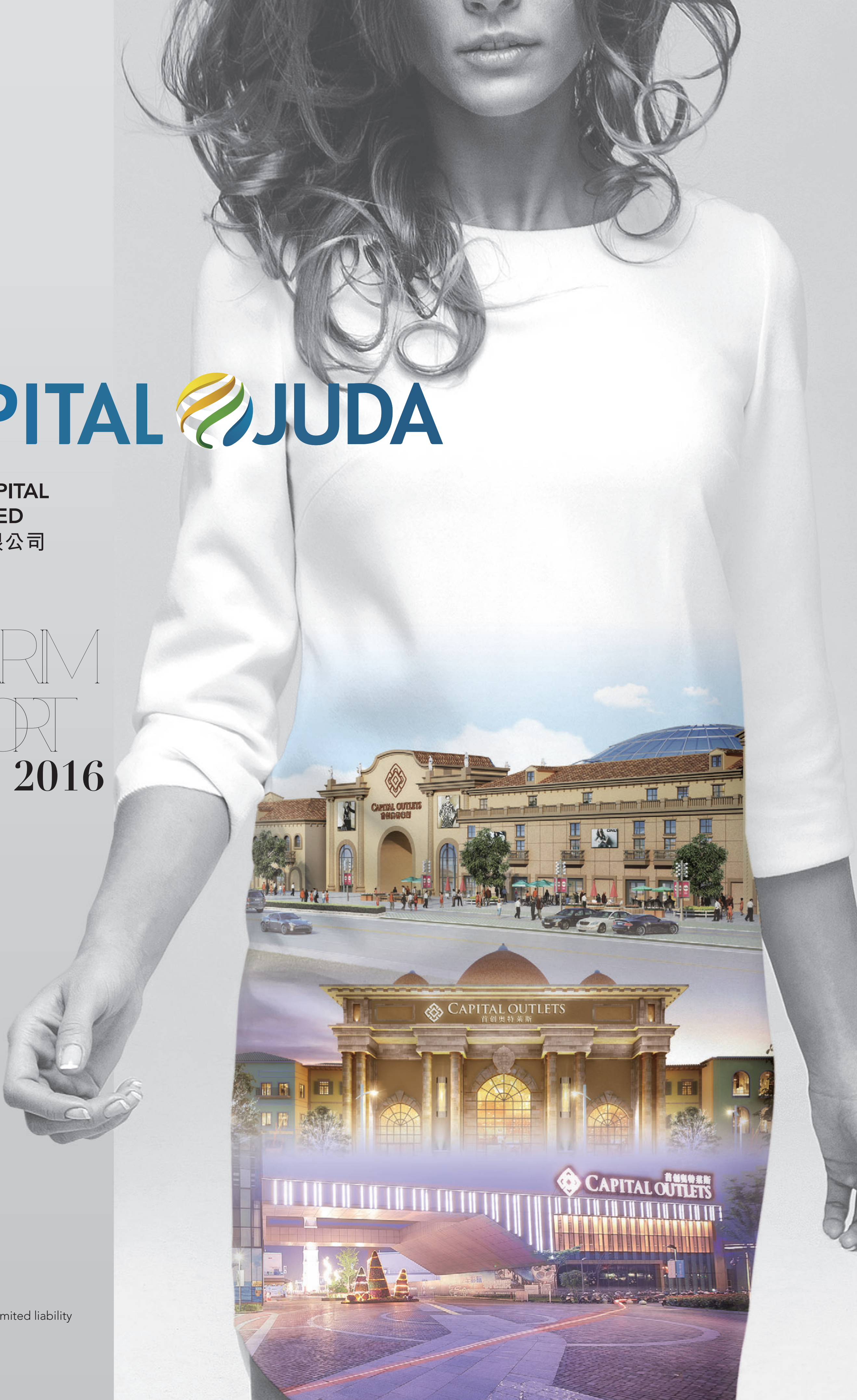
CAPITAL JUDA

BEIJING CAPITAL JUDA LIMITED
首創鉅大有限公司

STOCK CODE : **1329**

INTERIM REPORT 2016



Incorporated in the
Cayman Islands with limited liability

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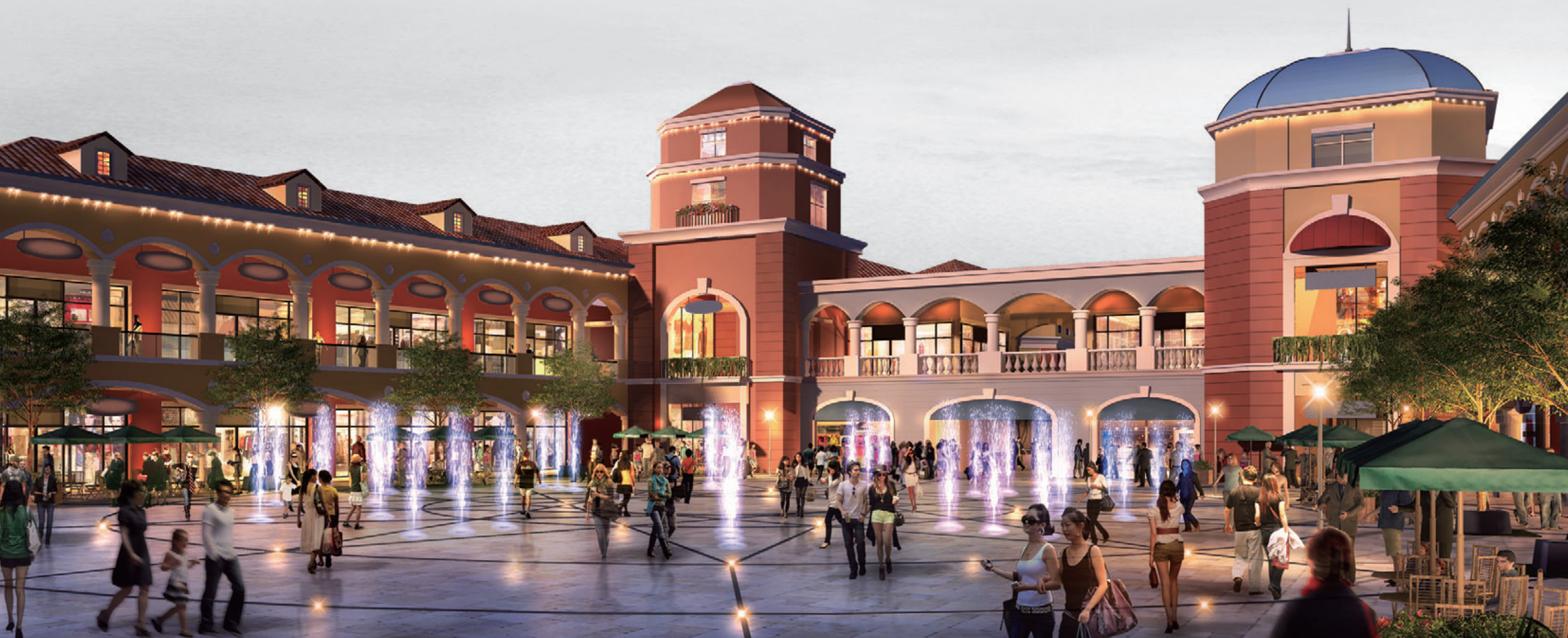
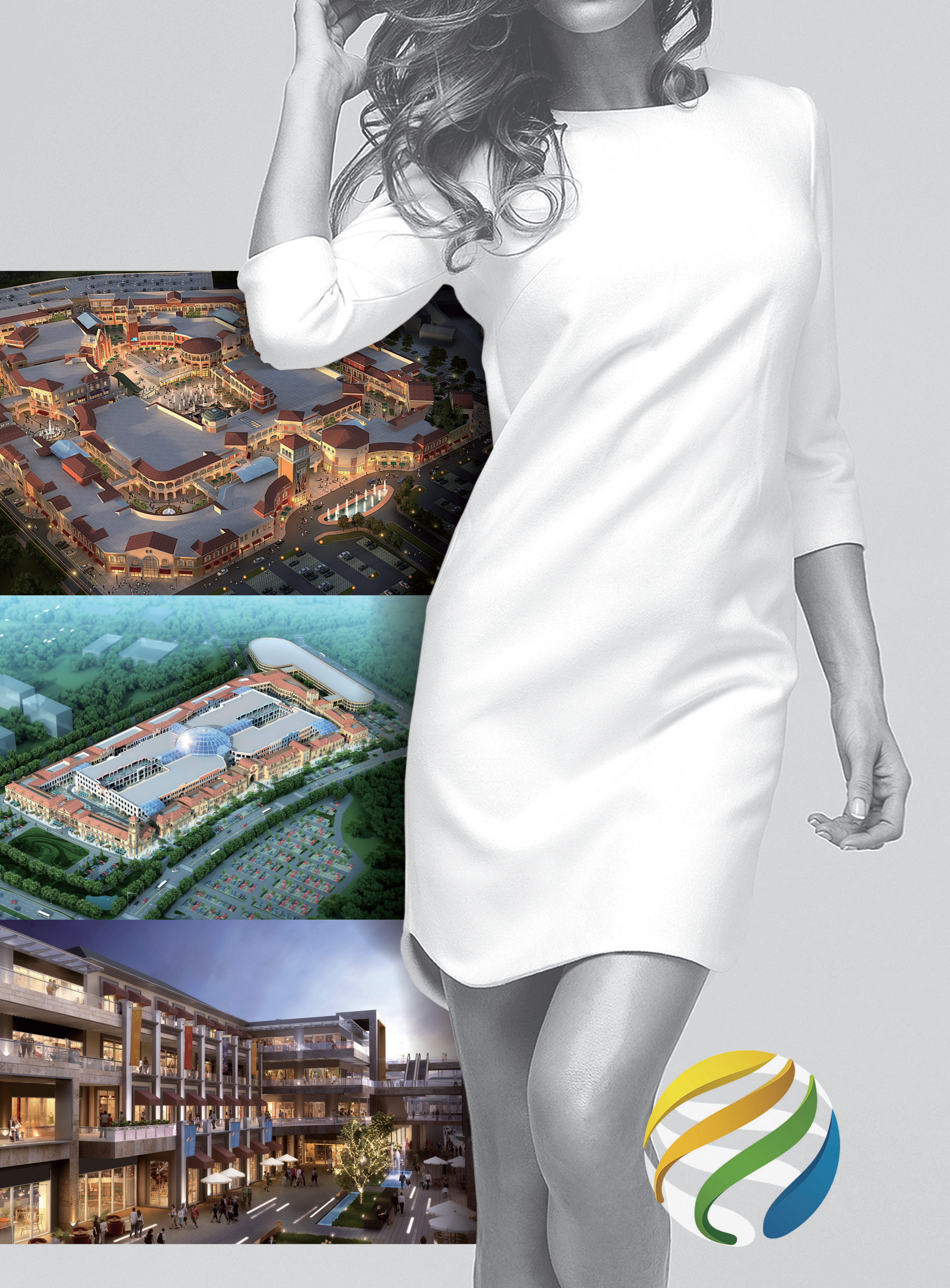




Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Jun *(Chairman)*

Mr. Zhong Beichen
(Chief Executive Officer)

Non-Executive Directors

Mr. Wang Hao

Mr. Li Songping

Independent Non-Executive Directors

Dr. Ngai Wai Fung

Ms. Zhao Yuhong

Mr. He Xiaofeng

AUDIT COMMITTEE

Dr. Ngai Wai Fung *(Chairman)*

Ms. Zhao Yuhong

Mr. He Xiaofeng

REMUNERATION COMMITTEE

Ms. Zhao Yuhong *(Chairman)*

Mr. Li Songping

Dr. Ngai Wai Fung

NOMINATION COMMITTEE

Mr. Tang Jun *(Chairman)*

Dr. Ngai Wai Fung

Ms. Zhao Yuhong

STRATEGIC COMMITTEE

Mr. Wang Hao *(Chairman)*

Mr. Zhong Beichen

Mr. He Xiaofeng

COMPANY SECRETARY

Mr. Lee Sze Wai

AUTHORISED REPRESENTATIVES

Mr. Zhong Beichen

Mr. Lee Sze Wai

AUDITORS

PricewaterhouseCoopers

COMPLIANCE ADVISER

CMB International Capital Limited

LEGAL ADVISER

As to Hong Kong laws:

Norton Rose Fulbright Hong Kong

As to Cayman Island laws:

Conyers Dill & Pearman

As to PRC laws:

Beijing Jingtian & Gongcheng

REGISTERED OFFICE

Cricket Square Hutchins
Drive P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRC PRINCIPAL PLACE OF BUSINESS

Building 18, No. 6 Langjiayuan,
Tonghuihe North Road,
Chaoyang District, Beijing, China

HONG KONG PRINCIPAL PLACE OF BUSINESS

Suites 2906-08
AIA Central, 1 Connaught Road Central, Hong Kong

Corporate Information (continued)

PRINCIPAL BANKERS

China Construction Bank
Bank of Communications
The Hongkong and Shanghai Banking Corporation Limited
DBS Bank Ltd., Hong Kong Branch
Dah Sing Bank Limited

CORPORATE WEBSITE

www.bcjuda.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square Hutchins
Drive P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopwell Centre
183 Queen's Road East, Hong Kong

LISTING INFORMATION

Equity security listed on the Stock Exchange of Hong Kong

Ordinary share (1329.HK)

Debt security listed on the Stock Exchange of Hong Kong

RMB1,300,000,000 guaranteed notes due 2018 at the rate of 5.25% (85719.HK)

INVESTOR RELATIONS CONTACT

Email: contactus@bcjuda.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board") of Beijing Capital Juda Limited (the "Company" or "Capital Juda", together with its subsidiaries, the "Group"), I am pleased to present to the shareholders the interim results of the Group as of 30 June 2016.

In the first half of 2016, GDP grew by 6.7% year-on-year, basically in line with expectations. Given the global economic condition, maintaining stable economic growth is not easy to China. It is expected that China will continue to spend time on carrying out structural reform of the economy with the economic growth increasingly reliant on consumption. China will accelerate its transition to a consumption-driven economy. In the first half of the year, the final consumption expenditure accounted for 73.4% of the growth in GDP, representing an increase of 13.2 percentage points from the corresponding period of last year. The increased demand for consumption upgrading brought about by income growth was still strong.

The outlets industry has experienced rapid double-digit growth due to its provision of experience of shopping for luxury brands characterized by "Top Brand, Low Price, Refined Ambience and Considerate Service" and its satisfaction of consumers' general demand for higher-end products.

The year of 2016 is the first year of the 13th five-year strategic plan of the Company. The Group has further increased investment and acquired outlets projects in three target cities, namely Xi'an, Zhengzhou and Jinan, during the period. By then, the number of newly developed outlets projects of the Group has amounted to seven. Thus the Group has become a company with the most outlets projects in China, and gained the advantageous position as a company leading in scale in the industry.

During the period, the Group announced the acquisition of three launched outlets projects wholly-owned by Beijing Capital Land Ltd. ("BCL", a controlling shareholder of the Company) in Beijing Fangshan, Jiangsu Kunshan and Zhejiang Huzhou. Upon this transaction, the number of the launched outlets stores owned and managed by Capital Juda is amounted to four, which will further enhance Capital Juda's market influence and brand appeal in the outlets industry in China, laying solid foundation for the future chain operation and scale development of the Group.

Chairman's Statement (continued)

During the period, the Group has sponsored the 2016 "Capital Outlets, Run for Fun", the Olympic Sports Center national running competition open to the public. The competition promotes and develops multi-level interactive experience and has been one of multi-dimensional initiatives of Capital Outlets to enhance consumption experience. The Group will continue to promote a healthy and comfortable lifestyle to consumers.

During the period under review, the Group has achieved operating revenue of around RMB170,361,000, representing approximately 25% decrease of around RMB228,386,000 of the same period in the last year. Net Profit attributable to the parent company is amounted to around RMB53,865,000. The Board resolved not to declare the interim dividend as at 30 June 2016.

In the second half of the year, the Group, persisting "Rapid Expansion and Lean Operation" as its annually operating strategy, will capture the market opportunities emerging in the period of rapid development and consolidation of outlets industry of China to select location precisely, identify and occupy quality project resources swiftly in target cities by means of diversified strategies of investment, ensure the quality and speed of strategic deployment so as to consolidate the scale competitiveness and leading position in the industry.

On the basis of existing brand resources, the Group will emphasize more on bringing in key brands, expand its strategic brands alliance, and actively explore through strategic merger and acquisition to enhance brand strength. In terms of operation and management, along with the effort to further strengthen the flagship outlet store in Beijing Fangshan, the Group will benchmark against leading stores in the industry so as to enhance the Company's general capability of comprehensive operation and ensure that future projects will be launched successfully as planned.

The Group will keep paying attention to the trend of consuming behavior, stepping up its research on consumers, developing trans-segment cooperation, creating scenes, guiding consumers to transform their lifestyle and continuously enhancing the experience of customers. In addition, the Group will conduct precise marketing focusing on target customers through data mining.

