建業地產股份有限公司 *

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2017 amounted to RMB5,058 million, an increase of 98.4% compared with the corresponding period in 2016.
- Gross profit margin for the period was 26.3%, as compared with 38.0% for the corresponding period in 2016.
- Profit attributable to equity shareholders of the Company for the period amounted to RMB405 million, an increase of 58.7% compared with the corresponding period in 2016.
- Net profit margin for the period was 9.3%, as compared with 9.9% for the corresponding period in 2016.
- Basic earnings per share for the period was RMB16.59 cents, an increase of 58.6% compared with the corresponding period in 2016.

* *For identification purposes only*

INTERIM RESULTS

The board (the "Board") of directors (the "Directors" and each a "Director") of Central China Real Estate Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017, together with the relevant comparative figures in 2016 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2017 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2017	2016
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**5,057,721**	2,549,351
Cost of sales		**(3,725,840)**	(1,581,420)
Gross profit		**1,331,881**	967,931
Other revenue	*4*	**58,805**	118,616
Other net income/(loss)	*4*	**50,902**	(82,626)
Selling and marketing expenses		**(175,653)**	(141,612)
General and administrative expenses		**(414,128)**	(356,887)
Other operating income		**12,450**	17,198
		864,257	522,620
Share of loss of an associate		**(1,703)**	(1,481)
Share of profits less losses of joint ventures		**18,257**	65,520
Finance costs	*5(a)*	**(234,973)**	(123,168)
Profit before change in fair value of investment properties and income tax		**645,838**	463,491
Net valuation gain on investment properties		**227,533**	896
Profit before taxation	*5*	**873,371**	464,387
Income tax	*6*	**(404,335)**	(211,688)
Profit for the period		**469,036**	252,699
Attributable to:			
Equity shareholders of the Company		**405,256**	255,437
Non-controlling interests		**63,780**	(2,738)
Profit for the period		**469,036**	252,699
Earnings per share			
— Basis (RMB cents)	*7*	**16.59**	10.46
— Diluted (RMB cents)		**16.59**	10.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2017 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Profit for the period	**469,036**	252,699
Other comprehensive income for the period		
Items that are or may be reclassified subsequently to profit or loss:		
— Exchange differences on translation of financial statements of foreign subsidiaries	**51,130**	(34,185)
— Cash flow hedge:		
— effective portion of changes in fair value	**(33,069)**	(150,856)
— transfer from equity to profit or loss	**74,225**	149,773
Total other comprehensive income for the period	**92,286**	(35,268)
Total comprehensive income for the period	**561,322**	217,431
Attributable to:		
Equity shareholders of the Company	**496,981**	220,336
Non-controlling interests	**64,341**	(2,905)
Total comprehensive income for the period	**561,322**	217,431

There is no tax effect relating to the above component of other comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017 — unaudited
(Expressed in Renminbi)

	Note	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		**3,048,846**	3,024,802
Investment properties		**1,248,820**	575,870
Intangible asset		**216,432**	131,250
Interests in an associate		**25,465**	27,168
Interests in joint ventures	8	**6,823,863**	6,276,091
Other financial assets		**190,080**	190,080
Deferred tax assets		**105,377**	127,461
		11,658,883	10,352,722
Current assets			
Trading securities		**95,240**	105,868
Properties for sale	9	**21,420,820**	18,026,529
Trade and other receivables	10	**1,244,561**	887,613
Deposits and prepayments	11	**6,332,904**	3,161,766
Taxation recoverable		**889,452**	610,171
Restricted bank deposits		**1,856,170**	1,404,821
Cash and cash equivalents		**9,050,502**	9,776,310
		40,889,649	33,973,078
Current liabilities			
Bank loans	12	**(866,523)**	(514,265)
Other loans	13	**(838,000)**	(90,000)
Payables and accruals	14	**(16,801,702)**	(14,842,040)
Receipts in advance		**(11,662,947)**	(6,832,439)
Senior notes	15	**(2,702,769)**	(960,216)
Taxation payable		**(985,060)**	(1,151,686)
		(33,857,001)	(24,390,646)
Net current assets		**7,032,648**	9,582,432
Total assets less current liabilities		**18,691,531**	19,935,154

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
At 30 June 2017 — unaudited
(Expressed in Renminbi)

	Note	At 30 June 2017 RMB'000 (unaudited)	At 31 December 2016 RMB'000 (audited)
Non-current liabilities			
Bank loans	*12*	**(2,841,378)**	(1,851,175)
Other loans	*13*	**(300,000)**	(300,000)
Patent payable		**(90,000)**	(60,000)
Senior notes	*15*	**(4,705,292)**	(7,662,270)
Corporate bonds	*16*	**(2,982,417)**	(2,978,128)
Deferred tax liabilities		**(140,498)**	(86,255)
		(11,059,585)	(12,937,828)
Net assets		**7,631,946**	6,997,326
Capital and reserves			
Share capital		**216,322**	216,322
Reserves		**6,704,178**	6,205,741
Total equity attributable to equity shareholders of the Company		**6,920,500**	6,422,063
Non-controlling interests		**711,446**	575,263
Total equity		**7,631,946**	6,997,326

NOTES:

1 BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2017 but are extracted from the report.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of Central China Real Estate Limited (the "Company") and its subsidiaries (collectively, the "Group"). None of these developments have had a material effect on how the Group's performance and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA. KPMG's independent review report to the Board of Directors is included in the interim financial report sent to shareholders. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory annual consolidated financial statements for the year ended 31 December 2016 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 24 March 2017.

2 SEGMENT REPORTING

(a) Products and services from which reportable segments derive their revenue

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8, *Operating segments*.

(b) Revenue from principal activities

The Group's revenue from its principal activities is set out in note 3.

(c) Geographic information

No geographical information is shown as the revenue and profit from operations of the Group is substantially derived from activities in Henan province in the People's Republic of China ("PRC").

3 REVENUE

The principal activities of the Group are property development, property leasing, hotel operations and provision of project management service. Revenue of the Group for the period is analysed as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Income from sales of properties	**4,781,586**	2,389,762
Rental income	**44,998**	49,004
Revenue from hotel operations	**132,113**	110,585
Project management service fee income	**99,024**	–
	5,057,721	2,549,351

4 OTHER REVENUE AND OTHER NET INCOME/(LOSS)

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Other revenue		
Interest income	**42,965**	91,431
Dividend income from equity securities	**15,090**	1,406
Government grants	**750**	750
Others	**–**	25,029
	58,805	118,616
Other net income/(loss)		
Net exchange gain/(loss)	**30,360**	(49,187)
Unrealised (loss)/gain on trading securities	**(8,695)**	1,508
Net gain/(loss) on deemed disposals of subsidiaries	**280**	(18,611)
Net (loss)/gain on disposals of property, plant and equipment	**(91)**	80
Write-down of properties for sale	**(5,845)**	(19,753)
Forfeited income from a tenant	**31,623**	–
Others	**3,270**	3,337
	50,902	(82,626)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank loans	**74,260**	64,514
Interest on other loans	**26,904**	55,615
Interest on senior notes	**312,841**	278,709
Interest on corporate bonds	**93,550**	40,392
	507,555	439,230
Less: borrowing costs capitalised	**(392,996)**	(308,702)
	114,559	130,528
Net loss/(gain) of derivatives embedded to senior notes	**120,414**	(7,360)
	234,973	123,168
(b) Other items		
Depreciation and amortisation	**126,518**	115,215
Cost of properties sold	**3,649,629**	1,509,304

6 INCOME TAX

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**186,577**	135,650
PRC Land Appreciation Tax		
— Provision for the period	**147,889**	104,204
— Over-provision in prior years	**(6,458)**	(23,309)
	328,008	216,545
Deferred tax		
Revaluation of properties	**56,883**	59
PRC Land Appreciation Tax	**22,084**	(4,385)
Others — fair value adjustment upon acquisitions of subsidiaries	**(2,640)**	(531)
	76,327	(4,857)
	404,335	211,688

(a) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

(b) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.

(c) PRC Corporate Income Tax ("CIT")

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the Company's subsidiaries in the PRC ("PRC subsidiaries") as determined in accordance with the relevant income tax rules and regulations of the PRC.

Certain PRC subsidiaries were subject to CIT calculated based on the deemed profit which represents 10% (six months ended 30 June 2016: 10%) of their revenue in accordance with the authorised taxation method pursuant to the applicable PRC tax regulations. The tax rate was 25% (six months ended 30 June 2016: 25%) on the deemed profit. Other PRC subsidiaries, which were subject to the actual taxation method, were charged CIT at a rate of 25% (six months ended 30 June 2016: 25%) on the estimated assessable profits for the period.

