廣州富力地產股份有限公司

GUANGZHOU R&F PROPERTIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2777)

2015 Interim Results Announcement

Financial Highlights

- Turnover for the six months ended 30 June 2015 was RMB12.72 billion, an increase of 29% as compared with the corresponding period of 2014.
- Profit of the Group up 7% to RMB1.70 billion.
- Gross margin of property development was 31% with net profit increased by 55% to RMB1.22 billion.
- Average cost of bank borrowings for the period was 6.8%.
- Interim dividend RMB0.3 per share.

The board of directors (the "Board") of Guangzhou R&F Properties Co., Ltd. (the "Company") are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015. The condensed consolidated interim financial information appended at the end of this announcement forms an integral part of this announcement. The interim results have been reviewed by the audit committee of the Company.

RESULTS AND DIVIDEND

For the six months ended 30 June 2015, the Group achieved a total turnover of RMB12.72 billion, and net profit of the Group increased by 7% over the corresponding period last year, to RMB1.70 billion.

Turnover and profit from the Group's core business of property development increased by 33% and 55% respectively, with turnover amounted to RMB11.11 billion and net profit RMB1.22 billion. The increase in turnover and profit was mainly due to a significant increase in the delivery of 1,249,100 sq.m. of area sold, representing an increase of 53%. Our gross margin remained satisfactory. Total saleable area of 1,004,000 sq.m. was completed in the period as scheduled, representing approximately 25% of the full-year plan. Revenue from property investments amounted to RMB387 million with net profit RMB751 million which was mainly coming from revaluation gain from investment properties. Operating results for the Group's other key business segment, hotel operations, achieved better turnover than in the same period last year; hotel revenue increased by 11% and achieved EBITDA of RMB126 million. The directors have resolved to declare an interim dividend of RMB0.3 per share.

BUSINESS REVIEW

Following a period of low growth, the mainland real estate market began gradually to improve towards the middle of the year, as a result of positive developments on the policy and regulatory fronts which have helped reinforce the underlying strength of the market. The first half of the year saw a progressive easing of regulatory policy, under the Government's stated goal of establishing a regulatory regime that will rely more on market mechanisms than on administrative measures for long-term effectiveness. The easing measures conformed to the two key directives promulgated on 30 March 2015, the "Notice on Issues Concerning the Policies for Personal Housing Loans"《關於個人住房貸款政策有關問題的通知》 issued jointly by the People's Bank of China, the Ministry of Housing and Urban-Rural Development and the China Banking Regulatory Commission, and the "Notice Concerning the Policy for Business Tax of the Transfer of Residential Properties by Individual"《關於調整個人住房轉讓營業稅政策的通知》 issued jointly by the Ministry of Finance and the State Administration of Taxation (together commonly referred to as the "330 Policies"). The new policies specifically make preferential financing terms available to buyers of ordinary standard self-occupied residential units for the improvement of living conditions. For this category of buyers, the minimum mortgage down-payment requirement for a second home was lowered to 40%, from 60% previously. The down-payment requirement for buyers using a housing provident fund was set at 20% for first-time home buyers, and at 30% for second home buyers with no outstanding mortgages. Another significant measure of the new policies was that properties owned for more than two years were exempted from business tax upon transfer. All these policy measures are aimed at creating a steady and healthy long-term development of the property market by supporting mainstream demand for housing. Alongside these changes in regulations, certain market factors provided a steady momentum for change, notably ongoing urbanization and the demand for improved living conditions. These have each played a part in bringing the property market out of its downturn. Given these conditions, and under a generally more relaxed fiscal environment in which three cuts were made to the lending interest rate in the first half of the year, the overall volume of property transactions increased in the period as compared to the previous year's, becoming more noticeable towards the middle of the year. This is an unmistakable sign of the beginning of a revival of the property market.

However, with the recent volatility in the mainland stock market and uncertainties in China's macro environment, the Group has decided to slightly adjust its contracted sales target to be flat to 2014, or approximately RMB55 billion, from previously RMB60 billion for 2015. Its sales performance for the first half of the year was in line with expectations, and with the Group's business plan. Actual contracted sales of RMB20.7 billion for the period represented just over one third of the full-year target, but analysis of the sales data reveals encouraging characteristics as to the quality of the sales and the underlying sales trend. One notable feature was the outstanding showing of many of the newer cities entered more recently by the Group, such as Hongqiao in metropolitan Shanghai, Meizhou, Fuzhou and Baotou and, outside China, Johor in Malaysia. The Group made a promising debut in these cities in 2014, achieving strong sales of its first projects in each of them; these have continued into the current period, reinforcing our confidence in having selected the right markets and offered appropriate products for these markets. The successful opening up of such new markets while a competitive position is maintained in our traditional strongholds is essential to the Group's sustainable growth. Another important characteristic of sales in the period was the trend seen in selling prices, with prices generally stabilizing for the Group's projects. Projects in first-tier cities showed an even clearer pattern of recovery, with the average selling price achieved in the first half for a number of major projects in Beijing, Tianjin and Guangzhou matching or exceeding the average selling price achieved in the previous year. Also in the period, an extra boost was given to total contracted sales by the fact that the Group launched fewer brand-new projects (including new phases of ongoing projects) than in the previous period. Of a planned pipeline of 12 brand-new projects with an estimated sales value of RMB19.4 billion for 2015, only three projects with an estimated sales value of RMB2.0 billion were launched in the first six months. Based on these factors of the sales performance for the period, the Group is satisfied with the contracted sales achieved, which suggest that the Group is on track to meet its revised contracted sales target for the full year.

