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TIMES PROPERTY HOLDINGS LIMITED
時 代 地 產 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

INTERIM RESULTS HIGHLIGHTS

– Contracted sales for the Period of RMB17.03 billion, representing an increase of 27.5% as compared with the corresponding period in 2016;

– Turnover for the Period of RMB8,725.1 million, representing an increase of 53.1% as compared with the corresponding period in 2016;

– Profit for the Period of RMB798.7 million, representing an increase of 51.3% as compared with the corresponding period in 2016;

– Core net profit for the Period (profit for the Period excluding changes in fair values of investment properties and the derivative component of the convertible bonds, net of the impact of the related deferred tax, and the premium paid on early redemption of senior notes) of RMB935.2 million, representing an increase of 81.4% as compared with the corresponding period in 2016;

– Core net profit attributable to the owners of the Company for the Period of RMB635.7 million, representing an increase of 17.6% as compared with the corresponding period in 2016;

– Gross profit margin and core net profit margin for the Period of 26.4% and 10.7% respectively; and

– Cash and bank balances of RMB13.1 billion as at 30 June 2017.

RESULTS

The board (the "Board") of directors (the "Directors") of Times Property Holdings Limited (the "Times Property" or the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017 (the "Period"), together with the comparative figures for the corresponding period in 2016 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*5*	**8,725,064**	5,699,121
Cost of sales		**(6,424,463)**	(4,200,569)
GROSS PROFIT		**2,300,601**	1,498,552
Other income and gains	*5*	**136,612**	49,635
Selling and marketing costs		**(366,262)**	(195,667)
Administrative expenses		**(326,543)**	(214,386)
Other expenses		**(226,090)**	(45,941)
Finance costs	*7*	**(174,008)**	(123,127)
Share of profits and losses of associates and joint ventures		**(2,096)**	(5,317)
PROFIT BEFORE TAX	*6*	**1,342,214**	963,749
Income tax expense	*8*	**(543,564)**	(435,869)
PROFIT FOR THE PERIOD		**798,650**	527,880
Attributable to:			
Owners of the Company		**497,807**	549,609
Non-controlling interests		**300,843**	(21,729)
		798,650	527,880
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic – for profit for the Period	*9*	**RMB29 cents**	RMB32 cents
Diluted – for profit for the Period	*9*	**RMB29 cents**	RMB30 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**798,650**	527,880
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**158,339**	(110,806)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**158,339**	(110,806)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**956,989**	417,074
Attributable to:		
Owners of the Company	**656,146**	438,803
Non-controlling interests	**300,843**	(21,729)
	956,989	417,074

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	**30 June 2017** *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,480,579**	1,241,692
Prepaid land lease payments		**4,486,283**	2,215,923
Investment properties		**1,530,721**	1,598,076
Goodwill		**57,718**	47,230
Other intangible assets		**13,608**	5,836
Interests in joint ventures		**3,157,915**	2,331,872
Interests in associates		**698,615**	388,652
Available-for-sale investments		**442,944**	546,558
Deferred tax assets		**636,870**	351,484
Prepayments, deposits and other receivables		**699,846**	1,707,506
Total non-current assets		**13,205,099**	10,434,829
CURRENT ASSETS			
Prepaid land lease payments		**324,941**	268,523
Properties under development		**39,063,282**	28,724,551
Completed properties held for sale		**4,303,120**	3,977,431
Trade receivables	*11*	**2,472,908**	2,578,562
Prepayments, deposits and other receivables		**11,500,984**	9,604,119
Amounts due from joint ventures		**476,089**	658,593
Amounts due from associates		**445,005**	421,647
Tax prepayments		**825,065**	539,945
Restricted bank deposits		**2,509,726**	2,958,017
Cash and cash equivalents		**10,615,952**	8,922,727
Total current assets		**72,537,072**	58,654,115
CURRENT LIABILITIES			
Trade and bills payables	*12*	**3,378,981**	3,195,843
Other payables and accruals		**25,339,248**	26,383,573
Amounts due to joint ventures		**1,187,341**	92,337
Interest-bearing bank loans and other borrowings		**2,447,303**	1,956,074
Tax payable		**1,334,608**	1,450,197
Total current liabilities		**33,687,481**	33,078,024
NET CURRENT ASSETS		**38,849,591**	25,576,091
TOTAL ASSETS LESS CURRENT LIABILITIES		**52,054,690**	36,010,920

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)
As at 30 June 2017

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	**52,054,690**	36,010,920
NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	**26,856,825**	18,532,468
Convertible bonds	**280,300**	312,562
Deferred tax liabilities	**1,031,332**	974,958
Total non-current liabilities	**28,168,457**	19,819,988
Net assets	**23,886,233**	16,190,932
EQUITY		
Equity attributable to owners of the Company		
Share capital	**137,419**	135,778
Reserves	**13,206,151**	8,996,228
	13,343,570	9,132,006
Non-controlling interests	**10,542,663**	7,058,926
Total equity	**23,886,233**	16,190,932

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Law, Cap 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. The registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2017, the Company's subsidiaries were mainly involved in property development, property leasing and property management in the People's Republic of China (the "**PRC**").

In the opinion of the Directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd., which was incorporated in the British Virgin Islands ("**BVI**") and the ultimate holding company is Renowned Brand Investments Limited ("**Renowned Brand**"), which was incorporated in BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("**Mr. Shum**"), the founder of the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 11 December 2013.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Committee.

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

They have been prepared under the historical cost convention, except for investment properties, an available-for-sale investment, the embedded financial derivative component of the convertible bonds and certain other payables and accruals, which have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("**IFRSs**", which also include International Accounting Standards and interpretations) that are relevant to the Group's operation for the preparation of the Group's interim condensed consolidated financial statements:

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in Annual Improvements 2014–2016 Cycle	*Disclosure of Interests in Other Entities*

The adoption of the above new and amended IFRSs has had no significant financial effect on these interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these interim condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

(a)	Property development:	Development and sale of properties
(b)	Property leasing:	Property leasing (including lease of self-owned properties and sublease of leased properties)
(c)	Property management:	Provision of property management services

The property development projects undertaken by the Group during the six months ended 30 June 2017 are all located in the PRC.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources 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 before tax except that interest income, changes in fair value of the derivative component of the convertible bonds, finance costs, share of profits and losses of associates and joint ventures, as well as head office and corporate income and expenses are excluded from this measurement.

