



粵海置地控股有限公司  
GUANGDONG LAND HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號 Stock Code: 0124



**Interim Report**  
**中期報告2018**

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# Corporate Information

(As at 23 August 2018)

## Board of Directors

### Non-Executive Director

HUANG Xiaofeng (*Chairman*)

### Executive Directors

ZHAO Chunxiao (*Chief Executive Officer*)

LI Wai Keung

WU Mingchang

ZENG Yi

### Independent Non-Executive Directors

Alan Howard SMITH JP

Felix FONG Wo BBS, JP

Vincent Marshall LEE Kwan Ho Deputy of the National People's Congress of PRC, BBS, Officer of the Order of the Crown (Belgium)

### Audit Committee

Vincent Marshall LEE Kwan Ho Deputy of the National People's Congress of PRC, BBS, Officer of the Order of the Crown (Belgium) (*Committee Chairman*)

Alan Howard SMITH JP

Felix FONG Wo BBS, JP

### Remuneration Committee

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

Alan Howard SMITH JP

Vincent Marshall LEE Kwan Ho Deputy of the National People's Congress of PRC, BBS, Officer of the Order of the Crown (Belgium)

### Nomination Committee

HUANG Xiaofeng (*Committee Chairman*)

Alan Howard SMITH JP

Felix FONG Wo BBS, JP

Vincent Marshall LEE Kwan Ho Deputy of the National People's Congress of PRC, BBS, Officer of the Order of the Crown (Belgium)

### Company Secretary

LI Wai Keung

### Auditors

PricewaterhouseCoopers

### 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

<sup>@</sup> The English name of the entity marked with an <sup>@</sup> is a translation of its Chinese name, and is included herein for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.

## Highlights

	For the six months ended 30 June		
	2018	2017	Change
Revenue, in thousand HK\$	<b>10,423</b>	27,798	-62.5%
Profit for the period <sup>3</sup> , in thousand HK\$	<b>64,274</b>	1,482	+4,237.0%
Profit/(loss) attributable to owners of the Company, in thousand HK\$	<b>62,404</b>	(249)	N/A
Basic earnings/(loss) per share, in HK cent	<b>3.65</b>	(0.01)	N/A
	As at 30 June 2018	As at 31 December 2017	Change
Current ratio	<b>7.6 times</b>	6.6 times	+15.2%
Gearing ratio <sup>1</sup>	<b>net cash</b>	net cash	-
Total assets, in million HK\$	<b>5,303</b>	5,381	-1.4%
Net asset value per share <sup>2</sup> , in HK\$	<b>2.65</b>	2.64	+0.4%
Number of employees	<b>220</b>	225	-2.2%

### Notes:

1. Gearing ratio = (Interest-bearing debt – cash and cash equivalents) ÷ Net assets
2. Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares
3. Profit for the period included an one-off reversal of over-provision of land appreciation tax of HK\$77,173,000

# Report on Review of Interim Financial Information



羅兵咸永道

**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 32, which comprise the condensed consolidated balance sheet of Guangdong Land Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2018 and the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information 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 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 23 August 2018

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# Condensed Consolidated Interim Financial Information

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2018

	Notes	Unaudited Six months ended 30 June	
		2018 HK\$'000	2017 HK\$'000
Revenue	5	10,423	27,798
Cost of sales	6	(241)	(17,476)
Gross profit		10,182	10,322
Other income	5	28,902	36,402
Other losses, net	5	(673)	(1)
Selling and distribution expenses		(7,767)	(3,194)
Administrative expenses		(40,941)	(34,885)
(Loss)/profit before tax	6	(10,297)	8,644
Income tax credit/(expense)	7	74,571	(7,162)
<b>Profit for the period</b>		<b>64,274</b>	1,482
Attributable to:			
Owners of the Company		62,404	(249)
Non-controlling interest		1,870	1,731
		<b>64,274</b>	1,482
Earnings/(loss) per share	8		
Basic and diluted		<b>HK3.65 cent</b>	(HK0.01 cent)

The notes on pages 12 to 32 from an integral part of this interim financial information.

## Condensed Consolidated Interim Financial Information *(continued)*

### Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2018

	<b>Unaudited six months ended 30 June</b>	
	<b>2018</b>	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the period</b>	<b>64,274</b>	1,482
<b>Other comprehensive (loss)/income</b>		
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<b>(41,066)</b>	128,013
<b>Total comprehensive income for the period</b>	<b>23,208</b>	129,495
Total comprehensive income for the period attributable to:		
Owners of the Company	<b>22,746</b>	123,264
Non-controlling interest	<b>462</b>	6,231
	<b>23,208</b>	129,495

The notes on pages 12 to 32 from an integral part of this interim financial information.

# Condensed Consolidated Interim Financial Information (continued)

## Condensed Consolidated Balance Sheet

30 June 2018

	<i>Notes</i>	<b>Unaudited 30 June 2018 HK\$'000</b>	Audited 31 December 2017 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>43,494</b>	5,413
Investment properties	9	<b>1,160,759</b>	1,156,891
Deferred tax assets		<b>79,631</b>	80,315
<b>Total non-current assets</b>		<b>1,283,884</b>	1,242,619
<b>Current assets</b>			
Completed properties held for sale		<b>267,271</b>	269,669
Properties held for sale under development		<b>1,983,376</b>	1,908,882
Prepayments, deposits and other receivables		<b>70,063</b>	34,624
Available-for-sale financial assets		–	1,161,178
Tax recoverable		<b>4,431</b>	–
Pledged bank deposit	10	<b>43,938</b>	44,316
Restricted bank balances	10	<b>181</b>	116,804
Cash and cash equivalents	10	<b>1,649,736</b>	602,749
<b>Total current assets</b>		<b>4,018,996</b>	4,138,222
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	11	<b>(17,686)</b>	(16,925)
Other payables, accruals and provisions		<b>(141,614)</b>	(150,636)
Receipts in advance		–	(57,847)
Contract liabilities		<b>(68,608)</b>	–
Tax payable		<b>(302,453)</b>	(405,282)
<b>Total current liabilities</b>		<b>(530,361)</b>	(630,690)
<b>Net current assets</b>		<b>3,488,635</b>	3,507,532
<b>Total assets less current liabilities</b>		<b>4,772,519</b>	4,750,151



## Condensed Consolidated Interim Financial Information (continued)

### Condensed Consolidated Balance Sheet (continued)

30 June 2018

	<i>Notes</i>	<b>Unaudited 30 June 2018 HK\$'000</b>	Audited 31 December 2017 HK\$'000
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>(72,666)</b>	(73,506)
<b>Net assets</b>		<b>4,699,853</b>	4,676,645
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	12	<b>171,154</b>	171,154
Reserves		<b>4,369,796</b>	4,347,050
		<b>4,540,950</b>	4,518,204
Non-controlling interest		<b>158,903</b>	158,441
<b>Total equity</b>		<b>4,699,853</b>	4,676,645

The notes on pages 12 to 32 from an integral part of this interim financial information.

