C C LAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM REPORT

Stock Code: 1224

2013

Contents

	Page(s)
Corporate Information	2
Management Discussion and Analysis	3
Projects Profile and Update	13
Disclosure of Interests	16
Other Information	18
Consolidated Statement of Profit or Loss	20
Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	24
Condensed Consolidated Statement of Cash Flows	26
Notes to Condensed Consolidated Financial Statements	27

Corporate Information

DIRECTORS

Executive directors
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Non-executive director
Mr. Wong Yat Fai

Independent non-executive directors
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Prof. Wong Lung Tak Patrick

AUDIT COMMITTEE

Mr. Lam Kin Fung Jeffrey *(Chairman)*
Mr. Leung Yu Ming Steven
Prof. Wong Lung Tak Patrick

NOMINATION COMMITTEE

Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Prof. Wong Lung Tak Patrick

REMUNERATION COMMITTEE

Mr. Leung Yu Ming Steven *(Chairman)*
Mr. Cheung Chung Kiu
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Prof. Wong Lung Tak Patrick

AUTHORISED REPRESENTATIVES

Dr. Lam How Mun Peter
Mr. Leung Chun Cheong

COMPANY SECRETARY

Ms. Cheung Fung Yee

WEBSITE

www.ccland.com.hk

STOCK CODE

1224

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

BRANCH OFFICE

15th Floor
China United Centre
28 Marble Road
North Point, Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

Hong Kong
Cheung, Tong & Rosa

Bermuda
Conyers Dill & Pearman

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

Hong Kong branch share registrar and transfer office
Tricor Secretaries Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of Chongqing Co., Ltd.
Bank of Communications Co., Ltd.
Chong Hing Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Wing Lung Bank Limited

On behalf of the Board of Directors (the "Directors" or the "Board") of C C Land Holdings Limited (the "Company"), I am pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013.

BUSINESS REVIEW

During the period under review, the world economy remained volatile. China's economy still expanded at a GDP growth of 7.6% in the first half of 2013. The real estate market in China has maintained a stable growth with the continued urbanization process. Indeed it is full of challenges and opportunities.

Year 2013 is another growth year for the Group. The total completion area for 2013 is expected to be about 1.2 million sqm which is about 17% more than last year. As most of the projects scheduled for completion in 2013 are planned for completion in the second half year, the Group recorded only a revenue of HK$1,324.7 million during the first half of 2013 — a substantial decrease of approximately 64% from that of the same period last year. The gross floor area ("GFA") delivered during the period was 113,100 sqm which represents a drop of 74% when compared with the same period last year. During the period, two projects were completed on schedule, namely L'Ambassadeur Phase III and Villa Royale Phase II, as compared to six projects in the corresponding period last year. A net profit of HK$85.5 million for the Group was recorded during the reporting period, representing a decrease of approximately 71% from that of the same period last year. The average selling price ("ASP") of recognized sales increased by 32% to RMB9,220 per sqm. The booked gross profit margin of the property business improved to 43% which is 12 percentage points higher than that of the first half of 2012. The improvement in the ASP and gross profit margin is due to different product mixes delivered during the first half of 2012 and 2013 respectively. The two newly completed projects in the first half of 2013 are high-end residential projects which carried higher ASP and higher gross profit margin. In addition, more commercial units were delivered during the period and their selling prices were higher than those of residential property and yielded a higher gross profit margin. The gross profit margins of residential and non-residential property are about 39% and 60% respectively.

The profit attributable to shareholders for the period reached approximately HK$115.5 million (six months ended 30 June 2012: HK$204.8 million) representing a decrease of 44% as compared to the same period last year. The basic earnings per share for the period were HK4.46 cents (six months ended 30 June 2012: HK7.91 cents).

Recognized Revenue

The recognized sales revenue by projects for the six months ended 30 June 2013 is detailed as follows:

Locations	Projects	Usage	GFA (sqm)	Sales Revenue Net of Business Tax (RMB'000)	ASP Net of Business Tax (RMB)	The Group's Interest
Chongqing	L'Ambassadeur Phases I, II & III	Residential	40,600	314,300	7,750/sqm	100%
		Commercial	2,800	34,600	12,400/sqm	
	i-City Phases I, II & III	Residential	8,800	76,000	8,660/sqm	100%
		Commercial	600	13,900	23,180/sqm	
		Car Park	2,000	6,700	115,100/unit	
	One Central Midtown	Residential	500	3,800	7,710/sqm	100%
		Commercial	1,800	52,800	29,690/sqm	
	Mansions on the Peak	Residential	2,300	65,100	28,800/sqm	100%
	Phoenix County Phase I	Residential	4,300	46,600	10,740/sqm	100%
	Verakin New Park City — Zones J & W	Residential	2,100	20,200	9,620/sqm	51%
		Commercial	1,300	21,600	16,150/sqm	
	Others	Residential/ Office/ Commercial/ Car Park	4,600	19,200		

Locations	Projects	Usage	GFA (sqm)	Sales Revenue Net of Business Tax (RMB'000)	ASP Net of Business Tax (RMB)	The Group's Interest
Chengdu	Villa Royale Phases I & II	Residential	26,500	264,900	9,980/sqm	51%
		Car Park	6,800	24,000	136,230/unit	
	Sky Villa Phase II	Residential	3,100	49,200	16,010/sqm	51%
	Others	Residential/ Car Park	1,700	9,100		
Kunming	Silver Lining	Residential	1,100	10,100	9,800/sqm	70%
		Car Park	2,200	10,400	145,970/unit	
TOTAL			113,100	1,042,500		

In terms of location, Chongqing accounted for 65% (six months ended 30 June 2012: 79%) and 63% (six months ended 30 June 2012: 83%) of the recognized revenue and booked area respectively, while Chengdu, and Kunming accounted for the remaining 35% (six months ended 30 June 2012: 21%) and 37% (six months ended 30 June 2012: 17%) of the recognized revenue and booked area. In terms of usage, about 83% (six months ended 30 June 2012: 94%) was for residential and the balance was for non-residential purposes.

As at 30 June 2013, the unrecognized revenue was approximately RMB13.5 billion, representing area pre-sold of 1,727,000 sqm, out of which, about RMB5.8 billion are from projects which are completed or expected to be completed in the second half of 2013. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the property delivered to the purchaser. This has laid a solid foundation for the second half of 2013.

The total GFA completed by the Group in the period under review amounted to approximately 161,700 sqm. Details are as follows:

Projects	Usage	GFA (sqm)	Percentage of Area Sold as at 30 June 2013	The Group's Interest
Chongqing				
L'Ambassadeur Phase III	Residential	77,800	77%	100%
	Others	22,500		
Chengdu				
Villa Royale Phase II	Residential	51,500	59%	51%
	Others	9,900	60%	
TOTAL		161,700		

Contract Sales

Facing global economic uncertainties, China has maintained its macro-economic policies in order to enhance its economic growth. The residential markets in cities where the Group operates continued to improve and home demand remained strong during the period under review. The demand for new homes for own use and/or investment rose as the urbanization drive continued to intensify. As a consequence, the Group saw increases in both the transaction volume and sales prices.

For the six months up to 30 June 2013, in spite of the uncertain economic environment, the Group still recorded contract sales of RMB4,663.2 million (six months ended 30 June 2012: RMB2,816.2 million), representing an increase of 66% from that of the corresponding period in 2012, achieving about 53% of the sales target of RMB8.8 billion for 2013. The total contract sales area reached approximately 545,500 sqm of GFA (six months ended 30 June 2012: 372,500 sqm), representing an increase of 46% from that of the corresponding period last year. The overall ASP of contract sales increased by 12% to RMB8,500 per sqm in the first half of 2013 from RMB7,600 per sqm for the same period of 2012. The increase was mainly attributed to the change in product mix as compared with the corresponding period last year, with a higher proportion of contract sales of commercial and office units which carried higher ASPs.

Sixteen projects were launched during the period, out of which, there were three new projects, namely Zhongyu Plaza in Chongqing, Sky Villa Condominiums and Residence du Paradis in Chengdu.

The breakdown of the contract sales in the first half of 2013 is as follows:

Projects	Usage	Approximate Contract Sales Area (sqm)	Approximate Contract Sales Revenue (RMB'000)	Approximate Contract ASP Before Business Tax (RMB)
Chongqing				
L'Ambassadeur Phases I, II, III & IV	Residential	23,900	221,700	9,300/sqm
	Commercial	2,500	56,700	22,800/sqm
Verakin New Park City — Zones J, K, L, M, O & P	Residential	60,000	444,500	7,400/sqm
	Commercial	3,400	72,800	21,300/sqm
Bishan Verakin New Park City — Zones A & B	Residential	50,200	259,800	5,200/sqm
	Commercial	6,300	121,900	19,200/sqm
i-City Phases I, II & III	Residential	8,500	59,600	7,000/sqm
	Commercial	1,800	44,800	25,200/sqm
	Office	1,700	19,400	11,600/sqm
	Car Park	1,000	3,800	129,600/unit
Riverside One, Wanzhou Phases II & III	Residential	29,600	153,500	5,200/sqm
	Commercial	700	8,700	12,200/sqm
	Car Park	5,000	13,700	88,000/unit
Phoenix County Phases I, II & III	Residential	52,000	415,900	8,000/sqm
Academic Heights Phases I & II	Residential	42,800	218,100	5,100/sqm
Zhongyu Plaza	Office	39,400	648,200	16,500/sqm
Others	Residential/ Commercial/ Car park	1,200	26,300	
		330,000	2,789,400	
Chengdu				
Sky Villa Phases II & III	Residential	21,200	352,700	16,600/sqm
	Car Park	1,900	6,800	135,200/unit
Sky Villa Condominiums	Residential	23,000	228,300	9,900/sqm
Brighton Place & Plaza Phases I , II, III, IV & V	Residential	1,100	9,100	8,400/sqm
	Commercial	1,800	81,300	46,000/sqm
	Office	8,900	75,200	8,400/sqm
Villa Royale Phases I & II	Residential	19,600	200,100	10,200/sqm
	Car Park	4,900	18,300	150,000/unit
Residence du Paradis Phase I	Residential	47,300	304,300	6,400/sqm
Others	Residential	1,300	7,400	
		131,000	1,283,500	
Guiyang				
First City, Guiyang Phases I, II & III	Residential	32,300	220,800	6,800/sqm
	Commercial	3,200	57,100	17,900/sqm
	Office	14,200	135,700	9,500/sqm
		49,700	413,600	
Other Districts				
Silver Lining	Residential	1,200	10,900	9,500/sqm
	Car Park	700	3,600	157,000/unit
Dazhou Project Phase I	Residential	32,900	162,200	4,900/sqm
		34,800	176,700	
TOTAL		545,500	4,663,200	

For the contract sales in the first half of 2013, about 60%, 27%, 9% and 4% came from Chongqing, Chengdu, Guiyang and other districts respectively. The ASPs breakdown by location is as follows:

ASP (RMB per sqm)	First Half of 2013	First Half of 2012	Percentage change
Chongqing	8,500	7,000	+21%
Chengdu	9,800	8,900	+10%
Guiyang	8,300	7,600	+9%
Others	5,100	5,000	+2%
Overall for the Group	8,500	7,600	+12%

In terms of usage, about 70% were for residential and 30% for non-residential properties. The ASPs breakdown by usage is as follows:

ASP (RMB)	First Half of 2013	First Half of 2012	Percentage change
Residential (per sqm)	7,300	7,600	-4%
Commercial (per sqm)	22,700	23,100	-2%
Office (per sqm)	13,700	11,500	+19%
Carparks (per unit)	121,300	104,100	+17%

As at 30 June 2013, the Group recorded RMB1,033 million of subscription sales which will be converted to contract sales in the coming months.

