



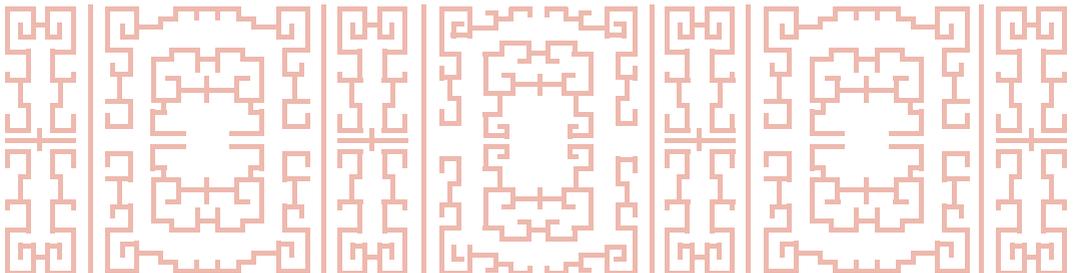
百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168

2015 INTERIM REPORT



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Tang Yui Man Francis (*Chairman*)
Xiang Ya Bo (*Chief Executive Officer*)
Chen Wei

Non-executive Directors

Ou Yaping
Law Sze Lai

Independent Non-executive Directors

Tian Jin
Xiang Bing
Xin Luo Lin

AUTHORISED REPRESENTATIVES

Tang Yui Man Francis
Xiang Ya Bo

COMPANY SECRETARY

Lo Tai On

AUDIT COMMITTEE

Tian Jin
Xiang Bing
Xin Luo Lin (*Chairman*)

NOMINATION COMMITTEE

Tang Yui Man Francis
Tian Jin (*Chairman*)
Xiang Bing
Xin Luo Lin

REMUNERATION COMMITTEE

Tang Yui Man Francis
Xiang Bing
Xin Luo Lin (*Chairman*)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28th Floor, Infinitus Plaza
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Hong Kong
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Stock Code : 1168
Website : <http://www.sinolinkhk.com>

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HONG KONG BRANCH SHARE TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712 – 1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISORS

(As to Hong Kong Law)
Cleary Gottlieb Steen & Hamilton (Hong Kong)
Deacons
Norton Rose Fulbright Hong Kong
Peter C. Wong, Chow & Chow in association
with Guantao Law Firm (Hong Kong)
Tsang, Chan & Wong
Woo, Kwan, Lee & Lo

(As to Bermuda Law)
Conyers Dill & Pearman

PRINCIPAL BANKERS

Bank of China
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China
Ping An Bank
Shanghai Pudong Development Bank

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FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

- Turnover up 15% to HK\$164.6 million
- Gross Profit down 22% to HK\$69.7 million
- Profit attributable to owners of the Company down 36% to HK\$14.7 million
- Basic Earnings Per Share down 35% to HK0.42 cents

MANAGEMENT DISCUSSION AND ANALYSIS

The PRC's gross domestic product (GDP) expanded 7.0% year-on-year in the first half of 2015, 0.4 percentage points less than last year. Second quarter GDP grew by 7.0% over a year ago, or 1.7% over the previous quarter, in line with market expectations. Although first-half growth was markedly slower than the last year, the second quarter saw a trend of stabilization emerging with some economic indicators showing signs of improvement in June for the year. It is likely the economy would see better growth in the second half than the first.

For the first six months of 2015, total investment in real estate development amounted to RMB4,395.5 billion in PRC, an increase of 4.6% year-on-year, and 0.5 percentage points lower than the first five months. Of the amount, investment in residential buildings was RMB2,950.6 billion, up 2.8% and 0.1 percentage points lower correspondingly, accounting for 67.1% of total investment in real estate development.

Putting the year-on-year figures of total real estate development investment figures into perspective, it revealed a continued decline in investment growth which, albeit narrowing in extent, has yet to bottom out. Whilst favourable policies to stabilize housing consumption have been rolled out in the first half, the market was mainly engrossed in de-inventory and digestion rather than investment. We believe this is a positive, self-adjustment process of the market. In the second half, real estate development investment is likely to hit bottom and gradually recover, driven by a rebound in property markets in the first and second-tier cities. However, such rebound is not expected to be ferocious.

For the six months ended 30 June 2015, the Group's turnover amounted to HK\$164.6 million, an increase of 15% over the same period last year. Gross profit dropped by 22% to HK\$69.7 million. Profit attributable to owners of the Company amounted to HK\$14.7 million, a decrease of 36%. Basic earnings per share dropped similarly by 35% to HK0.42 cents.

PROPERTY RENTAL

For the six months ended 30 June 2015, total rental income amounted to HK\$79.4 million, an increase of 21% over the same period last year.

The rental income was mainly contributed by the commercial complexes of The Vi City, Sinolink Garden Phase One to Four and *Sinolink Tower*.

MANAGEMENT DISCUSSION AND ANALYSIS

Sinolink Tower

Located in Luowu district in Shenzhen, *Sinolink Tower*, the hotel and office complex of Sinolink Garden Phase Five, has a total gross floor area (“GFA”) of 50,000 square meters, of which hotel space occupies 30,000 square meters and office space occupies 20,000 square meters.

As at 30 June 2015, occupancy rate of the *Sinolink Tower* office building was 85%. Tenants are mainly engaged in jewelry, investment and real estate business.

