LOGAN
龙光地产

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 2019

INTERIM RESULTS HIGHLIGHTS

- Contracted sales of the Group for the six months ended 30 June 2019 increased by approximately 27.7% as compared with the corresponding period of 2018 to approximately RMB45,311.3 million.
- Revenue of the Group for the six months ended 30 June 2019 increased by approximately 78.3% to RMB27,021.7 million as compared with the corresponding period of 2018.
- Gross profit margin was 34.8%. Gross profit of the Group for the six months ended 30 June 2019 increased by approximately 67.4% to RMB9,392.4 million as compared with the corresponding period of 2018.
- Net profit amounted to RMB5,290.4 million. Core Profit* increased by 59.0% to RMB4,671.5 million, of which RMB4,509.8 million was attributable to owners of the parent, representing an increase of 70.2%. Core Profit margin was 17.3%
- Net gearing ratio was 65.4%. Cash and bank balances were 38,311.7 million as at 30 June 2019.
- Declared an interim dividend in cash of HK38 cents per share for the six months ended 30 June 2019, increased by 35.7% as compared with corresponding period of 2018 . The total dividend accounted for approximately 40% of the Core Profit attributable to owners of the parent.

* Core profit equal to net profit adjusted to changes in fair value of investment properties and derivative financial instruments and relevant deferred tax and share of changes in fair value of investment properties at an associate.

INTERIM RESULTS

The board (the "**Board**") of directors of Logan Property Holdings Company Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
REVENUE	*3*	**27,021,708**	15,153,528
Cost of sales		**(17,629,310)**	(9,542,129)
Gross profit		**9,392,398**	5,611,399
Other income and gains	*3*	**1,367,105**	758,542
Other expenses		**(1,846)**	(37,439)
Selling and marketing expenses		**(684,898)**	(270,651)
Administrative expenses		**(627,123)**	(446,673)
Net increase in fair value of investment properties	*8*	**787,879**	1,037,395
Net increase in fair value of derivative financial instruments		**27,952**	23,024
Share of (losses)/profits of associates		**(35,321)**	51,707
Share of losses of joint ventures		**(42,434)**	(61,869)
PROFIT FROM OPERATIONS		**10,183,712**	6,665,435
Finance costs	*4*	**(826,332)**	(520,876)
PROFIT BEFORE TAX	*5*	**9,357,380**	6,144,559
Income tax expense	*6*	**(4,067,019)**	(2,349,721)
PROFIT FOR THE PERIOD		**5,290,361**	3,794,838
Attributable to:			
Owners of the parent		**5,128,402**	3,431,807
Non-controlling interests		**161,959**	363,031
		5,290,361	3,794,838
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(RMB cents)*	*7*		
Basic		**91.87**	60.99
Diluted		**90.45**	59.96

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**5,290,361**	3,794,838
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (after tax and reclassification adjustments)		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of group entities	**21,856**	(152,469)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5,312,217**	3,642,369
Attributable to:		
Owners of the parent	**5,150,258**	3,279,338
Non-controlling interests	**161,959**	363,031
	5,312,217	3,642,369

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2019

	Notes	30 June 2019 (Unaudited) *RMB'000*	31 December 2018 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Investment properties	*8*	**25,613,512**	18,338,011
Other property, plant and equipment		**164,180**	176,014
Trade and other receivables, prepayments and other assets		**617,376**	—
Deferred tax assets		**719,752**	649,725
Investments in associates		**1,909,145**	1,447,180
Investments in joint ventures		**11,680,229**	18,042,573
Assets under cross-border guarantee arrangements		**—**	526,335
Restricted and pledged deposits		**554,477**	274,350
Total non-current assets		**41,258,671**	39,454,188
CURRENT ASSETS			
Inventories		**66,584,479**	54,780,698
Trade and other receivables, prepayments and other assets	*9*	**42,046,551**	37,816,369
Tax recoverable		**1,081,317**	773,299
Assets under cross-border guarantee arrangements		**2,781,216**	1,827,322
Restricted and pledged deposits		**3,296,209**	6,990,339
Cash and cash equivalents		**34,461,045**	28,452,462
Total current assets		**150,250,817**	130,640,489
CURRENT LIABILITIES			
Trade and other payables	*10*	**52,618,425**	47,449,771
Contract liabilities		**20,140,010**	16,784,879
Liabilities under cross-border guarantee arrangements		**3,153,949**	2,515,233
Bank and other loans		**8,727,074**	9,577,092
Senior notes		**2,384,274**	—
Other current liabilities		**10,662,449**	7,652,449
Tax payable		**5,982,475**	4,559,087
Total current liabilities		**103,668,656**	88,538,511
NET CURRENT ASSETS		**46,582,161**	42,101,978
TOTAL ASSETS LESS CURRENT LIABILITIES		**87,840,832**	81,556,166

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2019

	30 June 2019 (Unaudited) *RMB'000*	31 December 2018 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Liabilities under cross-border guarantee arrangements	—	526,335
Bank and other loans	**17,626,986**	11,966,970
Senior notes	**16,883,605**	16,764,667
Corporate bonds	**8,990,000**	12,980,000
Deferred tax liabilities	**3,090,991**	2,572,408
Total non-current liabilities	**46,591,582**	44,810,380
Net assets	**41,249,250**	36,745,786
EQUITY		
Equity attributable to owners of the parent		
Share capital	**433,300**	434,041
Perpetual capital securities	**2,363,346**	2,363,346
Reserves	**28,982,316**	26,451,419
	31,778,962	29,248,806
Non-controlling interests	**9,470,288**	7,496,980
Total equity	**41,249,250**	36,745,786

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2019

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial information of the Group (the "**interim financial information**") for the six months ended 30 June 2019 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

This interim financial information has been prepared under the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value. This interim financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the following new and revised Hong Kong Financial Reporting Standards (the "HKFRSs", which include all HKFRSs, HKASs and Interpretations issued by the HKICPA), that have been adopted by the Group for the first time in 2019 for the current period's interim financial information:

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of *HKFRS 16 Leases*, Amendments to *HKAS 28 Long-term Interests in Associates and Joint Ventures* and HK(IFRIC)-Int 23 *Uncertainty over Income Tax Treatments*, the new and revised standards are not relevant to the preparation of the Group's interim financial information. The nature and impact of the new and revised HKFRSs are described below:

(a) HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for an elective exemption for leases of short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impact on transition

For the leasehold land and building (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedient when applying HKFRS 16 at 1 January 2019:

- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months from the date of initial application

The adoption of HKFRS 16 did not have any significant impact on the Group's interim financial information.

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "properties held for development for sale", "properties under development for sale" and "completed properties for sale". The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed lease payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continue to be measured at amortised cost in accordance with HKFRS 9. Accordingly, the amendments did not have any significant impact on the Group's interim financial information.

(c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The amendments did not have any significant impact on the Group's interim financial information.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the property development segment develops and sells residential properties and retail shops;

(b) the property leasing 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;

(c) the construction and decoration contracts segment engages in construction of office premises and residential buildings and provides decoration services for external customers and for group companies, and provides interior decoration services to property buyers; and

(d) the primary land development segment engages in the sale of land held for development.

