



# Great China Properties Holdings Limited

## 大中華地產控股有限公司

(Incorporated in Hong Kong with limited liability)  
Stock Code: 00021

INTERIM REPORT  
**2018**



The Board of Directors (the “Board”) of Great China Properties Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2018 together with the selected comparative information for the corresponding period in 2017 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018 – unaudited

	Notes	Six months ended 30 June 2018 HK\$'000	2017 HK\$'000
<b>REVENUE</b>	4	<b>19,306</b>	17,068
Cost of sales and services		(15,939)	(15,002)
<b>GROSS PROFIT</b>		<b>3,367</b>	2,066
Other income and gains	4	327	206
Selling and distribution expenses		(2,919)	(1,784)
Administrative and operating expenses		(16,248)	(17,818)
Foreign exchange gain/(loss), net		21,767	(16,386)
Finance costs	5	(17)	(17)
<b>PROFIT/(LOSS) BEFORE TAX</b>	6	<b>6,277</b>	(33,733)
Income tax credit	7	788	740
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>7,065</b>	(32,993)
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>			
– Owners of the Company		7,065	(32,993)
– Non-controlling interests		–	–
		<b>7,065</b>	(32,993)
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted	9	<b>HK0.21 cents</b>	(HK1.00 cents)
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(47,560)	45,182
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD</b>		<b>(40,495)</b>	12,189
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>			
– Owners of the Company		(40,495)	12,189
– Non-controlling interests		–	–
		<b>(40,495)</b>	12,189

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018 – unaudited

	Notes	Unaudited As at 30 June 2018 HK\$'000	Audited As at 31 December 2017 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	172,561	167,562
Investment properties	11	236,638	242,911
Goodwill		212,835	218,470
Interests in associates		140,194	143,905
Properties under development	12	633,663	645,641
Prepayments	14	64	66
Total non-current assets		1,395,955	1,418,555
<b>CURRENT ASSETS</b>			
Properties held for sale		767,289	753,827
Trade receivables	13	650	570
Prepayments, deposits and other receivables	14	20,551	18,974
Tax recoverable		2,450	–
Equity investments at fair value through profit or loss		15	15
Cash and bank balances		18,217	24,471
Total current assets		809,172	797,857
<b>CURRENT LIABILITIES</b>			
Trade payables	15	22,400	21,138
Other payables and accruals		142,267	133,209
Current portion of obligations under finance leases		530	521
Amounts due to related companies		143,407	146,727
Amounts due to substantial shareholders		788,377	759,979
Tax payable		–	140
Total current liabilities		1,096,981	1,061,714
<b>NET CURRENT LIABILITIES</b>		<b>(287,809)</b>	<b>(263,857)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,108,146</b>	<b>1,154,698</b>

	<i>Notes</i>	<b>Unaudited As at 30 June 2018 HK\$'000</b>	Audited As at 31 December 2017 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>176,130</b>	181,919
Non-current portion of obligations under finance leases		<b>272</b>	540
Total non-current liabilities		<b>176,402</b>	182,459
Net assets		<b>931,744</b>	972,239
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	16	<b>905,676</b>	905,676
Other reserves		<b>26,055</b>	66,550
		<b>931,731</b>	972,226
Non-controlling interests		<b>13</b>	13
Total equity		<b>931,744</b>	972,239

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018 - unaudited

	Share capital HK\$'000	Capital reduction reserve* HK\$'000	Share-based payment reserve* HK\$'000	Translation reserve* HK\$'000	Accumulated losses* HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2017	905,676	265,505	1,607	(150,118)	(92,404)	930,266	13	930,279
Loss for the period	-	-	-	-	(32,993)	(32,993)	-	(32,993)
Other comprehensive income for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	45,182	-	45,182	-	45,182
Total comprehensive income/(expense) for the period	-	-	-	45,182	(32,993)	12,189	-	12,189
At 30 June 2017	905,676	265,505	1,607	(104,936)	(125,397)	942,455	13	942,468
At 1 January 2018	<b>905,676</b>	<b>265,505</b>	<b>1,607</b>	<b>(33,284)</b>	<b>(167,278)</b>	<b>972,226</b>	<b>13</b>	<b>972,239</b>
Profit for the period	-	-	-	-	7,065	7,065	-	7,065
Other comprehensive expense for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	(47,560)	-	(47,560)	-	(47,560)
Total comprehensive income/(expense) for the period	-	-	-	(47,560)	7,065	(40,495)	-	(40,495)
<b>At 30 June 2018</b>	<b>905,676</b>	<b>265,505</b>	<b>1,607</b>	<b>(80,844)</b>	<b>(160,213)</b>	<b>931,731</b>	<b>13</b>	<b>931,744</b>

\* These reserve comprise the consolidated reserves of HK\$26,055,000 (31 December 2017: HK\$66,550,000) in the condensed consolidated statement of financial position.