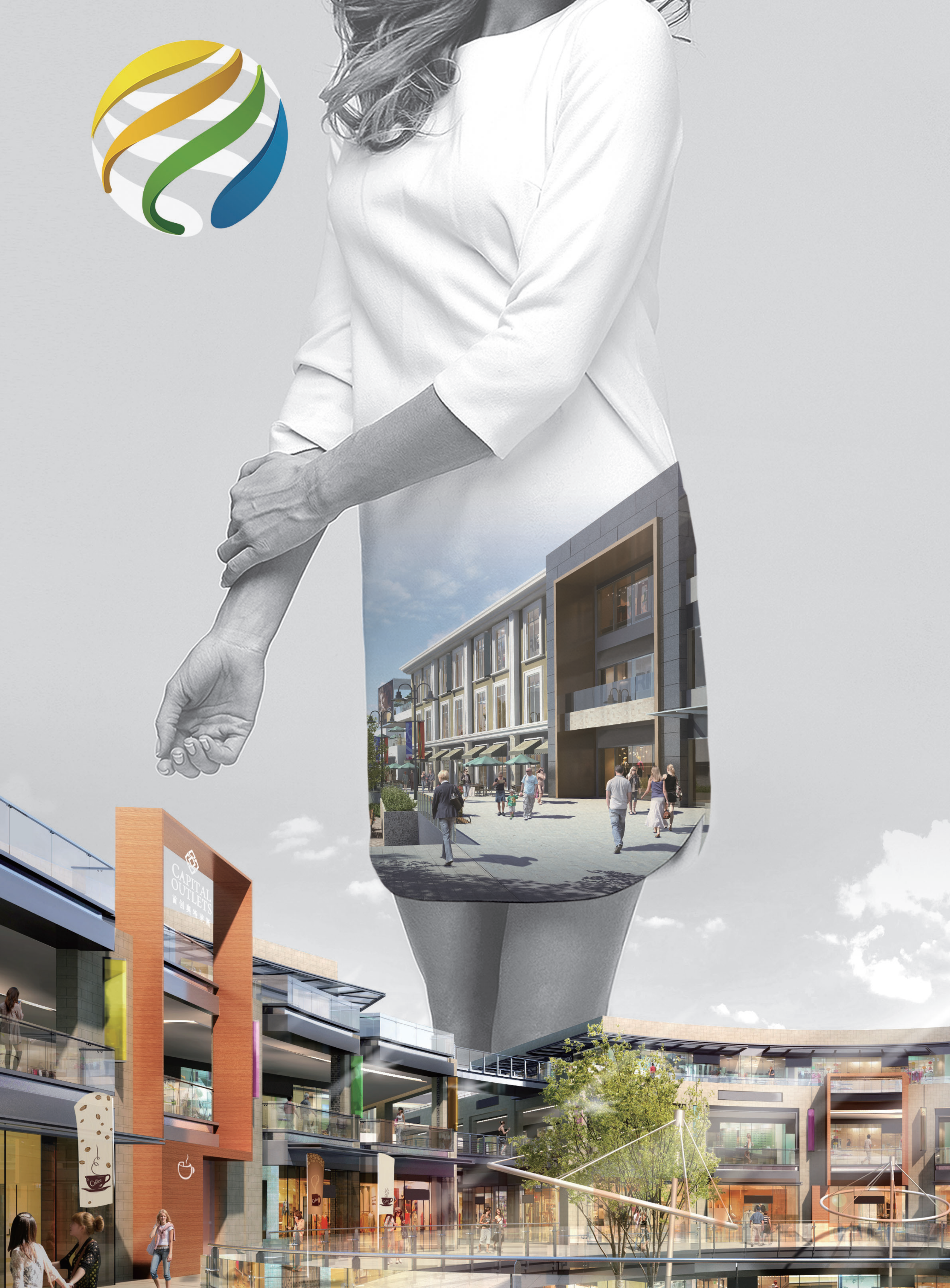
Chairman's Statement (continued)

Meanwhile, the Group will take advantage of the flexibility in capital management at red-chip listed platform to further bring in strategic cooperation partners so that it can access to leading commercial resources around the world to capture the opportunity of cross-border development while expanding its core capital, promoting the healthy and orderly development of the outlets industry in China.

On behalf of the Board, I would like to extend my sincere gratitude to all shareholders, cooperative partners and clients for their long-term caring and strong support to Capital Juda. Adhering to its strategic objective of "Becoming the Largest Outlets Integrated Operator in China" and orienting by the value of brand owners and customer experience, Capital Juda will constantly create value for its shareholders with its global vision, innovative development and continuous enhancement of its own unique competitive edges!

Tang Jun
Chairman

Beijing, 19 August 2016


CAPITAL
OUTLETS

Management Discussion and Analysis

INDUSTRY REVIEW OF OUTLETS

In the first half of the year, with the inflationary pressure assuaged by continuously low oil price, development of urbanization and increase in per capita income, consumer confidence kept improving and the potential for consumption was further unleashed. According to the latest data from National Bureau of Statistics, household consumption accounted for approximately 46% of GDP in the first half of the year.

Compared with traditional retail industry that had a falling growth rate, there were three different trends of development in the outlets industry in the first half of the year:

1. Showing dichotomy despite rapid growth

According to information accessible by public, about 13 outlets will be opened in China in 2016 mainly in second-tier and third-tier cities. Meanwhile, some well-managed outlet projects have achieved a sales growth rate of over 30% while some poorly managed projects had poor growth. The dichotomy was evident.

2. Chain operation and group management resulting in the gradual concentration of resources in the industry

For outlets projects, brand resources and project operation and management are the key to success. Leveraging on their rich experience in development and operation and solid foundation, large-scale outlets groups have developed projects with distinct characteristics which continuously attract brand resources and customer resources.

3. Trans-segment cooperation and percentage of experience functions gradually enhanced

In terms of project operation, leading companies in the industry began to pay attention to cater to the needs of consumers and provide value-added experience and themed operation. Trans-segment cooperation on fields including sports, art consumption and micro-tourism has been initiated to enhance the interaction and experience with consumers.

BUSINESS REVIEW

Rapid strategic deployment to consolidate the edges in the scale of economies of the industry

– During the period, the Group continued to utilize its strengths in accurate site selection and quick settlement and it undertook new outlets projects in Xi'an, Zhengzhou and Jinan which, together with the four outlets projects acquired in 2015 in Nanchang, Hangzhou, Wuhan and Changsha, enabled the Group to become an integrated operator with the most outlets projects in China and obtain the advantages of having a leading scale in the industry.

Injection of outlet assets and clarification of strategic positioning

– During the period, the Group entered into acquisition agreements with BCL to acquire three launched outlets projects which are in Beijing Fangshan, Jiangsu Kunshan and Zhejiang Huzhou and are wholly-owned by BCL. In particular, Beijing Fangshan outlet store ranked 11th in terms of sales volume among the outlets in China in the second full year after its launch and was the outlet store with the shortest operating history among the top 15 on the list.

– Not only did this transaction further consolidate Capital Juda's position as the leading outlets integrated operator in China in the industry, it also further clarified its strategic position of being the only commercial real estate platform with integrated operation of outlets as its core business under BCL, creating favorable conditions for focusing on outlets development, better catering to the needs of the capital market and releasing its value in the capital market in the future.

Continuously promote the branding influence of "Capital Outlets"

– Further promote the influence of "Capital Outlets" among brand owners with "MORE IN FUTURE" Capital Outlets Brand Owners Ceremony 2016 (「鉅在未來」首創奧特萊斯2016品牌私享會) as a window. Over 400 representatives of brand owners attended the ceremony.

– Conduct trans-segment interactive marketing to diversify shopping experience. Sponsor the "Capital Outlets, Run for Fun" (首創奧萊　奧跑中國), the Olympic Sports Center national running competitions open to the public. There were a total of 8 on-site events in 7 cities. During the period, 2 on-site events were successfully held in Beijing and Nanchang with over 3,000 participants.

– Leverage on the Outlets Summit and the Retail Real Estate World Summit to enhance the brand profile and expand cooperation opportunities.

