

CHINA TELECOM CORP LTD

Form 6-K

August 20, 2015

Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the Month of August 2015

Commission File Number 1-31517

China Telecom Corporation Limited

(Translation of registrant's name into English)

31 Jinrong Street, Xicheng District

Beijing 100033, China

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):)

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):)

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82- .)

Table of Contents

EXHIBITS

Exhibit Number		Page Number
1.1	<u>Announcement of interim results for the six months ended June 30, 2015, dated August 19, 2015.</u>	A-1

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Form 6-K may be viewed as forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements are, by their nature, subject to significant risks and uncertainties, and include, without limitation, statements relating to:

our business and operating strategies and our ability to successfully execute these strategies;

our network expansion and capital expenditure plans;

our operations and business prospects;

the expected benefit of any acquisitions or other strategic transactions;

our financial condition and results of operations;

the expected impact of new services on our business, financial condition and results of operations;

the future prospects of and our ability to integrate acquired businesses and assets;

the industry regulatory environment as well as the industry outlook generally; and

future developments in the telecommunications industry in the People's Republic of China, or the PRC.

The words anticipate, believe, could, estimate, expect, intend, may, plan, seek, will, would and they relate to us, are intended to identify a number of these forward-looking statements.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are

not a guarantee of future performance. We are under no obligation to update these forward-looking statements and do not intend to do so. Actual results may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following:

any changes in the regulations or policies of the Ministry of Industry and Information Technology (prior to March 2008, the Ministry of Information Industry, or the MII), or the MIIT, and other relevant government authorities relating to, among other matters:

the granting and approval of licenses;

Table of Contents

tariff policies;

interconnection and settlement arrangements;

capital investment priorities;

the provision of telephone and other telecommunications services to rural areas in the PRC;

the convergence of television broadcast, telecommunications and Internet access networks, or three-network convergence; and

spectrum and numbering resources allocation;

the effects of competition on the demand for and price of our services;

effects of our restructuring and integration following the completion of our acquisition of the Code Division Multiple Access technology, or CDMA, telecommunications business, or the CDMA Business in 2008;

any potential further restructuring or consolidation of the PRC telecommunications industry;

changes in the PRC telecommunications industry as a result of the issuance of the fourth generation mobile telecommunications, or 4G, licenses by the MIIT;

the development of new technologies and applications or services affecting the PRC telecommunications industry and our current and future business;

changes in political, economic, legal and social conditions in the PRC, including changes in the PRC government's specific policies with respect to foreign investment in and entry by foreign companies into the PRC telecommunications industry, economic growth, inflation, foreign exchange and the availability of credit; and

implementation of a value-added tax to replace the business tax in the PRC.

Please also see the Risk Factors section of the Company's latest Annual Report on Form 20-F, as filed with the Securities and Exchange Commission.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHINA TELECOM CORPORATION LIMITED

Date: August 20, 2015

By: /s/ Wang Xiaochu

Name: Wang Xiaochu

Title: Chairman and Chief Executive Officer

4

Table of Contents

Exhibit 1.1

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

China Telecom Corporation Limited

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

(Stock Code: 728)

ANNOUNCEMENT OF INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

In the first half of 2015, despite the impact of the regulatory policies such as the VAT reform, the Company's overall development remained solid. Operating revenues amounted to RMB164,953 million. Service revenues amounted to RMB147,022 million, remaining stable as compared with the same period last year and outperforming industry average growth

EBITDA was RMB50,739 million, up by 0.4% over the same period last year. EBITDA margin was 34.5%

Profit attributable to equity holders of the Company was RMB10,980 million, declined by 4.0% over the same period last year. Basic earnings per share were RMB0.14

The number of mobile subscribers reached 191 million, representing a net addition of 5.82 million from the end of last year, of which: the number of 4G terminal users reached approximately 29 million, with a net addition of approximately 22 million from the end of last year

The number of wireline broadband subscribers reached 110 million, representing a net addition of 2.61 million from the end of last year

