

**Half Year Financial Statements Announcement for the Period Ended 30 June 2015**  
**CHINA GREAT LAND HOLDINGS LTD. (Company registration number : 200312792W)**

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENT**

**1(a) (i) AN INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME OR A STATEMENT OF COMPREHENSIVE INCOME FOR THE GROUP TOGETHER WITH A COMPARATIVE STATEMENT FOR THE CORESPONDING PERIOD OF THE IMMEDIATELY PRECEDING FINANCIAL YEAR**

	<b>The Group</b>		<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
	<b>6 month ended</b>			
	<b>30-Jun-15</b>	<b>30-Jun-14</b>		
	<b>Unaudited</b>	<b>Unaudited</b>		
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Continuing Operations</b>				
Revenue	143	2,903	(2,760)	-95.1%
Cost of sales	(220)	(1,873)	(1,653)	-88.3%
<b>Gross (loss)/profit</b>	<u>(77)</u>	<u>1,030</u>	<u>(1,107)</u>	<u>-107.5%</u>
Other operating income	1,071	3,514	(2,443)	-69.5%
Selling and distribution expenses	(74)	(122)	(48)	-39.2%
General and administrative expenses	(1,146)	(2,751)	(1,605)	-58.4%
Other operating expenses	(270)	-	270	100.0%
Finance costs	(2)	(2)	0	12.1%
<b>(Loss)/Profit before tax</b>	<u>(498)</u>	<u>1,669</u>	<u>(2,167)</u>	<u>-129.9%</u>
Income tax expense	-	-	-	-
<b>(Loss)/Profit for the period</b>	<u>(498)</u>	<u>1,669</u>	<u>(2,167)</u>	<u>-129.9%</u>
<b>Total comprehensive income/(loss) for the period</b>	<u>-</u>	<u>-</u>	<u>(2,167)</u>	<u>-129.9%</u>
<b>(Loss)/Profit for the year attributable to :</b>				
Equity holders of the parent	(502)	1,631	(2,133)	-130.8%
Non-controlling interests	4	38	(34)	-89.5%
<b>(Loss)/Profit for the period</b>	<u>(498)</u>	<u>1,669</u>	<u>(2,167)</u>	<u>-129.9%</u>
<b>Total comprehensive income/(loss) for the period attributable to :</b>				
Equity holders of the parent	(502)	1,631	(2,133)	-130.8%
Non-controlling interests	4	38	(34)	-89.5%
<b>Total comprehensive (loss)/profit for the period</b>	<u>(498)</u>	<u>1,669</u>	<u>(2,167)</u>	<u>-129.9%</u>

	The Group		Increase/ (Decrease)	Increase/ (Decrease)
	6 month ended			
	30-Jun-15 Unaudited RMB'000	30-Jun-14 Unaudited RMB'000		
<b>Discontinued Operations</b>			<b>RMB'000</b>	<b>%</b>
Revenue	-	282	(282)	-100.0%
Cost of sales	-	(810)	(810)	-100.0%
<b>Gross loss</b>	-	(528)	528	100.0%
Other operating income	<b>3,043</b>	4,334	(1,291)	-29.8%
Selling and distribution expenses	<b>(6)</b>	(25)	(19)	-76.0%
General and administrative expenses	<b>(1,979)</b>	(6,832)	(4,853)	-71.0%
Other operating expenses	<b>(4,146)</b>	(20,367)	(16,221)	-79.6%
Finance costs	<b>(3,228)</b>	(3,599)	(371)	-10.3%
<b>Loss before tax</b>	<b>(6,317)</b>	(27,017)	20,700	76.6%
Income tax expense	-	-		
<b>Loss for the period</b>	<b>(6,317)</b>	(27,017)	20,700	76.6%
<b>Total comprehensive loss for the period</b>	<b>(6,317)</b>	(27,017)	20,700	76.6%
<b>Loss for the period attributable to :</b>				
Equity holders of the parent	<b>(6,279)</b>	(26,938)	20,659	76.7%
Non-controlling interests	<b>(38)</b>	(79)	41	52.4%
<b>Loss for the period</b>	<b>(6,317)</b>	(1,351)	(4,966)	-367.6%
<b>Total comprehensive loss for the period attributable to :</b>				
Equity holders of the parent	<b>(6,279)</b>	(26,938)	20,659	76.7%
Non-controlling interests	<b>(38)</b>	(79)	41	52.4%
<b>Total comprehensive loss for the period</b>	<b>(6,317)</b>	(1,351)	(4,966)	-367.6%

