GUANGZHOU R&F PROPERTIES CO., LTD.

Stock code: 2777

Interim Report 2013

CORPORATE INFORMATION

Executive Directors	Li Sze Lim, Zhang Li, Zhou Yaonan, Lu Jing
Non-executive Directors	Zhang Lin, Li Helen
Independent Non-executive Directors	Huang Kaiwen, Dai Feng, Lai Ming Joseph
Supervisors	Chen Liangnuan, Liang Yingmei, Zheng Ercheng
Authorized Representatives	Li Sze Lim, Chow Oi Wah Fergus
Company Secretary	Chow Oi Wah Fergus
Registered Office in the PRC	45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623 PRC
Principal Place of Business in the PRC	45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623 PRC
Place of Business in Hong Kong	Room 1103, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong
Auditors	PricewaterhouseCoopers 22/F., Prince's Building, Central, Hong Kong
Legal Advisor as to Hong Kong Law	Sidley Austin 39/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong
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RESULTS

For the six months ended 30 June 2013, profit attributable to owners of the Company increased by 11% over the corresponding period last year to RMB1.45 billion, while total turnover rose by 21% to RMB10.19 billion. The increase in net profit was largely due to better results from the Group's core business of property development.

Turnover and profit from property development for sale increased by 22% and 35% respectively, with turnover reaching RMB9.02 billion and profit RMB1.26 billion. The increase in turnover and profit was mainly due to a significant increase in the delivery of area sold of 972,900 sq.m., representing an increase of 84%. We completed a total saleable area of 854,000 sq.m. on schedule, representing approximately 30% of our estimated full year completion. Our gross margin in the period remained satisfactory. With regard to the Group's other key business segments, revenue from property investments increased by 16% to RMB339 million, while the hotel operations saw a temporary decline in results due to the addition of two hotels newly opened in 2012 which are still establishing themselves. The Group's cash flow remained strong and culminated in a cash balance of approximately RMB19.3 billion at the end of the period. The directors have resolved to declare an interim dividend of RMB0.12 per share.

	Unaudited six months ended 30 June 2013 (RMB'000)	Unaudited six months ended 30 June 2012 (RMB'000)	Percentage changes
Turnover	**10,190,635**	8,440,258	21%
Profit for the half-year attributable to owners of the Company	**1,449,502**	1,302,274	11%
Basic earnings per share (in RMB)	**0.4538**	0.4077	11%
Dividend per share (in RMB)	**0.12**	0.10	20%

BUSINESS REVIEW

The property market in the first half of 2013 continued to be shaped significantly by government policy. The government has clearly laid out its objectives for the property market and implemented policies to achieve them; as a result, unpredictability in the business environment arising from regulatory measures has lessened. The government's major policy objectives remain threefold: to stabilize prices, to reduce speculation, and to increase the supply of affordable housing, and the control measures it has adopted to achieve these objectives have been skillfully and systematically introduced. The last round of measures introduced in February came as no surprise to the market, including as it did an effective reiteration of existing measures, and the ramping up of pressure on local governments to follow policy closely. This to a significant extent contributed in part to the relative stability of the business environment. No less important, however, were the effects of two fundamental drivers of the market: urbanization and growth in household income. Urbanization, for which there remains huge scope in China, clearly implies a long-term need for growth in the supply of housing. Premier Li Keqiang has emphasized how important urbanization is for sustaining the country's economic development. Household income has also been growing strongly, although recently concerns have been raised about the slowing of the country's GDP growth. Barring a significant downturn of the economy or runaway house prices, there remains significant potential for a rise in household disposable income, which will in turn increase the number of households able to afford private housing. Between them, urbanization and household income growth underpinned sustained demand in the period under review, as they will continue to do going forward. Generally, the property sector showed some strength in the first half of 2013, in the context of a reasonable business environment which supported healthy demand and a modest rise in prices.

The Group set a contracted sales target of RMB42 billion for 2013, representing a 23% increase over its actual contracted sales for 2012. This growth target, higher than the growth rate achieved by the Group over the past few years, was based on a business plan that included an in-depth assessment of the current business and economic environment. The plan was formulated based not only on our sales and marketing expectations, but also took into account all the Group's other key operations, including (among others) construction, land banking, and financing. Achieving the 2013 target will see the Group take a major step forward towards implementing its long-term strategic vision.

The Group's contracted sales for the first half of the year amounted to RMB18.58 billion, around 44% of the full-year target. As a percentage, this was better than our past achievements at mid-year. Overall, contracted sales were in line with our detailed underlying monthly sales plan for different cities with several cities exceeding their targets. To achieve these contracted sales, the Group took previously effective sales strategies and further refined them, while at the same time raising the precision of its execution in order to better tackle the large and extremely varied China property market. The Group also continued to maintain a well-balanced product line, which includes apartments suited to first-time home buyers (in industry jargon, "rigid-demand" type products), commercial properties in carefully-chosen locations favoured by both large and small businesses, and a certain proportion of higher-end products in suitable markets. Offering a full product line across 15 cities proved effective in coping with the impact of home purchase restrictions. At the same time it perfectly positioned the Group to take advantage of upswings in demand for particular products or in a particular geographical area, as can be seen from some of the contracted sales results in the period. In Taiyuan, for example, which the Group entered relatively recently, contracted sales of over RMB2.0 billion were achieved from three residential projects primarily in the rigid-demand product category. This was an achievement not far behind those of the Group's market strongholds of Beijing and Guangzhou. Guangzhou's contracted sales amounted to RMB4.57 billion, higher than all other cities. This was due in part to the Group having several commercial projects in its product line, each with a different kind of appeal for commercial buyers. The for-sale office buildings R&F Yingtong Plaza and R&F Yingkai Plaza brought in RMB2.62 billion in sales and accounted for more than half of Guangzhou's contracted sales, or 14% of overall contracted sales of the period. The sales performance of Hainan is another case in point, showing how our product diversification and geographical diversification have enabled us to capture changes in market demand. The Hainan market has been through an extended down phase, but has seen very significant new buyer interest since the beginning of the year. With the right products on offer, the Group's three vacation and retirement residential property themed projects in Hainan recorded contracted sales of RMB1.77 billion in the period, already more than double Hainan's entire contracted sales for the previous year.

Exceptional execution of the Group's effective sales and marketing strategies contributed directly to satisfactory first half year sales, and those strategies were supported by a whole spectrum of other related activities. These included, among others, construction to provide a sufficient project pipeline, and land banking to ensure enough land is available for building to enable long-term growth. On the construction side, the pace was stepped up in response to the year's increased sales target. The Group started construction of 2.83 million sq.m. GFA in the period, and the total area under construction at the end of June 2013 amounted to 9.17 million sq.m. GFA, approximately 25% more than the amount as at the end of 2012. Sales permits with an approximate property value of RMB44 billion were obtained, and further sales permits of over RMB40 billion are expected for the second half of the year. This will mean that all sales should be launched on schedule, including a total of eight new projects in the second half, the first of which in Beijing was successfully launched in July as planned.

As for land acquisitions, the Group brought its usual discipline to this core task. Our view is that the current government leaders supports the long-term healthy development of the property market and this implies that the year shall likely be marked as the beginning of a market-driven upward phase of the property cycle. Accordingly, we have further expanded our high quality, cost competitive land bank. Following our entry into Hangzhou in late 2012 when we acquired two pieces of land at very competitive cost, in June 2013 the Group made its first acquisition in metro Shanghai, when it acquired 250,000 sq.m. of land in Hongqiao, again at a favourable price. Since the beginning of the year, it has added 7.8 million sq.m. of land to its land bank at relatively low prices of approximately RMB1,320 per sq.m., including 5.7 million sq.m. in four new cities, Changsha, Guiyang, Meizhou and Wuxi. This takes the number of cities where the Group operates from 15 to 19, lifting its geographical diversification to a new level. The other land additions were in our existing markets of Beijing, Guangzhou, Tianjin, Shanghai, Hangzhou and Datong. As at 30 June 2013, our total attributable land bank amounted to approximately 34.1 million sq.m. of saleable area.

The Group will not add to its investment property portfolio until the Ritz-Carlton, Chengdu opens, planned for the fourth quarter of 2013. Our portfolio currently consists of six hotels, two grade-A office buildings and two shopping malls, all of which are choice assets with strong income-generating ability and significant potential for long-term capital appreciation. Gross rental income from this portfolio continued to rise in the period, by 11% as compared to the corresponding period in 2012, to RMB750 million. The Group's hotel operations remained healthy, with its mature hotels maintaining high occupancy rates despite increasingly keen competition in their respective markets. The Ritz-Carlton Chengdu which is now in its final phase of pre-opening preparations, will add new impetus to the operation. Two newer hotels opened in 2012, Renaissance Huizhou Hotel and Hyatt Regency Chongqing which were in their pre-maturing period, however, temporarily adversely affected the results of the hotel operation in the period. Rental income from the office buildings in Guangzhou and Beijing, both named R&F Center, increased despite the fact that both are already close to full occupancy. This was made possible due to the Group's continuous efforts to enhance the buildings' maintenance and property management standards, which has helped attract high-quality tenants willing to pay a premium market rental. As for shopping malls, the Group intends to build up a countrywide shopping mall chain under the R&F Plaza brand name, which will be synonymous with a shopping experience that is convenient, relaxing and enjoyable. In line with this, the Tianhui Mall in Chengdu has been renamed Chengdu R&F Plaza, becoming the second R&F Plaza after Beijing R&F Plaza. Further R&F Plazas will be opened in due course in other cities, including Tianjin and Harbin. The Beijing R&F Plaza has already emerged as a lively shopping mall generating strong rental revenues; the Chengdu R&F Plaza meanwhile has room for further improvement, something almost guaranteed when the adjoining Ritz-Carlton Chengdu opens shortly. All in all, the Group firmly believes in the value to its business of a quality investment property portfolio, and is committed to growing it at a pace and in a manner most suited to the Group's business model.

The Group's financing activities and its ability to access financing has played an important part in supporting the operating activities mentioned above. Earlier in the year, in January 2013, the Group took advantage of favourable windows in the offshore capital market to issue US$600 million of 7-year 8.75% Senior Notes. The issuance of a 7-year debt instrument was a significant step towards establishing a longer-term debt profile. The main part of our financing, however, continued to come from regular construction loans, which we managed to procure successfully. The Group has also been actively working to replace certain financing that carries higher interest rates; when completed, this will reduce its overall financing costs.

GOING FORWARD

The property industry has an important role to play in China's economy, and will continue to benefit from the country's drive towards urbanization. Given this, industry competition is likely to remain intense. The Group's strategy for leading the competition is to continue investing in quality, and to continue promoting its trusted brand. At the same time, it will work towards perfecting its execution when implementing its proven sales strategies. We will concentrate our efforts in cities that are close to our headquarter cities, Beijing in the north and Guangzhou in the south. This should help enhance our management efficiency, and enable us to deploy our resources more effectively too. We also plan to take differentiation of our product design to a higher level, by rolling out some designs aimed at the particular requirements of first- and second-tier cities, alongside others more suited to third- or fourth-tier cities. Skillful execution of our strategies will help assure gradual, stable growth of the Group's business. The Group is strongly positioned to take advantage of the return to healthy long-term growth of the property market, and we are therefore confident that we will be able to attain our contracted sales target of RMB42 billion for the full year.

