GDH

GUANGDONG INVESTMENT LIMITED
(粵海投資有限公司)

（*Incorporated in Hong Kong with limited liability*）
（**Stock Code: 0270**）

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

Unaudited financial highlights for the six months ended 30 June

	2013	2012	Changes
	HK$' 000	HK$' 000	%
Revenue	**4,137,945**	3,993,359	+3.6
Profit attributable to owners of the Company	**2,428,325**	1,870,895	+29.8
Earnings per share – Basic	**38.94 HK cents**	30.02 HK cents	+29.7
Interim dividend per share	**7.00 HK cents**	7.00 HK cents	-

CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board of directors (the "Board") of Guangdong Investment Limited (the "Company" or "GDI") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group" or the "GDI Group") for the six months ended 30 June 2013 together with the comparative figures for corresponding period in 2012. These results have not been audited, but have been reviewed by the Company's audit committee and the auditors, Messrs. Ernst & Young.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

	Notes	For the six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
REVENUE	3	4,137,945	3,993,359
Cost of sales		(1,285,111)	(1,280,196)
Gross profit		2,852,834	2,713,163
Other income and gains		109,216	170,203
Gain on disposal of a subsidiary and a jointly-controlled entity		424,245	-
Changes in fair value of investment properties		317,725	553,196
Selling and distribution expenses		(72,085)	(83,432)
Administrative expenses		(482,407)	(506,019)
Other operating expenses, net		(9,106)	(6,252)
Finance costs	4	(29,995)	(87,148)
Share of profit of a jointly-controlled entity		51,238	44,176
Share of profits less losses of associates		113,263	32,902
PROFIT BEFORE TAX	5	3,274,928	2,830,789
Income tax expense	6	(629,091)	(543,020)
PROFIT FOR THE PERIOD		2,645,837	2,287,769
Attributable to:			
Owners of the Company		2,428,325	1,870,895
Non-controlling interests		217,512	416,874
		2,645,837	2,287,769
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic		38.94 HK cents	30.02 HK cents
Diluted		38.81 HK cents	29.91 HK cents

Details of the dividends proposed for the period are disclosed in note 7 to the announcement.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	For the six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
PROFIT FOR THE PERIOD	2,645,837	2,287,769
Exchange fluctuation reserve released upon disposal of a subsidiary and a jointly-controlled entity	(231,773)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	237,566	(67,646)
Net gain on available-for-sale financial assets	64,711	-
Net movement on cash flow hedges	-	58,285
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	302,277	(9,361)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	70,504	(9,361)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,716,341	2,278,408
Attributable to:		
Owners of the Company	2,427,158	1,877,008
Non-controlling interests	289,183	401,400
	2,716,341	2,278,408

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,112,185	3,100,116
Investment properties		9,927,448	9,459,530
Prepaid land lease payments		95,868	96,772
Goodwill		266,146	266,146
Investment in a jointly-controlled entity		-	720,386
Investments in associates		1,457,252	1,482,287
Intangible assets		13,722,370	14,124,484
Deferred tax assets		27,565	28,747
Total non-current assets		28,608,834	29,278,468
CURRENT ASSETS			
Available-for-sale financial assets		5,500,160	431,655
Tax recoverable		97	86
Inventories		58,537	56,717
Receivables, prepayments and deposits	9	998,002	3,122,795
Cash and cash equivalents		4,758,174	4,472,271
Total current assets		11,314,970	8,083,524
CURRENT LIABILITIES			
Payables and accruals	10	(2,329,473)	(2,639,494)
Tax payable		(333,136)	(365,617)
Due to non-controlling shareholders of subsidiaries		(382,353)	(315,991)
Interest-bearing bank borrowings		(238,000)	(238,000)
Dividend payable		(810,961)	-
Total current liabilities		(4,093,923)	(3,559,102)
NET CURRENT ASSETS		7,221,047	4,524,422
TOTAL ASSETS LESS CURRENT LIABILITIES - page 5		35,829,881	33,802,890

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2013

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES - page 4	35,829,881	33,802,890
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	(2,551,273)	(2,547,407)
Other liabilities	(1,174,269)	(1,198,821)
Deferred tax liabilities	(1,824,929)	(1,672,413)
Total non-current liabilities	(5,550,471)	(5,418,641)
Net assets	30,279,410	28,384,249
EQUITY		
Equity attributable to owners of the Company		
Issued capital	3,119,082	3,117,103
Reserves	22,116,261	20,110,448
Proposed dividend	436,671	810,447
	25,672,014	24,037,998
Non-controlling interests	4,607,396	4,346,251
Total equity	30,279,410	28,384,249

Notes:

1. ACCOUNTING POLICIES

The unaudited interim financial information of the Group for the six months ended 30 June 2013 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim financial information does not include all the 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 2012.

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, 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 to the announcement.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 13 *Fair Value Measurement*, amendments to HKAS 1 *Presentation of Financial Statements* and amendments to HKAS 34 included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on this interim financial information.

The principal effects of adopting these new and revised HKFRSs are as follows:

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. Some of the disclosures are specifically required for financial instruments in this interim financial information.

The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains or losses on defined benefit plans and revaluation of land and buildings). The Group's presentation of other comprehensive income have been modified accordingly.