1 (a) (ii) Items which if significant must be included in the income statement

Revenue include the following

	Group		change %	Group		change %
	Discontinued Operations			Continuing Operations		
	1H2015 Unaudited RMB'000	1H2014 Unaudited RMB'000		1H2015 Unaudited RMB'000	1H2014 Unaudited RMB'000	
Revenue include the following						
Sales of Piles	-	282	-100.0%	-	-	-
Engineering Services	-	-	-	143	2,903	-95%

Other operating income include the following

	Group		change %	Group		change %
	Discontinued Operations			Continuing Operations		
	1H2015 Unaudited RMB'000	1H2014 Unaudited RMB'000		1H2015 Unaudited RMB'000	1H2014 Unaudited RMB'000	
Rental income	2,263	30	7444.0%	-	142	-100.0%
Reversal of bad debt	780	186	319.1%	1,036	3,509	-70.5%
Gain on disposal of Property, plant and equip	-	4,184	-100.0%	-	-	-

Other operating expenses include the following

	Group		change %	Group		change %
	Discontinued Operations			Continuing Operations		
	1H2015 Unaudited RMB'000	1H2014 Unaudited RMB'000		1H2015 Unaudited RMB'000	1H2014 Unaudited RMB'000	
Impairment of trade and other receivables	3,660	979	273.8%	256	-	100.0%
Impairment of inventory	-	4,818	-100.0%	-	-	-
Impairment of Property, plant and equipment	-	14,525	-	-	-	-

Loss before taxation is arrived at after charging /(crediting) :

	<b>The Group</b>		<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
	<b>Period ended</b>	<b>30-Jun-14</b>		
	<b>30-Jun-15</b>	<b>30-Jun-14</b>		
	<b>Unaudited</b>	<b>Unaudited</b>		
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Interest income	1	-	(1)	Nm
Rental income	(2,263)	(172)	2,091	1215.8%
Reversal of allowance for doubtful debt	-	(3,520)	(3,520)	-100.0%
Reversal of bad debts	(1,816)	(255)	1,561	612.0%
Allowance for doubtful receivables	3,916	1,110	(2,806)	-252.8%
Allowance for impairment loss				
of plant and machinery	-	14,525	14,525	100.0%
Depreciation of property, plant and equipment	21	88	67	76.1%
Gain on sale of plant and machinery	-	(4,184)	(4,184)	-100.0%
Write-down of inventories	-	4,818	4,818	100.0%
Interest on borrowings	3,224	3,595	371	10.3%
Operating lease expenses				
- rental expenses	80	88	8	8.7%
Staff costs	1,226	2,430	1,203	49.5%
Contributions to defined contribution				
retirement plans included in staff costs	214	229	15	6.6%
Finance lease interest income	(35)	-	35	Nm

Nm: Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	<b>Period Ended</b>		<b>Period Ended</b>	
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>30-Jun-15</b>	<b>31-Dec-14</b>	<b>30-Jun-15</b>	<b>31-Dec-14</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	-	22	-	-
Finance lease receivables	825	939	-	-
<b>Total non-current assets</b>	<b>825</b>	<b>961</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>				
Finance lease receivables	225	218	-	-
Trade and other receivables	9,792	10,304	30,003	30,003
Cash and cash equivalents	294	774	275	502
	10,311	11,296	30,278	30,505
<b>Disposal group classified as held-for-sale</b>	<b>59,679</b>	<b>68,241</b>		
<b>TOTAL ASSETS</b>	<b>70,815</b>	<b>80,498</b>	<b>30,278</b>	<b>30,505</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	79,862	79,862	79,862	79,862
Statutory reserve	367	367	-	-
Asset revaluation reserve	10,885	10,885	-	-
Accumulated loss	(228,707)	(221,926)	(85,707)	(85,137)
<b>Equity attributable to equity holders of the Company</b>	<b>(137,593)</b>	<b>(130,812)</b>	<b>(5,845)</b>	<b>(5,275)</b>
Non-controlling interests	(1,168)	(1,134)	-	-
<b>Total equity</b>	<b>(138,761)</b>	<b>(131,946)</b>	<b>(5,845)</b>	<b>(5,275)</b>
<b>Current liabilities</b>				
Trade and other payables	58,676	58,500	36,123	35,780
Interest-bearing loans	21,200	21,200	-	-
Income tax payable	4,370	4,370	-	-
<b>Total current liabilities</b>	<b>84,246</b>	<b>84,070</b>	<b>36,123</b>	<b>35,780</b>
<b>Liabilities directly associated with disposal group classified as held-for-sale</b>	<b>125,330</b>	<b>128,374</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>209,576</b>	<b>212,444</b>	<b>36,123</b>	<b>35,780</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>70,815</b>	<b>80,498</b>	<b>30,278</b>	<b>30,505</b>

