



Great China Properties Holdings Limited

大中華地產控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00021



Interim Report
2019

The Board of Directors (the “Board”) of Great China Properties Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2019 together with the selected comparative information for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019 – unaudited

	Notes	Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
REVENUE	4	12,755	19,306
Cost of sales and services		(7,793)	(15,939)
GROSS PROFIT		4,962	3,367
Other income and gains	4	110	327
Selling and distribution expenses		(1,307)	(2,919)
Administrative and operating expenses		(13,796)	(16,248)
Foreign exchange gain, net		6,137	21,767
Finance costs	5	(68)	(17)
(LOSS)/PROFIT BEFORE TAX	6	(3,962)	6,277
Income tax credit	7	387	788
(LOSS)/PROFIT FOR THE PERIOD		(3,575)	7,065
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
– Owners of the Company		(3,575)	7,065
– Non-controlling interests		–	–
		(3,575)	7,065
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	9	(HK0.11 cents)	HK0.21 cents
OTHER COMPREHENSIVE LOSS FOR THE PERIOD			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(7,698)	(47,560)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(11,273)	(40,495)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
– Owners of the Company		(11,273)	(40,495)
– Non-controlling interests		–	–
		(11,273)	(40,495)

The accompanying notes on pages 7 to 21 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019 – unaudited

		Unaudited As at 30 June 2019 HK\$'000	Audited As at 31 December 2018 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	10	176,694	170,792
Investment properties	11	227,531	227,911
Goodwill		204,642	204,986
Interests in associates		134,850	135,023
Properties under development	12	620,790	611,876
Total non-current assets		1,364,507	1,350,588
CURRENT ASSETS			
Properties held for sale		734,494	727,797
Trade receivables	13	404	381
Prepayments, deposits and other receivables	14	20,309	16,883
Equity investments at FVPL		15	15
Cash and bank balances		11,013	12,802
Total current assets		766,235	757,878
CURRENT LIABILITIES			
Trade payables	15	25,356	22,734
Other payables and accruals		114,067	108,788
Current portion of obligations under finance leases		–	517
Lease liabilities		281	–
Amounts due to related companies		139,792	139,061
Amounts due to substantial shareholders		791,387	767,495
Tax payable		–	415
Total current liabilities		1,070,883	1,039,010
NET CURRENT LIABILITIES		(304,648)	(281,132)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,059,859	1,069,456

		Unaudited As at 30 June 2019 HK\$'000	Audited As at 31 December 2018 HK\$'000
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Deferred tax liabilities		168,363	169,245
Non-current portion of obligations under finance leases		–	23
Lease liabilities		2,581	–
Total non-current liabilities		170,944	169,268
Net assets		888,915	900,188
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	905,676	905,676
Other deficits		(16,774)	(5,501)
		888,902	900,175
Non-controlling interests		13	13
Total equity		888,915	900,188

The accompanying notes on pages 7 to 21 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019 – unaudited

	Share capital	Capital reduction reserve*	Share-based payment reserve*	Translation reserve*	Accumulated losses*	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2018	905,676	265,505	1,607	(33,284)	(167,278)	972,226	13	972,239
Profit for the period	-	-	-	-	7,065	7,065	-	7,065
Other comprehensive loss for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	(47,560)	-	(47,560)	-	(47,560)
Total comprehensive income/(loss) for the period	-	-	-	(47,560)	7,065	(40,495)	-	(40,495)
At 30 June 2018	905,676	265,505	1,607	(80,844)	(160,213)	931,731	13	931,744
At 1 January 2019	905,676	265,505	1,607	(147,047)	(125,566)	900,175	13	900,188
Loss for the period	-	-	-	-	(3,575)	(3,575)	-	(3,575)
Other comprehensive loss for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	(7,698)	-	(7,698)	-	(7,698)
Total comprehensive loss for the period	-	-	-	(7,698)	(3,575)	(11,273)	-	(11,273)
At 30 June 2019	905,676	265,505	1,607	(154,745)	(129,141)	888,902	13	888,915

* These reserve accounts represent in aggregate the consolidated deficits of HK\$16,774,000 (31 December 2018: consolidated deficits of HK\$5,501,000) in the condensed consolidated statement of financial position.

