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HARBOUR CENTRE DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
Stock Code: 51

**Interim Results Announcement
for the six months ended 30 June 2016**

GROUP RESULTS

Soft markets affected all segments. Core profit decreased by 13% to HK\$496 million (2015: HK\$572 million).

A deficit of HK\$70 million was reported on revaluation of investment properties (2015: surplus of HK\$24 million).

Group profit attributable to equity shareholders amounted to HK\$426 million (2015: HK\$596 million) for a 29% decrease from 2015. Basic earnings per share were HK\$0.60 (2015: HK\$0.84).

INTERIM DIVIDEND

An interim dividend of 14 HK cents (2015: 14 HK cents) per share will be paid on 8 September 2016 to Shareholders on record as at 24 August 2016. This will absorb a total amount of HK\$99 million (2015: HK\$99 million).

BUSINESS REVIEW

Hong Kong Portfolio

Soft markets significantly affected the Group's performance during the period.

Investment Properties

Occupancy and rental income for the Group's portfolio remained relatively resilient.

Hotel

At Marco Polo Hongkong Hotel on Canton Road, Tsimshatsui, weakened demand reduced average occupancy and average room rate. Revenue decreased by 7% and operating profit by 13%.

Conversion of the iconic Murray Building in Murray Lane, Central, into an urban chic hotel is progressing to plan. Opening is targeted for late 2017.

China Portfolio

Project completion impacted the year-on-year comparison.

Development Properties

Contribution from subsidiaries retreated as a result of lower sales recognition, principally from Suzhou Times City. However, contribution from joint venture/associate projects increased on phased completion of The U World in Chongqing.

Favourable market conditions supported the Group's contracted sales during the period. All three projects launched (in Suzhou, Changzhou and Chongqing) met with good demand and reported noticeable year-on-year growth. Over 800 residential and retail units (total GFA: 117,000 square metres) were sold/pre-sold for proceeds of RMB 2.2 billion on an attributable basis.

The net order book as at 30 June 2016 was maintained at RMB5.0 billion for 2,120 residences and retail units (total GFA: 284,000 square metres). On the other hand, the Group's attributable land bank (net of recognised sales) reduced to 0.8 million square metres.

Within that land bank, The U World in Chongqing and Changzhou Times Palace are scheduled for full completion in 2016, and Suzhou Times City in 2017. The 27%-owned Shanghai South Station project in Xuhui District is scheduled for full completion in 2020.

Investment Properties

The iconic Suzhou International Finance Square ("IFS"), a 450-metre landmark strategically located in the new CBD overlooking Jinji Lake and adjacent to Xinghu Street MTR station (Line 1), and comparable to the tallest building in Hong Kong, is scheduled for completion in 2018. It will comprise 293,000 square metres of Grade A offices, a premium boutique hotel, sky residences and luxury apartments. Its prominent location and exquisite quality will make the development stand above the competition.

Hotel

Trading conditions for Marco Polo Changzhou remained challenging and continued to affect profitability. The hotel has been building its business through strategic expansion of its client base.

In Suzhou, construction of a 133-room luxury sky hotel at Suzhou IFS with a stunning city view is progressing satisfactorily. The hotel will see its first revenue contribution in 2018 at the earliest.

FINANCIAL REVIEW

(I) Review of 2016 Interim Results

Group core profit decreased year-on-year by 13% to HK\$496 million (2015: HK\$572 million), mainly resulting from lower profit contribution from China Development Properties (“DP”), Hotel and Investment Segments.

Revenue and Operating Profit

Investment Properties (“IP”) revenue declined slightly by 1% to HK\$152 million (2015: HK\$153 million) with operating profit kept at par of HK\$134 million (2015: HK\$134 million). Fall in retail turnover rent from Marco Polo Hongkong Hotel (“MP Hong Kong”) amid the weak retail market was partially compensated by increase in rental from Star House units, which were under revamp in the second quarter last year.

