萬科置業（海外）有限公司

Vanke Property (Overseas) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01036)

Announcement of Unaudited Results for the Six Months Ended 30 June 2013

INTERIM RESULTS

The Board of Directors of Vanke Property (Overseas) Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013 (the "Period") as follows:

Consolidated Income Statement
For the six months ended 30 June 2013

		Unaudited For the six months ended	
	Note	**30 June 2013** ***HK\$'000***	30 June 2012 *HK\$'000*
Continuing operations:			
Turnover	*3*	**40,577**	38,138
Cost of services		**(9,705)**	(8,182)
Gross profit		**30,872**	29,956
Other income	*4*	**75**	62
Administrative, leasing and marketing expenses		**(8,238)**	(12,197)
Increase in fair value of investment properties		**66,980**	–
Operating profit		**89,689**	17,821
Finance income	*5(a)*	**314**	–
Finance costs	*5(a)*	**(4,281)**	(609)
Profit before taxation	*5*	**85,722**	17,212
Taxation charge	*6*	**(3,539)**	(4,891)
Profit for the period from continuing operations		**82,183**	12,321
Discontinued operations:			
Profit for the period from discontinued operations	*7*	**–**	323,133
Profit for the period		**82,183**	335,454

Consolidated Income Statement (Continued)
For the six months ended 30 June 2013

		Unaudited For the six months ended	
	Note	**30 June 2013** **HK$'000**	30 June 2012 *HK$'000*
Attributable to:			
Shareholders of the Company			
— Continuing operations		**82,183**	11,238
— Discontinued operations		**–**	323,071
		82,183	334,309
Non-controlling interests			
— Continuing operations		**–**	1,083
— Discontinued operations		**–**	62
		–	1,145
		82,183	335,454
		HK$	*HK$*
Earnings per share — basic and diluted	*8*		
— Continuing operations		**0.32**	0.04
— Discontinued operations		**–**	1.24

Details of dividends paid and payable to shareholders of the Company are set out in note 9.

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2013

	Unaudited For the six months ended 30 June 2013 HK$'000	30 June 2012 HK$'000
Profit for the period	**82,183**	335,454
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of overseas subsidiaries	–	3,296
Change in fair value of available-for-sale financial assets	–	81,997
Transferred to consolidated income statement upon derecognition of an available-for-sale financial asset	–	(79,073)
Share of hedging reserve of an associate	–	(1,774)
Cash flow hedges		
— Fair value losses	–	(7,010)
— Realised upon settlement	–	21,415
Other comprehensive income for the period	–	18,851
Total comprehensive income for the period	**82,183**	354,305
Attributable to:		
Shareholders of the Company		
— Continuing operations	**82,183**	11,238
— Discontinued operations	–	341,922
	82,183	353,160
Non-controlling interests		
— Continuing operations	–	1,083
— Discontinued operations	–	62
	–	1,145
Total comprehensive income for the period	**82,183**	354,305

There is no tax effect relating to each of the components in other comprehensive income.

Consolidated Balance Sheet
At 30 June 2013

	Note	**Unaudited At 30 June 2013 *HK$'000***	Audited At 31 December 2012 *HK$'000*
Non-current assets			
Investment properties		**1,326,570**	1,259,590
Deferred tax assets		**2,562**	1,994
		1,329,132	1,261,584
Current assets			
Trade and other receivables	*10*	**9,805**	15,883
Tax recoverable		**14**	17
Bank balances and cash		**362,400**	50,151
		372,219	66,051
Current liabilities			
Other payables and accruals	*11*	**(22,255)**	(20,248)
Amount due to an intermediate holding company		**(2,241)**	–
Bank loans due within one year, secured	*12*	**(5,500)**	–
Tax payable		**(4,218)**	(2,503)
		(34,214)	(22,751)
Net current assets		**338,005**	43,300
Total assets less current liabilities		**1,667,137**	1,304,884
Non-current liabilities			
Bank loans due after one year, secured	*12*	**(287,000)**	–
Deferred tax liabilities		**(26,801)**	(25,940)
		(313,801)	(25,940)
Net assets		**1,353,336**	1,278,944
Capital and reserves			
Share capital		**2,596**	2,596
Reserves		**1,350,740**	1,276,348
Total equity		**1,353,336**	1,278,944

Notes

1. GENERAL INFORMATION

The Company is a limited liability company incorporated under the laws of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is situated at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and the address of its principal office in Hong Kong is 55/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong. The Company is an investment holding company. The principal subsidiaries of the Company are engaged in property investment and management.

