招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 978)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board (the "Board") of directors (the "Directors") of China Merchants Land Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the period from 1 January 2016 to 30 June 2016 together with the comparative figures for the period from 1 January 2015 to 30 June 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
		(unaudited)	(unaudited)
	Notes	**RMB'000**	RMB'000
Revenue	*4*	**3,333,401**	1,395,012
Cost of sales		**(2,623,662)**	(798,879)
Gross profit		**709,739**	596,133
Other income		**61,168**	22,587
Net foreign exchange (losses) gains		**(54,496)**	40,218
Selling and marketing expenses		**(101,577)**	(76,504)
Administrative expenses		**(53,352)**	(40,350)
Fair value loss on derivative financial instruments, net	*12*	**(32,686)**	–
Share of losses of associates		**(1,731)**	(5,195)
Share of losses of joint ventures		**(5,468)**	–
Finance costs	*5*	**(97,250)**	(84,051)
Profit before tax	*7*	**424,347**	452,838
Income tax expense	*6*	**(213,021)**	(311,677)
Profit for the period		**211,326**	141,161

	Notes	Six months ended 30 June **2016** **(unaudited)** **RMB'000**	 2015 (unaudited) RMB'000
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**7,194**	187
Profit and total comprehensive income for the period		**218,520**	141,348
Profit for the period attributable to:			
Owners of the Company		**50,501**	130,684
Non-controlling interests		**160,825**	10,477
		211,326	141,161
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**57,695**	130,871
Non-controlling interests		**160,825**	10,477
		218,520	141,348
Earnings per share			
Basic (RMB cents)	9	**1.03**	2.66
Diluted (RMB cents)	9	**1.03**	2.66

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	At 30 June 2016 (unaudited) RMB'000	At 31 December 2015 (audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**34,716**	36,185
Investment properties		**21,301**	21,759
Goodwill		**160,210**	160,210
Interests in associates		**235,284**	237,015
Interests in joint ventures		**117,505**	8,404
Deferred tax assets		**337,804**	370,236
Derivative component of convertible bonds	*12*	**134,632**	168,570
		1,041,452	1,002,379
CURRENT ASSETS			
Properties for sale		**29,993,632**	29,323,044
Deposit paid for acquisitions of land use rights		**2,410,124**	–
Trade and other receivables	*10*	**5,226,161**	4,653,618
Tax recoverable		**219,897**	187,337
Bank balances and cash		**4,742,681**	3,697,337
		42,592,495	37,861,336
CURRENT LIABILITIES			
Deposits received in respect of pre-sale of properties		**12,735,989**	9,688,696
Trade and other payables	*11*	**6,009,912**	5,243,279
Loans from equity holders		**759,320**	1,818,105
Tax payable		**186,478**	316,777
Bank and other borrowings		**1,355,682**	1,105,202
		21,047,381	18,172,059
NET CURRENT ASSETS		**21,545,114**	19,689,277
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,586,566**	20,691,656

	Notes	At 30 June 2016 (unaudited) RMB'000	At 31 December 2015 (audited) RMB'000
NON-CURRENT LIABILITIES			
Loans from equity holders		**877,436**	682,251
Bank and other borrowings		**4,491,170**	3,451,416
Bonds payable		**3,292,076**	3,206,939
Convertible bonds	*12*	**1,602,098**	1,533,339
Derivative component of convertible bonds	*12*	**69,882**	72,675
Deferred tax liabilities		**73,043**	59,946
		10,405,705	9,006,566
NET ASSETS		**12,180,861**	11,685,090
CAPITAL AND RESERVES			
Share capital		**39,132**	39,132
Reserves		**5,177,145**	5,139,064
Equity attributable to owners of the Company		**5,216,277**	5,178,196
Non-controlling interests		**6,964,584**	6,506,894
TOTAL EQUITY		**12,180,861**	11,685,090

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2016

1. GENERAL INFORMATION

China Merchants Land Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the interim report.

The principal activities of the Group are development and sales of property, property leasing and sales of electronic and electrical related products and building related materials and equipment.

The condensed consolidated financial information is presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial information have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial information for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015 (the "2015 Financial Statements").

Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied, for the first time, the following new standards, amendments and interpretation ("new HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2016.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The adoption of the new HKFRSs in the current interim period has had no material effect on the Group's financial performance for the current and prior years and/or on the disclosures set out in these condensed consolidated financial information.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal report about the components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance. The CODM is the Company's executive directors.

For the management purpose, the Group is currently organised into the following two operating and reportable segments: (i) development and sales of properties and property leasing ("Properties Segment"); and (ii) sales of electronic and electrical related products and building related materials and equipment ("Trading Segment").

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Trading Segment RMB'000	Properties Segment RMB'000	Consolidated RMB'000
For the six months ended 30 June 2016 (unaudited)			
Segment revenue – external customers	**–**	**3,333,401**	**3,333,401**
Segment results	**(73)**	**587,971**	**587,898**
Net foreign exchange losses			**(54,771)**
Unallocated finance costs			**(63,599)**
Interest income			**887**
Fair value loss on derivative financial instruments, net			**(32,686)**
Unallocated corporate expenses			**(13,382)**
Profit before tax			**424,347**

	Trading Segment RMB'000	Properties Segment RMB'000	Consolidated RMB'000
For the six months ended 30 June 2015 (unaudited)			
Segment revenue – external customers	–	1,395,012	1,395,012
Segment results	69	479,907	479,976
Net foreign exchange gains			24,610
Unallocated finance costs			(48,620)
Interest income			6,921
Unallocated corporate expenses			(10,049)
Profit before tax			452,838

There were no inter-segment sales for both periods.