The amendment to HKAS 34 included in *Annual Improvements 2009-2011 Cycle* clarifies the requirements in HKAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in HKFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. Total segment assets and total segment liabilities were reported to the chief operating decision maker. As a result of this amendment, the Group now also includes disclosure of total segment assets and total segment liabilities.

3. OPERATING SEGMENT INFORMATION

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

(i) The property investment and development segment mainly invests in various properties in Hong Kong and Mainland China that are held for rental income purposes and engages in the development of properties in Mainland China. This segment also provides property management services to certain commercial properties;

(ii) The department stores segment operates department stores in Mainland China;

(iii) The water distribution segment operates water supply projects in Mainland China;

(iv) The electric power generation segment operates coal-fire power plants supplying electricity and steam in the Guangdong Province, Mainland China;

(v) The hotel operations and management segment operates the Group's hotels and manage third parties' hotels in Hong Kong and Mainland China;

(vi) The toll roads and bridges segment invests in various road and bridge projects in Mainland China; and

(vii) The "others" segment provides treasury services in Hong Kong and Mainland China and engages in the provision of corporate services to other segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. Intersegment sales are eliminated on consolidation.

3. OPERATING SEGMENT INFORMATION (continued)

The following table presents revenue and profit/(loss) information regarding the Group's operating segments for the six months ended 30 June 2013 and 2012.

	Property investment and development		Department stores		Water distribution	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Segment revenue:						
Sales to external customers	527,530	498,475	424,029	391,247	2,611,852	2,539,274
Intersegment sales	51,863	51,235	-	-	-	-
Other revenue from external sources (note)	1,238	5,841	20,845	25,641	547	1,086
Other revenue from intersegment (note)	-	-	-	-	-	-
Exchange gains/(losses), net	714	(224)	-	-	26,770	(8,729)
Total	581,345	555,327	444,874	416,888	2,639,169	2,531,631
Segment results	725,460	945,945	169,018	144,886	1,642,746	1,544,792
Interest income						
Other unallocated losses, net						
Finance costs						
Share of profits less losses of:						
A jointly-controlled entity	-	-	-	-	-	-
Associates	-	-	(2,078)	15,353	(9,807)	(13,000)
Profit before tax						
Income tax expense						
Profit for the period						

Note: Excluding exchange gains/(losses), net

3. OPERATING SEGMENT INFORMATION (continued)

	Electric power generation		Hotel operations and management		Toll roads and bridges	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Segment revenue:						
Sales to external customers	256,790	242,601	308,313	308,024	9,431	13,738
Intersegment sales	-	-	-	-	-	-
Other revenue from external sources (note)	6,136	6,179	229	649	20	3
Other revenue from intersegment (note)	-	-	-	-	-	-
Exchange gains/(losses), net	(207)	64	3,157	(629)	106	(241)
Total	262,719	248,844	311,699	308,044	9,557	13,500
Segment results	65,998	40,006	59,176	62,309	427,499	2,963
Interest income						
Other unallocated losses, net						
Finance costs						
Share of profits less losses of:						
A jointly-controlled entity	-	-	-	-	51,238	44,176
Associates	122,272	28,278	-	-	2,876	2,271
Profit before tax						
Income tax expense						
Profit for the period						

Note: Excluding exchange gains/(losses), net

3. OPERATING SEGMENT INFORMATION (continued)

	Others		Eliminations		Consolidated	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Segment revenue:						
Sales to external customers	-	-	-	-	4,137,945	3,993,359
Intersegment sales	-	-	(51,863)	(51,235)	-	-
Other revenue from external sources (note)	59,893	21,209	-	-	88,908	60,608
Other revenue from intersegment (note)	1,970	1,790	(1,970)	(1,790)	-	-
Exchange gains/(losses), net	12,174	(2,404)	-	-	42,714	(12,163)
Total	74,037	20,595	(53,833)	(53,025)	4,269,567	4,041,804
Segment results	30,217	(9,637)	-	-	3,120,114	2,731,264
Interest income					20,308	109,599
Other unallocated losses, net					-	(4)
Finance costs					(29,995)	(87,148)
Share of profits less losses of:						
A jointly-controlled entity	-	-	-	-	51,238	44,176
Associates	-	-	-	-	113,263	32,902
Profit before tax					3,274,928	2,830,789
Income tax expense					(629,091)	(543,020)
Profit for the period					2,645,837	2,287,769

Note: Excluding exchange gains/(losses), net

3. OPERATING SEGMENT INFORMATION (continued)

	Property investment and development		Department stores		Water distribution	
	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Segment assets	10,450,934	12,598,938	107,860	124,527	14,979,850	14,977,274
Investments in associates	-	-	180,898	179,780	99,606	108,233
Investment in a jointly-controlled entity	-	-	-	-	-	-
Unallocated assets						
Total assets						
Segment liabilities	595,365	567,025	994,267	1,296,939	1,506,186	1,502,456
Unallocated liabilities						
Total liabilities						

3. OPERATING SEGMENT INFORMATION (continued)

	Electric power generation		Hotel operations and management		Toll roads and bridges	
	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Segment assets	292,101	167,378	2,339,071	2,347,454	182	827
Investments in associates	1,176,748	1,124,927	-	-	-	69,347
Investment in a jointly-controlled entity	-	-	-	-	-	720,386
Unallocated assets						
Total assets						
Segment liabilities	550,681	542,153	91,609	106,195	121,648	119,611
Unallocated liabilities						
Total liabilities						

