

# Semi-Annual Report 2013

Announcement No.: 【CMPD】 2013-041

## Chapter 1. Important Notice, Content & Definitions

### Important Notice

Board of Directors, Supervisory Committee of China Merchants Property Development Co., Ltd. (hereinafter referred as to the Company) and its directors, supervisors and senior executives hereby guarantee the authenticity, accuracy and integrality of the content of this report, confirm that there are no any important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, individual and/ or joint.

All directors in the Company attend the board meeting for reviewing this report.

The Semi-annual Financial Report of the Company is not audited.

Lin Shaobin-Legal Representative, Wu Zhenqin-Chief Financial Officer, and Xu Yixia-Manager of Accounting Department hereby confirm that the Financial Report enclosed in the Semi-annual Report is true and complete.

The company plans not to distribute cash bonus, not to send bonus shares and not to turn accumulation fund to increase subscribed.

This report has been prepared in Chinese and English version respectively. In the occurrence of differences due to interpretations of both versions, the Chinese report shall prevail.

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## Paraphrases

Unless specified in the report, the following abbreviations possess the meanings as follows:

Paraphrase item	Refers to	Paraphrase content
CSRC	Refers to	China Securities Regulatory Commission
Shenzhen Securities Regulatory Bureau	Refers to	China Securities Regulatory Commission Shenzhen Regulatory Bureau
SZSE	Refers to	Shenzhen Stock Exchange
The Company	Refers to	China Merchants Property Development Co., Ltd.
China Merchants Group	Refers to	China Merchants Group Ltd.
Top Chief	Refers to	Top Chief Co., Ltd.
Shekou Industrial Zone	Refers to	China Merchants Shekou Industrial Zone Co., Ltd.
Shenzhen CMRE	Refers to	Shenzhen China Merchants Real Estate Co., Ltd.
China Merchants Properties and Investment	Refers to	Shenzhen China Merchants Properties and Investment Co., Ltd.
CMPS	Refers to	Shenzhen China Merchants Power Supply Co., Ltd.
China Merchants Property Management	Refers to	China Merchants Property Management Co., Ltd.
Tonic Industries	Refers to	Tonic Industries Holdings Ltd.
Hong Kong Ruijia	Refers to	Ruijia Investment Industrial Co., Ltd.
Full Space Investment	Refers to	Full Space Investment Ltd.

## Chapter 2. Company Profile

### I. Legal Name of the Company:

In Chinese: 招商局地产控股股份有限公司

Abbr:招商地产

In English: CHINA MERCHANTS PROPERTY DEVELOPMENT CO., LTD.

Abbr: CMPD

### II. Legal Representative: Lin Shaobin

### III. Secretary of the Board: Liu Ning

Securities Affair Representative: Zeng Fanyue

Address: No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen

Post Code: 518067

Tel: (0755) 26819600

Fax: (0755) 26818666

Email: cmpdir@cmhk.com

IV. Registered Address: No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen

Office Address: No.3 Building, Nanhai E Cool Park, No.6 Xinghua Road, Shekou Industrial Zone, Nanshan District, Shenzhen

Postal Code: 518067

Company Website: <http://www.cmpd.cn>

E-mail: investor@cmpd.cn

V. Newspapers selected for disclosing the information of the Company: China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and Hong Kong Commercial Daily

Official Website for releasing Annual Report authorized by CSRC: <http://www.cninfo.com.cn>

Annual Report is prepared and placed: Secretariat of the Board of Directors

VI. Stock Exchange where the company's shares are listed in: Shenzhen Stock Exchange

Secondary Stock Exchange listed in: Singapore Stock Exchange

Short Form of the Stock: CMPD, CMPD-B

Stock Code: 000024, 200024

### VII. Registry Changes of the Company within the Report Period

1. Initial registration date: September 19th, 1990

2. Initial registration place: Shenzhen

3. Business License No. of the Enterprise Legal Person: 440301503287841

4. Tax Registration No.: Shen di shui zi 440300618845136

5. Organization Certificate Code: 61884513-6

6. Main business operation changes and all previous controlling shareholders changes of the Company since the listing

The company's predecessor is 'Merchants Shekou Port Service Co., Ltd.' and has operated port business as its core business. On June 7<sup>th</sup>, 1993, the Company started trading both A and B shares on Shenzhen Stock Exchange Market.

During 1998 and 1999, the Company had transferred the port related property to Shenzhen Industrial Zone in exchange of the stock of Shenzhen CMRE and CMPS. As a result, the Company was holding accumulative 70% of both companies' stock rights.

On July 21<sup>st</sup>, 2000, the Company renamed as "China Merchants Shekou holding Co., Ltd.".

On July 13<sup>th</sup>, 2001, the remaining assets of Shekou Port held by the Company were exchanged with 25% of stock rights of Shenzhen CMRE, CMPS and other companies held by Shekou Industrial Zone.

On June 24<sup>th</sup>, 2004, the Company renamed as "China Merchants Property Development Co., Ltd." and became a public-traded company operating real estate development and management as core business.

There is no change to controlling shareholders since the Company went public. VIII. The independent Certified Public Accountants (CPA) hired by the Company: Shinewing Certified Public Accountants Ltd.;

Office Address: 8F, Block A, Fuhua Mansion, 8 North Street of Chaoyangmen, Dongcheng District, Beijing

Signature certified public accountants: Guo Jinlong, Wang Yaming

## Chapter 3. Financial Summary

### I Main accounting data and financial index

The Company does not make retroactive adjustment or restatement for the previous year accounting data due to accounting policy alternatives, corrections of accounting error, etc.

(Unit: RMB)

Main accounting data	This report period	The same period of last year	Increase/decrease
Operating income	16,133,568,321.26	10,080,507,691.00	60.05%
Net profit attributable to shareholders of the listed company	2,550,631,034.51	1,220,525,897.00	108.98%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	2,217,672,984.41	1,222,467,475.00	81.40%
Net cash flow from operating activities	-1,275,505,230.57	2,420,308,063.00	-152.70%
Basic earnings per share (RMB/share)	1.49	0.71	109.86%
Diluted earnings per share (RMB/share)	1.49	0.71	109.86%
Weighted return on equity (%)	10.38%	5.82%	UP by 4.56 percentage points
	End of the report period	End of last year	Increase/decrease
Total assets	117,495,958,302.94	109,197,242,683.06	7.62%
Net asset value attributable to shareholders of the listed company	25,664,393,512.84	23,393,515,534.13	9.71%

### II. Influence of IAS Adjustment on Net Profit and Net Asset (unaudited)

(Unit: RMB)

	Net profit attributable to the shareholders of the listed company		Net assets attributable to the shareholders of the listed company	
	This report period	The same period of last year	End of the report period	End of last year
By IAS	2,550,631,034.51	1,220,525,897.00	27,004,222,741.84	24,733,344,763.13
By Chinese Accounting	2,550,631,034.51	1,220,525,897.00	25,664,393,512.84	23,393,515,534.13
Difference between home& abroad	-	-	1,339,829,229.00	1,339,829,229.00
Of which: Adjustment of goodwill	-	-	1,339,829,229.00	1,339,829,229.00
Notes	<p><i>For the current year, the net profit attributable to the shareholders of listed company is the same under both Chinese Accounting Standard and International Accounting Standard. The main reason of the adjustment on the net asset attributable to shareholders of listed company according to International Accounting Standard was that according to the Chinese Accounting Standard and relative regulations, the differences generated by consolidation of entities under same control shall be adjusted into capital reserves, whereas the goodwill generated by consolidation shall be recorded individually as assets according to the IAS.</i></p>			

### III. Non-recurring gain and loss items and amount

(Unit: RMB)

Non-recurring gain and loss items	Amount
Gains/losses from the disposal of non-current assets	-440,707.52
Government subsidies	2,198,400.00

Other non-operating income/expenditure net amount	-5,370,543.81
Influences on minority shareholders' gains/losses	-2,336,444.77
Impact on income tax	-971,153.80
Disposal of subsidiary investment returns	339,878,500.00
Total	332,958,050.10

## **Chapter 4 Report of the Board of Directors**

### **I. Overview**

#### **1. Analysis on the market situation**

In the first half of the year, even under the slow down of the economic growth and sluggish industry, the property industry still welcomed the warm spring. Because of loosen of real estate policies, sales price of real estate increase dramatically which allows compressed demand to be released. Under these circumstances, the national sales area and sales volume both increased.

The market continued to warm up, and compared to the same period of the previous year, the sales of property enterprises in the first half-year rose greatly. Benefited from the acceleration of sales, the capital reserves of the property enterprises turned good. Most of them had an optimistic attitude towards the trend of the market, and thus start more intensified investment respectively. From January to June, the property development investment in China was RMB 3680 billion, increasing 20.3% compared to the same period of the previous year. The new construction area was 0.959 billion square meters, increasing 3.8% over the same period of the previous year, maintaining the trend of small positive increase. Transactions in the land market were active, the average price increased 20% over the same period of the previous year, and competition of the high-quality land of first-line and second-line cities was fierce.

At the same time, the determination of the government on property regulation and control was never changed. The releasing of the “national five articles” reemphasized that restraining the investment speculative demand is a long-term policy. The policy of “purchase limit”, “loan limit” and “price limit” was still strict. However, the focus of regulation of the central government has already changed silently. Regulation and control of the real estate market showed de-administration sign. It is changed to control the pricing through perfecting the long-term mechanism of regulation and control; promoting guarantee housing policy and enlargement of the trial scope of property tax etc.. It is promoting the long-term healthy development of the property market.

#### **2. Operation and management condition of the Company**

In 2013, based on the new starting point, the Company repositioned its own strategic positioning and operation system., Created a plan and realize the plan of overall working tasks from the objective and dialectic angle. Carefully studied the marco-environment. Emphasized on “wolf’s nature” as company culture. The operation and management mode was increasingly mature.

In the recent years, the Company vigorously developed organization structure enhancement and process reconstruction, and made phase achievement. In the first half-year, the headquarter comprehensively strengthened project management, monitoring and supervision; promoted management standardization and ERP standard application. These summed up a series of internal management system templates, and assisted the city companies to establish and optimize the internal management platform. The headquarter also advocated supporting well the first line and servicing well the first line practically, binding part of the annual assessment indexes with the related functional departments, and enhancing the team efficiency. At the same time, it developed nationwide preaching of company culture and strategy breakdown, and strengthened communication and coordination between the functional departments and the city companies.

In order to match with the scale development of the Company, the application and promotion of product standardization was developed in an accelerated way. During the report period, the product management center continued to deepen the research and development of all kinds of standardization product lines, and added new technologies and contents on the established achievement frame. On the other hand, the research and development of standardization center was landed, and the construction of specific projects of individual cities took the lead to start. Broad application of

product standardization will help shortening the project overall development period, lowering the cost and further enhancing the turnover rate.

During the report period, the Company fully utilized the window period of abundant market capital, and made the prospective financing arrangement in advance. It insisted on simultaneous promotion of capital operation and capital accumulation, strengthened cooperation between the banks and the company, enhanced the bank line of credit, strictly controlled the comprehensive cost of liabilities, well realized the capital dynamic management and optimization of liability structure, and provided solid capital guarantee for the operation and development of the Company.

Continuing with the active and progressive development strategy of the previous year, at the beginning of the period, the Company adopted the guideline of “three fast”—“fast construction, fast sales and fast market entry”, firmly grasped the market warming up period, and flexibly adjusted the sales promotion rhythm. During the report period, the Company had 71 buildings in 19 cities in China on sale, realizing sales area of 1.3605 million square meters, and the contract-signed sales amount was RMB 19.966 billion. Looking in the whole, the achievement was great in terms of inventories sales, and the sales also kept stable increase. Because the proportion of high and medium-end projects was big, the unit price of sales increased slightly compared to the same period of the previous year.

Facing the current situation of continuous temperature rising of the land market, the expansion steps of the Company were comparatively stable and careful. In the first half-year, the Company got six land at reasonable price, the newly added land was 1.3324 million square meters, and equity area was 1.0859 million square meters. Besides continuing to deepen plough the core cities, the Company accelerated regional expansion, purchased land in Kunming, Dalian and Ningbo in the year, and nationwide layout was further rationalized. During the report period, the Company started 26 projects, the new construction area was 2.32 million square meters, projects under construction at the end of the report period were 76, and area under construction was 6.25 million square meters.

### **3. Forecast of the Company on the operation environment in the second half-year and operation path of the Company**

Under the comprehensive impact of the macro-economic situation and release of demand in advance, it is estimated that the temperature of the property market in the second half-year will be adjusted down. Because the recent land prices hit new high records frequently, the capital fluidity is expected to be tight, and the uncertainty and risks of the industry will increase along with it. In the second half-year, the Company will closely pay attention to the trend of the industry, respond to the policy, adapt to the market, grasp the external advantageous factors, bring its own competition advantages into play, and stand out in the times of the warlords fighting for the throne.

Grasping marketing will be the priority among priorities in the second half-year. The city companies will keep high marketing rhythm, continue to strengthen client excavation, channel input and sales motivation, and accurately grasp the sales window so as to ensure the effective sales of inventories. To save strength for sustainable development, the Company will intensify land investment; develop multiple ways for land acquisitions ways; depending on the Group resources, actively seek the opportunities of merger and acquisition or strategic cooperation; insist in not taking the “land king”, and strive to select the projects with outstanding values at reasonable prices. In the short period, the rigid demand is still the main lead, and it is supported by the policy. The Company will further optimize product structure, develop more rigid demand projects, accelerate new building market entry of rigid demands, work hard to grasp the opportunities brought by the construction of guarantee housing and reconstruction of shanty town. In the second half year, the bank loan input will be more and more careful, and the capital risks will rise somewhat. The Company will continue to keep good capital control and internal management and control system, ensure financial safety and operate stably.

## **II. Analysis of the main businesses**



## 1. Overview

In the first half of 2013, the Company realized a sum of operating income of RMB 16.134 billion, net profit belonging to the shareholders of the listed companies was RMB 2.551 billion, increasing 108.98% compared to the same period of the previous year. In the operating income, the income from the sales of commercial housing was RMB 14.977 billion, and the settlement area was 0.9638 billion square meters. Income from the rental of investment property was RMB 0.371 billion, and accumulative rental area was 4.4094 million square meters. The income from the sales of power supply of the park was RMB 0.286 billion, and sales of power was 35,047 kilowatt-hours.

Unit: RMB 0,000

By industry	Operating income	Operating cost	Gross interest rate	Increase and decrease of operating income compared to the same period of the previous year	Increase and decrease of operating cost compared to the same period of the previous year	Increase and decrease percentage of the gross interest rate compared to the same period of the previous year
Property development and sales	1,497,686	784,066	31%	66%	83%	-2
Operation of rental property	37,106	16,958	48%	3%	2%	-
Power supply in the park	28,629	21,034	26%	1%	7%	-4
Property management	37,923	33,641	6%	15%	16%	-1
Property intermediary	3,581	2,816	16%	91%	36%	32
Others	8,431	10,736	-37%	12%	14%	2

Changes of the main financial data compared to the same period of the previous year

Unit:RMB 0,000

	This report period	Same period in the previous year	Increase and decrease compared to the same period of the previous year	Reason for the change
Operating income	1,613,357	1,008,051	60%	Increase of carry-over amount of property sales
Operating cost	869,251	504,532	72%	Increase of carry-over amount of property sales
Sales expense	27,202	23,146	18%	Expansion of business scale
Management expense	23,271	17,474	33%	Expansion of business scale
Financial expense	7,335	16,767	-56%	Influenced by great increase of exchange profit
Income tax expense	147,659	79,240	86%	Increase of total profit
Research and development input	477	144	231%	Acceleration of research and development of product standardization
Net amount of cash flow generated by the operation activities	-127,551	242,031	-152%	Increase of operating accounts paid
Net amount of cash flow generated by	-30,079	-22,591	-33%	Increase of investment

the investment activities				accounts paid
Net amount of cash flow generated by the financing activities	675,744	142,155	374%	Increase of loan scale
Net increase amount of cash and cash equivalent	516,327	362,545	42%	Increase of loan scale

### III. Composition of the main businesses by area

Unit: RMB 0,000

Area	Operating income	Operating cost	Gross interest rate (%)	Increase and decrease of operating income compared to the same period of the previous year (%)	Increase and decrease of operating cost compared to the same period of the previous year (%)	Increase and decrease of gross interest rate compared to the same period of the previous year (%)
Circum-Bohai Sea Region	371,357	151,288	38%	110%	94%	1
Yangtze River Delta Region	238,422	185,631	14%	18%	70%	-17
Pearl River Delta Region	876,661	440,955	32%	45%	46%	1
Other areas	126,917	91,377	21%	389%	505%	-15

### IV. Analysis on the core competitiveness

Vivid enterprise culture, string capital strength and unique operation mode are the core competitiveness of the Company.

In the beginning of the period in 2013, on the foundation of inheriting the cultural connotation and essence of China Merchants Group, The Company sublimed and abstracted Version 3.0 enterprise cultural concept system combining its own realities. Through various measures such as explaining and publicizing V3.0 enterprise culture system etc., the Company vigorously promoted the culture construction and implementation, integrated the cultural concepts of the enterprise “into the strategy, into the management and into the posts”. The cultural concepts were solidified in the strategy planning, operation management and human resources etc. of the Company, and the guidance role of culture on management was manifested.

In the first half year, the sales achievement of the Company increased continuously, and cash flow was further improved. At the same time, asset to liability ratio and comprehensive capital cost were continued at a low level, and the advantage of stable financing will help the company coping with the uncertainty of the industry flexibly and realizing stable increase.

After exploration and practice of many years, the Company successfully built three unique operation modes: ‘simultaneously developing residential and commercial buildings’ ‘green property’ and ‘comprehensive development of the Community’, which brought good branding benefit and great market prospect for the Company, greatly enhancing its core competitiveness.

### V. Analysis on the investment condition

#### 1. External equity investment condition

##### (1) External investment condition

There was no condition of holding the shares of other listed companies.

**(2) Condition of holding the equity of financial enterprises**

Not applicable

**(3) Condition of securities investment**

Not applicable

**2. Conditions of entrusted financial service, derivative investment and entrusted loan**

**(1) Condition of entrusted financial service**

Not applicable

**(2) Derivative investment condition**

Not applicable

**(3) Entrusted loan condition**

No external entrusted loan transaction

**3. Use condition of the raised capital**

**(1) Overall use condition of the raised capital**

Net amount of the capital raised by issuing shares publicly by the Company in 2008 was RMB 5,777.22 million, and it was all used up by June 30, 2013.

**(2) Condition of the projects committed by the raised capital**

Unit: RMB 0,000

Committed investment project and input direction of Super-raised capital	Was the project changed (including partial change)	Committed investment sum of raised capital	Investment sum after adjustment (1)	Amount input in this report period	Accumulative input amount up till the end of the period (2)	Investment progress up till the end of the period (%) (3)= (2)/(1)	Date when the project reaches the estimated usable status	Profit realized in this report period	Did it reach the estimated profit	Was the project feasibility greatly changed
Shenzhen Garden City Digital Mansion	No	22,722	22,722	-	22,722	100%	2009.11	625	Yes	No
Shenzhen CM Garden City Phase 5	No	22,000	22,000	-	22,000	100%	2010.12	-	Yes	No
Science and Technology Building Phase 2	No	16,000	16,000	-	16,000	100%	2010.03	695	Yes	No
China Merchants Square	No	44,000	44,000	-	44,000	100%	2012.11	-	Not applicable	No
Shenzhen Woods Apartment	No	34,000	34,000	-	34,000	100%	2012.12	-	Yes	Not
Shenzhen Yongjingwan	No	130,000	130,000	-	134,762	104%	2012.08	14,410	Yes	No
China Merchants Guanyuan	No	40,000	40,000	-	40,000	100%	2012.06	12,258	Yes	No
Shenzhen China Merchants Lanyuan	No	70,000	70,000	-	70,000	100%	2010.06	-	Not	No
Tianjin Star City	No	60,000	60,000	-	60,000	100%	2014.09	11,932	Yes	No
Chongqing CM Jiangwancheng	No	40,000	40,000	-	40,000	100%	2012.12	14,396	Yes	No
Suzhou Evian Shui'an Phase 3	No	26,000	26,000	-	21,238	82%	2012.12	-	Not	No

Shanghai CM Nanqiao Yayuan	No	35,000	35,000	-	35,000	100%	2010.04	-	Yes	No
Shanghai CM Yonghuayuan	No	38,000	38,000	-	38,000	100%	2010.06	-	Yes	No
Total		577,722	577,722		577,722					
Condition and reason for not reaching the estimated profit	1. China Merchants Square was not completed, so it had no profit and loss in this period. 2. China Merchants Lanyuan was all sold out, profit of RMB 331.85 million was realized accumulatively, slightly lower than the estimated profit. 3. Sales area of 100% of Suzhou Evian Shui'an Phase 3 was carried over accumulatively, realizing net profit of RMB 76.1 million. The project was opened for sale in August 2008, because the local economic situation in 2008 was contrary to the estimation, the actual profit did not reach the estimated profit.									
Change condition of the projects invested with raised capital	No									

#### 4. Analysis on the main subsidiary companies and share participating companies

Unit: RMB 0,000

Name of the company	Industry	Main product or service	Registered capital	Gross capital	Net assets	Operating income	Operating profit	Net profit
Shenzhen CM Property Cp., Ltd.	Property industry	Commercial housing	300,000	1,781,589	706,741	83,461	80,108	71,524
Shenzhen CM Shangzhi Investment Co., Ltd.	Property industry	Commercial housing	20,000	547,938	275,178	34,276	17,631	13,347
Shenzhen CM Power Supply Co., Ltd.	Public utility	Power supply in the park	5,700	562,584	127,082	28,629	9,801	6,957
Shenzhen Vanke Binhai Property Co., Ltd.	Property industry	Commercial housing	100,000	405,472	97,079	-	-1,397	-1,392
Shenzhen Meiyue Property Consultant Co., Ltd.	Property industry	Commercial housing	100	139,365	48,615	224,988	69,191	50,523
China Merchants Property Development (Beijing) Co., Ltd.	Property industry	Commercial housing	3,000	333,226	80,038	252,900	103,589	77,405
China Merchants Jiaming (Beijing) Property Development Co., Ltd.	Property industry	Commercial housing	35,000	555,620	132,111	41,221	15,377	11,655
Tianjin Zhaosheng Property Co., Ltd.	Property industry	Commercial housing	3,000	285,550	16,075	47,157	15,269	11,575
Chongqing CM Property Development Co., Ltd.	Property industry	Commercial housing	\$53,400 USD	535,579	352,935	-	-1,052	1,210
Guangzhou CM Property Co., Ltd.	Property industry	Commercial housing	5,000	552,579	175,600	66,146	31,243	23,444
Foshan Xincheng Property Co., Ltd.	Property industry	Commercial housing	\$12,700 USD	332,678	211,377	248,944	101,135	75,850
Foshan Xinjie Property Co., Ltd.	Property industry	Commercial housing	\$21,980 USD	228,742	165,453	88,450	24,017	18,040
Zhenjiang Yingsheng Property Development Co., Ltd.	Property industry	Commercial housing	\$11,800 USD	331,535	77,591	49,724	5,168	4,471

#### 5. Conditions of the major projects invested with non-raised capital

(1) In the report period, the Company had 6 new property project companies, new investment amount was RMB 104.4 million, and the investment condition was as follows:

Unit: RMB 0,000

Name of the company	Registered capital	Equity proportion of the Company	Actual investment amount	Scope of business
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Zhenjiang Nanshan Creative Industrial Park Co., Ltd.	5,000	60%	3,000	Property development
Shenzhen CM Shekou Construction Co., Ltd.	1,000	51%	510	Property development
Dalian Zhaoyu Property Co., Ltd.	3,000	51%	1,530	Property development
Shenzhen Pingshan CM Property Co., Ltd.	1,400	100%	1,400	Property development
Suzhou CM Yishan Jun Property Co., Ltd.	3,000	100%	3,000	Property development
Foshan Shunde Evian Desheng Property Co., Ltd.	1,000	100%	1,000	Property development

1. On January 23, 2013, the Company and Zhenjiang Communications Investment and Construction Development Company jointly contributed capital to establish Zhenjiang Nanshan Creative Industrial Park Co., Ltd., holding 60% and 40% shares respectively. The company will develop and operate Zhenjiang Guantangqiao Road East No.1 and 2 Block Project.

2. On January 25, 2013, the wholly owned subsidiary company of the Company Shenzhen CM Property Co., Ltd. and Shenzhen Zhongrunda Property Development Co., Ltd. jointly contributed capital to establish Shenzhen CM Shekou Construction Co., Ltd., holding 51% and 49% shares respectively. The company will develop and operate Shekou Yuercun Project.

3. On February 27, 2013, the wholly owned company of the Company Tianjin zhaosheng Property Co., and Dalian Haoyu Investment Co., Ltd. jointly contributed capital to establish Dalian Zhaoyu Property Co., Ltd., holding 51% shares and 49 shares respectively. The company will develop and operate Dalian Hi-Tech Zone Dagao (2012) No.22 and No.23 Block Project.

4. On March 15, 2013, the Company established Shenzhen Pingshan CM Property Co., Ltd. with its sole capital, and the company will develop and operate Shenzhen Pingshan New Zone G12201-0299 Block Project.

5. On April 15, 2013, the wholly owned subsidiary company of the Company China Merchants Property Development (Suzhou) Co., Ltd. established Suzhou CM Yishan Jun Property Co., Ltd. with its sole capital, and the company will develop and operate Suzhou Hi-Tech zone Fengqiao (2013) G14 Block Project.

6. On May 27, 2013, the wholly owned subsidiary company of the Company Guangzhou CM Property Co., Ltd. established Foshan Shunde Evian Desheng Property Co., Ltd. with its sole capital, and the company will develop Foshan Shunde New City Desheng Business Area No.C02-2 Block Project.

**(2) . In the report period, the accumulative investment amount of the main investment projects was RMB 17,257.05.**

Unit: RMB 0,000

Name of the project	Location	Area	Plot ratio counted building area	Investment amount in this period	Accumulative investment amount	Project progress
Shenzhen Jingshan Jinhai	Shekou, Shenzhen	5.44	10.65	11,755	59,291	Main body construction
Shenzhen CM Guoling Garden	Bao'an, Shenzhen	4.00	18.16	20,657	68,217	Completed and in partnership
Shenzhen Yihai City	Yantian, Shenzhen	13.73	34.53	14,412	35,015	Main body construction

Guangzhou Jinshan Valley	Panyu, Guangzhou	83.55	105.15	8,286	142,407	Phase 3 completed, phase 8 in main body construction
Foshan Evian Shui'an	Shunde, Foshan	26.64	45.94	4,138	150,287	Completed and in partnership
Suzhou Xiaoshicheng	Wuzhong, Suzhou	66.37	92.18	27,796	312,258	Phase 5 in partnership, phase 6 completed
Zhenjiang CM Beiguwan	Jingkou, Zhenjiang	31.95	55.00	17,715	255,286	Main body construction
Beijing Park 1872	Chaoyang, Beijing	10.42	30.34	22,270	224,588	Phase 6# and 7# in partnership, 1# capped
Beijing Xicheng Homestead and Longyuan	Changping, Beijing	26.80	52.33	32,814	192,618	Phase 1 in partnership, phase 2 in main body construction
Chongqing CM Jiangwancheng	Jiangbei, Chongqing	13.49	44.91	8,420	173,166	Phase 5 completed
Chongqing Changjiahui	Nan'an, Chongqing	33.66	150.00	12,646	41,455	Phase 1 in construction
Wuhan CM Park 1872	Hanyang, Wuhan	51.97	109.27	14,742	21,044	Block A in main body construction
Zhangzhou Kadakaisi	Zhangzhou Development Zone	38.99	67.80	13,515	50,073	Phase 1 in partnership, and phase 2 in main body construction

Note: The above investment amounts do not include land price payment. ◦

## **VI. Estimation on the operation achievements from January to September 2013**

Not applicable

## **VII. Explanations of the Board of Directors and Board of Supervisors on the 'Non-standard Audit Report' of this report period of the accounting firm**

Not applicable

## **VIII. Explanations of the Board of Directors on the Conditions Related to the 'Non-standard Audit Report' of the previous year**

Not applicable

## **IX. Implementation of profit distribution in 2012 of the Company**

The proposal of profit distribution in 2012 was approved at the 2012 Annual Shareholders' Meeting held on April 10, 2013.

10% of the net profit of the parent company RMB 597,522,289, statutory surplus capital reserve RMB 59,752,229 was withdrew; Taking the total capital shares 1,717,300,503 shares as of year-end as the radix, cash dividend RMB 3.00 (tax included) would be distributed for each 10 shares, that was to say, RMB 515,190,151 RMB cash dividend in total would be sent. The residual undistributed profit RMB 4,480,545,804 RMB was retained to the next report year. The Company did not conduct converting capital reserve into share capital this year.

The Company issued the *Announcement on the Implementation of 2012 Annual Dividend and*

*Interest Distribution Scheme* on China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily, Hong Kong Commercial Daily and <http://www.cninfo.com.cn> on May 21<sup>st</sup>, 2013. A share equity registration day would be May 21, 2013, and the ex-interest day would be May 22<sup>nd</sup>, 2013 (Final transaction day of B shares would be May 21<sup>st</sup>, 2013, ex-interest day would be May 22<sup>nd</sup>, 2013 and B share equity registration day would be May 24<sup>th</sup>, 2013). Up till the disclosure date of this report, implementation of the above-mentioned dividend and interest distribution scheme has been completed except for cash dividend payable to the big shareholder Shekou Industrial Zone.

## **X. Pre-plan of profit distribution and capital reserve converted to capital stock in the report period**

The Company does not conduct profit distribution and did not conduct converting capital reserve into share capital in the middle of 2013.

## **XI. Table about investigations, communications and interviews received by the Company during the report period**

Reception date	Reception place	Reception way	Received object type	Received object	Content discussed and information provided
January 7, 2013	Shenzhen	Telephone communication	Institutional investor	Dongxing Securities	① Introducing operation of the Company ② Discussing the industry development; ③ Providing the information announced and brochure for projects of the Company. ④ Visiting the Company on-sale buildings, and providing building sales brochure  ① Introducing operation of the Company ② Discussing the industry development; ③ Providing the information announced and brochure for projects of the Company.
January 8, 2013	Shenzhen	Telephone communication	Institutional investor	Credit Suisse Founder	
January 8, 2013	Shenzhen	Telephone communication	Individual investor	individual investor	
January 9, 2013	Shenzhen	Field investigation	Institutional investor	China Jianyin Investment Securities, Central Assets	
January 11, 2013	Hong Kong	Interecommunications	Institutional investor	JP Morgan Asset Mgt, RCM Cap Mgt	
January 11, 2013	Shenzhen	Field investigation	Institutional investor	Citic Securities	
January 12, 2013	Shenzhen	Telephone communication	Institutional investor	Heqi Investment	
January 15, 2013	Shenzhen	Telephone communication	Institutional investor	Full Vision Capital	
January 15, 2013	Shenzhen	Field investigation	Institutional investor	Changsheng Fund, CICC Securities	
January 17, 2013	Shenzhen	Field investigation	Institutional investor	China Securities	
January 17, 2013	Shenzhen	Field investigation	Institutional investor	Huatai Securities, Long Fund	
January 17, 2013	Shenzhen	Telephone communication	Institutional investor	Templeton	
January 18, 2013	Shenzhen	Field investigation	Institutional investor	New China Fund	
January 21, 2013	Shenzhen	Field investigation	Institutional investor	Xingcheng Fund, Guotai Junan Securities	
January 22, 2013	Shenzhen	Field	Institutional	Jefferies, Pictet Asset Management, Zeal	

		investigation	investor	Asset Management, Calyon, Full vision Capital
January 22, 2013	Shenzhen	Strategic seminar	Institutional investor	Strategic seminar of Guotai Junan Securities
January 23, 2013	Shenzhen	Telephone communication	Institutional investor	Orient Securities
January 23, 2013	Shenzhen	Telephone communication	Institutional investor	Credit Suisse Founder
January 23, 2013	Shenzhen	Field investigation	Institutional investor	Bank of Communications Schroder
January 23, 2013	Shenzhen	Field investigation	Institutional investor	Chang Qingteng Asset Management, First Shanghai Securities
January 24, 2013	Shenzhen	Interecommunications	Institutional investor	Guosen Securities, GF Securities, First Capital Securities, Rongtong Fund, Bank Of China life insurance, etc
January 25, 2013	Shenzhen	Telephone communication	Institutional investor	Shenyin Wanguo Securities
January 25, 2013	Shenzhen	Interecommunications	Institutional investor	Citic Securities, Cape Asset Management, Libang investment adviser, United Securities Investment Trust
January 29, 2013	Shenzhen	Field investigation	Institutional investor	China Asset Management
January 31, 2013	Shenzhen	Strategic seminar	Institutional investor	Strategic seminar of Guosen Securities
February 1, 2013	Hong Kong	Interecommunications	Institutional investor	Barclay
February 5, 2013	Hong Kong	Field investigation	Institutional investor	Pinpoint Asset Mgt
February 7, 2013	Shenzhen	Field investigation	Institutional investor	Nomura international, UBS, AMP Capital
February 26, 2013	Suzhou	Field investigation	Institutional investor	Huatai united
February 27, 2013	Zhenjiang	Field investigation	Institutional investor	China International Capital Corporation limited
March 21, 2013	Shenzhen	Telephone communication	Individual investor	Bank of China International
March 22, 2013	Shenzhen	Telephone communication	Institutional investor	Orient Securities
March 27, 2013	Shenzhen	Telephone communication	Institutional investor	Goldman Sachs Gao Hua
April 1, 2013	Shenzhen	Telephone communication	Institutional investor	China Jianyin Investment Securities
April 2, 2013	Shenzhen	Telephone communication	Institutional investor	Sealand Securities
April 7, 2013	Guangzhou	Field investigation	Institutional investor	Shanghai Jin Li Investment
April 8, 2013	Shenzhen	Field investigation	Institutional investor	First State Asset Management
April 8, 2013	Foshan	Field investigation	Institutional investor	Shanghai Jin Li Investment
April 9, 2013	Foshan	Field investigation	Institutional investor	China International Capital Corporation limited
April 10, 2013	Shenzhen	Field investigation	Institutional investor	Guotai Junan Securities, China Securities, China Asset Management
April 11, 2013	Shenzhen	Field investigation	Institutional investor	Everbright Securities

④ Visiting the Company on-sale buildings, and providing building sales brochure

① Introducing operation of the Company  
② Discussing the industry development;  
③ Providing the information announced and brochure for projects of the Company.  
④ Visiting the Company on-sale buildings, and providing building sales brochure



April 12, 2013	Shenzhen	Field investigation	Institutional investor	China Jianyin Investment Securities
April 18, 2013	Shenzhen	Field investigation	Institutional investor	China Merchants Securities
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	Shenyin Wanguo Securities
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	Bank of China International
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	China International Capital Corporation limited
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	Jefferies
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	Sealand Securities
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	ICBC Credit Suisse
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	Essence Securities
April 24, 2013	Shenzhen	Telephone communication	Institutional investor	China Jianyin Investment Securities
April 25, 2013	Wuhan	Field investigation	Institutional investor	China Securities
April 26, 2013	Shenzhen	Telephone communication	Institutional investor	Guotai Junan Securities, Citic Securities, China International Capital Corporation limited, Harvest Fund
April 29, 2013	Shenzhen	Telephone communication	Institutional investor	Fidelity Fund
May 2, 2013	Shenzhen	Telephone communication	Institutional investor	Agricultural bank life insurance
May 2, 2013	Shenzhen	Telephone communication	Institutional investor	Everbright Securities
May 2, 2013	Shenzhen	Telephone communication	Institutional investor	Guosen Securities
May 3, 2013	Shenzhen	Telephone communication	Institutional investor	China Jianyin Investment Securities
May 7, 2013	Shenzhen	Field investigation	Institutional investor	Goldman Sachs Gao Hua
May 7, 2013	Shenzhen	Field investigation	Institutional investor	China Securities
May 9, 2013	Hong Kong	Strategic seminar	Institutional investor	Macquarie
May 10, 2013	Shenzhen	Field investigation	Institutional investor	First Shanghai
May 15, 2013	Wuhan	Field investigation	Institutional investor	Guosen Securities
May 17, 2013	Shenzhen	Field investigation	Institutional investor	Citibank , Everest Capital
May 17, 2013	Beijing	Field investigation	Institutional investor	Fullgoal Fund
May 21, 2013	Shenzhen	Field investigation	Institutional investor	GF Securities
May 23, 2013	Shanghai	Strategic seminar	Institutional investor	Orient Securities
May 30, 2013	Tianjin	Field	Institutional	JP Morgan Asset Mgt

		investigation	investor	
June 1, 2013	Beijing	Field investigation	Institutional investor	UBS Securities
June 3, 2013	Shenzhen	Field investigation	Institutional investor	Penghua Fund
June 4, 2013	Suzhou	Field investigation	Institutional investor	China Securities
June 4, 2013	Beijing	Strategic seminar	Institutional investor	Guosen Securities
June 9, 2013	Shenzhen	Field investigation	Institutional investor	Hillhouse Capital Management
June 14, 2013	Shenzhen	Field investigation	Institutional investor	Jefferies
June 17, 2013	Nanjing	Field investigation	Institutional investor	Invesco Hong Kong Limited
June 18, 2013	guangzhou	Field investigation	Institutional investor	Morgan Stanley
June 19, 2013	Shenzhen	Strategic seminar	Institutional investor	China Merchants Securities
June 19, 2013	Shenzhen	Field investigation	Institutional investor	China International Capital Corporation limited
June 21, 2013	Shenzhen	Field investigation	Institutional investor	Galaxy Securities, Sheng tai investment
June 26, 2013	Beijing	Field investigation	Institutional investor	Citibank
June 27, 2013	Hong Kong	Strategic seminar	Institutional investor	Citibank
June 28, 2013	Xiamen	Strategic seminar	Institutional investor	Citic Securities

## **Chapter 5 Significant Events**

### **I. Corporate governance**

The company established sound operation of company governance, general meeting of shareholders, Board of Directors and Supervisory Committee. The company truthfully, accurately, completely, timely and fairly discloses information as required by information disclosure principles; as of 2012, the company has won excellent unit for SSE information disclosure evaluation for nine consecutive years (A-level).

In order to improve the level of regulated operation, the company strictly complies with *Code of Corporate Governance for Listed Companies* and the provisions of relevant laws and regulations, and adheres to continuous improvement in governance. In the report period, according to the requirement and guidance of 'Workshop on Prevention and Control of Insider Information Transaction for Listed Companies' held by Shenzhen Securities Regulatory Bureau, combined with actual conditions, the company implemented training on prevention and control of insider information leaking against directors, supervisors, and senior managers again, to raise awareness of prevention and control of insider information transaction and sound the alarm of prevention and control of insider information transaction at all times, so that "everyone is familiar with the insider information transaction regulations, in order to eliminate the insider information transaction".

To further regulate the company investor relation management and information disclosure, fully protect the investor's rights to get access to information fairly, according to the SSE *Information Disclosure Business Memorandum No.41 ---Investor Relation Management and Information Disclosure*, investor reception conditions will be disclosed monthly on a regular basis, instead of quarterly on a regular basis.