Segment results represent the profit earned by each segment without allocation of unallocated corporate expenses, fair value loss on derivative financial instruments, net, certain finance costs, certain interest income and certain net foreign exchange (losses) gains. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Certain comparative figures in the segment information for the period ended 30 June 2015 has been reclassified to conform with the presentation of the 2015 Financial Statements. Previously, share of results of associates were not allocated to the Properties Segment. For the period ended 30 June 2016, share of results of associates was reclassified and reported under "Properties Segment" as a result of the change in information reported internally for the purposes of resources allocation and assessment of business performance. Comparative figures have been reclassified accordingly.

5. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Interest on:		
– bank and other borrowings	**102,665**	199,271
– loans from an intermediate holding company	**14,532**	–
– loans from non-controlling equity holders of subsidiaries of the Group	**56,431**	18,165
– bonds	**81,891**	77,428
– convertible bonds *(note 12)*	**40,480**	4,270
Total borrowing costs	**295,999**	299,134
Less: Amount capitalised in the cost of qualifying assets	**(198,749)**	(215,083)
	97,250	84,051

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
The charge comprises:		
PRC Enterprise Income Tax		
– Current period	**93,071**	139,247
Land appreciation tax ("LAT")	**74,421**	177,296
	167,492	316,543
Deferred tax	**45,529**	(4,866)
	213,021	311,677

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit in Hong Kong for both reporting periods.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory EIT rate of the subsidiaries incorporated in the PRC is 25%. Further, 5% or 10% withholding income tax is generally imposed on dividends relating to profits earned by PRC entities that are owned by non-PRC entities within the Group.

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

7. PROFIT BEFORE TAX

The Group's profit before tax has been arrived at after charging (crediting):

	Six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Employee benefits expense (including directors' remuneration):		
Salaries and allowances	**70,330**	65,641
Pension scheme contributions	**15,256**	12,998
Total staff costs	**85,586**	78,639
Less: Amount capitalised to properties for sale	**(45,703)**	(34,092)
	39,883	44,547
Gross rental income from investment properties	**(1,967)**	(2,132)
Less: Direct operating expenses incurred	**786**	548
	(1,181)	(1,584)
Cost of properties for sale recognised as an expense	**2,623,662**	798,879
Depreciation of property, plant and equipment	**2,609**	1,902
Depreciation of investment properties	**458**	168

8. DIVIDEND

During the current period, a final dividend of HK$0.005 (2015: HK$0.01) per ordinary share in respect of the year ended 31 December 2015 was declared and paid to the shareholders of the Company. The aggregate amount of final dividend paid from the share premium of the Company and paid during the current period amounted to approximately RMB20,438,000 (2015: RMB38,854,000).

During the period ended 30 June 2016, a subsidiary of the Group declared dividends of approximately RMB39,366,000 to its shareholders, of which approximately RMB19,683,000 was paid to its non-controlling equity holders.

No interim dividend was paid, declared or proposed during the six months ended 30 June 2016, nor has any dividend been proposed since the end of the interim reporting period (2015: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 June 2016 is based on the profit attributable to owners of the Company of approximately RMB50,501,000 (2015: RMB130,684,000) and the weighted average number of 4,905,257,860 (2015: 4,905,257,860) ordinary shares in issue during the period.

The computations of diluted earnings per share for both reporting periods do not assume the conversion of the Group's convertible bonds since their conversion would result in an increase in earnings per share.

10. TRADE AND OTHER RECEIVABLES

Trade receivables mainly arise from Trading Segment and Properties Segment. The Group's credit terms with its trade customers are generally 0 to 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 60 days from the date of agreement.

The ageing analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2016 (unaudited) RMB'000	At 31 December 2015 (audited) RMB'000
Over 90 days	**2,329**	2,909

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables, based on the invoice date, at the end of the reporting period:

	At 30 June 2016 (unaudited) RMB'000	At 31 December 2015 (audited) RMB'000
0 to 60 days	**873,874**	1,547,008
61 to 180 days	**705,161**	305,730
181 to 365 days	**356,951**	323,775
Over 365 days	**279,051**	215,540
	2,215,037	2,392,053

12. CONVERTIBLE BONDS

On 23 June 2015, the Company's wholly owned subsidiary, Cosmos Boom Investment Limited ("Cosmos") issued 0.50% convertible bonds ("CBs") which were due on 23 June 2020 with an aggregate principal amount of US$290,000,000. The CBs were denominated in United States dollars ("US$") and entitle the holders to convert them into ordinary shares of the Company at a conversion price of HK$2.9875 per share with fixed exchange rate of HK$7.7559 equal to US$1.00 at any time on or after 2 August 2015 and thereafter up to the close of business on the tenth day prior to the maturity date or if such bonds shall have been called for redemption by Cosmos before maturity date, then up to and including the close of business on a date no later than 15 days prior to the date fixed for redemption thereof. Unless previously redeemed, converted, purchased and cancelled, all convertible bonds outstanding on maturity date shall be repaid by Cosmos at its principal amount outstanding on maturity date plus accrued interest. Cosmos may, on giving not less than 30 nor more than 90 days' notice to bondholders at any time on or after 23 December 2016 prior to the maturity date redeem all the outstanding CBs in whole at the outstanding principal amount and accrued interest. The bondholders have the right to require the Group to redeem all or some of the CBs on 23 June 2018 afterwards at their principal amount together with accrued and unpaid interest to the respective dates fixed for redemption.

At the issue date, the CBs were bifurcated into liability, equity and derivative components. The equity element is presented in equity under "Convertible bonds equity reserve". The effective interest rate of the liability component is 5.196% per annum.

