融創中國控股有限公司
SUNAC CHINA HOLDINGS LIMITED

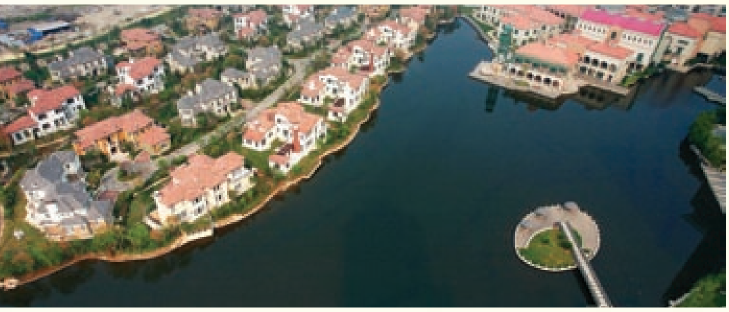
（於開曼群島註冊成立的有限責任公司）
(incorporated in the Cayman Islands with limited liability)

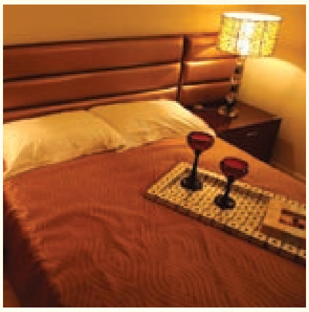
Stock Code 股份代號: 1918

INTERIM REPORT 2011 中期報告

至 臻 ， 致 遠

PASSION FOR PERFECTION





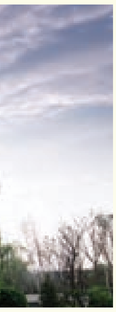
About SUNAC
關於融創

SUNAC China Holdings Limited (the "Company", "our Company" and its subsidiaries collectively referred to as the "Group") is an integrated residential and commercial property developer. To date, the Company has engaged in project developments in the cities of Beijing, Tianjin, Chongqing, Wuxi, Suzhou and Yixing, which are currently in different phases and has covered a diverse range of property types, such as high-rise and mid-rise residences, detached villas, townhouses, retail properties, offices and car parks.

The Company focuses on high-end property development and management business. Guided by its brand positioning as "Passion for Perfection", the Company has long been providing high-end products to customers. With the aim of becoming leader of the real estate industry in China, the Company's pursuit of high-quality products and services never ends. It is always committed to providing a desirable, elegant life experience to its customers through quality products and services. With its accurate judgment of market trends, keen in-sights into consumer demands and emphasis on high product quality, the Company is ready to adopt cutting-edge concepts at the right time to design and develop its projects, and has created an advanced quality control and supervisory system.

融創中國控股有限公司(簡稱:本公司,本公司及其附屬公司統稱為本集團)是一家專業從事住宅及商業地產綜合開發的企業。迄今,公司在北京、天津、重慶、無錫、蘇州、宜興等城市擁有眾多處於不同發展階段的項目,產品涵蓋高端住宅、別墅、聯排別墅、商業、寫字樓及泊車位等多種物業類型。

公司專注於高端物業的開發和管理,以"至臻,致遠"為品牌方向,持之以恒的為客戶專注打造高端精品物業,立志成為對高端品質不懈追求的房地產行業領跑者。公司用心為客戶提供大氣舒放、貴氣質感、富有品質的高端生活體驗,不懈追求具有恆久價值的優質產品和用心週到的服務。基於對市場發展的精準判斷,對消費者需求的敏鋭洞悉,以及對高品質的不懈追求,公司採用先進的設計理念和嚴格的管理監控體系,致力於不斷提升定位、產品規劃設計、建設和服務能力,提升專案綜合品質,打造精品項目。

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Sun Hongbin *(Chairman and Chief Executive Officer)*
Mr. Li Shaozhong
Mr. Wang Mengde
Mr. Chi Xun
Mr. Shang Yu

Non-executive Directors

Ms. Hu Xiaoling
Mr. Zhu Jia

Independent Non-executive Directors

Ms. Kan Lai Kuen, Alice
(resigned with effect from 8 June 2011)
Mr. Poon Chiu Kwok
(appointed with effect from 8 June 2011)
Mr. Li Qin
Mr. Ma Lishan

JOINT COMPANY SECRETARIES

Mr. Huang Shuping
Ms. Ma Sau Kuen, Gloria

AUTHORIZED REPRESENTATIVES

Mr. Wang Mengde
Ms. Ma Sau Kuen, Gloria

AUDIT COMMITTEE

Ms. Kan Lai Kuen, Alice *(Chairman)*
(resigned with effect from 8 June 2011)
Mr. Poon Chiu Kwok *(Chairman)*
(appointed with effect from 8 June 2011)
Mr. Li Qin
Mr. Ma Lishan

REMUNERATION COMMITTEE

Ms. Kan Lai Kuen, Alice *(Chairman)*
(resigned with effect from 8 June 2011)
Mr. Poon Chiu Kwok *(Chairman)*
(appointed with effect from 8 June 2011)
Mr. Sun Hongbin
Mr. Li Qin
Mr. Ma Lishan

NOMINATION COMMITTEE

Mr. Sun Hongbin *(Chairman)*
Ms. Kan Lai Kuen, Alice
(resigned with effect from 8 June 2011)
Mr. Poon Chiu Kwok
(appointed with effect from 8 June 2011)
Mr. Li Qin
Mr. Ma Lishan

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

3/F, Building A3, Magnetic Plaza
Binshuixi Road, Nankai District
Tianjin 300381
PRC

REGISTERED OFFICE

Landmark Square
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64 Earth Close
P.O. Box 30592
Grand Cayman KY1-1203
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

HONG KONG SHARE REGISTRAR

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

LEGAL ADVISERS

As to Hong Kong law:
Norton Rose Hong Kong

As to Cayman Islands law:
Conyers Dill & Pearman

As to PRC law:
Jincheng Tongda & Neal Law Firm

COMPLIANCE ADVISOR

Anglo Chinese Corporate Finance, Limited

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

PRINCIPAL BANKERS

Industrial and Commercial Bank of China
Agricultural Bank of China
Bank of China

STOCK CODE

1918

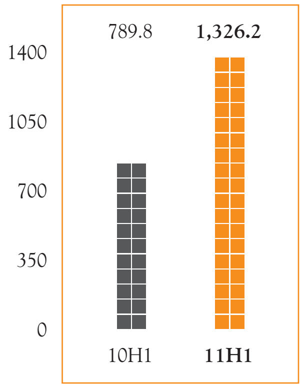
COMPANY'S WEBSITE

www.sunac.com.cn

Financial Highlights

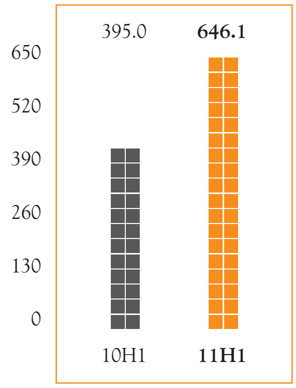
	2011 H1	2010 H1	Increase %
Revenue (RMB million)	1,326.2	789.8	67.9%
Gross profit (RMB million)	646.1	395.0	63.5%
Profit (RMB million)	317.2	190.0	67.0%
Profit attributable to shareholders (RMB million)	318.7	191.1	66.8%

Revenue



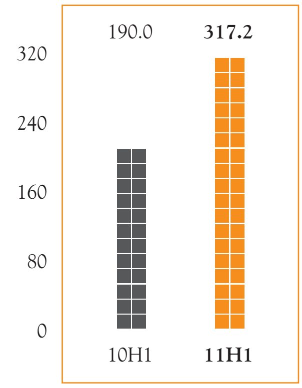
RMB million

Gross Profit



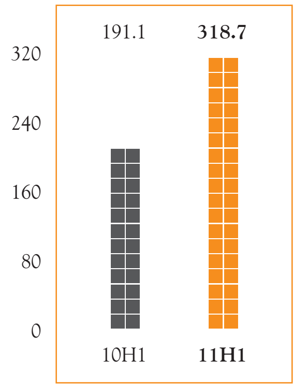
RMB million

Profit



RMB million

Profit Attributable to Shareholders



RMB million

FINANCIAL REVIEW

Revenue

In the first half year of 2011, the Group still focused on development of real estate properties in six cities of the PRC, namely Beijing, Tianjin, Chongqing, Wuxi, Suzhou and Yixing. For the six months ended 30 June 2011, the revenue of the Group was substantially generated from sales of residential and commercial properties. Only a minor portion was derived from rental of investment properties located in Tianjin and the income from property management services business.

The revenue of the Group increased by RMB536.4 million, or 67.9%, from RMB789.8 million for the six months ended 30 June 2010 to RMB1,326.2 million for the corresponding period in 2011.

The following table shows certain details of sales:

	Six months ended 30 June			
	2011		2010	
	RMB'000	%	*RMB'000*	%
Sales of properties	**1,260,275**	**95.0**	766,880	97.1
Property management service income	**56,963**	**4.3**	13,375	1.7
Rental income from investment properties	**8,972**	**0.7**	9,538	1.2
Total	**1,326,210**	**100.0**	**789,793**	**100.0**
Total gross floor area ("GFA") delivered (sq.m)		**83,174**		72,770
Average selling prices ("ASP") per sq.m sold (RMB)		**15,152**		10,538

The increase in sales of properties was primarily due to a 43.8% increase in the ASP per sq.m. sold from RMB10,538 per sq.m. for the six months ended 30 June 2010 to RMB15,152 per sq.m. for the corresponding period in 2011 as a result of (i) our general improvements to property quality and (ii) the sale and delivery of properties with higher unit value, such as commercial properties of Magnetic Capital project and townhouse of Sunac 81 project. The total GFA delivered increased by 14.3% from approximately 72,770 sq.m. for the six months ended 30 June 2010 to approximately 83,174 sq.m. for the corresponding period in 2011.

Cost of sales

Cost of sales comprises the costs we incur directly in relation to our property development activities as well as our leasing and property management operations.

Cost of sales of the Group increased by 72.3%, to RMB680.1 million for the six months ended 30 June 2011 from RMB394.7 million for the corresponding period in 2010. This increase was primarily attributable to the higher average cost per sq.m. of the increase of property sales (from RMB5,258 per sq.m. for the six months ended 30 June 2010 to RMB7,580 per sq.m. for the corresponding period in 2011), which was due primarily to (i) an increase in construction costs incurred in connection with our general upgrade of property quality, (ii) higher unit costs associated with high-unit-value properties such as commercial properties and townhouses, and (iii) a general increase in construction cost as a result of inflation.

Gross profit

Gross profit of the Group increased by 63.5%, to RMB646.1 million for the six months ended 30 June 2011, from RMB395 million for the corresponding period in 2010. The gross profit margin decreased slightly from 50.0% for the six months ended 30 June 2010 to 48.7% for the corresponding period in 2011.

Selling and marketing costs

Our selling and marketing costs increased by RMB47.6 million from RMB48.5 million for the six months ended 30 June 2010 to RMB96.1 million for the corresponding period in 2011. This increase in selling and marketing costs was mainly due to an increase of RMB37.6 million in advertisement and promotion costs relating to the pre-sale activities in line with the development and expansion of projects. Additionally, staff costs increased by RMB6.9 million as a result of increases in both average headcount and employees' salaries due to our better sales performance for the six months ended 30 June 2011.