Hotel revenue and operating profit fell by 3% to HK\$281 million (2015: HK\$291 million) and 16% to HK\$49 million (2015: HK\$58 million), respectively. Decline in both room rate and occupancy for MP Hong Kong and pre-stabilisation operating loss from Marco Polo Changzhou (“MP Changzhou”) were reported.

DP revenue decreased by 26% to HK\$1,686 million (2015: HK\$2,277 million) with revenue recognition mainly from Suzhou Times City and Changzhou Times Palace. Operating profit shrank by 38% to HK\$429 million (2015: HK\$687 million) with overall operating margin reported at 25% (2015: 30%). Together with profit contributions from joint ventures, DP core profit dropped by 8% to HK\$312 million (2015: HK\$338 million).

Operating profit from Investment and Others segment, consisting of interest and dividend from the Group’s surplus cash and investments, decreased by 3% to HK\$85 million (2015: HK\$88 million), primarily due to descended interest income.

Group revenue decreased by 22% to HK\$2,204 million (2015: HK\$2,809 million) and operating profit fell by 28% to HK\$692 million (2015: HK\$962 million).

Contracted DP Sales

Inclusive of joint ventures and associates on an attributable basis, the Group contracted property sales totalling RMB2,187 million (2015: RMB2,250 million). The net order book stood at RMB5,009 million (Dec 2015: RMB5,056 million) that is available for recognition in stages on completion of various DP projects.

Changes in Fair Value of IP

The Group’s completed IP were stated at fair value based on independent valuation as at 30 June 2016, resulting in a revaluation deficit of HK\$70 million, equivalent to 1% of portfolio value (2015: surplus HK\$24 million). IP under development are carried at cost and will not be carried at fair value until the earlier of their fair values first becoming reliably measurable or the dates of completion.

Finance Costs

Net finance costs amounted to HK\$29 million (2015: HK\$19 million) after interest capitalisation of HK\$10 million (2015: HK\$22 million) for the Group's projects.

Share of Results after Tax of Joint Ventures and Associates

Joint venture profit increased to HK\$141 million (2015: loss of HK\$1 million) from phased completion of The U World in Chongqing.

Associates recorded attributable loss HK\$9 million from Shanghai South Station project (2015: loss of HK\$2 million) with no sales recognition.

Income Tax

Taxation charge for the period decreased by 13% to HK\$234 million (2015: HK\$269 million) due to decrease in taxable profits.

Profit Attributable to Equity Shareholders

Group profit attributable to equity shareholders for the period amounted to HK\$426 million (2015: HK\$596 million), representing a decline of 29%. Core profit, excluding IP revaluation differences, decreased by 13% to HK\$496 million (2015: HK\$572 million).

Earnings per share ("EPS") was reported at HK\$0.60 (2015: HK\$0.84) based on 708.8 million issued shares. Excluding IP revaluation differences, EPS was HK\$0.70 (2015: HK\$0.81).

Early adoption of HKFRS 9 "Financial Instruments"

The Group has early adopted the complete version of HKFRS 9 "Financial Instruments" in its consolidated financial statements with effect from 1 January 2016. As a result, the investments in equity securities of HK\$2,226 million that were previously classified as available-for-sale investments under HKAS 39 have been re-designated as equity investments measured at fair value through other comprehensive income. Accordingly, HK\$48 million of gain on disposal of equity securities in the period was recognised through other comprehensive income instead of the income statement as previously accounted for (2015: HK\$7 million profit through the income statement).

(II) Review of Financial Position, Liquidity, Resources and Commitments**Shareholders' and Total Equity**

As at 30 June 2016, shareholders' equity stood at HK\$15,852 million (2015: HK\$16,185 million), equivalent to HK\$22.37 per share (2015: HK\$22.84 per share), which has been adversely impacted by attributable investment revaluation deficit of HK\$225 million and exchange deficit of HK\$137 million on translation of Renminbi ("RMB") net asset in the mainland. Including the non-controlling interests, the Group's total equity stood at HK\$16,825 million (2015: HK\$17,330 million).