3. OPERATING SEGMENT INFORMATION (continued)

	Others		Eliminations		Consolidated	
	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Segment assets	8,142	9,144	-	-	28,178,140	30,225,542
Investments in associates	-	-	-	-	1,457,252	1,482,287
Investment in a jointly-controlled entity	-	-	-	-	-	720,386
Unallocated assets					10,288,412	4,933,777
` Total assets					39,923,804	37,361,992
Segment liabilities	25,419	18,764	-	-	3,885,175	4,153,143
Unallocated liabilities					5,759,219	4,824,600
` Total liabilities					9,644,394	8,977,743

4. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank borrowings wholly repayable :		
Within five years	29,995	25,292
Over five years	-	547
Total interest expense on financial liabilities not at fair value through profit or loss	29,995	25,839
Finance charges on cash flow hedges, net	-	61,309
Total finance costs for the period	29,995	87,148

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest income**	(20,308)	(109,599)
Changes in fair value of derivative financial instruments not qualified as hedges, net**	-	4
Cost of inventories sold*	208,649	209,372
Depreciation	126,367	123,450
Recognition of prepaid land lease payments	2,370	2,354
Amortisation of intangible assets*	401,969	402,006
Impairment of items of property, plant and equipment^	-	3,664

* Included in "Cost of sales" on the face of the condensed consolidated income statement.

** Included in "Other income and gains" on the face of the condensed consolidated income statement.

^ Included in "Other operating expenses, net" on the face of the condensed consolidated income statement.

6. INCOME TAX EXPENSE

	For the six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Current - Hong Kong	10,660	10,955
Current - Mainland China		
Charge for the period	485,190	362,850
Under/(Over) provision in prior years	4,623	(4,130)
Deferred	128,618	173,345
Total tax charge for the period	629,091	543,020

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

7. DIVIDENDS

	For the six months ended 30 June 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Interim – 7.0 HK cents (2012: 7.0 HK cents) per ordinary share	436,671	436,324

At a meeting of the board of directors held on 28 August 2013, the directors resolved to pay to shareholders an interim dividend of 7.0 HK cents (2012: 7.0 HK cents) per ordinary share for the six months ended 30 June 2013.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted earnings per share for the six months ended 30 June 2013 and 2012 are based on:

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	2,428,325	1,870,895

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	Number of shares	
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	6,236,043,176	6,233,036,741
Effect of dilution - weighted average number of ordinary shares assumed to have been issued:		
Share options	20,271,659	22,416,392
For the purpose of diluted earnings per share calculation	6,256,314,835	6,255,453,133

9. RECEIVABLES, PREPAYMENTS AND DEPOSITS

Included in the Group's receivable, prepayments and deposits are trade receivables, net of impairments, from the Group's customers. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 days to 180 days of issue. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. The Group's trade receivables related principally to the water distribution and electricity supply businesses, giving rise to a certain concentration of credit risk whereby 46% (31 December 2012: 15%) of the total trade receivables was due from one of the Group's major customers. The Group does not hold any collateral or other credit enhancements over these balances.

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the payment due date, is as follows:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Within 3 months	643,763	251,165
3 months to 6 months	18,194	6,180
6 months to 1 year	6,718	50,443
More than 1 year	85,831	40,473
	754,506	348,261
Less: Impairments	(10,352)	(10,535)
	744,154	337,726

10. PAYABLES AND ACCRUALS

Included in the Group's payables and accruals are trade payables. An aged analysis of the Group's trade payables as at the end of the reporting period, based on the payment due date, is as follows:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Within 3 months	383,530	550,213
3 months to 6 months	94	162
6 months to 1 year	1,340	1,328
	384,964	551,703

BUSINESS REVIEW, DISCUSSION AND ANALYSIS, AND PROSPECTS

RESULTS

The Board is pleased to report the results of the Group for the six months ended 30 June 2013 (the "Period"). The Group's unaudited consolidated profit attributable to shareholders amounted to HK$2,428 million (2012: HK$1,871 million), an increase of 29.8% as compared with the same period last year. Basic earnings per share was 38.94 HK cents (2012: 30.02 HK cents), an increase of 29.7% over the same period last year.

INTERIM DIVIDEND

The Board declares an interim dividend of 7.0 HK cents per share for the Period (2012: 7.0 HK cents).

FINANCIAL REVIEW

The unaudited consolidated revenue of the Group for the Period was HK$4,138 million (2012: HK$3,993 million), an increase of 3.6% as compared with the same period last year. The growth was mainly contributed by water distribution, department stores operations and property investment businesses.

The unaudited consolidated profit attributable to shareholders of the Group for the Period increased by 29.8% to HK$2,428 million (2012: HK$1,871 million). The profit before tax increased by 15.7% or HK$444 million to HK$3,275 million (2012: HK$2,831 million). The growth was mainly contributed by water distribution, electric power generation and the gain arising from disposal of certain non-core investments, but partly offset by the decrease in property investment and development businesses.

Net gain arising from fair value adjustments of investment properties of HK$318 million (2012: HK$553 million) was recorded during the Period. The finance cost of the Group decreased by 65.5% to HK$30 million (2012: HK$87 million) as there was no finance charge arising from interest rate swap arrangement for the Period.