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018 - unaudited

		Six months ended 30 June	
	Notes	2018 HK\$'000	2017 HK\$'000
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>6,277</b>	(33,733)
Adjustments for:			
Bank interest income	4	<b>(99)</b>	(12)
Finance costs	5	<b>17</b>	17
Fair value loss on equity investments at fair value through profit or loss	4	<b>–</b>	91
Loss on disposal of property, plant and equipment	6	<b>21</b>	29
Depreciation	6	<b>1,602</b>	1,507
Exchange difference, net		<b>(21,935)</b>	16,283
		<b>(14,117)</b>	(15,818)
Increase in properties held for sale		<b>(32,286)</b>	(48,766)
(Increase)/decrease in trade receivables		<b>(95)</b>	769
Increase in prepayments, deposits and other receivables		<b>(2,055)</b>	(4,399)
Increase in trade payables		<b>1,807</b>	17,521
Increase in amounts due to related companies		<b>465</b>	1,316
Increase in other payables and accruals		<b>12,435</b>	12,554
Cash used in operations		<b>(33,846)</b>	(36,823)
PRC tax paid		<b>(2,940)</b>	(976)
Net cash flows used in operating activities		<b>(36,786)</b>	(37,799)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Bank interest received		<b>99</b>	12
Proceeds from disposal of property, plant and equipment		<b>–</b>	6
Purchases of property, plant and equipment		<b>(10,858)</b>	(19,431)
Additions of properties under development		<b>(4,675)</b>	(16,539)
Decrease/(increase) in pledged and restricted bank balances		<b>4,343</b>	(15,606)
Net cash flows used in investing activities		<b>(11,091)</b>	(51,558)

	Notes	Six months ended 30 June	
		2018 HK\$'000	2017 HK\$'000
<b>CASH FLOWS GENERATED FROM FINANCING ACTIVITIES</b>			
Interest paid		(17)	(17)
Advance from substantial shareholders		46,868	93,984
Repayment of obligations under finance leases		(259)	(258)
Net cash flows generated from financing activities		46,592	93,709
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(1,285)	4,352
Cash and cash equivalents at beginning of the period		8,704	3,416
Effect of foreign exchanges, net		(219)	90
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>			
		7,200	7,858
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		18,217	27,375
Less: Pledged and restricted bank balances		(11,017)	(19,517)
		7,200	7,858

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The principal accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with the financial statements of the Group for the year ended 31 December 2017, except for the adoption of new and revised standards and interpretations with effect from 1 January 2018 as detailed in note 2 below.

The financial information relating to the financial year ended 31 December 2017 that is included in the unaudited interim results as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those accounts. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s independent auditor has reported on those financial statements. The auditor’s report was not qualified or otherwise modified; did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has adopted the following new and revised standards, amendments and interpretations (collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA for the first time for these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to the HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK (IFRIC) – Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>



None of these new and revised standards and new interpretation had a significant effect on the Group's financial statements or accounting policies, except the following set out below:

### **HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 deals with revenue recognition and establishes principles for reporting information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The adoption does not have an impact on the recognition of the Group's main revenue streams. Rental income from lease agreements is specifically excluded from the scope of the new standard. The Group's sales of completed properties solely in the People's Republic of China, the terms of the relevant contracts and the associated laws mean that revenue from these sales continues to be recognised at the point in time of transfer of effective ownership. As a result, adjustment of the Group's opening retained earnings to reflect the adoption of HKFRS 15 is not required. No changes to the Group's accounting policies disclosed in 2017 consolidated financial statements are required.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## **3. OPERATING SEGMENT INFORMATION**

The Group has a single reportable segment based on the location of the operations, which is the property development and investment located in the People's Republic of China (the "PRC"). Information reported to the Group's chief operating decision makers for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.



