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(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2868)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2016	
Revenue	RMB4,907,908,000
Gross profit	RMB510,593,000
Profit attributable to owners of the Company	RMB519,616,000
Earnings per share	RMB17 cents
The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2016.	

The board of directors (“the Board”) of Beijing Capital Land Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2016 and comparative figures of 2015, which have been prepared in accordance with the Accounting Standards for Business Enterprises.

The 2016 consolidated interim financial information of the Group has not been audited but has been reviewed by the Audit Committee and approved by the Board of the Company on 19 August 2016.

CONSOLIDATED INCOME STATEMENTS

(All amounts in thousands of RMB unless otherwise stated)

		Six months ended 30 June 2016	Six months ended 30 June 2015
	Note	Unaudited	Unaudited
Revenue	3	4,907,908	5,447,244
Less: Cost of sales	3	(4,135,444)	(4,389,373)
Taxes and surcharges	4	(384,092)	(402,804)
Selling and distribution expenses		(254,479)	(291,948)
General and administrative expenses		(183,802)	(179,858)
Financial income — net		150,274	57,581
Asset impairment losses		—	(93,443)
Add: Gains arising from changes in fair value		891,400	1,081,321
Investment income		308,484	148,233
Including: Share of profit of associates and joint ventures		218,976	69,208
Operating profit		1,300,249	1,376,953
Add: Non-operating income		61,583	78,724
Including: Gains on disposal of non-current assets		134	176
Less: Non-operating expenses		(3,015)	(29,099)
Including: Losses on disposal of non-current assets		(35)	—
Profit before income tax		1,358,817	1,426,578
Less: Income tax expenses	6	(275,795)	(415,512)
Profit for the period		1,083,022	1,011,066
Attributable to:			
— Owners of the Company		519,616	503,293
— Non-controlling interests		563,406	507,773
Earnings per share for profit attributable to owners of the Company	7		
— Basic earnings per share (RMB Yuan)		0.17	0.25
— Diluted earnings per share (RMB Yuan)		0.17	0.25

CONSOLIDATED INCOME STATEMENTS (Continued)*(All amounts in thousands of RMB unless otherwise stated)*

	Six months ended 30 June 2016 Unaudited	Six months ended 30 June 2015 Unaudited
Net profit	1,083,022	1,011,066
Other comprehensive income for the period, net of tax	(46,060)	8,671
Items that may be reclassified to profit or loss	(46,060)	8,671
— Changes in fair value of available-for-sale financial assets	(1,790)	6,306
— Recycling of changes in fair value of investment properties previously recognized in other comprehensive income	(30,329)	—
— Currency translation differences	10,795	(9,877)
— Effective portion of cash flow hedges	(24,736)	12,242
Total comprehensive income	<u>1,036,962</u>	<u>1,019,737</u>
Attributable to:		
— Owners of the company	473,556	511,964
— Non-controlling interests	<u>563,406</u>	<u>507,773</u>

CONSOLIDATED BALANCE SHEETS

(All amounts in thousands of RMB unless otherwise stated)

		30 June 2016	31 December
	<i>Note</i>	Unaudited	2015
			Audited
Current assets			
Cash at bank and on hand		13,156,251	17,747,986
Financial assets at fair value through profit or loss		202,637	228,266
Notes receivable		100	1,811
Accounts receivable	9	680,560	671,044
Advances to suppliers		6,284,002	585,740
Interest receivable		22,828	19,980
Dividends receivable		26,530	21,825
Other receivables		2,588,088	2,509,853
Inventories		61,580,118	58,089,148
Current portion of non-current assets		521,664	593,030
Assets of disposal group classified as held for sale		9,921	9,921
Other current assets		2,630,440	2,180,922
		<hr/>	<hr/>
Total current assets		87,703,139	82,659,526
		<hr/>	<hr/>
Non-current assets			
Available-for-sale financial assets		84,057	86,444
Long-term equity investments		5,860,826	5,515,566
Investment properties		11,918,843	10,373,033
Fixed assets		133,366	136,727
Long-term receivables		2,600,459	2,283,991
Goodwill		172,137	172,137
Long-term prepaid expenses		91,020	104,573
Deferred income tax assets		690,535	469,401
Other non-current assets		600,839	–
		<hr/>	<hr/>
Total non-current assets		22,152,082	19,141,872
		<hr/>	<hr/>
TOTAL ASSETS		109,855,221	101,801,398
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CONSOLIDATED BALANCE SHEETS (Continued)
(All amounts in thousands of RMB unless otherwise stated)

	<i>Note</i>	30 June 2016 Unaudited	31 December 2015 Audited
Current liabilities			
Short-term borrowings		2,888,776	3,005,029
Notes payable		86,085	39,476
Accounts payable	10	4,830,834	6,197,916
Advances from customers		16,962,276	12,678,775
Employee benefits payable		54,500	199,294
Taxes payable		1,699,899	2,234,615
Interest payable		442,661	330,095
Dividends payable		495,822	197,803
Other payables		3,769,149	3,032,293
Current portion of non-current liabilities		<u>10,867,755</u>	<u>6,756,707</u>
Total current liabilities		<u>42,097,757</u>	<u>34,672,003</u>
Non-current liabilities			
Long-term borrowings		21,254,462	24,106,490
Debentures payable		16,478,380	12,481,249
Long-term payables		5,206,675	5,508,075
Deferred income tax liabilities		1,735,589	1,341,408
Derivation financial liabilities		<u>115,610</u>	<u>55,601</u>
Total non-current liabilities		<u>44,790,716</u>	<u>43,492,823</u>
Total liabilities		<u>86,888,473</u>	<u>78,164,826</u>
Equity			
Paid-in capital		3,027,960	3,027,960
Capital reserve		2,297,681	2,483,656
Other comprehensive income		491,481	537,541
Surplus reserve		499,806	495,150
Retained earnings		<u>6,689,893</u>	<u>6,780,525</u>
Total equity attributable to owners of the Company		<u>13,006,821</u>	13,324,832
Non-controlling interests		<u>9,959,927</u>	<u>10,311,740</u>
Total equity		<u>22,966,748</u>	<u>23,636,572</u>
TOTAL LIABILITIES AND EQUITY		<u><u>109,855,221</u></u>	<u><u>101,801,398</u></u>

(All amounts in thousands of RMB unless otherwise stated)

NOTES:

1. BASIS OF PREPARATION

The financial statements are prepared in accordance with the Accounting Standard for Business Enterprises — Basic Standard, the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as “the Accounting Standard for Business Enterprises” or “CAS”).

