



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

Interim Report 中期報告 2017



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Corporate Information

(As at 28 August 2017)

Board of Directors

Non-Executive Director

HUANG Xiaofeng (Chairman)

Executive Directors

ZHAO Chunxiao (Chief Executive Officer)

LI Wai Keung

WU Mingchang

ZENG Yi

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

LI Wai Keung

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 name of the entity marked with an # is a translation of its Chinese name, and is included herein for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.

Highlights

	For the six months ended 30 June		
	2017	2016	Change
Revenue, in thousand HK\$	27,798	654,997	-95.8%
Profit/(loss) for the period, in thousand HK\$	1,482	(6,973)	N/A
Loss attributable to owners of the Company, in thousand HK\$	(249)	(9,565)	-97.4%
Basic loss per share, in HK cent	(0.01)	(0.56)	-98.2%
	As at 30 June 2017	As at 31 December 2016	Change
Current ratio	7.9 times	2.6 times	+203.8%
Gearing ratio ¹	net cash	net cash	—
Total assets, in million HK\$	5,022	6,474	-22.4%
Net asset value per share ² , in HK\$	2.52	2.45	+2.9%
Number of employees	225	229	-1.7%

Notes:

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

Independent Review Report 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 26 which comprises the condensed consolidated balance sheet of Guangdong Land Holdings Limited (the “Company”) and its subsidiaries as at 30 June 2017 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 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” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of 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

28 August 2017

Unaudited Condensed Consolidated Interim Financial Information

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2017

	Notes	For the six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
REVENUE	4	27,798	654,997
Cost of sales		(17,476)	(606,123)
Gross profit		10,322	48,874
Other income and gains, net	4	36,578	44,053
Selling and distribution expenses		(3,194)	(8,083)
Administrative expenses		(34,885)	(40,641)
Other operating expenses		(177)	(21,876)
PROFIT BEFORE TAX	5	8,644	22,327
Income tax expense	6	(7,162)	(29,300)
PROFIT/(LOSS) FOR THE PERIOD		1,482	(6,973)
Attributable to:			
Owners of the Company		(249)	(9,565)
Non-controlling interest		1,731	2,592
		1,482	(6,973)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic and diluted		(HK0.01cent)	(HK0.56cent)

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	1,482	(6,973)
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	128,013	(93,649)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	129,495	(100,622)
Attributable to:		
Owners of the Company	123,264	(93,799)
Non-controlling interest	6,231	(6,823)
	129,495	(100,622)

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Balance Sheet

30 June 2017

	Notes	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		6,125	8,112
Investment properties	8	1,095,134	1,057,327
Deferred tax assets		77,355	70,047
Total non-current assets		1,178,614	1,135,486
CURRENT ASSETS			
Completed properties held for sale		260,494	265,386
Properties under development		1,708,046	1,633,600
Prepayments, deposits and other receivables		19,203	26,108
Available-for-sale financial assets		1,043,506	447,160
Restricted bank balances	9	169,519	563,073
Cash and bank balances	9	642,962	2,402,840
Total current assets		3,843,730	5,338,167
CURRENT LIABILITIES			
Trade payables	10	(27,041)	(1,528,040)
Other payables, accruals and provisions		(117,498)	(155,310)
Receipts in advance		(2,074)	(20,245)
Due to a non-controlling shareholder	15(c)	(28,805)	(27,948)
Tax payable		(313,814)	(336,502)
Total current liabilities		(489,232)	(2,068,045)
NET CURRENT ASSETS		3,354,498	3,270,122
TOTAL ASSETS LESS CURRENT LIABILITIES		4,533,112	4,405,608

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Balance Sheet (continued)

30 June 2017

	Note	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		(70,187)	(72,178)
Net assets		4,462,925	4,333,430
EQUITY			
Equity attributable to owners of the Company			
Issued capital	11	171,154	171,154
Reserves		4,139,917	4,016,653
Non-controlling interest		4,311,071 151,854	4,187,807 145,623
Total equity		4,462,925	4,333,430

