合景泰富地產

KWG Property Holding Limited

Interim Report 2012

Incorporated in the Cayman Islands with limited liability | Stock Code: 1813

Contents

Corporate Information

Directors

Executive Directors

Mr. Kong Jian Min *(Chairman)*
Mr. Kong Jian Tao
(Chief Executive Officer)
Mr. Kong Jian Nan
Mr. Li Jian Ming
Mr. Tsui Kam Tim
Mr. He Wei Zhi
Mr. Yu Yao Sheng

Independent Non-executive Directors

Mr. Lee Ka Sze, Carmelo
Mr. Dai Feng
Mr. Tam Chun Fai
Mr. Li Bin Hai*

Company Secretary

Mr. Tsui Kam Tim

Authorised Representatives

Mr. Kong Jian Min
Mr. Tsui Kam Tim

Audit Committee

Mr. Tam Chun Fai *(Chairman)*
Mr. Lee Ka Sze, Carmelo
Mr. Dai Feng
Mr. Li Bin Hai*

Remuneration Committee

Mr. Dai Feng *(Chairman)*
Mr. Kong Jian Min
Mr. Tam Chun Fai
Mr. Li Bin Hai*

Nomination Committee

Mr. Kong Jian Min *(Chairman)*
Mr. Tam Chun Fai
Mr. Dai Feng
Mr. Li Bin Hai*

Registered Office

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Suite 7506, Level 75
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Principal Share Registrar

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
Grand Cayman KY1-1107
Cayman Islands

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Principal Bankers

Agricultural Bank of China Limited
Bank of China Limited
China Construction Bank Corporation
China Minsheng Banking Corp. Ltd.
China Guangfa Bank Co., Ltd.
Guangzhou Rural Commercial Bank
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited

Auditors

Ernst & Young

Legal Advisors

as to Hong Kong law:
Sidley Austin

as to Cayman Islands law:
Conyers Dill & Pearman

Website

www.kwgproperty.com

Stock Code

1813 (Main Board of The Stock Exchange of Hong Kong Limited)

* *Mr. Li Bin Hai had been appointed as an Independent Non-executive Director and a member of each of the Remuneration Committee, the Nomination Committee and the Audit Committee of the Company with effect from 1 July 2012.*

Corporate Profile

KWG Property Holding Limited ("KWG Property" or the "Company", together with its subsidiaries, collectively the "Group") was founded in 1995 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1813) since July 2007. KWG Property is one of the leading large-scale property developers in Guangzhou. Since its establishment, KWG Property has been focusing on the development, sales and management of quality properties targeted at mid- to high-income groups.

Over the past 17 years, the Group has built up an efficient property development system as well as a balanced portfolio which offers mid-to high-end residential properties, serviced apartments, villas, Grade A+ office buildings, hotels, high-end shopping malls and etc. Its business scope has also been extended from traditional property development and sales to areas of asset management and property management. A strategic development framework has been formed, with Guangzhou and Hainan as its hub for South China, Suzhou and Shanghai for East China, Chengdu for West China, and Beijing and Tianjin for the Bohai Rim in North China. Projects in Guangzhou, Suzhou, Chengdu, Beijing, Tianjin and Shanghai have already been launched, while the brand new projects in Guangzhou, Chengdu, Hainan and Suzhou are expected to be launched in the second half of 2012.

KWG Property's current land bank is sufficient for development in the next 5–6 years. With sufficient cash flow, healthy financial position and stable operation, the Group will continue to selectively and prudently acquire land sites with good potential to provide a solid foundation for future growth.

To ensure stable development through balanced revenue contribution and risk diversion, the Group will seek in future to build a diversified development portfolio in cities with a strategic balance between mid- to high-end residential properties and commercial properties, such as offices, hotels and high-end shopping malls, to be held on a long-term basis accounting for an increased proportion to complement its residential developments.

Chairman's Statement

Dear Shareholders:

I am pleased to present the interm results of the Group for the six months ended 30 June 2012. During the period under review, the Group recorded total revenue of approximately RMB4,621.7 million. Profit attributable to owners of the Company was approximately RMB911.7 million, a slight decrease of 2.0% from the same period last year. Earnings per share attributable to owners of the Company amounted to RMB31.5 cents.

Optimising Marketing Regimes, Focusing on Asset Turn for Mid-end Projects

First half of 2012 was the period to further consolidate real estate austerity measures, as the People's Republic of China (the "PRC") government stood firmly on fully implementing the policies and took suppressing speculative investments in real estate as a long term strategy. The measures employed were designed to guide the healthy and stable development of PRC's property market by encouraging purchases by end-users while curbing investment and speculative demands, such as the continued implementation of the Home Purchase Restriction and moderate easing of bank mortgage for first home purchases.

The Group made timely adjustments to its strategic developments and sales plan by closely monitoring market changes. During the first half of 2012, the Group adopted a strategy of product diversification to address changing market environment. At the same time as our existing mid- to high-end product types were launched, the Group also expedited the launches of mid-end products, especially commercial projects that were not subject to the Home Purchase Restriction or loan restrictions, such as offices, serviced apartments and retail shops. During the first six months of the year, the Group was focused on the design and development of small to medium-sized units, as it optimised marketing regime and broadened product portfolio to meet the needs of consumers from different market segments.

Rebalance Product Mix to Address End-user Demand and Upgrading Demand

Under the impact of various austerity measures introduced in 2011, investment and speculative demand has been largely subdued and the local markets have seen rebounce in volumes mainly driven by end-user demand. Property prices have either stopped rising further or, in individual cases, started to correct. The Group kept a close watch of market changes, making strategic adjustments when necessary.

For existing projects which had already been launched to the market, a variety of marketing campaign were adopted to attract target customers. For new projects, the Group made timely moves to launch smaller-size residential units which meet the release of pent-up demand from first-time buyers. The Group expanded potential buyer group by adjusting our product mix to offer houses with well designed layouts, in response to the market condition and the needs of target customers. For example, the Group launched in January 2012 Shanghai Emerald (上海疊翠峰), a residential development featuring units with a unit size of less than 90 sq.m., to meet the resurgent demand of first-time buyers. Sales of this development have been on the rise since its debut, on the back of sound recognition and positive feedback from customers.

Preserving Financial Strength with a Prudent Approach to the Land Market

The Group continued to adhere to a stringent and prudent strategy for land acquisitions and well in-placed cost control remains to be beneficial to healthy corporate development, given uncertainties in the market. During the first half of the year, the Group was focused on the execution of various projects in the existing market. No land acquisition was done in the first six months of 2012, as the Group had ample land reserves, sufficient for development in the next 5–6 years given its current pace of development. On the other hand, the Group continued to closely monitor the land market, with an eye for opportunities to acquire premium sites at attractive prices. The policy of prudent land acquisition provides assurance for the Group's stable development as it helps to preserve financial strengths at a time when market fundamentals have yet to pick up.

Outlook

Looking to the second half of the year, the Group has plans to launch brand new projects in Chengdu, Guangzhou, Hainan and Suzhou, which are all well located in the cities with convenient public transport and a wide array of supporting facilities. The Group believes that these new projects will generate good sales and further build our market shares.

In the meantime, the Group will continue to adhere to a prudent proactive approach, maintaining a broad number of projects for sale to better position itself for changing market sentiment. In addition to brand new projects, the Group will also be launching the latter phases of existing projects. On the back of ample sellable resources and increasing brand recognition, the Group looks to further enhance its market influence and accomplish satisfactory sales by offering a diversified range of quality products.