The financial statements are prepared on a going concern basis.

2. SEGMENT INFORMATION

The reportable segments of the Group are the business units that provide different products or service, or operate in different areas. Different businesses or areas require different marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and values their operating results respectively, in order to make decisions about resources allocation to these segments and to assess their performance.

The Group identified six reportable segments as follows:

- Beijing segment, which is mainly engaged in real estate development and sales in Beijing region.
- Tianjin segment, which is mainly engaged in real estate development and sales in Tianjin region.
- Chengyu segment, which is mainly engaged in real estate development and sales in Chengdu and Chongqing region.
- Shanghai segment, which is mainly engaged in real estate development and sales in Shanghai region.
- Other segment, which is mainly engaged in real estate development and sales in other regions, including Wuxi, Shenyang, Xi’an, Jiangyin, Huzhou, Wanning and etc.
- Investment property segment, which is mainly engaged in the investment property operations.

The Group disposed the operation of hotel services in 2015 and the hotel segment is no longer included for the six months ended 30 June 2016. In addition, due to the substantial expansion of the property development projects in Shanghai, it becomes a core business unit of the group and constitutes an individual reporting segment. The segment information as at 31 December 2015 and for the six months ended 30 June 2015 were restated accordingly.

Inter-segment transfer prices are measured by reference to sales to third parties. Expenses indirectly attributable to each segment are allocated to the segments based on the proportion of each segment’s revenue.

(All amounts in thousands of RMB unless otherwise stated)

(1) Segment information for the six months ended 30 June 2016 and as at 30 June 2016 are as follows:

	Real estate development and sales						Investment properties	Unallocated	Inter-segments Elimination	Total
	Beijing	Shanghai	Tianjin	Chengyu	Others					
Revenue from external customers	1,174,459	73,129	2,069,796	482,079	1,012,267	96,178	-	-	4,907,908	
Inter-segment revenue	-	-	-	-	-	-	-	-	-	
Cost of sales from main operation	(945,881)	(63,169)	(1,777,760)	(450,195)	(896,721)	-	-	-	(4,133,726)	
Interest income	130,848	4,560	51,121	970	19,140	879	194,697	(63,502)	338,713	
Interest expenses	(52,394)	(179)	(2,247)	(18,524)	(33,481)	(99,232)	(45,259)	63,502	(187,814)	
Share of profit/(losses) of associates and joint ventures	38,155	(7,000)	(1,919)	51,154	4,762	133,824	-	-	218,976	
Asset impairment loss	-	-	-	-	-	-	-	-	-	
Depreciation and amortization	(2,781)	(305)	(988)	(174)	(774)	(19,830)	(1,414)	-	(26,266)	
Profit/(loss) before income tax	434,719	(17,132)	141,786	(21,040)	(75,968)	823,657	72,795	-	1,358,817	
Income tax expenses	(31,253)	3,329	(33,266)	589	13,088	(207,337)	(20,945)	-	(275,795)	
Profit/(loss) for the period	403,466	(13,803)	108,520	(20,451)	(62,880)	616,320	51,850	-	1,083,022	
Non-current assets in total (excluding deferred income tax assets and financial assets)	698,136	58,678	34,661	772	158,219	12,106,018	595,882	(736,161)	12,916,205	
Total assets	100,831,356	28,129,221	27,981,922	7,769,425	24,748,045	12,741,996	34,285,541	(126,632,285)	109,855,221	
Total liabilities	(87,086,162)	(23,925,105)	(24,399,293)	(5,006,914)	(18,673,305)	(5,148,772)	(32,024,270)	109,375,348	(86,888,473)	
Long-term equity investments on associates and joint ventures	3,000,326	205,108	554,896	1,068,568	623,455	408,473	-	-	5,860,826	
Increase to other non-current assets other than long-term equity investments	2,082	84	1,029	-	416	1,557,791	-	-	1,561,402	

The business and operations of the Company and its principal subsidiaries are mainly located in China. For the six months ended 30 June 2016, the Group has no revenue generated from overseas transaction nor from a single significant customer.

As at 30 June 2016, the Group's non-current assets (excluding financial assets and deferred tax assets) located in other countries amounted to RMB133,209,000.

(All amounts in thousands of RMB unless otherwise stated)

(2) Segment information for the six months ended 30 June 2015 and as at 31 December 2015 are as follows:

(a) Segment information for the six months ended 30 June 2015

	Real estate development and sales							Hotel	Unallocated	Inter-segments Elimination	Total
	Beijing	Shanghai	Tianjin	Chengyu	Others	Investment properties					
Revenue from external customers	1,408,650	-	1,564,051	487,302	1,878,449	66,567	42,225	-	-	5,447,244	
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	
Cost of sales from main operation	(1,112,563)	-	(1,321,182)	(429,779)	(1,486,173)	-	(38,029)	-	-	(4,387,726)	
Interest income	185,280	334	4,545	1,737	59,335	27,250	103	53,342	(199,404)	132,522	
Interest expenses	(73,947)	(103)	(8,402)	(292)	(28,395)	(43,770)	(21,546)	(117,151)	199,404	(94,202)	
Share of profit/(losses) of associates and joint ventures	64,064	(10)	(4,848)	-	7,817	2,185	-	-	-	69,208	
Asset impairment loss	-	-	(8,631)	-	(84,812)	-	-	-	-	(93,443)	
Depreciation and amortization	(3,035)	(190)	(549)	(167)	(1,952)	(8,541)	(11,486)	(6,373)	-	(32,293)	
Profit/(loss) before income tax	120,074	(9,525)	233,667	55,977	181,611	879,482	(18,970)	(15,738)	-	1,426,578	
Income tax expenses	(8,666)	2,381	(62,406)	(13,614)	(60,680)	(235,304)	-	(37,223)	-	(415,512)	
Profit/(loss) for the period	<u>111,408</u>	<u>(7,144)</u>	<u>171,261</u>	<u>42,363</u>	<u>120,931</u>	<u>644,178</u>	<u>(18,970)</u>	<u>(52,961)</u>	<u>-</u>	<u>1,011,066</u>	