Administrative expenses

Our administrative expenses increased by RMB38.1 million from RMB59.5 million for the six months ended 30 June 2010 to RMB97.6 million for the corresponding period in 2011. This increase in administrative expenses was due primarily to (i) higher staff costs which increased by RMB14.7 million as a result of increases in both average headcount and employees' salaries for the six months ended 30 June 2011 and (ii) amortization of share option expenses which increased by RMB17.6 million as a result of the expansion of projects.

Other income

Our other income decreased by RMB2.3 million from RMB19.3 million for the six months ended 30 June 2010 to RMB17.0 million for the corresponding period in 2011. The decrease in other income was primarily attributable to a decrease of RMB7.1 million in investment income as a result of decrease of entrusted loans to our associates for the six months ended 30 June 2011. Such decrease was partially off-set by an increase of RMB4.5 million in interest income, which was due to higher average bank balances for the six months ended 30 June 2011 compared with corresponding period in 2010.

Other expenses

Our other expenses increased by RMB2.1 million, which was primarily attributable to a donation of RMB2.0 million to Nankai Middle School Education Foundation during the six months ended 30 June 2011.

Operating profit

As a result of the foregoing, our operating profit increased significantly by RMB342.2 million, from RMB305.6 million for the six months ended 30 June 2010 to RMB647.8 million for the corresponding period in 2011, which was primarily due to (i) gross profit increased by RMB251.1 million and (ii) gain from deemed disposal of previously held interests increased by RMB181.3 million which was primarily attributable to the acquisition of additional equity interest in jointly controlled entity, Chongqing Sunac Yatai Shiye Real Estate Development Co., Ltd. ("Chongqing Yatai") (formerly known as Chongqing Yuneng Co., Ltd.), although our operating expenses have increased by RMB90.1 million. Accordingly, our operating margin increased from 38.7% for the six months ended 30 June 2010 to 48.8% for the corresponding period in 2011.

Finance costs, net

Our net finance costs increased by RMB110.4 million, or 157.2%, from RMB70.2 million for the six months ended 30 June 2010 to RMB180.6 million for the corresponding period in 2011. This increase in net finance costs was mainly attributable to (i) a larger amount of average borrowings to primarily finance our increased property development activities for the six months ended 30 June 2011 and (ii) a higher weighted average effective interest rate for the six months ended 30 June 2011 principally because of the higher interest rates under the tighten monetary policy of central bank of the PRC.

Share of profit of jointly controlled entities

At the beginning of this period, our jointly controlled entity Chongqing Yatai became a subsidiary of the Group. As a result, the amount of share of profit of jointly controlled entities for the six months ended 30 June 2011 is nil.

Share of (loss)/profit of associates

The Group's share of loss of associates amounted to RMB6.9 million for the six months ended 30 June 2011, as compared with a share of profit of RMB41.3 million for the corresponding period in 2010. This change was primarily attributable to the decrease in profit from the East Fairyland project which was developed by Beijing Shouchi Yuda Real Estate Development Co., Ltd., an associate of the Company, because it has completed most of its sales and delivery by the end of 2010.

Profit for the period

As a result of the foregoing, our profit increased by RMB127.3 million, or 67.0%, to RMB317.2 million for the reporting period, from RMB189.9 million for the same period in 2010. Between these periods, net profit margin of the Group decreased slightly from 24.0% to 23.9%.

The following table shows the profit attributable to equity holders of the Company and non-controlling interests respectively as of the dates indicated:

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Profit/(loss) for the period	**317,160**	189,935
Attributable to:		
Owners of the Company	**318,698**	191,105
Non-controlling interests	**(1,538)**	(1,170)
	317,160	189,935

Non-controlling interests

As at 30 June 2011, the non-controlling interests of the Group amounted to RMB326.3 million (as at 31 December 2010: nil). The increase in non-controlling interests was primarily due to the impacts of the following:

(1) Upon acquisition of a 45% equity interest in Chongqing Yatai, a former jointly controlled entity in January 2011, the Group held a total of 85% equity interest in Chongqing Yatai and obtained the control over it, therefore, Chongqing Yatai became a subsidiary of the Group. As at 30 June 2011, the non-controlling interests of the 15% equity interest in Chongqing Yatai held by minority shareholders amounted to RMB118.2 million.

(2) As at 27 May 2011, a former 100%-owned subsidiary of the Group, Wuxi Sunac Real Estate Co. Ltd. ("Wuxi Sunac Real Estate") entered into an equity cooperation with United Trust Company Limited 國聯信託股份有限公司 ("United Trust"). United Trust acquired a 28.57% equity interest in Wuxi Sunac City Construction Co. Ltd. ("Wuxi Sunac City"), a 100%-owned subsidiary of Wuxi Sunac Real Estate by increasing registered capital of RMB200 million (the "Equity Cooperation Project"). The Equity Cooperation Project was secured by the Company, to ensure its completion as planned. As at 30 June 2011, the non-controlling interests of the 28.57% equity interest in Wuxi Sunac City held by minority shareholders amounted to RMB208.1 million.

Cash position

We operate in a capital intensive industry and have historically financed, and expect to continue to finance, our working capital, capital expenditures and other capital requirements through proceeds from the pre-sale and sale of properties, borrowings from commercial banks and other parties, capital contributions from shareholders and new share issuances. Our short-term liquidity requirements relate to repayment of our debt and funding our working capital requirements, and our sources of short-term liquidity include cash balances, proceeds from pre-sales and sales of properties and new loans. Our long-term liquidity requirements relate to funding the development of our new property projects and repaying our long-term debt, and our sources of long-term liquidity include loans, capital contributions from shareholders and share issuances.

The Group's cash and cash equivalents (including restricted cash) decreased by RMB2,076.8 million or 48.9%, to RMB2,172.2 million as of 30 June 2011, from RMB4,249.0 million as of 31 December 2010.

This decrease was principally attributable to the cash outflow of RMB3,403.8 million in operating activities as a result of payment for land grant fees, taxes and the other expenditure in relation to our increased property development activities. Such cash outflow was partially offset by the cash inflow of RMB355.7 million in investing activities and RMB971.2 million in financing activities primarily because of the increase of the project development loans from bank and other financial institutions. The inflow of RMB355.7 million in investing activities was primarily attributable to (i) carrying cash and cash equivalents of RMB280.6 million from Chongqing Yatai at the acquisition date, and (ii) the repayment of entrusted loans of RMB80.8 million by certain associates to Sunac Zhidi.

The Group has sufficient working capital and financial resources.

Borrowing and collateral

The Group had total borrowings of RMB6,948.3 million as of 30 June 2011 compared to RMB5,692.7 million as of 31 December 2010. The increase of RMB1,255.6 million was mainly due to the increase of the projects development loans obtained from banks and other financial institutions.

As at 30 June 2011, the Group's borrowings totalling RMB6,898 million (as at 31 December 2010: RMB5,043 million) were secured or jointly secured by the Group's properties under development, completed properties held for sale and investment properties totalling RMB6,592 million (as at 31 December 2010: RMB3,088 million), certain equity interests of the Group's subsidiaries (including those legally transferred as collateral) and guarantee by a third party respectively.

Net debt to total assets ratio and gearing ratio

Net debt to total assets ratio is calculated as net debt divided by total assets. Net debt is calculated as total borrowings (including current and long-term borrowings) less cash and cash equivalents. As at 30 June 2011, the net debt to total assets ratio of the Group is 22.5%, as compared with 9.2% as of 31 December 2010. Gearing ratio is calculated as net debt divided by total capital. Total capital is calculated as total equity plus net debt. As at 30 June 2011, the gearing ratio of the Group is 47%, as compared with 24% as at 31 December 2010. Both increases were due to increased borrowings for the six months ended 30 June 2011. With consideration of the current situation, the Group will continue to maintain a steady financial management policy and exercise prudent control over expenditures in order to keep the ratio at a reasonable level.

Interest rate risk

As the Group does not have significant interest-bearing assets, the Group's income and operating cash flows are substantially independent from changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the tables are the liabilities at carrying amounts, categorized by maturity dates.

	At 30 June 2011 *RMB'million*	At 31 December 2010 *RMB'million*
Floating rates		
Less than 12 months	**1,107**	519
1 to 5 years	**1,985**	2,536
Sub-total	**3,092**	3,055
Fixed rates		
Less than 12 months	**707**	549
1 to 5 years	**3,149**	2,089
Sub-total	**3,856**	2,638
Total	**6,948**	5,693

As at 30 June 2011, the Group did not use any interest rate swaps to hedge our exposure to interest rate risk. We analyze our interest rate exposure monthly by considering refinancing, renewal of existing positions and alternative financing.

Foreign exchange risk

We conduct our business principally in Renminbi, since all of the operating entities are based in the PRC. As at 30 June 2011, most of the operating entities' assets and liabilities were denominated in Renminbi and in the opinion of the directors of the Company (the "Directors"), these entities did not have significant foreign currency risk exposure. The Group will closely monitor and manage its exposure to fluctuation in currency exchange rates.

Contingent Liabilities

We have arranged bank financing for certain purchasers of our property units and provided guarantees to secure the obligations of such purchasers for repayment of their mortgage loans. As at 30 June 2011 the amount is RMB3,532.6 million compared with RMB3,769.6 million as at 31 December 2010.

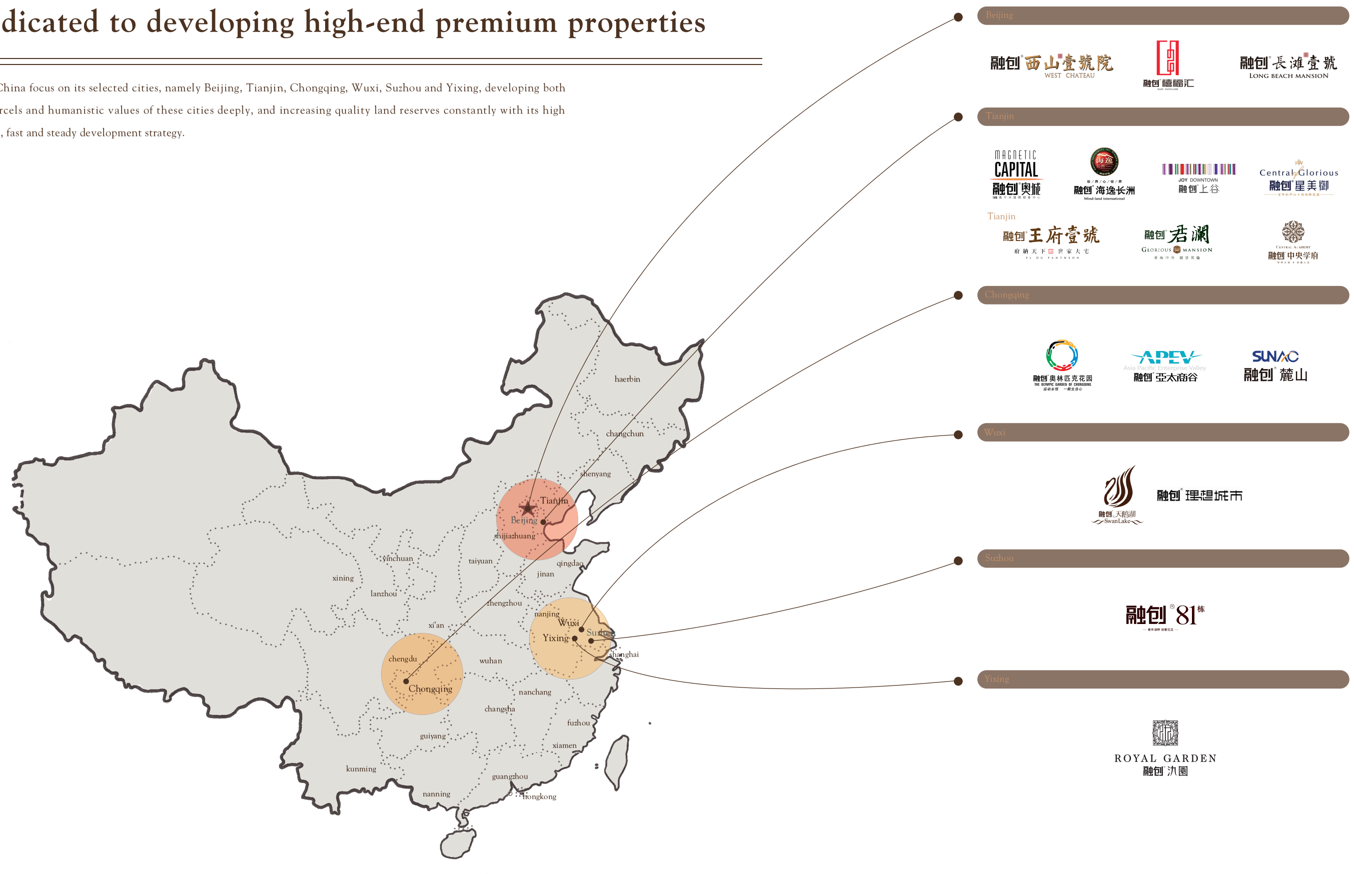
Such guarantees terminate upon the earlier of (i) the issuance of the Property Ownership Certificate and the property encumbrance certificate, which generally takes place within an average period of two to three years after completion of the guarantee registration; and (ii) the satisfaction of obligations under the mortgage loans by the purchasers. Our guarantee period starts from the dates of grant of the mortgage.

