



**招商局地产控股股份有限公司**  
CHINA MERCHANTS PROPERTY DEVELOPMENT CO.,LTD.

# Semi-Annual Report 2014

Announcement No.: 【CMPD】 2014-046

## Important Notice

Board of Directors, Supervisory Committee of China Merchants Property Development Co., Ltd. (hereinafter referred to as 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.

Sun Chengming-Legal Representative, Wu Zhenqin-Chief Financial Officer, and Li Shifang-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 send bonus shares and not turn accumulation fund to increase subscribed in this report period.

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.

This report can not be regarded as commitment with respect to future plans and forwarding-looking statements, investors please be aware of the investment risk.

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## Paraphrases

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

Paraphrase item	Refers to	Paraphrase content
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council
CSRC	Refers to	China Securities Regulatory Commission
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.
Shekou Industrial Zone	Refers to	China Merchants Shekou Industrial Zone Co., Ltd.
Top Chief	Refers to	Top Chief Co., Ltd.
Full Space Investment	Refers to	Full Space Investment Ltd.
Zhangzhou Development Zone	Refers to	China Merchants Zhangzhou Development Zone Co., Ltd.
CMPS	Refers to	Shenzhen China Merchants Power Supply Co., Ltd.
Zhuhai CMRE	Refers to	China Merchants (zhuhai) Real Estate Co., Ltd
Wuhan CMRE	Refers to	China Merchants (Wuhan) Real Estate Co., Ltd
Shenzhen CMRE	Refers to	Shenzhen China Merchants Real Estate Co., Ltd.
Beijing CMRE	Refers to	China Merchants (Beijing) Real Estate Co., Ltd.
Nanjing CMRE	Refers to	China Merchants (Nanjing) Real Estate Co., Ltd.
Zhangzhou CMRE	Refers to	China Merchants (Zhangzhou) Real Estate Co., Ltd.
Suzhou CMRE	Refers to	China Merchants (Suzhou) Real Estate Co., Ltd.
Xiamen CMRE	Refers to	China Merchants (Xiamen) Real Estate Co., Ltd.
Guangzhou CMRE	Refers to	China Merchants (Guangzhou) Real Estate Co., Ltd.
China Merchants Jia Ming	Refers to	China merchants Jia Ming (Beijing) Real Estate Development Co., Ltd.
Shanghai Fengyang	Refers to	Shanghai Fengyang Real Estate Co., Ltd.
Suzhou Shuanghu	Refers to	Suzhou Shuanghu Real Estate Co., Ltd.
Chongqing Merchants Land	Refers to	Chongqing Merchants Land Ltd.
China Merchants Overseas Chinese	Refers to	China Merchants Overseas Chinese Town Investment Co., Ltd.
Shenzhen Vanke Binhai	Refers to	Shenzhen Vanke Binhai Real Estate Co., Ltd.
Zhenjiang Yingsheng	Refers to	Zhenjiang Yingsheng Real Estate Development Co., Ltd.
Foshan Xinjie	Refers to	Foshan Xinjie Real Estate Co., Ltd.
Foshan Yiyun	Refers to	Foshan Yiyun Real Estate Co., Ltd.
Foshan Xincheng	Refers to	Foshan Xincheng Real Estate Co., Ltd.
China Merchants Properties and	Refers to	Shenzhen China Merchants Properties and Investment Co., Ltd.
China Merchants Land	Refers to	China Merchants Land Ltd.
Hong Kong Ruijia	Refers to	Ruijia Investment Industrial Co., Ltd.

## Chapter 2. Company Profile

### (I) Profile

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)\

Legal Representative: Sun Chengming

Stock listed in: Shenzhen Stock Exchange Also listed with: Singapore Stock Exchange

Short Form of the Stock: CMPD, CMPD-B

Stock Code: 000024, 200024

### II. Contact and Contact way

Secretary of the Board: Liu Ning

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

E-mail: [cmpdir@cmhk.com](mailto:cmpdir@cmhk.com)

### III. Other Conditions

#### 1. Company contact way

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

Post Code: 518067

Company Web site: <http://www.cmpd.cn>

E-mail: [cmpdir@cmhk.com](mailto:cmpdir@cmhk.com)

Official Micro-blog:



Official Wechat:



#### 2. Information disclosure and storage locations

Newspapers selected for Disclosing the Information of the Company: *China Securities Journal*, *Securities Times*, *Shanghai Securities News* and *Hong Kong Commercial Daily*

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

Place Where the Semi-Annual Report is Prepared and Placed: Secretariat of the Board of Directors

### **3. Registry change**

Initial registration date: September 19th, 1990

Initial registration place: Shenzhen

Registration code for corporate business code: 440301503287841

Tax Registration No.: National Tax-Shen Zi 440300618845136

Code of Organization: 61884513-6

Main business change and all previous controlling shareholder change of the Company since the listing:

The Company is a listed company taking real estate development and management as main business from 2004. Since listing, controlling shareholders have no change.

### **4. Other relates information**

The certified public accountants hired by the Company

Name: 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 alternative, correction of accounting error, etc.

Unit: RMB

Main accounting data	This report period	The same period of last year	Increase/decrease
Operating income	16,047,155,730.99	16,133,568,321.26	-0.54%
Net profit attributable to shareholders of the listed company	1,785,434,748.85	2,550,631,034.51	-30.00%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,842,876,971.45	2,217,672,984.41	-16.90%
Net cash flow from operating activities	-7,332,324,397.12	-1,275,505,230.57	-474.86%
Basic earnings per share (RMB/share)	0.69	0.99	-30.30%
Diluted earnings per share (RMB/share)	0.69	0.99	-30.30%
Weighted return on equity (%)	6.53%	10.38%	Decreased by 3.85%
	End of the report period	End of last year	Increase/decrease
Total assets	140,954,002,966.06	134,040,446,989.65	5.16%
Net asset value attributable to shareholders of the listed company	27,712,076,248.81	26,725,501,967.24	3.69%

Note: In the report period, The company implemented the project to transfer capital reserve to capital stock. According to *The 21th Memo of Information Disclosure –Related terms of Regular Report Disclosure* from Shenzhen Stock Exchange, The company have adjusted the EPS last year in the same period, based on the adjusted capital stock.

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

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	The end of the report period	The end of last year
By IAS	1,785,434,748.85	2,550,631,034.51	29,051,905,477.81	28,065,331,196.24
By Chinese Accounting Standard	1,785,434,748.85	2,550,631,034.51	27,712,076,248.81	26,725,501,967.24
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>
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### III. Non-recurring gain and loss items and amount

Unit: RMB

Non-recurring gain and loss items	Amount from beginning of the year to the end of the report
Gains/losses from the disposal of non-current assets	-160,878.35
Government subsidies	25,262,476.52
Other non-operating income and expenses after deducting the above items	-11,330,134.03
Other gain and loss items in accordance with the definition of non-recurring gain and loss	-63,138,644.29
Amount of influence of minority stockholder's interest	-2,141,420.73
Impact on income tax	-5,933,621.72
<b>Total</b>	<b>-57,442,222.60</b>

Note: The Company adopts fair value measurement for long-term equity investment after right of control of China Merchants Overseas Chinese Town Investment Co., Ltd. is changed. The stock right fair value is mainly inventory assessment appreciation, and the long-term equity investment added value RMB 63,138,644.29 yuan determined by assessment appreciation is correspondingly resold according to the ratio of inventory area actually carried forward by the Company to the inventory available area to be carried forward when the right of control is changed from January to June in 2014.

## Chapter 4 Report of the Board of Directors

### I. Overview

#### Analysis on the market situation

China's economic growth in the first half of the year dropped compared to the same period of last year. However, it remained stable generally. The overall performance of the property industry was flat which was affected by demand overdraw of the last year and tight credit within the year. Both the amount and price of commercial housing over the country decreased. The property market still focused on inventory in the first half of the year and the property enterprises had weak willingness to increase the investment. The development investment of property around the country from January to June was RMB 4.2019 trillion, increasing 14.1% over the same period of the previous year. Growth continued to decline and the new construction area of the housing was 801.26 million square meters, decreasing 16.4%.

The tightening of credit policy and the rising of financing costs is one of the crucial factors which caused the sluggish property market in the first half of the year. The risk preference of the bank has been transferred since the fourth quarter of last year, plus returned payments of sales being hindered, causing industrial funds tight as a whole. The growth of capital which was in place for the property enterprises had been declining in the first half of the year.

The differentiation trend in the industry and region is obvious when the market adjusts the price. Property enterprises cope with the industrial changes from transformation of modes, diversification, being related to finance by marriage, advancing overseas and Internet thinking. In the face of environmental change, the Company observes calmly and resolves problems positively. While maintaining financial stability and abundance of capital and meeting market challenges, it also explores actively new development opportunities.

#### Operation and management condition of the Company

In the face of the environmental changes, the Company focuses on marketing breakthrough by means of measures such as strengthening analysis and judgment, guidance mechanism, process optimization and standard construction. Taking the thirty anniversary of the establishment as an opportunity, the Company launched the marketing policy of "double-digit blowouts", namely "Storm in May" and "Plant feet firmly upon the ground at thirty and thank you" to reinforce brand publicity and speed up sales accounting for the overall amount of the project. In the report period, the Company accumulatively achieved the contracted sales area of 1.2182 million square meters, down 10.47% compared with the same period of the previous year; the contracted sales amount was RMB 17.9 billion, down 10.35% compared with the same period of the previous year; completing 90% of the corporate sale objective of RMB 20 billion in the first half of the year.

In the report period, the Company adhered to prudent attitude and decided investment by sales. In the first half of the year, newly added projects were 15 and additional project resources were 3.7021 million square meters, of which the interest area was 3.4168 million square meters. With the landing of Xi'an project, the Company achieved the strategic entry into the northwest region and the urban layout became more perfect. In the first half of the year, the new construction area was 4.19 million square meters with 0.98 million square meters of the completed area. The overall building area under construction was 10.77 million square meters as of the end of June.

Under the severe market environment, the Company made full use of the advantage of overseas financing platform, vigorously developed new financing platform, strengthened cooperation with insurance and funds institutions, raised funds through multiple channels and met the demand of business development. In the report period, the Company fully tapped the financing potential of commercial property sector and revitalized existing mature property to prepare for further capital operation in the future. The Company strictly controlled financial costs and continued to optimize the debt structure. The lending rate maintained the lower level in the industry under the condition of satisfying the demand. The synthetic fund cost of the Company in the first half of the year was 5.00%. Newly added borrowing costs in the first half of the year slightly rose.

In the first half of the year, the Company accelerated the standardization of landing work, fully carried out application and promotion of standardized results of the house type, refined decoration and the displaying area and intensified the implementation of strategic purchasing through establishment of the supplier management system and the ERP business system. Application and promotion of standardization and strategic purchasing not only quickened the project turnover, but also effectively controlled the costs. In the first half of the year, the cost of construction and installation per square meter decreased by RMB 65/square meter.

In the report period, the Company launched the draft of stock option incentives, steadily promoted long-term incentives, tightly linked the benefit of staff, shareholders and the Company together, further improved the return of shareholders and supported the steady development of the Company.

In the report period, the Company vigorously promoted the collaborative development in the merchant industry and boosted the integration of industry and finance. Currently, the Company has conducted strategic corporation with China Merchants Bank in the areas of marketing channel and community finance and achieved share of partial channels, resources and clients with China Merchants Bank.

Based on the principle of growth with quality, the Company gave priority to major research, built a new strategy of transformation and upgrading and formed the resultant force of the staff by system security to achieve strategic landing. In the report period, the Company organized strategic development department, enhanced medium- and long-term industrial trend study, systematically cleaned investment strategy and gain and loss of obtaining the land, and rationally allocated corporate resources by matrix analysis of urban sustainable development to improve the benefit of investment decision of the Company. The Company further proposed an overall framework of business transformation and upgrade of “One foundation, two new roads and three fertile lands”. One foundation means that the Company sticks to selection of cities and product upgrade of residential property. The selection of cities is based on the developing potential of the city and the comprehensive ability of urban companies; two new roads mean overseas expansion and cross-border innovation of the new economy; three fertile lands refer to business of the property for healthy aged living, the characteristic industrial zone and the cruise mother port city. The company specially set up corresponding topic research teams who have completed a series of research results and persisted in the integration of theoretical research and pilot project which already has preliminary effects.

In the report period, the Company was on the list of “2014 Comprehensive Strength TOP 10 of Shanghai and Shenzhen Listed Property Companies”, “Financial Stability TOP 10”, “Wealth Creation Capacity TOP 10” and “Investment Value TOP 10” jointly evaluated by State Council Development Research Center Enterprise Institute, Institute of Property of Tsinghua University and China Index Research Institute; obtained titles of “2013 Comprehensive Annual Award of China Best Corporate Citizen” jointly selected by *21<sup>st</sup> Century Business Review* and *21<sup>st</sup> Century Business Herald*, “2013 Best Main Board of Blue-chip Company” selected by Sina Finance and “Chinese Blue Chip Property Enterprise” selected by *Economic Observer*. The performance of operation and management of the Company gained full affirmation from the outside world.



## **Forecast of the Company on the operation environment in the second half of the year and operation thinking of the Company**

The property market continued cooling down in the first half of the year. However, the market turnover in the second half of the year is expected to rebound with the introduction and implementation of a series of relaxing policy. Overall, adjustment of this time, slightly different from the previous two times, is mainly caused by internal market factors such as the imbalance between supply and demand. Recovery of the market needs the effective release of the demand. Therefore, the recovery which determines the market is slow. However, the possibility of overall decline is also not high. Industry differentiation in the second half of the year will still continue. The market in the short-term will find the landing point in the downstream and structural development opportunities will still be brought in the medium- and long-term. The Company will closely focus on industrial change, seize the period of sales window, with production decided by sales and controlling the rhythm. Meanwhile, it will continue to quicken the adjustment of product structure, stick to financial stability, improve financing ability and advance the transforming development.

Grasping marketing will be the priority among priorities in the second half of the year. The Company will further boost innovative cooperation and strengthen rapid share and promotion around the country of innovative marketing results from various regions. Projects will flexibly adjust marketing strategies according to the market situation, accurately grasp the project sales window, actively innovate front line marketing measures, make good use of data and the Internet platform and ensure the effective sales accounting for the overall amount of the project.

In the second half of the year, the Company will fully consider the uncertainty of the market adjustment and the long-term development strategy and conduct resource development combining factors of basic urban aspects, team capability and project reserve status. In addition, the Company will also continue to exploit its advantage of financing and fully protect the demand of the funds. Step up the research of the refinancing program which is fit to the financing environment of the existing capital market, strive to improve the capital composition of the Company soon and intensity the financing capacity of the Company.

In the second half of the year, the Company will further accelerate to promote the pilot and landing of the project, cultivate capabilities and conduct fine arrangement to lay a good foundation for the transformation development of the Company, based on the overall framework of business transformation and upgrade of “One foundation, two new roads and three fertile lands”.

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

### **1. Overview**

In the first half of 2014, the Company realized a sum of operating income of RMB 16.047 billion, the net profit belonging to the shareholders of the listed companies was RMB 1.785 billion. In the operating income, the income from the sales of commercial housing was RMB 14.669 billion, and the settlement area was 1.0815 million square meters. Since the distribution of completion is not even for real estate projects, the completion area which was finished by the Company from January to June was 0.98 million square meters, only accounting for 33.3% of the planned completion area of 2.94 million square meters for the whole year. It is expected that the number of projects which will be completed and settled in the second half of the year will be high. The income from the rental of investment property was RMB 0.455 billion, and accumulative rental area was 5.1655 million square meters; the income from the sales of power supply of the park was RMB 0.297 billion, and sales of power was 362.29 million kilowatt-hours.

### **2. Composition of the main business**

Composition of the main business by industries

Unit: RMB

10,000

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	1,466,854	927,861	26%	-2%	18%	-5
Operation of rental property	45,480	22,900	41%	23%	35%	-7
Power supply in the park	29,676	23,249	21%	4%	11%	-5
Property management	46,365	41,795	4%	22%	24%	-1
Hotel management	12,600	18,133	-45%	568%	209%	172
Property intermediary	2,331	3,133	-65%	-35%	11%	-81
Others	1,410	2,036	-36%	-78%	-58%	-57

Note: The gross interest rate in the above table was calculated by amount of operating income minus operating cost and operating tax and additions.

1. The regional sales and composition of products of the Company have been changing year after year with promotion of the regional development strategy. The proportion of urban projects in second-, third- or fourth-tier city has slightly improved. The proportion of carried-forward income in the regions where the gross interest rate of the products was relatively low increased significantly over the same period of the previous year, leading to the decrease on the gross interest rate of the property development business of the Company.
2. The Company added new investment property of 0.1 million square meters in the first half of the year, which is still in an infant stage. The letting rate and rental income need to be improved. However, amortization of costs was inflexible. Therefore, the gross interest rate reduced over the same period of the previous year.
3. In the first half of the year of 2014, the procurement cost of the power supply in the park increased over the same period of the previous year. Therefore, the gross interest rate reduced by 5%.
4. The hotel business was primarily the operating income from three hotels, namely Hilton South Sea Hotel, Beijing Conrad Hotel and Zhangzhou Meilun Mountain Villa. The above three hotels have not commenced business for a long time and the occupancy rate needs to be improved. Since the costs in the early stage of the operation were relatively high, the gross interest rate was negative. But it has greatly changed over the same period of the previous year.

Composition of the main business by area

Unit: RMB 10,000

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	94,399	41,609	44%	-75%	-72%	6
Yangtze River Delta Region	234,511	186,488	11%	-2%	0%	-3
Pearl River Delta Region	883,157	524,772	30%	1%	19%	-2
Other areas	392,649	286,238	18%	209%	213%	-3

Note: The gross interest rate in the above table was calculated by amount of operating income minus operating cost and operating tax and additions.

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

Items of assets and liabilities	June 30, 2014	December 31, 2013	Increase and decrease (±%)	Main reason for the change
Account receivable	12,620	7,686	64	Receivable payments for housing sales increased
Prepayment	491,021	281,597	74	Prepaid land payment increased
Deferred income tax asset	104,329	77,026	35	CM Shangzhi established new company with the investment of office buildings, resulting in the increase of deferred income tax
Employees' wage payable	16,122	38,589	-58	Outstanding employees' wage payable paid
Dividend payable	81,696	12,093	576	Mainly consisting of holding stockholder dividend payable and dividend payable to the minority shareholders by the subsidiaries
Non-current liability due in 1 year	933,213	633,101	47	Long term bank loans due in 1 year increased
Estimated liabilities	0	1,047	-100	The pending litigation cases were settled and returned back to estimated liabilities

Other current liability	233,835	356,049	-34	Withholding land VAT paid
Share capital	257,595	171,730	50	Capital surplus converted to capital share
profit and loss items	January to June 2014	January to June 2013	Increase and decrease (±%)	Main reason for the change
Operating tax and addition	161,402	257,943	-37	The gross interest rate of carry-forward items of this period was relatively low affected by the carry-forward products and regional structures and land VAT reduced accordingly
Financial expenses	32,610	7,335	345	Interest expenses and foreign exchange losses in this period increased over the same period of the previous year
Assets impairment loss	89	-17,237	-101	Falling price reserves of the inventory in the same period of last year released
Investment income	14,332	28,218	-49	Transfer of control rights of the subsidiaries in the same period of last year brought profit
Non-operating income	3,550	1,177	201	Government subsidies increased
Non-operating expenses	2,173	1,539	41	Increase of expenses of water funds in the power supply service
Income tax expense	96,450	147,659	-35	Income tax expense decreases with respect to the decrease of total profit
<b>Items of cash flow</b>	January to June of 2014		Increase and decrease (±%)	Main reason for the change
Net amount of cash flow generated by operation activities	-733,232	-127,551	475	Increase of land payment and infrastructure construction payment paid in this period over the same period of the previous year led to the growth rate with cash outflow of the operation activities more than cash inflow of the operation activities
Net amount of cash flow generated by the investment	-6,568	-30,079	-78	Decreased cash dividend from the associated company and

activities				increased investment expenses
Net amount of cash flow generated by the financing activities	173,756	675,744	-74	The decreased amount of loan over the same period of the previous year and the increased amount of repayment over the same period of the previous year

### III. Analysis on the core competitiveness

#### Large merchant, big coordination

China Merchants Group consists of a batch of excellent companies, such as China Merchants International, China Merchants Shipping, China Merchants Roads, China Merchants Bank, China Merchants Securities, Shekou Industrial Zone and Direct Investment Fund Management Platform. CM Property is the flagship enterprise and the only listed company in the property sector of China Merchants Group. China Merchants Group, which is across two major areas of industry and finance, has been vigorously promoting the combination of industry and finance over the past years. It plays synergy effects and achieves leaping development by means of effective interaction between capital and industry. As for the application of the combination of industry and finance, the Company with related parties has conducted active exploration and the progress is smooth. Share of internally divided resources in the merchant system has been achieved now. In addition, China Merchants Group which has strong comprehensive strength has great influence and power around the country and the world. Its' external cooperation resources will also bring huge business opportunities for the Company.

#### Abundant capital, financial stability

The Company follows China Merchants's operating style of financial stability and puts the financial risk control at the first place. The comprehensive capital cost of the Company maintains the lower level in the industry through highly effective funds management operation for years, providing sufficient lever space for expanding the scale of the Company in the future. Besides, the Company adheres to the diversification of financing and strives to optimize the capital structure, laying a strong capital base for the expansion.

#### Developing and investing at the same time, sales and operation regarded as equally

While pursuing appropriate growth of the sales scale, the Company carefully arranges precipitation of high-quality assets and continues to accumulate wealth to ensure the sustainable development. At present, the commercial property retained by the Company covers various types, such as office buildings, shops, apartments and plants which can not only bring steady cash outflow, but also enjoy the appreciation in asset value with the development of cities. In the past years, the Company has been enhancing the industrial and urban research and given priority to research, focusing on three major business aspects which are the property for healthy aged living, the characteristic industrial zone and the cruise mother port city, to facilitate transformation and development of the Company.

### IV. Analysis on the investment condition

#### 1. External equity investment condition

##### (1) External investment condition

The Company held the circulation stock of 3,646,889,329 stocks from the shareholding subsidiary China Merchants Property (0978.HK). Apart from this, it did not hold shares from 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**

The Company did not have external entrusted loan.

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

As for past 5 years up till June 30, 2014, the Company have not issued shares publicly.

**4. Analysis on the main subsidiaries and share participating companies**

Unit: RMB 10,000

Name of the company	Corporate type	Industry	Main product or service	Registered capital	Gross capital	Net assets	Operating income	Operating profit	Net profit
Shenzhen Vanke Binhai	Subsidiary	Property industry	Commercial housing	100,000	410,661	104,790	211,208	77,308	58,043
Zhuhai CMRE	Subsidiary	Property industry	Commercial housing	800	83,023	52,169	132,448	48,582	36,342
Xiamen CMRE	Subsidiary	Public utility	Power supply in the park	5,000	143,244	18,608	123,266	29,133	21,852
Foshan Xinjie	Subsidiary	Property industry	Commercial housing	\$21,980 US D	194,384	177,349	113,763	9,585	7,198
Wuhan CMRE	Subsidiary	Property industry	Commercial housing	3,000	25,423	11,427	103,359	16,388	12,291
Foshan Yiyun	Subsidiary	Property industry	Commercial housing	3,000	336,821	9,015	103,157	18,426	13,829
Shenzhen CMRE	Subsidiary	Property industry	Commercial housing	300,000	2,495,204	911,000	81,862	108,894	101,568
Zhenjiang Yingsheng	Subsidiary	Property	Commercial	\$11,800	285,444	78,274	81,849	15,318	13,062

		industry	housing	USD					
Shanghai Fengyang	Subsidiary	Property industry	Commercial housing	3,000	153,349	27,927	64,683	20,982	15,739
China Merchants Jia Ming	Subsidiary	Property industry	Commercial housing	35,000	287,870	238,737	54,591	30,048	21,998
Shuzhou Double-lake	Subsidiary	Property industry	Commercial housing	\$24,400 US D	326,715	183,633	50,636	-2,200	-2,178
Foshan Xincheng	Subsidiary	Property industry	Commercial housing	\$12,700 US D	294,304	118,756	42,229	19,988	15,074
China Merchants Properties and Investment	Subsidiary	Property industry	Commercial housing	20,000	592,972	243,810	32,444	10,940	-38,235
CMPS	Subsidiary	Public utility	Power supply in the park	5,700	360,747	139,213	29,676	6,766	4,701
China Merchants Overseas Chinese Town	Share participating company	Property industry	Commercial housing	100,000	173,980	51,716	126,307	48,954	36,716

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

### (1) Share equity investment

In the report period, the Company had 11 new property project companies. The new investment amount was RMB 1,563.91 million and the investment condition is as follows:

Unit: RMB 10,000

Name of the company	Registered capital	Equity proportion of the Company	Actual investment amount	Development project
Wuhan CM Property Gutian Property Co., Ltd.	3,000	100%	3,000	Wuhan Jiangwan International
Xiamen CM Yonghuaifu Property Co., Ltd.	2,000	100%	2,000	Xiamen Yonghuaifu
Foshan Yiyun Xiaode Property Co., Ltd.	\$8,700 USD	100%	53,575	Foshan Yiyun Zhenyuan
Yantai China Merchants Property Co., Ltd.	3,000	100%	3,000	Eastern bank of Yantai China Merchants
Changshu CM Xicheng Property Co., Ltd.	3,000	100%	16,800	Changshu CM Xicheng
Guangzhou Yiyun Property Co., Ltd.	1,000	100%	1,000	Guangzhou Wanbo
Zhuhai Yiyun Property Co., Ltd.	3,000	100%	3,000	Waterfront of Zhuhai Yiyun
Nanjing CM Ningsheng Property Co., Ltd.	3,000	100%	3,000	Nanjing Hyde Mansion
Nanjing CM Xingsheng Property Co., Ltd.	3,000	70%	2,100	Nanjing CM Yiyun County

Zhenjiang Torch Property Development Co., Ltd.	\$2,990 USD	100%	10,470	Jurong CM International E City
Xi'an Mao'an Property Co., Ltd.	\$9,500 USD	100%	58,446	Xi'an Yiyun Qujiang

1.

**(2) In the report period, the accumulative investment amount of the main projects was RMB 4,392.70 million. The condition of the investment is as follows:**

Name of the project	Total planned investment	Invested amount in this period	Accumulative amount of actual investment as of the end of the report period	Project progress	Profit of the project
Suzhou Little Rock City	485,432	39,019	371,747	Phase 1 to 6 completed, phase 7 to 9 in the main body construction	The gross profit realized in this period was RMB 21.05 million.
Shenzhen Yihai City	735,678	24,964	404,782	Zone 2 and 5 completed	The gross profit realized in this period was RMB 788.39 million.
Shenzhen Pingshan Garden City	322,408	24,722	166,136	Main body construction	It had not been carried over.
Guangzhou Jinshan Valley	670,181	23,232	303,548	Phase 5 and 7 in the main body construction	The gross profit realized in this period was RMB 127.47 million.
Beijing Park 1872	448,505	22,047	371,603	Phase 1 and 2 completed, phase 3 in the main body construction	The gross profit realized in this period was RMB 106.91 million.
Chongqing Garden City	425,195	18,839	260,957	Phase 1 completed, phase 2 and 3 in the main body construction	The gross profit realized in this period was RMB 23.15 million.
Tianjin Diamond Hill	359,494	18,304	320,220	Phase 1 to 3 completed, phase 4 and 5 in the main body construction	The gross profit realized in this period was RMB 40.41 million.
Changzhou Park 1872	300,031	18,029	127,773	Main body construction	It had not been carried over.
Zhenjiang Beiguwan	621,044	17,871	482,341	Phase 1 completed, phase 2 and 3 in the main body construction	The gross profit realized in this period was RMB 158.03 million.
Xiamen Sea May Flower	256,949	16,980	196,173	Phase 1 completed, phase 2 and 3 in the main body	The gross profit realized in this period was RMB



				construction	135.04 million.
Chengdu Yonghuafu	275,371	16,930	290,214	Phase 1 to 3 completed, phase 4 and 5 in the main body construction	It had not been carried over.
Shanghai Haide Garden	187,254	16,182	102,854	Phase 1 completed, phase 2 in the main body construction	The gross profit realized in this period was RMB 122.50 million.
Tianjin Beikenshan	512,700	16,085	238,201	Main body construction	It had not been carried over.
Guangzhou Donghui City	289,176	14,397	193,117	Main body construction	The gross profit realized in this period was RMB 42.99 million.
Nanjing Yonghuafu	335,945	13,719	283,783	Main body construction	It had not been carried over.
Xiamen Haide Garden	233,354	13,305	198,992	Phase 1 completed, phase 2 in the main body construction	It had not been carried over.
Wuhan Moshui Lake	923,480	13,007	578,706	Block A in the main body construction	It had not been carried over.
Beijing Xicheng Homestead and Longyuan	507,456	12,081	427,154	Phase 1 and 2 completed, phase 3 and 4 in the main body construction	The gross profit realized in this period was RMB 292.13 million.
Chongqing Changjiahui	1,281,749	11,081	471,952	Phase 1 and 2 in the main body construction	The gross profit realized in this period was RMB 44.80 million.
Zhangzhou Kadakaisi	349,353	10,685	155,483	Phase 1 completed, phase 2 and 3 in the main body construction	The gross profit realized in this period was RMB 3.05 million.
Yunnan Haigongguan	320,099	9,984	53,189	Main body construction	It had not been carried over.
Shenzhen Jingshan Jinhai	292,370	9,873	210,358	Main body construction	It had not been carried over.
Haerbin Notting Hill	406,376	8,683	115,611	Main body construction	The gross profit realized in this period was RMB 1.38 million.
Qingdao LAVIE Commune	140,367	8,087	92,860	Phase 1 completed, phase 2 in the main body construction	It had not been carried over.
Shanghai Sheshan Longyuan	303,342	7,478	260,658	Phase 1 completed, phase 2 and 3 in the main body construction	The gross profit realized in this period was RMB -6.35 million.

Suzhou Yongjingwan	215,000	7,025	188,912	Completed	The gross profit realized in this period was RMB -51.44 million.
Foshan Evian Xicheng	146,411	6,928	134,017	Phase 2 capped, phase 3 in the main body construction	The gross profit realized in this period was RMB 15.38 million.
Nanjing Garden City Center	104,931	5,419	98,445	Completed	The gross profit realized in this period was RMB 6.95 million.
Wuhan Yonghuafu	99,183	4,929	93,393	Main body construction	The gross profit realized in this period was RMB 169.37 million.
Chongqing Jiangwan City	192,308	4,060	180,660	Completed	The gross profit realized in this period was RMB 15.04 million.
Foshan Evian Shangcheng	188,732	3,194	189,870	Completed	The gross profit realized in this period was RMB 94.45 million.
Foshan Evian Tianhui	238,612	2,131	217,947	Phase 1 completed, phase 2 in the main body construction	The gross profit realized in this period was RMB 182.60 million.

#### **V. Estimation on the operation achievements from January to September 2014**

Not Applicable

#### **VI. 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

#### **VII. Explanations of the Board of Directors on the conditions related to the ‘Non-standard Audit Report’ of the previous year**

Not Applicable

#### **VIII. Implementation condition of profit distribution in the report period of the Company**

The proposal of profit distribution in 2013 was approved at the 2013 Annual Shareholders’ Meeting held on April 14, 2014:

According to 10% of the net profit of the parent company RMB 1,057,343,950.92, statutory surplus capital reserve RMB 105,734,395.09 was withdrew;

Taking the total capital shares 1,717,300,503 shares as of year-end as the radix, cash RMB 4.80 (tax included) would be sent for each 10 shares, that was to say, RMB 824,304,241.44 cash dividend would be sent;

The residual undistributed profit RMB 4,607,851,118.62 was retained to the next report year;

Taking the total capital shares 1,717,300,503 shares as of year-end as the radix, 5 shares would be converted by means of capital reserve for each 10 shares, with total amount of converted capital shares of RMB 858,650,251. The total capital shares increased to 2,575,950,754 shares after the conversion and the capital reserve balance was RMB 8,068,403,942.

For details, see *Announcement on the Implementation of 2013 Annual Profit Distribution and Capital Reserve Converted to Capital share Scheme* issued by the Company on *China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily, Hong Kong Commercial Daily* and <http://www.cninfo.com.cn> on May 30, 2014. Up till the disclosure date of this report, implementation of the above-mentioned dividend and interest distribution scheme has been completed except the cash dividend payable to the big shareholder Shekou Industrial Zone.

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

The Company did not conduct profit distribution and did not conduct converting capital reserve into share capital in the middle of 2014.

## **X. 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 4, 2014	Shenzhen	Telephone communication	Institutional investor	China Securities	①Introducing operation of the Company;
January 7, 2014	Shenzhen	Telephone communication	Institutional investor	Orient Securities	②Discussing the industry development;
January 8, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor	③Introducing related matters about stock ownership
January 8, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor	incentive of the Company;
January 8, 2014	Shanghai	Field	Institutional	Everbright Securities	④Providing the information announced and brochure for

		investigation	investor	
January 9, 2014	Shenzhen	Field investigation	Institutional investor	Runhui Investment
January 14, 2014	Suzhou, Shanghai	Field investigation	Institutional investor	Runhui Investment
January 15, 2014	Nanjing, Suzhou	Field investigation	Institutional investor	William Blair, CICC
January 16, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
January 17, 2014	Shenzhen	Field investigation	Institutional investor	Harvest Fund
January 24, 2014	Shenzhen	Field investigation	Institutional investor	China Asset Management, Haitong Securities
January 29, 2014	Shenzhen	Telephone communication	Institutional investor	Hill House Capital
February 8, 2014	Shenzhen	Field investigation	Institutional investor	Fullgoal Fund
February 10, 2014	Shenzhen	Telephone communication	Institutional investor	Ping An Securities, GF Securities, BOCOM Schroeder Fund
February 12, 2014	Shenzhen	Field investigation	Institutional investor	GF Securities, China Asset Management, Yinhua Fund, Penghua Fund, etc.
February 12, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
February 12, 2014	Shenzhen	Telephone communication	Institutional investor	CICC
February 12, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
February 14, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
February 17, 2014	Shenzhen	Telephone communication	Institutional investor	Huatai Securities
February 20, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
February 27, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor

projects of the Company;

⑤ Visiting the Company on-sale buildings, and providing building sales brochure.

March 5, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
March 13, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
March 17, 2014	Shenzhen	Field investigation	Institutional investor	Forty institutions such as Guotai Junan Securities, Citic Securities, China Jianyin Investment Securities, Fullgoal Fund, Citic-prudential Fund, Penghua Fund, etc.
March 24, 2014	Hong Kong	Strategic seminar	Institutional investor	Baring Asset Management, Norges Bank, Capital Research Global Investors, Manulife, Morgan Stanley Investment Management Company, Three Corner
March 31, 2014	Shenzhen	Telephone communication	Institutional investor	GF Securities
March 31, 2014	Shenzhen	Telephone communication	Institutional investor	China Securities
March 31, 2014	Shenzhen	Telephone communication	Institutional investor	Runhui Investment
April 8, 2014	Shenzhen	Telephone communication	Institutional investor	Orient Securities
April 10, 2014	Shenzhen	Telephone communication	Institutional investor	Shanxi Securities, Value Partners
April 15, 2014	Shenzhen	Telephone communication	Institutional investor	Value Partners
April 15, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
April 16, 2014	Dongguan	Strategic seminar	Institutional investor	Guotai Junan Securities, China Southern Fund Management, China Shipping Fund, First Capital Securities, Zhongrong Trust, etc.

April 18, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
April 21, 2014	Shenzhen	Field investigation	Institutional investor	Fullgoal Fund
April 21, 2014	Shenzhen	Telephone communication	Institutional investor	Greenwoods Asset Management
April 22, 2014	Xiamen	Field investigation	Institutional investor	Fullgoal Fund
April 21, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
April 25, 2014	Shenzhen	Strategic seminar	Institutional investor	Dongxing Securities, Lion Fund
April 29, 2014	Shenzhen	Telephone communication	Institutional investor	CICC Organization
May 12, 2014	Shenzhen	Telephone communication	Institutional investor	GF Securities
May 13, 2014	Hangzhou	Strategic seminar	Institutional investor	Haitong Securities
May 14, 2014	Shanghai	Strategic seminar	Institutional investor	Orient Securities
May 16, 2014	Shenzhen	Field investigation	Institutional investor	China Securities Organization
May 18, 2014	Zhenjiang	Field investigation	Institutional investor	CICC
May 20, 2014	Shenzhen	Telephone communication	Institutional investor	Everbright Securities
May 20, 2014	Shenzhen	Telephone communication	Institutional investor	Ping An Securities
May 21, 2014	Shenzhen	Telephone communication	Institutional investor	GF Securities, China Asset Management, etc.
May 21, 2014	Shenzhen	Telephone communication	Institutional investor	Fullgoal Fund, Greenwoods Asset Management, Value Partners
May 23, 2014	Xiamen	Strategic seminar	Institutional investor	Shenyin & Wanguo Securities, ICBC Credit Suisse, Guangzhou Securities
May 26, 2014	Shenzhen	Field	Institutional	Citic Securities

		investigation	investor	Organization
May 26, 2014	Shenzhen	Telephone communication	Institutional investor	Orient Securities
June 3, 2014	Shenzhen	Field investigation	Institutional investor	BNP
June 3, 2014	Shenzhen	Telephone communication	Institutional investor	Runhui Investment
June 5, 2014	Chengdu	Strategic seminar	Institutional investor	Citic Securities
June 6, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
June 10, 2014	Shenzhen	Field investigation	Institutional investor	Bosera Asset Management
June 10, 2014	Shenzhen	Telephone communication	Institutional investor	GF Securities
June 10, 2014	Shenzhen	Telephone communication	Individual investor	Individual Investor
June 11, 2014	Shenzhen	Telephone communication	Institutional investor	Fullgoal Fund
June 12, 2014	Shenzhen	Field investigation	Institutional investor	Essence Securities, Minsheng Royal Fund Management
June 18, 2014	Shanghai	Strategic seminar	Institutional investor	Guosen Securities, PICC, CPIC, Runhui Investment, etc.
June 19, 2014	Shenzhen	Strategic seminar	Institutional investor	China Merchants Securities
June 25, 2014	Shenzhen	Telephone communication	Institutional investor	Orient Securities, Everbright Securities, Guotai Junan Securities

## Chapter 5 Significant Events

### I. Corporate governance

In accordance with requirements of the *Company Law*, the *Securities Law* and other security regulations, the Company has been perfecting corporate governance structure, establishing a sound internal control system, continuing to further carry out management activities and improving corporate administrative level. The Company and the majority of the investors have established a trusting and win-win relationship based on the good corporate governance.

In the report period, holding stockholders and actual controllers of the Company supported the Company to perfect the governance structure and improve the corporate administrative level. The holding stockholders and actual controllers of the Company always fulfill the commitments and support the healthy development of the Company.

The Company features the sound governance structure and regulated operation of general meeting of shareholders, Board of Directors and Supervisory Committee, fulfilling its authority in accordance with provisions in laws, regulations and articles of association.

The Company truthfully, accurately, completely, timely and fairly discloses information as required by information disclosure principles. On May 26, 2014, the Company has won the excellent unit for SSE information disclosure evaluation (A-level). In addition, the Company added the contents of voluntary information disclosure and disclosed sale conditions monthly on a regular basis, instead of quarterly in the report period. Meanwhile, the Company achieved the linkage of information disclosure with China Merchants Property (0978.HK) to ensure the timeliness and consistency of the information acquisition for investors in Shenzhen and Hongkong market.

### II. Significant lawsuits and arbitration

None

### III. Media questioning

None

### IV. Matters related to bankruptcy and reform

Not Applicable

### V. Capital Transactions

#### 1. Assets Acquisitions

For details, see the related transactions relating to assets acquisition and sales.

#### 2. Assets sales

Not Applicable

#### 3. Enterprise mergers

Not Applicable



## **VI. Implementation and its impact of stock option incentive of the Company**

On May 20, 2014, *Stock Options First-time Granted Plan (Draft)* and its abstract were discussed and passed by the thirteenth meeting of the seventh Board of Directors of the Company. The Company intended to grant the total of 16.3353 million stock options to the incentive objects, accounting for 0.951% of the total capital shares issued in the period. The incentive objects (not including Independent Director) of this time were directors, senior executives, medium-level executives and key technical personnel, totaling 149 people. The term of validity of the granted stock options was 7 years. Starting from the granted day and after three years of the restricted period of exercising, 1/3 exercising of the overall stock options would be granted to each period with 3 in total according to the plan when the conditions of exercising were met. The exercise price was RMB 17.34. From the granted day of stock options, it is necessary to adjust the stock option and exercising price if the Company experienced the matters of capital reserve conversion, distribution of stock dividends, stock split, stock drawing back, rationed stocks or increased issues before exercising. The incentive plan for the share equity of the Company still needs to be examined and approved by State-owned Assets Supervision and Administration Commission of the State Council and China Securities Regulatory Commission. It could then only come into force after being submitted to the general meeting of shareholders for examination and approval.

For details, see *Stock Options First-time Granted Plan (Draft)* issued by the Company on *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily*, *Hong Kong Commercial Daily* and <http://www.cninfo.com.cn> on May 21, 2014.

## **VII. Major affiliated transactions**

### **1. Affiliated transactions related to daily operation**

In the report period, the Company and Shekou Industrial Zone and its affiliated parties had the following rental transactions:

The Company and part of the subsidiaries in Shenzhen rented the land-use right of business premises to the Shekou Industrial Zone. The overall rental fee in the report period was RMB 7.23 million; China Merchants Shangzhi, the wholly owned subsidiary of the Company, rented the land-use right and the buildings on the land where the building 1, 3, 5 and the property company of the building 2 and 6 were, located in the Shenzhen Shekou Huajian Block owned by Shekou Industrial Zone. The overall rental fee of the period was RMB10.65 million; the affiliated companies, such as Shekou Industrial Zone, rented letting property of the New Era Square, the Merchant Building, etc. The overall rental fee of the report period was RMB 11.95 million.

The above transactions belonged to daily operational activities of the Company. The Company had informed the independent directors before the occurrence of the transactions. After examination and approval, the independent directors considered that the pricing standard of the transaction matched the marketing price, with reasonable fairness for the transaction and satisfying the benefits of the Company and all shareholders.

### **2. Affiliated transactions related to purchasing assets and assets disposal**

In 2013, the second provisional general meeting of shareholders of the Company passed relevant bills of the *About Affiliated Transaction of Purchasing Assets by Issuance of Shares and Raise Matching Funds*. The Company planned to use additional released shares of A share to purchase houses at Sea World in the Shekou Industrial Zone and the land-use right of the Culture and Art Center. The total price of the land-use right was RMB 4.853 billion in accordance with the *Asset Purchase Agreement* which was signed by the Company and the Shekou Industrial Zone and the completion status (whether the issuance is successful or not) of additional released shares for raising funds will not affect the implementation of the transaction behavior for purchasing assets.

In 2014, the fourth provisional meeting of the Board of Directors of the Company decided to terminate the

additional release of this time. The Company would pay the price of the land-use right to the Shekou Industrial Zone by cash, among which RMB 1.4 billion was paid by the Company in June 2014.

### 3. Major affiliated transactions on common external investment

In the report period, the Company and the Shekou Industrial Zone jointly contributed to establish Station Fortune Ltd. and Chief Master Ltd., holding 49% and 51% of the equity respectively, used as obtaining development projects in the park in Qingdao. Station Fortune Ltd. set up Powerwise International Ltd. with the total asset. The registration capital was \$ 149 million. The Company and Shekou Industrial Zone invested in Powerwise International Ltd. according to the shareholding proportion to Station Fortune Ltd. The investment from the Company to Powerwise International Ltd. was \$ 73.01 million.

Chief Master Ltd set up Blue Cove International Ltd. with the total asset. The registration capital was \$ 75 million. The Company and the Shekou Industrial Zone invested in Blue Cove International Ltd. according to the shareholding proportion to Chief Master Ltd. The investment from the Company to Blue Cove International Ltd. was \$ 36.75 million. The above overall investment from the Company was \$ 109,760,098.

The company has disclosed the transaction in the huge tide network on March 12, 2014.