The Group's revenue from external customers from each operating segment is set out in note 3 to the interim financial information.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that depreciation, other income and gains, other expenses, finance costs, share of profits or losses of joint ventures and associates, fair value gains or losses of investment properties and derivative financial instruments and head office and corporate income and expenses are excluded from such measurement. Segment assets and liabilities are not reported to the Group's chief operating decision maker regularly.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding the reportable segments is presented below.

For the six months ended 30 June 2019

(Unaudited)	**Property development** *RMB'000*	**Property leasing** *RMB'000*	**Construction and decoration contracts** *RMB'000*	**Primary land development** *RMB'000*	**Total** *RMB'000*
Gross revenue from external customers	**16,381,860**	**70,985**	**5,843,261**	**4,900,000**	**27,196,106**
Less: Sales related taxes	**(155,731)**	**(306)**	**(18,361)**	**—**	**(174,398)**
Net revenue from external customers	**16,226,129**	**70,679**	**5,824,900**	**4,900,000**	**27,021,708**
Inter-segment revenue	**—**	**24,372**	**3,961,645**	**—**	**3,986,017**
Reportable segment revenue	**16,226,129**	**95,051**	**9,786,545**	**4,900,000**	**31,007,725**
Reportable segment profit	**3,707,676**	**87,913**	**2,313,929**	**2,989,605**	**9,099,123**

For the six months ended 30 June 2018

(Unaudited)	Property development *RMB'000*	Property leasing *RMB'000*	Construction and decoration contracts *RMB'000*	Primary land development *RMB'000*	Total *RMB'000*
Gross revenue from external customers	13,173,690	48,309	968,646	1,067,449	15,258,094
Less: Sales related taxes	(99,451)	(2,467)	(2,453)	(195)	(104,566)
Net revenue from external customers	13,074,239	45,842	966,193	1,067,254	15,153,528
Inter-segment revenue	—	12,323	3,875,145	—	3,887,468
Reportable segment revenue	13,074,239	58,165	4,841,338	1,067,254	19,040,996
Reportable segment profit	3,854,523	46,619	907,576	648,771	5,457,489

Information about a major customer

During the six months ended 30 June 2019, revenue of RMB4,900,000,000 (six months ended 30 June 2018: Nil) was derived from an independent third party for primary land development, which amounted to more than 10% of the Group's revenue.

Reconciliation of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**31,007,725**	19,040,996
Elimination of inter-segment revenue	**(3,986,017)**	(3,887,468)
Consolidated revenue	**27,021,708**	15,153,528
Profit		
Reportable segment profit	**9,099,123**	5,457,489
Elimination of inter-segment profits	**(827,239)**	(370,493)
Reportable segment profit derived from the Group's external customers	**8,271,884**	5,086,996
Other income and gains	**1,367,105**	758,542
Other expenses	**(1,846)**	(37,439)
Depreciation	**(33,546)**	(28,581)
Finance costs	**(826,332)**	(520,876)
Share of (losses)/profits of associates	**(35,321)**	51,707
Share of losses of joint ventures	**(42,434)**	(61,869)
Net increase in fair value of investment properties	**787,879**	1,037,395
Net increase in fair value of derivative financial instruments	**27,952**	23,024
Unallocated head office and corporate income and expenses	**(157,961)**	(164,340)
Consolidated profit before tax	**9,357,380**	6,144,559

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of the interim financial information.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of properties*	**16,381,860**	13,173,690
Construction and decoration income	**5,843,261**	968,646
Primary land development income	**4,900,000**	1,067,449
Revenue from another source		
Gross rental income	**70,985**	48,309
	27,196,106	15,258,094
Less: Sales related taxes	**(174,398)**	(104,566)
	27,021,708	15,153,528

* The invoiced amount billed to buyers of properties for the six months ended 30 June 2019 was RMB17,776,078,000 (six months ended 30 June 2018: RMB14,302,890,000) including value-added tax of RMB1,394,218,000 (six months ended 30 June 2018: RMB1,129,200,000).

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended 30 June 2019

	Sales of properties ***RMB'000***	**Construction and decoration income** ***RMB'000***	**Primary land development income** ***RMB'000***	**Total** ***RMB'000***
Timing of revenue recognition:				
Goods transferred at a point in time	**16,226,129**	**—**	**4,900,000**	**21,126,129**
Services transferred over time	**—**	**5,824,900**	**—**	**5,824,900**
Total revenue from contracts with customers	**16,226,129**	**5,824,900**	**4,900,000**	**26,951,029**

For the six months ended 30 June 2018

	Sales of properties *RMB'000*	Construction and decoration income *RMB'000*	Primary land development income *RMB'000*	Total *RMB'000*
Timing of revenue recognition:				
Goods transferred at a point in time	13,074,239	—	1,067,254	14,141,493
Services transferred over time	—	966,193	—	966,193
Total revenue from contracts with customers	13,074,239	966,193	1,067,254	15,107,686

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the six months ended 30 June 2019

	Property development ***RMB'000***	**Construction and decoration contracts** ***RMB'000***	**Primary land development** ***RMB'000***	**Total** ***RMB'000***
Revenue from contracts with customers				
External customers	**16,226,129**	**5,824,900**	**4,900,000**	**26,951,029**
Intersegment sales	**—**	**3,961,645**	**—**	**3,961,645**
	16,226,129	**9,786,545**	**4,900,000**	**30,912,674**
Intersegment adjustments and eliminations	**—**	**(3,961,645)**	**—**	**(3,961,645)**
Total revenue from contracts with customers	**16,226,129**	**5,824,900**	**4,900,000**	**26,951,029**

For the six months ended 30 June 2018

	Property development *RMB'000*	Construction and decoration contracts *RMB'000*	Primary land development *RMB'000*	Total *RMB'000*
Revenue from contracts with customers				
External customers	13,074,239	966,193	1,067,254	15,107,686
Intersegment sales	—	3,875,145	—	3,875,145
	13,074,239	4,841,338	1,067,254	18,982,831
Intersegment adjustments and eliminations	—	(3,875,145)	—	(3,875,145)
Total revenue from contracts with customers	13,074,239	966,193	1,067,254	15,107,686

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**256,000**	141,107
Interest income on amounts due from associates and joint ventures	**476,525**	344,361
Forfeiture income on deposits received	**30,696**	11,123
Gain on deemed disposal of subsidiaries upon loss of control, net	**14,047**	198,076
Gains on remeasurement of pre-existing interests in an associate and a joint venture to the date of obtaining control and acquisition	**239,514**	47,384
Gains on bargain purchase	**324,627**	—
Others	**25,696**	16,491
	1,367,105	758,542

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank and other loans and other borrowing costs	**1,045,866**	561,113
Interest on senior notes	**676,609**	326,508
Interest on corporate bonds	**610,068**	415,699
Total interest expense on financial liabilities not at fair value through profit or loss	**2,332,543**	1,303,320
Less: Interest capitalised	**(1,506,211)**	(782,444)
	826,332	520,876

