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 2015

HIGHLIGHTS

- For the six months ended 30 June 2015, the Group achieved contracted sales plus subscribed pre-sales of approximately HK$3,775.2 million, representing an increase of approximately 2.5% as compared with the corresponding period of 2014. The Group recorded an aggregate of contracted sales of properties and contracted sales of car park units of approximately HK$3,043.3 million, of which approximately HK$2,942.1 million was from contracted sales of properties with contracted saleable GFA of approximately 128,581 sq.m. and approximately HK$101.2 million was from contracted sales of 856 car park units. The ASP of the Group's contracted sales of properties was approximately HK$22,881.3 per sq.m., representing an increase of approximately 21.8% as compared with the corresponding period of 2014.

- As at 30 June 2015, the Group had 25 projects across 12 cities with a total estimated net saleable/leasable GFA of approximately 5,403,405 sq.m. Excluding Shanghai Shama Century Park (an operational serviced apartments project), Shenzhen Fashion Mark, Shenzhen Buji Market Project, Shenzhen Smart Venture Valley and Shenzhen Junan Project (all are redevelopment projects) and Middlewood Locks Property and The Hat Box (both are overseas projects), the remaining estimated land bank of the Group of approximately 3,512,326 sq.m. had an average land cost of approximately RMB2,692.2 per sq.m. (equivalent to approximately HK$3,360.6 per sq.m.) as at 30 June 2015.

- The Group has targeted to complete a total estimated net saleable/leasable GFA of approximately 442,924 sq.m. in the second half of 2015, in which approximately 378,598 sq.m. or 85.5% of the expected completion saleable GFA has been locked-in through pre-sales as of 30 June 2015.

- Revenue for the six months ended 30 June 2015 increased by approximately 126.2%, to approximately HK$2,058.5 million from approximately HK$910.1 million for the six months ended 30 June 2014.

- For the six months ended 30 June 2015, the Group generated recurring rental income of approximately HK$167.8 million (for six months ended 30 June 2014: approximately HK$154.3 million) from its investment properties which mainly comprised shopping malls, community commercial centres, retail shops, serviced apartments and car park units. As at 30 June 2015, the investment properties portfolio (inclusive of investment properties classified as held for sale) had a total leasable GFA of approximately 463,062 sq.m. and a fair value of approximately HK$9,521.9 million, representing approximately 23.6% of the Group's total asset value.

- Gross profit margin for the six months ended 30 June 2015 was approximately 20.6%, as compared with approximately 41.0% for the corresponding period of 2014.

- For the six months ended 30 June 2015, the loss attributable to equity shareholders of the Company was approximately HK$48.8 million (for the six months ended 30 June 2014: approximately HK$274.0 million).

- Basic loss per Share attributable to equity shareholders of the Company and the holders of PCSs for the six months ended 30 June 2015 was approximately HK$0.03 (for the six months ended 30 June 2014: approximately HK$0.19).

- Net assets per Share attributable to equity shareholders of the Company and the holders of PCSs as at 30 June 2015 was approximately HK$4.1 (as at 31 December 2014: approximately HK$4.3).

- As at 30 June 2015, the net gearing ratio of the Group was approximately 93.3% (as at 31 December 2014: approximately 81.6%).

- The Board resolved that starting from 2015, the Board will only consider the declaration of dividend at its meeting for the approval of final results and no interim dividend will be declared during the year. As a result, no interim dividend will be declared for the six months ended 30 June 2015.

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Top Spring International Holdings Limited (the "Company") announces the interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015 – UNAUDITED

		Six months ended 30 June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Revenue	*3 & 4*	**2,058,503**	910,094
Direct costs		**(1,635,473)**	(537,045)
Gross profit		**423,030**	373,049
Valuation gains on investment properties		**254,275**	99,061
Other revenue	*5*	**98,235**	92,484
Other net loss	*6*	**(7,852)**	(41,252)
Selling and marketing expenses		**(92,747)**	(109,724)
Administrative expenses		**(242,135)**	(227,339)
Profit from operations		**432,806**	186,279
Finance costs	*7(a)*	**(265,649)**	(352,597)
Share of profits less losses of associates		**(22,651)**	(4,421)
Share of losses of joint ventures		**(1,421)**	(586)
Profit/(loss) before taxation	*7*	**143,085**	(171,325)
Income tax	*8*	**(150,001)**	(114,439)
Loss for the period		**(6,916)**	(285,764)
Attributable to:			
Equity shareholders of the Company		**(48,791)**	(274,003)
Non-controlling interests		**41,875**	(11,761)
Loss for the period		**(6,916)**	(285,764)
Loss per share (HK$)	*9*		
Basic and diluted		**(0.03)**	(0.19)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015 – UNAUDITED

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Loss for the period	**(6,916)**	(285,764)
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 foreign subsidiaries	**(51,157)**	(207,511)
Shares of other comprehensive income of associates and joint ventures	**(7,908)**	(4,000)
	(59,065)	(211,511)
Total comprehensive income for the period	**(65,981)**	(497,275)
Attributable to:		
Equity shareholders of the Company	**(104,843)**	(453,106)
Non-controlling interests	**38,862**	(44,169)
Total comprehensive income for the period	**(65,981)**	(497,275)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015 – UNAUDITED

	Note	At 30 June 2015 (unaudited) HK$'000	At 31 December 2014 (audited) HK$'000
Non-current assets			
Investment properties		**8,057,671**	9,298,671
Other property, plant and equipment		**399,287**	425,138
Interests in leasehold land held for own use under operating leases		**4,190**	4,330
		8,461,148	9,728,139
Interest in associates		**197,517**	163,030
Interest in joint ventures		**392,619**	350,067
Other financial assets		**43,702**	194,246
Restricted and pledged deposits		**31,207**	194,955
Deferred tax assets		**604,089**	501,953
		9,730,282	11,132,390
Current assets			
Inventories		**20,020,764**	20,336,578
Other financial assets		**164,274**	125,047
Trade and other receivables	*11*	**2,286,732**	1,720,448
Prepaid tax		**280,755**	48,951
Restricted and pledged deposits		**1,600,917**	3,133,318
Cash and cash equivalents		**4,752,902**	6,374,760
		29,106,344	31,739,102
Investment properties classified as held for sale		**1,464,237**	–
		30,570,581	31,739,102
Current liabilities			
Trade and other payables	*12*	**15,476,896**	15,106,242
Bank and other borrowings		**5,525,538**	8,487,467
Tax payable		**4,267,456**	4,288,902
		25,269,890	27,882,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015 – UNAUDITED (CONTINUED)

	Note	At 30 June 2015 (unaudited) *HK$'000*	At 31 December 2014 (audited) *HK$'000*
Net current assets		**5,300,691**	3,856,491
Total assets less current liabilities		**15,030,973**	14,988,881
Non-current liabilities			
Bank and other borrowings		**5,703,353**	6,653,577
Note payable		**1,217,517**	–
Deferred tax liabilities		**1,367,257**	1,377,701
		8,288,127	8,031,278
NET ASSETS		**6,742,846**	6,957,603
CAPITAL AND RESERVES			
Share capital		**117,673**	116,073
Reserves		**5,729,277**	6,000,462
Total equity attributable to equity shareholders of the Company		**5,846,950**	6,116,535
Non-controlling interests		**895,896**	841,068
TOTAL EQUITY		**6,742,846**	6,957,603

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 2015 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 "Listing Rules"), 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 31 August 2015.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any 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.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group and the Company:

- *Annual improvements to HKFRSs 2010-2012 cycle*
- *Annual improvements to HKFRSs 2011-2013 cycle*

None of these developments have had material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

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

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 and retail properties.

- Property investment: this segment leases shopping arcades, club houses, serviced apartments and car park units 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 and retail properties.

(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" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at "adjusted EBITDA" the Group's earnings are further adjusted for items which are non-recurring or not specifically attributed to individual segments, such as share of profits less losses of associates and joint ventures, 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, provision on inventories 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.

