Logan Property Holdings Company Limited
龍光地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3380)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

INTERIM RESULTS HIGHLIGHTS

- Contracted sales of the Group for the six months ended 30 June 2015 amounted to approximately RMB8.41 billion, representing an increase of 51.8% as compared with the corresponding period of 2014. The contracted saleable GFA amounted to 1,245,000 sq.m., which increased by 64.1% as compared with the corresponding period of 2014.

- Revenue of the Group for the six months ended 30 June 2015 increased by 7.9% to RMB5,156.1 million as compared with the corresponding period of 2014.

- Gross profit of the Group for the six months ended 30 June 2015 increased by 6.1% to RMB1,535.3 million as compared with the corresponding period of 2014.

- Profit excluding changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax ("Core Profit") of the Group for the six months ended 30 June 2015 increased by approximately 1.8% to RMB692.0 million as compared with the corresponding period of 2014. Core Profit margin was 13.4%.

- As at 30 June 2015, the net debt-to-equity ratio of the Group was 61.9%.

- Total land bank of the Group as at 30 June 2015 was approximately 12.93 million sq.m. and the average cost of the land bank was RMB1,478 per sq.m..

- In August 2015, the Group successfully issued domestic corporate bonds of RMB5 billion, including the first tranche of RMB4 billion with a 5 years term at a coupon rate of 5% and the second tranche of RMB1 billion with a 4 years term at a coupon rate of 4.77% respectively to lower financing costs and diversify financing channel.

INTERIM RESULTS

The Board of Directors (the "Board") of Logan Property Holdings Company Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2015 as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015 — Unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Revenue	2	**5,156,121**	4,779,750
Direct costs		**(3,620,814)**	(3,332,588)
Gross profit		**1,535,307**	1,447,162
Other revenue		**50,071**	35,549
Other net loss		**(9,057)**	(5,012)
Selling and marketing expenses		**(207,032)**	(141,948)
Administrative expenses		**(222,692)**	(199,026)
Net increase in fair value of investment properties		**515,386**	850,124
Net (decrease)/increase in fair value of derivative financial instruments		**(4,925)**	650
Profit from operations		**1,657,058**	1,987,499
Finance costs	*3(a)*	**(23,006)**	(47,227)
Profit before taxation	*3*	**1,634,052**	1,940,272
Income tax	*4*	**(559,238)**	(623,043)
Profit for the period		**1,074,814**	1,317,229
Attributable to:			
Equity shareholders of the Company		**1,031,277**	1,286,303
Non-controlling interests		**43,537**	30,926
Profit for the period		**1,074,814**	1,317,229
Earnings per share *(RMB cents)*	*5*		
– Basic		**20.63**	25.73
– Diluted		**20.58**	25.73

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2015 — Unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit for the period	**1,074,814**	1,317,229
Other comprehensive income for the period (after tax and reclassification adjustments)		
Item that is or may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas entities	**10,749**	7,403
Total comprehensive income for the period	**1,085,563**	1,324,632
Attributable to:		
Equity shareholders of the Company	**1,042,026**	1,293,706
Non-controlling interests	**43,537**	30,926
Total comprehensive income for the period	**1,085,563**	1,324,632

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015
(Expressed in Renminbi)

	Note	**At 30 June 2015** *RMB'000* **(Unaudited)**	At 31 December 2014 *RMB'000* (Audited)
Non-current assets			
Investment properties		**5,312,900**	4,684,500
Property, plant and equipment		**113,663**	122,041
		5,426,563	4,806,541
Deferred tax assets		**358,668**	366,488
Assets under cross-border guarantee arrangements		**286,600**	436,600
Restricted and pledged deposits		**229,317**	–
		6,301,148	5,609,629
Current assets			
Inventories		**29,660,903**	27,875,440
Trade and other receivables	*6*	**2,321,174**	2,502,385
Tax recoverable		**296,888**	166,836
Assets under cross-border guarantee arrangements		**824,800**	1,167,000
Restricted and pledged deposits		**2,098,167**	1,938,106
Cash and cash equivalents		**4,324,426**	5,576,357
		39,526,358	39,226,124
Current liabilities			
Trade and other payables	*7*	**13,524,834**	11,842,586
Liabilities under cross-border guarantee arrangements		**824,800**	1,167,000
Bank and other loans		**4,762,538**	3,824,474
Tax payable		**965,216**	993,262
		20,077,388	17,827,322
Net current assets		**19,448,970**	21,398,802
Total assets less current liabilities		**25,750,118**	27,008,431

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2015
(Expressed in Renminbi)

	Note	At 30 June 2015 RMB'000 (Unaudited)	At 31 December 2014 RMB'000 (Audited)
Non-current liabilities			
Liabilities under cross-border guarantee arrangements		**286,600**	436,600
Bank and other loans		**7,175,664**	9,057,042
Senior notes		**3,373,860**	3,383,846
Deferred tax liabilities		**931,762**	813,925
		11,767,886	13,691,413
NET ASSETS		**13,982,232**	13,317,018
CAPITAL AND RESERVES			
Share capital		**393,115**	393,115
Reserves		**11,438,448**	10,816,771
Total equity attributable to equity shareholders of the Company		**11,831,563**	11,209,886
Non-controlling interests		**2,150,669**	2,107,132
TOTAL EQUITY		**13,982,232**	13,317,018

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 below.

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

— *Annual Improvements to HKFRSs 2010–2012 Cycle*

— *Annual Improvements to HKFRSs 2011–2013 Cycle*

None of these developments have had a 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.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents income from sale of properties, rental income and construction income earned during the period, net of business tax and other sales related taxes and discounts allowed, and is analysed as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Sale of properties	**5,070,666**	4,574,570
Rental income	**27,626**	31,242
Construction income	**57,829**	173,938
	5,156,121	4,779,750

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products 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 three reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Property development: this segment develops and sells residential properties and retail shops.

— Property leasing: this segment leases office units and retail shops 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 (the "PRC").

— Construction contracts: this segment constructs office premises and residential buildings for external customers and for group companies. Currently the Group's activities in this regard are carried out in the PRC.

The Group's senior executive management regularly reviews the operating results attributable to each reportable segment.

