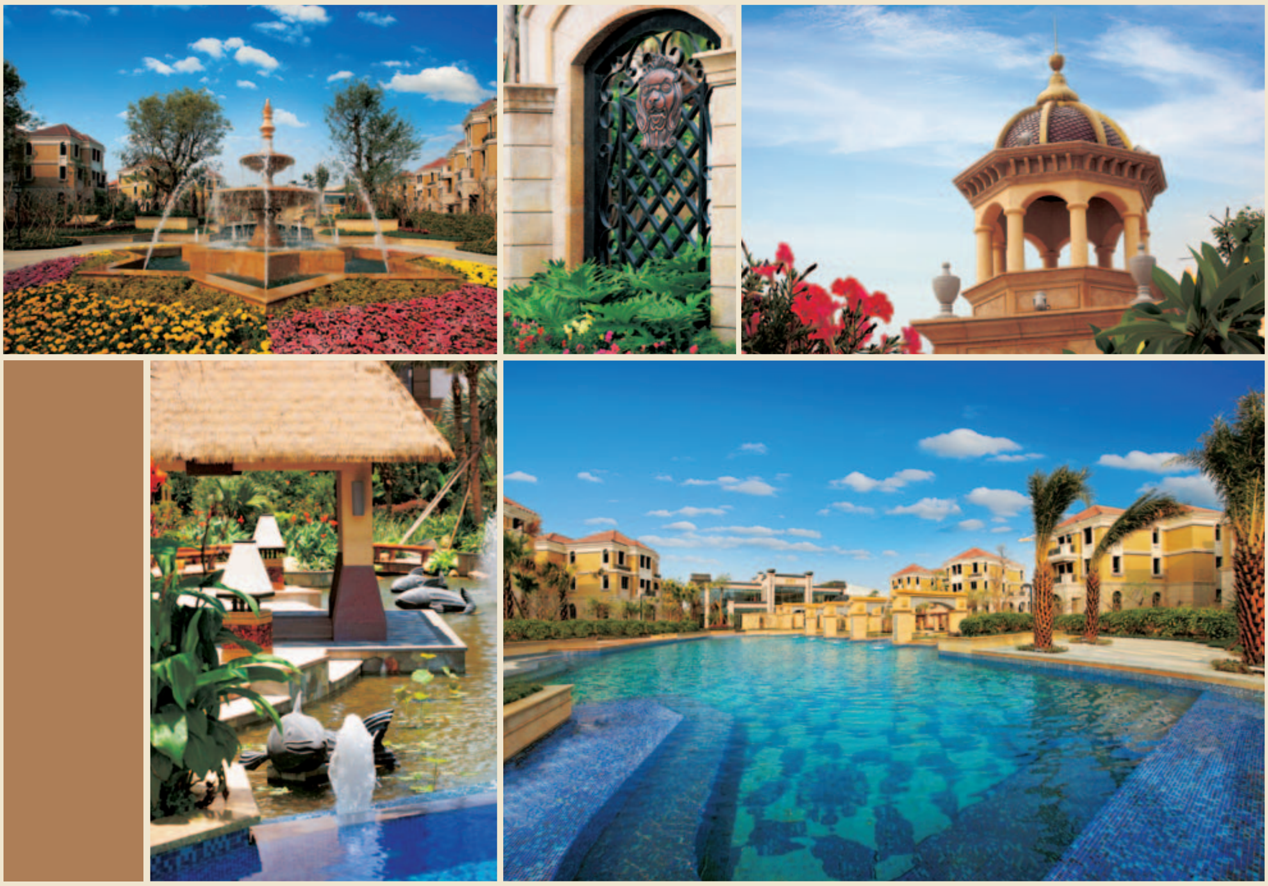
中駿置业



CHINA SCE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

HKEx Stock Code:1966.HK

INTERIM REPORT 2011

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Wong Chiu Yeung *(Chairman)*
Mr. Chen Yuanlai *(Vice Chairman)*
Mr. Cheng Hiu Lok *(Vice Chairman)*
Mr. Li Wei
Mr. Liu Zhijie
(Appointed on 1 May 2011)
Mr. Huang Youquan
(Appointed on 1 May 2011)

Non-executive Director

Mr. Fung Ka Pun

Independent Non-executive Directors

Mr. Ting Leung Huel Stephen
Mr. Lu Hong Te
Mr. Dai Yiyi

COMPANY SECRETARY

Mr. Li Siu Po

AUTHORISED REPRESENTATIVES

Mr. Wong Chiu Yeung
Mr. Li Siu Po

AUDIT COMMITTEE

Mr. Ting Leung Huel Stephen *(Chairman)*
Mr. Lu Hong Te
Mr. Dai Yiyi

REMUNERATION COMMITTEE

Mr. Wong Chiu Yeung *(Chairman)*
Mr. Ting Leung Huel Stephen
Mr. Dai Yiyi

NOMINATION COMMITTEE

Mr. Cheng Hiu Lok *(Chairman)*
Mr. Li Wei
Mr. Lu Hong Te

AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

As to Hong Kong law:
Chiu & Partners

COMPLIANCE ADVISORS

Cinda International Capital Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

SCE Building
No. 208, Nanwu Road
Gaoqi, Xiamen
Fujian Province
China

PLACE OF BUSINESS IN HONG KONG

Room 1606, Nanyang Plaza
No. 57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China
Agricultural Bank of China
Bank of China
China Construction Bank
Hongkong and Shanghai Banking Corporation
Hang Seng Bank

INVESTOR RELATIONS

Email: ir@sce-re.com
Fax: (86) 592 5721 855

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1966.HK

COMPANY WEBSITE

www.sce-re.com

Corporate Profile

China SCE Property Holdings Limited ("China SCE Property" or the "Company") and its subsidiaries (collectively, the "Group") were established in 1996 and listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") in February 2010 (Stock Code: 1966). The Group's major businesses include investment holding, real estate development, property investment and property management. The Company upholds "constructing a classic homestead" as its corporate mission and strives for excellence in product quality. After many years of development, the Company has established a good brand image in the industry and was granted the awards and honours of "Top 100 Real Estate Enterprises in China" and "Star of the Top 100 Real Estate Enterprises in China" for four consecutive years.