# Condensed Consolidated Interim Financial Information (continued)

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2018

	Unaudited Attributable to owners of the Company										
	Issued capital <i>HK\$'000</i>	Share premium account* <i>HK\$'000</i>	Capital reserve* <i>HK\$'000</i>	Property revaluation reserve* <i>HK\$'000</i>	Enterprise development funds* <i>HK\$'000</i>	Reserve funds* <i>HK\$'000</i>	Exchange fluctuation reserve* <i>HK\$'000</i>	Retained profits* <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interest <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>At 1 January 2017</b>	171,154	1,688,606	13,824	6,984	216	95,022	(107,934)	2,319,935	4,187,807	145,623	4,333,430
Profit/(loss) for the period	-	-	-	-	-	-	-	(249)	(249)	1,731	1,482
Other comprehensive income for the period	-	-	-	-	-	-	123,513	-	123,513	4,500	128,013
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	123,513	(249)	123,264	6,231	129,495
<b>At 30 June 2017</b>	171,154	1,688,606	13,824	6,984	216	95,022	15,579	2,319,686	4,311,071	151,854	4,462,925
<b>At 1 January 2018</b>	<b>171,154</b>	<b>1,688,606</b>	<b>13,824</b>	<b>6,984</b>	<b>216</b>	<b>96,905</b>	<b>173,176</b>	<b>2,367,339</b>	<b>4,518,204</b>	<b>158,441</b>	<b>4,676,645</b>
Profit for the period	-	-	-	-	-	-	-	62,404	62,404	1,870	64,274
Other comprehensive loss for the period	-	-	-	-	-	-	(39,658)	-	(39,658)	(1,408)	(41,066)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(39,658)	62,404	22,746	462	23,208
<b>At 30 June 2018</b>	<b>171,154</b>	<b>1,688,606*</b>	<b>13,824*</b>	<b>6,984*</b>	<b>216*</b>	<b>96,905*</b>	<b>133,518*</b>	<b>2,429,743*</b>	<b>4,540,950</b>	<b>158,903</b>	<b>4,699,853</b>

\* These reserve accounts comprise of the consolidated reserves of HK\$4,369,796,000 in the condensed consolidated balance sheet.

The notes on pages 12 to 32 from an integral part of this interim financial information.

## Condensed Consolidated Interim Financial Information *(continued)*

### Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	Unaudited Six months ended 30 June	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(10,297)	8,644
Adjustments for:		
Interest income and gain	(28,902)	(36,402)
Depreciation	794	801
Fair value losses/(gains) on investment properties	881	(11)
	<b>(37,524)</b>	(26,968)
Decrease in completed properties held for sale	102	16,583
Increase in properties held for sale under development	(93,617)	(1,044,474)
Decrease in restricted bank balances	119,255	403,444
Increase in trade payables	878	7,935
Increase/(decrease) in contract liabilities and receipts in advance	11,607	(18,455)
Other changes in working capital	(44,546)	(44,182)
	<b>(43,845)</b>	(706,117)
Cash used in operations	(43,845)	(706,117)
Interest and gain received	28,528	36,679
PRC taxes paid	(32,710)	(47,713)
	<b>(48,027)</b>	(717,151)
<b>Cash flows from investing activities</b>		
Purchases of items of property, plant and equipment	(40,114)	(423)
Additions to investment properties	(15,043)	(512,680)
Decrease/(increase) in available for sale financial assets	1,185,221	(563,487)
Decrease in time deposits with original maturity of over three months when acquired	–	334,787
	<b>1,130,064</b>	(741,803)
Net cash flows generated from/(used in) investing activities	1,130,064	(741,803)

## Condensed Consolidated Interim Financial Information *(continued)*

### Condensed Consolidated Statement of Cash Flows *(continued)*

For the six months ended 30 June 2018

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,082,037</b>	(1,458,954)
Cash and cash equivalents at beginning of period	<b>602,749</b>	2,073,059
Effect of foreign exchange rate changes, net	<b>(35,050)</b>	28,857
<b>Cash and cash equivalents at end of period</b>	<b>1,649,736</b>	642,962
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>1,518,588</b>	389,802
Time deposits with original maturity of less than three months when acquired	<b>131,148</b>	253,160
<b>Cash and cash equivalents as stated in the condensed consolidated statement of cash flows</b>	<b>1,649,736</b>	642,962

The notes on pages 12 to 32 from an integral part of this interim financial information.

# Condensed Consolidated Interim Financial Information *(continued)*

## Notes to Condensed Consolidated Interim Financial Information

### 1 General 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. In the opinion of the directors, the ultimate holding company of the Company is 廣東粵海控股集團有限公司 (Guangdong Holdings Limited<sup>®</sup>), a company established in the People’s Republic of China (the “PRC”).

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

### 2 Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2018 has been prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements, except for the adoption of new standards and amendments to standards effective for the financial year ending 31 December 2018.

#### *(i) New standards and amendments to standards adopted by the Group*

The Group has adopted the following new standards and amendments to standards which are mandatory for the financial year beginning 1 January 2018 and are relevant to its operation.

Annual Improvements to HKFRSs (Amendments)	<i>Annual Improvements to HKFRSs 2014–2016 Cycle</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
HKFRIC 22	<i>Foreign Currency, Transactions and Advance Consideration</i>
HKAS 40 (Amendments)	<i>Investment Property</i>

# Condensed Consolidated Interim Financial Information *(continued)*

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

### 2 Basis of Preparation *(continued)*

#### *(i) New standards and amendments to standards adopted by the Group (continued)*

The Group has assessed the impact of the adoption of these new standards and amendments to standards. The impact of the adoption of HKFRS 9 “Financial Instruments” and HKFRS 15 “Revenue from Contracts with Customers” are disclosed below. The other new standards or amendments to standards did not have any impact on the Group’s results.

#### HKFRS 9, “Financial Instruments” — Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 “Financial Instruments” from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions of HKFRS 9, comparative figures have not been restated.

