珠光控股
ZHUGUANG HOLDINGS

ZHUGUANG HOLDINGS GROUP COMPANY LIMITED
珠光控股集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1176)

2015 INTERIM RESULTS

The board of Directors ("Board") of Zhuguang Holdings Group Company Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 together with the comparative figures as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
RESULTS	**2015**	2014
	HK$'000	HK$'000
	(Unaudited)	*(Unaudited)*
		(Restated)
Turnover — sale of properties	**1,235,745**	—
— rental income	**26,832**	24,400
Fair value gains on investment properties	**36,985**	61,215
Gains on disposal of subsidiaries	**—**	198,607
Loss for the period attributable to owners of the Company	**(187,670)**	(396,213)

	At 30 June 2015	At 31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Total assets	**19,672,404**	20,235,831
Total liabilities	**16,018,628**	16,390,607
Total equity	**3,653,776**	3,845,224

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The China economy was still under the pressure of domestic economic downturn in the first half of 2015, the China Government launched a series of measures to maintain economic growth within a reasonable range. According to the National Bureau of Statistics of China, China's gross domestic products grew at 7.0%.

Despite that there has not yet been a full recovery in China property market, there were signs of stabilisation in the sales of property market after a series of loosening policies such as interest rate cut, loosening the restrictions on mortgage lending and purchase, loosening limitations on mortgage and withdrawal from housing provident fund, shortening the duration for exemption of business tax and lowering the down payment ratio for mortgage of second home purchase launched by the China Government. In the first-tier cities, the demand for property purchases was still strong, the prices will recover to an upward trend steadily, particularly in cities with large trading volume and low inventory pressure, the increase in property prices will be relatively more obvious. For property prices in key second-tier cities, with further liberalisation in the market environment and continuous increase in demand for property and the prices will be stabilised.

Looking forward to the second half of 2015, the property market demand is expected to be gradually improved and moving towards sustained steady growth. The marketisation of the whole industry will be strengthened to further promote market demand. As a result, property market are expected to benefit from favorable policies and access to integrated resources.

Property Development and Sales

During the period, the Group achieved contracted sales amounted to approximately HK$1,166,290,000 for the first half of 2015, and contracted gross floor area ("GFA") approximately 49,213 square meters ("sqm"). The details are as follows:

Projects	**Contracted sales** *HK$'000*	**GFA Sold** *(sqm)*
Zhukong International	905,774	18,732
Pearl Tianhu Yujing Garden ("**Tianhu Yujing**")	134,963	18,308
Zhuguang Yujing Scenic Garden ("**Yujing Scenic Garden**")	87,059	10,238
Central Park	8,551	157
	1,136,347	47,435
Car parks	29,943	1,778
	1,166,290	49,213

BUSINESS REVIEW *(Continued)*

Property Development and Sales *(Continued)*

As at 30 June 2015, the Group owned eight property development projects. Details are as follows:

Nansha Scenic — 100% interest

"Nansha Scenic" is located at Jinzhou Main Street, Nansha District, Guangzhou, the People's Republic of China ("PRC"), which is the central business district in Nansha. The project was completed and delivered in 2013 and only car parks are available for sale. During the period, the car parks were launched for sale and 148 car parks were delivered and the remaining 80 car parks are expected to be delivered soon.

Zhukong International — 80% interest

"Zhukong International" is located at Lot A2-1, Zhujiang New Town, Tianhe District, Guangzhou, the PRC, which is at the junction of Guangzhou Avenue and Huang Pu Da Dao. With a site area of approximately 10,449 sqm, the project is developed into a 35-storey high-rise commercial complex. This includes a 6-storey commercial podium, a 29-storey Grade A office building and a 3-storey underground car park, amounting to an aggregate GFA of approximately 133,297 sqm. The Group has delivered approximately 39,748 sqm in 2014 and the remaining saleable areas will be available for sale or leasing. During the period, approximately 7,491 sqm were leased to various tenants and the remaining areas will be sold or leased depend on the market condition.

