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華潤置地有限公司
China Resources Land Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1109)

ANNOUNCEMENT OF 2015 INTERIM RESULTS

Highlights

- Consolidated revenue for 1H 2015 amounted to HK\$37.14 billion, up by 29.7% YoY. Development property revenue was up by 31.4% YoY to HK\$32.83 billion, rental income of investment properties (including hotel operations) was up by 17.4% YoY to HK\$3.11 billion.
- Consolidated gross profit margin improved to 32.2% in 1H 2015 from 30.4% in 1H 2014. Development property gross profit margin improved to 30.8% in 1H 2015 from 28.0% in 1H 2014, while investment property (including hotel operations) gross profit margin lowered to 60.8% in 1H 2015 from 63.3% in 1H 2014.
- Core profit attributable to the owners of the Company excluding revaluation gain from investment properties reached HK\$5.02 billion, representing a YoY growth of 31.8%; profit attributable to the owners of the Company including the revaluation gain from investment properties was up by 26.6% YoY to HK\$6.45 billion.
- Booked GFA amounted to approximately 2.24 million square meters in 1H 2015, increased by 28.7% YoY.
- As of 30 June 2015, the Group has locked in contracted sales of HK\$88.98 billion that are subject to recognition as development revenue in 2015 (including revenue booked in 1H 2015), 10.6% higher than reported full year development revenue of HK\$80.48 billion in 2014.
- In 1H 2015, the Group achieved contracted sales of RMB37.00 billion with a contracted gross floor area (“GFA”) of 3.25 million square meters, up by 44.7% and 41.4% YoY respectively.
- In 1H 2015, total land bank newly added amounted to 2.69 million square meters. As of 30 June 2015, the Group’s total land bank was approximately 42.15 million square meters.
- The Board resolved to declare an interim dividend of HK8.7 cents per share, up by 2.4% YoY from HK8.5 cents per share in 1H 2014.

The board of directors (the “Board”) of China Resources Land Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015 (“1H 2015”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>NOTES</u>	<u>Six months ended 30 June</u>	
		<u>2015</u> <u>HK\$'000</u> <u>(Unaudited)</u>	<u>2014</u> <u>HK\$'000</u> <u>(Unaudited and restated)</u>
Revenue	4	37,144,301	28,641,462
Cost of sales		(25,201,652)	(19,942,600)
Gross profit		11,942,649	8,698,862
Gain on changes in fair value of investment properties		2,077,402	1,916,604
Other income		634,874	448,528
Selling and marketing expenses		(1,379,590)	(1,194,580)
General and administration expenses		(975,203)	(909,527)
Share of profit of investments in joint ventures and associates		96,266	51,726
Finance costs	5	(351,655)	(301,204)
Profit before taxation		12,044,743	8,710,409
Income tax expenses	6	(4,604,711)	(3,203,058)
Profit for the period	7	7,440,032	5,507,351
Profit for the period attributable to:			
Owners of the Company		6,450,285	5,093,413
Non-controlling interests		989,747	413,938
		7,440,032	5,507,351
Earnings per share	9		
- Basic		HK97.9 cents	HK78.0 cents
- Diluted		HK97.8 cents	HK77.9 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	HKS'000	HKS'000
	(Unaudited)	(Unaudited and restated)
Profit for the period	7,440,032	5,507,351
Other comprehensive income (item that may be reclassified subsequently to profit or loss)		
Exchange gain (loss) arising on translation to presentation currency	123,812	(1,287,421)
Total comprehensive income for the period	<u>7,563,844</u>	<u>4,219,930</u>
Total comprehensive income attributable to:		
Owners of the Company	6,539,607	3,848,869
Non-controlling interests	<u>1,024,237</u>	<u>371,061</u>
	<u>7,563,844</u>	<u>4,219,930</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>NOTES</u>	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		7,131,242	6,960,452
Investment properties		86,013,043	79,239,669
Land use rights		2,245,324	2,239,020
Interests in joint ventures and associates		6,238,993	4,763,267
Available-for-sale investments		600,510	191,093
Prepayments for non-current assets		4,085,754	744,205
Deferred taxation assets		666,497	473,073
Amounts due from a non-controlling interest		454,583	400,290
		107,435,946	95,011,069
CURRENT ASSETS			
Properties for sale		196,387,455	184,148,845
Other inventories		649,828	609,430
Trade receivables, other receivables, prepayments and deposits	10	26,610,793	27,587,109
Amounts due from customers for contract works		262,027	268,119
Amounts due from intermediate holding companies		13,691	597,460
Amounts due from fellow subsidiaries		57,143	64,466
Amounts due from joint ventures		6,679,959	3,305,981
Amounts due from associates		6,310,285	1,510,871
Amounts due from non-controlling interests		349,343	319,366
Prepaid taxation		3,652,044	3,096,503
Cash and bank balances		42,627,813	44,822,318
		283,600,381	266,330,468
CURRENT LIABILITIES			
Trade and other payables	11	46,703,339	45,650,200
Advances received from pre-sales of properties		93,261,288	81,497,431
Amounts due to customers for contract works		111,636	99,437
Amount due to the ultimate holding company		124	117
Amounts due to intermediate holding companies		2,269,623	782,578
Amounts due to fellow subsidiaries		644,289	2,253,964
Amounts due to joint ventures		654,685	582,117
Amounts due to non-controlling interests		2,599,279	3,066,587
Taxation payable		8,375,548	9,267,166
Bank and other borrowings - due within one year		15,549,953	21,218,979
Senior notes		7,768,477	-
		177,938,241	164,418,576
NET CURRENT ASSETS		105,662,140	101,911,892
TOTAL ASSETS LESS CURRENT LIABILITIES		213,098,086	196,922,961