#### *(i) Classification and measurement*

On 1 January 2018 (the date of initial application of HKFRS 9), the Group’s management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The Group owned certain wealth management products issued by commercial banks in the PRC, of which HK\$1,017,622,000 and HK\$143,556,000 were reclassified from available-for-sale financial assets to financial assets at fair value through profit or loss and financial assets at amortised cost respectively on 1 January 2018.

No related cumulative fair value gain or loss was transferred from the available-for-sale financial assets reserve to retained earnings on 1 January 2018 as there was no cumulative fair value gain or loss recognised in other comprehensive income in prior periods in respect of the Group’s available-for-sale financial assets. The adoption of HKFRS 9 had no significant impact on the measurement of the Group’s financial assets.

# Condensed Consolidated Interim Financial Information *(continued)*

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

### 2 Basis of Preparation *(continued)*

#### *(i) New standards and amendments to standards adopted by the Group (continued)*

HKFRS 9, “Financial Instruments” — Impact of adoption *(continued)*

#### *(ii) Impairment*

The Group is required to revise its impairment methodology to a new expected credit loss model under HKFRS 9 for various type of financial assets. Considering that there are no major financial assets as at 1 January 2018 and 30 June 2018 that are subject to the revised impairment methodology, the Group concluded that the financial impact to the Group’s interim financial information is immaterial.

HKFRS 9, “Financial Instruments” — Accounting policies applied from 1 January 2018

#### *(i) Classification*

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

#### *(ii) Measurement*

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

# Condensed Consolidated Interim Financial Information *(continued)*

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

### 2 Basis of Preparation *(continued)*

#### *(i) New standards and amendments to standards adopted by the Group (continued)*

HKFRS 9, “Financial Instruments” — Accounting policies applied from 1 January 2018  
*(continued)*

#### *(ii) Measurement (continued)*

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.



# Condensed Consolidated Interim Financial Information *(continued)*

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

### 2 Basis of Preparation *(continued)*

#### *(i) New standards and amendments to standards adopted by the Group (continued)*

HKFRS 9, “Financial Instruments” — Accounting policies applied from 1 January 2018  
*(continued)*

#### *(ii) Measurement (continued)*

##### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### *(iii) Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### HKFRS 15, “Revenue from Contracts with Customers” — Impact of adoption

The Group has adopted HKFRS 15 “Revenue from Contracts with Customers” from 1 January 2018 which resulted in changes in accounting policies. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. Except for the reclassification of receipt in advance of HK\$57,847,000 to contract liabilities, management assessed that the impact of adoption of HKFRS 15 is immaterial and no adjustment was made to the interim financial information at the date of initial application (1 January 2018).

# Condensed Consolidated Interim Financial Information *(continued)*

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

### 2 Basis of Preparation *(continued)*

#### *(i) New standards and amendments to standards adopted by the Group (continued)*

HKFRS 15, “Revenue from Contracts with Customers” — Accounting policies applied from 1 January 2018

From 1 January 2018 onwards, the Group has adopted the following accounting policies on revenues. Revenues from sales of properties are recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group’s performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group’s efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised as contract assets and subsequently amortised when the related revenue is recognised.

# Condensed Consolidated Interim Financial Information (continued)

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

### 2 Basis of Preparation (continued)

- (ii) *New standards and amendments to standards which are not yet effective for this financial period and have not been early adopted by the Group*

The Group has not early adopted the following new standards and amendments that have been issued but are not yet effective for the period:

		<b>Effective for accounting periods beginning on or after</b>
Annual Improvements to HKFRSs (Amendments)	<i>Annual Improvements to HKFRSs 2015–2017 Cycle</i>	1 January 2019
HKFRS 16	<i>Leases</i>	1 January 2019
HKFRIC 23	<i>Uncertainty over Income Tax Treatments</i>	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	<i>Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture</i>	To be determined

The Group will adopt the new standards or amendments to standards and the Group is in the process of assessing the impact on the financial statements and the impact on HKFRS 16 would be included in Group's consolidated financial statements for the year ending 31 December 2018.

### 3 Critical Accounting Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

# Condensed Consolidated Interim Financial Information (continued)

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

### 4 Segment Information

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

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

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

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

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

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

	<b>For the six months ended 30 June 2018</b>		
	<b>Property Development and investment <i>HK\$'000</i></b>	<b>Other <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Segment revenue:			
Sales to external customers	<b>10,423</b>	–	<b>10,423</b>
Segment results	<b>(21,185)</b>	<b>(18,014)</b>	<b>(39,199)</b>
<i>Reconciliation:</i>			
Interest income and gain			<b>28,902</b>
Loss before tax			<b>(10,297)</b>

## Condensed Consolidated Interim Financial Information *(continued)*

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

#### 4 Segment Information *(continued)*

	For the six months ended 30 June 2017		
	Property Development and investment <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	27,798	–	27,798
Segment results	(15,377)	(12,381)	(27,758)
<i>Reconciliation:</i>			
Interest income			36,402
Profit before tax			8,644

	At 30 June 2018		
	Property Development and investment <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	5,077,539	145,710	5,223,249
<i>Reconciliation:</i>			
Unallocated assets			79,631
Total assets			5,302,880
Segment liabilities	(518,500)	(11,861)	(530,361)
<i>Reconciliation:</i>			
Unallocated liabilities			(72,666)
Total liabilities			(603,027)

## Condensed Consolidated Interim Financial Information (continued)

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

#### 4 Segment Information (continued)

	At 31 December 2017		
	Property Development and investment <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	5,139,685	160,841	5,300,526
<i>Reconciliation:</i>			
Unallocated assets			80,315
Total assets			5,380,841
Segment liabilities	(610,796)	(19,894)	(630,690)
<i>Reconciliation:</i>			
Unallocated liabilities			(73,506)
Total liabilities			(704,196)

## Condensed Consolidated Interim Financial Information *(continued)*

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

#### 5 Revenue, Other Income and Other Losses, Net

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

	<b>For the six months ended 30 June</b>	
	<b>2018 HK\$'000</b>	2017 HK\$'000
<b>Revenue</b>		
Sale of properties (recognised at a point in time)	<b>8,873</b>	26,987
Rental income (recognised over time)	<b>1,550</b>	811
	<b>10,423</b>	27,798
<b>Other income</b>		
Bank interest income	<b>4,569</b>	15,114
Interest income and gain from financial assets at FVPL and at amortised cost/available-for-sale financial assets	<b>24,333</b>	21,288
	<b>28,902</b>	36,402
<b>Other losses, net</b>		
Fair value (losses)/gains on investment properties	<b>(881)</b>	11
Exchange gains/(losses), net	<b>133</b>	(177)
Others	<b>75</b>	165
	<b>(673)</b>	(1)
<b>Other income and other losses, net</b>	<b>28,229</b>	36,401

## Condensed Consolidated Interim Financial Information (continued)

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

#### 6 (Loss)/Profit Before Tax

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

	For the six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Cost of properties sold	241	17,476
Depreciation	794	801
Minimum lease payments under operating lease	1,580	1,580
Exchange (gains)/losses, net	(133)	177

#### 7 Income Tax (Credit)/Expense

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 (for the six months ended 30 June 2017: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land appreciation tax ("LAT") has been provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation values, with certain allowable deductions. During the period, the over-provision of LAT in relation to the sales of certain properties in the prior year amounting to HK\$77,173,000 (for the six months ended 30 June 2017: Nil) was reversed, following tax clearance with the local tax authorities to charge the LAT at a deemed basis.

