TOP SPRING INTERNATIONAL HOLDINGS LIMITED
萊蒙國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03688)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

HIGHLIGHTS

- For the six months ended 30 June 2013, the Group achieved contracted sales of approximately HK$4,004.5 million with contracted saleable GFA of approximately 173,122 sq.m. and contracted average selling price of approximately HK$23,131.1 per sq.m., representing an increase of approximately 11.5%, a decrease of approximately 21.0% and an increase of approximately 41.1% respectively, as compared with the corresponding period of 2012. For the period from 1 January 2013 to 24 August 2013, the Group has achieved contracted sales of approximately HK$6,060.2 million (for the period from 1 January 2012 to 24 August 2012: approximately HK$4,807.1 million) with contracted saleable GFA of approximately 249,739 sq.m. (for the period from 1 January 2012 to 24 August 2012: approximately 279,351 sq.m.) and contracted average selling price of approximately HK$24,266.1 per sq.m. (for the period from 1 January 2012 to 24 August 2012: approximately HK$17,208.1 per sq.m.), representing an increase of approximately 26.1%, a decrease of approximately 10.6% and an increase of approximately 41.0% respectively over the corresponding period of 2012 and achieving approximately 75.8% of its 2013 contracted sales target of HK$8.0 billion.

- Since 1 January 2013 and up to the date of this announcement, the Group has acquired two additional parcels of land in Hangzhou and Nanjing with a total plot ratio GFA of approximately 114,816 sq.m. and 164,653 sq.m. respectively at the average cost of approximately RMB13,505.4 per sq.m. (equivalent to approximately HK$16,924.1 per sq.m.) and RMB8,502.7 per sq.m. (equivalent to approximately HK$10,655.0 per sq.m.) respectively. On 16 August 2013, the Group entered into the Share Purchase Agreement to purchase the entire issued share capital of SSCP Limited from an independent third party which indirectly owns Shama Century Park, which is a completed serviced apartment project in Shanghai, at a consideration of approximately RMB1,688.0 million (equivalent to approximately HK$2,126.9 million) (which is subject to adjustment as provided for in the Share Purchase Agreement).

- As at 30 June 2013, the Group had 16 projects over 9 cities with a total net saleable/leasable land bank of approximately 4,764,794 sq.m. and an average land cost of approximately RMB2,643.3 per sq.m. (equivalent to approximately HK$3,339.6 per sq.m.).

- The Group has targeted to complete a total saleable/leasable GFA of approximately 308,546 sq.m. in 2013, in which approximately 266,124 sq.m. or 86.3% of the expected completion saleable GFA has been locked-in through pre-sales as of 24 August 2013.

- Turnover for the six months ended 30 June 2013 decreased by approximately 44.5%, to approximately HK$1,218.9 million from approximately HK$2,195.1 million for the six months ended 30 June 2012.

- For the six months ended 30 June 2013, the Group generated recurring rental income of approximately HK$73.4 million (for six months ended 30 June 2012: approximately HK$55.5 million) from its investment properties which mainly comprised shopping malls, community commercial centres, retail shops and car park units. As at 30 June 2013, the investment property portfolio had a total leasable GFA of approximately 405,993 sq.m. and a fair value of approximately HK$5,226.8 million, representing approximately 17.6% of the Group's total assets value.

- Gross profit margin for the six months ended 30 June 2013 was approximately 41.8%, as compared with approximately 39.2% for the corresponding period of 2012.

- For the six months ended 30 June 2013, profit attributable to equity shareholders of the Company was approximately HK$221.3 million, a decrease of approximately 14.5% as compared with the corresponding period of 2012.

- Basic earnings per Share for the six months ended 30 June 2013 was approximately HK15.75 cents, a decrease of approximately 14.7% as compared with the corresponding period of 2012.

- Net assets per Share attributable to equity shareholders of the Company and the holders of bonus perpetual subordinated convertible securities as at 30 June 2013 was approximately HK$3.3 (as at 31 December 2012 (adjusted): approximately HK$3.2).

- As at 30 June 2013, the net gearing ratio of the Group was approximately 97.6% (as at 31 December 2012: approximately 67.5%).

- To maintain a stable dividend policy, the Board declared the payment of an interim dividend of HK11 cents per Share attributable to equity shareholders of the Company and the holders of bonus perpetual subordinated convertible securities for the six months ended 30 June 2013 (for the six months ended 30 June 2012: HK15 cents per Share).

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Top Spring International Holdings Limited (the "Company") is pleased to announce the interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2013 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2013 – UNAUDITED

		Six months ended 30 June	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Turnover	*3 & 4*	**1,218,862**	2,195,079
Direct costs		**(709,709)**	(1,335,131)
Gross profit		**509,153**	859,948
Valuation gains on investment properties		**330,045**	447,407
Other revenue	*5*	**69,714**	62,513
Other net income/(loss)	*6*	**227,662**	(826)
Selling and marketing expenses		**(87,380)**	(78,093)
Administrative expenses		**(214,415)**	(197,175)
Profit from operations		**834,779**	1,093,774
Finance costs	*7(a)*	**(337,714)**	(369,647)
Share of profits less losses of associates		**–**	4,210
Share of losses of joint ventures		**(2,479)**	–
Profit before taxation	*7*	**494,586**	728,337
Income tax	*8*	**(234,281)**	(471,878)
Profit for the period		**260,305**	256,459
Attributable to:			
Equity shareholders of the Company		**221,317**	258,832
Non-controlling interests		**38,988**	(2,373)
Profit for the period		**260,305**	256,459
Earnings per share (HK cents) *(Note)*	*9*		
Basic		**15.75**	18.47
Diluted		**15.59**	18.47

Note: Basic and diluted earnings per share for the six months ended 30 June 2012 have been restated for the impact of the bonus issue of shares (with bonus perpetual subordinated convertible securities ("PCSs") as an alternative).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013 – UNAUDITED

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Profit for the period	**260,305**	256,459
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 financial statements of PRC subsidiaries	**46,382**	(39,244)
Shares of other comprehensive income of associates and joint ventures	**2,533**	(864)
	48,915	(40,108)
Total comprehensive income for the period	**309,220**	216,351
Attributable to:		
Equity shareholders of the Company	**267,846**	219,743
Non-controlling interests	**41,374**	(3,392)
Total comprehensive income for the period	**309,220**	216,351

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2013 – UNAUDITED

	Note	At 30 June 2013 (unaudited) HK$'000	At 31 December 2012 (audited) HK$'000
Non-current assets			
Fixed assets			
– Investment properties		**5,226,785**	4,230,817
– Other property, plant and equipment		**440,942**	450,588
– Interests in leasehold land held for own use under operating leases		**–**	28,833
		5,667,727	4,710,238
Interest in joint ventures		**160,431**	160,378
Other financial assets		**33,063**	32,545
Restricted and pledged deposits		**151,611**	124,363
Deferred tax assets		**830,498**	853,492
		6,843,330	5,881,016
Current assets			
Inventories		**14,309,732**	11,628,155
Other financial assets		**12,634**	9,949
Trade and other receivables	*10*	**1,833,450**	1,520,168
Restricted and pledged deposits		**1,744,021**	989,365
Cash and cash equivalents		**5,007,410**	4,901,251
		22,907,247	19,048,888
Current liabilities			
Trade and other payables	*11*	**8,040,451**	6,390,764
Bank and other borrowings		**4,965,995**	3,293,358
Derivative financial instruments		**47,544**	45,436
Tax payable		**4,400,705**	4,512,217
		17,454,695	14,241,775

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2013 – UNAUDITED (CONTINUED)

	Note	**At 30 June 2013 (unaudited)** ***HK$'000***	At 31 December 2012 (audited) *HK$'000*
Net current assets		**5,452,552**	4,807,113
Total assets less current liabilities		**12,295,882**	10,688,129
Non-current liabilities			
Bank and other borrowings		**6,102,621**	5,588,611
Loan from joint ventures		**593,949**	–
Deferred tax liabilities		**514,976**	520,214
		7,211,546	6,108,825
NET ASSETS		**5,084,336**	4,579,304
CAPITAL AND RESERVES			
Share capital		**115,479**	100,187
Reserves		**4,500,342**	4,355,198
Total equity attributable to equity shareholders of the Company		**4,615,821**	4,455,385
Non-controlling interests		**468,515**	123,919
TOTAL EQUITY		**5,084,336**	4,579,304

NOTES:

1 BASIS OF PREPARATION

The interim results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2013 but are extracted from that financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 28 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2012 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 27 March 2013.

2 CHANGES IN ACCOUNTING POLICIES

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 and the Company. Of these, the following developments are relevant to the Group's financial statements:

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

– HKFRS 10, *Consolidated financial statements*

– HKFRS 11, *Joint arrangements*

– HKFRS 12, *Disclosure of interests in other entities*

– 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 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 the financial statements has been modified accordingly.

