恒大地產集團®
EVERGRANDE REAL ESTATE GROUP

Evergrande Real Estate Group Limited
恒大地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

FINANCIAL HIGHLIGHTS

1. Revenue for the six months ended 30 June 2011 surged by 57.4% from RMB20.37 billion in the corresponding period of 2010 to RMB32.06 billion, of which the revenue of the property development segment amounted to RMB31.69 billion, accounting for 98.9% of the revenue of the Group for the six months ended 30 June 2011.

2. Gross profit for the six months ended 30 June 2011 soared by 127.1% from RMB4.95 billion in the corresponding period of 2010 to RMB11.24 billion.

3. Net profit for the six months ended 30 June 2011 climbed by 132.8% from RMB2.50 billion in the corresponding period of 2010 to RMB5.82 billion.

4. Net profit attributable to shareholders for the six months ended 30 June 2011 increased by 144.6% from RMB2.33 billion in the corresponding period of 2010 to RMB5.70 billion.

5. Net profit from core business excluding the fair value gains on investment properties for the six months ended 30 June 2011 surged by 147.9% from RMB1.94 billion in the corresponding period of 2010 to RMB4.81 billion.

6. Basic earnings per share for the six months ended 30 June 2011 soared by 137.5% from RMB0.16 in the corresponding period of 2010 to RMB0.38.

7. Total assets as at 30 June 2011 increased by 41.8% from RMB104.45 billion as at the end of 2010 to RMB148.07 billion.

8. Total equity as at 30 June 2011 increased by 36.9% from RMB21.37 billion as at the end of 2010 to RMB29.25 billion.

9. Contracted sales for the six months ended 30 June 2011 under review amounted to RMB42.32 billion, representing a period-on-period increase of 101.7% as compared with 2010; the gross floor area ("GFA") of contracted sales was 6.117 million square meters, representing a period-on-period increase of 83.2%.

10. The Group successfully issued RMB5.55 billion RMB-denominated US$-settled 7.50% senior notes due 2014 and RMB3.70 billion RMB-denominated US$-settled 9.25% senior notes due 2016 in January 2011 with a total issue size of RMB9.25 billion.

11. As at 30 June 2011, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB28.69 billion, representing an increase of 43.8% over the end of 2010, together with the unutilized banking facilities of RMB32.71 billion, the Group had available funds of RMB61.40 billion, and the total borrowings of the Group was RMB50.75 billion. The Group had sufficient capital.

FORWARD-LOOKING VISION, SOUND OPERATION, WINNING STRATEGIES

The board of directors (the "Board") of Evergrande Real Estate Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 (the "Period").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	2	**32,058,058**	20,366,292
Cost of sales		**(20,821,335)**	(15,419,512)
Gross profit		**11,236,723**	4,946,780
Fair value gains on investment properties		**1,344,349**	750,554
Other income		**151,600**	58,208
Selling and marketing costs		**(1,271,762)**	(797,900)
Administrative expenses		**(935,102)**	(542,392)
Other operating expenses		**(310,461)**	(44,240)
Operating profit		**10,215,347**	4,371,010
Finance income, net	3	**198,892**	48,314
Profit before income tax		**10,414,239**	4,419,324
Income tax expenses	4	**(4,595,302)**	(1,919,253)
Profit for the period		**5,818,937**	2,500,071
Other comprehensive income		**—**	—
Total comprehensive income for the period		**5,818,937**	2,500,071
Attributable to:			
Shareholders of the Company		**5,695,597**	2,328,682
Non-controlling interests		**123,340**	171,389
		5,818,937	2,500,071
Earnings per share attributable to shareholders of the Company			
Basic earnings per share *(RMB)*	5	**0.38**	0.16
Diluted earnings per share *(RMB)*	5	**0.37**	0.15
Dividends	6	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**30 June 2011 (Unaudited)** *RMB'000*	31 December 2010 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**3,761,914**	1,277,297
Land use rights		**399,531**	306,058
Investment properties		**12,313,436**	10,116,643
Properties under development		**—**	454,870
Other receivables		**335,055**	324,168
Intangible assets		**124,107**	37,218
Deferred income tax assets		**290,872**	340,225
		17,224,915	12,856,479
Current assets			
Properties under development		**68,471,507**	49,133,585
Completed properties held for sale		**9,922,436**	6,213,078
Financial assets at fair value through profit or loss		**126,300**	—
Trade and other receivables	*7*	**4,105,709**	2,127,822
Prepayments		**19,223,799**	13,964,232
Income tax recoverable		**303,368**	205,309
Restricted cash		**11,817,736**	7,595,696
Cash and cash equivalents		**16,869,705**	12,356,263
		130,840,560	91,595,985
Total assets		**148,065,475**	104,452,464

	Note	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		**1,044,212**	1,044,079
Share premium		**5,956,495**	7,853,022
Reserves		**5,478,870**	1,544,576
Retained earnings		**14,945,345**	10,193,349
		27,424,922	20,635,026
Non-controlling interests		**1,828,166**	731,199
Total equity		**29,253,088**	21,366,225
LIABILITIES			
Non-current liabilities			
Borrowings		**41,517,037**	24,160,024
Deferred income tax liabilities		**2,722,107**	1,496,310
		44,239,144	25,656,334
Current liabilities			
Borrowings		**9,236,183**	7,000,110
Trade and other payables	*8*	**35,802,747**	21,780,836
Advances from customers		**24,122,016**	24,081,431
Current income tax liabilities		**5,412,297**	4,567,528
		74,573,243	57,429,905
Total liabilities		**118,812,387**	83,086,239
Total equity and liabilities		**148,065,475**	104,452,464
Net current assets		**56,267,317**	34,166,080
Total assets less current liabilities		**73,492,232**	47,022,559

Notes:

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2011 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 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

1.2 Accounting policies

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

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

(a) The following revised standard and amendment to existing standard are effective for the financial year beginning 1 January 2011 and relevant to the Group's operation.

