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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 2017

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2017, turnover of the Group amounted to approximately RMB1,605 million, representing a decrease of 20.0% from approximately RMB2,006 million for the corresponding period in 2016.
- Revenue derived from property development decreased by 22.6% to approximately RMB1,427 million for the six months ended 30 June 2017. Other recurring income increased by 10.4% to approximately RMB178 million.
- Gross profit decreased by 28.0% to approximately RMB438 million for the six months ended 30 June 2017 from approximately RMB609 million for the corresponding period in 2016.
- Profit after tax for the period attributable to owners of the Company increased by 90.6% to approximately RMB101 million for the six months ended 30 June 2017 from approximately RMB53 million for the corresponding period in 2016.

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 2017 together with comparative figures for the corresponding period in 2016, as follows:

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		For the six months ended 30 June	
	<i>Notes</i>	2017	2016
		RMB’000	RMB’000
		(Unaudited)	(Unaudited)
REVENUE	5	1,605,348	2,005,884
Cost of sales		<u>(1,167,235)</u>	<u>(1,397,291)</u>
GROSS PROFIT		438,113	608,593
Other income and gains	5	172,737	93,197
Selling and marketing expenses		(156,476)	(117,163)
Administrative expenses		(139,984)	(157,485)
Other expenses		(8,656)	(76,246)
Increase in fair value of investment properties		401,192	151,678
Finance costs	6	(451,939)	(218,613)
Share of profits and losses of Associates		<u>(4,475)</u>	<u>(4,300)</u>
PROFIT BEFORE TAX	7	250,512	279,661
Income tax expense	8	<u>(175,323)</u>	<u>(199,912)</u>
PROFIT AFTER TAX FOR THE PERIOD		<u>75,189</u>	<u>79,749</u>
Attributable to:			
Owners of the parent		101,062	53,021
Non-controlling interests		<u>(25,873)</u>	<u>26,728</u>
		<u>75,189</u>	<u>79,749</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE			
PARENT			
Basic (RMB cents)	10	<u>1.51</u>	<u>1.06</u>
Diluted (RMB cents)	10	<u>1.51</u>	<u>1.06</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	For the six months ended 30 June	
Notes	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	75,189	79,749
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):		
Net gain on available-for-sale investments	<u>6,652</u>	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	<u>6,652</u>	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):		
Fair value gain on investment properties transferred from property, plant and equipment	<u>187,920</u>	–
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):	<u>187,920</u>	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>269,761</u>	<u>79,749</u>
Attributable to:		
Owners of the parent	<u>228,067</u>	53,021
Non-controlling interests	<u>41,694</u>	26,728
	<u>269,761</u>	<u>79,749</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	<i>Notes</i>	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		133,200	251,468
Investment properties		9,654,700	8,522,900
Prepaid land lease payments		673,391	761,085
Intangible assets		2,374	2,875
Long-term deferred expenses		843	1,114
Investments in associates		74,952	57,640
Available-for-sale investments		552,393	271,850
Deferred tax assets		211,495	187,196
		<hr/>	<hr/>
Total non-current assets		11,303,348	10,056,128
CURRENT ASSETS			
Inventories		113	15,183
Properties under development		5,219,717	3,519,156
Completed properties held for sale		3,845,032	3,532,799
Trade receivables	11	44,680	46,451
Due from a related company		1,695	2,606
Due from a related party		8	630
Prepaid land lease payments		950,310	523,011
Prepayments, deposits and other receivables		2,822,479	1,691,598
Tax recoverable		160,127	75,208
Available-for-sale investments		368,807	246,275
Restricted cash		88,404	92,470
Pledged deposits		1,574,216	1,982,599
Cash and cash equivalents		498,735	1,685,744
		<hr/>	<hr/>
Total current assets		15,574,323	13,413,730

