保留溢利 (未經審核)	擬派 末期股息 (未經審核)	總計 (未經審核)	非控制權益 (未經審核)	權益總額 (未經審核)
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		PRC										
		Share Issued capital (Unaudited)	Share premium account (Unaudited)	Capital reserve (Unaudited)	statutory surplus reserves (Unaudited)	Share option reserve (Unaudited)	Exchange fluctuation reserve (Unaudited)	Retained profits (Unaudited)	Proposed final dividend (Unaudited)	Total (Unaudited)	Non- controlling interests (Unaudited)	Total equity (Unaudited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2009年1月1日	At 1 January 2009	6,493,627	3,680,115	(1,413,734)	209,010	1,014	1,283,005	613,005	174,003	11,040,045	2,884,097	13,924,142
本期全面收益/(虧損)總額	Total comprehensive income/(loss) for the period	-	-	-	-	-	(19,200)	434,123	-	414,923	149,074	563,997
發行供股股份	Rights issue of shares	1,626,857	1,089,994	-	-	-	-	-	-	2,716,851	-	2,716,851
發行股份開支	Share issue expenses	-	(8,777)	-	-	-	-	-	-	(8,777)	-	(8,777)
已宣派2008年末期股息	Final 2008 dividend declared	-	-	-	-	-	-	-	(174,003)	(174,003)	-	(174,003)
股份結算股票期權安排	Equity-settled share option arrangements	-	-	-	-	760	-	-	-	760	-	760
收購非控制權益	Acquisition of non-controlling interests	579,665	660,818	(722,222)	-	-	-	-	-	518,261	(1,849,637)	(1,331,376)
非控制股東注資	Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	138,470	138,470
已付非控制股東股息	Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(157,694)	(157,694)
於2009年6月30日	At 30 June 2009	8,700,149	5,422,150	(2,135,956)	209,010	1,774	1,263,805	1,047,128	-	14,508,060	1,164,310	15,672,370

簡明綜合現金流量表

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

截至2010年6月30日止六個月 For the six months ended 30 June 2010

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
經營活動所用之現金流量淨額	NET CASH FLOWS USED IN OPERATING ACTIVITIES	(110,887)	(298,242)
投資活動產生/(所用)之現金流量淨額	NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	9,029	(2,449,019)
籌資活動產生之現金淨額	NET CASH FLOWS FROM FINANCING ACTIVITIES	824,824	1,281,983
現金和現金等價物增加/(減少)淨額	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	722,966	(1,465,278)
期初的現金和現金等價物	Cash and cash equivalents at beginning of period	3,523,274	5,046,807
匯率變動影響淨額	Effect of foreign exchange rate changes, net	22,145	(7,623)
期末的現金和現金等價物	CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,268,385	3,573,906
現金和現金等價物結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金和銀行結存	Cash and bank balances	2,887,720	3,158,187
購入時原定到期日少於三個月的非抵押定期存款	Non-pledged time deposits with original maturity of less than three months when acquired	1,380,665	415,719
財務狀況表及現金流量表所列的現金和現金等價物	Cash and cash equivalents as stated in the statement of financial position and statement of cash flows	4,268,385	3,573,906

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. 公司資料

方興地產(中國)有限公司(「本公司」)為在香港註冊成立的有限公司。本公司的註冊辦事處位於香港灣仔港灣道1號會展廣場辦公大樓47樓4702-03室。

董事認為，本公司的直屬控股公司為於香港註冊成立的中化香港(集團)有限公司(「中化香港」)，而本公司的最終控股公司為於中華人民共和國(「中國」)成立的中國中化集團公司。中國中化集團公司為受中國國有資產監督管理委員會監督的國有企業。

本公司及其子公司(「本集團」)的主要業務載述於簡明綜合中期財務報表附註3。

2. 編製基準及會計政策

編製基準

簡明綜合中期財務報表乃根據香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。

簡明綜合中期財務報表並不包括年度財務報表規定的所有資料及披露，且應與本集團截至2009年12月31日止年度的財務報表一併閱讀。

於2010年6月30日，本集團的流動負債超逾其流動資產約港幣1,235,813,000元(2009年12月31日：港幣3,535,602,000元)。然而，財務報表乃按持續營運基準編製，此乃由於董事經考慮本集團經營業務產生的預期現金流量及未動用銀行融資約港幣14,145,656,000元後，認為本集團有充足資金償還到期負債。於本期末後，本集團已償還港幣2,047,131,000元，並成功安排港幣2,625,027,000元貸款進一步延期。

1. CORPORATE INFORMATION

Franshion Properties (China) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, Harbour Road, Wanchai, Hong Kong.

In the opinion of the directors, the immediate holding company of the Company is Sinochem Hong Kong (Group) Company Limited ("Sinochem Hong Kong"), a company incorporated in Hong Kong, and the ultimate holding company of the Company is Sinochem Group, a company established in the People's Republic of China (the "PRC") and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission in the PRC.

The principal activities of the Company and its subsidiaries (the "Group") are described in note 3 to the condensed consolidated interim financial statements.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2009.

As at 30 June 2010, the current liabilities of the Group exceeded its current assets by approximately HK\$1,235,813,000 (31 December 2009: HK\$3,535,602,000). Nevertheless, the financial statements have been prepared on the going concern basis as the directors believe the Group will have adequate funds to meet its liabilities as and when they fall due after taking into account the expected cash flows from its operations and unutilised banking facilities of approximately HK\$14,145,656,000. Subsequent to the period end, the Group repaid HK\$2,047,131,000 and successfully arranged HK\$2,625,027,000 of loans to be rolled over for a further period.

