



QUALITY
PROPERTY
IS A GATEWAY TO QUALITY LIVING

品質地產
品位生活

To strengthen **EXISTING BUSINESSES** and
to develop **NEW BUSINESSES**
強化紅海，拓展藍海

OUR VISION 願景

is to build and operate the best urban
communities for China
力鑄中國最優的城市綜合體開發與運營商

WE BELIEVE 使命

quality property is a gateway
to quality living
品質地產，品位生活

BRAND COMMITMENT 品牌承諾

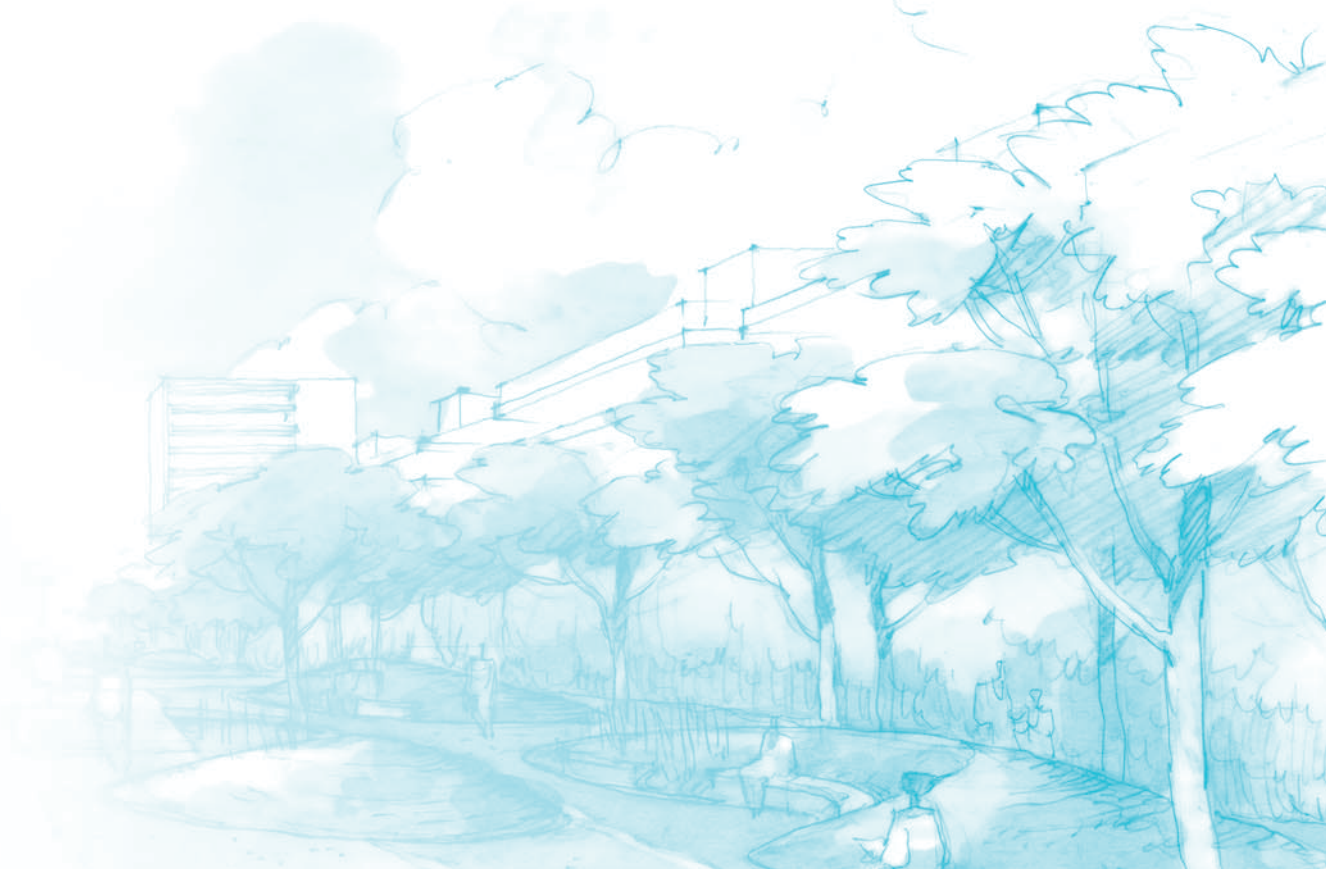
value proven with time
時間見證價值

WE VALUE 企業價值

joint efforts in creating and
celebrating success
共創輝煌，分享成功

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr WONG Chun Hong (*Chairman and Chief Executive Officer*)

Ms LI Yan Jie

Mr LEE Sai Kai David (*re-designated as a non-executive Director with effect from 1 September 2015*)

Mr CHEN Feng Yang (*Chief Operating Officer*)

Non-executive Directors

Mr CHIANG Kok Sung Lawrence

Mr LEE Sai Kai David (*with effect from 1 September 2015*)

Independent Non-executive Directors

Mr BROOKE Charles Nicholas

Mr CHENG Yuk Wo

Professor WU Si Zong

COMPANY SECRETARY

Ms LUK Po Chun, CPA, ACCA

AUTHORISED REPRESENTATIVES

Mr LEE Sai Kai David

Ms LUK Po Chun

AUDIT COMMITTEE

Mr CHENG Yuk Wo (*Chairman*)

Mr BROOKE Charles Nicholas

Professor WU Si Zong

REMUNERATION COMMITTEE

Mr CHENG Yuk Wo (*Chairman*)

Mr WONG Chun Hong

Professor WU Si Zong

NOMINATION COMMITTEE

Professor WU Si Zong (*Chairman*)

Mr WONG Chun Hong

Mr CHENG Yuk Wo

CORPORATE GOVERNANCE COMMITTEE

Mr LEE Sai Kai David (*Chairman*)

Mr CHIANG Kok Sung Lawrence

Mr CHENG Yuk Wo

AUDITORS

KPMG

HONG KONG LEGAL ADVISERS

Norton Rose Fulbright Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 04-08, 26th Floor

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

BOARD LOT

500 Shares

COMPANY WEBSITE

www.topspring.com

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKS

Ping An Bank Co., Ltd.
Agricultural Bank of China
China Minsheng Banking Corp., Ltd.
Bank of Nanchang
Bank of Communications
China Construction Bank
DBS Bank
Industrial and Commercial Bank of China (Asia) Limited

INVESTOR RELATIONS

Mr LIANG Shang Xian

STOCK CODE

03688

CHAIRMAN'S STATEMENT

BUSINESS REVIEW

During the first half of 2015, the Central Government of the People's Republic of China ("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, Top Spring International Holdings Limited (the "Company") and its subsidiaries (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 Lujiazui, 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 average selling price ("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 gross floor area ("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 five to eight 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 a total estimated net saleable/leasable 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 an 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 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 ordinary shares of the Company ("**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 bonus perpetual subordinated convertible securities ("**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 Renminbi ("**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.