MP Hong Kong and MP Changzhou hotel properties are stated at cost less accumulated depreciation in accordance with prevailing Hong Kong Financial Reporting Standards ("HKFRSs"). Restating these hotel properties based on independent valuation as at 30 June 2016 would give rise to an additional revaluation

surplus totalling HK\$3,967 million and increase the Group's shareholders' equity as at 30 June 2016 to HK\$19,819 million, equivalent to HK\$27.96 per share.

Assets

Group total assets amounted to HK\$27,720 million (2015: HK\$29,651 million). Total business assets, excluding bank deposits and cash, equity investments, deferred tax assets and other derivative financial assets, decreased by 1% to HK\$20,579 million (2015: HK\$20,707 million) mainly due to decrease in DP for sales recognition compensated by increase in IP under development.

IP as at 30 June 2016 increased by 5% to HK\$8,255 million (2015: HK\$7,876 million), representing 40% (2015: 38%) of the Group's total business assets. Hong Kong IP amounted to HK\$5,344 million (2015: HK\$5,414 million), comprising of MP Hong Kong's podium and Star House units valued at HK\$4,760 million and HK\$584 million, respectively. Mainland IP under development, mainly Suzhou IFS, was stated at book cost of HK\$2,911 million (2015: HK\$2,462 million).

Mainland DP decreased by 28% to HK\$1,935 million (2015: HK\$2,699 million) reflecting the selling down of residential and retail units at Suzhou Times City and Changzhou Times Palace. In addition, DP undertaken through associates and joint ventures amounted to HK\$3,433 million (2015: HK\$3,647 million).

Other major business assets mainly included hotel properties at MP Hong Kong, Murray Building, MP Changzhou and other fixed assets with book cost totalling HK\$5,923 million.

Geographically, the Group's business assets in the Mainland decreased by 2% to HK\$9,810 million (2015: HK\$10,002 million), representing 48% (2015: 48%) of the Group's total business assets.

Liabilities

Pre-sale deposits and proceeds grew by 4% to HK\$4,869 million (2015: HK\$4,691 million), reflecting the increase in contracted sales that could be recognised as revenue by stages in future.

Net Cash and Gearing

Group net cash as at 30 June 2016 amounted to HK\$1,537 million, consisting of HK\$4,887 million in cash and HK\$3,350 million in bank borrowings in various currencies, compared to HK\$1,647 million as at 31 December 2015.

Finance and Availability of Facilities and Funds

As at 30 June 2016, the Group's available loan facilities amounted to HK\$6,050 million, of which HK\$3,350 million were utilised and are due between two and five years.

The Group's debts were entirely denominated in Hong Kong dollar ("HKD") and in floating rate. Further borrowings will be sourced to finance the Group's property and hotel development projects.

The use of derivative financial instruments is strictly controlled. The majority of the

derivative financial instruments entered into by the Group are primarily used for hedging of the Group's interest rate and currency exposures.

The Group continued to maintain a reasonable level of surplus cash denominated principally in HKD and RMB to facilitate business and investment activities. As at 30 June 2016, the Group also maintained a portfolio of equity investments principally consisting of blue chip listed securities, with an aggregate market value of HK\$2,226 million (2015: HK\$2,450 million), which is available for liquidation to meet needs if they arise. The performance of the portfolio was largely in line with the general market.

Net Cash Flows for Operating and Investing Activities

For the period under review, the Group generated a net cash inflow from operating activities of HK\$1,178 million (2015: HK\$564 million), mainly attributable to pre-sales proceeds net of construction cost payment for the Mainland development projects. For investing activities, the Group recorded a net cash outflow of HK\$556 million (2015: HK\$291 million), primarily for Murray Building and Suzhou IFS projects.

Commitments to Capital and Development Expenditure

As at 30 June 2016, major capital and development expenditure in the forthcoming years totalled HK\$8.5 billion, of which HK\$4.3 billion was committed, including HK\$1.7 billion and HK\$2.6 billion respectively for Murray Building and Mainland projects. Uncommitted expenditure of HK\$4.2 billion is mainly for the existing Mainland DP to be incurred by stages in the forthcoming years.