(d) Land Appreciation Tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB405,256,000 (six months ended 30 June 2016: RMB255,437,000) and the weighted average of 2,442,271,000 ordinary shares (six months ended 30 June 2016: 2,442,271,000 shares) in issue during the interim period.

	Six months ended 30 June	
	2017	2016
	'000	*'000*
Issued ordinary shares at 1 January	**2,442,271**	2,442,271
Effect of exercised share options	**–**	–
Weighted average number of ordinary shares at 30 June	**2,442,271**	2,442,271

(b) Diluted earnings per share

The Company's share options as at 30 June 2017 do not give rise to any dilution effect to the earnings per share and there are no other potential dilutive ordinary shares in existence during the six months ended 30 June 2017, and hence diluted earnings per share is the same as the basic earnings per share.

8 INTERESTS IN JOINT VENTURES

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Share of net assets	**2,633,542**	3,490,712
Amounts due from joint ventures	**4,190,321**	2,785,379
	6,823,863	6,276,091

At 30 June 2017, amounts due from joint ventures are unsecured, interest-free (31 December 2016: except for amounts of RMB1,450,042,000 which are interest bearing at 4.35%–13.65% per annum) and have no fixed terms of repayment, and are expected to be recovered after more than one year.

9 PROPERTIES FOR SALE

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Properties held for future development and under development for sale	**16,612,410**	11,924,548
Completed properties held for sale	**4,808,410**	6,101,981
	21,420,820	18,026,529

During six months ended 30 June 2017, RMB5,845,000 (six months ended 30 June 2016: RMB19,753,000) has been recognised as a reduction in the amount of properties for sale recognised as an expense in profit or loss during the period in order to state these properties at the lower of their cost and estimated net realisable value.

10 TRADE AND OTHER RECEIVABLES

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Bills receivables *(note (a))*	**–**	6,794
Trade receivables *(note (a))*	**168,087**	42,926
Other receivables *(note (b))*	**545,573**	484,970
Amounts due from related companies *(note (c))*	**166,437**	106,684
Amounts due from non-controlling interests *(note (d))*	**331,157**	184,548
Derivative financial instruments *(notes 15(a), 15(b), 15(d) and 15(e))*	**33,307**	61,691
	1,244,561	887,613

Notes:

(a) As of the end of the reporting period, the ageing analysis of bills and trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and all of which are neither individually nor collectively considered to be impaired, is as follows:

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Within 1 month	**130,757**	19,707
1 to 3 months	**5,634**	1,727
3 to 6 months	**4,373**	3,650
6 to 12 months	**2,094**	16,733
Over 1 year	**25,229**	7,903
	168,087	49,720

In respect of trade receivables of mortgage sales, no credit terms are granted to the buyers. The buyers of properties normally obtain bank financing up to 70% of the total purchase price of the properties and the Group provides guarantee to secure repayment obligations of such buyers. The Group's guarantee periods commence from the date of grant of relevant mortgage loans and end upon completion of construction and the mortgage registration documents are delivered to the relevant banks after the issue of the property ownership certificate.

If there is default in payments by these buyers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. Under such circumstances, the Group is able to retain the buyers' deposit, take over the ownership of relevant properties and sell the properties to recover any amounts paid by the Group to the banks since the Group has not applied for individual property ownership certificates for these buyers until full payments are received. Sales and marketing staff of the Group are delegated to determine credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the management reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts, if any.

Based on assessment, management believes that no impairment allowance is necessary in respect of the overdue balances and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

(b) Other receivables included an amount of RMB37,250,000 (31 December 2016: RMBnil) which is unsecured, interest-free and recoverable within one year.

The remaining other receivables are unsecured, interest-free and have no fixed terms of repayment.

(c) The amounts due from related companies included an amount of RMB39,015,000 (31 December 2016: RMB39,015,000) in relation to sales of properties in previous years to a subsidiary of CapitaLand Limited, the ultimate holding company of a substantial shareholder of the Company. The amount is unsecured, interest-free and recoverable on demand.

The amount due from a related company of RMB85,468,000 (31 December 2016: RMB62,082,000) represents the prepaid expected basic return to the trust manager of joint ventures, Bridge Trust Company Limited, according to the cooperation agreements. The amount is unsecured, interest-free and has no fixed terms of repayment.

The amount due from a related company of RMB35,486,000 (31 December 2016: RMBnil) represents the prepaid expected basic return to the trust manager of joint ventures, Ping An Trust and Investment Company Limited, according to the cooperation agreements. The amount is unsecured, interest-free and has no fixed terms of repayment.

The remaining amounts due from related companies are unsecured, interest-free and have no fixed terms of repayment.

(d) The amounts due from non-controlling interests included an amount of RMB3,500,000 (31 December 2016: RMB3,500,000) which is unsecured, interest bearing at 24% per annum and has no fixed terms of repayment.

The remaining amounts due from non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

11 DEPOSITS AND PREPAYMENTS

At 30 June 2017, the balance included deposits and prepayments for leasehold land of RMB4,657,842,000 (31 December 2016: RMB2,220,145,000).

12 BANK LOANS

(a) At 30 June 2017, bank loans were repayable as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Within 1 year or on demand	**866,523**	514,265
After 1 year but within 2 years	**368,250**	393,695
After 2 years but within 5 years	**1,681,378**	683,985
After 5 years	**791,750**	773,495
	2,841,378	1,851,175
	3,707,901	2,365,440

(b) At 30 June 2017, bank loans were secured as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Bank loans		
— secured	**1,586,773**	1,650,440
— unsecured	**2,121,128**	715,000
	3,707,901	2,365,440

At 30 June 2017, assets of the Group against which bank loans are secured are analysed as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Properties for sale	**1,672,063**	2,271,039
Property, plant and equipment	**870,008**	831,650
Restricted bank deposits	**–**	6,026
	2,542,071	3,108,715

(c) Certain banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. At 30 June 2017, except for a covenant of a bank loan amounting to RMB150,000,000 which was repaid in July 2017, none of the covenants relating to drawn down facilities had been breached. At 31 December 2016, none of the covenants relating to drawn down facilities had been breached.

13 OTHER LOANS

(a) At 30 June 2017, other loans were repayable as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Within 1 year or on demand	**838,000**	90,000
After 1 year but within 2 years	**90,000**	90,000
After 2 years but within 5 years	**180,000**	180,000
After 5 years	**30,000**	30,000
	300,000	300,000
	1,138,000	390,000

(b) At 30 June 2017, the other loans were secured as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Other loans		
— secured	**748,000**	–
— unsecured	**390,000**	390,000
	1,138,000	390,000

At 30 June 2017, assets of the Group against which other loans are secured as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Property, plant and equipments	**160,050**	–

14 PAYABLES AND ACCRUALS

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Bills payables *(note (a))*	**1,445,903**	334,633
Trade payables *(note (a))*	**5,091,456**	5,004,184
Other payables and accruals	**3,026,681**	2,453,910
Patent payables	**71,604**	45,000
Amounts due to joint ventures *(note (b))*	**6,199,339**	6,642,758
Amounts due to non-controlling interests *(note (c))*	**947,607**	202,161
Derivative financial instruments		
— held as cash flow hedging instrument *(note 15(c))*	**–**	159,394
— foreign exchange swap contracts *(note 15(e))*	**19,112**	–
	16,801,702	14,842,040

At 30 June 2017, included in payables and accruals are retention payable of RMB46,640,000 (31 December 2016: RMB35,760,000), which are expected to be settled after more than one year.

Notes:

(a) As of the end of the reporting period, the ageing analysis of bills and trade payables based on the invoice date is as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Within 1 month	**1,520,410**	2,090,689
1–3 months	**1,232,478**	789,930
3–6 months	**1,269,104**	760,841
6–12 months	**1,559,605**	416,262
Over 1 year	**955,762**	1,281,095
	6,537,359	5,338,817

(b) The amounts due to joint ventures are unsecured, interest-free and have no fixed terms of repayment.

(c) The amounts due to non-controlling interests included an amount of RMB5,879,000 (31 December 2016: RMB76,634,000) which is unsecured, interest bearing at 4.35% per annum and has no fixed terms of repayment.

The remaining amounts due to non-controlling interests are unsecured, interest-free and have no fixed terms of repayment.