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 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 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 HK\$/sq.m.
		sq.m.	%	HK\$ million	%	
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
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

City	Project and Type of Project	Contracted Saleable GFA		Contracted Sales		Contracted ASP HK\$/sq.m.
		sq.m.	%	HK\$ million	%	
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 HK\$/unit
		unit	%	HK\$ million	%	
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 <i>sq.m.</i>	Saleable GFA Booked <i>sq.m.</i>	Sales of Properties Recognised <i>HK\$ million</i>	Recognised ASP <i>HK\$/sq.m.</i>
Shenzhen	The Spring Land – Shenzhen – residential	–	571	16.4	28,721.5
Nanjing	The Spring Land – Nanjing – residential – retail	– –	11,721 2,389	393.7 121.2	33,589.3 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 – retail	– –	1,903 63	19.0 1.3	9,984.2 20,634.9
Sub-total		–	1,966	20.3	10,325.5
Changzhou	Changzhou Le Leman City – residential – retail	48,976 –	58,607 4,061	409.6 48.1	6,988.9 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 unit	Sales of Car Park Units Recognised HK\$ million	Recognised ASP 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 (Note 8) sq.m.	Fair Value as at 30 June 2015 HK\$ million	Rental Income for the six months ended 30 June 2015 HK\$ million	Average Monthly Rental Income per sq.m. for the six months ended 30 June 2015 HK\$/sq.m.	Occupancy Rate as at 30 June 2015 %
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

Investment Properties (inclusive of investment properties classified as held for sale)	Leasable GFA as at 30 June 2015 (Note 8) sq.m.	Fair Value as at 30 June 2015 HK\$ million	Rental Income for the six months ended 30 June 2015 HK\$ million	Average Monthly Rental Income per sq.m. for the six months ended 30 June 2015 HK\$/sq.m.	Occupancy Rate as at 30 June 2015 %
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.

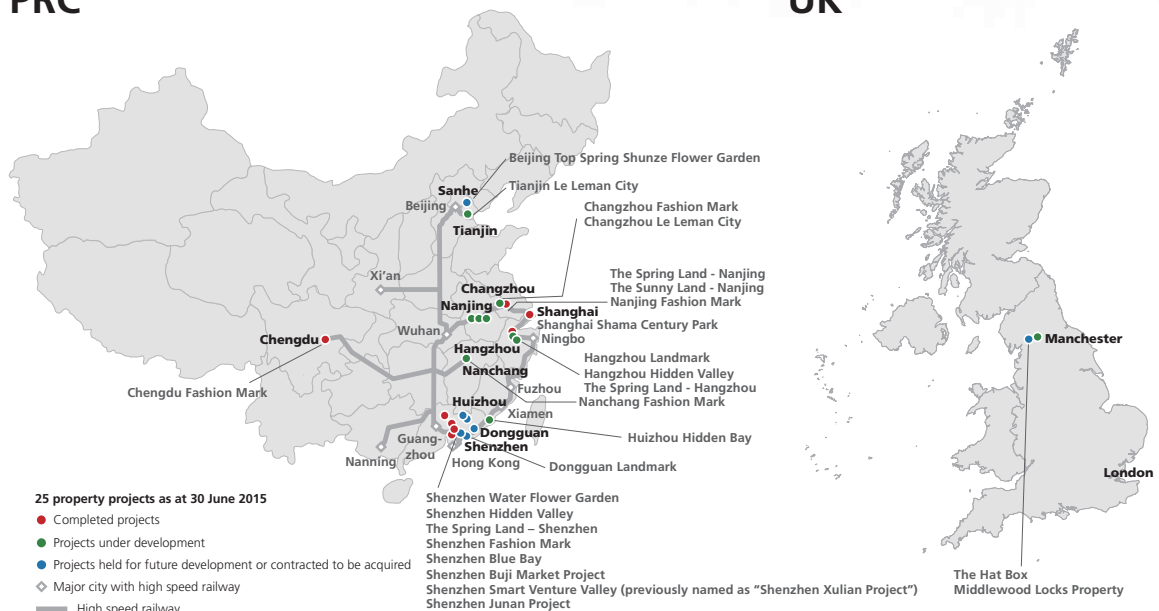
Note 7: The land use rights certificates of the investment property of Nanchang Fashion Mark were obtained in June 2013. The investment property is expected to complete construction and shall commence operation in 2018. This investment property is planned to comprise a shopping mall, retail shops and 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^(Note)

PRC

UK



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.

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

Project no.	City	Project	Type of Property	Estimated Net Saleable/Leasable GFA sq.m.	Interest Attributable to the Group %
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
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	

Project no.	City	Project	Type of Property	Estimated Net Saleable/Leasable GFA sq.m.	Interest Attributable to the Group %
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	
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	

Project no.	City	Project	Type of Property	Estimated Net Saleable/Leasable GFA sq.m.	Interest Attributable to the Group %
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 sq.m.	Estimated Net Saleable/Leasable GFA for calculation of Average land cost sq.m.	Average land cost ⁽¹⁾ 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

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 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 PCs 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 Lemans 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 of 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 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 of the Company (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 report.

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 (the “**Pre-IPO Share Option Scheme**”), a pre-IPO share award scheme (the “**Pre-IPO Share Award Scheme**”) and a post-IPO share option scheme (the “**Post-IPO Share Option Scheme**”) under which the Company granted share options and awarded Shares to certain eligible employees. For details, please refer to the section “Share Award and Share Option Schemes” in the Directors’ Report on page 31.