The above commitments and planned expenditures will be funded by internal financial resources, including cash on hand and future property sales proceeds, as well as bank loans. Other available resources include equity investments that can be liquidated when in need.

(III) Human Resources

The Group had approximately 900 employees as at 30 June 2016. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2016 - Unaudited

		Six months ended 30 June	
		2016	2015
	Note	HK\$ Million	HK\$ Million
Revenue	2	2,204	2,809
Direct costs and operating expenses		(1,409)	(1,721)
Selling and marketing expenses		(51)	(63)
Administrative and corporate expenses		(26)	(32)
Operating profit before depreciation, interest and tax		718	993
Depreciation		(26)	(31)
Operating profit	3	692	962
Change in fair value of investment properties		(70)	24
Other net (loss)/income	4	(3)	9
Finance costs	5	619	995
Share of results after tax of:		(29)	(19)
Joint ventures		141	(1)
Associates		(9)	(2)
Profit before taxation		722	973
Income tax	6(a)	(234)	(269)
Profit for the period		488	704
Profit attributable to:			
Equity shareholders		426	596
Non-controlling interests		62	108
		488	704
Earnings per share	7		
Basic		HK\$0.60	HK\$0.84
Diluted		HK\$0.60	HK\$0.84

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the six months ended 30 June 2016 - Unaudited**

	Six months ended 30 June	
	2016	2015
	HK\$ Million	HK\$ Million
Profit for the period	488	704
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation the operations of:	(162)	5
- subsidiaries	(149)	4
- joint ventures	(13)	1
Fair value changes on available-for-sale investments:	-	278
- surplus on revaluation	-	283
- transferred to profit or loss on disposal	-	(5)
Items that will not be reclassified to profit or loss:		
Fair value changes on equity investments	(225)	-
Other comprehensive income for the period	(387)	283
Total comprehensive income for the period	101	987
Total comprehensive income attributable to:		
Equity shareholders	64	879
Non-controlling interests	37	108
	101	987

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016 – Unaudited

		30 June 2016	31 December 2015
	Note	HK\$ Million	HK\$ Million
Non-current assets			
Investment properties		8,255	7,876
Hotel properties, plant and equipment		5,923	5,677
Interest in associates		1,451	1,608
Interest in joint ventures		1,982	2,039
Equity investments		2,226	-
Available-for-sale investments		-	2,450
Deferred tax assets		28	46
Other non-current assets		16	16
		19,881	19,712
Current assets			
Properties for sale		1,935	2,699
Inventories		3	3
Trade and other receivables	9	867	660
Derivative financial assets		-	1
Prepaid tax		147	129
Bank deposits and cash		4,887	6,447
		7,839	9,939
Total assets		27,720	29,651
Non-current liabilities			
Deferred tax liabilities		(42)	(69)
Bank loans		(3,350)	(4,400)
		(3,392)	(4,469)
Current liabilities			
Trade and other payables	10	(2,437)	(2,600)
Pre-sale deposits and proceeds		(4,869)	(4,691)
Derivative financial liabilities		(1)	(2)
Taxation payable		(196)	(159)
Bank loans		-	(400)
		(7,503)	(7,852)
Total liabilities		(10,895)	(12,321)
NET ASSETS		16,825	17,330
Capital and reserves			
Share capital		3,641	3,641
Reserves		12,211	12,544
Shareholders' equity		15,852	16,185
Non-controlling interests		973	1,145
TOTAL EQUITY		16,825	17,330

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2015 except for the changes mentioned below.

The unaudited interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2015. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2015 that is included in the unaudited interim financial information as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

The Group has early adopted the complete version of HKFRS 9, “Financial Instruments” in the consolidated financial statements. Except for the foregoing, the Group has not adopted any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 introduces new classification and measurement requirements for financial assets on the basis of the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, a new expected credit loss model that replaces the incurred loss impairment model used in HKAS 39 with the result that a loss event will no longer need to occur before an impairment allowance is recognised, and a new hedge accounting model where the hedged ratio is required to be the same as the one used by an entity’s management for risk management purposes.

