



RENHE

Renhe Commercial Holdings Company Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1387



2017

INTERIM REPORT

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Corporate Information

DIRECTORS

Executive Directors

Dai Yongge (Chairman)
Wang Hongfang (Chief Executive Officer)
Dai Bin

Non-Executive Directors

Hawken Xiu Li
Jiang Mei
Zhang Xingmei
Zhang Dabin
Wang Chunrong

Independent Non-Executive Directors

Fan Ren-Da, Anthony
Wang Shengli
Wang Yifu
Leung Chung Ki
Tang Hon Man

AUDIT COMMITTEE

Fan Ren-Da, Anthony (Chairman)
Wang Shengli
Wang Yifu

REMUNERATION COMMITTEE

Wang Shengli (Chairman)
Dai Yongge
Wang Yifu

NOMINATION COMMITTEE

Wang Shengli (Chairman)
Dai Yongge
Wang Yifu

AUTHORISED REPRESENTATIVES

Wang Hongfang
Hung Fan Kwan FCPA, FCCA

COMPANY SECRETARY

Hung Fan Kwan FCPA, FCCA

AUDITORS

KPMG
Certified Public Accountants

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 1701–1703
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

CHINA OFFICE

No. 29 Mei Shun Street
Nangang District
Harbin, Heilongjiang
China 150001

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1387

INVESTOR RELATIONS

Company Website: www.renhebusiness.com
Email: ir@renhe.com.hk



Chairman's Statement

On behalf of the board of directors (the "Board") of Renhe Commercial Holdings Company Limited (the "Company", together with its subsidiaries, collectively the "Group"), I report to all shareholders on the half-year results for the 6 months ended 30 June 2017.

With the cash consideration received from the disposal of the underground shopping malls back in July 2016 and the subsequent settlement of all the debts by 31 December 2016, 2017 marks the brand new page for the Group.

We continue to focus on our agriculture wholesale market business. We are undergoing the process of upgrading the existing markets, including upgrading the settlement system with modern payment technology, installing information system to collect and utilizing data at the market so to enhance the efficiency of the existing markets. We also work on diversifying the products range trading at our markets, attracting more users/customers at our markets.

This year, we start looking into acquisition opportunities within the agriculture and related sector as well as other sectors. During the first half of 2017, our Group was invited to bid for an acquisition of a global renown skincare and cosmetic retailer, though unfortunately our Group lost in the bidding process. We will continue to explore acquisition opportunities to diversify and generate new sources of income.

On behalf of the Board, I would like to thank all members of the board for their positive inputs, and all members of our management team and employees for their team work and commitment.

Dai Yongge

Chairman

Management Discussion and Analysis

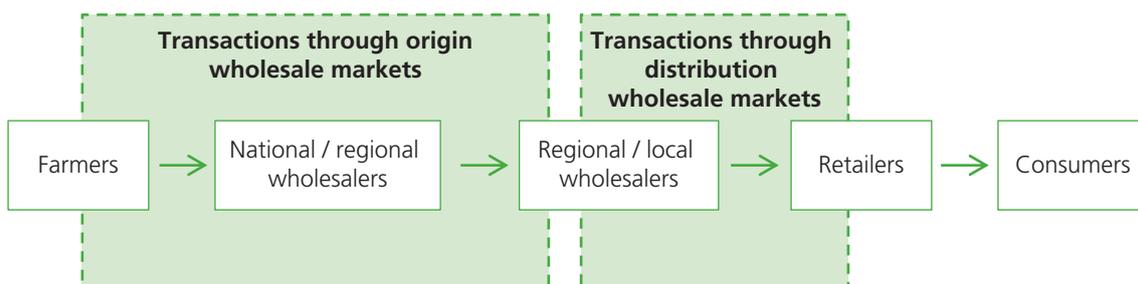
OUR BUSINESS

During the period under review, the Group's principal business is operation of 7 agriculture wholesale markets in 6 cities in China. Our markets consist of trading floors or trading halls that enable regional and local, and in China Shouguang Agricultural Produce Logistics Park ("Shouguang Logistics Park") even national buyers and sellers, to exhibit and trade a variety of agricultural produce; warehouses, icehouses and other spaces available for lease to assist traders with the storage and packaging of products; and residential areas or motels available for rent to traders.

From the perspective of the distribution chain of the agricultural sector in China, agriculture wholesale markets in China can be classified into two categories: namely origin wholesale markets and distribution wholesale markets.

Origin wholesale markets, typically located in the place of origin of certain specific agricultural produce, such as our Shouguang Logistics Park where Shouguang City in Shandong Province is the national base for growing vegetables. The Shouguang Logistics Park provides a trading platform for local farmers and national/regional wholesalers, who source this produce from farmers, in order to sell it to other national/regional/local wholesalers.

Distribution wholesale markets, typically located in cities with large populations, provide a trading platform for wholesalers to sell a variety of agricultural produce from different origins to local retailers who look to further sell such produce to the end consumer. The diagram below briefly summarizes the distribution chain of agricultural produce in China.





Management Discussion and Analysis

The Group currently operates 1 origin wholesale market, namely Shouguang Logistics Park, and 6 distribution wholesale markets in 6 cities in the PRC.



China Shouguang Agricultural Produce Logistics Park (“Shouguang Logistics Park”)

Shouguang Logistics Park is located in Shouguang City, Shandong Province and is one of the largest vegetable wholesale market in China in terms of floor area. Shouguang City is one of the largest vegetable plantations and supply bases in China (in terms of production quantity and trading volume).

Shouguang Logistics Park is an origin wholesale market for vegetable trading. In addition to the trading of vegetables grown in the local vicinity for distribution to other cities throughout China, the market also provides platforms for cross-regional vegetable trading including the sale of vegetables grown in southern China to wholesalers from northern China and vice versa. Shouguang Logistics Park opens 24 hours a day, seven days a week, with daily peak trading conducted from mid night to early morning.