* For identification purposes only.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

In the opinion of the Directors, the Company has complied with the provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout 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 deviations:

Under Code Provision A.2.1 of the CG Code, the roles of the chairman and the chief executive 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 of the Company. The board of Directors (the “**Board**”) believes that the serving by the same individual as the chairman and the chief executive 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, the chairman of the Board, 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 throughout the six months ended 30 June 2015. To ensure compliance, all Directors were requested to send a notice of intention to deal with the securities of the Company to the chairman of the Corporate Governance Committee and should obtain an approval from the chairman of the Corporate Governance Committee or the designed person by the Board during the period under review to deal with securities of the Company.

Relevant employees who are likely to be in possession of inside information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

CHANGES IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B of the Listing Rules, the change in information of the Director since 1 January 2015 up to the dispatch date of this report is set out below:

Name of Director	Details of change
Mr LEE Sai Kai David	Re-designated as a non-executive Director with effect from 1 September 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.

INVESTOR RELATIONS

The Company ensures that fair and transparent disclosure is made for its business and financial performance through a variety of formal communication channels. Information regarding the Company is published in its website: www.topspring.com, Company newsletters, interim and annual reports, circulars and notices of the Group are despatched to shareholders of the Company. The website of the Company provides information such as e-mail address, correspondence address, and telephone numbers for enquiries, and provides information on business activities of the Group. Shareholders of the Company may at any time send their enquires and concerns to the Board in writing either by email to IR@topspring.com or direct mailing to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

The Company's annual general meeting of shareholders is a good opportunity for communications between the Board and shareholders. Notice of annual general meeting and related documents are sent to shareholders pursuant to the requirements of the Listing Rules and the articles of association of the Company (the "**Articles of Association**"), and are published on the websites of the Company and the Stock Exchange.

Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Article 58 of the Articles of Association, shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in the requisition; and the Company shall hold general meeting within two months after receiving the requisition. If a shareholder of the Company wishes to propose a person other than a retiring Director for election as a Director at a general meeting, pursuant to Article 85 of the Articles of Association, the shareholder of the Company (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the shareholder of the Company, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's head office or the office of the Company's branch share registrar. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than seven days prior to the date of such general meeting. All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Hong Kong Share Registrar of the Company. The results of the poll are published on the websites of the Company and the Stock Exchange. Regularly updated financial, business and other information on the Group is made available on the website of the Company for shareholders and investors.

The Company meets with the investment community and responds to their inquiries about the status of the Company from time to time, so as to strengthen the contacts and communication between the Company and its investors.

DIRECTORS' REPORT



The Directors present the interim financial results for the six months ended 30 June 2015 of the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is a real estate property developer in the PRC and 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. There were no significant changes in the nature of the Group's principal activities during the period under review.

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 LISTED SECURITIES OF THE COMPANY

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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, the interests and short positions of the Directors' and the chief executive's of the Company in the Shares and underlying Shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Long positions in Shares and underlying Shares of the Company

Name of Director	Type of interest	Number of Shares held (Shares) (a)	Number of Share options held (Shares) (b)	Number of PCSs held (Shares) (c)	Total number of Shares and underlying Shares held (Note 1) (a)+(b)+(c)	Approximate percentage of issued Shares (%)
Mr WONG Chun Hong ("Mr WONG") (Note 2)	Interest in a controlled corporation	148,500	-	-	148,500 Shares (L)	0.01
	Settlor of a trust	620,593,500	-	238,552,800	859,146,300 Shares (L)	73.01
	Beneficial owner	-	1,400,000	-	1,400,000 Shares (L)	0.12
Ms Li Yan Jie ("Ms LI") (Note 3)	Beneficial owner	-	13,120,000	-	13,120,000 Shares (L)	1.11
Mr LEE Sai Kai David ("Mr LEE") (Note 4)	Beneficial owner	20,203,400	10,420,000	-	30,623,400 Shares (L)	2.60
Mr CHEN Feng Yang ("Mr CHEN") (Note 5)	Beneficial owner	2,805,600	15,634,000	-	18,439,600 Shares (L)	1.57
Mr CHIANG Kok Sung Lawrence ("Mr CHIANG") (Note 6)	Beneficial owner	1,890,000	1,000,000	-	2,890,000 Shares (L)	0.25
Mr CHENG Yuk Wo ("Mr CHENG") (Note 7)	Beneficial owner	-	1,420,000	-	1,420,000 Shares (L)	0.12
Mr BROOKE Charles Nicholes ("Mr BROOKE") (Note 8)	Beneficial owner	-	1,420,000	-	1,420,000 Shares (L)	0.12
Professor WU Si Zong ("Professor WU") (Note 9)	Beneficial owner	-	1,420,000	-	1,420,000 Shares (L)	0.12

Notes:

