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恒大地產集團®
EVERGRANDE REAL ESTATE GROUP

Evergrande Real Estate Group Limited
恒 大 地 產 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

1. Revenue increased by 22.7% to RMB77.74 billion from RMB63.34 billion for the corresponding period of 2014. Revenue for the first half of 2015 from the property development segment amounted to RMB75.37 billion, accounting for 97.0% of revenue of the Group.

2. Gross profit increased by 22.0% to RMB22.07 billion from RMB18.09 billion for the corresponding period of 2014. Gross profit margin was 28.4%.

3. Net profit rose by 40.0% to RMB13.29 billion from RMB9.49 billion for the corresponding period of 2014.

4. Core business profit rose by 56.5% to RMB10.16 billion from RMB6.49 billion for the corresponding period of 2014.

5. Profit margin of the core business was 13.1%, increasing by 2.8 percentage points from 10.3% for the corresponding period in 2014.

6. Total assets increased by 13.8% to RMB539.85 billion from RMB474.46 billion as at the end for 2014.

7. As at 30 June 2015, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB81.57 billion, representing an increase of 37.1% as compared with the balance as at the end of 2014. Together with the unutilized banking facilities of RMB134.20 billion, the Group had available funds of RMB215.77 billion.

8. Basic earnings per share increased to RMB0.63 per share, an increase of 31.3% from RMB0.48 per share for the corresponding period in 2014.

9. Net profit attributable to shareholders increased by 33.0% to RMB9.43 billion from RMB7.09 billion for the corresponding period of 2014.

10. Annualized return of shareholders was 34.5%, up by 4.5 percentage points from 30% for the corresponding period of 2014.

11. Contracted sales during the first half of 2015 amounted to RMB87.11 billion, representing a period-on-period increase of 25.7%; whereas the gross floor area of contracted sales was 11.38 million square meters, representing a period-on-period increase of 16.1%. The average price of contracted sales was RMB7,656 per square meter, representing a period-on-period increase of 8.2%.

The board of directors (the "Board") of Evergrande Real Estate Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**77,743,209**	63,336,747
Cost of sales	*5*	**(55,673,495)**	(45,242,114)
Gross profit		**22,069,714**	18,094,633
Fair value gains on investment properties		**5,533,975**	4,408,172
Other income	*6*	**1,217,189**	514,367
Selling and marketing costs	*5*	**(5,299,872)**	(3,539,235)
Administrative expenses	*5*	**(2,977,096)**	(1,939,506)
Other operating expenses	*5*	**(539,200)**	(758,098)
Operating profit		**20,004,710**	16,780,333
Gain on financial assets at fair value through profit or loss	*8*	**2,481,429**	—
Finance costs, net	*7*	**(606,901)**	(224,984)
Share of profit of investments accounted for using the equity method		**38,649**	—
Profit before income tax		**21,917,887**	16,555,349
Income tax expenses	*9*	**(8,631,880)**	(7,060,480)
Profit for the period		**13,286,007**	9,494,869
Other comprehensive income			
Item that may be reclassified to profit or loss			
Change in value of available-for-sale financial assets		**(12,999)**	171,296
Total comprehensive income for the period		**13,273,008**	9,666,165
Profit attributable to:			
Shareholders of the Company		**9,426,371**	7,093,578
Holders of perpetual capital instruments		**2,611,301**	1,883,863
Non-controlling interests		**1,248,335**	517,428
		13,286,007	9,494,869

	Note	Six months ended 30 June 2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Total comprehensive income attributable to:			
Shareholders of the Company		**9,413,372**	7,264,874
Holders of perpetual capital instruments		**2,611,301**	1,883,863
Non-controlling interests		**1,248,335**	517,428
		13,273,008	9,666,165
Earnings per share for profit attributable to shareholders of the Company for the period (expressed in RMB per share)			
— Basic earnings per share	*10*	**0.63**	0.48
— Diluted earnings per share	*10*	**0.62**	0.47
Dividends	*11*	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**30 June 2015 (Unaudited)** *RMB'000*	31 December 2014 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**15,911,099**	15,504,229
Land use rights		**3,451,325**	3,388,044
Investment properties		**79,471,858**	61,856,719
Properties under development		**354,842**	354,842
Trade and other receivables	*12*	**9,145,348**	5,221,424
Intangible assets		**362,576**	368,229
Investments accounted for using the equity method		**1,418,831**	1,062,092
Available-for-sale financial assets		**596,753**	123,006
Deferred income tax assets		**3,154,083**	2,447,413
Goodwill		**884,737**	486,004
		114,751,452	90,812,002
Current assets			
Inventories		**949,275**	578,482
Properties under development		**237,060,831**	210,793,173
Completed properties held for sale		**47,970,679**	35,682,401
Trade and other receivables	*12*	**18,724,038**	16,027,027
Prepayments	*13*	**35,310,067**	47,867,990
Income tax recoverable		**3,511,674**	2,252,960
Financial assets at fair value through profit or loss	*8*	**—**	10,949,858
Restricted cash		**43,500,599**	29,651,430
Cash and cash equivalents		**38,068,299**	29,846,770
		425,095,462	383,650,091
Total assets		**539,846,914**	474,462,093

	Note	30 June 2015 (Unaudited) *RMB'000*	31 December 2014 (Audited) *RMB'000*
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		**1,086,312**	1,020,734
Share premium		**4,342,270**	—
Reserves		**7,549,977**	5,848,773
Retained earnings		**45,068,168**	44,250,284
		58,046,727	51,119,791
Perpetual capital instruments		**52,366,090**	52,852,179
Non-controlling interests		**10,432,216**	8,406,034
Total equity		**120,845,033**	112,378,004
LIABILITIES			
Non-current liabilities			
Borrowings		**84,469,506**	76,401,319
Other payables	*14*	**685,760**	7,175,106
Deferred income tax liabilities		**12,705,988**	10,270,800
		97,861,254	93,847,225
Current liabilities			
Borrowings		**100,818,933**	79,663,300
Trade and other payables	*14*	**159,629,123**	123,672,865
Receipt in advance from customers		**37,641,094**	47,347,949
Current income tax liabilities		**23,051,477**	17,552,750
		321,140,627	268,236,864
Total liabilities		**419,001,881**	362,084,089
Total equity and liabilities		**539,846,914**	474,462,093
Net current assets		**103,954,835**	115,413,227
Total assets less current liabilities		**218,706,287**	206,225,229

Notes:

1. GENERAL INFORMATION

Evergrande Real Estate Group Limited (the "Company") was incorporated in the Cayman Islands on 26 June 2006 as an exempted company with limited liability under the Companies Law, Cap. 22 (2012 Revision as consolidated and revised from time to time) of the Cayman Islands and is engaged in investment holding. The Company and its subsidiaries (the "Group") are principally engaged in the property development, property investment, property management, property construction, hotel and other businesses in the People's Republic of China (the "PRC"). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company had its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 November 2009.