Management Discussion and Analysis (continued)

Investment Properties

Project Name	Approximate Site Area (m^2) *(note 1)*	Total Gross Floor Area (m^2) *(note 2)*	Property Type (m^2)	Expected Time of Launching	Attributable Interest
Nanchang Capital Outlets (Xinjian District, Nanchang)	56,830	129,700	Outlets: 85,240, Parking space: 44,460	2017	100%
	30,160 *(note 3)*	28,380	Cinema: 5,000, Supermarket: 7,660, Parking space: 15,720		
Hangzhou Capital Outlets (Fuyang District, Hangzhou)	101,700	112,280	Outlets: 88,980, Parking space: 23,300	2017	100%
Wuhan Capital Outlets (Wuhan East Lake High-tech Development Zone)	89,760	107,560	Outlets: 83,740, Parking space: 23,820	2017	99% *(note 5)*
Changsha Capital Outlets Joyous Sky Avenue (Xiangjiang New Area, Changsha)	71,850	112,070	Outlets: 81,550, Parking space: 30,520	2018	30% *(note 5)*
Xi'an Capital Outlets (Hi-tech Industrial Development Zone, Xi'an)	81,300	122,970	Outlets: 82,740, Parking space: 40,230	2018	100%
Zhengzhou Capital Outlets (Yingyang, Zhengzhou)	62,620	85,000	Outlets: 85,000	2018	100%
Jinan Capital Outlets (Tangye New Area, Jinan)	114,930 *(note 4)*	101,900	Outlets: 74,960, Parking space: 26,940	2018	100%

Development Properties

Project Name	Approximate Site Area (m^2)	Unsold Gross Floor Area (m^2)	Unsold Land Floor Area (m^2)	Property Type	Attributable Interest
Xi'an First City (Xi'an Economic Technology Development Zone)	355,900	565,740	385,800	Residential/Commercial/Office Buildings	100%
Nanchang Capital Outlets (Xinjian District, Nanchang)	30,160 *(note 3)*	32,560	32,560	Commercial	100%
Jinan Capital Outlets (Tangye New Area, Jinan)	114,930 *(note 4)*	40,000	40,000	Commercial	100%

Notes:

1. Approximate site area is based on State-owned Construction Land Use Right Grant Contract or Land Use Right Certificates;

2. Total gross floor area is based on State-owned Construction Land Use Right Grant Contract and the project design plan;

3. The site area of Land B in Nanchang Capital Outlets is 30,200 m^2, of which 28,400 m^2 of the gross floor area is investment property and 32,600 m^2 is development property;

4. The site area of Jinan Capital Outlets is 114,900 m^2, of which 101,900 m^2 of the gross floor area is investment property and 40,000 m^2 is development property;

5. Attributable interests represent equity holding upon completion of capital injection.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

1. Revenue and Operating Results

The revenue was generated from the sales of commercial and residential properties of Xi'an First City. For the six months ended 30 June 2016, the consolidated gross revenue of the Group was approximately RMB170,361,000, representing a decrease of approximately 25% from RMB228,386,000 for the same period of 2015. The decrease in revenue was mainly attributable to the decrease in the gross floor area of the revenue recognized during the period.

The gross profit margin is gross profit divided by gross revenue. For the six months ended 30 June 2016, the Group achieved a gross profit margin of approximately 22%, representing an increase of 4 percentage points from 18% for the same period of 2015. The increase in gross profit margin was mainly attributable to the change in the product mix.

For the six months ended 30 June 2016, operating profit of the Group was approximately RMB103,482,000, representing a decrease of approximately 65% from RMB295,034,000 for the same period of 2015. The decrease was mainly due to the net effect of: i) the gain on the appreciation of investment properties amounting to RMB68,514,000 for the six months ended 30 June 2016; ii) the gain on bargain purchase amounting to RMB259,996,000 in relation to the acquisition of 100% equity interest in Xi'an Capital Xin Kai Real Estate Ltd. for the six months ended 30 June 2015, which was not recurring in 2016.

2. Liquidity and Financial Resources

During the period under review, the Group's liquidity remained on a healthy level and financial resources were also reasonably distributed. As at 30 June 2016, the Group's cash and cash equivalents was approximately RMB1,045,188,000 (31 December 2015: approximately RMB1,637,356,000), of which approximately RMB777,328,000 (31 December 2015: RMB1,443,129,000), approximately RMB67,326,000 (31 December 2015: approximately RMB194,227,000) and approximately RMB200,534,000 (31 December 2015: Nil) were denominated in RMB, Hong Kong dollars ("HK$") and US dollars, respectively. The Group's restricted cash amounted to approximately RMB14,200,000 (31 December 2015: RMB201,125,000). The majority of the Group's cash and cash equivalents and restricted cash are deposited with creditworthy banks with no recent history of default. Cash at banks generally earns interest at floating rates based on daily bank deposit rates. As at 30 June 2016, the Group's current ratio was 2.69 (31 December 2015: 2.64).

As at 30 June 2016, the Group's net gearing ratio was 13% (31 December 2015: negative of 26%), based on the division of net debt by total equity. Net debt includes total bank and other borrowings and guaranteed notes (including the current portion and the non-current portion), less cash and cash equivalents and restricted cash. The change of the net gearing ratio was primarily due to the decrease of cash and cash equivalents led by the payment of land acquisition costs and construction costs for the outlets projects.

3. Borrowings and Guaranteed Notes

As at 30 June 2016, the Group had no interest-bearing bank borrowings (31 December 2015: Nil).

As at 30 June 2016, the amortized cost of the Group's guaranteed notes (the "Notes") was approximately RMB1,322,545,000 (31 December 2015: 1,321,357,000), including current portion amounting to RMB28,344,000 (31 December 2015: RMB28,438,000), and non-current portion amounting to RMB1,294,201,000 (31 December 2015: RMB1,292,919,000). The guaranteed notes with a face value of RMB1,300,000,000 due 2018 at the rate of 5.25% per annum was listed for trading on the Stock exchange Hong Kong on 31 July 2015. The details of the Notes were set out in the announcements dated 20, 24 and 30 July 2015.

4. Significant Investments and Acquisitions

On 8 June 2016, the Group entered into an acquisition agreement in connection with the proposed acquisition of Beijing Chuangxin Jianye Real Estate Investment Ltd. and Zhejiang Outlets Property Real Estate Co., Ltd. (collectively, the "Target Group") from BCL and one of its subsidiaries. The Target Group is primarily engaged in the development and operation of outlets-backed commercial integrated projects and has a portfolio of three integrated outlets projects located in Beijing, Kunshan and Huzhou in the PRC and related trademarks. The consideration for the acquisition shall be satisfied by cash at an amount of RMB2,372,327,068 in total, which was representing 100% of the equity interest of in the Target Group, related trademarks, and the Shareholder Loan. For the purpose of funding and partial settlement of the consideration, BECL Investment Holding Limited ("BECL"), a wholly-owned subsidiary of BCL, and the Company entered into a subscription agreement on 8 June 2016, pursuant to which BECL conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 905,951,470 Class B Limited-voting non-redeemable convertible preference shares ("Class B Convertible Preference Shares") at an issue price of HK$2.78 per Class B Convertible Preference Shares. All proceeds arising from the issuance of Class B Convertible Preference Shares will be used to settle the consideration payable for the acquisition. The details were set out in the circular dated 30 June 2016. As at the date of this interim report, the acquisition was not completed.

Management Discussion and Analysis (continued)

As the Group and the Target Group are controlled by BCL both before and after the acquisition, the acquisition would be treated as business combination under common control.

5. Foreign Exchange Exposure

Major subsidiaries of the Company operate in the PRC and all of the transactions are denominated in RMB.

Currently, the Group does not use derivative financial instruments.

6. Contingent Liabilities

As at 30 June 2016, the Group had contingent liabilities relating to guarantees given to banks for mortgage loan facilities granted to purchasers of properties of approximately RMB1,522,147,000 (31 December 2015: RMB1,781,593,000).

7. Capital Commitments

As at 30 June 2016, the Group had capital commitments relating to the committed outstanding construction costs for the development properties under construction of approximately RMB212,031,000, and had capital commitments relating to the committed outstanding construction costs for the investment properties under construction of approximately RMB181,696,000.

As at 30 June 2016, the Group had capital commitments relating to the committed investment for acquisition of subsidiaries and related shareholders' loan consideration for the Target Group stated in "4. Significant Investments and Acquisitions" of this Financial Review of approximately RMB2,372,327,068.

As at 30 June 2016, the Group had capital commitments relating to the committed investment in the new joint venture for the project of Changsha Capital Outlets Joyous Sky Avenue of approximately RMB84,034,000.

8. Events after the Reporting Period

Details of events after the reporting period are set out in Note 27 of Notes to the Condensed Consolidated Interim Financial Information of this report.

EMPLOYEE COSTS AND REMUNERATION POLICY

As of 30 June 2016 the Group had about 147 employees (as of 31 December 2015: 92). The remuneration policy and package of the Group's employees are structured in accordance to market terms and statutory requirements where appropriate. In addition, the Group also provides other staff benefits such as pension scheme, medical insurance scheme, unemployment insurance scheme, housing provident fund, mandatory provident fund and share options to motivate and reward employees at all levels to achieve the Group's business performance targets.

FUTURE DEVELOPMENT AND PROSPECTS

Against the backdrop of persistent decline in growth of shops in the retail industry and consumption upgrade, the outlets industry will have rapid growth in the coming three to five years as promoted by consumers' emphasis on price-performance ratio and brand owners' requirement for inventory management. Meanwhile, the dichotomy in the operation of outlets projects will persist. Outlets chain operators will keep attracting brand resources and customer resources, and this gives rise to opportunities of mergers and acquisitions in the industry.

In the second half of 2016, the Group will adhere to the principle of "Brands+Discounts+Experience" to establish the unique brand positioning of "Capital Outlets", in accordance with the development strategy of "Scale in priority and Operational efficiency of equal importance".

