SHANGHAI ZENDAI
上海証大房地產有限公司

SHANGHAI ZENDAI PROPERTY LIMITED

(incorporated in Bermuda with limited liability)

Stock Code : 00755

Interim Report 2015

Contents

The Board of Directors of Shanghai Zendai Property Limited (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
	Note	2015 *HK$'000*	2014 *HK$'000*
Turnover	6	1,157,206	803,696
Cost of sales		(1,078,439)	(552,249)
Gross profit		78,767	251,447
Other income and gains	8	27,655	40,734
Selling and marketing expenses		(56,231)	(43,575)
Administrative expenses		(209,881)	(241,903)
Change in fair value of investment properties		1,265	10,576
Share of results of associates		(58,825)	(151,253)
Share of results of joint ventures		(81,691)	(18,822)
Finance costs		(207,988)	(162,964)
Loss before income tax		(506,929)	(315,760)
Income tax expense	9	(50,743)	(38,076)
Loss for the period		(557,672)	(353,836)
Loss attributable to:			
– Owners of the Company		(513,033)	(337,884)
– Non-controlling interests		(44,639)	(15,952)
		(557,672)	(353,836)
Loss per share attributable to owners of the Company			
– Basic	11	HK(3.45) cents	HK(2.27) cents
– Diluted	11	HK(3.45) cents	HK(2.27) cents

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2015 *HK$'000*	2014 *HK$'000*
Loss for the period	(557,672)	(353,836)
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	(13,241)	(40,273)
Release of other revaluation reserve on disposal of properties for sales held by associates	(3,120)	(739)
Tax expense related to release of other revaluation reserve	780	185
Other comprehensive income for the period, net of tax	(15,581)	(40,827)
Total comprehensive income for the period	(573,253)	(394,663)
Total comprehensive income for the period attributable to:		
– Owners of the Company	(528,568)	(375,799)
– Non-controlling interests	(44,685)	(18,864)
	(573,253)	(394,663)

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	674,038	689,491
Investment properties		2,882,486	2,886,730
Payment for leasehold land held for own use under operating leases	12	616,137	625,700
Goodwill		37,483	37,362
Interests in an associate		123,909	182,808
Interests in joint ventures		1,303,385	1,341,952
Deferred income tax assets		9,191	–
Available-for-sale financial assets	13	67,480	67,259
Total non-current assets		5,714,109	5,831,302
Current assets			
Properties under development and completed properties held-for-sale	14	8,652,674	8,502,063
Inventories		4,113	4,060
Trade and other receivables	15	670,202	556,517
Deposits for property under development and land use rights	16	125,681	1,604,306
Amounts due from an associate		1,120,016	1,296,084
Amounts due from joint ventures		1,878,637	1,303,617
Available-for-sale financial assets	13	–	2,648
Amounts due from related companies		–	11,571
Amounts due from minority owners of subsidiaries		31,875	31,770
Pledged bank deposits	17	1,656,986	775,425
Tax prepayments		119,976	110,526
Entrusted loan receivables		126,486	126,072
Cash and cash equivalents		1,170,270	1,098,074
		15,556,916	15,422,733
Assets of disposal group classified as held for sale	7	1,307,476	–
Total current assets		16,864,392	15,422,733
Total assets		22,578,501	21,254,035

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

	Note	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		297,587	297,587
Other reserves		3,250,160	3,265,695
Retained earnings		1,840,393	2,353,426
		5,388,140	5,916,708
Non-controlling interests		315,549	360,234
Total equity		5,703,689	6,276,942
LIABILITIES			
Non-current liabilities			
Borrowings and loans	19	4,859,722	4,550,096
Deferred income tax liabilities		568,308	578,549
Other payables		155,822	152,246
Amount due to minority owners of subsidiaries	20	878,405	1,868,381
Total non-current liabilities		6,462,257	7,149,272
Current liabilities			
Trade, notes and other payables	18	1,186,711	1,362,617
Receipts in advance from customers		942,612	1,635,641
Amounts due to joint ventures		1,754,098	929,777
Amounts due to related companies		–	34,646
Amounts due to minority owners of subsidiaries	20	146,823	115,730
Tax payables		470,719	411,642
Borrowings and loans	19	4,719,343	3,337,768
		9,220,306	7,827,821
Liabilities of disposal group classified as held for sale	7	1,192,249	–
Total current liabilities		10,412,555	7,827,821
Total liabilities		16,874,812	14,977,093
Total equity and liabilities		22,578,501	21,254,035
Net current assets		6,451,837	7,594,912
Total assets less current liabilities		12,165,946	13,426,214

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited												
	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Special capital reserve HK$'000	Statutory surplus reserve HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Foreign exchange reserve HK$'000	Other revaluation reserve HK$'000	Equity attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2015	297,587	2,164,682	1,074	157,315	68,541	353,746	273,089	2,353,426	240,813	6,435	5,916,708	360,234	6,276,942
Loss for the period	–	–	–	–	–	–	–	(513,033)	–	–	(513,033)	(44,639)	(557,672)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(13,195)	–	(13,195)	(46)	(13,241)
Release of other revaluation reserve on disposal of properties for sales held by associates, net of tax	–	–	–	–	–	–	–	–	–	(2,340)	(2,340)	–	(2,340)
Total comprehensive income for the period	–	–	–	–	–	–	–	(513,033)	(13,195)	(2,340)	(528,568)	(44,685)	(573,253)
Balance at 30 June 2015	297,587	2,164,682	1,074	157,315	68,541	353,746	273,089	1,840,393	227,618	4,095	5,388,140	315,549	5,703,689

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

		Unaudited													
		Attributable to owners of the Company													
	Note	Share capital	Share premium	Capital redemption reserve	Contributed surplus	Special capital reserve	Statutory surplus reserve	Share option reserve	Other reserves	Retained earnings	Foreign exchange reserve	Other revaluation reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2014		297,587	2,164,682	1,074	157,315	68,541	344,778	24,760	730	2,776,102	383,683	6,897	6,226,149	404,811	6,630,960
Loss for the period		–	–	–	–	–	–	–	–	(337,884)	–	–	(337,884)	(15,952)	(353,836)
Exchange differences arising on translation of foreign operations		–	–	–	–	–	–	–	–	–	(37,361)	–	(37,361)	(2,912)	(40,273)
Release of other revaluation reserve on disposal of properties for sales held by associates, net of tax		–	–	–	–	–	–	–	–	–	–	(554)	(554)	–	(554)
Total comprehensive income for the period		–	–	–	–	–	–	–	–	(337,884)	(37,361)	(554)	(375,799)	(18,864)	(394,663)
Dividend paid to non-controlling interest of a subsidiary		–	–	–	–	–	–	–	–	–	–	–	–	(12,593)	(12,593)
Partial disposal of interests in subsidiaries		–	–	–	–	–	–	–	272,359	–	–	–	272,359	30,675	303,034
Disposal of interest in a subsidiary		–	–	–	–	–	–	–	–	–	–	–	–	(6,227)	(6,227)
Release upon lapsed of share option	*21*	–	–	–	–	–	–	(24,760)	–	24,760	–	–	–	–	–
Transfer to statutory surplus reserve		–	–	–	–	–	3,203	–	–	(3,203)	–	–	–	–	–
Balance at 30 June 2014		297,587	2,164,682	1,074	157,315	68,541	347,981	–	273,089	2,459,775	346,322	6,343	6,122,709	397,802	6,520,511

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited Six months ended 30 June 2015 *HK$'000*	 2014 *HK$'000*
Cash flows from operating activities			
Net cash outflow from operations		(284,954)	(999,431)
Income tax paid		(35,317)	(89,931)
Cash flows used in operating activities – net		(320,271)	(1,089,362)
Cash flows from investing activities			
Decrease/(increase) in amounts due from associates		176,068	(353,672)
Increase in amounts due from joint ventures		(623,837)	(180,745)
Decrease in amounts due from joint ventures		20,085	–
(Increase)/decrease in pledged bank deposits – net		(881,561)	441,657
Acquisition of subsidiaries, net of cash paid		–	(1,127,900)
Net proceeds on disposal of a subsidiary	22	357	–
Other investing cash flows – net		28,250	(32,639)
Cash flows used in investing activities – net		(1,280,638)	(1,253,299)
Cash flows from financing activities			
Increase in amount due to a joint venture		824,321	159,604
(Decrease)/increase in amounts due to minority owners of subsidiaries		(1,039,742)	1,306,718
Increase in borrowings		4,197,474	3,497,952
Repayment of borrowings		(2,074,310)	(2,484,382)
Other financing cash flows – net		(34,646)	263,697
Cash flows from financing activities-net		1,873,097	2,743,589
Net increase in cash and cash equivalents		272,188	400,928
Cash and cash equivalents at the beginning of the period		1,098,074	942,721
Effect of foreign exchange rate changes		4,850	8,982
Cash of disposal group classified as held for sale	7	(204,842)	–
Cash and cash equivalents at the end of the period		1,170,270	1,352,631

The notes on pages 9 to 26 form an integral part of this interim consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Shanghai Zendai Property Limited (the "Company") is a public limited company incorporated in Bermuda. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Its registered office is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its principal place of business is at Unit 6108, 61/F, The Centre, 99 Queen's Road Central, Hong Kong.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in property development, property investment and provision of property management, hotel operation, travel and related services. The Company and all its subsidiaries are referred as the Group.

The condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. The condensed consolidated interim financial information was approved for issue on 28 August 2015 by the Board of Directors.

The condensed consolidated interim financial information has not been audited.

Key events

During the period, Smart Success Capital Ltd., a subsidiary of China Orient Asset Management (International) Holding Limited ("COAMI"), entered into share purchase agreements with the Company's original parent company, Giant Glory Assets Limited and its related entities to purchase the issued shares of the Company. After the transaction, Smart Success Capital Ltd. became the largest shareholder of the Company. As at 30 June 2015, Smart Success Capital Ltd. held 46.93% in the issued shares of the Company.

During the period, the Group completed the acquisition of 100% interests of a property development company, Nanjing Wudaokou Real Estate Co., Ltd. (南京五道口置業有限公司) ("Nanjing Wudaokou") from a third party. The consideration of the acquisition amounted to RMB1,043,210,000 (equivalent to approximately HK$1,304,010,000) which has been prepaid by the Group in November 2014. The major asset of Nanjing Wudaokou comprises a land parcel located in Jiangsu Province, the People's Republic of China (the "PRC").

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2.1 Going-concern basis

The Group meets its day-to-day working capital requirements through operation sales and external borrowings. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

3 ACCOUNTING POLICIES

Except the accounting policy as set out in Note 3.1, the other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Amendments to HKFRSs effective for the financial year ending 31 December 2015 do not have a material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

3.1 Disposal group held for sale

Disposal groups are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The disposal groups are stated at the lower of carrying amount and fair value less costs to sell.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – Continued

5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Entrusted loan receivables
- Pledged bank deposits
- Cash and cash equivalents
- Borrowings and loans
- Trade and other payables
- The following assets and liabilities within the held-for-sale disposal group:
  - Cash and cash equivalents
  - Trade and other receivables
  - Trade and other payables
  - Borrowings and loans

6 SEGMENT INFORMATION

Management of the Group determines the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance.

The Board considers the business primarily on the basis of the types of goods and services supplied by the Group. The Group is currently organized into four operating segments which comprise (i) sales of properties; (ii) properties rental, management and agency services; (iii) hotel operations; and (iv) provision of travel and related services.

The Board assesses the performance of the operating segments based on a measure of profit or loss before income tax. Certain expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the Board for assessment of segment performance.

Total segment assets exclude pledged bank deposits and head office and corporate assets, all of which are managed on a central basis.

The following table presents revenue and profit or loss before income tax information regarding the Group's operating segments for the six months ended 30 June 2015 and 2014 respectively.

6 SEGMENT INFORMATION – Continued

	Unaudited				
	Sales of properties *HK$'000*	Properties rental, management and agency services *HK$'000*	Hotel operations *HK$'000*	Travel and related services *HK$'000*	Group total *HK$'000*
Six months ended 30 June 2015					
Total segment revenue	869,968	198,699	90,730	2,156	1,161,553
Inter-segment revenue	–	(4,347)	–	–	(4,347)
Revenue from external customers	869,968	194,352	90,730	2,156	1,157,206
(Loss)/profit before income tax	(247,921)	37,339	(50,310)	(337)	(261,229)
Six months ended 30 June 2014					
Revenue from external customers	535,224	189,763	74,891	3,818	803,696
(Loss)/profit before income tax	(75,155)	47,643	(89,999)	(202)	(117,713)

6 SEGMENT INFORMATION – Continued

	Sales of properties *HK$'000*	Properties rental, management and agency services *HK$'000*	Hotel operations *HK$'000*	Travel and related services *HK$'000*	Group total *HK$'000*
As at 30 June 2015 (Unaudited)					
Total segment assets	16,029,643	3,171,897	1,285,241	155	20,486,936
Total segment assets include:					
Additions to non-current assets (a)	102	508	335	86	1,031
Interests in an associate	–	–	123,909	–	123,909
Interests in joint ventures	1,264,680	38,705	–	–	1,303,385
Total segment liabilities	14,164,192	302,842	37,433	550	14,505,017
As at 31 December 2014 (Audited)					
Total segment assets	15,654,268	3,259,945	1,488,335	1,403	20,403,951
Total segment assets include:					
Additions to non-current assets (a)	182,530	3,738	303,356	–	489,624
Interests in an associate	–	–	182,808	–	182,808
Interests in joint ventures	1,303,374	38,578	–	–	1,341,952
Total segment liabilities	12,694,265	465,812	28,753	1,462	13,190,292

(a) Amounts comprise additions to investment properties, property, plant and equipment and prepayment in leasehold land held for own use.

6 SEGMENT INFORMATION – Continued

A reconciliation of reportable segments profit or loss before income tax is provided as follows:

	Unaudited Six months ended 30 June 2015 *HK$'000*	Unaudited Six months ended 30 June 2014 *HK$'000*
Loss before income tax for reportable segments	**(261,229)**	(117,713)
Unallocated bank interest income	**20**	117
Dividend income from available-for-sale investments	**2,750**	1,698
Finance costs	**(203,166)**	(162,964)
Unallocated head office and corporate expenses	**(45,304)**	(36,898)
Loss before income tax	**(506,929)**	(315,760)

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Unaudited As at 30 June 2015 *HK$'000*	Audited As at 31 December 2014 *HK$'000*
Total segments' assets	**20,486,936**	20,403,951
Pledged bank deposits	**1,656,986**	775,425
Head office and corporate assets	**434,579**	74,659
Total assets	**22,578,501**	21,254,035
Total segments' liabilities	**14,505,017**	13,190,292
Borrowings and loans	**2,353,145**	1,769,427
Unallocated head office and corporate liabilities	**16,650**	17,374
Total liabilities	**16,874,812**	14,977,093

6 SEGMENT INFORMATION – Continued

The Group's operations are principally located in the PRC, Hong Kong and South Africa.

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments and deferred income tax assets ("specified non-current assets").

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 June		As at 30 June 2015	As at 31 December 2014
	2015	2014		
	HK$'000	HK$'000	*HK$'000*	HK$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
PRC	1,138,188	792,035	5,499,526	5,625,346
Hong Kong	2,156	3,818	–	–
South Africa	16,862	7,843	137,912	138,697
Total	1,157,206	803,696	5,637,438	5,764,043

7 DISPOSAL GROUP HELD FOR SALE

The assets and liabilities related to Langfang Zhenghetai Real Estate Co.,Ltd (廊坊市証合泰房地產開發有限公司) ("Zhenghetai"), a non-wholly owned subsidiary of the Company, have been presented as held for sale following the Group's decision to dispose this subsidiary during the period.

On 16 July 2015, the Group entered into a conditional agreement to dispose its entire holding interests of Zhenghetai to an independent third party for RMB127,000,000 (equivalent to HK$160,020,000).

Details of the transaction were more particularly set out in the announcement of the Company dated 16 July 2015.

Zhenghetai's assets and liabilities were measured at carrying amount, which was lower than the fair value less cost to sell at the date of held-for-sale classification.

