



CARNIVAL GROUP
INTERNATIONAL

**Carnival Group International
Holdings Limited**

Stock Code : 00996

INTERIM REPORT
2015



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

King Pak Fu (*Chairman*)
Leung Wing Cheong Eric (*Chief Executive Officer*)
Gong Xiao Cheng

Independent Non-Executive Directors

Chan Wai Cheung Admiral
Lie Chi Wing
Hu Gin Ing

AUDIT COMMITTEE

Chan Wai Cheung Admiral (*Chairman*)
Lie Chi Wing
Hu Gin Ing

REMUNERATION COMMITTEE

Chan Wai Cheung Admiral (*Chairman*)
Lie Chi Wing
Hu Gin Ing

NOMINATION COMMITTEE

Chan Wai Cheung Admiral (*Chairman*)
Hu Gin Ing
Gong Xiao Cheng

COMPANY SECRETARY

Chan Yuen Ying Stella

AUTHORISED REPRESENTATIVES

King Pak Fu
Chan Yuen Ying Stella

LEGAL ADVISORS

Baker & McKenzie
Minter Ellison
Sidley Austin

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2003 & 2005, 20/F
AIA Central
1 Connaught Road Central
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 IN HONG KONG

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

PRINCIPAL BANKERS

China Minsheng Banking Corp. Ltd.
Industrial Bank Co., Ltd.
Ping An Bank Co., Ltd.
The Bank of East Asia Limited

STOCK CODE

996

WEBSITE

www.0996.com.hk

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

The board of directors (the “Board” or the “Directors”) of Carnival Group International Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred as the “Group”) for the six months ended 30 June 2015 together with the comparative figures for the corresponding period in 2014. The unaudited interim financial report has not been audited but has been reviewed by the Company’s audit committee (the “Audit Committee”).

	Notes	Unaudited	
		2015	2014
		HK\$'000	HK\$'000
Revenue	4	504,200	859,549
Cost of sales		(235,564)	(740,639)
Gross profit		268,636	118,910
Other income	5	3,647	8,388
Selling and marketing expenses		(15,516)	(11,143)
Administrative expenses		(104,652)	(60,785)
Gain on bargain purchase	6	–	4,407
Finance costs	7	(76,804)	(42,190)
Share of loss of an associate		(1,845)	(1,743)
Profit before tax		73,466	15,844
Income tax credit	8	9,859	43,604
Profit for the period	9	83,325	59,448
Other comprehensive income/(expense), net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating of foreign operations		43,477	(39,008)
Share of exchange difference of an associate		728	(1,061)
Other comprehensive income/(expense) for the period, net of income tax		44,205	(40,069)
Total comprehensive income for the period		127,530	19,379

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	Note	Unaudited	
		2015	2014
		HK\$'000	HK\$'000
Profit/(loss) for the period attributable to:			
Owners of the Company		100,485	8,574
Non-controlling interests		(17,160)	50,874
		83,325	59,448
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		129,562	(15,965)
Non-controlling interests		(2,032)	35,344
		127,530	19,379
Earnings per share			
– Basic and diluted (HK cents per share)	11	0.727	0.066



Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	4,545,746	4,115,332
Investment properties	13	4,288,733	4,203,210
Interests in an associate		96,726	97,843
		8,931,205	8,416,385
Current assets			
Inventories	14	4,829,699	4,953,942
Financial assets at fair value through profit or loss	15	343,646	–
Trade receivables	16	42,998	48,973
Prepayments, deposits and other receivables		3,483,403	2,699,627
Pledged bank deposits		1,151,420	107,418
Bank balances and deposits		370,843	1,310,561
		10,222,009	9,120,521
Total assets		19,153,214	17,536,906
Current liabilities			
Trade payables	17	1,253,482	1,437,145
Deposits from sale of properties		419,249	207,067
Accrued liabilities and other payables		444,384	510,800
Amounts due to non-controlling interests		505,100	429,990
Amount due to a related company		67,354	66,852
Obligation under finance lease		317	311
Current tax liabilities		3,239	3,215
Borrowings – current portions	19	5,779,080	2,188,803
		8,472,205	4,844,183
Net current assets		1,749,804	4,276,338
Total assets less current liabilities		10,681,009	12,692,723

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Capital and reserves			
Share capital	18	2,827,777	2,755,777
Share premium and reserves		2,449,425	1,835,622
Equity attributable to owners of the Company		5,277,202	4,591,399
Non-controlling interests		2,020,272	2,022,304
Total equity		7,297,474	6,613,703
Non-current liabilities			
Borrowings	19	1,586,881	4,296,671
Obligation under finance lease		843	1,003
Deferred tax liabilities	20	1,636,132	1,633,847
Convertible notes		159,679	147,499
		3,383,535	6,079,020
		10,681,009	12,692,723



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Convertible notes equity reserve	Share option reserve	Translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (Audited)	2,582,777	3,209,256	9,404	90,116	-	160,834	(2,560,578)	3,491,809	2,184,962	5,676,771
Profit for the period	-	-	-	-	-	-	8,574	8,574	50,874	59,448
Exchange differences on translating of foreign operations	-	-	-	-	-	(24,539)	-	(24,539)	(15,530)	(40,069)
Total comprehensive (expense)/income for the six months ended 30 June 2014	-	-	-	-	-	(24,539)	8,574	(15,965)	35,344	19,379
Recognition of equity-settled share-based payments	-	-	-	-	2,420	-	-	2,420	-	2,420
At 30 June 2014 (Unaudited)	2,582,777	3,209,256	9,404	90,116	2,420	136,295	(2,552,004)	3,478,264	2,220,306	5,698,570
At 1 January 2015 (Audited)	2,755,777	4,010,669	9,404	90,116	27,487	125,514	(2,427,568)	4,591,399	2,022,304	6,613,703
Profit/(loss) for the period	-	-	-	-	-	-	100,485	100,485	(17,160)	83,325
Exchange differences on translating of foreign operations	-	-	-	-	-	29,077	-	29,077	15,128	44,205
Total comprehensive income/(expense) for the six months ended 30 June 2015	-	-	-	-	-	29,077	100,485	129,562	(2,032)	127,530
Recognition of equity-settled share-based payments	-	-	-	-	42,211	-	-	42,211	-	42,211
Share options lapsed during the period	-	-	-	-	(3,995)	-	-	(3,995)	-	(3,995)
Issue of shares by way of placing	72,000	453,600	-	-	-	-	-	525,600	-	525,600
Transaction costs attributable to issue of shares	-	(7,575)	-	-	-	-	-	(7,575)	-	(7,575)
At 30 June 2015 (Unaudited)	2,827,777	4,456,694	9,404	90,116	65,703	154,591	(2,327,083)	5,277,202	2,020,272	7,297,474