The Group's revenue from external customers is derived solely from its operations in the PRC. Except for the Group's certain available-for-sale investments amounting to USD12,000,000 (approximately equivalent to RMB80,444,000) (31 December 2016: USD12,000,000, approximately equivalent to RMB80,444,000) and certain property, plant and equipment of RMB5,109,000 (31 December 2016: RMB5,566,000), the Group's non-current assets are located in the PRC.

Segment assets exclude interests in joint ventures, interests in associates, available-for-sale investments, deferred tax assets, amounts due from joint ventures, amounts due from associates, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to joint ventures, interest-bearing bank loans and other borrowings, tax payable, convertible bonds, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the six months ended 30 June 2017, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Segment revenue, segment results and other segment information for the six months ended 30 June 2017, and segment assets and liabilities as at 30 June 2017 are presented below:

Six months ended 30 June 2017	**Property development**	**Property leasing**	**Property management**	**Elimination**	**Total**
(Unaudited)	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue					
Sales to external customers	**8,399,182**	**147,405**	**178,477**	**–**	**8,725,064**
Intersegment sales	**52,139**	**11,184**	**35,902**	**(99,225)**	**–**
	8,451,321	**158,589**	**214,379**	**(99,225)**	**8,725,064**
Segment results	**1,599,639**	**66,095**	**26,536**	**–**	**1,692,270**
Reconciliation:					
Interest income					**48,901**
Changes in fair value of the derivative component of the convertible bonds					**(22,809)**
Unallocated corporate expenses					**(200,044)**
Finance costs					**(174,008)**
Share of profits and losses of associates and joint ventures					**(2,096)**
Profit before tax					**1,342,214**
Other segment information					
Depreciation	**(25,957)**	**(46,217)**	**(2,113)**	**–**	**(74,287)**
Amortisation	**(224)**	**–**	**(444)**	**–**	**(668)**
Fair value gains on investment properties	**–**	**24,750**	**–**	**–**	**24,750**

As at 30 June 2017	**Property development**	**Property leasing**	**Property management**	**Elimination**	**Total**
(Unaudited)	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	**64,298,605**	**1,443,592**	**186,235**	**–**	**65,928,432**
Reconciliation:					
Unallocated assets					**19,813,739**
Total assets					**85,742,171**
Segment liabilities	**27,514,039**	**320,735**	**221,346**	**–**	**28,056,120**
Reconciliation:					
Unallocated liabilities					**33,799,818**
Total liabilities					**61,855,938**

Segment revenue, segment results and other segment information for the six months ended 30 June 2016, and segment assets and liabilities as at 31 December 2016 are presented below:

Six months ended 30 June 2016	Property development	Property leasing	Property management	Elimination	Total
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue					
Sales to external customers	5,442,189	149,308	107,624	–	5,699,121
Intersegment sales	–	7,502	42,326	(49,828)	–
	5,442,189	156,810	149,950	(49,828)	5,699,121
Segment results	1,015,408	73,289	14,964	–	1,103,661
Reconciliation:					
Interest income					18,952
Changes in fair value of the derivative component of the convertible bonds					2,020
Loss on disposal of an associate					(10,242)
Unallocated corporate expenses					(22,198)
Finance costs					(123,127)
Share of profits and losses of associates and joint ventures					(5,317)
Profit before tax					963,749
Other segment information					
Depreciation	(17,860)	(25,185)	(2,488)	–	(45,533)
Fair value gains on investment properties	–	13,810	–	–	13,810

As at 31 December 2016	Property development	Property leasing	Property management	Elimination	Total
(Audited)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	49,134,196	2,736,381	92,901	–	51,963,478
Reconciliation:					
Unallocated assets					17,125,466
Total assets					69,088,944
Segment liabilities	28,498,196	277,279	246,242	–	29,021,717
Reconciliation:					
Unallocated liabilities					23,876,295
Total liabilities					52,898,012

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the proceeds from the sale of properties, rental income received and receivables and property management fee income during the Period.

An analysis of the Group's revenue, other income and gains is as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000 **(Unaudited)**	*RMB'000* (Unaudited)
Revenue		
Sale of properties	**8,399,182**	5,442,189
Gross rental income from:		
lease of self-owned properties	**25,331**	37,890
sublease of leased properties	**122,074**	111,418
Property management fee income	**178,477**	107,624
	8,725,064	5,699,121
Other income		
Bank interest income	**48,901**	18,952
Others	**62,961**	14,853
	111,862	33,805
Gains, net		
Fair value gains on investment properties	**24,750**	13,810
Fair value gains on derivative component of the convertible bonds	**–**	2,020
	24,750	15,830
	136,612	49,635

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**6,203,736**	4,046,878
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**27**	2,517
Direct operating expenses (including rental and depreciation of leasehold improvements) arising on subleasing business	**78,307**	66,711
Cost of property management services provided	**142,393**	84,463
	6,424,463	4,200,569
Depreciation	**74,287**	45,533
Amortisation of other intangible assets	**668**	–
Changes in fair value of investment properties	**(24,750)**	(13,810)
Employee benefit expense (including Directors' remuneration):		
Wages and salaries	**356,679**	154,906
Pension scheme contributions	**19,328**	12,837
Less: Amount capitalised in properties under development	**(224,804)**	(78,160)
	151,203	89,583
Minimum lease payments under operating leases regarding office premises and leased properties for subleasing business	**49,320**	48,087
Foreign exchange loss, net	**18,003**	14,000
Loss on disposal of an associate	**–**	10,242
Loss on disposal of items of property, plant and equipment	**512**	795
Premium paid on early redemption of senior notes	**132,328**	–
Changes in fair value of the derivative component of the convertible bonds	**22,809**	(2,020)

7. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expense	**1,087,110**	789,072
Less: Interest capitalised	**(913,102)**	(665,945)
	174,008	123,127

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable income currently arising in Hong Kong during the six months ended 30 June 2017.

