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**COFCO LAND HOLDINGS LIMITED**

**中糧置地控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 207)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

**INTERIM RESULTS**

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2014 together with the comparative figures (restated) for the six months ended 30 June 2013. The Audit Committee has reviewed the Group's unaudited condensed consolidated results for the six months ended 30 June 2014.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2014*

		<b>Six months ended</b>	
		<b>30.06.2014</b>	30.06.2013
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	(Unaudited) (Restated) <i>(Note 2)</i>
Revenue	5	<b>1,824,850</b>	1,617,446
Cost of sales and services		<u><b>(756,481)</b></u>	<u>(733,562)</u>
Gross profit		<b>1,068,369</b>	883,884
Other income	6	<b>55,922</b>	113,048
Other gains and losses, net	7	<b>31,674</b>	37,211
Fair value gain of investment properties		<b>29,095</b>	3,032,427
Distribution and selling costs		<b>(98,045)</b>	(103,672)
Administrative expenses		<b>(258,713)</b>	(249,038)
Finance costs	8	<b>(92,738)</b>	(88,995)
Share of profits/(losses) of associates		<u><b>5,395</b></u>	<u>(17,663)</u>
Profit before tax	9	<b>740,959</b>	3,607,202
Income tax expense	10	<u><b>(307,627)</b></u>	<u>(903,828)</u>
Profit for the period		<u><b>433,332</b></u>	<u>2,703,374</u>

	<b>Six months ended</b>	
	<b>30.06.2014</b>	30.06.2013
<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
		<i>(Note 2)</i>
<b>Other comprehensive income/(expense):</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	<b>13,935</b>	(11,683)
Hedging instrument in cash flow hedge:		
Fair value loss during the period	–	(48)
Reclassification adjustment for (loss)/gain included in profit or loss	<b>(608)</b>	316
	<hr/>	<hr/>
Other comprehensive income/(expense) for the period	<b>13,327</b>	(11,415)
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>446,659</b>	2,691,959
	<hr/>	<hr/>
Profit for the period attributable to:		
Owners of the Company	<b>177,463</b>	1,707,343
Non-controlling interests	<b>255,869</b>	996,031
	<hr/>	<hr/>
	<b>433,332</b>	2,703,374
	<hr/>	<hr/>
Total comprehensive income attributable to:		
Owners of the Company	<b>190,790</b>	1,695,928
Non-controlling interests	<b>255,869</b>	996,031
	<hr/>	<hr/>
	<b>446,659</b>	2,691,959
	<hr/>	<hr/>
Basic earnings per share	<i>11</i>	
	<b><u>RMB1.9 cents</u></b>	<b><u>RMB28.7 cents</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	<i>Notes</i>	<b>30.06.2014</b> <b>RMB'000</b> <b>(Unaudited)</b>	31.12.2013 <b>RMB'000</b> <b>(Audited)</b>
<b>Non-current assets</b>			
Investment properties		<b>13,293,807</b>	13,238,730
Property, plant and equipment		<b>4,332,141</b>	3,665,195
Leasehold land and land use rights		<b>580,588</b>	589,155
Intangible assets		<b>3,762</b>	1,146
Properties under development		<b>691,807</b>	1,231,098
Interests in associates		<b>218,976</b>	213,581
Available-for-sale investments		<b>1,510</b>	1,510
Goodwill		<b>184,297</b>	184,297
Prepayments for construction/purchase of property, plant and equipment		<b>91,801</b>	–
Deferred tax assets		<b>94,015</b>	158,116
		<b>19,492,704</b>	19,282,828
<b>Current assets</b>			
Inventories		<b>16,742</b>	13,235
Properties held for sale		<b>534,125</b>	852,781
Properties under development for sale		<b>625,373</b>	469,356
Accounts receivable	<i>13</i>	<b>46,694</b>	47,157
Prepayments, deposits and other receivables		<b>461,342</b>	456,241
Amounts due from the ultimate holding company		–	727
Amounts due from fellow subsidiaries		<b>16,473</b>	8,750
Amounts due from non-controlling shareholders		–	35
Tax recoverable		<b>87,901</b>	128,125
Pledged deposits		–	4,042
Cash and cash equivalents		<b>6,929,051</b>	7,941,122
		<b>8,717,701</b>	9,921,571

	<i>Notes</i>	<b>30.06.2014</b> <b>RMB'000</b> <b>(Unaudited)</b>	31.12.2013 <i>RMB'000</i> <i>(Audited)</i>
<b>Current liabilities</b>			
Accounts payable	14	483,398	630,172
Other payables and accruals		1,146,503	1,432,699
Deposits received in respect of pre-sale of properties		349,478	755,980
Amounts due to the ultimate holding company		–	5,455
Amounts due to fellow subsidiaries		11,722	13,093
Amounts due to non-controlling shareholders		413,938	275,485
Bank and other borrowings		2,191,244	1,860,085
Income tax and land appreciation tax payables		717,430	1,446,550
Derivative financial instruments		–	213
		<u>5,313,713</u>	<u>6,419,732</u>
<b>Net current assets</b>		<u>3,403,988</u>	<u>3,501,839</u>
<b>Total assets less current liabilities</b>		<u>22,896,692</u>	<u>22,784,667</u>
<b>Non-current liabilities</b>			
Rental deposits received		–	2,210
Bank and other borrowings		2,151,092	2,357,073
Deferred tax liabilities		2,384,011	2,360,383
Deferred income		784	784
		<u>4,535,887</u>	<u>4,720,450</u>
<b>Net assets</b>		<u>18,360,805</u>	<u>18,064,217</u>
<b>Capital and reserves</b>			
Share capital		667,941	667,941
Reserves		12,767,590	12,576,800
Equity attributable to the owners of the Company		13,435,531	13,244,741
Non-controlling interests		4,925,274	4,819,476
<b>Total equity</b>		<u>18,360,805</u>	<u>18,064,217</u>

