恆大地產集團®
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 2012

FINANCIAL HIGHLIGHTS

1. Revenue for the six months ended 30 June 2012 increased by 15.5% from RMB32.06 billion in the corresponding period of 2011 to RMB37.04 billion, of which the revenue from the property development segment amounted to RMB36.49 billion, accounting for 98.5%.

2. Gross profit for the six months ended 30 June 2012 decreased by 5.7% from RMB11.24 billion in the corresponding period of 2011 to RMB10.60 billion.

3. Net profit for the six months ended 30 June 2012 decreased by 1.9% from RMB5.73 billion in the corresponding period of 2011 to RMB5.62 billion.

4. Net profit attributable to shareholders for the six months ended 30 June 2012 increased by 1.1% from RMB5.60 billion in the corresponding period of 2011 to RMB5.66 billion.

5. Net profit from core business excluding the fair value gains on investment properties ended 30 June 2012 decreased by 21.0% from RMB4.81 billion in the corresponding period of 2011 to RMB3.80 billion.

6. Basic earnings per share attributable to shareholders for the six months ended 30 June 2012 grew by 2.7% from RMB0.37 in the corresponding period of 2011 to RMB0.38.

7. Total assets as at 30 June 2012 increased by 10.6% from RMB179.02 billion as at the end of 2011 to RMB198.08 billion.

8. Total equity as at 30 June 2012 rose by 6.4% from RMB34.13 billion as at the end of 2011 to RMB36.33 billion.

9. Contracted sales for the six months ended 30 June 2012 amounted to RMB35.04 billion, accomplishing 43.8% of the planned contracted sales for the entire year; whereas the gross floor area ("GFA") of contracted sales was 5.768 million square metres.

10. As at 30 June 2012, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB24.74 billion and total borrowings of RMB59.66 billion, together with the unutilised banking facilities of RMB36.12 billion, the Group had available funds of RMB60.86 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 2012 (the "Period").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
			(Restated)
Revenue	*2*	**37,041,343**	32,058,058
Cost of sales		**(26,442,967)**	(20,821,335)
Gross profit		**10,598,376**	11,236,723
Fair value gains on investment properties		**2,500,618**	1,344,349
Other income		**228,739**	151,600
Selling and marketing costs		**(1,315,071)**	(1,271,762)
Administrative expenses		**(1,051,652)**	(935,102)
Other operating expenses		**(511,829)**	(310,461)
Operating profit		**10,449,181**	10,215,347
Finance (costs)/income, net	*3*	**(63,725)**	198,892
Profit before income tax		**10,385,456**	10,414,239
Income tax expenses	*4*	**(4,764,702)**	(4,687,938)
Profit for the period		**5,620,754**	5,726,301
Other comprehensive income		**—**	—
Total comprehensive income for the period		**5,620,754**	5,726,301
Attributable to:			
Shareholders of the Company		**5,662,819**	5,602,961
Non-controlling interests		**(42,065)**	123,340
		5,620,754	5,726,301
Earnings per share attributable to shareholders of the Company for the period			
Basic earnings per share *(RMB)*	*5*	**0.38**	0.37
Diluted earnings per share *(RMB)*	*5*	**0.37**	0.36
Dividends	*6*	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000 (Restated)
ASSETS			
Non-current assets			
Property and equipment		**6,223,623**	4,864,442
Land use rights		**990,838**	445,758
Investment properties		**23,600,755**	18,918,630
Other receivables		**352,245**	349,314
Intangible assets		**431,989**	275,517
Deferred income tax assets		**632,994**	648,559
		32,232,444	25,502,220
Current assets			
Properties under development		**101,074,245**	91,380,381
Completed properties held for sale		**15,114,936**	8,434,504
Trade and other receivables	*7*	**5,805,945**	5,766,224
Prepayments		**18,302,103**	19,296,237
Income tax recoverable		**816,402**	439,492
Restricted cash		**6,234,949**	8,122,405
Cash and cash equivalents		**18,502,384**	20,081,945
		165,850,964	153,521,188
Total assets		**198,083,408**	179,023,408

	Note	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000 (Restated)
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		**1,041,875**	1,037,199
Share premium		**2,787,902**	5,423,466
Reserves		**6,514,632**	5,601,609
Retained earnings		**24,263,907**	19,897,438
		34,608,316	31,959,712
Non-controlling interests		**1,720,838**	2,171,041
Total equity		**36,329,154**	34,130,753
LIABILITIES			
Non-current liabilities			
Borrowings		**39,758,294**	41,498,720
Other payables		**363,127**	—
Deferred income tax liabilities		**4,326,328**	3,590,991
		44,447,749	45,089,711
Current liabilities			
Borrowings		**19,899,608**	10,227,990
Trade and other payables	8	**63,745,545**	49,196,123
Advances from customers		**23,959,192**	31,613,979
Current income tax liabilities		**9,702,160**	8,764,852
		117,306,505	99,802,944
Total liabilities		**161,754,254**	144,892,655
Total equity and liabilities		**198,083,408**	179,023,408
Net current assets		**48,544,459**	53,718,244
Total assets less current liabilities		**80,776,903**	79,220,464

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 2012 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 2011, 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

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

(i) Change in accounting policy for deferred tax liabilities relating to investment properties

In December 2010, the HKICPA amended HKAS 12, "Income taxes", to introduce an exception to the principle for the measurement of deferred tax assets or liabilities arising on an investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted.