PRC corporate income tax

The PRC corporate income tax ("**CIT**") in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2017, based on the existing legislation, interpretations and practices in respect thereof. Except for Guangzhou Ruixian Landscaping Co., Ltd. ("**Guangzhou Ruixian**"), Guangzhou Fengdu Trading Co., Ltd. ("**Guangzhou Fengdu**") and Guangzhou Zhuorui Trading Co., Ltd. ("**Guangzhou Zhuorui**"), other subsidiaries of the Group operating in Mainland China are subject to the CIT rate of 25% for the six months ended 30 June 2017. CIT for Guangzhou Ruixian, Guangzhou Fengdu and Guangzhou Zhuorui is levied on a deemed basis on a rate of 2.75%, 2.50% and 2.50% of their respective revenue amounts.

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("**LAT**") (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in the PRC (being the proceeds from sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

During the Period, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated.

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current:		
CIT	**776,754**	257,839
LAT	**89,947**	309,309
Deferred	**(323,137)**	(131,279)
Total tax charge for the Period	**543,564**	435,869

9. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,727,372,000 (six months ended 30 June 2016: 1,722,960,000) in issue during the Period.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the Company (RMB'000)	**497,807**	549,609
Weighted average number of ordinary shares in issue (in thousand)	**1,727,372**	1,722,960
Basic earnings per share (RMB cents per share)	**29**	32

The diluted earnings per share amount is calculated by adjusting the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares into ordinary shares. The Company's dilutive potential ordinary shares are derived from the convertible bonds. In calculating the diluted earnings per share, the convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses charged to the interim condensed consolidated statement of profit or loss and changes in fair value of the derivative component of the convertible bonds less the tax effect, if applicable.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the Company (RMB'000)	**497,807**	549,609
Interest expenses charged to the interim condensed consolidated statement of profit or loss for the Period (RMB'000)	**–**	–
Changes in fair value of the derivative component of the convertible bonds (RMB'000)	**22,809**	(2,020)
Profit used to determine diluted earnings per share (RMB'000)	**520,616**	547,589
Weighted average number of ordinary shares in issue (in thousand)	**1,727,372**	1,722,960
Assumed conversion of convertible bonds (in thousand)	**92,286**	110,857
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	**1,819,658**	1,833,817
Diluted earnings per share (RMB cents per share)	**29**	30

10. DIVIDENDS

The proposed 2016 final dividend of RMB31.51 cents per share, totalling RMB542,842,000, was approved by the Company's shareholders at the annual general meeting on 26 May 2017. It was recorded in "other payables and accruals" in the interim condensed consolidated statement of financial position and was subsequently distributed in July 2017.

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

11. TRADE RECEIVABLES

The Group's trade receivables mainly arise from the sale of properties. Considerations in respect of the properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements. Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values due to their short-term maturity.

An aged analysis of the trade receivables at the end of the reporting period is as follows:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**911,411**	1,550,171
4 to 6 months	**616,250**	190,162
7 to 12 months	**546,395**	382,971
Over 1 year	**398,852**	455,258
	2,472,908	2,578,562

The balances of the trade receivables as at 30 June 2017 and 31 December 2016 were neither past due nor impaired and related to a large number of diversified customers for whom there was no recent history of default.

12. TRADE AND BILLS PAYABLES

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

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**2,844,094**	2,351,123
Over 1 year	**534,887**	844,720
	3,378,981	3,195,843

The trade and bills payables are unsecured, non-interest-bearing and repayable within the normal operating cycle or on demand.

The carrying amounts of trade and bills payables approximate to their fair values due to their short-term maturity.

BUSINESS REVIEW

Overview

For the six months ended 30 June 2017, the Group recorded a revenue of RMB8,725.1 million, representing an increase of 53.1% when compared with the same period for the six months ended 30 June 2016. Profit for the six months ended 30 June 2017 amounted to RMB798.7 million, representing an increase of 51.3% when compared with that for the six months ended 30 June 2016. The core net profit for the six months ended 30 June 2017, excluding changes in fair values of investment properties and the derivative component of the convertible bonds, net of the impact of the related deferred tax, and the premium paid on early redemption of senior notes, increased to RMB935.2 million, representing an increase of 81.4% when compared with that for the six months ended 30 June 2016. Profit attributable to the owners of the Company amounted to RMB497.8 million, representing a decrease of 9.4% as compared to that for the six months ended 30 June 2016. Basic earnings per share and diluted earnings per share for the six months ended 30 June 2017 were RMB29 cents (for the six months ended 30 June 2016: RMB32 cents) and RMB29 cents (for the six months ended 30 June 2016: RMB30 cents), respectively.

Property Development

The Group focuses on the major core cities in the Pearl River Delta area. As at 30 June 2017, the Group had 62 major projects on various stages in total, including 60 projects in major cities of Guangdong Province, namely Guangzhou, Foshan, Dongguan, Huizhou, Zhuhai, Zhongshan and Qingyuan and 2 projects in Changsha, Hunan Province. For the six months ended 30 June 2017, the Group's contracted sales(1) amounted to approximately RMB17.03 billion with a total GFA of approximately 1,165,000 sq.m. The Group focuses on its projects in respect of peripheral facilities seeking to enrich customers' experience in art and to fulfill needs of the middle to upper class households.

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

The table below illustrates the contracted sales achieved by the Group by region for the six months ended 30 June 2017:

Region	**Available for sale project numbers**	**Contracted sales area** *(sq. m.)*	**Contracted sales amount** *(RMB million)*	**Percentage of total** *(%)*
Guangzhou	12	266,000	5,173	30.4
Foshan	12	388,000	6,990	41.0
Zhuhai	6	103,000	1,575	9.3
Zhongshan	4	43,000	381	2.2
Qingyuan	2	147,000	1,000	5.9
Changsha	1	160,000	1,167	6.9
Dongguan	1	58,000	739	4.3
Total	**38**	**1,165,000**	**17,025**	**100.0**

Properties for Leasing and Sub-leasing

As at 30 June 2017, the Group held a GFA of approximately 26,790 sq.m. and 217 car parking spaces at Times Property Center and held a GFA of approximately 37,567 sq.m. at Block No. 26 of Times King City (Zhongshan) for rental purposes and the GFA for Guangzhou Times Commercial Management Co., Ltd. and its subsidiary for sub-leasing purposes was approximately 371,197 sq.m.. For the six months ended 30 June 2017, the Group's rental income amounted to RMB147.4 million, contributing to 1.7% of its total turnover.