O Hotel, the Group’s first personalised hotel, has 189 rooms and suites, as well as a stylish restaurant, a specialty coffee shop, and premium fitness club facilities. The hotel commenced trial operation in the fourth quarter of 2014, the market in nurturing among, and the business conditions is gradually improved.

PROPERTIES UNDER DEVELOPMENT

As at 30 June 2015, the Group has the following properties under development:

1. *Rockbund*

Located on the Bund in Shanghai, *Rockbund* is an integrated property project jointly developed by the Group and The Rockefeller Group International, Inc. The project has a total site area of 18,000 square meters with a GFA of 94,080 square meters comprising preserved heritage buildings and new structures. The Group intends to redevelop this historical site and structures into an upscale mixed-use neighborhood, with residential, commercial, retail, food and beverages, offices and cultural facilities. The preserved heritage buildings have commenced operation with leasing in progress. Capital works of the new structures have been finished and the whole project is expected to be completed in 2017.

2. *Ningguo Mansions*

Located at Changning District in Shanghai, *Ningguo Mansions* is a residential development under construction. The project, a 13,599.6 square meter site with a plot ratio of 1.0, will be developed into 11 court houses, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of the project. Situated in one of the most accessible and low-density luxury living districts in Shanghai, *Ningguo Mansions* is approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

The project is proceeding with deluxe decoration of the garden area, façade renovation and other facility installation works, which are expected to be completed in the second half of 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR ASSOCIATE

The Group recorded a share of loss of an associate, Rockefeller Group Asia Pacific, Inc., at an amount of HK\$50.3 million for the six months ended 30 June 2015, an increase of 9% compared with the same period last year, due to change in the fair value of investment properties held by the associate.

OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management. For the six months ended 30 June 2015, the Group recorded revenue of HK\$85.2 million from other businesses, an increase of 11% compared with the same period last year.

PROSPECTS

Looking forward, the PRC's economy is expected to continue its steady improvement in the second half of 2015 on the heels of the first. Judging from the fundamentals, the economy still carries ample power and potential to sustain medium to high-speed growth. The unfinished urbanization and industrialization is in acceleration, which along with the upgrade of information technology as represented by "internet plus", will continue to give new growth impetus. The efficacy of the newly released policies and measures in the first half will be further displayed in the days to come. In particular, the marked recovery of the real estate industry in the second quarter, as illustrated by significant growth in recent months in real estate investment, marketing and new construction, as the impact of real estate is relatively larger, which will play a boosting role, given a stabilized real estate industry drives the related business positively. The related benefits from innovation is set to be released.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's bank borrowings decreased from HK\$239.5 million as at 31 December 2014 to HK\$219.5 million as at 30 June 2015. Gearing ratio as at 30 June 2014, calculated on the basis of bank borrowings over shareholders' equity, was 2.9% compared to 3.2% as at 31 December 2014. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing bank loans had a carrying value of HK\$1,449.3 million as at 30 June 2015. The bank borrowings of the Group are denominated in RMB. As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments have been used for hedging purpose; however, the Board will continue to evaluate and closely monitor the potential impact of RMB and interest rates movements on the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's cash and cash equivalents amounted to HK\$2,992.4 million (including pledged bank deposits) as at 30 June 2015 and were mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 30 June 2015, the Group had capital commitments in respect of properties under development amounting to HK\$109.0 million.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK\$47.4 million.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2015, the aggregate amount of financial assistance to associated companies by the Group in aggregate exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Rules Governing the Listing of Securities (the "Listing Rules"), a proforma combined statement of financial position of the associated companies as at 30 June 2015 is presented as follows:

	<i>HK\$'000</i>
Non-current assets	5,228,894
Current assets	1,147,708
Current liabilities	(572,161)
Non-current liabilities	(6,346,154)
	<hr/>
Net liabilities	(541,713)
	<hr/> <hr/>

The Group's attributable interest in the associated companies as at 30 June 2015 comprised net liabilities of HK\$338,789,000.

The proforma combined statement of financial position of the associated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as 30 June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2015 (2014: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group employed approximately 907 full time employees for its principal activities. The Group recognizes the importance of high caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Group.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the six months ended 30 June 2015.

CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the six months ended 30 June 2015, all Directors have complied with the required standard set out in the Model Code.

MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The Company has an audit committee (“Audit Committee”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises three Independent Non-executive Directors. The members of the Audit Committee are Mr. Xin Luo Lin, Dr. Xiang Bing and Mr. Tian Jin. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditor to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2015 had not been audited, but had been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu and the Audit Committee. The Audit Committee also reviewed this interim report.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board
SINOLINK WORLDWIDE HOLDINGS LIMITED
TANG Yui Man Francis
Chairman