China SCE Property is headquartered in Xiamen as its development base for carrying out its national development strategy of "firming its foothold on West Taiwan Strait Economic Zone; expanding into the Bohai Rim Economic Zone; and paying attention to the Pearl River Delta Economic Zone". As at 30 June 2011, the Group together with its jointly-controlled entity and associates, owned a land bank with aggregate planned gross floor area of approximately 8.42 million sq.m., distributed over Beijing, Shenzhen, Xiamen, Quanzhou, Zhangzhou, Anshan, Tangshan, Linfen, etc. The current land bank is sufficient for the development and construction needs of the Group for the next four to five years.

China SCE Property will fully utilise its international capital platform established through its listing in Hong Kong to implement prudent financial development strategies. In future development, the Company will actively implement its development strategies on the basis of emphasising and improving product quality as it always did, and strive to become a regional leader in the industry to maximise the value created for our shareholders and make greater contributions to both the real estate industry and the society at large.

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2011.

MARKET REVIEW

In order to strengthen and improve the effect of macro economic control measures and promote the stable and healthy development of the real estate market, the central government introduced "The Eight New Rules" on 26 January 2011. This demonstrated the strong intention of the central government to strengthen control over property market and curb the rising property prices. The introduction of "The Eight New Rules" further constrained room for investment and speculation in the residential property sector and resulted in a drastic decrease in trading volume of properties in cities where "purchase restriction" was implemented.

Meanwhile, inflation worsened in the first half of 2011 and was the primary task for the macro economic control by the central government in the first half of the year. By increasing the deposit reserve ratio and lending and deposit interest rates several times, the central government was able to preliminarily control the inflation. However, a series of credit tightening policies imposed a serious challenge on the capital chain and financing cost of enterprises, and property developers were of no exception.

The Group continued to proactively cope with the normalised macro economic control measures and managed to deliver excellent pre-sales results in the first half of 2011 through prudent and sound operation strategies.

BUSINESS REVIEW

For the six months ended 30 June 2011, the Group sold and delivered 6,710 sq.m. of sales area, representing a decrease of 95% from 142,829 sq.m. in the corresponding period in 2010. Our revenue from property sales amounted to RMB59,246,000, representing a decrease of 97% from RMB2,062,235,000 recorded in the corresponding period in 2010. As no new property project was completed in the first half of 2011 and our sales revenue was mainly from sales of unsold property units from projects completed last year, our sales revenue decreased significantly from that of last year. According to our development plan, property projects expected to be completed this year will mainly be completed and delivered to customers in the second half of the year. Profit/loss attributable to the owners of the parent changed from a profit of RMB612,844,000 in the first half of 2010 to a loss of RMB103,493,000 in the first half of 2011.

In view of the austerity policies implemented in the PRC property market, the Group took the following measures in the first half of 2011:

Firstly, the Company successfully issued the US$-settled RMB denominated five-year senior notes on 14 January 2011 whereby it raised RMB2 billion to provide positive cash flow for the Group's land acquisition and property development. Secondly, the Group speeded up the roll-out of new property units to accelerate the recovery of funds. The Group rolled out four new projects during the period, namely Sapphire Boomtown Phase 1, Sunshine Mansion, Provence Town and Fortune Plaza • Royal Terrace. Thirdly, the Group flexibly adjusted its product structure and introduced a diversity of products to meet the demand of different customer groups, with a view to realising satisfactory pre-sales results. Through the above-mentioned proactive measures, the Group saw a substantial growth in contract sales for the six months ended 30 June 2011. Contract sales area increased by 74% from that of the corresponding period of last year to approximately 340,000 sq.m. Contract sales amount increased by 132% from that of the corresponding period of last year to RMB2.85 billion. The Group had achieved 57% of its contract sales target for 2011.

As at 30 June 2011, the Group together with its jointly-controlled entities, had a total of 11 projects under construction with a total planned gross floor area of 1.83 million sq.m.

City	Name of project	Type of property	Total gross floor area ("GFA") (sq.m.)	Interest attributable to the Group (%)
Quanzhou	Fortune Plaza • Parkview Bay	Residential	300,398	58
Quanzhou	Fortune Plaza • Royal Terrace	Residential	249,436	58
Quanzhou	Sunshine Town Phase 1 (Blocks 9-17)	Residential	152,634	100
Quanzhou	Sapphire Peninsula	Residential	267,676	100
Quanzhou	Purple Lake International Golf Villa Phase 1	Residential	62,217	49
Quanzhou	Sunshine Mansion	Residential	300,641	80
Zhangzhou	Sapphire Boomtown Phase 1	Residential	148,578	100
Xiamen	The Regent	Residential	85,192	60
Xiamen	SCE Building Phase 2	Office building	36,333	100
Xiamen	Provence Town	Residential	142,930	90
Linfen	SCE International Community Phase 1	Residential	82,809	90
Total			1,828,844	

As at 30 June 2011, the Group together with its jointly-controlled entity and associates, owned a land bank with an aggregate planned GFA of approximately 8.42 million sq.m. (attributable portion was approximately 6.22 million sq.m.), including an aggregate planned GFA of approximately 1.45 million sq.m. for which framework agreements had been entered into with local governments. In terms of geographical distribution, approximately 65% of the Group's land bank was located in the Western Taiwan Strait Economic Zone, 30% in the Bohai Rim Economic Zone, and the remaining 5% in Shenzhen.