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Attributable to owners of the Company										
	Issued capital HK\$'000	Share premium account* HK\$'000	Capital reserve* HK\$'000	Property revaluation reserve* HK\$'000	Enterprise development funds* HK\$'000	Reserve funds* HK\$'000	Exchange fluctuation reserve* HK\$'000	Retained profits* HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
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
At 1 January 2017	171,154	1,688,606	13,824	6,984	216	95,022	(107,934)	2,319,935	4,187,807	145,623	4,333,430
Profit/(loss) for the period	-	-	-	-	-	-	-	(249)	(249)	1,731	1,482
Other comprehensive income for the period	-	-	-	-	-	-	123,513	-	123,513	4,500	128,013
Total comprehensive income for the period	-	-	-	-	-	-	123,513	(249)	123,264	6,231	129,495
At 30 June 2017 (unaudited)	171,154	1,688,606*	13,824*	6,984*	216*	95,022*	15,579*	2,319,686*	4,311,071	151,854	4,462,925

* These reserve accounts comprise the consolidated reserves of HK\$4,139,917,000 in the condensed consolidated balance sheet.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,644	22,327
Adjustments for:		
Interest income	(36,402)	(40,241)
Other adjustments	791	(2,847)
	(26,967)	(20,761)
Decrease in properties held for sale	16,583	587,668
Increase in properties under development	(1,044,474)	(601,570)
Decrease/(increase) in restricted bank balances	403,444	(543,857)
Increase/(decrease) in trade payables	7,935	(6,414)
Increase/(decrease) in receipts in advance	(18,455)	11,321
Other changes in working capital	(44,182)	(95,597)
Cash used in operations	(706,116)	(669,210)
Interest received	36,679	40,241
PRC taxes paid	(47,713)	(139,358)
Net cash flows used in operating activities	(717,150)	(768,327)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of items of property, plant and equipment	–	3,856
Purchases of items of property, plant and equipment	(423)	(341)
Additions to investment properties	(512,680)	(493,299)
Consideration received for the disposal of the previous brewery subsidiaries	–	642,660
Additions of available-for-sale financial assets	(563,487)	–
Decrease/(increase) in time deposits with original maturity of over three months when acquired	334,787	(71,340)
Net cash flows from/(used in) investing activities	(741,803)	81,536

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,458,953)	(686,791)
Cash and cash equivalents at beginning of period	2,073,059	3,209,733
Effect of foreign exchange rate changes, net	28,856	(31,587)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	642,962	2,491,355
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	389,802	1,628,742
Non-pledged time and structured deposits with original maturity of less than three months when acquired	253,160	862,613
Non-pledged time and structured deposits with original maturity of over three months when acquired	–	70,200
Cash and bank balances as stated in the condensed consolidated balance sheet	642,962	2,561,555
Less: Non-pledged time and structured deposits with original maturity of over three months when acquired	–	(70,200)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	642,962	2,491,355

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information

30 June 2017

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. Guangdong Investment Limited has become the immediate holding company of the Company since 18 April 2017 as further detailed in the Company’s announcement dated 18 April 2017. 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 2017 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 unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, 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 Policies and Disclosures

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

Amendments to HKAS 7
Amendments to HKAS 12
Amendments to HKFRS 12
included in *Annual Improvement
2014-2016 Cycle*

Disclosure Initiative
Recognition of Deferred Tax Assets for Unrealised Losses
Disclosure of Interests in Other Entities

The adoption of the revised HKFRSs has had no material financial effect on the unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

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 2017 (Unaudited)		
	Property development and investment HK\$'000	Other HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	27,798	–	27,798
Segment results	(15,377)	(12,381)	(27,758)
<i>Reconciliation:</i>			
Interest income			36,402
Profit before tax			8,644

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

3. Operating Segment Information (continued)

	Six months ended 30 June 2016 (Unaudited)		
	Property development and investment HK\$'000	Other HK\$'000	Total 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

	At 30 June 2017 (Unaudited)		
	Property development and investment HK\$'000	Other HK\$'000	Total HK\$'000
Segment assets	4,773,892	171,097	4,944,989
<i>Reconciliation:</i>			
Unallocated assets			77,355
Total assets			5,022,344
Segment liabilities	(462,638)	(26,594)	(489,232)
<i>Reconciliation:</i>			
Unallocated liabilities			(70,187)
Total liabilities			(559,419)