#### 4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the income from the sales of properties, gross rental income and property management income during the period.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Revenue:		
Sales of properties	17,703	15,708
Gross rental income	1,135	975
Property management income	468	385
	<b>19,306</b>	17,068
Other income and gains:		
Bank interest income	99	12
Fair value loss on equity investments at fair value through profit or loss	–	(91)
Others	228	285
	<b>327</b>	206

#### 5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Finance charges on obligations under finance leases	17	17
	<b>17</b>	17

## 6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Cost of properties sold	15,555	14,727
Depreciation	1,602	1,507
Minimum lease payments under operating leases on land and buildings	1,568	1,654
Auditors' remuneration	460	450
Staff costs (including directors' remuneration)		
Salaries and wages	9,235	8,244
Pension scheme contributions	796	786
	<b>10,031</b>	9,030
Donations	369	3,431
Direct operating expenses arising from investing properties that generated rental income	146	124
Loss on disposal of property, plant and equipment	21	29

## 7. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group incurred a loss for taxation purposes during the periods ended 30 June 2018 and 2017. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdiction in which the Group operates.

The PRC Land appreciation tax ("LAT") was provided in accordance with the requirements set forth in the relevant PRC law and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

	Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Deferred tax credited to profit or loss	1,142	1,054
LAT in the PRC	(354)	(314)
Total tax credited for the period	<b>788</b>	740

## 8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (Six months ended 30 June 2017: Nil).

## 9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the following data:

	Six months ended 30 June	
	2018	2017
Profit/(loss) for the period attributable to owners of the Company ( <i>HK\$ million</i> )	<b>7.07</b>	(32.99)
Weighted average number of ordinary shares in issue ( <i>Million</i> )	<b>3,312.7</b>	3,312.7
Basic and diluted earnings/(loss) per share ( <i>HK cents per share</i> )	<b>0.21</b>	(1.00)

Diluted earnings/(loss) per share is same as the basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during both periods.

The Company's share options have no dilutive effect for the periods ended 30 June 2018 and 2017 because the exercise prices of the Company's share options were higher than the average market price of the Company's shares for both periods.

## 10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements <i>HK\$'000</i>	Machinery	Furniture and fixtures <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Buildings under construction <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Six months ended 30 June 2018</b>							
At 1 January 2018, net of accumulated depreciation	2,403	65	707	1,854	1,543	160,990	167,562
Additions	-	-	30	557	-	10,271	10,858
Depreciation	(753)	(3)	(177)	(345)	(324)	-	(1,602)
Disposals	-	-	(19)	(2)	-	-	(21)
Exchange realignment	(32)	(1)	(13)	(35)	(3)	(4,152)	(4,236)
<b>At 30 June 2018, net of accumulated depreciation</b>	<b>1,618</b>	<b>61</b>	<b>528</b>	<b>2,029</b>	<b>1,216</b>	<b>167,109</b>	<b>172,561</b>

The Group's buildings under construction are situated in the PRC and are held under the lease term from 40 to 70 years.

## 11. INVESTMENT PROPERTIES

	Completed investment properties at fair value HK\$'000	Investment properties under construction at cost HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2018</b>			
Carrying amount at 1 January 2018	227,166	15,745	242,911
Exchange realignment	(5,867)	(406)	(6,273)
<b>Carrying amount at 30 June 2018</b>	<b>221,299</b>	<b>15,339</b>	<b>236,638</b>

Notes:

- The investment properties represent interests in land held under medium term leases in the PRC and buildings erected or being erected thereon.
- Investment properties under development are carried at cost as the Board considers that the fair value of investment properties under development cannot be reliably determined due to some construction still not commenced at 30 June 2018.
- The Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.
- Valuation of investment properties were carried out on 30 June 2018 by Roma Appraisal Limited, an independent valuer not connected with the Group, using the same valuation techniques as were used when carrying out the valuation on 31 December 2017.

## 12. PROPERTIES UNDER DEVELOPMENT

	Properties under development at cost HK\$'000
<b>Six months ended 30 June 2018</b>	
Carrying amount at 1 January 2018	645,641
Additions	4,675
Exchange realignment	(16,653)
<b>Carrying amount at 30 June 2018</b>	<b>633,663</b>

The properties under development are all located in the PRC and held under medium term lease.