The condensed consolidated interim financial information is presented in thousands of Renminbi Yuan ("RMB"), unless otherwise stated. The condensed consolidated interim financial information has been approved for issue by the Board of Directors of the Company on 31 August 2015.

These condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

(i) New standards, amendments to standards and interpretations adopted by the Group as at 1 January 2015

The following new standards, amendments to standards and interpretations are mandatory for the Group's financial year beginning 1 January 2015. The adoption of these new standards, amendments to standards and interpretations does not have any significant impact to the results and financial position of the Group.

HKAS 19 (Amendment)	Regarding employees benefit plans
Annual improvements 2012	2010–2012 Cycle of the annual improvements
Annual improvements 2013	2011–2013 Cycle of the annual improvements
Annual improvements 2014	2012–2014 Cycle of the annual improvements

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

4. SEGMENT INFORMATION

The chief operating decision-maker ("CODM") of the Group has been identified as the executive directors of the Company who are responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, property management and other businesses which mainly include property construction, hotel operation, sales of spring water, dairy products, grain and oil products, healthcare business and cultural business. As the CODM of the Group considers most of the revenue and results of the Group are attributable to the market in the PRC, and only an immaterial part (less than 10%) of the Group's assets are located outside the PRC, no geographical segment information is presented.

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

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

The segment results and other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2015 are as follows:

	Property development *RMB'000*	**Property investment** *RMB'000*	**Property management services** *RMB'000*	**Other businesses** *RMB'000*	**Group** *RMB'000*
Gross segment revenue	**75,373,591**	**134,181**	**1,160,927**	**4,627,834**	**81,296,533**
Inter-segment revenue	**—**	**(54,207)**	**(462,934)**	**(3,036,183)**	**(3,553,324)**
Revenue	**75,373,591**	**79,974**	**697,993**	**1,591,651**	**77,743,209**
Share of post-tax profit of associates	**170,820**	**—**	**—**	**—**	**170,820**
Share of post-tax loss of joint ventures	**(4,193)**	**—**	**—**	**(127,978)**	**(132,171)**
Segment results	**15,828,945**	**5,834,290**	**(132,318)**	**(1,487,558)**	**20,043,359**
Gain on financial assets at fair value through profit or loss					**2,481,429**
Finance costs, net					**(606,901)**
Profit before income tax					**21,917,887**
Income tax expenses					**(8,631,880)**
Profit for the period					**13,286,007**
Depreciation and amortisation	**329,869**	**—**	**4,242**	**385,822**	**719,933**
Fair value gains on investment properties	**—**	**5,533,975**	**—**	**—**	**5,533,975**

The segment results and other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2014 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Group *RMB'000*
Gross segment revenue	62,028,564	75,477	783,271	4,696,655	67,583,967
Inter-segment revenue	—	(14,471)	(318,238)	(3,914,511)	(4,247,220)
Revenue	62,028,564	61,006	465,033	782,144	63,336,747
Segment results	14,521,195	4,706,182	(234,676)	(2,028,356)	16,964,345
Dividend income of available-for-sale financial assets					211,889
Loss on disposal of available-for-sale financial assets					(395,901)
Finance cost, net					(224,984)
Profit before income tax					16,555,349
Income tax expenses					(7,060,480)
Profit for the period					9,494,869
Depreciation and amortisation	158,781	—	3,071	406,517	568,369
Fair value gains on investment properties	—	4,408,172	—	—	4,408,172

Segment assets as at 30 June 2015 are as follows:

	Property development ***RMB'000***	**Property investment** ***RMB'000***	**Property management services** ***RMB'000***	**Other businesses** ***RMB'000***	**Group** ***RMB'000***
Segment assets	**435,380,601**	**79,471,858**	**1,365,654**	**16,366,291**	**532,584,404**
Unallocated assets					**7,262,510**
Total assets					**539,846,914**

Segment assets as at 31 December 2014 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Group *RMB'000*
Segment assets	381,636,825	61,856,719	702,126	14,493,186	458,688,856
Unallocated assets					15,773,237
Total assets					474,462,093

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

Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties under development, completed properties held for sale, receivables, prepayments and cash balances. They exclude deferred tax assets, income tax recoverable and available-for-sale financial assets.

5. EXPENSES BY NATURE

Major expenses included in cost of sales, selling and marketing costs, administrative expenses and other operating expenses are analysed as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Cost of properties sold	**49,242,648**	40,727,379
Staff costs — including directors' emoluments	**5,279,906**	3,598,317
Business tax and other levies	**4,391,708**	3,609,678
Advertising costs	**2,604,802**	2,007,028
Sales commissions	**544,742**	306,747
Consultancy fee	**128,801**	106,337
Depreciation of property, plant and equipment	**631,116**	458,181
Amortisation of land use rights and intangible assets	**88,817**	110,188
Operating lease expenses	**86,119**	103,346
Donations	**122,788**	45,744

6. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Interest income from bank deposits	**481,968**	128,082
Forfeited customer deposits	**82,463**	17,028
Advertising income	**—**	215,168
Gain on disposal of investment properties	**231,072**	252,689
Dividend income of available-for-sale financial assets	**—**	211,889
Loss on disposal of available-for-sale financial assets	**—**	(395,901)
Interest income from non-current receivables	**266,380**	—
Others	**155,306**	85,412
	1,217,189	514,367

7. FINANCE COST, NET

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance costs		
Interest expense from borrowings	**(7,879,455)**	(5,685,676)
Less: interest capitalised	**7,878,657**	5,675,722
	(798)	(9,954)
Exchange gain/(loss)	**26,705**	(215,030)
Other finance costs	**(632,808)**	—
	(606,901)	(224,984)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
As at 1 January	**10,949,858**	—
Additions	**1,600,000**	—
Changes in fair value of financial assets	**2,481,429**	—
Disposals	**(15,031,287)**	—
As at 30 June	**—**	—

Changes in fair values of financial assets at fair value through profit or loss are recorded in "Gain on financial assets at fair value through profit or loss" in the condensed consolidated statement of comprehensive income.