Land Bank

To support sustainable development, the Group continued to keep a close watch on the land market for opportunities to replenish or augment its land bank. During the period under review, the following land lots were acquired, either through public auction arranged by the government or through acquisition of project companies with land use rights from private parties. The Group's first project in Xi'an was acquired during the period. Three new sites with a total planned GFA of about 2.4 million sqm were added to the land bank of the Group for a total consideration of RMB1.8 billion. The majority of the units to be built will be small to medium-sized units which target the first time home buyers. The average GFA cost was around RMB750 per sqm.

	Land Location	Acquisition Month	Usage	Consideration (RMB million)	Planned GFA (sqm)	Unit Land Cost (RMB)	The Group's Interest
1.	Wudang Disrtrict, Guiyang	February	Residential & Commercial	330	444,000	740	85%
2.	Hefei Road, Guiyang	May	Residential & Commercial	919	1,313,000	700	85%
3.	Weiyang District, Xi'an	May	Residential & Commercial	550	640,000	860	100%
				1,799	2,397,000	750	

As at 30 June 2013, the Group has land lots in five cities, namely Chongqing, Chengdu, Guiyang, Xi'an and Dazhou. The Group's strategy to expand its business to other key cities in Western China has enabled it to benefit from the economic growth in the region and diversify.

In January 2013, the Group completed the disposal of all of its 60% interest in the Villa Splendido Project in Yutang Town, Dujiangyan District, Chengdu at a consideration of about RMB331.9 million. The disposal represented an opportunity for the Group to realize its project investment with an attractive return. The disposal resulted in a gain of approximately HK$171.9 million. The received proceeds were used to finance land bank acquisitions.

As at the report date, the Group's land bank held for development stood at 15.4 million sqm GFA (attributable GFA amounting to about 11.3 million sqm) which is sufficient for the Group's five to six years' development. The average GFA cost is around RMB1,950 per sqm.

As at the report date, the Group's land bank has a well-diversified portfolio. The breakdown by usage is as follows:

Usage	Completed Properties held for Investment GFA (sqm)	Properties held for Own Use GFA (sqm)	Completed Properties held for Sale GFA (sqm)	Land held for Development GFA (sqm)		Total GFA (sqm)	Percentage of Total GFA
				Total	Attributable		
Commercial	28,000	12,000	79,000	2,034,000	1,676,000	2,153,000	13.3
Residential	2,000		187,000	7,501,000	5,003,000	7,690,000	47.3
Office			2,000	1,795,000	1,471,000	1,797,000	11.0
Hotel & serviced apartment			11,000	170,000	120,000	181,000	1.1
Townhouse & villa			125,000	597,000	444,000	722,000	4.4
Others (Car park and other auxiliary facilities)	56,000	11,000	320,000	3,337,000	2,635,000	3,724,000	22.9
TOTAL	86,000	23,000	724,000	15,434,000	11,349,000	16,267,000	100.0

In terms of usage, about 53% of the land held for development is for residential, serviced apartments as well as townhouse and villa development and the remaining 47% for office, commercial, hotel, and other developments. In respect of the total 312,000 sqm completed residential and townhouse & villa properties held for sale, about 56% have been pre-sold and are pending delivery.

The breakdown of the land bank held for development by location is as follows:

Locations	Total GFA (sqm)	Attributable GFA (sqm)	Percentage of Total GFA
Chongqing	9,057,000	6,533,000	58.7
Sichuan			
— Chengdu	2,242,000	1,143,000	14.5
— Dazhou	413,000	413,000	2.7
Guizhou			
— Guiyang	3,082,000	2,620,000	20.0
Xi'an	640,000	640,000	4.1
TOTAL	15,434,000	11,349,000	100.0

Around 59% of the land bank held for development is located in Chongqing whilst 41% is in Chengdu, Dazhou, Guiyang and Xi'an.

There were 18 projects in different stages of development during the period. The new construction area for the first half of 2013 was 1.3 million sqm. The total area under construction as at 30 June 2013 was about 5.0 million sqm which is about 32% of the Group's total land bank.

As at the report date, the details of the Group's land bank held for development are as follows:

Locations/Project Names	Expected Completion Date	GFA (sqm)	The Group's Interest
Chongqing, Yubei District			
— Phoenix County	2013 – 2016	328,000	100%
— Zhongyu Plaza	2014 – 2015	420,000	100%
— L'Ambassadeur	2014	103,000	100%
— Residence Serene	2015 or after	296,000	100%
— Lot #17-1	2015 or after	210,000	100%
— Lot #9	2015 or after	656,000	100%
— Lot #4	2015 or after	749,000	100%
— Lot #3-1	2015 or after	361,000	100%
— Xinpaifang	2015 or after	26,000	100%
— Others	2015 or after	91,000	100%
Chongqing, Jiangbei District	2014 or after	1,030,000	25%
Chongqing, Nan'an District			
— Verakin New Park City	2013 – 2017	1,189,000	51%
— Ertang Project	2015 or after	598,000	26%
Chongqing, Wanzhou District			
— Riverside One, Wanzhou	2014	237,000	100%
— Wanzhou Project	2015 or after	412,000	100%
Chongqing, Shapingba District			
— Academic Heights	2013 – 2015	509,000	100%
Chongqing, Bishan County, Ludao New District			
— Bishan Verakin New Park City	2014 or after	830,000	26%
Chongqing, Rongchang County			
— Verakin Riviera	2015	152,000	25%
Chongqing, Zhaomu Mountain Area	2015 or after	860,000	100%
Chengdu, Jinjiang District			
— Sky Villa	2013 – 2016	276,000	51%
— Sky Villa Condominiums	2015	125,000	51%
Chengdu, Shuangliu County			
— Villa Royale	2015 or after	142,000	51%
Chengdu, Qingyang District			
— Brighton Place & Plaza	2014 – 2015	369,000	51%
Chengdu, Yizhou Avenue			
— Celestial Centre	2015 or after	117,000	51%
Chengdu, Huafu Avenue			
— Residence du Lac	2015 or after	399,000	51%
Chengdu, LongQuan Yi District			
— Residence du Paradis	2015 or after	814,000	51%
Sichuan, Dazhou, Tongchuan District			
— Dazhou Project	2013 – 2015	413,000	100%
Guiyang, Guanshanhu District			
— First City, Guiyang	2013 or after	1,325,000	85%
Guiyang, WuDang District	2015 or after	444,000	85%
Guiyang, Hefei Road	2015 or after	1,313,000	85%
Xi'an, Weiyang District	2015 or after	640,000	100%
TOTAL		15,434,000	

Investment Property

The occupancy of the Group's rental portfolio stayed at around 73%. The total attributable gross rental income from the investment properties amounted to approximately HK$9.6 million for the period ended 30 June 2013 (six months ended 30 June 2012: HK$8.0 million).

As of 30 June 2013, a portfolio of approximately 85,686 sqm in GFA of completed investment properties was held by the Group (31 December 2012: 82,923 sqm), consisting of commercial properties (33%), residential properties (2.7%), and car parks/auxiliary facilities (64.3%).

As of 30 June 2013, the book value of the investment properties of the Group totalled HK$409.1 million (31 December 2012: HK$379.9 million), of which HK$15.5 million arose from increase in fair value.

Investment Property Under Development

Due to its superior location, maturity, and other qualities, the Group's core land bank in the Yubei district is developing into one of the most important city centres in Chongqing.

Four commercial land lots are situated in the core land bank, namely, Lot Nos. 3, 4, 9 and 10 which have been earmarked for development as separate but interlinked projects, consisting of commercial, hotels, and residential complexes.

Different phases of Lot No.10 are currently under development. One Central Midtown and 9 Central Midtown were completed in 2011. All 3 office towers and the shopping mall of the remaining phases are expected to be completed by 2014. The Group has also formed a strategic partnership with New World China Land Limited ("NWCL") to jointly develop a 5-star luxury hotel and office tower on this lot. The interest of this jointly developed project is held as to 80% by the Group and 20% by NWCL. The office tower and hotel of this project has an aggregate GFA of approximately 97,000 sqm and is scheduled to be completed by the year of 2014 and 2015 respectively. The 5-star luxury hotel will be managed by a well known world-class hotel operator.

Preliminary foundation work has started for Lot No.4. This important land lot will be developed to create a top-tier integrated commercial complex, including Grade A office buildings, entertainment centres, cinemas and retail stores. The Group signed a pre-leasing agreement with a high-end department store operator, Taiwan Shin Kong Mitsukoshi, in April 2013. This marked the entry of Shin Kong Mitsukoshi with its well known brand "Shin Kong Place" into Chongqing. It is expected to commence operation in late 2016 with a total GFA of around 250,000 sqm.

The Group intends to keep the trophy commercial properties for rental purposes and is expected to build up the investment property portfolio for long term rental income in the coming years.

Treasury Investment

The treasury investments recorded a loss of HK$17.0 million after disposal part of the investments during the period (six months ended 30 June 2012: a gain of HK$14.2 million including HK$87.7 million realized on the partial disposal of available-for-sale investments held by the Group). The dividend and interest income from investment in notes receivable totalled HK$12.0 million (six months ended 30 June 2012: HK$6.7 million). The realized and unrealized loss on listed securities amounted to HK$2.5 million and HK$26.2 million respectively (six months ended 30 June 2012: realized and unrealized loss on listed securities of HK$7.4 million and HK$71.7 million respectively).

To target strategic investment with growth potential, and in view of the shrinking interest returns on deposits, the Group continued to invest its surplus cash in a portfolio of listed securities and unlisted investment funds. To maintain a prudent treasury investment portfolio, the value of the portfolio is maintained at below 10% of the total asset of the Group.

As at 30 June 2013, the value of the portfolio was HK$515.9 million which is about 1% of the total assets of the Group.

CORPORATE STRATEGY AND OUTLOOK

Despite the "Five National Regulations on the Property Market" announced by the Central Government in early March of 2013 to curb the surge of property price and speculative property investment, developers with projects focused on areas of high end-user demand should not be affected in the long term. The need for new housing and the desire for improved living environment continue to push up the transaction volume and property prices.

While the property market is expected to face certain uncertainties in 2013, the Group is optimistic about its future prospect due to the strong end-user demand from first time home buyers and upgraders as well as the policy of accelerated urbanization akin to its region of operation, namely Western China.