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 June 2014*

### **1. GENERAL INFORMATION**

COFCO Land Holdings Limited was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Upon the completion of the Reverse Takeover Transaction as mentioned in Note 2 below, the Group changed the presentation currency from Hong Kong Dollar (“HK\$”) to Renminbi (“RMB”) because, in the opinion of the directors of the Company, this could better reflect the Group’s business (majority of which is located in the PRC) since then and could provide users with more comparable information with other companies in similar industries. Comparative figures have been represented in RMB.

### **2. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to The Main Board Listing Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2013.

On 19 December 2013, a very substantial acquisition, connected transaction and reverse takeover involving a new listing application were completed. The Company acquired from COFCO Land Limited (“COFCO Land”) the issued share capital of certain subsidiaries of COFCO Land (collectively, the “Target Companies”); and the shareholder’s loan of HK\$3,329 million (equivalent to approximately RMB2,618 million) which were outstanding and owing by certain of the Target Companies to COFCO Land immediately before the completion of the acquisition of the Target Companies (together with the acquisition of the Target Companies, referred to as the “Transaction”), by the allotment and issue of 5,988,199,222 ordinary shares of the Company at the issue price of HK\$2.00 each (the “Consideration Shares”) and 1,095,300,778 new non-redeemable convertible preference shares of the Company at the issue price of HK\$2.00 each to Achieve Bloom Limited (“Achieve Bloom”), the immediate holding company of the Company and COFCO Land.

COFCO Land was the immediate holding company of the Target Companies immediately before the completion of the reverse takeover transaction (the “Reverse Takeover Transaction”). The Target Companies and their subsidiaries (the “Target Group”) are principally engaged in investment holding, property investment and development, property management and hotel operations.

The details of the Reverse Takeover Transaction are set out in the Company’s circular dated 30 November 2013 and the Group’s financial statements for the year ended 31 December 2013.

## **The Reverse Takeover Transaction**

On 16 July 2012, a share purchase agreement was entered into between Achieve Bloom and certain then shareholders (collectively the “Vendors”) of the Company (together with its subsidiaries before the completion of the Reverse Takeover Transaction, collectively the “Existing Group”) to acquire approximately 73.53% of the then entire issued share capital of the Company for a total cash consideration of HK\$362,180,000 (equivalent to approximately RMB293,675,000, the “Consideration”) (the “2012 Acquisition”). The 2012 Acquisition was completed on 23 July 2012.

The Transaction involves acquisition of assets from COFCO Land within 24 months of Achieve Bloom gaining control of the Company and, pursuant to the Listing Rules, constitutes a reverse takeover of the Company by the Target Group.

As the Existing Group and the Target Group came under common control of Achieve Bloom from 23 July 2012 and Achieve Bloom continued to control the Company upon completion of the Transaction, the Transaction is considered as a combination of businesses under common control and accounted for under merger basis. In applying merger accounting, the 2012 Acquisition would be reflected in the consolidated financial statements of the Group as a reverse acquisition of the Company by the Target Group which is deemed as the accounting acquirer taking into consideration of the requirements under Hong Kong Financial Reporting Standard 3 (Revised) Business Combinations (“HKFRS 3 (Revised 2008)”).

These condensed consolidated financial statements have been prepared as a continuation of the Target Group and accordingly:

- (i) The assets and liabilities of the Target Group are recognised and measured at their carrying amounts;
- (ii) The identified assets and liabilities of the Existing Group are recognised and measured initially at their fair value in accordance with the HKFRS 3 (Revised 2008) on 23 July 2012; and
- (iii) The comparative information presented in these condensed consolidated financial statements is restated to be that of the Target Group and the Existing Group (deemed to be acquired by the Target Group on 23 July 2012).

### **3. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	<i>Investment Entities</i>
Amendments to HKAS 32	<i>Offsetting Financial Assets and Financial liabilities</i>
Amendments to HKAS 36	<i>Recoverable Amount disclosures for Non-financial Assets</i>
Amendments to HKAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC) – Int 21	<i>Levies</i>

The application of the above new interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

#### **4. SEGMENT INFORMATION**

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the directors of the Company based on the units by reference to the goods sold or services provided. These operating units are the basis of internal reports provided to the directors of the Company, the chief operating decision maker.

Specifically, the Group’s reportable and operating segments, based on information reported to the directors of the Company for the purpose of resource allocation and performance assessment, under HKFRS 8 are as follows:

Property and land development	Development and sale of properties
Property investment	Property letting
Property management and related services	Provision of agency services and property management services
Hotel operations	Hotel ownership and management

Information regarding the above segments is reported below.