Basic earnings per share was 38.94 HK cents (2012: 30.02 HK cents), representing an increase of 29.7% as compared with the same period last year.

BUSINESS REVIEW

A summary of the performance of the Group's major businesses during the Period is as follows:

Water Distribution

Dongshen Water Supply

The profit contribution from the Dongshen Water Supply Project continued to form a significant part of the Group's profit. As at 30 June 2013, the Company's interest in GH Water Supply (Holdings) Limited ("GH Water Holdings") was 95.99% (31 December 2012: 95.98%). During the Period, the Company had acquired 7,675 shares in GH Water Holdings at a price of HK$111 per share for a total consideration of approximately HK$852,000. GH Water Holdings holds a 99% interest in Guangdong Yue Gang Water Supply Company Limited, the owner of the Dongshen Water Supply Project.

The designed annual capacity of Dongshen Water Supply Project is 2.423 billion cubic meters. Total water supply to Hong Kong, Shenzhen and Dongguan during the Period amounted to 1.000 billion cubic meters (2012: 1.021 billion cubic meters), down by 2.1%, which generated a revenue of HK$2,611,852,000 (2012: HK$2,539,274,000), an increase of 2.9% over the same period last year.

Pursuant to the Hong Kong Water Supply Agreement for years 2012 to 2014 entered into between the Hong Kong Special Administrative Region ("Hong Kong") Government and the Guangdong Provincial Government ("GPG") in 2011, the annual revenue for water sales to Hong Kong for the three years of 2012, 2013 and 2014 are HK$3,538.70 million, HK$3,743.30 million and HK$3,959.34 million, respectively.

The revenue from water sales to Hong Kong for the Period increased by 5.8% to HK$2,042 million (2012: HK$1,930 million). The revenue from water sales to Shenzhen and Dongguan areas for the Period decreased by 6.4% to HK$570 million (2012: HK$609 million). The profit before tax of the water distribution business for the Period was HK$1,657,495,000 (2012: HK$1,484,795,000), 11.6% higher than that in the same period last year.

Nansha Water Supply

The Group's effective interest in Nansha GDH Water Co., Ltd. ("Nansha Water Co") is 49%. The annual capacity of water supply of Nansha Water Co is 71.90 million cubic meters. The total volume of water supplied to user during the Period amounted to 27.24 million cubic meters (2012: 26.32 million cubic meters), an increase of 3.5%. Revenue for the Period was HK$68,440,000 (2012: HK$60,888,000), an increase of 12.4%. The loss before tax of Nansha Water Co for the Period was HK$20,453,000 (2012: HK$28,101,000), 27.2% less than that of the same period last year.

Property Investment

Mainland China

Teem Plaza

As at 30 June 2013, the Group held an effective equity interest of 76.09% in 廣東天河城(集團)股份有限公司(Guangdong Teem (Holdings) Limited) ("GD Teem"), the owner of the property named Teem Plaza which comprises a shopping mall, an office building and a hotel. The shopping mall and the office building are held for investment purposes by the Group.

During the Period, revenue of Teem Plaza, comprising rental income from both the shopping mall (included rentals from department store operated by the Group) and the office building, reached HK$539,001,000 (2012: HK$512,579,000), an increase of 5.2%. The profit before tax for the Period, excluding revaluation gain and net interest income, increased by 3.7% to HK$378,437,000 (2012: HK$364,879,000).

Teemall, one of the most popular shopping malls in the prime area of Guangzhou, has a total gross floor area and lettable area of approximately 160,000 square meters and 97,000 square meters respectively. The mall was operated at its full capacity with an average occupancy rate of approximately 99% during the Period (2012: 99%). The mall is successful in retaining existing brand-name tenants and attracting new ones. Strong demands for shop spaces in the mall and the use of the open tendering system for tenants selection resulted in an increase of rental income during the Period.

The office building, known as Teem Tower (粵海天河城大廈), is a 45-storey Grade A office tower with a total gross floor area and lettable area of approximately 102,000 square meters and 90,000 square meters, respectively. With an occupancy rate of 98% (2012: 98%) as at 30 June 2013, the total rental income for the Period was HK$100,912,000 (2012: HK$102,644,000), a decrease of 1.7%. The profit before tax for the Period, excluding revaluation gain, was down by 3.1% to HK$85,875,000 (2012: HK$88,651,000).

Tianjin Teem Shopping Mall

GD Teem owns a parcel of land in Tianjin which will be developed into a large-scale modern shopping mall with a total gross floor area above ground and underground of approximately 137,100 square meters and 56,000 square meters respectively. It is expected that the construction work of the Tianjin Teem Shopping Mall will be completed by the end of 2016. Approximately HK$1,395 million had been invested as at 30 June 2013.

Panyu Wanbo CBD Project

The Group's effective interest in 廣州市萬亞投資管理有限公司 (Guangzhou City Wanye Investment Management Company Limited) ("Wanye") is 31.04%. 廣州天河城投資有限公司 (Guangzhou Tianhecheng Investment Co., Ltd.) ("Tianhecheng Investco"), a 60% owned subsidiary of GD Teem, directly holds 68% interest in Wanye. Wanye owns a parcel of land well located in 番禺萬博中央商務區 (Panyu Wanbo Central Business District), which is designed to be a new commercial area of Guangzhou. This parcel of land will be developed into a large-scale integrated commercial project with gross floor area of approximately 260,000 square meters, comprising shopping centre, offices and shops. Approximately HK$650 million had been invested by Tianhecheng Investco in Wanye according to the cooperation agreement as at 30 June 2013.