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

3. Operating Segment Information (continued)

	At 31 December 2016 (Audited)		
	Property development and investment HK\$'000	Other HK\$'000	Total HK\$'000
Segment assets	5,997,460	406,146	6,403,606
<i>Reconciliation:</i>			
Unallocated assets			70,047
Total assets			6,473,653
Segment liabilities	(2,041,067)	(26,978)	(2,068,045)
<i>Reconciliation:</i>			
Unallocated liabilities			(72,178)
Total liabilities			(2,140,223)

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

4. Revenue, Other Income and Gains, net

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

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Sale of properties	26,987	654,301
Rental income	811	696
	27,798	654,997
Other income		
Bank interest income	15,114	40,241
Interest income from available-for-sale financial assets	21,288	–
Others	165	229
	36,567	40,470
Gains, net		
Fair value gains/(losses) on investment properties	11	(273)
Gain on disposal of items of property, plant and equipment	–	3,856
	11	3,583
	36,578	44,053

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

5. Profit Before Tax

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of properties sold	17,476	606,123
Depreciation	801	736
Minimum lease payments under operating lease	1,580	1,363
Foreign exchange differences, net	177	21,753

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

6. Income Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2016: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land appreciation tax ("LAT") has been 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	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Current — Hong Kong	—	—
Current — Elsewhere:		
Charge for the period	6,363	62,699
LAT in Mainland China	6,484	101,290
Deferred	(5,685)	(134,689)
Total tax charge for the period	7,162	29,300

7. Loss Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company and the number of shares of 1,711,536,850 (six months ended 30 June 2016: 1,711,536,850) in issue during the period.

The Group had no potentially dilutive shares in issue during the six months ended 30 June 2017 and 2016.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

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>
2017			
At 1 January 2017	25,276	1,032,051	1,057,327
Additions	–	5,259	5,259
Fair value gains on investment properties	11	–	11
Exchange realignment	776	31,761	32,537
At 30 June 2017	26,063	1,069,071	1,095,134
2016			
At 1 January 2016	27,930	–	27,930
Additions	–	1,087,734	1,087,734
Fair value gains on investment properties	1,006	–	1,006
Disposal	(1,929)	–	(1,929)
Exchange realignment	(1,731)	(55,683)	(57,414)
At 31 December 2016	25,276	1,032,051	1,057,327

The Group's completed investment properties were revalued at 30 June 2017 by Vigers Appraisal and Consulting Limited, independent professionally qualified valuers, at HK\$26,063,000.

Some of the completed investment properties are leased to third parties under operating leases in the prior year.

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 2017

9. Cash and Bank Balances

	Note	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Cash and bank balances		559,321	886,469
Time and structured deposits with original maturity of less than three months when acquired		253,160	1,749,663
Time and structured deposits with original maturity of over three months when acquired		–	329,781
		812,481	2,965,913
Less: Restricted bank balances	(i)	(169,519)	(563,073)
		642,962	2,402,840

Note:

- (i) Balance 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\$169,344,000 (31 December 2016: HK\$562,903,000) 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\$175,000 (31 December 2016: HK\$170,000).

Structured deposits held as at 31 December 2016 were HK\$1,907,819,000. The principal and interest amounts of the structured deposits were 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 2017

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 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within 1 month	8,989	483
1 to 2 months	1,168	–
2 to 3 months	–	–
Over 3 months	16,884	1,527,557
	27,041	1,528,040

The trade payables are non-interest bearing.

11. Share Capital

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Authorised: 5,000,000,000 (31 December 2016: 5,000,000,000) shares of HK\$0.10 each	500,000	500,000
Issued and fully paid: 1,711,536,850 (31 December 2016: 1,711,536,850) 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 2017

12. Operating Lease Arrangements

The Group leases certain of its office premises under operating lease arrangements. Leases for properties are negotiated for terms of three years (31 December 2016: one to three years).

At 30 June 2017, 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 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within one year	3,159	3,159
In the second to fifth years, inclusive	4,474	6,054
	7,633	9,213

13. Commitments

In addition to the operating lease commitments detailed in note 12, the Group had the following commitments at the end of the reporting period:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Contracted, but not provided for: Property development expenditure	560,229	82,092

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

14. Contingent Liabilities

As at 30 June 2017, 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 sale. 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 2017, the Group's outstanding guarantees amounted to HK\$881,613,000 (31 December 2016: HK\$914,039,000) in respect of these guarantees.