	For the six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Current income tax		
— PRC taxation	2,162	6,363
LAT in Mainland China	(76,512)	6,484
Deferred income tax	(221)	(5,685)
	(74,571)	7,162



## Condensed Consolidated Interim Financial Information *(continued)*

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

#### 8 Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings/(loss) per share amount is based on the earnings/(loss) for the period attributable to ordinary equity holders of the Company and the number of shares of 1,711,536,850 (for the six months ended 30 June 2017: 1,711,536,850) in issue during the period.

The Group had no potentially dilutive shares in issue during the six months ended 30 June 2018 and 2017.

#### 9 Investment Properties

	<b>Completed investment properties at fair value <i>HK\$'000</i></b>	<b>Investment properties under development at cost <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>2018</b>			
At 1 January 2018	<b>27,849</b>	<b>1,129,042</b>	<b>1,156,891</b>
Additions	–	<b>15,043</b>	<b>15,043</b>
Fair value losses on investment properties	<b>(881)</b>	–	<b>(881)</b>
Exchange differences	<b>(210)</b>	<b>(10,084)</b>	<b>(10,294)</b>
At 30 June 2018	<b>26,758</b>	<b>1,134,001</b>	<b>1,160,759</b>
<b>2017</b>			
At 1 January 2017	25,276	1,032,051	1,057,327
Additions	–	5,259	5,259
Fair value gains on investment properties	11	–	11
Exchange differences	776	31,761	32,537
At 30 June 2017	26,063	1,069,071	1,095,134

At 30 June 2018, the Group's completed investment properties were revalued by Vigers Appraisal and Consulting Limited, independent professionally qualified valuers, at HK\$26,758,000 (31 December 2017: HK\$27,849,000).

# Condensed Consolidated Interim Financial Information (continued)

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

### 9 Investment Properties (continued)

No completed investment properties are leased out as at 30 June 2018 and 31 December 2017.

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

### 10 Pledged Bank Deposit, Restricted Bank Balances and Cash and Cash Equivalents

	<b>30 June 2018</b>	31 December 2017
	<b>HK\$'000</b>	HK\$'000
Cash and bank balances	<b>1,562,707</b>	593,127
Time deposits with original maturity of less than three months when acquired	<b>131,148</b>	170,742
	<b>1,693,855</b>	763,869
Less: Restricted bank balances ( <i>note</i> )	<b>(181)</b>	(116,804)
Pledged bank deposit	<b>(43,938)</b>	(44,316)
	<b>1,649,736</b>	602,749

*Note:*

As at 31 December 2017, the restricted bank balances of HK\$116,622,000 represented sale proceeds from the Group's completed properties held for sale placed at designated bank accounts under supervision pursuant to relevant regulations in the PRC. During the period, such restricted bank balances have been released.

## Condensed Consolidated Interim Financial Information *(continued)*

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

#### 11 Trade Payables

At 30 June 2018, the ageing analysis of the trade payables based on invoice date were as follows:

	<b>30 June 2018</b>	31 December 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	<b>28</b>	107
1 to 2 months	–	244
2 to 3 months	–	–
Over 3 months	<b>17,658</b>	16,574
	<b>17,686</b>	16,925

The trade payables are non-interest bearing.

#### 12 Share Capital

	<b>Number of Shares</b>	<b>Share capital</b>
		<i>HK\$'000</i>
Shares, authorised:		
At 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	5,000,000,000	500,000
Shares, issued and fully paid:		
At 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	1,711,536,850	171,154

## Condensed Consolidated Interim Financial Information *(continued)*

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

#### 13 Operating Lease Commitments

The Group leases certain of its office premises under operating lease commitments. Leases for properties are negotiated for terms of three years (31 December 2017: one to three years).

At 30 June 2018, the Group had total future minimum lease payments under non-cancellable operating leases, in respect of buildings, falling due as follows:

	<b>30 June 2018</b>	31 December 2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within one year	<b>8,643</b>	3,159
In the second to fifth years, inclusive	<b>13,038</b>	2,895
	<b>21,681</b>	6,054

#### 14 Capital Commitments

The Group had the following capital commitments at the end of the reporting period:

	<b>30 June 2018</b>	31 December 2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Contracted, but not provided for: Property development expenditure	<b>599,655</b>	684,452

# Condensed Consolidated Interim Financial Information (continued)

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

### 15 Contingent Liabilities

- (i) As at 30 June 2018, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties held for sale. Pursuant to the terms of the guarantees, upon default in mortgage payments by any of these purchasers, the Group is responsible for repaying the relevant outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks, and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 30 June 2018, the Group's outstanding guarantees amounted to HK\$660,937,000 (31 December 2017: HK\$782,654,000) in respect of these guarantees.
- (ii) According to the master agreement dated 5 February 2013 relating to the disposal of the Group's then brewery business, the Group had undertaken to bear any losses arising from the brewery subsidiaries disposed of for additional obligations in relation to, among others, taxes, government levies, staff welfare and uncollectible trade receivables that occurred prior to the date of completion of the said disposal. The financial impact of the contingent liabilities that may arise from such arrangement is not disclosed as, in the opinion of the directors of the Company, the estimate of which is not practicable to do so.

# Condensed Consolidated Interim Financial Information *(continued)*

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

### 16 Related Party Transactions

- (a) In addition to the related party information and transaction disclosed elsewhere in the condensed consolidated interim financial information, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties.

	For the six months ended 30 June	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Rental expenses paid to a fellow subsidiary	1,577	1,577
Consultancy fee paid to a fellow subsidiary	1,040	–

The rental expenses and consultancy fee were 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\$4,470,000 (31 December 2017: HK\$6,047,000) for a lease commitment ending on 30 November 2019.