Shouguang Logistics Park occupies a total gross floor area (“GFA”) of approximately 537,003 sq.m., consisting of trading halls, warehouses, icehouses/temperature-controlled storage facilities, transportation/logistics centers, truck parking vicinities, office area and living quarters etc.

Management Discussion and Analysis

Harbin Hada Agricultural Produce Market (“Harbin Hada Market”)

Harbin Hada Market is located in the southern area of Harbin Municipality, close to the starting point of the Beijing-Harbin Expressway and the Harbin South Railway Station. It is our first agriculture wholesale market which started its operation in 2002 and has 15 years of history by now.

Harbin Hada Market is a distribution wholesale market where sellers, including regional wholesalers and local farmers, trade with buyers, mainly comprised of retailers from the Harbin municipality and from other cities in the Heilongjiang Province. Such retailers, including local supermarkets, shopkeepers from local markets and street vendors, then further sell products to consumers. Harbin Hada Market opens 24 hours a day, 7 days a week. Agricultural produce traded in Harbin Hada Market is not only supplied to the residents in Harbin Municipality, but also distributed to other cities within Heilongjiang Province as well as cities in the adjacent provinces such as Inner Mongolia, Jilin Province and even Russia.

Started initially as primarily a fruit market, Harbin Hada Market now offers trading platforms covering wide variety of agricultural produce including fruit, vegetables, grain and oil, seafood, green food, condiments, nuts and dried fruit and snacks.

Harbin Hada Market occupies a total GFA of approximately 185,035 sq.m., which include trading halls, warehouses, icehouses/temperature-controlled storage facilities, truck parking vicinities, office area, living quarters, etc.

Shenyang Shouguang Dili Agricultural By-Products Market (“Shenyang Shouguang Dili Market”)

Shenyang Shouguang Dili Market in fact comprises Shenyang Fruit Market and Shenyang Fruit and Vegetable Market. Shenyang Fruit Market is an old market with its operation started in the mid-1990's. The two markets are adjacent to each other and are located in Dadong District, Shenyang City, Heilongjiang Province.

Shenyang Shouguang Dili Market is also a distribution wholesale market. Its operation is very similar to Harbin Hada Market with wide product variety from fruit, vegetables to grain and oil, and green food, etc.

Shenyang Shouguang Market occupies a total GFA of approximately 235,123 sq.m., which include trading halls, warehouses, icehouses/temperature-controlled storage facilities, truck parking vicinities, office area, living quarters, etc.





Management Discussion and Analysis

Qiqihar Hada Agricultural Produce Market (“Qiqihar Hada Market”)

Qiqihar Hada Market is located in the southern area of Qiqihar City, Heilongjiang Province, and is adjacent to the freight yard of the Qiqihar Railway Station. It is a distribution wholesale market. It used to be the fruit trading center in Qiqihar City. Under our operation since 2008, we have successfully increased the categories of trading products from fruits to other agricultural produce, such as vegetables. Products traded at Qiqihar Hada Market can be supplied to Siberia in Russia through Manzhouli, the port city in Inner Mongolia close to Qiqihar City.

Qiqihar Hada Market occupies a total GFA of approximately 49,106 sq.m., comprising of fruit trading halls, vegetable trading area, icehouses/temperature-controlled storage facilities, etc.

Harbin Youyi Agricultural Product Market (“Harbin Youyi Market”)

Harbin Youyi Market is a distribution wholesale market primarily focused on the trading of seafood, as well as other agricultural produce such as frozen foods, meat, vegetables, fruit and bean products. It is located in the Daoli District, Harbin City, Heilongjiang Province. Among all of our agriculture wholesale markets, Harbin Youyi Market is the smallest market in terms of GFA. It only occupies a GFA of approximately 17,952 sq.m. However, Harbin Youyi Market is the largest seafood market in Heilongjiang Province.

Muda International Agricultural Produce Logistics Park (“Muda Logistics Park”)

Muda Logistics Park is located in the Tielinghe Town in Mudanjiang City, Heilongjiang Province. It is also one of our distribution wholesale markets. It occupies a total GFA of approximately 116,758 sq.m., consisting of vegetable and fruit trading halls, warehouses, icehouses/temperature-controlled storage facilities, office area, truck parking vicinities, etc.

Guiyang Agricultural Produce Logistics Park (“Guiyang Logistics Park”)

The Guiyang Logistics Park is located in Guiyang City, Guizhou Province. It is one of our 6 distribution wholesale markets. It occupies a total GFA of 173,620 sq.m.

The Guiyang Logistics Park consists of large scale vegetable and fruit trading halls, trading areas for seafood, dry goods, eggs and poultry, imported fruit and local specialties, warehouses, temperature-controlled storages, distribution area, truck parking vicinities, office area, etc.

Management Discussion and Analysis

BUSINESS REVIEW

Below is the summary of our 7 agriculture wholesale markets:

Wholesale market	Location	GFA (sq.m.)	Revenue
			Six months ended 30 June 2017 RMB'million
China Shouguang Agricultural Produce Logistics Park	Shouguang City, Shandong province	537,003	79.1
Harbin Hada Agricultural Produce Market	Harbin City, Heilongjiang province	185,035	161.0
Shenyang Shouguang Dili Agricultural By-Products Markets	Shenyang City, Liaoning province	235,123 (note 2)	124.3
Qiqihar Hada Agricultural Produce Market	Qiqihar City, Heilongjiang province	49,106 (note 3)	45.0
Harbin Youyi Agricultural Produce Market	Harbin City, Heilongjiang province	17,952 (note 4)	10.9
Muda International Agricultural Produce Logistics Park	Mudanjiang City, Heilongjiang province	116,758	23.5
Guiyang Agricultural Produce Logistics Park	Guiyang City, Guizhou province	173,620	61.0
Total		1,314,597	504.8