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Net cash used in operating activities	(789,968)	(264,912)
Net cash used in investing activities	(1,142,386)	(549,705)
Net cash generated from financing activities	986,940	2,300,680
Net (decrease)/increase in cash and cash equivalents	(945,414)	1,486,063
Cash and cash equivalents at 1 January	1,310,561	494,542
Effects of foreign exchange rate changes	5,696	(6,196)
Cash and cash equivalents at 30 June	370,843	1,974,409



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

1. GENERAL INFORMATION

Carnival Group International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business in Hong Kong is situated at Suites 2003 & 2005, 20/F, AIA Central, 1 Connaught Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in (i) theme based leisure and consumption business, focusing on the design, development and operation of integrated tourism resort projects in top-tiered cities in and outside the People’s Republic of China (“PRC”), which comprise of premium outlets, theme parks, leisure facilities and hotels, as well as other complementary products and services including food & beverages, edutainment and touring theme parks and (ii) securities investment.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

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

Amendments to HKAS 19
Amendments to HKFRSs
Amendments to HKFRSs

Defined Benefit Plans: Employee Contributions
Annual Improvements to HKFRSs 2010 – 2012 Cycle
Annual Improvements to HKFRSs 2011 – 2013 Cycle

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

4. SEGMENT INFORMATION

The management has determined the operating segments based on the reports reviewed by the Directors of the Company, being the chief operating decision maker (the "CODM") that are used to assess performance and allocate resources. The three (six months ended 30 June 2014: two) current reporting segments are (i) property development and investment; (ii) retail-related consultancy and management services; and (iii) securities investment.

The following is an analysis of the Group's revenue and results by reportable and operating segments for the interim period under review:

For the six months ended 30 June 2015 (Unaudited)

	Property development and investment segment HK\$'000	Retail-related consultancy and management services segment HK\$'000	Securities investment segment HK\$'000	Total HK\$'000
REVENUE				
External sales	248,691	713	254,796	504,200
RESULTS				
Segment results	(37,872)	(1,660)	254,036	214,504
Finance costs				(76,804)
Unallocated income				2,694
Unallocated corporate expenses				(66,928)
Profit before tax				73,466

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

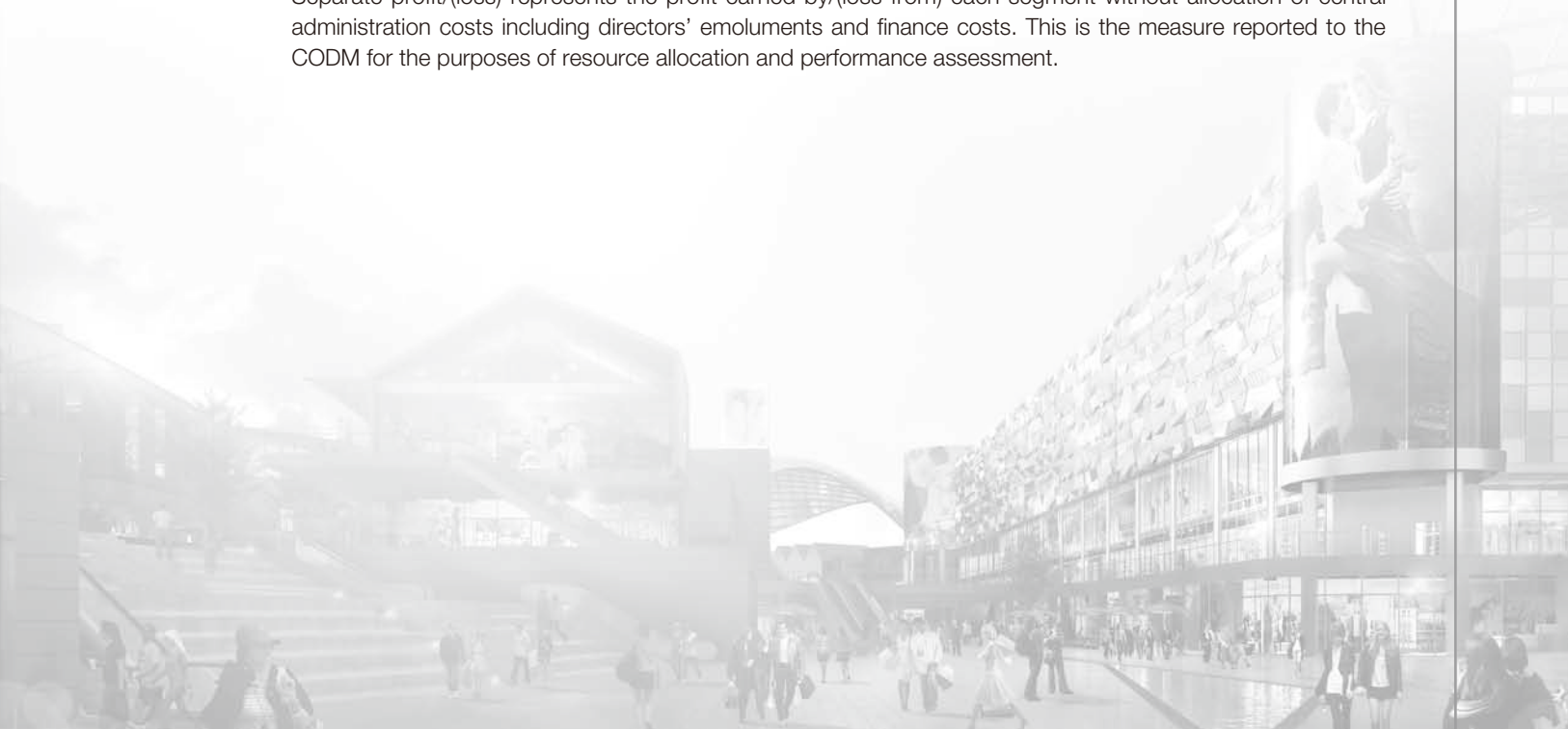
4. SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2014 (Unaudited)

	Property development and investment segment HK\$'000	Retail-related consultancy and management services segment HK\$'000	Total HK\$'000
REVENUE			
External sales	859,549	–	859,549
RESULTS			
Segment results	75,118	(3,345)	71,773
Finance costs			(42,190)
Unallocated income			6,364
Unallocated corporate expenses			(20,103)
Profit before tax			15,844

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current interim period (six months ended 30 June 2014: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Separate profit/(loss) represents the profit earned by/(loss from) each segment without allocation of central administration costs including directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

4. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

SEGMENT ASSETS

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Property development and investment segment	17,240,210	16,571,615
Retail-related consultancy and management services segment	7,660	8,421
Securities investment segment	416,841	–
Total segment assets	17,664,711	16,580,036
Unallocated head office and corporate assets	1,488,503	956,870
Consolidated assets	19,153,214	17,536,906

Note: All assets are allocated to operating segments other than certain bank balances and deposits and other unallocated assets.

