



粵海置地控股有限公司 Guangdong Land Holdings Limited

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號 Stock Code: 0124



中期報告
Interim Report

2016

Contents

	<i>Pages</i>
Corporate Information	2
Highlights	3
Report on Review of Interim Financial Information	4
Unaudited Condensed Consolidated Interim Financial Information	
Condensed Consolidated Statement of Profit or Loss	5
Condensed Consolidated Statement of Comprehensive Income.....	6
Condensed Consolidated Balance Sheet	7
Condensed Consolidated Statement of Changes in Equity.....	9
Condensed Consolidated Statement of Cash Flows	10
Notes to Condensed Consolidated Interim Financial Information	12
Management Discussion and Analysis	28
Directors' Interests and Short Positions in Securities	35
Substantial Shareholders' Interests	37
Corporate Governance and Other Information	38

Corporate Information

(As at 25 August 2016)

Board of Directors

Non-Executive Director

HUANG Xiaofeng (*Chairman*)

Executive Directors

ZHAO Chunxiao (*Chief Executive Officer*)

WU Mingchang

LI Wai Keung

Independent Non-Executive Directors

Alan Howard SMITH *JP*

Felix FONG Wo *BBS, JP*

Vincent Marshall LEE Kwan Ho *BBS, Officer of the Order of the Crown (Belgium)*

Audit Committee

Vincent Marshall LEE Kwan Ho *BBS, Officer of the Order of the Crown (Belgium)*
(*Committee Chairman*)

Alan Howard SMITH *JP*

Felix FONG Wo *BBS, JP*

Remuneration Committee

Felix FONG Wo *BBS, JP (Committee Chairman)*

Alan Howard SMITH *JP*

Vincent Marshall LEE Kwan Ho *BBS, Officer of the Order of the Crown (Belgium)*

Nomination Committee

HUANG Xiaofeng (*Committee Chairman*)

Alan Howard SMITH *JP*

Felix FONG Wo *BBS, JP*

Vincent Marshall LEE Kwan Ho *BBS, Officer of the Order of the Crown (Belgium)*

Company Secretary

Vanessa WONG Kin Yan

Auditors

Ernst & Young

Website Address

<http://www.gdland.com.hk>

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
China Merchants Bank
Shanghai Pudong Development Bank
Bank of China

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office & Principal Place of Business in Hong Kong

18th Floor, Guangdong Investment Tower
148 Connaught Road Central
Hong Kong
Telephone: (852) 2165 6262
Facsimile: (852) 2815 2020

Principal Share Registrar

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

Branch Share Registrar in Hong Kong

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

Share Information

Place of Listing: Main Board of
The Stock Exchange of
Hong Kong Limited
Stock Code: 0124
Board Lot: 2,000 shares
Financial year end: 31st December

* The English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

Highlights

	For the six months ended 30 June		
	2016 (Unaudited)	2015 (Unaudited)	Change
Revenue, in thousand HK\$	654,997	239	2,740 times
Profit/(loss) attributable to owners of the Company, in thousand HK\$	(9,565)	335,254	N/A
Basic earnings/(loss) per share, in HK cent	(0.6)	19.6	N/A
	As at 30 June 2016 (Unaudited)	As at 31 December 2015 (Audited)	Change
Current ratio	2.5 times	6.3 times	-60.3%
Gearing ratio ¹	net cash	net cash	-
Total assets, in million HK\$	7,054	5,841	+20.8%
Net asset value per share ² , in HK\$	2.53	2.59	-2.3%
Number of employees	279	297	-6.1%

Notes:

- Gearing ratio = (Interest-bearing debt – cash and cash equivalents) ÷ Net assets
- Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares

Report on Review of Interim Financial Information



**To the Board of Directors of
Guangdong Land Holdings Limited**
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 5 to 27 which comprises the condensed consolidated balance sheet of Guangdong Land Holdings Limited (the "Company") and its subsidiaries as at 30 June 2016 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory information. 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" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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.

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 HKAS 34.

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

25 August 2016

Unaudited Condensed Consolidated Interim Financial Information

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2016

	Notes	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
REVENUE	4	654,997	239
Cost of sales		(606,123)	–
Gross profit		48,874	239
Other income and gains, net	4	44,053	146,062
Gain on bargain purchase	12	–	233,862
Selling and distribution expenses		(8,083)	(1,072)
Administrative expenses		(40,641)	(36,012)
Other operating expenses		(21,876)	(7,975)
PROFIT BEFORE TAX	5	22,327	335,104
Income tax expense	6	(29,300)	(38)
PROFIT/(LOSS) FOR THE PERIOD		(6,973)	335,066
Attributable to:			
Owners of the Company		(9,565)	335,254
Non-controlling interest		2,592	(188)
		(6,973)	335,066
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		(HK0.6 cent)	HK19.6 cents
Diluted		(HK0.6 cent)	HK19.6 cents

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	(6,973)	335,066
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(93,649)	22
Release of exchange reserve upon settlement of intercompany balances	–	(48,048)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(93,649)	(48,026)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(100,622)	287,040
Attributable to:		
Owners of the Company	(93,799)	287,213
Non-controlling interest	(6,823)	(173)
	(100,622)	287,040

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Balance Sheet

30 June 2016

	Notes	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		8,768	9,328
Investment properties	8	1,094,725	27,930
Deferred tax assets		23,024	22,165
Total non-current assets		1,126,517	59,423
CURRENT ASSETS			
Completed properties held for sale		630,438	1,290,357
Properties under development		1,694,312	97,279
Prepayments, deposits and other receivables		45,216	713,571
Restricted bank balances	9	996,049	470,176
Cash and cash equivalents	9	2,561,555	3,209,733
Total current assets		5,927,570	5,781,116
CURRENT LIABILITIES			
Trade payables	10	(1,646,762)	(74,547)
Other payables, accruals and provisions		(202,520)	(339,820)
Receipts in advance		(316,357)	(311,373)
Tax payable		(222,908)	(186,725)
Total current liabilities		(2,388,547)	(912,465)
NET CURRENT ASSETS		3,539,023	4,868,651
TOTAL ASSETS LESS CURRENT LIABILITIES		4,665,540	4,928,074