As at 1 January 2016, the Directors of the Group have reviewed and reassessed the Group's financial assets on that date and the results for the period. The initial application of HKFRS 9 has had impacts on the following financial assets and results of the Group:

- (i) investments in listed equity securities (not held for trading) of HK\$2,226 million that were previously classified as available-for-sale investments and measured at fair value at each reporting date under HKAS 39 have been designated as equity investments measured at fair value through other comprehensive income. Group profit for the period has been reduced by HK\$48 million, representing the gain on disposal of equity securities recognised through other comprehensive income instead of the income statement as previously accounted for (2015: HK\$7 million profit).
- (ii) impairment based on expected credit loss model on the Group's rental, sales and trade receivables have no significant financial impacts.

The HKICPA has issued certain amendments to HKFRSs which are first effective for the current accounting period of the Group. The amendments do not have significant impact on the Group's results and financial position for the current or prior periods have been prepared or presented.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined three reportable operating segments for measuring performance and allocating resources. The segments are development property, investment property and hotel. No operating segment has been aggregated to form reportable segments.

Development property segment encompasses activities relating to the acquisition, development, design, construction, sales and marketing of the Group's trading properties primarily in Mainland China.

Investment property segment primarily represents the property leasing of the Group's investment properties in Hong Kong. Some of the Group's development projects in Mainland China include properties which are intended to be held for investment purposes on completion.

Hotel segment represents the operations of Marco Polo Hongkong Hotel and Marco Polo Changzhou. It also includes Murray Building which is under construction.

Management evaluates performance based on operating profit as well as the equity share of results of associates and joint ventures of each segment.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, equity investments, derivative financial instruments and deferred tax assets.

Revenue and expenses are allocated with reference to sales generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

Analysis of segment revenue and results

Six months ended	Revenue HK\$ Million	Operating profit HK\$ Million	Change in fair value of investment properties HK\$ Million	Other net (loss)/ income HK\$ Million	Finance costs HK\$ Million	Joint ventures HK\$ Million	Associates HK\$ Million	Profit before taxation HK\$ Million
30 June 2016								
Development property	1,686	429	-	9	(5)	141	(9)	565
Investment property	152	134	(70)	-	(5)	-	-	59
Hotel	281	49	-	-	(1)	-	-	48
Segment total	2,119	612	(70)	9	(11)	141	(9)	672
Investment and others	85	85	-	(12)	(18)	-	-	55
Corporate expenses	-	(5)	-	-	-	-	-	(5)
Group total	2,204	692	(70)	(3)	(29)	141	(9)	722
30 June 2015								
Development property	2,277	687	-	(2)	(6)	(1)	(2)	676
Investment property	153	134	24	-	(10)	-	-	148
Hotel	291	58	-	-	(2)	-	-	56
Segment total	2,721	879	24	(2)	(18)	(1)	(2)	880
Investment and others	88	88	-	11	(1)	-	-	98
Corporate expenses	-	(5)	-	-	-	-	-	(5)
Group total	2,809	962	24	9	(19)	(1)	(2)	973

- (i) Substantially all depreciation was attributable to the Hotel Segment.
- (ii) No inter-segment revenue has been recorded during the current and prior periods.

3. OPERATING PROFIT

Operating profit is arrived at:

	Six months ended 30 June	
	2016	2015
	HK\$ Million	HK\$ Million
After charging/(crediting) :		
Depreciation	26	31
Staff costs (Note i)	95	103
Cost of trading properties for recognised sales	1,234	1,541
Rental charges under operating leases	8	8
Gross rental revenue from investment property (Note ii)	(152)	(153)
Direct operating expenses of investment property	10	12
Interest income	(39)	(62)
Dividend income from listed investments	(46)	(26)

Notes:

- (i) Staff costs included defined contribution pension schemes costs HK\$4 million (2015: HK\$4 million).
- (ii) Rental income included contingent rentals of HK\$26 million (2015: HK\$56 million).

