Gemdale Properties and Investment Corporation Limited

金地商置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 535)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2019	2018	Change
	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)	
Revenue	**3,062,075**	1,726,928	+ 77
Gross profit	**1,391,304**	704,599	+ 97
Other income and gains	**303,456**	248,129	+ 22
Share of results of joint ventures and associates	**825,697**	467,338	+ 77
Profit after tax	**1,212,748**	691,419	+ 75
Profit attributable to owners of the Company	**1,158,282**	598,796	+ 93
Earnings per share attributable to owners of the Company:			
- Basic (RMB)	**0.0729**	0.0377	+ 93
- Diluted (RMB)	**0.0715**	0.0369	+ 94
	30 June	31 December	
	2019	2018	Change
	RMB'000	RMB'000	%
	(Unaudited)	(Audited)	
Deposits, bank and cash balances	**5,118,919**	3,237,920	+ 58
Total assets	**65,760,400**	51,987,757	+ 26
Net assets	**14,629,970**	13,870,385	+ 5

2019 INTERIM RESULTS (UNAUDITED)

The board of directors (the "Directors") of Gemdale Properties and Investment Corporation Limited (the "Company") announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2019 together with the relevant comparative figures.

***** *For identification purpose only*

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Revenue	*3*	**3,062,075**	1,726,928
Cost		**(1,670,771)**	(1,022,329)
Gross profit		**1,391,304**	704,599
Direct operating expenses		**(638,211)**	(410,259)
Other income and gains	*3*	**303,456**	248,129
Administrative expenses		**(21,962)**	(19,847)
Finance costs	*4*	**(185,294)**	(128,018)
Share of profits and losses of:			
Joint ventures		**589,865**	453,695
Associates		**235,832**	13,643
Profit before tax	*5*	**1,674,990**	861,942
Tax	*6*	**(462,242)**	(170,523)
Profit for the period		**1,212,748**	691,419
Attributable to:			
Owners of the Company		**1,158,282**	598,796
Non-controlling interests		**54,466**	92,623
		1,212,748	691,419
Earnings per share attributable to owners of the Company:			
- Basic (RMB)	*7*	**0.0729**	0.0377
- Diluted (RMB)	*7*	**0.0715**	0.0369

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	**1,212,748**	691,419
Other comprehensive (loss)/income		
- Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange fluctuation reserves:		
Exchange differences on translation of foreign operations	**(5,362)**	(107,872)
Share of exchange differences on translation of foreign operations of joint ventures	**5,151**	20,729
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(211)**	(87,143)
- Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Exchange fluctuation reserves:		
Exchange differences on translation of foreign operations	**25,131**	39,178
Other comprehensive income/(loss) for the period, net of tax	**24,920**	(47,965)
Total comprehensive income for the period	**1,237,668**	643,454
Attributable to:		
Owners of the Company	**1,181,263**	547,659
Non-controlling interests	**56,405**	95,795
	1,237,668	643,454

Condensed Consolidated Statement of Financial Position

30 June 2019

	Note	**30 June 2019 RMB'000 (Unaudited)**	31 December 2018 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**151,489**	126,963
Investment properties		**9,946,956**	8,839,014
Right-of-use assets		**69,223**	-
Intangible assets		**35,734**	39,848
Prepayments, deposits and other receivables		**2,245,280**	1,869,398
Investments in joint ventures		**8,980,129**	7,803,183
Investments in associates		**3,214,127**	2,620,385
Loans to related companies		**2,456,491**	-
Equity investments designated at fair value through other comprehensive income		**377,229**	143,742
Debt investments at fair value through other comprehensive income		**22,814**	18,814
Deferred tax assets		**1,043,174**	965,358
Total non-current assets		**28,542,646**	22,426,705
CURRENT ASSETS			
Properties held for sale		**3,027,694**	3,935,273
Properties under development		**13,253,610**	12,410,071
Prepayment for acquisition of a land use right		**1,137,647**	-
Trade receivables	*8*	**13,160**	18,061
Prepayments, deposits and other receivables		**9,139,219**	3,278,784
Loans to joint ventures		**914,449**	1,084,622
Loans to related companies		**-**	2,261,200
Loans to non-controlling shareholders		**60,195**	57,155
Due from the ultimate holding company		**-**	21,072
Due from fellow subsidiaries		**6,830**	8,493
Due from joint ventures		**2,294,754**	1,313,421
Due from associates		**157,710**	145,662
Due from non-controlling shareholders		**240,785**	247,490
Due from related companies		**-**	3,006
Prepaid tax		**1,044,380**	675,920
Restricted cash		**808,402**	862,902
Deposits, bank and cash balances		**5,118,919**	3,237,920
Total current assets		**37,217,754**	29,561,052

Condensed Consolidated Statement of Financial Position (continued)