BUSINESS OUTLOOK

Austerity policies will continue to affect the property market in the second half of 2011, especially in cities where "purchase restriction" is implemented. As most of the Group's projects available for pre-sales during the year are located in cities which are not subject to the "purchase restriction" and face strong demand from owner-occupiers, the Group was slightly affected by the austerity policies. In the second half of the year, the Group will continue to accelerate the roll-out of new projects, including Sapphire Peninsula in Quanzhou, Sapphire Villa in Tangshan and Royal Spring City Phase 1 in Anshan.

In addition to the development of residential properties, the Group will accelerate the development of commercial properties in the second half of 2011, when construction of the commercial portion of Fortune Plaza commences. We believe that rental income from commercial properties will provide the Group with reliable cash flows in the future.

Furthermore, the Group will continue to adopt sound financial strategies and prudent cash management policies. As at 30 June 2011, the Group had cash and cash equivalents of RMB3,035,724,000 and net gearing ratio of 36.6%, which represented a healthy level in the industry. The Group will take full advantage of its surplus funds to acquire quality plots of land at reasonable prices in the second half of 2011 to lay a solid foundation for its future project development.

FINANCIAL REVIEW

Revenue

The revenue of the Group mainly includes sales of properties, rental income and property management income.

Revenue for the six months ended 30 June 2011 amounted to RMB105,159,000, representing a significant decrease of 95% from RMB2,090,464,000 in the corresponding period in 2010. This was due to the significant decrease in income from sale of properties during the period.

Sale of properties

For the six months ended 30 June 2011, revenue from property sales was RMB59,246,000, representing a significant decrease of 97% from RMB2,062,235,000 recorded in the corresponding period in 2010. This was attributable to the significant decrease in delivered area from 142,829 sq.m. in the first half of 2010 to 6,710 sq.m. in the first half of 2011.

Rental income

For the six months ended 30 June 2011, rental income was RMB30,401,000, representing an increase of 77% from RMB17,156,000 recorded in the corresponding period in 2010. This was mainly due to the increase in the leased area for the retail shops during the period.

Property management fees

For the six months ended 30 June 2011, property management income was RMB15,512,000, representing an increase of 40% from RMB11,073,000 recorded in the corresponding period in 2010. This was attributable to the increase in the number and floor area of properties under management.

Cost of sales

Cost of sales significantly decreased by 95% from RMB1,077,621,000 in the first half of 2010 to RMB50,835,000 in the first half of 2011. The decrease in cost of sales was mainly attributable to the significant decrease in delivered area in the first half of the year.

Gross profit

Gross profit significantly decreased by 95% from RMB1,012,843,000 in the first half of 2010 to RMB54,324,000 in the first half of 2011. The decrease in gross profit was attributable to the sharp decrease in delivered area. Gross profit margin increased from 48% in the first half of 2010 to 52% in the first half of 2011.

Changes in fair value of investment properties

The fair value gain of investment properties increased by 11 times from RMB8,000,000 in the first half of 2010 to RMB93,192,000 in the first half of 2011. The significant increase in the fair value of investment properties was mainly attributable to the increase in the GFA of investment properties.

Selling and marketing expenses

Selling and marketing expenses increased by 54% from RMB48,213,000 in the first half of 2010 to RMB74,081,000 in the first half of 2011. The increase in selling and marketing expenses was mainly attributable to the roll-out of more property projects. The receipts in advance from the pre-sale of properties will be recognised as revenue in subsequent reporting periods according to our delivery schedule.

Administrative expenses

Administrative expenses increased by 8% from RMB85,298,000 in the first half of 2010 to RMB92,047,000 in the first half of 2011. The increase in administrative expenses was mainly attributable to the employment of additional management personnel to cope with the needs of business expansion.

Finance costs

Finance costs significantly increased by 140 times from RMB949,000 in the first half of 2010 to RMB133,405,000 in the first half of 2011. The increase in finance costs was attributable to the increase in interest expenses as a result of the issuance of senior notes in January 2011.

Share of profits and losses of jointly-controlled entities and associates

Share of profits and losses of jointly-controlled entities and associates changed from profits of RMB118,595,000 in the first half of 2010 to losses of RMB4,714,000 in the first half of 2011. The incurrence of losses for the period was mainly due to the fact that no new property project was completed and delivered by jointly-controlled entities and associates in the first half of 2011.

Income tax expense

Income tax expense significantly decreased by 98% from RMB419,076,000 in the first half of 2010 to RMB7,706,000 in the first half of 2011. The significant decrease in tax expenses was mainly attributable to the significant decrease in corporate income tax and land appreciation tax resulting from the significant decrease in assessable income in the first half of 2011.

Profit/loss attributable to owners of the parent

Profit/loss attributable to owners of the parent changed from a profit of RMB612,844,000 in the first half of 2010 to a loss of RMB103,493,000 in the first half of 2011. The loss attributable to owners of the parent for the period was mainly due to the substantial decrease in delivered area in the first half of 2011.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2011, the Group's cash and bank balances was approximately RMB3,446,907,000 (31 December 2010: approximately RMB1,522,129,000), of which approximately RMB3,152,927,000 (31 December 2010: approximately RMB1,488,581,000) was denominated in Renminbi, approximately RMB10,846,000 (31 December 2010: approximately RMB33,410,000) was denominated in Hong Kong dollars and approximately RMB283,134,000 (31 December 2010: approximately RMB138,000) was denominated in US dollars.

According to the relevant laws and regulations of the PRC, certain property development companies of the Group were required to place certain amounts of cash and bank deposits into designated bank accounts to provide bank guarantees. As at 30 June 2011, the amount of restricted cash was approximately RMB411,183,000 (31 December 2010: approximately RMB253,238,000).