Property Management Services

Property management fee income represents revenue generated from property management services provided in relation to properties delivered by the Group. For the six months ended 30 June 2017, the Group provided property management services for 75 project phases. The Group's revenue from property management services increased from RMB107.6 million for the six months ended 30 June 2016 to RMB178.5 million for the six months ended 30 June 2017. This increase was primarily due to the increase in the number of project phases that the Group managed with the delivery of the properties we made for the six months ended 30 June 2017.

Land Reserves

As at 30 June 2017, the Group had total land reserves of approximately 14.5 million sq.m., which the Group believes will be sufficient to support the Group's development need for the next three to five years. The table below sets forth the information on land reserves in major cities that the Group has established footholds:

Region	**Total land reserves** *(sq.m.)*	*(%)*
Guangzhou	1,865,120	12.9
Foshan	2,943,152	20.3
Zhuhai	1,491,497	10.3
Zhongshan	541,791	3.7
Qingyuan	4,120,011	28.4
Changsha	2,161,792	14.9
Dongguan	504,353	3.5
Huizhou	869,068	6.0
Total	14,496,784	100.0

The following table sets forth the GFA breakdown of the Group's land reserves by planned use as at 30 June 2017:

Planned Use	**Total land reserves** *(sq.m.)*	*(%)*
Residential	10,779,861	74.4
Commercial	564,487	3.9
Others *(Note)*	3,152,436	21.7
Total	14,496,784	100.0

Note: Others mainly comprises car parks and ancillary facilities.

PORTFOLIO OF PROPERTY DEVELOPMENT PROJECTS

The table below is a summary of the portfolio of property development projects as at 30 June 2017[(1)]:

Project	Project type	Actual/ Expected completion dates	Site area	Completed		Under development/ future development		Ownership interest[(5)]
				GFA for sale[(2)(4)]	Other GFA[(3)]	GFA[(4)]	Other GFA[(3)]	
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Guangzhou								
Times Bund	Residential and commercial	2013-2016	92,123	–	38,710	–	–	99
Ocean Times	Residential and commercial	2011-2015	354,156	11,325	25,655	–	–	100
Times Peanut II	Residential and commercial	2014	32,891	–	–	–	–	100
Times King City (Guangzhou)	Residential and commercial	2014-2015	60,238	–	–	–	–	100
Guangzhou Tianhe Project (Pige Factory Project)	Industrial[(6)]	pending	–	–	–	–	–	51
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project)	Industrial[(7)]	pending	–	–	–	–	–	42
Guangzhou Wuyang Paint Factory Project	Apartment and commercial	2015	17,480	–	1,836	–	–	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016	45,593	–	6,160	–	–	100
Times Bridges (Zengcheng)	Residential and commercial	2017	93,756	1,709	–	–	91,350	100
Times Centralpark Living (Guangzhou)	Residential and commercial	2017	70,648	113	–	80,056	76,638	51
Nansha Times Long Island Project	Residential and commercial	2016-2018	71,310	–	1,715	143,323	51,765	60
Times Cloud Port (Huadu)	Residential and commercial	pending	29,959	–	–	85,661	24,151	100
Times Park Laurel (Guangzhou)	Residential and commercial	2018	45,537	–	–	160,825	57,285	60
Times Aerobic City (Guangzhou)	Residential and commercial	2018	64,374	–	–	158,363	79,372	60
Huangpu Chemical	Commercial	pending	18,279	–	–	82,256	–	49
B2-2 land parcel, Sino-Singapore Knowledge City	Residential	2018-2019	61,145	–	–	141,030	51,432	45
B2-1 land parcel, Sino-Singapore Knowledge City	Residential	2018-2019	103,890	5,560	–	202,744	101,370	45
Times Cambridge (Huadu)	Residential and commercial	2017-2018	31,665	–	–	92,514	22,443	100
Project of Shigang Road, Haizhu District	Residential and commercial	2020	20,211	–	–	32,177	37,582	100

Project	Project type	Actual/ Expected completion dates	Site area	Completed		Under development/ future development		Ownership interest[5]
				GFA for sale[2][4]	Other GFA[3]	GFA[4]	Other GFA[3]	
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Foshan								
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	–	34,825	78,184	41,322	100
Times City (Phases I to VI)	Residential and commercial	2010-2017	505,776	–	101,690	56,096	52,197	100
Foshan Stainless Steel Factory Project	Residential and commercial	2016	12,860	–	6,125	–	–	100
Times Cloud Atlas (Foshan)	Residential and commercial	2015-2016	58,149	–	23,870	–	–	100
Times King City (Foshan) Phase IV	Residential and commercial	2015	34,308	–	355	–	–	100
Times Laguna (Foshan)	Residential and commercial	2017	20,464	55,105	–	–	19,075	100
Times Prime (Foshan)	Residential and commercial	2016	17,148	–	1,050	–	–	100
Times Riverbank (Michong Project)	Residential and commercial	2017	64,697	3,685	–	157,197	74,934	51
Times Xianghai Shore (Foshan) (North of Lujing Road East Project)	Residential and commercial	2017	51,457	–	–	183,041	48,055	60
Times Fame (Foshan)	Residential and commercial	2018	35,383	–	–	92,987	28,185	55
Times Riverbank Phase II (Michong Project 2)	Residential and commercial	2018-2019	111,658	–	–	448,960	109,099	75
Ocean Times (Foshan) Phase I	Residential and commercial	2018	105,553	–	–	333,076	79,792	100
Times Peanut (Foshan)	Residential and commercial	2019	40,794	–	–	140,977	12,101	60
Ocean Times (Foshan) Phase II	Residential and commercial	2019	89,927	–	–	282,350	75,491	100
Times Peak (Foshan)	Residential and commercial	2019	117,893	–	–	304,117	99,211	90
Zhuhai								
Zhuhai Jingrun Project	Residential and commercial	2013-2014	51,003	–	525	–	–	100
Times Harbor (Zhuhai)	Residential and commercial	2015	81,393	–	8,985	–	–	100
Phase I of Times King City (Zhuhai)	Residential and commercial	2015	52,950	–	6,650	–	–	100
Phases II, III and IV of Times King City (Zhuhai)	Residential and commercial	2016-2017	198,204	678	3,815	70,157	27,825	100
The Shore (Zhuhai)	Residential and commercial	2016-2017	119,169	–	27,220	195,920	39,889	100
Baoli Xiangbin Huayuan Project (Jinwan Airport City Project)	Residential and commercial	2018	77,206	–	–	193,016	54,913	49