7 DISPOSAL GROUP HELD FOR SALE – Continued

The major classes of assets and liabilities of Zhenghetai in the disposal group are as follows:

	30 June 2015 *HK$'000*
Assets classified as held-for-sale:	
– property, plant and equipment	437
– properties under development and completed properties held-for-sale	1,029,700
– cash and cash equivalents	204,842
– other current assets	72,497
Total assets of the disposal group	1,307,476
Liabilities directly associated with assets classified as held-for-sale:	
– trade and other payables	330,581
– borrowings and loans	459,145
– other current liabilities	402,523
Total liabilities of the disposal group	1,192,249
Total net assets of the disposal group	115,227

8 OTHER INCOME AND GAINS

	Unaudited Six months ended 30 June	
	2015 *HK$'000*	2014 *HK$'000*
Bank interest income	13,305	14,856
Interest income from entrusted loans receivables	5,381	5,367
Interest income from other receivables	2,146	1,758
(Loss)/gain on disposal of investment properties	(2,679)	8,960
Gain on disposal of a subsidiary *(Note 22)*	502	–
Dividend income from available-for-sale investment	2,750	1,698
Fair value gains of available-for-sale investment	347	–
Rental income *(Note a)*	2,905	3,919
Other gains	2,998	4,176
	27,655	40,734

(a) Rental income was derived from leases of certain office units included in properties for sales, which the Group intends to sell.

9 INCOME TAX EXPENSE

Majority of the Group entities are subjected to the PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% of the assessable income of each of these Group entities for the six months ended 30 June 2015 and 2014. Other companies are subjected to rates of taxation prevailing in the countries in which the Group operates respectively.

In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is levied at the properties developed by the Group for sale in the PRC. Land Appreciation Tax is charged on the appreciated amount at progressive rates ranged from 30% to 60%.

	Unaudited Six months ended 30 June	
	2015 *HK$'000*	2014 *HK$'000*
Current income tax:		
– PRC enterprise income tax(credit)/expense	(5,643)	6,850
– PRC land appreciation tax	75,785	29,742
Deferred income tax	(19,399)	1,484
	50,743	38,076

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for the six months ended 30 June 2015 and 2014.

10 DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (six months ended 30 June 2014: Nil).

11 LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the Group's loss for the period attributable to owners of the Company of approximately HK$513,033,000 (loss for the six months ended 30 June 2014: HK$337,884,000) and weighted average number of 14,879,352,000 (six months ended 30 June 2014: 14,879,352,000) ordinary shares in issue during the period.

12 PROPERTY, PLANT AND EQUIPMENT AND PAYMENT FOR LEASEHOLD LAND HELD FOR OWN USE UNDER OPERATING LEASES

	Unaudited	
	Property, plant and equipment *HK$'000*	**Payment for leasehold land held for own use under operating leases** *HK$'000*
Opening net book amount as at 1 January 2015	**689,491**	**625,700**
Exchange differences	**2,267**	**2,058**
Additions	**1,031**	**–**
Depreciation and amortization	**(17,288)**	**(11,621)**
Disposals	**(1,026)**	**–**
Property, plant and equipment classified as held-for-sale *(Note 7)*	**(437)**	**–**
Closing net book amount as at 30 June 2015	**674,038**	**616,137**
Opening net book amount as at 1 January 2014	393,259	617,316
Exchange differences	(3,069)	(4,804)
Additions	7,860	–
Transferred from completed properties held-for-sale	313,946	35,466
Depreciation and amortization	(9,166)	(11,417)
Disposals	(5,049)	–
Closing net book amount as at 30 June 2014	697,781	636,561

13 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 June 2015 ***HK$'000*** **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Investment in other unlisted interests, at cost (a)	**67,480**	67,259
Investment in funds, at fair value (b)	**–**	2,648
	67,480	69,907
Less: Non-current portion	**(67,480)**	(67,259)
Current portion	**–**	2,648

(a) The balance represents investments cost of HK$67,480,000 (31 December 2014: HK$67,259,000) in two private entities established in the PRC and are classified under non-current assets. They are measured at cost less any impairment at the end of each reporting period for the fact that the equity instruments do not have a quoted market price in an active market and their fair values cannot be measured reliably.

(b) In January and March 2015, the Group disposed these funds which were operated by Agricultural Bank of China and Bank of Communication.

14 PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD-FOR-SALE

	As at 30 June 2015 *HK$'000* (Unaudited)	As at 31 December 2014 HK$'000 (Audited)
Properties under development		
Land use rights	4,037,270	3,282,395
Development costs and capitalised expenditure	2,121,020	2,650,703
Finance costs capitalised	638,125	500,708
	6,796,415	6,433,806
Completed properties held-for-sale		
Land use rights	176,447	199,144
Development costs and capitalised expenditure	1,611,650	1,787,286
Finance costs capitalised	68,162	81,827
	1,856,259	2,068,257
	8,652,674	8,502,063

During the six months ended 30 June 2015, a write-down of HK$66,111,000 (For the six months ended 30 June 2014: Nil) has been recognised mainly attributable to the decrease in estimated net realisable value of certain properties under development and completed properties held-for-sale located in the city of Haimen, the PRC.

15 TRADE AND OTHER RECEIVABLES

The Group generally grants no credit period to its customers on sales of properties, except for certain significant transactions where credit terms or settlement schedules are negotiated on an individual basis. A credit period ranging from 30 to 60 days is granted to customers in hotel services, travel and related services.

Included in trade and other receivables of the Group are trade receivables of HK$21,226,000(31 December 2014: HK$77,656,000). The aging analysis of trade receivables at the end of reporting period is as follows:

	As at 30 June 2015 *HK$'000* (Unaudited)	As at 31 December 2014 *HK$'000* (Audited)
Amount non past due	3,973	65,978
Less than 1 month past due	4,969	2,897
1 to 3 months past due	2,041	3,012
More than 3 months but less than 12 months past due	6,563	3,085
More than 12 months past due	3,680	2,684
Amount past due but not impaired	17,253	11,678
	21,226	77,656

(a) The balance of HK$17,253,000 (31 December 2014: HK$11,678,000) was past due but not impaired. The Group recognised impairment loss on individual assessment and the directors consider the balance would be recoverable.

16 DEPOSITS FOR PROPERTY UNDER DEVELOPMENT AND LAND USE RIGHTS

During the period, an amount of approximately RMB1,043,210,000 (equivalent to approximately HK$1,304,010,000) of the deposits for land use rights has been transferred to properties under development due to the completion of the acquisition of a parcel of land.

17 PLEDGED BANK DEPOSITS

The Group's pledged bank deposits represented deposits pledged to banks to secure bank loans granted to the Group. The pledged bank deposits carry interest ranging from 0.35% to 3.30% per annum (31 December 2014: ranging from 3.00% to 3.30% per annum).

18 TRADE, NOTES AND OTHER PAYABLES

Included in trade, notes and other payables of the Group are trade and notes payables of HK$710,007,000 (31 December 2014: HK$913,620,000). The aging analysis of trade and notes payables at the end of reporting period is as follows:

	As at 30 June 2015 HK$'000 (Unaudited)	As at 31 December 2014 HK$'000 (Audited)
Non past due or less than 1 month	469,949	733,405
1 to 3 months	69,604	20,016
More than 3 months but less than 12 months	63,040	53,824
More than 12 months	76,265	46,531
	678,858	853,776
Retention money	31,149	59,844
	710,007	913,620

The trade payables mainly represented accrued construction costs payable to contractors and the amounts will be paid upon the completion of cost verification process between the contractors and the Group.

19 BORROWINGS AND LOANS

	As at 30 June 2015 HK$'000 (Unaudited)	As at 31 December 2014 HK$'000 (Audited)
Non-current	4,859,722	4,550,096
Current	4,719,343	3,337,768
	9,579,065	7,887,864

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June 2015 HK$'000	Unaudited Six months ended 30 June 2014 HK$'000
At the beginning of the period	7,887,864	6,144,679
Proceeds of new borrowings	4,197,474	3,497,952
Repayments of borrowings	(2,074,310)	(2,484,382)
Borrowings classified as held-for-sale *(Note 7)*	(459,145)	–
Exchange differences	27,182	(27,696)
At the end of the period	9,579,065	7,130,553

19 BORROWINGS AND LOANS – Continued

(a) Included in certain bank loans agreements are terms that (i) the Group has to fulfil certain financial covenants and (ii) require Mr. Dai Zhikang ("Mr. Dai"), the ex-controlling shareholder and the ex-executive director of the Company to beneficially own, directly or indirectly, 35% or more of the issued share capital and ownership interests in the Company or to remain as the single largest shareholder of the Company. If the Group breaches these terms, the lenders of the loans may demand for immediate repayment of the loans.