The Group has adopted this amendment retrospectively for the financial period ended 30 June 2012 and the effects of adoption are disclosed as follows.

The Group has investment properties measured at their fair values totalling RMB18,918,630,000 as of 1 January 2012. As required by the amendment, the Group has re-measured the deferred tax relating to certain investment properties amounting to RMB4,519,274,000 according to the tax consequence on the presumption that they are recovered entirely by sale retrospectively. The comparative figures for 2011 have been restated to reflect the change in accounting policy, as summarised below.

Effect on consolidated balance Sheet

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
Increase in deferred tax liabilities	**782,398**	726,852
Decrease in retained earnings	**782,398**	726,852

Effect on consolidated income statement

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Increase in income tax expense	**55,546**	92,636
Decrease in net profit attributable to owners of the Company	**55,546**	92,636
Decrease in basic EPS	**RMB0.4 cent**	RMB1 cent
Decrease in diluted EPS	**RMB0.4 cent**	RMB1 cent

For the other investment properties amounting to RMB14,399,356,000, they are held by certain subsidiaries with a business model to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. For these investment properties, the presumption is rebutted and related deferred tax is not remeasured.

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

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

(iii) New and amended standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted by the Group:

- HKFRS 9 "Financial instruments" addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, as HKFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

- HKFRS 10 "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- HKFRS 12 "Disclosures of interests in other entities" 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 measurement" 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 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 HKFRS.

(iii) New and amended standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted by the Group: (Continued)

- HKAS 19 (Amendment) "Employee benefits" eliminate the corridor approach and calculate finance costs on a net funding basis.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the group.

The management is in the process of making an assessment on the impact of these new standards, amendments to existing standards and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

2 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") of the Group has been identified as the executive directors of the Company who are responsible for reviewing 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 include property construction, hotel 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 costs or 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 condensed consolidated statement of comprehensive income for the six months ended 30 June 2012 are as follows:

	Property development *RMB'000*	**Property investment** *RMB'000*	**Property management services** *RMB'000*	**Other businesses** *RMB'000*	**Group** *RMB'000*
Gross segment revenue	**36,485,790**	**61,471**	**220,629**	**3,313,025**	**40,080,915**
Inter-segment revenue	**—**	**(9,215)**	**(59,135)**	**(2,971,222)**	**(3,039,572)**
Revenue	**36,485,790**	**52,256**	**161,494**	**341,803**	**37,041,343**
Segment results	**8,286,060**	**2,550,261**	**(96,707)**	**(290,433)**	**10,449,181**
Finance costs, net					**(63,725)**
Profit before income tax					**10,385,456**
Income tax expenses					**(4,764,702)**
Profit for the period					**5,620,754**
Depreciation and amortisation	**53,928**	**—**	**2,769**	**183,755**	**240,452**
Fair value gains on investment properties	**—**	**2,500,618**	**—**	**—**	**2,500,618**

The segment results and other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2011 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *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	31,694,165	45,561	123,510	194,822	32,058,058
Segment results	9,115,520	1,393,224	(46,588)	(246,809)	10,215,347
Finance income, net					198,892
Profit before income tax					10,414,239
Income tax expenses(restated)					(4,687,938)
Profit for the period(restated)					5,726,301
Depreciation and amortisation	48,138	—	2,061	22,939	73,138
Fair value gains on investment properties	—	1,344,349	—	—	1,344,349

Segment assets as at 30 June 2012 are as follows:

	Property development ***RMB'000***	**Property investment** ***RMB'000***	**Property management services** ***RMB'000***	**Other businesses** ***RMB'000***	**Group** ***RMB'000***
Segment assets	**161,435,899**	**23,600,755**	**842,063**	**10,755,295**	**196,634,012**
Unallocated					**1,449,396**
Total assets					**198,083,408**

Segment assets as at 31 December 2011 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Group *RMB'000*
Segment assets	149,722,594	18,918,630	712,518	8,581,615	177,935,357
Unallocated					1,088,051
Total assets					179,023,408

There are no differences from the latest annual financial statement in the basis of segmentation or in the basis of measurement of segment profit or loss.

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 and income tax recoverable.

3 FINANCE (COSTS)/INCOME, NET

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Exchange (losses)/gains	**(34,211)**	198,892
Interest expenses from borrowings	**(2,644,207)**	(1,763,990)
Less: interest capitalised	**2,614,693**	1,763,990
	(63,725)	198,892

4 INCOME TAX EXPENSES

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
		(Restated)
Current income tax		
— Hong Kong profits tax	**—**	—
— PRC corporate income tax	**2,022,384**	1,825,993
— PRC land appreciation tax	**1,991,416**	2,320,275
Deferred income tax		
— PRC corporate income tax	**676,841**	418,156
— PRC land appreciation tax	**74,061**	123,514
	4,764,702	4,687,938

The weighted average applicable tax rate for the six months ended 30 June 2012 and 2011 is 25%.