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of properties sold	**13,356,781**	8,702,496
Cost of services provided	**4,272,529**	839,633
Depreciation	**34,831**	29,288
Less: Amount capitalised	**(1,285)**	(707)
	33,546	28,581
Equity-settled share option expense	**30,000**	30,000
Interest income:		
— Cash at bank	**(256,000)**	(141,107)
— Amounts due from an associate and joint ventures	**(476,525)**	(344,361)
Gain on deemed disposal of subsidiaries upon loss of control, net	**(14,047)**	(198,076)
Gains on remeasurement of pre-existing interests in an associate and a joint venture to the date of obtaining control and acquisition	**(239,514)**	(47,384)
Gains on bargain purchase	**(324,627)**	—
Net gain on disposal of items of other property, plant and equipment	**(715)**	(964)
Foreign exchange differences, net	**1,281**	18,534

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2019 and 2018. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current charge for the period:		
PRC corporate income tax	**2,948,028**	1,453,079
PRC land appreciation tax	**1,072,917**	711,693
	4,020,945	2,164,772
Deferred	**46,074**	184,949
Total tax charge for the period	**4,067,019**	2,349,721

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the six months ended 30 June 2019 is based on the profit for the period attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities, and the weighted average number of ordinary shares of 5,491,145,769 (six months ended 30 June 2018: 5,491,590,802) in issue during the period.

The calculation of the diluted earnings per share amount for the six months ended 30 June 2019 is based on the profit for the period attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to owners of the parent	**5,128,402**	3,431,807
Distribution related to perpetual capital securities	**(83,785)**	(82,717)
Profit used in the basic and diluted earnings per share calculations	**5,044,617**	3,349,090

	Number of shares Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**5,491,146**	5,491,591
Effect of dilution — weighted average number of ordinary shares:		
Share options	**86,397**	94,291
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	**5,577,543**	5,585,882

8. INVESTMENT PROPERTIES

All of the Group's investment properties and investment properties under development were revalued on 30 June 2019 based on valuations performed by APAC Asset Valuation and Consulting Limited and Vocation (Beijing) International Assets Appraisal Co., Ltd., independent professionally qualified valuers.

The valuations of completed investment properties and investment properties under construction were based on either the income approach by capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary rental income potential of the properties, which is positively correlated to the market rental growth rate, and negatively correlated to risk-adjusted discount rate, or the direct comparison method by reference to comparable market transactions, which is positively correlated to the market unit sale rate.

During the period, the net increase in fair value of investment properties and investment properties under development amounted to RMB787,879,000 (six months ended 30 June 2018: RMB1,037,395,000), additions in investment properties and investment properties under development amounted to RMB191,894,000 (six months ended 30 June 2018: RMB421,452,000), transfer from inventories to investment properties amounted to RMB26,507,000 (six months ended 30 June 2018: RMB61,952,000), and additions in investment properties and investment properties under development through acquisition of subsidiaries amounted to RMB6,265,916,000 (six months ended 30 June 2018: Nil).

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

The Group's trade receivables arise from the sales of properties, leasing of investment properties, provision of construction and decoration services and sale of land held for development.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date and invoice date, is as follows:

	30 June 2019 (Unaudited) ***RMB'000***	31 December 2018 (Audited) *RMB'000*
Current to 30 days	**505,735**	488
31 days to 90 days	**131,732**	8,190
91 to 180 days	**34,525**	1,057
181 to 365 days	**80,688**	8,375
Over 365 days	**12,702**	104
	765,382	18,214

10. TRADE AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2019 (Unaudited) ***RMB'000***	31 December 2018 (Audited) *RMB'000*
Current to 30 days	**4,061,861**	3,512,217
31 to 90 days	**2,940,695**	2,719,421
91 to 180 days	**5,188,546**	1,411,230
181 to 365 days	**3,052,986**	2,805,100
Over 365 days	**2,770,417**	2,055,820
	18,014,505	12,503,788

The trade payables are non-interest-bearing.

11. DIVIDENDS

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Declared interim dividend — HK38 cents per ordinary share (six months ended 30 June 2018: interim and special dividends — HK20 cents and HK8 cents respectively)	**1,832,487**	1,325,243

The interim dividend has not been recognised as a liability at the end of the reporting period.

12. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had the following financial guarantees which are not provided for in the interim financial information:

	30 June	31 December
	2019	2018
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties *(notes (i) and (ii))*	**31,203,950**	23,975,464
Guarantees given to banks and other lenders in connection with credit facilities granted to joint ventures and associates, net of counter-guarantees from joint venture partners	**7,292,304**	12,355,419
Add: Counter-guarantees provided by joint venture partners to the Group	**1,028,250**	6,455,097
Guarantees given to banks and other lenders in connection with credit facilities granted to joint ventures and associates provided by the Group *(note (iii))*	**8,320,554**	18,810,516
	39,524,504	42,785,980

The Group does not hold any collateral or other credit enhancements over the guarantees. The financial guarantee contracts are measured at the higher of the expected credit loss ("ECL") allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders for a credit loss that it incurs less any amounts that the Group expects to receive from the debtor. The amount initially recognised represents the fair value at initial recognition of the financial guarantees.

Notes:

(i) As at 30 June 2019, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any auction banks, net of any auction proceeds as described below.

Pursuant to the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, in the event of default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

(ii) The fair value of the guarantees at initial recognition and the ECL allowance are not significant as the directors of the Company consider that in the event of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalties.

(iii) As at 30 June 2019, the Group provided guarantees to the extent of RMB8,320,554,000 (31 December 2018: RMB18,810,516,000) in respect of credit facilities granted to the joint ventures and associates. In addition, as at 30 June 2019, the joint venture partners entered into counter-guarantee agreements with the Group, pursuant to which the joint venture partners provided counter-guarantees to the Group in proportion to those joint venture partners' respective interests in the joint ventures in respect of guarantees provided by the Group to the banks and other lenders on behalf of the joint venture partners. In the event of default on payment by the joint ventures, the Group is responsible for repaying the outstanding loan principals together with the accrued interest and penalties owed by the joint ventures, and the Group has the right to recover from the joint venture partners the attributable portion of liabilities paid pursuant to the counter-guarantee agreements.

In the opinion of the directors, the fair value of the guarantees at initial recognition and the ECL allowance are not significant.

13. EVENTS AFTER THE REPORTING PERIOD

(a) On 16 July 2019, the Company issued senior notes with a principal amount of US$400,000,000 due in 2023. The senior notes are interest-bearing at 6.50% per annum which is payable semi-annually in arrears. The maturity date of the senior notes is 16 July 2023. The details of the redemption price are disclosed in the relevant offering memorandum.

(b) On 5 August 2019, Shenzhen Logan Holdings Co., Ltd. ("Shenzhen Logan"), a company established in the PRC and a wholly-owned subsidiary of the Company, issued two tranches of private domestic corporate bonds. The coupon rates of the first and second tranches with principal amounts of RMB500,000,000 and RMB1,000,000,000 were fixed at 6.5% and 6.2% per annum, respectively. The terms of the first and second tranches of corporate bonds were 5 years and 4 years, respectively. At the end of third year and second year, Shenzhen Logan shall be entitled to adjust the coupon rate of first and second tranches of corporate bonds respectively and the bond holders shall be entitled to sell back the bonds to Shenzhen Logan.