### 4. Dealing of the creditor's rights and debts of the related parties

As of June 30, 2014, the dealing money of the Company with the related parties mainly includes:

(Unit: RMB 10,000)

Related party	Association relation	Type of creditor's right and debt	Cause	If there is non-operating capital occupation or not	Balance at the beginning of the period	Amount in this period	Amount at the end of the period
Beijing Guangying Property Development Co., Ltd.	Joint venture	Other receivables	Advance of the shareholder	No	91,232.10	-8,902.45	82,329.65
Ningbo Jiangwan Property Development Co., Ltd.	Joint venture	Other receivables	Advance of the shareholder	No	135,081.59	-21,525.98	113,555.61
Foshan China Merchants Longyuan Property Co., Ltd.	Joint venture	Other receivables	Advance of the shareholder	No	67,344.99	24.31	67,369.30
Shanghai New Nanshan Property Development Co., Ltd.	Associated company	Other receivables	Advance of the shareholder	No	14,934.37	-6,432.24	8,502.13
Jones Tech Limited	Associated enterprise	Other receivables	Investment pending transfer	No	6,243.21	-6,243.21	-
Powerwise International Ltd	Same final controller	Other receivables	Investment pending transfer	No	8,902.69	-8,902.69	-
Holly Profit Limited	Associated enterprise	Other	Investment	No	9,255.06	-9,255.06	-

		receivables	pending transfer				
Blue Cove International Ltd	Same final controller	Other receivables	Investment pending transfer	No	4,481.22	-4,481.22	-
Shekou Industrial Zone	Shareholder	Other receivables	Dealing money	No	4,002.48	-4,002.48	-
Shekou Industrial Zone	Shareholder	Accounts payable	Dealing money	No	-	345,290.00	345,290.00
Shekou Industrial Zone	Shareholder	Other receivables	Dealing money	No	7,948.89	-7,948.89	-
China Merchants Group (Hong Kong) Co., Ltd.	Final controller	Other receivables	Dealing money	No	-	85.72	85.72
China Merchants Guangming Science and Technology Park Co., Ltd.	Joint venture	Other receivables	Dealing money	No	147.67	-146.95	0.72
Shanghai Ledu Property Co., Ltd.	Associated company	Other receivables	Dealing money	No	-	25,101.28	25,101.28
Shanghai New Nanshan Property Development Co., Ltd.	Associated company	Other receivables	Dealing money	No	3,160.00	3,286.87	6,446.87
China Merchants Overseas Chinese City	Associated company	Other receivables	Dealing money	No	67,473.33	-59,506.29	7,967.04
Tianjin Xinghai Property Development Co., Ltd.	Associated company	Other receivables	Dealing money	No	10,608.14	-	10,608.14
Tianjin Mu Nan Qiu Shi Industrial Co. Ltd.	Associated company	Other receivables	Dealing money	No	-	1,700.00	1,700.00
Shenzhen China Merchants Financing Service Co., Ltd.	Same final controller	Other receivables	Dealing money	No	71,458.14	6,003.16	77,461.30
Zhangzhou Development Zone	Same final controller	Other receivables	Dealing money	No	20,000.00	-	20,000.00
Top Chief.	Same final controller	Other receivables	Dealing money	No	-	13,272.02	13,272.02
Shekou Industrial Zone	Same final controller	Dividends payable	Dealing money	No	-	33,284.13	33,284.13

## 5. Other major related transactions

For the other related transactions of the Company within the report period, see the financial report annotation.

## VIII Non-operating Cash Occupied by Controlling Shareholders and Their Related Parties of Public Companies

Unit: RMB 10,000

Shareholder or related party	Occupancy Time	Cause	Period-beginning amount	Additional occupied amount of reporting period	Total repayment of this reporting period	Period-end amount	Anticipated repayment approach	Anticipated repayment amount	Due Date (Month)
Jones Tech Limited	December, 2012-January, 2014	Shift in investment	6,243	-	6,243	-	Shift in investment		Not Applicable
Holly Profit Limited	December, 2012-January, 2014	Shift in investment	9,255	-	9,255	-	Shift in investment		Not Applicable
Blue Cove International Ltd	December, 2012-January, 2014	Shift in investment	4,481	-	4,481	-	Shift in investment		Not Applicable
Powerwise International Ltd	December, 2012-January, 2014	Shift in investment	8,903	-	8,903	-	Shift in investment		Not Applicable
Total			28,882	-	28,882	-			

## IX. Major Contracts and Their Performance

### 1. Hosting, Contracting and Leasing Items

The Company has no major events hosting, contracting or leasing assets of other companies within the reporting period.

### 2. Guarantee

Unit: RMB 10, 000

Company's guarantee (excluding subsidiary guarantees)								
Name	Related announcement disclosure date for guarantee amount	Guarantee amount	Actual date (Date of agreement signing)	Actual guarantee amount	Guarantee type	Guarantee term	Completed or not	Guaranteed for associated party or not
The owner who purchases a house on mortgage	No	200,242.16	From the day when the mortgage bank makes the loan	200,242.16	Phased successive guarantee	From the day when the mortgage bank makes the loan to the day when the mortgage bank	No	No

						completes handling of the <i>Property Certificate</i> for the housing purchaser		
China Merchants Guangming Science Park Co., Ltd.	November 3, 2011	14,700.00	March 15, 2012	1,336.62	Successive guarantee	Two years since the next day of expiration of loan term under the loan contract	No	Yes
	March 20, 2012	19,110.00	May 18, 2012	6,575.31		Two years since the next day of expiration of loan term under the loan contract	No	Yes
	March 18, 2014	4,900.00	June 12, 2014	343.00		Two years since the next day of expiration of loan term under the loan contract	No	Yes
Beijing Kanglade Property Development Co., Ltd.	May 15, 2012	30,000.00	May 15, 2012	22,386.00	Successive guarantee	Two years since the next day of expiration of loan term under the loan contract	No	Yes

Shenzhen Shekou Sea World Hotel Management Co., Ltd.	December 26, 2013	25,500.00	October 22, 2013	24,990.00	Successive guarantee		No	Yes
Shenzhen CM Business Development Co., Ltd.	June 4, 2013	7,140.00	April 25, 2013	6,630.00	Successive guarantee	Two years since the day of expiration of the execution term of liabilities under the loan contract	No	Yes
Shenzhen Vanke Binhai Property Co., Ltd.	December 26, 2013	40,000.00	December 6, 2013	15,000.00	Successive guarantee	Two years since the effective day of the guarantee contract to the day of expiration of the execution term of liabilities under the main contract	No	Yes
Foshan Evian Property Co., Ltd.	March 5, 2014	55,000.00	May 29, 2013	55,000.00	Successive guarantee	Plus another two years after from the effective day of the guarantee contract to the expiration of the main creditor's	No	Yes

						rights term		
China Merchants Property Development (Nanjing) Co., Ltd.	March 5, 2014	60,000.00	August 26, 2013	60,000.00	Successive guarantee	Two years since the effective day of the guarantee contract to the day of expiration of the execution term of all guaranteed liabilities	No	Yes
Nanjing CM Ruisheng Property Co., Ltd.	March 5, 2014	17,000.00	January 27, 2014	16,900.00	Successive guarantee	Two years since the effective day of the guarantee contract to the day of expiration of the execution term of all guaranteed liabilities	No	Yes
Nanjing CM Ruisheng Property Co., Ltd.	March 5, 2014	58,000.00	January 27, 2014	57,900.00	Successive guarantee	Two years since the day of expiration of the execution term of liabilities under the loan contract	No	Yes
Guangzhou CM Property Co., Ltd.	June 25, 2014	40,000.00	April 23, 2014	39,600.00	Successive guarantee	Plus another two years after from the effective day of the guarantee contract to the day of the expiration of	No	Yes

						the execution term of loan, advance and other liabilities		
Foshan CM Xincheng Hi-Tech Co., Ltd.	June 25, 2014	12,000.00	April 30, 2014	12,000.00	Successive guarantee	Plus another two years after from the effective day of the guarantee contract to the day of expiration of each loan under the <i>Credit Agreement</i>	No	Yes
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	June 25, 2014	25,000.00	June 27, 2014	7,500.00	Successive guarantee	Two years since the next day of expiration of loan term under the loan contract	No	Yes
Guarantees to subsidiary from the Company								
Name	Related announcement disclosure date for guarantee amount	Guarantee amount	Actual date (Date of agreement signing)	Actual guarantee amount	Guarantee type	Guarantee term	Completed or not	Guaranteed for associated party or not
Shenzhen China Merchants Real Estate Co., Ltd.	March 20, 2013	30,000.00	May 11, 2012	24,990.00	Successive guarantee	Thirty days since the day of expiration of the execution term of liabilities under the loan contract	No	Yes
Shenzhen China	March 19, 2012	\$ 3000 (amounted	June 11, 2013	\$ 3000 (amounted to	Successive guarantee	Two years since the next	No	Yes



Merchants Power Supply Co., Ltd.		to RMB 184.58 million)		RMB 184.58 million)		day of expiration of loan term under the loan contract		
Qingdao Haide Property Development Co., Ltd.	March 18, 2014	5,100.00	April 29, 2014	1,530.00	Successive guarantee	Two years since the signing day of the loan contract to the day of expiration of the execution term of liabilities by the debtor under the loan contract	No	Yes
Shenzhen CM Construction Co., Ltd.	July 1, 2014	60,000.00	June 5, 2014	60,000.00	Successive guarantee	Two years since the day of expiration of the execution term of liabilities agreed by the main contract	No	Yes
Total guarantee of the Company was RMB 6,313.81 million.								

The Company did not have illegal guarantee.

### 3. Other major contracts

In the report period, the Company has successively signed the loan contract with 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 credit limit of the contracts amounted to RMB 60.2 billion.

### 4. Other major transactions

Not Applicable

**X. Committed items of the Company or shareholders with over 5% of shares in the period or as to the period arising in the previous period**

Committed Item	Commitment party	Commitment content	Commitment time	Commitment term	Performance
Stock ownership reform commitment	Shekou Industrial Zone	Premium assets including land will be injected to support the development of the Company after the stock ownership splitting reform.	December 9, 2005	Two years after the date that any shareholder does not hold all the shares of the Company any more	The commitment is strictly performed within the reporting period
Other commitments to small and middle-sized shareholders		Shall not, directly or indirectly, engage in or develop any business or project the same or similar with those in the operation scope of the Company; nor develop, establish, develop, participate in, or assist with any enterprises to compete with the Company for Shekou Industrial Zone and its related parties or on the behalf of any third parties; nor make use of the information obtained from the Company to, directly or indirectly, engage in or participate in any competitive activities with the Company, nor conduct any other competitive actions that may cause damages to the interests of the Company.	March 19, 2008		

**XI. Employment or dismissal of the accounting firm**

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

On April 14, 2014, the Company has approved to employ the Shinewing Certified Public Accountants as the external auditor of 2014 at the 2013 annual general meeting of shareholders.

**XII. Condition of punishment and rectification**

Not Applicable.

**XIII. Explanations on the other major matters**

Not Applicable.

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

### I. Change in Share Capital

Unit: shares

	Before the change		Increase / Decrease this time (+, -)					After the change	
	Amount	Proportion (%)	New shares issued	Bonus	Share transfer of accumulation fund	Others	Subtotal	Amount	Proportion (%)
I. Shares with conditional subscription	891,504,855	51.91%			445,809,961	130,743	445,940,704	1,337,445,559	51.92%
1. State-owned shares									
2. State-owned legal person's shares	693,419,317	40.38%			346,709,658		346,709,658	1,040,128,975	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%			98,854,720		98,854,720	296,564,160	11.51%
Including: Foreign legal person's shares	197,709,440	11.51%			98,854,720		98,854,720	296,564,160	11.51%
Foreign natural person's shares									
5. Senior management's shares	376,098	0.02%			245,583	130,743	376,326	752,424	0.03%
II. Shares with unconditional subscription	825,795,648	48.09%			412,840,290	-130,743	412,709,547	1,238,505,195	48.08%
1. RMB common shares	684,248,848	39.85%			342,104,515	-54,818	342,049,697	1,026,298,545	39.84%
2. Domestically listed foreign shares	141,546,800	8.24%			70,735,775	-75,925	70,659,850	212,206,650	8.24%
3. Overseas listed foreign shares									

4. Others									
III. Total shares	1,717,300,503	100%			858,650,251		858,650,251	2,575,950,754	100.00%

In the report period, the Company implements the 2013 annual bonus scheme. Furthermore, some senior management of the Company resigned and some senior management added holding the shares of the Company through the secondary market, so that the limited shares and unlimited shares of the Company are changed.

## II. Information of Company shareholders and actual controller

Unit: shares

Total number of shareholders at the end of the report period	70,477 (including 60,151 A share holders and 10,326 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	
Shekou Industrial Zone	State-owned legal person	40.38%	1,040,128,975	346,709,658	1,040,128,975	No	No	No	
Full Space Investment	Overseas legal person	5.48%	141,216,075	47,072,025	141,216,075	No	No	No	
China Merchants Securities Hong Kong Co., Ltd.	Overseas legal person	2.91%	74,836,941	24,949,657	73,863,367	973,574	No	No	
FOXTROT INTERNATIONAL LIMITED	Overseas legal person	1.61%	41,580,000	13,860,000	41,580,000	No	No	No	
ORIENTURE INVESTMENT LTD	Overseas legal person	1.55%	39,904,717	13,301,572	39,904,717	No	No	No	
Full Goal Tianbo Innovative Theme Equity Securities Investment Fund	Domestic none state-owned legal person	1.17%	30,014,614	12,014,614	No	30,014,614	No	No	
GOLDEN CHINA MASTER FUND	Overseas Institution	0.77%	19,808,497	6,935,306	No	19,808,497	No	No	
National Social Insurance Fund	Domestic	0.73%	18,819,317	15,519,623	No	18,819,317	No	No	

102 Combination	none state-owned legal person							
China Pacific Life Insurance Co., Ltd.-Traditional- General Insurance Product	Domestic none state-owned legal person	0.69%	17,776,370	12,409,697	No	17,776,370	No	No
New China Life Insurance Co., Ltd - Dividends - Personal Dividends - 018 L- FH002 Shen	Domestic none state-owned legal person	0.69%	17,775,000	3,909,408	No	17,775,000	No	No

Top 10 holders of unrestricted shares

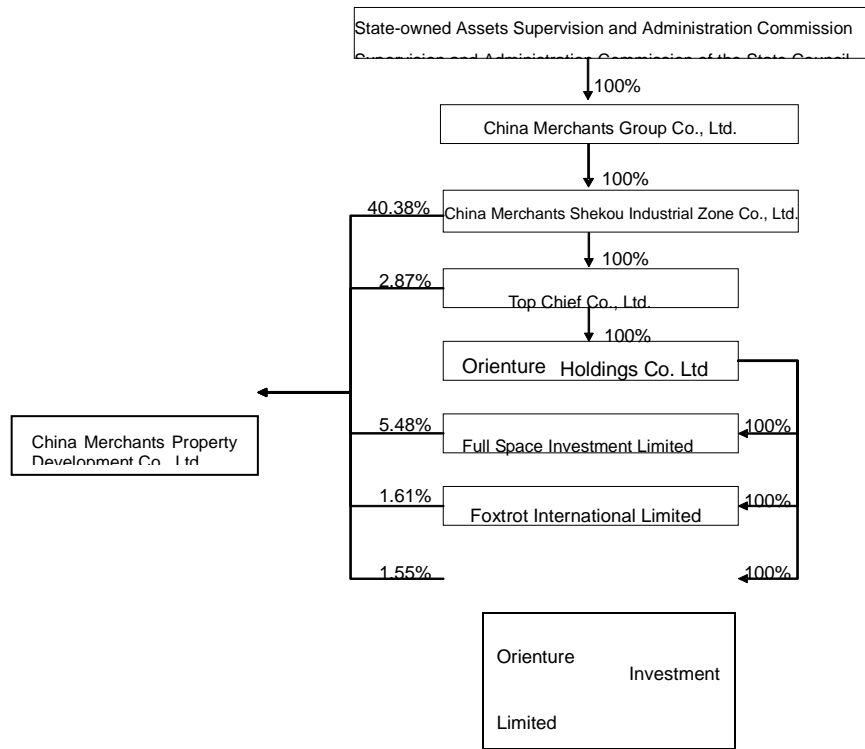
Name of shareholder	Unrestricted shares at the end of report	Class of Share
Full Goal Tianbo Innovative Theme Equity Securities Investment Fund	30,014,614	A share
GOLDEN CHINA MASTER FUND	19,808,497	B share
National Social Insurance Fund 102 Combination	18,819,317	A share
China Pacific Life Insurance Co., Ltd.	17,776,370	A share
New China Life Insurance Co., Ltd.	17,775,000	A share
China Merchants Securities Co., Ltd. Customer Credit Collateral Securities Trading Account	16,735,802	A share
GF Small-capitalization Growth Equity Securities Investment Fund	16,452,124	A share
VALUE PARTNERS CLASSIC FUND	14,691,105	B share
Huaxin Trust Co., Ltd.	14,651,478	A share
Dacheng Innovation Grow Hybrid Securities Investment Funds (LOF)	12,894,156	A share

In the report period, the Company takes general capital 1,717,300,503 shares at the end of year as the base, and for each 10 shares, the capital reserve is transferred into 5 common shares. Shekou Industrial Zone and its subsidiary companies Full Space Investment, Top Chief International, FOXTROT INTERNATIONAL LIMITED and ORIENTURE INVESTMENT LTD are persons acting in concert. The shares held by China Merchants Securities Hong Kong Co., Ltd., 49,242,245 shares were bought in by Top Chief in the previous year through entrustment. After accumulation fund turning to increase subscribed capital is implemented, Top Chief International holds the shares of 73,863,367.

### 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

Name	Position	Position state	Sex	Age	Start date	End date	Shareholding at the beginning of year(shares)		Shareholding at the current period (shares)		Shares held at the end of year(shares)	
							A share	B share	A share	B share	A share	B share
Sun Chengming	Chairman	On-the-job	M	55	2014.04	2014.12						
Fu Gangfeng	Deputy Chairman	On-the-job	M	47	2014.04	2014.12						
Yang Tianping	Deputy Chairman	On-the-job	M	54	2011.12	2014.12						
He Jianya	Managing Director	On-the-job	M	48	2011.12	2014.12	112,170		75,136		187,306	
Hu Yong	Director	On-the-job	M	47	2011.12	2014.12						
Wu Zhenqin	Director and Chief Financial Officer	On-the-job	F	55	2013.11	2014.12			7,500			7,500
Chen Gang	Director	On-the-job	M	55	2013.11	2014.12						
Chai Qiang	Independent Director	On-the-job	M	52	2011.12	2014.12						
Liu Hongyu	Independent Director	On-the-job	M	51	2011.12	2014.12						
Lu Weixiong	Independent Director	On-the-job	M	53	2011.12	2014.12						
Zhang Wei	Independent Director	On-the-job	M	43	2011.12	2014.12						
Hua Li	Chairman of the Supervisory Committee	On-the-job	M	43	2013.11	2014.12						
Liu Qingliang	Supervisor	On-the-job	M	54	2013.11	2014.12						
Huang Junlong	Supervisor	On-the-job	M	49	2011.12	2014.12						
Chen Yan	Employee Supervisor	On-the-job	F	36	2011.12	2014.12						
Chen Qing	Employee Supervisor	On-the-job	F	31	2011.12	2014.12						
Liu Wei	Deputy General Manager	On-the-job	M	50	2013.07	2014.12			9,900		9,900	
Yang	Deputy	On-the-job	M	51	2011.12	2014.12	56,295	33,000	43,897	16,500	100,192	49,500

Zhiguang	General Manager	-job											
Hu Jianxin	Chief Green Low-carbon Officer & Chief Engineer	On-the-job	M	55	2014.02	2014.12	15,400		23,200		38,600		
Zhu Wenkai	Deputy General Manager	On-the-job	M	46	2011.12	2014.12	17,000		24,500		41,500		
Meng Cai	Deputy General Manager	On-the-job	M	56	2011.12	2014.12	61,882		46,641		108,523		
Zhang Lin	Deputy General Manager	On-the-job	M	51	2011.12	2014.12	2,200	10,900	16,100	6,350	18,300	17,250	
Wang Zhengde	Chief economist	On-the-job	M	51	2011.12	2014.12		10,000		20,000		30,000	
He Fei	Deputy General Manager	On-the-job	M	42	2014.02	2014.12	2,000		1,000		3,000		
Wang Xi	Deputy General Manager	On-the-job	M	43	2014.02	2014.12							
Liu Ning	Secretary of the Board	On-the-job	F	45	2011.12	2014.12		13,500		6,751		20,251	
Lin Shaobin	Former Chairman	Leaving office	M	53	2011.12	2014.04	59,670	100,500	44,835	50,250	104,505	150,750	
Wang Hong	Former Director	Leaving office	M	51	2011.12	2014.04							
Wang Li	Former Deputy General Manager	Leaving office	M	58	2011.12	2014.02	44,087		42,043		86,130		
Total							370,704	167,900	327,252	107,351	697,956	275,251	

In the report period, some of the Senior Executives of the Company increase the company stock by secondary market. Furthermore, the Company implements accumulation fund turning to increase subscribed capital in the report period, so that the shares of the Senior Executives are correspondingly changed.

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

On February 24, 2014, the first temporary meeting in 2014 of the 7th Board of Directors approved that Hu Jianxin is appointed to Green Low-carbon Officer and Chief Engineer of the Company, and He Fei and Wang Xi are appointed to Deputy General Manager of the Company.

On April 14, 2014, Sun Chengming and Fu Gangfeng were elected as Directors of the 7th Board of Directors in 2013 annual general meeting of shareholders of the Company; Sun Chengming was elected as Chairman of the Company and Fu Gangfeng was elected as Deputy Chairman of the Company in the 12th meeting of the 7th Board of Directors.



Due to work change, Lin Shaobin resigned from the positions of Director and Chairman of the 7th Board of Directors of the Company; Wang Hong resigned from the position of Director of the 7th Board of Directors of the Company; Hu Jianxin resigned from the position of Deputy General Manager of the Company.

Due to age reason, Wang Li resigned from the position of Deputy General Manager of the Company and holds the post of Senior Consultant of the Company at present.

## **Section VIII Financial Reports**

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

The unit in the notes of the Financial Statements is RMB Yuan

## Financial Statements

## Consolidated Balance Sheet

June 30, 2014

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

Unit: RMB Yuan

Items	Notes	Amount at the end of the period	Amount at the beginning of the period
<b>Current assets:</b>			
Monetary capital	VI. 1	18,585,950,027.06	24,240,458,796.50
Transactional financial assets			
Notes receivable	VI. 2	7,680,171.60	4,000,000.00
Accounts receivable	VI. 3	126,199,169.09	76,864,814.81
Accounts prepaid	VI. 4	4,910,209,986.26	2,815,967,507.79
Interest receivable		110,667.39	100,000.00
Dividend receivable		-	
Other receivables	VI. 5	10,621,087,872.17	13,683,883,876.17
Inventories	VI. 6	91,239,014,743.84	78,476,507,470.78
Non-current assets falling due in a year	VI. 7	0.00	4,175,229.58
Other current assets	VI. 8	4,058,670,833.37	3,550,197,939.60
<b>Total of current assets</b>		<b>129,548,923,470.78</b>	<b>122,852,155,635.23</b>
<b>Non-current assets:</b>			
Financial assets available for sale			
Long-term receivables			
Long-term equity investment	VI. 9	1,778,740,853.66	1,653,194,214.56
Investment property	VI. 10	5,597,749,991.30	5,661,844,333.88
Fixed assets	VI. 11	1,940,036,373.45	2,038,420,991.55
Construction in progress	VI. 12	106,849,800.03	104,895,578.36
Intangible assets	VI. 13	534,797,564.08	542,448,651.42
Development expenditure			
Goodwill	VI. 14	159,560,861.23	159,560,861.23
Long-term deferred and prepaid expenses	VI. 15	244,049,502.14	257,668,842.73
Deferred income tax assets	VI. 16	1,043,294,549.39	770,257,880.69
Other non-current assets			
<b>Total of non-current assets</b>		<b>11,405,079,495.28</b>	<b>11,188,291,354.42</b>
<b>Total of assets</b>		<b>140,954,002,966.06</b>	<b>134,040,446,989.65</b>

The annotation is a component of the financial report, and the following responsible persons sign this financial report:

Legal representative: Sun Chengming

Accounting supervisor: Wu Zhenqin

Manager of financial dept : Li Shifang

## Consolidated Balance Sheet (Continued)

June 30, 2014

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

Unit: RMB Yuan

Items	Notes	Amount at the end of the period	Amount at the beginning of the period
<b>Current liabilities:</b>			
Short-term loans	VI. 18	3,425,000,000.00	4,250,000,000.00
Notes payable	VI. 19	35,295,656.09	27,267,637.07
Accounts payable	VI. 20	13,416,765,194.17	12,010,832,454.50
Advances from customers	VI. 21	39,791,073,409.80	37,517,671,641.79
Remuneration payable to the employees	VI. 22	161,224,767.47	385,894,712.53
Taxes payable	VI. 23	1,239,845,236.36	1,464,425,877.10
Interest payable	VI. 24	136,828,081.81	152,361,058.07
Dividend payable	VI. 25	816,955,117.64	120,927,194.29
Other payables	VI. 26	9,379,109,531.87	9,014,047,482.53
Non-current liabilities falling due in a year	VI. 27	9,332,132,762.45	6,331,007,932.13
Other current liabilities	VI. 28	2,338,349,360.00	3,560,491,070.18
<b>Total current liabilities</b>		<b>80,072,579,117.66</b>	<b>74,834,927,060.19</b>
<b>Non-current liabilities:</b>			
Long-term loans	VI. 29	18,090,343,461.61	17,051,917,894.42
Bonds payable	VI. 30	3,032,838,307.20	3,003,382,977.23
Long-term payables	VI. 31	105,023,177.74	102,745,035.90
Accrued liabilities	VI. 32		10,473,360.10
Deferred income tax liabilities	VI. 16	93,864,160.28	108,596,697.05
Other non-current liabilities	VI. 33	11,236,760.00	11,236,760.00
<b>Total non-current liabilities</b>		<b>21,333,305,866.83</b>	<b>20,288,352,724.70</b>
<b>Total liabilities</b>		<b>101,405,884,984.49</b>	<b>95,123,279,784.89</b>
<b>Equity of the shareholders:</b>			
Capital stock	VI. 34	2,575,950,754.00	1,717,300,503.00
Capital surplus	VI. 35	7,613,842,349.28	8,447,048,826.56
Surplus reserve	VI. 36	1,133,515,392.99	1,133,515,392.99
Retained earnings	VI. 37	16,309,866,399.02	15,348,735,891.17
Foreign currency statement's conversion difference	VI. 38	78,901,353.52	78,901,353.52
<b>Total equity belonging to the shareholders of the parent company</b>		<b>27,712,076,248.81</b>	<b>26,725,501,967.24</b>
Equity of the minority shareholders	VI. 39	11,836,041,732.76	12,191,665,237.52
<b>Total shareholders' equity</b>		<b>39,548,117,981.57</b>	<b>38,917,167,204.76</b>
<b>Total of the liabilities and the shareholders' equity</b>		<b>140,954,002,966.06</b>	<b>134,040,446,989.65</b>

## Balance Sheet of the Parent Company

June 30, 2014

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

Unit: RMB Yuan

Items	Notes	Amount at the end of the period	Amount at the beginning of the period
<b>Current assets</b>			
Monetary capital		5,153,888,767.59	6,296,121,745.68
Payment in advance			193,000.00
Interest receivable		11,825,326.67	11,814,660.00
Dividend receivable		1,021,707,095.72	1,186,411,976.56
Other receivables	XIII. 1	28,927,303,913.13	28,619,556,967.65
Other current assets		3,268,037.26	
<b>Total of current assets</b>		<b>35,117,993,140.37</b>	<b>36,114,098,349.89</b>
<b>Non-current assets:</b>			
Long-term equity investment	XIII. 2	8,786,680,625.02	9,227,039,815.19
Fixed assets		1,255,576.27	1,548,967.06
<b>Total of non-current assets</b>		<b>8,787,936,201.29</b>	<b>9,228,588,782.25</b>
<b>Total of assets</b>		<b>43,905,929,341.66</b>	<b>45,342,687,132.14</b>

## Balance Sheet of the Parent Company (Continued)

June 30, 2014

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

Unit: RMB Yuan

Items	Notes	Amount at the end of the period	Amount at the beginning of the period
<b>Current liabilities:</b>			
Short-term loans		3,425,000,000.00	2,250,000,000.00
Account payable		191,878,894.81	-
Employee remuneration payable		1,696,369.50	9,010,550.63
Tax payable		33,404,294.44	4,569,810.63
Interest payable		34,315,450.25	90,378,579.30
Dividend payable		332,909,851.16	
Other payables		13,375,992,157.06	15,791,231,019.71
Other non-current liabilities falling due in one year		3,042,298,120.00	2,404,241,120.00
Other current liabilities			357,710.82
<b>Total of current liabilities</b>		<b>20,437,495,137.22</b>	<b>20,549,788,791.09</b>
<b>Non-current liabilities:</b>			
Long-term loan		7,185,897,640.00	7,633,824,285.00
<b>Total of non-current liabilities</b>		<b>7,185,897,640.00</b>	<b>7,633,824,285.00</b>
<b>Total of liabilities</b>		<b>27,623,392,777.22</b>	<b>28,183,613,076.09</b>
<b>Shareholders' equity:</b>			
Capital stock		2,575,950,754.00	1,717,300,503.00
Capital reserve		8,068,403,942.00	8,927,054,193.00
Surplus reserves		1,082,563,999.99	1,082,563,999.99
Undistributed profit		4,555,617,868.45	5,432,155,360.06
<b>Total of shareholders' equity</b>		<b>16,282,536,564.44</b>	<b>17,159,074,056.05</b>
<b>Total of liabilities and shareholders' equity</b>		<b>43,905,929,341.66</b>	<b>45,342,687,132.14</b>

## Consolidated Income Statement

January-June 2014

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

Unit: RMB Yuan

Items	Notes	Amount in this period	Amount in the same period of the previous year
<b>I. Total operating income</b>		<b>16,047,155,730.99</b>	<b>16,133,568,321.26</b>
In it: operating income	VI. 40	16,047,155,730.99	16,133,568,321.26
<b>II. Total operating cost</b>		<b>12,845,676,701.45</b>	<b>11,677,655,973.79</b>
In it: operating cost	VI. 40	10,391,068,273.47	8,692,511,279.89
Sales tax and addition	VI. 41	1,614,019,700.29	2,579,430,723.77
Sales expense	VI. 42	281,938,248.45	272,019,791.76
Management expense	VI. 43	231,659,798.70	232,711,486.01
Financial expenses	VI. 44	326,102,386.55	73,348,971.39
Asset impairment loss	VI. 45	888,293.99	-172,366,279.03
Plus: Fair value change income (Fill in with "-" for the loss)			
Investment income (Fill in with "-" for the loss)	VI. 46	143,318,415.51	282,179,758.93
In it: Income from the investment on the associated enterprises and cooperative enterprises	VI. 46	143,318,415.51	336,191,940.58
<b>III. Operating profit ("-" for loss)</b>		<b>3,344,797,445.05</b>	<b>4,738,092,106.40</b>
Plus: Non-operating income	VI. 47	35,496,879.63	11,774,703.28
Less: Non-operating expenditures	VI. 48	21,725,415.49	15,387,554.61
Incl. Loss from disposal of non-current assets		175,062.57	910,283.52
<b>IV. Total profit ("-" for total loss)</b>		<b>3,358,568,909.19</b>	<b>4,734,479,255.07</b>
Less: Income tax expenses	VI. 49	964,496,768.41	1,476,586,830.38
<b>V. Net profit (Fill in with "-" for net loss)</b>		<b>2,394,072,140.78</b>	<b>3,257,892,424.69</b>
Net profit belonging to the shareholders of the parent company		1,785,434,748.85	2,550,631,034.51
Profit and loss of minority shareholders		608,637,391.93	707,261,390.18
<b>VI. EPS:</b>			
(I) Basic EPS	VI. 50	0.69	0.99
(II) Diluted EPS	VI. 50	0.69	0.99
<b>VII. Other comprehensive income</b>			
<b>VIII. Sum of the comprehensive income</b>		<b>2,394,072,140.78</b>	<b>3,257,892,424.69</b>
Sum of comprehensive income belonging to the shareholders of the parent company		1,785,434,748.85	2,550,631,034.51
Sum of comprehensive income belonging to the minority shareholders		608,637,391.93	707,261,390.18

## Income Statement of the Parent Company

January-June 2014

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

Unit: RMB Yuan

Items	Notes	Amount in this period	Amount in the same period of the previous year
<b>I. Operating income</b>	XIII. 3	<b>500,000.00</b>	<b>11,080,000.00</b>
Less: operating cost	XIII. 3	1,057,252.16	1,016,316.92
Sales tax and addition		2,240,568.26	621,588.00
Sales expense			
Management expense		20,151,253.94	14,632,307.21
Financial expenses	XIII. 4	83,121,614.09	198,192,218.64
Asset impairment loss			
Plus: fair value change income (Fill in with “-” for the loss)			
Investment income (Fill in with “-” for the loss)	XIII. 5	53,839,437.84	-1,290,760.00
In it: income from the investment on the associated enterprises and cooperative enterprises		-359,190.17	-1,290,760.00
<b>II. Operating profit (Fill in with “-” for the loss)</b>		<b>-52,231,250.61</b>	<b>-204,673,190.77</b>
Plus: non-operating income			
Less: non-operating expenditure		2,000.00	9,163,879.51
In it: loss from the disposal of non-current assets			
<b>III. Total profit (“-“ for total loss)</b>		<b>-52,233,250.61</b>	<b>-213,837,070.28</b>
Less: income tax expenses			
<b>IV. Net profit (“-“ for net loss)</b>		<b>-52,233,250.61</b>	<b>-213,837,070.28</b>
<b>V. EPS:</b>			
(I) Basic EPS			
(II) Diluted EPS			
<b>VI. Other comprehensive income</b>			
<b>VII. Sum of comprehensive income</b>		<b>-52,233,250.61</b>	<b>-213,837,070.28</b>

## Consolidated Cash Flow Statement

January-June 2014

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

Unit: RMB  
Yuan

Items	Notes	Amount in this period	Amount in the same period of the previous year
<b>I. Cash flow generated in the operation activities:</b>			
Cash received for selling commodities and providing labor		18,355,477,590.23	18,624,153,525.45
Tax return received			15,808,867.22
Other cash related to the operation activities received	VI. 51	3,871,017,979.61	2,864,443,964.78
<b>Subtotal of operation activity cash inflow</b>		<b>22,226,495,569.84</b>	<b>21,504,406,357.45</b>
Cash paid for purchasing commodities and accepting labor		20,625,105,111.33	10,622,047,633.80
Cash paid to the employees and for the employees		854,694,963.32	674,059,496.16
All the taxes paid		5,455,155,348.46	4,126,788,176.01
Other cash related to the operation activities paid	VI. 51	2,623,864,543.85	7,357,016,282.05
<b>Subtotal of operation activity cash outflow</b>		<b>29,558,819,966.96</b>	<b>22,779,911,588.02</b>
<b>Net amount of the cash flow generated in the operation activities</b>		<b>-7,332,324,397.12</b>	<b>-1,275,505,230.57</b>
<b>II. Cash flow generated in the investment activities</b>			
Cash received for recovering the investment			80,123.00
Cash received for getting the investment income		20,548,073.61	311,302,240.31
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		46,854.00	65,240.00
Net cash received from disposing the subsidiary companies and other operation units			
Other cash related to the investment activities received			
<b>Subtotal of the investment activity cash inflow</b>		<b>20,594,927.61</b>	<b>311,447,603.31</b>
Cash paid for constructing the fixed assets, intangible assets and other long-term assets		27,602,326.34	27,118,359.78
Cash paid for investment		58,671,105.19	23,898,000.00
Net amount of the cash paid for getting the subsidiary companies and other operation units			
Other cash related to the investment activities paid	VI. 51		561,222,801.84
<b>Subtotal of investment activity cash outflow</b>		<b>86,273,431.53</b>	<b>612,239,161.62</b>
<b>Net cash flow generated in the investment activities</b>		<b>-65,678,503.92</b>	<b>-300,791,558.31</b>
<b>III. Cash flow generated by financing:</b>			
Cash received for absorbing the investment		52,690,666.19	116,206,306.58
In it: cash received by the subsidiary companies absorbing the investment of the minority shareholders		52,690,666.19	116,206,306.58
Cash received as borrowings		9,924,282,155.82	12,961,884,236.52
In it: net amount of the cash received for issuing bonds			
Other cash related to financing activities			



received			
<b>Subtotal of financing activity cash inflow</b>		<b>9,976,972,822.01</b>	<b>13,078,090,543.10</b>
Cash paid for repaying the debts		6,715,774,121.48	5,256,388,021.57
Cash paid for dividend,, profit or interest		1,522,713,038.14	1,064,263,544.64
In it: dividend and profit paid by the subsidiary companies to the minority shareholders		232,862,000.00	1,659,103.20
Other cash paid for financing activities		922,920.00	
<b>Subtotal of financing activities cash outflow</b>		<b>8,239,410,079.62</b>	<b>6,320,651,566.21</b>
<b>Net cash flow generated by financing</b>		<b>1,737,562,742.39</b>	<b>6,757,438,976.89</b>
<b>IV. Influence of exchange rate alternation on cash and cash equivalents</b>		<b>10,709,264.21</b>	<b>-17,869,715.20</b>
<b>V. Net increase amount of cash and cash equivalents</b>		<b>-5,649,730,894.44</b>	<b>5,163,272,472.81</b>
Plus: balance of the cash and cash equivalents at the beginning of the period	VI. 51	24,235,680,921.50	18,218,506,517.70
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	VI. 51	<b>18,585,950,027.06</b>	<b>23,381,778,990.51</b>

## Cash Flow Statement of the Parent Company

January-June 2014

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

Unit: RMB Yuan

Items	Notes	Amount in this period	Amount in the same period of the previous year
<b>I. Cash flow generated in the operation activities:</b>			
Cash received for selling commodities and providing labor		500,000.00	11,080,000.00
Tax return received			
Other cash related to the operation activities received		5,154,554,447.21	6,592,768,196.65
<b>Subtotal of operation activity cash inflow</b>		<b>5,155,054,447.21</b>	<b>6,603,848,196.65</b>
Cash paid for purchasing commodities and accepting labor			
Cash paid to the employees and for the employees		36,214,887.14	9,943,104.23
All the taxes paid		4,271,957.18	11,310,020.65
Other cash related to the operation activities paid		7,456,488,650.15	7,223,132,053.83
<b>Subtotal of operation activity cash outflow</b>		<b>7,496,975,494.47</b>	<b>7,244,385,178.71</b>
<b>Net amount of the cash flow generated in the operation activities</b>		<b>-2,341,921,047.26</b>	<b>-640,536,982.06</b>
<b>II. Cash flow generated in the investment activities</b>			
Cash received for recovering the investment			
Cash received for getting the investment income		216,213,570.06	2,410,780,300.87
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposing the subsidiary companies and other operation units			
Other cash related to the investment activities received			
<b>Subtotal of the investment activity cash inflow</b>		<b>216,213,570.06</b>	<b>2,410,780,300.87</b>
Cash paid for constructing the fixed assets, intangible assets and other long-term assets		20,880.00	1,344,750.00
Cash paid for investment		88,671,105.19	2,754,541,275.00

Net amount of the cash paid for getting the subsidiary companies and other operation units			
Other cash paid for financing activities			
<b>Subtotal of investment activity cash outflow</b>		<b>88,691,985.19</b>	<b>2,755,886,025.00</b>
<b>Net cash flow generated in the investment activities</b>		<b>127,521,584.87</b>	<b>-345,105,724.13</b>
<b>III. Cash flow generated by financing:</b>			
Cash received for absorbing the investment			
Cash received as borrowings		4,917,261,400.00	5,452,029,750.00
Other cash related to the financing activities received			
<b>Subtotal of financing activity cash inflow</b>		<b>4,917,261,400.00</b>	<b>5,452,029,750.00</b>
Cash paid for repaying the debts		3,158,976,000.00	2,616,571,500.00
Cash paid for dividend,, profit or interest		674,974,230.45	730,221,765.98
Other cash related to financing activities paid			
<b>Subtotal of financing activities cash outflow</b>		<b>3,833,950,230.45</b>	<b>3,346,793,265.98</b>
<b>Net amount of the cash flow generated by financing</b>		<b>1,083,311,169.55</b>	<b>2,105,236,484.02</b>
<b>IV. Influence of exchange rate alternation on cash and cash equivalents</b>		<b>-11,144,685.25</b>	<b>-308,166.21</b>
<b>V. Net increase amount of cash and cash equivalents</b>		<b>-1,142,232,978.09</b>	<b>1,119,285,611.62</b>
Plus: balance of the cash and cash equivalents at the beginning of the period	XIII. 6	6,296,121,745.68	5,277,807,877.29
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	XIII. 6	<b>5,153,888,767.59</b>	<b>6,397,093,488.91</b>

Consolidated Statement of Changes in Stockholders' Equity Accounts

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

Unit: RMB Yuan

Item	January-June 2014							
	Equity belonging to the shareholders of the parent company						Equity of the minority shareholders	Total of shareholders' equity
	Capital stock	Capital reserve	Less: treasury stock	Surplus reserves	Undistributed profit	Others		
<b>I. Balance at the end of the period of the previous year</b>	<b>1,717,300,503.00</b>	<b>8,447,048,826.56</b>		<b>1,133,515,392.99</b>	<b>15,348,735,891.17</b>	<b>78,901,353.52</b>	<b>12,191,665,237.52</b>	<b>38,917,167,204.76</b>
Plus: changes of accounting policies								
Error correction in the early stage								
Others								
<b>II. Balance at the beginning of this period</b>	<b>1,717,300,503.00</b>	<b>8,447,048,826.56</b>		<b>1,133,515,392.99</b>	<b>15,348,735,891.17</b>	<b>78,901,353.52</b>	<b>12,191,665,237.52</b>	<b>38,917,167,204.76</b>
<b>III. Increase and decrease amount in this period (Fill in with “-” for the decrease)</b>	<b>858,650,251.00</b>	<b>-833,206,477.28</b>			<b>961,130,507.85</b>		<b>-355,623,504.76</b>	<b>630,950,776.81</b>
(I) Net profit					1,785,434,748.85		608,637,391.93	2,394,072,140.78
(II) Other comprehensive income								
Subtotal of the above-mentioned (I) and (II)					1,785,434,748.85		608,637,391.93	2,394,072,140.78
(III) Capital input and reduced by the shareholders		25,443,773.72					27,246,892.46	52,690,666.18
1. Capital input by the shareholders							52,690,666.18	52,690,666.18
2. Amount paid by the shareholders and counted into the shareholders' equity								
3. Others		25,443,773.72					-25,443,773.72	
(IV) Profit distribution					-824,304,241.00		-991,507,789.15	-1,815,812,030.15
1. Drawn surplus reserves								
2. Drawn generic risk reserve								
3. Distributed to the shareholders					-824,304,241.00		-991,507,789.15	-1,815,812,030.15
4. Others								

(V) Internal carry-over of the shareholders' equity	858,650,251.00	-858,650,251.00						
1. Capital reserve transferred into the capital stock	858,650,251.00	-858,650,251.00						
2. Surplus reserves transferred into the capital stock								
3. Surplus reserves making up for the losses								
4. Others								
(VI) Special reserve								
1. Drawn in this period								
2. Used in this period								
(VII) Others								
<b>IV. Balance at the end of this period</b>	<b>2,575,950,754.00</b>	<b>7,613,842,349.28</b>		<b>1,133,515,392.99</b>	<b>16,309,866,399.02</b>	<b>78,901,353.52</b>	<b>11,836,041,732.76</b>	<b>39,548,117,981.57</b>

Consolidated Statement of Changes in Stockholders' Equity Accounts (Continued)

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

Unit: RMB Yuan

Item	Amount in the previous year							Equity of the minority shareholders	Total of the shareholders' equity
	Equity belonging to the shareholders of the parent company								
	Capital stock	Capital reserve	Less: treasury stock	Surplus reserves	Undistributed profit	Others			
<b>I. Balance at the end of the period of the previous year</b>	<b>1,717,300,503.00</b>	<b>8,386,926,298.12</b>		<b>1,027,780,997.90</b>	<b>12,173,100,556.73</b>	<b>88,407,178.38</b>	<b>6,045,763,466.00</b>	<b>29,439,279,000.13</b>	
Plus: changes of the accounting policies									
Error correction in the early stage									
Others									
<b>II. Balance at the beginning of the period of this</b>	<b>1,717,300,503.00</b>	<b>8,386,926,298.12</b>		<b>1,027,780,997.90</b>	<b>12,173,100,556.73</b>	<b>88,407,178.38</b>	<b>6,045,763,466.00</b>	<b>29,439,279,000.13</b>	
<b>III. Increase and decrease amount in this year(Fill in with “-“ for the decrease)</b>		<b>60,122,528.44</b>		<b>105,734,395.09</b>	<b>3,175,635,334.44</b>	<b>-9,505,824.86</b>	<b>6,145,901,771.52</b>	<b>9,477,888,204.63</b>	

(I) Net profit					4,202,152,074.18		1,306,162,091.88	5,508,314,166.06
(II) Other comprehensive income						-9,505,824.86	9,239,670.53	-266,154.33
Subtotal of the above-mentioned (I) and (II)					4,202,152,074.18	-9,505,824.86	1,315,401,762.41	5,508,048,011.73
(III) Capital input and reduced by the shareholders		60,122,528.44			-405,592,193.75		5,541,001,830.59	5,195,532,165.28
1. Capital input by the shareholders							5,161,250,375.40	5,161,250,375.40
2. Amount paid by the shareholders and counted into the shareholders' equity								
3. Others		60,122,528.44			-405,592,193.75		379,751,455.19	34,281,789.88
(IV) Profit distribution				105,734,395.09	-620,924,545.99		-260,618,848.32	-775,808,999.22
1. Drawn surplus reserves				105,734,395.09	-105,734,395.09			
2. Drawn generic risk reserve								
3. Distributed to the shareholders					-515,190,150.90		-260,618,848.32	-775,808,999.22
4. Others								
(V) Internal carry-over of the shareholders'								
1. Capital reserve transferred into the capital								
2. Surplus reserves transferred into the capital								
3. Surplus reserves making up for the losses								
4. Others								
(VI) Special reserve								
1. Drawn in this year								
2. Used in this year								
(VII) Others							-449,882,973.16	-449,882,973.16
<b>IV. Balance at the end of the period of this year</b>	<b>1,717,300,503.00</b>	<b>8,447,048,826.56</b>		<b>1,133,515,392.99</b>	<b>15,348,735,891.17</b>	<b>78,901,353.52</b>	<b>12,191,665,237.52</b>	<b>38,917,167,204.76</b>

### Statement of Changes in Stockholders' Equity Accounts of the Parent Company

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

Unit: RMB Yuan

Item	January-June 2014						
	Capital stock	Capital reserve	Less: treasury	Surplus reserves	Generic risk reserve	Undistributed profit	Total of the
<b>I. Balance at the end of the period of the previous year</b>	<b>1,717,300,503.00</b>	<b>8,927,054,193.00</b>		<b>1,082,563,999.99</b>		<b>5,432,155,360.06</b>	<b>17,159,074,056.05</b>
Plus: changes of the accounting policies							
Error correction in the early stage							
Others							
<b>II. Balance at the beginning of this period</b>	<b>1,717,300,503.00</b>	<b>8,927,054,193.00</b>		<b>1,082,563,999.99</b>		<b>5,432,155,360.06</b>	<b>17,159,074,056.05</b>
<b>III. Increase and decrease amount in this period (Fill in</b>	<b>858,650,251.00</b>	<b>-858,650,251.00</b>				<b>-876,537,491.61</b>	<b>-876,537,491.61</b>

(I) Net profit						-52,233,250.61	-52,233,250.61
(II) Other comprehensive income							
Subtotal of the above-mentioned (I) and (II)						-52,233,250.61	-52,233,250.61
(III) Capital input and reduced by the shareholders							
1. Capital input by the shareholders							
2. Amount paid by the shareholders and counted into the shareholders' equity							
3. Others							
(IV) Profit distribution						-824,304,241.00	-824,304,241.00
1. Drawn surplus reserves							
2. Drawn generic risk reserve							
3. Distributed to the shareholders						-824,304,241.00	-824,304,241.00
4. Others							
(V) Internal carry-over of the shareholders' equity	858,650,251.00	-858,650,251.00					
1. Capital reserve transferred into the capital stock	858,650,251.00	-858,650,251.00					
2. Surplus reserves transferred into the capital stock							
3. Surplus reserves making up for the losses							
4. Others							
(VI) Special reserve							
1. Drawn in this period							
2. Used in this period							
(VII) Others							
<b>IV. Balance at the end of this period</b>	<b>2,575,950,754.00</b>	<b>8,068,403,942.00</b>			<b>1,082,563,999.99</b>	<b>4,555,617,868.45</b>	<b>16,282,536,564.44</b>

Statement of Changes in Stockholders' Equity Accounts of the Parent Company (Continued)

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

Unit: RMB Yuan

Item	Amount in the previous year						Total of the shareholders' equity
	Capital stock	Capital reserve	Less: treasury stock	Surplus reserves	Generic risk reserve	Undistributed profit	
<b>I. Balance at the end of the period of the previous year</b>	<b>1,717,300,503.00</b>	<b>8,927,054,193.00</b>		<b>976,829,604.90</b>		<b>4,995,735,955.13</b>	<b>16,616,920,256.03</b>
Plus: changes of the accounting policies							
Error correction in the early stage							

Others							
<b>II. Balance at the beginning of the period in this year</b>	<b>1,717,300,503.00</b>	<b>8,927,054,193.00</b>		<b>976,829,604.90</b>		<b>4,995,735,955.13</b>	<b>16,616,920,256.03</b>
<b>III. Increase and decrease amount in this year(Fill in with “-“ for the decrease)</b>				<b>105,734,395.09</b>		<b>436,419,404.93</b>	<b>542,153,800.02</b>
(I) Net profit						1,057,343,950.92	1,057,343,950.92
(II) Other comprehensive income							
Subtotal of the above-mentioned (I) and (II)						1,057,343,950.92	1,057,343,950.92
(III) Capital input and reduced by the shareholders							
1. Capital input by the shareholders							
2. Amount paid by the shareholders and counted into the shareholders' equity							
3. Others							
(IV) Profit distribution				105,734,395.09		-620,924,545.99	-515,190,150.90
1. Drawn surplus reserves				105,734,395.09		-105,734,395.09	
2. Drawn generic risk reserve							
3. Distributed to the shareholders						-515,190,150.90	-515,190,150.90
4. Others							
(V) Internal carry-over of the shareholders' equity							
1. Capital reserve transferred into the capital stock							
2. Surplus reserves transferred into the capital stock							
3. Surplus reserves making up for the losses							
4. Others							
<b>IV. Balance at the end of the period of this year</b>	<b>1,717,300,503.00</b>	<b>8,927,054,193.00</b>		<b>1,082,563,999.99</b>		<b>5,432,155,360.06</b>	<b>17,159,074,056.05</b>





## **I. Basic condition of the Company**

China Merchants Property Development Co., Ltd. (the “Company”, or the “Group” when refers to the Company together with its subsidiaries), originally China Merchants Shekou Shareholding Co., Ltd., is a sino-foreign joint venture Co., Ltd. established by China Merchants Shekou Industrial Zone Co., Ltd. on the foundation of former Shekou China Merchants Port Service Co., Ltd., and it was established in Shenzhen, China in September 1990.