Central Park — 100% interest

"Central Park" is located at Lot H3-3, Zhujiang New Town, Tianhe District, Guangzhou, the PRC, and is entitled to total GFA of approximately 34,852 sqm, which will be developed into a 30-storey building including service apartments, a street-level commercial podium and a 4-storey underground car park. The project was ready for delivery and approximately 16,422 sqm was delivered during the period. The remaining areas will be delivered in the first half of 2016.

Yujing Scenic Garden — 70% interest

"Yujing Scenic Garden" is located at Provincial Highway G105 line at Jiulibu District, Jiangpu Town, Conghua, Guangzhou, the PRC, which is well connected via a number of highways to and from Guangzhou. The project is a 20-minute drive from the downtown Conghua and a 10-minute drive from Wenquan Town, Conghua. The project site area is approximately 294,684 sqm and will be developed into a commercial and residential complex, comprising residential and commercial buildings, service apartments and car parks. The total GFA is approximately 886,270 sqm and will be developed into four phases. Phase I was completed and delivered in 2014 and the first half of 2015 approximately to 95,410 sqm and 55,920 sqm respectively. Phase II will be delivered in the second half of 2015 and 2016. Phase III and IV with total GFA of approximately 432,853 sqm is expected to be completed in 2017 and 2018.

BUSINESS REVIEW *(Continued)*

Property Development and Sales *(Continued)*

Tianhu Yujing — 100% interest

"Tianhu Yujing" is located at Shui Di Village, Jiulibu District, Wenquan Town, Conghua, Guangzhou, the PRC, with a site area of approximately 55,031 sqm, the land is located adjacent to Yujing Scenic Garden, the Group considered developing the land together with Yujing Scenic Garden and thus expand the Group's development and presence in Conghua. The project will be developed into 32-storey modern residential buildings with total GFA of approximately 240,296 sqm in two phases. Phase I was commenced pre-sale in the 4th quarter of 2014 and expected to be delivered in 2016. Phase II will be launched for pre-sale soon.

Yunshan Yujing — 100% interest

"Yunshan Yujing" is situated near Baiyun Mountain in the Baiyun District, Guangzhou, a traditional hub of high-end property market in Guangzhou City. The site neighbours on well-established residential and commercial communities and is only 15-minute drive away from the central business district of Guangzhou City. The site area was approximately 94,221 sqm and will be developed into high-end villas, apartments and certain public facilities. The project already commenced foundation work and is expected to obtain the pre-sale permit in the first half of 2016.

Pearl Yunling Lake — 100% interest

"Pearl Yunling Lake" project is located at Provincial Highway S355 line at Jiekou Street, Conghua, Guangzhou, the PRC, which is adjacent to the Fengyunling Forest Park, and is the main transportation link between Conghua and Guangzhou. The project site area is approximately 200,083 sqm, of which approximately 139,182 sqm will be developed and the remaining area reserved for public facilities. According to the latest design, the project will be developed an integrated residential and resort complex, comprising villas, low-rise apartment buildings and a boutique hotel. The total GFA is expected to be approximately 124,521 sqm. The development is divided into two phases, with Phase I comprising 57 villas and 5 apartment buildings with an aggregate GFA of approximately 43,004 sqm and Phase II comprising 28 villas, 3 apartment buildings and a hotel, with an aggregate GFA of approximately 81,517 sqm. The villas and apartment buildings will be available for sales upon completion, whilst the hotel will be retained as a long-term investment asset under the Group.

Pearl Yijing — 100% interest

"Pearl Yijing" is located at No.168 Xinkai Street, Xianghe County, Hebei Province, the PRC. The project will be developed into several residential buildings with total GFA of approximately 193,629 sqm. The foundation work is expected to commence in the second half of 2015.