ACKNOWLEDGEMENT

Taking this opportunity, I would like to thank the Company's shareholders, investors, business associates and customers for their confidence and valuable supports as well as our fellow directors and staff for their many contributions to our success.

Li Sze Lim
Chairman

21 August 2013, Hong Kong

OPERATION REVIEW

PROPERTY DEVELOPMENT

The Group's property projects span 19 cities across China. During the period, the Group completed sale properties on schedule, made satisfactory contracted sales equivalent to 44% of the full year target and maintained a scale of development that will ensure a sufficient project pipeline.

Completion of Sale Properties

Completion in the period of 854,000 sq.m. represented approximately 30% of the Group's expected completion for 2013 of 2,836,000 sq.m. in saleable area, as compared to 18% for the same period in 2012. Expected completion in the second half of 2013 is approximately 1,982,000 sq.m. as shown in the following table:

	2013 1st Half		2013 2nd Half	
Area	Approx. Total GFA (sq.m.)	Approx. Saleable Area (sq.m.)	Approx. Total GFA (sq.m.)	Approx. Saleable Area (sq.m.)
Southern China	367,000	289,000	637,000	529,000
Western China	184,000	182,000	392,000	290,000
Eastern China	55,000	52,000	230,000	175,000
Northern China	406,000	331,000	1,230,000	988,000
Total	1,012,000	854,000	2,489,000	1,982,000

Contracted Sales

The Group registered contracted sales of RMB18.58 billion and equivalent to 1,612,000 sq.m. in GFA during the six months ended 30 June 2013 distributed in 14 cities as follow:

Location	Approximate GFA sold (sq.m.)	Approximate value (RMB million)
Guangzhou	212,000	4,574
Huizhou	94,000	521
Hainan	123,000	1,762
Chongqing	144,000	763
Chengdu	78,000	527
Shanghai and vicinity	39,000	754
Beijing and vicinity	358,000	3,813
Tianjin	125,000	1,936
Xian	39,000	382
Taiyuan	297,000	2,006
Shenyang	5,000	57
Nanjing	37,000	596
Harbin	42,000	796
Datong	19,000	94
Total	1,612,000	18,581

Sale Properties Under Development

Sale properties under development amounted to approximately 9,172,000 sq.m. GFA as at 30 June 2013, details of which are set out below:

Location	Number of Project	Approximate GFA (sq.m.)	Approximate saleable area (sq.m.)
Guangzhou	10	1,901,000	1,302,000
Huizhou	3	582,000	429,000
Hainan	4	334,000	328,000
Chongqing	1	842,000	696,000
Chengdu	2	182,000	149,000
Shanghai and vicinity	1	126,000	114,000
Beijing and vicinity	8	1,567,000	1,312,000
Tianjin	5	1,079,000	714,000
Xian	1	110,000	100,000
Taiyuan	5	1,109,000	851,000
Shenyang	1	22,000	22,000
Nanjing	1	240,000	174,000
Datong	1	271,000	210,000
Harbin	1	664,000	360,000
Hangzhou	1	143,000	96,000
Total	45	9,172,000	6,857,000

PROPERTY INVESTMENT

The Group's investment properties portfolio included grade-A office buildings (Guangzhou R&F Center and Beijing R&F Center), shopping malls (Beijing R&F Plaza and the Chengdu R&F Plaza) and various retail properties. The combined office and retail space of these properties as at 30 June 2013 exceeded 500,000 sq.m.

The investment property portfolio of the Group also included expanding logistic and storage facilities.

HOTEL OPERATION

The Group currently operates six hotels, two in Beijing (the Renaissance Beijing Capital Hotel and the Holiday Inn Express Temple of Heaven Beijing), two in Guangzhou (The Ritz-Carlton, Guangzhou and Grand Hyatt Guangzhou) and two newer hotels opened in 2012, the Renaissance Huizhou Hotel and Hyatt Regency Chongqing. The Group's seventh hotel, the Ritz-Carlton Chengdu, is expected to be opened in the fourth quarter of 2013.

LAND BANK

The following ten pieces of land were bought during the period:

Location	Site Area (sq.m.)	GFA (sq.m.)	Total Land Cost (RMB million)	Average Land Cost (RMB/sq.m.)
Shanghai Hongqiao Project	106,400	249,600	3,631	14,500
Hangzhou Future Technology Center	37,600	86,600	409	4,700
Changsha Jiuhua Project	1,325,800	3,298,600	1,777	540
Wuxi Taihu New Town Project	111,300	233,600	1,368	5,900
Meizhou Meixian New Town Project	662,900	1,988,800	895	450
Shanxi Datong R&F City	303,900	911,400	739	800
Tianjin Tuanbo Project	378,200	567,300	783	1,400
Guangzhou Xingangdong Project	7,300	19,000	300	15,800
Guiyang Chengxin Road Project	90,000	189,000	222	1,200
Beijing R&F New Town	128,300	217,400	106	490
Total	3,151,700	7,761,300	10,230	1,320

As at 30 June 2013, the Group was in possession of the following land bank:

Area	Approximate GFA (sq.m.)	Approximate saleable area (sq.m.)
Southern China	16,441,000	16,147,000
Western China	5,534,000	5,415,000
Eastern China	1,639,000	1,582,000
Northern China	10,806,000	10,258,000
Investment Properties	710,000	710,000
Total	35,130,000	34,112,000

FINANCIAL REVIEW

The Group's net profit for the six months ended 30 June 2013 increased to RMB1.46 billion, from RMB1.30 billion for the corresponding period in the previous year. The increased profit was mainly driven by better results from the Group's core business of property development. Profit from property development accounted for 86% of the Group's total net profit and amounted to RMB1.26 billion. Compared to the previous period, net profit increased by 35%, based on an 84% increase in terms of saleable area of delivery to 972,900 sq.m. in the period. The increased profit from property development was however partially offset by the increased net loss from the hotel operation, along with the increased net losses of "All Other Segments" (not including property investment). Two newer hotels opened in 2012, Renaissance Huizhou Hotel and Hyatt Regency Chongqing, and their operating losses in the pre-maturing period was the main reason for the increase in the net loss of the hotel operation. The operating loss from the football club accounted for much of the loss of "All Other Segments". Profit from property investment, leaving aside any fair value gain, increased by RMB35.8 million to RMB138.8 million.

The following comments on the components of the income statement, with the exception of #6 (on financing costs) and #9 (on net profits), relate only to property development:

1. Turnover increased by 22% to RMB9.02 billion, from RMB7.37 billion in the same period in 2012. The Group completed and delivered properties in 11 cities in the six months ended 30 June 2013. The amount of saleable area sold increased by 84%, more than the increase in turnover, to 972,900 sq.m. from 529,900 sq.m., reflecting a decrease in the overall average selling price by 33%, from RMB13,900 to RMB9,300 per sq.m. This decrease was mainly due to a change in the sales mix, with a larger proportion of total turnover coming from sales of rigid-demand type residential properties in the period. The main example was Guangzhou's R&F Jingang City, which had an average selling price of RMB7,700 per sq.m. and RMB1.06 billion in turnover, the highest turnover in the period and one which made up 12% of total turnover. Also, combined turnover for Chongqing, Xian and Huizhou, which mostly offered rigid-demand products at a lower average selling price increased to 21% of total turnover (from 8% in the previous period). On the other hand, unlike in the previous period when one fifth of turnover was derived from commercial properties with a higher selling price, turnover in the current period from commercial properties was not significant. Turnover in the period was more geographically balanced than previously. Although Guangzhou continued to have the highest turnover of all cities where the Group operates, it only accounted for 27% of total turnover, significantly down from 47% in the previous period. In terms of amount, turnover in Guangzhou amounted to RMB2.47 billion and was mainly derived from the aforementioned R&F Jingang City and four other residential projects. The top three cities ranked by turnover in the period were Guangzhou, Beijing and Tianjin; together they accounted for 57% of total turnover as compared to 80% from the top three cities (Guangzhou, Tianjin and Shanghai) in the previous period. The remaining 43% of turnover for this period was relatively evenly contributed by the other eight cities in which the Group operated; Chongqing, Xian, Huizhou and Hainan contributed approximately 7% each, and Shanghai, Taiyuan and Chengdu approximately 4% each.

   The following is the summary of turnover by city:

City	**Amount of turnover (in RMB million)**	**Saleable area sold (sq.m.)**	**Avg. Selling Price (RMB/sq.m.)**
Guangzhou	2,469	240,200	10,300
Beijing	1,539	92,900	16,600
Tianjin	1,149	114,300	10,100
Hainan	696	56,700	12,300
Huizhou	649	116,000	5,600
Chongqing	629	126,200	5,000
Xian	605	86,400	7,000
Taiyuan	425	46,800	9,100
Shanghai and vicinity	359	28,800	12,500
Chengdu	317	48,800	6,500
Nanjing	179	15,800	11,300
Total	9,016	972,900	9,300

2. Cost of goods sold was made up of land and construction costs, capitalized interest, and sales tax. For the current period, land and construction costs made up 87% of the Group's total costs, as compared to 83% in the prior period. In terms of costs per sq.m., land and construction costs decreased to RMB5,000 from RMB6,400 in the previous period. A main reason for this decrease was that a larger portion of the period's total turnover came from delivery of rigid-demand type of properties, and from properties in second- or third-tier cities with lower land or construction costs. Capitalized interest included in the period's cost of sales amounted to RMB192 million, a figure representing approximately 3.4% of total costs, down from RMB253 million and 6.2% for the previous period. As a percentage of turnover from sale of properties, capitalized interest decreased from 3.4% to 2.1%. The cost of goods sold also included RMB542 million in business tax, making up 9.7% of costs.

3. Overall gross margin for the period was 38.2%, as compared to 44.2% in the same period in 2012. One reason for this change is that the gross profit margins of projects in the period were more even; they did not include any with exceptionally high profitability (such as the Pearl River New Town project Guangzhou R&F Yingsheng Plaza), which accounted for 17% of the Group's turnover in the prior period. In general, many projects with sales directly comparable to those in the previous period experienced a slightly reduced gross profit margin as a result of lower selling prices, but there were exceptions. The gross profit margin of Guangzhou R&F Jingang City, where turnover topped that of all other projects, improved by 18% based on a higher selling price.

4. Other gains were mainly the result of interest income, which increased in line with higher average cash on hand.

5. Selling and administration expenses for the period increased by 24% or RMB170 million, to RMB868 million. This increase was in line with sales growth, considering that the contracted sales target for the year had been increased by 23% over actual contracted sales for 2012. Selling and administrative expenses as a percentage of turnover also remained reasonably stable at 9.6%, as compared to 9.5% in the previous period. These two figures indicate that the Group has its selling and administrative expenses firmly under control.