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Restated)
EQUITY		
Share capital	693,094	583,122
Reserves	112,632,417	105,048,113
Equity attributable to owners of the Company	113,325,511	105,631,235
Non-controlling interests	12,765,585	10,683,650
	<u>126,091,096</u>	<u>116,314,885</u>
NON-CURRENT LIABILITIES		
Bank and other borrowings - due after one year	53,634,547	44,568,365
Senior notes	15,342,339	23,113,386
Amounts due to an intermediate holding company	-	1,589,342
Amounts due to fellow subsidiaries	5,040,000	76,058
Amounts due to non-controlling interests	2,386,106	1,336,920
Deferred taxation liabilities	10,603,998	9,924,005
	<u>87,006,990</u>	<u>80,608,076</u>
TOTAL OF EQUITY AND NON-CURRENT LIABILITIES	<u>213,098,086</u>	<u>196,922,961</u>

Notes:

1. BASIS OF PREPARATION

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

2. MERGER ACCOUNTING RESTATEMENT

Merger accounting for business combination involving entities under common control

During the interim period ended 30 June 2015, Central New Investments Limited ("Central New"), a subsidiary of China Resources (Holdings) Company Limited ("CRH"), the intermediate holding company of the Company, transferred all its equity interest in Top Virtue Enterprises Limited and its subsidiaries and Shenzhen Runyue Investment Development Co., Ltd. (the "Acquired Group") to the Group. The directors of the Company have determined that the application of merger accounting to this acquisition from Central New, being a business combination involving entities under common control under Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the HKICPA, will provide more relevant and useful information to financial statement users as it better reflects the economic substance of the transaction. The Group and the entities acquired are regarded as continuing entities.

The condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the prior periods have been restated to include the operating results of the entities or businesses acquired from Central New as if these acquisitions had been completed since the dates the respective entities or businesses came under the control of CRH. The condensed consolidated statement of financial position as at 31 December 2014 has been restated to adjust the carrying amounts of the assets and liabilities of the entities or businesses acquired from Central New as if those entities or businesses were combined from the date when they first came under the control of CRH.

The effect of restatements described above on the condensed consolidated income statement for the six months ended 30 June 2014 has resulted in an increase in the Group's revenue of HK\$953,420,000, an increase in the Group's total comprehensive income attributable to the owners of the Company of HK\$69,567,000 and an increase in the Group's profit attributable to the owners of the Company of HK\$120,776,000, respectively.

The effect of restatements described above on the condensed consolidated statement of financial position as at 31 December 2014 has resulted an increase in the Group's total assets by HK\$31,026,560,000.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost convention, except for the investment properties and certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

Amendments to HKAS 19
Amendments to HKFRSs
Amendments to HKFRSs

Defined Benefit Plans: Employee Contributions
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new and revised amendments to HKFRSs in the current period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

4. SEGMENT INFORMATION

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

For the six months ended 30 June 2015

	<u>Sale of developed properties</u> HK\$'000	<u>Property investment and management</u> HK\$'000	<u>Hotel operations</u> HK\$'000	<u>Construction, decoration service and others</u> HK\$'000	<u>Consolidated</u> HK\$'000
SEGMENT REVENUE					
Revenue					
External sales	32,827,258	2,642,308	467,640	1,207,095	37,144,301
Result					
Segment result	8,646,758	1,259,792	(27,129)	(146,581)	9,732,840
Unallocated other income					634,874
Gain on changes in fair value of investment properties					2,077,402
Unallocated expenses					(144,984)
Share of profit of investments in joint ventures and associates					96,266
Finance costs					(351,655)
Profit before taxation					<u>12,044,743</u>

For the six months ended 30 June 2014 (Restated)