15 SENIOR NOTES

Liability component of the Senior Notes

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
US$200m Senior Notes *(note (a))*	**1,349,753**	1,396,432
US$400m Senior Notes *(note (b))*	**2,702,769**	2,795,026
SGD200m Senior Notes *(note (c))*	**–**	960,216
US$300m Senior Notes *(note (d))*	**2,017,620**	2,087,429
US$200m Senior Notes due in 2021 *(note (e))*	**1,337,919**	1,383,383
	7,408,061	8,622,486
Less: amount due for maturity within 12 months (classified as current liabilities)	**(2,702,769)**	(960,216)
Amount due for maturity after 12 months (classified as non-current liabilities)	**4,705,292**	7,662,270

(a) On 21 January 2013, the Company issued senior notes with principal amount of US$200,000,000 due in 2020 ("US$200m Senior Notes"). The senior notes are interest bearing at 8% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 28 January 2020. At any time and from time to time on or after 28 January 2017, the Company may at its option redeem the senior notes, in whole or in part, at a predetermined redemption price. In addition, at any time prior to 28 January 2017, the Company may at its option redeem the senior notes, in whole but not in part, at another predetermined redemption price. Certain covenants of the senior notes would limit the Group's ability to, among other things, incur additional indebtedness and declare dividends under certain circumstances. The details of the redemption price are disclosed in the relevant offering memorandum.

(b) On 22 May 2013, the Company issued senior notes with principal amount of US$400,000,000 due in 2018 ("US$400m Senior Notes"). The senior notes are interest bearing at 6.5% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 4 June 2018. At any time and from time to time on or after 4 June 2016, the Company may at its option redeem the senior notes, in whole or in part, at a predetermined redemption price. In addition, at any time prior to 4 June 2016, the Company may at its option redeem the senior notes, in whole but not in part, at another predetermined redemption price. Certain covenants of the senior notes would limit the Group's ability to, among other things, incur additional indebtedness and declare dividends under certain circumstances. The details of the redemption price are disclosed in the relevant offering memorandum.

(c) On 15 May 2014, the Company issued senior notes with principal amount of SGD200,000,000 due in 2017 ("SGD200m Senior Notes"). The senior notes are interest bearing at 6.5% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 26 May 2017. At any time prior to 26 May 2017, the Company may at its option redeem the senior notes, in whole but not in part, at a predetermined redemption price. Certain covenants of the senior notes would limit the Group's ability to, among other things, incur additional indebtedness and declare dividends under certain circumstances. The details of the redemption price are disclosed in the relevant offering memorandum.

The Company entered into a foreign exchange rate swap contract to manage its exposure to foreign exchange rate risk of the SGD200m Senior Notes by swapping the senior notes principal of SGD200,000,000 into US$160,000,000. The aggregate notional principal amounts of the foreign exchange rate swap contract is SGD200 million and the contract was matured on 26 May 2017. The foreign exchange rate swap contract is accounted for at fair value at the end of reporting period as derivative financial instrument in accordance with the Group's accounting policy. On 26 May 2017, the foreign exchange rate swap contract was terminated and the loss of RMB74,225,000 is recorded under "Finance costs" (note5 (a)).

On 26 May 2017, the Company redeemed all outstanding SGD200m Senior Notes upon maturity with principal amount of SGD200,000,000 at the predetermined redemption price.

(d) On 23 April 2015, the Company issued senior notes with principal amount of US$300,000,000 due in 2021 ("US$300m Senior Notes"). The senior notes are interest bearing at 8.75% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 23 January 2021. At any time and from time to time on or after 23 January 2019, the Company may at its option redeem the senior notes, in whole or in part, at a predetermined redemption price. In addition, at any time prior to 23 January 2019, the Company may at its option redeem the senior notes, in whole but not in part, at another predetermined redemption price. Certain covenants of the senior notes would limit the Group's ability to, among other things, incur additional indebtedness and declare dividends under certain circumstances. The details of the redemption price are disclosed in the relevant offering memorandum.

(e) On 8 November 2016, the Company issued senior notes with principal amount of US$200,000,000 due in 2021 ("US$200m Senior Notes due in 2021"). The senior notes are interest bearing at 6.75% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 8 November 2021. At any time prior to 8 November 2021, the Company may at its option redeem the senior notes, in whole but not in part, at a predetermined redemption price. Certain covenants of the senior notes would limit the Group's ability to, among other things, incur additional indebtedness and declare dividends under certain circumstances. The details of the redemption price are disclosed in the relevant offering memorandum.

The Company entered into a foreign exchange rate swap contract to manage its exposure to foreign exchange rate risk of the US$200m Senior Notes due in 2021 by swapping the senior notes principal of US$200,000,000 into RMB1,385,600,000. The aggregate notional principal amounts of the foreign exchange rate swap contract is US$200 million and the contract will mature on 8 November 2021. The foreign exchange rate swap contract is accounted for at fair value at the end of reporting period as derivative financial instrument in accordance with the Group's accounting policy. As at 30 June 2017, the fair value of the foreign exchange rate swap contract liability amounted to RMB19,112,000 (note 14) is measured based on market price quoted by brokers and the fair value change loss of RMB46,051,000 is recorded under "Finance costs" (note 5(a)).

(f) The senior notes are secured by the corporate guarantees given by certain subsidiaries of the Company.

16 CORPORATE BONDS

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Unsecured corporate bonds	**2,982,417**	2,978,128

On 15 March 2016, China Securities Regulatory Commission approved the application of Central China Real Estate Group (China) Company Limited ("CCRE China"), a company established in the PRC and a wholly-owned subsidiary of the Company, for a proposed issue of corporate bonds of up to RMB3,000,000,000 (the "Corporate Bonds").

On 13 April 2016, CCRE China issued Corporate Bonds with principal amount of RMB3,000,000,000 due in 2021 listed on the Shanghai Stock Exchange. The coupon rate of the Corporate Bonds was fixed at 6% per annum which is payable annually in arrears. The maturity date of the Corporate Bonds is 12 April 2021.

At the end of third year, CCRE China may at its option adjust the coupon rate of the Corporate Bonds and the holders of the Corporate Bonds may at their options redeem the Corporate Bonds, in whole or in part, at a predetermined price.

The details of Corporate Bonds are disclosed in the relevant offering memorandum.

17 DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

18 COMMITMENTS

Capital commitments outstanding at 30 June 2017 not provided for in the interim financial report are as follows:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Properties under development undertaken by the Group		
— Authorised but not contracted for	**15,169,996**	11,831,350
— Contracted but not provided for	**7,621,036**	5,443,571
	22,791,032	17,274,921

Capital commitments in respect of land and development costs for the Group's properties under development by joint ventures:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Properties under development undertaken by joint ventures attributable to the Group		
— Authorised but not contracted for	**573,320**	1,617,493
— Contracted but not provided for	**1,148,435**	1,006,293
	1,721,755	2,623,786

19 CONTINGENT LIABILITIES

(a) Guarantees given to financial institutions for mortgage facilities granted to buyers of the Group's and joint ventures' properties

The Group and joint ventures provide guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by buyers of the Group's and joint ventures' properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these buyers, the Group and joint ventures are responsible to repay the outstanding mortgage loans together with any accrued interests and penalties owed by the defaulted buyers to banks. The Group's and joint ventures' guarantee periods commence from the dates of grants of the relevant mortgage loans and end after the buyers obtain the individual property ownership certificates of the properties purchased. The amount of guarantees given to banks for mortgage facilities granted to the buyers of the Group's and joint ventures' properties at 30 June 2017 are as follows:

	At 30 June 2017	At 31 December 2016
	RMB'000	*RMB'000*
Guarantees given to banks for mortgage facilities granted to buyers of:		
— the Group's properties	**16,647,939**	14,514,045
— the joint ventures' properties (the Group's shared portion)	**3,765,798**	4,562,996
	20,413,737	19,077,041

The directors do not consider it probable that the Group and joint ventures will sustain a loss under these guarantees during the periods under guarantees as the Group and joint ventures have not applied for individual property ownership certificates for these buyers and can take over the ownership of the related properties and sell the properties to recover any amounts paid by the Group/joint ventures to the banks. The Group and joint ventures have not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group and joint ventures in the event that the buyers default payments to the banks.

(b) Guarantees given to financial institutions for bank loans and other loans granted to joint ventures

The Group provided guarantees to bank loans and other loans of joint ventures amounting to RMB2,143,363,000 as at 30 June 2017 (31 December 2016: RMB2,914,300,000). At the end of the reporting period, the directors do not consider it probable that claims will be made against the Group under these guarantees. The Group has not recognised any deferred income in respect of these guarantees as their fair values cannot be reliably measured using observable market data and their transaction prices were nil.

(c) Liquidity support given to 河南建業物業管理有限公司 (for identification purpose, in English, Henan Jianye Property Management Company Limited ("Jianye Property Management"))

The Group provided liquidity support in favour of Jianye Property Management for an amount of RMB650,000,000 as at 30 June 2017 (31 December 2016: RMB650,000,000) in relation to Assets-backed Securities issued by Jianye Property Management. Details of the Assets-backed Securities are disclosed in the Company's announcement dated 13 April 2016.