Hong Kong, 6 August 2015

OTHER INFORMATION

DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares of the Company

Name of Directors	Capacity	Interest in shares			Total interest in shares	Interest in underlying shares pursuant to share options	Aggregate interest	Approximate percentage of the issued share capital of the Company as at 30.6.2015
		Personal interest	Corporate interest	Family interest				
Chen Wei	Beneficial owner	13,500,000	-	-	13,500,000	3,000,000	16,500,000	0.46%
Law Sze Lai	Beneficial owner	9,005,500	-	-	9,005,500	-	9,005,500	0.25%
Ou Yaping	Joint interest and interest of controlled corporation	-	1,590,283,250 (Note)	7,285,410	1,597,568,660	-	1,597,568,660	45.11%
Tang Yui Man Francis	Beneficial owner	21,375,000	-	-	21,375,000	35,000,000	56,375,000	1.59%
Tian Jin	Beneficial owner	-	-	-	-	2,000,000	2,000,000	0.05%
Xiang Ya Bo	Beneficial owner	-	-	-	-	35,000,000	35,000,000	0.98%
Xiang Bing	Beneficial owner	-	-	-	-	2,000,000	2,000,000	0.05%
Xin Luo Lin	Beneficial owner	-	-	-	-	2,000,000	2,000,000	0.05%

Note: These 1,590,283,250 shares of the Company are held by Asia Pacific Promotion Limited ("Asia Pacific"), a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Accordingly, Mr. Ou is deemed to be interested in the shares of the Company held by Asia Pacific under the SFO.

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executives of the Company had, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO.

OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Pursuant to the Company's share option scheme adopted in 2012, the Company has granted to certain Directors of the Company options to subscribe for the shares of the Company, details of which as at 30 June 2015 were as follows:

Name of Directors	Date of grant	Exercise period	Exercise price HK\$	Number of shares subject to outstanding options as at 1.1.2015	Granted during the period	Number of shares subject to outstanding options as at 30.6.2015	Percentage of the issued share capital of the Company as at 30.6.2015
Chen Wei	15.05.2015	15.11.2015-14.05.2025	1.37	–	1,500,000	1,500,000	0.04%
		15.05.2016-14.05.2025	1.37	–	1,500,000	1,500,000	0.04%
Tang Yui Man Francis	15.05.2015	15.11.2015-14.05.2025	1.37	–	17,500,000	17,500,000	0.49%
		15.05.2016-14.05.2025	1.37	–	17,500,000	17,500,000	0.49%
Tian Jin	15.05.2015	15.11.2015-14.05.2025	1.37	–	1,000,000	1,000,000	0.02%
		15.05.2016-14.05.2025	1.37	–	1,000,000	1,000,000	0.02%
Xiang Ya Bo	15.05.2015	15.11.2015-14.05.2025	1.37	–	17,500,000	17,500,000	0.49%
		15.05.2016-14.05.2025	1.37	–	17,500,000	17,500,000	0.49%
Xiang Bing	15.05.2015	15.11.2015-14.05.2025	1.37	–	1,000,000	1,000,000	0.02%
		15.05.2016-14.05.2025	1.37	–	1,000,000	1,000,000	0.02%
Xin Luo Lin	15.05.2015	15.11.2015-14.05.2025	1.37	–	1,000,000	1,000,000	0.02%
		15.05.2016-14.05.2025	1.37	–	1,000,000	1,000,000	0.02%

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. These options represent personal interest held by the Directors as beneficial owners.

Other than the share option scheme of the Company mentioned below, at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

OTHER INFORMATION

DISCLOSURE OF CHANGE OF DIRECTOR'S INFORMATION

Pursuant to rule 13.51B(1) of the Listing Rules, the changes and updated Director's information are as follows:

Mr. Xin Luo Lin was appointed as an independent non-executive director, member of audit committee, remuneration committee and nomination committee of ASR Logistics Holdings Limited on 23 April 2015 and ceased to be an independent non-executive director, the Chairman and member of each of audit committee, nomination committee and remuneration committee of China Environmental Technology Holdings Limited on 27 May 2015, both are listed public companies on the Stock Exchange.

Mr. Xin Luo Lin was re-designated as a non-executive director and resigned as a member of nomination committee and the Chairman and member of audit committee and remuneration committee of Enerchina Holdings Limited, a public company listed on the Stock Exchange, on 21 May 2015.

SHARE OPTION SCHEME OF THE COMPANY

A share option scheme was adopted by shareholders of the Company on 17 May 2012 (the "2012 Share Option Scheme"), under which the Board may, at its discretion, offer any employees of the Group or any directors of the Company or any of its subsidiaries options to subscribe for shares of the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years from the date of its adoption. Movement of options granted under the 2012 Share Option Scheme were set out below.

Details of specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price HK\$
2015A	15.05.2015	15.11.2015-14.05.2025	1.37
	15.05.2015	15.05.2016-14.05.2025	1.37
2015B	15.05.2015	15.11.2015-14.05.2025	1.37
	15.05.2015	15.05.2016-14.05.2025	1.37
	15.05.2015	15.11.2016-14.05.2025	1.37

OTHER INFORMATION

The following table discloses movements in the Company's share options granted under the 2012 Share Option Scheme during the period:

	Option types	Outstanding at 1.1.2015	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30.6.2015
<i>Category 1: Directors</i>						
Chen Wei	2015A Option	-	3,000,000	-	-	3,000,000
Tang Yui Man Francis	2015A Option	-	35,000,000	-	-	35,000,000
Tian Jin	2015A Option	-	2,000,000	-	-	2,000,000
Xiang Ya Bo	2015A Option	-	35,000,000	-	-	35,000,000
Xiang Bing	2015A Option	-	2,000,000	-	-	2,000,000
Xin Luo Lin	2015A Option	-	2,000,000	-	-	2,000,000
Total for directors		-	79,000,000	-	-	79,000,000
<i>Category 2: Employees</i>						
	2015B Option	-	40,000,000	-	-	40,000,000
Total for employees		-	40,000,000	-	-	40,000,000
All categories		-	119,000,000	-	-	119,000,000