(i) *Segment results*

For the six months ended 30 June 2015

	Property development *RMB'000*	**Property leasing** *RMB'000*	**Construction contracts** *RMB'000*	**Total** *RMB'000*
Revenue from external customers	**5,070,666**	**27,626**	**57,829**	**5,156,121**
Inter-segment revenue	**–**	**–**	**1,550,606**	**1,550,606**
Reportable segment revenue	**5,070,666**	**27,626**	**1,608,435**	**6,706,727**
Reportable segment profit	**1,164,026**	**24,897**	**6,142**	**1,195,065**
Bank interest income	**8,803**	**–**	**9,931**	**18,734**
Finance costs	**(8,456)**	**–**	**(6,648)**	**(15,104)**
Depreciation	**(5,095)**	**–**	**(7)**	**(5,102)**
Increase in fair value of investment properties	**–**	**515,386**	**–**	**515,386**

For the six months ended 30 June 2014

	Property development RMB'000	**Property leasing** RMB'000	**Construction contracts** RMB'000	**Total** RMB'000
Revenue from external customers	4,574,570	31,242	173,938	4,779,750
Inter-segment revenue	–	–	1,626,909	1,626,909
Reportable segment revenue	4,574,570	31,242	1,800,847	6,406,659
Reportable segment profit	1,113,866	31,242	3,081	1,148,189
Bank interest income	5,171	–	7,211	12,382
Finance costs	(33,688)	–	(8,769)	(42,457)
Depreciation	(6,462)	–	(7)	(6,469)
Net increase in fair value of investment properties	–	850,124	–	850,124

(ii) *Reconciliation of reportable segment revenue and profit or loss*

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**6,706,727**	6,406,659
Elimination of inter-segment revenue	**(1,550,606)**	(1,626,909)
Consolidated revenue	**5,156,121**	4,779,750
Profit		
Reportable segment profit derived from the Group's external customers	**1,195,065**	1,148,189
Other revenue and other net loss	**41,014**	30,537
Depreciation	**(13,571)**	(10,951)
Finance costs	**(23,006)**	(47,227)
Net increase in fair value of investment properties	**515,386**	850,124
Net (decrease)/increase in fair value of derivative financial instruments	**(4,925)**	650
Unallocated head office and corporate expenses	**(75,911)**	(31,050)
Consolidated profit before taxation	**1,634,052**	1,940,272

(iii) *Geographic information*

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

3 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on bank and other loans and other borrowing costs	**590,767**	435,787
Interest on senior notes	**179,756**	15,450
	770,523	451,237
Less: Amount capitalised	**(747,517)**	(404,010)
	23,006	47,227
(b) Other items		
Depreciation	**15,972**	13,434
Less: Amount capitalised	**(2,401)**	(2,483)
	13,571	10,951
Cost of properties sold	**3,566,399**	3,162,380
Net loss/(profit) on disposal of investment properties/property, plant and equipment	**6**	(16,741)
Bank interest income	**(33,727)**	(26,208)

4 INCOME TAX

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current tax		
Provision for PRC Corporate Income Tax ("CIT") for the period	**261,720**	300,560
Provision for PRC Land Appreciation Tax ("LAT") for the period	**171,861**	151,596
	433,581	452,156
Deferred tax		
Origination and reversal of temporary differences	**125,657**	170,887
	559,238	623,043

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

(ii) No provision for Hong Kong Profits Tax was made as the Group has no assessable profits arising in or derived from Hong Kong for the period.

(iii) Effective from 1 January 2008, under the PRC CIT Law, the PRC's statutory income tax rate is 25%. The Group's subsidiaries in the PRC are subject to CIT at 25% unless otherwise specified.

(iv) 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 sales of properties less deductible expenditures including lease charges of land use right, borrowing costs and all qualified property development expenditures.

5 EARNINGS PER SHARE

(a) Basis earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2015 is based on the profit attributable to equity shareholders of the Company of RMB1,031,277,000 (six months ended 30 June 2014: RMB1,286,303,000) and 5,000,000,000 shares (six months ended 30 June 2014: 5,000,000,000 shares) in issue during the six months ended 30 June 2015.

(b) **Diluted earnings per share**

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company (diluted) of RMB1,031,277,000 (six months ended 30 June 2014: RMB1,286,303,000) and the weighted average number of shares (diluted) of 5,011,821,000 shares (six months ended 30 June 2014: 5,000,000,000 shares).

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Weighted average number of shares at 30 June	**5,000,000**	5,000,000
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**11,821**	–
Weighted average number of shares at 30 June (diluted)	**5,011,821**	5,000,000

6 TRADE AND OTHER RECEIVABLES

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Trade receivables *(note (i))*	**182,385**	140,767
Prepayment and other receivables	**1,182,529**	921,887
Land deposits	**520,478**	953,808
Amounts due from related companies	**149,312**	458,109
Amount due from a non-controlling shareholders	**263,677**	–
Senior notes redemption call options	**22,793**	27,814
	2,321,174	2,502,385

Notes:

(i) As at 30 June 2015, the ageing analysis of trade receivables, based on the invoice date, is as follows:

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Current or less than 1 month overdue	**165,882**	116,311
More than 1 month overdue and up to 3 months overdue	**–**	–
More than 3 months overdue and up to 6 months overdue	**–**	–
More than 6 months overdue and up to 1 year overdue	**375**	14,672
More than 1 year overdue	**16,128**	9,784
	182,385	140,767

(ii) Receivables which were neither overdue nor impaired relate to a wide range of customers for whom there was no recent history of default. Receivables which were overdue but not impaired relate to independent customers, which have a good track record of trading with the Group or hold sufficient rental deposits to cover potential exposure to credit risk. Based on past experience, management considers that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

(iii) Regular review and follow-up actions are carried out on overdue amounts of installments receivable from sale of properties and receivable from construction contracts, which enable the management to assess their recoverability and to minimise exposure to credit risk. 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. Adequate impairment losses have been made for estimated irrecoverable amounts.

(iv) All of the trade and other receivables are expected to be recovered within one year.

