



百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168



INTERIM REPORT 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Tang Yui Man Francis (*Chairman*)
Xiang Ya Bo (*Chief Executive Officer*)
Chen Wei

Non-executive Directors

Ou Yaping
Law Sze Lai

Independent Non-executive Directors

Tian Jin
Xiang Bing
Xin Luo Lin

AUTHORISED REPRESENTATIVES

Tang Yui Man Francis
Xiang Ya Bo

COMPANY SECRETARY

Lo Tai On

AUDIT COMMITTEE

Tian Jin
Xiang Bing
Xin Luo Lin (*Chairman*)

NOMINATION COMMITTEE

Tang Yui Man Francis
Tian Jin (*Chairman*)
Xiang Bing
Xin Luo Lin

REMUNERATION COMMITTEE

Tang Yui Man Francis
Xiang Bing
Xin Luo Lin (*Chairman*)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Hong Kong
Telephone : (852) 2851 8811
Facsimile : (852) 2851 0970
Stock Code : 1168
Website : <http://www.sinolinkhk.com>

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HONG KONG BRANCH SHARE TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712 – 1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISORS

(As to Hong Kong Law)
Cleary Gottlieb Steen & Hamilton (Hong Kong)
Deacons
Ashurst Hong Kong
Norton Rose Fulbright Hong Kong
Tsang, Chan & Wong
Woo, Kwan, Lee & Lo

(As to Bermuda Law)
Conyers Dill & Pearman

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
Bank of China (Hong Kong) Limited
China Construction Bank Corporation
China Merchants Bank
Industrial and Commercial Bank of China
Ping An Bank

CONTENTS



| | |
|---|----|
| Financial Highlights | 2 |
| Management Discussion and Analysis | 3 |
| Other Information | 9 |
| Report on Review of Condensed Consolidated Financial Statements | 12 |
| Condensed Consolidated Statement of Profit or Loss | 13 |
| Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | 14 |
| Condensed Consolidated Statement of Financial Position | 15 |
| Condensed Consolidated Statement of Changes in Equity | 16 |
| Condensed Consolidated Statement of Cash Flows | 17 |
| Notes to the Condensed Consolidated Financial Statements | 18 |

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

- Turnover up 11% to HK\$180.0 million
- Gross Profit up 21% to HK\$106.6 million
- Profit attributable to owners of the Company down 95% to HK\$15.4 million
- Basic Earnings Per Share down 95% to HK0.43 cents

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

After 30 years of high-speed economic growth driven by credit, investment and exports, People's Republic of China (the "PRC") model of development has shown a need for change. The new government is pushing for economic reform over fast-lane growth by adopting measures to energize the private sector and boost urbanization that promise more sustainable expansion with higher quality and efficiency.

Data from the National Bureau of Statistics showed that the PRC's gross domestic product ("GDP") growth slowed to 7.6% in the first half, at an amount of RMB24.8 trillion. In spite of the slowdown, the latest figures were within market expectations and were indicative of the "structural change" and "shifting gears" being pursued.

For the six months ended 30 June 2013, the Group's turnover amounted to HK\$180.0 million, an increase of 11% compared with the same period last year. Gross profit rose by 21% to HK\$106.6 million. Profit attributable to owners of the Company fell significantly to HK\$15.4 million, compared to HK\$286.7 million previously, mainly due to a significant decrease in the fair value change in investment properties and an impairment loss in loan receivable. Basic earnings per share amounted to HK0.43 cents, a decline of 95% compared with the same period last year.

PROPERTY SALES

During the period under review, the Group had only a small amount of properties available for sale, representing the remaining units of *The Mangrove West Coast*. As such, the Group's turnover from property sales amounted to HK\$49.5 million, an increase of 12% compared with the same period last year. The Group sold a total gross floor area ("GFA") of approximately 1,023 square meters during the period, which was 2% less compared to 1,048 square meters recorded a year ago. Gross profit of property sales increased by 48% to HK\$34.0 million.

PROPERTY RENTAL

For the six months ended 30 June 2013, total rental income amounted to HK\$58.3 million, an increase of 18% over the same period last year.

The rental income was mainly contributed by the commercial complexes of *The Vi City* and Sinolink Garden Phase One to Four.

Sinolink Tower

Located in Luowu district, Shenzhen, Sinolink Tower, the hotel and office complex of Sinolink Garden Phase Five, has a GFA of 50,000 square meters, of which hotel space occupies 30,000 square meters and office space occupies 20,000 square meters.

As of to date, the office building has leased out 60% of its total leasable area. Tenants mainly consist of jewelry, investment and real estate companies.



MANAGEMENT DISCUSSION AND ANALYSIS

O Hotel is currently undergoing government inspections on fire safety, energy saving and quality testing and arranging business licenses and tax registration. It is scheduled to commence operation in late 2013 or early 2014.

