



Great China Properties Holdings Limited

大中華地產控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00021



INTERIM REPORT
2021

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021 – unaudited

	Notes	Six months ended 30 June	
		2021 HK\$'000	2020 HK\$'000
REVENUE	4	5,469	3,791
Cost of sales and services		(2,393)	(1,706)
GROSS PROFIT		3,076	2,085
Other income and gains	4	402	184
Selling and distribution expenses		(847)	(641)
Administrative and operating expenses		(10,030)	(10,580)
Foreign exchange (loss)/gain, net		(13,593)	17,503
Finance costs	5	(20)	(90)
(LOSS)/PROFIT BEFORE TAX	6	(21,012)	8,461
Income tax credit/(expense)	7	6	(361)
(LOSS)/PROFIT FOR THE PERIOD		(21,006)	8,100
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
– Owners of the Company		(21,006)	8,100
– Non-controlling interests		–	–
		(21,006)	8,100
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		22,857	(35,556)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		1,851	(27,456)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
– Owners of the Company		1,851	(27,456)
– Non-controlling interests		–	–
		1,851	(27,456)
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	9	(HK0.53 cent)	HK0.20 cent

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 – unaudited

		Unaudited As at 30 June 2021 HK\$'000	Audited As at 31 December 2020 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	10	193,523	190,184
Right-of-use assets	11	–	1,420
Investment properties	12	245,501	243,236
Goodwill		216,638	214,629
Interests in associates		–	–
Loan receivable from an associate, net		142,713	141,397
Properties under development	13	643,737	635,514
Total non-current assets		1,442,112	1,426,380
CURRENT ASSETS			
Properties held for sale		802,642	791,632
Trade receivables	14	1,554	500
Prepayments, deposits and other receivables	15	22,371	22,247
Cash and bank balances		19,120	19,174
Total current assets		845,687	833,553
CURRENT LIABILITIES			
Trade payables	16	23,827	23,850
Other payables and accruals		118,225	113,698
Lease liabilities	11	–	1,439
Amounts due to related companies		151,359	148,061
Amounts due to substantial shareholders		830,139	812,035
Tax payable		590	598
Total current liabilities		1,124,140	1,099,681
NET CURRENT LIABILITIES		(278,453)	(266,128)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,163,659	1,160,252

		Unaudited As at 30 June 2021 <i>HK\$'000</i>	Audited As at 31 December 2020 <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Deferred tax liabilities		177,743	176,187
Total non-current liabilities		177,743	176,187
Net assets		985,916	984,065
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	983,266	983,266
Other reserves		2,637	786
		985,903	984,052
Non-controlling interests		13	13
Total equity		985,916	984,065

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021 – unaudited

	Share capital HK\$'000	Capital reduction reserve* HK\$'000	Share-based payment reserve* HK\$'000	Translation reserve* HK\$'000	Accumulated losses* HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2020	983,266	265,505	1,607	(179,280)	(129,115)	941,983	13	941,996
Profit for the period	-	-	-	-	8,100	8,100	-	8,100
Other comprehensive loss for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	(35,556)	-	(35,556)	-	(35,556)
Total comprehensive loss for the period	-	-	-	(35,556)	8,100	(27,456)	-	(27,456)
At 30 June 2020	983,266	265,505	1,607	(214,836)	(121,015)	914,527	13	914,540
At 1 January 2021	983,266	265,505	1,607	(54,732)	(211,594)	984,052	13	984,065
Loss for the period	-	-	-	-	(21,006)	(21,006)	-	(21,006)
Other comprehensive income for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	22,857	-	22,857	-	22,857
Total comprehensive income for the period	-	-	-	22,857	(21,006)	1,851	-	1,851
At 30 June 2021	983,266	265,505	1,607	(31,875)	(232,600)	985,903	13	985,916

* These reserve accounts represent in aggregate the consolidated reserves of HK\$2,637,000 (31 December 2020: HK\$786,000) in the interim condensed consolidated statement of financial position.