SEGMENT LIABILITIES

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Property development and investment segment	9,540,066	10,127,638
Retail-related consultancy and management services segment	874	2,713
Total segment liabilities	9,540,940	10,130,351
Unallocated head office and corporate liabilities	2,314,800	792,852
Consolidated liabilities	11,855,740	10,923,203

Note: All liabilities are allocated to operating segments other than borrowings, deferred tax liabilities, obligation under finance lease, convertible notes and other unallocated liabilities.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

5. OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Interest income on bank and other deposits	3,142	7,031
Gain on disposal of property, plant and equipment	484	–
Others	21	1,357
	3,647	8,388

6. ACQUISITION OF A SUBSIDIARY

On 30 January 2014, the Group completed the acquisition of 100% of the equity interests in Netspac Investments Limited (“Netspac”), and is indirectly interested in 26% of the equity interests of 北京百順達房地產開發有限公司 (“Beijing BSD RED”) with an aggregate consideration of HK\$100,000,000. The transaction constituted a connected transaction on the part of the Company under the Listing Rules. Beijing BSD RED principally holds a piece of land with a total site area of 221,414.90 square metres located in Shunyi District, Beijing City, the PRC.

Assets and liabilities recognised at the date of acquisition (determined on a provisional basis):

	Fair value
	HK\$'000
Interest in associate	104,407
Gain on bargain purchase on acquisition:	
Consideration transferred	100,000
Less: net assets acquired	(104,407)
	(4,407)
Consideration transferred:	
Cash	100,000

Acquisition-related costs amounting to approximately HK\$367,000 have been excluded from the consideration transferred and have been recognised as an expense during the six months ended 30 June 2014, within “administrative expenses” line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

7. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Interest on borrowings:		
– bank and other borrowings wholly repayable within five years	367,565	191,964
– senior bonds	51,206	–
Interest on obligation under finance lease	22	–
Effective interest expense on convertible notes	12,180	10,457
Effective interest expense on promissory notes	–	9,808
Total finance costs	430,973	212,229
Less: amounts capitalised (Note)	(354,169)	(170,039)
	76,804	42,190

Note: Certain finance costs had been capitalised to property development projects in the PRC included in construction-in-progress of property, plant and equipment, investment properties and properties under development for sale.

8. INCOME TAX CREDIT

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Current tax:		
Enterprise Income Tax (“EIT”)	(35)	–
Deferred tax:	9,894	43,604
Tax credit for the period	9,859	43,604

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit arising in or derived from Hong Kong for both interim periods. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries had no assessable profits arising in Hong Kong for both interim periods.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

8. INCOME TAX CREDIT (Continued)

Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures. No provision for LAT has been made for both interim periods.

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting):

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Cost of sales:		
Cost of properties for sale		
– Cash expenses item	241,913	573,124
– Non-cash expenses item	(6,979)	167,515
Others	630	–
Total cost of sales	235,564	740,639
Employee benefits expense (including directors' emoluments)		
– Salaries and other benefits	40,572	53,494
– Contributions to retirement benefit schemes	1,793	1,777
– Equity settled share-based payment (Note i)	38,216	2,420
	80,581	57,691
Less: amounts capitalised (Note ii)	(11,590)	(28,282)
	68,991	29,409
Rental expenses in respect of rented premises under operating leases	3,288	1,743
Depreciation of property, plant and equipment	4,439	1,914
Less: amount capitalised (Note ii)	(231)	(238)
	4,208	1,676

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

9. PROFIT FOR THE PERIOD (Continued)

Notes:

- (i) On 26 May 2014, 129,138,840 share options were granted to an executive director of the Company under the Company's share option scheme adopted on 31 May 2013. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest on 26 May 2016, and then be exercisable until 30 May 2023. The exercise price is HK\$0.63.

On 16 March 2015, 40,000,000 share options were granted to employees of the Company under the Company's share option scheme adopted on 31 May 2013. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest on 17 March 2017, and then be exercisable until 16 March 2020. The exercise price is HK\$1.37.

On 8 June 2015, 137,788,840 share options were granted to an executive director of the Company under the Company's share option scheme adopted on 31 May 2013. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest on 8 June 2015, and then be exercisable until 30 May 2023. The exercise price is HK\$1.596.

No options were exercised during the six months ended 30 June 2015 and 2014.

- (ii) Certain employee benefits expense, contributions to retirement benefits schemes and depreciation of property, plant and equipment had been capitalised to property development projects in the PRC.

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 30 June 2014: Nil). The Directors have determined that no dividend will be paid in respect of the interim period (six months ended 30 June 2014: Nil).

11. EARNINGS PER SHARE

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

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	100,485	8,574
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	13,816,674,101	12,913,884,046

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

In calculating the diluted earnings per share attributable to the owners of the Company for the six months ended 30 June 2015 and 2014, the potential issue of shares arising from the conversion of the Company's convertible notes would increase the earnings per share attributable to the owners of the Company, and is not taken into account as they have an anti-dilutive effect. Share options of the Company are not dilutive as no contingently issuable shares would be issuable as at 30 June 2015 and 2014.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

12. PROPERTY, PLANT AND EQUIPMENT

	HK\$'000
Carrying value at 31 December 2014 (Audited) and 1 January 2015	4,115,332
Additions	402,673
Disposals	(13)
Depreciation	(4,439)
Exchange adjustment	32,193
Carrying value at 30 June 2015 (Unaudited)	4,545,746

At 30 June 2015, motor vehicles amounting to approximately HK\$1,314,000 (31 December 2014: approximately HK\$1,478,000) is held under finance lease.