2. 編製基準及會計政策 (續)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

重大會計政策

編製中期財務報表所採納的會計政策與編製截至2009年12月31日止年度的年度財務報表所採納者一致，惟影響本集團及於本財務報表期間內首次採納以下新訂及經修訂香港財務報告準則（「香港財務報告準則」，亦包括香港會計準則及詮釋）除外：

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2009, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

香港財務報告準則修訂本 HKFRSs (Amendments)	香港財務報告準則的改進 Improvements to HKFRSs
香港財務報告準則第1號（經修訂） HKFRS 1 (Revised)	首次採納香港財務報告準則 <i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
香港財務報告準則第1號修訂本 HKFRS 1 Amendments	對香港財務報告準則第1號首次採納香港財務報告準則 – 首次採納者的額外豁免的修訂 <i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
香港財務報告準則第2號修訂本 HKFRS 2 Amendments	對香港財務報告準則第2號以股份為基礎的付款 – 集團現金結算以股份為基礎付款的交易的修訂 <i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
香港財務報告準則第3號（經修訂） HKFRS 3 (Revised)	業務合併 <i>Business Combinations</i>
香港會計準則第27號（經修訂） HKAS 27 (Revised)	綜合及獨立財務報表 <i>Consolidated and Separate Financial Statements</i>
香港會計準則第39號修訂本 HKAS 39 Amendment	對香港會計準則第39號金融工具：確認及計量 – 合資格對沖項目的修訂 <i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
香港（國際財務報告詮釋委員會） – 詮釋第17號 HK(IFRIC)-Int 17	向所有者分派非現金資產 <i>Distributions of Non-cash Assets to Owners</i>
對香港財務報告準則第5號之修訂， 列入於2008年10月頒佈的 香港財務報告準則的改進內 Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	對香港財務報告準則第5號待出售的非流動資產及已終止業務 – 出售於子公司的控制權益的計劃的修訂 <i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>
香港詮釋第4號 （於2009年12月經修訂） HK Interpretation 4 （Revised in December 2009）	租約 – 釐定香港土地租約的租期 <i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

2. 編製基準及會計政策 (續)**重大會計政策 (續)**

香港財務報告準則第3號(經修訂)引入多項會計處理變更，內容關於將影響已確認商譽金額、收購期內呈報業績及未來呈報業績的業務合併。

香港會計準則第27號(經修訂)規定將未失去控制權的子公司擁有權改變列為權益交易。因此，有關改變不會影響商譽，亦不會導致收益或虧損。另外，經修訂準則改變子公司錄得虧損及子公司失去控制權的會計處理。香港會計準則第7號現金流量表、香港會計準則第12號所得稅、香港會計準則第21號匯率變動的影響、香港會計準則第28號於聯營公司的投資及香港會計準則第31號於合營企業的權益亦作出其他相應修訂。

採納該等新香港財務報告準則詮釋本概無對本集團的財務狀況或表現產生任何重大影響，亦不會導致重列比較數字。

本集團並未提早採取任何已頒佈但未生效的其他準則、詮釋或修訂。

3. 經營分部資料

就管理而言，本集團乃按產品及服務劃分業務單位，分為四個可呈報經營分部如下：

- (a) 物業開發分部：從事物業開發及銷售；
- (b) 物業租賃分部：包括寫字樓及商用物業租賃；
- (c) 酒店經營分部：提供酒店服務；及
- (d) 「其他」分部：主要提供物業管理、設計及裝修服務，經營觀光廳、貨物貿易及提供出口代理服務。

管理層會就資源分配及表現評估的決策，分開監控其經營分部的業績。分部表現乃按可呈報溢利／(虧損)進行評估，此乃計算經調整稅前利潤／(虧損)的方法。經調整溢利／(虧損)的計量與本集團稅前利潤相符，惟於有關計算中並無計入利息收入及融資成本以及總部開支。

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**Significant accounting policies (Continued)**

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

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

Adoption of these new HKFRS interpretations did not have any material effect on the financial position or performance of the Group, nor resulted in restatement of comparative figures.

The Group has not early adopted any other standard, interpretation or amendment that was issued by is not yet effective.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the property leasing segment comprises the leasing of office and commercial premises;
- (c) the hotel operations segment engages in the provision of hotel services; and
- (d) the "others" segment mainly comprises the provision of property management, design and decoration services, the operation of an observation deck, the trading of goods, and the provision of export agency services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) is measured consistently with the Group's profit before tax except that interest income and finance costs as well as corporate expenses are excluded from such measurement.

3. 經營分部資料 (續)

分部資產不包括遞延稅項資產、可收回稅項、已抵押存款、限制性銀行結餘、現金和現金等價物及其他未分配總部資產，原因是以上資產按集團層面管理。

分部間銷售及轉撥乃參考按當時向第三方銷售的市場售價進行。

截至2010年6月30日止六個月

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, restricted bank balances, cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2010

		物業開發 (未經審核) 港幣千元 Property development (Unaudited) HK\$'000	物業租賃 (未經審核) 港幣千元 Property leasing (Unaudited) HK\$'000	酒店經營 (未經審核) 港幣千元 Hotel operations (Unaudited) HK\$'000	其他 (未經審核) 港幣千元 Others (Unaudited) HK\$'000	綜合 (未經審核) 港幣千元 Consolidated (Unaudited) HK\$'000
分部收入：	Segment revenue:					
向外間客戶銷售	Sales to external customers	2,373,184	428,822	1,007,290	293,879	4,103,175
分部間銷售	Intersegment sales	-	1,172	-	7,629	8,801
		2,373,184	429,994	1,007,290	301,508	4,111,976
對賬：	Reconciliation:					
分部間銷售對銷	Elimination of intersegment sales					(8,801)
收入總額	Total revenue					4,103,175
分部業績	Segment results	1,016,581	927,954	276,194	30,793	2,251,522
對賬：	Reconciliation:					
分部業績對銷	Elimination of intersegment results					(338)
利息收入	Interest income					132,297
總部及其他未分配開支	Corporate and other unallocated expenses					(50,644)
融資成本	Finance costs					(281,345)
稅前利潤	Profit before tax					2,051,492

