



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

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
股份代號 Stock Code: 0124



2015
Interim Report
中期報告

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Corporate Information

(As at 25 August 2015)

Board of Directors

Non-Executive Directors

HUANG Xiaofeng (*Chairman*)
HUANG Zhenhai
LUO Fanyu

Executive Directors

YE Xuquan (*Chief Executive Officer*)
ZHAO Chunxiao
LI Wai Keung

Independent Non-Executive Directors

Alan Howard SMITH *JP*
Felix FONG Wo *BBS, JP*
Vincent Marshall LEE Kwan Ho *Officer of the Order of the Crown (Belgium)*

Audit Committee

Vincent Marshall LEE Kwan Ho *Officer of the Order of the Crown (Belgium)*
(*Committee Chairman*)
Alan Howard SMITH *JP*
Felix FONG Wo *BBS, JP*

Remuneration Committee

Felix FONG Wo *BBS, JP* (*Committee Chairman*)
Alan Howard SMITH *JP*
Vincent Marshall LEE Kwan Ho *Officer of the Order of the Crown (Belgium)*

Nomination Committee

HUANG Xiaofeng (*Committee Chairman*)
Alan Howard SMITH *JP*
Felix FONG Wo *BBS, JP*
Vincent Marshall LEE Kwan Ho *Officer of the Order of the Crown (Belgium)*

Company Secretary

Vanessa WONG Kin Yan

Auditors

Ernst & Young

Website Address

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

Principal Bankers

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

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office & Principal Place of Business in Hong Kong

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

Principal Share Registrar

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

Branch Share Registrar in Hong Kong

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

Share Information

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

Highlights

	For the six months ended 30 June		Change
	2015 (Unaudited)	2014 (Unaudited)	
Revenue, in thousand HK\$	239	1,612	-85.2%
Net profit attributable to owners of the Company, in thousand HK\$	335,254	71,906	+366.2%
Basic earnings per share, in HK cent	19.6	4.2	+366.7%

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)	Change
	Current ratio	7.2 times	
Gearing ratio ¹	net cash	net cash	–
Total assets, in million HK\$	6,394	4,618	+38.5%
Book value per share ² , in HK\$	2.70	2.53	+6.7%
Period-end number of employees	238	182	+30.8%

Notes:

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

Report on Review of Interim Financial Information



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

Introduction

We have reviewed the interim financial information set out on pages 5 to 25 which comprises the condensed consolidated balance sheet of Guangdong Land Holdings Limited (the "Company") and its subsidiaries as at 30 June 2015 and the related condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

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

25 August 2015

Unaudited Condensed Consolidated Interim Financial Information

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015

	Notes	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
REVENUE	4	239	1,612
Other income and gains, net	4	146,062	125,640
Gain on bargain purchase	11	233,862	–
Selling and distribution expenses		(1,072)	–
Administrative expenses		(36,012)	(45,703)
Other expenses		(7,975)	(9,643)
PROFIT BEFORE TAX	5	335,104	71,906
Income tax expense	6	(38)	–
PROFIT FOR THE PERIOD		335,066	71,906
Attributable to:			
Owners of the Company		335,254	71,906
Non-controlling interest		(188)	–
		335,066	71,906
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		19.6 HK cents	4.2 HK cents
Diluted		N/A	N/A

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	335,066	71,906
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	22	(5,255)
Release of exchange reserve upon settlement of intercompany balance	(48,048)	–
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(48,026)	(5,255)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	287,040	66,651
Attributable to:		
Owners of the Company	287,213	66,651
Non-controlling interest	(173)	–
	287,040	66,651

