



**北大资源**  
PKU RESOURCES

**Peking University Resources (Holdings) Company Limited**

**北大资源 (控股) 有限公司**

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 00618



INTERIM REPORT

**2015**

中期報告

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# Corporate Information

## BOARD OF DIRECTORS

### Executive directors

Mr Zhang Zhao Dong (*Chairman*)  
Mr Fang Hao (*President*)  
Mr Zhou Bo Qin  
Mr Wei Jun Min  
Mr Xie Ke Hai  
Mr Zheng Fu Shuang

### Independent non-executive directors

Mr Li Fat Chung  
Ms Wong Lam Kit Yee  
Ms Cao Qian

## COMMITTEES

### Audit Committee

Mr Li Fat Chung (*Chairman*)  
Ms Wong Lam Kit Yee  
Ms Cao Qian

### Remuneration Committee

Mr Li Fat Chung (*Chairman*)  
Mr Zhang Zhao Dong  
Ms Wong Lam Kit Yee

### Nomination Committee

Mr Zhang Zhao Dong (*Chairman*)  
Ms Wong Lam Kit Yee  
Ms Cao Qian

## COMPANY SECRETARY

Ms Tang Yuk Bo, Yvonne

## AUTHORISED REPRESENTATIVES

Mr Zhang Zhao Dong  
Mr Fang Hao

## AUDITORS

Ernst & Young  
Certified Public Accountants

## LEGAL ADVISERS

Jun He Law Offices

## PRINCIPAL BANKERS

The Export-Import Bank of China  
Bank of Beijing  
Bank of Communications  
Huaxia Bank  
Pingan Bank  
DBS Bank (Hong Kong) Limited  
Industrial and Commercial Bank of China (Asia) Limited

## REGISTERED OFFICE

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 1408, 14th Floor  
Cable TV Tower  
9 Hoi Shing Road  
Tsuen Wan  
New Territories  
Hong Kong

## SHARE REGISTRARS AND TRANSFER OFFICE

### Principal registrars

Butterfield Fulcrum Group (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### Hong Kong branch share registrars and transfer office

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

## LISTING INFORMATION

Main board of The Stock Exchange of Hong Kong Limited  
Stock code: 00618  
Board Lot: 2,000 shares

## COMPANY WEBSITE

[www.pku-resources.com](http://www.pku-resources.com)

## INTERIM RESULTS

The board of directors (the “Board”) of Peking University Resources (Holdings) Company Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in 2014. This condensed consolidated interim financial information has not been audited, but has been reviewed by the Company’s audit committee.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June 2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
<b>REVENUE</b>		<b>2,871,206</b>	2,423,525
Cost of sales		<b>(2,682,447)</b>	(2,316,366)
Gross profit		<b>188,759</b>	107,159
Other income and gains	4	<b>820,451</b>	101,050
Selling and distribution expenses		<b>(196,804)</b>	(162,382)
Administrative expenses		<b>(151,005)</b>	(120,661)
Other operating expenses, net		<b>(9,008)</b>	(1,724)
Finance costs	5	<b>(57,786)</b>	(69,159)
Share of profits and losses of associates		<b>(4,617)</b>	(7,766)
<b>PROFIT/(LOSS) BEFORE TAX</b>	6	<b>589,990</b>	(153,483)
Income tax expense	7	<b>(165,439)</b>	5,873
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>424,551</b>	(147,610)
Attributable to:			
Owners of the parent		<b>300,507</b>	(78,052)
Non-controlling interests		<b>124,044</b>	(69,558)
		<b>424,551</b>	(147,610)
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic	9	<b>HK5.03 cents</b>	HK(3.25) cents
Diluted		<b>HK4.62 cents</b>	HK(3.25) cents

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>424,551</b>	(147,610)
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(6,427)</b>	(63,411)
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>	<b>(6,427)</b>	(63,411)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>418,124</b>	(211,021)
<b>Attributable to:</b>		
Owners of the parent	<b>290,126</b>	(130,589)
Non-controlling interests	<b>127,998</b>	(80,432)
	<b>418,124</b>	(211,021)

# Condensed Consolidated Statement of Financial Position

30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	108,901	68,982
Investment properties		362,430	362,256
Prepaid land lease payments		10,817	10,549
Goodwill		–	–
Other intangible assets		1,158	1,138
Investments in associates		18,146	22,763
Total non-current assets		501,452	465,688
<b>CURRENT ASSETS</b>			
Properties under development		31,583,729	30,564,739
Properties held for sale		1,270,064	790,355
Inventories		412,130	338,748
Trade and bills receivables	11	685,116	1,079,160
Prepayments, deposits and other receivables		4,635,428	5,052,290
Prepaid tax		333,393	225,083
Restricted cash	12	1,306,503	1,545,793
Cash and cash equivalents		1,485,808	4,416,870
Total current assets		41,712,171	44,013,038
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	13	1,349,888	5,187,603
Other payables and accruals		14,809,118	11,512,577
Interest-bearing bank and other borrowings		5,857,445	7,543,279
Tax payable		242,842	67,709
Total current liabilities		22,259,293	24,311,168
<b>NET CURRENT ASSETS</b>		19,452,878	19,701,870
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,954,330	20,167,558

# Condensed Consolidated Statement of Financial Position

30 June 2015

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Restated)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>19,954,330</b>	20,167,558
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	<b>16,113,267</b>	17,089,641
Long term payable	<b>177,715</b>	182,046
Deferred tax liabilities	<b>254,156</b>	270,700
Total non-current liabilities	<b>16,545,138</b>	17,542,387
Net assets	<b>3,409,192</b>	2,625,171
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	<b>598,825</b>	244,003
Reserves	<b>2,255,623</b>	1,452,162
	<b>2,854,448</b>	1,696,165
<b>Non-controlling interests</b>	<b>554,744</b>	929,006
Total equity	<b>3,409,192</b>	2,625,171

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the parent												Total equity
	Issued capital	Share premium account	Employee share-based compensation reserve	Contributed surplus	Merger reserve	Non-controlling interests reserve	Exchange fluctuation reserve	General reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2015													
As previously reported	244,003	666,504	38,957	520,156	-	-	32,572	10,558	132,108	(583,841)	1,061,017	388,985	1,450,002
Effect of business combination	-	-	-	-	962,522	(13,622)	(11,082)	-	-	(302,670)	635,148	540,021	1,175,169
As restated	244,003	666,504	38,957	520,156	962,522	(13,622)	21,490	10,558	132,108	-	1,696,165	929,066	2,625,171
Profit for the period	-	-	-	-	-	-	-	-	-	300,507	300,507	124,044	424,551
Other comprehensive income/ (loss) for the period:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(10,381)	-	-	-	(10,381)	3,954	(6,427)
Total comprehensive income for the period	-	-	-	-	-	-	(10,381)	-	-	300,507	290,126	127,998	418,124
Issue of new shares	354,822	1,933,496	-	-	-	-	-	-	-	-	2,288,318	-	2,288,318
Deemed acquisition of non-controlling interests	-	-	-	-	-	(159,323)	-	-	-	-	(159,323)	(502,260)	(661,583)
Deemed distributions to companies controlled by the ultimate holding company	-	-	-	-	(1,266,844)	-	-	-	-	-	(1,266,844)	-	(1,266,844)
Equity-settled share option arrangements	-	-	6,006	-	-	-	-	-	-	-	6,006	-	6,006
At 30 June 2015	598,825	2,600,000*	44,963*	520,156*	(304,322)*	(172,945)	11,109*	10,558*	132,108*	(586,004)*	2,854,448	554,744	3,409,192