Notes:

- The land and properties of the respective markets are not owned by the Group. Except for those specifically stated in the notes below, all such land and properties are leased by the respective owners, associated entities controlled by the Group's controlling shareholder, to the Group for the operation of the market under a framework lease agreement (the "Framework Lease Agreement") entered into between the vendor of the acquisition and the Group. Pursuant to the Framework Lease Agreement, the annual rent for all the markets listed above shall be RMB100 million per year commencing from 27 July 2015 to 31 December 2018, exclusive of operating charges, property tax and other outgoings.
- Among the total gross floor area ("GFA") of approximately 235,123 sq.m, approximately 149,931 sq.m are leased from the associated entity controlled by the Group's controlling shareholder and approximately 85,192 sq.m are leased from the independent third party landlords.
- Among the total GFA of approximately 49,106 sq.m, approximately 40,175 sq.m are leased from the associated entity controlled by the Group's controlling shareholder and approximately 8,931 sq.m are leased from the independent third party landlords.
- Among the total GFA of approximately 17,952 sq.m, approximately 15,552 sq.m are leased from the associated entity controlled by the Group's controlling shareholder and approximately 2,400 sq.m are leased from the independent third party landlords.



Management Discussion and Analysis

FINANCIAL REVIEW

On 8 July 2016, the Group completed the disposal of all 23 completed shopping malls, all the 11 shopping malls under construction and 10 shopping malls at the planning stage. As such, all the operation relating to the shopping mall business will be classified as discontinued operation and the operation relating to the agriculture business will be classified as continuing operation.

Revenue

Our revenue comprises commission income primarily based on either value of transactions or weight of products, which we charge to traders. We also earn lease income by leasing space at the warehouse, icehouses and other facilities we have at our markets to assist traders to store and pack their products, and from renting rooms at our on-site residential areas and motel to traders.

For the six months ended 30 June 2017, the Group recorded a consolidated revenue of approximately RMB504.8 million (for the six months ended 30 June 2016: RMB523.2 million), representing a decrease of about 3.5% when compared with that of last corresponding period. The lease income slightly increased by 3.0% to RMB118.7 million in this period as compared to RMB115.2 million in last corresponding period. However, the commission income decreased by 5.4% to RMB386.1 million in this period as compared to RMB408.0 million in last corresponding period.

The drop of commission income arose from the fluctuation of vegetable prices and the increase in market competition. The lease income is relatively stable.

	Six months ended 30 June		Change RMB'million	Change %
	2017 RMB'million	2016 RMB'million		
Commission income	386.1	408.0	(21.9)	(5.4)
Lease income	118.7	115.2	3.5	3.0
Total	504.8	523.2	(18.4)	(3.5)

Management Discussion and Analysis

The analysis by agriculture wholesales market:

	Note	Six months ended 30 June		Change RMB'million	Change %
		2017 RMB'million	2016 RMB'million		
China Shouguang Agricultural Produce Logistic Park	<i>i</i>	79.1	96.7	(17.6)	(18.2)
Harbin Hada Agricultural Produce Market		161.0	166.7	(5.7)	(3.4)
Shenyang Shouguang Dili Agricultural By-Products Market	<i>ii</i>	124.3	112.3	12.0	10.7
Qiqihar Hada Agricultural Produce Market	<i>iii</i>	45.0	40.6	4.4	10.8
Harbin Youyi Agricultural Produce Market		10.9	10.9	(–)	(–)
Muda International Agricultural Produce Logistics Park		23.5	22.5	1.0	4.4
Guiyang Agricultural Produce Logistic Park	<i>iv</i>	61.0	73.5	(12.5)	(17.0)
Total		504.8	523.2	(18.4)	(3.5)

Notes:

- i. With the relative high price of vegetables in early 2016, farmers shifted more resources in planting vegetables. The over-supply of vegetables in the first half of 2017 resulted in the decrease in vegetable prices and our corresponding commission income.
- ii. The increase of revenue was due to the improvement of sales mix which arose from the sales of more high end products.
- iii. The increase of revenue was due to the upward adjustment in commission rate in this period.
- iv. The drop of revenue was due to the keen market competition in Guiyang city in this period.

Gross Profit

Gross profit margin of agriculture business was 100% as both lease income and commission income does not incur any cost of sales.





Management Discussion and Analysis

Other Income

Other income mainly comprised market service fee income of RMB58.3 million (for the six months ended 30 June 2016: RMB63.4 million).

Administration expenses

Administration expenses mainly comprised staff cost, depreciation and trip expenses. The increase was mainly due to the increase in trip expenses taken by management to explore new business opportunities.

Other operating expenses

Other operating expenses mainly consisted of amortization of intangible assets of RMB162.2 million (for the six months ended 30 June 2016: RMB162.2 million) arose from the acquisition of the agriculture business and the operating lease expenses of RMB49.9 million (for the six months ended 30 June 2016: RMB49.8 million) for leasing the properties (including land and buildings) to facilitate the on-going operations of the agriculture business in accordance with the Framework Lease Agreement entered during the acquisition of the agriculture business.

Finance income

Finance income mainly represented the bank interest income earned from agriculture business operation. The increase was mainly due to improvement of cash flow and increase in bank balance during the period.

Finance expenses

Finance expenses mainly represented bank interest and charges. The drop was mainly because the loans were fully repaid in 2016.

Liquidity and Financial Resources

The Group has net cash position and has strong financial resources to support its working capital and future expansion.

Management Discussion and Analysis

Foreign Exchange Rate Risk

Renminbi is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China (the "PBOC") or other institutions authorized to buy and sell foreign exchange. The exchange rate adopted for the foreign exchange transactions are the rates of exchange quoted by the PBOC that would be subject to a managed float against an unspecified basket of currencies. Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currency (which depends on the foreign currency denominated earnings of the Group) and must be arranged through the PBOC with government approval.