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021 – unaudited

	Notes	Six months ended 30 June	
		2021 HK\$'000	2020 HK\$'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
(Loss)/profit before tax		(21,012)	8,461
Adjustments for:			
Bank interest income	4	(63)	(32)
Finance costs	5	20	90
Loss on disposal of property, plant and equipment	6	–	12
Depreciation of property, plant and equipment	6	262	334
Depreciation of right-of-use assets	6	1,430	1,593
Exchange difference, net		13,585	(17,469)
		(5,778)	(7,011)
Increase in properties held for sale		(3,642)	(10,900)
Increase in properties under development		(2,305)	(1,466)
Increase in trade receivables		(1,049)	(221)
Decrease/(increase) in prepayments, deposits and other receivables		83	(970)
(Decrease)/increase in trade payables		(245)	6
Increase in other payables and accruals		3,503	7,848
Cash used in operations		(9,433)	(12,714)
Interest portion of lease payments		(20)	(90)
PRC tax paid		(90)	(48)
Net cash flows used in operating activities		(9,543)	(12,852)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Bank interest received		63	32
Purchases of property, plant and equipment		(1,840)	(2,124)
Decrease/(increase) in pledged and restricted bank balances		840	(855)
Net cash flows used in investing activities		(937)	(2,947)

	Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES		
Advance from substantial shareholders	10,620	12,606
Advance from related companies	1,919	1,385
Principal portion of lease payments	(1,452)	(1,336)
Net cash flows generated from financing activities	11,087	12,655
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	607	(3,144)
Cash and cash equivalents at beginning of the period	744	4,670
Effect of foreign exchanges, net	7	(29)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,358	1,497
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	19,120	13,257
Less: Pledged and restricted bank balances	(17,762)	(11,760)
	1,358	1,497

The accompanying notes on pages 7 to 18 form an integral part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Great China Properties Holdings Limited (the “Company”) is a limited liability company incorporated in Hong Kong. Its registered office is located at Suite 6403A-4, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development and investment.

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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 statements have been prepared on the historical costs basis, except for certain investment properties which are measured at fair value, and presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company, and rounded to the nearest thousands unless otherwise indicated.

The principal accounting policies and methods of computation used in the preparation of the unaudited interim condensed consolidated financial statements are consistent with the annual consolidated financial statements of the Group for the year ended 31 December 2020, except for the adoption of revised standards with effect from 1 January 2021 as detailed in note 2 below.

The financial information relating to the financial year ended 31 December 2020 that is included in the unaudited interim results as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those accounts. 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 2020 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 independent auditor has reported on those financial statements. The auditor’s report was not qualified or otherwise modified; did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's unaudited interim condensed consolidated financial statements.

Amendments to HKFRS 16

COVID-19 Related Rent Concessions (early adopted)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

The adoption of the above revised standards has had no significant financial effect on the Group's unaudited interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group has a single reportable segment based on the location of the operations, which is the property development and investment located in the People's Republic of China (the "PRC"). Information reported to the Group's chief operating decision makers for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the income from the sales of properties, property management income and gross rental income during the period.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers within HKFRS 15:		
Sales of properties	2,601	1,584
Property management income	789	768
	3,390	2,352
Revenue from other sources:		
Gross rental income	2,079	1,439
Total revenue	5,469	3,791
Other income and gains:		
Bank interest income	63	32
Others	339	152
	402	184

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Finance charges on lease liabilities	20	90

6. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Cost of properties sold	1,891	1,279
Depreciation of property, plant and equipment	262	334
Depreciation of right-of-use assets	1,430	1,593
Auditors' remuneration	438	482
Staff costs (including directors' remuneration)		
Salaries and wages	7,912	9,293
Pension scheme contributions	716	472
	8,628	9,765
Direct operating expenses arising from investment properties that generated rental income	237	196
Loss on disposal of property, plant and equipment	–	12

7. INCOME TAX CREDIT/(EXPENSE)

No provision for Hong Kong profits tax has been made as the Group incurred a loss for taxation purposes during the six months ended 30 June 2021 and 2020. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdiction in which the Group operates.

The Group's entities established in the PRC are subject to Enterprise Income Tax ("EIT") of the PRC at a statutory rate of 25% for the six months ended 30 June 2021 and 2020.