		30 June	31 December
		2017	2016
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and bills payables	12	2,853,745	3,164,463
Due to a related company		19,950	–
Due to a related party		2,500	–
Other payables, deposits received and accruals		1,400,662	1,179,277
Advances from customers		4,785,266	2,899,039
Derivative financial instruments		12,877	23,728
Convertible notes		709,240	684,840
Corporate bonds		528,857	508,689
Interest-bearing bank and other borrowings		2,982,880	3,494,704
Tax payable		922,332	914,134
		<hr/>	<hr/>
Total current liabilities		14,218,309	12,868,874
		<hr/>	<hr/>
NET CURRENT ASSETS		1,356,014	544,856
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,659,362	10,600,984
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		2,813,016	2,285,514
Senior notes		2,085,228	2,126,449
Corporate bonds		2,598,500	1,515,131
Deferred tax liabilities		699,457	523,595
		<hr/>	<hr/>
Total non-current liabilities		8,196,201	6,450,689
		<hr/>	<hr/>
NET ASSETS		4,463,161	4,150,295
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Parent			
Share capital		313,354	313,354
Reserves		3,567,015	3,331,205
		<hr/>	<hr/>
		3,880,369	3,644,559
		<hr/>	<hr/>
Non-controlling interests		582,792	505,736
		<hr/>	<hr/>
TOTAL EQUITY		4,463,161	4,150,295
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM FINANCIAL INFORMATION

30 JUNE 2017

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 (the "**Stock Exchange**") 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.

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 party of the Group is 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 2017 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 2016.

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 2016, except for the adoption of revised standards effective for the annual periods beginning on 1 January 2017. The Group has not early adopted any other standard, interpretation 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 revised International Financial Reporting Standards (“IFRSs”, which also include IASs and interpretations) that are relevant to the Group’s operations for the preparation of the Group’s interim financial information:

- Amendments to IAS 7: *Statement of Cash Flows: Disclosure Initiative*
- Amendments to IAS 12: *Income Taxes: Recognition of Deferred Tax Assets for Un-realised Losses*
- Annual Improvements 2012–2014 Cycle: *IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12*

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.

No geographical information is presented as the Group’s revenue from external customers is derived solely from its operations in People’s Republic of China (the “**PRC**”) and no non-current assets of the Group are located outside the PRC.

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 2017 and 2016.

Six months ended 30 June 2017	Property development RMB'000	Property management and investment RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Consolidated RMB'000
Segment revenue					
Sales to external customers	1,427,060	124,677	59,574	(5,963)	1,605,348
Segment results	175,441	445,763	79,759	5,963	706,926
<i>Reconciliation:</i>					
Finance costs					(451,939)
Share of profits and losses of associates					(4,475)
Profit before tax					<u>250,512</u>
Other segment information					
Depreciation and amortisation	(6,525)	(745)	(1,365)	-	(8,635)
Increase in fair value of investment properties	-	401,192	-	-	401,192
	<u>-</u>	<u>401,192</u>	<u>-</u>	<u>-</u>	<u>401,192</u>
Six months ended 30 June 2016	Property development RMB'000	Property management and investment RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Consolidated 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					<u>279,661</u>
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
	<u>-</u>	<u>151,678</u>	<u>-</u>	<u>-</u>	<u>151,678</u>

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 2017 and 2016.

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

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Revenue		
Sale of properties	1,427,060	1,844,323
Rental income	58,592	59,988
Commercial management service income	57,150	46,019
Property consulting service income	30,660	24,671
Property management income	8,364	1,575
Commissions from concessionaire sales	1,543	3,597
Others	21,979	25,711
	<u>1,605,348</u>	<u>2,005,884</u>
Other income		
Foreign exchange differences	76,782	–
Gain on disposal of a subsidiary	41,283	15,991
Gain on acquisition of subsidiaries	28,457	–
Interest income	11,223	26,086
Derivative instruments at fair value through profit or loss	10,851	–
Subsidy income	1,167	48,902
Gain on disposal of items of property, plant and equipment	549	636
Others	2,425	1,582
	<u>172,737</u>	<u>93,197</u>

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Interest on bank and other borrowings	231,410	222,296
Interest on senior notes	157,933	144,152
Interest on convertible notes	64,163	56,061
Interest on corporate bonds	113,982	–
Less: Interest capitalised	(115,549)	(203,896)
	<u>451,939</u>	<u>218,613</u>