### **II. Significant lawsuits and arbitration**

No significant lawsuits and arbitration in the report period.

### **III. Media questioning**

None

### **IV. Matters related to bankruptcy and reform**

Not applicable

### **V Assets transaction**

#### **1. Purchasing assets**

Not applicable

#### **2. Assets disposal**

Not applicable

#### **3. Mergers**

Not applicable

### **VI Implementation of stock option incentive plan and its impact**

Not applicable

### **VII Major related transactions**

#### **1. Operational transaction**

(1) Shenzhen China Merchants Power Supply Co., Ltd. supplies power to its controlling shareholder Shekou Industrial Zone and its subsidiaries. Utility bills calculated and charged according to the regulations of Bureau of Commodity Price. Because of the power bills of related transaction were calculated and billed by other property management companies, the related power transaction is untraceable.

(2) China Merchants Group, Shekou Industrial Zone and other associated parties of China Merchants Group rent commercial office buildings, in the report period, the rental amounts to RMB 11.39 million.

(3) The facilities, equipments, and office locations of supplying electricity and water of the Company were located in Shekou. Most of the leasing properties in real estate business were built in Shekou. Therefore, the Company and the subsidiaries engaging in aforementioned business have rented land of Shekou Industrial Zone since they were founded. In the report period, land expenses of the Company and controlling subsidiaries paid to Shekou Industrial Zone totaled to RMB 4.36 million. Total rent payable to Shekou Industrial Zone for Nanhai Ecoool is amount to RMB13.32million.

## **2. Transactions related to purchasing assets and assets disposal**

In the report period, no transactions related to purchasing assets and assets disposal.

## **3. Major related transactions on common external investment**

In the report period, no transactions related to invest in a 3<sup>rd</sup> party with related parties.

## **4. Main claims and debts for associated parties**

Unit: RMB 0, 000 Yuan

Name	Relationship	Claim and debt type	Reason	Non-business resource expropriation exists or not	Opening balance	Occurred current term	Closing balance
Beijing Guangying Real Estate Development Co., Ltd	Joint venture	Other receivables	shareholder loan	No	124,373.36	-36,562.96	87,810.40
TCL Optical- Electronics (Shenzhen) Technologies Ltd.	Joint venture	Other receivables	shareholder loan	No	22,709.53	-22,709.53	-
Foshan China Merchants Longyuan Property Co., Ltd.	Joint venture	Other receivables	shareholder loan	No	67,308.41	14.27	67,322.68
Shanghai New Nanshan Real Estate Development Co., Ltd	Associated company	Other receivables	shareholder loan	No	14,365.49	3,778.31	18,143.80
Jones Tech Limited	Associated company	Other receivables	Shift in investment	No	6,445.42	-118.44	6,326.97
Holly Profit Limited	Associated company	Other receivables	Shift in investment	No	7,395.85	-135.91	7,259.94
Huizhou Taitong Property Investment Co., Ltd.	Associated company	Long-term account receivable	shareholder loan	No	4,972.13	-4,972.13	-
China Merchants Shekou Industrial Zone Co., Ltd.	Controlling Shareholder	Account payable	land acquisition payment	No	90,000.00	-90,000.00	-
China Merchants Guangming Science Park Co., Ltd	Joint venture	Other account receivable	Current fund	No	1,028.97	13.21	1,042.18
Tianjin Xinhai Real Estate Development Co., Ltd.	Associated company	Other account receivable	Current fund	No	10,608.14	-	10,608.14
Shanghai Ledu Properties Limited	Associated company	Other account receivable	Current fund	No	14,435.68	6,666.00	21,101.68
Shanghai New Nanshan Real Estate Development Co., Ltd	Associated company	Other account receivable	Current fund	No	-	3,160.00	3,160.00
TCL Optical- Electronics (Shenzhen) Technologies Ltd.	Joint venture	Other account receivable	Current fund	No	-	3,090.31	3,090.31
Shenzhen China Merchants Financing Service Co., Ltd.	Same ultimate holder	Other account receivable	Current fund	No	75,353.99	8,955.53	84,309.52
CM Zhangzhou Development Zone Ltd.	Same ultimate holder	Other account receivable	Current fund	No	26,700.00	-	26,700.00
Top Chief Co., Ltd	Same ultimate holder	Other account receivable	Current fund	No	8,319.65	-143.83	8,175.82

## 5. Other major related transactions

In the report period, other associated party transactions are as shown in the notes to financial statements.

## VIII Material contracts fulfillment

### 1. Trusts, contracts, and lease events

In the report period, there were no other significant trusts, contracts or lease events.

### 2. Guarantee

Unit: RMB 0, 000 Yuan

Company's guarantee (excluding subsidiary guarantees)

Name	Related announcement disclosure date	Guarantee amount	Actual date (Date of agreement signing)	Actual guarantee amount	Guarantee type	Guarantee term	Completed or not	Guaranteed for associated party or not
China Merchants Guangming Science Park Co., Ltd.	November 3, 2011	14,700.00	March 15, 2012	1,062.22	With responsibility guarantee	Two years since the next day of expiration of loan term under the loan agreement	No	Yes
	March 20, 2012	19,110.00	May 18, 2012	4,141.02			No	Yes

Subsidiary guarantees

Name	Related announcement disclosure date	Guarantee amount	Actual date (Date of agreement signing)	Actual guarantee amount	Guarantee type	Guarantee term	Completed or not	Guaranteed for associated party or not
Eureka Investment Co., Ltd	December 11, 2009	USD 200 million (converted into RMB 12.3574 billion yuan)	January 5, 2010	USD 194 million (converted into RMB 11.986678 billion yuan)	With responsibility guarantee	From December 29, 2009 to December 29, 2013	No	Yes
Shenzhen China Merchants Power Supply Co., Ltd	March 19, 2013	USD 30 million (converted into RMB 185.361 million yuan)	June 11, 2013	USD 30 million (converted into RMB 185.361 million yuan)		30 days since the expiration of debt fulfillment term under the loan agreement	No	Yes
	February 5, 2013	35,000.00	January 30, 2013	35,000.00		Two years since the expiration of fulfillment term of all guaranteed debts	No	Yes
	March 19, 2013	85,000.00	March 12, 2012	85,000.00		No	Yes	
Shenzhen China Merchants Real Estate Co., Ltd	March 20, 2012	30,000.00	May 11, 2012	20,000.00		Two years since the next day of expiration of loan term under the loan agreement	No	Yes
Shenzhen CM Commerce Development Ltd	June 4, 2013	7,140.00	April 25, 2013	7,140.00		Two years since the expiration of debt fulfillment term under the loan agreement	No	Yes
Shanghai Jingyuan Property Development Co., Ltd.	March 29, 2011	18,700.00	March 29, 2011	18,370.00		Two years since the next day of expiration of loan term under the loan agreement	No	Yes
Beijing Conrad Co., Ltd	August 11, 2012	30,000.00	May 15, 2012	15,867.01			No	Yes
Guangzhou Wanshang Property	November 24, 2012	13,600.00	December 3, 2012	1,700.00			No	Yes

Development Co., Ltd.								
Total guarantee (totals of the previous two items)326,683.13								

Up till June 30, 2013, the Company continued to provide interim joint mortgage guarantee for purchasers of commercial properties, totaled to RMB 385.2831 million, within the date of the bank offering the loan to the date of the bank finalizing the *Property Ownership Certificate*. If the purchaser doesn't fulfill the responsibility to the debtor in the aforesaid period, the Company is entitled to take back the sold properties, so the guarantee would not cause actual loss of the Company.

### 3. Other major contracts

In the report period, the company has successively signed loan contract with the Bank of China, Agricultural Bank of China, China Construction Bank, Bank of Communications, and China Merchants Bank and other financial institutions; Up till the end of the report period, the total contracted credit amount is RMB 44.3 billion.

### 4. Other major transactions

## IX More than 5% shareholder made commitments in reported period or in previous period entity

Commitments	Commitment party	Content	Date	Deadline	Fulfillment
Share reform commitment	Shekou Industrial Zone	After the implementation of the reform of stock allocation, we will continue to introduce high quality assets such as land to support the company's development.	December 9, 2005		
Other commitments to minority shareholders of the company	Shekou Industrial Zone	Not directly or indirectly engaged in or develop the business or projects same or similar with the company business scope, and not to assist any enterprise in compete with the company directly or indirectly; do not use information obtained from the company to get engaged in, directly or indirectly participate in competition with the company, not to conduct any other competitive behaviors that damage or may damage the interests of the company.	March 19, 2008	Expiration upon two years from the date of no longer holding the stock of the company	In the report period, the commitment has been strictly honored.

## X Appointment or dismissal of CPAs

The semi-annual financial report has not yet been audited.

On April 10, 2013, the company's 2012 annual general meeting of shareholders approved to rehire ShineWing Certified Public Accountants Ltd as external auditing institution in 2013.

## XI Punishment and rectification

Not applicable

## XII Notes to other major events

At the end of this reporting period, the company has changed accounting estimate method, the reason and its influence are:

The company originally had problems in bad debt estimates. These problems are single amount materiality level too high and aging method too complicated. In order to have more appropriate bad debt accrual method, the 7<sup>th</sup> temporary meeting of Board of Directors in 2013 approved this change in accounting method, and it also had approval from the company's 8<sup>th</sup> meeting of the 7<sup>th</sup> Supervisory committee.

The Board of Director of the company agreed that this change in accounting estimate method would be better match with related rules and regulation and more applicable to company's actual needs. This change would also let the bad debt accrual method more reasonable which is in a lieu with company's general conservative principal and provide more neutral Account Receivable amount.

The change in bad debt estimate would result in an additional 2.41million bad debt expense.

## Chapter 6. Changes in Share Capital and Particulars about Shareholders

### I. Change in Share Capital

The shares of the Company have no change in this report period.

(Unit: share)

	Before the change		Increase / Decrease this time (+, -)				After the change	
	Amount	Proportion	bonus	Share transfer of accumulation fund	Others	Subtotal	Amount	Proportion
I. Shares with conditional	891,641,608	51.92%					891,641,608	51.92%
1. State-owned shares								
2. State-owned legal person's shares	693,419,317	40.38%					693,419,317	40.38%
3. Other domestic shares								
Including: domestic non-state-owned legal person's shares								
Domestic natural person's shares								
4. Foreign shares	197,709,440	11.51%					197,709,440	11.51%
Including: Foreign legal person's shares	197,709,440	11.51%					197,709,440	11.51%
Foreign natural person's shares								
5. Senior executives' shares	512,851	0.03%					512,851	0.03%
II. Shares with unconditional subscription	825,658,895	48.08%					825,658,895	48.08%
1. RMB common shares	684,267,595	39.85%					684,267,595	39.85%
2. Domestically listed foreign shares	141,391,300	8.23%					141,391,300	8.23%
3. Overseas listed foreign shares								
4. Others								
<b>III. Total shares</b>	<b>1,717,300,503</b>	<b>100%</b>					<b>1,717,300,503</b>	<b>100%</b>

### II. Company shareholder number and share holding conditions

(Unit: share)

Total number of shareholders at the end of the report period	49,147 (including 40,873 A-share holders and 8,274 B-share holders)							
Shareholding of top 10 shareholders								
Name of shareholder	Class of shareholder	Share proportion (%)	Amount of holding shares at the end of the report period	Year-on-year Change	Restricted shares	Unrestricted shares	Pledged or lock-up shares	
							Share state	Amount
China Merchants Shekou Industrial Zone Co., Ltd.	State-owned legal person	40.38	693,419,317	No	693,419,317	No	No	No
Full Space Investment Limited	Overseas legal person	5.48	94,144,050	No	94,144,050	No	No	No
China Merchants Securities Hong Kong Ltd.	Overseas legal person	2.91	49,948,012	213,106	49,242,245	705,767	No	No

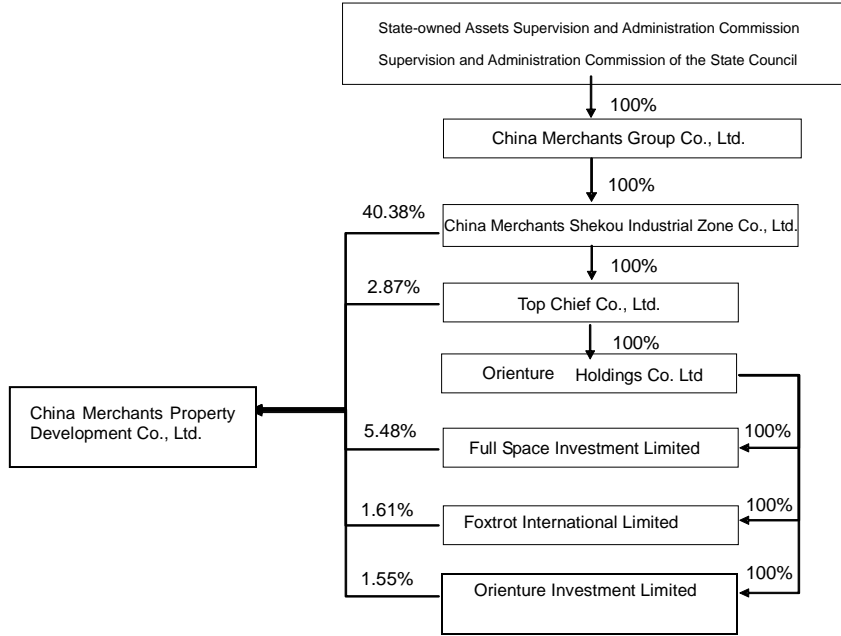


FOXTROT INTERNATIONAL LIMITED	Overseas legal person	1.61	27,720,000	No	27,720,000	No	No	No
ORIENTURE INVESTMENT LTD	Overseas legal person	1.55	26,603,145	No	26,603,145	No	No	No
Communications Bank Schroder Growth Stock Securities Investment Fund	Domestic none state-owned legal person	0.82	14,099,837	-2,800,163		14,099,837	No	No
New China life insurance co., Ltd - Dividends - Personal Dividends - 0181 - FH002 Shen	Domestic none state-owned legal person	0.80	13,779,599	13,779,599		13,779,599	No	No
GF Gathered Rich Open Securities Investment Fund	Domestic none state-owned legal person	0.73	12,599,984	12,599,984		12,599,984	No	No
GOLDEN CHINA MASTER FUND	Overseas legal person	0.73	12,458,713	-28,047		12,458,713	No	No
GF Small-capitalization Growth Equity Securities Investment Fund	Domestic none state-owned legal person	0.61	10,436,450	-563,550		10,436,450	No	No
Top 10 holders of unrestricted shares								
Name of shareholder					Unrestricted shares	Class of Shares		
Communications Bank Schroder Growth Stock Securities Investment Fund					14,099,837	A-shares		
New China life insurance co., Ltd - Dividends - Personal Dividends - 0181 - FH002 Shen					13,779,599	A-shares		
GF Gathered Rich Open Securities Investment Fund					12,599,984	A-shares		
GOLDEN CHINA MASTER FUND					12,458,713	B-shares		
GF Small-capitalization Growth Equity Securities Investment Fund					10,436,450	A-shares		
China Life Insurance Co. , Ltd. - Dividends - Personal Dividends -005L-FH002 Shen					10,309,584	A-shares		
Full Goal Tianfu Innovative Theme Equity Securities Investment Fund					10,011,118	A-shares		
Yin Hua SZSE 100 Index Classification Securities Investment Fund					9,798,419	A-shares		
BOCI SECURITIES LIMITED					9,737,700	B-shares		
Communications Bank Schroder Blue-chip Stock Securities Investment Fund					9,356,000	A-shares		
<p>1. Among the shares held by China Merchants Securities Hong Kong Ltd., 49,242,245 shares were purchased-in entrusted by Top Chief Co., Ltd.</p> <p>2. Shekou Industrial Zone and its subsidiary companies including Top Chief Co., Ltd., Full Space Investment Ltd., FOXTROT INTERNATIONAL LIMITED and ORIENTURE INVESTMENT LTD are concerted actors.</p> <p>3. GF Gathered Rich Open Securities Investment Fund and GF Small-capitalization Growth Equity Securities Investment Fund belong to the same fund management company.</p> <p>4. Communications Bank Schroder Growth Stock Securities Investment Fund and Communications Bank Schroder Blue-chip Stock Securities Investment Fund belong to the same fund management company.</p>								

### III Introduction to the Controlling Shareholder and Changes of Substantial Controller

In this report period, the controlling shareholder and the substantial controller have no change.

The following chart shows the equity and the control relationship between the Company and the Actual Controller:



## **Chapter 7. Particulars about Directors, Supervisors and Senior Executives**

### **I. Change of the shareholding of Directors, Supervisors and Senior Executives**

In this report period, the shareholding of Directors, Supervisors and Senior Executives has no change.

### **II. Change of Directors, Supervisors and Senior Executives**

On July 24, 2013, Due to job rotation, Wu Zhenqin resigned her position as Chairman of the Supervisory Board, Member of the Supervisory Board, and Huang Peikun resigned his position as Director, CFO of the company.

On July 26, 2013, the 4<sup>th</sup> Temporary Meeting in 2013 of the 7<sup>th</sup> Board of Directors of the company decided to hire Liu Wei as the deputy general manager of the company and Wu Zhenqin as the CFO of the company.

## Chapter 8. Financial Report

### I. Audit report

The Semi-Annual Financial Report of the Company is not audited.

In the financial notes, the units of the report forms are RMB.

### II. Financial Statements

## Consolidated Balance Sheet

June 30<sup>th</sup>, 2013

Compiling unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotation	Closing balance	Opening balance
<b>Current asset:</b>			
Cash	V.1	23,458,572,602.52	18,239,272,247.93
Notes Receivable	V.2	2,947,367.39	5,748,800.00
Account Receivable	V.3	68,072,310.52	162,099,162.73
Prepaid Expenses	V.4	8,161,580.60	8,287,184.01
Interest Receivable		228,492.37	269,583.30
Dividend Receivable		15,517,078.84	
Other Accounts Receivable	V.5	11,732,669,325.84	8,183,491,572.92
Inventories	V.6	72,091,942,280.16	73,637,940,073.11
Non-Current Asset due in 1 year		1,970,595.79	16,756,858.87
Other Current Asset	V.7	2,937,652,051.28	2,818,269,943.98
<b>Total Current Assets</b>		<b>110,317,733,685.31</b>	<b>103,072,135,426.85</b>
<b>Non-current assets:</b>			
Long-term Receivable	V.8		49,721,270.00
Long-term share Equity Investment	V.9	1,519,198,350.32	1,083,249,770.92
Investment in real estates	V.10	3,021,055,151.20	3,117,335,984.24
Fixed assets	V.11	1,449,031,890.39	435,194,977.76
Construction in process	V.12	98,240,393.27	88,458,273.58
Goodwill	V.13	159,560,861.23	159,560,861.23
Amortization Expenses	V.14	237,618,947.45	249,438,693.12
Deferred income tax asset	V.15	713,360,172.75	942,147,425.36
<b>Total Non-Current Assets</b>		<b>7,198,065,766.61</b>	<b>6,125,107,256.21</b>
<b>Total Assets</b>		<b>117,515,799,451.92</b>	<b>109,197,242,683.06</b>

The note is a single component of the financial statement, and this financial statement is signed

by the following responsible persons

Legal representative: Lin Shaobin

Responsible person competent for the accounting work: Wu Zhenqin

Responsible person of the accounting institution: Xu Yixia

## Balance Sheet of Parent Company (Continued)

June 30<sup>th</sup>, 2013

Compiling unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotati on	Closing amount	Opening amount
<b>Current liabilities:</b>			
Short-Term Loans	V.17	5,620,000,000.00	2,105,000,000.00
Notes Payable	V.18	57,684,515.33	47,610,662.59
Accounts Payable	V.19	8,679,956,190.36	11,796,898,896.95
Accounts Collected In Advance	V.20	30,862,520,673.59	28,463,966,430.34
Employees' Wage Payable	V.21	168,198,915.28	334,040,494.12
Tax Payable	V.22	1,029,682,569.46	1,951,582,353.18
Interests Payable	V.23	68,152,422.02	119,767,822.92
Dividend Payable	V.24	218,003,724.42	290,165,059.98
Other Accounts Payable	V.25	8,762,199,717.37	8,502,352,593.09
Non-Current Liability Due In 1 Year	V.26	9,032,245,473.94	7,380,992,296.97
Other Current Liability	V.27	3,801,581,625.04	4,256,735,641.00
<b>Total Current Liability</b>		<b>68,300,225,826.81</b>	<b>65,249,112,251.14</b>
<b>Non-Current Liabilities:</b>			
Long-Term Loan	V.28	16,908,624,119.41	14,378,013,872.78
Long-Term Payable	V.29	101,218,943.36	100,207,107.75
Estimated Liabilities	V.30	13,480,870.63	14,017,011.26
Deferred Income Tax Liabilities	V.15	93,712,503.50	
Other Non-Current Liabilities	V.31	16,727,439.31	16,613,440.00
<b>Total Non-Current Liabilities</b>		<b>17,133,763,876.11</b>	<b>14,508,851,431.79</b>
<b>Total Liability</b>		<b>85,433,875,703.71</b>	<b>79,757,963,682.93</b>
<b>Shareholders' Equity:</b>			
Share Capital	V.32	1,717,300,503.00	1,717,300,503.00
Capital Reserves	V.33	8,622,363,393.22	8,386,926,298.12
Surplus Reserves	V.34	1,027,780,997.90	1,027,780,997.90
Retained Earnings	V.35	14,208,541,440.34	12,173,100,556.73
Different of Foreign Currency Translation		88,407,178.38	88,407,178.38
<b>Total Shareholders' Equity Attributable to The Parent Company</b>		<b>25,664,393,512.84</b>	<b>23,393,515,534.13</b>
Minority Shareholders' Equity	V.36	6,417,530,235.37	6,045,763,466.00

<b>Total Shareholders' Equity</b>		32,081,923,748.21	29,439,279,000.13
<b>Total Shareholders' Equity and Liabilities</b>		117,515,799,451.92	109,197,242,683.06

## Balance Sheet of Parent Company

June 30<sup>th</sup>, 2013

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotation	Closing Amount	Opening Amount
<b>Current Assets:</b>			
Cash		6,397,093,488.91	5,277,807,877.29
Prepaid Expenses		921,251.48	
Dividend Receivable		466,921,794.83	2,877,702,095.70
Other Accounts Receivable	XIII.1	27,121,848,729.33	29,644,653,819.13
Inventories		1,224,000,000.00	1,224,000,000.00
Non-Current Assets Due in 1 Year			15,300,000.00
<b>Total of Current Asset</b>		35,210,785,264.55	39,039,463,792.12
<b>Non-Current Assets:</b>			
Long-Term Share Equity Investment	XIII.2	8,410,589,827.90	5,657,339,312.90
Fixed Assets		1,707,593.97	345,629.58
<b>Total Non-Current Assets</b>		8,412,297,421.87	5,657,684,942.48
<b>Total Assets</b>		43,623,082,686.42	44,697,148,734.60

## Balance Sheet of Parent Company (Continued)

June 30<sup>th</sup>, 2013

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotation	Closing Amount	Opening Amount
<b>Current Liabilities:</b>			
Short-Term Loans		3,420,000,000.00	1,905,000,000.00
Employees' Wage Payable		611,047.49	7,927,525.00
Tax Payable		22,557,548.75	466,320.21
Interests Payable		38,798,180.60	111,221,455.00
Dividend Payable		208,025,795.10	
Other Account Payable		10,233,554,434.63	13,556,711,178.36
Non-Current Liability Due In 1 Year		5,453,784,630.00	3,894,234,275.00
Other Current Liabilities			
<b>Total Current Liabilities</b>		19,377,331,636.57	19,475,560,753.57
<b>Non-Current Liabilities:</b>			
Long-Term Loan		8,357,858,015.00	8,604,667,725.00

<b>Total Non-Current Liabilities</b>		8,357,858,015.00	8,604,667,725.00
<b>Total Liabilities</b>		27,735,189,651.57	28,080,228,478.57
<b>Shareholders' Equity:</b>			
Share Capital		1,717,300,503.00	1,717,300,503.00
Capital Reserves		8,927,054,193.00	8,927,054,193.00
Surplus Reserves		976,829,604.90	976,829,604.90
Retained Earnings		4,266,708,733.95	4,995,735,955.13
<b>Total Shareholders' Equity</b>		15,887,893,034.85	16,616,920,256.03
<b>Total Shareholders' Equity and Liabilities</b>		43,623,082,686.42	44,697,148,734.60

## Consolidated Income Sheet

January-June, 2013

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotation	Amount Of The Current Term	Amount Of The Same Period Of Last Year
<b>I. Total Revenue</b>		16,133,568,321.26	10,080,507,691.00
Operating Income	V.37	16,133,568,321.26	10,080,507,691.00
<b>II. Total Operating Cost</b>		11,677,655,973.79	7,602,729,071.00
Operating Cost	V.37	8,692,511,279.89	5,045,322,607.00
Business Tax and Additions	V.38	2,579,430,723.77	1,776,684,070.00
Sales Expenses	V.39	272,019,791.76	231,459,127.00
Administrative Expenses	V.40	232,711,486.01	174,735,165.00
Financial Expenses	V.41	73,348,971.39	167,666,874.00
Losses on Asset Impairment	V.42	-172,366,279.03	206,861,228.00
Plus: Profits and Losses on The Changes of Fair Value ("-" Is stand for Losses)	V.43		1,584,406.00
Investment Income ("-" Is stand for Losses)	V.44	282,179,758.93	24,881,684.00
Incl. Investment Gains from Affiliates		336,191,940.58	3,847,470.00
<b>III. Operating Profit ("-" Is Filled In For Losses)</b>		4,738,092,106.40	2,504,244,710.00
Plus: Non-Operating Income	V.45	11,774,703.28	6,454,536.00
Less: Non-Operating Expenses	V.46	15,387,554.61	10,072,004.00
Incl. Loss from Disposal of Non-Current Assets		910,283.52	350,941.00
<b>IV. Gross Profit ("-" Is stand for Gross Loss)</b>		4,734,479,255.07	2,500,627,242.00
Less: Income Tax Expenses	V.47	1,476,586,830.38	792,399,255.00

<b>V. Net Profit</b> (“-” Is Filled In For Net Loss)		3,257,892,424.69	1,708,227,987.00
Net Profit Attributable To The Shareholders Of The Parent Company		2,550,631,034.51	1,220,525,897.00
Minority Interests		707,261,390.18	487,702,090.00
<b>VI. Earnings Per Share:</b>			
(I) Basic Earnings Per Share	V.48	1.49	0.71
(II) Diluted Earnings Per Share	V.48	1.49	0.71
<b>VII. Other Integrated Incomes</b>	V.49		974,901
<b>VIII. Total Of Integrated Incomes</b>		32,57,892,424.69	1,709,202,888.00
Total Integrated Income Attributable to The Parent Company		2,550,631,034.51	1,221,500,798.00
Total Integrated Income Attributable to The Minority Shareholders		707,261,390.18	487,702,090.00

## Income Sheet of Parent Company

January-June, 2013

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotation	Amount Of The Current Term	Amount Of The Same Period Of Last Year
<b>I. Operating Income</b>	XIII.3	11,080,000.00	
Less: Operating Expenses	XIII.3	1,016,316.92	
Business Tax And Additions		621,588.00	
Sales Expenses			
Administrative Expense		14,632,307.21	13,105,388.00
Financial Expenses		198,192,218.64	138,967,534.00
Losses on Asset Impairment			
Plus: Profits and Losses on the Changes of Fair Value (“-” Is Filled In For Losses)			
Investment Income (“-” Is Filled In For Losses)	XIII.4	-1,290,760.00	-999,780.00
Investment Gains From Affiliates		-1,290,760.00	-1,670,150.00
<b>II. Operating Profit</b> (“-” Is Filled In For Losses)		-204,673,190.77	-153,072,702.00
Plus: Non-Operating Income			10,322.00
Less: Non-Operating Expenses		9,163,879.51	
Loss From Disposal Of Non-Current Assets			



<b>III. Gross Profit</b> (“-” Is Filled In For Gross Loss)		-213,837,070.28	-153,062,380.00
Less: Income Tax Expenses			
<b>IV. Net Profit</b> (“-” Is Filled In For Net Loss)		-213,837,070.28	-153,062,380.00
<b>V. Earnings Per Share:</b>			
(I) Basic Earnings Per Share			
(II) Diluted Earnings Per Share			
<b>VI. Other Integrated Income</b>			
<b>VII. Total of Integrated Income</b>		-213,837,070.28	-153,062,380.00

## Consolidated Cash Flow Statement

January-June, 2013

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Annotation	Amount Of The Current Term	Amount Of The Same Period Of Last Year
<b>I. Cash Flow from Operating Activities:</b>			
Cash Received from Sales of Products or Rendering of Services		18,624,153,525.45	14,808,712,660.00
Tax Refund		15,808,867.22	334,434.00
Other Cash Received Relating to Operating Activities	V.50 (1)	2,864,443,964.78	1,382,261,388.00
Sub-Total of Cash Inflow from Operating Activities		21,504,406,357.45	16,191,308,482.00
Cash Paid for Merchandise and Services		10,622,047,633.80	7,664,076,750.00
Cash Paid to employees		674,059,496.16	557,955,747.00
Taxes Paid		4,126,788,176.01	2,674,247,425.00
Other Cash Paid Relating to Operating Activities	V.50 (2)	7,357,016,282.05	2,874,720,497.00
Sub-Total of Cash Outflow from Operating Activities		22,779,911,588.02	13,771,000,419.00
Cash Flow Generated by Business Operation, net		-1,275,505,230.57	2,420,308,063.00
<b>II. Cash Flow Used in Investment Activities:</b>			
Cash Received from Investment Retrieving		80,123.00	
Cash Received as Investment Gains		311,302,240.31	
Net Cash Retrieved From Disposal of Fixed Assets, Intangible Assets, and Other Long-Term Assets		65,240.00	32,130.00
Net Cash Received from Disposal of Subsidiaries or Other Operational Units			
Other Investment-Related Cash Received			
Sub-Total of Cash Inflow Due to Investment Activities		311,447,603.31	32,130.00
Cash Paid For Construction of Fixed Assets, Intangible Assets and other Long-Term Assets		27,118,359.78	8,458,757.00

Cash Paid for Investment		23,898,000.00	86,556,612.00
Net Cash Received from Subsidiaries and Other Operational Units			122,221,009.00
Other Cash Paid for Investment Activities		561,222,801.84	8,707,949.00
Sub-Total Of Cash Outflow Due To Investment Activities		612,239,161.62	225,944,327.00
Net Cash Flow used in Investment Activities		-300,791,558.31	-225,912,197.00
<b>III. Cash Flow Generated from Financing Activities:</b>			
Cash Received from Investment		116,206,306.58	238,000,000.00
Cash Received as Investment from Minor Shareholders		116,206,306.58	238,000,000.00
Cash Received as Loan		12,961,884,236.52	5,292,641,763.00
Other Cash Received Relating to Financing Activities			
Subtotal of Cash Inflow from Financing Activities		13,078,090,543.10	5,530,641,763.00
Cash to Repay Debts		5,256,388,021.57	3,194,990,109.00
Cash Paid as Dividend, Profit, or Interests		1,064,263,544.64	914,106,042.00
Dividend and Profit Paid by Subsidiaries to Minor Shareholders		1,659,103.20	244,690,629.00
Other Cash Paid Relating to Financing Activities			
Subtotal Of Cash Outflow Due to Financing Activities		6,320,651,566.21	4,109,096,151.00
Net Cash Flow Generated from Financing Activities:		6,757,438,976.89	1,421,545,612.00
<b>IV. Effect Of Foreign Exchange Rate Alternation on Cash and Cash Equivalents</b>		-17,869,715.20	9,511,613.00
<b>V. Net Increase in Cash and Cash Equivalents</b>		5,163,272,472.81	3,625,453,091.00
Plus: Balance of Cash and Cash Equivalents At The Beginning of Term	V.49 (4)	18,218,506,517.70	13,659,974,240.00
VI. Balance of Cash and Cash Equivalents at The End of Term	V.49 (4)	23,381,778,990.51	17,285,427,331.00

## Cash Flow Statement of Parent Company

January-June, 2013

Compiling Unit: China Merchants Property Development Co., Ltd

Unit: RMB Yuan

Item	Annit ation	Amount of the Current Term	Amount of the Same Period of Last Year
<b>I. Cash Flow from Operating Activities:</b>			
Cash Received from Sales of Products or Rendering of Services		11,080,000.00	
Tax Refund			
Other Cash Received Relating to Operating Activities		6,592,768,196.65	1,851,001,239.00
Sub-Total of Cash Inflow from Operating Activities		6,603,848,196.65	1,851,001,239.00
Cash Paid for Purchasing of Merchandise and Services			
Cash Paid to Staffs or Paid for Staffs		9,943,104.23	6,825,217.00
Taxes Paid		11,310,020.65	8,363,541.00

Other Cash Paid Relating to Operating Activities		7,223,132,053.83	1,186,520,853.00
Sub-Total of Cash Outflow from Operating Activities		7,244,385,178.71	1,201,709,611.00
Cash Flow Generated from Business Operation, Net		-640,536,982.06	649,291,628.00
<b>II. Cash Flow Used in Investing Activities:</b>			
Cash Received from Investment Retrieving			
Cash Received as Investment Gain		2,410,780,300.87	59,407,480.00
Net Cash Retrieved from Disposal of Fixed Assets, Intangible Assets, and Other Long-Term Assets			
Net Cash Received from Disposal of Subsidiaries or Other Operational Units			
Other Investment-Related Cash Received			
Sub-Total of Cash Inflow Due To Investment Activities		2,410,780,300.87	59,407,480.00
Cash Paid for Construction of Fixed Assets, Intangible Assets and Other Long-Term Assets		1,344,750.00	
Cash Paid as Investment		2,754,541,275.00	1,472,477,629.00
Net Cash Received from Subsidiaries and Other Operational Units			
Other Cash Paid for Investment Activities			
Sub-Total of Cash Outflow Due To Investment Activities		2,755,886,025.00	1,472,477,629.00
Net Cash Flow used in Investment Activities		-345,105,724.13	-1,413,070,149.00
<b>III. Cash Flow Generated by Financing Activities:</b>			
Cash Received as Investment			
Cash Received as Loan		5,452,029,750.00	4,198,249,000.00
Other Cash Received Relating to Financing Activities			
Subtotal of Cash Inflow From Financing Activities		5,452,029,750.00	4,198,249,000.00
Cash to Repay Debts		2,616,571,500.00	2,541,549,000.00
Cash Paid as Dividend, Profit, or Interests		730,221,765.98	604,471,292.00
Other Cash Paid Relating to Financing Activities			
Subtotal of Cash Outflow Due to Financing Activities		3,346,793,265.98	3,146,020,292.00
Net Cash Flow Generated by Financing Activities		2,105,236,484.02	1,052,228,708.00
<b>IV. Effect of Foreign Exchange Rate Alternation on Cash and Cash Equivalents</b>		-308,166.21	6,937,813.00
<b>V. Net Increase of Cash and Cash Equivalents</b>		1,119,285,611.62	295,388,000.00
Plus: Balance of Cash and Cash Equivalents at the Beginning of Term		5,277,807,877.29	5,036,890,168.00
VI. Balance of Cash and Cash Equivalents at the End of Term		6,397,093,488.91	5,332,278,168.00

## Consolidated Statement Of Change In Shareholders' Equity

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	January-June, 2013						
	Shareholders' Equity Attributable To The Parent Company					Minor Shareholders' Equity	Total Of Shareholders' Equity
	Share Capital	Capital Reserves	Surplus Reserves	Retained Profit	Others		
<b>I. Balance</b> At The End Of Last Year	1,717,300,503.00	8,386,926,298.12	1,027,780,997.90	12,173,100,556.73	88,407,178.38	6,045,763,466.00	29,439,279,000.13
Plus: Change Of Accounting Policy							
Correcting Of Previous Errors							
Others							
<b>II. Balance</b> At The Beginning Of Current Year	1,717,300,503.00	8,386,926,298.12	1,027,780,997.90	12,173,100,556.73	88,407,178.38	6,045,763,466.00	29,439,279,000.13
<b>III. Changed</b> In Current Term (“-” Is Filled In For Decrease)		235,437,095.10		2,035,440,883.61		371,766,769.37	2,642,644,748.08
(I) Net Profit				2,550,631,034.51		707,261,390.18	3,257,892,424.69
(II) Other Integrated Income							
Subtotal Of (I) And (II)				2,550,631,034.51		707,261,390.18	3,257,892,424.69
(III) Shareholder Input And Withdraw Of Share Capital		235,437,095.10				116,047,455.56	351,484,550.66
1. Capital Input By Shareholders						116,047,455.56	116,047,455.56
2. Share Payment Accounted Into Shareholders' Equity							
3. Others		235,437,095.10					235,437,095.10
(IV) Profit Distribution				-515,190,150.90		-451,542,076.37	-966,732,227.27
1. Providing Of Surplus Reserves							
2. Common Risk Provision							
3. Dividend To Shareholders				-515,190,150.90		-1,659,103.20	-516,849,254.10
4. Others						-449,882,973.17	-449,882,973.17
(V) Internal Settlement Of Shareholders' Equity							
1. Capital Reserves Transferred To Share Capital							
2. Surplus Reserves Transferred To Share Capital							
3. Making Up Losses By Surplus Reserves							
4. Others							
<b>IV. Balance</b> At The End Of This Term	1,717,300,503.00	8,622,363,393.22	1,027,780,997.90	14,208,541,440.34	88,407,178.38	6,417,530,235.37	32,081,923,748.21

## Consolidated Statement Of Change In Shareholders' Equity (Continued)

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Amount Of The Previous Year						
	Shareholders' Equity Attributable To The Parent Company					Minor Shareholders' Equity	Total Of Shareholders' Equity
	Share Capital	Capital Reserves	Surplus Reserves	Retained Profit	Others		
<b>I. Balance</b> At The End Of Last Year	1,717,300,503.00	8,387,070,659.00	968,028,769.00	9,258,046,011.00	87,768,855.00	3,858,778,902.00	24,276,993,699.00
Plus: Change Of Accounting Policy							
Correcting Of Previous Errors							
其他							
<b>II. Balance</b> At The Beginning Of Current Year	1,717,300,503.00	8,387,070,659.00	968,028,769.00	9,258,046,011.00	87,768,855.00	3,858,778,902.00	24,276,993,699.00
<b>III. Changed</b> In Current Term (“-” Is Filled In For Decrease)		-144,360.88	59,752,228.90	2,915,054,545.73	638,323.38	2,186,984,564.00	5,162,285,301.13
(I) Net Profit				3,318,266,875.59		959,252,227.90	4,277,519,103.49
(II) Other Integrated Income					638,323.38		638,323.38
Subtotal Of (I) And (II)				3,318,266,875.59	638,323.38	959,252,227.90	4,278,157,426.87
(III) Shareholder Input And Withdraw Of Share Capital		-144,360.88				1,907,655,151.55	1,907,510,790.67
1. Capital Input By Shareholders						1,907,655,151.55	1,907,655,151.55
2. Share Payment Accounted Into Shareholders' Equity							
3. Others		-144,360.88					-144,360.88
(IV) Profit Distribution			59,752,228.90	-403,212,329.86		-679,922,815.45	-1,023,382,916.41
1. Providing Of Surplus Reserves			59,752,228.90	-59,752,228.90			
2. Common Risk Provision							
3. Dividend To Shareholders				-343,460,100.96		-679,922,815.45	-1,023,382,916.41
4. Others							
(V) Internal Settlement Of Shareholders' Equity							
1. Capital Reserves Transferred To Share Capital							
2. Surplus Reserves Transferred To Share Capital							
3. Making Up Losses By Surplus Reserves							
4. Others							
<b>IV. Balance</b> At The End Of This Term	1,717,300,503.00	8,386,926,298.12	1,027,780,997.90	12,173,100,556.73	88,407,178.38	6,045,763,466.00	29,439,279,000.13

## Statement Of Change In Shareholders' Equity Of The Parent Company

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	January-June, 2013				
	Share Capital	Capital Reserves	Surplus Reserves	Retained Profit	Total Of Shareholders' Equity
<b>I. Balance</b> At The End Of Last Year	1,717,300,503.00	8,927,054,193.00	976,829,604.90	4,995,735,955.13	16,616,920,256.03
Plus: Change Of Accounting Policy					
Correcting Of Previous Errors					
Others					
<b>II. Balance</b> At The Beginning Of Current Year	1,717,300,503.00	8,927,054,193.00	976,829,604.90	4,995,735,955.13	16,616,920,256.03
<b>III. Changed</b> In Current Term (“-” Is Filled In For Decrease)				-729,027,221.18	-729,027,221.18
(I) Net Profit				-213,837,070.28	-213,837,070.28
(II) Other Integrated Income					
Subtotal Of (I) And (II)				-213,837,070.28	-213,837,070.28
(III) Shareholder Input And Withdraw Of Share Capital					
1. Capital Input By Shareholders					
2. Share Payment Accounted Into Shareholders' Equity					
3. Others					
(IV) Profit Distribution				-515,190,150.90	-515,190,150.90
1. Providing Of Surplus Reserves					
2. Common Risk Provision					
3. Dividend To Shareholders				-515,190,150.90	-515,190,150.90
4. Others					
(V) Internal Settlement Of Shareholders' Equity					
1. Capital Reserves Transferred To Share Capital					
2. Surplus Reserves Transferred To Share Capital					
3. Making Up Losses By Surplus Reserves					
4. Others					
<b>IV. Balance</b> At The End Of This Term	1,717,300,503.00	8,927,054,193.00	976,829,604.90	4,266,708,733.95	15,887,893,034.85

## Statement Of Change In Shareholders' Equity Of The Parent Company (Continued)

Compiling Unit: China Merchants Property Development Co., Ltd.