\* These reserve accounts comprise the consolidated reserves of HK\$2,255,623,000 (31 December 2014: HK\$1,452,162,000) in the condensed consolidated statement of financial position.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the parent											Total equity HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited)	Share premium account HK\$'000 (Unaudited)	Employee share-based compensation reserve HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Merger reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	General reserve HK\$'000 (Unaudited)	Other reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Non-controlling interests HK\$'000 (Unaudited)	
At 1 January 2014												
As previously reported	239,797	654,341	22,070	520,156	-	60,404	10,558	132,108	(463,671)	1,175,763	356,245	1,532,008
Effect of business combination	-	-	-	-	232,850	15,520	-	-	(193,787)	54,583	139,328	193,911
As restated	239,797	654,341	22,070	520,156	232,850	75,924	10,558	132,108	(657,458)	1,230,346	495,573	1,725,919
Loss for the period (restated)	-	-	-	-	-	-	-	-	(78,052)	(78,052)	(69,558)	(147,610)
Other comprehensive loss for the period:												
Exchange differences on translation of foreign operations (restated)	-	-	-	-	-	(52,537)	-	-	-	(52,537)	(10,874)	(63,411)
Total comprehensive loss for the period	-	-	-	-	-	(52,537)	-	-	(78,052)	(130,589)	(80,432)	(211,021)
Acquisition of subsidiaries (restated)	-	-	-	-	-	-	-	-	-	-	16,057	16,057
Contribution from non-controlling shareholders (restated)	-	-	-	-	-	-	-	-	-	-	99,830	99,830
Equity-settled share option arrangements	-	-	10,719	-	-	-	-	-	-	10,719	-	10,719
At 30 June 2014	239,797	654,341	32,789	520,156	232,850	23,387	10,558	132,108	(735,510)	1,110,476	531,028	1,641,504

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>589,990</b>	(153,483)
Adjustments for:			
Finance costs	5	<b>57,786</b>	69,159
Share of profits and losses of associates		<b>4,617</b>	7,766
Interest income	4	<b>(39,807)</b>	(7,319)
Depreciation		<b>14,247</b>	6,485
Loss on disposal of items of property, plant and equipment		<b>2</b>	26
Amortisation of other intangible assets		<b>227</b>	225
Amortisation of land lease payments		<b>165</b>	167
Impairment/(reversal of impairment) of trade receivables	6	<b>7,450</b>	(119)
Impairment/(reversal of impairment) of prepayments, deposits and other receivables	6	<b>(276)</b>	199
Reversal of write-back of trade and other payables	6	<b>1,737</b>	1,783
Provision for obsolete inventories	6	<b>9,563</b>	5,798
Gain on bargain purchase	4	<b>–</b>	(92,257)
Equity-settled share option expense		<b>6,006</b>	10,719
		<b>651,707</b>	(150,851)
Increase in inventories		<b>(82,945)</b>	(56,684)
Increase in properties under development		<b>(1,018,990)</b>	(4,367,238)
Increase in properties held for sale		<b>(479,709)</b>	(677,679)
Decrease/(increase) in trade and bills receivables		<b>386,594</b>	(78,600)
Decrease/(increase) in prepayments, deposits and other receivables		<b>417,138</b>	(1,073,304)
Decrease in trade and bills payables		<b>(3,839,452)</b>	(271,872)
Increase in other payables and accruals		<b>3,296,541</b>	1,986,603
Increase/(decrease) in the long term payable		<b>(4,331)</b>	84,929
Effect of foreign exchange rate changes, net		<b>8,735</b>	(410,734)
Cash used in operations		<b>(664,712)</b>	(5,015,430)
Interest received		<b>39,807</b>	6,943
Interest paid		<b>(57,786)</b>	(69,159)
Mainland China corporate income tax paid		<b>(47,888)</b>	(25,718)
Mainland China land appreciation tax paid		<b>(67,113)</b>	(5,400)
Net cash flows used in operating activities		<b>(797,692)</b>	(5,108,764)

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
Net cash flows used in operating activities	(797,692)	(5,108,764)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	–	376
Purchases of items of property, plant and equipment	(56,325)	(18,620)
Purchases of intangible assets	(246)	(1,032)
Proceeds from disposal of items of property, plant and equipment	159	587
Decrease in time deposits with original maturity of over three months when acquired	2,853,309	360
Decrease/(increase) in restricted cash	239,290	(448,490)
Acquisition of subsidiaries	–	26,379
Net cash flows from/(used in) investing activities	3,036,187	(440,440)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of new shares	2,288,318	–
New bank and other borrowings	6,933,347	11,262,947
Repayment of bank and other borrowings	(9,608,079)	(6,110,476)
Capital contributions from non-controlling shareholders	–	99,830
Deemed acquisition of non-controlling interests	(661,583)	–
Deemed distributions to companies controlled by the ultimate holding company	(1,266,844)	–
Net cash flows from/(used in) financing activities	(2,314,841)	5,252,301
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(76,346)</b>	<b>(296,903)</b>
Cash and cash equivalents at beginning of period	1,563,561	1,469,892
Effect of foreign exchange rate changes, net	(1,407)	(13,567)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,485,808</b>	<b>1,159,422</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,485,808	1,159,422
Non-pledged time deposits	–	12,430
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	1,485,808	1,171,852
Non-pledged time deposits with original maturity of over three months when acquired	–	(12,430)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	1,485,808	1,159,422

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 1. CORPORATE INFORMATION

Peking University Resources (Holdings) Company Limited (the “Company”) is a limited liability company incorporated in Bermuda. The head office and principal place of business of the Company are located at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.

As at 30 June 2015, the Company was owned as to approximately 57.15% by Founder Information (Hong Kong) Limited (“Founder Information”) which was in turn owned as to approximately 81.64% by 北大方正集團有限公司 (Peking University Founder Group Company Limited\*) (“Peking Founder”). In the opinion of the directors, the ultimate holding company is 北大資產經營有限公司 (Peking University Asset Management Company Limited\*) (“PKU Asset Management”), which is established in the People’s Republic of China (the “PRC”).

During the period, the Company acquired 100% equity interests in Extol High Enterprises Limited and Keen Delight Global Limited, at an aggregate consideration of HK\$1,361,000,000, and 北京天然居科技有限公司 (Beijing Tianranju Technology Co., Ltd\*) (“Beijing Tianranju”), an indirect wholly-owned subsidiary of the Company, acquired 100% interests in 重慶北大資源地產有限公司 (Chongqing Peking University Resources Property Co, Limited\*), 成都北大資源地產有限公司 (Chengdu Peking University Resources Property Co., Limited\*), 貴陽北大資源地產有限公司 (Guiyang Peking University Resources Property Co., Limited\*) and 青島北大資源地產有限公司 (Qingdao Peking University Resources Property Co., Limited\*), at an aggregate consideration of HK\$567,427,000. These acquired entities were indirect non-wholly-owned subsidiaries of PKU Asset Management and are principally engaged in the property development in the PRC.

These transactions are collectively referred to as the “Acquisition Transactions” and the entities acquired in the Acquisition Transactions are collectively referred to as the “Acquired Entities”.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are described in note 3 to the condensed consolidated interim financial information.

\* For identification purposes only

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Accounting Standards Board. This financial information has been prepared under the historical convention, except for investment properties which have been measured at fair value. This financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014.

### **Merger accounting for business combinations under common control**

Pursuant to the Acquisition Transactions, the Company became a holding company of the Acquired Entities. Since the Company and the Acquired Entities were ultimately controlled by Peking Founder both before and after the completion of the Acquisition Transactions, the Acquisition Transactions were accounted for using the principles of merger accounting.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### Merger accounting for business combinations under common control (Continued)

The condensed consolidated statements of profit or loss, condensed consolidated statements of comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows of the Group for the six months ended 30 June 2015 and 2014 include the results, changes in equity and cash flows of all companies then comprising the Group and the Acquired Entities, as if the corporate structure of the Group immediately after the completion of the Acquisition Transactions had been in existence throughout the six months ended 30 June 2015 and 2014, or since their respective dates of acquisition, incorporation or registration, where this is a shorter period. The condensed consolidated statement of financial position of the Group as at 31 December 2014 was prepared to present the state of affairs of the Group and the Acquired Entities as if the corporate structure of the Group immediately after the completion of the Acquisition Transactions had been in existence and in accordance with the respective equity interests and/or the power to exercise control over the individual companies attributable to the Company as at 31 December 2014.