For the six months ended 30 June	**Property development**		**Property investment**		**Hotel operations**		**Property management and related services**		**Total**	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**1,801,440**	660,003	**167,828**	154,258	**25,353**	28,642	**63,882**	67,191	**2,058,503**	910,094
Inter-segment revenue	**–**	–	**11,517**	13,724	**–**	–	**70,031**	90,694	**81,548**	104,418
Reportable segment revenue	**1,801,440**	660,003	**179,345**	167,982	**25,353**	28,642	**133,913**	157,885	**2,140,051**	1,014,512
Reportable segment profit/(loss) (adjusted EBITDA)	**90,109**	59,284	**120,037**	116,305	**(756)**	11,441	**(38,436)**	(30,280)	**170,954**	156,750
Interest income from bank deposits	**33,725**	57,921	**894**	1,326	**–**	–	**856**	1,090	**35,475**	60,337
Interest expenses	**(244,862)**	(318,830)	**(20,783)**	(20,120)	**–**	–	**(4)**	(6,900)	**(265,649)**	(345,850)
Depreciation and amortisation for the period	**(14,684)**	(9,939)	**(1,129)**	(329)	**(12,208)**	(12,710)	**(839)**	(859)	**(28,860)**	(23,837)
Provision on inventories	**(106,991)**	(3,577)	**–**	–	**–**	–	**–**	–	**(106,991)**	(3,577)
Valuation gains on investment properties	**–**	–	**254,275**	99,061	**–**	–	**–**	–	**254,275**	99,061

3 SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**2,140,051**	1,014,512
Elimination of inter-segment revenue	**(81,548)**	(104,418)
Consolidated revenue *(note 4)*	**2,058,503**	910,094
Profit/(loss)		
Reportable segment profit derived from Group's external customers	**170,954**	156,750
Share of profits less losses of associates	**(22,651)**	(4,421)
Share of losses of joint ventures	**(1,421)**	(586)
Other revenue and net loss	**90,383**	51,232
Depreciation and amortisation	**(30,125)**	(25,275)
Finance costs	**(265,649)**	(352,597)
Valuation gains on investment properties	**254,275**	99,061
Unallocated head office and corporate expenses	**(52,681)**	(95,489)
Consolidated profit/(loss) before taxation	**143,085**	(171,325)

(c) Geographic information

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

4 REVENUE

Revenue 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	
	2015	2014
	HK$'000	*HK$'000*
Sale of properties	**1,801,440**	660,003
Rental income	**167,828**	154,258
Hotel operations	**25,353**	28,642
Property management and related services income	**63,882**	67,191
	2,058,503	910,094

5 OTHER REVENUE

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Bank interest income	**46,497**	80,076
Other interest income	**30,391**	–
Construction management service income	**6,477**	–
Rental income from operating leases, other than those relating to investment properties	**6,384**	5,265
Government grants	**–**	2,248
Others	**8,486**	4,895
	98,235	92,484

6 OTHER NET LOSS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Net gain on disposal of a subsidiary	**–**	12,710
Net loss on disposal of partial interest in an associate	**(35)**	–
Net gain on disposal of available-for-sale investments	**109,247**	–
Net exchange loss	**(7,060)**	(55,905)
Net gain/(loss) on disposal of property, plant and equipment	**19**	(414)
Net gain on sale of investment properties	**35,320**	–
Provision on inventories	**(106,991)**	(3,577)
Impairment loss on available-for-sale investments	**(36,814)**	–
Others	**(1,538)**	5,934
	(7,852)	(41,252)

7 PROFIT/(LOSS) BEFORE TAXATION

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

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank and other borrowings	**466,672**	613,884
Interest on loans from joint ventures	**–**	15,340
Interest on amounts due to a non-controlling shareholder	**7,442**	5,980
Interest on note payable	**5,819**	–
Other borrowing costs	**41,638**	47,597
	521,571	682,801
Less: Amount capitalised	**(255,922)**	(330,204)
	265,649	352,597
(b) Staff costs		
Salaries, wages and other benefits	**122,309**	105,184
Contributions to defined contribution retirement plans	**13,040**	11,928
Equity settled share-based payment expenses	**7,487**	6,176
	142,836	123,288
(c) Other items		
Depreciation and amortisation	**30,682**	25,766
Less: Amount capitalised	**(557)**	(491)
	30,125	25,275
Cost of properties sold	**1,512,041**	427,442
Rental income from investment properties	**(167,828)**	(154,258)
Less: Direct outgoings	**13,549**	12,188
	(154,279)	(142,070)
Operating lease charges: minimum lease payments for land and buildings	**16,398**	15,798

8 INCOME TAX

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current tax		
Provision for PRC Corporate Income Tax ("CIT")	**130,755**	34,693
Provision for Land Appreciation Tax ("LAT")	**124,506**	73,423
Withholding tax	**5,624**	5,893
	260,885	114,009
Deferred tax		
Origination and reversal of temporary differences	**(110,884)**	430
	150,001	114,439

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 subject to Hong Kong Profits Tax for the six months ended 30 June 2014 and 2015.

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 2015 (2014: 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.

Withholding taxes are levied on dividend distributions arising from profit of the PRC subsidiaries within the Group earned after 1 January 2008 and rental income earned in the PRC by a Hong Kong subsidiary at the applicable tax rates.

9 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK$48,791,000 (2014: HK$274,003,000) and the weighted average number of 1,409,678,000 shares (2014: 1,406,557,000 shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2015	2014
	'000	*'000*
Weighted average number of shares		
Issued ordinary shares	**1,160,734**	1,155,303
Effect of share options exercised	**743**	1,250
Effect of bonus issue of shares (with bonus perpetual subordinated convertible securities ("PCSs") as an alternative)	**248,201**	250,004
Weighted average number of shares	**1,409,678**	1,406,557

(b) Diluted loss per share

The diluted loss per share for the six months ended 30 June 2015 and 2014 were the same as the basic loss per share as the outstanding share options during the period had an anti-dilutive effect to the basic loss per share.

10 DIVIDENDS

Dividends payable to equity shareholders of the Company and holders of PCSs attributable to the interim period

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
No interim dividend declared in respect of the interim period (2014: HK11 cents per ordinary share and unit of PCS)	**–**	154,841

The 2014 interim dividend declared after the end of the reporting period had not been recognised as a liability at the end of the reporting period.

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2015 (unaudited) *HK$'000*	At 31 December 2014 (audited) *HK$'000*
Debtors, prepayments and deposits	**1,510,111**	1,331,169
Amount due from an associate *(Note (i))*	**14,116**	14,133
Amounts due from non-controlling shareholders *(Note (ii))*	**762,505**	375,146
	2,286,732	1,720,448

Notes:

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

(ii) Apart from the amount due from a non-controlling shareholder of HK$1,052,000 (31 December 2014: HK$5,000) which is interest-free, all of the balances are unsecured, interest-bearing at 3% or 12.5% (31 December 2014: 3%) per annum and recoverable on demand or within one year. The balances are neither past due nor impaired.

(iii) Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis at the end of the reporting period:

	At 30 June 2015 (unaudited) *HK$'000*	At 31 December 2014 (audited) *HK$'000*
Current or under 1 month overdue	**65,407**	66,378
More than 1 month overdue and up to 3 months overdue	**1,260**	16
More than 3 months overdue and up to 6 months overdue	**213**	7,519
More than 6 months overdue and up to 1 year overdue	**712**	129
More than 1 year overdue	**2,882**	3,126
	70,474	77,168

(iv) 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.

(v) The Group's certain rental receivables were pledged to secure bank loans.

12 TRADE AND OTHER PAYABLES

	At 30 June 2015 (unaudited) *HK$'000*	At 31 December 2014 (audited) *HK$'000*
Creditors and accrued charges	**4,377,028**	4,965,273
Rental and other deposits	**148,183**	127,830
Receipts in advance	**10,164,303**	9,248,237
Amounts due to non-controlling shareholders *(Note (i))*	**767,910**	750,522
Amounts due to related companies *(Note (ii))*	**19,472**	14,380
	15,476,896	15,106,242

Notes:

(i) Apart from the amounts due to non-controlling shareholders of HK$538,800,000 (31 December 2014: HK$510,340,000) which are interest-free, all of the balances are unsecured, interest-bearing at 20% (31 December 2014: 20%) above the 1-year RMB benchmark lending rate as determined by the People's Bank of China and repayable within one year or on demand.