7 TRADE AND OTHER PAYABLES

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Trade payables *(note (i) and (ii))*	**3,388,571**	3,242,460
Other payables and accrued charges	**242,077**	278,743
Dividend payable	**644,689**	368,811
Customer deposits received	**5,378**	36,523
Rental and other deposits received	**10,722**	7,789
Receipts in advance	**7,927,289**	6,390,599
Amounts due to related companies	**12,307**	223,860
Non-interest bearing payable to a financial institution *(note (iii))*	**1,293,801**	1,293,801
	13,524,834	11,842,586

Notes:

(i) As at 30 June 2015, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Within 1 month or on demand	**1,161,201**	1,851,483
Due after 1 month but within 3 months	**425,619**	211,616
Due after 3 months but within 6 months	**279,261**	227,260
Due after 6 months but within 1 year	**767,519**	662,222
Due after 1 year	**754,971**	289,879
	3,388,571	3,242,460

(ii) Except for the retention deposits payable to constructors of RMB108,117,000 (31 December 2014: RMB116,063,000) which are expected to be settled after one year, all of the trade and other payables are expected to be settled within one year or are repayable on demand.

(iii) The non-interest bearing payable to a financial institution is interest-free, secured by a pledged deposit of RMB1,300,000,000 and repayable within one year.

8 DIVIDEND

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the period, of HK11 cents (equivalent to RMB9 cents) (six months ended 30 June 2014: HK11 cents (equivalent to RMB9 cents)) per ordinary share	**433,735**	436,563

The Board resolved that no interim dividend for the six months ended 30 June 2015 will be distributed (six months ended 30 June 2014: RMBNil).

9 NON-ADJUSTING EVENT AFTER THE SIX MONTHS ENDED 30 JUNE 2015

On 12 August 2015, China Securities Regulatory Commission approved the application of Shenzhen Youkaisi Investment Co., Ltd., a company established in the PRC and a wholly-owned subsidiary of the Company (the "Issuer"), for a proposed issue of domestic corporate bonds of up to RMB5,000,000,000 (the "Domestic Bonds"). The Domestic Bonds were issued in two tranches and listed on the Shanghai Stock Exchange. The coupon rate of the first tranche and second tranche with a principal amount of RMB4,000,000,000 and RMB1,000,000,000 were fixed at 5% per annum and 4.77% per annum, respectively. The term of the first and second Domestic Bonds were 5 years and 4 years, respectively.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the business review and prospects of Logan Property Holdings Company Limited ("Logan Property" or the "Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2015.

RESULTS AND RATINGS

For the six months ended 30 June 2015, the Group recorded contracted sales of approximately RMB8.41 billion, representing a significant increase of approximately 51.8% as compared with the corresponding period of 2014. Contracted saleable GFA amounted to 1,245,000 sq.m.. Revenue for the six months ended 30 June 2015 amounted to RMB5,156.1 million, representing an increase of approximately 7.9% as compared with the corresponding period of 2014. Profit attributable to equity shareholders for the six months ended 30 June 2015 was RMB1,031.3 million, representing a decrease of approximately 19.8% as compared with the corresponding period of 2014. Core Profit for the six months ended 30 June 2015 was approximately RMB692.0 million, representing an increase of approximately 1.8% as compared with the corresponding period of 2014. Core profit margin was 13.4%.

In the first half of 2015, Logan Property's performance in residential property development and its sound business model and financial position continued to be widely recognized by the investment sector and capital market. In the first half of 2015, both international authorized rating agencies, Moody's and Fitch, affirmed their ratings of Ba3 and BB– with a stable outlook to Logan Property, respectively. Both agencies recognized the Group's stable business model and geographic advantage in Pearl River Delta and Guangdong and Guangxi provinces. Logan Property was named as one of the "Top 10 Chinese Real Estate Company Listed in Hong Kong in terms of Investment Value in 2015 (二零一五中國大陸在港上市房地產公司投資價值TOP10)" compiled by the "China Top 10 Real Estate Research Committee (中國房地產TOP10研究組)" which was jointly organized by the Enterprise Research Institute of Development Research Center of the State Council, the Institute of Real Estate Studies of Tsinghua University and other research institutes for the first time. In addition, the Group has been named as one of the "China Top 100 Real Estate Developers" jointly bestowed by the Enterprise Research Institute of Development Research Center of the State Council, the Institute of Real Estate Studies of Tsinghua University and the China Index Academy for the fifth consecutive year since 2011. In 2015, the Group ranked 38th, a higher ranking than in 2014 and a historical high for Logan Property. Its brand influence has been continuously enhanced. Moreover, the Company was also named a "2015 China Top 100 Real Estate Developer – Top 10 by Profitability".

MARKET REVIEW AND SALES PERFORMANCE

In the first half of 2015, China's economic growth slowed down under the new normal conditions. As the Chinese central government pursued a further adjustment of the country's economic structure to stimulate future economic growth, the fundamentals of economic development were further strengthened. With a series of major state initiatives aimed at stabilizing economic growth, promoting reforms, adjusting the country's economic structure and improving people's livelihoods, economic growth remained within a reasonable range, with major economic indicators at stable and favourable levels in the first half of the year. As a pillar of China's economy, the real estate industry has been active with the relaxing of the overall regulatory environment. A combination of various factors – including the "330 New Policy", a policy on the borrowing of welfare funds and the lowering of interest rates and requirement reserve ratio by the central bank on three occasions during the year – has stimulated demand from homebuyers and upgraders. In the first half of 2015, the property market recovered gradually. In particular, the prices and quantities of residential properties increased in the second quarter, which significantly contributed to the recovery of the property market in the first half of the year. The Group develops products targeting first-time homebuyers and upgraders which is in line with the favourable market conditions. Of the contracted sales units in the first half of 2015, more than 84% were with GFA less than 120 sq.m.. In terms of payment method, approximately 82% of contracted sales units in the first half of 2015 were settled by mortgage down payment and instalments. Cash collection rate was approximately 85%.