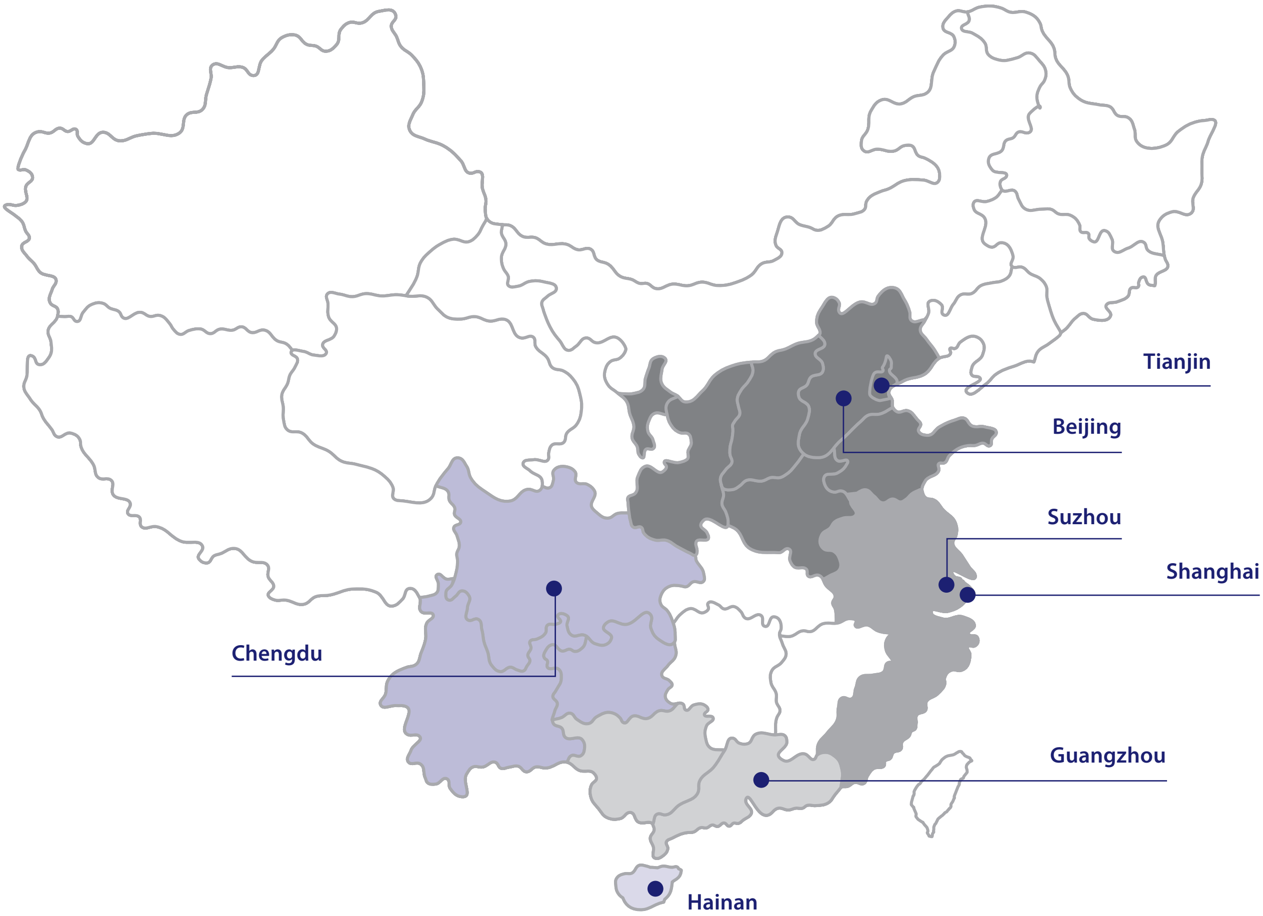
Appreciation

2012 has so far been a year of opportunities as well as challenges, which the Group has readily embraced thanks to the trust and support by various parties. On behalf of the Company, I would like to thank our loyal shareholders and investors for keeping faith in the prospect of the Group. I would also like to thank home buyers for their choice and approval of our products and services. As we continue to focus on the design, development and delivery of mid- to high-end products, the support of our patrons provides a strong backdrop for success. May I take this opportunity to express gratitude also to our directors and all members of our staff, who have strived to fulfill the Company's goals and objectives with dedication, proactive endeavours and incessant hard work. In unity and with concerted efforts, we can and will continue to scale new heights and venture from strength to strength.

Kong Jian Min
Chairman

17 August 2012

Project Summary



Beijing – 2 projects

Total Attributable Gross Floor Area ("GFA"):
approximately 303,000 sq.m.

- Fragrant Seasons
- Chong Wen Men Project

Shanghai – 6 projects

Total Attributable GFA:
approximately 715,000 sq.m.

- Pudong Project
- The Core of Center
- Shanghai Apex
- Amazing Bay
- Shanghai Sapphire
- Shanghai Emerald

Tianjin – 1 project

Total Attributable GFA:
approximately 750,000 sq.m.

- Jinnan New Town

Suzhou – 3 projects

Total Attributable GFA:
approximately 1,012,000 sq.m.

- The Sapphire
- Suzhou Apex
- Suzhou Emerald (Formerly called Yinshan Lake Project)

Chengdu – 3 projects

Total Attributable GFA:
approximately 1,419,000 sq.m.

- The Vision of the World
- Chengdu Cosmos
- Mid Town Icon (Formerly called Chengdu JinJiang)

Guangzhou – 12 projects

Total Attributable GFA:
approximately 3,632,000 sq.m.

- Sky Ville
- International Creative Valley
- The Summit
- The Riviera
- J2-2 Project
- L7
- Foshan Project
- International Finance Place ("IFP")
- Four Points by Sheraton Guangzhou, Dongpu
- Sheraton Guangzhou Huadu Resort
- W Hotel/W serviced apartments
- Biological Island Project

Hainan – 2 projects

Total Attributable GFA:
approximately 772,000 sq.m.

- Pearl Coast
- Moon Bay Project

Period under Review

During the first six months of 2012, the PRC government further implemented real estate austerity measures to suppress speculative investments while selectively loosened on the liquidity side to encourage end-user demand. These included moderate easing of bank mortgage for the first home purchases, lower benchmark interest rates for deposits and loans, and etc. During the period under review, the Group reported stable sales and pre-sale was derived from brand new projects in Shanghai and the continuous sales of other existing projects. As at 30 June 2012, the Group had a land bank with a total GFA of approximately 8.6 million sq.m covering 29 projects in 7 cities, namely Guangzhou, Suzhou, Chengdu, Beijing, Hainan, Tianjin and Shanghai.

Overview of the Group's Property Development

As at 30 June 2012, the Group had total 29 projects, out of which 21 projects are under development, which are located in Guangzhou, Suzhou, Chengdu, Beijing, Shanghai, Hainan and Tianjin, respectively.

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
1.	The Summit	Guangzhou	Residential / villas / serviced apartments / office / retail	2,432	100
2.	L7	Guangzhou	Serviced apartments	34	100
3.	J2-2 Project	Guangzhou	Office / retail	72	50
4.	The Riviera	Guangzhou	Serviced apartments / office / hotel / retail	155	33.3
5.	Foshan Project	Guangzhou	Residential / commercial	560	20
6.	Biological Island Project	Guangzhou	Serviced apartments / retail	115	100
7.	The Sapphire	Suzhou	Residential / hotel / office / serviced apartments / retail	421	100
8.	Suzhou Apex	Suzhou	Residential / hotel / retail / serviced apartments	327	90
9.	Suzhou Emerald	Suzhou	Residential / retail	160	100
10.	The Vision of the World	Chengdu	Residential / serviced apartments / retail	232	100
11.	Chengdu Cosmos	Chengdu	Residential / hotel / serviced apartments / office / retail	737	100
12.	Mid Town Icon	Chengdu	Residential / commercial	450	50
13.	Fragrant Seasons	Beijing	Residential / villas / serviced apartments / retail	287	100
14.	Pearl Coast	Hainan	Villas / residential / hotel	293	100
15.	Jinnan New Town	Tianjin	Residential / villas / commercial	750	25
16.	Pudong Project	Shanghai	Office	78	100
17.	The Core of Center	Shanghai	Residential / serviced apartments / retail	79	50
18.	Shanghai Apex	Shanghai	Residential / serviced apartments / retail	111	100
19.	Shanghai Sapphire	Shanghai	Serviced apartments / hotel	158	100
20.	Shanghai Emerald	Shanghai	Residential / retail	154	100
21.	Amazing Bay	Shanghai	Residential / office / retail /hotel	135	50

Investment Properties under Construction

As at 30 June 2012, there were a number of high-end star-rated hotels and high-end shopping malls under planning, located in Guangzhou, Suzhou, Chengdu, Hainan and Shanghai. Currently, except Four Points by Sheraton Guangzhou, Dongpu and Sheraton Guangzhou Huadu Resort which had been completed, one W Hotel, is currently under construction. The Group will continue to maintain in its business portfolio a balanced share of investment property, over which the Group will exercise full management control through risk and return analysis as well as a comprehensive operational management mechanism for investment property.