The amount of contracted sales is not, however, the only gauge of our business performance; though it is perhaps the most easily tracked performance indicator, shedding light on our execution and on how well this is coordinated with other essential functions such as inventory planning, construction and land banking. During the period, the Group completed 1.24 million sq.m. in GFA, and ended the period with 12.9 million sq.m. in GFA at various stages of construction. All of this proceeded according to schedule. The importance to a property developer of a high quality land bank cannot be over-emphasized. Possessing such a land bank, of sufficient size, is critical to the long-term competitiveness and sustained growth of our business. Our land acquisition activities operated at a lower level in the period, with 4 plots of land in 4 cities having been bought for a total of RMB1.4 billion. We began to reduce the pace of our land acquisitions in 2014, a logical step following the preceding accelerated build-up of the land bank which had taken our land bank holdings to 40.3 million sq.m. This land bank is spread out over 28 cities, and is well-balanced among tier-1, tier-2 and tier-3/overseas cities in term of estimated sales value. We are particularly confident that this land bank, having been carefully accumulated over the years, will give us a steady competitive edge and ensure our profitability. We believe the land bank is right for the Group's market positioning, and is accruing deep value to the Group.

Alongside its core business of property development for sale, the Group owns a portfolio of investment properties that bring it the benefits of a stable cash flow and long-term appreciation in asset capital value. We have grown our investment property portfolio at a steady and controlled pace. At the beginning of the year the portfolio was made up of two grade-A office buildings, two shopping malls and eight hotels. During the period, two hotels were opened, namely Holiday Inn Airport Zone in Guangzhou and Pullman Hotel in Taiyuan. Later this year, two new shopping malls will be opened, R&F Haizhu City in Guangzhou and R&F Plaza in Tianjin, both of which are currently at the stage of being leased and both of which have attracted strong interest in the period. These two shopping malls are significant for three reasons. Firstly, they are new additions to our shopping mall portfolio following a gap of almost five years since the Chengdu Tianhui Mall was opened in late 2010, and thus represent another step towards the Group's long-term goal of owning a nationwide chain of malls under the R&F brand name. Secondly, the new shopping malls have adopted a new operation concept, evolved from our experience in continuously refining the Beijing R&F Plaza and turning it into an ideal leisure spot, one not limited to shoppers only. Features of the new concept include a higher weighting of food and beverage outlets, and the provision of a modern cinema for entertainment. Thirdly, the development of these new malls was largely undertaken by the Group's own team of specialized and internally trained personnel, a sign of our internal capabilities and of our preparedness for systematic further expansion. Both Guangzhou R&F Haizhu City and Tianjin R&F Plaza are conveniently situated in tier-1 cities, at sites that are well suited for shopping malls. Such sites are becoming increasingly rare, and the shopping malls will certainly become a valuable part of the Group's investment property portfolio. Meanwhile, the performance of the Group's rental office buildings and its hotel operation was satisfactory. Revenue and profitability levels remained more or less steady despite the respective markets not being especially robust, in a reflection of the slowdown of the wider economy.

It is crucial that the Group has in place an efficient capital structure and access to adequate financing, in order for it to successfully execute its business plan and achieve continuous healthy growth. In this respect, the Group's position has been or is being enhanced by some important moves made by the Company in the year to date. One option for broadening our capital base available to us as a PRC incorporated company is to undertake an A-share listing. The feasibility of securing an A-share listing has varied over recent years according to the prevailing regulatory and market climate. With the latest change in policy tilting the A-share listing approval process towards a more market-oriented approach, the Group has again begun actively to pursue the option of an A-share listing, and in August 2015 it obtained a refreshed mandate to proceed from its shareholders. If it materializes, the A-share listing will be hugely beneficial to our capital structure. While we will expedite the application process as far as possible, this is likely to be a longer-term endeavor given the many other factors associated with the listing process. Another important action in the period took place in the debt arena. The Company held off from immediate refinancing of a RMB5.5 billion domestic corporate bond that matured last October 2014, taking time instead to decide on the best timing and on an option with the best terms. In July 2015, a new 5-year domestic corporate bond of RMB6.5 billion was issued at a very favorable annual interest rate of 4.95%, with a consequent positive impact on the Group's overall borrowing costs. To take advantage of the attractive interest rates currently available in the domestic corporate bond market, we have also secured shareholders' approval for a further issue of domestic corporate bonds of up to RMB13 billion should we decide to do so.

