瑞安建業
SOCAM DEVELOPMENT

Monetisation IN PROGRESS
穩步變現資產

Interim Report 2014 中期報告

STOCK CODE 股份代號：983

Beijing Centrium Residence

CORPORATE PROFILE

SOCAM Development Limited (SOCAM) was listed on the Hong Kong Stock Exchange in February 1997 under stock code 983. The Company is a member of the Shui On Group.

SOCAM's primary business interests encompass three main areas:

- Niche **property development operations** in the Chinese Mainland that leverage on specialist knowledge in the fast turnaround of projects from acquisition, development and market positioning, to disposal. The Company also has close involvement in an integrated knowledge community project in Dalian.
- Burgeoning **construction business** in Hong Kong with a strong track record of quality, site safety and environmental performance.
- **Cement operations** through the Lafarge Shui On Cement joint venture, a major cement manufacturer in southwest China.

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- Maintenance

CEMENT

- Lafarge Shui On Cement

CORPORATE VALUES

- INTEGRITY
- QUALITY
- INNOVATION
- EXCELLENCE


CHINA
Shenyang
Dalian
Beijing
Tianjin
Nanjing
Shanghai
Wuhan
Chengdu
Sichuan
Chongqing
Guizhou
Yunnan
Guangzhou
Foshan
Hong Kong
Macau

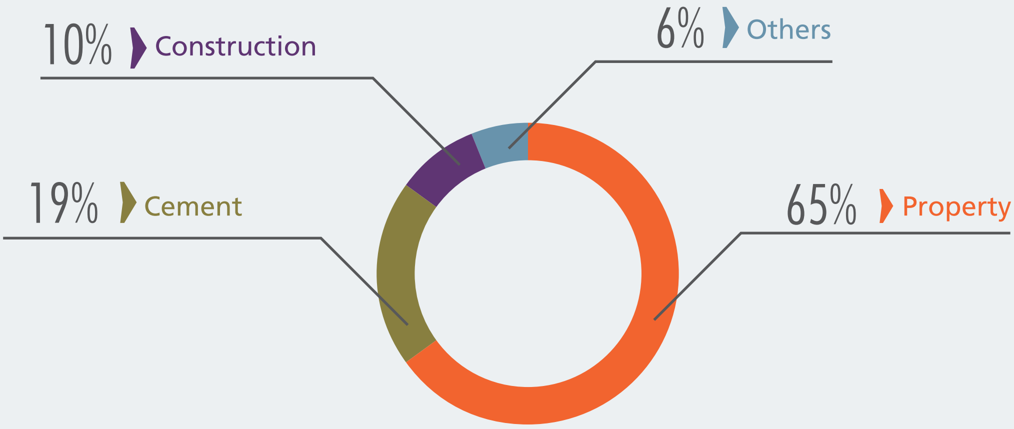
FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2014	2013 (restated)
Turnover		
Company and subsidiaries	**HK$2,765 million**	HK$4,784 million
Share of joint ventures and associates	**HK$2,123 million**	HK$2,290 million
Total	**HK$4,888 million**	HK$7,074 million
Loss attributable to shareholders	**(HK$573 million)**	(HK$74 million)
Basic loss per share	**(HK$1.18)**	(HK$0.15)

	At 30 June 2014	At 31 December 2013
Total assets	**HK$20.3 billion**	HK$23.1 billion
Net assets	**HK$8.6 billion**	HK$9.3 billion
Net asset value per share	**HK$17.80**	HK$19.26
Net gearing	**51.6%**	48.3%

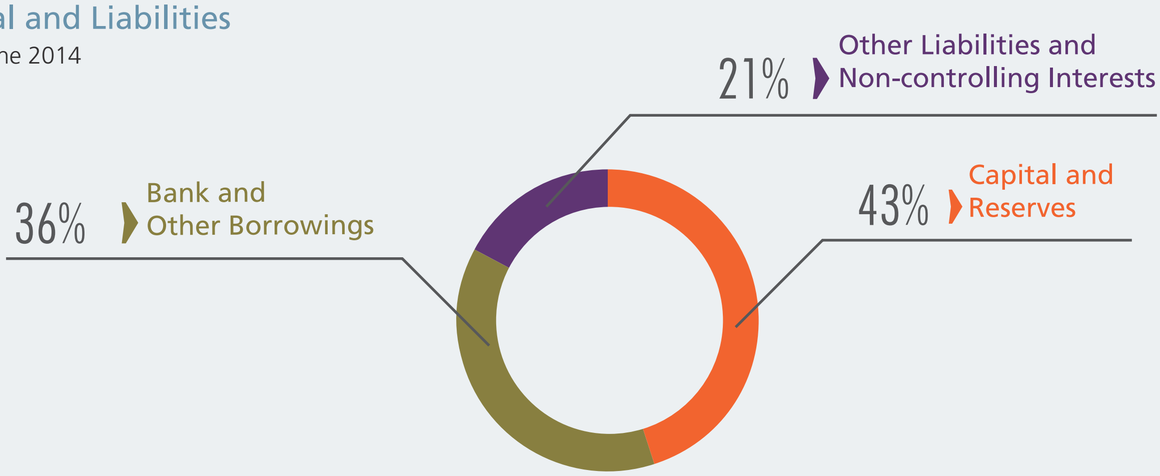
Assets Employed

At 30 June 2014



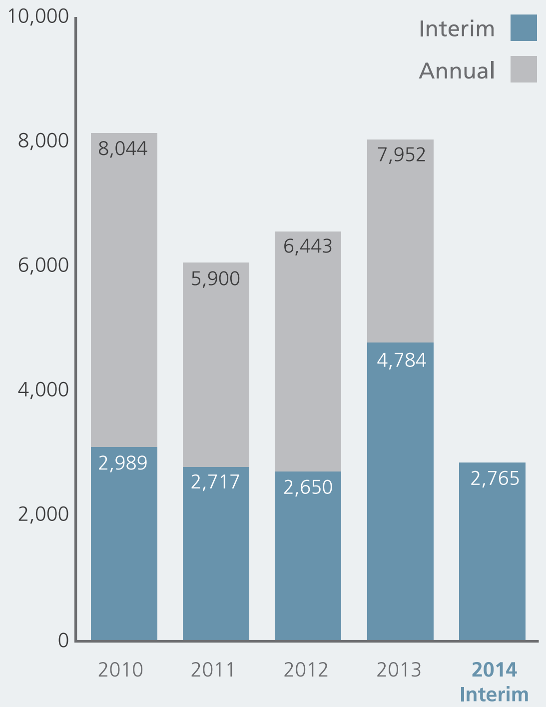
Capital and Liabilities

At 30 June 2014



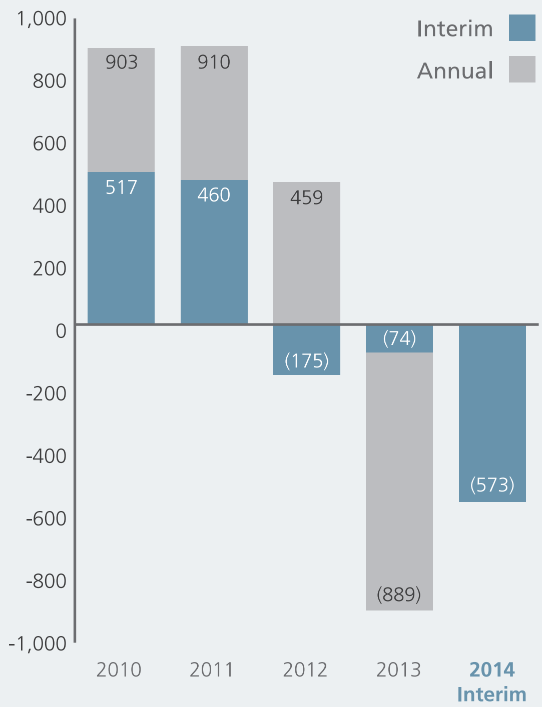
Turnover

HK$ million



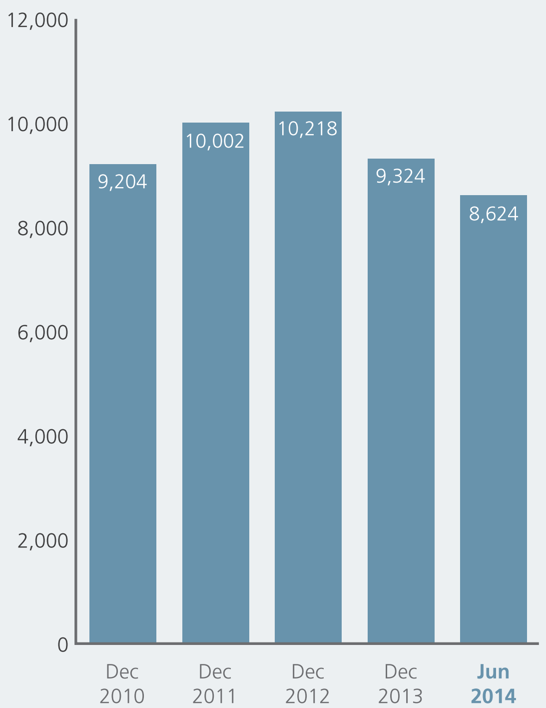
Profit (Loss) Attributable to Shareholders of the Company

HK$ million



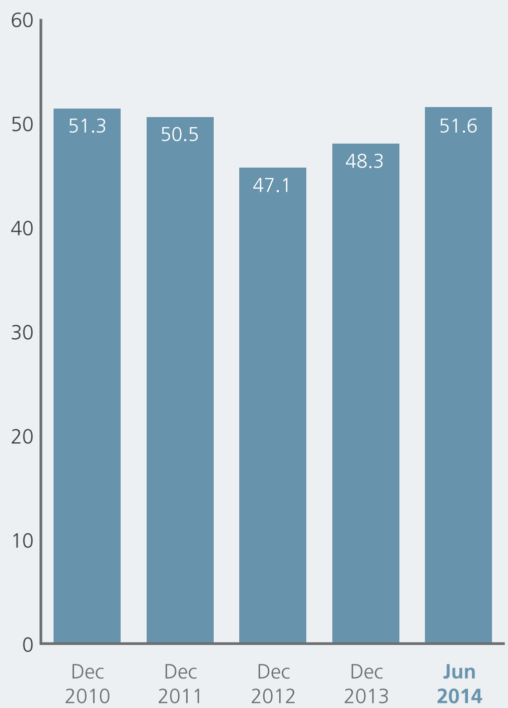
Equity Attributable to Shareholders of the Company

HK$ million



Gearing

Percentage



BUSINESS REVIEW

The first half of 2014 was a period of continuing restructuring for SOCAM. While the monetisation plan continued with the momentum of the latter part of 2013, the Group experienced unprecedented challenges in its operating market environment due to the restricted mortgage policy for residential purchasers and the austerity measures in the Chinese Mainland which have a negative impact on our property disposal plans.

Marketing and sales activities in the property division slowed from March as a result of a potential offer to acquire the shares of the controlling shareholder of your Company, Shui On Company Limited (SOCL). Meanwhile, we were in active discussions with Lafarge on various exit options now in view of its impending merger with Holcim Limited, a leading global cement supplier, as this change in its shareholding structure will further affect the spirit of co-operation in our cement joint venture, Lafarge Shui On Cement (LSOC).

Despite the weakness in the United States in the first quarter, the developed economies showed signs of a sustainable recovery and gathered momentum in trade and investments. The World Bank expects the global economy to grow at 2.8% in 2014, with accelerated expansion in the immediate years ahead.

Asia generally benefited from the recovery of the international economy, as emerging markets and developing economies continued to contribute more than two-thirds of global growth. In the Chinese Mainland, domestic economic drivers remain resilient. GDP growth slowed slightly to 7.4% in the first half of 2014, reflecting China's determination to achieve more balanced and healthy economic growth in the longer term.

The property sector in the Chinese Mainland remained lacklustre and impacted negatively on the overall economy. The Central Government's austerity measures have continued to take a toll on sales nationwide. In the first half of the year, the value of home sales fell 9.2% year-on-year, and new construction starts, measured by area, dropped 16.4%. In July, average home prices were lower in 35 of 70 cities for a third straight month, as developers offered aggressive price cuts in recent months to stimulate market interest. However, from late May, there were welcome signals from the Central Government that bank lending as well as restrictive measures on the real estate market are beginning to be relaxed.

Cement production in China grew by a lower 3.6% year-on-year in the first half of this year, with demand driven by increasing urbanisation and spending on infrastructure projects such as roads, rails and airports. The industry is vulnerable to regional demand variations, highly competitive pricing pressures and fluctuations in energy and raw material costs. Although most of other major players posted encouraging results for the period, Lafarge continues to perform disappointingly in its management of LSOC, and this cement joint venture in southwest China again performed below expectations.

In Hong Kong, GDP is forecast to grow at 2–3% in 2014. Your Company is taking a cautionary note of the acute shortage in the skilled labour market in the construction industry. The escalating labour costs are now consistently pushing up housing prices, despite the various checks imposed by the HKSAR Government to curb speculation.