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Balance Sheet

30 June 2015

	<i>Notes</i>	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		9,164	7,446
Investment properties		29,471	29,559
Deferred tax assets		986	–
Total non-current assets		39,621	37,005
CURRENT ASSETS			
Properties under development		2,026,531	25,152
Prepayments, deposits and other receivables		733,407	695,726
Due from a fellow subsidiary	<i>14(b)</i>	21	–
Restricted bank balances	<i>8</i>	265,130	191
Cash and cash equivalents	<i>8</i>	3,324,533	3,831,580
Assets held for sale		6,349,622 5,178	4,552,649 28,595
Total current assets		6,354,800	4,581,244
CURRENT LIABILITIES			
Trade payables	<i>9</i>	(93,844)	–
Other payables and accruals		(209,004)	(265,444)
Receipt in advance		(272,038)	–
Due to fellow subsidiaries	<i>14(b)</i>	(210,637)	–
Tax payable		(9,163)	(9,160)
Interest-bearing bank borrowing		(88,767)	–
Total current liabilities		(883,453)	(274,604)
NET CURRENT ASSETS		5,471,347	4,306,640
TOTAL ASSETS LESS CURRENT LIABILITIES		5,510,968	4,343,645

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Balance Sheet (continued)

30 June 2015

	<i>Notes</i>	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		5,510,968	4,343,645
NON-CURRENT LIABILITIES			
Deferred tax liabilities		(520,283)	(5,860)
Interest-bearing bank borrowing		(179,995)	–
Total non-current liabilities		(700,278)	(5,860)
Net assets		4,810,690	4,337,785
EQUITY			
Share capital	<i>10</i>	171,154	171,154
Reserves		4,453,844	4,166,631
Non-controlling interest		4,624,998	4,337,785
		185,692	–
Total equity		4,810,690	4,337,785

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Share capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Property revaluation reserve HK\$'000	Enterprise development funds [#] HK\$'000	Reserve funds [#] HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
At 1 January 2014	171,154	1,688,606	13,824	6,984	216	48,298	237,123	2,092,379	4,258,584	-	4,258,584
Profit for the period	-	-	-	-	-	-	-	71,906	71,906	-	71,906
Other comprehensive loss for the period	-	-	-	-	-	-	(5,255)	-	(5,255)	-	(5,255)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(5,255)	71,906	66,651	-	66,651
At 30 June 2014 (unaudited)	171,154	1,688,606	13,824	6,984	216	48,298	231,868	2,164,285	4,325,235	-	4,325,235
At 1 January 2015	171,154	1,688,606	13,824	6,984	216	48,298	234,551	2,174,152	4,337,785	-	4,337,785
Profit/(loss) for the period	-	-	-	-	-	-	-	335,254	335,254	(188)	335,066
Other comprehensive loss for the period	-	-	-	-	-	-	(48,041)	-	(48,041)	15	(48,026)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(48,041)	335,254	287,213	(173)	287,040
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	185,865	185,865
At 30 June 2015 (unaudited)	171,154	1,688,606*	13,824*	6,984*	216*	48,298*	186,510*	2,509,406*	4,624,998	185,692	4,810,690

* These reserve accounts comprise the consolidated reserves of HK\$4,453,844,000 in the consolidated balance sheet.

Pursuant to the relevant laws and regulations a portion of the profits of the Group's subsidiaries which are registered in the PRC has been transferred to the enterprise development funds and the reserve funds which are restricted as to use and are not available for distribution. When the balance of such reserves reaches 50% of respective subsidiaries' paid-up capital, any further appropriation is optional. The amounts transferred from the retained profits are determined by the board of directors of these subsidiaries.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Note	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		335,104	71,906
Adjustments for:			
Interest income		(96,846)	(89,222)
Gain on bargain purchase		(233,862)	–
Other adjustments		(48,456)	37,092
		(44,060)	19,776
Increase in properties under development		(48,636)	(1,950)
Increase in restricted bank balances		(264,939)	–
Increase in receipt in advance		272,038	–
Other changes in working capital		(30,574)	(40,716)
Cash used in operating activities		(116,171)	(22,890)
Interest received		76,788	29,457
PRC taxes paid		(280)	–
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		(39,663)	6,567
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		(1,861)	(902)
Acquisition of subsidiary	11	(503,997)	–
Decrease in deposits received		–	(695,001)
Decrease in time deposit over three months		1,234,222	–
Decrease in restricted bank balances		–	695,001
Decrease in consideration receivable for the disposal of subsidiaries engaged in brewery operation		–	670,592
Interest paid		(3,022)	–
Cash flows from other investing activities, net		–	4
NET CASH FLOWS FROM INVESTING ACTIVITIES		725,342	669,694

Unaudited Condensed Consolidated Interim Financial Information (continued)