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.  
Amount repayable in one year or less, or on demand**

As at 30 June 2015 RMB'000 (Unaudited)		As at 31 December 2014 RMB'000 (Audited)	
Secured	Unsecured	Secured	Unsecured
-	65,531	-	64,331

**Amount repayable after one year**

As at 30 June 2015 RMB'000 (Unaudited)		As at 31 December 2014 RMB'000 (Audited)	
Secured	Unsecured	Secured	Unsecured
-	17,000	-	17,000

**Details of any collateral**

As at 30 June 2015, there is no any collateral pledge to bank.

(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

<b>Consolidated Statement of Cash Flows</b>	<b>Period Ended 30-Jun-15 Unaudited RMB'000</b>	<b>Year Ended 31-Dec-14 Audited RMB'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation - continuing operations	(498)	3,130
Loss before taxation - discontinuing operations	(6,317)	(31,565)
	<u>(6,815)</u>	<u>(28,435)</u>
<b>Adjustments for:</b>		
Impairment loss of inventory	-	366
Impairment loss of plant and machinery	-	15,523
Depreciation of plant and equipment	21	519
Gain on disposal of property, plant and equipment from continued operations	-	(40)
Gain on disposal of property, plant and equipment from discontinued operations	-	(49)
(Gain) on disposal of equipment through finance lease	-	(896)
Loss on disposal of inventory	-	3,772
Allowance for doubtful trade and other receivables	3,916	4,239
Reversal - Allowance for doubtful trade and other receivables	(1,816)	(11,755)
Interest expense	3,230	6,262
Finance lease interest income	(35)	(147)
Interest income	(1)	(1)
	<u>(1,500)</u>	<u>(10,642)</u>
<b>Operating loss before working capital changes</b>		
<b>Changes in working capital:</b>		
In inventories	-	2,807
In trade and other receivables	2,582	8,743
In trade and other payables	(2,990)	(7,051)
	<u>(1,908)</u>	<u>(6,143)</u>
<b>Cash used in operations</b>		
Interest received	1	1
<b>Net cash flows used in operating activities</b>	<u>(1,907)</u>	<u>(6,142)</u>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	47
Deposit received on proposed disposal of plant and equipment to a third party	-	4,512
Additions of land use right	-	(787)
Purchase of equipment	(4)	(3)
<b>Cash flows (used in)/ generated from investing activities</b>	<u>(4)</u>	<u>3,769</u>
<b>Financing activities</b>		
Interest paid	-	(973)
Proceeds/(Repayment)for amount due to a director, net	(92)	650
Non-trade advances from a minority shareholder	296	1,414
Proceeds of loans from third parties	1,200	1,400
Repayment of loans to a third party	-	(259)
<b>Cash flows generated from financing activities</b>	<u>1,404</u>	<u>2,232</u>
<b>Net (decrease) in cash and cash equivalents</b>	(507)	(141)
<b>Cash and cash equivalents at beginning of period</b>	774	1,023
<b>Cash and cash equivalents classified as held-for-sale</b>	27	(108)
<b>Cash and cash equivalents at end of period</b>	<u>294</u>	<u>774</u>

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity For the period ended 30 June 2015					Total attributable to	Non-	Total
	Share capital	Statutory reserve	Asset reserve	Accumulated (losses)	Equity holders of the parent	Controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>							
At 1 January 2014	79,862	367	10,885	(191,673)	(100,559)	(1,079)	(101,638)
Total comprehensive loss for the year	-	-	-	(30,253)	(30,253)	(55)	(30,308)
At 31 December 2014	79,862	367	10,885	(221,926)	(130,812)	(1,134)	(131,946)
Total comprehensive loss for the period	-	-	-	(6,781)	(6,781)	(34)	(6,815)
At 30 June 2015	79,862	367	10,885	(228,707)	(137,593)	(1,168)	(138,761)