CHAIRMAN'S STATEMENT

In the first half of 2015, despite the challenges brought by the regulatory policies such as the value-added tax (VAT) reform and speed upgrade & tariff reduction , the Company managed to achieve a breakthrough in geographical limitations following the issuance of the LTE FDD licence and accelerated development comprehensively. With full exploitation of the competitive capabilities of network, terminals, channels and customer service accumulated in preceding periods and leveraging the favourable policy of tower sharing, the Company focused on strategy implementation and promptly grasped the development pace and initiatives. The 4G network coverage was effectively enhanced and the 4G subscriber scale and market share rapidly increased despite intensified market competition. The edges in broadband network were rapidly transformed into marketing edges, accelerating development in fibre broadband services. The new integrated offering advantages of dual-100Mbps with 4G and fibre broadband gradually emerged while the scale operation and data traffic operation of the Company achieved remarkable overall results. At the same time, seizing these favourable opportunities, the Company persisted in comprehensive in-depth reform and accelerated the Internet-oriented transformation, resulting in continual strengthening in differentiated core competitiveness and vigorous promotion of scale development with a view to expanding the new horizons for future development in full strengths.

A-1

Table of Contents

OPERATING RESULTS

In the first half of the year, despite the impact of the regulatory policies such as the VAT reform, the Company's overall development remained solid. Operating revenues amounted to RMB165.0 billion. Service revenues¹ amounted to RMB147.0 billion, remaining stable as compared with the same period last year and outperforming industry average growth. The revenues from emerging business increased by approximately 21% over the same period last year, accounting for approximately 34% of service revenues and representing an increase of 6 percentage points over the same period last year. The business structure continued to optimise rapidly. EBITDA² was RMB50.7 billion, up by 0.4% over the same period last year while EBITDA margin³ was 34.5%. Profit attributable to the equity holders of the Company was RMB11.0 billion, representing a decline of 4% over the same period last year. Basic earnings per share were RMB0.14. Capital expenditure was RMB36.7 billion while free cash flow⁴ was RMB10.5 billion.

Since the commencement of the pilot programme of the VAT reform in the telecommunications industry in June 2014, the Company has been striving to optimise its development and sales models, implement enhanced management over cost, procurement and vendors' tax qualifications as well as continue to optimise in revenue structure. The relevant monthly average adverse impact has been moderated. In the future, with the continual expansion of the VAT reform to other industries, it is expected that the Company will be entitled to more input VAT credits, which will be beneficial for the enhancement of its profitability in the long term.

Taking into consideration the Company's profitability, cash flow level and the capital requirements for future development, the Board of Directors has decided not to pay an interim dividend this year in order to maintain adequate funding flexibility. The Board of Directors will proactively consider a final dividend proposal when reviewing the full year results and will propose to the shareholders' general meeting accordingly.

- 1 Service revenues were calculated based on operating revenues minus sales of mobile terminals, sales of wireline equipment and other non-service revenues.
- 2 EBITDA was calculated based on operating revenues minus operating expenses plus depreciation and amortisation.
- 3 EBITDA margin was calculated based on EBITDA divided by service revenues.
- 4 Free cash flow was calculated from EBITDA minus capital expenditure and income tax.