30 June 2019

	Note	**30 June 2019 RMB'000 (Unaudited)**	31 December 2018 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	*9*	**2,331,563**	2,010,954
Advanced receipts, accruals and other payables		**23,374,233**	20,025,204
Lease liabilities		**80,285**	-
Interest-bearing bank and other borrowings		**1,782,717**	1,310,181
Loans from the ultimate holding company		**6,375,556**	948,641
Loans from a fellow subsidiary		**182,180**	132,460
Loans from joint ventures		**34,175**	23,175
Loans from an associate		**759,689**	292,040
Loan from a related company		**17,150**	-
Due to the ultimate holding company		**92,485**	71,051
Due to fellow subsidiaries		**195,849**	104,010
Due to joint ventures		**4,818,998**	4,010,559
Due to associates		**283,716**	1,195,574
Due to non-controlling shareholders		**282,029**	203,357
Due to related companies		**247,740**	1,818
Tax payable		**2,320,533**	3,393,054
Total current liabilities		**43,178,898**	33,722,078
NET CURRENT LIABILITIES		**(5,961,144)**	(4,161,026)
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,581,502**	18,265,679
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**1,621,599**	750,331
Loans from a fellow subsidiary		**4,472,424**	2,604,478
Lease liabilities		**806,222**	-
Deferred tax liabilities		**1,051,287**	1,040,485
Total non-current liabilities		**7,951,532**	4,395,294
NET ASSETS		**14,629,970**	13,870,385
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**1,440,256**	1,439,211
Reserves		**11,123,980**	10,395,950
		12,564,236	11,835,161
Non-controlling interests		**2,065,734**	2,035,224
TOTAL EQUITY		**14,629,970**	13,870,385

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

As at 30 June 2019, the Group had net current liabilities of RMB5,961,144,000 (31 December 2018: RMB4,161,026,000). The net current liabilities included sales deposit received from pre-sales of properties of RMB22,010,266,000 as at 30 June 2019 (31 December 2018: RMB19,126,077,000). In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Having considered the cash inflow from the operations, the Directors are satisfied that the Group is able to meet in full its financial obligations as they fall due and remain as a going concern in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the Interim Financial Information of the Group on a going concern basis. The Directors are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Significant accounting policies

The accounting policies and methods of computation used in the preparation of this unaudited interim condensed consolidated financial information are consistent with those in the annual financial statements for the year ended 31 December 2018, except as described below. In the current period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which include all HKFRSs, HKASs and Interpretations) issued by the HKICPA which are effective for the Group's financial years beginning on or after 1 January 2019.

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16 *Leases*, the adoption of the above new and revised standards has had no significant financial effect on the interim financial information. The nature and impact of the HKFRS 16 are described as below:

Change in accounting policies

Adoption of HKFRS 16 *Leases*

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases - Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

<u>As a lessee – Leases previously classified as operating leases</u>

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of property. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and buildings that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months form the date of initial application

- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 as as follows:

	Increase/ (decrease) RMB'000 (Unaudited)
Assets	
Right-of-use assets	78,982
Investment properties	798,809
Total assets	877,791
Liabilities	
Current lease liabilities	77,767
Non-current lease liabilities	800,024
Total liabilities	877,791

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000 (Unaudited)
Operating lease commitments as at 31 December 2018	1,208,600
Weighted average incremental borrowing rate as at 1 January 2019	4.81%
Discounted operating lease commitments as at 1 January 2019	849,386
Less: Commitments relating to with a remaining lease term ending on or before 31 December 2019	(1,610)
Add: Payments for optional extension periods not recognised as at 31 December 2018	30,015
Lease liabilities as at 1 January 2019	877,791

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in property development, property investment, property management and micro-financing business. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide.

Operating segments are reported in the manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purpose of assessing the segment performance and allocating resources between segments.

An analysis of the Group's revenue, profit/(loss), assets and liabilities by reportable segments for the period under review is as follows:

	Property development RMB'000	Property investment and management RMB'000	Micro-finance RMB'000	Corporate RMB'000	Total RMB'000
For the six months ended 30 June 2019 (Unaudited)					
Segment revenue	**2,588,684**	**280,045**	**193,346**	**-**	**3,062,075**
Segment results	**1,790,020**	**(47,316)**	**121,032**	**(16,137)**	**1,847,599**
Reconciliation					
Bank interest income					**12,685**
Finance costs					**(185,294)**
Profit before tax					**1,674,990**
Other segment information:					
Share of profits and losses of joint ventures	**(676,684)**	**86,819**	**-**	**-**	**(589,865)**
Share of profits and losses of associates	**(235,832)**	**-**	**-**	**-**	**(235,832)**
Depreciation	**12,781**	**17,196**	**224**	**5,641**	**35,842**
Impairment/(reversal of impairment) of receivables, net	**12,303**	**(2,069)**	**42,888**	**(183)**	**52,939**
Amortisation of intangible assets	**-**	**4,114**	**-**	**-**	**4,114**
Capital expenditure*	**10,401**	**345,612**	**301**	**8**	**356,322**
As at 30 June 2019 (Unaudited)					
Segment assets	**47,468,558**	**13,621,810**	**2,466,594**	**73,940**	**63,630,902**
Reconciliation					
Other unallocated assets					**2,129,498**
Total assets					**65,760,400**
Segment liabilities	**37,087,268**	**3,161,296**	**1,825,992**	**63,487**	**42,138,043**
Reconciliation					
Other unallocated liabilities					**8,992,387**
Total liabilities					**51,130,430**
Other segment information:					
Investments in joint ventures	**7,798,412**	**1,181,717**	**-**	**-**	**8,980,129**
Investments in associates	**3,214,127**	**-**	**-**	**-**	**3,214,127**