BUSINESS REVIEW *(Continued)*

Property Development and Sales *(Continued)*

Land Bank

The Group's strategy is to maintain a portfolio of land bank which is sufficient to support the Group's own development pipeline for the forthcoming three to five years. During the period, the Group did not acquire any additional land except for a few potential projects still under negotiation. The Group continues to investigate its existing cities and explore into new cities in the PRC with growth potential and best investment value.

Property Investments

The Group owns certain floors of Royal Mediterranean Hotel ("Hotel") located at 518 Tianhe Road, Tianhe District, Guangzhou, the PRC, as a leased property with GFA of approximately 18,184 sqm as at 30 June 2015. During the period, certain portions of the Zhukong International were leased out, it is the management intention to retain certain portions as investment properties in order to keep a steady income stream to the Group.

Business Prospect

Looking forward to the second half of 2015, it is expected that monetary policy will remain stable and loose. The overall economy in the second half of 2015 will be slightly better than the first half of 2015. The property market in China will revive and the property prices in some cities will increase particularly. The effect of loose monetary policy in the prior period will be reflected in the second half of 2015.

The Group is cautiously optimistic about the development of the property industry. We will continue to grasp the opportunities in property market by acquiring land parcels of quality situated at suitable locations and developing urban renewal projects. Besides, the Group will continue to focus on specific areas and develop various types of projects targeting customers with different demands such as those with a rigid demand and a need for improving living conditions.

FINANCIAL REVIEW

Turnover and Segmental Information

Turnover

The Group's turnover represented the sale of properties and rental income generated. The turnover of the Group was approximately HK$1,262,577,000 (six months ended 30 June 2014: HK$24,400,000). The increase was mainly due to the amounts of delivered properties were higher than the same period in 2014. During the period, total area delivered was approximately 74,120 sqm (six months ended 30 June 2014: Nil). Rental income recorded an increase of 10% to approximately HK$26,832,000 (six months ended 30 June 2014: HK$24,400,000), the increase is primarily due to certain areas of the Zhukong International were leased out during the period.

FINANCIAL REVIEW *(Continued)*

Turnover and Segmental Information *(Continued)*

Investment and other income

Current period investment and other income increased to approximately HK$84,791,000 mainly due to the increase in interest income received from bank deposits and deposits/prepayments for acquisition of equity interest approximately to HK$53,245,000 and HK$27,455,000 respectively comparing to the corresponding period of last year.

Fair value gains on investment properties

Fair value gains on investment properties including the Royal Mediterranean Hotel and the leased portion of Zhukong International. Current period fair value gains mainly arised from the leased portion of Zhukong International.

Selling and marketing expenses

Selling and marketing expenses for the current period were approximately HK$7,593,000 (six months ended 30 June 2014: HK$17,829,000) due to the significant decrease in promotion expenses incurred as a result of the delivery of various projects during the period.

Administrative and other expenses

Administrative and other expenses of the Group slightly decrease to approximately HK$83,935,000 (six months ended 30 June 2014: HK$84,132,000) due to the cost control carry out during the period.

Finance costs

Finance costs for the current period were approximately HK$493,931,000 (six months ended 30 June 2014: HK$204,766,000), which were made up of interest expenses incurred in the period after deduction of the amount capitalised to development costs. The significant increase was mainly attributable to the secured senior notes in the aggregate principal amount of US$200,000,000 issued by the Company in the second half of 2014 and the first half of 2015 and additional bank and other borrowings as compared to corresponding period.

Income tax

Income tax comprises of corporate income tax in the PRC ("CIT"), land appreciation tax ("LAT") and the deferred tax arising from revaluation of investment properties. The significant increase was mainly due to increase in CIT and LAT approximately to HK$142,455,000 (six months ended 30 June 2014: HK$2,569,000) and HK$47,206,000 (six months ended 30 June 2014: Nil) respectively due to the delivery of properties during the period.

