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WUZHOU INTERNATIONAL HOLDINGS LIMITED

五洲國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01369)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

FINANCIAL HIGHLIGHTS

- The Group's revenue for the six months ended 30 June 2016 was approximately RMB2,006 million, representing a decrease of 8.1% from approximately RMB2,182 million for the corresponding period in 2015.
- Rental income and commercial management service income for the six months ended 30 June 2016 amounted to approximately RMB106 million, representing an increase of approximately 15.5% as compared with the corresponding period in 2015.
- Gross profit decreased by 10.1% to approximately RMB609 million for the six months ended 30 June 2016 from approximately RMB677 million for the corresponding period in 2015.
- The Group's gross profit margin for the six months ended 30 June 2016 stably maintained at a high level of 30.3%.
- Profit after tax and total comprehensive income attributable to owners of the Company decreased by 67.6% to approximately RMB53 million for the six months ended 30 June 2016 from approximately RMB164 million for the corresponding period in 2015.

The board (the “**Board**”) of directors (the “**Directors**”) of Wuzhou International Holdings Limited (the “**Company**” or “**Wuzhou International**”) announces the unaudited financial results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2016 together with comparative figures for the corresponding period in 2015, as follows:

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2016	2015
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	2,005,884	2,181,940
Cost of sales		(1,397,291)	(1,504,775)
GROSS PROFIT		608,593	677,165
Other income and gains	5	93,197	77,058
Selling and marketing expenses		(117,163)	(164,880)
Administrative expenses		(157,485)	(219,457)
Other expenses		(76,246)	(7,709)
Increase in fair value of investment properties		151,678	143,399
Finance costs	6	(218,613)	(39,498)
Share of profits and losses of associates		(4,300)	(2,345)
PROFIT BEFORE TAX	7	279,661	463,733
Income tax expense	8	(199,912)	(317,578)
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		79,749	146,155
Attributable to:			
Owners of the parent		53,021	163,581
Non-controlling interests		26,728	(17,426)
		79,749	146,155
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB Cents)	10	1.06	3.49
Diluted (RMB Cents)	10	1.06	3.26

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2016

		30 June 2016 <i>RMB'000</i> (Unaudited)	31 December 2015 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		254,969	260,470
Investment properties		8,291,550	7,939,100
Intangible assets		3,428	3,914
Long-term deferred expenses		2,026	2,416
Investments in associates		28,069	29,997
Available-for-sale investment		950	950
Deferred tax assets		179,850	212,855
Total non-current assets		8,760,842	8,449,702
CURRENT ASSETS			
Inventories		12,993	6,553
Properties under development		4,314,490	4,705,991
Completed properties held for sale		3,057,262	3,053,952
Trade and bills receivables	11	30,585	25,738
Due from a related company		2,476	–
Prepaid land lease payments		1,190,127	1,222,788
Prepayments, deposits and other receivables		890,638	863,278
Tax recoverable		81,731	122,252
Restricted cash		52,944	154,210
Pledged deposits		1,796,702	1,391,220
Cash and cash equivalents		1,338,403	1,006,078
Total current assets		12,768,351	12,552,060
CURRENT LIABILITIES			
Trade and bills payables	12	3,181,229	3,677,178
Other payables, deposits received and accruals		1,077,435	1,036,728
Advances from customers		3,071,333	3,543,472
Derivative financial instruments		31,488	29,272
Convertible notes		618,584	573,578
Interest-bearing bank and other borrowings		3,523,016	2,793,739
Tax payable		784,075	733,282
Total current liabilities		12,287,160	12,387,249
NET CURRENT ASSETS		481,191	164,811

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	30 June 2016 <i>Notes</i> RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	9,242,033	8,614,513
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	2,641,932	2,165,691
Senior notes	2,025,877	1,976,608
Deferred tax liabilities	482,473	456,331
Total non-current liabilities	5,150,282	4,598,630
NET ASSETS	4,091,751	4,015,883
EQUITY		
Equity attributable to owners of the Parent		
Share capital	313,354	313,354
Reserves	3,293,615	3,244,929
	3,606,969	3,558,283
Non-controlling interests	484,782	457,600
TOTAL EQUITY	4,091,751	4,015,883

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2016

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 22 June 2010 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 13 June 2013.

The head office and principal place of business of the Company in Hong Kong is located at Unit 5105, 51/F, The Center, 99 Queen's Road Central, Hong Kong.

During the period ended 30 June 2016, the Group was principally involved in property development, property investment and the provision of property management services.

In the opinion of the directors, the ultimate holding company of the Company is Boom Win Holding Limited ("**Boom Win**"), which was incorporated in the British Virgin Islands. The ultimate controlling parties of the Group are Mr. Shu Cecheng and Mr. Shu Cewan (the "**Shu Brothers**" or "**Controlling Shareholders**").

2. BASIS OF PREPARATION

The interim financial information for the six months ended 30 June 2016 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "**IASB**").

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2015.

All intra-group transactions and balances have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new and revised standards and interpretations effective for annual periods beginning on or after 1 January 2016. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards (“IFRSs”, which also include IASs and interpretations) that are relevant to the Group’s operation for the preparation of the Group’s financial information:

- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operation
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Annual Improvements 2012-2014 Cycle: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting
- Amendments to IAS 1 Disclosure Initiative
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The adoption of these new and revised IFRSs has had no significant financial effect on this interim financial information and there have been no significant changes to the accounting policies applied in this interim financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the property management and investment segment engages in providing commercial management services, property management services and investing in properties for their rental income potential and/or for capital appreciation; and
- (c) the others segment engages in department store operations and providing consulting services.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit before tax from continuing operations.