In February 1993, after the approval of Shen Fu Ban Fu (1993) No.358 document of Shenzhen People’s Government, the Company publicly issued 27,000,000 A shares to domestic investors in the mode of incorporation by stock floatation, and publicly issued 50,000,000 B shares to foreign investors, which increased the Company’s capital shares up to 210,000,000. The A shares and B shares issued by the Company were listed in Shenzhen Stock Exchange, China in June 1993.

In July 1995, some B shares of the Company were listed in Singapore Stock Exchange in the form of SDR (Singapore Depository Receipts).

In June 2004, the name of the Company was changed to “China Merchants Property Development Co., Ltd.”. After the previous dividend distribution and rights issues implemented from 1994 to 2004, up till December 31, 2004, the total number of shares of the Company had increased to 618,822,672.

On January 18, 2006, the related Shareholders’ Meeting of the Company examined and approved the A Share equity division Reform Scheme, i.e. for each 10 A tradable shares held by the holders of the tradable A shares of the Company, the holders of the tradable A shares got 2 A shares paid by the holders of the non-tradable shares and consideration of RMB 3.14 Yuan. After the Equity Division Reform Scheme was implemented, the total number of shares of the Company remained unchanged.

After the approval of Zheng Jian Fa Zi [2006] No.67 document of China Securities Regulatory Commission, the Company publicly issued 15,100,000 convertible company bonds adopting the mode of full-amount priority placement to the original A share holders and the original A share holders giving up some priced issuance to the institutional investors offline on August 30, 2006, and the face value of each convertible company bond is RMB 100 Yuan. This part of convertible company bonds were listed and traded in Shenzhen Stock Exchange since September 11, 2006, which was called “China Merchants convertible bonds” in brief, and the share transfer day is March 1, 2007.

On May 25, 2007, China Merchants convertible bonds stopped transaction and share transfer, and all the China Merchants convertible bonds not converted yet were redeemed by the Company. Up till then, altogether 15,093,841 convertible bonds of the Company (the face value of the bond was RMB

1,509,384,100 Yuan) were applied for share transfer, and altogether 115,307,691 shares increased by transferring. The remaining 6,159 convertible bonds (the face value of the bond was RMB 615,900 Yuan) were redeemed by the Company. Up till then, the number of shares of the Company increased to 734,130,363.

After the approval of Zheng Jian Fa Xing Zi [2007] No.299 document of China Securities Regulatory Commission, the Company non-publicly issued 110,736,639 shares to the shareholder of the Company China Merchants Shekou Industrial Zone Co., Ltd. on September 19, 2007. After this issuance, the total number of shares of the Company increased to 844,867,002.

On March 17, 2008, the Shareholders' Meeting 2007 of the Company approved the Profit Distribution and Capital Reserve Transferred to Paid-in Capital Scheme 2007, with total 844,867,002 shares on December 31, 2007 as the base number, gave 3 bonus shares for each 10 shares, and at the same time, for each 10 shares, transferred 2 shares with capital reserve. After giving shares and the transfer, the total number of shares of the Company increased to 1,267,300,503.

After the approval of Zheng Jian Xu Ke [2008] No.989 document of China Securities Regulatory Commission, the Company publicly issued 450,000,000 shares to the original A share holders on November 26, 2008. Among them, the shareholder of the Company China Merchants Shekou Industrial Zone Co., Ltd. subscribed 279,349,288 shares. After this issuance, the total number of shares of the Company increased to 1,717,300,503.

On April 14, 2014, the Shareholders' Meeting 2013 of the Company approved the Profit Distribution and Capital Reserve Transferred to Paid-in Capital Scheme 2013, with the total equity of 1,717,300,503 shares at the end of 2013 as the base number, for each 10 shares, transferred 5 common shares with capital reserve. Altogether 858,650,251 shares were transferred, and after the transfer, the total equity increased to 2,575,950,754 shares.

Up till June 30, 2014, the total equity of the Company was 2,575,950,754 shares. Among them, 1,337,445,559 shares are under restriction for sale, accounting for 51.92% of the total equity, and 1,238,505,195 non-restricted shares, accounting for 48.08% of the total equity.

The Company is in the property development industry, and the Group mainly engages in property development and operation, public utility (power supply) and property management.

The shareholder of the Company is China Merchants Shekou Industrial Zone Co., Ltd., and the final controller is China Merchants Group Co., Ltd. The Shareholders' Meeting is the top authority of the Company, which legally exercises the resolution power for the major matters of the Company such as operation guideline, financing, investment and profit distribution etc. The Board of Directors is responsible

for the Shareholders' Meeting, and legally exercises the operation decision-making power of the Company. The manager level is responsible for implementing the resolutions of the Shareholders' Meeting and the Board of Directors, and hosts the production operation management work of the enterprise.

## **II. Main Accounting Policies, Estimations and Basis Preparation of the Consolidated Financial Statements**

### **1. Foundation of compiling the financial statements**

The financial statements of the Group are compiled with the continuous operation as the foundation, in accordance with the actually taking place transactions and matters, pursuant to the *Accounting Standards for Business Enterprises* released by the Ministry of Finance and the related provisions, and based on the accounting policies and accounting estimations stated by this Annotation "Method of Compiling the Major Accounting Policies, Accounting Estimations and Consolidated Financial Statements".

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

The financial statements compiled by the Group meet the requirements of the Accounting Standards for Business Enterprises, it truly and completely reflects the related information of the Group such as the financial condition, operation achievements and cash flow etc.

### **3. Accounting period**

The accounting period of the Group is January 1 to December 31 Gregorian calendar.

### **4. Recording currency**

The recording currency of the Group is RMB.

### **5. Accrual basis and pricing principle**

The financial accounting of the Group has accrual system as the accrual basis, and except the transactional financial assets and financial assets available for sale etc. are measured with fair value, the historic cost is used as the pricing principle.

### **6. Enterprise merger**

Enterprise merger refers to the transaction or matter of merging two or over two single enterprises into one reporting entity. The Group confirms the assets and liabilities obtained due to enterprise merger on the merger day or the purchase day, and the merger day or purchase day is the day when actually obtaining the control power over the merged party or the purchased party.

For the enterprise merger under the same control, the assets and liabilities obtained by the merging party in the enterprise merger are measured by the book value at the merged party on the merger day. For the difference between the net assets book value obtained and the merger consideration book value paid, adjust the capital reserve. If the capital reserve is not sufficient to offset, adjust the retained income.

For the enterprise merger under the non-same control, the merger cost is the fair value of the assets paid by the Group on the purchase day in order to get the control power over the purchased party, taking place or born liabilities and the issued equity securities. The difference between the merger cost and the fair value share of the identifiable net assets of the purchased party obtained in the merger (the former is bigger than the latter) is confirmed as goodwill. The difference between the merger cost and the fair value share of the identifiable net assets of the purchased party obtained in the merger (the former is smaller than the latter) is counted into the current profit and loss after review and confirmation.

## 7. Method of compiling the consolidated financial statements

### (1) Principle of determining the consolidation scope

The Group brings the subsidiary companies owning the actual control power and the special purpose entity into the scope of consolidated financial statements.

### (2) Accounting method adopted by the consolidated financial statements

The consolidated financial statements of the Group are compiled according to the *Accounting Standards for Business Enterprises No.33—Consolidated Financial Statements* and the related provisions, and during the consolidation, all the major internal transactions and correspondences within the consolidation scope have been offset. The part not owned by the parent company in the shareholders' equity of the subsidiary companies is singly listed under the shareholders' equity item in the consolidated financial statements as the minority shareholders' equity.

The accounting policy or accounting period adopted by the subsidiary companies and that adopted by the Company are inconsistent. When compiling the consolidated financial statements, conduct necessary adjustment on the financial statements of the subsidiary companies according to the accounting policy or accounting period of the Company.

For the subsidiary companies obtained through enterprise merger under the non-same control, when compiling the consolidated financial statements, the individual financial statements are adjusted with the fair value of the identifiable net assets on the purchase day as the foundation. For the subsidiary companies obtained through enterprise merger under the same control, it is regarded as the enterprise already existed at the beginning of the year of the merger, and its assets, liabilities, operation achievement and cash flow are

brought into the consolidated financial statements by their original book value from the beginning of the year of the merger.

#### 8. Cash and cash equivalents

The cash in the cash flow statement of the Group refers to the cash on hand and the deposit that can be used for payment at any time. The cash equivalents in the cash flow statement refer to the investment that has a holding period not exceeding three months, has strong liquidity, is easy to be exchanged to the cash of the known amount and has very small value change risk.

#### 9. Foreign currency business

The foreign currency transaction is the conversion adopting the exchange rate similar to the spot exchange rate on the transaction taking place day during initial recognition, and the exchange rate similar to the spot exchange rate on the transaction taking place day is calculated and determined by the spot exchange rate at the beginning of the transaction taking place month.

On the balance sheet day, the foreign currency monetary items are converted into RMB adopting the spot exchange rate of the balance sheet day. The balance of exchange generated from the difference between the spot exchange rate of the day and the spot exchange rate during the initial recognition or of the previous balance sheet day is counted into the current profit and loss except: the balance of exchange of the foreign currency special loan meeting the capitalization conditions is capitalized and counted into the cost of the related assets during the capitalization; (2) In order to avoid the foreign exchange risks, the balance of exchange of the hedging tool for hedging is processed according to the hedging accounting method. (3) The balance of exchange generated from the foreign currency nonmonetary items available for sale (such as stock) and the balance of exchange generated from the other book balance excluding the amortized cost of the monetary items available for sale are confirmed as other comprehensive income and counted into the capital reserve.

The foreign currency nonmonetary items measured with historic cost are still measured with the recording currency amount converted with the spot exchange rate of the transaction taking place day. The foreign currency nonmonetary items measured with fair value are converted adopting the spot exchange rate of the fair value determination day. The difference between the recording currency amount after the conversion and the original recording currency amount is processed as fair value change (including the exchange rate change) and counted into the current profit and loss or confirmed as other comprehensive income and counted into the capital reserve.

## 10. Financial assets and financial liabilities

### (1) Financial assets

#### 1) Classification of financial assets

According to the investment purpose and the economic nature, the Group classifies the financial assets owned into four categories: financial assets measured with fair value and the changes of which are counted into the current profit and loss, held-to-maturity investment, loan and receivables, and financial assets available for sale.

The financial assets measured with fair value and the changes of which are counted into the current profit and loss refer to the financial assets of which the main purpose is sale in a short period of time, which are listed as transactional financial assets in the balance sheet.

Held-to-maturity investment refers to the non-derivative financial assets with fixed due date, fixed or fixable recovery amount and for which the management has the clear intention and ability to hold till maturity.

Loan and receivables refer to the non-derivative financial assets that have no quote in the active market and have fixed or fixable recovery amount, including notes receivable, accounts receivable, interest receivable, dividend receivable and other receivables etc.

The financial assets available for sale include the non-derivative financial assets and the financial assets not divided into the other categories that are appointed as available for sale during the initial recognition.

#### 2) Confirmation and measurement of financial assets

The financial assets are confirmed in the balance sheet by the fair value when the Group becomes a party of the financial tool contract. The related transactional expenses of the financial assets measured by the fair value and with their changes counted into the current profit and loss taking place when getting them are counted into the current profit and loss, and the related transactional expenses of the other financial assets are counted into the initial recognition amount.

The financial assets measured by their fair value and with their changes counted into the current profit and loss and the financial assets available for sale are subsequently measured. The effective interest method is adopted for the loan and receivables and held-to-maturity investment, and they are listed by amortized cost.

The fair value changes of the financial assets measured by fair value and with their changes counted

into the current profit and loss are counted into the fair value flexible loss and profit. The interests or cash dividends got during the assets holding period are confirmed as investment income. When handling, the difference between the fair value and the initial account-entering amount is confirmed as investment profit and loss, and at the same time, the fair value flexible loss and profit is adjusted.

Except the impairment loss and the profit or loss on exchange formed by the foreign currency monetary financial assets, the fair value changes of the financial assets available for sale are directly counted into the shareholders' equity. When the confirmation is terminated for the financial assets, the accumulative amount of the fair value changes originally directly counted into the equity is transferred into the current profit and loss. The interest calculated by the effective interest method during the holding period of the available-for-sale liability tool investment, as well as the cash dividend announced to be distributed by the invested unit and related to the available-for-sale equity tool investment are counted into the current profit and loss as the investment income.

### 3) Impairment of the financial assets

Except the financial assets measured by the fair value and with their changes counted into the current profit and loss, the Group examines the book value of the other financial assets on the balance sheet day. If there are objective evidences showing that certain financial assets have impairment, count and draw the provision for impairment.

The objective evidences for the impairment of the financial assets include the following matters that can be observed:

- ① The issuer or the debtor has serious financial difficulties.
- ② The debtor violates the contract articles, such as breach of contract or being overdue etc. for repaying the interest or the principal.
- ③ The Group makes concession for the debtor with financial difficulties with the consideration of the economic or legal factors.
- ④ The debtor will very possibly collapse or conduct other financial restructuring.
- ⑤ The financial assets cannot be traded on in the active market because the issuing party has significant financial difficulties.
- ⑥ It is impossible to identify if the cash flow of an asset in a group of financial assets has decreased, however, after conducting overall evaluation on it according to the publicized data, the estimated future cash flow of the group of financial assets has really decreased and can be measured after the initial recognition, including: 1) The payment capability of the debtor of the group of financial assets has gradually deteriorated. 2) The condition that may cause it impossible to pay for the group of financial assets arises in the economy of the country or area where the debtor is located.

⑦ The technology, market, economy or legal environment etc. of the operation of the equity instrument issuing party have significant adverse changes, making it impossible for the equity instrument investor to recover the investment cost.

⑧ The fair value of equity instrument investment has serious or other-than-temporary fall.

⑨ Other objective evidences showing that the financial assets have impairment.

When the financial assets measured with amortized cost have the provision for impairment counted and drawn by the difference between the estimated future cash flow (not including the not-yet-taking place future credit loss) and the book value (the former is lower than the latter). If there are objective evidences showing that the value of the financial assets is already recovered and is related to the matters arising after the loss is confirmed objectively, the confirmed impairment loss is transferred back and counted into the current profit and loss.

When the financial assets available for sale have impairment, the accumulative loss originally directly counted into the shareholders' equity and formed due to the fall of the fair value is transferred out and counted into the impairment loss. For the available-for-sale debt instrument investment with the impairment loss confirmed, if the fair value rises and is objectively related to the matters arising after the original impairment loss confirmed after the period, the originally confirmed impairment loss is transferred back and counted into the current profit and loss. For the available-for-sale equity instrument investment with the impairment loss confirmed, the fair value rises and is directly counted into the shareholders' equity after the period.

#### Transfer of the financial assets

If the financial assets meet one of the following conditions, they are derecognized: ① The right of the contract collecting the cash flow of the financial assets is terminated. ② The financial assets are already transferred, and the Group transfers almost all the risks and remuneration on the ownership of the financial assets to the transfer-in party. ③ The financial assets were already transferred, although the Group did not transfer and did not reserve almost all the risks and remuneration on the ownership of the financial assets, it gives up the control on the financial assets.

If the enterprise did not transfer, did not reserve almost all the risks and remuneration on the ownership of the financial assets, and did not give up the control on the financial assets, the related financial assets are confirmed according to the degree of it continuing to get involved with the transferred financial assets, and the related liabilities are confirmed correspondingly. The degree of continuing to get involved with the transferred financial assets refers to the level of risks that the enterprise faces due to the value changes of the financial assets.

If the overall transfer of the financial assets meets the derecognition conditions, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer



and the accumulative amount of the fair value changes originally counted into the other comprehensive income is counted into the current profit and loss.

If partial transfer of the financial assets meets the derecognition conditions, share the overall book value of the transferred financial assets between the derecognized part and the part not derecognized according to their respective comparative fair value, and count the difference between the sum of the consideration received due to the transfer and the accumulative amount of the fair value changes that shall be apportioned till the derecognized part and originally counted into the other comprehensive income and the aforementioned book amount apportioned into the current profit and loss.

## (2) Financial liabilities

The financial liabilities of the Group are classified into the financial liabilities measured by the fair value and of which the changes are counted into the current profit and loss during the initial recognition and other financial liabilities.

The financial liabilities measured by the fair value and of which the changes are counted into the current profit and loss include the transactional financial liabilities and the financial liabilities appointed to be measured by the fair value and of which the changes are counted into the current profit and loss during the initial recognition, and subsequent measurement is conducted by the fair value. The profit or loss formed by the fair value changes and the dividend and interest expenditures related to the financial liabilities are counted into the current profit and loss.

Effective interest method is adopted for the other financial liabilities, and subsequent measurement is conducted by the amortized cost.

When all or part of the current obligations of the financial liabilities is already discharged, derecognize the discharged part of the financial liabilities or obligations. The difference between the book value of the derecognized part and the paid consideration is counted into the current profit and loss.

## (3) Method of determining the fair value of the financial assets and financial 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 for 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 not 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 after the latest transaction day, the fair value shall be decided by adjusting of 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 the fair value, it could be adjusted appropriately and recognized as the fair value of the financial asset or liability.

2) When there is not any active market for a financial instrument, its fair value shall be decided 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 reserves for the receivables

The Group has the following conditions as the standards to determine the bad debt loss of the receivables: The debtor unit's production is stopped and it is unable to relay the debt within the foreseeable time due to backout, bankruptcy, insolvency, serious shortage of cash flow, and serious natural disasters etc. The debtor unit is overdue for implementing the debt repayment obligation for over 3 years. There are other unambiguous evidences showing that recovery is impossible or the possibility is small.

Adopt the allowance method to check the bad debt loss that may arise, conduct impairment test singly or by portfolio at the end of the period, count and draw the bad debt provision and count into the current profit and loss. The receivables that the unambiguous evidences show that it is really impossible to recover are regarded as bad debt loss after the approval of the Group according to the prescribed procedures and offset the drawn bad debt provision.

##### (1) Receivables with significant single amount and with single counted and drawn bad debt provision

Judgement basis or amount standard for significant single amount	The receivables with single amount exceeding RMB 5 million Yuan is regarded as significant receivables
The counting and drawing method for significant single amount and single counted and drawn bad debt provision	The Group singly conducts impairment test on the receivables with significant single amount, and singly tests the receivables without impairment, including conducting impairment test in the receivable portfolio with similar credit risk characteristics. The receivables with impairment loss confirmed in the single test no longer include conducting impairment test in the receivable portfolio with similar credit risk characteristics.

##### (2) Receivables with single amount not significant but with single counted and drawn bad debt provision

Cause for single counted and drawn bad debt provision	The Group singly conducts impairment test on the receivables with single amount not significant but with evidences showing that the contract cash flow may not be recovered, and singly tests the receivables
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	without impairment, including conducting impairment test on the receivable portfolio with similar credit risk characteristics. The receivables with impairment loss confirmed in the single test no longer include conducting impairment test in the receivable portfolio with similar credit risk characteristics.
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### (3) Receivables with counted and drawn bad debt provision by portfolio

Basis for determining the portfolio	
Portfolio 1	This portfolio is divided according to the credit risk characteristics of the debtor unit, which is mainly the receivables without impairment after single test (including the receivables with single amount significant from the related party of the Group, government departments and the cooperative party, petty cash and deposit etc.), and the possibility for this category of money to have bad debt loss is very small.
Portfolio 2	This portfolio is the receivables except portfolio 1 and the receivables with single counted and drawn bad debt provision, and the Group counted and drawn bad debt provision for the receivables of this portfolio by aging of accounts combining the historic experiences.
Counting and drawing method of counted and drawn bad debt provision by portfolio	
Portfolio 1	Bad debt provision not counted and drawn
Portfolio 2	Aging of accounts

(4) The counted and drawn proportions of bad debt provision of the receivables adopting aging of accounts are as follows

Aging	Counted and drawn proportion of the accounts receivable (%)	Counted and drawn proportion of 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

The inventories of the Group mainly include property development products, raw materials, commodity stocks, low-value consumption goods and others.

Property development products are mainly property in progress development products (including the land planned to develop), completed development products (including the rented property for sale), etc. The actual cost of the property development products includes land-transferring fees, infrastructure supporting expenditure, construction and installation work expenditure, loan expenses arising before the development project is completed and other related expenses in the development process. When the property development products are sent out, individual pricing is adopted to determine their actual cost.

Construction contracts are measured at actual costs, including related direct and indirect expenses occurred from signing to completion of the contract. The accumulative cost that has arisen, accumulative confirmed gross profit (loss) and the settled money of the contract for the construction in process are listed as the net amount after the offset in the balance sheet. The sum of the accumulative cost that has arisen and the accumulative confirmed gross profit (loss) and the part exceeding the settled money of the contract for the construction in process are listed as inventories. The sum of the part of the settled money exceeding the accumulative cost that has arisen and the accumulative confirmed gross profit (loss) of the contract for the construction in process is listed as the account collected in advance.

The travelling expense and tender submission fee etc. arising in order to enter into the construction contract are counted into the contract cost when getting the contract if they can be singly distinguished, measured reliably and it is very possible to enter into the contract. If the above-mentioned conditions are not met, they are counted into the current profit and loss.

The low-value consumption goods and other inventories are amortized adopting one-time resale method.

The inventories at the end of the period are accounted depending on which is lower between the cost and the net realizable value.. When the net realizable value of the property development product is lower than the cost, the inventory price fall provision shall be counted and drawn. net realizable value refers to the amount of the estimated sales price less thee estimated completion cost, the estimated sales expenses and the tax in the normal production and operation process. When determining the net realizable value of the inventories, the unambiguous evidences obtained are used as the foundation, and at the same time, the purpose of holding the inventories and the impact of the matters after the balance sheet day are considered.

After counting and drawing the inventory price fall provision, if the previous influencing factors writing down the inventory value have disappeared, the written down amount shall be recovered and transferred

back within the amount of the originally counted and drawn inventory price fall provision. The amount transferred back is counted into the current profit and loss.

### 13. Long-term equity investment

Long-term equity investments are those share equities of the entities on which the Group is holding substantial control power, common control, or major influences.

Control refers to the investor owns right to investee, can acquire variable returns through participating in investee's related activities and has power to use the right in order to impact on its return.

Joint control refers to the common control on certain economic activity according to the contract stipulations. The basis for determining the joint control is: any one cooperative party cannot singly control the production and operation activities of the cooperative enterprise, and the decisions involving the basic operation activities of the cooperative enterprise need the unanimous consent of all the cooperative parties etc.

Significant impact refers to having the power to participate in the decision-making of the financial and operation policies of the invested unit, but cannot control or jointly control with the other parties the making of these policies. The basis for determining the significant impact is mainly the Group owning over 20% (including 20%) but lower than 50% voting shares of the invested unit directly or indirectly through the subsidiary companies. If there are clear evidences showing that it cannot participate in the decision-making of the production and operation of the invested unit under such condition, significant impact cannot be formed.

For the long-term equity investment obtained through the enterprise merger under the same control, the share of the book value of the owner of the merged party obtained on the merger day is used as the investment cost of the long-term equity investment. For the long-term equity investment obtained through the enterprise merger under the non-same control, the assets paid out, liabilities that have arisen or been born and the fair value of the issued equity securities for getting the control power on the merged (purchased) party on the merger (purchase) day are used as the merger cost.

Besides the long-term equity investment obtained through enterprise merger, for the long-term equity investment obtained through paying cash, the purchase price actually paid is used as the investment cost. For the long-term equity investment obtained through issuing equity securities, the fair value of the equity securities issued is used as the investment cost. For the long-term equity investment input by the investors, the value in accordance with the investment contract or the agreement stipulations is used as the investment cost. For the long-term equity investment obtained through debt restructuring and exchange of nonmonetary assets etc., the investment cost is determined according to the provisions of the related accounting standards.

The Group adopts the cost method to check for the investment on the subsidiary companies, and conducts adjustment by the equity method when compiling the consolidated financial statements. The Group adopts equity method to check for the investment on the cooperative enterprise and associated enterprise.

When adopting the cost method to check, the long-term equity investment is priced by the initial investment cost, and the cost of the long-term equity investment is adjusted when adding or recovering the investment. When adopting the equity method to check, the current investment profit and loss is the share of the net profit and loss realized by the invested unit in the year that shall be enjoyed or shall be shared. When confirming the share of the net profit and loss of the invested unit that shall be enjoyed, the part belonging to the investing enterprise is calculated according to the shareholding proportion with the fair value of all the identifiable assets etc. of the invested unit when getting the investment as the foundation, in accordance with the accounting policies and accounting period of the Group, and with the internal transaction profit and loss arising between the Group and the associated enterprise and the cooperative enterprise offset, and confirmation is conducted after adjusting the net profit of the invested unit. For the long-term equity investment on the associated enterprise and cooperative enterprise already held before the first implementation day, if there is debit difference of equity investment related to the investment, the investment gain/loss shall be recognized after deducting of debit differences of the equity investment amortized to the retained period straightly.

The Group changes to adopt the cost method to check for the long-term equity investment that no longer has joint control or significant impact on the invested unit due to investment reduction etc., has no quote in the active market, and the fair value of which cannot be measured reliably. The Group also changes to adopt the cost method to check for the long-term equity investment that can implement control on the invested unit due to adding investment etc. The Group changes to adopt the equity method to check for the long-term equity investment that can implement joint control or significant impact on the invested unit but does not constitute control due to adding investment etc. or no longer has control but can implement joint control or significant impact on the invested unit due to dispose investment etc.

When handling the long-term equity investment, the difference between the book value and the money actually obtained is counted into the current investment income. For the long-term equity investment checked adopting the equity method, if the other changes of the owner's equity except the net profit and loss of the invested unit are counted into the owner's equity, when handling the investment, the part originally counted into the owner's equity is transferred into the current investment income according to the corresponding proportion.

#### 14. Investment property

The investment property of the Group includes the rented land use right, the land use right held and planned to transfer after value adding, rented buildings, and the buildings held and planned to be rented in

the future.

For the investment property of the Group, the cost is used as the account entering value. The cost of the outsourcing investment property includes the purchase price, the related taxes, and other expenditures directly belonging to the asset. The cost of self-built investment property consists of the necessary expenditures arising before the asset reaches the estimated usable status.

The Group adopt cost mode to conduct subsequent measurement on the investment property, and adopt composite life method to count and draw depreciation or amortization according to its estimated service life and net ratio of remaining value. The estimated service life, net ratio of remaining value and annual depreciation (amortization) rate of the investment property are as follows:

Asset category	Asset category subdivision	Depreciation life	Net salvage	Yearly depreciation(%)
Rental land and land use right	—	Remaining service life	0%	Calculated and determined according to the depreciation life
Housing and buildings	Steel structure	30 years or the use right term, whichever is lower	5%	≥3.17
	Reinforced concrete structure	25 years or the use right term, whichever is lower	5%	≥3.8
	Masonry-concrete structure	20 years or the use right term, whichever is lower	5%	≥4.75

When the purpose of the investment property is changed to self-use, since the day of the change, the investment property is changed to fixed asset or intangible asset. When the purpose of the self-use property is changed to earning rent or capital value adding, since the day of the change, the fixed asset or intangible asset is changed to investment property. During the change, the book value before the change is used as the account entering value after the change.

When the investment property is disposed, or permanently exits use and it is estimated that it is impossible to get economic interest from the disposal, derecognize the investment property. The amount of the disposal income of selling, transferring, scrapping or breaking the investment property after deducting its book value and the related taxes is counted into the current profit and loss.

## 15. Fixed assets

The fixed assets of the Group refer to the tangible assets that have the following characteristics at the same time: produce commodities, provide labor, held for rental or operation management, the service life

exceed one year.

The fixed assets include housing and buildings, machinery equipment, transportation equipment, office equipment and others, and the cost when getting them is used as the value of account entry. The cost of the outsourced fixed assets includes the purchase price and related taxes such as the import duty etc., as well as the other expenditures directly belonging to the assets before making the fixed assets reach their estimated usable status. The cost of the self-built fixed assets consists of the necessary expenditures before the assets reach the estimated usable status. For the fixed assets input by the investors, the value stipulated by the investment contract or agreement is used as the account entry value. However, if the value stipulated by the contract or agreement is not fair, the fair value is used to enter the account. For fixed assets obtained in term of finance lease, shall be booked at the lower one of the fair value of the leased asset at the day of leasing and the lowest rental payment.

The subsequent expenditures related to the fixed assets include repair expenditures and update reconstruction expenditures etc. Those meeting the fixed assets confirmation conditions are counted into the cost of the fixed assets. For the replaced part, derecognize its book value. Those not meeting the fixed assets confirmation conditions are counted into the current profit and loss when arising.

Except the fixed assets already fully depreciated and used on, the Group counts and draws the depreciation for all the fixed assets. When counting and drawing depreciation, composite life method is adopted, and they are counted into the cost of current expenses of the related assets respectively according to their purposes. The classified depreciation life, estimated net ratio of remaining value and depreciation rate of the fixed assets of the Group are as follows:

Asset category	Asset category subdivision	Depreciation life	Net salvage	Yearly depreciation (%)
Workshop	Steel structure	30 years or the use right term, whichever is lower	5%	≥3.17
	Reinforced concrete structure	25 years or the use right term, whichever is lower	5%	≥3.8
	Masonry-concrete structure	20 years or the use right term, whichever is lower	5%	≥4.75
Business and residence housing	Steel structure	30 years or the use right term, whichever is lower	5%	≥3.17
	Reinforced concrete structure	25 years or the use right term, whichever is lower	5%	≥3.8
	Masonry-concrete structure	20 years or the use right term, whichever is lower	5%	≥4.75
Machinery	—	5-20 years	5%	4.75-19



equipment				
Vehicles	Passenger car	5 years	5%	19
	Production vehicle	5-8 years	5%	11.88-19
	Vehicle accessory equipment	5 years	5%	19
Instrument	—	5 years	5%	19
Office supplies	—	5 years	5%	19
Informatization equipment	Optical cable	20 years	5%	4.75
	Computer equipment	3-5 years	5%	19-31.67
	Network equipment	5-10 years	5%	9.5-19
	Safety equipment	3 years	5%	31.67
	Terminal equipment	3 years	5%	31.67
	Storage equipment	5 years	5%	19
	Input and output equipment	3 years	5%	31.67
	Computer room auxiliary equipment	5-8 years	5%	11.88-19
	Video conference system equipment	3 years	5%	31.67
	Others	3-5 years	5%	19-31.67
Furniture and household appliances	—	5 years	5%	19
Others	—	5-10 years	5%	9.5-19

The Group rechecks the estimated service life, estimated net salvage and depreciation method of the fixed assets at the end of each year, and if changes arise, they will be treated as accounting estimation changes and handled.

When disposing the fixed assets cannot generate economic interest or it is estimated that economic interest cannot be generated through using or disposing the fixed assets, derecognize the fixed assets. The amount of the disposal income of selling, transferring, scrapping or breaking the fixed assets after deducting their book value and the related taxes is counted into the current profit and loss.

## 16. Construction in progress

The construction in progress is measured by the actually taking place cost. The self-run construction project is measured by the direct materials, direct salary and direct construction fee etc. The out-contracted construction project is measured by the payable project cost etc. The engineering cost of equipment installation project is determined by the value of the installed equipment, installation expenses and expenditures that have arisen for the project test run etc. The cost of construction in progress also includes the capitalized borrowing costs and profit or loss on exchange.

For the construction in progress, after the day when reaching the predetermined usable status, according to the construction budget, construction cost or project actual cost etc., the fixed assets or other long-term assets are carried over by the estimated value. Depreciation shall begin in the very next month. After handling the completion final settlement procedures, adjust the original value difference of the fixed assets.

## 17. Borrowing costs

The borrowing costs include the interest on borrowings, amortization of discount or premium, auxiliary expenses and balance of exchange arising due to foreign currency loans etc. The assets directly belonging to those meeting the capitalization conditions or the borrowing costs for production start to be capitalized when the assets expenditure has arisen, the borrowing costs have arisen and construction or production activities necessary for making the assets reaching the usable or sellable status have started. When the construction or the assets with the production meet the capitalization conditions reaches the estimated usable or sellable status, stop capitalization. The remaining borrowing costs are confirmed as expenses during the period when they arise.

The assets meeting the capitalization conditions refer to the assets such as fixed assets, investment property and inventories etc. that can only reach the estimated usable or sellable status after the construction or production activities of a long period of time (usually refers to over 1 year).

In the property development projects, the construction or production activities necessary for making the assets reach the usable or sellable status refer to getting the land use right of property development, and starting the project construction engineering (such as the pile foundation engineering or other material construction activities). The assets reaching the estimated usable or sellable status refer to the property projects getting the project completion inspection and acceptance record keeping receipt.

The amount of the interest expenses that actually arises in the current period of the special borrowing is capitalized after deducting the interest income got through depositing the unused loan into the bank or the investment income got through temporary investment. For the general loan, the capitalization amount is determined by the assets expenditure weighted average of the part of the accumulative assets expenditure

exceeding the special loan multiplied by the capitalization rate of the occupied general loan. The capitalization rate is calculated and determined according to the weighted average interest rate of general loan.

If the assets meeting the capitalization conditions have abnormal interruption in the construction or production process and the interruption time continuously exceed three months, suspend the capitalization of the borrowing costs, till the construction or production activities of the assets start again.

#### 18. Intangible assets

The intangible assets of the Group include the land use right and software etc. got for constructing the self-use property. The land use right got for daily operation activities is checked as inventory. The intangible assets are measured by the actual cost when getting them. For the purchased intangible assets, the actually paid price and the related other expenditures are used as the actual cost. For the intangible assets input by the investors, the actual cost is determined by the value stipulated by the investment contract or agreement. However, if the value stipulated by the contract or agreement is not fair, the actual cost is determined by the fair value.

From the transfer start day, the land use right is amortized in average according to its transfer term. The software and other intangible assets are amortized in average by phase according to the estimated service life, income life prescribed by the contract, or the effective life prescribed by the law, whichever is the shortest. The amortization amount is counted into the related assets cost and current profit and loss by its benefit object.

The estimated service life and amortization method of the intangible assets with limited service life are reviewed at the end of each year. If changes arise, they are handled as accounting estimation changes. In each accounting period, review the estimated service life of the intangible assets with their service life uncertain. If there are evidences showing that the service life of the intangible assets is limited, estimate its service life and amortize within its estimated service life.

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

The Group examines the long-term equity investment, fixed assets, construction in progress and the intangible assets with limited service life etc. on each balance sheet day. When there are the following signs, it shows that the assets may have impairment, and the Group will conduct impairment test. For the intangible assets with their goodwill and service life uncertain, no matter there are impairment signs or not, conduct impairment test at the end of each year. If it is difficult to test the recoverable amount of the single assets, test with the asset group or asset group portfolio of the assets as the foundation.

After the impairment test, if the book value of the assets exceeds its recoverable amount, the difference is confirmed as impairment loss. Once the impairment loss of the above-mentioned assets is determined, it can not be transferred back during the later accounting period. The recoverable amount of the assets refers to the net amount of the fair value less the disposal expense or the present value of the estimated future cash flow of the assets, whichever is higher.

The signs of impairment are as follows:

(1) The market price of the assets falls greatly in the current period, and the range is obviously higher than the estimated fall due to time lapse or normal use.

(2) The economic, technical or legal environment etc. of the enterprise operation and the market of the assets have significant changes in the current period or in the recent period, thus generating adverse impact on the enterprise.

(3) The market interest rate or the investment rate of return of the other markets has risen in the current period, thus influencing the enterprise calculating the discount rate of the present value of the estimated future cash flow of the assets, causing great fall of the recoverable amount of the assets.

(4) There are evidences showing that the assets are already old and out of date or its entity is already damaged.

(5) The assets are already or will be idle, terminate use or plan to dispose in advance.

(6) The evidences of the enterprise internal report show that the economic performance of the assets is already lower or will be lower than the expectation, for example, the net cash flow created by the assets or the operating profit (or loss) realized is far lower (or higher) than the estimated amount etc.

(7) There are other signs showing that the assets may already have impairment.

## 20. Goodwill

Goodwill is the difference between the equity investment cost or the enterprise merger cost under the non-same control and the share of the fair value of the identifiable net assets of the invested unit or purchased party on the getting day or purchase day that shall be enjoyed or got in the enterprise merger (the former is bigger than the latter).

The goodwill related to the subsidiary company is singly listed on the consolidated financial statement, and the goodwill related to the associated enterprise and cooperative enterprise is included in the book value of long-term equity investment.

## 21. Long-term deferred and prepaid expenses

The long-term deferred and prepaid expenses of the Group refer to the expenses with the amortization duration over one year (not including one year) that has been listed but shall be born in the current period and in the later periods, and such expenses are amortized in average within the period of benefit. If the items of the long-term deferred and prepaid expenses cannot make the later accounting period benefited, all the amortization value of the items not amortized is transferred into the current profit and loss.

## 22. Remuneration of the employees

The Group confirms the payable remuneration of the employees as liabilities during the accounting period when the employees provide service, and count it into the related assets cost and expenses by the benefit object of the employees providing service. The compensation offered due to terminating the labor relationship with the employees is counted into the current profit and loss.

The remuneration of the employees mainly includes the expenditures related to the service provided by the employees such as salary, bonus, subsidy, employee welfare expenses, social insurance expenses, housing fund, labor union expenses and employee education expenses etc.

If it is decided to terminate the labor relationship with the employees before the employee labor contract is due, or the suggestion of offering compensation is brought forward in order to encourage the employees to voluntarily accept the reduction, the Group has made formal the labor relationship termination plan or brought forward the voluntary reduction suggestion and will implement, and at the same time, the Group cannot unilaterally withdraw the termination of the labor relationship plan or reduction suggestion, the estimated liabilities generated due to terminating the labor relationship with the employees and offering compensation are counted into the current profit and loss.

## 23. Equity instrument

Equity instrument refers to the contract that can prove owning the remaining equity in the assets of the Group after deducting all the liabilities. The transaction expenses that have arisen in the merging party issuing the equity instrument in the enterprise merger offset the premium income of the equity instrument. If they are insufficient to offset, written down the retained income. For the remaining equity instrument, for the consideration received during then issuance, after deducting the transaction expenses, add the shareholders' equity. The consideration paid for buying back the self-equity instrument and the transaction expenses reduce the shareholders' equity. When issuing, buying back, selling or canceling the equity instrument, the profit and loss are not confirmed.

All kinds of distributions of the Group for the holding party of the equity instrument (not including the

stock dividend) reduce the shareholders' equity. The Group does not confirm the change amount of the fair value of the equity instrument.

#### 24. Estimated liabilities

When the businesses related to the contingencies such as external guarantee, trade acceptance discount, pending action or arbitration etc. meet the following conditions at the same time, the Group confirm them as liabilities: The obligation is the current obligation born by the Group. The implementation of the obligation may very possibly cause the economic interest flowing out of the enterprise. The amount of the obligation can be measured reliably.

Initial measurement is conducted for the estimated liabilities according to the best estimate of the expenditures needed for implementing the related current obligations, and the factors such as risks, uncertainties and currency time value etc. related to the contingencies are considered comprehensively. If the impact of the currency time value is significant, the best estimate is determined after discounting the related future cash outflow. On each balance sheet day, the book value of the estimated liabilities is reviewed, and if there are changes, adjust the book value to reflect the current best estimate.

#### 25. Revenue recognition principle

(1) Revenue recognition principles: business revenues of the Group mainly includes property development product sales revenue, rental income, property management fee income, public utility (power supply) income and construction contract income, and the revenue recognition principles are as follows:

1) The revenue is recognized when the property development products meet the following conditions:

A. The buying party and the selling party sign contract and have record kept at the land ministry.

B. The property development products are completed and accepted qualified.

C. The Company receives all the housing purchase money of the client or get the right to collect all the housing purchase money (such as the written commitment letter of the bank agreeing to distribute the mortgage money).

D. When the housing delivering procedures are handled or it is regarded as the client accepts according to the conditions stipulated in the housing purchase contract.

2) Rental income: For the rental income of investment property, the rent stipulated in the contract or agreement in the periods of the lease term is confirmed as rental income by the straight-line method.

3) Public utility income: When the power supply service is already provided, the economic interest related to the power supply service can flow into the enterprise, and the related income and cost can be measured reliably, realization of the public utility income is confirmed.

4) Property management fee income: When the property management service is already provided, the economic interest related to the property management service can flow into the enterprise, and the related income and cost can be measured reliably, realization of the property management income is confirmed.

## 26. Construction contract

When the contract total income can be measured reliably, the economic interest related to the contract may very possibly flow into the Group, the actually arising contract cost can be clearly distinguished and reliably measured, and the contract completion progress and the cost that needs to arise for completing the contract can be reliably determined, the Group confirms the contract income and contract expenses by the completion percentage method on the balance sheet day. When adopting the completion percentage method, the contract completion progress is determined according to the proportion of the contract cost that has actually arisen accounting for in the contract estimated total cost.

When the result of the construction contract cannot be reliably estimated, if the contract cost can be recovered, the contract income is confirmed according to the actual contract cost that can be recovered, and the contract cost is confirmed as expense in the period when it arises. If the contract cost cannot be recovered, it shall be immediately confirmed as expense when arising, and the income is not confirmed.

