The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement does not constitute nor is intended to constitute an offer to sell or a solicitation of an offer to buy any securities.

SpringREIT

Spring Real Estate Investment Trust

春泉產業信託

(a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: 01426)

Managed by
Spring Asset Management Limited

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 AND CLOSURE OF REGISTER OF UNITHOLDERS

SPRING REAL ESTATE INVESTMENT TRUST

Spring Real Estate Investment Trust ("**Spring REIT**") is a real estate investment trust constituted by the trust deed entered into on 14 November 2013, as supplemented by the first supplemental deed dated 22 May 2015 (collectively, the "**Trust Deed**") between Spring Asset Management Limited, as manager of Spring REIT (the "**Manager**"), and DB Trustees (Hong Kong) Limited, as trustee of Spring REIT (the "**Trustee**"). Units of Spring REIT (the "**Units**") were first listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 5 December 2013 (the "**Listing Date**").

SPRING ASSET MANAGEMENT LIMITED

Spring REIT is managed by Spring Asset Management Limited, a company incorporated in Hong Kong for the sole purpose of managing Spring REIT. As at 30 June 2015, the Manager is 90.2% owned by AD Capital Co., Ltd., ("**AD Capital**") which is a private equity investment firm owned by Development Bank of Japan, Itochu Corporation, Asuka Holdings Co., Ltd., and certain minority management shareholders.

The board of directors (the "**Board**") of the Manager is pleased to report the unaudited consolidated interim results and distribution summary of Spring REIT and its special purpose vehicle (together, the "**Group**") for the six months ended 30 June 2015 (the "**Reporting Period**").

RESULTS HIGHLIGHTS

Six Months Ended	30 June 2015	30 June 2014	Change
Total Revenue *(US$ million)*	**40.84**	39.79	+2.6%
Net Property Income *(US$ million)*	**31.41**	30.38	+3.4%
Net Property Income Margin	**76.9%**	76.4%	+0.5 ppts
Total Distributable Income *(US$ million)*	**20.97**	19.75	+6.2%
Distribution per Unit *(HK cents)*	**14.0**	13.9	+0.7%
As at	**30 June 2015**	31 December 2014	Change
Gross Assets *(US$ million)*	**1,411.41**	1,392.40	+1.4%
Appraised Property Value *(US$ million)*	**1,317.21**	1,306.58	+0.8%
Appraised Property Value *(RMB million)*	**8,168.00**	8,108.00	+0.7%
Net Assets per Unit *(HK$)*	**6.27**	6.25	+0.3%
Total Borrowings *(US$ million)*	**473.26**	460.68	+2.7%
Total Borrowings to Gross Asset Value	**33.5%**	33.1%	+0.4 ppts
Number of Units Outstanding	**1,114,886,108**	1,109,468,088	+0.5%

DISTRIBUTION SUMMARY

	Distribution per Unit	Distribution Yield[3]	Annualized Distribution Yield[3]
2015 Interim Distribution[1]	**HK14.0 cents**	**4.1%**	**8.2%**
2014 Final Distribution 2014 Interim Distribution	HK12.5 cents HK13.9 cents	7.2%	7.2%
2013 Final Distribution[2]	HK1.6 cents	0.5%	6.8%
2013 Special Distribution	HK7.0 cents	2.2%	N/A

Notes:

1. The record date of 2015 interim distribution will be 8 September 2015 ("**Record Date**") and the payment date will be 17 September 2015.

2. The distribution for the period from 5 December 2013 to 31 December 2013 represented only 27 days of operation. It was paid on 30 September 2014.

3. Distribution yield and annualized distribution yield are calculated using the closing price of the Units at the end of each period.

Total Distributable Income

Total distributable income ("**TDI**") is the consolidated audited or reviewed profit after tax before transactions with the unitholders of Spring REIT (the "**Unitholders**") as adjusted to eliminate the effects of certain non-cash items. For details of the adjustment, please refer to the section headed "Statement of Distributions" in the condensed consolidated financial statements. TDI to the Unitholders for the Reporting Period amounted to approximately US$20.97 million (2014: US$19.75 million).

Distribution

The Board has resolved to declare an interim distribution to Unitholders for the Reporting Period ("**2015 Interim Distribution**") of HK14.0 cents per Unit. This represents a 96% distribution of Spring REIT's TDI for the Reporting Period. The 2015 Interim Distribution, however, may be subject to adjustment upon the issuance of new Units between 1 July 2015 and 8 September 2015 (the "**Record Date**"), if any. For details of the distribution, please refer to the section headed "Statement of Distributions" in the condensed consolidated financial statements.

All distribution will be made in Hong Kong dollars. The exchange rate adopted by the Manager for conversion of US dollar to Hong Kong dollar for the 2015 Interim Distribution is the average mid-price for HKD/USD opening indicative counter exchange rate, as published by the Hong Kong Association of Banks, for the five (5) business days immediately preceding 30 June 2015.