Since March 2013, the Group has committed to a monetisation plan to divest its property assets in an orderly manner to unlock value for our shareholders. This continues to be the priority of management, as is our exit from the cement business. However, these divestments were set against a challenging first half of the year that continued to see weakening sentiment in the property market in the Chinese Mainland. Further disposals of property projects were slowed down due to the impending restructuring of the Group. Foreign exchange losses incurred by the Group's property projects in the Mainland as a result of the depreciation of Renminbi during the period, as compared to the appreciation for the interim period in 2013, also posted negative impact on our results. Consequently, the Group recorded a loss attributable to shareholders of HK$573 million for the current interim period.

Shanghai Four Seasons Place

PROPERTY

During the period, despite the fact that progress of monetisation was slowed down amid a challenging market environment and the Group restructuring, we successfully completed two en-bloc sales of properties in Shenyang Project Phase II and Tianjin Project Phase II, realising gross proceeds of approximately HK$1.7 billion.

Guangzhou Parc Oasis

Against the backdrop of austerity measures and concerns about over-supply, China's property market showed more signs of cooling in the first half of the year. Developers reacted by offering discounted prices to home buyers but these measures may well have added to the already weakened confidence in the property sector. In May, the Central Bank loosened money supply by calling on the nation's biggest banks to prioritise the granting of mortgages to residential purchasers. The downstream effect of this liquidity easing is likely to be positive, and is seen as the main driver of home sales and possible recovery in the latter half of the year.

China's property sector including investment, construction and the many ancillary services accounts for a significant proportion of the nation's total GDP. Stability in this sector remains a Central Government imperative in sustaining the expansion of a balanced economy. Looking forward, it is likely that such positive policy fundamentals, together with the Government's latest drives to accelerate urbanisation by further promoting the redevelopment of shanty areas and deepening rural reforms, will ensure further healthy growth of China's property market.

Progress of Monetisation

During the first half of the year, SOCAM completed the disposal of an 80% interest in Shenyang Project Phase II, realising gross proceeds of approximately HK$1.5 billion. Capitalising on the prevailing market conditions, the Group also successfully disposed of Tianjin Project Phase II en-bloc in April, enabling the Group to generate gross proceeds of approximately HK$220 million.

Despite a slowdown in the monetisation progress in recent months, divestment of property assets was resumed in July. Market conditions will remain a major factor determining the implementation schedule in the second half of the year.

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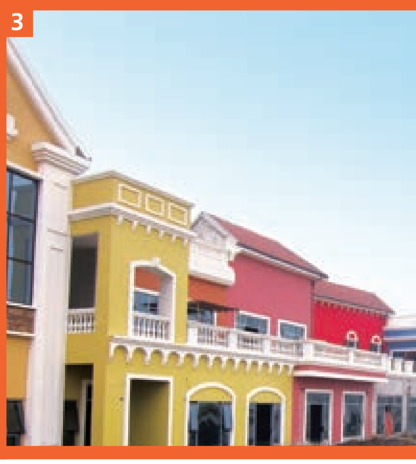


1. Four Seasons Hotel Pudong, Shanghai

2. Shenyang Project Phase I

3. Tianjin Veneto

Special Situation Projects

SOCAM's property portfolio in the Chinese Mainland, as at 30 June 2014, comprises 11 special situation property projects, with a total developable GFA attributable to the Group of approximately 1.6 million square metres. The projects command prime locations in nine Mainland cities and offer attractive residential, office space, or symbiotic mixed-use development benefits, including retail. Our current portfolio is summarised as follows:

Property type	Location	Project	Total Developable GFA attributable to the Group (square metres)	Estimated completion year	SOCAM's interest
Residential	**Beijing**	Centrium Residence	5,400*	Completed	65%
	Guangzhou	Parc Oasis	14,800*	Completed	100%
	Shanghai	Lakeville Regency Tower 18	18,700*	Completed	100%
	Nanjing	Nanjing Project	48,200	2017	34%
Branded residence and hotel	**Shanghai**	21st Century Tower	36,400*	Completed	70%
Composite	**Chengdu**	Centropolitan	386,100	2015	81%
	Chongqing	Creative Concepts Center	31,500*	Completed	100%
	Shenyang	Shenyang Project Phase I	109,300*	Completed	100%
		Shenyang Project Phase II	130,600	Contracted disposal of remaining 20% interest in 2015	20%
Residential and retail	**Guizhou**	Zunyi Project	780,700	2018	100%
	Tianjin	Veneto	68,400	2017	45%
Total:			**1,630,100**	**square metres**	

* The GFA shown above has excluded sold and delivered areas

Project Sales and Leasing

Beijing Centrium Residence

SOCAM holds a 65% interest in this low-density, luxury apartment development that offers 210 units in the sought-after Chaoyang District. Property prices and sales volume in Beijing remain resilient due to limited supply and a sustained demand. At 30 June 2014, handover of approximately 90% of the luxury units was completed. Car parking spaces were put up for sale towards the end of 2013 in response to strong market demand in the area.

Guangzhou Parc Oasis

Home purchase regulations remain tight in Guangzhou; residential sales volume fell 34% in the first quarter of 2014. However, SOCAM has successfully sold over 97% of all the units of the three 35 storeys residential towers and the 32 storeys serviced apartment tower. Handover of these units to buyers has been completed.

Chengdu Centropolitan

Shanghai Lakeville Regency Tower 18

These luxury serviced apartments in the much sought-after Xintiandi area were originally available for short and medium term lease, achieving consistent occupancy rates in the high-80% bracket. In December 2013, as part of the monetisation plan, the Group began to offer individual units for sale. Market response has so far been satisfactory with around half of the 100 apartments sold at 30 June 2014.

Tianjin Veneto

Construction work for the project with a GFA of 152,000 square metres is making good progress, with completion expected in 2017. Veneto is situated in a sought-after location close to the Wuqing Station of the Beijing-Tianjin Intercity Railway. Jointly developed with the SoTan Fund on a 50-50 basis, this project will be developed into a retail-led property with serviced apartments. In preparation for the sales and marketing launch, leasing and project promotion work have started, with favourable response from the market.

Shanghai 21st Century Tower

Amidst strong market competition, the Four Seasons Hotel, Pudong achieved an improved occupancy rate of around 52% during the period, as compared to 35% for the same period last year. The Group is offering for sale the 73 branded residences at Four Seasons Place that, with their designer finishing, prime location and captivating cityscape views, target the top-end discerning buyers. Currently around 37% of apartments has been sold.

Chengdu Centropolitan

Chengdu Centropolitan is a mixed-use development with a GFA of approximately 476,700 square metres. In Chengdu, average sales prices of residential properties fell 3.5% quarter-on-quarter in the first 3 months of 2014, but are stabilising in the post-May nationwide easing of home mortgage restrictions.

The pre-sale launch of the first batch of units in a residential tower commenced in late December 2013 and received initial favourable market response.

Chengdu Centropolitan (Continued)

In January, the Group entered into an agreement to dispose of 43.5% interest in the project to a new investor and, as one of the conditions precedent, the Group bought back 49% interest from the previous joint venture partner in April. However, completion of this disposal did not take place because certain other conditions precedent had not been fulfilled, and the transaction was terminated in June. Immediately thereafter, the Group succeeded in disposing of 19% interest in the project to another investor. At the end of June 2014, SOCAM held an 81% interest in the project.

Chongqing Creative Concepts Center

Creative Concepts Center commands a prime location with significant frontage to the central business district. All office and residential units have now been sold. The retail mall opened in late 2012 and, as at 30 June 2014, achieved approximately 77% occupancy.

Shenyang Project Phases I and II

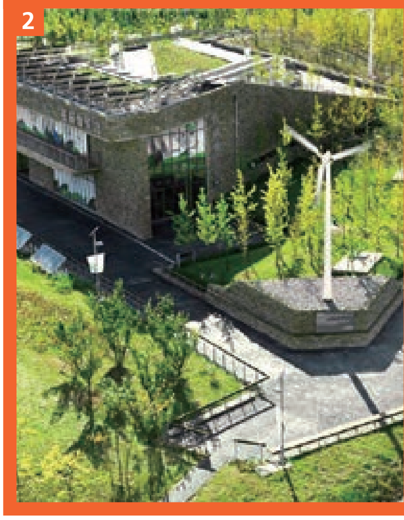
Phase I is completed. Over 94% of the residential units and upscale apartments and around 78% of the office spaces have been sold. The retail mall, opened in late 2013, was nearly 56% leased at the end of June 2014.

The disposal of an 80% project interest in Phase II was completed in January. As contracted, the Group will dispose of its remaining 20% interest to the same buyer by 2015.

Project Acquisition

Towards the end of 2013, the Group and the SoTan private equity fund, in a 50/50 joint venture, entered into a framework agreement to acquire a 65% interest in a project in the Jiangning District of Nanjing. This acquisition was completed in February. Subsequent capital injection into the project, coupled with the acquisition of the minority shareholding, will raise the joint venture's interest in the project to 100%. The project, on completion, will consist of

Shenyang Project Phase I



1. Dalian Tiandi 2. Low Carbon Park at Dalian Tiandi 3. Greenville at Dalian Tiandi

a residential complex with a total GFA of approximately 141,000 square metres in the heart of the vibrant Yangtze River Delta Economic Zone.

Knowledge Community

Dalian Tiandi

This parkland development in Dalian, on the east coast, is developed jointly by Shui On Land, SOCAM and the Yida Group; SOCAM has a 22% interest. The development will offer a total GFA of 3.1 million square metres on completion.

At 30 June 2014, a total leasable and saleable GFA of 539,000 square metres was completed and the leasable and saleable GFA under construction totalled 827,000 square metres. The overall office occupancy rate stood at 87%.

From June, the first batch of 500 residential units in Hekou Bay is being handed over to buyers. Pre-sale permits for the residential units in Huangnichuan have been obtained. However, occupancy and sales targets have been below our expectations in the first half of the year due to abundant market supply in the surrounding area.

CONSTRUCTION

With a promising outlook, highly competitive tendering environment and rapid increase in cost, the Group will continue to carefully consider price fluctuation factors when submitting tenders, and identify ways to increase operational efficiency and strengthen cost control to enhance profitability.

Yau Lai Estate Phase 5 in Kwun Tong, Hong Kong

Hong Kong's construction industry is operating under promising, yet challenging market conditions, continuing from the year before when the gross value of construction work performed by main contractors increased by almost 10%.

Housing policy remains a prime focus of the HKSAR Government which has committed to providing 470,000 housing units over 10 years of which 60% is for the public sector and 40% for the private residential market. To resolve the shortage of new accommodations, this resurgent construction activity is welcomed. However, despite thriving current opportunities and a promising outlook for the construction sector, securing meaningful profit margins remains a challenge with the serious shortage of skilled labour and wage inflation, contributing to a significant increase in costs. More specifically, with the various major infrastructure projects entering their peaks of construction works, the already strong demand for specialised expertise and skilled labour further intensified. The tendering environment also remains highly competitive.

The Group's construction business recorded a profit of HK$47 million in the first half of the year. Turnover was HK$2,478 million, a slight increase compared with the corresponding period last year. New contracts totaling approximately HK$3.2 billion were secured.

At 30 June 2014, the gross value of contracts on hand was approximately HK$19.3 billion and the value of outstanding contracts to be completed was approximately HK$14.4 billion (HK$17.8 billion and HK$13.4 billion respectively at 31 December 2013).

Shui On Construction (SOC) and Shui On Building Contractors (SOBC) completed several projects in the first half of the year, worth a total of HK$1,933 million. SOC delivered on-time the design and construction of Hong Kong Garden for the Qingdao International Horticultural Exposition 2014 and the construction of Town Park, Indoor Velodrome-cum-Sports Centre in Area 45, Tseung Kwan O. SOBC completed construction of the Public Rental Housing Development at Kwai Shing Circuit and a contract for the Maintenance, Improvement and Vacant Flat Refurbishment for properties managed by the District Maintenance Office.

New projects secured by our construction division in the first half of the year comprised two term contracts for the Alterations, Additions, Maintenance and Repair of Buildings and Lands and other Properties for the Architectural Services Department (HK$817 million), two term contracts for the Maintenance, Improvement and Vacant Flat Refurbishment for Properties managed by the Hong Kong Housing Authority (HKHA) (HK$813 million) and Construction of Lift Tower and associated works in Wo Lok Estate for the HKHA (HK$25 million). Subsequent to 30 June 2014, a contract was secured for Construction of the Public Rental Housing Development at San Po Kong (HK$560 million).

Shui On Construction, Mainland (SOCM), the Group's 85%-owned construction arm in the Chinese Mainland, provided services for Chongqing Tiandi, Foshan Lingnan Tiandi, Wuhan Tiandi and Shanghai Rui Hong Xin Cheng projects of Shui On Land (SOL), and Tianjin Veneto and Chengdu Centropolitan projects of SOCAM. SOCM completed main construction contracts valued at HK$659 million and secured approximately HK$797 million worth of new works during the period under review.