Hong Kong

Guangdong Investment Tower

The average occupancy rate of Guangdong Investment Tower for the Period was 98.2% (2012: 99.6%), which was 1.4% lower than that in the same period last year. As a result of the upsurge in average rental, total rental income for the Period was up by 20.2% to HK$21,365,000 (2012: HK$17,769,000).

Department Stores Operations

As at 30 June 2013, the Group held an effective interest of approximately 85.18% in both 廣東天河城百貨有限公司 (Guangdong Teemall Department Stores Ltd.) ("GDTDS") and 廣州市天河城萬博百貨有限公司 ("天河城萬博"). GDTDS operates the Teemall Store in Teem Plaza. It also operates Teemall Store – Beijing Road Branch ("Ming Sheng Store"), 奧體歐萊斯名牌折扣店 ("Ao Ti Store"), 白雲新城百貨店 ("Baiyun New Town Store") and 東圃百貨店 ("Dong Pu Store"). 天河城萬博 operates 天河城百貨歐萊斯折扣店 ("Wan Bo Store"). The six stores in aggregate with leased area of approximately 130,000 square meters (2012: 126,700 square meters) generated revenue of HK$424,029,000 (2012: HK$391,247,000), an increase of 8.4%. The profit before tax for the Period increased by 30.2% to HK$191,463,000 (2012: HK$147,017,000).

Teemall Store offers to sell a wide range of products and is one of the major top-selling department stores in Guangzhou. The revenue of Teemall Store increased by 7.8% to HK$299,633,000 (2012: HK$277,828,000) during the Period.

Due to new competing department stores along the Beijing Road, the revenue of Ming Sheng Store for the Period was decreased by 7.1% to HK$29,782,000 (2012: HK$32,041,000). Ao Ti Store is operated as an outlet mall and its revenue for the Period was HK$15,348,000 (2012: HK$11,333,000), an increase of 35.4%. The revenue of Baiyun New Town Store for the Period was HK$8,750,000 (2012: HK$6,732,000), an increase of 30.0%. The revenue of Dong Pu Store for the Period was HK$23,617,000 (2012: HK$16,006,000), an increase of 47.6%.

Wan Bo Store is operated as an outlet mall, sells brand-name products at a substantial discount. Due to the opening of new competing department stores in Panyu District, the revenue of Wan Bo Store for the Period was decreased by 0.9% to HK$46,899,000 (2012: HK$47,306,000).

The Group's effective interest in 廣東永旺天河城商業有限公司 (Guangdong Aeon Teem Co., Ltd.) ("GD Aeon Teem") is 26.63%. Due to negative contribution from new stores of GD Aeon Teem and the increase in logistic and other shared costs charged by its headquarters, the Group's share of losses in GD Aeon Teem amounted to HK$2,078,000 (2012: share of profit HK$15,353,000) during the Period.

Hotel Operations and Management

As at 30 June 2013, our hotel management team managed a total of 37 hotels (31 December 2012: 37 hotels), of which two were located in Hong Kong, one in Macau and 34 in Mainland China. As at 30 June 2013, seven hotels were owned or lease-owned by the Group, of which two were located in Hong Kong, two in Shenzhen, one in Guangzhou, one in Zhuhai and one in Zhengzhou. Of these seven hotels, six were managed by our hotel management team and the one located in Guangzhou, namely Sheraton Guangzhou Hotel, was managed by Sheraton Overseas Management Corporation.

Among the seven hotels owned or lease-owned, five are star-rated hotels and two are hotels with limited service. During the Period, the average room rate of Sheraton Guangzhou Hotel was HK$1,219 (2012: HK$1,310) whereas the average room rate of the remaining four star-rated hotels and the two hotels with limited service was HK$744 (2012: HK$747) and HK$248 (2012: three hotels with limited service HK$227), respectively. The average occupancy rate of Sheraton Guangzhou Hotel was 79.0% (2012: 61.8%) and of the other four star-rated hotels was 77.9% (2012: 81.5%) during the Period.

Regarding the hotel operations and management business as a whole, the revenue for the Period increased by 0.1% to HK$308,313,000 (2012: HK$308,024,000). The profit before tax for the Period decreased by 0.2% to HK$62,411,000 (2012: HK$62,520,000).

Electric Power Generation

Zhongshan Power Plant

Zhongshan Power (Hong Kong) Limited ("ZPHK"), a 95% owned subsidiary of the Company holds 63% interest in 中山火力發電有限公司 (Zhongshan Thermal Power Co. Ltd.) ("ZTP"). Accordingly, the Group's effective interest in ZTP is 59.85%. ZTP has two power generation units with a total installed capacity of 110 MW and steam generation capacity of 80 tons per hour. Sales of electricity during the Period amounted to 346 million kwh (2012: 322 million kwh), an increase of 7.5%. As a result of the increase in electricity sales, revenue for the Period also increased by 5.8% to HK$256,790,000 (2012: HK$242,601,000). The increase in sales volume together with the decrease in coal price further drove up the profit margin of ZTP, thus the profit before tax increased by 63.1% to HK$68,031,000 (2012: HK$41,713,000) during the Period.