### 13. TRADE RECEIVABLES

Trade receivables represent sale proceeds in respect of sold properties and rental receivables. Sale proceeds in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured. The carrying amounts of the trade receivables approximate to their fair values.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2018 <i>HK\$'000</i>	As at 31 December 2017 <i>HK\$'000</i>
Within 30 days	<b>36</b>	26
31 – 60 days	<b>26</b>	22
61 – 90 days	<b>35</b>	17
Over 90 days	<b>553</b>	505
	<b>650</b>	570

The amount of trade receivables that were past due but not impaired is the same as the above amount shown in the ageing of trade receivables. Receivables that were past due but not impaired relate to a number of independent customers. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2018 <i>HK\$'000</i>	As at 31 December 2017 <i>HK\$'000</i>
Prepayments	12,273	9,356
Deposits paid	114	323
Other receivables	9,732	10,905
	<b>22,119</b>	20,584
Less: Provisions for impairment of other receivables	<b>(1,504)</b>	(1,544)
	<b>20,615</b>	19,040
Less: Non-current portion	<b>(64)</b>	(66)
	<b>20,551</b>	18,974

## 15. TRADE PAYABLES

An ageing analysis of the trade creditors as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2018 <i>HK\$'000</i>	As at 31 December 2017 <i>HK\$'000</i>
Within 30 days	697	107
31 – 60 days	26	637
61 – 90 days	26	6
Over 90 days	21,651	20,388
	<b>22,400</b>	21,138

## 16. SHARE CAPITAL

	As at 30 June 2018 <i>HK\$'000</i>	As at 31 December 2017 <i>HK\$'000</i>
<b>Issued and fully paid:</b>		
3,312,698,406 (31 December 2017: 3,312,698,406) ordinary shares	<b>905,676</b>	905,676
	<b>905,676</b>	905,676

## 17. OPERATING LEASE ARRANGEMENTS

### (a) The Group as lessor

The Group leases out its investment properties (note 11) under operating leases with average lease terms ranging from 3 to 10 years. The terms of the leases also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 June 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Within one year	2,123	2,185
In the second to fifth years, inclusive	7,219	7,612
After five years	141	1,012
	<b>9,483</b>	10,809

### (b) The Group as lessee

The Group leases certain of its offices, coasts and greenery areas under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 50 years.

At 30 June 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Within one year	2,529	3,091
In the second to fifth years, inclusive	509	1,505
After five years	5,951	6,154
	<b>8,989</b>	10,750



## 18. COMMITMENTS

In addition to the operating lease commitments detailed in note 17(b) above, the Group had the following capital commitments at the end of the reporting period:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Contracted, but not provided for:		
Construction and development of properties	393,440	390,888
Loan contributions payable to an associate	225,800	231,779
	<b>619,240</b>	<b>622,667</b>

## 19. CONTINGENT LIABILITIES

As at 30 June 2018, the Group has given guarantees of approximately HK\$3,167,000 (31 December 2017: HK\$3,251,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

The fair value of the guarantees is not significant and the directors of the Company consider that, in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore the guarantees have not been recognised in the financial statements for the periods ended 30 June 2018 and 31 December 2017.

## 20. RELATED PARTY TRANSACTIONS

### (a) Material transactions with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the period:

		Six months ended 30 June 2018 HK\$'000	2017 HK\$'000
	<i>Notes</i>		
Rental and management fee of office	<i>(i)</i>	1,779	1,477
Rental of car park space	<i>(ii)</i>	-	9

- (i) During the period, the Group leased office properties from 大中華國際集團(中國)有限公司 (“GCI”) for a term of two years commencing from 1 May 2017 at a monthly rental and management fee of RMB240,780. GCI is indirectly wholly-owned by Mr. Huang Shih Tsai, the Chairman and a substantial shareholder of the Company. Mr. Huang is also a director of GCI. The related party transactions above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (ii) During the period ended 30 June 2017, the Group leased a car park space from GCI at a monthly rental payment of RMB1,300.

**(b) Other transaction with related parties**

The Group’s amounts due to related companies of HK\$143,407,000 (31 December 2017: HK\$146,727,000) are unsecured, non-interest bearing, and repayable on demand. Related companies represent companies in which Mr. Huang Shih Tsai has equity interests and/or directorships and over which Mr. Huang Shih Tsai is able to exercise control. The amounts represent advances to the Group for its working capital requirements.

**(c) Amounts due to substantial shareholders**

The Group’s amounts due to substantial shareholders of HK\$788,377,000 (31 December 2017: HK\$759,979,000) are unsecured, non-interest bearing and repayable on demand. The amounts represent advances to the Group for its working capital requirements.

During the period, Mr. Huang Shih Tsai, the Chairman and a substantial shareholder of the Company, has provided interest-free and unsecured loans to the Company in the totally amount of approximately HK\$47,050,000 (Six months ended 30 June 2017: HK\$91,899,600) for funding the subsidiaries and working capital requirements; Ms. Huang Wenxi, the Chief Executive Officer and a substantial shareholder of the Company, has provided interest-free and unsecured loans to the Company in the totally amount of HK\$1,610,000 (Six months ended 30 June 2017: HK\$553,000) for funding the subsidiaries and working capital requirements.