At 30 June 2015, certain of the Group's property, plant and equipment with carrying value of approximately HK\$4,494,185,000 (31 December 2014: approximately HK\$4,106,990,000) have been pledged to secure the Group's borrowings.

13. INVESTMENT PROPERTIES

	Investment properties under construction HK\$'000
FAIR VALUE	
At 31 December 2014 (Audited) and 1 January 2015	4,203,210
Additions	53,750
Exchange adjustments	31,773
At 30 June 2015 (Unaudited)	4,288,733

At 30 June 2015, the Directors considered the carrying amount of the Group's investment properties carried at revalued amounts and estimated that the carrying amounts do not differ significantly from that which would be determined using fair values at the reporting date. Consequently, no fair value gain or loss has been recognised in the current interim period.

At 30 June 2015, certain of the Group's investment properties under construction with a carrying amount of approximately HK\$4,288,733,000 (31 December 2014: approximately HK\$4,203,210,000) have been pledged to secure the Group's borrowings.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

14. INVENTORIES

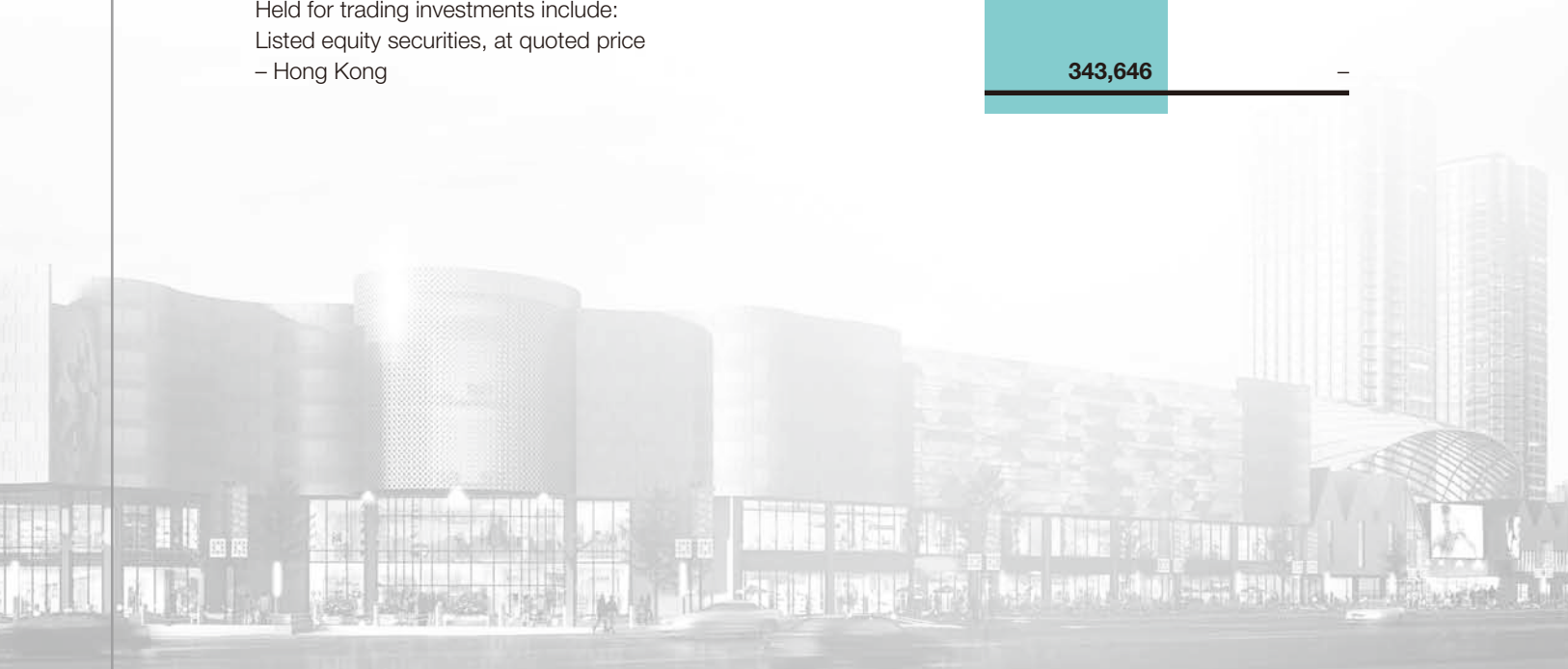
	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Properties for sale:		
– Properties under development for sale	663,158	584,509
– Completed properties for sale	4,166,493	4,369,433
Finished goods	48	–
	4,829,699	4,953,942

The Group's properties for sale with a carrying amount of approximately HK\$4,829,651,000 as at 30 June 2015 (31 December 2014: approximately HK\$4,953,942,000) have been pledged to secure the Group's borrowings.

The properties for sale are situated in the PRC.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Held for trading investments include:		
Listed equity securities, at quoted price		
– Hong Kong	343,646	–



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

16. TRADE RECEIVABLES

Trade receivables comprise (i) receivables arising from sales of properties which are due for settlement in accordance with the terms of the related sale and purchase agreements; and (ii) receivables arising from securities investment.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
0 – 30 days	16,746	27,199
31 – 60 days	–	–
61 – 90 days	–	3,836
91 – 180 days	–	3,595
Over 180 days	26,252	14,343
	42,998	48,973

17. TRADE PAYABLES

Trade payables comprise amounts outstanding for construction costs and ongoing costs.

The following is an aged analysis of trade payables at the end of the reporting period:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
0 – 30 days	12,515	99,288
31 – 60 days	9,822	–
61 – 90 days	8,737	309,208
Over 90 days	1,222,408	1,028,649
	1,253,482	1,437,145

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

18. SHARE CAPITAL

	Ordinary shares of HK\$0.2 each	Amount HK\$'000
Authorised:		
At 31 December 2014 (Audited) and 30 June 2015 (Unaudited)	25,000,000,000	5,000,000
Issued and fully paid:		
At 31 December 2014 (Audited)	13,778,884,046	2,755,777
Issue of shares by way of placing (Note)	360,000,000	72,000
At 30 June 2015 (Unaudited)	14,138,884,046	2,827,777

Note: On 12 June 2015, the Company allotted and issued 360,000,000 ordinary shares of HK\$0.2 each in the capital of the Company by way of placing at a placing price of HK\$1.46 per share. The Company raised approximately HK\$518,025,000 (net of expenses).

