



SRE GROUP LIMITED  
上置集團有限公司

(Stock Code: 1207)

## INTERIM REPORT 2008



**For the six months ended  
30 June 2008**

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Revenue (HK\$'000)	<b>2,655,800</b>
Gross Profit (HK\$'000)	<b>765,680</b>
Gross Profit Margin (%)	<b>29%</b>
Net Profit attributable to equity holders of the Company (HK\$'000) (including HK\$1,487 million being the Group's interest of fair value gain on investment properties)	<b>1,819,314</b>
Basic earnings per share (HK cents)	<b>66.5</b>
Dividend per share-Interim (HK\$)	<b>—</b>

### **Interim Results**

The Board of Directors ("the Board") of SRE Group Limited is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries ("the Group") for the six months ended 30 June 2008, together with comparative figures for the previous corresponding period in 2007. The unaudited interim financial statements for the six months ended 30 June 2008 have been reviewed by the Company's Audit Committee.

# Condensed Consolidated Income Statement

For the six months ended 30 June 2008 (Amounts expressed in HK\$'000, except for earnings per share)

	Note	2008 (Unaudited)	2007 (Unaudited)
Revenue	4	2,655,800	834,407
Cost of sales		(1,890,120)	(489,020)
Gross profit		765,680	345,387
Selling and marketing costs		(52,071)	(34,882)
Administrative expenses		(133,350)	(64,762)
Other gains – net	5	4,444,109	627,572
Operating profit		5,024,368	873,315
Finance costs – net		(123,388)	(50,986)
Share of results of jointly-controlled entity and associates		8,742	18,897
<b>Profit before tax</b>		<b>4,909,722</b>	<b>841,226</b>
Tax	6	(1,661,510)	(276,348)
<b>Profit for the period</b>		<b>3,248,212</b>	<b>564,878</b>
<b>Attributable to:</b>			
Equity holders of the Company		1,819,314	522,304
Minority interests		1,428,898	42,574
		<b>3,248,212</b>	<b>564,878</b>
<b>Earnings per share attributable to ordinary equity holders of the parent (expressed in Hong Kong cents per share)</b>			
– Basic	7	66.5 cents	24.1 cents
– Diluted	7	65.5 cents	23.3 cents
<b>Interim Dividends</b>	8	–	–

The accompanying notes are an integral part of this condensed consolidated financial statement.

# Condensed Consolidated Balance Sheet

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As at 30 June 2008 (Amounts expressed in HK\$'000 unless otherwise stated)

		<b>Group</b>
		31 December
		2007
Note	30 June 2008 (Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
	1,663,869	1,429,956
Property, plant and equipment		
	7,311,419	1,842,375
Investment properties		
	884,512	1,108,527
Prepaid land lease payment		
Properties under development		
for long-term investment	59,917	880,124
Goodwill	449,815	422,627
Interests in associates	1,058,653	972,668
Deferred tax assets	29,559	–
Other non-current assets	44,491	63,159
	<b>11,502,235</b>	<b>6,719,436</b>
<b>Current assets</b>		
	6,155,638	5,554,483
Prepaid land lease payment		
Properties held or under		
development for sale	3,124,314	4,109,523
Inventories	25,226	24,673
Amount due from a jointly-controlled		
entity and associates	7,185	11,048
Prepayments and other current assets	275,988	78,891
Other receivables	712,379	1,106,464
Accounts receivable	11,711	54,817
Prepaid income tax	50,479	23,837
Cash and bank balances	1,772,759	1,939,359
	<b>12,135,679</b>	<b>12,903,095</b>
<b>Total assets</b>	<b>23,637,914</b>	<b>19,622,531</b>
<b>EQUITY</b>		
	3,956,327	3,956,327
Share capital and premium		
Other reserves	893,261	555,442
Retained earnings	3,131,015	1,288,117
Equity Attributable to equity		
holders of the company	7,980,603	5,799,886
<b>Minority interest</b>	<b>2,294,949</b>	<b>783,469</b>
<b>Total equity</b>	<b>10,275,552</b>	<b>6,583,355</b>

## 4 Condensed Consolidated Balance Sheet

As at 30 June 2008 (Amounts expressed in HK\$'000 unless otherwise stated)

		<b>Group</b>	
	Note	<b>30 June 2008 (Unaudited)</b>	31 December 2007 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings	13	2,938,314	2,629,211
Guaranteed notes	14	1,544,494	1,540,928
Deferred tax liabilities		2,342,527	755,355
		<b>6,825,335</b>	4,925,494
<b>Current liabilities</b>			
Interest-bearing bank and other borrowings	13	1,157,979	1,164,570
Convertible bonds, host debts	15	37,825	35,363
Derivative financial liabilities		9,613	19,604
Advances received from the pre-sale of properties under development		1,329,705	2,392,775
Accounts payable	16	1,093,534	1,596,202
Other payables and accruals		1,917,359	2,072,911
Current income tax liabilities		991,012	831,880
Amount due to a jointly-controlled entity and associates		–	377
		<b>6,537,027</b>	8,113,682
<b>Total liabilities</b>		<b>13,362,362</b>	13,039,176
<b>Total equity and liabilities</b>		<b>23,637,914</b>	19,622,531
<b>Net current assets</b>		<b>5,598,652</b>	4,789,413
<b>Total assets less current liabilities</b>		<b>17,100,887</b>	11,508,849

The accompanying notes are an integral part of this condensed consolidated financial statement.

# Condensed Consolidated Statements of Changes in Equity

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(Amounts expressed in HK\$'000)

(Unaudited)

	From 1 January 2008 to 30 June 2008			
	Share capital and premium	Others	Retained earnings	Total
Beginning of period (Audited)	3,956,327	555,442	1,288,117	5,799,886
Shares issued	–	–	–	–
Profit Attributable to shareholders	–	–	1,819,314	1,819,314
Exchange realignment	–	361,403	–	361,403
Dividends	–	–	–	–
Revaluation reserve transfer arising from sales of property	–	(23,584)	23,584	0
End of period (Unaudited)	3,956,327	893,261	3,131,015	7,980,603

	From 1 January 2007 to 30 June 2007			
	Share capital and premium	Others	Retained earnings	Total
Beginning of period (Audited)	1,871,130	155,307	597,130	2,623,567
Shares issued	91,149	–	–	91,149
Profit Attributable to shareholders	–	–	522,304	522,304
Dividends	–	–	(43,094)	(43,094)
Others	–	73,261	–	73,261
End of period (Unaudited)	1,962,279	228,568	1,076,340	3,267,187

The accompanying notes are an integral part of this condensed consolidated financial statement.