- (1) The letter "L" denotes the Director's long position in the Shares or underlying Shares.
- (2) Kang Jun Limited is wholly-owned by Mr WONG and by virtue of the SFO, Mr WONG is deemed to be interested in 148,500 Shares held by Kang Jun Limited, Chance Again Limited ("**Chance Again**") is wholly-owned by Cheung Yuet (B.V.I.) Limited ("**BVI Co**"). The entire issued share capital of BVI Co is wholly-owned by HSBC International Trustee Limited ("**HSBC International Trustee**") as the trustee of the Cheung Yuet Memorial Trust, a discretionary family trust established by Mr WONG (the "**Wong Family Trust**") and the beneficiaries of which include Mr Wong's family members. Mr WONG is the settlor and the protector of the Wong Family Trust. By virtue of the SFO, Mr WONG is deemed to be interested in the 620,593,500 Shares held by Chance Again and 238,552,800 underlying Shares in relation to the PCSs held by Chance Again, and Mr WONG's long position of 1,400,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 1). These share options, all of which remained exercisable as at 30 June 2015, were exercisable at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022.
- (3) Ms LI's long position in the underlying Shares comprises 13,120,000 options granted to her by the Company under the Post-IPO Share Option Scheme, which comprises of 420,000 options granted to her by the Company under the Post-IPO Share Option Scheme (Lot 1), 2,700,000 options granted to her by the Company under the Post-IPO Share Option Scheme (Lot 2) and 10,000,000 options granted to her by the Company under the Post-IPO Share Option Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, were exercisable as to (i) 420,000 share options (Lot 1) at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022, (ii) 2,700,000 share options (Lot 2) at the subscription price of HK\$4.140 per Share during the period from 20 June 2014 to 19 June 2023, and (iii) 10,000,000 share options (Lot 3) at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.
- (4) Mr LEE's long position in the Shares and underlying Shares comprises (i) 20,203,400 Shares beneficially owned by himself, and (ii) 10,420,000 options granted to him by the Company under the Post-IPO Share Option Scheme, which comprises 420,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 1) and 10,000,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, were exercisable as to (i) 420,000 share options (Lot 1) at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022, and (ii) 10,000,000 share options (Lot 3) at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.
- (5) Mr CHEN's long position in the Shares and underlying Shares comprises (i) 1,512,000 Shares beneficially owned by himself, (ii) 1,293,600 Shares granted to him by the Company under the Pre-IPO Share Award Scheme, (iii) 3,234,000 options granted to him by the Company under the Pre-IPO Share Option Scheme, and (iv) 12,400,000 options granted to him by the Company under the Post-IPO Share Option Scheme, which comprises of (i) 1,400,000 options granted under the Post-IPO Scheme (Lot 1), (ii) 1,000,000 options granted under the Post-IPO Scheme (Lot 2), and (iii) 10,000,000 options granted under the Post-IPO Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, are exercisable as to (i) 3,234,000 share options (Pre-IPO) at the subscription price of HK\$1.780 per Share during the period from 23 March 2012 to 2 December 2020, (ii) 1,400,000 share options (Lot 1) at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022, (iii) 1,000,000 share options (Lot 2) at the subscription price of HK\$4.140 per Share during the period from 20 June 2014 to 19 June 2023, and (iv) 10,000,000 share options (Lot 3) at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.
- (6) Mr CHIANG's long position in the Shares and underlying shares comprises (i) 1,890,000 Shares beneficially owned by himself, and (ii) 1,000,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, are exercised at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.
- (7) Mr CHENG's long position in the underlying Shares comprises 1,420,000 options granted to him by the Company under the Post-IPO Share Option Scheme, which comprises 420,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 1) and 1,000,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, are exercisable as to (i) 420,000 share options (Lot 1) at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022, and (ii) 1,000,000 share options (Lot 3) at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.
- (8) Mr BROOKE's long position in the underlying Shares comprises 1,420,000 options granted to him by the Company under the Post-IPO Share Option Scheme, which comprises 420,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 1) and 1,000,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, are exercisable as to (i) 420,000 share options (Lot 1) at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022, and (ii) 1,000,000 share options (Lot 3) at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.
- (9) Professor WU's long position in the underlying Shares comprises 1,420,000 options granted to him by the Company under the Post-IPO Share Option Scheme, which comprises 420,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 1) and 1,000,000 options granted to him by the Company under the Post-IPO Share Option Scheme (Lot 3). These share options, all of which remained exercisable as at 30 June 2015, are exercisable as to (i) 420,000 share options (Lot 1) at the subscription price of HK\$2.264 per Share during the period from 26 June 2013 to 25 June 2022, and (ii) 1,000,000 share options at the subscription price of HK\$3.300 per Share during the period from 28 April 2016 to 27 April 2025.

(ii) Long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number and class of securities in associated corporation (Note 1)	Percentage of interest in associated corporation (%)
Mr WONG (Note 2)	Chance Again	Settlor of a trust	100 ordinary shares (L)	100

Notes:

- (1) The letter "L" denotes the Director's long position in the shares of the relevant associated corporation of the Company.
- (2) Chance Again is wholly-owned by BVI Co. The entire issued share capital of BVI Co is wholly-owned by HSBC International Trustee as the trustee of the Wong Family Trust. Mr WONG is the settlor and the protector of the Wong Family Trust. By virtue of the SFO, Mr WONG is deemed to be interested in the 100 shares in Chance Again.

Save as disclosed above, as at 30 June 2015, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii), which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the period under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or their respective spouses or minor children to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the period under review, save as disclosed in the section headed "Relationship with our Controlling Shareholders and the Scarborough Group" in the prospectus of the Company dated 11 March 2011, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

SHARE AWARD AND SHARE OPTION SCHEMES

The Company adopted a Pre-IPO Share Option Scheme and a Pre-IPO 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

CONTRACT OF SIGNIFICANCE

No contract of significance had been entered into between the Company or any of its subsidiaries and the then controlling shareholder of the Company or any of its subsidiaries during the period under review.

There is no contract of significance for the provision of services to the Company or any of its subsidiaries by the then controlling shareholder of the Company or any of its subsidiaries was entered into during the period under review.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company or any of its subsidiaries were entered into or existed during the period under review.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, so far as is known by any Directors or chief executive of the Company, the following person (other than a Directors or chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of any other members of the Group:

Name	Capacity	Number of Shares held (Shares) (a)	Number of Share options held (Shares) (b)	Number of PCSs held (Shares) (c)	Total number of Shares and underlying Shares held (Note 1) (a)+(b)+(c)	Approximate percentage of issued Shares (%)
Chance Again (Note 2)	Beneficial owner	620,593,500	–	238,552,800	859,146,300 Shares (L)	73.01
BVI Co (Note 2)	Interest in a controlled corporation	620,593,500	–	238,552,800	859,146,300 Shares (L)	73.01
HSBC International Trustee (Note 2)	Trustee of a trust	620,593,500	–	238,552,800	859,146,300 Shares (L)	73.01
Ms LIU Choi Lin (“Ms LIU”) (Notes 2 & 3)	Interest of spouse	620,742,000	1,400,000	238,552,800	860,694,800 Shares (L)	73.14
APG Algemene Pensioen Groep NV	Investment manager	80,856,500	–	–	80,856,500 Shares (L)	6.87
Metro Holdings Limited (Note 4)	Interest in a controlled corporation	228,390,110	–	–	228,390,110 Shares (L)	19.41
ONG Hie Koan (Note 5)	Interest in a controlled corporation	228,390,110	–	–	228,390,110 Shares (L)	19.41