The operating results previously reported by the Group for the six months ended 30 June 2014 have been restated to include the operating results of the Acquired Entities as set out below:

	<b>The Group (as previously reported)</b> HK\$'000 (Unaudited)	<b>Acquired Entities</b> HK\$'000 (Unaudited)	<b>The Group (combined)</b> HK\$'000 (Restated)
Revenue	1,851,909	571,616	2,423,525
Loss before tax	84,288	69,195	153,483
Loss for the period	84,572	63,038	147,610

The financial position previously reported by the Group at 31 December 2014 has been restated to include the assets and liabilities of the Acquired Entities as set out below:

	<b>The Group (as previously reported)</b> HK\$'000 (Audited)	<b>Acquired Entities</b> HK\$'000 (Unaudited)	<b>The Group (combined)</b> HK\$'000 (Restated)
Non-current assets	422,243	43,445	465,688
Current assets	16,723,252	27,289,786	44,013,038
Current liabilities	9,149,662	15,161,506	24,311,168
Non-current liabilities	6,545,831	10,996,556	17,542,387
Equity	1,061,017	1,564,154	2,625,171

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of new and revised standards and interpretations as of 1 January 2015 noted below:

Amendments to HKAS 19	<i>Defined Benefit Plans: Employee Contributions</i>
<i>Annual Improvements 2010-2012 Cycle</i>	Amendments to a number of HKFRSs
<i>Annual Improvements 2011-2013 Cycle</i>	Amendments to a number of HKFRSs

The above new and revised HKFRSs did not have any significant impact on the accounting policies, financial position or performance of the Group.

## 3. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services provided and has three reporting operating segments as follows:

(a) Distribution of information products:	Sales of information products
(b) Property development:	Sales of properties
(c) Property investment:	Leasing of properties

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is measured of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, net foreign exchange differences, finance costs and share of profits and losses of associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude restricted cash, cash and cash equivalents, investments in associates, prepaid tax and other unallocated head office and corporate assets as these assets are managed on a group basis.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June

	Distribution of information products		Property development		Property investment		Total	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Restated) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Restated) HK\$'000
<b>Segment revenue</b>								
Sales to external customers	1,782,201	1,661,765	1,062,088	734,055	26,917	27,705	2,871,206	2,423,525
<b>Segment results</b>	(1,664)	6,311	632,182	(84,230)	11,636	12,123	642,154	(65,796)
Reconciliation:								
Interest income							39,807	7,319
Foreign exchange differences, net							(5,209)	1,331
Corporate and unallocated expenses							(24,359)	(19,412)
Finance costs							(57,786)	(69,159)
Share of profits and losses of associates							(4,617)	(7,766)
Profit/(loss) before tax							589,990	(153,483)

### Geographic information

The Group's revenue from external customers is derived substantially from its operations in the PRC, and the non-current assets of the Group are substantially located in the PRC.

### Information about a major customer

During the period, there was no external customer accounted for 10% or more of the Group's total revenue (six months ended 30 June 2014: Nil).

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
<b>Other income</b>		
Bank interest income	11,602	6,944
Other interest income	28,205	375
Others	275	143
	<b>40,082</b>	<b>7,462</b>
<b>Gains</b>		
Gain on disposal of subsidiaries	780,369	–
Gain on bargain purchase	–	92,257
Foreign exchange differences, net	–	1,331
	<b>780,369</b>	<b>93,588</b>
	<b>820,451</b>	<b>101,050</b>

## 5. FINANCE COSTS

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
Interest on bank loans	396,424	22,750
Interest on other loans	422,941	134,134
Interest on loans from subsidiaries of Peking Founder	3,430	7,676
Interest on loans from 北大資源集團有限公司 (Peking University Resources Group Co., Ltd. *) ("PKU Resources Group"), a fellow subsidiary of Peking Founder	441,866	723,112
Interest on loans from non-controlling shareholders	24,256	–
Interest on discounted bills	14,965	12,797
Total interest expenses	<b>1,303,882</b>	900,469
Less: Interest capitalised	<b>(1,246,096)</b>	(831,310)
	<b>57,786</b>	<b>69,159</b>

\* For identification purposes only

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
Depreciation and amortisation	14,639	6,710
Impairment/(reversal of impairment) of trade receivables	7,450	(119)
Provision for obsolete inventories	9,563	5,798
Reversal of write-back of trade payables	1,737	1,783
Impairment/(reversal of impairment) of prepayments, deposits and other receivables	(276)	199

## 7. INCOME TAX

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
Group:		
Current		
PRC corporate income tax		
Charge for the period	179,413	2,364
Underprovision in prior periods	–	1,188
PRC land appreciation tax	2,411	4,424
	181,824	7,976
Deferred	(16,385)	(13,849)
Total tax charge for the period	165,439	(5,873)

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 7. INCOME TAX (CONTINUED)

No Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2014: Nil).

Under the PRC income tax laws, enterprises are subject to corporate income tax at a rate of 25%.

The share of tax credit attributable to associates amounting to HK\$9,000 (six months ended 30 June 2014: HK\$789,000) is included in "Share of profits and losses of associates" in the condensed consolidated statement of profit or loss.

## 8. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

## 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share (six months ended 30 June 2014: loss per share) amount is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$300,507,000 (six months ended 30 June 2014: loss of HK\$78,052,000), and the weighted average number of ordinary shares of 5,968,645,234 (six months ended 30 June 2014: 2,397,970,318) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2014 in respect of a dilution as the impact of the options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Restated)
Earnings/(loss) Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	300,507	(78,052)

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	Number of shares For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings/(loss) per share calculation	<b>5,968,645,234</b>	2,397,970,318
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	27,655,159
Convertible bonds classified as equity	<b>538,324,279</b>	538,324,279
	<b>6,506,969,513</b>	2,963,949,756

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment at a total cost of HK\$56,325,000 (six months ended 30 June 2014: HK\$18,620,000) and disposed of items of property, plant and equipment with a total net carrying amount of HK\$161,000 (six months ended 30 June 2014: HK\$613,000).

## 11. TRADE AND BILLS RECEIVABLES

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Trade receivables	<b>617,565</b>	988,315
Impairment	<b>(19,112)</b>	(11,662)
	<b>598,453</b>	976,653
Bills receivables	<b>86,663</b>	102,507
	<b>685,116</b>	1,079,160

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 11. TRADE AND BILLS RECEIVABLES (CONTINUED)

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade and bills receivables are settled in accordance with the terms of the respective contracts. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

An aged analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	<b>31 December 2014 HK\$'000 (Audited)</b>
Within 6 months	<b>670,179</b>	1,057,531
7 to 12 months	<b>9,587</b>	10,505
13 to 24 months	<b>5,350</b>	11,124
	<b>685,116</b>	1,079,160

As at 30 June 2015, certain of the Group's bills receivable of HK\$58,029,000 (31 December 2014: HK\$32,784,000) were pledged to banks to secure the bank loans.

As at 30 June 2015, included in the Group's trade and bills receivables are amounts due from subsidiaries of Peking Founder of HK\$19,839,000 (31 December 2014: HK\$254,526,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

## 12. RESTRICTED CASH

The Group's bank deposits were pledged to banks to secure the banking facilities granted to the Group, as deposits for construction of the relevant properties and as guarantees deposits for certain mortgage loans granted by banks to purchasers of the Group's properties. The restricted cash is deposited with creditworthy banks with no recent history of default. The carrying amount of the restricted cash approximates to its fair value.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 13. TRADE AND BILLS PAYABLES

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Restated)
Trade payables	<b>1,098,307</b>	4,629,391
Bills payable	<b>251,581</b>	558,212
	<b>1,349,888</b>	5,187,603

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

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Restated)
Within 6 months	<b>1,327,964</b>	4,967,629
Over 6 months	<b>21,924</b>	219,974
	<b>1,349,888</b>	5,187,603

Included in the Group's trade and bills payables are amounts due to subsidiaries of Peking Founder of HK\$29,229,000 (31 December 2014: Nil) and subsidiaries of PKU Resources Group of HK\$2,901,000 (31 December 2014: Nil), which are repayable on similar credit terms to those offered by the Group to their major suppliers.

The trade payables are non-interest-bearing and are normally settled on terms of 45 to 90 days.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 14. RELATED PARTY TRANSACTIONS

### (I) Transactions and commitments with related parties

In addition to the related party transactions and balances disclosed elsewhere in this condensed consolidated interim financial information, the Group had the following material transactions with related parties during the period:

- (a) On 1 November 2011, the Company entered into a master agreement with Peking Founder to govern the sale of information products to Peking Founder and its subsidiaries (collectively "Peking Founder Group") for the three years ended 31 December 2014.

On 10 March 2015, the Company renewed the master agreement with Peking Founder to govern the sale of information products to Peking Founder Group for a term of period from 15 April 2015 to 31 December 2017.

During the six months ended 30 June 2015, information products of approximately HK\$179,035,000 (six months ended 30 June 2014: HK\$101,454,000) were sold to Peking Founder Group. The directors consider that the sales of products were made according to published prices and conditions similar to those offered to other customers of the Group.