	<u>Sale of developed properties</u> HK\$'000	<u>Property investment and management</u> HK\$'000	<u>Hotel operations</u> HK\$'000	<u>Construction, decoration service and others</u> HK\$'000	<u>Consolidated</u> HK\$'000
SEGMENT REVENUE					
Revenue					
External sales	24,985,029	2,273,584	376,126	1,006,723	28,641,462
Result					
Segment result	5,680,483	1,184,400	(39,325)	(93,273)	6,732,285
Unallocated other income					448,528
Gain on changes in fair value of investment properties					1,916,604
Unallocated expenses					(137,530)
Share of profit of investments in joint ventures and associates					51,726
Finance costs					(301,204)
Profit before taxation					<u>8,710,409</u>

5. FINANCE COSTS

	Six months ended 30 June	
	<u>2015</u> HK\$'000	<u>2014</u> HK\$'000 (Restated)
Total interests and bank charges on bank borrowings, other borrowings and senior notes	2,280,873	1,539,255
Less: amount capitalised in properties under development for sale, investment properties under development and construction in progress	(1,787,538)	(1,247,114)
Exchange (gain) loss	(141,680)	9,063
	<u>351,655</u>	<u>301,204</u>

6. INCOME TAX EXPENSES

	Six months ended 30 June	
	<u>2015</u> HK\$'000	<u>2014</u> HK\$'000 (Restated)
The income tax expenses comprise of:		
PRC corporate income tax and withholding income tax	2,060,404	1,476,610
PRC Land Appreciation Tax ("LAT")	2,061,139	1,114,442
	<u>4,121,543</u>	<u>2,591,052</u>
Deferred tax	483,168	612,006
	<u>4,604,711</u>	<u>3,203,058</u>

(i) PRC corporate income tax

The Group's subsidiaries in the Chinese Mainland are subject to PRC corporate income tax at the rate of 25% (six months ended 30 June 2014: 25%).

(ii) PRC withholding income tax

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong.

(iii) LAT

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	<u>2015</u> HK\$'000	<u>2014</u> HK\$'000 (Restated)
Depreciation of property, plant and equipment	220,012	216,198
Amortisation of land use rights	11,942	7,109

8. DIVIDENDS

A dividend of HK41.0 cents per ordinary share that relates to the year ended 31 December 2014 amounting to HK\$2,840,865,000 was recognised during the six months ended 30 June 2015 and paid in July 2015.

A dividend of HK36.4 cents per ordinary share that relates to the year ended 31 December 2013 amounting to HK\$2,122,490,000 was recognised during the six months ended 30 June 2014 and paid in July 2014.

An interim dividend of HK8.7 cents per ordinary share in respect of the six months ended June 2015 (interim dividend for the six months ended 30 June 2014: HK8.5 cents per ordinary share) was declared by the Board on 24 August 2015. This interim dividend, amounting to HK\$602,992,000 (interim dividend for the six months ended 30 June 2014: HK\$495,637,000), has not been recognised as a liability in these condensed consolidated financial statements.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	<u>Six months ended 30 June</u>	
	<u>2015</u> HK\$'000	<u>2014</u> HK\$'000 (Restated)
Earnings:		
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	6,450,285	5,093,413
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	6,590,541,098	6,530,565,352
Effect of dilutive potential ordinary shares on share options	4,148,189	4,698,803
Weighted average number of ordinary shares for the purpose of diluted earnings per share	6,594,689,287	6,535,264,155

Note: The Company issued 699,595,789 ordinary shares as part of a common control combination of Acquired Group which is accounted for using merger accounting, the shares issued are included in the calculation of the weighted average number of shares for six months ended 30 June 2015 and 30 June 2014 as if the Acquired Group had already existed.

10. TRADE RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June 2015 HK\$'000	31 December 2014 HK\$'000 (Restated)
Trade receivables (Note a)	862,459	697,339
Less: allowance for doubtful debts	(124,107)	(125,185)
	<u>738,352</u>	<u>572,154</u>
Other receivables	11,526,378	9,752,534
Less: allowance for doubtful debts	(508,618)	(508,453)
	<u>11,017,760</u>	<u>9,244,081</u>
Prepayment for acquisition of land use rights	6,848,546	12,846,755
Prepayments and deposits	8,006,135	4,924,119
	<u>26,610,793</u>	<u>27,587,109</u>

Note:

- (a) Proceeds receivable in respect of sale of properties are settled in accordance with the terms stipulated in the sales and purchase agreement. Generally, purchasers of properties are required to settle the balance within 30 days as specified in the sales and purchase agreements or not granted with any credit period.

Except for proceeds receivable from sale of properties, rental income from lease of properties and proceeds from construction contracts which are payable in accordance with the term of the relevant agreement, the Group generally allows a credit period not exceeding 45 days to its customers.