Unit: RMB Yuan

Item	Amount Of The Previous Year				
	Share Capital	Capital Reserves	Surplus Reserves	Retained Profit	Total Of Shareholders' Equity
<b>I. Balance</b> At The End Of Last Year	1,717,300,503.00	8,927,054,193.00	917,077,376.00	4,801,425,996.00	16,362,858,068.00
Plus: Change Of Accounting Policy					
Correcting Of Previous Errors					
Others					
<b>II. Balance</b> At The Beginning Of Current Year	1,717,300,503.00	8,927,054,193.00	917,077,376.00	4,801,425,996.00	16,362,858,068.00
<b>III. Changed</b> In Current Term (“-” Is Filled In For Decrease)			59,752,228.90	194,309,959.13	254,062,188.03
(I) Net Profit				597,522,288.99	597,522,288.99
(II) Other Integrated Income					
Subtotal Of (I) And (II)				597,522,288.99	597,522,288.99
(III) Shareholder Input And Withdraw Of Share Capital					
1. Capital Input By Shareholders					
2. Share Payment Accounted Into Shareholders' Equity					
3. Others					
(IV) Profit Distribution			59,752,228.90	-403,212,329.86	-343,460,100.96
1. Providing Of Surplus Reserves			59,752,228.90	-59,752,228.90	
2. Common Risk Provision					
3. Dividend To Shareholders				-343,460,100.96	-343,460,100.96
4. Others					
(V) Internal Settlement Of Shareholders' Equity					
1. Capital Reserves Transferred To Share Capital					
2. Surplus Reserves Transferred To Share Capital					
3. Making Up Losses By Surplus Reserves					
4. Others					
<b>IV. Balance</b> At The End Of This Term	1,717,300,503.00	8,927,054,193.00	976,829,604.90	4,995,735,955.13	16,616,920,256.03

## I. General Information

China Merchants Property Development Co., Ltd. (hereinafter referred to as the Company or the Group when the subsidiaries are included), originally China Merchants Shekou Shareholding Co., Ltd., is a sino-foreign joint venture established on the base of Shekou China Merchants Port Service Co., Ltd. by China Merchants Shekou Industrial Zone Co., Ltd. (Shekou Industrial Zone). The Company was incorporated in Shenzhen China in September 1990.

On February 23<sup>rd</sup>, 1993, the Company raised finance by issuing 27,000,000 A shares to the domestic investors, and 50,000,000 B shares to foreign investors which increased the Company's capital shares to 210,000,000. The A shares and B shares were listed at Shenzhen Stock Exchange in June 1993.

In July 1995, part of B shares was listed in Singapore Stock Exchange by means of SDR (Singapore Depository Receipts, “新加坡托管收据” in Chinese).

In June 2004, the Company changed its name to “China Merchants Property Development Co., Ltd.” After dividend distributions and rights issues implemented during 1994-2004, the Company's total number of shares had increased to 618,822,672 by December 31, 2004.

On January 18<sup>th</sup>, 2006, as approved by the shareholders' meeting, the A share reallocation plan was implemented. That is the holders of current A shares received 2 A shares and RMB3.14 upon each 10 current A shares from the holders of non-current A shares. The total number of capital shares remains unchanged after completion of the reallocation.

As approved by Document [2006]67 issued by China Securities Regulatory Commission, the Company has made full right issue of 15,100,000 convertible corporation bonds to original A shareholders on August 30, 2006, the part of right waived by the original A shareholders would be placed to institution investors. The bonds are issued with face value of RMB100 each. The convertible part became negotiable in Shenzhen Stock Exchange since September 11, 2006 with ID of “CM Convertible Bond” and the convertible date was March 1, 2007.

On May 25, 2007, CM Convertible Bond was terminated from trading and converting. All remaining in converted bonds were repurchased by the Company. Till then, there were totally 15,093,841 bonds (with total face value of RMB1,509,384,100) converted into 115,307,691 shares. The remained 6,159 convertible bonds (with face value of RMB615,900) were repurchased by the Company. Thus the capital shares of the Company had increased to 734,130,363 shares.



## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

As approved by document Zhen-Jian-Fa-Xing-Zi [2007]299 issued by China Securities Regulatory Commission, the company has placed 110,736,639 shares privately to China Merchants Shekou Industrial Zone Co., Ltd. on September 19, 2007. The Company's capital shares have increased up to 844,867,002 shares since then.

On March 17, 2008, the plan for profit distribution and capitalizing of common reserves for year 2007 was passed by the Shareholders' General Meeting 2007, which was based on the total capital share of 844,867,002 at December 31, 2007, 3 bonus shares were distributed to each 10 shares, meanwhile 2 new shares were converted to each 10 shares from the common reserves. Since then, the total capital shares of the Company would be increased to 1,267,300,503 shares.

Under "Approval for issuing of new shares by China Merchants Property Development Co., Ltd.", (Zheng-Jian-Xu-Ke[2008]989) issued by China Securities Regulatory Commission, the Company issued 450,000,000 shares to existing A-share holders on November 26, 2008, among which 279,349,288 shares were subscribed by China Merchants Shekou Industrial Zone Co., Ltd. major shareholder of the Company. The total capital shares of the Company have increased up to 1,717,300,503 shares since then.

As of December 31, 2012, the total of capital shares of the Company was 1,717,300,503, including 891,641,608 shares under restriction for sale, accounted for 51.92% of the total shares; and 825,658,895 non-restricted shares, accounted for 48.08%.

The Company is in the property development industry. All of the subsidiaries and the Company (referred to as the "Group") are mainly engaged in property development, public services (power supply) and property management.

China Merchants Shekou Industrial Zone Co., Ltd. is the parent company of the Company, and China Merchants Group Ltd. is the ultimate holding shareholder, and China Merchants Group Co., Ltd. is the actual controller. Shareholders' Meeting is the top authority of the Company with the power of decision-making on (but not limited to) business strategies, financing, investment, and profit distribution. The Board of Directors reports to the Shareholders' Meeting, and exercise the power of operational decisions. The management is responsible for implementing of decisions made by the Shareholders' Meeting and the Board, as well as conducting of business operations.

II. Important accounting policies, accounting estimations and method for compiling the consolidated financial statements

**1. Basis of the Financial Statements**

The Financial Statements of the Group are based on the assumption of continuous operation, and are composed under the Enterprise Accounting Standard. This “Main Accounting Policies, Estimations and Retrospection of Previous Accounting Errors” is providing the detailed rules and grounds for preparing of the Financial Reports.

**2. Statement of compliance to the Enterprise Accounting Standard**

The financial statements prepared by the Group are complied with the requirement of Enterprise Accounting Standards, and are truly and completely reflecting the financial positions, operation results and cash flow of the Group.

**3. Fiscal period**

The fiscal year of the Group follows calendar year that is from January 1 to December 31.

**4. Standard currency for bookkeeping**

RMB is the primary currency in China, thus the Company and its domestic subsidiaries adopt RMB as the standard currency for bookkeeping. The business subsidiaries of the Group in Hong Kong, Singapore shall be accounted in Hong Kong Dollar, such as Tonic Industrial Corporation. Standard currency used in this financial statement is RMB.

**5. Basis of Presentation and Principle of Pricing**

The accounting basis of the Group is the accrual system. Except for transactional financial assets and tradable financial assets are accounted according to fair value, the financial statements take the historical cost as the accounting basis.

**6. Merger of companies**

Merger of companies refers to merger two or more entities into one reporting entity. Assets and liabilities of the new entity will be recognized on the date of the merger or purchasing, which is the date of acquiring control power.

For the merger entities under common control of our company, assets and liabilities acquired through merger are calculated at the book value of the merged party at the date of merger. The difference between the book value of net asset and the offer price is adjusted to

share capital premium in the capital reserves. If the share capital premium is not enough to be adjusted, the retained earnings shall be adjusted.

For the merger entities not under common control of our company, merger cost refers to the fair value of assets paid, liabilities undertaken, and rights instruments issued by the buyer for purchasing the target entity. When the merger cost is greater than the share of fair value of recognizable net asset of the bought enterprise, the balance is recognized as goodwill. When the merger cost is lower than the share of fair value of recognizable net asset of the bought enterprise, the balance will be accounted into current gain/loss account.

## **7. Preparation of Consolidated Financial Statements**

### **(1) Principle in recognizing of consolidation range**

All of the subsidiaries and special-purpose entities under actual control of the Company are included in the consolidated financial report of the Group.

### **(2) Accounting methods adopted in preparing consolidated financial statements**

Consolidated financial statements are prepared according to “Enterprise Accounting Standard No.33 – consolidated financial statements”. Major internal trades and transactions are neutralized when consolidated. Part of shareholders’ equity not attributable to the Company is presented separately as minority shareholders’ equity under shareholders’ equity item in the consolidated financial statement.

When the accounting policies and periods of the subsidiaries are not complying with the Group, they shall be adjusted according to the Company’s accounting policy and accounting period.

The non-controllable Subsidiaries added as in the Group’s consolidation reports, the individual statement shall be adjusted basing on the recognizable net asset fair value at the day of purchasing. For subsidiaries added as merger of enterprise under common control, it will be regarded as occurred at the beginning of current term, and their assets, liabilities, business performance, and cash flow shall be included in the consolidated financial statements.

## **8. Cash and cash equivalents**

Cash are referring to in-stock cash and bank savings which are available for payment whenever needed. Cash equivalent refers to the investment held by the Company with mature date less than three months, strong liquidity and low risk of value fluctuation that is easy to be converted into cash of known amount.

## 9. Translation of businesses and accounts in foreign currency

### (1) Business in foreign currency

Foreign currency transactions at initial confirmation shall be translated with the approximate exchange rate on the exchange date which is determined according to the spot exchange rate of the current month of the transaction.

At the balance sheet day, foreign currencies are translated to RMB at the instant exchange rate of that day, the difference caused by difference of the instant rate at that day and the spot rate adopted are accounted into current gain/loss account, except for: (1) The exchange difference of special foreign currency borrowing satisfying the conditions of capitalization, which is capitalized and accounted into cost of related asset; (2) Exchange difference of hedge instruments for purpose of avoiding exchange risks is treated by the way of accounting on hedge instruments; (3) Exchange differences caused by sellable non-monetary items (such as, shares), and exchange differences caused by fluctuation of book values of non-monetary items that are accounted into equity, shall be accounted into current income account.

Non-monetary items in foreign currency and measured at historical costs are measured at RMB with exchange rate of transaction date. Non-monetary foreign currency items in fair value are translated at the rate when the fair value is determined. Differences between the RMB and foreign currency are recorded as fair value impairment and accounted under current gain/loss account or other integrated income under capital reserves.

### (2) Translation of foreign currency accounts

Foreign currency financial statements prepared for the Company's overseas businesses are translated by the following methods: All asset and liability items on the balance sheet are translated at the exchange rate at the balance sheet date; shareholders' equity items except for "undistributed profit" are translated at the exchange rate on the transaction date; all items in the income statement and items reflecting the amount of profit distribution are translated at the similar exchange rate of the date when the trade took place; undistributed profit at the beginning of year is the undistributed profit translated at the end of previous year; undistributed profit at the end of year are demonstrated according to the calculation of profit distribution items after translated; the differences between the translated asset items and liability items and total amount of shareholders' equity items are demonstrated separately as difference of foreign currency statement translation under shareholders' equity items on the balance sheet.

Foreign currency cash flow and overseas subsidiaries' cash flow are translated on the exchange rate of the day when the cash flow happened. Influences of exchange rate movement on cash and cash equivalents are regarded as adjustment items and demonstrated under "influence of exchange rates on cash and cash equivalents" in the cash flow statement.

The amount at the beginning of year is presented according to the translated amount of the financial statements of last year.

When the control power is lost because of disposal of partial equity or other reasons, the fair value of retained shares shall be premeasured at the date of the ownership change happened. The sum of consideration of equity disposal and the fair value of retained equity, less the share of net asset in the original subsidiary shall be accounted into current investment gains. Other gains related to share investment in original subsidiary shall be transferred into investment gains of current term.

When the control is not lost at disposal of partial share equity or other reasons, the difference related to the foreign currency account shall be accounted into minority shareholders' equity, instead of current gain/loss account. When equity disposed was part of affiliates or joint ventures in overseas area, the differences related to the overseas business shall be transferred into current gain/loss at portion of share.

## 10. Financial assets and liabilities

### (1) Financial assets

#### 1) Categories of financial assets

Financial assets are categorized as: financial assets accounted at fair value with fluctuation carried into current gain/loss account, investment hold to maturity, loans, and sellable financial assets.

Financial assets accounted at fair value with fluctuation carried into current gain/loss account are those held-for-sale items which are listed under transactional financial assets on the Balance Sheet.

Held-to-maturity items refer to those non-derivate financial assets which have fixed expiration date, retrievable amount, and the Company has definite intention and ability to hold these investments until mature date.

Loans and receivable accounts are those non-derivate financial assets without quotation price in the active market, but with fixed retrievable amount. Financial assets categorized under

loans and receivables include notes receivable, account receivable, interest receivable, dividend receivable and other receivable.

Sellable financial assets are those non-derivate financial assets recognized as sellable items at initial recognition, and financial assets could not be put under any other categories.

## 2) Recognition and measuring of financial assets

Financial assets or liabilities are recognized when the Group becomes a party of the contract of financial instrument. Financial assets and liabilities are measured at fair value initially. For financial assets and liabilities accounted at fair value with fluctuation accounted into current gain/loss account, the transaction expenses shall be accounted into gain/loss account directly. Whereas the expenses of financial assets and liabilities fall into other categories shall be accounted at initial amount recognized.

Fair value basis is adopted in successive measurement of financial assets measured at fair value and with variations accounted into current gain/loss account. Loans, other receivable accounts, and investment held to maturity are recorded at cost.

Financial assets measured by fair value are accounted to gain/loss of fair value. Interests or dividends gained during the period of holding are recognized as investment gains. The difference between the fair value and the initial book value is recognized to investment gain/loss, and the fair value gain/loss shall be adjusted accordingly.

Except for the impairment loss and exchange loss caused by foreign currency financial assets, the variation of fair value of financial assets are accounted into shareholders' equity, and the accumulation of variation of fair value shall be carried over to gain/loss until disposal of financial asset. Interests announced or received during the holding of investment instruments are accounted into current gain/loss account.

## 3) Financial asset impairment

Except for financial assets accounted at fair value and variation accounted into current gain/loss account, the Company undertakes revaluation on the book value of other financial assets at balance sheet day, whenever practical evidence showing that impairment occurred, impairment shall be made. Evidence for impairment on financial instruments is referring to those events having influences on the expected cash flow, and which can be reliably measured.

Practical evidences on impairment of financial assets are the followings:

- (1) The issuer or the debtor is in serious financial difficulty;
- (2) The debtor has broken the conditions of contract, for instance default or overdue of payment for interest or principal;
- (3) With consideration of economic or legal factors, the Company decided to give way to the debtor who is in financial difficulty;

(4) There is great possibility that the debtor will bankrupt or use other debt reorganizing process;

(5) Financial asset is not able to be traded in the active market because the issuer is in significant financial difficulty; (6) It is hard to tell whether the cash flow of a particular asset in a portfolio has been declining, whereas upon overall evaluation, the Company discovered that the predicted cash flow of the portfolio has practically decreased since the initial recognition, and the decrease is quantifiable, including:

- The debtor of the portfolio is becoming worse in ability of making payments;

- Particular situation happened with the country or area where the debtor is located, which may cause obstructions for payment of the financial asset;(7) Major negative change occurred with the technical, market, economical, or legal environment of the debtors' business territory, which may cause obstructions for the investor to retrieve the investment;

(8) The fair value of equity investment instrument is significantly decreasing or non-contemporarily decreasing;

(9) Other practical evidence showing that impairment has happened with the financial asset.

Financial assets measured at cost after amortizations are written down to the current value of predicted future cash flow, the reduced amount is recognized as impairment loss and provision shall be provided upon it. If practical evidence showing that a particular financial asset has recovered in value, and practically related to the issues occurred after recognition of the loss, the recognized impairment loss is restored, and accounted to current gain/loss.

When impairment occurred with a sellable financial asset, the accumulated losses caused by decreasing of fair value categorized into owners' equity shall be carried over to current gain/loss account. If evidence is showing that the value of a particular financial asset has recovered in value after an impairment loss has been recognized, the impairment loss recognized shall be restored and accounted into current gain/loss. Impairment loss of sellable equity investment instrument will be restored to owners' equity when the fair value has increased afterward.

#### 4) Transferring of financial assets

Recognition of an asset will be terminated when a financial asset satisfies one of the following conditions:(1) The rights set out by the contract by which the t cash flow of the financial asset is collected have been terminated;(2) The financial asset has been transferred to other parties along with all of the risks and rewards attached to the financial asset;(3) The financial asset has been transferred to other parties, although rights of risks and rewards remained, the Company gave away its control over it.

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

If the firm did not transfer the risks and rewards attached to the financial asset, and did not give away the control over the financial asset, then the relative financial asset or liability is recognized to the extent of continuous involving in the financial asset. Continuous involving means the company still bear the risks of value fluctuations.

When the overall transferring of particular financial asset has satisfied the conditions of termination, the difference between “the book value and offer in transferring” and “accumulation of fair value fluctuation which has been accounted into miscellaneous income” shall be accounted into current income account.

When partially transferring of particular financial asset has satisfied conditions of termination, the book value of transferred financial asset shall be amortized between the terminated part and un-terminated part according their corresponding fair value, and the difference between “the total of the consideration received in transferring and the accumulative of fair value fluctuation originally accounted into other misc. income amortizable to termination part” and “amortizable aforesaid book value” shall be accounted into current income account.

### (2) Financial liabilities

At initial recognition, financial liabilities are classified into financial liabilities measured at fair value with changes accounted into current income account or other financial liabilities.

Financial liabilities accounted at fair value and fluctuation accounted into current gain/loss account are categorized as transactional financial liabilities and those which assigned to be financial liabilities accounted at fair value and fluctuation are categorized into current gain/loss account. Successive measurement of financial liabilities measured at fair value and fluctuation accounted into current gain/loss account shall be valued on fair value basis. Gains or losses from fluctuation of fair value or dividend and interests related to the financial liabilities shall be accounted into current gain/loss account.

Accounting of other financial liabilities is on actual interest basis; successive measurements are on amortized cost basis.

When the current liabilities of particular financial liability have been wholly or partially relieved, recognition of the financial asset correspondingly can be terminated. The difference between the recognized book value of the terminated part and the consideration is accounted into current gain/loss.

### (3) Derivative financial instruments and embedded derivative instruments



Derivative instruments are initially measured on fair value basis on the day when the contracts are signed, and successive measurements are on fair value as well. Change of fair value of derivative instruments are accounted into current income account.

For combined instruments with embedded derivative instruments, when they are not assigned as financial assets or liabilities on fair value basis and changes accounted into current income account, there is no close relationship between the embedded derivative instruments and the main contract regarding financial and risk characteristics, and the individual instrument is satisfying the definition of derivative instrument, the embedded derivative instrument shall be separated from the combined instrument and treated as if it is an individual derivative instrument. In case individual measurement is not able to be carried out on the embedded instrument at acquisition day or successive period, then the combined instrument is assigned to financial asset or liability accounted on fair value basis with changes accounted into current income account.

(4) Recognition of fair value of financial assets and liabilities

- 1) If there is an active market for the financial instrument, its fair value is defined as the quotation in the active market.

Financial assets or liabilities held by the Group or about to be held by the Group are recognized at their fair value upon the current quotation in the active market.

If there is not such current quotation or inquiry price for the financial assets or liabilities, however there has been no significant change to the economical environment after the latest transaction, the market price of the latest transaction shall be used to recognize the fair value of the financial asset or liability. If there is significant change afterwards, the fair value shall be adjusted to the latest transaction price with reference to the current prices or interest rates of similar financial assets or liabilities. When the Group has obtained sufficient evidence showing that the price of latest transaction is not valued at the fair value, it could be adjusted appropriately and recognized as the fair value of the financial asset or liability.

- 2) When there is no any active market for a financial instrument, its fair value shall be measured by using of evaluating technique, which includes the prices decided by voluntary parties, current fair value of other substantial equivalent financial assets, cash flow discount method, or the pricing model of equity option.

**11. Bad debt preparation on receivable accounts**

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

The Group uses the following situations as standards for recognition of bad debt of accounts receivable: wound-up, bankruptcy, receivership, serious shortage of cash, or serious natural disaster happened to the debtor, and the liabilities are not possible to be recovered in an expectable time; the liability has not been recovered for over three years; or there is definite evidence showing the liability is not possible to be recovered or retrieved.

Allowance method is adopted in accounted for bad debts. Impairment tests are performed individually and in groups at end of period. Bad debt provisions are provided and accounted to current gain/loss. Those accounts receivable with definite evidence showing that they are impossible to be retrieved, they will be classified as bad debt loss upon the statutory process of the Group, and shall be offset from the bad debt provisions.

### (1) Recognition and providing of bad debt provision on individual receivable account with large amount

Judgment basis or amount standard for significant single item amount	The receivable accounts with single item amount exceeding RMB 5 million are regarded as significant receivable accounts
Counting and drawing method of significant single item amount and single item counted and drawn bad debt preparation	The Group performs impairment test separately on individual financial assets with large amounts; those financial assets tested separately with no impairment found shall be tested again along with the group of financial assets with similar risk characteristics. Financial assets confirmed for impairment shall not be tested along with the group of financial assets with similar risk characteristics.

### (2) Receivable accounts with insignificant single item amount but with bad debt preparation

Reason for single counted and bad debt preparation	The Company performs impairment test separately on individual financial assets with small amounts but with evidence showing that the contract cash flow may not be recovered; those financial assets tested separately with no impairment found shall be tested again along with the group of financial assets with similar risk characteristics. Financial assets confirmed for impairment shall not be tested along with the group of financial assets with similar risk characteristics.
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### (3) Receivable accounts with counted and drawn bad debt preparation according to portfolio

Basis for determining the portfolio	
Portfolio I	The portfolio is divided according to the credit risk characteristics of the debt unit, and it is mainly the receivable

招商局地产控股股份有限公司财务报表附注

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	accounts without impairment after single test (including receivable accounts from the related parties of the Group, government departments and cooperation parties, petty cash and deposit etc. with significant or insignificant single item amount), and the possibility for this kind of accounts to have bad debt is very low.
Portfolio II	This portfolio covers the accounts receivable other than those from the related parties, government departments, and co-operators. Bad debt provisions are decided by the Group with reference to its historical experiences and on age analysis basis.
Method of counting and drawing bad debt preparation according to portfolio	
Portfolio I	Does not count and draw bad debt preparation
Portfolio II	Age analysis method

(4) The counting and drawing proportions of bad debt preparation of receivable accounts adopting age analysis method are as follows:

Age	Rate for receivables (%)	Rate for other receivables (%)
Within 6 months (including 6 months)	2	2
6-12 months	5	5
1-2 years	20	20
2-3 years	50	50
Over 3 years	100	100

## 12. Inventories

Inventories are divided into real estate development products, raw materials, finished products and stocks, low-value and consumable products and others.

The real estate development products include: real estate development products under construction, development products which have been completed, land to be developed, etc. The actual costs of real estate development products include the price of land, infrastructure expenses, expenditures on construction and installation, the borrowing costs before the completion of the development projects and other related costs. When the inventories are delivered, it should be valued at the actual cost using individual valuation method.

Construction contracts are measured at actual costs, including related direct and indirect expenses occurred from signing to completion of the contract. Accumulated actual costs and accumulated recognized gross profit (loss) and settled prices are demonstrated at net value in the balance sheet after neutralization. The balance of “total of accumulated actual cost and accumulated recognized gross profit (loss)” over the “settled price” is demonstrated as inventory. The balance of “settled price” over “total of accumulated actual cost and accumulated recognized gross profit (loss)” is demonstrated as account received in advance.

Expenses such as travelling expenses and bidding expenses related to construction contract are accounted into contract cost when they can be distinguished and measured reliably, and the contract is engaged. Otherwise are accounted into current income account.

Inventory system is using perpetual inventory system.

Low-value consumables are amortized on “one-off basis”.

On the balance sheet day, inventories are measured on whichever is lower between the cost and the net realizable value. When its net realizable value is lower than the cost, inventories shall be impaired. Realizable net value is the amount of predicted sales price less predicted cost at completion of construction, less predicted sales expense and tax. Recognition of realizable net value of inventory shall consider the post balance sheet issues and be recognized when confirmed evidence is obtained and it is for the purpose to hold the inventory.

Provisions for impairment of inventories shall be accounted to the difference between the cost of individual inventory items and the net realizable value.

After providing inventory impairment provision, if the impacting factors that caused impairment of inventory were eliminated, and the realizable value of the inventory become higher than the book value, the inventory impairment provision formerly provided shall be restored into current income account.

### **13. Long-term share equity investment**

Long-term equity investments are those share equities of the entities on which the Group is holding substantial control, common control, or major influences, and those equity investments without substantial control, common control or major influence, without quotations in an active market, and no reliable measurement on their fair value.

Control power refers to the power on an enterprise regarding its financial and business decisions, and benefits can be acquired from the business operation of the enterprise.

Common control means the Group has the power of control along with other parties as set out by contract. When none of single partner can dominate the business operation of a joint enterprise, and the decision-making process has to be consent to all of the parties, it is recognized as common control.

Major influence means the Group has the power to participate in financial issues and decision-making process, but still has no control over the entity individually or jointly with other parties. Major influence is recognized when the Group is holding over 20% (included) but lower than 50% shares ownership, directly or indirectly. No major influence is recognized if there is definite evidence showing that the Group is not able to participate in any of the decision-making process of the invested entity.

Long-term equity investment acquired through merger of entities under common control is recognized as book value of owners' equities at the date of merger. Long-term equity investment acquired through merger of entities under different control are valued at the combination of the fair values of the assets paid, liabilities undertaken, and equity securities issued.

Except for the long-term equity investments acquired through merger of entities, the long-term equity investments acquired by cash consideration are recognized at their costs according to the considerations paid. Long-term equity investments acquired through issuing of equity securities are recognized at their costs according to the fair value of the equity securities issued. Long-term share equity investment input by the investors is recognized at the price as set out by the investment contracts or agreements. Long-term equity investments acquired through trading of non-monetary assets are recognized according to the relative accounting standards.

Investments of the Group on subsidiaries are valued on cost basis, and adjusted on equity basis when preparing consolidated financial statements; investments on joint ventures are valued on equity basis. Long-term equity investment without control power, common control or major influences, and there is no quotation in an active market, the fair value is not able to be measured reliably are on cost basis; long-term equity investment without control power, common control, or major influence, but there is quotation in an active market, and the fair value can be measured reliably, could be accounted as sellable financial assets. When cost basis is adopted, long-term equity investments are accounted at initial investment costs. The costs are adjusted when additional investments were made or investment retrieved. When equity basis is adopted, the gain/loss of the investment shall be recognized as net gain/loss of the invested entity in current year. At recognition of the net gain/loss of the invested entity, recognition shall be upon adjustment of the net profit basing on the fair value of the recognizable assets, according to the accounting policies and fiscal period of the Group. For those long-term equity investments in joint-ventures held prior to the initiative execution, if it is

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debit balance of equity investment related to the investment, the investment gain/loss shall be recognized after deducting debit differences and shall be amortized over periods.

Those long-term equity investments without common control or major influence due to reduce of investment input, and if there is no quotation in an active market, nor their fair value are not able to be measured reliably, shall be changed to value on cost basis. Investments with control power due to increase of investment input, shall be changed to be valued on cost basis too. Investments with common control or major influence but no control power due to additional investment, or long-term investment without control or common control or major influence due to disposal of investment equity, shall be changed to be valued on equity basis.

At disposal of long-term equity investment, the difference between the book value and the actual consideration acquired is accounted into current investment gains. Long-term equity investment shall be valued on equity basis, if it is accounted into owners' equity due to other changes in owners' equity of the invested entities, the part of investment originally accounted to owners' equity shall be transferred to current investment gains at disposal.

### 14. Investment property

Investment property is including the rented land use rights and the land use rights which are held and prepared for transfer after appreciation, and the rented buildings.

Investment properties are booked at their actual costs, Purchased properties consist of purchase price, taxes, and other expenses directly related to the asset. Self-built property consists of construction costs and necessary expenses to make the asset available for use.

The Group adopts the cost model for remeasurements of the investment real estate, and depreciation or amortization according to the policies that are in consistent with the land use rights. The expected useful life, net retained value rate, and annual depreciation (amortizing) are:

Category	Depreciation age (years)	Estimated net salvage value rate (%)	Annual depreciation rate (%)
Land using right	Remaining service life of land using right	0	-
Houses and buildings	20 years	10%	4.5%

When the purpose of the investment property is changed to self-use, from the day of change, the investment property is changed to fixed asset. When the usage of a self-use property was changed to

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for rental or value adding purposes, it will be transferred from fixed assets to investment property. The book value before will be used as the book value after.

At disposal of investment properties permanently and no further financial benefit is expected to obtain from the property, recognition of the investment property will be eliminated. Balance of income from disposal, transferring, discarding, or clearing of investment properties less the book value and related taxes is accounted into current gain/loss account.

### 15. Fixed assets

Fixed assets are defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or operation & management, and have more than one year of useful life.

The fixed assets include houses and buildings, machine equipment, transportation equipment, office equipment and others, which are booked as the cost of obtaining. Fixed assets purchased from abroad are booked as the price plus tariff and all necessary expenses to make the asset available for use. Cost of fixed assets which are built by the Group itself consists of the necessary costs of building and expenses before the asset become usable. Fixed assets input by investors are booked at the prices setup in the investment contract, however if the contract price is not a fair value, the fair value basis shall be adopted. Fixed assets obtained in term of finance lease, shall be booked at the lower of the fair value of the leased asset and the least rental payment.

For the subsequent expenditures related to the fixed assets, including the repair expenditures and reconstruction expenditures, shall be accounted into cost of fixed assets when they are satisfying the conditions of recognition. The replaced part of the assets shall be added to book value; if the recognition condition is not satisfied, shall be accounted into current gain/loss account at occurring.

Except the fixed assets fully depreciated but still in use and land which is booked at its price individually, the Group provides depreciation table on all fixed assets. Straight-line basis is adopted in depreciation, and is accounted into costs of related assets or current expenses. The depreciation age, expected ratio of retained value, and annual depreciation ratio are as the following:

No.	Category	Depreciation age (yrs)	Estimated salvage value rate (%)	Annual depreciation ratio (%)
1	Houses & buildings	10-50 years	5%-10%	1.8%-9.5%

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No.	Category	Depreciation age (yrs)	Estimated salvage value rate (%)	Annual depreciation ratio (%)
2	Equipment & machinery	10-20 years	5%-10%	4.5%-9.5%
3	Transportation equipment	5-10 years	5%	9.5%-19%
4	Electronics, furniture, appliances	5-10 years	5%	9.5%-19%

The Group revises at the end of year, the estimated useful life, estimated salvage value, and depreciation policies of the fixed assets. If any change happened, it will be treated as changing of accounting estimates.

When fixed asset is disposed, or making no financial benefit by using or disposing it, recognition is terminated. Income from disposal, transferring, discarding of fixed assets, less its book value and taxes, is accounted into current income account.

### **16. Construction in process**

Constructions in progress are measured on actual costs. Construction projects by the Group itself are measured upon direct materials, wages, and construction fee; outsourced projects are measured upon project consideration; equipment installation is measured upon the value of equipment, installation fee, and test expenses. Cost of construction in progress includes borrowing expenses and exchange gain/loss to be capitalized.

When a construction in progress became usable, it will be transferred to fixed assets according to its estimated value or its actual cost, and depreciation shall be provided starting the very next month. The difference of original value of the fixed asset shall be adjusted upon completion of acceptance procedures..

### **17. Borrowing expenses**

Borrowing expenses include borrowing interests, amortization of discount or premium, auxiliary expenses, and exchange balances due to borrowings in foreign currencies. Borrowing expenses attributed for purchasing or construction of assets are complying with capitalizing conditions and starting to be capitalized when the payment of asset and borrowing expenses have already occurred, and the purchasing or production activities in purpose of make the asset usable or sellable have started. Capitalization will be terminated as soon as the asset that complying with capitalizing conditions has reached its usable or saleable status. The other borrowing expenses are recognized as expenses when occurred.

Interest expenses occurred for a special borrowing is capitalized after deducting the bank saving interest of unused borrowed fund or provisional investment gains. Capitalization



amounts of common borrowings are measured by the weighted average of exceeding part of accumulated asset expenses over the special borrowing assets multiply the capitalizing rate of common borrowings adopted. Capitalization rates are measured by the weighted average interest rates of common borrowings.

Assets satisfying conditions of capitalization include fixed assets, investment property and inventory which need a long period of time (usually over one year) to be made usable or sellable.

If purchasing, construction, or manufacturing process of an asset satisfying the conditions of capitalization is suspended for over 3 months, capitalizing of borrowing expenses shall be suspended until the purchasing, construction, or manufacturing process is resumed.

### **18. Intangible assets**

Intangible assets include land-using rights, patented technologies, non-patented technologies, etc. and are measured at their initial costs when obtained. Intangible assets purchased are booked at the actual cost to purchase and relative expenses. Intangible assets transferred in by investors are booked at the contract or agreement price, but if the contract or agreement price is not fairly acceptable, it will be booked at fair value.

Land using rights are amortized straightly to its usable years since the date of acquiring; patented technologies, non-patented technologies and other intangible assets are amortized straightly to the shortest of anticipated useful life, beneficiary years stipulated by contracts, and legal effective years. The amortized amounts shall be accounted into cost of related assets and current gain/loss according to the beneficiary objects.

As for those intangible assets with limited useful life, their anticipated useful life and amortizing basis shall be revalued at end of each fiscal year. Changes shall be treated as change of accounting estimation if any. The anticipated useful age of intangible asset with uncertain useful life shall be revised in each fiscal term. If there is evidence showing that the useful life is limited, then it will be estimated and amortized over periods.

### **19. Impairment of non-financial long-term assets**

The Group performs verifications on subjects such as long-term equity investments, fixed assets, constructions in progress, and intangible assets with limited usable life. Whenever one or more of the following evidences indicating that impairment has obtained, the impairment test shall be performed. Impairment tests will be undertaken upon goodwill and intangible assets with uncertain usable life, whether or not there is evidence of impairment. If it is hard to measure the retrievable amount of a single asset, it shall be tested along with a portfolio of assets.

If the book value of an asset is greater than its residual amount, the difference shall be recognized as impairment loss. Once the impairment losses have been recognized with the above said assets, they will not be reversed in successive fiscal periods. Residual amount of asset is the higher of the net amount of fair value minus disposal expense and the current value of anticipated future cash flow of the asset.

Evidences of impairments:

(1) When the market price of an asset has declined significantly, and the scale of decline is obviously greater than the anticipated scale of decline upon time or normal use;

(2) When there is major change with the economical, technical or legislative environment and in the market of the asset in current time or a close future, negative influence could be made on the enterprise;

(3) Market interest or other rates of return on investment has increased, therefore influences the discount rate of current value of anticipated future cash flow, which may cause major decrease of residual amount of the asset;

(4) There is evidence showing that the asset is out of date or has been damaged;

(5) The asset has already been or will be put into idle, suspended, or disposed of in advance;

(6) If there is any internal report showing that the economical performance has been or will be lower than it was expected, e.g. the net cash flow or operational profit (or loss) the asset contributed is far lower (or higher) than it was expected;

(7) Other evidence showing that impairment could have occurred.

## **20. Goodwill**

Goodwill is the difference of the investment cost or cost of merger under different control over the share of recognizable net asset and its fair value at the date of acquisition of the acquired entity.

Goodwill related to subsidiaries are presented individually in consolidated financial statements, goodwill related to affiliates are included in the book value of long-term equity investment.

## **21. Long-term amortizable expenses**

Long-term amortizable expenses are expenses that are already occurred and amortizable to the current term and successive terms for over one year. Long-term amortizable expenses are evenly amortized to the benefit periods. In case the long-term amortizable expense item is not

benefiting the successive periods, the retained value shall be transferred to current gain/loss account in whole.

## **22. Employees' remunerations**

Employees' wages payable are recognized as liabilities in the fiscal period when the employees are providing services to the Group. It will be accounted into cost and expenses of related assets according to the beneficiary which is served by particular employee. Compensations for dismissing service contract with employees shall be accounted into current gain/loss.

Employees' wages are including the expenses that related to the service of the employees, such as salaries, bonus, allowances, welfare, social security, housing fund, trade union allowance, and training fee.