Table of Contents**Focusing on key businesses to accelerate scale development**

In the first half of the year, the Company accelerated the development of its 4G services, driving steady growth of the mobile business. Taking full advantages of tower sharing, the Company rolled out the 4G network fast and effectively to enhance time-to-market and savings in capital expenditure. Leveraging the global mainstream technology standard and spectrum resources advantages, the network has basically covered city areas of county-level or above in general. With investment focus on high-valued areas, the coverage in key cities with high data traffic demand was further strengthened. The Company reasonably applied carrier aggregation technology and launched e-Surfing 4G+ (LTE-A) service in selected key cities in August to create superior network, branding and reputation. The launch of signature 4G handsets specialised in video streaming, on-line shopping and security functions as well as entry-level handsets rapidly facilitated the all-round cooperation with mainstream handset manufacturers with enriching selection. The Company strengthened brand promotion and experience marketing. A new integrated offering of dual-100Mbps was launched and the design of package plans was optimised to induce the existing subscribers to upgrade to 4G services. Meanwhile, the Company adhered to the terminal-led approach with strategic handsets such as Apple and Samsung to attract more high-end subscribers, resulting in effective enhancement in customer acquisition capabilities. In the first half of the year, mobile service revenues reached RMB62.3 billion, representing an increase of 0.6% over the same period last year. The net addition of mobile subscribers was 5.82 million, with total mobile subscribers reaching 191 million. Of which the net addition of 4G terminal users was approximately 22 million, reaching a total of approximately 29 million. The 4G user market share enhanced rapidly as compared with the end of last year. The 3G/4G subscribers accounted for approximately 68% of the total number of mobile subscribers and the subscriber structure was further optimised.

In the first half of the year, the Company fully leveraged the network edges accumulated over the years and comprehensively commenced the end-to-end bandwidth upgrade. The Company also reinforced the concerted development of broadband and 4G, as well as speeding up the product upgrade to promote the profitable and sustainable development of wireline broadband services. Capitalising on its own investment and the introduction of private capital, the construction of fibre network was accelerated. The interconnection of IDCs and capacity expansion of backbone network were fostered to enhance the transmission efficiency of Internet data. Through the establishment of strategic cooperation with key Internet content providers, the access of high quality content sources was assured. Focusing on customers' experience and clearing all hurdles in the entire end-to-end process, the Company provided superior and high speed Internet experience for subscribers. Implementing the policy of speed upgrade & tariff reduction, the Company launched free upgrade for subscribers below 4Mbps bandwidth, and provided promotion offers such as tariff reduction for 50Mbps and 100Mbps mainstream broadband products, leveraging the price elasticity to optimise subscriber structure and enhancing value of subscribers. The Company also focused on the high-definition contents and integrated applications to further perfect the Smart Family products portfolio with Joy me as a core. In the first half of the year, the wireline broadband service revenue reached RMB37.6 billion, representing an increase of 3% over the same period last year. The number of wireline broadband subscribers reached 110 million, representing a net increase of 2.61 million. The average bandwidth of wireline broadband subscribers reached 18Mbps in June, doubling over the same period last year while the 100Mbps bandwidth subscribers accounted for over 10% of the total subscribers.

In the first half of the year, the Company accelerated the development of emerging business with continual expansion in business scale and revenue contribution. In addition to focusing on innovative data traffic products including dedicated-data traffic packages, Data Traffic 800 and Liuliangbao, the Company refined the package design in response to the policy of speed upgrade & tariff reduction, providing more data concessions to subscribers. It led to rapid increase in data traffic scale and overall value. In the first half of the year, mobile handset Internet access revenues amounted to RMB22.5 billion, representing an increase of 43% over the same period last year. The handset Internet data traffic increased by 77% over the same period last year, and the monthly average data traffic per 3G/4G

handset subscriber reached 311MB, representing an increase of 43% over same period last year. The Company reinforced differentiated capabilities of YiChat products by launching the enterprise version to create the edges in business communications services. New services applications like payment and lifestyle service were also embedded. The user scale of YiChat expanded continuously and the registered users reached 180 million by end of June. The Company also accelerated the expansion of the collaborative business coverage of BestPay and deepened the exploration in Internet finance services such as wealth management and credit reference. In the first half of the year, the gross merchandise value of BestPay reached approximately RMB380 billion, an increase of two-fold over the same period last year. Led by the Smart Cities project, the Company fully leveraged the industry applications to drive the key markets such as business customers and campuses. The Company persisted in strengthening the integrated operation of IDC nationwide and launched the new deployment 8+2+X integrating cloud and network to provide secured, timely and premier cloud services for customers to establish the differentiated service capability in the enterprise market. The Company firmly grasped the business opportunities of Internet+ and accelerated the upgrade of ICT service from basic integration service to Internet-oriented operations. In the first half of the year, the Company's overall ICT revenues amounted to RMB14.2 billion, representing an increase of 11% over the same period last year.