- (b) On 7 December 2012, the Company entered into a master agreement with Peking Founder (the "Existing Master Purchase Agreement") for the purchase of information products from Peking Founder Group for a term of three years from 1 January 2013 to 31 December 2015.

On 10 March 2015, the Company terminated the Existing Master Purchase Agreement with the entering into of a renewed master purchase agreement for the purchase of information products from Peking Founder Group for a term of period from 15 April 2015 to 31 December 2017.

During the six months ended 30 June 2015, information products of approximately HK\$26,563,000 (six months ended 30 June 2014: HK\$5,663,000) were purchased from Peking Founder Group by the Group. The directors consider that the purchases of information products from Peking Founder Group were made in accordance with the terms of the renewed master agreement.

- (c) On 15 October 2013, PKU Resources Group provided a two-year unsecured loan of approximately HK\$577,507,000 to 青島博雅華府置業有限公司 (Qingdao Boya Real Estate Co., Ltd.\*) ("Qingdao Boya") which was interest-bearing at 11.5% per annum and to be paid quarterly, of which principal of approximately HK\$462,397,000 was early settled on 7 November 2013.

On 26 November 2013, PKU Resources Group provided a two-year unsecured loan of approximately HK\$173,663,000 to Qingdao Boya which was interest-bearing at 11.5% per annum and to be paid quarterly.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 14. RELATED PARTY TRANSACTIONS (CONTINUED)

### (I) Transactions and commitments with related parties (Continued)

#### (c) (Continued)

On 25 December 2013, PKU Resources Group provided a two-year unsecured loan of approximately HK\$289,425,000 to Qingdao Boya which was interest-bearing at 11.5% per annum and to be paid quarterly, of which principal of approximately HK\$16,338,000 was early settled on 16 May 2014. On 23 May 2014, Qingdao Boya entered into supplemental agreements regarding the above loans with PKU Resources Group to adjust the interest rate to 10.4% per annum and the maturity to 21 May 2016.

The related interest expenses of these three loans (before interest capitalisation) of HK\$28,833,000 (six months ended 30 June 2014: HK\$32,130,000) in aggregate were charged to Qingdao Boya during the six months ended 30 June 2015.

- (d) On 2 April 2014, PKU Resources Group provided an unsecured long-term loan with period from 2 April 2014 to 21 May 2016 of approximately HK\$679,561,000 to 青島博萊置業有限公司 (Qingdao Bolai Property Co., Limited\*) ("Qingdao Bolai") which was interest-bearing at 10.4% per annum and to be paid quarterly.

On 5 August 2014, PKU Resources Group provided an unsecured long-term loan with period from 5 August 2014 to 4 February 2017 of approximately HK\$624,000,000 to Qingdao Bolai which was interest-bearing at 12% per annum and to be paid quarterly.

The related interest expenses of these two loans (before interest capitalisation) of HK\$25,460,000 (six months ended 30 June 2014: HK\$29,884,000) in aggregate were charged to Qingdao Bolai during the period ended 30 June 2015.

- (e) On 13 March 2014, PKU Resources Group provided a two-year unsecured loan of approximately HK\$536,640,000 to 重慶方源盈潤置業有限公司 (Chongqing Fangyuan Yingrun Property Co., Limited\*) ("Chongqing Fangyuan") which was interest-bearing at 8.2% per annum and to be paid quarterly, of which principal of approximately HK\$5,366,000 and HK\$10,733,000 were settled on 21 September 2014 and 21 March 2015, respectively. The related interest expenses (before interest capitalisation) of HK\$24,041,000 (six months ended 30 June 2014: HK\$22,741,000) were charged to Chongqing Fangyuan during the six months ended 30 June 2015.

- (f) On 22 May 2013, PKU Resources Group provided a two-year unsecured loan of approximately HK\$577,507,000 to 重慶盈普投資有限公司 (Chongqing Yingpu Investment Co., Limited\*) ("Chongqing Yingpu") which was interest-bearing at 10% per annum and to be paid quarterly, of which the entire principal was fully settled on 21 May 2015. The related interest expenses (before interest capitalisation) of HK\$24,041,000 (six months ended 30 June 2014: HK\$31,118,000) were charged to Chongqing Yingpu during the six months ended 30 June 2015.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 14. RELATED PARTY TRANSACTIONS (CONTINUED)

### (I) Transactions and commitments with related parties (Continued)

- (g) On 22 September 2014, PKU Resources Group provided a two-year unsecured loan of approximately HK\$249,600,000 to 佛山北大資源地產有限公司 (Foshan Peking University Resources Property Co., Limited\*) ("Foshan Resources") which was interest-bearing at 12% per annum and to be paid quarterly.

On 16 October 2014, PKU Resources Group provided a two-year unsecured loan of approximately HK\$347,568,000 to Foshan Resources which was interest-bearing at 12% per annum and to be paid quarterly.

The related interest expenses of these two loans (before interest capitalisation) of HK\$35,735,000 (six months ended 30 June 2014: HK\$ 36,143,000) in aggregate were charged to Foshan Resources during the six months ended 30 June 2015.

- (h) On 7 January 2015, PKU Resources Group provided a one-year short term unsecured loan of approximately HK\$312,000,000 to 昆山高科電子藝術創意產業發展有限公司 (Kunshan Hi-Tech Electronic Arts Creative Industry Development Co., Ltd\*) ("Kunshan Hi-Tech") which was interest-bearing at 12% per annum and to be paid quarterly. The related interests of approximately HK\$18,276,000 were charged during the six months ended 30 June 2015.
- (i) On 11 May 2015, PKU Resources Group provided an unsecured long-term loan with period from 11 May 2015 to 16 May 2017 of approximately HK\$436,800,000 to 成都航美房地產開發有限公司 (Chengdu Hangmei Property Development Co., Limited\*) which was interest-bearing at 10.4% per annum and to be paid quarterly. The related interest expenses (before interest capitalisation) of HK\$6,331,000 were charged during the six months ended 30 June 2015.
- (j) During the six months ended 30 June 2015, PKU Resources Group made advances to certain subsidiaries of the Company, which were unsecured, interest-bearing at 12% per annum and had no fixed terms of repayment. The related interest expenses of these advances (before interest capitalisation) of HK\$313,776,000 (six months ended 30 June 2014: HK\$224,153,000) in aggregate were charged to the Group during the six months ended 30 June 2015.

As at 30 June 2015, unsettled advances of HK\$9,564,765,000 (31 December 2014: HK\$9,698,387,000) and related interests payable of HK\$606,310,000 (31 December 2014: HK\$376,695,000) were included in interest-bearing bank and other borrowings and other payables and accruals, respectively, in the condensed consolidated statement of financial position as at 30 June 2015.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 14. RELATED PARTY TRANSACTIONS (CONTINUED)

### (I) Transactions and commitments with related parties (Continued)

- (k) On 23 December 2013, the Company, PKU Founder Group Finance Co., Ltd. ("Founder Finance") and Peking Founder entered into a financial service agreement, pursuant to which Founder Finance agreed to provide the Group with (i) deposit service; (ii) loan services; and (iii) miscellaneous financial service subject to the terms and conditions provided therein for the three years ending 31 December 2016. Peking Founder has provided the guarantee to the Company in the financial services agreement.

As at 30 June 2015, the Group placed deposits of approximately HK\$269,000 (31 December 2014: HK\$123,282,000) in Founder Finance and the related interests of approximately HK\$131,000 (six months ended 30 June 2014: HK\$122,000) were earned by the Group during the six months ended 30 June 2015. The interest rates on these deposits offered by Founder Finance were the prevailing interest rates offered by the People's Bank of China.

- (l) On 28 August 2012, the Company entered into a master lease agreement with Peking Founder pursuant to which the Company agreed to procure one of its subsidiaries to lease certain commercial premises at Founder International Building to Peking Founder Group for the three years ended 31 December 2014. During the year ended 31 December 2014, a subsidiary of the Company engaged a subsidiary of PKU Resources Group to collect rental income from independent tenants on its behalf, until those tenants enter into lease agreements with the subsidiary of the Company. No management fee was charged during the six months ended 30 June 2015.

On 30 December 2014, the Company entered into supplemental agreements to extend the term of the lease. The commencement date of the individual leases shall be specified in each individual lease agreement and the end date of all the individual leases shall not be later than 31 December 2017.

During the six months ended 30 June 2015, rental income of approximately HK\$5,769,000 (six months ended 30 June 2014: HK\$8,683,000) were earned from Peking Founder Group.