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2015

	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
NET CASH FLOWS FROM FINANCING ACTIVITIES	40,576	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	726,255	676,261
Cash and cash equivalents at beginning of period	1,660,435	2,409,213
Effect of foreign exchange rate changes, net	920	(25,121)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,387,610	3,060,353
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	30,578	47,832
Non-pledged time and structured deposits maturing within three months	2,357,032	3,012,521
Non-pledged time and structured deposits maturing over three months	936,923	–
Cash and bank balances as stated in the consolidated balance sheet	3,324,533	3,060,353
Less: Non-pledged time and structured deposits maturing over three months	(936,923)	–
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	2,387,610	3,060,353

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information

30 June 2015

1. Corporate Information

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

During the period, the Company and its subsidiaries (together, the "Group") was involved in property development and investment.

2.1 Accounting Policies

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial information are the same as those used in the annual financial statements for the year ended 31 December 2014, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) as disclosed in note 2.2 to the condensed consolidated interim financial information.

2.2 Changes in Accounting Policy and Disclosures

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

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs

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

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

3. Operating Segment Information

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

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

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

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

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

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

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

3. Operating Segment Information (continued)

	Six months ended 30 June 2014 (Unaudited)		
	Property development and investment HK\$'000	Other HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	1,612	–	1,612
Segment results	863	(18,179)	(17,316)
<i>Reconciliation:</i>			
Interest income			89,222
Profit before tax			71,906

	At 30 June 2015 (Unaudited)		
	Property development and investment HK\$'000	Other HK\$'000	Total HK\$'000
Segment assets	2,538,772	3,854,663	6,393,435
<i>Reconciliation:</i>			
Unallocated assets			986
Total assets			6,394,421
Segment liabilities	912,169	151,279	1,063,448
<i>Reconciliation:</i>			
Unallocated liabilities			520,283
Total liabilities			1,583,731

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

3. Operating Segment Information (continued)

	At 31 December 2014 (Audited)		
	Property development and investment HK\$'000	Other HK\$'000	Total HK\$'000
Segment assets	303,238	4,315,011	4,618,249
<i>Reconciliation:</i>			
Unallocated assets			—
Total assets			4,618,249
Segment liabilities	24,450	250,154	274,604
<i>Reconciliation:</i>			
Unallocated liabilities			5,860
Total liabilities			280,464

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

4. Revenue, Other Income and Gains

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

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue		
Gross rental income	239	1,612
Other income		
Gain on sale of scrap materials	780	1,360
Bank interest income	76,788	70,377
Imputed interest income	20,058	18,845
Others	97	(341)
	97,723	90,241
Gains/(loss), net		
Fair value loss on investment properties	(114)	–
Release of exchange reserve upon settlement of intercompany balance	48,048	–
Foreign exchange gain/(loss), net	948	(36,661)
Gain/(loss) on disposal of property, plant and equipment under assets held for sale	(543)	72,060
	48,339	35,399
	146,062	125,640

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

5. Profit Before Tax

This is arrived at after charging:

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Depreciation	426	306
Minimum lease payments under operating lease in respect of land and buildings	1,364	1,883

6. Income Tax

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current – Hong Kong	–	–
Current – Mainland China:		
Charge for the period	–	–
Underprovision in prior periods	280	–
Deferred	(242)	–
Total tax charge for the period	38	–

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2014: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the local jurisdictions in which the Group operates.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

7. Earnings per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share for the six months ended 30 June 2015 and 2014 is based on:

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit attributable to ordinary equity holders of the Company	335,254	71,906

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Number of shares: Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share calculation	1,711,536,850	1,711,536,850

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2015 and 2014.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

8. Cash and Bank Balances

	<i>Note</i>	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Cash and bank balances		295,708	322,365
Time and structured deposits with original maturity of less than three months when acquired		2,357,032	1,338,261
Time and structured deposits with original maturity over three months when acquired		936,923	2,171,145
		3,589,663	3,831,771
Less: Restricted bank balances	<i>(i)</i>	(265,130)	(191)
Cash and cash equivalents		3,324,533	3,831,580

Note:

- (i) Balance at 30 June 2015 represented pre-sale proceeds from the Group's properties under development placed at designated bank accounts under supervision pursuant to relevant regulations in the PRC and a cash deposit made by China Resources Snow Breweries Co., Ltd. to a designated bank account for specific use in relation to the disposal of the entire equity capital of 9 previous subsidiaries.