19. BORROWINGS

As at 30 June 2015, the Group's borrowings amount to approximately HK\$7,365,961,000 (31 December 2014: approximately HK\$6,485,474,000). The borrowings are denominated in Hong Kong Dollar and Renminbi, and carried interest at fixed rate ranging 2.89%-13.00% per annum (31 December 2014: 3.89%-13.00% per annum). The fund raised were used to finance the Group's properties development projects, investment projects and meet short-term expenditure needs.



Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

20. DEFERRED TAXATION

The following are the major deferred tax balances recognised and the movements thereon during the current interim period:

Deferred tax liabilities/(asset):	Convertible notes HK\$'000	Revaluation of properties HK\$'000	Deductible temporary differences arising from LAT provisions HK\$'000	Total HK\$'000
At 31 December 2014 (Audited) and 1 January 2015	8,663	1,635,984	(10,800)	1,633,847
Credited to profit or loss	(2,010)	(7,884)	–	(9,894)
Exchange adjustments	–	12,261	(82)	12,179
At 30 June 2015 (Unaudited)	6,653	1,640,361	(10,882)	1,636,132

21. OPERATING LEASES

The Group as lessee

At the end of the current interim period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Within one year	9,202	9,256
In the second to fifth years inclusive	21,307	23,998
Over five years	40,998	42,462
	71,507	75,716

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

22. CAPITAL COMMITMENTS

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Capital expenditure		
– contracted but not provided for	3,889,957	4,898,158
– capital injection	318,093	54,530
	4,208,050	4,952,688

The above commitments include mainly:

- (i) the construction related costs on development of the Group's property, plant and equipment, investment properties and properties for sales in the PRC; and
- (ii) the capital injection on certain indirect wholly-owned subsidiaries of the Company.

23. CONTINGENT LIABILITIES

At the end of the current interim period, the Group has no material contingent liabilities.

24. RELATED PARTY TRANSACTIONS

Compensation to key management personnel of the Group

	Unaudited Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Short-term employee benefits	3,937	870
Equity settled share-based payment	15,760	2,420
Contributions to retirement benefit schemes	27	8
	19,724	3,298

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

25. EVENTS AFTER THE INTERIM PERIOD

- (i) On 6 June 2015, the Company entered into a share purchase and subscription agreement with sellers, Grace Investment Limited (“Grace Investment”) and BFT Acquisition Guernsey L.P. (“BFT”) and a target company, Nice Race Management Limited (“Nice Race”) in relation to a share purchase (“Share Purchase”) and a subscription (“Subscription”). The target company and its subsidiaries are principally engaged in the operation of high-end restaurant chain under the brand of Golden Jaguar (金錢豹) in the PRC. The transaction constituted a major transaction of the Company under the Listing Rules.

The Company (i) paid a sum of HK\$12,670,000 in cash to Grace Investment for the consideration of 750,005,000 shares of Nice Race (ii) issued exchangeable and convertible bonds in a principal amount of HK\$240,740,000 in favour of BFT as a consideration in relation to the Share Purchase of which is subject to the approval by the shareholders of the Company for the conversion of the bonds and (iii) paid a balance consideration of US\$33,997,000 (equivalent to approximately HK\$263,528,000) to Grace Investment and BFT in relation to the Subscription in July 2015.

- (ii) On 3 July 2015, the Company, as issuer, entered into a placing agreement with China Minsheng Banking Corp., Ltd. Hong Kong Branch (“China Minsheng”), as lead manager, pursuant to which the Company has conditionally agreed to issue, and China Minsheng has conditionally agreed to use its best efforts to procure other investors to subscribe for the convertible bonds in the principal amount of up to US\$200,000,000 (or up to US\$300,000,000 if the option is exercised) at the initial conversion price of HK\$1.39 per share.

On 16 July 2015, convertible bonds in principal amount of US\$30,000,000 was completed and issued to Cheer Hope Holdings Limited.

On 14 August 2015, the Company and China Minsheng entered into a supplemental letter to amend and supplement the terms of the placing agreement pursuant to which it was agreed that, among others, the initial conversion price under the terms and conditions of the convertible bonds would be amended from HK\$1.39 per share to HK1.26 per share subject to and in accordance with the terms and conditions thereof.

On 21 August 2015, convertible bonds in principal amount of US\$100,000,000 and US\$50,000,000 were completed and issued to MSQ Fund SPC for the account of MSQ Special Situation SP and Haitong International Financial Products Limited, respectively.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current interim period’s presentation.

Review and Outlook

CORPORATE OVERVIEW

The Group is principally engaged in (i) theme based leisure and consumption business, focusing on the design, development and operation of integrated tourism resort projects in top-tiered cities in and outside the PRC, which comprise of premium outlets, theme parks, leisure facilities and hotels, as well as other complementary products and services including food & beverages, edutainment and touring theme parks and (ii) securities investment.

BUSINESS REVIEW

China's tourism industry, in particular, leisure travel consumption has shown a robust growth trend, highlighting the strong demand for leisure travel. Over the years, the Group has been successfully transforming from a real estate developer to a leading integrated tourism, hospitality and retail service provider in the PRC and overseas, in order to take advantage of the strong and growing spending power of Chinese population.

The Group's flagship resort project, Rio Carnival (Qingdao) (青島海上嘉年華), located in the Phoenix Island Tourist Resort Zone in Qingdao, Shandong, was partially opened on 6 July 2015 with gross floor area of 800,000 square metres ("sq.m.") after 4 years of development. This integrated tourism resort destination consists of premium outlets, theme parks, Lego School, Jackie Chan Cinema, ice skating rink, hotels and other leisure and entertainment facilities, in order to capture the strong tourism demand from approximately 70 million visitors annually, as well as approximately 9 million residents in Qingdao.

Rio Carnival (Qingdao) Outlet has around 250 international premium brands, such as ARMANI, ESCADA, a.testoni, Brooks Brothers, Samsonite, Aquascutum, Tommy Hilfiger, DANIEL HECHTER, Gant, Gap and Lacoste. In addition, throughout this year, we will open the following in phases, including themed multicuisine restaurant dining street along the canal and Tangdao Bay, an entertainment complex featuring a Jackie Chan Cinema (the largest and the newest DMAX cinema in Shandong province), China's largest Lego school of over 6,000 sq.m. and a world-class tournament standard indoor ice skating rink and school, etc.