**(d) Compensation of key management personnel of the Group**

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
Salaries and allowances	807	807
Pension scheme contributions	9	9
<b>Total compensation paid to key management personnel</b>	<b>816</b>	<b>816</b>

## 21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### (a) Financial risk management

The risks associated with the Group's financial instruments include foreign currency risk, credit risk and liquidity risk. The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017. There have been no significant changes in risk management process and policies since the year end of 2017.

### (b) Fair value measurement

The fair value of financial assets and financial liabilities are measured at the end of the accounting period on a recurring basis, categorised into the three-level fair value hierarchy as follows:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments. There were no financial instruments that were measured subsequent to initial recognition at fair value grouped into level 2 and 3 at the end of the accounting period (Six months ended 30 June 2017: Nil).

	Quoted prices in active markets (Level 1) HK\$'000	Fair value measurement using Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
<b>As at 30 June 2018</b>				
Equity investments at fair value through profit or loss	15	–	–	15
<b>As at 31 December 2017</b>				
Equity investments at fair value through profit or loss	15	–	–	15

The Group did not have any financial liabilities measured at fair value as at 30 June 2018 and 31 December 2017.

Save as disclosed above, the Board determined that the fair value of the other financial assets and liabilities reported in the condensed consolidated statement of financial position approximate to their carrying amounts.

## 22. EVENTS OCCURRING AFTER THE REPORTING DATE

No significant events took place subsequent to 30 June 2018.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

For the six months ended 30 June 2018, the Group recorded a turnover of approximately HK\$19.31 million, representing an increase of approximately 13% as compared to the turnover of approximately HK\$17.07 million for the corresponding period of last year. The increase in turnover was mainly resulted from the increase in sales of properties during the period.

Profit attributable to the owners of the Company was approximately HK\$7.1 million for the six months ended 30 June 2018, representing an increase of approximately 121% as compared to the loss of approximately HK\$32.99 million recorded in the corresponding period of last year. The increase in profit was mainly attributable to the exchange gain arose from the translation of the Group's financial liabilities.

### BUSINESS REVIEW

#### Property Development and Investment Business

##### *The Gold Coast Project*

The Company, through its indirect wholly-owned PRC subsidiary, owns a resort located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC (the "Gold Coast Resort"). Gold Coast Resort is expected to be developed into a tourism property project, which will comprise various single-storey villas, five-star hotels and marina club facilities etc. The construction of Gold Coast Resort has commenced.

##### *The Tanghai County Project*

The Group has acquired 99.99% of equity interest of 唐山市曹妃甸區中泰信和房地產開發有限公司 (Tangshan Caofeidian Zhongtai Xinhe Real Estate Company Limited\*) ("Tangshan Caofeidian") ("Tanghai Acquisition") in January 2013, the major asset of which consists of the right of use of 唐海縣七農場通港水庫內側2號及3號島 (Nos. 2 and 3 Island inside Tonggang Reservoir of the Seventh Farm in Tanghai Province\*).

The Group has paid a total sum of approximately RMB92,490,000 (equivalent to approximately HK\$116,250,000) as consideration of the Tanghai Acquisition. The vendors of Tangshan Caofeidian are subject to pay the PRC individual income tax derived from the transfer of the equity interest of Tangshan Caofeidian. As at the date of completion of the Tanghai Acquisition, such PRC individual income tax had not been settled. It was agreed by the vendors that they will not require the Company to pay the remaining portion of the consideration of RMB12,000,000 (equivalent to approximately HK\$13,950,000) until the outstanding PRC individual income tax is settled by them.

The Group has appointed several external firms to conduct reconnaissance and began designing work. As at the date of this report, the Group is at the preliminary stage to plan and design the ecological leisure living area or resort area.

\* For identification purposes only

### *The Daya Bay Project*

The Company, through its indirect wholly-owned PRC subsidiary, owns 東方新天地大廈 (Eastern New World Square\*), which is a comprehensive property development project with a total gross floor area of approximately 69,171.7 sq.m. located at No.1 Zhongxing Zhong Road, Aotou Town, Daya Bay, Huizhou City, Guangdong Province, the PRC. The selling of the residential portion of Eastern New World Square has commenced in May 2013 and the revenue generated has contributed to the turnover of the Group for the six months ended 30 June 2018.