PROPERTIES UNDER DEVELOPMENT

As at 30 June 2013, the Group has the following properties under development:

1. *Rockbund*, located on the Bund in Shanghai, is an integrated property development project. The project has a total site area of 18,000 square meters with a GFA of 94,080 square meters comprising preserved heritage buildings and new structures. The Group intends to redevelop this historical site and structures into an upscale mixed-use neighborhood, with residential, commercial, retail, catering, offices and cultural facilities.
2. *Ningguo Mansions*, a 13,600 square meter site with a plot ratio of 1.0 at Changning District in Shanghai, will be developed into 11 quadrate court houses, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of this commodity housing project. Located in one of the most accessible and low-density luxury living districts in Shanghai, Ningguo Mansions is approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

The project was granted Permit of Newly Built Residences Made Available to Users by the Shanghai authority following completion of inspection during the period under review, making it in compliance with the rules for launch.

MAJOR ASSOCIATE

The Group recorded a share of loss of an associate, Rockefeller Group Asia Pacific, Inc., at an amount of HK\$67.1 million for the six months ended 30 June 2013, an increase of 14% for the same period last year, due to change in the fair value of investment properties held by the associate.

Rockbund

Situated at the junction of Huangpu River and Suzhou Creek, Rockbund is a redevelopment project that celebrates the birthplace of modern Shanghai. It is part of the historical and cultural preservation area of Shanghai Bund neighbouring Nanjing Road and the Lujiazui business district and commanding a unique and advantageous location that gives easy access to convenient transport and five star hotels in the vicinity. Thriving on the theme of “Art Invigorates Business”, the project makes full empowerment of the historical architecture and art aroma in the area to provide high quality leasing space for a variety of businesses with flexible and elegant design layouts to meet customers’ diverse needs.

MANAGEMENT DISCUSSION AND ANALYSIS

With leasing works and negotiations progressing smoothly, the preserved heritage buildings in Rockbund have attracted a number of famous restaurants and corporations and attained satisfactory operating results.

Good progress was made by the new buildings of Rockbund during the period under review in carrying out some of the underground and above ground works.

OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management provided by the Group's property management division. For the period ended 30 June 2013, the Group recorded revenue from other businesses of HK\$72.2 million, an increase of 5% compared with the same period last year.

PROSPECTS

In the second half of 2013, the PRC is likely to benefit from the cyclical recovery of the global economy. On the other hand, higher volatility is on the horizon as shifting domestic policies rein in the Chinese economy. Recovery might also be hindered by the risk-on risk-off financial conditions.

Looking forward, the PRC economy is expected to switch from high-speed to medium-speed growth for a protracted period of time, with the GDP staying at around 7%. Reforms are expected to be made by the government at accelerating pace in the major areas of finance, taxation and banking, which will drive the PRC economy towards more sustainable development.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's total borrowings decreased from HK\$295.7 million as at 31 December 2012 to HK\$289.2 million as at 30 June 2013. Gearing ratio as at 30 June 2013, calculated on the basis of total borrowings over shareholders' equity, was 3.8% compared to 3.9% as at 31 December 2012. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing loans had a carrying value of HK\$1,247 million as at 30 June 2013. The borrowings of the Group are denominated in RMB and HKD. As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments have been used for hedging purpose; however, the Board will continue to evaluate and closely monitor the potential impact of RMB and interest rates movements on the Group.

The Group's cash and cash equivalents amounted to HK\$3,913 million (including pledged bank deposits) as at 30 June 2013 and were mostly denominated in RMB, HKD and USD.



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 30 June 2013, the Group had capital commitments in respect of properties under construction and commitments in respect of properties under development amounting to HK\$206.2 million and HK\$126.2 million respectively.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK\$61.6 million.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "LISTING RULES")

As at 30 June 2013, the aggregate amount of financial assistance to associated companies by the Group in aggregate exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the associated companies as at 30 June 2013 is presented as follows:

| | <i>HK\$'000</i> |
|-------------------------|----------------------|
| Non-current assets | 4,607,216 |
| Current assets | 674,935 |
| Current liabilities | (471,385) |
| Non-current liabilities | <u>(4,734,387)</u> |
| Net assets | <u><u>76,379</u></u> |

The Group's attributable interest in the associated companies as at 30 June 2013 comprised net assets of HK\$37,042,000.

The proforma combined statement of financial position of the associated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as at 30 June 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2013 (2012: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, the Group employed approximately 851 full time employees for its principal activities. The Group recognizes the importance of high caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Group.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the six months ended 30 June 2013.

CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the six months ended 30 June 2013, all Directors have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has an audit committee ("Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors. The members of the Audit Committee are Mr. Xin Luo Lin, Dr. Xiang Bing and Mr. Tian Jin. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.