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Chance Again is wholly-owned by BVI Co. The entire issued share capital of BVI Co is wholly-owned by HSBC International Trustee as the trustee of the Wong Family Trust. Mr WONG is the settlor and the protector of the Wong Family Trust. By virtue of the SFO, Mr WONG is deemed to be interested in the 620,593,500 Shares held by Chance Again and 238,552,800 underlying Shares in relation to the PCSs held by Chance Again.
- (3) Ms LIU is the spouse of Mr WONG. By virtue of the SFO, Ms LIU is deemed to be interested in all the Shares and underlying Shares in which Mr WONG is interested.
- (4) 227,970,810 Shares were held by Crown Investments Limited which was, in turn, wholly controlled by Metro China Holdings Pte Ltd which was, in turn, wholly controlled by Metro Holdings Limited. 419,300 Shares were held by Meren Pte Ltd which was, in turn, wholly controlled by Metro Holdings Limited. By virtue of the SFO, Metro Holdings Limited is deemed to be interested in the 227,970,810 Shares and 419,300 Shares held by Crown Investments Limited and Meren Pte Ltd, respectively.
- (5) Metro Holdings Limited was 34.425% controlled by Mr ONG Hie Koan. By virtue of the SFO, Mr ONG Hie Koan is deemed to be interested in the 227,970,810 Shares and 419,300 Shares held by Crown Investments Limited and Meren Pte Ltd, respectively.

Save as disclosed above, as at 30 June 2015, no person (other than a Director or chief executive of the Company) had any interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2015 \$'000	2014 \$'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	10(a)	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	9		
Basic and diluted		(\$0.03)	(\$0.19)

The notes on pages 41 to 61 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company and holders of bonus perpetual subordinated convertible securities (“PCs”) are set out in note 18(c).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2015 \$'000	2014 \$'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)

The notes on pages 41 to 61 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

	Note	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Non-current assets			
Investment properties	10	8,057,671	9,298,671
Other property, plant and equipment	10	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	13	31,207	194,955
Deferred tax assets		604,089	501,953
		9,730,282	11,132,390
Current assets			
Inventories	11	20,020,764	20,336,578
Other financial assets		164,274	125,047
Trade and other receivables	12	2,286,732	1,720,448
Prepaid tax		280,755	48,951
Restricted and pledged deposits	13	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	14	1,464,237	–
		30,570,581	31,739,102
Current liabilities			
Trade and other payables	15	15,476,896	15,106,242
Bank and other borrowings	16	5,525,538	8,487,467
Tax payable		4,267,456	4,288,902
		25,269,890	27,882,611
Net current assets		5,300,691	3,856,491
Total assets less current liabilities		15,030,973	14,988,881

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

	Note	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Non-current liabilities			
Bank and other borrowings	16	5,703,353	6,653,577
Note payable	17	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			
	18		
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

The notes on pages 41 to 61 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

Note	Attributable to equity shareholders of the Company											Total equity \$'000
	Share capital \$'000	Share premium \$'000	Reserve arising from issuance of PCSs \$'000	Capital reserve \$'000	Exchange reserve \$'000	PRC statutory reserves \$'000	Property revaluation reserve \$'000	Other reserve \$'000	Retained profits \$'000	Total \$'000	Non-controlling interests \$'000	
Balance at 1 January 2014	115,530	1,386,897	25,092	147,836	555,399	593,044	49,843	(471,321)	3,243,676	5,645,996	629,088	6,275,084
Changes in equity for the six months ended 30 June 2014:												
Loss for the period	-	-	-	-	-	-	-	-	(274,003)	(274,003)	(11,761)	(285,764)
Other comprehensive income	-	-	-	-	(179,103)	-	-	-	-	(179,103)	(32,408)	(211,511)
Total comprehensive income	-	-	-	-	(179,103)	-	-	-	(274,003)	(453,106)	(44,169)	(497,275)
Issuance of new shares under Pre-IPO and Post-IPO Share Option Schemes	18(a)(i)	143	6,748	-	(4,156)	-	-	-	-	2,735	-	2,735
Issuance of new shares upon conversion of PCSs	18(a)(ii)	272	-	(272)	-	-	-	-	-	-	-	-
Equity settled share-based transactions		-	-	-	6,176	-	-	-	-	6,176	-	6,176
Share options and awarded shares forfeited		-	-	-	(1,235)	-	-	-	1,235	-	-	-
Transfer to PRC statutory reserves		-	-	-	-	7,267	-	-	(7,267)	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	177,658	177,658
Disposal of partial interest in a subsidiary		-	-	-	-	-	-	(9,325)	9,325	-	7,225	7,225
Acquisition of additional interest in a subsidiary from a non-controlling shareholder		-	-	-	-	-	-	194	-	194	(33,205)	(33,011)
Dividends approved in respect of the previous year	18(c)	-	-	-	-	-	-	-	(154,756)	(154,756)	-	(154,756)
Balance at 30 June 2014	115,945	1,393,645	24,820	148,621	376,296	600,311	49,843	(480,452)	2,818,210	5,047,239	736,597	5,783,836