# Condensed Consolidated Cash Flow Statement

As at 30 June 2008 (Amounts expressed in HK\$'000)

	Note	For the six months ended 30 June	
		2008 (Unaudited)	2007 (Unaudited)
<b>Operating activities</b>			
Net cash inflow/(outflow) from operating activities	17	159,696	(1,303,457)
Interest paid		(196,558)	(57,408)
PRC tax paid		(328,915)	(218,980)
<b>Net cash outflow from operating activities</b>		<b>(365,777)</b>	<b>(1,579,845)</b>
<b>Investing activities</b>			
Increase of property, plant and equipment		(173,012)	(28,065)
Increase in properties under development for long-term investment		(56,621)	(307,579)
Interest received		7,648	6,422
Increase in investments in subsidiary		–	(1,805)
Increase in investments in associated companies		(14,043)	–
Acquisition of subsidiary, net cash inflow		–	232,367
<b>Net cash used in investing activities</b>		<b>(236,028)</b>	<b>(98,660)</b>
<b>Net cash outflow before financing</b>		<b>(601,805)</b>	<b>(1,678,505)</b>
<b>Financing activities</b>			
Proceeds from issuance of ordinary shares		–	67,500
Decrease in minority interests		–	(1,805)
Increase in borrowings		302,512	1,766,171
Dividends paid to shareholders		–	(19,446)
<b>Net cash generated from financing activities</b>		<b>302,512</b>	<b>1,812,420</b>
<b>Decrease (increase) in cash and cash equivalents</b>		<b>(299,293)</b>	<b>133,915</b>
<b>Effect of foreign exchange rate changes</b>		<b>132,693</b>	<b>53,536</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>1,939,359</b>	<b>1,025,904</b>
<b>Cash and cash equivalents, end of period</b>		<b>1,772,759</b>	<b>1,213,355</b>

The accompanying notes are an integral part of this condensed consolidated financial statement.

(Amounts expressed in HK\$'000 unless otherwise stated)

## 1. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Financial Reporting Standards.

## 2. Principal Accounting Policies

The financial statements have been prepared under the historical cost convention.

The Hong Kong Institute of Certified Public Accountants has issued a number of new or revised Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as the "new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2007.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2007.



(Amounts expressed in HK\$'000 unless otherwise stated)

### 3. Business Segment Information

In accordance with the Group's internal financial reporting, the Group has determined that the business segments be presented as the primary and only reporting format. The Group conducts the majority of its business activities in the PRC. Its operations are organized under four principal business segments: property development, property leasing, sales of hi-tech product and services, and hotel operations.

For the six months ended 30 June 2008

	Property development	Property leasing	Housing Technology	Hotel operations	Corporate and other Operations	Total
Segment Results						
External sales	2,552,476	14,238	26,353	41,289	21,444	2,655,800
Segment profit	639,008	4,316,226	(455)	(43,408)	112,997	5,024,368
Finance cost – net	–	–	–	–	–	(123,389)
Share of net profit in associated companies	4,007	–	4,735	–	–	8,742
Tax	–	–	–	–	–	(1,661,510)
Profit for the period						3,248,211

For the six months ended 30 June 2007

	Property development	Property leasing	Housing Technology	Hotel Operations	Corporate and other Operations	Total
Segment Results						
External sales	787,359	12,646	25,919	6,072	2,411	834,407
Segment profit	281,086	605,659	226	(19,579)	5,923	873,315
Finance cost – net						(50,986)
Share of net profit in associated companies	15,320	–	3,577	–	–	18,897
Tax	–	–	–	–	–	(276,348)
Profit for the period						564,878

(Amounts expressed in HK\$'000 unless otherwise stated)

#### 4. Revenue

Revenue recognized during the period are as follows:

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
Sales of properties held or under development	<b>2,685,037</b>	825,248
Revenue from construction of infrastructure for intelligent network and sale of network hardware and installation of intelligent home equipment	<b>30,463</b>	25,935
Revenue from property leasing	<b>13,219</b>	13,782
Revenue from hotel operations	<b>43,360</b>	6,389
Others	<b>22,690</b>	2,592
	<b>2,794,769</b>	873,946
Less: Sales taxes (a)	<b>(138,969)</b>	(39,539)
	<b>2,655,800</b>	834,407

##### (a) Sales taxes

Sales taxes represent business tax ("BT") and surtaxes.

The Group is subject to business tax ("BT") at 5% on the revenue from the sale/pre-sale of properties and the installation of intelligent home network equipment and rental, and at 3% on the revenue from building of intelligent network infrastructure facilities (less payment to subcontractors from the construction of infrastructure for intelligent work). Some subsidiaries are subject to the following surtaxes:

- City development tax, a tax levied at 5% to 7% of BT or Value-Added Tax ("VAT");
- Education supplementary tax, a tax levied at 3% of BT or VAT.

(Amounts expressed in HK\$'000 unless otherwise stated)

**5. Other Gains/(losses) – net**

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
Fair value gain on investment properties (5a)	<b>4,321,385</b>	635,273
Gain from business combination	–	32,337
Loss on swap contracts	–	(87,851)
Exchange gain	<b>114,823</b>	47,755
Derivative financial instruments at fair value through profit or loss – fair value gain, net	<b>10,729</b>	–
Others	<b>(2,828)</b>	58
	<b>4,444,109</b>	627,572

- (a) The fair value gain on investment properties is mainly related to a shopping mall at the town area of Shenyang with fair value of approximately HK\$5,455 million of which the cost was HK\$1,029 million. As at 30 June 2008, the investment properties were revalued by BMI Appraisals Limited, an independent professionally qualified valuer.

**6. Tax**

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
Current taxation		
– Mainland China enterprise income taxation	<b>59,371</b>	5,480
– Mainland China land appreciation taxation	<b>114,218</b>	38,320
	<b>173,589</b>	43,800
Deferred taxation		
– Mainland China enterprise income taxation	<b>1,487,921</b>	232,548
	<b>1,487,921</b>	232,548
Total tax charge for the year	<b>1,661,510</b>	276,348

(Amounts expressed in HK\$'000 unless otherwise stated)

## 6. Tax (continued)

### (a) Income tax expense

The Group conducts a significant portion of its business in the PRC and the applicable enterprise income tax (“EIT”) rate of its subsidiaries operating in the PRC is generally 25%.

For the pre-sale of properties under development, the tax authorities may impose income tax ahead of the completion of transaction and revenue recognition, based on certain estimations.

The Company is exempted from taxation in Bermuda until 2016. There were also no Hong Kong profits tax liabilities, as the Group did not have any assessable profit in Hong Kong.

### (b) Land appreciation tax (“LAT”)

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditure. The tax is incurred upon transfer of property ownership.

For the pre-sale of properties under development, the tax authorities may impose LAT ahead of the completion of transaction and revenue recognition, generally based on 1% to 2% on advances received.