- (m) On 16 September 2014, the Company entered into a master landscape construction agreement with PKU Resources Group (the "Master Landscape Construction Agreement") pursuant to which PKU Resources Group and its associates agreed to manage landscape construction in the property projects of the Group.

During the six months ended 30 June 2015, construction fees of approximately HK\$7,291,000 (six months ended 30 June 2014: Nil) were charged to PKU Resources Group. The directors consider that the provision of landscape construction services by PKU Resources Group was made in accordance with the Master Landscape Construction Agreement.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 14. RELATED PARTY TRANSACTIONS (CONTINUED)

### (I) Transactions and commitments with related parties (Continued)

- (n) On 16 September 2014, the Company entered into a master trademark licensing agreement with PKU Resources Group (the "Master Trademark Licensing Agreement") pursuant to which the Group is authorised to use the brand name of PKU Resources Group in each of their respective property projects for the three years ending 31 December 2016.

During the six months ended 30 June 2015, trademark licensee fees of approximately HK\$6,260,000 (six months ended 30 June 2014: Nil) were charged to PKU Resources Group. The directors consider that the licensing fees were charged to PKU Resources Group in accordance with the Master Trademark Licensing Agreement.

- (o) On 16 September 2014, the Company entered into a master property management service agreement with PKU Resources Group (the "Master Property Management Service Agreement") pursuant to which PKU Resources Group and its associates agreed to provide pre-sale property management services to the Group for the three years ending 31 December 2016.

During the six months ended 30 June 2015, property management service fees of approximately HK\$6,401,000 (six months ended 30 June 2014: Nil) were charged to PKU Resources Group. The directors consider that the provision of property management services by PKU Resources Group was made in accordance with the Master Property Management Service Agreement.

- (p) As at 30 June 2015, guarantees were given by Peking Founder to banks in connection with banking facilities granted to the Group of approximately HK\$350,000,000 (31 December 2014: HK\$929,015,000) which were utilised to the extent of approximately HK\$81,214,000 (31 December 2014: HK\$718,684,000).

- (q) As at 30 June 2015, guarantees were given by PKU Resources Group to banks in connection with banking facilities granted to the Group of approximately HK\$200,000,000 (31 December 2014: HK\$249,400,000) which were utilised to the extent of approximately HK\$135,500,000 (31 December 2014: HK\$229,282,000).

### (II) Outstanding balances with related parties

- (a) The balances due to subsidiaries of Founder Holdings Limited included in other payables and accruals as at 30 June 2015 were approximately HK\$95,000 (31 December 2014: HK\$379,000). The balances are unsecured, interest-free and have no fixed terms of repayment.
- (b) The balances due from Peking Founder Group included in prepayments, deposits and other receivables were approximately HK\$685,000 (31 December 2014: HK\$127,471,000). The balances are unsecured, interest-free and have no fixed terms of repayment.
- (c) The balances due to Peking Founder Group included in other payables and accruals as at 30 June 2015 were approximately HK\$462,503,000 (31 December 2014: HK\$183,299,000). The balances are unsecured, interest-free and have no fixed terms of repayment.

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 14. RELATED PARTY TRANSACTIONS (CONTINUED)

### (II) Outstanding balances with related parties (Continued)

- (d) Except for the entrusted loans and related interest payables and other payables due to PKU Resources Group disclosed in notes 14(l)(j) to the financial information, the balances due to PKU Resources Group included in other payables and accruals amounting to approximately HK\$1,266,647,000 (31 December 2014: HK\$1,008,934,000) are unsecured, interest-free and have no fixed terms of repayment.
- (e) As at 31 December 2014, the balance due from Founder Information included in prepayments, deposits and other receivables was approximately HK\$4,251,000. The balance due to Founder Information included in other payables and accruals was approximately HK\$309,758,000 (31 December 2014: HK\$305,505,000). These balances are unsecured, interest-free and have no fixed terms of repayment.
- (f) The balance due to Founder Information included in long term payable as at 30 June 2015 was approximately HK\$177,715,000 (31 December 2014: HK\$182,046,000). The balance is unsecured, interest-free and not repayable within one year.
- (g) Details of the Group's trade receivables and trade payables with its related companies as at the end of the reporting period are included in notes 11 and 13 to the financial information.

### (III) Compensation of key management personnel of the Group

In the opinion of the directors, the directors of the Company represented the key management personnel of the Group. Compensation paid to directors during the period is as follows:

	For the six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Short term employee benefits	834	808
Equity-settled share option expense	3,003	10,719
Post-employment benefits	–	8
<b>Total compensation paid to key management personnel</b>	<b>3,837</b>	<b>11,535</b>

\* For identification purposes only

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 15. CONTINGENT LIABILITIES

As at 30 June 2015, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately HK\$2,838,500,000 (31 December 2014: HK\$1,359,900,000). This represented the guarantees in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers and the Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which are generally available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the directors of the Company consider that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made for the guarantees in the condensed consolidated financial information as at 30 June 2015.

## 16. OPERATING LEASE ARRANGEMENTS

### (a) As lessor

The Group leases its investment properties or the property leased from an independent company under operating lease arrangements, with leases negotiated for terms ranging from one to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to three years.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Restated)
Within one year	<b>48,112</b>	44,626
In the second to fifth years, inclusive	<b>22,561</b>	13,883
	<b>70,673</b>	58,509

# Notes to the Condensed Consolidated Interim Financial Information

30 June 2015

## 16. OPERATING LEASE ARRANGEMENTS (CONTINUED)

### (b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Restated)
Within one year	<b>46,765</b>	46,808
In the second to fifth years, inclusive	<b>60,746</b>	80,750
	<b>107,511</b>	127,558

## 17. COMMITMENTS

In addition to the operating lease commitments detailed in note 16(b) above, the Group had the following capital commitments at the end of the reporting period:

	<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Restated)
Contracted, but not provided for: Properties under development	<b>4,287,052</b>	3,232,161

## 18. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial information, due to the application of merger accounting for business combinations under common control, the comparative amounts have been restated.

## 19. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the board of directors on 27 August 2015.

# Management Discussion and Analysis

China's economy faced downward pressure throughout the first half of 2015, and the central government lowered the economic growth target. Stable growth and structure adjustment has become a new phenomenon of the economic development. As shown by the actual figures in the first half of the year, all economic indicators were lower than expected with GDP growth of 7%, being the lowest level in the past six years. In that context, supporting the real estate industry and demand has become an important tool to ensure steady growth. The central bank successively lowered reserve ratio and cut interest rates to ease credit threshold, and adjusted the business tax exemption period for transfer of individual housing to loosen market environment, while the local governments proactively launched a series of policies, such as relaxing the restrictions on housing provident fund loan. Under the combined effect of the above policies, the property market is most likely to show the trend of turnaround. Coupled with the impact of the stock market wealth effect in the first half of the year, certain funds from profit taking was invested in the real estate market, further driving demand recovery. According to the figures from the real estate industry in the first half of the year, sales of commodity houses in China showed an upward trend on a monthly basis, with larger market rebound in May and June. The housing prices in most cities turned around to rally in China, led by first-tier cities.

## OVERALL PERFORMANCE

The Group reported a profit attributable to owners of the Company for the six months ended 30 June 2015 of approximately HK\$300.5 million (six months ended 30 June 2014: loss of HK\$78.1 million). The Group's revenue for the current interim period has increased by 18.5% to approximately HK\$2,871.2 million (six months ended 30 June 2014: HK\$2,423.5 million) as a result of increase in sales in distribution of information products and property development business. The Group's gross profit has increased by 76.1% to approximately HK\$188.8 million (six months ended 30 June 2014: HK\$107.2 million). The gross profit margin increased from last interim period's 4.4% to current interim period's 6.6% due to increase in proportion of property development business with higher gross profit margin. Total selling and distribution expenses and administrative expenses for the current interim period have increased by 22.9% to approximately HK\$347.8 million (six months ended 30 June 2014: HK\$283.0 million).