(b) Segment information as at 31 December 2015

	Real estate development and sales							Hotel	Unallocated	Inter-segments Elimination	Total
	Beijing	Shanghai	Tianjin	Chengyu	Others	Investment properties					
Non-current assets in total (excluding deferred income tax assets and financial assets)	1,269,459	1,541	749,027	945	189,825	10,373,033	1,263,819	(777,188)		13,070,461	
Total assets	93,891,718	15,124,039	25,886,687	8,913,138	21,259,838	11,763,624	31,990,210	(107,027,856)		101,801,398	
Total liabilities	(78,901,599)	(14,963,531)	(21,962,658)	(6,131,209)	(16,178,573)	(4,759,269)	(29,645,036)	94,377,049		(78,164,826)	
Long-term equity investments in associates and joint ventures	2,948,375	182,900	525,575	1,018,922	649,554	190,240	-	-		5,515,566	
Increase to non-current assets other than long-term equity investments	<u>216,510</u>	<u>550</u>	<u>714,369</u>	<u>710</u>	<u>426,342</u>	<u>3,176,131</u>	<u>392,103</u>	<u>-</u>		<u>4,926,715</u>	

For the six months ended 30 June 2015, The Group has no revenue generated from overseas transaction nor from a single significant customer.

As at 31 December 2015, the Group's non-current assets (excluding financial assets and deferred tax assets) located in other countries amounted to RMB121,130,000.

(All amounts in thousands of RMB unless otherwise stated)

3. REVENUE AND COST OF SALES

	Six months ended 30 June 2016	Six months ended 30 June 2015
Revenue from main operations (a)	4,852,584	5,429,482
Revenue from other operations (b)	55,324	17,762
Total	<u>4,907,908</u>	<u>5,447,244</u>
	Six months ended 30 June 2016	Six months ended 30 June 2015
Cost of sales from main operations (a)	4,133,726	4,387,726
Cost of sales from other operations (b)	1,718	1,647
Total	<u>4,135,444</u>	<u>4,389,373</u>

(a) Revenue and cost of sales from main operations

	Six months ended 30 June 2016		Six months ended 30 June 2015	
	Main operating revenue	Main operating costs	Main operating revenue	Main operating costs
Sale of properties	4,744,207	4,133,726	5,302,980	4,349,697
Consulting services	12,199	–	17,710	–
Rental revenue of investment properties	96,178	–	66,567	–
Hotel operations	–	–	42,225	38,029
Total	<u>4,852,584</u>	<u>4,133,726</u>	<u>5,429,482</u>	<u>4,387,726</u>

(b) Revenue and cost of sales from other operations

	Six months ended 30 June 2016		Six months ended 30 June 2015	
	Other operating revenue	Other operating costs	Other operating revenue	Other operating costs
Other operations	<u>55,324</u>	<u>1,718</u>	<u>17,762</u>	<u>1,647</u>

(All amounts in thousands of RMB unless otherwise stated)

4. TAX AND SURCHARGES

	Six months ended 30 June 2016	Six months ended 30 June 2015
Business tax	220,132	279,505
Land appreciation tax	122,221	84,098
Others	41,739	39,201
	<u>384,092</u>	<u>402,804</u>

5. GROSS PROFIT

	Six months ended 30 June 2016	Six months ended 30 June 2015
Revenue	4,907,908	5,447,244
Less: Cost of sales	(4,135,444)	(4,389,373)
Business tax	(220,132)	(279,505)
Other tax	(41,739)	(39,201)
	<u>510,593</u>	<u>739,165</u>

6. INCOME TAX EXPENSES

PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable PRC income tax rate is 25% (for the six months ended 30 June 2015: 25%).

According to the current tax law in Hong Kong, profit tax in Hong Kong is calculated by 16.5% of taxable profit. Except for several subsidiaries in Hong Kong are subject to Hong Kong profits tax, other subsidiaries in Hong Kong have no Hong Kong taxable profits.

Withholding income tax should be charged against income from taxable dividends of non-resident enterprises in mainland China and investments disposal in mainland China with the tax rate of 5%-10% according to the relevant laws and regulations in the PRC.

(All amounts in thousands of RMB unless otherwise stated)

The amount of taxation charged to the consolidated income statement represents:

	Six months ended 30 June 2016	Six months ended 30 June 2015
Current income tax	102,151	179,390
Deferred income tax	173,644	236,122
	<hr/>	<hr/>
Total	275,795	415,512
	<hr/> <hr/>	<hr/> <hr/>

Reconciliations from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses are listed below:

	Six months ended 30 June 2016	Six months ended 30 June 2015
Total profit	1,358,817	1,426,578
	<hr/>	<hr/>
Income tax expenses calculated at applicable tax rates(25%)	339,704	356,645
Share of net profit of joint ventures and associates under equity method	(54,744)	(17,302)
Expenses, costs and losses not deductible for tax purposes	2,851	1,587
Profit not subject to tax	(24,973)	(53,788)
Utilisation of unrecognised tax losses in previous years	(12,288)	(42,217)
Distribution eligible for tax deduction	–	(10,643)
Deductible losses for which no deferred income tax asset was recognized	25,245	131,207
Impairment provision for which no deferred income tax asset was recognized	–	11,028
Impact of lower tax rate	–	(10,970)
Pay back tax of previous year	–	49,965
	<hr/>	<hr/>
Income tax expenses	275,795	415,512
	<hr/> <hr/>	<hr/> <hr/>

(All amounts in thousands of RMB unless otherwise stated)

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit attributable to owners of the company by the weighted average number of ordinary shares issued during the period:

	Six months ended 30 June 2016	Six months ended 30 June 2015
Consolidated net profit attributable to owners of the Company	519,616	503,293
Weighted average number of ordinary shares issued (thousands)	3,027,960	2,027,960
Basic earnings per share (RMB cents per share)	<u>17</u>	<u>25</u>
Including:		
— Basic earnings per share relating to continuing operations (RMB cents per Share)	<u>17</u>	<u>25</u>

Diluted earnings per share are equal to the basic earnings per share since the Company has no dilutive potential ordinary shares during the year.