To this end, the Company engaged McKinsey & Company to look into its operation and review its strategies to establish a customer (including brand owners and consumers)-centered corporate culture and carry out enhancement on all fronts, namely the six major aspects including investment expansion, standardization, brands, consumers, operation management and strategic cooperation, laying a systematic foundation for Capital Juda's gradual promotion from the company with the most outlets projects, to the one with the most launched stores and subsequently the one with the best operating results.

Meanwhile, as more and more competitors are expanding their business, which intensifies the competition, the Group will also proactively seek for opportunities, such as mergers, acquisitions and joint venture, for diversification of business so as to seize strategic resources rapidly and achieve a leap in development.

Management Discussion and Analysis (continued)

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

The Group is committed to the establishment of good governance practices and procedures. For the six months ended 30 June 2016, the Company has complied with the requirements under the code provisions of the recommended best practices set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the six months ended 30 June 2016 (30 June 2015: nil).

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

As at 30 June 2016, so far as is known to the Directors, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, or underlying shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("SFO")) which were to be 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 were 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 of the Listing Rules ("Model Code"), to be notified to the Company and the Stock Exchange.

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

As at 30 June 2016, so far as it is known to the Directors, the following entities (not being a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Shares	Approx. % of total issued Shares	Class A Convertible Preference Shares	Class B Convertible Preference Shares	Total interests in Shares, Class A Convertible Preference Shares and Class B Convertible Preference Shares	Approx. % of total issued share capital
BCG	Beneficial owner	19,800,000	9.9%	–	–	19,800,000	9.9%
BECL	Beneficial owner	130,200,000	65.1%	738,130,482	905,951,470	1,774,281,952	887.14%
BCL	Interest of controlled corporation *(Note 1)*	130,200,000	65.1%	738,130,482	905,951,470	1,774,281,952	887.14%
Capital Group	Interest of controlled corporation *(Note 2)*	150,000,000	75%	738,130,482	905,951,470	1,794,081,952	897.04%

Notes:

1. BECL is a wholly-owned subsidiary of BCL. As such, BCL is deemed to be interested in all the Shares, Class A Convertible Preference Shares and Class B Convertible Preference Shares (as the case may be) in which BECL is interested or deemed to be interested by virtue of the SFO.

2. Beijing Capital Group Co., Ltd. ("Capital Group") controls approximately 54.47% of the total issued share capital (comprising domestic shares and H shares) of BCL and BCG China Star International Investment Limited ("BCG") is a wholly-owned subsidiary of Capital Group. As such, Capital Group is deemed to be interested in all the Shares, Class A Convertible Preference Shares and Class B Convertible Preference Shares (as the case may be) in which BCL and BCG are interested or deemed to be interested by virtue of the SFO.

Management Discussion and Analysis (continued)

As shown in the table above, BCL, BECL and Capital Group are companies which interests fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO. Mr. Tang Jun and Mr. Wang Hao are the executive directors of BCL and Mr. Li Songping is the Chairman and non-executive director of BCL. Mr. Tang Jun is also the director of BECL. Mr. Li Songping is also the director of Capital Group, the controlling shareholder of BCL and a state-owned limited liability company under the direct supervision of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

SHARE OPTION SCHEME

The Company adopted the scheme (the "Scheme") on 14 March 2012 (the "Adoption Date") which will remain in force for a period of 10 years commencing from the Adoption Date.

Under the Scheme, the directors may at their discretion grant options to (i) any employee of any member of the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity"); (ii) any executive and non-executive Directors of any member of the Group or any Invested Entity; (iii) any supplier and customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (vi) any adviser or consultant of any member of the Group or any Invested Entity to subscribe for the shares of the Company.

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

As of 30 June 2016, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

BOARD COMPOSITION

As at 30 June 2016, the Board consists of a total of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors.

CHANGE OF DIRECTOR'S INFORMATION

As at 16 August 2016, Mr. Li Songping, a non-executive Director of the Company, was elected as the Chairman of the board of directors of BCL.

As at 9 May 2016, Dr. Ngai Wai Fung, an independent non-executive Director of the Company, was appointed as an independent director of SPI Energy Co., Ltd. (Nasdaq stock code: SPI).

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles of the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). For the period ended 30 June 2016, the Company has complied with the code provisions of the CG Code.

Management Discussion and Analysis (continued)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors of the Company, all Directors confirmed that they have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2016.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Dr. Ngai Wai Fung (Chairman), Ms. Zhao Yuhong and Mr. He Xiaofeng. The Audit Committee, together with the management of the Company, has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2016.

Report on Review of Interim Financial Information

羅兵咸永道

TO THE BOARD OF DIRECTORS OF BEIJING CAPITAL JUDA LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 24 to 56, which comprises the interim condensed consolidated statement of financial position of Beijing Capital Juda Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2016 and the related interim condensed consolidated income statement, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

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Report on Review of Interim Financial Information (continued)

羅兵咸永道

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 August 2016

Interim Condensed Consolidated Income Statement

	Note	Six months ended 30 June 2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited) (Restated)
Continuing operations			
Gross revenue	7	**170,361**	228,386
Business tax	8	**(8,392)**	(13,161)
Revenue net of business tax		**161,969**	215,225
Cost of sales	8	**(123,972)**	(173,484)
Gross profit		**37,997**	41,741
Other income	7	**7,788**	4,756
Other gains – net	7	**72,944**	2,156
Selling and distribution expenses	8	**(6,789)**	(9,029)
Administrative expenses	8	**(8,458)**	(4,586)
Gain on bargain purchase on acquisition of interests in subsidiaries		**–**	259,996
Operating profit		**103,482**	295,034
Finance costs	9	**(15,654)**	(33)
Profit before income tax from continuing operations		**87,828**	295,001
Income tax expense	10	**(33,963)**	(12,457)
Profit for the period from continuing operations		**53,865**	282,544
Discontinued operation			
Profit for the period from discontinued operation		**–**	19,465
Profit for the period		**53,865**	302,009
Attributable to:			
– Owners of the Company		**53,865**	302,009
– Non-controlling interests		**–**	–

Interim Condensed Consolidated Income Statement (continued)

	Note	Six months ended 30 June 2016 RMB (Unaudited)	2015 RMB (Unaudited) (Restated)
Earnings per share attributable to owners of the Company during the period	*12*		
Basic:			
– For profit from continuing operations		**0.27**	1.41
– For profit from discontinued operation		**–**	0.10
– For profit for the period		**0.27**	1.51
Diluted:			
– For profit from continuing operations		**0.06**	0.33
– For profit from discontinued operation		**–**	0.02
– For profit for the period		**0.06**	0.35

Details of the dividend proposed for the period are disclosed in Note 11.

The notes on pages 32 to 56 are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Profit for the period	**53,865**	302,009
Other comprehensive loss		
Items that may be reclassified to profit or loss:		
Reclassification adjustments for gain on disposal of interests in subsidiaries included in the condensed consolidated income statement	**–**	(19,465)
Net other comprehensive income impact to be reclassified to profit or loss in subsequent periods	**–**	(19,465)
Other comprehensive loss for the period	**–**	(19,465)
Total comprehensive income for the period	**53,865**	282,544
Attributable to:		
– Owners of the Company	**53,865**	282,544
– Non controlling interests	**–**	–

The notes on pages 32 to 56 are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

	Note	As at 30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*13*	**3,028**	1,216
Investment properties	*14*	**935,278**	604,255
Prepayments, deposits and other receivables	*17*	**179,778**	–
		1,118,084	605,471
Current assets			
Inventories	*15*	**2,527,134**	2,535,503
Prepayments, deposits and other receivables	*17*	**182,666**	144,565
Restricted cash		**14,200**	201,125
Cash and cash equivalents		**1,045,188**	1,637,356
		3,769,188	4,518,549
Total assets		**4,887,272**	5,124,020
LIABILITIES			
Current liabilities			
Trade payables	*19*	**573,206**	942,368
Other payables and accruals	*20*	**812,970**	697,063
Current income tax payable		**15,050**	72,977
		1,401,226	1,712,408
Non-current liabilities			
Guaranteed notes	*18*	**1,294,201**	1,292,919
Deferred income tax liabilities		**152,029**	132,742
		1,446,230	1,425,661

Interim Condensed Consolidated Statement of Financial Position (continued)

	Note	As at 30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Total liabilities		**2,847,456**	3,138,069
EQUITY			
Equity attributable to owners of the Company			
Share capital	*21*	**7,447**	7,447
Reserves		**2,032,369**	1,978,504
Non-controlling interests		**–**	–
Total equity		**2,039,816**	1,985,951
Total equity and liabilities		**4,887,272**	5,124,020
Net current assets		**2,367,962**	2,806,141
Total assets less current liabilities		**3,486,046**	3,411,612