	Property development RMB'000	Property investment and management RMB'000	Micro-finance RMB'000	Corporate RMB'000	Total RMB'000
For the six months ended 30 June 2018 (Unaudited)					
Segment revenue	1,326,924	218,350	181,654	-	1,726,928
Segment results	851,326	39,408	98,405	(20,444)	968,695
Reconciliation					
Bank interest income					21,265
Finance costs					(128,018)
Profit before tax					861,942
Other segment information:					
Share of profits and losses of joint ventures	(447,377)	(6,318)	-	-	(453,695)
Share of profits and losses of associates	(13,643)	-	-	-	(13,643)
Depreciation	5,770	8,082	503	149	14,504
(Gain)/loss on disposal and deemed disposal of subsidiaries	(23,863)	22,912	-	-	(951)
Impairment/(reversal of impairment) of receivables, net	(98)	2,616	45,565	168	48,251
Amortisation of intangible assets	-	4,114	-	-	4,114
Capital expenditure*	10,539	504,527	94	23	515,183
As at 31 December 2018 (Audited)					
Segment assets	34,958,839	13,183,193	2,085,938	36,463	50,264,433
Reconciliation					
Other unallocated assets					1,723,324
Total assets					51,987,757
Segment liabilities	28,793,323	951,239	22,809	23,377	29,790,748
Reconciliation					
Other unallocated liabilities					8,326,624
Total liabilities					38,117,372
Other segment information:					
Investments in joint ventures	6,338,226	1,464,957	-	-	7,803,183
Investments in associates	2,620,385	-	-	-	2,620,385

* *Capital expenditure consists of additions to property, plant and equipment and investment properties including assets from the acquisitions of subsidiaries.*

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents sales of properties, gross rental income, property management fee income received and receivable from the principal activities, utility income, interest income on loans receivable and entrusted management fee income received from a fellow subsidiary during the period.

An analysis of revenue, other income and gains recognised during the period is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of properties	**2,588,684**	1,326,924
Property management fee income from:		
- fellow subsidiaries	**622**	588
- third parties	**68,983**	62,679
Utility income	**8,146**	7,070
Entrusted management fee income from a fellow subsidiary	**12,453**	12,453
Revenue from other sources		
Gross rental income from:		
- fellow subsidiaries	**4,779**	3,898
- third parties	**185,062**	131,662
Interest income on loans receivable	**193,346**	181,654
	3,062,075	1,726,928
Other income and gains		
Bank interest income	**15,730**	21,265
Interest income on loans to related companies	**47,333**	23,816
Interest income on loans to joint ventures	**57,261**	31,114
Interest income on loans to non-controlling shareholders	**575**	13
Interest income on loans to third parties	**-**	12,687
Consulting service income from:		
- a fellow subsidiary	**-**	205
- joint ventures	**35,158**	14,812
- an associate	**4,724**	-
- third parties	**53,569**	57,049
Fitting-out works income from:		
- fellow subsidiaries	**35,296**	28,580
- joint ventures	**17,354**	1,683
- third parties	**25,013**	9,449
Net gain on disposal and deemed disposal of subsidiaries *(Note 11)*	**-**	951
Others	**11,443**	46,505
	303,456	248,129

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on:		
- bank borrowings	**35,437**	**23,577**
- loans from the ultimate holding company	**43,338**	**52,092**
- loans from fellow subsidiaries	**92,225**	**72,292**
- loans from joint ventures	**238**	**1,844**
- loan from an associate	**6,139**	**-**
- other borrowings and other payables	**9,624**	**4,755**
	187,001	**154,560**
Other finance costs	**26,544**	**2,030**
Total finance costs incurred	**213,545**	**156,590**
Less: Interest capitalised in		
- investment properties	**(479)**	(**5,628**)
- properties under development	**(27,772)**	(**22,944**)
	185,294	**128,018**