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

Note	Attributable to equity shareholders of the Company											
	Share capital	Share premium	Reserve arising from issuance of PCSs	Capital reserve	Exchange reserve	PRC statutory reserves	Property revaluation reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2015	116,073	1,441,328	24,820	79,577	393,821	666,204	49,843	(480,452)	3,825,321	6,116,535	841,068	6,957,603
Changes in equity for the six months ended 30 June 2015:												
Loss for the period	-	-	-	-	-	-	-	-	(48,791)	(48,791)	41,875	(6,916)
Other comprehensive income	-	-	-	-	(56,052)	-	-	-	-	(56,052)	(3,013)	(59,065)
Total comprehensive income	-	-	-	-	(56,052)	-	-	-	(48,791)	(104,843)	38,862	(65,981)
Issuance of new shares under Pre-IPO and Post-IPO Share Option Schemes	18(a)(i)	635	29,681	-	(17,902)	-	-	-	-	12,414	-	12,414
Issuance of new shares upon conversion of PCSs	18(a)(ii)	965	-	(965)	-	-	-	-	-	-	-	-
Equity settled share-based transactions		-	-	-	7,487	-	-	-	-	7,487	-	7,487
Share options forfeited		-	-	-	(1,930)	-	-	-	1,930	-	-	-
Transfer to PRC statutory reserves		-	-	-	-	-	1,518	-	(1,518)	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	24,826	24,826
Acquisition of additional interest in a subsidiary from a non-controlling shareholder		-	-	-	26,060	-	-	-	(55,079)	(29,019)	(8,860)	(37,879)
Dividends approved in respect of the previous year	18(c)	-	-	-	-	-	-	-	(155,624)	(155,624)	-	(155,624)
Balance at 30 June 2015	117,673	1,471,009	23,855	93,292	337,769	667,722	49,843	(535,531)	3,621,318	5,846,950	895,896	6,742,846

The notes on pages 41 to 61 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2015 – unaudited (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2015 \$'000	2014 \$'000
Operating activities		
Cash generated from operations	210,770	1,034,846
Tax paid:		
– PRC tax paid	(557,366)	(445,219)
Net cash (used in)/generated from operating activities	(346,596)	589,627
Investing activities		
Net proceeds from disposal of available-for-sale investments	167,104	–
Net cash outflow from acquisition of subsidiaries	(34,343)	(411,877)
Deposits received from sale of investment properties	325,101	–
Other cash flows arising from investing activities	(139,305)	8,598
Net cash generated from/(used in) investing activities	318,557	(403,279)
Financing activities		
Proceeds from issuance of note	1,217,264	–
Proceeds from new bank and other borrowings	1,404,544	3,463,438
Repayment of bank and other borrowings	(5,291,498)	(2,881,458)
Decrease in restricted and pledged deposits	1,791,943	322,197
Interest and other borrowing costs paid	(524,035)	(679,779)
Dividend paid	(155,624)	(154,756)
Other cash flows arising from financing activities	(23,222)	(57,353)
Net cash (used in)/generated from financing activities	(1,580,628)	12,289
Net (decrease)/increase in cash and cash equivalents	(1,608,667)	198,637
Cash and cash equivalents at 1 January	6,374,760	5,606,262
Effect of foreign exchange rate changes	(13,191)	(133,165)
Cash and cash equivalents at 30 June	4,752,902	5,671,734

Note: Cash and cash equivalents represent cash at bank and in hand.

The notes on pages 41 to 61 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This 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 preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Top Spring International Holdings Limited (“**the Company**”) and its subsidiaries (collectively referred to as “**the Group**”) since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

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. KPMG’s independent review report to the Board of Directors is included on page 62.

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2015.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to 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.

(Expressed in Hong Kong dollars unless otherwise indicated)

3 SEGMENT REPORTING (Continued)

(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.

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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<i>For the six months ended 30 June</i>										
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
	\$'000	\$'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.

(Expressed in Hong Kong dollars unless otherwise indicated)

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 \$'000	2014 \$'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 \$'000	2014 \$'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 \$'000	2014 \$'000
Net gain on disposal of a subsidiary (Note (i))	–	12,710
Net loss on disposal of partial interest in an associate	(35)	–
Net gain on disposal of available-for-sale investments (Note (ii))	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)

Notes:

- (i) During the six months ended 30 June 2014, the Group completed the disposal of its 15% equity interest in Shenzhen New Top Spring Investment Fund Management Company Limited (深圳新萊源投資基金管理有限公司) (“**NTS Fund**”), a non wholly-owned subsidiary of the Company, to an independent third party for a total consideration of RMB1,500,000 (equivalent to \$1,873,000). This resulted in a net gain on disposal of a subsidiary of \$12,710,000. Following the disposal, the Group retained 45% equity interest in NTS Fund. The Group lost control but has significant influence over NTS Fund. Therefore, it was accounted for as an associate of the Group since then.
- (ii) During the six months ended 30 June 2015, the Group completed the disposal of its 3.0558% beneficial equity interest in Shanghai Fengdan Lishe Real Estate Development Co., Ltd. (上海楓丹麗舍房地產開發有限公司), an unlisted available-for-sale investment of the Group, to an independent third party for a total consideration of RMB106,953,000 (equivalent to \$133,691,000). This result in a net gain on disposal of available-for-sale investments of \$108,006,000.

7 PROFIT/(LOSS) BEFORE TAXATION

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

	Six months ended 30 June	
	2015 \$'000	2014 \$'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 \$'000	2014 \$'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 \$48,791,000 (2014: \$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 '000	2014 '000
Weighted average number of shares		
Issued ordinary shares	1,160,734	1,155,303
Effect of share options exercised (note 18(a)(i))	743	1,250
Effect of bonus issue of shares (with PCSs as an alternative) (note 18(a)(ii))	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 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Valuation

The valuations of investment properties and investment properties under development carried at fair value were updated at 30 June 2015 by an independent firm of surveyors, DTZ Debenham Tie Leung Limited, who have among their staff Members of The Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, using the same valuation techniques as were used by this valuer when carrying out the December 2014 valuations.

As a result of the update, a net gain of \$254,275,000 (2014: \$99,061,000), and deferred tax thereon of \$97,824,000 (2014: \$21,783,000), has been recognised in profit or loss for the period in respect of investment properties.

- (b) The Group's certain investment properties, hotel properties and other land and buildings were pledged to secure bank loans, details of which are set out in note 16.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

11 INVENTORIES

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Property development		
Leasehold land held for development for sale	491,732	668,562
Properties held for/under development for sale	16,966,827	16,329,105
Completed properties for sale	2,561,053	3,337,882
	20,019,612	20,335,549
Other operations		
Low value consumables and supplies	1,152	1,029
	20,020,764	20,336,578

The Group's certain leasehold land held for development for sale, properties under development for sale and completed properties for sale were pledged to secure bank loans and note payable, details of which are set out in notes 16 and 17.