Property Development and Investment Segment

Starting in the second half of 2014 and continuing in the first half of 2015, the PRC Government introduced new interest rate, mortgage, taxation and other policies that are beneficial to the PRC real estate market. Except Beijing, Shanghai, Guangzhou, Shenzhen and Sanya (Hainan Province), all cities in China have cancelled or relaxed their respective restrictive policies on housing purchase, including Qingdao and Chengdu. As a result, these cities have seen modest improvement in real estate transaction volumes and prices.

Revenue from the Group's property development and investment segment was approximately HK\$248.7 million for the six months ended 30 June 2015, compared to HK\$859.5 million for the six months ended 30 June 2014. This was primarily due to the change of sales strategy in Qingdao, as we delayed the sales of the residential properties until outlet and other leisure and entertainment facilities are open.

Retail-related Consultancy And Management Services Segment

Retail-related consultancy and management services include management services to certain residential apartment buildings and retail stores. Total revenue from the Group's retail-related consultancy and management services was approximately HK\$0.7 million for the period (six months ended 30 June 2014: Nil).

Review and Outlook

Securities Investment Segment

The Group invested in Hong Kong's listed securities as short-term and medium-term investments. During the period under review, the Group recorded net realised gains and unrealised gains on securities investment of approximately HK\$254.8 million (six months ended 30 June 2014: Nil).

FINANCIAL REVIEW

Financial Results

For the six months ended 30 June 2015, the Group recorded profit for the period of approximately HK\$83.3 million as compared to approximately HK\$59.4 million for the six months ended 30 June 2014, representing a 40.2% growth. The improvement on the results was mainly due to the increase in gross profit of approximately HK\$149.7 million, which was somewhat offset by the increase in administrative expenses of approximately HK\$43.9 million, the increase in finance costs of approximately HK\$34.6 million, and the decrease in income tax credit of approximately HK\$33.7 million.

Capital Structure, Liquidity and Financial Resources

As at 30 June 2015, the authorised share capital of the Company was HK\$5,000.0 million divided into 25,000,000,000 shares of HK\$0.2 each and the issued share capital of the Company was approximately HK\$2,827.8 million divided into 14,138,884,046 shares of HK\$0.2 each.

As at 30 June 2015, the current assets and current liabilities of the Group were approximately HK\$10,222.0 million (31 December 2014: approximately HK\$9,120.5 million) and approximately HK\$8,472.2 million (31 December 2014: approximately HK\$4,844.2 million), respectively. The liquidity ratio, which is calculated as current assets over current liabilities, was approximately 1.21 times as at 30 June 2015, as compared to that of approximately 1.88 times as at 31 December 2014. The decrease in liquidity ratio was mainly attributable to increase in current portions of borrowings and increase in deposits from sale of properties during the current interim period ended 30 June 2015.

As at 30 June 2015, the Group's total assets and total liabilities amounted to approximately HK\$19,153.2 million (31 December 2014: approximately HK\$17,536.9 million) and approximately HK\$11,855.7 million (31 December 2014: approximately HK\$10,923.2 million), respectively. The debt ratio, which is calculated based on total liabilities over total assets, was approximately 0.62 times as at 30 June 2015, similar level as at 31 December 2014.

The cash and bank balances as at 30 June 2015 was approximately HK\$1,522.3 million (31 December 2014: approximately HK\$1,418.0 million). The increase was mainly attributable to equity placements and new borrowings raised during the six months period ended 30 June 2015.

As at 30 June 2015, the gearing ratio of the Group, expressed as a percentage of borrowings and long-term debts (including obligation under finance lease and convertible notes) over total equity, was approximately 103.1% (31 December 2014: approximately 100.3%). The increase in gearing ratio was mainly due to the increase in borrowings slightly more than the increase in equity.

Review and Outlook

During 2014, certain of the Group's PRC subsidiaries also entered into financing agreements including guarantees or security agreements with various PRC banks and financial institutions, which impose certain covenants and these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these loans. These loans have original terms ranging from 12 months to 36 months. As of 30 June 2015, the Group's PRC subsidiaries have total external borrowings of approximately HK\$6,338.7 million of which approximately HK\$5,220.3 million are secured by land-use rights, properties and personal guarantee provided by the Company's Chairman and Executive Director, Mr. King Pak Fu. The principal amount outstanding under these loans in the PRC generally bear interest at fixed rates calculated by reference to the relevant bank's benchmark interest rate for such loans. Interest payments are payable on either monthly or quarterly basis and must be made on each payment date as provided in the particular loan agreement.

Furthermore, the Group has successfully tapped the capital markets and expanded its funding sources beyond bank loans by issuing HK\$200 million 2-year 6% senior unsecured bonds in January 2015, and another HK\$200 million 2-year 6% senior unsecured bonds in February and March 2015, respectively.

PROSPECTS

The Directors believe that the Group is the only publicly listed company which is engaged in theme based leisure and consumption business in the PRC. Its diverse portfolio of businesses includes a large-scale integrated tourism, hospitality and retail projects that combine theme parks, hotels, outlet shopping for international premium brands, dining, conference and exhibition centres, leisure, entertainment and recreational facilities in Qingdao and a leading restaurant chain in the PRC operated under the renowned brand of "Golden Jaguar (金錢豹)" with nation-wide locations. In addition, we continue to explore new areas including touring theme park industry, by forming "Global Star Carnival (環球星際嘉年華)", and kid's edutainment industry, by establishing "Haokaishi (好開始)".

Our Group's strategy is to develop a one-stop carnival and themed consumption business model to take advantage of the enormous spending power wielded by the fast growing middle class in the PRC and the other parts of Asia. We aim to establish "Carnival" as a widely recognised lifestyle consumption, leisure, entertainment, education, retail, hospitality, travel and food & beverages brand across the PRC and selected overseas destinations.

Opening of Rio Carnival (Qingdao) (青島海上嘉年華) on 6 July 2015: aiming to become the first and the best large-scale integrated commercial, residential and tourism project in the PRC

The Group's flagship project, Rio Carnival (Qingdao) with gross floor area of 800,000 sq.m. located in the Phoenix Island Tourist Resort Zone in Huangdao District, Qingdao city, Shandong province in the PRC, has partially opened for business on 6 July 2015. The Directors believe that this project will be the first large-scale integrated commercial, residential and tourism complex of its kind in the PRC and expect it to become one of the PRC's premier tourist destinations.