20 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) On 30 June 2017, the Group entered into the Cooperation Framework Agreement, Equity Transfer Agreement, Loan Agreement and Equity Transfer Agreement on Investment Withdrawal (together as the "Framework Agreements") with 上海中城勇逸投資中心 (有限合夥) (For identification purpose only, in English, Shanghai Zhongcheng Yongyi Investment Center (Limited Partnership) ("Zhongcheng Fund") and, on 21 July 2017, the Group and Zhongcheng Fund entered into the second supplemental agreement to the Cooperation Framework Agreement, Supplemental Equity Transfer Agreement and Supplemental Loan Agreement (together as the "Supplemental Agreements") for the amendments of the terms of Framework Agreements. Pursuant to which the Group agreed to sell and Zhongcheng Fund agreed to acquire 20% equity interest in 鄭州安永置業有限公司 (For identification purpose only, in English, Zhengzhou Anyong Properties Limited) at the consideration of RMB150,000,000. The details are disclosed in the relevant announcements dated 3 July 2017 and 21 July 2017 issued by the Company.

(b) On 18 July 2017, the Company issued senior notes with principal amount of US$200,000,000 due in 2018. The senior notes are interest bearing at 6.0% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 18 July 2018. The details of the redemption price are disclosed in the relevant offering memorandum dated 12 July 2017 issued by the Company.

(c) On 23 August 2017, the Group entered into the Equity Transfer Agreement with Lu Yubo and Wu Yunhua, pursuant to which the Group agreed to acquire 100% of equity interest in 北京藍德匯豐房地產開發有限公司 (For identification purpose only, in English, Beijing Lande Huifeng Property Development Limited) which has 40% equity interest in 洛陽住總宇泰房地產開發有限公司 (For identification purpose only, in English, Luoyang Zhuzong Yutai Property Development Limited) at the consideration of RMB609,394,000. The details are disclosed in the relevant announcement dated 23 August 2017 issued by the Company.

FINANCIAL HIGHLIGHTS

SUMMARY OF INCOME STATEMENT
For the period ended 30 June

	2017	2016	*Changes*
Revenue *(RMB'000)*	**5,057,721**	2,549,351	+98.4%
Gross profit *(RMB'000)*	**1,331,881**	967,931	+37.6%
Gross profit margin	**26.3%**	38.0%	–11.7*
Gross profit from core businesses *(RMB'000)*	**1,131,957**	880,458	+28.6%
Net profit *(RMB'000)*	**469,036**	252,699	+85.6%
Net profit margin	**9.3%**	9.9%	–0.6*
Net profit from core businesses *(RMB'000)*	**538,048**	417,075	+29.0%
Net profit margin from core businesses	**11.3%**	17.5%	–6.2*
Profit attributable to equity shareholders *(RMB'000)*	**405,256**	255,437	+58.7%
Basic earnings per share *(RMB cents)*	**16.59**	10.46	+58.6%
Diluted earnings per share *(RMB cents)*	**16.59**	10.46	+58.6%

SUMMARY OF STATEMENT OF FINANCIAL POSITION
As at 30 June

	2017	2016	*Changes*
Total cash (including cash and cash equivalents and restricted bank deposits) *(RMB'000)*	**10,906,672**	10,942,155	–0.3%
Total assets *(RMB'000)*	**52,548,532**	42,226,066	+24.4%
Total liabilities *(RMB'000)*	**44,916,586**	34,924,007	+28.6%
Total equity *(including non-controlling interests)* *(RMB'000)*	**7,631,946**	7,302,059	+4.5%
Total borrowings *(RMB'000)*	**15,236,379**	12,476,305	+22.1%
Net borrowings *(RMB'000)*	**6,185,877**	3,088,801	+100.3%
Current ratio	**120.8%**	128.6%	–7.8*
Net gearing ratio	**81.1%**	42.3%	+38.8*
Net asset value per share *(RMB)*	**3.12**	3.00	+4.0%
Equity attributable to equity shareholders *(RMB)*	**2.83**	2.78	+1.8%

Notes: * change in percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

I. FINANCIAL REVIEW

Overall Performance

The Group is pleased to announce a significant growth in contracted sales amounted to RMB13,884 million for the six months ended 30 June 2017, representing a year-on-year increase of 47.5%, the growth in contracted sales contributed a significant operational cash inflow. This was achieved through the Group's great effort in expediting sales and inventory clearance.

As at 30 June 2017, the Group has entered into contracts for fifty two light-asset model projects. These light-asset model projects will continue to contribute steady income to the Group during the period.

Revenue: Revenue of the Group increased by 98.4% to approximately RMB5,058 million for the six months ended 30 June 2017 from approximately RMB2,549 million for the same period of 2016, primarily due to an increase in number of completed projects during the period.

- **Income from sales of properties:** Revenue from property sales increased by 100.1% to approximately RMB4,782 million for the six months ended 30 June 2017 from approximately RMB2,390 million for the same period of 2016, due to the Group's persistence to implement destocking strategy resulting in an increase in GFA carried forward to 880,741 sq.m. for the six months ended 30 June 2017 from 467,124 sq.m. for the same period of 2016 and an increase in average selling price to RMB5,358 per sq.m. for the six months ended 30 June 2017 from RMB5,116 per sq.m. for the same period of 2016.

- **Rental income:** Income from property leasing was approximately RMB45 million for the six months ended 30 June 2017, which was mainly derived from rental income of commercial buildings and shopping malls.

- **Revenue from hotel operation:** Revenue from hotel operation increased by 19.5% to approximately RMB132 million for the six months ended 30 June 2017 from approximately RMB111 million for the same period of 2016. The increase was due to continual improvement in hotel operation.

- **Project management service fee income:** Project management service fee income for the period was in relation to the management service fee from provision of light-asset projects by the Group amounting to approximately RMB99 million.

Cost of sales: The Group's cost of sales increased by 135.6% to approximately RMB3,726 million for the six months ended 30 June 2017 from approximately RMB1,581 million for the same period of 2016. The increase in cost of sales was due to the increase in GFA carried forward in property sales as mentioned above and the corresponding increase in land and construction costs.

Gross profit: As a result of the aforesaid changes in revenue and cost of sales, gross profit of the Group increased by 37.6% to approximately RMB1,332 million for the six months ended 30 June 2017 from approximately RMB968 million for the same period of 2016, while our gross profit margin decreased from 38.0% for the six months ended 30 June 2016 to 26.3% for the same period of 2017. It was principally due to: (1) a decrease of the proportion of sales of parking spaces with higher gross profit; and (2) prior years' sales promotion resulted in revenue recognised at a lower price during the period.

Other revenue: Other revenue of the Group decreased by 50.4% to approximately RMB59 million for the six months ended 30 June 2017 from approximately RMB119 million for the same period of 2016. Such decrease was mainly because the decrease in interest income.

Other net income: Other net income of approximately RMB51 million for the six months ended 30 June 2017 was primarily attributable to net exchange gain and penalty gain.

Selling and marketing expenses: Selling and marketing expenses increased by 24.0% to approximately RMB176 million for the six months ended 30 June 2017 from approximately RMB142 million for the same period of 2016. The increase was primarily due to larger scale of sales resulting in an increase in selling and marketing expenses.

General and administrative expenses: General and administrative expenses increased by 16.0% to approximately RMB414 million for the six months ended 30 June 2017 from approximately RMB357 million for the same period of 2016. This increase was primarily due to an increase in staff costs.

Share of profits less losses of joint ventures: The Group's share of profits less losses of joint ventures decreased by 72.1% to approximately RMB18 million for the six months ended 30 June 2017 from approximately RMB66 million for the same period of 2016, primarily due to a decrease in the recognition of revenue of the joint ventures.

Finance costs: Finance costs increased by 90.8% to approximately RMB235 million for the six months ended 30 June 2017 from approximately RMB123 million for the same period of 2016. Such increase was due to settlement of swaps and derivatives at maturity.

Income tax: Income tax comprises corporate income tax and land appreciation tax. Our income tax increased by 91.0% to RMB404 million for the period ended 30 June 2017 from RMB212 million for the same period of 2016. It was principally due to: (1) change in use of certain properties for sale to investment properties resulting in deferred tax expense of approximately RMB 51 million incurred by an increase of fair value; and (2) an increase of profits from sales of properties leads to the increase in income tax during the period.

Profit for the period: As a result of the foregoing, profit of the Group for the six months ended 30 June 2017 increased by 85.6% to approximately RMB469 million from approximately RMB253 million for the same period of 2016.