The notes on pages 32 to 56 are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					
	Issued capital					
(Unaudited)	Ordinary shares RMB'000	Convertible preference shares RMB'000	Share premium account RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2016	1,572	5,875	1,585,175	62,797	330,532	1,985,951
Profit for the period	–	–	–	–	53,865	53,865
Total comprehensive income	–	–	–	–	53,865	53,865
At 30 June 2016	1,572	5,875	1,585,175	62,797	384,397	2,039,816

Interim Condensed Consolidated Statement of Changes in Equity (continued)

		Attributable to owners of the Company					
		Issued capital					
		Ordinary shares	Convertible preference shares	Share premium account	Other reserves	(Accumulated losses)/ retained earnings	Total
(Unaudited) (Restated)	*Note*	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015		1,572	–	28,358	90,909	(14,625)	106,214
Profit for the period		–	–	–	–	302,009	302,009
Other comprehensive loss for the period:							
Reclassification adjustments for the gain on disposal of interests in subsidiaries included in the condensed consolidated income statement		–	–	–	(19,465)	–	(19,465)
Total comprehensive income		–	–	–	(19,465)	302,009	282,544
Transaction with owners							
Issue of convertible preference shares	22	–	5,875	1,556,817	–	–	1,562,692
Disposal of subsidiaries		–	–	–	(8,353)	8,353	–
Total transaction with owners		–	5,875	1,556,817	(8,353)	8,353	1,562,692
At 30 June 2015		1,572	5,875	1,585,175	63,091	295,737	1,951,450

The notes on pages 32 to 56 are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Cash flows from operating activities		
Cash received from/(used in) operations	**41,746**	(153,802)
Income tax paid	**(72,426)**	(25,314)
Net cash flows used in operating activities	**(30,680)**	(179,116)
Cash flows from investing activities		
Addition of investment properties	**(530,437)**	–
Net cash received relating to other investing activities	**3,156**	49,648
Net cash flows (used in)/generated from investing activities	**(527,281)**	49,648
Cash flows from financing activities		
Proceeds from issue of convertible preference shares	**–**	1,562,692
Dividends paid	**–**	(366,318)
Interest paid	**(34,325)**	(7,136)
Net cash paid relating to other financing activities	**(3,900)**	(44,066)
Net cash flows (used in)/generated from investing activities	**(38,225)**	1,145,172
Net (decrease)/increase in cash and cash equivalents	**(596,186)**	1,015,704
Cash and cash equivalents at beginning of the period	**1,637,356**	182,089
Exchange gains	**4,018**	–
Cash and cash equivalents at end of the period	**1,045,188**	1,197,793

The notes on pages 32 to 56 are an integral part of these interim condensed consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

Beijing Capital Juda Limited (formerly known as "Juda International Holdings Limited" before 26 March 2015) (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in outlets-backed integrated property and commercial property development and operation in the People's Republic of China (the "PRC" or "Mainland China").

As announced on 25 June 2015, Get Thrive Limited ("GTL"), an indirectly wholly-owned subsidiary of Beijing Capital Land Ltd. ("BCL", a joint stock company incorporated in the PRC with limited liability whose H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited) has transferred (the "Transfer") its entire shareholding of ordinary shares of the Company of 130,200,000 shares (representing approximately 65.1% of the Company's total issued share capital as at the date of the announcement) and its entire shareholding of convertible preference shares of the Company (the "CPS") of 738,130,482 CPS (representing 100% of the total CPS in issue as at the date of the announcement) to BECL Investment Holding Limited ("BECL"), a directly wholly-owned subsidiary of BCL incorporated in Hong Kong, on 19 June 2015. Upon the completion of the Transfer, the parent of the Company changed from GTL to BECL.

In the opinion of the directors of the Company, the immediate holding company of the Company is BECL. The intermediate holding company of the Company is BCL. The ultimate holding company of the Company is Beijing Capital Group Ltd. ("Capital Group"), a state-owned enterprise registered in the PRC.

The condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 19 August 2016.

Notes to the Condensed Consolidated Interim Financial Information (continued)

2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

Key events

The Group acquired 100% equity interests in Beijing Jin Fu Long Ding Investment Management Limited and Beijing Wan An Jin Fu Investment Management Limited from a fellow subsidiary of the Company in the second half year of 2015. Since the Group and the above acquirees were all under the common control of BCL, the above transfers of equity interests were considered as business combination under common control and the financial information of the Group for the six months ended 30 June 2015 has been restated as if the group structure existed since the date the Group and the acquirees were under the common control of BCL.

In accordance with the Circular on the full implementation of Levying Value-added Tax ("VAT") in place of Business Tax (Caishui No.36, 2016) (the "Circular") jointly issued by the Ministry of Finance and the State Administration of Taxation, taxpayers providing taxable services included in the Circular would be subject to VAT and no longer to business tax starting from 1 May 2016. The Group has applied the Circular since 1 May 2016.

The subsidiaries of the Company signed acquisition and shareholder loan transfer agreement on 8 June 2016 to acquire 100% equity interests of Beijing Chuangxin Jianye Real Estate Investment Ltd. and Zhejiang Outlets Property Real Estate Co., Ltd. (the "Acquisition") with consideration of RMB 2,372,327,000. As one or more of the applicable percentage ratios of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. For funding and settlement of the consideration, the Company will issue 905,951,470 CPS of HK$0.01 each, for the price of HK$ 2.78 each. As at the date of this interim report, the Acquisition is not completed as there are still some precedents has not been fulfilled.

3. ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements of the Group for the year ended 31 December 2015, as described in those annual financial statements.

(a) Amendments to HKFRSs effective for the financial year ending 31 December 2016 do not have a material impact on the financial statements of the Group in the current period and prior years.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. ACCOUNTING POLICIES *(continued)*

(b) Impact of standards issued but not yet applied by the Group

HKFRS 9	Financial instruments[i]
HKFRS 15	Revenue from contracts with customers[i]
HKFRS 16	Leases[ii]

(i) Effective for annual periods beginning on or after 1 January 2018.

(ii) Effective for annual periods beginning on or after 1 January 2019.

4. ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

Fair value of investment properties

The Group adopts fair value model for subsequent measurement of investment properties and obtains independent valuations for its investment properties at least annually from an independent professional valuer as a third party. The fair value is determined in accordance with the methods below:

- Current prices (open market quotations) in an active market for the same or similar investment properties;
- When such information above is not available, then use recent trading prices in an active market of the same or similar investment property, and take the factors of situations, dates and locations of transactions, etc. into consideration;
- The Group adopts income approach and residual method to determine fair value, based on estimated rental income and development cost to occur in the future and present value of the related cash flows, with considering a properly estimated profit rate to determine fair value. The key estimations are disclosed in Note 14.

Notes to the Condensed Consolidated Interim Financial Information (continued)

4. ESTIMATES *(continued)*

Fair value of investment properties (continued)

Where fair value of investment properties under construction is not reliably measurable but is expected to be reliably obtained after the construction is completed (including those investment properties under construction acquired initially by the Group), the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

5. FINANCIAL RISK MANAGEMENT

5.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables present the Group's investment properties that are measured at fair value as at 30 June 2016.

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
As at 30 June 2016				
Investment properties	–	–	614,000	614,000

There were no transfers among level 1, 2 and 3 during the period.

5. FINANCIAL RISK MANAGEMENT *(continued)*

5.1 Fair value estimation (continued)

The Group obtains independent valuations for its investment properties from an independent professional valuer as a third party. The valuations were based on income approach which mainly used unobservable inputs such as market rent, discount rate, and based on residual method which mainly used unobservable inputs such as profit rate and interest rate and so on.

5.2 Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Prepayments, deposits and other receivables
- Restricted bank deposits
- Cash and cash equivalents
- Trade payables
- Other payables and accruals

5.3 Financial risk management objectives and policies

The Group's principal financial instruments comprise guaranteed notes and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks, with material impact, on the Group's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to the Condensed Consolidated Interim Financial Information (continued)

5. FINANCIAL RISK MANAGEMENT *(continued)*

5.3 Financial risk management objectives and policies (continued)

(a) Foreign exchange risk

The Group mainly operates in Mainland China and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in US$, HK$ and RMB. The Group has not used any derivative to hedge its exposure to foreign currency risk. The Group's exposure to foreign currency risk is not significant.

(b) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings and other financial liabilities with floating interest rates. Guaranteed notes obtained at fixed rates expose the Group to fair value interest rate risk. The management continuously monitors the interest rate position and makes decisions with reference to the latest market condition.