### *The Shanwei Projects*

On 16 October 2013, the Group completed the acquisition of Jin Bao Cheng Project and Hong Hai Bay Project through a wholly-owned subsidiary of the Company from Mr. Huang Shih Tsai, the chairman and executive director of the Company. The details of Jin Bao Cheng Project and Hong Hai Bay Project are set out as below:

#### (1) Jin Bao Cheng Project

Jin Bao Cheng Project contains two parcels of land located on 中國廣東省汕尾市區汕尾大道 (Shanwei Main Road, Shanwei City, Guangdong Province, the PRC\*), with a total site area of approximately 50,656 sq.m. and three 12-storey close to completion residential blocks erected thereon, among which, (a) one parcel of land is located on at the vicinity of 汕尾大道香洲頭地段西側與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Xiangzhoutou Section and Honghai Main Road\*), and (b) one parcel of land is located on at the vicinity of 汕尾大道荷包嶺段西側實力汽車修配廠後面與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Hebaoling Section, behind the Shili Car Repair Factory and Honghai Main Road\*).

It is the Board's current intention to develop Jin Bao Cheng Project into a residential and commercial complex. Pre-sales of phase 1 and phase 2 of the residential portion of Jin Bao Cheng Project was commenced last year. As at 30 June 2018, a total deposit of approximately RMB70,949,000 (equivalent to approximately HK\$83,876,000) was received from the pre-sales of the residential portion of Jin Bao Cheng Project.

The Group has entered into an operating service agreement (among others) with Starwood Asia Pacific Hotels & Resorts Pte. Ltd. in relation to the development and operation of a five star hotel in Jin Bao Cheng project. The major construction of the hotel was completed by the end of 2017 and the estimated opening date is early 2020.

#### (2) Hong Hai Bay Project

Hong Hai Bay Project contains four parcels of land located at the vicinity of the junction of No. S241 Province Road and No. X141 County Road Shanwei City, Guangdong Province, the PRC with a total site area of approximately 273,534.2 sq.m., among which, (a) one parcel of land is located on 遮浪南澳旅遊區「湖仔山」東側 (the east of Wuzishan, Zhelang Nanao Tourist Area\*), (b) one parcel of land is located on 遮浪街道宮前南澳路東 (Gongqian Nanao Road East, Zhelangjiedao\*); and (c) two parcels of land are located on 遮浪街道南澳旅遊區灣灘坑 (Wantankeng, Zhelangjiedao Nanao Tourist Area\*).

It is the Board's current intention to develop Hong Hai Bay Project into a tourist and entertainment complex with residential development with a total gross floor area of approximately 720,000 sq.m.. Development of Hong Hai Bay Project is expected to be completed by the second quarter of 2019 by stage.

\* For identification purposes only

### *The Heqing Project*

On 16 December 2013, the Company and its wholly owned subsidiary, Great China Properties (Shanghai) Limited, entered into a cooperation agreement with Greenland Hong Kong Holdings Limited (“Greenland HK”) and its subsidiaries, pursuant to which the parties to the cooperation agreement conditionally agree to jointly develop the two parcels of land located in Shanghai, the PRC (the “Land”), among which (a) one parcel of land with boundaries East to land with Lot No. 13-02, West to Qingli Road, South to land with Lot No.13-02, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC\* (上海浦東新區合慶鎮·四至範圍東至13-02地塊·西至上海市慶利路·南至13-02地塊·北至上海市環慶南路); and (b) one parcel of land with boundaries East to land with Lot No. 14-03, West to Lingyang Road, South to land with Lot No. 14-03, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC\* (上海浦東新區合慶鎮·四至範圍東至14-03地塊·西至上海市凌楊路·南至14-03地塊·北至上海市環慶南路). The Land is intended to be used for commercial and office purposes.

On 10 January 2014, all the conditions precedent under the cooperation agreement had been satisfied and completion took place on the same date. Upon completion, each of the Company and Greenland HK holds a 50% stake in the project. The investment has been accounted for as interest in an associate using the equity method from the date of completion. Details please refer to the announcement of the Company dated 16 December 2013 and the circular of the Company dated 30 January 2014.

## **BUSINESS OUTLOOK**

With the moderate recovery of the macro economy, increasing urbanization and growing per capita wealth of Chinese citizens, demand on mid- to high-end commercial and tourism property development is likely to be driven up. The Group's business and future strategy will continue to be focusing on mid- to high-end commercial and tourism property development and investment. Riding on its solid foundation of existing projects, the Group remains on the lookout for high quality and cost effective investment opportunities to enhance investment returns, as well as to gradually diversify its income source.