The PRC Land Appreciation Tax ("LAT") was provided in accordance with 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.

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Deferred tax credited to profit or loss	84	–
EIT in the PRC	–	(313)
LAT in the PRC	(78)	(48)
Total tax credit/(expense) for the period	6	(361)

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 and 2020.

9. (LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted (loss)/profit per share is based on the following data:

	Six months ended 30 June	
	2021	2020
(Loss)/profit for the period attributable to owners of the Company (<i>HK\$ million</i>)	(21.0)	8.1
Weighted average number of ordinary shares in issue (<i>Million</i>)	3,975.2	3,975.2
Basic and diluted (loss)/profit per share (<i>HK cent per share</i>)	(0.53)	0.20

Diluted (loss)/profit per share is same as the basic (loss)/profit per share as the Company's share options have no dilutive effect for the six months ended 30 June 2021 and 2020 because the exercise prices of the Company's share options were higher than the average market price of the Company's shares for both periods.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements <i>HK\$'000</i>	Machinery <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Buildings under construction <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2021							
At 1 January 2021, net of accumulated depreciation	567	51	270	564	123	188,609	190,184
Additions	-	-	48	6	-	1,786	1,840
Depreciation	(28)	-	(23)	(211)	-	-	(262)
Exchange realignment	5	-	2	4	1	1,749	1,761
At 30 June 2021, net of accumulated depreciation	544	51	297	363	124	192,144	193,523

The Group's buildings under construction are situated in the PRC and are held under the lease term from 40 to 70 years.

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Office premises HK\$'000
Six months ended 30 June 2021	
At 1 January 2021, net of accumulated depreciation	1,420
Depreciation	(1,430)
Exchange realignment	10
At 30 June 2021, net of accumulated depreciation	–

	Office premises HK\$'000
At 30 June 2021	
Cost	3,105
Accumulated depreciation	(3,105)
Net carrying amount	–

The Group leases various office premises for its daily operations. Lease terms range from 1 to 2 years.

Lease liabilities

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Lease liabilities		
Current	–	1,439

12. INVESTMENT PROPERTIES

	Completed investment properties at fair value HK\$'000	Investment properties under construction at cost HK\$'000	Total HK\$'000
Six months ended 30 June 2021			
Carrying amount at 1 January 2021	227,772	15,464	243,236
Exchange realignment	2,121	144	2,265
Carrying amount at 30 June 2021	229,893	15,608	245,501

Notes:

- The investment properties represent interests in land held under medium term leases in the PRC and buildings erected or being erected thereon.
- Investment properties under development are carried at cost as the Board considers that the fair value of investment properties under construction cannot be reliably determined due to some construction still not commenced at 30 June 2021.
- The Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.
- Valuation of investment properties were carried out on 30 June 2021 by Roma Appraisals Limited, an independent qualified valuer, using the same valuation techniques as those being applied when carrying out the valuation on 31 December 2020.

13. PROPERTIES UNDER DEVELOPMENT

	Properties under development at cost HK\$'000
Six months ended 30 June 2021	
Carrying amount at 1 January 2021	635,514
Additions	2,304
Exchange realignment	5,919
Carrying amount at 30 June 2021	643,737

The properties under development are all located in the PRC and held under medium term lease.

14. TRADE RECEIVABLES

Trade receivables mainly represent property management fee receivables. Property management fee in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. 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 certain 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. The carrying amounts of the trade receivables approximate to their fair values.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Within 30 days	67	57
31 – 60 days	46	27
61 – 90 days	46	64
Over 90 days	1,395	352
	1,554	500

The amount of trade receivables that were past due but not impaired is the same as the above ageing analysis of trade receivables.