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	**1,496,531**	886,274
Depreciation of property, plant and equipment	**26,475**	14,813
Depreciation of right-of-use assets	**9,682**	-
Less: Amounts capitalised to property development projects	**(315)**	(309)
	35,842	14,504
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**19,675**	20,360
Impairment of other receivables and loans receivable, net	**46,812**	48,174
Impairment of trade receivables	**-**	77
Impairment on amounts due from and loans to related parties	**6,127**	-
Minimum lease payments under operating leases	**-**	33,648
Short terms lease payment	**483**	-
Amortisation of intangible assets	**4,114**	4,114
Amortisation of land use rights	**113,107**	114,051
Less: Amounts capitalised to property development projects	**(113,107)**	(114,051)
	-	-
Employees benefits expenses (including directors' emoluments):		
Wages and salaries	**234,465**	125,911
Pension schemes contributions	**20,122**	17,209
Total employees benefits expenses	**254,587**	143,120
Auditor's remuneration	**1,859**	1,581
Foreign exchange gains, net	**(4,148)**	(3,010)
Net gain on disposal and deemed disposal of subsidiaries *(Note 11)*	**-**	(951)

6. TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period (2018: Nil). Taxation on Mainland China profits was calculated on the estimated assessable profits for the period at the rates of tax prevailing in the jurisdiction in which the Group operates.

The provision for land appreciation tax ("LAT") has been estimated according to the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

The amount of tax charged to the interim condensed consolidated statement of profit or loss represented:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Income tax in Hong Kong	**-**	-
Corporate income tax in Mainland China		
- Charge for the period	**298,317**	153,452
- Under provision in prior periods	**67**	14,211
LAT in Mainland China	**230,907**	28,496
Deferred	**(67,049)**	(25,636)
	462,242	170,523

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares of 15,880,948,921 (2018: 15,867,020,677) in issue during the period.

(b) Diluted earnings per share

The calculation of the diluted earnings per share is based on the profit for the period attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**1,158,282**	598,796
	1,158,282	598,796

	No. of shares	
	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**15,880,948,921**	15,867,020,677
Effect of dilution – weighted average number of ordinary shares:		
Share options	**314,582,021**	345,760,188
	16,195,530,942	16,212,780,865

8. TRADE RECEIVABLES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade receivables	**13,160**	18,061

Trade receivables represent rental and property management fee receivables. Rental and property management fee receivables are billed in advance and are payable by tenants/residents upon receipts of billings within an average credit term of one month.

Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured.

An aging analysis of the trade receivables as at the reporting date, based on the invoice date and net of provisions, is as follows:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Within 1 month	**5,873**	16,641
1 to 3 months	**6,085**	116
Over 3 months	**1,202**	1,304
	13,160	18,061

9. TRADE AND BILLS PAYABLES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade and bills payables	**2,331,563**	2,010,954

An aging analysis of the trade and bills payables as at the reporting date, based on the invoice date, is as follows:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Within 1 month	**646,604**	837,211
1 to 3 months	**672,291**	657,199
Over 3 months	**1,012,668**	516,544
	2,331,563	2,010,954

Trade and bills payables are non-interest-bearing and are normally settled within an average term of one month.

10. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 8 February 2018, a wholly-owned subsidiary of the Company acquired 100% equity interest in 上海安洋木業有限公司 (Shanghai Anyang Muye Company Limited*) ("Anyang"), from three independent third parties, at an aggregate cash consideration of RMB37,049,000. Anyang is engaged in property development in Mainland China.

The above transaction was accounted for as purchase of assets and liabilities rather than as business combination because the acquired subsidiaries had not carried out any significant business transactions prior to the date of acquisition. The net outflow of cash and cash equivalents from the acquisition had been reflected in the consolidated statement of cash flows as part of the cash flow movement of the individual assets and liabilities acquired.

The net assets acquired in the above acquisitions are as follows:

	Six months ended 30 June 2018 RMB'000 (Unaudited)
Investment property	251,129
Deposits and other receivables	67,136
Bank balances	7,196
Interest-bearing bank borrowing	(7,000)
Other payables	(208,947)
Loans from shareholders	(72,465)
Net assets	37,049
Satisfied by:	
Cash	12,049
Other payables	25,000
	37,049

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

	Six months ended 30 June 2018 RMB'000 (Unaudited)
Cash consideration	(12,049)
Bank balances acquired	7,196
Net outflow of cash and cash equivalents	(4,853)

** For identification purpose only*

11. DISPOSAL AND DEEMED DISPOSAL OF SUBSIDIARIES

Zhengzhou Jinheheng Real Estate Development Co., Ltd.*

In prior period, the Group disposed of its entire equity interest in a non-wholly owned subsidiary, 鄭州金合亨房地產開發有限公司 (Zhengzhou Jinheheng Real Estate Development Co., Ltd.*) ("Jinheheng"), to an independent third party, for a cash consideration of RMB26,000,000. The disposal was completed in February 2018.