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 11, ***Joint arrangements***

HKFRS 11, which replaces HKAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

HKFRS 12, ***Disclosure of interests in other entities***

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in the interim financial report as a result of adopting HKFRS 12.

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. Some of the disclosures are specifically required for financial instruments in the interim financial reports. The Group has provided those disclosures in the interim financial report. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

3 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (product and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Property development: this segment develops and sells residential properties and shops within the shopping arcades.
- Property investment: this segment leases shopping arcades and club houses to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently the Group's investment property portfolio is located entirely in the People's Republic of China ("PRC").
- Hotel operations: this segment operates hotels to provide hotel services to general public.
- Property management and related services: this segment mainly provides property management and related services to purchasers and tenants of the Group's self-developed residential properties and shopping arcades.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenues generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment profit is "adjusted EBITDA" that is "adjusted earnings before interests, taxes, depreciation and amortisation". To arrive at "adjusted EBITDA" the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation and amortisation and valuation changes on investment properties.

3 SEGMENT REPORTING (CONTINUED)

(a) Segment results (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Property development		Property investment		Hotel operations		Property management and related services		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
For the six months ended 30 June										
Revenue from external customers	**1,073,378**	2,068,935	**73,436**	55,474	**27,633**	35,391	**44,415**	35,279	**1,218,862**	2,195,079
Inter-segment revenue	**–**	–	**12,498**	15,537	**–**	–	**40,744**	23,542	**53,242**	39,079
Reportable segment revenue	**1,073,378**	2,068,935	**85,934**	71,011	**27,633**	35,391	**85,159**	58,821	**1,272,104**	2,234,158
Reportable segment profit/(loss) (adjusted EBITDA)	**246,102**	634,298	**76,196**	61,905	**9,012**	(565)	**(7,794)**	17,815	**323,516**	713,453
Interest income from bank deposits	**55,916**	50,019	**1,482**	694	**–**	–	**1,688**	612	**59,086**	51,325
Interest expense	**(327,043)**	(368,002)	**(7,766)**	(1,006)	**–**	–	**(906)**	(639)	**(335,715)**	(369,647)
Depreciation and amortisation for the period	**(9,821)**	(8,818)	**(253)**	(282)	**(11,566)**	(10,230)	**(515)**	(608)	**(22,155)**	(19,938)
Valuation gains on investment properties	**–**	–	**330,045**	447,407	**–**	–	**–**	–	**330,045**	447,407

3 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**1,272,104**	2,234,158
Elimination of inter-segment revenue	**(53,242)**	(39,079)
Consolidated turnover	**1,218,862**	2,195,079
Profit		
Reportable segment profit derived from Group's external customers	**323,516**	713,453
Share of profits less losses of associates	**–**	4,210
Share of losses of joint ventures	**(2,479)**	–
Other revenue and net income/(loss)	**297,376**	61,687
Depreciation and amortisation	**(23,672)**	(25,936)
Finance costs	**(337,714)**	(369,647)
Valuation gains on investment properties	**330,045**	447,407
Unallocated head office and corporate expenses	**(92,486)**	(102,837)
Consolidated profit before taxation	**494,586**	728,337

(c) Geographic information

No geographic information has been presented as the Group's operating activities are largely carried out in the PRC.

4 TURNOVER

Turnover represents income from sale of properties, rental income, income from hotel operations and income from provision of property management and related services earned during the period, net of business tax and other sales related taxes and discounts allowed, and is analysed as follows:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Sale of properties	**1,073,378**	2,068,935
Rental income	**73,436**	55,474
Hotel operations	**27,633**	35,391
Property management and related services income	**44,415**	35,279
	1,218,862	2,195,079

5 OTHER REVENUE

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Bank interest income	**61,167**	57,546
Rental income from operating leases, other than those relating to investment properties	**4,451**	1,502
Others	**4,096**	3,465
	69,714	62,513

6 OTHER NET INCOME/(LOSS)

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Net gain on disposal of a subsidiary *(Note)*	**186,640**	–
Net gain on early repayment of a secured other borrowing	**44,530**	–
Net exchange loss	**(1,618)**	(1,974)
Net loss on sale of fixed assets	**(6)**	(329)
Fair value change on derivative financial instruments	**(2,108)**	1,523
Others	**224**	(46)
	227,662	(826)

Note:

During the six months ended 30 June 2013, the Group completed the disposal of all of the issued shares of and shareholder's loan owing by Top Spring International (Taihu Bay) Development Limited ("Top Spring Taihu Bay"), a wholly-owned subsidiary of the Company, to an independent third party for a total consideration of RMB550,562,000 (equivalent to HK$685,253,000). This resulted in a net gain on disposal of a subsidiary of HK$186,640,000.

7 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank and other borrowings wholly repayable:		
– within five years	**408,551**	271,387
– after five years	**60,605**	125,561
	469,156	396,948
Interest on loan from an associate	**–**	13,437
Interest on loan from joint ventures	**28,810**	–
Interest on amounts due to a non-controlling shareholder	**349**	–
Other borrowing costs	**31,154**	43,199
	529,469	453,584
Less: Amount capitalised	**(191,755)**	(83,937)
	337,714	369,647
(b) Staff costs		
Salaries, wages and other benefits	**71,534**	67,488
Contributions to defined contribution retirement plans	**9,306**	6,863
Equity settled share-based payment expenses	**37,422**	33,193
	118,262	107,544
(c) Other items		
Depreciation and amortisation	**24,231**	26,433
Less: Amount capitalised	**(559)**	(497)
	23,672	25,936
Cost of properties sold	**624,776**	1,254,055
Rental income from investment properties	**(73,436)**	(55,474)
Less: Direct outgoings	**2,752**	3,205
	(70,684)	(52,269)
Operating lease charges: minimum lease payments for land and buildings	**6,162**	4,295

8 INCOME TAX

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Current tax		
Provision for PRC Corporate Income Tax ("CIT")	**65,934**	115,136
Provision for Land Appreciation Tax ("LAT")	**130,647**	137,715
Withholding Tax	**14,826**	–
	211,407	252,851
Deferred tax		
Origination and reversal of temporary differences	**22,874**	219,027
	234,281	471,878

Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

No provision was made for Hong Kong Profits Tax as the Group's Hong Kong subsidiaries did not earn any assessable profits for the six months ended 30 June 2012 and 2013.

The provision for CIT is based on the respective applicable CIT rates on the estimated assessable profits of the PRC subsidiaries within the Group as determined in accordance with the relevant income tax rules and regulations of the PRC. The applicable CIT rate was 25% for the six months ended 30 June 2013 (2012: 25%).

LAT is levied on properties developed by the Group in the PRC for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sale of properties less deductible expenditures including lease charges of land use right, borrowing costs and all qualified property development expenditures.

The provision for withholding tax for the six months ended 30 June 2013 is based on the applicable tax rate on the profit arising from the disposal of Top Spring Taihu Bay during the period.

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$221,317,000 (2012: HK$258,832,000) and the weighted average number of 1,404,878,000 shares (2012 (restated): 1,401,114,000 shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2013	2012 (restated)
	'000	*'000*
Weighted average number of shares		
Issued ordinary shares	**1,001,868**	1,000,414
Effect of share options exercised	**647**	382
Effect of bonus issue of shares (with PCSs as an alternative)	**402,363**	400,318
Weighted average number of shares	**1,404,878**	1,401,114

9 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$221,317,000 (2012: HK$258,832,000) and the weighted average number of 1,419,465,000 shares (2012 (restated): 1,401,114,000 shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2013	2012 (restated)
	'000	*'000*
Weighted average number of shares (diluted)		
Weighted average number of shares	**1,404,878**	1,401,114
Effect of deemed issue of shares under the Company's share options scheme for nil consideration	**14,587**	–
Weighted average number of shares (diluted)	**1,419,465**	1,401,114

10 TRADE AND OTHER RECEIVABLES

	At 30 June 2013 (unaudited)	At 31 December 2012 (audited)
	HK$'000	*HK$'000*
Debtors, prepayments and deposits	**1,762,896**	1,390,396
Amounts due from a related company *(Note (i))*	**–**	44,450
Amounts due from non-controlling shareholders *(Note (i))*	**70,554**	85,322
	1,833,450	1,520,168

Notes:

(i) The balances are unsecured, interest-free and recoverable on demand. The balances are neither past due nor impaired.