(c) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, deposits and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Notes to the Condensed Consolidated Interim Financial Information (continued)

5. FINANCIAL RISK MANAGEMENT *(continued)*

5.3 Financial risk management objectives and policies (continued)

(d) Liquidity risk

The Group's policies are to maintain sufficient cash and cash equivalents and to have available funding through bank borrowings to meet its working capital requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2016				
Trade payables	**573,206**	**–**	**–**	**573,206**
Other payables and accruals	**78,826**	**–**	**–**	**78,826**
Guarantee notes	**68,250**	**1,402,375**	**–**	**1,470,625**
	720,282	**1,402,375**	**–**	**2,122,657**
At 31 December 2015				
Trade payables	942,368	–	–	942,368
Other payables and accruals	83,538	–	–	83,538
Guarantee notes	68,250	1,436,500	–	1,504,750
	1,094,156	1,436,500	–	2,530,656

Notes to the Condensed Consolidated Interim Financial Information (continued)

5. FINANCIAL RISK MANAGEMENT *(continued)*

5.3 Financial risk management objectives and policies (continued)

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing bank and other borrowings and guaranteed notes (including the current portion and the non-current portion), less cash and cash equivalents and restricted cash. The gearing ratios as at the end of the reporting periods were as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Guaranteed notes (including current portion) *(Note 18)*	**1,322,545**	1,321,357
Less: Cash and cash equivalents	**(1,045,188)**	(1,637,356)
Restricted cash	**(14,200)**	(201,125)
Net debt	**263,157**	(517,124)
Total equity	**2,039,816**	1,985,951
Gearing ratio	**13%**	(26%)

The fluctuation of the gearing ratio is mainly due to the significant decrease of cash.

Notes to the Condensed Consolidated Interim Financial Information (continued)

6. OPERATING SEGMENT INFORMATION

The main business of the Group includes property development and investment property development and operation. During the six months ended 30 June 2016 and 2015, all the Group's operations were located and carried out in Mainland China, and as the investment property projects held by the Group were under development, most of the revenue and operating results of the Group were derived from property sales in Xi'an First City. Accordingly, no segment information by business and geographical segments is presented. The Group's revenue from external customers is derived solely from its operations in Mainland China, and almost all non-current assets of the Group are located in Mainland China.

7. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Revenue		
Sale of properties	**170,361**	228,386
Business tax	**(8,392)**	(13,161)
Revenue net of business tax	**161,969**	215,225
Other income		
Interest income on short-term bank deposits	**7,331**	1,430
Other interest income	**–**	3,101
Rental income	**457**	225
	7,788	4,756
Other gains – net		
Appreciation of investment property at fair value	**68,514**	–
Net foreign exchange gains	**3,620**	1,658
Others	**810**	498
	72,944	2,156

Notes to the Condensed Consolidated Interim Financial Information (continued)

8. EXPENSES BY NATURE

Expenses by nature from continuing operations comprised cost of sales, selling and distribution expenses and administrative expenses as follows:

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Cost of properties sold	**123,972**	173,484
Minimum lease payments under operating leases	**900**	791
Depreciation	**30**	28
Employee benefit expense	**2,164**	1,549
– Wages, salaries and staff welfare	***2,057***	*1,460*
– Pension scheme contributions	***107***	*89*
Advertising and marketing	**4,280**	6,673
Service fee for keepwell deed *(Note 26(a)(ii))*	**1,950**	–
Business taxes and other surcharges	**9,128**	13,358
Others	**5,187**	4,377
	147,611	200,260

9. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Interest expense on bank borrowings wholly repayable within five years	**105**	7,136
Interest expense on guaranteed notes wholly repayable within five years	**35,408**	–
Less: interest capitalised	**(19,859)**	(7,103)
	15,654	33

Notes to the Condensed Consolidated Interim Financial Information (continued)

10. INCOME TAX EXPENSE

PRC corporate income tax has been provided at the rate of 25% (six months ended 30 June 2015: 25%) on the taxable profits of the Group's PRC subsidiaries during the period.

The implementation and settlement of PRC land appreciation tax ("LAT") varies among various tax jurisdictions in cities of the PRC. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, borrowing costs, business taxes, property development and other related expenditures. These taxes are incurred upon transfer of property ownership.

The amount of income tax expense charged to the interim condensed consolidated income statement represents:

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Current income tax:		
– PRC corporate income tax	**11,355**	13,467
– PRC land appreciation tax	**3,322**	4,111
Deferred income tax	**19,286**	(5,121)
Total tax charge for the period	**33,963**	12,457

11. DIVIDENDS

The directors of the Company do not recommend the payments of any dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

Notes to the Condensed Consolidated Interim Financial Information (continued)

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount for the period ended 30 June 2016 is based on the profit for the period attributable to ordinary equity holders of the Company of RMB53,865,000 (six months ended 30 June 2015: RMB302,009,000), and the weighted average number of ordinary shares of 200,000,000 (six months ended 30 June 2015: 200,000,000) in issue during the period.

The calculation of diluted earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed conversion of the Group's CPS into ordinary shares.

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

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**53,865**	302,009
Including:		
Profit from continuing operations	**53,865**	282,544
Profit from discontinued operation	**–**	19,465
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation (shares)	**200,000,000**	200,000,000
Effect of dilution – weighted average number of ordinary shares: CPS (shares)	**738,130,482**	652,491,034
	938,130,482	852,491,034

Notes to the Condensed Consolidated Interim Financial Information (continued)

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired property, plant and equipment at a total cost of RMB 2,122,000 (six months ended 30 June 2015: RMB116,000).

14. INVESTMENT PROPERTIES

Investment properties under construction

	Cost	Fair Value	Total
	RMB'000	RMB'000	RMB'000
At 31 December 2015	604,255	–	604,255
Additions	262,509	–	262,509
Transfer to investment properties under construction at fair value	(545,486)	–	(545,486)
Transfer from investment properties under construction at cost	–	545,486	545,486
Net gains from fair value adjustment	–	68,514	68,514
At 30 June 2016	**321,278**	**614,000**	**935,278**

As at 30 June 2016, the gains recognised in profit or losses held by the Group amounted to RMB 68,514,000 (31 December 2015: Nil).

The Group's finance department is in charge of assets' valuation and employs the independent valuer to evaluate the fair value of investment properties. The finance department verifies all valuation results, take charge of relative accounting treatment and prepare disclosure information of fair value according to verified valuation results.

Notes to the Condensed Consolidated Interim Financial Information (continued)

14. INVESTMENT PROPERTIES *(continued)*

Information about fair value measurements using significant unobservable inputs:

Investment Properties	Fair value as at 30 June 2016 RMB'000	Valuation techniques	Unobservable inputs: Title	Range	Relationship of unobservable inputs to fair value
Central region	614,000	Income approach	Discount rate	6.5% to 7.5%	The higher discount rate is, the lower fair value
			Market rents	RMB 41 to RMB 99 per square meter per month	The higher market rent is, the higher fair value
		Residual method	Interest rate	4.35% to 4.9%	The higher interest rate is, the lower fair value
			Profit rate	10% to 20%	The higher profit rate is, the lower fair value

15. INVENTORIES

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Properties under development	**1,696,754**	1,581,151
Completed properties held for sale	**830,380**	954,352
	2,527,134	2,535,503

Notes to the Condensed Consolidated Interim Financial Information (continued)

16. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Financial assets		
Financial assets included in prepayments, deposits and other receivables (excluding prepayments and prepaid taxes)	**88,678**	50,372
Restricted cash	**14,200**	201,125
Cash and cash equivalents	**1,045,188**	1,637,356
	1,148,066	1,888,853
Financial liabilities		
Trade payables *(Note 19)*	**573,206**	942,368
Financial liabilities included in other payables and accruals (excluding other tax payable, advances from customers, etc)	**107,170**	111,976
Guarantee notes *(Note 18)*	**1,294,201**	1,292,919
	1,974,577	2,347,263

Notes to the Condensed Consolidated Interim Financial Information (continued)

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Prepayments	**181,157**	392
Prepaid income tax and land appreciation tax	**60,582**	60,759
Prepaid other taxes	**31,702**	33,042
Deposits	**65,894**	29,059
Prepayments to related parties *(Note 26)*	**325**	–
Other receivables	**22,784**	21,313
	362,444	144,565
Less: non-current portion		
– prepayment for land use rights of investment properties	**(179,778)**	–
Current portion	**182,666**	144,565

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

Notes to the Condensed Consolidated Interim Financial Information (continued)

18. GUARANTEED NOTES

On 23 July 2015, Rosy Capital Global Limited ("Rosy"), a wholly-owned subsidiary of the Company, the Company and Capital Group entered into the subscription agreement with the Hong Kong and Shanghai Banking Corporation Limited, DBS Bank Ltd., ABCI Capital Limited, Bank of China (Hong Kong) Limited and China Construction Bank Corporation, Singapore Branch in connection with the proposed international offering of RMB1,300,000,000 guaranteed notes due in 2018 at the rate of 5.25% per annum proposed to be issued by Rosy (the "Notes"). The Notes carry interest at rate of 5.25% per annum, which is payable half-yearly in January and July. The issuance of the Notes has been completed on 30 July 2015 and the Notes have been listed for trading on the Stock Exchange of Hong Kong on 31 July 2015.