Financial resources and utilisation: As at 30 June 2017, the Group's cash and cash equivalents amounted to approximately RMB9,051 million (31 December 2016: approximately RMB9,776 million). No interim dividend was proposed for the period.

Structure of Borrowings and Deposits

The Group continue to adopt a prudent financial policy and centralise our funding and financial management. Therefore, the Group is able to continue to maintain a high cash-on-hand ratio and a reasonable level of gearing. As at 30 June 2017, the repayment schedule of the Group's bank and other borrowings was as follows:

Repayment Schedule	**As at 30 June 2017** *RMB'000*	As at 31 December 2016 *RMB'000*
Bank loans		
Within one year	**866,523**	514,265
More than one year, but not exceeding two years	**368,250**	393,695
More than two years, but not exceeding five years	**1,681,378**	683,985
Exceeding five years	**791,750**	773,495
	3,707,901	2,365,440
Other loans		
Within one year	**838,000**	90,000
More than one year, but not exceeding two years	**90,000**	90,000
More than two years, but not exceeding five years	**180,000**	180,000
Exceeding five years	**30,000**	30,000
	1,138,000	390,000
Corporate bonds		
More than one year, but not exceeding two years	**2,982,417**	–
More than two years, but not exceeding five years	**–**	2,978,128
	2,982,417	2,978,128
Senior notes		
Within one year	**2,702,769**	960,216
More than one year, but not exceeding two years	**–**	2,795,026
More than two years, but not exceeding five years	**4,705,292**	4,867,244
	7,408,061	8,622,486
Total borrowings	**15,236,379**	14,356,054
Deduct:		
Cash and cash equivalents	**(9,050,502)**	(9,776,310)
Restricted bank deposits secured bank loans and other loans	**–**	(6,026)
Net borrowings	**6,185,877**	4,573,718
Total equity	**7,631,946**	6,997,326
Net gearing ratio (%)	**81.1%**	65.4%

Pledge of assets: As at 30 June 2017, the Group had pledged properties for sales, property, plant and equipment and bank deposits with an aggregate carrying amount of approximately RMB2,702 million (31 December 2016: approximately RMB3,109 million) to secure general bank credit facilities and other loans granted to us. The Group also pledged properties for sales, investment properties and plant and equipment with aggregate carrying amount of approximately RMB nil (31 December 2016: approximately RMB466 million) to secure bank loans and other loans of joint ventures.

Contingent liabilities: As at 30 June 2017, the Group provided guarantees of approximately RMB20,414 million (31 December 2016: approximately RMB19,077 million) to banks in favor of customers in respect of the mortgage loans provided by the banks to these customers for the purchase of the developed properties of the Group as well as those of our joint ventures. The Group also provided guarantees to bank loans and other loans of joint ventures amounting to approximately RMB2,143 million as at 30 June 2017 (31 December 2016: approximately RMB2,914 million). Apart from the above, the Group provided liquidity support in favour of Jianye Property Management for an amount of RMB650 million as at 30 June 2017 in relation to Assets-backed Securities issued by it.

Capital commitment: As at 30 June 2017, the Group had contractual commitments undertaken by subsidiaries and joint ventures attributable to the Group, the performance of which was underway or ready, in respect of property development amounting to approximately RMB8,769 million (31 December 2016: approximately RMB6,450 million), and the Group had authorised, but not yet contracted for, a further approximately RMB15,743 million (31 December 2016: approximately RMB13,449 million) in expenditure in respect of property development.

Foreign exchange risk: Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 30 June 2017, our major non-RMB assets and liabilities are (i) bank deposits denominated in U.S. dollar and (ii) the senior notes denominated in U.S. dollar. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB currencies. The majority of our foreign currency transactions and balances are denominated in H.K. dollar, U.S. dollar and SGD.

Interest rate risks: The interest rates for a portion of our loans were floating. Upward fluctuation in interest rates will increase the interest cost of new and existing loans. The Group currently do not use derivative instruments to hedge its interest rate risks.

II. REVIEW OF OPERATIONS

(I) Market and Operations Review

1. The Macro-economic Environment

In the first half of 2017, China's economy continued its commitment to the general principle of making progress while keeping performance stable by pressing ahead with supply-side structural reform so as to effectively facilitate the progress of various works. China's economy has maintained positive momentum in stability. China's economy has been running within the proper range and structural adjustments have been further intensified with increasing positive changes materialized. In the first half of 2017, China's gross domestic product (GDP) amounted to approximately RMB38.1 trillion, representing a year-on-year growth of 6.9%.

In the first half of 2017, Henan province continued its commitment to the general principle of making progress while keeping performance stable with an aim to achieve new normal of economy with new development concept. In practice, Henan province, by fully leveraging its advantages, strived for the optimization and upgrade of sectoral structure, innovation driven development, basic ability construction and new urbanization, made progress on the establishment of Pilot Free Trade Zone, Zhengzhou Aviation Port Economic Integration Trial Zone, Zheng Luo New National Independent Innovation Demonstration Zone and Central China Urban Agglomeration through careful arrangements for long run and short run, the economy of Henan province has been growing in stability with positive momentum. In the first half of 2017, Henan's GDP amounted to approximately RMB2.0 trillion, representing a year-on-year growth of 8.2%, which was 1.3 percentage points higher than the national average.

2. The Property Market

In the first half of 2017, the PRC government tightened its control over the property market for curbing housing speculation by maintaining a general control policy subject to adjustments on local property market. For first and second tier cities, the sales of commodity housing decreased as compared to that in the corresponding period in 2016 as a result of the policies of purchase limits, mortgage restrictions, price ceiling and sale limits. Nevertheless, the policies on the property market in third and fourth tier cities remained lenient, the excess demand from first and second tier cities and the effects from the policy of currency compensation for shanty area renovation have further facilitated inventory clearance in third and fourth tier cities. Level of concentration in real estate industry has further increased with clearer polarization in the industry. In the first half of 2017, the GFA of commodity housing sold in the nationwide property market amounted to 746,620,000 sq.m., representing a year-on-year growth of 16.1%, the sales amount of which was RMB5,915.2 billion, representing a year-on-year growth of 21.5%.

As new urbanization being promoted by the PRC government in Henan province, demand for housing in the province has been stimulated and released as a result of the support of home purchase for farmers and migrant workers in urban area as well as increased proportion of receipt of currency compensation for shanty area renovation, maintaining healthy development of the property market in the province. In the first half of 2017, the GFA of commodity housing sold in Henan province was 46,094,600 sq.m., representing a year-on-year growth of 24.1%, sales amount of which was RMB245.832 billion, representing a year-on-year growth of 38.5%.

(II) Project Development

1. *Property Development*

The Company continued to grow in 2017. It orderly commenced all works set out in the annual operating plan. By leveraging our strengths, the Company persistently focused on Henan while developing the cities where the Group operates, and moderately stocked up high quality projects in cities with better development prospects with an aim to ensure stable operation and sound development of the Company.

(a) Property Sales Performance

During the reporting period, the Company achieved steady growth in sales performance through greater sales effort and accelerated inventory clearance. In the first half of 2017, the contracted sales achieved by the Company amounted to RMB13,884 million, representing an increase of 47.5% over the corresponding period in 2016; and the contracted area sold by the Company was 2,263,446 sq.m., representing an increase of 100.8% over the corresponding period in 2016. In terms of contracted sales amount, the market share of the Company in Henan province was approximately 5.6% in the first half of 2017.

	Actual contracted sales amount in 2017 *(RMB'000)*	**Actual contracted GFA in 2017** (sq.m.)
Zhengzhou	2,966,363	277,053
Kaifeng	190,319	21,233
Luoyang	1,554,572	209,735
Pingdingshan	343,404	69,951
Anyang	762,379	180,980
Hebi	466,672	104,786
Xinxiang	854,179	144,878
Jiaozuo	444,416	86,411
Puyang	309,482	68,018
Xuchang	954,563	145,925
Luohe	440,126	91,255
Sanmenxia	557,114	98,743
Shangqiu	1,485,414	272,570
Zhoukou	721,210	169,826
Zhumadian	982,979	200,091
Nanyang	566,949	69,355
Xinyang	239,114	44,444
Jiyuan	44,702	8,192
Total	**13,883,957**	**2,263,446**

(b) Newly Commenced Property Projects

During the reporting period, the Company commenced construction of 20 projects in total with newly commenced GFA of 1,813,302 sq.m., representing a growth of 54.2% as compared to the corresponding period in 2016.