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 2012 (six months ended 30 June 2011: nil).

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate of 25% (six months ended 30 June 2011: 25%) on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

PRC withholding income tax

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

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 land use rights and all property development expenditures.

5 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profits 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	
	2012	2011 (Restated)
Basic earnings per share *(RMB)*	**0.38**	0.37
Diluted earnings per share *(RMB)*	**0.37**	0.36

6 DIVIDENDS

The board of directors of the Company resolved not to declare any dividend in respect of the six month ended 30 June 2012 (six months ended 30 June 2011: nil).

A final dividend in respect of 2011 of RMB0.19 per share totalling RMB2,842,104,000 was declared at the Annual General Meeting of the Company on 31 May 2012.

7 TRADE AND OTHER RECEIVABLES

	30 June 2012 *RMB'000*	31 December 2011 *RMB'000*
Trade receivables *(note (a))*	**3,423,496**	2,753,483
Other receivables	**2,382,449**	3,012,741
	5,805,945	5,766,224

As at 30 June 2012 and 31 December 2011, 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 2012 *RMB'000*	31 December 2011 *RMB'000*
Within 90 days	**2,827,313**	2,082,645
Over 90 days and within 180 days	**101,023**	156,763
Over 180 days and within 365 days	**320,534**	271,991
Over 365 days	**174,626**	242,084
	3,423,496	2,753,483

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 2012	31 December 2011
	RMB'000	*RMB'000*
Trade payables	**41,758,400**	32,289,884
Other payables	**19,809,116**	14,743,793
Accrued expenses	**1,363,154**	1,139,754
Other taxes payable	**814,875**	1,022,692
	63,745,545	49,196,123

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

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
Within one year	**39,343,803**	30,081,198
Over one year	**2,414,597**	2,208,686
	41,758,400	32,289,884

CHAIRMAN'S STATEMENT

Business Review

In the first half of 2012, the austerity measure of the Central Government (the "**Central Government**") intensified, the policies of the macroeconomic regulation and control changed from "Encouraging Containing Property" oriented to "Cooling Property Price" oriented. As a result of the austerity measures, the China property market continued its trend in 2011 where the area of residential properties sold nationwide and sales amount fell by 11.2% and 6.5% respectively as compared to the corresponding period of last year[1]. Industry development entered into a new phase of structural adjustments and resources integration, coupled with increasing levels of industry concentration. The sales of China's top ten real estate developers accounted for 16.17% of sales of property in China, representing an increase of 2.66 percentage points over that in the corresponding period of last year; whereas area sold accounted for 9.33%, representing an increase of 2.19 percentage points over that in the corresponding period of last year[2].

During the reporting period, the property market initially declined and gradually picked up, showing moderate recovery momentum, which was in line with the fundamental judgments made by the Group since the end of 2011. At the same time, the Group directed its businesses in an orderly manner throughout the year based on such judgements. During the first half of the year, the Group achieved an aggregate contracted sales revenue of RMB35.04 billion, accomplishing 43.8% of the annual sales target for the entire year. As at 30 June 2012, the area of contracted sales of the Group amounted to an aggregate of 5.768 million square metres. Revenue amounted to RMB37.04 billion, of which the revenue from the property development segment was RMB36.49 billion, representing a period-on-period growth of 15.1%. Total cash (including cash and cash equivalents and restricted cash) amounted to RMB24.74 billion. The GFA of land reserve was approximately 142 million square metres and the average cost of land reserve was RMB648 per square metre. The land premium payable during the second half of 2012 is expected to be approximately RMB8.0 billion. Area under construction was approximately 34.853 million square metres and there were 166 projects under construction.

We focused on maintaining the profitability, acquiring quality land plots and increasing the gross profit of our products. During the period, the Group adopted a general strategy to strike a balance between consumption and replenishment of land reserve. In view of the completed area for the entire year and the opportunities arising from the land market in the first half of the year, the Group had moderately acquired some quality land plots. At the end of the period, the Group had a total GFA of land reserve of 142 million square metres, representing an increase of 5.44 million square metres or approximately 4.0% as compared to the end of 2011. The Group acquired 34 new projects and further land reserve for 2 existing projects, mainly covering second-tier cities such as Changsha, Jinan, Shenyang and Guiyang and third-tier cities with growth potentials such as Ningbo, Wuxi, Ma'anshan

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1 *Source:* "National Real Estate Development and Sales for January to June 2012" issued by National Bureau of Statistics of China (國家統計局)

2 *Source:* Top 50 PRC Real Estate Enterprises for 1H2012 in terms of Sales jointly issued by China Real Estate Information Corporation and China Real Estate Appraisal

and Qiqihar, and the cost of newly acquired land plots was approximately RMB967 per square metre. As at 30 June 2012, the Group held a GFA of land reserve of 142 million square metres across 121 cities in China, with a total number of 218 projects. The average cost of land reserve was approximately RMB648 per square metre, which was relatively low as compared with industry peers.