The improvement in the Group's operating results was mainly due to the net results of:

- a. one-off gain on disposal of subsidiaries engaged in property development business of approximately HK\$780.4 million for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil);
- b. one-off gain on bargain purchase arising from acquisition of subsidiaries engaged in property development business of approximately HK\$92.3 million for the six months ended 30 June 2014;
- c. an increase in selling and distribution expenses and administrative expenses by 22.9% to approximately HK\$347.8 million (six months ended 30 June 2014: HK\$283.0 million) as attributable to the expansion of the property development business;
- d. an increase in other operating expenses by HK\$7.3 million to approximately HK\$9.0 million (six months ended 30 June 2014: HK\$1.7 million) due to increase in impairment of trade receivables; and
- e. an increase in income tax expenses by HK\$171.3 million to approximately HK\$165.4 million (six months ended 30 June 2014: tax credit of HK\$5.9 million) as a results of increase in profit during the period.

Basic and diluted earnings per share attributable to equity holders of the Company for the current interim period were HK5.03 cents (six months ended 30 June 2014: loss of HK3.25 cents) and HK4.62 cents (six months ended 30 June 2014: loss of HK3.25 cents), respectively.

# Management Discussion and Analysis

## OPERATING REVIEW

### Real Estate Business

The Group completed the acquisition of subsidiaries engaged in the property development business on 2 January 2015.

### Property Development

The turnover of the property development business of the Group for the current interim period increased by 44.7% to approximately HK\$1,062.1 million (six months ended 30 June 2014: HK\$734.1 million). The segment results recorded a profit of approximately HK\$632.2 million (six months ended 30 June 2014: loss of HK\$84.2 million). The improvement in segment results was due to gain on disposal of subsidiaries of approximately HK\$780.4 million for the current interim period.

The Group's property development was actively carried forward as planned in the first half of 2015. As of 30 June 2015, a total of 15 projects have commenced construction with construction area amounting to 3,682,156 sq.m.

From January to June 2015, the Group had 13 projects on sale, with property contracted sales of approximately RMB2.122 billion, contracted GFA of 317,954 sq.m. and average selling price of RMB6,672 per sq.m. The contracted sales was 1,829% higher as compared to last year. Contracted sales is mainly from property projects such as Dream City in Guiyang, Boya and Yannan in Chongqing, Boya Binjiang in Foshan, Yannan International and Park 1898 in Chengdu.

At 30 June 2015, the Group has possessed 19 property development projects in 11 cities across China, with a total land bank of approximately 5,506,819 sq.m. The Group's volume of property development projects increased significantly as compared to the corresponding period of last year. The Group will continue to prudently increase land reserve, and in the second half of the year, the Group will enter into regional hub cities with great potential and density of population as and when appropriate to expand national presence of "PKU Resources" brand.

In January 2015, the Group acquired the land use rights in Qingdao for approximately RMB864.0 million. Further details of the acquisition are set out in the announcement of the Company dated 13 January 2015.

### Property Investment

The turnover of property investment business decreased slightly by 2.8% to approximately HK\$26.9 million (six months ended 30 June 2014: HK\$27.7 million). The segment profit was maintained at approximately HK\$12 million.

Founder International Building is located in the western area of Zhongguancun, Haidian District, Beijing, which enjoy a fabulous location, with a site area of 5,121 sq.m. and the total floor area of 51,159 sq.m. There are a total of 17 aboveground floors, while the 4th floor being underground, floors 1st – 3rd being shops, and floors 3rd – 17th being office buildings. In the first half of 2015, Founder International Building realized an accumulated rental income of RMB19.1 million, with an occupancy rate of approximately 99%.

As a result of the adjustment of business strategy of the Group, on 27 August 2015, the Company and the owner of Founder International Building entered into termination agreement to terminate the right granted to the Group to manage Founder International Building. As a result, on the same date, the Company and Peking Founder entered into a termination agreement to terminate the Master Lease Agreement. The Company is entitled to the rental income of Founder International Building receivable from Peking Founder pursuant to the Master Lease Agreement prior to 1 September 2015. Other than the outstanding rental fee payable up to the termination date, namely 1 September 2015, by Peking Founder to the Company, neither party is required to pay any penalty or compensation to the other party in respect of the termination of the Master Lease Agreement.

# Management Discussion and Analysis

Wuhan International Building is located on Dandong Road, Jiangnan District, which is a flourishing block in Wuhan City, Hubei Province, with a total GFA of 26,963 sq.m. In the first half of 2015, Wuhan International Building realized an accumulated rental income of RMB3.7 million, with an occupancy rate of approximately 96%.

## Distribution Business

### Distribution of Information Products

The distribution business of the Group recorded a turnover of approximately HK\$1,782.2 million representing an increase of 7.2% as compared to last interim period (six months ended 30 June 2014: HK\$1,661.8 million). The segment results recorded a loss of HK\$1.7 million (six month ended 30 June 2014: profit of HK\$6.3 million). The deterioration in segment results was due to increase in impairment of trade receivables determined based on aging of trade receivables during the current interim period.

The distribution business of the Group is mainly focused on the distribution of information products such as servers, printers, switches, networking products, storage devices, workstations, optical screen products, video conference host, conference controller, codec and UPS power supply of a number of internationally famed and branded information product manufacturers such as HP, H3C, CommScope, Brocade, Microsoft, Corning, Avaya and Eaton. The increase in turnover during the current interim period is mainly attributable to launch of new products of existing and new product lines during the current interim period.

As the business environment in the PRC is becoming more competitive and the unfavorable factors arising from the macro-control policies, the management of the Group will continuously refine its product structure to avoid product overlapping and minimise market risk. The Group will focus on the distribution of information products with better trading terms and exploring the more profitable value-added service business.

## PROSPECTS

The Group is dedicated for a medium to long term development plan of maintaining a satisfactory growth in results and fulfilling its objective to enhance shareholders' value and will continue to seek outstanding and profitable investment opportunities that are in line with the Group's development strategy.

### Real Estate Business

We expect that the economic growth is likely to stabilize and rebound in the second half of the year with expected periodical bottoming of the economic growth in the second quarter. Stable macroeconomic environment will be conducive to continuous recovery of the real estate market, and the indicators are expected to continue the momentum of recovery in the first half of the year, but without substantial rebound. Smooth running and steady recovery of economy will be a new phenomenon, and stock removal will remain the main tone of the market during the year. Meanwhile, the trend of differentiation will continue in the market, with obviously faster recovery in the mid-end and high-end improving market, active trading in the first-tier cities and some second-tier cities with relatively balanced supply and demand and continuous sluggish in most second-tier and third-tier and four-tier cities.

The Group will observe the established policies at the beginning of the year to have more delicate operations in existing business cities and focus on quick destocking, thus to realise positive cycle of property development.

In addition, with deeper penetration of Internet into various industries and intelligent trend of cities and communities, we expect that the communities will transform from meeting people's basic residential needs to meeting comprehensive needs in the future, and the real estate enterprises will accelerate O2O exploration and transboundary development.

As such, we will continue to stick to the orientation of an integrated-resources based urban operator, and based on the traditional real estate business coupled with Ziyuanjia.com platform, to accelerate new cultural community building, continuously increase the key competitiveness of the brand and gradually realize the transformation from a real estate developer to a community service provider.

# Management Discussion and Analysis

## Distribution Business

The Distribution Business will continuously refine its product structure to avoid product overlapping and minimize market risk. The Group will focus on the distribution of information products with better trading terms and exploring the more profitable value-added service business. Moreover, the management will also place stronger emphasis on operating cash flow, stringent control on working capital such as trade receivables and payables and inventory and cost management. The Group will continue to look for alliance with other international information products suppliers and investment opportunities.

## EMPLOYEE

The Group has developed its human resources policies and procedures based on performance and merits. The Group ensures that the pay level of its employees are competitive and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus systems. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance.

The Group operates share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The Group had not granted any share options to its eligible directors and employees during the current interim period.

The Group has approximately 1,204 employees as at 30 June 2015 (31 December 2014: 731). The increase in number of employees mainly arose from the acquisition of subsidiaries and expansion of property development business during the current interim period.

## FINANCIAL REVIEW

### Liquidity, financial resources and capital commitments

During the current interim period, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in Hong Kong and China. As at 30 June 2015, the Group had approximately HK\$21,970.7 million interest-bearing bank and other borrowings (31 December 2014: HK\$24,632.9 million), of which approximately HK\$374.4 million (31 December 2014: HK\$359.0 million) were floating interest bearing and HK\$21,596.3 million (31 December 2014: HK\$24,273.9 million) were fixed interest bearing. The borrowings, which were subject to little seasonality, consisted of mainly bank loans, trust receipt loans and loans from PKU Resources.