3. 經營分部資料 (續)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

截至2009年6月30日止六個月

For the six months ended 30 June 2009

		物業開發 (未經審核) 港幣千元 Property development (Unaudited) HK\$'000	物業租賃 (未經審核) 港幣千元 Property leasing (Unaudited) HK\$'000	酒店經營 (未經審核) 港幣千元 Hotel operations (Unaudited) HK\$'000	其他 (未經審核) 港幣千元 Others (Unaudited) HK\$'000	綜合 (未經審核) 港幣千元 Consolidated (Unaudited) HK\$'000
分部收入：	Segment revenue:					
向外間客戶銷售	Sales to external customers	1,270,221	428,793	723,229	126,432	2,548,675
分部間銷售	Intersegment sales	-	1,380	453	53,498	55,331
		1,270,221	430,173	723,682	179,930	2,604,006
對賬：	Reconciliation:					
分部間銷售	Elimination of intersegment sales					(55,331)
收入總額	Total revenue					2,548,675
分部業績	Segment results	423,824	396,152	106,201	165,012	1,091,189
對賬：	Reconciliation:					
分部間業績對銷	Elimination of intersegment results					(14,164)
利息收入	Interest income					62,144
總部及其他未分配開支	Corporate and other unallocated expenses					(46,822)
融資成本	Finance costs					(216,614)
稅前利潤	Profit before tax					875,733

3. 經營分部資料 (續)

3. OPERATING SEGMENT INFORMATION (CONTINUED)

		物業開發 (未經審核) 港幣千元	物業租賃 (未經審核) 港幣千元	酒店經營 (未經審核) 港幣千元	其他 (未經審核) 港幣千元	綜合 (未經審核) 港幣千元
		Property development (Unaudited) HK\$'000	Property leasing (Unaudited) HK\$'000	Hotel operations (Unaudited) HK\$'000	Others (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
分部資產	Segment assets					
於2010年6月30日	At 30 June 2010	16,114,164	14,302,200	8,715,717	813,083	39,945,164
對賬：	Reconciliation:					
分部間資產對銷	Elimination of intersegment assets					(8,866,903)
總部及其他未分配資產	Corporate and other unallocated assets					10,585,903
總資產	Total assets					41,664,164

		物業開發 (經審核) 港幣千元	物業租賃 (經審核) 港幣千元	酒店經營 (經審核) 港幣千元	其他 (經審核) 港幣千元	綜合 (經審核) 港幣千元
		Property development (Audited) HK\$'000	Property leasing (Audited) HK\$'000	Hotel operations (Audited) HK\$'000	Others (Audited) HK\$'000	Consolidated (Audited) HK\$'000
分部資產	Segment assets					
於2009年12月31日	At 31 December 2009	15,677,851	14,222,355	8,587,923	751,995	39,240,124
對賬：	Reconciliation:					
分部間資產對銷	Elimination of intersegment assets					(9,148,927)
總部及其他未分配資產	Corporate and other unallocated assets					10,051,314
總資產	Total assets					40,142,511

4. 其他收入和收益

4. OTHER INCOME AND GAINS

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
其他收入	Other income		
銀行利息收入	Bank interest income	131,718	62,144
其他利息收入	Other interest income	579	–
稅項豁免*	Exemption of tax*	–	109,395
		132,297	171,539
收益	Gains		
投資物業的公平值收益淨額	Fair value gains on investment properties, net	537,379	20,451
匯兌差額淨額	Foreign exchange differences, net	4,608	–
取消註冊子公司收益 (轉撥自權益)	Gain on de-registration of subsidiaries (transfer from equity)	1,895	–
其他	Others	16,654	10,060
		560,536	30,511
		692,833	202,050

* 於2009年6月，本集團的一間子公司獲得當地稅務局批准減免半數截至2008年12月31日止三個年度的稅項。

* In June 2009, a subsidiary of the Group obtained approval from local tax bureau for a 50% reduction in the tax for the three years ended 31 December 2008.

5. 融資成本

5. FINANCE COSTS

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
須於五年內全數償還的 銀行貸款及其他借款利息	Interest on bank loans and other borrowings wholly repayable within five years	300,346	266,115
須於五年後全數償還的 銀行貸款利息	Interest on bank loans wholly repayable beyond five years	101,664	16,353
須於五年內全數償還的 直系控股公司及同系 子公司貸款利息	Interest on loans from the immediate holding company and a fellow subsidiary wholly repayable within five years	25,586	17,029
利息開支總額	Total interest expense	427,596	299,497
減：資本化利息	Less: Interest capitalised	(146,251)	(82,883)
		281,345	216,614

6. 稅前利潤

本集團的稅前利潤已扣除／(計入) 下列各項：

6. PROFIT BEFORE TAX

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

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
已售物業成本	Cost of properties sold	1,341,178	813,790
折舊	Depreciation	104,943	122,763
減：資本化金額	Less: Amount capitalised	—	(81)
		104,943	122,682
無形資產項目攤銷	Amortisation of items of intangible assets	3,174	1,024
確認預付土地租賃款項	Recognition of prepaid land lease payments	23,708	25,105
出售／撤銷物業、廠房及設備項目虧損*	Loss on disposal/write-off of items of property, plant and equipment*	160	122

* 該項目計入簡明綜合收益表內「其他費用」項下。

* This item is included in "Other expenses" on the face of the condensed consolidated income statement.