In the first half of 2012, the Group's GFA of land reserve grew by 4.0%. However, such growth was far lower than the corresponding period growth of 41.0% and 31.7% in 2011 and 2010 respectively. In the current year, the Group acquired quality land plots and emphasised on maintaining a balanced development in second-tier and third-tier cities. In maintaining the Group's steady cashflow, the Board believes that the Group's newly acquired land plots are at favorable locations with great appreciation potential, which is in line with the Group's high quality and steady growth strategy of its sixth "Three-Year Plan" and helps enhance the gross profit in product and the overall profitability of the Group.

Contracted sales achieved a satisfactory proportion of the annual contracted sales target. During the reporting period, the Group achieved contracted sales revenue of RMB35.04 billion, accomplishing 43.8% of the annual contracted sales target for the entire year. GFA of contracted sales amounting to 5.768 million square metres. Given the extremely sluggish market environment in the first quarter, the Group launched relatively fewer projects. Since the second quarter, the Group has stepped up its efforts on the launch of sales of the existing projects and new projects. Riding on its high value for money products, the Group achieved contracted sales revenue of RMB26.77 billion for that quarter, accounting for 33.5% of the annual contracted sales and representing a quarter-on-quarter growth of 18.9% as compared to RMB22.52 billion in the corresponding period of 2011.

During the reporting period, the Group launched 33 new projects, covering 32 second-tier and third-tier cities such as Hefei, Nanchang, Chongqing, Shijiazhuang, Haikou, Nanjing, Hohhot, Dongguan, Datong and Qinhuangdao. Accumulated number of projects for sale was 154, scattered across 95 cities in China.

In the first half of the year, the Group achieved contracted sales revenue of RMB35.04 billion, of which RMB0.41 billion was contributed by projects based in first-tier cities (representing 1.2%), RMB16.36 billion was contributed by projects based in second-tier cities (representing 46.7%) and RMB18.27 billion was contributed by projects based in third-tier cities (representing 52.1%). Based on the above figures, the Group's sales proportion in the second-tier and third-tier cities remained balanced.

Area under construction was 34.853 million square metres and area of properties delivered was 6.078 million square metres, leading its industry peers in terms of construction size and speed. During the period, the Group continued to devote its efforts consistently to standardise its operations and implemented the rapid development model. The Group also adjusted the construction size of new projects according to the construction progress and the number of properties available for sale. In the first half of the year, area under construction of new projects was 7.475 million square metres, down by 48.1% as compared to 14.39 million square metres in the corresponding period of 2011.

As at 30 June 2012, the Group had 166 projects under construction, of which 154 projects have obtained the relevant pre-sale permit. Area under construction was approximately 34.853 million square meters. The Group had 64 projects yet to be launched for sale. The Board considers that its industry leading construction size and saleable area allow it to be well prepared for generating revenue from the delivery of properties and contracted sales in the next phase.

During the reporting period, in face of the intensifying austerity measures, tightening monetary policies, escalating inflation and rising prices of raw materials for construction, the Group continued to optimise intensive corporate management and scientific arrangement regarding the construction progress. The GFA of properties completed as scheduled was 9.142 million square metres. The Group delivered properties for an accumulated total of 100 projects with a transaction value of RMB36.49 billion and area of properties delivered of 6.078 million square metres.

The Group's premium and standardised industry chain was increasingly comprehensive, displaying its strong competence in cost control. During such period, the Group achieved a win-win situation with its strategic partners and effectively coped with the pressure on rising costs of construction materials through entering into a premium strategic alliance for the entire process of property development and leveraging its extensive area under construction and vertically integrated purchase model.

During the reporting period, the Group had more than 300 domestic and international renowned brands in its strategic purchase alliance, of which 79 brands had entered into the supply strategic agreement in 2012 for the first time. With respect to renovation materials, according to the Group's statistical analysis on 20 materials accounting for 90% of the total supply, during 2008 to 2012 when prices of materials rose drastically and inflation was most severe, the Group was given discounts of 1% to 49% on the purchase price in respect of its purchases of renovation materials such as exterior wall tiles, ceramic chips, paints and entrance doors. The accumulated discount for the above materials was 18% on average. It is estimated that the costs of renovation and construction materials will further decrease throughout 2012 in light of the slight increase in the scale of purchase.

The Board strongly believes that, the Group has adopted appropriate measures to tackle the problems of soaring construction costs. In particular, the decrease in prices of renovation materials each year signifies the Group's achievements in pursuing premium strategic alliance. This will, to the largest extent, reduce the impacts of rising costs on gross profit margin, generating returns for general shareholders.

Prudent financial policy of "Cash is king" was adopted. Abundant cash flow was maintained in a prudent strategic manner to ensure security of funds. As at 30 June 2012, following several years of economic downturn, the Group's total cash remained at a satisfactory level of RMB24.74 billion. During the reporting period, despite facing the tight overall funding, the Group adhered to adopt the forward-looking strategy, leveraged on the sound cooperation relationship with sizable commercial banks in China and raised new borrowings (net) amounted to RMB7.85 billion. At the end of the period, the unutilised banking facilities amounted to RMB36.12 billion, whereas available funds totalled RMB60.86 billion.