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. During the period, no options were exercised, lapsed or cancelled under the 2012 Share Option Scheme.
3. During the period, 119,000,000 options were granted under the 2012 Share Option Scheme.
4. The closing price of the share immediately before the date on which the options being granted was HK\$1.19.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

At 30 June 2015, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholder(s) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions and short positions in shares of the Company

Name of shareholder	Capacity/ Nature of interest	Interest in shares	Approximate percentage of the issued share capital of the Company at 30.6.2015
Asia Pacific	Beneficial owner/ Beneficial interest	1,590,283,250 (Long) (Note)	44.90%

Note: Asia Pacific, a company incorporated in the British Virgin Islands, is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Mr. Ou's interests in shares of the Company had been disclosed under the section headed "Directors' Interests or Short Positions in Shares and Underlying Shares" above.

Save as disclosed above, as at 30 June 2015, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

To The Board of Directors of Sinolink Worldwide Holdings Limited

Introduction

We have reviewed the condensed consolidated financial statements of Sinolink Worldwide Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 15 to 40, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing 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 these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
6 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	NOTES	Six months ended	
		30.6.2015 <i>HK\$'000</i> (unaudited)	30.6.2014 <i>HK\$'000</i> (unaudited)
Turnover	3	164,604	142,670
Cost of sales		(94,857)	(53,656)
Gross profit		69,747	89,014
Other income	4	72,485	95,238
Selling expenses		(1,536)	(1,427)
Administrative expenses		(70,921)	(62,898)
Increase in fair value of investment properties	11	33,417	15,152
Fair value gain on investments held for trading		96,197	362
Impairment loss on loan receivable	13	(79,000)	–
Share of results of associates		(50,339)	(46,232)
Finance costs	5	(6,959)	(8,427)
Profit before taxation		63,091	80,782
Taxation	6	(30,973)	(38,095)
Profit for the period	7	32,118	42,687
Attributable to:			
Owners of the Company		14,748	22,896
Non-controlling interests		17,370	19,791
		32,118	42,687
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	9		
Basic		0.42	0.65
Diluted		0.42	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 <i>HK\$'000</i> (unaudited)
Profit for the period	<u>32,118</u>	<u>42,687</u>
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation	86	(52,528)
Share of translation reserve of associates	<u>(293)</u>	<u>(638)</u>
Other comprehensive expense for the period	<u>(207)</u>	<u>(53,166)</u>
Total comprehensive income (expense) for the period	<u>31,911</u>	<u>(10,479)</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	14,509	(20,854)
Non-controlling interests	<u>17,402</u>	<u>10,375</u>
	<u>31,911</u>	<u>(10,479)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	579,138	604,828
Prepaid lease payments		69,619	70,300
Investment properties	11	2,675,245	2,633,168
Amounts due from associates	12	131,921	124,971
Interests in associates		–	–
Available-for-sale investments		147,045	143,575
Other receivables	6	122,649	96,649
Loan receivable	13	1,833,778	1,963,410
Deposit paid for purchase of property, plant and equipment		19,995	–
		<u>5,579,390</u>	<u>5,636,901</u>
Current assets			
Stock of properties	14	859,958	824,172
Trade and other receivables, deposits and prepayments	15	179,936	188,904
Entrusted loans receivable		310	40,600
Prepaid lease payments		1,362	1,362
Investments held for trading	16	978,776	218,940
Pledged bank deposits	22	662	661
Bank balances and cash		2,991,752	3,721,364
		<u>5,012,756</u>	<u>4,996,003</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
Current liabilities			
Trade and other payables, deposits received and accrued charges	17	566,105	573,293
Taxation payable		726,930	800,952
Borrowings – due within one year		40,067	40,067
		<u>1,333,102</u>	<u>1,414,312</u>
Net current assets		<u>3,679,654</u>	<u>3,581,691</u>
Total assets less current liabilities		<u>9,259,044</u>	<u>9,218,592</u>
Non-current liabilities			
Borrowings – due after one year		179,408	199,442
Deferred taxation		374,051	360,657
		<u>553,459</u>	<u>560,099</u>
Net assets		<u>8,705,585</u>	<u>8,658,493</u>
Capital and reserves			
Share capital	18	354,111	354,111
Reserves		7,234,298	7,204,608
Equity attributable to owners of the Company		7,588,409	7,558,719
Non-controlling interests		1,117,176	1,099,774
Total Equity		<u>8,705,585</u>	<u>8,658,493</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Attributable to owners of the Company									
	Share capital	Share premium	Translation reserve	General reserves	Contributed surplus	Share option reserve	Retained earnings	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2015 (audited)	354,111	1,824,979	893,278	175,457	367,782	-	3,943,112	7,558,719	1,099,774	8,658,493
Profit for the period	-	-	-	-	-	-	14,748	14,748	17,370	32,118
Exchange differences arising on translation	-	-	54	-	-	-	-	54	32	86
Share of translation reserve of associates	-	-	(293)	-	-	-	-	(293)	-	(293)
Total comprehensive (expense) income for the period	-	-	(239)	-	-	-	14,748	14,509	17,402	31,911
Transfers	-	-	-	7,106	-	-	(7,106)	-	-	-
Recognition of equity settled share-based payments	-	-	-	-	-	15,181	-	15,181	-	15,181
At 30 June 2015 (unaudited)	<u>354,111</u>	<u>1,824,979</u>	<u>893,039</u>	<u>182,563</u>	<u>367,782</u>	<u>15,181</u>	<u>3,950,754</u>	<u>7,588,409</u>	<u>1,117,176</u>	<u>8,705,585</u>
At 1 January 2014 (audited)	354,111	1,824,979	916,298	148,846	367,782	-	3,941,978	7,553,994	1,069,347	8,623,341
Profit for the period	-	-	-	-	-	-	22,896	22,896	19,791	42,687
Exchange differences arising on translation	-	-	(43,112)	-	-	-	-	(43,112)	(9,416)	(52,528)
Share of translation reserve of associates	-	-	(638)	-	-	-	-	(638)	-	(638)
Total comprehensive (expense) income for the period	-	-	(43,750)	-	-	-	22,896	(20,854)	10,375	(10,479)
Transfers	-	-	-	25,679	-	-	(25,679)	-	-	-
At 30 June 2014 (unaudited)	<u>354,111</u>	<u>1,824,979</u>	<u>872,548</u>	<u>174,525</u>	<u>367,782</u>	<u>-</u>	<u>3,939,195</u>	<u>7,533,140</u>	<u>1,079,722</u>	<u>8,612,862</u>