8. DIVIDENDS

In accordance with the resolutions of shareholder's meeting on 29 April 2016, the Company distributed the cash dividends of 2015 to all shareholders with RMB 0.20 per share. The Company distributed cash dividends of RMB605,592,000, calculated at 3,027,960,000 issued shares (2015: 2014 dividend RMB0.25 per ordinary share and amounting to RMB506,990,000).

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2016 (For the six months ended 30 June 2015: Nil).

(All amounts in thousands of RMB unless otherwise stated)

9. ACCOUNTS RECEIVABLE

	30 June 2016	31 December 2015
Accounts receivable	687,560	678,044
Less: provision for bad debts	(7,000)	(7,000)
Receivables — net	<u>680,560</u>	<u>671,044</u>

Most sales of the Group are in the form of cash and advanced payment. Other sales are collected subject to the agreed terms on sales contract.

The ageing of accounts receivable based on their recording dates is analyzed as follows:

	30 June 2016	31 December 2015
Within 1 year	38,332	92,534
1 to 2 years	63,870	472,797
2 to 3 years	577,136	104,591
Over 3 years	8,222	8,122
Total	<u>687,560</u>	<u>678,044</u>

As at 30 June 2016, trade receivables amounted to RMB1,222,000(31 December 2015: RMB 1,222,000) are overdue but not impaired. Trade receivables amounted to RMB7,000,000(31 December 2015: RMB7,000,000) with the ageing of over three years is overdue and fully impaired at the amount of RMB7,000,000 (31 December 2015: RMB7,000,000).

The trade receivables classified by their categories are analyzed as follows:

	30 June 2016				31 December 2015			
	Amount	% of total amount %	Provision	% of the provision %	Amount	% of total amount %	Provision	% of the provision %
Individually significant and subject to separate assessment for provision for bad debts	7,000	1	(7,000)	100	7,000	1	(7,000)	100
Receivables that are subject to provision for bad debts on the grouping basis — Group of third parties	680,560	99	-	-	671,044	99	-	-
Total	<u>687,560</u>	<u>100</u>	<u>(7,000)</u>	<u>1</u>	<u>678,044</u>	<u>100</u>	<u>(7,000)</u>	<u>1</u>

(All amounts in thousands of RMB unless otherwise stated)

10. ACCOUNTS PAYABLE

The aging analysis of accounts payable is as follows:

	30 June 2016	31 December 2015
Within 1 year	4,010,302	4,756,088
Over 1 year	820,532	1,441,828
Total	<u>4,830,834</u>	<u>6,197,916</u>

11. NET CURRENT ASSETS

	30 June 2016	31 December 2015
Current assets	87,703,139	82,659,526
Less: Current liabilities	(42,097,757)	(34,672,003)
Net current assets	<u>45,605,382</u>	<u>47,987,523</u>

12. TOTAL ASSETS LESS CURRENT LIABILITIES

	30 June 2016	31 December 2015
Total assets	109,855,221	101,801,398
Less: Current liabilities	(42,097,757)	(34,672,003)
Total assets less current liabilities	<u>67,757,464</u>	<u>67,129,395</u>

(All amounts in thousands of RMB unless otherwise stated)

13. FINANCIAL GUARANTEES

The Group has arranged bank financing for certain customers and has provided guarantees to secure repayments obligations of these customers.

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be expired when relevant property ownership certificates are lodged with the various banks by the purchasers. As at 30 June 2016, outstanding guarantees amounted to RMB6,681,456,000 (31 December 2015: RMB6,902,006,000).

As at 30 June 2016 expect for the guarantees provided by the Company or certain subsidiaries for short-term borrowings, long-term borrowings, debentures payable Long-term payables and equity instruments acquired by the Group or joint ventures and associates, the Group has no other material external guarantee. The Group believes that the guarantees above will not have a significant impact on its financial position.

14. EVENTS AFTER THE BALANCE SHEET DATE

In July 2016, the Company successfully issued three-year private corporate bonds of RMB2 billion and five-year private corporate bonds of RMB1 billion, of which, the three-year bonds carries a coupon rate of 3.71% and the issuer shall be entitled to adjust the coupon rate and the investors to sell back the bonds at the end of the second year. The five-year bonds carries a coupon rate of 3.84% and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year. The bonds are unsecured and unguaranteed.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS AND DIVIDEND

During the first half of 2016, the Group's revenue totaled RMB4,907,908,000 (first half of 2015: RMB5,447,244,000), down 10% from the same period last year. Operating profit fell 6% year-on-year to RMB1,300,249,000 (first half of 2015: RMB1,376,953,000). Profit attributable to equity holders of the Company increase 3% year-on-year to RMB519,616,000 (first half of 2015: RMB503,293,000). Earnings per share (basic and diluted) were RMB17 cents (first half of 2015: RMB25 cents), representing a decrease of 32% compared with the first half of 2015. The Board resolved not to declare an interim dividend for the six months ended 30 June 2016.

PROPERTY SALES PERFORMANCE

During the first half of 2016, the total contracted sales area of the Group's projects totaled approximately 908,000 sq.m. Total contracted sales were RMB16.29 billion, up 34.4% from the same period last year. Average selling price was RMB17,932/sq.m., up 77.5% from the same period last year.