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax		
— Hong Kong profits tax	**372**	—
— PRC corporate income tax	**3,897,715**	4,102,364
— PRC land appreciation tax	**3,002,161**	2,527,413
Deferred income tax		
— PRC corporate income tax	**370,660**	29,937
— PRC land appreciation tax	**1,360,972**	400,766
	8,631,880	7,060,480

The weighted average applicable corporate income tax rate for the six months ended 30 June 2015 and 2014 is 25%.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (2012 Revision as consolidated and revised from time to time) the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The group companies in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2014: 16.5%) on the estimated assessable profit for the current period in respect of operations in Hong Kong.

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate of 25% (six months ended 30 June 2014: 25%) on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

PRC withholding income tax

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

PRC land appreciation tax

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

10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profits attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

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

11. DIVIDENDS

The Board of Directors of the Company resolved not to declare any dividend in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

A final dividend in respect of the year ended 31 December 2014 of HK$0.545 per share totaling RMB6,732,139,000 has been approved by the Shareholders of the Company in the Annual General Meeting of the Company on 12 June 2015. This final dividend has been recognised as a liability in this interim financial information.

12. TRADE AND OTHER RECEIVABLES

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Trade receivables *(note (a))*	**16,958,923**	12,218,770
Other receivables	**10,910,463**	9,029,681
	27,869,386	21,248,451
Less: non-current portion	**(9,145,348)**	(5,221,424)
Trade receivables *(note (a))*	**(8,741,506)**	(4,837,117)
Other receivables	**(403,842)**	(384,307)
Current portion	**18,724,038**	16,027,027

As at 30 June 2015 and 31 December 2014, the fair value of trade and other receivables approximated their carrying amounts.

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

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

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Within 90 days	**9,466,242**	4,965,824
Over 90 days and within 180 days	**1,167,614**	518,740
Over 180 days and within 365 days	**1,575,424**	4,183,408
Over 365 days	**4,749,643**	2,550,798
	16,958,923	12,218,770

As of 30 June 2015, trade receivables of RMB362,280,000 (31 December 2014: RMB273,645,000) were past due but not impaired. These accounts are mainly related to a number of customers who did not have a recent history of default, and the Group normally holds collateral or title of the properties before collection of the outstanding balances, the directors of the Company consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 30 June 2015 (31 December 2014: nil). The aging analysis of these trade receivables is as follows:

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Within 1 year	**362,280**	273,645

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

The carrying amounts of the Group's trade and other receivables are denominated in RMB.

13. PREPAYMENTS

	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Prepaid business taxes and other taxes	**1,673,637**	1,825,948
Prepayments and advances to third parties	**33,636,430**	46,042,042
— for acquisition of land use rights	**30,441,566**	44,887,471
— others	**3,194,864**	1,154,571
	35,310,067	47,867,990

14. TRADE AND OTHER PAYABLES

	30 June 2015 RMB'000	31 December 2014 RMB'000
Trade payables	**115,865,593**	91,889,003
Other payables	**33,568,995**	35,661,581
Dividends payable	**6,732,139**	—
Accrued expenses	**2,045,924**	2,186,319
Other taxes payable	**2,102,232**	1,111,068
	160,314,883	130,847,971
Less: non-current portion of other payables	**(685,760)**	(7,175,106)
	159,629,123	123,672,865

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

	30 June 2015 RMB'000	31 December 2014 RMB'000
Within one year	**103,361,462**	81,223,433
Over one year	**12,504,131**	10,665,570
	115,865,593	91,889,003

BUSINESS REVIEW

In the first half of 2015, the PRC property market entered into a "new normal" phase, accompanied by adjustment, consolidation and mid-speed growth. Facing intensifying downward pressure and the slowing pace of growth in the industry, the central government has continuously rolled out a series of favorable measures to stabilize growth, adjust structure and stimulate consumption, followed by the policy package to stabilize spending in home purchase. Stimulated by the dual effect of strengthening and stimulating measures, the property market has started to bottom out and return to a stable footing since the first quarter, while overall inventory pressure continued to fall. For the first half of the year, the area of commodity housing nationwide reached 443.89 million square meters, representing a period-on-period increase of 4.5%; the sales amount was RMB2,894.1 billion, representing a period-on-period increase of 12.9%; the area available for sale was 428.34 million square meters, representing a period-on-period decrease of 5.2 percentage points in growth rate[1].

In the first half of 2015, the adjustment and volatility in the real estate market further accelerated industry differentiation, which is reflected in various aspects, particularly in the transaction differences between cities and regions, the unbalanced transaction structure of products and the ever-changing competitive landscape among companies. Benefited from regional integration, the markets of economically-developed cities have shown rapid and obvious growth, while impeded by relatively high level of inventory and tepid demand at early stages, a number of third- and fourth-tier cities have recorded sluggish performance. With respect to transactional structure, the mid- and high-end products for improvement have recovered quickly while small-to-medium-sized products targeting at rigid demand continued to generate huge transaction volume, in turn speeding up inventory turnover of the industry. Meanwhile, large-scale property developers continued to seek innovative co-operation opportunities, resulting in a more obvious trend of merger between property industry and financial industry and higher concentration of the industry. During the first half of the year, sales of China's Top 10 real estate developers accounted for up to 19.6% of the total sales amount, representing a period-on-period increase of 1.3 percentage points; and accounted for 13.5% in terms of area sold, representing a period-on-period increase of 2.1 percentage points[2].

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[1] Source: "National Real Estate Development and Sales for January to June 2015" issued by the National Bureau of Statistics of China

[2] Source: "1H 2015 Top 50 PRC Real Estate Developers in terms of Sales" jointly issued by China Real Estate Information Corporation and China Real Estate Appraisal Centre

Notwithstanding the volatile and unstable market conditions, the Group still maintained solid growth in major operating results in the first half of the year due to the strategy of optimizing the regional layout of residential projects since 2013 and its strong execution capability. The Group achieved contracted sales of RMB87.11 billion, representing a period-on-period increase of 25.7% and accomplished 58.1% of its annual target. The area of contracted sales amounted to 11.38 million square meters, representing a period-on-period increase of 16.1%. The gross floor area of land reserves was 144 million square meters and the average cost was RMB1,085 per square meter. The area under construction was 41.7 million square meters, involving 291 projects. As at 30 June 2015, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB81.57 billion.

Further optimization of the regional layout of residential projects and replenishment of selected quality land reserves. During the reporting period, the Group acquired quality land reserves in a prudent manner without compromising financial soundness. At the end of the period, the total gross floor area of the Group's land reserves was 144 million square meters, a decrease of 2.7 million square meters or approximately 1.8% as compared with the end of the 2014.