If the service of an employee is dismissed before expiration of the service contract, or voluntary resign of employee and if the Group has already produced plan to dismiss their service or proposed compensation scheme, and will be put into operation, or the Group is not able to dismiss the service contract or lay-off proposal, the anticipated liability shall be recognized as compensations to the employees to be dismissed, and shall be accounted into current gain/loss.

## **23. Equity instrument**

Equity instrument refers to the contract of which the Group is holding the retained equity of an asset after deducting all liabilities. Transaction expenses occurred in issuing of equity instruments by the merger parties shall be reduced from the premium of equity instruments. If it is not sufficient to be reduced, the retained gains shall be reduced. For the other equity instruments, the consideration received shall be added to shareholders' equity after deducting transaction expenses. Consideration and transaction expense at repurchasing of equity instruments are reduced from shareholders' equity. No gains or losses are recognized at issuing, repurchasing, disposing, or cancelling of equity instruments.

Allocations made by the Group of equity instruments (exclude share dividends), is reduced from the shareholders' equity. The Group doesn't recognize the fluctuate amount of fair value of equity instruments.

## **24. Anticipated liabilities**

Liabilities are recognized when all of the following conditions are satisfied by business operation regarding contingent issues such as external guarantee, discounting of commercial drafts, unsettled lawsuit or arbitrations, and quality warrant: a contemporary obligation the

Group undertakes; executing of the obligation may cause benefit outflow; the amount of the obligation can be measured reliably.

Expected liabilities are initially measured at the best estimation on expenses to exercise the current responsibility, and with considerations to the relative risks, uncertainty, and periodic value of currency. When the periodic value of currency is subject to great change, then the best estimation will be determined at the discount of future cash outflow. The book value of expected liability is revised at balance sheet day, and adjustment will be made to reflect current best estimation.

## **25. Revenue Recognition**

(1) Principles of Revenue Recognition: business revenues of the Group are mainly sales of property products, rental, property management fee, and construction contracts. Revenue is recognized when:

1) Property product revenue is recognized when the following conditions are satisfied:

A. The sales contract is filed by the authority of land administration;

B. Completion and reception of the property;

C. All of the payments or rights on the payment from buyers of property have been obtained by the company (e.g. the bank has issued written approval to accept the mortgage);

D. Handover procedures have been completed, or it may be regarded as accepted by the buyer according to the property trade contract.

2) Rental income: rental incomes from investment property are recognized on straight basis to the periods of rental as set by the contract.

3) Property management fee: recognized when service has been delivered, the related monetary benefit can inflow to the company, and both of the income and cost can be measured reliably.

## **26. Construction contracts**

Construction contract income and costs are recognized on percentage basis at balance sheet day when the income could be measured reliably. Monetary benefit may inflow to the Group. Actual costs could be divided and measured significantly. The completed costs and expected successive costs could be determined reliably. When percentage basis is adopted, the percentage of progress is determined by the ratio of cost already occurred on expected total cost / completed workload on planned total workload, or actual measured progress cost.

If the results of construction contract are not able to be reliably estimated, and the costs can be recovered, income shall be recognized at the cost actually recovered. Contract costs are recognized as contract expenses at current term. If the costs are not recoverable, they are recognized as contract cost rather than contract income.

Construction contracts are verified at end of each term. Loss provisions are provided whenever the anticipated total cost of a construction contract will be greater than the anticipated total income. The predicted loss is recognized as current gain/loss.

#### **27. Government subsidy**

Government subsidies are recognized as soon as all of the supplementary conditions attached are satisfied: when it is received; when the government subsidy is a monetary capital, it is measured as the actual amount, while if it is a fixed amount allowance, it is measured as the receivable amount; if the government subsidy is a non-monetary asset, it is measured at fair value, if no fair value could be obtained, it will be measured by nominal value (RMB).

Asset-related government subsidies are recognized as deferred income, and accounted on average basis to current gain/loss for the useful life of the asset. Income-related government subsidies are recognized as deferred income when they are used to compensate expenses or losses in future period, and accounted to gain/loss account of the related period; whereas accounted to current gain/loss when they are used to compensate expenses or losses already occurred.

#### **28. Deferred income tax asset and deferred income tax liability**

Income tax expenditures include current income tax and differed income tax.

At the balance sheet date, the income tax liabilities (or assets) created at current period or previous periods are measured by the predicted income tax payable according to the tax law.

The temporary differences between the book values and taxable basis of certain assets are recognized as deferred income tax asset and deferred income tax liabilities on liability basis of the balance sheet.

Generally, all of the temporary differences are recognized for related deferred income tax. For the temporary deductible differences, the Group may possibly recognize deferred income tax asset to the limit of taxable income could be used. Those taxable temporary differences, which are related to initial recognition of goodwill, and are neither were generated under enterprise merger, nor initial recognition of assets or liabilities generated by trades make no

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influence on the accounting profit and taxable income (or deductible losses), are not recognized as relative deferred income tax liabilities.

Deductible losses and tax deduction which could be transferred to successive years are recognized as deferred income tax assets to the limit of future taxable income which could be used to utilize deductible losses and tax deduction.

Meanwhile, those taxable temporary differences related to investments in subsidiaries, joint businesses, and cooperative businesses, and if the Company is able to control the utilize time of the temporary differences, and these temporary differences are neither be written back in an expectable future, shall not be recognized as relative differed income tax liabilities. Deductible temporary differences related to investment in subsidiaries, affiliates, and joint ventures, are recognized as deferred income tax asset only when the temporary differences could be written back in predicable future, and the taxable income amount could be obtained to deduct the deductible provisional differences.

At the balance sheet day, those differed income tax assets and income tax liabilities, according to the tax law, calculation will be on tax rate applicable to retrieving period of assets or clearing of liabilities.

Except for those current income taxes and differed income taxes related to trades which are directly accounted into shareholders' equity are accounted into other incomes, and differed income tax generated by merger of businesses are adjusted in the book value of goodwill, all current income taxes and differed income taxes expenditures or incomes are accounted into current gain/loss account.

At the balance sheet day, verification will be performed on the book value of differed income tax assets. If it is not possible to obtain enough taxable income to neutralize the benefit of differed income tax assets, then the book value of the differed income tax assets shall be reduced. Whenever obtaining of taxable income became possible, the reduced amount shall be restored.

When accounting with net amount is a stipulated rights, and tending to account with net amount or acquire of asset and clearing of debts are performed simultaneously, the income tax asset and liabilities of the current term are accounted at net amount after neutralization.

When accounting of income tax asset and liabilities of current term with net amount is the stipulated rights, and the income tax asset and liabilities are related to the same subject recognized by the same taxation authority, or to the different subjects but within each period of writing back the differed income tax asset and liabilities with great importance, and tending to

account with net amount or acquire of asset and clearing of debts are performed simultaneously, the income tax asset and liabilities of the current term are accounted at net amount after neutralization.

### **29. Leases**

The Group categorizes the leasing businesses to finance leasing and operational leasing at the date of occurring.

Finance leasing refers to those leased assets with all of risks and rewards attached to them being practically transferred. When the Group is the lessee, the book value of the leased asset will be the lower one of fair value and the current value of lowest rental payment; while the lowest rental payment will be booked as long-term payable account; the difference between the above two will be recorded as un-recognized financial expenses.

Operational leasing refers to leased assets other than finance leasing. When the Group is the lessee, the rental shall be accounted into asset cost or current gain/loss on straight basis; while the Group is the leaser, the rental shall be accounted as revenue on straight basis to the rental period.

### **30. Accounting of income tax**

Liability method is adopted in accounting of income tax in the balance sheet. Income tax expense consists of current year income tax and deferred income tax. Except for the current year income tax which is accounted into shareholders' equity, and the deferred tax into shareholders' equity, and the deferred income tax due to merger of entities used to adjust the book value of goodwill, other current year income tax and deferred income tax are accounted into current gain/loss.

Current year income tax refers to the amount of tax payable to the tax bureau upon the trade and transactions occurred in current year, i.e. tax payable. Deferred tax refers to the difference between the deferred income tax asset recognized on the basis of balance sheet liability basis and the payable amount of deferred income tax liability at the end of year.

### **31. Segment information**

Business segments are decided according to the organization structure, management requirement and internal reporting system. Reporting segments are decided according to business segments. Business segments refer to the components within the group satisfying the following conditions: the component is able to contribute income in daily operation and costs as well; it is possible for the management to evaluate the business results, so that it could be

decided to allocate resources; financial position, business performance and cash flow information may be acquired by the company.

Transactions among segments are decided upon market prices, common expenses are allocated on rational portions, except for those could not be allocated.

### **32. Remarks on main accounting estimations**

The Group adopts a number of estimations and assumptions when preparing financial statements, these estimations and assumptions could make influences on the application of accounting policies and amounts of assets, liabilities, revenue, and expenses. Actual situation may be different with these estimations. Management will perform continuous evaluation on the judgment of key assumptions and uncertain factors. Change in accounting estimations will be recognized in the current term or the future term.

The following estimations and assumptions could cause major risks on impairment of the book value of assets and liabilities in future periods.

#### (1) Impairment of account receivable

The Group measures account receivable and the amount of impairment upon the retained costs at balance sheet day to evaluate whether impairment has occurred. Objective evidences of impairment include observable data which indicates great decrease of future cash flow with individual or portfolio of accounts receivable, or data shows significant negative situation of the debtor. Whenever there is evidence showing that the value of particular receivable account has recovered, the impairment loss recognized originally shall be restored.

#### (2) Inventory impairment provision

The Group evaluates the realizable net value of inventories on a regular base, and the difference of inventory cost over the realizable value will be recognized as inventory impairment loss. When the Group is estimating the realizable net value of an inventory, it is measured upon the amount of anticipated sales price minus costs to completion, sales expenses and taxes. If the actual selling price or cost is different to the estimated amounts, the management shall adjust the realizable net value accordingly. Therefore, the estimated results based on current circumstances may be different with those of in the future, which may cause adjustment on the book values of balance sheet. Thus the amount of inventory impairment provision could change along with the aforesaid situation. Adjustment on inventory impairment provision will therefore impact the current gain/loss.

#### (3) Accounting estimation of goodwill impairment provision



The Group performs impairment test on goodwill items. Accounting estimations are used to determine the current value of future cash flow, which is the residual amount of the group of assets.

If the management is adjusting the gross interest rate adopted in accounting of future cash flow of an asset group or portfolio of groups, additional impairment provision shall be provided on goodwill if the revised gross interest rate is lower than the current one.

If the management is adjusting the discount rate before tax which is applying to the cash flow, additional impairment provision shall be provided on goodwill if the revised discount rate before tax is higher than the current one.

If the actual gross interest rate or discount rate before tax is higher or lower than the estimation of management, the Group doesn't write back the impairment loss of goodwill which has been provided previously.

#### (4) Accounting estimation of fixed asset impairment provision

Impairment test is done upon fixed assets such as houses and plants, and equipment, which are showing evidence of impairment. Residual amount of fixed asset is the higher of current value of anticipated cash flow and fair value of the asset after deducting of disposal expenses. Accounting estimation is adopted in accounting of this subject.

If the management is adjusting the gross interest rate adopted in accounting of future cash flow of an asset group or portfolio of groups, additional impairment provision shall be provided on the fixed asset if the revised gross interest rate is lower than the current one.

If the management is adjusting the discount rate before tax which is applying on the cash flow, additional impairment provision shall be provided on the fixed asset if the revised discount rate before tax is higher than the current one.

If the actual gross interest rate or discount rate before tax is higher or lower than the estimation of management, the Group doesn't write back the impairment loss of fixed asset which has been provided previously.

#### (5) Accounting estimation of recognition of deferred income tax assets

Estimation of deferred income tax asset is based on the estimation of tax payable and applicable tax rate of each year, actualizing of the deferred income tax asset is dependent on whether the Group could obtain sufficient taxable income. Change of future tax rate and writing back of temporary difference could influence the income tax expense (income) and balance of deferred income tax. These changes in estimation could cause major adjustment on deferred income tax.

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(5) Useful life of fixed assets and intangible assets The Group revalues the anticipated useful life of fixed assets and intangible assets as least once at end of each year. Useful life is decided by the management basing on historical experiences of similar assets, and with reference to the estimation widely adopted in the industry as well as expected technical upgrading. Depreciation expenses and amortization expenses of future periods are adjusted as soon as major changes happened to previous estimations.

### III. Taxation

Class of tax	Tax base	Tax rate
Corporate income tax	Amount of income taxable	Note 1
Business tax	Income from sales or leasing of property	5%
VAT	Income from sales of goods (Note 2)	17%
	Income from power supply (Note 2)	17%
Land VAT	Income from property sales – amount of deducted items	On Excess Ratio Progressive of Tax Rate of 30%-60%
Contract tax	Amount received for land using rights and estates	3%
Property tax	70% of the original value of estates or rental (Note 3)	1.2%或12%
City maintenance and construction tax	Operational tax (or VAT paid)	1%-7%
Education surtax	Operational tax (or VAT paid)	3%
Local education fee and surtax	Operational tax (or VAT paid)	2%

Note 1: According to Tax Regulations of Hong Kong, the income tax rate on the subsidiaries of the Company located in Hong Kong is 16.5%, while the income tax rate for other subsidiaries is 25%.

Note 2: VAT amount is the balance of output tax less deductible input tax. Output tax is calculated basing on the sales income and related tax rates provided by tax law.

Note 3: Property taxes are paid upon statutory tax rate times 70% of the fixed property and rental property, or rental income.

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## IV. Merger of enterprises and consolidated financial statements

## (I) Subsidiary companies

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
<b>Subsidiaries got through enterprise merger under common control</b>												
Shenzhen	Shenzhen China Merchants Property Co., Ltd.	Grade 1	Shenzhen	Property development	300,000	Property development and sales	375,747.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen CM Power Supply Co., Ltd.	Grade 1	Shenzhen	Power supply	5,700	Power supply and power sales	59,297.80	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen China Merchants Electric Power Measurement Co., Ltd.	Grade 2	Shenzhen	Measurement	150	Special measurement technologies authorized by Shenzhen Quality and Technical Supervisory Bureau	150.00	100.00	100.00	Yes	Not applicable	Not applicable
	China Merchants Property Management Co., Ltd.	Grade 1	Shenzhen	Property management	2,500	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	16,920.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen China Merchants Property	Grade 2	Shenzhen	Property management	1,120	Property management, decoration,	1,120.00	100.00	100.00	Yes	Not applicable	Not applicable

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Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Management Co., Ltd.					consultancy, property facility sales, maintenance, property leasing and agency						
	Shenzhen CM Qile Property Management Ltd.	Grade 3	Shenzhen	Property management	200	Managing of properties under possession	120.00	60.00	60.00	Yes	-1,891,470.52	84,837.13
	Shenzhen Xingzhao Property Management Co., Ltd.	Grade 3	Shenzhen	Property management	150	Property management and matching services, purchase and sales of construction materials, decoration materials, sanitary ware, environmental protection articles and office articles	150.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen CM Shekou Construction Co., Ltd. (Note1)	Grade 3	Shenzhen	Property development	1,000	Property development, operation, property agency etc.	1,000.00	51	51	Yes	4,907,132.59	Not applicable
	Shekou Xinghua Industrial Holdings Co., Ltd.	Grade 2	Shenzhen	Property development	HKD 4,742	Operating and developing of land T105-0114 located in Shekou, renting and managing of own properties	3,806.50	65.07	65.07	Yes	44,159,340.56	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Shekou Zhaofa Property Co., Ltd.	Grade 2	Shenzhen	Property management	3,600	Developing of land SKN401 located in Shekou, construction of commerce buildings and facilities	3,600.00	100.00	100.00	Yes	Not applicable	Not applicable
Zhangzhou	Zhangzhou China Merchants Properties Co., Ltd.	Grade 1	Zhangzhou	Property development	45,000	Property development and sales	22,950.00	51.00	51.00	Yes	295,102,023.1	686,038.60
	Zhangzhou CM Property Management Ltd.	Grade 2	Zhangzhou	Property management	50	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	50.00	100.00	100.00	Yes	Not applicable	Not applicable
	Zhangzhou CM Honglong Property Ltd.	Grade 2	Zhangzhou	Property development	4,000	Property development and sales	3,844.80	100.00	100.00	Yes	Not applicable	Not applicable
North China Area	Beijing CM Property Management Co., Ltd.	Grade 2	Beijing	Property management	500	Operate and manage the charged parking lot of Onward Science & Trade Centre, property management, decoration, consultation, sales and repair of property equipment	400	80.00	80.00	Yes	4,210,715.84	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders	
East China Area	Shanghai CM Property Management Co., Ltd.	Grade 2	Shanghai	Property	USD 62	Property management, decoration, consultation, sales and repair of property equipment, rental and sales of property	512.92	100.00	100.00	Yes	Not applicable	Not applicable	
	Shanghai CM Property Co., Ltd.	Grade 2	Shanghai	Property development	3,000	Property development, sales and related after service	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable	
	Nanjing CM Property Management Co., Ltd.	Grade 2	Nanjing	Property management	500	Property management, decoration, consultation, sales and repair of property equipment, rental and sales of property	500.00	100.00	100.00	Yes	Not applicable	Not applicable	
Central Area	China	Wuhan CM Property Management Co., Ltd.	Grade 2	Wuhan	Property management	500	Property management, decoration, consultation, sales and repair of property equipment, rental and sales of property	500.00	100.00	100.00	Yes	Not applicable	Not applicable
Overseas	Eureka Investment company	Grade 1	Hong Kong	Investment	HKD 160,000	Investment	130, 132.45	100.00	100.00	Yes	Not applicable	Not applicable	
Subsidiaries got through enterprise merger under different control													

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
Shenzhen	Shenzhen Haitao Hotel Co., Ltd.	Grade 2	Shenzhen	Hotel service	600	Hotel consultation service, training of all kinds of personnel of the hotel industry, operating of guestroom, Chinese and western restaurant, laundry, entertainment and canteen	510.00	85.00	85.00	Yes	1,853,252.24	Not applicable
	Shenzhen Vanke Binhai Property Co., Ltd.	Grade 2	Shenzhen	Property development	100,000	Property development and operation on the blocks with legal land using right	50,000.00	50.00	50.00	Yes	490,459,843.86	6,958,840.69
	Shenzhen Meiyue Properties Consultants Co., Ltd.	Grade 2	Shenzhen	Property development	100	Property consultancy, planning and brokerage	100.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen CM Runde Property Co., Ltd.	Grade 2	Shenzhen	Property development	1000	Property development and operation, property agency, running of industries	11,755.00	51.00	51.00	Yes	150,192,782.82	-304,328.36
Shenzhen	Guanhuagang Trading (Shenzhen) Ltd.	Grade 6	Shenzhen	Trade	100	Electronic products such as TV, audio, set top box and DVD player etc., electrical materials, pipe materials,	70.18	70.18	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						construction materials						
Tianjin	Tianjin CM Taida Investment Co., Ltd.	Grade 2	Tianjin	Property development	30,000	Investing in property development by its own capital	18,000.00	60.00	60.00	Yes	114,940,867.72	2,274,991.69
	Tianjin Zhaojiang Investment Co., Ltd.	Grade 2	Tianjin	Property development	3,000	Investment on property, hi-tech industry, construction industry, garden greening industry etc. with self-possessed fund	2,310.00	77.00	77.00	Yes	3,038,267.13	676,431.41
Qingdao	Qingdao Zhongrunde Auto Trade Co., Ltd.	Grade 1	Qingdao	Property development	2,640	Property development and sales	1,346.40	51.00	51.00	Yes	162,984,315.30	4,254,191.80
Shanghai	Shanghai CM Fengrui Property Ltd.	Grade 2	Shanghai	Property development	1,000	Property development, internal decoration service, trade of construction materials	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shanghai Fengyang Property Development Co., Ltd.	Grade 2	Shanghai	Property development	3,000	Property development and sales	1,800.00	60.00	60.00	Yes	295,080,729.41	Not applicable
Yunnan	Yunnan CM Chengtuo Property Co., Ltd.	Grade 2	Kunming	Property development	1,000	Property development, sales, rent, decoration, agency, property management	600.00	60.00	60.00	Yes	3,610,385.96	388,821.48



招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外，均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
Haerbin	Haerbin CM Jiatian Property Development Co., Ltd.	Grade 1	Haerbin	Property development	5,000	Property development, property management, housing agency, indoor decoration, investment on commerce and the education industry, housing rental	2,500.00	50.00	50.00	Yes	67,325,205.25	2,552,122.04
Hong Kong	Dongli Industry Holding Co., Ltd.	Grade 3	Cayman Islands	Investment	HKD 30,000	Investment and shareholding; the affiliated company is engaged in manufacturing, processing, buying and selling of consumption electronic products and related parts	HKD 749.86	70.18	70.18	Yes	-8,152,765.91	7,573,674.08
	Huaxian Co., Ltd.	Grade 4	Hong Kong	Investment	HKD 1	Investment	0.81	100.00	100.00	Yes	Not applicable	Not applicable
Hong Kong	Chuangjini Co., Ltd.	Grade 4	Hong Kong	Investment	HKD 1	Investment	0.81	100.00	100.00	Yes	Not applicable	Not applicable
Subsidiaries got through establishing or investment etc.												
South China	Shenzhen China Merchants Shangzhi Investment Co., Ltd.	Grade 1	Shenzhen	Property development	20,000	Property development, property management, project investment,	20,000.00	100.00	100.00	Yes	Not applicable	Not applicable

招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						property agency						
	Shenzhen China Merchants Xin'an Properties Co., Ltd.	Grade 1	Shenzhen	Property development	2,500	Leasing of self-owned properties	2,500.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen Meilun Hotel Management Co., Ltd. (former Shenzhen City Home Court Investment Co., Ltd.)	Grade 2	Shenzhen	Investment	1,000	Running of industries, domestic commerce	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen CM Property Consultancy Ltd.	Grade 2	Shenzhen	Property agency service	200	Real-estate operation, information & consulting	200.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen Taige Apartment Management Co., Ltd.	Grade 2	Shenzhen	Hotel service	100	Indoor golf court, Property rental, restaurant, shopping mall, sales of water supply facilities	100.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shenzhen CM Anye Investment Development Co., Ltd.	Grade 2	Shenzhen	Investment	1,000	Industrial investment, domestic commerce	510.00	51.00	51.00	Yes	-3,675,674.18	1,956,598.86
	Shenzhen CM Construction Co., Ltd.	Grade 2	Shenzhen	Property development	15,000	Construction engineering, decoration, elevator, air conditioner	15,000.00	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						maintaining, sales of construction materials						
	Shenzhen CM Commerce Development Ltd.	Grade 2	Shenzhen	Property development	18,000	Developing of commercial property, operation, management, leasing, investment in industry	9,180.00	51.00	51.00	Yes	72,526,869.69	2,599,711.91
	Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Grade 2	Shenzhen	Hotel management	3,000	Hotel management, export of goods and technologies	1,530.00	51.00	51.00	Yes	13,485,457.44	619,815.83
	Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Grade 2	Shenzhen	Property development	3,000	Property development and operation, property agency, property management, design and construction of indoor and outdoor decoration engineering	1,500.00	50.00	50.00	Yes	15,025,299.11	Not applicable
	Shenzhen Merchant Construction Co., Ltd.	Grade 2	Shenzhen	Property development	1,000	Property development and operation, property agency, etc.	1,000.00	51.00	51.00	Yes	Not Applicable	
	Shenzhen Pingshan CM	Grade 2	Shenzhen	Property	1,400	Property development,	1,400.00	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Property Co., Ltd.(Note 4)			development		sales, and services						
	Guangzhou Wanshang Property Development Co., Ltd.	Grade 2	Guangzhou	Property development	10,000	Property development and sales	3,400.00	34.00	51.00	Yes	61,052,266.77	641,658.91
	Guangzhou China Merchants Real-estate Co., Ltd.	Grade 2	Guangzhou	Property development	20,000.00	Specialized property development, leasing and sales	20,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Foshan CM Jiulongcang Property Co., Ltd.	Grade 2	Foshan	Property development	USD 9,990	Development, construction, rental and sales of <FN(P) 2010-001, 002, 003> blocks of 'yangfanggang', Nongchan Village Committee, Shishan Town Office, Nanhai District, Foshan	4,995.00	50.00	50.00	Yes	368,009,452.95	1,180,939.41
	Foshan CM Xincheng Hi-Tech Co., Ltd.	Grade 2	Foshan	Property development	1000	Property development, sales, and services	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Foshan Xincheng Property Co., Ltd.	Grade 3	Foshan	Property development	USD 12,700	Property development, sales, and services	USD 6,350	50.00	50.00	Yes	1,056,884,939.23	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Foshan Xinjie Property Co., Ltd.	Grade 3	Foshan	Property development	USD 21,980	Property development, sales, and services	USD 21,980	100.00	100.00	Yes	Not applicable	Not applicable
	Foshan Sunde Evian Desheng Property Co., Ltd.(Note.3)	Grade 4	Foshan	Property development	1,000	Property development, operation and property agency etc.	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Foshan Yiyun Property Development Co., Ltd.	Grade 3	Foshan	Property development	3,000	Property development, construction, sales, rent, and property management	1,500.00	50.00	50.00	Yes	8,683,062.11	1,873,854.17
South China	Zhuhai CM Property Development Co., Ltd.	Grade 2	Zhuhai	Property development	800	Property development and sales	800.00	100.00	100.00	Yes	Not applicable	Not applicable
	Zhuhai Yuanfeng Property Co., Ltd.	Grade 2	Zhuhai	Property development	800	Property development and sales	408.00	51.00	51.00	Yes	81,686,639.65	Not applicable
	Hainan CM Ocean Development Co., Ltd.	Grade 1	Qionghai	Property development	200,000	Development of tourism projects, commercial projects, hotel management	200,000.00	60.00	60.00	Yes	800,109,601.74	7,496.30
North China	CM Property Development (Beijing) Ltd.	Grade 1	Beijing	Property development	3000.00	Property development and sales	3000.00	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	China Merchants Jiaming (Beijing) Property Development Co., Ltd.	Grade 2	Beijing	Property development	35,000	Property development, interior decoration, sales of construction material, import and export of technologies	17,500.00	50.00	50.00	Yes	660,554,389.12	Not applicable
	Beijing Kanglde Property Development Co., Ltd.	Grade 2	Beijing	Property development	38,000	Property development, sales of its products, hotel development, import & export of goods and technologies	22,800.00	60.00	60.00	Yes	112,241,192.90	21,895,914.13
	Tianjing Zhaosheng Property Co., Ltd.	Grade 1	Tianjin	Property development	3,000	Property development, sales, and services	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Tianjin China Merchants Properties Co., Ltd.	Grade 2	Tianjin	Property development	4,000	Property development, sales, and services	3,000.00	75.00	75.00	Yes	14,505,307.05	12,596.84
	Tianjin Gangwei Property Development Co., Ltd.	Grade 3	Tianjin	Property development	3,000	Property development, sales, leasing, management and information service	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
North China	Qingdao	Grade 2	Qingdao	Property	1,000	Property	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable

招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Zhongrunde Property Co., Ltd.			development		development and operation management, property management, construction installation and construction decoration						
	Qingdao Haide Property Development Co., Ltd.	Grade 4	Qingdao	Property development	USD 4,000	Development of (G-2012-030) property project on the block east of No.48 line, south of Tongshun Road, west of Hexin Road, and north of Haiyue Road under planning, sales and rental of commercial housing, property services, design and construction of indoor and outdoor decoration engineering	USD 2,700	100.00	100.00	Yes	Not applicable	Not applicable
East China	Shanghai China Merchants	Grade 2	Shanghai	Property	3,000	Property development and	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Properties Co., Ltd.			development		sales of construction materials						
	Shanghai CM Property Management Co., Ltd.	Grade 2	Shanghai	Property management	USD 62	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	USD 62	100.00	100.00	Yes	Not applicable	Not applicable
	Shanghai CM Minsheng Property Ltd.	Grade 2	Shanghai	Property development	3,000	Property development, interior decoration, trade of construction materials	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shanghai CM Fengsheng Property Ltd.	Grade 2	Shanghai	Property development	3,000	Property development, interior decoration, trade of construction materials	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Shanghai China Merchants Real-estates Co., Ltd.	Grade 2	Shanghai	Property development	3,000	Property development, sales, and services	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable



## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Shanghai Jingyuan Property Development Co., Ltd.	Grade 3	Shanghai	Property development	55,500	Property development, rent of properties, property management, interior decoration	30,525.00	55.00	55.00	Yes	147,637,025.16	340,767.84
	Shanghai CM Hongfa Property Co., Ltd.	Grade 3	Shanghai	Property development	3,000	Property development and operation, property management, rental of self-possessed housing, indoor and outdoor decoration and design service, commercial information consultation, parking lot management service	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	CM Property Development (Nanjing) Ltd.	Grade 2	Nanjing	Property development	3,000	Property development, sales, and services	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Nanjing CM Property Management Co., Ltd.	Grade 2	Nanjing	Property management	500	Property management, decoration, consultancy,	500.00	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						property facility sales, maintenance, property leasing and agency						
	Nanjing China Merchants Ruisheng Property Co., Ltd.	Grade 3	Nanjing	Property development	3,000	Property development, property management, project investment, property agency	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	China Merchants Property Development (Zhenjiang) Co., Ltd.	Grade 1	Zhenjiang	Property development	5,000	Property development, property management, project investment, property agency	5,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Zhenjiang Yingsheng Property Development Co., Ltd.	Grade 3	Zhenjiang	Property development	USD 11,800	Property development, property management, project investment, property agency	USD 11,800	100.00	100.00	Yes	Not applicable	Not applicable
	Zhenjiang Nanshan Innovation Industrial Park Development Co.,	Grade 2	Zhenjiang	Property development	5,000	Development and construction of the industrial park, sales and rental of	3,000.00	60.00	60.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Ltd.(Note 5)					housing						
East China	China Merchants Property Development (Suzhou) Co., Ltd.	Grade 1	Suzhou	Property development	3,000	Property development, operation and sales	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Suzhou CM Nanshan Property Co., Ltd.	Grade 1	Suzhou	Property development	10,000	Property development, sales, and services	6,000.00	60.00	60.00	Yes	157,461,506.72	Not applicable
	Suzhou CM Yonghuafu Property Co., Ltd.	Grade 2	Suzhou	Property development	3,000	Property development and operation, property information consultation, housing rental, indoor decoration, property management parking lot management.	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Suzhou Shuanghu Property Co., Ltd.	Grade 2	Suzhou	Property development	USD 24,400	Property developing, sales, and after-sale services within the authorized land	USD 24,400	50.00	50.00	Yes	920,447,403.00	Not applicable
	Suzhou CM Yishanjuan Property Co., Ltd. (Note 6)	Grade 2	Suzhou	Property development	3,000.00	Property development, sales, and related after service in the	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable

招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						authorized block						
	China Merchants Property Development (Changzhou) Co., Ltd.	Grade 1	Changzhou	Property development	3,000	Property development and operation, property management, rental of self-possessed housing, indoor and outdoor decoration and design service, commercial information consultation, parking lot management service	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
Northeast	Dalian Zhaoyu Property Co., Ltd. (Note 2)	Grade 3	Dalian	Property development	3,000	Property development, sales and services	1,530.00	51.00	51.00	Yes	14,270,864.22	429,135.87
Southwest	Chengdu China Merchants Beihu Property Co., Ltd.	Grade 1	Chengdu	Property development	5,000	Property development, project investment, property agency, and management service	5,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Chengdu CM	Grade 1	Chengdu	Property	1,000	Property development,	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable

招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Property Co., Ltd.			development		property management, project investment, property agency						
	Chengdu CM Beicheng Property Development Co., Ltd.	Grade 2	Chengdu	Property development	1,000	Property development, project investment, property agency, and management service	1,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	CM Property (Chongqing) Ltd.	Grade 1	Chongqing	Property development	3,000	Property development, leasing of self-owned properties	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	China Merchants Property Development (Chongqing) garden City Co., Ltd.	Grade 1	Chongqing	Property development	3,000	Property development, internal decoration service, trade of construction materials	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Chongqing China Merchants Land Development Co., Ltd.	Grade 5	Chongqing	Property development	USD 53,400	Developing, leasing, sales and management of property	USD 53,400	100.00	100.00	Yes	Not applicable	Not applicable
Southwest	China Merchants Property Development (Bijie	Grade 1	Guizhou	Property development	3,000	Property investment and sales, property	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Guizhou)Co.,Ltd.					agency service, property service, design and construction of indoor and outdoor decoration engineering						
	China Merchants Shangzhi (Bijie Guizhou) Investment Co.,Ltd.	Grade 2	Guizhou	Property development	2,000	Investment on property, housing rental, property service, design and construction of indoor and outdoor decoration. The main business plate of the Company is investment on property.	2,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Bijie CM Property Management Co., Ltd.	Grade 2	Guizhou	Property management	300	Property management, sales of property equipment, on-site repair	300.00	100.00	100.00	Yes	Not applicable	Not applicable
Xiamen and Zhangzhou	Fujian Zhongliansheng Property Development Co.,	Grade 1	Xiamen	Property development	5,000	Property development, property rent and sales, property	2,500.00	50.00	50.00	Yes	32,812,977.61	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Ltd.					management, construction works, interior decoration, rent of construction equipment						
	China Merchants Property Development (Xiamen) Co., Ltd.	Grade 1	Xiamen	Property development	5,000	Property development, housing rental and sales, property service, construction of construction engineering, indoor decoration service, sales of construction materials	5,000.00	100.00	100.00	Yes	Not applicable	Not applicable
Central China	China Merchants Property Development (Wuhan) Co., Ltd.	Grade 1	Wuhan	Property development	3,000	Property development, property management, project investment, property agency	3,000.00	100.00	100.00	Yes	Not applicable	Not applicable
	Wuhan CM Property Management Co., Ltd.	Grade 2	Wuhan	Property management	500	Property management, decoration, consultancy, property facility	500.00	100.00	100.00	Yes	Not applicable	Not applicable

招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						sales, maintenance, property leasing and agency						
	Wuhan Xinde Property Development Co., Ltd.	Grade 4	Wuhan	Property development	USD 9,800	Development of property projects, sales and rental of commercial housing, property service, design and construction of indoor and outdoor decoration engineering	USD 9,800	100.00	100.00	Yes	Not applicable	Not applicable
	Wuhan Aoming Property Development Co., Ltd.	Grade 4	Wuhan	Property development	USD 9,800	Development of property projects, sales and rental of commercial housing, property service, design and construction of indoor and outdoor decoration engineering	USD 9,800	100.00	100.00	Yes	Not applicable	Not applicable
	Wuhan Mingjie Property Development Co., Ltd.	Grade 4	Wuhan	Property development	USD 7,906	Development of property projects, sales and rental of commercial	USD 7,906	100.00	100.00	Yes	Not applicable	Not applicable



## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
						housing, property service, design and construction of indoor and outdoor decoration engineering						
	Bijie China Merchants Property Management Co., Ltd.	Grade 2	Guizhou	Property management	300	Property management, sales of property equipment, on-site repair	300.00	100.00	100.00	Yes	Not applicable	Not applicable
Overseas	Huipeng Property Development Co., Ltd.	Grade 2	Hong Kong	Property development	HKD 1	Property development, sales, and services	HKD 0.5	50.00	50.00	Yes	121,580,370.19	Not applicable
	Yingze Development Co., Ltd.	Grade 3	Hong Kong	Investment	HKD 1	Investment	HKD 1	100.00	100.00	Yes	Not applicable	Not applicable
	Leyi Shareholding Co., Ltd.	Grade 2	British Virgin Islands	Investment	USD 0.01	Investment	USD 0.01	100.00	100.00	Yes	Not applicable	Not applicable
	Yungao Co., Ltd.	Grade 2	British Virgin Islands	Investment	USD 0.01	Investment	USD 0.01	100.00	100.00	Yes	Not applicable	Not applicable
	Jumbo Pacific Holding Limited	Grade 2	British Virgin Islands	Investment	USD 0.0001	Investment	USD 0.0001	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	UnionBloom Limited	Grade 3	British Virgin Islands	Investment	USD 0.01	Investment	USD 0.005	51.00	51.00	Yes	854,752.32	Not applicable
	VastJoint Limited	Grade 3	British Virgin Islands	Investment	USD 0.01	Investment	USD 0.005	51.00	51.00	Yes	-13,743.07	3,189.36
	CM Property Management (HK) Ltd.	Grade 2	Hong Kong	Property management	HKD 1	Property management, decoration, consultancy, property facility sales, maintenance, property leasing and agency	HKD 1	100.00	100.00	Yes	Not applicable	Not applicable
Overseas	Koll Merchants Limited	Grade 3	Hong Kong	Property management	HKD 0.1	Cleaning service, engineering maintenance and repair service, general trade	HKD 0.1	100.00	100.00	Yes	Not applicable	Not applicable
	CMK Property Management Co., Ltd.	Grade 3	Hong Kong	Property management	HKD 10	Property management, sales of property equipment, on-site repair	HKD 10	100.00	100.00	Yes	Not applicable	Not applicable
	Aoning Development Co., Ltd.	Grade 3	Hong Kong	Investment	HKD 0.01	Investment	HKD 0.01	100.00	100.00	Yes	Not applicable	Not applicable
	Mingjie	Grade 3	Hong Kong	Investment	HKD 0.01	Investment	HKD 0.01	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Development Co., Ltd.		Kong									
	Xinde Development Co., Ltd.	Grade 3	Hong Kong	Investment	HKD 0.01	Investment	HKD 0.01	100.00	100.00	Yes	Not applicable	Not applicable
	Chenghui Investment Co., Ltd.	Grade 3	British Virgin Islands	Investment	USD 0.01	Investment	USD 0.01	100.00	100.00	Yes	Not applicable	Not applicable
	Jihong International Co., Ltd.	Grade 3	Hong Kong	Investment	HKD 1	Investment	HKD 1	100.00	100.00	Yes	Not applicable	Not applicable
	Jianli International Co., Ltd.	Grade 3	Hong Kong	Investment	HKD 1	Investment	HKD 1	100.00	100.00	Yes	Not applicable	Not applicable
	Maosheng Co., Ltd.	Grade 3	Hong Kong	Investment	HKD 0.01	Investment	HKD 0.01	100.00	100.00	Yes	Not applicable	Not applicable
	Yuyue Co., Ltd.	Grade 4	Hong Kong	Investment	HKD 0.0002	Investment	0.0002	100.00	100.00	Yes	Not applicable	Not applicable
Overseas	Yinrong Co., Ltd.	Grade 3	British Virgin Island	Investment	USD 0.01	Investment	0.068	50.00	50.00	Yes	110,554,073.48	Not applicable
	Huiju Shareholding Co., Ltd.	Grade 2	British Virgin Island	Investment	USD 0.0002	Investment	USD 0.0002	100.00	100.00	Yes	Not applicable	Not applicable
	Li Bang Shareholding Co., Ltd.	Grade 2	British Virgin Island	Investment	USD 0.002	Investment	USD 0.0002	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Area	Name of the Company	Grade	Reg.Add.	Business property	Registered capital (RMB 0,000)	Business Scope	Actual capital input as of end of term (RMB 0,000)	Share proportion (%)	Voting power (%)	Consolidated?	Minor shareholders' equity at the end of the term	Amount of minor shareholders' equity used to offset the gain/loss of minor shareholders
	Juyang Co., Ltd.	Grade 2	British Virgin Island	Investment	USD 0.0002	Investment	USD 0.0002	100.00	100.00	Yes	Not applicable	Not applicable
	Huihao Co., Ltd.	Grade 2	British Virgin Island	Investment	USD 0.0002	Investment	USD 0.0002	100.00	100.00	Yes	Not applicable	Not applicable
	Huiyu Co., Ltd.	Grade 2	British Virgin Island	Investment	USD 0.0002	Investment	USD 0.0002	100.00	100.00	Yes	Not applicable	Not applicable
	Zengtian Shareholding Co., Ltd.	Grade 2	British Virgin Island	Investment	USD 0.0002	Investment	USD 0.0002	100.00	100.00	Yes	Not applicable	Not applicable

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Note 1: In January 2013, the Company and Zhenjiang Communications Investment Construction Development Company jointly contributed capital to establish Zhenjiang Nanshan Creative Industrial Park Development Co., Ltd. The Company contributed RMB 30 million, holding 60% equity capital. The Company consolidated this company..