Structured deposit held at the end of the reporting period was HK\$2,495,925,000 (2014: HK\$916,221,000). The principal amounts of the structured deposits are guaranteed. The Group uses the structured deposits primarily to enhance its return on fixed deposits.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

9. Trade Payables

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Within 3 months	1,544	–
3 to 6 months	1,465	–
Over 6 months	90,835	–
	93,844	–

The trade payables are non-interest-bearing.

10. Share Capital

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Authorised:		
5,000,000,000 (31 December 2014: 2,000,000,000) ordinary shares of HK\$0.10 each	500,000	200,000
Issued and fully paid:		
1,711,536,850 (31 December 2014: 1,711,536,850) ordinary shares of HK\$0.10 each	171,154	171,154

Pursuant to an ordinary resolution passed on 19 June 2015, the authorised share capital of the Company was increased from HK\$200,000,000 to HK\$500,000,000 by the creation of 3,000,000,000 additional shares of HK\$0.10 each, ranking pari passu in all respects with the existing shares of the Company.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

11. Business Combination

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

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

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

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

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

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

11. Business Combination (continued)

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

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

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

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

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

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

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

12. Operating Lease Arrangements

(a) *As lessor*

The Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms of one year (31 December 2014: one year). The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 June 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Within one year	–	239

(b) *As lessee*

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years (31 December 2014: one to three years).

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases, in respect of land and buildings, falling due as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Within one year	2,726	2,726
In the second to fifth years, inclusive	1,238	2,725
	3,964	5,451

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

13. Commitments

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Commitments for the Group's properties under development:		
Contracted, but not provided for	184,451	6,098

14. Significant Related Party Transactions

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

Rental expenses

	For the six months ended 30 June 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Rental expenses paid to a fellow subsidiary	1,363	1,585

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

At the end of the reporting period, the Group had total future minimum lease commitments to its fellow subsidiary of HK\$3,964,000 (31 December 2014: HK\$5,451,000) for a lease arrangement ending on 30 November 2016.

(b) *Outstanding balance with related parties*

Balances with fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Unaudited Condensed Consolidated Interim Financial Information (continued)

Notes to Condensed Consolidated Interim Financial Information (continued)

30 June 2015

14. Significant Related Party Transactions (continued)

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Short term employee benefits	1,979	1,307
Post-employment benefits	200	200
Total compensation paid to key management personnel	2,179	1,507

15. Financial Instruments – Fair Value

The Group's financial assets include deposits and other receivables, amount due from a fellow subsidiary, restricted bank balances and cash and cash equivalents and the Group's financial liabilities are trade payables, other payables and accruals, amounts due to fellow subsidiaries and bank borrowings. As at 30 June 2015 and 31 December 2014, the carrying amounts of the Group's financial instruments approximated to their fair values.

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

16. Comparative Amounts

Comparative information in respect of the Group's operating segment has been re-presented to conform with the current period's presentation and disclosures.

17. Approval of Condensed Consolidated Interim Financial Information

These condensed consolidated interim financial information were approved and authorised for issue by the board of directors on 25 August 2015.

Management Discussion and Analysis

Results and Key Operating Data

During the period under review, the Group was engaged in the business of property development and investment. Currently, the Group is holding a number of investment properties in Shenzhen, a property project in Buxin, Shenzhen and a residential property project in the Panyu District of Guangzhou City, both are under development.

During the period under review, the Group acquired a 100% of the equity interest in Triumphant Success Limited from GDH Limited, the controlling shareholder of the Company, at a discount on the fair value of the acquired net assets (details of which were set out in the announcement and circular of the Company dated 16 March 2015 and 2 April 2015, respectively) for a total consideration of approximately HK\$510 million. The major asset of Triumphant Success Limited includes an 80% interest in the Ruyingju (如英居) residential property project in Panyu District of Guangzhou City, the PRC. As the acquisition consideration was less than the fair value of the net assets acquired, an accounting gain on bargain purchase of HK\$234 million was recognised in the unaudited condensed consolidated statement of profit or loss for the six months ended 30 June 2015. For details, please refer to note 11 to the Condensed Consolidated Interim Financial Information.