## Segment revenue and segment results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Property and land development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Property management and related services <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2014</b>					
<b>(unaudited)</b>					
<b>Segment revenue:</b>					
External customers	1,046,086	212,281	80,975	485,508	1,824,850
Intersegment sales	–	–	1,371	–	1,371
	<u>1,046,086</u>	<u>212,281</u>	<u>82,346</u>	<u>485,508</u>	<u>1,826,221</u>
<b>Segment results</b>	<u>604,488</u>	<u>157,296</u>	<u>47,738</u>	<u>(3,355)</u>	806,167
<b>Reconciliation:</b>					
Unallocated corporate income					29,394
Unallocated corporate expenses					(7,259)
Share of profits of associates					5,395
Finance costs					<u>(92,738)</u>
<b>Profit before tax</b>					<u>740,959</u>
<b>Six months ended 30 June 2013</b>					
<b>(unaudited and restated)</b>					
<b>Segment revenue:</b>					
External customers	873,750	193,160	107,473	443,063	1,617,446
Intersegment sales	–	1,265	4,619	–	5,884
	<u>873,750</u>	<u>194,425</u>	<u>112,092</u>	<u>443,063</u>	<u>1,623,330</u>
<b>Segment results</b>	<u>496,191</u>	<u>3,131,095</u>	<u>64,123</u>	<u>(22,720)</u>	3,668,689
<b>Reconciliation:</b>					
Unallocated corporate income					52,490
Unallocated corporate expenses					(7,319)
Share of losses of associates					(17,663)
Finance costs					<u>(88,995)</u>
<b>Profit before tax</b>					<u>3,607,202</u>

Inter-segment revenue was charged at prices agreed between group entities.

Segment results represents the profit earned/loss incurred by each segment without allocation of central administration costs, certain corporate income and expenses, share of profits/(losses) of associates, finance costs and income tax expense. This is the measure reported to the directors of the Company for the purposes of resource allocation and performance assessment. Fair value gain of investment properties forms part of the segment result of property investment.

### Segment assets and liabilities

Segment assets and liabilities are not disclosed in the condensed consolidated financial statements as they are not regularly provided to the directors of the Company for the purposes of resource allocation and performance assessment.

## 5. REVENUE

An analysis of the Group's revenue for the period is as follows:

	<b>Six months ended</b>	
	<b>30.06.2014</b>	30.06.2013
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Property investment and development:		
Sales of properties held for sale	<b>1,031,731</b>	822,975
Gross rental income from investment properties	<b>212,281</b>	193,160
Property management and related services	<b>52,859</b>	61,275
Service income for primary land development	<b>14,355</b>	50,775
Other property related service income	<b>28,116</b>	46,198
	<b>1,339,342</b>	1,174,383
Hotel operations:		
Hotel room revenue	<b>342,240</b>	299,316
Other ancillary service	<b>143,268</b>	143,747
	<b>485,508</b>	443,063
<b>Total</b>	<b>1,824,850</b>	1,617,446

## 6. OTHER INCOME

An analysis of the Group's other income for the period is as follows:

	<b>Six months ended</b>	
	<b>30.06.2014</b>	30.06.2013
	<b>RMB'000</b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Interest income from:		
Banks	<b>27,061</b>	4,812
Deposits placed with a non-bank financial institution*	–	3,465
Loans to fellow subsidiaries	–	65,087
Loans to associates	–	21,782
Loans to former associates	<b>4,177</b>	–
Investment income	<b>16,120</b>	–
Government grants**	<b>5,414</b>	17,150
Others	<b>3,150</b>	752
	<b>55,922</b>	113,048

\* The non-bank financial institution is COFCO Finance Corporation Limited (“COFCO Finance”), a fellow subsidiary of the Group.

\*\* Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.

## 7. OTHER GAINS AND LOSSES, NET

An analysis of the Group's other gains and losses, net, for the period are as follows:

	<b>Six months ended</b>	
	<b>30.06.2014</b>	30.06.2013
	<b>RMB'000</b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Impairment loss of accounts receivable	<b>(129)</b>	(110)
Reversal of impairment loss/(impairment loss) on other receivables	<b>68</b>	(163)
(Loss)/gain on disposal of property, plant and equipment	<b>(348)</b>	407
Exchange gains, net	<b>32,508</b>	37,077
Others	<b>(425)</b>	–
	<b>31,674</b>	37,211

## 8. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	<b>Six months ended</b>	
	<b>30.06.2014</b>	30.06.2013
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Interest on:		
Bank loans wholly repayable within five years	<b>101,974</b>	84,179
Bank loans not wholly repayable within five years	<b>24,860</b>	21,131
Loans from COFCO Finance	–	4,661
Loans from a fellow subsidiary	–	9,509
	<hr/>	<hr/>
Total interest expenses	<b>126,834</b>	119,480
Reclassification adjustment on cash flow hedge	<b>(608)</b>	316
Less: Interest capitalised for properties under development	<b>(33,488)</b>	(30,801)
	<hr/>	<hr/>
	<b>92,738</b>	88,995
	<hr/>	<hr/>