(ii) Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis at the balance sheet date:

	At 30 June 2013 (unaudited)	At 31 December 2012 (audited)
	HK$'000	*HK$'000*
Current or under 1 month overdue	**40,776**	26,041
More than 1 month overdue and up to 3 months overdue	**975**	2,026
More than 3 months overdue and up to 6 months overdue	**627**	2,417
More than 6 months overdue and up to 1 year overdue	**76**	698
More than 1 year overdue	**1,749**	955
	44,203	32,137

(iii) The Group maintains a defined credit policy and the exposures to the credit risks are monitored on an ongoing basis. In respect of rental income from leasing properties, sufficient rental deposits are held to cover potential exposure to credit risk. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables.

11 TRADE AND OTHER PAYABLES

	At 30 June 2013 (unaudited) *HK$'000*	At 31 December 2012 (audited) *HK$'000*
Creditors and accrued charges	**2,549,071**	2,863,200
Rental and other deposits	**73,284**	81,734
Receipts in advance	**5,202,333**	3,223,223
Amounts due to a non-controlling shareholder *(Note (i))*	**201,234**	222,607
Amounts due to a related company *(Note (ii))*	**14,529**	–
	8,040,451	6,390,764

Notes:

(i) The amounts due to a non-controlling shareholder are unsecured, interest-bearing at 10% above the 1-year RMB benchmark lending rate as determined by the People's Bank of China and repayable within one year.

(ii) The amounts due to a related company are unsecured, interest-free and repayable on demand.

(iii) Included in trade and other payables are trade creditors with the following ageing analysis at the balance sheet date:

	At 30 June 2013 (unaudited) *HK$'000*	At 31 December 2012 (audited) *HK$'000*
Due within 1 month or on demand	**641,677**	1,149,858
Due after 1 month but within 3 months	**130,062**	1,077
Due after 3 months but within 6 months	**278,983**	165,194
Due after 6 months but within 1 year	**540,314**	369,494
Due after 1 year	**295,618**	374,632
	1,886,654	2,060,255

12 CAPITAL COMMITMENTS

	At 30 June 2013 (unaudited) *HK$'000*	At 31 December 2012 (audited) *HK$'000*
Contracted for	**2,608,212**	3,354,396
Authorised but not contracted for	**3,098,007**	2,759,438
	5,706,219	6,113,834

Capital commitments mainly related to development expenditure for the Group's properties under development.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Business for the six months ended 30 June 2013

(1) Contracted Sales

For the six months ended 30 June 2013, the total contracted saleable gross floor area ("GFA") sold amounted to approximately 173,122 sq.m. (for the six months ended 30 June 2012: approximately 219,053 sq.m.) with total contracted sales of approximately HK$4,004.5 million (for the six months ended 30 June 2012: approximately HK$3,590.7 million). The average selling price ("ASP") of our contracted sales for the six months ended 30 June 2013 was approximately HK$23,131.1 per sq.m. (for the six months ended 30 June 2012: approximately HK$16,391.9 per sq.m.). The increase in overall ASP was mainly contributed to a newly launched project, that is The Spring Land – Nanjing, in Nanjing in the first half of 2013 in which its ASP achieved more than HK$32,000.0 per sq.m. For the period from 1 January 2013 to 24 August 2013, the Group has achieved contracted sales of approximately HK$6,060.2 million with contracted saleable GFA of approximately 249,739 sq.m., representing approximately 75.8% of its 2013 contracted sales target of HK$8.0 billion.

The breakdown of the total contracted saleable GFA and the total contracted sales of the Group during the six months ended 30 June 2013 is set out as follows:

City	Project/Phase and Type of Project	Contracted Saleable GFA		Contracted Sales		Contracted ASP
		sq.m.	*%*	*HK$ million*	*%*	*HK$/sq.m.*
Shenzhen	The Spring Land					
	Phase 2 – residential	164	0.1	3.9	0.1	23,780.5
	Phase 3 – residential	876	0.5	25.9	0.6	29,566.2
	Phase 5 – residential	2,911	1.7	81.6	2.0	28,031.6
	Phase 6A – residential	56,614	32.7	1,606.5	40.1	28,376.4
Sub-total		60,565	35.0	1,717.9	42.8	28,364.6
Changzhou	Changzhou Fashion Mark					
	Phase 2 – residential	60	0.0	0.8	0.0	13,333.3
	Phase 3 – residential	155	0.1	0.7	0.0	4,516.1
	Phase 4 – retail	2,054	1.2	80.1	2.0	38,997.1
	Phase 4 – residential	13,046	7.5	187.3	4.7	14,356.9

City	Project/Phase and Type of Project	Contracted Saleable GFA		Contracted Sales		Contracted ASP
		sq.m.	*%*	*HK$ million*	*%*	*HK$/sq.m.*
	Changzhou Le Leman City					
	Phase 1 (1-A) – retail	99	0.1	2.1	0.1	21,212.1
	Phase 3 (1-C) – residential	395	0.2	5.5	0.1	13,924.1
	Phase 4 (3-B) – residential	371	0.2	3.1	0.1	8,355.8
	Phase 5 (1-B) – residential	276	0.2	2.5	0.1	9,058.0
	Phase 7 (4-A) – residential	28,063	16.2	236.7	5.9	8,434.6
	Phase 7 (4-B) – retail	86	0.0	1.6	0.0	18,604.7
	Phase 8 (5-B) – residential	10,392	6.0	88.6	2.2	8,525.8
	Phase 9 (2-B) – residential	5,922	3.4	50.7	1.3	8,561.3
Sub-total		60,919	35.1	659.7	16.5	10,829.1
Hangzhou	Hangzhou Hidden Valley					
	Phase 1 – residential	8,961	5.2	222.6	5.6	24,841.0
Nanjing	The Spring Land-Nanjing					
	– residential	42,677	24.7	1,404.3	35.1	32,905.3
Total		173,122	100	4,004.5	100	23,131.1

(2) *Projects Completed, Delivered and Booked in the Six Months Ended 30 June 2013*

During the six months ended 30 June 2013, the Group substantially completed the construction of Changzhou Fashion Mark Phase 4 with a total saleable GFA of approximately 92,748 sq.m. The Group expects to deliver this project to the buyers in the second half of 2013.

For the six months ended 30 June 2013, the Group's property development business in Shenzhen, Changzhou and Chengdu achieved a turnover, net of sales return, of approximately HK$1,073.4 million with saleable GFA of approximately 69,997 sq.m. being recognised, representing a decrease of approximately 48.1% and 62.9%, respectively, over the corresponding period of last year. The recognised ASP for the sale of properties was approximately HK$15,334.9 per sq.m. for the six months ended 30 June 2013 (for the six months ended 30 June 2012: approximately HK$10,951.8 per sq.m.). The approximately 40.0% increase in recognised ASP is due to the significant reduction in proportion of recognised sale area of our lower ASP properties in Changzhou (for the six months ended 30 June 2013: approximately 8.7% versus for the six months ended 30 June 2012: approximately 87.8%) to the Group's total saleable GFA booked.

Details of the sale of properties of the Group booked and recognised in the six months ended 30 June 2013 are listed below:

City	**Project/Phase and Type of Project**	**Saleable GFA Booked** *sq.m.*	**Sale of Properties Recognised** *HK$ million*	**Recognised ASP** *HK$/sq.m.*
Shenzhen	Shenzhen Hidden Valley			
	– Phase 3 – residential	518	44.2	85,328.2
	– Phase 4 – residential	466	33.6	72,103.0
	The Spring Land			
	– Phase 2 – residential	481	12.4	25,779.6
	– Phase 3 – residential	2,379	64.1	26,944.1
	– Phase 5 – residential	10,339	267.4	25,863.2
Sub-total		14,183	421.7	29,732.8
Changzhou	Changzhou Fashion Mark			
	– Phase 3 – residential	60	0.6	10,000.0
	Changzhou Le Leman City			
	– Phase 3 (1-C) – residential	395	5.2	13,164.6
	– Phase 4 (3-B) – residential	378	2.5	6,613.8
	– Phase 5 (1-B) – residential	280	2.1	7,500.0
	– Phase 9 (2-B) – residential	6,081	46.9	7,712.5
Sub-total		7,194	57.3	7,965.0
Chengdu	Chengdu Fashion Mark			
	– office	49,721	617.8	12,425.3
Sub-total		71,098	1,096.8	15,426.6
Less: Sales return *(Note)*				
	Changzhou Le Leman City			
	– Phase 1 (1-A) – residential	(270)	(1.1)	(4,074.1)
	– Phase 1 (1-A) – retail	(831)	(22.3)	(26,835.1)
Sub-total		(1,101)	(23.4)	(21,253.4)
Total		69,997	1,073.4	15,334.9

Note: The amount represents sales returns of 1 unit of residential apartment and 13 units of retail shop.