BUSINESS REVIEW AND OUTLOOK

Summary of Principal Properties

Focusing on selected cities
Dedicated to developing high-end premium properties

Sunac China focus on its selected cities, namely Beijing, Tianjin, Chongqing, Wuxi, Suzhou and Yixing, developing both land parcels and humanistic values of these cities deeply, and increasing quality land reserves constantly with its high efficient, fast and steady development strategy.



The Group has engaged in a total of 17 property development projects. The following table sets forth certain details of our projects based on actual data or estimates of the Group and associated project companies as of 30 June 2011.

Project Summary as of 30 June 2011

Project	Location	Type of property product	Total site area (*sq.m.*)	Estimated aggregate GFA (*sq.m.*)	Estimated saleable/ rentable GFA (*sq.m.*)	Interest attributable to the Group	Estimated completion time
Sunac Magnetic Capital	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	460,840	1,264,893	1,202,269	100%	September 2014
Sunac Mind-Land International	Tianjin	High-rise apartments, detached villas, retail properties and car parks	497,501	809,584	745,832	100%	December 2013
Sunac Central of Glorious	Tianjin	High-rise and mid-rise apartments, townhouses, retail properties and car parks	14,608	64,738	62,977	100%	October 2012
Sunac Joy Downtown	Tianjin	Retail properties	25,234	56,615	55,960	100%	Completed in June 2006
Sunac Pl Du Pantheon	Tianjin	High-rise apartments, retail properties and car parks	70,600	246,764	246,764	100%	December 2014
Sunac Glorious Mansion	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	121,412	305,089	303,037	100%	December 2012
Sunac Central Academy	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	268,425	738,194	725,009	100%	December 2014
Sunac East Fairyland	Beijing	High-rise apartments, retail properties and car parks	54,502	166,481	144,276	25%	Completed in November 2010
Sunac West Chateau	Beijing	Mid-rise apartments, retail properties and car parks	190,665	448,109	315,995	35%	December 2012
Sunac Long Beach Mansion	Beijing	High-rise and mid-rise apartments, retail properties and car parks	63,940	133,956	106,303	100%	November 2012
Sunac Olympic Garden	Chongqing	High-rise and mid-rise apartments, town houses, detached villas, retail properties, serviced apartments, offices and car parks	1,714,366	2,560,442	1,982,170	100%	June 2015
Sunac Lushan	Chongqing	High-rise and mid-rise apartments, town houses, retail properties, serviced apartments and car parks	179,293	388,371	326,713	100%	December 2014
Sunac Asia Pacific Enterprise Valley	Chongqing	High-rise apartments, retail properties, serviced apartments, offices and car parks	118,912	759,891	611,135	85%	June 2014

Project Summary as of 30 June 2011

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Interest attributable to the Group	Estimated completion time
Sunac Swan Lake	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties, service apartments and car parks	733,889	1,410,178	1,312,673	100%	December 2014
Sunac Dream of City	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties and car parks	570,182	1,033,090	945,657	71%	December 2014
Sunac 81	Suzhou	Townhouses, detached villas and retail properties	133,434	101,040	82,739	100%	June 2012
Sunac Royal Garden	Yixing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties and car parks	268,945	466,995	394,475	100%	December 2014
Total			**5,486,748**	**10,954,427**	**9,563,985**		

Completed Properties

Project	Location	Aggregate GFA (sq.m.)	Saleable/ rentable GFA (sq.m.)	Unsold/held for rental aggregate GFA (sq.m.)	Saleable/ rentable GFA unsold/held for rental (sq.m.)
Sunac Magnetic Capital	Tianjin	983,296	926,659	172,712	162,764
Sunac Mind-Land International	Tianjin	656,818	635,632	41,831	40,482
Sunac Joy Downtown	Tianjin	56,615	55,960	14,108	13,945
Sunac East Fairyland	Beijing	166,481	144,276	0	0
Sunac Olympic Garden	Chongqing	1,261,035	1,014,891	61,350	49,375
Sunac Asia Pacific Enterprise Valley	Chongqing	270,072	217,734	1,050	846
Sunac Swan Lake	Wuxi	634,623	584,540	66,053	60,840
Sunac Dream of City	Wuxi	369,096	341,381	27,147	25,108
Sunac 81	Suzhou	45,661	35,623	5,079	3,962
Total		**4,443,696**	**3,956,698**	**389,330**	**357,324**

Properties under Development

Project	Location	Estimated aggregate GFA (*sq.m.*)	Estimated saleable/ rentable GFA (*sq.m.*)	Estimated saleable/ rentable GFA not pre-sale/ held for rental (*sq.m.*)
Sunac Magnetic Capital	Tianjin	159,320	156,631	130,055
Sunac Mind-Land International	Tianjin	103,985	87,779	50,083
Sunac Central of Glorious	Tianjin	64,738	62,977	45,021
Sunac West Chateau	Beijing	257,430	192,928	192,928
Sunac Olympic Garden	Chongqing	575,790	431,721	253,635
Sunac Asia Pacific Enterprise Valley	Chongqing	165,312	129,785	26,535
Sunac Swan Lake	Wuxi	256,978	233,874	173,737
Sunac Dream of City	Wuxi	99,829	98,125	25,821
Sunac 81	Suzhou	27,088	19,878	17,851
Sunac Royal Garden	Yixing	39,000	26,774	3,956
Total		**1,749,471**	**1,440,471**	**919,621**

Properties to be Constructed

Project	Location	Estimated aggregate GFA (*sq.m.*)	Estimated saleable/ rentable GFA (*sq.m.*)
Sunac Magnetic Capital	Tianjin	122,276	118,979
Sunac Mind-Land International	Tianjin	48,781	22,421
Sunac Glorious Mansion	Tianjin	305,089	303,037
Sunac Central Academy	Tianjin	738,194	725,009
Sunac Pl Du Pantheon	Tianjin	246,764	246,764
Sunac West Chateau	Beijing	190,679	123,067
Sunac Long Beach Mansion	Beijing	133,956	106,303
Sunac Olympic Garden	Chongqing	723,617	535,557
Sunac Asia Pacific Enterprise Valley	Chongqing	324,507	263,616
Sunac Lushan	Chongqing	388,371	326,713
Sunac Swan Lake	Wuxi	518,578	494,259
Sunac Dream of City	Wuxi	564,165	506,151
Sunac 81	Suzhou	28,291	27,239
Sunac Royal Garden	Yixing	427,995	367,701
Total		**4,761,261**	**4,166,816**

Sales Amount

The Group and its associated project companies achieved sales amount of RMB6,817.5 million, representing 431,764 sq.m in gross floor area ("GFA") during the six months ended 30 June 2011.*

Project	Location	Approximate GFA sold *(sq.m)*	Approximate value *(RMB'000)*
Sunac Mind-Land International	Tianjin	45,979	795,340
Sunac Magnetic Capital	Tianjin	62,778	1,401,930
Sunac Central of Glorious	Tianjin	17,191	529,570
Sunac Swan Lake	Wuxi	47,973	472,590
Sunac Dream of City	Wuxi	54,898	477,390
Sunac 81	Suzhou	6,037	144,520
Sunac Royal Garden	Yixing	4,376	129,560
Sunac Olympic Garden	Chongqing	132,800	1,441,040
Sunac Asia Pacific Enterprise Valley	Chongqing	31,982	335,090
Sunac East Fairyland	Beijing	1,814	89,920
Sunac West Chateau	Beijing	25,936	1,000,500
Total		**431,764**	**6,817,450**

* The Group and its associated project companies have increased the sales amount to RMB11,020 million, representing 704,700 sq.m in GFA as at 31 August 2011

Review of the first half of 2011

In the first half of the year, the PRC government implemented a series of more stringent policies and measures to further adjust the property market, which has had a negative impact on the PRC property market. The Company has always adhered to high-end property strategy, providing strong support to resist market risks and operate in a stable manner. At the same time, with its proactive and prudent business and financial strategies and its outstanding performance capability, the management team of the Company has achieved various planned operating objectives for the first half of the year as scheduled.

Project operations and sales highlight

With the more stringent property policies in place, the Company firmly adhered to the high-end property strategy, effectively resisted the policy and market risks and over-fulfilled its planned objectives for the first half of 2011. The Group's revenue from sales and sales amount was RMB1,326 million and RMB6,817.5 million respectively for the first half of the year. Selling expenses and administrative expenses were also maintained at reasonable levels. The proportions of the above expenses to sales amount was 1.41% and 1.43% respectively, which remained low as compared with the same period of last year. All our projects are located in various cities' prime areas and occupy rare resources, and target customers are high-income population in the cities, enabling the Company to operate in a stable manner and effectively withstand the risk arising from market fluctuations. In spite of the adjustments to macro-policies in the first half of the year, due to the high-end property strategy and changes in the structure of the products sold, selling prices of our various projects have not been affected but increased.

Land acquisition highlights

The Group has adopted a prudent and reasonable approach in expanding its land reserves:

On 10 January 2011, we successfully acquired 2 land parcels in Tianjin, now known as the project Glorious Mansion, occupying an estimated aggregate GFA of 305,089 sq.m. by way of listing-for-sale process at a land premium and ancillary engineering fees in aggregate of RMB1,341.22 million. As at the date of this interim report, the consideration has been fully settled.

On 13 January 2011, we successfully acquired the Lushan land parcel in Chongqing occupying an estimated aggregate GFA of 388,371 sq.m. by way of bidding process at a land premium of RMB970 million. As at the date of this interim report, the consideration has been fully settled.

On 28 January 2011, we successfully acquired 2 more land parcels in Tianjin, now known as the project Central Academy, occupying an estimated aggregate GFA of 738,194 sq.m. by way of listing-for-sale process at a land premium of RMB1,879.11 million. As at the date of this interim report, the consideration has been fully settled.