Note: The general reserves represent the enterprise expansion fund and general reserve fund set aside by certain subsidiaries in accordance with the relevant laws and regulations of the PRC, which are not available for distribution.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended	
	30.6.2015 <i>HK\$'000</i> (unaudited)	30.6.2014 <i>HK\$'000</i> (unaudited)
Net cash used in operating activities		
Operating cash flows before movements in working capital	50,939	58,648
(Increase) decrease in investment held for trading	(663,639)	38
Other movements in working capital	(49,365)	(69,565)
	<hr/>	<hr/>
Cash used in operations	(662,065)	(10,879)
Taxation paid	(91,516)	(256,740)
Purchase of tax reserve certificate	(26,000)	(64,649)
	<hr/>	<hr/>
	(779,581)	(332,268)
Net cash from investing activities		
Interest received	69,671	53,201
Dividend received	1,721	–
Purchase of property, plant and equipment	(10,911)	(15,770)
Placement of deposit for purchase of property, plant and equipment	(19,995)	–
Advance of entrusted loans	–	(92,466)
Receipts of investment in entrusted loans	40,188	–
Purchase of available-for-sale investment	(3,470)	–
Refund of advance for investment projects and related interest	–	102,285
Other investing cash flows	(6,950)	(8,163)
	<hr/>	<hr/>
	70,254	39,087
Cash used in financing activities		
Repayment of borrowings	(19,983)	(19,514)
Interest paid	(6,959)	(8,427)
	<hr/>	<hr/>
	(26,942)	(27,941)
Net decrease in cash and cash equivalents	(736,269)	(321,122)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	NOTE	Six months ended	
		30.6.2015 <i>HK\$'000</i> (unaudited)	30.6.2014 <i>HK\$'000</i> (unaudited)
Cash and cash equivalents at beginning of the period		3,856,012	4,161,225
Effect of foreign exchange rate changes		(125)	(29,346)
Cash and cash equivalents at end of the period representing,			
– bank balances and cash		2,991,752	3,801,494
– deposits in brokers' house	15	127,866	9,263
		<u>3,119,618</u>	<u>3,810,757</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are property development, property management and property investment.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The Group has not early applied the amendments to Appendix 16 issued by the Stock Exchange in early 2015.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at their fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. TURNOVER AND SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by reportable and operating segments:

Segment information

Six months ended 30 June 2015

	Property development HK\$'000	Property investment HK\$'000	Property management HK\$'000	Total for reportable segments HK\$'000	Others HK\$'000	Consolidated HK\$'000
TURNOVER						
External sales	<u>-</u>	<u>79,419</u>	<u>62,797</u>	<u>142,216</u>	<u>22,388</u>	<u>164,604</u>
RESULT						
Segment result	<u>(1,396)</u>	<u>87,963</u>	<u>9,376</u>	<u>95,943</u>	<u>(25,575)</u>	<u>70,368</u>
Other income						72,485
Unallocated corporate expenses						(39,661)
Fair value gain on investments held for trading						96,197
Impairment loss on loan receivable						(79,000)
Share of results of associates						(50,339)
Finance costs						(6,959)
Profit before taxation						<u>63,091</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. TURNOVER AND SEGMENT INFORMATION (Cont'd)

Six months ended 30 June 2014

	Property development HK\$'000	Property investment HK\$'000	Property management HK\$'000	Total for reportable segments HK\$'000	Others HK\$'000	Consolidated HK\$'000
TURNOVER						
External sales	-	65,881	59,512	125,393	17,277	142,670
RESULT						
Segment result	(13,478)	67,253	8,637	62,412	8,364	70,776
Other income						95,238
Unallocated corporate expenses						(30,935)
Fair value gain on investments held for trading						362
Share of results of associates						(46,232)
Finance costs						(8,427)
Profit before taxation						80,782

Inter-segment sales are charged at prevailing market prices.