7. 所得稅費用

簡明綜合收益表內所得稅費用的主要組成部分如下：

7. INCOME TAX EXPENSE

The major components of income tax expense in the condensed consolidated income statement are:

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
即期	Current		
中國企業所得稅	PRC corporate income tax	367,751	204,169
中國土地增值稅(「土地增值稅」)	Land appreciation tax ("LAT") in the PRC	203,758	73,040
		571,509	277,209
遞延稅項支出	Deferred tax charge	66,069	11,300
本期稅項支出總額	Total tax charge for the period	637,578	288,509

7. 所得稅費用 (續)**香港利得稅**

由於期內本集團並無在香港產生任何應課稅利潤(2009年：無)，故並無計提香港利得稅撥備。

中國企業所得稅

本集團就中國內地業務作出的所得稅撥備，乃根據相關現行法例、詮釋及慣例，就期內估計應課稅利潤按適用稅率計算。

中國企業所得稅乃按中國法定財務呈報利潤以稅率25%(2009年：25%)計提撥備，並就中國企業所得稅而言無須課稅或不可扣減的有關項目作出調整。

根據相關中國企業所得稅規定及法規，成立於並位於上海浦東新區及深圳經濟特區的若干本集團中國子公司分別可享受企業所得稅優惠稅率。此等公司於截至2010年6月30日止六個月須按優惠稅率22%繳納企業所得稅(2009年：20%)，隨後在2012年前兩個年度稅率逐漸由24%增至25%。本集團成立及位於海南經濟特區及珠海經濟特區的若干子公司須分別按優惠稅率22%繳納企業所得稅，但於首個獲利年度可獲悉數豁免繳納該稅項，並於其後兩個年度按減半稅率繳稅。

土地增值稅

根據於1994年1月1日生效的《中華人民共和國土地增值稅暫行條例》以及於1995年1月27日生效的《中華人民共和國土地增值稅暫行條例實施細則》的規定，由1994年1月1日起，在中國內地轉讓房地產物業產生的所有收益，均須就土地價值的增值部份(即物業發展所得款項減包括借貸成本和所有物業開發支出在內的各類可扣稅支出)按介乎30%至60%的累進稅率，繳付土地增值稅。

於截至2010年6月30日止六個月，分佔共同控制實體稅項開支為港幣580,000元(2009年：港幣395,000元)，已計入簡明綜合收益表「分佔共同控制實體利潤和虧損」項下。

7. INCOME TAX EXPENSE (CONTINUED)**Hong Kong profits tax**

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2009: Nil).

PRC corporate income tax

The income tax provision of the Group in respect of its operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

PRC corporate income tax is provided at the rate of 25% (2009: 25%) on the profits for the PRC statutory financial reporting purposes, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

Pursuant to the relevant PRC corporate income tax rules and regulations, preferential corporate income tax rates have been granted to certain of the Group's PRC subsidiaries which were established and located in Shanghai Pudong New Area and Shenzhen Special Economic Zone, respectively. These companies are subject to a preferential rate of 22% for the six months ended 30 June 2010 (2009: 20%) followed by tax rates gradually increased from 24% to 25% in the following two years towards 2012. Certain subsidiaries of the Group, which were established and located in Hainan Special Economic Zone and Zhuhai Special Economic Zone, respectively, are subject to corporate income tax at a preferential rate of 22% and are entitled to full exemption from such tax for the first profitable year and a 50% reduction in the following two years.

LAT

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in Mainland China effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including borrowing costs and all property development expenditures.

The share of tax expense attributable to jointly-controlled entities for the six months ended 30 June 2010 amounted to HK\$580,000 (2009: HK\$395,000) is included in "Share of profits and losses of jointly-controlled entities" on the face of the condensed consolidated income statement.

8. 股息

於2010年8月20日舉行的董事會會議上，董事議決不向股東派付任何中期股息（2009年：無）。

9. 母公司所有者應佔每股盈利**基本**

每股基本盈利乃根據母公司所有者應佔本期間溢利及本期間的已發行普通股加權平均數而計算。

每股基本盈利乃根據以下數據計算：

8. DIVIDEND

At a meeting of the board of directors held on 20 August 2010, the directors resolve not to pay an interim dividend to shareholders (2009: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT**Basic**

The calculation of basic earnings per share amounts for the period is based on the profit for the period attributable to owners of the parent, and the weighted average number of ordinary shares in issue during the period.