Note 2: In January 2013, the subsidiary company of the Company Shenzhen CM Property Co., Ltd. And Shenzhen Zhongrun Tongda Property Development Co., Ltd. jointly contributed capital to establish Shenzhen CM Shekou Construction Co., Ltd. Shenzhen CM Property contributed RMB 5.1 million, holding 51% equity capital. The Company consolidated this company. .

Note 3: In February 2013, the subsidiary company of the Company Tianjin Zhaosheng Property Co., Ltd. and Dalian Haoyu Investment Co., Ltd. jointly contributed capital to establish Dalian Zhaoyu Property Co., Ltd. Tianjin Zhaosheng Contributed RMB 15.3 million, holding 51% equity capital of it. The Company consolidated this company.

Note 4: In March 2013, the Company contributed RMB 14 million to establish Shenzhen Pingshan CM Property Co., Ltd., holding 100% equity capital of it. The Company consolidated this company. Note 5: In April 2013, the subsidiary company of the Company China Merchants Property Development (Suzhou) Co., Ltd. contributed RMB 30 million to establish Suzhou CM Yishan Jun Co., Ltd., holding 100% equity capital of it. The Company consolidated this company. Note 6: In May 2013, the subsidiary company of the Company Guangzhou CM Property Co., Ltd. contributed RMB 10 million to establish Foshan Shunde Evian Desheng Property Co., Ltd., holding 100% equity capital of it. The Company consolidated this company.

(II) Changes of the scope of consolidation if the consolidated financial statements of the year

### 1. Companies brought into the scope of consolidation in the year

Name of the company	Reason for bringing into the scope of consolidation	Shareholding proportion (%)	Net assets at the end of the term	Net profit of the year
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招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Name of the company	Reason for bringing into the scope of consolidation	Shareholding proportion (%)	Net assets at the end of the term	Net profit of the year
Dalian Zhaoyu Property Co., Ltd.	New shareholding subsidiary	51.00	29,124,212.52	-875,787.48
Shenzhen CM Shekou Construction Co., Ltd.	New shareholding subsidiary	51.00	10,014,556.31	14,556.31
Foshan Shunde Evian Desheng Property Co., Ltd.	New shareholding subsidiary	100.00	9,998,842.10	-1,157.90
Suzhou CM Yishan Jun Property Co., Ltd.	New shareholding subsidiary	100.00	29,661,480.14	-338,519.86
Shenzhen Pingshan CM Property Co., Ltd.	New shareholding subsidiary	100.00	13,926,868.50	-73,131.50

2. Companies not brought into the scope of consolidation in the year

Name of the company	Reason for not bringing into the scope of consolidation	Shareholding proportion (%)	Net assets on the disposal day	Net profit from the beginning of the period to the disposal day
Shenzhen CM Overseas Chinese City Investment Co., Ltd. (Note)	The control right has changed	50.00	895,760,354.68	124,516,417.07

Note: Considering experiences of the other shareholder — Shenzhen CM Overseas Chinese City Investment Co., Ltd., in operation and management of large comprehensive community, after discussion of both shareholders, Overseas Chinese City Property is now responsible for the operation, management and control of the project thereafter. Because the control right has changed, since April 1<sup>st</sup>, 2013, the company is in the scope of consolidation financial statements, and the company becomes an associated of the Company.

(III) There was no enterprise merger in this period and in the previous year

(IV) Conversion of foreign currency statements

Currency	Balance sheet	Profit statement
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## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别说明外,均以人民币元列示)

HKD	0.7966	0.8044
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**V. Notes to the main items of the consolidated financial statements**

For the data of the financial statements disclosed below, except those specially notes, terms are by the meaning of “beginning of the term” refers to January 1, 2013, “end of the term” refers to June 30, 2013, “this term” refers to January 1, 2013 to June 30, 2013, “same period of last year” refers to January 1, 2012 to June 30 2012, and the currency unit is RMB Yuan.

## 1. Monetary capital

Item	Closing amount			Opening amount		
	Original currency	Conversion exchange rate	Converted to RMB	Original currency	Conversion exchange rate	Converted to RMB
<b>Cash on hand</b>			<b>70,661</b>			<b>218,898</b>
RMB	66,469.12	1.0000	66,469.12	194,214.86	1.0000	194,214.86
HKD	4,503.38	0.7966	3,587.39	11,561.18	0.8109	9,374.96
<b>Bank deposit</b>			<b>22,789,980,986.30</b>			<b>17,102,255,183.52</b>
RMB	20,458,681,846.46	1.0000	20,444,647,980.53	16,101,503,948.61	1.0000	16,101,503,948.61
HKD	324,565,155.86	0.7966	258,548,603.16	358,806,381.23	0.8109	290,652,205.00
USD	332,201,692.4	6.1787	205,275,546.68	112,924,350.01	6.2855	70,786,044.1
<b>Other monetary capital</b>			<b>688,521,549.71</b>			<b>1,136,813,474.59</b>
RMB	688,521,549.71	1.0000	688,521,549.71	1,129,333,729.59	1.0000	1,129,333,729.59
USD				1,190,000.00	6.2855	74,797,450.00
<b>Total</b>			<b>23,488,572,602.52</b>			<b>182,927,247.98</b>

Note: In other monetary capital, the balance of the unearned sales is supervised according to *Regulations on the Supervision of Pre-Sale Capital*, which is RMB 688,521,549.71; and the amount of the currency with limited purpose is RMB 76,793,612.00.

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

## 2. Notes receivable

## (1) Categories of notes receivable

Categories	Closing amount	Opening amount
Bank acceptance	2,947,367.39	5,748,800.00
Trade acceptance		
<b>Total</b>	<b>2,947,367.39</b>	<b>5,748,800.00</b>

(2) The closing notes receivable have no acceptance bill of pledge, discount and endorsement.

## 3. Accounts receivable

## (1) Categories of accounts receivable

Category	Closing amount				Opening amount			
	Book balance		Bad debt preparation		Book balance		Bad debt preparation	
	Amount	Proportion (%)	Amount	Counting and drawing proportion (%)	Amount	Proportion (%)	Amount	Counting and drawing proportion (%)
Accounts receivable of significant single item amount with single item counted and drawn bad debt preparation	5,103,149.70	6.21	5,103,149.70	100.00				
Accounts receivable of insignificant single item amount with single item counted and drawn bad debt preparation	6,621,006.88	8.06	4,957,608.78	74.88				
Accounts receivable in accordance with portfolio counted and drawn bad debt preparation								
Portfolio1	23,547,038.83	28.67	0.00	0.00	94,344,063.99	53.75	9,479,852.52	10.05
Portfolio2	46,856,869.41	57.05	3,994,995.82	8.53	81,166,515.78	46.25	3,931,564.52	4.84
Subtotal of portfolios	70,403,908.24	85.72	3,994,995.82	5.67	175,510,579.77	100.00	13,411,417.04	7.64



## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

<b>Total</b>	<b>82,128,064.82</b>	<b>100</b>	<b>14,055,754.30</b>	<b>175,510,579.77</b>	<b>100</b>	<b>13,411,417.04</b>
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The Company changed the bad debt estimation accounting method since the ending of the report period, and the change caused an increase of about RMB 870,000.00 of accounts receivable bad debt counted and drawn amount during the report period.

## 1) Overall ageing of the accounts receivable

Age	Closing amount			Opening amount		
	Book balance		Bad debt preparation	Book balance		Bad debt preparation
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	66,834,422.44	81.38	1,841,570.75	156,087,371.13	88.93	2,558,411.64
1-2 years	3,385,954.02	4.12	2,058,124.39	8,307,742.64	4.73	1,818,101.90
2-3 years	3,739,196.30	4.55	3,650,965.20	4,281,696.90	2.44	3,870,306.00
Over 3 years	8,168,492.06	9.95	6,505,093.96	6,833,769.10	3.90	5,164,597.50
<b>Total</b>	<b>82,128,064.82</b>	<b>100</b>	<b>14,055,754.30</b>	<b>175,510,579.77</b>	<b>100</b>	<b>13,411,417.04</b>

## 2) In the portfolios, the accounts receivable and bad debt are prepared in accordance with aging analysis method

Age	Closing amount			Opening amount		
	Book balance		Bad debt preparation	Book balance		Bad debt preparation
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	42,605,998.61	90.93	1,160,185.75	80,099,727.25	98.69	3,227,989.09
1-2 years	1,659,787.04	3.54	331,957.41	145,812.44	0.18	14,581.24
2-3 years	176,462.20	0.38	88,231.10	213,435.20	0.26	64,030.56
Over 3 years	2,414,621.56	5.15	2,414,621.56	707,540.89	0.87	624,963.63

## 招商局地产控股股份有限公司财务报表附注

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Age	Closing amount			Opening amount		
	Book balance		Bad debt preparation	Book balance		Bad debt preparation
	Amount	Proportion (%)		Amount	Proportion (%)	
<b>Total</b>	<b>46,856,869.41</b>	<b>100</b>	<b>3,994,995.82</b>	<b>81,166,515.78</b>	<b>100</b>	<b>3,931,564.52</b>

(1) During the report period, due to the partial recovery of the accounts receivable of bad debt estimates, the recovered bad debt is RMB 573,799.

(2) At the end of the period, there are no debts from shareholder holding over (including) 5% voting power shares of the Company.

(3) Top five units with the largest amounts of accounts receivable

Creditor's rights unit	Name of the unit	Relation with the Company	Amount	Age	Proportion in total receivables (%)	Property of the accounts
CM Jiaming (Beijing) Property Development Co., Ltd.	Client I	Third party	12,293,464.00	Within 1 year	14.97	Building sales money
CM Property Management Co., Ltd.	Client II	Third party	8,665,162.62	Within 1 year	10.55	Property management fee
Chengdu CM Property Co., Ltd.	Client III	Third party	6,711,647.39	Within 1 year	8.17	Building sales money
Shenzhen CM Power Supply Co., Ltd.	Client IV	Third party	5,103,149.70	Within 1 year	6.21	Power fee
Tonic Industries Holdings Limited	Client V	Third party	4,701,863.08	Within 1 year	5.73	Trade income
	<b>Total</b>		<b>37,475,286.79</b>		45.63	

## 4. Prepaid accounts

(1) Age of prepaid accounts

Item	Closing amount		Opening amount	
	Amount	Proportion (%)	Amount	Proportion (%)

招商局地产控股股份有限公司财务报表附注

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Within 1 year	8,161,580.60	100.00	8,287,184.01	100.00
<b>Total</b>	<b>8,161,580.60</b>	<b>100.00</b>	<b>8,287,184.01</b>	<b>100.00</b>

(2) The closing prepaid accounts do not include any debt from the shareholder who has over 5% (including 5%) voting power shares of the Company.

5. Other receivables

(1) Categories of other receivables

Category	Closing amount				Opening amount			
	Book value		Bad debt provision		Book value		Bad debt provision	
	Amount	Proportion (%)	Amount	Curing and drawing proportion (%)	Amount	Proportion (%)	Amount	Curing and drawing proportion (%)
Other receivables of significant single item amount with single item counted and drawn bad debt provision	11,270,000.00	0.10	11,270,000.00	100.00				
Other receivables of insignificant single item amount with single item counted and drawn bad debt provision	3,580,645.87	0.03	1,251,753.62	34.96				
Other receivables in accordance with portfolio counted and drawn bad debt provision								
Portfolio	11,676,462,534.22	99.32	0.00		8,151,209,418.45	99.40	5,920,777.53	0.07
Portfolio	65,459,185.47	0.56	11,581,286.10	17.69	45,145,079.06	0.60	6,942,147.06	15.38
Subtotal of portfolios	11,741,921,719.69	99.87	11,581,286.10	0.10	8,196,354,497.51	100	12,862,924.59	0.16
<b>Total</b>	<b>11,756,772,365.56</b>	<b>100</b>	<b>24,103,039.72</b>		<b>8,196,354,497.51</b>	<b>100</b>	<b>12,862,924.59</b>	

The Company changed the bad debt estimation accounting method since the beginning of the report period, and the change caused an increase of about RMB 1.54 million of other receivables bad debt during the report period.1) In the portfolios, the accounts receivable and bad debt are prepared in accordance with aging analysis method

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Age	Closing amount			Opening amount		
	Amount	Proportion (%)	Bad debt preparation	Amount	Proportion (%)	Bad debt preparation
Within 1 year	50,142,874.57	76.60	1,220,564.56	27,917,804.16	61.84	1,157,877.68
1-2 years	3,872,614.99	5.92	774,523.00	4,288,414.95	9.50	428,841.50
2-3 years	3,714,994.77	5.68	1,857,497.40	10,404,902.95	23.05	3,121,470.88
Over 3 years	7,728,701.14	11.81	7,728,701.14	2,533,957.00	5.61	2,233,957.00
<b>Total</b>	<b>65,459,185.47</b>	<b>100.00</b>	<b>11,581,286.10</b>	<b>45,145,079.06</b>	<b>100</b>	<b>6,942,147.06</b>

(1) During the report period, due to the recovery of the other receivables of bad debt, the recovered bad debt is RMB 2,569,639.

(2) At the end of the period, there are no debts from shareholder holding over (including) 5% voting power shares of the Company.

(3) Top five units with the most amounts of other receivables

Name of the unit	Relation with the Company	Amount	Age	Proportion in total amount of other receivables (%)	Property or content
Client I	Third party	1,855,231,000.00	Within half a year	15.78	Deposit land auction earnest money
Client II	Third party	1,333,584,095.33	Within 2 years	11.34	Correspondence of the cooperative parties
Client III	Third party	1,050,000,000.00	Within 2 years	8.93	Correspondence of the cooperative parties
Client IV	Third party	1,000,000,000.00	Within half a year	8.51	Deposit land auction earnest money
Client V	Third party	958,088,500.30	Within half a year	8.15	Correspondence of the cooperative parties

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Name of the unit	Relation with the Company	Amount	Age	Proportion in total amount of other receivables (%)	Property or content
<b>Total</b>		<b>6,196,903,595.63</b>		<b>52.71</b>	

## (4) Accounts of the associated parties receivable

Name of the unit	Relation with the Company	Amount	Proportion accounting for in the sum of other receivables (%)
Beijing Guangying Property Development Co., Ltd.	Cooperative enterprise	878,104,033.48	7.47
Foshan CM Longyuan Property Co., Ltd.	Cooperative enterprise	673,226,819.21	5.73
Shanghai Xinnanshan Property Development Co., Ltd.	Associated enterprise	181,438,008.42	1.54
Shenzhen Nanshan Property Development Co., Ltd.	Under the control of the same Group	107,938,507.84	0.92
Jones Tech Limited	Associated enterprise	63,269,739.71	0.54
Holly Profit Limited	Associated enterprise	72,599,422.24	0.62
<b>Total</b>		<b>1,976,576,530.90</b>	<b>16.82</b>

## 6. Inventory

## (1) Categories of inventory

Item	Originate			Obtain		
	Book value	Preparation	Book value	Book value	Preparation	Book value
Property development cost	64,454,154,172.93	72,000,000.00	62,496,387.72	62,910,239,897.15	368,210,000.00	62,542,029,897.15
Property development products	8,020,957,057.87	33,333,021.19	53,104,308.89	11,290,417,525.17	206,493,032.19	11,083,924,492.98
Raw materials	3,775,604.33		3,775,604.33	7,389,048.21		7,389,048.21
Low-value consumables	5,551,458.88	162,981.66	5,388,477.22	4,759,616.43	162,981.66	4,596,634.77
<b>Total</b>	<b>72,484,438,294.01</b>	<b>392,496,013.85</b>	<b>72,091,942,280.16</b>	<b>74,212,806,086.96</b>	<b>574,866,013.85</b>	<b>73,637,940,073.11</b>

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## (2) Inventory composition

Item	Opening figure	Increased this year	Decreased this year	Ending figure
Property development cost	62,910,239,897.15	8,861,849,904.44	9,210,415,973.87	62,561,673,827.72
Property development products	11,290,417,525.17	8,793,308,090.50	10,170,288,212.59	9,913,437,403.08
Raw materials	7,389,048.21	1,099,214.00	4,712,657.88	3,775,604.33
Low-value consumables	4,759,616.43	3,913,591.31	3,121,748.86	5,551,458.88
<b>Total</b>	<b>74,212,806,086.96</b>	<b>17,660,170,800.25</b>	<b>19,388,538,593.20</b>	<b>72,484,438,294.01</b>

## (3) Property development cost:

Project name	Start time	Planned completion time	Expected total investment RMB0'000	Opening balance	Ending balance
<b>Development cost of real estate under construction:</b>					
Haerbin Notting Hill	April 2012	April 2015	347,581	921,586,898.98	995,171,922.02
Beijing Park. 1872	January 2006	July 2014	422,646	1,317,812,839.82	399,469,439.82
Beijing Conrad Hotel	April 2009	January 2013	120,419	903,304,663.56	0.00
Beijing Xicheng Homestead and Longyuan	January 2008	June 2015	408,328	1,070,885,449.18	1,295,075,449.18
Tianjin Beikenshan Project	August 2012	October 2015	512,700	1,861,879,170.47	1,945,929,170.47
Tianjin Yiyunjun	May 2011	February 2015	133,329	321,105,199.71	375,116,099.71
Tianjin Star City	January 2007	July 2014	356,494	759,295,816.69	861,395,816.69
Qingdao LAVIE Commune( former Chengyang District Project)	April 2012	July 2014	67,665	637,113,174.68	723,922,574.68
Shanghai Haide Garden	May 2006	February 2014	183,812	1,081,736,114.89	1,194,687,414.89
Shanghai Hongyue Huating	December 2012	August 2014	144,300	895,913,993.26	1,041,554,900.00
Shanghai Sheshan Longyuan Project	October 2010	December 2014	303,342	1,417,579,036.86	1,553,681,736.86
Shanghai CM Bay Garden Phase 4-7	May 2011	June 2014	139,059	1,011,213,032.27	783,133,232.27
Nanjing Yonghuafu( former Longyuan Project)	December 2012	May 2015	315,026	1,979,792,978.04	2,099,094,578.04
Nanjing Zijinshan No.1	December 2011	August 2013	234,919	758,574,389.01	894,101,589.01
Suzhou Yonghuafu Phase 1	March 2013	December 2014	121,246	0.00	96,328,000.00
Suzhou CM Yishanjun	June 2013	June 2015	170,000	0.00	319,363,000.00

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Changzhou Park 1872	February 2013	May 2015	0.00	0.00	121,961,079.69
Suzhou Yongjingwan	March 2011	December 2014	339,234	758,426,624.12	873,316,524.12
Suzhou Xiaoshicheng Phase 1-10	March 2010	November 2015	485,432	1,903,656,583.88	1,433,987,883.88
Zhenjiang Beiguwan Phase 1 and 2	May 2011	December 2015	621,044	3,718,180,565.68	1,630,521,965.68
Foshan Evian Shangcheng Phase 2 and 3	February 2011	October 2013	188,732	816,889,187.63	0.00
Foshan Evian Tianhui	February 2011	July 2014	238,612	1,853,826,581.22	2,045,507,481.22
Foshan Evian International	February 2013	July 2015	92,160	0.00	217,097,220.00
Foshan Evian Xicheng Phase 2	October 2012	April 2015	27,466	98,766,132.28	136,894,657.87
Foshan Evian Xicheng Phase 1	December 2010	December 2013	70,849	589,067,134.69	614,826,500.84
Guangzhou Donghui City Block B Phase 1	March 2012	December 2013	81,541	501,633,643.90	571,393,643.90
Guangzhou Donghui City Block B Phase 2	September	December 2015	109,728	478,912,193.13	550,832,193.13
Guangzhou Donghui City Block B Phase 3	December 2012	December 2016	109,815	469,695,405.94	532,555,405.94
Guangzhou Jinshan Valley Phase 3 Bid 2 to Phase 9	July 2009	November 2019	670,181	994,924,450.50	1,046,991,850.50
Shenzhen Chuanhou Square	January 2012	June 2013	45,546	315,444,138.73	0.00
Shenzhen Chuanwei Square	January 2012	June 2013	44,355	310,827,137.81	0.00
Shenzhen Sea World Chuanqian Square	March 2011	June 2013	39,056	300,721,937.21	0.00
Shenzhen Sea World Hotel	December 2010	May 2013	81,209	393,841,738.71	503,329,200.00
Shenzhen Sea World Museum	May 2013	May 2015	113,969	0.00	13,866,500.00
Shenzhen Sea World Center Square	February 2013	July 2013	12,918	48,677,798.86	126,050,000.00
Shenzhen Financial Center Phase 2	January 2013	December 2015	188,942	0.00	857,080,907.23
Shenzhen Pingshan Garden City	April 2013	November 2015	322,408	0.00	24,282,100.00
Shenzhen Jinxiu Guanyuan	December 2011	June 2014	96,890	493,291,709.16	636,541,709.16
Shenzhen CM Jinhai (former Jingshan Phase 9)	May 2011	December 2013	328,268	1,781,133,329.40	1,925,743,329.40
Shenzhen Woods Apartment	May 2010	June 2013	75,530	600,483,590.84	695,100,000.00
Shenzhen Xicheng Phase 5 (Note 1)	February 2010	June 2013	117,267	417,107,883.37	0.00
Shenzhen Yihai City	November 2011	January 2014	735,678	3,391,412,164.87	3,553,362,400.00
Shenzhen CM Guoling Garden	May 2010	June 2013	143,588	1,011,457,417.66	0.00

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Shenzhen CM Square	May 2010	March 2013	142,073	979,241,139.72	1,047,956,639.72
Zhuhai CM Garden City Phase 2-3	December 2009	August 2013	151,667	1,048,047,147.34	1,100,898,647.34
Wuhan Yonghuafu	July 2011	September	99,183	747,642,304.26	797,024,000.00
Wuhan Moshui Lake Block A	March 2012	December 2015	373,771	1,591,462,010.86	1,633,193,210.86
Xiamen Haide Park Phase 1	May 2011	October 2013	141,784	735,960,773.75	747,317,273.75
Xiamen Haide Park Phase 2	March 2013	June 2015	91,572	0.00	486,021,280.09
Xiamen Sea May Flower	March 2011	June 2014	256,949	1,135,901,179.42	1,261,453,479.42
Zhangzhou Kadakaisi	May 2010	December 2020	332,501	996,617,103.26	1,058,805,503.26
Zhangzhou Kadakaisi Meilun Mountain Villa and Apartment	July 2011	June 2013	16,852	146,068,168.67	0.00
Zhangzhou CM Garden City	July 2008	April 2013	65,806	188,111,987.35	196,684,987.35
Zhangzhou CM Holiday 365	June 2010	December 2014	44,205	181,922,265.61	197,098,665.61
Guizhou Bijie • CM Garden City	April 2012	December 2014	30,000	274,214,602.24	366,283,500.00
Guizhou Bijie CM Garden City Area AB	April 2012	October 2014	90,972	186,568,666.02	237,893,800.00
Yunnan Chengtuo Haigongguan Phase 1	May 2013	March 2015	301,881	0.00	514,800,483.00
Chongqing Changjiahui (former Danzishi Project)	May 2011	December 2019	1,281,749	4,328,065,650.40	4,409,418,300.00
Chongqing Garden City (Phase 2, 3)	August 2011	June 2015	425,195	1,474,108,871.21	1,661,061,971.21
Chongqing Jiangwan City (Phase 4)	January 2009	February 2013	46,653	466,523,600.00	0.00
Chongqing Jiangwan City (Phase 5)	January 2009	October 2013	43,261	181,512,344.39	243,637,044.39
Chengdu CM Yonghuafu	May 2011	July 2015	390,465	1,428,532,996.87	1,616,386,896.87
Others				65,086,741.54	173,279,223.25
Subtotal				52,612,257,864.04	49,777,666,182.32
Property planned development land:					
Shenzhen Yuer Village				270,500,204.12	270,500,204.12
Shenzhen Sea World Museum	May 2013	May 2015	113,969	11,049,579.82	0.00
Shenzhen Sea World Residence	July 2013	February 2016	1,203,461	2,724,661,013.54	2,741,371,013.54
Shenzhen Financial Center Phase 2	January 2013	December 2015	188,942	961,880,807.23	0.00
Shenzhen Pingshan Garden	April 2013	November 2015	322,408	1,224,000,000.00	1,224,000,000.00
Foshan Evian International	February 2013	July 2015	92,160	198,405,020.00	0.00



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Foshan Evian Xicheng Phase 3	May 2013	January 2015	48,096	127,543,220.75	127,543,220.75
Foshan Evian Xicheng Phase 4	January 2014	September 2015	37,925	135,743,591.10	135,743,591.10
Foshan Evian Xicheng Phase 5	May 2013	September 2015	29,373	149,055,852.75	149,055,852.75
Foshan Shunde Evian Desheng	July 2013	December 2015	290,593	0.00	1,320,672,092.00
Hainan Boao Project	December 2013	Not determined	447,534	800,449,000.00	824,754,200.00
Dalian Qixianling	July 2013	June 2016	135,000	0.00	518,128,000.00
Yunnan Haigongguan Phase 2 and 3	Not determined	Not determined	301,881	0.00	678,415,935.51
Qingdao Haide Garden	May 2013	October 2014	43,000	97,243,519.06	98,846,100.00
Changzhou Park 1872	February 2013	May 2015	67,308	553,128,937.55	457,966,989.70
Suzhou Yonghuafu Phase 2	March 2013	December 2014	29,643	692,324,205.17	713,024,205.17
Zhenjiang Beiguwan Phase 3-5	Not determined	Not determined	299,195	0.00	1,383,648,334.71
Xiamen Haide Park Phase 2	March 2013	June 2015	91,572	485,897,280.09	0.00
Wuhan Moshui Lake Block B	July 2014	April 2016	226,219	919,503,851.95	922,529,251.95
Wuhan Moshui Lake Block C	July 2015	December 2018	323,490	1,217,096,154.10	1,217,808,654.10
<b>Subtotal</b>				<b>10,568,482,237.23</b>	<b>12,784,007,645.40</b>
<b>Total</b>				<b>62,910,239,897.15</b>	<b>62,561,673,827.72</b>

Note 1: Shenzhen Xicheng Project is the development project of the former subsidiary company of the Company Shenzhen CM Overseas Chinese City Investments Co., Ltd., which is not in the scope of consolidation as of April 1, 2013. Therefore, the closing development cost balance does not include the project. For the details, see "Annotation IV(II). Companies not in the Scope of Consolidation in the Year".

Property development products

Project name	Completion date	Opening amount	Borrowing party in this period	Lending party in this period	Closing amount
Beijing Park 1872 Phase 1-2	June 2011	57,021,852.39	1,054,700,000.00	867,271,040.99	244,450,811.40
Beijing Longyuan Phase 1	June 2012	345,113,564.37	56,440,000.00	147,270,000.00	254,283,564.37
Beijing Xicheng Homestead	September 2010	118,817,095.64	40,170,000.00	17,400,000.00	141,587,095.64
Beijing Conrad Hotel	January 2013	0.00	903,304,663.56	903,304,663.56	0.00
Tianjin Xikang Road No.36	November 2009	2,274,142.55	0.00	244,300.00	2,029,842.55
Tianjin Yonghuafu Project	October 2012	339,366,166.54	8,003,300.00	113,291,100.00	234,078,366.54
Tianjin Diamond Hill Phase 1	August 2012	673,443,130.54	0.00	246,710,000.00	426,733,130.54

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Shanghai Haide Garden No.1 Section	December 2010	105,954,185.96	0.00	7,650,900.00	98,303,285.96
Shanghai Sheshan Longyuan Project Phase 1	January 2012	1,025,001,421.53	0.00	105,663,200.00	919,338,221.53
Shanghai CM bay Garden Phase 1-3	June 2011	98,787,011.79	262,580,900.00	157,907,700.00	203,460,211.79
Shanghai CM Yonghuayuan Phase 1-3	August 2011	15,679,168.00	0.00	0.00	15,679,168.00
Nanjing Evian Xigu	October 2010	10,474,266.25	0.00	0.00	10,474,266.25
Nanjing Zijinshan No.1 Phase 1	November 2012	1,038,109,119.93	0.00	451,153,600.00	586,955,519.93
Zhenjiang Beibuwan Phase 1	March 2013	0.00	526,794,245.29	410,576,455.60	116,217,789.69
Suzhou Xiaoshicheng Phase 4	June 2012	27,506,878.65	880,056,200.00	721,791,900.00	185,771,178.65
Suzhou Xiaoshicheng Phase 1-3	December 2010	1,335,770.41	0.00	0.00	1,335,770.41
Suzhou Yongjingwan	May 2012	526,338,585.89	5,994,200.00	104,850,900.00	427,481,885.89
Shenzhen CM Guanyuan	January 2012	581,919,045.17	0.00	167,730,000.00	414,189,045.17
Shenzhen CM Guoling Garden	June 2013	0.00	1,281,220,000.00	1,149,230,000.00	131,990,000.00
Shenzhen Haiyue Huating	September 2009	6,388,730.11	0.00	0.00	6,388,730.11
Shenzhen Lanxi Valley Phase 2	June 2007	11,885,082.62	0.00	0.00	11,885,082.62
Shenzhen Lanxi Valley Phase 3	May 2011	6,158,353.51	6,210,000.00	9,890,000.00	2,478,353.51
Shenzhen Woods Apartment	May 2010		695,100,000.00		695,100,000.00
Shenzhen Sea World Chuanhou Square	June 2013	0.00	346,730,138.73	0.00	346,730,138.73
Shenzhen Sea World Chuanwei Square	June 2013	0.00	341,905,537.81	0.00	341,905,537.81
Shenzhen Sear World Chuanqian Square	June 2013	0.00	362,676,500.00	0.00	362,676,500.00
Shenzhen Xicheng Phase 6	September 2012	438,288,442.55	0.00	438,288,442.55	0.00
Shenzhen Xicheng Phase 4	June 2011	210,918,780.33	0.00	210,918,780.33	0.00
Shenzhen Xicheng Phase 5	May 2012	953,579,344.42	0.00	953,579,344.42	0.00
Shenzhen Yishanjuan Phase 2-3	October 2009	13,440,925.00	0.00	0.00	13,440,925.00
Shenzhen Yongjingwan	August 2012	244,957,912.30	0.00	146,990,000.00	97,967,912.30
Shenzhen CM Lanyuan	October 2010	15,080,694.02	0.00	0.00	15,080,694.02
Foshan Evian Shangcheng Phase 2	October 2012	872,838,690.48	959,345,900.00	754,092,300.00	1,078,092,290.48
Foshan Evian Shangcheng Phase 1	August 2011	139,215,821.72	0.00	0.00	139,215,821.72

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Foshan Evian Shui'an Phase 3	September 2012	983,168,156.08	0.00	886,720,100.00	96,448,056.08
Foshan Evian Shui'an Phase 4	January 2012	254,604,072.91	0.00	79,010,000.00	175,594,072.91
Foshan Evian Shui'an Phase 1-2	April 2011	32,945,191.02	0.00	1,311,500.00	31,633,691.02
Guangzhou Jinshan Valley Phase 2	January 2010	21,732,195.63	0.00	0.00	21,732,195.63
Guangzhou Jinshan Valley Phase 3 Bid 1	May 2010	126,262,623.08	0.00	0.00	126,262,623.08
Guangzhou Jinshan Valley Phase 4	July 2012	74,559,161.66	0.00	0.00	74,559,161.66
Guangzhou Jinshan Valley Phase 8	June 2013	0.00	144,667,700.00	144,667,700.00	0.00
Zhuhai CM Garden City Phase 1	March 2012	287,287,709.91	0.00	35,047,500.00	252,240,209.91
Zhuhai CM Garden City Phase 2 and 3	January 2013	0.00	154,854,636.44	88,252,085.14	66,602,551.30
Xiamen haide Park Phase 1 Villa	December 2012	328,357,543.00	115,243,200.00	57,512,800.00	386,087,943.00
Xiamen may Flower Phase 1 Block 3-4	December 2012	387,717,497.75	4,288,700.00	272,843,900.00	119,162,297.75
Zhangzhou Kadakaisi Meilun Valley and Apartment	July 2011	0.00	146,068,168.67	0.00	146,068,168.67
Zhangzhou CM Garden City	December 2011	21,641,906.17	0.00	10,132,200.00	11,509,706.17
Zhangzhou CM Holiday 365 Phase 1	December 2011	43,854,213.96	0.00	16,907,900.00	26,946,313.96
Zhangzhou CM Kadakaisi Phase 1	December 2011	50,779,715.18	0.00	17,554,800.00	33,224,915.18
Chengdu Dongcheng International	September 2012	74,731,573.48	2,230,500.00	9,805,800.00	67,156,273.48
Chengdu Yonghuafu Phase 1	September 2012	119,683,400.37	0.00	44,898,700.00	74,784,700.37
Chongqing Garden City Phase 1	December 2012	411,530,952.83	0.00	94,513,400.00	317,017,552.83
Chongqing Jiangwancheng Phase 2	December 2010	15,845,295.90	0.00	0.00	15,845,295.90
Chongqing Jiangwancheng Phase 3-5	September 2012	123,120,901.45	466,523,600.00	325,305,200.00	264,339,301.45
Chongqing Jiangwancheng Phase 1	November 2009	46,938,981.09	0.00	0.00	46,938,981.09
Others		5,762,251.03	28,200,000.00		33,962,251.03
<b>Total</b>		<b>11,290,417,525.17</b>	<b>8,793,308,090.50</b>	<b>10,170,288,212.59</b>	<b>9,913,437,403.08</b>

(4) Inventory revaluation estimation

Item	Opening amount	Increased this year	Decreased this year	Closing amount
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			Transferred-back	Other transferred-out	
Property development cost	368,210,000.00	-296,210,000.00			72,000,000.00
Property development products	206,493,032.19	296,210,000.00	182,370,000.00		392,333,032.19
Low-value consumables	162,981.66				162,981.66
<b>Total</b>	<b>574,866,013.85</b>		<b>182,370,000.00</b>		<b>392,496,013.85</b>

Note 1: In 2008, according to the market condition at that time, the subsidiary company of the Company, Foshan Xinjie Property Co., Ltd. revalued its inventory to RMB 182,370,000.00 for the Foshan Evian Shangcheng Project. At the end of this report period, according to the current market price and actual sales condition of Evian Shangcheng, the company determined that it is unnecessary to write-off the inventory value after testing the realizable net value of the project. Therefore, in this period, it is revalued in full amount. (5) Inventory price drop preparation counting and drawing

Item	Basis for counting and drawing	Reason for transferred-back in this year	Proportion of the amount of the transferred-back in this year accounting for in the inventory closing balance
Property development cost	The book amount is lower than the estimated recoverable amount	None	
Property development products	According to the market condition at that time, the book value is higher than the estimated recoverable amount	According to the market price condition	14.98%
Low-value consumables	The book amount is lower than the estimated recoverable amount	None	

(6) In the property development cost, the interest expenditure of accumulative capitalization is RMB 1,484,036,284.95, and the interest expenditure accounted into the property development cost in the year is RMB 415,466,833.7. (7) The inventories used for mortgage are as follows:

A. The subsidiary company of the Company CM Jiaming (Beijing) Property Development Co., Ltd. signed mortgage contract with the bank, mortgaged to the bank with the land using right of part of the project (Block CY-09, Dongxiaokou Town, Changping District) of Beijing Xicheng Homestead occupying an area of 106,700 square meters and got a loan of RMB 300,000,000.00.

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B. The Subsidiary company of the Company Qingdao Zhongrunde Auto Trade Co., Ltd. got a loan of RMB 199,000,000.00 with the land of CM•Zhongrunde Airport Business Garden Phase 1 (the corresponding land using right certificate is QFDQSZ No.20081844) and construction in process (the corresponding right certificate is QFDJSZ No. 201274753).

C. The subsidiary company of the Company Fengyang Property development Co., Ltd. got a loan credit limit of RMB 222,000,000 from the bank with the land using right of an area of 202,760 square meters in block 4/19, Street 9, Yanghang Town, Baoshan District, Shanghai and the construction in process with a building area of 52,249 square meters on the block as the mortgage, and it has extracted a loan amount of RMB 58,400,000 now.

D. The subsidiary company of the Company Tianjin CM Taida Investment Co., Ltd. mortgaged to the bank with the land using right certificate of FDZJZ No.114051200156, got a loan limit of RMB 250,000,000, and it has extracted RMB 57,215,946.75 now.

Up till June 30, 2013, except the above-mentioned mortgage matters, the property inventory of the Company has no other mortgage guarantee and has no construction stop and uncompleted project.(8) Up till June 30, 2013, the land reserve area of the Company is 8.6738 million square meters, and the land cost amount is RMB 13,083,505,869.22.

### 7. Other current assets

Item	Closing amount	Opening amount	Property
Operation tax and surcharges prepaid	1,565,209,370.71	1,628,732,751.40	Prepaid tax
Prepaid income tax	400,233,902.17	650,461,689.23	Prepaid tax
Prepaid land VAT (Note)	945,428,987.12	526,737,961.72	Prepaid tax
Others	26,779,791.28	12,337,541.63	Prepaid other taxes
<b>Total</b>	<b>2,937,652,051.28</b>	<b>2,818,269,943.98</b>	

Note: For the property sales income collected prior to finishing of construction, the Company pays Land VAT at legal portion and accounts them into other current asset. Upon finishing of the construction, the actual Land VAT is calculated upon the income from sales of property less the legal deductive items, and is accounted into other current liabilities after deducting of prepaid amount.

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## 8. Long-term receivables

Item	Closing amount	Opening amount
Entrusted loan	-	49,721,270.00
<b>Total</b>	<b>-</b>	<b>49,721,270.00</b>

Note: The long-term receivable is the entrusted loan provided by the subsidiary company of the Company Shenzhen CM Property Co., Ltd. to the associated company Huizhou Taitong Property Investment Co., Ltd. through Shenzhen Shekou Branch of Bank of China according to *RMB Entrusted Loan Contract*. Up till June 30, 2013, Huizhou Taitong Property Investment Co., Ltd. had repaid the entrusted loan in full amount.