No geographical information is presented as the Group’s revenue from external customers is derived solely from its operations in Mainland China and no non-current assets of the Group are located outside Mainland China.

No information about major customers is presented as no sales to a single customer individually contributed to over 10% of the Group’s revenue for the six months ended 30 June 2016 and 2015.

Six months ended 30 June 2016	Property development (Unaudited) RMB'000	Property management and investment (Unaudited) RMB'000	Others (Unaudited) RMB'000	Adjustments and eliminations (Unaudited) RMB'000	Consolidated (Unaudited) RMB'000
Segment revenue					
Sales to external customers	1,844,323	107,868	59,902	(6,209)	2,005,884
Segment results	256,644	174,430	65,291	6,209	502,574
<i>Reconciliation:</i>					
Finance costs					(218,613)
Share of profits and losses of associates					(4,300)
Profit before tax					279,661
Other segment information					
Depreciation and amortisation	(7,319)	(1,406)	(1,720)	–	(10,445)
Increase in fair value of investment properties	–	151,678	–	–	151,678
Six months ended 30 June 2015	Property development (Unaudited) RMB'000	Property management and investment (Unaudited) RMB'000	Others (Unaudited) RMB'000	Adjustments and eliminations (Unaudited) RMB'000	Consolidated (Unaudited) RMB'000
Segment revenue					
Sales to external customers	2,041,078	98,295	61,255	(18,688)	2,181,940
Segment results	340,258	120,390	26,242	18,688	505,576
<i>Reconciliation:</i>					
Finance costs					(39,498)
Share of profits and losses of associates					(2,345)
Profit before tax					463,733
Other segment information					
Depreciation and amortisation	(10,443)	(1,505)	(2,881)	–	(14,829)
Increase in fair value of investment properties	–	143,399	–	–	143,399

5. REVENUE, OTHER INCOME AND EXPENSES

Revenue represents income from the sale of properties, rental income, commercial management service income, property consulting service income, property management service income and commissions from concessionaire sales for the six months ended 30 June 2016 and 2015.

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of properties	1,844,323	2,041,078
Rental income	59,988	42,412
Commercial management service income	46,019	49,343
Property consulting service income	24,671	32,275
Property management income	1,575	5,043
Commissions from concessionaire sales	3,597	3,845
Others	25,711	7,944
	2,005,884	2,181,940
Other income		
Subsidy income	48,902	51,557
Interest income	26,086	10,677
Gain on disposal of a subsidiary	15,991	–
Gain on disposal of items of property, plant and equipment (<i>note 7</i>)	636	119
Foreign exchange gains	–	9,045
Others	1,582	5,660
	93,197	77,058
Other expenses		
Foreign exchange differences (<i>note 7</i>)	62,946	–
Derivative instruments at fair value through profit or loss (<i>note 7</i>)	2,216	623
Donation expenditure	720	732
Loss on disposal of items of property, plant and equipment (<i>note 7</i>)	58	15
Others	10,306	6,339
	76,246	7,709

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	222,296	191,389
Interest on senior notes	144,152	88,225
Interest on convertible notes	56,061	46,479
Less: Interest capitalised	(203,896)	(286,595)
	218,613	39,498

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	1,352,473	1,397,622
Cost of property management service provided	440	4,469
Cost of property consulting service provided	3,000	12,868
Impairment loss recognised	2,399	39,809
Depreciation of items of property, plant and equipment	9,439	13,784
Amortisation of intangible assets	470	433
Amortisation of long-term deferred expenses	536	612
Gain on disposal of a subsidiary	15,991	–
Derivative instruments at fair value through profit or loss	2,216	623
Gain on disposal of items of property, plant and equipment	(578)	(104)
Direct operating expenses arising from rental earning properties and commercial management service provided	30,622	43,165
Auditors' remuneration	2,600	2,600
Employee benefit expense (including directors' remuneration):		
Wages and salaries	88,531	139,786
Pension scheme contributions and social welfare	21,745	31,094
Equity-settled share-based payment expenses	(881)	1,289
Foreign exchange differences, net	62,946	(9,045)

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income arising in Hong Kong for the six months ended 30 June 2016.

Subsidiaries of the Group operating in Mainland China are subject to PRC corporate income tax at a rate of 25%.

According to the requirements of the Provisional Regulations of the PRC on land appreciation tax (“LAT”) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interests on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation values, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

In addition, 無錫五洲國際裝飾城有限公司, 無錫中南置業投資有限公司, 無錫市崇安新城龍安置業有限公司 and 大理五洲國際商貿城有限公司 were subject to LAT which is calculated based on 3% to 8.34% of their revenue in accordance with “Wuxi Tax Circular No. (2009) 46” and “No. 1 (2010) Announcement of Dali tax bureau”.