## 9. PROFIT BEFORE TAX

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

	<b>Six months ended</b>	
	<b>30.06.2014</b>	30.06.2013
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Amortisation of intangible assets	<b>572</b>	551
Amortisation of leasehold land and land use rights	<b>8,567</b>	8,866
Depreciation of property, plant and equipment	<b>119,719</b>	130,324
Cost of sales and services including:		
Cost of properties sold	<b>386,742</b>	343,708
Cost of hotel services provided	<b>276,266</b>	247,547
Cost of properties letting	<b>47,370</b>	46,507
Cost of property management and related services	<b>25,768</b>	36,155
Cost of primary land development services provided	<b>14,355</b>	50,775
Other direct costs	<b>5,980</b>	8,870
	<hr/>	<hr/>
	<b>756,481</b>	733,562
	<hr/>	<hr/>
Gross rental income for investment properties	<b>(212,281)</b>	(193,160)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	<b>47,370</b>	46,507
	<hr/>	<hr/>
	<b>(164,911)</b>	(146,653)
	<hr/>	<hr/>

## 10. INCOME TAX EXPENSE

	Six months ended	
	30.06.2014 <i>RMB'000</i> (Unaudited)	30.06.2013 <i>RMB'000</i> (Unaudited) (Restated)
Current tax:		
Mainland China		
Charge for the period	90,265	127,195
Land appreciation tax	114,441	54,470
Dividend withholding tax	10,182	1,588
Hong Kong		
Charge for the period	5,010	4,235
	<u>219,898</u>	<u>187,488</u>
Deferred tax	<u>87,729</u>	<u>716,340</u>
	<u>307,627</u>	<u>903,828</u>

## 11. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended	
	30.06.2014 <i>RMB'000</i> (Unaudited)	30.06.2013 <i>RMB'000</i> (Unaudited) (Restated)
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	<u>177,463</u>	<u>1,707,343</u>
<b>Number of shares ('000)</b>		
For the purpose of basic earnings per share:		
Weighted average number of ordinary shares	8,478,732	4,858,848
Number of non-redeemable convertible preference shares	<u>1,095,301</u>	<u>1,095,301</u>
Weighted average number of shares for the purpose of basic earnings per share	<u>9,574,033</u>	<u>5,954,149</u>

The weighted average number of shares used for the purpose of calculating basic earnings per share for the six months ended 30 June 2013 is calculated on the basis of the number of the Consideration Shares (excluding the Consideration Shares deemed to be issued for the shareholder's loan) and non-redeemable convertible preference shares issued pursuant to the Reverse Takeover Transaction as the consideration to acquire the Target Group as detailed in Note 2 and the weighted average number of shares of the Company in issue during the period.

The number of shares used for the purpose of calculating basic earnings per share for the six months ended 30 June 2014 is calculated on the basis of the number of shares of the Company in issue during the period and non-redeemable convertible preference shares in issue during the period.

No diluted earnings per share for the six months ended 30 June 2014 and 2013 is presented as there was no potential ordinary share in issue during both periods.

## 12. DIVIDEND

No dividend in respect of ordinary shares and non-redeemable convertible preference shares has been proposed, paid or declared by the Company for the current and prior periods.

## 13. ACCOUNTS RECEIVABLE

	<b>30.06.2014</b> <i>RMB'000</i> (Unaudited)	31.12.2013 <i>RMB'000</i> (Audited)
Rental receivables	15,715	6,886
Property management fee receivables	4,882	3,574
Receivables from hotel operations and related services	<u>29,469</u>	<u>40,113</u>
	<b>50,066</b>	50,573
Less: Allowance for doubtful debts	<u>(3,372)</u>	<u>(3,416)</u>
	<b><u>46,694</u></b>	<b><u>47,157</u></b>

In respect of sale of properties, a minimum down payment is required in accordance with the terms of the related sale and purchase agreements and in general consideration in cash is fully received prior to the delivery of the properties to the customers.

In general, rental income, property management fee income and income from hotel operations and related services are received in the month when the relevant services provided, except for certain tenants/customers of which credit period of up to 30-60 days are granted.

The Group does not hold any collateral over the above balances.

The following is an aged analysis of accounts receivable net of impairment losses presented based on invoice date, except for aged analysis of rental receivables, which is presented based on the date rental demand notice issued, at the end of the reporting period:

	<b>30.06.2014</b>	31.12.2013
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 3 months	<b>38,408</b>	43,583
3 months to 1 year	<b>5,160</b>	2,431
1 to 2 years	<b>2,845</b>	935
Over 2 years	<b>281</b>	208
	<hr/> <b>46,694</b> <hr/>	<hr/> 47,157 <hr/>

#### 14. ACCOUNTS PAYABLE

Accounts payable and expenditure on construction comprise construction costs and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Accounts payable are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the credit period is up to 2 years. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

The following is an aged analysis of accounts payable at the end of the reporting period.

	<b>30.06.2014</b>	31.12.2013
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 year	<b>367,869</b>	514,604
1 to 2 years	<b>99,827</b>	107,058
2 to 3 year	<b>8,298</b>	5,057
Over 3 years	<b>7,404</b>	3,453
	<hr/> <b>483,398</b> <hr/>	<hr/> 630,172 <hr/>

## 15. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 August 2014 the Company and Grow Wealth Limited (“Grow Wealth”), a shareholder of Jetway Developments Limited (“Jetway”) holding 22% of its total issued share capital, entered into an acquisition agreement pursuant to which the Company has conditionally agreed to acquire, and Grow Wealth has conditionally agreed to sell, 22% of the issued share capital of Jetway and shareholder’s loan in an amount of HK\$69,904,943 (equivalent to US\$9,020,000) outstanding and owing by Jetway to Grow Wealth, subject to the terms and conditions of the acquisition agreement. The consideration for the acquisition shall be HK\$1,018,921,728, which shall be satisfied by the issue and allotment of 509,460,864 new ordinary shares of the Company at an issue price of HK\$2.00 to Grow Wealth upon completion of the acquisition. Following the completion of the acquisition, Jetway will become a wholly-owned subsidiary of the Company.