**Statements of Changes in Equity  
For the period ended 30 June 2015**

	Share capital	Accumulated (losses)	Total
	RMB'000	RMB'000	RMB'000
<b>Company</b>			
At 1 January 2014	79,862	(84,104)	(4,242)
Total comprehensive loss for the year	-	(1,033)	(1,033)
At 31 December 2014	79,862	(85,137)	(5,275)
Total comprehensive loss for the period	-	(570)	(570)
At 30 June 2015	79,862	(85,707)	(5,845)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	30-Jun-15		31-Dec-14	
	Unaudited	Audited	Unaudited	Audited
	SS'000	RMB'000	SS'000	RMB'000
<u>Issued and paid-up capital</u>				
At the end of the period	15,827	79,862	15,827	79,862

As at 30 June 2015 and 31 December 2014, there were no treasury shares.



- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>30-Jun-15</b>	<b>31-Dec-14</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>Number of ordinary shares ('000)</b>	
<b><u>Issued and paid-up capital</u></b>		
<b>At the end of the period/year</b>	<b><u>170,000</u></b>	<b><u>170,000</u></b>

As at 30 June 2015 and 31 December 2014, there were no treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

As at 30 June 2015, there were no treasury shares.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been reviewed or audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The figures have not been reviewed or audited by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and Company have applied the same accounting policies and methods of computations in the financial statements for the current financial period and is consistent with those of the most recent audited financial statements for the financial year ended 31 December 2014.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes in the accounting policies and methods of computation.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Continuing Operations		Discontinued Operations		Total	
	For 6 month ended		For 6 month ended		For 6 month ended	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB	RMB	RMB	RMB	RMB	RMB
<u>Earnings/(Loss) per Share</u>						
- On a weighted average number of shares	<u>(0.003)</u>	<u>0.010</u>	<u>(0.037)</u>	<u>(0.159)</u>	<u>(0.040)</u>	<u>(0.149)</u>

As at 30 June 2015 and 31 December 2014, the Group did not have equity instruments which were dilutive in nature. Accordingly, there were no potential dilution of ordinary shares as at 30 June 2015 and 31 December 2014.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	The Group		The Company	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
	Unaudited	Audited	Unaudited	Audited
Net asset value (RMB'000)	(138,761)	(131,946)	(5,845)	(5,275)
Number of issued shares ('000)	170,000	170,000	170,000	170,000
Net asset value per share (RMB)	<u>(0.82)</u>	<u>(0.78)</u>	<u>(0.03)</u>	<u>(0.03)</u>

The calculation of net asset value per ordinary share of the Group and the Company is based on 170,000,000 (31 December 2014: 170,000,000) number of ordinary shares.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **1HFY2015 vs 1HFY2014**

The Group registered a loss of RMB6.8 million in 1HFY2015 compared to a loss of RMB25.3 million in 1HFY2014. This was in view of lower cost incurred to payroll and related cost due to the business restructuring and nil impairment cost made to our Property, Plant and Equipment (1HFY14 – RMB14.5 million) and Nil provision for inventory obsolescence in FY1HFY15 (1HFY2014-RMB4.8 million).

The Group recorded a loss before tax of RMB0.5 million for its continuing operations in 1HFY2015 compared to a profit of RMB1.7 million in 1HFY2014 due to lower revenue generated. The discontinued operations loss narrowed down RMB6.3 million compared to a net loss of RMB27.0 million in the corresponding period as a result of reduction in provision of impairment cost.

#### **Continuing Operations - 1HFY2015 vs 1HFY 2014**

##### **Revenue**

Revenue for the period ended 30 June 2015 (“1HFY2015”) decreased by 95.1% to RMB 0.1 million compared to the period ended 30 June 2014 (“1HFY2014”) to RMB 2.9 million. The decrease in revenue was attributable to lower percentage of work completion.

##### **Gross Loss**

The Group posted a Gross Loss of RMB0.08 million compared to Gross Profit of RMB1.03 million posted in the corresponding period. This was attributable to the reduction in the revenue highlighted above.

##### **Operating Income**

Operating income reduced from RMB3.5 million in 1HFY2014 to RMB1.1million. This was mainly due to lower reversal of impairment of accounts receivables of about RMB1.04 million compared to RMB3.9 million in the corresponding period.