Rio Carnival (Qingdao) Outlet has around 250 international premium brands, such as ARMANI, ESCADA, a.testoni, Brooks Brothers, Samsonite, Aquascutum, Tommy Hilfiger, DANIEL HECHTER, Gant, Gap and Lacoste. These stores offer competitive price and compelling value to approximately 70 million visitors and approximately 9 million residents in Qingdao. In addition, there will be a themed multicuisine restaurant dining street along the canal and Tangdao Bay, a conference centre, open performance squares for performances, concerts, sports matches and parades, and an entertainment complex featuring a Jackie Chan Cinema (the largest and the newest DMAX cinema in Shandong province), karaoke, electronic games parlour, medical beauty salon, wellness check-up and other health programs (such as gym, yoga, spa), China's largest Lego school of over 6,000 sq.m., and a world-class tournament standard indoor ice skating rink and school, providing a one-stop shopping, leisure and entertainment experience all located within the Rio Carnival (Qingdao) complex.

Review and Outlook

A 68-metre high ferris wheel called “Qindao Eye” has been opened to the public since 1 June 2015. Other sections of the project including indoor and outdoor underwater ocean exploration theme parks, an upscale family-oriented hotel and a luxury hotel which are managed by the Langham Hospitality Group, will open in phases.

Acquisition of Golden Jaguar (金錢豹): entering the booming food and beverages market in the PRC

In mid 2015, the Group acquired the “Golden Jaguar (金錢豹)” restaurant chain in order to tap the food and beverages middle-class market in China and complement its theme based consumption offerings.

This is the Group’s first acquisition in the food and beverages sector, as the Directors believe that quality buffet and banqueting market will enjoy favourable growth among the fast expanding middle-class consumer population in China and Golden Jaguar presents the right opportunity. The renowned brand and wide network of Golden Jaguar further complements the opening of the Group’s flagship project, Rio Carnival (Qingdao). The Directors believe that the Group will be able to leverage synergies created by the acquisition and the Golden Jaguar restaurant network to cross-sell other business lines of the Group in and outside of China.

Launch of Global Star (環球星際嘉年華): entering the lucrative touring theme park market in Asia

The Group’s touring theme park business will be conducted via a new joint venture (“JV”), Global Star Carnival Holdings Limited (“Global Star” (環球星際嘉年華)), which is approximately 80% owned by the Group. Global Star will engage in the business of organising and operating touring theme parks in the PRC and other parts of Asia. Popular in Europe and North America, a touring carnival is a large-scale amusement park with amusement rides, game stalls, entertainment shows and food and merchandise stands, and will often attract a significant number of visitors from the city and its vicinity. For each set of touring theme park equipment sourced from Europe, Global Star plans to tour 2-3 cities with at least 1-2 million projected visitors per city. Global Star plans to buy 3 sets of such equipment in the next 2-3 years, and annually engage in tours of 6-9 cities, with Taipei, Beijing, Shanghai, Guangzhou, Shenzhen, etc, under consideration. Tung Wah Group of Hospitals (TWGHs, 東華三院), the first and largest local charitable organization, is the sole beneficiary of our first carnival which is organised in association with our partner, United Events Limited and will be launched in Hong Kong in celebration of TWGHs’ 145th Anniversary. We aim to attract at least 1.5 to 2 million local and overseas visitors during the three-month period (tentatively late December 2015 to late March 2016). Part of the proceeds will be donated to TWGHs to support its services for the youth, children and low-income groups.

Launch of Haokaishi (好開始): entering the enormous children’s education market in Asia

To capture the enormous children’s education market potential, the Group has recently formed a JV with Kids Edutainment Limited (“Kids Edutainment”), Haokaishi Holdings Limited (“Haokaishi” (好開始)), which is approximately 70% owned by the Group and is to focus on developing and operating edutainment programs and/or courses for children in the PRC and other parts of Asia using cartoon characters and licensed materials from well-known global brands. To be launched in the PRC next year, Haokaishi targets to co-operate with brands including Discovery Channel, Peppa Pig, and Teletubbies to develop children’s edutainment programs/courses and offer year-round experience with different learning topics for children from 6 months to 8 years of age. Haokaishi plans to open up to 100 self-owned centres and franchise up to 400 centres in selected cities with higher spending power in China during the next five years. The Discovery Kids Curiosity Centre located in Shenzhen, China has commenced a trial run in July 2015.

Review and Outlook

The establishment of Haokaishi and Global Star marked an exciting new chapter in the Group's history by significantly expanding the scale and scope of its business. The new businesses present enormous opportunities for the Group to capture the potential of the rapidly expanding middle class in China, as affluent parents spend more on kids' education and China's consumers become more willing to splash out on entertainment and family fun. The new business lines are also asset-light, scalable and primarily cash-based, meaning faster return on equity. The Directors believe that these two new business lines will become the Group's new growth drivers and create substantial shareholders' value, and support the Group in further enriching its portfolio of experiential consumption offerings.

FOREIGN EXCHANGE EXPOSURE

Substantially all of the Group's sales and operating costs are denominated in the functional currency of each individual group entity i.e. Renminbi and Hong Kong dollar. As at 30 June 2015, except for the RMB500 million bonds, other borrowings or share placements are denominated in the functional currency of each individual group entity. Accordingly, the Group considers that the currency risk is moderate. The Group currently does not have a formal currency hedging policy in relation to currency risk. The Group will monitor its exposure on an ongoing basis and will consider hedging currency risk should the needs arise.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no material contingent liabilities.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2015, the Group's certain properties and bank deposits of approximately HK\$14,764.0 million (31 December 2014: approximately HK\$13,371.6 million) were pledged to banks and other financial institutions to secure certain loan facilities granted to the Group.

EMPLOYEE INFORMATION

As at 30 June 2015, the Group had 356 employees (30 June 2014: 275 employees). The employees of the Group are remunerated in accordance with their work experience, performance and prevailing industry practices. The remuneration policy and package of the Group are periodically reviewed by the management. For the six months ended 30 June 2015, the total staff costs of the Group were approximately HK\$80.6 million (six months ended 30 June 2014: HK\$57.7 million), representing an increase of approximately 39.7% over the corresponding period of 2014.