### (c) Business tax (“BT”) and surtaxes

The Group is subject to business tax (“BT”) at 5% on the revenue from the sale/pre-sale of properties, installation of intelligent home equipment and property leasing, and at 3% on the revenue less payments to subcontractors from the construction of infrastructure for intelligent network. On top of BT, some subsidiaries are subject to the following surtaxes:

- City development tax, a tax levied at 5% to 7% of BT or Value-Added Tax (“VAT”);
- Education supplementary tax, a tax levied at 3% of BT or VAT.

(Amounts expressed in HK\$'000 unless otherwise stated)

## 6. Tax (continued)

### (d) Value-added Tax ("VAT")

The Group is subject to VAT, which is levied at a general rate of 17% on the gross turnover upon sale or purchase of goods. An input credit is available whereby VAT previously paid on purchases of raw materials, semi-finished products, etc., may be used to offset the VAT payable on sales to determine the net VAT payable. Sales and purchases are stated net of VAT in the consolidated profit and loss account.

### (e) Withholding Tax

Pursuant to the new tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax arrangement between the PRC and jurisdiction of the foreign investors. On 22 February, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31 December 2007 are exempted from withholding tax.

## 7. Earnings per Share

The calculation of earnings per share was based on the consolidated net profit of HK\$1,819,314,142 (2007: HK\$522,304,406) and the weighted average number of 2,737,844,121 shares (2007: 2,168,042,993 shares) in issue during the period. The calculation of diluted earnings per share was based on the consolidated net profit of HK\$1,810,730,028 (2007: HK\$523,256,725) and the diluted weighted average number of 2,764,038,936 shares (2007: 2,249,421,989 shares) in issue during the period.

## 8. Dividend

The Board had resolved not to declare an interim dividend for the six months ended 30 June 2008 (2007: Nil).

(Amounts expressed in HK\$'000 unless otherwise stated)

## 9. Interests In Associated Companies

The interests in associated companies represents investments at cost and share of reserves of China New Town Development Company Limited (“CNTD”), Shanghai Housing Industry New Technology Development Company Limited, Shanghai Orda Opto-electronics Science and Technology Company Limited and Shanghai Telecom Broadband Networking Company Limited.

## 10. Related Party transactions

### (a) Related party transaction carried out during the period:

During the period ended 30 June 2008 the Group purchased a piece of land from CNTD through public bidding procedure of which the government is in charge, at a total consideration of approximately HK\$199 million for the purpose of property development.

### (b) Amount due from Related Companies

As at 30 June 2008, balances with related companies are unsecured and mainly represents current balances from associated companies which are interest free and are without fixed settlement period. The carrying amount of balances with related companies approximated their fair value.

(Amounts expressed in HK\$'000 unless otherwise stated)

**11. Accounts Receivable**

	<b>Group</b>	
	<b>30 June 2008</b>	31 December 2007
Accounts receivable	<b>23,348</b>	65,751
Less: Provision for doubtful accounts	<b>(11,637)</b>	(10,934)
	<b>11,711</b>	54,817

An aging analysis of accounts receivable is set out below:

	<b>30 June 2008</b>	31 December 2007
Within 1 year	<b>11,708</b>	53,238
1 – 2 years	<b>3</b>	1,579
Over 2 years	<b>11,637</b>	10,934
	<b>23,348</b>	65,751

The carrying amounts of the Group's accounts receivables were denominated in RMB, and approximated their fair value. There is no concentration of credit-risk with respect to accounts receivables, as the Group has a large base of customers.

(Amounts expressed in HK\$'000 unless otherwise stated)

## 12. Share Capital

In the first half of 2008, the Group has not issued any ordinary shares.

	For the six months ended 30 June	
	2008 shares '000	2007 shares '000
Exercise of Convertible Bond	–	50,000
Scrip Dividend	–	9,061
	–	59,061

All the above-mentioned shares issued rank pari passu in all respects with the existing ordinary shares in issue. The total authorized number of ordinary shares is 8,000 million shares (2007: 4,000 million shares) with a par value of HK\$0.10 per share (2007: HK\$0.10 per share). All issued shares are fully paid.

## 13. Interest-bearing Bank and Other Borrowings

As at 30 June 2008, the aggregate bank borrowings of the Group amounted to approximately HK\$4,096 million (31 December 2007: approximately HK\$3,794 million) of which, approximately HK\$3,656 million (31 December 2007: approximately HK\$3,357 million) were secured by pledge of the Group's property, plant and equipment, leasehold land, together with properties held under development for sale and construction-in-progress.

As at 30 June 2008, the Group's bank borrowings were secured by (a) pledging of certain property, plant and equipment with an aggregate net book value of approximately HK\$1,526 million; (b) pledging of certain leasehold land and properties held or under development for sale with an aggregate net book value of approximately HK\$3,417 million; and (c) pledging of investment properties with an aggregate net book value of approximately HK\$7,378 million.



(Amounts expressed in HK\$'000 unless otherwise stated)

#### 14. Guaranteed Notes

On 24 April 2006, the Company issued guaranteed notes maturing on 24 April 2013 (the "Maturity Date"), in the aggregate principal amount of US\$200 million with fixed interest rate of 8.625% per annum (the "Guaranteed Notes"). The Guaranteed Notes are guaranteed by all of the investment holding subsidiaries of the Company which are not incorporated in the PRC except Anderson Land (Shanghai) Limited.

#### 15. Convertible Bonds – Host Debts

On 9 November 2005, the Company issued convertible bonds maturing on 9 November 2010 (the "Maturity Date"), in the aggregate principal amount of HK\$386 million with an initial conversion price of HK\$1.35 per ordinary share of the Company (subject to future one time adjustment on 9 November 2006). The interest rate of this bond is 3.5% per annum, which is paid in advance at the beginning of each anniversary year. In the event of conversion or early redemption, there would be no claw back of such prepayment of interest. Unless previously redeemed, converted or purchased and cancelled, the convertible bonds will be redeemed at 110 percent of their principal amount on the Maturity Date.

The fair value of the written put option (bondholders' early redemption option) and purchased call option (bond issuer's early redemption option), as well as the liability component and the equity conversion component, were determined at issuance of the bonds.

The fair value of the liability component as included in liabilities was initially calculated using a market interest rate for an equivalent non-convertible bond and subsequently measured at amortization cost. The fair value of the put option, recorded as derivative financial liability, was revalued annually with the revaluation gain or loss charged to the income statement. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves, net of deferred income taxes.

(Amounts expressed in HK\$'000 unless otherwise stated)

**16. Accounts Payable**

	<b>Group</b>	
	<b>30 June</b>	31 December
	<b>2008</b>	2007
Accounts payable	<b>1,093,534</b>	1,596,202

An aging analysis of accounts payable as at the balance sheet date, is as follows:

	<b>30 June</b>	31 December
	<b>2008</b>	2007
Within 1 year	<b>1,092,323</b>	1,341,902
1 – 2 years	<b>1,211</b>	253,498
Over 2 years	–	802
	<b>1,093,534</b>	1,596,202

Accounts payable with aging of more than one year generally represent retention monies held by the Group in connection with various property projects. The carrying amounts of accounts payable approximated their fair value.