The accompanying notes on pages 7 to 21 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019 – unaudited

	Notes	Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
(Loss)/profit before tax		(3,962)	6,277
Adjustments for:			
Bank interest income	4	(23)	(99)
Finance costs	5	68	17
Loss on disposal of property, plant and equipment	6	4	21
Depreciation	6	865	1,602
Exchange difference, net		(6,165)	(21,935)
		(9,213)	(14,117)
Increase in properties held for sale		(7,913)	(32,286)
Increase in properties under development		(9,935)	(4,675)
Increase in trade receivables		(23)	(95)
Increase in prepayments, deposits and other receivables		(3,454)	(2,055)
Increase in trade payables		2,655	1,807
Increase in other payables and accruals		5,453	12,435
Cash used in operations		(22,430)	(38,986)
PRC tax paid		(625)	(2,940)
Net cash flows used in operating activities		(23,055)	(41,926)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Bank interest received		23	99
Purchases of property, plant and equipment		(4,454)	(10,858)
Decrease in pledged and restricted bank balances		1,197	4,343
Net cash flows used in investing activities		(3,234)	(6,416)

	Notes	Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES			
Interest paid		(68)	(17)
Advance from substantial shareholders		26,795	50,415
Repayment to substantial shareholders		(1,705)	(3,547)
Advance from related companies		1,043	465
Repayment to related companies		(80)	–
Repayment of obligations under finance leases		–	(259)
Repayment of lease liabilities		(268)	–
Net cash flows generated from financing activities		25,717	47,057
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(572)	(1,285)
Cash and cash equivalents at beginning of the period		3,779	8,704
Effect of foreign exchanges, net		(5)	(219)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
		3,202	7,200
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		11,013	18,217
Less: Pledged and restricted bank balances		(7,811)	(11,017)
		3,202	7,200

The accompanying notes on pages 7 to 21 form an integral part of this interim financial report.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Great China Properties Holdings Limited (the “Company”) is a limited liability company incorporated in Hong Kong. Its registered office is located at Suite 6403A-4, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in property development and investment.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial statements have been prepared on the historical costs basis, except for certain investment properties and equity investments at fair value through profit or loss (“FVPL”) which are measured at fair value, and presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company, and rounded to the nearest thousands unless otherwise indicated.

The principal accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with the financial statements of the Group for the year ended 31 December 2018, except for the adoption of new and revised standards and interpretations with effect from 1 January 2019 as detailed in note 2 below.

The financial information relating to the financial year ended 31 December 2018 that is included in the unaudited interim results as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those accounts. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s independent auditor has reported on those financial statements. The auditor’s report was not qualified or otherwise modified; did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has adopted the following new and revised standards, amendments and interpretations (collectively referred to as the “new and revised HKFRSs”) issued by the HKICPA for the first time for the condensed consolidated financial statements.

HKFRS 16	<i>Leases</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements to HKFRSs	<i>2015 – 2017 Cycle</i>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>

HKFRS 16 “LEASES”

The Group has adopted HKFRS 16, which replaced HKAS 17, and the related consequential amendments to other HKFRSs for the six months ended 30 June 2019 which resulted in changes in accounting policies.

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in lease liabilities and other payables. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The right-of-use assets were recognised in the consolidated statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019; and
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the adjustments made to the carrying amounts recognised in relation to the operating lease commitments in the consolidated statement of financial position at the date of initial application of HKFRS 16 on 1 January 2019:

	Carrying amounts on 31 December 2018 under HKAS 17 <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	Carrying amounts on 1 January 2019 under HKFRS 16 <i>HK\$'000</i>
Non-current assets			
Right-of-use assets, presented in property, plant and equipment	808	2,590	3,398
Current liabilities			
Obligations under finance leases	517	(517)	–
Lease liabilities	–	525	525
	517	8	525
Non-current liabilities			
Obligations under finance leases	23	(23)	–
Lease liabilities	–	2,604	2,604
	23	2,581	2,604

Upon the initial adoption of HKFRS 16, the balance recognised under “Obligations under finance leases” was reclassified as “Lease liabilities”.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average discount rate applied is 4.7%.

	<i>HK\$'000</i>
Operating lease commitments at 31 December 2018	7,187
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	(929)
Less: Future interest expenses	(3,668)
Lease liabilities at 1 January 2019	2,590

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

The Group has a single reportable segment based on the location of the operations, which is the property development and investment located in the People's Republic of China (the "PRC"). Information reported to the Group's chief operating decision makers for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the income from the sales of properties, property management income and gross rental income during the period.