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Salaries and other benefits	40,572	53,494
Equity settled share-based payment	38,216	2,420
Contributions to retirement benefit schemes	1,793	1,777
Total employee benefits expense	80,581	57,691

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

Other Information

For the six months ended 30 June 2015

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to Listing Rules, are set out below:

Name of Directors	Capacity	Long position/ Short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Total number of shares held	Approximate percentage of the issued share capital of the Company	Notes
Mr. King Pak Fu ("Mr. King")	Interest of controlled corporations	Long position	10,398,491,403	743,494,423	11,141,985,826	78.80%	1
Mr. Leung Wing Cheong Eric ("Mr. Leung")	Beneficial owner	Long position	-	266,927,680	266,927,680	1.89%	2

Notes:

- (i) 6,125,279,787 ordinary shares and 743,494,423 derivative shares are held through Better Joint Venture Limited ("Better Joint"), a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (ii) 1,486,988,846 ordinary shares are held through Glory Merit International Holdings Limited ("Glory Merit"), a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 99% by Mr. King; (iii) 2,031,482,970 ordinary shares are held through Elite Mile Investments Limited ("Elite Mile"), a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (iv) 754,739,800 shares are held through Sino Wealthy Limited ("Sino Wealthy"), a company which is wholly-owned by Bremwood Holdings Limited ("Bremwood Holdings"), which is in turn wholly-owned by Gauteng Focus Limited ("Gauteng Focus"), which is in turn wholly-owned by Forefront Group Limited ("Forefront Group") (name changed to Rentian Technology Holdings Limited with effect from 14 July 2015), a company which is held as to 70.71% by Mystery Idea Limited ("Mystery Idea"), a company wholly-owned by Mr. King.
- These 266,927,680 derivative shares are derived from the interest in 266,927,680 share options granted by the Company to Mr. Leung exercisable into 266,927,680 ordinary shares of the Company.

Save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register 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 as at 30 June 2015.

Other Information

For the six months ended 30 June 2015

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO shows that other than the interests of the Directors and the chief executives, the following shareholders had notified the Company of relevant interests or short position in shares and underlying shares of Company as follows:

Name of Shareholders	Capacity	Long position/ Short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Total number of shares held	Approximate percentage of the issued share capital of the Company	Notes
Better Joint	Beneficial owner	Long position	6,125,279,787	743,494,423	6,868,774,210	48.58%	1
Glory Merit	Beneficial owner	Long position	1,486,988,846	-	1,486,988,846	10.51%	2
Elite Mile	Beneficial owner	Long position	2,031,482,970	-	2,031,482,970	14.37%	3
Sino Wealthy	Beneficial owner	Long position	754,739,800	-	754,739,800	5.34%	4

Notes:

1. Better Joint is the legal and beneficial owner of 6,125,279,787 ordinary shares and holder of the convertible notes issued by the Company ("Convertible Notes") in the principal amount of HK\$200,000,000 due in 2016 which is convertible into a maximum of 578,034,682 shares upon full conversion at the initial conversion price of HK\$0.346 per conversion share (subject to anti-dilutive adjustment) as set out in the terms and conditions of the Convertible Notes. On 10 September 2012, the conversion price of each conversion share was adjusted to HK\$0.30, and on 4 November 2013, the conversion price of each conversion share was further adjusted to HK\$0.269, and Better Joint then owns 743,494,423 derivative shares. Better Joint is wholly and beneficially owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Better Joint.
2. Glory Merit is the legal and beneficial owner of 1,486,988,846 ordinary shares of the Company. Glory Merit is beneficially owned as to 99% by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Glory Merit.
3. Elite Mile is the legal and beneficial owner of 2,031,482,970 ordinary shares of the Company. Elite Mile is wholly and beneficially owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Elite Mile.
4. Sino Wealthy is the legal and beneficial owner of 754,739,800 ordinary shares of the Company. Sino Wealthy is wholly-owned by Bremwood Holdings, which is in turn wholly-owned by Gauteng Focus, which is in turn wholly-owned by Forefront Group, a company which is held as to 70.71% by Mystery Idea and wholly-owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Sino Wealthy.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2015.

Other Information

For the six months ended 30 June 2015

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) at the annual general meeting of the Company held on 31 May 2013. Pursuant to the Share Option Scheme, the Board may at its discretion offer options to any eligible participants including, but not limited to any person being an employee, executive directors, or non-executive directors (including independent non-executive directors) of the Group or any invested entity and any supplier, adviser or consultant to any area of business or business development of any member of the Group or any invested entity.

Details of movement of the share options during the six months ended 30 June 2015 under the Share Option Scheme are as follows:

Name or category of participant	Number of share options					Exercise price (HK\$)	Date of Grant	Exercisable Period
	Balance as at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2015			
Director								
Mr. Leung Wing Cheong Eric	129,138,840	-	-	-	129,138,840	0.63	26 May 2014	26 May 2016 to 30 May 2023
	-	137,788,840	-	-	137,788,840	1.596	8 June 2015	8 June 2015 to 30 May 2023
Employees	158,500,000	-	-	(40,000,000)	118,500,000	1.264	29 September 2014	1 October 2016 to 30 September 2019
	-	40,000,000	-	-	40,000,000	1.37	16 March 2015	17 March 2017 to 16 March 2020
Total	287,638,840	177,788,840	-	(40,000,000)	425,427,680			

As at 30 June 2015 and the date of this report, the number of share options available for grant under the Share Option Scheme is 865,960,724, representing approximately 6.12% of the issued share capital as at 30 June 2015 and the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

Other Information

For the six months ended 30 June 2015

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance practices and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

In the opinion of the Directors, the Company was in compliance with the relevant code provisions set out in the CG Code during the six months ended 30 June 2015.

CHANGES OF INFORMATION IN RESPECT OF DIRECTORS

Below are the changes in Directors' information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

- (1) Mr. Chan Wai Cheung Admiral, an independent non-executive Director, was appointed as a non-executive director of China Nonferrous Metals Company Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8306) with effect from 1 June 2015.
- (2) Ms. Hu Gin Ing, an independent non-executive Director, ceased to be an independent director of Arich Enterprise Co. Ltd., a company listed on the Taiwan Stock Exchange (Taiwan Stock Code: 4173), upon the expiration of her term of appointment on 17 June 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2015.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Wai Cheung Admiral (as chairman), Mr. Lie Chi Wing and Ms. Hu Gin Ing.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group.

The unaudited interim report of the Group for the six months ended 30 June 2015 have been reviewed by the Audit Committee.

By Order of the Board
Carnival Group International Holdings Limited
King Pak Fu
Chairman

Hong Kong, 28 August 2015