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government.

  It also clarifies and simplifies the definition of a related party.

- Amendment to HKAS 34 "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

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

- Amendment to HKAS 32 "Classification of rights issues" is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

- Amendment to HK(IFRIC)-Int 14 "Prepayments of a minimum funding requirement" is effective for annual periods beginning on or after 1 January 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.

- HK(IFRIC)-Int 19 "Extinguishing financial liabilities with equity instruments" is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

- Third improvements to HKFRS (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 "Interim financial reporting" as disclosed in note 3(a) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

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

- HKFRS 9 "Financial instruments" addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

- HKAS 12 (Amendment) "Deferred tax: Recovery of underlying assets" introduces an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

- HKFRS 7 (Amendment) "Disclosures — Transfers of financial assets" introduces new disclosure requirement on transfers of financial assets. The amendment is applicable to annual periods beginning on or after 1 July 2011 with early adoption permitted.

  The Group is in the process of making an assessment on the impact of these new standard, amendments to existing standards and does not anticipate that the adoption will result in any material impact on the Group's results of operations and financial position.

2 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") of the Group has been identified as the directors of the Company who are responsible to review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, property management and other businesses which mainly included property construction and other property development related services. As CODM of the Group considers most of the revenue and results of the Group are attributable to the market in the People's Republic of China (the"PRC"), and only an immaterial part (less than 10%) of the Group's assets are located outside the PRC, no geographical segment information is presented.

The directors of the Company assess the performance of the operating segments based on a measure of segment results. Finance income are not included in the result for each operating segment.

Transactions between segments are carried out at agreed terms amongst relevant parties. The revenue from external parties reported to the management is measured in a manner consistent with that in the condensed consolidated statement of comprehensive income.

The segment results and other segment items included in the interim consolidated financial information for the six months ended 30 June 2011 are as follow:

	Property development *RMB'000*	**Property investment** *RMB'000*	**Property management services** *RMB'000*	**Other businesses** *RMB'000*	**Elimination** *RMB'000*	**Group** *RMB'000*
Gross segment revenue	**31,694,165**	**51,447**	**167,924**	**2,630,531**		**34,544,067**
Inter-segment revenue	**—**	**(5,886)**	**(44,414)**	**(2,435,709)**		**(2,486,009)**
Revenue for external customers	**31,694,165**	**45,561**	**123,510**	**194,822**		**32,058,058**
Segment results	**8,922,006**	**1,393,224**	**(46,588)**	**(112,009)**	**58,714**	**10,215,347**
Finance income, net						**198,892**
Profit before income tax						**10,414,239**
Income tax expenses						**(4,595,302)**
Profit for the period						**5,818,937**
Depreciation	**48,138**	**—**	**2,061**	**22,939**	**—**	**73,138**
Fair value gains on investment properties	**—**	**1,344,349**	**—**	**—**	**—**	**1,344,349**

The segment results and other segment items included in the interim consolidated financial information for the six months ended 30 June 2010 are as follow:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Elimination *RMB'000*	Group *RMB'000*
Gross segment revenue	20,249,486	26,305	54,107	1,215,965		21,545,863
Inter-segment revenue	—	(4,106)	—	(1,175,465)		(1,179,571)
Revenue for external customers	20,249,486	22,199	54,107	40,500		20,366,292
Segment results	3,438,055	775,543	(58,790)	47,281	168,921	4,371,010
Finance income, net						48,314
Profit before income tax						4,419,324
Income tax expenses						(1,919,253)
Profit for the period						2,500,071
Depreciation	33,112	—	1,914	12,346	—	47,372
Fair value gains on investment properties	—	750,554	—	—	—	750,554

Segment assets as at 30 June 2011 are as follows:

	Property development ***RMB'000***	**Property investment** ***RMB'000***	**Property management services** ***RMB'000***	**Other businesses** ***RMB'000***	**Elimination** ***RMB'000***	**Group** ***RMB'000***
Segment assets	**131,496,019**	**12,313,436**	**1,144,399**	**13,526,089**	**(11,135,008)**	**147,344,935**
Unallocated						**720,540**
Total assets						**148,065,475**

Segment assets as at 31 December 2010 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Elimination *RMB'000*	Group *RMB'000*
Segment assets	94,160,717	10,116,643	846,081	6,537,084	(7,753,595)	103,906,930
Unallocated						545,534
Total assets						104,452,464

Segment assets consist primarily of property and equipment, investment properties, land use rights, properties under development, completed properties held for sale, receivables, prepayments and cash balances. They exclude deferred tax assets, income tax recoverable and financial assets at fair value through profit or loss.

3 FINANCE INCOME, NET

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Interest expenses from borrowings	**(1,763,990)**	(853,243)
Less: interest capitalised	**1,763,990**	853,243
	—	—
Exchange gain	**198,892**	48,314
	198,892	48,314

4 INCOME TAX EXPENSES

	Six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
Current income tax		
— PRC corporate income tax	**1,825,993**	672,866
— PRC land appreciation tax	**2,320,275**	883,183
Deferred income tax		
— PRC corporate income tax	**449,034**	363,204
	4,595,302	1,919,253

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The group companies in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

No Hong Kong profits tax has been provided for as there is no business operation that are subject to Hong Kong profits tax during the six months ended 30 June 2011 (six months ended 30 June 2010: nil).

PRC corporate income tax

The income tax provision of the Group in respect of operations in the PRC has been mainly calculated at the applicable tax rate of 25% (six months ended 30 June 2010: 25%) on the estimated assessable profits, based on the existing legislation, interpretations and practices in respect thereof.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures.

5 EARNINGS PER SHARE

Basic earnings per share arising from continuing operations is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share options.