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Condensed Consolidated Balance Sheet *(continued)*

30 June 2016

	<i>Note</i>	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		4,665,540	4,928,074
NON-CURRENT LIABILITIES			
Deferred tax liabilities		(156,355)	(318,267)
Net assets		4,509,185	4,609,807
EQUITY			
Share capital	<i>11</i>	171,154	171,154
Reserves		4,166,403	4,260,202
		4,337,557	4,431,356
Non-controlling interest		171,628	178,451
Total equity		4,509,185	4,609,807

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Attributable to owners of the Company										
	Share capital	Share premium account*	Capital reserve*	Property revaluation reserve*	Enterprise development funds*	Reserve funds*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2015	171,154	1,688,606	13,824	6,984	216	48,298	234,551	2,174,152	4,337,785	-	4,337,785
Profit/(loss) for the period	-	-	-	-	-	-	-	335,254	335,254	(188)	335,066
Other comprehensive loss for the period	-	-	-	-	-	-	(48,041)	-	(48,041)	15	(48,026)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(48,041)	335,254	287,213	(173)	287,040
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	185,865	185,865
At 30 June 2015 (unaudited)	171,154	1,688,606	13,824	6,984	216	48,298	186,510	2,509,406	4,624,998	185,692	4,810,690
At 1 January 2016	171,154	1,688,606	13,824	6,984	216	48,298	153,349	2,348,925	4,431,356	178,451	4,609,807
Profit/(loss) for the period	-	-	-	-	-	-	-	(9,565)	(9,565)	2,592	(6,973)
Other comprehensive loss for the period	-	-	-	-	-	-	(84,234)	-	(84,234)	(9,415)	(93,649)
Total comprehensive loss for the period	-	-	-	-	-	-	(84,234)	(9,565)	(93,799)	(6,823)	(100,622)
At 30 June 2016 (unaudited)	171,154	1,688,606*	13,824*	6,984*	216*	48,298*	69,115*	2,339,360*	4,337,557	171,628	4,509,185

* These reserve accounts comprise the consolidated reserves of HK\$4,166,403,000 in the consolidated balance sheet.

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	22,327	335,104
Adjustments for:		
Interest income	(40,241)	(96,846)
Gain on bargain purchase	–	(233,862)
Other adjustments	(2,847)	(48,456)
	(20,761)	(44,060)
Decrease in properties held for sale	587,668	–
Increase in properties under development	(601,570)	(48,636)
Increase in restricted bank balances	(543,857)	(264,939)
Decrease in trade payables	(6,414)	–
Increase in receipts in advance	11,321	272,038
Other changes in working capital	(95,597)	(30,574)
Cash used in operations	(699,210)	(116,171)
Interest received	40,241	76,788
PRC taxes paid	(139,358)	(280)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(768,327)	(39,663)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of items of property, plant and equipment	3,856	–
Purchase of items of property, plant and equipment	(341)	(1,861)
Additions to investment properties	(493,299)	–
Acquisition of a subsidiary	–	(503,997)
Consideration received for the disposal of the previous brewery subsidiaries	642,660	–
Decrease/(increase) in time deposit over three months	(71,340)	1,234,222
Interest paid	–	(3,022)
NET CASH FLOWS FROM INVESTING ACTIVITIES	81,536	725,342

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Condensed Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2016

	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
NET CASH FLOWS FROM FINANCING ACTIVITIES	–	40,576
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(686,791)	726,255
Cash and cash equivalents at beginning of period	3,209,733	1,660,435
Effect of foreign exchange rate changes, net	(31,587)	920
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,491,355	2,387,610
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,628,742	30,578
Non-pledged time and structured deposits with original maturity of less than three months when acquired	862,613	2,357,032
Non-pledged time and structured deposits with original maturity of over three months when acquired	70,200	936,923
Cash and bank balances as stated in the condensed consolidated balance sheet	2,561,555	3,324,533
Less: Non-pledged time and structured deposits with original maturity of over three months when acquired	(70,200)	(936,923)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	2,491,355	2,387,610

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information

30 June 2016

1. Corporate Information

Guangdong Land Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 18th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. GDH Limited (“GDH”) is the immediate holding company of the Company. In the opinion of the directors, the ultimate holding company of the Company is 廣東粵海控股集團有限公司 (Guangdong Holdings Limited*), a company established in the People’s Republic of China (the “PRC”).

During the period, the Company and its subsidiaries (together, the “Group”) were involved in property development and investment.

2.1 Accounting Policies

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial information are the same as those used in the annual financial statements for the year ended 31 December 2015, except for the adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) as disclosed in note 2.2 to the condensed consolidated interim financial information.

2.2 Changes in Accounting Policy and Disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current period’s unaudited interim financial information.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

The adoption of these new and revised HKFRSs has had no significant financial effect on the unaudited interim financial information.

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

3. Operating Segment Information

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

- (a) the property development and investment segment consists of property development and property investment; and
- (b) the other segment consists of corporate and other income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about the resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income is excluded from such measurement.

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities as these liabilities are managed on a group basis.

During the current and prior periods, there were no intersegment transactions.