##### **Selling and Distribution Expenses**

Selling and distribution expenses decrease to RMB0.07million in 1H2015 compared to RMB0.12 million in 1HFY2014. This was attributable to lower expenditure in sales department.

##### **General and Admin Expenses**

General and administrative expenses decreased by RMB1.6 million from RMB2.75 million in 1HFY2014 to RMB1.15 million in 1HFY2014. This was mainly attributable to reduced cost in engagement of legal advisor for recovery of overdue accounts receivables (1HFY15-RMB 0.10 million vs 1HFY14 – RMB0.52million) as well as legal and professional fees.

##### **Other Operating Expenses**

Other operating expenses recorded RMB0.27million in 1HFY2015 compared to nil in 1HFY2014. This was mainly due to impairment loss recognized on accounts receivable RMB0.26 million.

##### **Finance Cost**

Finance cost remained unchanged at RMB0.002 million in 1HFY2015 as compared to a year ago. This amount is for banking related charges.

##### **Loss before tax**

Group reported a net loss of RMB0.5 million in 1HFY2015 as compared to a profit of RMB1.7 million in 1HFY2014 in tandem to the above.

## **Discontinued Operations - 1HFY2015 vs 1HFY 2014**

### **Revenue**

Revenue for the period ended 30 June 2015 (“1HFY2015”) decreased to nil compared to RMB0.28 million for the period ended 30 June 2014 (“1HFY2014”). The decrease in revenue was attributed to the cessation in our piling business.

### **Gross Loss**

The Group posted a nil Gross Loss compared to Gross Loss of RMB0.5 million posted in the corresponding period. This was attributable to our exit from piling business.

### **Operating Income**

Operating income decreased from RMB4.33 million in 1HFY2014 to RMB3.04 million in 1HFY2015. Other operating income in 1HFY2015 comprised mainly rental income of RMB 2.26 million and reversal of bad debt RMB 0.78 million while the other operating income in prior period was due to gain on disposal of Property, plant and equipment amounting to RMB 4.2 million.

### **Selling and Distribution Expenses**

Selling and distribution expenses decrease to RMB0.06 million in 1HFY2015 compared to RMB0.25 million in 1HFY2014. This was attributable to reduction lower expenditure incurred in sales related cost in line with cessation from the piling business.

### **General and Admin Expenses**

General and administrative expenses decreased by RMB4.85 million from RMB6.83 million in 1HFY2014 to RMB1.98 million in 1HFY2015. This was mainly attributable to nil cost incurred in retrenchment payment made to staff, land use right and loss incurred due to stoppage of operations, which amounted to (RMB2.4 million, RMB1.5million and RMB0.8 million) in 1HFY2014 respectively.

### **Other Operating Expenses**

Other operating expenses reduced from RMB20.37 million in 1HFY2014 to RMB4.15 million. There was an impairment of AR amounting to RMB3.66 million while no impairment of fixed asset (1HFY-RMB14.5 million) and provision for inventory obsolescence in 1HFY2015 (1HFY2014 - RMB4.8 million).

### **Finance Cost**

Finance cost slightly reduced by RMB 0.37 million from RMB3.6 million in 1HFY2014 to RMB 3.23 million in 1HFY2015 as a result of repayment some of bank loan borrowing during 1HFY2014.

### **Loss before tax**

Group reported a net loss of RMB6.32 million in 1HFY2015 as compared to a loss of RMB27.02 million in 1HFY2014 in tandem to the above.

## **REVIEW OF FINANCIAL POSITION**

### **Non-Current Assets**

The Group's non-current assets consist of finance lease receivables and plant and equipment. Our non-current assets as at 30 June 2015 and 31 December 2014 amounted to approximately RMB0.83 million and RMB0.96 million respectively. The decrease of approximately of RMB0.13 million was mainly due to reclassification of the non-current portion of finance lease receivables to current portion.

### **Current Assets**

Our current assets comprise of inventories, trade and other receivables and cash and cash equivalents. As at 30 June 2015 and 31 December 2014, our current assets amounted to approximately RMB10.31 million and RMB11.30 million respectively.

The breakdown of Trade Receivables and Others Receivables are RMB7.77 million (FY2014-RMB9.75 million) and RMB2.02 million (FY2014-RMB 0.55 million) respectively.