Borrowings and pledged assets

As at 30 June 2011, the balance of the Group's interest-bearing bank and other borrowings and senior notes amounted to approximately RMB3,103,635,000 (31 December 2010: approximately RMB2,714,245,000) and RMB1,952,603,000 (31 December 2010: nil). Of the interest-bearing bank and other borrowings, approximately RMB1,147,130,000 (31 December 2010: approximately RMB631,891,000) was repayable within one year, approximately RMB894,009,000 (31 December 2010: approximately RMB1,066,184,000) was repayable in the second year, approximately RMB1,045,953,000 (31 December 2010: approximately RMB1,013,552,000) was repayable within three to five years and approximately RMB16,543,000 (31 December 2010: approximately RMB2,618,000) was repayable after five years. The senior notes were for a term of five years and, unless early redeemed, will mature on 14 January 2016.

As at 30 June 2011, approximately RMB3,103,635,000 (31 December 2010: approximately RMB2,714,245,000) of bank and other borrowings was secured by the Group's property and equipment, investment properties, prepaid land lease payments, properties under development and completed properties held for sale with a total carrying value of RMB5,914,925,000 (31 December 2010: approximately RMB5,155,158,000). The senior notes issued in January 2011 were secured by pledges over the capital stock of certain subsidiaries of the Company.

Except for certain secured bank borrowings of approximately RMB40,685,000 as at 30 June 2011 (31 December 2010: approximately RMB50,282,000) which were denominated in Hong Kong dollars, all the Group's bank and other borrowings and senior notes were denominated in Renminbi.

As at 30 June 2011, the Group's bank and other borrowings bore interest at floating interest rates, while senior notes bore interest at fixed interest rate. The carrying amounts of the Group's bank and other borrowings and senior notes approximate to their fair values.

Gearing ratio

The net gearing ratio was calculated by dividing the net amount of borrowings (interest-bearing bank and other borrowings and senior notes after deduction of cash and cash equivalents and restricted cash) by total equity. As at 30 June 2011, the net gearing ratio was 36.6% (31 December 2010: 25.4%).

Exchange rate fluctuation exposures

The majority of the Group's income and expenses are denominated in Renminbi. Therefore any exchange rate changes of Renminbi against other currencies will not have material adverse effect on the operation of the Group. As such, we have not entered into any hedging transaction during the period under review.

CONTINGENT LIABILITIES

As at 30 June 2011, the Group provided financial guarantees to the banks in respect of the following items:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	**1,786,427**	1,305,421

In addition, the Group's share of the jointly-controlled entities' and associates' own financial guarantees which are not included in the above, is as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Guarantees in respect of mortgage facilities provided for certain purchasers of the jointly-controlled entities' properties	**46,105**	334,531
Guarantees in respect of mortgage facilities provided for certain purchasers of the associates' properties	**19,570**	24,635

CAPITAL COMMITMENTS

As at 30 June 2011, the capital commitments of the Group were as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Contracted, but not provided for:		
Capital expenditure for properties under development, completed properties held for sale and construction of investment and owner-occupied properties	**1,855,917**	1,812,174

In addition, the Group's share of the jointly-controlled entities' own capital commitments which are not included in the above, is as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Contracted, but not provided for:		
Capital expenditure for jointly-controlled entities' properties under development	**62,721**	75,508

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2011, the Group had a total of 1,183 employees. The total cost of employees for the six months ended 30 June 2011 was approximately RMB44,372,000 (six months ended 30 June 2010: approximately RMB33,710,000). We provide employees with competitive remuneration and benefits, and the remuneration policy will be reviewed on a regular basis based on the performance and contribution of the employees and the industry remuneration level. In addition, the Group also provides various training courses to enhance the employees' skills and capabilities in all aspects.

USE OF PROCEEDS

The Company's shares have been listed on the Stock Exchange since 5 February 2010. Proceeds from the issuance of new shares pursuant to the Company's initial public offering amounted to approximately HK$1,500 million (RMB1,318 million) (net of related issuing expenses). Such net proceeds have been used in the following manner:

	Amount raised RMB'million	Amount used as at 30 June 2011 RMB'million
Land premium	660	660
Development of existing property projects	528	268
General working capital	130	130
Total	1,318	1,058

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

At 30 June 2011, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in ordinary shares of the Company:

	Interest in shares			
Name of Director	**Personal interest**	**Interest of controlled corporation**	**Number of shares held**	**Percentage of the Company's issued share capital**
Mr. Wong Chiu Yeung ("Mr. Wong")	1,000,000	1,640,000,000 (Note 1)	1,641,000,000	57.5
Mr. Chen Yuanlai ("Mr. Chen")	—	120,000,000 (Note 2)	120,000,000	4.2
Mr. Cheng Hiu Lok ("Mr. Cheng")	—	120,000,000 (Note 3)	120,000,000	4.2
Mr. Fung Ka Pun ("Mr. Fung")	—	12,380,000 (Note 4)	12,380,000	0.4

Note 1: These 1,640,000,000 shares are registered in the name of Newup Holdings Limited ("Newup"). Mr. Wong holds the entire issued share capital of Newup and is deemed to be interested in the 1,640,000,000 shares held by Newup pursuant to the SFO.

Note 2: These 120,000,000 shares are registered in the name of Rising Trade Holdings Limited. Mr. Chen holds the entire issued share capital of Rising Trade Holdings Limited and is deemed to be interested in the 120,000,000 shares held by Rising Trade Holdings Limited pursuant to the SFO.

Note 3: These 120,000,000 shares are registered in the name of Wealthy Gate Holdings Limited. Mr. Cheng holds the entire issued share capital of Wealthy Gate Holdings Limited and is deemed to be interested in the 120,000,000 shares held by Wealthy Gate Holdings Limited pursuant to the SFO.