The movements of the liability, equity and derivatives components of the CBs and the reconciliation of Level 3 fair value measurement during the reporting period are set out below:

	Liability component of CBs	**Derivative financial assets of CBs**	**Derivative financial liabilities of CBs**	**Equity component of CBs**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2015 (audited)	–	–	–	–	–
Issued during the period	1,434,233	(144,794)	61,324	421,687	1,772,450
Transaction cost	(25,027)	–	–	(7,358)	(32,385)
Imputed interest expense *(note 5)*	4,270	–	–	–	4,270
Exchange translation	(16,529)	(40)	17	–	(16,552)
As at 30 June 2015 (unaudited)	1,396,947	(144,834)	61,341	414,329	1,727,783
As at 1 January 2016 (audited)	1,533,339	(168,570)	72,675	414,329	1,851,773
Changes in fair value	–	36,955	(4,269)	–	32,686
Imputed interest expense *(note 5)*	40,480	–	–	–	40,480
Interest paid	(4,738)	–	–	–	(4,738)
Exchange translation	33,017	(3,017)	1,476	–	31,476
As at 30 June 2016 (unaudited)	**1,602,098**	**(134,632)**	**69,882**	**414,329**	**1,951,677**

No CBs were converted into ordinary shares of the Company during the six months ended 30 June 2016 and 2015. No redemption, purchase or cancellation by the Company or Cosmos has been made in respect of the CBs during the six months ended 30 June 2016 and 2015. As at 30 June 2016 and as at 31 December 2015, the principal amount of the CBs that remained outstanding amounted to US$290,000,000 of which a maximum amount of 752,873,974 shares may fall to be issued upon their conversions, subject to adjustments provided in the terms of the CBs.

13. ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS ASSETS ACQUISITION

On 15 April 2016, the Group completed the subscription of the 60% equity interests of Poly Field International Investments Limited ("Poly Field") from an independent third party for a cash consideration of RMB437,058,300. Poly Field owns 100% equity interest of a company incorporated in the PRC specifically for the construction and development of the real estate project in Guangzhou, the PRC. The directors of the Company are of the opinion that the acquisition of Poly Field is in substance an asset acquisition instead of a business combination, as the net assets of Poly Field was mainly properties for sale under development and Poly Field was inactive prior to the acquisition by the Group.

Net assets of Poly Field acquired:

	RMB'000
Plant and equipment	2
Properties for sale under development	655,789
Bank balances and cash	77,090
Other payables	(4,451)
	728,430
Non-controlling interests	(291,372)
	437,058
Satisfied by:	
Cash consideration	437,058
Net cash outflow arising from acquisition	
Cash paid	(437,058)
Less: Bank balances and cash acquired	77,090
	(359,968)

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW ANALYSIS

In the first half of 2016, the national policy of the real estate industry continued with the relaxing policy of "Adjusting down payment, relaxing credit and lowering tax liability", while local policies significantly differentiate from that as a result of the market response. Most cities have been boosted up comprehensively, while the hotspot cities started to tighten up. Encouraged by a basket of "Property Destocking" policies, the indicator for the real estate industry has been continuously improving with both the development investment and the growth of newly constructed area bouncing back from the tough, while the transaction volume of most cities in the first half of the year was higher than that of the corresponding period of last year.

FINANCIAL REVIEW

For the first half of 2016, profit attributable to the owners of the Company was RMB50,501,000 (the corresponding period of 2015: RMB130,684,000), representing a decrease of approximately 61% as compared with the same period last year. Profit amounted to RMB211,326,000 (the corresponding period of 2015: RMB141,161,000), representing an increase of approximately 50% as compared with the same period last year. The respective changes in profit attributable to the owners of the Company and profit for the period were primarily due to:

(i) Significant increase in revenue and profit for the six months ended 30 June 2016 as compared to the corresponding period in 2015 due to the significant increase in the total gross floor area of properties completed and delivered during the period. Such properties were mainly held by project companies in which the Group holds a relatively lower equity interest which led to the significant decline in profit attributable to the owners of the Company for the six months ended 30 June 2016 as compared with the corresponding period in 2015 and it is expected that projects with relatively higher equity interest attributable to the owners of the Company will be completed and delivered in the second half of 2016.

(ii) Significant decrease in profit attributable to the owners of the Company for the six months ended 30 June 2016 was due to the non-cash items below:

(a) an exchange loss was recorded for the six months ended 30 June 2016 while an exchange gain was recorded for the six months ended 30 June 2015. The exchange loss recorded for the six months ended 30 June 2016 was mainly due to the significant depreciation of Renminbi against United States Dollars during that period;

(b) a fair value loss on derivative financial instruments of approximately RMB32,686,000 was recognized to the profit or loss for the six months ended 30 June 2016 as a result of the issuance of five-year term credit enhanced convertible bonds on 23 June 2015 by a wholly-owned subsidiary of the Company in an aggregate principal amount of US$290,000,000 bearing coupon rate of 0.5% per annum.

Basic earnings per share was RMB1.03 cents (the corresponding period of 2015: RMB2.66 cents), representing a decrease of 61% as compared with the corresponding period. The Group, together with its associate and joint venture, achieved aggregate contracted sales amounted to RMB8,470,700,000, representing an increase of 116% over that of the same period last year. Aggregate contracted sales area was 607,373 sq.m., increased by 67% over the same period last year. The average selling price was approximately RMB13,946 per sq.m., representing an increase of 29% over that of the same period last year.

Equity attributable to owners of the Company was RMB5,216,277,000 as at 30 June 2016 (31 December 2015: RMB5,178,196,000), increased by approximately 0.7% as compared with that as at the end of last year.

Turnover

For the first half of 2016, the Group recorded turnover of RMB3,333,401,000 (the corresponding period of 2015: RMB1,395,012,000), representing a significant increase of approximately 139% as compared with the same period last year. The increase is due to the increase in the total gross floor area ("GFA") completed and delivered in the first half of 2016. For the first half of 2016, projects in Foshan, Guangzhou, Chongqing and Nanjing accounted for 61%, 3%, 10% and 26%, respectively, of the total revenue of the Group.