Operating revenue and profit highlights

In the first half of 2011, the revenue and profit of the Company increased significantly as compared with the corresponding period in 2010, of which, the revenue increased by RMB536.4 million as compared with corresponding period of last year to RMB1,326.2 million; the profit increased by RMB127.3 million as compared with corresponding period of last year to RMB317.2 million.

Outlook for the second half of 2011:

We consider that the existing policies on the property market will continue to influence the market and variations in the strictness of the policies across different cities will bring differentiated impact on different types of properties which requires timely and effective adjustments in all aspects of the property development operation. We believe that the existing 17 projects distributed in 6 cities and regions, and the high-end property strategy we adhere to will effectively reduce market risks and realise a fast and steady development of the Company. In addition, macro-control will also bring opportunities to the land market where the Company will have a good chance to acquire new quality land parcels. In this regard, the Company has formulated the progressive and prudent business and financial strategies as follows:

To continue to focus on the high-end property strategy and insist on keeping a fast and steady development with an objective of profit-making. We will continue to adhere to our core value "Passion for Perfection" and further strengthen our key competitiveness across different aspects of property development, such as planning and design of, development and construction of, and marketing of property projects and property management. We will continue to conduct in-depth research on our target markets for the perfection of our products.

We will prudently consider and capture the opportunities of acquiring new land parcels while maintaining a secured cash flow of the Company.

The Company foresees the market being more austere and will adopt prudent cash flow management. In view of the current market trend, the Company will strictly control its cash flows and make prudent operation and investment decisions, in order to achieve a fast and steady development while ensuring a safe operation of the Company. We will be more prudent on land acquisitions, manage the project funding as scheduled strictly, strengthen our sales and marketing efforts, and ensure recovery of all sales proceeds as scheduled. At the same time, we will also strengthen our finance management, and explore more channels of financing while keeping finance costs under control, in order to maintain a sufficient level of liquidity. In addition, the Company will continue to keep strict control over the gearing ratio.

To continue to strengthen corporate governance and internal control. We will continue to adopt best practices and industry standards for corporate governance and internal control so as to systemise and standardise the corporate governance procedures, and to minimize the risks.

INTERIM DIVIDENDS

The directors of the board of the Company (the "Board") does not recommend the payment of any interim dividend for the six months ended 30 June 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2011, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2011, the interests and short positions of the Directors and the chief executive of the Company 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, Chapter 571 of the laws of Hong Kong (the "SFO")) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were required, to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the SEHK ("Listing Rules"), are set out below:

(i) Interest in shares of our Company and/or associated corporation

Name of Director	Nature of interest	Relevant company (including associated corporations)	Number of shares of the relevant company	Approximate percentage of interest in the relevant company
Mr. Sun Hongbin	Interest in a controlled corporation(2)	Our Company	1,555,578,451 (L)(1)	51.85%
	Beneficial interest	Sunac International Investment Holdings Ltd ("Sunac International")(3)	1	100%

Notes:

(1) The letter "L" denotes the person's long position in such shares.

(2) Mr. Sun Hongbin is the beneficial owner of 100% of the issued share capital of Sunac International and is deemed to be interested in the shares of the Company held by Sunac International.

(3) Sunac International is our holding company and therefore an "associated corporation" of our Company within the meaning of Part XV of the SFO.

(ii) Interest in the underlying shares of our Company

Name of Director	Nature of interest	Number of the underlying shares(Note)	Approximate percentage of interest in our company
Mr. Sun Hongbin	Beneficial interest	3,600,000	0.12%
Mr. Li Shaozhong	Beneficial interest	3,600,000	0.12%
Mr. Chi Xun	Beneficial interest	3,600,000	0.12%
Mr. Wang Mengde	Beneficial interest	3,300,000	0.11%
Mr. Shang Yu	Beneficial interest	3,300,000	0.11%

Note: The Directors have been granted options under the pre-IPO share option scheme of the Company.

Save as disclosed herein, as at 30 June 2011, 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 and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the SEHK pursuant to the Model Code.

INTEREST AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Company, as at 30 June 2011, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a director or chief executive of the Company, had an interest of 5% or more in the shares or underlying shares of the Company:

Name of shareholder	Nature of interest/capacity	Number of the shares or underlying shares	Approximate percentage of shareholding
Sunac International	Beneficial interest	1,555,578,451 (L)(1)	51.85%
Bain Capital Sunac Limited	Beneficial interest	300,336,637 (L)(1)	10.01%
Bain Capital Asia Integral Investors, L.P.(2)	Interest in a controlled corporation	300,336,637 (L)(1)	10.01%
Bain Capital Asia Fund, L.P.(3)	Interest in a controlled corporation	300,336,637 (L)(1)	10.01%
Bain Capital Partners Asia, L.P.(4)	Interest in a controlled corporation	300,336,637 (L)(1)	10.01%

Name of shareholders	Nature of interest/capacity	Number of shares or underlying shares	Approximate percentage of shareholding
Bain Capital Investors, LLC[5]	Interest in a controlled corporation	300,336,637 (L)[1]	10.01%
CDH Aurora Limited ("CDH")[6]	Beneficial interest	255,200,737 (L)[1]	8.51%
CDH China Fund III, L.P.[6]	Interest in a controlled corporation	255,200,737 (L)[1]	8.51%
CDH III Holdings Company Limited[6]	Interest in a controlled corporation	255,200,737 (L)[1]	8.51%
China Diamond Holdings III, L.P.[6]	Interest in a controlled corporation	255,200,737 (L)[1]	8.51%
China Diamond Holdings Company Limited[6]	Interest in a controlled corporation	255,200,737 (L)[1]	8.51%

Notes:

(1) The letter "L" denotes the person's long position in such shares.

(2) Bain Capital Asia Integral Investors, L.P. owns 99.48% of the shares in Bain Capital Sunac Limited.

(3) Bain Capital Asia Fund, L.P. owns 94.45% of the partnership interests in Bain Capital Asia Integral Investors, L.P.

(4) Bain Capital Partners Asia, L.P. is the general partner and owns 0.10% of the partnership interest in Bain Capital Asia Fund, L.P.

(5) Bain Capital Investors, LLC is the general partner of, and owns 0.10% of the partnership interest in, Bain Capital Partners Asia, L.P. and Bain Capital Asia Integral Investors, L.P.

(6) CDH, a limited liability company incorporated in the BVI, is a wholly owned subsidiary of CDH China Fund III, L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands focused on private equity investments in China. The general partner of CDH China Fund III, L.P. is CDH III Holdings Company Limited, a limited liability company organized and existing under the laws of the Cayman Islands. China Diamond Holdings III, L.P. is the holding company of CDH III Holdings Company Limited, and China Diamond Holdings Company Limited is the general partner of China Diamond Holdings III, L.P. Each of CDH China Fund III, L.P., CDH III Holdings Company Limited, China Diamond Holdings III, L.P. and China Diamond Holdings Company Limited is deemed to be interested in the shares held by CDH under the SFO.

Save as disclosed herein, as at 30 June 2011, the Company had not been notified of any persons (other than a director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEMES

The Company adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and an employees' share award scheme (the "Employees' Share Award Scheme") on 9 September 2010 and a post-IPO share option scheme (the "Post-IPO Share Option Scheme") on 29 April 2011.

Pre-IPO Share Option Scheme

As disclosed in the Company's prospectus dated 24 September 2010, the Company has adopted the Pre-IPO Share Option Scheme on 9 September 2010 (the "Option Scheme Adoption Date") and granted 51,080,000 share options in total, representing approximately 1.70% of the total issued shares of the Company as at 30 June 2011. The purpose of the Pre-IPO Share Option Scheme is to provide an incentive for employees of the Company and its subsidiaries to work with commitment towards enhancing the value of the Company and its shares for the benefit of all shareholders of the Company and to attract and retain high calibre working partners whose contribution is or may be beneficial to the growth and development of the Company. The principle terms and conditions on the Pre-IPO Share Option Scheme are set out as below:

(i) the exercise price per share is HK$2.784, equivalent to 80% of the final offer price per share upon initial public offering of the Company;

(ii) no option granted under the Pre-IPO Share Option Scheme will be exercisable within twelve months from the listing date; and

(iii) no further option will be granted under Pre-IPO Share Option Scheme after listing of the Company.

Details of the outstanding options granted under the Pre-IPO Share Option Scheme:

Grantee	Number of options granted on 9 September 2010 *(Note)*	Percentage of options granted on 9 September 2010	Number of outstanding options as at 1 January 2011	Number of exercised options during the period ended 30 June 2011	Number of cancelled options during the period ended 30 June 2011	Number of lapsed options during the period ended 30 June 2011	Number of outstanding options as at 30 June 2011
Directors							
Mr. Sun Hongbin*	3,600,000	0.12%	3,600,000	–	–	–	3,600,000
Mr. Li Shaozhong	3,600,000	0.12%	3,600,000	–	–	–	3,600,000
Mr. Chi Xun	3,600,000	0.12%	3,600,000	–	–	–	3,600,000
Mr. Wang Mengde	3,300,000	0.11%	3,300,000	–	–	–	3,300,000
Mr. Shang Yu	3,300,000	0.11%	3,300,000	–	–	–	3,300,000
Senior management and employees	33,680,000	1.12%	33,680,000	–	–	–	33,680,000
	51,080,000	1.70%	51,080,000	–	–	–	51,080,000

* Mr. Sun Hongbin is also the Chief Executive Officer and a substantial shareholder of the Company.

Note: grantees many only exercise their options in the manner as follows:

Maximum percentage of options exercisable	Vesting period
30%	Upon the first anniversary date of the Option Scheme Adoption Date
60%	Upon the second anniversary date of the Option Scheme Adoption Date
100%	Upon the third anniversary date of the Option Scheme Adoption Date

No share option was cancelled for the six months ended 30 June 2011 pursuant to the Pre-IPO Share Option Scheme.

Employees' Share Award Scheme

Together with the Pre-IPO Share Option Scheme, the Company adopted the Employees' Share Award Scheme on 9 September 2010, details of which were disclosed in the Company's prospectus dated 24 September 2010. However, the Company was informed by the SEHK on 8 March 2011 that the Employees' Share Award Scheme had lapsed and was no longer effective given that the conditions in such scheme had not been fully fulfilled. No award was made under such scheme before it lapsed.