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Cost of properties sold	1,111,991	1,352,473
Cost of property management service provided	339	440
Cost of property consulting service provided	4,196	3,000
Impairment loss recognised	6,678	2,399
Depreciation of items of property, plant and equipment	7,943	9,439
Amortisation of intangible assets	421	470
Amortisation of long-term deferred expenses	271	536
Direct operating expenses arising from rental earning properties and commercial management service provided	33,215	30,622
Employee benefit expense (including directors' remuneration):		
Wages and salaries	53,294	88,531
Pension scheme and social welfare	10,620	21,745
Equity-settled share-based payment expenses	(576)	(881)
Foreign exchange differences, net	(76,782)	62,946
	<u> </u>	<u> </u>

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 2017.

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 was calculated.

	For the six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Current tax:		
PRC corporate income tax	67,432	75,386
LAT	33,510	65,379
Deferred tax	74,381	59,147
	<u>175,323</u>	<u>199,912</u>
Total tax charge for the period	<u><u>175,323</u></u>	<u><u>199,912</u></u>

9. DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2017 (30 June 2016: 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	
	2017	2016
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	101,062	53,021
Interest on convertible notes	–	–
Add: Fair value loss on the derivative component of the convertible notes	–	–
	<u>101,062</u>	<u>53,021</u>
Profit attributable to ordinary equity holders of the parent before interest on convertible notes	<u><u>101,062</u></u>	<u><u>53,021</u></u>

	For the six months ended 30 June	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	4,990,259,914	4,990,259,914
Effect of dilution – weighted average number of ordinary shares:		
Convertible notes	–	–
	<u><u>4,990,259,914</u></u>	<u><u>4,990,259,914</u></u>

11. TRADE RECEIVABLES

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

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

	30 June 2017 RMB'000	31 December 2016 RMB'000
Trade receivables:		
Less than 3 months	39,397	25,904
4 to 6 months	4,936	20,253
6 to 12 months	53	189
1 to 2 years	294	105
	<u>44,680</u>	<u>46,451</u>

12. TRADE AND BILLS PAYABLES

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

	30 June 2017 RMB'000	31 December 2016 RMB'000
Less than 1 year	1,956,101	2,472,956
Over 1 year	377,693	691,507
	<u>2,333,794</u>	<u>3,164,463</u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2017, China's gross domestic product grew by 6.9% as compared to the corresponding period in 2016, and China's economy maintained the state of "seeking progress in stability". The key indicators of the property market in China have been steady with a decent uplift at the beginning, and investments in property sector has been stable after the beyond-expectation growth in the first quarter, though growth in sales of the property market has been slowing down. For the third and fourth tier cities, prices and transaction volume in the property market continued to increase as a result of the excess demand from first and second tier cities as well as the "inventory clearance" policy. The manufacturing Purchasing Manager's Index (PMI) in China for the first half of 2017 was 51.5, showing an accelerated expansion of manufacturing sector in the state of "seeking progress in stability". Despite the fact that small and middle sized enterprises remained cautious in investments in view of the weak economic environment, sales performance of manufactured goods have been improving.

BUSINESS REVIEW

I. Contracted sales

During the period under review, the Group recorded contracted sales and contracted sales area of approximately RMB2,160 million and approximately 299,000 square metres ("sq.m."), representing decreases of 3.4% and 15.7% as compared with the same period of the previous year, respectively. Approximately RMB1,847 million and 246,000 sq.m. were from the sales of the trade logistics centers. Approximately RMB312 million and 53,000 sq.m. were from the sales of multi-functional commercial complexes.

Contracted sales of the Group, by geographical location, were mainly from Zhejiang Province, Fujian Province and Henan Province. The contracted sales and contracted sales area were approximately RMB567 million, RMB503 million and RMB324 million, and approximately 50,000 sq.m., 56,000 sq.m. and 59,000 sq.m., respectively, accounting for 26.3%, 23.3% and 15.0%, and 16.8%, 18.6% and 19.8% of the total contracted sales amount and the total contracted sales area, respectively. Income source of the Group in terms of geographical locations became more balanced.