MANAGEMENT DISCUSSION AND ANALYSIS

The interim results of the Group for the six months ended 30 June 2013 had not been audited, but had been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board
Sinolink Worldwide Holdings Limited
TANG Yui Man Francis
Chief Executive Officer

Hong Kong, 20 August 2013

OTHER INFORMATION

DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2013, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (the "Share"), underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Long positions in Shares

| Name of Directors | Capacity | Interest in Shares | | | Total interest in Shares | Approximate percentage of issued share capital of the Company at 30.6.2013 |
|-------------------------|---|--------------------|---------------------------|-----------------|--------------------------|--|
| | | Personal interest | Corporate interest | Family interest | | |
| Chen Wei | Beneficial owner | 13,500,000 | – | – | 13,500,000 | 0.38% |
| Law Sze Lai | Beneficial owner | 9,005,500 | – | – | 9,005,500 | 0.25% |
| Li Ningjun (Note 1) | Beneficial Owner | 2,000,000 | – | – | 2,000,000 | 0.06% |
| Ou Yaping | Joint interest and interest of controlled corporation | – | 1,560,845,250 (Note 2) | 7,285,410 | 1,568,130,660 | 44.28% |
| Tang Yui Man Francis | Beneficial owner | 21,375,000 | – | – | 21,375,000 | 0.60% |

Notes: (1) Mr. Li Ningjun resigned as a Non-executive Director of the Company effective from 21 August 2013.

(2) These 1,560,845,250 Shares are held by Asia Pacific Promotion Limited ("Asia Pacific"), a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Mr. Ou is deemed to have interest in these Shares of which Asia Pacific interested under the SFO.



OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Other than the Share Option Scheme of the Company mentioned below, at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION

Pursuant to rule 13.51B(1) of the Listing Rules, the changes and updated Directors' information are as follows:-

- (1) Mr. Ou Yaping was re-designated as a Non-executive Director and resigned as the Chairman of the board of directors (the "Board") of the Company effective from 21 August 2013.
- (2) Mr. Tang Yui Man Francis resigned as the Chief Executive Officer and was appointed as the Chairman of the Board of the Company effective from 21 August 2013.
- (3) Mr. Xiang Ya Bo was appointed as the Chief Executive Officer of the Company effective from 21 August 2013.

Save as disclosed above, the Directors are not aware of other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2012 Annual Report.

SHARE OPTION SCHEME OF THE COMPANY

The share option scheme which was adopted by the shareholders of the Company on 24 May 2002 was terminated by shareholders of the Company on 17 May 2012 (the "Old Scheme"). All outstanding share options under the Old Scheme were expired in 2012.

A new share option scheme was adopted by shareholders of the Company on 17 May 2012 (the "2012 Share Option Scheme"), under which the Board may, at its discretion, offer any employee (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years and no options were granted since the date of its adoption.

Summary of the terms of the 2012 Share Option Scheme are set out in the 2012 Annual Report.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

At 30 June 2013, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholder(s) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions and short positions in Shares

| Name of shareholder | Capacity | Interest in Shares | Approximate percentage of the Company's issued share capital at 30.6.2013 |
|----------------------------|------------------|--------------------------------|--|
| Asia Pacific | Beneficial owner | 1,560,845,250 (Long) (Note) | 44.08% |

Note: The 1,560,845,250 Shares are held by Asia Pacific, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Accordingly, Mr. Ou is deemed to be interested in the Shares held by Asia Pacific under the SFO.

Save as disclosed above, as at 30 June 2013, the Company has not been notified of any other interests or short positions in the Shares and underlying Shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

To The Board of Directors of Sinolink Worldwide Holdings Limited

Introduction

We have reviewed the condensed consolidated financial statements of Sinolink Worldwide Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 13 to 34, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 August 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | NOTES | Six months ended | |
|---|-------|---|---|
| | | 30.6.2013 <i>HK\$'000</i> (unaudited) | 30.6.2012 <i>HK\$'000</i> (unaudited) |
| Turnover | 3 | 179,994 | 162,205 |
| Cost of sales | | (73,428) | (73,993) |
| Gross profit | | 106,566 | 88,212 |
| Other income and gain | | 114,604 | 213,905 |
| Selling expenses | | (1,075) | (1,863) |
| Administrative expenses | | (42,921) | (38,376) |
| Increase in fair value of investment properties | 10 | 31,133 | 300,832 |
| Gain on derivative components of convertible bonds | | – | 884 |
| Loss from changes in fair value of investments held for trading | | (48,987) | (27,328) |
| Share of results of associates | | (67,105) | (58,723) |
| Finance costs | 4 | (9,108) | (1,483) |
| Profit before taxation | | 83,107 | 476,060 |
| Taxation | 5 | (45,537) | (130,794) |
| Profit for the period | 6 | 37,570 | 345,266 |
| Attributable to: | | | |
| Owners of the Company | | 15,360 | 286,698 |
| Non-controlling interests | | 22,210 | 58,568 |
| | | 37,570 | 345,266 |
| | | <i>HK cents</i> | <i>HK cents</i> |
| Earnings per share | 8 | | |
| Basic | | 0.43 | 8.10 |
| Diluted | | N/A | 8.04 |