Post-IPO Share Option Scheme

A Post-IPO Share Option Scheme was approved and adopted by all shareholders of the Company on the annual general meeting held on 29 April 2011 (the "Post-IPO Scheme Adoption Date") with the purpose to provide an incentive for employees of the Company and its subsidiaries to work with commitment towards enhancing the value of the Company and its shares for the benefit of all shareholders of the Company and to attract and retain high calibre working partners whose contribution is or may be beneficial to the growth and development of the Company. The principal terms and conditions of the Post-IPO Share Option Scheme are set out as below:

(a) the maximum number of shares in respect of which options ("Options") may be granted should not exceed 99,900,000 shares, representing 3.33% of the total number of shares in issue as at the Post-IPO Scheme Adoption Date;

(b) the Options will be granted in accordance with the schedule set out as below:

Grant Period		Percentage of the total number of shares in issue as at the date of approval of the Post-IPO Share Option Scheme (i.e. 3,000,000,000 shares) ("Total Issued Shares")
1st Grant Period	(the year commencing from the Post-IPO Scheme Adoption Date)	1.33%;
2nd Grant Period	(the year commencing from the 1st anniversary of the Post-IPO Scheme Adoption Date)	1% of Total Issued Shares plus the Options not granted during the 1st Grant Period;
3rd Grant Period	(the year commencing from the 2nd anniversary of the Post-IPO Scheme Adoption Date)	1% of Total Issued Shares plus the Options not granted during the 1st Grant Period and the 2nd Grant Period;

(c) the subscription price determined by the Board in its sole and absolute discretion but in any event shall be at least the highest of (i) the closing price of the shares as stated in the SEHK's daily quotations sheets on the date of the offer letter of the Options ("Offer Date"); (ii) the average of the closing prices of the shares as stated in the SEHK's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the shares;

(d) the Options granted to each grantee shall vest in accordance with the following schedule:

Vesting dates	Percentage of the Options vested and/or becoming vested on the vesting date
(1) Options granted in the 1st Grant Period	
Date of the grant	30%
1st anniversary of the commencement date of the 1st Grant Period	an additional 30% (i.e. up to 60% in total)
2nd anniversary of the commencement date of the 1st Grant Period	an additional 40% (i.e. up to 100% in total)
(2) Options granted in the 2nd Grant Period	
Date of the grant	30%
1st anniversary of the commencement date of the 2nd Grant Period	an additional 30% (i.e. up to 60% in total)
2nd anniversary of the commencement date of the 2nd Grant Period	an additional 40% (i.e. up to 100% in total)
(3) Options granted in the 3rd Grant Period	
Date of the grant	30%
1st anniversary of the commencement date of the 3rd Grant Period	an additional 30% (i.e. up to 60% in total)
2nd anniversary of the commencement date of the 3rd Grant Period	an additional 40% (i.e. up to 100% in total)

The Post-IPO Share Options, once vested, shall be exercisable within a period of three years from the date of the grant.

A Post-IPO Share Option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option (except that the grantee may nominate a nominee, of which the grantee is the sole beneficial owner, in whose name the shares issued pursuant to the Post-IPO Share Option Scheme may be registered). Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding Option or any part thereof to the extent not already exercised.

As of the date of this interim report, no Options under the Post-IPO Share Option Scheme have been granted.

Save as disclosed above, as at 30 June 2011, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2011, the Group had a total of 2,277 employees in Hong Kong and the PRC. For the six months ended 30 June 2011, the staff cost of the Group was approximately RMB75.4 million.

The employees' remuneration policy is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and performance of the employees. The Group conducts performance appraisal once every year for its employees, the results of which are taken account of in annual salary review and promotion assessment. The Group's employees are considered for the entitlement of annual bonus according to certain performance conditions and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations. Insurance and mandatory provident fund schemes are also maintained for its Hong Kong staff.

To attract and maintain talented people, eligible participants (including employees of the Group) may be granted options to subscribe for shares of the Company pursuant to the Pre-IPO Share Option Scheme adopted by the Board on 9 September 2010, and the Post-IPO Share Option Scheme adopted on the annual general meeting held on 29 April 2011, details of which are disclosed on page 20 and page 21 respectively of this interim report. In addition, the Group also provides continuous learning and training programmes to its employees to enhance their skills and knowledge, so as to maintain their competitiveness. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute during the six months ended 30 June 2011.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the guidelines for the Directors' dealings in the securities of the Company before getting listed on the Main Board of the SEHK. As of the date of this interim report, the Board has also restated the Model Code to enhance the Directors' understanding of compliance in this regards. Following specific enquiries of all Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2011 in relation to their securities dealings, if any. As of the date of this interim report, the Company has convened a whole-day training session on compliance with the Model Code this year.

Other Information

CORPORATE GOVERNANCE

The Board recognizes and appreciates the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the business strategies and performance of the Group and have regular trainings on the Listing Rules and regulatory requirements provided by the legal adviser of the Company from time to time together with the relevant senior executives. The Company has an established internal reporting practice throughout the Group in monitoring the operation and business development of the Company.

During the six months ended 30 June 2011, the Company has complied with all the applicable provisions set out in the Code on Corporate Governance Practice (the "Code") contained in Appendix 14 to the Listing Rules, save and except for the only deviation from code provision A.2.1 of the Code, namely, the roles of the chairman and chief executive officer have not been separated. Although Mr. Sun Hongbin assumes both the roles of chairman and chief executive officer of the Company, the divisions of responsibilities between the two roles are clearly defined. The role of the Chairman is to monitor the duties and performance of the Board, whereas the role of Chief Executive Officer is to manage the Group's business. The Board believes that at the current stage of development of the Group, vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

CHANGE OF DIRECTOR AND DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Change of Independent Non-Executive Directors

Ms. Kan Lai Kuen, Alice ("Ms. Kan") tendered her resignation as an independent non-executive director, the chairman of the audit committee and remuneration committee, and member of the nomination committee of the Company with effect from 8 June 2011 due to her other business commitments.

On the same day, Mr. Poon Chiu Kwok ("Mr. Poon") was appointed by the Board as an independent non-executive director, the chairman of the audit committee and remuneration committee, and member of the nomination committee of the Company with effect from 8 June 2011, to fill the vacancy resulting from the resignation of Ms. Kan.

Change of Director's Information

Mr. Li Qin ("Mr. Li") and Mr. Ma Lishan ("Mr. Ma") were re-appointed by the Company as the independent non-executive directors of the Company and members of the audit committee, nomination committee and remuneration committee for an initial period of one year commencing from 20 August 2011 to 19 August 2012 (the "Term"). The appointment shall automatically renew at the expiry of the Term and continue for further successive periods of one year, subject to a maximum period of three years. Both Mr. Li and Mr. Ma will be paid a fixed remuneration of HK$300,000 per annum pursuant to the letter of appointment.

Save as disclosed in the 2010 annual report of the Company, Ms. Hu Xiaoling is also a non-executive director of SYSWIN Inc., a company listed on the New York Stock Exchange and Mr. Zhu Jia is also an independent non-executive director of Youku.com Inc., a company listed on the New York Stock Exchange.

Mr. Poon resigned as an independent non-executive director of Tsingtao Brewery Company Limited, a company listed on the SEHK on 10 June 2011.

Save as information disclosed above, there is no other information required to be disclosed under rule 13.51B(1) of the Listing Rules since the date of the last annual report of the Company.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with rule 3.21 of the Listing Rules and code provision C.3 of the Code. The audit committee consists of three independent non-executive directors, namely, Mr. Poon, Mr. Li and Mr. Ma, and is chaired by Mr. Poon who has possessed appropriate accounting and related financial management expertise. The primary duties of the audit committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company and to perform other duties and responsibilities as assigned by the Board.

The audit committee and the auditor of the Company, PricewaterhouseCoopers, reviewed the accounting principles and practices adopted by the Company and discussed matters related to auditing, internal control and financial reporting matters, including the review of the unaudited interim financial results of the Group for the six months ended 30 June 2011.

By order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 25 August 2011

Report on Review of Interim Financial Information

羅兵咸永道

TO THE BOARD OF DIRECTORS OF SUNAC CHINA HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 28 to 66, which comprises the condensed consolidated interim balance sheet of Sunac China Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2011 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other 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" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion 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.

pwc 羅兵咸永道

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 Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 August 2011

Condensed Consolidated Interim Balance Sheet

As at 30 June 2011

	Note	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	22,071	17,932
Investment properties	8	583,500	583,500
Intangible assets	9	307,918	308,873
Investment in a jointly controlled entity	34	–	178,540
Investment in and loan to associates	10	190,556	459,315
Deferred income tax assets	11	264,733	228,335
		1,368,778	1,776,495
Current assets			
Properties under development	12	15,258,277	8,032,371
Completed properties held for sale	13	876,947	1,009,898
Amounts due from related parties	35(d)	185,839	7
Other receivables	14	1,327,367	681,773
Restricted cash	15	423,833	291,056
Cash and cash equivalents	16	1,748,336	3,957,952
		19,820,599	13,973,057
Total assets		21,189,377	15,749,552
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Ordinary shares	17	259,112	259,112
Share premium	17	1,783,783	1,783,783
Other reserves	18	175,390	165,226
Retained earnings		2,774,538	2,455,840
		4,992,823	4,663,961
Non-controlling interests		326,286	–
Total equity		5,319,109	4,663,961

	Note	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	20	5,133,570	4,625,113
Long-term payable	10	152,415	131,868
Deferred income tax liabilities	11	356,736	210,678
		5,642,721	4,967,659
Current liabilities			
Trade and other payables	19	2,429,272	2,446,814
Advanced proceeds from customers		5,306,480	1,422,258
Amounts due to related parties	35(d)	105	450,104
Current income tax liabilities		676,970	731,136
Borrowings	20	1,814,720	1,067,620
		10,227,547	6,117,932
Total liabilities		15,870,268	11,085,591
Total equity and liabilities		21,189,377	15,749,552
Net current assets		9,593,052	7,855,125
Total assets less current liabilities		10,961,830	9,631,620

The notes on pages 34 to 66 are an integral part of the condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 28 to 66 were approved by the Board on 25 August 2011 and were signed on its behalf.

Sun Hongbin
Director

Wang Mengde
Director

Condensed Consolidated Interim Statement of Income

For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Audited) RMB'000
Revenue	21	1,326,210	789,793
Cost of sales	22	(680,147)	(394,747)
Gross profit		646,063	395,046
Gain from deemed disposal of previously held interests	34	181,289	–
Selling and marketing costs	22	(96,121)	(48,526)
Administrative expenses	22	(97,568)	(59,455)
Other income	24	17,039	19,309
Other expenses	25	(2,883)	(770)
Operating profit		647,819	305,604
Finance costs, net	28	(180,606)	(70,228)
Share of profit of jointly controlled entities		–	24,899
Share of profit of associates	10	(6,899)	41,305
Profit before income tax		460,314	301,580
Income tax expenses	29	(143,154)	(111,645)
Profit for the period		317,160	189,935
Attributable to:			
Owners of the Company		318,698	191,105
Non-controlling interests		(1,538)	(1,170)
		317,160	189,935
Earnings per share (RMB/share)	30		
– Basic		0.106	0.085
– Diluted		0.106	0.085
Dividends	36	–	191,182

The notes on pages 34 to 66 are an integral part of the condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Audited) RMB'000
Profit for the period		317,160	189,935
Gain recognised directly in equity			
– Gain from fair value of available-for-sale financial assets	13	–	(209)
Total comprehensive income for the period		317,160	189,726
Attributable to:			
Equity owners of the Company		318,698	190,896
Non-controlling interests		(1,538)	(1,170)
Total comprehensive income for the period		317,160	189,726

The notes on pages 34 to 66 are an integral part of the condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Change in Equity

For the six months ended 30 June 2011

(Unaudited)	Attributable to owners of the Company						
	Ordinary shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2011	259,112	1,783,783	165,226	2,455,840	4,663,961	–	4,663,961
Profit for the period	–	–	–	318,698	318,698	(1,538)	317,160
Acquisition of a subsidiary (Note 34)	–	–	–	–	–	119,780	119,780
Amortization of share option (Note 31)	–	–	17,592	–	17,592	–	17,592
Transaction with non-controlling interests	–	–	(8,044)	–	(8,044)	208,044	200,000
Others	–	–	616	–	616	–	616
At 30 June 2011	259,112	1,783,783	175,390	2,774,538	4,992,823	326,286	5,319,109