At the end of the reporting period, as a result of RMB7.85 billion new borrowings raised (net) during the reporting period, the Group's net gearing position increased as compared to the end of 2011, mainly attributable to the market downcycle of real estate industry, relative low contracted sales for the first quarter and slow recovery of sales proceeds. It is believed that the Group's net gearing position for the entire year will be improved with the gradual increase in contracted sales since the second quarter, accelerating recovery of sales proceeds and reasonable control of capital expenditure on land and construction.

Business Outlook

The Board considers that, despite the continuing implementation of the government's austerity measures on the real estate industry, given such measures are fully implemented, housing prices are resuming back to a reasonable level and the accumulated inventory gradually goes down, the industry integration is accelerating and market concentration is intensifying, and this will, to a large extent, determine the long-term prospects of the real estate industry in China.

Taking into account of the above fundamental judgments and the Group's sixth "Three-Year Plan", the Board will continue to implement its management strategy of "consolidation, adjustment and enhancement" during the year, allowing the Group to shift from business expansion to steady operation as well as from regional expansion to intensified management and to focus more on maintaining profitability and achieving high quality coordinated development.

Land Reserve

Given the completion of the nationwide strategic layout, the Group will, in accordance with the principle of "replenishment based on consumption", keep the overall total land reserve stable and will attach more importance to the balanced project development in second-tier and third-tier cities in the future, focusing more on resource sharing of each project. With respect to land acquisition, the Group will adopt a more prudent approach and implement stricter requirements on the cities where the projects are located, land plot locations, the conditions for land utilisation plan and payment terms with an aim to increase the profit margin of the projects and the overall profitability of the Group. The Group has settled land premium of RMB75.5 billion for the existing land reserve and RMB36.9 billion remains outstanding, of which land premium of RMB8.0 billion is expected to be settled in the second half of the year; land premium of RMB13.4 billion is expected to be settled in 2013; land premium of RMB9.4 billion is expected to be settled in 2014; and land premium of RMB6.1 billion is expected to be settled within 2015 and beyond.

Contracted Sales

In the second half of the year, the Group will reasonably adjust the timing of the launch of sales while striking a balance between growth and sales in order to achieve and exceed the annual contracted sales target for the year. Capitalising on the advantages of high value for money fully-refurbished products and flexible sales strategies, the Group endeavours to maintain selling prices at a reasonable level and relatively stable monthly sales performance.

In the second half of the year, it is expected that 30 to 40 new projects will be launched, mainly covering second-tier and third-tier cities. The number of projects available for sale is expected to reach around 180 by the end of the year, whereas the number of properties available for sale will remain dynamically balanced and kept at a level that can satisfy the sales needs in the forthcoming 5 to 6 months. Given the remarkable sales performance in the second quarter, alongside with the strong execution ability of the Group and the market recovery, the Board is optimistic about achieving the aggregate contracted sales target of RMB80.0 billion for the entire year.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group recorded a revenue of RMB37.04 billion in the reporting period (corresponding period of 2011: RMB32.06 billion), representing a period-on-period growth of 15.5%. Gross profit amounted to RMB10.60 billion (corresponding period of 2011: RMB11.24 billion), representing a decrease of 5.7% over the corresponding period last year. Net profit attributable to shareholders was RMB5.66 billion (corresponding period of 2011: RMB5.60 billion), representing an increase of 1.1% compared with corresponding period last year. Basic earnings per share amounted to RMB0.38 (corresponding period of 2011: RMB0.37), representing a period-on-period increase of 2.7%. Diluted earnings per share amounted to RMB0.37 (corresponding period of 2011: RMB0.36).

Equity attributable to shareholders of the Group as at 30 June 2012 was RMB34.61 billion (31 December 2011: RMB31.96 billion), representing an increase of 8.3% from the end of last year.

Revenue

Revenue of the Group for the reporting period amounted to RMB37.04 billion, a growth of 15.5% compared with the corresponding period of last year, of which revenue generated from property development segment amounted to RMB36.49 billion, representing a period-on-period growth of 15.1%. Revenue generated from property management services in the reporting period was RMB0.16 billion, representing an increase of 30.8% compared with the corresponding period last year. Revenue generated from investment properties amounted to RMB52.3 million, representing a growth of 14.7% compared with the corresponding period last year. Revenue generated from construction, hotel operation and other property development related business in the reporting period amounted to RMB0.34 billion, an increase of 75.4% from the corresponding period last year.

Gross Profit

Gross profit of the Group for the reporting period amounted to RMB10.60 billion, representing a decrease of 5.7% compared with the corresponding period of last year. Gross profit margin was 28.6%, down approximately 6.5% compared with the corresponding period last year. The decrease of gross profit and gross profit margin was mainly attributable to the decline of our delivery price, which was affected by the market downcycle, in particular, since second half of 2011. Meanwhile, we still keep our stringent cost control advantage, the unit cost of delivered properties maintained stable compared with that in 2011.