	Six months ended 30 June 2016 (Unaudited)		
	Property development and investment	Other	Total
	HK\$'000	HK\$'000	HK\$'000
Segment revenue:			
Sales to external customers	654,997	–	654,997
Segment results	13,992	(31,906)	(17,914)
<i>Reconciliation:</i>			
Interest income			40,241
Profit before tax			22,327

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

3. Operating Segment Information *(continued)*

	Six months ended 30 June 2015 (Unaudited)		
	Property development and investment <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	239	–	239
Segment results	203,737	34,521	238,258
<i>Reconciliation:</i>			
Interest income			96,846
Profit before tax			335,104

	At 30 June 2016 (Unaudited)		
	Property development and investment <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	6,430,060	601,003	7,031,063
<i>Reconciliation:</i>			
Unallocated assets			23,024
Total assets			7,054,087
Segment liabilities	(2,375,980)	(12,567)	(2,388,547)
<i>Reconciliation:</i>			
Unallocated liabilities			(156,355)
Total liabilities			(2,544,902)

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

3. Operating Segment Information *(continued)*

	At 31 December 2015 (Audited)		
	Property development and investment <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	2,151,462	3,666,912	5,818,374
<i>Reconciliation:</i>			
Unallocated assets			22,165
Total assets			5,840,539
Segment liabilities	(802,610)	(109,855)	(912,465)
<i>Reconciliation:</i>			
Unallocated liabilities			(318,267)
Total liabilities			(1,230,732)

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

4. Revenue, Other Income and Gains

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

	For the six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Revenue		
Sale of properties	654,301	–
Rental income	696	239
	654,997	239
Other income		
Gain on sale of scrap materials	–	780
Bank interest income	40,241	76,788
Imputed interest income	–	20,058
Others	229	97
	40,470	97,723
Gains/(loss), net		
Fair value losses on investment properties	(273)	(114)
Gain on disposal of property, plant and equipment	3,856	–
Release of exchange reserve upon settlement of intercompany balance	–	48,048
Foreign exchange gains, net	–	948
Loss on disposal of property, plant and equipment under assets held for sale	–	(543)
	3,583	48,339
	44,053	146,062

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2016

5. Profit Before Tax

This is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Cost of properties sold	606,123	–
Depreciation	736	426
Minimum lease payments under operating lease	1,363	1,364
Release of exchange reserve upon settlement of intercompany balance	–	(48,048)
Foreign exchange differences, net	21,753	(948)

6. Income Tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period (six months ended 30 June 2015: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the local jurisdictions in which the Group operates.

Land appreciation tax ("LAT") was provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation values, with certain allowable deductions.

	For the six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Current – Hong Kong	–	–
Current – Elsewhere:		
Charge for the period	62,699	–
Underprovision in prior periods	–	280
LAT in Mainland China	101,290	–
Deferred	(134,689)	(242)
Total tax charge for the period	29,300	38

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

7. Earnings/(Loss) per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings/(loss) per share for the six months ended 30 June 2016 and 2015 is based on:

	For the six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Profit/(loss) attributable to ordinary equity holders of the Company	(9,565)	335,254

	For the six months ended 30 June	
	2016 (Unaudited)	2015 (Unaudited)
Number of shares: Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings/(loss) per share calculation	1,711,536,850	1,711,536,850

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2016 and 2015.

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

8. Investment Properties

	Completed investment properties at fair value <i>HK\$'000</i>	Investment properties under development at cost <i>HK\$'000</i>	Total <i>HK\$'000</i>
2016			
At 1 January 2016	27,930	–	27,930
Additions	–	1,021,931	1,021,931
Transfer from properties under development	–	54,185	54,185
Fair value losses on investment properties	(273)	–	(273)
Exchange realignment	(548)	(8,500)	(9,048)
At 30 June 2016	27,109	1,067,616	1,094,725
2015			
At 1 January 2015	29,559	–	29,559
Fair value gains on investment properties	87	–	87
Exchange realignment	(1,716)	–	(1,716)
At 31 December 2015	27,930	–	27,930

The Group's completed investment properties were revalued at 30 June 2016 by Vigers Appraisal and Consulting Limited, independent professionally qualified valuers, at RMB23,170,000 (HK\$27,109,000).

Some of the completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 13(a) to the financial statements.

Investment properties under development are measured at cost until such time as fair value can be determined reliably or construction is completed. The Group has concluded that the fair value of these investment properties under development cannot be measured reliably and they were therefore measured at cost in the condensed consolidated balance sheet.

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

9. Cash and Bank Balances

	<i>Note</i>	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Cash and bank balances		2,624,791	684,069
Time and structured deposits with original maturity of less than three months when acquired		862,613	2,995,840
Time and structured deposits with original maturity of over three months when acquired		70,200	–
Less: Restricted bank balances	<i>(i)</i>	3,557,604 (996,049)	3,679,909 (470,176)
Cash and cash equivalents		2,561,555	3,209,733

Note:

- (i) Balance at 30 June 2016 represented pre-sale proceeds from the Group's completed properties held for sale placed at designated bank accounts under supervision pursuant to relevant regulations in the PRC amounting to approximately HK\$995,872,000 (31 December 2015: HK\$469,995,000) and a cash deposit made by China Resources Snow Breweries Co., Ltd. to a designated bank account for specific use in relation to the disposal of the entire equity capital of nine previous brewery subsidiaries amounting to HK\$177,000 (31 December 2015: HK\$181,000).

Structured deposits held at the end of the reporting period were HK\$234,000,000 (31 December 2015: HK\$2,231,650,000). The principal amounts of the structured deposits are guaranteed. The Group uses the structured deposits primarily to enhance its return on fixed deposits.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2016

10. Trade Payables

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

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Within 1 month	1,580,020	53
1 to 2 months	–	–
2 to 3 months	–	88
Over 3 months	66,742	74,406
	1,646,762	74,547

The trade payables are non-interest bearing.