Segment result represents the profit earned by each segment without allocation of other income, unallocated corporate expenses, impairment loss on loan receivable, share of results of associates, fair value gain on investments held for trading and finance costs. This is the measure reported to the executive directors, the Group's chief operating decision maker, for performance assessment and resource allocation.

No analysis of the Group's assets and liabilities by reportable segments is disclosed as it is not regularly provided to the executive directors for review.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. OTHER INCOME

Other income comprises:

	Six months ended	
	30.6.2015 HK\$'000	30.6.2014 HK\$'000
Dividends from listed securities	1,721	98
Gain on disposal of property, plant and equipment, net	205	10
Interest income on bank deposits	65,672	65,322
Interest income from independent third party	–	25,949
Interest income on listed senior notes classified as investment held for trading	116	1,757
Interest income on entrusted loans receivable	3,612	636
Others	1,159	1,466
	<u>72,485</u>	<u>95,238</u>

5. FINANCE COSTS

	Six months ended	
	30.6.2015 HK\$'000	30.6.2014 HK\$'000
Interest on bank borrowings		
– wholly repayable within five years	4,549	4,440
– not wholly repayable within five years	2,410	3,987
	<u>6,959</u>	<u>8,427</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. TAXATION

	Six months ended	
	30.6.2015	30.6.2014
	HK\$'000	HK\$'000
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	17,562	29,257
Deferred taxation	13,411	8,838
	<u>30,973</u>	<u>38,095</u>

No provision for Hong Kong Profits Tax had been made in the condensed consolidated financial statements as the amount involved was insignificant.

Taxation for subsidiaries of the Group, which were established and principally operated in the Shenzhen Special Economic Zone, is calculated at the rate of 25% (six months ended 30 June 2014: 25%) of their assessable profits for the six months ended 30 June 2015 according to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

In addition, PRC land appreciation tax ("LAT") shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development. The Shenzhen local tax bureau has echoed by promulgating Shenfubanhuan [2005] No. 93 and Shendishuifa [2005], whereby among others, LAT should be seriously implemented towards sales of properties where contracts were signed on or after 1 November 2005. The management of the Group considers that it has complied with the rules of the aforementioned circulars and other official tax circulars in Shenzhen and LAT for the Group has been accrued accordingly.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. TAXATION (Cont'd)

Deferred taxation charge for the period represents deferred tax arising from revaluation of investment properties and undistributed profits of subsidiaries. Deferred taxation on undistributed profits of subsidiaries has been recognised taking into account the dividends to be distributed from profits earned by the subsidiaries in the PRC starting from 1 January 2008 under the relevant tax rules and regulations of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders.

Since prior years, Hong Kong Inland Revenue Department (“IRD”) queried against a subsidiary of the Group regarding the chargeability of notional interest income received from an associate of the Group in the tax returns for the years of assessment 2005/06 to 2011/12. During the six months ended 30 June 2015, the IRD has issued estimated/additional assessments demanding final tax to the subsidiary of the Company for the year of assessment 2008/2009 (together with the previous assessments raised by the IRD, the “Assessments”). The Group acquired additional tax certificate of HK\$26,000,000 against the Assessments raised in the current interim period for the year of assessment 2008/2009. Up to 30 June 2015, the IRD has issued Assessments for the years of assessment 2006/2007, 2007/2008 and 2008/2009 and the Group has purchased tax reserve certificates of approximately HK\$99,000,000 (31 December 2014: HK\$73,000,000) for conditional standover order of objection against the notices of Assessments for the years of assessment 2006/2007, 2007/2008 and 2008/2009 and the amount is presented as “other receivables” in the Group’s condensed consolidated statement of financial position. Having taken advices from legal counsel and tax representatives, the directors of the Company are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Group for the relevant years of assessments and hence it is not probable that an outflow of resources will be required to settle this obligation and thus no provision is recognised.

Also, since prior years, IRD queried against another subsidiary of the Group regarding the offshore income on the transactions between group entities in the tax returns for the year of assessment 2007/2008. Up to 30 June 2015, the Group has purchased tax reserve certificate of approximately HK\$23,649,000 (31 December 2014: HK\$23,649,000) for conditional standover order of objection and the amount is presented as “other receivables” in the Group’s condensed consolidated statement of financial position. Having taken advices from tax representatives, the directors of the Company are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Group for the relevant year of assessment and hence it is not probable that an outflow of resources will be required to settle this obligation and thus no provision is recognised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2015	30.6.2014
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	36,696	5,102
Release of prepaid lease payments	679	731
Exchange loss	8,552	11,290
Share-based payments	15,181	–
	<u> </u>	<u> </u>

8. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the interim period (six months ended 30 June 2014: nil). The directors have determined that no dividend will be paid in respect of the current interim period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. EARNINGS PER SHARE

The calculation of the basic and diluted (2014: basic) earnings per share attributable to owners of the Company is based on the following data:

	Six months ended	
	30.6.2015	30.6.2014
	HK\$'000	HK\$'000
Earnings for the period attributable to owners of the Company for the purpose of basic and diluted (2014: basic) earnings per share	<u>14,748</u>	<u>22,896</u>
	Number of shares	
	30.6.2015	30.6.2014
Number of ordinary shares for the purpose of basic and diluted (2014: basic) earnings per share	<u>3,541,112,832</u>	<u>3,541,112,832</u>

The computation of diluted earnings per share for the six months ended 30 June 2015 did not assume the exercise of the Company's outstanding share options as the exercise price of each of those options was higher than the average market price of the Company's share for that period.