During the reporting period, the Group newly acquired 35 pieces of land for its land bank and further acquired lands in the surrounding areas for 4 existing projects. Such new projects, scattered across 27 cities including Shenzhen, Chongqing, Chengdu, Jinan, Wuhan, Taiyuan, Xi'an, Zhengzhou, Nanning, Changchun, Harbin, Xiamen and Dongguan, had a planned construction area of approximately 10.284 million square meters and an average cost of RMB2,888 per square meter. As at 30 June 2015, the Group held land reserves of 144 million square meters, covering 154 different cities in the PRC; in all, the Group had 335 projects and recorded an accumulated average cost of approximately RMB1,085 per square meter.

Among the 35 projects newly acquired by the Group, 2.9% of which are located in first-tier cities and 60.0% are in second-tier cities. The proportion of projects in first- and second-tier cities reached 62.9%. The newly acquired projects in third-tier cities are located in the city centers of Shantou, Yueyang, Xinxiang and other cities. Despite the increasing average costs of newly acquired lands, it is believed that, with better locations, greater potential of appreciation and higher expected selling prices, these projects will drive up the gross profit margin and overall profitability of the Group.

The Group leverages on cooperation with other parties to acquire new projects with the aim of raising the capital utilization rate. At the end of the reporting period, 88 projects were carried out through cooperation, which in accumulated terms, reduced land premium payment by RMB58.93 billion.

Upward trend in both contracted sales volume and price, record-breaking sales amount and top spot yet again in China for sales area. During the reporting period, the Group's contracted sales increased by 25.7% as compared with the corresponding period of last year. The aggregate sales amount of RMB87.11 billion marked a new height in terms of half-yearly sales result for the Group, which is almost equivalent to the contracted sales for the whole year of 2012. The area sold increased by 16.1% period-on-period, which retained its No. 1 position in the PRC. The average transaction price increased by 8.2% to RMB7,656 per square meter as compared with the corresponding period of last year.

The continued growth in sales results is mainly attributable to the Group's optimized project layout which shows great foresight, upgraded ancillary facilities of products and standard of decoration as well as flexible and practical sales strategy and a brand-new sales model. Meanwhile, the Group launched a portion of the retail stores and parking spaces from time to time, which, to a certain extent, contributed to the increase in total sales volume and transaction prices as compared with the corresponding period last year. In the first half of the year, the average single-month transaction price of the Group was over RMB7,000 per square meter and the price further increased to RMB8,645 per square meter in June. Except for the month of February, the single-month contracted sales amounts all exceeded RMB10 billion. The Board is of the view that the increasing average transaction price and contracted sales amount are favourable for maintaining the profit margins of the major businesses of the Group.

During the reporting period, the Group launched 23 new projects in 17 cities including Beijing, Shanghai, Taiyuan, Zhengzhou, Jinan, Changsha, Chengdu, Haikou, Changchun, Yueyang, Langfang, Luohe, and the number of projects for sale accumulated to 299, spanning across 146 cities.

In the first half of year, the contracted sales amount was RMB87.11 billion, of which the contracted sales amount for first-tier cities was RMB7.576 billion, representing 8.7% of the total contracted sales; the sales amount for second-tier cities was RMB47.149 billion, representing 54.1% of the total contracted sales. The above data shows a more balanced distribution of sales among the first-, second- and third-tier cities. Moreover, the strategy of optimizing project layout has achieved remarkable results.

Commitment to the scientific arrangement on construction work, optimization of the scale of new projects and emphasis on matching with sales, completion and delivery plans. In the first half of 2015, the area of new construction of the Group was 13.086 million square meters with a decrease of 0.8% as compared with 13.198 million square meters of the corresponding period in 2014. As at 30 June 2015, the Group had 291 projects under construction and the GFA under construction was 41.7million square meters. The Group had obtained pre-sale permits for 299 projects while around 45 projects have not yet been launched for sale. The Board considers that, the sizeable development and construction scale not only ensures sufficient available-for-sale resources and further elevates sales performance, but also lays a solid foundation for generating revenue from the delivery of properties in the next phase of development.

During the reporting period, the Group persisted in implementing standardized operations. Through continuously optimizing the integrated management of the Group and the scientific arrangement on construction work, the Group has completed a GFA of 12.87 million square meters as scheduled, delivered 277 projects in total with a transaction value of RMB75.37 billion and an area of 10.755 million square meters.

Adherence to the strategy of "cash is king" to raise the total amount of cash, lower its net debt ratio and stabilize net profit margin from main operations. In light of the unstable market condition during the reporting period, the Group has continuously strengthened its financial resources through a combination of measures to ward off potential risks. In the first half of 2015, the Group successfully completed the issuance of US$1 billion senior notes due in 2020 overseas. The Group completed the placing of 820,000,000 shares, representing approximately 5.54% of the share capital in issue. The net proceeds from placing amounted to approximately HK$4.60 billion. From the end of June to the beginning of July, the Group successfully completed the issuance of RMB20 billion domestic corporate bonds within three weeks, pioneering the domestic bond issuance by a red-chip company. Among which, RMB5 billion has a term of 5 years and an interest rate of 5.38%; RMB6.8 billion has a term of 4 years and an interest rate of 5.30%; RMB 8.2 billion has a term of 7 years and an interest rate of 6.98%. Zhongchengxin Securities Rating (中誠信證評), Dagong Global Rating (大公國際評級) and Lianhe Rating (聯合評級), three authoritative rating agencies in the PRC, all assigned AAA credit ratings, the highest rating, to the Group.

In the first half of 2015, the Group collected sales proceeds of RMB62.4 billion. The aggregate amounts of perpetual bonds reduced by RMB486 million on a net basis as compared with the balance as at 31 December 2014. The Group entered into strategic cooperation agreements with Bank of China, Agricultural Bank of China, Postal Savings Bank of China, China Minsheng Bank, China CITIC Bank, CITIC Trust, Industrial Bank, etc., and secured RMB182 billion of facilities in total. Moreover, the Group reduced its land premium payment through project cooperation and by leveraging its positive brand image to clinch better contract terms, payment methods and payment conditions.

With the above measures, the total cash of the Group at the end of the period reached RMB81.57 billion, which was the highest level since its listing. Banking on the solid cooperation foundation with large-scale commercial banks in China, the Group's unutilized banking facilities reached RMB134.2 billion at the end of the period. Together with the total cash of RMB81.57 billion at the end of the period, the Group's available funds amounted to RMB215.77 billion in total.

Meanwhile, the Group sold a portion of the commercial premises and adopted measures to increase the average selling price of the Group in an appropriate manner while devoting to control the selling expenses and management cost. As a result, the profit margins of the core businesses of the Group reached 13.1% for the first half of 2015, representing an increase of 2.8 percentage points over the corresponding period in 2014. The Board believes that, with the further optimization of the location and product quality of the projects as well as further sales of commercial properties, there will be more room for raising the selling prices of products, which in turn will have a positive effect on the profit margins of the core businesses of the Group.