All cash and bank balances of the Group denominated in Renminbi were placed in banks in Hong Kong and the PRC. Renminbi is not freely convertible and the remittance of earnings to overseas is subject to exchange control promulgated by the PRC government. All the revenue-generating operations of the Group are transacted in Renminbi. The Group also kept certain bank balances in Hong Kong which are denominated in US dollar or HK dollar. The Group is exposed to foreign currency risk on financing transactions denominated in currencies other than the functional currency of our subsidiaries (Renminbi) in the PRC and functional currency of the overseas group entities (Hong Kong dollar). Depreciation or appreciation of the Renminbi and Hong Kong dollar against foreign currencies can affect the Group's results. The Group currently does not hedge our foreign exchange risk but may do so in the future.

Capital Commitment

As at 30 June 2017, the future capital expenditure for which the Group had contracted but not provided in respect of continuing operation amounted to approximately RMB15.0 million (as at 31 December 2016: amounted to RMB11.7 million) while the future capital expenditure for which the Group had authorized but not contracted for in respect of continuing operation amounted to approximately nil (as at 31 December 2016: amounted to RMB8.0 million).

Gearing Ratio

The gearing ratio as at 30 June 2017, which is calculated by dividing the total interest-bearing borrowings by total assets was nil (as at 31 December 2016: Nil).

Human Resources

As at 30 June 2017, the Group employed 2,153 staff (as at 30 June 2016: 3,724 staff). The Group's employees are remunerated according to the job nature, individual performance and market trends with built-in merit components. Total remuneration for the six months ended 30 June 2017 was approximately RMB116.4 million as compared with RMB185.7 million for the six months ended 30 June 2016. We have established a training program that aims to support and encourage members of our management team to continue improving their management skills and develop their careers, including arranging for seminars. We provide orientation training as well as on-the-job training on a regular basis on various topics, such as internal regulations, computer and management skills, sales skills and career development. Employees in Hong Kong participate in Mandatory Provident Fund Scheme while employees in the PRC also participate in similar scheme.

Dividend

The Board has resolved that there was no interim dividend declared attributable to the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).



Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company as required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long/short positions in shares/underlying shares of the Company:

Name of director	Capacity	Nature of interest (note 1)	Number of issued shares/underlying shares	Approximate percentage of interest in the Company
Mr. Dai Yongge	Beneficial owner	L	153,900,000	0.35%
	Interest in controlled corporations	L (note 2)	16,146,900,132	36.72%
	Interest of spouse	L (note 3)	12,243,902,439	27.85%
	Interest in a controlled corporation	S	66,556,293	0.15%
Mr. Wang Hongfang	Beneficial owner	L	28,050,000	0.06%
	Interest in a controlled corporation	L (note 4)	7,575,000	0.02%
Ms. Zhang Xingmei	Interest in a controlled corporation	L (note 5)	12,243,902,439	27.85%
	Interest of spouse	L (note 6)	16,300,800,132	37.07%
	Interest of spouse	S	66,556,293	0.15%
Mr. Zhang Dabin	Beneficial owner	L	3,000,000	0.00%
	Interest in a controlled corporation	L (note 7)	13,100,000	0.03%
Ms. Wang Chunrong	Interest in a controlled corporation	L (note 8)	33,600,000	0.07%

Other Information

(b) Long positions in shares of associated corporations of the Company

Name of director	Capacity	Name of associated corporation	Number of ordinary shares	Percentage of the issued share capital of the associated corporation
Mr. Dai Yongge	Beneficial owner	Shining Hill Investments Limited	1	100.00%
	Interest in a controlled corporation	Super Brilliant Investments Limited	1	100.00%
Ms. Zhang Xingmei	Beneficial owner	Win Spread Limited	1	100.00%
	Interest in a controlled corporation	Dili Group Holdings Company Limited	1	100.00%
	Interest in a controlled corporation	Shouguang Dili Agri-Products Group Company Limited	1,672,118 (note 9)	69.74%
	Interest in a controlled corporation	New Amuse Limited	1	100.00%

Notes:

- (1) The letter "L" denotes the person's long position in such shares and the letter "S" denotes the person's short position in such shares.
- (2) Among 16,146,900,132 shares of the Company deemed to be interested by Mr. Dai Yongge, 122,400,000 shares are held by Gloss Season Limited, which is held as to 100% by Mr. Dai Yongge; 15,383,738,082 shares are held by Super Brilliant Investments Limited ("Super Brilliant"). As the entire issued share capital of Super Brilliant is held by Shining Hill Investments Limited ("Shining Hill"), which is held as to 100% by Mr. Dai Yongge, he is deemed to be interested in the Shares held by Super Brilliant; 640,762,050 shares are held by Wealthy Aim Holdings Limited ("Wealthy Aim"). As the entire issued share capital of Wealthy Aim is held by Broad Long Limited ("Broad Long"), which is held as to 100% by Mr. Dai Yongge, he is deemed to be interested in the Shares held by Wealthy Aim.
- (3) Mr. Dai Yongge is deemed to be interested in the shares held by his spouse, Ms. Zhang Xingmei.
- (4) These shares of the Company are held by Swift Fast Limited, which is wholly-owned by Mr. Wang Hongfang.
- (5) Ms. Zhang Xingmei holds the entire issued share capital of Win Spread Limited ("Win Spread"). Win Spread holds the entire issued share capital of Dili Group Holdings Company Limited ("Dili Group"). Dili Group holds 69.74% of the issued share capital of Shouguang Dili Agri-Products Group Company Limited ("Shouguang Dili"). Shouguang Dili holds the entire issued share capital of New Amuse Limited ("New Amuse"). New Amuse in turn holds 12,243,902,439 Shares in our Company. Accordingly, each of Ms. Zhang Xingmei, Win Spread, Dili Group and Shouguang Dili is deemed to be interested in the 12,243,902,439 Shares held by New Amuse.
- (6) Ms. Zhang Xingmei is deemed to be interested in the shares held by her spouse, Mr. Dai Yongge.
- (7) These shares of the Company are held by United Magic Limited, which is wholly-owned by Mr. Zhang Dabin.
- (8) These shares of the Company are held by Wonder Future Limited, which is wholly-owned by Ms. Wang Chunrong.
- (9) A total of 1,672,118 shares consist of both ordinary shares and class A preference shares with the same voting rights.

