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 2016

INTERIM RESULTS HIGHLIGHTS

- Contracted sales of the Group for the six months ended 30 June 2016 increased by approximately 71.0% as compared with the corresponding period of 2015 to approximately RMB14.39 billion.

- Revenue of the Group for the six months ended 30 June 2016 increased by approximately 23.4% to RMB6,363.2 million as compared with the corresponding period of 2015.

- Gross profit of the Group for the six months ended 30 June 2016 increased by approximately 25.8% to RMB1,931.0 million as compared with the corresponding period of 2015. Gross profit margin was 30.3%.

- Profit excluding changes in fair values of investment properties and derivative financial instruments and the relevant deferred tax ("Core Profit") of the Group for the six months ended 30 June 2016 increased by approximately 24.9% to RMB864.2 million as compared with the corresponding period of 2015. Core Profit margin was up to 13.6%.

- Basic earnings per share of RMB23.01 cents (approximately HK26.92 cents).

- Total land bank of the Group as at 30 June 2016 was approximately 14.08 million sq.m. and the average cost of the land bank was RMB3,409 per sq.m..

INTERIM RESULTS

The board (the "Board") of Directors (the "Directors") 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 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016 — Unaudited
(Expressed in Renminbi)

	Notes	**Six months ended 30 June 2016** *RMB'000*	2015 *RMB'000*
Revenue	*2*	**6,363,209**	5,156,121
Direct costs		**(4,432,223)**	(3,620,814)
Gross profit		**1,930,986**	1,535,307
Other revenue		**77,479**	50,071
Other expenses	*3(b)*	**(146,204)**	(9,057)
Selling and marketing expenses		**(244,714)**	(207,032)
Administrative expenses		**(197,512)**	(222,692)
Net increase in fair value of investment properties	*6*	**556,449**	515,386
Net increase/(decrease) in fair value of derivative financial instruments		**67,176**	(4,925)
Profit from operations		**2,043,660**	1,657,058
Finance costs	*3(a)*	**(42,275)**	(23,006)
Profit before taxation	*3*	**2,001,385**	1,634,052
Income tax	*4*	**(652,636)**	(559,238)
Profit for the period		**1,348,749**	1,074,814
Attributable to:			
Equity shareholders of the Company		**1,277,552**	1,031,277
Non-controlling interests		**71,197**	43,537
Profit for the period		**1,348,749**	1,074,814
Earnings per share *(RMB cents)*	*5*		
– Basic		**23.01**	20.63
– Diluted		**23.00**	20.58

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016 — Unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Profit for the period	**1,348,749**	1,074,814
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	**(48,673)**	10,749
Total comprehensive income for the period	**1,300,076**	1,085,563
Attributable to:		
Equity shareholders of the Company	**1,228,879**	1,042,026
Non-controlling interests	**71,197**	43,537
Total comprehensive income for the period	**1,300,076**	1,085,563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Non-current assets			
Investment properties	6	**6,824,000**	6,117,500
Other property, plant and equipment		**175,252**	165,622
		6,999,252	6,283,122
Deferred tax assets		**599,945**	385,210
Interest in joint ventures and an associate		**11,098,211**	–
Restricted and pledged deposits		**284,684**	343,065
		18,982,092	7,011,397
Current assets			
Inventories		**31,528,187**	28,198,344
Trade and other receivables and prepayments	7	**9,483,019**	10,025,722
Tax recoverable		**757,686**	402,045
Assets under cross-border guarantee arrangements	10	**286,600**	286,600
Restricted and pledged deposits		**2,011,413**	2,212,300
Cash and cash equivalents		**10,141,556**	8,635,258
		54,208,461	49,760,269
Current liabilities			
Trade and other payables	8	**22,518,950**	16,969,129
Liabilities under cross-border guarantee arrangements	10	**286,600**	286,600
Bank and other loans		**5,558,556**	4,044,885
Tax payable		**1,188,187**	1,320,647
		29,552,293	22,621,261
Net current assets		**24,656,168**	27,139,008
Total assets less current liabilities		**43,638,260**	34,150,405

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2016 — unaudited
(Expressed in Renminbi)

	At 30 June 2016 *RMB'000* (unaudited)	At 31 December 2015 *RMB'000* (audited)
Non-current liabilities		
Bank and other loans	**7,854,870**	7,117,037
Corporate bonds	**8,000,000**	5,000,000
Senior notes	**5,446,230**	3,588,720
Deferred tax liabilities	**1,269,231**	983,731
	22,570,331	16,689,488
NET ASSETS	**21,067,929**	17,460,917
CAPITAL AND RESERVES		
Share capital	**439,204**	439,821
Reserves	**16,216,724**	13,108,958
Total equity attributable to equity shareholders of the Company	**16,655,928**	13,548,779
Non-controlling interests	**4,412,001**	3,912,138
TOTAL EQUITY	**21,067,929**	17,460,917

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 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 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. Of those, the following amendments are relevant to the Group.

— *Annual Improvements to HKFRSs 2012–2014 Cycle*

— *Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative*

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

Annual Improvements to HKFRSs 2012–2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, HKAS 34, Interim financial reporting, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the Group's interim financial report as the Group does not present the relevant required disclosures outside the interim financial statements.

Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative

The amendments to HKAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim financial report.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents income from sale of properties, rental income and construction income earned during the period, before deduction of business tax and discounts allowed, and is analysed as follows:

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Sale of properties	**6,613,485**	5,373,914
Rental income	**40,013**	29,426
Construction income	**46,059**	59,999
	6,699,557	5,463,339
Less: Business tax and other sales related taxes	**(336,348)**	(307,218)
	6,363,209	5,156,121

(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 retails shops to rental income and to generate 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 2016

	Property development *RMB'000*	Property leasing *RMB'000*	Construction contracts *RMB'000*	Total *RMB'000*
Gross revenue from external customers	**6,613,485**	**40,013**	**46,059**	**6,699,557**
Less: Business tax and other sales related taxes	**(334,046)**	**(1,968)**	**(334)**	**(336,348)**
Net revenue from external customers	**6,279,439**	**38,045**	**45,725**	**6,363,209**
Inter-segment revenue	**–**	**–**	**1,706,067**	**1,706,067**
Total segment revenue	**6,279,439**	**38,045**	**1,751,792**	**8,069,276**
Reportable segment profit	**1,498,395**	**37,795**	**219,010**	**1,755,200**
Bank interest income	**17,716**	**–**	**15,761**	**33,477**
Finance costs	**(20,412)**	**–**	**(2,985)**	**(23,397)**
Depreciation	**(4,840)**	**–**	**(2)**	**(4,842)**
Increase in fair value of investment properties	**–**	**556,449**	**–**	**556,449**

For the six months ended 30 June 2015

	Property development *RMB'000*	Property leasing *RMB'000*	Construction contracts *RMB'000*	Total *RMB'000*
Gross revenue from external customers	5,373,914	29,426	59,999	5,463,339
Less: Business tax and other sales related taxes	(303,248)	(1,800)	(2,170)	(307,218)
Net 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	117,477	1,306,400
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

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

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**8,069,276**	6,706,727
Elimination of inter-segment revenue	**(1,706,067)**	(1,550,606)
Consolidated revenue	**6,363,209**	5,156,121
Profit		
Reportable segment profit	**1,755,200**	1,306,400
Elimination of inter-segment profits	**(236,652)**	(111,335)
Reportable segment profit derived from Group's external customers	**1,518,548**	1,195,065
Other revenue	**77,479**	50,071
Other expenses	**(146,204)**	(9,057)
Depreciation	**(22,176)**	(13,571)
Finance costs	**(42,275)**	(23,006)
Net increase in fair value of investment properties	**556,449**	515,386
Net increase in fair value of derivative financial instruments	**67,176**	(4,925)
Unallocated head office and corporate expenses	**(7,612)**	(75,911)
Consolidated profit before taxation	**2,001,385**	1,634,052

(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	
		2016	2015
		RMB'000	*RMB'000*
(a)	**Finance costs**		
	Interests on bank and other loans and other borrowing costs	**372,442**	590,767
	Interest on senior notes	**287,813**	179,756
	Interest on corporate bonds	**202,615**	–
		862,870	770,523
	Less: Amount capitalised	**(820,595)**	(747,517)
		42,275	23,006
(b)	**Other items**		
	Depreciation	**23,355**	15,972
	Less: Amount capitalised	**(1,179)**	(2,401)
		22,176	13,571
	Cost of properties sold	**4,379,980**	3,566,399
	Net loss on disposal of other property, plant and equipment	**–**	6
	Other expenses *(note)*	**146,204**	9,057
	Bank interest income	**(65,306)**	(33,727)

Note: The Group made charitable donations amounted to RMB120,000,000 during the period ended 30 June 2016.

4 INCOME TAX

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Current tax		
Provision for PRC Corporate Income Tax ("CIT") for the period	**341,757**	261,720
Provision for PRC Land Appreciation Tax ("LAT") for the period	**240,114**	171,861
	581,871	433,581
Deferred tax		
Origination and reversal of temporary differences	**70,765**	125,657
	652,636	559,238

(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 included 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 2016 is based on the profit attributable to equity shareholders of the Company of RMB1,277,552,000 (six months ended 30 June 2015: RMB1,031,277,000) and 5,552,484,000 shares (six months ended 30 June 2015: 5,000,000,000 shares) in issue during the six months ended 30 June 2016, calculated as follows.

	Six months ended 30 June	
	2016	2015
	'000	*'000*
Weighted average number of shares at 30 June	**5,557,554**	5,000,000
Effect of shares repurchased	**(5,070)**	–
Weighted average number of shares at 30 June	**5,552,484**	5,000,000

(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 RMB1,277,552,000 (six months ended 30 June 2015: RMB1,031,277,000) and the weighted average number of shares (diluted) of 5,555,405,000 shares (six months ended 30 June 2015: 5,011,821,000 shares).

	Six months ended 30 June	
	2016	2015
	'000	*'000*
Weighted average number of shares at 30 June	**5,552,484**	5,000,000
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**2,921**	11,821
Weighted average number of shares diluted at 30 June	**5,555,405**	5,011,821

6 INVESTMENT PROPERTIES

All the Group's investment properties and investment properties under development were revalued as at 30 June 2016. The valuations were carried out by an independent professional valuer, Roma Appraisals Limited, who has among their staff member of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuers have valued the investment properties by reference to sales evidences as available on the market. The investment properties under development had been valued on the basis that the properties will be developed and completed in accordance with the relevant development plans. They were determined using the direct comparison approach by making references to comparable sale evidence as available in the relevant market, with adjustments for development costs to be expended to complete the properties. The fair value measurement is positively connected to the market unit sales rate.