The Group examines the construction contract at the end of the period, if the estimated total cost of the construction contract exceeds the estimated total income of the contract, draws loss provision, and confirm the estimated loss as the current expense.

## 27. Government subsidy

Government subsidy refers to the Group getting monetary assets or nonmonetary assets from the government for free.

The government subsidy is confirmed when the Group can meet the attached conditions and can receive.

If the government subsidy is monetary assets, measure by the actually received amount. For the subsidy allocated according to fixed quota standard, or when there are unambiguous evidences at the end of the period showing that it meets the related conditions prescribed by the financial support policies and it is estimated that the financial support capital can be received, measure by the amount that shall be received. If

the government subsidy is nonmonetary assets, measure by the fair value. If the fair value cannot be obtained reliably, measure by the notional amount (RMB 1 Yuan).

The government subsidy of the Group is divided into government subsidy related to the assets and government subsidy related to the income. The government subsidy related to the assets refers to the government subsidy got by the Group and used for constructing or forming in other modes the long-term assets. The government subsidy related to income refers to the government subsidy except the government subsidy related to the assets. If the subsidy object is not clearly prescribed in the government documents, the Group judges according to the above-mentioned principle.

The government subsidy related to the assets is confirmed as deferred income and averagely distributed and counted into the current profit and loss within the service life of the related assets. The government subsidy related to income and used for compensating the related expenses or losses during the later periods is confirmed as deferred income and counted into current profit and loss in the period when confirming the related expenses. The government subsidy used for compensating the related expenses or losses that have arisen is directly counted into current profit and loss.

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

The deferred income tax assets and deferred income tax liabilities of the Group are calculated and confirmed according to the difference (temporary difference) between the tax base of the assets and liabilities and their book value. For the deductible loss and tax reduction that can reduce the taxable income in the later years according to the provisions of the tax law, the Group does not confirm the corresponding deferred income tax assets. For the temporary difference generated due to prepaid tax, the Group does not confirm the corresponding deferred income tax liabilities uniformly. On the balance sheet day, the deferred income tax assets and deferred income tax liabilities are measured by the applicable tax rate when taking back the assets or paying off the liabilities.

The Group confirms the deferred income tax assets generated from the deductible temporary difference with the taxable income that may very possibly be got and used to deduct the deductible temporary difference as the limit. For the confirmed deferred income tax assets, when it is estimated that it is very possible that sufficient taxable income cannot be got to deduct the deferred income tax assets in the future period, the book value of the deferred income tax assets shall be written down. When it is very possible to get sufficient taxable income, the written-down amount is transferred back.

#### 29. Lease

The Group divides rental into financing lease and operating lease on the rental start day.



Financing lease refers to the lease substantially transferring all the risks and remuneration related to the ownership of the assets. When the Group is the lessee, on the lease start day, the Group takes the fair value of the leased assets and the present value of the lowest rental payment amount on the lease start day, whichever is lower, as the account entering value of the financing rent-in fixed assets, takes the lowest rental payment amount as the account entering value of the long-term account payable, and records the difference between the two as unconfirmed financing expense.

Operating lease refers to the other leases except the financing lease. The rent of the Group as the lessee is counted into the related assets cost or current profit and loss in the periods in the lease term by the straight-line method, and the rent of the Group as the lessor is confirmed as income in the periods in the lease term by the straight-line method.

### 30. Financial accounting of the income tax

Debt method based on balance sheet is adopted for the financial accounting of the income tax. The income tax expense includes the income tax of the year and deferred income tax. Besides counting the income tax of the year and deferred income tax related to the transactions and matters directly counted into the shareholders' equity into the shareholders' equity, as well as the book value of the adjustment goodwill of the deferred income tax generated in the enterprise merger, the remaining income tax of the year and deferred income tax expense or income is counted into the current profit and loss.

income tax of the year refers to the amount calculated and determined according to tax provisions that the enterprise shall pay to the tax department for the transactions and matters arising in the year, i.e. the income tax payable. Deferred income tax refers to the difference between the amount that shall be available at the end of the year of the deferred income tax assets and deferred income tax liabilities that shall be confirmed according to the debt method based on balance sheet and the originally confirmed amount.

### 31. Division information

The Group determines the operation divisions with the internal organization structure, management requirements and internal report system as the basis, and determines the report divisions with the operation divisions as the foundation. The operation division refers to the component that meets the following conditions at the same time: The component can generate income and expenditure incurred in the daily activities. The Company management can periodically evaluate the operation achievement of the components, so as to decide to allocate resources to it and evaluate its achievements. The Company can get the related accounting information such as the financial condition, operation achievements and cash flow etc. of the components.

The transfer price between the divisions is determined with reference to the market price, and the joint

expenses are allocated between the different divisions according to the income proportions except the part that cannot be reasonably allocated.

### 32. Accounting arrangement method of financial assets transfer and non-financial assets securitization businesses

If there is transfer of financial assets, judge according to the transfer condition of almost all the risks and remuneration on the related financial assets ownership. If they are all transferred, derecognize the corresponding financial assets. If there is no transfer and almost all the risks and remuneration on the related financial assets ownership are reserved, do not derecognize. If there is no transfer and almost all the risks and remuneration on the related financial assets ownership are not reserved, decide if derecognizing according to the degree of involving the control over the financial assets. If the control over the financial assets is given up, derecognize the financial assets. If the control over the financial assets is not given up, confirm the related financial assets according to the degree of continuing to get involved with the financial assets and confirm the related liabilities correspondingly. If the financial assets meet the overall derecognition, transfer the difference between the consideration received and the corresponding book value and count it into the current profit and loss. The accumulative change amount of the fair value of the related financial assets originally directly counted into the owner's equity is also transferred into the current profit and loss. If it meets partial transfer derecognition conditions, apportion the book value involving the overall of the transferred financial assets according to their respective comparative fair values between the derecognized part and the underecognized part. With the book value after the apportionment as the foundation, handle the part of the overall transfer to the partial transfer. If it does not meet the derecognition conditions, confirm the consideration received as a financial liability.

### 33. Explanations on the important accounting estimation

When compiling the financial statements, the management of the Group needs to utilize estimations and assumptions, which will generate impact on the application of the accounting policies and the amounts of assets, liabilities, income and expenses. The actual conditions may be different from these estimations. The management of the Group conducts continuous evaluation on the judgment on the key assumptions and uncertain factors that the estimations involve. The impact of the changes of the accounting estimations is confirmed in the period of change and future period.

There are important risks that will cause significant adjustment of the book value of the assets and liabilities in the future period in the following accounting estimations and key assumptions.

#### (1) Impairment of receivables

The Group measures the receivables by the amortized cost on the balance sheet day, so as to evaluate if

there is impairment condition, and evaluates the specific amount of the impairment loss when there is the impairment condition. The objective evidences of impairment include the interpretable data showing grate fall in the estimated future cash flow of the individual or portfolio receivables, and the interpretable data showing significant negatives in the financial condition of the debtor in the individual or portfolio receivables. If there are evidences showing that the value of the receivable price is already recovered, and it is related to the matters arising after confirming the loss objectively, transfer back the originally confirmed impairment loss.

#### (2) Inventory impairment provision

The Group periodically estimates the net realizable value of the inventories, and confirms inventory price fall loss for the difference between the inventory cost and the net realizable value (the former is higher than the latter). When evaluating the net realizable value of the inventories, the Group confirms with the amount of the estimated sales price with the estimated completion cost, the estimated sales expense and the taxes. When the actual sales price or cost expense is different from the previous estimation, the management will conduct corresponding adjustment on the net realizable value. Therefore, the result of estimating according to the existing experiences may be different from the later actual result, and the adjustment on the book value of the inventories in the balance sheet may be caused. Therefore, the amount of inventory price fall preparation may change along with the above-mentioned cause. The adjustment on the inventory price fall preparation will influence the profit and loss of the estimated change period.

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

The Group conducts impairment test on the goodwill each year. The recoverable amount of the asset group and asset group portfolio containing goodwill is the present value of the estimated future cash flow, and its calculation needs to adopt accounting estimation.

If the management revises the gross profit rate adopted in the calculation of the future cash flow of the asset group and asset group portfolio, and the gross profit rate after the revision is lower than the gross profit rate adopted at present, the Group needs to add counted and drawn impairment provision for the goodwill.

If the management revises the pre-tax discount rate applied for the cash flow discount again, and the pre-tax discount rate after the revision is higher than the discount rate adopted at present, the Group needs to add counted and drawn impairment provision for the goodwill.

If the actual gross profit rate or pre-tax discount rate is higher or lower than the estimation of the management, the Group cannot transfer back the originally counted and drawn goodwill impairment loss.

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

The Group conducts impairment test on the fixed assets such as housing and buildings and machinery equipment etc. with impairment signs on the balance sheet day. The recoverable amount of the fixed assets is the present value of the estimated future cash flow or the fair value of the assets less the disposal expenses, whichever is higher, and its calculation needs to adopt accounting estimation.

If the management revises the gross profit rate adopted in the calculation of the future cash flow of the asset group and asset group portfolio, and the gross profit rate after the revision is lower than the gross profit rate adopted at present, the Group needs to add counted and drawn impairment provision for the fixed assets.

If the management revises the pre-tax discount rate applied for the cash flow discount again, and the pre-tax discount rate after the revision is higher than the discount rate adopted at present, the Group needs to add counted and drawn impairment provision for the fixed assets.

If the actual gross profit rate or pre-tax discount rate is higher or lower than the estimation of the management, the Group cannot transfer back the originally counted and drawn fixed assets impairment provision.

#### (5) Accounting estimation for the confirmation of the deferred income tax assets

Estimation of the deferred income tax assets needs estimating the taxable income and the applicable tax rate in the future years, and the realization of the deferred income tax assets is determined by if the Group may very possibly get sufficient taxable income. The changes of the future tax rate and the transfer-back time of the temporary difference also may influence the income tax expense (income) and the balance of the deferred income tax. The changes of the above-mentioned estimation may cause the important adjustment on the deferred income tax.

#### (6) Service life of the fixed assets and intangible assets

The Group reviews the estimated service life of the fixed assets and intangible assets at least at the end of each year. The estimated service life is determined by the management based on the historic experiences of the similar assets, with reference to the estimations commonly applied in the industry and combining the estimated technologies. When the previous estimation has significant changes, the depreciation expense and amortization expense in the future period are adjusted correspondingly.

### **III. Changes of the accounting policies and the accounting estimations**

1. In this report period, the Group did not have the changes of the accounting policies.
2. In this report period, changes of the accounting estimations and their impact in this report period

In the implementation of the accounting estimations of the depreciation and amortization of the original fixed assets and investment property, the Company had the conditions of too broad selection of the depreciation life and estimated ratio of remaining value of the same category of assets caused by too extensive division of the assets categories, and the accounting estimations not conforming to the actual condition caused by big difference between the depreciation life and ratio of remaining value of the same categories of assets confirmed by the companies. In order to make the assets depreciation disposal nearer to the actual assets use condition, the accounting estimation on changing the depreciation of fixed assets and amortization of investment property was approved on the 11<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors of the Company on March 14, 2014 and was approved by the resolution of the 15<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Supervisors of the Company.

Condition of the change of the accounting estimation on the depreciation and amortization of the fixed assets and investment property this time:

#### 1. Accounting estimation for the fixed assets

Asset category	Asset category subdivision	After the change		Before the change	
		Depreciation life	Net salvage	Depreciation life	Net salvage
Workshop	Steel structure	30 years or the use right term, whichever is lower	5%	10-50 years	5%-10%
	Reinforced concrete structure	25 years or the use right term, whichever is lower	5%	10-50 years	5%-10%
	Masonry-concrete structure	20 years or the use right term, whichever is lower	5%	10-50 years	5%-10%
Business and residence housing	Steel structure	30 years or the use right term, whichever is lower	5%	10-50 years	5%-10%
	Reinforced concrete structure	25 years or the use right term, whichever is lower	5%	10-50 years	5%-10%
	Masonry-concrete structure	20 years or the use right term, whichever is lower	5%	10-50 years	5%-10%
Machinery equipment	—	5-20 years	5%	10-20 years	5%-10%
Vehicles	Passenger car	5 years	5%	5-10 years	5%
	Production vehicle	5-8 years	5%	5-10 years	5%
	Vehicle accessory equipment	5 years	5%	5-10 years	5%
Instruments	—	5 years	5%	5-10 years	5%
Office supplies	—	5 years	5%	5-10 years	5%

Informatization equipment	Optical cable	20 years	5%	5-10 years	5%
	Computer equipment	3-5 years	5%	5-10 years	5%
	Network equipment	5-10 years	5%	5-10 years	5%
	Safety equipment	3 years	5%	5-10 years	5%
	Terminal equipment	3 years	5%	5-10 years	5%
	Storage equipment	5 years	5%	5-10 years	5%
	Input and output equipment	3 years	5%	5-10 years	5%
	Computer room auxiliary equipment	5-8 years	5%	5-10 years	5%
	Video conference system equipment	3 years	5%	5-10 years	5%
	Others	3-5 years	5%	5-10 years	5%
Furniture and household appliances	—	5 years	5%	5-10 years	5%
Others	—	5-10 years	5%	5-10 years	5%

## 2. Accounting estimation for the investment property

Asset category	Asset category subdivision	After the change		Before the change	
		Depreciation life	Net salvage	Depreciation life	Net salvage
Rental land and land use right	—	Remaining service life	0%	Remaining service life	0%
Housing and buildings	Steel structure	30 years or the use right term, whichever is lower	5%	20 years	10%
	Reinforced concrete structure	25 years or the use right term, whichever is lower	5%	20 years	10%
	Masonry-concrete structure	20 years or the use right term, whichever is lower	5%	20 years	10%

This change of the accounting estimation on the depreciation and amortization of the fixed assets and investment property is implemented as of the day when the Board of Directors approves, causing an increase of RMB 3.28 million Yuan of the depreciation and amortization counted and drawn in this report period compared to before the change.

#### IV. Tax

Tax category	Taxation basis	Tax rate
Corporate income tax	Taxable income	Note 1
Business tax	Property sales income, property rental income etc.	5%
VAT	Commodity sales income <sup>Note2</sup>	17%
	Commodity sales income, power supply income <sup>Note2</sup>	17%
Land VAT	Property sales income — with project amount deducted	By ultra progressive tax rate 30%-60%
Deed tax	Acceptance amount of the land use right and the housing	3%
Property tax	70% of the original value of the housing or the rent income <sup>Note3</sup>	1.2% or 12%
City maintenance and construction tax	Business tax (or paid VAT)	1%-7%
Education fee addition	Business tax (or paid VAT)	3%

Note 1: According to the *Tax Regulations* of Hong Kong, the income tax rate for the Hong Kong subsidiary companies of the Company is 16.5%, and the income tax rate applicable to the Company and the other subsidiary companies is 25%.

Note 2: The VAT amount is the balance of the substituted money on VAT with the deductible input tax deducted, and the substituted money on VAT is calculated by the sales income amount and corresponding tax rate prescribed by the related tax laws.

Note 3: For the fixed assets housing and rental property of the Group, the property tax is paid by 70% original value of the book assets or the rental income multiplied by the prescribed tax rate. For the newly built housing, after record keeping in the tax authority, property tax is exempted within three years.

## V. Enterprise merger and consolidated financial statements

### (I) Subsidiary companies

Company name	Company type	Registration place	Business nature	Registered capital (RMB 0,000 Yuan)	Scope of business	Actual capital contribution amount at the end of the period (RMB 0,000 Yuan)	Other item balance substantially constitutes the net investment on the subsidiary company	Share holding proportion (%)	Voting power proportion (%)	Consolidated statement or not	Equity of the minority shareholders at the end of the period	Amount used for offsetting the profit and loss of the minority shareholders in the equity of the minority shareholders
<b>Subsidiary companies got through enterprise merger under the same control</b>												
Ruijia Investment Industrial Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD 160,000	Investment	130,132.45		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Zhangzhou) Co., Ltd.	Limited liability company	Zhangzhou	Property	RMB 45,000	Property development and commercial housing sales	22,950.00		51.00	60.00	Yes	320,149,190.88	
Zhangzhou China Merchants Property Management Co., Ltd.	Limited liability company	Zhangzhou	Property management	RMB 50	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	50.00		100.00	100.00	Yes	Not applicable	Not applicable
Zhangzhou China Merchants Honglong Property Co., Ltd.	Limited liability company	Zhangzhou	Property	RMB 4,000	Property development and commercial housing sales	4,132.72		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Shenzhen) Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 300,000	Property development and commercial housing sales	355,147.40		100.00	100.00	Yes	Not applicable	Not applicable



Company name	Company type	Registration place	Business nature	Registered capital (RMB 0,000 Yuan)	Scope of business	Actual capital contribution amount at the end of the period (RMB 0,000 Yuan)	Other item balance substantially constitutes the net investment on the subsidiary company	Share holding proportion (%)	Voting power proportion (%)	Consolidated statement or not	Equity of the minority shareholders at the end of the period	Amount used for offsetting the profit and loss of the minority shareholders in the equity of the minority shareholders
Shekou Xinghua Industrial Co., Ltd.	Limited liability company	Shenzhen	Property	HKD 4,742	Engage in the development and operation of Shekou T105-0114 section, rental and management of own property	3384.98		65.07	55.56	Yes	42,770,405.86	
Shenzhen China Merchants Power Supply Co., Ltd.	Limited liability company	Shenzhen	Power supply	RMB 5,700	Power supply and power sales	11,979.12		100.00	100.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Electric Energy Metrological Verification Co., Ltd.	Limited liability company	Shenzhen	Metrological verification	RMB 150	Special metrological verification items developed after the authorization of Shenzhen Quality and Technical Supervision (can only operate after getting the authorization of the technical supervision department)	150.00		100.00	100.00	Yes	Not applicable	Not applicable

China Merchants Property Management Co., Ltd.	Limited liability company	Shenzhen	Property management	RMB 2,500	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	3,646.06		100.00	100.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Property Management Co., Ltd.	Limited liability company	Shenzhen	Property management	RMB 1,120	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	1,765.96		100.00	100.00	Yes	Not applicable	Not applicable
Shekou Zhaofa Property Co., Ltd.	Limited liability company	Shenzhen	Property management	RMB 3,600	Engage in the development of Shekou SKN401 section, build the business residence and the ancillary facility	3,600.00		100.00	100.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Qile Property Management Co., Ltd.	Limited liability company	Shenzhen	Property management	RMB 200	Own property management	120.00		60.00	66.67	Yes	-1,791,110.23	3,537,807.32

**Subsidiary companies got through enterprise merger under the non same control**

China Merchants Land Co., Ltd.	Limited liability company	Cayman Islands	Investment	HKD 30,000	Investment holding	486,999.35		74.35	54.55	Yes	2,078,785,979.45	
Huaxian Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD 1	Investment	0.81		100.00	100.00	Yes	Not applicable	Not applicable
Chuangjinli Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD 1	Investment	0.81		100.00	100.00	Yes	Not applicable	Not applicable
Tianjin Guojun Investment Co., Ltd.	Limited liability company	Tianjin	Property	RMB 10,000	Property development	30,055.00		100.00	100.00	Yes	Not applicable	Not applicable
Tianjin China Merchants Taida Investment Co., Ltd.	Limited liability	Tianjin	Property	RMB 30,000	Invest on the property industry with own funds	18,000.00		60.00	60.00	Yes	81,777,806.16	38,222,193.83

	company											
Tianjin Zhaojiang Investment Co., Ltd.	Limited liability company	Tianjin	Property	RMB 3,000	Invest on the property, hi-tech, construction, and garden greening industries with own funds	2,303.38		77.00	80.00	Yes	6,738,385.48	161,614.53
Harbin China Merchants Jiatian Property Development Co., Ltd. <sup>Note 1</sup>	Limited liability company	Harbin	Property	RMB 5,000	Property development, property management, housing agent, indoor decoration, invest on business and the education industry, housing rental	8,025.00		50.00	50.00	Yes	8,741,752.72	26,629,407.30
Harbin Yinkai Property Development Co., Ltd.	Limited liability company	Harbin	Property	RMB 2,000	Property development	1,700.00		85.00	60.00	Yes	40,169,934.95	275,258.34
Qingdao Zhongrunde Automobile Trade Co., Ltd.	Limited liability company	Qingdao	Property	RMB 2,640	Property development and commercial housing sales	18,373.18		51.00	60,000	Yes	150,247,144.08	31,740,185.52
Shanghai China Merchants Fengrui Property Co., Ltd.	Limited liability company	Shanghai	Property	RMB 1,000	Property development, indoor decoration service, sales of building materials	1,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Shanghai Fengyang Property Development Co., Ltd.	Limited liability company	Shanghai	Property	RMB 3,000	Property development and commercial housing sales	35,325.00		60.00	60.00	Yes	225,474,257.83	
Yunnan China Merchants Chengou Property Co., Ltd.	Limited liability company	Kunming	Property	RMB 1,000	Property development and operation, sales of commercial housing, housing rental, decoration and repair, property broker-agent, property management	600.00		60.00	60.00	Yes	-12,974,019.99	16,974,019.99
Foshan Kaidacheng Investment Development Co., Ltd.	Limited liability company	Foshan	Property	RMB 1,000	Property development	10,510.00		51.00	60.00	Yes	88,026,068.28	13,123,658.13

Shenzhen Haitao Hotel Co., Ltd.	Limited liability company	Shenzhen	Hotel service	RMB 600	Engage in the hotel consultation service and train all kinds of hotel employees, operate the guest room, Chinese and western restaurants, laundry, entertainment and retail section	1,228.68		100.00	100.00	Yes	Not applicable	Not applicable
Shenzhen Vanke Binhai Property Co., Ltd. <sup>Note 1</sup>	Limited liability company	Shenzhen	Property	RMB 100,000	Engage in property development and operation on the block with legal land use right	50,050.00		50.00	60.00	Yes	525,075,226.67	
Shenzhen Meiyue Property Consulting Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 100	Property development	11,992.62		100.00	100.00	Yes	Not applicable	Not applicable
Shenzhen China Merchants Runde Property Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 1000	Property development and operation, property broker, setup industry	11,755.00		51.00	60.00	Yes	130,903,395.64	2,889,688.85
Guanhuagang Trade (Shenzhen) Co., Ltd.	Limited liability company	Shenzhen	Trade	RMB 100	Electronic products such as TV, sound equipment, set top box and DVD player etc., electric materials and tube stock	100.00		100.00	100.00	Yes	Not applicable	Not applicable

**Subsidiary companies got through other modes**

Trinity Limited	Limited liability company	British Virgin Islands	Investment	USD 0.0002	Investment	0.001		100.00	100.00	Yes	Not applicable	Not applicable
Juyang Co., Ltd.	Limited liability company	British Virgin Islands	Investment	USD 0.0002	Investment	0.001		100.00	100.00	Yes	Not applicable	Not applicable
Huihao Co., Ltd.	Limited liability company	British Virgin Islands	Investment	USD 0.0002	Investment	0.001		100.00	100.00	Yes	Not applicable	Not applicable

Huiyu Co.,Ltd	Limited liability company	British Virgin Islands	Investment	USD0.0002	Investment	0.001		100.00	100.00	Yes	Not applicable	Not applicable
Zengian Co.,Ltd	Limited liability company	British Virgin Islands	Investment	USD0.0002	Investment	0.001		100.00	100.00	Yes	Not applicable	Not applicable
Yinrong Co.,Ltd <sup>Note1</sup>	Limited liability company	British Virgin Islands	Investment	USD0.01	Investment	256,159.46		50.00	60.00	Yes	2,575,182,370.16	2,003,239.17
Huiju Co.,Ltd	Limited liability company	British Virgin Islands	Investment	USD0.0002	Investment	126,767.90		100.00	100.00	Yes	Not applicable	Not applicable
Jingji Co.,Ltd	Limited liability company	British Virgin Islands	Investment	USD0.01	Investment	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Chaocheng International Co., Ltd.	Limited liability company	British Virgin Islands	Investment	USD0.01	Investment	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Guangyu Co.,Ltd	Limited liability company	British Virgin Islands	Investment	USD5	Investment	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Weirong Co.,Ltd <sup>Note2</sup>	Limited liability company	British Virgin Islands	Holding company service	USD5	Holding company service	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Jiali Co.,Ltd <sup>Note2</sup>	Limited liability company	British Virgin Islands	Holding company service	USD5	Holding company service	0.06		100.00	100.00	Yes	Not applicable	Not applicable

Biyuan Co.,Ltd. <sup>Noe2</sup>	Limited liability company	British Virgin Islands	Holding company service	USD5	Holding company service	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Yingze Development Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD1	Investment	0.85		100.00	100.00	Yes	Not applicable	Not applicable
Levi Co., Ltd.	Limited liability company	Hong Kong	Investment	USD0.01	Investment	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Yungao Co., Ltd.	Limited liability company	Hong Kong	Investment	USD0.01	Investment	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Jumbo Pacific Holding Limited	Limited liability company	Hong Kong	Investment	USD0.0001	Investment	0.0006		100.00	100.00	Yes	Not applicable	Not applicable
Union Bloom Limited	Limited liability company	Hong Kong	Investment	USD0.01	Investment	0.03		51.00	50.00	Yes	-5,158,155.65	6,692.69
Vast Joint Limited	Limited liability company	Hong Kong	Investment	USD0.01	Investment	0.03		51.00	50.00	Yes	-21,226.52	6,706.02
China Merchants Property Management (Hong Kong) Co., Ltd.	Limited liability company	Hong Kong	Property management	HKD1	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	1.10		100.00	100.00	Yes	Not applicable	Not applicable
Koll Merchants Limited	Limited liability company	Hong Kong	Property management	HKD0.1	Cleaning service, engineering maintenance and repair service, general trade	0.08		100.00	100.00	Yes	Not applicable	Not applicable

CMK Property Management Co., Ltd.	Limited liability company	Hong Kong	Property management	HKD10	Property management, sales of property equipment, on-site repair	8.11		100.00	100.00	Yes	Not applicable	Not applicable
Aoming Development Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD001	Investment	0.01		100.00	100.00	Yes	Not applicable	Not applicable
Mingjie Development Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD001	Investment	0.01		100.00	100.00	Yes	Not applicable	Not applicable
Xinde Development Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD001	Investment	0.01		100.00	100.00	Yes	Not applicable	Not applicable
Chenghui Investment Co., Ltd.	Limited liability company	Hong Kong	Investment	USD0.01	Investment	0.06		100.00	100.00	Yes	Not applicable	Not applicable
Jihong International Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD1	Investment	0.82		100.00	100.00	Yes	Not applicable	Not applicable
Jianli International Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD1	Investment	0.82		100.00	100.00	Yes	Not applicable	Not applicable
Maosheng Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD0.01	Investment	0.01		100.00	100.00	Yes	Not applicable	Not applicable
Yuyue Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD0.002	Investment	511,923.2		100.00	100.00	Yes	Not applicable	Not applicable

Huipeng Property Development Co., Ltd. Note1	Limited liability company	Hong Kong	Property	HKD1	Property development, sales, and provide the related after-sale service	100,874.8		50.00	75.00	Yes	991,799,886.38	
Huamin Investment Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD 0.01	Investment	66,301.18		100.00	100.00	Yes	Not applicable	Not applicable
Lefu Investment Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD 0.01	Investment	4,762.20		100.00	100.00	Yes	Not applicable	Not applicable
Huitai Investment Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD 1.00	Investment	0.79		100.00	100.00	Yes	Not applicable	Not applicable
Yiba Investment Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD0.01	Investment	0.008		100.00	100.00	Yes	Not applicable	Not applicable
Hanyi Development Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD0.01	Investment	0.008		100.00	100.00	Yes	Not applicable	Not applicable
Shengjin Development Co., Ltd.	Limited liability company	Hong Kong	Investment	HKD0.01	Investment	0.008		100.00	100.00	Yes	Not applicable	Not applicable
Huoju Investment Co., Ltd. Note3	Limited liability company	Hong Kong	Holding company service	HKD 1	Holding company service	0.55		70.00	60.00	Yes	-102,993.29	2035.87
Minghui Investment Co., Ltd. Note2	Limited liability company	Hong Kong	Holding company service	HKD 1	Holding company service	0.01		100.00	100.00	Yes	Not applicable	Not applicable



Guanghong Investment Co., Note2 Ltd.	Limited liability company	Hong Kong	Holding company service	HKD1	Holding company service	001		100.00	100.00	Yes	Not applicable	Not applicable
Junjing Development Co., Note2 Ltd.	Limited liability company	Hong Kong	Holding company service	HKD1	Holding company service	001		100.00	100.00	Yes	Not applicable	Not applicable
Mao'an Investment Co. Ltd.	Limited liability company	Hong Kong	Investment	HKD1	Investment	001		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Beijing) Co., Ltd.	Limited liability company	Beijing	Property	RMB 3,000	Property development and commercial housing sales	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Beijing China Merchants Property Management Co., Ltd.	Limited liability company	Beijing	Property management	RMB 500	Operate and manage the pay parking of Onward Science & Trade Centre, property management, decoration, consultation, property equipment sales, repair	718.53		80.00	80.00	Yes	6,350,745.38	
China Merchants Jiaming (Beijing) Property Development Co., Ltd. Note1	Limited liability company	Beijing	Property	RMB 35,000	Property development, indoor decoration service, sales of building materials, technology import and export	17,500.00		50.00	60.00	Yes	1,193,684,560.53	
Beijing Conrad Property Development Co., Ltd.	Limited liability company	Beijing	Property	RMB 38,000	Property development, sales of the commercial housing after self development, development and construction of hotel, goods import and export, technology import and export	22,800.00		60.00	60.00	Yes	67,134,699.43	84,865,300.57
Beijing China Merchants Mingjia Property Development Co., Ltd.	Limited liability company	Beijing	Property	RMB 1,000	Property development	700.00		70.00	57.14	Yes	2,970,820.14	29,179.86
Tianjin Zhaosheng Property	Limited	Tianjin	Property	RMB 3,000	Property development, sales, and provide the	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable

Co.,Ltd	liability company				related after-sale service							
China Merchants Property (Tianjin) Co., Ltd.	Limited liability company	Tianjin	Property	RMB 4,000	Property development, sales, and provide the related after-sale service	3,000,000		75.00	66.67	Yes	11,014,130.07	2,504,575.88
Tianjin Gangwei Property Development Co., Ltd.	Limited liability company	Tianjin	Property	RMB 3,000	Property development, sales of commercial housing, housing rental, property service, property information consultation	3,000,000		100.00	100.00	Yes	Not applicable	Not applicable
Tianjin Yongjingwan Property Development Co., Ltd.	Limited liability company	Tianjin	Property	RMB 60,000	Property development	60,000,000		100.00	100.00	Yes	Not applicable	Not applicable
Dalian Zhaoyu Property Co., Ltd.	Limited liability company	Dalian	Property	RMB 3,000	Property development	1,530,000		51.00	60.00	Yes	-1,052,050.06	15,752,050.06
Qingdao Zhongrunde Property Co., Ltd.	Limited liability company	Qingdao	Property	RMB 1,000	Property development and operation management, property management, construction installation and construction decoration	1,000,000		100.00	100.00	Yes	Not applicable	Not applicable
Qingdao Hyde Property Development Co., Ltd.	Limited liability company	Qingdao	Property	USD 4,000	Development of the property projects on the block (G-2012-030) east of No.48 line, south of Tongshun Road, west of Hexin Road, and north of Haiyue Road in the planning, sales and rental of commercial housing, property service, indoor and outdoor engineering design and construction	27,406.10		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Rizhao) Co., Ltd.	Limited liability company	Rizhao	Property	RMB 3,000	Property development	3,000,000		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property	Limited	Yantai	Property	USD 9,995	Property development	60,810.20		100.00	100.00	Yes	Not applicable	Not applicable

(Yantai) Co., Ltd	liability company											
Yantai China Merchants Property Co., Ltd. <sup>Note 4</sup>	Limited liability company	Yantai	Property development	RMB 3,000	Property development and operation, indoor and outdoor building decoration design and construction	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Hangzhou Zhujia Property Development Co., Ltd.	Limited liability company	Hangzhou	Property	RMB 10,000	Property development	10,000.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Hangzhou) Co., Ltd.	Limited liability company	Hangzhou	Property	RMB 3,000	Property development	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Nanjing China Merchants Property Management Co., Ltd.	Limited liability company	Nanjing	Property management	RMB 500	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	500.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Nanjing) Co., Ltd.	Limited liability company	Nanjing	Property	RMB 3,000	Property development, sales, and provide the related after-sale service	12,787.78		100.00	100.00	Yes	Not applicable	Not applicable
Nanjing China Merchants Ruisheng Property Co., Ltd.	Limited liability company	Nanjing	Property	RMB 3,000	Property development, property management service, project investment, property broker	123,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Nanjing China Merchants Ningsheng Property Co., Ltd. <sup>Note 5</sup>	Limited liability company	Nanjing	Property development	RMB 3,000	Property development and operation, property broker, indoor and outdoor building decoration design and construction, garden engineering design and construction, sales of building materials	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Nanjing China Merchants Xingsheng Property Co., Ltd.	Limited liability company	Nanjing	Property development	RMB 3,000	Property development and operation, property broker, indoor and outdoor building decoration design and construction, garden engineering	21,100.00		70.00	60.00	Yes	9,001,560.32	

Note6 Ltd.					design and construction, sales of building materials							
Shanghai China Merchants Property Co., Ltd.	Limited liability company	Shanghai	Property	RMB 3,000	Property development and sales of building materials	3,000,000		100,000	100,000	Yes	Not applicable	Not applicable
Shanghai China Merchants Property Management Co., Ltd.	Limited liability company	Shanghai	Property	USD 62	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	784.86		100,000	100,000	Yes	Not applicable	Not applicable
Shanghai China Merchants Minsheng Property Co., Ltd.	Limited liability company	Shanghai	Property	RMB 3,000	Property development and operation, indoor decoration service, sales of building materials	3,000,000		100,000	100,000	Yes	Not applicable	Not applicable

Shanghai China Merchants Fengsheng Property Co., Ltd.	Limited liability company	Shanghai	Property	RMB 3,000	Property development and operation, indoor decoration service, sales of building materials	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Shanghai) Co., Ltd.	Limited liability company	Shanghai	Property	RMB 3,000	Property development, sales, and provide the related after-sale service	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Shanghai Jingyuan Property Development Co., Ltd.	Limited liability company	Shanghai	Property	RMB 55,500	Property development and operation, rental of own housing, property management, indoor decoration service	30,525.00		55.00	60.00	Yes	132,238,457.81	117,511,542.19
Shanghai China Merchants Hongfa Property Co., Ltd.	Limited liability company	Shanghai	Property	RMB 3,000	Property development and operation, property management, rental of own housing, indoor and outdoor decoration and design service, information consultation, parking lot management service	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property Development (Suzhou) Co., Ltd.	Limited liability company	Suzhou	Property	RMB 3,000	Property development, operation, rental and sales	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Suzhou China Merchants Nanshan Property Co., Ltd.	Limited liability company	Suzhou	Property	RMB 10,000	Property development, sales, and provide the related after-sale service	6,000.00		60.00	60.00	Yes	110,148,502.76	
Suzhou China Merchants Yonghuafu Property Co., Ltd.	Limited liability company	Suzhou	Property	RMB 3,000	Property development and operation, property information consultation, housing rental, indoor decoration, property management, operation and management of parking lot	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Suzhou Shuanghu Property Co., Ltd. <sup>Note 1</sup>	Limited liability company	Suzhou	Property	USD 24,400	Engage in property development and sales in the block accepted after approval, and provide the related after-sale service	83,380.14		50.00	60.00	Yes	946,118,886.87	
Suzhou China Merchants	Limited	Suzhou	Property	RMB 3,000	Property development	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable

YishanJun Property Co., Ltd.	liability company											
Zhenjiang Nanshan Creative Industrial Park Development Co., Ltd.	Limited liability company	Zhenjiang	Property	RMB 5,000	Property development	3,000.00		60.00	60.00	Yes	19,694,085.29	305,914.72
Zhenjiang Yingsheng Property Development Co., Ltd.	Limited liability company	Zhenjiang	Property	USD 11,800	Property development, property management service, project investment, property broker	75,477.90		100.00	100.00	Yes	Not applicable	Not applicable
Zhenjiang Huoju Land Development Co., Ltd. <sup>Note7</sup>	Limited liability company	Zhenjiang	Property development	USD 2,990	Property development and operation	10,470.10		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property Development (Changzhou) Co., Ltd.	Limited liability company	Changzhou	Property	RMB 3,000	Property development and operation, property management, rental of own housing, indoor and outdoor decoration and design service, business information consultation, parking lot management service	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Changshu China Merchants Xicheng Property Co., Ltd. <sup>Note8</sup>	Limited liability company	Changshu	Property development	RMB 3,000	Property development and operation, property information consultation, indoor decoration	16,800.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property Development (Wuhan) Co., Ltd.	Limited liability company	Wuhan	Property	RMB 3,000	Property development, property management service, project investment, property broker	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Wuhan China Merchants Property Management Co., Ltd.	Limited liability company	Wuhan	Property management	RMB 500	Property management, decoration, consultation, property equipment sales, repair, property rental and commission sale	500.00		100.00	100.00	Yes	Not applicable	Not applicable
Wuhan Xinde Property Development Co., Ltd.	Limited liability	Wuhan	Property	USD 9,800	Property project development, sales and rental of commercial housing, property service, indoor	90,576.48		100.00	100.00	Yes	Not applicable	Not applicable

	company				and outdoor decoration engineering design and construction							
Wuhan Aoming Property Development Co., Ltd.	Limited liability company	Wuhan	Property	USD9,800	Property project development, sales and rental of commercial housing, property service, indoor and outdoor decoration engineering design and construction	136,980.39		100.00	100.00	Yes	Not applicable	Not applicable
Wuhan Mingjie Property Development Co., Ltd.	Limited liability company	Wuhan	Property	USD7,906	Property project development, sales and rental of commercial housing, property service, indoor and outdoor decoration engineering design and construction	88,414.76		100.00	100.00	Yes	Not applicable	Not applicable
Wuhan China Merchants Property Gutian Property Co., Ltd. <small>Note 9</small>	Limited liability company	Wuhan	Property development	RMB 3,000	Property development and operation, sales and rental of commercial housing, indoor and outdoor building decoration design and construction	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Xi'an Mao'an Property Co., Ltd. <small>Note 10</small>	Limited liability company	Xi'an	Property development	USD 9,500	Property development and operation	58,446.19		100.00	100.00	Yes	Not applicable	Not applicable
Chengdu China Merchants Beihu Property Co., Ltd.	Limited liability company	Chengdu	Property	RMB 5,000	Property development, project investment, property broker, property management service	5,000.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Chengdu) Co., Ltd.	Limited liability company	Chengdu	Property	RMB 1,000	Property development, property management service, project investment, property broker	1,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Chengdu China Merchants Beicheng Property Development Co., Ltd.	Limited liability company	Chengdu	Property	RMB 1,000	Property development, project investment, property broker, property management service	1,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Chengdu China Merchants Longcheng Property	Limited liability	Chengdu	Property	RMB 1,000	Property development	1,000.00		100.00	100.00	Yes	Not applicable	Not applicable

Development Co., Ltd.	company											
China Merchants Property Development (Guizhou Bijie) Co., Ltd.	Limited liability company	Guizhou	Property	RMB 3,000	Property investment and sales, property broker service, property service, indoor and outdoor decoration engineering design and construction	3,000,000		100,000	100,000	Yes	Not applicable	Not applicable
China Merchants Properties and Investment (Guizhou Bijie) Investment Co., Ltd.	Limited liability company	Guizhou	Property	RMB 2,000	Property investment, housing rental, property service, indoor and outdoor decoration engineering design and construction	2,000,000		100,000	100,000	Yes	Not applicable	Not applicable
Bijie China Merchants Property Management Co., Ltd.	Limited liability company	Guizhou	Property management	RMB 300	Property management, sales of property equipment, on-site repair	300,000		100,000	100,000	Yes	Not applicable	Not applicable
China Merchants Property Development (Chongqing) Co., Ltd.	Limited liability company	Chongqing	Property	RMB 3,000	Property development, rental of own housing	3,000,000		100,000	100,000	Yes	Not applicable	Not applicable
China Merchants Property Development (Chongqing) Garden City Co., Ltd.	Limited liability company	Chongqing	Property	RMB 3,000	Property development, indoor decoration service, sales of building materials	3,000,000		100,000	100,000	Yes	Not applicable	Not applicable
Chongqing China Merchants Land Development Co., Ltd.	Limited liability company	Chongqing	Property	USD 53,400	Property development and rental, sales and management	355,690,250		100,000	100,000	Yes	Not applicable	Not applicable
Chongqing China Merchants Evian Property Co., Ltd.	Limited liability company	Chongqing	Property	RMB 2,000	Property development	2,000,000		100,000	100,000	Yes	Not applicable	Not applicable
Chongqing Yizhi China Merchants Property Development Co., Ltd.	Limited liability company	Chongqing	Property	HKD 23,200	Property development	182,950,560		100,000	100,000	Yes	Not applicable	Not applicable
Fujian Zhongliansheng Property Development Co.,	Limited liability	Xiamen	Property	RMB 5,000	Property development, housing rental and sales, property management, building engineering construction, indoor decoration service,	2,500,000		50,000	60,000	Yes	91,197,812.33	



Note1 Ltd.	company				construction equipment rental							
China Merchants Property Development (Xiamen) Co., Ltd.	Limited liability company	Xiamen	Property	RMB 5,000	Property development, housing rental and sales, property service, building engineering construction, indoor decoration service, sales of building materials	5,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Xiamen China Merchants Yonghuafu Property Co., Ltd. Note11	Limited liability company	Xiamen	Property development	RMB 2,000	Property development and operation, business information and enterprise management consultation	2,000.00		100.00	100.00	Yes	Not applicable	Not applicable
Foshan China Merchants Xincheng Hi-Tech Co., Ltd.	Limited liability company	Foshan	Property	RMB 1000	Property development, sales, and provide the related after-sale service	600.00		600.00	600.00	Yes	3,447,887.38	552,112.63
Foshan Xincheng Property Co., Ltd. Note1	Limited liability company	Foshan	Property	USD 12,700	Property development, sales, and provide the related after-sale service	47,869.00		50.00	600.00	Yes	592,401,099.96	
Foshan Xinjie Property Co., Ltd.	Limited liability company	Foshan	Property	USD 21,980	Property development, sales, and provide the related after-sale service	162,681.08		100.00	100.00	Yes	Not applicable	Not applicable
Foshan Evian Property Co., Ltd. Note1	Limited liability company	Foshan	Property	RMB 3,000	Property development, construction, sales, rental of own property, property management	1,500.00		50.00	600.00	Yes	34,366,606.67	
Foshan China Merchants Jiulonggang Property Co., Ltd. Note1	Limited liability company	Foshan	Property	USD 10,989.80	Develop and construct on the "Yangfanggang" <Fo Nan (Pai) 2010-001, 002 and 003. Block of Nongchan Village Committee, Shishan Town Office, Nanhai District, Foshan, rental and sales	33,859.57		50.00	600.00	Yes	432,150,274.28	
Foshan Shunde Evian Desheng Property Co., Ltd.	Limited liability	Foshan	Property	RMB 1,000	Property development	1,000.00		100.00	100.00	Yes	N130 not applicable	Not applicable

	company											
Foshan Evian Zhenyuan Co., Ltd.	Limited liability company	Foshan	Property	RMB 550	Property development	550.00		55.00	60.00	Yes	2,983,469.15	2,647,275.17
Foshan Evian Shangyuan Property Co., Ltd.	Limited liability company	Foshan	Property	RMB 1,050	Property development	1,050.00		100.00	100.00	Yes	Not applicable	Not applicable
Foshan Evian Xiaode Property Co., Ltd.	Limited liability company	Foshan	Property development	USD 8,700	Property development and operation, sales and rental of commercial housing	8,700.00		100.00	100.00	Yes	Not applicable	Not applicable
Guangzhou Wanshang Property Development Co., Ltd.	Limited liability company	Guangzhou	Property	RMB 10,000	Property development and commercial housing sales	3,400.00		34.00	51.00	Yes	71,774,616.33	
China Merchants Property (Guangzhou) Co., Ltd.	Limited liability company	Guangzhou	Property	RMB 20,000	Property operation, rental and sales in the specific blocks	44,373.75		100.00	100.00	Yes	Not applicable	Not applicable
Guangzhou Evian Property Co., Ltd. <sup>Note 12</sup>	Limited liability company	Guangzhou	Property development	RMB 1,000	Property development and operation	1,000.00		100.00	100.00	Yes	Not applicable	Not applicable
China Merchants Property (Zhuhai) Co., Ltd.	Limited liability company	Zhuhai	Property	RMB 800	Property development and commercial housing sales	800.00		100.00	100.00	Yes	Not applicable	Not applicable
Zhuhai Yuanfeng Property Co., Ltd.	Limited liability company	Zhuhai	Property	RMB 800	Property development and commercial housing sales	408.00		51.00	60.00	Yes	13,971,317.43	
Zhuhai Evian Property Co., Ltd.	Limited liability company	Zhuhai	Property development	RMB 3,000	Property development and operation	3,000.00		100.00	100.00	Yes	Not applicable	Not applicable

Note13 Ltd.	company											
Nanning China Merchants Haotian Property Co., Note14 Ltd.	Limited liability company	Nanning	Property	RMB 10000	Property development	140000		7000	6000	Yes	3,657,909.54	3,760,463.55
Hainan China Merchants Ocean Development Co., Ltd.	Limited liability company	Qionghai	Property	RMB 200,000	Development of tourist projects, business projects, hotel, hotel management	24,000.00		6000	6000	Yes	799,378,666.05	621,333.95
China Merchants Property (Sanya) Co., Ltd.	Limited liability company	Sanya	Property	RMB 10000	Property development	10000.00		10000	10000	Yes	Not applicable	Not applicable
Shenzhen China Merchants Properties and Investment Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 20000	Property development, property management service, project investment, property broker	188,336.75		10000	10000	Yes	Not applicable	Not applicable
Shenzhen China Merchants Xin'an Property Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 2,500	Rental of own property	2,412.29		10000	10000	Yes	Not applicable	Not applicable
Shenzhen Pingshan China Merchants Property Co., Note15 Ltd.	Limited liability company	Shenzhen	Property	RMB 2000	Property development	1,400.00		7000	71.43	Yes	6,374,447.44	8,862,042.55
Shenzhen Meilun Hotel Management Co., Ltd.	Limited liability company	Shenzhen	Investment	RMB 1,000	Setup industry, domestic business	1,000.00		10000	10000	Yes	Not applicable	Not applicable
Shenzhen China Merchants Property Consulting Co., Ltd.	Limited liability company	Shenzhen	Property agent	RMB 200	Property operation, information consultation	200.00		10000	10000	Yes	Not applicable	Not applicable

Shenzhen Taige Apartment Management Co., Ltd.	Limited liability company	Shenzhen	Hotel service	RMB 100	Golf indoor course, property rental, Chinese and western food/shopping mall	10000		10000	10000	Yes	Not applicable	Not applicable
Shenzhen China Merchants Anye Investment Development Co., Ltd.	Limited liability company	Shenzhen	Investment	RMB 1,000	Invest to set up industry, domestic business	51000		51.00	6000	Yes	-5,218,503.95	10,118,503.95
Shenzhen China Merchants Construction Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 15,000	Building engineering construction, decoration engineering design and construction, elevator, air conditioning engineering maintenance, sales of building materials	15,000.00		100.00	10000	Yes	Not applicable	Not applicable
Shenzhen China Merchants Business Development Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 18,000	Business property development and construction, management, rental, invest to set up industry	9,180.00		51.00	6000	Yes	55,237,901.37	32,962,098.63
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Limited liability company	Shenzhen	Hotel management	RMB 3,000	Hotel management, engage in the export business of goods and technologies etc.	1,531.40		51.00	6000	Yes	-16,888,311.52	31,588,311.52
Shenzhen Jinyu Rongtai Investment Development Co., Ltd. <sup>Note 1</sup>	Limited liability company	Shenzhen	Property	RMB 3,000	Engage in property development and operation, property broker, property management, indoor and outdoor decoration engineering design and construction	1,500.00		50.00	6000	Yes	3,393,374.73	11,606,625.27
Shenzhen China Merchants Shekou Construction Co., Ltd.	Limited liability company	Shenzhen	Property	RMB 1,000	Property development	51000		51.00	6000	Yes	4,714,468.17	185,531.84
Shenzhen Xingzhao Property Management Co., Ltd.	Limited liability company	Shenzhen	Property management	RMB 150	Property management and its supporting services, purchase and sale of building materials, decoration materials, sanitary ware, environmental protection products and office supplies	150.00		100.00	10000	Yes	Not applicable	Not applicable

Shenzhen Keda Phase 2 Property Management Co., Ltd. Note 16	Limited liability company	Shenzhen	Business property operation and management	RMB 200	Rental and management of own property	21,578.72		10000	10000	Yes		
Shenzhen Digital Building Property Management Co., Ltd. Note 16	Limited liability company	Shenzhen	Business property operation and management	RMB 200	Rental and management of own property	20,222.18		10000	10000	Yes		
Shenzhen Keda Property Management Co., Ltd. Note 16	Limited liability company	Shenzhen	Business property operation and management	RMB 200	Rental and management of own property	6,838.11		10000	10000	Yes		
Shenzhen Garden City Property Management Co., Ltd. Note 16	Limited liability company	Shenzhen	Business property operation and management	RMB 200	Rental and management of own property	30,843.64		10000	10000	Yes		
Shenzhen Shekou New Times Property Management Co., Ltd. Note 16	Limited liability company	Shenzhen	Business property operation and management	RMB 200	Rental and management of own property	69,874.45		10000	10000	Yes		

Note 1: The Company directly or indirectly holds 50% equity of such company. Because the Company has majority voting power in the Board of Directors of such company, the Company can implement control over its financial and operation decision-making, and the Company brings it into the consolidation scope of the consolidated financial statement.