Gross Profit

Gross profit amounted to RMB709,739,000 (the corresponding period of 2015: RMB596,133,000), representing an increase of approximately 19% as compared with the same period last year. The gross profit margin was 21% which was decreased by 22 percentage points as compared with the same period last year (the corresponding period of 2015: 43%). The decrease in gross profit margin was primarily due to the structure of recognised items in the period had changed. For the first half of 2016, over 60% of the recognized revenue were derived from projects with relatively low profit margin while over 80% of the recognized revenue were derived from projects with relatively high profit margin for the first half of 2015.

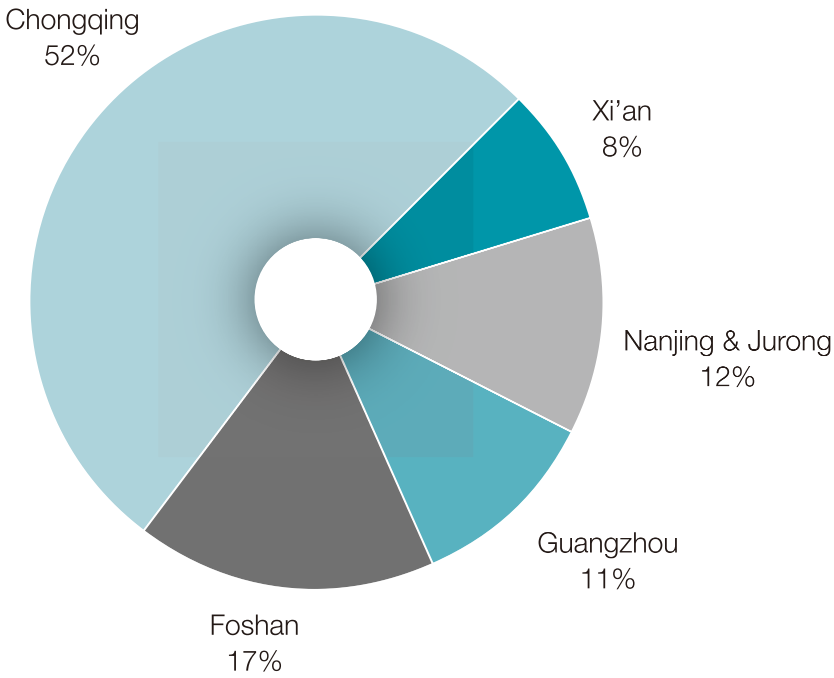
BUSINESS REVIEW

Property Development Business

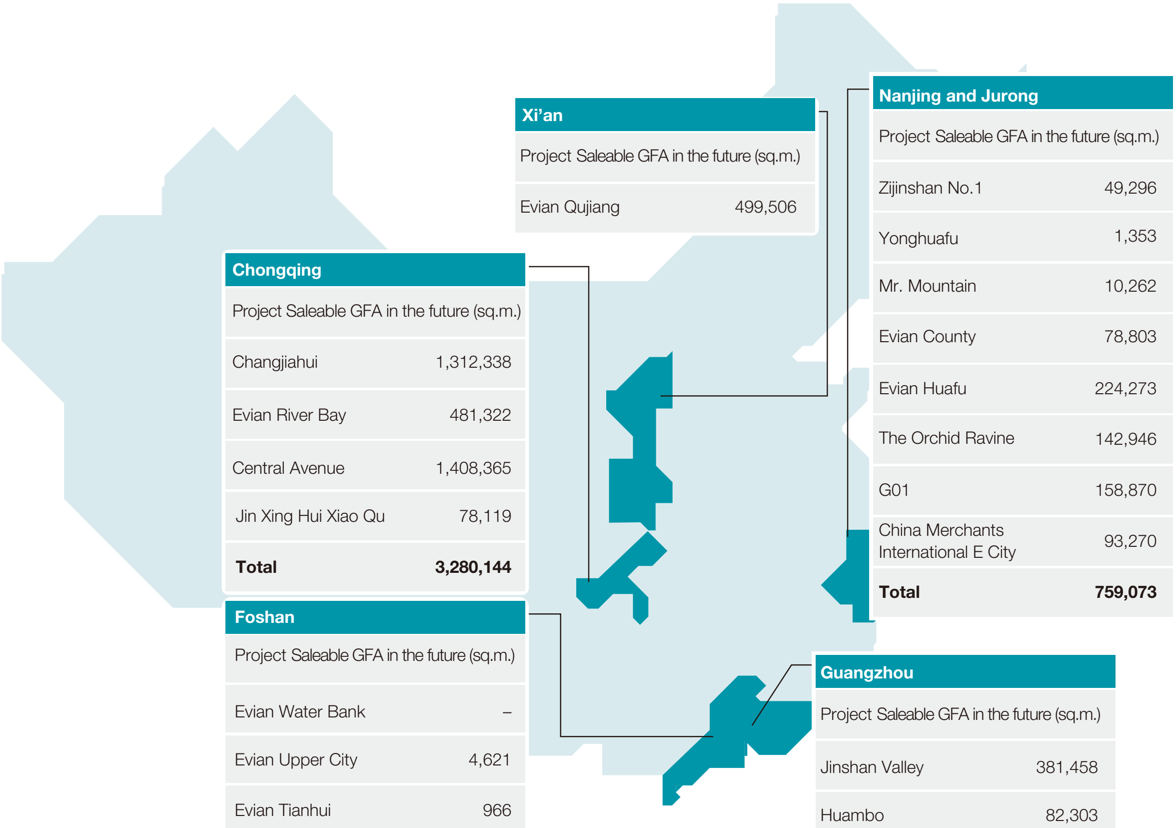
As at 30 June 2016, the Group's portfolio of property development projects consisted of 26 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi'an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, products types including apartments, villas, offices and retail shops etc.