During the period, the net increase in fair value of investment properties and investment properties under development is RMB556,449,000 (six months ended 30 June 2015: RMB515,386,000) and additions in investment properties and investment properties under development are amounted to RMB158,639,000 (six months ended 30 June 2015: RMB127,532,000),

7 TRADE AND OTHER RECEIVABLES AND REPAYMENTS

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Trade receivables *(note (i))*	**119,227**	96,181
Prepayment and other receivables	**2,598,413**	1,291,029
Land deposits	**6,444,010**	8,348,721
Amounts due from related companies *(note (v))*	**65,055**	166,811
Amount due from non-controlling shareholders *(note (v))*	**139,963**	86,288
Senior notes redemption call options	**116,351**	36,692
	9,483,019	10,025,722

Notes:

(i) As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date, and the net of allowance for doubtful debts is as follows:

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Current or less than 1 month overdue	**73,697**	61,207
More than 1 month overdue and up to 3 months overdue	**35,746**	3
More than 3 months overdue and up to 6 months overdue	**–**	–
More than 6 months overdue and up to 1 year overdue	**–**	25,187
More than 1 year overdue	**9,784**	9,784
	119,227	96,181

(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, for which have a good track record of trading with the Group or sufficient rental deposits are held 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.

(v) The amounts due from related companies and non-controlling shareholders are interest-free, unsecured and recovered on demand.

8 TRADE AND OTHER PAYABLES

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Trade payables *(note (i) and (ii))*	**3,609,525**	4,046,221
Other payables and accrued charges *(note (ii))*	**667,602**	498,071
Customer deposits received	**16,650**	112,677
Rental and other deposits received	**10,762**	9,851
Receipts in advance	**16,919,965**	11,008,496
Amounts due to related companies *(note (iii))*	**645**	12
Non-interest bearing payable to a financial institution *(note (iv))*	**1,293,801**	1,293,801
	22,518,950	16,969,129

Notes:

(i) As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Within 1 month or on demand	**1,831,489**	2,274,297
More than 1 month but within 3 months	**372,342**	351,249
More than 3 months but within 6 months	**445,191**	464,546
More than 6 months but within 1 year	**486,913**	628,771
More than 1 year	**473,590**	327,358
	3,609,525	4,046,221

(ii) Except for the retention deposits payable to constructors of RMB121,781,000 (31 December 2015: RMB108,117,000) 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 repayable on demand.

(iii) The amounts due to related companies are interest-free, unsecured and repayable on demand.

(iv) 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.

9 DIVIDENDS

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the period, of HK14 cents (equivalent to RMB12 cents) (six months ended 30 June 2015: HK11 cents (equivalent to RMB9 cents)) per ordinary share	**664,043**	433,735

The Board resolved that no interim dividend for the six months ended 30 June 2016 will be distributed (six months ended 30 June 2015: RMBNil).

10 ASSETS AND LIABILITIES UNDER CROSS-BORDER GUARANTEE ARRANGEMENTS

In 2014, the Group entered into some cross-border guarantee arrangements with certain financial institutions, whereby certain offshore funding (i.e. in Hong Kong) primarily obtained from the issuance of senior notes has been used as a pledge against advances to onshore (i.e. in the PRC) for the Group's operating use in respect of its property development projects.

Pursuant to these arrangements which are made in compliance with the relevant rules and regulations promulgated by the State Administration of Foreign Exchange, the Group's subsidiaries in Hong Kong deposited funds in the relevant financial institutions, which in turn either through its related companies or business partners in the PRC advanced the same amount of funds to the Group's subsidiaries in the PRC.

The net cost of such arrangements is 2% (2015: 1.7% to 2.5%) per annum of the total funds advanced. The pledge of the Hong Kong funds deposited with such financial institutions will be released upon the settlement of the advances.

11 PURCHASE OF OWN SHARES

During the interim period, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share** *(HK$)*	**Lowest price paid per share** *(HK$)*	**Aggregate price paid** *HK$'000*
January 2016	3,072,000	2.25	2.15	6,763
February 2016	528,000	2.25	2.21	1,179
February 2016	56,000	2.25	2.24	126
March 2016	1,056,000	2.50	2.44	2,614
April 2016	3,134,000	2.93	2.85	9,072
				19,754

Pursuant to section 37(3) of the Companies Law of the Cayman Islands, an amount equivalent to the fair value of the shares repurchased of HK$19,754,000 (equivalent to approximately RMB16,829,000) was transferred out from share capital and share premium.

12 NON-ADJUSTING EVENT AFTER THE SIX MONTHS ENDED 30 JUNE 2016

On 28 July 2016, the Board announced that Shenzhen Logan Holdings Company Limited, a wholly-owned subsidiary of the Company (established in the People's Republic of China) (the "Issuer") has issued the Corporate Bonds of an amount of RMB3 billion for a term of five years, with an annual coupon rate of 5.15%. The Issuer shall be entitled to adjust the coupon rate and the investors shall have an option to sell back the Corporate Bonds at the end of the third year.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the business review and prospects of the Group for the six months ended 30 June 2016.