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | Six months ended | |
|--|---|---|
| | 30.6.2013 <i>HK\$'000</i> (unaudited) | 30.6.2012 <i>HK\$'000</i> (unaudited) |
| Profit for the period | <u>37,570</u> | <u>345,266</u> |
| Other comprehensive income (expense) | | |
| Items that will not be reclassified to profit or loss: | | |
| Exchange differences arising on translation | 85,286 | (22,859) |
| Share of translation reserve of associates | <u>8,234</u> | <u>(2,750)</u> |
| Other comprehensive income (expense) for the period | <u>93,520</u> | <u>(25,609)</u> |
| Total comprehensive income for the period | <u>131,090</u> | <u>319,657</u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 93,084 | 265,569 |
| Non-controlling interests | <u>38,006</u> | <u>54,088</u> |
| | <u>131,090</u> | <u>319,657</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

| | NOTES | 30.6.2013 HK\$'000 (unaudited) | 31.12.2012 HK\$'000 (audited) |
|--|-------|--------------------------------------|-------------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 477,457 | 412,053 |
| Prepaid lease payments | | 71,617 | 71,043 |
| Investment properties | 10 | 2,566,527 | 2,492,685 |
| Interests in associates | | 37,042 | 95,917 |
| Amounts due from associates | 11 | 100,048 | 92,794 |
| Deposit paid for investment | 12 | 101,631 | – |
| Available-for-sale investments | | 13,511 | 13,511 |
| Loan receivable | 13 | 2,298,066 | 2,251,567 |
| | | 5,665,899 | 5,429,570 |
| Current assets | | | |
| Stock of properties | 14 | 723,620 | 705,772 |
| Trade and other receivables, deposits and prepayments | 15 | 167,148 | 167,254 |
| Prepaid lease payments | | 1,348 | 1,325 |
| Investments held for trading | | 220,403 | 257,379 |
| Pledged bank deposits | 21 | 5,775 | 5,666 |
| Bank balances and cash | | 3,907,392 | 4,002,192 |
| | | 5,025,686 | 5,139,588 |
| Current liabilities | | | |
| Trade and other payables, deposits received and accrued charges | 16 | 583,469 | 647,915 |
| Taxation payable | | 866,047 | 821,923 |
| Borrowings – amount due within one year | | 32,183 | 25,432 |
| | | 1,481,699 | 1,495,270 |
| Net current assets | | 3,543,987 | 3,644,318 |
| Total assets less current liabilities | | 9,209,886 | 9,073,888 |
| Non-current liabilities | | | |
| Borrowings – amount due after one year | | 257,066 | 270,307 |
| Deferred taxation | | 319,179 | 301,030 |
| | | 576,245 | 571,337 |
| | | 8,633,641 | 8,502,551 |
| Capital and reserves | | | |
| Share capital | 17 | 354,111 | 354,111 |
| Reserves | | 7,227,919 | 7,134,835 |
| Equity attributable to owners of the Company | | 7,582,030 | 7,488,946 |
| Non-controlling interests | | 1,051,611 | 1,013,605 |
| | | 8,633,641 | 8,502,551 |



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | Attributable to owners of the Company | | | | | | | Non- | | Total |
|--|---------------------------------------|------------------|---------------------|----------------------|------------------|---------------------|-------------------|------------------|-----------------------|------------------|
| | Share capital | Share premium | Translation reserve | Share option reserve | General reserves | Contributed surplus | Retained earnings | Total | controlling interests | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January 2013 | 354,111 | 1,824,979 | 775,900 | - | 148,846 | 367,782 | 4,017,328 | 7,488,946 | 1,013,605 | 8,502,551 |
| Profit for the period | - | - | - | - | - | - | 15,360 | 15,360 | 22,210 | 37,570 |
| Exchange differences arising on translation | - | - | 69,490 | - | - | - | - | 69,490 | 15,796 | 85,286 |
| Share of translation reserve of associates | - | - | 8,234 | - | - | - | - | 8,234 | - | 8,234 |
| Total comprehensive income for the period | - | - | 77,724 | - | - | - | 15,360 | 93,084 | 38,006 | 131,090 |
| At 30 June 2013 | <u>354,111</u> | <u>1,824,979</u> | <u>853,624</u> | <u>-</u> | <u>148,846</u> | <u>367,782</u> | <u>4,032,688</u> | <u>7,582,030</u> | <u>1,051,611</u> | <u>8,633,641</u> |
| At 1 January 2012 | 354,111 | 1,824,979 | 775,930 | 53,755 | 148,846 | 367,782 | 3,674,330 | 7,199,733 | 969,465 | 8,169,198 |
| Profit for the period | - | - | - | - | - | - | 286,698 | 286,698 | 58,568 | 345,266 |
| Exchange differences arising on translation | - | - | (18,379) | - | - | - | - | (18,379) | (4,480) | (22,859) |
| Share of translation reserve of associates | - | - | (2,750) | - | - | - | - | (2,750) | - | (2,750) |
| Total comprehensive (expense) income for the period | - | - | (21,129) | - | - | - | 286,698 | 265,569 | 54,088 | 319,657 |
| Lapse of share options | - | - | - | (53,755) | - | - | 53,755 | - | - | - |
| Dividends declared to non-controlling shareholders of subsidiaries | - | - | - | - | - | - | - | - | (24,600) | (24,600) |
| At 30 June 2012 | <u>354,111</u> | <u>1,824,979</u> | <u>754,801</u> | <u>-</u> | <u>148,846</u> | <u>367,782</u> | <u>4,014,783</u> | <u>7,465,302</u> | <u>998,953</u> | <u>8,464,255</u> |