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

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Revenue from contracts with customers within HKFRS15:		
Sales of properties	10,541	17,703
Property management income	771	468
	11,312	18,171
Revenue from other sources:		
Gross rental income	1,443	1,135
Total revenue	12,755	19,306
Other income and gains:		
Bank interest income	23	99
Others	87	228
	110	327

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Finance charges on obligations under finance leases	–	17
Interest on lease liabilities	68	–
	68	17

6. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Cost of properties sold	7,386	15,555
Depreciation	865	1,602
Minimum lease payments under operating leases on land and buildings	1,073	1,568
Auditors' remuneration	475	460
Staff costs (including directors' remuneration)		
Salaries and wages	11,241	9,235
Pension scheme contributions	1,002	796
	12,243	10,031
Donations	–	369
Direct operating expenses arising from investment properties that generated rental income	223	146
Loss on disposal of property, plant and equipment	4	21

7. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group incurred a loss for taxation purposes during the six months ended 30 June 2019 and 2018. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdiction in which the Group operates.

The PRC 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 value, with certain allowable deductions.

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Deferred tax credited to profit or loss	598	1,142
LAT in the PRC	(211)	(354)
Total tax credit for the period	387	788

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (Six months ended 30 June 2018: Nil).

9. (LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted (loss)/profit per share is based on the following data:

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Loss/profit for the period attributable to owners of the Company (<i>HK\$ million</i>)	(3.58)	7.07
Weighted average number of ordinary shares in issue (<i>Million</i>)	3,312.7	3,312.7
Basic and diluted (loss)/profit per share (<i>HK cents per share</i>)	(0.11)	0.21

Diluted (loss)/profit per share is same as the basic (loss)/profit per share as the effect of potential ordinary shares was anti-dilutive during the six months period ended 30 June 2019 and there were no potential dilutive ordinary shares outstanding during the six months period ended 30 June 2018, respectively.

The Company's share options have no dilutive effect for the six months ended 30 June 2019 and 2018 because the exercise prices of the Company's share options were higher than the average market price of the Company's shares for both periods.

10. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Leasehold improvements	Machinery	Furniture and fixtures	Computer equipment	Motor vehicles	Buildings under construction	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2019								
At 1 January 2019, net of accumulated depreciation	-	862	56	379	1,632	925	166,938	170,792
Adjustment on transition to HKFRS 16 (Note 2)	3,398	-	-	-	-	(808)	-	2,590
Additions	-	-	-	-	-	-	4,454	4,454
Depreciation	(281)	(205)	(3)	(59)	(317)	-	-	(865)
Disposals	-	-	-	(1)	(3)	-	-	(4)
Exchange realignment	(5)	(2)	-	(1)	(4)	-	(261)	(273)
At 30 June 2019, net of accumulated depreciation	3,112	655	53	318	1,308	117	171,131	176,694

The Group's buildings under construction are situated in the PRC and are held under the lease term from 40 to 70 years.

11. INVESTMENT PROPERTIES

	Completed investment properties at fair value HK\$'000	Investment properties under construction at cost HK\$'000	Total HK\$'000
Six months ended 30 June 2019			
Carrying amount at 1 January 2019	213,138	14,773	227,911
Exchange realignment	(356)	(24)	(380)
Carrying amount at 30 June 2019	212,782	14,749	227,531

Notes:

- The investment properties represent interests in land held under medium term leases in the PRC and buildings erected or being erected thereon.
- Investment properties under development are carried at cost as the Board considers that the fair value of investment properties under construction cannot be reliably determined due to some construction still not commenced at 30 June 2019.
- The Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.
- Valuation of investment properties were carried out on 30 June 2019 by Roma Appraisal Limited, an independent professionally qualified valuer not connected with the Group, using the same valuation techniques as were used when carrying out the valuation on 31 December 2018.

12. PROPERTIES UNDER DEVELOPMENT

	Properties under development at cost HK\$'000
Six months ended 30 June 2019	
Carrying amount at 1 January 2019	611,876
Additions	9,935
Exchange realignment	(1,021)
Carrying amount at 30 June 2019	620,790

The properties under development are all located in the PRC and held under medium term lease.

13. TRADE RECEIVABLES

Trade receivables represent sale proceeds in respect of sold properties, property management fee and rental receivables. Sale proceeds in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured. The carrying amounts of the trade receivables approximate to their fair values.