Trade receivables decreased by RMB2.0 million were mainly as a result of collection received. This was partially offset with the impairment loss recognized amounting to RMB0.26 million during the period.

Other receivables increased by RMB1.47 million in 1HFY2015 to RMB2.02 million compared to RMB0.55 million registered in FY2014 as a result of more prepayment made to our suppliers.

Disposal group classified as held for sale decreased from RMB 68.2 million to RMB 59.7 million as a result of disposal of plant and equipment to a third party which had been approved by the shareholders during the EGM and impairment of trade and other receivables of RMB 4.51 million and RMB 3.91 million respectively.

### **Current Liabilities**

Our current liabilities comprise mainly of trade payables, non-trade amounts owing to related parties and interest-bearing loans.

Total current liabilities increased by approximate RMB0.18 million from RMB84.07 million to RMB84.25 million due to increase in our other payables.

The breakdown of Trade Payables and Others Payables are RMB10.05 million (FY2014-RMB10.39 million) and RMB18.13 million (FY2014-RMB 17.61 million) respectively.

Trade payables decreased by RMB0.34 million were mainly due to settlement of payments to our suppliers. Other payables increased by RMB0.52 million were due to increase in accrued expenses during the year.

Liabilities directly associated with disposal group classified as held for sale decreased from RMB128.37 million to RMB125.33 million mainly as a result of payment to suppliers amounting to RMB 0.9 million and reversal the advance deposits received from the disposal of property, plant and equipment amounting to RMB 4.5 million to a third party approved by the shareholders at EGM in Jan 2015. This was partially offset with increased short term borrowings from a third party of RMB1.20 million.

### **Non-current Liabilities**

Our non-current liabilities comprises a long-term unsecured interest-bearing loan. There is no movement for the non-current liabilities.

## Cash flow

Overall, the Group's available cash balances decreased to RMB0.38 million during the period ended 30 June 2015 from RMB0.88 million at 31 December 2014. This was due to cash used in financing activities as compared to cash generated from investing activities –RMB3.77 million as a result of proceed from disposal of asset disposal in 31 December 2014. Nonetheless, the liquidity of the Group was partially offset with cash generated from financing due to proceed received from the financing activities.

A summary of cash flows is as follows:

	<b>Period Ended 30-Jun-15 Unaudited RMB'000</b>	<b>Year Ended 31-Dec-14 Audited RMB'000</b>
Net cash flows used in operating activities	(1,907)	(6,142)
Cash flows (used in)/ generated from investing activities	(4)	3,769
Cash flows generated from financing activities	1,404	2,232
Net (decrease) in cash and cash equivalents	<u>(507)</u>	<u>(141)</u>

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

We expect the business environment to be as challenging as in the previous years. The piling industry is still getting a negative impact on the government policies on tightening the property market. Incidentally, our related engineering services also grapple with these policies.

In view of the above, the company is looking for various options over these years to mitigate the above impact. The company is looking to diversify its business in other arena whereby business risk could be mitigated.

As previously announced by the Company on 27 July 2015, the Group has entered into a Non Legally Binding Memorandum of Understanding with Zhonghe Investments Co., Ltd on the intent acquisition certain percentage of its stake. The Target Asset is YunNan Chengde Property Development Co., Ltd whereby the latter held 58% of the Target Asset.

YunNan Chengde Property Development Co. Ltd is currently developing one of the areas in Kunming Fuxianhu (抚仙湖), Yunnan into a tourism and retirement residence.

The Company is still negotiating with Zhonghe Investments Co, Ltd and will make announcement once there is further development.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

The Company does not propose to declare any dividends for the current financial year reported on.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Not applicable

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable

**12. If no dividend has been declared/(recommended), a statement to that effect.**

No dividends have been declared/recommended for the financial period ended 30 June 2014.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

There were no interested person transactions between the Company or its subsidiaries and any of its interested persons during or subsisting at the end of the financial period ended 30 June 2015.

**14. Negative Assurance Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year financial results to be false or misleading in any material aspect.

Li Zhangjiang De Malca  
Executive Chairman and Managing Director  
14 August 2015

Li Baogang  
Executive Director  
14 August 2015

**BY ORDER OF THE BOARD**

Li Zhangjiang De Malca  
Executive Chairman and Managing Director  
14 August 2015