GOING FORWARD

We expect both the regulatory and market trends of the first half of the year to continue into the second half. Based on this macro environment and on the marketing and sales strategies that the Group plans to execute, we are confident that we will be able to achieve our contracted sales target for the year. Our marketing and sales strategies will focus sharply on those products currently considered to be the most dynamic in the market, namely rigid demand type products, improvement type products and budget low-density residential units. We will be monitoring market signals and continuously fine-tuning our product mix structure. In the second half of the year the Group will be selling 60 projects in 24 cities across China and overseas, of which 9 are brand-new projects, at a steady pace that will be also aim to take advantage of windows of opportunity arising from favourable policy developments. We will also maintain a stable and reasonable product pricing policy, while remaining sufficiently flexible to be able to reduce prices as we see fit to move inventory. Apart from our sales activities, we will continue to engage in other business activities using consistent and proven strategies. To sum up, we are prudently optimistic in respect of the year's prospects, and look forward to another year of healthy progress ahead.

FINANCIAL REVIEW

The Group's net profit for the six months ended 30 June 2015 increased to RMB1.70 billion, from RMB1.58 billion for the corresponding period in the previous year. Profit from the Group's core business of property development accounted for 72% of the Group's total net profit and amounted to RMB1.22 billion. Compared to the previous period, net profit from property development increased by 55%, based on a delivery of 1,249,100 sq.m. in terms of saleable area in the period. Profit from property investment, not including any fair value gain, decreased by RMB44 million to RMB161 million. Fair value gain in the period amounted to RMB787 million. Net loss from the hotel operation decreased to RMB70 million due mainly to improvement in gross margin and decreased finance charges.

The following comments on the components of the income statement, with the exception of #6 (on finance costs) and #9 (on net profit), relate only to property development:

1. Turnover increased by 33% to RMB11.11 billion, from RMB8.37 billion in the same period in 2014. The Group completed and delivered properties in 16 cities in the six months ended 30 June 2015. The amount of saleable area sold increased by 53% to 1,249,100 sq.m. from 814,500 sq.m. The overall average selling price decreased by 14%, from RMB10,300 to RMB8,900 per sq.m. This decrease in average selling price was mainly due to the sales mix in the period having included more non-tier 1 cities and proportionally more turnover coming from sales of residential properties being low income housing projects . The top three projects, Tianjin R&F Jinmen Lake, Harbin Jiangwan City and Beijing R&F Shangyue Court, which individually had turnover of around RMB1 billion and a combined turnover of RMB3.0 billion or 27% of total turnover and carried average selling price from RMB10,700 to RMB33,000 per sq.m. On the turnover distribution by cities in the period, there were four more cities compared to same period in 2014 and Beijing continued to be the city with the

largest share of total turnover. Mainly with Beijing R&F Shangyue Court, Beijing R&F City and Beijing R&F New Town, turnover of Beijing amounted to RMB2.52 billion or 23% of total turnover. Tianjin ranked second in turnover with large scale delivery of Tianjin R&F Jinmen Lake which increased its turnover to RMB1.65 billion, equivalent to 15% of total. Taiyuan's turnover ranked third the first time with turnover amounted to RMB1.47 billion in the period. These top three cities ranked by turnover in the period, Beijing, Tianjin and Taiyuan, together accounted for 51% of total turnover as compared to 60% from the top three cities (Beijing, Nanjing and Tianjin) in the previous period. The remaining 49% of turnover for this period was contributed by the other thirteen cities in which the Group operated, the more significant of which were Guangzhou, Harbin and Hainan contributed approximately 10% to 8% each.