We continue to carefully consider price fluctuations over the course of our contracts when tendering and ways to increase operational efficiency, thus keeping a tight control over project costs to enhance profitability.

During the period, Pat Davie secured fit-out and renovation contracts of approximately HK$790 million. New projects included Lung Cheung Plaza enhancement works, Hong Kong Jockey Club Sha Tin Communications and Technology Centre fit-out works and, in Macau, Wynn Palace Cotai podium ground level retail promenade and Galaxy Resort and Casino - Ritz Carlton ballroom and lobbies fit-out works. Major completed projects included the Consulate General of Canada in Hong Kong, Cargo Consolidation Complex of PCCW in Kwai Chung, Hong Kong Science Park Phase 3, and shop reinstatement in Cityplaza of Swire Properties.

SOCAM's construction division prides itself on the array of awards received in areas such as site safety, quality, energy efficiency, and green feature design and construction adoption. As we remain sensitive to the immediate neighbourhood of our construction operations, and to the wider eco-system, we will maintain our commitment to be a responsible contractor.

On 21 August 2014, the Group signed an agreement to dispose of its construction business in the Chinese Mainland, including SOCM, to SOL for a cash consideration of approximately HK$340 million, which is in line with our strategic monetisation plan to divest our property projects and inventories in the Mainland. Subject to approvals of the independent shareholders of both SOCAM and SOL, the disposal is expected to be completed in the fourth quarter of this year.

CEMENT

Though we see some positive developments in the cement sector, exit from LSOC remains a top priority in order to free up our financial resources tied up in this investment.

Lafarge Shui On Cement Joint Venture

Sichuan Shuangma Cement

Lafarge Shui On Dujiangyin Cement Plant

China's cement production saw the slowest growth in the last ten years to 1.14 billion tonnes in the first half of 2014, up 3.6% only from the corresponding period a year ago. The southwestern region, including Sichuan, Chongqing, Guizhou and Yunnan, also experienced considerable decrease in production growth for the period, yet still expanded by the above-average 8.8%. The over-capacity situation in the region continues to linger.

Consumption of cement in China is primarily driven by fixed asset investments, which grew at a slower rate of 17.3% for the first half of this year, on a year earlier. The significant contraction in demand for cement from the real estate sector has over-shadowed the increase in infrastructure-related expenditure. As a result, cement prices have been on a decreasing trend since the beginning of this year, as evidenced by the decline in the cement price index. Profitability of the cement industry as a whole, however, increased primarily due to a relatively larger reduction in coal prices.

Encouragingly, the supply and demand balance as well as operational efficiency within the industry continue to improve. Capacity utilisation now appears firmly on a rising trend as China's Ministry of Industry and Information Technology targets the phasing out of a further 50 million tonnes of outdated plants in 2014. The industry itself has also taken on market rationalisation through mergers and acquisitions, thus increasing the market share of more energy-efficient, modern producers. The Central Government's investment in infrastructure works, and its mild stimulus measures such as acceleration of the building of affordable public housing, are driving demand for cement. Consolidation and product price stability remain as major market challenges that will take a few more years to be fully redressed.

Lafarge Shui On Cement (LSOC)

LSOC, in which the Group holds a 45% interest, is a major cement producer in southwest China. At 30 June 2014, its total annual production capacity stayed at approximately 31 million tonnes.

The over-capacity problem continues to take its toll in this region, and the resultant stiff competition saw continued depressed cement prices.

Total sales volume of LSOC for the first half of 2014 was approximately 13.8 million tonnes, which was slightly higher than that of the same period in 2013. Prices suffered a 1% decrease on average, while variable costs of production reduced by approximately 3.5%, attributable mainly to lower fuel costs. Despite improved margins and EBITDA, LSOC continued to report net loss for this period.

LSOC's plan to inject cement plants into Sichuan Shuangma Cement, a listed company on the Shenzhen Stock Exchange, progressed well. In January 2014, the injection by LSOC of its remaining 25% interest in the Dujiangyan plants into Sichuan Shuangma at a valuation of RMB832 million for new shares of Sichuan Shuangma received overwhelming approval from the independent shareholders of Sichuan Shuangma. It is expected that the China Securities Regulatory Commission (CSRC) will grant final approval for this asset injection around September. Upon completion, LSOC will increase its shareholding in Sichuan Shuangma from the present 69.3% to 75.3%.

LSOC will continue to work on the injection of more cement assets into Sichuan Shuangma, which will not only fulfill its commitment to CSRC, but also enhance progressively the market value of this joint venture.

The Group continues to pursue its planned exit strategy for its interests in LSOC, which sustained loss during this interim period again, to free up the significant amount of our financial resources invested in it. Currently, the Company is in discussions with Lafarge to pursue various exit options amid the impending merger of this joint venture partner with Holcim Limited.

OUTLOOK

Recent indications are that uncertainty and short-term adjustments in China property and cement markets which dominated in the past few years are gradually being uplifted. We therefore maintain a positive outlook in the longer term in these sectors, and in the Chinese economy as a whole.

Major economies are coming out of the trough, and are leading the global recovery, although there are still challenges and uncertainties ahead, including conflicts in the Middle East and concerns over relationships between the West and Russia over Ukraine. China's economy is fundamentally stable, with the Central Government paying increasing attention to the quality of economic growth.

The Group's major assets are in property and cement sectors in the Chinese Mainland, where market conditions in both sectors have been challenging for the last two years. As aforementioned, recent indications are that uncertainty and short-term adjustments in such markets which dominated in the past few years are gradually being uplifted. We therefore maintain a positive outlook in the longer term in these sectors, and in the Chinese economy as a whole.

The monetisation programme of SOCAM has resulted in a number of en-bloc sales, including Shenyang Project Phase II and Tianjin Project Phase II since late 2013, realising significant cash proceeds. During the period, progress of monetisation was deferred as a result of market conditions and the potential offer to acquire the SOCAM shares being held by SOCL. On 30 July, the negotiations between SOCL and the offeror were terminated.

The disappointing performance of LSOC and the lack of co-operation from our joint venture partner have brought impacts on our cement exit plan. Meanwhile, LSOC will take advantage of the industry consolidation and is expected to post more satisfactory results in the coming years. The continuous injection of quality cement assets into Sichuan Shuangma, as well as the success in raising funds from the debt market, are all encouraging developments which will enhance the value of our joint venture as we strive to realise our investment in the cement business.

Our construction division is taking on an increasing number of new jobs. We see a healthy flow of projects in the pipeline at a time when public works are being actively launched by the HKSAR Government. With due caution, SOCAM is well poised to capture the market opportunities despite labour shortage and rapidly rising labour and material costs.

Over the years, SOCAM has firmly established itself in the construction, China property and cement sectors, despite some unforeseen difficulties in the operating environment. We are hopeful that the original plan of asset monetisation will resume its momentum in the second half of 2014, and we will ride on our flexible response to the market and efficiently dispose of our remaining property portfolio with a view to realising the value of our assets, as well as reducing both our operating and finance costs. Emphasis will also be placed on the completion of existing development projects according to schedule. In the short term, however, there will be continuous pressure on our operating performance and we sincerely ask for the understanding of our shareholders amid the current restructuring phase of your Company.

FINANCIAL REVIEW

We are hopeful that the original plan of asset monetisation will resume its momentum in the second half of 2014, and we will ride on our flexible response to the market and efficiently dispose of our remaining property portfolio with a view to realising the value of our assets, as well as reducing both our operating and finance costs.

Four Seasons Hotel Shanghai at Pudong

Interim Results

The Group's loss attributable to shareholders for the six months ended 30 June 2014 was HK$573 million on a turnover of HK$2,765 million, compared with the restated net loss of HK$74 million (as restated for the Group's share of loss of LSOC of HK$127 million) and HK$4,784 million turnover for the corresponding period last year. The Board has resolved not to declare an interim dividend (2013: nil).

An analysis of the total turnover is as follows:

	Six months ended 30 June 2014 HK$ million	Six months ended 30 June 2013 HK$ million (restated)
Turnover		
SOCAM and subsidiaries		
Construction and building maintenance	**2,478**	2,253
Property	**273**	2,530
Others	**14**	1
Total	**2,765**	4,784
Joint ventures and associates		
Property	**378**	618
Cement	**1,744**	1,666
Others	**1**	6
Total	**2,123**	2,290
Total	**4,888**	7,074

Turnover from our construction and building maintenance businesses recorded a 10% increase on an expanded workload during the current period. Revenue from the property business decreased substantially to HK$273 million, from HK$2,530 million for the last interim period, largely because of the slowdown in the disposal of the Group's property projects and inventories amid the unfavourable property market sentiment in the Chinese Mainland and impending restructuring of the Group. In addition, over 97% of the residential units in Guangzhou Parc Oasis and around 85% of the office and apartment spaces in Shenyang Project Phase I have already been sold by the end of last year, and hence much reduced revenue was derived from these two projects in 2014. In the first half of 2013, the high turnover in property mainly came from strata-title sales of residential units of Guangzhou Parc Oasis and en-bloc disposals of the Guangzhou Panyu project and an office tower of Shenyang Project Phase I.

The disposal of 80% interest in Shenyang Project Phase II and our entire 55% interest in Tianjin Project Phase II during this interim period generated gross proceeds of around HK$1.7 billion; however such proceeds have not been included in turnover under the applicable accounting standard because an agreement to dispose of the former was signed in December 2013 and the relevant asset was accounted for as "Assets classified as held for disposal" at the end of last year, while the latter being disposed of was an equity interest in a joint venture. In addition, as part of the monetisation plan, in December 2013, the Group commenced strata-title sales of the apartment units of an investment property — Tower 18, Lakeville Regency in Shanghai. Again, the sales revenue of this property for the current interim period, amounting to HK$331 million, has not been included in turnover according to applicable accounting rule.

Beijing Centrium Residence and Shanghai Four Seasons Place, in which the Group has a 65% and 70% interest respectively, recorded lesser revenue in this interim period, largely because around 90% of the apartment units of Beijing Centrium Residence has already been disposed of by end of last December and sales of the Group's luxury branded residence in Shanghai remain sluggish this year due to continued austerity measures on the Mainland property market. Together with the 22%-owned Dalian Tiandi, the Group's share of property sales revenue from these joint developments decreased to HK$378 million for the current interim period, compared with HK$618 million in the same period last year.

The Group previously accounted for its 45% interest in LSOC as "Assets classified as held for disposal". Notwithstanding that the Group is still highly committed to the exit strategy for its investment in LSOC, the very stringent criteria for the classification of this investment as held for disposal under the applicable accounting standard could no longer be met at 31 December 2013. Accordingly, the Group ceased to classify such investment as held for disposal and, as required, retrospectively accounted for it using the equity method, with comparative figures restated.

An analysis of the results attributable to shareholders is set out below:

	Six months ended 30 June 2014 HK$ million	Six months ended 30 June 2013 HK$ million (restated)
Property		
Project fee income	**26**	38
Profit from property sales and net rental income	**12**	368
Fair value changes on investment properties, net of deferred tax provision	**(6)**	13
Share of results of joint ventures and associates	**(167)**	62
Net loss on disposal of a subsidiary and joint ventures	**(27)**	–
Net operating expenses	**(131)**	(90)
	(293)	391
Construction	**45**	70
Cement operations		
LSOC	**(132)**	(120)
Guizhou cement	**2**	5
	(130)	(115)
Venture capital investments	**(12)**	(32)
Net finance costs	**(136)**	(152)
Corporate overheads and others	**(33)**	(41)
Taxation	**(7)**	(187)
Non-controlling interests	**(7)**	(8)
Total	**(573)**	(74)

Property

Project fee income from joint ventures and associates for the current period decreased to HK$26 million following the scheduled completion of certain of the property projects managed by the Group.

Decrease in profit from property sales for this interim period was a result of the substantial reduction in property sales as mentioned above. In the previous interim period, property sales profit mainly came from strata-title sales of residential units of Guangzhou Parc Oasis, and en-bloc disposals of the Guangzhou Panyu project and an office tower of Shenyang Project Phase I. Rental income was derived from the Group's investment properties, including Lakeville Regency Tower 18 in Shanghai and the shopping malls of Chongqing Creative Concepts Center and Shenyang Project Phase I.

The Group's jointly developed projects, Beijing Centrium Residence and Shanghai Four Seasons Place registered much lesser sales in the current period, hence contributing smaller profits to the Group. In addition, following the progressive completion of development of certain phases of Dalian Tiandi, interest on related construction loans ceased to be capitalised and were expensed. These, coupled with foreign exchange losses incurred on borrowings due to depreciation of Renminbi against Hong Kong dollars during the first half of this year, caused the Group to record a net loss of HK$167 million attributable to its interests in the property joint ventures and associates for the current period. In contrast, the Group's share of profits of these joint ventures and associates for the previous interim period was lifted by foreign exchange gains of a meaningful amount resulting from appreciation of Renminbi.