12 TRADE AND OTHER RECEIVABLES

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'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

(Expressed in Hong Kong dollars unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES (Continued)

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 \$1,052,000 (31 December 2014: \$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) \$'000	At 31 December 2014 (audited) \$'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, details of which are set out in note 16.

13 RESTRICTED AND PLEDGED DEPOSITS

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Restricted deposits (Note (i))	118,346	14,076
Pledged deposits (Note (ii))	1,513,778	3,314,197
	1,632,124	3,328,273
Less: Non-current portion (Note (ii))	(31,207)	(194,955)
Current portion	1,600,917	3,133,318

13 RESTRICTED AND PLEDGED DEPOSITS (Continued)

Notes:

- (i) In accordance with relevant construction contracts, certain of the Group's PRC subsidiaries with property development projects are required to place at designated bank accounts certain amount of deposits for potential default in payment of construction costs payables. Such guarantee deposits will only be released after the settlement of the construction costs payables.
- (ii) Pledged deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to \$1,466,865,000 (31 December 2014: \$3,060,707,000) have been pledged to secure short-term borrowings and are therefore classified as current assets. The remaining deposits amounting to \$31,207,000 (31 December 2014: \$194,955,000) have been pledged to secure long-term borrowings and banking facilities and are therefore classified as non-current assets.

The Group's certain bank deposits which were pledged as securities in respect of:

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Bank loan facilities	1,498,072	3,255,662
Mortgage loan facilities granted by the banks to purchasers of the Group's properties	15,706	58,535
	1,513,778	3,314,197

14 INVESTMENT PROPERTIES CLASSIFIED AS HELD FOR SALE

During the six months ended 30 June 2015, the Group put certain investment properties in the market for sale and entered into binding agreements with purchasers for the sale of certain of these investment properties.

Accordingly, the carrying amounts of these investment properties of \$1,464,237,000 have been reclassified from "Investment properties" to "Investment properties classified as held for sale" at 30 June 2015.

Certain of these investment properties were pledged to secure a bank loan, details of which are set out in note 16.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

15 TRADE AND OTHER PAYABLES

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'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 \$538,800,000 (31 December 2014: \$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) \$'000	At 31 December 2014 (audited) \$'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

16 BANK AND OTHER BORROWINGS

At 30 June 2015, the bank and other borrowings were analysed as follows:

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Bank loans		
– Secured	9,293,633	12,214,022
– Unsecured	461,995	404,527
	9,755,628	12,618,549
Other borrowings		
– Secured	1,473,263	2,522,495
	11,228,891	15,141,044

At 30 June 2015, the bank and other borrowings were repayable as follows:

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Within 1 year and included in current liabilities	5,525,538	8,487,467
After 1 year and included in non-current liabilities:		
After 1 year but within 2 years	3,509,207	4,290,528
After 2 years but within 5 years	1,649,894	1,772,827
After 5 years	544,252	590,222
	5,703,353	6,653,577
	11,228,891	15,141,044

16 BANK AND OTHER BORROWINGS (Continued)

At 30 June 2015, the bank loans were secured by the following assets:

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Investment properties	7,688,179	9,113,602
Hotel properties	282,182	294,801
Other land and buildings	29,182	30,155
Leasehold land held for development for sale	491,732	668,562
Properties under development for sale	6,316,732	6,256,339
Completed properties for sale	70,145	1,462,240
Wealth management products	124,828	125,047
Pledged deposits	1,498,072	3,255,662
Rental receivables	6,740	6,708
Investment properties classified as held for sale	1,440,519	–
	17,948,311	21,213,116

At 30 June 2015, the secured other borrowings were from independent third parties, interest-bearing at rates ranging from 9.0535% to 10.94% per annum and secured by the Group's certain properties under development for sale.

17 NOTE PAYABLE

On 15 June 2015, the Company issued a note with principal amount of RMB990,000,000 due in 2018. The note is interest-bearing at 10.595% per annum which is payable quarterly in arrears. The note is secured by the Group's certain properties under development for sale and guaranteed by the Group's certain subsidiaries.

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 June 2015 (unaudited)		At 31 December 2014 (audited)	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Authorised:				
Ordinary shares of \$0.10 each	5,000,000	500,000	5,000,000	500,000
Ordinary shares, issued and fully paid:				
At 1 January	1,160,734	116,073	1,155,303	115,530
Issuance of new shares under the Pre-IPO and Post-IPO Share Option Schemes (Note (i))	6,343	635	2,711	271
Issuance of new shares upon conversion of PCSs (Note (ii))	9,648	965	2,720	272
At 30 June/31 December	1,176,725	117,673	1,160,734	116,073

Notes:

- (i) During the six months ended 30 June 2015, 4,024,333 (2014: 1,012,500) share options under the Pre-IPO Share Option Scheme and 2,319,000 (2014: 412,000) share options under the Post-IPO Share Option Scheme were exercised to subscribe for a total of 6,343,333 (2014: 1,424,500) ordinary shares of the Company at a consideration of \$1.780 and \$2.264 per share respectively, of which \$0.10 per share was credited to share capital and the balance was credited to the share premium account. \$17,902,000 (2014: \$4,156,000) has been transferred from the capital reserve to the share premium account in accordance with the accounting policy adopted for share-based payments.
- (ii) 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 appeared on the register of members of the Company on 24 May 2013, the record date, on the basis of two new shares credited as fully paid 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.

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 \$15,036,560 standing to the credit of the share premium account was applied in paying up in full 150,365,600 ordinary shares of \$0.10 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 \$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.

Upon completion of the bonus issue, adjustments were made to the exercise price and outstanding number of share options and awarded shares granted pursuant to the Group's Pre-IPO and Post-IPO Share Option Schemes and Pre-IPO Share Award Scheme (see notes 18(b)(i), (ii) and (iii)).

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. This reserve balance represented the aggregate amount of the PCSs outstanding at the period end. During the six months ended 30 June 2015, 9,648,000 (year ended 31 December 2014: 2,720,000) PCSs were converted to 9,648,000 (year ended 31 December 2014: 2,720,000) ordinary shares by the holders of PCSs.