According to the master agreement dated 5 February 2013 relating to the disposal of the Group's then brewery business, the Group had undertaken to bear any losses arising from the brewery subsidiaries disposed of for additional obligations in relation to, among others, taxes, government levies, staff welfare and uncollectible trade receivables that occurred prior to the date of completion of the said disposal. The financial impact of the contingent liabilities that may arise from such arrangement is not disclosed as, in the opinion of the directors of the Company, the estimate of which is not practicable to do so.

15. 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:

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Rental expenses paid to a fellow subsidiary	1,577	1,361

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\$7,625,000 (31 December 2016: HK\$9,202,000) for a lease arrangement ending on 30 November 2019.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

15. Related Party Transactions (continued)

(b) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Short term employee benefits	204	2,029
Post-employment benefits	52	133
Total compensation paid to key management personnel	256	2,162

(c) Outstanding balance with related parties:

The Group had outstanding balances due to its holding companies of HK\$145,000 (31 December 2016: HK\$32,000), due from fellow subsidiaries of HK\$863,000 (31 December 2016: due to fellow subsidiaries of HK\$167,000) and due to an non-controlling shareholder of a subsidiary of HK\$28,805,000 (31 December 2016: HK\$27,948,000) as 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 15(a) also constituted continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

16. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and bank balances, restricted bank balances, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables, accruals and provisions and an amount due to a non-controlling shareholder approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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. The following methods and assumptions were used to estimate the fair values:

The fair value of the available-for-sale financial assets has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2017

	Fair value measurement as at 30 June 2017 using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Available-for-sale financial assets	–	1,043,506	–	1,043,506

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2017

16. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

As at 31 December 2016

	Fair value measurement as at 31 December 2016 using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Available-for-sale financial asset	–	447,160	–	447,160

The Group did not have any financial liabilities measured at fair value as at 30 June 2017 and 31 December 2016.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial asset (six months ended 30 June 2016: Nil).

17. 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 28 August 2017.

Management Discussion and Analysis

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

According to the information of the National Bureau of Statistics of the PRC, the preliminary statistical figure of the national gross domestic product ("GDP") for the first half of 2017 had a year-on-year increase of approximately 6.9%, and the nominal disposable income per capita increased by 8.8% as compared with that in the same period last year. According to the price index of newly built residential properties in 70 large to medium-sized cities in June 2017, the residential price index of Guangzhou city had an increase of approximately 17.9% and that of Shenzhen city had an increase of approximately 2.7% as compared with those in June 2016.

Results

During the period under review, the unaudited consolidated revenue of the Group was approximately HK\$27.80 million (six months ended 30 June 2016: HK\$655 million), representing a decrease of approximately 95.8% from the same period last year. The decrease in revenue was mainly due to the fact that, in terms of the gross floor area ("GFA"), approximately 90.6% of the residential units under the Ruyingju Project was sold before the end of 2016. As a result, only a handful of residential units under the Ruyingju Project were sold during the period under review. During the period under review, the Group's loss attributable to owners of the Company was approximately HK\$0.25 million (six months ended 30 June 2016: HK\$9.57 million), representing a decrease of approximately 97.4% from the same period last year.

When comparing to the same period last year, the major factors that affected the results of the Group for the period under review include the following:

- (a) for the six months ended 30 June 2016, Renminbi ("RMB") depreciated against HK\$ and resulted in the recognition of net exchange losses of approximately HK\$21.75 million by the Group. Since 2016, the Group had gradually remitted its RMB deposits previously held in Hong Kong into its subsidiary responsible for the development of the Buxin Project in the PRC, resulting in a significant decrease in the amount of net foreign exchange differences recognised in the statement of profit or loss by the Group. Therefore, for the six months ended 30 June 2017, the Group recorded a net exchange losses of approximately HK\$0.18 million only, representing a decrease of 99.2% from that of the same period last year; and
- (b) a decrease of revenue generated from the sale of residential units under the Ruyingju Project when compared to the same period last year. This was mainly due to the fact that, in terms of the GFA, approximately 90.6% of the residential units under the Ruyingju Project were sold before the end of 2016. For the six months ended 30 June 2017, the contribution from the Ruyingju Project was smaller than that for the same period last year.