Receivables that were past due but not impaired relate to a number of diversified customers. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9. To measure ECL, trade receivables have been grouped based on shared credit risk characteristics which is the days past due. Expected loss rate of the overall trade receivables is assessed to be 0.1%. Based on evaluation on expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered immaterial and therefore there has not been a provision of loss allowance.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Prepayments	9,293	11,309
Deposits paid	1,150	113
Other receivables	13,458	12,341
	23,901	23,763
Less: Loss allowance for other receivables	(1,530)	(1,516)
	22,371	22,247

16. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Within 30 days	28	2,313
31 – 60 days	28	622
61 – 90 days	28	25
Over 90 days	23,743	20,890
	23,827	23,850

17. SHARE CAPITAL

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Issued and fully paid:		
3,975,233,406 (31 December 2020: 3,975,233,406) ordinary shares	983,266	983,266

18. COMMITMENTS

In addition to the operating lease commitments detailed in note 11 above, the Group had the following capital commitments at the end of the reporting period:

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Contracted, but not provided for:		
Construction and development of properties	197,932	202,804
Loan contributions payable to an associate	229,773	227,653
	427,705	430,457

19. CONTINGENT LIABILITIES

At 30 June 2021, the Group had contingent liabilities of HK\$1,829,000 (31 December 2020: HK\$2,309,000) of which the Group has given guarantees of approximately HK\$1,001,000 (31 December 2020: approximately HK\$1,489,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

The fair value of the guarantees is not significant and the directors of the Company consider that, in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore the guarantees have not been recognised in the unaudited interim condensed consolidated financial statements for the periods ended 30 June 2021 and 2020.

20. RELATED PARTY TRANSACTIONS

(a) Amounts due to related companies

The Group's amounts due to related companies of HK\$151,359,000 (31 December 2020: HK\$148,061,000) are unsecured, non-interest bearing, and repayable on demand. Related companies represent companies in which Mr. Huang Shih Tsai, a substantial shareholder of the Company, has equity interests and/or directorships and over which Mr. Huang Shih Tsai is able to exercise control. The amounts represent advances to the Group for its working capital requirements.

(b) Amounts due to substantial shareholders

The Group's amounts due to substantial shareholders of HK\$830,139,000 (31 December 2020: HK\$812,035,000) are unsecured, non-interest bearing and repayable on demand. The amounts represent advances to the Group for its working capital requirements.

(c) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Salaries and allowances	717	463
Pension scheme contributions	9	9
Total compensation paid to key management personnel	726	472

21. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) *Financial risk management*

The risks associated with the Group's financial instruments include foreign currency risk, credit risk and liquidity risk. The unaudited interim condensed consolidated financial statements do not include all financial risk management 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 2020. There have been no significant changes in risk management process and policies since 1 January 2021.

(b) *Fair value hierarchy*

The fair value of financial assets and financial liabilities are measured at the end of the accounting period on a recurring basis, categorised into the three-level fair value hierarchy as follows:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Board determined that the fair value of the financial assets and liabilities reported in the interim condensed consolidated statement of financial position approximate to their carrying amounts.

22. APPROVAL OF UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 30 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the six months ended 30 June 2021, the Group recorded a turnover of approximately HK\$5.47 million, representing an increase of approximately 44.3% as compared to the turnover of approximately HK\$3.79 million for the corresponding period of last year. The increase in turnover was mainly resulted from the increase in sales of properties and rental income during the period.

Loss attributable to the owners of the Company was approximately HK\$21.0 million for the six months ended 30 June 2021 compared to the profit of approximately HK\$8.10 million for the corresponding period of last year. This was mainly attributable to the exchange loss arose from the translation of the Group's financial liabilities.

BUSINESS REVIEW

Property Development and Investment Business

The Gold Coast Project

The Company, through its indirect wholly-owned PRC subsidiary, owns a resort located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC (the "Gold Coast Resort"). Gold Coast Resort is expected to be developed into a tourism property project, which will comprise various single-storey villas, five-star hotels and marina club facilities etc. The construction of Gold Coast Resort has commenced.

The Tanghai County Project

The Group has acquired 99.99% of equity interest of 唐山市曹妃甸區中泰信和房地產開發有限公司 (Tangshan Caofeidian Zhongtai Xinhe Real Estate Company Limited*) ("Tangshan Caofeidian") ("Tanghai Acquisition") in January 2013, the major asset of which consists of the right of use of 唐海縣七農場通港水庫內側2號及3號島 (Nos. 2 and 3 Island inside Tonggang Reservoir of the Seventh Farm in Tanghai Province*).