Details of Newly Commenced Projects in the First Half of 2017

City	**Project Name**	**Newly commenced GFA** (sq.m.)
Xinxiang	Code One City	193,241
Zhumadian	Eighteen Cities	152,382
Zhengzhou	Tihome Jianye International City	145,968
Xinxiang	Beverly Manor	120,701
Zhoukou	Luyi Jianye City	116,585
Puyang	Code One City	108,418
Zhengzhou	Suoxu River Garden	105,498
Sanmenxia	Code One City	104,627
Kaifeng	Chrysanthemum Garden	98,010
Xuchang	Sweet-Scented Osmanthus Garden	86,597
Xuchang	Changge Spring Time	85,571
Sanmenxia	New District Forest Peninsula	78,902
Shangqiu	Yongcheng U-Town	75,721
Anyang	Linzhou Baichengtiandi	73,759
Pingdingshan	Wugang Forest Peninsula	60,102
Xuchang	Xuchang Code One City	50,678
Luoyang	Luoyang Sweet-Scented Osmanthus Garden	50,050
Others		106,492
Total		**1,813,302**

(c) Property Projects under Development

As at 30 June 2017, the Company had 51 projects under development with a total GFA of 6,959,692 sq.m..

City	**Project name**	**GFA under development** (sq.m.)
Zhengzhou	Tihome Jianye International City	762,083
Zhengzhou	Wulong City	592,938
Xinxiang	Code One City	410,814
Zhumadian	Eighteen Cities	343,990
Zhengzhou	Triumph Plaza	247,208
Zhengzhou	Spring Time	244,904
Anyang	Jianye City	244,645
Hebi	Code One City	222,023
Luoyang	Sweet-Scented Osmanthus Garden	193,345
Puyang	Code One City	188,643
Zhengzhou	Tianzhu	174,413
Xinxiang	Beverly Manor	174,320
Zhengzhou	Jiuru House	171,037
Zhengzhou	Suoxu River Garden	168,452
Shangqiu	Eighteen Cities	159,814
Shangqiu	Yongchen U-Town	149,072
Jiaozuo	Park Lane	139,645
Sanmenxia	Code One City	138,543
Zhengzhou	Zhengxi U-Town	128,451
Xuchang	Code One City	122,378
Luoyang	Huayang Fengdu	121,380
Zhoukou	Luyi Jianye City	120,013
Nanyang	Code One City	113,872
Luohe	Code One City	110,159
Xinyang	Jianye City	100,858
Kaifeng	Chrysanthemum Garden	98,010

City	Project name	GFA under development (sq.m.)
Shangqiu	Zhecheng U-Town	97,682
Luohe	Xicheng Forest Peninsula	93,692
Luoyang	Poly Champagne International	88,353
Xuchang	Sweet-Scented Osmanthus Garden	86,597
Xuchang	Changge Spring Time	85,571
Sanmenxia	New District Forest Peninsula	78,902
Luoyang	Yanshi Forest Peninsula	75,574
Anyang	Linzhou Baichengtiandi	73,759
Puyang	Jianye New City	68,652
Zhumadian	Suiping Forest Peninsula	65,164
Pingdingshan	Wugang Forest Peninsula	64,436
Sanmenxia	Lingbao Forest Peninsula	62,234
Hebi	Sweet-Scented Osmanthus Garden	59,633
Others		318,433
Total		**6,959,692**

(d) *Property Projects Completed*

During the reporting period, the Company had 21 projects/phases completed in total with a total completed GFA of 851,766 sq.m..

City	Project name	Actual completed GFA (sq.m.)
Luoyang	Poly Champagne International	122,775
Zhengzhou	Gongyi Code One City	105,364
Kaifeng	Chrysanthemum Garden	98,165
Sanmenxia	Sanmenxia U-Town	55,646
Zhoukou	Luyi Jianye City	54,204
Hebi	Code One City	50,876
Zhumadian	Xiping Forest Peninsula	43,033
Xuchang	Code One City	42,887
Pingdingshan	Wugang Forest Peninsula	39,331
Jiaozuo	Xiuwu Forest Peninsula	26,159
Xinxiang	U-Town	24,987
Shangqiu	Yongcheng U-Town	24,482
Others		163,857
Total		**851,766**

2. *Light-asset Model Projects*

The Company has launched its light-asset development strategy in relation to the delivery of its brands, its management and its capital based on the Company's judgement of the development of the real estate industry as well as its understanding of demand for cooperation in development of real estate market in order to strengthen the profitability, expand the market share and enhance the composite competitiveness as well as to maximise the value of the Company's brands.

As at 30 June 2017, the Company had entered into 52 agreements of the light-asset model projects. In accordance with the terms of the agreements, those projects are expected to have a total GFA of approximately 9,660,000 sq.m.. To ensure sustainable and steady growth of the light-asset business, the Company has established an independent body for managing the light-asset business, with an aim to consolidate internal and external resources as well as strengthen operation and management, thus developing a sustainable development mechanism.

The implementation of the light-asset model, as a complement to the existing business of the Company, has substantially improved the proportion of heavy-to-light assets of the Company and accelerated the business expansion in county-level markets, enhancing the Company's composite competitiveness.

(III) LAND RESERVES

During the reporting period, the Company newly acquired land reserves with a total GFA of approximately 4,080,000 sq.m.. As at 30 June 2017, the Company had land reserves with a total GFA of 24.12 million sq.m., including beneficially interested GFA of approximately 19.32 million sq.m..

1. Public Land Auctions

In January 2017, the Group acquired the land use rights of three land parcels located at the east of Zijing Road, Gongyi County, Zhengzhou City. The purchase price for the acquisition was approximately RMB219 million. The three land parcels have a total site area of 125,981 sq.m..

In March 2017, the Group acquired the land use rights of a land parcel located at the south of Bode Road West and the west of Zhiyuan Avenue, Luyi County, Zhoukou City. The purchase price for the acquisition was approximately RMB85 million. The land parcel has a site area of 63,988 sq.m..

In March 2017, the Group acquired the land use rights of a land parcel located at the south-east of the intersection between Yancheng Road and Bailing Avenue, Xiangcheng County, Xuchang City. The purchase price for the acquisition was approximately RMB72 million. The land parcel has a site area of 56,349 sq.m..

In March 2017, the Group acquired the land use rights of four land parcels located at the east of Pushang Road North and the south of Longze Avenue in Puyang City. The purchase price of the acquisition was approximately RMB794 million. The four land parcels have a total site area of 252,032 sq.m..

In April 2017, the Group acquired the land use rights of twelve land parcels located at Hongtang Bufu Village, Tianya Town, Sanya City, Hainan Province. The purchase price of the acquisition was approximately RMB2,626 million. The twelve land parcels have a total site area of 887,920 sq.m..

In May 2017, the Group acquired the land use rights of two land parcels located at the central business district of Shenqiu County. The purchase price of the acquisition was approximately RMB145 million. The two land parcels have a total site area of 103,779 sq.m..

In May 2017, the Group acquired the land use rights of three land parcels located at Wolong District, Nanyang City. The purchase price of the acquisition was approximately RMB113 million. The three land parcels have a total site area of 55,026 sq.m..

In June 2017, the Group acquired the land use rights of a land parcel located at the Dongfeng Road North and the east of Rantun Road East, Zhengzhou City. The purchase price of the acquisition was approximately RMB367 million. The land parcel has a site area of 34,700 sq.m..

In June 2017, the Group acquired the land use rights of three land parcels located at the west of Daling Road and the south of Zhongxin Avenue, Sanmenxia City. The purchase price of the acquisition was approximately RMB107 million. The three land parcels have a total site area of 55,026 sq.m..

In June 2017, the Group acquired the land use rights of two land parcels located at the south of Xinsi Street, Gushi County, Zhumadian City. The purchase price of the acquisition was approximately RMB123 million. The two land parcels have a total site area of 122,627 sq.m..

In June 2017, the Group acquired the land use rights of a land parcel located at the east of Yugong Road and the north of Jianye Code One City in Jiyuan City. The purchase price of the acquisition was approximately RMB169 million. The land parcel has a site area of 59,762 sq.m..

In June 2017, the Group acquired the land use rights of a land parcel located at the west of Zhouxi Highway and the north of Ankang Avenue in Xihua County, Zhoukou City. The purchase price of the acquisition was approximately RMB78 million. the land parcel has a site area of 72,875 sq.m..