(c) On 12 August 2019, the Company early redeemed in full the aggregate principal amount of US$260,000,000 of the 7.70% senior notes issued in January 2016 before their maturity at a total redemption price of US$269,079,000, representing 103% of the principal amount plus accrued and unpaid interest.

(d) On 25 July 2019, Shenzhen Logan had adjusted the coupon rate of corporate bonds with a principal amount of RMB3,000,000,000 from 5.15% per annum to 6.00% per annum and the corporate bonds with an aggregate principal amount of RMB1,028,000,000 was sold back to Shenzhen Logan; the corporate bonds with a remaining principal amount of RMB1,972,000,000 is due in July 2021.

COMPANY PROFILE

Logan Property Holdings Company Limited ("**Logan Property**" or the "**Company**") is an integrated property developer focusing extensively on the residential property market in the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**") in the PRC, with its products mainly tailored to first home purchasers and home improvement purchasers. As of 30 June 2019, the Company and its subsidiaries (collectively, the "**Group**") accumulated land bank of a total value of RMB752 billion in the open market, through merger and acquisition and urban renewal projects. Over 80% of the land bank, which are located in the Greater Bay Area, represent a total value of RMB611.1 billion and therefore safeguard for a stable growth in our future sales and profits. In 2019, the Group is ranked 23rd among Chinese large property developers (by comprehensive strengths according to China Index Academy). In addition, the Group is rated "BB-", "Ba3" and "BB-" in ratings by international authoritative agencies including Standard & Poor's, Moody's and Fitch respectively. To be more specific, Standard & Poor's & Fitch adjusts the ratings of Logan Property to "positive", while Moody's maintain the rating of "stable outlook". Meanwhile, a wholly-owned subsidiary of the Company, Shenzhen Logan Holdings Co., Ltd. is rated "AAA" in credit rating by renowned domestic rating agencies namely China Cheng Xin Securities Rating Co., Ltd. and United Credit Rating Co., Ltd.

Logan Property's healthy financial position and overall strengths are highly recognized by both domestic and overseas rating agencies. Currently, the shares of Logan are constituent shares of Hang Seng Composite Large Cap & Medium Cap Index, Hang Seng Stock Connect Greater Bay Area Composite Index, MSCI China All Shares Index, and FTSE Shariah Global Equity Index.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of the Company (the "**Board**"), I hereby present the interim results of the Group for the six months ended 30 June 2019.

Market Review

Amid slowing global economic growth during the first half of 2019, coupled with the trade protectionism initiated by the United States, more unstable factors have emerged in the global economic environment. Despite a challenging international environment, the Chinese Central Government adhered to the supply-side structural reform and economic structure optimization to continue the expansion of effective demands, while China's economy continued to grow steadily with a GDP growth of 6.3% in the first half of 2019.

China's property market maintained stable during the first half of 2019. According to the National Bureau of Statistics of China, China's total real estate development and investment increased by 10.9% year on year ("**YoY**") to RMB6,160.9 billion. The saleable gross floor area of commercial buildings was 757.86 million square meters, down by 1.8% YoY, while the total saleable amounts of commercial buildings were RMB7,069.8 billion, up 5.6% YoY.

The Chinese Central government recently announced "Opinions on Building Shenzhen into a pilot demonstration area of socialism with Chinese Characteristics", with a goal of building Shenzhen into a hub of innovation, entrepreneurship and creativity with international influence, as well as a global pacesetter with outstanding competitiveness, innovative capacity and influence. As at 30 June 2019, the value of Logan Property's land bank in Shenzhen amounted to over RMB180 billion, and in terms of the number of completed transactions, Logan Property ranked first in Shenzhen for two consecutive years in 2017 and 2018, and the number of metro property projects under development in Shenzhen has reached 13 currently, with obvious first-mover advantage, Logan Property will benefit from the long-term economic growth and favourable policy in the Shenzhen region. In addition, the Value of Logan Property's land bank in the Pan-Shenzhen areas such as Huizhou and Dongguan amounted to over RMB150 billion, which will continue to benefit from the spillover effect of housing demand in Shenzhen.

Overall Performance

During the six months ended 30 June 2019, the Group achieved contracted sales of approximately RMB45.31 billion, representing an increase of approximately 27.7% as compared with the same period of last year, and achieved 53.3% of the 2019 annual sales target. The gross floor area of contracted sales amounted to approximately 3.4 million square meters. The Group's revenue amounted to approximately RMB27,022 million, representing an increase of approximately 78.3% as compared with the same period of last year. Gross profit amounted to approximately RMB9,392 million, with a gross profit margin of 34.8%. Profit attributable to owners of the parent amounted to approximately RMB5,128 million. Core Profit amounted to approximately RMB4,672 million, representing an increase of approximately 59.0% as compared with the same period of last year. Core Profit margin was 17.3%, leading the market sustainably.

During the period under review, the Group continued to be widely acclaimed by the industry and the capital market, given its strategic foresight in the Greater Bay Area, industry-leading profitability and premium brand name value. In terms of brand, honors and awards, the Group was selected as one of "China's Top 100 Real Estate Developers" (中國房地產百強企業) for nine consecutive years and its ranking has jumped to 23rd in 2019 (26th in 2018). This award has been jointly announced by the Enterprise Research Institute of Development Research Center of the State Council (國務院發展研究中心企業研究所), the Institute of Real Estate Studies of Tsinghua University (清華大學地產研究所) and China Index Academy (中國指數研究院). In addition, the Group was also ranked 4th in the "Top 10 Real Estate Developers by Profitability in 2019". Moreover, the Group was awarded with "Top 20 Financially Strong and Credible Property Enterprises in Guangdong" for 17 consecutive years. Furthermore, the Group was ranked 957 in "Global 2000 The World's Largest Public Companies", up 430 spots as compared with its ranking in 2018. In the meantime, the Group was ranked in "the 2019 Global 2000: Growth Champions" by Forbes. The Group also jumped to 202nd in Fortune China 500, up 64 spots as compared with its ranking in 2018.

Logan Property is also highly recognized by the capital market and has been highly recommended by a number of renowned global investment banks such as Citibank, UBS, HSBC and Huatai Securities. Meanwhile, its healthy financial position and overall strengths were recognized by both domestic and overseas rating agencies. Currently, Logan Property is a constituent stock of Hang Seng Composite Large Cap & Medium Cap Index, Hang Seng Stock Connect Greater Bay Area Composite Index, MSCI China All Shares Index and FTSE Shariah Global Equity Index. The Group is rated "BB-", "Ba3" and "BB-" in ratings by international authoritative agencies including Standard & Poor's, Moody's and Fitch respectively. To be more specific, Standard & Poor's & Fitch adjusted the ratings of Logan Property to "positive", while Moody's maintained the rating of "stable outlook". A wholly-owned subsidiary of the Company, Shenzhen Logan Holdings Co., Ltd. is rated "AAA" in credit ratings by such renowned domestic rating agencies namely China Cheng Xin Securities Rating Co., Ltd. and United Credit Rating Co., Ltd.