After years of investment, the Group has laid a solid foundation for further future growth. The Group will adhere to its prudent strategy of building up an investment property portfolio funded partly by proceeds from the sales of residential properties and keeping a balance between property sales revenue and rental income from the investment property portfolio.

As at 30 June 2013, the contract sales yet to be recognized amounted to RMB13,470 million, representing a pre-sold GFA of 1,727,000 sqm. Together with the contract sales in July 2013 of RMB730 million, representing 79,600 sqm, the total unrecognized contract sales to be delivered in 2013 and beyond amounted to RMB14,200 million.

According to the completion schedule, the Group anticipates 6 projects will be completed and delivered in the second half of 2013. The target completion areas for the second half of 2013 and year 2014 are 1,039,000 sqm and 1,538,000 sqm respectively, out of which 80% and 82% of the target completion residential areas have been pre-sold respectively as at 31 July 2013. The target completion area of 2014 is about 28% higher when compared with the 2013 target completion area of 1.2 million sqm. The high pre-sold rate for the completion area for the second half of 2013 and 2014 demonstrates the Group's strong sales capability, and the popularity of its products.

The completion schedule for the second half of 2013 and year 2014 is as follows:

Locations	Projects	Residential Area (sqm)	Commercial/ Car park/ Other Area (sqm)	Total Area (sqm)	The Group's Interests
Second Half of 2013					
Chongqing	Phoenix County Phase II	17,000	—	17,000	100%
	Academic Heights Phase I	104,000	34,000	138,000	100%
	Verakin New Park City — Zone K	42,000	1,000	43,000	51%
	Verakin New Park City — Zone N	174,000	59,000	233,000	51%
	Verakin New Park City — Zone P	79,000	20,000	99,000	51%
	Verakin New Park City — Zone L	67,000	21,000	88,000	51%
Chengdu	Sky Villa Phase II	45,000	16,000	61,000	51%
Dazhou	Dazhou Project Phase I	133,000	43,000	176,000	100%
Guiyang	First City, Guiyang Phase I	91,000	93,000	184,000	85%
TOTAL		752,000	287,000	1,039,000	
Year 2014					
Chongqing	Phoenix County Phase III	100,000	24,000	124,000	100%
	Zhongyu Plaza	—	247,000	247,000	100%
	L'Ambassadeur Phase IV	71,000	32,000	103,000	100%
	Riverside One, Wanzhou Phase III	182,000	55,000	237,000	100%
	Academic Heights Phase II	116,000	49,000	165,000	100%
	Verakin New Park City — Zone M	194,000	40,000	234,000	51%
	Verakin New Park City — Zone O	22,000	14,000	36,000	51%
	Bishan Verakin New Park City — Zone B	121,000	33,000	154,000	26%
Chengdu	Brighton Place & Plaza Phase I to Phase IV	169,000	69,000	238,000	51%
TOTAL		975,000	563,000	1,538,000	

As at 30 June 2013, the Group has 18 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in the second half of 2013 to be around 1.4 million sqm. Together with the area under construction of 5.0 million sqm as at 30 June 2013, the total area under development at the end of 2013 is expected to be over 6.4 million sqm — about 42% of the Group's total land bank. In order to support a healthy and sustainable growth, the Group will closely monitor the land market and make acquisition as appropriate. Besides increasing its presence in Chongqing, Chengdu, Guiyang and Kunming, the Group has entered Xi'an, and will continue to look for suitable land lots in other Western China cities for diversification. The Group will also look for joint-venture projects or takeover opportunities with an aim to enhance the Group's overall profitability in the coming years. The Group will maintain a land bank policy of keeping its land bank sufficient for the next 5 to 6 years' development.

As at 30 June 2013, the outstanding land premium is about RMB3.6 billion and about RMB1.8 billion is expected to be payable in the second half of 2013. The expected construction cost for the second half of 2013 is about RMB3.8 billion. The Group will continue to be prudent in its cash flow management and keep its gearing at a healthy level.

Looking ahead, the Group is committed to maintaining its competitive position in the property business. In order to maximize values and generate greatest returns for its shareholders, operational efficiency will continue to be enhanced. The Group is confident of achieving the sales target of RMB8.8 billion for the year.

FINANCIAL REVIEW

Investments

At 30 June 2013, the Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by companies listed on the Stock Exchange) with a carrying value of HK$515.9 million (31 December 2012: HK$699.2 million). Owing to the price fluctuation in the Hong Kong stock market for the period under review, the Group recorded an unrealized fair value loss of HK$26.2 million on listed investment. The amount of dividends and interest income from investments for the period was HK$13.3 million (six months ended 30 June 2012: HK$11.4 million).

Liquidity and Financial Resources

As of 30 June 2013, the Group had maintained a sound financial position and had aggregate cash and bank balances and time deposits amounting to HK$7,044.9 million (31 December 2012; HK$8,172.8 million) which included HK$414.3 million (31 December 2012: HK$1,572.4 million) of deposit pledged to banks. Of the cash and bank balances, the carrying amount of the restricted cash was approximately HK$2,579.6 million (31 December 2012: approximately HK$2,953.9 million). Pursuant to relevant regulations, the Group was required to deposit the proceeds from the pre-sales of properties into designated bank accounts to cover payment of expenditures in relation to the respective project development.

As at 30 June 2013, the Group's working capital (current assets less current liabilities) amounted to approximately HK$7,076.6 million (31 December 2012: HK$5,469.0 million). The Group's current ratio (current assets over current liabilities) was 1.3 times (31 December 2012: 1.25 times). The unutilized banking facilities of the Group amounted to HK$1,554 million as at 30 June 2013.

The Group drew down HK$2.8 billion of the HK$3.4 billion facility during the period to repay the remaining balance of HK$1.9 billion of the syndicated loan and HK$0.9 billion bridging loan obtained in late 2012. In addition, a term loan facility of HK$500 million was concluded in June 2013 for financing land bank requisitions. Total borrowings amounted to HK$9,823.5 million (31 December 2012: HK$9,816.3 million). About 63% of the total borrowings are in RMB and the remaining 37% are in Hong Kong Dollars. About 44% are repayable within one year and the remaining 56% are long term borrowings. The average borrowing interest rate for the period ended 30 June 2013 was 6.48% (six months ended 30 June 2012: 5.26%) per annum. Finance costs charged to the consolidated statement of profit or loss for the six months ended 30 June 2013 amounted to HK$25.6 million (six months ended 30 June 2012: HK$25.8 million) after capitalization of HK$298.2 million (six months ended 30 June 2012: HK$170.1 million) into the cost of properties under development.

The structure of the Group's bank borrowings as at 30 June 2013 is summarized below:

Currency of Bank Loans	Total	Due within One Year	Due more than One Year but not exceeding Two Years	Due more than Two Years but not exceeding Five Years	Beyond Five Years
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
RMB	6,201.9	3,560.2	704.0	1,875.6	62.1
HK$	3,621.6	750.7	932.5	1,938.4	—
	9,823.5	4,310.9	1,636.5	3,814.0	62.1

Secured debts accounted for approximately 67% of total borrowings as at 30 June 2013 (31 December 2012: 75%).

As at 30 June 2013, the Group was at a net borrowing position of HK$2,778.6 million (31 December 2012: HK$1,643.5 million). The details are as follows:

	30 June 2013 HK$'M	31 December 2012 HK$'M
Cash and bank balances and time deposits	**7,044.9**	8,172.8
Less: Total bank and other borrowings	**(9,823.5)**	(9,816.3)
Net borrowing position	**(2,778.6)**	(1,643.5)

The increase in the net borrowing balance is for the payment of land premium of about RMB1.9 billion and the payment of construction costs of RMB2.3 billion in the first half of 2013. The net gearing ratio of the Group as at 30 June 2013 was 20.6% (31 December 2012: 12.4%) calculated by total borrowings less bank balances and cash divided by owners' equity. The cash collection ratio for the property business was 77% during the period under review.

The owners' equity was HK$13.5 billion (31 December 2012: HK$13.2 billion) and the net assets value per share is HK$5.20 (31 December 2012: HK$5.12).

Contingent Liabilities/Financial Guarantees

At 30 June 2013, the Group had the following contingent liabilities/financial guarantees:

1. Guarantees given to banks in connection with facilities granted to a jointly-controlled entity in the amount of HK$451.1 million (31 December 2012: HK$455.0 million).

2. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$6,109.8 million (31 December 2012: HK$5,685.9 million).

Pledge of Assets

At 30 June 2013, the Group has pledged the following assets:

1.	Leasehold properties as security for general banking facilities granted to the Group.	HK$40.3 million
2.	Fixed deposits as security for general banking facilities granted to the Group.	HK$414.3 million
3.	Properties under development, prepaid land lease payments, completed properties held for sale and investment properties pledged to secure banking facilities granted to the Group.	RMB11,637.2 million

Exchange Risks

The Group's foreign exchange exposure is considered minimal given sales transactions and all major cost items are denominated in RMB. Therefore, the directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

EMPLOYEES

At 30 June 2013, the Group had approximately 1,749 employees in China and Hong Kong. The Group remunerates its staff based on their merit, qualification, work experience, competence and the prevailing market wage level. The Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. No equity-settled share option expense was charged off to the consolidated statement of profit or loss for the six months ended 30 June 2013 and 30 June 2012. Other benefits include contributions to mandatory provident fund and medical insurance.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013.

Save for the special interim dividend (see note 8 to the condensed consolidated financial statements for details), no interim dividend was recommended during the six months ended 30 June 2012.

CHONGQING PROJECTS

Verakin New Park City (同景國際城) — a high-end multi-phased residential and commercial project with a total GFA of about 2 million sqm. After deliveries of the earlier phases up to the date of this report, the remaining GFA is about 1.2 million sqm.

Zones P and N are high-rise apartment projects with a few commercial units. Their total GFA are 99,000 sqm and 233,000 sqm respectively. All the residential and commercial units of Zones P and N have been pre-sold since 2011. The residential and commercial ASPs of Zone P were RMB6,200 per sqm and RMB17,100 per sqm whereas the ASP for Zone N were RMB6,400 per sqm and RMB14,100 per sqm respectively. Both Zones P and N are scheduled to be completed in the second half of 2013.

Zone K is a high-end villa development with a total GFA of 43,000 sqm. As at 30 June 2013, 35,000 sqm residential GFA were launched for pre-sales and around 74% of the launched residential units have been pre-sold at an ASP of RMB13,600 per sqm. Zone K is expected to be delivered in the second half of 2013.

Construction works of Zones L, M and O are currently in progress. Zone L is a low-rise residential property project with a total GFA of 88,000 sqm, of which, a GFA of 46,000 sqm had been pre-sold at an ASP of RMB7,700 per sqm as at 30 June 2013. Zone M is a mixed villa and high-rise apartment development project with a total GFA of 234,000 sqm. Over 75% of the launched villas with a total GFA of 28,000 sqm and over 99% of the high-rise apartment units with a total GFA of 127,000 sqm of Zone M had been pre-sold at an ASP of RMB11,700 per sqm and RMB5,800 per sqm respectively as at 30 June 2013. Zone O is a high-rise apartment development project with a total GFA of 36,000 sqm. Over 98% of the residential element with a total area of 21,600 sqm was sold at an ASP of RMB5,900. Zone L is expected to be completed in the second half of 2013 and Zones M and O are expected to be completed in 2014.