On the same date, the Company and Woo + Woo Investments Limited (“Woo + Woo”), a shareholder of Yalong Development (HK) Company Limited (“Yalong HK”) holding 32.43% of its total issued share capital, entered into an acquisition agreement pursuant to which the Company has conditionally agreed to acquire, and Woo + Woo has conditionally agreed to sell, 32.43% of the issued share capital of Yalong HK and the shareholder’s loan in the amount of HK\$174,014,191 outstanding and owing by Yalong HK to Woo + Woo, subject to the terms and conditions of the acquisition agreement. The consideration for the acquisition shall be HK\$998,446,456, which shall be satisfied by the issue and allotment of 499,223,228 new ordinary shares of the Company at an issue price of HK\$2.00 to Woo + Woo upon completion of the acquisition. Following the completion of the acquisition, Yalong HK will become a wholly-owned subsidiary of the Company.

The above acquisitions were completed on 19 August 2014, and the Company has issued 509,460,864 and 499,223,228 new ordinary shares to Grow Wealth and Woo + Woo, respectively, in settlement of the consideration under the respective acquisition agreements, representing approximately 5.37% and 5.26% of the enlarged issued ordinary share capital of the Company upon the completion of the above acquisitions.

Further details of the above acquisitions are set out in the Company’s announcements dated 1 August 2014, 19 August 2014 and in the Company’s circular dated 22 August 2014.

## **BUSINESS REVIEW AND OUTLOOK**

### **Business Review**

#### *Self-owned properties*

For the first half of 2014, the Company's investment property, property development, hotel operations all attained better results. During the period, both the operation conditions and the construction progress of all the projects met expectation, laying a sound foundation for the operation results of this year as well as next year. With respect to investment properties, the Company's office premises in Beijing, Shanghai and Hong Kong maintained a relatively high occupancy rate with an increase in the rent level of such properties as compared with that in the same period in 2013. Fraser Suites Top Glory Shanghai's operation results remained steady. In respect of Chengdu Joy City which is in construction phase, all construction works progressed smoothly. Solicitation of potential tenants and promotion work have commenced. Regarding approximately 60% of the contracted tenants, it was their first time to enter into the Chengdu market. As for the property development projects good sale results were recorded and, a leading position in high-end property market is maintained. As for hotel operation, despite facing unfavorable market environment, the hotels of the Company recorded a growth of 9.6% in operation revenues as compared with that in the same period in 2013, which was against market trend, by improving the quality of services as well as proactively expanding consumer markets. Among which, St. Regis Sanya Yalong Bay Resort and MGM Grand Sanya managed to beat their competitors and kept their positions among the top three market leaders with their respective competitiveness continuing to increase. With respect to property management and related services, the Company has been striving for improving the quality in property management and providing value-added services in a customer-oriented approach. During the period, Beijing Gloria Properties Management Co., Ltd., a subsidiary of the Company, received various awards, "2014 China Property Service Top 100 Enterprises" as well as "2014 China Commercial Property Service Top 10 Enterprises".

## *Entrusted Properties*

In the first half of 2014, the operation of the Entrusted Properties, namely Xidan Joy City, Chaoyang Joy City, Tianjin Joy City and Shanghai Joy City was dynamic and their results continued to maintain a growing trend. During the period, through organising various fascinating promotional activities, Xidan Joy City continued to lead in the industry, with an occupancy rate of 98.53% and approximately 14.106 million visitors in total which represents an increase of 16.17% as compared with that for the same period in 2013. Chaoyang Joy City has become a new landmark in Eastern Beijing through holding large-scale creative promotion activities including “2.14 Mobilization for Love” (“2.14追愛總動員”), “3.8 Wealthy Girls’ Festival” (“3.8富女節”) and “100 Doraemon Secret Gadgets Exhibition” (“100哆啦A夢秘密道具博覽”). During the period, the total number of visitors of Chaoyang Joy City reached approximately 11.85 million, representing an increase of 21% as compared with that for the same period in 2013 and the occupancy rate of Chaoyang Joy City was 97.38%. Tianjin Joy City’s operation results continued to surge as a result of adjustment of the tenancy structure and innovation within segment and operation. On 19 April 2014, “Joy Mega Sales Festival” at Tianjin Joy City attracted approximately 155,000 visitors daily with the total sales amounting to RMB120 million which again set a new daily sales record of shopping centers nationwide. Making good use of the opening of metro’s route, the Southern Tower of Shanghai Joy City Phase 1 held a multitude of large-scale activities including promotional events and member activities so as to attract more visitors. The construction project of the Northern Tower of Phase 1 progressed smoothly while the demolition and relocation process of Phase 2 has been completed smoothly. Furthermore, Yantai Joy City, an Entrusted Property project under construction, commenced operation on 6 July 2014. Such project, located in the only onshore land parcel in the Yantai Central Business District, fully demonstrates its geographical advantages and integrates the superiorities of its coastal location with its business plans. As the only shopping center in Yantai that enjoys onshore superiorities, Yantai Joy City upon operation will undoubtedly achieve upgrade revolution in the business development of the city, become the new guide for business development in Yantai and bring citizens in Yantai brand new shopping experience.