Project	Project type	Actual/ Expected completion dates	Site area (sq.m.)	Completed: GFA for sale[(2)(4)] (sq.m.)	Completed: Other GFA[(3)] (sq.m.)	Under development/ future development: GFA[(4)] (sq.m.)	Under development/ future development: Other GFA[(3)] (sq.m.)	Ownership interest[(5)] (%)
Zhuhai Baisheng	Industrial[(8)]	Pending	100,331	–	–	–	–	100
West of Tin Ka Ping Secondary School, Zhuhai	Residential and commercial	2018	85,363	–	–	217,951	49,318	63
Times Eolia City (Zhuhai)	Residential and commercial	2018	53,963	–	–	115,044	38,852	60
Zhuhai Hongqiao Project (Phase V of Times King City (Zhuhai))	Residential and commercial	2018	17,791	–	–	38,888	14,660	80
Top Plaza	Residential and commercial	2019	60,138	–	–	259,863	76,622	25
West of Heyi Road (Middle), Baijiao Township, Doumen District, Zhuhai	Residential and commercial	2019	20,000	–	–	41,202	9,504	60
Zhongshan								
Times King City (Zhongshan)	Residential and commercial	2013-2015	101,821	–	42,595	–	–	100
Times Cloud Atlas (Zhongshan)	Residential and commercial	2015-2016	46,667	–	567	–	–	100
Jin Sha Project (Zhongshan)	Residential and commercial	2019	125,065	–	–	355,392	143,237	56
Qingyuan								
Times King City (Qingyuan)	Residential and commercial	2014-2019	301,368	6,022	59,071	521,048	116,609	100
Phase I of Times Garden (Qingyuan)	Residential and commercial	2016	70,650	–	23,975	–	9,111	100
Phase II of Times Garden (Qingyuan)	Residential and commercial	2019	84,440	–	–	235,556	77,921	100
Fogang Shilian Project	Residential and commercial	Pending	551,087	–	–	1,090,746	43,896	100
Fogang Huanghua Lake Project	Residential and commercial	Pending	477,020	–	–	943,010	–	100
The Shore (Qingyuan), Jiada Feilai Lake Project	Residential and commercial	2019	91,127	–	–	331,765	111,191	100
The Shore (Qingyuan), Wanda West Project	Residential and commercial	2019	68,840	–	–	253,323	80,827	80
Times King City (Qingyuan) Phase IX, (Heshun Project)	Residential and commercial	2019	42,214	–	–	159,470	56,470	100
Changsha								
Times King City (Changsha)	Residential and commercial	2013-2021	569,265	202	44,607	1,621,234	310,433	100
Times Prime	Residential and commercial	Pending	48,017	–	–	144,051	41,265	100

Project	Project type	Actual/ Expected completion dates	Site area (sq.m.)	Completed: GFA for sale[2][4] (sq.m.)	Completed: Other GFA[3] (sq.m.)	Under development/ future development: GFA[4] (sq.m.)	Under development/ future development: Other GFA[3] (sq.m.)	Ownership interest[5] (%)
Dongguan								
Times King City (Dongguan)	Residential and commercial	2018-2019	55,792	–	–	160,310	26,837	52
Times Realm (Dongguan)	Residential and commercial	2018	79,190	–	–	148,841	39,120	55
Times Thriving City (Dongguan)	Residential and commercial	2018-2019	42,519	–	–	108,723	20,522	100
Huizhou								
Desai Land Parcel of Gutang'ao	Residential and commercial	2018-2021	284,414	–	–	632,118	–	49
Golden Totus (Huizhou)	Residential and commercial	2019	23,459	–	–	75,570	22,867	80
Vantin Casa (Huizhou)	Residential and commercial	2019	71,274	–	–	90,817	47,696	100
Total			6,656,844	84,399	460,001	11,259,949	2,692,435	

Notes:

(1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but have not obtained the requisite construction permits; or (ii) the Group has signed a land grant contract with the relevant government authority, but have not obtained the land use rights certificate(s). The figures for total and saleable GFA are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.

(2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.

(3) "Other GFA" mainly comprises car parks and ancillary facilities.

(4) "GFA for sale" and "GFA under development and GFA held for future development" are derived from the Group's internal records and estimates.

(5) "Ownership interest" is based on the Group's effective ownership interest in the respective project companies.

(6) The Group is in the process of applying for the conversion of the land use for Guangzhou Tianhe Project from industrial use to residential and commercial use.

(7) The Group is in the process of applying for the conversion of the land use for Guangzhou Tiansi Project from industrial use to residential and commercial use.

(8) The Group is in the process of applying for the conversion of the land use for Zhuhai Baisheng to residential and commercial use.

Acquisitions of land parcels for the six months ended 30 June 2017

The Group continued to expand its land reserves through various channels, including participations in public auctions, urban redevelopment projects, primary development, cooperation, and acquisition of project companies.

For the six months ended 30 June 2017, the Group acquired 9 parcels of land in Guangzhou, Foshan, Qingyuan, Huizhou and Changsha, and the land acquisition costs amounted to a total of approximately RMB9,512 million.

Location (City) of Projects	Number of projects	Site area	Expected total GFA	Total land costs
		(sq. m.)	*(sq. m.)*	*(RMB million)*
Guangzhou	2	51,876	157,540	2,326
Foshan	2	207,820	758,296	4,917
Qingyuan	2	111,054	548,207	1,084
Huizhou	2	94,733	236,950	607
Changsha	1	48,017	185,316	578
Total	**9**	**513,500**	**1,886,309**	**9,512**

Market Review

The Chinese property market has gradually returned to its rational state during the Period, with the volume of sales staying at a high level and the growth regaining its steady pace. Statistics from the National Bureau of Statistics show that the area of commercial properties sold amounted to 0.75 billion sq.m. across the PRC from January to June 2017, representing a year-on-year increase of 16.1%; and the sales reached RMB5.9 trillion, representing a year-on-year increase of 21.5%. Property policy and market performance diverge substantially among different cities. Control policies rolled out intensively in popular first and second-tier cities to rein in an overheated property market, whereas the destocking policy was sustained across third and fourth-tier cities with active transactions.