II. Project development

As at 30 June 2017, the Group had 40 development projects in Jiangsu, Zhejiang, Shandong, Hubei, Yunnan, Heilongjiang, Jilin, Henan, Liaoning, Chongqing, Hebei and Fujian, including 23 trade logistics centers, 15 multi-functional commercial complexes and 2 residential projects.

Completed projects

During the period under review, the Group completed a total of 32 projects or project phases with a total gross floor area ("GFA") of approximately 5,323,000 sq.m., including approximately 3,032,000 sq.m. of GFA sold and delivered and approximately 841,000 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	236	4	100
2	Wuxi Wuzhou International Industrial Exhibition City	Wuxi	Trade logistics center	100%	523	464	347	4	113
3	Wuxi Wuzhou International Columbus Plaza	Wuxi	Multi-functional commercial complex	64.3%	212	168	108	2	58
4	Wuxi Wuzhou International Chinese Food Culture Exposition City	Wuxi	Multi-functional commercial complex	62%	191	154	94	14	46
5	Meicun Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	100%	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	40	8	23
8	Luoshe Wuzhou International Columbus Dragon City	Wuxi	Multi-functional commercial complex	100%	52	38	19	4	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	15	25
11	Huaian Wuzhou International Plaza	Huaian	Multi-functional commercial complex	100%	233	185	115	16	54
12	Nantong Wuzhou International Plaza	Nantong	Multi-functional commercial complex	51%	360	255	180	13	62
13	Jiangyin Wuzhou International Plaza	Jiangyin	Multi-functional commercial complex	90%	225	180	111	35	34
14	Yixing Wuzhou International Huadong Trade City	Yixing	Trade logistics center	100%	65	64	35	4	25
15	Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	68	66	59	7	-
16	Qianzhou Wuzhou International Plaza	Wuxi	Multi-functional commercial complex	100%	74	59	16	4	39
17	Yixing Wuzhou International Plaza	Yixing	Multi-functional commercial complex	51%	35	35	26	9	-
			Sub-total		2,951	2,428	1,617	178	633
Yunnan Province									
18	Dali Wuzhou International Trade City	Dali	Trade logistics center	100%	256	255	206	49	-
19	Baoshan Wuzhou International Plaza	Baoshan	Multi-functional commercial complex	70.5%	136	130	82	22	26
			Sub-total		392	385	288	71	26
Chongqing City									
20	Rongchang Wuzhou International Trade City	Chongqing	Trade logistics center	94%	276	274	134	55	85
			Sub-total		276	274	134	55	85

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.)	
Hubei Province									
21	Xiangyang Wuzhou International Industrial Exhibition City	Xiangyang	Trade logistics center	100%	167	167	159	8	–
			Sub-total		167	167	159	8	–
Shandong Province									
22	Longkou Wuzhou International Trade City	Longkou	Trade logistics center	95%	114	101	43	33	25
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	33	5	–
			Sub-total		221	208	143	40	25
Zhejiang Province									
25	Hangzhou Wuzhou International Plaza	Hangzhou	Multi-functional commercial complex	100%	76	59	33	4	22
26	Ruian Wuzhou International Trade City	Ruian	Trade logistics center	100%	65	63	48	15	–
27	Leqing Wuzhou International Electrics & Electronic Appliance City	Leqing	Trade logistics center	100%	312	240	163	66	11
			Sub-total		453	362	244	85	33
Heilongjiang Province									
28	Mudanjiang Wuzhou International Industrial Exhibition City	Mudanjiang	Trade logistics center	100%	91	89	64	25	–
			Sub-total		91	89	64	25	–
Henan Province									
29	Luoyang Wuzhou International Industrial Exhibition City	Luoyang	Trade logistics center	51%	200	199	125	74	–
30	Zhengzhou Wuzhou International Industrial Exhibition City	Zhengzhou	Trade logistics center	100%	341	290	269	21	–
			Sub-total		541	489	394	95	–
Jilin Province									
31	Changchun Wuzhou International Plaza	Changchun	Trade logistics center	100%	164	161	119	2	40
			Sub-total		164	161	119	2	40
Liaoning Province									
32	Shenyang Wuzhou International Industrial Exhibition City	Shenyang	Trade logistics center	100%	69	68	64	4	–
			Sub-total		69	68	64	4	–
			Total		5,323	4,632	3,227	564	841