(3) Investment Properties

In addition to the sale of properties developed by us, we also lease out or expect to lease out our investment property portfolio comprising mainly of shopping malls, community commercial centres, retail shops, serviced apartments and car park units in The Spring Land, Changzhou Fashion Mark, Changzhou Le Leman City, Dongguan Landmark, Hangzhou Landmark, Shenzhen Water Flower Garden, Chengdu Fashion Mark and Nanchang Fashion Mark in the PRC. As at 30 June 2013, the total carrying value of the investment properties of the Group was approximately HK$5,226.8 million, representing approximately 17.6% of the Group's total assets value. The investment property portfolio which we held for the purpose of leasing to third parties had a total leasable GFA of approximately 405,993 sq.m. of which investment properties under operation with a leasable GFA of approximately 208,543 sq.m. had a fair value of approximately HK$4,267.9 million. A supermarket at Changzhou Le Leman City Phase 9 (2-B) – Fashion Walk, which was completed but yet to operate and a shopping mall, retail shops and serviced apartments for leasing purpose of Nanchang Fashion Mark, which were under development as at 30 June 2013, had leasable GFA of approximately 21,450 sq.m. and 176,000 sq.m. respectively and fair value of approximately HK$169.3 million and HK$789.6 million respectively. The Group recorded approximately HK$247.5 million (net of deferred tax) (for the six months ended 30 June 2012: approximately HK$335.6 million) as gain in fair value of its investment properties for the six months ended 30 June 2013.

We carefully plan and select tenants based on factors such as the project's overall positioning, market demand in surrounding areas, market levels of rent and development needs of tenants. We attract large-scale anchor tenants which assist us in enhancing the value of our projects. We enter into longer and more favourable lease contracts with such anchor tenants which include well-known brands, chain cinema operators, major game centres and top operators of catering businesses. As at 30 June 2013, the GFA taken up by our anchor tenants, whose leased GFA was over 10.0% of the total leasable GFA of a single investment property, made up approximately 52.0% (as at 31 December 2012: approximately 47.0%) of our total leasable area in our investment properties under operation.

For the six months ended 30 June 2013, we generated steady recurring rental income of approximately HK$73.4 million, representing an increase of approximately 32.3% as a result of an increase in the leasable GFA and average rental rates, from approximately HK$55.5 million for the six months ended 30 June 2012. The average monthly rental income of our investment properties under operation for the six months ended 30 June 2013 was approximately HK$78.8 per sq.m. (for the six months ended 30 June 2012: approximately HK$54.4 per sq.m.). The occupancy rate of all our investment properties under operation achieved approximately 93.3% as at 30 June 2013 (as at 31 December 2012: approximately 92.9%).

The Group also achieved satisfactory results on the pre-leasing of investment property which has yet to commence operation. As at 30 June 2013, 100% of the retail asset of Changzhou Le Leman City Phase 9 (2–B) – Fashion Walk, which is expected to commence operation in the first half of 2014, was committed.

Details of the Group's investment properties as at 30 June 2013 and the Group's rental income for the six months ended 30 June 2013 are set out as follows:

Investment Properties	**Leasable GFA as at 30 June 2013**	**Fair Value as at 30 June 2013**	**Rental Income for the six months ended 30 June 2013**	**Average Monthly Rental Income per sq.m. for the six months ended 30 June 2013**	**Occupancy Rate as at 30 June 2013**
	(Note 6)				
	sq.m.	*HK$ million*	*HK$ million*	*HK$/sq.m.*	*%*
Investment Properties under operation					
Changzhou Fashion Mark Phases 1 and 2 (Shopping mall and car park units)	77,581	1,479.5	28.1	62.9	96
Dongguan Landmark (Shopping mall and car park units)	20,172	481.4	10.7	92.1	96
Hangzhou Landmark (Shopping mall)	24,667	367.7	11.2	75.7	100
Shenzhen Water Flower Garden (Retail assets)	4,992	195.8	7.3	243.7	100
The Spring Land Phase 1 – Fashion Walk (Retail assets) *(Note 1)*	3,355	185.7	3.0	196.1	76
The Spring Land Phase 3 – Fashion Walk (Retail assets and car park units)	22,393	644.3	8.9	66.2	100
Changzhou Le Leman City Phase 11 (Retail asset) *(Note 2)*	16,858	135.2	0.5	11.0	45
Chengdu Fashion Mark (Shopping mall and car park units) *(Note 3)*	38,525	778.3	3.7	96.0	100
Sub-total	208,543	4,267.9	73.4	78.8	93.3
Investment Property completed but yet to operate					
Changzhou Le Leman City Phase 9 (2-B) – Fashion Walk (Retail asset) *(Note 4)*	21,450	169.3	–		
Investment Property under development					
Nanchang Fashion Mark (Shopping mall, retail shops and serviced apartments) *(Note 5)*	176,000	789.6	–		
Total	405,993	5,226.8	73.4		

Note 1: The unoccupied areas of the retailed assets in The Spring Land Phase 1 – Fashion Walk mainly represent The Spring Land's sales centre with leasable GFA of approximately 791 sq.m. which the Group intends to lease out in the future.

Note 2: The retail asset represents a habilitation and recreation centre of our Changzhou Le Leman City Phase 11 for leasing purpose.

Note 3: The shopping mall and car park units of Chengdu Fashion Mark has commenced operation since June 2013.

Note 4: The retail asset of Changzhou Le Leman City Phase 9 (2-B) – Fashion Walk is expected to commence operation in the first half of 2014. As at 30 June 2013, 100% of the total leasable GFA was pre-leased to a supermarket store and the expected average monthly rental income would be approximately HK$36.5 per sq.m.

Note 5: The land use rights certificates of the investment property of Nanchang project was obtained in June 2013. This investment property is expected to commence and complete construction in 2014 and 2016 respectively. The investment property is planned to have a shopping mall, retail shops and serviced apartments for leasing purpose with leasable GFA of approximately 118,000 sq.m., 38,000 sq.m. and 20,000 sq.m. respectively.

Note 6: The leasable GFA as at 30 June 2013 excluded car park units.

(4) *Land Bank*

The Group is specialising in the development and operation of urban mixed-use communities and the development and sale of residential properties in the Pearl River Delta, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC.

As at 30 June 2013, the Group had a total of 16 projects over 9 cities in various stages of development, including a net saleable/leasable GFA of approximately 421,834 sq.m. of completed property developments, a net saleable/leasable GFA of approximately 795,910 sq.m. under development, a net saleable/leasable GFA of approximately 2,307,359 sq.m. held for future development and a net saleable/leasable GFA of approximately 1,239,691 sq.m. contracted to be acquired, totalling a net saleable/leasable GFA of approximately 4,764,794 sq.m.

In the first half of 2013, the Group acquired an additional residential and commercial land bank in Hangzhou. The total plot ratio GFA of this new land bank was approximately 114,816 sq.m. and the average cost was approximately RMB13,505.4 per sq.m. (equivalent to approximately HK$16,924.1 per sq.m.). As at 30 June 2013, the Group had a total net saleable/leasable land bank of approximately 4,764,794 sq.m., with an average land cost of approximately RMB2,643.3 per sq.m. (equivalent to approximately HK$3,339.6 per sq.m.).

Project no.	City	Project	Type of Property	Net Saleable/ Leasable GFA	Interest Attributable to the Group
				sq.m.	*%*
Completed Projects					
1	Shenzhen	Shenzhen Hidden Valley Phase 1	Residential	996	100
1	Shenzhen	Shenzhen Hidden Valley Phase 2	Residential	770	100
1	Shenzhen	Shenzhen Hidden Valley Phase 3	Residential	3,773	100
2	Shenzhen	The Spring Land Phase 1	Residential/ Commercial	3,357	100
2	Shenzhen	The Spring Land Phase 2	Residential	134	100
2	Shenzhen	The Spring Land Phase 3	Residential/ Commercial	23,425	100
2	Shenzhen	The Spring Land Phase 5	Residential/ Commercial	11,774	100
3	Shenzhen	Shenzhen Water Flower Garden (Retail assets)	Residential/ Commercial	4,992	100
4	Changzhou	Changzhou Fashion Mark Phase 1	Commercial	46,627	100
4	Changzhou	Changzhou Fashion Mark Phase 2	Residential/ Commercial	32,141	100
4	Changzhou	Changzhou Fashion Mark Phase 4	Residential/ Commercial	92,748	100
5	Changzhou	Changzhou Le Leman City Phase 1 (1-A)	Residential/ Commercial	1,524	100
5	Changzhou	Changzhou Le Leman City Phase 3 (1-C)	Residential	3,249	100