Business Review

During the six months ended 30 June 2016, the Group recorded contracted sales of approximately RMB14.39 billion, representing a significant increase of approximately 71.0% as compared with the corresponding period of last year. Contracted saleable GFA amounted to approximately 1,141,000 sq.m.. Revenue for the six months ended 30 June 2016 amounted to RMB6,363.2 million, representing an increase of approximately 23.4% as compared with the corresponding period of last year. Profit attributable to equity shareholders for the six months ended 30 June 2016 was RMB1,277.6 million, representing an increase of approximately 23.9% as compared with the corresponding period of last year. Core profit for the six months ended 30 June 2016 was approximately RMB864.2 million, representing an increase of approximately 24.9% as compared with the corresponding period of last year. Core profit margin was 13.6%.

In recent years, the urban differentiation of China's property industry and corporate differentiation have been prevailing, which led to severe circumstances including a gradual decline in gross profit margin, slowdown of sale-through rate and high gearing ratio. Under the differentiated environment within the industry, the Group developed the first-tier cities, such as Shenzhen, in a early manner by capturing the trends of regional business development and net inflow population. The Group has strived to explore areas with huge growth potential in market value in Pearl River Delta Metropolitan Region and obtained a premium land in Zhuhai during the first half of 2016. The Group precisely formulated the properties along the railway transportation, and the six largest projects of the Group in Shenzhen are currently situated along the railway transportation, representing substantial potential for appreciation.

During the period under review, the Group was well-recognized with leading position by the authoritative organizations in the industry, and 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 sixth consecutive year with ranking up to 32nd from 38th in 2015. During the period under review, the credit rating of 深圳市龍光控股有限公司 (Shenzhen Logan Holdings Co., Ltd.*), a major domestic operating subsidiary of the Group, was adjusted to AA+ by 聯合信用評級有限公司 (United Credit Rating Co., Ltd.*). Further, Logan Property has been firstly included in the study coverage by Nomura International and CICC in January and June 2016, respectively, and ranked as "buy" for the investment ranking.

In January this year, the Group has completed the non-public issue of domestic corporate bonds through Shenzhen Logan Holdings Co., Ltd. ("Shenzhen Logan Holdings"), a wholly-owned subsidiary, that the issue size of the non-public issue was RMB2.5 billion for a term of 3 years, with an annual coupon rate of 5.8%. In May 2016, Shenzhen Logan Holdings issued the second tranche of non-public domestic corporate bonds. The issue size of the non-public issue was RMB500 million for a term of 4 years, with coupon rate of 5.2%. In July 2016, Shenzhen Logan Holdings issued the third tranche of non-public domestic corporate bonds. The issue size of the non-public issue was RMB3 billion for a term of 5 years with a coupon rate of 5.15%. The gradual decline in the coupon rate for such non-public domestic corporate bonds signifies the high availability of capital to support the continuous growth of the Group's business at a lower financing cost, which will be in the interests of the Group in the long run.

During the period under review, the Group has successfully obtained 3 projects, of which 1 project in Shenzhen, with the total GFA amounted to 1.24 million sq.m.. The aggregate investment was RMB16.2 billion, while its land cost was better managed by the means of cooperative strategies. The total land bank of the Group was approximately 14.08 million sq.m. for the six months ended 30 June 2016, while the average land cost was approximately RMB3,409 per sq.m., which is expected to be sufficient for the development demand in the coming five to six years. Among the total land bank of the Group, over 70% of saleable resources are located in the Shenzhen region, which helped the Group to capture the future opportunities brought by differentiation of the market, and lay the foundation for continuous business growth.

Prospect

The pace of domestic economic growth remained slow while the inventory destocking of real estate industry was also just above the "bottomline" of economic growth. The monetary policy still maintained a moderate-to-loose level while the interest rate as a whole experienced a trend of decline. Implementation of policies according to diversification by cities and facilitating a stable growth in market are still the major measures in relation to the coordination of real estate industry. The overall transaction volume was stable in terms of total sales of the industry while the transaction volume has increased with stability in terms of the sale information of the listed real estate companies for the half year.

It is expected that the Group will launch more projects located along Shenzhen Metro in the second half of the year, including the projects, such as Logan • Jiuzuan (龍光•玖鑽項目), which is located on top of Hongshan Metro Station, Pingshan New District Project, Acesite Mansion (玖龍璽) and Eastern Shenzhen Logan City (深圳東龍光城). The Group is confident of maintaining a higher profitability and high compound annual growth rate so as to strive for better return to its Shareholders.

Going forward, the Group will maintain a prudent financial strategy to gradually reduce its financing costs through broadening its domestic financing channels to ensure stable growth and profitability of the Group. As at 30 June 2016, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB12,437.7 million. The Group's net debt-to-equity ratio was at approximately 74.6%. During the period under review, the average borrowing cost of the Group was 6.3%, representing a decrease of 0.5 percentage points as compared with 2015 which was mainly attributable to issuance of non-public corporate bonds at lower cost. During the first half of this year, the Group issued non-public corporate bonds in the total issue size of RMB3 billion at coupon rates ranging from 5.2% to 5.8%. The Group will persist in broadening its financing channels, lowering its financing costs, optimizing its debt structure and strengthening the overall financial capability for providing liquidity to the Group's continuous business growth.