Apex River Group

The Group entered into a co-operative agreement with two independent third parties in prior period. Pursuant to the agreement, one of the independent third parties agreed to participate in capital increase in a wholly-owned subsidiary of the Company, Apex River Limited ("Apex River"), and the other independent third party agreed to participate in the capital injection in a subsidiary of Apex River, 徐州威新房地產開發有限公司 (Xuzhou Weixin Real Estate Development Co. Ltd*) ("Xuzhou Weixin"). Apex River and Xuzhou Weixin (together "Apex River Group") are engaged in property development in Mainland China. All parties exercise joint control over Apex River Group after the transaction. The transaction was accounted for as a deemed disposal of subsidiaries and the Group had lost control over Apex River Group after the completion of registration of the changes with the relevant government authorities in April 2018.

Shanghai Zhitao Motor Components Company Limited*

The Group disposed of its entire equity interest in a wholly-owned subsidiary, 上海志韜汽車零部件有限公司 (Shanghai Zhitao Motor Components Company Limited*) ("Zhitao"), to a joint venture of the Group for a cash consideration of RMB213,348,000 in prior period. The Group had lost control over Zhitao after the completion of disposal in June 2018. The equity interest in Zhitao acquired by the joint venture of the Group was accounted for as an investment in a joint venture of the Group.

Xi’an Shuokun Real Estate Development Co., Ltd.*

In prior period, the Group disposed of its 51% equity interest in a non-wholly owned subsidiary, 西安朔坤房地產開發有限公司 (Xi’an Shuokun Real Estate Development Co., Ltd.*) ("Shuokun"), to an independent third party for a cash consideration of RMB538,280,000. The Group had lost control over Shuokun after the completion of disposal in June 2018. The remaining equity interest in Shuokun was accounted for as an investment in an associate.

* *For identification purpose only*

Details of the net assets disposed of are as follows:

	Six months ended 30 June 2018			
	Jinheheng RMB'000 (Unaudited)	Apex River Group RMB'000 (Unaudited)	Zhitao RMB'000 (Unaudited)	Shuokun RMB'000 (Unaudited)
Investment property	-	-	369,229	-
Property, plant and equipment	-	31	27	82
Deferred tax assets	7	-	-	2,931
Properties under development	-	245,296	-	1,170,389
Prepayments, deposits and other receivables	150,000	10,922	18,919	6,244
Bank balances	374	1,043	9,766	1,023
Trade payables	-	-	(6)	(12,936)
Advanced receipts, accruals and other payables	(80,280)	(263)	(1,263)	(1,262)
Loans from the ultimate holding company	-	-	-	(151,052)
Due to the immediate holding company	-	(258,102)	(116,267)	-
Due to a non-controlling shareholder	(25,183)	-	-	-
Deferred tax liabilities	-	-	(21,233)	-
Net assets	44,918	(1,073)	259,172	1,015,419
Non-controlling interests	(21,560)	-	-	(18,144)
	23,358	(1,073)	259,172	997,275
Fair value of investments retained upon disposal to investment in an associate	-	-	-	(479,412)
Stamp duties	-	-	-	269
Unrealised loss on disposal	-	-	(22,912)	-
Gain/(loss) on disposal and deemed disposal of subsidiaries	2,642	1,073	(22,912)	20,148
Total consideration	26,000	-	213,348	538,280
Satisified by:				
Cash	26,000	-	63,903	538,280
Other receivables	-	-	149,445	-
	26,000	-	213,348	538,280

An analysis of the net inflow/(outflow) of cash and cash equivalents in respect of the disposal and deemed disposal of subsidiaries is as follows:

	Six months ended 30 June 2018			
	Jinheheng RMB'000 (Unaudited)	Apex River Group RMB'000 (Unaudited)	Zhitao RMB'000 (Unaudited)	Shuokun RMB'000 (Unaudited)
Cash consideration	26,000	-	63,903	538,280
Bank balances disposed of	(374)	(1,043)	(9,766)	(1,023)
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal and deemed disposal of subsidiaries	25,626	(1,043)	54,137	537,257

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018: Nil).

FINANCIAL REVIEW

The accounting policies and methods of computation used in the preparation of the financial statements for the six months ended 30 June 2019 are consistent with those used in the last financial year ended 31 December 2018, except that the Group has applied, for the first time, the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which include all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group's financial years beginning on or after 1 January 2019.

HKFRS 16 "Leases" is effective for the financial year beginning or after 1 January 2019. The Group elected to apply the modified retrospective approach of adoption. Under this approach, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balances of assets and liabilities at 1 January 2019, and prior period comparatives are not restated.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The revenue of the Group increased from RMB1,726.9 million for the corresponding six months ended 30 June 2018 to RMB3,062.1 million for the six months ended 30 June 2019, increased by RMB1,335.2 million. The increase was primarily due to significant increase in revenue recognised from sales of properties RMB1,261.8 million, and higher rental and property management fee RMB60.6 million.

Other income and gains increased from RMB248.1 million for the corresponding six months ended 30 June 2018 to RMB303.5 million for the current period. The increase was mainly due to higher fitting-out works income of RMB38.0 million, higher interest income of RMB32.0 million, and higher consultancy services income of RMB21.4 million.