11. Share Capital

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Authorised: 5,000,000,000 (31 December 2015: 5,000,000,000) ordinary shares of HK\$0.10 each	500,000	500,000
Issued and fully paid: 1,711,536,850 (31 December 2015: 1,711,536,850) ordinary shares of HK\$0.10 each	171,154	171,154

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

12. Business Combination

During the prior period, on 27 April 2015, the Group acquired a 100% interest in Triumphant Success Limited and its subsidiaries (the "Triumphant Success Group") from GDH, the immediate holding company of the Company. The acquisition was in line with the Group's core business of property development and investment in the PRC.

The purchase consideration for the acquisition, in form of cash, was RMB403,090,000 (equivalent to approximately HK\$509,674,000) which was fully settled during the prior period.

The Group has elected to measure non-controlling interest in the Triumphant Success Group at the non-controlling interest's proportionate share of Triumphant Success Group's identifiable net assets.

The fair values of the identifiable assets and liabilities of the Triumphant Success Group as at the date of acquisition were as follows:

	Fair values recognised on acquisition
	<i>HK\$'000</i>
Property, plant and equipment	276
Properties under development	1,949,721
Prepayments, deposits and other receivables	31,587
Cash and bank balances	5,677
Trade payables	(112,696)
Other payables and accruals	(5,623)
Amount due to the ultimate holding company	(59,597)
Amounts due to fellow subsidiaries	(138,081)
Interest-bearing bank borrowings	(228,186)
Deferred tax liabilities	(513,677)
Shareholder's loan	(189,851)
Total identifiable net assets at fair value	739,550
Non-controlling interest	(185,865)
	553,685
Gain on bargain purchase recognised in the condensed consolidated statement of profit or loss	(233,862)
Assignment of a shareholder's loan	189,851
Satisfied by cash	509,674

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

12. Business Combination *(continued)*

As at the date of acquisition, the fair values of the other receivables were also their gross contractual amounts of HK\$11,150,000. No other receivables were expected to be uncollectible.

The Group incurred transaction cost of HK\$3,542,000 for this acquisition. These costs had been expensed and were included in other operating expenses in the condensed consolidated statement of profit or loss in the prior period.

An analysis of cash flows in respect of the acquisition is as follows:

	<i>HK\$'000</i>
Cash consideration	(509,674)
Cash and bank balances acquired	5,677
Net outflow of cash and cash equivalents included in cash flows from investing activities	(503,997)
Transaction costs of the acquisition included in cash flows from operating activities	(3,542)
	(507,539)

Since the acquisition, the Triumphant Success Group had no contribution to the Group's revenue and it had incurred a loss of HK\$1,469,000 which was included in the Group's result for the period ended 30 June 2015.

Had the combination taken place at the beginning of the prior year, the revenue of the Group and the profit of the Group for the prior period would have been HK\$239,000 and HK\$332,210,000, respectively.

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

13. Operating Lease Arrangements

(a) *As lessor*

The Group leases an investment property under an operating lease arrangement, with the lease negotiated for a term of three years. The terms of the lease also require the tenant to pay a security deposit.

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

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Within one year	2,210	–
In the second to fifth years, inclusive	3,739	–
	5,949	–

(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 three years (31 December 2015: one to three years).

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

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Within one year	1,238	2,724

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2016

14. Commitments

In addition to the operating lease commitments detailed in note 13(b), the Group had the following commitments at the end of the reporting period:

	30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
Contracted, but not provided for:		
Property development expenditure	115,488	153,189

15. Contingent Liabilities

As at 30 June 2016, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties held for sales. Pursuant to the terms of the guarantees, upon default in mortgage payments by any of these purchasers, the Group is responsible for repaying the relevant outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks, and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 30 June 2016, the Group's outstanding guarantees amounted to HK\$911,981,000 (31 December 2015: HK\$535,596,000) for these guarantees.

According to the master agreement relating to the disposal of the Group's brewery business (as disclosed in the circular of the Company dated 9 April 2013) in 2013, the Group had undertaken to bear any losses arising from the disposed brewery subsidiaries for additional obligations in respect of, inter alia, taxes, government levy, staff welfare and uncollectible trade receivables that occurred prior to the date of disposal.

Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

16. Significant Related Party Transactions

- (a) In addition to those transactions and balances detailed elsewhere in these financial statements, the Group had the following material related party transactions during the period:

Rental expenses

	For the six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Rental expenses paid to a fellow subsidiary	1,361	1,363

The rent was based on normal commercial terms agreed between the relevant parties.

At the end of the reporting period, the Group had total future minimum lease commitments to its fellow subsidiary of HK\$1,238,000 (31 December 2015: HK\$2,722,000) for a lease arrangement ending on 30 November 2016.

- (b) *Compensation of key management personnel of the Group*

	For the six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Short term employee benefits	2,029	1,979
Post-employment benefits	133	200
Total compensation paid to key management personnel	2,162	2,179



Unaudited Condensed Consolidated Interim Financial Information *(continued)*

Notes to Condensed Consolidated Interim Financial Information *(continued)*

30 June 2016

16. Significant Related Party Transactions *(continued)*

(c) Outstanding balance with related parties

The Group had outstanding balances due from a fellow subsidiary of HK\$269,000 (31 December 2015: Nil), due to its ultimate holding company of HK\$32,000 (31 December 2015: Nil), due to fellow subsidiaries of HK\$904,000 (31 December 2015: HK\$55,000) and due to its immediate holding company of HK\$109,000 (31 December 2015: HK\$289,000) at the end of the reporting period. These balances are unsecured, interest-free and have no fixed terms of repayment.