Bank and other borrowings are denominated in Renminbi ("RMB") and United States Dollars ("U.S. dollars"), of which HK\$5,857.4 million (31 December 2014: HK\$7,543.3 million) were repayable within one year and HK\$16,113.3 million (31 December 2014: HK\$17,089.6 million) were repayable within two to five years. The Group's banking facilities were secured by corporate guarantee given by the Company, Peking Founder and PKU Resources, and certain of the properties under development, bank deposits, bills receivable and equity interest in certain subsidiaries of the Group. The decrease in bank loans was mainly attributed to the repayment during the period.

As at 30 June 2015, the Group recorded total assets of approximately HK\$42,213.6 million (31 December 2014: HK\$44,478.7 million) which were financed by liabilities of approximately HK\$38,804.5 million (31 December 2014: HK\$41,853.6 million), non-controlling interests of approximately HK\$554.7 million (31 December 2014: HK\$929.0 million) and equity attributable to owners of the parent of approximately HK\$2,854.4 million (31 December 2014: HK\$1,696.1 million). The increase in equity was attributable to profit for the current interim period and allotment of shares of the Company for acquisition of subsidiaries and placing. The Group's net asset value per share as at 30 June 2015 was HK\$0.57 (31 December 2014: HK\$1.08). The decrease in net asset value per share was attributable to the increase in number of shares of the Company.

# Management Discussion and Analysis

The Group had total cash and bank balances and pledged deposits of approximately HK\$2,792.3 million as at 30 June 2015 (31 December 2014: HK\$5,962.7 million). As at 30 June 2015, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity, was 6.44 (31 December 2014: 9.38) while the Group's current ratio was 1.87 (31 December 2014: 1.81).

As at 30 June 2015, the capital commitments for contracted, but not provided for, properties under development were approximately HK\$4,287.1 million (31 December 2014: HK\$3,232.2 million).

## Treasury policies

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are held mainly in Hong Kong dollars ("HKD"), RMB and U.S. dollars. Surplus cash is generally placed in short term deposits denominated in HKD, RMB and U.S. dollars.

## Exposure to fluctuations in exchange rates and related hedges

The Group operates mainly in Hong Kong and Mainland China. For the operations in Hong Kong, most of the transactions are denominated in HKD and U.S. dollars. The exchange rate of U.S. dollars against HKD is relatively stable and the related currency exchange risk is considered minimal. For the operations in Mainland China, most of the transactions are denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The Group has minimal exposure to exchange rate fluctuation. No financial instrument was used for hedging purposes. Subsequent to these interim results, the exchange rate of RMB has devalued and the Group will closely monitor the currency exchange risk of RMB in the near term as a result.

## Material acquisitions and disposals of subsidiaries and associates

On 16 September 2014, the Company, Beijing Tianranju Technology Co., Ltd., Fine Noble Global Limited, Peking University Resources Group Property Co., Limited, Peking Founder, Founder Information, Starry Realm Limited, Peking University Resources Group Holdings Co., Ltd. and Peking University Resources Group entered into a sales and purchase agreement, pursuant to which the Company and Beijing Tianranju Technology Co., Ltd. have agreed to acquire entire issued shares in Extol High Enterprises Limited, Keen Delight Global Limited, Chongqing Peking University Resources Property Co., Limited, Chengdu Peking University Resources Property Co., Limited, Guiyang Peking University Resources Property Co., Limited and Qingdao Peking University Resources Property Co., Limited at total consideration of HK\$1,934 million, including HK\$1,361 million for the offshore acquisition and HK\$573 million for the onshore acquisition, which would be satisfied by a combination of the issuance of consideration shares to Founder Information, and/or all or part of the cash proceeds from the issuance of placement shares and/or all or part of the cash proceeds from the issuance of additional shares and/or the Company's internal cash, external financing and/or financing from the controlling shareholder. The sales shares represented 100% issued shares of entities which are engaged in property development business. Further details of the transactions were set out in the announcements of the Company dated 16 September 2014, 30 November 2014 and 22 December 2014 and the circular of the Company dated 2 December 2014. The above transactions have been completed on 2 January 2015.

On 16 February 2015, Qingdao Boya Huafu Property Co., Limited, CITIC Shenzhen (Group) Co., Limited, Qingdao Bolai Property Co., Limited, the Company, Hong Kong Tianranju Holdings Limited, Tibet Zhao Rong Investment Co., Ltd. and Qingdao Bofu Property Co., Limited entered into a framework agreement, pursuant to which (i) CITIC Shenzhen (Group) Co., Limited has conditionally agreed to acquire and Qingdao Boya Huafu Property Co., Limited has conditionally agreed to sell the 100% equity interest in Qingdao Bolai Property Co., Limited; and (ii) CITIC Shenzhen (Group) Co., Limited has conditionally agreed to acquire and the Company has conditionally agreed to sell 100% equity interest in Hong Kong Tianranju Holdings Limited, a direct wholly-owned subsidiary of the Company. The total consideration is approximately RMB2,398 million including: (a) approximately RMB650 million, being payment for the share transfer of Qingdao Bolai Property Co., Limited; (b) repayment of (i) RMB500 million, being all the principal of the entrusted loan provided by Peking University Resources Group Co., Limited to Qingdao Bolai Property Co., Limited in August 2014; (ii) approximately RMB544 million, being the principal of the entrusted loan owed to

# Management Discussion and Analysis

Huaneng Guicheng Trust Co., Ltd., an independent third party, since May 2014; and (iii) the interest of the entrusted loan under (i) and (ii), which is excluded from the total consideration; and (c) approximately RMB704 million for the share transfer of Hong Kong Tianranju Holdings Limited. On 16 February 2015, Qingdao Boya Huafu Property Co., Limited, CITIC Shenzhen (Group) Co., Limited, Qingdao Bolai Property Co., Limited, the Company, Hong Kong Tianranju Holdings Limited, Tibet Zhao Rong Investment Co., Ltd. and Qingdao Bofu Property Co., Limited entered into a sale and purchase agreement, pursuant to which CITIC Shenzhen (Group) Co., Limited has conditionally agreed to acquire and Qingdao Boya Huafu Property Co., Limited has conditionally agreed to sell the 100% equity interest in Qingdao Bolai Property Co., Limited. The total consideration is approximately RMB650 million. Further details of the transactions were set out in the announcement of the Company dated 3 March 2015 and the circular of the Company dated 25 March 2015. On 10 March 2015, Qingdao Boya Huafu Property Co., Limited, CITIC Real Estate (Hong Kong) Development Limited, Qingdao Bolai Property Co., Limited, the Company, Hong Kong Tianranju Holdings Limited, Tibet Zhao Rong Investment Co., Ltd. and Qingdao Bofu Property Co., Limited entered into a subsequent sale and purchase agreement, CITIC Real Estate (Hong Kong) Development Limited has conditionally agreed to acquire and the Company has conditionally agreed to sell the 100% equity interest in Hong Kong Tianranju Holdings Limited at a total consideration of approximately RMB704 million. Further details of the transactions were set out in the announcement of the Company dated 10 March 2015 and the circular of the Company dated 25 March 2015. The above disposal transactions were completed on 4 May 2015.

Save as disclosed above, the Group had no acquisition or disposal of subsidiaries and associates for the six months ended 30 June 2015.

## Charges on assets

As at 30 June 2015, properties under development of approximately HK\$18,939.0 million, bank deposits of approximately HK\$1,306.5 million and bills receivable of approximately HK\$58.0 million were pledged to banks to secure general banking facilities granted, as deposits for construction of the relevant properties and as guarantees deposits for certain mortgage loans granted by banks to purchasers of the Group's properties.

## Contingent liabilities

As at 30 June 2015, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately HK\$2,838.5 million (31 December 2014: HK\$1,359.9 million). This represented the guarantees in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers and the Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which are generally available within one to two years after the purchases take possession of the relevant properties. The fair value of the guarantees is not significant and the directors of the Company consider that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made for the guarantees in the condensed consolidated financial information as at 30 June 2015.

## Other Information

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the directors in the share capital, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to 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"), were as follows:

#### Long positions in ordinary shares of the Company:

Name of director	Number of ordinary shares held, capacity and nature of interest		Total	Percentage of the Company's issued share capital
	Directly beneficially owned	Through controlled corporation (Note)		
Mr Zhang Zhao Dong	14,470,050	–	14,470,050	0.59
Mr Zheng Fu Shuang	200,019,000	584,984,000	785,003,000	13.11
Mr Xie Ke Hai	10,514,050	–	10,514,050	0.43

Note: Mr Zheng Fu Shuang is interested in the 584,984,000 shares of the Company, through Starry Nation Limited, a company which is ultimately beneficially owned by Mr Zheng Fu Shuang.