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
PRC corporate income tax	75,386	88,603
LAT	65,379	99,330
Deferred tax	59,147	129,645
Total tax charge for the period	199,912	317,578

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the income tax expense at the effective income tax rate for the six months ended 30 June 2016 and 2015 is as follows:

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	279,661	463,733
At the statutory income tax rate	69,915	115,933
Expenses not deductible for tax	77,328	57,631
Utilisation of tax loss previously not recognised	(4,746)	(131)
Tax losses not recognised	7,306	67,114
Profits and losses attributable to associates	1,075	586
Withholding taxes on undistributed profits of the subsidiaries in the PRC	–	1,947
Provision for LAT	65,379	99,330
Tax effect on LAT	(16,345)	(24,832)
Tax charge for the period	199,912	317,578

9. DIVIDEND

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	53,021	163,581
Interest on convertible notes	–	5,630
Add: Fair value loss on the derivative component of the convertible notes	–	623
	<hr/>	<hr/>
Profit attributable to ordinary equity holders of the parent before interest on convertible notes	53,021	169,834
	<hr/>	<hr/>
	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	4,990,259,914	4,686,026,024
Effect of dilution – weighted average number of ordinary shares:		
Convertible notes	–	520,805,369
	<hr/>	<hr/>
	4,990,259,914	5,206,831,393
	<hr/>	<hr/>

11. TRADE AND BILLS RECEIVABLES

Trade and bills receivables represent rentals receivable from tenants, sales income and service income receivables from customers which are payable on presentation of invoices or in accordance with the terms of the related sales and purchase agreements. The credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade and bills receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables and bills receivable approximate to their fair values.

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

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000
Trade and bills receivables:		
Less than 3 months	26,653	19,883
4 to 6 months	3,932	5,855
	30,585	25,738

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables, based on the invoice date, is as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000
Less than 1 year	3,035,910	3,488,580
Over 1 year	145,319	188,598
	3,181,229	3,677,178

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

The economy in China in general steadily grew by 6.7% in the first half of 2016 over the same period in 2015. The central government and local governments have introduced easing monetary policies and favourable policies on real estate industry, constituting positive impacts on real estate industry. However, small and medium-sized enterprises remained cautious in investment in such sluggish economic environment and greater pressure of destocking was put on commercial real estate sector, posing challenges to the business operation of the Group.

BUSINESS REVIEW

I. Contracted sales

During the period under review, the Group recorded contracted sales and contracted sales area of approximately RMB2,236 million and approximately 355,000 square metres (“sq.m.”), representing decrease of 31.8% and 35.2% as compared with the same period of the previous year, respectively. Approximately RMB1,089 million and 193,000 sq.m. were from the sales of the trade logistics centers. Approximately RMB1,147 million and 161,000 sq.m. were from the sales of multi-functional commercial complexes.

Contracted sales of the Group, by geographical location, were mainly from Jiangsu Province and Jilin Province. The contracted sales and contracted sales area were approximately RMB874 million and RMB346 million, and approximately 141,000 sq.m. and 52,000 sq.m., respectively, accounting for 39% and 15%, and 40% and 15% of the total contracted sales amount and the total contracted sales area, respectively. Attributable to the market expansion strategy of the Group in other rapidly-developing cities, the contracted sales from other provinces and cities increased continuously, resulting in a more balanced income source in terms of geographical locations.

Region	Contracted sales amount		Contracted sales area	
	RMB million	Percentage (%)	'000 Sq.m.	Percentage (%)
Jiangsu Province	874	39.1	141	39.6
Jilin Province	346	15.5	52	14.6
Henan Province	265	11.8	45	12.7
Fujian Province	247	11.1	44	12.3
Zhejiang Province	214	9.6	16	4.7
Yunnan Province	150	6.7	23	6.6
Hubei Province	45	2.0	11	3.1
Inner Mongolia	38	1.7	8	2.3
Shandong Province	28	1.3	8	2.2
Liaoning Province	20	0.9	3	0.9
Heilongjiang Province	4	0.2	1	0.3
Chongqing Municipality	5	0.2	3	0.7
Total	2,236	100.0	355	100.0

II. Project development

As at 30 June 2016, the Group had 38 development projects in Jiangsu Province, Zhejiang Province, Shandong Province, Hubei Province, Yunnan Province, Heilongjiang Province, Jilin Province, Henan Province, Liaoning Province, Chongqing Municipality, Fujian Province and Inner Mongolia Autonomous Region, including 21 trade logistics centers and 17 multi-functional commercial complexes.

Completed projects

During the period under review, the Group completed a total of 31 projects or project phases with a total Gross Floor Area (“GFA”) of approximately 4,537,000 sq.m., including approximately 2,484,000 sq.m. of GFA sold and delivered and approximately 703,000 sq.m. of GFA held for lease.

List of completed projects:

Project name	City	Category	Interests of the Company	Total GFA (’000 sq.m.)	Total saleable GFA (’000 sq.m.)	GFA sold (’000 sq.m.)	GFA held for sale (’000 sq.m.)	GFA held for lease (’000 sq.m.)
Jiangsu province								
1 Wuxi Wuzhou International Ornamental City	Wuxi	Trade logistics center	100%	392	340	233	6	101
2 Wuxi Wuzhou International Industrial Exhibition City	Wuxi	Trade logistics center	100%	440	395	322	3	70
3 Wuxi Wuzhou International Columbus Plaza	Wuxi	Multi-functional commercial complex	64.3%	212	168	107	17	44
4 Wuxi Wuzhou International Chinese Food Culture Exposition City	Wuxi	Multi-functional commercial complex	62%	191	154	91	17	46
5 Meicun Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	90%	54	40	19	–	21
6 Yangjian Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	100%	142	105	69	18	18
7 Wuxi New District Columbus Plaza	Wuxi	Multi-functional commercial complex	100%	91	71	36	12	23
8 Luoshe Wuzhou International Columbus Dragon City	Wuxi	Multi-functional commercial complex	100%	52	38	16	7	15
9 Jianhu Wuzhou International Trade City	Jianhu	Trade logistics center	100%	107	105	84	21	–
10 Yancheng Wuzhou International Plaza	Yancheng	Multi-functional commercial complex	100%	127	99	59	16	24
11 Huian Wuzhou International Plaza	Huian	Multi-functional commercial complex	100%	147	110	50	6	54