As at 30 June 2015, the Group has breached the terms as set out in (i) and (ii) above for two bank loans amounting to HK$383,333,000(2014：HK$516,668,000) (the "Loans"). Accordingly, the Loans have been reclassified as current liabilities. On 21 August 2015, the Company repaid one of the bank loans of HK$50,000,000. The Group and Smart Success Capital Ltd. are in the progress of negotiating with the lender for a waiver for an immediate repayment of the remaining loan of HK$333,333,000.

As at the report issuance date, the net exposure of the remaining loan is HK$102,888,000 (being the outstanding balance at 30 June 2015 of HK$333,333,000 after deducting principal repaid amounted to HK$16,667,000 in July 2015 and pledged bank deposits of HK$213,778,000).

20 AMOUNTS DUE TO MINORITY OWNERS OF SUBSIDIARIES

The amounts are unsecured, interest-free and repayable on demand, except for the amounts of HK$915,048,000 (31 December 2014: HK$1,908,117,000) which borne interest at 12% to 15% per annum (2014: 12% to 16%), repayable in 2 years (2014: 3) and pledged with several Group subsidiaries' shares.

21 SHARE OPTION SCHEME

The Company adopted a share option scheme in July 2012 (the "2012 Share Option Scheme"), for primary purpose of providing incentives to eligible participants. The 2012 Share Option Scheme will expire in July 2022.

No option was granted under the 2012 Share Option Scheme during the six months ended 30 June 2014 and 2015.

No option (31 December 2014: Nil) was outstanding, vested and exercisable at 30 June 2015.

No option had lapsed (six months ended 30 June 2014: 182,000,000 shares) during the six months ended 30 June 2015. No lapsed option (six months ended 30 June 2014: HK$24,760,000) was released directly to retained earnings.

22 DISPOSAL OF INTEREST IN A SUBSIDIARY

In June 2015, the Group disposed 100% equity interests of a subsidiary, Shanghai Zendai Himalayas Performing Co., Ltd (上海証大喜瑪拉雅演藝有限公司) ("Himalayas Performing") to a third party at a consideration of HK$3,588,000. The effect of disposal of the subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	From 1 January 2015 to the disposal date *HK$'000*
Proceeds received in cash on disposal of the subsidiary	3,588
Carrying value of the Himalayas Performing's net assets disposed	(3,086)
Gains on disposal of the subsidiary	502

22 DISPOSAL OF INTEREST IN A SUBSIDIARY – Continued

The assets and liabilities arising from the disposal are as follows:

	Carrying value as at disposal date *HK$'000*
Property, plant and equipment	616
Inventory	2
Trade and other receivables	3,310
Cash and cash equivalents	3,231
Other payables	(4,073)
Net assets disposed	3,086
Inflow of cash to dispose a subsidiary, net of cash disposed	
Proceeds received in cash	3,588
Cash and cash equivalents in a subsidiary disposed of	(3,231)
Net cash inflow on disposal	357

23 FINANCIAL GUARANTEES

The Group had the following financial guarantees as at 30 June 2015 and 31 December 2014:

	As at 30 June 2015 *HK$'000* **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Guarantees in respect of mortgage facilities for certain purchasers, net of mortgages received and included in receipts in advance from customers	**269,569**	165,447

As at 30 June 2015 and 31 December 2014, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by the respective purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then to be pledged with the banks.

24 COMMITMENTS

(a) Commitments in respect of properties under development and investment properties:

	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
Contracted but not provided for	2,637,306	1,964,278

(b) As at 30 June 2015 and 31 December 2014, the Group had future aggregate minimum rental receivables and payables under non-cancellable operating leases as follows:

	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
As leasor:		
Rental receivables in respect of investment properties		
Not later than one year	144,968	91,258
Later than one year and not later than five years	376,873	285,318
Later than five years	311,106	415,148
	832,947	791,724

	30 June 2015 HK$'000 (Unaudited)	31 December 2014 HK$'000 (Audited)
As leasee:		
Rental payables in respect of buildings		
Not later than one year	4,874	1,687
Later than one year and not later than five years	5,949	6,402
Later than five years	27,383	25,819
	38,206	33,908

25 LITIGATION

On 24 April 2013, the Shanghai No. 1 Intermediate People's Court issued a judgement ("the Trial Judgement") granting Shanghai Zendai Land Company Limited, a wholly-owned subsidiary of the Company, an order to invalidate the agreement on disposal of shareholding of Shanghai Haizhimen Property Management Co., Ltd. ("Shanghai Haizhimen"), the then associate of the Group, through the transfer of the entire equity interests of Shanghai Zendai Wudaokou Property Company Limited ("Shanghai Zendai Wudaokou", a then subsidiary of the Company which held 40% equity interests in Shanghai Haizhimen), to an independent third party ("Purchaser").

On 7 May 2013, an appeal (the "Appeal") was lodged with the Higher People's Court of Shanghai against the Trial Judgment. As advised by the Company's PRC legal advisers, since the Trial Judgement cannot be enforced and will not become effective pending the results of the Appeal, the Company does not hold the entire equity interests of Shanghai Zendai Wudaokou. In case the Appeal is unsuccessful, the equity interests of Shanghai Zendai Wudaokou would revert to the Group and the previously received consideration which amounted to RMB2,860,000,000 (equivalent to HK$3,605,648,000) may need be paid back to the Purchaser. The Company's PRC legal advisers consider that the legal grounds on which the Trial Judgment was based are mistaken and are of the view that there are valid grounds for the Appeal and that the Company has a reasonable chance to win the Appeal. The Company considers that the Trial Judgement does not have any material adverse effect on the operations or financial position of the Group.

As at the date of approval of the interim financial information, the result of the Appeal is not available. The directors of the Company, after consultation with the PRC legal advisers, do not consider a need to make any provision in respect of the Appeal and Trail Judgement, nor any impairment in respect of other receivables amounting to RMB100,000,000 (equivalent to HK$126,486,000) in respect of outstanding portion of the consideration due from the Purchaser.

26 RELATED-PARTY TRANSACTIONS

In addition to the related party information and transactions disclosed elsewhere in the condensed consolidated interim financial information, the following is a summary of significant related party balances and transactions entered into the ordinary course of business between the Group and its related parties.

(a) Key management compensation

	Unaudited	
	Six months ended 30 June	
	2015 *HK$'000*	2014 *HK$'000*
Short-term benefits	9,792	9,773

(b) As at 30 June 2015, COAMI provided guarantees on certain borrowings of the Group amounting to HK$1,861,893,000 (31 December 2014 : Nil). During the period, the service fee amounting to HK$22,529,000 was accrued by the Group.

(c) As at 30 June 2015, Shenzhen Orient Venture Capital Co., Ltd. (深圳東方創業投資有限公司), a subsidiary of COAMI, provided entrusted loans to the Group amounting to HK$1,366,051,000 with interest rate from 9% to 12% per annum.

(d) As at 30 June 2015, the Group had an outstanding loan amounted to HK$878,405,000 with an interest rate of 12% per annum due to Wisdom Mind Holdings Corp, a subsidiary of COAMI.

(e) As at 30 June 2015, the Group provided guarantees on certain borrowings of its joint ventures amounting to HK$999,241,000 (31 December 2014: HK$239,536,000). No service fee is charged for the guarantee provided.

(f) As at 30 June 2015, the Group provided an entrusted loan to its joint venture amounting to RMB100,000,000 (equivalent to HK$126,486,000) with interest rate 9% per annum (31 December 2014: RMB100,000,000 (equivalent to HK$126,072,000)).

27 EVENTS AFTER REPORTING PERIOD

In addition to the subsequent event disclosed in Note 7, the following is a summary of other events occurring after the reporting period.

On 12 and 24 August 2015, the Group signed contracts to acquire the entire issued share capital of six project companies (the "Target Companies") and receivables for a total consideration of RMB4,513,610,000 (equivalent to HK$5,461,470,000). The major assets of the Target Companies are the land use rights to certain land parcels located in Gulou District, Nanjing, Jiangsu Province, the PRC.

Details of the transaction were more particularly set out in the announcement of the Company dated 25 August 2015.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF SHANGHAI ZENDAI PROPERTY LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 2 to 26, which comprises the interim condensed consolidated statement of financial position of Shanghai Zendai Property Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2015 and the related interim condensed consolidated income statement, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information 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 of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

Our responsibility is to express a conclusion on this interim financial information based on our review 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 interim financial information consists of making inquiries, 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 information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The board of directors of Shanghai Zendai Property Limited (the "Company" or "Shanghai Zendai") hereby announces the interim results of the Company and its subsidiaries (collectively the "Group") for the period ended 30 June 2015 (the "period" or "period under review").