The board of directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

Management Discussion and Analysis (continued)

Business Review

The Buxin Project

The Group holds a 100% interest in the Buxin Project, which is a multi-functional commercial complex with jewellery as the main theme, located in Buxin Area, Luohu, Shenzhen, the PRC. The total site area of such a land amounts to approximately 66,526 square meters ("sq. m."), and the GFA included in the calculation of plot ratio amounts to approximately 432,051 sq. m. In addition, an underground area of 30,000 sq. m. will be developed for commercial use.

The Northwestern Land which is under the first phase of the development of the Buxin Project has a GFA of approximately 166,000 sq. m., of which the total saleable GFA is approximately 116,000 sq. m. The construction permit for its land pile foundation works was obtained in December 2016 and such land pile foundation works was completed by the end of March 2017. In the second quarter of 2017, the Group has completed the tender and engagement of the main contractor for the Northwestern Land development as detailed in the circular of the Company dated 19 June 2017. Based on the Group's current development plan, except for the underground car-parking spaces, properties built within the Northwestern Land will be for sale upon their completion. During the period under review, the Group formed a sales management team and has been preparing to establish a sales center. Meanwhile, we continued to visit potential customers and promoted the Buxin Project actively, and positive feedback has been received.

As at 30 June 2017, the cumulative development costs and fees of the Buxin Project amounted to approximately HK\$2,777 million (31 December 2016: HK\$2,666 million), representing a net increase of approximately HK\$111 million during the period under review. As at 30 June 2017, approximately HK\$1,708 million and HK\$1,069 million were attributable to the "Properties under development" under the current assets and the "Investment properties" under the non-current assets, respectively.

The Group's wholly-owned subsidiary 粵海置地(深圳)有限公司 (Guangdong Land (Shenzhen) Co., Ltd.# ("GSL")) entered into three land use rights agreements with 深圳市羅湖區更新局 (Shenzhen City Luohu District Urban Renewal Authority# (the "Shenzhen Luohu Renewal Authority"), being an agent of 深圳市規劃和國土資源委員會 (Urban Planning, Land and Resources Commission of Shenzhen Municipality#) (the "Shenzhen Urban Planning Committee")) in June 2016, for the purpose of acquiring the relevant land use rights for the development of the Buxin Project as detailed in the circular of the Company dated 22 June 2016. At the request of the Shenzhen Luohu Renewal Authority, the said land use rights agreements were re-signed on the same terms with the Shenzhen Urban Planning Committee replacing the Shenzhen Luohu Renewal Authority as a party to such agreements, which will not affect the rights and obligations of GSL under the original agreements.

Management Discussion and Analysis (continued)

The Ruyingju Project

The Group holds an 80% interest in the Ruyingju Project, which is located in Panyu district, Guangzhou city, the PRC, with a GFA of approximately 127,597 sq. m. The Ruyingju Project includes residential units and car-parking spaces for sale. As at 31 December 2016, approximately 90.6% of the GFA of the residential units under the Ruyingju Project were sold. For the six months ended 30 June 2017, sale contracts of residential units under the Ruyingju Project with an aggregate GFA of approximately 140 sq. m. were signed (six months ended 30 June 2016: 27,300 sq. m.), representing a decrease of approximately 99.5% from the same period last year. As at 30 June 2017, the accumulated GFA of sale contracts signed represented approximately 91.5% of GFA of the residential units in aggregate.

For the six months ended 30 June 2017, GFA of residential units delivered under the Ruyingju Project was approximately 899 sq. m. (six months ended 30 June 2016: 29,000 sq. m.), representing a decrease of approximately 96.9% from the same period last year. As at 30 June 2017, the accumulated GFA sold represented approximately 91.5% of GFA of the residential units in aggregate. During the period under review, based on the residential units sold, the contracted average selling price denoted in RMB increased by approximately 30.4% over that of 2016.

The Group acquired the equity interest in the Ruyingju Project in April 2015. As the acquisition price paid was determined with reference to the then market value of the Ruyingju Project (but at a discount), the carrying value (and future costs of sales) of the Ruyingju properties consists of its development costs and the fair value increases as of the completion date of acquisition.