(Amounts expressed in HK\$'000 unless otherwise stated)

**17. Condensed Consolidated Cash Flow Statement**

Reconciliation of profit before tax to net cash outflow from operating activities:

	<b>For the six months ended 30 June</b>	
	<b>2008</b>	2007
Profit before tax	<b>4,909,721</b>	841,226
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of deferred expenses	<b>38,731</b>	3,564
Gain arising from business combination	–	(32,337)
Loss on swap contracts	–	87,851
Fair value gain on investment properties	<b>(4,321,385)</b>	(635,273)
Share of net(profit)/loss in investment of associated companies	<b>(8,742)</b>	(18,897)
Tax	<b>138,969</b>	39,542
Fair value gain on derivative embedded in convertible bonds	<b>(10,987)</b>	–
Interest income	<b>(7,648)</b>	(6,422)
Interest expense	<b>129,501</b>	57,408
Operating profit before working capital changes	<b>868,160</b>	336,662
Decrease/(increase) in accounts receivable	<b>43,106</b>	(97,929)
Decrease/(Increase) in other receivables, prepayments and other current assets	<b>196,989</b>	(103,149)
Decrease/(increase) in amounts due to/from related companies	<b>3,863</b>	162,676
Decrease/(increase) in properties held or under development for sale	<b>985,209</b>	(2,634,438)
(Decrease)/Increase in advances received from pre-sale of Properties under development	<b>(1,063,070)</b>	1,284,435
Decrease in contracts in work-in-progress	–	8,200
(Increase)/decrease in inventories	<b>(553)</b>	(2,902)
Decrease/(increase) in leasehold land	<b>(377,140)</b>	(116,986)
Increase/(decrease) in accounts payable	<b>(502,668)</b>	(283,461)
Increase/(decrease) in other payables, accruals and derivatives financial liabilities	<b>(155,552)</b>	87,015
Increase in tax payable	<b>161,352</b>	56,420
Net cash inflow/(outflow) from operating activities	<b>159,696</b>	(1,303,457)

(Amounts expressed in HK\$'000 unless otherwise stated)

## 18. Post Balance Sheet Event

On 27 June 2008, Haikou Century Harbour City Co., Ltd, a 80% owned subsidiary of the Group, entered into an agreement with 海口市土地環境資源局 whereby it agrees to acquire a piece of land of 227,273 m<sup>2</sup> at a consideration of approximately HK\$1,236 million, with average land cost amounting to approximately HK\$1,300/m<sup>2</sup>. It is expected that the project will be completed in four phases.

## Financial Review

During the period under review, the Group recorded a net revenue of approximately HK\$2,656 million (2007: HK\$834 million), an increase of approximately 218% compared with that of the corresponding period of last year. Profit attributable to equity holders of the Company amounted to approximately HK\$1,819 million (2007: approximately HK\$522 million), an increase of approximately 248% compared with that of the corresponding period of last year.

The increase in net revenue for the period was mainly due to the sharp increase in properties sold and delivered. The big increase in profit attributable to equity holders of the Company was mainly due to the net fair value gain on investment properties which amounted to approximately HK\$1,487 million (2007: approximately HK\$477 million).

## Liquidity and Financial Resources

The Group's liquidity position remains sound. Cash and bank balances amounted to approximately HK\$1,773 million as at 30 June 2008 (31 December 2007: approximately HK\$1,939 million). Working capital (net current assets) of the Group as at 30 June 2008 amounted to approximately HK\$5,599 million (31 December 2007: approximately HK\$4,789 million), an increase of approximately 17%. Current ratio was at a healthy level of 1.86x (31 December 2007: 1.59x).

As at 30 June 2008, the total liabilities to shareholders equity decreased to 1.67x (2007:2.25x). At the balance sheet date, the Group's gearing ratio is approximately 40% (2007: 52%), calculated on the basis of the Group's net borrowings (after deducting cash and bank balance of approximately HK\$1,773 million) over total capital (equity plus net borrowings).

Management is comfortable that existing financial resources will be sufficient for future expansion plans.

## Charges on Assets and Contingent Liabilities

As at 30 June 2008, bank borrowings of approximately HK\$3,656 million (31 December 2007: approximately HK\$3,357 million) were secured by pledge of the Group's leasehold land, together with properties held under development for sale and construction-in-progress.

As at 30 June 2008, the Group had no contingent liabilities (31 December 2007: nil) in respect of guarantees to assist home buyers to obtain mortgage loans from banks and complete mortgage procedures, and no contingent liabilities (31 December 2007: nil) in respect of guarantees to assist any associated company to secure banking facilities.

## Business Review

### Recognized Sales

In the first half of 2008, the construction and delivery of Cedar Island Oasis Garden, Central-Ring Centre, Thousand Island Oasis Garden and Shenyang Rich Gate, all of which having recorded satisfactory pre-sale results in earlier times, were completed as scheduled, and hence contributed handsomely to the Group's income for the said period.

In the first six months of 2008, recognized sales in terms of total floor area were 220,000 m<sup>2</sup> and recognized sales income were HK\$2.7 billion. Breaking them down by projects, recognized sales in terms of total floor area and recognized sales income of Cedar Island Oasis Garden were 68,900 m<sup>2</sup> and HK\$756 million, recognized sales in terms of total floor area and recognized sales income of Central-Ring Centre were 37,800 m<sup>2</sup> and HK\$666 million, recognized sales in terms of total floor area and recognized sales income of Thousand Island Oasis Garden were 40,800 m<sup>2</sup> and HK\$555 million, and recognized sales in terms of total floor area and recognized sales income of Shenyang Rich Gate were 65,200 m<sup>2</sup> and HK\$536 million.

### Sales Progress

The Group's projects under sales in 2008 include "Cedar Island Oasis Garden", "Central-Ring Centre", "Shanghai Rich Gate", "Jiang Nan Oasis Garden", "Thousand Island Oasis Garden" and "Shenyang Rich Gate".

During the past 6 months ended 30 Jun 2008, a total floor area of approximately 90,000 m<sup>2</sup> were sold, generating sales proceeds of approximately HK\$1.3 billion, with details as follows:

*Cedar Island Oasis Garden*

The sale of Cedar Island Oasis Garden commenced at the beginning of the year, slightly earlier than planned and had achieved a very good result. In addition, our new interior design for 2008 displayed in the May Real Estate Exhibition was well-received by buyers. As at 30 June 2008, a total of 330 units have been sold, 314 units of which are standard rooms and 16 units of which are luxury rooms, involving a total floor area of 54,000 m<sup>2</sup> with a total contracted value of approximately HK\$651 million.