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

	For the six months ended 30 June	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Short term employee benefits	261	204
Post-employment benefits	60	52
Total compensation paid to key management personnel	321	256

## Condensed Consolidated Interim Financial Information *(continued)*

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

#### 16 Related Party Transactions *(continued)*

(c) Outstanding balances with related parties:

	<b>30 June 2018</b> <i>HK\$'000</i>	31 December 2017 <i>HK\$'000</i>
Amounts due from fellow subsidiaries	<b>1,134</b>	909
Amount due to a holding company	<b>125</b>	–
Amounts due to fellow subsidiaries	<b>121</b>	125
	<b>246</b>	125

These balances are unsecured, interest-free and have no fixed terms of repayment.

#### 17 Financial Risk Management and Financial Instruments

##### 17.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

There have been no changes in the risk management policies since year end.

# Condensed Consolidated Interim Financial Information *(continued)*

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

### 17 Financial Risk Management and Financial Instruments *(continued)*

#### 17.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group has no financial assets and liabilities that are measured at fair value at 30 June 2018.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2017.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Available-for-sale financial assets	–	1,161,178	–	1,161,178

The Group did not have any financial liabilities measured at fair value as at 30 June 2018 and 31 December 2017.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial asset (six months ended 30 June 2017: Nil).

There were no other changes in valuation techniques during the period.



# Condensed Consolidated Interim Financial Information *(continued)*

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

### 17 Financial Risk Management and Financial Instruments *(continued)*

#### 17.3 Valuation techniques used to derive Level 2 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. The following methods and assumptions were used to estimate the fair values:

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

#### 17.4 Group's valuation processes

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposit, restricted bank balances, financial assets included in deposits and other receivables, trade payables, financial liabilities included in other payables, accruals and provisions approximate to their carrying amounts largely due to the short term maturities of these instruments.

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

### 18 Acquisition of Guangdong Yuehai Property Development Co., Ltd.

On 27 April 2018, the Group entered into an agreement with 廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.<sup>®</sup>) and 廣東粵港投資置業有限公司 (Guangdong Yuegang Investment Property Co., Ltd.<sup>®</sup>), both of which are the Group's fellow subsidiaries, to acquire 100% equity interest in 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.<sup>®</sup>), of which the principal business is property development of Baohuaxuan Project and Zhuguanglu Project in the PRC at a cash consideration of HK\$1,485,939,000 (RMB1,200,490,000) and to procure 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.<sup>®</sup>) to repay outstanding loans, together with accrued interest up to 31 March 2018, of an aggregate amount of HK\$1,042,381,000 (RMB842,139,000). The transaction was completed on 11 July 2018. Management is in the progress of assessing the financial impact of the transaction including but not limited to the purchase price allocation as required under HKFRS 3 "Business Combination" as at the approval date of this condensed consolidated interim financial information.

## Management Discussion and Analysis

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

According to the information of the National Bureau of Statistics of the PRC, the preliminary statistical figure of the national gross domestic product for the first half of 2018 had a year-on-year increase of approximately 6.8%, and the nominal disposable income per capita increased by approximately 8.7% as compared with that in the same period last year. According to the price index of newly built residential properties of less than 90 square meters (“sq. m.”) in 70 large to medium-sized cities in June 2018, the price index of newly built residential properties of Guangzhou City had an increase of approximately 3.6% and that of Shenzhen City had a decrease of approximately 1.4% as compared with those in June 2017.

### Results

During the period under review, the consolidated revenue of the Group was approximately HK\$10.42 million (six months ended 30 June 2017: HK\$27.80 million), representing a decrease of approximately 62.5% from the same period last year. The decrease in revenue was mainly due to the fact that, in terms of the gross floor area (“GFA”), approximately 91.5% of the residential units under the Ruyingju Project were sold before the end of 2017. No residential unit under the Ruyingju Project was sold during the period under review. During the period under review, the Group’s profit attributable to owners of the Company was approximately HK\$62.40 million (six months ended 30 June 2017: loss of approximately HK\$0.25 million).

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

- (a) land appreciation tax was accrued as a result of the sale of certain properties by the Group in the previous year. During the period under review, the over-accrual of the land appreciation tax in the previous year of HK\$77.17 million has been reversed following tax clearance with the local tax authorities. It is expected that further reversal of the land appreciation tax for the same properties will not be repeated in the future; and
- (b) the revenue and interest income and gain of the Group were less than those in the same period last year, as a result of the decrease of sales of the residential units under the Ruyingju Project (most residential units were sold before the end of 2017) and the decrease of available funds following the development of the Buxin Project, respectively.

The board of directors of the Company (the “Board”) resolved not to declare the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

## Management Discussion and Analysis (continued)

### Business Review

#### The Buxin Project

The Group holds a 100% interest in the Buxin Project, which is a multi-functional commercial complex with jewelry as the main theme, located in the Buxin Area, Luohu District, Shenzhen City in the PRC. The total site area of the project amounts to approximately 66,526 sq. m., and the GFA included in the calculation of the plot ratio amounts to approximately 432,051 sq. m. In addition, an underground area of 30,000 sq. m. could be developed for commercial use. The Buxin Project, which is in close proximity to the urban highway and subway station as well as adjoining Weiling Park, is surrounded by several municipal parks within a radius of 1.5 km, possessing convenient transportation and superb landscape resources.

The Northwestern Land, which is under the first phase of the development of the Buxin Project, has a GFA of approximately 166,000 sq. m., of which the total saleable GFA is approximately 116,000 sq. m. Based on the Group's current development plan, except for the underground car-parking spaces, properties built on the Northwestern Land under the first phase of development will be for sale upon completion. During the period under review, construction of properties on the Northwestern Land was on track and the main structures of the four buildings have been constructed up to 19–27 floors respectively. The design plan for the Southern Land and the Northern Land under the second phase of the development of the Buxin Project has been completed, and the Group plans to build, among others, office buildings with a height of approximately 180 meters and 300 meters, respectively, as well as a shopping mall across the Southern Land and the Northern Land. It is expected that the second phase of the development will commence in the latter half of this year. During the period under review, the construction of exhibition center of the Buxin Project was on schedule in accordance with the plan. Meanwhile, the Group continued to visit potential customers and promoted the Buxin Project vigorously, and positive feedback has been received.