During the current period, the disposal of Shenyang Project Phase II, Tianjin Project Phase II and a 19% interest in Chengdu Centropolitan produced a HK$27 million net loss, but realised net cash proceeds of HK$1.9 billion, which have reduced the Group's finance costs.

Increase in net operating expenses for the current interim period, as compared with the previous interim period, was largely due to foreign exchange losses incurred on bank borrowings as a result of the aforementioned fluctuations of Renminbi against Hong Kong dollars during the period under review.

Construction

Construction business reported a decline in profit, on increased turnover, for the current period, mainly because of the upsurges in material and labour costs, a higher proportion of construction works in the Chinese Mainland which carried lower margins, and profit having not been recognised under the Company's accounting policy on longer-term, large-scale construction contracts that were at their very early stage of works. Average net profit margin decreased to 1.8% of turnover, from 3.1% in the previous interim period.

Cement Operations

Total sales volume increased slightly, while pricing continued to be depressed as the over-capacity problems in southwest China remain unresolved. LSOC saw an increase in both margins and EBITDA, largely due to decrease in variable cost of production on lower fuel charges, but continued to report a net loss for the current interim period.

Net Finance Costs

Net finance costs decreased to HK$136 million for the first half of 2014, from HK$152 million for the same period in 2013, which was in line with the reduction in bank and other borrowings during the current interim period.

Assets Base

The total assets and net assets of the Group are summarised as follows:

	30 June 2014 HK$ million	31 December 2013 HK$ million
Total assets	**20,268**	23,120
Net assets	**8,624**	9,324

	HK$	HK$
Net assets per share	**17.8**	19.3

Total assets of the Group decreased to HK$20.3 billion at 30 June 2014 from HK$23.1 billion at 31 December 2013, which will be explained in the segment analysis below. The decrease in both net assets of the Group and net assets per share was largely attributable to the loss incurred during the current period and the HK$111 million decrease in the translation reserve as a result of the depreciation of Renminbi against Hong Kong dollars.

An analysis of the total assets by business segments is set out below:

	30 June 2014 HK$ million	**%**	31 December 2013 HK$ million	%
Property	**13,177**	**65**	15,266	66
Cement	**3,780**	**19**	4,004	17
Construction	**2,127**	**10**	2,281	10
Others	**1,184**	**6**	1,569	7
Total	**20,268**	**100**	23,120	100

The proportion of total assets of each business segment remained relatively stable at 30 June 2014, when compared with that at 31 December 2013. However, as our monetisation efforts yielded results with, in particular, Shenyang Project Phase II and Tianjin Project Phase II disposed of during the period, the total value of property assets decreased by HK$2.1 billion, and the sales proceeds were largely applied towards repayment of the Group's bank borrowings and settlement of other liabilities.

Equity, Financing and Gearing

The shareholders' equity of the Company was HK$8,624 million on 30 June 2014, compared with HK$9,324 million on 31 December 2013. The decline was mainly attributable to the loss for the period and decrease in the translation reserve as mentioned above.

Net bank and other borrowings of the Group, which represented bank and other borrowings, net of bank balances, deposits and cash, amounted to HK$4,451 million on 30 June 2014. This compared with HK$4,503 million on 31 December 2013.

The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2014 HK$ million	31 December 2013 HK$ million
Bank and other borrowings repayable:		
Within one year	**5,869**	6,892
After one year but within two years	**1,502**	1,313
Total bank and other borrowings	**7,371**	8,205
Bank balances, deposits and cash	**(2,920)**	(3,702)
Net bank and other borrowings	**4,451**	4,503

The net gearing ratio of the Group, calculated as net bank and other borrowings over shareholders' equity, increased slightly to 51.6% at 30 June 2014, from 48.3% at 31 December 2013, mainly as a result of the decrease in shareholders' equity during this period.

Treasury Policies

The Group's financing and treasury activities are centrally managed and controlled at the corporate level.

The Group's bank borrowings are mainly denominated in Hong Kong dollars and have been arranged on a floating-rate basis. Investments in the Chinese Mainland are partly funded by capital already converted into Renminbi and partly financed by borrowings in Hong Kong dollars. Renminbi financing is at project level only where the sources of repayment are also Renminbi denominated. Given that income from operations in the Chinese Mainland is denominated in Renminbi, the Group expects that the appreciation of Renminbi in the long run will have positive effect on the Group's business performance and financial status. No hedging against Renminbi exchange risk has therefore been arranged. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Employees

At 30 June 2014, the number of employees in the Group was approximately 1,170 (31 December 2013: 1,110) in Hong Kong and Macau, and 7,330 (31 December 2013: 7,650) in subsidiaries and joint ventures in the Chinese Mainland. While staff costs are kept stable during the current interim period, employee remuneration packages are maintained at competitive levels and employees are rewarded on a performance-related basis. Other staff benefits, including provident fund schemes and medical insurance, remained at appropriate levels. The Group continued to retain and develop talents through executive development and management trainee programmes. Based on the financial performance of the Group as well as the individual performance and contribution of the staff members each year, share options may be granted to senior management and staff members under different schemes as reward and long-term incentives. Likewise, in the Chinese Mainland, staff benefits are commensurate with market levels, with an emphasis on building the corporate culture and providing professional training and development opportunities for local employees. It remains our objective to be regarded as an employer of choice to attract, develop and retain high calibre competent staff.

The Town Park and Indoor Velodrome-cum-Sports Centre in Tseung Kwan O, Hong Kong

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF SOCAM DEVELOPMENT LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of SOCAM Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 51, which comprises the condensed consolidated statement of financial position as of 30 June 2014 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

22 August 2014

FINANCIAL INFORMATION
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June **2014** **HK$ million** **(unaudited)**	 2013 HK$ million (unaudited) (restated)
Turnover			
The Company and its subsidiaries		**2,765**	4,784
Share of joint ventures/associates		**2,123**	2,290
		4,888	7,074
Group turnover	3	**2,765**	4,784
Other income		**80**	116
Changes in inventories of finished goods, work in progress, contract work in progress and cost of properties sold		**(180)**	(2,170)
Raw materials and consumables used		**(386)**	(327)
Staff costs		**(332)**	(274)
Depreciation and amortisation expenses		**(8)**	(15)
Subcontracting, external labour costs and other expenses		**(1,964)**	(1,723)
Fair value changes on investment properties		**1**	17
Dividend income from available-for-sale investments		**1**	1
Finance costs	4	**(186)**	(178)
Loss on disposal of a subsidiary		**(20)**	–
Loss on disposal of interests in joint ventures		**(7)**	–
Share of results of joint ventures		**(251)**	(97)
Share of results of associates		**(65)**	(9)
(Loss) profit before taxation		**(552)**	125
Taxation	5	**(14)**	(191)
Loss for the period	6	**(566)**	(66)
Attributable to:			
Owners of the Company		**(573)**	(74)
Non-controlling interests		**7**	8
		(566)	(66)
Loss per share	8		
Basic		**HK$(1.18)**	HK$(0.15)
Diluted		**HK$(1.18)**	HK$(0.15)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June 2014 HK$ million (unaudited)	2013 HK$ million (unaudited) (restated)
Loss for the period	**(566)**	(66)
Other comprehensive (expense) income		
Items that may be subsequently reclassified to profit or loss:		
Fair value changes of available-for-sale investments	**(15)**	(30)
Exchange differences arising on translation of financial statements of foreign operations	**(72)**	127
Share of exchange differences of joint ventures	**(35)**	68
Share of exchange differences of associates	**(4)**	9
Reclassification adjustments for amounts transferred to profit or loss:		
– upon disposal of a subsidiary	**(7)**	–
– upon disposal of property inventories, net of deferred tax of HK$2 million (2013: HK$3 million)	**(3)**	(14)
Other comprehensive (expense) income for the period	**(136)**	160
Total comprehensive (expense) income for the period	**(702)**	94
Total comprehensive (expense) income attributable to:		
Owners of the Company	**(709)**	86
Non-controlling interests	**7**	8
	(702)	94

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2014 HK$ million (unaudited)	31 December 2013 HK$ million (audited)
Non-current Assets			
Investment properties		**2,074**	2,096
Property, plant and equipment		**45**	57
Interests in joint ventures		**3,745**	3,698
Available-for-sale investments	9	**56**	71
Interests in associates		**375**	416
Club memberships		**1**	1
Trade debtors	10	**25**	38
Amounts due from joint ventures		**2,394**	2,388
Amounts due from associates		**853**	865
		9,568	9,630
Current Assets			
Inventories		**1**	1
Properties held for sale		**693**	843
Properties under development for sale		**815**	874
Debtors, deposits and prepayments	10	**1,593**	1,545
Amounts due from customers for contract work		**413**	426
Amounts due from joint ventures		**1,398**	1,158
Amounts due from associates		**585**	498
Amounts due from related companies		**4**	196
Taxation recoverable		**65**	42
Other financial asset		**–**	127
Restricted bank deposits		**358**	946
Bank balances, deposits and cash	11		
– Cash and cash equivalents		**2,562**	2,606
– Other bank balances		**–**	150
		8,487	9,412
Assets classified as held for disposal	12	**2,213**	4,078
		10,700	13,490

	Notes	**30 June 2014 HK$ million (unaudited)**	31 December 2013 HK$ million (audited)
Current Liabilities			
Creditors and accrued charges	13	**2,106**	2,538
Sales deposits received		**23**	112
Amounts due to customers for contract work		**402**	397
Amounts due to joint ventures		**366**	484
Amounts due to associates		**3**	3
Amounts due to related companies		**1**	201
Amounts due to non-controlling shareholders of subsidiaries		**8**	3
Taxation payable		**194**	216
Bank and other borrowings due within one year	14	**5,869**	6,892
		8,972	10,846
Liabilities directly associated with assets classified as held for disposal	12	**415**	777
		9,387	11,623
Net Current Assets		**1,313**	1,867
Total Assets Less Current Liabilities		**10,881**	11,497
Capital and Reserves			
Share capital	15	**484**	484
Reserves		**8,140**	8,840
Equity attributable to owners of the Company		**8,624**	9,324
Non-controlling interests		**55**	67
		8,679	9,391
Non-current Liabilities			
Bank and other borrowings	14	**1,502**	1,313
Defined benefit liabilities		**104**	104
Deferred tax liabilities		**596**	689
		2,202	2,106
		10,881	11,497

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company													
	Share capital HK$ million	Share premium account HK$ million	Translation reserve HK$ million	Contributed surplus (Note a) HK$ million	Goodwill HK$ million	Retained profits HK$ million	Reserve funds HK$ million	Share option reserve HK$ million	Actuarial gain and loss HK$ million	Investment revaluation reserve HK$ million	Other reserve (Note b) HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total Equity HK$ million
At 1 January 2014	**484**	**3,168**	**1,586**	**197**	**(3)**	**3,418**	**12**	**74**	**(27)**	**3**	**412**	**9,324**	**67**	**9,391**
Fair value changes of available-for-sale investments	–	–	–	–	–	–	–	–	–	**(15)**	–	**(15)**	–	**(15)**
Exchange differences arising on translation of financial statements of foreign operations	–	–	**(72)**	–	–	–	–	–	–	–	–	**(72)**	–	**(72)**
Share of exchange differences of joint ventures	–	–	**(35)**	–	–	–	–	–	–	–	–	**(35)**	–	**(35)**
Share of exchange differences of associates	–	–	**(4)**	–	–	–	–	–	–	–	–	**(4)**	–	**(4)**
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	**(7)**	**(7)**	–	**(7)**
Disposal of property inventories	–	–	–	–	–	–	–	–	–	–	**(3)**	**(3)**	–	**(3)**
Loss for the period	–	–	–	–	–	**(573)**	–	–	–	–	–	**(573)**	**7**	**(566)**
Total comprehensive (expense) income for the period	–	–	**(111)**	–	–	**(573)**	–	–	–	**(15)**	**(10)**	**(709)**	**7**	**(702)**
Issue of shares upon exercise of share options	–	**3**	–	–	–	–	–	–	–	–	–	**3**	–	**3**
Recognition of share-based payments	–	–	–	–	–	–	–	**6**	–	–	–	**6**	–	**6**
Transfer upon exercise/lapse of share options	–	**1**	–	–	–	**4**	–	**(5)**	–	–	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	**(19)**	**(19)**
At 30 June 2014	**484**	**3,172**	**1,475**	**197**	**(3)**	**2,849**	**12**	**75**	**(27)**	**(12)**	**402**	**8,624**	**55**	**8,679**

	Attributable to owners of the Company													
	Share capital HK$ million	Share premium account HK$ million	Translation reserve HK$ million	Contributed surplus (Note a) HK$ million	Goodwill HK$ million	Retained profits HK$ million	Reserve funds HK$ million	Share option reserve HK$ million	Actuarial gain and loss HK$ million	Investment revaluation reserve HK$ million	Other reserve (Note b) HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total Equity HK$ million
At 1 January 2013														
– as originally stated	492	3,232	1,241	197	(3)	5,041	11	96	(183)	30	432	10,586	70	10,656
– effect of changes in accounting policy	–	–	–	–	–	(138)	–	–	138	–	–	–	–	–
– account for the investment in LSOC using the equity method	–	–	–	–	–	(368)	–	–	–	–	–	(368)	–	(368)
– as restated	492	3,232	1,241	197	(3)	4,535	11	96	(45)	30	432	10,218	70	10,288
Fair value changes of available-for-sale investments	–	–	–	–	–	–	–	–	–	(30)	–	(30)	–	(30)
Exchange differences arising on translation of financial statements of foreign operations	–	–	127	–	–	–	–	–	–	–	–	127	–	127
Share of exchange differences of joint ventures	–	–	68	–	–	–	–	–	–	–	–	68	–	68
Share of exchange differences of associates	–	–	9	–	–	–	–	–	–	–	–	9	–	9
Disposal of property inventories	–	–	–	–	–	–	–	–	–	–	(14)	(14)	–	(14)
Loss for the period, as restated	–	–	–	–	–	(74)	–	–	–	–	–	(74)	8	(66)
Total comprehensive income (expense) for the period	–	–	204	–	–	(74)	–	–	–	(30)	(14)	86	8	94
Issue of shares upon exercise of share options	2	10	–	–	–	–	–	–	–	–	–	12	–	12
Recognition of share-based payments	–	–	–	–	–	–	–	(6)	–	–	–	(6)	–	(6)
Transfer upon exercise/lapse of share options	–	4	–	–	–	19	–	(23)	–	–	–	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(6)	(6)
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	4	4
Dividends recognised as distribution (note 7)	–	–	–	–	–	(247)	–	–	–	–	–	(247)	–	(247)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(19)	(19)
At 30 June 2013	494	3,246	1,445	197	(3)	4,233	11	67	(45)	–	418	10,063	57	10,120

Notes:

(a) The contributed surplus of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997.