Project name	City	Category	Interests of the Company	Total GFA ('000 sq.m.)	Total saleable GFA ('000 sq.m.)	GFA sold ('000 sq.m.)	GFA held for sale ('000 sq.m.)	GFA held for lease ('000 sq.m.)
12 Wuzhou International Automobile Exhibition City	Nantong	Trade logistics center	75%	109	108	60	48	–
13 Nantong Wuzhou International Plaza	Nantong	Multi-functional commercial complex	51%	360	255	171	22	62
14 Jiangyin Wuzhou International Plaza	Jiangyin	Multi-functional commercial complex	90%	225	180	97	49	34
15 Yixing Wuzhou International Huadong Trade City	Yixing	Trade logistics center	100%	65	64	35	29	–
16 Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	68	66	58	8	–
17 Qianzhou Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	80%	74	58	10	30	18
Sub-total				<u>2,856</u>	<u>2,356</u>	<u>1,517</u>	<u>309</u>	<u>530</u>
Yunnan Province								
18 Dali Wuzhou International Trade City	Dali	Trade logistics center	100%	178	176	163	13	–
19 Baoshan Wuzhou International Plaza	Baoshan	Multi-functional commercial complex	61%	120	119	76	17	26
Sub-total				<u>298</u>	<u>295</u>	<u>239</u>	<u>30</u>	<u>26</u>
Chongqing City								
20 Rongchang Wuzhou International Trade City	Chongqing	Trade logistics center	94%	276	274	124	65	85
Sub-total				<u>276</u>	<u>274</u>	<u>124</u>	<u>65</u>	<u>85</u>
Hubei Province								
21 Xiangyang Wuzhou International Industrial Exhibition City	Xiangyang	Trade logistics center	100%	167	167	153	14	–
Sub-total				<u>167</u>	<u>167</u>	<u>153</u>	<u>14</u>	<u>–</u>

				Interests of the	Total	Total		GFA	GFA
Project name		City	Category	Company	Total GFA ('000 sq.m.)	saleable GFA ('000 sq.m.)	GFA sold ('000 sq.m.)	held for sale ('000 sq.m.)	held for lease ('000 sq.m.)
Shandong Province									
22	Longkou Wuzhou International Trade City	Longkou	Trade logistics center	95%	51	51	33	18	–
23	Yantai Wuzhou International Industrial Exhibition City (Fushan)	Yantai	Trade logistics center	95%	69	69	67	2	–
24	Leling Wuzhou International Exhibition City	Leling	Trade logistics center	51%	38	38	23	15	–
Sub-total					158	158	123	35	–
Zhejiang Province									
25	Hangzhou Wuzhou International Plaza	Hangzhou	Multi-functional commercial complex	100%	76	59	32	5	22
26	Ruian Wuzhou International Trade City	Ruian	Trade logistics center	100%	65	63	48	15	–
Sub-total					141	122	80	20	22
Heilongjiang Province									
27	Mudanjiang Wuzhou International Industrial Exhibition City	Mudanjiang	Trade logistics center	100%	91	89	55	34	–
Sub-total					91	89	55	34	–
Henan Province									
28	Luoyang Wuzhou International Industrial Exhibition City	Luoyang	Trade logistics center	51%	144	143	94	49	–
29	Zhengzhou Wuzhou International Industrial Exhibition City	Zhengzhou	Trade logistics center	100%	190	161	159	2	–
Sub-total					334	304	253	51	–

				Interests of the	Total	Total		GFA	
Project name		City	Category	Company	Total GFA	saleable GFA	GFA sold	GFA held for sale	GFA held for lease
					('000 sq.m.)	('000 sq.m.)	('000 sq.m.)	('000 sq.m.)	('000 sq.m.)
Jilin Province									
30	Changchun Wuzhou International Plaza	Changchun	Multi-functional commercial complex	100%	163	161	89	32	40
Sub-total					163	161	89	32	40
Liaoning Province									
31	Shenyang Wuzhou International Industrial Exhibition City	Shenyang	Trade logistics center	100%	53	51	50	1	–
Sub-total					53	51	50	1	–
Total					4,537	3,977	2,683	591	703

Projects under development

As at 30 June 2016, the Group had a total of 21 projects or project phases under development with a total planned GFA of 2,289,000 sq.m., including approximately 457,000 sq.m. of GFA pre-sold and approximately 491,000 sq.m. of GFA held for lease.