## 9. Long-term equity investment

## (1) Classification of long-term equity investment

Item	Closing amount	Opening amount
Long-term equity investment calculated according to cost method		
Long-term equity investment calculated according to equity method	1,519,198,350.32	1,083,249,770.92
<b>Total of long-term equity investment</b>	<b>1,519,198,350.32</b>	<b>1,083,249,770.92</b>
Less: Long-term equity investment impairment preparation		
<b>Value of long-term equity investment</b>	<b>1,519,198,350.32</b>	<b>1,083,249,770.92</b>

## (2) Long-term equity investment calculated according to equity method

Name of the invested unit	Shareholding proportion(%)	Voting power proportion(%)	Investment cost	Opening amount	Increase	Decrease	Closing amount	Cash dividend
Calculated according to equity method								
Shanghai Ximanshan Property Development Co., Ltd.	20.00	20.00	60,000,000.00	98,000,000.00		38,000,000.00	60,000,000.00	
CM Guangming Science and Technology Park	49.00	49.00	196,000,000.00	168,472,474.97		1,290,760.00	167,181,714.97	

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Co.,Ltd.								
Beijing Guangying Property Development Co.,Ltd.	34.00	34.00	5,000,000.00	4,736,375.82	1,258,825.00	2,044,883.47	3,950,317.35	
Beijing CM Tianping Property Management Co.,Ltd.	49.00	49.00	490,000.00	2,440,567.51	30,278.76	-	2,470,846.27	
Shenzhen CM Overseas Chinese City Property Management Co.,Ltd.	50.00	50.00	2,500,000.00	3,445,566.66	62,212.24	680,271.71	2,827,507.19	
Tianjin Xinghai Property Development Co.,Ltd.	45.00	45.00	6,750,000.00	97,270,125.58	-	-	97,270,125.58	
Shenzhen TCL Optical-Electronics Technologies Ltd.	40.00	40.00	42,010,652.00	191,473,257.88	12,617,820.16		204,091,078.04	
Huizhou Taitong Property Investment Co., Ltd.(Note 1)	49.00	49.00	25,484,900.00	20,076,394.26	-	20,076,394.26		
Shenzhen Dehan Investment Development Co.,Ltd.	70.00	50.00	14,000,000.00	13,550,204.74		140,203.81	13,410,000.93	
Guangzhou Panyu Innovation Science and technology Park Co.,Ltd.	51.00	50.00	350,000,000.00	315,280,885.53	1,889,728.08	-	317,170,613.61	
Shanghai Ledu Property Co.,Ltd.	33.33	33.33	66,660,000.00	168,489,639.40	5,185,519.88		173,675,159.28	
JonesTech Limited	49.00	49.00	30,992	6,689.11	-	-	6,689.11	
HollyProfit Limited	49.00	49.00	30,992	7,589.46	-	-	7,589.46	
Shenzhen CM Overseas Chinese City Property Development Co.,Ltd.(Note 2)	50.00	50.00	50,000,000.00		787,758,677.14	310,621,968.38	477,136,708.52	310,621,968.60
Foshan CM Longyuan Property Co.,Ltd.	50.00	50.00	50,000,000.00					
Total			906,896,171.84	1,083,249,770.92	808,803,061.03	372,854,481.63	1,519,198,350.32	310,621,968.60

Note 1: In November 2009, the subsidiary company of the Company Shenzhen CM

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Property Co., Ltd. and Shenzhen TCL Property Co., Ltd. jointly contributed capital to establish Huizhou Taitong Property Investment Co., Ltd. (referred to as “Taitong Property” in brief). Shenzhen CM Property holds a proportion of 49% of the shares and developed Huizhou Jiangbei Project. In the project report for approval process, as the Huizhou Municipal Commission of Housing and Urban Rural Development and Land and Resources Bureau had disagreement on the function of Taitong property development block, Huizhou Land Reserve Center take back the land. Taitong Property did not recover the interest of the capital occupied by the project, causing the corresponding loss exceeding the book net assets, and the long-term equity investment of the Company on Taitong Property was reduced to zero.

Note 2: See Annotation IV (II), 2

## (3) Basic financial information of cooperative enterprises and associated enterprises

Name of the invested unit	Share holding proportion (%)	Voting power proportion (%)	Closing assets sum	Closing liability sum	Closing net assets sum	Sum of operating income in the year	Net profit in the year
Cooperative enterprises							
Shenzhen Dehan Investment Development Co., Ltd.	70.00	50.00	19,359,230.08	202,085.88	19,157,144.20		-200,291.15
Foshan CM Longyuan Property Co., Ltd.	50.00	50.00	774,082,104.60	672,924,222.36	101,157,882.24		757,270.62
Beijing Guangying Property Development Co., Ltd.	34.00	34.00	2,528,718,003.55	2,482,460,455.10	46,257,548.45	-	-6,012,371.86
Shenzhen CM Overseas Chinese City Property Management Co., Ltd.	50.00	50.00	12,835,528.49	7,398,630.61	5,436,897.88	11,899,075.68	124,424.49
Associated enterprises							
Guangzhou Panyu Innovation Science and Technology Park Co., Ltd.	51.00	51.00	639,732,420.65	66,503,349.52	573,229,071.13	28,400,546.67	3,718,985.46



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Name of the invested unit	Share holding proportion (%)	Voting power proportion (%)	Closing assets sum	Closing liability sum	Closing net assets sum	Sum of operating income in the year	Net profit in the year
Huizhou Taitong Property Investment Co., Ltd.	49.00	49.00	150,231,930.48	111,118,285.63	39,113,644.85		-57,083,808.35
Shanghai Xinnanshan Property Development Co., Ltd.	20.00	20.00	1,260,452,768.90	968,554,602.46	291,898,166.44		-6,166,595.87
CM Guangming Science and Technology Park Co., Ltd.	49.00	49.00	647,689,045.42	306,502,027.23	341,187,018.19	12,742,062.00	-2,634,359.33
Beijing CM Tianping Property Management Co., Ltd.	49.00	49.00	5,284,636.76	303,768.70	4,980,868.06	4,461,106.50	61,793.38
Tianjin Xinghai Property Development Co., Ltd.	45.00	45.00	256,947,558.05	25,232,859.77	231,714,698.28		-
Shanghai Ledu Property Co., Ltd.	33.33	33.33	1,484,144,249.76	965,845,169.39	518,299,080.37	225,359,075.00	22,859,522.91
JonesTech Limited	49.00	49.00	61,820,834.30	61,807,494.58	13,339.72		-20,496.11
HollyProfit Limited	49.00	49.00	68,000,984.70	67,985,849.30	15,135.40		-22,545.72
Shenzhen TCL Optical-Electronics Technologies Ltd.	40.00	40.00	1,045,869,864.68	349,947,698.13	695,922,166.55	95,738,450.30	31,544,550.40
Shenzhen CM Overseas Chinese City Property Development Co., Ltd.	50.00	50.00	3,019,886,259.13	2,592,272,766.45	427,613,492.68	1,054,991,542.87	277,613,492.67

10. Investment property

(1) Investment property measured according to cost

Item	Opening amount	Increased this year	Decreased this year	Closing amount
<b>Original price</b>	<b>4,347,138,687.70</b>	<b>869,122.00</b>	<b>11,547,157.75</b>	<b>4,336,460,651.95</b>
Houses and buildings	3,025,915,189.70		11,547,157.75	3,014,368,031.95

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Item	Opening amount	Increased this year	Decreased this year	Closing amount
Land using right	1,321,223,498.00	869,122.00		1,322,092,620.00
<b>Accumulative depreciation and accumulative amortization</b>	<b>1,229,802,703.46</b>	<b>86,753,150.88</b>	<b>1,150,353.59</b>	<b>1,315,405,500.75</b>
Houses and buildings	1,041,996,453.70	57,989,550.96	1,150,353.59	1,098,835,651.07
Land using right	187,806,249.76	28,763,599.92		216,569,849.68
<b>Book net value</b>	<b>3,117,335,984.24</b>			<b>3,021,055,151.20</b>
Houses and buildings	1,983,918,736.00			1,915,532,380.88
Land using right	1,133,417,248.24			1,105,522,770.32
<b>Impairment preparation</b>				
Houses and buildings				
Land using right				
<b>Book value</b>	<b>3,117,335,984.24</b>			<b>3,021,055,151.20</b>
Houses and buildings	1,983,918,736.00			1,915,532,380.88
Land using right	1,133,417,248.24			1,105,522,770.32

Note 1: Accumulative depreciation and accumulative amortization are increasing in the year, and accrued amount is RMB 86,753,150.88 this year.

Note 2: Up till June 30, 2013, the Group had investment property with a net value of RMB 478,651,470.87 that had no property right certificate, mainly including Zhangzhou Ziweiyuan Phase 1, Jinshan Valley Phase 2 Business, Meilun Apartment and 北科创业大厦 etc., and the property right certificates are in the process of obtaining.

Note 3: Up till June 30, 2013, there was no investment property used for mortgage.

## 11. Fixed assets

## (1) Details table of fixed assets

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Item	Opening amount	Increased this year	Decreased this year	Closing amount
Original price	769,068,044.59	1,182,036,756.81	159,196,783.89	1,791,908,017.51
Houses and buildings	379,918,768.98	1,171,099,019.15	135,643,450.17	1,415,374,337.96
Machine equipment	227,304,296.17	1,413,141.00	8,297,581.55	220,419,855.62
Transportation equipment	77,504,791.68	6,159,345.47	4,278,128.64	79,386,008.51
Office equipment	84,340,187.76	3,365,251.19	10,977,623.53	76,727,815.42
Accumulative depreciation	333,873,066.83	40,984,586.80	31,981,526.31	342,876,127.12
Houses and buildings	88,538,442.71	27,468,018.08	17,079,794.05	98,926,666.74
Machine equipment	149,448,071.21	5,598,759.84	6,519,402.83	148,527,428.42
Transportation equipment	44,727,402.63	3,506,372.54	3,601,970.78	44,631,804.39
Office equipment	51,159,150.28	4,411,436.14	4,780,358.65	50,790,227.77
Book net value	435,194,977.76			1,449,031,890.39
Houses and buildings	291,380,326.27			1,316,447,671.22
Machine equipment	77,856,224.96			71,892,427.40

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Transportation equipment	32,777,389.05			34,754,204.12
Office equipment	33,181,037.48			25,937,587.65
Impairment preparation				
Houses and buildings				
Machine equipment				
Transportation equipment				
Office equipment				
Book value	435,194,977.76			1,449,031,890.39
Houses and buildings	291,380,326.27			1,316,447,671.22
Machine equipment	77,856,224.96			71,892,427.40
Transportation equipment	32,777,389.05			34,754,204.12
Office equipment	33,181,037.48			25,937,587.65

(2) In January 2013, Beijing Conrad Hotel Co., Ltd. turned the completed Conrad Hotel from property inventory to fixed asset, the amount of the fixed asset is RMB 1,161,293,186.62, and from February to June, the accumulative accrued depreciation was RMB 21,774,247.25.

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(3) Up till June 30, 2013, the Group still have property right certificates for the houses and buildings with an original value of RMB 83,816,637.06 in the process of obtaining.

## 12. Construction in process

## (1) Details table of construction in process

Item	Closing amount			Opening amount		
	Book balance	Impairment preparation	Book value	Book balance	Impairment preparation	Book value
Substation Project	95,304,349.88		95,304,349.88	85,522,230.19		85,522,230.19
Construction Project	2,936,043.39		2,936,043.39	2,936,043.39		2,936,043.39
<b>Total</b>	<b>98,240,393.27</b>		<b>98,240,393.27</b>	<b>88,458,273.58</b>		<b>88,458,273.58</b>

## (2) Changes of major construction projects in process

Project name	Opening amount	Increased this year	Decreased this year		Closing amount
			Transferred to fixed assets	Other decreases	
Substation Project	85,522,230.19	9,782,119.69			95,304,349.88
Construction Project	2,936,043.39				2,936,043.39
<b>Total</b>	<b>88,458,273.58</b>	9,782,119.69			<b>98,240,393.27</b>

Project name	Budget figure	Proportion of project input accounting for in the budget (%)	Accumulative amount of interest capitalization	In it: the amount of interest capitalization in the year	Capitalization rate of interest in the year (%)	Capital source
Substation Project	200,360,000.00	51.44				Self-raised
Construction Project	660,035,400.00	0.44				Self-raised
<b>Total</b>	<b>860,395,400.00</b>	<b>51.88</b>				

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## 13. Goodwill

Name of the invested unit	Opening amount	Increased this year	Decreased this year	Closing amount	Closing impairment preparation
Tonic Industries Holdings Limited	159,560,861.23			159,560,861.23	
<b>Total</b>	<b>159,560,861.23</b>			<b>159,560,861.23</b>	

## 14. Long-term deferred expenses

Item	Opening amount	Increased this year	Amortization in the year	Other decreases in the year	Closing amount	Reason for the other decreases
Expenditure of operating and leasing fixed assets improvement	210,543,536.60	550,000.00	14,808,011.21		196,285,525.39	
Others	38,895,156.52	6,823,542.82	4,385,277.28		41,333,422.06	
<b>Total</b>	<b>249,438,693.12</b>	<b>7,373,542.82</b>	<b>19,193,288.49</b>		<b>237,618,947.45</b>	

## 15. Deferred income tax assets and deferred income tax liabilities

## (1) Confirmed deferred income tax assets and deferred income tax liabilities

Item	Closing amount	Opening amount
<b>Deferred income tax assets</b>		
Accrued land VAT	688,025,584.85	914,031,960.23
Accrued expenses	16,473,903.53	20,589,965.05
Estimated liabilities	3,504,252.82	3,504,252.82
Bad debt preparation of other receivables	3,517,361.24	1,592,806.37
Other long-term assets amortization		1,218,876.73
Bad debt preparation of accounts receivable	1,839,070.31	1,209,564.16
Subtotal	<b>713,360,172.75</b>	<b>942,147,425.36</b>
<b>Deferred income tax liabilities</b>		

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Item	Closing amount	Opening amount
Accrued dividend enterprise income tax (Note)	93,712,503.50	
<b>Total</b>	<b>93,712,503.50</b>	<b>1,884,294,850.72</b>

Note: The overseas subsidiary companies of the Company Accrued total of dividend corporate income tax of RMB 93,712,503.50.

(2) Details of unconfirmed deferred income tax assets

Item	Closing amount	Opening amount
Deductible temporary difference	225,352,620.54	504,593,980.48
Deductible loss	1,554,574,973.92	1,103,153,022.92
<b>Total</b>	<b>1,779,927,594.46</b>	<b>1,607,747,003.40</b>

(3) The deductible loss of unconfirmed deferred income tax assets will be due in the next year

Item	Closing amount	Opening amount	Remark
2013	7,913,547.81	7,913,547.81	
2014	8,713,793.65	9,070,705.50	
2015	71,028,862.57	74,476,260.35	
2016	190,762,894.27	200,825,226.11	
2017	824,733,924.52	810,867,283.15	
2018	451,421,951.00		
<b>Total</b>	<b>1,544,574,973.92</b>	<b>1,103,153,022.92</b>	

(4) Details of taxable difference and deductible difference items

Item	Amount
<b>Deductible difference item</b>	
Accrued land VAT	2,752,102,339.40
Accrued expenses	65,895,614.12
Estimated liabilities	14,017,011.28
Bad debt preparation of other receivables	14,069,444.96
Bad debt preparation of accounts receivable	7,356,281.32

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Item	Amount
Deductible loss	
<b>Subtotal</b>	<b>2,853,440,691.00</b>
<b>Taxable difference item</b>	
Accrued dividend corporate income tax	374,850,014.00
<b>Subtotal</b>	<b>374,850,014.00</b>

## 16. Details table of assets impairment

Item	Opening amount	Increased this year	Decreased this year		Closing amount
			Transfer-back	Other transfer-out	
Bad debt	26,274,341.63	15,027,890.39	3,143,438.00		38,158,794.02
Inventory revaluation impairment	574,866,013.85		182,370,000.00		392,496,013.85
<b>Total</b>	<b>601,140,355.48</b>	<b>15,027,890.39</b>	<b>185,513,438.00</b>		<b>430,654,807.87</b>

## 17. Short-term loan

## (1) Categories of short-term loan

Loan category	Closing amount	Opening amount
Pledge loan		
Mortgage loan		
Guaranteed loan (Note 1)	1,200,000,000.00	850,000,000.00
Credit loan	4,420,000,000.00	1,255,000,000.00
<b>Total</b>	<b>5,620,000,000.00</b>	<b>2,105,000,000.00</b>

Note 1: The subsidiary company of the Company Shenzhen CM Power Supply Co., Ltd. borrowed RMB 1,200,000,000.00 from the bank, and the Company provided the guarantee.

## 18. Payable notes

Note category	Closing amount	Opening amount
Bank acceptance	7,831,556.50	19,151,995.76



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Note category	Closing amount	Opening amount
Trade acceptance	49,852,958.83	28,458,666.83
<b>Total</b>	<b>57,684,515.33</b>	<b>47,610,662.59</b>

## 19. Accounts payable

## (1) Details of accounts payable

Item	Closing amount	Opening amount
Project engineering payable	4,563,180,000.90	6,317,238,323.45
5,360,808,997.86	3,832,498,664.86	5,360,808,997.86
Equity purchase money (Note)	135,650,000.00	70,650,000.00
Others	148,627,524.60	48,201,575.64
<b>Total</b>	<b>8,679,956,190.36</b>	<b>11,796,898,896.95</b>
In it: Over 1 year	849,812,543.11	1,856,114,489.14

Note: The closing unpaid equity acquisition payable does not reach the payment condition stipulated in the related equity transfer agreement, and the payable includes: equity acquisition payable of RMB 70.65 million payable to Shanghai Meiyang Property Co., Ltd. for purchasing Shanghai Fengyang Property Development Co., Ltd.; equity acquisition payable of RMB 65 million payable to Shenzhen Weihui Investment Co., for purchasing Shenzhen CM Runde Property Co., Ltd.

## (2) Large accounts payable with the age exceeding 1 year are as follows:

Name of the unit	Closing figure	Age	Reason for non-payment	Repayment amount after the period
Haerbin Municipal Land and Resources Bureau	230,109,586.89	1-2 years	Did not reach the time stipulated in the contract	
Project money for Foshan Evian Shui'an Phase 1	21,155,160.68	2-3 years	Project in progress	
Project money for Foshan Evian Shui'an Phase 2	53,064,892.58	1-2 years	Project in progress	
Pre-drawn project cost of Shanghai Yonghuayuan	36,786,307.31	1-2 years	Project in progress	
Pre-drawn project cost of Foshan Ebian Shangcheng	35,419,143.12	1-2 years	Project in progress	
Project payable of Shenzhen Lanyuan	22,554,808.22	1-2 years	Project in progress	
Final payment of Shenzhen	18,447,703.44	2-3 years	Project in progress	

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Name of the unit	Closing figure	Age	Reason for non-payment	Repayment amount after the period
Yishan jun Phase 3				
Project money of Tianjin Diamond Hill Phase 1	21,947,794.77	1-2 years	Project in progress	
Project money of Nanjing Evian Xigu	17,650,023.84	1-2 years	Project in progress	
Land price payable by Shanghai Fengyang	72,450,956.40	2-3 years	Did not fulfill the stipulated payment condition	
Zhangzhou Holiday 365 Phase 1 indoor exquisite decoration	15,742,514.80	1-2 years	Project in progress	
Shanghai Meiyang Property Co., Ltd.	70,650,000.00	2-3 years	Did not fulfill the stipulated payment condition	
Tianjin Songjiangtuanpo Investment development Co., Ltd.	12,325,332.00	1-2 years	Did not fulfill the stipulated payment condition	
Zhongjian 3rd Bureau of Construction Co., Ltd.	11,062,640.50	1-2 years	Project in progress	
<b>Total</b>	<b>639,366,864.55</b>			

(3) Money payable to the shareholder units holding over (including) 5% voting power shares of the Company in the closing accounts payable.

Name of the unit	Closing amount	Opening amount
CM Shekou Industrial Zone Co., Ltd.	3,219,616.80	900,000,000.00
<b>Total</b>	<b>3,219,616.80</b>	<b>900,000,000.00</b>

## 20. Money collected in advance

## (1) Money collected in advance

Item	Closing amount	Opening amount
Pre-received building sales money	30,796,381,384.42	28,399,846,062.60
Other pre-received money	66,139,289.17	64,120,367.74
<b>Total</b>	<b>30,862,520,673.59</b>	<b>28,463,966,430.34</b>
of which: Over 1 year	2,263,104,885.94	2,962,002,551.39

Note: The unearned receivable is mainly unearned sales money, and the unearned receivable does not carried over with an age exceeding 1 year of uncompleted buildings.

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(2) The unearned receivable does not include the unearned receivable from the shareholder with more than (including) 5% voting power shares of the Company.

(3) The details of the unearned property sales receivable in the unearned receivable are as follows:

Name of the item	Closing figure	Opening figure	Estimated completion time	Pre-sale proportion (%)
Beijing Park 1872	1,558,094,876.56	3,154,064,691.00	2013	79.42
Beijing Xicheng Homestead and Longyuan	3,265,178,307.00	2,901,459,060.00	2013	100.00
Chengdu Dongcheng International	49,151,498.00	26,330,800.00	Completed	89.34
Chengdu Yonghuafu	987,209,050.20	357,313,345.00	2013	66.65
Foshan Evian Tianhui Phase 1	1,215,036,666.00	6,439,167,896.00	2013	74.22
Foshan Evian Shangcheng Phase 1	14,088,514.74	12,407,243.00	Completed	99.66
Foshan Evian Shangcheng Phase 2	20,658,730.00	841,604,878.00	Completed	98.50
Foshan Evian Shangcheng Phase 3	439,578,170.00	228,738,382.00	2013	44.56
Foshan Evian Shui'an Phase 1	31,767,357.36	32,607,264.22	Completed	99.85
Foshan Evian Shui'an Phase 2	35,033,302.00	34,973,024.96	Completed	100.00
Foshan Evian Shui'an Phase 3	140,960,284.17	1,850,890,613.50	Completed	96.35
Foshan Evian Shui'an Phase 4	57,648,622.00	188,418,622.00	Completed	65.39
Foshan Evian Xicheng Phase 1	633,340,165.00	415,276,326.00	2013	66.03
Guangzhou Donghui City Block B Phase 1	759,500,341.00	391,754,210.00	2013	98.25
Guangzhou Jinshan Valley Project	349,167,611.73	679,472,966.00	Completed	60.35
Bijie Garden City Phase 1 Zone D	208,684,140.00	14,786,944.00	2014	47.95
Bijie CM Garden City Convention Center	41,834,702.00	83,700,991.00	2014	50.15
Haerbin Notting Hill Phase 1	246,905,985.94	134,345,182.98	2013	53.18
Nanjing Evian Xigu	13,374,774.92	15,363,662.92	Completed	100.00
Nanjing Zijinshan No.1 (former Nanjing G67 Project)	451,250,634.56	356,405,403.70	Completed	73.16
Nanjing Yonghuafu	200,916,474.71		2015	22.46
Qingdao (LAVIE Commune)	206,204,351.00	43,515,038.00	2013	26.77
Shanghai Haide Garden Phase 1 Business	650,000.00	0	Completed	100.00
Shanghai Haide Garden No.2 Block Phase 1	437,348,288.00	79,038,219.00	2013	100.00
Shanghai haide Garden Phase 3	21,352,170.00	23,605,652.00	Completed	92.71
Shanghai Haiting Project	229,717,534.00	271,212,217.00	Completed	44.07
Shanghai Sheshan Longyuan Phase 1	26,765,023.00	10,293,698.00	Completed	14.41
Shanghai CM Yonghuayuan Phase 1	27,866,500.00		Completed	100.00
Shanghai CM Yonghuayuan Phase 2	5,135,000.00		Completed	100.00
Shanghai CM Yonghuayuan Phase 3	11,563,700.00		Completed	100.00
Shenzhen Guoling Garden	227,502,917.00	2,358,203,307.90	2013	98.59

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Name of the item	Closing figure	Opening figure	Estimated completion time	Pre-sale proportion (%)
Shenzhen Lanxi Valley Phase 2	20,927,053.00	23,839,614.00	Completed	100.00
Shenzhen Woods Apartment	1,089,411,987.00	400,973,143.00	2013	77.69
Shenzhen Jinshan Phase 9	1,045,731,702.00		2014	37.86
Shenzhen Yongjingwan	47,466,061.00	337,120,918.00	Completed	98.78
Shenzhen CM Guanyuan	235,637,538.00	203,949,030.00	Completed	85.73
Shenzhen Yihai City	2,601,469,133.00	1,457,269,767.00	2014	63.57
Shenzhen Xi City		461,482,004.00	completed	64.02
Suzhou Xiaoshicheng Phase 2-3	2,030,888.00	1,650,772.00	Completed	100.00
Suzhou Xiaoshicheng Phase 4	13,450,663.88	14,453,160.88	Completed	100.00
Suzhou Xiaoshicheng Phase 5	52,076,694.26	644,188,471.00	2013	93.89
Suzhou Xiaoshicheng Phase 6	745,238,721.00	740,216,242.00	2014	99.24
Suzhou Xiaoshicheng Phase 7	494,634,348.00		2014	57.40
Suzhou Yongjingwan Phase 1	32,007,564.00	62,107,900.00	Completed	56.91
Suzhou Yongjingwan Phase 2	223,446,291.00	128,388,995.00	2014	79.48
Suzhou Yongjingwan Phase 3	537,088,560.00		2014	16.89
Suzhou Yonghuafu Phase 1	137,057,240.00		2015	14.38
Tianjin Beikenshan Phase 1 Villa A	254,153,226.00	30,096,975.00	2014	20.45
Tianjin Yiyunjun Phase 1	376,957,561.00	272,839,291.00	2013	77.18
Tianjin Yonghuafu	44,127,043.00	118,291,105.00	Completed	98.74
Tianjin Star City	1,406,798,237.13	1,507,911,417.10	2013	81.44
Wuhan Yonghuafu	786,423,193.00	248,993,182.00	2013	79.03
Xiamen Haide Garden	1,035,134,685.00	582,760,542.00	2014	71.78
Xiamen Sea May Flower	1,859,551,866.57	1,486,326,635.30	2015	70.40
Zhangzhou Garden City Phase 1	1,222,963.20	7,534,141.20	Completed	100.00
Zhangzhou Garden City Phase 2	259,278,916.00	197,846,955.00	2013	99.74
Zhangzhou Holiday 365 Phase 1	48,121,585.00	42,521,192.00	Completed	99.08
Zhangzhou Holiday 365 Phase 2	199,297,476.24	49,559,295.40	2014	90.71
Zhangzhou Kadakaisi Phase 1	99,897,569.07	110,756,087.60	Completed	89.98
Zhangzhou Kadakaisi Phase 2	657,705,560.45	96,640,549.83	2013	91.00
Zhangzhou Kadakaisi Demonstration Area Apartment	163,240.00	53,138,184.68	2013	94.16
Zhenjiang Beiguwan Phase 1	655,010,037.28	805,304,558.90	2013	80.14
Zhenjiang Beiguwan Phase 2	87,660,227.00		2014	9.30
Chongqing Changjiahui Phase 1	939,341,368.01	645,325,350.80	2014	49.21
Chongqing CM Garden City	613,416,282.63	415,620,937.00	2013	33.29
Chongqing CM Jiangwancheng	614,948,328.81	971,786,616.00	2013	91.82
Zhuhai CM Garden City Phase 1	61,722,309.00	79,768,525.00	Completed	76.00
Zhuhai CM Garden City Phase 2 and 3	1,543,635,119.00	980,029,523.00	Completed	90.35
Changzhou Garden City Phase 1	16,045,137.00		2015	8.56
Others	44,609,319.00	23,053,805.73		
<b>Total</b>	<b>30,796,381,384.42</b>	<b>28,402,749,707.60</b>		

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## 21. Wage payable to the employees

	Opening amount	Increased this year	Decreased this year	Closing amount
I. Salary, bonus, subsidies	301,198,403.13	455,884,535.16	618,742,783.51	138,340,154.78
II. Employee welfare fee		22,883,728.74	22,883,728.74	
III. Social insurance fee	1,299,788.72	63,749,622.32	63,167,416.29	1,881,994.75
In it: 1. Medical insurance fee	193,510.37	13,848,664.81	13,892,264.26	149,910.92
2. Basic endowment insurance fee	376,137.36	35,196,863.49	34,930,303.94	642,696.91
3. Annual fee payment (supplementing to the endowment insurance)	444,010.83	9,718,167.80	9,376,029.84	786,148.79
4. Unemployment insurance fee	116,895.38	2,411,242.04	2,398,003.22	130,134.20
5. Industrial injury insurance fee	85,571.77	1,256,192.34	1,257,392.96	84,371.15
6. Birth insurance fee	83,663.01	1,306,289.34	1,303,240.32	86,712.03
IV. Housing public accumulation fund	1,232,929.00	18,335,789.00	19,285,748.71	282,969.29
V. Trade union fund and employee education fund	23,424,349.03	10,316,439.00	11,422,927.19	22,317,860.84
VI. Non-monetary welfare		340,531.00	340,531.00	
VII. Dismissal welfare and early retirement compensation	1,280,000.00	964,608.00	964,608.00	1,280,000.00
In it: compensation offered due to terminate labor relation	1,280,000.00	952,008.00	2,232,008.00	
VIII. Others	5,605,024.24	2,233,165.11	3,742,253.73	4,095,935.62
In it: dividend payment settled in cash				
<b>Total</b>	<b>334,040,494.12</b>	<b>574,708,418.33</b>	<b>740,549,997.17</b>	<b>168,198,915.28</b>

## 22. Taxes payable

Item	Closing amount	Opening amount
Enterprise income tax	785,631,591.30	1,456,225,181.67
Land VAT	98,281,496.91	228,643,835.33
Operating tax	69,569,538.94	213,733,667.61
Personal income tax	46,345,319.51	9,960,146.29
VAT	2,328,726.49	-2,768,550.18
City maintenance and construction tax	5,751,246.47	15,374,675.69
Land use tax	3,269,435.53	7,173,790.53
Others	18,505,214.31	23,239,606.24
<b>Total</b>	<b>1,029,682,569.46</b>	<b>1,951,582,353.18</b>

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## 23. Interest payable

Item	Closing amount	Opening amount
Long-term loan interest of installment interest payment and due principal repayment	65,805,599.88	116,181,985.15
Payable interest of short-term loan	2,346,822.14	3,585,837.77
<b>Total</b>	<b>68,152,422.02</b>	<b>119,767,822.92</b>

## 24. Dividend Payable

Name of the unit	Closing amount	Opening amount	Reason for non-payment exceeding 1 year
CM Shekou Industrial Zone Co., Ltd.	208,025,795.10		
Shenzhen CM Overseas Chinese City Property Co., Ltd.		215,517,078.84	
Shenzhen Nanshan Property Development Co., Ltd.		64,670,051.82	
Tianjin Senmiao Investment Group Co., Ltd.	9,692,329.22	9,692,329.00	Discuss with the cooperative party to suspend payment
Shenzhen Huayuan Seafood & Game Restaurant	285,600.10	285,600.00	Pending canceling
<b>Total</b>	<b>218,003,724.42</b>	<b>290,165,059.98</b>	

## 25. Other payables

(1) Details of other payables are as follows

Item	Closing figure	Opening figure
Correspondence with the cooperative companies	6,452,825,140.55	5,512,860,268.43
Correspondence with the associated companies	1,269,585,346.21	1,232,898,435.23
Earnest money	166,168,890.93	304,845,498.21
Agency collected and temporarily collected money	359,434,105.52	1,319,445,449.77
Others	514,072,234.85	132,302,941.45
<b>Total</b>	<b>8,762,085,718.06</b>	<b>8,502,352,593.09</b>

(2) Aging of other account payable is as follows

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Item	Closing amount	Opening amount
<b>Total</b>	<b>8,762,199,717.37</b>	<b>8,502,352,593.09</b>
of which: Over 1 year	2,903,445,453.11	2,355,234,416.27

Note: For the large-amount other payables with age exceeding 1 year was mainly the minority shareholders' loan.

(3) Payable to the shareholder units holding over (including) 5% voting power shares of the Company

Name of the unit	Closing amount	Opening amount
CM Shekou Industrial Zone Co., Ltd.	2,097,500.00	
<b>Total</b>	<b>2,097,500.00</b>	

(4) Large-amount other payables with age exceeding 1 year

Item	Amount	Age	Property or content
Huidefeng Property Co., Ltd.	215,768,840.24	1-2 years	Minority shareholders make advance
Tianjin Taida development Co., Ltd.	125,200,000.00	1-2 years	Minority shareholders make advance
Shenzhen CM Financial Service Co., Ltd.	101,172,000.00	1-2 years	Minority shareholders make advance
Huidefeng Property Co., Ltd.	491,069,770.95	Over 3 years	Minority shareholders make advance
Zhuhai City Construction Co., Ltd.	101,021,474.96	Over 3 years	The project is not settled
<b>Total</b>	<b>1,034,232,086.15</b>		

26. Non-current liabilities due in one year

(1) Non-current liabilities due in one year

Item	Closing amount	Opening amount
Long-term loan due in one year	9,032,245,473.94	7,380,992,296.97
<b>Total</b>	<b>9,032,245,473.94</b>	<b>7,380,992,296.97</b>

(2) Categories of non-current liabilities due in one year

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Loan category	Closing amount	Opening amount
Mortgage loan (Note 1)	300,600,000.00	123,110,000.00
Guarantee loan (Note 2)	2,854,734,743.94	3,363,648,021.97
Credit loan	5,876,910,730.00	3,894,234,275.00
<b>Total</b>	<b>9,032,245,473.94</b>	<b>7,380,992,296.97</b>

Note 1: For the details, see “Annotation V. 6 Inventory (6)”.

Note 2: For the details, see “Annotation V. 27 Long-term loan Note 1”.

(3) Top 5 units with the most closing amount of non-current liabilities due in one year

Loan unit	Loan starting day	Loan ending day	Currency	Interest rate	Closing amount	
					Amount of foreign currency	Amount of domestic currency
Financial institution 1	July 8, 2011	July 8, 2013	RMB	Floating		1,460,000,000.00
Financial institution 2	January 5, 2010	December 23, 2013	USD	Floating	130,000,000.00	803,231,000.00
Financial institution 3	August 9, 2011	August 9, 2013	RMB	Floating		500,000,000.00
Financial institution 4	July 15, 2011	July 14, 2013	RMB	Floating		500,000,000.00
Financial institution 5	November 16, 2011	November 15, 2013	RMB	Fixed		448,000,000.00
<b>Total</b>						<b>3,711,231,000.00</b>

## 27. Other current liabilities

Item	Closing amount	Opening amount
Accrued land VAT (Note 1)	3,763,717,684.55	4,205,770,576.95
Cleaning and safeguarding outsourcing fee	18,673,195.50	17,330,139.00
Expenses of the intermediary institutions	135,000.00	2,617,000.00
Clothing fee	4,322,709.00	2,586,575.00
Water and power fee	2,040,197.65	



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Item	Closing amount	Opening amount
Expenses to perfect the intelligent system	191,630.15	
Deferred income		4,710,020.00
Others	12,501,208.19	23,721,330.05
<b>Total</b>	<b>3,801,581,625.04</b>	<b>4,256,735,641.00</b>

Note 1: The Group accrued land VAT according to GSF[2006] No.187 "Notice on the Issues Related to Settlement Management of Land VAT of Property Development Enterprises of State Administration of Taxation" issued by State Administration of Taxation and other related provisions, and accounted into the current profit and loss. At the same time, when calculating the income tax expenses of the year, the Group conducted adjustment on the income amount of payable according to the related provisions of the subsidiary companies' located area.

## 28. Long-term loan

## (1) Categories of long-term loans

Loan category	Closing amount	Opening amount
Pledge loan		
Mortgage loan	314,015,946.75	596,350,000.00
Guarantee loan (Note 1)	11,109,227,900.20	7,334,235,222.21
Credit loan	4,655,100,272.46	5,810,018,350.57
Entrusted loan (Note 2)	830,280,000.00	637,410,300.00
<b>Total</b>	<b>16,908,624,119.41</b>	<b>14,378,013,872.78</b>

Note 1: The details of guarantee loan are as follows:

Borrowing unit	Closing amount			Guarantor
	Currency	Amount of foreign currency	Amount of domestic currency	
China Merchants Property Development Co., Ltd.	RMB		2,000,000,000.00	China Merchants Group Co., Ltd.
China Merchants Property Development Co., Ltd.	RMB		888,500,000.00	CM Shekou Industrial Zone Co., Ltd.
China Merchants Property Development Co., Ltd.	RMB		920,000,000.00	Shenzhen CM Property Co., Ltd.
Shenzhen CM Property Co., Ltd.	RMB		585,500,000.00	China Merchants Property Development Co., Ltd.
Shenzhen CM Property Co., Ltd.	RMB		200,000,000.00	Shenzhen CM Property Co., Ltd., Shekou Industrial Zone Co., Ltd.

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Beijing Conrad Property Development Co., Ltd.	RMB		264,450,244.18	Shenzhen CM Property Co., Ltd., Shekou Industrial Zone Co., Ltd.
Shanghai Jingyuan Property Development Co., Ltd.	RMB		334,000,000.00	Shenzhen CM Property Co., Ltd., Shanghai Vanke Property Co., Ltd.
Shanghai Jingyuan Property Development Co., Ltd.	RMB		448,000,000.00	Shanghai Vanke Property Co., Ltd.
Foshan Evian Property Co., Ltd.	RMB		1,100,000,000.00	Guangzhou CM Property Co., Ltd., Jiulongcang Group Co., Ltd.
Eureka Investment Co., Ltd.	USD	788,000,000.00	4,868,815,600.00	China Merchants (Hongkong) Group Co., Ltd.
Eureka Investment Co., Ltd.	HKD	980,000,000.00	780,668,000.00	China Merchants (Hongkong) Group Co., Ltd.
Eureka Investment Co., Ltd.	USD	194,000,000.00	1,198,667,800.00	China Merchants (Hongkong) Group Co., Ltd.
Shenzhen CM Power Supply Co., Ltd.	USD	30,000,000.00	185,361,000.00	China Merchants Group Property Development Co., Ltd.
Shenzhen CM Business Development Co., Ltd.	RMB		140,000,000.00	Shenzhen CM Shangzhi Investment Co., Ltd., Shenzhen Sea Industries Development Co., Ltd.
Guangzhou Wanshang Property Co., Ltd.	RMB		50,000,000.00	Shenzhen CM Property Co., Ltd., Guangzhou Vanke Property Co., Ltd., Shanghai Laiyuan Property Development Co., Ltd.
<b>Total</b>			<b>13,963,962,644.18</b>	
<b>Of which: current liabilities due within one year</b>			<b>2,854,734,743.98</b>	

In the guarantee loan, RMB 2,854,734,743.98 will be due in one year

Note 2: According to the *Entrusted Loan Contract* signed by the subsidiary company, Guangzhou Wanshang Property Co., Ltd. With Hangzhou Hanglong Property Management Co., and Guangzhou Vanke Property Co., Ltd. Hangzhou Hanglong Property Management Co., Ltd. And Guangzhou Vanke Property Co., Ltd. Agreed to entrust the bank to provide entrusted loan of RMB 415,140,000.00 respectively, totaling RMB 830,280,000.00.