	Six months ended 30 June	
	2011	2010
Basic earnings per share *(RMB)*	**0.38**	0.16
Diluted earnings per share *(RMB)*	**0.37**	0.15

6 DIVIDENDS

The board of directors of the Company resolved not to declare any dividend in respect of the six month ended 30 June 2011 (six months ended 30 June 2010: nil).

A final dividend in respect of 2010 of RMB0.1268 per share totalling RMB1,902,000,000 was declared at the Annual General Meeting of the Company on 27 May 2011.

7 TRADE AND OTHER RECEIVABLES

	30 June 2011 RMB'000	31 December 2010 RMB'000
Trade receivables *(note (a))*	**1,859,620**	949,589
Other receivables	**2,246,089**	1,178,233
	4,105,709	2,127,822

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

(a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements.

The ageing analysis of trade receivables at respective balance sheet dates is as follows:

	30 June 2011 RMB'000	31 December 2010 RMB'000
Within 90 days	**1,479,028**	927,134
Over 90 days and within 180 days	**46,729**	7,250
Over 180 days and within 365 days	**144,203**	15,205
Over 365 days	**189,660**	—
	1,859,620	949,589

The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group has retained the legal titles of the properties sold to these customers at each balance sheet date.

8 TRADE AND OTHER PAYABLES

	30 June 2011 *RMB'000*	31 December 2010 *RMB'000*
Trade payables	**20,431,731**	13,459,413
Dividend payable	**1,902,000**	—
Payables for acquisition of land use rights	**8,327,585**	4,690,851
Other payables	**3,282,628**	2,220,332
Accrued expenses	**1,138,041**	925,603
Other taxes payable	**720,762**	484,637
	35,802,747	21,780,836

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

	30 June 2011 *RMB'000*	31 December 2010 *RMB'000*
Within 90 days	**19,554,928**	12,677,883
Over 90 days and within 180 days	**544,931**	511,020
Over 180 days and within 365 days	**197,372**	137,750
Over 365 days	**134,500**	132,760
	20,431,731	13,459,413

9 COMPARATIVE FIGURES

In the year ended 31 December 2010, the Group changed its accounting policy for land use rights relating to properties developed for sales. Pursuant to the change of accounting policy, land use rights relating to properties developed for sale are regarded as part of the inventories and are no longer amortised. The change in accounting policy has no material impact to the profit of the Group for the year ended 31 December 2010 or in the prior years, and therefore no retrospective adjustment has been made. This accounting policy of land use rights has been consistently applied to the financial information for the six months ended 30 June 2010 included in this interim results announcement.

CHAIRMAN'S STATEMENT

Business Review

In the first half of 2011, the property market in China was strongly affected by macroeconomic control with the issuance of a series of policies. During the period under review, despite that market supply remained active, the overly rapid increase in property prices was effectively contained. Such austerity measures not only presented challenges but also new opportunities to the property market. The degree of concentration of large-scale property developers was further increased. Total contracted sales of the top 20 property developers in China accounted for 18% of all property sales in China, representing an increase of 3.6 percentage points over the corresponding period in 2010. In the meanwhile, regional markets were increasingly differentiated with a gradual shift in focus on second- to third-tier cities. In the first half of 2011, saleable area in third-tier cities nationwide accounted for 65.2%[1] of the saleable area in China.

Under such changing policies and market environment, the Group firmly adhered to the philosophy of "forward-looking strategy and steady operation", actively followed the macroeconomic control trends, strengthened the intensive corporate management and optimized the operating model of premium standardized housing. A number of key indicators continued to record substantial growth. During the period under review, the Group achieved contracted sales amount of RMB42.32 billion, an increase of 101.7% over the corresponding period last year. The GFA of contracted sales was 6.117 million square meters, ranking first[2] nationwide and representing a period-on-period growth of 83.2%. Total revenue amounted to RMB32.06 billion, of which revenue from the property development segment amounted to RMB31.69 billion, an increase of 56.5% over the corresponding period last year. Total cash (including cash and cash equivalent and restricted cash) amounted to RMB28.69 billion as at the end of the period under review, representing an increase of 43.8% from RMB19.95 billion as at the end of 2010. The GFA of our land reserve was approximately 135.39 million square meters, and the average cost of land reserve was approximately RMB617 per square meter. The land premium payable during the second half of 2011 is expected to be approximately RMB16.23 billion. Area under constructions and saleable GFA were approximately 31.651 million square meters and 31.567 million square meters respectively.

We focused on second- and third-tier cities and acquired abundant quality of low-cost land reserve so that our leading industry position would be increasingly reinforced. During the period under review, capitalizing on the merger and acquisition opportunities present from the austerity policies, the Group swiftly leveraged on its abundant cash flow and continued to focus on second- and third-tier cities to acquire sizable quality land reserves at low costs in a flexible and diversified manner. During the period under review, the Group acquired 70 new land plots and the GFA of these newly acquired land plots was 48.971 million square meters, covering 58 high-growth potential cities,

[1] *Source:* "Market Review of the PRC Property Market for 1H2011 and Outlook for 2H2011" issued by World Union.

[2] *Source:* Top 30 PRC Real Estate Enterprises for 1H2011 in terms of Sales jointly issued by China Real Estate Information China Real Estate Information Corporation and China Real Estate Assessment Center

including Chongqing, Tianjin, Chengdu, Harbin, Lanzhou, Changchun, Zhenjiang, Foshan and Dongguan. 11 of which are second-tier cities and 46 of which are third-tier cities. During the period under review, the cost of newly acquired land plots was approximately RMB664 per square meter.

As at 30 June 2011, the Group held land reserve of total GFA of 135 million square meters across 101 cities in the PRC, with total number of projects of 181. The average cost of our land reserve was approximately RMB617 per square meter, of which cost of our land reserve in third-tier cities was approximately RMB483 per square meter, which was relatively low as compared with industry peers. Leverage on its forward-looking strategy, the Group has firmly captured the growth opportunities and substantially completed the nationwide strategic layout during the first half of the year, at the same time replicating the success of the existing core cities in the third-tier cities. The Board believes that our nationwide project distribution and comprehensive regional strategic layout will increase our comparative strengths, enhance the effect of our strategies vertically and horizontally, and further increase our ability to sustain development.