In the first half of 2015, the Group recorded a consolidated revenue of HK\$239,000 derived from rental income of investment properties (2014: HK\$1.61 million), representing a decrease of 85.2% over the same period last year. The decrease in consolidated revenue was due to the Group's strategy to gradually reduce its rental business over its investment properties. The investment properties situated on the land parcel of the Buxin Project, which forms part of the Buxin Project development, will be demolished together with other existing buildings, while the rest are intended to be disposed of. During the period under review, the Group's unaudited net profit attributable to owners of the Company was HK\$335 million (2014: HK\$71.91 million), representing an increase of approximately 366% year-on-year.

The board of directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

Business and Financial Review

In the first half of 2015, the Group's interest income from bank deposits was HK\$76.79 million (2014: HK\$70.38 million), representing an increase of approximately 9.1% as compared with the same period last year. In the first half of 2015, the estimated interest income from fair value changes of other receivables amounted to HK\$20.06 million (2014: HK\$18.85 million), representing an increase of approximately 6.4% as compared with the same period last year.

During the 6 months ended 30 June 2015, the Group recorded a combined net foreign currency exchange gain of HK\$49.00 million (2014: net foreign exchange loss of HK\$36.66 million), representing a significant improvement as compared with the same period last year. The increase of net foreign currency exchange gain during the period under review was mainly due to the settlement of certain loans denominated in RMB by the Company and its subsidiary, together with a slight appreciation of the RMB against the HK dollar at the end of June 2015, which resulted in exchange gains.

Management Discussion and Analysis (continued)

During the period under review, the Group recorded selling and distribution expenses of HK\$1.07 million (2014: Nil). The Group's administrative expenses for the first half of the year was HK\$36.01 million (2014: HK\$45.70 million), representing a decrease of 21.2% as compared with the same period last year. The decrease in administrative expenses was mainly attributable to the progressive implementation of staff redundancy plan in 2014. The decrease in the number of employees in the first half of 2015 as compared with the same period last year, resulted in the decrease of wage costs and related expenditures.

During the period under review, 廣州市番禺粵海房地產有限公司 (Guangzhou Panyu Yuehai Real Estate Company Limited), a newly acquired subsidiary of the Company, has borrowed bank loans. As the interest for the bank loans of HK\$3.02 million was fully capitalized, the Group recorded no finance costs. For the same period last year, the Group did not have any borrowing from banks, and, therefore recorded no finance costs.

During the first half of 2014, the Group implemented an employee quarters allocation plan as approved by the local government, and sold staff quarters to eligible employees who met certain prerequisites and criteria in accordance with procedures and approved prices stipulated by the relevant authority of the local government. The sale of staff quarters contributed a gain of approximately HK\$72.06 million to the Group in the first half of 2014. During the period under review, the Group did not record any gain generated from the sale of staff quarters.

The Buxin Project

The Buxin Project is located at Buxin Area, Luohu District, Shenzhen, the PRC. The total site area is about 87,075 square meters. The Buxin Project is an industrial commercial complex with jewellery as the main theme and will be constructed in two phases. During the period under review, the Group has revised the urban renewal unit planning proposal, which had been submitted to the Shenzhen Municipal Government for review and approval in May 2015. The Group anticipates that review and approval process of the proposal will be completed in the second half of 2015.

The Group has commenced preparatory promotion works such as preliminary market research and visits the potential customers in accordance with the market positioning of the Buxin Project, and has received warm response and support from potential customers. Based on current information and recent communication with the relevant government authorities, it is estimated that infrastructure works, including demolish of the old buildings, for phase one (which takes up a majority of the area available for development) will commence in the fourth quarter of 2015. Pre-sale and rental processes are expected to kick off in 2017. The Group will update the schedule of the project from time to time as appropriate according to the progress of the Buxin Project.