Project no.	City	Project	Type of Property	Net Saleable/ Leasable GFA *sq.m.*	Interest Attributable to the Group %
5	Changzhou	Changzhou Le Leman City Phase 4 (3-B)	Residential/ Commercial	1,692	100
5	Changzhou	Changzhou Le Leman City Phase 5 (1-B)	Residential/ Commercial	1,806	100
5	Changzhou	Changzhou Le Leman City Phase 6 (3-A)	Residential	7,187	100
5	Changzhou	Changzhou Le Leman City Phase 9 (2-B)	Residential/ Commercial	48,130	100
5	Changzhou	Changzhou Le Leman City Phase 11 (Retail asset and Holiday-Inn Hotel)	Commercial/ Hotel	50,716	100
6	Dongguan	Dongguan Landmark	Residential/ Commercial	20,217	100
7	Hangzhou	Hangzhou Landmark	Commercial	26,182	100
8	Chengdu	Chengdu Fashion Mark	Commercial	40,394	100
Subtotal				**421,834**	

Projects Under Development

Project no.	City	Project	Type of Property	Net Saleable/ Leasable GFA *sq.m.*	Interest Attributable to the Group %
2	Shenzhen	The Spring Land Phase 6A *(Note)*	Residential/ Commercial	70,009	100
2	Shenzhen	The Spring Land Phase 6B *(Note)*	Residential/ Commercial	56,900	100
5	Changzhou	Changzhou Le Leman City Phase 7 (4-A)	Residential/ Commercial	84,921	100
5	Changzhou	Changzhou Le Leman City Phase 7 (4-B)	Residential/ Commercial	104,172	100
5	Changzhou	Changzhou Le Leman City Phase 8 (5-B)	Residential	98,855	100
10	Hangzhou	Hangzhou Hidden Valley Phase 1	Residential	41,617	100
10	Hangzhou	Hangzhou Hidden Valley Phase 2	Residential	24,107	100
11	Tianjin	Tianjin Le Leman City (Lot 4) Phase 1	Commercial	34,204	58
12	Huizhou	Huizhou Hidden Bay Phase 1 *(Note)*	Residential	136,500	100
14	Nanjing	The Spring Land-Nanjing	Residential/ Commercial	144,625	100
Subtotal				**795,910**	

Project no.	City	Project	Type of Property	Net Saleable/ Leasable GFA	Interest Attributable to the Group
				sq.m.	*%*
Projects Held For Future Development					
9	Shenzhen	Shenzhen Blue Bay	Residential	15,000	92
10	Hangzhou	Hangzhou Hidden Valley Phases 3-7	Residential	205,498	100
5	Changzhou	Changzhou Le Leman City Phase 10 (5-A)	Residential/ Commercial	115,600	100
11	Tianjin	Tianjin Le Leman City (Lot 4) Phases 2-5, (Lots 5 and 7) and (Lot 8)	Commercial	696,074	58
12	Huizhou	Huizhou Hidden Bay Phases 2-4 *(Note)*	Residential/ Hotel	372,810	100
13	Nanchang	Nanchang Fashion Mark	Residential/ Commercial	789,629	70
15	Hangzhou	The Spring Land – Hangzhou *(Note(1) of page 26)*	Residential/ Commercial	112,748	100
Subtotal				**2,307,359**	
Project Contracted To Be Acquired					
16	Shenzhen	Shenzhen Fashion Mark	Residential/ Commercial	1,239,691	100
Subtotal				**1,239,691**	
TOTAL				**4,764,794**	

Note: The Group has renamed The Spring Land Phase 6 (Lot 3), The Spring Land Phase 6 (Lot 4) and Huizhou Waterfront (as appearing in the Company's 2012 Annual Report) as The Spring Land Phase 6A, The Spring Land Phase 6B and Huizhou Hidden Bay respectively.

Details of the land reserves or projects acquired and disposed from 1 January 2013 to the date of this announcement are set out below:

Land reserves or project acquired from 1 January 2013 to the date of this announcement

Land reserves acquired:

City	Project	Total Consideration	Site Area	Plot Ratio GFA	Average Cost	Interest Attributable to the Group
		RMB'000	*sq.m.*	*sq.m.*	*RMB per sq.m.*	*%*
Hangzhou	The Spring Land – Hangzhou[(1)]	1,550,640	28,704	114,816	13,505.4	100
Nanjing	To be announced[(2)]	1,400,000	63,328	164,653	8,502.7	100
Total		2,950,640	92,032	279,469	10,558.0	

Project acquired:

City	Project	Total Consideration	Total GFA	Number of Underground Car Park Units	Interest Attributable to the Group
		RMB'000	*sq.m.*		*%*
Shanghai	Shama Century Park[(3)]	1,688,000	49,357	240	100

Notes:

(1) In May 2013, the Group won a bid in a public auction regarding a parcel of residential and commercial land in Hangzhou at a consideration of RMB1,550,640,000 (equivalent to approximately HK$1,943,157,000). A land grant contract for the land with a total site area of approximately 28,704 sq.m. was signed in May 2013. Up to the date of this announcement, we have not yet obtained the land use rights certificate for such a parcel of land.

(2) In August 2013, the Group won a bid in a public auction regarding a parcel of residential land in Nanjing at a consideration of RMB1,400,000,000 (equivalent to approximately HK$1,754,386,000). Up to date of this announcement, we have not yet entered into a land grant contract for such parcel of land.

(3) Pursuant to a share purchase agreement dated 16 August 2013 (the "Share Purchase Agreement"), the Group conditionally agreed to purchase the entire issued share capital of SSCP Limited which indirectly owns Shama Century Park (a completed serviced apartment project with 284 residential units plus 240 underground car park units for leasing currently) for a consideration of approximately RMB1,688,000,000 (equivalent to approximately HK$2,126,880,000) (which is subject to adjustment as provided for in the Share Purchase Agreement) from an independent third party. The completion of the transaction shall take place on the date falling three Business Days (as defined in the Share Purchase Agreement) after the date on which the condition precedent to the Share Purchase Agreement is satisfied or waived in accordance with the terms of the Share Purchase Agreement. For details, please refer to the Company's announcement dated 19 August 2013.

We intend to continue to leverage our past experience in identifying land with investment potential at advantageous times and acquiring land reserves at relatively low cost. Moreover, we intend to continue to acquire low-cost land in locations with vibrant economies and strong growth potential.

Land reserve disposed of from 1 January 2013 to the date of this announcement

Pursuant to a sale and purchase agreement dated 23 January 2013, the Group conditionally agreed to sell the entire issued share capital in Top Spring Taihu Bay which indirectly owns the land of Taihu Hidden Valley project, and the loan outstanding and owing by Top Spring Taihu Bay to Top Spring International (BVI) Limited as at the date of completion of the transaction at a total consideration of approximately HK$685.3 million to an independent third party. The completion of the transaction took place on 3 May 2013 and this resulted in a net gain on disposal of a subsidiary of approximately HK$186.6 million. As at 2 May 2013, the net saleable GFA of the Taihu Hidden Valley project belonged to the Group was approximately 350,001 sq.m.

(5) Projects Commencement in the First Half of 2013, Expected Projects Commencement and Completion in the Second Half of 2013

In the first half of 2013, the Group commenced construction on our three projects with a total net saleable/leasable GFA of approximately 267,587 sq.m.

Details of the projects with commencement of construction in the first half of 2013 are set out below:

City	**Project**	**Total Saleable/ Leasable GFA** *sq.m.*
Changzhou	Changzhou Le Leman City Phase 8 (5-B)	98,855
Hangzhou	Hangzhou Hidden Valley Phase 2	24,107
Nanjing	The Spring Land – Nanjing	144,625
Total		267,587

In the second half of 2013, the Group intends to commence construction on our four projects with a total net saleable/leasable GFA of approximately 405,354 sq.m.

Details of the projects with expected commencement of construction in the second half of 2013 are set out below:

City	Project	Total Saleable/ Leasable GFA *sq.m.*
Hangzhou	Hangzhou Hidden Valley Phase 3	26,225
Hangzhou	The Spring Land – Hangzhou	112,748
Huizhou	Huizhou Hidden Bay Phase 2	123,300
Nanchang	Nanchang Fashion Mark Phase 1	143,081
Total		405,354

The Group also intends to complete the construction on three phases among three projects with a total net saleable/leasable GFA of approximately 215,798 sq.m. in the second half of 2013.

Details of the projects with expected completion in the second half of 2013 are set out below:

City	Project	Total Saleable/ Leasable GFA *sq.m.*
Changzhou	Changzhou Le Leman City Phase 7 (4-B)	104,172
Hangzhou	Hangzhou Hidden Valley Phase 1	41,617
Shenzhen	The Spring Land Phase 6A	70,009
Total		215,798

BUSINESS REVIEW

In the first half of 2013, the PRC property market continued to benefit from the recovery that started in the second half of 2012. During the period, both transaction value and transaction volume of newly built commodity properties registered significant growth of approximately 43% year over year ("YoY") and 29% YoY respectively.