(2) Top five with long-term loan in the ending amount

Loan Unit	Loan starting day	Loan ending day	Currency	Interest rate (%)	Outstanding amount	
					Amount of foreign currency	Amount of domestic currency
Financial institution 1	April 20, 2010	April 19, 2017	RMB	According to annual floating		2,000,000,000.00
Financial institution 2	April 11, 2013	June 15, 2015	USD	Floating	180,000,000.00	1,112,166,000.00

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Financial institution3	March29,2013	March28,2015	RMB	Fixed		1,100,000,000.00
Financial institution4	October17,2011	September26, 2014	USD	Floating	100,000,000.00	617,870,000.00
Financial institution5	April 29,2013	April 25,2016	USD	Floating	100,000,000.00	617,870,000.00

29. Long-term payables

Borrowing unit	Period	Opening amount	Interest rate (%)	Interest that shall be counted	Closing amount	Loan condition
<b>Total</b>		<b>83,565,123.00</b>			<b>101,218,943.36</b>	
In it:						
Main part of building repair fund		83,365,123.00			101,218,943.36	
Shenzhen CM Chuangye Ltd, Co.		1,200,000.00				

30. Estimated liabilities

Item	Opening amount	Increased in this period	Carried over in this period	Closing amount
Unsettled lawsuit	14,017,011.26		536,140.63	13,480,870.63
<b>Total</b>	<b>14,017,011.26</b>		<b>536,140.63</b>	<b>13,480,870.63</b>

The estimated liabilities are caused by the property development projects of the subsidiary companies being sued by some owners due to building sales disputes. The Company accrued estimated liabilities according to the compensation amount of the unsettled lawsuit.

31. Other non-current liabilities

Item	Closing amount	Opening amount
Hotel project special support fund	14,130,060.00	14,130,060.00
Culture undertaking development special fund	1,500,000.00	1,500,000.00
Deferred rent income	983,380.00	983,380.00
<b>Total</b>	<b>16,613,440.00</b>	<b>16,613,440.00</b>

32. Capital stock

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Item	Opening amount		Change increase and decrease in the year (+, -)					Closing amount	
	Amount	Proportion (%)	Issue new shares	Give shares	Public accumulated fund turned to shares	Others	Subtotal	Amount	Proportion (%)
<b>I. Shares with sales limiting condition</b>									
1. Shares held by the state									
2. Shares held by the state-owned legal person	693,419,317.00	4038						693,419,317.00	4038
3. Shares held by other domestic capital									
In it: shares held by domestic non-state owned legal person									
Shares held by domestic natural person									
4. Shares held by foreign capital	197,709,440.00	1151						197,709,440.00	1151
In it: shares held by foreign legal person	197,709,440.00	1151						197,709,440.00	1151
Shares held by the foreign natural person									
5. Shares held by the senior management	512,851.00	003						512,851.00	003
<b>Total of</b>	<b>891,641,608.00</b>	<b>5192</b>						<b>891,641,608.00</b>	<b>5192</b>

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shares with sales limiting condition									
<b>II. Shares without sales limiting condition</b>									
1. RMB common shares	684,267,595.00	3985						684,267,595.00	3985
2. Foreign capital shares listed domestically	141,391,300.00	823						141,391,300.00	823
3. Foreign capital shares listed in foreign countries									
4. Others									
<b>Total of shares without sales limiting condition</b>	<b>825,648,895.00</b>	<b>4808</b>						<b>825,648,895.00</b>	<b>4808</b>
<b>Total of shares</b>	<b>1,717,300,500.00</b>	<b>100.00</b>						<b>1,717,300,500.00</b>	<b>10000</b>

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## 33. Capital reserve accumulation

Item	Opening amount	Increased this year	Decreased this year	Closing amount
Capital stock premium	8,272,422,487.12			8,272,422,487.12
Original system capital public accumulation transferred in	104,411,758.00			104,411,758.00
Other capital public accumulation (Note 1)	10,092,053.00	235,437,095.10		245,529,148.10
<b>Total</b>	<b>8,386,926,298.12</b>	<b>235,437,095.10</b>	<b>0.00</b>	<b>8,622,363,393.22</b>

Note 1: Other capital reserve accumulation increased RMB 235,437,095.10 in this year, including :

1. Dispose equity investment difference of RMB 55,703,911.65 of the subsidiary companies under common control; The long-term investment cost of the Company of the subsidiary companies under common control is larger than the net book assets of the invested unit that shall be offset with the other capital public accumulation. Because such category of companies have been disposed, according to the related provisions of *Enterprise Accounting Standard*, while the above difference is accounted into the investment income, other capital public accumulation is increased.

2. The investment difference of RMB 179,733,183.45 generated by purchasing the equity of minority shareholders. When the Company purchased the equity of minority shareholders of Shenzhen Meiyue Property Investment Co., Ltd. In the previous year, capital reserve accumulation of RMB 179,733,183.45 was offsetted. During the period of reporting period, The CM Guoling Project developed by the company was completed and transferred, according to the related provisions of explanation No.2 of *Enterprise Accounting Standard*, while the above difference is accounted into the operating cost of this period, the other capital reserve accumulation is increased.

## 34. Retained Earnings

Item	Opening amount	Increased this year	Decreased this year	Closing amount
Legal retained earnings	887,660,959.90			887,660,959.90
Free retained earnings	140,120,038.00			140,120,038.00
<b>Total</b>	<b>1,027,780,997.90</b>			<b>1,027,780,997.90</b>

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## 35. Undistributed profit

Item	Amount	Extraction or distribution proportion (%)
Amount at the end of the previous year	12,173,100,556.73	
Plus: opening retaining profit adjustment figure		
Opening amount of the year	12,173,100,556.73	
Plus: Net profit belonging to the shareholders of the parent company of the year	2,550,631,034.51	
Less: Extracted legal surplus public accumulation		
Less: Payable common share dividend	515,190,150.90	
Amount at the end of the year	14,208,541,440.34	

## 36. Equity of the minority shareholders

Name of the subsidiary company	Minority equity ratio (%)	Closing amount	Opening amount
Suzhou Shuanghu Property Co., Ltd.	50	920,447,403.00	892,061,967.18
Hainan CM Ocean Development Co., Ltd.	40	800,109,601.74	800,117,098.04
Foshan Xincheng Property Co. Ltd.	50	1,056,884,939.23	677,634,227.69
CM Jiaming (Beijing) Property Development Co., Ltd.	50	660,554,389.12	602,280,853.72
Shenzhen Vanke Binhai Property Co., Ltd.	50	490,459,843.86	497,418,684.54
Shenzhen CM Overseas Chinese City Investment Co., Ltd.	50		387,624,764.63
Foshan CM Jiulongcang Property Co., Ltd.	50	368,009,452.95	338,234,084.86
Zhangzhou CM Property Development Co., Ltd.	49	295,102,022.31	295,788,060.93
Shanghai Fengyang Property Development Co., Ltd.	40	295,080,729.41	291,648,802.00
Qingdao Zhongrunde Auto Trade Co., Ltd.	49	162,984,315.30	167,238,507.10
Shenzhen CM Runde Property Co., Ltd.	49	150,192,782.82	148,047,111.18
Shanghai Jingyuan Property Development Co., Ltd.	45	147,637,025.16	147,977,793.00
Beijing Conrad Property Development Co., Ltd.	40	112,241,192.90	134,137,107.03
Tianjin CM Taida Investment Co., Ltd.	40	114,940,867.72	117,215,859.41
Suzhou CM Nanshan Property Co., Ltd.	40	157,461,506.72	94,231,312.80
YInrong Co., Ltd.	50	110,554,073.48	75,989,098.44
Zhuhai Yuanfeng Property Co., Ltd.	49	81,686,639.65	81,074,734.77
Haerbin CM Jiatian Property Development Co., Ltd.	50	67,325,205.25	69,877,327.28
Guangzhou Wanshang Property Co., Ltd.	66	61,052,266.77	61,693,925.68
Shekou Xinghua Industries Co., Ltd.	34.93	44,159,339.76	43,400,003.39
Shenzhen CM Business Development Co.,	49	72,526,869.69	35,926,581.60

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Ltd.			
Huipeng Property Development Co., Ltd.	50	121,580,370.19	19,159,894.86
Tianjin CM Property Co., Ltd.	25	14,505,307.05	14,517,903.88
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	50	15,025,299.11	15,009,274.13
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	49	13,485,457.44	14,105,273.27
Foshan Evian Property Co., Ltd.	50	8,683,062.11	10,556,916.28
Beijing CM Property Management Co., Ltd.	20	4,210,715.84	5,207,373.24
Yunnan CM Chengtuo Property Co., Ltd.	40	3,610,385.96	3,999,207.44
Tianjin Zhaojiang Investment Co., Ltd.	23	3,038,267.13	3,714,698.54
Fujian Zhongliansheng Property Development Co., Ltd.	50	32,812,977.61	2,729,318.77
Shenzhen Haitao Hotel Co., Ltd.	15	1,853,252.24	1,833,766.31
UnionBloomLimited	49	64,228.91	-572,711.84
VastJointLimited	49	-13,743.07	-10,553.71
Shenzhen CM Anye Investment Development Co., Ltd.	49	-3,675,674.18	-1,719,075.32
Tonic Industries Holdings Limited	29.82	-8,152,765.91	-579,091.83
Shenzhen CM Qile Property Management Co., Ltd.	40	-1,891,470.52	-1,806,633.29
Shenzhen CM Shekou Construction Co., Ltd.	49	4,907,132.59	
Dalian Zhaoyu Property Co., Ltd.	49	14,270,864.22	
Foshan CM Xincheng Hi-Tech Co., Ltd.	40	3,964,952.83	
Zhenjiang Communication investment construction development Co., Ltd.	40	19,841,148.98	
Total		6,417,530,235.37	6,045,763,466.00

37. Operating income and operating cost

Item	Amount in this period	Amount in the same period of the previous year
Income from Main businesses	16,133,568,321.26	10,080,507,691.00
Cost of main businesses	8,692,511,279.89	5,045,322,607.00

(1) Main businesses—categories by industry

Name of the industry	Amount in this year		Amount in the previous year	
	Operating income	Operating cost	Operating income	Operating cost
Property industry	15,383,731,797.53	8,038,397,888.80	9,456,757,691.00	4,549,582,607.00
Public utility	286,293,107.78	210,341,111.20	295,050,000.00	205,910,000.00
Property management	379,233,415.95	336,412,279.89	328,700,000.00	289,830,000.00



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Trade business	84,310,000.00	107,360,000.00		
<b>Total</b>	<b>16,133,568,321.26</b>	<b>8,692,511,279.89</b>	<b>10,080,507,691.00</b>	<b>5,045,322,607.00</b>

## (2) Operating income of top five clients

Name of the client	Operating income	Proportion accounting for in all the operating income (%)
Client 1	23,355,770	0.14%
Client 2	23,000,359	0.14%
Client 3	22,612,243	0.14%
Client 4	22,191,907	0.14%
Client 5	22,159,334	0.14%
<b>Total</b>	<b>113,319,613.00</b>	<b>0.70%</b>

## 38. Business taxes and addition taxes

Item	Amount in this period	Amount in the same period of the previous year	Calculated payment standard
Land VAT	1,682,436,591.33	1,230,612,924.00	
Operating tax	791,426,399.15	502,342,782.00	
City maintenance and construction tax	52,105,782.75	22,047,102.00	
Education fee addition	38,222,483.89	14,286,626.00	
Others	15,239,466.65	7,394,636.00	
<b>Total</b>	<b>2,579,430,723.77</b>	<b>1,776,684,070.00</b>	

## 39. Sales expenses

Item	Amount in this period	Amount in the same period of the previous year
Advertisement promotion expense	159,820,963.51	129,396,538.97
Expenses and commission of sales institutions	36,772,751.27	29,772,481.90
Others	75,426,076.98	72,290,106.13
<b>Total</b>	<b>272,019,791.76</b>	<b>231,459,127.00</b>

## 40. Management expenses

Item	Amount in this period	Amount in the same period of the previous year
Human resources expenses	126,352,153.75	103,341,626.94
Office and administrative expenses	9,529,807.14	9,983,352.37
Expenses of the intermediary institution	29,643,111.36	10,455,817.01

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Assets amortization	2,421,823.75	2,319,581.55
Taxes and levies	13,977,283.57	9,003,418.53
Others	50,787,306.44	39,631,368.60
<b>Total</b>	<b>232,711,486.01</b>	<b>174,735,165.00</b>

### 41. Financial expenses

Item	Amount in this period	Amount in the same period of the previous year
Interest expenditure	703,636,382.20	622,475,795.00
Less: Capitalized interest expenditure	415,466,833.70	394,739,403.00
Less: Interest income	110,091,552.79	91,377,849.00
Plus: Exchange loss	-137,306,098.33	24,539,671.00
Less: Capitalized exchange difference	-16,408,450.00	3,058,265.00
Plus: Other expenditures	16,168,624.01	9,826,925.00
<b>Total</b>	<b>73,348,971.39</b>	<b>167,666,874.00</b>

### 42. Assets impairment loss

Item	Amount in this period	Amount in the same period of the previous year
Bad debt loss	10,003,720.97	363,374.00
Inventory price impairment	-182,370,000.00	206,497,854.00
<b>Total</b>	<b>-172,366,279.03</b>	<b>206,861,228.00</b>

### 43. Profit/loss of changes of fair value

Item	Amount in this period	Amount in the same period of the previous year
Transactional financial assets		1,584,406.00
of what: Fair value change profit generated by the derivative financial toll		1,584,406.00
Transactional financial liabilities		
<b>Total</b>		<b>1,584,406.00</b>

### 44. Investment earnings

#### (1) Source of investment earnings

Item	Amount in this period	Amount in the same period of the previous year

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Long-term equity investment profit calculated according to equity method	336,191,940.58	3,847,469.00
Investment profit got by disposing transactional financial assets		-8,674,906.00
Long-term equity investment disposal profit and loss	-55,703,911.65	
Others	1,691,730.00	29,709,121.00
Total	282,179,758.93	24,881,684.00

(2) Long-term equity investment profit calculated according to equity method

Item	Amount in this period	Amount in the same period of the previous year	Reason for increase and decrease changes of this year compared to the previous year
<b>Total</b>	<b>336,191,940.58</b>	<b>3,847,469.84</b>	
In it: Shenzhen TCL Optical- Electronics Technologies Ltd.	12,617,820.16	9,116,862.84	Profit increase of the invested company in this year
Shanghai Ledu Property Co., Ltd.	5,185,519.88	-1,273,999.23	Profit increase of the invested company in this year
CM Guangming Science and technology Park Co., Ltd.	-1,290,760.00	-1,670,150.43	Loss decrease of the invested company in this year
Guangzhou Panyu Innovation Science and Technology Park Co., Ltd.	1,889,728.08	-2,465,616.70	Profit increase of the invested company in this year
Huizhou Taitong Property	-19,996,271.26	-5,383.28	Loss of the invested company in this year
Shenzhen Dehan Investment	-140,203.81	-126,173.45	
Shenzhen CM Overseas Chinese City	339,878,500.00		Profit generated by long-term equity without control right measured according to fair value
Beijing Tianping Property	30,278.76	59,682.65	
Shenzhen Zhaohua Property	62,212.24	212,247.44	
Beijing Guangying Property Development Co., Ltd.	-2,044,883.47		

Note: 1. As stated in Annotation IV (II), the Company did not implement control in production and operation of Shenzhen CM Overseas Chinese City since April 1<sup>st</sup>, 2013. According to No.4 explanation announcement of *Enterprise Accounting Standard*, the remaining equity is measured according to the fair value on the day when the control is lost, and the difference between the fair value and the original book value is counted into the current profit and loss.

Note 2: The long-term equity disposal profit is the investment difference of the Company for the disposed subsidiary companies of RMB 55,703,911.65. See

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## Annotation V. 32

## 45. Non-operating income

## (1) Details of non-operating income

Item	Amount in this period	Amount in the same period of the previous year	Amount of non-recurring profit and loss counted into the year
Profit from disposal of non-current assets	469,576.00	390,404.00	469,576.00
In it: Profit from disposal of fixed assets	469,576.00	390,404.00	469,576.00
Government subsidy	2,198,400.00	2,727,811.00	2,198,400.00
Penalty income	5,828,374.85	1,260,251.00	5,828,374.85
Others	3,278,352.43	2,076,070.00	3,278,352.43
Estimated debt transfer-back			
<b>Total</b>	<b>11,774,703.28</b>	<b>6,454,536.00</b>	<b>11,774,703.28</b>

## (2) Details of government subsidies

Item	Amount in this year	Amount in the previous year	Source and basis
Reward from the People's Government of Nanqiao Town, Shanghai	567,000.00		Financial subsidy from the Government of Nanqiao Town, Shanghai
Subsidy from the pavilion	130,000.00		Minute of the meeting of the Management Committee of Zhangzhou Development Zone, China Merchants Group
Tax return		567,228	
Reward for big taxpayers	200,000.00	1,787,900	Reward notice for the big taxpayers of the Bureau of Finance of Nankai District, Tianjin
Reward for big taxpayers	1,301,400.00	372,683.00	Reward notice for the big taxpayers of Suzhou Wuzhong Development Zone, document of reward of vehicles for the big tax payers
<b>Total</b>	<b>2,198,400.00</b>	<b>2,727,811.00</b>	

## 46. Non-operating expenditures

Item	Amount in this period	Amount in the same period of the previous year	Amount counted into the non-recurring profit and loss of the year
Non-current assets disposal	910,283.52	350,941.00	910,283.52

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loss			
In it: Fixed assets disposal loss	910,283.52	350,941.00	910,283.52
External donations			
Inventory losses			
Estimated liability expenditure			
Reproductive energy power price additional fee		2,530,195.00	
Major water conservancy construction fund	4,579,668.16	2,587,320.00	4,579,668.16
Others	9,897,602.93	4,603,548.00	9,897,602.93
<b>Total</b>	<b>15,387,554.61</b>	<b>10,072,004.00</b>	<b>15,387,554.61</b>

Note: It is mainly the transfer port assets taxed paid by the Company for the previous years, which is amounted to 9.47 million.

47. Income tax expenses

(1) Income tax expenses

Item	Amount in this period	Amount in the same period of the previous year
Income tax expense of the year	1,432,015,820.32	673,044,852.00
Deferred income tax expense	44,571,010.06	119,354,403.00
<b>Total</b>	<b>1,476,586,830.38</b>	<b>792,399,255.00</b>

(2) Income tax of the year

Item	Amount
Consolidated profit of the year	4,734,479,255.07
Plus: Tax payment increase adjustment	59,399,975.82
Less: Tax payment decrease adjustment	278,518,661.52
Plus: Overseas taxable income deductible for the domestic loss	
Less: Loss carryover of the previous years	8,481,246.07
Plus: Loss amount of the subsidiary company of the year	451,421,951.00
Payable tax income amount of the year	4,958,301,274.30
Legal income tax rate	16.5%、25%
Payable income tax amount of the year	1,337,333,447.79
Less: Exempted income tax amount	
Less: Income tax credit amount	
Payable tax amount of the year	1,337,333,447.79
Plus: Overseas income tax payable	93,712,503.50
Less: Overseas income tax credit	
Plus: Other adjustment factors	969,869.53
Income tax of the year	1,432,015,820.82

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## 48. Process of calculating the basic earnings per share and diluted earnings per share

Item	No.	Amount in this year	Amount in the previous year
Net profit belonging to the shareholders of the parent company	1	2,550,631,034.51	1,220,525,897.00
Non—recurring profit and loss belonging to the parent company	2	322,958,050.10	-1,941,578.00
Net profit with non-recurring profit and loss deducted belonging to the shareholders of the parent company	3=1-2	2,217,672,984.41	1,222,467,475.00
Total number of opening shares	4	1,717,300,503.00	1,717,300,503.00
Number of increased shares such as share capital increase from accumulation fund or share dividend distribution etc. ( I )	5		
Number of increased shares such as issuing new shares or debts turned to shares ( II )	6		
Number of accumulated months of the increased shares ( II ) from the next month to the end of the year	7		
Number of decreased shares due to purchase back etc.	8		
Number of accumulative months of the decreased shares from the next month to the end of the year	9		
Number of decreased shares of drawn back shares	10		
Number of months in the report period	11	6	6
Weighted average number of common shares issued externally	$12=4+5+6\times7\div11-8\times9\div11-10$	1,717,300,503.00	1,717,300,503.00
<b>Basic earnings per share ( I )</b>	13=1 $\div$ 12	1.4853	0.7107
<b>Basic earnings per share ( II )</b>	14=3 $\div$ 12	1.2914	0.7123
Interest of diluted potential common shares already confirmed as expense	15		
Conversion expense	16		
Income tax rate	17		

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Weighted average number of increased common shares such as convertible bonds	18		
<b>Diluted earnings per share ( I )</b>	$19=[1+(15-16)\times(1-17)]\div(12+18)$	1.4853	0.7107
<b>Diluted earnings per share ( II )</b>	$19=[3+(15-16)\times(1-17)]\div(12+18)$	1.2914	0.7123

## 49. Other comprehensive profit

Item	Amount in this period	Amount in the same period of the previous year
1. Profit (loss) amount generated by available-for-sale financial assets		
Less: Income tax impact generated by the available-for sale financial assets		
Net amount counted into the other comprehensive profit in the previous period and transferred into the profit and loss in the current period		
Subtotal		
2. Shares in the other comprehensive profit of the invested unit calculated according to equity method		
Less: Income tax impact generated by the shares enjoyed in the other comprehensive profit of the invested unit calculated according to equity method		
Net amount accounted into the other comprehensive profit in the previous period and transferred into the profit and loss in the current period		
Subtotal		
3. Profit (loss) amount generated by the cash flow hedging		
Less: Income tax impact generated by the cash flow hedging		
Net amount accounted into the other comprehensive profit in the previous period and transferred into the profit and loss in the current period		
Adjustment amount converted to initially confirmed amount of the hedged projects		
Subtotal		
4. Conversion difference of the foreign currency financial statements		974901
Less: Net amount of disposing overseas operation and transferred into profit and loss in the current period		
Subtotal		974901
5. Others		
Less: Income tax impact generated by the others counted into the comprehensive profit		
Net amount counted into the other comprehensive profit in the previous period and transferred into the profit and loss in the current period		
Subtotal		

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Item	Amount in this period	Amount in the same period of the previous year
<b>Total</b>		<b>974901</b>

## 50. Items of cash flow statements

## (1) Other cash received related to the operation activities

Item	Amount in this period	Amount in the same period of the previous year
Recurring accounts received	1,634,630,535.40	452,960,060.99
Project down payment received	795,186,343.74	672,981,748.00
Interest received	152,523,953.36	114,055,741.01
Operating temporary receipts	259,616,832.28	132,170,938.00
Others	22,486,300.00	10,092,900.00
<b>Total</b>	<b>2,864,443,964.78</b>	<b>1,382,261,388.00</b>

## (2) Other related cash paid related to the operation activities

Item	Amount in this period	Amount in the same period of the previous year
Paid operating accounts	5,993,728,552.37	1,885,764,667.64
Returned project earnest money	727,274,929.01	627,663,785.00
Paid cash for sales expenses	155,449,999.67	116,814,064.00
Paid cash for management expenses	101,932,622.91	99,206,751.00
Others	378,630,178.09	145,271,229.36
<b>Total</b>	<b>7,357,016,282.05</b>	<b>2,874,720,497.00</b>

## Supplementing data for the consolidated cash flow statements

Item	Amount in this period	Amount in the same period of the previous year
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Item	Amount in this period	Amount in the same period of the previous year
<b>1. Adjust the net profit to the cash flow of operating activities:</b>		
Net profit	3,257,892,424.69	1,708,227,987.22
Plus: Assets impairment preparation	-172,366,279.03	206,861,228.00
Fixed assets depreciation, oil and gas assets damage loss, depreciation of productive biological assets	95,283,893.33	97,849,406.00
Amortization of intangible assets and investment property		
Amortization of long-term deferred expenses	11,819,745.67	16,958,479.00
Loss of disposing fixed assets, intangible assets and other long-term assets (fill with "-" for profit)	910,283.52	-32,627.74
Loss of fixed assets abandonment (fill in with "-" for the profit)	-469,576.00	
Fair value change profit and loss (fill in with "-" for profit)		-1,584,406.00
Financial expenses (fill in with "-" for profit)	288,169,548.50	227,175,857.35
Investment loss (fill in with "-" for profit)	-282,179,758.93	-24,881,684.00
Decrease of deferred income tax assets (fill in with "-" for increase)	228,787,252.61	119,354,403.00
Increase of deferred income tax liabilities (fill in with "-" for decrease)	93,712,503.50	
Decrease if inventory (fill in with "-" for increase)	1,521,324,142.08	-1,249,074,868.00
Decrease of operating receivable items (fill in with "-" for increase)	-4,782,180,561.63	-2,309,014,330.22
Increase of operating payable items (fill in with "-" for decrease)	-1,536,208,848.88	3,628,468,618.39
Others		
Net amount of cash flow generated by operation activities	-1,269,539,096.60	2,420,308,063.00
<b>2. Significant investment and financing activities</b>		

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Item	Amount in this period	Amount in the same period of the previous year
<b>not involving cash income and expenditure:</b>		
Debts turned to assets		
Convertible company binds due in one year		
Financing rented in fixed assets		
<b>3. Net change of cash and cash equivalent:</b>		
Closing balance of cash	23,367,745,124.48	17,285,427,331.00
Less: Opening balance of the cash	18,218,506,517.70	13,659,974,240.00
Plus: Closing balance of the cash equivalent		
Less: Opening balance of the cash equivalent		
Net increase amount of cash and cash equivalent	5,149,238,606.78	3,625,453,091.00

## (1) Cash and cash equivalent

Item	Amount in this period	Amount in the same period of the previous year
Cash	23,367,745,124.48	17,285,427,331.00
of which: cash on hand	70,955.00	156,921.00
Bank deposit that is immediately for payment	23,367,674,169.48	17,285,270,410.00
Other monetary capital that hat is immediately for payment		
Central bank deposit that can be used for payment		
Deposit from other banks		
Money of calling loans to banks		
Cash equivalent		
In it: Bond investment due in three months		
Closing cash and balance of cash equivalent	23,367,745,124.48	17,285,427,331.00
of which: Limited cash and cash equivalent used by	76,793,612.01	659,588,333.00

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Item	Amount in this period	Amount in the same period of the previous year
the parent company or the subsidiary companies in the Group		

**VI. Associated parties and associated transactions****(I) Relations with the associated parties****1. Shareholding shareholders and the final controlling party****(1) Shareholding shareholders and the final controlling party**

Name of the shareholding shareholders and the final controlling party	Enterprise type	Registration place	Business property	Legal representative	Code of the organization
CM Shekou Industrial Zone Co., Ltd.	Limited Liability Corporation	Shenzhen	Establish and manage all kinds of enterprises etc.	Sun Chengming	100011460
China Merchants Group Co., Ltd.	Limited Liability Corporation	Hong Kong	Establish and manage all kinds of enterprises etc.	Fu Yuning	100005220

**(2) Registration capital of shareholders and its changes**

Shareholding shareholders	Opening amount	Increased this year	Decreased this year	Closing amount
CM Shekou Industrial Zone Co., Ltd.	2,236,000,000.00			2,236,000,000.00

**(3) Shares held or equity of shareholders and their changes**

Shareholding shareholders	Shareholding amount	Shareholding proportion (%)

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	Closing amount	Opening amount	Closing proportion	Opening proportion
CM Shekou industrial Zone Co., Ltd.	693,419,317.00	693,419,317.00	40.38	40.38

Note: The amount of the shares of the Company held by Shekou industrial Zone and its subsidiary companies does not include the amount of the shares held by its shareholding subsidiary companies of RMB 197,709,440. The amount of the shares held by Shekou Industrial Zone and its subsidiary companies totals RMB 891,128,757, and the shareholding proportion is 51.89%.

### 2. Subsidiary companies

For the details, see Annotation IV、(1).

### 3. Cooperative enterprises and associated enterprises

For the details, see Annotation V. 10 (3) .

### 4. Other associated parties

Type of the association relation	Name of the associated party	Main transaction content
Other enterprises controlled by the common shareholding shareholders and the final controlling party		
	China Merchants Group (Hong Kong) Co., Ltd.	Guarantee
	Shenzhen Ocean Shipping Agency Co., Ltd.	Contracting of construction projects
	Shenzhen CM Front Bay Property Co., Ltd.	Contracting of construction projects
	Shenzhen CM International Ship Agency Co., Ltd.	Rental
	Shenzhen CM Network Co., Ltd.	Rental
	CM International Information Technology Co., Ltd.	Rental
	China Merchants Asia Pacific Communications Infrastructure Construction Management (Shenzhen) Co., Ltd.	Rental
	CM Bank Co., Ltd.	Deposit and loan
	CM Property Investment Co., Ltd.	Associated correspondence
	CM International Information Technology Co., Ltd.	Associated correspondence
	Shenzhen CM Venture Co., Ltd.	Associated correspondence

## II. Related- Party transactions

(二)

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1. In this reporting period there is no material purchasing goods or services inter-company transactions.

2. Sale of commodities and labor services

Type and name of the associated party	This period		Same period in the previous year	
	Amount	Proportion accounting for in the amount of similar transactions (%)	Amount	Proportion accounting for in the amount of similar transactions (%)
Shareholding shareholders and the final controlling party				
Qianhai Bank Co., Ltd. (Note 1)	8,262,080.00	2.2	26,686,946.00	7.45
China Shenzhen Qailun Agency Co., Ltd. (Note 2)	11,336,029.02	3.04	17,591,613.10	4.88
China Merchant Group Co., Ltd.(note 3)	2,597,971.51	0.68	2,746,031.08	0.83
<b>Total</b>	<b>22,196,080.53</b>	<b>5.92</b>	<b>47,0247,590.18</b>	<b>13.16</b>

(1) This transaction is the company's subsidiary Shenzhen CM Construction Co., Ltd. had entered contract with Shenzhen CM Qianhaiwan Zhiye Co., Ltd. for the Qianhaiwan Garden Project phrase one to four, main construction income.

(2) This transaction is the company's subsidiary Shenzhen CM Construction Co., Ltd. had entered contract with China Shenzhen Zhongwaiyun Co., Ltd. for the Qianhai Warehouse Phrase 2 main construction income.

(3) This transaction is CM Wuye Management Co., Ltd. providing services to CM Group.

### 3. Rentals

Name of the lessor	Name of the leasee	Category of rental assets	Rental starting day	Rental ending day	Rental profit pricing basis	Rental profit determined in the year
Shenzhen CM Shangzhi Investment Co.,	CM Shekou Industrial Zone Co., Ltd.	Office building/villa	January 1, 2013	December 31, 2013	Executed according to the agreement	6,543,283.90

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Ltd.					price	
	CM International (China) Investment Co., Ltd.	Office building	January 1, 2013	December 31, 2013		2,720,908.53
	China Merchants International Information technology Co., Ltd.	Workshop/ office building	March 1, 2011	February 28, 2014		1,027,008.00
	China merchants Group Shenzhen Significant Projects Coordination Office	Office building	March 1, 2011	December 31, 2013		262,650.00
	Shenzhen CM International Ship Agency Co., Ltd.	Office building	January 1, 2013	December 31, 2013		259,970.00
	China Merchants Asia and Pacific Communications Infrastructure Construction Management (Shenzhen) Co., Ltd.	Office building	January 1, 2013	December 31, 2013		201,342.00
	Shenzhen CM Network Co., Ltd.	Office building	January 1, 2013	December 31, 2013		111,540.00
	Shenzhen CM Venture Co., Ltd.	Office building	January 1, 2013	December 31, 2013		146,466.00
Shenzhen CM Shangzhi Investment Co., Ltd.	China Merchants Group Post Doctorate Research Work Station	Office building	January 1, 2013	December 31, 2013		112,260.72

4. Leasing

Name of the lessor	Name of the leasee	Category of the rental assets	Rental starting day	Rental ending day	Rental fee pricing basis	Rental fee determined in the year
CM Shekou Industrial Zone Co., Ltd.	Shenzhen CM Property Investment Co., Ltd.	Naihai Ecoool	September 1, 2010	August 31, 2023	Agreement price	13,318,029.05
	Shenzhen CM Power Supply Co., Ltd.	Land using right	January 1, 1982	December 31, 2026	Agreement price	1,142,942.82
	Shenzhen CM Property Investment Co., Ltd.	Land using right	January 1, 2013	December 31, 2015	Agreement price	3,219,616.80
China merchants Property Co., Ltd.	CM Property Management Co., Ltd.	No.9, Des Voeux Road West	January 1, 2013	December 31, 2013	Agreement price	105,140.64

5. Associated guarantee condition

Name of the guarantor	Name of the secured party	Guarantee amount	Starting day	Due day	Is the guarantee implemented or not

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China Merchants Group (Hong Kong) Co., Ltd.	Eureka Investment Industries Co., Ltd.	308,935,000.00	November 20, 2007	January 19, 2014	Not
	Eureka Investment Industries Co., Ltd.	617,870,000.00	April 29, 2013	April 25, 2016	Not
	Eureka Investment Industries Co., Ltd.	103,558,000.00	December 24, 2010	December 24, 2013	Not
	Eureka Investment Industries Co., Ltd.	290,398,900.00	December 24, 2010	December 24, 2013	Not
	Eureka Investment Industries Co., Ltd.	617,870,000.00	October 17, 2011	September 26, 2014	Not
	Eureka Investment Industries Co., Ltd.	308,935,000.00	October 14, 2011	September 26, 2014	Not
	Eureka Investment Industries Co., Ltd.	398,300,000.00	October 21, 2011	October 13, 2014	Not
	Eureka Investment Industries Co., Ltd.	123,574,000.00	October 31, 2011	October 31, 2013	Not
	Eureka Investment Industries Co., Ltd.	278,810,000.00	November 25, 2011	November 25, 2014	Not
	Eureka Investment Industries Co., Ltd.	129,752,700.00	December 28, 2011	December 27, 2014	Not
	Eureka Investment Industries Co., Ltd.	308,935,000.00	October 18, 2012	June 28, 2015	Not
	Eureka Investment Industries Co., Ltd.	432,509,000.00	October 14, 2012	July 18, 2014	Not
	Eureka Investment Industries Co., Ltd.	185,361,000.00	July 22, 2011	July 18, 2014	Not
	Eureka Investment Industries Co., Ltd.	123,574,000.00	March 26, 2013	June 15, 2015	Not
	Eureka Investment Industries Co., Ltd.	1,112,166,000.00	April 11, 2013	June 15, 2015	Not
Eureka Investment Industries Co., Ltd.	308,935,000.00	March 1, 2013	March 1, 2016	Not	
CM Shekou Industrial Zone Co., Ltd.	Shenzhen CM Property Co., Ltd.	158,000,000.00	September 18, 2012	September 18, 2014	Not
	Shenzhen CM Property Co., Ltd.	88,000,000.00	September 19, 2012	September 19, 2014	Not
	Shenzhen CM Property Co., Ltd.	30,000,000.00	November 30, 2012	November 30, 2014	Not
	Shenzhen CM Property Co., Ltd.	190,000,000.00	December 24, 2012	December 24, 2014	Not
	Shenzhen CM Property Co., Ltd.	119,500,000.00	January 29, 2013	January 29, 2015	Not
	The Company	199,000,000.00	December 19, 2012	December 19, 2015	Not
	The Company	109,000,000.00	December 24, 2012	December 24, 2015	Not
	The Company	80,500,000.00	January 29, 2013	January 29, 2016	Not
	The Company	500,000,000.00	March 29, 2013	March 29, 2015	Not
	Beijing Conrad Property Development Co., Ltd.	105,780,097.67	May 15, 2012	May 15, 2017	Not
China Merchants Group Co., Ltd.	The Company	2,000,000,000.00	April 20, 2010	April 19, 2017	Not

## 6. Related parties saving and loan situation

Related Parties	Ending Balance	Beginning Balance
Companies that under the same final parent controlled		
Of which: CM bank (Saving)	5,948,430,133.94	6,168,810,000.00
CM bank (Loan)	1,412,863,524.08	967,500,000.00

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	This Period	Same period of last year
Of which: Bank loan interest payable to CM bank	36,695,081.54	41,673,023.40
Bank fee for CM Bank	1,648,842.97	2,305,107.68
Interests from bank account in CM bank	20,607,088.46	31,380,367.21

7. Capital loan at call of the associated parties

Name of the associated party	Borrow/lend	Amount of loan at call	Starting day	Due day	Remark
Beijing Guangying Property Development Co., Ltd.	Lend	878,104,033.47	September 2012	December 2013	Shareholder loan
Shenzhen TCL Optical- Electronics Technologies Ltd.	Lend	36,054,549.30	January 2009	December 2013	Shareholder loan
Foshan CM Longyuan Property Co., Ltd.	Lend	673,226,819.21	January 2011	December 2015	Shareholder loan
Jones Tech Limited	Converted to investment money	63,269,739.71	December 2012	December 2013	Investment
Holly Profit Limited	Converted to investment money	72,599,422.24	December 2012	December 2013	Investment
Shanghai Nanshan Property development Co., Ltd.	Lend	181,438,008.42	September 2011	April 2013	Shareholder loan

(III) Correspondence balance of the associated parties

1. Other receivables of the associated parties

Associated party (Item)	Closing amount		Opening amount	
	Book balance	Bad debt preparation	Book balance	Bad debt preparation
Cooperative and associated enterprises				
Beijing Guangying Property development Co., Ltd.	878,104,033.48		1,243,733,636.26	
Foshan CM Longyuan Property Co., Ltd.	673,226,819.21		673,084,122.36	
Shenzhen TCL Optical- Electronics Technologies Ltd.			227,095,300.70	
Shanghai Xinnanshan Property Development Co., Ltd.	181,438,008.42		143,654,905.22	
Jones Tech Limited	63,269,739.71		64,454,177.05	
Holly Profit Limited	72,599,422.24		73,958,515.34	



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Huizhong Taitong Property Investment Co., Ltd.	11,270,000.00	11,270,000.00		
Other enterprises controlled by the common shareholding shareholders and the final controlling party				
In it: Shenzhen Nanshan Property Development Co., Ltd.	107,938,507.84			
<b>Total</b>	<b>1,976,576,530.90</b>		<b>2,425,980,656.93</b>	

2. Long - term receivables of the associated parties

Associated party (Item)	Closing amount	Opening amount
Coopeartive and associated enterprises		
Of which: Huizhou Taitong Property Investment Co., Ltd.		49,721,270.00
<b>Total</b>		<b>49,721,270.00</b>

3. Accounts payable of the associated parties

Associated party (Item)	Closing amount	Opening amount
Shareholding shareholders and the final controlling party		
Of which: CM Shekou Industrial Zone Co., Ltd.		900,000,000.00
<b>Total</b>		<b>900,000,000.00</b>

4. Other payables of the associated parties

Associated party (Item)	Closing amount	Opening amount
Shareholding shareholders and the final controlling party		
In it: CM Shekou Industrial Co., Ltd.	2,097,500.00	2,097,500.03
Cooperative and associated enterprises		
CM Guangming Science and Technology Park Co., Ltd.	10,421,830.00	10,289,739.09
Tianjin Xinghai Property Development Co., Ltd.	106,081,398.67	106,081,398.67
Shanghai Ledu Property Co., Ltd.	211,016,803.57	144,356,803.60
Shanghai Xinnanshan Property Development Co., Ltd.	31,600,000.00	
Shenzhen TCL Optical- Electronics Technologies Ltd.	30,903,097.30	

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Other enterprises controlled by the common shareholding shareholders and the final controlling party		
In it: Shenzhen CM Financial Service Co., Ltd.	843,095,172.30	753,539,867.35
Zhangzhou Development Zone Co., Ltd.	267,000,000.00	267,000,000.00
Top Chief Co., Ltd.	81,758,236.97	83,196,508.79
Shenzhen CM Venture Co., Ltd.	1,200,000.00	4,303.31
China Merchants Hanghua Technologies and Trade Center Co., Ltd.		528,151.21
China Merchants International (China) Investment Co., Ltd.		274,482.56
China Merchants Property Investment Co., Ltd.		74,448.00
<b>Total</b>	<b>1,585,174,038.81</b>	<b>1,367,443,202.61</b>

### 5. Long-term payables of the associated parties

Associated party (Item)	Closing amount	Opening amount
Other enterprises controlled by the common shareholding shareholders and the final controlling party		
Of which: Shenzhen CM Venture Co., Ltd.		1,200,000.00
<b>Total</b>		<b>1,200,000.00</b>

## VII. Contingencies

1. Up till June 30, the Company continued to provide phased guarantee for the purchaser of commercial housing, and the guarantee amount is RMB 385.28million. The guarantee period is from the date when the mortgage bank makes the loan till the day when the housing purchaser completes handling of the *Property Certificate*. If the housing purchaser does not implement the responsibilities of the debtor during the guarantee period, the Company has the right to collect back the sold building. Therefore, the guarantee will not generate actual loss for the company.