In addition to accurate product positioning, the geographic distribution of its land bank has helped the Group to record outstanding results compared to its peers during the six months ended 30 June 2015. In the overall market, the recovery was most significant in first-tier cities. With the integrated development of the Pearl River Delta, the real estate market in Shenzhen experienced the strongest recovery. Due to a shortage in supply and a high proportion of homebuyers, demand has risen rapidly in Shenzhen with the introduction of favourable policies. In addition, property prices rose considerably in the second quarter in view of the relatively rapid economic transformation in Shenzhen. Out of Logan Property's existing land bank of 12.93 million sq.m., 51% is located in the Pearl River Delta and other areas showing high rates of economic growth, and 35% of the land bank caters to the Shenzhen demand. Acesite Mansion (玖龍璽), a project in Shenzhen acquired through a public tendering, auction and listing process at the end of October 2014, is expected to launch for pre-sale in the fourth quarter of the year. This project is built atop a metro station in Longhua district, a new core area of Shenzhen, being only one station away from Shenzhen North Railway Station and 28 minutes from West Kowloon, Hong Kong upon completion of the High Speed Rail Link. With the strategic positioning as the garden oasis in the Futian CBD, the project not only enjoys highly-developed commercial and community facilities in Futian, but also offers natural environment from the surrounding Tanglang Mountain and Yinhu Mountain. In view of the potential value of the Longhua area, it is expected that Acesite Mansion (玖龍璽) will make a substantial contribution to the future growth of the Group. In respect of Logan City, its major flagship project with a total GFA of 5 million sq.m., more than 4,000 units were sold during the six months ended 30 June 2015, with the total number of units sold since launch to date standing at over 13,000. This project offers beautiful natural setting of mountain and a lake, with the support of a well-established transportation network and comprehensive ancillary facilities. A new bus route that specially serves the community was launched on 30 April

2015, which further improves the transportation network between Longgang, Futain and Luohu and will further attract homebuyers in Shenzhen. During the six months ended 30 June 2015, contracted sales of the Group were principally generated from Shenzhen, Zhongshan, Foshan, Nanning and Shantou, etc. Its projects in Shenzhen Pingshan district, Shantou and Nanning remained the top sellers in their respective markets. Its new pre-sale projects set for launch in the third and fourth quarters include Acesite Mansion (玖龍璽) in Shenzhen Longhua; North Phase 4 and North Phase 8 of Logan City in Shenzhen; Phase 10 of Nanning Provence and Phases 2 and 3 of Royal & Seaward Sunshine Palace in Shantou, which may provide quality and sufficient saleable resources for the second half of the year. With its existing quality land resources, its strategy of focusing on regions in which the Group has established business operations and delivering quality residential properties as well as accurate market positioning, the Group has established a solid foundation for its sales performance.

LAND ACQUISITION

Focusing on regions with established business and inelastic demand, the Group has expanded its businesses and consolidated its market position in the existing markets with competitive advantages in the Pearl River Delta region and Guangdong and Guangxi provinces. During the six months ended 30 June 2015, the Group continued to replenish its land bank in a timely manner and acquired sufficient saleable resources through public tendering, auction and listing. In the first half of 2015, the Group acquired two new projects offering a total GFA of 149,894 sq.m. through public tendering, auction and listing in the core regions of Zhuhai and Nanning. The average cost of the newly acquired land was approximately RMB7,178 per sq.m.. As of 28 August, 5 projects were newly acquired with total GFA of approximately 1.11 million sq.m. and average land cost of RMB3,221 per sq.m.

In January 2015, the Group successfully acquired a land parcel in Gongbei, Zhuhai with a total GFA of 80,600 sq.m. at a total land price of RMB978 million. This land parcel is located next to the Qianshan River, and offers marvellous scenery and comprehensive ancillary facilities. It is also adjacent to the Gongbei Port in Zhuhai, Zhuhai Light Rail Station and the entryway to the Hong Kong-Zhuhai-Macau Bridge, giving a significant advantage in transportation infrastructure. In June, Logan Property successfully acquired a land parcel for residential and commercial use in the Jiangnan district of Nanning with a total GFA of 69,300 sq.m. at a total consideration of RMB97,950,000. This land parcel is adjacent to luxury property projects and offers a comfortable living environment, extensive educational resources and convenient transportation. In addition, this land parcel is adjacent to its existing project, Nanning Provence, which will be developed as Phase 10 to further expand the area of Nanning Provence and to consolidate its market position in Nanning.

As at 30 June 2015, the total land bank of the Group amounted to approximately 12.93 million sq.m. with an average land cost of approximately RMB1,478 per sq.m., including one project acquired through equity acquisition and the remaining acquired through public tendering, auction and listing. The land bank is expected to be sufficient for the Group's development for the next five to six years. Of the Group's total land bank, 51% is located in the Pearl River Delta, the most economically prosperous region in China, with 35% catering to Shenzhen market and 26% located in the Guangxi region (mainly Nanning), respectively. This will allow the Group to capture opportunities arising from market consolidation in the future, and to focus on regions with competitive advantages and to further enhance its market position.

FINANCIAL MANAGEMENT

As at 30 June 2015, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB6,651.9 million. The Group's net debt-to-equity ratio was at approximately 61.9%. For the six months ended 30 June 2015, the average borrowing cost of the Group was 9.0% per annum, representing an increase of 0.6 percentage points as compared with that of the corresponding period of 2014. This was primarily due to the issuance of a total of US$550 million in two tranches of senior notes at coupon rates of 11.25% and 9.75% per annum in May and December 2014, respectively, which was counted for the entire period during the period for the first time.

During the six months ended 30 June 2015, the Group persisted in following a prudent financial strategy to stabilize its financing costs and ensure the healthy growth of the Group.

In August 2015, the Group's wholly-owned subsidiary, Shenzhen Youkaisi Investment Co., Ltd.(the "Issuer"), upon approval by the China Securities Regulatory Commission, issued two tranches of domestic corporate bonds with an aggregate amount of RMB5 billion. The first tranche of the bond with size of RMB4 billion was issued with a coupon rate of 5% and a term of 5 years, at the end of the third year, the issuer shall be entitled to adjust coupon rate and the investor shall be entitled to sell back the bonds, while the second tranche was of RMB1 billion with a coupon rate of 4.77% and a term of 4 years, at the end of the second year, the issuer shall be entitled to adjust coupon rate and the investor shall be entitled to sell back the bonds. The proceeds will be used for repaying bank debts and replenishing general working capital. The issuance has received "AA" rating and was well-received by the market with satisfactory coupon rate, reflecting the recognition of the Company by domestic and overseas investors.

Capitalising on the loosening of regulations on issuing onshore corporate bonds, the two tranches of issuance will broaden the Groups' financing channels, lower its financing costs, improve its debt structure and continue to enhance the overall financial strengths of the Group.

PROSPECTS

China's economic growth has slowed down due to structural transformation. With the implementation of a series of reform policies, the China's economy will be further consolidated and strengthened in the second half of the year. Looking ahead to the second half of the year, monetary and credit policy are expected to remain stable and will be further relaxed. Demand will rebound, and destocking will carry on gradually. The pressure of oversupply will improve. The property market is anticipated to grow at a stable pace, and sales are expected to continue to rebound in the second half of the year.