The Group successfully captured the favourable market conditions and launched three new projects or phases of projects during the first six months of 2013. Due to superior product quality, precise product positioning and strong brand recognition, the Group achieved satisfactory contracted sales of approximately HK$4,004.5 million in the first half of 2013, representing an increase of approximately 11.5% YoY and approximately 50.1% of its 2013 full-year target. In particular, new launches of "The Spring Land" residential project in Shenzhen and Nanjing both received strong market reception and each of them contributed approximately HK$1,606.5 million and HK$1,404.3 million or approximately 40.1% and 35.1% of the Group's contracted sales during the period. The Spring Land – Nanjing, which was acquired in June 2012 and launched for pre-sale in April 2013, also marked the success of the Group's new strategy focusing on enhancing asset turnover.

The Group also made solid progress on its long-term strategy to expand the investment property portfolio. During the period, the Group obtained the land use rights certificates of the investment property of its Nanchang Fashion Mark. Such investment property includes shopping malls, retail shops and serviced apartments with a total leasable GFA of approximately 176,000 sq.m. which are expected to significantly boost the recurrent rental income of the Group upon completion of construction and commencement of operation in 2016-2017. Furthermore, the Group entered into a sale and purchase agreement in August 2013 for the acquisition of Shama Century Park, a completed serviced apartment project in Shanghai with a total of 284 residential units and 240 underground car park units. The Directors believe that this project enables the Group to widen and expand its presence in the property market and benefit the business development of the Group in the PRC.

For the first six months of 2013, the Group completed just one phase of a project with a total saleable/leasable GFA of approximately 92,748 sq.m. 10 phases among 6 projects with a total saleable/leasable GFA of approximately 795,910 sq.m. were under construction as at 30 June 2013.

The Group also selectively replenished its land bank by acquiring one residential site in Hangzhou in May 2013 and another residential site in Nanjing in August 2013. Both sites are located in the core districts of the respective cities. Such land acquisitions are also consistent with the Group's land bank replenishment strategy of prioritising resources allocation to the satellite districts of first-tier cities and core districts of major second-tier cities in the Pearl River Delta and Yangtze River Delta. Given the management team's strong execution ability, such projects are expected to start contributing to the Group's contracted sales from as soon as 2014.

During the six months period ended 30 June 2013, the Group made further improvement to its operational efficiency which in turn will further enhance the asset turnover and competitiveness of the Group. Strong progress was made in areas such as the timely completion of key milestones, cost controls, construction quality and property management services.

The Group has always been conscious of its social responsibilities as a corporate citizen. During the six months period ended 30 June 2013, the Group took on a 3-year donation program for the establishment of the Institute of Future Cities at The Chinese University of Hong Kong. The Group and its employees also responded swiftly in making donations to the Ya'an earthquake relief efforts. Inheriting the tradition since 2011, the Group once again supported the Katie Piper Foundation in the United Kingdom with a donation for the burn survivors who need rehabilitation and scar management. To foster feeling of helping others, the Group also undertook a sponsorship program to provide continuous support each year to the students in the secondary schools in the Tong Jiang County of Sichuan Province. In addition, the Group is in the process of setting up a charity fund which will help the Group to support different kinds of charitable activities and enhance the Group's corporate social responsibilities in future.

FUTURE OUTLOOK

Other than the widely anticipated property taxes, we do not expect the central government to introduce any major new tightening measure for the residential property market in the foreseeable future. Moreover, we believe the government will focus more on using market-based measures to regulate the housing market so as to support the sector's long-term development. As such, we expect the strong momentum in transaction volume growth will be sustained in the second half of 2013. The supply shortage, which is more noticeable in the first-tier and major second-tier cities and a direct result of the subdued land market in 2011 and the first half of 2012, will also provide strong support to the residential property prices in the second half of 2013.

In view of the favourable market environment amid our abundant saleable resources for the second half of 2013, we are confident that the Group shall be able to attain its 2013 contracted sales target of HK$8.0 billion set at the beginning of the year. Key projects or phases of projects to be launched in the second half of 2013 include Phase 6A (the last phase) of The Spring Land in Shenzhen, Phase 1 of Nanchang Fashion Mark, Phase 1 of Huizhou Hidden Bay as well as Phase 2 of Hangzhou Hidden Valley with a total saleable resources of over HK$4.6 billion. As at 24 August 2013, the Group has already achieved total contracted sales of approximately HK$6,060.2 million or approximately 75.8% of the 2013 full-year contracted sales target.

As for land acquisition, the Group will continue to follow its anti-cyclical land acquisition strategy. As at 30 June 2013, the Group had a land bank with approximately 4,764,794 sq.m. net saleable/leasable GFA, sufficient for its business development over the next three years. Given the significant surge in land prices across the major PRC cities with repeated occurrences of record breaking land prices, the Group will become more cautious on land acquisitions in the second half of 2013. Moreover, as the residential property control measures such as purchase restriction and mortgage restriction are still in place, priorities will therefore be given to projects in the first-tier and major second-tier cities in the Pearl River Delta and Yangtze River Delta which are targeted mainly at the first-time home buyers and first-time upgraders whose demand represents the bulk of the purchasing power for residential properties in the near term.

Overall, we continue to believe that the hastening pace of urbanisation, steady growth in household income and wealth, growing number of smaller families and persistent inflationary pressure will support the growth in demand for good quality and well located residential and retail properties. Despite the promising long-term outlook, in order to succeed in the increasingly competitive PRC property industry, the Group will continue to step up its efforts in various key aspects of the business including corporate governance, project execution, sales and marketing, cost controls, product design, product quality, idea innovations, property management services, and human resources management.

FINANCIAL REVIEW

For the six months ended 30 June 2013, the Group's consolidated turnover and profit attributable to equity shareholders of the Company reached approximately HK$1,218.9 million and HK$221.3 million respectively, decreased by approximately 44.5% and 14.5% respectively over the corresponding period of 2012. For the six months ended 30 June 2013, the Group's basic earnings per ordinary share of HK$0.10 each in the share capital (the "Share") decreased by approximately 14.7% as compared with the corresponding period of 2012 to approximately HK15.75 cents. Net assets per Share attributable to equity shareholders of the Company and holders of PCSs were approximately HK$3.2 (adjusted)* as at 31 December 2012 and approximately HK$3.3 as at 30 June 2013.

Turnover

Turnover represents income from sale of properties, rental income, income from hotel operations and income from provision of property management and related services earned during the period, net of business tax and other sales related taxes and discounts allowed.

Our turnover decreased by approximately 44.5% to approximately HK$1,218.9 million for the six months ended 30 June 2013 from approximately HK$2,195.1 million for the six months ended 30 June 2012. This decrease was primarily arisen from a decrease in our sale of properties. The Group has recognised property sales of approximately HK$1,073.4 million, accounting for approximately 88.1% of the total turnover of approximately HK$1,218.9 million. The remaining approximately 11.9% represented rental income, income from hotel operations and property management and related services income.

Turnover from sale of properties decreased by approximately 48.1% for the six months ended 30 June 2013 as compared to the corresponding period of 2012 primarily due to a decrease in total saleable GFA sold and delivered, from approximately 188,910 sq.m. (including sales return but excluding car park units) in the first half of 2012 to approximately 69,997 sq.m. (including sales return but excluding car park units) in the first half of 2013, which offset the increase in average recognised ASP from approximately HK$10,951.8 per sq.m. in the first half of 2012 to approximately HK$15,334.9 per sq.m. in the first half of 2013. Rental income increased primarily due to an increase in both the leasable GFA and average rental rates of our investment properties under operation for the six months ended 30 June 2013. Income from hotel operations decreased mainly due to a decrease in the average occupancy rate, average room rate and the income from the food and beverage sector of our hotel property. Such decrease was mainly attributable to the direct competition from two reputable hotels which are

* *refer to paragraph headed "Net assets per share" below*

located in the same region as our hotel property and the negative business environment under the avian influenza incident happened in early 2013. As a result of an increase in the leased GFA of our investment properties and sold and delivered GFA of our residential properties, income from the property management and related services also increased.

Direct costs

The principal component of direct costs is the cost of completed properties sold, which consists of land premium, construction and other development costs, capitalised borrowing costs during the construction period, the cost of rental income, the cost of hotel operations and the cost of property management and related services. We recognise the cost of completed properties sold for a given period to the extent that revenue from such properties has been recognised in such period.

Our direct costs decreased to approximately HK$709.7 million for the six months ended 30 June 2013 from approximately HK$1,335.1 million for the six months ended 30 June 2012. This decrease was primarily attributable to the decrease in the saleable GFA of our properties completed and delivered for the six months ended 30 June 2013.