(Audited)	Ordinary shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2010	1,762	–	121,245	1,247,758	1,370,765	500,343	1,871,108
Profit for the period	–	–	–	191,105	191,105	(1,170)	189,935
Acquisition of non-controlling interests	–	–	(108,827)	–	(108,827)	(499,173)	(608,000)
Change in fair value	–	–	(209)	–	(209)	–	(209)
Dividends	–	–	–	(191,182)	(191,182)	–	(191,182)
Profit appropriation statutory surplus reserve	–	–	30,025	(30,025)	–	–	–
Others	–	–	396	–	396	–	396
At 30 June 2010	1,762	–	42,630	1,217,656	1,262,048	–	1,262,048

The notes on pages 34 to 66 are an integral part of the condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2011

	Note	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Audited) RMB'000
Cash flows from operating activities			
Cash used in operations	31	2,886,904	(110,724)
Income tax paid		(516,888)	(169,568)
Net cash used in operating activities		(3,403,792)	(280,292)
Cash flows from investing activities			
Cash received from acquisition of a subsidiary	34	280,580	6,127
Purchase of intangible assets		(870)	–
Investment to an associate		80,770	–
Purchase of property, plant and equipment ("PPE")		(5,123)	(5,580)
Proceeds from disposal of PPE		355	894
Purchase of financial assets	12	–	(3,000)
Proceeds from disposals of financial assets		–	813
Net cash generated from/(used in) investing activities		355,712	(746)
Cash flows from financing activities			
Payment for acquiring non-controlling interests		–	(518,737)
Payment of interests and other finance costs		(180,606)	(70,228)
Proceeds from borrowings		1,930,000	2,862,814
Repayments of borrowings		(978,152)	(917,566)
Withdraw of guarantee deposits		(132,778)	(560,555)
Investment from non-controlling interests		200,000	–
Payment of dividends		–	(191,182)
Net cash generated from financing activities		838,464	604,546
Net (decrease)/increase in cash and equivalents		(2,209,616)	323,508
Cash and cash equivalents at beginning of period		3,957,952	1,423,832
Cash and cash equivalents at end of period		1,748,336	1,747,340

The notes on pages 34 to 66 are an integral part of the condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information (unaudited)

For the six months ended 30 June 2011

1 General Information

Sunac China Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in property development, property investment and property management services in the People's Republic of China (the "PRC"). The Company is an investment holding company.

The Company was incorporated in the Cayman Islands on 27 April 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its principal place of business in Hong Kong is 8/F, Gloucester Tower, the Landmark, 15 Queen's Road Central, Hong Kong.

The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") on 7 October 2010.

This condensed consolidated interim financial information is presented in thousands of units of Renminbi ("RMB'000") unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 25 August 2011.

This condensed consolidated interim financial information has not been audited.

Key events

In January 2011, the Group has acquired additional 40% equity interest in a previous joint control entity named Chongqing Yatai Real Estate Industry Limited, (originally named as Chongqing Yuneng Real Estate Co., Ltd., hereafter "Chongqing Yatai"). After the transaction, the Group holds 85% of Chongqing Yatai and Chongqing Yatai became a subsidiary of the Group.

In January 2011, the Group has secured the acquisitions of the land use rights of six pieces of land amounting to RMB5,149.4 million in PRC through the open tendering processes. In January and February 2011, four new project development subsidiaries were established to develop the six property projects.

2 Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with HKFRSs.

3 Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Exceptional items are disclosed and described separately in the financial information where it is necessary to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3 Accounting Policies (continued)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2011.

HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 34 (Amendments)	*Interim financial reporting*

(b) Amendments and interpretations to existing standards effective in 2011 but not relevant to the Group

HKAS 32 (Amendments)	*Classification of rights issues*
HK(IFRIC) – Int-14 (Amendments)	*Prepayments of a minimum funding requirement*
HK(IFRIC) – Int 19 (Amendments)	*Extinguishing financial liabilities with equity instruments*
HKFRS 7 (Amendment)	*Financial Instruments: disclosures*
HKFRS (Amendments)	*Third improvements to Hong Kong Financial Reporting Standards (2010)*

(c) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted:

HKFRS 9 (Amendment)	*Financial instruments (effective from periods beginning on or after 1 January 2013)*
HKAS 12 (Amendment)	*Deferred tax: Recovery of underlying assets (effective from periods beginning on or after 1 January 2012)*
HKFRS 10	*Consolidated financial statements (effective from periods beginning on or after 1 January 2013)*
HKFRS 11	*Joint Arrangements (effective from periods beginning on or after 1 January 2013)*
HKFRS 12	*Disclosure of interests in other entities (effective from periods beginning on or after 1 January 2013)*
HKAS 27 (2011)	*Separate financial statements (effective from periods beginning on or after 1 January 2013)*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures (effective from periods beginning on or after 1 January 2013)*
HKFRS 13	*Fair value measurement (effective from periods beginning on or after 1 January 2013)*
HKAS 1 (Amendment)	*Presentation of financial statements (effective from periods beginning on or after 1 January 2012)*
HKAS 19 (2011)	*Employee benefits (effective from periods beginning on or after 1 January 2013)*

4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

5 Financial Risk Management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

6 Segment Information

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

Management regularly reviews the operating results by property development projects and the property management service business. As property development projects are all located in the PRC, their revenue are primarily derived from the sales of, and are related and subject to common risk and returns, all property development projects are aggregated into a single reportable segment in accordance with HKFRS 8 "Operating segments".

The analysis of the Group's revenue and results by segment is as follows:

	Six months ended 30 June 2011		
	Property development and investment RMB'000	Property management services RMB'000	Total RMB'000
Total segment revenue	1,269,247	56,963	1,326,210
Cost of sales	(631,978)	(48,169)	(680,147)
Segment results	637,269	8,794	646,063
Segment income/(expenses):			
– Selling and marketing costs	(96,118)	(3)	(96,121)
– Administrative expenses	(89,663)	(7,905)	(97,568)
– Other income	16,202	837	17,039
– Other expenses	(2,804)	(79)	(2,883)
– Finance costs	(180,606)	–	(180,606)
– Share of loss of associates	(6,899)	–	(6,899)
– Gain from deemed disposal of previously held interests	181,289	–	181,289
Profit before income tax	458,670	1,644	460,314

6 Segment Information (continued)

	Six months ended 30 June 2010		
	Property development and investment RMB'000	Property management services RMB'000	Total RMB'000
Total segment revenue	776,418	13,375	789,793
Cost of sales	(382,404)	(12,343)	(394,747)
Segment results	394,014	1,032	395,046
Unallocated income/(expenses):			
– Selling and marketing costs			(48,526)
– Administrative expenses			(59,455)
– Other income			19,309
– Other expenses			(770)
– Finance costs			(70,228)
– Share of profit of joint controlled entities			24,899
– Share of profit of associates			41,305
Profit before income tax			301,580

7 Property, Plant and Equipment

	Vehicles RMB'000	Furniture and office equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Six months ended 30 June 2011				
At 1 January 2011	12,718	4,254	960	17,932
Additions	2,269	3,355	117	5,741
Acquisition of a subsidiary (Note 34)	1,464	441	344	2,249
Disposals	(133)	(21)	–	(154)
Depreciation charges	(1,320)	(2,202)	(175)	(3,697)
At 30 June 2011	14,998	5,827	1,246	22,071

	Vehicles RMB'000	Furniture and office equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Six months ended 30 June 2010				
At 1 January 2010	6,497	1,531	835	8,863
Additions	3,627	2,050	300	5,977
Acquisition of subsidiaries	–	632	330	962
Disposals	(467)	(38)	–	(505)
Depreciation charges	(1,140)	(733)	(369)	(2,242)
At 30 June 2010	8,517	3,442	1,096	13,055

Depreciation charges of the Group for the six months ended 30 June 2011 and 30 June 2010 were expensed in selling and administrative expenses in the profit or loss.

8 Investment Properties

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
At beginning of period/year	583,500	583,500
Gain from fair value measurement	–	–
At end of period/year	583,500	583,500

The following amounts have been recognised in the profit or loss:

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Rental income (Note 21)	8,972	9,538

The valuations were performed based on current prices in an active market for all properties.

The Group's interests in investment properties are all located in the PRC and are stated at their carrying values as analysed as follows:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Outside Hong Kong, held on:		
Leases of between 10 to 50 years	583,500	583,500

Some of the investment properties are leased to tenants under long-term operating leases. Minimum rentals receivable under non-cancellable operating leases of investment properties not recognised in the financial statements are as follows:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Within 1 year	18,434	15,620
Later than 1 year but no later than 5 years	70,948	77,565
Later than 5 years	153,516	146,536
	242,898	239,721

As at 30 June 2011, certain investment properties with balance totalling RMB154 million were pledged as collaterals for the Group's borrowings (as at 31 December 2010: RMB154 million) (Note 20).

9 Intangible Assets

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Goodwill	291,940	291,023
Trademark	14,875	17,850
Computer software	1,103	–
	307,918	308,873

(a) Goodwill

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Beginning of period/year	291,023	258,261
Acquisition of subsidiary	917	32,762
End of period/year	291,940	291,023

The goodwill addition during the period ended 30 June 2011 arose from the acquisition of the subsidiary namely Chongqing Yatai on 5 January 2011. The goodwill is mainly attributable to the future value surplus of the related projects (Note 34).

An operating entity level summary of the goodwill allocation is presented as follows:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Chongqing Sunac Jiye Real Estate Development Co. Ltd. ("Chongqing Jiye")	48,308	48,308
Chongqing Yatai	917	–
Wuxi Sunac Real Estate Co. Ltd. ("Wuxi Sunac Real Estate")	85,708	85,708
Wuxi Sunac City Construction Co. Ltd. ("Wuxi Sunac City")	124,245	124,245
Tianjin Sunac Property Management Co., Ltd.	32,762	32,762
	291,940	291,023

9 Intangible Assets (continued)

(b) Trademark and software

Trademark represents the cost of the right for Chongqing Jiye to use the name "Olympic Garden", which was acquired from China Sports Industry Group Co. Ltd. on 30 June 2004. According to the agreement, Chongqing Jiye can use the trademark until the completion of the development of the related project which is expected by 2013.

	Trademark RMB'000	Computer Software RMB'000	Total RMB'000
Six months ended 30 June 2011			
Cost			
At 1 January 2011	58,136	–	58,136
Addition	–	1,181	1,181
At 30 June 2011	58,136	1,181	59,317
Amortisation			
As at 1 January 2011	(40,286)	–	(40,286)
Charged for the year	(2,975)	(78)	(3,053)
At 30 June 2011	(43,261)	(78)	(43,339)
Net book value			
At 30 June 2011	14,875	1,103	15,978
Year ended 31 December 2010			
Cost			
At 1 January 2010	58,136	–	58,136
Amortisation			
At 1 January 2010	(34,335)	–	(34,335)
Charged for the year	(5,951)	–	(5,951)
At 31 December 2010	(40,286)	–	(40,286)
Net book value			
At 31 December 2010	17,850	–	17,850

10 Investment in and Loan to Associates

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Equity investment in associates	109,786	297,775
Entrusted loan to an associate (note (a))	80,770	161,540
	190,556	459,315

Note:

(a) On 4 December 2008, the Group's subsidiary, Tianjin Sunac Zhidi Co. Ltd. ("Sunac Zhidi") entered into an agreement with the third party investor of Shougang Sunac, Beijing Shougang Real Estate Development Co. Ltd. ("Beijing Shougang Real Estate"), about investment in a new property project named West Chateau in Shougang Sunac. According to the agreement, the funds are provided by Sunac Zhidi and Beijing Shougang Real Estate in form of loans to Shougang Sunac at the ratio of 20% and 80% respectively. It was also agreed that from the commencement of West Chateau project, 65% and 35% of the net profits from the project are attributable to Beijing Shougang Real Estate and Sunac Zhidi respectively. Up to 30 June 2011, no revenue has been accounted for on West Chateau project.