The Group has paid a total sum of approximately RMB92.49 million as consideration of the Tanghai Acquisition. The vendors of Tangshan Caofeidian are subject to pay the PRC individual income tax derived from the transfer of the equity interest of Tangshan Caofeidian. As at the date of completion of the Tanghai Acquisition, such PRC individual income tax had not been settled. It was agreed by the vendors that they will not require the Company to pay the remaining portion of the consideration of RMB12.00 million until the outstanding PRC individual income tax is settled by them.

The Group has appointed several external firms to conduct reconnaissance and began designing work. As at the date of this report, the Group is at the preliminary stage to plan and design the ecological leisure living area or resort area.

* For identification purposes only

The Daya Bay Project

The Company, through its indirect wholly-owned PRC subsidiary, owns 東方新天地大廈 (Eastern New World Square*), which is a comprehensive property development project comprised residential units, commercial outlets and carparks, with a total gross floor area of approximately 69,171.7 sq.m. located at No.1 Zhongxing Zhong Road, Aotou Town, Daya Bay, Huizhou City, Guangdong Province, the PRC. During the six months ended 30 June 2021, rental income of approximately HK\$2.08 million from commercial outlets and carparks of Eastern New World Square was recognised as revenue (Six months ended 30 June 2020: approximately HK\$1.44 million).

The Shanwei Projects

On 16 October 2013, the Group completed the acquisition of Jin Bao Cheng Project and Hong Hai Bay Project through a wholly-owned subsidiary of the Company from Mr. Huang Shih Tsai, the chairman and executive director of the Company. The details of Jin Bao Cheng Project and Hong Hai Bay Project are set out as below:

(1) Jin Bao Cheng Project

Jin Bao Cheng Project contains two parcels of land located on 中國廣東省汕尾市區汕尾大道 (Shanwei Main Road, Shanwei City, Guangdong Province, the PRC*), with a total site area of approximately 50,656 sq.m. and three 12-storey close to completion residential blocks erected thereon, among which, (a) one parcel of land is located on at the vicinity of 汕尾大道香洲頭地段西側與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Xiangzhoutou Section and Honghai Main Road*), and (b) one parcel of land is located on at the vicinity of 汕尾大道荷包嶺段西側實力汽車修配廠後面與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Hebaoling Section, behind the Shili Car Repair Factory and Honghai Main Road*).

Jin Bao Cheng Project is a residential and commercial complex. Sales of phase 1 and phase 2 of the residential portion of Jin Bao Cheng Project was commenced. Proceeds from the sales of Jin Bao Cheng Project of approximately HK\$1.85 million was recognised as revenue for the six months ended 30 June 2021 (Six months ended 30 June 2020: HK\$1.58 million) and approximately HK\$51.43 million was received from pre-sales of Jin Bao Cheng Project as contract liabilities as at 30 June 2021 (31 December 2020: approximately HK\$48.57 million).

(2) Hong Hai Bay Project

Hong Hai Bay Project contains four parcels of land located at the vicinity of the junction of No. S241 Province Road and No. X141 County Road, Shanwei City, Guangdong Province, the PRC with a total site area of approximately 273,534.2 sq.m., among which, (a) one parcel of land is located on 遮浪南澳旅遊區「湖仔山」東側 (the east of Wuzishan, Zhelang Nanao Tourist Area*), (b) one parcel of land is located on 遮浪街道宮前南澳路東 (Gongqian Nanao Road East, Zhelangjiedao*); and (c) two parcels of land are located on 遮浪街道南澳旅遊區灣灘坑 (Wantankeng, Zhelangjiedao Nanao Tourist Area*).

It is the Board's current intention to develop Hong Hai Bay Project into a tourist and entertainment complex with residential development with a total gross floor area of approximately 720,000 sq.m..