Below are the breakdown of land bank by cities and a map showing the geographic locations and the land bank of the projects of the Group in the PRC. The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 30 June 2016 ("land bank") was 6,353,674 sq.m..

Land bank by cities as at 30 June 2016



A map showing the geographical location and land bank of the projects of the Group in the PRC as at 30 June 2016



Xi'an	
Project Saleable GFA in the future (sq.m.)	
Evian Qujiang	499,506

Nanjing and Jurong	
Project Saleable GFA in the future (sq.m.)	
Zijinshan No.1	49,296
Yonghuafu	1,353
Mr. Mountain	10,262
Evian County	78,803
Evian Huafu	224,273
The Orchid Ravine	142,946
G01	158,870
China Merchants International E City	93,270
Total	**759,073**

Chongqing	
Project Saleable GFA in the future (sq.m.)	
Changjiahui	1,312,338
Evian River Bay	481,322
Central Avenue	1,408,365
Jin Xing Hui Xiao Qu	78,119
Total	**3,280,144**

Foshan	
Project Saleable GFA in the future (sq.m.)	
Evian Water Bank	–
Evian Upper City	4,621
Evian Tianhui	966
Evian Xicheng	49,705
Park 1872	236,501
China Merchants Land Centre	189,682
Evian Yongjingwan	146,017
Evian Huafu	167,182
Evian Gongguan	185,996
China Merchants Zhenyuan	113,200
Total	**1,093,870**

Guangzhou	
Project Saleable GFA in the future (sq.m.)	
Jinshan Valley	381,458
Huambo	82,303
Sino-Singapore Guangzhou Knowlegde City	257,320
Total	**721,081**

The table below details the Group's property development projects as at 30 June 2016 which (i) had been completed, (ii) were under development, or (iii) were held for future development. All figures in relation to area are rounded up to the nearest whole number:

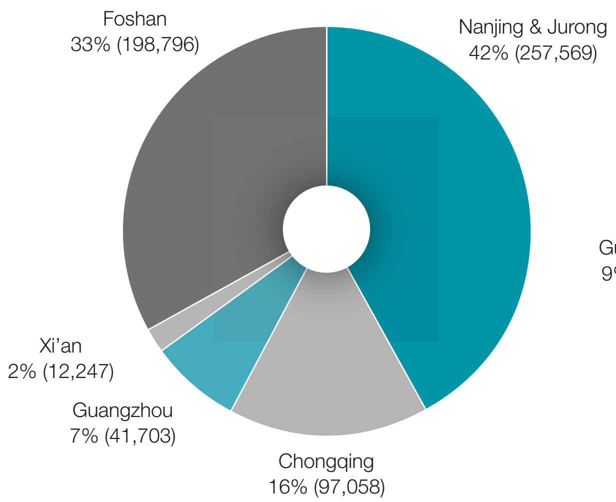
Project	The Company's attributable interest in the projects	Total GFA (sq.m.)	Land bank (sq.m.)	Completed: GFA completed (sq.m.)	Completed: Total GFA saleable/ rentable (sq.m.)	Completed: Of which sold and delivered (sq.m.)	Completed: Of which pre-sold but not yet delivered (sq.m.)	Completed: Of which not pre-sold/ held for investment (sq.m.)	Under development: GFA under development (sq.m.)	Under development: Total GFA saleable/ rentable (sq.m.)	Under development: Of which pre-sold (sq.m.)	Future development: Total GFA (sq.m.)	Future development: Total GFA saleable (sq.m.)
Foshan													
Evian Water Bank	50.00%	655,716	–	655,716	599,397	594,145	5,252	–	–	–	–	–	–
Evian Upper City	50.00%	355,992	4,621	355,992	319,965	311,617	3,727	4,621	–	–	–	–	–
Evian Tianhui	50.00%	301,818	966	301,818	271,940	270,859	115	966	–	–	–	–	–
Evian Xicheng	50.00%	438,393	49,705	384,082	349,732	310,436	2,692	36,604	54,311	48,975	35,874	–	–
Park 1872	100.00%	308,694	236,501	151,311	129,731	21,611	12,293	95,827	157,383	140,674	–	–	–
China Merchants Land Centre	51.00%	222,684	189,682	–	–	–	–	–	222,684	196,381	6,699	–	–
Evian Yongjingwan	50.00%	233,852	146,017	120,500	105,821	46,341	8,490	50,990	113,352	100,922	5,895	–	–
Evian Huafu	50.00%	362,108	167,182	136,970	130,617	84,869	17,073	28,675	124,421	119,334	78,225	100,717	97,398
Evian Gongguan	55.00%	317,111	185,996	123,938	120,408	75,673	18,663	26,072	114,157	110,963	27,871	79,016	76,832
China Merchants Zhenyuan	50.00%	133,683	113,200	–	–	–	–	–	133,683	124,961	11,761	–	–
Foshan subtotal		3,330,051	1,093,870	2,230,327	2,027,611	1,715,551	68,305	243,755	919,991	842,210	166,325	179,733	174,230
Guangzhou													
Jinshan Valley	100.00%	1,339,476	381,458	834,841	671,553	436,046	138,513	96,994	256,579	205,072	115,619	248,056	195,011
Huambo	51.00%	126,363	82,303	–	–	–	–	–	126,363	103,611	21,308	–	–
Sino-Singapore Guangzhou Knowledge City	60.00%	343,508	257,320	–	–	–	–	–	–	–	–	343,508	257,320
Guangzhou subtotal		1,809,347	721,081	834,841	671,553	436,046	138,513	96,994	382,942	308,683	136,927	591,564	452,331
Chongqing													
Changjiahui	50.00%	1,896,094	1,312,338	399,402	379,780	205,657	6,211	167,912	394,186	385,111	36,260	1,102,506	795,575
Evian River Bay	100.00%	533,692	481,322	165,473	155,297	35,084	3,310	116,903	–	–	–	368,219	364,419
Central Avenue	50.00%	1,546,440	1,408,365	–	–	–	–	–	357,443	349,188	120,522	1,188,997	1,179,699
Jin Xing Hui Xiao Qu	100.00%	98,044	78,119	–	–	–	–	–	98,044	96,107	17,988	–	–
Chongqing subtotal		4,074,270	3,280,144	564,875	535,077	240,741	9,521	284,815	849,673	830,406	174,770	2,659,722	2,339,693