#### Long positions in share options of the Company:

Name of director	Number of options directly beneficially owned
Mr Zhang Zhao Dong	16,339,690
Mr Fang Hao	16,339,690
Mr Zhou Bo Qin	16,339,690
Mr Xie Ke Hai	16,339,690
Ms Yu Li (Note)	16,339,690
	81,698,450

Note: Ms Yu Li was removed as director of the Company on 3 July 2015.

Save as disclosed above, as at 30 June 2015, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information

### SHARE OPTION SCHEME

The Company operates share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The following share options were outstanding under the share option scheme at 1 January 2015 and at the end of the period:

Name or category of participant	Number of share options at 1 January 2015 and 30 June 2015	Date of grant of share options (Note 1)	Exercise period of share options (Note 2)	Exercise price of share options (Note 3) HK\$ per share
<b>Executive Directors</b>				
Mr Zhang Zhao Dong	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Fang Hao	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Zhou Bo Qin	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Mr Xie Ke Hai	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Ms Yu Li*	16,339,690	10.6.2013	10.6.2014 to 9.6.2016	0.910
Subtotal	<u>81,698,450</u>			
<b>Other employees of the Group</b>				
In aggregate	<u>81,698,450</u>	10.6.2013	10.6.2014 to 9.6.2016	0.910
Subtotal	<u>81,698,450</u>			
Total	<u>163,396,900</u>			

\* Ms Yu Li was removed as director of the Company on 3 July 2015.

Notes to the table of share options outstanding during the period:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The options granted on 10 June 2013 are exercisable in the following two tranches:
  - (i) First 40% of the options are exercisable from 10 June 2014 to 9 June 2016; and
  - (ii) The remaining 60% of the options are exercisable from 10 June 2015 to 9 June 2016.
3. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

## Other Information

### SHARE OPTION SCHEME (CONTINUED)

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

#### Long positions:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
北大資產經營有限公司 (Peking University Asset Management Company Limited*)	1	Through a controlled corporation	3,850,134,407	64.29
北大資源集團有限公司 (Peking University Resources Group Co., Ltd.*)	2	Through a controlled corporation	3,850,134,407	64.29
北大資源集團控股有限公司 (Peking University Resources Group Holdings Co., Ltd.*)	3	Through a controlled corporation	3,850,134,407	64.29
北大方正集團有限公司 (Peking University Founder Group Company Limited*) ("Peking Founder")	4	Through a controlled corporation	3,850,134,407	64.29
Founder Information (Hong Kong) Limited ("Founder Information")	5	Directly beneficially owned	3,850,134,407	64.29
Mr Zheng Fu Shuang	6	Through a controlled corporation and directly beneficially owned	785,003,000	13.11
Shine Crest Group Limited	7	Through a controlled corporation	584,984,000	9.77
Starry Nation Limited		Directly beneficially owned	584,984,000	9.77
Rongtong Fund Management Co. Ltd.	8	Through a controlled corporation	575,076,000	9.60
Rongtong Ronghai No. 10 SMA QDII		Directly beneficially owned	575,076,000	9.60

\* For identification purpose only

## Other Information

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Notes:

1. Peking University Asset Management Company Limited is deemed to be interested in the 3,850,134,407 shares of the Company under the SFO by virtue of its interest in Peking Founder.
2. Peking University Resources Group Co., Ltd. is deemed to be interested in the 3,850,134,407 shares of the Company under the SFO by virtue of its interest in Peking University Resources Group Holdings Co., Ltd..
3. Peking University Resources Group Holdings Co., Ltd. is deemed to be interested in the 3,850,134,407 shares of the Company under the SFO by virtue of its interest in Founder Information.
4. Peking Founder is deemed to be interested in the 3,850,134,407 shares of the Company under the SFO by virtue of its interest in Founder Information.
5. Founder Information is interested in the 3,850,134,407 shares of the Company, out of which 427,906,976 shares are to be allotted and issued upon exercise of convertible bonds.
6. Mr Zheng Fu Shuang is interested in 785,003,000 shares of the Company, out of which 200,019,000 shares are held directly by Mr Zheng Fu Shuang and 584,984,000 shares are held through Starry Nation Limited.
7. Shine Crest Group Limited is deemed to be interested in the 584,984,000 shares of the Company under the SFO by virtue of its interest in Starry Nation Limited.
8. Rongtong Fund Management Co. Ltd. is deemed to be interested in 575,076,000 shares of the Company under the SFO by virtue of its interest in Rongtong Ronghai No. 10 SMA QDII.

Save as disclosed above, as at 30 June 2015, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

The Company has not redeemed any of its listed securities during the six months ended 30 June 2015. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 30 June 2015.

### PLACING OF NEW SHARES

#### Price Determination Agreement

On 22 December 2014, the Company and the placing agent entered into a price determination agreement (the "Price Determination Agreement"), pursuant to which the final issue price of the placement shares has been determined at HK\$0.65 per share, which is the low-end of the proposed issue price range (exclusive of the brokerage, SFC transaction levy and Stock Exchange trading fee), and the total number of placement shares has been determined to be 1,454,376,000. The placing agent has confirmed that as at the date of the Price Determination Agreement, the placing shares of approximately HK\$945 million had been subscribed by purchasers procured by it in accordance with the placing agreement.

The final issue price of HK\$0.65 per share represents a discount of approximately 4.41% to the closing price of HK\$0.68 per share as quoted on the Stock Exchange on 19 December 2014.

## Other Information

### PLACING OF NEW SHARES (CONTINUED)

#### Price Determination Agreement (Continued)

Since the number of allottees is less than six, the Company is required to disclose the name of the allottees pursuant to Rule 13.28(7) of the Listing Rules, which are Kanway International Development Limited, Rongtong Fund Management Co., Ltd, Noble Dragon International Holdings Limited and Starry Nation Limited. Save as Starry Nation Limited through which the respective placement shares are placed to Mr Zheng Fu Shuang, each of Kanway International Development Limited, Rongtong Fund Management Co., Ltd and Noble Dragon International Holdings Limited, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, is independent of and not connected or acting in concert with the Company, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or associates of any of them.

The placing was completed on 2 January 2015. 1,454,376,000 placing shares was successfully placed at a price of HK\$0.65 per share pursuant to the placing agreement. The aggregate nominal value of the placing shares is HK\$145,437,600. The aggregate gross and net proceeds from the placing are approximately HK\$945.3 million and approximately HK\$927.3 million, respectively. The net price to the Company of each placing share, which is calculated by dividing the aggregate net proceeds from the placing by the total number of placing shares, is approximately HK\$0.64.

#### Use of Proceeds

As at 30 June 2015, the net proceeds of the placing had been fully utilised as intended for land acquisition and general corporate use.

### CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2015, except for the following deviations:

Provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. All Independent Non-executive Directors of the Company could not attend the annual general meeting of the company held on 5 June 2015 due to prior or unexpected business engagements. Mr Li Fat Chung and Ms Wong Lam Kit Yee, Independent Non-executive Directors of the Company, could not attend the special general meeting of the Company held on 15 April 2015 due to other business commitment.

Provision E.1.2 of the CG Code provides that the Chairman of the board should attend the annual general meeting. Ms Yu Li could not attend the special general meeting of the Company held on 15 April 2015 and the annual general meeting of the Company held on 5 June 2015 because Ms Yu has been requested to assist in an investigation by the related authorities since 5 January 2015. Mr Zhou Bo Qin, Executive Director of the Company, was present thereat to be available to answer questions at the special general meeting and the annual general meeting.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUER

The Company has adopted a model code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard as set out in the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry by the Company, all directors have confirmed that they have complied with the Model Code regarding directors' securities transactions throughout the accounting period covered by the interim report.

## Other Information

### AUDIT COMMITTEE

The Audit Committee has reviewed the Group's condensed consolidated interim financial information for the six months ended 30 June 2015, including the accounting principles adopted by the Group, with the Company's management.

By Order of the Board  
**PEKING UNIVERSITY RESOURCES (HOLDINGS) COMPANY LIMITED**  
**Zhang Zhao Dong**  
*Chairman*

Hong Kong  
27 August 2015



**北大资源**  
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