The Heqing Project

On 16 December 2013, the Company and its wholly owned subsidiary, Great China Properties (Shanghai) Limited, entered into a cooperation agreement with Greenland Hong Kong Holdings Limited ("Greenland HK") and its subsidiaries, pursuant to which the parties to the cooperation agreement conditionally agree to jointly develop the two parcels of land located in Shanghai, the PRC (the "Land"), among which (a) one parcel of land with boundaries East to land with Lot No. 13-02, West to Qingli Road, South to land with Lot No.13-02, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC* (上海市浦東新區合慶鎮·四至範圍東至13-02地塊·西至上海市慶利路·南至13-02地塊·北至上海市環慶南路); and (b) one parcel of land with boundaries East to land with Lot No. 14-03, West to Lingyang Road, South to land with Lot No. 14-03, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC* (上海市浦東新區合慶鎮·四至範圍東至14-03地塊·西至上海市凌楊路·南至14-03地塊·北至上海市環慶南路). The Land is intended to be used for commercial and office purposes.

On 10 January 2014, all the conditions precedent under the cooperation agreement had been satisfied and completion took place on the same date. Upon completion, each of the Company and Greenland HK holds a 50% stake in the project. The investment has been accounted for as interest in an associate using the equity method from the date of completion. Details please refer to the announcement of the Company dated 16 December 2013 and the circular of the Company dated 30 January 2014.

BUSINESS OUTLOOK

The outbreak of COVID-19 has resulted in an extremely complicated external environment with lots of uncertainties. It has put forward higher requirements for company in terms of its future strategy planning. Despite the challenges, the Group's business and future strategy will continue to be focusing on mid-end and high-end commercial and tourism property development and investment. The Group will regularly review and adjust its development and sales schedule in accordance with the market conditions and the overall environment. Riding on its solid foundation, the Group remains on the lookout for high quality and cost effective investment opportunities to enhance investment returns, as well as gradually diversify its income source.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, cash and bank balances of the Group amounted to approximately HK\$19.12 million (31 December 2020: approximately HK\$19.17 million). The Group's total current assets as at 30 June 2021 amounted to approximately HK\$845.69 million, which comprised properties held for sale, trade receivables, prepayments, deposits and other receivables, cash and bank balances. The Group's total current liabilities as at 30 June 2021 amounted to approximately HK\$1,124.14 million, which comprised trade payables, other payables and accruals, amounts due to related companies, amounts due to substantial shareholders and tax payable.

As at 30 June 2021, the Group's gearing ratio, defined as lease liabilities divided by total equity, was 0% (31 December 2020: 0.15%).

CAPITAL COMMITMENT

As at 30 June 2021, the Group had a total capital commitment of approximately HK\$427.70 million, contracted for but not provided for in the unaudited interim condensed consolidated financial statements, which comprised (i) approximately HK\$197.93 million in respect of the construction and development of properties and (ii) approximately HK\$229.77 million in respect of the loan contributions payable to an associate.

CONTINGENT LIABILITIES

As at 30 June 2021, the Group has contingent liabilities of approximately HK\$1.83 million (31 December 2020: HK\$2.31 million) of which the Group has given guarantees of approximately HK\$1.00 million (31 December 2020: approximately HK\$1.49 million) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date of loans being granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

CHARGES ON ASSETS

As at 30 June 2021, the Group did not charge any of its assets (31 December 2020: Nil).

EMPLOYEES

As at 30 June 2021, the Group employed 75 employees (excluding directors) (31 December 2020: 86 employees) and the related staff costs amounted to approximately HK\$8.04 million for the six months ended 30 June 2021 (Six months ended 30 June 2020: approximately HK\$9.07 million). Staff remuneration packages, which are reviewed annually, include salary/wage and other benefits, such as medical insurance coverage, provident fund and share options.