Project	The Company's attributable interest in the projects	Total GFA (sq.m.)	Land bank (sq.m.)	Completed: GFA completed (sq.m.)	Completed: Total GFA saleable/ rentable (sq.m.)	Completed: Of which sold and delivered (sq.m.)	Completed: Of which pre-sold but not yet delivered (sq.m.)	Completed: Of which not pre-sold/ held for investment (sq.m.)	Under development: GFA under development (sq.m.)	Under development: Total GFA saleable/ rentable (sq.m.)	Under development: Of which pre-sold (sq.m.)	Future development: Total GFA (sq.m.)	Future development: Total GFA saleable (sq.m.)
Nanjing & Jurong													
Zijinshan No.1	51.00%	213,870	49,296	213,870	145,376	95,355	725	49,296	–	–	–	–	–
Yonghuafu	51.00%	179,048	1,353	179,048	151,388	149,513	522	1,353	–	–	–	–	–
Mr. Mountain	26.01%	75,051	10,262	71,203	59,507	–	50,769	8,738	3,848	3,697	2,173	–	–
Evian County	26.01%	212,974	78,803	98,320	89,422	67,619	3,267	18,536	114,654	98,965	38,698	–	–
Evian Huafu	51.00%	359,391	224,273	–	–	–	–	–	359,391	316,520	92,247	–	–
The Orchid Ravine	51.00%	346,907	142,946	–	–	–	–	–	346,907	277,140	134,194	–	–
G01	51.00%	201,820	158,870	–	–	–	–	–	–	–	–	201,820	158,870
China Merchants International E City	70.00%	228,150	93,270	–	–	–	–	–	208,200	194,355	121,035	19,950	19,950
Nanjing & Jurong subtotal		1,817,211	759,073	562,441	445,693	312,487	55,283	77,923	1,033,000	890,677	388,347	221,770	178,820
Xi'an													
Evian Qujiang	100.00%	538,474	499,506	–	–	–	–	–	240,044	239,144	16,828	298,430	277,190
Xi'an subtotal		538,474	499,506	–	–	–	–	–	240,044	239,144	16,828	298,430	277,190
Total		11,569,353	6,353,674	4,192,484	3,679,934	2,704,825	271,622	703,487	3,425,650	3,111,120	883,197	3,951,219	3,422,264

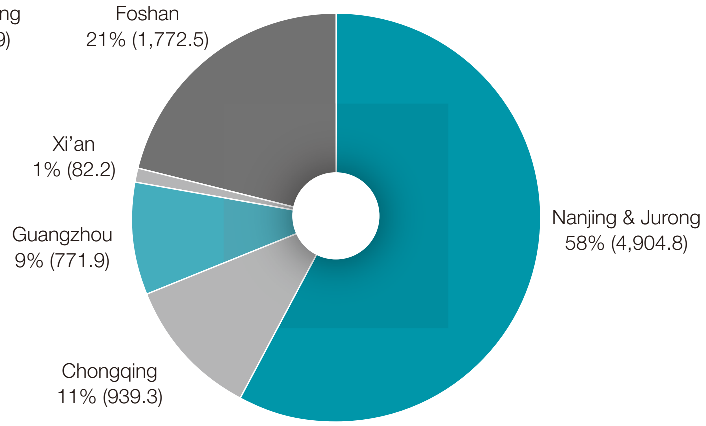
Contracted sales

For the first half of 2016, the Group, together with its associate and joint venture, recorded contracted sales of approximately RMB8,470,700,000 from five cities and the saleable area sold was approximately 607,373 sq.m..

First half of 2016
contracted sales in area by region (sq.m.)



First half of 2016
contracted sales amount by region (RMB million)



Newly Acquired Land Bank

1 parcel of land was acquired during the period as follows:

Project	Total consideration *(RMB million)*	Total site area *(sq.m.)*	Total permissible area *(sq.m.)*	Average land premium *(RMB/sq.m.)*
Nanjing G01	4,820	62,728	161,211	29,899

Electronic Trading Business and Property Related Procurement Business

The Group will balance the synergies in property related procurement business and the main business in property development business to determine the resources to be allocated to the trading procurement business.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 30 June 2016, the net assets attributable to shareholders of the Group were approximately RMB5,216,277,000 (31 December 2015: RMB5,178,196,000).

As at 30 June 2016, bank balances and cash was RMB4,742,681,000 (31 December 2015: RMB3,697,337,000). In terms of currency denomination, bank balances and cash can be divided into RMB4,178,364,000 in Renminbi, RMB560,778,000 in US$ and RMB3,539,000 in Hong Kong dollars.

In June 2015, the Company's direct wholly-owned subsidiary completed the issuance of a guaranteed convertible bonds due in June 2020 (credit enhanced until July 2018) in the aggregate principal amount of US$290,000,000 bearing coupon rate at 0.50% per annum ("Convertible Bonds"). In December 2013, the Group completed the issuance of five-year term credit enhanced bonds in the aggregate principal amount of US$500,000,000 bearing coupon rate of 4.021% per annum ("Bond"). The rates of the Convertible Bonds and the Bond, which are fixed and unchanged during their subsisting period, bear simple interest rather than compound interest and the interest are payable half-yearly. Both the Convertible Bonds and the Bonds are listed on the Hong Kong Stock Exchange with effect from 24 June 2015 and 12 December 2013 respectively. The fund raised from the issuance of the Convertible Bonds and the Bond are for the purpose of general corporate use.