Selling and Marketing Costs

During the reporting period, selling and marketing costs of the Group rose from RMB1.27 billion for the corresponding period in 2011 to RMB1.32 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 reporting period.

Administrative Expenses

During the reporting period, administrative expenses of the Group increased by RMB0.11 billion to RMB1.05 billion from RMB0.94 billion for the corresponding period in 2011, which was mainly due to the increase in the number of employees and their remuneration during the reporting period.

FINANCIAL REVIEW

Borrowings

As of 30 June 2012, the borrowings of the Group amounted to RMB59.66 billion with the following maturity periods:

	30 June 2012 *(RMB billion)*	**As a percentage of total borrowings**	**31 December 2011** *(RMB billion)*	**As a percentage of total borrowings**
Less than 1 year	19.90	33.3%	10.23	19.8%
1–2 years	19.80	33.2%	13.41	25.9%
2–5 years	19.21	32.2%	27.24	52.7%
More than 5 years	0.75	1.3%	0.85	1.6%
	59.66	100%	51.73	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 and the shares of certain subsidiaries of the Group.

Available Funds

As at 30 June 2012, the total amount of cash and cash equivalents and restricted cash was RMB24.74 billion, and together with the unutilised banking facilities of RMB36.12 billion. The abundant working capital provided great financial support for the Group's quest for the best business opportunities and healthy development.

Financial Leverage

At the end of the reporting period, as a result of RMB7.85 billion new borrowings raised (net) during the reporting period, the Group's net gearing ratio (net borrowings[1] to total equity) increased to 96.1% from 68.9% at the end of 2011, mainly attributable to the market downcycle of real estate industry, relatively low contracted sales for the first quarter and slow recovery of sales proceeds. It is believed that the Group's net gearing position for the entire year will be improved with the gradual increase in contracted sales since the second quarter, accelerating recovery of sales proceeds and reasonable control of capital expenditure in land and construction.

Land Reserve

During the reporting period, the Group acquired 34 new projects and further land reserve for 2 existing projects. The GFA of the new land reserve was 17.443 million square metres, covering 26 second-tier and third-tier cities with growth potentials such as Changsha, Jinan, Shenyang and Guiyang as well as Ningbo, Wuxi, Ma'anshan and Qiqihar. During the reporting period, the total cost of the newly acquired land plots was RMB16.86 billion and the average cost was approximately RMB967 per square metre.

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

Distribution of newly acquired land reserve of the Group as at 30 June 2012

No.	Project name	City	Site area *(Square metre)*	Planned GFA *(Square metre)*	Land reserve GFA *(Square metre)*	Proportionate interest in GFA
	Guangdong Province					
1	Evergrande Spring City Enping	Jiangmen	1,707,983	1,907,900	1,907,900	100%
2	Guangzhou Zhujiang New Town Project	Guangzhou	8,101	40,100	40,100	100%
3	Chaozhou Hotel Project	Chaozhou	28,963	57,700	57,700	100%
4	Evergrande City Chaozhou	Chaozhou	547,001	1,657,197	1,657,197	100%
	Hubei Province					
	Evergrande Oasis Yichang (Phase 2)*	Yichang	111,926	331,882	331,882	100%
	Sichuan Province					
5	Evergrande Metropolis Zigong	Zigong	95,594	238,628	238,628	100%
	Liaoning Province					
6	Evergrande Atrium Shenyang	Shenyang	239,188	605,938	605,938	100%
7	Evergrande Emerald Court Shenyang	Shenyang	50,476	121,142	121,142	100%
	Jiangsu Province					
8	Evergrande City Wuxi	Wuxi	92,452	203,395	203,395	100%
	Inner Mongolia Autonomous Region					
9	Evergrande Oasis Wuhai	Wuhai	66,242	197,902	197,902	100%
	Guizhou Province					
10	Evergrande Atrium Guiyang	Guiyang	64,290	290,325	290,325	100%
	Anhui Province					
11	Evergrande Royal Scenic Bay Bangbu	Bangbu	126,821	367,825	367,825	100%
12	Evergrande Royal Scenic Bay Ma'anshan	Ma'anshan	144,145	288,652	173,191	60%
	Hunan Province					
13	Evergrande Emerald Court Changsha	Changsha	135,514	474,299	474,299	100%
14	Evergrande Royal Scenic Bay Changsha	Changsha	49,696	198,785	198,785	100%
	Henan Province					
15	Evergrande Oasis Xuchang	Xuchang	185,052	727,535	727,535	100%
16	Evergrande Splendor Xinxiang	Xinxiang	513,169	179,345	179,345	100%
	Hebei Province					
17	Evergrande International Hot Spring Tourism City Baoding	Baoding	3,427,962	3,427,962	3,427,962	100%
18	Evergrande City Xingtai	Xingtai	106,353	380,873	274,229	72%
19	Evergrande Emperor Scenic Xingtai	Xingtai	27,376	82,128	59,132	72%
20	Evergrande Metropolis Handan	Handan	168,006	655,800	655,800	100%
	Shandong Province					
	Evergrande Splendor Laiwu (Phase 3)*	Laiwu	221,041	221,041	221,041	100%