District	Name of the Hotel	Rooms	Star	Expected Commencement Schedule
Guangzhou	W Hotel	317	5 star	2012

Completed Investment Properties

As at 30 June 2012, the occupancy rate of IFP, the Group's Grade A+ office building which had been completed and commenced operation, stood at above 99.0%. The Group continued to lease spaces on a selective basis in order to maintain the high-end and premium nature of IFP tenants. Tenants who have signed up include domestic and foreign banks, Guangzhou offices of multinational corporations and diplomatic establishments.

Our Sheraton Guangzhou Huadu Resort, located in Huadu, Guangzhou, has been in smooth operation since its opening in November 2011. For the six months ended 30 June 2012, the Group reported hotel operation income of approximately RMB37.5 million.

Market Review

2012 has been a year to further implement real estate austerity measures, as the PRC government stands firmly behind the policies and restated its opposition against speculative investments in real estate as a long term strategy. Since the beginning of the year, the Home Purchase Restriction has continued to be in place in 46 cities across the nation. Moderate easing of bank mortgage for the first home purchases has been introduced to encourage end-user purchase while curbing speculative and investment demands. The benchmark interest rates for deposits and loans has been lowered twice, which facilitated further easing of property mortgage. The construction of social housing around the nation has been reinforced to prevent a further slowdown in macro-economic growth as a result of property investment decline. Such measures have been designed to fortify the effects of regulatory measures adopted in the previous year and lead the real estate sector towards more stable and sustainable development.

Business Review

While the property market was unfortunately impacted by the current set of austerity measures, the stable improvement of living standards and the gradual happening of urbanisations, as well as the increasing demand from first-time buyers and upgrade buyers provide a sound foundation for the Group's business development into the future.

The Group's new projects in Shanghai launched during the first half of the year included Shanghai Emerald (上海疊翠峰), The Amazing Bay (嘉譽灣), Shanghai Sapphire (上海峰匯) and Shanghai Apex (上海領峰), bringing the number of contributing projects to 16. The Group's ability to execute projects in new cities beyond Guangzhou was further demonstrated as evidenced by the meaningful contributions from Shanghai. During the first six months of 2012, the Group made additional efforts to conduct research in its existing markets, adopting timely adjustments to current product types in response to market changes, while further solidify the Group's presence in all cities we have projects in.

To address changes in the property market, the Group made persistent efforts to make appropriate adjustments to its project development strategies and schedules, exercise stringent control over expenditure, increase construction work efficiency and expediate work schedules, with the aim to accelerate project launches and cash collection.

On one hand, the Group accelerated sales by launching commercial projects that are not subject to the Home Purchase Restriction and mortgage restrictions. During the period, the Group made major marketing effort to launch The Riviera (天鑾), a high-end commercial property located in Pearl River New Town, Guangzhou with unblocked river view and comprehensive facilities, as well as the commercial products of Shanghai Sapphire (上海峰匯), located in Jiading New Town of Shanghai. At the same time, the Group continued to launch commercial products within our existing projects in Beijing, Chengdu, Suzhou and Guangzhou, such as apartments and retail shops, so as to boost sales by offering diversified products. For the six months ended 30 June 2012, the Group booked pre-sales of approximately RMB5,400.0 million.

Meanwhile, the Group launched more smaller-size units this year to meet the release of pent-up demand from end-users. In January 2012, Shanghai Emerald (上海疊翠峰), a brand new project located at the north end of Jiading in Shanghai was officially launched, featuring units with a unit size of less than 90 sq.m. The development was well received by the market upon initial debut, as buyers appreciated its superior transportation links, cozy and convenient living environment, and full supporting facilities for day-to-day life. The strong sales of Shanghai Emerald have not only advertised the brand name of the Group and enhanced its reputation and market position in Shanghai, but have also provided solid references and guidelines for the Group's product mix adjustments.

On the other hand, the Group continues to exercise its sensible land acquisition policy and strictly control the pace of buying land. The Group takes careful consideration of the real estate industry outlook, its current land bank, as well as the cost and quality of the potential new land, while prudently seizing the right opportunity to add high quality land bank. Currently, the Group holds an ample land bank with an aggregate GFA of approximately 8.6 million sq.m., which should be sufficient for future development for 5–6 years. Nevertheless, the Group continued to monitor government policies and changes in the land market, striving to acquire appropriate-sized premium sites at reasonable prices through a variety of channels, so as to keep land acquisition costs within a controllable range. Meanwhile, the Group continued to improve its corporate governance standards and exercise effective cost control in order to improve overall efficiency.

The Group has been taking advantage of its diversified funding channels to not only solidify its financial standing but also for its long term growth. In March 2012, the Group successfully issued senior notes in the amount of US$400.0 million. The Group also obtained additional loans from domestic banks with close working relationships. Cash flow management has been a top priority for the management to ensure resources and liquidity is properly in place to maximise return and minimise cost. In the meantime, ongoing sound working relationships with domestic and overseas banks allowed the Group to be informed of latest developments in the financing market and potential policy changes, so that the Group could maintain an effective network to enhance corporate financing.

Investment Properties and Hotels

For the six months ended 30 June 2012, turnover of the Group from its investment in office premises and leasing of retail properties amounted to approximately RMB70.8 million (2011: approximately RMB69.7 million).

1) Hotels

Sheraton Guangzhou Huadu Resort has been operating smoothly since its soft launch in November 2011, generating revenue growth and winning the trust of customers as it offers outstanding hotel services and the comfort of a high-end scenic resort.

The W Hotel of the Group will be opened for business at the end of 2012 to provide comfortable accommodation and premium services for customers. W Hotel is a brand name for modern, luxury, and fashion under Starwood Hotels & Resorts Worldwide, Inc., and the Group's W Hotel is the first and, as of now, the only W Hotel in PRC.

2) Investment properties completed and available for lease

IFP, one of the major investment properties of the Group, is located in the Pearl River New Town, a central district of Guangzhou. The office space of IFP is very popular with high-end tenants, such as large financial institutions who are attracted by the convenient location and transportation, as well as its high-quality premise and excellent property management. As at 30 June 2012, the occupancy rate of IFP stood at above 99.0%, with offices mainly taken up by domestic and foreign banks, the Guangzhou offices of various multi-national corporations and consulate.

Business Outlook

The Group plans to launch a number of brand new projects in the second half of the year. These will include Chengdu Sky Ville (天譽, residential portion of Mid Town Icon) in the new central business district of Chengdu, the Biological Island Project (生物島項目) adjacent to the Guangzhou University Town, the Pearl Coast (汀瀾海岸) in Hainan and the Suzhou Emerald (蘇州疊翠峰) in Suzhou. Meanwhile, the Group will continue to step up with the launch of new phases of existing projects. The Group will further improve its hotel management and the management standards of its investment properties. By continuously enhancing the competitive advantage of its products and its integrated corporate strengths, and by gaining market recognition and reputation through the launch of existing and brand new projects, we are set to further enlarge market shares in various cities to take on challenges as well as opportunities as the Group stride forward on the back of sound and stable fundamentals.

Financial Review

Revenue

Revenue of the Group comprises primarily the (i) gross proceeds, net of business tax, from the sale of properties, (ii) gross recurring revenue received and receivable from investment properties, (iii) gross revenue from hotel room rentals, food and beverage sales and other ancillary services when the services are rendered and (iv) property management fee income. The revenue is primarily generated from its four business segments: property development, property investment, hotel operation and provision of property management services.

The revenue amounted to approximately RMB4,621.7 million in the first half of 2012, representing a decrease of 10.1% from approximately RMB5,142.6 million for the corresponding period in 2011, primarily due to the decrease of total GFA delivered in sales of properties in the first half of 2012.

The revenue generated from property development, property investment, hotel operation and provision of property management services were approximately RMB4,460.2 million, RMB70.8 million, RMB37.5 million and RMB53.2 million, respectively, during the six months ended 30 June 2012.

Property development

Revenue generated from property development decreased by 10.7% to approximately RMB4,460.2 million for the six months ended 30 June 2012 from approximately RMB4,996.1 million for the corresponding period in 2011, primarily due to a 24.5% decrease in the total GFA delivered to 378,472 sq.m. in the first half of 2012 from 501,290 sq.m. for the corresponding period in 2011. Despite the decrease in GFA delivered, the Group maintained a high recognised average selling price at RMB11,785 per sq.m., as compared to RMB9,966 per sq.m. for the corresponding period in 2011, reflecting a better product mix as well as an upgrade on city mix.