Zones S and U with a total GFA of 199,000 sqm had obtained a preliminary planning permit issued by Chongqing Urban Planning Bureau. Construction works of both zones will commence in the second half of 2013.

L'Ambassadeur (山頂道國賓城) — a four-phased development project of high-rise apartments with a total GFA of 490,000 sqm. Phase I of about 132,000 sqm and Phase II of about 155,000 sqm were completed and delivered to the buyers in 2012. Phase III with a total GFA of 100,000 sqm was completed and delivery was started during the period. Around 77% of the Phase III residential area with a GFA of 60,000 sqm was sold at an ASP of RMB8,400 per sqm as at 30 June 2013. Phase IV with a total GFA of 103,000 sqm was under construction during the period. Around 99% of the residential area with a GFA of 70,000 sqm of Phase IV had been pre-sold at an ASP of RMB7,500 per sqm as at 30 June 2013. Phase IV is planned for completion in 2014.

One Central Midtown (都會首站), 9 Central Midtown (都會9號) and Zhongyu Plaza (中渝廣場) — a landmark development project in the Group's Yubei core land bank that provides a planned total GFA of 600,000 sqm.

Phase I comprising of One Central Midtown, 9 Central Midtown, retail spaces and car parking spaces with a total GFA of 180,000 sqm was completed in 2011.

Construction works of Phases II and III, named "Zhongyu Plaza" with a total GFA of 420,000 sqm, comprising of an up-market shopping mall, a 5-star hotel and three office towers were underway during the period. The three office towers are currently under pre-sales and 28% of the office area equalling a GFA of 39,000 sqm had been pre-sold as at 30 June 2013. The office towers of the project are expected to be completed in 2014.

Phoenix County (梧桐郡) — a high-end residential project including low-rise condominiums and high-rise apartments near the new Yubei train terminal with a total GFA of 405,000 sqm. Phase I with a total GFA of 77,000 sqm was completed and delivered in 2012. Construction works of Phases II and III with a total GFA of 94,000 sqm and 234,000 sqm respectively were underway as at 30 June 2013. Part of Phase II, a low-rise condominiums development, with a GFA of 17,000 sqm was launched for pre-sales during the period. A GFA of 14,400 sqm representing 85% of the launched area was pre-sold at an ASP of RMB11,200 per sqm. Phase III, a high-rise apartment development, has 97,000 sqm of residential area launched for pre-sales. About 75% of the launched units were pre-sold at an ASP of RMB7,400 per sqm as at 30 June 2013. The first batch of Phase II is planned for completion in the second half of 2013 and Phase III is scheduled to be completed in 2014 and 2015.

Riverside One, Wanzhou (濱江壹號) — a project located in the Jiangnan New District in Wanzhou for development into an integrated complex, consisting of low-rise residential property, high-rise apartments and retail outlets with a total GFA of 407,000 sqm. Both Phase I and Phase II which are low-rise residential properties were delivered in the previous years. Construction works of Phase III, a high-rise apartment development with a total GFA of 237,000 sqm, were in progress during the period. As at 30 June 2013, 72% residential area of Phase III of 131,000 sqm had been pre-sold at an ASP of RMB5,300 per sqm. Phase III is expected to be completed in 2014.

Academic Heights (春華秋實) — a three-phased high-end residential townhouse and high-rise apartment project situated in the Xiyong University City with a total GFA of 509,000 sqm. Xiyong University City is a satellite city of the municipality noted for its advanced urban design, and is designated to be an education, research and technology district. Construction of the first phase with a total GFA of 138,000 sqm and the second phase with a total GFA of 165,000 sqm were underway as at 30 June 2013. Townhouse residential area of 16,000 sqm and high-rise residential area of 62,000 sqm for Phase I had been pre-sold at an ASP of RMB5,700 per sqm and RMB4,800 per sqm respectively as at 30 June 2013. Phase I is planned for completion and delivery in the second half of 2013. Phase II was launched for pre-sales in the period. Over 80% of the launched units representing a GFA of about 73,700 sqm was pre-sold. Phase II is scheduled for completion in 2014. Phase III with a GFA of 206,000 sqm started construction during the period, pre-sales of which is expected in the second half of 2013.

Residence Serene (香奈公館) — a project situated at the Group's core land bank in the district of Xinpaifang, Yubei. The project is a two-phased high-end residential high-rise apartment and office project with a planned GFA of 296,000 sqm. It is divided into south and north zones for development. The north zone is a residential area that consists of 5 blocks of high-rise residential towers with a GFA of 181,000 sqm. The south zone is a commercial development project with a GFA of 115,000 sqm over 5 tower blocks. The south zone of the project has commenced its construction works during the period and the pre-sales of the office units will start in the second half of 2013.

Bishan Verakin New Park City (璧山 • 同景國際城) — a project located in the Ludao New District in Bishan County which is 5 minutes by car from the University City through the Bishan Tunnel and, in turn, connected to the Chongqing city centre by the Metro Line No. 1. It will be developed into a mid-high end high-rise residential project with a 3,000 sqm clubhouse, a 4,000 sqm bilingual kindergarten, a 10,000 sqm supermarket and a 10,000 sqm integrated shopping mall (comprising cinemas), making up a community with ample health, recreational and leisure facilities. The project will be developed in six zones with a total GFA of 830,000 sqm.

Construction of Zone B with a total GFA of 154,000 sqm was underway during the period. 80% of the launched residential area with a GFA of 86,000 sqm had been pre-sold at an ASP of RMB5,000 per sqm as at 30 June 2013. Zone A with a total GFA of 92,000 sqm commenced construction during the period. Zone A was launched for pre-sales during the period. About 29% had been pre-sold at an ASP of RMB6,000 per sqm as at 30 June 2013. Zone B and Zone A are expected to be completed in 2014 and 2015 respectively.

Jiangbei Project (御龍天峰) — a 25% equity interest joint venture project having a total GFA of 1,030,000 sqm located along the north bank of the inner city section of the Jialing River, Jiangbei District, Chongqing. This project is one of the largest riverside developments in Chongqing, having a river frontage of about 750 metres. A residential cum commercial complex will be built to provide high-end residential premises, Grade-A office towers, service apartments, and a mega business and retail property. Part of the first phase of 125,000 sqm is under construction during the period and pre-sales is expected to be launched in the fourth quarter of 2013.

CHENGDU PROJECTS

Sky Villa (四海逸家) — a high-end residential project located in the Jinjiang District with a total GFA of 450,000 sqm. Phase I comprises of 90,000 sqm GFA occupying 3 towers were completed and delivered in 2010 and 2011. Phase II comprises of 5 towers with 1,079 residential units for a total GFA of 145,000 sqm. Three towers were delivered in 2012. The remaining 2 towers will be delivered in the second half of 2013 of which over 81% had been pre-sold as at 30 June 2013 at an ASP of RMB18,500 per sqm. Construction works of Phase III with 6 towers and a total GFA of 215,000 sqm are currently in progress. Residential area with a GFA of 79,000 sqm were launched for pre-sales and around 38% had been pre-sold at an ASP of RMB15,500 per sqm as at 30 June 2013.

Sky Villa Condominiums (錦江逸家) — a project located in the Jinjiang District with a total GFA of 125,000 sqm. It consists of 6 blocks of high-rise residential buildings mainly targeting high to middle-class customers in Chengdu. Construction work has commenced during the period. Pre-sales of 25,000 sqm residential area were first launched in April 2013 and over 91% of the launched residential area had been pre-sold as at 30 June 2013 at an ASP of RMB 9,900 per sqm. The project is expected to be completed in 2015.

Brighton Place & Plaza (光華逸家) — a high-end residential project located in Guanghua New City, Qingyang District with a total GFA of 369,000 sqm. The project is in close proximity to Guanghua Avenue and has many ancillary facilities. The project is composed of five phases of development. The whole project is under construction during the period. The first 4 phases are high-rise residential developments. 98% of its residential units with a GFA of 167,000 sqm had been pre-sold as at 30 June 2013 at an ASP of RMB7,800 per sqm. They are expected to be completed in 2014. The fifth phase is an office and commercial development with a GFA of 130,000 sqm. Office units with a total GFA of 17,000 sqm were first launched for pre-sales in April 2013 and half of them were pre-sold at an ASP of RMB8,400 per sqm as at 30 June 2013. It is expected to be completed in 2015.

Villa Royale (城南逸家) — a luxury villa and townhouse project with a total GFA of 272,000 sqm in the Shuangliu County, Chengdu. The project is just 8 minutes by car from the southern extension of the Chengdu South Renmin Road. Shuangliu County is a highly developed transportation hub and presently the sole aviation hub in Chengdu. It is the largest air traffic centre in Western China. The project is located opposite to the Sichuan University campus along a river bank and will be developed in phases. Phase I of the project with a total GFA of 68,000 sqm was completed and delivered in 2012. In June 2013, Phase II with a total GFA of 61,000 sqm was completed and started delivery to the buyers. About 59% of Phase II villas had been pre-sold at an ASP of RMB12,300 per sqm as at 30 June 2013. Construction works of Phases IV and V with a total GFA of 45,000 sqm are currently in progress during the period. Pre-sales will be launched in the second half of 2013.

Residence du Paradis (天府逸家) — a project located in Damian Town, Long Quan Yi District, Cheungdu, with a planned total GFA of 814,000 sqm. The project consists of 22 blocks of high-rise residential towers and will be developed in phases. Phase I with a total GFA of 239,000 sqm commenced construction during the period. Residential units with a total GFA of 93,000 sqm was first launched for pre-sales in April 2013 and half of them were pre-sold at an ASP of RMB6,400 per sqm as at 30 June 2013. Phase I is planned for completion in 2015.

Residence du Lac (南湖逸家) — a project located next to Huafu Avenue, Gongxing Town, Shuangliu County with a planned total GFA of 399,000 sqm. The project will be developed into 18 blocks of high-rise residential buildings in phases. Foundation works of Phase I with a total GFA of 210,000 sqm was started during the period. Construction works is expected to commence in the second half of 2013.

PROJECTS IN OTHER DISTRICTS

Dazhou Project (雍河灣) — a residential project located in the Tongchuan District in Dazhou City in Sichuan with a total GFA of 413,000 sqm. Construction works of Phase I with a GFA of 176,000 sqm are underway during the period. As at 30 June 2013, 59,000 sqm residential area was pre-sold at an ASP of RMB4,900 per sqm. Phase I is expected to be completed in the second half of 2013. Construction work of part of Phase II with a GFA of 46,000 sqm will commence in the second half of 2013.