* additional land reserve for existing projects

No.	Project name	City	Site area	Planned GFA	Land reserve GFA	Proportionate interest in GFA
			(Square metre)	*(Square metre)*	*(Square metre)*	
21	Evergrande Atrium Jinan	Jinan	202,511	656,449	393,870	60%
22	Jinan CBD Project	Jinan	108,572	760,004	760,004	100%
23	Evergrande Emperor Scenic Jinan	Jinan	116,421	374,797	374,797	100%
	Jilin Province					
24	Evergrande Royal Scenic Bay Songyuan	Songyuan	222,933	445,867	445,867	100%
	Gansu Province					
25	Evergrande Oasis Wuwei	Wuwei	139,835	391,809	391,809	100%
	Zhejiang Province					
26	Evergrande Scenic City Haiyan	Jiaxing	98,560	246,400	246,400	100%
27	Ningbo Eastern New City Project	Ningbo	126,985	728,975	371,777	51%
28	Evergrande Scenic Garden Ningbo	Ningbo	187,252	319,120	162,751	51%
29	Evergrande Metropolis Pinghu	Jiaxing	92,191	205,299	205,299	100%
	Heilongjiang Province					
30	Evergrande Oasis Mudanjiang	Mudanjiang	106,452	256,916	256,916	100%
31	Evergrande Emerald Court Qiqihar	Qiqihar	99,537	249,292	249,292	100%
32	Evergrande Metropolis Qiqihar	Qiqihar	182,052	455,250	455,250	100%
	Xinjiang Uyghur Autonomous Region					
33	Evergrande Atrium Yining	Yining	123,575	307,937	307,937	100%
34	Evergrande Oasis Yining	Yining	170,262	409,570	409,570	100%
	Total		**10,094,489**	**18,464,039**	**17,442,792**	

During the reporting period, the Group will, in accordance with the principle of "replenishment based on consumption", keep the overall total land reserve stable. With respect to land acquisition, the Group will attach more importance to the project quality and select land plots in the core areas in second-tier and third-tier cities with high accessibility and favourable geographical location. Accordingly, the land price will appreciate over time. However, the Group believes that there is room for property appreciation of such projects, which helps increase the integrated profit margin of the projects and the overall profitability of the Group.

Contracted Sales

During the reporting period, the Group achieved aggregate contracted sales revenue of approximately RMB35.04 billion, accomplishing approximately 43.8% of the annual contracted sales target for the entire year. GFA of the contracted sales of the Group amounting to approximately 5.768 million square metres. During the first half of 2012, the Group launched 33 new projects. As at 30 June 2012, the accumulated number of projects for sale was 154, scattered across 27 regions and 95 cities in China.

Regional distribution of contracted sales during the Period

No.	Region	Amount *(RMB million)*	Proportion
1	Guangdong Province	4,047.02	11.5%
2	Hebei Province	3,226.14	9.1%
3	Jiangsu Province	2,484.23	7.1%
4	Anhui Province	2,469.35	7.0%
5	Chongqing Province	2,275.64	6.5%
6	Shanxi Province	2,262.91	6.5%
7	Liaoning Province	2,102.58	6.0%
8	Jiangxi Province	2,079.72	5.9%
9	Hunan Province	2,060.26	5.9%
10	Hubei Province	1,778.03	5.1%
11	Shandong Province	1,738.66	5.0%
12	Jilin Province	1,286.78	3.7%
13	Henan Province	1,266.03	3.6%
14	Sichuan Province	1,219.92	3.5%
15	Guizhou Province	773.05	2.2%
16	Shaanxi Province	694.90	2.0%
17	Tianjin Province	629.88	1.8%
18	Inner Mongolia Autonomous Region	441.32	1.3%
19	Guangxi Zhuang Autonomous Region	409.68	1.2%
20	Hainan Province	400.27	1.1%
21	Zhejiang Province	306.12	0.9%
22	Ningxia Hui Autonomous Region	286.44	0.8%
23	Yunnan Province	205.53	0.6%
24	Heilongjiang Province	203.51	0.6%
25	Gansu Province	148.31	0.4%
26	Qinghai Province	134.84	0.4%
27	Xinjiang Uyghur Autonomous Region	105.26	0.3%
	Total	**35,036.38**	**100.0%**

As at the end of July 2012, the Group's accumulated contracted sales totalled RMB43.28 billion, accounting for 54.1% of the sales for the entire year. Area of contracted sales was 7.095 million square metres.