Property investment

Revenue generated from property investment slightly increased by 1.6% to approximately RMB70.8 million for the six months ended 30 June 2012 from approximately RMB69.7 million for the corresponding period in 2011.

Hotel operation

Revenue generated from hotel operation increased by 10.3% to approximately RMB37.5 million for the six months ended 30 June 2012 from approximately RMB34.0 million for the corresponding period in 2011, primarily attributable to the soft launch of our Sheraton Guangzhou Huadu Resort in November 2011.

Provision of property management services

Revenue generated from the provision of property management services increased by 24.3% to approximately RMB53.2 million for the six months ended 30 June 2012 from approximately RMB42.8 million for the corresponding period in 2011, primarily attributable to an increase in the number of properties under management.

Cost of Sales

Cost of sales of the Group primarily represents the costs we incur directly for our property development activities. The principal component of cost of sales is cost of properties sold, which includes the direct costs of construction, costs of obtaining land use rights and capitalised borrowing costs on related borrowed funds during the construction period.

Cost of sales decreased by 9.4% to approximately RMB2,596.4 million for the six months ended 30 June 2012 from approximately RMB2,864.3 million for the corresponding period in 2011, primarily due to an overall decrease in cost of properties sold following the decrease in GFA delivered.

Land cost per sq.m. for the six months ended 30 June 2012 increased from RMB1,813 for the corresponding period in 2011 to RMB2,145, reflecting the upgrade on city mix with relatively higher land costs.

Construction cost per sq.m. for the six months ended 30 June 2012 increased from RMB3,541 for the corresponding period in 2011 to RMB4,087, principally due to the increase in delivery of high-end properties with relatively higher construction costs.

Gross Profit

Gross profit decreased by 11.1% to approximately RMB2,025.3 million for the six months ended 30 June 2012 from approximately RMB2,278.3 million for the corresponding period in 2011. The decrease of gross profit was principally due to the decrease in the total revenue in the first half of 2012. The decrease in gross profit was partially offset by the increase in average selling price as discussed, resulting in a slight decrease in the Group's gross profit margin to 43.8% for the six months ended 30 June 2012 (2011: 44.3%).

Other Income and Gains, Net

Other income and gains decreased by 24.2% to approximately RMB36.1 million for the six months ended 30 June 2012 from approximately RMB47.6 million for the corresponding period in 2011, mainly comprising interest income of approximately RMB28.4 million.

Selling and Marketing Costs

Selling and marketing costs of the Group slightly increased by 2.3% to approximately RMB109.4 million for the six months ended 30 June 2012 from approximately RMB106.9 million for the corresponding period in 2011.

Administrative Expenses

Administrative expenses of the Group increased by 26.0% to approximately RMB309.0 million for the six months ended 30 June 2012 from approximately RMB245.2 million for the corresponding period in 2011, primarily attributable to an increased headcount to catch up with the rapid development of the Group in various regional offices in order to achieve its long term goal. The Group believes that people are key elements for future growth and grasping the opportunities ahead. The Group also provided extensive training, built incentive schemes as well as a teamwork-oriented corporate culture with high sense of belonging to retain experienced employees. The soft launch of our Sheraton Guangzhou Huadu Resort also contributed to the increment in the first half of 2012.

Other Operating Expenses, Net

Other operating expenses of the Group was approximately RMB0.3 million for the six months ended 30 June 2012 (2011: approximately RMB0.5 million), mainly comprising the losses on the disposal of certain investment properties and operating costs of facilities at our residential development such as clubhouse and dining facilities during the period.

Fair Value Gains on Investment Properties, Net

The Group reported net fair value gains on investment properties of approximately RMB175.3 million for the six months ended 30 June 2012 (2011: approximately RMB3.5 million), mainly related to various leasable commercial properties in various regions. The fair value gains attributable to leaseable commercial properties including IFP, The Summit, Chengdu Cosmos, The Sapphire and Suzhou Apex were approximately RMB165.4 million for the six months ended 30 June 2012.

Finance Costs

Finance costs of the Group being approximately RMB70.4 million for the six months ended 30 June 2012 (2011: approximately RMB91.5 million) were related to the borrowing costs on certain general corporate loans and partial senior notes. Since such borrowings were not earmarked for project development, thus such borrowing costs have not been capitalised.

Income Tax Expenses

Income tax expenses decreased by 16.8% to approximately RMB791.2 million for the six months ended 30 June 2012 from approximately RMB950.8 million for the corresponding period in 2011, primarily due to a decrease in profit before tax and provision for LAT as a result of the decrease in the total GFA delivered in sales of properties in the first six months of 2012.

Profit for the Period

The Group reported profit for the period of approximately RMB930.7 million for the six months ended 30 June 2012 (2011: approximately RMB930.6 million). Net profit margin (after deducting fair value gains on investment properties and related tax) slightly decreased to 17.3% for the six months ended 30 June 2012 from 18.0% for the corresponding period in 2011, as a result of the cumulative effect of the foregoing factors.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2012, the carrying amount of the Group's cash and bank balances was approximately RMB7,009.2 million (31 December 2011: approximately RMB5,373.2 million), representing an increase of 30.4% as compared to that as at 31 December 2011.

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place certain amount of pre-sales proceeds received at designated bank accounts as guarantee deposits for construction of the relevant properties. As at 30 June 2012, the carrying amount of the restricted cash was approximately RMB1,121.3 million (31 December 2011: approximately RMB1,348.6 million).

Borrowings and Charges on the Group's Assets

As at 30 June 2012, the Group's bank loans and senior notes were approximately RMB10,751.8 million and RMB6,200.7 million (equivalent) respectively. Amongst the loans, approximately RMB3,765.4 million were repayable within 1 year, approximately RMB6,330.4 million were repayable between 2 and 5 years and approximately RMB656.0 million were repayable over 5 years. Amongst the senior notes, approximately RMB4,645.4 million was repayable between 2 and 5 years and approximately RMB1,555.3 million was repayable over 5 years.

As at 30 June 2012, certain bank loans of the Group were secured by property, plant and equipment, land use rights, investment properties, properties under development, completed properties held for sale and time deposits of the Group with total carrying values of approximately RMB12,972.7 million and equity interests of certain subsidiaries and an associate of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their equity interests.

The carrying amounts of all the Group's bank loans were denominated in RMB except for certain loan balances with aggregate amounts of approximately HK$875.5 million as at 30 June 2012 which were denominated in Hong Kong dollar. All of the Group's bank loans were charged at floating interest rates except for loan balances with an aggregate amount of approximately RMB1,141.0 million which were charged at fixed interest rate as at 30 June 2012. The Group's senior notes were denominated in U.S. dollar.

Gearing Ratio

The gearing ratio is measured by the net borrowings (total borrowings net of cash and cash equivalents and restricted cash) over the total equity. As at 30 June 2012, the gearing ratio was 71.2% (31 December 2011: 61.8%). The increase in gearing ratio in the first half of 2012 mainly reflecting increased cash utilisation in the ongoing property development projects.

Risk of Exchange Rate Fluctuation

The Group mainly operates in the PRC, so most of its revenue and expenses are measured in RMB. The value of RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in PRC's political and economic conditions. The conversion of RMB into foreign currencies, including the U.S. dollar and the Hong Kong dollar, has been based on rates set by the People's Bank of China.

In the first half of 2012, the exchange rates of RMB to the U.S. dollar and the Hong Kong dollar maintained a relatively stable level and the board of directors (the "Board") expects that any fluctuation of RMB's exchange rate will not have material adverse effect on the operations of the Group.

Contingent Liabilities

(i) As at 30 June 2012, the Group had contingent liabilities relating to guarantees in respect of mortgages for certain purchasers of the Group's properties amounting to approximately RMB4,430.9 million (31 December 2011: approximately RMB6,642.6 million). This represented the guarantees in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled (but not limited to) to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the Board considers that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made in the financial statements as at 30 June 2012 and 31 December 2011 for the guarantees.

(ii) As at 30 June 2012 and 31 December 2011, the Group had provided guarantees in respect of certain bank loans for its jointly-controlled entities.