(b) Other reserve of the Group mainly include (i) an amount of HK$231 million (2013: HK$231 million) recognised in prior years, which arose when the Group entered into agreements with Shui On Company Limited ("SOCL"), the Company's substantial shareholder, to co-invest in Shui On Land Limited during the year ended 31 March 2005; (ii) an amount of HK$102 million (2013: HK$102 million), which represents the Group's share of compensation recognised by Lafarge Shui On Cement Limited in the form of donation in respect of losses in the earthquake in Sichuan during the year ended 31 December 2008; (iii) an amount of HK$20 million (2013: HK$26 million), which represents the Group's share of revaluation reserve of a then associate, China Central Properties Limited ("CCP"), arising from an acquisition achieved in stages by CCP during the year ended 31 December 2009, net of the amount released as a result of subsequent disposal of property inventories; and (iv) an amount of HK$23 million (2013: HK$33 million), which represents the revaluation surplus of the Group's 42.88% previously held interest in CCP, recognised upon the acquisition of the remaining 57.12% interest in CCP during the year ended 31 December 2009, net of the amount released as a result of subsequent disposal of property inventories.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2014 HK$ million (unaudited)	2013 HK$ million (unaudited)
Net cash used in operating activities		
Operating cash flows before movements in working capital	**(99)**	172
Decrease in properties held for sale	**143**	1,322
Increase (decrease) in sales deposits received	**317**	(907)
Decrease (increase) in other bank balances (note 11)	**150**	(78)
Movements in other working capital	**(370)**	(550)
Tax paid	**(145)**	(157)
	(4)	(198)
Net cash from investing activities		
Advances to joint ventures	**(882)**	(169)
Payment for construction of investment properties	**(24)**	(49)
Net proceeds from disposal of property inventory through disposal of a subsidiary	**–**	358
Net proceeds from disposal of a subsidiary classified as held for disposal (note)	**1,344**	–
Net proceeds from disposal of a joint venture	**216**	–
Acquisition of property inventories and other assets and liabilities through acquisition of subsidiaries	**(117)**	(11)
Increase in sales deposits received classified as held for disposal	**181**	–
Restricted bank deposits refunded	**690**	64
Restricted bank deposits placed	**(102)**	(126)
Other investing cash flows	**182**	15
	1,488	82
Net cash (used in) from financing activities		
New bank and other loans raised	**2,422**	1,599
Repayment of bank loans	**(3,567)**	(692)
Interest paid	**(154)**	(160)
Other financing cash flows	**(210)**	(92)
	(1,509)	655
Net (decrease) increase in cash and cash equivalents	**(25)**	539
Cash and cash equivalents at the beginning of the period	**2,606**	1,854
Effect of foreign exchange rate changes	**(19)**	32
Cash and cash equivalents at the end of the period	**2,562**	2,425
Analysis of the balances of cash and cash equivalents		
Bank balances, deposits and cash	**2,562**	2,425

Note:

During the six months ended 30 June 2014, the Group disposed of 80% interest in a property project through disposal of 80% interest in a subsidiary, which assets and liabilities were respectively accounted for as "assets classified as held for disposal" and "liabilities associated with assets classified as held for disposal" in the Group's consolidated statement of financial position at 31 December 2013 (note 12(a)). Accordingly, the net cash inflow of approximately HK$1,344 million arising therefrom was included in cash flows from investing activities as such disposal was effected through disposal of subsidiary, rather than operating activities.

1. Basis of Preparation

The condensed consolidated financial statements for the six months ended 30 June 2014 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values. The fair value of the Group's investment properties at 30 June 2014 and 31 December 2013 has been arrived at on the basis of valuations carried out on those dates by an independent qualified professional valuer.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013. Joint ventures and associates of the Group adopt uniform accounting policies for like transactions and events in similar circumstances as those of the Group. In the current interim period, the Group has applied, for the first time, the new interpretation and certain amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which are mandatorily effective for the Group's financial period beginning on 1 January 2014.

The application of the above new interpretation and amendments to HKFRSs has had no material effect on the amounts and disclosures set out in the condensed consolidated financial statements for the current interim period.

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective.

The investment in LSOC was classified as assets classified as held for disposal in prior periods. However, the investment in LSOC no longer met the criteria to be classified as held for disposal in 2013, despite the fact that the Group remains highly committed to its plan to exit entirely from this investment, and accordingly the investment was accounted for using the equity method retrospectively. Such a change has been reflected in the Group's consolidated financial statements for the year ended 31 December 2013. For this interim condensed consolidated financial statements, comparative figures have also been restated in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

3. Segment Information

(a) Reportable segment revenue and profit or loss

For management reporting purposes, the Group is currently organised into four operating divisions based on business nature. These divisions are the basis on which the Group reports information to its chief operating decision makers, who are the Executive Directors of the Company, for the purposes of resource allocation and assessment of segment performance.

The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

1. Property — property development for sale and investment and provision of property asset management services

2. Construction and building maintenance — construction, interior fit-out, renovation and maintenance of building premises, sales of building materials and provision of related consultancy services

3. Segment Information (Continued)

(a) Reportable segment revenue and profit or loss (Continued)

3. Cement operations through Lafarge Shui On Cement Limited ("LSOC")

4. Other businesses — venture capital investment, cement operations not through LSOC, and others

An analysis of the Group's reportable segment revenue and segment results by reportable and operating segment is as follows:

For the six months ended 30 June 2014

	Property HK$ million	Construction and building maintenance HK$ million	Cement Operations through LSOC HK$ million	Other businesses HK$ million	Total HK$ million
REVENUE					
Sales of goods	228	1	–	13	242
Rental income	19	–	–	–	19
Revenue from rendering of services	26	9	–	1	36
Construction contract revenue	–	2,468	–	–	2,468
Revenue from external customers	273	2,478	–	14	2,765
Inter-segment revenue	–	13	–	–	13
	273	2,491	–	14	2,778
Share of joint ventures/associates' revenue	378	1	1,708	36	2,123
Total segment revenue	651	2,492	1,708	50	4,901
Inter-segment revenue is charged at mutually agreed prices.					
Reportable segment results	(240)	47	(132)	(16)	(341)
Segment results have been arrived at after crediting (charging):					
Depreciation and amortisation	(4)	(2)	–	(1)	(7)
Interest income	45	2	3	–	50
Fair value changes on investment properties	1	–	–	–	1
Dividend income from available-for-sale investments	1	–	–	–	1
Loss on disposal of interests in joint ventures	(7)	–	–	–	(7)
Loss on disposal of a subsidiary	(20)	–	–	–	(20)
Share of results of joint ventures					
Property development	(102)	–	–	–	(102)
Cement operations through LSOC	–	–	(139)	–	(139)
Cement operations in Guizhou	–	–	–	2	2
Venture capital investments	–	–	–	(12)	(12)
					(251)
Share of results of associates					
Property development	(65)	–	–	–	(65)

3. Segment Information (Continued)

(a) Reportable segment revenue and profit or loss (Continued)

For the six months ended 30 June 2013 (restated)

	Property HK$ million	Construction and building maintenance HK$ million	Cement operations through LSOC HK$ million	Other businesses HK$ million	Total HK$ million
REVENUE					
Sales of goods	2,471	36	–	–	2,507
Rental income	21	–	–	–	21
Revenue from rendering of services	38	15	–	1	54
Construction contract revenue	–	2,202	–	–	2,202
Revenue from external customers	2,530	2,253	–	1	4,784
Inter-segment revenue	–	23	–	–	23
	2,530	2,276	–	1	4,807
Share of joint ventures/associates' revenue	618	6	1,631	35	2,290
Total segment revenue	3,148	2,282	1,631	36	7,097
Inter-segment revenue is charged at mutually agreed prices.					
Reportable segment results	416	72	(120)	(20)	348
Segment results have been arrived at after crediting (charging):					
Depreciation and amortisation	(11)	(2)	–	(1)	(14)
Interest income	20	2	3	2	27
Imputed interest income on loans to joint ventures/associates	14	–	–	–	14
Fair value changes on investment properties	17	–	–	–	17
Dividend income from available-for-sale investments	1	–	–	–	1
Share of results of joint ventures					
Property development	60	–	–	–	60
Cement operations through LSOC	–	–	(127)	–	(127)
Cement operations in Guizhou	–	–	–	5	5
Venture capital investments	–	–	–	(32)	(32)
Imputed interest expense	(3)	–	–	–	(3)
					(97)
Share of results of associates					
Property development	2	–	–	–	2
Imputed interest expense	(11)	–	–	–	(11)
					(9)

3. Segment Information (Continued)

(b) Reportable segment assets and liabilities

An analysis of the Group's reportable segment assets and liabilities by reportable and operating segment is as follows:

At 30 June 2014

	Property HK$ million	**Construction and building maintenance HK$ million**	**Cement operations through LSOC HK$ million**	**Other businesses HK$ million**	**Total HK$ million**
Reportable segment assets	**13,589**	**3,019**	**3,456**	**1,923**	**21,987**
Reportable segment liabilities	**2,659**	**2,420**	**–**	**986**	**6,065**

At 31 December 2013

	Property HK$ million	Construction and building maintenance HK$ million	Cement operations through LSOC HK$ million	Other businesses HK$ million	Total HK$ million
Reportable segment assets	15,631	3,205	3,620	2,355	24,811
Reportable segment liabilities	3,832	2,600	–	1,054	7,486

(c) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2014 HK$ million	2013 HK$ million (restated)
Revenue		
Reportable segment revenue	**4,901**	7,097
Elimination of inter-segment revenue	**(13)**	(23)
Elimination of share of revenue of joint ventures/associates	**(2,123)**	(2,290)
Consolidated turnover	**2,765**	4,784

3. Segment Information (Continued)

(c) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

	Six months ended 30 June 2014 HK$ million	Six months ended 30 June 2013 HK$ million (restated)
(Loss) profit before taxation		
Reportable segment (loss) profit before taxation	**(341)**	348
Unallocated other income	**3**	2
Finance costs	**(186)**	(178)
Other unallocated corporate expenses	**(28)**	(47)
Consolidated (loss) profit before taxation	**(552)**	125

	30 June 2014 HK$ million	31 December 2013 HK$ million
Assets		
Reportable segment assets	**21,987**	24,811
Elimination of inter-segment receivables	**(1,784)**	(1,733)
Other unallocated assets	**65**	42
Consolidated total assets	**20,268**	23,120

	30 June 2014 HK$ million	31 December 2013 HK$ million
Liabilities		
Reportable segment liabilities	**6,065**	7,486
Elimination of inter-segment payables	**(1,784)**	(1,733)
Unallocated liabilities		
– Bank and other borrowings	**6,414**	6,967
– Taxation and others	**894**	1,009
Consolidated total liabilities	**11,589**	13,729

4. Finance Costs

	Six months ended 30 June	
	2014	2013
	HK$ million	HK$ million
Interest on bank loans and overdrafts and other loans	**154**	193
Other borrowing costs	**32**	26
Less: amounts capitalised to properties under development	**–**	(41)
	186	178

5. Taxation

	Six months ended 30 June	
	2014	2013
	HK$ million	HK$ million
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	**6**	12
PRC Enterprise Income Tax	**44**	137
PRC Land Appreciation Tax	**52**	119
	102	268
Deferred taxation	**(88)**	(77)
	14	191

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the period.