A diversified structure starts to take shape and non-core business plans tap into the capital market successively. After long-term planning and preparation, the Group has completed the general offer for New Media (00708) and changed its directors. The name of that listed company has also been changed to "Evergrande Health Industry Group Limited" ("Evergrande Health"). Evergrande Health Internet Community Hospital (恒大健康互聯網社區醫院) and Evergrande Wonjin Medical Beauty Hospital (恒大原辰醫學美容醫院), subsidiaries under Evergrande Health, have already opened for business, symbolizing that the core businesses, namely "Internet+" community health management center, medical cosmetology, anti-aging management and other health-related businesses, have now moved into the execution phase.

The Company and Tencent entered into a tri-party subscription agreement with Mascotte (00136), pursuant to which Evergrande and Tencent jointly subscribed for equity interests in Mascotte, representing 75% of its enlarged share capital, in which Evergrande owns 55% and Tencent owns 20%. The total subscription price was HK$750.7 million. That listed company intends to develop an internet community service online platform (the "ICS Online Platform"). The plan is to establish an open and collaborative platform with both online and offline community services; with Evergrande Communities (恒大社區) as its first batch of primary users, the platform will provide one-stop integrated services ranging from ordering, logistical arrangement and delivery of products or services. It is expected that upon successful launch of the ICS Online Platform, its coverage will be expanded to other residential areas in the PRC outside the Evergrande Communities in order to make the daily lives of users more convenient through advanced internet technology.

In July, Guangzhou Evergrande Taobao Football Club Co., Ltd., a joint venture of the Group, and two wholly-owned subsidiaries of the Group, namely Evergrande Culture Industry Group Co., Ltd. and Evergrande Changbaishan Spring Company Limited, have filed their applications for listing on the National Equities Exchange and Quotations System (the "NEEQS") successively and received the letters of acceptance. National Equities Exchange and Quotations Co., Ltd. is the operator and administrator of the NEEQS and the applications for listing are subject to its approval. The Board considers that the separate listing of the above companies will further strengthen its corporate governance structure and enhance the liquidity of its equity interests, thus facilitating the introduction of strategic investors, promotion of corporate image and realisation of sustainable development.

BUSINESS OUTLOOK

The Board believes that with positive initiatives from the Central Government such as policies of "stabilization of housing consumption" and "support for demand arising from own use and improved housing", the policies on the real estate market and market liquidity will still be relatively loose. Benefiting from the further release of pent-up demand for improved housing, the sales will be boosted continuously in the second half of the year. Following the reduction of inventory level in the market and gradual materialization of soft landing, the average transaction price will also improve. It is expected that the year-on-year decrease in newly-commenced works will narrow and the investment in development will increase, indicating that a new round of growth is on the horizon for the industry.

With the coming peak of sales, the total inventory level of the industry is expected to remain high. Nevertheless, with sales in first-tier cities and some developed cities accelerating since the second quarter, some of those cities are set to take the lead in reaching a balance in demand and supply and it is anticipated that the average transaction price will grow at single digit during the whole year. Given the relatively high liquidity and seasonal pattern, the newly-commenced works are expected to return to the previous level in the second half of the year; however, as the area of land acquired last year decreased by 14%, the estimated area of newly-commenced works will decrease at single digit for the whole year while the investment amount in development will further improve with a period-on-period increase of 4.6% in the first half of the year.

Based on the fundamentals set out above, the Group will capture opportunities amid such stable and improving market condition to replenish quality land reserves, arrange development and construction and organize properties for sale. It will also spare no effort to boost sales, increase the selling price and collect sales proceeds. Meanwhile, the Group will strictly control its costs and expenses in every aspects, strive to increase the total amount of cash and profit margin, and stay devoted to controlling its debt ratio.

Land Reserves

In the second half of 2015, the Group will replenish quality land reserves in a prudent and practical manner, optimize the geographical layout of its projects and step up efforts to enhance its profitability to achieve a high quality and coordinated development. The project expansion will focus on central areas of cities while new acquisition in the third-tier cities will be carried out based on stricter quantifiable criteria to further raise the gross profit margin of products. Cost effective methods such as acquisition and merger and cooperation in development will become the major ways to acquire projects in the next stage of project expansion.

As at 30 June 2015, the aggregate land premium payable before due date by the Group amounted to RMB248.62 billion, with RMB215.05 billion paid and RMB33.57 billion outstanding and undue, of which RMB10.45 billion is payable and due in the second half of 2015; RMB11.89 billion is payable and due in 2016; RMB8.47 billion is payable and due in 2017; and RMB2.76 billion is payable after 2018.

Contracted Sales

The Group will ensure it has sufficient inventory, formulate its regional sales plan in line with key focus areas, insist in reviewing the completion result of the sales on a monthly basis and adjust the sales strategy in a timely and flexible manner. In the second half of the year, there will be around 40 new residential projects available for sale, locating in regions such as Shanghai, Shenzhen, Chongqing, Jinan, Wuhan, Harbin, Taiyuan, Nanning, Hefei, Changchun, Dalian, Xiamen, Xinxiang and Dongguan. The Group proposes to capitalize on market timing and selectively develop new projects for sale in accordance with overall market needs. Apart from this, the Group also has further arrangement on sales of commercial premises, which is expected to effectively supplement the contracted sales of the entire year.

With regard to the pricing strategy, the Group will maintain a balance between the selling price and sales volume and elevate sales performance in a flexible and practical manner. Given the remarkable sales performance in the first half of 2015, together with its exceptional execution capability and product strength, the Board is very confident that the Group can outperform its full-year contract sales target of RMB150 billion.

Financial Capital

The Group will continue to maintain its steady financial policies, endeavor to raise the total amount of cash and maintain its net profit margin for its main operations. To accomplish this, the Group will further enhance the collection of sales proceeds, set reasonable sales price, increase the turnover of inventories, sell part of the commercial premises and continue to expand project cooperation. Meanwhile, the Group will formulate more reasonable plans for commencement, completion and payment, and rationally control material expenditures in land and construction.

With respect to capital arrangement, we have used the proceeds from issuance of corporate bonds primarily to repay the existing debts of Evergrande to improve the debt structure and the remaining amount to replenish general working capital. The Group implemented strict payment management plan while leveraging diversified financing channels and managing the dynamic balance between capital inflow and outflow.