In respect to project investments, the Group will focus on the three core metropolitan areas, including Pearl River Delta, Yangtze River Delta and Beijing-Tianjing-Hebei Region, to seek for cities or districts with high growth potential in market value, especially the metropolitan area with one-hour journey by Shenzhen Metro, so as to expand land bank in Great Shenzhen Metropolitan Area. In addition, the Group will also strategically hold above-metro station properties located at the core districts to take advantage of the value appreciation of properties in first-tier cities and prevent from fluctuation of the industry. Meanwhile, the Group will also commence cooperative developments of certain projects with an active manner to put efforts into raising value of the shareholders.

Logan Property Holdings Company Limited
Kei Hoi Pang
Chairman

* *for identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

For the six months ended 30 June 2016, the revenue and gross profit of the Group were RMB6,363.2 million and RMB1,931.0 million, representing an increase of approximately 23.4% and 25.8% as compared with the corresponding period of 2015, respectively. Profit for the six months ended 30 June 2016 attributable to the equity shareholders was RMB1,277.6 million, representing an increase of approximately 23.9% as compared with the corresponding period of 2015. For the six months ended 30 June 2016, 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 RMB864.2 million, representing an increase of approximately 24.9% as compared with the corresponding period of 2015. Basic earnings per share was RMB23.01 cents (the corresponding period of 2015: RMB20.63 cents).

As at 30 June 2016, the net debt-to-equity ratio of the Group was 74.6%.

Performance Highlights

	For the six months ended 30 June		
	2016	2015	Changes %
Contracted sales *(RMB'000)*	**14,390,320**	8,413,603	71.0%
Contracted saleable GFA *(sq.m.)*[2]	**1,140,695**	1,245,002	-8.4%
Contracted average selling price ("ASP") *(RMB/sq.m.)*[2]	**11,901**	6,624	79.7%
Revenue[1]	**6,699,557**	5,463,339	22.6%
Among which: sales of properties			
– Revenue from properties delivered *(RMB'000)*[1]	**6,613,485**	5,373,914	23.1%
– GFA of properties delivered *(sq.m.)*[2]	**827,073**	828,739	-0.2%
– ASP of properties delivered *(RMB/sq.m.)*[2]	**7,502**	6,255	19.9%
Rental income *(RMB'000)*[1]	**40,013**	29,426	36.0%
Construction income *(RMB'000)*[1]	**46,059**	59,999	-23.2%
Gross profit *(RMB'000)*	**1,930,986**	1,535,307	25.8%
Profit for the period			
– Attributable to shareholders *(RMB'000)*	**1,277,552**	1,031,277	23.9%
– Attributable to non-controlling interests *(RMB'000)*	**71,197**	43,537	63.5%
Profit for the period (excluding changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax)	**864,236**	691,968	24.9%
– Attributable to shareholders *(RMB'000)*	**884,120**	648,431	36.3%
– Attributable to non-controlling interests *(RMB'000)*	**(19,884)**	43,537	-145.7%

	As at 30 June 2016	As at 31 December 2015	Changes %
Total assets *(RMB'000)*	**73,190,553**	56,771,666	28.9%
Cash and bank balances (including cash and cash equivalents and restricted and pledged deposits) *(RMB'000)*	**12,437,653**	11,190,623	11.1%
Total bank and other borrowings[3] *(RMB'000)*	**28,153,457**	21,044,444	33.8%
Total equity *(RMB'000)*	**21,067,929**	17,460,917	20.7%

Key financial ratios

Gross profit margin[(1)]	**30.3%**	29.8%	
Core profit margin[(2)]	**13.6%**	13.4%	
Net debt to equity ratio[(3)]	**74.6%**	58.4%	
Gearing ratio[(4)]	**71.2%**	69.2%	

1. Representing the amount of income before deduction of business tax and other sales related taxes.

2. Excluding the GFA of car parking spaces.

3. Including bank and other loans, senior notes and corporate bonds and non-interest bearing payable.

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%

PROPERTY DEVELOPMENT

Contracted sales

For the six months ended 30 June 2016, the Group recorded contracted sales of approximately RMB14,390 million, representing a significant increase of approximately 71.0% as compared with approximately RMB8,414 million in the corresponding period of 2015. The contracted saleable GFA (excluding car parking spaces) was 1,140,695 sq.m. in the first half of 2016, representing a decrease of approximately 8.4% as compared with 1,245,002 sq.m. in the corresponding period of 2015. The ASP for the six months ended 30 June 2016 was RMB11,901 per sq.m.[1], representing an increase of approximately 79.7% as compared with RMB6,624 per sq.m. in the corresponding period of 2015. The increase was mainly due to a significant increase of the selling price of the Group's main project, the Logan City in eastern Shenzhen (深圳東龍光城), and the higher price of the Group's selected project, Acesite Mansion (玖龍璽), located in Longhua New District, Shenzhen. For the six months ended 30 June 2016, Shenzhen region, other regions of Pearl River Delta[2], Shantou region, Nanning region and other regions accounted for approximately 52.7%, 13.5%, 20.7%, 9.2% and 3.9% of the contracted sales, respectively.