Contracted sales set new record over the past corresponding periods and area of contracted sales ranked first in China during the period under review. Faced with such severe macroeconomic control environment such as purchase restriction, lending restriction, price limitation and social and economic housing expansion, the Group continued to focus on the development in second- and third-tier cities. Riding on the high quality of our premium products and our flexible pricing policy, we were able to achieve good results during the market's downcycle. During the period under review, the Group's accumulated contracted sales amount was RMB42.32 billion, representing a period-on-period increase of 101.7%. The GFA of contracted sales was 6.117 million square meters, representing a growth of 83.2% over the corresponding period last year. Average price of our contracted sales was RMB6,918 per square meter, representing a period-on-period increase of 10.1%. 94.1% of the contracted sales amount came from second-tier and third-tier cities such as Changsha, Chongqing, Taiyuan, Chengdu, Wuhan and Shenyang, covering a comprehensive range of products of the Group from high-end, mid-end, mid-to high-end properties and tourism-related properties.

During the period under review, the Group commenced pre-sale of 33 new projects in 29 second- and third-tier cities, including Shenyang, Chengdu, Chongqing, Jinan, Tianjin, Shijiazhuang, Zhongshan and Baotou. Accumulated number of projects for sale was 89, scattered across 49 cities in China.

As at 30 June 2011, the Group completed 60.5% of the annual contracted sales target of RMB70.0 billion. In the contracted sales amount of RMB42.32 billion we achieved during the Period, RMB30.06 billion or 71% was contributed by the 56 existing projects at the end of 2010, the average contribution of each project was RMB537 million. The remaining RMB12.26 billion or 29% was contributed by the 33 projects launched in the first year of 2011, the average contribution of each project was RMB372 million. As at 30 June 2011, Group had a total of 92 projects yet to be launched for sale, the majority of which are expected to be launched successively in the second half of the year, providing sufficient supply to further enhance our excellent operating results to the next level.

Area under construction was 31.651 million square meters and area of properties delivered was 4.995 million square meters, leading its industry peers in terms of construction size and speed. During the period under review, the Group devoted its efforts consistently to standardize its operation, and continued to implement the rapid development model. A number of projects were launched within 6 months after the land was acquired. The Group again set new records in terms of area of projects delivered and sales amount over the past corresponding periods. During the six months ended 30 June 2011, the Group delivered properties with a transaction value of RMB31.69 billion, representing a period-on-period increase of 56.5%. The GFA of properties delivered was 4.995 million square meters, representing a period-on-period increase of 28%. Given the unprecedented transaction volume in the first half of the year, the Group further strengthened the quality control prior to delivery and customer services after delivery, and further enhanced customers' satisfaction through improving its quality control system. During the period under review, area under construction of new projects was 14.390 million square meters and number of projects under construction was 111, of which 90 projects having obtained the pre-sale permit. Area under construction was approximately 31.651 million square meters. Number of projects yet to be launched for sale was 92. Our large-scale construction development and saleable area allowed us to be well prepared for the next phase that would generate revenue from the delivery of properties and contracted sales.

Continuous expansion of the premium strategic alliance to effectively offset the pressure on rising costs. As at the end of the period under review, the Group had over 300 domestic and international renowned brands in our alliance, engaging in the entire process of property development ranging from project planning and design, construction of main structure, landscape building to decorative construction materials. Through bulk procurement from the premium strategic alliance and with the long-term partnership established over the years, 103 material suppliers of the Group, accounting for 63.2% of the total supply, reduced the price as compared to last year. In spite of the rising costs of commodities, the Group's cost of material procurement throughout 2011 is expected to decrease slightly.

The Group also further optimized the standardized procurement platform to cope with the rising price of raw materials. Through strict assessment of the monthly material procurement plan, an optimal reserve amount is determined for different types of raw materials according to the progress of the projects of the Group. In the first half of the year, the general discrepancy rate of the material plans for each project was maintained at below 10%, allowing the Group to fully control the material consumption and warehouse costs, whilst effectively controlling the cost of materials.

Prudent financial policy of "Cash is king" was adopted. Abundant cash flow was maintained in a forward-looking manner to ensure security of funds. Given a number of interest rate rises and consecutive increases in deposit reserve ratio by the central bank and tightening market liquidity, the Group coped with these calmly through exploring diversified financing channels. In January 2011, the Group successfully issued RMB5.55 billion RMB-denominated US$-settled due 2014 and RMB3.70 billion RMB-denominated US$-settled due 2016 senior notes with a total issue size of RMB9.25 billion. The interest rate was close to that of onshore construction loans which was consecutively raised this year and borrowing cost was effectively controlled.

In adherence to prudent financial policy, the Group established a balanced financial model to cater for the critical elements required for corporate development including land, construction, pre-sale and financing, and implemented a monthly review cash flow plan according to the actual operating conditions to ensure financial security. As at the end of the period under review, the Group had total cash of RMB28.69 billion, representing an increase of 43.8% from RMB19.95 billion as at the end of 2010. The unutilized bank facilities were RMB32.71 billion. Available funds amounted to RMB61.40 billion. The Group also adopted effective measures to expand the scale of sales and strengthen the recovery of sales amount. In the first half of the year, the Group had contracted sales amount of RMB42.32 billion. The Board believes that, sound financial management policies and abundant financial resources were sufficient to enhance the steady and yet fast growth of the Group's businesses.

Business Outlook

The Board considers that the existing austerity measures on real estate industry are increasingly normal. It is expected that, in the second half of the year, policies on purchase restriction, lending restriction, price limitation and affordable housing expansion will be strengthened and reinforced. At the same time, the Board does not eliminate the possibility of stricter property austerity measures being implemented. As a result of this, potential supply of housing projects nationwide is expected to increase gradually in the second half of the year, alongside with possible overall intensity market competition.