The Group actively grasped market dynamics and adopted proactive sales strategies, to achieve steady growth in its results. For the six months ended 30 June 2017, the Group's contracted sales amounted to RMB17.03 billion, representing a year-on-year increase of 27.5%.

Highly in line with the national strategy of developing a world-class Guangdong-Hong Kong-Macau Greater Bay Area, the Group has strategically planned its layout and intensively developed itself in 7 out of the 11 cities in the Guangdong-Hong Kong-Macau Greater Bay Area, of which the contracted sales accounted for 87.2% of the whole Group. The percentage is one of the highest in the industry.

In terms of land reserves, the Group actively expanded its land reserves through various channels, including participations in public auctions, urban redevelopment projects, primary development, cooperation and acquisition of project companies. The Group acquired a total of 9 new projects with a total planned GFA of 1.9 million sq.m. during the Period.

During the Period, the Group was actively involved in constructing featured small towns, to help transform and upgrade national industries. The Group has recently entered into certain framework agreements to jointly develop such towns with the local governments of Guangzhou, Foshan, Zhongshan, Dongguan, Huizhou and Changsha.

Outlook

Looking ahead, we predict stable growth for the Chinese economy. The central government will stick to its policy orientation that housing supply should regain its residential purpose, with quicker efforts of studying and rolling out a long-term effective mechanism to promote a healthy and stable development of the industry. This will benefit the industry's mid to long-term development. We believe that the sizable property sector, coupled with the national drive of "New-type Urbanization" (新型城鎮化), will remain a pillar industry to support the healthy and stable development of national economy.

By positioning the Guangdong-Hong Kong-Macau Greater Bay Area as a world-class bay area, the central government has brought historic opportunities to the Group, who has intensively established itself in the Guangdong-Hong Kong-Macau Greater Bay Area for years. Such intensive efforts will remain a focus for the Group, to continue to boost its market share in the Guangdong-Hong Kong-Macau Greater Bay Area.

The Group will sustain its active participation in urban redevelopment projects and the construction of featured small towns, and obtain quality land reserve in high-value areas, so as to further enhance its layout in the region.

We will flexibly respond to market changes to procure sales proactively, monitor market risks continuously and strengthen cash flow management, so as to create value for our shareholders, employees and property owners.

Financial Review

Revenue

The Group's revenue is primarily generated from property development, property leasing and sub-leasing and property management services, which contributed approximately 96.3%, 1.7% and 2.0% respectively of the revenue for the six months ended 30 June 2017. The Group's revenue increased by RMB3,026.0 million, or 53.1%, to RMB8,725.1 million for the six months ended 30 June 2017 from RMB5,699.1 million for the six months ended 30 June 2016. This increase was primarily attributable to the increase in revenue from sales of properties.

The table below sets forth the breakdown of the Group's revenue by operating segment as indicated:

	For the six months ended 30 June 2017		For the six months ended 30 June 2016	
	(RMB million)	***(%)***	*(RMB million)*	*(%)*
Revenue from sales of properties	**8,399.2**	**96.3**	5,442.2	95.5
Rental income	**147.4**	**1.7**	149.3	2.6
Management fee income	**178.5**	**2.0**	107.6	1.9
	8,725.1	**100.0**	5,699.1	100.0

Property development

The Group's revenue from sales of properties increased by RMB2,957.0 million, or 54.3%, to RMB8,399.2 million for the six months ended 30 June 2017 from RMB5,442.2 million for the six months ended 30 June 2016. The increase was primarily due to the increase in total GFA delivered from approximately 661,540 sq.m. for the six months ended 30 June 2016 to approximately 770,035 sq.m. for the six months ended 30 June 2017. The projects that contributed substantially to the Group's revenue for the six months ended 30 June 2017 mainly include Times Laguna (Foshan), Times King City (Changsha) Phase II, Times Centralpark Living (Guangzhou), Times Bridges (Zengcheng) and Times Riverbank (Foshan) Phase I, etc.

Property leasing and sub-leasing

The Group's gross rental income decreased by RMB1.9 million, or 1.3%, to RMB147.4 million for the six months ended 30 June 2017 from RMB149.3 million for the six months ended 30 June 2016. The decrease was primarily due to the transfer of some investment properties to owner-occupied properties.

Property management services

The Group's revenue from property management services increased by RMB70.9 million, or 65.9%, to RMB178.5 million for the six months ended 30 June 2017 from RMB107.6 million for the six months ended 30 June 2016. The increase was primarily attributable to the increase in the number of project phases and area that the Group managed.

Cost of sales

The Group's cost of sales increased by RMB2,223.9 million, or 52.9%, to RMB6,424.5 million for the six months ended 30 June 2017 from RMB4,200.6 million for the six months ended 30 June 2016. The increase was primarily attributable to the increase in the total GFA of properties delivered as compared with the corresponding period in 2016, which led to the increase in the cost of property sales.

Gross profit and gross profit margin

The Group's gross profit increased by RMB802.0 million, or 53.5%, to RMB2,300.6 million for the six months ended 30 June 2017 from RMB1,498.6 million for the six months ended 30 June 2016. For the six months ended 30 June 2017, the Group's gross profit margin increased to 26.4% from 26.3% for the six months ended 30 June 2016. The increase was primarily due to the increase in recognised income from products with higher gross profit margin as compared with the corresponding period in 2016.

Other income and gains

The Group's other income and gains increased to RMB136.6 million for the six months ended 30 June 2017 from RMB49.6 million for the six months ended 30 June 2016, which was primarily attributable to the increase in fair value gains on investment properties and bank interest income.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB170.6 million, or 87.2%, to RMB366.3 million for the six months ended 30 June 2017 from RMB195.7 million for the six months ended 30 June 2016. The increase was mainly due to the increase in scale of sales of properties of the Group.

Administrative expenses

The Group's administrative expenses increased by RMB112.1 million, or 52.3%, to RMB326.5 million for the six months ended 30 June 2017 from RMB214.4 million for the six months ended 30 June 2016, which was primarily due to the increase in the number of senior talents, middle and senior level personnel hired by the Group.