Business Review

The Group persisted with its dual-engines strategy of "regional penetration + urban renewal", fully penetrating into "9+2" city clusters in the Guangdong-Hong Kong-Macau Greater Bay Area. Based on its countercyclical land acquisition strategy through multiple channels, the Group has abundant premium and low-cost land bank in first tier and second tier cities in the Greater Bay Area. The Group focuses on the mass-residental development business has established distinct competitive strengths. Given the consistent economic growth and the extension of railway transportation systems in the Greater Bay Area, the Group will be a major beneficiary and its results may continue to grow steadily. Since 2018, Logans Property has been actively committed to establishing its business presence in the Shanghai Metropolitan Area. As at the announcement date, it has secured a total of 6 projects. For business presence outside the Greater Bay Area, the Company continues to penetrate in Nanning (Guangxi) and Shantou (Guangdong). Its leading position in the local property development markets has been maintained during the period.

During the six months ended 30 June 2019, the urban renewal business contributed a core profit of approximately RMB1.8 billion, becoming the Group's new earnings growth driver. The Group which owns a professional urban renewal team, has been focusing on the Greater Bay Area for 17 years. Being well versed in resources and channels of local business districts in the Greater Bay Area, we have an extensive understanding of local policies, as well as urban planning for industries and populations in the Greater Bay Area. Thus, our professional team enjoys significant competitive advantages in the urban renewal business. The Group's urban renewal business currently covers 10 cities with a total land value of more than RMB320 billion, 90% of which is located in the Greater Bay Area. Given the abundant valuable land resources, the Group enjoys a first mover advantage.

The Group has abundant urban renewal projects with estimated saleable value of approximately RMB260 billion in several cities, including Shenzhen, Huizhou, Dongguan and Zhuhai. Those projects have high quality, short incubation period, and a good track record with clear earnings visibility. In 2018, the Group converted two projects in Foshan and Zhuhai with a total land value of RMB18 billion. In 2019, it is expected that three projects will be launched in Shenzhen Shekou Free Trade Zone, Huizhou Daya Bay and Shenzhen Qiaocheng East, respectively, with a total land value of RMB70 billion. By entering into a tri-party agreement with the Huizhou government and HC Group Inc., the Group will collaborate with the Huizhou government on the planning of the electronics and information industry at a value of RMB1 trillion, while introducing the headquarters of HC Group Inc. to the Daya Bay Project, the region will enjoy a rising valuation as a result.

The Group has always believed that a stable and prudent capital structure will build a solid foundation for its long term sustainable development. During the first half of 2019, Logan Property successfully issued senior notes with an aggregate principal amount of US$350 million, Shenzhen Logan Holdings Co., Ltd., a wholly-owned subsidiary of the Company, issued domestic corporate bonds with principal amount of RMB1,510 million at a coupon rate of 5.5% per annum. As at 30 June 2019, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB38,312 million, with a net gearing ratio of approximately 65.4% (As at 31 December 2018: 63.2%). The average weighted borrowing interest rate was 6.1%. In the future, the Group will continue to explore and diversify its financing channels to ensure sustainable and steady development.

PROSPECTS

The Chinese Central Government proposed to persist in "different policies to different cities", promote the balance between supply and demand, and accelerate the establishment of a long-term stable and healthy development mechanism of the property market. The Group believes the Chinese property market will maintain its steady growth and the market share concentration of commercial properties will accelerate in the future. It is anticipated that China's population and industries will continue to be concentrated in the three major metropolitan clusters.

The Chinese Central Government expects that the Greater Bay Area will become an international technology innovation hub, with free flow and integration of innovative elements, talents and industries in the region. Compared with three other world-class bay areas, namely New York, San Francisco and Tokyo, the Greater Bay Area has long-term growth potential in per capita GDP and high value-added industries. Currently, the Greater Bay Area is home to 20 Fortune 500 companies. Perched atop of the global industry value chain, the Greater Bay Area owns many globally competitive companies in the financial and technology fields. Given the continuous growth of GDP in the Greater Bay Area, it is expected that more innovation industries and top talents will flow into this region. With the well established infrastructure and facilities, the "One-hour Cosmopolis' Premium Living Circle" will emerge in the Greater Bay Area. As at 30 June 2019, the total value of the Group's land bank amounted to RMB752 billion, of which approximately 81% was located in the Greater Bay Area. This ensures the consistent growth of the Group's sales and profits in the future. Based on its premium land bank and strong execution ability, the Group is committed to focusing on the Greater Bay Area, as well as expanding the market share and profit scale of the major cities in the region.

Given the accelerating market share concentration trend in the property industry, more merger and acquisition opportunities will arise in the property market in China. By utilizing its extensive operation experience in the real estate industry in China, the Group will actively seize opportunities of land acquisitions in the future, seek more mergers and acquisitions targets, and increase the Group's premium land bank through multiple channels, thereby locking in more high-return projects at the lowest cost. The Group will also accelerate sales and strive to enhance the overall product competitiveness of different projects. The Group will continue to uphold the tenet that "quality builds a brand" and incessantly strengthen its market competitiveness and penetration. The Group will further promote the brand image of Logan Property and consolidate its leading position in the Greater Bay Area.

ACKNOWLEDGEMENTS

On behalf of the Board, I express my heartfelt gratitude to all our shareholders, investors, partners, customers, and the community for their support and trust. Thanks to the guidance given from the management of the Company, together with the efforts and contributions from all staff, the Group achieved stable development. In the future, the Company will continue to strive for considerable returns for all of its shareholders.

Kei Hoi Pang
Chairman

Hong Kong

26 August 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

For the six-month period ended 30 June 2019, the revenue of the Group was RMB27,021.7 million, representing an increase of approximately 78.3% as compared with the corresponding period of 2018. The gross profit was RMB9,392.4 million, representing an increase of approximately 67.4% as compared with the corresponding period of 2018. For the six-month period ended 30 June 2019, profit attributable to the equity shareholders was RMB5,128.4 million, representing an increase of approximately 49.4% as compared with the corresponding period of 2018. For the six-month period ended 30 June 2019, core profit amounted to RMB4,671.5 million, having increased significantly by approximately 59.0% as compared with the corresponding period of 2018. Basic earnings per share was RMB91.87 cents (the corresponding period of 2018: RMB60.99 cents). As at 30 June 2019, the net gearing ratio of the Group was 65.4%.

Performance Highlights

	For the six-month period ended 30 June		
	2019	2018	Changes
	RMB'000	*RMB'000*	*%*
Revenue[1]	**27,021,708**	15,153,528	78.3%
Among which: sales of properties			
— Revenue from properties delivered[1]	**16,226,129**	13,074,239	24.1%
— GFA of properties delivered *(sq.m.)*[2]	**892,623**	739,314	20.7%
— ASP of properties delivered *(RMB/sq.m.)*[2]	**19,655**	18,646	5.4%
Rental income[1]	**70,679**	45,842	54.2%
Construction and decoration income[1]	**5,824,900**	966,193	502.9%
Primary land development income[1]	**4,900,000**	1,067,254	359.1%
Gross profit	**9,392,398**	5,611,399	67.4%
Profit for the period			
— Attributable to owners of the parent	**5,128,402**	3,431,807	49.4%
— Attributable to non-controlling interests	**161,959**	363,031	–55.4%
Core Profit[(1)]	**4,671,501**	2,937,853	59.0%
— Attributable to owners of the parent	**4,509,829**	2,650,486	70.2%
— Attributable to non-controlling interests	**161,672**	287,367	–43.7%