(ii) The balances 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 end of the reporting period:

	At 30 June 2015 (unaudited) *HK$'000*	At 31 December 2014 (audited) *HK$'000*
Due within 1 month or on demand	**1,588,847**	1,891,230
Due after 1 month but within 3 months	**104,890**	5,806
Due after 3 months but within 6 months	**11,264**	370,738
Due after 6 months but within 1 year	**248,047**	96,453
Due after 1 year	**107,463**	149,336
	2,060,511	2,513,563

13 CAPITAL COMMITMENTS

	At 30 June 2015 (unaudited) *HK$'000*	At 31 December 2014 (audited) *HK$'000*
Contracted for	**4,526,369**	4,656,726
Authorised but not contracted for	**2,584,400**	3,304,346
	7,110,769	7,961,072

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

14 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Business for the six months ended 30 June 2015

(1) Contracted Sales

For the six months ended 30 June 2015, the Group recorded an aggregate of contracted sales of properties and contracted sales of car park units of approximately HK$3,043.3 million (of which approximately HK$2,942.1 million was from contracted sales of properties), representing a decrease of approximately 2.1% over the corresponding period of 2014. The Group's total contracted saleable gross floor area ("GFA") was approximately 128,581 sq.m., representing a decrease of approximately 22.3% from approximately 165,418 sq.m. for the six months ended 30 June 2014. The average selling price ("ASP") of the Group's contracted sales of properties for the six months ended 30 June 2015 was approximately HK$22,881.3 per sq.m. (for the six months ended 30 June 2014: approximately HK$18,784.5 per sq.m.). The increase in the Group's contracted ASP of approximately 21.8% was mainly contributed from the debut launch of pre-sale of Shanghai Shama Century Park which contributed approximately 27.2% of the Group's total contracted sales of properties for the six months ended 30 June 2015 at a relatively high ASP of approximately HK$68,283.1 per sq.m. In addition, the Group recorded contracted sales of car park units of approximately HK$101.2 million from 856 car park units for the six months ended 30 June 2015.

A breakdown of the total contracted sales of the Group during the six months ended 30 June 2015 is set out as follows:

City	Project and Type of Project	Contracted Saleable GFA		Contracted Sales		Contracted ASP
		sq.m.	*%*	*HK$ million*	*%*	*HK$/sq.m.*
Shenzhen	The Spring Land – Shenzhen					
	– residential	792	0.6	25.6	0.9	32,323.2
	– retail	238	0.2	32.0	1.1	134,453.8
Sub-total		1,030	0.8	57.6	2.0	55,922.3
Shanghai	Shanghai Shama Century Park					
	– serviced apartments	11,713	9.1	799.8	27.2	68,283.1
Nanchang	Nanchang Fashion Mark					
	– residential	14,912	11.6	235.3	8.0	15,779.2
	– retail	12,840	10.0	341.6	11.6	26,604.4
	– office	7,585	5.9	160.7	5.5	21,186.6
Sub-total		35,337	27.5	737.6	25.1	20,873.3

City	Project and Type of Project	Contracted Saleable GFA		Contracted Sales		Contracted ASP
		sq.m.	*%*	*HK$ million*	*%*	*HK$/sq.m.*
Nanjing	The Spring Land – Nanjing					
	– residential	1,257	1.0	33.9	1.2	26,969.0
	– retail	154	0.1	9.9	0.3	64,285.7
Sub-total		1,411	1.1	43.8	1.5	31,041.8
Nanjing	The Sunny Land – Nanjing					
	– residential	36,707	28.5	651.7	22.2	17,754.1
Hangzhou	The Spring Land – Hangzhou					
	– residential	9,442	7.3	256.6	8.7	27,176.4
	– retail	952	0.7	30.8	1.0	32,352.9
Sub-total		10,394	8.0	287.4	9.7	27,650.6
Hangzhou	Hangzhou Hidden Valley					
	– residential	4,923	3.8	85.4	2.9	17,347.1
Huizhou	Huizhou Hidden Bay					
	– residential	16,791	13.1	176.2	6.0	10,493.7
Changzhou	Changzhou Fashion Mark					
	– residential	1,073	0.9	10.7	0.3	9,972.0
	– retail	61	0.0	2.0	0.1	32,786.9
Sub-total		1,134	0.9	12.7	0.4	11,199.3
Changzhou	Changzhou Le Leman City					
	– residential	973	0.8	7.0	0.2	7,194.2
	– retail	3,452	2.7	40.0	1.3	11,587.5
Sub-total		4,425	3.5	47.0	1.5	10,621.5
Tianjin	Tianjin Le Leman City					
	– retail	4,716	3.7	42.9	1.5	9,096.7
Total		128,581	100.0	2,942.1	100.0	22,881.3

City	Project	Number of Contracted Sales of Car Park Units		Contracted Sales		Contracted ASP
		unit	*%*	*HK$ million*	*%*	*HK$/unit*
Shenzhen	The Spring Land – Shenzhen	3	0.3	0.5	0.5	166,666.7
Shanghai	Shanghai Shama Century Park	64	7.5	15.6	15.4	243,750.0
Nanchang	Nanchang Fashion Mark	204	23.8	39.6	39.1	194,117.6
Nanjing	The Spring Land – Nanjing	11	1.3	2.0	2.0	181,818.2
Hangzhou	The Spring Land – Hangzhou	61	7.1	13.9	13.7	227,868.9
Changzhou	Changzhou Fashion Mark	9	1.1	1.0	1.0	111,111.1
Changzhou	Changzhou Le Leman City	504	58.9	28.6	28.3	56,746.0
		856	100.0	101.2	100.0	118,224.3

(2) Projects Completed, Delivered and Booked for the Six Months Ended 30 June 2015

For the six months ended 30 June 2015, the Group's property development business in Shenzhen, Nanjing, Hangzhou, Huizhou and Changzhou achieved revenue from sale of properties (excluding sale of car park units) of approximately HK$1,771.8 million with saleable GFA of approximately 147,491 sq.m. being recognised, representing an increase of approximately 168.5% and 148.5%, respectively, over the corresponding period of 2014. The recognised ASP of the Group's sale of properties was approximately HK$12,012.9 per sq.m. for the six months ended 30 June 2015 (for the six months ended 30 June 2014: approximately HK$11,118.4 per sq.m.). The approximately 8.0% increase in recognised ASP was due to the decrease in proportion of recognised sales of the Group's lower ASP properties in Changzhou (for the six months ended 30 June 2015: approximately 27.0% versus for the six months ended 30 June 2014: approximately 66.5%) to the Group's total revenue from sale of properties recognised after deduction of sales return.

For the six months ended 30 June 2015, the Group delivered and recognised sale of car park units, after deduction of sales return, of approximately HK$29.6 million from the sale of 561 car park units.

Details of the projects completion and sale of properties of the Group recognised for the six months ended 30 June 2015 are listed below:

City	Project and Type of Project	Saleable GFA of Properties Completed *sq.m.*	Saleable GFA Booked *sq.m.*	Sales of Properties Recognised *HK$ million*	Recognised ASP *HK$/sq.m.*
Shenzhen	The Spring Land – Shenzhen				
	– residential	–	571	16.4	28,721.5
Nanjing	The Spring Land – Nanjing				
	– residential	–	11,721	393.7	33,589.3
	– retail	–	2,389	121.2	50,732.5
Sub-total		–	14,110	514.9	36,491.8
Hangzhou	Hangzhou Hidden Valley				
	– residential	–	8,402	155.0	18,448.0
Huizhou	Huizhou Hidden Bay				
	– residential	–	59,774	607.5	10,163.3
Changzhou	Changzhou Fashion Mark				
	– residential	–	1,903	19.0	9,984.2
	– retail	–	63	1.3	20,634.9
Sub-total		–	1,966	20.3	10,325.5
Changzhou	Changzhou Le Leman City				
	– residential	48,976	58,607	409.6	6,988.9
	– retail	–	4,061	48.1	11,844.4
Sub-total		48,976	62,668	457.7	7,303.6
Total		48,976	147,491	1,771.8	12,012.9

City	Project	Number of Car Park Units Booked	Sales of Car Park Units Recognised	Recognised ASP
		unit	*HK$ million*	*HK$/unit*
Changzhou	Changzhou Le Leman City	563	29.9	53,108.3
Less: Sales return				
Shenzhen	The Spring Land – Shenzhen	(2)	(0.3)	150,000.0
Total		561	29.6	52,762.9

(3) Investment Properties (inclusive of investment properties classified as held for sale)

In addition to the sale of properties developed by the Group, the Group has also leased out or expect to lease out its investment property portfolio comprising mainly shopping malls, community commercial centres, retail shops, serviced apartments and car park units in The Spring Land – Shenzhen, Changzhou Fashion Mark, Changzhou Le Leman City, Dongguan Landmark, Hangzhou Landmark, Shenzhen Water Flower Garden, Chengdu Fashion Mark, Nanchang Fashion Mark and Shanghai Shama Century Park in the PRC. As at 30 June 2015, the total fair value of the investment properties of the Group was approximately HK$9,521.9 million, representing approximately 23.6% of the Group's total asset value. The Group's investment property portfolio had a total leasable GFA of approximately 463,062 sq.m. of which investment properties under operation with a leasable GFA of approximately 265,612 sq.m. had a fair value of approximately HK$8,244.9 million. A supermarket at Changzhou Le Leman City Phase 9 (2-B) – Fashion Walk which was completed but yet to operate as at 30 June 2015, had leasable GFA of approximately 21,450 sq.m. and fair value of approximately HK$191.0 million. An investment property comprising a shopping mall, retail shops and serviced apartments of Nanchang Fashion Mark which was under development as at 30 June 2015, had leasable GFA of approximately 176,000 sq.m. and fair value of approximately HK$1,086.0 million. The Group recorded approximately HK$156.5 million (net of deferred tax) (for the six months ended 30 June 2014: approximately HK$77.3 million) as gain in fair value of its investment properties for the six months ended 30 June 2015.