PRC Enterprise Income Tax is calculated at 25% (2013: 25%) on the estimated assessable profits for the period.

PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including amortisation of land use rights, borrowing costs, business taxes and all property development expenditure.

6. Loss for the Period

	Six months ended 30 June	
	2014	2013
	HK$ million	HK$ million (restated)
Loss for the period has been arrived at after charging (crediting):		
Depreciation and amortisation:		
Prepaid lease payments	**–**	1
Property, plant and equipment	**8**	15
Less: amounts capitalised to properties under development	**–**	(1)
	8	15
Cost of properties sold	**198**	2,079
Loss on disposal of partial interest in a joint venture (note)	**34**	–
Gain on disposal of entire interest in a joint venture	**(27)**	–
Share of tax of joint ventures (included in share of results of joint ventures)	**58**	124
Share of tax of associates (included in share of results of associates)	**(9)**	4

Note:

During the period, the Group entered into a sale and purchase agreement (the "Agreement") to dispose of 43.5% interest in a joint venture, which owns a property development in Chengdu, to a new investor. As one of the conditions precedent to the Agreement, the Group was required to re-acquire the 49% interest in the joint venture from the previous joint venture partner. However, completion of the disposal did not take place because certain other conditions precedent have not been fulfilled and the transaction has been terminated. Immediately thereafter, the Group succeeded in disposing of 19% interest in the joint venture to another investor (the "Joint Venture Partner") in June 2014. Pursuant to the terms and conditions of the shareholders' agreement, the Group granted an option to the Joint Venture Partner to require the Group to acquire all of the shares owned by the Joint Venture Partner and the outstanding shareholder's loan plus accrued interest owed to it (the "Put Option") at an exercise price, the maximum amount of which could be 19% of the then fair market value of the consolidated net assets of the joint venture plus the then outstanding principal amount of the shareholder's loan and accrued interest. In addition, the Joint Venture Partner granted an option to the Group to require the Joint Venture Partner to sell all of the shares owned by the Joint Venture Partner to the Group (the "Call Option"), at a pre-determined price. Both the Put Option and the Call Option are exercisable at any time subject to the satisfaction of certain conditions. Details of the transaction are set out in the announcements of the Company dated 24 January 2014 and 27 June 2014.

The directors of the Company has assessed that the fair value of both the Put Option and the Call Option are insignificant as at 30 June 2014.

7. Dividends

The Board does not recommend the payment of an interim dividend (2013: nil) for the six months ended 30 June 2014.

	Six months ended 30 June	
	2014	2013
	HK$ million	HK$ million
Final dividend recognised as distribution during the period (note)	**–**	247

Note:

The Board did not recommend the payment of a final dividend for the year ended 31 December 2013 (2013: HK$0.50 per share for the year ended 31 December 2012)

8. Loss Per Share

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

	Six months ended 30 June	
	2014	2013
	HK$ million	HK$ million (restated)
Loss:		
Loss for the purposes of basic and diluted loss per share	**(573)**	(74)
	Million	Million
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**484**	493
Effect of dilutive potential ordinary shares:		
Share options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**484**	493

The computation of the diluted loss per share for the six months ended 30 June 2014 and 30 June 2013 does not assume the exercise of the Company's share options, because this would result in a decrease in loss per share.

8. Loss Per Share (Continued)

The following table summarises the impact on both basic and diluted earnings per share for the prior period as a result of the Group accounting for its investment in LSOC using the equity method of accounting for the six months ended 30 June 2013 (see note 2).

	As originally stated HK$ million	**Investment in LSOC being accounted for using the equity method** HK$ million	**As restated** HK$ million
Condensed consolidated statement of profit or loss for the six months ended 30 June 2013			
Share of results of joint ventures	30	(127)	(97)
Profit (loss) for the period	61	(127)	(66)
Attributable to:			
Owners of the Company	53	(127)	(74)
Non-controlling interests	8	–	8
	61	(127)	(66)
Earnings (loss) per share for the six months ended 30 June 2013			
Basic	HK$0.11	HK$(0.26)	HK$(0.15)
Diluted	HK$0.11	HK$(0.26)	HK$(0.15)

9. Available-for-Sale Investments

	30 June 2014 **HK$ million**	31 December 2013 HK$ million
Available-for-sale investments comprise:		
Listed equity securities in Hong Kong	**56**	71

Available-for-sale investments at 30 June 2014 and 31 December 2013 represent the Group's equity interest in Shui On Land Limited ("SOL"). At 30 June 2014, the Group held a 0.4% (31 December 2013: 0.4%) equity interest in SOL.

In May 2013, 7,461,984 new shares of SOL were allotted to the Group, which represented the rights shares subscribed by the Group in relation to the rights issue of SOL on the basis of one rights share for every three existing SOL shares then held by the Group.

10. Debtors, Deposits and Prepayments

The Group maintains a defined credit policy. The general credit term ranges from 30 to 90 days.

Included in debtors, deposits and prepayments are debtors with an aged analysis (based on the repayment terms set out in sale and purchase agreements or invoice date) at the end of the reporting period as follows:

	30 June 2014 HK$ million	31 December 2013 HK$ million
Trade debtors aged analysis:		
Not yet due or within 90 days	**747**	911
91 days to 180 days	**15**	6
181 days to 360 days	**96**	40
Over 360 days	**53**	32
	911	989
Less: amounts classified as amounts due from joint ventures, associates and related companies (note 21)	**(232)**	(336)
Retention receivable	**210**	231
Consideration receivables in respect of disposal of a subsidiary/a joint venture	**32**	32
Prepayments, deposits and other receivables (note b)	**697**	667
	1,618	1,583
Less: amount due for settlement after 12 months	**(25)**	(38)
	1,593	1,545

Notes:

(a) Included in the trade debtors are receivables of HK$233 million (31 December 2013: HK$182 million), which are aged over 180 days, based on the date on which revenue was recognised.

(b) Included in prepayments, deposits and other receivables at 30 June 2014 are receivables of HK$402 million (31 December 2013: HK$400 million) due from CCP's former subsidiaries (the "Debtor"), which hold a property interest in the PRC and were disposed of in 2008. The amounts are repayable on demand and out of the total outstanding balance, an amount of HK$151 million (31 December 2013: HK$153 million) carries interest at prevailing market rates. A court in the PRC issued a notice to attach the aforesaid property interest until December 2014 to cause the Debtor to settle part of the outstanding receivable in the amount of RMB120 million (approximately HK$151 million) (31 December 2013: RMB120 million (approximately HK$153 million)) and its related interest. In addition to these receivables, the Company has provided a guarantee in relation to a loan granted to the Debtor (see note 20(d)). In the opinion of the Directors of the Company, given that there have been continued positive outcomes in the legal disputes in relation to the property interest, these receivables will be fully settled and the guarantee provided by the Company will be released either after completion of the transfer of the legal title to the aforesaid property interest to the Debtor or the sale of the equity interest of the entity holding the property interest, which is expected to take place within twelve months from the end of the reporting period.

11. Bank Balances, Deposits and Cash

Balances at 31 December 2013 included an amount of HK$150 million, which is earmarked for payments of certain properties under development. For the purposes of the condensed consolidated statement of cash flows, cash and cash equivalents at 30 June 2014 amounted to HK$2,562 million (31 December 2013: HK$2,606 million).

12. Assets Classified as Held for Disposal/Liabilities Directly Associated with Assets Classified as Held for Disposal

	30 June 2014 HK$ million	31 December 2013 HK$ million
Disposal of a subsidiary (note a)		
Interest in an associate	**384**	–
Investment properties under construction	–	403
Property under development for sale	–	1,509
Debtors, deposits and prepayments	–	1
Bank balances, deposits and cash	–	1
	384	1,914
Disposal of other assets (note b)		
Investment properties	**1,829**	2,164
Total assets classified as held for disposal	**2,213**	4,078
Disposal of a subsidiary (note a)		
Creditors and accrued charges	–	(39)
Sales deposit received	–	(148)
Deferred tax liabilities	–	(38)
Bank borrowings	–	(318)
	–	(543)
Disposal of other assets (note b)		
Sales deposit received	**(415)**	(234)
Total liabilities associated with assets classified as held for disposal	**(415)**	(777)

Notes:

(a) In December 2013, the Group entered into a sale and purchase agreement with an independent third party (the "Purchaser") to dispose of 80% of the issued share capital of, and assign 80% of the shareholder's loan made to a subsidiary (the "Subsidiary"), which indirectly owns a property development project in Shenyang. The transaction was completed in January 2014 and the net cash inflow arising from the transaction was approximately HK$1,344 million. Following the disposal and pursuant to the terms of the agreement, the Subsidiary became a 20% associate of the Group. According to the terms of the agreement, the Group has an option to require the Purchaser to acquire its 20% interest in the Subsidiary, exercisable at any time after satisfaction of certain post-completion conditions (the "Conditions"), at a pre-determined price. The Purchaser also has an option exercisable at any time after 18 months following the date of the shareholders' deed to require the Group to sell to the Purchaser all of its shares in and the shareholder's loan owing to the Group by the Subsidiary at the same exercise price. Based on the present assessment, the Directors of the Company are confident that the Conditions would be fulfilled within twelve months from the end of the reporting period and it is highly probable that the Group will exercise the option to require the Purchaser to acquire the 20% interest immediately upon fulfillment of the Conditions. Accordingly, the 20% interest was classified as assets classified as held for disposal in the Group's condensed consolidated statement of financial position at 30 June 2014. The assets and liabilities attributable to the Subsidiary were respectively classified as assets classified as held for disposal and liabilities associated with assets classified as held for disposal in the Group's consolidated statement of financial position at 31 December 2013. Details of transaction are set out in an announcement and a circular of the Company dated 3 December 2013 and 6 January 2014 respectively.

(b) In late 2013, management of the Company decided to change the intention to sell certain investment properties, which were held under operating leases, on strata-title basis, and the sale plan was initiated in December 2013. The disposal of these properties is expected to be completed in 2014, therefore, the assets and liabilities attributable to these properties were respectively reclassified as assets classified as held for disposal and liabilities associated with assets classified as held for disposal in the Group's condensed consolidated statement of financial position at 30 June 2014 and consolidated statement of financial position at 31 December 2013.

13. Creditors and Accrued Charges

The aged analysis of creditors (based on invoice date) of HK$748 million (31 December 2013: HK$1,097 million), which are included in the Group's creditors and accrued charges, is as follows:

	30 June 2014 HK$ million	31 December 2013 HK$ million
Trade creditors aged analysis:		
Not yet due or within 30 days	**451**	901
31 days to 90 days	**49**	33
91 days to 180 days	**122**	55
Over 180 days	**126**	108
	748	1,097
Retention payable	**303**	348
Consideration payable in respect of acquisitions of subsidiaries	**–**	117
Provision for contract work/construction cost	**746**	617
Other accruals and payables	**309**	359
	2,106	2,538

14. Bank and Other Borrowings

During the six months ended 30 June 2014, the Group raised new bank and other borrowings totalling HK$2,422 million (2013: HK$1,599 million), repaid bank borrowings totalling HK$3,249 million (2013: HK$692 million), and renewed/refinanced existing banking facilities totaling HK$1,320 million. New and renewed bank loan facilities of the Group carry interest at approximately 3.23% to 5.03% per annum.

15. Share Capital

	30 June 2014 Number of shares	31 December 2013 Number of shares	**30 June 2014 HK$ million**	31 December 2013 HK$ million
Ordinary shares of HK$1 each:				
Authorised				
At the beginning and the end of the period/year	**1,000,000,000**	1,000,000,000	**1,000**	1,000
Issued and fully paid				
At the beginning of the period/year	**483,992,111**	492,248,421	**484**	492
Repurchase of shares	**–**	(10,046,000)	**–**	(10)
Exercise of share options	**418,053**	1,789,690	**–**	2
At the end of the period/year	**484,410,164**	483,992,111	**484**	484

16. Capital Commitments

(a) At 30 June 2014, the Group had no significant capital commitments (31 December 2013: HK$102 million).

(b) At 30 June 2014, the Group's share of the capital commitments of its joint ventures mainly in relation to property, plant and equipment is as follows:

	30 June 2014 HK$ million	31 December 2013 HK$ million
Authorised but not contracted for	**–**	–
Contracted but not provided for	**172**	149

17. Share-Based Payments

The Company has a share option scheme for eligible employees of the Group. Movement of the share options outstanding during the current period are as follows:

	Number of Shares subject to options
Outstanding at 1 January 2014	**70,223,279**
Exercised during the period	**(418,053)**
Lapsed during the period	**(1,719,226)**
Cancelled during the period	**(37,050,000)**
Outstanding at 30 June 2014	**31,036,000**

During the period, the Group has cancelled certain share options granted in 2011. The Group has accounted for the cancellation as an acceleration of vesting, and recognised immediately the amount taken into account the estimate of insignificant amount of share options that would have been vested had the cancellation not occurred.