As at 30 June 2018, the cumulative development costs and fees of the Buxin Project amounted to approximately HK\$3,155 million (31 December 2017: HK\$3,038 million), representing a net increase of approximately HK\$117 million during the period under review. As at 30 June 2018, approximately HK\$1,983 million, HK\$1,134 million and HK\$38 million were attributable to "Properties held for sale under development" under the current assets, "Investment properties" and "Property, plant and equipment" under the non-current assets, respectively.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### The Ruyingju Project

The Group holds an 80% interest in the Ruyingju Project, which is located in Panyu District, Guangzhou City in the PRC, with a GFA of approximately 126,182 sq. m. The Ruyingju Project includes residential units and car-parking spaces for sale.

For the six months ended 30 June 2018, no residential unit was sold for the Ruyingju Project (six months ended 30 June 2017: 899 sq. m.). As at 30 June 2018, the accumulated GFA of the residential units sold under Ruyingju Project represented approximately 91.5% of the GFA of the residential units in aggregate.

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

### Financial Review

#### Key Financial Ratios

	Note	Six months ended 30 June		
		2018	2017	Change
Profit/(loss) attributable to owners of the Company, in HK\$'000		<b>62,404</b>	(249)	N/A
Return on equity, %	1	<b>1.38%</b>	(0.01%)	N/A
		30 June 2018	31 December 2017	Change
Net assets, in million HK\$		<b>4,700</b>	4,677	+0.5%

Note:

1. Return on equity = Profit/(loss) attributable to owners of the Company ÷ average equity attributable to owners of the Company

During the first half of 2018, the profit attributable to owners of the Company increased from that of the same period last year. The increase was mainly as a result of the reversal of land appreciation tax accrued in the previous year. Please refer to the "Results" section of this Management Discussion and Analysis for details.

## Management Discussion and Analysis (continued)

### Financial Review (continued)

#### Operating Income, Expenses and Finance Costs

During the period under review, the Group's interest income and gain from bank and financial assets at FVPL/available-for-sale financial assets recorded an aggregate amount of approximately HK\$28.90 million (six months ended 30 June 2017: HK\$36.40 million), representing a decrease of approximately 20.6% from the same period last year. The decrease in interest income and gain was mainly due to a decrease in the amount of available funds of the Group.

In the first half of 2018, the Group recorded selling and distribution expenses of approximately HK\$7.77 million (six months ended 30 June 2017: HK\$3.19 million), representing an increase of approximately 143.6% from the same period last year. The increase of the selling and distribution expenses was mainly due to the expenses related to the pre-sale of the Buxin Project in the fourth quarter this year. The Group's administrative expenses were approximately HK\$40.94 million (six months ended 30 June 2017: HK\$34.89 million) in the first half of 2018, representing an increase of approximately 17.3% from the same period last year. The increase was mainly due to the professional fees incurred during the course of the acquisition of 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.<sup>®</sup>) during the period.

During the period under review, the Group did not borrow any bank loan. There was no finance cost recorded during the period under review (six months ended 30 June 2017: Nil).

#### Capital Expenditure

In the first half of 2018, the Group paid general capital expenditure for the purchase of property, plant and equipment of approximately HK\$40.11 million (six months ended 30 June 2017: HK\$0.42 million), representing an increase of 94.5 times from the same period last year. During the period, the capital expenditure incurred was mainly for the construction of exhibition center of the Buxin Project. In addition, capital expenditure in relation to investment properties in the Buxin Project recorded an increase of approximately HK\$15.04 million (six months ended 30 June 2017: HK\$513 million) in the first half of 2018.

#### Financial Resources and Liquidity

As at 30 June 2018, the equity attributable to owners of the Company was approximately HK\$4.54 billion (31 December 2017: HK\$4.52 billion), representing an increase of approximately 0.4% from the end of 2017. Based on the number of shares in issue as at 30 June 2018, the net asset value per share attributable to owners of the Company at the period end was approximately HK\$2.65 (31 December 2017: HK\$2.64 per share), representing an increase of approximately 0.4% from the end of 2017.

## Management Discussion and Analysis (continued)

### Financial Resources and Liquidity (continued)

As at 30 June 2018, the Group had cash and cash equivalents of approximately HK\$1.65 billion (31 December 2017: HK\$0.6 billion), representing an increase of approximately 175.0% from the end of last year. Increase in cash and cash equivalents was mainly because no available-for-sale financial asset was held as at the period end. As at 31 December 2017, the Group held available-for-sale financial assets of HK\$1,161 million for the purpose of earning interest income and gain higher than those from bank deposits by purchasing short-term principal-guaranteed wealth management products, classified as available-for-sale financial assets, issued by commercial banks in the PRC.

Of the Group's cash and bank balances as at 30 June 2018, approximately 91.3% was in RMB, approximately 8.4% was in USD and approximately 0.3% was in HKD. Net cash outflows used in operating activities for the first half of 2018 amounted to HK\$48.03 million (six months ended 30 June 2017: HK\$717 million).

As most of the transactions from the Group's daily operations in Mainland China are denominated in RMB, currency exposure from these transactions is low. During the period under review, the Group did not take the initiative to perform currency hedge for such transactions.

As at 30 June 2018, the Group did not have any outstanding bank loan. Given the construction works of the Northwestern Land of the Buxin Project under the first phase of the development has been in full swing, the Group will review its funding needs from time to time and may obtain the funds through various financing channels according to the progress of its future business development, so as to ensure that adequate financial resources will be available to support its business development. As at 30 June 2018, the Group had been granted banking facilities of RMB500 million (equivalent to approximately HK\$593 million).

### Asset Pledged and Contingent Liabilities

As at 30 June 2018, save for a pledged bank deposit of HK\$43.94 million, none of the assets of the Group was pledged to any creditors. Except for disclosures set out in note 15 to this Condensed Consolidated Interim Financial Information regarding the guarantees made in relation to the mortgages of properties disposed of approximately HK\$661 million (31 December 2017: HK\$783 million) as at 30 June 2018 and undertakings made in the master agreement relating to the disposal of brewery subsidiaries, the Group did not record any other material contingent liability as at 30 June 2018.

## Management Discussion and Analysis (continued)

### Material Acquisition

Reference is made to the Company's announcement dated 27 April 2018 regarding the acquisition of a 100% interest in 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.<sup>®</sup>) (the "Target Company") by a wholly-owned subsidiary of the Company from the subsidiaries of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited<sup>®</sup>). The Target Company holds and is in charge of the development of the Zhuguanglu Project and the Baohuaxuan Project. The consideration for the acquisition comprised equity consideration of RMB1,200,490,000 (equivalent to approximately HK\$1,485,939,000) (subject to adjustment (if any)). Upon the completion of the share transfer of the Target Company, the Group shall procure the repayment of the outstanding loans (being loans borrowed in the ordinary course of business of the Target Company) due from the Target Company to 廣東粵海控股集團有限公司 (Guangdong Holdings Limited<sup>®</sup>) and its associates in the aggregate amount of RMB842,139,229.20 (equivalent to approximately HK\$1,042,381,000) (comprising the principal amounts and the related interest accrued up to and including 31 March 2018).