The Group carefully plans and selects tenants based on factors such as the project's overall positioning, market demand in surrounding areas, level of market rent and needs of tenants. The Group attracts large-scale anchor tenants which assist in enhancing the value of its projects. The Group enters into longer and more favourable lease contracts with such anchor and reputable tenants which include well-known brands, chain cinema operators, reputable restaurants and top operators of catering businesses. As at 30 June 2015, the GFA taken up by the Group's anchor and reputable tenants, whose leased GFA was over 10.0% of the total leasable GFA of a single investment property, made up approximately 41.6% (as at 31 December 2014: approximately 45.4%) of the Group's total leasable GFA in its investment properties under operation.

For the six months ended 30 June 2015, despite the fact that the occupancy rate decreased from approximately 94.0% as at 31 December 2014 to approximately 89.8% as at 30 June 2015 due to the launch of pre-sale of Shanghai Shama Century Park since April 2015, the Group still managed to generate steady recurring rental income of approximately HK$167.8 million, representing an increase of approximately 8.7%, from approximately HK$154.3 million for the six months ended 30 June 2014. The average monthly rental income of the Group's investment properties under operation for the six months ended 30 June 2015 was approximately HK$117.4 per sq.m. (for the six months ended 30 June 2014: approximately HK$106.0 per sq.m.).

The Group also achieved satisfactory results on the pre-leasing of investment property which was completed but has yet to commence operation as at 30 June 2015. As at 30 June 2015, 100% of the retail asset of Changzhou Le Leman City Phase 9 (2–B) – Fashion Walk was committed for leasing and is expected to commence operation in 2016.

The Group's investment property under development as at 30 June 2015, Nanchang Fashion Mark, is expected to complete construction and shall commence operation in 2018.

Details of the Group's investment properties as at 30 June 2015 and the Group's rental income for the six months ended 30 June 2015 are set out as follows:

Investment Properties (inclusive of investment properties classified as held for sale)	**Leasable GFA as at 30 June 2015**	**Fair Value as at 30 June 2015**	**Rental Income for the six months ended 30 June 2015**	**Average Monthly Rental Income per sq.m. for the six months ended 30 June 2015**	**Occupancy Rate as at 30 June 2015**
	(Note 8) *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	1,525.4	33.7	73.7	98.3
Dongguan Landmark (Shopping mall and car park units)	20,172	554.2	16.6	137.2	100.0
Hangzhou Landmark (Shopping mall)	24,667	402.0	16.4	112.1	98.8
Shenzhen Water Flower Garden (Retail assets)	4,992	259.6	9.5	343.4	92.4
The Spring Land – Shenzhen Phase 1 – Fashion Walk (Retail assets) *(Note 1)*	3,356	192.2	5.5	357.4	76.4
The Spring Land – Shenzhen Phase 3 – Fashion Walk (Retail assets and car park units)	22,393	680.3	11.0	82.4	99.4
The Spring Land – Shenzhen Phase 5 – Fashion Walk (Retail assets)	3,521	202.2	4.4	287.7	72.4
The Spring Land – Shenzhen Phase 6A – Fashion Walk (Retail assets) *(Note 2)*	1,537	93.6	3.0	394.7	98.1
The Spring Land – Shenzhen Phase 6B – Fashion Walk (Retail assets) *(Note 3)*	2,893	157.3	0.5	54.4	53.0
Changzhou Le Leman City Phase 11 (Retail asset) *(Note 4)*	16,858	133.6	0.4	15.1	26.2
Chengdu Fashion Mark (Shopping mall and car park units)	38,285	857.6	15.2	66.2	100.0
Shanghai Shama Century Park (Serviced apartments and car park units) *(Note 5)*	49,357	3,186.9	51.6	215.5	80.8
Sub-total	265,612	8,244.9	167.8	117.4	89.8
Investment property completed but yet to operate					
Changzhou Le Leman City Phase 9 (2-B) – Fashion Walk (Retail asset) *(Note 6)*	21,450	191.0			
Investment property under development					
Nanchang Fashion Mark (Shopping mall, retail shops and serviced apartments) *(Note 7)*	176,000	1,086.0			
Total	463,062	9,521.9	167.8		

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

Note 2: As at 30 June 2015, leasable GFA of approximately 246 sq.m. of the retail assets of The Spring Land – Shenzhen Phase 6A – Fashion walk was sold through pre-sale but yet delivered.

Note 3: The retail assets of The Spring Land – Shenzhen Phase 6B – Fashion Walk commenced operation in the first half of 2015.

Note 4: The retail asset represents a habilitation and recreation centre of Changzhou Le Leman City Phase 11 for leasing purpose.

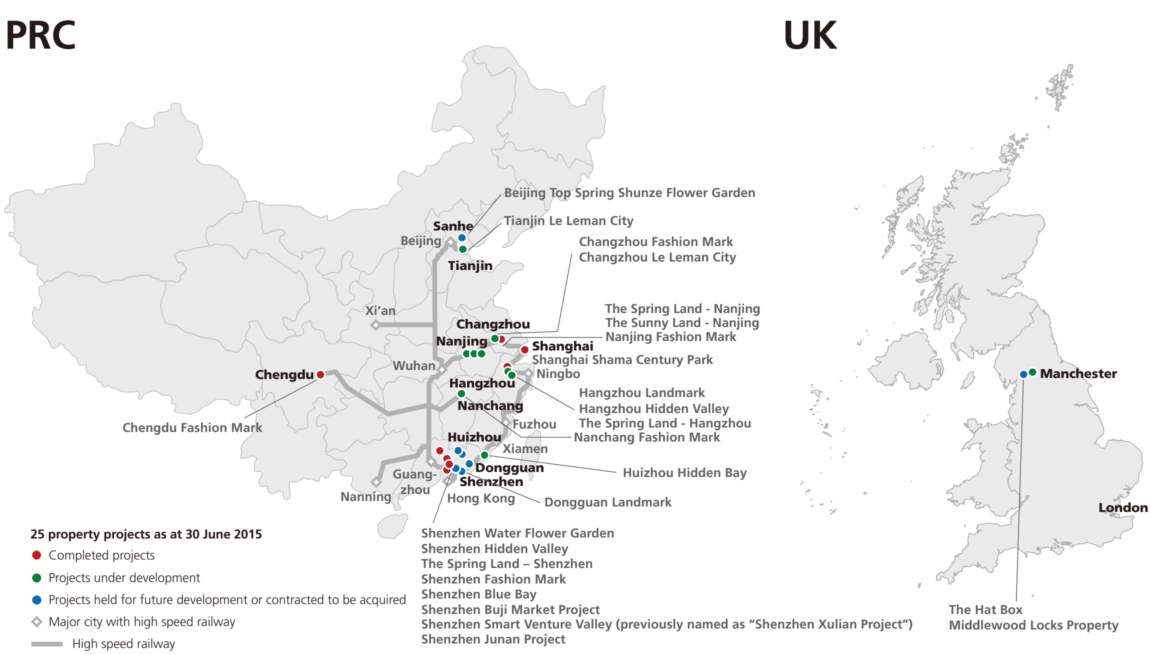
Note 5 As at 30 June 2015, leasable GFA of approximately 11,713 sq.m. of Shanghai Shama Century Park was sold through pre-sale but yet delivered.

Note 6: The retail asset of Changzhou Le Leman City Phase 9 (2-B) – Fashion Walk is expected to commence operation in 2016. As at 30 June 2015, 100% of the total leasable GFA was pre-leased to a supermarket store and the expected average monthly rental will be approximately HK$36.5 per sq.m.

Note 7: The land use rights certificates of the investment property of Nanchang Fashion Mark were obtained in June 2013. The investment property is expected to complete construction and shall commence operation in 2018. This investment property is planned to comprise 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 8: The leasable GFA as at 30 June 2015 excluded car park units.

(4) Land Bank as at 30 June 2015



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 2015, the Group had a total of 25 projects across 12 cities in various stages of development, including an estimated net saleable/leasable GFA of approximately 503,357 sq.m. of completed property developments, an estimated net saleable/leasable GFA of approximately 928,880 sq.m. under development, an estimated net saleable/leasable GFA of approximately 2,437,463 sq.m. held for future development and an estimated net saleable/leasable GFA of approximately 1,533,705 sq.m. contracted to be acquired, totalling an estimated net saleable/leasable GFA of approximately 5,403,405 sq.m.