The following is an aging analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000 (Restated)
Within one year	557,719	467,875
Over one year	180,633	104,279
	<u>738,352</u>	<u>572,154</u>

11. TRADE AND OTHER PAYABLES

	30 June 2015 HK\$'000	31 December 2014 HK\$'000 (Restated)
Trade payables (Note a)	32,918,549	35,501,592
Other payables (Note b)	10,943,925	10,148,608
Dividend payables	2,840,865	-
	<u>46,703,339</u>	<u>45,650,200</u>

Notes:

- (a) The following is an aging analysis of the Group's trade payables at the end of the reporting period:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000 (Restated)
Within one year	22,978,503	28,552,539
Over one year	9,940,046	6,949,053
	<u>32,918,549</u>	<u>35,501,592</u>

- (b) Amounts include mainly receipt in advance, other taxes payable, temporary receipts and accrued salaries.

FOREWORD

In the first half of 2015, the property market in China has demonstrated a recovery trend as the regulatory environment tuned back to market-orientation, accompanied by the central bank's monetary policy loosening with interest rate cuts and RRR cuts; meanwhile, China's social consumer retail sales continued to grow. Benefiting from the gradually improving external environment, the Group successfully achieved its contracted sales target for the first half, and delivered a decent growth in rental revenue from its investment property portfolio (including hotel operation) during the same period.

Results Review

During the reporting period, the Group's total consolidated revenue achieved HK\$37.14 billion, representing a year-on-year ("YoY") growth of 29.7%; core net profit attributable to the owners of the Company excluding revaluation gain from investment properties reached HK\$5.02 billion, surged by 31.8% YoY; profit attributable to the owners of the Company including the revaluation gain from investment properties increased by 26.6% YoY to HK\$6.45 billion. In the first half of 2015, the Group's earnings per share achieved HK97.9 cents, up by 25.5% YoY, while core net earnings per share increased by 30.7% YoY to HK76.2 cents. As of 30 June 2015, the net asset per share decreased by 9.7% YoY to HK\$16.35.

The Board of the Company resolved to declare an interim dividend of HK8.7 cents per share, representing an increase of 2.4% over that of 2014.

Development Property

With years of improvement and optimization in operations of development projects, the Group achieved development property revenue of HK\$32.83 billion in the reporting period, representing a YoY growth of 31.4%. Gross profit margin of development property was 30.8%, better than 28.0% in the first half of 2014.

During the first half of 2015, the national commodity housing sales reached RMB3.43 trillion with gross floor area ("GFA") sold at 500 million square meters, with growth rate turning positive and increased by 10% and 3.9% YoY respectively. At the same time, home mortgage loan increased by RMB1.1 trillion YoY, the highest record since 2011 and further confirmed the sector's recovery, which leads to the Group's satisfactory sales performance in products targeting end-user and upgrader demands. After years of incubation, the Group's strategic layout in Shenzhen for long-term projects started to contribute in the first half and further enhanced the contracted sales. During the reporting period, the Group achieved contracted sales of RMB37.00 billion with contracted GFA of 3.25 million square meters, up by 44.7% and 41.4% YoY respectively, further enhanced the Group's market leading position.

Investment Property

The national social consumption started to recover gradually in the second quarter, total retail sales of social consumer goods in first half 2015 reached RMB14.2 trillion, up by 10.4% YoY. According to the Ministry of Commerce, the sales of 5,000 major retailers went up 4.7% YoY in June, while the retail sales from shopping mall sector went up by 12.3% YoY. During the reporting period, the Group's rental revenue from investment properties (including hotel operations) increased by 17.4% YoY to HK\$3.11 billion. As at 30 June 2015, total GFA of the Group's operational investment properties reached 4.04 million square meters, including 9 Mixc malls and 5 Hi5/Mix One malls.

During the first half of 2015, the national online retail sales achieved RMB1.65 trillion, surged by 39.1% YoY. In this complex operational environment, the Group responded proactively: on the one hand, the Group has adopted an open mind to internet and e-commerce business models since 2014; on the other hand, the Group continued its focus on its existing investment properties portfolio in positioning, leasing, operations, opening preparation, business innovation and others. During the reporting period, the opening rates of the Group's newly opened Qingdao Mixc and Zibo Mixc One both exceeded 80%.

Assets Acquired from CRH

On 8 December 2014, the Company and Central New, a wholly-owned subsidiary of CRH, the Company's holding company, entered into an acquisition agreement pursuant to which the Company would acquire certain projects located in Shenzhen and Jinan including Shenzhen Dachongcun from Central New with total GFA of approximately 4 million square meters. Total consideration for the acquisition was approximately HK\$18.64 billion (comprising share consideration of HK\$12.60 billion and cash consideration of HK\$6.04 billion). During the reporting period, the aforesaid acquisition was approved by the independent shareholders of the Company at an EGM held on 21 January 2015, with completion took place on the same date.

Land Bank

In the first half of the year, while being active yet prudent, the Group paid close attention to the land market and continuously strengthened its research in investment opportunities among different cities. The Group continued to shift its investment focus towards tier 1 and core tier 2 cities, and actively acquired quality land bank. Save as disclosed above under "Assets Acquired from CRH", during the reporting period, the Group acquired 10 land parcels with a total consideration of RMB38.38 billion (of which attributable consideration was RMB18.15 billion). The Group's total GFA increased by 2.69 million square meters, of which residential land bank was 2.63 million square meters and land bank for investment properties was 65,000 square meters.