An analysis of the movement of equity investment in associates is as follows:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Beginning of period/year (note (i))	297,775	218,332
Dividend income	(181,090)	–
Acquisition of a new associate (note (ii))	–	–
Share of (loss)/profit of associates	(6,899)	79,443
End of period/year	109,786	297,775

10 Investment in and Loan to Associates (continued)

Note:

(i) As at 30 June 2011, the Group has a 50% equity interest in an unlisted PRC entity, Beijing Shougang Sunac Real Estate Development Co. Ltd. ("Shougang Sunac"). Shougang Sunac is treated as an associate of the Group because the other equity holder of Shougang Sunac has casting vote at board meetings in the event that the Directors of Shougang Sunac cannot reach a majority decision. Shougang Sunac has a wholly owned subsidiary namely Beijing Shouchi Yuda Real Estate Development Co. Ltd. ("Shouchi Yuda").

Sunac Zhidi acquired a 50% equity interest in Shougang Sunac from Sunco Land (Beijing) Real Estate Development Co. Ltd. ("Sunco Land") in August 2007. According to the agreement with Sunco Land, the consideration for this acquisition is 50% of dividends distributable from Shougang Sunac attributable to the existing project named East Fairyland in Shouchi Yuda. The actual value of the related payable for the consideration is included in long-term payable.

(ii) In January 2011, the Group acquired 40% equity interest in an unlisted PRC entity Chongqing Asia Pacific-Enterprise Valley Property Management Co. Ltd. ("APEV Property Management") at a consideration of RMB1 (Note 34).

Investment in associates as at 30 June 2011 includes goodwill of RMB7.8 million. (as at 31 December 2010: RMB7.4 million).

The Group's interests in its associates for the year ended 30 June 2011 are as follows:

	Country of incorporation	**Assets** RMB'000	**Liabilities** RMB'000	**Revenue** RMB'000	**Profit/ (loss)** RMB'000	**Interest in profit/ (loss)** %
Shougang Sunac	PRC	3,413,517	(3,403,449)	–	(8,850)	35
Shouchi Yuda	PRC	75,288	(75,961)	(89,915)	1,967	50
Chongqing Asia Pacific Enterprise Valley Property Management Co., Ltd.	PRC	1,280	(2,411)	(2,873)	(17)	40

11 Deferred Income Tax

	30 June 2011 RMB'000	31 December 2010 RMB'000
Deferred income tax assets recoverable:		
– within 12 months	8,684	18,993
– after 12 months	256,049	209,342
	264,733	228,335
Deferred income tax liabilities to be settled:		
– within 12 months	68,817	33,727
– after 12 months	287,919	176,951
	356,736	210,678

(a) Deferred income tax assets

The movements in deferred income tax assets and liabilities are as follows:

	Total Deferred deductible expenses RMB'000	Unpaid land appreciation tax RMB'000	Deductible tax loss RMB'000	Total RMB'000
For the six months ended 30 June 2011				
At 1 January 2011	33,251	177,253	17,831	228,335
Charged to the profit or loss	6,813	6,293	21,871	34,977
Acquisition of subsidiary (Note 34)	1,421	–	–	1,421
At 30 June 2011	41,485	183,546	39,702	264,733
For the six months ended 30 June 2010				
At 1 January 2010	33,529	–	20,205	53,734
Charged to the profit or loss	(1,523)	–	12,850	11,327
At 30 June 2010	32,006	–	33,055	65,061

11 Deferred Income Tax (continued)

(b) Deferred income tax liabilities

	Fair value surplus of properties on acquisitions RMB'000	Fair value surplus on investment properties RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2011				
At 1 January 2011	108,972	25,674	76,033	210,678
(Credited)/charged to the profit or loss	(11,488)	–	9,064	(2,424)
Acquisition of subsidiary (Note 34)	148,481	–	–	148,481
At 30 June 2011	245,965	25,674	85,097	356,736
For the six months ended 30 June 2010				
At 1 January 2010	141,988	23,741	50,212	215,941
(Credited)/charged to the profit or loss	(1,323)	285	5,974	4,936
Payments	–	–	(23,098)	(23,098)
Acquisition of subsidiary	–	1,932	–	1,932
At 30 June 2010	140,665	25,958	33,088	199,711

12 Properties Under Development

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Comprising:		
Land use rights	10,944,216	5,942,332
Construction costs	3,965,324	1,947,164
Capitalised financial costs	348,737	142,875
	15,258,277	8,032,371

The properties under development are all located in the PRC.

As at 30 June 2011, certain properties under development with balances totalling RMB6,340 million were pledged as collaterals for the Group's borrowings (as at 31 December 2010: RMB3,500 million) (Note 20).

13 Completed Properties Held for Sale

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Completed properties held for sale, gross	911,847	1,041,898
Less: Provision for loss on realisable value	(34,900)	(32,000)
Completed properties held for sale, net	876,947	1,009,898

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

As at 30 June 2011, certain completed properties held for sale with balances totalling RMB98 million were pledged as collaterals for the Group's borrowings (as at 31 December 2010: RMB103 million) (Note 20).

As at 30 June 2011, the Group is in the process of applying for the ownership certificate in respect of the completed car parks of RMB211 million. The Directors consider that the title of car parks will be obtained in due course upon the completion of certain procedures in 2012 with no additional cost to the Group.

14 Other Receivables

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Prepaid taxes	620,683	123,079
Guarantee deposits for new land use right biding	465,904	160,000
Prepaid finance expense	80,925	–
Deposits for guarantee to customers' bank loans	21,752	33,861
Prepayment for property projects	36,082	26,201
Prepayment for 40% equity interest in Chongqing Yatai	–	320,104
Others	102,021	18,528
	1,327,367	681,773

As at 30 June 2011 and 31 December 2010, the fair value of other receivables approximated their carrying amounts.

The carrying amounts of the Group's other receivables are all denominated in RMB.

15 Restricted Cash

Restricted cash primarily represents guaranteed deposits for the construction and mortgage loan. Such restrictions are to be released when (i) construction reach certain phases (ii) return of loans.

16 Cash and Cash Equivalents

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Cash at bank and in hand		
– Denominated in RMB	1,724,440	3,696,651
– Denominated in HKD	19,420	256,364
– Denominated in USD	4,476	4,937
	1,748,336	3,957,952

The conversion of RMB denominated balances into foreign currencies, and the remittance of foreign currencies-denominated bank balances and cash out of the PRC are subject to restrictive foreign exchange control rules and regulations.

The Group earns interest on cash at bank, at floating bank deposit rates.

17 Share Capital and Share Premium – Group and Company

Share capital

	Number of shares (thousands)	Ordinary shares HK$'000	Ordinary shares Equivalent to RMB'000
Authorised:			
Ordinary shares of HK$0.01 each			
As at 31 December 2010 and 30 June 2011	10,000,000	1,000,000	
Issued:			
As at 31 December 2010 and 30 June 2011	3,000,000	300,000	259,112

Share premium

	RMB'000
As at 31 December 2010 and 30 June 2011	1,783,783

18 Other Reserves

	Other reserves	Merger reserve	Statutory reserve	Financial guarantee reserve (Note 33)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2011					
At 1 January 2011	1,294,167	(1,423,109)	294,168	–	165,226
Amortization of share option	17,592	–	–	–	17,592
Others	616	–	–	–	616
Transaction with non-controlling interest	(8,044)	–	–	–	(8,044)
At 30 June 2011	1,304,331	(1,423,109)	294,168	–	175,390
Six months ended 30 June 2010					
At 1 January 2010	1,393,432	(1,423,109)	151,271	(349)	121,245
Acquisition of non-controlling interest	(108,827)	–	–	–	(108,827)
Change in fair value	(209)	–	–	–	(209)
Transfer	–	–	32,025	–	32,025
Others	396	–	–	–	396
At 30 June 2010	1,284,792	(1,423,109)	183,296	(349)	44,630

19 Trade and Other Payables

	As at 30 June 2011	As at 31 December 2010
	RMB'000	RMB'000
Trade payables (Note (a))	1,318,399	1,498,202
Other taxes payable	833,378	768,870
Other payables	262,986	156,426
Payroll and welfare payables	14,509	23,316
	2,429,272	2,446,814

19 Trade and Other Payables (continued)

Note (a):

The ageing analysis of the Group's trade payables is as follows:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Within 90 days	692,987	686,900
90-180 days	150,749	55,431
180-365 days	73,825	188,802
Over 365 days	400,838	567,069
	1,318,399	1,498,202

20 Borrowings

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Non-current		
Secured, borrowed from:		
– Banks (note (i))	3,698,770	3,580,113
– Other financial institutions (note (i))	2,287,620	1,237,620
– Third parties	600,000	600,000
Unsecured, borrowed from:		
– Banks	4,000	4,000
	6,590,390	5,421,733
Less: Current portion of long-term borrowings	(1,456,820)	(796,620)
	5,133,570	4,625,113
Current		
Secured, borrowed from banks (note (i))	311,900	225,000
Unsecured, borrowed from:		
– Other financial institutions	46,000	46,000
Current portion of long-term borrowings	1,456,820	796,620
	1,841,720	1,067,620
Total borrowings	6,948,290	5,692,733

20 Borrowings (continued)

Note (i):

As at 30 June 2011, the Group's borrowings totalling RMB6,898 million (as at 31 December 2010: RMB5,043 million) were secured or jointly secured by the Group's properties under development, completed properties held for sale and investment properties totalling RMB6,592 million (as at 31 December 2010: RMB3,088 million), certain equity interest of the Group's subsidiaries (including those legally transferred as collateral) and guaranteed by a third party respectively.

(a) Long-term borrowings

The Group's borrowings as at 30 June 2011 were repayable as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000
Within 1 year	1,456,820	796,620
Between 1 and 2 years	4,377,570	2,134,300
Between 2 and 5 years	756,000	2,490,813
	6,590,390	5,421,733

The weighted average effective interest rates for the year ended 30 June 2011 was 8.06% (year ended 31 December 2010: 7.41%).