In relation to the Zhuguanglu Project, the Target Company has undertaken the construction and development of certain residential and commercial properties located at 43-79 Zhuguang Road, Yuexiu District (越秀區珠光路43-79號) in Guangzhou City, the PRC with a total site area of approximately 12,168 sq. m. The Zhuguanglu Properties have an aggregate GFA of approximately 119,267 sq. m. (comprising (a) approximately 65,636 sq. m. for residential use; (b) approximately 22,817 sq. m. for commercial use; and (c) approximately 18,464 sq. m. as car-parking spaces, with the remainder of approximately 12,350 sq. m. being public facilities). The filing in respect of the completion of construction (竣工備案) of the Zhuguanglu Project has been completed.

In relation to the Baohuaxuan Project, the Target Company has also undertaken the construction and development of certain residential properties located between Wenchang South Road (文昌南路) and Old Baohua Road (舊寶華路) in Liwan District (荔灣區) in Guangzhou City, the PRC with a total site area of approximately 1,374 sq. m. The Baohuaxuan Properties comprise 40 residential units and 20 car-parking spaces, with an aggregate GFA of approximately 5,240 sq. m. The filing in respect of the completion of construction (竣工備案) of the Baohuaxuan Project and the construction of the Baohuaxuan Properties have been completed.

Please refer to the circular of the Company dated 18 May 2018 for the details of such an acquisition and the Target Company. The completion of the acquisition took place in July 2018. Upon completion, the Target Company has become an indirect wholly-owned subsidiary of the Company; and the Company, through the Target Company, holds the Zhuguanglu Project and the Baohuaxuan Project.

## Management Discussion and Analysis (continued)

### Risks and Uncertainties

Given that the Group is engaged in the business of property development and investment in Mainland China, risks and uncertainties of its business are principally associated with the property market and property prices in Mainland China, and the Group's revenue in the future will be directly affected by such risks and uncertainties. The property market in Mainland China is affected by a number of factors which include, among others, economic environment, property supply and demand, the PRC government's fiscal and monetary policies, taxation policies and austerity measures on the real estate sector, etc. Currently, the property projects of the Group are all located in first-tier cities, involving properties of different types and serving different purposes, so as to effectively diversify operational risks.

The Buxin Project of the Group located in Shenzhen City has a relatively prolonged development period, therefore the Company may need to seek external funds to partially finance its development. As such, the financing channels and financing costs will be subject to the prevailing market conditions, the level of loan interest rates and the Group's financial position. As at 30 June 2018, the Group did not have any outstanding interest-bearing loans.

As property development business has a relatively long product life cycle, values of certain properties stated at fair value will be affected by prices of local property markets as at the end of the reporting period, the Group's future results and cash flows will be relatively volatile.

### Policy and Performance on Environmental, Social and Governance

The Group strictly complies with the laws and regulations enacted by the Mainland China and Hong Kong Governments, including those in relation to environmental protection, social and governance. The Company's internal management for environmental, social and governance integrates the views of various stakeholders and is supported by staff members from all levels and departments of the Company, especially for the important issues in relation to environmental, social and governance. Staff members jointly implement and execute relevant internal policies and promptly respond to the expectations of stakeholders.

In furtherance of on-going optimising our environmental, social and governance policies, the Group has been communicating with stakeholders actively, to receive the feedback and suggestions over the Group from stakeholders such as employees, customers, business partners and suppliers, shareholders and investors, government authorities and regulators through various channels. Also, we conducted a comprehensive and all-round stakeholder engagement in various ways, such as face-to-face communication, telephone interviews, questionnaires and on-site visits with the assistance of an independent third-party professional consultant, in order to assist the Group to identify and analyse important topics from two dimensions, namely "Significance to our Stakeholders" and "Importance to Guangdong Land's Development" to allow the Group to envisage the changes in operational environment, and consequently achieving the goals of sustainable development and proper risk management.



## Management Discussion and Analysis (continued)

### Policy and Performance on Environmental, Social and Governance (continued)

The Group operates in the real estate business and it is very important to strictly comply with environmental laws and regulations on construction work. Any failure to observe the relevant environmental laws and regulations may result in the relevant authorities' rejection of the applications for construction projects. The Group ensures that all activities at the construction site of each project are performed in strict conformity with the relevant environmental laws and regulations of the relevant regions, including but not limited to the requirements for environmental protection, wastewater treatment and noise control, as well as clearly conveys the message of the Group's emphasis on environmental protection to the main contractors of the development projects, sparing no efforts in contributing to environmental protection.

The Company prepared and in July 2018 published its 2017 Environmental, Social and Governance Report. The report summarises the Group's efforts and achievement in respect of corporate social responsibility, covering various aspects including corporate governance, environmental protection, caring for employees, quality management, caring for the community and other aspects during the period from 1 January 2017 to 31 December 2017.

### Human Resources

As at 30 June 2018, the Group had 220 (31 December 2017: 225) employees in aggregate. Various basic benefits were provided to the Group's staff. As to the staff incentive policy, it was determined with reference to both the Group's operating results as well as the performance of the individual staff member. There was no share option scheme of the Company in operation during the period under review. The Group offers different training courses to its employees.

### Outlook

In 2018, the PRC government has continued to regulate the property market, constantly launching new policies governing the real estate sector. It is expected that the PRC government would not relax its policies that regulate the property market whereas the continuity and steadiness of such policies would either stand firm or reinforce. Generally speaking, the PRC's steady economic development coupled with steady property development and investment would continue to propel the industry of residential properties and commercial properties of the PRC to develop steadily.

The Company is cautiously optimistic about the outlook of the real estate industry's development in the first-tier cities of Mainland China. Development in the Guangdong-Hong Kong-Macau Greater Bay Area is currently in full swing. Subsequent to the implementation of plans and relevant policies for the Guangdong-Hong Kong-Macau Greater Bay Area, further integration and development of the economies of the cities in the Greater Bay Area are in prospect, and their economic positions will be further enhanced. It is anticipated that the real estate industry in the area would benefit from the social and economic integration as a whole.