In the second half of the year, the Group will launch more new projects which are situated in premium locations and satisfy market needs. By persisting in following a strategy of active marketing with quick turnover, the Group has continued to focus on destocking to ensure its sound financial position. In respect of the expansion of its land bank, the Group is committed to the principle of making both ends meet and prudent investment. As for its existing markets with established market positions and brand advantages, the Group will increase our investment in first-tier cities such as Shenzhen and Guangzhou as well as regions boasting high economic growth in the Pearl River Delta and Guangdong and Guangxi provinces. Continuous efforts will be made to replenish quality land parcels, consolidate its market share and strengthen the strategic layout of the Group. The Group will also focus on first-tier and leading second-tier cities as well as the surrounding regions, and put emphasis on the Beijing-Tianjin-Hebei region and the Haixi region. At the same time, the Group is keeping an open mind in welcoming quality partners for collaboration, in order to realize a win-win result.

Looking forward, the Group will continue to focus largely on projects targeting upgraders and first-time homebuyers and catering to inelastic demand. Logan Property will strive to establish its core competitiveness by adopting a "light-asset" and "quick turnover" business model. In particular, the Group will accelerate the turnaround time of projects to achieve rapid cash returns. Focusing on the quality of projects, the Group will further consolidate its advantage in cost control to ensure a reasonable profit margin. In order to refine the division of responsibilities, motivate the employees of the Group, enhance its management and better serve its customers, the Group will enhance internal controls, optimize the value of projects and improve customer satisfaction. By further enhancing its brand reputation, the Group will gain recognition from the market and its customers and will strive to capture the substantial growth opportunities arising from market trends in order to maximize the value of the Company and the returns to shareholders.

ACKNOWLEDGMENTS

On behalf of the Board, I hereby express my gratitude to all shareholders, business partners and customers for their long-term support and trust, and thank all members of the management and staff for their dedication and commitment, which have contributed to the Group's remarkable results. The Group will aim to build a better life and promote long-term development by taking advantage of its competitive edges and will generate sustainable returns for its shareholders as a whole.

Kei Hoi Pang
Chairman

Hong Kong
28 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

For the six months ended 30 June 2015, the revenue and gross profit of the Group were RMB5,156.1 million and RMB1,535.3 million, representing increases of approximately 7.9% and 6.1% as compared with the corresponding period of 2014, respectively. Profit for the six months ended 30 June 2015 attributable to the equity shareholders was RMB1,031.3 million, representing a decrease of approximately 19.8% as compared with the corresponding period of 2014. For the six months ended 30 June 2015, the core profit which represents profit for the period net of changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax ("Core Profit") amounted to RMB692.0 million, representing an increase of approximately 1.8% as compared with the corresponding period of 2014. Basic earnings per share was RMB0.21 (the corresponding period of 2014: RMB0.26).

As at 30 June 2015, the net debt-to-equity ratio of the Group was 61.9%.

Performance Highlights

	For the six months ended 30 June		
	2015	2014	Changes %
Contracted sales *(RMB'000)*	**8,413,603**	5,540,900	51.8%
Contracted saleable GFA *(sq.m.)*[1]	**1,245,002**	758,710	64.1%
Contracted average selling price ("ASP") *(RMB/sq.m.)*[1]	**6,624**	7,045	-6.0%
Revenue	**5,156,121**	4,779,750	7.9%
Among which: sales of properties			
– Revenue from properties delivered *(RMB'000)*	**5,070,666**	4,574,570	10.8%
– GFA of properties delivered *(sq.m.)*[1]	**828,739**	544,082	52.3%
– ASP of properties delivered *(RMB/sq.m.)*[1]	**6,255**	7,108	-12.0%
Rental income *(RMB'000)*	**27,626**	31,242	-11.6%
Construction income *(RMB'000)*	**57,829**	173,938	-66.8%
Gross profit *(RMB'000)*	**1,535,307**	1,447,162	6.1%
Profit for the period			
– Attributable to shareholders *(RMB'000)*	**1,031,277**	1,286,303	-19.8%
– Attributable to non-controlling interests *(RMB'000)*	**43,537**	30,926	40.8%
Profit for the period (excluding changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax)	**691,968**	679,637	1.8%
– Attributable to shareholders *(RMB'000)*	**648,431**	648,711	-0.0%
– Attributable to non-controlling interests *(RMB'000)*	**43,537**	30,926	40.8%

	As at 30 June 2015	As at 31 December 2014	Changes %
Total assets *(RMB'000)*	**45,827,506**	44,835,753	2.2%
Cash and bank balances (including cash and cash equivalents and restricted and pledged deposits) *(RMB'000)*	**6,651,910**	7,514,463	-11.5%
Total bank and other borrowings (including bank and other loans and senior notes *(RMB'000)*	**15,312,062**	16,265,362	-5.9%
Total equity *(RMB'000)*	**13,982,232**	13,317,018	5.0%

Key financial ratios

Gross profit margin(1)	**29.8%**	30.3%	
Core profit margin(2)	**13.4%**	14.2%	
Net debt to equity ratio(3)	**61.9%**	65.7%	
Gearing ratio(4)	**69.5%**	70.3%	
Average borrowing cost per annum(5)	**9.0%**	8.4%	

1. Excluding the GFA of car parking spaces.

Notes:

(1) Gross profit margin: Gross profit ÷ revenue * 100%

(2) Core profit margin: Core profit ÷ revenue * 100%

(3) Net debt to equity ratio: (Total bank and other borrowings – cash and bank balances) ÷ total equity * 100%

(4) Gearing ratio: Total liabilities ÷ total assets * 100%

(5) Average borrowing cost: Borrowing cost ÷ average loan balance * 100%

PROPERTY DEVELOPMENT

Contracted sales

For the six months ended 30 June 2015, the Group recorded contracted sales of approximately RMB8,413.6 million, representing a significant increase of approximately 51.8% as compared with approximately RMB5,540.1 million in the corresponding period of 2014. The contracted saleable GFA (excluding car parking spaces) was 1,245,000 sq.m. in the first half of 2015, representing a significant increase of approximately 64.1% as compared with 759,000 sq.m. in the corresponding period of 2014. The ASP for the six months ended 30 June 2015 was RMB6,624 per sq.m.[1], representing a decrease of approximately 6% as compared with RMB7,045 per sq.m. in the corresponding period of 2014. The decrease was mainly due to changes in the product mix sold. For the six months ended 30 June 2015, Shenzhen region, other regions of Pearl River Delta[(2)], Shantou region, Guangxi region and other regions accounted for approximately 27.9%, 28.1%, 22.6%, 18.1% and 3.3% of the contracted sales, respectively.