6. Finance costs increased by 28% to RMB928 million (1H 2012: RMB726 million), and were made up of the interest expenses incurred in the period after deduction of the amount capitalized to development costs. Total interest expenses for the period increased by RMB479 million to RMB1.80 billion, equivalent to an increase of 36%. The amount of borrowing was the primary reason for the amount of interest incurred. Average outstanding borrowings in the period arose by 37% to approximately RMB42.4 billion, from RMB30.9 billion. Of the interest incurred, the amount capitalized for the period was RMB875 million (1H 2012: RMB597 million). Together with previously capitalized interest released to cost of goods sold which amounted to RMB192 million for the period (1H 2012: RMB253 million), aggregate interest costs included in this period's results amounted to RMB1.12 billion (1H 2012: RMB978 million).

7. Share of results of joint ventures were mainly derived from the Group's 33.3% interest in the Guangzhou Liede Project. The project delivered 44,000 sq.m. of sold properties in the period, and generated a net profit the Group's share of which amounted to RMB213 million.

8. Land appreciation tax (LAT) of RMB450 million (1H 2012: RMB630 million) and Enterprise Income Tax of RMB525 million brought the Group's total income tax expenses for the period to RMB975 million. As a percentage of turnover, LAT decreased to 5.0% from 8.5% for the same period in 2012. This considerable decrease was the result of the generally more even gross margin of the projects with turnover in the period, which meant they did not attract a disproportionally high LAT. The effective enterprise income tax rate was 29% (1H 2012: 34%).

9. Overall, the Group's net profit margin for the period was 14.4%, as compared to 15.4% in the previous period. While the net profit of the core property development business improved, a smaller revaluation gain and increased losses from the hotel operations and "All Other Segments" combined to reduce the net margin.

Financial resources and liquidity

At 30 June 2013, total cash on hand including amounts restricted for specified usage was RMB19.26 billion (31 December 2012: RMB12.86 billion). Cash on hand significantly increased as a result of robust contracted sale and increase in borrowings in the period. With total borrowings at the end of the period amounted to RMB45.82 billion (31 December 2012: RMB35.63 billion), net debt increased to RMB26.56 billion from RMB22.77 billion at 31 December 2012. Net debt to equity ratio accordingly increased to 100.9% at 30 June 2013 from 86% at 31 December 2012.

During the six months ended 30 June 2013, new bank borrowings of RMB6.78 billion have been procured at interest rate ranging from 5.535% to 8.5% while bank borrowings repaid amounted to RMB4.33 billion. The effective interest rate of the total bank borrowings portfolio at 30 June 2013 was 6.60% (31 December 2012: 6.54%). Other than a RMB5.5 billion domestic bond which carries fixed interest at 7.15% per annum, an offshore RMB2.612 billion 7.00% notes, an offshore USD388 million 10.875% notes and an offshore USD600 million 8.75% notes, most of the other borrowings were in RMB and at floating interest rate bench marked to rates published by the People's Bank of China. The Group considered the RMB interest rate environment relatively stable and with the Group's borrowings substantially in RMB that matched income and assets predominantly in RMB, the Group did not consider it necessary to hedge either its interest rate or currency exposure.

Charge on assets

As at 30 June 2013, certain properties and bank deposits were pledged to secure bank and other borrowings amounted to RMB27.96 billion (31 December 2012: RMB18.72 billion).

Contingent liabilities

The Group provided guarantees in respect of bank mortgage loans taken out by purchasers of the Group's sale properties. For guarantees provided in respect of residential properties, the guarantees would be released upon the issuance of real estate ownership certificate of the properties concerned. As at 30 June 2013, such guarantees totaled RMB14.25 billion which increased 13.5% from RMB12.55 billion as at 31 December 2012. In addition, as at 30 June 2013, RMB2.27 billion (31 December 2012: RMB3.38 billion) in guarantee were provided to the Group's joint ventures and associate for their borrowings.

Employee and remuneration policies

As of 30 June 2013, the Group had approximately 19,439 employees (30 June 2012: 16,535). The Group provides competitive remuneration, including fringe benefits such as one-off discount on purchase of properties developed by the Group, and employees are rewarded on a performance basis within the general framework of the Group's salary and bonus system. Job-related training is also provided from time to time.

DIVIDEND

The Board has declared an interim dividend for the six months ended 30 June 2013 ("Interim Dividend") of RMB0.12 per share to shareholders whose names appear on the register of members as at 19 September 2013 (the "Record Date"). The Interim Dividend will be paid on 27 September 2013.

According to Article 153 of the Company's article of association, dividend payable to the holders of H shares shall be paid in Hong Kong dollars, based on an exchange rate which was the average closing exchange rates for Renminbi ("RMB") to Hong Kong dollars announced by the People's Bank of China for the week prior to the date of the declaration of the Interim Dividend. The Interim Dividend is also subject to PRC withholding tax.

The average of the closing exchange rate for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to 21 August 2013, the date on which the Interim Dividend was declared was RMB0.795558 to HK$1.00. Accordingly, the amount of Interim Dividend payable per H share is HK$0.150837.

According to the Enterprise Income Tax Law of the PRC and the Implementation Rules of the Enterprise Income Tax Law of the PRC that became effective from 1 January 2008, the Company is required to withhold PRC enterprise income tax at the rate of 10% before paying dividend to non-resident enterprise shareholders which would include HKSCC Nominees Limited. For non-resident individual H shareholders, the Company will withhold payment of PRC individual income tax on the Interim Dividend according to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No.045 (Guo Shui Han [2011] No.348) (國家稅務總局關於國稅發[1993] 045號文件廢止後有關個人所得稅徵管問題的通知) (國稅函[2011] 348號) as follow:

- The Company will determine the country of domicile of an individual H shareholder based on the registered address as recorded in the register of its H shareholders as at the Record Date.

- For individual H shareholders who are Hong Kong or Macau residents or whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10% or less, the Company will withhold and pay PRC individual income tax at the rate of 10% on the Interim Dividend on behalf of the individual H shareholder.

- For other individual H shareholders, the Company will withhold and pay PRC individual income tax at the tax rate as stipulated in the relevant tax regulations or tax treaty on the Interim Dividend on behalf of the individual H shareholder.

The Company has appointed Bank of China (Hong Kong) Trustee Limited as the receiving agent in Hong Kong and will pay to the receiving agent the Interim Dividend for payment to holders of H shares on 27 September 2013. Cheques will be dispatched to holders of H shares by ordinary post at their own risk.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 13 September 2013 (Friday) to 19 September 2013 (Thursday) (both days inclusive). In order to establish entitlements to the Interim Dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 12 September 2013 (Thursday).

REVIEW OF INTERIM RESULTS

The audit committee has reviewed the unaudited interim results of the Company for six months ended 30 June 2013. The Company's auditor, PricewaterhouseCoopers, has also reviewed the unaudited condensed consolidated interim financial information for the period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

SHARE CAPITAL

The shareholding structure of the Company as at 30 June 2013 was as follows:

Class of shares	No. of shares	Percentage
Domestic shares	2,207,108,944	68.5%
H shares	1,015,258,400	31.5%
Total	3,222,367,344	100.0%

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, the following persons (other than the directors, supervisor and chief executive officer of the Company) held 5% or more interests or short position in the shares and underlying shares of the Company as recorded in the register as required to be kept under section 336 of the SFO:

Name of shareholder	Type of share	No. of shares (Note)	Percentage of H shares
JPMorgan Chase & Co.	H share	81,397,853 (L)	8.02%
		7,455,839 (S)	0.73%
		37,050,318 (P)	3.65%
Prudential plc	H share	62,541,200 (L)	6.16%
Blackrock, Inc	H share	57,408,393 (L)	5.65%
Commonweath Bank of Australia	H share	53,233,212 (L)	5.24%
		5,067,768 (S)	0.49%
Lehman Brothers Holdings Inc.	H share	51,049,240 (L)	5.03%
		67,663,183 (S)	6.66%
European Investors Holding Company, Inc.	H share	50,908,700 (L)	5.01%
Lange Christian	H share	50,908,700 (L)	5.01%
Citigroup Inc.	H share	50,794,411 (L)	5.00%
		19,949,070 (S)	1.96%
		32,762,408 (P)	3.22%

Note: The letters "L", "S" and "P" denote a long position, a short position and lending pool in the shares respectively.

DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2013, the interests and short positions of the directors and supervisors of the Company in the shares and underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required to be entered into the register kept by the Company under Section 352 of Part XV of the SFO; or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, were as follows:

Long positions in the shares, underlying shares and debentures of the Company as at 30 June 2013 were as follows:

Director/ Supervisor	Nature of Interest	Number of Shares				Percentage of the total number of issued shares
		Personal	Spouse or child under 18	Corporate Interest	Total	
Li Sze Lim	Domestic share	1,045,092,672				
	H share		5,000,000	25,000,000	1,075,092,672	33.36%
Zhang Li	Domestic share	1,005,092,672	20,000,000			
	H share	6,632,800			1,031,725,472	32.02%
Lu Jing	Domestic share	35,078,352			35,078,352	1.09%
Zhou Yaonan	Domestic share	22,922,624			22,922,624	0.71%
Li Helen	H share	1,003,600			1,003,600	0.03%
Chen Liangnuan	Domestic share	20,000,000			20,000,000	0.62%

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

Director	Name of associated corporation	Type	No. of shares	Percentage of total issued capital
Li Sze Lim	Guangzhou Tianfu Property Development Co., Ltd. (Note 1)	Corporate	N/A	7.5%
	Beijing Fushengli Investment Consulting Co., Ltd. (Note 2)	Corporate	N/A	35%
Zhang Li	Guangzhou Tianfu Property Development Co., Ltd. (Note 1)	Corporate	N/A	7.5%
	Beijing Fushengli Investment Consulting Co., Ltd. (Note 2)	Corporate	N/A	35%

Note 1: Guangzhou Tianfu Property Development Co., Ltd. is 15% owned by Century Land Properties Limited, which is beneficially owned by Mr. Li Sze Lim and Mr. Zhang Li at 50% each.

Note 2: Beijing Fushengli Investment Consulting Co., Ltd. is 70% owned by Well Bright International Limited, which is beneficially owned by Mr. Li Sze Lim and Mr. Zhang Li at 50% each.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries nor its joint venture purchased, redeemed or sold any of the Company's listed securities.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The following two agreements include a condition imposing specific performance obligations on Mr. Li Sze Lim ("Mr. Li"), a controlling shareholder of the Company who is interested in approximately 33.36% of the issued share capital of the Company as at 30 June 2013:

1. An agreement for a bank loan of HK$1.4 billion dated 29 June 2011 entered into by Hines Shanghai New Jiangwan Development Co. Ltd., a joint venture in which the Group owns 50% interests. This loan will be fully repaid in June 2014; and

2. An agreement for a bank loan of RMB1.0 billion dated 21 May 2013 entered into by Tianjin Jinnan Xincheng Real Estate Development Co., Ltd.(天津津南新城房地產開發有限公司), owned as to 25% by the Group. This loan will be fully repaid in May 2016.

For each of the above loans, it will be an event of default in the event that Mr. Li ceases to hold directly or indirectly an aggregate beneficial ownership of not less than 30% in the shares of and interests in the Company and in such event (amongst other things), the loan agreements may be terminated by the lenders and the loans may become immediately due and repayable.