18. Acquisition of Property Inventories and Other Assets and Liabilities through Acquisition of Subsidiaries

In May 2013, the Group acquired the remaining 10% equity interest in Guizhou Kaili Shui On Cement Co. Ltd. ("Kaili Shui On"), a 90% joint venture of the Group. Kaili Shui On was previously engaged in the production and sale of cement in Guizhou, which ceased operation in 2011 and it currently owns a land parcel for property development in Guizhou. Following the completion of the acquisition, Kaili Shui On became a wholly-owned subsidiary of the Company. The assets acquired and liabilities assumed did not constitute a business combination as defined in HKFRS 3 "Business Combinations" and therefore, the acquisition was accounted for as assets acquisition. The net cash outflow arising from the acquisition during the six months period ended 30 June 2013 was approximately HK$11 million.

19. Acquisition of a Subsidiary

In May 2013, the Group acquired the remaining 25% equity interest in Guizhou Kaili Ken On Concrete Co. Ltd. ("Kaili Ken On"), a 75% joint venture of the Group. Following the completion of the acquisition, Kaili Ken On became a wholly-owned subsidiary of the Company. The net cash outflow arising from the acquisition during the six months period ended 30 June 2013 was approximately HK$1 million.

20. Contingent Liabilities

At 30 June 2014, the Group had the following contingent liabilities, which have not been provided for in the condensed consolidated financial statements:

(a) Standby documentary credit arranged with a bank to secure a bank loan of RMB110 million (HK$139 million) (31 December 2013: HK$140 million) granted to a subsidiary of an associate.

(b) Effective share of guarantees issued in favour of banks amounting to HK$661 million (31 December 2013: HK$456 million) to secure bank loans granted to certain joint ventures.

(c) Effective share of a guarantee issued in favour of a joint venture (the "Joint Venture", which was formed between an associate and an independent third party (the "Joint Venture Partner")) and the Joint Venture Partner for an amount not exceeding RMB110 million (HK$139 million) (31 December 2013: RMB110 million (HK$140 million)) in respect of certain of the Group's payment obligations to the Joint Venture and the Joint Venture Partner.

(d) In 2007, the Company issued a guarantee (the "Guarantee") in favour of a bank for a loan granted to an entity which was a wholly-owned subsidiary of CCP at that time (the "Former Subsidiary"). Subsequently, the Former Subsidiary was sold by CCP in 2008, but the Company remained as the guarantor for the bank loan following the disposal (see note 10 for details of receivables due from the Former Subsidiary arising from such disposal). In October 2011, the Company received a notice from the aforesaid bank that it had entered into an agreement to sell all its rights and interests, including the Guarantee, to a new lender (the "New Lender"). At the same time, the Company entered into a restructuring deed with the New Lender, which was subsequently supplemented by supplemental restructuring deeds, whereby the New Lender agreed not to demand fulfilment of the Company's obligations under the Guarantee to October 2014, subject to extension after further discussions. The outstanding principal amount of the loan under the Guarantee amounting to RMB542 million (HK$683 million) at 30 June 2014 (31 December 2013: RMB542 million (HK$689 million)) and the related interest is secured by a property interest in the PRC held by the Former Subsidiary. Both of the parent company of the acquirer and the acquirer of the Former Subsidiary have agreed to procure the repayment of the loan and agreed unconditionally to undertake and indemnify the Group for all losses as a result of the Guarantee.

In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition after taking into consideration the possibility of the default of the parties involved. Accordingly, no value has been recognised in the condensed consolidated statement of financial position.

21. Material Related Party Transactions

(a) During the period, the Group had the following transactions with SOCL and its subsidiaries and associates other than those of the Group.

Nature of transactions	Six months ended 30 June 2014 HK$ million	2013 HK$ million
SOCL and its subsidiaries		
Construction work income	**290**	273
Dividend income	**1**	1
Rental expenses	**1**	1

(b) During the period, the Group had the following transactions with joint ventures.

Nature of transactions	Six months ended 30 June 2014 HK$ million	2013 HK$ million
Interest income	**28**	34
Imputed interest income	**4**	10
Management fee income	**34**	52
Construction/subcontracting work income	**146**	121
Revenue from sales of goods	**1**	36

(c) During the period, the Group had the following transactions with associates.

Nature of transactions	Six months ended 30 June 2014 HK$ million	2013 HK$ million
Management fee income	**5**	6
Imputed interest income	**11**	11
Interest income	**15**	6
Construction/subcontracting work income	**44**	13

(d) The Group is licensed by Shui On Holdings Limited, a wholly-owned subsidiary of SOCL, to use the trademark, trade name of "Shui On", "瑞安" and/or the Seagull devices on a non-exclusive, royalty-free basis for an unlimited period of time.

(e) During the period, the Group was granted unsecured non-interest bearing short-term loan of HK$60 million and repaid unsecured non-interest bearing short-term loans of HK$260 million from a wholly-owned subsidiary of SOCL.

(f) During the period ended 30 June 2013, the Group repaid unsecured non-interest bearing short-term loans of HK$50 million and RMB10 million (HK$12 million) to the wholly-owned subsidiaries of SOCL.

21. Material Related Party Transactions (Continued)

(g) Disclosures of the remuneration of Directors and other members of key management during the period under HKAS 24 "Related Party Disclosures", were as follows:

	Six months ended 30 June 2014 HK$ million	2013 HK$ million
Fees	**1**	1
Salaries and other benefits	**13**	14
Bonuses	**4**	15
Retirement benefit scheme contributions	**2**	1
Share-based payments (note ii)	**(3)**	(8)
	17	23

Notes:

(i) The remuneration of Executive Directors is determined by the Remuneration Committee having regard to the performance of each individual. The Remuneration Committee also determines the guiding principles applicable to the remuneration of key executives who are not Directors. In both cases, the Remuneration Committee has regard to market trends.

(ii) The amount included credit adjustments made in relation to the cancellation of certain share options that taken place in the current period. The amount for the six months ended 30 June 2013 included credit adjustments made in relation to the revision of the vesting probability of certain share options granted in previous years.

(h) The emoluments paid or payable to each of the nine (2013: nine) Directors which were included in note (g) above are set out as follows:

Name of Directors	Notes	Fees HK$'000	Salaries and other benefits HK$'000	Bonuses HK$'000	Retirement benefit scheme contributions HK$'000	Share based payments (Note i) HK$'000	Six months ended 30 June 2014 Total HK$'000	2013 Total HK$'000
Mr. Lo Hong Sui, Vincent		5	–	–	–	–	**5**	5
Mr. Choi Yuk Keung, Lawrence	(i)	5	2,371	–	308	(1,201)	**1,483**	2,874
Mr. Wong Fook Lam, Raymond	(i)	5	2,219	–	285	(1,205)	**1,304**	2,643
Mr. Wong Yuet Leung, Frankie	(ii)	210	–	–	–	–	**210**	195
Mr. Wong Kun To, Philip	(i) & (ii)	125	–	–	–	(2,004)	**(1,879)**	5,317
Mr. Gerrit Jan de Nys	(iii)	210	–	–	–	–	**210**	210
Ms. Li Hoi Lun, Helen	(iii)	213	–	–	–	–	**213**	213
Mr. Chan Kay Cheung	(iii)	280	–	–	–	–	**280**	280
Mr. Tsang Kwok Tai, Moses	(iii)	205	–	–	–	–	**205**	205
		1,258	4,590	–	593	(4,410)	**2,031**	11,942

Notes:

(i) The amount included credit adjustments made in relation to the cancellation of certain share options that taken place in the current period. The amount for the six months ended 30 June 2013 included credit adjustments made in relation to the revision of the vesting probability of certain share options granted in previous years.

(ii) Non-executive Directors.

(iii) Independent Non-executive Directors.

22. Fair Value Measurements of Financial Instruments

At 30 June 2014, the only financial instrument of the Group that was measured subsequent to initial recognition at fair value is available-for-sale investments, of which the fair value was derived from unadjusted quoted prices available on the Hong Kong Stock Exchange (active market).

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

23. Event after the Reporting Period

On 21 August 2014, the Group entered into agreements with certain wholly-owned subsidiaries of SOL, pursuant to which the Group will sell and SOL will purchase the Group's entire equity interests in, and the related shareholders' loans to, certain subsidiaries engaged in the construction, interior fit-out and renovation businesses in the PRC. The aggregate consideration for the disposal under the agreements is approximately HK$340 million, subject to adjustment. Completion of the disposal is subject to certain conditions having been satisfied. The Directors of the Company expect the disposal will be completed by end of 2014. Details of the transaction are set out in an announcement of the Company dated 21 August 2014.

DISCLOSURE UNDER RULES 13.22 OF THE LISTING RULES

Financial assistance and guarantees to affiliated companies

Financial assistance and guarantees provided by the Group to its affiliated companies amounted to HK$5,301 million at 30 June 2014, details of which are as follows:

		Balance at 30 June 2014			
		Unsecured loans			
Affiliated companies	**Approximate effective percentage of interest**	**Interest free with no fixed repayment terms** HK$ million	**Interest bearing with no fixed repayment terms** HK$ million (Note a)	**Guarantee** HK$ million	**Total** HK$ million
Cosy Rich Limited	50%	125	–	–	125
Gracious Spring Limited	81%	–	1,636	416	2,052
Lafarge Shui On Cement Limited	45%	–	94	–	94
Lamma Yue Jie Company Limited	60%	17	–	–	17
Lead Wealthy Investments Limited	70%	–	918	245	1,163
Nanjing Jiangnan Cement Co., Ltd.	60%	146	–	–	146
Richcoast Group Limited	28%	611	556	278	1,445
Win Lead Holdings Limited	50%	259	–	–	259
		1,158	3,204	939	5,301

The proforma combined statement of financial position of the above affiliated companies at 30 June 2014 is as follows:

	HK$ million
Non-current assets	29,999
Current assets	19,716
Current liabilities	(22,035)
Net current liabilities	(2,319)
Non-current liabilities	(16,744)
Non-controlling interests	(3,150)
Shareholders' funds	7,786

Notes:

(a) Loans made by the Group to the following affiliated companies are charged at various interest rates.

Affiliated companies	**Interest rate per annum**
Gracious Spring Limited	Fixed at 13%
Lead Wealthy Investments Limited	HIBOR + 3.5%
Lafarge Shui On Cement Limited	Fixed at 7.43635% to 7.45205%
Richcoast Group Limited	Fixed at 5% to 6.6%

(b) All affiliated companies are accounted for as joint ventures or associates of the Group.

Interests of Directors and Chief Executives

At 30 June 2014, the interests and short positions of the Directors and the chief executives of the Company in the shares and underlying shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as 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") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long position in the shares of the Company

	Number of ordinary shares				Approximate percentage of the issued share capital
Name of Director	**Personal interests**	**Family interests**	**Other interests**	**Total**	
Mr. Lo Hong Sui, Vincent	–	312,000 (Note 1)	234,381,000 (Note 2)	234,693,000	48.44%
Mr. Choi Yuk Keung, Lawrence	540,000	–	–	540,000	0.11%
Mr. Wong Fook Lam, Raymond	32,000	–	–	32,000	0.01%
Mr. Wong Yuet Leung, Frankie	3,928,000	–	–	3,928,000	0.81%

Notes:

(1) These shares were beneficially owned by Ms. Loletta Chu ("Mrs. Lo"), the spouse of Mr. Lo Hong Sui, Vincent ("Mr. Lo"). Under the SFO, Mr. Lo was deemed to be interested in such shares and both Mr. Lo and Mrs. Lo were also deemed to be interested in 234,381,000 shares mentioned in note (2) below.

(2) These shares were beneficially owned by Shui On Company Limited ("SOCL"). Of these 234,381,000 shares beneficially owned by SOCL, 220,148,000 shares were held by SOCL itself and 14,233,000 shares were held by Shui On Finance Company Limited, an indirect wholly-owned subsidiary of SOCL. SOCL was owned by the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. ("Bosrich"). The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was one of the discretionary beneficiaries and HSBC International Trustee Limited ("HSBC Trustee") was the trustee. Accordingly, Mr. Lo, Mrs. Lo, HSBC Trustee and Bosrich were deemed to be interested in such shares under the SFO.

(b) Share options of the Company

Pursuant to the share option scheme of the Company, certain Directors were granted share options to subscribe for the shares of the Company and details of the Directors' interests in share options are set out under the section headed "Share Options" below.

Save as disclosed above, at 30 June 2014, none of the Directors or chief executives of the Company had 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) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Options

The Company adopted a share option scheme on 22 August 2012 (the "Existing Scheme") to replace the share option scheme adopted on 27 August 2002 (the "Old Scheme"), which has expired on 30 August 2012. Since then, no further option can be granted under the Old Scheme, but all options granted previously remain exercisable in accordance with the terms of the Old Scheme and the relevant letters of offers to the respective grantees.