4. OTHER NET (LOSS)/INCOME

	Six months ended 30 June	
	2016	2015
	HK\$ Million	HK\$ Million
Profit on disposal of available-for-sale investments, including revaluation surplus of HK\$Nil (2015: HK\$5 million) transferred from the investments revaluation reserve	-	7
Net exchange (loss)/gain, including the impact of forward foreign exchange contracts	(3)	2
	(3)	9

5. FINANCE COSTS

	Six months ended 30 June 2016 HK\$ Million	2015 HK\$ Million
Interest on bank borrowings	26	27
Other finance costs	13	14
	<u>39</u>	<u>41</u>
Less: Amount capitalised	(10)	(22)
	<u>29</u>	<u>19</u>

6. INCOME TAX

(a) Taxation charged to the consolidated income statement represents:

	Six months ended 30 June 2016 HK\$ Million	2015 HK\$ Million
Current income tax		
Hong Kong		
- provision for the period	33	35
Mainland China		
- provision for the period	181	189
	<u>214</u>	<u>224</u>
Land appreciation tax ("LAT") (Note (d))	31	59
Deferred tax		
Origination and reversal of temporary differences	(11)	(14)
Total	<u>234</u>	<u>269</u>

- (b) The provision for Hong Kong profits tax is at the rate of 16.5% (2015: 16.5%) of the estimated assessable profits for the period.
- (c) Income tax on profit assessable in Mainland China are China corporate income tax calculated at a rate of 25% and China withholding income tax at a rate of up to 10%.

- (d) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all development property expenditures.
- (e) Tax attributable to joint ventures and associates for the period ended 30 June 2016 of HK\$90 million (2015: HK\$12 million) is included in the share of results of joint ventures and associates.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit for the period attributable to equity shareholders of HK\$426 million (2015: HK\$596 million) and the weighted average of 709 million (2015: 709 million) ordinary shares in issue during the period.

There were no potential dilutive ordinary shares in existence during the periods ended 30 June 2016 and 2015.

8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	Six months ended 30 June			
	2016 HK\$ Per share	2016 HK\$ Million	2015 HK\$ Per share	2015 HK\$ Million
First interim dividend declared after the end of the reporting period	0.14	99	0.14	99

- (a) The first interim dividend based on 709 million issued ordinary shares (2015: 709 million shares) declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.
- (b) The second interim dividend of HK\$397 million for 2015 was approved and paid in 2016.

9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance for doubtful debts) with an ageing analysis based on invoice date as at 30 June 2016 as follows:

	30 June 2016 HK\$ Million	31 December 2015 HK\$ Million
Trade receivables		
0 - 30 days	23	168
31 - 60 days	-	1
Over 60 days	8	4
	31	173
Prepayments	401	399
Other receivables	391	48
Amounts due from fellow subsidiaries	44	40
	867	660

The Group has defined credit policies for each of its core business. The general credit terms allowed range from 0 to 60 days, except for sale of properties the proceeds from which are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year.

10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis as at 30 June 2016 as follows:

	30 June 2016 HK\$ Million	31 December 2015 HK\$ Million
Trade payables		
0 - 30 days	17	34
31 - 60 days	4	1
Over 60 days	1	-
	22	35
Other payables and provisions	246	292
Construction costs payable	837	1,022
Amounts due to fellow subsidiaries	30	42
Amounts due to associates	1	1
Amounts due to joint ventures	1,301	1,208
	2,437	2,600

11. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2016 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, all the code provisions in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were met by the Company, with one exception as regards Code Provision A.2.1 providing for the roles of chairman and chief executive to be performed by different individuals. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the financial period under review.

BOOK CLOSURE

The Register of Members will be closed from Wednesday, 24 August 2016 to Friday, 26 August 2016, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 August 2016.

By Order of the Board

Kevin C. Y. Hui

Director and Company Secretary

Hong Kong, 4 August 2016

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Stephen T. H. Ng, Hon. Frankie C. M. Yick and Mr. Kevin C. Y. Hui, together with five Independent Non-executive Directors, namely Dr. Joseph M. K. Chow, Mr. H. M. V. de Lacy Staunton, Hon. Andrew K. Y. Leung, Mr. Michael T. P. Sze and Mr. Brian S. K. Tang.