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

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Within 30 days	27	66
31 – 60 days	3	5
61 – 90 days	5	7
Over 90 days	369	303
	404	381

The amount of trade receivables that were past due but not impaired is the same as the above ageing analysis of trade receivables.

Receivables that were past due but not impaired relate to a number of diversified customers. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9. To measure ECL, trade receivables have been grouped based on shared credit risk characteristics which is the days past due. Expected loss rate of the overall trade receivables is assessed to be 0.1%. Based on evaluation on expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered immaterial and therefore there has not been a provision of loss allowance.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Prepayments	12,763	9,238
Deposits paid	110	108
Other receivables	8,882	8,985
	21,755	18,331
Less: Provisions for impairment of other receivables	(1,446)	(1,448)
	20,309	16,883

15. TRADE PAYABLES

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

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Within 30 days	139	25
31 – 60 days	3,551	581
61 – 90 days	26	1,531
Over 90 days	21,640	20,597
	25,356	22,734

16. SHARE CAPITAL

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Issued and fully paid:		
3,312,698,406 (31 December 2018: 3,312,698,406) ordinary shares	905,676	905,676

17. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessor

The Group leases out its investment properties under operating leases with average lease terms ranging from 3 to 10 years (31 December 2018: 3 to 10 years). The terms of the leases also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

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

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Within one year	4,062	3,352
In the second to fifth years, inclusive	12,839	12,946
After five years	2,489	5,209
	19,390	21,507

(b) The Group as lessee

The Group leased certain of its offices, apartments, car parks and greenery areas) under operating lease arrangements at 31 December 2018. Leases for properties were negotiated for terms ranging from 1 to 50 years.

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

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Within one year	–	1,044
In the second to fifth years, inclusive	–	496
After five years	–	5,647
	–	7,187

18. COMMITMENTS

In addition to the operating lease commitments detailed in note 17(b) above, the Group had the following capital commitments at the end of the reporting period:

	At 30 June 2019 HK\$'000	At 31 December 2018 HK\$'000
Contracted, but not provided for:		
Construction and development of properties	371,242	375,298
Loan contributions payable to an associate	217,110	217,473
	588,352	592,771

19. CONTINGENT LIABILITIES

At 30 June 2019, the Group has given guarantees of approximately HK\$262,000 (31 December 2018: approximately HK\$3,050,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

The fair value of the guarantees is not significant and the directors of the Company consider that, in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore the guarantees have not been recognised in the consolidated financial statements for the period ended 30 June 2019 and year ended 31 December 2018.

20. RELATED PARTY TRANSACTIONS

(a) Material transactions with related parties

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the period:

	Notes	Six months ended 30 June 2019 HK\$'000	2018 HK\$'000
Rental and management fee of office	(i)	1,091	1,779

- (i) During the period, the Group leased office properties from 大中華國際集團 (中國) 有限公司 (“GCI”) for a term of two year commencing from 1 May 2017 to 30 April 2019 at a total monthly rental and management fee of RMB240,780. GCI is indirectly wholly-owned by Mr. Huang Shih Tsai, the Chairman and a substantial shareholder of the Company. Mr. Huang is also a director of GCI. The related party transactions above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Other transaction with related parties

The Group’s amounts due to related companies of HK\$139,792,000 (31 December 2018: HK\$139,061,000) are unsecured, non-interest bearing, and repayable on demand. Related companies represent companies in which Mr. Huang Shih Tsai, a substantial shareholder, has equity interests and/or directorships and over which Mr. Huang Shih Tsai is able to exercise control. The amounts represent advances to the Group for its working capital requirements.

(c) Amounts due to substantial shareholders

The Group’s amounts due to substantial shareholders of HK\$791,387,000 (31 December 2018: HK\$767,495,000) are unsecured, non-interest bearing and repayable on demand. The amounts represent advances to the Group for its working capital requirements.

During the period, Mr. Huang Shih Tsai, the Chairman and a substantial shareholder of the Company, has provided interest-free and unsecured loans to the Company in the totally amount of approximately HK\$21,085,000 (Six months ended 30 June 2018: HK\$47,050,000) for funding the subsidiaries and working capital requirements; Ms. Huang Wenxi, the Chief Executive Officer and a substantial shareholder of the Company, has provided interest-free and unsecured loans to the Company in the totally amount of HK\$4,005,000 (Six months ended 30 June 2018: HK\$1,610,000) for funding the subsidiaries and working capital requirements.