## Summary on each project and segment

<b>Category</b>	<b>Projects</b>
<b>Investment properties</b>	<b>Properties under construction and completed</b> Beijing COFCO Plaza Shanghai COFCO Tower Chengdu Joy City (under construction) Hong Kong Top Glory Tower 11 <sup>th</sup> Floor of Hong Kong World-Wide House Fraser Suites Top Glory Shanghai Yuechuan Plaza
	<b>Entrusted properties</b> Xidan Joy City Chaoyang Joy City Shanghai Joy City Tianjin Joy City Yantai Joy City
	<b>Self-used properties</b> Ninghai Garden basement Princess Palace I Clubhouse Yalong Bay land for public facilities Yalong Bay Administration Center
<b>Property development</b>	Ocean One Chengdu Shine City Phases 2 and 3 (under construction) and primary land development The Signature (unsold portion) Princess Palace II (unsold portion) Princess Palace III Sanya Yalong Bay primary land development
<b>Hotel operations</b>	St. Regis Sanya Yalong Bay Resort MGM Grand Sanya Cactus Resort Sanya by Gloria Waldorf Astoria Beijing W Beijing – Chang’an (under construction) Gloria Plaza Hotel Suzhou Gloria Grand Hotel Nanchang
<b>Property management and related services</b>	Beijing Gloria Properties Management Sichuan Gloria Properties Management Guangzhou Gloria Properties Management Shenyang Gloria Properties Management

## **Financial Review**

For the first half of 2014, the Group's gross profit was RMB1,068,369,000 (the first half of 2013: RMB883,884,000). Gross profit margin for the first half of 2014 was 58.5%, representing an increase of 3.9% as compared to 54.6% for the corresponding period of 2013.

For the first half of 2014, the Group's revenue from sales of properties accounted for 56.5% of total revenue, representing an increase of 25.4% as compared to that in 2013, mainly due to an increase in the area delivered in the apartments of Ocean One and villa-styled apartments of The Signature. Rental income from investment properties accounted for 11.6% of total revenue, representing an increase of 9.9% as compared to that in 2013, mainly attributable to the increase in rental income from Beijing COFCO Plaza, Fraser Suites Top Glory Shanghai and Hong Kong Top Glory Tower. Revenue from hotel operations and tourism accounted for 26.6% of total revenue, representing a year-on-year increase of 9.6%, mainly attributable to the growth in revenue of MGM Grand Sanya and St. Regis Sanya Yalong Bay Resort. Revenue from primary land development accounted for 0.8% of total revenue, representing a year-on-year decrease of 71.7%. Revenue from property management and related services accounted for 2.9% of total revenue, representing a year-on-year decrease of 13.7%. Revenue from other property-related business accounted for 1.6% of total revenue, representing a year-on-year decrease of 39.1%.

## **Property Development Business Review**

As at 30 June 2014, the Group had three development projects in Shanghai, Sanya and Chengdu, including Ocean One, The Signature and Chengdu Shine City where only minority interests are held (booked by using the equity accounting method), covering residential properties and commercial apartments.

During the period, the Group had positioned precisely, explored the competitiveness of its products in depth and provided quality residential units to customers, which, to some extent, overcame the adverse impacts brought by macro-economic downturn and tightened monetary policy. The Company's project of The Signature which is located in Yalong Bay, Sanya and Ocean One beside the Huangpu River will continue to maintain their positions as regional benchmarks with the quality of the projects well-recognized by the market.

The following table sets forth the contracted sales amount, contracted sales area and the average contracted selling price of the major projects of the Group in the first half of 2014:

Projects	City	Type of the project	Contracted	Contracted	Average
			sales amount	sales area	contracted
			for the first half	for the first half	selling price
			of 2014	of 2014	for the first half
			(RMB million)	(sqm)	of 2014
					(RMB/sqm)
Ocean One	Shanghai	Residential unit	244.8	1,958	125,014
The Signature	Sanya	Commercial apartment	333.8	4,458	74,871
Total			<u>578.6</u>	<u>6,416</u>	

### Investment Property Business Review

As at 30 June 2014, the Group had six investment properties in Beijing, Shanghai, Hong Kong and Chengdu comprising office and retail. Beijing COFCO Plaza, Fraser Suites Top Glory Shanghai, Hong Kong Top Glory Tower, 11<sup>th</sup> Floor of Hong Kong World-Wide House and Shanghai COFCO Tower have been put into operation while Chengdu Joy City is under construction.

During the period, with a sound reputation of the brand, the aforesaid investment properties located in the core areas of first and second tier cities were in strong demand by the market. The occupancy rate of Beijing COFCO Plaza, Fraser Suites Top Glory Shanghai and Hong Kong Top Glory Tower all continued to remain high at 85% above and the rentals had increased steadily. The construction works of Chengdu Joy City progressed smoothly and construction works of all the projects were progressed as scheduled.