Excluding Shanghai Shama Century Park (an operational serviced apartments project), Shenzhen Fashion Mark, Shenzhen Buji Market Project, Shenzhen Smart Venture Valley and Shenzhen Junan Project (all are redevelopment projects) and Middlewood Locks Property and The Hat Box (both are overseas projects), the remaining estimated land bank of the Group of approximately 3,512,326 sq.m. had an average land cost of approximately RMB2,692.2 per sq.m. (equivalent to approximately HK$3,360.6 per sq.m.) as at 30 June 2015.

Project no.	City	Project	Type of Property	Estimated Net Saleable/ Leasable GFA	Interest Attributable to the Group
				sq.m.	*%*
Completed Projects					
1	Shenzhen	Shenzhen Hidden Valley	Residential	4,976	100
2	Shenzhen	The Spring Land – Shenzhen	Residential/ Commercial	34,148	100
3	Shenzhen	Shenzhen Water Flower Garden	Commercial	4,992	100
4	Changzhou	Changzhou Fashion Mark	Residential/ Commercial	86,768	100
5	Changzhou	Changzhou Le Leman City	Residential/ Commercial	105,736	100
6	Dongguan	Dongguan Landmark	Commercial	20,172	100
7	Hangzhou	Hangzhou Landmark	Commercial	26,264	100
8	Hangzhou	Hangzhou Hidden Valley	Residential	35,323	100
9	Chengdu	Chengdu Fashion Mark	Commercial	38,285	100
10	Shanghai	Shanghai Shama Century Park	Serviced apartments	49,357	70
11	Tianjin	Tianjin Le Leman City	Commercial	20,096	58

Project no.	City	Project	Type of Property	Estimated Net Saleable/ Leasable GFA *sq.m.*	Interest Attributable to the Group %
12	Huizhou	Huizhou Hidden Bay	Residential/ Commercial	72,991	100
13	Nanchang	Nanchang Fashion Mark	Residential/ Commercial	487	70
14	Nanjing	The Spring Land – Nanjing	Residential/ Commercial	3,762	100
Sub-total				**503,357**	
Projects Under Development					
5	Changzhou	Changzhou Le Leman City	Residential/ Commercial	54,583	100
11	Tianjin	Tianjin Le Leman City	Commercial	33,839	58
12	Huizhou	Huizhou Hidden Bay	Residential	56,541	100
13	Nanchang	Nanchang Fashion Mark	Residential/ Commercial	405,031	70
14	Nanjing	The Spring Land – Nanjing	Residential/ Commercial	51,653	100
15	Nanjing	The Sunny Land – Nanjing	Residential/ Commercial	160,501	100
16	Nanjing	Nanjing Fashion Mark	Commercial	42,895	100
17	Hangzhou	The Spring Land – Hangzhou	Residential/ Commercial/ Office	112,169	100
18	Manchester	The Hat Box	Residential	11,668	25
Sub-total				**928,880**	

Project no.	City	Project	Type of Property	Estimated Net Saleable/ Leasable GFA	Interest Attributable to the Group
				sq.m.	*%*
Projects Held For Future Development					
5	Changzhou	Changzhou Le Leman City	Residential/ Commercial	60,934	100
8	Hangzhou	Hangzhou Hidden Valley	Residential	278,903	100
11	Tianjin	Tianjin Le Leman City	Commercial	800,465	58
12	Huizhou	Huizhou Hidden Bay	Residential	318,102	100
13	Nanchang	Nanchang Fashion Mark	Commercial/ Office	345,959	70
19	Shenzhen	Shenzhen Blue Bay	Residential	15,000	92
20	Shenzhen	Shenzhen Buji Market Project	Commercial	46,349	55
21	Sanhe	Beijing Top Spring Shunze Flower Garden	Residential/ Commercial	321,751	51
22	Manchester	Middlewood Locks Property	Residential/ Commercial	250,000	25
Sub-total				**2,437,463**	
Projects Contracted To Be Acquired					
20	Shenzhen	Shenzhen Buji Market Project	Commercial	202,828	55
23	Shenzhen	Shenzhen Fashion Mark	Residential/ Commercial/ Office	1,139,280	100
24	Shenzhen	Shenzhen Smart Venture Valley	Industrial/ Commercial	104,507	100
25	Shenzhen	Shenzhen Junan Project	Industrial	87,090	40
Sub-total				**1,533,705**	
Total				**5,403,405**	

Details of land bank in major cities are set out below:

City	Estimated Net Saleable/ Leasable GFA	Estimated Net Saleable/ Leasable GFA for calculation of Average land cost	Average land cost[1]
	sq.m.	*sq.m.*	*HK$/sq.m.*
Shenzhen and surrounding cities (including Dongguan and Huizhou)	2,106,976	526,922	1,256.9
Nanjing	258,811	258,811	10,633.6
Nanchang	751,477	751,477	3,039.0
Shanghai	49,357	N/A[2]	N/A[2]
Sanhe	321,751	321,751	2,780.6
Hangzhou	452,659	452,659	9,226.5
Changzhou	308,021	308,021	730.5
Chengdu	38,285	38,285	1,780.6
Tianjin	854,400	854,400	867.4
Manchester	261,668	N/A[2]	N/A[2]
Total	5,403,405	3,512,326	3,360.6

Note 1: The average land cost excludes Shanghai Shama Century Park, Shenzhen Fashion Mark, Shenzhen Buji Market Project, Shenzhen Smart Venture Valley, Shenzhen Junan Project, Middlewood Locks Property and The Hat Box.

Note 2: N/A means not applicable.

(5) Projects with Commencement of Construction in the First Half of 2015, Projects with Expected Commencement of Construction and Completion of Construction in the Second Half of 2015

In the first half of 2015, the Group commenced construction on two projects with a total estimated net saleable/leasable GFA of approximately 80,875 sq.m.

Details of the projects with commencement of construction in the first half of 2015 are set out below:

City	Project	Estimated Net Saleable/ Leasable GFA
		sq.m.
Changzhou	Changzhou Le Leman City Phase 10 (5-A)	54,583
Tianjin	Tianjin Le Leman City (Lot 4) Phase 3A	26,292
Total		80,875

In the second half of 2015, the Group also intends to commence construction on three projects with a total estimated net saleable/leasable GFA of approximately 238,179 sq.m.

Details of the projects with expected commencement of construction in the second half of 2015 are set out below:

City	**Project**	**Estimated Net Saleable/ Leasable GFA** *sq.m.*
Shenzhen	Shenzhen Smart Venture Valley - partial	63,959
Shenzhen	Shenzhen Junan Project - partial	83,300
Sanhe	Beijing Top Spring Shunze Flower Garden - partial	90,920
Total		238,179

The Group intends to complete the construction on three projects with a total estimated net saleable/leasable GFA of approximately 442,924 sq.m. in the second half of 2015.

Details of the projects with expected completion of construction in the second half of 2015 are set out below:

City	**Project**	**Estimated Net Saleable/ Leasable GFA** *sq.m.*
Nanjing	The Spring Land - Nanjing - remaining portion	49,395
Nanchang	Nanchang Fashion Mark - partial	281,360
Hangzhou	The Spring Land - Hangzhou	112,169
Total		442,924

BUSINESS REVIEW

During the first half of 2015, the Central Government of the PRC adopted a moderate loose monetary and regulatory policy to stimulate the real economy. Since the first reduction in the interest rate in November 2014, the People's Bank of China has implemented interest rate reductions for four times aggregated to a total reduction of 1% in the eight months period up to 30 June 2015. In the first half of 2015, the People's Bank of China also reduced the deposit base rate twice (the reduction of 0.5% in February and 1% in April 2015, respectively), which resulted in liquidity release of over RMB600 billion from the first reduction and liquidity release of over RMB1,500 billion from the second reduction, respectively. Such reductions in no doubt boosted the desire and demand of domestic customers for property purchase, and accounted for one of the key reasons for the rebound of domestic real estate market in the first half of 2015. Furthermore, the People's Bank of China, the Ministry of Housing and the Urban-Rural Development and China Banking Regulatory Commission jointly issued the Notice of the Relevant Issues concerning Individuals' Housing Loan Policy on 30 March 2015 for the purposes of further enhancing individuals' housing credit policies, supporting residents' demand of self-occupied and improved properties, and promoting a stable and sound development of the real estate market so as to achieve steady growth and risk control.