The related party transactions in respect of items disclosed in note 16(a) also constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules.

17. Financial Instruments – Fair Value

The Group's financial assets include deposits and other receivables, restricted bank balances and cash and cash equivalents and the Group's financial liabilities are trade payables, and other payables and accruals. As at 30 June 2016 and 31 December 2015, the carrying amounts of the Group's financial instruments approximated to their fair values.

The fair values of the financial assets and financial liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sales.

18. Approval of Condensed Consolidated Interim Financial Information

These condensed consolidated interim financial information were approved and authorised for issue by the board of directors on 25 August 2016.

Management Discussion and Analysis

During the period under review, the Group is engaged in property development and investment. The Group currently holds certain completed investment properties and the Buxin Project (a property project under development) in Shenzhen, and the Ruyingju Project (a residential property project) in Panyu District, Guangzhou.

According to the information of the National Bureau of Statistics of China, the preliminary figure of the national gross domestic product (“GDP”) for the first half of 2016 has a year-on-year increase of 6.7%, and the disposable income per capita increased by 8.7% as compared with that in the same period last year. This, coupled with the ongoing easing of monetary policies in the PRC, contributed to a remarkable increase in the property prices in first-tier cities of the PRC in the first half of 2016. According to the price index of newly built residential properties in 70 large and medium-sized cities in June 2016, the residential price index of Guangzhou City increased by approximately 18.4%, and that of Shenzhen City increased by approximately 42.6% as compared with 2015.

Results and Financial Review

The consolidated revenue of the Group in the period under review was HK\$655 million (2015: HK\$239,000). The significant increase in the consolidated revenue over the same period last year was mainly derived from the sale of properties under the Ruyingju Project. During the period under review, the Group’s unaudited loss attributable to the owners of the Company was HK\$9.57 million (2015: profit of HK\$335 million).

Reference is made to the Company’s 2015 interim report, where it was disclosed that the Group recorded a combined gain in the aggregate amount of approximately HK\$302 million due to the following three non-operating gain items in the first half of 2015, namely (i) the acquisition of 100% equity interest in Triumphant Success Limited (which indirectly holds an 80% interest in the Ruyingju Project located in Panyu District, Guangzhou, the PRC. Please refer to the details set out in the Company’s circular dated 2 April 2015) resulting in the recognition of a gain on bargain purchase of approximately HK\$234 million; (ii) a foreign exchange gain on the release of exchange reserve of approximately HK\$48.05 million upon settlement of inter-company balances between the Company and its subsidiary; and (iii) the imputed interest income arose from long-term receivables of approximately HK\$20.06 million. The non-operating gain under items (i) and (ii) above were of a one-off nature. Further, as mentioned in the Management Discussion and Analysis in the Company’s 2015 annual report, the above item no. (iii) imputed interest income would not occur in 2016. If the combined effect of the above mentioned non-operating gain items was excluded, the Group’s unaudited profit attributable to owners of the Company in the first half of 2015 would only have amounted to approximately HK\$33 million. During the first half of 2016, the Group did not record any of the above-mentioned three non-operating gain items.

The material items that affected the results of the Group in the first half of 2016 include a decrease in bank interest income of HK\$36.55 million over the same period last year due to the decrease in the interest rate on deposit of Renminbi (“RMB”) and a depreciation of RMB against HK\$ resulting in the recognition of exchange losses of HK\$21.75 million during the first half of 2016, which were partially offset by the sale of residential units under the Ruyingju Project, which was stable and the average selling price was higher than that of last year. The revenue from such sale of residential units contributed to the consolidated revenue and results of the Group.

Management Discussion and Analysis (continued)

In respect of the completion of the transactions related to the disposal of the equity interests in 9 previous subsidiaries that were engaged in the production and sale of beer by the Group in 2013, the Group received the remaining amount of the consideration for the disposals of the equity interests pursuant to the terms of the agreements during the period under review.

The board of directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2016 (2015: nil).

Business Review

The Buxin Project

The Buxin Project, in which the Group holds a 100% interest, is an industrial and commercial complex with jewellery as the main theme. In June 2016, a wholly-owned subsidiary of the Group entered into the land use rights transfer agreements with the 深圳市羅湖區城市更新局 (Shenzhen Luohu Renewal Authority*) for the acquisition of the land use rights to the Buxin Land for purposes of the development of Buxin Project at a total consideration of approximately RMB2,267 million (equivalent to approximately HK\$2,683 million). Buxin Land has a total site area of approximately 66,526 square meters ("sq. m.") with a total gross floor area included in the calculation of plot ratio of approximately 432,051 sq. m. and it is planned that an underground area of approximately 30,000 sq. m. will be developed for commercial use. Please refer to the circular of the Company dated 22 June 2016 for details.

With the land use rights successfully acquired for the development of the Buxin Project in the first half of 2016, the Group will complete the design and foundation works of the Northwestern land piece under phase I of development as soon as possible and strive to commence construction of the main structure on the Northwestern land piece by the end of 2016. Meanwhile, the Group will continue identifying and visiting potential customers taking into consideration of the market positioning of the Buxin Project with a view to prepare for the introduction of customers when the properties were available.

As at 30 June 2016, the Buxin Project incurred preliminary development costs in the amount of approximately HK\$2,762 million in aggregate (31 December 2015: HK\$97 million), representing a net increase of HK\$2,665 million in the period under review, and such net increase was substantially due to the addition of the costs of land premium for the Buxin Land acquired during the period under review. Approximately HK\$1,694 million and HK\$1,068 million were classified as "Properties under development" under current assets and "Investment properties" under non-current assets, respectively as at 30 June 2016.