### **Continuing Connected Transaction – Property Leasing Agreement**

On 31 January 2013, 滙通天下控股(中國)有限公司 (Waytung Global Holding (China) Limited\*) (“Waytung China”), a wholly-owned subsidiary of the Company, entered into a property leasing agreement (“Property Leasing Agreement”) with 大中華國際集團(中國)有限公司 (Great China International Group (China) Limited\*) (“GCI”) in relation to the leasing of an office from GCI for a term of two years commencing from 1 February 2013 with three months rent-free period. GCI is indirectly wholly-owned by Mr. Huang Shih Tsai, a substantial shareholder, the chairman and the executive director of the Company. As such, GCI is a connected person of the Company. Accordingly, the transaction constitutes a continuing connected transaction of the Company.

According to the Property Leasing Agreement, Waytung China shall pay a monthly rental of RMB180,000 and a monthly management fee, air-conditioning and maintenance fees of RMB36,480. Annual review of such transaction has been carried out in accordance with the Listing Rules.

Upon the expiry of the Property Leasing Agreement, Waytung China and GCI entered into a second property leasing agreement on 30 April 2015 in relation to the lease of the office from 1 May 2015 to 30 April 2017 (“Second Property Leasing Agreement”). According to the Second Property Leasing Agreement, Waytung China shall pay a monthly rental of RMB202,500 and a monthly management fee, air-conditioning and maintenance fees of RMB41,040. Such transaction constitutes a continuing connected transaction of the Company. Please refer to the announcement of the Company dated 30 April 2015 for details of the transaction.

On 28 April 2017, (i) Waytung China and GCI entered into the 2017 Property Leasing Agreement I; (ii) 大中華實業(惠州)有限公司 (Great China Enterprises (Huizhou) Limited\*) (“Great China (Huizhou)”) and GCI entered into the 2017 Property Leasing Agreement II; and (iii) 汕尾市大中華實業有限公司 (Shanwei Great China Enterprises Limited\*) (“Great China (Shanwei)”) and GCI entered into the 2017 Property Leasing Agreement III. Each of Great China (Huizhou) and Great China (Shanwei) is a wholly-owned subsidiary of the Company. According to the 2017 Property Leasing Agreements, (i) Waytung China shall pay a monthly rental of RMB68,000 and a monthly management fee, air-conditioning and maintenance fees of RMB12,260; (ii) Great China (Huizhou) shall pay a monthly rental of RMB85,000 and a monthly management fee, air-conditioning and maintenance fees of RMB15,325; and (iii) Great China (Shanwei) shall pay a monthly rental of RMB51,000 and a monthly management fee, air-conditioning and maintenance fees of RMB9,195. Please refer to the announcement of the Company dated 28 April 2017 for details of the transactions.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, bank balances and cash of the Group amounted to approximately HK\$18.22 million (31 December 2017: HK\$24.47 million). The Group’s total current assets as at 30 June 2018 amounted to approximately HK\$809.17 million, which comprised properties held for sale, trade receivables, prepayments, deposits and other receivables, tax recoverable, equity investments, and cash and bank balances. The Group’s total current liabilities as at 30 June 2018 amounted to approximately HK\$1,096.98 million, which comprised trade payables, other payables and accruals, amounts due to related companies, amount due to substantial shareholders, current portion of obligations under finance leases and tax payable.

As at 30 June 2018, the Group’s gearing ratio, defined as total interest-bearing borrowings divided by total equity, was 0.09% (31 December 2017: 0.11%).

## CAPITAL COMMITMENT

As at 30 June 2018, the Group had a total capital commitment of approximately HK\$619.24 million, contracted for but not provided for in the financial statements, which comprised (i) approximately HK\$393.44 million in respect of the construction and development of properties and (ii) approximately HK\$225.80 million in respect of the loan contributions payable to an associate.

## CONTINGENT LIABILITIES

As at 30 June 2018, the Group has given guarantees of approximately HK\$3.17 million (31 December 2017: HK\$3.25 million) to banks for housing loans extended by the banks to the purchasers of the Group’s properties for a period from the date of loans being granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

## CHARGES ON ASSETS

As at 30 June 2018, the Group had charged the net book value of motor vehicles approximately HK\$1.09 million as a security for finance leases (31 December 2017: HK\$1.31 million).

## DONATIONS

For the six months ended 30 June 2018, the Group has made a donation of RMB300,000 (equivalent to approximately HK\$369,000) to support early childhood education.

## EMPLOYEES

As at 30 June 2018, the Group employed 127 employees (excluding directors) (31 December 2017: 146 employees) and the related staff costs amounted to approximately HK\$9.22 million (31 December 2017: approximately HK\$16.96 million). Staff remuneration packages, which are reviewed annually, include salary/wage and other benefits, such as medical insurance coverage, provident fund and share options.