In the first half of 2015, the Group launched 11 projects across eight cities in the PRC, achieved contracted sales plus subscribed pre-sales of approximately HK$3,775.2 million from the sale of properties and car park units (of which subscribed pre-sales amounted to approximately HK$731.9 million), representing an increase of approximately 2.5% as compared with the corresponding period in 2014. Benefited from the launch of pre-sale of Shanghai Shama Century Park, which is located in Lujiazhui, Pudong New District, Shanghai in April 2015, which received positive feedback from the market, the residential units available for sale of Shanghai Shama Century Park generated approximately HK$800 million of contracted sales, with contracted ASP of approximately HK$68,283.1 per sq.m., which, in general, is higher than the ASP of the second-hand properties in the same district. As a result, the Group recorded a significant increase in its ASP of the total contracted sales of properties as compared with the corresponding period in 2014.

In the first half of 2015, the Group's rental income from investment properties steadily increased from approximately HK$154.3 million in the first half of 2014 to approximately HK$167.8 million in the first half of 2015, representing an increase of approximately 8.7%. This was mainly due to the overall increased efficiency of leasing (the efficiency of leasing was assessed by the rental income generated per sq.m. of the property leased) for the Group's operating investment property portfolio. Though the overall occupancy rate of the investment properties of the Group decreased due to the slight decrease in the number of tenants of the on-sale Shanghai Shama Century Park in the first half of 2015, the Group's overall occupancy rate remained at a very high level. As at 30 June 2015, the Group's overall occupancy rate was approximately 89.8%. As at 30 June 2015, the total leasable GFA in the Group's operating investment property portfolio slightly increased from approximately 262,711 sq.m. as at 31 December 2014 to approximately 265,612 sq.m. As at 30 June 2015, taking into account the projects that are completed but yet to operate or to be developed in the next one to three years, the future leasable GFA of the Group's investment property portfolio will reach approximately 463,062 sq.m. Its fair value as at 30 June 2015 was approximately HK$9.5 billion, representing approximately 23.6% of the Group's total asset value.

The Group recorded a consolidated loss to the equity shareholders of the Company in the first half of 2015 which was primarily due to (i) the lower gross profit of properties delivered and recognised by the Group in the first half of 2015; and (ii) provision on the Group's inventories made in accordance with the Hong Kong Accounting Standards which gave rise to loss. However, the consolidated loss of the Group in the first half of 2015 is less than the corresponding period in 2014 owing to valuation gains on investment properties recorded in the first half of 2015.

As at 30 June 2015, the land bank (that is, the net saleable/leasable GFA) of the Group was approximately 5,403,405 sq.m. In terms of land replenishment and project development strategy, the Group will focus on the first- and second-tier cities in China with great potential for economic growth, such as Shenzhen, Shanghai and Nanjing and the core cities in Jiangxi Province such as Nanchang where the transportation network is effective and high speed rail, metro network and expressway are in operation or under construction. The Group continued to maintain a prudent land banking strategy to look for new projects or land acquisition opportunities. Since the Group expects its current land bank will be sufficient for its development and operation for the next eight to 10 years, the Group only acquired a parcel of land, which will be demolished and reconstructed under the urban renewal project in Longgang, Shenzhen, through acquiring 60% equity interests in a project company in Shenzhen during the first half of 2015. The site area of the urban renewal project was approximately 88,764 sq.m. As at 30 June 2015, the expected saleable GFA of such project was not included in the land bank of the Group as the project company is applying to become the principal redeveloper of the urban renewal project. Meanwhile, the development plan of Shenzhen Fashion Mark (with total GFA of approximately 1,139,280 sq.m.) of the Group achieved a great breakthrough and was approved by the Urban Planning Land and Resources Commission of Shenzhen Municipality in August 2015. The approval of the development plan of Shenzhen Fashion Mark facilitated the Group to implement its strategy to develop Shenzhen as its primary base in the future.

In the first half of 2015, the Group commenced the construction on projects with a total estimated net saleable/leasable GFA of approximately 80,875 sq.m., representing a decrease of approximately 84.0% as compared with the corresponding period in 2014. As of 30 June 2015, the Group completed one project with net saleable/leasable GFA of approximately 48,976 sq.m., representing a decrease of approximately 42.1% as compared with the corresponding period in 2014. As at 30 June 2015, the Group had a total of nine projects under development with a total estimated net saleable/leasable GFA of approximately 928,880 sq.m., representing a decrease of approximately 18.9% as compared with the corresponding period in 2014.

To conclude, in the first half of 2015, on top of achieving slight improvement in property contracted sales, rental income and consolidated financial results, the Group also put much effort in improving the execution abilities (particularly in staff rightsizing, optimising operation structure, work quality and cost control), product innovations, sales strategy and model. Together with the Group's information technology system that incorporates the new internet mindset, all these create better values for the Group's product innovations and contribute to the continued increase in customer satisfactory level. In addition, leveraging on the Group's financial position and creditworthiness, the Group for the first time successfully issued a 3-year Renminbi denominated unlisted note (the "Note") in the principal amount of RMB990,000,000 (equivalent to approximately HK$1.25 billion) at a coupon rate of 10.595% per annum, payable quarterly in arrears, up to the date of redemption of the Note. The successful issue of the Note signified the Group's flexibility in deploying funds and optimising the Group's corporate debt structure so as to convert the short-term debts into long-term debts. The issue of the note will also provide the Group with funding for its land acquisitions in the future.

FUTURE OUTLOOK

The Group expects that the domestic real estate market will witness a stable development in the second half of 2015. With the support from the PRC Central and Local Governments for the real estate industry, which is considered to be a core industry, such as the recent introduction of certain monetary easing policies by the PRC Central Government and the temporary easing of the real estate market, the economy in China is expected to maintain a sustainable and healthy development. Owing to the reduction in the interest rate policies, one can benefit from the lowering of the home mortgage cost which may encourage the purchase of self-occupied or investment properties. The lowering of the financial costs may also lead to the increase in and expedite of investment in property projects by some developers.

However, under the tough operating environment, including increasing inventories, continued slowing down of the real economy, lowering of profit margins for property projects and higher gearing, some small to medium-sized PRC developers are urged to exercise caution in their future development plans, and to consider appropriate adjustments on their operational models. Furthermore, in light of the volatility of the PRC stock market in the first half of 2015, it is believed that some investors may take this opportunity to change their investment portfolio and invest in the real estate market in first-tier cities with higher stability and transparency. The Group predicts that the demand of properties in the first-tier cities of China, in particular Shenzhen, a city with a large number of citizens with wealth enhancement capability and of a relatively balanced in respect of the land supply, will increase in the coming years and the increase in demand will have a positive effect on the property price in Shenzhen. Leveraging on the Group's ongoing effort on property development in Shenzhen, its sound brand image, good working relationship with corporations, and the excellent and experienced team, the Group expects to increase its land reserves in Shenzhen so as to achieve its business goal in the future.

Profit maximisation is one of the major goals of the Group when it sells its existing and potential projects. Unless there is issue on capital sufficiency or high inventory, the Group will not apply price-cut strategy for its property sale. The Group expects that its saleable resources in the second half of 2015 will be RMB10.3 billion (equivalent to approximately HK$12.9 billion and saleable GFA of approximately 639,589 sq.m.), of which the value of saleable resources of the newly launched project will be RMB4.6 billion (equivalent to approximately HK$5.7 billion and saleable GFA of approximately 394,423 sq.m). These saleable resources, which comprise residential and retail properties, offices and car park units, are expected to be launched in the market in the second half of the year and will be a great challenge to the Group in achieving its 2015 sales target.

The Group's mandate will continue to be "strengthening existing businesses while developing new businesses". As for existing businesses, the Group aims to acquire a few additional more high-quality projects in the core cities which it operates in the second half of 2015. Meanwhile, in order to achieve mid-to-long term sustainable development of the Group, the Group intends to co-operate with other third parties (such as joint participation in land auctions, joint developments of land or acquisitions of minority equity interest in project companies) to increase its land reserves and projects. As for developing new business areas, the Group will take advantage of the opportunities created by transformation of Chinese society and its economy, and the resulting market demands. An emphasis is placed on the healthcare business for exploring possible diversification directions. The Group, Beijing Huaxia Shunze Investment Group Limited and the US Weill Cornell Medical College entered into a framework agreement in late 2014. The Group aims to create a top-tier integrated investment and operation platform in healthcare and wellness in the PRC. The first medical centre, which is now under the stage of design and preparation, is expected to commence operation in Shenzhen in the second half of 2016. The Group is of the view that the project will contribute to improve the quality of medical services in the area. In addition, the Group became the major shareholder of 深圳市中央大廚房物流配送有限公司 (Shenzhen Green Port Co., Ltd*) which created an operation platform in healthcare and wellness business to provide one-stop health food supply chains in Shenzhen. Besides, 深圳市中央大廚房物流配送有限公司 (Shenzhen Green Port Co., Ltd*) and the Group jointly established 深圳市綠膳谷農業創新發展有限公司 (Shenzhen Green Port Agricultural Development Co., Ltd*) in April 2015, the business model of which is to provide medium end customers with innovative healthcare and wellness services via online door-to-door delivery, placing orders by mobile phone and other transparent, scientific, and healthy offline shopping experience, such as organising food fair and exhibitions. This project is currently under the preparation and planning stage, and is targeted to commence operation at the end of 2015 or early 2016. The above new business projects are aimed to offer comprehensive ancillary facilities and to add value to the Group's property developments business and create new channels for the Group's profit growth.