The following is the summary of turnover by city:

City	Amount of turnover (in RMB million)	Saleable area sold (sq.m.)	Average Selling Price (RMB/sq.m.)
Beijing	2,523	177,900	14,200
Tianjin	1,645	62,500	26,300
Taiyuan	1,469	301,300	4,900
Guangzhou	1,117	154,400	7,200
Harbin	1,026	55,500	18,500
Hainan	931	63,800	14,600
Chongqing	660	140,600	4,700
Chengdu	342	68,600	5,000
Meizhou	337	69,000	4,900
Huizhou	298	51,400	5,800
Xian	277	42,700	6,500
Shenyang	260	37,500	6,900
Shanghai	93	9,900	9,300
Hangzhou	76	4,600	16,600
Datong	34	8,200	4,100
Wuxi	18	1,200	14,700
Total	**11,106**	**1,249,100**	**8,900**

2. Cost of goods sold was made up of land and construction costs, capitalized interest, and sales tax. For the current period, land and construction costs made up 84% of the Group's total costs, as compared to 85% in the previous period. In terms of costs per sq.m., land and construction costs decreased to RMB5,140 from RMB5,630 in the previous period. A main reason for this decrease was that, compared to the previous period, a larger portion of the period's total turnover came from delivery of low income housing projects with lower land or construction costs. Capitalized interest included in the period's cost of sales amounted to RMB512 million, a figure representing approximately 6.7% of total costs, up from RMB314

million and 5.8% for the previous period. As a percentage of turnover from sale of properties, capitalized interest increased from 3.7% to 4.6%. The cost of goods sold also included RMB677 million in business tax, making up 8.9% of costs.

3. Overall gross margin for the period was 31.5%, as compared to 35.5% in the same period in 2014. This change was, on one hand, due to the low gross margin of low income housing projects. On the other hand, the result of four new cities with completion and delivery of properties in this period experienced a slightly lower selling price typical at the beginning to attract customer. There were thirteen projects with sales directly comparable to those in the previous period and there were three projects with increased gross margin, two projects with even gross margin and eight projects with decreased gross margin. The project with top turnover for the period, Tianjin R&F Jinmen Lake, has improved 8% in gross profit margin compared to previous period.

4. Other gains were mainly the result of interest income, which decreased in line with lower average cash on hand.

5. Selling and administrative expenses for the period increased by 8% or RMB99 million, to RMB1,333 million. This increase was in line with selling and marketing activities in more cities. Selling and administrative expenses as a percentage of turnover decreased to 12.0% from 14.7% due to better cost control. With expenses stable while turnover increase in the second half year, selling and administrative expenses as a percentage of turnover will normalize.

6. Finance costs decreased by 30% to RMB512 million (1H 2014: RMB732 million), and were made up of the interest expenses incurred in the period after deduction of the amount capitalized to development costs. Total interest expenses for the period decreased by RMB84 million to RMB2.81 billion, equivalent to a decrease of 3%. This decrease was approximately proportional to the decrease in average outstanding borrowings in the period which dropped by 2% to approximately RMB68.5 billion, from RMB69.8 billion. Of the interest incurred, the amount capitalized for the period was RMB2.51 billion (1H 2014: RMB2.23 billion). Together with previously capitalized interest released to cost of goods sold which amounted to RMB512 million for the period (1H 2014: RMB314 million), aggregate interest costs included in this period's results amounted to RMB1.02 billion (1H 2014: RMB1.05 billion).

7. The share of result of associates was mainly derived from the Group's 20% share in the Guangzhou Asian Games City project. The share of results of joint ventures were mainly 33.34% interest in Gunagzhou Liedecun project, 50% interest in Shanghai New Jiangwan project and 25% interest in Tianjin Jinnan New Town project. These four projects mentioned had a combined turnover of RMB3.8 billion in the period.

8. Land appreciation tax (LAT) of RMB543 million (1H 2014: RMB325 million) and Enterprise Income Tax of RMB498 million brought the Group's total income tax expenses for the period to RMB1.04 billion. As a percentage of turnover, LAT increased to 4.9% from 3.9% for the same period in 2014. This increase mainly came from two high gross margin projects despite lower overall gross margin in the period. The effective enterprise income tax rate was 29% (1H 2014: 31%).

9. Overall, the Group's net profit margin for the period was 13.4%, as compared to 16.1% in the previous period. While the net profit margin of the core property development rose to 11.0% due to the increase in share of results of joint ventures in the period, a smaller revaluation gain reduced the net profit margin.

OTHER INFORMATION

Purchase, Redemption or Sale of Listed Securities of the Company

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

Directors' Compliance with the Model Code for Securities Transactions by Directors

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the code of conduct for directors in their dealings in the Company's securities. The Company made specific enquiries with each director, and each of them confirmed that he or she had complied with the Model Code during the six months ended 30 June 2015.

Compliance with the Corporate Governance Code and Corporate Governance Report

The Group is committed to enhancing its corporate governance practices and procedures. It complies strictly with the PRC Company Law and other laws and regulations of relevant jurisdictions. In particular, it has observed the rules and principles set out under the Corporate Governance Code and Corporate Governance Report as stated in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2015.