Note: The general reserves represent the enterprise expansion fund and general reserve fund set aside by certain subsidiaries in accordance with the relevant laws and regulations of the PRC, which are not available for distribution.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | Six months ended | |
|--|--------------------------------------|--------------------------------------|
| | 30.6.2013 HK\$'000 (unaudited) | 30.6.2012 HK\$'000 (unaudited) |
| Net cash from operating activities | <u>67,781</u> | <u>65,130</u> |
| Net cash used in investing activities | | |
| Interest received | 40,054 | 45,727 |
| Purchase of property, plant and equipment | (153,143) | (36,111) |
| Development costs paid for investment properties under development | – | (21,829) |
| Deposits paid for acquisition | (101,631) | – |
| Refund from advance for investment projects | 37,641 | – |
| Other investing cash flows | 818 | (51,337) |
| | <u>(176,261)</u> | <u>(63,550)</u> |
| Net cash used in financing activities | | |
| Repayment of bank loans | (11,238) | (143,051) |
| Interest paid | (9,108) | (9,903) |
| | <u>(20,346)</u> | <u>(152,954)</u> |
| Net decrease in cash and cash equivalents | (128,826) | (151,374) |
| Cash and cash equivalents at beginning of the period | 4,002,192 | 4,312,385 |
| Effect of foreign exchange rate changes | 34,026 | (17,999) |
| Cash and cash equivalents at end of the period representing bank balances and cash | <u><u>3,907,392</u></u> | <u><u>4,143,012</u></u> |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are property development, property investment and property management.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

| | |
|--|--|
| HKFRSs (Amendments) | Annual improvements to HKFRSs 2009 – 2011 cycle |
| HKFRS 7 (Amendments) | Disclosures – Offsetting financial assets and financial liabilities |
| HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments) | Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance |
| HKFRS 10 | Consolidated financial statements |
| HKFRS 11 | Joint arrangements |
| HKFRS 12 | Disclosure of interests in other entities |
| HKFRS 13 | Fair value measurement |
| HKAS 1 (Amendments) | Presentation of items of other comprehensive income |
| HKAS 19 (as revised in 2011) | Employee benefits |
| HKAS 28 (as revised in 2011) | Investments in associates and joint ventures |
| HK(IFRIC) – INT 20 | Stripping costs in the production phase of a surface mine |

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. *PRINCIPAL ACCOUNTING POLICIES (Cont'd)*

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 22.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renewed as a statement of profit or loss. The amendments to HKAS 1 also require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Except as described above, the application of the other new or revised HKFRSs in the current financial information period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2012 were authorised for issuance and are not yet effective:

| | |
|-----------------------|---|
| Amendments to HKAS 36 | Recoverable amount disclosures for non-financial assets ¹ |
| Amendments to HKAS 39 | Novation of derivatives and continuation of hedge accounting ¹ |
| HK(IFRIC) – INT 21 | Levies ¹ |

¹ Effective for accounting periods beginning on or after 1 January 2014.

The directors anticipate that the application of these new and revised HKFRSs will have no material impact on the results and the financial position of the Group.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. TURNOVER AND SEGMENT INFORMATION

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

Six months ended 30 June 2013

| | Property development HK\$'000 | Property investment HK\$'000 | Property management HK\$'000 | Total for reportable segment HK\$'000 | Others HK\$'000 | Consolidated HK\$'000 |
|--|-------------------------------------|------------------------------------|------------------------------------|--|--------------------|--------------------------|
| TURNOVER | | | | | | |
| External sales | <u>49,489</u> | <u>58,291</u> | <u>55,780</u> | <u>163,560</u> | <u>16,434</u> | <u>179,994</u> |
| RESULT | | | | | | |
| Segment result | <u>23,390</u> | <u>83,834</u> | <u>5,602</u> | <u>112,826</u> | <u>8,169</u> | 120,995 |
| Other income | | | | | | 114,604 |
| Unallocated corporate expenses | | | | | | (27,292) |
| Loss from changes in fair value of investments held for trading | | | | | | (48,987) |
| Share of results of associates | | | | | | (67,105) |
| Finance costs | | | | | | <u>(9,108)</u> |
| Profit before taxation | | | | | | <u>83,107</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. TURNOVER AND SEGMENT INFORMATION (Cont'd)

Six months ended 30 June 2012

| | Property development HK\$'000 | Property investment HK\$'000 | Property management HK\$'000 | Total for reportable segment HK\$'000 | Others HK\$'000 | Eliminations HK\$'000 | Consolidated HK\$'000 |
|---|-------------------------------------|------------------------------------|------------------------------------|--|--------------------|--------------------------|--------------------------|
| TURNOVER | | | | | | | |
| External sales | 44,067 | 49,476 | 52,732 | 146,275 | 15,930 | - | 162,205 |
| Inter-segment sales | - | - | - | - | 1,107 | (1,107) | - |
| | <u>44,067</u> | <u>49,476</u> | <u>52,732</u> | <u>146,275</u> | <u>17,037</u> | <u>(1,107)</u> | <u>162,205</u> |
| RESULT | | | | | | | |
| Segment result | <u>10,299</u> | <u>345,072</u> | <u>6,070</u> | <u>361,441</u> | <u>8,845</u> | <u>-</u> | 370,286 |
| Other income | | | | | | | 213,905 |
| Unallocated corporate expenses | | | | | | | (21,481) |
| Gain on derivative components of convertible bonds | | | | | | | 884 |
| Loss from changes in fair value of investments held for trading | | | | | | | (27,328) |
| Share of results of associates | | | | | | | (58,723) |
| Finance costs | | | | | | | <u>(1,483)</u> |
| Profit before taxation | | | | | | | <u>476,060</u> |

Inter-segment sales are charged at prevailing market prices.