First City, Guiyang (中渝•第一城) — a pilot project in Guiyang with a planned total GFA of 1,325,000 sqm, comprising of townhouses, low-rise and high-rise residential towers, independent commercial streets, high-end business office buildings and other commercial properties. The project is situated in the Guanshanhu District which is a new urban district located 12 kilometres northwest of the city centre of Guiyang. Construction works of Phase I to III were underway during the period. The first phase of the project has a total GFA of 184,000 sqm comprising of townhouses and low-rise residential units. As at 30 June 2013, over 88% of the low-rise residential units with a total GFA of 73,000 sqm and around 58% of the townhouses units with a total GFA of 4,000 sqm were pre-sold at an ASP of RMB7,700 and RMB16,500 per sqm respectively. Phase I is planned for completion and delivery in the second half of 2013. Phase II is an office development with a total GFA of 497,000 sqm. As at 30 June 2013, around 59% the launched office units with a total GFA of 29,000 sqm were pre-sold at an ASP of RMB9,500 per sqm. Phase III is developed as high-rise residential towers with a total GFA of 248,000 sqm. About 57,000 sqm the residential area was launched for pre-sales and 48% was pre-sold at an ASP of RMB5,400 per sqm as at 30 June 2013.

Xi'an Project (西安•中渝國際城) — a residential and commercial project in Xi'an located in Weiyang District of North Xi'an, a core region in the Xi'an-Xianyang Co-urbanization Development Plan which was formally approved by the State Council of the PRC in 2009. The project has a planned total GFA of 640,000 sqm, consisting of luxurious high-rise residential and commercial buildings and will be developed in phases. Construction works of Phase I with a total GFA of 100,000 sqm were underway and the pre-sales is expected to launch in the fourth quarter of 2013.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 30 June 2013, details of the interests and short positions of each of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Interests in shares of the Company (long positions)

	Interests in shares		Interests in underlying shares pursuant to share options granted by the Company[3]		
Name of directors	Personal interests	Corporate interests		Aggregate interests	Approximate percentage[4]
Mr. Cheung Chung Kiu	—	1,331,205,790[1&2]	—	1,331,205,790	51.44
Dr. Lam How Mun Peter	318,530	—	43,039,000	43,357,530	1.68
Mr. Tsang Wai Choi	3,394,242	—	—	3,394,242	0.13
Mr. Leung Chun Cheong	654,673	—	1,500,000	2,154,673	0.08
Mr. Leung Wai Fai	—	—	3,000,000	3,000,000	0.12

Notes:

1. 1,070,810,231 of such shares were held through Thrivetrade Limited ("Thrivetrade"), a company wholly-owned by Mr. Cheung Chung Kiu ("Mr. Cheung"). Accordingly, Mr. Cheung was deemed to be interested in the same number of shares held through Thrivetrade.

2. 260,395,559 of such shares were held through Regulator Holdings Limited ("Regulator"), a direct wholly-owned subsidiary of Yugang International (B.V.I.) Limited ("Yugang-BVI"), which is in turn a direct wholly-owned subsidiary of Yugang International Limited ("Yugang"). Yugang was owned by Chongqing Industrial Limited ("CIL"), Timmex Investment Limited ("Timmex") and Mr. Cheung as to approximately 44.06% in aggregate. CIL was owned as to 35%, 30%, 5% and 30% by Mr. Cheung, Peking Palace Limited ("Peking Palace"), Miraculous Services Limited ("Miraculous Services") and Prize Winner Limited ("Prize Winner") respectively. Mr. Cheung had 100% beneficial interest in Timmex. Prize Winner was beneficially owned by Mr. Cheung and his associates. Peking Palace and Miraculous Services were held by Palin Holdings Limited ("Palin") as the trustee for Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Accordingly, Mr. Cheung was also deemed to be interested in the same number of shares held through Regulator.

3. Details of the directors' interests in the underlying shares of the Company pursuant to share options granted by the Company are set out in the section headed "Share Options" below.

4. Approximate percentage refers to the aggregate interests of a director expressed as a percentage (rounded up to two decimal places) of the issued share capital of the Company as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company adopted a share option scheme (the "Scheme") on 29 April 2005, details of which were disclosed in the Company's circular dated 13 April 2005. Details of the share options granted under the Scheme and their movements during the period from 1 January 2013 to 30 June 2013 were as follows:

Name or category of participants	At 1 January 2013	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	At 30 June 2013	Date of grant[1]	Exercise period	Exercise price[2] HK$ per share	Closing price immediately before date of grant HK$ per share
	Number of share options									
Directors										
Lam How Mun Peter	17,500,000	–	–	–	–	17,500,000	07-05-2009	07-05-2009 to 06-05-2019	3.27	3.47
	21,539,000	–	–	–	–	21,539,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	4,000,000	–	–	–	–	4,000,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	43,039,000	–	–	–	–	43,039,000				
Leung Chun Cheong	1,500,000	–	–	–	–	1,500,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Leung Wai Fai	3,000,000	–	–	–	–	3,000,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	47,539,000	–	–	–	–	47,539,000				
Employees										
In aggregate	10,100,000	–	–	–	–	10,100,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	800,000	–	–	–	–	800,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	10,900,000	–	–	–	–	10,900,000				
Others										
In aggregate	7,475,000	–	–	–	–	7,475,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Total	65,914,000	–	–	–	–	65,914,000				

Notes:

1. Certain share options granted are subject to a vesting period beginning from the date of grant until the commencement of the exercise period.
2. The exercise price of the share options is subject to adjustment in case of any rights issues or bonus issues, or any other changes in the Company's share capital.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER SFO

As at 30 June 2013, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which interests are held	Number of shares held	Approximate percentage[4]
(a) Long Positions			
Thrivetrade	Beneficial owner	1,070,810,231[1]	41.38
Regulator	Beneficial owner	260,395,559[2]	10.06
Yugang-BVI	Interest of controlled corporation	260,395,559[2]	10.06
Yugang	Interest of controlled corporation	260,395,559[2]	10.06
CIL	Interest of controlled corporation	260,395,559[2]	10.06
Palin	Interest of controlled corporation	260,395,559[2]	10.06
T. Rowe Price Associates, Inc. and its Affiliates	Beneficial owner	182,506,000	7.05
JPMorgan Chase & Co.	Beneficial owner and custodian corporation/approved lending agent	181,240,547[3]	7.00
(b) Short Positions			
JPMorgan Chase & Co.	Beneficial owner	100,000	0.00

Notes:

1. These shares were included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.
2. The interests held by Regulator, Yugang-BVI, Yugang, CIL and Palin respectively as shown above refer to interests in the same block of shares. The said shares were also included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.
3. Of its interests in 181,240,547 shares, JPMorgan Chase & Co. had interests in 100,000 shares as beneficial owner and in 181,140,547 shares as a custodian corporation/approved lending agent. 181,140,547 shares were in the lending pool.
4. Approximate percentage refers to the number of shares which a shareholder held or had short positions in expressed as a percentage (rounded up to two decimal places) of the issued share capital of the Company as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, the Company had not been notified of any interests or short positions of any other person, other than directors or the chief executive of the Company in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2013, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made of all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2013.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

DISCLOSURE UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

1. On 24 August 2010, a jointly-controlled entity held as to 25% by the Company entered into a facility agreement (the "JV Facility Agreement") as borrower with, among others, various financial institutions as lenders for a 3-year term loan facility in an aggregate principal amount of HK$1,000,000,000 ("Initial Facility"). On 22 December 2010, a supplement to the JV Facility Agreement was executed whereby the Initial Facility was enlarged to HK$1,400,000,000 by an additional term loan facility in the aggregate principal amount of HK$400,000,000 for a term of 36 months from the date of the JV Facility Agreement. On 31 October 2012, a second supplement to the JV Facility Agreement was executed whereby the enlarged facility was further enlarged to HK$1,830,000,000 by an additional term loan facility in the aggregate principal amount of up to HK$430,000,000 with a final maturity date falling 36 months from the date of the JV Facility Agreement. Under the JV Facility Agreement, it is (among other matters) an event of default if Mr. Cheung Chung Kiu ("Mr. Cheung") ceases to (i) save for a certain exception, own beneficially (directly or indirectly, through any other entity or entities wholly and beneficially owned by him or by virtue of his entitlement as beneficiary under any family trust arrangement(s)) at least 35% of the issued share capital of the Company; or (ii) exercise management control over the Company. On and at any time after the occurrence of an event of default which is continuing, commitments of the lenders under the JV Facility Agreement may immediately be cancelled, and/or all or any part of the loans together with accrued interest and all other amounts accrued or outstanding under certain finance documents defined in the JV Facility Agreement may become immediately due and payable or payable on demand, and/or certain security documents defined in the JV Facility Agreement or any of them may become immediately enforceable. As at 30 June 2013, the outstanding loan balance was HK$1,804,368,000.

   Subsequent to the reporting period, on 23 August 2013, a third supplement to the JV Facility Agreement was executed whereby the final maturity date was extended to 24 August 2016. The event of default provisions relating to Mr. Cheung's holding in the issued share capital of the Company and management control over the Company under the JV Facility Agreement remain unchanged.

2. On 28 December 2011, the Company as borrower executed a facility agreement with, among others, various companies in the Group as guarantors and various financial institutions as lenders for a 3-year term loan facility in an aggregate amount of HK$600,000,000. Under the facility agreement, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. As at 30 June 2013, the outstanding loan balance was HK$540,000,000.

3. On 14 December 2012, the Company accepted the offer in a facility letter dated 7 December 2012 of a term loan facility for an amount of HK$400,000,000 available for drawdown within 6 months from the date of the facility letter with a term of 3 years from the date of drawdown pursuant to the facility letter. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, the facility or any part thereof may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. As at 30 June 2013, the outstanding loan balance was HK$400,000,000.

4. On 25 January 2013, the Company as borrower executed a facility agreement with, among others, various companies in the Group as guarantors and various financial institutions as lenders for a 3-year term loan facility for an aggregate amount of HK$3,400,000,000. Under the facility agreement, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. As at 30 June 2013, the outstanding loan balance was HK$2,800,000,000.

5. On 27 June 2013, the Company accepted the offer in a facility letter dated 25 June 2013 by a bank as lender of a facility for an amount of HK$500,000,000 or its equivalent for a term of 3 years. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung, save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company. Upon occurrence of an event of default during the committed period from the date of acceptance of the facility letter to the date falling 2 years after the date of such acceptance (whether or not it is continuing), the lender may at any time by notice to the Company declare that the lender's obligation to make the facility available be terminated, whereupon the amount available under the facility shall be reduced to zero forthwith; and/or that if any advance is outstanding, each advance and all interest accrued and all other sums payable under the facility letter be immediately due and payable whereupon the same shall become so due and payable. On or at any time after the making of the aforesaid declaration, the lender shall be entitled, to the exclusion of the Company, to select the duration of interest period(s) until the facility is repaid in full. As at 30 June 2013, the facility has not been utilized.