Financial Review

During the period under review, the Group recorded a profit for the period of approximately HK\$1.48 million (six months ended 30 June 2016: a loss of approximately HK\$6.97 million). The profit attributable to non-controlling interest of approximately HK\$1.73 million (six months ended 30 June 2016: HK\$2.59 million) was recorded because the relevant subsidiary recorded a net profit for the period.

Management Discussion and Analysis (continued)

Key Financial Ratios

	Note	Six months ended 30 June		Change
		2017	2016	
Loss attributable to owners of the Company, in thousand HK\$		(249)	(9,565)	-97.4%
Return on equity, %	1	(0.01%)	(0.22%)	+0.21pp
		30 June 2017	31 December 2016	Change
Net assets, in million HK\$		4,463	4,333	+3.0%

Note:

- Return on equity = loss attributable to owners of the Company ÷ average equity attributable to owners of the Company

During the first half of 2017, the loss attributable to owners of the Company decreased from that of the same period last year. The decrease was mainly affected by the decrease in net exchange losses and the decrease in the revenue of residential units under the Ruyingju Project. Please refer to the “RESULTS” section of the Management Discussion and Analysis in this report. In addition to the factor of results of the period under review, the increase in the net assets of the Group was mainly due to the appreciation of RMB against HK\$ during the period under review, resulting in the increase in the net asset value denominated in HK\$.

Operating Income, Expenses and Finance Costs

During the period under review, the Group recorded an aggregate interest income from bank and available-for-sale financial assets of approximately HK\$36.40 million (six months ended 30 June 2016: HK\$40.24 million) in aggregate, representing a decrease of approximately 9.5% from the same period last year. The decrease in interest income was mainly due to the decrease in the cash and bank balances of the Group. During the period under review, there was no gain on disposal of items of property, plant and equipment (six months ended 30 June 2016: HK\$3.86 million) recorded by the Group.

In the first half of 2017, the Group recorded selling and distribution expenses of approximately HK\$3.19 million (six months ended 30 June 2016: HK\$8.08 million), representing a decrease of approximately 60.5% from the same period last year. The decrease was mainly due to the decrease in sales activities under the Ruyingju Project during the period under review. The Group's administrative expenses were approximately HK\$34.89 million (six months ended 30 June 2016: HK\$40.64 million) in the first half 2017, representing a decrease of approximately 14.1% from the same period last year. The decrease was mainly due to the decrease in wages and professional expenses.

During the period under review, the Group did not borrow any bank loan. There was no finance cost recorded during the period under review (six months ended 30 June 2016: Nil).

Management Discussion and Analysis (continued)

Capital Expenditure

In the first half of 2017, the Group paid general capital expenditure for purchase of property, plant and equipment of approximately HK\$0.42 million (six months ended 30 June 2016: HK\$0.34 million), representing an increase of 23.5% from the same period last year. In addition, capital expenditure paid in relation to investment properties in the Buxin Project of approximately HK\$513 million (six months ended 30 June 2016: HK\$493 million) was paid in the first half of 2017.

Financial Resources and Liquidity

As at 30 June 2017, the equity attributable to owners of the Company was approximately HK\$4.31 billion (31 December 2016: HK\$4.19 billion), representing an increase of approximately 2.9% from the end of 2016. Based on the number of shares in issue as at 30 June 2017, the net asset value per share attributable to owners of the Company at the period end was approximately HK\$2.52 (31 December 2016: HK\$2.45 per share), representing an increase of approximately 2.9% from the end of 2016.

As at 30 June 2017, the Group had cash and bank balances of approximately HK\$0.81 billion (31 December 2016: HK\$2.97 billion), representing a decrease of approximately 72.7%. The aforementioned amount included restricted bank balances of approximately HK\$170 million (31 December 2016: HK\$563 million). The decrease in cash and bank balances was mainly due to the payment of the second instalment of the Buxin Land of approximately RMB1,350 million (equivalent to approximately HK\$1,528 million) and a net increase of available-for-sale financial assets of approximately HK\$596 million during the period under review. Of the Group's cash and bank balances as at 30 June 2017, approximately 79.3% was in RMB, 20.3% was in USD and 0.4% in HK\$.

As most of the transactions from the Group's PRC daily operations are denominated in RMB, currency exposure from these transactions is low. During the year under review, the Group did not perform currency hedge for such transactions.