(d) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Salaries and allowances	642	807
Pension scheme contributions	9	9
Total compensation paid to key management personnel	651	816

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk management

The risks associated with the Group's financial instruments include foreign currency risk, credit risk and liquidity risk. The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018. There have been no significant changes in risk management process and policies since the year ended 31 December 2018.

(b) Fair value measurement

The fair value of financial assets and financial liabilities are measured at the end of the accounting period on a recurring basis, categorised into the three-level fair value hierarchy as follows:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments. There were no financial instruments that were measured subsequent to initial recognition at fair value grouped into level 2 and 3 at the end of the accounting period (Six months ended 30 June 2018: Nil).

	Quoted prices in active markets (Level 1) HK\$'000	Fair value measurement using Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
As at 30 June 2019				
Equity investments at fair value through profit or loss	15	–	–	15
As at 31 December 2018				
Equity investments at fair value through profit or loss	15	–	–	15

The Group did not have any financial liabilities measured at fair value at 30 June 2019 and 31 December 2018.

Save as disclosed above, the Board determined that the fair value of the other financial assets and liabilities reported in the unaudited condensed consolidated statement of financial position approximate to their carrying amounts.

22. EVENTS OCCURRING AFTER THE REPORTING DATE

On 19 July 2019 and 22 July 2019, the placing agent and the Company entered into the placing agreement and the placing supplemental agreement, respectively, pursuant to which the placing agent has conditionally agreed, as agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 662,539,000 placing shares at the placing price of HK\$0.122 per placing share (the “Placing”).

The completion of the Placing took place on 12 August 2019. An aggregate of 662,535,000 placing shares, representing approximately 16.67% of the total number of issued shares immediately after the completion of the Placing, have been successfully placed through the placing agent to not less than six placees at the placing price of HK\$0.122 per placing share.

The gross proceeds and net proceeds from the Placing are approximately HK\$80.83 million and approximately HK\$77.59 million, respectively. The Company intends to apply the net proceeds (i) to expand its securities advisory and asset management business; (ii) as the general working capital; (iii) for any possible business development and investment of the Group when appropriate opportunities arise; and (iv) for settlement of shareholders’ loan.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the six months ended 30 June 2019, the Group recorded a turnover of approximately HK\$12.76 million, representing a decrease of approximately 33.93% as compared to the turnover of approximately HK\$19.31 million for the corresponding period of last year. The decrease in turnover was mainly resulted from the decrease in sales of properties during the period.

Loss attributable to the owners of the Company was approximately HK\$3.58 million for the six months ended 30 June 2019, where as a profit of approximately 7.07 million was recorded in the corresponding period of last year. This was mainly attributable to the exchange loss arose from the translation of the Group's financial liabilities.

BUSINESS REVIEW

Property Development and Investment Business

The Gold Coast Project

The Company, through its indirect wholly-owned PRC subsidiary, owns a resort located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC (the "Gold Coast Resort"). Gold Coast Resort is expected to be developed into a tourism property project, which will comprise various single-storey villas, five-star hotels and marina club facilities etc. The construction of Gold Coast Resort has commenced.

The Tanghai County Project

The Group has acquired 99.99% of equity interest of 唐山市曹妃甸區中泰信和房地產開發有限公司 (Tangshan Caofeidian Zhongtai Xinhe Real Estate Company Limited*) ("Tangshan Caofeidian") ("Tanghai Acquisition") in January 2013, the major asset of which consists of the right of use of 唐海縣七農場通港水庫內側2號及3號島 (Nos. 2 and 3 Island inside Tonggang Reservoir of the Seventh Farm in Tanghai Province*).

The Group has paid a total sum of approximately RMB92,490,000 (equivalent to approximately HK\$116,250,000) as consideration of the Tanghai Acquisition. The vendors of Tangshan Caofeidian are subject to pay the PRC individual income tax derived from the transfer of the equity interest of Tangshan Caofeidian. As at the date of completion of the Tanghai Acquisition, such PRC individual income tax had not been settled. It was agreed by the vendors that they will not require the Company to pay the remaining portion of the consideration of RMB12,000,000 (equivalent to approximately HK\$13,950,000) until the outstanding PRC individual income tax is settled by them.

The Group has appointed several external firms to conduct reconnaissance and began designing work. As at the date of this report, the Group is at the preliminary stage to plan and design the ecological leisure living area or resort area.