During the period under review, turnover of the Group amounted to approximately HK$1,157,206,000, representing an increase of 44% against approximately HK$803,696,000 for the same period in 2014. The turnover was mainly attributed to:

- Delivery of residential properties in Langfang, Shanghai Mandarin Palace, Xizhen and Haimen

- Delivery of residential properties in Qingdao Zendai Thumb Plaza

Loss attributable to shareholders of the Company (the "Shareholders") was approximately HK$513,033,000, an increase of 52% as compared with the same period of last year (loss for the same period of last year: HK$337,884,000). Basic loss per share of the Company (the "Share") was HK$3.45 cents (basic loss per share for the same period in 2014: HK$2.27 cents). The substantial increase in loss of the Group in the period was mainly due to:

- a decrease in gross profit due to the gross profit margin of recognized items in the current period being lower than the corresponding period in the previous year;

- a specific provision for diminution in value of properties under development in Haimen of approximately HK$66,111,000; and

- an increase in interest expense due to increased borrowing amount.

Business Review

In February 2015, Shanghai Zendai announced that 50.03% of its issued share capital was acquired by Smart Success Capital Ltd., a subsidiary of COAMI.

During the period under review, the property market still saw a gentle adjustment in general performance, with sales remaining in a weak momentum. Despite this, Shanghai Zendai will continue to reinforce its existing product lines and brands, with a focus on developing residential and commercial property projects. As an integrated real estate developer, Shanghai Zendai has the capability of developing both residential and commercial properties, and is developing commercial properties such as commercial complexes and office buildings in the key regions including Shanghai and Nanjing, with a view to offering high quality and dynamic complementary facilities and construction products for living and cultural consumption purposes.

During the period, the Group had property projects under development in 12 cities in the PRC which are in northern China and the Yangtze River Delta Economic Region as dominated by Shanghai and Nanjing, as well as the overseas real estate development projects. The Group progressively promoted project development both domestically and abroad and strategically developed property portfolios which could cater for market needs, so as to broaden its sources of income.

As the land and property projects acquired in recent years were still in the planning or development stages, which were not ready to be launched to the market for sale, the turnover during the period was mainly generated from the delivery of its existing residential projects in Langfang, Shanghai Mandarin Palace, Xizhen, Qingdao Zendai Thumb Plaza and Haimen.

Commercial Property Projects in China

Shanghai

Shanghai Zendai Thumb Plaza

Shanghai Zendai Thumb Plaza (the "Plaza") is an integrated commercial complex in a prime location near Shanghai's Century Park and the Lujiazui financial district. As at 30 June 2015, the Group still owned 40,333 square metres of commercial space and 430 underground car-parking spaces in the Plaza. As at 30 June 2015, more than 95% of the commercial space in the Plaza had been leased. Rental income recognised during the period was approximately RMB22,245,000 (equivalent to approximately HK$28,102,000).

Radisson Blu Hotel Pudong Century Park

The Group's five-star Radisson Blu Hotel Pudong Century Park is located in the Plaza. The 18-storey hotel boasts a gross floor area of 31,530 square metres and 361 guest rooms, a four-storey ancillary building and one level of basement. It is managed under the "Radisson Blu" brand by Carlson Companies. In the first half of 2015, the average occupancy rate of the hotel was 60%, and total income of the hotel reached approximately RMB52,878,000 (equivalent to approximately HK$66,799,000), approximating to the income for the same period of last year.

Zendai Xizhen Thumb Plaza

The Group owns a parcel of land with an area of approximately 140,099 square metres in the tourist district of Zhujiajiao Town, Qingpu District, Shanghai. It is to be developed as Zendai Xizhen Thumb Plaza comprising mid-range to high-end residential properties, retail shops, resort villas and resort hotel in two phases, with a total gross floor area of approximately 151,066 square metres.

Phase I has a gross floor area of approximately 86,911 square metres, which will be comprised of residential properties (41,976 square metres) and commercial areas (44,935 square metres). The Group intends to recruit tenants for the commercial areas, including large international cinemas, mid-range to high-end restaurants and supermarkets. During the period under review, a total residential saleable areas of 1,087 square metres were sold, generating a total contract value of RMB7,471,000 (equivalent to approximately HK$9,438,000). Residential and commercial areas of 3,854 square metres and 278 square metres were delivered respectively during the period, and a total contract value of RMB65,562,000 (equivalent to approximately HK$82,822,000) and RMB4,062,000 (equivalent to approximately HK$5,131,000) were recognised as turnover respectively. As at 30 June 2015, total residential and commercial saleable areas of 18,683 square metres and 12,080 square metres had been sold respectively, generating a total contract value of RMB339,676,000 (equivalent to approximately HK$429,101,000) and RMB321,499,000 (equivalent to approximately HK$406,138,000) respectively.

Construction of Phase II with a gross floor area of approximately 64,155 square metres commenced in the fourth quarter of 2013, with resort villas (39,455 square metres) and a resort hotel (24,700 square metres) to be erected and expected to be completed in 2016. The resort villas have started pre-sale in November 2014, and total saleable areas of 9,119 square metres were sold during the period under review, generating a total contract value of RMB131,353,000 (equivalent to approximately HK$165,934,000). As at 30 June 2015, a saleable area of 15,032 square metres had been sold, generating a total contract value of RMB248,284,000 (equivalent to approximately HK$313,648,000) respectively.

Shanghai Himalayas Center

The Group's 45%-owned Shanghai Zendai Himalayas Center is located in the heart of Pudong, Shanghai. Designed by Arata Isozaki, an internationally acclaimed architect, it is a landmark within the Pudong New District. The Zendai Himalayas Center is an amalgam of the Jumeirah Himalayas Hotel Shanghai, shopping centre and other auxiliary facilities (comprising the DaGuan Theatre and the Himalayas Art Museum). The project occupies a site area of 28,893 square metres with a total gross floor area of approximately 162,207 square metres (including underground car-parking space of 26,287 square metres).

The Jumeirah Himalayas Hotel Shanghai, a luxury five-star hotel managed by the Jumeirah Hotel Group from Dubai, is the Jumeirah Hotel Group's first hotel in Asia Pacific. The hotel boasts a gross floor area of 60,452 square metres, providing 393 guest rooms. Enjoying a favourable location, the hotel is adjacent to the Shanghai New International Expo Center which connects with No. 7 metro line and is within walking distance to the maglev station. The average occupancy rate of the hotel during the period under review was 69%, generating a total income of approximately RMB94,276,000 (equivalent to approximately HK$119,095,000), representing an increase of 9% as compared with the same period of last year. The high-quality environment and service of the Jumeirah Himalayas Hotel Shanghai won acclaims across the industry. In recent years, the Jumeirah Himalayas Hotel Shanghai was named as Best Chinese Restaurant in 2014 by "City Weekend" magazine, Best Hotel Restaurant in 2014 by "DiningCity.CN", and Best Hotel by "Elite Travellers". The hotel was listed in the 100 Best Hotels in 2014, voted as the Best Design Hotel in 2015, named as the Best Ctrip Business Hotel in 2015, rated as the Best Hotel SPA in 2015 by "City Weekly" and voted the Best Wedding Hotel in 2015.

During the period under review, around 77% of the commercial space of the shopping centre in the Zendai Himalayas Center with a leasable area of 23,362 square metres was leased, generating a rental income of approximately RMB17,112,000 (equivalent to approximately HK$21,617,000).

Nanjing

Nanjing Himalayas Center

The Group is planning to develop the G15 land parcel in a prime location around Nanjing South Train Station into Himalayas Center with a site area of approximately 93,526 square metres and an expected total gross floor area of approximately 622,588 square metres, marking an important advance in the Group's implementation of the development of "Himalayas Integrated Commercial Projects". The project will be developed in three phases.

The first phase of the project has a gross floor area of approximately 186,737 square metres, including 56,772 square metres of service apartments, 4,801 square metres of commercial space, 37,117 square metres of office building, 21,776 square metres of hotel and 66,271 square metres of underground car-park. The first phase with a total saleable area of 94,416 square metres, including 54,199 square metres of service apartments, 3,437 square metres of commercial space and 36,780 square metres of office building, has commenced pre-sale in April 2015. During the period under review, total service apartments, commercial space and office building saleable areas of 1,513 square metres, 2,614 square metres and 2,905 square metres were sold respectively, generating a total contract value of RMB25,235,000 (equivalent to approximately HK$31,878,000), RMB100,983,000 (equivalent to approximately HK$127,568,000) and RMB48,590,000 (equivalent to approximately HK$61,382,000) respectively.