Note 2: In January 2014, the subsidiary company of the Company Huitai Investment Co., Ltd., Weirong Co., Ltd., Jiali Co., Ltd., Biyuan Co., Ltd., Mao' an Investment Co. Ltd. and the subsidiary company of the Company Huipeng Real Estate Development Co. Ltd respectively contributed to establish Foshan Yiyun Xiaode Real Estate Development Co. Ltd and hold 100% equity capital of such companies, and the Company brings such companies into the consolidation scope of the consolidated financial statements. Because Weirong Co., Ltd. holds 100% equity capital of Guanghong Investment Co., Ltd., Jiali Co., Ltd. holds 100% equity capital of Huihui Investment Co., Ltd., and Biyuan Co., Ltd. holds 100% equity capital of Junying Development Co., Ltd., the Company brings such companies into the consolidation scope of the consolidated financial statements.

Note 3: In March 2014, the subsidiary company of the Company Guangyu Co., Ltd. contributed 7,000 HKD to establish Huoju Investment Co., Ltd., and holds 70% equity capital of it, the Company brings such company into the consolidation scope of the consolidated financial statements.

Note 4: In March 2014, the Company contributed RMB 30 million Yuan to establish Yantai China Merchants Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated financial statements.

Note 5: In April 2014, the subsidiary company of the Company China Merchants Property Development (Nanjing) Co., Ltd. contributed RMB 30 million Yuan to establish Nanjing China Merchants Ningsheng Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated financial statements.

Note 6: In May 2014, the subsidiary company of the Company China Merchants Property Development (Nanjing) Co., Ltd. contributed RMB 21 million Yuan to establish Nanjing China Merchants Xingsheng Property Co., Ltd., holds 70% equity capital of it, and the Company brings such company

into the consolidation scope of the consolidated statements.

Note 7: In April 2014, the subsidiary company of the Company Huoju Investment Co., Ltd. contributed \$29.9 million USD to establish Zhenjiang Huoju Property Development Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated statements.

Note 8: In March 2014, the subsidiary company of the Company China Merchants Property Development (Suzhou) Co., Ltd. contributed RMB 30 million Yuan to establish Changshu China Merchants Xicheng Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated financial statements.

Note 9: In January 2014, the subsidiary company of the Company China Merchants Property Development (Wuhan) Co., Ltd. contributed RMB 30 million Yuan to establish Wuhan China Merchants Property Gutian Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated statements.

Note 10: In April 2014, the subsidiary company of the Company Mao'an Investment Co., Ltd. contributed \$95 million USD to establish Xi'an Mao'an Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated financial statements.

Note 11: In April 2014, the subsidiary company of the Company China Merchants Property (Zhangzhou) Co., Ltd. contributed RMB 20 million Yuan to establish Xiamen China Merchants Yonghuafu Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated statements.

Note 12: In February 2014, the subsidiary company of the Company China Merchants Property (Guangzhou) Co., Ltd. contributed RMB 10 million Yuan to establish Guangzhou Evian Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated statements.

Note 13: IN April 2014, the subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. contributed RMB 30 million Yuan to establish Zhuhai Evian Property Co., Ltd., holds 100% equity capital of it, and the Company brings such company into the consolidation scope of the consolidated financial statements.

Note 14: The Company originally held 51% equity of Nanning China Merchants Haotian Property Co., Ltd. In March 2014, the Company signed equity transfer agreement with Guangxi Haotian Property Co., Ltd., and received 19% equity of Nanning China Merchants Haotian Property Co., Ltd. held by it. After the equity transfer, the Company holds 70% equity capital of Nanning China Merchants Haotian Property Co., Ltd., the control power on such company by the Company did not change, and brings such company into the consolidation scope of the consolidated financial statements.

Note 15: The Company originally held 100% equity of Shenzhen Pingshan China Merchants Property Co., Ltd. In March 2014, the Company signed capital increase and share expansion agreement with Shenzhen TCL Property Co., Ltd. After the capital increase and share expansion was finished, the Company actually contributes RMB 14 million Yuan, and holds 70% equity of Shenzhen Pingshan China Merchants Property Co., Ltd. The control power on such company by the Company did not change, and the Company brings such company into the consolidation scope of the consolidated statements.

Note 16: In April 2014, the subsidiary company of the Company Shenzhen China Merchants Properties and Investment Co., Ltd. respectively contributed RMB 2 million Yuan and the fair value determined by assets appraisal on June 30, 2013 by relevant property to establish Shenzhen Keda Phase 2 Property Management Co., Ltd., Shenzhen Digital Building Property Management Co., Ltd., Shenzhen Keda Property Management Co., Ltd., Shenzhen Garden City Property Management Co., Ltd. and Shenzhen Shekou New Times Property Management Co., Ltd., holds 100% equity capital of such companies, and the Company brings such companies into the consolidation scope of the consolidated statements.

(II) Changes of the consolidation scope of the consolidated statements in this period

1. Condition of the companies newly brought into the consolidation scope in this period



Company name	Cause for being newly brought into the consolidation scope	Shareholding proportion (%)	Net assets at the end of the period	Net profit in this period
Yantai China Merchants Property Co., Ltd.	Newly established	100.00	29,839,383.67	-160,616.33
Nanjing China Merchants Ningsheng Property Co., Ltd.	Newly established	100.00	29,986,997.99	-13,002.01
Nanjing China Merchants Xingsheng Property Co., Ltd.	Newly established	70.00	30,005,201.05	5,201.05
Zhenjiang Huoju Land Development Co., Ltd.	Newly established	100.00	104,349,795.78	-351,241.98
Changshu China Merchants Xicheng Property Co., Ltd.	Newly established	100.00	167,362,341.36	-637,658.64
Wuhan China Merchants Property Gutian Property Co., Ltd.	Newly established	100.00	30,005,788.96	5,788.96
Xi'an Mao'an Property Co., Ltd.	Newly established	100.00	587,493,424.21	3,031,524.21
Xiamen China Merchants Yonghuafu Property Co., Ltd.	Newly established	100.00	15,489,553.95	-4,510,446.05
Shenzhen Keda Phase 2 Property Management Co., Ltd.	Newly established	100.00	423,722,663.93	2,863,666.96
Shenzhen Digital Building Property Management Co., Ltd.	Newly established	100.00	423,961,579.06	2,834,199.94
Shenzhen Keda Property Management Co., Ltd.	Newly established	100.00	415,312,593.60	1,945,353.43
Shenzhen Garden City Property Management Co., Ltd.	Newly established	100.00	1,013,003,093.63	4,559,744.37
Shenzhen Shekou New Times Property Management Co., Ltd.	Newly established	100.00	1,105,143,501.38	7,056,655.51
Guangzhou Evian Property Co., Ltd.	Newly established	100.00	9,999,791.26	-208.74
Foshan Evian Xiaode Property Co., Ltd.	Newly established	100.00	537,476,139.38	1,730,139.38
Zhuhai Evian Property Co., Ltd.	Newly established	100.00	29,942,294.23	-57,705.77
Huoju Investment Co., Ltd.	Newly established	70.00	-6,707.61	1,198,092.51
Minghui Investment Co., Ltd.	Newly established	100.00	-5,394.29	-6,786.49

Company name	Cause for being newly brought into the consolidation scope	Shareholding proportion (%)	Net assets at the end of the period	Net profit in this period
Guanghong Investment Co., Ltd.	Newly established	100.00	-6,707.61	-17,747.30
Junying Development Co., Ltd.	Newly established	100.00	-5,393.86	-6,945.68
Weirong Co., Ltd.	Newly established	100.00	1,205,980.51	-16,259.15
Jiali Co., Ltd.	Newly established	100.00	-15,647.01	-6,006.43
Biyuan Co., Ltd.	Newly established	100.00	-17,668.42	-6,009.07
Mao' an Investment Co. Ltd.	Newly established	100.00	-68,910.75	-68,989.37

2. Condition of the companies not brought into the consolidation scope in this period

None

(III) Enterprise merger taking place in this period

None

## VI. Notes on the main items of the consolidated financial statements

### 1. Monetary capital

Item	Amount at the end of the period			Amount at the beginning of the period		
	Original currency	Conversion exchange rate	Converted to RMB	Original currency	Conversion exchange rate	Converted to RMB
<b>Cash on hand</b>			<b>250,111.99</b>			<b>277,828.02</b>
RMB	249,264.54	1.0000	249,264.54	276,988.69	1.0000	276,988.69
HKD	1,067.58	0.7938	847.45	1,067.58	0.7862	839.33
<b>Bank deposit</b>			<b>16,229,601,295.27</b>			<b>21,969,131,604.53</b>
RMB	13,825,744,242.99	1.0000	13,825,744,242.99	17,767,740,456.75	1.0000	17,767,740,456.75
HKD	300,219,842.32	0.7938	238,314,510.83	528,893,956.92	0.7862	415,816,428.93
USD	351,960,496.27	6.1528	2,165,542,541.45	620,901,559.62	6.0969	3,785,574,718.85
<b>Other monetary capital</b>			<b>2,356,098,619.80</b>			<b>2,271,049,363.95</b>
RMB	2,356,098,619.80	1.0000	2,356,098,619.80	2,271,049,363.95	1.0000	2,271,049,363.95
<b>Total</b>			<b>18,585,950,027.06</b>			<b>24,240,458,796.50</b>

Note: The balance of the building sales money received in advance supervised by the *Advance Funding Regulations* in the other monetary capital is RMB 2,356,098,619.80 Yuan.

### 2. Notes receivable

#### (1) Categories of notes receivable

Category of the note	Amount at the end of the period	Amount at the beginning of the period
Bank acceptance	7,680,171.60	4,000,000.00
<b>Total</b>	<b>7,680,171.60</b>	<b>4,000,000.00</b>

### 3. Accounts receivable

#### (1) Classification of accounts receivable

Category	Amount at the end of the period			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable with significant single amount and single counted and drawn bad debt provision	6,028,220.80	4.23	6,028,220.80	100.00
Accounts receivable with single amount not significant but with single counted and drawn bad debt provision	7,370,364.80	5.18	5,706,966.70	77.43
Accounts receivable with counted and drawn bad debt provision by portfolio				
Portfolio 1	77,594,654.21	54.50		
Portfolio 2	51,376,655.20	36.09	4,435,538.42	8.63
<b>Portfolio subtotal</b>	<b>128,971,309.41</b>	<b>90.59</b>	<b>4,435,538.42</b>	<b>3.44</b>
<b>Total</b>	<b>142,369,895.01</b>	<b>100.00</b>	<b>16,170,725.92</b>	

Continued:

Category	Amount at the beginning of the period			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable with significant single amount and single counted and drawn bad debt provision	6,028,220.80	6.52	6,028,220.80	100.00
Accounts receivable with single amount not significant but with single counted and drawn bad debt provision	7,553,893.68	8.17	5,890,495.58	77.98
Accounts receivable with counted and drawn bad debt provision by portfolio				
Portfolio 1	48,400,728.29	52.36		
Portfolio 2	30,463,772.65	32.95	3,663,084.23	12.02
<b>Portfolio subtotal</b>	<b>78,864,500.94</b>	<b>85.31</b>	<b>3,663,084.23</b>	<b>4.64</b>
<b>Total</b>	<b>92,446,615.42</b>	<b>100.00</b>	<b>15,581,800.61</b>	

- 1) Accounts receivable with significant single amount and single counted and drawn bad debt provision at the end of the period

Unit name	Book balance	Bad debt amount	Counted and drawn proportion (%)	Cause for counting and drawing
Client 1	6,028,220.80	6,028,220.80	100.00	Cannot recover
<b>Total</b>	<b>6,028,220.80</b>	<b>6,028,220.80</b>	<b>100.00</b>	

- 2) Accounts receivable with single amount not significant but with single counted and drawn bad debt provision at the end of the period

Unit name	Book balance	Bad debt amount	Counted and drawn proportion (%)	Cause for the counting and drawing
Client 1	4,013,716.80	4,013,716.80	100.00	Cannot recover
Client 2	2,376,283.00	712,884.90	30.00	Part cannot be recovered
Client 3	868,867.30	868,867.30	100.00	Cannot recover
Client 4	87,997.20	87,997.20	100.00	Cannot recover
Client 5 etc.	23,500.50	23,500.50	100.00	Cannot recover
<b>Total</b>	<b>7,370,364.80</b>	<b>5,706,966.70</b>		

- 3) Accounts receivable with counted and drawn bad debt provision by the aging of accounts in the portfolio

Aging	Amount at the end of the period			Amount at the beginning of the period		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	46,864,162.65	91.22	1,238,242.85	26,350,713.60	86.5	601,707.02
1-2 years	1,231,878.36	2.40	246,375.67	987,689.67	3.24	208,552.11
2-3 years	659,388.59	1.28	329,694.30	545,088.56	1.79	272,544.28
Over 3 years	2,621,225.60	5.10	2,621,225.60	2,580,280.82	8.47	2,580,280.82

Aging	Amount at the end of the period			Amount at the beginning of the period		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
<b>Total</b>	<b>51,376,655.20</b>	<b>100.00</b>	<b>4,435,538.42</b>	<b>30,463,772.65</b>	<b>100.00</b>	<b>3,663,084.23</b>

(2) The receivables at the end of the period do not include the debts of the shareholder units holding over 5% (including 5%) voting power shares of the Group.

(3) Overall aging of the accounts receivable

Aging	Amount at the end of the period			Amount at the beginning of the period		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	113,279,689.80	79.57	1,945,899.35	64,241,914.34	69.49	2,128,963.02
1-2 years	15,061,180.01	10.58	2,038,893.77	14,878,368.52	16.09	2,062,447.41
2-3 years	2,185,474.99	1.54	2,005,780.70	2,469,486.24	2.67	2,196,941.96
Over 3 years	11,843,550.21	8.32	10,180,152.10	10,856,846.32	11.75	9,193,448.22
<b>Total</b>	<b>142,369,895.01</b>	<b>100.00</b>	<b>16,170,725.92</b>	<b>92,446,615.42</b>	<b>100.00</b>	<b>15,581,800.61</b>

(4) Condition of the top 5 units of the amount of the accounts receivable

Creditor unit	Unit name	Relationship with the Company	Amount	Aging	Proportion accounting in the sum of the accounts receivable (%)
China Merchants Property Management Co., Ltd.	Client 1	Third party	18,740,782.28	Within 1 year	13.16
China Merchants Jiaming (Beijing) Property Development Co., Ltd.	Client 2	Third party	12,036,783.55	1-2 years	8.45
Shenzhen Vanke Binhai Property Co., Ltd.	Client 3	Third party	9,250,000.00	Within 1 year	6.50
Shenzhen Vanke Binhai Property Co., Ltd.	Client 4	Third party	7,800,000.00	Within 1 year	5.48

Creditor unit	Unit name	Relationship with the Company	Amount	Aging	Proportion accounting in the sum of the accounts receivable(%)
Shenzhen China Merchants Power Supply Co., Ltd.	Client 5	Third party	6,028,220.80	Over 3 years	4.23
<b>Total</b>			<b>53,855,786.63</b>		<b>37.83</b>

#### 4. Advance payment

##### (1) Aging of the advance payment

Item	Amount at the end of the period		Amount at the beginning of the period	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	4,909,314,396.07	99.98	2,815,020,465.70	99.97
1—2 years	401,180.00	0.01	947,042.09	0.03
2—3 years	494,410.19	0.01		
<b>Total</b>	<b>4,910,209,986.26</b>	<b>100.00</b>	<b>2,815,967,507.79</b>	<b>100.00</b>

##### (2) Condition of the top 5 of advance payment:

Unit name	Relationship with the Company	Amount	Aging	Money nature
Supplier 1	Third party	1,800,000,000.00	Within 1 year	Advance land payment
Supplier 2	Third party	1,210,210,000.00	Within 1 year	Advance land payment
Supplier 3	Third party	927,616,000.00	Within 1 year	Advance land payment
Supplier 4	Third party	487,500,000.00	Within 1 year	Advance land payment
Supplier 5	Third party	237,990,304.00	Within 1 year	Advance land payment
<b>Total</b>		<b>4,663,316,304.00</b>		

(3) The advance payment at the end of the period does not include the debts of the shareholder units holding over 5% (including 5%) voting power shares of the Group.

## 5. Other receivables

### (1) Classification of the other receivables

Category	Amount at the end of the period			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables with significant single amount and single counted and drawn bad debt provision	11,270,000.00	0.11	11,270,000.00	100
Other receivables with single amount not significant but with single counted and drawn bad debt provision	13,313.37	0.00	3,994.01	30
Other receivables with counted and drawn bad debt provision by portfolio				
Portfolio 1	10,588,847,517.41	99.45		
Portfolio 2	46,790,866.42	0.44	14,559,831.02	31.12
<b>Portfolio subtotal</b>	<b>10,635,638,383.83</b>	<b>99.89</b>	<b>14,559,831.02</b>	<b>0.13</b>
<b>Total</b>	<b>10,646,921,697.20</b>	<b>100.00</b>	<b>25,833,825.03</b>	

Continued:

Category	Amount at the beginning of the period			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables with significant single amount and single counted and drawn bad debt provision	11,270,000.00	0.08	11,270,000.00	100.00
Other receivables with single amount not significant but with single counted and drawn bad debt provision	13,313.37	0.00	3,994.01	30.00
Other receivables with counted and drawn bad debt provision by portfolio				
Portfolio 1	13,657,904,323.94	99.63		
Portfolio 2	40,250,394.52	0.29	14,280,161.65	35.48



Category	Amount at the beginning of the period			
	Book balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Portfolio subtotal	13,698,154,718.46	99.92	14,280,161.65	0.10
Total	13,709,438,031.83	100.00	25,554,155.66	

1) Other receivables with significant single amount and single counted and drawn bad debt provision at the end of the period

Unit name	Book balance	Bad debt amount	Counted and drawn proportion (%)	Cause for the counting and drawing
Huizhou Taitong Property Investment Co., Ltd.	11,270,000.00	11,270,000.00	100.00	It is estimated that recovery is impossible
<b>Total</b>	<b>11,270,000.00</b>	<b>11,270,000.00</b>		

2) Other receivables with counted and drawn bad debt provision by the aging of accounts in the Portfolio

Aging	Amount at the end of the period			Amount at the beginning of the period		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	27,173,883.54	58.08	700,996.61	20,748,666.96	51.55	507,476.25
1-2 years	4,650,416.05	9.94	930,083.21	4,905,850.56	12.19	981,170.12
2-3 years	4,075,631.28	8.71	2,037,815.65	3,608,723.45	8.96	1,804,361.73
Over 3 years	10,890,935.55	23.27	10,890,935.55	10,987,153.55	27.30	10,987,153.55
<b>Total</b>	<b>46,790,866.42</b>	<b>100.00</b>	<b>14,559,831.02</b>	<b>40,250,394.52</b>	<b>100.00</b>	<b>14,280,161.65</b>

(2) The other receivables at the end of the period do not include the debts of the shareholder units holding over 5% (including 5%) voting power shares of the Company.

(3) Condition of the top 5 units of the amount of the other receivables

Unit name	Relationship with the Company	Amount	Aging	Proportion accounting for in the sum of the other receivables (%)	Nature or content
Client 1	Third party	1,282,584,095.33	Within 3 years	12.05	Accounts
Client 2	Third party	1,200,000,000.00	Within 3 years	11.27	Accounts
Ningbo Jiangwan Property Development Co., Ltd.	Cooperative enterprise	1,135,556,115.92	Within 1 year	10.67	Accounts
Beijing Guangying Property Development Co., Ltd.	Cooperative enterprise	823,296,461.50	Within 1 year	7.73	Accounts
Client 3	Third party	679,614,004.29	Within 2 years	6.38	Accounts
<b>Total</b>		<b>5,121,050,677.04</b>		<b>48.10</b>	

(4) Receivables from the related party

Unitname	Relationship with the company	Amount	Proportion accounting for in the sum of the other receivables (%)
Ningbo Jiangwan Property Development Co., Ltd.	Cooperative enterprise	1,135,556,115.92	10.67
Beijing Guangying Property Development Co., Ltd.	Cooperative enterprise	823,296,461.50	7.73
Foshan China Merchants Longyuan Property Co., Ltd.	Cooperative enterprise	673,692,974.37	6.33
Shanghai Xinnanshan Property Development Co., Ltd.	Associated enterprise	85,021,300.00	0.80
Huizhou Taitong Property Investment Co., Ltd.	Associated enterprise	11,270,000.00	0.11
<b>Total</b>		<b>2,728,836,851.79</b>	<b>25.64</b>

6. Inventories

(1) Classification of the inventories

Item	Amount at the end of the period			Amount at the beginning of the period		
	Book balance	Price adjustment	Book value	Book balance	Price adjustment	Book value
Property development cost	83,974,102,131.38		83,974,102,131.38	70,028,577,041.98		70,028,577,041.98
Property development products	7,417,708,700.65	168,720,862.38	7,248,987,838.27	8,609,017,171.77	185,161,833.73	8,423,855,338.04
Raw materials	7,927,904.51		7,927,904.51	7,513,712.18		7,513,712.18
Low-value consumption goods	8,159,851.34	162,981.66	7,996,869.68	16,724,360.24	162,981.66	16,561,378.58
<b>Total</b>	<b>91,407,898,587.88</b>	<b>168,883,844.04</b>	<b>91,239,014,743.84</b>	<b>78,661,832,286.17</b>	<b>185,324,815.39</b>	<b>78,476,507,470.78</b>

(2) Inventory composition

Item	Number at the beginning of the period	Increase amount in this period	Decrease amount in this period	Number at the end of the period
Property development cost	70,028,577,041.98	22,059,227,207.73	8,085,502,118.33	84,002,302,131.38
Property development products	8,609,017,171.77	8,085,502,118.33	9,305,010,589.45	7,389,508,700.65
Raw materials	7,513,712.18	21,836,006.56	21,421,814.23	7,927,904.51
Low-value consumption goods	16,724,360.24	1,976,263.48	10,540,772.38	8,159,851.34
<b>Total</b>	<b>78,661,832,286.17</b>	<b>30,168,541,596.10</b>	<b>17,422,475,294.39</b>	<b>91,407,898,587.88</b>

A. The property development cost is as listed below:

Project name	Construction start time	Estimated completion	Estimated total	Balance at the beginning of the period	Amount at the end of the period
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		<b>time</b>	<b>investment (RMB 0,000 Yuan)</b>		
<b>Property in process development cost:</b>					
Beijing Xicheng Homestead and Longyuan	November 2008	May 2017	507,456	259,174,212.36	27,767,082.11
Beijing Park 1872	December 2011	December 2014	448,505	501,183,199.19	695,720,007.86
Tianjin Yongjingwan Phase 1	May 2014	September 2017	515,859		2,739,570,711.10
Tianjin Yiyunjun Phase 2	May 2011	February 2015	42,487	158,906,079.57	228,422,266.76
Tianjin Star City Phase 4 and 5	January 2007	July 2014	359,494	517,394,155.19	653,163,813.48
Tianjin Beiken Hill	August 2012	October 2015	672,668	2,111,257,001.68	2,411,698,968.08
Dalian Lanxi Valley	December 2013	December 2015	130,925	540,833,533.26	589,451,862.15
Qingdao Hyde Garden Phase 1	May 2013	October 2014	45,593	203,325,256.40	247,288,411.72
Qingdao LAVIE Commune	April 2012	July 2014	140,367	933,152,636.23	189,338,685.07
Shandong Rizhao Layton Town Phase 1	June 2014	March 2016	178,287		740,506,347.31
Yantai China Merchants Marbella	March 2014	September 2020	308,068		1,273,803,882.13
Harbin Notting Hill Phase 2	April 2013	August 2014	20,941	148,301,132.07	379,167,726.75
Zhenjiang Beiguwan	May 2011	December 2015	621,044	2,981,543,426.67	2,435,476,269.43
Nanjing Yonghuafu	December 2012	December 2015	335,945	2,193,241,119.30	2,335,983,095.53
Changzhou Park 1872	February 2013	September 2017	300,031	775,718,949.71	952,405,102.53
Suzhou Evian Huafu	March 2014	December 2015	163,971		929,738,487.41
Suzhou Yongjingwan Phase 2 B	March 2011	December 2014	89,050	579,401,636.17	661,234,844.04
Suzhou Yongjingwan Phase 2	March 2012	March 2014	45,234	388,413,553.83	
Suzhou Yonghuafu	March 2013	December 2015	152,557	994,018,019.59	1,149,267,563.56
Suzhou Yishanjuan Phase 1	June 2013	April 2015	87,076	458,605,748.21	525,183,355.05

Suzhou Yishanjuan Phase 2	March 2014	April 2016	86,950		381,093,971.55
Suzhou Xiaoshi City Phase 4 to 10	March 2010	November 2015	184,214	1,104,701,524.85	1,340,351,358.07
Shanghai China Merchants Bay Garden Phase 4 to 7	May 2011	June 2015	101,979	438,413,354.96	251,152,989.69
Shanghai Sheshan Longyuan Phase 2 and 3	October 2010	December 2014	303,342	1,619,057,055.04	1,650,255,702.88
Shanghai Hongyue Huating	December 2012	October 2014	146,328	1,178,422,820.66	1,261,223,141.48
Shanghai Hyde Park Phase 1	May 2006	December 2014	187,254	1,410,089,918.17	832,283,455.48
Hangzhou Yonghuaifu	May 2014	September 2015	139,119		919,686,612.67
Hangzhou Yongjingwan	May 2014	April 2016	261,706		1,830,881,021.25
Xiamen Yonghuaifu	February 2014	January 2016	100,507		720,902,687.26
Zhangzhou China Merchants Holiday 365	June 2010	December 2014	44,205	97,506,634.50	118,564,403.64
Zhangzhou Cadaques	May 2010	December 2020	332,501	1,078,851,560.65	1,195,739,893.41
Xiamen Sea May Flower Phase 2	March 2011	July 2015	102,873	630,252,483.86	727,701,937.29
Xiamen Sea May Flower Phase 3	August 2013	June 2016	49,041	151,347,356.23	180,076,456.25
Xiamen Sea May Flower Phase 1	March 2011	June 2014	116,476	299,438,877.21	
Xiamen Hyde Park Phase 1	May 2011	March 2014	141,783	837,957,021.38	
Xiamen Hyde Park Phase 2	March 2013	August 2015	91,571	657,446,722.92	735,024,616.19
Wuhan Yonghuaifu	July 2011	April 2014	99,183	861,018,328.37	
Wuhan Park 1872 (Block A)	March 2012	December 2015	373,771	1,857,220,454.61	2,045,427,118.80
Wuhan Jiangwan International	April 2014	August 2016	346,296		6,952,167.16
Chongqing Evian Jiangwan Phase 1	May 2014	October 2015	113,128		573,190,322.43
Chongqing Evian Jiangwan Phase 2 and 3	November 2014	April 2017	201,482	262,616.00	565,042,290.10
Chongqing Changhijiahui	May 2011	December 2019	1,281,749	3,426,326,531.72	3,323,166,612.83

Chongqing Garden City Phase 2 and 3	August 2011	June 2015	425,195	1,845,235,291.40	1,508,671,199.13
Yunnan Haigongguan Phase 1 and 2	January 2013	December 2015	230,070	929,185,752.65	1,103,227,857.64
Bijie China Merchants Garden City Phase 1 AB	October 2012	August 2016	90,972	205,316,405.59	183,462,918.68
Bijie China Merchants Garden City Phase 1 CDE	July 2012	June 2016	209,175	576,351,888.05	769,910,637.39
Chengdu China Merchants Yonghuafu Phase 2 to 5	April 2012	January 2015	275,371	1,904,618,663.66	2,087,267,736.00
Chengdu Evian Shangcheng Phase 1	February 2014	October 2016	121,826		321,105,716.25
Zhuhai China Merchants Garden City Phase 2 to 3	December 2009	January 2014	151,667	795,320,613.02	
Guangzhou Donghui City Block B Phase 3	December 2012	May 2016	104,739	616,713,478.66	672,452,763.06
Guangzhou Donghui City Block B Phase 2	September 2012	December 2015	103,052	701,264,446.80	763,504,165.78
Guangzhou Donghui City Block B Phase 1	March 2012	November 2014	81,385	645,448,074.30	555,753,503.77
Foshan Evian International	February 2013	July 2015	99,920	276,038,549.14	324,659,065.99
Sanya Haitangwan Qingtian Customs Town	January 2013	January 2016	208,088	51,583,724.98	83,749,556.43
Guangzhou Jinshan Valley Phase 5, 6, 7 and 9, Creative Park Phase 1, 2 and 3	July 2009	April 2017	670,181	996,703,463.16	1,260,212,714.06
Foshan Evian Gongguan Phase 1	February 2014	May 2016	54,633		436,922,265.90
Foshan Evian Huafu Phase 1	April 2014	November 2015	90,010		409,769,642.66
Foshan Evian Yongjingwan Tender Section 1	March 2014	March 2016	132,229		646,009,010.01
Foshan Evian Yongjingwan Tender Section 2	June 2014	March 2017	87,571		342,211,793.81
Foshan Evian Land Center	October 2013	April 2016	210,869	878,602,934.91	857,747,411.28
Foshan Evian Xicheng Phase 4	April 2014	January 2016	433,870		162,577,962.62
Foshan Evian Xicheng Phase 3	September	August 2015	508,410	139,621,217.13	177,315,358.50

	2013				
Foshan Evian Xicheng Phase 2	December 2012	September 2014	300,168	194,687,704.32	198,358,621.15
Foshan Evian Tianhui Phase 2	August 2011	September 2014	146,022	1,343,002,124.56	1,393,482,150.47
Foshan Yiyunjun Garden	September 2013	September 2016	260,631	1,401,881,905.84	1,540,074,676.87
Shenzhen Center Square	February 2011	August 2014	6,918	53,526,164.81	55,025,244.02
Shenzhen Jingshan Jinhai	May 2011	August 2014	292,370	2,012,634,209.09	2,133,771,545.70
Shenzhen Yu'er Village Phase 1	February 2015	January 2018	69,754	269,113,953.75	269,652,499.75
Shenzhen Yihai City	November 2011	December 2016	735,678	3,917,668,541.84	2,921,707,922.03
Shenzhen Xiyong Sanlian Old City Reconstruction	September 2014	July 2016	169,415	37,556,658.80	66,887,731.18
Shenzhen Pingshan Garden City	April 2013	November 2015	322,408	1,575,860,527.71	1,847,026,487.20
Shenzhen Financial Center Phase 2	June 2013	March 2016	211,045	1,067,217,206.78	1,109,672,551.44
Shenzhen Sea World Municipal Support	February 2014	August 2016	20,117		158,022,256.42
Shenzhen Sea World Residence	July 2013	February 2016	1,203,461	2,834,590,034.27	7,174,015,664.93
Shenzhen nanhai Yiku Busines Reconstruction	March 2013	March 2014	600	5,742,046.60	
Shenzhen Jinxiu Guanyuan	December 2011	July 2014	94,264	759,733,888.03	793,271,331.56
Sea World Musium	May 2013	May 2015	113,969	15,922,583.76	261,817,591.34
Others				11,162,125.15	11,162,125.15
<b>Subtotal:</b>				<b>55,455,087,099.32</b>	<b>70,424,384,918.67</b>
<b>Property planned development land:</b>					
Harbin Yintai Block	August 2014	October 2021	923,625	2,659,778,476.22	2,693,572,102.10
Harbin Notting Hill Block 3-7	May 2015	October 2018	347,581	556,342,750.32	448,127,795.98
Changshu Xicheng Taigongwang Garden	July 2014	August 2015	141,881		722,588,041.45
Guangzhou Panyu Wanbo Block	July 2014	October 2016	223,211		1,504,814,630.43

Hangzhou Yonghuafu	January 2014	October 2016	139,119	880,000,000.00	
Hangzhou Yongjingwan	February 2014	March 2017	261,706	1,763,690,803.37	
Nanjing Hyde Gongguan	October 2014	June 2016	84,465		315,378,997.60
Nanjing China Merchants Yiyunjun	August 2014	December 2016	107,665		596,364,002.30
Qingdao Hyde Garden Phase 2	September 2014	September 2016	143,158		101,293,687.52
Shandong Rizhao Layton Town	July 2015	January 2019	180,884		420,484,100.00
Suzhou Evian Huafu	February 2014	November 2015	163,971	870,387,261.21	
Suzhou Yishanjuan Phase 2	March 2014	April 2016	86,950	341,150,180.95	
Xi'an Evian Qujiang	September 2014	October 2016	161,755		489,495,227.00
Yantai China Merchant East Bank	April 2015	June 2019	297,514		3,282,244.72
Zhenniang IBM International E City	July 2014	September 2016	165,979		104,447,487.00
Zhenjiang Creative Industrial Park	May 2015	September 2019	48,497	49,562,123.13	55,935,092.93
Xiamen Yonghuafu	February 2014	January 2016	100,507	690,774,166.67	
Wuhan Moshui Lake Block C	July 2014	September 2018	354,945	1,217,517,401.97	1,219,907,081.23
Wuhan Moshui Lake Block B	July 2014	April 2016	227,465	922,306,172.00	923,892,189.42
Chengdu Evian Shangcheng Phase 2 to 4	January 2015	September 2019	315,324	769,788,038.50	514,484,160.70
Foshan Evian Huafu Phase 2	February 2015	November 2016	72,493		375,833,944.64
Foshan Evian Huafu Phase 3	November 2015	September 2017	72,966		322,113,380.82
Yunna Haigongguan Phase 3	March 2015	March 2017	90,029	341,064,823.18	341,059,365.18
Chongqing Central Park	July 2014	December 2021	1,008,855		18,379,346.64
Yantai China Merchants Marbella	March 2014	September 2020	308,068	1,253,365,941.20	
Zhuhai Evian Shui'an Garden	July 2014	March 2017	207,916		613,717,637.80
Foshan Evian Gongguan Phase 2	December	December	141,523	368,300,700.00	10,722,000.00



and 3	2014	2017			
Foshan Evian Xicheng Phase 4	April 2014	July 2016	43,387	135,743,591.10	
Foshan Evian Xicheng Phase 5	December 2014	July 2016	32,758	149,055,852.75	149,055,852.75
Hainan Bo'ao Dalinghu	July 2014	July 2022	447,534	829,914,940.82	845,967,051.02
Nanning Yongjingwan	July 2014	December 2017	290,000	774,746,719.27	787,001,793.48
<b>Subtotal</b>				<b>14,573,489,942.66</b>	<b>13,577,917,212.71</b>
<b>Total</b>				<b>70,028,577,041.98</b>	<b>84,002,302,131.38</b>

B. The property development products are listed below

Project name	Completion date	Amount at the beginning of the period	Borrowing party in this period	Lending party in this period	Amount at the end of the period
Beijing Xicheng Homestead	March 2010	91,987,334.55	48,107,194.04	2,810,792.10	137,283,736.49
Beijing Longyuan Phase 1	November 2012	137,479,076.86	110,657,792.16	111,979,223.74	136,157,645.28
Beijing Longyuan Phase 2	August 2013	100,448,188.61	76,180,983.97	100,447,881.63	76,181,290.95
Beijing Park 1872 Phase 1 to 2	June 2011	27,219,418.97			27,219,418.97
Beijing Park 1872 Phase 3	April 2013	64,447,223.17	20,000,000.00	59,332,229.34	25,114,993.83
Tianjin Star City Phase 1 to 3	August 2012	146,820,760.37		51,829,812.98	94,990,947.39
Tianjin Yonghuafu	October 2012	169,749,194.87		2,822,910.34	166,926,284.53
Tianjin Yiyunjun Phase 1	June 2013	14,459,901.01		3,077,254.05	11,382,646.96
Tianjin No.36, Xikang Road	November 2009	1,907,351.03			1,907,351.03
Harbin Notting Hill Phase 1	October 2013	149,427,578.53		27,076,885.72	122,350,692.81
Qingdao LAVIE Commune Phase 1	June 2014	0	600,848,214.29	271,576,512.18	329,271,702.11
Zhenjiang Beiguwan	March 2013	45,539,301.62	695,850,236.17	614,617,112.76	126,772,425.03

Phase 1 (North)					
Nanjing Zijinshan No.1	December 2013	1,120,333,242.89		134,866,894.44	985,466,348.45
Nanjing Evian Xigu	October 2010	6,380,500.81			6,380,500.81
Suzhou Yongjingwan	May 2012	371,540,730.88	385,945,153.87	514,937,635.15	242,548,249.60
Suzhou Evian Shui'an Business Street	December 2009	9,701,439.23	2,395,668.49	2,395,668.49	9,701,439.23
Suzhou Xiaoshi City Phase 3	November 2010	1,332,115.33	17,974.80	1,350,090.13	
Suzhou Xiaoshi City Phase 4	June 2012	1,702,085.31	615,366.79	613,372.06	1,704,080.04
Suzhou Xiaoshi City Phase 5	May 2013	55,737,048.06		14,580,614.33	41,156,433.73
Suzhou Xiaoshi City Phase 6	May 2013	924,237.55	1,124,766.64	1,122,797.98	926,206.21
Shanghai China Merchants Bay Garden Phase 1 to 5	June 2011	439,566,442.73	235,872,193.16	93,229,084.28	582,209,551.61
Shanghai Sheshan Longyuan Phase 1	January 2012	907,904,549.76		72,794,282.64	835,110,267.12
Shanghai Hyde Garden Section 1 Phase 2 to 3	December 2010	36,353,144.39	329,685,278.61	336,569,398.68	29,469,024.32
Zhangzhou China Merchants Cadaques Phase 1	December 2011	27,751,486.20			27,751,486.20
Zhangzhou China Merchants Cadaques Apartment	June 2013	77,627,006.75		15,431,197.68	62,195,809.07
Zhangzhou China Merchants Holiday 365 Phase 1	December 2011	8,779,485.23		3,560,879.01	5,218,606.22
Zhangzhou China Merchants Garden City Phase 1	December 2011	7,416,942.42			7,416,942.42
Zhangzhou Garden City Phase 2	June 2013	47,233,773.83		6,922,604.59	40,311,169.24
Zhangzhou Sunshine Garden Phase 1	June 2006	2,656,378.89			2,656,378.89

Zhangzhou Golden Triangle Apartment	Business	December 2004	1,439,657.00			1,439,657.00
Zhangzhou 365 Phase 2	Holiday	November 2013	65,873,559.18		13,989,663.49	51,883,895.69
Xiamen May Flower Phase 1 Block 3-6		June 2014	127,018,694.10	308,375,663.96	167,327,061.26	268,067,296.80
Xiamen Hyde Park Phase 1 Villa		December 2012	154,964,402.02	837,957,021.38	805,964,634.76	186,956,788.64
Wuhan Yonghuafu		April 2014	0	910,313,509.12	793,014,715.26	117,298,793.86
Chongqing Merchants City	China Garden	December 2012	171,699,732.21	540,192,598.50	382,478,746.95	329,413,583.76
Chongqing City Phase 1	Jiangwan	November 2009	81,463,579.24			81,463,579.24
Chongqing City Phase 3-5	Jiangwan	September 2012	83,898,484.18	2,675,982.86	26,772,993.12	59,801,473.92
Chongqing City Phase 2	Jiangwan	December 2010	7,596,679.02		1,881,275.16	5,715,403.86
Chongqing Changjiahui Phase 1		April 2014	-	296,138,704.84	296,138,704.84	
Chengdu Merchants Phase 1	China Yonghuafu	September 2012	69,466,590.37			69,466,590.37
Chengdu Dongcheng International		November 2012	23,093,954.26			23,093,954.26
Bijie China Merchants Garden City Section A		June 2013	74,584,020.48	44,030,751.72	3,929,094.85	114,685,677.35
Zhuhai Garden City Phase 1		March 2012	283,791,082.74	21,571,078.63	31,662,727.71	273,699,433.66
Zhuhai Garden City Phase 2-3		January 2014		900,145,423.41	668,517,286.66	231,628,136.75
Guangzhou Jinshan Valley Phase 8		June 2013	73,218,513.77			73,218,513.77
Guangzhou Jinshan Valley Phase 4		July 2012	31,015,918.92		5,507,931.10	25,507,987.82
Guangzhou Jinshan Valley Phase 3 Tender		June 2012	287,097,817.69		74,534,995.57	212,562,822.12

Section 2					
Guangzhou Jinshan Valley Phase 3 Tender Section 1	May 2010	12,752,916.61			12,752,916.61
Guangzhou Jinshan Valley Phase 2	January 2010	15,965,500.83		60,256.86	15,905,243.97
Guangzhou Donghui City Phase 1	June 2014	0	161,195,257.72	156,454,244.75	4,741,012.97
Foshan Evian Tianhui Phase 1	September 2013	903,252,545.76		761,695,106.56	141,557,439.20
Foshan Evian Shui'an Phase 1 to 2	April 2011	31,762,681.09		266,503.81	31,496,177.28
Foshan Evian Shui'an Phase 4	January 2012	134,281,275.62		102,678,730.48	31,602,545.14
Foshan Evian Shui'an Phase 3	September 2012	45,066,560.38		8,694,495.23	36,372,065.15
Foshan Evian Shangcheng Phase 1	August 2011	128,155,225.06		37,073,583.22	91,081,641.84
Foshan Evian Shangcheng Phase 2	October 2012	78,676,109.74		77,646,838.88	1,029,270.86
Foshan Evian Shangcheng Phase 3	June 2013	959,345,916.00		848,773,875.21	110,572,040.79
Foshan Evian Xicheng Phase 1	November 2013	219,160,941.21		47,032,042.76	172,128,898.45
Shenzhen China Merchants Lanyuan	October 2010	1,063,834.85			1,063,834.85
Shenzhen China Merchants Guoling Garden	June 2013	20,277,468.26			20,277,468.26
Shenzhen Nanhai Yiku Business Reconstruction	June 2014	0	5,742,046.60	5,742,046.60	
Shenzhen China Merchants Guanyuan	January 2012	280,919,862.26		173,294,471.17	107,625,391.09
Shenzhen Yongjingwan	August 2012	53,870,232.20		51,360,550.24	2,509,681.96
Shenzhen Yishanjun Phase 2-3	October 2009	13,440,925.00		13,440,925.00	
Shenzhen Woods	June 2013		80,726,859.07		80,726,859.07

Apartment					
Shenzhen Lanxi Valley Phase 3	May 2011	2,478,894.64		2,478,894.64	
Shenzhen Huanchuan Square	September 2013	98,363,670.23	3,212,747.24		101,576,417.47
Shenzhen Yihai City Zone 1	January 2014	0	1,465,923,650.29	1,302,653,059.01	163,270,591.28
Others		1,533,987.00			1,533,987.00
<b>Total</b>		<b>8,609,017,171.77</b>	<b>8,085,502,118.33</b>	<b>9,305,010,589.45</b>	<b>7,389,508,700.65</b>

(3) Inventory price fall preparation

Item	Amount at the beginning of the period	Increase in this period	Decrease in this period		Amount at the end of the period
			Transfer back	Other transfer-out	
Property development cost					
Property development products	185,161,833.73			16,440,971.35	168,720,862.38
Low-value consumption goods	162,981.66				162,981.66
<b>Total</b>	<b>185,324,815.39</b>			<b>16,440,971.35</b>	<b>168,883,844.04</b>

Note 1: According to the market condition of the previous years, the subsidiary company of the Company Shanghai Jingyuan Property Development Co., Ltd. counted and drew survival price fall provision of RMB 207,957,544.04 Yuan for the Shanghai Sheshan Longyuan Project developed by it. The accumulative amount of the impairment loss counted and drawn due to carry-over sales matching resale in the previous year is RMB 22,795,710.31 Yuan. In this period, the impairment loss counted and drawn due to carry-over sales proportion resale is RMB 16,440,971.35 Yuan.