FINANCIAL REVIEW *(Continued)*

Liquidity and Capital Resources

Cash position

As at 30 June 2015, the Group's bank and cash balances (including restricted bank deposits) amounted to approximately HK$5,603,926,000 (31 December 2014: HK$4,068,640,000).

Borrowings, charges on group assets and gearing ratio

The Group's bank and other borrowings comprise the following:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Bank loans — secured	**3,393,953**	3,294,531
Senior Notes — secured	**2,858,728**	2,112,163
Other borrowings — secured	**3,270,674**	3,419,434
	9,523,355	8,826,128

(a) The borrowings (including secured bank loans, secured senior notes and secured other borrowings) were secured by (i) investment properties; (ii) land use rights classified under prepaid land lease payments and the construction in progress thereon; (iii) properties for sale under development and properties held for sale; (iv) pledged bank deposits; (v) equity interests of certain subsidiaries of the Group; (vi) assignment of all rental income from certain investment properties; (vii) corporate guarantee by an independent third party, related companies, controlling shareholder and a non-controlling shareholder of a subsidiary; (viii) guarantees executed by the Company's directors Mr. Chu Hing Tsung (alias Zhu Qing Yi), Mr. Liao Tengjia, Mr. Chu Muk Chi (alias Zhu La Yi) and a director of company subsidiary; (ix) ordinary shares of the Company beneficially owned by controlling shareholder; and (x) charge over the assets provided by 廣東豐順鹿湖溫泉渡假村有限公司(Guangdong Feng Shun Lu Hu Hot Spring Resort Company Limited)*.

(b) The gearing ratio is measured by the net borrowings (total interest-bearing borrowings net of cash and cash equivalents and restricted bank deposits) over the equity attributable to owners of the Company. As at 30 June 2015, the gearing ratio was 122% (31 December 2014: 140%).

** English name is translated for identification purpose only*

CONTINGENT LIABILITIES

(a) The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Guarantees given to banks for mortgage facilities utilised by purchasers	**1,147,923**	1,019,554

Pursuant to the terms of the guarantees, if there are any defaults on the mortgages, the Group is responsible to repay the outstanding mortgage principals together with accrued interests and penalties owed by the defaulting purchasers to the banks. The Group is then entitled to take over the legal title and possession of the related properties. The guarantees will be released upon issuance of the purchasers' property ownership certificates and completion of the relevant registration of the mortgaged properties.

At the reporting date, the Directors do not consider it probable that a claim will be made against the Group under the above guarantees.

The fair value of the guarantees at date of inception is not material and is not recognised.

(b)

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Guarantee given to a bank in respect of bank facilities granted to Guangdong Province Huashui Shui Li Investment Company Limited* ("Guangdong Huashui")	**380,415**	380,292

As at 30 June 2015, the banking facilities granted to Guangdong Huashui were utilised to the extent of approximately HK$337,187,000.

As at 30 June 2015, approximately HK$100,326,000 was recognised in the consolidated statement of financial position as liabilities.

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CONTINGENT LIABILITIES *(Continued)*

(c) As at 30 June 2015, the Group has provided guarantee and pledged certain of its properties for sale under development with carrying amount of approximately HK$259,828,000 to a financial institution regarding a loan and the interest thereon totalling RMB125,000,000 (equivalent to approximately HK$158,506,000) granted to a previous owner of the Group's subsidiary 香河縣逸景房地產開發有限公司 (Xianghe County Yijing Property Development Company Limited*) ("Xianghe Yijing"). The guarantee and the charged assets will be released, in accordance with the terms of the guarantee contract, up to a maximum of two years after the full repayment of the loan and interest thereon.