	Contracted sales in the first half of 2015				
	Amount *(RMB million)*	**Percentage**	**GFA[(1)]** *(sq.m.)*	**Percentage**	**ASP (excluding car parking spaces)** *(RMB/sq.m.)*
Shenzhen region	**2,349.0**	**27.9%**	**395,982**	**31.8%**	**5,931**
Other regions of Pearl River Delta[(2)]	**2,363.7**	**28.1%**	**347,455**	**27.9%**	**6,290**
Shantou region	**1,901.0**	**22.6%**	**232,969**	**18.7%**	**8,007**
Guangxi region	**1,520.8**	**18.1%**	**219,450**	**17.6%**	**6,561**
Other regions	**279.1**	**3.3%**	**49,146**	**4.0%**	**5,400**
Total	**8,413.6**	**100%**	**1,245,002**	**100%**	**6,624**

1: Excluding car parking spaces
2: Excluding Shenzhen region

REVENUE FROM SALES OF PROPERTIES

For the six months ended 30 June 2015, the revenue from sales of properties amounted to RMB5,070.7 million, representing an increase of approximately 10.8% as compared with RMB4,574.6 million as compared with the corresponding period of 2014 and accounting for 98.3% of the total revenue. GFA with recognized income (excluding car parking spaces) increased by approximately 52.3% to 828,739 sq.m. for the six months ended 30 June 2015 from 544,082 sq.m. as compared with the corresponding period of 2014. Shenzhen region, other regions of Pearl River Delta[(2)], Shantou region, Guangxi region and other regions contributed to the recognized income from sales of properties in the first half of 2015, accounting for approximately 24.9%, 45.4%, 4.0%, 22.7% and 3.0%, respectively.

Revenue from sales of properties in the first half of 2015

	Amount *(RMB million)*	Percentage	GFA[(1)] *(sq.m.)*	Percentage	ASP (excluding car parking spaces) *(RMB/sq.m.)*
Shenzhen region	**1,264.1**	**24.9%**	**231,180**	**27.9%**	**5,683**
Other regions of Pearl River Delta[(2)]	**2,302.1**	**45.4%**	**348,787**	**42.1%**	**6,842**
Shantou region	**203.5**	**4.0%**	**11,884**	**1.4%**	**15,530**
Guangxi region	**1,152.4**	**22.7%**	**220,655**	**26.6%**	**5,187**
Other regions	**148.6**	**3.0%**	**16,233**	**2.0%**	**8,106**
Total	**5,070.7**	**100%**	**828,739**	**100%**	**6,255**

Newly commenced projects

As at 30 June 2015, the Group commenced construction of a total of six projects or project phases, with a total planned GFA of approximately 854,682 sq.m..

Completed projects

As at 30 June 2015, the Group completed eight projects or project phases with a total planned GFA of approximately 1,062,228 sq.m..

Developing projects

As at 30 June 2015, the Group had a total of 26 projects or project phases under construction with a total planned GFA of approximately 4,769,490 sq.m..

1: Excluding car parking spaces
2: Excluding Shenzhen region

Land bank

For the six months ended 30 June 2015, there were two newly acquired projects in total, with a total GFA of 149,894 sq.m.. The average cost of land acquired was approximately RMB7,178 per sq.m..

As at 28 August 2015, there were five newly acquired projects in total, with a total GFA of 1,111,972 sq.m.. The average cost of land acquired was approximately RMB3,221 per sq.m..

List of Projects Newly Acquired as at 28 August 2015

No.	City	Project name	Date of acquisition	Interest	Site area *(sq.m.)*	Total GFA *(sq.m.)*	Land cost *(RMB million)*	Average land cost *(RMB per sq.m.)*
1	Zhuhai	Jiulong Bay Garden 九龍灣名園	2015.01.28	100%	15,877	80,607	978	12,133
2	Nanning	Provence Phase 10 普羅旺斯10期	2015.06.16	100%	15,622	69,287	98	1,414
3	Shantou	East Coast Project 東海岸項目	2015.07.14	100%	131,244	401,478	1,416	3,527
4	Nanning	Wuxiang New District Project 五象新區項目	2015.07.24	100%	79,454	302,600	618	2,043
5	Nanning	Wuxiang New District Project 五象新區項目	2015.07.24	100%	62,858	258,000	471	1,826
				Total	305,055	1,111,972	3,581	3,221

As at 30 June 2015, the total GFA of the land bank of the Group amounted to approximately 12.93 million sq.m., the average cost of land bank was RMB1,478 per sq.m., and 51% of our land bank was located in Pearl River Delta, the most prosperous area in the PRC. Shenzhen region, other regions of Pearl River Delta[(1)], Shantou region, Guangxi region and other regions accounted for approximately 35%, 17%, 12%, 26% and 10%.

Land Bank Distribution as at 30 June 2015

	GFA *(sq.m.)*	Percentage
Shenzhen region	**4,479,704**	**35%**
Other regions of Pearl River Delta[(1)]	**2,163,325**	**17%**
Shantou region	**1,610,819**	**12%**
Guangxi region	**3,370,593**	**26%**
Other regions	**1,309,667**	**10%**
Total	**12,934,108**	**100%**

1. Excluding Shenzhen region

PROPERTY INVESTMENTS

Rental income

The rental income of the Group for the six months ended 30 June 2015 amounted to RMB27.6 million, representing a decrease of approximately 12% as compared with the corresponding period of 2014.

Investment properties

As at 30 June 2015, the Group had 12 investment properties with a total GFA of approximately 166,686 sq.m.. Under the investment property portfolio of the Group, 11 investment properties with a total GFA of approximately 116,686 sq.m. have been completed and the remaining one was under development.