As of 30 June 2015, the Group's geographical presence has been expanded to 53 cities nationwide, with a total land bank GFA of 42.15 million square meters, of which 36.47 million square meters were for development properties, and 5.68 million square meters were for investment properties. The Group's land bank is sufficient for development needs for the next 3 to 5 years, while the land bank mix also matches well with the Group's business model.

Financial Policies

The Group continued to maintain its prudent financial policies. As at 30 June 2015, total debt ratio stood at 42.3%, lower than 43.7% as at 31 December 2014, while net gearing ratio increased slightly to 39.4% from 39.0% as at 31 December 2014, both maintained at relatively low levels in the sector. During the reporting period, Standard and Poor's, Moody's and Fitch maintained the Company's credit ratings of "BBB+/stable outlook", "Baa1/stable outlook" and "BBB+/stable outlook" respectively.

Corporate Social Responsibility

During the reporting period, the Group continued to uphold its green principles and fulfilled social responsibility in corporate development. The Group has committed to the quality of products and services for customers, kept in mind safety responsibility, rigorously enforced energy-saving and emission-reduction, as well as developed green buildings extensively. The Group has assigned volunteers to participate in new countryside construction for years. Zunyi Hope Town, the seventh "China Resources Hope Town" of China Resources Holdings, was completed by the Company in the first half of the year and gained widespread social recognition.

Outlook

The property sector is expected to continue its rebound in the second half of the year. Sector policies and monetary policies are likely to remain loose. Further rate cuts are expected and liquidity remains abundant. First-time homebuyers and first-time upgraders remain as the mainstream and healthy demand for property. The Group will continue to roll out products to cater for market demand in the second half of the year, accelerate inventory turnover, and stringently control the quality and construction schedule of the projects to be delivered within the year, so as to ensure the full-year achievement of earnings targets for development properties.

Four shopping malls including Changsha Mixc One, Ganzhou Mixc, Shenyang Mixc One and Hefei Mixc are planned to be opened in the second half of the year. The Group's commercial properties portfolio will continue to grow with new openings, laying down a solid foundation for long-term development.

In the second half of the year, the Group will continue to reinforce its expertise to strengthen its market position, actively explore strategic new directions and business models, and carefully study the sector development patterns and trends. These efforts are aimed at determining the strategic development direction of the Group, so as to build a solid foundation for sustainable development in the “Thirteenth Five-Year” period.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2015, the Group's development property and investment property both achieved satisfactory results. During the reporting period, contracted sales and construction progress of projects were in line with management's expectations, establishing a solid foundation for 2015.

Review of Development Property in the First Half of 2015

In the first half of 2015, the Group achieved contracted sales of RMB37.00 billion with contracted GFA of 3.25 million square meters, up by 44.7 % and 41.4 % YoY respectively.

Contracted sales breakdown by region in the first half of 2015 is set out in the table below:

Region	Contracted Sales		Contracted GFA	
	RMB'000	%	Sqm	%
Beijing	2,649,688	7.2%	160,926	4.9%
Shanghai	3,751,948	10.1%	154,335	4.7%
Shenzhen	8,695,021	23.5%	385,473	11.9%
Chengdu	4,185,925	11.3%	545,800	16.8%
Shenyang	3,890,555	10.5%	484,313	14.9%
Shandong	2,682,258	7.2%	278,566	8.6%
Jiangsu	5,535,307	15.0%	592,172	18.2%
Wuhan	3,503,136	9.5%	456,839	14.0%
Fujian	2,106,326	5.7%	193,898	6.0%
Total	37,000,164	100.0%	3,252,322	100.0%

In the first half of 2015, the Group achieved development property revenue of HK\$32.83 billion with booked GFA of 2.24 million square meters, representing a YoY growth of 31.4% and 28.7% respectively. Gross profit margin of development property reached 30.8% in the first half of 2015, better than 28.0% in the first half of 2014.

Revenue breakdown by region in the first half of 2015 is listed below:

Region	Revenue	GFA Booked
	HKS'000	Sqm
Beijing	2,731,336	113,618
Shanghai	9,065,343	324,709
Shenzhen	1,152,167	45,276
Chengdu	5,330,803	481,326
Shenyang	1,805,523	173,331
Shandong	5,344,791	424,018
Jiangsu	5,645,402	518,772
Wuhan	1,317,522	130,741
Fujian	434,371	28,954
Total	32,827,258	2,240,745

As of 30 June 2015, the Group has locked in contracted sales of HK\$88.98 billion that are subject to recognition as development revenue in 2015 (including revenue booked in the first half of 2015), 10.6% higher than reported full year development revenue of HK\$80.48 billion in 2014.