The Board also noted that the central government has, for a number of times, implemented austerity measures on the property market since 2004. Such measures have not only profoundly affected the industry trends and competition layout, but also generated new opportunities for the Group. Over the past few years, the Group has been competing, growing and excelling its performance under such constant austerity measures, and has gradually developed itself as a leader of premium standardized properties in China. It is the firm belief of the Group that the purpose and direction of these austerity measures are to allow property prices to return to its normal level, cope with the demand for own use, regulate the order of the industry, guide industry integration and structural adjustment. Moreover, the fundamental factors that support the long-term promising prospects of the property industry in China remain unchanged. In terms of strategically forward-looking and firmly founded enterprises, macroeconomic control implies the pushing ahead of industry integration at full, alongside with increasing market concentration and boundless new opportunities and growth potentials.

Based on the foregoing, the Board remains highly confident of the growth prospects of the industry and will continue to formulate the next round of systematic growth strategies based on its forward-looking approach.

Land Reserve

Based on the new land reserve of 48.971 million square meters during the period under review, the nationwide strategic layout was substantially completed. In the second half of the year, the Group will moderately adjust the pace of land acquisition to maintain a dynamic balance in the total land reserve with its existing land reserve of 135 million square meters in accordance with the principle of "replenishment based on consumption".

In the second half of the year, the Group will refocus on development and construction of newly acquired projects in order to commence sales within 6 months upon acquisition and recognize the revenue from qualified properties delivered during the year. In the meanwhile, the Group will closely monitor the high growth cities and regions with beautiful scenery, good planning, high accessibility and high land appreciation potential within the cities, and select a few quality land plots for replenishment with a view to enhancing the Group's profit margin of products and its profitability.

Contracted Sales

In the second half of the year, following the trend of austerity measures whilst maintaining reasonable growth and efficiency, the Group will focus on the marketing of mid- to high-end high quality products for own use in second- and third-tier cities. In the second half of the year, the Group intends to launch most of the projects out of the 92 projects yet to be launched for sale, and the new projects to be launched are all located in second- and third-tier cities, of which over 60% of the new projects to be launched are in third-tier cities. The annual contracted sales amount in third-tier cities is expected to account for approximately 40% of the total sales of the Group in 2011. High quality premium products as well as flexible and practical pricing strategies will be the focus of the Group's sales activities in the second half of the year in face of a series of austerity policies and unforeseeable market movements.

Commercial Properties

Given our acute insights and profound view on the progress of urbanization in China and industry growth trends, the Board strived to develop landmark urban complex under successful operation of housing business and sound financial conditions so as to diversify the sustainable development of the industry.

The Group will actively explore to establish a nationwide organization structure for commercial property management and operation. On the basis of integrating existing commercial properties resources such as hotels and commercial centers, the Group will seize the right opportunities and prudently acquire quality land plots in core cities and regions, whilst kick off the plan design, development and operation of landmark urban complex. In addition, the Group also works closely with the world's well-known architectural planning and design institutes to explore new business areas at a higher level with an aim to develop such businesses into one of the strategic core segments of the Group in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group recorded a revenue of RMB32.06 billion in the Period (corresponding period of 2010: RMB20.37 billion), representing a period-on-period growth of 57.4%. Gross profit amounted to RMB11.24 billion (corresponding period of 2010: RMB4.95 billion), an increase of 127.1% over the corresponding period last year. Profit attributable to shareholders was RMB5.70 billion (corresponding period of 2010: RMB2.33 billion), representing an increase of 144.6% compared with corresponding period last year. Basic earnings per share amounted to RMB0.38 (corresponding period of 2010: RMB0.16), representing a period-on-period increase of 137.5%.

Total shareholders' equity of the Group as at 30 June 2011 was RMB27.42 billion (31 December 2010: RMB20.64 billion), an increase of 32.8% from the end of last year. Net book value per share as at 30 June 2011 was RMB1.83 (31 December 2010: RMB1.38), an increase of 32.6% from the end of last year.

Revenue

Revenue of the Group for the period under review amounted to RMB32.06 billion, a growth of 57.4% compared with the corresponding period of last year, of which revenue generated from property development segment amounted to RMB31.69 billion, representing a period-on-period growth of 56.5%. Revenue generated from property management services in the Period was RMB0.12 billion, representing an increase of 140.0% compared with the corresponding period last year. Revenue generated from investment properties and other business in the Period amounted to RMB0.25 billion, an increase of 257.1% from the corresponding period last year.

Gross Profit

Gross profit of the Group for the Period amounted to RMB11.24 billion, an increase of 127.1% compared with the corresponding period of last year, which was mainly due to a remarkable increase in the area and average price of properties delivered during the period under review. Gross profit margin was 35.1%, up approximately 10.8 percentage points compared with the corresponding period last year, which was benefited from our stringent cost control advantage, with which, the increase of unit cost was slight during the period under review, which was much less than the growth of the price of properties delivered.

Selling and Marketing Costs

During the period under review, selling and marketing costs of the Group rose from RMB0.8 billion for the corresponding period in 2010 to RMB1.27 billion, which was principally due to an increase in the number of projects launched, significant expansion in scale and the corresponding increase in nationwide marketing and brand publicity activities during the period under review. During the period under review, selling and marketing costs accounted for 4.0% of the revenue, close to that for the corresponding period of 2010.

Administrative Expenses

During the period under review, administrative expenses of the Group increased by RMB0.4 billion to RMB0.94 billion from RMB0.54 billion for the corresponding period in 2010, which was mainly due to our continued expansion of business throughout China, substantial increase in operating results during the period under review and the substantial increase in the number of employees and their remuneration.