* For identification purposes only

The Daya Bay Project

The Company, through its indirect wholly-owned PRC subsidiary, owns 東方新天地大廈 (Eastern New World Square*), which is a comprehensive property development project with a total gross floor area of approximately 69,171.7 sq.m. located at No.1 Zhongxing Zhong Road, Aotou Town, Daya Bay, Huizhou City, Guangdong Province, the PRC. The selling of the residential portion of Eastern New World Square has commenced in May 2013 and the revenue generated has contributed to the turnover of the Group for the six months ended 30 June 2019.

The Shanwei Projects

On 16 October 2013, the Group completed the acquisition of Jin Bao Cheng Project and Hong Hai Bay Project through a wholly-owned subsidiary of the Company from Mr. Huang Shih Tsai, the chairman and executive director of the Company. The details of Jin Bao Cheng Project and Hong Hai Bay Project are set out as below:

(1) Jin Bao Cheng Project

Jin Bao Cheng Project contains two parcels of land located on 中國廣東省汕尾市區汕尾大道 (Shanwei Main Road, Shanwei City, Guangdong Province, the PRC*), with a total site area of approximately 50,656 sq.m. and three 12-storey close to completion residential blocks erected thereon, among which, (a) one parcel of land is located on at the vicinity of 汕尾大道香洲頭地段西側與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Xiangzhou Section and Honghai Main Road*), and (b) one parcel of land is located on at the vicinity of 汕尾大道荷包嶺段西側實力汽車修配廠後面與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Hebaoling Section, behind the Shili Car Repair Factory and Honghai Main Road*).

It is the Board's current intention to develop Jin Bao Cheng Project into a residential and commercial complex. Pre-sales of phase 1 and phase 2 of the residential portion of Jin Bao Cheng Project was commenced last year. As at 30 June 2019, a total deposit of approximately RMB61.65 million (equivalent to approximately HK\$70.08 million) was received from the pre-sales of the residential portion of Jin Bao Cheng Project.

The Group has entered into an operating service agreement (among others) with Starwood Asia Pacific Hotels & Resorts Pte. Ltd. in relation to the development and operation of a five star hotel in Jin Bao Cheng project. The major construction of the hotel was completed by the end of 2017 and the estimated opening date is early 2020.

(2) Hong Hai Bay Project

Hong Hai Bay Project contains four parcels of land located at the vicinity of the junction of No. S241 Province Road and No. X141 County Road Shanwei City, Guangdong Province, the PRC with a total site area of approximately 273,534.2 sq.m., among which, (a) one parcel of land is located on 遮浪南澳旅遊區「湖仔山」東側 (the east of Wuzishan, Zhelang Nanao Tourist Area*), (b) one parcel of land is located on 遮浪街道宮前南澳路東 (Gongqian Nanao Road East, Zhelangjiedao*); and (c) two parcels of land are located on 遮浪街道南澳旅遊區灣灘坑 (Wantankeng, Zhelangjiedao Nanao Tourist Area*).

It is the Board's current intention to develop Hong Hai Bay Project into a tourist and entertainment complex with residential development with a total gross floor area of approximately 720,000 sq.m.. Development of Hong Hai Bay Project is expected to be completed by the end of 2019 by stage.

The Heqing Project

On 16 December 2013, the Company and its wholly owned subsidiary, Great China Properties (Shanghai) Limited, entered into a cooperation agreement with Greenland Hong Kong Holdings Limited ("Greenland HK") and its subsidiaries, pursuant to which the parties to the cooperation agreement conditionally agree to jointly develop the two parcels of land located in Shanghai, the PRC (the "Land"), among which (a) one parcel of land with boundaries East to land with Lot No. 13-02, West to Qingli Road, South to land with Lot No.13-02, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC* (上海浦東新區合慶鎮·四至範圍東至13-02地塊·西至上海市慶利路·南至13-02地塊·北至上海市環慶南路); and (b) one parcel of land with boundaries East to land with Lot No. 14-03, West to Lingyang Road, South to land with Lot No. 14-03, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC* (上海浦東新區合慶鎮·四至範圍東至14-03地塊·西至上海市凌楊路·南至14-03地塊·北至上海市環慶南路). The Land is intended to be used for commercial and office purposes.

On 10 January 2014, all the conditions precedent under the cooperation agreement had been satisfied and completion took place on the same date. Upon completion, each of the Company and Greenland HK holds a 50% stake in the project. The investment has been accounted for as interest in an associate using the equity method from the date of completion. Details please refer to the announcement of the Company dated 16 December 2013 and the circular of the Company dated 30 January 2014.