As at 30 June 2017, the Group did not have any outstanding bank loan. Given the construction works of the Northwestern Land of the Buxin Project under the first phase of the development will be in full swing in 2017, the Group will review its funding needs and may obtain the funds through various financing channels from time to time according to the progress of its future business development, 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 2017. Except for the disclosure in note 14 to the Unaudited Condensed Consolidated Interim Financial Information regarding the guarantees made to certain banks in relation to the mortgages of the properties sold of approximately HK\$882 million (31 December 2016: HK\$914 million) as at 30 June 2017 and undertakings made in the master sales agreement relating to the disposal of brewery subsidiaries, there was no material contingent liability recorded as at 30 June 2017.

Management Discussion and Analysis (continued)

Risks and Uncertainties

Given that the Group is engaged in property development and investment in the PRC, risks and uncertainties of its business are principally associated with the property market and property prices in the PRC, and the Group's revenue in the future will be directly affected by such factors. The property market in the PRC is affected by a number of factors which include, *inter alia*, economic environment, property supply and demand, fiscal and monetary and taxation policies of the PRC government and regulatory measures of real estate sector, etc. The GDP of the PRC has maintained a year-on-year growth, and the demand of property in the market will maintain a healthy growth. Currently, the property projects of the Group are all located in tier-1 cities with different categories and usages, effectively diversifying operational risks.

The Buxin Project in Shenzhen requires a large investment amount and 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 the prevailing market conditions, loan interest rate level and the Group's financial position. As at 30 June 2017, the Group did not have any outstanding interest-bearing loan.

As the property development business has a relatively long product life cycle, the volatility of the Group's future results and cash flows will be relatively high.

Policy and Performance on Environmental, Social and Governance

As a responsible enterprise, the Group will definitely incorporate the views of various stakeholders into our strategic decisions, especially for the important issues in relation to environmental, social and governance. Through formulating communication objectives with stakeholders the Group collects from multiple channels their views and suggestions of the Group's development, and jointly implement and execute the relevant policies.

The Group strictly complies with laws and regulations of the places where our business operates, including environmental laws and regulations in respect of constructions, to ensure that our construction sites comply with the relevant laws and regulations in respect of environmental protection, sewage treatment, noise control, etc. The Group actively fulfills our corporate social responsibilities and obligations in order to comply with the requirements of the relevant regulatory authorities. The flagship Buxin Project of the Group incorporates elements of energy savings, health and environmental protection, etc., with a view to achieving green construction.

The Group prepared its first Environmental, Social and Governance report and published it in July 2017. Such a report summarised the Group's efforts and achievements in the areas of environmental, social and governance during 1 January to 31 December 2016. The aspects reported included social responsibility management, environmental protection, caring for employees, quality management and caring for the community, etc.

Management Discussion and Analysis (continued)

Human Resources

As at 30 June 2017, the Group had 225 (31 December 2016: 229) employees. Various basic benefits were provided to the Group's staff. As to the staff incentive policy, it was determined with reference to both the Group's operating performance as well as the performance of the individual staff member. The Group offers various training to its employees.

Outlook

Notwithstanding the complex global economic environment, the economy of the PRC maintains a steady growth. Coupled with the steadily increasing people's living standard and urbanization level which further drive greater demands for consumptions and improvement of the living environment, the Group believes that the aforesaid trends will continue to drive the steady growth of the residential property and commercial property sector in the PRC.

Located in Luohu, Shenzhen, the Buxin Project has an enormous development potential, and the development works of the Northwestern Land of the first phase of the development have commenced. The Group will invest appropriate resources to develop the project in order to create and release its value, and will consider arranging external financing to support the development of the project.

Subject to the local government's price guidance on the property sale and the Group's intention of not lowering the selling price of the remaining residential units under the Ruyingju Project, the time for the sale of the remaining residential units under the Ruyingju Project may be postponed as compared with the original schedule. It is estimated that the Group's revenue in 2017 will be less than that of 2016. In addition to developing the existing Buxin Project and Ruyingju Project, the Group will also consider, study and look for other opportunities in property development and investment projects in the PRC, mainly 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 future 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 2017, 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 (a) 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); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) 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 Stock Exchange of Hong Kong Limited (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%
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 2017.