The calculation of basic earnings per share is based on:

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
盈利	Earnings		
用作計算每股基本盈利之 母公司所有者應佔溢利	Profit attributable to owners of the parent, used in basic earnings per share calculation	1,042,946	434,123
		股份數目 Number of shares 截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 2010 (Unaudited)	2009年 (未經審核) 2009 (Unaudited)
股份	Shares		
用作計算每股基本盈利之 期內已發行普通股 加權平均數	Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	9,161,489,000	8,039,404,000

9. 母公司所有者應佔每股盈利 (續)

攤薄

由於截至2010年及2009年6月30日止六個月尚未行使的購股權的經調整行使價高於期內本公司股票的相關平均市價，故並無對該等期間呈列的每股基本盈利作出調整。

10. 物業、廠房及設備

截至2010年6月30日止六個月，本集團收購物業、廠房及設備項目的總成本為港幣17,369,000元(二零零九年：港幣121,569,000元)，而出售或撇銷物業、廠房及設備項目的賬面淨值合共港幣603,000元(二零零九年：港幣490,000元)。

11. 應收貿易賬款

本集團的應收貿易賬款主要來自物業銷售以及提供酒店和物業管理服務。已售物業的代價乃根據相關買賣協議的條款支付。本集團與其客戶就提供酒店、裝修和其他服務的貿易條款主要為信貸條款，但新客戶一般需要預先付款。信貸期一般為一個月，而主要客戶則可延長至三個月。每名客戶均設有最高信貸額。

於報告期末，應收貿易賬款按照發票日期的賬齡分析如下：

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (CONTINUED)

Diluted

No adjustment has been made to the basic earnings per share amounts presented for the six months periods ended 30 June 2010 and 2009 in respect of a dilution because the adjusted exercise price of the share options outstanding during the periods is higher than the respective average market price of the Company's shares during the period.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired items of property, plant and equipment at a total cost of HK\$17,369,000 (2009: HK\$121,569,000) and disposed of or wrote off items of property, plant and equipment with a total net carrying amount of HK\$603,000 (2009: HK\$490,000).

11. TRADE RECEIVABLES

The Group's trade receivables arise mainly from the sale of properties and provision of hotel and property management services. Consideration in respect of properties sold is payable in accordance with the terms of the related sale and purchase agreement. Whilst the Group's trading terms with its customers in relation to the provision of hotel, decoration and other services are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

		2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
1個月內	Within 1 month	814,623	149,785
1至3個月	1 to 3 months	16,900	48,370
4至6個月	4 to 6 months	17,291	18,432
6個月以上	Over 6 months	73,230	10,826
		922,044	227,413

12. 應付貿易賬款和應付票據

於報告期末的應付貿易賬款和應付票據按照發票日期的賬齡分析如下：

		2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
1年內	Within 1 year	496,300	313,752
1至2年	1 to 2 years	86,844	340,344
2至3年	2 to 3 years	41,384	3,151
3年以上	Over 3 years	12,697	62,101
		637,225	719,348

13. 承擔

於報告期末，本集團有下列資本承擔：

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

13. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

		2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
已訂約但未計提準備 發展中物業	Contracted, but not provided for Properties under development	602,788	79,975
		602,788	79,975

14. 或然負債

於報告期末，本集團並無就本集團若干物業買方的按揭融資提供擔保（2009年12月31日：港幣259,022,000元）。

14. CONTINGENT LIABILITIES

At the end of the reporting period, the Group provided no guarantees in respect of mortgage facilities for certain purchasers of the Group's properties (31 December 2009: HK\$259,022,000).

15. 關聯方披露

15. RELATED PARTY DISCLOSURES

(a) 本集團於本期間與關聯方進行下列重大交易：

(a) The Group had the following material transactions with related parties during the period:

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
		附註 Notes	
同系子公司：	Fellow subsidiaries:		
租金收入	Rental income	(i)	76,009
物業管理費收入	Property management fee income	(i)	8,226
其他服務收入	Other service income	(ii)	40
其他貸款的利息開支	Interest expense charged on other loans	(iii)	25,586
			70,776
			8,509
			–
			561
直屬控股公司：	The immediate holding company:		
其他貸款的利息開支	Interest expense charged on other loans	(iii)	–
租金開支	Rental expense	(iv)	1,220
			16,468
			962
中間控股公司：	The intermediate holding company:		
租金收入	Rental income	(i)	33,453
物業管理費收入	Property management fee income	(i)	3,434
			–
			–
最終控股公司：	The ultimate holding company:		
租金收入	Rental income	(i)	4,497
物業管理費收入	Property management fee income	(i)	261
			32,318
			3,852

附註：

Notes:

(i) 租金收入及物業管理費收入乃按本集團與本公司之相關同系子公司、中間控股公司及最終控股公司訂立之相關協議的條款收取。

(i) The rental income and property management fee income were charged at terms pursuant to the relevant agreements entered into by the Group with the relevant fellow subsidiaries of the Company, the intermediate holding company, and the ultimate holding company.

(ii) 本集團按提供予第三方之相若條款收取其他服務收入。

(ii) The other service income was charged by the Group at the terms similar to those offered to third parties.

(iii) 其他貸款的利息開支按條款相若的銀行貸款利率收取。

(iii) The interest expenses on other loans were charged at interest rates of bank loans with similar terms.

(iv) 租金開支乃按本公司與直系控股公司訂立之相關協議的條款收取。

(iv) The rental expenses were charged at terms pursuant to the agreement entered into by the Company and the immediate holding company.

15. 關聯方披露 (續)

15. RELATED PARTY DISCLOSURES (CONTINUED)

(b) 與關聯方的結餘

(b) Outstanding balances with related parties

	附註	2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
應收關聯方款項：			
– 最終控股公司	(i)	1,320	3,730
– 同系子公司	(i)	2,042	522
		3,362	4,252

	附註	2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
應付關聯方款項：			
– 最終控股公司	(i)	5,062	26,039
– 中間控股公司	(i)	15,223	–
– 同系子公司	(i)	44,735	44,985
		65,020	71,024

附註：

Note:

(i) 該結餘乃非貿易性質、無抵押、免息及須按通知即時償還。應收／應付關聯方款項的賬面值與公允值相若。

(i) The balances are non-trade in nature, unsecured, interest-free and are repayable on demand. The carrying amounts of the amounts due from/to related parties approximate to their fair value.