On 22 July 2009, ZPHK entered into two agreements with 中山興中集團有限公司 (Zhongshan Xingzhong Group Co., Ltd.) ("Xing Zhong") regarding a proposed project for the construction of two 300 MW heat and electricity supply plants (the "Zhongshan Project") utilising the existing land and certain auxiliary facilities of ZTP, to replace the two existing power generation units. Pursuant to the aforesaid agreements, ZPHK and Xing Zhong agreed to make additional contribution into ZTP in order to provide part of the funds for the Zhongshan Project, and their respective interests in ZTP will then be adjusted to 75% and 25% after completion of the contribution. ZPHK and Xing Zhong also agreed to extend the original term of the joint venture, for another 30 years from the expiry of the original term of ZTP and upon approval of the Zhongshan Project by the relevant PRC authorities.

The construction of Zhongshan Project was approved by the National Development and Reform Commission in 2012. Thus, ZPHK and Xing Zhong are in the course of applying for the extension of the term of the joint venture.

廣東粵電靖海發電有限公司 (Guangdong Yudean Jinghai Power Generation Co., Ltd.)("Yudean Jinghai Power")

The Group's effective interest in Yudean Jinghai Power is 25%. As at 30 June 2013, Yudean Jinghai Power had four (31 December 2012：two) power generation units with a total installed capacity of 3,200 MW (31 December 2012: 1,200 MW). The construction of two new power generation units with total installed capacity of 2,000 MW was completed and put into operation in January 2013. Sales of electricity for the Period amounted to 7,179 million kwh (2012: 3,193 million kwh), an increase of 124.8%. Revenue for the Period amounted to HK$3,904,531,000 (2012: HK$1,750,784,000), an increase of 123.0%. Due to the increase in sales volume together with and the decrease in coal price, profit before tax for the Period increased by 332.7% to HK$652,592,000 (2012:HK$150,814,000).

廣東省韶關粵江發電有限責任公司 (Guangdong Shaoguan Yue Jiang Power Supply Limited) ("Yue Jiang Power")

The Group's effective interest in Yue Jiang Power is 11.48%. Yue Jiang Power has two power generation units with a total installed capacity of 600 MW. Sales of the electricity for the Period amounted to 1,367 million kwh (2012: 1,450 million kwh), a decrease of 5.7%. Revenue for the Period amounted to HK$851,119,000 (2012: HK$888,953,000) a decrease of 4.3%. Due to the decrease in coal price, profit before tax for the Period amounted to HK$57,733,000 (2012: Loss before tax HK$61,078,000). As full provision was made against the investment in Yue Jiang Power in 2009, no profit/loss was shared from Yue Jiang Power in the Group for the Period.

廣東粵嘉電力有限公司 (Guangdong Yue Jia Electric Co. Ltd) ("Meixian Power Plant")

The Group's effective interest in Meixian Power Plant is 12.25%. Guangdong Power Investment Limited ("GD Power Investment"), a 49% associate of the Company, holds a 25% interest in Meixian Power Plant. During the Period, no dividend income was received by GD Power Investment from this investment (2012: Nil).

Toll Roads and Bridges

"Two Bridges" and Panyu Bridge

The Group had a 51% equity interest in Guangdong Transport Investment (BVI) Company Limited (the "JCE"). The JCE held interests in the "Two Bridges" project namely Humen Bridge and Shantou Haiwan Bridge with a profit sharing ratio of 23% and 30%, respectively. The Group through a wholly-owned subsidiary, Guangdong Assets Management (BVI) No.3 Limited ("GAM3") indirectly held a 20% equity interest in 廣東番禺大橋有限公司 (Guangdong Pan Yu Bridge Company Limited) ("Panyu Bridge").

On 17 June 2013, the Group and Xin Yue (BVI) Company Limited, the joint venture partner who held 49% equity interest in the JCE, entered into an agreement for the disposal of the Group's entire 51% and 100% equity interests in the JCE and GAM3, respectively, at a total consideration of RMB821,660,000 (equivalent to approximately HK$1,031,430,000). The transaction was completed on 28 June 2013 and the gain arising from the disposal in the sum of HK$424,245,000 was recognised during the Period.

During the profit sharing period from 1 January 2013 to 27 June 2013 ("the PS Period"), the profit attributable to the Group from the "Two Bridges" and Panyu Bridge amounted to HK$51,238,000 and HK$2,876,000, respectively (the Period in 2012: HK$44,176,000 and HK$2,271,000), representing an increase of 16.0% and 26.6%, respectively.

(i) Humen Bridge

During the Period, average daily traffic flow of this bridge increased by 6.6% to 80,391 vehicle trips (2012: 75,440 vehicle trips). Revenue for the PS Period amounted to HK$699,051,000 (the Period in 2012: HK$644,490,000), an increase of 8.5%; accordingly, the profit before tax for PS Period increased by 18.4% to HK$589,109,000 (the Period in 2012: HK$497,546,000).

(ii) Shantou Haiwan Bridge

During the Period, average daily traffic flow of this bridge increased by 12.9% to 19,307 vehicle trips (2012: 17,098 vehicle trips). Revenue increased by 7.6% to HK$139,477,000 (the Period in 2012: HK$129,627,000) during the PS Period; the profit before tax for PS Period was HK$100,711,000 (the Period in 2012: HK$100,018,000), an increase of 0.7%.