2. The Company shares joint liability guarantee for the capital borrowed by CM Guangming Science and Technology Park Co., Ltd. in 2013 in proportion of ownership, and the actual guarantee limit is RMB 52.03 million. The guarantee period is two years from the date of due date, and the matter does not have significant impact on the financial condition of the Group in this year and afterall the balance sheet day.

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VIII. Commitment matters

1. Significant commitment matters

- 1) The signed loan contracts under implementation or to be implemented and their financial impact.

On June 30<sup>th</sup>, 2013 (T), the accounts that the irrevocable rental signed by the Group are as follows:

Period	Operation and rental
T+1 years	32,042,816.24
T+2 years	32,560,484.09
T+3 years	54,033,770.71
After T+3 years	269,849,313.27
<b>Total</b>	<b>388,486,384.31</b>

2) Other significant financial commitment

Capital commitment	Closing figure	Opening figure
Signed but not confirmed in the financial statements		
-Commitment of purchasing and constructing long-term assets		11,250.00
-Large amount contracting contracts		
-Property development project	4,813,126,044.12	7,416,297,922.05
-External investment commitment		1,258,825.00
Total	<b>4,813,126,044.12</b>	<b>7,417,567,997.05</b>

2. Up till June 30, 2013, the Group did not have other significant commitment matters.

IX. Matters after the balance sheet day

None

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## X. Segment information

## 1. Segment in the report of the first half year in 2013

Item	Property industry	Public utility industry	Property management industry	Trade segment	Retaining segment	Offsetting	Total
Operating income	15,773,132,476.84	286,293,107.78	379,233,415.95	54,369,931.66	11,080,000.00	-370,540,610.97	16,133,568,321.26
In it: external transaction income	15,503,273,113.82	284,499,279.88	291,425,995.90	54,369,931.66			16,133,568,321.26
Transaction income between the segments	280,939,263.02	1,793,827.90	87,807,420.05			-370,540,510.97	
Operating expenses	11,234,716,016.46	188,285,550.36	369,792,174.99	52,379,651.83	197,653,112.75	-365,170,532.60	11,677,655,973.79
Operating profit (loss)	4,848,926,119.20	98,007,557.42	9,533,731.96	-25,141,351.76	-187,863,872.75	-5,370,078.37	4,738,092,106.40
Total Assets	123,130,540,426.78	5,625,843,949.89	595,628,537.89	16,057,687.29	53,698,748,235.87	-65,551,019,385.80	117,515,799,451.92
Total Liabilities	89,659,479,513.80	4,355,020,213.67	494,732,160.77	41,275,027.89	36,231,858,771.28	-45,348,489,983.70	85,433,875,703.71
Supplementing information							
Depreciation and amortization expenses	100,257,323.17	5,794,448.40	1,051,867.43				107,103,639.00
Capital expenditure	7,012,110.54	18,219,813.24	541,686.00		1,344,750.00		27,118,359.78
Non-cash expenses beyond depreciation and amortization							

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2. Segment of the report of the first half year in 2012

Item	Property industry	Public utility industry	Property management industry	Retaining segment	Offsetting	Total
Operating income	9,813,288,524.00	282,702,739.00	328,696,771.00		-344,180,343.00	10,080,507,691.00
In it: external transaction income	9,469,108,181.00	282,702,739.00	328,696,771.00			10,080,507,691.00
Transaction income between the segments	344,180,343				-344,180,343.00	
Operating expenses	4,896,044,274.00	194,735,037.00	289,830,149.00		-335,286,853.00	5,045,322,607.00
Operating profit (loss)	4,917,244,250.00	87,967,702.00	38,866,622.00		-8,893,490.00	5,035,185,084.00
Total Assets	126,078,822,716.00	4,871,746,128.00	613,799,767.00	10,726,395,031.00	-54,628,994,809.00	87,661,768,833.00
Total liabilities	89,335,011,512.00	3,754,066,810.00	509,927,227.00	8,869,367,961.00	-40,704,650,108.00	61,763,723,402.00
Supplementing information						
Depreciation and amortization expenses	15,579,179.00	4,731,195.00	1,215,461.00			21,525,835.00
Capital expenditure	10,778,277.00	3,705,553.00	234,149.00			14,717,979.00
Non-cash expenses beyond depreciation and amortization						

## XI. Financial Instruments and Risk Management

Financial instruments adopted by the Group are loans, account receivable, account payable, transactional financial assets and transactional financial liabilities. Details of these financial instruments are available in respective notes herein. Risks attached to these financial instruments and the risk management policies adopted by the Group are illustrated hereafter. The executive team of the Company have been monitoring and controlling over the risk exposures to constrain them in a limited extent.

### 1. Objective and policies of risk management

The objective of the Company's risk management is to achieve a balance between the risk and gains. Constrain the negative influence on business operation to the lowest limit, and maximum the interests of shareholders and other equity holders. With regard to this target, the basic policies of the Company are; locate and analyse the risks, set appropriate bottom line for risks, and manage and monitor on each risk and constrain them in a certain extent.

#### (1) Market risks

##### 1) Foreign currency risks

Foreign currency risks are those generated by vibration of exchange rates. Foreign currency risks of the Company are mainly involved with Hong Kong Dollar, and US Dollar. Except for the overseas subsidiaries of the Company incorporated in Hong Kong Special Executive Zone and other countries, which are doing their businesses in local currencies, all other main business operations of the Company are in Renminbi. As of December 31<sup>st</sup>, 2012, except for the following assets which are demonstrated in Hong Kong Dollar, and US Dollar, all of the other assets and liabilities of the Company are demonstrated in RMB. Foreign currency risks brought by these assets and liabilities in USD and HKD may influence the Company's business performance.

Item	June 30, 2013	December 31, 2012
Monetary capital-HKD	324,565,155.86	358,817,942.41
Monetary capital-USD	332,230,169.24	114,114,350.01
Transactional financial assets-USD		
Pre-paid accounts-HKD	9,133.02	8,309.00
Interest receivable-HKD		

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Item	June 30, 2013	December 31, 2012
Other receivables-HKD	1,061,602.02	1,255,539.57
Other receivables-USD	21,989,976.74	21,989,976.74
Financial loan-HKD	980,000,000.00	980,000,000.00
Financial loan-USD	1,136,250,000.00	886,000,000.00
Interest payable-HKD	1,826,221.58	2,424,950.94
Interest payable-USD	471,767.40	1,691,528.96
Other payables-HKD	473,342.00	32,201,019.90
Other payables-USD	397,533,215.85	394,617,215.85

The Company pays close attention on the influences of exchange rate vibration.

2) Interest rate risks

Interest risks are mostly the influences of interest fluctuation on the borrowing expenses. Financial liabilities with fluctuating interests confront the Group with cash flow interest risks, whereas the financial liabilities with fixed interests confront the Group with fair value interest risks. The Group decides the proportion of contracts with fixed and fluctuate interest rates according to the market environment. On June 30, 2013, the liabilities with interest of the Group were mainly floating interest rate loan contracts priced in RMB, USD and HKD, with an amount totaling RMB 22,852.8696 million (on December 31, 2012: RMB 20,004.006 million), and fixed interest rate contracts priced in RMB, with an amount of RMB 8,708 million (on December 31, 2012: RMB 3,860 million).

3) Price risks

The Group sells independently developed buildings at market prices, so it is influenced by the fluctuation of prices in the property market.

(2) Credit risks

As at December 31, 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counter parties or debtors is arising from:

Book value of financial asset recognized in consolidated balance sheet; as for financial instruments measured at fair value, the book value is reflecting the exposure to risks but not

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actually the greatest exposure. The greatest exposure to risks fluctuates along with the future fair value.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings assigned by international credit-rating agencies.

The Company adopted necessary policies to make sure that all clients and customers are attributed with merit credit records. There are no other major clustered risks other than the top 5 receivable accounts.

Total of top five accounts receivable: RMB 37,475,286.79.

### (3) Liquidity risks

Liquidity risks refer to the possibility that the Group could not exercise its financial liabilities when mature. In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures the loan contracts are properly exercised. Negotiation was done with financial institutions to maintain a certain level of credit aiming to reduce liquidity risk.

The Group has bank loan as one of the capital source. On June 30, 2013, the bank loan limit not used by the Group was RMB 11,254.1055 million (on December 31, 2012: RMB 7,896.7645 million), in it, the short-term bank loan limit not used by the Group at the end of this period was RMB 1,756.4980 million (none on December 31, 2012).

The due dates of financial liabilities held by the Group on retained contract liabilities without discounted to cash is as the followings:

Item	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
<b>Financial assets</b>					
Monetary	23,458,572,602.52				23,458,572,602.52



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Item	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
capital					
Notes receivable	2,947,367.39				2,947,367.39
Accounts receivable	68,072,310.52				68,072,310.52
Pre-paid accounts	8,161,580.60				8,161,580.60
Other receivables	11,732,669,325.84				11,732,669,325.84
Interest receivable	228,492.37				228,492.37
Long-term receivables					
<b>Financial liabilities</b>					
Short-term loan	5,620,000,000.00				5,620,000,000.00
Notes payable	57,684,515.33				57,684,515.33
Accounts payable	8,679,956,190.36				8,679,956,190.36
Pre-received accounts	30,862,520,673.59				30,862,520,673.59
Other payables	8,762,199,717.37				8,762,199,717.37
Dividend payable	218,003,724.42				218,003,724.42
Interest payable	68,152,422.02				68,152,422.02
Employees' remuneration payable	168,198,915.28				168,198,915.28
Non-current liabilities due in one year	9,032,245,473.94				9,032,245,473.94
Long-term loan		9,331,912,200.00	9,588,735,200.00	80,000,000	18,920,647,400.00
Long-term payables	103,702,323.36				103,702,323.36
Estimated liabilities	13,480,870.63				13,480,870.63
Other non-current liabilities			16,613,440.00		16,613,440.00

2. Fair value

1) Financial instruments without being measured by fair value

The financial assets and liabilities not measured with fair value mainly include: accounts

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receivable, short-term loan, accounts payable, long-term loan, bonds payable and long-term payables.

The difference between the book value and fair value of the financial assets and liabilities not measured with fair value of the Company is very small.

Fair values of long-term loans, long-term payables, and bond payable are decided by the current value after discount against the interest rate of similar cash flow in the same condition with comparable credit level in the market as stipulated by the contract.

### 2) Financial instruments measuring with fair value

In this period, the Company did not have financial assets and liabilities measured with fair value.

### 3. Sensitivity analysis

The Group evaluates the possible influences the reasonable variations may cause to the current gain/loss account or owners' equity; by adopting of sensitivity analyze technologies. For few risk variations change individually, however the relevance of the variations may cause major influence on the amounts. Therefore the followings are basing the assumption that every factor occurred in an isolated way.

#### (1) Foreign currency risks

Foreign currency risks are mainly the influences of exchange rate fluctuation on monetary assets and liabilities of the Company in foreign currency. Most of the Company's foreign currency loans are USD. The Company adopted future foreign currency contract to lock up the exchange rate to avoid risks. On the other hand, for other monetary assets and liabilities in foreign currencies, the Group capitalized most of the exchange gain/loss occurred into inventory costs. Foreign currency sensibility analysis is based on the assumption that all of the operational investment hedging and cash flow hedging are highly effective.

#### (2) Interest rate risks

Interest risks are mostly influenced by interest fluctuation on the borrowing expenses. Most of the borrowing expenses have been capitalized and accounted into inventory cost, therefore fluctuation of interest rate is not having major influence on the gain/loss of current term or shareholders' equity at end of report term.

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XII. Notes to the main items in the financial statements of the parent company

1. Other receivables

(1) Categories of the other receivables

Category	Closing amount				Opening amount			
	Book balance		Bad debt preparation		Book balance		Bad debt preparation	
	Amount	Proportion(%)	Amount	Proportion(%)	Amount	Proportion(%)	Amount	Proportion(%)
Other receivables of significant single item amount and with single item accounted and drawn bad debt preparation								
Other receivables of insignificant single item amount but with single item accounted and drawn bad debt preparation								
Other receivables in accordance with portfolio accounted and drawn bad debt preparation								
Portfolio1	27,121,848,729.33	100.00			29,644,653,819.13			
Portfolio2								
Subtotal of portfolios	27,121,848,729.33	100.00			29,644,653,819.13			
<b>Total</b>	<b>27,121,848,729.33</b>	<b>100.00</b>			<b>29,644,653,819.13</b>			

1) The ages of other receivables are as follows

Age	Closing amount			Opening amount		
	Book balance		Bad debt preparation	Book balance		Bad debt preparation
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	27,121,334,229.33	100.00		29,444,653,819.13	99.33	
1-2 years	514,500.00	0.00		200,000,000.00	0.67	

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Age	Closing amount			Opening amount		
	Book balance		Bad debt preparation	Book balance		Bad debt preparation
	Amount	Proportion (%)		Amount	Proportion (%)	
2-3 years						
Over 3 years						
<b>Total</b>	<b>27,121,848,729.33</b>	<b>100.00</b>		<b>29,644,653,819.13</b>	<b>100.00</b>	

## 2) Top five units with the most other receivables

Name of the unit	Relation with the Company	Amount	Age	Proportion accounting for in the sum of other receivables (%)	Property or content
Shenzhen CM Power Supply Co., Ltd.	Subsidiary company	3,928,212,582.00	Within 1 year	14.63	Operation capital
Shenzhen CM Property Co., Ltd.	Subsidiary company	3,493,354,757.00	Within 1 year	13.01	Property development capital
Shenzhen CM Shangzhi Investment Co., Ltd.	Subsidiary company	1,849,902,443.00	Within 1 year	6.89	Operation capital
China Merchants Property Development (Chongqing) Garden City Co., Ltd.	Subsidiary company	1,569,375,233.00	Within 1 year	5.85	Property development capital
Shanghai CM Hongfa Property Co., Ltd.	Subsidiary company	972,869,920.60	Within 1 year	3.62	Property development capital
<b>Total</b>		<b>11,813,714,935.60</b>		<b>44.00</b>	

## (2) Accounts receivable from the associated parties

Name of the unit	Relation with the Company	Amount	Proportion accounting for in the sum of other receivables (%)
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Name of the unit	Relation with the Company	Amount	Proportion accounting for in the sum of other receivables (%)
Shenzhen CM Power Supply Co., Ltd.	Subsidiary company	3,928,212,582.00	14.48
Shenzhen CM property Co., Ltd.	Subsidiary company	3,493,354,757.00	12.88
Shenzhen CM Shangzhi Investment Co., Ltd.	Subsidiary company	1,849,902,443.00	6.82
China Merchants Property Development (Chongqing) Garden City Co., Ltd.	Subsidiary company	1,569,385,233.00	5.79
Shanghai CM Hongfa Property Co., Ltd.	Subsidiary company	972,869,920.60	3.59
Shanghai Jingyuan Property Development Co., Ltd.	Subsidiary company	972,114,000.51	3.58
Zhejiang Yingsheng Property Development Co., Ltd.	Subsidiary company	937,342,693.00	3.46
China Merchants Property Development (Xiamen) Co., Ltd.	Subsidiary company	936,863,000.00	3.45
Zhuhai CM Property Co., Ltd.	Subsidiary company	880,246,479.00	3.25
Chengdu CM Beicheng Property Co., Ltd.	Subsidiary company	875,184,329.30	3.23
Tianjin CM Taida Investment Co., Ltd.	Subsidiary company	838,452,219.30	3.09
Beijing Guangying Property Development Co., Ltd.	Associated company	820,607,760.00	3.03
Shanghai CM Fengrui Property Co., Ltd.	Subsidiary company	728,320,200.00	2.69
Suzhou CM Yonghuafu Property Co., Ltd.	Subsidiary company	656,643,700.00	2.42
Tianjin Zhaosheng Property Co., Ltd.	Subsidiary company	600,081,254.10	2.21
China Merchants Property (Zhejiang) Co., Ltd.	Subsidiary company	508,082,600.00	1.87
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Subsidiary company	476,790,000.00	1.76
Chengdu CM Beihu Property Co., Ltd.	Subsidiary company	436,833,472.00	1.61
China Merchants Property Development (Wuhan) Co., Ltd.	Subsidiary company	410,005,000.00	1.51
Suzhou CM Yishanjun Property Co., Ltd.	Subsidiary company	319,108,321.00	1.18
China Merchants Property Development (Changzhou) Co., Ltd.	Subsidiary company	299,464,050.00	1.10
Zhangzhou CM Property Co., Ltd.	Subsidiary company	267,050,000.00	0.98
Wuhan Aoming Property Development Co., Ltd.	Subsidiary company	240,711,469.20	0.89
Haerbin CM Jitian Property Development Co., Ltd.	Subsidiary company	222,320,000.00	0.82
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Subsidiary company	218,004,139.50	0.80

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Name of the unit	Relation with the Company	Amount	Proportion accounting for in the sum of other receivables (%)
Beijing Conrad Property Development Co., Ltd.	Subsidiary company	209,325,158.30	0.77
Shenzhen Vanke Binhai Property Co., Ltd.	Subsidiary company	197,256,750.00	0.73
Yunnan CM Chengtuo Property Co., Ltd.	Subsidiary company	191,821,920.00	0.71
China Merchants Property Development (Guizhou Bijie) Co., Ltd.	Subsidiary company	173,754,900.00	0.64
Shanghai Xinnanshan Property Development Co., Ltd.	Associated company	170,042,600.00	0.63
China Merchants Shangzhi (Guizhou Bijie) Co., Ltd.	Subsidiary company	151,505,000.00	0.56
Foshan CM Xincheng Hi-Tech Co., Ltd.	Subsidiary company	118,395,612.00	0.44
China Merchants Property Management Co., Ltd.	Subsidiary company	101,620,122.20	0.37
Shanghai Fengyang Property Development Co., Ltd.	Subsidiary company	100,643,595.50	0.37
Eureka Investment Industries Co., Ltd.	Subsidiary company	79,254,314.37	0.29
Zhuhai Yuanfeng Property Co., Ltd.	Subsidiary company	57,015,000.00	0.21
Wuhan Xinde Property Development Co., Ltd.	Subsidiary company	51,630,500.00	0.19
China Merchants Property Development (Suzhou) Co., Ltd.	Subsidiary company	49,437,244.93	0.18
Wuhan Mingjie Property Development Co., Ltd.	Subsidiary company	39,302,850.00	0.14
Shenzhen CM Business Development Co., Ltd.	Subsidiary company	15,620,000.00	0.06
Shenzhen Pingshan CM Property Co., Ltd.	Subsidiary company	414,685.51	0.00
Shenzhen Meiyue Property Consultant Co., Ltd.	Subsidiary company	85,210.00	0.00
Shenzhen CM Property Consultant Co., Ltd.	Subsidiary company	24,000.00	0.00
Foshan CM Longyuan Property Co., Ltd.	Cooperative company	12,000.00	0.00
Hainan CM Ocean Development Co., Ltd.	Subsidiary company	10,000.00	0.00
Shenzhen Dehan Investment Development Co., Ltd.	Cooperative company	10,000.00	0.00
Shenzhen Haitao Hotel Co., Ltd.	Subsidiary company	10,000.00	0.00
China Merchants Property Development (Chongqing) Co., Ltd.	Subsidiary company	10,000.00	0.00
Shenzhen CM Anye Investment Development Co., Ltd.	Subsidiary company	10,000.00	0.00
Guangzhou Qidi Science and Technology Park Investment Co., Ltd.	Subsidiary company	10,000.00	0.00

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Name of the unit	Relation with the Company	Amount	Proportion accounting for in the sum of other receivables (%)
Shenzhen CM Runde Property Co., Ltd.	Subsidiary company	5,000.00	0.00
Zhangzhou CM Honglong Property Co., Ltd.	Subsidiary company	5,000.00	0.00
Shenzhen Meilun Hotel Management Co., Ltd.	Subsidiary company	5,000.00	0.00
<b>Total</b>		<b>25,165,186,085.32</b>	<b>92.79</b>

## 2. Long-term equity investment

## (1) Categories of long-term equity investment

Item	Closing amount	Opening amount
Long-term equity investment calculated according to cost method	8,243,408,112.93	5,488,866,837.93
Long-term equity investment calculated according to equity method	167,181,714.97	168,472,474.97
<b>Total of long-term equity investment</b>	<b>8,410,589,827.90</b>	<b>5,657,339,312.90</b>
Less: Long-term equity investment impairment preparation		
<b>Value of long-term equity investment</b>	<b>8,410,589,827.90</b>	<b>5,657,339,312.90</b>

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## (2) Long-term equity investment calculated according to cost method and equity method

Name of the invested unit	Shareholding proportion (%)	Voting power proportion (%)	Investment cost	Opening amount	Increased this year	Decreased this year	Closing amount	Cash dividend this year
Calculated according to cost method								
Shenzhen CM Property Co., Ltd.	100	100	3,000,000,000.00	851,473,965.31	2,700,000,000.00		3,551,473,965.31	
Shenzhen CM Power Supply Co., Ltd.	95	95	57,000,000.00	119,791,232.79			119,791,232.79	
Shenzhen CM Property Co., Ltd.	90	90	22,500,000.00	36,460,596.83			36,460,596.83	
Shenzhen CM Xinan Property Co., Ltd.	60	60	25,000,000.00	20,822,211.48			20,822,211.48	
Eureka Investment Industries Co., Ltd.	99	99	19,919,300.00	1,301,324,500.00			1,301,324,500.00	
China Merchants Property Development (Beijing) Co., Ltd.	90	90	27,000,000.00	18,000,000.00	9,000,000.00		27,000,000.00	
China Merchants Property Development (Suzhou) Co., Ltd.	90	90	27,000,000.00	27,000,000.00			27,000,000.00	
China Merchants Property Development (Chongqing) Co., Ltd.	90	90	27,000,000.00	27,000,000.00			27,000,000.00	
China Merchants Property Development (Nanjing) Co., Ltd.	49	49	14,700,000.00	14,700,000.00			14,700,000.00	
Tianjin Zhaosheng Property Co., Ltd.	60	60	18,000,000.00	18,000,000.00			18,000,000.00	
Suzhou CM Nanshan Property Co., Ltd.	60	60	120,000,000.00	120,000,000.00			120,000,000.00	
Zhangzhou CM Property Development Co., Ltd.	51	51	127,500,000.00	229,500,000.00			229,500,000.00	
CM Property Development (Chongqing) garden City Co., Ltd.	100	100	30,000,000.00	30,000,000.00			30,000,000.00	
Chengdu CM Beihu Property Co., Ltd.	100	100	50,000,000.00	50,000,000.00			50,000,000.00	



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2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Name of the invested unit	Shareholding proportion(%)	Voting power proportion(%)	Investment cost	Opening amount	Increased this year	Decreased this year	Closing amount	Cash dividend this year
Chengdu CM Property Co., Ltd.	100	100	10,000,000.00	10,000,000.00			10,000,000.00	
China Merchants Property Development (Xiamen) Co., Ltd.	100	100	50,000,000.00	50,000,000.00			50,000,000.00	
Fujian Zhongliansheng Property Development Co., Ltd.	50	50	25,000,000.00	25,000,000.00			25,000,000.00	
China Merchants Property Development (Wuhan) Co., Ltd.	100	100	30,000,000.00	30,000,000.00			30,000,000.00	
China Merchants Property Development (Zhenjiang) Co., Ltd.	100	100	50,000,000.00	50,000,000.00			50,000,000.00	
Zhenjiang Yingsheng Property Development Co., Ltd.	100	100	7,586,275.00	6,045,000.00	1,541,275.00		7,586,275.00	
Qingdao Zhongrunde Auto Trade Co., Ltd.	51	51	183,731,836.00	183,731,836.00			183,731,836.00	
China Merchants Property Development (Guizhou Bijie) Co., Ltd.	100	100	30,000,000.00	30,000,000.00			30,000,000.00	
Shenzhen CM Shangzhi Investment Co., Ltd.	100	100	1,883,367,495.52	1,883,367,495.52			1,883,367,495.52	
Haerbin CM Jiatian Property Development Co., Ltd.	50	50	80,250,000.00	80,250,000.00			80,250,000.00	
China Merchants Property Development (Changzhou) Co., Ltd.	100	100	30,000,000.00	30,000,000.00			30,000,000.00	
Hainan CM Ocean Development Co., Ltd.	60	60	240,000,000.00	240,000,000.00			240,000,000.00	
Zhenjiang Nanshan Creative Industrial Park development Co., Ltd.	60	60	30,000,000.00		30,000,000.00		30,000,000.00	
Shenzhen Pingshan CM Property Co., Ltd.	100	100	14,000,000.00		14,000,000.00		14,000,000.00	
Shenzhen CM Property Consultant Co.,	20	20	400,000.00	400,000.00			400,000.00	

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2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Name of the invested unit	Shareholding proportion(%)	Voting power proportion(%)	Investment cost	Opening amount	Increased this year	Decreased this year	Closing amount	Cash dividend this year
Ltd.								
Shanghai CM Property Co., Ltd.	10	10	3,000,000.00	3,000,000.00			3,000,000.00	
Shanghai CM Property Co., Ltd.	10	10	3,000,000.00	3,000,000.00			3,000,000.00	
<b>Subtotal</b>			<b>6,235,954,906.52</b>	<b>5,488,866,837.93</b>	<b>2,754,541,275.00</b>	<b>0.00</b>	<b>8,243,408,112.93</b>	
Calculated according to equity method								
China Merchants Guangming Science and technology Park Co., Ltd.	49	49	196,000,000.00	168,472,474.97		1,290,760.00	167,181,714.97	
<b>Subtotal</b>			<b>196,000,000.00</b>	<b>168,472,474.97</b>		<b>1,290,760.00</b>	<b>167,181,714.97</b>	
<b>Total</b>			<b>6,431,954,906.52</b>	<b>5,657,339,312.90</b>	<b>2,754,541,275.00</b>	<b>1,290,760.00</b>	<b>8,410,589,827.90</b>	

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

## (3) Investment on cooperative and associated enterprises

Name of the invested unit	Shareholding proportion (%)	Voting power proportion (%)	Assets sum at the end of the year	Sum of liabilities at the end of the year	Sum of net assets at the end of the year	Sum of operating income in this year	Net profit in this year
Associated enterprise							
China Merchants Guangming Science and Technology Park Co., Ltd.	49.00	49.00	647,689,045.42	306,502,027.23	341,187,018.19	12,742,062.00	-2,634,359.33
<b>Total</b>			647,689,045.42	306,502,027.23	341,187,018.19	12,742,062.00	-2,634,359.33

## 3. Operating income, operating cost

Item	Amount in this period	Amount in the same period of the previous year
Income from main businesses	11,080,000.00	
<b>Total</b>	<b>11,080,000.00</b>	
Cost of main businesses	1,016,316.92	
<b>Total</b>	<b>1,016,316.92</b>	

## (1) Main businesses-categorized by industry

Name of the industry	Amount in this period		Amount in the same period of the previous year	
	Operating income	Operating cost	Operating income	Operating cost
Property industry	11,080,000.00	1,016,316.92		
<b>Total</b>	<b>11,080,000.00</b>	<b>1,016,316.92</b>		

## (2) Operating income of top five clients

Name of the client	Operating income	Proportion accounting for in all the operating income (%)
Income from construction of guarantee	11,080,000.00	100

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Name of the client	Operating income	Proportion accounting for in all the operating income (%)
removal settlement housing by Guangming		
<b>Total</b>	<b>11,080,000.00</b>	<b>100</b>

## 4. Investment profit

## (1) Sources of investment profit

Item	Amount in this period	Amount in the same period of the previous year
Long-term equity investment profit calculated according to cost method		
Long-term equity investment profit calculated according to equity method	-1,290,760.00	-1,670,150.00
Others (Note)		670,370.00
<b>Total</b>	<b>-1,290,760.00</b>	<b>-999,780.00</b>

Note: It is the profit of entrusted loan interest income collected from Nanjing Fucheng Property Development Co., Ltd. with taxes deducted of RMB 670,000.

## (2) Long-term equity investment profit calculated according to equity method

Item	Amount in this period	Amount in the same period of the previous year	Reason for the increase and decrease changes in this year compared to the previous year
<b>Total</b>	<b>-1,290,760.00</b>	<b>-1,670,150.00</b>	
In it: China Merchants Guangming Science and Technology Park Co., Ltd.	-1,290,760.00	-1,670,150.00	Loss decrease of the invested company in this year

## 5. Supplementing data for the cash flow statement of the parent company

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

Item	Amount in this period	Amount in the same period of the previous year
<b>1. Adjust the net profit to cash flow of operating activities:</b>		
Net profit	-213,837,070.28	-153,061,962.67
Plus: Assets impairment preparation		
Depreciation of fixed assets, damage loss of oil and gas assets, depreciation of productive biological assets	19,994.78	30,822.36
Amortization of intangible assets		
Amortization of long-term deferred assets		30,672,836.13
Loss of disposing fixed assets, intangible assets and other long-term assets (fill in with “_” for the profit)		
Loss of fixed assets abandonment (fill in with “_” for the profit)		
Fair value change profit and loss (fill in with “_” for the profit)		
Financial expenses (fill in with “_” for the profit)	147,466,099.33	138,967,533.73
Investment loss (fill in with “_” for the profit)	1,290,760.00	999,780.38
Decrease of deferred income tax assets (fill in with “_” for the increase)		
Increase of deferred income tax liabilities (fill in with “_” for the decrease)		
Decrease of inventory (fill in with “_” for the increase)		
Decrease of operating receivable items (fill in with “-” for the increase)	2,158,023,802.16	1,939,067,624.08
Increase of operating payable items (fill in with “-” for the decrease)	-2,733,500,568.05	-1,307,385,006.01
Others		
Net amount of cash flow generated from operating activities	-640,536,982.06	649,291,628.00

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2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外，均以人民币元列示)

Item	Amount in this period	Amount in the same period of the previous year
<b>2. Significant investing and financing activities not involving cash income and expenditures:</b>		
Liabilities converted to assets		
Convertible company binds due in one year		
Financing rent-in fixed assets		
<b>3. Net change condition of cash and cash equivalent:</b>		
Closing balance of cash	6,397,093,488.91	5,332,278,168.56
Less: Opening balance of cash	5,277,807,877.29	5,036,889,750.95
Plus: closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase amount of cash and cash equivalent	1,119,285,611.62	295,388,417.61

XIV. Approval of the financial report

This financial report has been approved after the examination of the Board of Directors of the Company on August 20, 2013.

## 招商局地产控股股份有限公司财务报表附注

2013年1月1日至2013年06月30日

(本财务报表附注除特别注明外,均以人民币元列示)

## Supplementing Data for the Financial Statements

## 1. Non-recurring profit and loss table of this year

According to the provisions of *Explanatory Announcement on the Information Disclosure of the Companies Issuing Securities Publicly No.1-Non-Recurring Profit and Loss (2008)* released by China Securities Regulatory Commission, the non-recurring profit and loss of the Group in the first half of 2013 are as follows:

Item	Amount in this period	Amount in the same period of the previous year	Explanation
Non-current assets disposal profit and loss	-440,707.52	39,463.00	
Tax return and exemption that has authority exceeding examination and approval, has no formal approval document or is occasional			
Government subsidy counted into the current profit and loss	2,198,400.00	2,727,811.00	
Capital occupying fee collected from the non-financial enterprises and counted into the current profit and loss			
When the investment cost of the enterprise getting the subsidiary company, associated enterprise and cooperative enterprise is smaller than the investment obtained, the profit generated by the recognizable net assets fair value of the invested unit that shall be enjoyed			
Non-monetary assets exchange profit and loss			
Profit and loss of entrusting others to invest or manage assets			
All the assets impairment preparations counted and drawn due to 不可抗力 such as natural disasters			
Liability restructuring profit and loss			
Enterprise restructuring expenses			
Profit and loss exceeding the fair value generated by the transactions with the transaction prices obviously unfair			
Current profit and loss of the subsidiary company from the beginning of the period to the consolidation day generated by the enterprise merger under the common control			
Profit and loss generated by the contingencies irrelevant to the normal operating businesses of the Company			
Except the valid hedging business related to the normal operating businesses of the Company, fair value change profit and loss generated by holding transactional financial assets, financial liabilities, and investment profit obtained for disposing transactional financial assets, transactional financial liabilities and available-for-sale financial assets			
Accounts receivable impairment preparation transfer-back of impairment test conducted singly			
Profit and loss obtained by external entrusted loan			

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(本财务报表附注除特别注明外,均以人民币元列示)

Item	Amount in this period	Amount in the same period of the previous year	Explanation
Profit and loss generated by the fair value changes of investment property with subsequent measurement conducted adopting fair value mode			
Impact on current profit and loss by conducting one-time adjustment on the current profit and loss according to the requirements of tax and accounting laws and regulations			
Trust fee income obtained by entrusted operation			
Other non-operating income and expenditure except the above-mentioned items	-5,370,543.81	-6,384,742.00	
Other profit and loss items complying with the definition of non-recurring profit and loss	339,878,500.00		
Subtotal	336,265,648.57	-3,617,468.00	
Income tax influence amount	-971,153.80	904,367.00	
Influence amount of the equity of minority shareholders (after-tax)	-2,336,444.77	771,523.00	
<b>Total</b>	<b>332,958,050.10</b>	<b>-1,941,578.00</b>	

2. Net assets profit rate and earnings per share

According to the provisions of Information Disclosure, Compilation and Report Rules for Companies Issuing Securities Publicly No.9—Calculation and Disclosure of Profit Rate of Net Assets and Earnings Per Share (Revised in 2010) issued by China Securities Regulatory Commission, the weighted average net assets profit rate, basic earnings per share and diluted earnings per share of the Group in 2012 are as follows:

Profit of the report period	Weighted average net assets profit rate (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit belonging to the shareholders of the parent company	10.38%	1.49	1.49
Net profit belonging to the parent company after deduction of the non-recurring profit and loss	9.02%	1.29	1.29

3. Explanations on the extraordinary conditions and changes of the items of the main financial statements

1) Items with big changes from the closing consolidated balance sheet to the opening consolidated balance sheet:



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Item	Closing amount	Opening amount	Amplitude of change	Reason for the difference
Notes receivable	2,947,367.39	5,748,800.00	-48.73%	Caused by the acceptance bill being due
Accounts receivable	68,072,310.52	162,099,162.73	-58.00%	Collection of the accounts receivable was strengthened
Non-current assets due in one year	1,970,595.79	16,756,858.87	-88.23%	Credit loan is returned
Long-term receivables		49,721,270.00	-100.00%	Entrusted loan was recovered
Long-term equity investment	1,519,198,350.32	1,083,249,770.92	140.24%	New subsidiary companies
Construction in process	98,240,393.27	88,458,273.58	11.05%	Increase of power supply projects
Deferred income tax assets	713,312,609.85	942,147,425.36	-24.28%	Caused by the transfer-back of deferred income tax assets
Notes payable	57,684,515.33	47,610,662.59	21.15%	Increase of bank acceptable bill
Accounts payable	8,679,956,190.36	11,796,898,896.95	-26.42%	Decrease of land and project payable
Accounts collected in advance	30,862,520,673.59	28,463,966,430.34	8.42%	Increase of unearned building sales receivable
Tax payable	1,029,682,569.46	1,951,582,353.18	-47.23%	Corporate income tax annual filling
Dividend payable	218,003,724.42	290,165,059.98	-24.86%	Dividend payable to the minority shareholders by the subsidiary companies
Non-current liabilities due in one year	7,793,444,930.39	7,380,992,296.97	5.58%	Increase of long-term loan due in one year
Other current liabilities	3,801,581,625.04	4,256,735,641.00	-10.69%	Payable of final filing of land VAT

2) Items with big change amplitude of the consolidated profit statement of this year from those in the previous year are as follows:

Item	Amount in this period	Amount in the same period of the previous year	Amplitude of change	Reason for the difference
Total operating income	16,133,568,321.26	10,080,507,691.00	60.05%	Increase of revenue recognition
Operating cost	11,677,655,973.79	7,602,729,071.00	53.60%	Caused by increase of property sales and revenue recognition
Business tax and addition	2,579,430,723.77	1,776,684,070.00	45.18%	Increase of operating tax caused by increase of property sales
Sales expense	272,019,791.76	231,459,128.00	17.52%	Increase of marketing scale
Financial expenses	73,348,971.39	167,666,874.00	-56.25%	Decrease of expenditure of bank loan interest
Assets impairment loss	-172,366,279.03	206,861,228.00	-183.32%	derecognition of accrued inventory revaluation
Fair value change		1,584,407	-100.00%	No new contract was signed after the NDF contract of the

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(本财务报表附注除特别注明外,均以人民币元列示)

Item	Amount in this period	Amount in the same period of the previous year	Amplitude of change	Reason for the difference
profit				year was settled and delivered
Investment profit	282,179,758.93	24,881,684	1034.09%	Caused by the confirmation of the investment profit of Overseas Chinese City
Non-operating income	11,774,703.28	6,454,536.00	82.43%	Increase of government subsidy received
Non-operating expenditure	15,387,554.61	10,072,004	52.78%	Caused by tax fine and late penalty from previous years
Income tax expense	1,476,586,830.88	792,399,255.00	86.34%	Caused by the increase of payable tax income amount

Chapter 9 Contents of the Documents for Reference

(I) Financial statements are signed and sealed by the legal representative, responsible person in charge of the accounting work and responsible person of the accounting institution;

(II) Originals of all the Company documents and originals of the announcements publicly disclosed on the newspapers specified by the China Securities Regulatory Commission in 2013;

(III) English version of the Semi-Annual Report 2013.

China Merchants Property Development Co., Ltd.

August 22<sup>nd</sup>, 2013