(iii) As at 30 June 2012 and 31 December 2011, the Group had provided a guarantee in respect of a bank loan of RMB700.0 million for the ex-owner of The Summit in Guangzhou, the PRC.

Employees and Emolument Policies

As at 30 June 2012, the Group employed a total of approximately 3,650 employees. The total staff costs incurred were approximately RMB182.3 million during the six months ended 30 June 2012. The remuneration of employees was determined based on their performances, skills, experiences and prevailing industry practices. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment to commensurate with the pay level in the industry. In addition to basic salary, the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or state-managed retirement pension scheme (for PRC employees), employees may be offered with discretionary bonus and cash awards based on individual performance.

Interests and Short Positions of the Directors and Chief Executive in Shares and Underlying Shares

At 30 June 2012, the interests and short positions of the directors and chief executive in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows or as disclosed under the section headed "Share Option Scheme" on page 18:

Long positions in ordinary shares of the Company:

Name of Director	Long position/ Short position	Nature of interests	Number of shares held (Note 1)	Approximate percentage of shareholding
Kong Jian Min (Notes 2, 3 and 4)	Long position	Interest of controlled corporations	1,714,441,500	59.26%
	Long position	Beneficial owner	35,639,500	1.23%
Kong Jian Tao (Notes 2 and 3)	Long position	Interest of controlled corporations	1,687,500,000	58.33%
	Long position	Beneficial owner	1,000,000	0.035%
Kong Jian Nan (Notes 2 and 3)	Long position	Interest of controlled corporations	1,687,500,000	58.33%
He Wei Zhi (Note 5)	Long position	Interest of spouse	10,000	0.00035%
Yu Yao Sheng	Long position	Beneficial owner	275,000	0.0095%

Notes:

1. Share(s) of HK$0.10 each in the capital of the Company.

2. Plus Earn Consultants Limited ("**Plus Earn**") is legally and beneficially owned as to 76.5% by Kong Jian Min, as to 15% by Kong Jian Tao and as to 8.5% by Kong Jian Nan. Therefore, Kong Jian Min, Kong Jian Tao and Kong Jian Nan are deemed to be interested in 1,612,500,000 shares through their interests in Plus Earn. Each of Kong Jian Min, Kong Jian Tao and Kong Jian Nan is a director of Plus Earn.

3. Right Rich Consultants Limited ("**Right Rich**") is legally and beneficially owned as to 76.5% by Kong Jian Min, as to 15% by Kong Jian Tao and as to 8.5% by Kong Jian Nan. Therefore, Kong Jian Min, Kong Jian Tao and Kong Jian Nan are deemed to be interested in 75,000,000 shares through their interests in Right Rich. Each of Kong Jian Min, Kong Jian Tao and Kong Jian Nan is a director of Right Rich.

4. Hero Fine Group Limited ("**Hero Fine**") is legally and beneficially owned as to 100% by Kong Jian Min and Kong Jian Min is therefore deemed to be interested in 26,941,500 shares through his interests in Hero Fine. Kong Jian Min is the sole director of Hero Fine.

5. These Shares are held and beneficially owned by Wang Yanlei, the spouse of He Wei Zhi.

Long positions in shares and underlying shares of associated corporations:

Name of Director	Associated Corporations	Number of shares held in associated corporations	Approximate percentage of shareholding in associated corporations
Kong Jian Min	Plus Earn	765	76.50%
	Right Rich	765	76.50%
Kong Jian Tao	Plus Earn	150	15.00%
	Right Rich	150	15.00%
Kong Jian Nan	Plus Earn	85	8.50%
	Right Rich	85	8.50%

Save as disclosed above or under the section headed "Share Option Scheme" on page 18, as at 30 June 2012, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and shorts position which the directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders Disclosable under the SFO

So far as is known to any directors or chief executive of the Company, as at 30 June 2012, other than the interests and short positions of the directors or chief executive of the Company as disclosed in the section "Interests and Short Positions of the Directors and Chief Executive in Shares and Underlying Shares" above and the section "Share Option Scheme" below, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Interests and Short Positions of Substantial Shareholder(s) in the Shares and Underlying Shares of the Company

Long positions in the shares of the Company:

Name	Capacity	Number of shares held (Note 1)	Percentage of issued share capital
Plus Earn (Note 2)	Beneficial owner	1,612,500,000	55.74%

Notes:

1. Share(s) of HK$0.10 each in the capital of the Company.

2. Plus Earn is legally and beneficially owned as to 76.5% by Kong Jian Min, as to 15% by Kong Jian Tao and as to 8.5% by Kong Jian Nan.

Save as disclosed above, as at 30 June 2012, there was no other person (other than the directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Compliance with the Code on Corporate Governance Practices

The Group believes that sound and good corporate governance practices are not only key elements in enhancing investor confidence and the Company's accountability and transparency but also important to the Company's long-term success. The Group, therefore, strives to attain and maintain effective corporate governance practices and procedures. The Company has complied with the code provisions in the Code on Corporate Governance Practices (the "Code Provision") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the period under review, save for the deviations which are explained below.

Code A.6.7

Mr. Dai Feng, an independent non-executive director was unable to attend the Company's annual general meeting which was held on 8 June 2012 ("2011 AGM") due to an engagement in the PRC.

Code E.1.2

Mr. Kong Jian Min, the Chairman of the Board was unable to attend the 2011 AGM as he had an engagement that was important to the business of the Company.

Audit Committee

As at 30 June 2012, the audit committee of the Company comprises three members who are independent non-executive directors, namely Mr. Tam Chun Fai (the chairman), Mr. Lee Ka Sze, Carmelo and Mr. Dai Feng. From 1 July 2012, Mr. Li Bin Hai, an independent non-executive director of the Company, was appointed as a member of the audit committee and the audit committee of the Company totally comprises four members after such appointment . The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2012. It has also reviewed and recommended to the Board the current policies and practices on corporate governance of the Company, the Company's compliance with the Corporate Governance Code and the disclosure in the Corporate Governance Report. Further, it has reviewed and monitored the training and continuous professional development of directors and senior management and the current code of conduct applicable to employees and directors and recommended the same to the Board.

Remuneration Committee

The remuneration committee was formed on 11 June 2007 with terms of reference in compliance with the Code Provision and is being chaired by Mr. Dai Feng from 28 February 2012. It has reviewed and formulated policies in respect of remuneration structure of all directors and senior management of the Company, reviewed the remuneration packages of individual executive directors, non-executive directors and senior management and made recommendations to the Board for its consideration and reviewed and approved the management's remuneration proposals with reference to the Board's corporate goals and objectives. The remuneration committee consists of three members as at 30 June 2012, of which one executive director being Mr. Kong Jian Min (being the chairman of remuneration committee up to 27 February 2012) and two are independent non-executive directors being Mr. Tam Chun Fai and Mr. Dai Feng. From 1 July 2012, Mr. Li Bin Hai was appointed as a member of the remuneration committee and the remuneration committee of the Company totally comprises four members after such appointment.

Compliance with Model Code

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the directors have complied with the required standard set out in the Model Code as provided in Appendix 10 of the Listing Rules during the period under review.

Share Option Scheme

The Company's share option scheme (the "Scheme") was adopted pursuant to the shareholders' resolution passed on 11 June 2007.

During the six months ended 30 June 2012, no share options were granted, exercised, cancelled or lapsed. Details of the share options granted pursuant to the Scheme were as follows:

Name of grantee	Number of share options granted as at 1 January 2012	Number of share options granted during the period under review (Note 1)	Number of share options outstanding as at 30 June 2012	Date of grant	Period during which share options are exercisable (Note 1)	Exercise price per share (HK$)
Li Jian Ming	619,000	–	619,000	18 December 2009	18 December 2010– 17 December 2014	6.24
	619,000	–	619,000	26 August 2011	26 August 2012– 25 August 2016	4.49
He Wei Zhi	619,000	–	619,000	18 December 2009	18 December 2010– 17 December 2014	6.24
	619,000	–	619,000	26 August 2011	26 August 2012– 25 August 2016	4.49
Yu Yao Sheng	619,000	–	619,000	18 December 2009	18 December 2010– 17 December 2014	6.24
	619,000	–	619,000	26 August 2011	26 August 2012– 25 August 2016	4.49
Tsui Kam Tim	619,000	–	619,000	18 December 2009	18 December 2010– 17 December 2014	6.24
	1,238,000	–	1,238,000	26 August 2011	26 August 2012– 25 August 2016	4.49
Tam Chung Fai	30,000	–	30,000	18 December 2009	18 December 2009– 17 December 2014	6.24
	30,000	–	30,000	26 August 2011	26 August 2011– 25 August 2016	4.49
Lee Ka Sze, Carmelo	30,000	–	30,000	18 December 2009	18 December 2009– 17 December 2014	6.24
	30,000	–	30,000	26 August 2011	26 August 2011– 25 August 2016	4.49
Dai Feng	30,000	–	30,000	18 December 2009	18 December 2009– 17 December 2014	6.24
	30,000	–	30,000	26 August 2011	26 August 2011– 25 August 2016	4.49
Other employees of the Group	3,305,000	–	3,305,000	18 December 2009	18 December 2010– 17 December 2014	6.24
Other employees of the Group	4,063,000	–	4,063,000	26 August 2011	26 August 2012– 25 August 2016	4.49

Note:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise periods.