*Central-Ring Centre*

The sale of two blocks of offices of Central-Ring Centre was launched last year and achieved a very good result in the first half of 2008. The two blocks of offices were basically sold out.

*Shanghai Rich Gate*

With its prime location and leading quality, Shanghai Rich Gate remains a landmark in Shanghai. Of the three units remaining unsold at the end of 2007, one was sold in the first half of 2008. The selling price was approximately HK\$32 million.

*Jiang Nan Oasis Garden*

During the first half of 2008, four units representing 40% of the remaining unsold units were sold at a total consideration of approximately HK112 million, representing 103% year-on-year growth in average selling price.

*Thousand Island Oasis Garden*

During the first half of 2008, two villas were sold with total contracted value of approximately HK\$18 million.

*Shenyang Rich Gate*

Owing to its prime location and excellent quality, the sales of Shenyang Rich Gate achieved a very good result. During the first half of 2008, a total floor area of approximately 19,000 m<sup>2</sup> have been sold, representing a total revenue of HK\$196 million. As of June 2008, 80% of the units of Shenyang Rich Gate have been sold.

## Development Progress

Adherence to all technical and engineering requirements, observance of the respective time lines and high efficiency throughout the construction periods are of paramount importance and are the prerequisites for delivering high quality projects. Adhering to the plans set up for the development of each of the properties at the beginning of 2008, the Group and its fellow project companies have been doing their utmost to ensure that the engineering works are progressing orderly and systemically and that high quality standards have always been upheld. Major projects include:

### *Cedar Island Oasis Garden*

Currently, the foundation work of Phase III of the Cedar Island Oasis Garden, with gross floor area of 237,000 square meters, has fully commenced in line with the development schedules set at the beginning of the year.

### *Central-Ring Centre*

The construction of the twin-tower office buildings has been completed and buyers have already taken delivery accordingly. As such, the construction of the project except for the hotel has fully completed. The to-be-constructed hotel has a gross floor area of approximately 44,000 square meters and is under the planning stage.

### *Albany Oasis Garden*

The development and sale of Phase I of Albany Oasis Garden have achieved good results and the development of Phase II has commenced. The relocation of the last household in Phase II has been completed.

### *Jiangnan Oasis Garden*

The interior design for the seven villas has been finalized and decoration works are currently underway. We strive to complete all such works and the construction of clubhouse before the end of 2008.

### *Thousand Island Oasis Garden*

Out of the 184 villas sold, 168 have been delivered and the delivery rate is 91.3%. Construction and engineering works of the project have basically been completed.



*Qinbai*

To ensure that the project will be executed smoothly in the future, the project company continued to arrange for the relocation of the inhabitants in the first half of 2008. By the end of July 2008, it has successfully relocated 553 households while 1,269 households are yet to be relocated, representing a relocation completion rate of 30.4%. In addition, one corporation has been relocated, accounting for 35% of the total area needed to be vacated but now being occupied by corporations.

*Rich Gate Mansion*

Located in Luodian New Town in Shanghai, the “Rich Gate Mansion” project has finalized its architectural design and all other preparation works prior to the commencement of construction are in good progress. Construction works of the project are due to commence in late August 2008 while construction of our selling office will be completed by the end of September. It is expected that the first pre-sale certificate will be obtained at the end of December and by then the construction of the show flats will be completed.

*Rich Gate Sea View*

The “Rich Gate Sea View” project located in the Jinshan Coastline in Shanghai has primarily completed the pre-development preparation works in the first half of 2008. It is expected that the design and the pre-construction works of the project will be completed in the second half of the year and construction will commence on 18 September 2008. It is expected the project will be available for sale before 1 August 2009.

*Yosemite Oasis Community*

The project is located in the Lixiang New Town of the Dongling District in Shenyang. It is the Group’s first golf townhouse project in the Northeast District and has attracted a lot of attention from the beginning. The overall planning and design of the project has adopted an elegant English architectural style with a mix of townhouses and low-density apartments. The development and construction of the 736 English villas, divided into separate units made up of four-aligned, six-aligned and eight-aligned joint houses, have just commenced.

### *Haikou Bund Centre*

The land on which Haikou Bund Centre is to be built is newly-acquired by the Group in 2008. It is located in Xingangpian District at the north corner of Binhai Road in Haikou City of Hainan Province, a prime location at the waterfront and in the city center district. The infrastructure of the district is well-established and the environment is excellent. The land measures approximately 227,273 square meters and the plot ratio is about four times. The project will become a seaside luxurious international community in the future. It will be composed of high-class apartments, a seaside commercial, leisure and entertainment center, high star-graded hotels, Grade A office towers and a yacht club. The project is currently in its pre-construction design and preparation stage.

### Operation of Commercial Property

The Group continued to strengthen the management and operation of commercial properties in the first half of 2008 and rental contribution from the commercial properties as a proportion of the overall business revenues of the Group have slightly increased. The operating results of various commercial properties have improved over the past one year, with details as follow:

#### *Shops at Shanghai Rich Gate*

As high-end shops adjacent to Shanghai's Xintiandi, selling mainly luxurious goods, Rich-Gate shops achieved a satisfactory operating result in the first half of 2008, with an occupancy rate over 80% and an average rental of RMB28/day per square meter for the above-ground shops. As for the under-ground floor of 5,000 square meters, a lease agreement has just been sealed.

#### *Skyway Landis Hotel*

As a newly-opened hotel, Skyway Landis Hotel has made encouraging progress in the first half of 2008. The hotel is developing convention and exhibition business, as well as online bookings and is striving to reduce its operating cost. As at the end of June 2008, it has basically achieved breakeven. In the second half of this year, it will continue to uphold its standards of services, enhance its operating efficiency and will apply for the status as a five-star hotel when appropriate.

*Central-Ring Centre Commercial Plaza*

The total area of the commercial portion of Central-Ring Centre is approximately 30,000 square meters and the marketing campaign was launched as scheduled in the first half of this year. Currently 4,700 square meters have been leased while negotiations for the lease of approximately 15,000 square meters are underway. It is expected that the Commercial Plaza will soft open in October 2008 with total area in operation expected to reach 10,000 square meters which will hopefully increase to approximately 20,000 square meters by December this year. Some of the tenants have already moved in to renovate their shops while a number of potential tenants, mainly well-known merchants, are in serious negotiations with us.

*Shenyang Rich Gate Shopping Mall*

The project, located in the central urban district of Shenyang, is the flagship of the CBD Jinlang Project under planning in Shenyang. It is adjacent to the Metro Line No. 2 which is now under construction. The gross floor area of the project is 240,000 square meters and trial operation has just commenced. Tenants include well known international and local branches and labels in fashion, furniture, electrical appliances, food and beverage.