With respect to the control of costs and expenses, the Group will continue to fully implement reforms of product upgrades and standardization to ensure product quality and reduce costs. The Group will also utilize new promotion channels to lower its selling expenses, develop leading SAP and ERP systems in the industry and make full use of information technology to further reduce operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group recorded revenue of RMB77.74 billion for the six months ended 30 June 2015 (corresponding period of 2014: RMB63.34 billion), representing a period-on-period growth of 22.7%. Gross profit amounted to RMB22.07 billion (corresponding period of 2014: RMB18.09 billion), representing an increase of 22.0% over the corresponding period of last year. Profit attributable to shareholders was RMB9.43 billion (corresponding period of 2014: RMB7.09 billion), a period-on-period growth of 33.0%. Basic earnings per share amounted to RMB0.63 (corresponding period of 2014: RMB0.48), representing a period-on-period growth of 31.3%. Equity attributable to shareholders of the Group as at 30 June 2015 was RMB58.05 billion (31 December 2014: RMB51.12 billion), representing an increase of 13.6% from the end of 2014.

Revenue

During the period, revenue of the Group amounted to RMB77.74 billion, representing a period-on-period growth of 22.7%, of which revenue generated from the property business amounted to RMB75.37 billion, representing a period-on-period growth of 21.5%. The increase was mainly due to the recognized sales income of the property area increased by 9.8% as compared with the corresponding period of 2014 and the average selling price of the properties increased by 10.7% as compared with the corresponding period of 2014. Revenue generated from property management amounted to RMB698 million, an increase of 50.1% from the corresponding period of last year. Revenue generated from investment properties amounted to RMB80 million, representing an increase of 31.1%.

Gross Profit

Gross profit of the Group was RMB22.07 billion for the six month ended 30 June 2015, representing an increase of 22.0% as compared with the corresponding period of last year. The increase in gross profit was mainly attributable to a significant increase in delivery of properties in the current period. The gross profit margin was 28.4%, remaining relatively stable comparing to the corresponding period of last year.

Fair Value Gain on Investment Properties

Fair value gain of investment properties of the Group as at 30 June 2015 reached RMB5.53 billion, representing an increase of 25.4% as compared with the gain for the corresponding period of last year. Investment properties of the Group mainly include commercial podiums and offices with gross floor area of 4 million square meters and approximately 323,000 car parking spaces.

Selling and Marketing Costs

During the period, selling and marketing costs of the Group rose from RMB3.54 billion for the corresponding period of 2014 to RMB5.30 billion, which was mainly attributable to the increase in the number of projects launched and a significant expansion in scale which led to the corresponding increase in nationwide marketing and brand publicity activities during the six months ended 30 June 2015. A large portion of costs was expenses in relation to the pre-sales for the six months ended 30 June 2015. However, corresponding revenue will be recognized only after the delivery of possession.

Administrative Expenses

During the period, administrative expenses of the Group increased to RMB2.98 billion from RMB1.94 billion for the corresponding period of 2014, which was mainly attributable to the continuous expansion of the Group's nation-wide business and significant growth in operating results for the six months ended 30 June 2015. Meanwhile, the level of staff remuneration also increased.

Gain on financial assets at fair value through profit or loss

Gain on financial assets at fair value through profit or loss was RMB2.48 billion for the six months ended 30 June 2015 due to the appreciation of the securities held by the Group.

Borrowings

As at 30 June 2015, the borrowings of the Group amounted to RMB185.29 billion, with the following maturities:

	30 June 2015 *(RMB billion)*	**As percentage of total borrowings**	31 December 2014 *(RMB billion)*	As percentage of total borrowings
Less than 1 year	**100.82**	**54.4%**	79.66	51.0%
1–2 years	**45.64**	**24.6%**	55.86	35.8%
2–5 years	**37.93**	**20.5%**	19.63	12.6%
More than 5 years	**0.90**	**0.5%**	0.91	0.6%
	185.29	**100%**	156.06	100%

A portion of the borrowings were secured by pledge of the property and equipment, land use rights, investment properties, properties under development, completed properties held for sale, cash at bank and the equity interests of certain subsidiaries of the Group at an average effective interest rate of 9.94% per annum (for the year of 2014: 9.74%).

Foreign Exchange Exposure

The Group's businesses are principally conducted in Renminbi. Other than the bank deposits denominated in foreign currencies, bank borrowings and the senior notes denominated in US dollar and HK dollar, the Group does not have any material exposure directly due to foreign exchange fluctuations. The Group has not entered into any significant forward exchange contract to hedge its exposure to foreign exchange risk.

Liquidity

As at 30 June 2015, the total amount of cash and cash equivalents and restricted cash of the Group was RMB81.57 billion, together with unutilized banking facilities of RMB134.20 billion. The abundant working capital provided enough room for the Group to seek the best business opportunities and significant financial support for rapid development.

LAND RESERVE

During the reporting period, the Group acquired 35 pieces of land as reserves, covering 27 cities. The planned GFA was approximately 10.284 million square meters and the average cost was RMB2,888 per square meter.

Distribution of newly acquired land reserves of the Group in the first half of 2015

Order	Name of projects	City	Site area (m^2)	Gross floor area (m^2)	Land reserve area (m^2)	Actual shareholding
	Guangdong Province					
1	Shenzhen South Oil Building Project (深圳南油大廈項目)	Shenzhen	10,448	117,010	117,010	100.0%
2	Evergrande Royal Scenic Peninsula (恒大御景半島)	Dongguan	149,793	299,586	299,586	100.0%
3	Evergrande Royal Scenic Bay Shantou Project (汕頭御景灣項目)	Shantou	166,253	404,666	404,666	83.0%
4	Evergrande Metropolis Yangjiang (陽江恒大名都)	Yangjiang	138,669	346,673	346,673	100.0%
	Fujian Province					
5	Evergrande Royal View Garden Xiamen (廈門恒大帝景)	Xiamen	70,825	208,240	208,240	100.0%
6	Evergrande Royal Scenic Peninsula Putian (莆田恒大御景半島)	Putian	173,956	324,075	324,075	100.0%
7	Evergrande Royal Scenic Bay Quanzhou (泉州恒大御景灣)	Quanzhou	57,068	134,680	134,680	100.0%
	Shandong province					
8	Jinan Evergrande East Mountain Forest Jinan (濟南恒大東山林語)	Jinan	102,244	102,244	102,244	60.0%
9	Evergrande Emerland Court Jinan (濟南恒大翡翠華庭)	Jinan	143,066	607,351	446,352	100.0%
10	Evergrande Longao Regency Jinan (濟南恒大龍奧御苑)	Jinan	199,751	385,519	385,519	100.0%
11	Evergrande East Longao New Metropolis Jinan (濟南恒大奧東新都)	Jinan	50,066	240,317	240,317	100.0%
	Henan province					
12	Evergrande Emerald Court Zhengzhou (鄭州恒大翡翠華庭)	Zhengzhou	88,000	308,002	308,002	100.0%
13	Evergrande Metropolis Zhumadian (駐馬店恒大名都)	Zhumadian	83,188	324,432	324,432	100.0%
14	Evergrande Royal Scenic Bay Xinxiang (新鄉恒大御景灣)	Xinxiang	118,164	271,777	271,777	100.0%
	Chongqing City					
15	Evergrande Royal Palace Chongqing (重慶恒大御府)	Chongqing	127,271	254,542	254,542	90.0%
16	Evergrande Century City Chongqing (重慶恒大世紀城)	Chongqing	263,148	657,871	657,871	90.0%