	The first half of 2014	The first half of 2013
Revenue from investment properties businesses for the two years indicated (RMB million)	<u>212.3</u>	<u>193.2</u>

The table below sets forth the rental income, average rents and occupancy rate of the major investment properties of the Group in the first half of 2014:

Projects	City	Uses/Intended uses	Rental income	Actual	Occupancy rate
			The first half of 2014 <i>(RMB million)</i>	average rents The first half of 2014 <i>(RMB/month/sqm)</i>	The first half of 2014 <i>(%)</i>
COFCO Plaza Shopping Mall	Beijing	Retail	29.8	125	86
COFCO Plaza Office	Beijing	Office	83.9	258	87
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	58	1,907*	90
Hong Kong Top Glory Tower	Hong Kong	Office and retail	37	370	94
11 <sup>th</sup> Floor of World-Wide House	Hong Kong	Commercial	3.6	464	100

\* For Fraser Suites Top Glory Shanghai, it represents the room rate per one-night stay.

The table below sets forth the rental income, average rents and occupancy rate of the major investment properties of the Group in the first half of 2013:

Projects	City	Uses/Intended uses	Rental income	Actual	Occupancy rate
			The first half of 2013 <i>(RMB million)</i>	average rents The first half of 2013 <i>(RMB/month/sqm)</i>	The first half of 2013 <i>(%)</i>
COFCO Plaza Shopping Mall	Beijing	Retail	30.2	126	86
COFCO Plaza Office	Beijing	Office	68.7	228	81
Fraser Suites Top Glory Shanghai	Shanghai	Serviced apartment	56	1,859*	89
Hong Kong Top Glory Tower	Hong Kong	Office and retail	34.6	343	96
11 <sup>th</sup> Floor of World-Wide House	Hong Kong	Commercial	3.7	470	100

\* For Fraser Suites Top Glory Shanghai, it represents the room rate per one-night stay.

### Hotel Operation Business Review

As at 30 June 2014, the Group had seven hotels in Beijing, Sanya, Nanchang and Suzhou, among which W Beijing – Chang'an is under construction and is expected to commence business in the second half of the year.

During the period, the Group fully made use of its cutting edges in the expertise on hotel management to raise management standards in hotel operation, diversify its marketing channels and increase its efforts in promotion to achieve growth in results despite the overall unfavorable market environment for the hotel industry. The St. Regis Sanya Yalong Bay Resort and MGM Grand Sanya which are located at Yalong Bay in Sanya both maintained strong growth and kept their leading positions among the competitors in the region with higher growth rates in the major operating indicators as compared to the same period last year. Waldorf Astoria Beijing, located at Wangfujing in Beijing, has fully manifested its edges in “exquisite elegance” and “scarcity in supply of its kind” and has attracted important guests such as heads of states, and this shows its significance in its brand.

	<b>The first half of 2014</b>	The first half of 2013
Revenue from hotel operations for the two years indicated ( <i>RMB million</i> )	<u><b>485.6</b></u>	<u>443.1</u>

The table below sets forth the average occupancy rate, average room rate and RevPAR of the major hotel properties projects of the Group, namely St. Regis Sanya Yalong Bay Resort, MGM Grand Sanya and Cactus Resort Sanya by Gloria, in the first half of 2014:

Projects	City	Uses and intended uses	Average occupancy rate	RevPAR	Average room rate
			The first half of 2014 (%)	The first half of 2014 (RMB)	The first half of 2014 (RMB)
St. Regis Sanya Yalong Bay Resort	Sanya	Resort	67	1,860	2,778
MGM Grand Sanya	Sanya	Resort	61	1,197	1,858
Cactus Resort Sanya by Gloria	Sanya	Resort	72	401	561

The table below sets forth the average occupancy rate, average room rate and RevPAR of the major hotel properties projects of the Group in the first half of 2013:

<b>Projects</b>	<b>City</b>	<b>Uses and intended uses</b>	<b>Average occupancy rate The first half of 2013 (%)</b>	<b>RevPAR The first half of 2013 (RMB)</b>	<b>Average room rate The first half of 2013 (RMB)</b>
St. Regis Sanya Yalong Bay Resort	Sanya	Resort	66	1,688	2,585
MGM Grand Sanya	Sanya	Resort	58	1,094	1,677
Cactus Resort Sanya by Gloria	Sanya	Resort	71	416	593

## **BUSINESS OUTLOOK**

Looking forward to the second half of the year, with the reform which aims at continuous growth and structural adjustment, it will continue to be the government's focuses to sustain a steady growth while promoting transformation of the economy. As it is estimated to be unlikely that the control measures over the real estate's industry will be fully relaxed and the demand and supply of the market will gradually resume rational, this contributes a healthy development of the real estate market and will be to the benefits of the future development of the Group. In the meanwhile, with the favorable development opportunities brought forward by its ultimate parent company, COFCO Corporation, which is a state-owned capital investment pilot enterprise, in the second half of this year, the Group will continue to take the initiative in exploring new ways of development and, by leveraging on capital investment and following the market demand, further enhance the vitality and competitiveness of each segment of the Group, raise industry standard and establish control and influence in the industry. In terms of the Group's development strategies, it will insist combining holding and selling of properties together, taking a conventional approach in development with low-cost expansion methods, product standardization with technical innovation as well as developing existing cities with new towns, so as to continuously enhance its corporate value and market position.