15. 關聯方披露 (續)

(b) 與關聯方的結餘

	附註	2010年 6月30日 (未經審核) 港幣千元 30 June 2010 (Unaudited) HK\$'000	2009年 12月31日 (經審核) 港幣千元 31 December 2009 (Audited) HK\$'000
計息貸款： — 同系子公司	Interest-bearing loans: — A fellow subsidiary	(ii) 1,031,670	1,703,700

附註：

(ii) 結餘指自一間經中國人民銀行批准為金融機構的同系子公司借取的貸款。貸款乃非貿易性質、無抵押、按年利率介乎4.374%至4.860%計息，並須於二零一零年七月至二零一二年七月間償還。貸款賬面值與其公允值相若。

Note:

(ii) The balance represents loans borrowed from a fellow subsidiary, which is a financial institution approved by the People's Bank of China. The loans are non-trade in nature, unsecured, bear interests ranging from 4.374% to 4.860% per annum and are repayable between July 2010 and July 2012. The carrying amounts of the loans approximate to their fair value.

(c) 本集團主要管理人員的報酬

(c) Compensation of key management personnel of the Group

		截至6月30日止六個月 For the six months ended 30 June	
		2010年 (未經審核) 港幣千元 2010 (Unaudited) HK\$'000	2009年 (未經審核) 港幣千元 2009 (Unaudited) HK\$'000
短期僱員福利	Short term employee benefits	8,150	9,417
離職後福利	Post-employment benefits	142	189
股份結算股票期權開支	Equity-settled share option expense	203	384
支付予主要管理人員的 報酬總額	Total compensation paid to key management personnel	8,495	9,990

15. 關聯方披露 (續)**(d) 與其他國有企業的交易**

本集團間接受中國政府控制，並在受中國政府通過不同機關、聯屬組織或其他機構直接或間接擁有或控制的企業（統稱「國有企業」）支配的經濟環境下經營。期內，本集團與其他國有企業進行交易，包括但不限於借貸、存款、銷售已開發物業、提供物業租賃及管理服務，以及提供分包服務。本公司董事認為，雖然本集團及該等其他國有企業最終受中國政府控制或擁有，但與其他國有企業所進行的此等交易均為日常業務過程中進行的活動，故未受重大或不必要的影響。本集團亦就其產品及服務制定定價政策，而該等定價政策並非取決於客戶是否為國有企業。經審慎考慮關係之本質後，本公司董事認為，此等交易概不屬於須另行作出披露的重大關連方交易。

16. 報告期後事項

於二零一零年五月十八日，本公司及中化香港訂立收購協議，據此本公司同意收購而中化香港同意出售上海銀匯房地產開發有限公司（「上海銀匯」）全部股本權益50%，總代價為人民幣9.288億元。此外，本公司亦同意承擔中化香港的注資承諾人民幣3.42億元，向上海銀匯作出注資。於本簡明綜合中期財務報表獲董事會批准之日，收購事項尚未完成。

17. 中期財務報表的批准

本簡明綜合中期財務報表於2010年8月20日經董事會批准並授權刊行。

15. RELATED PARTY DISCLOSURES (CONTINUED)**(d) Transaction with other state-owned enterprises**

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Entities" ("SOEs")). During the period, the Group had transactions with other SOEs including, but not limited to, borrowings, deposits, sale of properties developed, provision of property lease and management service and the provision of sub-contracting services. The directors of the Company consider that these transactions with other SOEs are activities in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions are material related party transactions that require separate disclosures.

16. EVENTS AFTER THE REPORTING PERIOD

On 18 May 2010, the Company and Sinochem Hong Kong entered into an acquisition agreement pursuant to which the Company has agreed to acquire, and Sinochem Hong Kong has agreed to sell, 50% of the entire equity interest of Shanghai Yin Hui Property Development Company Limited ("Shanghai Yin Hui") for a total consideration of RMB928.8 million. In addition, the Company also agreed to assume the capital injection commitment of RMB342 million from Sinochem Hong Kong to contribute capital to Shanghai Yin Hui. The acquisition has not been completed as at the date on which these condensed consolidation interim financial statements were approved by the board of directors.

17. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 20 August 2010.

其他資料

OTHER INFORMATION

股本

於2010年6月30日，本公司法定股本為20,000,000,000股普通股；已發行股本總額為9,161,489,489股普通股。

權益披露

主要股東權益

據本公司董事所知，於2010年6月30日，除本公司董事及首席執行官外，以下人士於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3部份須向本公司披露，或須於本公司根據《證券及期貨條例》第336條規定所存置的登記冊中記錄，或已知會本公司及聯交所之權益及淡倉：

SHARE CAPITAL

As at 30 June 2010, the authorized share capital of the Company was 20,000,000,000 ordinary shares and the total issued share capital was 9,161,489,489 ordinary shares.