Segment result represents the profit earned by each segment without allocation of other income, central administration costs, directors' salaries, share of results of associates, changes in fair value on investments held for trading and derivative components of convertible bonds and finance costs. This is the measure reported to the executive directors, the Group's chief operating decision maker, for performance assessment and resource allocation.

No analysis of the Group's assets and liabilities by reportable segments is disclosed as it is not regularly provided to the executive directors for review.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCE COSTS

| | Six months ended | |
|---|------------------|---------------|
| | 30.6.2013 | 30.6.2012 |
| | HK\$'000 | HK\$'000 |
| Interest on bank borrowings | | |
| – wholly repayable within five years | 2,765 | 9,865 |
| – not wholly repayable within five years | 6,343 | – |
| Effective interest expense on convertible bonds | – | 800 |
| Others | – | 38 |
| | <u>9,108</u> | <u>10,703</u> |
| Less: Amount capitalised to property under construction | – | (5,532) |
| Amount capitalised to investment properties under construction | – | (3,688) |
| | <u>9,108</u> | <u>1,483</u> |

5. TAXATION

| | Six months ended | |
|--|------------------|----------------|
| | 30.6.2013 | 30.6.2012 |
| | HK\$'000 | HK\$'000 |
| The charge comprises: | | |
| Current tax | | |
| Hong Kong Profits Tax | | |
| Underprovision in prior years | – | 65 |
| PRC Enterprise Income Tax | 24,716 | 25,524 |
| PRC land appreciation tax | 8,057 | 184 |
| Withholding tax on distribution of earnings of PRC subsidiaries | – | 24,893 |
| | <u>32,773</u> | <u>50,666</u> |
| Deferred taxation | 12,764 | 80,128 |
| | <u>45,537</u> | <u>130,794</u> |

No provision for Hong Kong Profits Tax had been made in the condensed consolidated financial statements as the amount involved was insignificant.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. TAXATION (Cont'd)

Taxation for subsidiaries of the Group, which were established and principally operated in the Shenzhen Special Economic Zone, is calculated at the rate of 25% (six months ended 30 June 2012: 25%) of their assessable profits for the six months ended 30 June 2013 according to the Law of PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

In addition, PRC land appreciation tax ("LAT") shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development. The Shenzhen local tax bureau has echoed by promulgating Shenfubanhuan [2005] No. 93 and Shendishuifa [2005], whereby among others, LAT should be seriously implemented towards sales of properties where contracts were signed on or after 1 November 2005. The management of the Group considers that it has complied with the rules of the aforementioned circulars and other official tax circulars in Shenzhen and LAT for the Group has been accrued accordingly.

Deferred taxation charge for the period represents deferred tax arising from revaluation of investment properties and undistributed profits of subsidiaries. Deferred taxation on undistributed profits of subsidiaries has been recognised taking into accounts the dividends to be distributed from profits earned by the subsidiaries in the PRC starting from 1 January 2008 under the relevant tax rules and regulations of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders.

At the date of issue of the condensed consolidated financial statements, Hong Kong Inland Revenue Department ("IRD") queried against a subsidiary of the Group regarding the chargeability of interest income received from an associate of the Group in the tax returns for the years of assessment 2005/06 to 2010/11. The IRD has issued estimated/additional assessments demanding final tax ("Assessments") to a subsidiary of the Company for the year of assessment 2006/2007. Up to 30 June 2013, the Group has purchased tax reserve certificates of approximately HK\$32,000,000 (31 December 2012: nil) for conditional standover order of objection against the notices of Assessments for the year of assessment 2006/2007 and the amount is included in other receivables. Having taken advices from legal counsel and tax representatives, the directors are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Group for the relevant years of assessments.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. PROFIT FOR THE PERIOD

| | Six months ended | |
|---|------------------|-----------|
| | 30.6.2013 | 30.6.2012 |
| | HK\$'000 | HK\$'000 |
| Profit for the period has been arrived at after charging: | | |
| Depreciation of property, plant and equipment | 4,667 | 4,413 |
| Release of prepaid lease payments | 669 | 51 |
| Exchange loss | - | 2,108 |
| and after crediting: | | |
| Interest income (included in other income) from: | | |
| - listed senior notes classified as investments held for trading | 1,162 | 1,286 |
| - bank deposits | 38,892 | 42,242 |
| - loan receivable, net of impairment loss | 46,499 | 169,659 |
| Exchange gain | 17,054 | - |

7. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the interim period. The directors have determined that no dividend will be paid in respect of the current interim period (six months ended 30 June 2012: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. EARNINGS PER SHARE

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

| | Six months ended | |
|---|-----------------------------|-----------------------------|
| | 30.6.2013 | 30.6.2012 |
| | HK\$'000 | HK\$'000 |
| Earnings for the purpose of basic earnings per share, being profit for the period attributable to owners of the Company | 15,360 | 286,698 |
| Effect of dilutive potential ordinary shares: | | |
| Gain on derivative components of convertible bonds | – | (884) |
| Interest on convertible bonds | – | 800 |
| | <u> </u> | <u> </u> |
| Earnings for the purpose of diluted earnings per share | <u>15,360</u> | <u>286,614</u> |
| | | |
| | Number of shares | |
| | 30.6.2013 | 30.6.2012 |
| Number of shares for the purpose of basic earnings per share | 3,541,112,832 | 3,541,112,832 |
| Effect of dilutive potential ordinary shares: | | |
| Convertible bonds | – | 22,727,273 |
| | <u> </u> | <u> </u> |
| Weighted average number of shares for the purpose of diluted earnings per share | <u>3,541,112,832</u> | <u>3,563,840,105</u> |

The computation of diluted earnings per share for the six months ended 30 June 2012 did not assume the exercise of the Company's outstanding options because the exercise prices of these options were higher than the average market price of shares for the six months ended 30 June 2012.

No diluted earnings per share for the six months ended 30 June 2013 have been presented as there were no potential ordinary shares outstanding during the period.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group incurred HK\$62,120,000 (six months ended 30 June 2012: HK\$66,884,000) on property, plant and equipment.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT PROPERTIES

| | <i>HK\$'000</i> |
|---|-------------------------|
| FAIR VALUE | |
| At 1 January 2013 | 2,492,685 |
| Exchange realignment | 42,709 |
| Increase in fair value of investment properties | <u>31,133</u> |
| At 30 June 2013 | <u><u>2,566,527</u></u> |

The fair values of the investment properties as at 30 June 2013 and 31 December 2012 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, and are the members of the Hong Kong Institute of Surveyors. The valuation of investment properties were arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions or, where appropriate, by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties.

11. AMOUNTS DUE FROM ASSOCIATES

The amounts are unsecured, interest-free and repayable on demand. The directors of the Company do not expect that the repayment will take place within twelve months from the end of the reporting period, and hence the amount is classified as a non-current asset.

12. DEPOSIT PAID FOR INVESTMENT

During the six months ended 30 June 2013, the Group made a deposit to independent third parties as to subscribe approximately 8% of the enlarged equity interest in an entity established in the PRC. The acquisition is not yet completed as the capital verification procedures are subject to approve.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. LOAN RECEIVABLE

| | 30.6.2013 | 31.12.2012 |
|-------------------------------|-------------------------|------------------|
| | HK\$'000 | HK\$'000 |
| Shareholder's loan receivable | <u>2,298,066</u> | <u>2,251,567</u> |

The amount represents shareholder's loan receivable from the Group's associate, Rockefeller Group Asia Pacific, Inc. ("RGAP"), for financing a property development project and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment in RGAP. The amount is carried at amortised cost based on the estimated future cash flows that are expected to be received by the Group as well as the estimates of the timing of such receipts. The loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

The Group has revised its estimates on the discounted future cash flow projections on the loan receivable. Accordingly, an impairment loss of HK\$131,784,000 (six months ended 30 June 2012: nil) that represents the difference between the loan receivable's carrying amount and the present value of the estimated future cash flows discounted at its original effective interest rate is recognised in profit or loss during the period. After netting off with the interest income recognised by the Group of HK\$178,283,000 (six months ended 30 June 2012: HK\$169,659,000) during the period, a net interest income of HK\$46,499,000 (six months ended 30 June 2012: HK\$169,659,000) is recognised in the condensed consolidated profit or loss and included as other income accordingly.

The directors have reviewed the carrying amount of loan receivable of HK\$2,298,066,000 (31.12.2012: HK\$2,251,567,000) and considered that this amount is fully recoverable.

14. STOCK OF PROPERTIES

| | 30.6.2013 | 31.12.2012 |
|------------------------------------|-----------------------|----------------|
| | HK\$'000 | HK\$'000 |
| Properties under development | 716,245 | 683,904 |
| Completed properties held for sale | <u>7,375</u> | <u>21,868</u> |
| | <u>723,620</u> | <u>705,772</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | 30.6.2013 | 31.12.2012 |
|--|-----------------------|-----------------------|
| | HK\$'000 | HK\$'000 |
| Trade receivables | 5,857 | 4,121 |
| Interest receivables | 4,095 | 15,241 |
| Advances paid for investment projects (Note) | 75,282 | 110,974 |
| Amount due from an investment company | 1,820 | 1,820 |
| Other receivables, deposits and prepayments | 80,094 | 35,098 |
| | <u>167,148</u> | <u>167,254</u> |