Property Development

During the Period, the Group had a total of 94 projects completed which were situated in 23 major provinces in China with a completed GFA of 9.142 million square meters. The status of the completed projects is set out in the following table:

Breakdown of GFA completed by region during the Period

No.	Project name	GFA completed	Proportion
1	Liaoning Province	1,484,730	16.1%
2	Chongqing City	701,380	7.7%
3	Hunan Province	683,509	7.5%
4	Guangdong Province	603,535	6.6%
5	Shanxi Province	574,423	6.3%
6	Henan Province	557,890	6.1%
7	Hebei Province	487,490	5.3%
8	Jilin Province	465,988	5.1%
9	Anhui Province	458,165	5.0%
10	Shandong Province	431,404	4.7%
11	Jiangxi Province	430,356	4.7%
12	Sichuan Province	380,010	4.2%
13	Guizhou Province	340,717	3.7%
14	Hubei Province	318,245	3.5%
15	Jiangsu Province	219,704	2.4%
16	Guangxi Zhuang Autonomous Region	217,052	2.4%
17	Inner Mongolia Autonomous Region	201,903	2.2%
18	Shaanxi Province	200,526	2.2%
19	Hainan Province	198,868	2.1%
20	Zhejiang Province	59,760	0.7%
21	Tianjin City	49,716	0.5%
22	Yunnan Province	42,084	0.5%
23	Ningxia Hui Autonomous Region	34,720	0.4%
	Total	**9,142,175**	**100.0%**

During the Period, the Group delivered a total of 100 projects with a transaction value of RMB36.49 billion, representing a period-on-period increase of 15.1%.

As at 30 June 2012, the Group had 166 projects under construction with a GFA of approximately 34.853 million square meters; 154 projects launched for sale; and 64 projects yet to be launched for sale.

CORPORATE SOCIAL RESPONSIBILITIES

Under the new social and market environment, the Group continued to take a proactive approach in undertaking its social responsibilities towards the country, society, customers, staff, business partners and the environment in an effort to drive the urban development and regional prosperity in China, and supported the livelihood, education, sports and culture more intensively and to a larger extent.

At the poverty alleviation event held in Guangdong in 2012, the Group agreed to donate RMB350 million for supporting certain poverty alleviation programmes, in addition to its previous donations of RMB120 million and RMB318 million in 2010 and 2011 respectively. The payments will be made in accordance with certain progress in ten years.

Moreover, the Group has also actively contributed to the sports development. In addition to attaining remarkable sports results, its football club and volleyball club both injected advanced concepts to China's sports sector through introducing world's renowned coaches and players. The Group also founded Evergrande-Real Madrid Football School with a view to nurturing sports talents for the country.

As to social welfare, to drive urban development and protect urban ecology, the Group donated RMB6 million to construct the South Mountain Botanical Garden in Chenzhou. In driving employment and nurturing human resources, the Group targeted at various colleges and schools nationwide, providing a job and career platform for more than 800 graduates. In the meantime, leverage on its extensive development size of residential housing, the Group also offered job opportunities to over 300,000 peasants and protection in terms of payroll and other labour benefits to peasants were carried out through its designated departments.

AWARDS

During the reporting period, the Group again won a number of awards. According to the assessment report on the top 500 property developers in China, the Group was listed as one of the top 10 property developers in China for 9 consecutive years and was ranked second in terms of overall strength for 3 consecutive years. At the assessment for "top 10 property developers in China in terms of overall strength in 2011", which was jointly organised by the Research Institute under the Development Research Center of the State Council, the Institute of Real Estate Studies of Tsinghua University and China Index Academy, the Group was ranked second in terms of overall strength, and was ranked first amongst the top 10 PRC-based property developers listed in Hong Kong in terms of overall strength, wealth creation and investment value respectively.

Moreover, the Group was also awarded the "Golden Cup of Cotton Tree Cup for Helping the Poor and Needy in Guangdong" by the Leading Group Office of Poverty Alleviation and Development and was also presented with the highest award from the Chinese government for the charity sector, the "China Charity Award" for five consecutive years. These awards are evidence of the community's high recognition of the Group's operating results, corporate responsibilities and brand influence.

HUMAN RESOURCES

As at 30 June 2012, the Group had a total of 32,144 employees where approximately 90% of which are graduates with a property development 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 create a harmonious working environment and positive interaction between the Group and its staff. During the six months ended 30 June 2012, total staff cost (including directors' fees) of the Group was approximately RMB2,171.7 million (corresponding period in 2011: approximately RMB1,349.2 million).

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend.

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

For the six months ended 30 June 2012, neither of the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS CONDUCTED BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 recognises the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board of Directors will abide by principles of good corporate governance to meet legal and commercial standards and requirements, focusing on areas such as internal control, fair disclosure and accountability to the shareholders of the Company.

During the six months ended 30 June 2012, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules (the "**Code on Corporate Governance Practices**") during 1 January 2012 to 31 March 2012, and the revised Code on Corporate Governance Practices, which came into effect on 1 April 2012, respectively.

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 2012 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 Company (the "**Audit Committee**") was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the Code on Corporate Governance Practices. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the Board. The Audit Committee comprises three members who are all independent non-executive Directors, namely, Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi. Mr. Chau Shing Yim, David, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The Audit Committee of Directors has also reviewed the Group's interim results for the six months ended 30 June 2012, 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, 28 August 2012

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 Wen and Mr. Lai Lixin, and the independent non-executive directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.