Other expenses

The Group's other expenses increased by RMB180.2 million, or 392.6%, to RMB226.1 million for the six months ended 30 June 2017 from RMB45.9 million for the six months ended 30 June 2016. The increase was primarily due to the premium paid on early redemption of senior notes and an increase in donation.

Finance costs

The Group's finance costs increased to RMB174.0 million for the six months ended 30 June 2017 from RMB123.1 million for the six months ended 30 June 2016. The increase was primarily due to an increase in the amount of bank facilities for the Group's land acquisition and expansion of property development.

Income tax expenses

The Group's income tax expenses increased by RMB107.7 million, or 24.7%, to RMB543.6 million for the six months ended 30 June 2017 from RMB435.9 million for the six months ended 30 June 2016. The increase was primarily attributable to the increase in the Group's taxable profit and income for the six months ended 30 June 2017.

Profit for the Period

Based on the foregoing, the Group's profit for the Period increased by RMB270.8 million, or 51.3%, to RMB798.7 million for the six months ended 30 June 2017 from RMB527.9 million for the six months ended 30 June 2016. Basic earnings per share and diluted earnings per share for the six months ended 30 June 2017 were RMB29 cents (for the six months ended 30 June 2016: RMB32 cents) and RMB29 cents (for the six months ended 30 June 2016: RMB30 cents), respectively.

Profit attributable to the owners of the Company

Profit attributable to the owners of the Company decreased by RMB51.8 million, or 9.4%, to RMB497.8 million for the six months ended 30 June 2017 from RMB549.6 million for the six months ended 30 June 2016. Core net profit attributable to the owners of the Company increased by RMB95.3 million, or 17.6%, to RMB635.7 million for the six months ended 30 June 2017 from RMB540.4 million for the six months ended 30 June 2016.

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2017, the carrying balance of the Group's cash and bank deposits was approximately RMB13,125.7 million (31 December 2016: RMB11,880.7 million), representing an increase of 10.5% when compared with that of 31 December 2016. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. The remaining restricted deposits were primarily guarantee deposits for the construction workers in accordance with certain local requirements. As at 30 June 2017, the Group's restricted bank deposits was RMB2,509.7 million (31 December 2016: RMB2,958.0 million).

Borrowings and pledged assets

The Group had aggregate interest-bearing borrowings (excluding convertible bonds) of approximately RMB29,304.1 million as at 30 June 2017. Borrowings that are due within one year increased from RMB1,956.1 million as at 31 December 2016 to RMB2,447.3 million as at 30 June 2017, and approximately RMB26,623.4 million of borrowings are due within two to five years and approximately RMB233.4 million of borrowings are due in over five years. As at 30 June 2017, the Group's outstanding loans were secured by certain property, plant and equipment, completed properties held for sale and properties under development, investment properties, interests in joint ventures and prepaid land lease payments with carrying values of approximately RMB525.5 million, RMB4,390.7 million, RMB1,530.7 million, RMB949.5 million and RMB475.6 million respectively.

Details of the equity or debt securities issued by the Company and/or its subsidiaries are set out below:

(a) USD 5.75% Senior Notes due 2022

On 26 April 2017, the Company issued 5.75% senior notes due 2022 (the "**USD 5.75% Senior Notes due 2022**") in a principal amount of USD225,000,000 (approximately equivalent to RMB1,549,013,000) at 100% of the principal amount of such notes. The USD 5.75% Senior Notes due 2022 are listed on the Stock Exchange and bear interest from and including 26 April 2017 at the rate of 5.75% per annum, payable semi-annually in arrears.

(b) USD 6.25% Senior Notes due 2020

On 23 January 2017, the Company issued 6.25% senior notes due 2020 (the "**USD 6.25% Senior Notes due 2020**") in a principal amount of USD375,000,000 (approximately equivalent to RMB2,571,450,000) at 100% of the principal amount of such notes. The USD 6.25% Senior Notes due 2020 are listed on the Stock Exchange and bear interest from and including 23 January 2017 at the rate of 6.25% per annum, payable semi-annually in arrears.

(c) RMB 7.88% Non-Public Domestic Corporate Bonds due 2019

On 18 January 2016, 廣州市時代地產集團有限公司 (Guangzhou Times Property Group Co., Ltd.*) ("**Guangzhou Times**") issued 7.88% non-public domestic corporate bonds due 2019 (the "**RMB 7.88% Non-Public Domestic Corporate Bonds due 2019**") in a principal amount of RMB3,000,000,000 at 100% of the principal amount of such bonds, with the option to redeem by Guangzhou Times at the end of the second year. The RMB 7.88% Non-Public Domestic Corporate Bonds due 2019 are listed on the Shenzhen Stock Exchange and bear interest from and including 18 January 2016 at the rate of 7.88% per annum, payable annually in arrears.

(d) RMB 7.85% Non-Public Domestic Corporate Bonds due 2018

On 26 October 2015, Guangzhou Times issued 7.85% non-public domestic corporate bonds due 2018 (the "**RMB 7.85% Non-Public Domestic Corporate Bonds due 2018**") in a principal amount of RMB3,000,000,000 at 100% of the principal amount of such bonds. The RMB 7.85% Non-Public Domestic Corporate Bonds due 2018 are listed on Shanghai Stock Exchange and bear interest from and including 26 October 2015 at the rate of 7.85% per annum, payable annually in arrears.

(e) RMB 6.75% Public Domestic Corporate Bonds due 2020

On 15 July 2015, Guangzhou Times issued 6.75% public domestic corporate bonds due 2020 (the "**RMB 6.75% Public Domestic Corporate Bonds due 2020**") in a principal amount of RMB2,000,000,000 at 100% of the principal amount of such bonds. Guangzhou Times shall be entitled to increase the coupon rate after the end of the third year and the investors shall be entitled to sell back the bonds. The RMB 6.75% Public Domestic Corporate Bonds due 2020 are listed on Shanghai Stock Exchange and bear interest from and including 15 July 2015 at the rate of 6.75% per annum, payable annually in arrears.

(f) USD 11.45% Senior Notes due 2020

On 5 March 2015, the Company issued 11.45% senior notes due 2020 (the "**USD 11.45% Senior Notes due 2020**") in a principal amount of USD280,000,000 (approximately equivalent to RMB1,722,784,000) at 99.35% of the principal amount of such notes. The USD 11.45% Senior Notes due 2020 are listed on the Stock Exchange and bear interest from and including 5 March 2015 at the rate of 11.45% per annum, payable semi-annually in arrears.