No diluted earnings per share for six months ended 30 June 2014 have been presented as there were no potential ordinary shares outstanding during that period.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of approximately HK\$10,911,000 (six months ended 30 June 2014: HK\$15,770,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. INVESTMENT PROPERTIES

HK\$'000

FAIR VALUE

At 1 January 2015	2,633,168
Construction costs incurred	8,577
Exchange realignment	83
Increase in fair value of investment properties	33,417
	<hr/>
At 30 June 2015	2,675,245
	<hr/> <hr/>
Unrealised gain on property revaluation included in profit or loss	33,417
	<hr/> <hr/>

The fair values of the investment properties as at 30 June 2015 and 31 December 2014 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group, and are the members of the Hong Kong Institute of Surveyors.

The fair value of investment properties was determined by making reference to comparable sales evidences as available in the relevant market, or where appropriate by the investment method by capitalizing the net income derived from the existing tenancies with allowance for the reversionary income potential of the properties.

There has been no change from the valuation technique used in the prior year.

12. AMOUNTS DUE FROM ASSOCIATES

The amounts are unsecured, interest-free and repayable on demand. The directors of the Company do not expect that the repayment will take place within twelve months from the end of the reporting period, and hence the amounts are classified as non-current assets. The directors of the Company have assessed the recoverability of the amounts due from the Group's associate, Rockefeller Group Asia Pacific, Inc. ("RGAP") together with the loan receivable from RGAP amounting to HK\$1,833,778 as at 30 June 2015 (31 December 2014: HK\$1,963,410). Please refer to note 13 for impairment assessment. In the opinion of the directors of the Company, it is still expected that the amount will be fully recoverable.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. LOAN RECEIVABLE

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Shareholder's loan receivable, less an accumulated impairment loss of HK\$217,120,000 (31 December 2014: HK\$138,120,000) recognised	2,172,567	2,251,567
Less: Share of loss and other comprehensive expenses of associate allocated in excess of cost of investment	<u>(338,789)</u>	<u>(288,157)</u>
	<u>1,833,778</u>	<u>1,963,410</u>

The amount represents a shareholder's loan receivable from RGAP for financing a property development and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment in RGAP. As the loan receivable is considered as a net investment, the Group has recognised its share of loss of RGAP in excess of the cost of investment against the loan receivable. The amount is carried at amortised cost based on the estimated future cash flows that are expected to be received by the Group as well as the estimated timing of such receipts. The loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

The directors of the Company assessed the recoverable amount of the loan receivable (including the interest receivable from the loan receivable) taking into consideration the present value of the estimated future cash flows discounted at its original effective interest rate. Due to the revision of the construction plan of the project (i.e. change in the design on the exterior windows on newly constructed buildings) during the current interim period, the construction period of the projects is estimated to be extended for a year and the project is expected to be completed in year 2017. Thus, the Group has revised its estimates as to when the shareholder's loan receivable and amount due from associates will be received. During the six months ended 30 June 2015, after netting off with the interest income recognised by the Group of HK\$150,620,000 (six months ended 30 June 2014: HK\$167,577,000), impairment loss of HK\$79,000,000 (six months ended 30 June 2014: nil) is recognised in the condensed consolidated profit or loss accordingly.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. LOAN RECEIVABLE (Cont'd)

The directors of the Company have reviewed the carrying amount of loan receivable of HK\$1,833,778,000 (31 December 2014: HK\$1,963,410,000) net of an impairment of HK\$217,120,000 (31 December 2014: HK\$138,120,000) and net of share of loss and other comprehensive expenses of associate allocated in excess of cost of investment of HK\$338,789,000 (31 December 2014: HK\$288,157,000) and amounts due from associates of HK\$131,921,000 (31 December 2014: HK\$124,971,000), and considered that these amounts are fully recoverable.

14. STOCK OF PROPERTIES

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Properties under development	859,958	824,172

As at 31 December 2014, properties under development of HK\$824,172,000 represent the carrying amount of the properties expected to be completed within one year from the end of the reporting period. As at 30 June 2015, properties under development of HK\$859,958,000 represent the carrying amount of the properties expected to be completed after one year from the end of the reporting period because during the six months ended 30 June 2015, the management of the Group restructured the construction plan in deluxe decoration, facade renovation and other facility installation works. The completion date of properties was thus expected to be delayed from second half year of 2015 to second half year of 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2015 <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Trade receivables	7,122	7,662
Interest receivables	8,250	10,215
Amount due from investee companies	6,414	6,414
Deposits in the brokers' houses (Note)	127,866	134,648
Other receivables, deposits and prepayments	30,284	29,965
	179,936	188,904

Note: Deposits in the brokers' houses are for security trading purposes, the deposits are interest-free, have no maturity date and there is no restriction on withdrawal of deposits.