2. Equity Interest Acquisitions and Disposals

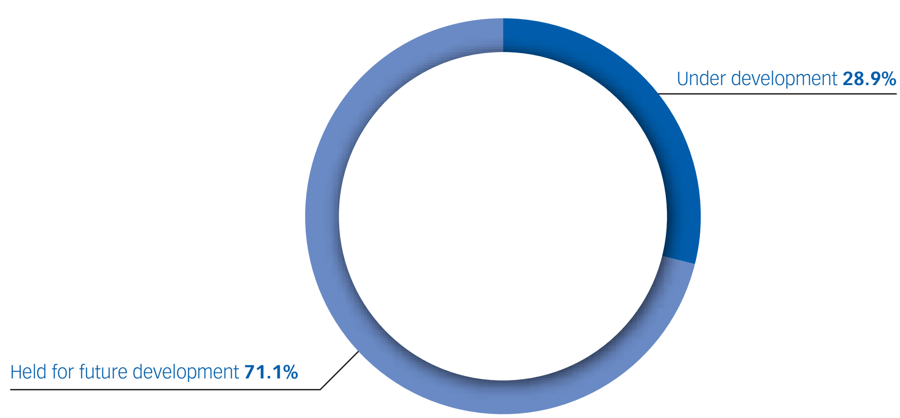
As at 30 June 2017, the Group, through equity interest acquisitions, acquired six, in aggregate, land parcels with a total site area of 256,205 sq.m. in Zhengzhou City and Shangqiu City.

On 30 June 2017, the Group entered into the Cooperation Framework Agreement, Equity Transfer Agreement, Loan Agreement and Equity Transfer Agreement on Investment Withdrawal (together as the "Framework Agreements") with 上海中城勇逸投資中心(有限合夥) (For identification purpose only, in English, Shanghai Zhongcheng Yongyi Investment Center (Limited Partnership) ("Zhongcheng Fund") and, on 21 July 2017, the Group and Zhongcheng Fund entered into the second supplemental agreement to Cooperation Framework Agreement, supplemental equity transfer agreement and supplemental loan agreement (together as the "Supplemental Agreements") for the amendments of the terms of Framework Agreement. Pursuant to which the Group agreed to sell and Zhongcheng Fund acquire 20% equity interest in 鄭州安永置業有限公司 (For identification purpose only, in English, Zhengzhou Anyong Properties Limited) at the consideration of RMB150,000,000. The details are disclosed in the relevant announcements dated 3 July 2017 and 21 July 2017 issued by the Company.

3. Distribution of land reserves

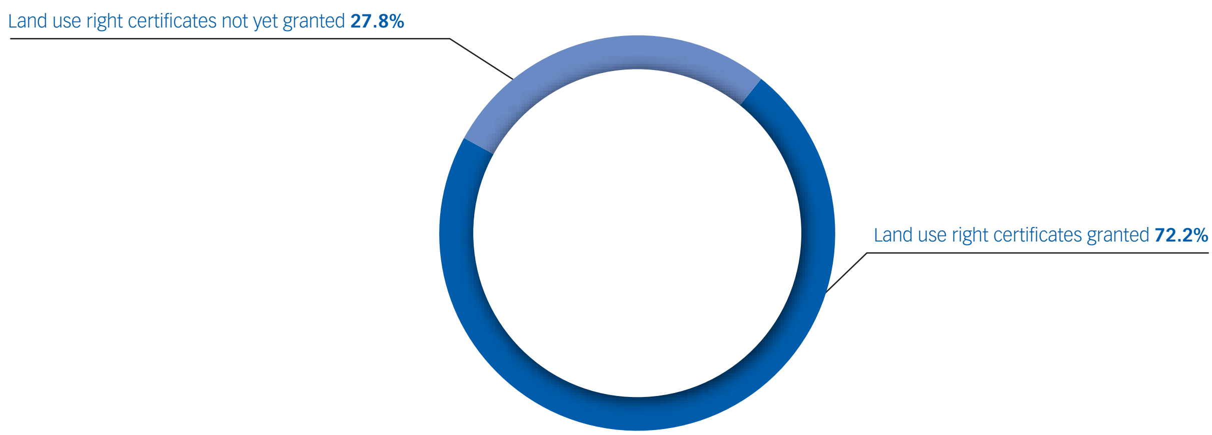
(1) Distribution of the Company's land reserves by current development status

Fig: distribution of land under development and land held for future development in the Company's land reserves (as at 30 June 2017)



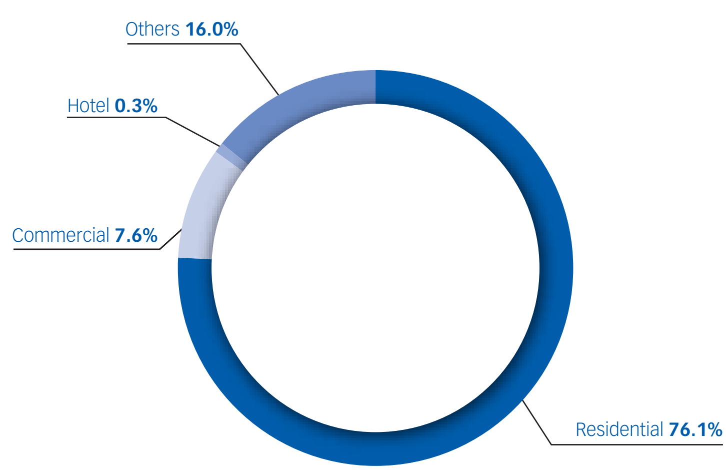
(2) Distribution of the Company's land reserves by land use right certificates

Fig: percentage of the Company's land reserves for which land use right certificates had been granted and those had not been granted (as at 30 June 2017)



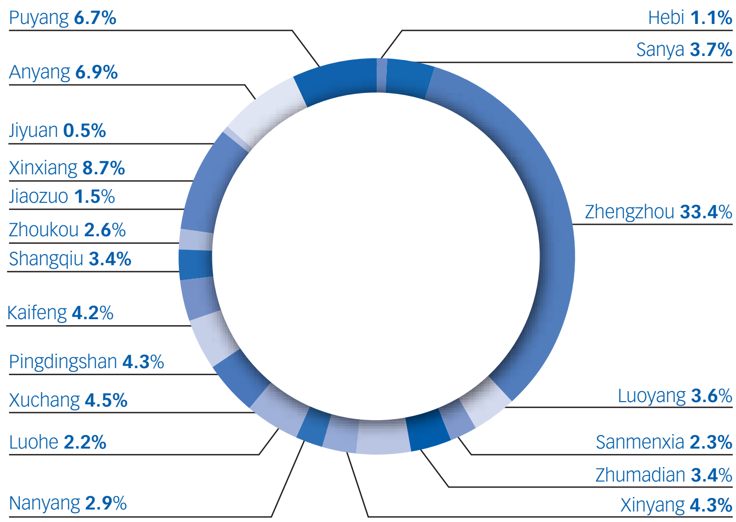
(3) Distribution of the Company's land reserves by property types

Fig: distribution of the Company's land reserves by property types (as at 30 June 2017)



(4) Distribution of the Company's land reserves by cities

Fig: distribution of the Company's land reserves by cities (as at 30 June 2017)



(IV)PRODUCT RESEARCH AND DEVELOPMENT

The Company always adheres to the general principles of serialisation, standardisation and commercialisation for product development, and progressively scales up its products to commercialised scale on a concrete foundation of serialisation and standardisation which the Company had laid for years. For product development of the Group, customers' experience has been considered as the essence, "green, low-carbon, energy-saving and technology" as the notion for research and development of product as well as design and construction.

Product Research, Development and Innovation

During the reporting period, the Company made greater efforts in product innovation as well as research and development in addition to upgrading its existing products as stated in the annual plan for "quality enhancement" of the Company. The "Platform for Product Standardisation, Design and Management" was established for regulating design and management procedures, compiling product data base and securing finished product quality by means of informatization. The Company has been diversifying its architectural design and promoting the application of the advanced building information modeling (BIM) technology in the industry with an aim to enhance design accuracy. In addition, the Company conducted its study on residential projects based on its development concepts of "green, low-carbon and energy-saving" so as to minimise secondary pollution and resource wastage. Meanwhile, intelligent technological elements have been infused into our product design in order to show tender care for patrons with our products.

Serialisation, standardisation and commercialisation

During the reporting period, the Company continued to carry out in-depth research on product serialisation and standardisation. To maintain its strategic presence in Henan province, the Company, on the basis of its original series of products, developed a new series of product of Asian style in accordance with market conditions by way of continuous product innovation and iteration. Meanwhile, the Company closely monitored changes in market demand and lifestyle in order to enhance the standards of ancillary facilities for residential housing such as community facilities and module units.

As to commercialisation of residential properties, on the basis of mature serialisation, standardised products series and long term industrialised technology exploration, the Company researched and developed the technology standard. Through connection with large-scale domestic construction companies, the Company has set up a production base for prefabricated concrete structures jointly with a major domestic constructor to apply technology for commercialisation to design and construction of Tianzhu project and Blossom Garden project.

(V) CUSTOMER SERVICE AND CUSTOMER RELATIONS

In 2017, the Company continued to transform itself into a "new lifestyle service provider" by providing personalised, customised and differentiated products and services, with an aim to create a new lifestyle to the people in central China with bliss and serenity.