FINANCIAL REVIEW

Borrowings

As of 30 June 2011, the borrowings of the Group amounted to RMB50.75 billion with the following maturity periods:

	30 June 2011 *(RMB billion)*	**As a percentage of total borrowings**	31 December 2010 *(RMB billion)*	As a percentage of total borrowings
Less than 1 year	**9.23**	**18.2%**	7.0	22.5%
1–2 years	**13.94**	**27.5%**	4.85	15.6%
2–5 years	**26.70**	**52.6%**	19.31	61.9%
More than 5 years	**0.88**	**1.7%**	—	—
	50.75	**100%**	31.16	100%

The above borrowings were pledged against the property and equipment, land use rights, investment properties, properties under development, completed properties held for sale, cash at bank of the Group and the equity capital of certain subsidiaries of the Group.

Financial Leverages

The Group maintained a sound financial position. As of 30 June 2011, the Group's total borrowings to total assets ratio was 34.3% (31 December 2010: 29.8%). Net debt ratio (the ratio of net borrowings[1] to total equity) was 75.4% (31 December 2010: 52.5%). The total borrowings to annualized profit before fair value gains on investment properties, depreciation, interest and income tax expenses ratio was 2.6 times (30 June 2010: 2.6 times) and the interest coverage was 5.6 times (30 June 2010: 5.6 times). Despite our active approach to extend borrowing size to reinforce our cash position during the first half

[1] Net borrowings equal to total borrowings after deducting cash and cash equivalents and restricted cash

of 2011 to cope with the tightening market liquidity which led an increase of gearing ratio, our profit grew at a relatively fast rate, which effectively utilised the leverage of borrowings. Meanwhile, our profitability relative to total borrowings size remained at a sound level.

Land Reserve

During the Period, capitalizing on the merger and acquisition opportunities from the austerity policies, the Group swiftly leveraged on its abundant cash flow and continued to focus on second- and third-tier cities to acquire sizable quality land reserves at low costs in a flexible and diversified manner. As at 30 June 2011, the Group held land reserve of total GFA of 135 million square meters across 101 cities in the PRC, with total number of projects of 181 (see Overview of Land Reserve of the Group). The average cost of our land reserve was approximately RMB617 per square meter, of which cost of our land reserve in third-tier cities was approximately RMB483 per square meter, which was relatively low as compared with industry peers. As at the end of the Period, the Group had an accumulated land premium of RMB94.56 billion of which RMB57.42 billion was settled and RMB37.14 billion remained outstanding of which, land premium of RMB16.23 billion is expected to be payable during the second half of 2011 and land premium of RMB17.51 billion will be payable within 2012, and the remaining of RMB3.40 billion will be payable within and beyond 2013.

During the Period, the Group acquired 70 new land plots and the GFA of these newly acquired land plots was 48.971 million square meters, covering 58 high growth potential cities including Chongqing, Tianjin, Chengdu, Harbin, Lanzhou, Changchun, Zhenjiang, Foshan and Dongguan. 46 of which are third-tier cities. During the Period, the cost of newly acquired land plots was approximately RMB664 per square meter.

Distribution of newly acquired land reserve of the Group as at 30 June 2011

No.	Province	Number of projects *(No./Province)*	Site area *(Square meters)*	Total land reserve *(Square meters)*	Percentage to total newly acquired land reserve *(%)*
1.	Guangdong Province	8	4,244,268	8,197,987	16.74%
2.	Anhui Province	6	1,531,537	4,538,588	9.27%
3.	Jiangsu Province	7	1,334,495	4,410,070	9.01%
4.	Shandong Province	3	1,384,627	3,417,129	6.98%
5.	Liaoning Province	4	839,385	3,247,496	6.63%
6.	Gansu Province	2	728,085	2,597,707	5.30%
7.	Guangxi Zhuang Autonomous Region	3	690,396	2,469,428	5.04%
8.	Sichuan Province	3	919,376	2,382,639	4.87%
9.	Heilongjiang Province	4	871,911	2,195,567	4.48%
10.	Shanxi Province	4	575,320	1,940,849	3.96%
11.	Shaanxi Province	3	467,564	1,796,978	3.67%
12.	Xinjiang Uyghur Autonomous Region	1	1,463,237	1,501,929	3.07%
13.	Hunan Province	3	412,677	1,344,330	2.75%
14.	Inner Mongolia Autonomous Region	2	382,623	1,196,899	2.44%
15.	Jiangxi Province	2	440,994	1,148,459	2.35%
16.	Guizhou Province	2	397,127	1,035,492	2.11%
17.	Jilin Province	2	307,461	902,162	1.84%
18.	Chongqing City	2	295,959	793,009	1.62%
19.	Ningxia Hui Autonomous Region	1	227,964	684,661	1.40%
20.	Tianjin City	2	503,188	681,566	1.39%
21.	Hubei Province	1	201,503	587,917	1.20%
22.	Hebei Province	1	666,667	573,870	1.17%
23.	Qinghai Province	1	138,355	569,736	1.16%
24.	Zhejiang Province	1	115,355	360,376	0.74%
25.	Hainan Province	1	209,904	239,952	0.49%
26.	Yunnan Province	1	46,273	156,163	0.32%
	Total	**70**	**19,396,253**	**48,970,959**	**100.00%**