*Lexington Shenyang Rich Gate Hotel*

The Lexington Shenyang Rich Gate Hotel with over 600 rooms has commenced trial operation in July 2008.

**Business Outlook****Steady economic growth in the PRC and Shanghai**

The world economy continues to be unstable in 2008 and the PRC is facing challenges of a slowdown in economic growth and a staunch high inflation rate. However, amidst these internal and external adversities, the overall economy of the PRC still continue to maintain a stable note of fairly high growth geared towards the underlying direction of the macroeconomic measures imposed by the central government.

Preliminary data from the State Statistical Bureau shows GDP for the first half of 2008 was RMB13,061.9 billion, a growth of 10.4% compared with the corresponding period of last year. This was 1.8 percentage points lower than the growth rate of the first half of 2007. The tertiary industry recorded an output value of RMB5,140 billion, a growth of 10.5% compared with the corresponding period of last year, during which the growth rate was 1.6 percentage points higher.

Fixed assets investment is growing steadily at a relatively fast speed and the investment mix has improved. During the first half of the year, the fixed assets investment for the nation as a whole amounted to RMB6,840.2 billion, representing a growth of 26.3% compared with the same period of last year. This was 0.4 percentage point higher than the growth rate of the first half of 2007. Out of the total fixed assets investment, fixed assets investment in urban areas amounted to RMB5,843.6 billion, representing a growth of 26.8%, which was 0.1 percentage point higher than the growth rate of the corresponding period of the preceding year. Within such investment, investment in tertiary industries increased by 26.2%; investment in real estate development amounted to RMB1,319.6 billion, representing a growth rate of 33.5%, 5 percentage points higher than that of the corresponding period of 2007.

In the first half of the year, Shanghai's economy was generally stable albeit growing at a slower pace. Preliminary data shows Shanghai's GDP for the first half of the year was RMB653 billion, a period-on-period growth of 10.3% (compared with the corresponding period of last year) which was 2.7 percentage points lower than that of the preceding year. Foreign capital investment in Shanghai's tertiary industries was bustling. Tertiary industry output was RMB342.486 billion, up by 9.3%. Investment in fixed assets amounted to RMB197.248 billion, an increase of 2.3% compared with the corresponding period of last year and representing a decline of 7.3 percentage points in growth rate. Investment in real estate development was stable, totally RMB64.33 billion. This represented a growth of 3.8% which was 2.4% lower than the growth rate of the preceding year.

## Macroeconomic measures targeting the real estate industry are not to further intensify

The PRC policies over the real estate market were stable in the first half of 2008 and the emphasis was placed on the effective implementation of the promulgated control measures for cooling down the real estate industry. It is worth noting that the China Securities Regulatory Commission has expressed in March its support for quality real estate enterprises to strengthen their business operations through capital market activities like IPO and backdoor listing but at the same time stated that activities for outrageous motives of hoarding lands and real estate resources or expanding land banks would not be approved. Such policies manifest that the PRC's macroeconomic measures against the real estate industry are aiming at providing guidance to the market as to ensure a normal and reasonable operation rather than curbing or suppressing its growth, with some of the measures stipulated for combating speculation and containment of the irrational speculative behaviors in the industry.

## Credit policy continues to tighten

In 2008, the credit tightening policy in the PRC will remain unchanged. The People's Bank of China has raised the deposit reserve rate six times to a historical high of 17.5%. In addition, the inflation rate remains high and the negative impact of the US subprime mortgage crisis on the international capital market was not alleviated yet. Under such circumstances, the criteria the real estate enterprises will have to meet in order to source financing in the capital market have been raised.

## Property investment market remains vigorous

In the first half of 2008, property investments in Shanghai remained fairly vigorous. Against the backdrop of the international capital market being affected by the subprime mortgage crisis of the U.S., China's relatively stable financial environment and the anticipated continuous appreciation of the Renminbi have been fuelling attention from overseas capitals on property assets in the PRC. In the first half of the year, there were a number of en-bloc acquisitions of quality properties including office buildings, service apartments etc, which reflected the popularity of developed properties in Shanghai among international investors. Meanwhile, compared with the significant downturn in the international and the PRC stock markets since the first half of the year, the attractiveness of making investment in property has become apparent.

## The “two stables and one decline” phenomenon in the residential properties market

In the first half of 2008, Shanghai’s residential properties market maintained a stable development trend and displayed a “two stables and one decline” phenomenon: investment in property developments was stable, selling price was stable and the gross floor area (“GFA”) sold declined. According to the statistics issued by the Bureau of Statistics of Shanghai, from January to June 2008, the decrease in GFA sold was apparent. Total GFA sold amounted to 12,289,000 square meters, representing an approximately 18% decrease against the corresponding period of last year. Out of the total GFA sold, newly-built housing accounted for 10,720,000 square meters, representing a more than 20% drop compared with the corresponding period of last year. However, selling prices basically remained stable, with a compound monthly growth rate of approximately 0.4% in the first half of the year. According to the observation of the Statistics Department, the selling prices of approximately 90% of the residential properties remained basically unchanged on a monthly comparison.

## Growth trend for offices and shops remained unchanged

The volatility in the global economy and the slowdown in economic growth in the PRC have not affected the Grade A office market in Shanghai in 2008. During the first half of the year, there were four en-bloc acquisitions of office building projects by overseas investors, which included the RMB1.1 billion transaction made by the global asset management giant-Blackstone Group of the US, its first foray into the PRC property market.

According to the statistics of Collier International, a well-known international real estate agency, the vacancy rate of Grade A offices in Shanghai was only 4.7% in the first half of 2008. Meanwhile, rental increased significantly to RMB9.9/day per square meter, up by 15.2% over the corresponding period in 2007. The limited supply of quality offices in the first half of the year and the keen demand resulted from the multi-national corporations’ continuous expansion in the PRC in recent years were the main reasons for the low vacancy rate and continued increase in rentals.

For similar reasons, the commercial property sector in Shanghai has benefited from the continuous business development of international brands and retailers of trendy and fashionable goods who are widening their presence and networks by entering into various retail hubs. This has brought about a stable to slight increase in rentals of shopping mall properties in the first half of 2008. According to the statistics of Collier International, the average rental for ground floor shops increased 4.5% over the corresponding period of last year to RMB31/day per square meter while overall vacancy rate increased to 7.6%, slightly higher than that of the corresponding period of last year.