SHARE OPTION SCHEME

The Company adopts a share option scheme on 23 May 2011 (the “2011 Share Option Scheme”). Particulars of share options outstanding under the 2011 Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2021 and share options granted, exercised, lapsed or cancelled under the 2011 Share Option Scheme during such period are as follows:

Participants	Date of grant	Exercise period of share option	Exercise price of share options HK\$	Number of share options held as at 1 January 2021	Granted during the six months ended 30 June 2021	Exercised during the six months ended 30 June 2021	Lapsed/ cancelled during the six months ended 30 June 2021	Number of share options held as at 30 June 2021
Directors								
Mr. Huang Shih Tsai	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Ms. Huang Wenxi	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Cheng Hong Kei	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Leung Kwan, Hermann	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Mr. Lum Pak Sum	23/1/2013	23/1/2015 to 22/1/2023	0.440	1,000,000	-	-	-	1,000,000
Sub-total				5,000,000	-	-	-	5,000,000
Employees	23/1/2013	23/1/2015 to 22/1/2023	0.440	500,000	-	-	-	500,000
Total				5,500,000	-	-	-	5,500,000

As at 30 June 2021, the Company had 5,500,000 share options outstanding under the 2011 Share Option Scheme.

DISCLOSURE OF INTERESTS

(a) Director's Interest and Short Positions in the securities of the Company and its associated corporations

As at 30 June 2021, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity in which interests are held	Number of shares/underlying shares interested			Total	Approximate percentage of the issued share capital of the Company (Note 1)
		Personal interests	Corporate interests	Underlying interests		
Mr. Huang Shih Tsai (Note 2)	Beneficial Owner	1,848,162,476	-	1,000,000	1,849,162,476	46.52%
Ms. Huang Wenxi (Note 3)	Beneficial Owner	353,667,996	282,133,413	1,000,000	636,801,409	16.02%
Mr. Cheng Hong Kei (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%
Mr. Leung Kwan, Hermann (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%
Mr. Lum Pak Sum (Note 4)	Beneficial Owner	-	-	1,000,000	1,000,000	0.03%

Notes:

- The percentage shareholding in the Company is calculated on the basis of 3,975,233,406 Shares in issue as at 30 June 2021.
- The interest disclosed represents (i) Mr. Huang's personal interest in 1,848,162,476 shares; and (ii) 1,000,000 unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.
- The interest disclosed represents (i) Ms. Huang's personal interest in 353,667,996 shares; (ii) 282,133,413 shares held by Brilliant China Group Limited which is 100% owned by Ms. Huang; and (iii) 1,000,000 unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.
- The relevant interests are unlisted physically settled options granted pursuant to the 2011 Share Option Scheme.

Save as disclosed above, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2021, so far as is known to any Director or chief executive of the Company, the following person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long positions in the shares of the Company

Name of Shareholders	Type of interests	Total number of shares held	Approximate percentage holding of total issued shares%
Brilliant China Group Limited	Corporate (Note 2)	282,133,413	7.10

Notes:

- The percentage shareholding in the Company is calculated on the basis of 3,975,233,406 Shares in issue as at 30 June 2021.
- Brilliant China Group Limited (“Brilliant China”) is a company 100% owned by Ms. Huang Wenxi. By virtue of the SFO, Ms. Huang is deemed to be interested in 282,133,413 Shares held by Brilliant China. Ms. Huang is the sole director of Brilliant China.

Save as disclosed above, as at 30 June 2021, the Company has not been notified of any other person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2021.

CORPORATE GOVERNANCE

The Company has adopted and complied generally with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of listed issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2021.

CHANGE OF DIRECTORS AND SENIOR MANAGEMENT

There has been no change in the composition of the board of directors nor the senior management of the Company for the six months ended 30 June 2021.

AUDIT COMMITTEE

Pursuant to the requirements of the Corporate Governance Code and the Listing Rules, the Company has established an audit committee (the "Audit Committee") comprising all three Independent Non-executive Directors, namely Mr. Cheng Hong Kei (Chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021.

By order of the board of directors
Great China Properties Holdings Limited
Huang Shih Tsai
Chairman

Hong Kong, 30 August 2021

As at the date of this report, the directors of the Company are as follows:

Executive Directors

Mr. Huang Shih Tsai (*Chairman*)
Ms. Huang Wenxi (*Chief Executive Officer*)

Independent Non-executive Directors

Mr. Cheng Hong Kei
Mr. Leung Kwan, Hermann
Mr. Lum Pak Sum