Note 4: These 12,380,000 shares are registered in the name of Goodwill International (Holdings) Limited of which 2,600,000 shares are held in trust of the K P Fung Family Trust, a discretionary trust set up by Mr. Fung. 19% and 25.44% of the entire issued share capital of Goodwill International (Holdings) Limited is directly and indirectly owned by Mr. Fung, respectively. As such, he is deemed to be interested in all these shares held by Goodwill International (Holdings) Limited, as to 9,780,000 Shares as interest of controlled corporation and as to 2,600,000 shares as founder of a discretionary trust.

Save as disclosed above, as at 30 June 2011, none of the Directors or chief executives had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2011, the interests or short positions of the persons (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions:

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Newup (Note)	Directly beneficially owned	1,640,000,000	57.5

Note: Newup is wholly-owned and controlled by Mr. Wong, accordingly, Mr. Wong is deemed to be interested in the shares held by Newup pursuant to the SFO. Mr. Wong is the sole director of Newup.

Save as disclosed above, as at 30 June 2011, no person (other than a Director or chief executive of the Company, whose interests are set out in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above) had registered an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The participants of the Scheme include any directors (including executive directors, non-executive director and independent non-executive directors) and employees of any member of the Group and any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

The Scheme became effective on 6 January 2010 and unless otherwise cancelled or amended, will remain in force for a period of 10 years to 5 January 2020.

During the six months ended 30 June 2011, no share options were granted, exercised or cancelled by the Company under the Scheme. There are no outstanding share options under the Scheme as at 30 June 2011.

CORPORATE GOVERNANCE PRACTICES

The Company firmly believes that insisting on a high standard of corporate governance facilitates the maintenance of high efficiency of senior management as well as protects interests of the Company and the shareholders. Therefore the Company strives to develop and implement effective corporate governance practices and continuously makes amendment to them so as to enhance the operational efficiency of the Company. During the six months ended 30 June 2011, the Company and the Board had been in compliance with the code provisions of the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Listing Rules, save as disclosed below.

Under Rule A.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The Board believes that the serving by the same individual as chairman and chief executive officer when the business is rapidly developing would be beneficial to the consistent business planning and decision-making of the Company. During the period, Mr. Wong Chiu Yeung performed his duties as the chairman and the chief executive officer of the Company.

AUDIT COMMITTEE

The Company established an Audit Committee on 6 January 2010 in compliance with Rule 3.21 of the Listing Rules. As required, the Audit Committee of the Company comprises three independent non-executive Directors, with Mr. Ting Leung Huel Stephen as the chairman. The other two members are Mr. Lu Hong Te and Mr. Dai Yiyi. Mr. Ting Leung Huel Stephen, the chairman of the Company's Audit Committee, has considerable experience in accounting and financial management, which is in line with the requirement of Rule 3.10(2) of the Listing Rules.

During the period under review, the Audit Committee oversaw the entire financial reporting process and the internal control measures; discussed the accounting principles and policies adopted by the Group together with the management and the external auditors; and reviewed the unaudited interim condensed financial statements for the six months ended 30 June 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

Other Information

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2011.

By order of the Board
Wong Chiu Yeung
Chairman

Hong Kong, 18 August 2011

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
REVENUE	4	**105,159**	2,090,464
Cost of sales		**(50,835)**	(1,077,621)
Gross profit		**54,324**	1,012,843
Other income and gains	4	**40,095**	6,769
Changes in fair value of investment properties		**93,192**	8,000
Selling and marketing expenses		**(74,081)**	(48,213)
Administrative expenses		**(92,047)**	(85,298)
Finance costs	5	**(133,405)**	(949)
Share of profits and losses of:			
Jointly-controlled entities		**(2,590)**	88,228
Associates		**(2,124)**	30,367
PROFIT/(LOSS) BEFORE TAX	6	**(116,636)**	1,011,747
Income tax expense	7	**(7,706)**	(419,076)
PROFIT/(LOSS) FOR THE PERIOD		**(124,342)**	592,671
OTHER COMPREHENSIVE INCOME/(LOSS):			
Share of other comprehensive income of jointly-controlled entities		**2,116**	13
Share of other comprehensive income of associates		**3,501**	717
Exchange differences on translation of foreign operations		**(6,426)**	(4,650)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		**(809)**	(3,920)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(125,151)**	588,751

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Profit/(loss) attributable to:			
Owners of the parent		**(103,493)**	612,844
Non-controlling interests		**(20,849)**	(20,173)
		(124,342)	592,671
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**(118,203)**	607,507
Non-controlling interests		**(6,948)**	(18,756)
		(125,151)	588,751
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted (RMB: cents)		**(3.6)**	22.4

Details of the dividend for the period are disclosed in note 8 to the condensed consolidated financial statements.