During the first half of 2016, the Group continued to strategically focus on core cities and effectively generated 94% of its total contracted sales from five core cities and the Australian market, representing a year-on-year increase of 9 percentage points. In particular, Beijing, Tianjin and Shanghai were the major sales drivers as their aggregate share of the total contracted sales reached 69%, representing a year-on-year increase of 11 percentage points. The Australian market, an important contributor of the Group's sales performance, accounted for 18% of the total contracted sales. The Group's newest market, Brisbane, which it just entered during the first half of 2016, contributed contracted sales of RMB1.07 billion, or 6.6% of the total contracted sales.

During the first half of 2016, the Group relentlessly strove to achieve "quality growth". The Group captured opportunities presented by the favorable market conditions, and launched projects at a balanced pace. In particular, the Group worked to ensure that key projects in Beijing, Tianjin and overseas market were launched successfully and in a timely fashion, and that the projects recorded high sell-through rates. At the same time, the Group stringently executed its sales strategy and made sure that a balance was maintained between transaction volumes and transaction prices. All of these efforts resulted in significant growth in both contracted sales and average selling price. In the first half of 2016, the Group placed substantial emphasis on launching its "Tian Yue" series, a high-end product line. The Tian Yue series was a strategic move to take advantage of the rare resources that the Group owns in core cities. In particular, the Group launched "Tian Yue Mansion", the apartment portion of the "Capital Center" project in the Lize Financial District of Beijing. The project was well-received and recorded RMB1.2 billion in contracted sales on the day it was launched. The apartments that were put on the market were almost sold out on the launch day. Other projects within "Tian Yue" series that will be launched in the second half include, "Capital of Western Village" and "Capital of Vision".

City	Contracted Sales Area (sq.m.)	Contracted Average Selling Price (RMB/sq.m.)	Contracted Sales Revenue (’000 RMB)
Beijing	167,455	25,345	4,244,202
Shanghai	101,447	23,439	2,377,825
Tianjin	294,419	15,391	4,531,414
Chongqing	94,589	6,620	626,146
Chengdu	49,554	10,562	523,409
Others	122,449	8,247	1,009,864
Sydney and Brisbane	78,333	37,958	2,973,360
Total	908,246	17,932	16,286,220

COMMERCIAL PROPERTY

During the first half of 2016, the Company continued to see robust performance in the outlets business. The four outlet projects had total sales of RMB1.25 billion, up 20% from the same period last year.

The Group signed an agreement to inject three existing outlet projects located in Fangshan, Huzhou and Kunshan into Capital Juda, the outlet operating platform of the Group. In addition, the Group also added three new outlet projects in Xi’an, Zhengzhou and Jinan during the period. As at the end of June 2016, The Group was the largest operator of outlet projects in China with 11 total projects nationwide, and the Group plans to grow and propel Capital Juda to become “The top Integrated Outlet Operator in China”. After injecting these mature and well-operated properties, Capital Juda is set to enlarge the scale of its current outlets business and improve its operating capabilities, which should help us generate more attractive returns for shareholders.

PROPERTY DEVELOPMENT

In the first half of 2016, the Group, together with its joint ventures and associated companies, completed construction of projects with an aggregate GFA of approximately 519,000 sq.m.

Project	Type	Approximate Completed GFA (sq.m.)	Attributable Interest
Beijing Passion World Phase 1	Commercial and Residential	26,474	100%
Beijing Enjoyable City Phase 1	Residential	134,751	100%
Tianjin International Peninsula Plot 8-2 Phase 3	Residential	123,752	100%
Tianjin Fortune Class Phase 5	Commercial	21,909	55%
Tianjin Capital City Phase 2	Residential	191,633	100%
Tianjin Amicable Mountain Phase 2	Residential	20,000	100%
Total		<u>518,519</u>	

Land Investment

During the first half of 2016, the Group continued to focus on core cities and acquired a number of quality projects in Beijing, Shanghai and Tianjin, while further expanding into overseas markets by entering Brisbane, the third largest city in Australia, where the Group cooperated with local developer, the Arden Property Group, through a joint venture. As of June 2016, the Group had added nine new investment projects with a total GFA of 1.21 million sq.m., or above ground GFA of 1.01 million sq.m., for an aggregate amount of RMB13.3 billion. Beijing, Shanghai and Tianjin accounted for 25%, 45% and 18% of the aggregate land investment, respectively.

In addition, in the first half of 2016, the Company entered into an agreement with its controlling shareholder, Beijing Capital Group, for the acquisition of the Capital Building and the Shijingshan Xihuang Village shantytown renovation project in Beijing, along with two residential development projects in Chongqing and Shenyang from Beijing Capital Group. As the Company is positioned as Beijing Capital Group's sole platform in the market-oriented property development segment, these transactions demonstrate Beijing Capital Group's firm commitment to support the Company, and these quality projects in core cities will strategically replenish the Company's prime land bank in core cities.

As at 30 June 2016, the Company possessed a land bank with an aggregate GFA of 11.59 million sq.m., and a total ground area of 9.41 million sq.m. The aggregate GFA attributable to the Company's equity interests was 8.66 million sq.m., and the ground area attributable to the Company's equity interests was 7.08 million sq.m. Of the total land bank, approximately 83% is for property development, and 17% is for investment properties and others. The existing land bank is considered to be sufficient for the Group's development over the coming three years.

EMPLOYEES

As at 30 June 2016, the Group employed 1,953 professionals with an average age of 33.3. In terms of education level, 73% of employees hold a bachelors degree or higher and 11% of employees hold a masters degree or higher. Employees with intermediate or senior professional titles accounted for 23%.

In the first half of 2016, the Group adhered to the principle of "Quality Growth," updated its business strategy, and adjusted its organizational structure in an effort to maintain the competitive advantage of the Group's core businesses and push the development of innovative businesses. Through consistent and deepened reform of the Group's organizational structure, Beijing Capital Land focused on core regions such as Beijing and Shanghai, improved product competitiveness, and strengthened cost control. The long-term goal of the organizational adjustment is to help the Group unleash its potential and build a robust platform for sustainable development.