## Directors' Interests in Shares

As at 30 June 2008, the interests and short positions of each Director and the chief executive of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

### Long positions in Shares

Director	Personal Interests	Family Interests	Corporate Interests	Total	Approximate Percentage of Shareholding
Shi Jian	2,076,814	2,147 (Note 1)	1,206,827,168 (Note 2)	1,208,906,129	44.16%
Li Yao Min	2,147	–	–	2,147	0.0001%
Yu Hai Sheng	1,065,914	–	–	1,065,914	0.04%

Notes:

1. These Shares were held by Ms. Si Xiao Dong, the wife of Mr. Shi Jian.
2. These Shares were held by SRE Investment Holding Limited, (formerly known as "Good Time Resources Limited"), a company incorporated in the British Virgin Islands in which Mr. Shi Jian and his wife, Ms. Si Xiao Dong, together beneficially own 63% of its issued share capital. The remaining 37% interest in SRE Investment Holding Limited were held by other management staff of the Company including but not limited to Mr. Yu Hai Sheng, Mr. Li Yao Min and Mr. Jiang Xu Dong. Mr. Shi Jian and Mr. Li Yao Min, being executive Directors, are directors of SRE Investment Holding Limited.

Save as mentioned above, as at 30 June 2008, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to be Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## Directors' Rights to Acquire Shares

As at 30 June 2008, all Directors had not been granted any options nor exercised any options. Save as disclosed above, during the period neither the Company nor its subsidiaries has made any arrangement through which directors of the Company could acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

## Substantial Shareholders' Interests

So far as is known to any Director or chief executive of the Company, as at 30 June 2008, the following persons (other than a Director or chief executive of the Company) or corporations had an interest or short position in the Shares and underlying Shares as recorded in the register required to be kept under the Section 336 of Part XV of the SFO:

### Long positions in Shares

Name of Shareholder	Capacity	Number of Shares held	Approximate Percentage of Shareholding
Si Xiao Dong	Beneficial owner, spouse and corporate interest	1,208,906,129 (Note 1)	44.16%
SRE Investment Holding Limited (Note 2)	Beneficial owner	1,206,827,168 beneficial owner	44.08%
Henderson Global Investors Limited	Corporate interest	140,183,000	5.12%



Note 1: These Shares in which Si Xiao Dong is interested in comprise (i) 2,147 Shares being personal interest held by Ms. Si Xiao Dong; (ii) 1,206,827,168 Shares being interest held by SRE Investment Holding Limited in which Si Xiao Dong and her spouse, Mr. Shi Jian together beneficially own 63% of its issued share capital; and (iii) 2,076,814 Shares being personal interest of Mr. Shi Jian.

Note 2: These Shares were held by SRE Investment Holding Limited, a company incorporated in the British Virgin Islands in which Mr. Shi Jian and his wife, Ms. Si Xiao Dong, together beneficially own 63% of its issued share capital. The remaining 37% interest in SRE Investment Holding Limited were held by other management staff of the Company including but not limited to Mr. Yu Hai Sheng, Mr. Li Yao Min and Mr. Jiang Xu Dong. Mr. Shi Jian and Mr. Li Yao Min, being executive Directors, are directors of SRE Investment Holding Limited.

## **Employees**

As at 30 June 2008, the Group had retained 1,912 employees in Hong Kong and the PRC. Total staff costs of the Group excluding directors' remuneration, for the period under review amounted to approximately HK\$33 million. Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

## **Share Option Scheme**

No share options have been granted, exercised, cancelled or lapsed during the six months ended 30 June 2008 and no share options were outstanding as at 30 June 2008 and 2007.

## **Purchase, Sale of Redemption of the Company's Listed Shares**

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2008.

## **Directors' Compliance with the Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made of all Directors, who have confirmed that they complied with required standard set out in the Model Code.

## **Audit Committee**

The Company established an audit committee on 12th November 2001 with terms of reference in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The audit committee has five members comprising the two non-executive Directors and the three independent non-executive Directors.

## **Corporate Governance**

In April 2005 the company adopted its own code on corporate governance practices which incorporates all the code provisions in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules. Throughout the period, the company complied with the code provisions set out in the Code on Corporate Governance Practices in Appendix 14.

On behalf of the Board

**Shi Jian**

*Chairman*

Hong Kong, China, 24th September 2008

## List of Properties

Project/Type: **Long Island Oasis Garden/Cedar Island Oasis Island/Residential**  
 Location: Song Jiang District/South-West, Shanghai  
 Site area: 750mu (497,000m<sup>2</sup>)  
 GFA: 542,317m<sup>2</sup>  
 Address: 1288 Alley, Hua Song Road, Jiu Ting Town, Song Jiang District, Shanghai, the PRC Shanghai, the PRC

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Phase I	96,587	2000/5	2002
Phase II	45,730	2002/6	2003
Phase III (1)	29,320	2003/12	2005
Phase III (2-A)	25,390	2003/12	2005
Phase III (2-B)	51,823	2004/8	2006
Phase III (2-C)	130,767	2005/6	2007
Phase III (2-D)	162,700	2007	2009

Project/Type: **Beverly Oasis Garden/Residential**  
 Location: Song Jiang District/South-West, Shanghai  
 Site area: 1,250mu (829,000m<sup>2</sup>)  
 GFA: 199,827m<sup>2</sup>  
 Address: Phase 1: No. 366, Ming Hua Road, Xin Qiao Town, Song Jiang District, Shanghai, the PRC  
 Phase 2: Xin Qiao Town, Song Jiang District, Shanghai, the PRC

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Phase I	115,187	1998/8	2002
Phase II	68,595	2001/12	2004
Phase III	16,045	2004/9	2006

Project/Type: **Jiang Nan Oasis Garden/Residential**  
 Location: Qing Pu District/West, Shanghai  
 Site area: 477mu (316,000m<sup>2</sup>)  
 GFA: 59,531m<sup>2</sup>  
 Address: No. 6 & 18-1, Nan Gang Chuen,  
 Zhu Jia Jiao Zheng, Qing Pu District, Shanghai. P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Phase I	35,954	2002/9	2004
Phase II	23,577	2005/4	2006

Project/Type: **Thousand Island Oasis Garden/Residential**  
 Location: Nan Hui District/South-East, Shanghai  
 Site area: 600mu (398,000m<sup>2</sup>)  
 GFA: 102,115m<sup>2</sup>  
 Address: Hangtou Center in Nan Hui District, Shanghai, P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Phase I	10,648	2003/5	2004
Phase II	38,267	2004/5	2005
Phase III	53,200	2006/3	2007

Project/Type: **Shanghai Rich Gate/Residential & Retail**  
 Location: Lu Wan District/Down Town Area, Shanghai  
 Site area: 22mu (14,651m<sup>2</sup>)  
 GFA: 52,172m<sup>2</sup>  
 Address: No. 222, Ma Dang Road, 39 Lu Wan District, Shanghai, P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	40,860	2002/5	2006
Retails	11,312	2002/5	2006