- 5 8+2+X denotes 8 major regional nodes, 2 core cloud data centre bases in Inner Mongolia and Guizhou and dynamic city nodes in accordance with customers' demand.

A-3

Table of Contents**Fostering reform and innovation to enhance differentiated edges**

In the first half of the year, the Company adhered to comprehensive in-depth reform and persisted in stimulating corporate vitality. Through thorough promotion of sub-division of performance evaluation units, the Company accelerated the selection and training of unit CEOs with over 30,000 unit CEOs nationwide. As the main force of market-oriented reform grew rapidly, the efficiency and return of the frontline operation was profoundly enhanced. The establishment of the top-down service support system was expedited, promoting change in corporate management and further flattening organisation structure. Through various methods including efficiently-centralised support, frontline-oriented service and reverse appraisal, internal interaction was strengthened and a highly-efficient, responsive and collaborative operating system was created.

Accurately grasping the Internet dynamics, the Company has achieved remarkable progress in Internet-oriented transformation. The Company proactively commenced the professional and coordinated channel operation with O2O as a core as well as enhanced the development efficiency of specialty stores and open channels. Marketing modes such as WeChat shops were further diversified. With the consolidation of online sales and service portals, the online integrated service platform Joy go was launched, so as to strengthen the efficiently-centralised Internet-oriented marketing and services. The overall capability and cost efficiency of channel sales were further enhanced. Firmly seizing the strategic opportunities of the implementation of the national Internet+ action plan, the Company timely released the Internet+ action white paper with the layout of four key strategic areas: modern agriculture, industrial manufacturing, emerging services and corporate operations, focusing on 10 major projects such as smart production. In cooperation with the partners, the Company will explore the best business models for value chain operations and work together to create an open, highly-efficient collaborative industry ecosystem to promote the evolution and upgrade of traditional industries. The Company leveraged new international mainstream technology such as Software Defined Network (SDN) to promote the Internet-oriented transformation of the network while using customer experience as a core to promote transformation of network maintenance to network operations. Facing the demands from Internet-oriented operations, the efficiently-centralised operations of IT services was expedited, resulting in consistent enhancement in both market response capability and operating efficiency.

Focused on the Company's own strengths and resources, the capabilities of differentiated products were rapidly enhanced. The security products were developed quickly. The network security product cloud dam and security handsets launched at the end of last year started to establish their scale. The recent launch of e-Surfing security brand and a series of related products continuously optimised the all-round security protection system integrating the cloud, pipe and device. The operation capability of secured WiFi platform was further strengthened and the hotspots of the Company's aWiFi platform reached 500,000. The Company leveraged the edges in secured unified account authentication and large scale hotspot resources to attract business partners to explore the new WiFi business models. The application scope and scale of Near Field Communication (NFC) business continued to expand, with the launch of public transport card function in 90 cities nationwide and e-Surfing RFID function in 24 provinces, as well as UnionPay applications collaborating with 23 banks. The NFC users have already exceeded 20 million. In addition to providing secured cloud-based infrastructure resources, the Company continued to expand cloud applications and services to further enrich the cloud computing product line. In the first half of the year, the revenues from cloud computing products amounted to RMB470 million, representing a 54% increase over the same period last year with rapid increase in worldwide leading and reputable corporate customers. Applying the existing rich data resources, the Company proactively explored Big Data products development and launched precision marketing and customer retention internally while further promoting the application scope of Big Data products such as Smart Insight, Smart Credit Reference externally, laying a foundation for future scale development.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

We are committed to maintaining a high level of corporate governance, attaching great importance to risk management and control. We strive to enhance corporate transparency and value to ensure our healthy and orderly growth. Our persistent efforts in corporate governance have been widely recognised by the capital markets. We have been accredited with a number of awards and recognition for the year to date, including the Most Honored Company in Asia by *Institutional Investor* for five consecutive years and the Overall Best Managed Company in Asia by *FinanceAsia* for five consecutive years.