List of projects under development:

				Interests	Estimated					
Project Name		City	Category	of the Company	construction completion date	Total GFA ('000 sq.m.)	Total saleable GFA ('000 sq.m.)	GFA pre-sold ('000 sq.m.)	GFA held for sale ('000 sq.m.)	GFA held for lease ('000 sq.m.)
Jiangsu Province										
1	Wuxi Wuzhou International Industrial Exhibition City Phase II Hall D	Wuxi	Trade logistics center	100%	2016	83	69	22	4	43
2	Wuxi Wuzhou International Ornamental City Phase V Hall F	Wuxi	Trade logistics center	100%	2016	34	26	–	26	–
3	Wuzhou International Automobile Exhibition City	Nantong	Trade logistics center	75%	2016	180	122	58	64	–
4	Jiangyin Wuzhou International Plaza	Jiangyin	Multi-functional commercial complex	90%	2016	29	27	25	2	–
5	Yixing Wuzhou International Plaza	Yixing	Multi-functional commercial complex	51%	2016	118	93	31	62	–
6	Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	2016	66	63	–	63	–
7	Huaian Wuzhou International Plaza Phase II	Huaian	Multi-functional commercial complex	100%	2016	84	73	48	25	–
8	Xuzhou Road-port	Xuzhou	Trade logistics center	70%	2016	190	190	–	3	187
Sub-total						784	663	184	249	230

			Interests of the Company	Estimated construction completion date	Total GFA ('000 sq.m.)	Total saleable GFA ('000 sq.m.)	GFA pre-sold ('000 sq.m.)	GFA held for sale ('000 sq.m.)	GFA held for lease ('000 sq.m.)	
Project Name	City	Category								
Yunnan Province										
9	Dali Wuzhou International Trade City	Dali	Trade logistics center	100%	2016	172	169	13	72	84
10	Baoshan Wuzhou International Plaza	Baoshan	Multi-functional commercial complex	61%	2016	88	66	2	64	–
Sub-total						260	235	15	136	84
Hubei Province										
11	Xiangyang Wuzhou International Industrial Exhibition City	Xiangyang	Trade logistics center	100%	2016	50	48	5	43	–
Sub-total						50	48	5	43	–
Shandong Province										
12	China Longkou Wuzhou International Trade City	Longkou	Trade logistics center	95%	2016	82	69	5	39	25
13	Yantai Wuzhou International Industrial Exhibition City	Yantai	Trade logistics center	95%	2017	75	68	8	60	–
Sub-total						157	137	13	99	25
Zhejiang Province										
14	Ruian Wuzhou International Trade City	Ruian	Trade logistics center	100%	2016	171	143	15	30	98
15	Leqing Wuzhou International Electrics & Electronic Appliance City	Leqing	Trade logistics center	100%	2017	155	132	48	79	5
Sub-total						326	275	63	109	103

			Interests of the Company	Estimated construction completion date	Total GFA (^{'000} sq.m.)	Total saleable GFA (^{'000} sq.m.)	GFA pre-sold (^{'000} sq.m.)	GFA held for sale (^{'000} sq.m.)	GFA held for lease (^{'000} sq.m.)	
Project Name	City	Category								
Henan Province										
16	Luoyang Wuzhou International Industrial Exhibition City	Luoyang	Trade logistics center	51%	2016	66	63	11	52	
17	Zhengzhou Wuzhou International Industrial Exhibition City	Zhengzhou	Trade logistics center	100%	2016	231	205	102	103	–
Sub-total						297	268	113	155	–
Jilin Province										
18	Changchun Wuzhou International Plaza	Changchun	Multi-functional commercial complex	100%	2016	112	72	–	72	–
Sub-total						112	72	–	72	–
Liaoning Province										
19	Shenyang Wuzhou International Industrial Exhibition City	Shenyang	Trade logistics center	100%	2017	102	84	14	21	49
Sub-total						102	84	14	21	49
Inner Mongolia Autonomous Region										
20	Tongliao Wuzhou International Trade City	Tongliao	Trade logistics center	100%	2016	118	117	32	85	–
Sub-total						118	117	32	85	–
Fujian Province										
21	Zhangzhou Wuzhou City	Zhangzhou	Trade logistics center	100%	2017	83	83	18	65	–
Sub-total						83	83	18	65	–
Total						2,289	1,982	457	1,034	491

Projects planned for development

As at 30 June 2016, the Group had a total of 18 projects or project phases planned for development, with a total planned GFA of approximately 4,360,000 sq.m.

List of projects planned for future development:

Project Name	City	Category	Interests of the Company	Total GFA (’000 sq.m.)
Jiangsu Province				
1 Wuxi Wuzhou International Industrial Exhibition City Product Exhibition Hall B and Building Complex	Wuxi	Trade logistics center	100%	144
2 Qianzhou Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	80%	27
3 Jianhu Wuzhou International Trade City Phase II	Jianhu	Trade logistics center	100%	114
4 Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	307
5 Wuzhou International Automobile Exhibition City	Nantong	Trade logistics center	75%	134
6 Yixing Wuzhou International Huadong Trade City	Yixing	Trade logistics center	100%	211
Sub-total				937
Chongqing City				
7 Rongchang Wuzhou International Trade City Phase II	Chongqing	Trade logistics center	94%	197
Sub-total				197
Yunnan Province				
8 Dali Wuzhou International Trade City Phase III	Dali	Trade logistics center	100%	917
Sub-total				917
Hubei Province				
9 Xiangyang Wuzhou International Industrial Exhibition City (Phase II)	Xiangyang	Trade logistics center	100%	512
Sub-total				512