## List of Properties

Project/Type: **Albany Oasis Garden/Mixed**  
 Location: Zhabei District/Down Town, Shanghai  
 Site area: 309mu (206,010m<sup>2</sup>)  
 GFA: 480,000m<sup>2</sup>  
 Address: No. 699 Zhong Xing Road, Shanghai, P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential Phase I	75,000	2005/3	2007
Residential Phase II	50,000	2008	2009
Residential Phase III	205,000	2009	2010
Facilities	10,000	2009	2011
Retails	40,000	2009	2011
Office	50,000	2009	2011
Hotel	50,000	2009	2011

Project/Type: **Central-Ring Center/Mixed**  
 Location: Putuo District/Down Town, Shanghai  
 Site area: 112mu (74,268m<sup>2</sup>)  
 GFA: 321,637m<sup>2</sup>  
 Address: No. 801, Jun Bei Road, Putuo District, Shanghai, P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential Phase I	47,822	2002/7	2005
Residential Phase II	18,155	2002/7	2006
Office	28,582	2006	2007
Facilities	77,000	2004	2007
Retail	30,466	2004	2007
Office	91,030	2006	2008
Hotel	28,582	2008	2010

Project/Type: **Skyway Landis Hotel**  
 Location: Lu Wan District/Down Town Area, Shanghai  
 Site area: 21mu (14,279m<sup>2</sup>)  
 GFA: 100,761m<sup>2</sup>  
 Address: Lot B & C, 53 Alley, Da Pu Road, Lu Wan District, Shanghai, P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Hotel	100,761	2003/6	2007

Project/Type: **Qinhai Oasis Garden/Residential and commercial**  
 Location: Huang Pu District/Down Town Area  
 Site area: 56mu (37,129m<sup>2</sup>)  
 GFA: 194,576m<sup>2</sup>  
 Address: 717-719 Jie Lane, Huang Pu District, Shanghai, P.R.C.

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	59,185	2009	2011
Commercial	70,391	2009	2011
Facilities	65,000	2009	2011

Project/Type: **Rich Gate Mansion (Tentative name)/Residential**  
 Location: Baoshan District/Northeast, Shanghai  
 Site area: 180.89mu (120,594.8m<sup>2</sup>)  
 GFA: 118,000m<sup>2</sup>  
 Address: Lot A3-2, Luodian New Town, Baoshan District, Shanghai

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	118,000	2008	2010

## List of Properties

Project/Type: **Rich Gate Sea View/Residential**  
 Location: Shanyang Town/Southwest, Jinshan District, Shanghai  
 Site area: 54mu (35,852m<sup>2</sup>)  
 GFA: 107,000m<sup>2</sup>  
 Address: Lot 151/2, Haiguang Village, Shanyang Town,  
 Jinshan District, Shanghai

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	89,000	2008	2010
Facilities	18,000	2008	2010

Project/Type: **Shenyang Rich Gate – Phase 1/Mixed**  
 Location: Shenyang, Liaoning/Down Town Area  
 Site area: 75mu(49,913.1m<sup>2</sup>)  
 GFA: 391,246m<sup>2</sup>  
 Address: No. 2003-059 land in Financial Development Zone of  
 Shenyang North Station

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Service apartment	132,394	2005/7	2007
Office	18,852	2005/7	2007
Retails	240,000	2005/7	2007

Project/Type: **Shenyang Rich Gate – Phase 2/Mixed**  
 Location: Shenyang, Liaoning/Down Town Area  
 Site area: 167mu (111,885.6m<sup>2</sup>)  
 GFA: 1,328,000m<sup>2</sup>  
 Address: No. 2003-059 land in Financial Development Zone of  
 Shenyang North Station

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	493,000	2009	2011
Commercial	215,000	2010	2011
Carparks	220,000	2010	2011
Hotel	50,000	2010	2012
Office	350,000	2010	2012

Project/Type: **Shenyang Albany/Residential & Commercial**  
 Location: Shenyang City/Downtown, Liaoning Province  
 Site area: 238mu (158,536.2m<sup>2</sup>)  
 GFA: 1,000,000m<sup>2</sup>  
 Address: Lot 2007-024, Nanda Street, Heping District, Shenyang City

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	700,000	2009	2015
Commercial (Mixed)	300,000	2009	2015

Project/Type: **Yosemite Oasis Community/Residential**  
 Location: Lixiang New Town, Dongling District, Shenyang  
 Site area: 246,763m<sup>2</sup>  
 GFA: 264,000  
 Address: Lot 07-08, Lixiang New Town. Dongling District, Shenyang

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	264,000	2008	2010

Project/Type: **Haikou Bund Centre (Tentative name)/Mixed**  
 Location: Hainan, Haikou/Down Town Area  
 Site area: 341mu (227,200m<sup>2</sup>)  
 GFA: 909,000m<sup>2</sup>  
 Address: Binhai Boulevard North, XinGangPian District, Haikou City, Hainan, PRC

Area Use	GFA (sqm)	Date of	
		Commencement	Completion Date
Residential	759,000	2008	2012
Commercial (Mixed)	150,000	2008	2012



## Board of Directors

Shi Jian (*Chairman*)

Li Yao Min (*Vice-Chairman*)

Yu Hai Sheng

(*Vice-Chairman & Chief Executive Officer*)

Jiang Xu Dong (*Chief Operation Officer*)

Lee Wai Man (*Chief Financial Officer*)

Cheung Wing Yui\*

Jing Bing Rong\*

Yeung Kwok Wing\*\*

E. Hock Yap\*\*

Geng Yu Xiu \*\* (*resigned on 1 July 2008*)

Jiang Xie Fu\*\* (*appointed on 1 July 2008*)

\* Non-executive Directors

\*\* Independent Non-executive Directors

## Authorized Representatives

Shi Jian

Li Yao Min

## Company Secretary

Lee Kwok Wah

## Legal Advisers

Woo, Kwan, Lee & Lo

## Auditors

Ernst & Young

## Principal Bankers

Hong Kong: Bank of China (HK) Ltd.

CITIC Ka Wah Bank Limited

PRC: The Agricultural Bank of China

The Industrial and Commercial

Bank of China

## Registered Office

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

## Hong Kong Office

36th Floor, Times Tower

391-407 Jaffe Road

Wanchai, Hong Kong

## Principal Registrar and Transfer Office

Butterfield Corporate Service Ltd

Rose Bank Centre

11 Bermudiana Road

Pembroke, Bermuda

## Hong Kong Branch Registrar and Transfer Office

Tricor Tengis Limited

Share Registration

26/F, Tesbury Centre,

28 Queen's Road East, Wanchai, Hong Kong

## Stock Code

1207

## Internet Web Site

[www.sre.com.cn](http://www.sre.com.cn)

## E-mail

[general@sregroup.com.hk](mailto:general@sregroup.com.hk)