On 27 July 2015, Chance Again Limited, the then controlling shareholder of the Company, transferred 325,000,000 Shares (representing approximately 27.62% of the then issued capital of the Company) to Caiyun International Investment Limited, a wholly-owned subsidiary of 雲南省城市建設投資集團有限公司 (Yunnan Metropolitan Construction Investment Group Co., Ltd.*) ("YMCI Group") which is a State-owned enterprise. Upon completion of the transfer, Caiyun International Investment Limited became the single largest shareholder (assuming no full conversion of the PCSs by the holders of PCSs) of the Company. YMCI Group was established in April 2005 and is a modern large-scale State-owned enterprise approved by the People's Government of Yunnan Province. By adhering to the principle of "enterprise operation through market mechanism under the guidance of government", after ten years of development, YMCI Group has total assets of over RMB100 billion and more than 20 subsidiaries. The principal business which YMCI Group engaged in include urban development, urban water supply, cultural and tourism, medical services, bio-pharmaceutical, financial, education, insurance and hotel business. YMCI Group is promoting the "2 + 2 + 2" development strategy (namely, strengthening two main businesses – core cities development and urban water supply; promoting two transformations – healthcare and leisure; and establishing two platforms – finance and Internet). The Group believes that the transfer of shares by the then controlling shareholder to YMCI Group which resulted in YMCI Group became the single largest shareholder (assuming no full conversion of the PCSs by the holders of PCSs) of the Company will enable the Group to utilise the strengths and advantages of YMCI Group (for the Group's future development on the healthcare business and the overseas project).

To conclude, the Group will continue to adopt prudent financial and operating policies and to make full use of the resources and financing channels of YMCI Group to provide the Group with larger scale and more competitive financing facilities in the future. In light of the impacts on the financial market created by the recent devaluation of RMB, the Group will actively seek domestic financing to minimise the exchange rate risk and the overall finance cost. Furthermore, the Group will continue to strengthen its competitiveness in the PRC and overseas real estate market and to explore new business models to maximise the interests of its shareholders. The Group aims to enhance its value and return through its new business segments.

FINANCIAL REVIEW

For the six months ended 30 June 2015, the Group's total revenue and income from sale of properties were approximately HK$2,058.5 million and HK$1,801.4 million, increased by approximately 126.2% and 172.9%, respectively, as compared with the corresponding period of 2014. The Group recorded a loss attributable to equity shareholders of the Company of approximately HK$48.8 million as compared with approximately HK$274.0 million recorded in the corresponding period of 2014. For the six months ended 30 June 2015, the Group had a basic loss per ordinary share ("Share") of HK$0.03 as compared with a basic loss per Share of HK$0.19 in the corresponding period of 2014. Net assets per Share attributable to equity shareholders of the Company and holders of PCSs were approximately HK$4.1 as at 30 June 2015 and approximately HK$4.3 as at 31 December 2014.

Revenue

Revenue 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.

The Group's revenue increased by approximately 126.2% to approximately HK$2,058.5 million for the six months ended 30 June 2015 from approximately HK$910.1 million for the six months ended 30 June 2014. This increase was primarily due to an increase in the Group's income from sale of properties. The Group recognised property sales of approximately HK$1,801.4 million, representing approximately 87.5% of the revenue for the six months ended 30 June 2015. The remaining approximately 12.5% represented rental income, income from hotel operations, and property management and related services income.

Revenue from the Group's sale of properties increased by approximately 172.9% for the six months ended 30 June 2015 as compared with the corresponding period of 2014 primarily due to an increase in the Group's total saleable GFA sold and delivered (excluding sale of car park units), after deduction of sales return, from approximately 59,361 sq.m. in the first half of 2014 to approximately 147,491 sq.m. in the first half of 2015. The Group's rental income increased primarily due to an increase in both the leasable GFA and average rental rates of the Group's investment properties under operation for the six months ended 30 June 2015. Income from the Group's hotel operations decreased mainly due to a decrease in the income from the food and beverage sector of the Group's hotel property which offset the increase in occupancy rates. The property management and related services income of the Group remained stable as compared with the corresponding period of 2014.

Direct costs

The principal components of direct costs are 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. The Group recognises the cost of completed properties sold for a given period to the extent that revenue from such properties has been recognised in that period.

The Group's direct costs increased to approximately HK$1,635.5 million for the six months ended 30 June 2015 from approximately HK$537.0 million for the six months ended 30 June 2014. Such increase was primarily attributable to the increase in the saleable GFA of the Group's properties completed and delivered for the six months ended 30 June 2015.

Gross profit

The Group's gross profit increased by approximately 13.4% to approximately HK$423.0 million for the six months ended 30 June 2015 from approximately HK$373.0 million for the six months ended 30 June 2014. The Group, however, reported a gross profit margin of approximately 20.6% for the six months ended 30 June 2015 as compared with approximately 41.0% for the six months ended 30 June 2014. The decrease in gross profit margin was primarily driven by a higher proportion of properties sold and delivered from Hangzhou Hidden Valley, Huizhou Hidden Bay and Changzhou Le Leman City, which offered relatively lower gross profit margin for the six months ended 30 June 2015.

Other revenue

Other revenue increased by approximately HK$5.7 million, or approximately 6.2%, to approximately HK$98.2 million for the six months ended 30 June 2015 from approximately HK$92.5 million for the six months ended 30 June 2014. The increase was primarily attributable to the construction management service income of approximately HK$6.5 million recognised in the first half of 2015.

Other net loss

Other net loss decreased from approximately HK$41.3 million for the six months ended 30 June 2014 to approximately HK$7.9 million for the six months ended 30 June 2015. The decrease was primarily attributable to the provision on inventories of approximately HK$107.0 million, offset by the recognition of a net gain on the disposal of half of the Group's interest in an available-for-sale investment and a net gain on the sale of investment properties of approximately HK$108.0 million and approximately HK$35.3 million, respectively, for the six months ended 30 June 2015.

Selling and marketing expenses

Selling and marketing expenses decreased by approximately 15.5% to approximately HK$92.7 million for the six months ended 30 June 2015 from approximately HK$109.7 million for the six months ended 30 June 2014. The decrease was primarily attributable to the reductions in advertising expenses and show flat set up cost incurred in the first half of 2015 as compared with the first half of 2014. The selling and marketing expenses accounted for approximately 3.0% of contracted sales for the six months ended 30 June 2015 (for the six months ended 30 June 2014: approximately 3.5%).

Administrative expenses

Administrative expenses increased by approximately 6.5% to approximately HK$242.1 million for the six months ended 30 June 2015 from approximately HK$227.3 million for the six months ended 30 June 2014.

Valuation gains on investment properties

Valuation gains on investment properties increased significantly by approximately 156.6% to approximately HK$254.3 million for the six months ended 30 June 2015 from approximately HK$99.1 million for the six months ended 30 June 2014. During the six months ended 30 June 2015, the Group launched the sale of Shanghai Shama Century Park, which is an operational serviced apartments project with a fair value of approximately HK$3,186.9 million as at 30 June 2015, representing an increase of approximately HK$146.9 million as driven by the high contracted ASP achieved which was one of the key factors adopted in the valuation of Shanghai Shama Century Park as at 30 June 2015.

Finance costs

Finance costs decreased by approximately 24.7% to approximately HK$265.6 million for the six months ended 30 June 2015 from approximately HK$352.6 million for the corresponding period of 2014. The decrease was primarily attributable to the decrease in an average outstanding balance of the Group's bank and other borrowings and average borrowing costs in the first half of 2015 as compared with the corresponding period of 2014.