The Group's direct operating expenses increased from RMB410.3 million for the corresponding period ended 30 June 2018 to RMB638.2 million for the six months ended 30 June 2019. The increase was due to the fact that the operating scale of the Group has been continuously expanded with higher business operating activities involved during the period.

The Group's administrative expenses increased slightly from RMB19.8 million for the corresponding period ended 30 June 2018 to RMB22.0 million for the six months ended 30 June 2019.

The finance costs went up to RMB185.3 million for the six months ended 30 June 2019 from RMB128.0 million for the six months ended 30 June 2018. After excluding the effects of adopting HKFRS 16 of RMB21.1 million, the finance costs was increased by RMB36.2 million. Due to the increased bank borrowings and loans from related parties in the current period, the interests on bank borrowings and loans from related parties (net of capitalised interest) were increased by RMB11.9 million and RMB16.0 million respectively.

Share of results of joint ventures and associates of the Group reported an aggregate profit of RMB825.7 million for the six months ended 30 June 2019, against RMB467.3 million for the corresponding period ended 30 June 2018, representing an increase of RMB358.4 million. The increase was due to increase in sales revenue recognition from property developments of joint ventures and associates in Suzhou, Shanghai, Wuhan and Tianjin, the PRC.

Overall, the profit attributable to owners of the Company for the six months ended 30 June 2019 was RMB1,158.3 million, against RMB598.8 million for the corresponding period ended 30 June 2018 with an increase of RMB559.5 million. The increase was mainly due to the increase in revenue recognition from sales of properties and share of profits of joint ventures and associates during the current period.

The Group recorded basic earnings per share of RMB0.0729 for the six months ended 30 June 2019, against basic earnings per share of RMB0.0377 for the corresponding period ended 30 June 2018, representing an increase of 93%. The diluted earnings per share for the current period and the previous period were RMB0.0715 and RMB0.0369 respectively.

BUSINESS SEGMENTS

Property development

For the six months ended 30 June 2019, the revenue of property development segment was RMB2,588.7 million, representing 85% of the total revenue, compared to RMB1,326.9 million, representing 77% of the total revenue for the corresponding period ended 30 June 2018. The revenue for the current period was mainly come from Ningbo Jinfeng, Jiangsu Huai'an Project, Xi'an Yi Hua Nian and Shanghai Shanshui Four Seasons. The profit in the property development segment during the period under review increased to RMB1,790.0 million, against RMB851.3 million for the corresponding period. The increase in the segment results was primarily attributable to the significant increase of the area delivered in the sales of properties and increase in profit contribution from joint ventures and associates during the current period.

Property investment and management

The revenue recognised by the property investment and management segment for the six months ended 30 June 2019 increased to RMB280.0 million, representing 9% of the total revenue, compared to RMB218.3 million, representing 13% of the total revenue for the six months ended 30 June 2018. The increase in the revenue for the current period was mainly benefited from higher rental rates of Vision Shenzhen Business Park ("VSBP") and Beijing Sohu.com Internet Plaza as well as higher rental area of property leasing business with rental and property management fee income increased by RMB35.3 million. During the period under review, the property investment and management segment recorded a loss of RMB47.3 million (including share of losses of joint ventures of RMB86.8 million), against profit of RMB39.4 million (including share of profit of joint ventures of RMB6.3 million) for the corresponding period.

Microfinance

During the period under review, the revenue of the microfinance segment for six months ended 30 June 2019 increased from RMB181.7 million, representing 10% of the total revenue for six months ended 30 June 2018, to RMB193.3 million, representing 6% of the total revenue. The continuous growth of the money lending volume of the micro-financing business led to higher interest income earned. The microfinance segment reported a profit of RMB121.0 million during the current period, compared with the segment profit of RMB98.4 million for the corresponding period, an increase of RMB22.6 million.

SHAREHOLDERS' FUNDS

The Group's total shareholders' funds increased from RMB11,835.2 million as at 31 December 2018 to RMB12,564.2 million as at 30 June 2019. The increase was contributed by profit attributable to owners of the Company for the current period of RMB1,158.3 million which was partially offset by the final dividend paid for the year ended 31 December 2018 of RMB436.9 million.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity and capital resources

The Group's deposits, bank and cash balances increased by RMB1,881.0 million or 58% to RMB5,118.9 million as at 30 June 2019 from RMB3,237.9 million as at 31 December 2018. The increase was mainly due to proceeds from properties sales, new bank and other borrowings and increased loans from group companies, netting off against development costs of PRC property projects, cash applied to land acquisitions, payments of final dividend, investments/advances to joint ventures and associates, advances to related companies and repayment of bank borrowings.