(4) The accumulative capitalized interest expenditure in the property development cost is RMB 2,271,026,762.57 yuan, and the interest expenditure counted into the property development cost in this period is RMB 382,434,129.99 Yuan.

(5) The inventories used for mortgage are as follows:

A. The subsidiary company of the Company Qingdao Zhongrunde Automobile Trade Co., Ltd. got a loan of RMB 166,500,000.00 Yuan with the land of China Merchants Zhongrunde Business Garden Phase 1 (the corresponding land use right certificate is Qing Fang Di Quan Shi Zi No.20081844) and the construction in process (the corresponding ownership certificate No. is Qing Fang Di Jian Shi Zi No.201274753) as the mortgage, and RMB 54,900,000.00 will be due within one year, the company got a loan of RMB 70,000,000.00 Yuan with the land of China Merchants Zhongrunde Airport Business Garden Phase 2 (the corresponding ownership certificate No. is Qing Fang Di Quan Zi No.201448169) as the mortgage, and RMB 11,725,000.00 will be due within one year.

B. The subsidiary company of the Company Tianjin China Merchants Taida Investment Co., Ltd. got a loan of RMB 97,528,563.46 Yuan from the bank with the Land Certificate No. of Fang Di Zheng Jin Zi No.114051200160 as the mortgage, and the loan will be due within one year.

(6) Up till June 30, 2014, the land reserve area of the Group is 4.6679 million square meters, and the land cost amount is RMB 13,577,917,212.71 Yuan.

#### 7. Non-current assets falling due in one year

Item	Amount at the end of the period	Amount at the beginning of the period	Nature
Long-term receivables falling due in one year		4,175,229.58	Entrusted loan
<b>Total</b>		<b>4,175,229.58</b>	

#### 8. Other current assets

Item	Amount at the end of the period	Amount at the beginning of the period	Nature
Tax paid in advance	4,031,956,604.01	3,547,427,010.52	Tax paid in advance
Others	26,714,229.36	2,770,929.08	Other taxes paid in advance
<b>Total</b>	<b>4,058,670,833.37</b>	<b>3,550,197,939.60</b>	

## 9. Long-term equity investment

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

<b>Item</b>	<b>Amount at the end of the period</b>	<b>Amount at the beginning of the period</b>
Long-term equity investment checked by the cost method		
Long-term equity investment checked by the equity method	1,778,740,853.66	1,653,194,214.56
<b>Total of long-term equity investment</b>	<b>1,778,740,853.66</b>	<b>1,653,194,214.56</b>
Less: Long-term equity investment impairment preparation		
<b>Value of long-term equity investment</b>	<b>1,778,740,853.66</b>	<b>1,653,194,214.56</b>

### (2) Long-term equity investment checked by the equity method

Invested unit	Checking method	Investment cost	Balance at the beginning of the period	Increase and decrease change	Balance at the end of the period	Shareholding proportion in the invested unit	Voting power proportion in the invested unit	Counted and drawn impairment provision in this period	Cash dividend in this period
Guangzhou Panyu Innovative Science and Technology Park Co., Ltd.	Equity method	350,000,000.00	313,093,571.68	1,790,223.60	314,883,795.28	51.00	50.00		
Shanghai Ledu Property Co., Ltd.	Equity method	66,660,000.00	217,515,645.59	1,033,030.02	218,548,675.61	33.33	33.33		
China Merchants Guangming Science Park Co., Ltd.	Equity method	196,000,000.00	163,856,555.45	519,909.20	164,376,464.65	49.00	49.00		
Tianjin Xinghai Property Development Co., Ltd.	Equity method	6,750,000.00	104,079,030.05	0.00	104,079,030.05	45.00	45.00		
TCL Optical- Electronics (Shenzhen) Technologies Ltd.	Equity method	42,010,652.00	93,775,993.21	21,431,084.01	115,207,077.22	40.00	40.00		
Shanghai Xinnanshan Property Development Co., Ltd.	Equity method	60,000,000.00	56,329,128.55	-1,436,463.06	54,892,665.49	20.00	20.00		
Ningbo Jiangwan Property Co., Ltd.	Equity method	30,000,000.00	29,025,146.81	-879,099.38	28,146,047.43	100.00	34.00		
Shenzhen Dehan Investment Development Co., Ltd.	Equity method	14,000,000.00	13,439,089.52	-78,469.54	13,360,619.98	70.00	50.00		
Shenzhen China Merchants Overseas Chinese City	Equity method	2,500,000.00	3,191,981.20	485,749.78	3,677,730.98	50.00	50.00		



Property Management Co., Ltd.									
Beijing China Merchants Tianping Property Management Co., Ltd.	Equity method	490,000.00	2,490,529.24	11,156.31	2,501,685.55	49.00	49.00		
Shenzhen Yihaicheng Business Property Management Co., Ltd.	Equity method	500,000.00	500,000.00	0.00	500,000.00	50.00	50.00		
Shenzhen China Merchants Overseas Chinese City Investment Co., Ltd.	Equity method	50,000,000.00	655,896,945.76	-200,106,779.04	455,790,166.72	50.00	50.00		320,548,073.61
Beijing Guangying Property Development Co., Ltd.	Equity method	6,258,825.01	0.00	0.00	0.00	34.00	34.00		
Huizhou Taitong Property Investment Co., Ltd.	Equity method	25,484,900.00	0.00	0.00	0.00	49.00	49.00		
Jones Tech Limited	Equity method	60,290,742.27	-	60,290,432.35	60,290,432.35	49.00	49.00		
Holly Profit Limited	Equity method	90,435,878.47	-	90,435,568.55	90,435,568.55	49.00	49.00		
Station Fortune Limited	Equity method	89,832,961.50	298.75	89,832,662.75	89,832,961.50	49.00	49.00		
Chief Master Limited	Equity method	45,217,932.30	298.75	45,217,633.55	45,217,932.30	49.00	49.00		
Foshan China Merchants Longyuan Property Co., Ltd.	Equity method	50,000,000.00	-	-		50.00	50.00		
Tianjin Munan Qiushi Industrial Co., Ltd.	Equity method	-	-	17,000,000.00	17,000,000.00	34.00	34.00		
<b>Total</b>		<b>1,186,431,891.55</b>	<b>1,653,194,214.56</b>	<b>125,546,639.10</b>	<b>1,778,740,853.66</b>				<b>320,548,073.61</b>

(3) Investment on the associated enterprises and cooperative enterprises

Unit: RMB Yuan

Name of the invested unit	Shareholding proportion of the enterprise	Voting power proportion of the enterprise in the invested unit	Total amount of the assets at the end of the period	Total amount of liabilities at the end of the period	Total amount of net assets at the end of the period	Sum of operating income in this period	Net profit of this period
I. Cooperative enterprises							
Shenzhen Dehan Investment Development Co., Ltd.	70.00	50.00	19,391,481.99	304,881.91	19,086,600.08	-	-112,099.24
Shenzhen Yihaicheng Business Property Management Co., Ltd.	50.00	50.00	5,062,866.04	6,769,945.70	-1,707,079.66	-	-2,707,079.66
Foshan China Merchants Longyuan Property Co., Ltd.	50.00	50.00	652,287,843.69	672,924,222.36	-20,764,180.67	-	95,841.21
Beijing Guangying Property Development Co., Ltd.	34.00	34.00	4,231,189,664.60	4,390,199,247.57	-159,009,582.97	-	-10,345,024.36
Shenzhen China Merchants Overseas Chinese City Property Management Co., Ltd.	50.00	50.00	17,908,463.17	10,771,117.72	7,137,345.45	12,596,913.32	971,499.56
Ningbo Jiangwan Property Co., Ltd.	100.00	34.00	2,405,146,847.10	2,380,599,648.79	24,547,198.31	-	-2,585,586.42
II. Associated enterprises							
Shenzhen China Merchants Overseas Chinese City Investment Co., Ltd.	50.00	50.00	1,739,796,000.88	1,222,631,872.76	517,164,128.12	1,263,070,845.58	367,164,128.12
Guangzhou Panyu Innovative Science and Technology Park Co., Ltd.	51.00	50.00	728,824,800.66	160,096,188.73	568,728,611.93	26,389,377.64	3,523,160.61
Huizhou Taitong Property Investment	49.00	49.00	6,293,884.50	25,590,515.03	-19,296,630.53	-	-44,759.76

Co., Ltd.							
Shanghai Xinnanshan Property Development Co., Ltd.	20.00	20.00	1,820,504,455.78	1,563,615,876.54	256,888,579.24		-7,182,315.30
China Merchants Guangming Science Park Co., Ltd.	49.00	49.00	660,268,974.78	324,806,801.99	335,462,172.79	18,749,757.87	1,061,039.19
Beijing China Merchants Tianping Property Management Co., Ltd.	49.00	49.00	5,335,486.94	291,681.56	5,043,805.38	4,190,336.50	22,767.98
Tianjin Xinghai Property Development Co., Ltd.	45.00	45.00	238,439,464.58	7,074,131.79	231,365,332.79	-	78,599.34
Shanghai Ledu Property Co., Ltd.	33.33	33.33	807,001,148.14	144,319,005.68	662,682,142.46	18,643,738.50	3,100,000.00
Jones Tech Limited	49.00	49.00	123,157,319.18	123,107,497.81	49,821.37		56,742.04
Holly Profit Limited	49.00	49.00	184,706,839.19	184,629,018.93	77,820.26		82,567.47
Station Fortune Limited	49.00	49.00	92,354,665.87	92,288,755.49	65,910.38		70,835.06
Chief Master Limited	49.00	49.00	183,453,805.17	183,422,954.29	30,850.88		35,775.56
TCL Optical- Electronics (Shenzhen) Technologies Ltd.	40.00	40.00	778,544,946.75	225,448,917.00	553,096,029.32	128,926,127.36	53,577,710.03
Tianjin Munan Qiushi Industrial Co., Ltd.	34.00	34.00	51,007,553.70	8,000.00	50,999,553.70		-364.28

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10. Investment property

Investment property measured with cost

Unit: RMB Yuan

Item	Book balance at the beginning of the period	Increase in this period	Decrease in this period	Book balance at the end of the period
<b>Original price</b>	<b>7,081,694,024.82</b>	<b>99,761,921.84</b>	<b>51,593,155.79</b>	<b>7,129,862,790.87</b>
Housing and buildings	4,619,714,535.01	88,335,288.51	40,033,771.32	4,668,016,052.20
Land use right	2,461,979,489.81	11,426,633.33	11,559,384.47	2,461,846,738.67
<b>Accumulative depreciation and accumulative amortization</b>	<b>1,419,849,690.94</b>	<b>118,302,251.94</b>	<b>6,039,143.31</b>	<b>1,532,112,799.57</b>
Housing and buildings	1,171,893,770.58	87,450,019.00	5,805,147.67	1,253,538,641.91
Land use right	247,955,920.36	30,852,232.94	233,995.64	278,574,157.66
<b>Book net value</b>	<b>5,661,844,333.88</b>			<b>5,597,749,991.30</b>
Housing and buildings	3,447,820,764.43			3,414,477,410.29
Land use right	2,214,023,569.45			2,183,272,581.01
<b>Impairment preparation</b>	-	-	-	-
Housing and buildings	-	-	-	-
Land use right	-	-	-	-
<b>Book value</b>	<b>5,661,844,333.88</b>			<b>5,597,749,991.30</b>
Housing and buildings	3,447,820,764.43			3,414,477,410.29
Land use right	2,214,023,569.45			2,183,272,581.01

(1) In the investment property added in this period, the amount transferred in from inventories is RMB 26,400,589.46 Yuan, and the increase of accumulative depreciation and accumulative amortization in this period is the counted and drawn amount in this period.

(2) Up till June 30, 2014, there was no investment property used for mortgage.

(3) Up till June 30, 2014, investment property with the net value of RMB 2,836,182,386.46 Yuan of the Group did not have the certificate of title, mainly including Zhangzhou Ziweiyuan Phase 1, Jingshan Villa Phase 8, Meilun Apartment, Chuanwei Square, Chuanhou Square and China Merchants Square etc. For 10 assets with the net value of RMB 81,946,690.80 Yuan, partial data is lost due to long history, we are now negotiating with the related departments to handle, and the other assets certificate of title are being handled.

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11. Fixed assets

(1) Condition of the fixed assets

Unit: RMB Yuan

Item	Amount at the beginning of the period	Transfer-in in this period	Increase in this period	Decrease in this period	Amount at the end of the period
<b>Original price</b>	<b>2,422,132,988.62</b>	<b>21,764,215.32</b>	<b>20,894,196.85</b>	<b>72,087,336.29</b>	<b>2,392,704,064.50</b>
Housing and buildings	1,875,320,557.09	21,764,215.32		60,847,860.65	1,836,236,911.76
Machinery equipment	315,079,590.79		13,740,626.17	460,514.77	328,359,702.19
Transportation equipment	92,297,631.00		4,689,892.41	2,132,580.50	94,854,942.91
Office equipment	139,435,209.74		2,463,678.27	8,646,380.37	133,252,507.64
<b>Accumulative depreciation</b>		<b>Added in this period</b>	<b>Counted and drawn in this period</b>		
	<b>383,711,997.07</b>	<b>764,338.51</b>	<b>82,124,734.55</b>	<b>13,933,379.08</b>	<b>452,667,691.05</b>
Housing and buildings	121,026,820.32	764,338.51	37,767,906.19	6,182,371.14	153,376,693.88
Machinery equipment	155,336,824.02		28,986,761.15	363,261.26	183,960,323.91
Transportation equipment	47,442,026.52		8,225,328.88	1,595,812.15	54,071,543.25
Office equipment	59,906,326.21		7,144,738.33	5,791,934.53	61,259,130.01
<b>Book net value</b>	<b>2,038,420,991.55</b>				<b>1,940,036,373.45</b>
Housing and buildings	1,754,293,736.77				1,682,860,217.88
Machinery equipment	159,742,766.77				144,399,378.28
Transportation equipment	44,855,604.48				40,783,399.66
Office equipment	79,528,883.53				71,993,377.63
<b>Impairment provision</b>					
Housing and buildings					
Machinery equipment					
Transportation equipment					
Office equipment					
<b>Book value</b>	<b>2,038,420,991.55</b>				<b>1,940,036,373.45</b>

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Housing and buildings	1,754,293,736.77			1,682,860,217.88
Machinery equipment	159,742,766.77			144,399,378.28
Transportation equipment	44,855,604.48			40,783,399.66
Office equipment	79,528,883.53			71,993,377.63

(1) Among all the fixed assets added in this period, the amount transferred in from the investment property is RMB 21,764,215.32.

(2) Up till June 30, 2014, the Group had 12 housing and buildings with a net value of RMB 11,541,443.84 Yuan without certificate of title, and the certificate of title are being handled.

12. Construction in process

(1) Condition of the construction in process

Unit: RMB Yuan

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Transformer substation project	99,326,975.54		99,326,975.54	97,696,226.79		97,696,226.79
Construction project	2,936,043.39		2,936,043.39	2,936,043.39		2,936,043.39
Reconstruction of the training base	4,586,781.10		4,586,781.10	4,263,308.18		4,263,308.18
<b>Total</b>	<b>106,849,800.03</b>		<b>106,849,800.03</b>	<b>104,895,578.36</b>		<b>104,895,578.36</b>

(2) Change conditions of the major construction in process projects

Unit: RMB Yuan

Project name	Budget	Balance at the beginning of the period	Increase in this period	Transferred into fixed assets	Other decreases	Balance at the end of the period
Transformer substation project	214,000,000.00	97,696,226.79	1,630,749			99,326,975.54
Construction project	1,587,565,000.00	2,936,043.39				2,936,043.39
Reconstruction of the training base	7,363,308.18	4,263,308.18	323,473			4,586,781.10

Continued:

Project name	Proportion of the project input in the budget	Project progress	Accumulative amount of the interest capitalization	incl. the interest capitalization amount in this period	Interest capitalization rate in this period	Capital source
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Transformer substation project	46.41	Completed and having the record kept				Self-raised
Construction project	0.18	Cost in the early stage				Self-raised
Reconstruction of the training base	62.29	Cost in the early stage				Self-raised

13. Intangible assets

Unit: RMB Yuan

Item	Book balance at the beginning of the period	Increase in this period	Decrease in this period	Book balance at the end of the period
<b>Original price</b>	<b>566,949,237.65</b>	<b>12,233,384.47</b>	<b>10,436,783.66</b>	<b>568,745,838.46</b>
Land use right	560,127,109.65	11,559,384.47	10,436,783.66	561,249,710.46
Software	6,822,128.00	674,000.00		7,496,128.00
<b>Accumulative amortization</b>	<b>24,500,586.23</b>	<b>9,447,688.15</b>	<b>0.00</b>	<b>33,948,274.38</b>
Land use right	21,427,208.41	8,452,526.86		29,879,735.27
Software	3,073,377.82	995,161.29		4,068,539.11
<b>Net Book value</b>	<b>542,448,651.42</b>			<b>534,797,564.08</b>
Land use right	538,699,901.24			531,369,975.19
Software	3,748,750.18			3,427,588.89
<b>Impairment provision</b>				
Land use right				
Software				
<b>Book value</b>	<b>542,448,651.42</b>			<b>534,797,564.08</b>
Land use right	538,699,901.24			531,369,975.19
Software	3,748,750.18			3,427,588.89

(1): In the intangible assets added in this period, the amount transferred in from the investment property is RMB 11,559,384.47.

(2) The decrease of the intangible assets this period is due to the transfer from land usage right of rental property to investment property.

14. Goodwill

Unit: RMB Yuan

Name of the invested unit	Balance at the beginning of the period	Increase in this period	Decrease in this period	Balance at the end of the period	Impairment provision at the end of the period

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China Merchants Land Co., Ltd.	159,560,861.23			159,560,861.23	
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The Group confirms the impairment loss of the goodwill asset group with the difference between the present value of the estimated future cash net flow of the goodwill asset group and the Book value of the asset group. After the impairment test, the goodwill did not have impairment.

### 15. Long-term deferred and prepaid expenses

Unit: RMB Yuan

Item	Amount at the beginning of the period	Increase amount in this period	Amortization amount in this period	Other decrease amounts	Amount at the end of the period
Improvement expenditure for the operation and rental of the fixed assets	198,031,614.61	3,197,612.06	10,313,425.85		190,915,800.82
Others	59,637,228.12	11,658,701.67	18,162,228.47		53,133,701.32
Total	257,668,842.73	14,856,313.73	28,475,654.32	-	244,049,502.14

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

#### (1) Details of the confirmed deferred income tax assets and deferred income tax liabilities

Unit: RMB Yuan

Item	Balance at the end of the period	Balance at the beginning of the period
<b>deferred income tax assets:</b>		
Land VAT drawn in advance	555,395,607.56	740,221,155.30
Subsidiary company evaluation value adding Note	464,699,868.61	-
Expense drawn in advance	2,222,872.21	195,213.25
Estimated liabilities	0.00	2,618,340.03
Bad debt provision of the accounts receivable	964,760.31	444,284.36
Bad debt provision of the other receivable	4,244,618.01	4,617,710.75
Other long-term asset amortization	3,580,077.90	3,580,077.90
Drawn education fund and advertisement fee exceeding the tax law standard	5,790,627.28	5,790,627.28
Others	6,396,117.51	12,790,471.82
<b>Total</b>	<b>1,043,294,549.39</b>	<b>770,257,880.69</b>
<b>Deferred income tax liabilities:</b>		
Dividend corporate income tax drawn in advance Note	93,864,160.28	108,596,697.05
<b>Total</b>	<b>93,864,160.28</b>	<b>108,596,697.05</b>



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### (2) Details of the unconfirmed deferred income tax assets

Unit: RMB Yuan

Item	Balance at the end of the period	Balance at the beginning of the period
Deductible temporary difference	237,183,089.90	620,494,424.87
Deductible loss	2,410,009,080.70	1,880,447,683.61
<b>Total</b>	<b>2,647,192,170.60</b>	<b>2,500,942,108.48</b>

(3) The deductible losses of the unconfirmed deferred income tax assets will be due in the following years

Unit: RMB Yuan

Year	Number at the end of the period	Number at the beginning of the period	Remark
2014	9,070,705.50	9,070,705.50	
2015	73,616,726.44	73,616,726.44	
2016	181,139,035.93	187,868,641.92	
2017	736,182,148.92	743,689,981.13	
2018	866,196,217.64	866,201,628.62	
2019	543,804,246.27	-	
<b>Total</b>	<b>2,410,009,080.70</b>	<b>1,880,447,683.61</b>	

### (4) Details of the taxable difference and the deductible difference items

Item	Amount of temporary difference	
	End of the period	Beginning of the period
<b>Taxable difference item</b>		
Dividend corporate income tax drawn in advance	1,192,026,119.49	1,518,843,070.09
<b>Subtotal</b>	<b>1,192,026,119.49</b>	<b>1,251,843,070.09</b>
<b>Deductible difference items</b>		
Land VAT drawn in advance	2,221,582,430.24	2,960,884,621.18
Subsidiary investment property evaluation value Note adding	1,858,799,474.44	
Advance drawing expense	8,891,488.84	780,853.00
Estimated liabilities	-	10,473,360.10
Bad debt provision of the accounts receivable	3,859,041.24	1,777,137.44
Bad debt provision of the other receivables	16,978,472.04	18,470,842.98
Other long-term assets amortization	14,320,311.60	14,320,311.60

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Drawn education fund and advertisement fee exceeding the tax law standard	23,162,509.11	23,162,509.11
Others	25,584,470.05	51,161,887.35
<b>Subtotal</b>	<b>4,173,178,197.56</b>	<b>3,081,031,522.76</b>

Note: As of V. (I) Subsidiary companies Note 16 says, the subsidiary of The Company, China Merchants Property Development set up subsidiaries by investment properties. Within The Company's scope, the difference of investment cost and the asset's book value can be deducted by the temporary difference between tax base and tax expense, thereby the difference is recognized as deferred tax asset.

### 17. Details of the assets Impairment provision

Item	Amount at the beginning of the period	Increase in this period	Decrease in this period		Amount at the end of the period
			Transfer back	Other Transfer-out	
Bad debt provision	41,135,956.27	1,429,149.73	540,855.74	19,699.31	42,004,550.95
Inventory price fall preparation Note	185,324,815.39			16,440,971.35	168,883,844.04
<b>Total</b>	<b>226,460,771.66</b>	<b>1,429,149.73</b>	<b>540,855.74</b>	<b>16,460,670.66</b>	<b>210,888,394.99</b>

Note: For the details of the other transfer-out in this period of the inventory price fall preparation, see VI. 6 (3) Details of the inventory price fall preparation.

### 18. Short-term loan

Loan category	Amount at the end of the period	Amount at the beginning of the period
Guarantee loan Note	600,000,000.00	1,200,000,000.00
Credit loan	2,825,000,000.00	3,050,000,000.00
<b>Total</b>	<b>3,425,000,000.00</b>	<b>4,250,000,000.00</b>

Note: The subsidiary company of the Company Shenzhen China Merchants Construction Co., Ltd. borrowed RMB 600,000,000.00 Yuan from the bank, and the Company provided the guarantee.

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### 19. Notes payable

Note category	Balance at the end of the period	Balance at the beginning of the period
Bank acceptance	33,679,222.89	4,777,875.00
Trade acceptance	1,616,433.20	22,489,762.07
<b>Total</b>	<b>35,295,656.09</b>	<b>27,267,637.07</b>

All the notes payable will be due by December 31, 2014.

### 20. Accounts payable

#### (1) Accounts payable

Item	Balance at the end of the period	Balance at the beginning of the period
Project funds	6,319,825,047.37	6,498,504,292.06
Land price money	6,347,427,544.45	4,916,328,784.79
Payment for acquisition of equity <sup>Note</sup>	327,528,894.81	135,650,000.00
Cash warranty	309,791,186.77	336,853,170.30
Others	112,192,520.77	123,496,207.35
<b>Total</b>	<b>13,416,765,194.17</b>	<b>12,010,832,454.50</b>
Among then: Over 1 year	1,159,131,244.94	937,403,243.07

Note: Payment for acquisition of equity is the equity transfer money of RMB 191,878,894.81 Yuan that shall be paid to the original shareholder by the company for purchasing Tianjin Guojun Investment Co.Ltd., equity transfer money of RMB 70,650,000.00 Yuan that shall be paid to the original shareholder by the subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. for purchasing Shanghai Fengyang Property Development Co., Ltd., and equity transfer money of RMB 65,000,000.00 Yuan that shall be paid by the subsidiary company of the Company China Merchants Property (Shenzhen) Co., Ltd. to the original shareholder for purchasing Shenzhen China Merchants Runde Property Co., Ltd.

(2) The large-amount accounts payable with the aging exceeding one year are as follows:

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Unit name	Amount at the end of the period	Age	Cause for non-payment	Repayment amount after the period
Final payment of Woods Apartment	181,243,826.62	1-2 years	The project is not settled	
Tianjin Songjiang Tuanbo Investment Development Co., Ltd.	99,036,642.00	1-2 years	The project is not settled	
Project funds of Beijing Park 1872 Project Phase 2	90,326,471.87	1-2 years	The project is not settled	
CIMC Shenfa Construction Industrial Co., Ltd.	70,650,000.00	Over 3 years	Not meeting the payment condition	
Shenzhen Weihui Investment Co., Ltd.	65,000,000.00	2-3 years	Not meeting the payment condition	
Project funds of Zhangzhou Meilun Villa	48,468,561.07	1-2 years	The project is not settled	
Payable phase 2 project funds of Foshan Xincheng	47,277,863.80	1-2 years	The project is not settled	
Project funds of Guangzhou Jinshan Valley Garden Phase 4	41,616,804.73	1-2 years	The project is not settled	
Bijie Land and Resources Bureau	39,300,000.00	1-2 years	Not meeting the payment condition	
Payable land money of Shanghai Fengyang	33,122,150.40	Over 3 years	Not meeting the payment condition	
Project funds of Zhuhai Garden City Phase 1	31,181,711.86	1-2 years	The project is not settled	
Completion pre-drawing cost of Foshan Xinjie Phase 1	30,242,829.89	2-3 years	The project is not settled	
Completion pre-drawing cost of Foshan Xinjie Phase 2	28,621,925.00	1-2 years	The project is not settled	
Payable phase 3 project funds of Foshan Xincheng	25,516,828.37	1-2 years	The project is not settled	
Payable phase 1 project funds of Foshan Xincheng	18,122,174.38	2-3 years	The project is not settled	
Project funds of Zhangzhou Holiday 365 Phase 1	17,353,157.47	1-2 years	The project is not settled	
Pre-drawing project cost of Shanghai Minsheng	16,677,806.93	2-3 years	The project is not settled	
Project funds of Beijing Park 1872 Project Phase 1	15,007,514.80	1-2 years	The project is not settled	
Cash warranty of Shenzhen Lanyuan	14,501,632.33	Over 3 years	The project is not settled	
Cash warranty of Shenzhen Yishanjuan Phase 3	14,440,288.97	Over 3 years	The project is not settled	
Nantong Construction Engineering Contracting Co., Ltd.	12,726,129.83	1-2 years	The project is not settled	
Pre-project funds of Zhangzhou Cadaques Phase 1	12,408,865.23	1-2 years	The project is not settled	
<b>Total</b>	<b>952,843,185.55</b>			

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(3) Payables to the shareholder units holding over 5% (including 5%) voting power shares of the Group at the end of the period

Unit name	Number at the end of the period	Number at the beginning of the period
Shekou Industrial Zone Co., Ltd.	3,452,900,000.00	

21. Accounts collected in advance

(1) Accounts collected in advance

Item	Amount at the end of the period	Amount at the beginning of the period
<b>Total</b>	<b>39,791,073,409.80</b>	<b>37,517,671,641.79</b>
Over 1 year	2,702,325,732.57	3,720,581,363.29

Note: The accounts collected in advance are mainly building sales money collected in advance, and the accounts collected in advance not carried over with the aging over one year is the advance building sales money of the buildings not completed and accepted.

(2) The accounts collected in advance at the end of the period do not include the money of the shareholder units holding over 5% (including 5%) voting power shares of the Group.

(3) Prepayment for properties:

Project name	Amount at the end of the period	Amount at the beginning of the period	Estimated completion time	Advance sale proportion (%)
Beijing Park 1872	2,694,278,272.00	2,513,448,128.72	2014	93.55
Beijing Longyuan	21,630,756.00	483,021,009.00	Completed	97.65
Tianjin Beiken Hill	932,499,817.00	612,503,010.00	2014	75.00
Tianjin Yiyunjun	216,869,219.00	4,041,470.00	2015	69.38
Tianjin Yonghuaifu	4,512,334.00	8,167,103.00	Completed	99.62
Tianjin Diamond Hill	539,680,130.02	254,743,936.00	2014	87.92
Harbin Notting Hill	142,725,870.94	64,133,341.74	2014	59.64
Qingdao LAVIE Commune	52,745,507.00	336,531,075.00	2015	43.25
Qingdao Hyde Garden	246,969,361.00	104,020,254.00	2014	71.00

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Project name	Amount at the end of the period	Amount at the beginning of the period	Estimated completion time	Advance sale proportion (%)
Suzhou Xiaoshi City	1,621,686,568.32	1,068,144,545.32	2015	79.45
Suzhou Yishan Jun	378,384,901.38	90,317,988.00	2015	23.85
Suzhou Yonghuafu	963,974,167.00	605,767,868.00	2014	58.06
Suzhou Yongjingwan	911,700,695.03	1,157,626,344.00	2014	99.19
Nanjing Evian Xigu	15,547,123.80	13,697,123.80	2015	100.00
Nanjing Yonghuafu	2,207,808,048.40	1,185,606,983.56	2015	74.43
Nanjing Zijinshan No.1	37,610,197.43	81,034,908.03	Completed	93.69
Zhenjiang North Solid Bay	369,176,343.09	1,009,300,474.03	2015	72.63
Shanghai Hyde Garden	1,020,550,130.00	1,025,262,637.00	2014	96.11
Shanghai Hongyue Huating	1,803,476,955.00	1,104,974,625.00	2014	97.02
Shanghai Sheshan Longyuan	212,674,341.00	122,907,095.00	2014	35.47
Shanghai China Merchants Haiting Phase 1	118,025,841.00	164,839,893.00	Completed	75.88
Changzhou China Merchants Garden City	199,849,453.00	130,421,353.00	2017	42.26
Chengdu Dongcheng International	5,000,000.00	5,000,000.00	Completed	89.34
Chengdu Yonghuafu	2,071,314,160.71	1,450,106,403.20	2014	85.96
Wuhan Aoming Moshui Lake	1,148,010,767.00	718,119,183.00	2014	82.28
Wuhan Yonghuafu	35,004,278.00	945,441,379.00	2014	93.25
Chongqing Garden City	729,485,319.21	772,714,786.31	2015	62.28
Chongqing Jiangwan City	95,072,150.00	79,310,504.00	Completed	93.01
Chongqing Changjiahui	582,022,745.00	703,275,279.23	2017	69.14
Guangzhou Donghui City	2,765,743,170.92	2,409,381,921.15	2016	66.94
Guangzhou Jinshan Valley	498,689,910.69	428,617,599.35	2014	73.99
Foshan Evian Shangcheng	66,677,729.56	996,710,467.73	Completed	94.19
Foshan Evian Shui'an	51,896,368.00	363,928,689.63	Completed	97.54
Foshan Evian Tianhui	1,270,851,514.00	1,815,818,056.00	2014	67.06
Foshan Evian Xicheng	422,814,774.00	297,758,971.00	2015	71.99
Zhuhai China Merchants Garden City	27,943,194.00	1,142,120,726.00	Completed	89.56
Bijie China Merchants Garden City	719,176,318.00	481,515,592.00	2014	60.93
Xiamen Hyde Park	1,054,456,020.00	1,507,876,002.00	2014	87.05
Xiamen Sea May Flower	2,010,046,907.57	1,684,807,638.57	2015	75.68
Zhangzhou Garden City	34,892,902.20	35,159,236.20	Completed	99.43
Zhangzhou Holiday 366	276,773,959.26	225,182,206.24	2014	99.82
Zhangzhou Cadaques	1,397,631,521.30	1,109,021,632.16	Completed	89.20
Shenzhen Jingshan	5,228,078,643.00	3,890,394,171.00	2014	94.73

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Project name	Amount at the end of the period	Amount at the beginning of the period	Estimated completion time	Advance sale proportion (%)
Shenzhen Lanxi Valley Apartment	6,756,284.00	23,097,053.00	Completed	100.00
Shenzhen Garden City	1,233,158,194.00	356,504,453.00	2015	70.69
Shenzhen Woods Apartment	1,090,000.00	41,930,540.00	Completed	91.98
Shenzhen Yihai City	2,087,621,992.00	3,365,465,960.00	2016	36.00
Shenzhen Yongjingwan	6,075,615.00	75,999,203.00	Completed	99.89
Shenzhen Merchants Guanyuan	1,141,725,637.00	292,375,822.00	Completed	94.92
Shenzhen Merchants Guoling Garden	916,294.00	916,294.00	Completed	99.30
Shenzhen Yishan Jun Property		86,525,110.00	Completed	100.00
Others	4,002,246.21	12,000,463.24		
<b>Total</b>	<b>39,685,304,646.04</b>	<b>37,457,586,507.21</b>		

22. Remuneration payable to the employees

Item	Book balance at the beginning of the period	Increase in this period	Decrease in this period	Book balance at the end of the period
Salary, bonus and subsidy	353,649,099.38	578,963,944.89	807,983,712.66	124,629,331.61
Employee welfare fee		28,942,847.90	28,942,847.90	0.00
Social insurance fee	582,482.45	83,680,587.27	84,145,007.63	118,062.09
In it: Medical insurance fee	177,255.63	25,434,492.39	25,426,528.90	185,219.12
Basic old-age insurance premiums	502,294.03	41,160,072.58	41,448,456.58	213,910.03
Supplementing medical insurance				0.00
Annuity payment (supplementing old-age insurance)	-425,715.96	10,781,732.16	10,890,008.58	-533,992.38
Unemployment insurance premium	149,519.01	2,986,830.10	3,067,902.85	68,446.26
Industrial injury insurance premium	91,825.09	1,653,899.06	1,646,513.04	99,211.11
Birth insurance premium	87,304.65	1,663,560.98	1,665,597.68	85,267.95
Housing fund	1,275,942.10	26,806,264.06	27,030,335.98	1,051,870.18

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Item	Book balance at the beginning of the period	Increase in this period	Decrease in this period	Book balance at the end of the period
Labor union fund and employee education fund	22,134,025.25	15,194,312.77	10,316,687.81	27,011,650.21
Dismissal welfare	1,280,000.00	1,102,616.91	1,088,284.65	1,294,332.26
Others	6,973,163.35	5,240,747.96	5,094,390.19	7,119,521.12
<b>Total</b>	<b>385,894,712.53</b>	<b>739,931,321.76</b>	<b>964,601,266.82</b>	<b>161,224,767.47</b>

## 23. Taxes payable

Item	Amount at the end of the period	Amount at the beginning of the period
Enterprise income tax	965,177,102.76	1,103,188,885.00
Land VAT	56,049,281.60	82,252,894.07
Business tax	20,125,383.14	173,015,455.00
Personal income tax	35,877,859.95	16,385,954.42
VAT	1,985,873.36	1,727,875.43
City maintenance and construction tax	1,433,812.78	10,905,212.85
Land use tax	3,017,946.48	6,202,187.15
Deed tax	119,406,833.40	59,104,080.00
Others	36,771,142.89	11,643,333.18
<b>Total</b>	<b>1,239,845,236.36</b>	<b>1,464,425,877.10</b>

## 24. Interest payable

Item	Amount at the end of the period	Amount at the beginning of the period
Interest of the long-term loans with installment interest payment and repayment of principal when it is due	128,602,732.24	141,592,356.43
Interest of the enterprise bonds	6,872,335.87	6,809,898.56
Interest payable of short-term loans	1,353,013.70	3,958,803.08



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Item	Amount at the end of the period	Amount at the beginning of the period
<b>Total</b>	<b>136,828,081.81</b>	<b>152,361,058.07</b>

25. Dividend payable

Unit name	Number at the end of the period	Number at the beginning of the period	Cause for non-payment over one year
Jiasen International Co., Ltd.	450,964,624.39		
Shekou Industrial Zone Co., Ltd.	332,841,272.16		
Jiulongcang Property (Guangzhou) Co., Ltd.	27,788,058.64		
Tianjin Senmiao Investment Group Co., Ltd.	4,692,329.22	9,692,329.22	Coordinate with the cooperative party and postpone payment
Shekou Huayuan Restaurant	285,600.10	285,600.10	The other party has been closed down for many years
Shenzhen Shekou Dongdi Industrial Development Co., Ltd.		140,218.27	
Shenzhen Nanshan Property Development Co., Ltd.		110,809,046.70	
Other small shareholders	383,233.13		
<b>Total</b>	<b>816,955,117.64</b>	<b>120,927,194.29</b>	

26. Other payables

(1) Other payables

Item	Number at the end of the period	Number at the beginning of the period
Correspondence with the cooperative companies	5,873,903,107.86	5,606,100,060.64
Correspondence with the associated companies	1,432,253,109.41	2,059,548,538.01
Cash deposit	768,864,838.35	555,633,651.06
Money collected on behalf and collected temporarily	681,471,743.04	533,845,271.67
Others	622,616,733.21	258,919,961.15

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Item	Number at the end of the period	Number at the beginning of the period
<b>Total</b>	<b>9,379,109,531.87</b>	<b>9,014,047,482.53</b>
Among them: Over 1 year	3,156,954,883.55	1,992,622,335.11

Note: The large-amount other payables with the aging over 1 year are mainly the money advanced of minority stockholders.

(2) The other payables in this report period do not include the money of the shareholder units holding over 5% (including 5%) voting power shares of the Company

(3) Large-amount other payables at the end of the period

Item	Amount	Aging	Nature or content
Suzhou Yaolong Investment Co., Ltd.	912,718,813.10	Within year 1	Accounts with the shareholders of the subsidiary companies
Shanghai langda Industrial Co., Ltd.	882,420,768.56	0-over years 3	Accounts with the shareholders of the subsidiary companies
Shenzhen China Merchants Financing Service Co., Ltd.	774,612,987.75	0-over years 3	Accounts with the shareholders of the subsidiary companies
Tianjin Taida Development Co., Ltd.	534,505,285.78	Within years 2	Accounts with the shareholders of the subsidiary companies
Yunnan Chengyou Property Co., Ltd.	522,997,394.88	Within years 2	Accounts with the shareholders of the subsidiary companies
Julongcang (Beijing) Enterprise Management Co., Ltd.	416,414,828.38	Within year 1	Accounts with the shareholders of the subsidiary companies
Harbin Hadian Proeprty Co., Ltd.	409,276,633.89	Within year 1	Accounts with the shareholders of the subsidiary companies
Rizhao City Investment Construction Consulting Co., Ltd.	352,750,000.00	Within year 1	Accounts
Shenzhen TCL Property Co., Ltd.	273,169,295.71	Within year 1	Accounts with the shareholders of the subsidiary companies
Guangdong Xinmenda Cable Industrial Co., Ltd.	261,401,273.12	Within year 1	Accounts with the shareholders of the subsidiary companies
Shanghai Ledu Property Co., Ltd.	251,012,803.57	Within years 2	Accounts with the associated enterprise
Dalian Haoyu Investment Co., Ltd.	245,570,000.00	Within years 2	Accounts with the shareholders of the subsidiary companies
Beijing Yintai Property Business Co., Ltd.	225,232,860.00	Within year 1	Accounts with the shareholders of the subsidiary companies
China Merchants Zhangzhou Development Zone Co., Ltd.	200,000,000.00	Within year 1	Accounts with the shareholders of the subsidiary companies
Foshan Henglun Property Investment Co., Ltd.	185,208,465.34	Within year 1	Accounts with the shareholders of the subsidiary companies
Nanjing Qianjia Investment Co., Ltd.	173,455,892.49	Within year 1	Accounts with the shareholders of the subsidiary companies
Huidefeng Property Co., Ltd.	160,048,546.22	Within years 2	Accounts with the shareholders of the subsidiary companies

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Item	Amount	Aging	Nature or content
Zhenjiang Shuili Investment Co., Ltd.	138,242,326.60	Within years 3	Accounts
Dafeng International Co., Ltd.	132,720,170.98	Within years 2	Accounts with the shareholders of the subsidiary companies
Foshan Xincheng Investment Development Co., Ltd.	106,410,408.00	Within year 1	Accounts with the shareholders of the subsidiary companies
Tianjin Xinghai Property Development Co., Ltd.	106,081,398.67	Within years 2	Accounts with the associated companies
Foshan Jincheng Quick-Frozen Food Co., Ltd.	104,560,814.05	Within year 1	Accounts with the shareholders of the subsidiary companies
<b>Total</b>	<b>7,368,810,967.09</b>		

27. Non-current liabilities falling due in one year

(1) Non-current liabilities falling due in one year

Item	Amount at the end of the period	Amount at the beginning of the period
Long-term loans falling due in one year	9,332,132,762.45	6,331,007,932.13
Among them: Credit loan	1,549,040,398.99	2,087,591,745.57
Guarantee loan	7,618,938,800.00	3,931,709,451.27
Mortgage loan	164,153,563.46	300,800,000.00
Entrusted loan	-	10,906,735.29
<b>Total</b>	<b>9,332,132,762.45</b>	<b>6,331,007,932.13</b>

For the details of the explanations on the long-term loans falling due in one year, see “this Annotation VI. 29 Long-term Loans”.

(2) The top five non-current liabilities falling due in one year of the amount at the end of the period

Lending unit	Loan start day	Loan ending day	Currency	Interest rate (%)	Amount at the end of the period	
					Foreign currency amount	Domestic currency amount
Financial institution 1	2013/03/26	2015/06/15	USD	Floating	200,000,000.00	1,230,560,000.00
Financial	2013/03/29	2015/03/29	RMB	Fixed		1,100,000,000.00

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institution 2						
Financial institution 3	2011/10/17	2014/09/26	USD	Floati ng	100,000,000.00	615,280,000.00
Financial institution 4	2013/03/29	2015/03/29	RMB	Fixed		500,000,000.00
Financial institution 5	2012/09/25	2015/06/29	RMB	Fixed		500,000,000.00

### 28. Other current liabilities

Item	Book balance at the end of the period	Book balance at the beginning of the period
Land VAT <sup>Note1</sup> drawn in advance	2,338,349,360.00	3,560,491,070.18
<b>Total</b>	<b>2,338,349,360.00</b>	<b>3,560,491,070.18</b>

Note 1: The Group counts and draws land VAT according to Guo Shui Fa [2006] No.187 document *Notice on the Problems Related to the Liquidation Management of the Land VAT of the Property Development Enterprises by the State Administration of Taxation* of the State Administration of Taxation and the other related provisions, and counted into the related profit and loss during the period according to the matching principle. At the same time, when calculating the income tax expense, the Group conducts corresponding adjustment on the taxable income according to the related provisions of the areas of the subsidiary companies.

### 29. Long-term loan

#### (1) Classification of long-term loan

Loan category	Amount at the end of the period	Amount at the beginning of the period
Mortgage loan <sup>Note1</sup>	169,875,000.00	277,128,563.46
Guarantee loan <sup>Note2</sup>	10,194,523,200.01	10,803,053,770.94
Credit loan	6,895,665,261.60	5,141,455,560.02
Entrusted loan <sup>Note3</sup>	830,280,000.00	830,280,000.00
<b>Total</b>	<b>18,090,343,461.61</b>	<b>17,051,917,894.42</b>

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Note 1: For the details, see “This Annotation VI , 6. Inventories(5)”.