BOARD COMPOSITION AND PRACTICE

The Board of the Company consists of nine members, including four executive directors, Mr. Li Sze Lim, Mr. Zhang Li, Mr. Zhou Yaonan and Mr. Lu Jing; two non-executive directors, Ms. Zhang Lin (the sister of Mr. Zhang Li) and Ms. Li Helen (the sister of Mr. Li Sze Lim); and three independent non-executive directors, Mr. Huang Kaiwen, Mr. Dai Feng and Mr. Lai Ming, Joseph. Save as disclosed, there is no business or other relationship among members of the Board, and in particular between the chairman and the chief executive officer of the Company. The structure, size and composition of the Board will be reviewed from time to time to ensure that the Board retains a mix of balanced skills and expertise to provide effective leadership of the Company.

All directors have entered into letters of appointment with the Company for a specific terms of three years. All directors are subject to retirement from office by rotation and re-election at the annual general meeting once every three years in accordance with the Articles of Association of the Company ("Articles of Association").

The Board is fully responsible for the formulation of business policies and strategies in relation to the business operations of the Group, including dividend policy and risk management strategies. It is also responsible for the adoption of internal business and management control as well as the monitoring of the effectiveness of its control measures.

All directors, including non-executive directors and independent non-executive directors, have offered sufficient time and effort to serve the business affairs of the Company. All non-executive and independent directors possess appropriate academic and professional qualifications and related management experience and have contribute to the Board with their professional advice. Pursuant to the requirement of Rule 3.10 of the Listing Rules, the Company has appointed three independent non-executive directors, one of whom has appropriate professional qualification in accounting and financial management. All independent non-executive directors have confirmed their independence of the Company.

The notice of Board meeting, as stipulated under Article 97 of the Articles of Association, will be given to all directors at least 10 days prior to the date of meeting. All directors are given opportunities to include any matters to be discussed in the agenda. The company secretary is responsible to the Board for ensuring that all board procedures are followed, and detailed minutes of the Board meetings are prepared, circulated and approved. The company secretary is also responsible for the Company's compliance with the continuing obligations of the Listing Rules, Code on Takeovers and Mergers and Share Repurchases, Company Ordinance, SFO and other applicable laws, rules and regulations.

The Company continuously updates all directors on its latest development regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

The positions of the chairman and the chief executive officer are held by separate individuals with the view to maintaining an effective segregation of duties.

DIRECTORS' COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") of the Stock Exchange of Hong Kong Ltd. (the "Stock Exchange") as the code of conduct for directors in their dealings in the Company's securities. The Company made specific enquires with each director, and each of them confirmed that he or she had complied with the Model Code during the six months ended 30 June 2013.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to enhancing its corporate governance practices and procedures. It complies strictly with the PRC Company Law and other laws and regulations of relevant jurisdictions. In particular, it has observed the rules and principles set out under the Code on Corporate Governance Practices as stated in the Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013.

AUDIT COMMITTEE

The audit committee of the Company has been set up with terms of reference in accordance with Appendix 14 of the Listing Rules. The audit committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advices including review of relationship with external auditors, the Company's financial reporting, the internal control and risk management system. There were no disagreements from the audit committee or the external auditors on the accounting policies adopted by the Company.

The audit committee comprises Mr. Lai Ming, Joseph (Chairman of the audit committee) and Mr. Dai Feng who are independent non-executive directors of the Company and Ms. Helen Li who is a non-executive director of the Company. The audit committee has reviewed the unaudited interim results of the Company for six months ended 30 June 2013.

REMUNERATION COMMITTEE

The remuneration committee of the Company has been set up with terms of reference in accordance with Appendix 14 to the Listing Rules. The committee comprises Mr. Dai Feng (Chairman of the remuneration committee), Mr. Li Sze Lim and Mr. Huang Kaiwen. The principal responsibilities of the remuneration committee include the reviewing and making of recommendation to the Board on the Company's policies, structure and specific remuneration packages of directors and senior management of the Company.

The remuneration committee has reviewed the compensation payable to all directors and senior managers in accordance with the contractual terms and that such compensation is fair and not excessive to the Company.

NOMINATION COMMITTEE

The nomination committee has been established on 20 March 2012 with written terms of reference. The committee comprised three directors: Mr. Li Sze Lim, executive director, and two independent non-executive directors, Mr. Dai Feng and Mr. Lai Ming, Joseph. Mr. Li Sze Lim is chairman of the committee.

The nomination committee is responsible for the formulation of nomination policy for the consideration of the Board and implements the policy approved by the Board. Specific responsibilities include, among others, review the structure, size and composition of the Board, identify and nominate candidates to fill causal vacancies of directors, review the time required from directors to perform their duties and make recommendation to the Board in respect of succession planning.

SHAREHOLDERS RELATION

The Company has established different communication channels with its shareholders. Apart from annual and special general meetings; annual reports, interim reports, circulars and announcement as required under the Listing Rules, shareholders are encouraged to visit the web-site of the Company which is updated with the most recent key information of the Group. The Company also holds regular press conferences and briefing meetings with analysts.

CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan thousands unless otherwise stated)

	Note	**Unaudited 30 June 2013**	Audited 31 December 2012
ASSETS			
Non-current assets			
Land use rights	7	**1,090,490**	850,398
Property, plant and equipment	7	**5,723,182**	5,489,200
Investment properties	7	**13,777,270**	13,347,220
Intangible assets	7	**908,499**	897,797
Interests in joint ventures	8	**3,920,740**	3,795,093
Interests in associates	9	**152,810**	179,843
Deferred income tax assets		**2,735,315**	2,696,531
Available-for-sale financial assets		**246,500**	224,000
Trade and other receivables and prepayments	10	**1,586,469**	1,624,219
		30,141,275	29,104,301
Current assets			
Properties under development		**46,527,286**	39,427,395
Completed properties held for sale		**7,984,706**	7,964,288
Inventories		**262,974**	305,812
Trade and other receivables and prepayments	10	**9,485,231**	7,609,054
Tax prepayments		**2,019,445**	1,314,646
Restricted cash	11	**6,137,793**	5,835,622
Cash		**13,122,999**	7,026,092
		85,540,434	69,482,909
Total assets		**115,681,709**	98,587,210
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	**805,592**	805,592
Other reserves		**4,351,603**	4,351,603
Shares held for Share Award Scheme	13	**(167,364)**	(167,364)
Retained earnings			
– Proposed dividend	20	**383,324**	1,597,184
– Others		**20,945,118**	19,878,940
		26,318,273	26,465,955
Non-controlling interests		**376,302**	363,919
Total equity		**26,694,575**	26,829,874

CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan thousands unless otherwise stated)

	Note	**Unaudited 30 June 2013**	Audited 31 December 2012
LIABILITIES			
Non-current liabilities			
Long-term borrowings	14	**36,416,902**	28,419,956
Long-term payables		**791,048**	–
Deferred income tax liabilities		**2,872,345**	2,780,705
		40,080,295	31,200,661
Current liabilities			
Accruals and other payables	15	**13,098,083**	12,679,479
Dividend payable		**1,103,554**	–
Deposits received on sale of properties		**18,521,195**	13,165,205
Current income tax liabilities		**6,784,342**	7,499,685
Short-term borrowings	14	**1,358,000**	1,432,052
Current portion of long-term borrowings	14	**8,041,665**	5,780,254
		48,906,839	40,556,675
Total liabilities		**88,987,134**	71,757,336
Total equity and liabilities		**115,681,709**	98,587,210
Net current assets		**36,633,595**	28,926,234
Total assets less current liabilities		**66,774,870**	58,030,535

The notes on pages 23 to 50 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	**2013**	2012
Revenue	6	**10,190,635**	8,440,258
Cost of sales		**(6,499,791)**	(4,888,316)
Gross profit		**3,690,844**	3,551,942
Other gains – net	16	**512,645**	649,910
Selling and marketing costs		**(238,941)**	(157,651)
Administrative expenses		**(760,538)**	(677,558)
Other operating income/(expenses)		**50,712**	(5,409)
Operating profit	17	**3,254,722**	3,361,234
Finance costs	18	**(927,838)**	(725,736)
Share of results of joint ventures		**216,858**	(27,256)
Share of results of associates		**(30,613)**	(52,526)
Profit before income tax		**2,513,129**	2,555,716
Income tax expenses	19	**(1,050,744)**	(1,256,136)
Profit for the period		**1,462,385**	1,299,580
Profit attributable to:			
– Owners of the Company		**1,449,502**	1,302,274
– Non-controlling interests		**12,883**	(2,694)
		1,462,385	1,299,580
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB Yuan per share)		**0.4538**	0.4077

The notes on pages 23 to 50 form an integral part of this condensed consolidated interim financial information.

		Unaudited	
		Six months ended 30 June	
		2013	2012
Dividend	20	**383,324**	319,437

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB Yuan thousands unless otherwise stated)

	Unaudited Six months ended 30 June	
	2013	2012
Profit for the period	**1,462,385**	1,299,580
Other comprehensive income	**–**	–
Total comprehensive income for the period	**1,462,385**	1,299,580
Total comprehensive income for the period attributable to:		
– Owners of the Company	**1,449,502**	1,302,274
– Non-controlling interests	**12,883**	(2,694)
	1,462,385	1,299,580

The notes on pages 23 to 50 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in RMB Yuan thousands unless otherwise stated)

	Unaudited						
	Attributable to owners of the Company						
	Share capital	Shares held for Share Award Scheme	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2013	805,592	(167,364)	4,351,603	21,476,124	26,465,955	363,919	26,829,874
Comprehensive income							
Profit for the period	–	–	–	1,449,502	1,449,502	12,883	1,462,385
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period ended 30 June 2013	–	–	–	1,449,502	1,449,502	12,883	1,462,385
Transactions with owners							
Disposal of a subsidiary	–	–	–	–	–	(500)	(500)
Dividend relating to 2012 final	–	–	–	(1,597,184)	(1,597,184)	–	(1,597,184)
Total transactions with owners	–	–	–	(1,597,184)	(1,597,184)	(500)	(1,597,684)
Balance at 30 June 2013	805,592	(167,364)	4,351,603	21,328,442	26,318,273	376,302	26,694,575
Balance at 1 January 2012	805,592	(165,924)	4,316,428	17,569,730	22,525,826	206,548	22,732,374
Comprehensive income							
Profit for the period	–	–	–	1,302,274	1,302,274	(2,694)	1,299,580
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period ended 30 June 2012	–	–	–	1,302,274	1,302,274	(2,694)	1,299,580
Transactions with owners							
Shares purchased for Share Award Scheme	–	(1,440)	–	–	(1,440)	–	(1,440)
Dividend relating to 2011 final	–	–	–	(1,276,148)	(1,276,148)	–	(1,276,148)
Total transactions with owners	–	(1,440)	–	(1,276,148)	(1,277,588)	–	(1,277,588)
Balance at 30 June 2012	805,592	(167,364)	4,316,428	17,595,856	22,550,512	203,854	22,754,366

The notes on pages 23 to 50 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in RMB Yuan thousands unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
	2013	2012
Cash flows from operating activities		
– cash generated from operations	**1,738,368**	3,819,031
– interest paid	**(1,746,495)**	(803,956)
– enterprise income tax and land appreciation tax paid	**(2,079,242)**	(2,059,473)
Cash flows from operating activities – net	**(2,087,369)**	955,602
Cash flows from investing activities		
– purchases of property, plant and equipment and land use rights	**(291,662)**	(339,604)
– purchases of intangible assets	**(35,505)**	(61,578)
– proceeds on disposal of property, plant and equipment	**435**	70
– proceeds on disposal of investment properties	**983**	–
– investments in a joint venture	**(4,012)**	(4,000)
– acquisition of joint ventures	**(123,800)**	–
– proceeds on disposal of interests in a joint venture	**–**	500
– cash (advanced to)/repayment from joint ventures and associates	**(568,620)**	158,505
– interest received	**69,392**	67,235
Cash flows from investing activities – net	**(952,789)**	(178,872)
Cash flows from financing activities		
– proceeds from borrowings, net of transaction costs	**15,185,691**	7,467,799
– repayments of borrowings	**(5,461,818)**	(3,548,658)
– repayments of finance lease liabilities	**(25,111)**	(12,555)
– increase in guarantee deposits for borrowings	**(118,830)**	(658,920)
– purchases of shares for Share Award Scheme	**–**	(1,440)
– dividend paid to owners of the Company	**(442,867)**	(460,930)
Cash flows from financing activities – net	**9,137,065**	2,785,296
Net increase in cash	**6,096,907**	3,562,026
Cash at beginning of period	**7,026,092**	4,826,243
Cash at end of period	**13,122,999**	8,388,269

The notes on pages 23 to 50 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in RMB Yuan thousands unless otherwise stated)

1. GENERAL INFORMATION

Guangzhou R&F Properties Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") mainly engages in the development and sale of properties, property investment, hotel operations and other property development related service in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45-54/F, R&F Center, No.10 Hua Xia Road, Guangzhou 510623, the PRC.