Valuation of Share Options

The Company has been using the Black-Scholes Model and Binomial Model to value the share options granted.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period under review.

Interim Dividend

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2012 (2011: Nil).

Disclosures Pursuant to Rule 13.21 of the Listing Rules

A jointly-controlled entity in which the Group owns 50% equity interest, Hines Shanghai New Jiangwan Development Co. Ltd., entered into an agreement for a bank loan of HK$1.4 billion (the "Loan Agreement I") on 29 June 2011. The Loan Agreement I includes a condition imposing specific performance obligations on Mr. Kong Jian Min ("Mr. Kong"), the controlling shareholder of the Company. Mr. Kong is interested in approximately 60.49% of the issued share capital of the Company as at 30 June 2012. It will be an event of default in the event that Mr. Kong ceases to (i) hold directly or indirectly an aggregate beneficial ownership of not less than 30% in the issued share capital of the Company; (ii) be directly or indirectly the single largest shareholder of the Company; or (iii) exercise or to be entitled to exercise management control over the Company, and in such event (amongst other things), the Loan Agreement I may be terminated by the lenders and the loan may become immediately due and repayable. Further details of the transaction are disclosed in the announcement of the Company dated 29 June 2011.

A jointly controlled entity in which the Group owns 28.57% equity interest, Total Champ Limited, entered into an agreement for a term loan of HK$1,075,000,000 (the "Loan Agreement II") on 4 November 2011. The Loan Agreement II includes the similar condition as in Loan Agreement I imposing specific performance obligations on Mr. Kong. It will be an event of default in the event that Mr. Kong ceases to (i) be the single largest shareholder of the Company; (ii) hold directly or indirectly not less than 30% of the beneficial interest in the issued share capital of the Company; or (iii) have the right to determine the composition of the majority of the Board or equivalent body of the Company, and in such event (amongst other things), the Loan Agreement II may be terminated by the lenders and the facility may become immediately due and repayable. Further details of the transaction are disclosed in the announcement of the Company dated 4 November 2011.

Changes in information of Directors

Pursuant to Rule 13.51 (B) of the Listing Rules, there are changes in the information required to be disclosed pursuant to paragraph (a) to (e) and (g) of Rule 13.51 (2) of the Listing Rules during the course of the directors' term of office. The changes of information on Directors are as follows:

(1) Mr. Dai Feng, one of the Independent Non-executive Director of the Company, replaced Mr. Kong Jian Min as the chairman of Remuneration Committee on 28 February 2012. Mr. Kong Jian Min remained a member of such committee.

(2) Mr. Dai Feng resigned as an Independent Director of Guangzhou Donghua Enterprises Co., Ltd. on 3 May 2012, which is listed on the Shanghai Stock Exchange.

(3) Annual director's fee of all Directors of the Company was increased from HK$300,000 to HK$400,000 from 1 March 2012.

(4) Mr. Lee Ka Sze, Carmelo was appointed as a Chairman of the Listing Committee of Stock Exchange on 4 May 2012 and as a member of the SFC (HKEC Listing) Committee from 1 April 2012 to 31 March 2013.

Report on Review of Condensed Consolidated Interim Financial Information

安 永

To the board of directors of KWG Property Holding Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated interim financial information of KWG Property Holding Limited (the "Company") set out on pages 21 to 36 which comprises the condensed consolidated statement of financial position as at 30 June 2012 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
22nd Floor
CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong
17 August 2012

Condensed Consolidated Income Statement

	Notes	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
REVENUE	4	**4,621,684**	5,142,556
Cost of sales		**(2,596,418)**	(2,864,293)
Gross profit		**2,025,266**	2,278,263
Other income and gains, net	4	**36,092**	47,559
Selling and marketing costs		**(109,404)**	(106,909)
Administrative expenses		**(308,966)**	(245,162)
Other operating expenses, net		**(341)**	(530)
Fair value gains on investment properties, net		**175,328**	3,530
Finance costs	5	**(70,375)**	(91,458)
Share of profits and losses of:			
Associates		**(1,045)**	(3,675)
Jointly-controlled entities		**(24,662)**	(172)
PROFIT BEFORE TAX	6	**1,721,893**	1,881,446
Income tax expenses	7	**(791,177)**	(950,802)
PROFIT FOR THE PERIOD		**930,716**	930,644
Attributable to:			
Owners of the Company		**911,699**	930,659
Non-controlling interests		**19,017**	(15)
		930,716	930,644
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	8	**RMB31.5 cents**	RMB32.2 cents

Details of the dividends proposed for the period are disclosed in note 9 to this condensed consolidated interim financial information.

The notes on pages 27 to 36 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**930,716**	930,644
OTHER COMPREHENSIVE INCOME/(LOSS)		
Exchange differences on translation of foreign operations	**(13,284)**	43,190
Share of exchange differences on translation of associates	**(1,201)**	16,271
Share of exchange differences on translation of jointly-controlled entities	**(12,842)**	8,791
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**(27,327)**	68,252
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**903,389**	998,896
Attributable to:		
Owners of the Company	**884,372**	998,911
Non-controlling interests	**19,017**	(15)
	903,389	998,896

The notes on pages 27 to 36 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

	Notes	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**2,145,011**	1,778,937
Investment properties		**4,399,485**	4,234,290
Land use rights		**1,032,301**	1,060,030
Interests in associates		**614,043**	1,998,766
Interests in jointly-controlled entities		**6,204,847**	6,508,942
Deferred tax assets		**974,399**	881,880
Total non-current assets		**15,370,086**	16,462,845
CURRENT ASSETS			
Properties under development		**19,475,604**	17,933,719
Completed properties held for sale		**2,455,370**	3,022,634
Trade receivables	11	**90,768**	60,772
Prepayments, deposits and other receivables		**1,346,860**	1,574,683
Due from a jointly-controlled entity		**—**	43,713
Taxes recoverable		**138,829**	114,748
Restricted cash		**1,121,325**	1,348,580
Cash and cash equivalents		**5,887,888**	4,024,609
Total current assets		**30,516,644**	28,123,458
CURRENT LIABILITIES			
Trade payables	12	**2,390,830**	2,934,780
Other payables and accruals		**5,621,533**	7,684,208
Due to associates		**—**	1,081,720
Due to jointly-controlled entities		**1,907,490**	589,631
Interest-bearing bank and other borrowings	13	**3,765,442**	3,409,572
Taxes payable		**3,547,961**	3,290,594
Total current liabilities		**17,233,256**	18,990,505
NET CURRENT ASSETS		**13,283,388**	9,132,953
TOTAL ASSETS LESS CURRENT LIABILITIES		**28,653,474**	25,595,798

	Notes	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	13	**13,187,059**	10,424,816
Deferred tax liabilities		**794,296**	766,964
Deferred revenue		**711,000**	711,000
Total non-current liabilities		**14,692,355**	11,902,780
NET ASSETS		**13,961,119**	13,693,018
EQUITY			
Equity attributable to owners of the Company			
Issued capital	14	**280,485**	280,485
Reserves		**13,459,404**	12,573,827
Proposed final dividends		**—**	636,493
		13,739,889	13,490,805
Non-controlling interests		**221,230**	202,213
TOTAL EQUITY		**13,961,119**	13,693,018