Review of Investment Property in the First Half of 2015

As of 30 June 2015, the book value of the investment properties of the Group amounted to HK\$86.01 billion, representing 22.0% of the Group's total assets value. In compliance with accounting policies, the Group engaged an independent appraiser to revalue its investment properties, including those under construction, and a revaluation gain of HK\$1.43 billion (net off taxation and minority interests) was booked for the first half of 2015 based on the appraisal report. In the first half of 2015, rental income of investment properties, including hotel operation, amounted to HK\$3.11 billion, representing a 17.4% YoY growth.

The following table sets out the rental income and occupancy rates of key investment properties in the first half of 2015:

Investment Property	Opening Date	Revenue (HK\$'000)			Average Occupancy Rate (%)		
		1H 2015	1H 2014	%YoY	1H 2015	1H 2014	YoY
Shenzhen Mixc	19/12/2004	524,514	499,923	4.9%	99.5%	99.8%	-0.3
Hangzhou Mixc	22/04/2010	239,087	239,295	-0.1%	98.9%	98.3%	0.6
Shenyang Mixc	15/05/2011	195,108	199,093	-2.0%	96.0%	97.3%	-1.3
Chengdu Mixc	11/05/2012	128,626	126,592	1.6%	96.7%	98.5%	-1.8
Nanning Mixc	01/09/2012	245,158	224,686	9.1%	99.2%	99.2%	-
Zhengzhou Mixc	19/04/2014	61,648	35,868	71.9%	93.5%	91.2%	2.3
Chongqing Mixc	19/09/2014	83,477	N/A	N/A	85.0%	N/A	N/A
Wuxi Mixc	20/12/2014	62,326	N/A	N/A	75.4%	N/A	N/A
Qingdao Mixc	30/04/2015	56,876	N/A	N/A	82.6%	N/A	N/A
Shanghai Times Square Commercial	18/01/1997	59,156	66,331	-10.8%	90.1%	93.9%	-3.8
Beijing Phoenix Plaza Commercial	01/02/2010	40,800	38,964	4.7%	97.4%	97.0%	0.4
Beijing Qinghe Hi5	28/06/2011	129,198	108,950	18.6%	100.0%	99.9%	0.1
Hefei Shushan Hi5	01/05/2014	15,155	5,059	199.6%	96.1%	94.2%	1.9
Ningbo Yuyao Hi5	28/06/2014	29,270	N/A	N/A	89.8%	N/A	N/A
Shanghai Nanxiang Hi5	25/10/2014	20,232	N/A	N/A	99.2%	N/A	N/A
Shandong Zibo Mixc One	27/05/2015	24,052	N/A	N/A	85.0%	N/A	N/A
Shenzhen CR Building	09/12/2014	81,804	76,191	7.4%	99.2%	99.2%	-
Shenyang CR Building	09/05/2011	56,087	59,193	-5.2%	89.3%	95.6%	-6.3
Chengdu CR Building	20/04/2012	32,790	27,381	19.8%	70.2%	62.0%	8.2
Nanning CR Building	06/06/2012	19,275	15,821	21.8%	91.9%	94.5%	-2.6
Beijing CR Building	18/06/1999	115,397	112,295	2.8%	91.3%	89.4%	1.9
Shanghai Times Square Office	01/07/1997	63,472	60,487	4.9%	96.2%	100.0%	-3.8
Beijing Phoenix Plaza Office	01/12/2011	177,049	171,635	3.2%	92.0%	97.9%	-5.9
Beijing Hi5 Office	25/02/2013	12,174	12,700	-4.1%	100.0%	100.0%	-
Others	N/A	169,577	193,120	-12.2%	N/A	N/A	N/A
Shenzhen Grand Hyatt Hotel	01/07/2010	261,897	236,901	10.6%	74.0%	69.9%	4.1
Shimei Bay Le Meridien Hotel	01/11/2008	36,009	47,949	-24.9%	53.2%	34.3%	18.9
Shenyang Grand Hyatt Hotel	30/08/2013	109,269	91,276	19.7%	67.4%	61.9%	5.5
Dalian Grand Hyatt Hotel	12/09/2014	60,465	N/A	N/A	36.6%	N/A	N/A
Total		3,109,948	2,649,710	17.4%	N/A	N/A	N/A

Details of the Group's newly opened investment properties during the first half of 2015 are listed below:

Property	City	Interest Attributable to the Group (%)	Total GFA (Sqm)	Attributable GFA (Sqm)	Usage
Qingdao Mixc	Qingdao	97.2%	362,945	352,928	
Mixc			264,245	256,952	Commercial
Car Park			98,700	95,976	Car Park
Shandong Zibo Mixc One	Zibo	100.0%	259,908	259,908	
Mixc One			154,805	154,805	Commercial
Car Park			105,103	105,103	Car Park
Total GFA			622,853	612,836	
Comprising : Commercial			419,050	411,757	
Car Park			203,803	201,079	