Management Discussion and Analysis (continued)

The Ruyingju Project

The Ruyingju Project, in which the Group holds an 80% interest, has 917 residential units and 651 parking spaces for sale. For the six months ended 30 June 2016, sale contracts of 269 residential units (2015: nil) in aggregate were entered into under the Ruyingju Project with an aggregate gross floor area of approximately 27,300 sq. m., representing approximately 29.0% of the total saleable area for residential units. The accumulated sale contracts signed under the Ruyingju Project represented an aggregate gross floor area of approximately 82,300 sq. m., representing approximately 87.5% of the total saleable area of the residential units.

For the six months ended 30 June 2016, 293 residential units (2015: nil) were delivered to customers and such revenue was recognised during the period under review. The gross floor area of the residential units delivered was approximately 29,000 sq. m. during the period under review, representing approximately 30.9% of the total saleable area of the residential units. The accumulated gross floor area delivered under the Ruyingju Project was approximately 68,300 sq. m. in aggregate, representing approximately 72.6% of the total saleable area of the residential units.

During the period under review, based on the delivered residential units, the average selling price denoted in RMB increased by approximately 8.0% over 2015. With satisfactory performance in sales, the revenue from such sale of residential units contributed to the consolidated revenue and results of the Group.

The Group acquired its interest in the Ruyingju Project in April 2015. During the first six months of 2015, there was no residential unit delivered under the Ruyingju Project. As a result, there were only operating expenses incurred in the same period last year. In the first half of 2015, the Group recognised a gain on bargain purchase of HK\$234 million from the acquisition of the Ruyingju Project. Most of the gain on the acquisition of Ruyingju Project was recognised as a gain on bargain purchase in the statement of profit or loss in 2015. Since the acquisition price paid was determined with reference to the then market value (but at a discount) of the Ruyingju Project, the carrying value (and cost of sales in the future) of the Ruyingju properties consists of its development costs and the fair value increases as at the completion date of the acquisition.

Key Operating Information

Operating Income, Expenses and Finance Costs

During the period under the review, the Group's bank interest income was HK\$40.24 million (2015: HK\$76.79 million), representing a decrease of 47.6% as compared with the same period last year. Such decrease was mainly due to the effect of decrease in RMB deposit rate. During the period under review, the Group did not have any imputed interest income from other receivables (2015: HK\$20.06 million). During the period under review, a gain on disposal of property, plant and equipment was approximately HK\$3.86 million while loss on disposal of property, plant and equipment under assets held for sale was approximately HK\$0.54 million in the same period last year.

Management Discussion and Analysis (continued)

In the first half of 2016, the Group's selling and distribution expenses was HK\$8.08 million (2015: HK\$1.07 million), representing an increase of 655.1% as compared with the same period last year. Such increase was mainly due to minimal selling and distribution expenses recorded in the same period last year as the pre-sale of the Ruyingju residential properties commenced at the end of May 2015. The Group's administrative expenses in the first half of 2016 was HK\$40.64 million (2015: HK\$36.01 million), representing an increase of 12.9% as compared with the same period last year. The increase was mainly due to increase in wages and related expenditures as well as professional fees.

During the period under review, the Group did not have any borrowing from banks, there was no finance cost incurred. In the same period last year, 廣州市番禺粵海房地產有限公司 (Guangzhou Panyu Yuehai Real Estate Company Limited*), a newly acquired subsidiary of the Company holding the Ruyingju Project, has obtained bank loans. As the interest expenses from the bank loans of HK\$3.02 million incurred from the date of the acquisition to 30 June 2015 have been fully capitalised, the Group recorded no finance cost during the same period last year.

Key Financial Ratios

	Six months ended 30 June		
	2016	2015	Change
Profit/(loss) attributable to owners of the Company, in HK\$'000	(9,565)	335,254	N/A
Return on equity ¹ , %	(0.2%)	7.5%	N/A

Note 1: Return on equity = Profit/(loss) attributable to owners of the Company ÷ Average equity attributable to owners of the Company

	30 June 2016	31 December 2015	Change
Net assets, in million HK\$	4,509	4,610	-2.2%

In the first half of 2015, the Group recorded an aggregate gain of HK\$302 million from the aforementioned three non-operating gain items. The Group did not record such three non-operating gain items in the first half of 2016. Coupled with, among others, a decrease in bank interest income and recognition of net foreign exchange losses, the three key financial ratios were lower than the comparative figures.

Capital Expenditure

The Group's general capital expenditure paid in the first half of 2016 was approximately HK\$0.34 million (2015: HK\$1.86 million), representing a decrease of 81.7% than that in the same period last year.



Management Discussion and Analysis (continued)

Financial Resources and Liquidity

As at 30 June 2016, the equity attributable to owners of the Company was HK\$4.34 billion (31 December 2015: HK\$4.43 billion), representing a decrease of 2.0% over that as at 31 December 2015. Based on the number of ordinary shares in issue as at 30 June 2016, the net asset value per share attributable to owners of the Company at the end of the period was HK\$2.53 (31 December 2015: HK\$2.59 per share), representing a decrease of 2.3% over that as at 31 December 2015.

As at 30 June 2016, the Group had cash and bank balances of HK\$3.56 billion (31 December 2015: HK\$3.68 billion), representing a decrease of 3.26% over that at the end of last year. The aforementioned amount included restricted bank balances of HK\$996 million (31 December 2015: HK\$470 million) principally associated with an amount received from the sales but yet delivered residential units under the Ruyingju Project. Of the Group's cash and cash equivalents as at 30 June 2016, 87.3% was in RMB, 12.6% was in USD and 0.1% was in HKD.