Projects under development

As at 30 June 2017, the Group had a total of 19 projects or project phases under development with a total planned GFA of 1,715,000 sq.m., including approximately 545,000 sq.m. of GFA pre-sold and approximately 418,000 sq.m. of GFA held for lease.

List of projects under development:

Project name	City	Category	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.)	
Jiangsu Province										
1	Wuxi Wuzhou International Ornamental City Phase V Hall F	Wuxi	Trade logistics center	100%	2017	34	26	-	26	-
2	Jiangyin Wuzhou International Plaza	Jiangyin	Multi-functional commercial complex	90%	2017	29	27	25	2	-
3	Yixing Wuzhou International Plaza	Yixing	Multi-functional commercial complex	51%	2017	82	57	11	46	-
4	Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	2017	66	63	36	27	-
5	Xuzhou Road-port	Xuzhou	Trade logistics center	70%	2017	190	186	-	-	186
6	Jiangsu Wufeng Plaza	Kunshan	Trade logistics center	60%	2018	231	158	110	48	-
					Sub-total	632	517	182	149	186
Yunnan Province										
7	Dali Wuzhou International Trade City	Dali	Trade logistics center	100%	2017	87	85	-	-	85
8	Baoshan Wuzhou International Plaza	Baoshan	Multi-functional commercial complex	70.5%	2017	73	55	19	36	-
					Sub-total	160	140	19	36	85
Chongqing City										
9	Rongchang Wuzhou International Trade City Phase II	Chongqing	Trade logistics center	94%	2017	7	7	-	7	-
10	Yongchuan Wuzhou City	Chongqing	Trade logistics center	66%	2017	61	60	40	20	-
					Sub-total	68	67	40	27	-
Hubei Province										
11	Xiangyang Wuzhou International Industrial Exhibition City	Xiangyang	Trade logistics center	100%	2017	50	48	5	43	-
					Sub-total	50	48	5	43	-
Shandong Province										
12	Longkou Wuzhou International Trade City	Longkou	Trade logistics center	95%	2017	20	20	3	17	-
13	Yantai Wuzhou International Industrial Exhibition City (Fushan)	Yantai	Trade logistics center	95%	2017	75	68	18	50	-
					Sub-total	95	88	21	67	-

Project name	City	Category	Interests of the Company	Estimated construction completion date		Total GFA	Total saleable GFA	GFA pre-sold	GFA held for sale	GFA held for lease
						('000 sq.m.)	('000 sq.m.)	('000 sq.m.)	('000 sq.m.)	('000 sq.m.)
Zhejiang Province										
14	Ruian Wuzhou International Trade City	Ruian	Trade logistics center	100%	2017	171	143	35	10	98
					Sub-total	171	143	35	10	98
Henan Province										
15	Luoyang Wuzhou International Industrial Exhibition City	Luoyang	Trade logistics center	51%	2017	11	7	5	2	-
16	Zhengzhou Wuzhou International Industrial Exhibition City	Zhengzhou	Trade logistics center	100%	2017	124	118	104	14	-
					Sub-total	135	125	109	16	-
Jilin Province										
17	Changchun Wuzhou International Plaza	Changchun	Trade logistics center	100%	2017	112	72	-	72	-
					Sub-total	112	72	-	72	-
Liaoning Province										
18	Shenyang Wuzhou International Industrial Exhibition City	Shenyang	Trade logistics center	100%	2017	85	68	3	16	49
					Sub-total	85	68	3	16	49
Fujian Province										
19	Zhangzhou Wuzhou City	Zhangzhou	Trade logistics center	100%	2018	209	206	130	77	-
					Sub-total	209	206	130	77	-
					Total	1,715	1,474	545	511	418