(g) RMB 10.375% Senior Notes due 2017

On 16 July 2014, the Company issued 10.375% senior notes due 2017 (the "**Senior Notes July 2014**") in an aggregate principal amount of RMB900,000,000 at 100% of the principal amount of such notes. On 14 October 2014, the Company issued additional 10.375% senior notes due 2017 in a principal amount of RMB600,000,000 at 100.125% of the principal amount of such notes (the "**Senior Notes October 2014**"). Senior Notes July 2014 and Senior Notes October 2014 were consolidated and formed a single series which are referred to as the "**RMB 10.375% Senior Notes due 2017**". The RMB 10.375% Senior Notes due 2017 are listed on the Stock Exchange and bear interest from and including 16 July 2014 at the rate of 10.375% per annum, payable semi-annually in arrears.

The RMB 10.375% Senior Notes due 2017 has been fully repaid in July 2017.

(h) Convertible Bonds

On 7 July 2014, the Company entered into a subscription agreement with Schiavona Investment Holdings Ltd. (the "**Investor**"), pursuant to which the Company has conditionally agreed to issue convertible bonds in an aggregate principal amount of

HKD388,000,000 due 2019 (approximately equivalent to RMB308,369,000) (the "**Bonds**") at the price of 100% of their principal amount. The Bonds bear interest at the rate of 8% per annum and payable quarterly in arrears. Subject to the terms of the Bonds, the bondholders have the right to convert their Bonds into shares (the "**New Shares**") to be allotted and issued by the Company upon conversion of the Bonds at any time during the conversion period. The Bonds are jointly and severally guaranteed by certain subsidiaries of the Group. The Company used the net proceeds for refinancing, redemption or repayment of other existing financial indebtedness. The initial conversion price is HKD3.50, representing a premium of approximately 12.9% of the closing price of HKD3.10 per share as quoted on the Stock Exchange on 7 July 2014. Based on the initial conversion price of HKD3.50 and assuming full conversion of the Bonds at the initial conversion price, the Bonds will be converted into 110,857,142 New Shares, with an aggregate nominal value of HKD11,085,714.2, representing approximately 6.05% of the ordinary share capital of the Company, as enlarged by the issue of New Shares. On 25 July 2014, the Company issued the Bonds when all the conditions precedent under the subscription agreement were satisfied.

On 19 May 2017, the Investor exercised the conversion right attaching to the Bonds in a principal amount of HKD65,000,000, and 18,571,428 New Shares were allotted and issued to the Investor at an initial conversion price of HKD3.50 per share. Upon conversion, the aggregate principal amount of the Bonds was reduced to HKD323,000,000.

(i) On 21 March 2017, the Company redeemed an aggregate principal amount of US$305,000,000 of all of the outstanding 12.625% senior notes due 2019 (the "**USD 12.625% Senior Notes due 2019**") at a redemption price of US$343,507,775, equal to 106.313% of the principal amount thereof, plus accrued and unpaid interest, to the redemption date.

Financial guarantee

As at 30 June 2017, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB17,173.1 million (31 December 2016: approximately RMB18,098.3 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks; and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fails to do so, the mortgagor bank may auction the underlying property and recover any additional amount outstanding from the Group as the guarantor of the mortgage loans. In line with industry practices, the Group do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

Foreign currency risks

The Group mainly operates in the PRC and conducts its operations mainly in Renminbi. The Group will closely monitor the fluctuations of the Renminbi exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2017, the Group has not engaged in hedging activities for managing foreign currency risk.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period, nor were there any plans authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

Significant Events Affecting the Group After the Reporting Period

Except as disclosed in page 28 to this announcement, on 31 July 2017, the Company as borrower entered into an agreement in relation to syndicated term loan facilities in the original total commitment of USD185,000,000 with a commitment increment option of not more than USD100,000,000, in accordance with the Company's announcement dated 31 July 2017 on loan agreement with specific performance covenants.

Employees and Remuneration Policy

As at 30 June 2017, the Group had approximately 6,641 employees (31 December 2016: approximately 6,016 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted the share option scheme on 19 November 2013 (the "**Share Option Scheme**") as incentives or rewards for the employees' contributions to the Group. Further information of the Share Option Scheme is available in the Company's annual report for the year ended 31 December 2016. For the six months ended 30 June 2017, the Group's employee benefit expense (excluding Directors' remuneration) of approximately RMB371.0 million (for the six months ended 30 June 2016: RMB162.0 million).

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: nil).

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the listing of the Company (after deducting underwriting fees and related expenses) amounted to approximately HKD1,477.4 million, which shall be applied in compliance with the intended use of proceeds set out in the section headed "Future plans and use of proceeds" of the prospectus of the Company dated 29 November 2013 (the "**Prospectus**"), of which, approximately 33.3% of the net proceeds were utilised for settling part of the outstanding installments under the Restructuring Deed (as defined in the Prospectus) and approximately 55.1% of the net proceeds were utilised for financing new and existing projects, including the land acquisition and construction costs of potential development projects.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code set out in Appendix 14 to the Listing Rules. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the six months ended 30 June 2017.

The code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Directors had regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective risk management and internal control systems in place for providing adequate checks and balances. Based on the foregoing, the Board believes that a balance of power and authority has been and will be maintained.

Compliance with Code on Conduct Regarding Directors' Securities Transactions

The Company has also adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "**Model Code**"). All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code for the six months ended 30 June 2017.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the Company or its securities, on no less exacting terms than the required standard set out in the Model Code.

Audit Committee and Review of Financial Statements

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Mr. Jin Qingjun and Ms. Sun Hui.

The Audit Committee has reviewed the interim report and the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2017 in conjunction with the Company's management. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company and considers the risk management and internal control systems to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed in this announcement, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2017.

PUBLICATION OF THE INTERIM RESULTS AND 2017 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.timesgroup.cn), and the 2017 interim report containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times Property Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 3 August 2017

As at the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Shum Siu Hung and Mr. Niu Jimin; and the independent non-executive Directors are Mr. Jin Qingjun, Ms. Sun Hui and Mr. Wong Wai Man.

* *For identification purpose only*