We persisted in operating with integrity and proactively fulfilled our corporate social responsibility to maintain a fair and orderly environment for market competition and facilitate healthy development of the entire value chain. Meanwhile, we actively promoted green operations, further strengthening energy conservation and emission reduction to improve utilisation efficiency of resources. We accomplished telecommunications assurance tasks for significant events such as the 2015 World Table Tennis Championships and disaster reliefs and were highly commended by the society.

A-4

Table of Contents

OUTLOOK

2015 marks a crucial year for the Company's 4G scale development and change in the industry competitive landscape. The Company is facing various challenges including a slowdown in macro-economic growth, saturated market on mobile subscribers, VAT reform and speed upgrade & tariff reduction, as well as intensifying competition within and across the industries. However, following the rapid development of the Internet industry together with the initiation and implementation of the national Internet+ action plan, the benefits from the national innovation-driven policy became prominent. With the rapid growth in the demand for the high speed Internet, there will be huge development opportunity for information economy represented by the Internet+ and vast potential for the Company's prospects.

In the second half of the year, the Company will optimise the allocation of investment resources and adopt the latest technology to continuously strengthen 4G premier network quality, brand advantage and leading customer experience, fully leveraging the tower sharing to enhance corporate value and taking customer experience as the core. We will step up our support for non-customised handsets, vigorously promoting the development of signature terminals such as dual-SIM 6-mode handsets, 4G+ handsets and security handsets. We will also comprehensively accelerate the transformation of channel operation model with O2O as the core and establish 60,000 premier specialty stores to strengthen our influence on terminals and channels. At the same time, the Company will further strengthen its differentiated competitive edges in wireline broadband network and promote scale development of its Smart Family products, Joy me, to continuously enhance the scale and return of the fibre broadband subscribers.

The Company will closely follow up and strive to accommodate the regulatory requirements of speed upgrade & tariff reduction. The Company will continuously explore and optimise the business model of data traffic operation, leveraging data price elasticity to increase sales at lower unit prices in order to achieve a win-win situation. Making use of Big Data analysis, the Company will commence precision data traffic operations to enhance data value. We will commence cooperation in various forms and actively explore and refine the data traffic operation model integrating forward- and backward-operations. At the same time, the Company will leverage its strengths in network and customer resources to continuously promote Internet-oriented transformation and manage well its Internet data analytics to accelerate scale expansion of its differentiated products. Adhering to open cooperation, the Company will aim for achieving breakthroughs on Internet+ applications and the rapid formation of product capabilities in cloud computing, Big Data, Internet of Things and other new technology application areas, strengthening competitive advantages of the ecosystem.

Looking ahead, we have full confidence. We will follow the established strategic plans to pursue innovative development, in-depth reform and excellent execution. We will well-perform the punches combo of scale development, data traffic operation and Internet data analytics to further enhance revenue and subscriber market share, fully promoting the changes in the industry landscape towards a favourable direction, with a view to continuously creating new value for shareholders.

Finally, on behalf of the Board of Directors, I would like to take this opportunity to express my sincere appreciation to all our shareholders and customers for their support. I would also like to express my sincere thanks to all our employees for their hard work and contribution. Also, I would like to welcome Mr. Sui Yixun and Mr. Ye Zhong to join our Supervisory Committee.