The second phase of the project, covering a gross floor area of approximately 208,220 square metres, is intended to be developed into service apartments, a commercial complex, commercial streets and office buildings, including 52,248 square metres of service apartments, 22,347 square metres of commercial space, 50,211 square metres of office building and 83,414 square metres of underground car-park. Construction of the second phase has commenced in the third quarter of 2014.

The third phase of the project, covering a gross floor area of approximately 227,631 square metres, is intended to be developed into service apartments, a commercial complex and office buildings, including 13,195 square metres of service apartments, 86,334 square metres of commercial space, 57,100 square metres of office building and 71,002 square metres of underground car-park. Construction of the third phase is expected to commence in the third quarter of 2015.

The First Phase of "Riverside Thumb Plaza" in Nanjing

The Group owns a parcel of land located at the west of Rehe Road and the north of Shiqiao Road Xiaguan District, Nanjing, Jiangsu Province. The land with a site area of approximately 13,220 square metres is planned to be developed into an integrated complex comprising apartments and commercial space with a gross floor area of approximately 83,610 square metres, including 75,932 square metres of apartments and 7,678 square metres of commercial space. Construction of the project has commenced in June 2014 and pre-sale is expected to begin in the second half of 2015.

The Second Phase of "Riverside Thumb Plaza" in Nanjing

The Group owns another parcel of land located at the west of Rehe Road and the north of Shiqiao Road Xiaguan District, Nanjing, Jiangsu Province. The land with a site area of approximately 26,318 square metres is planned to be developed into an integrated complex comprising apartments and commercial space with a gross floor area of approximately 98,014 square metres, including 69,706 square metres of apartments and 28,308 square metres of commercial space. Construction of the project has commenced in March 2015 and pre-sale is expected to begin in the second half of 2015.

Other Cities

Qingdao Zendai Thumb Plaza

Qingdao Zendai Thumb Plaza is located in the central business area, Haier Road in Qingdao City, Shandong Province, the PRC. The project has a site area of approximately 38,092 square metres with a total gross floor area occupying approximately 213,059 square metres. It includes retail shops (68,129 square metres), a hotel (29,593 square metres), service apartments (70,066 square metres) and a car-park (45,271 square metres).

During the period under review, a total saleable area of service apartments of 2,536 square metres was sold, generating a total contract value of RMB33,080,000 (equivalent to approximately HK$41,789,000). During the period, 2,827 square metres were delivered and a total contract value of RMB37,023,000 (equivalent to approximately HK$46,770,000) was recognised as turnover. As at 30 June 2015, a total saleable area of 48,307 square metres had been sold, generating a contract value of RMB720,048,000 (equivalent to approximately HK$909,611,000).

As at 30 June 2015, around 93% of the commercial space (leasable area of which was 50,151 square metres) was leased, generating a rental income of RMB13,338,000 (equivalent to approximately HK$16,850,000) during the period.

Himalayas Qingdao Hotel, located in the Qingdao Zendai Thumb Plaza, is managed by the Group's own hotel management company under the Group's "Himalayas" brand. The average occupancy rate of the hotel during the period was 49%, generating a total income of RMB16,781,000 (equivalent to approximately HK$21,200,000).

Zendai Nantong Yicheng Thumb Plaza

Zendai Nantong Yicheng Thumb Plaza has a total site area of 281,912 square metres. Shanghai Zendai owns 50% interest in the land parcel and is to assume a leading role in the management of the project. Due to its prime location, the project has been included in the "Key Cultural Industry Projects in Nantong City" and "Key Development Projects in Chongchuan District". The project occupies a total gross floor area of approximately 279,076 square metres (including car-parking space and ancillary facilities of 77,143 square metres).

Construction of the project is divided into three phases. The first phase comprises a leasable commercial area of approximately 38,737 square metres, of which 90% had been leased as at 30 June 2015. The second phase is an ancillary residential project with a total gross floor area of approximately 97,430 square metres (with an underground area of 23,993 square metres). As at 30 June 2015, a total saleable area of 65,817 square metres (including 37,944 square metres of multi-storey apartments, 26,109 square metres of town houses and 1,764 square metres of detached houses) of the residential project had been sold, generating a total contract value of RMB755,797,000 (equivalent to approximately HK$954,771,000), of which areas of 696 square metres (all were multi-storey apartments) were sold during the period, generating a total contract value of RMB6,822,000 (equivalent to approximately HK$8,618,000). During the period under review, 6,770 squares metres of residential properties (including 5,472 square metres of multi-storey apartments and 1,298 square metres of town houses) were delivered, generating a total contract value of RMB60,802,000 (equivalent to approximately HK$76,809,000). The third phase is to cover a total area of approximately 142,909 square metres (with an underground area of 53,150 square metres), comprising a commercial area of 60,979 square metres (with an underground area of 21,000 square metres) in Phase 2 of Old Town, and a commercial area of 14,967 square metres and residential area of approximately 66,963 square metres (with an underground area of 32,150 square metres) in Old Town, New Port. The construction of Old Town, New Port has commenced in May 2014 with most of the top up work completed by mid-2015 while the construction of Phase 2 of Old Town currently hasn't commenced yet.

Yangzhou Commercial Project

The Group is developing an integrated project for commercial, cultural, leisure and entertainment use in the heart of Yangzhou City, including a cultural sightseeing area and a commercial district. The project, to be developed in two phases, is to have a total saleable area of approximately 81,200 square metres. The construction of Phase I has completed, including 12 blocks and 243 units with a gross floor area of approximately 20,089 square metres. As at 30 June 2015, the remaining area of 18,392 square metres was used for rental purposes. Planning of Phase II is still underway.

Project in Chenmai County, Hainan Province

The Group owns 60% interest in a parcel of land in Chenmai County, Hainan Province with a site area of 1,309,563 square metres. The land is intended to be developed into a leisure-related commercial and residential property, including hotels, villas and other related facilities. Related layouts and concrete design are currently under contemplation.

A Parcel of Land in Jingyue Economic Development Zone, Changchun City, Jilin Province

The Group is planning to develop a parcel of land in Changchun City, Jilin Province into a commercial property comprising retail shops, offices and service apartments. The project, with a site area of approximately 17,354 square metres, will comprise a total gross floor area of approximately 119,351 square metres, including 8,467 square metres of commercial space, 87,679 square metres of office space and 23,205 square metres of an underground car-park. Construction of the project started in May 2013.

Residential Projects in China

Shanghai

Mandarin Palace

"Mandarin Palace", the Group's premium residential project in Shanghai, comprises 56 villas with a total saleable area of approximately 43,447 square metres. The project is to be developed in two phases. The first phase comprises 47 villas with a total saleable area of 33,636 square metres, the construction of which was completed in 2011 and were all delivered. The second phase comprises 9 villas with a total saleable area of 9,811 square metres which were all sold out. During the period under review, a villa with an area of 1,755 square metres was delivered, generating a contract value of RMB110,736,000 (equivalent to approximately HK$139,889,000).

Other Cities

"Zendai Garden-Riverside Town" in Haimen

The "Zendai Garden-Riverside Town" project in Haimen, Jiangsu Province comprises two parcels of land occupying a total site area of 1,389,021 square metres.

The first parcel is to be developed in two parts.

"Dong Zhou Mansion", the first part of the parcel, is being developed in two phases with Phase I offering 52 villas which were all sold out. Phase II of the "Dong Zhou Mansion" is to be developed into 94 villas with a total gross floor area of approximately 82,202 square metres, the construction of which already commenced in February 2014 and pre-sale permit is expected to be obtained on the first half of 2016, and is expected to be completed in 2017.

"Multiflora Garden", the second part of the project, is being developed in three phases into an integrated residential area comprising low density town houses. Phases I and II offer a total of 212 units with a saleable area of approximately 57,232 square metres which were all sold out. As at 30 June 2015, an area of 5,142 square metres remained undelivered. Phase III has a total gross floor area of approximately 92,584 square metres and a saleable area of approximately 91,817 square metres. As at 30 June 2015, a total saleable area of 60,732 square metres had been sold, generating a total contract value of RMB375,759,000 (equivalent to approximately HK$474,683,000). During the period, a total saleable area of approximately 2,991 square metres was sold, generating a total contract value of RMB16,540,000 (equivalent to approximately HK$20,895,000). During the period, an area of 2,543 square metres was delivered and a total contract value of RMB13,928,000 (equivalent to approximately HK$17,594,000) was recognised as turnover in the period.