Audit Committee

The audit committee of the Company has been set up with terms of reference in accordance with Appendix 14 of the Listing Rules. The audit committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advices including review of relationship with external auditors, the Company's financial reporting, the internal control and risk management system. There were no disagreements from the audit committee or the external auditors on the accounting policies adopted by the Company.

The audit committee comprises Mr. Lai Ming, Joseph (Chairman of the audit committee) and Mr. Zheng Ercheng who are independent non-executive directors of the Company and Ms. Helen Li who is a non-executive director of the Company. The audit committee has reviewed the unaudited interim results of the Company for six months ended 30 June 2015. The Company's auditor, PricewaterhouseCoopers, has also reviewed the unaudited condensed consolidated interim financial information for the period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Dividend Payment and Closure of Register of Members

The Board has declared an interim dividend for the six months ended 30 June 2015 (the "Interim Dividend") of RMB0.3 per share to shareholders whose names appear on the register of members as at 24 September 2015 (the "Record Date"). The Interim Dividend will be paid on 8 October 2015.

The register of members will be closed from 18 September 2015 (Friday) to 24 September 2015 (Thursday) (both dates inclusive). In order to establish entitlements to the Interim Dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, 17M/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 17 September 2015 (Thursday).

According to Article 175 of the Company's articles of association, dividend payable to the holders of H shares shall be paid in Hong Kong dollars, based on an exchange rate which was the average closing exchange rates for Renminbi ("RMB") to Hong Kong dollars announced by the People's Bank of China for the week prior to the date of the declaration of the Interim Dividend. The Interim Dividend is also subject to PRC withholding tax.

The average of the closing exchange rate for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to 20 August 2015, the date on which the Interim Dividend was declared RMB0.82506 to HK$1.00. Accordingly, the amount of Interim Dividend payable per H share is HK0.363609.

According to the Enterprise Income Tax Law of the PRC and the Implementation Rules of the Enterprise Income Tax Law of the PRC that became effective from 1 January 2008, the Company is required to withhold PRC enterprise income tax at the rate of 10% before paying dividend to non-resident enterprise shareholders which would include HKSCC Nominees Limited. For non-resident individual H shareholders, the Company will withhold payment of PRC individual income tax on the Interim Dividend according to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348 (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知)(國稅函[2011]348號) as follows:

- The Company will determine the country of domicile of an individual H shareholder based on the registered address as recorded in the register of its H shareholders as at the Record Date.

- For individual H shareholders who are Hong Kong or Macau residents or whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10% or less, the Company will withhold and pay PRC individual income tax at the rate of 10% on the Interim Dividend on behalf of the individual H shareholder.

- For other individual H shareholders, the Company will withhold and pay PRC individual income tax at the tax rate as stipulated in the relevant tax regulations or tax treaty on the Interim Dividend on behalf of the individual H shareholder.

The Company has appointed Bank of China (Hong Kong) Trustee Limited as the receiving agent in Hong Kong and will pay to the receiving agent the Interim Dividend for payment to holders of H shares on 8 October 2015. Cheques will be dispatched to holders of H shares by ordinary post at their own risk.

ACKNOWLEDGEMENT

Taking this opportunity, I would like to thank the Company's shareholders, investors, business associates and customers for their confidence and valuable supports as well as our fellow directors and staff for their many contributions to our success.

Li Sze Lim
Chairman
20 August 2015, Hong Kong

As at the date of this announcement, the executive directors of the Company are Mr. Li Sze Lim, Mr. Zhang Li, Mr. Zhou Yaonan and Mr. Lu Jing; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Lai Ming, Joseph, Mr. Zheng Ercheng and Mr. Ng Yau Wah, Daniel.

** For identification purpose only*

(All amounts in RMB Yuan thousands unless otherwise stated)