18 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Equity settled share-based transactions

(i) Pre-IPO Share Option Scheme

The Company has a Pre-IPO Share Option Scheme whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at consideration of \$1.00 per grant to subscribe for shares of the Company. On 3 December 2010, a total number of 34,371,667 share options were granted under the Pre-IPO Share Option Scheme. The options will fully vest after three years from 23 March 2011, being the date of listing of the Company's shares on the Stock Exchange or, as the case may be, the first anniversary date of the employment commencement date of the relevant grantees, and are then exercisable within a period of 10 years from the date of grant. The exercise price per share is \$2.492, being 40% of the price of IPO of shares of the Company. Upon completion of the bonus issue (see note 18(a)(ii)), the exercise price per share was adjusted to \$1.780. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

No share options under the Pre-IPO Share Option Scheme were granted during the six months ended 30 June 2014 and 2015.

The number of share options is as follows:

	Six months ended 30 June	
	2015 Number of options '000	2014 Number of options '000
Outstanding at the beginning of the period	20,584	30,461
Exercised during the period (note 18(a)(i))	(4,024)	(1,013)
Forfeited during the period	–	(223)
Outstanding at the end of the period	16,560	29,225
Exercisable at the end of the period	16,560	29,225

18 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Equity settled share-based transactions (Continued)

(ii) Pre-IPO Share Award Scheme

Under the Pre-IPO Share Award Scheme, a total number of 6,452,000 (after capitalisation issue) shares of the Company was awarded to certain employees of the Group as a means of recognising their contributions to the early development of the Group and aligning their interests with the shareholders of the Company. The eligible employees received an offer to be granted by the awarded shares at nil consideration but subject to a six-month lock-up period. The awarded shares will fully vest after three years from the date of award and are valid and effective for unlimited period unless a triggering event has arisen upon the occurrence of certain events. The shares awarded by the Company will be settled with the shares (after capitalisation issue) held by a share award trust. Upon completion of the bonus issue (see note 18(a)(ii)), a total number of 2,067,000 awarded shares were adjusted.

No shares were awarded under the Pre-IPO Share Award Scheme during the six months ended 30 June 2014 and 2015. All outstanding awarded shares were vested during the year ended 31 December 2014.

(iii) Post-IPO Share Option Scheme

The Company has a Post-IPO Share Option Scheme which was to recognise and acknowledge the contributions that the employees and directors have made or may make to the Group.

An option under the Post-IPO Share Option Scheme may be exercised in accordance with the terms of the share option scheme at any time during a period as determined by the directors of the Company, which must not be more than 10 years from the date of grant.

Upon completion of the bonus issue (see note 18(a)(ii)), the exercise price of the Post-IPO Share Options granted in 2012 was adjusted to \$2.264.

On 28 April 2015, 82,650,000 share options were granted at a consideration of \$1.00 per grant paid by the employees of the Company under the Post-IPO Share Option Scheme. Each option gives the holder the right to subscribe for one ordinary share of \$0.10 each of the Company. These share options will fully vest after three years from the date of grant, and then be exercisable until 2025. The exercise price is \$3.30, being the weighted average closing price of the Company's ordinary shares immediately before the grant. No share options were granted under the Post-IPO Share Option Scheme during the six months ended 30 June 2014.

18 CAPITAL, RESERVES AND DIVIDENDS (Continued)**(b) Equity settled share-based transactions (Continued)****(iii) Post-IPO Share Option Scheme (continued)**

The number of share options is as follows:

	Six months ended 30 June	
	2015 Number of options '000	2014 Number of options '000
Outstanding at the beginning of the period	26,910	31,440
Granted during the period	82,650	–
Exercised during the period (note 18(a)(i))	(2,319)	(412)
Forfeited during the period	(3,228)	(1,123)
Outstanding at the end of the period	104,013	29,905
Exercisable at the end of the period	17,250	14,541

(c) Dividends**(i) Dividends payable to equity shareholders of the Company and holders of PCSs attributable to the interim period**

	Six months ended 30 June	
	2015 \$'000	2014 \$'000
No interim dividend declared in respect of the interim period (2014: 11 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.

18 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Dividends (Continued)

(ii) Dividends payable to equity shareholders of the Company and holders of PCSs attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2015 \$'000	2014 \$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 11 cents (2014: 11 cents) per ordinary share and unit of PCS	155,624	154,756

In respect of the final dividend for the year ended 31 December 2014, there is a difference of \$641,000 between final dividend disclosed in the 2014 annual financial statements and amounts approved and paid during the period which represents dividends attributable to new shares issued upon the exercise of 5,827,000 share options, before the closing date of the register of members.

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2014 and 30 June 2015.

20 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'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 are mainly related to development expenditure for the Group's properties under development.

21 CONTINGENT LIABILITIES

	At 30 June 2015 (unaudited) \$'000	At 31 December 2014 (audited) \$'000
Guarantees given to financial institutions for mortgage loan facilities granted to purchasers of the Group's properties	4,800,689	4,101,224

22 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the interim financial report, the Group entered into the following material related party transactions during the period:

	Six months ended 30 June	
	2015 \$'000	2014 \$'000
Remuneration of key management personnel	22,152	17,722
Interest income receivable from an associate (note (i))	788	–
Interest income receivable from joint ventures (note (ii))	29,264	–
Interest income receivable from non-controlling shareholders (note (iii))	11,908	–

Note:

- (i) Interest income receivable from an associate was calculated at floating interest rate by reference to base lending rate of Abbey National Treasure Services plc.
- (ii) Interest income receivable from joint ventures were charged at fixed interest rates of 12.5% or 16.5% per annum.
- (iii) Interest income receivable from non-controlling shareholders were charged at fixed interest rates of 3% or 12.5% per annum.

23 COMPARATIVE FIGURES

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

REVIEW REPORT



**Review report to the board of directors of
Top Spring International Holdings Limited**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 34 to 61 which comprises the consolidated statement of financial position of Top Spring International Holdings Limited as of 30 June 2015 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2015 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 August 2015



TOP SPRING

International Holdings Limited

萊蒙國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 03688

Concept, design and printing: iOne Financial Press Limited

設計與製作 : 卓智財經印刷有限公司

Website: www.ione.com.hk

網址 : www.ione.com.hk