As at 30 June 2016, total interest-bearing debt of the Group was RMB12,377,782,000 (31 December 2015: RMB11,797,252,000). In terms of maturity, the outstanding total interest-bearing debt (excluding the Convertible Bonds and the Bond) can be divided into RMB2,115,002,000 repayable within one year, RMB3,951,046,000 repayable after one year but within two years and RMB1,417,560,000 repayable after two years but within five years. In terms of currency denomination, the outstanding total interest-bearing debt can be divided into RMB6,817,358,000 in Renminbi and RMB5,560,424,000 in US$.

At 30 June 2016, the Group's net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity ratio (including non-controlling interests) (the "net gearing ratio") was 63% (31 December 2015: 69%). Although the financial position of the Group is stable and the potential financing capacity is strong, the Group will continue to take the relatively stable financial policies and to control the net gearing ratio at the industry average level.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, US$ and HKD. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimized via balancing the monetary assets versus monetary liabilities. As the Convertible Bonds and the Bond were denominated in US$, while the Group conducts its sales, receivables, payables and expenditures in RMB for its PRC property development business, the management will closely monitor the volatility between RMB and US$ exchange rates and might consider hedging should the need arises.

NON-COMPETITION DEED

To minimise actual and potential competition, the Group and China Merchants Property Development Co., Ltd ("CMPD") entered into a non-competition deed on 19 June 2013 as amended and supplemented on 4 October 2013 (the "Non-Competition Deed"). On 30 December 2015, the Company, CMPD and China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) ("CMSK")[Note 1] had entered into a deed of amendment and novation ("Novation Deed") pursuant to which all the obligations, undertakings, interests and benefits of CMPD under the Non-Competition Deed were novated to and undertaken by CMSK in replacement of CMPD as if CMSK has been a party to the Non-Competition Deed in substitution of CMPD with effective from 30 December 2015. Other than that, all the other terms of the Non-Competition Deed shall remain unchanged[Note 2].

Pursuant to the Non-Competition Deed (as amended by the Novation Deed), (i) CMSK and its subsidiaries (excluding the Group) ("CMSK Group") will not compete with the Group in the cities of Foshan, Guangzhou, Chongqing and Nanjing ("Target Cities") except for certain operation transitional assets ("Operation Transitional Assets") located in three out of the four Target Cities ("Overlapping Target Cities") which would be retained by CMSK Group but managed by the Group under certain operation agreement entered into between the Group and CMSK; (ii) the Group will not compete with CMSK in 21 other cities in the PRC ("CMSK Cities"); (iii) and the Group will have a right of first refusal to conduct property business in any city in which neither CMSK nor the Group has any property business as at the date of the Non-Competition Deed. For details of the Non-Competition Deed, the Overlapping Target Cities, Operation Transitional Assets and the CMSK Cities, please refer to the section headed "Relationship with the Controlling Shareholders" in the circular of the Company dated 10 October 2013.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the quarterly reports prepared by the Company's management containing latest information on the respective property projects portfolios of CMSK Group and the Group; (ii) carried out a review on the implementation of and compliance with the Non-Competition Deed by CMSK Group and the Group during the six months ended 30 June 2016; and (iii) confirmed that the terms of the Non-Competition Deed had been complied with by CMSK Group and the Group during the six months ended 30 June 2016.

The Group will continue focusing on developing its property development business in the 4 Target Cities and the 2 new cities entered in 2014 and will also select other new cities carefully for investment and development should appropriate opportunities arise.

Notes:

1. According to the announcements published by CMSK and CMPD on the Shenzhen Stock Exchange, on 30 December 2015, CMSK and CMPD had completed the major asset restructuring and integration exercise pursuant to which, among other things, all assets, liabilities, businesses, employees, contracts and all others rights and obligations of CMPD have been taken up and assumed by CMSK in replacement of CMPD, CMPD was delisted from the Shenzhen Stock Exchange and the shares of CMSK became listed on the Shenzhen Stock Exchange, all with effect from 30 December 2015.

2. In the above paragraphs under the heading of "Non-competition Deed", for the avoidance of doubt, references to CMSK should be construed as referring to CMPD in the context of any time before 30 December 2015.

OUTLOOK AND PROSPECTS

Looking forward to the second half of the year, as the overall real estate industry in China has significantly picked up, it is unlikely that the central government will further introduce national relaxation policies as a matter of urgency, while destocking would be more reliant on the relevant policies of each region in satisfaction of local needs. It is expected the real estate development investment in the second half of the year would experience a slow growth. The market may enter into an adjustment period, evidenced by the continuous trend of differentiation in regions and cities and more frequent acquisitions and mergers and reorganization activities in the industry.

The Group will closely monitor market dynamics as usual, and make efforts in achieving the sales and profit targets. Meanwhile, benefited from the resources of CMG and CMSK, we will progressively expand into overseas markets and continue to carry forward our light-assets business model in order to transition into the best property investment operator.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the period from 1 January 2016 to 30 June 2016 (1 January 2015 to 30 June 2015: Nil).

PLEDGE OF ASSETS

As at 30 June 2016, properties for sale located in Chongqing and Guangzhou with carrying values of approximately RMB1,383,544,000 (31 December 2015: RMB699,290,000) have been pledged to secure bank borrowings amounting to RMB641,830,000 (31 December 2015: RMB187,800,000) granted to the Group.

CONTINGENT LIABILITIES

The Group has contingent liabilities amounted to RMB4,070,550,000 as at 30 June 2016 (31 December 2015: RMB2,492,062,000).