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
NON-CURRENT ASSETS			
Property and equipment	10	**108,632**	115,610
Investment properties		**1,513,000**	1,396,000
Prepaid land lease payments		**1,712,889**	1,613,786
Intangible asset		**4,588**	4,662
Properties under development	10	**549,673**	409,828
Contract in progress	10	**132,994**	26,457
Investments in jointly-controlled entities		**140,984**	141,456
Investments in associates		**49,564**	46,282
Prepayments and deposits		**515,041**	357,197
Deferred tax assets		**152,670**	70,004
Total non-current assets		**4,880,035**	4,181,282
CURRENT ASSETS			
Properties under development	10	**5,421,007**	4,250,492
Completed properties held for sale		**115,763**	147,462
Trade receivables	11	**36,775**	27,107
Prepayments, deposits and other receivables		**429,867**	205,974
Due from related parties		**301,747**	218,411
Tax recoverable		**137,004**	24,832
Restricted cash		**411,183**	253,238
Cash and cash equivalents		**3,035,724**	1,268,891
Total current assets		**9,889,070**	6,396,407
CURRENT LIABILITIES			
Trade payables	12	**323,193**	443,456
Receipts in advance		**3,691,790**	1,531,958
Other payables and accruals		**526,700**	476,658
Interest-bearing bank and other borrowings	13	**1,147,130**	631,891
Due to related parties		**91,827**	76,798
Tax payable		**457,456**	454,581
Total current liabilities		**6,238,096**	3,615,342
NET CURRENT ASSETS		**3,650,974**	2,781,065

Consolidated Statement of Financial Position

30 June 2011

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
NET CURRENT ASSETS		**3,650,974**	2,781,065
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,531,009**	6,962,347
NON-CURRENT LIABILITIES			
Other payables		**16,410**	16,410
Interest-bearing bank and other borrowings	13	**1,956,505**	2,082,354
Senior notes	14	**1,952,603**	—
Deferred tax liabilities		**194,283**	170,985
Provision for major overhauls		**9,741**	7,648
Total non-current liabilities		**4,129,542**	2,277,397
Net assets		**4,401,467**	4,684,950
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	**250,683**	250,683
Reserves		**3,190,344**	3,416,376
		3,441,027	3,667,059
Non-controlling interests		**960,440**	1,017,891
Total equity		**4,401,467**	4,684,950

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the parent										
	Issued capital (Unaudited) RMB'000	Share premium account (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Merger reserve (Unaudited) RMB'000	Other reserves (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
At 1 January 2011	250,683	1,749,699*	(173)*	115,268*	30*	6,403*	66,057*	1,479,092*	3,667,059	1,017,891	4,684,950
Loss for the period	—	—	—	—	—	—	—	(103,493)	(103,493)	(20,849)	(124,342)
Other comprehensive income/(loss) for the period:											
Share of other comprehensive income of jointly-controlled entities	—	—	—	—	—	2,116	—	—	2,116	—	2,116
Share of other comprehensive income of associates	—	—	—	—	—	3,501	—	—	3,501	—	3,501
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(20,327)	—	(20,327)	13,901	(6,426)
Total comprehensive income/(loss) for the period	—	—	—	—	—	5,617	(20,327)	(103,493)	(118,203)	(6,948)	(125,151)
Acquisition of non-controlling interests	—	—	16,461	—	—	—	—	—	16,461	(50,503)	(34,042)
Final 2010 dividend approved	—	—	—	—	—	—	—	(124,290)	(124,290)	—	(124,290)
At 30 June 2011	250,683	1,749,699*	16,288*	115,268*	30*	12,020*	45,730*	1,251,309*	3,441,027	960,440	4,401,467

* These reserve accounts comprise the consolidated reserves of RMB3,190,344,000 (31 December 2010: RMB3,416,376,000) in the consolidated statement of financial position.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the parent										
	Issued capital (Unaudited) RMB'000	Share premium account (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Merger reserve (Unaudited) RMB'000	Other reserves (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
At 1 January 2010	11	681,988	5,693	72,759	30	3,511	70,093	675,290	1,509,375	802,851	2,312,226
Profit/(loss) for the period	—	—	—	—	—	—	—	612,844	612,844	(20,173)	592,671
Other comprehensive income/(loss) for the period:											
Share of other comprehensive income of jointly-controlled entities	—	—	—	—	—	13	—	—	13	—	13
Share of other comprehensive income of associates	—	—	—	—	—	717	—	—	717	—	717
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(6,067)	—	(6,067)	1,417	(4,650)
Total comprehensive income/(loss) for the period	—	—	—	—	—	730	(6,067)	612,844	607,507	(18,756)	588,751
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	181,338	181,338
Capitalisation of share premium	197,956	(197,956)	—	—	—	—	—	—	—	—	—
Issue of shares	52,716	1,317,900	—	—	—	—	—	—	1,370,616	—	1,370,616
Share issue expenses	—	(52,233)	—	—	—	—	—	—	(52,233)	—	(52,233)
Acquisition of non-controlling interests	—	—	(15,847)	—	—	—	—	—	(15,847)	(39,023)	(54,870)
At 30 June 2010	250,683	1,749,699	(10,154)	72,759	30	4,241	64,026	1,288,134	3,419,418	926,410	4,345,828

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(191,635)**	(963,338)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(255,127)**	(26,041)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**2,217,703**	1,726,872
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,770,941**	737,493
Cash and cash equivalents at beginning of period	**1,268,891**	489,480
Effect of foreign exchange rate changes, net	**(4,108)**	(1,310)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,035,724**	1,225,663
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**3,035,724**	1,225,663

1. BASIS OF PREPARATION

China SCE Property Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The principal activities of the Company and its subsidiaries (collectively the "Group") are described in note 3 to the condensed consolidated financial statements.

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2010.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 to the condensed consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards - Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation - Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Apart from the above, the Group has also adopted *Improvements to HKFRSs 2010** issued by the HKICPA which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* *Improvements to HKFRSs 2010* contain amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13.

Other than as further explained below regarding the impact of HKAS 24 (Revised), amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of these new and revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. While the adoption of the revised standard has resulted in changes in the accounting policy, the revised standard does not have any impact on the related party disclosures as the Group has not had any significant transactions with government-related entities.