DISCLOSURE OF INTERESTS

Substantial Shareholders' Interests

So far as is known to the Directors of the Company, as at 30 June 2010, the following persons (other than the directors and chief executive officer of the Company) had interests and short positions in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO"), or which were required, pursuant to section 336 of the SFO, to be recorded in the register of the Company referred to therein, or which had already been notified to the Company and the Stock Exchange:

主要股東名稱	Name of the substantial shareholder	好倉／淡倉 Long/short position	身份／權益性質 Capacity/nature of interests	普通股數目 Number of ordinary shares	佔已發行股本之概約百分比 Approximate percentage of the issued share capital
中化香港	Sinochem Hong Kong	好倉 Long position	實益持有人 Beneficial owner	5,759,881,259	62.87%
中國中化股份有限公司	Sinochem Corporation	好倉 Long position	受控制公司權益 Interest of corporation controlled	5,759,881,259	62.87%
中國中化集團公司	Sinochem Group	好倉 Long position	受控制公司權益 Interest of corporation controlled	5,759,881,259	62.87%

除上文所披露外，本公司董事並不知悉任何人士（本公司董事及首席執行官除外）於2010年6月30日在本公司股份及相關股份中擁有，根據《證券及期貨條例》第XV部第2及3部份須向本公司披露，或須於本公司根據《證券及期貨條例》第336條規定所存置的登記冊中記錄，或已知會本公司及聯交所之權益或淡倉。

Save as disclosed above, as at 30 June 2010, the directors of the Company were not aware of any person (other than the directors and chief executive officer of the Company) had interest or short position in the shares and underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register of the Company referred to therein, or which had already been notified to the Company and the Stock Exchange.

權益披露 (續)

董事及最高行政人員所擁有的本公司股份或相關股份權益

於2010年6月30日，除下文披露外，本公司董事、最高行政人員或彼等各自的任何聯繫人士概無於本公司及其相連法團（定義見《證券及期貨條例》第XV部份）的股份、相關股份或債券中擁有須根據《證券及期貨條例》第XV部份第7及8部份知會本公司及聯交所的任何權益或淡倉；或根據《證券及期貨條例》第352條規定須記錄於本公司存置的登記冊內的權益或淡倉；或根據聯交所證券上市規則（「上市規則」）附錄十所載上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的任何權益或淡倉。

DISCLOSURE OF INTERESTS (Continued)

Directors and Chief Executives' Interests in the Shares or Underlying Shares of the Company

Save as disclosed below, as at 30 June 2010, none of the directors and chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or which were required, pursuant to section 352 of the SFO, to be recorded in the register kept by the Company; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), to be notified to the Company and the Stock Exchange.

姓名	Name of the director	身份 Capacity	持有股份數目 Number of shares held	持有相關 股份數目 (附註一) Number of underlying shares held (Note 1)	合共佔本公司 已發行股本 概約百分比 Approximate percentage of the issued share capital of the Company
王紅軍	WANG Hongjun	實益持有人 Beneficial owner	—	415,532 (L)	0.0045%
李雪花	LI Xuehua	實益持有人 Beneficial owner	—	487,451 (L)	0.0053%
賀斌吾	HE Binwu	實益持有人 Beneficial owner	400,000 (L)	487,451 (L)	0.0097%
江南	JIANG Nan	實益持有人 Beneficial owner	—	421,525 (L)	0.0046%

(L) 表示好倉

(L) Denotes long positions.

附註一：指獲得股票期權所涵蓋之相關股份，該等股票期權為非上市實物交收股本衍生工具。

Note 1: Represents the underlying shares subject to share options which are unlisted physically settled equity derivatives.

董事及高級管理層

於截至2010年6月30日止六個月期間：

羅東江先生自於2009年9月18日始任本公司之非執行董事兼公司主席後，經本公司於2010年6月25日召開之股東週年大會重新選舉通過。

除上述披露外，本公司董事及高級管理層於回顧期內並未發生任何變更。

回購、出售或贖回本公司之證券

於截至2010年6月30日止六個月期間，本公司或其任何子公司概無回購、出售或贖回本公司任何證券。

獨立董事委員會關於世貿投資選擇權之檢討

由本公司全體獨立非執行董事組成的獨立董事委員會於2010年8月18日召開會議，對其於2010年4月9日做出的暫不行使選擇權藉以收購中國中化集團公司於中國世貿投資有限公司（「世貿投資」）15%的權益的決定進行檢討。

獨立董事委員會經仔細審閱世貿投資的相關資料，並考慮中國中化集團公司現時為世貿投資的財務投資者，僅佔少數及被動性權益，且本公司正於新增土地儲備、物業發展計畫、對中國金茂（集團）有限公司及上海銀匯的收購完成後的資產整合優化中投入大量的人力物力，短期內若對世貿投資行使選擇權將會對本公司人力物力等各方面運營提出較大挑戰，獨立非執行董事一致認為，現時行使對世貿投資的選擇權並不符合本公司穩健投資的政策、不符合本公司及股東的整體最佳利益。

獨立董事委員會一致決定，目前仍暫不行使選擇權藉以收購中國中化集團公司於世貿投資15%的權益。誠如招股書及本公司2010年4月9日發佈的公告所述，獨立董事委員會將繼續不時檢討對世貿投資的選擇權。

DIRECTORS AND SENIOR MANAGEMENT

For the six months ended 30 June 2010:

Mr. LUO Dongjiang has served as a non-executive Director and Chairman of the Company since 18 September 2009 and was re-elected at the annual general meeting of the Company held on 25 June 2010.

Save as disclosed above, there was no change in the Company's directors and senior management during the period under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any securities of the Company for the six months ended 30 June 2010.

REVIEW OF THE OPTION OVER SHIMAO INVESTMENT BY THE INDEPENDENT BOARD COMMITTEE

A meeting was held by the Independent Board Committee comprising all independent non-executive directors of the Company on 18 August 2010 to review its decision made on 9 April 2010 not to exercise, for the time being, the option to acquire Sinochem Group's 15% interest in China Shimao Investment Company Limited ("Shimao Investment").