The Board of Directors of the Company considers that the Company's ultimate holding company is China Vanke Co., Ltd., a joint stock company with limited liability incorporated in the People's Republic of China and the issued shares of which are listed on the Shenzhen Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited consolidated interim financial information (the "Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

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

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 December 2012, except for the accounting policy changes that are expected to be reflected in the financial statements for the year ending 31 December 2013. Details of these changes in accounting policies are set out below.

The HKICPA has issued a number of new Hong Kong Financial Reporting Standards ("HKFRSs") and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group:

- Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 13, *Fair value measurement*

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

Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in this Interim Financial Information has been modified accordingly.

Notes (Continued)

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

3. TURNOVER AND SEGMENT INFORMATION

Turnover recognised during the Period are as follows:

	For the six months ended	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Continuing operations:		
Rental and property management	**40,577**	38,138
Discontinued operations:		
Rental and property management	**–**	227,674
Warehousing	**–**	5,866
	–	233,540

Operating segments

The Group's chief operating decision maker assesses the performance of the operating segment primarily based on segment profit. Segment profit represents the profit earned by the segment and excludes head office and corporate expenses (net of unallocated income), finance income, finance costs and taxation charge.

Notes (Continued)

The segment results from continuing operations are as follows:

	For the six months ended	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Rental and property management		
Turnover	**40,577**	38,138
Segment results before change in fair value of investment properties	**30,108**	29,887
Increase in fair value of investment properties	**66,980**	–
Segment results	**97,088**	29,887
Head office and corporate expenses (net of unallocated income)	**(7,399)**	(12,066)
Operating profit	**89,689**	17,821
Finance income	**314**	–
Finance costs	**(4,281)**	(609)
Profit before taxation from continuing operations	**85,722**	17,212
Taxation charge	**(3,539)**	(4,891)
Profit for the period from continuing operations	**82,183**	12,321

4. OTHER INCOME

	For the six months ended	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Continuing operations:		
Others	**75**	62
Discontinued operations:		
Dividend income from listed available-for-sale financial assets	**–**	9,739
Others	**–**	791
	–	10,530

Notes (Continued)

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	For the six months ended	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
(a) Finance income and costs		
Continuing operations:		
Finance income		
Interest income on bank deposits and balances	**(314)**	–
Finance costs		
Interest expenses on bank loans and overdrafts	**2,094**	609
Other borrowing costs	**2,187**	–
	4,281	609
Discontinued operations:		
Finance income		
Interest income on bank deposits and balances	**–**	(3,206)
Finance costs		
Interest expenses on bank loans and overdrafts	**–**	34,846
(b) Others		
Continuing operations:		
Depreciation	**–**	20
Legal and professional fee directly attributable to the transactions contemplated under an agreement dated 13 May 2012 in relation to change of controlling shareholder of the Company (the "Agreement")	**–**	8,800
Discontinued operations:		
Amortised income from held-to-maturity investments	**–**	(6,312)
Depreciation	**–**	1,127
Fair value loss on derivative financial instruments	**–**	1,574
Transferred to consolidated income statement upon derecognition of an available-for-sale financial asset	**–**	(79,073)

Notes (Continued)

6. TAXATION CHARGE

	For the six months ended	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Continuing operations:		
Current tax		
Hong Kong Profits tax	**3,246**	3,625
Deferred tax		
Origination and reversal of temporary differences	**293**	1,266
	3,539	4,891
Discontinued operations:		
Current tax		
Hong Kong Profits tax	**–**	7,542
Deferred tax		
Origination and reversal of temporary differences	**–**	13,267
	–	20,809

Provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2012: 16.5%) on the estimated assessable profits for the Period.

Notes (Continued)

7. DISCONTINUED OPERATIONS

Pursuant to the Agreement, the Group's businesses, other than those relating to the units and car park podium in Regent Centre currently owned by the Group, were distributed to the shareholders of the Company, whose names appeared on the register of members of the Company on 13 July 2012, upon completion of the Agreement on 16 July 2012. The results of the distributed businesses were reported as discontinued operations in the financial statements.

The results of the distributed businesses for the six months ended 30 June 2012 were set out below.

	Note	*HK$'000*
Turnover	*3*	233,540
Cost of services		(49,213)
Gross profit		184,327
Other income	*4*	10,530
Administrative, leasing and marketing expenses		(20,495)
Increase in fair value of investment properties		36,626
Other gains, net		81,750
Operating profit		292,738
Finance income	*5(a)*	3,206
Finance costs	*5(a)*	(34,846)
		261,098
Share of profits less losses of associates		82,844
Profit before taxation	*5*	343,942
Taxation charge	*6*	(20,809)
Profit for the period from discontinued operations		323,133

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company from the continuing operations and discontinued operations of HK$82,183,000 and nil (six months ended 30 June 2012: HK$11,238,000 and HK$323,071,000), respectively, and 259,685,288 shares (six months ended 30 June 2012: 259,685,288 shares) in issue during the Period.