Order	Name of projects	City	Site area (m^2)	Gross floor area (m^2)	Land reserve area (m^2)	Actual shareholding
	Anhui Province					
17	Evergrande Royal View Garden Chaohu (巢湖恒大帝景)	Chaohu	78,006	197,355	197,355	100.0%
18	Evergrande Emerald Court Bengbu (蚌埠恒大翡翠華庭)	Bengbu	151,411	347,573	347,573	100.0%
	Sichuan province					
19	Evergrande Central Plaza Chengdu (成都恒大中央廣場)	Chengdu	62,100	362,158	362,158	100.0%
20	Evergrande Royal Scenic Bay Luzhou (瀘州恒大御景灣)	Luzhou	81,574	178,333	178,333	100.0%
21	Evergrande Metropolis Ziyang (資陽恒大名都)	Ziyang	64,510	193,529	193,529	100.0%
	Jiangxi province					
22	Evergrande Metropolis Ganzhou (贛州恒大名都)	Ganzhou	110,741	310,075	310,075	51.0%
23	Evergrande Emerald Court Ganzhou (贛州恒大翡翠華庭)	Ganzhou	49,154	122,884	122,884	100.0%
	Shanxi Province					
24	Evergrande Emerald Court Taiyuan (太原恒大翡翠華庭)	Taiyuan	36,505	223,750	223,750	70.0%
25	Evergrande Left Bank Riverfront Taiyuan (太原恒大濱河左岸)	Taiyuan	115,006	552,326	552,326	100.0%
	Hubei Province					
26	Evergrande Royal Palace Wuhan (武漢恒大御府)	Wuhan	75,300	248,490	248,490	60.0%
27	Evergrande Metropolis Jingzhou (荊州恒大名都)	Jingzhou	103,342	361,697	361,697	60.0%
	Hunan province					
28	Evergrande Nanhu Peninsula Yueyang (岳陽恒大南湖半島)	Yueyang	193,928	560,452	560,452	66.0%
	Jilin province					
29	Evergrande Bay Changchun (長春恒大江灣)	Changchun	119,948	299,870	299,870	100.0%
	Heilongjiang					
30	Evergrande Emerald Court Harbin (哈爾濱恒大翡翠華庭)	Harbin	47,300	94,600	94,600	100.0%
	Shaanxi Province					
31	Evergrande Bay Xian (西安恒大江灣)	Xian	66,971	152,586	152,586	100.0%
	Guangxi Zhuang Autonomous Region					
32	Evergrande City Nanning (南寧恒大城)	Nanning	87,862	351,446	351,446	100.0%
33	Evergrande Royal View Garden Nanning (南寧恒大帝景)	Nanning	37,240	130,340	130,340	100.0%
34	Evergrande Metropolis Nanning (南寧恒大名都)	Nanning	20,051	90,228	90,228	100.0%

Order	Name of projects	City	Site area (m^2)	Gross floor area (m^2)	Land reserve area (m^2)	Actual shareholding
35	Evergrande City Liuzhou (柳州恒大城)	Liuzhou	91,344	255,764	255,764	100.0%
*	Expansion Land of Evergrande Emerald Court Jinan (Phase II)	Jinan	51,779	130,197	130,197	100.0%
*	Expansion Land of Evergrande Splendor Pengshan (Phase III)	Pengshan	47,735	47,735	47,735	100.0%
*	Expansion Land of Ningbo Xiangshan Project (Phase III)	Ningbo	127,118	126,922	126,922	51.0%
*	Expansion Land of Evergrande Splendor Danzhou (Phase III)	Danzhou	120,000	120,000	120,000	100.0%
	Total		3,880,833	10,445,294	10,284,295	

* *Surrounding land reserves acquired for current projects*

CONTRACTED SALES

During the reporting period, the Group achieved contracted sales revenue of RMB87.11 billion, accomplishing 58.1% of its sales target for the entire year. The area of the contracted sales was 11.38 million square meters, while the average price of the contracted sales amounted to RMB7,656 per square meter. During the first half of the year, the Group launched 23 new projects for sale. As at 30 June 2015, the accumulated number of projects for sale was 299, spanning across 30 regions and 145 cities in China.

Regional distribution of contracted sales for the period

No.	Province	Amount of contracted sales *(RMB million)*	Proportion of contracted sales
1	Henan Province	7,048.6	8.1%
2	Shanxi Province	5,907.5	6.8%
3	Guangdong Province	5,840.3	6.7%
4	Beijing City	5,768.7	6.6%
5	Shandong Province	5,761.7	6.6%
6	Anhui Province	5,421.1	6.2%
7	Jiangsu Province	4,692.0	5.4%
8	Hebei Province	4,424.9	5.1%
9	Hunan Province	4,063.2	4.7%
10	Liaoning Province	3,684.1	4.2%
11	Sichuan Province	3,597.5	4.1%
12	Jiangxi Province	3,180.4	3.7%
13	Hainan Province	3,060.3	3.5%
14	Chongqing City	2,916.8	3.3%
15	Guangxi Zhuang Autonomous Region	2,825.3	3.2%
16	Hubei Province	2,788.9	3.2%
17	Heilongjiang Province	2,452.1	2.8%
18	Zhejiang Province	2,417.3	2.8%
19	Jilin Province	2,396.8	2.8%
20	Inner Mongolia Autonomous Region	1,401.2	1.6%
21	Shaanxi Province	1,310.2	1.5%
22	Shanghai City	1,213.8	1.4%
23	Gansu Province	1,035.4	1.2%
24	Tianjin City	958.4	1.1%
25	Ningxia Hui Autonomous Region	871.8	1.0%
26	Guizhou Province	747.2	0.9%
27	Yunnan Province	548.6	0.6%
28	Fujian Province	388.3	0.4%
29	Xinjiang Uygur Autonomous Region	237.3	0.3%
30	Qinghai Province	146.3	0.2%
	Total	**87,106.0**	**100.0%**

As of the end of July 2015, the annual amount of completed contracted sales was RMB101.21 billion, representing 67.5% of the annual sales target while the area of contracted sales was 13.174 million square meters.