	30 June 2019 *RMB'000*	31 December 2018 *RMB'000*	Changes %
Total assets	**191,509,488**	170,094,677	12.6%
Cash and bank balances (including cash and cash equivalents and restricted and pledged deposits)	**38,311,731**	35,717,151	7.3%
Total bank and other borrowings[3]	**65,274,388**	58,941,178	10.7%
Total equity	**41,249,250**	36,745,786	12.3%

Key financial ratios

Gross Profit margin[(2)]	**34.8%**	33.7%	
Core Profit margin[(3)]	**17.3%**	17.3%	
Net gearing ratio[(4)]	**65.4%**	63.2%	
Gearing ratio[(5)]	**78.5%**	78.4%	

1. Representing the amount of income net of sales related taxes.

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

3. Including bank and other loans, senior notes and corporate bonds.

Notes:

(1) Core Profit: Net profit, adjusted to changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax and share of changes in fair value of investment properties in an associate

(2) Gross Profit margin: Gross Profit ÷ revenue* 100%

(3) Core Profit margin: Core Profit ÷ revenue* 100%

(4) Net gearing ratio: (Total bank and other borrowings — cash and bank balances) ÷ total equity* 100%

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

Property Development

Contracted sales

In the first half of 2019, the Company continues to utilize its market advantages in the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") and achieved a satisfactory sales performance. For the period ended 30 June 2019, the Group attained contracted sales of approximately RMB45,311.3 million, representing an increase of approximately 27.7% as compared with the corresponding period of 2018. For the contracted sales in the first half of 2019, Shenzhen region, other regions of Greater Bay Area, Nanning region, Shantou region, Yangtze River Delta region, Singapore and other regions accounted for approximately 9.0%, 44.4%, 27.8%, 6.8%, 3.2%, 5.9% and 2.9%, respectively. The contracted sales were mainly generated from Greater Bay Area and Nanning region. For Shenzhen region, the sales were mainly generated from Logan • Carat Complex (龍光•玖鑽) erected on the Hongshan subway station at the Shenzhen's subway line 4, Logan • Acesite Park (龍光•玖龍台) in Shenzhen Guangming New District. The sales from Nanning region were mainly contributed by projects, namely Nanning • Glory Lake (南寧•玖譽湖) and Nanning • Glory City (南寧•玖譽城). In the second half of 2019, Shenzhen Logan • Acesite Park (龍光•玖龍台) and Huizhou Logan City (龍光城) will continue to be launched for sale.

It is expected that such projects will bring an encouraging sales performance to the Group. Since the land cost of such project lands is relatively low, the selling prices are in line with the Company's expectation, therefore bringing significant revenue and profit to the Company in the future.

	Contracted sales in the first half of 2019				
Region	**Amount** *(RMB million)*	**Percentage**	**Total GFA[1]** *(sq.m.)*	**Percentage**	**ASP[1]** *(RMB/ sq.m.)*
Shenzhen region	4,072	9.0%	70,161	2.1%	58,042
Other regions of Greater Bay Area[2]	20,139	44.4%	1,507,405	44.4%	13,176
Nanning region	12,603	27.8%	1,279,061	37.7%	9,770
Shantou region	3,059	6.8%	302,852	8.9%	9,547
Yangtze River region	1,439	3.2%	70,226	2.1%	20,209
Singapore	2,681	5.9%	30,880	0.9%	86,815
Other regions	1,318	2.9%	131,188	3.9%	9,921
Total	45,311	100%	3,391,773	100%	13,186

1. Excluding car parking spaces

2. Excluding Shenzhen region

Revenue from Sales of Properties

For the six-month period ended 30 June 2019, the revenue from sales of properties amounted to RMB16,226.1 million, representing an increase of approximately 24.1% as compared with the revenue from sales of properties of RMB13,074.2 million in the corresponding period of 2018. Area delivered (excluding car parking spaces) increased by 20.7% to 892,623 sq.m. for the six-month period ended 30 June 2019 from 739,314 sq.m. in the corresponding period of 2018. Shenzhen region, other regions of Greater Bay Area[2], Shantou region, Nanning region and other regions contributed to the revenue from sales of properties before deduction of sales related taxes in the first half of 2019, accounting for approximately 54.5%, 24.2%, 6.5%, 14.5% and 0.3%, respectively.

	Revenue from sales of properties in the first half of 2019				
Region	**Amount** *(RMB million)*	**Percentage**	**Total GFA[1]** *(sq.m.)*	**Percentage**	**ASP (excluding car parking spaces)** *(RMB/ sq.m.)*
Shenzhen region	8,942	54.5%	198,300	22.2%	48,946
Other regions of Greater Bay Area[2]	3,959	24.2%	245,926	27.6%	17,135
Shantou region	1,062	6.5%	109,255	12.2%	10,041
Nanning region	2,371	14.5%	338,460	37.9%	7,371
Other regions	48	0.3%	682	0.1%	47,815
Total	16,382	100%	892,623	100%	19,655
Less: Sales related taxes	(156)				
Revenue from sale of properties	16,226				

1. Excluding car parking spaces

2. Excluding Shenzhen region

Newly commenced projects

As at 30 June 2019, the Group commenced construction of a total of 38 projects or new project phases with a total planned GFA of approximately 8.7 million sq.m..

Completed projects

As at 30 June 2019, the Group completed 13 projects or project phases with a total planned GFA of approximately 1.6 million sq.m..

Developing projects

As at 30 June 2019, the Group had a total of 90 projects or project phases under construction with a total planned GFA of approximately 22.3 million sq.m..

Land Reserves

For the six months ended 30 June 2019, the Group acquired 16 new projects through public tendering, auction and listing with a total GFA of 4,166,278 sq.m.

List of newly acquired projects through public tendering, auction and listing in the first half of 2019

Region	**Site Area**	**Total GFA**	**Total Land Cost**	**Equity Land Cost**	**Average Land Cost**
	(sq.m.)	*(sq.m.)*	*(RMB million)*	*(RMB million)*	*(RMB/ sq.m.)*
Shenzhen	32,667	200,042	6,585	6,585	32,918
Foshan	170,797	590,106	3,528	2,783	5,979
Zhuhai	173,103	443,718	3,726	1,863	8,398
Zhongshan	36,834	145,921	405	203	2,775
Guangzhou	50,198	165,160	2,178	2,178	13,188
Subtotal of Guangdong-Hong Kong-Macao Greater Bay Area	463,599	1,544,947	16,422	13,612	10,630
Nanning Region	569,298	2,180,943	8,445	6,336	3,872
Yangtze River Delta Region	74,274	199,914	1,122	1,122	5,613
Other Regions	66,863	240,474	313	313	1,301
Total	1,174,034	4,166,278	26,302	21,383	6,313

As at 30 June 2019, the total GFA of the land reserves of the Group amounted to approximately 35,917,534 sq.m., the average cost of land reserves was RMB4,304 per sq.m., in which Guangdong-Hong Kong-Macao Greater Bay Area accounted for over 70%, if calculated by land value.