Distribution of land reserve of the Group as at 30 June 2011

No	Province	Number of projects (No./Province)	Site area (Square meters)	Total GFA (Square meters)	Total land reserve (Square meters)	Percentage to total land reserve (%)
1.	Liaoning Province	15	4,551,301	16,755,853	15,260,134	11.27%
2.	Jiangsu Province	13	7,388,478	15,420,115	14,906,257[1]	11.01%
3.	Guangdong Province	18	7,814,178	15,539,426	12,628,332	9.33%
4.	Sichuan Province	12	5,972,803	10,784,493	8,909,019	6.58%
5.	Shandong Province	7	3,370,909	7,984,309	7,721,738	5.70%
6.	Henan Province	7	2,336,872	7,975,243	7,510,260	5.55%
7.	Anhui Province	10	2,586,934	7,921,110	7,200,541	5.32%
8.	Hebei Province	6	2,579,088	6,112,674	5,540,638	4.09%
9.	Hunan Province	10	1,961,685	6,592,739	4,975,130	3.67%
10.	Gansu Province	4	1,826,778	4,917,415	4,917,415	3.63%
11.	Jiangxi Province	6	3,401,803	5,141,044	4,868,462	3.60%
12.	Hubei Province	7	3,441,846	6,161,268	4,810,390	3.55%
13.	Shanxi Province	9	1,996,118	5,748,596	4,604,047	3.40%
14.	Guizhou Province	5	1,333,490	4,388,525	4,074,841	3.01%
15.	Chongqing City	9	2,459,676	6,168,520	3,792,031	2.80%
16.	Guangxi Zhuang Autonomous Region	4	1,031,845	3,282,338	3,282,338	2.42%
17.	Jilin Province	7	1,044,796	3,256,280	3,256,280	2.41%
18.	Shaanxi Province	5	837,210	3,133,885	2,639,650	1.95%
19.	Hainan Province	4	1,623,418	2,483,442	2,453,222	1.81%
20.	Tianjin City	5	3,352,652	2,817,560	2,335,161	1.72%
21.	Inner Mongolia Autonomous Region	4	1,008,553	2,679,484	2,314,417	1.71%
22.	Heilongjiang Province	4	871,911	2,195,567	2,195,567	1.62%
23.	Ningxia Hui Autonomous Region	3	619,031	1,960,719	1,960,719	1.45%
24.	Xinjiang Uyghur Autonomous Region	1	1,463,237	1,501,929	1,501,929	1.11%
25.	Yunnan Province	3	784,625	1,254,520	668,688	0.49%
26.	Qinghai Province	1	138,355	569,736	569,736	0.42%
27.	Zhejiang Province	1	115,355	360,376	360,376	0.27%
28.	Shanghai City	1	32,970	132,840	132,840	0.10%
	Total	**181**	**65,945,918**	**153,240,006**	**135,390,160**	**100.00%**

Leverage on its forward-looking strategy, the Group has firmly captured the growth opportunities and substantially completed the nationwide strategic layout during the first half of the year, at the same time replicating the success of the existing core cities in the third-tier cities. Our nationwide project distribution and comprehensive regional strategic layout will increase our comparative strengths, enhance the effect of our strategies vertically and horizontally, and further increase our ability to sustain development.

1. Based on the Municipal Government's Reply on the Revision of Detailed Planning of the Controllability of Evergrande Venice, North Shanghai, Qidong City (《市政府關於對啟東市北上海恒大威尼斯水城控制性詳細規劃修改的批覆》) issued by the People's Government of Jidong City on 19 August 2011, the Municipal Government of Qidong approved the draft document of Qidong City — Revision of Detailed Planning of the Controllability of Evergrande Venice, North Shanghai, Qidong City (《啟東市－北上海恒大威尼斯水城控制性詳細規劃（修訂）》) submitted by the People's Government of Yinyang Town, pursuant to which the GFA of the project was revised to 6,988,460 m^2, so as to increase the percentage of low-density residential housing and generate better returns.

Contracted Sales

The Group has been focusing on the development in second- and third-tier cities. Riding on the high quality of our premium products and our flexible pricing policy, we were able to achieve good results during the market's downcycle.

During the Period, the Group's accumulated contracted sales amount was RMB42.32 billion, representing a period-on-period increase of 101.7%. The area of contracted sales was 6.117 million square meters, representing a growth of 83.2% over the corresponding period last year. Average price of our contracted sales was RMB6,918 per square meter, representing a period-on-period increase of 10.1%. 94.1% of the contracted sales amount came from second-tier and third-tier cities such as Changsha, Chongqing, Taiyuan, Chengdu, Wuhan and Shenyang, covering a comprehensive range of products of the Group from high-end, mid-end, mid-to high-end properties and tourism-related properties. As at 30 June 2011, the Group completed 60.5% of the annual contracted sales target of RMB70.0 billion.

During the Period, the Group commenced pre-sale of 33 new projects in 29 second- and third-tier cities, including Shenyang, Chengdu, Chongqing, Jinan, Tianjin, Shijiazhuang, Zhongshan and Baotou. Accumulated number of projects for sale was 89, scattered across 49 cities in China. In the contracted sales amount of RMB42.32 billion we acheived during the Period, RMB30.06 billion or 71% was contributed by the 56 existing projects at the end of 2010, the average contribution of each project was RMB537 million. The remaining RMB12.26 billion or 29% was contributed by the 33 projects launched in the first year of 2011, the average contribution of each project was RMB372 million. As at 30 June 2011, Group had a total of 92 projects yet to be launched for sale, the majority of which are expected to be launched successively in the second half of the year, providing sufficient supply to further enhance our excellent operating results to the next level.

Property Development

During the Period, the Group had a total of 60 projects completed which were situated in 19 major cities in China with a completed GFA of 6.713 million square meters. The status of the completed projects is set out in the following table:

Overall Status of Completed Projects

Breakdown of completed projects

No.	Projects	GFA completed during the first half of 2011
1.	Guangdong Province	686,185
2.	Chongqing City	663,489
3.	Sichuan Province	618,207
4.	Hunan Province	735,498
5.	Hubei Province	469,636
6.	Shaanxi Province	163,332
7.	Anhui Province	210,585
8.	Jiangsu Province	55,552
9.	Guizhou Province	121,324
10.	Yunnan Province	217,442
11.	Liaoning Province	702,105
12.	Tianjin City	70,991
13.	Shanxi Province	478,700
14.	Jiangxi Province	212,170
15.	Shandong Province	262,571
16.	Henan Province	205,767
17.	Inner Mongolia Autonomous Region	236,956
18.	Hebei Province	572,035
19.	Hainan Province	30,220
	Total	6,712,764

During the Period, the Group delivered a total of 66 properties with a transaction value of RMB31.69 billion, representing a period-on-period increase of 56.5%. The GFA of properties delivered was 4.995 million square meters, representing a period-on-period increase of 28%. The average price of properties delivered was RMB6,345 per square meter, representing a period-on-period increase of 22.2%.