Gross profit

Our gross profit decreased by approximately 40.8%, to approximately HK$509.2 million for the six months ended 30 June 2013 from approximately HK$860.0 million for the six months ended 30 June 2012. The Group reported a gross profit margin of approximately 41.8% for the six months ended 30 June 2013 as compared to approximately 39.2% for the six months ended 30 June 2012. The increase in gross margin was primarily driven by the lower proportion of recognised sales being generated from our Changzhou projects which have relatively lower gross margins for the six months ended 30 June 2013 as compared to the corresponding period of 2012.

Other revenue

Other revenue increased by approximately HK$7.2 million, or approximately 11.5%, to approximately HK$69.7 million for the six months ended 30 June 2013 from approximately HK$62.5 million for the six months ended 30 June 2012. The increase was primarily attributable to an increase in bank interest income and rental income from operating leases other than those relating to investment properties by approximately HK$3.6 million and HK$2.9 million respectively in the first half of 2013.

Other net income/(loss)

Other net income/(loss) changed from a net loss of approximately HK$0.8 million for the six months ended 30 June 2012 to a net income of approximately HK$227.7 million for the six months ended 30 June 2013. The change was primarily attributable to a net gain on disposal of our subsidiary which indirectly held 100% interest of the land of the Taihu Hidden Valley project and a net gain on early repayment of a secured other borrowing of approximately HK$186.6 million and HK$44.5 million respectively for the six months ended 30 June 2013.

Selling and marketing expenses

Selling and marketing expenses increased by approximately 11.9%, to approximately HK$87.4 million for the six months ended 30 June 2013 from approximately HK$78.1 million for the six months ended 30 June 2012. The increase was primarily attributable to more promotion expenses incurred for the launch of our new projects in the first half of 2013 as compared with the first half of 2012. These costs accounted for approximately 2.2% of contracted sales for the six months ended 30 June 2013 (for the six months ended 30 June 2012: approximately 2.2%).

Administrative expenses

Administrative expenses increased by approximately 8.7%, to approximately HK$214.4 million for the six months ended 30 June 2013 from approximately HK$197.2 million for the six months ended 30 June 2012. The increase was mainly due to an increase in the salaries and number of headcounts of our administrative staff, which were in line with the Group's business development in the first half of 2013.

Valuation gains on investment properties

Valuation gains on investment properties decreased by approximately 26.2%, to approximately HK$330.0 million for the six months ended 30 June 2013 from approximately HK$447.4 million for the six months ended 30 June 2012. During the six months ended 30 June 2013, a shopping mall, retail shops and serviced apartments for leasing purposes of Nanchang Fashion Mark, with a fair value of approximately HK$789.6 million as at 30 June 2013, contributed a valuation gain of approximately HK$222.9 million (approximately 67.5% of total valuation gains on investment properties). The Spring Land Phase 3 – Fashion Walk was changed to leasing purpose during the first half of 2012, in which the revaluation gain of approximately HK$389.6 million (approximately 87.1% of total valuation gains on investment properties), was recognised for the six months ended 30 June 2012.

Finance costs

Finance costs decreased by approximately 8.6%, to approximately HK$337.7 million from approximately HK$369.6 million for the corresponding period of 2012. The decrease was primarily attributable to the decrease in an average outstanding balance of our offshore loans in the first half of 2013 as compared with the corresponding period of 2012, for which the relevant interest expenses are not qualified for capitalisation.

Income tax

Income tax expenses decreased by approximately 50.3%, to approximately HK$234.3 million for the six months ended 30 June 2013 from approximately HK$471.9 million for the six months ended 30 June 2012. The decrease was mainly attributable to the decrease in gross profit which was in turn driven primarily by the reduction in sales of properties recognised for the six months ended 30 June 2013 as compared with the figure for the six months ended 30 June 2012. Consequently, there was a decrease in the provision for CIT and LAT by approximately HK$49.2 million and HK$7.1 million respectively. In addition, as a result of the reduction in valuation gains on investment properties and the higher tax losses yet to utilise for CIT deduction of our certain PRC subsidiaries recorded in the first half of 2013, the relevant deferred taxation expense and credit were reduced by approximately HK$29.4 million and increased by approximately HK$80.8 million respectively as compared with the figure for the first half of 2012.

Profitability

The net profit margin of the Group (profit attributable to equity shareholders of the Company to turnover) was approximately 18.2% and 11.8% for the six months ended 30 June 2013 and 2012 respectively.

Non-controlling interests

The profit attributable to non-controlling interests was approximately HK$39.0 million for the six months ended 30 June 2013 (for the six months ended 30 June 2012: loss of approximately HK$2.4 million). The change was primarily due to a valuation gain of approximately HK$222.9 million recorded for the six months ended 30 June 2013 from an investment property of our Nanchang Fashion Mark held by a non-wholly owned subsidiary in which 30% of its equity interest is attributable to the non-controlling interest. During the six months ended 30 June 2013, the newly added non-controlling interests represented the 30% equity interest held by a connected person in our 南昌萊蒙置業有限公司 (Nanchang Top Spring Real Estate Co., Ltd.*).

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2013, the carrying amount of the Group's cash and bank deposits was approximately HK$6,903.0 million (as at 31 December 2012: approximately HK$6,015.0 million), representing an increase of approximately 14.8% as compared to that as at 31 December 2012.

For the six months ended 30 June 2013, the Group had net cash used in operating activities of approximately HK$1,599.1 million, net cash generated from investing activities of approximately HK$148.0 million and net cash generated from financing activities of approximately HK$1,479.0 million.

Borrowings and charges on the Group's assets

The Group had an aggregate borrowings (including bank and other borrowings, amounts due to a non-controlling shareholder and loan from joint ventures) as at 30 June 2013 of approximately HK$11,863.8 million, of which approximately HK$5,167.2 million is repayable within 1 year, approximately HK$6,020.7 million is repayable after 1 year but within 5 years and approximately HK$675.9 million is repayable after 5 years. As at 30 June 2013, the Group's bank loans of approximately HK$9,315.6 million (as at 31 December 2012: approximately HK$6,771.9 million) were secured by investment properties, hotel properties, properties under development and completed properties for sale, other land and buildings and pledged deposits of the Group with total carrying values of approximately HK$11,765.6 million (as at 31 December 2012: approximately HK$9,708.7 million) and by equity interests in certain subsidiaries within the Group. As at 30 June 2013, the Group's other borrowings of approximately HK$1,014.0 million (as at 31 December 2012: approximately HK$1,343.5 million) were secured by equity interests in certain subsidiaries within the Group. The carrying

* *for identification purposes only*

amounts of all the Group's bank and other borrowings were denominated in Renminbi ("RMB") except for certain loan balances with an aggregate amount of approximately HK$948.9 million (as at 31 December 2012: approximately HK$788.0 million) and approximately HK$900.6 million as at 30 June 2013 (as at 31 December 2012: approximately HK$1,308.5 million) which were denominated in Hong Kong dollars and US dollars respectively.

As at 30 June 2013, the Group had other borrowings of approximately HK$473.8 million from a related company and a loan from joint ventures of approximately HK$593.9 million which were at fixed interest rates of 10% per annum and 10.3553% per annum respectively.

Cost of borrowings

The Group's annualised average cost of borrowings (calculated by dividing total interest expenses expensed and capitalised by average borrowings, during the period) was approximately 10.1% for the six months ended 30 June 2013 (for the six months ended 30 June 2012: approximately 11.6%).

Net gearing ratio

The net gearing ratio is calculated by dividing our net borrowings (aggregate borrowings net of cash and cash equivalents and restricted and pledged deposits) by the total equity. Our net gearing ratio for the six months ended 30 June 2013 and the year ended 31 December 2012 was approximately 97.6% and 67.5% respectively. The net gearing ratio was increased as a result of the increased capital expenditure incurred on land acquisition for a project newly acquired in Hangzhou and settlement on the outstanding land premium of Nanchang Fashion Mark during the six months ended 30 June 2013.

Foreign exchange risk

As at 30 June 2013, the Group had cash balances denominated in RMB of approximately RMB5,167.4 million (equivalent to approximately HK$6,528.6 million), and in US dollars of approximately US$22.5 million (equivalent to approximately HK$174.6 million).

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. The Group is exposed to foreign currency risk arising from the exposure of RMB against Hong Kong dollars or US dollars as a result of its investment in the PRC and the settlement of certain of the general and administrative expenses and borrowings in Hong Kong dollars or US dollars. In addition, RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government. We do not have a foreign currency hedging policy. However, the Directors monitor our foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

BONUS ISSUE OF SHARES

Pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company held on 15 May 2013, bonus Shares were made to shareholders whose names appear on the register of members of the Company on 24 May 2013 (the "Bonus Issue"), on the basis of two new Shares (the "Bonus Shares") for every five Shares held, with an option to elect to receive PCSs in lieu of all or part of their entitlements to the Bonus Shares under the Bonus Issue.