Projects planned for future development

As at 30 June 2017, the Group had a total of 17 projects or project phases planned for future development, with a total planned GFA of approximately 4,148,000 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	100%	27
3	Sheyang Wuzhou International Plaza	Sheyang	Multi-functional commercial complex	100%	307
4	Yixing Wuzhou International Huadong Trade City	Yixing	Trade logistics center	100%	211
			Sub-total		689
Chongqing City					
5	Rongchang Wuzhou International Trade City Phase II	Chongqing	Trade logistics center	94%	190
6	Wulong Wuzhou International Trade Logistics Park	Chongqing	Trade logistics center	55%	165
			Sub-total		355
Yunnan Province					
7	Dali Wuzhou International Trade City Phase III	Dali	Trade logistics center	100%	917
			Sub-total		917
Hubei Province					
8	Xiangyang Wuzhou International Industrial Exhibition City Phase II	Xiangyang	Trade logistics center	100%	512
			Sub-total		512
Shandong Province					
9	Leling Wuzhou International Exhibition City	Leling	Trade logistics center	51%	414
10	Longkou Wuzhou International Trade Cityo	Longkou	Trade logistics center	95%	100
			Sub-total		514
Heilongjiang Province					
11	Mudanjiang Wuzhou International Industrial Exhibition City	Mudanjiang	Trade logistics center	100%	221
			Sub-total		221
Henan Province					
12	Luoyang Wuzhou International Industrial Exhibition City	Luoyang	Trade logistics center	51%	64
			Sub-total		64

Project name	City	Category	Interests of the Company	Total GFA ('000 sq.m.)	
Jilin Province					
13	Jilin Wuzhou International Trade City	Jilin	Trade logistics center	51.01%	70
				Sub-total	70
Liaoning Province					
14	Shenyang Wuzhou International Industrial Exhibition City	Shenyang	Trade logistics center	100%	105
				Sub-total	105
Zhejiang Province					
15	Leqing Wuzhou International Electrics & Electronic Appliance City	Leqing	Trade logistics center	100%	273
16	Wuzhou International Tanshanfu	Shengzhou	Residential	51%	112
				Sub-total	385
Hebei Province					
17	Wuzhou International Yuecheng Tianxitai	Xingtai	Residential	51%	315
				Sub-total	315
				Total	4,148

III. Land bank

The Group considers that acquiring ample land bank at reasonable costs is crucial to the long term development and profitability of the Company. The Group 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. With the fluctuations in the wholesale market in China, we made the strategic decision to pause acquisitions of trade logistics projects during the period under review. Meanwhile, the Group explored suitable investment opportunities in residential development projects and acquired two such projects during the period under review.

As of 30 June 2017, the total planned GFA of land bank amounted to approximately 7,313,000 sq.m., including approximately 1,450,000 sq.m. for completed projects, approximately 1,715,000 sq.m. for projects under development and approximately 4,148,000 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 2017, 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	752	632	689	2,073
Yunnan Province	83	160	917	1,160
Zhejiang Province	194	171	385	750
Shandong Province	71	95	514	680
Hubei Province	12	50	512	574
Henan Province	196	135	64	395
Chongqing City	68	68	355	491
Hebei Province	–	–	315	315
Heilongjiang Province	33	–	221	254
Jilin Province	25	112	70	207
Liaoning Province	16	85	105	206
Fujian Province	–	209	–	209
Total	1,450	1,715	4,148	7,313

IV. Centralized operation, management and marketing

Most of the purchasers of our retail stores entered into exclusive operation and management agreements with the Group, 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.

The Group develops and operates its trade logistics centers and multi-functional commercial complexes under the brands of “Wuzhou International” and “Columbus”. In order to unify the brand image of its specialized wholesale markets and multi-functional commercial complexes, its professional planning and marketing team is responsible for formulating the nation-wide promotion strategies and coordinating marketing activities. During the period under review, both the brand effect and visitor flow of its trade logistics centers and multi-functional commercial complexes recorded significant growth attributable to various marketing and promotion activities and sponsorship for a number of activities. Moreover, asset management, construction, design and operation capability of the Group were highly recognized in the industry. As a result, the brands “Wuzhou International” and “Columbus” were well-received in the places where the Group operates.