As at 30 June 2015, the Directors do not consider it probable that a claim will be made against the Group under the above guarantee. The Directors believe that all the outstanding amounts will be settled by the previous owner of Xianghe Yijing. In addition, the Group also owed approximately HK$126,805,000 to the previous owner of Xianghe Yijing as at 30 June 2015. If there were any default payment of loan by the previous owner of Xianghe Yijing, the Group would be responsible to repay the outstanding loan principal together with accrued interest and penalty owed by the previous owner of Xianghe Yijing to the financial institution. The Directors indicated that, in the event of default payment by the previous owner of Xianghe Yijing, the Group would then withhold the repayment of its loan due to the previous owner of Xianghe Yijing.

The fair value of the guarantee at date of inception is not material and is not recognised.

FOREIGN EXCHANGE RATE

The Group conducts its business almost exclusively in Renminbi ("RMB") except that certain borrowings are in HK$ and US$. The conversion of RMB into HK$, US$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against the HK$, US$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. The Group has not adopted any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy to manage the possible foreign exchange risk that may arise.

STAFF AND REMUNERATION POLICIES

The Group had approximately 136 employees in Hong Kong and the PRC as at 30 June 2015 (31 December 2014: 140). They are remunerated according to their respective job nature, market conditions, individual performance and qualifications. Other staff benefits include annual bonus.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2015

	Note	Six months ended 30 June **2015** *HK$'000* *(Unaudited)*	2014 *HK$'000* *(Unaudited)* *(Restated)*
Turnover	*4*	**1,262,577**	24,400
Cost of sales		**(900,357)**	—
Gross profit		**362,220**	24,400
Investment and other income	*5*	**84,791**	18,412
Other gains and losses	*6*	**50,880**	(355,091)
Selling and marketing expenses		**(7,593)**	(17,829)
Administrative expenses		**(41,328)**	(35,685)
Other expenses		**(42,607)**	(48,447)
Profit/(Loss) from operations		**406,363**	(414,240)
Finance costs	*8*	**(493,931)**	(204,766)
Gain on disposal of subsidiaries		**—**	198,607
Loss before tax		**(87,568)**	(420,399)
Income tax	*9*	**(114,343)**	(3,278)
Loss for the period	*10*	**(201,911)**	(423,677)
Loss for the period attributable to:			
Owners of the Company		**(187,670)**	(396,213)
Non-controlling interests		**(14,241)**	(27,464)
		(201,911)	(423,677)
Loss per share	*12*		
Basic		**(3.89 cents)**	(9.35 cents)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Loss for the period	**(201,911)**	(423,677)
Other comprehensive income for the period, net of tax		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**10,463**	(9,460)
Total comprehensive income for the period	**(191,448)**	(433,137)
Total comprehensive income for the period attributable to:		
Owners of the Company	**(177,315)**	(402,706)
Non-controlling interests	**(14,133)**	(30,431)
	(191,448)	(433,137)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	**30 June 2015** *HK$'000* *(Unaudited)*	31 December 2014 *HK$'000* *(Audited)*
Non-current assets			
Property, plant and equipment		**26,260**	30,715
Prepaid land lease payments		**47,561**	48,273
Investment properties		**943,138**	686,465
Intangible assets		**21,644**	23,055
Goodwill		**67,125**	77,838
Deferred tax assets		**126,106**	123,184
Available-for-sale financial assets		**—**	—
		1,231,834	989,530
Current assets			
Inventories		**8,699,775**	9,585,820
Accounts receivable	*13*	**382,401**	989,216
Prepaid land lease payments		**1,456**	1,456
Prepayments, deposits and other receivables		**3,684,086**	4,485,541
Current tax assets		**68,926**	115,628
Restricted bank deposits		**132,481**	171,097
Bank and cash balances		**5,471,445**	3,897,543
		18,440,570	19,246,301
Current liabilities			
Accounts payable	*14*	**1,106,083**	1,322,537
Proceeds received from pre-sale of properties		**1,718,655**	2,575,210
Accruals and other payables		**402,850**	479,247
Amount due to the ultimate holding company		**65,893**	88,511
Derivative financial liabilities		**146,381**	112,961
Borrowings		**5,160,190**	2,584,485
Finance lease payables		**817**	209
Financial guarantee contracts		**100,326**	100,297
Current tax liabilities		**1,111,376**	971,797
		9,812,571	8,235,254
Net current assets		**8,627,999**	11,011,047
Total assets less current liabilities		**9,859,833**	12,000,577