	Contracted sales in the first half of 2016				
	Amount *(RMB million)*	**Percentage**	**GFA[1]** *(sq.m.)*	**Percentage**	**ASP (excluding car parking spaces)** *(RMB/sq.m.)*
Shenzhen region	**7,588**	**52.7%**	**387,684**	**34.0%**	**19,574**
Other regions of Pearl River Delta[2]	**1,950**	**13.5%**	**177,393**	**15.6%**	**9,862**
Shantou region	**2,972**	**20.7%**	**281,264**	**24.7%**	**8,792**
Nanning region	**1,318**	**9.2%**	**211,894**	**18.6%**	**5,716**
Other regions	**562**	**3.9%**	**82,460**	**7.1%**	**6,708**
Total	**14,390**	**100.0%**	**1,140,695**	**100.0%**	**11,901**

1 Excluding car parking spaces
2 Excluding Shenzhen region

REVENUE FROM SALES OF PROPERTIES

For the six months ended 30 June 2016, the revenue from sales of properties amounted to RMB6,613.5 million, representing an increase of approximately 23.1% as compared with RMB5,373.9 million as compared with the corresponding period of 2015 and accounting for 98.7% of the total revenue. GFA delivered (excluding car parking spaces) decreased by approximately 0.2% to 827,073 sq.m. for the six months ended 30 June 2016 from 828,739 sq.m. in the corresponding period of 2015. Shenzhen region, other regions of Pearl River Delta[2], Shantou region, Nanning region and other regions contributed to the recognized income from sales of properties in the first half of 2016, accounting for approximately 22.7%, 25.1%, 17.2%, 32.7%, 2.3% respectively.

Revenue from sales of properties in the first half of 2016

	Amount *(RMB million)*	**Percentage**	**GFA[1]** *(sq.m.)*	**Percentage**	**ASP (excluding car parking spaces)** *(RMB/sq.m.)*
Shenzhen region	**1,502**	**22.7%**	**133,234**	**16.1%**	**11,169**
Other regions of Pearl River Delta[2]	**1,662**	**25.1%**	**215,808**	**26.1%**	**6,943**
Shantou region	**1,140**	**17.2%**	**168,018**	**20.3%**	**6,149**
Nanning region	**2,165**	**32.7%**	**286,136**	**34.6%**	**7,170**
Other regions	**144**	**2.3%**	**23,877**	**2.9%**	**5,600**
Total	**6,613**	**100%**	**827,073**	**100%**	**7,502**

Newly commenced projects

As at 30 June 2016, the Group commenced construction of a total of 10 projects or project phases, with a total planned GFA of approximately 1,517,439 sq.m..

Completed projects

As at 30 June 2016, the Group completed 6 projects or project phases with a total planned GFA of approximately 621,888 sq.m..

Developing projects

As at 30 June 2016, the Group had a total of 36 projects or project phases under construction with a total planned GFA of approximately 5,301,042 sq.m..

1: Excluding car parking spaces
2: Excluding Shenzhen region

Land bank

For the six months ended 30 June 2016, there were a total of three newly acquired projects with a total GFA of 1,240,342 sq.m.. The average cost of land acquired was approximately RMB13,045 per sq.m..

List of Projects Newly Acquired as at 30 June 2016

No.	City	Project name	Date of acquisition	Interest	Site area *(sq.m.)*	Total GFA *(sq.m.)*	Land cost *(million)*	Average land cost *(RMB per sq.m.)*
1	Zhuhai	Project in West Lake Branch, Jinwan District 金灣區西湖片區項目	2016.01.28	100%	49,468	198,000	997	5,035
2	Foshan	Dafu Village Project – Southern land 大富村項目 －南地塊	2016.03.25	100%	81,468	322,342	1,123	3,484
3	Shengzhen	Guangming Project 光明項目	2016.06.08	40%	152,442	720,000	14,060	19,527
				Total	283,378	1,240,342	16,180	13,045

As at 30 June 2016, the total GFA of the land bank of the Group amounted to approximately 14.08 million sq.m., the average cost of land bank was RMB3,409 per sq.m., and approximately 53% of the Group's land bank located in Pearl River Delta, the most prosperous area in the PRC. Shenzhen region, other regions of Pearl River Delta[1], Shantou region, Nanning region and other regions accounted for approximately 39%, 14%, 14%, 24% and 9%, respectively.

Land Bank Distribution as at 30 June 2016

No	Region	GFA *(sq.m.)*	Percentage
1	Shenzhen region	5,492,448	39%
2	Other regions of Pearl River Delta[1]	1,900,340	14%
3	Shangtou region	1,954,976	14%
4	Nanning region	3,429,560	24%
5	Other regions	1,299,715	9%
	Total	14,077,039	100%

1. Excluding Shenzhen region

PROPERTY INVESTMENTS

Rental income

The rental income of the Group for the six months ended 30 June 2016 amounted to RMB40.0 million, representing an increase of approximately 36.0% as compared with the corresponding period of 2015.

Investment properties

As at 30 June 2016, the Group had 17 investment properties with a total GFA of approximately 342,438 sq.m.. Under the investment property portfolio of the Group, 13 investment properties with a total GFA of approximately 122,278 sq.m. have been completed and the remaining 4 were under development.