Land reserves as at 30 June 2019

	GFA *(sq.m.)*	Percentage
Shenzhen	1,933,202	5.4%
Huizhou/Dongguan	5,659,690	15.7%
Guangzhou/Foshan/Zhaoqing	6,988,322	19.5%
Zhuhai/Zhongshan	3,720,702	10.4%
Hong Kong	35,303	0.1%
Heyuan/Yangjiang/Qingyuan	3,357,025	9.3%
Subtotal of Guangdong-Hong Kong-Macao Greater Bay Area	21,694,244	60.4%
Shantou Region	4,165,821	11.6%
Nanning Region	8,137,679	22.7%
Yangtze River Delta Region	334,735	0.8%
Singapore	146,467	0.5%
Other Regions	1,438,588	4.0%
Total	35,917,534	100.0%
Land cost *(RMB per sq.m.)*	4,304	

Property Investments

Rental income

The rental income of the Group for the six-month period ended 30 June 2019 amounted to RMB70.7 million, representing an increase of approximately 54.2% as compared with the corresponding period of 2018.

Investment properties

As at 30 June 2019, the Group had 39 investment properties with a total GFA of approximately 775,062 sq.m.. Among those investment property portfolios, 32 investment properties with a total GFA of approximately 444,198 sq.m. have been completed, and the remaining 7 are still under development.

Financial Review

(I) Revenue

Revenue of the Group for the six-month period ended 30 June 2019 amounted to RMB27,021.7 million, representing an increase of approximately RMB11,868.2 million, or approximately 78.3%, as compared with the corresponding period of 2018, primarily due to the increase in revenue from sales of properties, revenue from construction and decoration contracts and revenue from primary land development as compared with the corresponding period of 2018. Revenue from sales of properties for the six-month period ended 30 June 2019 amounted to approximately RMB16,226.1 million, representing an increase of approximately 24.1% as compared with approximately RMB13,074.2 million in the corresponding period of 2018.

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

	For the six-month period ended 30 June			
	2019		2018	
Project name	**Area(1)** *(sq.m.)*	**Amount(2)** *(RMB'000)*	Area(1) *(sq.m.)*	Amount(2) *(RMB'000)*
Shenzhen Acesite Park (深圳玖龍台)	**178,884**	**7,838,669**	—	—
Huizhou Logan City (惠州龍光城)	**149,047**	**2,446,517**	5,126	94,544
Shenzhen Carat Complex (深圳玖鑽)	**19,097**	**1,087,492**	—	—
Fangchenggang Sunshine Seaward (防城港陽光海岸)	**152,904**	**876,877**	12,968	86,167
Foshan Dragon Castle/Riverine View Castle (佛山龍灣華府／望江府)	**71,252**	**838,090**	266,645	3,169,146
Shantou Sunshine Jubilee Garden (汕頭陽光禧園)	**92,664**	**782,557**	—	—
Nanning Acesite Park (南寧玖龍府)	**90,269**	**746,758**	—	—
Zhuhai Acesite Bay (珠海玖龍灣)	**16,467**	**531,629**	23,052	785,175
Guilin Provence (桂林普羅旺斯)	**62,183**	**404,739**	7,625	48,262
Nanning Sunshine Royal Lake (南寧御湖陽光)	**33,104**	**288,069**	99,610	1,020,179
Shantou Royal & Seaward Heaven Garden (汕頭御海天禧花園)	**11,673**	**204,702**	103,969	1,613,255
Zhongshan Royal & Seaward Sunshine Palace Garden (中山御海陽光花園)	**6,196**	**56,539**	—	—
Shantou Sea & Sunshine (汕頭碧海陽光)	**4,631**	**54,796**	10,837	185,559
Singapore The Florence Residence (新加坡悅湖苑)	**366**	**28,783**	—	—
Zhuhai Acesite Park (珠海玖龍府)	**1,243**	**24,035**	145	2,512,018
Nanning Grand Riverside Bay (南寧水悅龍灣)	**—**	**23,307**	165	5,428
Nanning Provence (南寧普羅旺斯)	**—**	**16,902**	—	14,485
Shenzhen Acesite Mansion (深圳玖龍璽)	**216**	**14,830**	40,755	2,907,427
Chengdu Joy Residence (成都君悅華庭)	**135**	**11,663**	3,188	42,639
Shantou Flying Dragon Landscape (汕頭龍騰嘉園)	**—**	**11,114**	—	16,773
Guangzhou Landscape Residence (廣州峰景華庭)	**322**	**10,560**	—	2,158

Project name	For the six-month period ended 30 June			
	2019		2018	
	Area[1]	**Amount[2]**	Area[1]	Amount[2]
	(sq.m.)	***(RMB'000)***	*(sq.m.)*	*(RMB'000)*
Foshan Grand Riverside Bay (佛山水悦龍灣)	**383**	**10,245**	1,024	36,572
Foshan Sky Lake Castle (佛山天湖華府)	**230**	**9,385**	789	21,333
Foshan Grand Garden (佛山水悦熙園)	**—**	**9,149**	213	29,728
Nanning Joy Residence (南寧君悦華庭)	**—**	**8,857**	—	2,514
Foshan Shin Street Building (佛山尚街大廈)	**676**	**6,707**	—	123
Dongguan Imperial Summit Sky Villa (東莞君御旗峰)	**—**	**5,748**	—	3,827
Shantou Royal & Seaward Jubilee Garden (汕頭御海禧園)	**127**	**5,640**	—	13,828
Hainan Sea and City (海南海雲天)	**181**	**4,549**	3,750	65,185
Huizhou Grand Riverside Bay (惠州水悦龍灣)	**—**	**4,129**	—	41,735
Nanning Royal Castle (南寧君御華府)	**—**	**3,281**	117	6,369
Chengdu Sky Palace (成都天悦龍庭)	**—**	**3,017**	—	1,371
Foshan Joy Palace (佛山君悦龍庭)	**—**	**2,938**	1,620	13,788
Foshan Grand Joy Castle (佛山君悦華府)	**—**	**2,365**	512	8,894
Shantou Sunshine Castle (汕頭陽光華府)	**160**	**2,208**	—	—
Nanning Logan Century (南寧龍光世紀)	**—**	**1,764**	—	—
Zhongshan Ocean Garden (中山海悦熙園)	**213**	**1,495**	—	—
Huizhou Sky Palace (惠州天悦龍庭)	**—**	**872**	279	—
Shantou Seaward Sunshine (汕頭尚海陽光)	**—**	**654**	1,344	24,157
Zhongshan Grand Joy Garden (中山水悦馨園)	**—**	**229**	—	14,490
Shenzhen Masterpiece (深圳玖雲著)	**—**	**—**	10,115	377,768
Zhongshan Ocean Vista Residence (中山海悦華庭)	**—**	**—**	88	2,429
Shunde Grand View (順德水悦雲天)	**—**	**—**	434	4,092
Guangzhou Palm Waterfront (廣州棕櫚水岸)	**—**	**—**	—	2,123
Shantou Flying Dragon Garden (汕頭龍騰熙園)	**—**	**—**	—	149
Total	**892,623**	**16,381,860**	739,314	13,173,690
Less: sales related taxes		**(155,731)**		(99,451)
Revenue from sales of properties		**16,226,129**		13,074,239

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

2. Including revenue from sales of car parking spaces.

(II) Cost of sales

The cost of sales of the Group increased by approximately RMB8,087.2 million, or approximately 84.8%, as compared with the corresponding period of 2018, primarily due to the expansion of business scale as compared with the corresponding period of 2018. Key components of costs are as follows:

	For the six-month period ended 30 June		
	2019	2018	Changes
	RMB'000	*RMB'000*	*%*
Total cost of sales	**17,629,310**	9,542,129	84.8%
Costs of sales of properties	**11,454,606**	8,284,916	38.3%
Costs of construction and decoration business, property rental business and primary land development business	**6,174,704**	1,257,213	391.1%

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the six-month period ended 30 June 2019 amounted to approximately RMB684.9 million (the corresponding period of 2018 was approximately RMB270.7 million). The relevant selling and marketing expenses increased by approximately 153.1% as compared with the corresponding period of 2018.