Income tax

Income tax expenses increased by approximately 31.1% to approximately HK$150.0 million for the six months ended 30 June 2015 from approximately HK$114.4 million for the six months ended 30 June 2014. The increase was mainly attributable to the increase in taxable profit which was driven primarily by the increase in gross profit from sale of properties recognised for the six months ended 30 June 2015 as compared with the corresponding period of 2014. Consequently, there was an increase in the provision for CIT and LAT by approximately HK$96.1 million and HK$51.1 million, respectively. Nevertheless, there was a deferred tax credit arising from a reversal of temporary differences of approximately HK$110.9 million for the six months ended 30 June 2015.

Non-controlling interests

The profit attributable to non-controlling interests was approximately HK$41.9 million for the six months ended 30 June 2015 as compared with the loss attributable to non-controlling interests of approximately HK$11.8 million in the corresponding period of 2014. The change was primarily due to the increased profit of a non-wholly owned subsidiary (which holds Shanghai Shama Century Park) shared by the non-controlling interests from approximately HK$3.8 million for the six months ended 30 June 2014 to approximately HK$65.2 million for the six months ended 30 June 2015.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2015, the carrying amount of the Group's cash and bank deposits (including restricted and pledged deposits) was approximately HK$6,385.0 million (as at 31 December 2014: approximately HK$9,703.0 million), representing a decrease of approximately 34.2% as compared with that as at 31 December 2014.

For the six months ended 30 June 2015, the Group had net cash used in operating activities of approximately HK$346.6 million, net cash generated from investing activities of approximately HK$318.6 million and net cash used in financing activities of approximately HK$1,580.6 million.

Borrowings and charges on the Group's assets

The Group had an aggregate borrowings (including bank and other borrowings, note payable and amounts due to non-controlling shareholders) as at 30 June 2015 of approximately HK$12,675.5 million, of which approximately HK$5,754.6 million is repayable within one year, approximately HK$6,376.6 million is repayable after one year but within five years and approximately HK$544.3 million is repayable after five years. As at 30 June 2015, the Group's bank loans of approximately HK$9,293.6 million (as at 31 December 2014: approximately HK$12,214.0 million) were secured by certain investment properties (inclusive of investment properties classified as held for sale), hotel properties, other land and buildings, leasehold land held for development for sale, properties under development for sale, completed properties for sale, pledged deposits and rental receivables of the Group with total carrying values of approximately HK$17,948.3 million (as at 31 December 2014: approximately HK$21,213.1 million). As at 30 June 2015, the Group's other borrowings of approximately HK$1,473.3 million (as at 31 December 2014: approximately HK$2,522.5 million) were secured by the Group's certain properties under development for sale. As at 30 June 2015, the Group's note payable was secured by the Group's certain properties under development for sale. The carrying amounts of all the Group's bank and other borrowings and note payable were denominated in Renminbi ("RMB") except for certain loan balances with an aggregate amount of approximately HK$1,333.3 million (as at 31 December 2014: approximately HK$1,333.0 million) and approximately HK$1,711.6 million as at 30 June 2015 (as at 31 December 2014: approximately HK$2,969.4 million) which were denominated in Hong Kong dollars and US dollars respectively.

RMB990,000,000 unlisted note due 2018

On 29 May 2015, the Company entered into the subscription agreement with the subscriber pursuant to which the Company conditionally agreed to issue, and the subscriber conditionally agreed to subscribe for, the Note in the principal amount of RMB990,000,000 (equivalent to approximately HK$1,247,400,000). The Note bears interest from and including 15 June 2015, being the date of issue of the Note, at the rate of 10.595% per annum, payable quarterly in arrears, up to the date of redemption of the Note. For details, please refer to the Company's announcement dated 29 May 2015.

As at 30 June 2015, the Group had bank borrowings of approximately HK$1,927.0 million, other borrowings of approximately HK$1,473.3 million and the note payable of approximately HK$1,217.5 million which bore fixed interest rates ranging from 2.6% to 12.0% per annum.

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 7.4% for the six months ended 30 June 2015 (for the six months ended 30 June 2014: approximately 8.2%).

Net gearing ratio

The net gearing ratio is calculated by dividing the Group's net borrowings (aggregate borrowings net of cash and cash equivalents and restricted and pledged deposits) by the total equity. The Group's net gearing ratio as at 30 June 2015 and 31 December 2014 was approximately 93.3% and 81.6%, respectively. The increase in net gearing ratio was resulted from the aggregate of the capital expenditure incurred on settlement of the outstanding construction cost and a decrease in total equity during the six months ended 30 June 2015.

Foreign exchange risk

As at 30 June 2015, the Group had cash balances denominated in RMB of approximately RMB5,020.6 million (equivalent to approximately HK$6,267.1 million), and in US dollars of approximately US$1.2 million (equivalent to approximately HK$9.4 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 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. The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's 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.

NET ASSETS PER SHARE

Net assets per Share of the Company as at 30 June 2015 and 31 December 2014 are calculated as follows:

	As at 30 June 2015 (unaudited)	As at 31 December 2014 (audited)
Net assets attributable to equity shareholders of the Company *(HK$'000)*	**5,846,950**	6,116,535
Number of issued ordinary Shares *('000)*	**1,176,725**	1,160,734
Number of outstanding PCSs *('000)*	**238,553**	248,201
Number of Shares for the calculation of net assets per Share *('000)*	**1,415,278**	1,408,935
Net assets per Share attributable to equity shareholders of the Company and the holders of PCSs *(HK$) (Note)*	**4.1**	4.3

Note: The net assets per Share attributable to equity shareholders of the Company and the holders of PCSs is calculated as if the holders of PCSs have converted the PCSs into Shares as at 30 June 2015 and 31 December 2014.

CONTINGENT LIABILITIES

As at 30 June 2015, save for the guarantees of approximately HK$4,800.7 million (as at 31 December 2014: approximately HK$4,101.2 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 the Group to guarantee its purchasers' mortgage loans until it completes the relevant properties and the property ownership certificates and certificates of other interests with respect to the relevant properties are delivered to its purchasers. If a purchaser defaults on a mortgage loan, the Group may have to repurchase the underlying property by paying off the mortgage. If the Group fails to do so, the mortgagee bank may auction the underlying property and recover any shortfall from the Group as the guarantor of the mortgage loan.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

During the six months ended 30 June 2015, 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 2015, the Group employed a total of 1,671 employees (as at 31 December 2014: 1,800 employees) in the PRC and Hong Kong. Of which, 117 were under the headquarters team, 444 were under the property development division and 1,110 were under the retail operation and property management division. For the six months ended 30 June 2015, the total staff costs incurred was approximately HK$142.8 million (for the six months ended 30 June 2014: approximately HK$123.3 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 2015, 4,024,333 (for the six months ended 30 June 2014: 1,012,500) share options had been exercised by the grantees and 266 (for the six months ended 30 June 2014: 223,499) share options had been lapsed. As a result, 16,559,926 (as at 31 December 2014: 20,584,525) share options were outstanding as at 30 June 2015 under the pre-IPO share option scheme.

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 28 April 2015, the Group granted 82,650,000 share options (Lot 3) under the post-IPO share option scheme at the exercise price of HK$3.3 per Share to certain 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 2015 is as follows:

	As at 1 January 2015	Share options granted	Share options exercised	Share options lapsed	As at 30 June 2015
Lot 1	16,310,000	–	(2,319,000)	(728,000)	13,263,000
Lot 2	10,600,000	–	–	(1,300,000)	9,300,000
Lot 3	–	82,650,000	–	(1,200,000)	81,450,000
	26,910,000	82,650,000	(2,319,000)	(3,228,000)	104,013,000

INTERIM DIVIDEND

The Board resolved that starting from 2015, the Board will only consider the declaration of dividend at its meeting for the approval of final results and no interim dividend will be declared during the year. As a result, no interim dividend will be declared for the six months ended 30 June 2015 (2014 interim dividend: HK11 cents per ordinary share and unit of PCS).

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the Provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") during the six months ended 30 June 2015 and, where appropriate, adopted the Recommended Best Practices set out in the CG Code, except for the following deviation:

Under Code Provision A.2.1 of the CG 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 six months ended 30 June 2015, 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 the chairman and the 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 E.1.2 of the CG Code, Mr. WONG Chun Hong was unable to attend the annual general meeting of the Company held on 22 May 2015 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 2015.

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 2015. 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, 31 August 2015

As at the date of this announcement, the executive Directors are Mr WONG Chun Hong, Ms LI Yan Jie, Mr LEE Sai Kai David and Mr CHEN Feng Yang; the non-executive Director is Mr CHIANG Kok Sung Lawrence; and the independent non-executive Directors are Mr BROOKE Charles Nicholas, Mr CHENG Yuk Wo and Professor WU Si Zong.

Notes: *Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of figures preceding them.*

The land bank of the Group also includes the land bank of the Group's associated companies.

* *For identification purposes only*