Management Discussion and Analysis (continued)

The Ruyingju Project

The Ruyingju Project is located in South of Sanzhi Xiangshui Road, Dongxiang Village, Dashi Town, Panyu District, Guangzhou, the PRC. The total site area is approximately 38,771 square meters, and the total aggregate gross floor area is approximately 127,597 square meters, with approximately 917 residential units and 651 car-parking spaces available for sale. The Ruyingju Project is located in the Panyu District of Guangzhou with mature transportation network and beautiful environment. On 30 June 2015, all the main structural constructions of the Ruyingju Project had been completed. Decoration works of all the residential units are currently in progress, which is expected to be completed by the end of October 2015.

Some of the residential units of the Ruyingju Project were put up for pre-sale since May 2015. As at 30 June 2015, approximately 195 units were successfully sold during the pre-sale. The aggregate floor area of the units sold during the pre-sale was approximately 20,201 square meters, representing approximately 21.5% of the total saleable floor area of the residential units. The average pre-sale price was RMB18,215 (equivalent to approximately HK\$23,047) per square meter. Response to the pre-sale was satisfactory, and it is estimated that the project will bring certain revenue and profit to the Group within the year upon delivery of the completed properties.

Capital Expenditure

The Group's general capital expenditure, on a cash basis, for the period under review was approximately HK\$1.86 million (2014: HK\$0.90 million). In addition, the capital expenditures related to the Buxin Project and the Ruyingju Project (from the date of completion of the acquisition up to 30 June 2015) were approximately HK\$11.9 million and HK\$39.8 million, respectively.

Financial Resources and Liquidity

As at 30 June 2015, the Group's cash and bank balances was HK\$3,590 million (which included restricted bank balances of HK\$265 million), almost all of which were denominated in Renminbi. As the Group intends to use Renminbi to invest in the PRC in the future, the fund available denominated in Renminbi remove the currency exchange rate risk. During the period under review, net cash outflow from operating activities was HK\$39.66 million. The Group is in a sound financial position and possesses sufficient financial resources to finance its short-term business development. The Group will review its funding needs according to progress of business development from time to time, so as to ensure that adequate financial resources will be available to support business development.

As at 30 June 2015, the Group's total bank loan balances denominated in RMB was HK\$269 million, with partial properties of the Ruyingju Project as collaterals. The repayment dates of these bank loans lie in one to two years. As at 30 June 2015, the unutilised banking facilities denominated in RMB available to the Group were approximately HK\$200 million. As at 30 June 2015, the Group did not record any material contingent liabilities.

Management Discussion and Analysis (continued)

Human Resources

As at 30 June 2015, the Group had a total of 238 employees (31 December 2014: 182). Reasonable remuneration packages with reference to business performance, market practices and market conditions were offered to employees of the Group. In addition, discretionary bonuses were also granted based on the performance of the Group and that of the individual employee.

Outlook

With the medium-to-high growth rate of the PRC economy, the rising living standards of its people, and the greater need for real estate properties to cope with urbanization development, the Group firmly believes that the trend will continue to provide impetus to the growth of property development in the Mainland China, including real estate development.

Apart from developing the current Buxin Project and Ruyingju Project, the Group will also consider and identify other property development and investment opportunities in the PRC, mainly in Guangdong Province and other first-tier cities in the Mainland China.

Last but not least, the Company's board of directors recognises the efforts made by the management and staff during the period under review. Under the leadership of the board, the Company successfully acquired the Ruyingju Project during the period under review, which improved the quality of the Group's assets and diversified its operational risks. The Group is confident in the prospects of its future business development, and will proactively drive the development of real estate business with the objective to create a better return for its shareholders.

Directors' Interests and Short Positions in Securities

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

I. Shares

(i) The Company

Name of Director	Capacity/ nature of interest	Number of shares held	Long/Short position	Approximate percentage of interests held ^(Note)
HUANG Xiaofeng	Personal	3,880,000	Long position	0.227%
ZHAO Chunxiao	Personal	1,572,000	Long position	0.092%
LUO Fanyu	Personal	86,444	Long position	0.005%
Alan Howard SMITH	Personal	317,273	Long position	0.019%

Note: The approximate percentage of interests held was calculated on the basis of 1,711,536,850 shares of the Company in issue as at 30 June 2015.