PROPERTY DEVELOPMENT

During the period, the Group's area under construction was 41.7 million square meters, involving 291 projects.

During the period, the Group had 198 completed projects, which were situated in 29 primary regions in China. The total completed GFA reached 12.87 million square meters.

During the period, the Group delivered a total of 277 projects with a delivery value of RMB75.37 billion, representing a period-on-period increase of 21.5%; the delivered area was 10.755 million square meters, representing a period-on-period increase of 9.8%; the average price of delivery was RMB7,008 per square meters, representing a period-on-period increase of 10.7%.

CORPORATE SOCIAL RESPONSIBILITIES

The Group has always been actively committed to social responsibilities and deeply devoted to fully supporting charitable activities, such as livelihood, sports and environmental protection.

In March 2015, the Group donated RMB21.4 million to Guangdong Foundation for Poverty Alleviation to support poverty alleviation, which shows the Group's perseverance in fighting poverty and helping needy people.

With respect to social welfare, in order to boost employment and nurture talents, the Group organized recruitment programs in colleges and universities in China which provided a good employment and job-hunting platform for 1,290 graduating students.

With respect to corporate responsibility, in order to implement the business philosophy of "Evergrande －A Real Estate Developer for People's Livelihood" and to protect the interests of home purchasers as well as upholding the integrity and housing quality of Evergrande, in April 2015, the Group announced a nationwide policy under which clients of all residential projects of Evergrande can rescind their purchases without reason.

With respect to green construction, in March 2015, the Group jointly established a green construction research base in China with Harvard University and Tsinghua University, which was the world's first green construction research platform jointly established by top schools and enterprise. Meanwhile, the Group, the Ministry of Housing and Urban-Rural Development and Tsinghua University embarked on a research on Evergrande standardized green residential building system in cooperation, and issued "Green Residential Design Standards and Requirements of Evergrande" (《恒大綠色住宅設計標準及要求》) in June of this year to jointly promote the application and promotion of green construction technology.

The Group continued to contribute to China's sports development. Besides enjoying a position in the top end of Chinese Football Association Super League, Guangzhou Evergrande Football Club under the Group defeated many strong opponents in AFC Champion League and reached quarterfinals for four consecutive years. Evergrande Football School now had over 2,600 students, nurturing talents for the rise of Chinese football.

INVESTORS RELATIONS

The Group continued to build up its investor relationship on the basis of mutuality and interaction. During the reporting period, the Group has received approximately 367 visits from institutional investors and met with 502 investors of different nature. In particular, the major investor relationship activities included: visiting tours to various real estate projects of the Group across the country for about 111 visitors; the participation of the investors annual conferences organized by Citibank, Macquarie Securities, Credit Suisse, DBS Bank, at which the Group met 85 investors from 74 investment institutions; the participation of the Group in the 2014 annual results roadshows organized by Jefferies, Credit Suisse, DBS Bank, Citibank, Deutsche Bank and Guotai Junan Securities, covering places such as Hong Kong, Singapore, Los Angeles, Boston, New York and London during the period, at which extensive interaction was carried out with the shareholders of the Company and 153 institutional investors of various calibers were met.

The Group firmly believes that, a clear and transparent communication channel and a beneficial and interactive investor relationship will facilitate us to formulate operating strategies that align with the interests of the shareholders, for whom we shall never cease to generate value.

AWARDS

During the period under review, the Group again won multiple awards. In the assessment of Top 500 China Real Estate Developers, the Group ranked second in Top 500 China Real Estate Developers for five consecutive years; first in Top 10 China Real Estate Developers in terms of Comprehensive Development; first in Top 10 China Real Estate Developers in terms of Innovation Capability; first in Top 10 China Real Estate Developers in terms of Tourism Real Estate; first in Top 10 China Real Estate Developers by Corporate Responsibility and first in Top 10 China Real Estate Developers by City Coverage.

HUMAN RESOURCES

As at 30 June 2015, the Group had a total of 71,921 employees, of which approximately 90% are graduates with bachelor's degree or above in property development or construction, forming a team of young, highly educated and high quality personnel. During the first half of the year, the Group recruited 4,599 management and technical talents through open recruitment and 270 fresh graduates from top 10 colleagues and universities such as Beijing University and Tsinghua University had successively joined the Group.

The Group firmly believes that people are the most important corporate resources, and has been adhering to a people-oriented human resources development strategy. This helped the Group to create a harmonious working environment and positive interaction between the Group and its staff. As at 30 June 2015, the total staff cost of the Group (including directors' remuneration) was approximately RMB5.28 billion (corresponding period of 2014: approximately RMB3.60 billion).

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2015.

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

On 28 May 2015, the Company entered into a placing and subscription agreement with Xin Xin (BVI) Limited ("Xin Xin"), the controlling shareholder of the Company, and the placing agents, pursuant to which Xin Xin has placed 820,000,000 shares to six or more independent investors at a placing price of HK$5.67 per share. At the same time, Xin Xin has subscribed for the same number of new shares from the Company at the same price of HK$5.67 per share. The 820,000,000 subscription shares have an aggregate nominal value of US$8,200,000 and had a market value of approximately HK$5.67 billion, based on the closing price per share of HK$6.91 on 27 May 2015, the last full trading day in the shares prior to the entering into of the placing and subscription agreement. The net price of the subscription share is approximately HK$5.61 per share. The top-up placing was conducted to provide an opportunity for the Company to raise further capital whilst broadening the shareholder base and the capital base of the Company. Net proceed of approximately HK$4.60 billion was raised through the top-up placing, which has been applied for the repayment of debts and as general working capital of the Company.

Save as disclosed herein, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS CONDUCTED BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct for securities transactions conducted by directors of the Company. All directors of the Company have confirmed their compliance with the Model Code during the period.

CORPORATE GOVERNANCE

The Company has been in compliance with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015.

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2015 has been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises three members who are all independent non-executive Directors, namely, Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi. Mr. Chau Shing Yim, David, who has appropriate professional qualifications and experience in accounting matters, is the chairman of the Audit Committee. The Audit Committee of the Board has reviewed the Group's interim results for the six months ended 30 June 2015, and discussed with the Company's management regarding review, internal control and other relevant matters.

ACKNOWLEDGEMENT

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

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

Hong Kong, 31 August 2015

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Tse Wai Wah, Mr. Xu Wen and Mr. Huang Xiangui, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.