Save as disclosed above, none of the directors or chief executives of the Company or their associates had, as at 30 June 2017, any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, the interests or short positions of the substantial shareholders (other than the directors or chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of director	Capacity	Number of issued shares/Nature of interest (note 1)	Approximate percentage of interest in the Company
Super Brilliant Investments Limited	Beneficial owner	15,383,738,082 (L)	34.99%
	Beneficial owner	66,556,293 (S)	0.15%
Shining Hill Investments Limited (note 2)	Interest in a controlled corporation	15,383,738,082 (L)	34.99%
	Interest in a controlled corporation	66,556,293 (S)	0.15%
New Amuse Limited	Beneficial owner	12,243,902,439 (L)	27.85%
Shouguang Dili Agri-Products Group Company Limited	Interest in a controlled corporation	12,243,902,439 (L)	27.85%
Dili Group Holdings Company Limited	Interest in a controlled corporation	12,243,902,439 (L)	27.85%
Win Spread Limited	Interest in a controlled corporation	12,243,902,439 (L)	27.85%

Notes:

- (1) The letter "L" denotes the person's long position in such shares, and the letter "S" denotes the person's short position in such shares.
- (2) Mr. Dai Yongge is interested in the entire issued share capital of Shining Hill which in turn is interested in the entire issued share capital of Super Brilliant and therefore, Mr. Dai Yongge and Shining Hill are deemed or taken to be interested in the shares beneficially owned by Super Brilliant for the purposes of the SFO.

Save as disclosed above and so far as the Directors are aware of, as at 30 June 2017, there was no other person, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

Other Information

(c) Share Option Scheme

The Company adopted a share option scheme on 25 August 2008. There were no outstanding share options as at 30 June 2017. No share options have been granted, exercised, cancelled and lapsed during the six months ended 30 June 2017.

Save as disclosed above, as at 30 June 2017, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company.

CHANGES IN DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

The changes in Directors' information as required to be disclosed pursuant to Rule 13.51B of the Listing Rules are set out as below:

Mr. Dai Yongge received a discretionary bonus of HK\$8,000,000 in August 2017.

Save as disclosed above, as at 30 June 2017 and the date of this interim report, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 2017.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, throughout the six months ended 30 June 2017, save and except for the following:

Under the Code provision E.1.2, the chairman of the board should attend the annual general meeting ("AGM"). The Chairman of the Board was unable to attend the AGM of the Company held on 22 June 2017 due to other business commitments. In absence of the Chairman, Mr. Wang Hongfang, an executive director of the Company, acted as the Chairman of the AGM. The Board will finalise and inform the date of the AGM as earliest as possible to make sure that the directors would attend the AGM of the Company in the future.

Save as disclosed above, there has been no deviation from the code provisions of the CG Code for the six months ended 30 June 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for directors' securities transactions. Upon specific enquiry made by the Company, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2017.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Listing Rules and the CG Code. The primary duty of the audit committee is to review and supervise the financial reporting process, risk management and internal control systems of the Group. The audit committee comprises three independent non-executive directors. The audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2017.



Independent Review Report

Review report to the board of directors of Renhe Commercial Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 18 to 38 which comprises the consolidated statement of financial position of Renhe Commercial Holdings Company Limited (the "Company") as at 30 June 2017 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 August 2017

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Continuing operation			
Revenue	3	504,838	523,182
Gross profit		504,838	523,182
Other income	4	58,488	63,738
Administrative expenses		(273,069)	(212,131)
Other operating expenses		(308,943)	(299,692)
Operating (loss)/profit from continuing operation		(18,686)	75,097
Finance income		2,198	404
Finance expenses		(120)	(11,717)
Net finance income/(expenses)	5(a)	2,078	(11,313)
(Loss)/profit from continuing operation before taxation	5	(16,608)	63,784
Income tax	6	(49,703)	(61,533)
(Loss)/profit from continuing operation		(66,311)	2,251
Discontinued operation			
Loss from discontinued operation, net of tax	14	–	(14,513,350)
Loss for the period		(66,311)	(14,511,099)



The notes on pages 18 to 38 form part of this interim financial report.



Consolidated Statement of Profit or Loss

For the six months ended 30 June 2017 – unaudited (continued)

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Attributable to:			
Equity shareholders of the Company		(66,311)	(14,493,380)
Non-controlling interests		–	(17,719)
Loss for the period		(66,311)	(14,511,099)
(Loss)/profit attributable to:			
Equity shareholders of the Company			
— Continuing operation		(66,311)	2,251
— Discontinued operation		–	(14,495,631)
		(66,311)	(14,493,380)
Non-controlling interests			
— Discontinued operation		–	(17,719)
Loss for the period		(66,311)	(14,511,099)
Basic and diluted (loss)/earnings per share (RMB cents)	7	(0.15)	(32.96)
From continuing operation		(0.15)	0.01
From discontinued operation		–	(32.97)

The notes on pages 18 to 38 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Loss for the period		(66,311)	(14,511,099)
Other comprehensive income for the period (after tax and reclassification adjustments):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operation		163,700	(96,811)
Total comprehensive income for the period		97,389	(14,607,910)
Attributable to:			
Equity shareholders of the Company		97,389	(14,590,191)
Non-controlling interests		–	(17,719)
Total comprehensive income for the period		97,389	(14,607,910)
Total comprehensive income for the period arises from:			
Continuing operation		97,389	101,143
Discontinued operation		–	(14,709,053)
Total comprehensive income for the period		97,389	(14,607,910)



The notes on pages 18 to 38 form part of this interim financial report.