## SHARE OPTION SCHEME

The Company adopts a share option scheme on 23 May 2011 (the “2011 Share Option Scheme”). Particulars of share options outstanding under the 2011 Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2018 and share options granted, exercised, lapsed or cancelled under the 2011 Share Option Scheme during such period are as follows:

Participants	Date of grant	Exercise period of share option	Exercise price of share options HK\$	Number of share options held as at 1 January 2018	Granted during the six months ended 30 June 2018	Exercised during the six months ended 30 June 2018	Lapsed/ cancelled during the six months ended 30 June 2018	Number of share options held as at 30 June 2018
<b>Directors</b>								
Mr. Huang Shih Tsai	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Ms. Huang Wenxi	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Cheng Hong Kei	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Leung Kwan, Hermann	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Lum Pak Sum	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
<b>Sub-total</b>				<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>
<b>Employees</b>	23/1/2013	23/1/2015 to 22/1/2023	0.440	500,000	-	-	-	500,000
<b>Total</b>				<b>5,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,500,000</b>

As at 30 June 2018, the Company had 5,500,000 share options outstanding under the 2011 Share Option Scheme.



## DISCLOSURE OF INTERESTS

### (a) Director's Interest and Short Positions in the securities of the Company and its associated corporations

As at 30 June 2018, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

#### *Long positions in the shares and underlying shares of the Company*

Name of Directors	Capacity in which interests are held	Number of shares/underlying shares interested			Total	Approximate percentage of the issued share capital of the Company (Note 1)
		Personal interests	Corporate interests	Underlying interests		
Mr. Huang Shih Tsai (Note 2)	Beneficial Owner	1,848,162,476	-	1,000,000	1,849,162,476	55.82%
Ms. Huang Wenxi (Note 3)	Beneficial Owner	353,667,996	282,133,413	1,000,000	636,801,409	19.22%
Mr. Cheng Hong Kei (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%
Mr. Leung Kwan, Hermann (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%
Mr. Lum Pak Sum (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%

#### *Notes:*

- The percentage shareholding in the Company is calculated on the basis of 3,312,698,406 Shares in issue as at 30 June 2018.
- The interest disclosed represents (i) Mr. Huang's personal interest in 1,848,162,476 shares; and (ii) 1,000,000 unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.
- The interest disclosed represents (i) Ms. Huang's personal interest in 353,667,996 shares; (ii) 282,133,413 shares held by Brilliant China Group Limited which is 100% owned by Ms. Huang; and (iii) 1,000,000 unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.
- The relevant interests are unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.

Save as disclosed above, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2018, so far as is known to any Director or chief executive of the Company, the following person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### *Long positions in the shares of the Company*

Name of Shareholders	Type of interests	Total number of shares held	Approximate percentage holding of total issued shares %
Brilliant China Group Limited	Corporate (Note 2)	282,133,413	8.52

### *Notes:*

1. The percentage shareholding in the Company is calculated on the basis of 3,312,698,406 Shares in issue as at 30 June 2018.
2. Brilliant China Group Limited ("Brilliant China") is a company 100% owned by Ms. Huang Wenxi. By virtue of the SFO, Ms. Huang is deemed to be interested in 282,133,413 Shares held by Brilliant China. Ms. Huang is the sole director of Brilliant China.

Save as disclosed above, as at 30 June 2018, the Company has not been notified of any other person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

## CORPORATE GOVERNANCE

The Company has adopted and complied generally with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2018.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of listed companies (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2018.

## CHANGE OF DIRECTORS AND SENIOR MANAGEMENT

There is no change in the composition of the board of directors nor the senior management of the Company for the six months ended 30 June 2018.

## AUDIT COMMITTEE

Pursuant to the requirements of the Corporate Governance Code and the Listing Rules, the Company has established an audit committee (the "Audit Committee") comprising all three Independent Non-executive Directors, namely Mr. Cheng Hong Kei (Chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2018.

By order of the board of directors  
**Great China Properties Holdings Limited**  
**Huang Shih Tsai**  
*Chairman*

Hong Kong, 10 August 2018

As at the date of this report, the directors of the Company are as follows:

Executive Directors

Mr. Huang Shih Tsai (*Chairman*)  
 Ms. Huang Wenxi (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Cheng Hong Kei  
 Mr. Leung Kwan, Hermann  
 Mr. Lum Pak Sum