Project Name	City	Category	Interests of the Company	Total GFA ('000 sq.m.)
Shandong Province				
10 Leling Wuzhou International Exhibition City	Leling	Trade logistics center	51%	414
11 China Longkou Wuzhou International Trade City	Longkou	Trade logistics center	95%	100
Sub-total				514
Heilongjiang Province				
12 Mudanjiang Wuzhou International Industrial Exhibition City	Mudanjiang	Trade logistics center	100%	221
13 Harbin Wuzhou International Animation, Cultural and Tourism City	Harbin	Multi-functional commercial complex	100%	300
Sub-total				521
Henan Province				
14 Luoyang Wuzhou International Industrial Exhibition City	Luoyang	Trade logistics center	51%	64
Sub-total				64
Jilin Province				
15 Jilin Wuzhou International Trade City	Jilin	Trade logistics center	100%	70
Sub-total				70
Liaoning Province				
16 Shenyang Wuzhou International Industrial Exhibition City	Shenyang	Trade logistics center	100%	86
Sub-total				86
Zhejiang Province				
17 Leqing Wuzhou International Electrics & Electronic Appliance City	Leqing	Trade logistics center	100%	416
Sub-total				416

Project Name	City	Category	Interests of the Company	Total GFA ('000 sq.m.)
Fujian Province				
18 Zhangzhou Wuzhou City	Zhangzhou	Trade logistics center	100%	126
Sub-total				126
Total				4,360

III. Land bank

The Group considers that acquiring ample land bank at reasonable costs is crucial to its long-term development and profitability. It carried out in-depth studies on local urban planning and acquired lands of substantial development potential in order to build new commercial areas and design projects in line with market demand. During the period under review, the Group strived to consolidate its existing land bank and selectively expanded and developed into other areas, including Heilongjiang Province, for more extensive land bank across China.

As at 30 June 2016, the total planned GFA of land bank amounted to approximately 7,999,000 sq.m., including approximately 1,350,000 sq.m. for completed projects, approximately 2,289,000 sq.m. for projects under development and approximately 4,360,000 sq.m. for projects planned for future development. The land bank is sufficient for the development of the Group in the future three to five years.

As at 30 June 2016, the breakdown of land bank by regions is as follows:

Region	Completed projects ('000 sq.m.)	Projects under development ('000 sq.m.)	Projects planned for future development ('000 sq.m.)	Total planned GFA of land bank ('000 sq.m.)
Jiangsu Province	877	784	937	2,598
Yunnan Province	40	260	917	1,217
Hubei Province	19	50	512	581
Shandong province	61	157	514	732
Zhejiang province	60	326	416	802
Heilongjiang province	49	–	521	570
Henan province	90	297	64	451
Jilin province	71	112	70	253
Liaoning province	7	102	86	195
Chongqing city	76	–	197	273
Inner Mongolia Autonomous Region	–	118	–	118
Fujian Province	–	83	126	209
Total	1,350	2,289	4,360	7,999

IV. Centralized operation, management and marketing

Most of the purchasers of the Group's retail stores entered into exclusive operation and management agreements with it under which the Group received management service income from the purchasers for managing and controlling the leases of the retail shops, event organization and ancillary service provision. The Group also provided the purchasers with services such as project positioning, planning, design, construction, marketing, leasing and operation so as to ensure the centralized operation of projects. In addition, the Group also provided general property management services for tenants and occupants.

Outlook

Looking forward to the second half of 2016, China's economy will keep facing greater downward pressure and throes in the process of structural adjustments as well as transformation and upgrade will remain. The cores value of trade logistics industry will shift from "development and sales" to "commercial operation" and transfer from "increment market" to "stock market".

Wuzhou International will continue to accelerate resources integration along the trade logistics industrial chain and build up a new business model with the "service platform for trade logistics of the industrial chain" as the core and "light asset business" and "development and operation of trade logistics parks" as the complements for its healthy business development, allowing Wuzhou International to be the leading operator of integrated trade logistics platform in China.

Financial Review

Revenue

Our revenue comprises mainly income from the sale of properties, rental income, commercial and property management service income, property consulting service income and commissions from concessionaire sales after deduction of allowances for returns and trade discounts.

For the six months ended 30 June 2016, turnover of the Group amounted to approximately RMB2,006 million, representing a decrease of 8.1% from approximately RMB2,182 million for the corresponding period in 2015.

Sale of Properties

Revenue from the sale of properties is recognized (i) when the significant risks and rewards of ownership of the properties are transferred to the purchasers; (ii) neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the properties, are retained; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and (v) the cost incurred or to be incurred in relation to the transaction can be measured reliably. We consider that the significant risks and rewards of ownership are transferred when the construction of relevant properties has been completed and the properties have been delivered to the purchasers.

Revenue from property development represents proceeds from sales of our properties held for sale.

Revenue derived from property development decreased by 9.6% to approximately RMB1,844 million for the six months ended 30 June 2016 from approximately RMB2,041 million for the corresponding period in 2015. This decrease was the combined effects of decrease in total GFA sold and increase in the average selling price of properties sold to our customers.

Rental Income

Rental income generated from rental of investment properties increased by 41.4% to approximately RMB60 million for the six months ended 30 June 2016 from approximately RMB42 million for the corresponding period in 2015. The increase was due primarily to the continuing growth of the investment properties.