The Group allows an average credit period ranging from 0 to 60 days to its customers. The following is an aged analysis of trade receivables presented based on the invoice dates at the end of reporting periods, which is approximated respective recognition dates:

	30.6.2015 <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Aged:		
0 to 60 days	5,844	7,236
61 to 180 days	682	256
Over 180 days	596	170
	7,122	7,662

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENTS HELD FOR TRADING

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Investments held for trading, at fair value:		
– Equity securities listed in Hong Kong	570,899	125,265
– Equity securities listed in the PRC	282,505	68,918
– Equity securities listed in the United States of America	125,372	–
– Senior notes listed overseas	–	24,757
	978,776	218,940

The fair value of the above listed equity securities and senior notes were determined based on the quoted market bid prices of the listed securities available on the relevant exchanges. The increase in carrying amount is mainly due to additional investments made in the current interim period.

17. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Trade payables	56,977	57,245
Other payables for construction work	290,419	293,092
Deposits and receipts in advance for rental and management fee	119,397	115,106
Payroll payables	11,314	19,724
Other tax payables	18,061	19,905
Salaries payables and staff welfare payables	37,872	37,886
Other payables and accrued charges	32,065	30,335
	566,105	573,293

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES (Cont'd)

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting periods:

	30.6.2015 HK\$'000	31.12.2014 <i>HK\$'000</i>
Aged:		
0 to 90 days	7,087	6,832
91 to 180 days	4,344	1,977
181 to 360 days	2,111	1,938
Over 360 days	43,435	46,498
	<u>56,977</u>	<u>57,245</u>

18. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2015 and 30 June 2015	<u>6,000,000,000</u>	<u>600,000</u>
Issued and fully paid:		
At 1 January 2015 and 30 June 2015	<u>3,541,112,832</u>	<u>354,111</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties during the period.

Name of related party	Nature of transaction	Six months ended	
		30.6.2015 HK\$'000	30.6.2014 HK\$'000
Associate:			
Shanghai Bund de Rockefeller Group Master Development Co., Ltd.	Project management fee income	13,098	13,098

During the current interim period, the emoluments of key management personnel were HK\$6,658,000 (six months ended 30 June 2014: HK\$7,580,000).

20. CONTINGENT LIABILITIES

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	47,408	48,539

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts at initial recognition were not significant and it is not probable that the counter parties would default on the relevant loans.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. COMMITMENTS

	30.6.2015 HK\$'000	31.12.2014 HK\$'000
Capital commitments in respect of properties under constructions for own use:		
– contracted for but not provided in the condensed consolidated financial statements	–	15,177
– authorised but not contracted for	–	27,848
Commitments in respect of properties under development for sale:		
– contracted for but not provided in the condensed consolidated financial statements	109,044	121,515

22. PLEDGE OF ASSETS

At 30 June 2015, bank deposits of HK\$662,000 (31 December 2014: HK\$661,000) and investment properties with an aggregate carrying amount of HK\$1,448,669,000 (31 December 2014: HK\$1,413,181,000) were pledged to banks to secure general banking facilities granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. SHARE-BASED PAYMENTS

A share option scheme was adopted by shareholders of the Company on 17 May 2012 (the “2012 Share Option Scheme”), under which the board of directors may, at its discretion, offer any employee (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years. On 15 May 2015, the Group granted 79,000,000 share options to the directors of the Company and 40,000,000 share options to the employees of the Group.

The table below discloses movement of the Company’s share options held by the directors and the employees:

	Number of share options
At 1 January 2014, 30 June 2014 and 1 January 2015	–
Granted during the period	119,000,000
	<hr/>
At 30 June 2015	119,000,000
	<hr/> <hr/>
Exercisable at the end of the reporting period	–
	<hr/> <hr/>

In relation to the options granted to directors of the Company during the period, 50% of the options will vest six months after the grant date and remaining 50% of the options will vest twelve months after the grant date. In relation to the options granted to employees during the period, 50% of the options will vest six months after the grant date, 25% of the options will vest twelve months after the grant date and remaining 25% of the options will vest eighteen months after the grant date. The share option is exercisable from the completion of vesting period to 14 May 2025 with exercise price of HK\$1.37.

The fair value of the options determined at the date of grant using the Binomial model was approximately HK\$82,535,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. SHARE-BASED PAYMENTS (Cont'd)

The following assumptions were used to calculate the fair values of share options:

	15 May 2015
Grant date share price	HK\$1.37
Exercise price	HK\$1.37
Expected life	10 years
Expected volatility (note a)	47.63%
Risk-free rate (note b)	1.723%
Dividend yield (note c)	0%

Notes:

- (a) Expected volatility is estimated by reference to the historical daily share price volatility of the Company over a historical period of 10 years.
- (b) Risk-free rate is determined by reference to the yield of 10-year Hong Kong government bonds.
- (c) Dividend yield is estimated by reference to the historical dividend yield of the Company.

During the six months ended 30 June 2015, total share-based payments of HK\$15,181,000 has been recognised in the profit or loss and recorded in administrative expense. The corresponding amount of HK\$15,181,000 has been credited to share option reserve.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key input(s)
	30.6.2015 HK\$'000	31.12.2014 HK\$'000		
Investment in listed equity securities held for trading	978,776	194,183	Level 1	Quoted bid prices in an active Market
Investment in senior notes listed overseas	-	24,757	Level 2	Recent transaction prices

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.