Consolidated Statement of Financial Position

At 30 June 2017 – unaudited
(Expressed in Renminbi)

		At 30 June	At 31 December
		2017	2016
	<i>Note</i>	RMB'000	RMB'000
Non-current assets			
Property and equipment		683,089	683,893
Intangible assets	8	5,872,008	6,034,550
Goodwill	9	386,380	386,380
Other assets	12	–	21,682
Total non-current assets		6,941,477	7,126,505
Current assets			
Inventories	10	42,302	46,538
Trade receivables and other assets	11	93,453	1,852,670
Cash at bank and on hand	13	1,769,759	1,464,956
Total current assets		1,905,514	3,364,164
Current liabilities			
Trade and other payables	15	277,349	1,969,737
Taxation		42,125	50,262
Total current liabilities		319,474	2,019,999
Net current assets		1,586,040	1,344,165
Total assets less current liabilities		8,527,517	8,470,670

The notes on pages 18 to 38 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2017 – unaudited (continued)

(Expressed in Renminbi)

	Note	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Non-current liabilities			
Deferred tax liabilities	16	1,464,942	1,505,484
Total non-current liabilities		1,464,942	1,505,484
Net assets			
Capital and reserves			
Share capital	17	366,604	366,604
Reserves		6,695,971	6,598,582
Total equity attributable to equity shareholders of the Company		7,062,575	6,965,186

Approved and authorised for issue by the board of directors on 29 August 2017.

Dai Yongge
Chairman

Wang Hongfang
Director



The notes on pages 18 to 38 form part of this interim financial report.



Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000 Note 17(b)	Share premium RMB'000	Capital redemption reserve RMB'000	Capital surplus RMB'000	Reserve fund RMB'000	Exchange reserves RMB'000	Merger reserves RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2016	366,604	13,862,305	7,508	129,488	638,656	(271,466)	128,704	6,733,623	21,595,422	38,810	21,634,232
Changes in equity for the six months ended 30 June 2016:											
Loss for the period	-	-	-	-	-	-	-	(14,493,380)	(14,493,380)	(17,719)	(14,511,099)
Other comprehensive income	-	-	-	-	-	(96,811)	-	-	(96,811)	-	(96,811)
Total comprehensive income	-	-	-	-	-	(96,811)	-	(14,493,380)	(14,590,191)	(17,719)	(14,607,910)
Transfer to reserve fund	-	-	-	-	4,382	-	-	(4,382)	-	-	-
Balance at 30 June 2016	366,604	13,862,305	7,508	129,488	643,038	(368,277)	128,704	(7,764,139)	7,005,231	21,091	7,026,322

The notes on pages 18 to 38 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017 – unaudited (continued)

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000 Note 17(b)	Share premium RMB'000	Capital redemption reserve RMB'000	Capital surplus RMB'000	Reserve fund RMB'000	Exchange reserves RMB'000	Merger reserves RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 30 June 2016 and 1 July 2016	366,604	13,862,305	7,508	129,488	643,038	(368,277)	128,704	(7,764,139)	7,005,231	21,091	7,026,322
Changes in equity for the six months ended 31 December 2016											
Loss for the year	-	-	-	-	-	-	-	(90,529)	(90,529)	-	(90,529)
Other comprehensive income	-	-	-	-	-	50,484	-	-	50,484	-	50,484
Total comprehensive income	-	-	-	-	-	50,484	-	(90,529)	(40,045)	-	(40,045)
Disposal of discontinued operation	-	-	-	-	-	-	-	-	-	(21,091)	(21,091)
Transfer to reserve fund	-	-	-	-	58,792	-	-	(58,792)	-	-	-
Balance at 31 December 2016	366,604	13,862,305	7,508	129,488	701,830	(317,793)	128,704	(7,913,460)	6,965,186	-	6,965,186



The notes on pages 18 to 38 form part of this interim financial report.



Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017 – unaudited (continued)

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company									Total equity RMB'000
	Share capital RMB'000 Note 17(b)	Share premium RMB'000	Capital redemption reserve RMB'000	Capital surplus RMB'000	Reserve fund RMB'000	Exchange reserves RMB'000	Merger reserves RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Total RMB'000	
Balance at 1 January 2017	366,604	13,862,305	7,508	129,488	701,830	(317,793)	128,704	(7,913,460)	6,965,186	6,965,186
Changes in equity for the six months ended 30 June 2017:										
Loss for the period	-	-	-	-	-	-	-	(66,311)	(66,311)	(66,311)
Other comprehensive income	-	-	-	-	-	163,700	-	-	163,700	163,700
Total comprehensive income	-	-	-	-	-	163,700	-	(66,311)	97,389	97,389
Balance at 30 June 2017	366,604	13,862,305	7,508	129,488	701,830	(154,093)	128,704	(7,979,771)	7,062,575	7,062,575

The notes on pages 18 to 38 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Operating activities			
Cash generated from operations		58,638	191,363
Tax paid		(98,382)	(105,506)
Net cash (used in)/generated from operating activities		(39,744)	85,857
Investing activities			
Additions to investment properties		–	(54,840)
Purchase of property and equipment		(29,646)	–
Other cash flows generated from/(used in) investing activities		417,669	(78,213)
Cash and cash equivalents reclassified as asset held for sale		–	(166,490)
Net cash generated from/(used in) investing activities		388,023	(299,543)
Financing activities			
Proceeds from new borrowings		–	1,249,432
Repayment of borrowings		–	(382,042)
Repayment of senior notes		–	(1,053,051)
Interest paid		–	(333,714)
Payment of interest expense to a related party		–	(12,896)
Advances from a director	20(b)	1,445,026	–
Repayment to a director	20(b)	(1,487,800)	–
Net cash used in financing activities		(42,774)	(532,271)
Net increase/(decrease) in cash and cash equivalents		305,505	(745,957)
Cash and cash equivalents at 1 January	13	1,464,956	908,400
Effect of foreign exchange rates changes		(702)	3,323
Cash and cash equivalents at 30 June	13	1,769,759	165,766

The notes on pages 18 to 38 form part of this interim financial report.



Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

- (i) This interim financial report of Renhe Commercial Holdings Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (IASB). It was authorised for issue on 29 August 2017.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy stated in Note 1(ii) and the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) promulgated by the IASB.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG’s independent review report to the Board of Directors is included on page 17.

(ii) Discontinued operation

A discontinued operation is a component of the Group’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group.

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE

(a) Revenue from continuing operation

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Operating lease	118,744	115,232
Commission income	386,094	407,950
	504,838	523,182

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue during the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

(b) Segment reporting

The Group manages its business based on its business line, which are divided into development, lease and management of shopping mall and operation of agriculture wholesale markets since operation of agriculture wholesale markets business was acquired by the Group in July 2015.

In July 2016, the Group disposed the business line of development, lease and management of shopping mall, the profit or loss, assets and liabilities of continuing operation represent the single segment of operation of agriculture wholesale markets segment.

All of the Group's operation are located in the People's Republic of China (the "PRC"), therefore no geographical segment reporting is presented.





Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

4 OTHER INCOME FROM CONTINUING OPERATION

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Market services fee income	58,301	63,402
Net gain on disposal of property and equipment	146	236
Others	41	100
	58,488	63,738

5 (LOSS)/PROFIT FROM CONTINUING OPERATION BEFORE TAXATION

(a) Net finance income/(expenses)

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Finance income		
— Interest income on bank deposits	2,198	404
	2,198	404
Finance expenses		
— Interest on interest-bearing borrowings	—	(13,409)
— Net foreign exchange gain	209	2,149
— Bank charges and others	(329)	(457)
	(120)	(11,717)
	2,078	(11,313)

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

5 (LOSS)/PROFIT FROM CONTINUING OPERATION BEFORE TAXATION *(continued)*

(b) Other items

	Note	Six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Depreciation		23,413	21,221
Amortization	8	162,166	162,166
Advertisement expenses		14,220	1,157
Repairs and maintenance		9,667	9,079
Utility charges		19,342	15,675
Operating lease charges		68,261	68,063
Auditors' remuneration		1,900	1,709

6 INCOME TAX FROM CONTINUING OPERATION

Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Current tax		
PRC Enterprise Income Tax		
Provision for the period	89,755	101,823
Under-provision in respect of prior years	490	252
	90,245	102,075
Deferred tax		
Reversal and origination of temporary difference	(40,542)	(40,542)
	49,703	61,533

- (i) According to the Corporate Income Tax Law of the PRC, from 1 January 2008, the statutory income tax rate applicable to the Group's subsidiaries in the PRC is 25%.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (iii) No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the period.



Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

7 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB66,311,000 (six months ended 30 June 2016: loss of RMB14,493,380,000) and the weighted average of 43,966,100,000 ordinary shares (six months ended 30 June 2016: 43,966,100,000) in issue during the six months ended 30 June 2017.

During the six months ended 30 June 2017 and 2016, diluted loss per share is calculated on the same basis as basic loss per share.

Loss attributable to ordinary shareholders of the Company used in the basic and diluted loss per share calculations:

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
		<i>Re-presented</i>
From continuing operation	(66,311)	2,251
From discontinued operation	–	(14,495,631)
Loss attributable to ordinary equity shareholders	(66,311)	(14,493,380)

8 INTANGIBLE ASSETS

In connection with the acquisition occurred in July 2015, the Group (as lessee) entered into 20 years lease agreements with market owners of the agriculture wholesale markets (as lessor), according to which the rent to be paid is favourable as compared with the fair value of market rent. As at the acquisition date on 27 July 2015, the Group recognized these favourable term lease agreements as an intangible asset at its fair value amounting to RMB6,486,667,000 which is amortized on a straight-line basis over the contractual life of the lease agreements. The amortization charge for the six months ended 30 June 2017 of RMB162,166,000 is included in other operating expenses in the consolidated statement of profit or loss.

9 GOODWILL

Goodwill of RMB386,380,000 relates to the acquisition of agriculture wholesale markets business which was completed on 27 July 2015. No indications of impairment has been observed during the six months ended 30 June 2017.

10 INVENTORIES

	At 30 June	At 31 December
	2017	2016
	RMB'000	RMB'000
Trading goods	42,302	46,538

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

11 TRADE RECEIVABLES AND OTHER ASSETS

	<i>Note</i>	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Trade receivables	<i>(i)</i>	5,350	–
Deposits for acquisition	<i>(iii)</i>	–	400,000
Amounts due from related parties	<i>20(c)</i>	28,832	1,400,060
Others		59,271	52,610
		93,453	1,852,670
Less: allowance for doubtful debts	<i>(ii)</i>	–	–
		93,453	1,852,670

(i) Ageing analysis

Included in trade receivables and other assets are trade receivables with the following ageing analysis as of the end of the reporting period:

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Within 6 months	5,350	–





Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

11 TRADE RECEIVABLES AND OTHER ASSETS (continued)

(ii) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts is as follows:

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
At 1 January	–	157,537
Disposal of discontinued operation	–	(157,537)
Impairment loss recognised	–	–
At 30 June/31 December	–	–

(iii) Deposit for acquisition

The balance as at 31 December 2016 represented deposit for acquisition of new projects in the PRC. The acquisitions were not materialized and the deposits were refunded during the six months period ended 30 June 2017.