The notes on pages 27 to 36 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Issued capital	Share premium account	Reserve funds	Exchange fluctuation reserve	Equity-settled share option reserve	Capital reserve	Retained profits	Proposed final dividends	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2011	280,485	6,615,724	396,752	(64,492)	20,657	(24,134)	4,041,027	318,247	11,584,266	10,006	11,594,272
Profit for the period	—	—	—	—	—	—	930,659	—	930,659	(15)	930,644
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	—	—	—	43,190	—	—	—	—	43,190	—	43,190
Share of exchange differences on translation of associates	—	—	—	16,271	—	—	—	—	16,271	—	16,271
Share of exchange differences on translation of jointly–controlled entities	—	—	—	8,791	—	—	—	—	8,791	—	8,791
Total comprehensive income for the period	—	—	—	68,252	—	—	930,659	—	998,911	(15)	998,896
Final 2010 dividend declared	—	—	—	—	—	—	—	(318,247)	(318,247)	—	(318,247)
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	4,000	4,000
Share option expenses	—	—	—	—	5,373	—	—	—	5,373	—	5,373
Transfer to reserves	—	—	97,313	—	—	—	(97,313)	—	—	—	—
At 30 June 2011	280,485	6,615,724	494,065	3,760	26,030	(24,134)	4,874,373	—	12,270,303	13,991	12,284,294
At 31 December 2011 and 1 January 2012	**280,485**	**6,615,724***	**581,122***	**88,991***	**22,004***	**(57,546)***	**5,323,532***	**636,493**	**13,490,805**	**202,213**	**13,693,018**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**—**	**911,699**	**—**	**911,699**	**19,017**	**930,716**
Other comprehensive loss for the period:											
Exchange differences on translation of foreign operations	**—**	**—**	**—**	**(13,284)**	**—**	**—**	**—**	**—**	**(13,284)**	**—**	**(13,284)**
Share of exchange differences on translation of associates	**—**	**—**	**—**	**(1,201)**	**—**	**—**	**—**	**—**	**(1,201)**	**—**	**(1,201)**
Share of exchange differences on translation of jointly–controlled entities	**—**	**—**	**—**	**(12,842)**	**—**	**—**	**—**	**—**	**(12,842)**	**—**	**(12,842)**
Total comprehensive income for the period	**—**	**—**	**—**	**(27,327)**	**—**	**—**	**911,699**	**—**	**884,372**	**19,017**	**903,389**
Final 2011 dividend declared	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(636,493)**	**(636,493)**	**—**	**(636,493)**
Share option expenses	**—**	**—**	**—**	**—**	**1,205**	**—**	**—**	**—**	**1,205**	**—**	**1,205**
Transfer to reserves	**—**	**—**	**16,121**	**—**	**—**	**—**	**(16,121)**	**—**	**—**	**—**	**—**
At 30 June 2012	**280,485**	**6,615,724***	**597,243***	**61,664***	**23,209***	**(57,546)***	**6,219,110***	**—**	**13,739,889**	**221,230**	**13,961,119**

* These reserve accounts comprise the consolidated reserves of approximately RMB13,459,404,000 (31 December 2011: approximately RMB12,573,827,000) in the condensed consolidated statement of financial position.

The notes on pages 27 to 36 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash inflow/(outflow) from operating activities	**447,377**	(591,253)
Net cash outflow from investing activities	**(1,022,768)**	(1,282,423)
Net cash inflow from financing activities	**2,434,989**	1,665,236
Net increase/(decrease) in cash and cash equivalents	**1,859,598**	(208,440)
Cash and cash equivalents at beginning of the period	**4,024,609**	5,275,609
Effect of foreign exchange rate changes, net	**3,681**	(13,522)
Cash and cash equivalents at end of the period	**5,887,888**	5,053,647

The notes on pages 27 to 36 form an integral part of this condensed consolidated interim financial information.

Notes to Condensed Consolidated Interim Financial Information

1. General Information

KWG Property Holding Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the period, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities in the People's Republic of China (the "PRC"):

- property development
- property investment
- hotel operation
- provision of property management services

The unaudited condensed consolidated interim financial information was reviewed by the audit committee of the Company and approved by the board of directors (the "Board") for issue on 17 August 2012.

2. Basis of Preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 'Interim Financial Reporting', issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs and Interpretations).

3. Accounting Policies

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2012 has been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. The accounting policies adopted are consistent with the Group's audited financial statements for the year ended 31 December 2011, except for the adoption of the following amendments issued by the HKICPA, which are effective for the annual reporting period beginning on or after 1 January 2012.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*

The adoption of the amendments had no significant financial effect on this unaudited condensed consolidated interim financial information and there have been no significant changes to the accounting policies applied in the condensed consolidated interim financial information.

4. Revenue, Other Income and Gains, Net and Segment Information

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue:		
Sales of properties	**4,460,173**	4,996,092
Gross rental income	**70,834**	69,734
Hotel operation income	**37,468**	33,946
Property management fees	**53,209**	42,784
	4,621,684	5,142,556
Other income and gains, net:		
Bank interest income	**28,374**	25,750
Foreign exchange differences, net	**—**	11,145
Others	**7,718**	10,664
	36,092	47,559

For management purposes, the Group is organised into four reportable operating segments as follows:

(i) Property development: Sale of properties
(ii) Property investment: Leasing of properties
(iii) Hotel operation: Operation of hotels
(iv) Property management: Provision of property management services

The property development projects undertaken by the Group during the periods are all located in the PRC.

4. Revenue, Other Income and Gains, Net and Segment Information (Continued)

The segment results for the six months ended 30 June 2012 are as follows:

	Property development (Note) RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Hotel operation RMB'000 (Unaudited)	Property management RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:					
Sales to external customers	**4,460,173**	**70,834**	**37,468**	**53,209**	**4,621,684**
Segment results	**1,776,591**	**245,111**	**(8,415)**	**(4,418)**	**2,008,869**
Reconciliations:					
Interest income and unallocated income					**36,092**
Unallocated expenses					**(252,693)**
Finance costs					**(70,375)**
Profit before tax					**1,721,893**
Income tax expenses					**(791,177)**
Profit for the period					**930,716**

The segment results for the six months ended 30 June 2011 are as follows:

	Property development (Note) RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Hotel operation RMB'000 (Unaudited)	Property management RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:					
Sales to external customers	4,996,092	69,734	33,946	42,784	5,142,556
Segment results	2,047,098	72,699	7,848	4,092	2,131,737
Reconciliations:					
Interest income and unallocated income					47,559
Unallocated expenses					(206,392)
Finance costs					(91,458)
Profit before tax					1,881,446
Income tax expenses					(950,802)
Profit for the period					930,644

Note: The segment results include share of profits and losses of jointly-controlled entities and associates.

5. Finance Costs

	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Interest on bank and other borrowings	**803,871**	514,267
Less: Interest capitalised	**(733,496)**	(422,809)
	70,375	91,458

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Cost of properties sold	**2,591,996**	2,899,082
Less: Government grant released	**(41,976)**	(60,629)
	2,550,020	2,838,453
Depreciation	**34,554**	17,300
Amortisation of land use rights	**13,539**	7,742
Less: Amount capitalised in assets under construction	**(12,709)**	(7,034)
	830	708
Loss on disposal of items of property, plant and equipment	**185**	11
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**170,975**	121,919
Pension scheme contributions	**10,924**	7,688
Equity-settled share option expense	**411**	4,626
	182,310	134,233
Less: Amount capitalised in assets under construction, properties under development and investment properties under construction	**(52,942)**	(42,178)
	129,368	92,055

7. Income Tax Expenses

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current — PRC		
Corporate income tax ("CIT")	**418,769**	532,317
Land appreciation tax ("LAT")	**436,852**	537,232
	855,621	1,069,549
Deferred	**(64,444)**	(118,747)
Total tax charge for the period	**791,177**	950,802

The share of CIT credit and LAT expense attributable to the jointly-controlled entities for the six months ended 30 June 2012 amounting to approximately RMB7,115,000 (2011: CIT expense of approximately RMB128,000) and approximately RMB616,000 (2011: LAT credit of approximately RMB229,000), respectively, are included in "Share of profits and losses of jointly-controlled entities" on the face of the condensed consolidated income statement.

The share of CIT credit attributable to the associates for the six months ended 30 June 2012 amounting to approximately RMB348,000 (2011: approximately RMB1,222,000) is included in "Share of profits and losses of associates" on the face of the condensed consolidated income statement.