Financial Review

(I) Revenue

Revenue of the Group for the six months ended 30 June 2016 amounted to RMB6,363.2 million, representing an increase of approximately RMB1,207.1 million, or approximately 23.4%, as compared with the corresponding period of 2015, primarily due to the increase in revenue from sales of properties as compared with the corresponding period of 2015. Revenue from sales of properties for the six months ended 30 June 2016 amounted to approximately RMB6,613.5 million, representing an increase of approximately 23.1% as compared with approximately RMB5,373.9 million of the corresponding period of 2015.

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

Project name	**For the six months ended 30 June**			
	2016		2015	
	Area[1]	**Amount[2]**	Area[1]	Amount[2]
	(sq.m.)	***(RMB'000)***	*(sq.m.)*	*(RMB'000)*
Shantou Seaward Sunshine (汕頭　尚海陽光)	**16,661**	**200,596**	11,884	198,600
Shantou Sunshine Castle (汕頭　陽光華府)	**–**	**–**	–	2,026
Shantou Flying Dragon Garden (汕頭　龍騰熙園)	**–**	**4,326**	–	2,824
Shenzhen Logan City (深圳　龍光城)	**122,944**	**1,388,177**	231,180	1,263,557
Huizhou Sky Palace (惠州　天悦龍庭)	**5,470**	**38,157**	57,969	223,124
Huizhou Grand Riverside Bay (惠州　水悦龍灣)	**11,928**	**87,902**	45,609	278,770
Shantou Logan Flying Dragon Landscape (汕頭　龍騰嘉園)	**150,836**	**935,393**	–	–
Guiliu Provence (桂林　普羅旺斯)	**23,051**	**119,235**	–	–
Guangzhou Landscape Residence (廣州　峰景華庭)	**–**	**12,346**	–	7,378

Project name	For the six months ended 30 June **2016** **Area[1]** ***(sq.m.)***	 **Amount[2]** ***(RMB'000)***	 2015 Area[1] *(sq.m.)*	 Amount[2] *(RMB'000)*
Guangzhou Palm Waterfront (廣州 棕櫚水岸)	**5,529**	**83,018**	4,420	61,136
Shunde Grand View (順德 水悅雲天)	**–**	**1**	1,467	10,908
Foshan Grand Riverside Bay (佛山 水悅龍灣)	**22,569**	**174,096**	33,514	212,774
Foshan Joy Palace (佛山 君悅龍庭)	**14,243**	**170,929**	48,227	323,184
Foshan Grand Joy Castle (佛山 君悅華府)	**1,028**	**32,524**	–	–
Foshan Shin Street Building (佛山 尚街大廈)	**9,843**	**122,808**	–	–
Zhuhai Easy Life (珠海 海悅雲天)	**–**	**1,286**	–	6,933
Zhongshan Joy Garden (中山 水悅馨園)	**138,722**	**834,786**	–	–
Zhongshan Grasse Vieille Ville (中山 海悅城邦)	**–**	**–**	–	1,623
Zhongshan Ocean Grange (中山 海悅熙園)	**436**	**5,507**	388	11,628
Zhongshan Grand Garden (中山 水悅熙園)	**3,328**	**37,140**	11,538	67,316
Zhongshan Ocean Vista Residence (中山 海悅華庭)	**3,234**	**58,384**	61,673	470,312
Dongguan Imperial Summit Sky Villa (東莞 君御旗峰)	**10,002**	**111,642**	29,958	259,148
Dongguan Royal Castle (東莞 君御華府)	**288**	**5,477**	54,024	367,850
Shenzhen Sky Palace (深圳 天悅龍庭)	**–**	**–**	–	505
Shenzhen Grand Joy Palace (深圳 君悅龍庭)	**–**	**–**	–	69
Nanning Provence (南寧 普羅旺斯)	**83,345**	**591,194**	18,010	222,377
Nanning Grand Riverside Bay (南寧 水悅龍灣)	**835**	**54,945**	39,946	274,884
Nanning Royal Castle (南寧 君御華府)	**52,416**	**562,289**	–	–
Nanning Grand Joy Residence (南寧 君悅華庭)	**127,314**	**813,137**	–	–
Chengdu Sky Palace (成都 天悅龍庭)	**825**	**25,025**	16,233	148,624
Guangxi Sunshine Seaward (廣西 陽光海岸)	**22,226**	**143,138**	162,699	655,116
Total	**827,073**	**6,613,458**	828,739	5,070,666

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 2016, the direct costs of the Group increased by approximately RMB811.4 million, or approximately 22.4%, as compared with the corresponding period of 2015, primarily due to the increase in direct costs from sales of properties resulting from the expansion of business scale as compared with the corresponding period of 2015. Key components of costs are as follows:

	For the six months ended 30 June		
	2016	2015	Changes
	RMB'000	*RMB'000*	%
Costs	**4,432,223**	3,620,814	22.4%
Property development costs	**4,394,352**	3,566,398	23.2%
Costs of construction business and rental business	**37,871**	54,416	-30.4%

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the six months ended 30 June 2016 amounted to approximately RMB244.7 million (the corresponding period of 2015: approximately RMB207.0 million). As the Group further increased its property marketing efforts, the relevant selling and marketing expenses also increased by approximately 18.2% as compared with the corresponding period of 2015.

The administrative expenses of the Group for the six months ended 30 June 2016 amounted to approximately RMB197.5 million (the corresponding period of 2015: approximately RMB222.7 million), representing a decrease of approximately 11.3% as compared with the corresponding period of 2015. The decrease was primarily due to the decrease in staff costs.