The administrative expenses of the Group for the six-month period ended 30 June 2019 amounted to approximately RMB627.1 million (the corresponding period of 2018 was approximately RMB446.7 million), representing an increase of approximately 40.4% as compared with the corresponding period of 2018. The increase was primarily due to the increase in staff costs.

(IV) Profit from operations

The profit from operations of the Group for the six-month period ended 30 June 2019 increased by RMB3,518.3 million to approximately RMB10,183.7 million (the corresponding period of 2018: approximately RMB6,665.4 million). As the revenue and other income and gains of the Group increased by approximately RMB12,476.7 million as compared with the corresponding period of 2018, the aggregate of cost of sales, selling and marketing expenses and administrative expenses also increased by approximately RMB8,681.9 million as compared with the corresponding period of 2018, while net change in fair value of investment properties and changes in the fair value of derivative financial instruments, and share of net losses of associates and joint ventures and other expenses decreased by approximately RMB276.5 million as compared with the corresponding period of 2018. As a result, the profit from operations of the Group increased by approximately RMB3,518.3 million as compared with the corresponding period of 2018.

(V) Finance costs

The net finance costs of the Group for the six-month period ended 30 June 2019 increased to approximately RMB826.3 million (the corresponding period of 2018 was approximately RMB520.9 million), primarily due to the increase in scales of bank and other borrowings.

(VI) Income tax

Taxes of the Group for the six-month period ended 30 June 2019 included corporate income tax ("**CIT**") and land appreciation tax ("**LAT**"). Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately RMB2,994.1 million and RMB1,072.9 million, respectively (the corresponding period of 2018: approximately RMB1,638.0 million and RMB711.7 million).

(VII) Core Profit

The Core Profit of the Group for the six-month period ended 30 June 2019 amounted to approximately RMB4,671.5 million, representing an increase of approximately RMB1,733.6 million as compared with the corresponding period of 2018. The Core Profit margin of the Group for the six-month period ended 30 June 2019 was approximately 17.3% (the corresponding period of 2018 was approximately 19.4%).

(VIII) Liquidity and financial resources

As at 30 June 2019, total assets of the Group amounted to approximately RMB191,509.5 million (31 December 2018: approximately RMB170,094.7 million), of which current assets amounted to approximately RMB150,250.8 million (31 December 2018: approximately RMB130,640.5 million). Total liabilities amounted to approximately RMB150,260.2 million (31 December 2018: approximately RMB133,384.9 million), of which non-current liabilities amounted to approximately RMB46,591.6 million (31 December 2018: approximately RMB44,810.4 million). Total equity amounted to approximately RMB41,249.3 million (31 December 2018: approximately RMB36,745.8 million), of which total equity attributable to owners of the parent amounted to RMB31,779.0 million (31 December 2018: approximately RMB29,248.8 million).

As at 30 June 2019, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB38,311.7 million (31 December 2018: approximately RMB35,717.2 million) and total bank and other borrowings of approximately RMB65,274.4 million (31 December 2018: approximately RMB58,941.2 million). As at 30 June 2019, certain of the Group's bank and other loans are secured by the Group's equity interests in certain subsidiaries, bank deposits, land and buildings, investment properties, properties held for development for sale, properties under development for sale and completed properties for sale and other receivables.

(IX) Financing activities

For the six-month period ended 30 June 2019, the Group successfully issued two tranches of senior notes. The first tranche of senior notes amounted to US$50,000,000, with a coupon rate of 5.75% and a maturity date on 3 January 2022. The second tranche of senior notes amounted to US$300,000,000, with a coupon rate of 7.50% and a maturity date on 25 August 2022.

CORPORATE GOVERNANCE AND EMPLOYEE MOTIVATION

The Company has been committed to utilising modern corporate governance systems. The Company has established a professional management team to enhance the level of corporate governance of the Group. Through an employee incentive mechanism, benefits of the management team are fully in line with that of the Company, so as to create the greatest value for Shareholders.

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

For the six months ended 30 June 2019, the Company repurchased from the market a total of 19,130,000 shares of the Company. As at the date of this announcement, the repurchased shares have been cancelled. Details of the repurchases of the shares of the Company are as follows:

Date of repurchase	**Number of shares repurchased**	**Highest price per share** *(HK$)*	**Lowest price per share** *(HK$)*	**Aggregate consideration** *(HK$)*
30 January 2019	15,330,000	10.40	9.50	154,684,240
31 January 2019	3,300,000	10.68	10.46	34,941,560
18 April 2019	500,000	12.98	12.84	6,456,000

On 9 January 2019, the Company issued additional US$50 million of 5.75% senior notes due in 2022 which were consolidated and formed a single series with the original US$200 million of 5.75% senior notes. The additional notes are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 5341).

On 25 February 2019, the Company issued US$300 million of 7.50% senior notes due in 2022. The notes issued as aforesaid had been admitted to the official list of the Singapore Exchange Securities Trading Limited.

On 19 March 2019, Shenzhen Logan Holdings Co., Ltd# (深圳市龍光控股有限公司) issued the second tranche of domestic bonds to qualified investors, the principal amount of which was RMB1.51 billion with a coupon rate of 5.5% per annum due 2024. The notes are listed and traded on the Shenzhen Stock Exchange.

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 2019.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and enhance corporate value. The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company has applied the principles and complied with all the applicable code provisions as set out in the CG Code throughout the six months ended 30 June 2019.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed, with no disagreement, with the Company's management, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2019.

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 standard set out in the Model Code during the six months ended 30 June 2019.

INTERIM DIVIDEND

The Board declared an interim dividend (the "**Interim Dividend**") in cash of HK38 cents per share for the six months ended 30 June 2019 (six months ended 30 June 2018: an Interim Dividend in cash of HK20 cents per share and a special dividend in cash of HK8 cents).

The Interim Dividend will be paid on Friday, 29 November 2019 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 20 November 2019.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who qualify for the Interim Dividend, the register of members of the Company will be closed from Monday, 18 November 2019 to Wednesday, 20 November 2019, both days inclusive. In order to qualify for the Interim Dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 15 November 2019.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Company (http://www.loganproperty.com) and the Stock Exchange's designated website (http://www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2019 will be despatched to shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 26 August 2019

As at the date of this announcement, the executive directors of the Company 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.

\# *For identification purposes only*