Diluted earnings per share for the continuing operations and discontinued operations equals to the basic earnings per share for the continuing operations and discontinued operations as the Company had no dilutive potential shares in issue during the Period (six months ended 30 June 2012: nil).

Notes (Continued)

9. DIVIDEND

(a) Dividend attributable to the Period:

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 June 2012: nil).

(b) Dividend attributable to the previous financial year, approved and paid during the Period:

	For the six months ended	
	30 June 2013	30 June 2012
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the Period, of HK$0.03 (six months ended 30 June 2012: HK$0.47) per share	**7,791**	122,052

10. TRADE AND OTHER RECEIVABLES

	At 30 June 2013	At 31 December 2012
	HK$'000	*HK$'000*
Trade receivables, net of allowances for doubtful debts	**790**	619
Amortised rent receivables	**512**	594
Other receivables	**5,897**	11,744
Deposits	**2,398**	2,393
Prepayments	**208**	533
	9,805	15,883

Trade receivables represent rental receivables from tenants of the Group's investment properties. The Group maintains a defined policy in respect of rent collection. The credit quality of a new lease or customer is assessed based on a defined policy set by the Group. Reminders are issued bi-weekly when trade receivables have been overdue for 15 days, and legal actions will be taken when trade receivables have been overdue for two months. Normally, the Group does not obtain any collateral from tenants. The ageing analysis of trade receivables (net of allowance for doubtful debts), based on the date of revenue recognition, is as follows:

	At 30 June 2013	At 31 December 2012
	HK$'000	*HK$'000*
0 to 30 days	**623**	570
31 to 90 days	**167**	49
	790	619

Notes (Continued)

11. OTHER PAYABLES AND ACCRUALS

	At 30 June 2013 HK$'000	At 31 December 2012 HK$'000
Other payables	**2,186**	1,632
Deposits received	**17,995**	16,852
Accruals	**2,074**	1,764
	22,255	20,248

Except for the rental deposits received on properties of HK$8,716,000 (31 December 2012: HK$8,322,000) which are expected to be settled more than one year, all of the other payables and accruals are expected to be settled within one year or are repayable on demand.

12 BANK LOANS, SECURED

	At 30 June 2013 HK$'000	At 31 December 2012 HK$'000
Secured bank loans	**300,000**	–
Other borrowing costs capitalised	**(7,500)**	–
Total bank loans	**292,500**	–
Representing secured bank loans		
Due within one year	**5,500**	–
Between one and two years	**5,500**	–
Between two and five years	**281,500**	–
Due after one year	**287,000**	–
	292,500	–

The Group's banking facilities of HK$600,000,000 are secured by investment properties with a carrying amount of HK$1,326,570,000 as at 30 June 2013 (31 December 2012: HK$1,259,590,000). The facilities were utilised to the extent of HK$300,000,000 as at 30 June 2013 (31 December 2012: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF CONTROLLING SHAREHOLDER

On 16 July 2012, the controlling shareholder of the Company was changed to China Vanke Co., Ltd. ("China Vanke") upon completion of an agreement dated 13 May 2012 (the "Agreement") relating to sale of 205,835,845 shares of the Company by the former controlling shareholder of the Company to Wkland Investments Company Limited ("Wkland Investments"). Wkland Investments is an indirect wholly-owned subsidiary of Vanke Property (Hong Kong) Company Limited ("Vanke HK"), which in turn is an indirect wholly-owned subsidiary of China Vanke.

Upon completion of the Agreement, the Group only retained the business of holding and the operation and management of, various portions and the carpark podium of Regent Centre in Kwai Chung, Hong Kong (the "Continuing Operations"). Other assets and businesses were distributed to the shareholders of the Company, whose names appeared on the register of members of the Company on 13 July 2012, by way of a distribution in specie which took place immediately before completion of the Agreement (the "Discontinued Operations").

BUSINESS REVIEW

The Group's unaudited turnover for the Period was HK$41 million, compared to HK$38 million for the same period last year. The increase was mainly due to improved occupancy and passing rent for the units owned by the Group in Regent Centre. Occupancy for the Group's properties reached 97% as at 30 June 2013.