The percentage of selling and marketing expenses and administrative expenses to contracted sales of the Group decreased from 2.5% and 2.6% for the six months ended 30 June 2015 to 1.7% and 1.4% for the six months ended 30 June 2016, respectively. The decreases were primarily due to the rapid growth of the contracted sales during the six months ended 30 June 2016. For the six month ended 30 June 2016, the contracted sales of the Group increased by approximately 71.0% as compared with the corresponding period of 2015.

(IV) Profit from operations

The profit from operations of the Group for the six months ended 30 June 2016 increased by 386.6 million to approximately RMB2,043.7 million (the corresponding period of 2015: approximately RMB1,657.1 million). As the revenue of the Group increased by approximately RMB1,207.1 million as compared with the corresponding period of 2015, the relevant direct costs, selling and marketing expenses and administrative expenses increased by approximately RMB823.9 million as compared with the corresponding period of 2015. As a result, the profit from operations of the Group increased by approximately RMB386.6 million for the six months ended 30 June 2016 as compared with the corresponding period of 2015.

(V) Finance costs

The net finance costs of the Group for the six months ended 30 June 2016 increased to approximately RMB42.3 million (the corresponding period of 2015: approximately RMB23.0 million). The Group average borrowing cost decreased from 6.8% for the year ended 31 December 2015 to 6.3% for the period ended 30 June 2016.

(VI) Income tax

Taxes of the Group for the six months ended 30 June 2016 included CIT and LAT. Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately RMB412.5 million and RMB240.1 million respectively (the corresponding period of 2015: approximately RMB387.4 million and RMB171.9 million respectively).

(VII) Core Profit

The Core Profit of the Group for the six months ended 30 June 2016 amounted to approximately RMB864.2 million, representing an increase of approximately RMB172.3 million as compared with the corresponding period of 2015. The Core Profit margin of the Group for the six months ended 30 June 2016 was approximately 13.6% (the corresponding period of 2015: approximately 13.4%), representing an increase of approximately 0.2 percentage points as compared with the corresponding period of 2015.

(VIII) Liquidity and financial resources

As at 30 June 2016, total assets of the Group amounted to approximately RMB73,190.6 million (31 December 2015: approximately RMB56,771.7 million), of which current assets amounted to approximately RMB54,208.5 million (31 December 2015: approximately RMB49,760.3 million). Total liabilities amounted to approximately RMB52,122.6 million (31 December 2015: approximately RMB39,310.7 million), of which non-current liabilities amounted to approximately RMB22,570.3 million (31 December 2015: approximately RMB16,689.5 million). Total equity amounted to approximately RMB21,067.9 million (31 December 2015: approximately RMB17,460.9 million). Total equity attributable to equity shareholders amounted to RMB16,655.9 million (31 December 2015: approximately RMB13,548.8 million).

As at 30 June 2016, the Group had cash and bank balances (including restricted cash) of approximately RMB12,437.7 million (31 December 2015: approximately RMB11,190.6 million) and total interest-bearing liabilities of approximately RMB26,859.6 million (31 December 2015: approximately RMB19,750.6 million).

(IX) Financing activities

For the period ended 30 June 2016, the Group successfully issued two tranches of non-public corporate bonds of RMB3.0 billion. The first tranche of issuance amounted to RMB2.5 billion with a coupon rate of 5.8% and a term of 3 years. The second tranche of issuance amounted to RMB0.5 billion, with a coupon rate of 5.2% and a term of 4 years. In July 2016, the Group issued third tranche of non-public corporate bond of RMB3.0 billion with a coupon rate of 5.15% and term of 5 years.

(X) Commitments

As at 30 June 2016, the Group had made capital commitments of approximately RMB26,022.5 million related to the expenditure in respect of future establishment and property development (31 December 2015: approximately RMB33,080.7 million).

(XI) Contingent liabilities

As at 30 June 2016, the Group provided guarantees of approximately RMB10,488.6 million (31 December 2015: approximately RMB8,156.9 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 2016.

INTERIM DIVIDEND

The Board does not recommend to declare any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: RMB Nil).

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

During the six months ended 30 June 2016, the Company had repurchased from the market a total of 7,846,000 shares. All the repurchased shares have been cancelled. The Directors believe that the repurchases of shares would lead to an enhancement of the net value of the Group and its assets and/or its earnings per share.

Details of the repurchases of the shares of the Company are as follows:

Month of repurchase	Number of shares repurchased	Highest price per share *(HK$)*	Lowest price per share *(HK$)*	Aggregate purchase price *(HK$)*
January 2016	3,072,000	2.25	2.15	6,763,060
February 2016	584,000	2.25	2.21	1,304,400
March 2016	1,056,000	2.50	2.44	2,613,820
April 2016	3,134,000	2.93	2.85	9,072,720

During the first half of 2016, the Group issued non-public corporate bonds with an aggregate principal amount of RMB3 billion with term ranging from 3 years to 4 years and coupon rates ranging from 5.2% to 5.8%.

Save as disclosed above, 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 2016.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

For the six months ended 30 June 2016, 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.

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 2016.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2016 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 during the six months ended 30 June 2016.

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 2016 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, 8 August 2016

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.