(iii) Panyu Bridge

During the Period, average daily traffic flow of this bridge increased by 13.6% to 50,161 vehicle trips (2012: 44,137 vehicle trips). During the PS Period, revenue increased by 5.1% to HK$63,001,000 (the Period in 2012: HK$59,944,000). Attributable to the increase in revenue and the decrease in repair and maintenance expenditure, the profit before tax for PS Period increased by 59.8% to HK$26,878,000 (the Period in 2012: HK$16,825,000).

Yingkeng Highway

The Group's effective interest in this project is 70%. During the Period, average daily traffic flow of this highway decreased by 11.2% to 4,160 vehicle trips (2012: 4,683 vehicle trips). Revenue decreased by 31.4% to HK$9,431,000 (2012: HK$13,738,000) mainly due to the decrease in traffic flow of heavy vehicles which paid a higher tariff and the widening of North River Waterway (北江航道) diverted the traffic from Yingkeng Highway. The profit before tax for the Period was HK$3,327,000 (2012: HK$3,205,000), an increase of 3.8%.

Given the poor conditions of a section of Yingkeng Highway, the toll charged to road users has been suspended for that section since 31 July 2013 by the project company.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 June 2013, the available-for-sale financial assets of the Group increased by HK$5,068 million to HK$5,500 million (31 December 2012: HK$432 million), these financial assets placed by the Group with a number of licensed banks in the PRC for a term of no more than one year. The principal sums are denominated in RMB and guaranteed by those banks upon the maturity date.

LIQUIDITY, GEARING AND FINANCIAL RESOURCES

As at 30 June 2013, the cash and bank balances of the Group increased by HK$286 million to HK$4,758 million (31 December 2012: HK$4,472 million), of which 25.9% was denominated in Hong Kong dollars, 73.3% in Renminbi and 0.8% in US dollars.

As at 30 June 2013, the Group's financial borrowings increased by HK$4 million to HK$3,971 million (31 December 2012: HK$3,967 million), of which 17.5% was denominated in US dollars and 82.5% was in Hong Kong dollars, including the non-interest-bearing receipt in advance of HK$1,182 million. Of the Group's total financial borrowings, HK$356 million was repayable within one year while the remaining balances of HK$3,024 million and HK$591 million are repayable within two to five years and beyond five years from the end of reporting period, respectively.

The Group maintained credit facilities of RMB600 million as at 30 June 2013 (31 December 2012: RMB1,100 million).

As at 30 June 2013 and 31 December 2012, the Group was in net cash position. Hence, no gearing ratio (i.e. net financial indebtedness/net asset value (excluded non-controlling interests)) was presented. Net cash position was in fact a reflection of the increase in net assets of the Group. The Group was in a healthy debt servicing position as the EBITDA/finance cost as at 30 June 2013 was 122.4 times (31 December 2012: 36.4 times).

The existing cash resources and available credit facilities of the Group, together with steady cash flows generated from the Group's operations, are sufficient to meet the Group's payment obligation and business requirements.

PLEDGE OF ASSETS

As at 30 June 2013, none of the Group's property, plant and equipment, investment properties, intangible assets and bank deposits was pledged to secure general banking facilities granted to the Group (31 December 2012: Nil).

CAPITAL EXPENDITURE

The Group's capital expenditure during the Period amounted to HK$108 million which was principally related to the development cost for property development projects, construction cost for Zhongshan Project and hotel renovations.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE AND INTEREST RATES AND RELATED HEDGES

As at 30 June 2013, total US dollars borrowings amounted to HK$695 million (31 December 2012: HK$692 million). The foreign currency risk exposure was considered to be minimal and thus no currency hedging was considered necessary.

As at 30 June 2013, the Group's total floating rate borrowings amounted to HK$2,789 million (31 December 2012: HK$2,785 million). The interest rate risk exposure was considered to be minimal and thus no interest rate hedging was considered necessary.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2013, the Group had a total of 4,210 employees, of which 843 were at the managerial level. Among the employees, 3,963 were employed by subsidiaries in Mainland China and 247 were employed by the head office and subsidiaries in Hong Kong. Total remuneration paid for the Period was approximately HK$305,097,000 (2012: HK$266,055,000).

In 2013, the profound impact of the international financial crisis has not yet been subsided and the recovery of the global economy was slow. Having faced of the above situation, the Group further enhanced its standards of management by aiming at advancing its core competitiveness, focusing on improving economic efficiencies and achieving breakthrough in the optimisation of its asset portfolio. Our core competitiveness has been improving continuously by consolidating the assets and business operations, and building up its leading industries. During the first half of the year, the Group continued to implement its people-oriented talent strategies in light of the corporate culture featured by credibility, integrity and profitability. A team of professionals was further consolidated with members acquiring from different channels for fulfilling the needs of the business development of the Company. More attention was placed on the particular incubation of staff with potentials. On this basis, the systems of performance appraisal, evaluation, incentives and human resource management system were perfected constantly for creating a favorable atmosphere and environment for the growth of these talents. A pool of outstanding management and technical personnel were selected and formed to meet the rapid development in the needs of enterprise. In future, by fully capitalising on Hong Kong's geographical advantages and its attractiveness to high-end talent, the Group will strengthen its internal management, and continue to build and train a team of senior talented professionals. The Group has an appraisal and feedback mechanism so as to ensure the integrity and efficiency of the management team on a regular basis. Employee compensation and incentive distribution were linked to the results of their respective companies. With references to net operating cash flow and profit after tax, different levels of motivation policies were implemented. Bonuses were awarded in proportion to the contribution from different levels of staff, whilst individual performance appraisal awards were paid to the management, key personnel and outstanding staff for effectively motivating their enthusiasm at work. The Group also utilised incentives from share option schemes to motivate and attract talents for their loyalty to the Group in the long term. In terms of staff training, the Group always encourages and subsidises staff training, and establishes corresponding training mechanisms targeting at the needs of its staff. The quality of our staff team continues to rise, so as to lay a solid foundation to the long-term development of the Group.