(ii) Guangdong Investment Limited

Name of director	Capacity/ Nature of interest	Number of ordinary shares held	Long/Short position	Approximate percentage of interests held ^(Note)
HUANG Xiaofeng	Personal	2,595,580	Long position	0.040%
ZHAO Chunxiao	Personal	582,170	Long position	0.009%
LI Wai Keung	Personal	1,927,160	Long position	0.029%

Note: The approximate percentage of interests held was calculated on the basis of 6,537,821,440 ordinary shares of Guangdong Investment Limited in issue as at 30 June 2017.

Directors' Interests and Short Positions in Securities (continued)

II. Share Options

(i) The Company

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

(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 2017	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	At 30 June 2017					
HUANG Xiaofeng	22.01.2013	2,693,000	877,420	-	-	-	877,420	-	6.20	6.30	-	Long position
ZHAO Chunxiao	22.01.2013	2,268,000	778,630	-	-	-	778,630	-	6.20	6.30	-	Long position
LI Wai Keung	22.01.2013	2,243,000	815,840	-	-	-	815,840	-	6.20	6.30	-	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.

Directors' Interests and Short Positions in Securities (continued)

II. Share Options (continued)

(ii) Guangdong Investment Limited (continued)

- (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.

Save as disclosed above, as at 30 June 2017, 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: (a) 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); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) 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 2017, 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 ^(Note 1)
廣東粵海控股集團有限公司 (Guangdong Holdings Limited) [#] ^(Note 2)	1,263,494,221	Shares	Long position	73.82%
GDH Limited ^(Notes 2, 3)	1,263,494,221	Shares	Long position	73.82%
Guangdong Investment Limited ^(Note 3)	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 2017.
2. The attributable interest which 廣東粵海控股集團有限公司 (Guangdong Holdings Limited)[#] ("Guangdong Holdings") has in the Company is held through its wholly-owned subsidiary, namely GDH Limited ("GDH").
3. Reference is made to the announcement of the Company dated 19 January 2017 in respect of the Transaction (as defined in such an announcement).

On 19 January 2017, GDH entered into an agreement with Guangdong Investment Limited ("GDI") under which, subject to the fulfillment (or waiver) of the relevant conditions precedent, GDI would acquire approximately 73.82% interest in the Company, being GDI's entire holding of the shares of the Company.

On 20 March 2017, the Transaction was approved by the independent shareholders of GDI at its extraordinary general meeting held on the same date. For details, please refer to the announcement of GDI dated 20 March 2017.

On 18 April 2017, all the conditions precedent to the Transaction had been fulfilled and the Transaction was completed, following which GDI has become the immediate holding company of the Company.

Save as disclosed above, as at 30 June 2017, so far as is known to any director or chief executive of the Company, no other person (other than a director or chief executive of the Company) had, or was 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 throughout the six months ended 30 June 2017.

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 directors. Having made specific enquiry to all 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 during the six months ended 30 June 2017.

Changes in Directors' Information

Changes in directors' information in respect of the period between the publication dates of the 2016 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:

- Mr. LI Wai Keung ceased to be a director of Shenzhen City Airport (Group) Company Limited with effect from July 2017.
- Mr. ZENG Yi has been appointed as the chairman of Guangdong Yuegang Assets Management Co., Limited (which is a subsidiary of Guangdong Holdings, and Guangdong Holdings is the ultimate controlling shareholder of the Company); and the chairman of Guangdong Assets Management Limited (which is a subsidiary of GDH, and GDH is the indirect controlling shareholder of the Company).
- Mr. Felix FONG Wo has been appointed as an independent non-executive director of WuXi Biologics (Cayman) Inc. (whose shares are listed on the Hong Kong Stock Exchange) with effect from 17 May 2017 and an independent non-executive director of Bank of Shanghai (Hong Kong) Limited with effect from 29 June 2017. He ceased to be a member of the Hong Kong Communications Authority with effect from 1 April 2017.
- Mr. Vincent Marshall LEE Kwan Ho ceased to be an independent non-executive director of Hong Kong Exchanges and Clearing Limited (whose shares are listed on the Hong Kong Stock Exchange) with effect from 27 April 2017 and ceased to be a non-executive director of LT Commercial Real Estate Limited (whose shares are listed on the Hong Kong Stock Exchange) with effect from 1 July 2017.

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 2017. 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 2017.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 28 August 2017