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
As at 30 June 2015

	30 June 2015 *HK$'000* *(Unaudited)*	31 December 2014 *HK$'000* *(Audited)*
Non-current liabilities		
Borrowings	**4,363,165**	6,241,643
Finance lease payables	**1,790**	294
Deferred tax liabilities	**1,841,102**	1,913,416
	6,206,057	8,155,353
NET ASSETS	**3,653,776**	3,845,224
Capital and reserves		
Share capital	**481,831**	481,831
Reserves	**2,727,852**	2,905,167
Equity attributable to owners of the Company	**3,209,683**	3,386,998
Non-controlling interests	**444,093**	458,226
TOTAL EQUITY	**3,653,776**	3,845,224

Notes:

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Room 5702-5703, 57/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Group is principally engaged in property development and sales, property investment and rental, and project management in the PRC.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements are unaudited and should be read in conjunction with the 2014 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014 except as stated below.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective as of 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position. The Group shall adopt these new HKFRSs that are relevant to its operations and effective for its accounting year.

4. TURNOVER

The principal activities of the Group are property development and sales, property investment and rental, and project management in the PRC.

During the period, the Group's turnover represented income from sales of properties and rental income, net of business tax, other sales related taxes and discounts allowed. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Sales of properties	**1,235,745**	—
Rental income	**26,832**	24,400
	1,262,577	24,400

5. INVESTMENT AND OTHER INCOME

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Interest income on:		
Bank deposits	**53,245**	1,193
Deposits/Prepayments for acquisition of equity interest	**27,455**	—
Loan receivables	**3,320**	6,054
Total interest income for financial assets that are not at fair value through profit or loss	**84,020**	7,247
Write back of other payables	**127**	17
Reversal of provision	—	9,783
Sundry income	**644**	1,365
	84,791	18,412

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Fair value gains on properties held for sale upon transfer to investment properties	**35,416**	—
Fair value gains on investment properties	**1,569**	61,215
Net change in fair value of financial assets at fair value through profit or loss	—	(36,864)
Net change in fair value of derivative financial liabilities	**30,602**	—
Net foreign exchange loss	**(6,014)**	(13,435)
Impairment loss on goodwill	**(10,693)**	(365,557)
Loss on disposal of property, plant and equipment	—	(450)
	50,880	(355,091)

7. SEGMENT INFORMATION

	Property sales	Property rental	Project management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Six months ended 30 June 2015:				
Revenue from external customers	**1,235,745**	**26,832**	**—**	**1,262,577**
Segment (loss)/profit	**(67,570)**	**54,230**	**—**	**(13,340)**
At 30 June 2015:				
Segment assets	**15,201,668**	**976,795**	**—**	**16,178,463**
Segment liabilities	**12,324,664**	**223,315**	**—**	**12,547,979**
Six months ended 30 June 2014:				
Revenue from external customers	—	24,400	—	24,400
Segment (loss)/profit *(Restated)*	(505,629)	270,723	—	(234,906)

	Property sales	Property rental	Project management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	*(Audited)*	*(Audited)*	*(Audited)*
At 31 December 2014:				
Segment assets	15,418,258	713,923	—	16,132,181
Segment liabilities	13,417,017	192,679	—	13,609,696

Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Profit or loss		
Total profit or loss of reportable segments	**(13,340)**	(234,906)
Unallocated amounts		
Other corporate expenses	**(188,571)**	(188,771)
Consolidated loss for the period	**(201,911)**	(423,677)

8. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Finance lease charges	**53**	15
Interest on bank loans	**173,235**	118,481
Interest on Senior Notes	**225,244**	117,494
Interest on other borrowings	**165,858**	64,293
Total borrowings costs	**564,390**	300,283
Amount capitalised	**(70,459)**	(95,517)
	493,931	204,766

9. INCOME TAX

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Current tax		
— PRC Corporate Income Tax ("CIT")	**142,455**	2,569
— PRC Land Appreciation Tax ("LAT")	**47,206**	—
	189,661	2,569
Deferred tax		
— CIT	**(73,221)**	709
— LAT	**(2,097)**	—
	(75,318)	709
	114,343	3,278

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2014: Nil).