REVIEW

During the first half of 2013, the US economy began to gradually recover, and the impact of the European debt crisis gradually diminished, but the growth of the global economy remained weak. Facing complex and volatile market conditions, the Group conscientiously implemented its development strategies with innovative visions. Our business operations were further integrated upon the change in development models, with a breakthrough from the optimisation of assets composition and the disposal of certain non-core projects. The Group maintained a sound trend of growth in its production and operation despite the slowdown of economic growth of China, and achieved considerably attractive operating results.

PROSPECTS

In the second half of 2013, it is expected that the recovery of the US economy will slow down, whilst the euro zone economy will remain in recession, and the growth of the global economy will still be sluggish. The economy in China is facing the problem of excessive production capacity. There are risks that the growth of the economy will fall in the second half of the year. The Group as a whole will strengthen its research on the macro-economy. Attention will be placed towards the shift in policies over different industries. Effective measures will be adopted to actively manage potential risks, further improve corporate governance, comprehensively enhance the standards of management with an aim of achieving sustainable and steady development of the Group.

During the second half of the year, the Group will fully leverage on its capital fund to consolidate its capital operation. Efficiency in the utilisation of funds will be improved further so as to achieve the Group’s capital preservation and appreciation. Our resources will be integrated proactively with their allocation being optimised. The Group will capture the opportunities arising from the development of urbanisation, and explore potential investment opportunities in the market. The scale and quality of investments will be expanded and upgraded respectively. Our business operations will occupy a larger share in the market and rank higher in terms of capacities. Both the upstream and downstream industry chains will unravel to new ends, thereby bolstering our core competitiveness. The Group will continue to refine its philosophy of corporate culture, and create an admirable environment for pursuing excellence, as well as enhancing its cohesion and solidarity. This will effectively assure the sustainable and rapid development of the Group. We will seek opportunities to achieve a new leap in the Group's development notwithstanding the increasingly intensive competition in the market, and strive to push the performance of our business operations to new heights.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2013 and, where appropriate, the applicable best practices of the CG Code, save and except for the deviation in relation to Code Provision A.6.7. Under Code Provision A.6.7, Independent Non-Executive Directors and other Non-Executive Directors, as equal Board members, should attend general meetings of the Company. During the period, certain Independent Non-Executive Directors and Non-Executive Directors were unable to attend the annual general meeting of the Company held on 14 June 2013 as they were out of town or had other engagements.

At the Board meeting of the Company held on 28 August 2013, the Company has approved and adopted a diversity policy (the "Policy") which sets out its approach to achieve diversity on the Company's Board of Directors. The Nomination Committee of the Company is responsible for monitoring the Company's performance in meeting the requirements of the Policy, including the achievement of those measurable objectives as set out in the Policy.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2013, the Company issued the following new ordinary shares to certain option holders pursuant to the share option scheme adopted by the Company on 24 October 2008:

Total number of new ordinary shares issued	Exercise price per ordinary share HK$	Total cash consideration HK$
3,958,000	1.880	7,441,040

Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on The Stock Exchange of Hong Kong Limited.

INTERIM DIVIDEND

The Board has resolved to declare the payment of an interim dividend of 7.0 HK cents (2012: 7.0 HK cents) per ordinary share for the six months ended 30 June 2013 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Thursday, 26 September 2013. The interim dividend is expected to be paid on Wednesday, 9 October 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Thursday, 26 September 2013 and no transfer of shares will be registered on that day. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 25 September 2013.

REVIEW OF INTERIM RESULTS

The unaudited interim financial information of the Group and the Company's interim report for the six months ended 30 June 2013 have been reviewed by the Audit Committee of the Company and Messrs. Ernst & Young, the auditors of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.gdi.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2013 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and made available on the abovementioned websites in due course.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 28 August 2013

As at the date of this announcement, the Board of the Company comprises three Executive Directors, namely, Mr. HUANG Xiaofeng, Mr. WEN Yinheng and Mr. TSANG Hon Nam; six Non-Executive Directors, namely, Mr. HUANG Zhenhai, Mr. WU Jianguo, Ms. XU Wenfang, Mr. ZHANG Hui, Ms. ZHAO Chunxiao and Mr. LI Wai Keung; and five Independent Non-Executive Directors, namely Dr. CHAN Cho Chak, John, Dr. the Honourable LI Kwok Po, David, Mr. FUNG, Daniel R., Dr. CHENG Mo Chi, Moses, and Mr. WU Ting Yuk, Anthony.