The PCSs are unlisted and irredeemable but have conversion rights entitling the holders of PCSs to convert into an equivalent number of Shares as the number of Bonus Shares which the holders of PCSs would otherwise be entitled to receive under the Bonus Issue had the shareholder not elected for the PCSs.

On 20 June 2013, an amount of approximately HK$15,036,560 standing to the credit of the share premium account was applied in paying up in full 150,365,600 Shares of HK$0.1 each which were allotted and issued as fully paid to the shareholders who were entitled to those Bonus Shares and did not elect to receive the PCSs. In addition, the PCSs in the amount of approximately HK$25,092,080 were issued to shareholders who elected to receive the PCSs, and the same amount was capitalised from the share premium account as reserve arising from issuance of the PCSs.

Reserve arising from issuance of the PCSs was capitalised from the share premium account for the purpose of issue of new Shares upon conversion of the PCSs. There was no conversion to ordinary Shares by the holders of PCSs during the six months ended 30 June 2013.

Upon completion of the Bonus Issue, adjustments were made to the exercise price and outstanding number of share options granted pursuant to the Group's pre-IPO and post-IPO share option schemes (see Employees and Remuneration Policy section thereafter).

NET ASSETS PER SHARE

Net assets per Share of the Company as at 30 June 2013 and 31 December 2012 are calculated as follows:

	As at 30 June 2013 (unaudited)	As at 31 December 2012 (restated)
Net assets attributable to equity shareholders of the Company *(HK$'000)*	**4,615,821**	4,455,385
Number of issued ordinary shares of the Company *('000)*	**1,154,785**	1,001,868
Effect of the Bonus Issue (with PCSs as an alternative) *('000)*	**–**	400,747
Number of outstanding PCSs *('000)*	**250,921**	–
Number of Shares for the calculation of net assets per Share *('000)*	**1,405,706**	1,402,615
Net assets per Share attributable to equity shareholders of the Company and the holders of PCSs *(HK$)*	**3.3**	3.2*

* *Adjusted for the Bonus Issue in 2013*

CONTINGENT LIABILITIES

As at 30 June 2013, save for the guarantees of approximately HK$2,226.2 million (as at 31 December 2012: approximately HK$2,824.4 million) given to financial institutions for mortgage loan facilities granted to purchasers of the Group's properties, the Group had no other material contingent liabilities.

Pursuant to the mortgage contracts, banks require us to guarantee our customers' mortgage loans until we complete the relevant properties and the property ownership certificates and certificates of other interests with respect to the relevant properties are delivered to our purchasers. If a purchaser defaults on a mortgage loan, we may have to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any shortfall from us as the guarantor of the mortgage loan.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

During the six months ended 30 June 2013, the Group did not have any material acquisitions or disposals of assets save as disclosed in this results announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2013, the Group employed a total of 1,502 employees (as at 31 December 2012: 1,369 employees) in the PRC and Hong Kong. Of them, 124 were under the headquarter team, 440 were under the property development division and 938 were under the retail operation and property management division. For the six months ended 30 June 2013, the total staff costs incurred was approximately HK$118.3 million (for the six months ended 30 June 2012: approximately HK$107.5 million). The remuneration of the employees was based on their performance, work experience, skills, knowledge and the prevailing market wage level. The Group remunerated the employees by means of basic salaries, cash bonus and equity settled share-based payment.

The Company adopted a pre-IPO share option scheme and a share award scheme on 2 December 2010 under which the Company granted share options and awarded shares to certain eligible employees. During the six months ended 30 June 2013, 2,551,500 (for the six months ended 30 June 2012: 1,299,500) share options had been exercised by the grantees and a total number of 2,621,666 and 100,000 (for the six months ended 30 June 2012: 2,954,999 and nil) share options had been cancelled and lapsed respectively upon the resignation of certain grantees. Upon completion of the Bonus Issue on 20 June 2013, adjustment was made to the number of the share options under the pre-IPO share option scheme in which 9,478,516 share options were additionally granted to the holders of the share options under the pre-IPO share option scheme. As a result, 31,527,519 (as at 31 December 2012: 27,322,169) share options were outstanding as at 30 June 2013 under the pre-IPO share option scheme. During the six months ended 30 June 2013, a total number of 216,000 (for the six months ended 30 June 2012: 608,000) awarded shares had been cancelled upon resignation of certain awardees and, based on the Directors' knowledge, 5,168,000 (as at 31 December 2012: 5,384,000) awarded shares were outstanding as at 30 June 2013 under the share award scheme without taking into account the additional shares taken up by Marble World Holdings Limited under the Bonus Issue which holds such awarded shares.

The Company has also adopted a post-IPO share option scheme on 28 February 2011 for the purpose of recognising and acknowledging the contribution that eligible employees have made or may make to the Group. On 26 June 2012 and 20 June 2013, the Group granted 15,720,000 share options (Lot 1) and 14,000,000 share options (Lot 2) respectively under the post-IPO share option scheme at the exercise price of HK$3.17 per Share and HK$4.14 per Share respectively to directors, senior management and selected employees of the Group.

Movement of the outstanding share options under the post-IPO share option scheme for the six months ended 30 June 2013 is as follows:

	As at 1 January 2013	Share options granted *(Note)*	Share options exercised	Share options cancelled	Share options lapsed	As at 30 June 2013
Lot 1	15,420,000	5,808,000	–	(1,320,000)	–	19,908,000
Lot 2	–	14,000,000	–	–	–	14,000,000
	15,420,000	19,808,000	–	(1,320,000)	–	33,908,000

Note:

The 5,808,000 share options granted to Lot 1 under the post-IPO share option scheme represented an adjustment made to the number of the share options which were additionally granted to the holders of Lot 1 upon completion of the Bonus Issue on 20 June 2013.

INTERIM DIVIDEND

To maintain a stable dividend policy, the Board declared the payment of an interim dividend of HK11 cents per Share attributable to equity shareholders of the Company and the holders of PCSs for the six months ended 30 June 2013 (for the six months ended 30 June 2012: HK15 cents per Share) to shareholders and holders of PCSs whose names appear on the register of members or the register of holders of PCSs of the Company (as the case maybe) on Friday, 27 September 2013. The interim dividend will be payable on Tuesday, 15 October 2013.

CLOSURE OF REGISTER OF MEMBERS AND REGISTER OF HOLDERS OF PCSs

The register of members and the register of holders of PCSs of the Company will be closed from Wednesday, 25 September 2013 to Friday, 27 September 2013, both days inclusive, during which period no transfer of Shares or PCSs will be registered. In order to qualify for the interim dividend, all transfers of Shares or PCSs accompanied by the relevant share certificates or the relevant PCS certificates (as the case maybe) must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, or, in the case of PCSs, the Company at Room 04-08, 26th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, respectively, for registration not later than 4:30 p.m. on Tuesday, 24 September 2013.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "Code") and, where appropriate, adopted the Recommended Best Practices set out in the Code during the six months ended 30 June 2013 except for the following deviation:

Under Rule A.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the period under review and up to the date of this announcement, Mr. WONG Chun Hong performed his duties as the chairman and the chief executive officer of the Company. The Board believes that the serving by the same individual as chairman and chief executive officer during the rapid development of the business is beneficial to the consistency of business plans and decision-making of the Company. The Board will continue to review the current management structure from time to time and shall make changes where appropriate and inform the investors of the Company accordingly.

In respect of Code Provision A.6.7 of the Code, Ms. LI Yan Jie, the executive Director, was unable to attend the annual general meeting of the Company held on 15 May 2013 due to other business engagement.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise interests of the shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct for securities transactions by the Directors. After having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct during the six months ended 30 June 2013.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting principles and practice adopted by the Group and has reviewed the interim results of the Group for the six months ended 30 June 2013. The audit committee of the Board comprises three independent non-executive Directors, namely Mr. CHENG Yuk Wo (Chairman), Mr. BROOKE Charles Nicholas and Professor WU Si Zong.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkex.com.hk and at the website of the Company at www.topspring.com. The interim report will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
TOP SPRING INTERNATIONAL HOLDINGS LIMITED
WONG Chun Hong
Chairman

Hong Kong, 28 August 2013

As at the date of this announcement, the executive directors of the Company are Mr. WONG Chun Hong, Ms. LI Yan Jie, Mr. LEE Sai Kai David, Mr. LAM Jim, Mr. WANG Tian Ye and Mr. CHEN Feng Yang; and the independent non-executive directors of the Company are Mr. BROOKE Charles Nicholas, Mr. CHENG Yuk Wo and Professor WU Si Zong.