After careful review of the relevant information of Shimao Investment and taking into account of the fact that Sinochem Group is only a financial investor and owns minority and passive interest in Shimao Investment, and the Company is currently devoting its resources to increasing its land reserves, implementing its property development projects, optimizing and consolidating the assets acquired through the acquisitions of China Jin Mao (Group) Company Limited and Shanghai Yin Hui, the exercise of the option over Shimao Investment in the short term would be a challenge to the Company's operational capacity especially in relation to manpower and resources. All the independent non-executive directors considered that the exercise of the option over Shimao Investment currently is not compatible with the Company's prudent investment policy, and is not in the best interests of the Company and the shareholders as a whole.

The Independent Board Committee unanimously resolved still not to exercise, at the point of time of the meeting, the option to acquire Sinochem Group's 15% interest in Shimao Investment. As disclosed in the prospectus and the announcement dated 9 April 2010 of the Company, the Independent Board Committee would continue to review the option over Shimao Investment from time to time.

審核委員會之審閱

董事會下屬審核委員會已審閱本公司截至2010年6月30日止六個月的未經審核簡明綜合中期財務報表；亦已就本公司所採納的會計政策及常規等事項，與本公司的高級管理層進行商討。

截至2010年6月30日止六個月期間的中期業績未經審計，但安永會計師事務所已經根據香港會計師公會所頒佈的香港審閱工作準則第2410號「公司獨立核數師對中期財務資料的審閱」進行審閱工作。

重大訴訟

本公司於截至2010年6月30日止六個月期間並無面對任何可對本公司構成不利影響的重大訴訟。

報告期後事項

本集團之報告期後主要事項載於財務報表附註16。

遵守標準守則

本公司已採納上市規則附錄十所載的標準守則，以規管董事進行證券交易。經向全體董事作出特定查詢後，確認彼等已於截至2010年6月30日止六個月期間，遵守標準守則所載的規定標準。

本集團所有員工買賣本公司證券必須遵守本公司參照標準守則制定的「方興地產員工買賣公司證券的規定」。本公司董事並不知悉於截至2010年6月30日止六個月期間內有關員工未有遵守該規定的任何事件。

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee under the Board has reviewed the unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 June 2010 and also discussed with the Company's senior management about the matters such as the accounting policies and practices adopted by the Company.

The interim results for the six months ended 30 June 2010 have not been audited but have been reviewed by Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

MATERIAL LITIGATION

For the six months ended 30 June 2010, the Company was not subject to any material litigation that could have a material adverse impact on the Company.

EVENTS AFTER REPORTING PERIOD

Details of significant events after reporting period of the Group are set out in note 16 to the financial statements.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules to govern securities transactions by the directors. Having made specific enquiries of all the directors, the Company confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2010.

All the employees of the Group shall comply with "Rules for Securities Transactions by the Employees of Franshion Properties" formulated by the Company with reference to the Model Code in their dealings in the Company's securities. For the six months ended 30 June 2010, the directors of the Company were not aware of any non-compliance with the rules by any employee.

遵守企業管治常規守則

本公司於截至2010年6月30日止六個月期間，一直遵守上市規則附錄十四所載「企業管治常規守則」(「企業管治守則」)的守則條文。

企業管治守則第A.4.2條規定，所有填補空缺而獲委任的董事，須於獲委任後的首次股東大會上由股東重新選舉，而本公司章程規定，前述董事可於獲委任後首次股東週年大會上由股東選舉。本公司的做法與企業管治守則存在上述細微的區別，但此等差別對本公司經營無任何不利影響。

企業管治守則第E.1.2條規定，董事會主席應出席股東週年大會。本公司主席羅東江先生因公務原因未能出席本公司於2010年6月25日召開之2009年度股東週年大會。董事會已按照本公司章程規定通過有關決議委任何操董事出席並擔任該會議主席。

企業管治守則第E.1.2條亦規定，獨立董事委員會主席應在任何批准關連交易或其他須經獨立批准的交易的股東大會上回應問題。本公司獨立董事委員會主席劉漢銓先生因公務原因未出席本公司於2010年6月25日召開之批准有關關連交易的股東特別大會，獨立非執行董事蘇錫嘉先生已出席該等會議並於會上回應股東提問。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices (“Corporate Governance Code”) set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2010.

Code provision A.4.2 of the Corporate Governance Code stipulates that a director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after the appointment, while the Articles of Association of the Company provides that such director may be elected by the shareholders at the first annual general meeting after the appointment. There exists minor difference between the practices of the Company and that of the Corporate Governance Code, and such difference will not adversely affect the operations of the Company.

Pursuant to Code provision E.1.2 of the Corporate Governance Code, the chairman of the Board shall attend the annual general meeting. Mr. LUO Dongjiang was unable to attend the 2009 annual general meeting of the Company held on 25 June 2010 due to business engagement. The Board has resolved to appoint Mr. HE Cao, a director to attend and act as chairman of such meeting in accordance with the Articles of Association of the Company.

Code provision E.1.2 also provides that, the chairman of the Independent Board Committee shall be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to the approval by independent shareholders. The chairman of the Independent Board Committee of the Company, Mr. LAU Hon Chuen, Ambrose, was unable to attend the extraordinary general meeting held on 25 June 2010 for the purpose of approving the relevant connected transaction due to business engagement. Mr. SU Xijia, an independent non-executive director, attended such meeting and responded to the questions of shareholders at the meeting.

保護環境 共建未來

作為良好企業公民，我們在2010年中期報告全書以環保再生樹林認證（FSC）紙張印製，以履行我們的企業責任，為下一代建立美好的未來。

Protect environment, Create future together

For the reason of good corporate citizenship, we print our 2010 Interim Report with FSC paper to fulfill our corporate responsibility and create a bright future for our next generation.

方興地產(中國)有限公司
FRANSHION PROPERTIES (CHINA) LIMITED

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