V. Outlook

Looking ahead to 2017, shrinkage of balance sheet and the start of interest rate hiking cycle will bring numerous uncertainties to the stability of China's economy against the backdrop of macroeconomic stabilization. In the second half of 2017, signs of slowdown in property investment in China will be clearer as a result of tightening control over property market by the PRC government and increasing mortgage rates by banks, posing challenges to the operation of the Group.

Wuzhou International will continue to accelerate resources integration along the trade logistics industrial chain and build up the "service platform for trade logistics of the industrial chain". In addition, the Group will continue to explore suitable investment opportunities in residential development projects to adapt changes of market demand and achieve growth in the business of the Company.

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 2017, turnover of the Group amounted to approximately RMB1,605 million, representing a decrease of 20.0% from approximately RMB2,006 million for the corresponding period in 2016.

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 22.6% to approximately RMB1,427 million for the six months ended 30 June 2017 from approximately RMB1,844 million for the corresponding period in 2016. This decrease was the combined effects of a decrease in total GFA sold and a decrease in the average selling price of properties sold to our customers.

Rental Income

Rental income generated from rental of investment properties decreased by 2.3% to approximately RMB59 million for the six months ended 30 June 2017 from approximately RMB60 million for the corresponding period in 2016. The decrease was primarily due to the weak demand of commercial 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 increased by 24.2% to approximately RMB57 million for the six months ended 30 June 2017 from approximately RMB46 million for the corresponding period in 2016. Property management service income increased by 431% to approximately RMB8 million for the six months ended 30 June 2017 from approximately RMB2 million for the corresponding period in 2016. The increase in commercial management service income was due primarily to an increase in the GFA of the properties operated and managed by us and an increase of projects with service income derived from 10% of the rental value of the properties, while the increase in property management service income was mainly due to expiration of a service contract with a supplier in Wuxi and that the operation of property management service was taken back by the Group for a project in Wuxi.

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 increased by 24.3% to approximately RMB31 million for the six months ended 30 June 2017 from approximately RMB25 million for the corresponding period in 2016. The increase in property consulting service income was primarily due to the increase in business volume of property consulting service in the period.

Gross Profit and Margin

Gross profit decreased by 28.0% to approximately RMB438 million for the six months ended 30 June 2017 from approximately RMB609 million for the corresponding period in 2016. Gross profit margin decreased to 27.3% for the six months ended 30 June 2017 from 30.3% for the corresponding period in 2016. The decrease in gross profit was in line with the decrease in the total revenue for the six months ended 30 June 2017 while the decrease in our gross margin was resulted from the change in product mix.

Other Income and Gain

Other income and gains increased by 85.3% to approximately RMB173 million for the six months ended 30 June 2017 from approximately RMB93 million for the corresponding period in 2016. Other income and gains mainly represented by foreign exchange gain, gains on disposal and acquisition of subsidiaries, interest income and certain non-recurring income and gains.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 33.6% to approximately RMB156 million for the six months ended 30 June 2017 from approximately RMB117 million for the corresponding period in 2016. The increase was primarily due to an increase in general selling, marketing and advertising activities resulting from new developing projects where the Group was a new entrant in these markets.

Administrative Expenses

Our administrative expenses decreased by 11.1% to approximately RMB140 million for the six months ended 30 June 2017 from approximately RMB157 million for the corresponding period in 2016. This decrease was primarily due to the Group's policy of furthering the control of administrative expenses in the first half of 2017.

Finance Costs

Our finance costs increased by 106.7% to approximately RMB452 million for the six months ended 30 June 2017 from approximately RMB219 million for the corresponding period in 2016. This increase was primarily due to an increase in borrowings to finance the Group's business operation and development, which in turn increased the interest expenses.