## Management Discussion and Analysis (continued)

### Outlook (continued)

The Group's Buxin Project which is currently under development and construction would likewise benefit from the strong development momentum in the Guangdong-Hong Kong-Macau Greater Bay Area. Located in Luohu District, Shenzhen City, the Buxin Project has an enormous development potential. The Group will invest appropriate resources to develop that project in order to create and release its value, and will consider arranging external financing to support the development of the project. The business apartments and office premises under the first phase of the development of the Buxin Project are expected to meet pre-sale conditions in the second half of 2018 and pre-sales would commence upon the pre-sale permit is granted.

Through the development and construction of the Buxin Project, the Group has developed a sound cooperative relationship with the local government, accumulated experience in projects under the categories of urban re-development and revitalisation of old cities, laid the foundations for relevant industry research, mastered relevant industry information, and built an operating model for project development.

The Target Company that holds the Zhuguanglu Project and the Baohuaxuan Project became a subsidiary of the Company following the completion in July 2018. The residential units under the Zhuguanglu Project are expected to commence sale in the fourth quarter of 2018. The residential units under the Baohuaxuan Project are currently available for sale. It is expected that both projects will contribute to the results and cash flows of the Group in the second half of 2018.

At present, the Group has a strong financial position with a strong controlling shareholder and enjoys ample project and financial resources. Looking ahead, the Group aspires to capitalise on opportunities and takes an active approach in contemplating and delving into first-tier and second-tier cities in Mainland China, particularly cities located in the Guangdong-Hong Kong-Macau Greater Bay Area and the Pearl River Delta, so as to seek out opportunities for real estate development and investment projects and procure the Company's stable and healthy development in the long run.

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

## Directors' Interests and Short Positions in Securities

As at 30 June 2018, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be (a) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the 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 <sup>(Note)</sup>
HUANG Xiaofeng	Personal	3,880,000	Long position	0.227%
Alan Howard SMITH	Personal	317,273	Long position	0.019%
Vincent Marshall LEE Kwan Ho	Corporate	1,000,000	Long position	0.058%

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 2018.

#### (ii) Guangdong Investment Limited

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

Note: The approximate percentage of interests held was calculated on the basis of 6,537,821,440 ordinary shares of Guangdong Investment Limited ("GDI") in issue as at 30 June 2018.

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

### II. Share Options

#### (i) The Company

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

#### (ii) GDI

##### **Interests in options relating to ordinary shares (Long positions)**

(1) *Share Option Scheme adopted by GDI on 24 October 2008 (the "2008 Scheme")*

Name of director	Date of grant of share options* (dd.mm.yyyy)	Number of share options						Total consideration paid for share options granted HK\$	Exercise price of share options** HK\$ (per share)	Price of ordinary share at date immediately before date of grant*** HK\$ (per share)	Price of ordinary share at date immediately before the exercise date*** HK\$ (per share)
		At date of grant	At 1 January 2018	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	At 30 June 2018				
HUANG Xiaofeng	22.01.2013	2,693,000	877,420	-	-	-	877,420	-	6.20	6.30	-
ZHAO Chunxiao	22.01.2013	2,268,000	778,630	-	-	-	778,630	-	6.20	6.30	-
LI Wai Keung	22.01.2013	2,243,000	815,840	-	-	-	815,840	-	6.20	6.30	-

Notes to the above share options granted pursuant to the 2008 Scheme:

- 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 GDI upon grant and stated in the offer of grant.

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

### II. Share Options (continued)

#### (ii) GDI (continued)

#### **Interests in options relating to ordinary shares (Long positions)** (continued)

##### (1) Share Option Scheme adopted by GDI on 24 October 2008 (the "2008 Scheme") (continued)

- (e) The leaver vesting scale of the share options that would apply in the event of the grantee ceasing to be an eligible person under certain special circumstances (less the percentage which has already vested under the normal vesting scale or which has lapsed) is as follows:

<b>Date on which event occurs</b>	<b>Percentage Vesting</b>
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

##### (2) Notes to the reconciliation of share options outstanding during the period

- \* Details of the vesting period of the share options granted under the 2008 Scheme are set out in the "Share Option Scheme adopted by GDI on 24 October 2008" section of this report.
- \*\* 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 GDI.
- \*\*\* The price of the ordinary share of GDI disclosed as "at date immediately before date of grant" of the share options is the closing price on the Hong Kong Stock Exchange on the business day prior to which the share options were granted.

The price of the ordinary share of GDI 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 GDI or all other participants as an aggregate whole.

Save as disclosed above, as at 30 June 2018, to the knowledge of the Company, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and chief executive were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## Substantial Shareholders' Interests

As at 30 June 2018, so far as is known to any director or chief executive of the Company, the following persons (other than a director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity/Nature of interests	Number of shares held	Long/Short position	Approximate percentage of interests held <sup>(Note 1)</sup>
廣東粵海控股集團有限公司 (Guangdong Holdings Limited <sup>®</sup> ) <sup>(Note 2)</sup>	Interest in controlled corporation	1,263,494,221	Long position	73.82%
GDH Limited <sup>(Note 2)</sup>	Interest in controlled corporation	1,263,494,221	Long position	73.82%
Guangdong Investment Limited	Beneficial owner	1,263,494,221	Long position	73.82%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 1,711,536,850 shares of the Company in issue as at 30 June 2018.
2. The attributable interest which 廣東粵海控股集團有限公司 (Guangdong Holdings Limited<sup>®</sup>) has in the Company is held through its wholly-owned subsidiary, namely GDH Limited, and the attributable interest of the latter is held through its subsidiary, GDI.

Save as disclosed above, as at 30 June 2018, so far as is known to any director or chief executive of the Company, no other person (other than a director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

## Corporate Governance and Other Information

### Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2018.

### Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by directors. In response to specific enquiries made, all directors of the Company confirmed that they had complied with the required standards of dealings as set out in the Model Code during the six months ended 30 June 2018.

### Changes in Directors' Information

Changes in directors' information in respect of the period between the publication dates of the 2017 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:

- The position of Mr. LI Wai Keung at the Hong Kong Business Accountants Association has been changed from president to honorary president with effect from 2 August 2018.
- Mr. Felix FONG Wo ceased to be an independent non-executive director of China Investment Development Limited (whose shares are listed on the Hong Kong Stock Exchange) with effect from 23 July 2018.

### 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 2018. In addition, the Company's external auditors, Messrs. PricewaterhouseCoopers, 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 2018.

By Order of the Board  
**HUANG Xiaofeng**  
*Chairman*

Hong Kong, 23 August 2018



粤海置地控股有限公司  
GUANGDONG LAND HOLDINGS LIMITED