* For identification purposes only

Completion of placing under general mandate

On 19 July 2019 and 22 July 2019, the placing agent and the Company entered into the placing agreement and the placing supplemental agreement, respectively, pursuant to which the placing agent has conditionally agreed, as agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 662,539,000 placing shares at the placing price of HK\$0.122 per placing share (the “Placing”).

The completion of the Placing took place on 12 August 2019. An aggregate of 662,535,000 placing shares, representing approximately 16.67% of the total number of issued shares immediately after the completion of the Placing, have been successfully placed through the placing agent to not less than six placees at the placing price of HK\$0.122 per placing share.

The gross proceeds and net proceeds from the Placing are approximately HK\$80.83 million and approximately HK\$77.59 million, respectively. The Company intends to apply the net proceeds (i) to expand its securities advisory and asset management business; (ii) as the general working capital; (iii) for any possible business development and investment of the Group when appropriate opportunities arise; and (iv) for settlement of shareholders’ loan.

BUSINESS OUTLOOK

With the moderate recovery of the macro economy, increasing urbanization and growing per capita wealth of Chinese citizens, demand on mid- to high-end commercial and tourism property development is likely to be driven up. The Group’s business and future strategy will continue to be focusing on mid- to high-end commercial and tourism property development and investment. Riding on its solid foundation of existing projects, the Group remains on the lookout for high quality and cost effective investment opportunities to enhance investment returns, as well as to gradually diversify its income source.

Continuing Connected Transaction – Property Leasing Agreement

On 28 April 2017, (i) Waytung China and GCI entered into the 2017 Property Leasing Agreement I; (ii) 大中華實業(惠州)有限公司 (Great China Enterprises (Huizhou) Limited*) (“Great China (Huizhou)”) and GCI entered into the 2017 Property Leasing Agreement II; and (iii) 汕尾市大中華實業有限公司 (Shanwei Great China Enterprises Limited*) (“Great China (Shanwei)”) and GCI entered into the 2017 Property Leasing Agreement III. Each of Great China (Huizhou) and Great China (Shanwei) is a wholly-owned subsidiary of the Company. According to the 2017 Property Leasing Agreements, (i) Waytung China shall pay a monthly rental of RMB68,000 and a monthly management fee, air-conditioning and maintenance fees of RMB12,260; (ii) Great China (Huizhou) shall pay a monthly rental of RMB85,000 and a monthly management fee, air-conditioning and maintenance fees of RMB15,325; and (iii) Great China (Shanwei) shall pay a monthly rental of RMB51,000 and a monthly management fee, air-conditioning and maintenance fees of RMB9,195. The 2017 Property Leasing Agreements expired on 27 April 2019. Please refer to the announcement of the Company dated 28 April 2017 for details of the transactions.



LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, bank balances and cash of the Group amounted to approximately HK\$11.01 million (31 December 2018: HK\$12.80 million). The Group's total current assets as at 30 June 2019 amounted to approximately HK\$766.24 million, which comprised properties held for sale, trade receivables, prepayments, deposits and other receivables, equity investments at FVPL, and cash and bank balances. The Group's total current liabilities as at 30 June 2019 amounted to approximately HK\$1,070.88 million, which comprised trade payables, other payables and accruals, amounts due to related companies, amounts due to substantial shareholders, current portion of obligations under finance leases and lease liabilities.

As at 30 June 2019, the Group's gearing ratio, defined as lease liabilities divided by total equity, was 0.32% (31 December 2018: defined as total obligation under finance leases divided by total equity was 0.06%).

CAPITAL COMMITMENT

As at 30 June 2019, the Group had a total capital commitment of approximately HK\$588.35 million, contracted for but not provided for in the financial statements, which comprised (i) approximately HK\$371.24 million in respect of the construction and development of properties and (ii) approximately HK\$217.11 million in respect of the loan contributions payable to an associate.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group has given guarantees of approximately HK\$262,000 (31 December 2018: HK\$3,050,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date of loans being granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

CHARGES ON ASSETS

As at 30 June 2019, The Group had charged the net book value of motor vehicles approximately HK\$0.56 million as a security for finance leases (31 December 2018: HK\$0.81 million).