6. Subsequent to the reporting period, on 13 August 2013, the Company accepted the offer in a facility letter dated 23 July 2013 of a term loan facility for an amount of HK$500,000,000 or its equivalent in USD available for drawdown within 6 months from the acceptance date of the facility letter for a term of 3 years from the date of first drawdown. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued capital of the Company; and (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; and (iii) does not or ceases to have management control of the Company. After the occurrence of an event of default which is continuing, the lender may on and at any time by notice in writing to the Company declare that the facility has become immediately due and payable, whereupon the facility shall become immediately due and payable and any undrawn balance of the facility shall automatically be cancelled and no longer be available to the Company.

REVIEW OF INTERIM RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to the Group's management and staff for their hard work, loyalty and dedication. We are also grateful to our shareholders, strategic partners and bankers for their support and confidence which have contributed towards the Group's success.

By order of the Board
Lam How Mun Peter
Deputy Chairman & Managing Director

Hong Kong, 26 August 2013

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
CONTINUING OPERATIONS			
REVENUE	3, 4	**1,324,721**	3,711,756
Cost of sales		**(750,837)**	(2,563,897)
Gross profit		**573,884**	1,147,859
Other income and gains	4	**270,808**	131,401
Selling and distribution expenses		**(190,973)**	(132,234)
Administrative expenses		**(177,518)**	(179,330)
Other expenses		**(26,242)**	(88,395)
Finance costs		**(25,644)**	(25,845)
Share of profits and losses of jointly-controlled entities		**(8,922)**	(13,829)
Share of profits and losses of associates		**(4,937)**	—
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	5	**410,456**	839,627
Income tax expense	6	**(324,912)**	(556,748)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**85,544**	282,879
DISCONTINUED OPERATIONS			
Profit for the period from discontinued operations	7	**—**	12,279
PROFIT FOR THE PERIOD		**85,544**	295,158
Attributable to:			
Owners of the parent		**115,506**	204,795
Non-controlling interests		**(29,962)**	90,363
		85,544	295,158
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted for profit for the period		**HK4.46 cents**	HK7.91 cents
Basic and diluted for profit from continuing operations		**HK4.46 cents**	HK7.41 cents

Details of dividends are disclosed in note 8 to the condensed consolidated financial statements.

	Six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
PROFIT FOR THE PERIOD	**85,544**	295,158
OTHER COMPREHENSIVE INCOME		
Items to be reclassified to profit or loss in subsequent periods when specific conditions are met:		
Available-for-sale investments:		
Changes in fair value	**(37,618)**	(23,713)
Reclassification adjustment for a loss on disposal included in the consolidated statement of profit or loss	**—**	6,593
Deferred tax	**8,467**	(571)
	(29,151)	(17,691)
Share of other comprehensive income of jointly-controlled entities	**28,016**	(4,846)
Exchange fluctuation reserve:		
Exchange differences on translation of foreign operations	**275,427**	(75,051)
Release upon disposal of subsidiaries	**(12,562)**	(4,467)
	262,865	(79,518)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods when specific conditions are met	**261,730**	(102,055)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**261,730**	(102,055)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**347,274**	193,103
Attributable to:		
Owners of the parent	**342,075**	113,315
Non-controlling interests	**5,199**	79,788
	347,274	193,103

Consolidated Statement of Financial Position

30 June 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**165,991**	170,685
Investment properties		**409,064**	379,946
Prepaid land lease payments		**756,450**	1,136,304
Investments in jointly-controlled entities		**1,152,016**	1,122,770
Investments in associates		**89,711**	156,646
Available-for-sale investments		**480,351**	514,207
Properties under development	10	**8,514,858**	7,736,592
Interests in land use rights for property development	10	**3,250,234**	2,737,739
Deferred tax assets		**40,718**	16,557
Total non-current assets		**14,859,393**	13,971,446
CURRENT ASSETS			
Properties under development	10	**17,604,637**	13,486,744
Completed properties held for sale		**3,263,143**	2,988,501
Prepaid land lease payments		**22,951**	22,546
Prepayments, deposits and other receivables		**2,100,993**	2,213,604
Equity investments at fair value through profit or loss		**35,537**	184,945
Tax recoverable		**274,321**	127,036
Deposits with brokerage companies		**3,781**	1,203
Pledged deposits		**414,287**	1,572,424
Restricted bank balances		**2,579,604**	2,953,902
Cash and cash equivalents		**4,051,030**	3,646,512
		30,350,284	27,197,417
Non-current asset and assets of a disposal group classified as held for sale	7	**38,792**	406,021
Total current assets		**30,389,076**	27,603,438
CURRENT LIABILITIES			
Trade and bills payables	11	**2,743,717**	2,707,350
Other payables and accruals		**13,191,072**	9,730,424
Dividends payable		**116,451**	—
Loans from non-controlling shareholders of subsidiaries		**1,302,090**	1,044,834
Interest-bearing bank and other borrowings	12	**4,310,852**	6,878,628
Tax payable		**1,647,218**	1,693,759
Consideration payable on acquisition of subsidiaries		**1,100**	1,100
		23,312,500	22,056,095
Liabilities directly associated with the assets classified as held for sale	7	**—**	78,355
Total current liabilities		**23,312,500**	22,134,450

	Notes	**30 June 2013 (Unaudited) HK$'000**	31 December 2012 (Audited) HK$'000
NET CURRENT ASSETS		**7,076,576**	5,468,988
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,935,969**	19,440,434
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	**5,512,651**	2,937,669
Deferred tax liabilities		**1,502,024**	1,551,231
Total non-current liabilities		**7,014,675**	4,488,900
Net assets		**14,921,294**	14,951,534
EQUITY			
Equity attributable to owners of the parent			
Issued capital	13	**258,780**	258,780
Reserves		**13,209,651**	12,984,027
		13,468,431	13,242,807
Non-controlling interests		**1,452,863**	1,708,727
Total equity		**14,921,294**	14,951,534

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to owners of the parent									
	Issued capital (Unaudited) HK$'000	Share premium account (Unaudited) HK$'000	Surplus account (Unaudited) HK$'000 (Note)	Exchange fluctuation reserve (Unaudited) HK$'000	Available-for-sale investment revaluation reserve (Unaudited) HK$'000	Retained profits (Unaudited) HK$'000	Share option reserve (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
At 1 January 2013	258,780	9,523,849*	—*	1,886,254*	59,829*	1,339,508*	174,587*	13,242,807	1,708,727	14,951,534
Profit/(loss) for the period	—	—	—	—	—	115,506	—	115,506	(29,962)	85,544
Other comprehensive income for the period:										
Changes in fair value of available-for-sale investments, net of tax	—	—	—	—	(29,151)	—	—	(29,151)	—	(29,151)
Share of other comprehensive income of jointly-controlled entities	—	—	—	28,016	—	—	—	28,016	—	28,016
Release of exchange fluctuation reserve upon disposal of subsidiaries	—	—	—	(12,562)	—	—	—	(12,562)	—	(12,562)
Exchange differences on translation of foreign operations	—	—	—	240,266	—	—	—	240,266	35,161	275,427
Total comprehensive income for the period	—	—	—	255,720	(29,151)	115,506	—	342,075	5,199	347,274
Final 2012 dividend approved	—	—	—	—	—	(116,451)	—	(116,451)	—	(116,451)
Disposal of subsidiaries	—	—	—	—	—	—	—	—	(75,942)	(75,942)
Contribution by a non-controlling shareholder	—	—	—	—	—	—	—	—	3,076	3,076
Dividend paid to a non-controlling shareholder	—	—	—	—	—	—	—	—	(188,197)	(188,197)
At 30 June 2013	258,780	9,523,849*	—*	2,141,974*	30,678*	1,338,563*	174,587*	13,468,431	1,452,863	14,921,294

Note: The surplus account represents the aggregate of the reserves other than the retained profits of the subsidiaries at 1 April 1998 and the excess of the nominal value of the shares issued and issuable by the Company over the nominal value of the issued share capital of the subsidiaries acquired pursuant to the group reorganisation in 1998. The amount was released to retained profits upon the distribution of the Packaging Business in second half of 2012.

* These reserve accounts comprise the consolidated reserves of HK$13,209,651,000 (31 December 2012: HK$12,984,027,000) in the consolidated statement of financial position.

	Attributable to owners of the parent									
	Issued capital (Unaudited) HK$'000	Share premium account (Unaudited) HK$'000	Surplus account (Unaudited) HK$'000	Exchange fluctuation reserve (Unaudited) HK$'000	Available-for-sale investment revaluation reserve (Unaudited) HK$'000	Retained profits (Unaudited) HK$'000	Share option reserve (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
At 1 January 2012	254,392	9,455,753	90,554	1,906,913	56,802	1,036,737	180,638	12,981,789	1,623,871	14,605,660
Profit for the period	—	—	—	—	—	204,795	—	204,795	90,363	295,158
Other comprehensive income for the period:										
Changes in fair value of available-for-sale investments, net of tax	—	—	—	—	(24,284)	—	—	(24,284)	—	(24,284)
Reclassification adjustment for a loss on disposal of available-for-sale investments included in the consolidated statement of profit or loss	—	—	—	—	6,593	—	—	6,593	—	6,593
Share of other comprehensive income of jointly-controlled entities	—	—	—	(4,846)	—	—	—	(4,846)	—	(4,846)
Release of exchange fluctuation reserve upon disposal of subsidiaries	—	—	—	(4,467)	—	—	—	(4,467)	—	(4,467)
Exchange differences on translation of foreign operations	—	—	—	(64,476)	—	—	—	(64,476)	(10,575)	(75,051)
Total comprehensive income for the period	—	—	—	(73,789)	(17,691)	204,795	—	113,315	79,788	193,103
Final 2011 dividend approved	—	—	—	—	—	(101,757)	—	(101,757)	—	(101,757)
Disposal of subsidiaries	—	—	—	—	—	—	—	—	47	47
Dividend paid to a non-controlling shareholder	—	—	—	—	—	—	—	—	(1,470)	(1,470)
Shares issued in respect of scrip dividends	4,388	68,096	—	—	—	—	—	72,484	—	72,484
At 30 June 2012	258,780	9,523,849	90,554	1,833,124	39,111	1,139,775	180,638	13,065,831	1,702,236	14,768,067

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	**899,238**	346,377
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(483,057)**	(596,685)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**(70,177)**	1,274,497
NET INCREASE IN CASH AND CASH EQUIVALENTS	**346,004**	1,024,189
Cash and cash equivalent at beginning of period	**3,647,228**	4,046,330
Effect of foreign exchange rate changes, net	**57,798**	(20,821)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,051,030**	5,049,698
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**4,023,494**	4,835,588
Non-pledged time deposits with original maturity of less than three months when acquired	**27,536**	145,260
Cash and cash equivalents as stated in the consolidated statement of financial position	**4,051,030**	4,980,848
Cash and bank balances attributable to disposal groups classified as held for sale	**—**	68,850
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**4,051,030**	5,049,698

1. BASIS OF PREPARATION

C C Land Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The principal activities of the Company and its subsidiaries (collectively the "Group") are described in note 3 to the condensed consolidated financial statements.

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012.