The Group's unaudited profit attributable to shareholders for the Period was HK$82 million (six months ended 30 June 2012: HK$334 million). Excluding the results attributable to the Discontinued Operations and the change in fair value of investment properties, the Group's underlying profit for the Period was HK$15 million (six months ended 30 June 2012: HK$11 million). The increase was mainly due to reduction in administrative expenses as a result of the non-recurring nature of the legal and professional fee of HK$9 million being incurred for transactions contemplated under the Agreement in the prior period, partly set off by an increase in finance costs of HK$4 million during the Period.

VALUATION OF THE GROUP'S INVESTMENT PROPERTIES

The Group's investment properties comprise various portions and the carpark podium in Regent Centre (the "Property") having a gross floor area of approximately 61,000 square meters, representing approximately 64% of the total gross floor area of Regent Centre.

The Property was valued at HK$1,327 million as at 30 June 2013 (31 December 2012: HK$1,260 million) by Vigers Appraisal & Consulting Limited, an independent property valuer, on the basis of open market value. The increase in value is mainly attributable to the improved leasing performance of the Property. A fair value gain of HK$67 million was recognised in the financial statements during the Period.

ACQUISITION OF A 20% INTEREST IN TW6 PROJECT

On 16 May 2013, the Group entered into an agreement (the "TW6 Agreement") to acquire the entire issued share capital of Wkdeveloper Limited ("Wkdeveloper") and all related shareholder's loan from Vanke HK for a cash consideration of HK$722 million (subject to upward adjustment). Wkdeveloper is legally and beneficially holding 20% equity interest in Ultimate Vantage Limited ("Ultimate Vantage"), which has been granted the right to develop the West Rail Tsuen Wan West Station TW6 Property Development project (the "TW6 Project") in January 2013.

The TW6 Project involves the non-industrial development of a land lot located near the West Rail Tsuen Wan West Station having a site area of 13,804 square meters and a maximum developable gross floor area of 62,711 square meters. The number of residential units in the TW6 Project is no less than 894, of which at least 520 units will be of size not exceeding 50 square meters in saleable area.

The transaction constituted a major and connected transaction to the Company under the Listing Rules and was approved by the independent shareholders at an extraordinary general meeting of the Company held on 21 June 2013. Completion of the transaction is subject to, amongst others, approval from various parties including Tsuen Wan West TW6 Property Development Limited becoming unconditional. It is expected that such conditions can be fulfilled in the third quarter this year.

For details of the transaction, please refer to the Company's announcement dated 16 May 2013 and the Company's circular dated 4 June 2013.

FINANCIAL REVIEW

Debt position

The term portion of a three-year loan facility arranged in December 2012 (the "Facility") was drawn at the end of its availability period in March 2013, resulting in an increase in bank borrowings to HK$293 million as at 30 June 2013 (31 December 2012: nil) and an increase in finance costs to HK$4 million during the Period (six months ended 30 June 2012: HK$0.6 million). Out of the total bank borrowings as at 30 June 2013, HK$5.5 million is due within one year, HK$5.5 million is due within the second year and the balance of HK$281.5 million is due within the third year.

Cash position

Loan proceeds from drawdown of the Facility are temporarily placed as deposit with bank to earn interest income, resulting in an increase in bank balances and cash to HK$362 million as at 30 June 2013 (31 December 2012: HK$50 million) and an increase in finance income to HK$0.3 million during the Period (six months ended 30 June 2012: nil). The Group's undrawn banking facilities amounted to HK$300 million as at 30 June 2013 (31 December 2012: HK$600 million).

Gearing

The Group's gearing, calculated as a percentage of total liabilities of HK$348 million (31 December 2012: HK$49 million) to total assets of HK$1,701 million (31 December 2012: HK$1,328 million), was 20% as at 30 June 2013 (31 December 2012: 4%). The increase was mainly due to draw down of the term portion of the Facility during the Period.

Treasury policies

The Group operates in Hong Kong and all its assets and liabilities are denominated in Hong Kong dollar. As a result, it has no exposure to foreign exchange rate fluctuation. The Group's bank borrowings bear interest at floating rate. The Group reviews its interest rate exposure on a regular basis and, if appropriate, will consider entering into interest rate swap contracts to hedge the exposure to the extent required.

Commitments

As at 30 June 2013, the Group was contractually committed to pay the consideration of HK$722 million (subject to upward adjustment) for acquiring the 20% interest in TW6 Project in cash in the following manner:

(i) as to HK$572 million and the amount of upward adjustment in cash on the third business day following fulfillment of all conditions precedent to the TW6 Agreement; and

(ii) as to HK$150 million in cash within three business days from the date on which not less than HK$150 million in aggregate of the shareholder's loan advanced from Wkdeveloper to Ultimate Vantage having been repaid to and actually received by Wkdeveloper.