Interim condensed consolidated balance sheet

	Note	Unaudited 30 June 2015	Audited 31 December 2014
ASSETS			
Non-current assets			
Land use rights		1,192,510	1,198,045
Property, plant and equipment		8,151,776	7,495,641
Investment properties		18,855,190	18,047,632
Intangible assets		1,042,089	977,958
Interests in joint ventures		4,871,286	4,617,519
Interests in associates		82,679	86,213
Deferred income tax assets		3,052,103	2,927,764
Available-for-sale financial assets		545,570	535,477
Trade and other receivables and prepayments	5	4,486,243	3,772,884
		42,279,446	39,659,133
Current assets			
Properties under development		84,766,069	81,327,691
Completed properties held for sale		18,251,595	17,222,116
Inventories		425,515	358,831
Trade and other receivables and prepayments	5	10,627,638	10,890,728
Tax prepayments		3,502,937	2,551,852
Restricted cash		5,958,972	6,339,497
Cash and cash equivalents		11,988,489	13,490,425
		135,521,215	132,181,140
Total assets		177,800,661	171,840,273
EQUITY			
Equity attributable to owners of the Company			
Share capital		805,592	805,592
Other reserves		4,562,081	4,538,822
Shares held for Share Award Scheme		(106,004)	(128,711)
Retained earnings			
– Proposed dividend	11	961,430	-
– Others		30,814,608	30,749,658
		37,037,707	35,965,361
Perpetual capital instruments		10,004,384	15,648,416
Non-controlling interests		528,783	531,785
Total equity		47,570,874	52,145,562
LIABILITIES			
Non-current liabilities			
Long-term borrowings		46,828,926	45,553,602
Accruals and other payables		-	171,222
Deferred income tax liabilities		3,625,507	3,278,908
		50,454,433	49,003,732
Current liabilities			
Accruals and other payables	6	17,244,345	19,270,956
Deposits received on sale of properties		25,448,220	19,225,725
Current income tax liabilities		9,145,004	10,089,230
Short-term borrowings		4,358,096	3,085,000
Current portion of long-term borrowings		23,579,689	19,020,068
		79,775,354	70,690,979
Total liabilities		130,229,787	119,694,711
Total equity and liabilities		177,800,661	171,840,273
Net current assets		55,745,861	61,490,161
Total assets less current liabilities		98,025,307	101,149,294

(All amounts in RMB Yuan thousands unless otherwise stated)

Interim condensed consolidated income statement

	Note	Unaudited Six months ended 30 June 2015	2014
Revenue	4	12,719,140	9,822,432
Cost of sales		(8,971,554)	(6,490,438)
Gross profit		3,747,586	3,331,994
Other gains – net	7	862,235	1,287,079
Selling and marketing costs		(370,000)	(344,586)
Administrative expenses		(1,122,997)	(1,058,157)
Other operating income		37,750	83,141
Operating profit	8	3,154,574	3,299,471
Finance costs	9	(511,925)	(731,762)
Share of results of joint ventures		254,564	14,961
Share of results of associates		(5,100)	(14,614)
Profit before income tax		2,892,113	2,568,056
Income tax expenses	10	(1,191,481)	(983,825)
Profit for the period		1,700,632	1,584,231
Profit/(loss) attributable to:			
– Owners of the Company		1,026,380	1,068,046
– Holders of perpetual capital instruments		677,368	522,377
– Non-controlling interests		(3,116)	(6,192)
		1,700,632	1,584,231
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB Yuan per share)		0.3186	0.3336

(All amounts in RMB Yuan thousands unless otherwise stated)

Interim condensed consolidated statement of comprehensive income

	Unaudited Six months ended 30 June	
	2015	**2014**
Profit for the period	1,700,632	1,584,231
Other comprehensive income		
Items that may be reclassified to profit or loss		
– Fair value gains on available-for-sale financial assets, net of tax	7,570	-
– Currency translation differences	8,607	(544)
Total comprehensive income for the period	1,716,809	1,583,687
Total comprehensive income/(loss) for the period attributable to:		
– Owners of the Company	1,042,443	1,067,502
– Holders of perpetual capital instruments	677,368	522,377
– Non-controlling interests	(3,002)	(6,192)
	1,716,809	1,583,687

(All amounts in RMB Yuan thousands unless otherwise stated)

Interim condensed consolidated statement of changes in equity

	Unaudited							
	Attributable to owners of the Company							
	Share capital	Shares held for Share Award Scheme	Other reserves	Retained earnings	Total	Perpetual capital instruments	Non-controlling interests	Total Equity
Balance at 1 January 2015	805,592	(128,711)	4,538,822	30,749,658	35,965,361	15,648,416	531,785	52,145,562
Total comprehensive income for the period ended 30 June 2015	-	-	16,063	1,026,380	1,042,443	677,368	(3,002)	1,716,809
Transactions with owners								
Disposals of shares held for Share Award Scheme	-	22,707	7,196	-	29,903	-	-	29,903
Redemptions of perpetual capital instruments	-	-	-	-	-	(5,625,000)	-	(5,625,000)
Distributions to holders of perpetual capital instruments	-	-	-	-	-	(696,400)	-	(696,400)
Total transactions with owners	-	22,707	7,196	-	29,903	(6,321,400)	-	(6,291,497)
Balance at 30 June 2015	805,592	(106,004)	4,562,081	31,776,038	37,037,707	10,004,384	528,783	47,570,874
Balance at 1 January 2014	805,592	(172,563)	4,344,253	27,129,554	32,106,836	1,000,000	375,207	33,482,043
Total comprehensive income for the period ended 30 June 2014	-	-	(544)	1,068,046	1,067,502	522,377	(6,192)	1,583,687
Transactions with owners								
Decrease in ownership interests in a subsidiary without change of control	-	-	-	-	-	-	200,277	200,277
Dividends	-	-	-	(1,600,499)	(1,600,499)	-	-	(1,600,499)
Disposals of shares held for Share Award Scheme	-	43,852	11,307	-	55,159	-	-	55,159
Issuance of perpetual capital instruments	-	-	-	-	-	14,543,912	-	14,543,912
Distributions to holders of perpetual capital instruments	-	-	-	-	-	(422,508)	-	(422,508)
Total transactions with owners	-	43,852	11,307	(1,600,499)	(1,545,340)	14,121,404	200,277	12,776,341
Balance at 30 June 2014	805,592	(128,711)	4,355,016	26,597,101	31,628,998	15,643,781	569,292	47,842,071