Borrowings

During the period under review, the Group has arranged two short-term bank loans, amounting to RMB565.1 million for general working capital purpose. Meanwhile, the Group fully repaid two short-term loans and one long-term loan, totally RMB627.2 million. For the development of VSBP Phase III project, the Group arranged a 10-year Asset-Backed Notes ("ABN") of RMB1.4 billion in May 2019. The ABN will mature on 5 January 2029 with interest rate of 4.66% per annum and are repayable semi-annually. The ABN is secured by the rental income of VSBP for the next 10 years. As at 30 June 2019, total bank and other borrowings of the Group amounted to RMB3,404.3 million with interest rates ranging from 3.6% to 4.7% per annum.

The net debt (measured by total borrowings minus cash and bank deposits including restricted cash) increased by RMB7,357.7 million to RMB9,318.2 million as at 30 June 2019 from RMB1,960.5 million as at 31 December 2018. The increase of net debt was mainly due to cash applied to development cost of PRC projects, dividend payment, investments/advances to joint ventures and associates, and advances to related companies. The Group's net debt ratio (defined as net debt over total equity, including non-controlling interests) increased to 64% as at 30 June 2019, from 14% as at 31 December 2018.

The maturity profiles of the Group's outstanding borrowings as at 30 June 2019 and 31 December 2018 are summarised as below:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Short-term and long-term bank and other borrowings:		
Within the first year or on demand	**1,782,717**	1,310,181
In the second year	**206,435**	435,292
In the third to fifth years, inclusive	**359,246**	119,407
Over five years	**1,055,918**	195,632
	3,404,316	2,060,512
Loans from related parties:		
Within the first year or on demand	**7,368,750**	1,396,316
In second year	**4,472,424**	2,604,478
	11,841,174	4,000,794
Total borrowings	**15,245,490**	6,061,306

FINANCIAL MANAGEMENT

Foreign exchange risk

As at 30 June 2019, borrowings were denominated in United States dollars ("US$"), RMB and HK$. As most of the operating income of the Group's business is denominated in RMB, the Group is exposed to foreign currency risk. Moderate fluctuation of exchange rate of RMB against HK$ and US$ was expected, the foreign exchange risk exposure was considered acceptable. The Group will review and monitor its currency exposure from time to time and when appropriate to hedge its currency risk.

The currency denominations of the Group's outstanding borrowings as at 30 June 2019 and 31 December 2018 are summarised below:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
HK$	**1,681,540**	4,172,335
RMB	**8,586,570**	1,263,856
US$	**4,977,380**	625,115
Total	**15,245,490**	6,061,306

Interest rate risk

As at 30 June 2019, 60% (31 December 2018: 53%) of borrowings of the Group were subject to floating interest rates. The interest rate risk exposure was considered acceptable and no hedging was considered necessary. The Group will continue to monitor the suitability and cost efficiency of hedging instrument (including interest rates swaps) and consider a mix of fixed and floating rate borrowings in order to manage its interest rate risk.

PLEDGE OF ASSETS

As at 30 June 2019, investment properties of the Group with a carrying value of RMB547,044,000 (31 December 2018: RMB542,536,000) were pledged to secure other borrowings granted to the Group.

CONTINGENT LIABILITIES

(a) As at 30 June 2019, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates. As at 30 June 2019, the Group's outstanding guarantees amounted to RMB 1,746,135,000 (31 December 2018: RMB1,626,646,000).

The Directors consider that the fair value of the guarantees is not significant and in case of defaulting payments, the net realisable value of the related properties will be sufficient to cover the outstanding mortgage principals, the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the six months ended 30 June 2019 (2018: Nil) for these guarantees.

(b) At the end of the reporting period, the Group provided a maximum guarantee of US$70,950,000 (equivalent to RMB487,760,000) (31 December 2018: US$70,950,000 (equivalent to RMB486,944,000) to a group of financial institutions for a facility granted to a joint venture of the Group in the United States of America. As at 30 June 2019, the facility of RMB487,760,000 (31 December 2018: RMB486,944,000) guaranteed by the Group to a joint venture was utilised.

REVIEW OF OPERATIONS

LAND BANK

Our management believes that a sizable and quality land bank is the key for a property developer to succeed in a competitive property market in the PRC. Our core competitive edge includes good timing for land acquisition at competitive pricing as well as professional projects cashflow management.

As at 30 June 2019, the Group's land bank totalled 15.41 million square meters, under which approximately 25% were located in first tier cities – Beijing, Shanghai, Guangzhou and Shenzhen, and approximately 65% were located in second tier cities such as Nanjing, Qingdao, Hangzhou, Wuhan, Xian, Tianjin, etc., as well as 10% were located in third tier cities including Huai'an, Xuzhou, Taicang, etc.

LAND ACQUISITIONS

In the first half of 2019, the Group acquired 13 land projects in the PRC, with total planned GFA of approximately 2.54 million square meters, under which 1.35 million square meters were attributable to the Group's equity interests. Total consideration for these land acquisitions amounted to approximately RMB25,220 million, out of which RMB13,800 million were payable by the Group according to its equity interests in relevant projects. The average land acquisition cost in first half of 2019 was approximately RMB9,930 per square meter.