Hong Kong profits tax

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2012 and 2011.

PRC corporate income tax

The PRC CIT in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2012 and 2011, based on the existing legislation, interpretations and practices in respect thereof.

PRC land appreciation tax

The PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds of sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

8. Earnings Per Share Attributable to Owners of the Company

The calculation of the basic earnings per share attributable to owners of the Company for the six months ended 30 June 2012 and 2011 are as follows:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB thousands)	**911,699**	930,659
Weighted average number of ordinary shares in issue (thousands)	**2,893,150**	2,893,150
Earnings per share (RMB cents)	**31.5**	32.2

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2012 and 2011 in respect of a dilution as the share options outstanding during the periods had an anti-dilutive effect on the basic earnings per share presented.

9. Dividends

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2012 (2011: Nil).

10. Property, Plant and Equipment

During the six months ended 30 June 2012, additions to property, plant and equipment of the Group amounted to approximately RMB399,118,000 (2011: approximately RMB182,135,000).

Property, plant and equipment with a net book value amounted to approximately RMB189,000 was disposed of by the Group during the six months ended 30 June 2012 (2011: approximately RMB22,000), resulting in a net loss on disposal amounted to approximately RMB185,000 (2011: approximately RMB11,000).

11. Trade Receivables

Trade receivables mainly consist of receivables from sale of properties, rental under operating leases and provision of property management services. The payment terms of the sale of properties are stipulated in the relevant sale and purchase agreements. An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	As at	
	30 June	31 December
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 3 months	**63,167**	47,949
4 to 6 months	**8,159**	2,490
7 to 12 months	**10,694**	2,540
Over 1 year	**8,748**	7,793
	90,768	60,772

12. Trade Payables

All trade payables were fallen due within one year or repayable on demand as of 30 June 2012 and 31 December 2011.

13. Interest-bearing Bank and Other Borrowings

	As at 30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Current		
Bank loans		
— secured	**1,876,105**	1,988,035
— unsecured	**—**	70,000
— denominated in HK$, unsecured	**—**	242,670
Current portion of long-term bank loans		
— secured	**1,250,290**	412,480
— denominated in HK$, secured	**431,145**	499,465
— unsecured	**129,660**	159,386
— denominated in HK$, unsecured	**78,242**	37,536
	3,765,442	3,409,572
Non-current		
Bank loans		
— secured	**6,335,738**	5,900,569
— denominated in HK$, secured	**125,008**	200,285
— unsecured	**446,250**	495,750
— denominated in HK$, unsecured	**79,363**	118,384
Senior notes — denominated in US$, secured (a)	**6,200,700**	3,709,828
	13,187,059	10,424,816
	16,952,501	13,834,388

(i) Certain bank loans of the Group were secured by property, plant and equipment, land use rights, investment properties, properties under development, completed properties held for sale and time deposits of the Group with total carrying values of approximately RMB12,972,668,000 as at 30 June 2012 (31 December 2011: approximately RMB9,414,729,000).

(ii) At 30 June 2012 and 31 December 2011, the equity interests of certain subsidiaries and an associate of the Group were pledged to certain banks for the loans granted to the Group.

(iii) At 30 June 2012 and 31 December 2011, the senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their equity interests.

Except for the above mentioned borrowings denominated in HK$ and US$, all borrowings were denominated in RMB as at 30 June 2012 and 31 December 2011. All of the Group's bank loans were charged at floating interest rates except for loan balances with an aggregate amount of approximately RMB1,141,034,000, which were charged at fixed interest rate as at 30 June 2012 (31 December 2011: approximately RMB284,767,000).

13. Interest-bearing Bank and Other Borrowings (Continued)

Note:

(a) On 11 August 2010, the Company issued 12.5% senior notes with a nominal value of US$250,000,000 (equivalent to approximately RMB1,693,123,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 18 August 2017. The senior notes carry interest at a rate of 12.5% per annum, which is payable semi-annually in arrears on 18 February and 18 August of each year commencing on 18 February 2011. For further details on the senior notes, please refer to the related announcements of the Company dated 12 August 2010 and 19 August 2010.

On 23 March 2011, the Company issued 12.75% senior notes with a nominal value of US$350,000,000 (equivalent to approximately RMB2,296,035,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 30 March 2016. The senior notes carry interest at a rate of 12.75% per annum, which is payable semi-annually in arrears on 30 March and 30 September of each year commencing on 30 September 2011. For further details on the senior notes, please refer to the related announcements of the Company dated 23 March 2011, 24 March 2011 and 30 March 2011.

On 22 March 2012, the Company issued 13.25% senior notes with a nominal value of US$400,000,000 (equivalent to approximately RMB2,520,160,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 22 March 2017. The senior notes carry interest at a rate of 13.25% per annum, which is payable semi-annually in arrears on 22 March and 22 September of each year commencing on 22 September 2012. For further details on the senior notes, please refer to the related announcements of the Company dated 14 March 2012, 16 March 2012 and 23 March 2012.

14. Share Capital

	Number of ordinary shares of HK$0.10 each	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
	’000	HK$’000	RMB’000
Authorised			
At 30 June 2012 (unaudited)	**8,000,000**	**800,000**	**786,113**
At 31 December 2011 (audited)	8,000,000	800,000	786,113
Issued and fully paid			
At 30 June 2012 (unaudited)	**2,893,150**	**289,315**	**280,485**
At 31 December 2011 (audited)	2,893,150	289,315	280,485

15. Acquisition of a Subsidiary

During the period ended 30 June 2011, the Group acquired a 100% equity interest in Shanghai Jinyi Real Estate Limited# ("Shanghai Jinyi") through a 90% owned subsidiary. Shanghai Jinyi is principally engaged in property development. The purchase consideration for the acquisition was approximately RMB66,148,000, which was fully paid on the acquisition date.

The fair values of the identifiable assets and liabilities of Shanghai Jinyi as at the date of acquisition were as follows:

	RMB'000 (Unaudited)
Cash and bank balances	3,498
Properties under development	257,650
Other payables and accruals	(195,000)
	66,148

\# The English name of this company referred to in this condensed consolidated interim financial information represents management's best effort to translate the Chinese name of that company, as no English name has been registered.

16. Contingent Liabilities

(i) As at 30 June 2012, the Group had contingent liabilities relating to guarantees in respect of mortgages granted to certain purchasers of the Group's properties amounting to approximately RMB4,430,905,000 (31 December 2011: approximately RMB6,642,562,000). This represented the guarantees in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the Board considers that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made in the financial statements as at 30 June 2012 and the year ended 31 December 2011 for the guarantees.

(ii) As at 30 June 2012, the Group had provided guarantees in respect of certain bank loans of approximately RMB2,784,974,000 (31 December 2011: approximately 2,610,915,000) for its jointly-controlled entities.

(iii) As at 30 June 2012, the Group had provided a guarantee in respect of a bank loan of RMB700,000,000 (31 December 2011: RMB700,000,000) for the ex-owner of The Summit in Guangzhou, the PRC.

17. Commitments

	As at 30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment — Assets under construction	**562,837**	869,658
Properties being developed by the Group for sale	**3,922,927**	2,988,798
Investment properties under construction	**49,264**	—
	4,535,028	3,858,456
Authorised but not contracted for:		
Capital contributions payable to jointly-controlled entities	**—**	33,516

18. Related Party Transactions

(i) Compensation of key management personnel of the Group:

	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Short-term employee benefits	**13,800**	14,720
Post-employment benefits	**305**	286
Equity-settled share option expense	**794**	2,032
Total compensation paid to key management personnel	**14,899**	17,038

(ii) Outstanding balances with related parties:

	As at 30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Included in interests in associates/jointly-controlled entities:		
Advances to associates	**572,782**	569,657
Advances to jointly-controlled entities	**1,834,844**	1,675,218
Included in current assets/liabilities:		
Due from a jointly-controlled entity	**—**	43,713
Due to associates	**—**	1,081,720
Due to jointly-controlled entities	**1,907,490**	589,631

The above balances are unsecured, interest-free and have no fixed terms of repayment.

(iii) Other transactions with related parties:

Details of guarantees given by the Group to banks in connection with bank loans granted to its jointly-controlled entities are included in note 16(ii) to the condensed consolidated interim financial information.