Subsidiaries established in the PRC are subject to CIT at 25% (six months ended 30 June 2014: 25%) based on the relevant income tax rules and regulations in the PRC.

According to the PRC corporate income tax law and the relevant PRC issued implementation regulation, the Group is subject to PRC withholding income tax of 10% on the gross rental income (six months ended 30 June 2014: 10%).

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditure including lease charges of land use rights, borrowing costs and all property development expenditure.

10. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the following:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Amortisation	**1,411**	1,339
Cost of inventories sold	**900,357**	—
Depreciation	**1,327**	816
Directors' remuneration	**6,805**	2,360
Financial advisory fee/Accounts custodian fee	**31,625**	37,881
Operating lease charges in respect of land and buildings	**5,364**	6,209

11. DIVIDENDS

The Directors have not recommended any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

12. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK$187,670,000 (six months ended 30 June 2014: HK$396,213,000 *(Restated)*) divided by the weighted average number of ordinary shares of 4,818,312,935 (six months ended 30 June 2014: 4,237,203,695) in issue during the period.

(b) Diluted loss per share

Diluted loss per share for the six months ended 30 June 2015 has not been presented as the Company's outstanding warrants had no dilutive effect for the six months ended 30 June 2015 as the exercise prices of those warrants were higher than the average market price for shares.

Diluted loss per share for the six months ended 30 June 2014 has not been presented as the Company's outstanding warrants during the six months ended 30 June 2014 had an anti-dilutive effect on the basic loss per share.

13. ACCOUNTS RECEIVABLE

The Group's accounts receivable represent receivables from property rental and sales of properties. Rental receivables from tenants are due on presentation of invoices and there are no credit terms for sales of properties unless otherwise specified in the underlying agreements with the purchasers.

The aging analysis of accounts receivable, based on the revenue recognition date, is as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Within 3 months	**12,330**	987,798
4 to 6 months	**368,717**	850
7 to 12 months	**786**	—
Over 1 year	**568**	568
	382,401	989,216

14. ACCOUNTS PAYABLE

The Group's accounts payable comprise the following:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Construction fee payable	**1,058,792**	1,264,701
Land premium and related charge payables	**47,291**	57,836
	1,106,083	1,322,537

The aging analysis of accounts payable, based on the payment due date, is as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Within 3 months	**866,484**	1,296,134
4 to 6 months	**179,102**	9,778
7 to 12 months	**55,600**	16,437
Over 1 year	**4,897**	188
	1,106,083	1,322,537

15. COMPARATIVE FIGURES

(a) In the prior period, goodwill arising on the acquisition of 50% issued capital of Joygain Holdings Limited ("Joygain") and the non-controlling interest in Joygain were measured on a provisional basis as the nature and fair value of the identifiable assets and liabilities acquired could be determined on a provisional value only. The provisional amounts had been adjusted upon the completion of initial accounting year ended 31 December 2014. As such, impairment loss on goodwill arising on the acquisition of Joygain (included in "other gains and losses"), the non-controlling interest in Joygain and the related disclosures under segment information and basic loss per share have been adjusted accordingly.

(b) Certain comparative figures have been reclassified to conform to the current period's presentation. The change included grouping of certain gains and losses in profit or loss under "other gains and losses" line item.