As most of the transactions from the Group's daily operations in the PRC are denominated in Renminbi, currency exposure from these transactions is low. During the period under review, the Group did not perform any currency hedge in respect of the said transactions. The consolidated financial statements of the Group are presented in Hong Kong dollar, and changes in exchange rate of HKD against RMB generated exchange differences upon currency revaluation. In respect of the RMB deposit retained in Hong Kong, such exchange differences were recognised in the statement of profit or loss when incurred. With the development of the Group's Buxin Project located in Shenzhen, the PRC, capital injection to the Buxin Project has been and will be made by the Group as and when appropriate. The impact of such exchange differences arising on changes in exchange rate of HKD against RMB on the consolidated statement of profit or loss of the Group will be diminishing. For the six months ended 30 June 2016, the Group injected an amount of RMB2,500 million (equivalent to approximately HK\$2,970 million) into its PRC subsidiary in charge of the development of the Buxin Project.

As at 30 June 2016, the Group did not have any outstanding bank loan. Given the Group's existing cash and bank balances, the Group will have sufficient financial resources to finance its existing continuing operations in the current year. The Group will review its funding needs according to progress of business development from time to time so as to ensure that adequate financial resources will be available to support its business development.

Asset Pledged and Contingent Liabilities

None of the assets of the Group was pledged to any creditors as at 30 June 2016. Except for the disclosure in note 15 to the Condensed Consolidated Interim Financial Information regarding the guarantee made as at 30 June 2016 in relation to the mortgage of the sold property of approximately HK\$912 million (31 December 2015: HK\$536 million) and undertakings made in the master agreement relating to the disposal of the brewery subsidiaries, there was no material contingent liability recorded by the Group as at 30 June 2016.



Management Discussion and Analysis (continued)

Risks and Uncertainties

Given that the Group is engaged in property development and investment in Mainland China, risks and uncertainties of its business are principally associated with property market and property prices in Mainland China, and the Group's revenue in the future will be directly affected by such risks and uncertainties. Property market in Mainland China is affected by a number of factors which include economic conditions, property supply and demand, fiscal and monetary policies and taxation policies of the government. The GDP of Mainland China has maintained a year-on-year growth, though the growth rate has been slowed down gradually. Currently, the property projects of the Group are all located in first-tier cities with different categories and usage, effectively diversifying operational risks to some extent.

The Buxin Project in Shenzhen has a relatively prolonged development period, and the Company may seek external fund to partially finance its development. As such, the financing channels and financing costs will be subject to prevailing market conditions and the Group's financial position. As at 30 June 2016, the Group did not have any outstanding interest-bearing loan.

As the property sector has a relatively long product development cycle, the Group's future profit and cash flows will be highly volatile.

Policy and Performance on Environmental, Social and Governance

The Group has strictly observed rules and regulations promulgated by the government, including regulations on environmental, social and governance. For the demolition works of the land lots of the Buxin Project, demolition sites have strictly observed the laws and regulations of the relevant regions in Mainland China, including but not limited to environmental protection, sewage treatment and noise control. The Group has also commissioned green experts to preserve trees and other vegetation for the purpose of environmental protection. During the six months ended 30 June 2016, the Company has complied with relevant laws and regulations in Mainland China and Hong Kong.

In furtherance of on-going fine-tuning the policies on environmental, social and governance, the Group has established communication with stakeholders, such as employees, customers, business partners, investors and governmental authorities, by conducting surveys, group discussions and interviews, allowing the Group to identify important topics for the Group to envisage the changes in operational environment, and consequently achieving the goals of sustainable development and proper risk management.



Management Discussion and Analysis (continued)

Human Resources

As at 30 June 2016, the Group had a total number of employees of 279 (31 December 2015: 297). Various basic benefits were provided to the Group's staff with an incentive policy which was designed to remunerate staff by combined references to the Group's operating results as well as the performance of the individual staff member. The Group also offers various training to its employees. Emoluments payable to the Directors of the Company are determined by reference to their job responsibilities and prevailing market conditions.

Outlook

As the economy of the PRC continues to have a medium to high-speed growth rate, coupled with the increasing living standard and urbanization which drives greater demands for properties, the Group believes that it continues to encourage the growth of property development and the real estate sector in the PRC.

Located in Luohu, Shenzhen, the Buxin Project has great development potential, in which the Group will invest with appropriate resources in order to create and release the value of the project.

With satisfactory sales, the Ruyingju Project continues to improve its average selling price, and it is expected that the Ruyingju Project will continue to generate stable revenue and cash flows for the Group in 2016. In addition to developing existing Buxin Project and Ruyingju Project, the Group will also consider and study other opportunities in property development and investment in the PRC, with the main focus in Guangdong Province and other first-tier cities in the PRC.

Under the leadership of the Board, the Group is confident in the prospect of its business development and will actively promote the development of its real estate business in order to create greater returns for its shareholders as we did in the past.

Directors' Interests and Short Positions in Securities

As at 30 June 2016, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), were as follows:

I. Shares

(i) The Company

Name of director	Capacity/ nature of interest	Number of shares held	Long/Short position	Approximate percentage of interests held ^(Note)
HUANG Xiaofeng	Personal	3,880,000	Long position	0.227%
ZHAO Chunxiao	Personal	2,320,000	Long position	0.136%
Alan Howard SMITH	Personal	317,273	Long position	0.019%

Note: The approximate percentage of interests held was calculated on the basis of 1,711,536,850 shares of the Company in issue as at 30 June 2016.

(ii) Guangdong Investment Limited

Name of director	Capacity/ nature of interest	Number of shares held	Long/Short position	Approximate percentage of interests held ^(Note)
HUANG Xiaofeng	Personal	2,595,580	Long position	0.041%
ZHAO Chunxiao	Personal	582,170	Long position	0.009%
LI Wai Keung	Personal	1,427,160	Long position	0.023%

Note: The approximate percentage of interests held was calculated on the basis of 6,264,662,621 ordinary shares of Guangdong Investment Limited in issue as at 30 June 2016.