Notes to the interim condensed consolidated financial information

1. General information

Guangzhou R&F Properties Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related service in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45-54/F, R&F Center, No.10 Hua Xia Road, Guangzhou 510623, the PRC.

The shares of the Company have been listed on The Main Board of Stock Exchange of Hong Kong Limited since 14 July 2005.

This interim condensed consolidated financial information ("Interim Financial Information") is presented in RMB Yuan thousands (RMB'000), unless otherwise stated. This interim condensed consolidated financial information was approved for issue by the Board of Directors on 20 August 2015.

2. Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

The following new and amended standards are mandatory for the first time for the financial year beginning on 1 January 2015.

Standards/Interpretations	**Subject of amendment**
Amendment to HKAS19	Defined benefit plans
Annual improvements 2012	Annual improvements 2010-2012 cycle
Annual improvements 2013	Annual improvements 2011-2013 cycle

The adoption of the above new and amended standards and interpretations did not have a material impact on the Interim Financial Information.

4. Segment information

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in the property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and property agency. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of profit for the period. The information provided to the Executive Directors is measured in a manner consistent with that in the financial statements.

(All amounts in RMB Yuan thousands unless otherwise stated)

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2015 and 2014 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Six months ended 30 June 2015					
Segment revenue	11,056,150	412,884	582,187	689,596	12,740,817
Inter-segment revenue	49,456	(26,314)	(14,129)	(30,690)	(21,677)
Revenue from external customers	11,105,606	386,570	568,058	658,906	12,719,140
Profit/(loss) for the period	1,223,308	751,195	(69,835)	(204,036)	1,700,632
Finance costs	(255,936)	(58,735)	(122,897)	(74,357)	(511,925)
Share of results of joint ventures	254,564	-	-	-	254,564
Share of results of associates	(4,770)	-	-	(330)	(5,100)
Income tax (expenses)/credits	(1,040,996)	(250,398)	23,278	76,635	(1,191,481)
Depreciation and amortisation	(94,681)	-	(96,474)	(29,666)	(220,821)
(Allowance for)/reversal of impairment losses	(3,156)	-	213	511	(2,432)
Fair value gains on investment properties	-	590,029	-	-	590,029

	Property development	Property investment	Hotel operations	All other segments	Group
Six months ended 30 June 2014					
Segment revenue	8,368,948	439,586	534,488	527,884	9,870,906
Inter-segment revenue	-	(26,270)	(20,659)	(1,545)	(48,474)
Revenue from external customers	8,368,948	413,316	513,829	526,339	9,822,432
Profit/(loss) for the period	787,884	1,084,469	(148,089)	(140,033)	1,584,231
Finance costs	(468,540)	(66,343)	(162,717)	(34,162)	(731,762)
Share of results of joint ventures	14,961	-	-	-	14,961
Share of results of associates	(14,306)	-	-	(308)	(14,614)
Income tax (expenses)/credits	(675,857)	(361,489)	49,363	4,158	(983,825)
Depreciation and amortisation	(135,958)	-	(82,280)	(26,777)	(245,015)
(Allowance for)/reversal of impairment losses	(870)	(1,764)	134	(94)	(2,594)
Fair value gains on investment properties	-	879,648	-	-	879,648

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the condensed consolidated income statement.