12 OTHER ASSETS

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Prepayments for construction	–	21,682

13 CASH AT BANK AND ON HAND

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Cash on hand	18,010	23,150
Cash at bank	1,751,749	1,441,806
	1,769,759	1,464,956

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

14 DISCONTINUED OPERATION

During the year 2016, the Company entered into a sale agreement to dispose of its shopping mall segment (the "Disposal"), which comprises 23 completed shopping malls, 11 shopping malls under construction and 10 shopping malls at the planning stage with relevant construction approvals obtained (collectively the "Disposal Group"). The Disposal contemplated under the sale agreement had been approved by the independent shareholders of the Company at the Extraordinary General Meeting held on 18 May 2016. As a result, all the legal obstacles for the completion of the Disposal had been cleared and majority of the condition precedents to the sale agreement had been fulfilled by both parties as at 30 June 2016. Consequently, a provision in respect of the disposal loss has been recognised as at 30 June 2016. The Disposal was completed on 8 July 2016, the controlling shareholder of the Company acquired the Disposal Group at a consideration of RMB6.5 billion.

15 TRADE AND OTHER PAYABLES

		At 30 June 2017	At 31 December 2016
	<i>Note</i>	RMB'000	RMB'000
Receipts-in-advance		85,179	141,639
Construction payables	<i>(i)</i>	58,022	83,543
Other taxes payable		4,465	6,854
Deposits	<i>(ii)</i>	89,674	133,253
Amounts due to related parties	<i>20(c)</i>	4,063	1,560,243
Salary and welfare expenses payable		9,851	17,801
Professional service fee payables		19,083	12,061
Others		7,012	14,343
		277,349	1,969,737

(i) The ageing analysis of construction payables at the end of the reporting period is as follows:

	At 30 June 2017	At 31 December 2016
	RMB'000	RMB'000
Due within one year or on demand	58,022	83,543

(ii) These mainly represent deposits paid by tenants for the privilege to renew the operating lease contracts upon expiry, and deposits collected from customers to facilitate the payment process of agriculture wholesale markets while using the transaction settlement system.



Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

16 DEFERRED TAX LIABILITIES

The component of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the period are as follows:

	Tax losses	Revaluation of investment properties	Deferred tax liabilities arising from business combination	Discount effect of trade receivables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2016	121,674	(2,343,612)	(2,266,303)	15,658	(4,472,583)
Credited/(charged) to profit or loss	1,348	138,635	92,200	(862)	231,321
Disposal of discontinued operation	(123,022)	2,204,977	668,619	(14,796)	2,735,778
At 31 December 2016	–	–	(1,505,484)	–	(1,505,484)
At 1 January 2017	–	–	(1,505,484)	–	(1,505,484)
Credited to profit or loss	–	–	40,542	–	40,542
At 30 June 2017	–	–	(1,464,942)	–	(1,464,942)

Deferred tax liabilities mainly represent the deferred tax liabilities recognised as a result of the acquisition of agriculture wholesale markets business in July 2015. It was reversed in line with the amortization of the intangible asset identified during the acquisition.

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders attributable to the interim period

There was no interim dividend declared attributable to the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

The directors of the Company did not recommend the payment of a final dividend attributable to the previous financial years during the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Share capital

	At 30 June 2017		At 31 December 2016	
	Number of shares '000	RMB'000	Number of shares '000	RMB'000
Authorised:				
Ordinary shares of HKD0.01 each	80,000,000		80,000,000	
Issued and fully paid:				
At 1 January	43,966,100	366,604	43,966,100	366,604
At 30 June/31 December	43,966,100	366,604	43,966,100	366,604

18 OPERATING LEASE

(a) Leases as lessor

The future minimum lease payments under non-cancellable operating leases for continuing operation are receivable as follows:

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Less than one year	79,847	134,496

(b) Leases as lessee

Non-cancellable operating lease rentals of continuing operation are payable as follows:

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Less than one year	123,212	128,610
Between one and five years	501,391	496,593
More than five years	1,688,351	1,749,877
	2,312,954	2,375,080



Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

19 CAPITAL COMMITMENTS

As at 30 June 2017 and 31 December 2016, the Group has the following commitments not provided for in the financial statements:

	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
Contracted for	15,045	11,679
Authorised but not contracted for	–	8,000
	15,045	19,679

20 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Salaries and other emoluments	36,917	43,212
Retirement plan contributions	70	145
	36,987	43,357

(b) Material related party transactions

	Six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Operating lease expense to related parties	49,889	49,749
Lease prepayment to related parties	(8,720)	–
Interest expense	–	13,143
Advances from a director	1,445,026	1,155,475
Repayment to a director	(1,487,800)	–
Guarantee revoked from directors	–	163,280
Guarantee revoked from key management personnel	–	7,500

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

20 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Related party balances

	Note	At 30 June 2017 RMB'000	At 31 December 2016 RMB'000
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Amounts due to relate parties			
— A director		–	(1,487,800)
— Entities under control of Ms. Zhang Xingmei**		(4,063)	(72,443)
	15	(4,063)	(1,560,243)
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Amounts due from related parties			
— Entities under control of Ms. Zhang Xingmei**		28,832	139,284
— Entities under control of Mr. Dai Yongge*		–	1,260,776
	11	28,832	1,400,060
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		24,769	(160,183)
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* Mr. Dai Yongge, a Director and the chairman of the Company.

** Ms. Zhang Xingmei, a non-executive Director of the Company and the spouse of Mr. Dai Yongge.