Note: In December 2012, the Group entered into a cooperative agreement (the "Agreement") with a company established in the PRC, and independent third party, for a proposed property development project in the PRC (the "Project") and advance RMB90,000,000. The amount was secured by personal guarantees provided by the independent persons and bore interest at 3% per month. The amount is repayable in 45 days if the conditions stated in the Agreement (i.e. submission of feasibility study report on the property development project) cannot be met. During the six months ended 30 June 2013, RMB30,000,000 is refunded. In 28 May 2013, a supplemental agreement is signed among all relevant parties and the due date of the Agreement is extended to 29 October 2013. If the conditions stated in the Agreement cannot be met on 29 October 2013, the remaining advance of RMB60,000,000 (equivalent to approximately HK\$75,282,000) will be due immediately.

The Group allows an average credit period ranging from 0 to 60 days to its customers. The following is an ageing analysis of trade receivables presented based on the invoice date, which is approximate to respective recognition date, at the end of reporting period:

| | 30.6.2013 | 31.12.2012 |
|----------------|---------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| 0 to 60 days | 5,047 | 3,402 |
| 61 to 180 days | 486 | 432 |
| Over 181 days | 324 | 287 |
| | <u>5,857</u> | <u>4,121</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

| | 30.6.2013 <i>HK\$'000</i> | 31.12.2012 <i>HK\$'000</i> |
|--------------------------------------|-------------------------------------|-------------------------------|
| Trade payables | 141,751 | 217,515 |
| Other payables for construction work | 186,048 | 176,041 |
| Deposits and receipts in advance | 118,891 | 97,896 |
| Other payables and accrued charges | 136,779 | 156,463 |
| | <u>583,469</u> | <u>647,915</u> |

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

| | 30.6.2013 <i>HK\$'000</i> | 31.12.2012 <i>HK\$'000</i> |
|-----------------|-------------------------------------|-------------------------------|
| 0 to 90 days | 73,119 | 36,369 |
| 91 to 180 days | 6,880 | 47,886 |
| 181 to 360 days | 42,421 | 13,826 |
| Over 360 days | 19,331 | 119,434 |
| | <u>141,751</u> | <u>217,515</u> |

17. SHARE CAPITAL

| | Number of shares | Amount HK\$'000 |
|------------------------------------|-----------------------------|----------------------------|
| Ordinary shares of HK\$0.10 each | | |
| Authorised: | | |
| At 1 January 2013 and 30 June 2013 | <u>6,000,000,000</u> | <u>600,000</u> |
| Issued and fully paid: | | |
| At 1 January 2013 and 30 June 2013 | <u>3,541,112,832</u> | <u>354,111</u> |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

| Name of related party | Nature of transaction | Six months ended | |
|---|---------------------------------------|-----------------------|-----------------------|
| | | 30.6.2013 HK\$'000 | 30.6.2012 HK\$'000 |
| Associates: | | | |
| RGAP | Interest income on shareholder's loan | 46,499 | 169,659 |
| Shanghai Bund de Rockefeller Group Master Development Co., Ltd. | Project management fee income | <u>13,170</u> | <u>13,098</u> |

During the current interim period, the emoluments of key management personnel were HK\$7,848,000 (six months ended 30 June 2012: HK\$6,196,000).

19. CONTINGENT LIABILITIES

| | 30.6.2013 HK\$'000 | 31.12.2012 HK\$'000 |
|---|-----------------------|------------------------|
| Guarantees given to banks for the mortgage loans arranged for the purchases of the Group's properties | <u>61,577</u> | <u>63,296</u> |

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts at initial recognition were not significant and it is not probable that the counterparties would default on the relevant loans.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. COMMITMENTS

| | 30.6.2013 HK\$'000 | 31.12.2012 HK\$'000 |
|--|-----------------------|------------------------|
| Capital commitments in respect of properties under construction: | | |
| – contracted for but not provided in the condensed consolidated financial statements | <u>9,702</u> | <u>26,683</u> |
| – authorised but not contracted for | <u>196,536</u> | <u>197,755</u> |
| Commitments in respect of stock of properties under development: | | |
| – contracted for but not provided in the condensed consolidated financial statements | <u>126,158</u> | <u>130,062</u> |

21. PLEDGE OF ASSETS

At 30 June 2013, bank deposits of HK\$5,775,000 (31.12.2012: HK\$5,666,000) and investment properties with an aggregate carrying amount of HK\$1,240,903,000 (31.12.2012: HK\$496,917,000) were pledged to banks to secure general banking facilities granted to the Group.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Financial assets | Fair value as at | | Fair value hierarchy | Valuation techniques and key input(s) | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|--|---|--|----------------------|---------------------------------------|---------------------------------|---|
| | 30.6.2013 | 31.12.2012 | | | | |
| | HK\$'000 | HK\$'000 | | | | |
| Investments in listed equity securities classified as investments held for trading in the condensed consolidated statement of financial position | Listed equity securities – HK\$220,403,000 | Listed equity securities – HK\$257,379,000 | Level 1 | Quoted bid prices in an active market | N/A | N/A |