During the six months ended 30 June 2014, no option was granted under the Existing Scheme. The movements in the share options of the Company during the period are set out as follows:

			Number of shares subject to options							
Name or category of eligible participants	**Date of grant**	**Subscription price per share** HK$	**At 1.1.2014**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**Cancelled during the period** (Note 1)	**At 30.6.2014**	**Period during which options outstanding are exercisable**	**Average closing reference price for exercise of options** (Note 2) HK$
Directors										
Mr. Choi Yuk Keung,	9.4.2009	7.63	250,000	–	–	(250,000)	–	–	9.10.2009 to 8.4.2014	–
Lawrence (Note 3)	9.4.2009	7.63	380,000	–	–	–	–	380,000	9.4.2012 to 8.4.2019	–
	12.4.2010	12.22	250,000	–	–	–	–	250,000	12.10.2010 to 11.4.2015	–
	12.4.2010	12.22	700,000	–	–	–	–	700,000	12.4.2013 to 11.4.2020	–
	23.6.2011	10.90	250,000	–	–	–	–	250,000	23.12.2011 to 22.6.2016	–
	28.7.2011	10.00	6,500,000	–	–	–	(6,500,000)	–	1.5.2015 to 27.7.2021	–
Mr. Wong Fook Lam,	12.4.2010	12.22	200,000	–	–	–	–	200,000	12.10.2010 to 11.4.2015	–
Raymond (Note 3)	12.4.2010	12.22	700,000	–	–	–	–	700,000	12.4.2013 to 11.4.2020	–
	23.6.2011	10.90	250,000	–	–	–	–	250,000	23.12.2011 to 22.6.2016	–
	28.7.2011	10.00	6,500,000	–	–	–	(6,500,000)	–	1.5.2015 to 27.7.2021	–
Mr. Wong Kun To,	12.4.2010	12.22	350,000	–	–	–	–	350,000	12.10.2010 to 11.4.2015	–
Philip (Note 3)	12.4.2010	12.22	1,050,000	–	–	–	–	1,050,000	12.4.2013 to 11.4.2020	–
	23.6.2011	10.90	400,000	–	–	–	–	400,000	23.12.2011 to 22.6.2016	–
	28.7.2011	10.00	10,800,000	–	–	–	(10,800,000)	–	1.5.2015 to 27.7.2021	–
Sub-total			28,580,000	–	–	(250,000)	(23,800,000)	4,530,000		
Employees	9.4.2009	7.63	605,279	–	(234,053)	(371,226)	–	–	9.10.2009 to 8.4.2014	9.43
(in aggregate)	12.4.2010	12.22	4,210,000	–	–	(260,000)	–	3,950,000	12.10.2010 to 11.4.2015	–
	13.5.2011	10.66	4,206,000	–	–	(206,000)	–	4,000,000	13.11.2011 to 12.5.2016	–
	23.6.2011	10.90	1,030,000	–	–	(250,000)	–	780,000	23.12.2011 to 22.6.2016	–
	28.7.2011	10.00	22,500,000	–	–	–	(13,250,000)	9,250,000	1.5.2015 to 27.7.2021	–
	26.11.2012	8.18	4,242,000	–	(184,000)	(242,000)	–	3,816,000	26.5.2013 to 25.11.2017	9.56
	14.6.2013	9.93	4,850,000	–	–	(140,000)	–	4,710,000	14.12.2013 to 13.6.2018	–
Sub-total			41,643,279	–	(418,053)	(1,469,226)	(13,250,000)	26,506,000		
Total			70,223,279	–	(418,053)	(1,719,226)	(37,050,000)	31,036,000		

Notes:

(1) As disclosed in the announcement dated 30 June 2014 issued by the Company, portion of the share options granted on 28 July 2011 with vesting based on corporate performance, involving a total of 37,050,000 shares of the Company, was cancelled on 30 June 2014.

(2) The average closing reference price represents the average of the closing prices of the Company's shares immediately before the dates on which the share options were exercised during the period, weighted by the number of shares issued pursuant to the options exercised by such category of eligible participants.

(3) Mr. Choi Yuk Keung, Lawrence, Mr. Wong Fook Lam, Raymond and Mr. Wong Kun To, Philip were previously granted share options in excess of their respective maximum individual entitlement of 1%.

(4) The vesting of all share options granted to the eligible participants is subject to the vesting schedules and/or performance conditions as set out in the respective offer letters.

Interests of Substantial Shareholders

Save as disclosed under the section headed "Interests of Directors and Chief Executives" above, persons (other than a Director or chief executive of the Company or his/her respective associate(s)) who, at 30 June 2014, had an interest or short position in the shares or underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of ordinary shares/ underlying shares	Approximate percentage of the issued share capital
Penta Investment Advisers Limited	Investment manager	101,832,374 (Notes 1 and 2)	21.02%
Penta Master Fund, Limited	Beneficial owner	29,432,392 (Notes 1 and 3)	6.07%
Canada Pension Plan Investment Board	Interest of controlled corporation	24,401,973 (Notes 1 and 4)	5.03%
PAF II Ltd.	Beneficial owner	24,401,973 (Notes 1 and 4)	5.03%

Notes:

(1) All the interests represent long positions.

(2) Among the interests held by this shareholder, 20,075,249 shares were cash settled derivative interests.

(3) Among the interests held by this shareholder, 4,321,420 shares were cash settled derivative interests.

(4) Among the interests held by this shareholder, 767,000 shares were cash settled derivative interests.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2014.

Corporate Governance

The Company is committed to maintain a high standard of corporate governance through its continuous effort in improving its corporate governance practices.

The Board

The Board currently comprises eight members, including three Executive Directors and five Non-executive Directors, three of whom are Independent Non-executive Directors. Six Board Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Finance Committee, the Investment Committee and the Executive Committee, have been set up to oversee particular aspects of the Group's affairs. The member lists of the Board and its various Committees are set out in the Corporate Information section on page 59 of this Interim Report.

Audit Committee

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2014, including the accounting principles and practices adopted by the Group, and has also considered selected accounting, internal control and financial reporting matters of the Group, in conjunction with the Company's external auditor.

Remuneration Committee

During the six months ended 30 June 2014, the Remuneration Committee has reviewed the remuneration packages of the Managing Directors of the Company. The Remuneration Committee has also considered and approved the proposed treatment of the share options granted in 2011 to certain Executive Directors and selected key executives pursuant to a long-term incentive plan of the Company.

Nomination Committee

During the six months ended 30 June 2014, the Nomination Committee has reviewed the structure, size and composition of the Board with reference to the measurable objectives set under the Board Diversity Policy. The Nomination Committee has also reviewed the time commitment required of the Directors.

Finance Committee

During the six months ended 30 June 2014, the Finance Committee has discussed financial strategies and reviewed compliance of the finance policy and bank loan covenants, the overall banking relationship, the asset disposals, the cash flow forecast and funding requirements of the Group.

Investment Committee

The Investment Committee has assessed the disposal recommendations on certain property projects of the Group during the six months ended 30 June 2014.

Executive Committee

The Executive Committee has reviewed, on a monthly basis, the operating performance and financial position of the Group and its strategic business units as well as the execution of the strategies and business plans approved by the Board.

Compliance with the Corporate Governance Code

Throughout the six months ended 30 June 2014, the Company complied with all the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules, except for the deviations explained below.

A code provision of the CG Code provides that the terms of reference of the Remuneration Committee should include, as a minimum, the responsibilities to (i) determine or make recommendations to the Board on the remuneration packages of the individual Executive Director and senior management; (ii) review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment; and (iii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives. The Remuneration Committee has reviewed its functions and considered that these responsibilities in relation to the remuneration and compensation of management should be vested in the Executive Directors who have a better understanding of the level of expertise, experience and performance expected of the management in their daily business operations. The Remuneration Committee would continue to be primarily responsible for the review and determination of the remuneration package of the individual Executive Director. After due consideration, the Board adopted the revised terms of reference of the Remuneration Committee with the said responsibilities in relation to the remuneration and compensation of management excluded from its scope of duties, which deviates from the code provision. Notwithstanding such deviation, the Remuneration Committee is still responsible for reviewing, approving and making recommendations to the Board on the guiding principles applicable to the determination of the remuneration packages of senior management.

Having reviewed the practices and procedures of remuneration committees in other jurisdictions, the Remuneration Committee decided that it would be better practice for the Non-executive Directors to cease involvement in recommending their own remuneration. Such recommendations were made to the Board by the Chairman of the Company, taking the advice of external professionals as appropriate. This practice was formally adopted, and the Board approved the amendment to the terms of reference of the Remuneration Committee in this respect, which deviates from a code provision of the CG Code. The Non-executive Directors abstain from voting in respect of the determination of their own remuneration at the relevant Board meetings.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Following specific enquiries by the Company, all Directors have confirmed that they complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

Changes in Information of Directors under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the existing Directors of the Company since the date of the 2013 Annual Report of the Company are set out as follows:

Name of Director	Details of changes
Mr. Lo Hong Sui, Vincent	• Appointed as the Chairman of the Airport Authority Hong Kong with effect from 1 June 2014. • Appointed as a non-official member of the Lantau Development Advisory Committee with effect from 14 July 2014.
Mr. Choi Yuk Keung, Lawrence	• Ceased to act as a member of the Nomination Committee of the Company with effect from 8 September 2014.
Mr. Tsang Kwok Tai, Moses	• Re-designated from the role of Independent Non-executive Director to Non-executive Director of the Company for a term of three years commencing from 8 September 2014. • Ceased to act as the Chairman and a member of the Remuneration Committee of the Company as well as a member of the Nomination Committee with effect from 8 September 2014. • Re-designated from the role of independent non-executive director to non-executive director of China Xintiandi Limited, a subsidiary of Shui On Land Limited which in turn is a subsidiary of SOCL, the controlling shareholder of the Company, with effect from 8 September 2014.
Mr. Gerrit Jan de Nys	• Retired as a non-executive director of Red Sky Energy Limited, which is listed in Australia, at its annual general meeting on 8 May 2014 and stepped down as its Chairman accordingly. • Appointed as the Chairman of the Finance Committee of the Company with effect from 1 September 2014.
Ms. Li Hoi Lun, Helen	• Service contract for serving as an Independent Non-executive Director of the Company renewed for a term of three years commencing from 28 August 2014. • Appointed as the Chairman of the Remuneration Committee of the Company with effect from 8 September 2014.
Mr. Chan Kay Cheung	• Appointed as a member of the Remuneration Committee of the Company with effect from 8 September 2014.

Further details about the emoluments of all the Directors of the Company for the six months ended 30 June 2014 are set out in note 21 to the condensed consolidated financial statements.

Board

Executive Directors

Mr. Lo Hong Sui, Vincent (Chairman)
Mr. Choi Yuk Keung, Lawrence
(Vice Chairman and Managing Director)
Mr. Wong Fook Lam, Raymond
(Managing Director and Chief Financial Officer)

Non-executive Directors#

Mr. Wong Kun To, Philip
Mr. Tsang Kwok Tai, Moses

Independent Non-executive Directors

Mr. Gerrit Jan de Nys
Ms. Li Hoi Lun, Helen
Mr. Chan Kay Cheung

Audit Committee#

Mr. Chan Kay Cheung (Chairman)
Mr. Gerrit Jan de Nys
Ms. Li Hoi Lun, Helen

Remuneration Committee

Ms. Li Hoi Lun, Helen (Chairman)
Mr. Lo Hong Sui, Vincent
Mr. Chan Kay Cheung

Nomination Committee

Mr. Lo Hong Sui, Vincent (Chairman)
Mr. Gerrit Jan de Nys
Mr. Chan Kay Cheung

Finance Committee#

Mr. Gerrit Jan de Nys (Chairman)
Mr. Wong Fook Lam, Raymond
Mr. Chan Kay Cheung
Mr. Tsang Kwok Tai, Moses

Investment Committee

Mr. Choi Yuk Keung, Lawrence (Chairman)
Mr. Wong Fook Lam, Raymond
Ms. Li Hoi Lun, Helen
Mr. Chan Kay Cheung

Executive Committee

Mr. Choi Yuk Keung, Lawrence (Chairman)
Mr. Lo Hong Sui, Vincent
Mr. Wong Fook Lam, Raymond
Other key executives

Company Secretary

Ms. Ng Lai Tan, Melanie

Auditor

Deloitte Touche Tohmatsu

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Head Office and Principal Place of Business

34th Floor, Shui On Centre
6 – 8 Harbour Road, Hong Kong

Principal Share Registrar and Transfer Office

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Branch Share Registrar and Transfer Office

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

Principal Bankers

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
The Bank of East Asia, Limited
China CITIC Bank International Limited
BNP Paribas

Stock Code

983

Website

www.socam.com

Mr. Wong Yuet Leung, Frankie did not stand for re-appointment as a Non-executive Director of the Company upon expiration of the term of his service contract on 31 August 2014, and stepped down from the Board as well as from the Audit Committee and the Finance Committee with effect from 1 September 2014.

瑞安建業
SOCAM DEVELOPMENT

(Incorporated in Bermuda with limited liability 於百慕達註冊成立的有限公司)

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