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Nominal value of guaranteed notes issued during the period/year	**1,300,000**	1,300,000
Direct transaction costs	**(8,060)**	(8,060)
Interest expense	**64,824**	29,417
Interest paid	**(34,219)**	–
	1,322,545	1,321,357
Accrued interest for guaranteed notes, classified as current liabilities	**(28,344)**	(28,438)
	1,294,201	1,292,919

Notes to the Condensed Consolidated Interim Financial Information (continued)

19. TRADE PAYABLES

An aged analysis of the Group's trade payables as at the end of the reporting period, is as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Within 1 year	**573,206**	942,368

Included in the trade payables are trade payables of RMB4,497,000 (31 December 2015: RMB5,558,000) due to a related party which are repayable within 1 year, and represented credit terms similar to those offered by the related party to other major customers.

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

20. OTHER PAYABLES AND ACCRUALS

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Other tax payable	**498**	5,024
Accruals	**–**	1,640
Advances from customers	**583,749**	578,423
Amounts due to related parties *(Note 26)*	**11,629**	6,817
Accrued interest for guaranteed notes	**28,344**	28,438
Guarantee deposits	**54,912**	64,144
Amounts received from government department	**121,553**	–
Others	**12,285**	12,577
	812,970	697,063

The financial liabilities included in the above balance are non-interest-bearing and normally settled on demand.

Notes to the Condensed Consolidated Interim Financial Information (continued)

21. SHARE CAPITAL

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Authorised:		
Ordinary shares		
20,000,000,000 (31 December 2015: 20,000,000,000) ordinary shares of HK$0.01 each	**160,009**	160,009
CPS		
738,130,482 (31 December 2015: 738,130,482) CPS of HK$0.01 each	**5,875**	5,875
Total	**165,884**	165,884
Issued and fully paid:		
Ordinary shares		
200,000,000 (31 December 2015: 200,000,000) ordinary shares of HK$0.01 each	**1,572**	1,572
CPS		
738,130,482 (31 December 2015: 738,130,482) CPS of HK$0.01 each	**5,875**	5,875
Total	**7,447**	7,447

Notes to the Condensed Consolidated Interim Financial Information (continued)

22. CPS

The CPS with a par value HK$0.01 each were created as a new class of shares in the share capital of the Company on 22 January 2015. Upon the completion date of the business combination of Xi'an Capital Xin Kai Real Estate Ltd. ("Xin Kai") on 22 January 2015, the Company issued 738,130,482 CPS (which are convertible into 738,130,482 ordinary shares of HK$0.01 each in the share capital of the Company (the "Shares") at HK$2.66 each to be allotted and issued credited as fully paid by the Company upon the exercise of the conversion rights attaching to the CPS (the "Conversion Shares")), resulting in credits to share capital of approximately RMB5,875,000 (equivalent to approximately HK$7,381,000) with par value of HK$0.01 each and share premium of RMB1,556,817,000 (equivalent to approximately HK$1,956,046,000) respectively.

The CPS shall be convertible at the option of its holder, without the payment of any additional consideration therefor, into such number of fully-paid Shares at the conversion ratio of one CPS for one Share. Holders of the CPS will have the right to convert all or such number of CPS into the Conversion Shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules. The CPS shall be non-redeemable by the Company or their holders.

23. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2016 RMB'000	31 December 2015 RMB'000
Contracted, but not provided for:		
Properties under development	**212,031**	77,296
Investment properties	**181,696**	201,245
Investment for acquisition of subsidiaries and related shareholders' loan consideration	**2,372,327**	–
Investment in a new joint venture	**84,034**	83,300
	2,850,088	361,841

Notes to the Condensed Consolidated Interim Financial Information (continued)

24. CONTINGENT LIABILITIES

The Group had the following financial guarantees as at the end of the reporting period:

	30 June 2016 RMB'000	31 December 2015 RMB'000
Contracted, but not provided for:		
Mortgage facilities for certain purchasers of the Group's properties	**1,522,147**	1,781,593

As at 30 June 2016, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage repayments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interests and penalties owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

Notes to the Condensed Consolidated Interim Financial Information (continued)

25. OPERATING LEASE ARRANGEMENTS

As lessor

The operating lease arrangements of the Group will negotiate for terms ranging from three to five 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.

At 30 June 2016, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2016 RMB'000	31 December 2015 RMB'000
Within one year	**1,412**	684
In the second to fifth years, inclusive	**5,085**	2,541
After five years	**–**	3,552
	6,497	6,777

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms of two years.

At 30 June 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2016 RMB'000	31 December 2015 RMB'000
Within one year	**1,536**	1,063
In the second to fifth years, inclusive	**434**	528
	1,970	1,591

Notes to the Condensed Consolidated Interim Financial Information (continued)

26. RELATED PARTY TRANSACTIONS

(a) Apart from the transactions and balances disclosed elsewhere in the financial information, the Group had the following significant transactions with related parties during the reporting period:

	Notes	Six months ended 30 June **2016** RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Funds entrusted to related parties	*(i)*	**–**	2,634,000
Funds transferred back from related parties	*(i)*	**–**	2,634,000
Sales agency service fee to an associate of BCL		**2,034**	2,177
Rental expense to BCL		**858**	791
Service fee for keepwell deed to Capital Group	*(ii)*	**1,950**	–

(i) During the six months ended 30 June 2015, Xin Kai entrusted a total sum of RMB2,634,000,000 (the "Funds") to subsidiaries of BCL (the "Service Agents") for obtaining investment opportunities in commercial property projects in the PRC for Xin Kai. No service fee is payable and any transfer(s) of the Funds shall be made in accordance with instructions from Xin Kai. Any interest income arising from the Funds shall be released to Xin Kai before 31 December 2015. As of 30 June 2015, the Service Agents had transferred back the Funds to Xin Kai and the relevant interest income of RMB1,506,000 arising from the Funds shall be released to Xin Kai before 31 December 2015. Based on the foregoing, the Company considers that the above arrangements fall within the de minimis exemption for connected transactions pursuant to the Listing Rules.

Notes to the Condensed Consolidated Interim Financial Information (continued)

26. RELATED PARTY TRANSACTIONS *(continued)*

(a) (continued)

(ii) As disclosed in Note 18, Capital Group and Rosy signed "Keepwell and Liquidity Support Deed" ("keepwell deed"). According to the agreement, Rosy issued RMB1.3 billion guaranteed notes. Rosy would pay Capital Group, as the Keepwell and Liquidity Support Deed provider to ensure the existence and good liquidity of the issuer, with an amount of 0.3% of the issued aggregate principal, amounted to RMB3.9 million annually. Rosy recorded administration fee amounting to RMB1,950,000 during the current period. The service fee fall within the exemption for connected transactions pursuant to Rule 14A.90 of the Listing Rules.

(b) Key management compensation

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kinds	**1,625**	1,425
Pension scheme contributions	**40**	3
	1,665	1,428

(c) Prepayments to related parties

	As at 30 June 2016	As at 31 December 2015
	RMB'000	RMB'000
	(Unaudited)	(Audited)
– Capital Group	**325**	–

Notes to the Condensed Consolidated Interim Financial Information (continued)

26. RELATED PARTY TRANSACTIONS *(continued)*

(d) Amounts due to related parties

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Trade payables		
– Service fee to an associate of BCL	**4,497**	5,558
Other payables and accruals		
– Fellow subsidiaries	**8,120**	3,494
– BCL	**3,509**	1,698
– Capital Group	**–**	1,625
	16,126	12,375

Amounts due to related parties were unsecured, interest free and repayable on demand.

27. EVENTS AFTER THE REPORTING PERIOD

(a) Shanghai Juque Investment Management Co., Ltd. ("Shanghai Juque") and Capital Juda Outlets Management Limited (two wholly-owned subsidiaries of the Company) had successfully bid for the land use rights of the land offered for sale by the Land Resources Bureau of Jinan City in the PRC at the Auction for RMB206,880,000, and entered into the Land Use Rights Grant Contract in relation to the acquisition of the land use rights on 10 July 2016, which is defined as a major acquisition under the Listing Rules. The Company had delivered the circular for this transaction on 9 August 2016.

(b) Shanghai Juque, Capital Juda Operation Limited ("Juda Operation", a wholly-owned subsidiary of the Company) and Anhui Anke Xinchuang Technology Investment Services Limited (an independent third party of the Company), have together successfully bid for the land use rights of the land offered for sale by the Land Resources Bureau of Hefei at the Auction for approximately RMB293,727,000 on 12 August 2016. Shanghai Juque and Juda Operation shall commit to approximately RMB276,927,000 of the consideration based on the site area of the respective parcels of land on a pro-rata basis, which is defined as a major acquisition under the Listing Rules. As at the date of this interim report, the acquisition has not yet been completed.