Commercial Management Service Income and Property Management Service Income

We generate commercial management service income from most purchasers of the retail units at our projects pursuant to our exclusive operation and management agreements. Under these agreements, which we enter into with the purchasers at the pre-sale stage, we typically receive commercial management service income equivalent to the entire rental value of the underlying properties for the initial periods ranging from three to five years, which typically commence upon the opening for operation of the building where the property is located, and then 10% of the rental value for the remaining years. In practice, we collect rents directly from the tenants of the underlying properties, retain our commercial management service fees and remit the remainder, if any, to the purchasers. To attract tenants, we may offer selected tenants rent-free periods ranging from two to six months. We typically secure tenants for the vast majority of the purchasers prior to the commencement of the initial period. Since we charge commercial management service fees based on the rental value of the underlying properties, we will not be able to receive any commercial management service fees in the event we are unable to lease out the underlying properties.

Commercial management service income decreased by 6.7% to approximately RMB46 million for the six months ended 30 June 2016 from approximately RMB49 million for the corresponding period in 2015. Property management service income decreased by 68.8% to approximately RMB2 million for the six months ended 30 June 2016 from approximately RMB5 million for the corresponding period in 2015. The decrease in commercial management service income was due primarily to the lower operating activities of the properties operated and managed by us, while the decrease in property management service income was due to the continuous transfer of property management business to other third parties for reducing the operating cost and concentrating in the business of commercial management service.

Property Consulting Service Income

Property consulting service income represents the revenue from consulting and advisory service rendered by the Group to third party companies in their development and construction of commercial properties.

Property consulting service income decreased by 23.6% to approximately RMB25 million for the six months ended 30 June 2016 from approximately RMB32 million for the corresponding period in 2015. The decrease in property consulting service income was due primarily to the decrease in business volume of third party customers which in return reduced the demand for property consulting service.

Gross Profit and Margin

Gross profit decreased by 10.1% to approximately RMB609 million for the six months ended 30 June 2016 from approximately RMB677 million for the corresponding period in 2015. Gross profit margin decreased to 30.3% for the six months ended 30 June 2016 from 31.0% for the corresponding period in 2015. The decrease in gross profit was in line with the decrease in the total revenue for the six months ended 30 June 2016 while there was a minimal change in our gross margin.

Other Income and Gain

Other income and gains increased by 20.9% to approximately RMB93 million for the six months ended 30 June 2016 from approximately RMB77 million for the corresponding period in 2015. Other income and gains mainly represented by subsidy income and interest income and certain non-recurring income and gains.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 28.9% to approximately RMB117 million for the six months ended 30 June 2016 from approximately RMB165 million for the corresponding period in 2015. The decrease was due primarily to a decrease in general selling, marketing and advertising activities resulting from fewer number of properties that were launched for pre-sale in the first half of 2016 as compared to that in the same period of 2015.

Administrative Expenses

Our administrative expenses decreased by 28.2% to approximately RMB157 million for the six months ended 30 June 2016 from approximately RMB219 million for the corresponding period in 2015. This decrease was primarily due to the Group's policy of furthering the control of administrative expenses in the first half of 2016.

Finance Costs

Our finance costs increased by 453.5% to approximately RMB219 million for the six months ended 30 June 2016 from approximately RMB39 million for the corresponding period in 2015. This increase was due primarily to an increase in bank loans, senior note to finance the business operation and development, which in turn increased the interest expenses.

Income Tax Expenses

Our income tax expenses decreased by 37.1% to approximately RMB200 million for the six months ended 30 June 2016 from approximately RMB318 million for the corresponding period in 2015. The change was primarily due to the decrease in corporate income tax and decrease in land appreciation tax and deferred tax accrual made in the first half of 2016.

Profit After Tax and Total Comprehensive Income Attributable to Owners of the Company

Profit after tax and total comprehensive income attributable to owners of the Company decreased by 67.6% to approximately RMB53 million for the six months ended 30 June 2016 from approximately RMB164 million for the corresponding period in 2015. This decrease was due primarily to the combined effects of decrease in gross profit, selling and marketing expenses, administrative expenses and income tax expense and increase in finance costs in the first half of 2016 as compared to that in the same period of 2015. Our net profit margin was 2.6% for the period under review.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2016, the Group's bank balances and cash (including restricted cash and pledged deposits) was approximately RMB3,188 million (31 December 2015: approximately RMB2,552 million), representing an increase of 24.9% as compared to that as at 31 December 2015. A portion of our cash are restricted bank deposits that are restricted for use of property development. These restricted bank deposits will be released upon completion of the development of the relevant properties in which such deposits relate to. As at 30 June 2016, the Group's restricted cash was approximately RMB53 million (31 December 2015: approximately RMB154 million).

Current Ratio and Gearing Ratio

As at 30 June 2016, the Group has current ratio (being current assets over current liabilities) of approximately 1.04 compared to that of 1.01 as at 31 December 2015. The gearing ratio was 137.6% as at 30 June 2016 compared to that of 123.5% as at 31 December 2015. The gearing ratio was measured by net debt (aggregated bank loans and other borrowings, senior and convertible notes net of cash and cash equivalents, pledged deposits and restricted cash) over the total equity of the Group. The total debt (being aggregated bank loans and other borrowings, senior and convertible notes) over total assets ratio was 40.9% as at 30 June 2016 (31 December 2015: 35.8%).