(b) *Improvements to HKFRSs 2010*

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations:* Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

  The amendments also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) *Improvements to HKFRSs 2010* (Continued)

- HKAS 1 *Presentation of Financial Statements*: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

- HKAS 27 *Consolidated and Separate Financial Statements*: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. SEGMENT INFORMATION

The Group is principally engaged in the businesses of property development, property investment and property management. For management purposes, the property development and property investment businesses are monitored as one operating segment on a project basis to allocate resources and assess performance. For financial reporting purposes, the property management segment combines with the property development and investment segment as its reported revenue, reported results and assets are less than 10% of the consolidated revenue, consolidated profit and consolidated assets of the Group.

The Group's revenue from external customers from each product or service is set out in note 4 to the condensed consolidated financial statements.

The Group's revenue from external customers is derived solely from its operations in the People's Republic of China (the "PRC"), and the non-current assets of the Group are substantially located in the PRC.

During the period, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
Sale of properties	**59,246**	2,062,235
Gross rental income	**30,401**	17,156
Property management fees	**15,512**	11,073
	105,159	2,090,464
Other income and gains		
Bank interest income	**25,838**	3,848
Foreign exchange gains, net	**9,100**	657
Others	**5,157**	2,264
	40,095	6,769

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank and other borrowings and senior notes wholly repayable within five years	**193,433**	68,379
Interest on bank and other borrowings repayable beyond five years	**1,218**	162
Increase in a discounted amount of provision for major overhauls arising from the passage of time	**172**	86
Exchange differences arising from retranslation of senior notes	**46,450**	—
Total interest expense on financial liabilities not at fair value through profit or loss	**241,273**	68,627
Less: Interest capitalised	**(107,868)**	(67,678)
	133,405	949

6. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of properties sold	**39,580**	1,069,000
Cost of services provided	**11,255**	8,621
Depreciation	**7,093**	4,400
Amortisation of land lease payments	**20,040**	25,217
Amortisation of an intangible asset	**74**	83
Employee benefit expense (including directors' remuneration):		
Salaries and other staff costs	**39,294**	32,512
Pension scheme contributions	**5,078**	1,198
Less: Amount capitalised	**(13,848)**	(6,411)
	30,524	27,299
Foreign exchange differences, net	**37,350**	(657)
Write-off of items of property and equipment	**768**	402
Gain on disposal of items of property and equipment	**(239)**	—

7. INCOME 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 (six months ended 30 June 2010: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Group:		
Current charge for the period:		
PRC corporate income tax	**77,505**	231,878
PRC land appreciation tax	**1,448**	230,462
	78,953	462,340
Deferred tax	**(71,247)**	(43,264)
Total tax charge for the period	**7,706**	419,076

During the six months ended 30 June 2011, the share of tax credit attributable to jointly-controlled entities amounting to RMB683,000 (six months ended 30 June 2010: tax charge of RMB94,735,000) and the share of tax charge attributable to associates amounting to RMB31,000 (six months ended 30 June 2010: RMB20,060,000) are included in "Share of profits and losses of jointly-controlled entities and associates" in profit or loss of the consolidated statement of comprehensive income.

8. DIVIDENDS

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interim - Nil (six months ended 30 June 2010: HK4 cents per ordinary share)	**—**	99,814

A final dividend of HK5 cents per ordinary share amounting to RMB124,290,000 for the year ended 31 December 2010 was paid on 5 May 2011 by the Company.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount for the current period is based on the loss for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 2,853,200,000 in issue during the period.

The calculation of the basic earnings per share amount for the prior period is based on the profit for that period attributable to owners of the parent and the weighted average number of ordinary shares of 2,737,177,901 in issue during that period. The weighted average number of ordinary shares in issue during that period had been retrospectively adjusted to reflect the capitalisation issue in February 2010.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 June 2011 and 2010 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

10. ADDITIONS TO PROPERTY AND EQUIPMENT, PROPERTIES UNDER DEVELOPMENT AND CONTRACT IN PROGRESS

During the six months ended 30 June 2011, the Group incurred approximately RMB6,115,000 (six months ended 30 June 2010: RMB29,504,000) on the acquisition of items of property and equipment.

During the six months ended 30 June 2011, the Group incurred approximately RMB1,310,360,000 (six months ended 30 June 2010: RMB1,199,233,000) and approximately RMB106,537,000 (six months ended 30 June 2010: Nil) on the additions to properties under development and contract in progress, respectively.

11. TRADE RECEIVABLES

The Group's trade receivables arise from the sale of properties, leasing of investment properties and provision of property management services.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services. The Group generally grants a rent-free period for three months to the lessees of the Group's investment properties, extending up to six months for major customers.

Since the Group's trade receivables related to a number of diversified customers, there is no significant concentration of credit risk. All trade receivables are non-interest-bearing.

11. TRADE RECEIVABLES (Continued)

The aged analysis of the trade receivables that are not considered to be impaired as at the end of the reporting period is as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Neither past due nor impaired	**22,515**	12,671
1 to 6 months past due	**13,442**	9,711
7 to 12 months past due	**631**	2,243
Over 1 year past due	**187**	2,482
	36,775	27,107

12. TRADE PAYABLES

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

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Within 1 year	**318,856**	437,989
Over 1 year	**4,337**	5,467
	323,193	443,456

The trade payables are non-interest-bearing and repayable within the normal operating cycle or on demand.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2011 (Unaudited)			31 December 2010 (Audited)		
	Contractual interest rate (%) per annum	**Maturity**	**RMB'000**	Contractual interest rate (%) per annum	Maturity	RMB'000
Current						
Bank loans - secured	**2.50 - 8.20**	**2011 - 2012**	**468,630**	2.50 - 5.84	2011	548,282
Current portion of long term bank loans - secured	**5.76 - 7.48**	**2012**	**528,500**	2.50 - 6.05	2011	83,609
Other borrowings - secured	**10.00**	**2012**	**150,000**	—	—	—
			1,147,130			631,891
Non-current						
Bank loans - secured	**5.76 - 7.48**	**2012 - 2017**	**1,956,505**	2.50 - 6.05	2012 - 2028	1,932,354
Other borrowings - secured	**—**	**—**	**—**	10.00	2012	150,000
			1,956,505			2,082,354
			3,103,635			2,714,245

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**997,130**	631,891
In the second year	**894,009**	916,184
In the third to fifth years, inclusive	**1,045,953**	1,013,552
Beyond five years	**16,543**	2,618
	2,953,635	2,564,245
Other borrowings repayable:		
Within one year	**150,000**	—
In the second year	**—**	150,000
	150,000	150,000
	3,103,635	2,714,245

Notes:

(a) Certain of the Group's bank loans are secured by the Group's property and equipment, investment properties, prepaid land lease payments, properties under development and completed properties held for sale, details of which are disclosed in note 18 to the condensed consolidated financial statements.