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 to the condensed consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of these new and revised HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial statements. Nevertheless, certain changes in disclosures have been adopted by the Group in compliance with the following new and revised HKFRSs:

HKFRS 13 established a single source of guidance under HKFRSs for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRSs when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group. HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required for financial instruments by HKAS 34.16A(j), thereby affecting the unaudited interim condensed consolidated financial statements period. The Group provides these disclosures in note 21 to the condensed consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The HKAS 1 Amendments introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

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

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

Property development and investment segment	—	Development and investment of properties located in Mainland China
Treasury investment segment	—	Investments in securities and notes receivables, and provision of financial services
Sale of packaging products segment	—	Manufacture and sale of watch boxes, gift boxes, eyewear cases, bags and pouches, and display units (discontinued operation (note 7(a)))
Sale of travel bags segment	—	Manufacture and sale of soft luggage, travel bags, backpacks and briefcases (discontinued operation (note 7(b)))

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Information regarding these reportable segments is presented below.

Reportable segment information

For the six months ended 30 June 2013 — unaudited

	Property development and investment HK$'000	Treasury investment HK$'000	Total Group HK$'000
Segment revenue			
Sales to external customers	1,315,223	9,498	1,324,721
Segment results	465,548	(16,958)	448,590
Corporate and unallocated expenses			(12,490)
Finance costs			(25,644)
Profit before tax			410,456

3. OPERATING SEGMENT INFORMATION *(continued)*

Reportable segment information *(continued)*

For the six months ended 30 June 2012 — unaudited

	Continuing operations			Discontinued operations			
	Property development and investment HK$'000	Treasury investment HK$'000	Total continuing operations HK$'000	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Total discontinued operations HK$'000	Total Group HK$'000
Segment revenue							
Sales to external customers	3,712,494	(738)	3,711,756	168,007	31,675	199,682	3,911,438
Segment results	891,331	15,253	906,584	15,677	(2,173)	13,504	920,088
Corporate and unallocated income			1,720			—	1,720
Corporate and unallocated expenses			(42,832)			—	(42,832)
Finance costs			(25,845)			(40)	(25,885)
Profit before tax			839,627			13,464	853,091

4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains from continuing operations is as follows:

	Six months ended 30 June	
	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Revenue		
Sale of properties	**1,304,303**	3,699,792
Gross rental income	**9,617**	7,982
Losses on disposal of equity investments at fair value through profit or loss, net	**(2,464)**	(7,411)
Dividend income from listed investments	**9,465**	3,930
Dividend income from unlisted investments	**1,303**	916
Interest income from available-for-sale investments	**2,497**	6,547
	1,324,721	3,711,756
Other income and gains		
Bank interest income	**45,552**	35,103
Other interest income	**23,543**	2,456
Exchange gains, net	**11,529**	—
Gain on disposal of available-for-sale investments	**—**	87,714
Gain on disposal of subsidiaries (note 14)	**171,910**	—
Fair value gains on investment properties	**15,522**	5,287
Others	**2,752**	841
	270,808	131,401

5. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting) the following:

	Six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Cost of properties sold	**748,752**	2,562,110
Depreciation	**13,692**	11,066
Less: Amount capitalised	**(1,241)**	(604)
	12,451	10,462
Amortisation of prepaid land lease payments	**11,376**	11,248
Interest on bank and other borrowings wholly repayable:		
Within five years	**316,642**	189,109
Beyond five years	**7,223**	6,803
	323,865	195,912
Less: Interest capitalised	**(298,221)**	(170,067)
	25,644	25,845
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**132,451**	129,224
Pension scheme contributions	**4,881**	3,832
Less: Amount capitalised	**(57,476)**	(54,434)
	79,856	78,622
Loss/(gain) on disposal of subsidiaries	**(171,910)**	11,935

6. INCOME TAX

No Hong Kong profits tax has been provided as the Group does not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2012: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	Six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Current charge for the period		
Mainland China	**165,973**	361,929
Underprovision/(overprovision) in prior periods		
Hong Kong	**—**	1,046
Mainland China	**(1,013)**	8,158
	(1,013)	9,204
Land appreciation tax charge for the period	**252,210**	375,856
Deferred tax	**(92,258)**	(190,241)
Total tax charge for the period from continuing operations	**324,912**	556,748

7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) Discontinued operation — Packaging Business

During the year ended 31 December 2012, the Group completed the spin-off of its business of manufacturing and sale of packaging products and display products (the "Packaging Business") through a separate listing of its wholly-owned subsidiary, Qualipak International Holdings Limited ("Qualipak") on the Main Board of the Stock Exchange. Details of which were set out in the prospectus of Qualipak dated 28 June 2012. Upon the listing of Qualipak on 12 July 2012, the Group's entire 100% interest in Qualipak was distributed as special interim dividend to the Company's shareholders and Qualipak ceased to be a subsidiary of the Company thereafter.

The results of the Packaging Business for the six months ended 30 June 2012 which have been included in the consolidated statement of profit or loss as a discontinued operation are presented below:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Revenue	168,007
Cost of sales	(133,986)
Gross profit	34,021
Other income and gains	1,668
Selling and distribution expenses	(6,979)
Administrative expenses	(11,857)
Other expenses	(684)
Share of profits and losses of associates	(492)
Profit before tax from the discontinued operation — Packaging Business	15,677
Income tax expense	(1,188)
Profit for the period from the discontinued operation — Packaging Business	14,489
Attributable to:	
Owners of the parent	14,225
Non-controlling interests	264
	14,489

7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(a) Discontinued operation — Packaging Business *(continued)*

The net cash flows incurred by the Packaging Business are as follows:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Operating activities	21,449
Investing activities	(7,626)
Financing activities	(10,721)
Net cash inflow	3,102

	Six months ended 30 June 2012 (Unaudited)
Basic and diluted earnings per share from the discontinued operation — Packaging Business	HK0.55 cents

The calculations of basic and diluted earnings per share from the Packaging Business are based on:

	Six months ended 30 June 2012 (Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation — Packaging Business	HK$14,225,000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	2,587,799,895

(b) Discontinued operation — Luggage Business

On 1 February 2012, the Group entered into a sale and purchase agreement with an independent third party and a non-controlling shareholder of Hoi Tin Universal Limited ("Hoi Tin (HK)"), a then 60% owned subsidiary of the Company, to dispose of its entire 100% equity interest in Ensure Success Holdings Limited ("Ensure Success") for an aggregate consideration of HK$20,000,000. Ensure Success and its subsidiaries were engaged in the manufacture and sale of soft luggage, travel bags, backpacks and briefcases (the "Luggage Business"). The Group decided to cease the Luggage Business because it planned to focus its resources on the property development and investment business. The disposal of the Luggage Business was completed on 26 March 2012.

7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(b) Discontinued operation — Luggage Business *(continued)*

The results of the Luggage Business for the period from 1 January 2012 to the date of completion of the disposal which have been included in the consolidated statement of profit or loss as a discontinued operation are presented below:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Revenue	31,675
Cost of sales	(30,005)
Gross profit	1,670
Other income and gains	337
Selling and distribution expenses	(714)
Administrative expenses	(3,455)
Other expenses	(11)
Finance costs	(40)
Loss before tax from the discontinued operation — Luggage Business	(2,213)
Income tax credit	3
Loss for the period from the discontinued operation — Luggage Business	(2,210)
Attributable to:	
Owners of the parent	(1,303)
Non-controlling interests	(907)
	(2,210)

The net cash flows incurred by the Luggage Business are as follows:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Operating activities	2,549
Investing activities	617
Financing activities	(1,428)
Net cash inflow	1,738

7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(b) Discontinued operation — Luggage Business *(continued)*

	Six months ended 30 June 2012 (Unaudited)
Basic and diluted loss per share from the discontinued operation — Luggage Business	HK0.05 cents

The calculations of basic and diluted loss per share from the Luggage Business are based on:

	Six months ended 30 June 2012 (Unaudited)
Loss attributable to ordinary equity holders of the parent from the discontinued operation — Luggage Business	HK$1,303,000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	2,587,799,895

(c) Interests in an associate classified as held for sale — Sichuan Hengchen

On 30 November 2010, the Group entered into a share transfer agreement with a non-controlling shareholder of Sichuan Hengchen Real Estate Development Company Limited ("Sichuan Hengchen") to dispose of its entire 60% equity interest in Sichuan Hengchen. Sichuan Hengchen is principally engaged in property development and investment in Mainland China. The partial disposal of 30% equity interest in Sichuan Hengchen was completed on 30 March 2011 at a consideration of RMB30 million.

Upon completion of the first 30% disposal, the Group ceased to have control over Sichuan Hengchen thereafter. The Group has accounted for the investment retained in Sichuan Hengchen as an associate held for sale which was stated at its fair value at the date the control was lost and was presented as a non-current asset held for sale of HK$38,792,000 (31 December 2012: HK$38,108,000) as at 30 June 2013. The disposal of the remaining 30% equity interest in Sichuan Hengchen is expected to be completed in 2013 pursuant to a supplementary agreement dated 9 November 2012 and the consideration is RMB30 million plus accrued interest.

(d) Disposal group classified as held for sale — Keen Star Group

On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star Limited ("Keen Star") and a shareholder's loan owed by Keen Star to the Group for a total consideration of HK$408,212,000. Keen Star and its subsidiary (collectively as "Keen Star Group") is principally engaged in property development and investment in Mainland China. The assets and liabilities of Keen Star Group had been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position as at 31 December 2012.

The disposal of Keen Star Group was completed on 3 January 2013 and a gain of HK$171,910,000 was recognised for the six months ended 30 June 2013. Further details of this disposal are set out in note 14 to the condensed consolidated financial statements.

7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(d) Disposal group classified as held for sale — Keen Star Group *(continued)*

The major classes of assets and liabilities of Keen Star Group classified as held for sale as at 31 December 2012 are as follows:

	31 December 2012 (Audited) HK$'000
Assets	
Property, plant and equipment	2,009
Properties under development	358,528
Prepayments, deposits and other receivables	6,660
Cash and cash equivalents	716
Assets classified as held for sale	367,913
Liabilities	
Other payables and accruals	1,744
Loans from a non-controlling shareholder	76,611
Liabilities directly associated with the assets classified as held for sale	78,355
Net assets directly associated with the disposal group — Keen Star Group	289,558
Cumulative income recognised in other comprehensive income	
Exchange fluctuation reserve	12,562

8. DIVIDENDS

During the six months ended 30 June 2013, the Company declared a final dividend of HK$0.045 per share amounting to HK$116,451,000 for the year ended 31 December 2012 with a scrip alternative offered to shareholders to elect to receive the final dividend by an allotment of new shares in lieu of cash. A scrip dividend of HK$1,016,000 was paid on 3 July 2013 by issuing 423,217 ordinary shares of HK$0.10 each in the Company at a market value determined to be HK$2.4 per share and a cash dividend of HK$115,435,000 was paid on the same date.

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013.

During the six months ended 30 June 2012, the Company declared a final dividend of HK$0.04 per share amounting to HK$101,757,000 for the year ended 31 December 2011 with a scrip alternative offered to shareholders to elect to receive the final dividend by an allotment of new shares in lieu of cash. A scrip dividend of HK$72,484,000 was paid on 19 June 2012 by issuing 43,876,637 ordinary shares of HK$0.10 each in the Company at a market value determined to be HK$1.652 per share and a cash dividend of HK$29,273,000 was paid on the same date.