EMPLOYEES

As at 30 June 2019, the Group employed 115 employees (excluding directors) (31 December 2018: 114 employees) and the related staff costs amounted to approximately HK\$11.59 million (31 December 2018: approximately HK\$18.70 million). Staff remuneration packages, which are reviewed annually, include salary/wage and other benefits, such as medical insurance coverage, provident fund and share options.

SHARE OPTION SCHEME

The Company adopts a share option scheme on 23 May 2011 (the “2011 Share Option Scheme”). Particulars of share options outstanding under the 2011 Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2019 and share options granted, exercised, lapsed or cancelled under the 2011 Share Option Scheme during such period are as follows:

Participants	Date of grant	Exercise period of share option	Exercise price of share options HK\$	Number of share options held as at 1 January 2019	Granted during the six months ended 30 June 2019	Exercised during the six months ended 30 June 2019	Lapsed/ cancelled during the six months ended 30 June 2019	Number of share options held as at 30 June 2019
Directors								
Mr. Huang Shih Tsai	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Ms. Huang Wenxi	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Cheng Hong Kei	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Leung Kwan, Hermann	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Lum Pak Sum	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Sub-total				5,000,000	-	-	-	5,000,000
Employees	23/1/2013	23/1/2015 to 22/1/2023	0.440	500,000	-	-	-	500,000
Total				5,500,000	-	-	-	5,500,000

As at 30 June 2019, the Company had 5,500,000 share options outstanding under the 2011 Share Option Scheme.

DISCLOSURE OF INTERESTS

(a) Director's Interest and Short Positions in the securities of the Company and its associated corporations

As at 30 June 2019, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity in which interests are held	Number of shares/underlying shares interested			Total	Approximate percentage of the issued share capital of the Company (Note 1)
		Personal interests	Corporate interests	Underlying interests		
Mr. Huang Shih Tsai (Note 2)	Beneficial Owner	1,848,162,476	-	1,000,000	1,849,162,476	55.82%
Ms. Huang Wenxi (Note 3)	Beneficial Owner	353,667,996	282,133,413	1,000,000	636,801,409	19.22%
Mr. Cheng Hong Kei (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%
Mr. Leung Kwan, Hermann (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%
Mr. Lum Pak Sum (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%

Notes:

- The percentage shareholding in the Company is calculated on the basis of 3,312,698,406 Shares in issue as at 30 June 2019.
- The interest disclosed represents (i) Mr. Huang's personal interest in 1,848,162,476 shares; and (ii) 1,000,000 unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.
- The interest disclosed represents (i) Ms. Huang's personal interest in 353,667,996 shares; (ii) 282,133,413 shares held by Brilliant China Group Limited which is 100% owned by Ms. Huang; and (iii) 1,000,000 unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.
- The relevant interests are unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.

Save as disclosed above, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2019, so far as is known to any Director or chief executive of the Company, the following person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long positions in the shares of the Company

Name of Shareholders	Type of interests	Total number of shares held	Approximate percentage holding of total issued shares%
Brilliant China Group Limited	Corporate (Note 2)	282,133,413	8.52

Notes:

- The percentage shareholding in the Company is calculated on the basis of 3,312,698,406 Shares in issue as at 30 June 2019.
- Brilliant China Group Limited (“Brilliant China”) is a company 100% owned by Ms. Huang Wenxi. By virtue of the SFO, Ms. Huang is deemed to be interested in 282,133,413 Shares held by Brilliant China. Ms. Huang is the sole director of Brilliant China.

Save as disclosed above, as at 30 June 2019, the Company has not been notified of any other person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2019.

CORPORATE GOVERNANCE

The Company has adopted and complied generally with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of listed companies (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2019.

CHANGE OF DIRECTORS AND SENIOR MANAGEMENT

There is no change in the composition of the board of directors nor the senior management of the Company for the six months ended 30 June 2019.

AUDIT COMMITTEE

Pursuant to the requirements of the Corporate Governance Code and the Listing Rules, the Company has established an audit committee (the "Audit Committee") comprising all three Independent Non-executive Directors, namely Mr. Cheng Hong Kei (Chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2019.

By order of the board of directors
Great China Properties Holdings Limited
Huang Shih Tsai
Chairman

Hong Kong, 30 August 2019

As at the date of this report, the directors of the Company are as follows:

Executive Directors

Mr. Huang Shih Tsai (*Chairman*)
Ms. Huang Wenxi (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Cheng Hong Kei
Mr. Leung Kwan, Hermann
Mr. Lum Pak Sum