The shares of the Company have been listed on The Main Board of Stock Exchange of Hong Kong Limited since 14 July 2005.

This condensed consolidated interim financial information is presented in RMB Yuan thousands (RMB'000), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 21 August 2013.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard ("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 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

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 2012, as described in those annual financial statements.

(a) New and amended standards adopted by the Group

The following new and amended standards and annual improvements are mandatory for the first time for the financial year beginning on or after 1 January 2013.

- HKAS 1 (Amendment), "Presentation of financial statements". The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- HKFRS 10, "Consolidated financial statements". The new standard defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

- HKAS 27 (Revised 2011), "Separate financial statements". The revised standard includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

- HKFRS 11, "Joint arrangements". The new standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

3. ACCOUNTING POLICIES (continued)

(a) New and amended standards adopted by the Group (continued)

- HKAS 28 (Revised 2011), "Associates and joint ventures". The revised standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11.

- HKFRS 12, "Disclosure of interests in other entities". The new standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- HKFRS 13, "Fair value measurements". The new standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

- HKFRS 7 (Amendment) "Financial instruments: Disclosures-Offsetting financial assets and financial liabilities". The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

- Fourth 2011 annual improvements project. These annual improvements include changes to:

  - HKFRS 1, 'First time adoption'

  - HKAS 1, 'Financial statement presentation'

  - HKAS 16, 'Property plant and equipment'

  - HKAS 32, 'Financial instruments; Presentation'

  - HKAS 34, 'Interim financial reporting'

The adoption of new and amended standards and annual improvements has no material impact on the Group's financial statements except for disclosure.

(b) New and amended standards and interpretations to existing standards effective for annual periods beginning on or after 1 January 2013 but not currently relevant to the Group

- HKAS 19 (Amendment), "Employee benefits".

- HKFRS 1 (Amendment), "Government loans".

- HK(IFRIC)-Int 20 (Amendment), "Stripping costs in the production phase of a surface mine".

(c) Taxes on income in the interim periods are accrued using the average tax rate that would be applicable to expected total annual taxable profit.

4. ESTIMATES

The preparation of interim financial information 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 this condensed consolidated interim financial information, 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 2012.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The condensed consolidated interim financial information does 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 2012.

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

5.2 Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalent, including proceeds from pre-sale of properties, short-term and long-term borrowings, available funding through adequate amount of credit lines for which the Group has obtained non-binding letters of intent or strategic cooperation letters from certain domestic banks, to meet its construction and investment commitments.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include controlling investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, accelerating sales of properties with more flexible pricing, seeking joint venture partners to co-develop quality projects, disposing of certain investment properties with acceptable prices to the Group. The Group will, based on its assessment of the relevant costs and benefits, pursue such options as are appropriate.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

5.2 Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2013					
Borrowings (excluding finance lease liabilities) (Note (1))	**12,844,524**	**19,782,518**	**14,823,307**	**8,380,336**	**55,830,685**
Finance lease liabilities	**50,222**	**50,222**	**87,890**	**–**	**188,334**
Accrual and other payables (excluding statutory liabilities)	**12,481,984**	**–**	**–**	**–**	**12,481,984**
Long-term payables	**–**	**350,695**	**440,353**	**–**	**791,048**
Dividend payable	**1,103,554**	**–**	**–**	**–**	**1,103,554**
Guarantees in respect of borrowings of joint ventures and an associate	**899,503**	**1,585,587**	**73,032**	**–**	**2,558,122**
At 31 December 2012					
Borrowings (excluding finance lease liabilities) (Note (1))	9,695,720	16,119,907	11,270,789	5,260,777	42,347,193
Finance lease liabilities	50,222	50,222	113,001	–	213,445
Accrual and other payables (excluding statutory liabilities)	11,749,667	–	–	–	11,749,667
Guarantees in respect of borrowings of joint ventures and an associate	771,222	2,180,893	950,972	–	3,903,087

Note:

(1) Interest on borrowings is calculated on borrowings held as at 30 June 2013 and 31 December 2012. Floating-rate interest is estimated using the current interest rate as at 30 June 2013 and 31 December 2012 respectively.

(2) 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. Please refer to Note 21(a) for details.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

5.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group will consider the macro economic conditions, prevailing borrowing rate in the market and adequacy of cash flows generating from operations and may raises funding through capital market or bank borrowings as necessary.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity attributable to owners of the Company. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and restricted cash.

The gearing ratio is calculated as follows:

	30 June 2013	31 December 2012
Total borrowings (Note 14)	**45,816,567**	35,632,262
Less: cash and restricted cash	**(19,260,792)**	(12,861,714)
Net debt	**26,555,775**	22,770,548
Equity attributable to owners of the Company	**26,318,273**	26,465,955
Gearing ratio	**100.9%**	86.0%

5.4 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Level 3 financial instruments	**Available-for-sale financial assets**
At 1 January 2013	**–**
Additions	**22,500**
Transfer from Level 2	**224,000**
At 30 June 2013	**246,500**

The additions represent the Group's investments in an unlisted private fund. The fair value is determined by reference to the net asset value of the private fund. As not all of the inputs are based on observable market data, these available-for-sale financial assets are categorised as Level 3.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

5.4 Fair value estimation (continued)

In 2013, the Group transferred the available-for-sale financial assets, comprising unquoted equity investments with a carrying amount of RMB224,000,000 from Level 2 into Level 3. The valuation is performed based on the market approach by reference to quoted prices of other similar instruments, maximising the use of observable market data where it is available and relying as little as possible on entity specific estimates. This is categorised as Level 3 as the valuation involves the use of a factor (an unobservable input) to adjust the data derived from increasingly volatile markets to arrive at the estimated fair value for this unquoted equity investments.

6. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in the property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and property agency. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of profit for the year. The information provided to the Executive Directors is measured in a manner consistent with that in the financial statements.

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2013 and 2012 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Six months ended 30 June 2013					
Segment revenue	9,015,968	364,820	439,288	426,724	10,246,800
Inter-segment revenue	–	(26,270)	(27,391)	(2,504)	(56,165)
Revenue from external customers	9,015,968	338,550	411,897	424,220	10,190,635
Profit/(loss) for the period	1,255,688	461,730	(111,623)	(143,410)	1,462,385
Finance costs	(665,965)	(76,625)	(123,419)	(61,829)	(927,838)
Share of results of joint ventures	216,858	–	–	–	216,858
Share of results of associates	(28,901)	–	–	(1,712)	(30,613)
Income tax expenses	(979,346)	(153,891)	37,207	45,286	(1,050,744)
Depreciation and amortisation	(73,315)	–	(79,584)	(17,028)	(169,927)
Goodwill disposed for sale of properties (Note 7)	(8,362)	–	–	–	(8,362)
(Allowance for)/reversal of impairment losses	(2,073)	–	74	(1,184)	(3,183)
Fair value gain on investment properties	–	430,627	–	–	430,627

(All amounts in RMB Yuan thousands unless otherwise stated)

6. SEGMENT INFORMATION (continued)

	Property development	Property investment	Hotel operations	All other segments	Group
Six months ended 30 June 2012					
Segment revenue	7,366,731	317,822	405,622	398,098	8,488,273
Inter-segment revenue	–	(26,270)	(19,504)	(2,241)	(48,015)
Revenue from external customers	7,366,731	291,552	386,118	395,857	8,440,258
Profit/(loss) for the period	931,899	533,737	(69,380)	(96,676)	1,299,580
Finance costs	(502,389)	(108,391)	(83,725)	(31,231)	(725,736)
Share of results of joint ventures	(27,256)	–	–	–	(27,256)
Share of results of associates	(52,551)	–	–	25	(52,526)
Income tax expenses	(1,114,923)	(175,735)	23,126	11,396	(1,256,136)
Depreciation and amortisation	(61,775)	–	(65,941)	(10,238)	(137,954)
Allowance for impairment losses	(1,144)	–	(219)	(658)	(2,021)
Fair value gain on investment properties	–	574,413	–	–	574,413

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the condensed consolidated income statement.

	Property development	**Property investment**	**Hotel operations**	**All other segments**	**Group**
As at 30 June 2013					
Segment assets	**93,790,760**	**13,777,270**	**4,632,446**	**499,418**	**112,699,894**
Segment assets include:					
Interests in joint ventures	**3,920,740**	**–**	**–**	**–**	**3,920,740**
Interests in associates	**103,232**	**–**	**–**	**49,578**	**152,810**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**260,060**	**–**	**14,178**	**52,929**	**327,167**
Segment liabilities	**31,761,182**	**–**	**133,603**	**515,541**	**32,410,326**
As at 31 December 2012					
Segment assets	77,377,881	13,347,220	4,407,292	534,286	95,666,679
Segment assets include:					
Interests in joint ventures	3,795,093	–	–	–	3,795,093
Interests in associates	128,553	–	–	51,290	179,843
Additions to non-current assets (other than financial instruments and deferred tax assets)	276,493	–	827,862	79,667	1,184,022
Segment liabilities	25,110,250	–	145,613	588,821	25,844,684

(All amounts in RMB Yuan thousands unless otherwise stated)

6. SEGMENT INFORMATION (continued)

The amounts provided to the Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

Deferred tax and available-for-sale financial assets held by the Group are not considered to be segment assets but rather are managed on a central basis.