(b) As at 30 June 2011, certain of the Group's bank loans with an aggregate amount of RMB33,232,000 (31 December 2010: RMB42,499,000) were secured by share charges in respect of the equity interests of certain subsidiaries of the Group.

(c) Except for certain secured bank loans of RMB40,685,000 (31 December 2010: RMB50,282,000) as at 30 June 2011, which were denominated in Hong Kong dollars, all of the Group's bank and other borrowings were denominated in RMB.

(d) At the end of the reporting period, all borrowings bear interest at floating interest rates. The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

14. SENIOR NOTES

On 14 January 2011, the Company issued senior notes with an aggregate principal amount of RMB2,000,000,000 at 100% of face value (the "Senior Notes"), which are listed on the Singapore Exchange Securities Trading Limited. The Senior Notes are denominated in RMB and settled in US dollars, and bear coupon at 10.5% per annum payable semi-annually in arrears. The net proceeds, after deduction of direct issuance costs, amounted to approximately RMB1,949,425,000. The Senior Notes will mature on 14 January 2016. The Company, at its option, can redeem all or a portion of the Senior Notes at any time prior to the maturity date at the redemption prices (principal amount plus applicable premium) plus accrued and unpaid interest up to the redemption date, as set forth in the written agreement between the Company and the trustees of the Senior Notes. The Senior Notes are secured by pledges over the capital stock of certain subsidiaries of the Company.

At the end of the reporting period, the Senior Notes are calculated as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Nominal value	**2,000,000**	—
Issuance costs	**(50,575)**	—
Fair value at the date of issuance	**1,949,425**	—
Amortisation of issuance costs	**3,178**	—
Carrying amount at the end of the reporting period	**1,952,603**	—

15. SHARE CAPITAL

	30 June 2011 (Unaudited) HK$	31 December 2010 (Audited) HK$
Authorised:		
10,000,000,000 (2010: 10,000,000,000) ordinary shares of HK$0.10 each	**1,000,000,000**	1,000,000,000
Issued and fully paid:		
2,853,200,000 (2010: 2,853,200,000) ordinary shares of HK$0.10 each	**285,320,000**	285,320,000
Equivalent to RMB'000	**250,683**	250,683

16. FINANCIAL GUARANTEE CONTRACTS

At the end of the reporting period, financial guarantee not provided for in these unaudited interim condensed consolidated financial statements were as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties (note)	**1,786,427**	1,305,421

Note: As at 30 June 2011, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks.

Under the above arrangement, the related properties were pledged to the banks as collaterals for the mortgage loans, upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the directors of the Company consider that in the case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made in these unaudited interim condensed consolidated financial statements.

16. FINANCIAL GUARANTEE CONTRACTS (Continued)

In addition, the Group's share of the jointly-controlled entities' and associates' own financial guarantees which are not included in the above, is as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Guarantees in respect of mortgage facilities provided for certain purchasers of the jointly-controlled entities' properties	**46,105**	334,531
Guarantees in respect of mortgage facilities provided for certain purchasers of the associates' properties	**19,570**	24,635

17. COMMITMENTS

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

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Contracted, but not provided for:		
Capital expenditure for properties under development, completed properties held for sale and construction of investment and owner-occupied properties	**1,855,917**	1,812,174

In addition, the Group's share of the jointly-controlled entities' own capital commitments which are not included in the above, is as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Contracted, but not provided for:		
Capital expenditure for jointly-controlled entities' properties under development	**62,721**	75,508

18. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to certain banks for securing the loans granted to the Group:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Property and equipment	**71,146**	60,446
Investment properties	**1,513,000**	1,396,000
Prepaid land lease payments	**986,680**	996,980
Properties under development	**3,279,953**	2,574,109
Completed properties held for sale	**64,146**	127,623
	5,914,925	5,155,158

19. RELATED PARTY TRANSACTIONS

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

		Six months ended 30 June	
	Notes	**2011 (Unaudited) RMB'000**	2010 (Unaudited) RMB'000
Sale of properties to:			
Director	(i)	**—**	3,246
Family members of the directors	(i)	**—**	12,237
Rental income from companies controlled by Mr. Wong	(ii)	**1,011**	839
Property management fee income from companies controlled by Mr. Wong	(ii)	**137**	123
Sales agency fees paid to an associate	(iii)	**1,411**	3,289

Notes:

(i) The properties were sold at prices mutually agreed by both parties.

(ii) Terms on the rental and management fee income of office premises were mutually agreed between both parties.

(iii) The sales agency fees were charged at rates ranging from 1.1% to 1.3% of the selling price of the relevant properties sold.

19. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Short term employee benefits	**2,420**	2,779
Post-employment benefits	**20**	20
Total compensation paid to key management personnel	**2,440**	2,799

In the opinion of the directors, the directors of the Company represent the key management personnel of the Group.

Except for items (a)(iii) and (b), the above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

20. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements were approved by the board of directors on 18 August 2011.