The second parcel of land is being developed into residential properties and ancillary commercial space in phases.

The first phase, Qinghua Garden Ecological Houses, occupies a site area of approximately 42,070 square metres with a saleable area of approximately 56,169 square metres. As at 30 June 2015, a cumulative area of 49,776 square metres had been sold, generating a total contract value of RMB223,503,000 (equivalent to approximately HK$282,343,000). An area of 1,066 square metres was sold during the period, generating a total contract value of RMB4,408,000 (equivalent to approximately HK$5,569,000). During the period under review, an area of 689 square metres was delivered and a total contract value of RMB3,350,000 (equivalent to approximately HK$4,232,000) was recognised as turnover.

The Phase II, Shui Qing Mu Hua Garden, with a site area of 157,717 square metres, is to be developed into small high-rise residential properties with ancillary commercial space in two sections with a saleable area of approximately 194,088 square metres. The first section offers a saleable area of 81,394 square metres. As at 30 June 2015, an area of 56,827 square metres had been sold, generating a total contract value of RMB263,231,000 (equivalent to approximately HK$332,530,000). During the period, an area of 3,940 square metres was sold, generating a total contract value of RMB17,808,000 (equivalent to approximately HK$22,497,000). An area of 1,448 square metres involving a contract value of RMB6,567,000 (equivalent to approximately HK$8,295,000) was delivered. The second section offers a saleable area of approximately 112,694 square metres, which will be developed by stages, the pre-sale permit of the first stage has been obtained in the July 2015, while the whole second stage will be completed in 2018.

The Phase III, named as Spanish Exotic Street with a site area of 5,319 square metres, has been developed into a commercial plaza with a saleable area of 7,497 square metres.

The Phase IV, named as "Thumb Plaza" with a site area of 18,919 square metres, is to be developed into a commercial plaza with a total gross floor area of 45,514 square metres, the construction of which commenced in April 2012 and is expected to be completed in the second half of 2015.

Two parcels of land at Longhe Industrial Zone, Langfang, Hebei Province

The Group holds 73% of equity interest of Langfang Zhenghetai Property Development Limited in Langfang which owns two parcels of land at Longhe Industrial Zone, Langfang, Hebei Province.

The first parcel of land with an area of 105,535 square metres will be developed into an integrated complex with high-end residential properties, commercial space and offices, with an estimated total saleable area of approximately 254,621 square metres. The project is to be developed in three phases and already commenced construction in May 2013.

The first phase will be developed into high-rise and multi-storey residential properties with a total saleable area of approximately 87,695 square metres, and pre-sale has started in March 2014. As at 30 June 2015, a cumulative area of 70,197 square metres had been sold, generating a total contract value of RMB475,595,000 (equivalent to approximately HK$600,802,000), of which an area of 3,811 square metres has been sold in the period, generating a total contract value of RMB28,045,000 (equivalent to approximately HK$35,429,000). An area of 61,190 square metres has been delivered during the period under review, generating a total contract value of RMB435,892,000 (equivalent to approximately HK$550,647,000) which has been recognized as turnover.

The superstructure work of the commercial area of the second phase with a gross floor area of 79,674 square metres was completed, and the construction is expected to be finished in the second half of 2015.

The residential properties of the third phase, with a saleable area of 87,252 square metres, commenced pre-sale in September 2014. During the period under review, a total saleable area of 24,360 square metres was sold, generating a total contract value of RMB174,189,000 (equivalent to approximately HK$220,047,000). As at 30 June 2015, a cumulative area of 46,873 square metres had been sold, generating a total contract value of RMB327,679,000 (equivalent to approximately HK$413,945,000).

The second parcel of land with a site area of 45,492 square metres will be developed into a residential property with a gross floor area of 121,484 square metres in order to cater for the local demand.

In July 2015, the Group signed a contract to disposal all its equity interest in Langfang Zhenghetai Property Development Limited at a consideration of RMB127,000,000 (equivalent to approximately HK$160,020,000), and the related equity transfer procedures will be completed in the second half of 2015.

A parcel of Land in Yantai Development Zone

The Group and 煙台開發區宏遠物業有限公司 (Yantai Hong Yuan Property Company Limited*) entered into a cooperation agreement to develop "Yantai Thumb Project" located at E-9 District, Yantai Development Zone, Yantai, Shandong Province, pursuant to which Shanghai Zendai holds 70% equity interests in the "Yantai Thumb Project". The project occupies an area of 26,476 square metres and is still under planning stage.

Land Parcels in Inner Mongolia Autonomous Region

The Group owns two parcels of land in Dongsheng Kangbashi New Area, Ordos City, Inner Mongolia Autonomous Region, the PRC, with a total site area of 248,118 square metres. The two land parcels are intended to be developed into villas in phases with a planned saleable area of 122,890 square metres. The project was suspended due to the changes of market conditions.

Overseas Projects

Residential project in New Zealand

Top Harbour Limited, a company incorporated in New Zealand and in which the Group holds 45% equity interests, owns a parcel of land in Whangaparaoa Peninsula, Auckland, New Zealand with an area of approximately 320,000 square metres. The site is about 25 kilometres away from downtown Auckland and is intended to be developed as high-end residential development. The project, with a total gross floor area of approximately 170,000 square metres, can be developed into about 1,000 residential properties with a gross floor area of approximately 147,000 square metres, a 200-room hotel with a gross floor area of approximately 20,000 square metres, commercial space of 2,000 square metres and an office tower of 1,000 square metres. After considering factors such as progress of sales of the project, market demand, funding requirements of the whole project and the time needed for development, the Group entered into an agreement in November 2014 to sell all equity interests in the project company. Completion of the transaction is subject to the approval and consent by the Overseas Investment Office of New Zealand and is expected to take place in the second half of 2015.

Modderfontein New City Smart City Project in Johannesburg, South Africa

The Group has a real estate development project located in Johannesburg, South Africa. The project is favourably located in Modderfontein, which is situated between Sandton and OR Tambo International Airport in Johannesburg, comprising certain land parcels and buildings with an area of approximately 1,600 hectares. The Modderfontein project will be developed into a new central city in Johannesburg, comprising nine major function areas, namely central business district, international convention and exhibition centre, international residential community, trade logistics parks, light industrial parks, recreation centre, pension and retirement community, integrated education area and sports centre. The Group is now establishing a planning framework for the project, which is expected to develop in phases and will take more than 15 years to complete.

During the period, the Group commenced the development of the land parcels located at Longlake of approximately 2,906,000 square metres (the "Longlake Project"). The Longlake Project will be developed in phases and comprises of saleable land area of approximately 1,542,000 square metres for residential, commercial and industrial uses. It is expected that the Longlake Project will take about 5 years to complete and pre-sale will commence in the second half of 2015.

PROSPECTS

In the first half of 2015, with the maintaining steady growth of economy and the policy of promoting urbanization by the central government, The People's Bank of China cut interest rates for a number of times and eased rules on loans to form a loose market environment, together with measures such as the cancellation of restrictions on property purchases which commenced in 2014, it is expected that the housing market will gradually gain a recovery momentum.

The development strategy of the Group was further affirmed upon COAMI gaining control over the Group. The Group will actively adjust its development strategy to gradually withdraw from the third and fourth tier cities while maintaining adequate land bank. The Group will also continue to expand its land bank in the first and second tier cities to maintain sustained and healthy development. In addition, Shanghai Zendai will seek to continue to develop suitable projects through cooperation to explore capital resources, reduce capital investment at early stage and facilitate projects development. The management remains cautiously optimistic on the long-term prospect of the industry and will quicken the development and sales of its development projects through making use of its own advantages and leveraging on the national network and business resources of COAMI. The synergistic effect brought by COAMI will improve the position of the Group in the real estate industry in China.

In addition, with the help of the business network, capital strength and state-owned enterprise background of COAMI, Shanghai Zendai will be able to acquire quality land resources, achieve more reasonable construction cost and obtain opportunities for more projects. In addition, Shanghai Zendai will seek lower financing costs and diversified financing channels with the help of COAMI's advantages as a comprehensive finance platform and good credit background as a state-owned enterprise.