The consideration is subject to upward adjustment for additional interest and advances made by Vanke HK to finance the investment of Wkdeveloper in Ultimate Vantage from the date of the TW6 Agreement until completion. The Group currently expects to utilise its existing cash resources and available banking facilities to settle the portion of the consideration payable upon completion.

The Group had no significant commitments as at 31 December 2012.

Contingent liabilities

The Group had no significant contingent liabilities as at 30 June 2013 (31 December 2012: nil).

Pledge of assets

The Group's investment properties with a carrying value of HK$1,327 million as at 30 June 2013 (31 December 2012: HK$1,260 million) were pledged to secure banking facilities of the Group.

EMPLOYEES

The Group had 1 employee as at 30 June 2013 (31 December 2012: nil).

Vanke HK as an intermediate holding company of the Company provides administrative support to the Group on a cost basis. The amount of service fees payable by the Company to Vanke HK amounted to HK$2,050,000 during the Period (six months ended 30 June 2012: nil).

The former controlling shareholder of the Company provides administrative, property management, brokerage, agency and leasing services to the Group. The amount of fees paid and payable by the Group for such services amounted to HK$2,801,000 during the Period (six months ended 30 June 2012: nil).

The Group is still in the course of recruiting employees to fill up vacant positions within the Group. In so doing, the Group will align remuneration and benefit packages with pay levels and practices prevailing in the market and recognise individual responsibility and performance. All eligible employees in Hong Kong will be enrolled to a defined contribution mandatory provident fund scheme.

OUTLOOK

The recent measures taken by the Hong Kong Government to stabilise property prices have reduced the transaction volume and brought the surging of property prices caused by the deprecation of Hong Kong dollar, low interest-rate environment and limited land supply to a halt. The Directors believe that these measures are beneficial to the medium and long term prospects of the property market in Hong Kong. Driven by this belief, the Company with the assistance of China Vanke has identified the acquisition of a 20% interest in TW6 Project from Vanke HK as a unique opportunity for the Company to expand its business activities from property investment to property investment and development. The development of the TW6 Project is targeted for completion in 2018. It is expected that there will be a solid demand for the residential units in the TW6 Project, comprising mainly smaller size apartments tailoring for the mass public, when the units are launched to the market for sale at an appropriate time.

The fundamentals of the Hong Kong economy remain positive, despite uncertainties on the pace of the global economic recovery and the potential slowdown of the economic growth in Mainland China. In light of this, the leasing performance of Regent Centre is expected to remain satisfactory in the remainder of the year.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (six months ended 30 June 2012: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the Period, except for the following deviations:

Code provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and in writing.

The Company has not appointed Chairman of the Board and Managing Director. The duties of chairman and chief executive under code provisions A.2.2 to A.2.9 are shared amongst Zhang Xu and Que Dong Wu, the Executive Directors.

The Board will consider appointing Chairman and Managing Director at an appropriate stage when the Group has expanded the size of operation.

Code provision A.2.7

Code provision A.2.7 stipulates that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. As the Company has not appointed Chairman of the Board, this code provision is not applicable to the Company.

Code provision F.1.3

Code provision F.1.3 stipulates that the company secretary should report to the board chairman and/or the chief executive. As the Company has not appointed Chairman of the Board and Managing Director, this code provision is not applicable to the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Company has made specific enquiry of all Directors and received confirmation from all Directors that they had complied with the required standard set out in the Model Code throughout the Period. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (as such term is defined in the Corporate Governance Code) in respect of their dealings in the securities of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim financial information of the Group for the Period is unaudited, but has been reviewed by KPMG, the Company's independent auditor, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA, whose unmodified review report is included in the interim report to be sent to shareholders. The interim financial information has also been reviewed by the Company's Audit Committee.

PUBLICATION OF RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Company at www.vankeoverseas.com and the website of the Stock Exchange at www.hkexnews.hk. The interim report of the Company will be despatched to shareholders and published on the aforesaid websites in due course.

BROAD OF DIRECTORS

As at the date of this Announcement, the Directors of the Company are:

Executive Directors:
Mr. Zhang Xu, Ms. Que Dong Wu

Non-Executive Directors:
Mr. Wang Wen Jin, Mr. Chan Chi Yu

Independent Non-Executive Directors (in alphabetical order):
Mr. Chan Wai Hei, William, Mr. Chung Wai Sum, Patrick, Mr. Shium Soon Kong

By order of the Board
Vanke Property (Overseas) Limited
Que Dong Wu
Executive Director

Hong Kong, 19 July 2013