## WORKING CAPITAL AND FINANCIAL POLICY

The Group adheres to a prudent financial management policy in the management of our financial affairs and centralises funding required for all business operations to meet the demands required for day-to-day operations, loan repayments, capital expenditure and potential business expansion opportunities. During the period, the Group's operations were mainly financed by our own funds and bank loans.

	<b>30.06.2014</b> <i>(RMB million)</i>	31.12.2013 <i>(RMB million)</i>
Total assets	<b>28,210</b>	29,204
Cash and cash equivalents	<b>6,929</b>	7,941
Total borrowings	<b>4,342</b>	4,217
Total equity	<b>18,361</b>	18,064
Current ratio	<b>1.64</b>	1.55
Gearing ratio*	<b>-14.1%</b>	-20.6%

\* The gearing ratio is calculated as net borrowings divided by total equity, in which the net borrowings are calculated as total borrowings less cash and cash equivalents.

As at 30 June 2014, the Group had total assets of approximately RMB28,210 million (31 December 2013: approximately RMB29,204 million). Total equity of the Company was approximately RMB18,361 million, representing an increase of 1.6% as compared to approximately RMB18,064 million as at 31 December 2013.

As at 30 June 2014, the current ratio and the gearing ratio were approximately 1.64 and approximately minus 14.1%, which represents a net cash position, respectively (31 December 2013: approximately 1.55 and minus 20.6% respectively).

The interest bearing bank and other borrowings were approximately RMB4,342 million as at 30 June 2014, which maintained a similar level as compared to approximately RMB4,217 million as at 31 December 2013.

## USE OF PROCEEDS OF THE 2013 PLACING

The Company entered into a placing agreement on 29 November 2013 for the issuance and allotment of 1,955,174,000 Shares to professional and institutional investors (the “2013 Placing”). The 2013 Placing was completed on 19 December 2013. The net proceeds from the 2013 Placing were approximately HK\$3,770.5 million (equivalent to approximately RMB3,003.6 million). As at the date of issuance of the 2013 annual report and the date of this announcement, such net proceeds were utilized in the following manner:

Planned use of the net proceeds	Amount as disclosed in the circular dated 30 November 2013	Amount utilised as at the date of the 2013 annual report	Amount utilised as at the date of this announcement	Balance as at the date of this announcement
Funding capital contributions of the project companies and continual development of existing projects by the Group, including the construction and development of Chengdu Joy City	RMB1,201.4 million (representing approximately 40% of the net proceeds)	–	–	RMB1,201.4 million
Development of new projects by the Group, with a focus on potential new mixed-use complex projects in the PRC under the “Joy City” brand	RMB1,501.8 million (representing approximately 50% of the net proceeds)	–	–	RMB1,501.8 million
General working capital and for other general corporate purposes	RMB300.4 million (representing approximately 10% of the net proceeds)	RMB2.3 million	RMB58.9 million	RMB241.5 million
Total:	<u>RMB3,003.6 million</u>	<u>RMB2.3 million</u>	<u>RMB58.9 million</u>	<u>RMB2,944.7 million</u>

The unutilised balance of the net proceeds of the 2013 Placing was mainly placed as short-term deposits with several licensed banks in Hong Kong. The Company plans to make capital contributions out of the net proceeds to the mixed-use complex project Chengdu Joy City and other existing projects of the Group in the second half of 2014. The Company will utilise the net proceeds in accordance with its planned business strategy in relation to the development of new projects with a focus on potential new mixed-use complex projects in the PRC under the “Joy City” brand.

## **EMPLOYEES**

As at 30 June 2014, the total number of employees in the Group was 5,667 (31 December 2013: 5,606).

## **INTERIM DIVIDEND**

The Board resolved not to distribute any interim dividend for the six months ended 30 June 2014 (2013: Nil).

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board considers that during the six months ended 30 June 2014, the Company has complied with all the code provisions as set out in the CG Code.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. After specific enquiry by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

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

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the HKExnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cofcolandholdings.com](http://www.cofcolandholdings.com)). The 2014 Interim Report of the Company will be published on the above websites and despatched to shareholders in due course.

By Order of the Board  
**COFCO Land Holdings Limited**  
**ZHOU Zheng**  
*Chairman*

Hong Kong, 26 August 2014

*As at the date of this announcement, the Board comprises Mr. ZHOU Zheng and Mr. HAN Shi as Executive Directors; Mr. SHI Zhuowei, Mr. MA Jianping, Mr. MA Wangjun and Ms. JIANG Hua as Non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. WU Kwok Cheung, MH as Independent Non-executive Directors.*

## GLOSSARY

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Audit Committee”	the audit committee of the Board;
“Board”	the board of Directors;
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules;
“COFCO Group”	COFCO Corporation and its subsidiaries, excluding the Group;
“Company”	COFCO Land Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Entrusted Properties”	properties entrusted to the Group under five entrusted agreements signed on 29 November 2013 between relevant subsidiaries of COFCO Group and the Group in relation to Tianjin Joy City, Shanghai Joy City, Chaoyang Joy City, Xidan Joy City and Yantai Joy City respectively;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“RevPAR”	Revenue per available room;
“RMB”	Renminbi, the lawful currency of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.