II. Share Options

(i) The Company

There was no share option scheme of the Company in operation during the period under review.

Directors' Interests and Short Positions in Securities (continued)

II. Share Options (continued)

(ii) Guangdong Investment Limited

Name of director	Date of grant of share options (dd.mm.yyyy)	Number of share options					Total consideration paid for share options granted HK\$	Exercise price of share options* HK\$ (per share)	Price of ordinary share at date immediately before date of grant** HK\$ (per share)	Price of ordinary share at date immediately before the exercise date** HK\$ (per share)	Long/Short position
		At date of grant	At 1 January 2016	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period					
HUANG Xiaofeng	22.01.2013	2,693,000	1,615,800	-	(738,380)	-	877,420	6.20	6.30	9.20	Long position
ZHAO Chunxiao	22.01.2013	2,268,000	1,360,800	-	(582,170)	-	778,630	6.20	6.30	9.24	Long position
LI Wai Keung	22.01.2013	2,243,000	1,345,800	-	(529,960)	-	815,840	6.20	6.30	9.20	Long position

Notes to the above share options granted pursuant to the share option scheme adopted by Guangdong Investment Limited on 24 October 2008:

- (a) The option period of all the share options is five years and six months from the date of grant.
- (b) Any share option is only exercisable during the option period after it has become vested.
- (c) The normal vesting scale of the share options is as follows:

Date	Percentage Vesting
The date two years after the date of grant	40%
The date three years after the date of grant	30%
The date four years after the date of grant	10%
The date five years after the date of grant	20%

- (d) The vesting of the share options is further subject to the achievement of such performance targets as determined by the board of directors of Guangdong Investment Limited upon grant and stated in the offer of grant.
- (e) The leaver vesting scale of the share options that would apply in the event of the grantee ceasing to be an eligible person under certain special circumstances (less the percentage which has already vested under the normal vesting scale or lapsed) is as follows:

Date on which event occurs	Percentage Vesting
Before the date which is four months after the date of grant	0%
On or after the date which is four months after but before the date which is one year after the date of grant	10%
On or after the date which is one year after but before the date which is two years after the date of grant	25%
On or after the date which is two years after but before the date which is three years after the date of grant	40%
On or after the date which is three years after but before the date which is four years after the date of grant	70%
On or after the date which is four years after the date of grant	80%
	The remaining 20% also vests upon passing the overall performance appraisal for those four years

* 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 share capital of Guangdong Investment Limited.

** The price of the ordinary share of Guangdong Investment Limited disclosed as "at date immediately before date of grant" of the share options is the closing price on the Hong Kong Stock Exchange on the business day prior to which the share options were granted.

The price of the ordinary share of Guangdong Investment Limited disclosed as "at date immediately before the exercise date" of the share options is the weighted average of the Hong Kong Stock Exchange closing prices immediately before the dates on which the share options were exercised by each of the directors of Guangdong Investment Limited or all other participants as an aggregate whole.

Directors' Interests and Short Positions in Securities (continued)

Save as disclosed above, as at 30 June 2016, to the knowledge of the Company, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period under review was the Company, its holding companies, or any of its subsidiaries or its associated corporations, a party to any arrangements to enable the directors of the Company or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporates.

Substantial Shareholders' Interests

As at 30 June 2016, so far as is known to any director or chief executive of the Company, the following persons (other than a director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Number of securities held	Type of securities	Long/Short position	Approximate percentage of interests held <i>(Note 1)</i>
廣東粵海控股集團有限公司 (Guangdong Holdings Limited*) <i>(Note 2)</i>	1,263,494,221	Shares	Long position	73.82%
GDH Limited ("GDH") <i>(Note 2)</i>	1,263,494,221	Shares	Long position	73.82%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 1,711,536,850 shares of the Company in issue as at 30 June 2016.
2. The attributable interest which 廣東粵海控股集團有限公司 (Guangdong Holdings Limited*) has in the Company is held through its wholly-owned subsidiary, namely GDH.

Save as disclosed above, as at 30 June 2016, so far as is known to any director or chief executive of the Company, no other persons (other than a director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Corporate Governance and Other Information

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the six months ended 30 June 2016.

Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the directors. Having made specific enquiry to all the directors of the Company, all directors of the Company confirmed that they had complied with the required standards of dealings as set out in the Model Code throughout the six months ended 30 June 2016.

Changes in Directors' Information

Changes in directors' information in respect of the period between the publication dates of the 2015 annual report and this report, which are required to be disclosed pursuant to the requirement of Rule 13.51B(1) of the Listing Rules are set out below:

- Ms. ZHAO Chunxiao was appointed as the Chief Executive Officer of the Company on 25 August 2016.
- Mr. LI Wai Keung was appointed as the president of Hong Kong Business Accountants Association on 13 July 2016.
- Mr. Vincent Marshall LEE Kwan Ho was awarded the Bronze Bauhinia Star (BBS) Medal by the Government of the Hong Kong Special Administrative Region on 1 July 2016 and he was appointed as Member of the Council of The Chinese University of Hong Kong with effect from June 2016.
- Mr. Felix FONG Wo ceased to act as an independent non-executive director of China Oilfield Services Limited (whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) with effect from 1 June 2016.

Review of Interim Results

The Audit Committee of the Company has reviewed the unaudited interim financial information of the Group and the Company's interim report for the six months ended 30 June 2016. In addition, the Company's external auditors, Messrs. Ernst & Young, have also reviewed the aforesaid unaudited interim financial information.

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange during the six months ended 30 June 2016.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 25 August 2016



粵海置地控股有限公司
Guangdong Land Holdings Limited