Reportable segments' assets are reconciled to total assets as follows:

	As at	
	30 June 2013	31 December 2012
Segment assets for reportable segments	**112,699,894**	95,666,679
Deferred income tax assets	**2,735,315**	2,696,531
Available-for-sale financial assets	**246,500**	224,000
Total assets per balance sheet	**115,681,709**	98,587,210

The amounts provided to the Executive Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed on a central basis.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	As at	
	30 June 2013	31 December 2012
Segment liabilities for reportable segments	**32,410,326**	25,844,684
Deferred income tax liabilities	**2,872,345**	2,780,705
Current income tax liabilities	**6,784,342**	7,499,685
Current borrowings	**9,399,665**	7,212,306
Non-current borrowings	**36,416,902**	28,419,956
Dividend payable	**1,103,554**	–
Total liabilities per balance sheet	**88,987,134**	71,757,336

(All amounts in RMB Yuan thousands unless otherwise stated)

7. CAPITAL EXPENDITURE

	Intangible assets	Investment properties	Property, plant and equipment: Owned assets	Property, plant and equipment: Assets acquired under finance lease	Land use rights
Six months ended 30 June 2013					
At 1 January 2013	**897,797**	**13,347,220**	**5,110,637**	**378,563**	**850,398**
Additions	**35,505**	**–**	**287,573**	**–**	**4,089**
Transfer from properties under development	**–**	**–**	**107,680**	**–**	**273,917**
Transfer to properties under development	**–**	**–**	**(16,251)**	**–**	**(25,598)**
Disposals	**–**	**(577)**	**(480)**	**–**	**–**
Fair value gains (included in other gains – net)	**–**	**430,627**	**–**	**–**	**–**
Goodwill disposed for sale of properties, charged to cost of sales	**(8,362)**	**–**	**–**	**–**	**–**
Depreciation and amortisation	**(16,441)**	**–**	**(131,969)**	**(12,571)**	**(12,316)**
At 30 June 2013	**908,499**	**13,777,270**	**5,357,190**	**365,992**	**1,090,490**
Six months ended 30 June 2012					
At 1 January 2012	848,088	12,687,557	4,124,919	–	680,069
Additions	61,578	–	332,585	395,325	–
Transfer from properties under development	–	–	352,464	–	38,808
Disposals	–	–	(235)	–	–
Fair value gains (included in other gains – net)	–	574,413	–	–	–
Depreciation and amortisation	(10,644)	–	(115,080)	(4,190)	(10,288)
At 30 June 2012	899,022	13,261,970	4,694,653	391,135	708,589

8. INTERESTS IN JOINT VENTURES

	Six months ended 30 June 2013	2012
At 1 January	**3,795,093**	3,355,575
Additions	**127,812**	4,000
Disposals	**–**	(500)
Acquisition of remaining interests in a joint venture (Note (a))	**(216,795)**	–
Share of results	**216,858**	(27,256)
(Elimination)/crystallisation of unrealised profits	**(2,228)**	23,209
At 30 June	**3,920,740**	3,355,028

8. INTERESTS IN JOINT VENTURES (continued)

(a) The Group acquired the remaining shares in 惠州富茂房地產開發有限公司(“惠州富茂”) in January 2013, making it a wholly-owned subsidiary of the Group.

The results of the Group’s principal joint ventures, all of which are unlisted, and their aggregated assets and liabilities are as follows:

Name	Particulars of issued shares held	Country of incorporation	Assets	Liabilities	Revenue	Profit/(loss)	% interest held at 30 June 2013
			RMB'000	RMB'000	RMB'000	RMB'000	
Value Success Investments Limited (“Value Success”)	USD10,000	BVI	152,361	124,148	–	2,015	66.67%
富力(瀋陽)商務諮詢有限公司	USD20,000,000	PRC	136,458	1	–	(109)	66.67%
瀋陽富力會餐飲服務有限公司 (“瀋陽富力會”)	RMB500,000	PRC	181	2,410	26	(887)	66.67%
瀋陽億隆房屋開發有限公司 (“瀋陽億隆”)	RMB20,000,000	PRC	673,852	603,102	54,741	3,089	66.67%
廣州市富景房地產開發有限公司(“廣州富景”)	HKD1,993,000,000	PRC	6,600,992	3,254,384	2,203,583	639,233	33.34%
天津津南新城房地產開發有限公司(“津南新城”)	RMB3,667,300,000	PRC	8,981,649	5,501,446	166	(32,492)	25%
天津和安房地產開發有限公司	RMB10,000,000	PRC	8,376	–	–	(5)	25%
Hines Shanghai New Jiangwan Development Co., Ltd (“Hines Shanghai”)	USD50,000	Cayman Islands	3,452,293	818,635	–	(65,025)	50%
上海城投悦城置業有限公司 (“上海悦城”)	RMB855,000,000	PRC	3,194,506	1,477,440	957,981	86,353	50%
廣州市森華房地產有限公司 (“森華房地產”)	RMB8,000,000	PRC	474,182	469,747	–	(1,133)	50%
貴州大西南房地產開發有限公司 (“貴州大西南”)	RMB162,500,000	PRC	230,142	47,874	–	(237)	60%
廣州市騰順投資有限公司(“騰順投資”)	RMB10,000,000	PRC	70,622	70,997	–	(1,850)	45%

9. INTERESTS IN ASSOCIATES

	Six months ended 30 June 2013	2012
At 1 January	**179,843**	264,586
Share of results	**(27,033)**	(52,526)
At 30 June	**152,810**	212,060

9. INTERESTS IN ASSOCIATES (continued)

The results of the Group's principal associates, all of which are unlisted and their aggregated assets and liabilities are as follows:

Name	Particulars of issued shares held	Country of incorporation	Assets	Liabilities	Revenues	Profit/(loss)	% Interest held at 30 June 2013
			RMB'000	RMB'000	RMB'000	RMB'000	
北京富盛利房地產經紀有限公司	RMB91,913,000	PRC	250,843	127,456	–	(5,461)	30%
廣州利合房地產開發有限公司（"廣州利合"）(Note (a))	HKD750,000,000	PRC	21,956,614	21,508,420	785,132	(133,721)	20%
北京粵商投資股份有限公司	RMB57,000,000	PRC	65,891	8,605	50	(277)	22%
廣州盛安創富投資管理有限公司（"盛安創富"）	RMB20,000,000	PRC	46,858	5	21,343	10,569	20%

(a) 廣州利合 is principally engaged in development of a real estate project in Guangzhou. The development of the project consists of three phases. Pursuant to the agreed payment schedule, the third phase land premium of RMB10,200,000,000 should be settled in December 2011. As at 30 June 2013, there was an outstanding land premium totaling RMB7,700,000,000 which remained unsettled. Management of 廣州利合 is in the process of negotiating with the relevant authorities the repayment schedule of this outstanding land premium and has made a progress payment of approximately RMB1,500,000,000 on 31 July 2013. Based on the continuing negotiation initiated by the management of 廣州利合 and their consultation with external lawyer, as well as discussions amongst the shareholders of 廣州利合, the directors of the Company consider that the delayed payment of land premium does not render significant adverse impact on the financial position and results of operation of the Group as at and for the six months ended 30 June 2013.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2013	31 December 2012
Trade receivables		
– Due from a joint venture (Note 24(xi))	**99,318**	99,305
– Due from third parties	**2,556,533**	2,912,248
	2,655,851	3,011,553
Less: allowance for impairment of trade receivables	**(1,818)**	(1,818)
Trade receivables – net	**2,654,033**	3,009,735
Other receivables	**3,317,925**	2,714,903
Prepayments	**2,325,235**	1,084,430
Due from joint ventures (Note 24(xi))	**1,571,325**	1,317,840
Due from an associate (Note 24(xi))	**1,239,377**	1,139,377
Less: allowance for impairment of other receivables	**(36,195)**	(33,012)
Total	**11,071,700**	9,233,273
Less: non-current portion	**(1,586,469)**	(1,624,219)
Current portion	**9,485,231**	7,609,054

The carrying amounts of the Group's trade and other receivables and prepayments are denominated in RMB.

The carrying amounts of trade and other receivables, net of provision for impairment, approximate their fair values.

(All amounts in RMB Yuan thousands unless otherwise stated)

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

At 30 June 2013 and 31 December 2012, the ageing analysis of trade receivables is as follows:

	As at	
	30 June 2013	31 December 2012
Trade receivables		
0 to 90 days	**1,161,341**	2,010,999
91 to 180 days	**329,101**	149,012
181 to 365 days	**741,449**	350,790
1 year to 2 years	**255,507**	386,827
Over 2 years	**168,453**	113,925
	2,655,851	3,011,553

11. RESTRICTED CASH

	As at	
	30 June 2013	31 December 2012
Guarantee deposits for construction of pre-sold properties (Note (a))	**3,313,478**	3,314,625
Guarantee deposits for resettlement costs (Note (b))	**21,209**	21,164
Guarantee deposits for construction payable (Note (c))	**768,818**	762,954
Guarantee deposits for borrowings (Note (d))	**1,577,894**	1,459,064
Guarantee deposits for mortgage loans provided to customers (Note (e))	**27,818**	20,491
Guarantee deposits for interests of senior notes (Note (f))	**385,748**	225,686
Others (Note (g))	**42,828**	31,638
	6,137,793	5,835,622

Note:

(a) In accordance with the relevant documents issued by the local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts the pre-sale proceeds of properties received as guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and payments of construction fee of the relevant property projects upon the approval of the local State-Owned Land and Resource Bureau. Such guarantee deposits will be released according to the completion stage of the related pre-sold properties.

(b) In accordance with the relevant documents issued by the local State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts the resettlement costs payable to the owners or residents of the existing buildings being demolished for development. The deposits can only be used for such resettlement costs according to the payment schedule.

(c) According to the relevant construction contracts, certain property development companies of the Group are required to place in designated bank accounts certain amount of the construction payable as deposits as cash collateral. Such guarantee deposits will only be released after settlement of the construction payables.

(d) Pursuant to bank borrowing agreements, the Group is required to place in a designated bank account all proceeds from lease of a property and revenue of a hotel. The deposit can be drawn out only after obtaining approval from the bank. As at 30 June 2013, the guarantee deposits amounted to RMB34,977,000 (31 December 2012: RMB8,892,000).

Pursuant to a funding agreement, the Group is required to place in a designated bank account all proceeds from a construction project. The deposit can be drawn out only after obtaining approval from the bank. As at 30 June 2013, the guarantee deposits amounted to RMB542,917,000 (31 December 2012: RMB450,172,000).

Pursuant to a bank borrowing agreement, the Group is required to place in a designated bank account certain amount as cash collateral. Such guarantee deposits will only be released after full repayment of borrowings. As at 30 June 2013, the guarantee deposits amounted to RMB1,000,000,000 (31 December 2012: RMB1,000,000,000).

(e) According to the relevant contracts, certain property development companies of the Group are required to place in designated bank accounts certain cash deposits as collateral for mortgage loans advanced to property purchasers. Such guarantee deposits will only be released after full repayment of the mortgage loans.

(f) According to the relevant contract, the Group is required to place in a designated bank account certain cash deposits as security for payment of interests of senior notes. Such guarantee deposits will only be released after payment of interests.

(g) Others mainly include guarantee deposits for letters of credit, salary payments for construction workers and dividend deposits for Share Award Scheme.