Income Tax Expenses

Our income tax expenses decreased by 12.3% to approximately RMB175 million for the six months ended 30 June 2017 from approximately RMB200 million for the corresponding period in 2016. The change was primarily due to the decrease in corporate income tax and decrease in land appreciation tax in the first half of 2017.

Profit After Tax for the Period Attributable to Owners of the Company

Profit after tax for the period attributable to owners of the Company increased by 90.6% to approximately RMB101 million for the six months ended 30 June 2017 from approximately RMB53 million for the corresponding period in 2016. This increase was primarily due to the combined effects of decrease in gross profit and administrative expenses and increase in other income and gain, selling and marketing expenses, fair value of investment properties, finance costs in the first half of 2017 as compared to that in the same period of 2016. Our net profit margin was 6.3% for the period under review.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2017, the Group's bank balances and cash (including restricted cash and pledged deposits) was approximately RMB2,161 million (31 December 2016: approximately RMB3,761 million), representing a decrease of 42.5% as compared to that as at 31 December 2016. 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 2017, the Group's restricted cash was approximately RMB88 million (31 December 2016: approximately RMB92 million).

Current Ratio and Gearing Ratio

As at 30 June 2017, the Group has a current ratio (being current assets over current liabilities) of approximately 1.10 compared to that of 1.04 as at 31 December 2016. The gearing ratio was 214.1% as at 30 June 2017 compared to that of 165.2% as at 31 December 2016. The gearing ratio was measured by net debt (aggregated bank loans and other borrowings, corporate bonds, 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, corporate bonds, senior and convertible notes) over total assets ratio was 43.6% as at 30 June 2017 (31 December 2016: 45.2%).

Borrowings and Charges on the Group's Assets

As at 30 June 2017, the Group had an aggregate interest-bearing bank and other borrowings, corporate bonds, senior and convertible notes of approximately RMB11,718 million. Amongst the bank and other borrowings, approximately RMB2,983 million will be within 1 year, approximately RMB2,622 million will be repayable between 2 to 5 years and approximately RMB191 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. Amongst the corporate bonds, approximately RMB529 million are repayable within 1 year and approximately RMB2,598 million are repayable between 2 to 5 years.

As at 30 June 2017, 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 and secured by pledge of their shares. The bank and other borrowings and corporate bonds 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 2017, the Group had committed payment for the acquisition of land use rights of approximately RMB275 million (31 December 2016: RMB378 million) and the committed payment for properties under development amounting to approximately RMB3,173 million (31 December 2016: RMB2,672 million).

Contingent Liabilities

As at 30 June 2017, the Group had provided guarantees amounting to approximately RMB1,163 million (31 December 2016: approximately RMB1,235 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 2017 as the default risk is low.

Employees and Remuneration Policies

As at 30 June 2017, the Group had 2,189 employees, of which 845 employees were involved in the property development sector and 1,344 in the property operation services sector. Total staff costs, including directors' emoluments, for the six months ended 30 June 2017 amounted to approximately RMB63 million (six months ended 30 June 2016: approximately RMB109 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 2017, the total number of shares in respect of which options were granted under the Scheme remain outstanding were 29,345,141 shares.

Interim Dividend

The Directors resolved that no interim dividend will be paid for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

CORPORATE GOVERNANCE

During the six months ended 30 June 2017, the Company has complied with the code provisions set out in the "Corporate Governance Code and Corporate Governance Report" (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") except for code provision A.4.1 and A.6.7.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Mr. Wang Wei, the non-executive Director of the Company was not appointed for a specific term. The articles of association of the Company stipulates that every Director shall be subject to retirement by rotation and re-election at least once every three years. Therefore, in the opinion of the Board, this meets the objective of the CG Code.

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. All independent non-executive Directors and the non-executive Director did not attend the annual general meeting of the Company held on 26 May 2017 since they had other business commitments that required their attendance.

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 risk management 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 risk management 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, risk management and internal controls and financial reporting matters including a review of the unaudited interim results of the Group for the six months ended 30 June 2017.

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 2017.

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 2017 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, 31 August 2017

As at the date of this announcement, the executive Directors are Mr. Shu Cecheng and Mr. Shu Cewan; 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.