Note 2: The details of the guarantee loans are as shown in the Table below.

借款主体	Lending institution	Loan amount	Among them: amount of long-term loan falling due in one year	Guarantee institution
The Company	Huatai Assets Management Co., Ltd.	2,000,000,000.00		China Merchants Group Co., Ltd.
The Company	Bank	1,531,500,000.00	514,000,000.00	China Merchants Shekou Industrial Zone Co., Ltd.
The Company	Bank	1,619,000,000.00	1,109,000,000.00	China Merchants Shekou Industrial Zone Co., Ltd.
China Merchants Property (Shenzhen) Co., Ltd.	Bank.	574,500,000.00	574,500,000.00	China Merchants Shekou Industrial Zone Co., Ltd.
The Company	Bank	249,900,000.00	249,900,000.00	China Merchants Property (Shenzhen) Co., Ltd.
Shenzhen China Merchants Power Supply Co., Ltd.	Bank	184,584,000.00		The Company.
China Merchants Property (Shenzhen) Co., Ltd.	Bank	249,900,000.00	249,900,000.00	The Company
Shenzhen China Merchants Power Supply Co., Ltd.	Bank	184,584,000.00		The Company
Ruijia Investment Co., Ltd.	Bank	7,042,878,000.00	3,880,338,800.00	China Merchants Group (Hong Kong) Co., Ltd.
Beijing Conrad Property Development Co., Ltd.	Bank	373,100,000.01	109,200,000.00	China Merchants Property (Shenzhen) Co., Ltd. and China Merchants Shekou Industrial Zone Co., Ltd. provide guarantee according to their share holding proportions
Shenzhen China Merchants Business Development Co., Ltd.	Bank	130,000,000.00	40,000,000.00	Shenzhen China Merchants Properties and Investment Co., Ltd. and Shenzhen Sea World Industrial Development Co., Ltd. provide guarantee according to their share holding proportions
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Bank	490,000,000.00	20,000,000.00	Shenzhen China Merchants Properties and Investment Co., Ltd. and China Merchants Shekou Industrial Zone Co., Ltd. provide guarantee according to their share holding proportions
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Bank	150,000,000.00	10,000,000.00	Shenzhen China Merchants Properties and Investment Co., Ltd. and China Merchants Shekou Industrial Zone Co., Ltd. provide guarantee according to their share holding proportions
Wuhan Aoming Property Development Co., Ltd.	Bank	94,000,000.00		China Merchants Shekou Industrial Zone Co., Ltd.
Shenzhen Vanke Binhai Property Co., Ltd.	Bank	300,000,000.00		China Merchants Property (Shenzhen) Co., Ltd. and Shenzhen Vanke Property Co., Ltd. provide guarantee according to their share holding proportions
China Merchants Property Development (Nanjing) Co., Ltd.	Bank	600,000,000.00		China Merchants Property (Guangzhou) Co., Ltd.
Foshan Evian Property Co., Ltd.	Bank	1,100,000,000.00	1,100,000,000.00	China Merchants Property

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				(Guangzhou) Co., Ltd. and Jiulongcang Property (Guangzhou) Co., Ltd. provide guarantee according to their share holding proportions
Qingdao China Merchants Hyde Property Development Co., Ltd.	Bank	30,000,000.00		The Company and China Merchants Shekou Industrial Zone Co., Ltd. provide guarantee according to their share holding proportions
Guangzhou China Merchants Property Co., Ltd.	Bank	396,000,000.00	8,000,000.00	China Merchants Property (Shenzhen) Co., Ltd. and China Merchants Land Co., Ltd. provide guarantee according to their share holding proportions
Foshan China Merchants Xincheng Hi-Tech Co., Ltd.	Bank	200,000,000.00		China Merchants Property (Shenzhen) Co., Ltd. and Foshan Xincheng Development Construction Co., Ltd. provide guarantee according to their shareholding proportions
Nanjing China Merchants Ruisheng Property Co., Ltd.	Bank	748,000,000.00	4,000,000.00	China Merchants Property (Guangzhou) Co., Ltd.
<b>Total</b>		<b>17,813,462,000.01</b>	<b>7,618,938,800.00</b>	

Note 3:

- 1) According to the *Entrusted Loan Contract* signed between the subsidiary company of the Company Guangzhou Wanshang Property Co., Ltd. and Guangzhou Vanke Property Co., Ltd., Guangzhou Vanke Property Co., Ltd. entrusted the bank to provide entrusted loan of RMB 415,140,000.00 Yuan to Guangzhou Wanshang Property Co., Ltd. According to the *Entrusted Loan Contract* signed between the subsidiary company of the Company Guangzhou Wanshang Property Co., Ltd. and the bank and Hangzhou Hanglong Property Management Co., Ltd., Hangzhou Hanglong Property Management Co., Ltd. entrusted the bank to provide entrusted loan of RMB 415,140,000.00 Yuan to Guangzhou Wanshang Property Co., Ltd.

(1) Top 5 long-term loans of the amount at the end of the period

Lending unit	Loan start day	Loan ending day	Currency	Interest rate (%)	Amount at the end of the period	
					Foreign currency amount	Domestic currency amount
Financial institution 1	2010/04/20	2017/04/19	RMB	Floating		2,000,000,000.00
Financial institution 2	2014/06/04	2016/06/04	RMB	Fixed		1,300,000,000.00
Financial	2013/12/23	2016/12/23	USD	Floating	194,000,000.00	1,193,643,200.00

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Lending unit	Loan start day	Loan ending day	Currency	Interest rate (%)	Amount at the end of the period	
					Foreign currency amount	Domestic currency amount
institution 3				g		
Financial institution 4	2013/12/18	2016/12/18	USD	Floating	100,000,000.00	615,280,000.00
Financial institution 5	2013/04/29	2016/04/25	USD	Floating	100,000,000.00	615,280,000.00

Continued:

Lending unit	Loan start day	Loan ending day	Currency	Interest rate (%)	Amount at the beginning of the period	
					Foreign currency amount	Domestic currency amount
Financial institution 1	2010/04/20	2017/04/19	RMB	Floating		2,000,000,000.00
Financial institution 2	2013/12/23	2016/12/23	USD	Floating	194,000,000.00	1,182,798,600.00
Financial institution 3	2013/03/29	2015/03/29	RMB	Fixed		1,100,000,000.00
Financial institution 4	2013/04/11	2015/06/15	USD	Floating	180,000,000.00	1,097,442,000.00
Financial institution 5	2013/12/18	2016/12/18	USD	Floating	100,000,000.00	609,690,000.00

30. Bonds payable

Bond category	Face value sum	Issuance day	Term	Issuance amount
China Merchants Land credit enhancement bond	3,048,450,000.00	2013/12/11	5 years	3,003,382,977.23
<b>Total</b>	<b>3,048,450,000.00</b>			<b>3,003,382,977.23</b>

Continued:

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Interest payable at the beginning of the period	Accrued interest in this period	Paid interest in this period	Interest payable at the end of the period	Amount at the end of the period
6,809,898.56	61,607,584.1	61,545,146.79	6,872,335.87	3,032,838,307.20
<b>Total</b>	<b>61,607,584.10</b>	<b>61,545,146.79</b>	<b>6,872,335.87</b>	<b>3,032,838,307.20</b>

The subsidiary company of the Company China Merchants Land Co., Ltd. issued credit enhancement bonds on December 11, 2013, the issuance sum is \$0.5 billion USD, the term is 5 years, the face value annual interest rate is 4.021%, which is fixed and unchanged during the bond duration, simple interest is adopted and interest is paid by half a year, and compound interest is not counted. The bonds were listed at Hong Kong Stock Exchange since December 12, 2013, and the capital raised by issuing the bonds is used for general enterprise purpose.

### 31. Long-term payables

Borrowing unit	Amount at the end of the period	Amount at the beginning of the period
<b>Total:</b>	<b>105,023,177.74</b>	<b>102,745,035.90</b>
Incl:		
Identity repair fund	103,823,177.74	101,545,035.90
Shenzhen China Merchants Venture Co., Ltd.	1,200,000.00	1,200,000.00

### 32. Estimated liabilities

Item	Amount at the beginning of the period	Increase in this period	Carry-over in this period	Amount at the end of the period
Pending actions	10,473,360.10		10,473,360.10	
<b>Total</b>	<b>10,473,360.10</b>		<b>10,473,360.10</b>	

The estimated liability is the subsidiary company of the Company Zhuhai Yuanfeng Property Co., Ltd. being sued by some owners due to building sales dispute. In this period, all the lawsuits were settled, and the estimated liability was transferred back.

### 33. Other non-current liabilities



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(1) Details of other non-current liabilities

Item	Book balance at the end of the period	Book balance at the beginning of the period
Hotel project special support fund	9,420,040.00	9,420,040.00
Cultural undertaking development special fund	1,500,000.00	1,500,000.00
Deferred rent income	316,720.00	316,720.00
<b>Total</b>	<b>11,236,760.00</b>	<b>11,236,760.00</b>

(2) Government subsidy

Government subsidy item	Amount at the beginning of the period	Subsidy amount added in this period	Amount counted into non-operating income in this period	Amount at the end of the period	Relevant to the assets/related to the income
Hotel project special support fund (Meilun Villa subsidy)	9,420,040.00			9,420,040.00	Relevant to the assets
Cultural undertaking development special fund	1,500,000.00			1,500,000.00	Relevant to the assets
<b>Total</b>	<b>10,920,040.00</b>			<b>10,920,040.00</b>	

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34. Capital stock

Unit: RMB Yuan

Name/category of the shareholder	Amount at the beginning of the period		Increase and decrease in this period (+, -)					Amount at the end of the period	
	Amount	Proportion (%)	Issue new shares	Give shares	Accumulation fund transferred into shares	Others	Subtotal	Amount	Proportion (%)
<b>I. Shares with sales restriction condition</b>									
1. Shares held by the state									
2. Shares held by the state-owned legal person	693,419,317.00	40.38			346,709,658.00		346,709,658.00	1,040,128,975.00	40.38
3. Other domestic capital share holding									
Incl: Shares held by the domestic legal person									
Shares held by the domestic natural person									
4. Shares held by the foreign capital	197,709,440.00	11.51			98,854,720.00		98,854,720.00	296,564,160.00	11.51
Incl: Shares held by the overseas legal person	197,709,440.00	11.51			98,854,720.00		98,854,720.00	296,564,160.00	11.51
Shares held by the overseas natural person									
5. Shares held by the senior executive	376,098.00	0.02			245,583.00	130,743.00	376,326.00	752,424.00	0.03
<b>Total of the shares with sales restriction condition</b>	<b>891,504,855.00</b>	<b>51.91</b>			<b>445,809,961.00</b>	<b>130,743.00</b>	<b>445,940,704.00</b>	<b>1,337,445,559.00</b>	<b>51.92</b>
<b>II. Shares without sales</b>									

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<b>restriction condition</b>									
1. RMB common shares	684,248,848.00	39.84			342,104,515.00	-54,818.00	342,049,697.00	1,026,298,545.00	39.84
2. Domestic listed foreign capital shares	141,546,800.00	8.24			70,735,775.00	-75,925.00	70,659,850.00	212,206,650.00	8.24
3. Overseas listed foreign capital shares									
4. Others									
<b>Total of the shares without sales restriction condition</b>	<b>825,795,648.00</b>	<b>48.09</b>			<b>412,840,290.00</b>	<b>-130,743.00</b>	<b>412,709,547.00</b>	<b>1,238,505,195.00</b>	<b>48.08</b>
<b>Total shares</b>	<b>1,717,300,503.00</b>	<b>100</b>			<b>858,650,251.00</b>	<b>-</b>	<b>858,650,251.00</b>	<b>2,575,950,754.00</b>	<b>100.00</b>

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Note: according to the Proposal of Profit Distribution and Capital Reserve Transferred into Equity 2013 approved by the Shareholders' Meeting 2013 of the Company held on April 14, 2014, capital reserve is transferred into equity. The total equity 1,717,300,503 shares at the end of 2013 is the base number, and for each 10 shares, the capital reserve is transferred into 5 common shares. Altogether 858,650,251 shares were transferred, and after the transfer, the total equity increased to 2,575,950,754 shares.

### 35. Capital reserve

Unit: RMB Yuan

Item	Amount at the beginning of the period	Increase in this period	Decrease in this period	Amount at the end of the period
Capital stock premium	8,272,422,487.12		858,650,251.00	7,413,772,236.12
Original system capital reserve transfer in	104,411,758.00			104,411,758.00
Other capital reserves	70,214,581.44	25,443,773.72		95,658,355.16
<b>Total</b>	<b>8,447,048,826.56</b>	<b>25,443,773.72</b>	<b>858,650,251.00</b>	<b>7,613,842,349.28</b>

(1) Capital reserve addition is the premium caused by the capital increase and share expansion of the minority shareholders of the subsidiary company of the Company Shenzhen Pingshan China Merchants Property.

(2) The decrease number of capital reserve in this period is the number of capital stock transferred in by implementing the Profit Distribution and Capital Reserve Transferred into Equity Scheme 2013.

### 36. Surplus reserves

Unit: RMB Yuan

Item	Number at the beginning of the period	Increase in this period	Decrease in this period	Number at the end of the period
Legal surplus reserves	993,395,354.99			993,395,354.99
Discretionary surplus reserves	140,120,038.00			140,120,038.00
<b>Total</b>	<b>1,133,515,392.99</b>			<b>1,133,515,392.99</b>

### 37. Undistributed profit

Unit: RMB Yuan

Item	Amount	Drawing or allocation proportion
<b>Amount at the end of the period of the previous year</b>	<b>15,348,735,891.17</b>	
Plus: the adjustment number of the undistributed profit at the beginning of the period		
<b>Amount at the beginning of this period</b>	<b>15,348,735,891.17</b>	
Plus: the net profit belonging to the shareholders of the parent company in	1,785,434,748.85	

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this period		
Less: the drawn legal surplus reserves		
Profit payable	824,304,241.00	
Other decreases		
<b>Amount at the end of this period</b>	<b>16,309,866,399.02</b>	

Note: According to the Profit Distribution and Capital Reserve Transferred into Equity Proposal 2013 approved by the resolution of the Shareholders' Meeting 2013 of the Company, with the total equity of 1,717,300,503 shares at the end of 2013 as the base number, for each 10 shares, send cash of RMB 4.80 Yuan (including the tax), altogether cash dividend of RMB 824,304,241.00 Yuan was sent.

### 38. Conversion difference of the foreign currency statement

Item	Number at the beginning of the period	Increase in this period	Decrease in this period	Number at the end of the period
Conversion difference of the foreign currency statement	78,901,353.52			78,901,353.52
<b>Total</b>	<b>78,901,353.52</b>			<b>78,901,353.52</b>

A few overseas The Companysubsidiary companies of the Company originally has HKD as the recording current. Because their main businesses are in China, such subsidiary companies converted the recording currency to RMB, and all the statement items are converted by the exchange rate on the exchange day. The foreign currency statement conversion difference generated in the merger process caused by the exchange rate on the exchange day being inconsistent with the historic exchange rate is counted into the current profit and loss when disposing the overseas subsidiary companies.

### 39. Equity of the minority shareholders

Name of the subsidiary company	Minority equity ratio (%)	Amount at the end of the period	Amount at the beginning of the period
Shenzhen China Merchants Qile Property Management Co., Ltd.	40.00	-1,791,110.23	-1,936,145.96
Beijing China Merchants Property Management Co., Ltd.	20.00	6,350,745.38	5,009,617.73
China Merchants Jiaming (Beijing) Property Development Co., Ltd.	50.00	1,193,684,560.53	1,083,696,920.33
China Merchants Property (Zhangzhou) Co., Ltd.	49.00	320,149,190.88	325,031,109.56
Shekou Xinghua Industrial Co., Ltd.	34.93	42,770,405.86	42,046,009.47
Union Bloom Limited	49.00	-5,158,155.65	-972,279.47
Vast Joint Limited	49.00	-21,226.52	-17,109.84
Suzhou China Merchants Nanshan Property Co., Ltd.	40.00	110,148,502.76	106,543,429.10
China Merchants Property (Tianjin) Co., Ltd.	25.00	11,014,130.07	11,142,732.16
Beijing China Merchants Jiaming Property Development Co., Ltd.	30.00	2,970,820.14	2,999,560.05
Suzhou Shuanghu Property Co., Ltd.	50.00	946,118,886.87	954,476,087.40

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Shanghai Fengyang Property Development Co., Ltd.	40.00	225,474,257.83	308,209,766.77
Shenzhen China Merchants Anye Investment Development Co., Ltd.	49.00	-5,218,503.95	-4,761,084.37
Zhuhai Yuanfeng Property Co., Ltd.	49.00	13,971,317.43	103,602,153.72
Yunnan China Merchants Chengtou Property Co., Ltd.	40.00	-12,974,019.99	-6,579,163.05
Shanghai Jingyuan Property Development Co., Ltd.	45.00	132,238,457.81	136,718,744.67
Fujian Zhongliansheng Property Development Co., Ltd.	50.00	91,197,812.33	97,663,599.52
Tianjin China Merchants Taida Investment Co., Ltd.	40.00	81,777,806.16	88,026,633.60
Qingdao Zhongrunde Automobile Trade Co., Ltd.	49.00	150,247,144.08	156,493,862.83
Guangzhou Wanshang Property Development Co., Ltd.	66.00	71,774,616.33	52,780,108.29
Shenzhen China Merchants Runde Property Co., Ltd.	49.00	130,903,395.64	130,941,276.11
Harbin China Merchants Jiatian Property Development Co., Ltd.	50.00	8,741,752.72	12,568,221.14
Foshan China Merchants Xincheng Hi-Tech Co., Ltd.	40.00	3,447,887.38	3,731,635.58
Dalian Zhaoyu Property Co., Ltd.	49.00	-1,052,050.06	710,994.12
Shenzhen China Merchants Shekou Construction Co., Ltd.	49.00	4,714,468.17	4,911,176.40
Zhenjiang Nanshan Creative Industrial Park Development Co., Ltd.	40.00	19,694,085.29	19,753,128.45
Tianjin Zhaojiang Investment Co., Ltd.	23.00	6,738,385.48	7,078,114.95
Nanning China Merchants Haotian Property Co., Ltd.	30.00	3,657,909.54	9,104,123.63
Harbin Yinkai Property Development Co., Ltd.	15.00	40,169,934.95	38,028,378.75
Shenzhen Pingshan China Merchants Property	30.00	6,374,447.44	
Beijing Conrad Property Development Co., Ltd.	40.00	67,134,699.43	86,371,797.60
Shenzhen China Merchants Business Development Co., Ltd.	49.00	55,237,901.37	60,503,665.67
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	49.00	-16,888,311.52	-1,152,081.66
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	50.00	3,393,374.73	3,390,669.24
China Merchants Land Co., Ltd.	25.65	2,078,785,979.45	2,075,109,818.07
Foshan Kaida City Investment Development Co., Ltd.	49.00	88,026,068.28	88,300,523.24
Foshan Xincheng Property Co., Ltd.	50.00	592,401,099.96	969,375,418.71
Foshan Evian Property Co., Ltd.	50.00	34,366,606.67	2,415,635.31
Foshan Evian Zhenyuan Property Co., Ltd.	45.00	2,983,469.15	
Foshan China Merchants Jiulongcang Property Co., Ltd.	50.00	432,150,274.28	427,534,853.66
Shenzhen Vanke Binhai Property Co., Ltd.	50.00	525,075,226.67	478,001,641.97
Hainan China Merchants Ocean Development Co., Ltd.	40.00	799,378,666.05	799,931,781.17
Yinrong Co., Ltd.	50.00	2,575,182,370.16	2,559,077,859.18
Huipeng Property Development Co., Ltd.	50.00	991,799,886.38	955,802,053.72
Huoju Investment Co., Ltd.	30.00	-102,993.29	

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Nanjing China Merchants Property Co., Ltd.	30.00	9,001,560.32	
<b>Total</b>		<b>11,836,041,732.76</b>	<b>12,191,665,237.52</b>

40. Operating income and operating cost

Items	Amount in this period		Amount in the the same period of last year	
	Operating income	Operating cost	Operating income	Operating cost
<b>Total</b>	16,047,155,730.99	10,391,068,273.47	16,133,568,321.26	8,692,511,279.89

(1) Main businesses—classified by the industry

Industry name	Amount in this period		Amount in the the same period of last year	
	Operating income	Operating cost	Operating income	Operating cost
Property industry	15,286,741,029.90	9,740,634,674.02	15,468,041,797.53	8,145,757,888.80
Public utility	296,760,432.45	232,485,479.31	286,293,107.78	210,341,111.20
Property management	463,654,268.64	417,948,120.14	379,233,415.95	336,412,279.89
<b>Total</b>	<b>16,047,155,730.99</b>	<b>10,391,068,273.47</b>	<b>16,133,568,321.26</b>	<b>8,692,511,279.89</b>

(2) Operating income condition of the top 5 clients

Name of the client	Operating income	Proportion accounting for in all the operating income (%)
Client 1	75,000,000.00	0.47
Client 2	61,575,156.00	0.38
Client 3	51,145,150.00	0.32
Client 4	50,058,759.40	0.31
Client 5	44,000,000.00	0.27
<b>Total</b>	<b>281,779,065.40</b>	<b>1.76</b>

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### 41. Operating tax and addition

Item	Amount in this period	Amount in the the same period of last year	Payment standard
Land VAT	715,462,580.01	1,682,436,591.33	For the details, see this Annotation IV
Business tax	795,233,571.24	791,426,399.15	For the details, see this Annotation IV
City maintenance and construction tax	52,643,579.68	52,105,782.75	For the details, see this Annotation IV
Education fee addition	31,521,296.26	38,222,483.89	For the details, see this Annotation IV
Others	19,158,673.10	15,239,466.65	
<b>Total</b>	<b>1,614,019,700.29</b>	<b>2,579,430,723.77</b>	

### 42. Sales expenses

Item	Amount in this period	Amount in the the same period of last year
Advertisement promotion expense	131,573,936.41	159,820,963.51
Sales institution expenses and commission	49,644,432.90	36,772,751.27
Others	100,719,879.14	75,426,076.98
<b>Total</b>	<b>281,938,248.45</b>	<b>272,019,791.76</b>

### 43. Management expenses

Item	Amount in this period	Amount in the the same period of last year
Man power expense	142,440,093.58	126,352,153.75
Office and administrative expense	43,358,242.39	48,812,337.37
Intermediary organ expense	10,039,265.18	29,643,111.36
Assets amortization	11,953,023.23	7,074,100.19
Taxes and levies	15,615,878.06	13,977,283.57
Others	8,253,296.26	6,852,499.77



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Item	Amount in this period	Amount in the the same period of last year
<b>Total</b>	<b>231,659,798.70</b>	<b>232,711,486.01</b>

## 44. Financial expenses

Item	Amount in this period	Amount in the the same period of last year
Interest expenditure	844,061,553.24	703,636,382.20
Less: capitalized interest expenditure	382,434,129.99	415,466,833.70
Less: interest income	221,966,151.28	110,091,552.79
Plus: exchange loss	51,270,119.88	-137,306,098.33
Less: capitalized exchange difference		-16,408,450.00
Plus: other expenditures	35,170,994.70	16,168,624.01
<b>Total</b>	<b>326,102,386.55</b>	<b>73,348,971.39</b>

## 45. Asset impairment loss

Item	Amount in this period	Amount in the the same period of last year
Bad debt loss	888,293.99	10,003,720.97
Inventory price fall loss		-182,370,000.00
<b>Total</b>	<b>888,293.99</b>	<b>-172,366,279.03</b>

## 46. Investment income

## (1) Sources of investment income

Items	Amount in this period	Amount in the same period of last year
Long-term equity investment income checked by the equity method	143,318,415.51	336,191,940.58
Investment income generated in disposing the long-term equity investment		-55,703,911.65
Others		1,691,730.00

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Items	Amount in this period	Amount in the same period of last year
<b>Total</b>	<b>143,318,415.51</b>	<b>282,179,758.93</b>

(2) Long-term equity investment income checked by the equity method

Item	Amount in this period	Amount in the same period of last year	Cause of change over the previous period
Shenzhen China Merchants Overseas Chinese City Investment Co., Ltd.	120,441,294.57	339,878,500.00	Check by the equity method from the cost method in the previous year
Shanghai Ledu Property Co., Ltd.	1,033,030.02	5,185,519.88	Decrease of the profit in this period of the invested unit
TCL Optical- Electronics (Shenzhen) Technologies Ltd.	21,431,084.01	12,617,820.16	Increase of the profit in this period of the invested unit
Shenzhen China Merchants Overseas Chinese City Property Management Co., Ltd.	485,749.78	62,212.24	Increase of the profit in this period of the invested unit
Beijing China Merchants Property Management Co., Ltd.	11,156.31	30,278.76	Decrease of the profit in this period of the invested unit
Shenzhen Dehan Investment Development Co., Ltd.	-78,469.54	-140,203.81	Decrease of the loss in this period of the invested unit
Ningbo Jiangwan Property Co., Ltd.	-879,099.38	0.00	Associated company is added
Guangzhou Panyu Innovative Science and Technology Park Co., Ltd.	1,790,223.60	1,889,728.08	Decrease of the profit in this period of the invested unit
Shanghai Xinnanshan Property Development Co., Ltd.	-1,436,463.06	0.00	Associated company is added
China Merchants Guangming Science Park Co., Ltd.	519,909.20	-1,290,760.00	From loss to profit in this period of the invested unit
Beijing Guangying Property Development Co., Ltd.	0.00	-2,044,883.47	Excess loss of the invested unit, and the long investment book value is reduced to zero
Huizhou Taitong Property Investment Co., Ltd.	0.00	-19,996,271.26	Excess loss of the invested unit, and the long investment book value is reduced to zero
<b>Total</b>	<b>143,318,415.51</b>	<b>336,191,940.58</b>	

47. Non-operating income

(1) Details of the non-operating income

Item	Amount in this period	Amount in the same period of last year	Amount accounted into non-recurring gain/loss for current period
Profit from the disposal of the	14,184.22	469,576.00	14,184.22

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Item	Amount in this period	Amount in the same period of last year	Amount accounted into non-recurring gain/loss for current period
non-current assets			
In it: the profit from disposal of fixed assets	14,184.22	469,576.00	14,184.22
Government subsidy	25,262,476.52	2,198,400.00	25,262,476.52
Income from default fine	4,879,293.44	5,828,374.85	4,879,293.44
Others (Note)	5,340,925.45	3,278,352.43	5,340,925.45
<b>Total</b>	<b>35,496,879.63</b>	<b>11,774,703.28</b>	<b>35,496,879.63</b>

(2) Details of the government subsidy

Subsidy item	Amount in this period	Amount in the same period of last year	Asset-related or income-related	If it is non-recurring profit and loss
Special subsidy	22,412,476.52	697,000.00	Related to the income	Yes
Reward for the big tax-payers	2,850,000.00	1,501,400.00	Related to the income	Yes
<b>Total</b>	<b>25,262,476.52</b>	<b>2,198,400.00</b>		

Note: the special subsidy is mainly used for developing rewards for the green and energy-saving enterprises provided by the local governments.

48. Non-operating expenditures

Item	Amount in this period	Amount in the same period of last year	Amount accounted into non-recurring gain/ loss for current period
Loss from disposal of non-current assets	175,062.57	910,283.52	175,062.57
Incl.loss from disposal of fixed assets	175,062.57	910,283.52	175,062.57
Donations	2,000.00		2,000.00
Inventory loss			

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Item	Amount in this period	Amount in the same period of last year	Amount accounted into non-recurring gain/ loss for current period
Estimated liability expenditure	-2,990,565.73		-2,990,565.73
Penalty paid			
Major water conservation construction fund	5,971,344.17	4,579,668.16	5,971,344.17
Others	18,567,574.48	9,897,602.93	18,567,574.48
<b>Total</b>	<b>21,725,415.49</b>	<b>15,387,554.61</b>	<b>21,725,415.49</b>

49. Income tax expense

(1) Income tax expense

Item	Amount in this period	Amount in the the same period of last year
Income tax expense of current year	1,252,265,973.88	1,432,015,820.82
Deferred income tax expense	--287,769,205.47	44,571,010.06
<b>Total</b>	<b>964,496,768.41</b>	<b>1,476,586,830.88</b>

(2) Income tax in the same year

Item	Amount
Total of consolidated profit in this period	3,358,568,909.19
Plus: Increased amount by tax adjustment	2,274,065,861.12
Less: Decreased amount by tax adjustment	1,154,415,347.35
Plus: taxable income from abroad business used to makeup domestic loss	
Less: makeup of previous loss	14,242,849.18
Plus: subsidiaries' loss of current year	545,685,334.44
Amount of taxable income in this period	5,009,661,908.22
Statutory income tax rate (Company tax of HK is 16.5%)	25%
Income tax payable in this period	1,252,265,973.88
Less: exemption of income tax	
Less: amount of income tax neutralized	

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50. Process of calculating the basic EPS and diluted EPS

Item	Number	Amount in this period	Amount in the same period of the previous year
Net profit belonging to the shareholders of the parent company	1	1,785,434,748.85	2,550,631,034.51
Non-recurring profit and loss belonging to the parent company	2	-57,442,222.60	332,958,050.10
Net profit with non-recurring profit and loss deducted belonging to the shareholders of the parent company	3=1-2	1,842,876,971.45	2,217,672,984.41
Total number of shares at the beginning of the period	4	1,717,300,503.00	1,717,300,503.00
Number of added shares such as accumulation fund transferred into the equity or stock dividend distribution etc. ( I )	5	858,650,251.00	858,650,251.00
Number of added shares such as issuing new shares or debt transferred into the equity etc. ( II )	6		
Number of accumulative months from the next month to the end of the period of the added shares (II)	7		
Number of reduced shares due to buy-back etc.	8		
Number of accumulative months from the next month to the end of the period of the reduced shares	9		
Number of reduced shares due to stock drawing back	10		
Number of months in the report period	11	6	6
Common share weighted average	12=4+5+6×	2,575,950,754.00	2,575,950,754.00

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Item	Number	Amount in this period	Amount in the same period of the previous year
issued externally	7÷11 -8×9÷11 -10		
<b>Basic EPS ( I )</b>	<b>13=1 ÷12</b>	0.6931	0.9902
<b>Basic EPS ( II )</b>	<b>14=3 ÷12</b>	0.7154	0.8609
Interest of the diluted potential common shares confirmed as expense	15		
Exchange expense	16		
Income tax rate	17		
Common share weighted average added by warrants, option exercising and convertible bonds etc.	18		
<b>Diluted EPS ( I )</b>	<b>19=[1+(15-16)×(1-17)]÷(12+18)</b>	0.6931	0.9902
<b>Diluted EPS ( II )</b>	<b>19=[3+(15-16)×(1-17)]÷(12+18)</b>	0.7154	0.8609

Note: In the report period, The company implemented the project to transfer capital reserve to capital stock. According to The 21th Memo of Information Disclosure –Related terms of Regular Report Disclosure from Shenzhen Stock Exchange, The company have adjusted the EPS last year in the same period, based on the adjusted capital stock.

51. Cash flow statement items

(1) Other cash related to operation/investment/fund raising received/paid

1) Operating cash inflows

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Item	Amount in this period	Amount in the same period of last year
Business accounts received	3,107,323,026.01	1,634,630,535.40
Project cash deposit received	351,203,069.17	795,186,343.74
Interest received	128,814,435.02	152,523,953.36
Business temporary receipts	283,677,449.41	259,616,832.28
Others		22,486,300.00
<b>Total</b>	<b>3,871,017,979.61</b>	<b>2,864,443,964.78</b>

2) Other cash related to the operation activities paid

Item	Amount in this period	Amount in the previous period
Business accounts paid	1,429,429,541.00	5,993,728,552.37
Project cash deposit returned	362,500,632.11	727,274,929.01
Cash paid for the sales expense	265,717,364.18	155,449,999.67
Cash paid for the management expense	162,536,815.33	101,932,622.91
Others	403,680,191.23	378,630,178.09
<b>Total</b>	<b>2,623,864,543.85</b>	<b>7,357,016,282.05</b>

(2) Supplementing data for the consolidated cash flow statement

Item	Amount in this period	Amount in the previous period
<b>1. Adjust the net profit to the cash flow of operation activities:</b>		
Net profit	2,394,072,140.78	3,257,892,424.69

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Item	Amount in this period	Amount in the previous period
Plus: asset impairment provision	888,293.99	-172,366,279.03
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	82,124,734.55	95,283,893.33
Amortization of intangible assets and investment property	127,749,940.09	
Amortization of long-term deferred and prepaid expenses	28,475,654.32	11,819,745.67
Loss from the disposal of fixed assets, intangible assets and other long-term assets (fill in with “-“ for the income)	160,278.35	910,283.52
Loss from the scrapping the fixed assets (fill in with “-“ for the income)		-469,576.00
Fair value change profit and loss (fill in with “-“ for the income)		
Financial expenses (fill in with “-“ for the income)	461,627,423.25	288,169,548.50
Investment loss (fill in with “-“ for the income)	-143,318,415.51	-282,179,758.93
Decrease of deferred income tax assets (fill in with “-“ for the increase)	-354,049,275.48	228,787,252.61
Increase of deferred income tax assets (fill in with “-“ for the decrease)	-14,732,536.77	93,712,503.50
Decrease of inventories (fill in with “-“ for the increase)	-12,762,507,273.06	1,521,324,142.08
Decrease of business receivables (fill in with “-“ for the increase)	-1,738,838,849.53	-4,782,180,561.63
Increase of business payables (fill in with “-“ for the decrease)	4,586,023,487.90	-1,536,208,848.88
Others		
Cash flow net amount generated in the operation activities	-7,332,324,397.12	-1,275,505,230.57
<b>2. Major investment and fund raising activities not involving cash income and expenditure:</b>		
Debt converted to capital		
Convertible company bonds falling due in one year		
Financing rent-in fixed assets		



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Item	Amount in this period	Amount in the previous period
<b>3. Change condition of cash and cash equivalents:</b>		
Balance at the end of the period of the cash	18,585,950,027.06	23,381,778,990.51
Less: Balance at the beginning of the period of the cash	24,235,680,921.50	18,218,506,517.70
Plus: Balance at the end of the period of the cash equivalents		
Less: Balance at the beginning of the period of the cash equivalents		
Net increase amount of the cash and the cash equivalents	-5,649,730,894.44	5,163,272,472.81

(3) Cash and cash equivalents

Item	Number at the end of the period	Number at the beginning of the period
Cash	18,585,950,027.06	24,235,680,921.50
In it: cash on hand	250,111.99	277,828.02
Bank deposit that can be used for payment at any time	16,229,601,295.27	21,969,131,604.53
Other monetary capital that can be used for payment at any	2,356,098,619.80	2,266,271,488.95
Money deposited in the central bank that can be used for payment at any time		
Deposits in other banks		
Loan at call in other banks		
Cash equivalents		
In it: Bond investment falling due in three months		
Balance of the cash and the cash equivalents at the end of the period	18,585,950,027.06	24,235,680,921.50

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### VII. Related party and related transaction

#### 1. Condition of the parent company of the enterprise

Name of the parent company	Incidence relation	Enterprise type	Registration place	Legal representative	Business nature	Registered capital	Shareholding proportion of the parent company in the enterprise	Voting power proportion held by the parent company in the enterprise	Final controlling party of the enterprise	Organization code
China Merchants Shekou Industrial Zone Co., Ltd.	Shareholder	Limited liability company	Shenzhen	Sun Chengming	Set up and manage all kinds of enterprises etc.	2,236,000,000.00	40.38	40.38	China Merchants Group Co., Ltd.	100011460

China Merchants Shekou Industrial Zone Co., Ltd. directly holds 1,040,128,975 shares of the Company, indirectly holds 296,564,160 shares of the Company through its subsidiary companies, and totally holds 1,336,693,135 shares of the Company, accounting for 51.89% of the total shares of the Company.

#### 2. Condition of the subsidiary companies of the enterprise

For the details, see Annotation V. (I).

#### 3. Condition of the cooperative and associated enterprises of the enterprise

For the details, see VI. 9 Long-term equity investment.

#### 4. Condition of the other related parties of the enterprise

Name of the other related party	Relationship with the Company	Main transaction content
China Merchants International (China) Investment Co., Ltd.	Controlled by the same shareholder and the final controlling party	Property management, rental
Shenzhen China Merchants Qianhaiwan Property Co., Ltd.	Controlled by the same shareholder and the final controlling party	Contracting of construction project
China Shenzhen Ocean Shipping Agency Co., Ltd.	Controlled by the same shareholder and the final controlling party	Contracting of construction project
Shenzhen China Merchants Financing Service Co., Ltd.	Controlled by the same shareholder and the final controlling party	Related correspondence
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same shareholder and the final controlling party	Related correspondence
Blue Cove International Limited	Controlled by the same shareholder and the final controlling party	Related correspondence
Powerwise International Limited	Controlled by the same shareholder and	Related correspondence

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	the final controlling party	
Dafeng International Co., Ltd.	Controlled by the same shareholder and the final controlling party	Related correspondence
China Merchants Group (Hong Kong) Co., Ltd.	Controlled by the same shareholder and the final controlling party	Guarantee, property management
China Merchants (Shanghai) Investment Co., Ltd.	Controlled by the same shareholder and the final controlling party	Management fee for construction on behalf
China Merchants Bank Co., Ltd.	Controlled by the same shareholder and the final controlling party	Deposit and loan
Shenzhen China Merchants Venture Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental
China Merchants International Information technology Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental
Shanghai China Merchants Square Property Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental
Shenzhen Shekou Industrial Zone Employee Residence Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental
Shenzhen China Merchants International Ship Agency Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental
Shenzhen China Merchants Network Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental
China Merchants Asia Pacific Investment (Shenzhen) Co., Ltd.	Controlled by the same shareholder and the final controlling party	Rental

### 5. Transactions of the related parties

#### (1) Condition of purchasing commodities and accepting labor

Unit: RMB Yuan

Related party	Content of the related transaction	Pricing mode and decision-making procedures of the related transaction	Amount in this period		Amount in the previous period	
			Amount	Proportion accounting for in the amount of the transactions of the same category	Amount	Proportion accounting for in the amount of the transactions of the same category
<b>Shareholder and the final controlling party</b>						
In it: China Merchants Shekou Industrial Zone Co., Ltd.	Purchase land	Market pricing	4,852,900,000.00	46.16		
<b>Other enterprises controlled by the same shareholder and the final controlling party</b>						
China Merchants Bank Co., Ltd.	Interest expenditure	Market pricing	48,589,662.03	5.76	27,253,397.65	2.84
China Merchants Bank Co., Ltd.	Handling fee	Market pricing	817,328.44	2.32	1,791,836.45	10.32
Shenzhen China Merchants Financing Service Co., Ltd.	Capital occupying fee for the shareholders'	Loan interest rate of the bank in the same	15,101,556.66	0.16	14,065,305.00	0.18

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	advance	period			
<b>Total</b>			<b>4,917,408,547.13</b>		<b>43,110,539.10</b>

Note: The 2<sup>nd</sup> Temporary Shareholders' Meeting 2013 of the Company examined and approved the proposals related to *About Issuing Shares to Purchase Assets and Raise the Matching Funds & Related Transactions*, and the Company planned to purchase the land use right of Shekou Industrial Zone Sea World Residence and the Culture and Art Center with the shares issued additionally. According to the *Assets Purchase Agreement* signed by the Company and Shekou Industrial Zone, the total price of the land use right is RMB 4.853 billion Yuan, and the completion condition (the issuance is successful or not) of issuing shares to raise funds this time does not influence the implementation of the assets transaction behaviors.

The 4<sup>th</sup> Temporary Meeting of the Board of Directors of the Company in 2014 decided to terminate this additional issuance. According to the above-mentioned *Assets Purchase Agreement*, the Company will pay the price for purchasing the land use right of Shekou Industrial Zone in cash. The Company paid part of it (RMB 1.4 billion Yuan) in June 2014.