As of 30 June 2015, the Group's investment properties in operation achieved 4.04 million square meters in total GFA, while that under construction and planning reached 5.68 million square meters in total GFA, details are listed below:

	Investment Properties In Operation		Investment Properties Under Construction and Planning	
	Total GFA (Sqm)	Attributable GFA (Sqm)	Total GFA (Sqm)	Attributable GFA (Sqm)
Total GFA	4,035,452	3,596,392	5,679,211	4,906,977
Comprising: Commercial	2,379,757	2,071,470	4,207,982	3,593,978
Office	370,356	367,823	991,276	920,582
Hotel	225,709	199,052	461,953	374,417
Others	1,059,630	958,047	18,000	18,000

Investment properties, shopping mall in particular, are the Group's key business focus. 2015 to 2018 are the peak years for new openings of investment properties. The Group will continue to enhance the construction and operation efficiency for sustainable growth in recurrent rental income, further strengthen the Group's unique double-engine competitive advantage so as to improve profitability and investment return.

Review of Value-Added Services in the First Half of 2015

In the first half of 2015, the Group continued to expand its value-added services in areas of residential development, investment properties and property management. For residential development, fitted products are continuously introduced, with coverage GFA of 1.39 million square meters, accounting for 17% of the total residential GFA as at 31 June 2015. For investment properties, a service database is being built to properly classify and label all the value-added services currently being offered. For property management, more pilot express delivery counters and insurance brokerage services are continuously promoted, with an aim to provide unique experiences of value-added services to property owners.

Going forward, the Group will establish a standardized system of products in residential value-added services based on changes in market conditions and customer demand, with a pursuit to provide better product experience to property owners. For investment properties, the Group will offer lean management, implement online data management, and enhance service quality for mobile terminals. A community on-line network will be consolidated to implement O2O practice, to explore and gradually refine the "internet + property" service model.

Land Bank

In the first half of 2015, the Group acquired 10 quality land parcels of 2.69 million square meters in GFA with a total consideration of RMB38.38 billion. As of 30 June 2015, the total GFA of the Group's land bank amounted to 42.15 million square meters. Region breakdown is set out below:

Region	Total GFA (Sqm)	Attributable GFA (Sqm)
Beijing	3,236,248	2,732,802
Shanghai	1,816,853	1,236,616
Shenzhen	8,719,438	6,890,723
Chengdu	7,570,445	7,177,598
Shenyang	3,508,084	2,932,857
Shandong	5,514,593	5,330,777
Jiangsu	6,425,791	5,588,691
Wuhan	3,289,937	3,239,614
Fujian	2,071,914	1,764,786
Total	42,153,303	36,894,464

Sufficient land bank further reinforced the foundation for the Group's sustainable growth in the future. The Group's geographic presence has been extended to 53 cities (with addition of Jinan and Guilin in the first half of 2015).

Going forward, while maintaining healthy financial position with an optimal capital structure, the Group will focus on core strategic cities and strictly follow its financial return criteria in replenishing quality land bank to match its development strategies and business model. The Group will diversify its access to land bank through joint ventures and other channels. Further land bank acquisitions will be funded by the Group's internal resources together with external financing.

Loans, Debt Ratios, Asset Pledge and Foreign Exchange Risk

Benefiting from strong operating cash inflow and prudent financial management, the Group further strengthened its balance sheet in the first half of 2015 and maintained relatively low debt ratios. In May 2015, the Group completed a top-up placing of 400 million shares at a price of HK\$25.25 per share with total net proceeds of HK\$10.1 billion. The placement effectively enriched financial resources and enhanced financial flexibility for the Group. As at 30 June 2015, the Group's total debt was HK\$92.30 billion equivalent while its cash and bank balance amounted to HK\$42.63 billion. The Group's net interest-bearing debt to equity ratio (including minority interests) was 39.4%, slightly higher than 39.0% as at the year end of 2014.

The Group continues to optimize its debt profile. As of 30 June 2015, 42% of the Group's interest-bearing debt was denominated in RMB and 58% in HK\$ and US\$. Approximately 25% of the interest-bearing debt is repayable within one year while the rest is long term debt. The Group has maintained its borrowing cost at a relatively low level in the sector, with the weighted average cost of funding at 4.37% as at 30 June 2015.

In the first half of 2015, the international credit rating agencies Standard and Poor's, Moody's and Fitch maintained the Company's credit ratings of "BBB+/stable", "Baa1/stable" and "BBB+/stable" respectively.

As of 30 June 2015, the Group had total loan facilities of RMB25.68 billion through asset pledge with pledge tenor range from 3 to 15 years, and the Group's total balance of asset-pledged loan was HK\$22.40 billion.