(b) The exposure of the Group's borrowings with variable interest rates to interest-rate changes and the contractual reprising dates are as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000
6 months or less	255,000	340,000
6 -12 months	2,837,500	2,715,113
	3,092,500	3,055,113

20 Borrowings (continued)

(c) As at 30 June 2011, the Group had the following committed undrawn banking facilities:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
– Expiring within one year	3,415,200	1,040,000

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

21 Revenue

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Sales of properties	1,260,275	766,880
Property management service income	56,963	13,375
Rental income	8,972	9,538
	1,326,210	789,793

22 Expenses by Nature

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Cost of properties sold:		
– Construction costs	383,702	238,573
– Land use rights costs	160,297	79,132
– Business tax (Note 23)	69,734	41,983
– Capitalised interests	16,693	22,173
– Other costs	49,721	12,886
Advertisement and promotion costs	71,428	33,826
Staff costs (Note 26)	63,469	24,267
Entertainment expense	10,321	4,624
Office and travel expenses	16,052	11,950
Other tax expenses	12,836	10,459
Depreciation and other amortisation	6,750	5,217
Impairment provision for car parks	2,900	7,000
Consulting expenses	3,281	5,175
Others	6,652	5,463
Total cost of sales, selling and marketing costs and administrative expenses	873,836	502,728

23 Business Tax and Related Charges

The PRC companies now comprising the Group are subject to business taxes on their revenues at the following rates:

Category	Tax rate	Tax basis
Business tax		
– Sales of properties	5%	Taxable revenue
– Rental income of investment properties	5%	Taxable revenue
– Property management services	5%	Taxable revenue
Urban construction and maintenance tax	7%	Business tax paid
Education surcharge	3%	Business tax paid
Local education surcharge	2%	Business tax paid
Anti-flood fund	1%	Business tax paid

24 Other Income

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Interest income	10,393	5,912
Investment income from loans to associates	4,460	11,574
Others	2,186	1,823
	17,039	19,309

25 Other Expenses

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Donation	2,000	–
Compensation to customers	845	399
Others	38	371
	2,883	770

26 Staff Costs

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Wages and salaries	44,859	23,905
Pension costs	3,219	2,302
Other social security costs	5,125	2,792
Staff welfare	4,621	2,033
Share option amortisation	17,592	–
	75,416	31,032
Less: Staff costs capitalised in properties under development	(11,947)	(6,765)
Charged to the profit or loss (Note 22)	63,469	24,267

27 Directors' and Senior Management's Emoluments

(a) Directors' and senior management's emoluments

The directors' emoluments are set out below:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Inducement fees RMB'000	Other benefits including pension RMB'000	Compensation for loss of office as director RMB'000	Total RMB'000
Six months ended 30 June 2011:							
Sun Hongbin	–	600	–	–	–	–	600
Li Shaozhong	–	381	–	–	29	–	410
Wang Mengde	–	367	–	–	29	–	396
Chi Xun	–	420	–	–	29	–	449
Shang Yu	–	311	–	–	27	–	338
Hu Xiaoling	–	–	–	–	–	–	–
Zhu Jia	–	–	–	–	–	–	–
Kan Lai Kuen, Alice*	174	–	–	–	–	–	174
Poon Chiu Kwok*	–	–	–	–	–	–	–
Li Qin	189	–	–	–	–	–	189
Ma Lishan	189	–	–	–	–	–	189
Six months ended 30 June 2010:							
Sun Hongbin	–	407	–	–	–	–	407
Li Shaozhong	–	325	–	–	28	–	353
Wang Mengde	–	266	–	–	28	–	294
Chi Xun	–	273	–	–	28	–	301
Shang Yu	–	296	–	–	28	–	324

* Ms. Kan Lai Kuen, Alice has resigned as an independent non-executive director on 8 June 2011. Mr. Poon Chiu Kwok has replaced her as an independent non-executive director.

27 Directors' and Senior Management's Emoluments (continued)

(b) Five highest paid individuals

The five highest paid individuals were all executive directors during the six months ended 30 June 2011 as stated in Note 27 (a), while in the corresponding period of 2011, only four of them are executive directors. The fifth highest emoluments payable to the individual during the six months ended 30 June 2011 is as follows:

	Six months ended 30 June 2011 RMB'000
Salary and other benefit	324
Social security costs	29
	353

(c) In the period ended 30 June 2011, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, or as compensation for loss of office (year ended 31 December 2010: nil).

28 Finance Costs, Net

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Interest expenses on:		
– Bank borrowings	149,643	108,206
– Borrowings from non-bank financial institutions	77,797	16,969
– Borrowings from third parties	50,486	5,993
Other finance costs	92,115	21,430
Less: Capitalised interests	(189,435)	(82,370)
	180,606	70,228

The capitalisation rate used to determine the amount of the interest incurred eligible for capitalisation in the six months ended 30 June 2011 was 5.05% (the six months ended 30 June 2010: 4.86%).

29 Income Tax Expenses

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Corporate income tax charge ("CIT")		
– Current income tax	121,830	53,918
– Deferred income tax	(37,401)	(6,391)
	84,429	47,527
Land appreciation tax ("LAT")	58,725	64,118
	143,154	111,645

(a) CIT

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Profit before income tax	460,314	301,580
Income tax calculated at statutory rate	115,079	75,395
LAT deduction	(14,682)	(16,029)
Income not subject to tax	(34,784)	(21,422)
Non-deductible expenses	10,098	3,609
Others	8,718	5,974
	84,429	47,527

Pursuant to the applicable rules and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

No provision from Hong Kong profits tax has been made, as the Group does not have any assessable profits in Hong Kong for the six months ended 30 June 2011.

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25% and the estimated assessable profits for the six months ended 30 June 2011 based on existing legislations, interpretations and practices.

29 Income Tax Expenses (continued)

(a) CIT (continued)

In accordance with the PRC Corporate Income Tax Law, a 10% withholding income tax is levied on dividends declared to foreign investors from the enterprises with foreign investments established in the Mainland China. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in Mainland China in respect of their earnings generated from 1 January 2008.

(b) LAT

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures. LAT is included in the profit or loss as income tax expense.

30 Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	Six months ended 30 June	
	2011 RMB'000	2010 RMB'000
Profit attributable to owners of the parent (RMB'000)	318,698	191,105
Weighted average number of ordinary shares in issue (thousand)	3,000,000	2,250,000

2,230,000,000 shares were issued under the capitalisation issue upon the completion of global offering in October 2010. The weighted-average number of ordinary shares in issue for the six months ended 30 June 2010 was adjusted accordingly.

30 Earnings Per Share (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issues assuming the exercise of the share options.

	Six months ended 30 June	
	2011	2010
Profit attributable to owners of the parent (RMB'000)	318,698	191,105
Weighted average number of ordinary shares in issue (thousand)	3,000,000	2,250,000
Weighted average number of ordinary shares for diluted earnings per share (thousand)	3,000,000	2,250,000

The Company did not have any potential dilutive shares for the six months ended 30 June 2010. Accordingly, diluted earnings per share are the same as basic earnings per share.

Diluted earnings per share is also the same as the basic earnings per share for the six months ended 30 June 2011 as the exercise price of the outstanding share options granted by the Company was higher than the current market price of the Company's shares and the conversion of the outstanding share options would have anti-dilutive effect on earnings per share.

31 Cash Used in Operations

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Profit before income taxes	460,314	301,580
Adjustments for:		
– Finance costs	180,606	70,228
– Gain on disposal of PPE	(201)	(389)
– Gain on disposal of financial assets	–	(13)
– Amortisation of intangible assets	3,053	2,975
– Depreciation	3,697	2,240
– Share of profit from associates and jointly control entities	6,899	(66,204)
– Gain from deemed disposal of previously held interests	(181,289)	
– Share option	17,592	
Changes in working capital		
– Properties under development and completed properties held for sale, net	(5,781,532)	(2,235,614)
– Other receivables	(177,029)	(182,075)
– Trade and other payables	2,580,986	1,996,548
Cash used in operations	(2,886,904)	(110,724)

32 Commitments

(a) Property development expenditure at the balance sheet date but not yet incurred is as follows:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Property development expenditure		
– Contracted but not provided for	2,731,883	1,322,599
– Authorised but not contracted for	20,921,139	13,782,381
	23,653,022	15,104,980
New land use right acquisition		
– Authorised but not contracted for	–	575,460
	23,653,022	15,680,440

(b) Operating lease commitments

The future aggregate minimum lease rental expense in respect of certain office buildings under non-cancellable operating leases contracts are payable in the following periods:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
No later than 1 year	536	1,749
Later than 1 year and no later than 5 years	–	–
	536	1,749

33 Financial Guarantee

(a) Guarantee on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities:

	As at 30 June 2011 RMB'000	As at 31 December 2010 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	3,532,638	3,769,624

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which will generally occur within an average period of two to three years from the completion of the guarantee registration; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of the mortgage. The directors consider that the likelihood of default of payments by purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) There was no corporate guarantee provided to the Group's subsidiaries in respect of bank borrowings as at 30 June 2011 (as at 31 December 2010: nil). The Directors consider the subsidiaries to be sufficiently financially resourced to settle their obligations.

34 Business Combination

Acquisition of additional equity interest in jointly controlled entity, Chongqing Yuneng

In January 2011, the wholly owned subsidiary of the Group, Sunac Zhidi, acquired an additional 40% equity interest in Chongqing Yatai and a 40% equity interest in Chongqing Asia Pacific Enterprise Valley Property Management Co. Ltd. ("APEV Property Management") from Chongqing Yuneng Real Estate (Group) Co. Ltd. ("Chongqing Yuneng Real Estate"), one of the third party shareholders of Chongqing Yatai. The considerations are RMB319,848,000 and RMB1 respectively.

The Group has a 45% equity interest in the jointly controlled entity, Chongqing Yatai, as at 31 December 2010. Upon the completion of the above transaction, the Group obtained the control in Chongqing Yatai and Chongqing Yatai became an 85% owned subsidiary of the Group and APEV Property Management became an associate of the Group.

34 Business Combination (continued)

Details of net assets acquired and goodwill are as follows:

	RMB'000
Fair value of the 45% equity interest as at the acquisition date	359,829
Less: Carrying value of the investment in Chongqing Yatai	(178,540)
Gain on re-measuring	181,289

Details of net assets of Chongqing Yatai acquired and goodwill are as follows:

	RMB'000
Fair value of 45% equity interest of Chongqing Yatai	359,829
Consideration for additional 40% equity interest of Chongqing Yatai	319,848
	679,677
Less: Fair value of 85% net assets – shown as below	(678,760)
Goodwill	917

The fair value of the assets and liabilities arising from the acquisition are as follows:

	RMB'000
Cash and cash equivalents	280,580
Property, plant and equipment	2,249
Intangible assets	311
Properties under development and completed properties held for sale	1,311,423
Other receivables	100,417
Amount due from Sunac Zhidi	450,104
Deferred tax assets	1,421
Trade and other payables	(127,391)
Advances proceeds from customers	(701,465)
Borrowings	(303,710)
Current income tax liabilities	(66,918)
Deferred tax liabilities	(148,481)
Net assets	798,540
Less: Non-controlling interest	(119,780)
Fair value of total net assets owned by the Group	678,760

The consideration for the additional 40% equity interest of Chongqing Yatai has already been paid in December 2010.

35 Related Party Transactions

The Group is controlled by Sunac International Investment Holdings Ltd. ("Sunac International"), which owns 51.85% of the Company's shares. The remaining 48.15% of the shares are widely held. The ultimate controlling party of the Group is Mr. Sun Hongbin.

(a) Name and relationship with related parties

Name	Relationship
Shougang Sunac	Associate
Shouchi Yuda	Associate
APEV Property Management	Associate

(b) Transactions with related parties

During the six months ended 30 June 2011, the Group had the following significant transactions with related parties:

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Receiving of loan repayment from Shougang Sunac	80,770	–
Entrusted loan interest from Shougang Sunac	**4,741**	9,305
Dividend income from Shougang Sunac	**181,090**	–

(c) Key management compensation

Key management mainly represent the Company's executive directors, their compensation have been disclosed in Note 27 of the interim financial information.

35 Related Party Transactions (continued)

(d) Related party balances

	30 June 2011 RMB'000	31 December 2010 RMB'000
Amounts due from related parties		
– Shougang Sunac	185,838	7
– Shouchi Yuda	1	–
Amounts due to a related party		
– APEV Property Management	105	–
– Chongqing Yatai	–	450,104

As at 30 June 2011, amounts due from/to related parties are unsecured, have no fixed terms of repayment, and are cash advances in nature. The funds were used to fund the respective property projects.

36 Dividends

No dividend has been paid or declared by the Company for the six months ended 30 June 2011 (for the six months ended 30 June 2010: RMB191.2 million).

37 Events after the Balance Sheet Date

The Group has no significant subsequent events since 30 June 2011 to the date of this report.

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