Financial Review

(I) Revenue

Revenue of the Group for the six months ended 30 June 2015 amounted to RMB5,156.1 million, representing an increase of approximately RMB376.4 million, or approximately 7.9%, as compared with the corresponding period of 2014, primarily due to the increase in revenue from sales of properties as compared with the corresponding period of 2014. Revenue from sales of properties for the six months ended 30 June 2015 amounted to approximately RMB5,070.7 million, representing an increase of approximately 10.8% as compared with approximately RMB4,574.6 million of the corresponding period of 2014.

Details of the revenue from sales of properties by project are as follows:

	For the six months ended 30 June			
	2015		2014	
Project name	**Area[1]** *(sq.m.)*	**Amount[2]** *(RMB'000)*	Area[1] *(sq.m.)*	Amount[2] *(RMB'000)*
Shantou Seaward Sunshine (汕頭　尚海陽光)	**11,884**	**198,600**	17,162	849,851
Shantou Sunshine Castle (汕頭　陽光華府)	**–**	**2,026**	170	1,490
Shantou Flying Dragon Garden (汕頭　龍騰熙園)	**–**	**2,824**	–	413
Shenzhen Logan City (深圳　龍光城)	**231,180**	**1,263,557**	207,308	1,049,796
Huizhou Sky Palace (惠州　天悅龍庭)	**57,969**	**223,124**	307	3,360
Huizhou Grand Riverside Bay (惠州　水悅龍灣)	**45,609**	**278,770**	–	–

Project name	For the six months ended 30 June			
	2015		2014	
	Area[1] **(sq.m.)**	**Amount[2]** **(RMB'000)**	Area[1] *(sq.m.)*	Amount[2] *(RMB'000)*
Guangzhou Landscape Residence (廣州　峰景華庭)	**–**	**7,378**	–	–
Guangzhou Palm Waterfront (廣州　棕櫚水岸)	**4,420**	**61,136**	5,701	78,578
Shunde Grand View (順德　水悦雲天)	**1,467**	**10,908**	3,894	35,795
Foshan Grand Riverside Bay (佛山　水悦龍灣)	**33,514**	**212,774**	21,522	398,210
Foshan Joy Palace (佛山　君悦龍庭)	**48,227**	**323,184**	–	–
Zhuhai Easy Life (珠海　海悦雲天)	**–**	**6,933**	–	7,378
Zhongshan Grasse Vieille Ville (中山　海悦城邦)	**–**	**1,623**	83,250	546,159
Zhongshan Ocean Grange (中山　海悦熙園)	**388**	**11,628**	–	–
Zhongshan Grand Garden (中山　水悦熙園)	**11,538**	**67,316**	–	–
Zhongshan Ocean Vista Residence (中山　海悦華庭)	**61,673**	**470,312**	–	–
Dongguan Imperial Summit Sky Villa (東莞　君御旗峰)	**29,958**	**259,148**	16,260	159,005
Dongguan Royal Castle (東莞　君御華府)	**54,024**	**367,850**	–	–
Shenzhen Sky Palace (深圳　天悦龍庭)	**–**	**505**	–	1,037
Shenzhen Grand Joy Palace (深圳　君悦龍庭)	**–**	**69**	–	2,543
Nanning Provence (南寧　普羅旺斯)	**18,010**	**222,377**	23,416	200,052
Nanning Grand Riverside Bay (南寧　水悦龍灣)	**39,946**	**274,884**	62,857	420,999
Chengdu Sky Palace (成都　天悦龍庭)	**16,233**	**148,624**	102,235	819,904
Guangxi Sunshine Seaward (廣西　陽光海岸)	**162,699**	**655,116**	–	–
Total	**828,739**	**5,070,666**	544,082	4,574,570

1. Excluding the GFA attributable to the car parking spaces.

2. Including revenue from sales of car parking spaces.

(II) Direct costs

For the six months ended 30 June 2015, the direct costs of the Group for the six months ended 30 June 2015 increased by approximately RMB288.2 million, or approximately 8.6%, as compared with the corresponding period of 2014, primarily due to the increase in direct costs from sales of properties resulting from the increase in areas of properties delivered and the expansion of business scale as compared with the corresponding period of 2014. Key components of costs are as follows:

	For the six months ended 30 June		
	2015	2014	Changes
	RMB'000	*RMB'000*	*%*
Costs	3,620,814	3,332,588	8.6%
Property development costs	3,566,398	3,162,380	12.8%
Costs of construction business and rental business	54,416	170,208	-68.0%

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the six months ended 30 June 2015 amounted to approximately RMB207.0 million (the corresponding period of 2014: approximately RMB141.9 million). As the Group further increased its property marketing efforts, the relevant selling and marketing expenses also increased by approximately 45.9% as compared with the corresponding period of 2014.

The administrative expenses of the Group for the six months ended 30 June 2015 amounted to approximately RMB222.7 million (the corresponding period of 2014: approximately RMB199.0 million), representing an increase of approximately 11.9% as compared with the corresponding period of 2014. The increase was primarily due to the increase in expenses such as staff costs and office expenditures resulting from the expansion of business of the Group.

The percentage of selling and marketing expenses and administrative expenses to contracted sales of the Group decreased from 2.6% and 3.6% for the six months ended 30 June 2014 to 2.5% and 2.6% for the six months ended 30 June 2015, respectively. The decreases were primarily due to the rapid growth of the contracted sales during the six months ended 30 June 2015. For the six month ended 30 June 2015, the contracted sales of the Group increased by approximately 51.8% as compared with the corresponding period of 2014.

(IV) Profit from operations

The profit from operations of the Group for the six months ended 30 June 2015 amounted to approximately RMB1,657.1 million (the corresponding period of 2014: approximately RMB1,987.5 million). As the revenue of the Group increased by approximately RMB376.4 million as compared with the corresponding period of 2014, the relevant direct costs, selling and marketing expenses and administrative expenses increased by approximately RMB377.0 million as compared with the corresponding period of 2014 whereas the net fair value gain of investment properties of the Group for the six months ended 30 June 2015 decreased by approximately RMB334.7 million as compared with the corresponding period of 2014. As a result, the profit from operations of the Group decreased by approximately RMB330.4 million for the six months ended 30 June 2015 as compared with the corresponding period of 2014.