The Group's residential and investment properties are all located in Mainland China and the Group has RMB as its functional currency. We estimate RMB exchange rate to experience wider volatility going forward as RMB exchange rate mechanism becomes more market-driven. However, the foreign exchange risk of the Group is expected to be under control, and is expected not to pose a material impact on the Group's financial position. The Group will closely monitor its exchange risk exposure and will seek to minimize the risk by adjusting its debt profile when necessary.

Employee and Compensation Policy

As of 30 June 2015, the Group has 29,366 full time employees in Mainland China and Hong Kong (including property management and agency subsidiaries). The Group remunerates its employees based on their performance, working experience and market salary levels. In addition, performance bonus is granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage.

Contingent Liabilities

Temporary guarantees are provided to banks with respect to mortgage loans procured by some purchasers of the Group's properties. Such guarantees will be released by banks upon the delivery of the properties to such buyers or on completion of the property registration of relevant properties pertaining to the mortgage, whichever is earlier. In the opinion of the Board, the fair value of the financial guarantee contracts is insignificant.

CORPORATE GOVERNANCE

The Company recognizes the importance of maintaining high standards of corporate governance to the long-term sustainable development of the Group, and thus set up a Corporate Governance Committee on 9 March 2012 with an aim to further improve the Group's corporate governance standard.

Mr. Wu Xiangdong, Executive Director of the Company, tendered his resignation as Chairman of the Company with effect from 9 November 2014. At the same time, Mr. Tang Yong, Executive Director of the Company, was appointed as the Vice Chairman of the Company to lead the Board of the Company and attend the Annual General Meeting of the Company on 3 June 2015. Moreover, Mr. Tang Yong is responsible for managing the Company's daily operations at the same time. To maintain the operational continuity of the nomination committee, Mr. Wu remained as chairman of the nomination committee after his resignation as Chairman of the Company. During the period under review, the Vice Chairman has effectively presided over the daily operations and management of the Board after his appointment. The Company will review its Board and committees' structure in order to maintain the quality of the board and the business operations, and to identify suitable candidates for the presidency and the post of Chairman of the Nomination Committee as soon as possible.

Mr. Wang Yan was appointed as non-executive director of the Company on 13 August 2014, and the resolution was put forth to approve the re-election of Mr. Wang Yan as director of the Company at the annual general meeting held on 3 June 2015. However, according to the code provision, director appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after his appointment, i.e. the extraordinary general meeting of the Company held on 21 January 2015.

Save for the above arrangements, during the six months ended 30 June 2015, the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

STRATEGIC INCENTIVE AWARD SCHEME

As an incentive to retain and encourage the employees for the continual operation and development of the Group, the Board of the Company resolved to adopt the Strategic Incentive Award Scheme (the "Scheme") on 30 May 2008 (the "Adoption Date"). The Scheme was subsequently amended on 8 December 2009. Unless sooner terminated by the Board of Directors, the Scheme shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years. According to the Scheme, shares up to 2.5% of the issued share capital of the Company as at the Adoption Date will be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Scheme.

As of 30 June 2015, the Company had through Trustee purchased 83,233,259 shares, representing 2.0623% of the issued share capital of the Company as at the Adoption Date, from the market at an aggregate consideration of HK\$1,087,520,324.54 (including transaction costs). During the six months ended 30 June 2015, there was no share granted while 11,443,047 shares were vested to the relevant directors and employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as disclosed above under “Strategic Incentive Award Scheme”, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2015.

REVIEW BY AUDIT COMMITTEE AND AUDITOR

The interim results of the Group for the six months ended 30 June 2015 have been reviewed by Audit Committee of the Company which comprises four independent non-executive directors and two non-executive directors of the Company.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2015 had been reviewed by the Company’s independent auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK8.7 cents per share for the six months ended 30 June 2015 (2014: HK8.5 cents) payable on or about 15 October 2015 to shareholders whose names appear on the Register of Members of the Company on 9 October 2015.

CLOSURE OF REGISTER

The register of Members will be closed from 5 October 2015 (Monday) to 9 October 2015 (Friday), both days inclusive. In order to be eligible for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 pm on 2 October 2015 (Friday).

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Company’s 2015 Interim Report containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange and the Company in due course.

By Order of the Board
China Resources Land Limited
Tang Yong
Vice Chairman

Hong Kong, 24 August 2015

As at the date of this announcement, the executive Directors are Mr. Wu Xiangdong, Mr. Tang Yong (Vice Chairman) and Mr. Yu Jian; the non-executive Directors are Mr. Yan Biao, Mr. Du Wenmin, Mr. Ding Jiemin, Mr. Wei Bin, Mr. Chen Ying and Mr. Wang Yan; and the independent non-executive Directors are Mr. Wang Shi, Mr. Andrew Y. Yan, Mr. Ho Hin Ngai, Bosco, Mr. Wan Kam To, Peter and Mr. Ma Weihua.