(ii) Guangdong Investment Limited

Name of Director	Capacity/ nature of interest	Number of shares held	Long/Short position	Approximate percentage of interests held ^(Note)
HUANG Xiaofeng	Personal	1,857,200	Long position	0.030%
LI Wai Keung	Personal	897,200	Long position	0.014%

Note: The approximate percentage of interests held was calculated on the basis of 6,255,048,341 ordinary shares of Guangdong Investment Limited in issue as at 30 June 2015.

(iii) Guangdong Tannery Limited

Name of Director	Capacity/ nature of interest	Number of shares held	Long/Short position	Approximate percentage of interests held ^(Note)
LUO Fanyu	Personal	70,000	Long position	0.013%

Note: The approximate percentage of interests held was calculated on the basis of 538,019,000 ordinary shares of Guangdong Tannery Limited in issue as at 30 June 2015.

Directors' Interests and Short Positions in Securities (continued)

II. Share Options

Guangdong Investment Limited

Name of Director	Date of grant of share options (dd.mm.yyyy)	Number of share options					Cancelled/ Lapsed during the period	At 30 June 2015	Total consideration paid for share options granted HK\$	Exercise price of share options* HK\$ (per share)	Price of ordinary share at date immediately before date of grant** HK\$ (per share)	Price of ordinary share at date immediately before the exercise date** HK\$ (per share)	Long/ Short position
		At date of grant	At 1 January 2015	Granted during the period	Exercised during the period								
HUANG Xiaofeng	22.01.2013	2,693,000	2,693,000	-	(1,077,200)	-	1,615,800	-	6.20	6.30	10.52	Long position	
HUANG Zhenhai	22.01.2013	2,315,000	2,315,000	-	(926,000)	-	1,389,000	-	6.20	6.30	10.52	Long position	
ZHAO Chunxiao	22.01.2013	2,268,000	2,268,000	-	(907,200)	-	1,360,800	-	6.20	6.30	10.52	Long position	
LI Wai Keung	22.01.2013	2,243,000	2,243,000	-	(897,200)	-	1,345,800	-	6.20	6.30	10.52	Long position	

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

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

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

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

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

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the share capital of Guangdong Investment Limited.

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

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

Directors' Interests and Short Positions in Securities **(continued)**

Save as disclosed above, as at 30 June 2015, to the knowledge of the Company, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

Substantial Shareholders' Interests

As at 30 June 2015, so far as is known to any director or chief executive of the Company, the following persons (other than a director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

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

Note: The attributable interest which 廣東粵海控股集團有限公司 (formerly known as 廣東粵海控股有限公司) (Guangdong Holdings Limited) has in the Company is held through its wholly-owned subsidiary, namely GDH.

Save as disclosed above, as at 30 June 2015, so far as is known to any director or chief executive of the Company, no other person (other than a director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Corporate Governance and Other Information

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules for the six months ended 30 June 2015, save and except for code provision A.6.7 of the CG Code as a non-executive director was unable to attend the special general meeting of the Company held on 24 April 2015, and an executive director and a non-executive director were unable to attend the annual general meeting of the Company held on 19 June 2015 as they had other engagements.

Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the directors. Having made specific enquiry to all the directors of the Company, all the directors of the Company confirmed that they had complied with the required standards of dealings as set out in the Model Code throughout the six months ended 30 June 2015.

Changes in Directors' Information

Changes in directors' information in respect of the period between the publication dates of the 2014 annual report and this report, which are required to be disclosed pursuant to the requirement of Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Felix Fong Wo has been appointed as an independent non-executive director of Xinming China Holdings Limited (a company listed on the Hong Kong Stock Exchange) with effect from 8 June 2015. He ceased to act as the chairman of the Advisory Council on Food and Environmental Hygiene with effect from 31 March 2015.
- Mr. Vincent Marshall Lee Kwan Ho has been appointed as the chairman of Hong Kong Guangxi CPPCC Members Friendship Association Limited with effect from 22 May 2015.

Review of Interim Results

The Audit Committee of the Company has reviewed the unaudited interim financial information of the Group and the Company's interim report for the six months ended 30 June 2015. In addition, the Company's external auditors, Ernst & Young, have also reviewed the aforesaid unaudited interim financial information.

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange during the six months ended 30 June 2015.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 25 August 2015



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