The Group adopted strategy for human capital that is focused on attracting the highest quality talent in the industry. With an ever-evolving and ever-improving approach to talent management, the Group looked to lure top professionals from the industry. The Group also provided tailor-made training schemes to arm employees with skills that the Company's development strategy requires, and provided various learning platforms for employees to nurture leadership skills, sharpen professional expertise and foster innovation. The Group intends to build an efficient and competitive team of talent equipped with international vision, high professionalism and great versatility to provide intellectual support for the Group's sustainable growth.

Also, the Group promoted a corporate culture based on passion and trust, and fostered a working environment full of joy, collaboration and innovation. The Group also aims to further build cohesiveness within the Group and strengthen its position as an influential business leader, which should also help pave the way for future development.

OUTLOOK

Looking ahead to the second half of 2016, the macro economy is expected to remain stable, despite certain downward pressures. For the property sector, as future policies are likely to be stable, the industry will keep growing at a steady pace. The trend of regional divergence is set to remain, meaning first- and key second-tier cities as a whole will have great potential as demand for housing upgrades continues to rise, while third- and fourth-tier cities are likely to see strong destocking pressure.

During the second half of 2016, the Group will aim to achieve the following goals and strategic initiatives:

1. The Group will continue striving for “Quality Growth” by striking a balance between transaction prices and volumes, while also implementing prudent cost controls. To effectively realize this, the Group will ensure that projects are launched at a steady pace, and that new supply from key projects is sufficient. Improvements to the in-house sales team will be made and a centralized contract-signing center will be set up. Meanwhile, the Group aims to establish an integrated marketing management system that is synchronized with all other areas of the business, which will help to facilitate the contract-signing process and improve collections. The Group aims to achieve a full-year target of RMB38 billion in contracted sales.
2. The Group endeavors to manage its land bank prudently and acquire more high-grade land plots through various channels outside of public auctions. The Group intends to acquire potential primary land development projects and shantytown renovation projects by leveraging synergies with Being Capital Group’s business. The Group is also eyeing development opportunities alongside transportation lines in core cities, and renovation opportunities in industrial areas, both of which could both become exciting areas of potential.
3. Capital Juda will serve as an important platform that can help the Group further expand its presence nationwide. In the second half, the Group will look to integrate outlet projects by completing the injection of the Fangshan, Kunshan and Huzhou outlet projects. The Group is also committed to comprehensively integrating business resources in an innovative way by making full use of both online and offline platforms that can create better user experiences. These efforts are expected to help the Group establish its business across the value-chain around outlets business and further improve Capital Juda’s commercial operating capabilities. Additionally, the Group will fully utilize the advantage that Capital Juda provides as a red-chip platform for equity financing.
4. The Group will continue to expand its use of the bond market as liquidity is currently abundant. It will also look to control debt levels and roll over certain loans to optimize debt costs. In addition, the Group will proactively accelerate the process of its A-share listing application, enlarge the scale of its property funds, and explore innovative financing methods such as asset securitization. Furthermore, the Group will look to acquire new business resources that could become new profit drivers, and create synergies with its traditional businesses in an effort to upgrade and transform its overall business.

FINANCIAL ANALYSIS

1 Revenue and Operating Results

In the first half of 2016, revenue of the Group was approximately RMB4,907,908,000 (2015 1H: RMB5,447,244,000), representing a decrease of 10% from the first half of 2015. The decrease in revenue was mainly attributable to the decrease in projects completed and occupied during the period.

In the first half of 2016, the Group achieved a gross profit margin after business tax of approximately 10%, representing a decrease of 4 percentage points as compared to 14% in the first half of 2015, mainly attributable to a decrease in proportion of revenue from properties with higher gross profit margin in premier regions such as Beijing as compared to the first half of 2015.

In the first half of 2016, operating profit of the Group was approximately RMB1,300,249,000 (2015 1H: RMB1,376,953,000), representing a decrease of approximately 6% as compared to the first half of 2015.

2 Financial Resources, Liquidity and Liability Position

During the period of review, the Group maintained a healthy liquidity position and a reasonable appropriation of financial resources. As at 30 June 2016, the Group's total assets were RMB109,855,221,000 (31 December 2015: RMB101,801,398,000) and non-current assets were RMB22,152,082,000 (31 December 2015: RMB19,141,872,000); and total liabilities were RMB86,888,473,000 (31 December 2015: RMB78,164,826,000) of which, current liabilities were RMB42,097,757,000 (31 December 2015: RMB34,672,003,000) and non-current liabilities were RMB44,790,716,000 (31 December 2015: RMB43,492,823,000), and owners' equity was RMB22,966,748,000 (31 December 2015: RMB23,636,572,000).

The Group has sound liquidity and solvency. Current ratio of the Group as at 30 June 2016 was 2.08 (31 December 2015: 2.38).

As at 30 June 2016, the Group's cash and bank deposit amounted to RMB13,156,251,000 (31 December 2015: RMB17,747,986,000), which represented sufficient cash flow for operations.

Bank borrowings and debentures of the Group as at 30 June 2016 amounted to RMB51,489,373,000 (31 December 2015: RMB46,349,475,000), of which the long-term loan and debentures amounted to RMB37,732,842,000 (31 December 2015: RMB36,587,739,000), which were mainly used to satisfy the capital requirements of the Group's property development projects.

As at 30 June 2016, the Group's gearing ratio was approximately 79% (31 December 2015: 77%). The gearing ratio of the Group is calculated by the total liabilities divided by total assets.

3 Changes in major subsidiaries, principal jointly controlled entities and joint ventures

Juyuan Xincheng (Tianjin) Investment Management Co., Ltd. (聚源信誠(天津)投資管理有限公司), a subsidiary of the Group, was established in March 2016, and 100% of its equity interest was held by the Group.

Xian Shouju Commercial Development Management Co., Ltd. (西安首鉅商業開發管理有限公司), a subsidiary of the Group, was established in March 2016, and 92.56% of its net assets was held by the Group.