12. SHARE CAPITAL

	Number of shares (thousands)	Ordinary shares	Share premium	Total
At 30 June 2013 and 31 December 2012				
– Domestic shares	2,207,108	551,777	–	551,777
– H shares*	1,015,259	253,815	3,636,625	3,890,440
	3,222,367	805,592	3,636,625	4,442,217

* H shares refer to the Company's shares listed on The Main Board of Stock Exchange of Hong Kong Limtied.

13. SHARES HELD FOR SHARE AWARD SCHEME

	Six months ended 30 June	
	2013	2012
At 1 January	**167,364**	165,924
Shares purchased for Share Award Scheme	**–**	1,440
At 30 June	**167,364**	167,364

On 23 August 2011, a Share Award Scheme (the "Scheme") was approved and adopted by the Board of Directors of the Company. The terms of the Scheme provide for H shares of the Company to be awarded to eligible employees of the Group as part of their compensation package. Such shares will vest progressively over the vesting period after the awards are granted, provided that the relevant awardee remained employed by the Group or retired on reaching normal retirement age.

Shares awarded under the Scheme shall be subject to a vesting schedule as follows:

(i) 33.3% on the first anniversary date of the award date;

(ii) 33.3% on the second anniversary date of the award date; and

(iii) 33.4% on the third anniversary date of the award date.

Before vesting, the Awarded Shares are held in a trust set up by the Scheme (the "Employee Share Trust").

As at 30 June 2013, the Employee Share Trust held 28,000,000 H shares through purchases on the open market at a total cost of RMB167,364,000 (31 December 2012: RMB167,364,000), which were recorded as 'Shares held for Share Award Scheme' within a component of equity.

As at 30 June 2013, the shares held for Share Award Scheme has not been awarded to eligible employees.

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS

	As at	
	30 June 2013	31 December 2012
Non-current		
Long-term borrowings		
Bank borrowings (Note (a))		
– Secured	**17,156,837**	11,852,778
– Unsecured	**3,356,000**	6,035,250
	20,512,837	17,888,028
Corporate bonds (Note (b))		
– Unsecured	**5,498,295**	5,497,684
Senior notes (Note (c))		
– Secured	**8,576,177**	4,948,275
Other borrowings (Note (d))		
– Secured	**9,704,191**	5,679,935
Finance lease liabilities (Note (e))		
– Secured	**167,067**	186,288
Less: current portion of long-term borrowings	**(8,041,665)**	(5,780,254)
	36,416,902	28,419,956
Current		
Short-term borrowings		
Bank borrowings (Note (a))		
– Secured	**1,100,000**	1,184,052
– Unsecured	**258,000**	150,000
	1,358,000	1,334,052
Other borrowings (Note (d))		
– Unsecured	**–**	98,000
	1,358,000	1,432,052
Current portion of long-term borrowings	**8,041,665**	5,780,254
Total borrowings	**45,816,567**	35,632,262

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS (continued)

(a) Bank borrowings

(i) Movements in bank borrowings are analysed as follows:

	Six months ended 30 June	
	2013	2012
At 1 January	**19,222,080**	18,417,068
Additions	**6,777,660**	3,611,260
Acquisition of a subsidiary	**200,000**	–
Repayments	**(4,333,818)**	(3,548,658)
Amortisation of transaction costs	**4,915**	8,193
At 30 June	**21,870,837**	18,487,863

(ii) The maturity of bank borrowings is as follows:

	As at	
	30 June 2013	31 December 2012
Within one year	**5,974,060**	6,075,772
Between one and two years	**5,213,341**	3,347,000
Between two and five years	**7,348,510**	6,031,182
Over five years	**3,334,926**	3,768,126
Total bank borrowings	**21,870,837**	19,222,080

(iii) The carrying amounts of bank borrowings are denominated in the following currencies:

	As at	
	30 June 2013	31 December 2012
RMB	**21,870,837**	19,068,028
HKD	**–**	154,052
	21,870,837	19,222,080

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS (continued)

(b) Corporate bonds

The Company issued 55,000,000 corporate bonds at a par value of RMB5.5 billion in the PRC on 23 October 2009. The bonds will mature after five years from the issue date at their nominal value of RMB5.5 billion.

Corporate bonds have been listed on the Shanghai Stock Exchange since 12 November 2009.

The principal terms of the corporate bonds are as follows:

(i) Interest rate

The interest rate of the corporate bonds is fixed at 6.85% per annum. On the third anniversary of the issue date, the Company has an option to increase the interest rate by up to 100 basis points for the remaining periods.

(ii) Maturity

The corporate bonds will mature after five years from the issue date, and are puttable for early redemption at the principal amount on the third anniversary of the issue date.

Effective from 23 October 2012, the third anniversary of the issue date, the Company increased the interest rate for the remaining two years by 30 basis points to 7.15% per annum. The bond holders did not exercise the put option for early redemption on the third anniversary of the issue date. Accordingly, the corporate bonds are recorded as non-current liabilities in the Group's consolidated balance sheet as at 30 June 2013.

The effective interest rate of the corporate bonds is 7.18%.

The movement of the corporate bonds for the six months ended 30 June 2013 and 2012 is set out below:

	Six months ended 30 June	
	2013	2012
At 1 January	**5,497,684**	5,455,924
Interest charged (Note 18)	**195,620**	195,114
Interest included in other payables	**(195,009)**	(187,858)
At 30 June	**5,498,295**	5,463,180

The fair value of the corporate bonds as at 30 June 2013 amounted to RMB5,612,750,000 (31 December 2012: RMB5,695,250,000). The value is determined by references to the price quotations published by the Shanghai Stock Exchange on 28 June 2013, the last dealing date of June 2013.

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS (continued)

(c) Senior notes

(i) 2011 Notes

On 29 April 2011, a subsidiary of the Group, Big Will Investments Limited ("Big Will") issued 7% senior notes due 29 April 2014 in the aggregate nominal value of RMB2,612,000,000 and 10.875% senior notes due 29 April 2016 in the aggregate nominal value of USD150,000,000 (equivalent to approximately RMB979,500,000) at face value (the "2011 Notes"). The net proceeds of the 2011 Notes, after deducting the transaction costs, amounted to RMB3,527,947,000.

(ii) 2012 Notes

On 29 August 2012, Bill Will issued 10.875% senior notes due 29 April 2016 in the aggregate principal amount of USD238,000,000 with the issue price 97.061% of the principal amount, plus accrued interest from (and including) 29 April 2012 to (but excluding) 29 August 2012 (the "2012 Notes"). The net proceeds of the 2012 Notes, after deducting the transaction costs, amounted to RMB1,436,117,000.

Big Will may at its option redeem the 2011 Notes and 2012 Notes, in whole but not in part, at a redemption price set forth in the offering memorandums of these senior notes at the redemption date.

(iii) 2013 Notes

On 24 January 2013, a subsidiary of the Group, Caifu Holdings Limited ("Caifu") issued 8.75% senior notes due 24 January 2020 in the aggregate nominal value of USD400,000,000 at face value (the "Original Notes").

On 6 February, Caifu further issued 8.75% senior notes due 24 January 2020 in the aggregate principal amount of USD200,000,000 with the issue price 100.5% of the principal amount, plus accrued interest from (and including) 24 January 2013 to (but excluding) 6 February 2013 (the "Additional Notes" and, together with the Original Notes, the "2013 Notes").

The net proceeds of the 2013 Notes, after deducting the transaction costs, amounted to RMB3,708,031,000.

Caifu may at its option redeem the 2013 Notes, in whole or in part, on or after 24 January 2017, or in whole but not in part, prior to 24 January 2017, at a redemption price set forth in the offering memorandums of the 2013 Notes.

The 2011, 2012 and 2013 Notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of equity interests of certain guarantors.

The effective interest rate of senior notes ranged from 7.70% to 12.25%.

The movement of senior notes is set out below:

	Six months ended 30 June	
	2013	2012
At 1 January	**4,948,275**	3,505,615
Issuance of the 2013 Notes	**3,708,031**	–
Interest charged (Note 18)	**382,162**	150,888
Interest included in other payables	**(359,769)**	(142,449)
Exchange (gain)/loss	**(102,522)**	3,600
At 30 June	**8,576,177**	3,517,654

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS (continued)

(c) Senior notes (continued)

The fair value of the senior notes as at 30 June 2013 amounted to RMB8,531,737,000 (31 December 2012: RMB5,338,582,000). The value is determined directly by reference to the price quotations published by Bloomberg on the last trading date of June 2013.

The carrying amount of senior notes are denominated in the following currencies:

	As at 30 June 2013	As at 31 December 2012
RMB	**2,597,730**	2,589,551
USD	**5,978,447**	2,358,724
	8,576,177	4,948,275

(d) Other borrowings

Certain subsidiaries of the Group (the "Project Companies") have entered into funding arrangements with certain financial institutions (the "Trustees"), under which the Trustees have raised funds from third parties and injected the funds to the Project Companies.

One of the Trustees is managed by 盛安創富, which is an associate of the Company and certain directors of the Company are also the minority shareholders.

The effective interest rate of these funding arrangements ranged from 7.36% to 16.03%.

The movement of other borrowings is set out below:

	Six months ended 30 June 2013	Six months ended 30 June 2012
At 1 January	**5,777,935**	1,000,000
Additions	**4,700,000**	4,030,133
Acquisitions of a subsidiary	**318,000**	–
Repayments	**(1,128,000)**	–
Interest charged (Note 18)	**520,283**	323,437
Interest included in other payables	**(484,027)**	(290,089)
At 30 June	**9,704,191**	5,063,481

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS (continued)

(e) Finance lease liabilities

In April 2012, a subsidiary of the Company (the "Lessee") entered into an aircraft rental agreement with an independent third party under financial lease (the "Arrangement"). Under the Arrangement, the Lessee leased an aircraft for an agreed term of five years commencing 15 April 2012. At the maturity date of the Lease, the lessee has an option to purchase the aircraft at a consideration of RMB94,830,000.

	As at	
	30 June 2013	31 December 2012
Gross finance lease liabilities – minimum lease payments		
No later than 1 year	**50,222**	50,222
Later than 1 year and no later than 5 years	**138,112**	163,223
	188,334	213,445
Future finance charges on finance leases	**(21,267)**	(27,157)
Present value of finance lease liabilities	**167,067**	186,288
Present value of finance lease liabilities		
No later than 1 year	**39,875**	38,534
Later than 1 year and no later than 5 years	**127,192**	147,754
	167,067	186,288

(f) As at 30 June 2013, bank and other borrowings totalling RMB27,961,028,000 (31 December 2012: RMB18,716,765,000) of the Group are secured by the following:

	As at	
	30 June 2013	31 December 2012
Land use rights	**590,682**	521,124
Property, plant and equipment	**3,855,576**	3,338,766
Investment properties	**9,135,219**	9,212,863
Properties under development	**10,097,794**	6,284,312
Completed properties held for sale	**238,963**	312,372
Restricted cash	**1,542,917**	1,450,172
Equity investments in subsidiaries	**522,000**	95,000
	25,983,151	21,214,609

(All amounts in RMB Yuan thousands unless otherwise stated)

14. BORROWINGS (continued)

(f) As at 30 June 2013, bank borrowings totalling RMB18,256,837,000 (31 December 2012: RMB13,036,830,000) of the Group are secured by the following: (continued)

The majority of unsecured bank and other borrowings are supported by guarantees. Details are as follows:

	As at	
	30 June 2013	31 December 2012
Guarantors:		
The Company	**1,423,000**	3,119,250
Subsidiaries	**615,000**	1,100,000
	2,038,000	4,219,250

15. ACCRUALS AND OTHER PAYABLES

	As at	
	30 June 2013	31 December 2012
Amounts due to joint ventures (Note 24(xi))	**942,342**	1,096,399
Amounts due to an associate (Note 24(xi))	**4,450**	–
Construction payables (Note (c))	**6,833,017**	7,092,377
Other payables and accrued charges (Note (d))	**5,318,274**	4,490,703
	13,098,083	12,679,479

(a) The carrying amounts of the Group's accruals and other payables are denominated in RMB, except for balance due to a joint venture amounted to RMB277,358,000 as at 30 June 2013 which is denominated in HKD (31 December 2012: RMB366,415,000).