	Property development	Property investment	Hotel operations	All other segments	Group
As at 30 June 2015					
Segment assets	147,897,478	18,855,190	6,391,974	1,058,346	174,202,988
Segment assets include:					
Interests in joint ventures	4,871,286	-	-	-	4,871,286
Interests in associates	31,949	-	-	50,730	82,679
Addition to non-current assets (other than financial instruments and deferred tax assets)	469,812	76,773	269,955	79,885	896,425
Segment liabilities	41,699,977	-	277,823	714,765	42,692,565
As at 31 December 2014					
Segment assets	143,397,989	18,047,632	6,085,875	845,536	168,377,032
Segment assets include:					
Interests in joint ventures	4,617,519	-	-	-	4,617,519
Interests in associates	35,153	-	-	51,060	86,213
Addition to non-current assets (other than financial instruments and deferred tax assets)	475,914	559,319	108,049	167,268	1,310,550
Segment liabilities	37,777,761	-	307,688	582,454	38,667,903

(All amounts in RMB Yuan thousands unless otherwise stated)

5. Trade and other receivables and prepayments

	As at	
	30 June 2015	**31 December 2014**
Trade receivables – net	4,030,073	4,823,718
Other receivables – net	5,353,830	4,717,407
Prepayments	1,722,610	1,373,880
Due from joint ventures	1,567,991	1,709,230
Due from an associate	2,439,377	2,039,377
Total	15,113,881	14,663,612
Less: non-current portion	(4,486,243)	(3,772,884)
Current portion	10,627,638	10,890,728

The carrying amounts of the Group's trade and other receivables and prepayments are denominated in RMB.

The carrying amounts of trade and other receivables, net of provision for impairment, approximate their fair values.

As at 30 June 2015, trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements.

	As at	
	30 June 2015	**31 December 2014**
Trade receivables – current portion	3,972,172	4,688,168
Less: allowance for impairment	(1,818)	(1,818)
	3,970,354	4,686,350
Trade receivables – non-current portion	59,719	137,368
	4,030,073	4,823,718

At 30 June 2015 and 31 December 2014, the ageing analysis of trade receivables – current portion is as follows:

	As at	
	30 June 2015	**31 December 2014**
0 to 90 days	1,829,569	2,981,140
91 to 180 days	501,742	272,507
181 to 365 days	532,707	897,737
1 year to 2 years	803,354	201,356
Over 2 years	304,800	335,428
	3,972,172	4,688,168

(All amounts in RMB Yuan thousands unless otherwise stated)

6. Accruals and other payables

	As at	
	30 June 2015	**31 December 2014**
Amounts due to joint ventures (Note (a))	1,889,655	1,801,864
Construction payables (Note (b))	8,228,581	10,498,573
Other payables and accrued charges (Note (c))	7,126,109	7,141,741
Total	17,244,345	19,442,178
Less: non-current portion	-	(171,222)
Current portion	17,244,345	19,270,956

(a) The amounts are unsecured, interest free and are repayable on demand.

(b) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis for trade payables is presented.

(c) The balance mainly represents interest payables, temporary receipts, accruals and other taxes payable excluding income tax.

(d) The carrying amounts of accruals and other payables approximate their fair values.

7. Other gains – net

	Six months ended 30 June	
	2015	**2014**
Fair value gains on investment properties - net	786,705	1,172,864
Gains/ (losses) on disposals of property, plant and equipment	1,186	(676)
Losses on disposals of investment properties	(12,528)	-
Interest income	63,596	94,379
Others	23,276	20,512
	862,235	1,287,079

8. Operating profit

The following items which are unusual because of their nature, size or incidence, have been (credited)/charged to the operating profit during the period:

	Six months ended 30 June	
	2015	**2014**
Crediting:		
Reversal of impairment of doubtful debts	(27,653)	(21,139)
Charging:		
Allowance for impairment of doubtful debts	30,085	23,733

(All amounts in RMB Yuan thousands unless otherwise stated)

9. Finance costs

	Six months ended 30 June	
	2015	**2014**
Interest expenses:		
– bank borrowings	1,296,058	1,125,092
– corporate bonds	-	195,664
– senior notes	560,392	622,173
– other borrowings	954,409	951,097
– finance lease liabilities	3,397	4,541
	2,814,256	2,898,567
Net foreign exchange losses	209,215	58,986
Less: finance costs capitalised	(2,511,546)	(2,225,791)
	511,925	731,762

10. Income tax expenses

	Six months ended 30 June	
	2015	**2014**
Current income tax		
– PRC enterprise income tax	428,515	687,989
Deferred income tax	219,737	(29,452)
	648,252	658,537
Current PRC land appreciation tax	543,229	325,288
Total income tax expenses	1,191,481	983,825

11. Dividends

	Six months ended 30 June	
	2015	**2014**
Interim dividend of RMB0.3 (2014: Nil) per ordinary share	966,710	-
Less: dividends for shares held by Share Award Scheme	(5,280)	-
	961,430	-

No final dividend in respect of 2014 was proposed by the Board of Directors.

An interim dividend in respect of six months ended 30 June 2015 of RMB 0.3 per ordinary share, totalling RMB 966,710,000 was proposed by the board of directors (six months ended 30 June 2014: Nil), of which RMB5,280,000 is to be paid for shares held by Share Award Scheme as at 30 June 2015. This interim dividend has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending 31 December 2015.