Juyuan Xincheng (Tianjin) Trading Co., Ltd. (聚源信誠(天津)商貿有限公司), a subsidiary of the Group, was established in April 2016, and 100% of its equity interest was held by the Group.

Beijing Yongyuanxing Real Estate Co., Ltd. (北京永源興置業有限公司), a subsidiary of the Group, was established in May 2016, and 100% of its equity interest was held by the Group.

Zhengzhou Juxin Outlets Industry Co., Ltd. (鄭州鉅信奧萊實業有限公司), a subsidiary of the Group, was established in May 2016, and 92.56% of its net assets was held by the Group.

During the period, the Group acquired 51% of equity interest in Shanghai Yujing Real Estate Co., Ltd. (上海裕憬房地產開發有限公司) (“Shanghai Yujing”) and its wholly-owned subsidiary, Shanghai Xuanxi Real Estate Co., Ltd. (上海暄熹房地產開發有限公司) (“Shanghai Xuanxi”).

During the period, the Group invested in the establishment of Tianjin Lianjin Real Estate Development Co., Ltd. (天津聯津房地產開發有限公司) (“Tianjin Lianjin”). Upon completion of the investment, the Group held 25% of equity interest in its joint venture, Tianjin Lianjin.

During the period, the Group reached an agreement with the other shareholder of its former subsidiary Beijing Shangbodi Investment Consultant Co., Ltd. (北京尚博地投資顧問有限公司) (“Shangbodi”) to exercise significant decision-making jointly. Upon the completion of amending the article of association, Shangbodi became a joint venture of the Group.

4 Entrusted Deposits and Overdue Time Deposits

As at 30 June 2016, the Group did not have any deposits under trusts in financial institutions in the PRC. All of the Group’s cash was held in commercial banks in PRC in accordance with applicable laws and regulations. The Group has no bank deposits which are not recoverable upon maturity.

5 Borrowings

As at 30 June 2016, bank loans of RMB66,500,000 (31 December 2015: nil) were secured by the guarantee provided by the Group for its subsidiaries, and pledged by trade receivables.

As at 30 June 2016, bank loans of RMB300,000,000 (31 December 2015: nil) were secured by the guarantee provided by the Group and other third parties for its subsidiaries, and secured by land use rights under development of the Group and pledged by equity interests of the Group.

As at 30 June 2016, bank loans of RMB2,882,625,000 (31 December 2015: RMB3,404,700,000) were secured by certain properties under development.

As at 30 June 2016, bank loans of RMB778,000,000 (31 December 2015: RMB809,000,000) were secured by fixed assets and land use rights.

As at 30 June 2016, bank loans of RMB3,134,472,000 (31 December 2015: RMB1,728,550,000) were secured by the guarantee provided by the Group for its subsidiaries.

As at 30 June 2016, bank loans of RMB5,417,532,000 (31 December 2015: RMB7,656,447,000) were secured by the guarantee provided by the Group for its subsidiaries, and secured by certain properties under development of the subsidiaries.

As at 30 June 2016, bank loans of RMB395,000,000 (31 December 2015: RMB440,000,000) were secured by the guarantee provided by the Group for its subsidiaries, and secured by investment properties of the subsidiaries and the relevant land use rights.

As at 30 June 2016, bank loans of RMB720,000,000 (31 December 2015: nil) were pledged by the corresponding income right of land use rights under development of the subsidiaries of the Group.

As at 30 June 2016, bank loans of RMB300,000,000 (31 December 2015: RMB600,000,000) were secured by the guarantee provided by the Group for its subsidiaries, and secured by land use rights under development of the subsidiaries of the Group and pledged by equity interests.

As at 30 June 2016, bank loans of RMB728,776,000 (31 December 2015: RMB694,029,000) were pledged by bank deposits of the Group.

As at 30 June 2016, bank loans of RMB50,000,000 (31 December 2015: RMB57,500,000) were pledged by the entire equity interests of and the income arising from primary land development of the Group.

As at 30 June 2016, bank loans of RMB5,117,000,000 (31 December 2015: RMB4,728,000,000) were credit loans obtained by the Group.

As at 30 June 2016, bank loans of RMB1,220,000,000 (31 December 2015: RMB1,220,000,000) were secured by the guarantee provided by Capital Group for the Group, and secured by land use rights under development of the Group.

As at 30 June 2016, bank loans of RMB1,280,000,000 (31 December 2015: RMB2,370,000,000) were pledged by the equity interests of subsidiaries held by the Group and the guarantee provided by the Group.

As at 30 June 2016, bank loans of RMB750,000,000 (31 December 2015: RMB760,000,000) were secured by the guarantee provided by Capital Group and the Group for its subsidiaries.

As at 30 June 2016, bank loans of RMB6,500,000,000 (31 December 2015: RMB8,200,000,000) were secured by the guarantee provided by Capital Group for the Group.

6 Corporate Bonds

In May 2015, the Group issued 5-year RMB bonds in a principal amount of RMB3,000,000,000 with an interest rate of 4.58% per annum.

In October 2015, the Group issued 3-year RMB private placement bonds in a principal amount of RMB2,500,000,000 with a prevailing interest rate of 4.7% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the second year.

In December 2015, the Group issued 3-year RMB private placement bonds in a principal amount of RMB2,500,000,000 with an interest rate of 4.78% per annum.

In April 2016, the Group issued 3-year RMB private placement bonds in a principal amount of RMB700,000,000 with a prevailing interest rate of 4% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the second year.

In April 2016, the Group issued 5-year RMB private placement bonds in a principal amount of RMB2,300,000,000 with a prevailing interest rate of 4.2% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year.

In June 2016, the Group issued 3-year RMB private placement bonds in a principal amount of RMB2,300,000,000 with a prevailing interest rate of 4.1% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the second year.

In June 2016, the Group issued 5-year RMB private placement bonds in a principal amount of RMB1,700,000,000 with a prevailing interest rate of 4.26% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the bonds at the end of the third year.