"Nanjing Himalayas Center" and "Nanjing Riverside Thumb Plaza", the core development projects of the Group in Nanjing, the PRC, has commenced pre-sale and is expected to commence pre-sale in 2015 respectively and have contributed to the contracted sales. In overseas market, Modderfontein New City Smart City Project in Johannesburg, South Africa has commenced construction in April 2014, and is currently under smooth progress.

Looking ahead, the management, by focusing on its developments in the first and some second tier cities which are suitable for development in China, plans to maximise its profits by consolidating the existing real estate development projects and land bank of Shanghai Zendai, speeding up the disposal of non-core projects, developing its existing regions in greater effort in major strategic areas such as Shanghai and Nanjing etc., fully exploring the local market demands and reducing construction cost and management fees. At the same time, the Group will seize the market share through making the best use of its brand awareness in local markets, so as to improve the Group's value and earning returns.

Liquidity, Financial Resources, Capital Structure and Gearing

As at 30 June 2015, the Group had a healthy financial position with net assets value of HK$5,704 million (31 December 2014: HK$6,277 million). Net current assets amounted to approximately HK$6,452 million (31 December 2014: approximately HK$7,595 million) with current ratio decreased from 1.97 times at 31 December 2014 to approximately 1.62 times at 30 June 2015. The Group adopted a relatively prudent financial policy and closely monitored its cash flow. As at 30 June 2015, the Group had consolidated borrowings and loans payable of approximately HK$9,579 million in which HK$4,719 million was repayable within one year and HK$4,860 million was repayable more than one year. As at 30 June 2015, the Group's bank balances and cash including pledged bank deposits are approximately HK$2,827 million. The gearing ratio of the Group increased from 1.38 times at 31 December 2014 to 1.73 times at 30 June 2015 (basis: total of amounts due to related companies, bank loans, notes payable and other borrowings divided by Shareholders' funds).

Segment Information

Sales of properties

The turnover of this segment for the period amounted to HK$869,968,000 (2014: HK$535,224,000) increased substantially due to more properties were delivered.

Property rental, management and agency services

The turnover of this segment for the period was approximately HK$194,352,000 (2014: HK$189,763,000) which remained stable overall.

Hotel Operations

The turnover of this segment for the period was HK$90,730,000 (2014: HK$74,891,000), which increased by 21% mainly due to trial operation of Qingdao Himalayas hotel commenced in March 2014.

Travel and related business

The turnover of this segment for the period reached approximately HK$2,156,000 (2014: HK$3,818,000). This segment had been closed in July 2015.

Foreign Currency Exposures

The operations of the Group are mainly carried out in the PRC with most transactions settled in RMB. The Group undertakes certain transactions denominated in currencies other than RMB, and hence exposures to exchange rate fluctuations arise. The Group's cash and cash equivalents are also exposed to such foreign currency risk. The Group currently does not use any derivative contracts to hedge against its exposure to foreign currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency exchange rate.

Employees

As at 30 June 2015, the Group employed approximately 2,034 employees (2014: 2,106 employees) in Hong Kong, South Africa and the PRC. The Group determines their remuneration by reference to the nature of the job and market conditions. Other staff benefits include a mandatory provident fund scheme, local municipal government retirement scheme, insurance and medical insurance and share option scheme.

Major Acquisition of Assets

On 24 November 2014, the Group succeeded in a bid and signed the share transfer agreement for the purchase of the entire share capital of and the loan receivable from Nanjing Wudaokou Real Estate Co., Ltd. (南京五道口置業有限公司) which owns a parcel of land located in Nanjing, Jiangsu Province, the PRC with a site area of approximately 26,318 square metres which is designated for commercial and office mixed use. The transaction was completed on 7 May 2015, and the purchase consideration is RMB1,043,210,000 (equivalent to approximately HK$1,304,010,000).

Charge on Assets

As at 30 June 2015, the carrying amounts of following assets of the Group were pledged to secure the credit facilities granted to the Group, the carrying amount of the assets were analysed below:

	HK$'000
Property, plant and equipment	596,478
Payment for leasehold land held for own use under operating leases	616,137
Investment properties	2,446,032
Properties under development and for sales	2,589,970
Pledged bank deposits	1,656,986
	7,905,603

ONGOING LITIGATION

The Group was engaged in an ongoing litigation as detailed in note 25 to the unaudited condensed financial statements.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

As at 30 June 2015, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, are set out below:

Name of Director/ chief executives	**Number of Shares/ underlying Shares**	**Capacity and nature of interests**	**Approximate percentage of issued capital as at 30 June 2015**
Mr. Tang Jian	10,000,000 (L)	Beneficial owner	0.07%

Save as disclosed above, none of the Directors or chief executive of the Company had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO on or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as at 30 June 2015.

PERSONS HAVING 5% OR MORE INTERESTS

As at 30 June 2015, the interests or short positions of the persons, other than a director or chief executive of the Company, 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 were as follows:

Name	Name of company	Nature of interests	Number of shares interested or amount of registered capital interested	Approximate percentage of the issued share capital or registered capital
Smart Success Capital Ltd. *(Note 1)*	The Company	Beneficial owner	6,983,111,000 (L)	46.93%
Cheer Link Global Ltd. *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
COS Greater China Special Situations Fund, L.P. *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
China Orient Summit Capital SSF GP Co. Ltd. *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
China Orient Summit Capital International Co. Ltd. *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
COAMI *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
Wise Leader Assets Ltd. *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
Dong Yin Development (Holdings) Limited *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
中國東方資產管理公司 (COAMC) *(Note 1)*	The Company	Interest in controlled corporation	6,983,111,000 (L)	46.93%
China Alliance Properties Limited *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%

Name	Name of company	Nature of interests	Number of shares interested or amount of registered capital interested	Approximate percentage of the issued share capital or registered capital
Shanghai Forte Land Co., Ltd *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%
Shanghai Fosun High Technology (Group) Company Limited *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%
Fosun International Limited *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%
Fosun Holdings Limited *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%
Fosun International Holdings Ltd. *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%
Guo Guangchang *(Note 2)*	The Company	Interest in controlled corporation	2,029,380,000 (L)	13.64%

(L) denotes long position

Notes:

1. 中國東方資產管理公司 (China Orient Asset Management Corporation, "COAMC") has 100% control of Dong Yin Development (Holdings) Limited, which in turn has 100% control of Wise Leader Assets Ltd.; Wise Leader Assets Ltd. and Dong Yin Development (Holdings) Limited each has 50% control of COAMI; COAMI has 80% control of China Orient Summit Capital International Co. Ltd., which in turn has 100% control of China Orient Summit Capital SSF GP Co. Ltd.. China Orient Summit Capital SSF GP Co. Ltd. is the only general partner of COS Greater China Special Situations Fund, L.P.. COS Greater China Special Situations Fund L.P. has 100% control of Cheer Link Global Ltd. which in turn has 100% control of the Smart Success Capital Ltd.

2. Mr. Guo Guangchang has 58% control of Fosun International Holdings Ltd., which has 100% control of Fosun Holdings Limited, which has 71.29% control of Fosun International Limited, which has 100% control of Shanghai Fosun High Technology (Group) Company Limited, which together with Fosun International Limited have approximately 99.11% control of Shanghai Forte Land Co., Ltd., which has 100% control of China Alliance Properties Limited.

SHARE OPTIONS

The Company adopted a share option scheme on 26 June 2012 and is valid for a period of 10 years from July 2012 (the "Scheme"), for the primary purpose of providing incentives to directors and eligible persons. Under the Scheme, the Company may grant options to eligible persons, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Movements of share options during the period are detailed in note 21 to the unaudited condensed financial statements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules. Based on specific enquiry of the directors of the Company, the directors of the Company have confirmed they have complied with the Model Code.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The interim results for the six months ended 30 June 2015 are unaudited, but have been reviewed 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, by the Company's auditor, whose independent review report is included.

CORPORATE GOVERNANCE

The Company has adopted the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules (the "CG Code") as its own code of corporate governance and has taken careful measures to ensure that the provisions have been duly complied with from time to time. The directors of the Company are of the opinion that the Company has met the code provisions in the CG Code during the the six-month period ended 30 June 2015 except the deviations as stipulated below. The Company's interim results for the six-month period ended 30 June 2015 has been reviewed by the audit committee of the Company.

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings of the Company. Due to personal commitments, the following directors did not attend the meetings:

Mr. Xu Xiaoliang, Mr. Gong Ping, Mr. Lo Mun Lam, Raymond and Mr. Cai Gaosheng did not attend the annual general meeting of the Company held on 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.