SEGMENT INFORMATION

Properties sales and development

Though the Group experienced macroeconomic slowdown and continual tightening measures for property market, it still managed to achieve aggregated contracted sales of RMB26,168 million for the 6 months ended 30 June 2019, representing a significant increase of 64% as compared to the corresponding period in 2018 while its aggregated contracted sales area totalled 1.24 million square meters for the 6 months ended 30 June 2019, representing a significant increase of 68% as compared to the corresponding period in 2018. Its average selling price was approximately RMB21,100 per square meter, representing a slightly drop of 2.8% as compared to the corresponding period in 2018.

Property leasing

As at 30 June 2019, our Vision Shenzhen Business Park Phases 1 and 2, a business park with GFA of 127,000 square meters, was 97% occupied. Its major tenants include Intel, Amazon and DJI. Also, our Beijing Sohu.com Internet Plaza and the Bridge 8 project in Shanghai were 100% occupied. In addition, our newly opened Hangzhou shopping mall was nearly 100% occupied.

During the period, benefiting from the increase in the rental rate as well as more new commercial projects were opened, the Group recorded total rental/management fees revenue of approximately RMB280 million for the 6 months ended 30 June 2019, representing an increase of 28% as compared to the corresponding period in 2018.

Currently, the commercial projects under development includes Xuzhou, Nanjing, Jinan, Beijing and Huai'an commercial complex projects, several Shanghai commercial projects and Vision Shenzhen Business Park Phase 3 in Nanshan District, Shenzhen. Upon completion of these projects in the pipeline, our commercial properties portfolio is expected to generate an additional RMB1.5 billion rental income to the Group.

PROSPECTS

Looking forward, the Group would remain focus in expanding scale in terms of contracted sales and landbank accumulation in the first-tier and certain second-tier cities with fast economic growth and large population inflow. The Group would also seek potential equity merger and acquisition and cooperation opportunities at the same time. While for commercial properties, the Group would aggressively expand our business in the development of high-end business parks and commercial projects in core area of tier one/two cities in the PRC.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2019, except for the following deviations:

1. Under CG Code A.6.7, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the view of shareholders. Due to other pre-arranged business commitments which must be attended by certain directors of the Company, Mr. Loh Lian Huat, Ms. Zhang Feiyun and Mr. Hu Chunyuan were not able to attend the annual general meeting of the Company on 21 May 2019.

2. Under CG Code E.1.2, the chairman of the board should attend the annual general meeting. Due to other pre-arranged business commitments which must be attended by Mr. Huang Juncan, the chairman of the board, he was not able to attend the annual general meeting of the Company on 21 May 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time, (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiries made by the Company, all Directors had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2019. The Model Code also applies to other specified senior management of the Company.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group had approximately 3,000 (30 June 2018: approximately 2,700) employees. Salaries of employees are maintained at competitive levels while bonuses may be granted on a discretionary basis with reference to the performance of the Group as well as the individual's performance. Other employee benefits include mandatory provident fund, insurance and medical cover, subsidised educational and training programmes as well as a share option scheme.

The emoluments of the Directors are determined with reference to Directors' duties, responsibilities and performance as well as the results of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2019.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") currently comprises Mr. Xia Xinping (Chairman of the committee), Mr. Hui Chiu Chung and Mr. Chiang Sheung Yee, Anthony. All Audit Committee members are independent non-executive Directors.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial information as of and for the six months ended 30 June 2019 and the interim report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that they have the overall responsibility for overseeing the Group's risk management and internal control systems to safeguard the Company's assets and shareholders' interests, and reviewing their effectiveness annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal control, and the resourcing of the finance and internal audit functions. The legal department of the Group together with the internal audit department of the holding company of the Company (the "Internal Audit Departments") is delegated to assist the Board and/or the Audit Committee in the review of the effectiveness of the Group's risk management and internal control systems on an ongoing basis. The Directors through the Internal Audit Departments are kept regularly apprised of significant risks that may impact on the Group's performance. The internal audit function is independent of the operating businesses of the Group.

The Internal Audit Departments would review the effectiveness and adequacy of the risk management and internal control procedures, and the findings will be provided to the Audit Committee to assist them in performing their annual reviews. The Audit Committee can make enquiries with the management from time to time to ensure that they are provided sufficient information to review the internal control procedures.

BOARD OF DIRECTORS

As at the date hereof, the Board of Directors comprises four executive Directors, namely Mr. Ling Ke, Mr. Huang Juncan, Mr. Xu Jiajun and Mr. Wei Chuanjun; two non-executive Directors, namely Mr. Loh Lian Huat and Ms. Zhang Feiyun; and three independent non-executive Directors, namely Mr. Hui Chiu Chung, Mr. Chiang Sheung Yee, Anthony and Mr. Xia Xinping.

By Order of the Board
Gemdale Properties and Investment Corporation Limited
Huang Juncan
Chairman and Executive Director

Hong Kong, 21 August 2019