7 Note

In February 2014, Central Plaza Development Ltd. (“Central Plaza”), a subsidiary of the Group, established a Guaranteed Note and Perpetual Securities Programme (the “Programme”), guaranteed by International Financial Center Property Ltd. (“IFC”), a subsidiary of the Group, or, as the case may be, the Company, for securities to be issued thereunder. Under the Programme, Central Plaza may offer and issue securities in a principal amount of up to USD1,000,000,000.

In February 2014, Central Plaza made a drawdown under the Programme to offer and issue 3-year notes in a total principle amount of RMB2,000,000,000 at an interest rate of 5.75% per annum and 5-year notes of RMB250,000,000 at an interest rate of 6.875% per annum.

In April 2014, Central Plaza made a drawdown under the Programme to offer and issue 3-year notes in a total principle amount of RMB1,000,000,000 at an interest rate of 5.75% per annum to be consolidated and formed a single series with the 3-year notes of RMB2,000,000,000 with an interest rate of 5.75% per annum issued in February 2014.

In July 2015, Rosy Capital Global Limited (“Rosy Capital”), a subsidiary of the Group, issued 3-year RMB notes in a principal amount of RMB1,300,000,000 with an interest rate of 5.25% per annum, which were guaranteed by subsidiaries of the Group and a keepwell agreement provided by Capital Group.

8 Equity Instrument

As of 30 June 2016, Central Plaza issued a total amount of USD850,000,000 senior perpetual securities. Such securities were guaranteed by certain subsidiaries of the Group including IFC. Such securities have no maturity date and are redeemable at the option of Central Plaza as the issuer. Central Plaza as the issuer may elect to defer distribution with no times limits only if Central Plaza or the Company does not declare or pay a dividend. The securities are classified as equity instrument, where:

In April 2013, Central Plaza issued USD400,000,000 senior Perpetual Capital Securities at a distribution rate of 8.375%. In November 2014, Central Plaza issued USD450,000,000 perpetual securities under the Medium Term Note and Perpetual Securities Programme at a distribution rate of 7.125%.

In December 2014, Minsheng Royal raised a total amount of RMB650,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB580,125,000 after deducting the inevitable dividend payable in the foreseeable future. In June 2016, the assets management plan was settled.

In January 2015, Minsheng Royal raised a total amount of RMB1,080,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB963,900,000 after deducting the inevitable dividend payable in the foreseeable future. In June 2016, the Group declared that the assets management plan would be settled in July 2016, and the equity instrument was thus recognized as non-current liabilities due within one year.

In January 2015, Tiandi Fangzhong raised a total amount of RMB1,200,000,000. According to the terms of Investment Agreement, the amount of minority interests recognized amounted to RMB1,075,200,000 after deducting the inevitable dividend payable in the foreseeable future.

9 Contingent Liabilities

The Group had arranged bank facilities for certain purchasers of its properties and provided guarantees to secure the repayment obligations of such purchasers. The outstanding balances of guarantees amounted to RMB6,681,456,000 as at 30 June 2016 (31 December 2015: RMB6,902,006,000).

Such guarantees will terminate upon (i) the issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group transfers the ownership of the relevant property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate miscellaneous right certificate relating to the relevant property.

As at 30 June 2016, the Group provided guarantees for its subsidiaries' borrowing of RMB17,910,179,000 (31 December 2015: RMB20,263,072,000).

As at 30 June 2016, IFC, a subsidiary of the Group, provided guarantees for the corporate bonds of RMB3,250,000,000 and the Senior Perpetual Capital Securities of USD850,000,000 issued by Central Plaza, a subsidiary of the Group.

As at 30 June 2016, Capital Juda, a subsidiary of the Group, provided guarantees for the medium term notes of RMB1,300,000,000 issued by Rosy Capital, a subsidiary of the Group.

As at 30 June 2016, the Group provided guarantee for the assets management plan of RMB2,280,000,000.

As at 30 June 2016, the Group provided a guarantee amounted to RMB600,000,000 to Capital Jiaming New Town Investment and Development Ltd. ("Capital Jiaming") for a long term borrowing amounted to RMB1,200,000,000.

Save as the above, the Group had no other material external guarantee.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters, including the review of the unaudited interim report for the six months ended 30 June 2016.

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

During the six months ended 30 June 2016, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

LONG TERM INCENTIVE FUND SCHEME

On 27 September 2007, the Company had adopted the long term incentive fund scheme (the "Scheme") which was subsequently amended on 25 September 2009 and 14 March 2014 respectively. The Scheme is proposed to encourage the directors, supervisors, senior management and core staff members of the Company for closer ties of their personal interests with the interests of the Company and of the shareholders, as well as for alignment of their personal goals with the common goal of the Company.

For the six months ended 30 June 2016, the Company had through the trustee purchased 21,100,000 H Shares, representing approximately 2.0% of H Shares and approximately 0.7% of the entire issued share capital of the Company, from the stock market. The shares purchased have been held in trust by the trustee.

CORPORATE GOVERNANCE

During the period from 1 January 2016 to 30 June 2016, the Company has complied with all the code provisions of the "Corporate Governance Code and Corporate Governance Report" as set out in Appendix 14 to the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" (the "Listing Rules").

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code which is on terms no less exacting than the required standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") in Appendix 10 of the Listing Rules.

All directors have confirmed, following specific enquiry by the Company that they have complied with the required standards set out in the Model Code and the company code throughout the period.

By Order of the Board
Beijing Capital Land Ltd.
Lee Sze Wai
Company Secretary

Beijing, 19 August 2016

The Board as of the date of this announcement comprises Mr. Li Songping (Chairman) who is Non-Executive Director, Mr. Wang Hao and Mr. Tang Jun (President) who are the Executive Directors, Mr. Song Fengjing, Mr. Shen Jianping and Ms. Sun Baojie who are the Non-Executive Directors, Mr. Wang Hong, Mr. Li Wang and Mr. Wong Yik Chung, John who are the Independent Non-Executive Directors.