Borrowings and Charges on the Group's Assets

As at 30 June 2016, the Group had an aggregate interest-bearing bank and other borrowings, senior and convertible notes of approximately RMB8,809 million. Amongst the bank and other borrowings, approximately RMB3,523 million will be repayable within 1 year, approximately RMB2,358 million will be repayable between 2 to 5 years and approximately RMB284 million will be repayable after 5 years. The senior notes were repayable between 2 to 5 years and convertible notes are redeemable on or after 30 September 2017.

As at 30 June 2016, a substantial part of the bank and other borrowings were secured by land use rights and properties of the Group. The senior and convertible notes were jointly and severally guaranteed by certain subsidiary companies of the Group. The bank and other borrowings were mainly denominated in RMB while the senior and convertible notes were denominated in U.S. dollar.

Exchange Rate Risk

The Group mainly operates in the PRC. Other than the foreign currency denominated bank deposits, bank borrowings, senior and convertible notes, the Group does not have any other material direct exposure to foreign exchange fluctuations. To mitigate foreign exchange exposure for the purpose of minimizing adverse effect on the operation of the Group, the Group continues to adopt a conservative approach and will closely monitor the foreign currency market and actively explore the domestic capital market for financing opportunities.

Capital Commitments

As at 30 June 2016, the Group did not have committed payment for the acquisition of land use rights (31 December 2015: RMB100 million) and the committed payment for properties under development amounting to approximately RMB2,933 million (31 December 2015: RMB2,914 million).

Contingent Liabilities

As at 30 June 2016, the Group had provided guarantees amounting to approximately RMB1,910 million (31 December 2015: approximately RMB1,891 million) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate. In the opinion of the Directors, no provision for the guarantee contracts was recognized in the financial statement for the six months ended 30 June 2016 as the default risk is low.

Employees and Remuneration Policies

As at 30 June 2016, the Group had 2,630 employees, of which 1,174 employees involved in the property development sector and 1,456 in the property operation services sector. Total staff costs, including directors' emoluments, for the six months ended 30 June 2016 amounted to approximately RMB109 million (six months ended 30 June 2015: approximately RMB172 million). Remuneration is determined by reference to their performance, skills, qualifications and experiences of the staff concerned and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for PRC employees), a discretionary bonus program and a share option scheme.

The Company adopted a share option scheme which became effective on 27 May 2013 (the "**Scheme**"). As at 30 June 2016, the total number of shares in respect of which options were granted under the Scheme remain outstanding were 43,363,106 shares.

Interim Dividend

The Directors resolved that no interim dividend will be paid for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

CORPORATE GOVERNANCE

During the six months ended 30 June 2016, the Company has complied with the code provisions set out in the “Corporate Governance Code and Corporate Governance Report” contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. The audit committee of the Company currently comprises three independent non-executive Directors, including Mr. Lo Kwong Shun Wilson, Dr. Song Ming and Prof. Shu Guoying, while Mr. Lo Kwong Shun Wilson is the chairman of the audit committee. The main responsibilities of the audit committee is to review important accounting policies, supervise the Company’s financial reporting processes, monitor the performance of the external auditor and the internal audit department, review and evaluate the effectiveness of the Company’s financial reporting procedures and internal control and ensure the compliance with applicable statutory accounting and reporting requirements, legal and regulatory requirements, internal rules and procedures approved by the Board.

The audit committee together with the management of the Company has reviewed the accounting policies and practices adopted by the Group and discussed, among other things, internal controls and financial reporting matters including a review of the unaudited interim results of the Group for the six months ended 30 June 2016.

In addition, the independent auditors of the Company, Ernst & Young, have reviewed the unaudited interim results of the Group for the six months ended 30 June 2016 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.

REMUNERATION COMMITTEE

The Company has established a remuneration committee in compliance with the Listing Rules. The remuneration committee currently comprises an executive Director, Mr. Shu Cewan, and two independent non-executive Directors, Dr. Song Ming and Prof. Shu Guoying, while Dr. Song Ming is the chairman of the committee. The remuneration committee is responsible for advising the Board on the remuneration policy and framework of the Company’s Directors and senior management member(s), as well as reviewing and determining the remuneration of all executive Directors and senior management member(s) with reference to the Company’s objectives from time to time.

NOMINATION COMMITTEE

The Company has established a nomination committee in compliance with the Listing Rules. The nomination committee currently comprises an executive Director, Mr. Shu Cecheng, and two independent non-executive Directors, Mr. Lo Kwong Shun Wilson and Dr. Song Ming while Mr. Shu Cecheng is the chairman of the committee. The nomination committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. Criteria adopted by the committee in considering the suitability of a candidate for directorship includes his/her qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the six months ended 30 June 2016.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange (www.hkex.com.hk) and the Company (www.wz-china.com). The interim report of the Company for the six months ended 30 June 2016 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By order of the Board
Wuzhou International Holdings Limited
Shu Cecheng
Chairman

Hong Kong, 22 August 2016

As at the date of this announcement, the executive Directors are Mr. Shu Cecheng, Mr. Shu Cewan, Mr. Shu Ceyuan, Ms. Wu Xiaowu and Mr. Zhao Lidong; the non-executive Director is Mr. Wang Wei; and the independent non-executive Directors are Dr. Song Ming, Mr. Lo Kwong Shun Wilson and Prof. Shu Guoying.