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualifications, experience, responsibilities, profitability of the Group and current market conditions.

As at 30 June 2016, the Group had 586 (31 December 2015: 583 employees in the PRC and Hong Kong) employees in the PRC and Hong Kong.

The Group's total expenses on salaries and allowances (including directors' remuneration) for the period ended 30 June 2016 was approximately RMB85,586,000 (for the period ended 30 June 2015: RMB78,639,000). Apart from basic salaries, fringe benefits such as contributions to the state-managed retirement benefit schemes and MPF scheme and group medical insurance are also offered to the employees. Different trainings are also provided to employees according to their levels and job duties throughout the period. A share option scheme was adopted at the annual general meeting of the Company held on 27 September 2011 (the "2011 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. No options had been granted under the 2011 Share Option Scheme during the period ended 30 June 2016.

SHARE OPTION SCHEME

The 2011 Share Option Scheme was adopted at the annual general meeting of the Company held on 27 September 2011 for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. No grants under the 2011 Share Option Scheme were made during the six months ended 30 June 2016. Since the adoption of the 2011 Share Option Scheme on 27 September 2011 and up to and including 30 June 2016, no share option has ever been granted under it.

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

During the period, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors and one non-executive Director. Dr. Wong Wing Kuen, Albert, chairman of the Audit Committee, has the appropriate professional qualification and experience in financial matters as required by the Listing Rules. This committee is authorized by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee and the external auditor have reviewed the Group's unaudited consolidated financial statements for the period, including the accounting principles and practices adopted by the Group.

SPECIFIC PERFORMANCE OBLIGATIONS RELATING TO CONTROLLING SHAREHOLDERS

Save as disclosed below, the Directors are not aware of any circumstances which would be required to disclose herein pursuant to the requirements under Rule 13.21 of the Hong Kong Listing Rules.

- On 31 December 2014, the Company as borrower confirmed its acceptance of a term loan facility relating to a USD100,000,000 committed term loan facility with a bank which has a term of 36 months commencing from the date of initial drawdown.

- On 31 May 2016, the Company as borrower entered into a loan agreement relating to a RMB640,000,000 term loan facility with a bank which has a term of 36 months commencing from the date of initial drawdown;

The following events would trigger breach of one or more of the above mentioned loan agreements:

(i) CMSK ceases to beneficially own (directly or indirectly) at least 40% of the issued share capital of the Company;

(ii) CMSK ceases to beneficially own (directly or indirectly) at least 51% of the issued share capital of the Company;

(iii) the shares of CMSK ceases for any reason to be listed on the Shenzhen Stock Exchange (or its successor) or such listing is suspended for more than 15 consecutive trading days due to non-compliance with the rules of the Shenzhen Stock Exchange (or its successor) or breach of any undertaking given to the Shenzhen Stock Exchange (or its successor);

(iv) CMG ceases to be the single largest shareholder of CMSK (beneficially owned, directly or indirectly, the largest proportionate shareholding or ownership interest in CMSK from time to time) and ceases to beneficially own, directly or indirectly, at least 40% of the entire shareholding or ownership interest in CMSK; or

(v) CMG ceases to be controlled by The State-owned Assets Supervision and Administration Commission of the State Council of the PRC or any other similarly empowered authorities of the PRC government.

The loan agreements dated 31 December 2014 and 31 May 2016 mentioned above contain cross default provisions so that if the Company or any of its subsidiaries commits a default under any other loan agreement(s) to which it is a borrower that entitles any creditor to declare any borrowed monies under such loan agreement(s) due and payable and the amount in aggregate exceeds US$15,000,000, or its equivalent in other currencies it will also constitute an event of default under those loan agreements.

Details of the above mentioned loan agreements made pursuant to the requirements of Rule 13.18 of the Listing Rules were disclosed in the announcements of the Company dated 31 December 2014 and 31 May 2016 respectively.

As at 30 June 2016, the aggregate outstanding principal of loans owed by the Group under the above loan agreements were US$100,000,000 and RMB640,000,000.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, save as mentioned below, the Company had complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2016.

During the six months ended 30 June 2016, the Company had the following deviations from the CG Code:

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. The non-executive Directors and all the independent non-executive Directors do not have specific terms of appointment. However, all of them are subject to the requirement to retire by rotation at least once every 3 years at annual general meetings under the Company's articles of association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Mr. Xu Yongjun and Mr. Yan Chengda, both are non-executive Directors and Mr. He Qi, an independent non-executive Director, did not attend the annual general meeting of the Company held on 26 April 2016 due to other business engagement. However, there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. Xu Yongjun, chairman of the Board, could not attend the annual general meeting held on 26 April 2016 due to other business engagement which was a deviation from Code Provision E.1.2. However, he has appointed Mr. Huang Junlong, a non-executive Director, to be his alternate director and acted as chairman of the annual general meeting.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the period.

SECURITIES TRANSACTIONS BY RELEVANT EMPLOYEES

Under Code Provision A.6.4, the Board has established written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee or a director of a subsidiary or holding company, because of such office or employment, is likely to be in possession of inside information in relation to the Company or its securities. Having made specific enquiry to all relevant employees, the directors are satisfied that the required standard set out in the said written guidelines and its code of conduct regarding securities transaction have been complied with during the period covered by this interim report.

On behalf of the Board
Mr. Xu Yongjun
Chairman

Hong Kong, 18 August 2016

As at the date of this announcement, the Board comprises Mr. Xu Yongjun, Mr. Huang Junlong, Mr. Yan Chengda and Ms. Liu Ning as non-executive Directors; Dr. So Shu Fai, Mr. Yu Zhiliang and Mr. Wong King Yuen as executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as independent non-executive Directors.