As at the end of the Period, the Group had 111 projects under construction with a GFA of approximately 31.651 million square meters and a saleable area under construction of 31.567 million square meters.

CORPORATE SOCIAL RESPONSIBILITIES

Under the new social and market environment, the Group integrated its awareness on citizenship into the growth strategies more intensively and to a large extent, while continued to take a more proactive approach in undertaking its social responsibilities towards the country, society, customers, staff, business partners and the environment.

In the area of poverty alleviation, the Group worked hand in hand with the government of Tianhe District, Guangzhou and entered into a letter of intent regarding the provision of assistance to designated regions with Zhengguo Town, Zengcheng, pursuant to which the Group undertook to gradually invest RMB245 million in the construction of commercial, hygiene and cultural utility facilities to alleviate the poverty of the local residents. The Group also donated RMB18 million to push ahead the development of the people's livelihood in the minorities region in Qingyuan, Guangdong. At the poverty alleviation event held in Guangdong on 30 June 2011, the Company agreed to make a donation of RMB300 million for relocation and resettlement of migrants in the cold mountain area in Qingyuan and the improvement of living standards of low-income families with financial difficulties based on certain progress in five years.

In the area of sports development, Evergrande Football Club and Evergrande Volleyball Club actively implemented perfect market operation and enterprise management. In addition to setting a role model in introducing top athletes, building reserve team and enhancing backup protection, the Group positive contributions to enhancing the competitive level of Chinese leagues and the long-term development of the sports industry in China. In April 2011, the Group organized the opening ceremony for 2011 season of Chinese Football Super League and set a new record in size and standard. Evergrande Football Club actively introduced athletes externally and explored new development mechanisms to keep its scores high on the charts. Evergrande Volleyball Club won the first runner-up at the 2010-2011 season of Chinese Women Volleyball League (Grade A) (中國女排甲A聯賽).

AWARDS

During the Period, the Group again was granted a number of awards. As leader of premium standardized properties in China, the Group was ranked second among the top 500 property development enterprises in China during the first half of 2011 and came first in terms of saleable area of properties in China for the first quarter and the first half of the year. In addition, the Group was ranked second amongst the listed property developers in China in terms of integrated capabilities according to the Assessment Research Report of China's Real Estate Listed Companies (2011中國房地產上市公司測評研究報告).

Moreover, the Group won the "2011 Outstanding Achievements Award" (2011年度卓越成就大獎) and the "2011 Highest Investment Value Real Estate Listed Companies Award" (2011年度最具投資價值地產上市公司大獎) at the "21st Century Bo'ao Real Estate Forum" (博鰲21世紀房地產論壇組委會). The Group was granted the "Golden Cotton Tree Cup for Guangdong Poverty Alleviation" (廣東扶貧濟困紅棉杯金杯) by the Leading Group Office of Poverty Alleviation and Development (廣東省扶貧開發領導小組). The Group won the title of "China's Charity Promoter" (中國慈善推動者) by China

Charity & Donation Information Center and "Corporate Social Responsibility Award" at the third Enterprise Credibility Chart in China jointly organized by more than 10 major media bodies in China. The accolades and awards above are evident of the community's high recognition of our operating results, corporate social responsibilities and brand influence.

HUMAN RESOURCES

As of 30 June 2011, the Group had a total of 26,948 employees where approximately 90% of which are graduates with a university degree or above, forming a team of young, highly educated and high quality personnel.

The Group firmly believes that people is the most important resources, and has been adhering to a people-oriented human resources development strategy. This helped us to create a working environment of harmony and positive interaction between the Group and its staff. As of 30 June 2011, total staff cost (including directors' fees) of the Group was approximately RMB1,349 million (corresponding period in 2010: approximately RMB502 million).

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend.

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

On 19 July 2011, the Company repurchased an aggregate of 110,626,000 Shares. The details of such repurchase are set out below:

Date of repurchase	**Number of Shares repurchased**	**Highest price paid per Share**	**Lowest price paid per Share**	**Average price paid per Share**	**Total amount paid**
		HK$	*HK$*	*HK$*	*HK$*
19 July 2011	110,626,000	6.00	5.58	5.927	655,751,877

Save as disclosed above, there was no purchase, sale and re-purchase of any listed securities of the Company by the Company or any of its subsidiaries for the six months ended 30 June 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS CONDUCTED BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issues (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions conducted by directors of the Company. All directors of the Company have confirmed their compliances with the Model Code during the period under review.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2011.

REVIEW OF INTERIM RESULTS BY AUDITOR AND AUDIT COMMITTEE

The unaudited Condensed Consolidated Financial Information of the Group for the six months ended 30 June 2011 have been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee of the Board of Directors has also reviewed the Group's interim results for the six months ended 30 June 2011, and discussed with the Company's management regarding review, internal control and other relevant matters.

ACKNOWLEDGEMENT

The steady development of the Group has always been trusted and supported by its shareholders, investors and business partners as well as loyalty of staff members. On behalf of the Board, I express my heartfelt gratitude.

By order of the Board
Evergrande Real Estate Group Limited
Hui Ka Yan
Chairman

Hong Kong, 30 August 2011

As at the date of this announcement, the executive directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Mr. Li Gang, Mr. Tse Wai Wah, Mr. Xu Xiangwu, Mr. Xu Wen, Mr. Lai Lixin and Ms. He Miaoling, and the independent non-executive directors are Mr. Yu Kam Kee, Lawrence, Mr. Chau Shing Yim, David and Mr. He Qi.