2017 is the year of "Quality Enhancement" of the Company in which the Company is fully enhancing the quality of our products and services in six dimensions, creating better houses, better services and better lifestyle for the people in Henan with our professional attitude of striving for excellence. Provision of better houses represents our breakthrough improvements on site selection, layout planning, auxiliary facilities, scenic view and house configuration with our extensive research and development capability with an aim to satisfy the basic housing need of the people in Henan with our novel products. Better services represents provision of fully upgraded services through our three major service regimes, namely the CCRE Property 1.0, the "E+ Family" APP 2.0 and the "Jianye Junlin Club"3.0, for satisfying the need of property owners for more delicate, civilized and personalized services. Better lifestyle represents the development of comprehensive intelligent living, such as travel, hotel lifestyle, wealth investment and countryside for increasing the fondness of the people in Henan for new lifestyle with our sufficient internal and external resources.

During the reporting period, the Company continued to enhance customers' satisfaction and product quality, strengthened basic services by emphasizing risks management and strictly observing the requirements for joint acceptance inspection. In addition, the Company has upgraded our mystery shopper program and the "Improvement and Enhancement" campaign (琢玉行動), while coming up with new idea of working by introducing one-stop property delivery services for further optimizing property delivery procedure. The "Fix-it Quick" maintenance team has been established for solving minor problems in the course of the inspection and acceptance procedure. The "Sunshine Declaration" was posted at the place where the sale is to take place in order to reduce the risk of receiving customers' complaints. In addition to the improvement of customer service regime and release of addresses of customer service counter, the Company has initiated a research on product positioning and demand, implemented the "Model Flat" program and introduced "housekeeping services" at the reception of the sales offices to unceasingly elevate customers' satisfaction.

BUSINESS OUTLOOK

(I) Market Outlook

1. The Macro-economic Landscape

Looking ahead to the second half of 2017, the global economy will continue to recover though uncertainties may exist in the global economic growth, such as increase in interest rate and shrinkage of balance sheet by US Federal Reserve, trade protectionism and geopolitics. China's macro-economy is expected to maintain the state of "seeking progress in stability" by adamantly implementing proactive fiscal policies and prudent monetary policies. As the supply-side structural reforms has further intensified with increasing positive changes materialized, China's macro-economy is expected to maintain steady growth even under the circumstances of deleveraging of the financial system and strict control over the property market in China.

With Zhengzhou being identified as a national central city, the approval obtained for national strategic plans, such as the launch of the Rise of Central China "13th Five-Year" Plan, Zhengluo New National Independent Innovation Demonstration Zone and Henan Free Trade Zone, further progress has been made on urban agglomeration in central China, Central Plains Economic Zone and new urbanization. The on-going planning and implementation of national strategies, such as Zhengzhou Aviation Port Economic Integration Trial Zone, have been intensified, the acceleration of multi-directional expansion of the high speed railway network, the rapid establishment of industrial park and on-going industrial migration will allow Henan to be well-positioned for full convergence on "Belt and Road" Initiative Projects of China in terms of various dimensions, and thus further strengthening the potential for development in Henan province. The Company expects the economic growth of Henan Province in the second half of 2017 will continue to be higher than the national economic average.

2. *The Property Market*

Looking ahead to the second half of 2017, transformation and upgrading of the property industry will be necessary as a result of tough competition, enhanced integration in the industry and shrinking profitability, and the development and exploration of property developers will continue to speed up. Control over the domestic property market is expected to maintain strict with different degree of control over different cities subject to actual market situation. In the second half of 2017, the Company expects an intensified adjustments in the property market in the first and second tier cities under a strict control policy, while further inventory clearance will be facilitated in the third and fourth tier cities.

With the positive effects of a number of national strategic plans focusing on Zhengzhou, demand for housing improvement and rigid demand for housing in Henan will be further released in the background of new urbanization and currency compensation for shanty area renovation. The Company expects that sales performance of commodity housing in Henan province will stay positive in the second half of 2017, bolstering an on-going and stable development of property market in the province.

(II) Business Planning

In the second half of 2017, the Company will make greater efforts on land acquisition, accelerate property development and steadily promote the expansion and operation of light-asset model projects so as to realise quality growth in our scale. In addition, the Company will adopt multiple measures for further enhancing product quality and service level, strengthening our brand to lay a concrete foundation for boosting project sales and securing the achievement of our annual business targets.

1. *Construction Plans*

In the second half of 2017, the Company plans to commence construction of a total of 52 projects or phases, with a GFA of approximately 3,674,079 sq.m..

Location	**GFA planned for construction** (sq.m.)	**Percentage** (%)
Zhengzhou	1,341,366	37%
Other cities in Henan Province	2,332,713	63%
Total	**3,674,079**	**100%**

2. *Completion plan*

The Company expects to complete 29 projects/phases with a completed GFA of 1,858,655 sq.m. in the second half of 2017.

City	**Project name**	**Planned completed GFA** (sq.m.)
Zhumadian	Eighteen Cities	187,157
Zhengzhou	Tianzhu	172,899
Zhengzhou	Triumph Plaza	170,739
Zhengzhou	Jiuru House	169,154
Luoyang	Sweet-Scented Osmanthus Garden	143,552
Xuchang	Code One City	125,180
Anyang	Jianye City	98,546
Zhengzhou	Tihome Jianye International City	76,340
Shangqiu	Yongcheng U-Town	72,961
Luohe	Xicheng Forest Peninsula	59,077
Zhoukou	Luyi Jianye City	59,028
Xinyang	Jianye City	58,774
Hebi	Sweet-Scented Osmanthus Garden	58,501
Luohe	Code One City	56,484
Others		350,263
Total		**1,858,655**

(III) EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, the Group had 2,721 employees (31 December 2016: 2,467 employees). Staff remuneration is determined on the basis of individual performance, experience and prevailing industry practices. The Group reviews its remuneration policy and arrangements on a regular basis and staff may be rewarded with bonuses and cash payments depending on individual performance appraisals. The Group's policies for insurance and provident fund are in compliance with national and local laws and regulations on labour affairs and social welfare. As at the date of this announcement, there was no significant labour dispute which has or may have an adverse impact on our business operations.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improve its corporate governance and disclosure practices. For the six months ended 30 June 2017, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange with the exception of code provisions A.6.7 and E.1.2 as addressed below.

1. **Code Provision A.6.7 — This Code Provision stipulates that independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.**

   All Directors have given the Board and the committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation.

   Ms. Wu Walls (alias Li Hua), being a non-executive Director, and Mr. Xin Luo Lin and Mr. Muk Kin Yau, being independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 19 May 2017 (the "2017 AGM") as they were out of town for other businesses.

2. **Code provision E.1.2 — This code provision requires the chairmen of the Board (the "Chairman") to invite the chairman of the audit, remuneration and nomination committees to attend the annual general meeting.**

   Mr. Wu Po Sum, being an executive Director and the chairman of the Board and the nomination committee of the Company, was unable to attend the 2017 AGM as he was out of town for other business.

   Mr. Xin Luo Lin, an independent non-executive Director and the chairman of the remuneration committee of the Company, was unable to attend the 2017 AGM as he was out of town for other business.

   In their absence, the other members of the Board, Ms. Yan Yingchun and Mr. Liu Weixing, and Mr. Cheung Shek Lun, being a member of the Board, the remuneration committee and the nomination committee, attended the 2017 AGM and answered questions raised at the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code for the six months ended 30 June 2017.

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

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CHANGES SINCE 31 DECEMBER 2016

There were no other significant changes in the Group's financial position or from the information disclosed under Management Discussion and Analysis in the annual report of the Company for the year ended 31 December 2016.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Company has discussed with the management and external auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim consolidated financial statements for the six months ended 30 June 2017.

INTERIM DIVIDEND

The Board resolved not to recommend an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

This interim results announcement is published on the websites of the Company (http://www.centralchina.com) and the Stock Exchange (http://www.hkexnews.hk). The Company's interim report for the six months ended 30 June 2017 will be despatched to the shareholders and published on the aforesaid websites in due course.

By Order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 30 August 2017

As at the date of this announcement, the Board comprises nine Directors, of which Mr. Wu Po Sum, Mr. Liu Weixing and Ms. Yan Yingchun are executive Directors, Mr. Lucas Ignatius Loh Jen Yuh, Mr. Puah Tze Shyang and Ms. Wu Wallis (alias Li Hua) are non-executive Directors, Mr. Cheung Shek Lun, Mr. Muk Kin Yau and Mr. Xin Luo Lin are independent non-executive Directors.

* *For identification purposes only*