(V) Finance costs

The net finance costs of the Group for the six months ended 30 June 2015 decreased to approximately RMB23.0 million (the corresponding period of 2014: approximately RMB47.2 million), primarily because the Group repaid certain loans and benefited from the replacement of certain high cost loans with lower interest-bearing loans due to the reduction of the Loan Basic Rate of the Peoples' Bank of China during the six months ended 30 June 2015. The percentage of finance cost to the contracted sales of the Group decreased from approximately 0.9% for the six months ended 30 June 2014 to approximately 0.3% for the six months ended 30 June 2015.

(VI) Income tax

Taxes of the Group for the six months ended 30 June 2015 included CIT and LAT. Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately RMB387.4 million and RMB171.9 million respectively (the corresponding period of 2014: approximately RMB471.4 million and RMB151.6 million respectively).

(VII) Core Profit

The Core Profit of the Group for the six months ended 30 June 2015 amounted to approximately RMB692.0 million, representing an increase of approximately RMB12.3 million as compared with the corresponding period of 2014. The Core Profit margin of the Group for the six months ended 30 June 2015 was approximately 13.4% (the corresponding period of 2014: approximately 14.2%), representing a decrease of approximately 0.8 percentage points as compared with the corresponding period of 2014.

(VIII) Liquidity and financial resources

As at 30 June 2015, total assets of the Group amounted to approximately RMB45,827.5 million (31 December 2014: approximately RMB44,835.8 million), of which current assets amounted to approximately RMB39,526.4 million (31 December 2014: approximately RMB39,226.1 million). Total liabilities amounted to approximately RMB31,845.3 million (31 December 2014: approximately RMB31,518.7 million), of which non-current liabilities amounted to approximately RMB11,767.9 million (31 December 2014: approximately RMB13,691.4 million). Total equity amounted to approximately RMB13,982.2 million (31 December 2014: approximately RMB13,317.0 million). Total equity attributable to equity shareholders amounted to RMB11,831.6 million (31 December 2014: approximately RMB11,209.9 million).

As at 30 June 2015, the Group had cash and bank balances (including restricted cash) of approximately RMB6,651.9 million (31 December 2014: approximately RMB7,514.5 million) and total interest-bearing liabilities of approximately RMB15,132.1 million (31 December 2014: approximately RMB16,265.4 million). As at 30 June 2015, total net interest-bearing liabilities of the Group amounted to approximately RMB8,660.2 million (31 December 2014: approximately RMB8,750.9 million). As at 30 June 2015, the net debt to equity ratio of the Group was 61.9%.

(IX) Financing activities

Adhering to the strategy of the year 2014, the Group optimized its debt structure by obtaining long-term borrowings and the percentage of short-term borrowings to total approximately 31.1%. As at 30 June 2015, the cash ratio (the ratio of cash and bank balances to short-term borrowings) of the Group was approximately 1.4 times.

(X) Commitments

As at 30 June 2015, the Group had made capital commitments of approximately RMB25,880.6 million related to the expenditure in respect of future establishment and property development (31 December 2014: approximately RMB26,013.2 million).

(XI) Contingent liabilities

As at 30 June 2015, the Group provided guarantees of approximately RMB7,527.8 million (31 December 2014: approximately RMB4,371.0 million) to banks in respect of the mortgage loans granted to purchasers of the properties of the Group. Pursuant to the terms of the guarantees, where a purchaser is in default on any mortgage payments to the banks prior to the issue of the building ownership certificate, the relevant banks are entitled to withdraw such amount equivalent to the payments in default from the deposit of the Group and may require the Group to settle any outstanding amount not covered by the deposit.

Management of the Group considered that the risk of loss borne by the Group for the guarantees is insignificant as the market value of the mortgaged properties will not fall below the payments to be settled by the Group due to default.

(XII) Significant acquisition, disposal or investment

The Group did not have any material acquisition, disposal and investment during the six months ended 30 June 2015.

INTERIM DIVIDEND

The Board does not recommend to declare any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: RMBNil).

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

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

For the six months ended 30 June 2015, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules, save and except for deviation from code provision A.2.1 which states that roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The chairman and chief executive officer of the Company are held by Mr. Kei Hoi Pang who is the founder of the Company and has extensive experience in the industry. The Board believes that Mr. Kei Hoi Pang can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also considers that the current structure of vesting the roles of chairman and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board shall review this structure from time to time to ensure appropriate and timely action to meet changing circumstances.

DEED OF NON-COMPETITION

The Company has received, from each of the controlling shareholders of the Company, a declaration on his/her/its compliance during the six months ended 30 June 2015 with the undertakings contained in the deed of non-competition dated 3 December 2013 (the "Deed of Non-Competition") entered into by each of them in favour of the Company pursuant to which each of the controlling shareholders of the Company has undertaken to the Company that he/she/it will not, and will procure his/her/its associates (other than members of the Group), controlled persons and controlled companies not to directly or indirectly, either on their own account, in conjunction with, on behalf of or through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest, provide any support to, financial or otherwise, or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the principal businesses of the Group, or acquire or hold shares or interest in any companies or business that compete directly or indirectly with the principal businesses of the Group. Details of the Deed of Non-Competition were disclosed in the prospectus of the Company dated 10 December 2013 under the section headed "Relationship with Our Controlling Shareholders".

The independent non-executive Directors have reviewed the compliance of the Deed of Non-Competition by the controlling shareholders of the Company and were satisfied that each of the controlling shareholders of the Company has complied with the Deed of Non-Competition for the six months ended 30 June 2015.

AUDIT COMMITTEE AND REVIEW OF AUDITOR

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors. The Audit Committee has reviewed with the Company's management, the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2015.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2015 have been reviewed by KPMG, the independent auditor of the Company, 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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry, the Company confirmed that all the Directors have complied with the required standards set out in the Model Code for the six months ended 30 June 2015.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (http://www.loganestate.com) and the Stock Exchange (http://www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2015 containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders of the Company and made available for review on the same websites in due course.

By Order of the Board
Logan Property Holdings Company Limited
Kei Hoi Pang
Chairman

Hong Kong, 28 August 2015

As at the date of this announcement, the executive Directors are Mr. Kei Hoi Pang, Mr. Ji Jiande, Mr. Xiao Xu and Mr. Lai Zhuobin; the non-executive Director is Ms. Kei Perenna Hoi Ting; and the independent non-executive Directors are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca and Mr. Cai Suisheng.