OTHER INFORMATION

INTERIM DIVIDEND

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

SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Group has entered into the following transactions:

(i) Refer to the Company's announcement dated 17 December 2014 and 15 June 2015 and the Company's circular 5 March 2015, the Group intended to purchase 50 apartments located in former Guangzhou south railway station, Huangsha Avenue, Li Wan District, Guangzhou City, the PRC ("Apartments"). According to the latest payment term, the Group should pay 90% of the total consideration amounting to RMB996,138,000 (equivalent to HK$1,263,153,000) on or before 31 October 2015. Up to the reporting date, RMB760,000,000 (equivalent to approximately HK$963,718,000) advance payments were paid for the purchase of the Apartments (included in prepayments, deposits and other receivables).

(ii) A deposit of approximately HK$380,415,000 was paid to an intended vendor for the acquisition of 100% equity interest of Favourable Source Limited, which is in the process of acquiring a property development project. This deposit for acquisition of equity interests/land use rights was included in prepayments, deposits and other receivables.

(iii) Approximately RMB679,558,000 (equivalent to approximately HK$859,927,000) was prepaid through an authorised agent for the proposed acquisition of a property development project in the PRC. Up to the date of these condensed consolidated financial statements, no definitive agreement has been entered into by the Group. This deposit for acquisition of equity interests/land use rights was included in prepayments, deposits and other receivables.

PURCHASE, SALES OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period under review.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the applicable code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months period ended 30 June 2015, other than code provisions A.2.1, A.4.2 and E.1.2, of the CG Code.

CORPORATE GOVERNANCE *(Continued)*

Code provision A.2.1 of the Corporate Governance Code (Appendix 14 of the Listing Rules) stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be the same individual. As a result of the appointment of Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) ("Mr. Chu") as the chairman of the Board on 12 December 2013, Mr. Chu will assume the roles of both chairman of the Board and the CEO of the Company which is non-compliance with the CG Code. With effect from 21 August 2015, Mr. Chu was resigned as the CEO and Mr. Liao Tengjia was appointed as the CEO, the roles of chairman and chief executive are separate and not performed by the same individual and the Company is in compliance with the requirement under A.2.1 of the CG Code contained in Appendix 14 of the Listing Rules.

Under code provision A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. According to the Bye-laws of the Company, the chairman of the Board of the Company shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the roles of the chairman provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the chairman of the Board should not be subject to retirement by rotation.

Code provision E.1.2 of the CG Code requires that the chairman of the Board should attend the annual general meeting ("AGM"). Mr. Chu, the chairman of the Board, did not attend the 2015 AGM due to his prior engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors (the "Model Code") as contained in Appendix 10 of the Listing Rules. Special enquiry has been made to all directors, and all directors have confirmed that they have compiled with the required standards set out in the Model Code for the period ended 30 June 2015.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors of the Company. The audit committee has reviewed with management, the accounting principles and practices adopted by the Group and discussed with the management regarding auditing, internal controls and financial reporting matters, including a review of the unaudited condensed consolidated financial statements for the six months ended 30 June 2015, which is of opinion that such statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim report of the Company containing all the information required by the Listing Rules will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.zhuguang.com.hk in due course.

APPRECIATION

On behalf of the Board, I would like to express our gratitude and appreciation to the shareholders for their support and the employees for their contribution to the Group throughout the period.

On behalf of the Board
Zhuguang Holdings Group Company Limited
Chu Hing Tsung
Chairman

Hong Kong, 28 August 2015

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) (Chairman), Mr. Liao Tengjia (Chief Executive Officer), Mr. Huang Jiajue (Deputy Chairman), Mr. Chu Muk Chi (alias Mr. Zhu La Yi) and Ms. Ye Lixia as Executive Directors and Mr. Leung Wo Ping JP, Mr. Wong Chi Keung and Dr. Feng Ke as Independent Non-executive Directors.

This announcement is published on the website of the Company (www.zhuguang.com.hk) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).