Wang Xiaochu

Chairman and Chief Executive Officer

Beijing, China

19 August 2015

A-5

Table of Contents**GROUP RESULT**

China Telecom Corporation Limited (the Company) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the Group) for the six months ended 30 June 2015 extracted from the unaudited interim financial statements of the Group as set out in its 2015 Interim Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the six-month period ended 30 June 2015

(Amounts in millions, except per share data)

		Six-month period	
		ended 30 June	
		2015	2014
	<i>Note</i>	RMB	RMB
Operating revenues	3	164,953	165,973
Operating expenses			
Depreciation and amortisation		(33,585)	(32,776)
Network operations and support		(37,224)	(29,332)
Selling, general and administrative		(25,062)	(36,943)
Personnel expenses		(28,079)	(24,642)
Other operating expenses		(23,849)	(24,518)
Total operating expenses		(147,799)	(148,211)
Operating profit		17,154	17,762
Net finance costs	4	(2,160)	(2,736)
Investment income		6	2
Share of (losses)/profits of associates		(456)	7
Profit before taxation		14,544	15,035
Income tax	5	(3,536)	(3,561)
Profit for the period		11,008	11,474
Other comprehensive income for the period:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value of available-for-sale equity securities		967	(41)
Deferred tax on change in fair value of available-for-sale equity securities		(242)	10
Exchange difference on translation of financial statements of subsidiaries outside mainland China		(11)	26
Share of other comprehensive income of associates		1	(2)
Other comprehensive income for the period, net of tax		715	(7)

Total comprehensive income for the period	11,723	11,467	
Profit attributable to:			
Equity holders of the Company	10,980	11,436	
Non-controlling interests	28	38	
Profit for the period	11,008	11,474	
Total comprehensive income attributable to:			
Equity holders of the Company	11,695	11,429	
Non-controlling interests	28	38	
Total comprehensive income for the period	11,723	11,467	
Basic earnings per share	6	0.14	0.14
Number of shares (in millions)		80,932	80,932

A-6

Table of Contents**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)***at 30 June 2015**(Amounts in millions)*

	<i>Note</i>	30 June 2015 RMB	31 December 2014 RMB
ASSETS			
Non-current assets			
Property, plant and equipment, net		364,198	372,876
Construction in progress		63,443	53,181
Lease prepayments		24,119	24,410
Goodwill		29,917	29,917
Intangible assets		8,796	8,984
Interests in associates		3,651	4,106
Investments		1,939	972
Deferred tax assets	8	3,896	3,232
Other assets		4,192	4,053
Total non-current assets		504,151	501,731
Current assets			
Inventories		3,573	4,225
Income tax recoverable		1,144	1,360
Accounts receivable, net	9	27,691	21,562
Prepayments and other current assets		12,995	10,581
Short-term bank deposits		2,173	1,379
Cash and cash equivalents		21,228	20,436
Total current assets		68,804	59,543
Total assets		572,955	561,274
LIABILITIES AND EQUITY			
Current liabilities			
Short-term debt		28,117	43,976
Current portion of long-term debt		75	82
Accounts payable	10	98,087	88,458
Accrued expenses and other payables		83,615	72,442
Income tax payable		1,163	307
Current portion of deferred revenues		968	1,060
Total current liabilities		212,025	206,325

Net current liabilities		(143,221)	(146,782)
Total assets less current liabilities		360,930	354,949
Non-current liabilities			
Long-term debt and payable		62,435	62,494
Deferred revenues		664	798
Deferred tax liabilities	8	1,617	1,125
Other non-current liabilities		423	424
Total non-current liabilities		65,139	64,841
Total liabilities		277,164	271,166
Equity			
Share capital		80,932	80,932
Reserves		213,872	208,251
Total equity attributable to equity holders of the Company		294,804	289,183
Non-controlling interests		987	925
Total equity		295,791	290,108
Total liabilities and equity		572,955	561,274

A-7

Table of Contents

Notes:

1. BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with International Accounting Standard 34, (IAS 34) Interim Financial Reporting issued by the International Accounting Standards Board and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These interim financial statements, which were authorised for issuance by the Board of Directors on 19 August 2015, reflect the unaudited financial position of the Group as at 30 June 2015 and the unaudited results of operations and cash flows of the Group for the six-month period then ended, which are not necessarily indicative of the results of operations and cash flows expected for the year ending 31 December 2015.

These interim financial statements are prepared on the historical cost basis as modified by the revaluation of certain available-for-sale equity securities at fair value.

Except as described below, these interim financial statements have been prepar