### (2) Condition of selling commodities and providing labor

Unit: RMB Yuan

Related party	Content of the related transaction	Pricing mode and decision-making procedures of the related transaction	Amount in this period		Amount in the previous period	
			Amount	Proportion accounting for in the amount of the transactions of the same category	Amount	Proportion accounting for in the amount of the transactions of the same category
China Merchants Group (Hong Kong) Co., Ltd.	Provide property management service	Market agreement price	3,766,820.00	0.81	2,597,971.51	0.68
China Merchants International (China) Investment Co., Ltd.	Provide property management service	Market agreement price	259,937.25	0.06	-	-
Shenzhen China Merchants Qianhaiwan Property Co., Ltd.	Contracting of construction project	Market agreement price	193,107.30	0.09	8,262,080.00	2.2
China Shenzhen Ocean Shipping Agency Co., Ltd.	Contracting of construction project	Market agreement price	4,298,571.31	2.10	11,336,029.02	3.04
China Merchants Bank Co., Ltd.	Interest income	Market agreement price	34,075,975.05	15.35	26,865,605.01	61.82
<b>Total</b>			<b>42,594,410.91</b>		<b>49,061,685.54</b>	

### (3) Condition of the related rental

#### Company rental condition

Unit: RMB Yuan

Name of the lessor	Name of the leasee	Category of the rental asset	Rental start day	Rental ending day	Pricing basis for the rental income	Rental income confirmed in this report period
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Shenzhen China Merchants Properties and Investment Co., Ltd.	China Merchants Group Co., Ltd.	Workshop	January 1, 2014	December 31, 2014	Implement according to the agreement price	517,690.00
	China Merchants Shekou Industrial Zone Co., Ltd.	Office building	January 1, 2014	April 14, 2014	Implement according to the agreement price	4,009,910.24
	Shenzhen China Merchants Venture Co., Ltd.	Office building	January 1, 2014	April 14, 2014	Implement according to the agreement price	92,623.65
	Shenzhen China Merchants Network Co., Ltd.	Office building	January 1, 2014	December 31, 2014	Implement according to the agreement price	74,880.00
	Shenzhen Shekou Industrial Zone Employee Residence Co., Ltd.	Office building	January 1, 2014	April 14, 2014	Implement according to the agreement price	383,619.00
	China Merchants Asia Pacific Investment (Shenzhen) Co., Ltd.	Office building	January 1, 2014	April 14, 2014	Implement according to the agreement price	142,344.00
	Shenzhen China Merchants International Ship Agency Co., Ltd.	Office building	January 1, 2014	April 14, 2014	Implement according to the agreement price	240,474.00
	China Merchants International (China) Investment Co., Ltd.	Office building	January 1, 2014	April 14, 2014	Implement according to the agreement price	2,075,427.00
Shenzhen Shekou New Times Property Management Co., Ltd.	China Merchants Shekou Industrial Zone Co., Ltd.	Office building	April 15, 2014	December 31, 2014	Implement according to the agreement price	2,952,318.50
	Shenzhen China Merchants Venture Co., Ltd.	Office building	April 15, 2014	December 31, 2014	Implement according to the agreement price	212,095.00
	Shenzhen Shekou Industrial Zone Employee Residence Co., Ltd.	Office building	April 15, 2014	December 31, 2014	Implement according to the agreement price	324,442.50
	China Merchants Asia Pacific Investment (Shenzhen) Co., Ltd.	Office building	April 15, 2014	December 31, 2014	Implement according to the agreement price	88,965.00
	Shenzhen China Merchants International Ship Agency Co., Ltd.	Office building	April 15, 2014	December 31, 2014	Implement according to the agreement price	29,295.00
	China Merchants International (China) Investment Co., Ltd.	Office building	April 15, 2014	December 31, 2014	Implement according to the agreement price	806,933.50

Company rental condition

Unit: RMB Yuan

Name of the lessor	Name of the leasee	Category of the rental asset	Rental start day	Rental ending day	Pricing basis for the rental income	Rental income confirmed in this report period
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhen China Merchants Properties and Investment Co., Ltd.	Land use right	January 1, 2014	December 31, 2014	Implement according to the agreement price	3,191,430.10
	China Merchants Property (Shenzhen) Co., Ltd.	Land use right	January 1, 2014	August 31, 2023	Implement according to the agreement price	2,663,605.85
	Shenzhen China Merchants Properties and Investment Co., Ltd.	Workshop	January 1, 2014	December 31, 2014	Implement according to the agreement price	10,654,423.00

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	Shenzhen China Merchants Power Supply Co., Ltd.	Land use right	January 1, 2014	December 31, 2014	Implement according to the agreement price	1,181,571.66
Shanghai China Merchants Square Property Co., Ltd.	Shanghai Fengyang Property Development Co., Ltd.	Office building	January 1, 2014	December 31, 2015	Implement according to the agreement price	424,622.40
	Shanghai China Merchants Fengrui Property Co., Ltd.	Office building	January 2014	December 2015	Implement according to the agreement price	701,599.20
	Shanghai Jingyuan Property Development Co., Ltd.	Office building	January 1, 2014	December 31, 2015	Implement according to the agreement price	285,432.00
	Shanghai China Merchants Hongfa Property Co., Ltd.	Office building	January 1, 2014	December 31, 2015	Implement according to the agreement price	396,436.20
Shenzhen Shekou Industrial Zone Employee Residence Co., Ltd.	Shenzhen China Merchants Property Management Co., Ltd.	Dormitory	January 1, 2014	December 31, 2014	Implement according to the agreement price	2,339,280.00
	Shenzhen China Merchants Property Management Co., Ltd.	Land use right	May 1, 2014	April 30, 2015	Implement according to the agreement price	197,890.70

(4) Related guarantee condition

Unit: RMB Yuan

Name of the guarantor	Name of the beneficiary	Amount guaranteed	Start date	Expired on	If Completed or not
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	184,584,000.00	2011.07.22	2014.07.18	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	307,640,000.00	2011.10.14	2014.07.18	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	430,696,000.00	2011.10.14	2014.09.26	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	615,280,000.00	2011.10.17	2014.09.26	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	396,900,000.00	2011.10.21	2014.10.13	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	277,830,000.00	2011.11.25	2014.11.25	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	129,208,800.00	2011.12.28	2014.12.27	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	307,640,000.00	2013.03.05	2016.03.01	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	123,056,000.00	2013.03.26	2015.06.15	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	1,107,504,000.00	2013.04.11	2015.06.15	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	615,280,000.00	2013.04.29	2016.04.25	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	307,640,000.00	2013.09.30	2016.09.30	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	123,056,000.00	2013.10.31	2016.10.31	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	307,640,000.00	2013.12.16	2015.06.28	No

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Name of the guarantor	Name of the beneficiary	Amount guaranteed	Start date	Expired on	If Completed or not
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	615,280,000.00	2013.12.18	2016.12.18	No
China Merchants Group (Hong Kong) Co., Ltd.	Ruijia Investment Industrial Co., Ltd.	1,193,643,200.00	2013.12.23	2016.12.23	No
China Merchants Group Co., Ltd.	The Company	2,000,000,000.00	2010.04.20	2017.04.19	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	500,000,000.00	2013.03.29	2015.03.29	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	197,000,000.00	2012.12.19	2015.12.19	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	107,000,000.00	2012.12.24	2015.12.24	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	78,500,000.00	2013.01.29	2016.01.29	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	49,000,000.00	2013.07.31	2016.07.31	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	300,000,000.00	2014.03.28	2017.03.28	No
China Merchants Shekou Industrial Zone Co., Ltd.	The Company	300,000,000.00	2014.06.25	2017.06.25	No
China Merchants Shekou Industrial Zone Co., Ltd.	China Merchants Property (Shenzhen) Co., Ltd.	154,000,000.00	2012.09.18	2014.09.18	No
China Merchants Shekou Industrial Zone Co., Ltd.	China Merchants Property (Shenzhen) Co., Ltd.	88,500,000.00	2012.09.19	2014.09.19	No
China Merchants Shekou Industrial Zone Co., Ltd.	China Merchants Property (Shenzhen) Co., Ltd.	27,500,000.00	2012.11.30	2014.11.30	No
China Merchants Shekou Industrial Zone Co., Ltd.	China Merchants Property (Shenzhen) Co., Ltd.	187,000,000.00	2012.12.24	2014.12.24	No
China Merchants Shekou Industrial Zone Co., Ltd.	China Merchants Property (Shenzhen) Co., Ltd.	117,500,000.00	2013.01.29	2015.01.29	No
China Merchants Shekou Industrial Zone Co., Ltd.	Wuhan Aoming Property Development Co., Ltd.	94,000,000.00	2013.11.19	2016.11.19	No
China Merchants Shekou Industrial Zone Co., Ltd.	Beijing Conrad Property Development Co., Ltd.	149,240,000.00	2012.05.15	2017.05.15	No
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhen Shekou Sea World Hotel Management Co., Ltd.	240,100,000.00	2013.10.22	2018.10.20	No
China Merchants Shekou Industrial Zone Co., Ltd.	Qingdao Merchants Hyde Property Development Co., Ltd.	14,700,000.00	2014.04.29	2017.06.09	No
China Merchants Shekou Industrial Zone Co., Ltd.	Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	75,000,000.00	2014.06.27	2019.06.27	No

### (5) Capital inter-bank lending of the related party

Unit: RMB Yuan

Name of the related party	Borrowing/lending	Inter-bank lending amount	Start day	Due day	Remark
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Beijing Guangying Property Development Co., Ltd.	Lending	823,296,461.50	2012.09	2014.09	Advance of the shareholder
Ningbo Jiangwan Property Development Co., Ltd.	Lending	1,135,556,115.92	2013.12	2014.12	Advance of the shareholder
Foshan China Merchants Longyuan Property Co., Ltd.	Lending	673,692,974.37	2011.01	2015.12	Advance of the shareholder
Shanghai Xinnanshan Property Development Co., Ltd.	Lending	85,021,300.00	2011.09	2014.04	Advance of the shareholder

6. Receivables and payables of the related party

(1) Accounts receivable of the related party

Accounts receivable of the related party	Amount at the end of the period		Amount at the beginning of the period	
	Book balance	Bad debt provision	Book balance	Bad debt provision
<b>Other enterprises controlled by the same shareholder and the final controlling party</b>				
Among them: China Merchants (Shanghai) Investment Co., Ltd.	-		5,088,000.00	
<b>Total</b>	-		<b>5,088,000.00</b>	

(2) Other receivables of the related party

Unit: RMB Yuan

Other receivables of the related party	Amount at the end of the period		Amount at the beginning of the period	
	Book balance	Bad Debt provision	Book balance	Bad Debt provision
<b>Cooperative and associated enterprises</b>				
Beijing Guangying Property Development Co., Ltd.	823,296,461.50		912,320,960.74	
Ningbo Jiangwan Property Development Co., Ltd.	1,135,556,115.92		1,350,815,887.80	
Foshan China Merchants Longyuan Property Co., Ltd.	673,692,974.37		673,449,850.06	
Shanghai Xinnanshan Property Development Co., Ltd.	85,021,300.00		149,343,672.94	
Jones Tech Limited			62,432,109.67	
Holly Profit Limited			92,550,643.25	
Huizhou Taitong Property Investment Co., Ltd.	11,270,000.00	11,270,000.00	11,270,000.00	11,270,000.00



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<b>Other enterprises controlled by the same shareholder and the final controlling party</b>				
Powerwise International Limited	-		89,026,933.80	
Blue Cove International Limited	-		44,812,215.00	
<b>Total</b>	<b>2,728,836,851.79</b>	<b>11,270,000.00</b>	<b>3,386,022,273.26</b>	<b>11,270,000.00</b>

**(3) Accounts payable of the related party**

Unit: RMB Yuan

Accounts payable of the related party	Amount at the end of the period	Amount at the beginning of the period
<b>Shareholder and the final controlling party</b>		
Among them: China Merchants Shekou Industrial Zone Co., Ltd.	3,452,900,000.00	0.00
<b>Total</b>	<b>3,452,900,000.00</b>	<b>0.00</b>

**(4) Other payables of the related party**

Other payables of the related party	Amount at the end of the period	Amount at the beginning of the period
<b>Shareholder and the final controlling party</b>		
In it: China Merchants Shekou Industrial Zone Co., Ltd.		79,488,890.25
China Merchants Group (Hong Kong) Co., Ltd.	857,176.76	
<b>Cooperative and associated enterprises</b>		
Among them: China Merchants Guangming Science Park Co., Ltd.	7,168.75	1,476,670.59
Shanghai Ledu Property Co., Ltd.	251,012,803.57	
Guangzhou Panyu Innovative Science and Technology Park Co., Ltd.	-	220,820.00
Shanghai Xinnanshan Property Development Co., Ltd.	64,468,699.88	31,600,000.00
Shenzhen China Merchants Overseas Chinese City Investment Co., Ltd.	79,670,380.97	674,733,289.97
Tianjin Xinghai Property Development Co., Ltd.	106,081,398.67	106,081,398.67
Tianjin Munan Qiushi Industrial Co., Ltd.	17,000,000.00	-
<b>Other enterprises controlled by the same shareholder and the final controlling party</b>		
Among them: Shenzhen China Merchants Financing Service Co., Ltd.	774,612,987.75	714,581,431.09
China Merchants Zhangzhou Development Zone Co., Ltd.	200,000,000.00	200,000,000.00

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Dafeng International Co., Ltd.	132,720,170.98	
China Merchants International (China) Investment Co., Ltd.	313,126.40	274,482.56
<b>Total</b>	<b>1,626,743,913.73</b>	<b>1,808,456,983.13</b>

### (5) Long-term payables of the related party

Related party (project)	Amount at the end of the period	Amount at the beginning of the period
<b>Other enterprises controlled by the same shareholder and the final controlling party</b>		
Among them: Shenzhen China Merchants Venture Co., Ltd.	1,200,000.00	1,200,000.00
<b>Total</b>	<b>1,200,000.00</b>	<b>1,200,000.00</b>

### (6) Dividend payable of the related party

Related party (project)	Amount at the end of the period	Amount at the beginning of the period
<b>Shareholder and the final controlling party</b>		
In it: China Merchants Shekou Industrial Zone Co., Ltd.	332,841,272.16	
<b>Total</b>	<b>332,841,272.16</b>	

### (7) Deposit and loan of the related party

Related party (project)	Amount at the end of the period	Amount at the beginning of the period
<b>Other enterprises controlled by the same shareholder and the final controlling party</b>		
In it: China Merchants Bank Co., Ltd. (deposit)	5,803,321,381.84	7,154,357,534.12
China Merchants Bank Co., Ltd. (loan)	5,841,528,616.71	1,439,428,563.46

## VIII. Contingencies

1. The amount of the commercial housing mortgage loan guarantee provided to the bank by the Group is RMB 2,002,421,598 Yuan, which has no significant impact on the financial condition in this period and after the balance sheet day of the Group.

2. The Company bears joint liability guarantee for the capital borrowed by China Merchants Guangming Science Park Co., Ltd. in 2014 according to its share holding proportion, the actual guarantee amount is RMB 82,549,320 Yuan, and the guarantee term is two years after the day when the loan term under the articles of the loan contract is due. This matter has no significant impact on the financial condition in this period and after the balance sheet day of the Group.

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3. Except the above-mentioned contingencies, up till June 30, 2014, the Group did not have any other significant contingencies.

### IX. Commitment matter

#### 1. Significant commitment matter

##### 1) Rental contract signed or preparing to implement and the financial impact

On June 30, 2014, the money that the irrevocable operation lease and financing lease signed by the Group need to bear in the following periods is as follows:

Period	Operation lease
T+1 years	46,882,496.87
T+2 years	42,189,346.69
T+3 years	36,161,085.11
After T+3 years	264,367,128.53
<b>Total</b>	<b>389,600,057.20</b>

##### 2) Other major financial commitments

Capital commitment	Number at the end of the period	Number at the beginning of the period
Contract signed but not confirmed in the financial statements		
- Commitment of constructing long-term assets	3,624,111,249.00	4,852,900,000.00
- Property development project	10,752,320,196.35	7,871,048,399.39
- External investment commitment		
<b>Total</b>	<b>14,376,431,445.35</b>	<b>12,723,948,399.39</b>

2. Except the above-mentioned commitment matters, up till June 30, 2014, the Group did not have other major commitment matters.

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**X. Division information**

1. Division of the report of the first half of 2014

Item	Property industry	Public undertaking industry	Property management industry	Undistributed division	Offset	Total
Operating income	15,317,234,955.90	296,760,432.45	463,654,268.64		-30,493,926.00	16,047,155,730.99
In it: external transaction income	15,286,741,029.90	296,760,432.45	463,654,268.64			16,047,155,730.99
Income from the transactions between the divisions	30,493,926.00				-30,493,926.00	0.00
Operating expense	12,081,834,751.24	229,097,640.57	458,311,189.19	106,570,688.45	-30,137,568.00	12,845,676,701.45
Operating profit (loss)	4,160,636,192.77	67,662,791.88	5,839,985.54	-52,231,250.61	-837,110,274.53	3,344,797,445.05
Total amount of assets	167,155,178,749.37	3,607,468,029.56	580,571,202.06	43,905,929,341.66	-74,295,144,356.59	140,954,002,966.06
Total amount of liabilities	123,689,764,944.78	2,215,336,851.57	462,313,040.21	27,623,392,777.22	-52,584,922,629.29	101,405,884,984.49
Supplementing information						
Depreciation and amortization expense	213,448,246.39	10,687,114.12	2,985,568.72	343,673.29		227,464,602.52
Capital expenditure	29,598,456.23	1,693,006.61	627,231.15	50,282.50		31,968,976.49
Non-cash expenses except depreciation and amortization						

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### 2. Division of the report of the first half of 2013

Item	Property industry	Public undertaking industry	Property management industry	Trade division	Undistributed division	Offset	Total
Operating income	15,784,212,476.84	286,293,107.78	379,233,415.95	54,369,931.66		-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
Income from the transactions between the divisions	280,939,263.02	1,793,827.90	87,807,420.05			-370,540,510.97	
Operating expense	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 amount of 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 amount of 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 expense	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 expense except depreciation and amortization							

## XI. Financial tools and risk management

The main financial tools of the Group include loans, receivables, payables, transactional financial assets and transactional financial liabilities etc., and for the detailed conditions of the financial tools, see Annotation II. The risks related to these financial tools and the risk management policies adopted by the

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Group in order to lower these risks are as stated in the following. The management of the Group conducts management and monitoring on these risk exposures to control the above-mentioned risks within the limited scope.

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### 1. Risk management objectives and policies

The objectives of the Group engaging in risk management are: Achieve appropriate balance between the risks and the income, lower the negative impact on the operation achievement of the Group by the risks to the lowest level, and maximize the interest of the shareholders and the other equity investors. Based on the risk management objectives, the basic strategies of risk management of the Group are: Determine and analyze all kinds of risks that the Group faces, establish proper risk baseline, conduct risk management, supervise all kinds of risks in time and reliably, and control the risks within the limited scope.

#### (1) Market risks

##### 1) Foreign exchange risk

The foreign exchange risk refers to the risk of loss caused by the changes of the exchange rate. The foreign exchange risk born by the Group is mainly related to the USD, HKD and Euro. Except several subsidiary companies of the Group conduct purchase and sales with USD, the other main business activities of the Group are prices and settled in RMB. On June 30, 2014, except the USD and HKD balance of the assets and liabilities stated in the Table below, the assets and liabilities of the Group were RMB balance. The foreign exchange risk generated by the assets and liabilities of the USD and HKD balance may generate impact on the operation achievement of the Group.

Item	June 30, 2014	December 31, 2013
Monetary capital-HKD	300,220,909.90	528,895,024.50
Monetary capital-USD	351,960,496.27	620,901,559.62
Other receivables-HKD	1,331,264.36	
Other receivables-USD	38,680,062.00	88,257,999.81
Financial loan-HKD	850,000,000.00	850,000,000.00
Financial loan-USD	1,262,950,000.00	1,237,450,000.00
Bonds payable-USD	500,000,000.00	492,713,633.98
Interest payable-HKD	1,804,035.38	2,415,293.55
Interest payable-USD	3,158,044.60	1,960,865.48
Other payables-HKD	8,884,335.28	8,100,183.56
Other payables-USD	28,473,381.97	23,496,795.19

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The Group pays close attention to the impact on the foreign exchange risk of the Group by the changes of the exchange rate.

### 2) Interest rate risk

The interest rate risk of the Group is generated in the debt with interest of the bank loan. The financial liabilities of the floating interest rate make the Group face the cash flow interest rate risk, and the financial liabilities of fixed interest rate make the Group face the fair value interest rate risk. The Group decides the comparative proportions of the fixed interest rate and floating interest rate contracts according to the market environment at that time. On June 30, 2014, for the debt with interest of the Group, the amount of the floating interest rate loan contracts totaled RMB 17,468,576,200 Yuan (December 31, 2013: RMB 15,721,425,900 Yuan). In it, the total of RMB and HKD is RMB 10,105,520,400 Yuan, and the total of USD is RMB 7,363,055,800 Yuan. The amount of the fixed interest rate contracts priced in RMB is RMB 13,378,900,000 Yuan (December 31, 2013: RMB 9,963,500,000 Yuan) .

### 3) Price risk

The Group sells steel material products at market price, so it is influenced by price fluctuation.

### (2) Credit risk

On June 30, 2014, the biggest credit risk exposure that may arouse the financial loss of the Group mainly came from the other party of the contract not implementing its obligations and causing the loss of the financial assets of the Group and the financial guarantee born by the Group, including:

Book amount of the financial assets confirmed in the consolidated balance sheet. For the financial tools measured with fair value, the book value reflects their risk exposures, but not the biggest risk exposure, and their biggest risk exposure will change along with the changes of the future fair value.

In order to lower the credit risk, the Group established special department to determine the line of credit. Conduct credit examination and approval, and implement other monitoring procedures to ensure adopting necessary measures to recover the stale claim. In addition, the Group examines the recovery condition of each single item receivable on each balance sheet day, so as to ensure counting and drawing sufficient bad debt provision for the money that cannot be



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recovered. Therefore, the management of the Group thinks that the credit risk born by the Group has been lowered greatly.

The working capital of the Group is deposited in the banks with high credit ratings, so the credit risk of the working capital is low.

The Group adopts necessary policies to ensure that all the sales clients have good credit record. Except the top 5 amounts of the accounts receivable, the Group does not have other significant credit concentrated risks.

Total of the top 5 amounts of the accounts receivable: RMB 53,855,786.63 Yuan.

### (3) Liquidity risk

The liquidity risk is the risk of the Group being unable to implement its financial obligations on the due date. The method of the Group managing the liquidity risk is ensuring sufficient financial liquidity to implement the due liabilities, not causing unacceptable loss or causing harm to the fame of the enterprise. The Group periodically analyzes the structure and term of debt to ensure sufficient fund. The management of the Group monitors the use condition of the bank loan and ensure following the loan agreement. At the same time, it conducts financing negotiations with the financial institutions, so as to keep certain line of credit and reduce the liquidity risk.

The Group takes the bank loan as one of the capital sources. On June 30, 2014, the bank loan limit not used by the Group is RMB 22,248,710,100 Yuan (December 31, 2013: RMB 23,377,559,400 Yuan). The short-term bank loan limit not used by the Group on June 30, 2014 is RMB 1,115,000,000 Yuan (December 31, 2013: None).

The analysis on the financial assets and financial liabilities held by the Group according to the due term of the non-discounted remaining contract obligation is as follows:

Item	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
<b>Financial assets</b>					
Monetary capital	18,585,950,027.06				18,585,950,027.06
Notes receivable	7,680,171.60				7,680,171.60
Accounts receivable	126,199,169.09				126,199,169.09
Other receivables	10,621,087,872.17				10,621,087,872.17
Interest receivable	110,667.39				110,667.39

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Item	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Short-term loan	3,425,000,000.00				3,425,000,000.00
Notes payable	35,295,656.09				35,295,656.09
Accounts payable	13,416,765,194.17				13,416,765,194.17
Other payables	9,341,655,753.66				9,341,655,753.66
Bonds payable	3,032,838,307.20				3,032,838,307.20
Interest payable	136,828,081.81				136,828,081.81
Non-current liabilities falling due in one year	9,332,132,762.45				9,332,132,762.45
Long-term loan		8,379,084,541.59	9,711,258,920.02		18,090,343,461.61
Long-term payables	105,023,177.74				105,023,177.74

## 2. Fair value

### 1) Financial instruments not measured with fair value

The financial assets and liabilities not measured with fair value mainly include: receivables, short-term loan, payables, long-term loan, bond payable and long-term payables.

The fair value of the long-term loan, long-term payables and bond payable is determined with the present value of the future cash flow after being discounted by the interest rate with comparable credit rating and providing almost the same cash flow.

### 2) Financial instruments measured with fair value

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

## XII. Other important matters

There's no other important notice up to 30 June, 2014.

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**XIII. Notes on the main items of the financial statements of the parent company**

1. Other receivables

Category	Amount at the end of the period			
	Book balance			
	Amount		Amount	
Other receivables with significant single amount and with single counted and drawn bad debt provision				
Other receivables with single amount not significant but with single counted and drawn bad debt provision				
Other receivables with counted and drawn bad debt provision by portfolio				
Portfolio 1	28,927,303,913.13	100		
Portfolio 2				
Portfolio subtotal	28,927,303,913.13	100		
<b>Total</b>	<b>28,927,303,913.13</b>	<b>100</b>		

Continued:

Category	Amount at the end of the period			
	Book balance		Bad debt provision	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables with significant single amount and with single counted and drawn bad debt provision				
Other receivables with single amount not significant but with single counted and drawn bad debt provision				
Other receivables with counted and drawn bad debt provision by portfolio				
Portfolio 1	28,619,556,967.65	100		
Portfolio 2				
Portfolio subtotal	28,619,556,967.65	100		
<b>Total</b>	<b>28,619,556,967.65</b>	<b>100</b>		

Other receivables with significant single amount and with single counted and drawn bad debt provision

1) The aging of other receivables is as follows

Aging	Amount at the end of the period			Amount at the beginning of the period		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	

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Within 1 year	28,727,303,913.13	99.31		28,419,556,967.65	99.30	
1-2 years						
2-3 years				200,000,000.00	0.70	
Over 3 years	200,000,000.00	0.69				
<b>Total</b>	<b>28,927,303,913.13</b>	<b>100.00</b>		<b>28,619,556,967.65</b>	<b>100.00</b>	

2) Condition of the top 5 units of the amount of other receivables

Unit name	Relationship with the Company	Amount	Aging	Proportion accounting for in the sum of the other receivables	Nature of content
Shenzhen China Merchants Properties and Investment Co., Ltd.	Subsidiary company	1,850,022,373.97	Within 1 year	6.4	Operation capital
Shenzhen China Merchants Power Supply Co., Ltd.	Subsidiary company	1,748,280,637.20	Within 1 year	6.04	Operation capital
Zhenjiang Yingsheng Property Development Co., Ltd.	Subsidiary company	1,445,425,293.00	Within 1 year	5	Operation capital
Wuhan China Merchants Property Gutian Property Co., Ltd.	Subsidiary company	1,437,800,000.00	Within 1 year	4.97	Operation capital
China Merchants Property Development (Chongqing) Garden City Co., Ltd.	Subsidiary company	1,406,655,133.35	Within 1 year	4.86	Operation capital
<b>Total</b>		<b>7,888,183,437.52</b>		<b>27.27</b>	

(1) Receivables from the related parties

Unit name	Relationship with the Company	Amount	Proportion accounting for in the sum of the other receivables
Shenzhen China Merchants Properties and Investment Co., Ltd.	Subsidiary company	1,850,022,373.97	6.40
Shenzhen China Merchants Power Supply Co., Ltd.	Subsidiary company	1,748,280,637.20	6.04
Zhenjiang Yingsheng Property Development Co., Ltd.	Subsidiary company	1,445,425,293.00	5.00
Wuhan China Merchants Property Gutian Property Co., Ltd.	Subsidiary company	1,437,800,000.00	4.97

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China Merchants Property Development (Chongqing) Garden City Co., Ltd.	Subsidiary company	1,406,655,133.35	4.86
Tianjin Guojun Investment Co., Ltd.	Subsidiary company	1,269,984,540.00	4.39
China Merchants Property Development (Suzhou) Co., Ltd.	Subsidiary company	1,175,069,660.85	4.06
Shanghai Jingyuan Property Development Co., Ltd.	Subsidiary company	1,139,314,000.00	3.94
Ningbo Jiangwan Property Co., Ltd.	Cooperative enterprise	1,135,556,115.92	3.93
China Merchants Property (Guangzhou) Co., Ltd.	Subsidiary company	994,426,666.67	3.44
Shenzhen China Merchants Construction Co., Ltd.	Subsidiary company	883,026,000.00	3.05
Chengdu China Merchants Longcheng Proeprty Development Co., Ltd.	Subsidiary company	825,543,934.02	2.85
Hangzhou Zhujia Property Development Co., Ltd.	Subsidiary company	820,910,023.54	2.84
Beijing Guangying Property Development Co., Ltd.	Associated company	812,016,900.00	2.81
Tianjin China Merchants Taida Investment Co., Ltd.	Subsidiary company	802,197,239.59	2.77
Shanghai China Merchants Fengrui Property Co., Ltd.	Subsidiary company	728,320,200.00	2.52
China Merchants Proeprty Development (Changzhou) Co., Ltd.	Subsidiary company	702,999,500.00	2.43
Changshu China Merchants Xicheng Property Co., Ltd.	Subsidiary company	700,400,000.00	2.42
Shenzhen Pingshan China Merchants Property Co., Ltd.	Subsidiary company	654,766,772.14	2.26
China Merchants Proeprty Development (Hangzhou) Co., Ltd.	Subsidiary company	646,000,000.00	2.23
Suzhou China Merchants Yishanjuan Property Co., Ltd.	Subsidiary company	584,257,397.12	2.02
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Subsidiary company	501,770,000.00	1.73
Chengdu China Merchants Beihu Land Co., Ltd.	Subsidiary company	473,367,569.26	1.64
Nanning China Merchants Haotian Property Co., Ltd.	Subsidiary company	772,145,987.29	2.67
Harbin China Merchants Jiatian Proeprty Development Co., Ltd.	Subsidiary company	380,890,200.00	1.32
Chengdu China Merchants Beicheng Property Co., Ltd.	Subsidiary company	340,000,000.00	1.18
Wuhan Xinde Proeprty Development Co., Ltd.	Subsidiary company	323,866,200.00	1.12
China Merchants Property Development (Rizhao) Co., Ltd.	Subsidiary company	309,620,000.00	1.07
Yunnan China Merchants Chengtuo Property Co., Ltd.	Subsidiary company	267,210,000.00	0.92
Beijing Conrad Property Development Co., Ltd.	Subsidiary company	225,225,471.43	0.78
China Merchants Property (Zhangzhou)	Subsidiary	200,000,000.00	0.69

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Co., Ltd.	company		
China Merchants Property Development (Guizhou Bijie) Co., Ltd.	Subsidiary company	181,122,100.00	0.63
Suzhou China Merchants Yonghuafu Property Co., Ltd.	Subsidiary company	138,643,700.00	0.48
Foshan China Merchants Xincheng Hi-Tech Co., Ltd.	Subsidiary company	138,615,612.00	0.48
China Merchants Property (Shenzhen) Co., Ltd.	Subsidiary company	129,748,178.15	0.45
Ruijia Investment Industrial Co., Ltd.	Subsidiary company	99,354,353.01	0.34
Shanghai Xinnanshan Property Development Co., Ltd.	Associated company	85,021,300.00	0.29
Shenzhen Shekou Sea World Hotel Management Co., Ltd.	Subsidiary company	78,534,139.45	0.27
China Merchants Properties and Investment (Guizhou Bijie) Co., Ltd.	Subsidiary company	68,500,000.00	0.24
Qingdao Zhongrunde Automobile Trade Co., Ltd.	Subsidiary company	52,001,539.73	0.18
Wuhan Mingjie Property Development Co., Ltd.	Subsidiary company	47,655,270.00	0.16
Dalian Zhaoyu Property Co., Ltd.	Subsidiary company	49,179,741.00	0.17
Harbin China Merchants Jitian Property Development Co., Ltd.	Subsidiary company	28,485,900.00	0.10
Shenzhen China Merchants Business Development Co., Ltd.	Subsidiary company	15,610,000.00	0.05
Shenzhen China Merchants Anye Investment Development Co., Ltd.	Subsidiary company	12,750,000.00	0.04
China Merchants Property Development (Yantai) Co., Ltd.	Subsidiary company	10,981,200.00	0.04
China Merchants Property (Zhuhai) Co., Ltd.	Subsidiary company	4,967,899.00	0.02
China Merchants Property Management Co., Ltd.	Subsidiary company	639,387.47	
Shenzhen Meiyue Property Consulting Co., Ltd.	Subsidiary company	95,210.00	
Hainan China Merchants Ocean Development Co., Ltd.	Subsidiary company	59,230.40	
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Subsidiary company	15,000.00	
Shenzhen China Merchants Xin'an Property Co., Ltd.	Subsidiary company	10,808.00	
Foshan China Merchants Longyuan Property Co., Ltd.	Cooperative company	10,000.00	
Total		26,699,068,383.56	92.29

## 2. Long-term equity investment

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

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<b>Item</b>	<b>Amount at the end of the period</b>	<b>Amount at the beginning of the period</b>
Long-term equity investment on cost basis	8,594,158,112.93	9,034,158,112.93
Long-term equity investment on cost basis	192,522,512.09	192,881,702.26
<b>Total of long-term equity investment</b>	<b>8,786,680,625.02</b>	<b>9,227,039,815.19</b>
Less: long-term equity investment impairment provision		
<b>Net value of long-term equity investment</b>	<b>8,786,680,625.02</b>	<b>9,227,039,815.19</b>

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(2) Long-term equity investment on cost basis and equity basis

Invested companies	Shareholding proportion (%)	Voting power proportion (%)	Investment cost	Amount at the beginning of the period	Increase in this period	Decrease in this period	Balance at the end of the period	Cash dividend in this period
On cost basis								
China Merchants Property (Shenzhen) Co., Ltd.	100.00	100.00	3,000,000,000.00	3,551,473,965.31			3,551,473,965.31	
Shenzhen China Merchants Power Supply Co., Ltd.	95.00	95.00	57,000,000.00	119,791,232.79			119,791,232.79	
Shenzhen China Merchants Property Co., Ltd.	90.00	90.00	22,500,000.00	36,460,596.83			36,460,596.83	
Shenzhen China Merchants Xin'an Property Co., Ltd.	60.00	60.00	25,000,000.00	20,822,211.48			20,822,211.48	
Ruijia Investment Industrial Co., Ltd.	99.00	99.00	19,919,300.00	1,301,324,500.00			1,301,324,500.00	
China Merchants Property Development (Beijing) Co., Ltd.	90.00	90.00	27,000,000.00	27,000,000.00			27,000,000.00	
China Merchants Property Development (Suzhou) Co., Ltd.	90.00	90.00	27,000,000.00	27,000,000.00			27,000,000.00	
China Merchants Property Development (Chongqing) Co., Ltd.	90.00	90.00	27,000,000.00	27,000,000.00			27,000,000.00	
China Merchants Property Development (Nanjing) Co., Ltd.	49.00	49.00	14,700,000.00	14,700,000.00			14,700,000.00	
Tianjin Zhaosheng Property Co., Ltd.	60.00	60.00	18,000,000.00	18,000,000.00			18,000,000.00	
Suzhou China Merchants Nanshan Property Co., Ltd.	60.00	60.00	120,000,000.00	120,000,000.00			120,000,000.00	
China Merchants Property	51.00	51.00	127,500,000.00	229,500,000.00			229,500,000.00	



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Development (Zhangzhou) Co., Ltd.								
China Merchants Property Development (Chongqing) Garden City Co., Ltd.	100.00	100.00	30,000,000.00	30,000,000.00			30,000,000.00	
Chengdu China Merchants Beihu Land Co., Ltd.	100.00	100.00	50,000,000.00	50,000,000.00			50,000,000.00	
China Merchants Property (Chengdu) Co., Ltd.	100.00	100.00	10,000,000.00	10,000,000.00			10,000,000.00	
China Merchants Property Development (Xiamen) Co., Ltd.	100.00	100.00	50,000,000.00	50,000,000.00			50,000,000.00	
Fujian Zhongliansheng Property Development Co., Ltd.	50.00	50.00	25,000,000.00	25,000,000.00			25,000,000.00	50,000,000
China Merchants Property Development (Wuhan) Co., Ltd.	100.00	100.00	30,000,000.00	30,000,000.00			30,000,000.00	
Zhenjiang Yingsheng Property Development Co., Ltd.	1.00	1.00	7,586,275.00	7,586,275.00			7,586,275.00	
Qingdao Zhongrunde Automobile Trade Co., Ltd.	51.00	51.00	183,731,836.00	183,731,836.00			183,731,836.00	
China Merchants Property Development (Guizhou Bijie) Co., Ltd.	100.00	100.00	30,000,000.00	30,000,000.00			30,000,000.00	
Shenzhen China Merchants Properties and Investment Co., Ltd.	100.00	100.00	1,883,367,495.52	1,883,367,495.52			1,883,367,495.52	
Harbin China Merchants Jiatian Property development Co., Ltd.	50.00	50.00	80,250,000.00	80,250,000.00			80,250,000.00	
China Merchants Property Development (Changzhou) Co., Ltd.	100.00	100.00	30,000,000.00	30,000,000.00			30,000,000.00	
Hainan China Merchants Ocean Development Co., Ltd.	60.00	60.00	240,000,000.00	240,000,000.00			240,000,000.00	
Shenzhen China Merchants Property Consulting Co., Ltd.	20.00	20.00	400,000.00	400,000.00			400,000.00	
China Merchants Property	10.00	10.00	3,000,000.00	3,000,000.00			3,000,000.00	

招商局地产控股股份有限公司财务报表附注

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(Shanghai) Co., Ltd.								
Shanghai China Merchants Property Co., Ltd.	10.00	10.00	3,000,000.00	3,000,000.00			3,000,000.00	
Zhenjiang Nanshan Creative Industrial Park Development Co., Ltd.	60.00	60.00	30,000,000.00	30,000,000.00			30,000,000.00	
Shenzhen Pingshan China Merchants Property Co., Ltd.	100.00	100.00	14,000,000.00	14,000,000.00			14,000,000.00	
Tianjin Guojun Investment Co., Ltd.	100.00	100.00	300,550,000.00	300,550,000.00			300,550,000.00	
Nanning China Merchants Haotian Property Co., Ltd.	70.00	70.00	10,200,000.00	10,200,000.00			10,200,000.00	
China Merchants Property Development (Hangzhou) Co., Ltd.	100.00	100.00	500,000,000.00	500,000,000.00		470,000,000.00	30,000,000.00	
China Merchants Property Development (Rizhao) Co., Ltd.	100.00	100.00	30,000,000.00	30,000,000.00			30,000,000.00	
Yantai China Merchants Property Co., Ltd.	100.00	100.00	30,000,000.00		30,000,000.00		30,000,000.00	
Check by the equity method							0.00	
China Merchants Guangming Science Park Co., Ltd.	49.00	49.00	196,000,000.00	163,856,555.45	519,909.21		164,376,464.66	
Ningbo Jiangwan Property Development Co., Ltd.	34.00	34.00	30,000,000.00	29,025,146.81	-879,099.38		28,146,047.43	
<b>Total</b>			<b>7,282,704,906.52</b>	<b>9,227,039,815.19</b>	<b>29,640,809.83</b>	<b>470,000,000.00</b>	<b>8,786,680,625.02</b>	<b>50,000,000</b>

招商局地产控股股份有限公司财务报表附注

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(3) Investment on the cooperative enterprises and associated enterprises

Name of the invested unit	Shareholding proportion (%)	Voting power proportion (%)	Total amount of assets at the end of the period	Total amount of liabilities at the end of the period	Total amount of net assets at the end of the period	Sum of operating income in this period	Net profit in this period
Associated enterprise							
China Merchants Guangming Science Park Co., Ltd.	49	49	660,268,974.78	324,806,801.99	335,462,172.79	18,749,757.87	1,061,039.19
Cooperative enterprise							
Ningbo Jiangwan Property Development Co., Ltd.	34	34	2,405,146,847.10	2,380,599,648.79	24,547,198.31		-2,585,586.42
<b>Total</b>			<b>3,065,415,821.88</b>	<b>2,705,406,450.78</b>	<b>360,009,371.10</b>	<b>18,749,757.87</b>	<b>-1,524,547.23</b>

3. Operating income and operating cost

Items	Amount in this period		Amount in the same period of last year	
	Operating income	Operating cost	Operating income	Operating cost
Total	500,000.00	1,057,252.16	11,080,000.00	1,016,316.92

(1) Main businesses—classified by industry

Industry name	Amount in this period		Amount in the same period of last year	
	Operating income	Operating cost	Operating income	Operating cost
Property industry	500,000.00	1,057,252.16	11,080,000.00	1,016,316.92
Total	500,000.00	1,057,252.16	11,080,000.00	1,016,316.92

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(2) Operating income condition of the top five clients

Name of the client	Operating income	Proportion accounting for in all the operating income (%)
Guangming guarantee removal settlement housing construction on behalf income	500,000.00	100
<b>Total</b>	<b>500,000.00</b>	<b>100</b>

4. Financial expenses

Item	Amount in this period	Amount in the same period of laste year
Interest expenditure	375,057,292.10	510,962,509.57
Less: interest income	301,188,642.17	306,503,909.70
Plus: exchange loss	9,155,954.50	-14,524,750.19
Plus: other expenditures	97,009.66	8,258,368.96
<b>Total</b>	<b>83,121,614.09</b>	<b>198,192,218.64</b>

5. Investment income

(1) Sources of investment income

Item	Amount in this period	Amount in the same period of the previous year
Long-term equity investment income checked by the cost method	51,508,689.22	
Long-term equity investment income checked by the equity method	-359,190.18	-1,290,760.00
Others	2,689,938.80	
<b>Total</b>	<b>53,839,437.84</b>	<b>-1,290,760.00</b>

(2) Long-term equity investment income checked by the cost method

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Item	Amount in this period	Amount in the same period of last year	Cause for the increase or decrease in this period compared with the same period of last year
Total	51,508,689.22	0.00	
In it: Fujian Zhongliansheng Property Development Co., Ltd.	50,000,000.00	0.00	Profit distribution of the invested company
Shanghai China Merchants Property Co., Ltd.	1,508,689.22	0	Profit distribution of the invested company

(3) Long-term equity investment income checked by the equity method

Item	Amount in this period	Amount in the same period of last year	Cause for the increase or decrease in this period compared with the same period of last year
Total	-359,190.18	-1,290,760.00	
In it: China Merchants Guangming Science Park Co., Ltd.	519,909.20	-1,290,760.00	Profit change of the invested company
Ningbo Jiangwan Property Development Co., Ltd.	-879,099.38		Profit change of the invested company

6. Supplementing data for the cash flow statement of the parent company

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 the operation activities:</b>		
Net profit	-52,233,250.61	-213,837,070.28
Plus: Assets impairment provision		
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	343,673.29	19,994.78
Amortization of intangible assets		
Amortization of long-term deferred and prepaid expenses		
Loss from the disposal of fixed assets, intangible assets and other long-term assets (fill in with "-" for the income)		
Loss from the scrapping fixed assets (fill in with "-" for the income)		

## 招商局地产控股股份有限公司财务报表附注

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Fair value change profit and loss (fill in with “-“ for the income)		
Financial expenses (fill in with “-“ for the income)	375,057,292.10	147,466,099.33
Investment loss (fill in with “-“ for the income)	-53,839,437.84	1,290,760.00
Decrease of deferred income tax assets (fill in with “-“ for the increase)		
Increase of deferred income tax assets (fill in with “-“ for the decrease)		
Decrease of inventories (fill in with “-“ for the increase)		
Decrease of business receivables (fill in with “-“ for the increase)	18,156,785,247.48	2,158,023,802.16
Increase of business payables (fill in with “-“ for the decrease)	-20,768,034,571.68	-2,733,500,568.05
Others		
Cash flow net amount generated in the operation activities	-2,341,921,047.26	-640,536,982.06
<b>2. Major investment and fund raising activities not involving cash income and expenditure:</b>		
Debt converted to capital		
Convertible company bonds falling due in one year		
Financing rent-in fixed assets		
<b>3. Change condition of cash and cash equivalents:</b>		
Balance at the end of the period of the cash	5,153,888,767.59	6,397,093,488.91
Less: Balance at the beginning of the period of the cash	6,296,121,745.68	5,277,807,877.29
Plus: Balance at the end of the period of the cash equivalents		
Less: Balance at the beginning of the period of the cash equivalents		
Net increase amount of the cash and the cash equivalents	-1,142,232,978.09	1,119,285,611.62

## XIV. Supplementing data

### 1. Details of the current non-recurring profit and loss

According to the provisions of the *No.1 Explanatory Announcement on the Information Disclosure of the Companies Issuing Securities Publicly—Non-Recurring Profit and Loss (2008)* of China Securities Regulatory Commission, the non-recurring profit and loss of the Group in the first half of 2014 of the Group is as follows:

Unit: RMB Yuan

Item	Amount in this period	Amount in the same period of last year	Explanation
Profit and loss from the disposal of non-current assets	-160,878.35	-440,707.52	
Tax refunding or exemption without official certification or			

## 招商局地产控股股份有限公司财务报表附注

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Item	Amount in this period	Amount in the same period of last year	Explanation
unauthorized approval			
Government subsidy counted into the current profit and loss	25,262,476.52	2,198,400.00	
Capital occupying fee collected from the non-financial enterprises and counted into the current profit and loss			
Gain/loss from differences between the cost of enterprise merger and the fair value of recognizable net asset of the invested entities			
Nonmonetary assets exchange profit and loss			
Profit and loss generated by entrusting others to invest or manage the assets			
All the assets impairment provision counted and drawn due to force majeure such as suffering natural disasters			
Profit and loss from debt restructuring			
Expense of corporate restructuring			
Profit and loss exceeding the fair value part generated by the transaction with unfair transaction price			
Current net profit and loss from the beginning of the period to the merger day of the subsidiary company generated by the enterprise merger under the same control			
Profit and loss generated by the contingencies irrelevant to the normal operation businesses of the company			
Fair value change profit and loss generated by holding the transactional financial assets and transactional financial liabilities except the effective hedging business related to the normal operation businesses of the company, and the investment income got by disposing the transactional financial assets, transactional financial liabilities and financial assets available for sale			
Receivable impairment provision transfer back with impairment test singly conducted			
Profit and loss got by external entrusted loan			
Profit and loss generated by the investment property fair value changes with subsequent measurement conducted adopting the fair value mode			
Impact on the 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			
Trustee fee income got by entrusted operation			

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Item	Amount in this period	Amount in the same period of last year	Explanation
Other non-operating income and expenditure except the above-mentioned items	-11,330,134.03	-5,370,543.81	
Other profit and loss items meeting the definition of non-recurring profit and loss	-63,138,644.29	339,878,500.00	Note 1
<b>Subtotal</b>	<b>-49,367,180.15</b>	<b>336,265,648.67</b>	
Income tax impact amount	-5,933,621.72	-971,153.80	
Impact amount of the minority shareholders' equity (after tax)	-2,141,420.73	-2,336,444.77	
<b>Total</b>	<b>-57,442,222.60</b>	<b>332,958,050.10</b>	

Note: The other profit and loss items complying with the definition of non-recurring profit and loss are the Amendment on equity investment income according to the actual carry-over area in this report period of Shenzhen China Merchants Overseas Chinese City Investment Co., Ltd.

## 2. Return on equity and EPS

According to the provisions of *No.9 Compilation Rule of Information Disclosure of the Companies Issuing Securities Publicly—Calculation and Disclosure of Return on Equity and EPS (Revised in 2010)* of China Securities Regulatory Commission, the weighted average return on equity, basic EPS and diluted EPS in the first half of 2014 of the Group are as follows:

Profit in the report period	Weighted average return on equity (%)	EPS	
		Basic EPS	Diluted EPS
Net profit belonging to the shareholders of the parent company	6.53	0.6931	0.6931
Net profit belonging to the shareholders of the parent company after deducting the non-recurring profit and loss	6.74	0.7154	0.7154

## 3. Explanations on the abnormal condition of the main accounting statement items of the company and the causes

1) The items with great changes from the end of the period to the beginning of the period of the consolidated balance sheet are listed as follows:



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Item	Amount at the end of the period	Amount at the beginning of the period	Change amount (%)	Explanation on the change
Accounts receivable	126,199,169.09	76,864,814.81	64	The building sales money receivable increased
Payment	4,910,209,986.26	2,815,967,507.79	74	The land payment paid in advance increased
Deferred income tax assets	1,043,294,549.39	770,257,880.69	35	Increase of deferred income tax caused by China Merchants Properties and Investment establishing new company with the office building investment
Employee remuneration payable	161,224,767.47	385,894,712.53	-58	Pay the payable employee remuneration
Dividend payable	816,955,117.64	120,927,194.29	576	Mainly including the dividend payable to the shareholders and the dividend of the subsidiary company payable to the minority shareholders
Non-current liabilities falling due in one year	9,332,132,762.45	6,331,007,932.13	47	Change of the loan structure
Estimated liabilities		10,473,360.10	-100	The original pending actions are settled, and transfer back to the estimated liabilities
Other current liabilities	2,338,349,360.00	3,560,491,070.18	-33	Pay the land VAT drawn in advance
Capital stock	2,575,950,754.00	1,717,300,503.00	50	Capital reserve transferred into the equity

2) The items with great changes on year-on-year basis in the consolidated income statement in this period are listed as follows:

Item	Amount in this period	Amount in the same period of the previous year	Change amount (%)	Remark
Operating tax and addition	1,614,019,700.29	2,579,430,723.77	-37	Influenced by the carry-over products and regional structure, the gross profit rate of the carry-over items in this period is comparatively low, and the land VAT decreased correspondingly
Financial expenses	326,102,386.55	73,348,971.39	345	The interest expenditure and exchange loss in this period

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Item	Amount in this period	Amount in the same period of the previous year	Change amount (%)	Remark
				increased on year-on-year basis
Assets impairment loss	888,293.99	-172,366,279.03	-101	Inventory price fall provision release in the same period of the previous year
Investment income	143,318,415.51	282,179,758.93	-49	Income generated from the transfer of the control power over the subsidiary company in the same period of the previous year
Non-operating income	35,496,879.63	11,774,703.28	201	Increase of the received government subsidy
Non-operating expenditure	21,725,415.49	15,387,554.61	41	Increase of renewable energy fund expenditure of the power supply business
Income tax expense	964,496,768.41	1,476,586,830.38	-35	The income tax expense decreases with respect to the decrease of total profit

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## Section IX Directory of the Documents Available for Inspection

- (1) Financial statements carrying the signatures and seals of the legal representative, responsible person in charge of the accounting work and responsible person of the accounting institution.
- (2) Originals of all the Company documents and announcements publicly disclosed on the newspapers appointed by China Securities Regulatory Commission in 2014.
- (3) English version of the Semi-Annual report of 2014.

China Merchants Property Development Co., Ltd.

August 19, 2014