The Company had also declared a special interim dividend during the six months ended 30 June 2012 which was satisfied by way of a distribution in specie of the entire 100% interest in the issued share capital of Qualipak to qualifying shareholders of the Company (the "Distribution"). Under the Distribution, each qualifying shareholder of the Company received one share of Qualipak for every whole multiple of twenty ordinary shares of the Company held by the qualifying shareholders.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent of HK$115,506,000 (six months ended 30 June 2012: HK$204,795,000) and the weighted average number of ordinary shares of 2,587,799,895 (six months ended 30 June 2012: 2,587,799,895) in issue during the period.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2013 and 2012 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share presented.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**115,506**	191,873
From discontinued operations	**—**	12,922
	115,506	204,795

	Number of shares Six months ended 30 June	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	**2,587,799,895**	2,587,799,895

10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT/PROPERTIES UNDER DEVELOPMENT/INTERESTS IN LAND USE RIGHTS FOR PROPERTY DEVELOPMENT

During the six months ended 30 June 2013, the Group incurred HK$8,994,000 (six months ended 30 June 2012: HK$11,979,000) on the additions of items of property, plant and equipment.

During the six months ended 30 June 2013, the Group incurred HK$2,996,531,000 (six months ended 30 June 2012: HK$2,959,259,000) on the additions of properties under development.

During the six months ended 30 June 2013, the Group incurred HK$2,576,688,000 (six months ended 30 June 2012: HK$1,354,361,000) on the additions of interests in land use rights for property development.

11. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Within 1 year	**2,743,717**	2,707,350

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2013 (Unaudited)			31 December 2012 (Audited)		
	Contractual interest rate	**Maturity**	**HK$'000**	Contractual interest rate	Maturity	HK$'000
Current						
Bank loans — secured	**RMB base lending rate/ RMB base lending rate × (1 + 5% to 1 + 25%)/ HIBOR + 2%**	**2013-2014**	**3,960,186**	RMB base lending rate/ RMB base lending rate × (1 + 5% to 1 + 20%)/ HIBOR + 2% to HIBOR + 2.5%/ fixed rate of 5.6%	2013	4,851,041
Bank loans — unsecured	**HIBOR + 4% to HIBOR + 4.25%**	**2013-2014**	**350,666**	HIBOR + 1.9% to HIBOR + 4%	2013	2,027,587
			4,310,852			6,878,628
Non-current						
Bank loans — secured	**RMB base lending rate/ RMB base lending rate × (1 + 10% to 1 + 30%)**	**2014-2022**	**2,641,754**	RMB base lending rate/ RMB base lending rate × (1 + 10% to 1 + 25%)	2014-2022	2,525,432
Bank loans — unsecured	**HIBOR + 4% to HIBOR + 4.25%**	**2014-2016**	**2,870,897**	HIBOR + 4%	2014	412,237
			5,512,651			2,937,669
			9,823,503			9,816,297
Analysed into:						
Bank and other borrowings repayable:						
Within one year or on demand			**4,310,852**			6,878,628
In the second year			**1,636,485**			1,413,969
In the third to fifth years, inclusive			**3,814,023**			1,452,787
Beyond five years			**62,143**			70,913
			9,823,503			9,816,297

13. SHARE CAPITAL

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Authorised:		
5,000,000,000 (31 December 2012: 5,000,000,000) ordinary shares of HK$0.10 (31 December 2012: HK$0.10) each	**500,000**	500,000
Issued and fully paid:		
2,587,799,895 (31 December 2012: 2,587,799,895) ordinary shares of HK$0.10 (31 December 2012: HK$0.10) each	**258,780**	258,780

Subsequent to the period ended 30 June 2013, 423,217 ordinary shares of HK$0.10 each in the Company were issued at HK$2.4 per share as scrip dividends.

14. DISPOSAL OF SUBSIDIARIES

For the six months ended 30 June 2013

On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star Group and a shareholder's loan owed by Keen Star to the Group for a total consideration of HK$408,212,000. The disposal was completed on 3 January 2013 and the Group ceased to have control over Keen Star Group thereafter. For details, please refer to note 7(d) to the condensed consolidated financial statements.

Details of the aggregate net assets of Keen Star Group disposed of in the current period and their financial impacts are summarised below:

	(Unaudited) HK$'000
Net assets disposed of:	
Property, plant and equipment	2,009
Properties under development	358,528
Prepayment, deposits and other receivables	41,908
Cash and cash equivalents	716
Other payables and accruals	(1,744)
Loans from a non-controlling shareholder	(76,611)
Non-controlling interests	(75,942)
	248,864
Exchange reserve release upon disposal of Keen Star Group	(12,562)
Gain on disposal of subsidiaries	171,910
	408,212
Satisfied by:	
Cash	408,212

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Keen Star Group is as follows:

	(Unaudited) HK$'000
Cash consideration	408,212
Cash and bank balances disposed of	(716)
Net inflow of cash and cash equivalents in respect of the disposal of Keen Star Group	407,496

14. DISPOSAL OF SUBSIDIARIES *(continued)*

For the six months ended 30 June 2012

On 1 February 2012, the Group entered into a sale and purchase agreement with an independent third party and a non-controlling shareholder of Hoi Tin (HK) to dispose of its Luggage Business for an aggregate consideration of HK$20,000,000. The disposal was completed on 26 March 2012. For details, please refer to note 7(b) to the condensed consolidated financial statements.

Details of the aggregate net assets of the Luggage Business disposed of in the prior period and their financial impacts are summarised below:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	29,944
Prepaid land lease payments	3,356
Trade receivables	30,816
Prepayment, deposits and other receivables	3,019
Tax recoverable	20
Inventories	18,055
Cash and bank balances	3,453
Trade payables	(28,895)
Other payables and accruals	(5,011)
Shareholder's loan	(17,927)
Deferred tax liabilities	(475)
Non-controlling interests	47
	36,402
Exchange reserve release upon disposal of the Luggage Business	(4,467)
Loss on disposal of subsidiaries	(11,935)
	20,000
Satisfied by:	
Cash	20,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the Luggage Business is as follows:

	HK$'000
Cash consideration	20,000
Cash and bank balances disposed of	(3,453)
Net inflow of cash and cash equivalents in respect of the disposal of the Luggage Business	16,547

15. COMMITMENTS

The Group had the following commitments in respect of property development expenditure at the end of the reporting period:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Contracted, but not provided for	**9,925,600**	9,886,241

The Group had the following share of commitments of jointly-controlled entities in respect of property development expenditure at the end of the reporting period:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Contracted, but not provided for	**201,306**	141,569

16. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the unaudited interim condensed consolidated financial statements were as follows:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Guarantees given to banks in connection with facilities granted to a jointly-controlled entity	**451,092**	455,000

17. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had the following financial guarantees:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Guarantees in respect of mortgage facilities provided for certain customers	**6,109,768**	5,685,928

The Group have arranged bank financing for certain purchasers of their property units and provided guarantees to secure the obligations of these purchasers for repayments. The guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within one year upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loans by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the banks and the banks are entitled to take over the legal titles and possession of the related properties. The guarantee period starts from the dates of grant of the mortgages. The directors of the Company consider that the fair value of the guarantees is not significant and in the case of default on payments, the net realisable value of the related properties will exceed the repayment of the outstanding mortgage principals together with the accrued interest and penalties. Therefore no provision has been made in the financial statements for the guarantees.

18. SHARE-BASED PAYMENTS

The following share options were outstanding during the period:

Date of grant of share options *	Number of share options: At 1 January 2013	Granted during the period	Exercise during the period	Cancelled during the period	Lapsed during the period	At 30 June 2013	Exercise period of share options	Exercise price of share options HK$ per share	Closing price of the Company's shares ** HK$ per share
07-05-2009	17,500,000	—	—	—	—	17,500,000	07-05-2009 to 06-05-2019	3.27	3.47
03-09-2010	43,614,000	—	—	—	—	43,614,000	03-09-2010 to 02-09-2020	3.31	3.19
03-09-2010	4,800,000	—	—	—	—	4,800,000	01-01-2011 to 02-09-2020	3.31	3.19
	65,914,000	—	—	—	—	65,914,000			

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

** The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.

The Group did not recognise any share option expense during the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

19. PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged certain of its assets as securities for banking facilities granted to the Group. The aggregate carrying values of the assets are listed below:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Property, plant and equipment	**40,274**	40,983
Investment properties	**182,112**	171,437
Prepaid land lease payments	**753,069**	724,855
Properties under development	**13,631,100**	10,997,965
Completed properties held for sale	**43,174**	42,412
Time deposits	**414,287**	1,572,424

20. RELATED PARTY TRANSACTIONS

During the period, the Group entered into transactions with related parties as follows:

(a) The Group incurred rental expense of HK$480,000 to a subsidiary of Qualipak, a company under common control of a controlling shareholder of the Company, for the period ended 30 June 2013 which was mutually agreed between the Group and the related company.

(b) At 30 June 2013, the Group executed guarantee amounting to HK$451,092,000 (31 December 2012: HK$455,000,000) to banks as securities for banking facilities granted to its jointly-controlled entity.

(c) Certain of the Group's buildings and prepaid land lease payments with an aggregate carrying amount of HK$13,478,000 at 30 June 2013 (31 December 2012: HK$13,774,000) were provided to a family member of a director for the operation of a school free of charge during the period.

20. RELATED PARTY TRANSACTIONS *(continued)*

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

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short term employee benefits	**7,320**	8,389
Post-employment benefits	**351**	404
Total compensation paid to key management personnel	**7,671**	8,793

The related party transaction in respect of item (a) above also constitutes a connected transaction as defined in Chapter 14A of the Listing Rules.

21. FAIR VALUE MEASUREMENT

The fair values of cash and cash equivalents, restricted bank balances, pledged deposits, deposits and other receivables, deposits with brokerage companies, trade and bills payables, other payables and accruals, loans from non-controlling shareholders of subsidiaries, current portion of interest-bearing bank and other borrowings, and consideration payable on acquisition of subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the non-current portion of interest-bearing bank and other borrowings has been calculated by discounting the expected future cash flows using a rate currently available for instrument on similar terms, credit risk and remaining maturity.

The fair values of listed equity investment, unlisted debt investments and equity investments at fair value through profit or loss are based on quoted market prices.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Assets measured at fair value:

	30 June	31 December
	2013	2012
	(Unaudited)	(Audited)
	Level 1	Level 1
	HK$'000	HK$'000
Available-for-sale investments	**187,155**	221,382
Equity investments at fair value through profit or loss	**35,537**	184,945
	222,692	406,327

The Group did not have any financial liabilities measured at fair value as at 30 June 2013 (31 December 2012: Nil).

During the six months ended 30 June 2013, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 (six months ended 30 June 2012: Nil).

22. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements were approved by the board of directors on 26 August 2013.