(b) The amounts are unsecured, interest free and are repayable on demand.

(c) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis for trade payables is presented.

(d) The balance mainly represents interest payables, temporary receipts, accruals and other taxes payable excluding income tax.

(e) The carrying amounts of accruals and other payables approximate their fair values.

(All amounts in RMB Yuan thousands unless otherwise stated)

16. OTHER GAINS – NET

	Six months ended 30 June	
	2013	2012
Fair value gain on investment properties	**430,627**	574,413
Loss on disposal of property, plant and equipment	**(45)**	(165)
Gain on disposal of investment properties	**406**	–
Interest income	**69,392**	67,235
Others	**12,265**	8,427
	512,645	649,910

17. OPERATING PROFIT

The following items which are unusual because of their nature, size or incidence, have been (credited)/charged to the operating profit during the period:

	Six months ended 30 June	
	2013	2012
Crediting:		
Reversal of impairment of doubtful debts	**(6,877)**	(5,382)
Gain on disposal of property, plant and equipment	**–**	(24)
Gain on disposal of investment properties	**(406)**	–
Charging:		
Allowance for impairment of doubtful debts	**10,060**	7,403
Loss on disposal of property, plant and equipment	**45**	189

(a) Non-financial assets that have an indefinite life are not subject to amortisation, but are tested for impairment annually at year-end (31 December) or whenever there is any indication of impairment. There was no indication of impairment for non-financial assets with indefinite lives during the period.

(b) Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. There was no indication of impairment during the period.

(c) Financial assets were reviewed for impairment as at 30 June 2013. There was no indication of impairment.

(All amounts in RMB Yuan thousands unless otherwise stated)

18. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
Interest on bank borrowings	**698,383**	650,752
Interest on corporate bonds (Note 14(b))	**195,620**	195,114
Interest on senior notes (Note 14(c))	**382,162**	150,888
Interest on other borrowings (Note 14(d))	**520,283**	323,437
Interest on finance lease liabilities	**5,890**	2,903
	1,802,338	1,323,094
Less: interest capitalised	**(874,500)**	(597,358)
	927,838	725,736

The average interest rate applied for capitalisation of funds borrowed and used for the development of properties and property, plant and equipment is 9.53% per annum for the six months ended 30 June 2013 (30 June 2012: 8.50%).

19. INCOME TAX EXPENSES

	Six months ended 30 June	
	2013	2012
Current income tax		
– PRC enterprise income tax (Note (b))	**556,430**	540,539
Deferred income tax	**44,084**	85,986
	600,514	626,525
Current PRC land appreciation tax (Note (c))	**450,230**	629,611
Total income tax expenses	**1,050,744**	1,256,136

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have estimated assessable profit for the six months ended 30 June 2013 (30 June 2012: Nil).

(b) PRC enterprise income tax

The PRC enterprise income tax is computed according to the relevant laws and regulations in the PRC.

In respect of the applicable income tax rates for the six months ended 30 June 2013, except for certain construction companies in the Group which were taxed at 2%-3.75% (30 June 2012: 2%-3.75%) on their revenue, other businesses within the Group were primarily taxed at 25% (30 June 2012: 25%) on their profits.

(c) PRC land appreciation tax

Certain PRC subsidiaries are also subject to the PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction expenditure.

(All amounts in RMB Yuan thousands unless otherwise stated)

20. DIVIDEND

	Six months ended 30 June	
	2013	2012
Interim dividend of RMB0.12 (2012: RMB0.10) per ordinary share	**386,684**	322,237
Less: dividend for shares held by Share Award Scheme	**(3,360)**	(2,800)
	383,324	319,437

A final dividend in respect of 2012 of RMB0.50 per ordinary share, totalling RMB1,611,184,000 was declared in the Company's Annual General Meeting on 29 May 2013, of which RMB14,000,000 was declared and paid for shares held by Share Award Scheme.

An interim dividend in respect of six months ended 30 June 2013 of RMB0.12 per ordinary share, totalling RMB386,684,000 was proposed by the board of directors (six months ended 30 June 2012: RMB322,237,000), of which RMB3,360,000 is to be paid for shares held by Share Award Scheme as at 30 June 2013. This interim dividend has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending 31 December 2013.

21. FINANCIAL GUARANTEE CONTRACTS

	As at	
	30 June 2013	31 December 2012
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties (Note (a))	**14,252,997**	12,551,133
Guarantees in respect of borrowings of joint ventures and an associate (Notes (b) and 24(x))	**2,271,541**	3,381,216
	16,524,538	15,932,349

Note:

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to the bank over the repayment obligations of the purchasers. Such guarantees terminate upon earlier of (i) issuance of the certificate of real estate ownership which will generally be available within an average period of 25 months upon the completion of guarantee registration; or (ii) completion of mortgage registration.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loan and ends when the Group obtains the certificate of real estate ownership for the mortgagee. The Directors consider that the fair value of these contracts at date of inception was minimal and in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

(b) It represents the maximum exposure of the guarantee provided for joint ventures and an associate for their borrowings.

(All amounts in RMB Yuan thousands unless otherwise stated)

22. COMMITMENTS

(a) Expenditure commitments for properties under development

	As at 30 June 2013	As at 31 December 2012
Authorised but not contracted for	**9,948,425**	7,992,007
Contracted but not provided for	**14,237,253**	10,915,435
	24,185,678	18,907,442

(b) Operating lease commitments

At 30 June 2013, the Group had future aggregate minimum lease payments for buildings and aircraft under non-cancellable operating leases as follows:

	As at 30 June 2013	As at 31 December 2012
Not later than one year	**31,994**	25,631
Later than one year and not later than five years	**34,841**	39,321
Over five years	**63,470**	65,792
	130,305	130,744

23. FUTURE MINIMUM RENTAL PAYMENTS RECEIVABLE

At 30 June 2013, the Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as follows:

	As at 30 June 2013	As at 31 December 2012
Not later than one year	**640,464**	564,644
Later than one year and not later than five years	**1,127,639**	1,028,130
Over five years	**555,981**	622,053
	2,324,084	2,214,827

(All amounts in RMB Yuan thousands unless otherwise stated)

24. SIGNIFICANT RELATED-PARTY TRANSACTIONS

The major shareholders of the Group include Mr Li Sze Lim and Mr Zhang Li (both are nationals of PRC), who own 33.36% and 32.02%, respectively, of the Company's shares.

The following transactions were carried out with related parties:

i) Provision of restaurant services

	Six months ended 30 June	
	2013	2012
Common shareholders: 惠州市金鵝溫泉實業有限公司	**2,182**	3,391

ii) Provision of lease of properties

	Six months ended 30 June	
	2013	2012
Common shareholders: 廣州金貝殼投資有限公司(“廣州金貝殼”)	**686**	650
Associate: 廣州利合	**–**	260

iii) Drinking water system charges

	Six months ended 30 June	
	2013	2012
Common shareholders: 廣州越富環保科技有限公司	**397**	787

iv) Key management compensation

	Six months ended 30 June	
	2013	2012
Salaries and welfare benefits	**8,318**	8,286

(All amounts in RMB Yuan thousands unless otherwise stated)

24. SIGNIFICANT RELATED-PARTY TRANSACTIONS (continued)

v) Provision of property management services

	Six months ended 30 June	
	2013	2012
Associate:		
廣州利合	**–**	39
Common shareholders:		
廣州金貝殼	**111**	111

vi) Purchase of construction materials

	Six months ended 30 June	
	2013	2012
Associate:		
廣州超力混凝土有限公司	**–**	11,370

vii) Provision of design services

	Six months ended 30 June	
	2013	2012
Joint venture:		
廣州富景	**–**	960

viii) Provision of construction services

	Six months ended 30 June	
	2013	2012
Joint venture:		
瀋陽億隆	**32,326**	38,515

ix) Lease of an aircraft under operating lease

	Six months ended 30 June	
	2013	2012
Common shareholders:		
Power Ease Investments Limited	**9,016**	2,137

(All amounts in RMB Yuan thousands unless otherwise stated)

24. SIGNIFICANT RELATED-PARTY TRANSACTIONS (continued)

x) Provision of guarantees for borrowings

The Group and other shareholders have jointly provided guarantees for certain borrowings granted to the Group's joint ventures and an associate for project development purpose. As at 30 June 2013, the Group's guarantees for borrowings provided to its joint ventures and associate are shown as follows:

(a) Bank borrowings

	As at 30 June 2013	31 December 2012
Joint ventures:		
廣州富景	233,058	386,844
Hines Shanghai	409,154	501,581
惠州富茂	–	100,000
上海悦城	382,640	478,300
	1,024,852	1,466,725
Associate:		
廣州利合	400,000	530,000
	1,424,852	1,996,725

(b) Other borrowings

	As at 30 June 2013	31 December 2012
Joint ventures:		
津南新城	300,000	550,000
惠州富茂	–	159,000
	300,000	709,000
Associate:		
廣州利合	546,689	675,491
	846,689	1,384,491

(All amounts in RMB Yuan thousands unless otherwise stated)

24. SIGNIFICANT RELATED-PARTY TRANSACTIONS (continued)

xi) Balances with related parties

As at 30 June 2013, the Group had the following significant balances with related parties:

	As at 30 June 2013	31 December 2012
Due from:		
Joint ventures		
– Non-trade balances		
Value Success	**83,829**	85,193
惠州富茂	**–**	150,646
津南新城	**835,565**	560,607
瀋陽富力會	**286**	286
森華房地產	**234,845**	234,845
騰順投資	**70,552**	–
貴州大西南	**21,480**	–
瀋陽億隆	**324,768**	286,263
	1,571,325	1,317,840
– Trade balance		
瀋陽億隆	**99,318**	99,305
Associate		
– Non-trade balance		
廣州利合	**1,239,377**	1,139,377
Due to:		
Joint ventures		
– Non-trade balances		
上海悦城	**347,000**	362,000
Hines Shanghai	**277,358**	366,415
廣州富景	**317,984**	367,984
	942,342	1,096,399
Associate		
– Non-trade balance		
盛安創富 (Note 14(d))	**4,450**	–
	946,792	1,096,399

The non-trade balances with related parties are interest free, unsecured and have no fixed repayment terms. The trade balances with related parties are interest free, unsecured and settled according to contract terms.

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Details of the interim dividend proposed are given in Note 20.