The Manager confirms that the 2015 Interim Distribution is composed only of consolidated profit after tax before transactions with the Unitholders and non-cash adjustments for the Reporting Period.

Distribution Yield

Distribution per Unit ("**DPU**") for the Reporting Period is HK14.0 cents (2014: HK13.9 cents) based on the number of outstanding Units of 1,114,886,108 as at 30 June 2015. The DPU for the Reporting Period represents an annualized distribution yield of approximately 8.2% based on the closing price of HK$3.44 per Unit as at 30 June 2015.

Distribution Policy

In accordance with the Trust Deed, Spring REIT is required to distribute no less than 90% of TDI to the Unitholders. The Manager's current policy is to distribute to the Unitholders at least 90% of TDI in each financial year. The Manager also has the discretion to make distributions over and above the minimum 90% of TDI for any financial year if and to the extent Spring REIT has funds surplus to its business requirements.

Closure of Register of Unitholders

The Record Date of the 2015 Interim Distribution will be 8 September 2015, Tuesday. The register of Unitholders will be closed for the purpose of determining the identity of Unitholders from 7 September 2015, Monday to 8 September 2015, Tuesday, both days inclusive, during which period no transfer of Units will be registered. The 2015 Interim Distribution is expected to be payable on 17 September 2015, Thursday to Unitholders whose names appear on the register of Unitholders on the Record Date.

In order to qualify for the 2015 Interim Distribution, all properly completed transfer forms in respect of transfer of Units (accompanied by the relevant Unit certificates) must be lodged with Spring REIT's unit registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 4 September 2015, Friday.

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present the unaudited consolidated interim results of the Group for the Reporting Period.

Solid Financial Results

The Group recorded solid performance for the six months ended 30 June 2015. Compared to the same period in the last financial year, total revenue grew by 2.6% to US$40.84 million and net property income increased by 3.4% to US$31.41 million.

During the first half of 2015, new and renewed leases equivalent to 13.9% of leased gross floor area ("**GFA**") (as at 30 June 2015) have been signed and became effective. Average monthly passing rent was RMB356 per square meter ("**sqm**"), 3.2% higher than RMB345 per sqm recorded for the six months ended 30 June 2014. Average monthly spot rent came in at RMB345 per sqm, 8.5% lower than RMB377 per sqm recorded for the six months ended 30 June 2014. The decline was due to the entering of certain leases during the Reporting Period.

2015 Interim Distribution

The Board has resolved to declare the 2015 Interim Distribution of HK14.0 cents per Unit, for the six months ended 30 June 2015. The 2015 Interim Distribution is expected to be payable on 17 September 2015, Thursday to Unitholders whose names appear on the register of Unitholders on 8 September 2015, Tuesday. Based on the closing price of Units of HK$3.44 as at 30 June 2015, the 2015 Interim Distribution represents an distribution yield of 4.1%, or an annualized distribution yield of 8.2%.

Completion of Refinancing

Riding on the back of a strong and stable recurring rental income, quality assets in prime location and professional management, Spring REIT, through its wholly owned special purpose vehicle RCA01, has successfully obtained a US$480.00 million five-year term loan. The term loan had recorded an oversubscription of 3.06 times of the issue size from 16 international and local banks. The term loan was drawn down in April 2015 with the proceeds applied to the early repayment of an existing term loan facility that was to fall due in January 2016.

A Broadened Investment Mandate

Since the listing of Spring REIT on the Stock Exchange in December 2013, we have focused on delivering high organic growth through positive rental reversions on our properties. With passing rents now being closer to market rents, the Manager is exploring other areas to enhance returns for Unitholders. Accordingly, in the Extraordinary General Meeting held in May 2015, among other resolutions, the Manager proposed 4 resolutions to expand the investment scope of Spring REIT which were all approved overwhelmingly by the Unitholders.

In line with the amendments to the code on Real Estate Investment Trusts (the "**REIT Code**") that became effective in August 2014, Spring REIT will now be able to invest up to 10% of its gross asset value in property development and to a limited extent in financial instruments such as listed securities and overseas property funds. Spring REIT will also have greater flexibility with respect to geographical scope and investment in other property types, including industrial properties, warehouses, commercial shopping malls, hotels and serviced apartments. While a widened investment scope will enhance the long-term growth potential of Spring REIT currently the Manager has no immediate plan for Spring REIT to take up investment opportunities utilizing such new flexibilities.

Closer Ties with Itochu Corporation

During the Reporting Period, the Manager's parent company AD Capital had brought in ITOCHU Corporation ("**ITOCHU**") as a 28.3% shareholder of AD Capital. ITOCHU is a leading trading conglomerate in Japan as well as a Fortune Global 500 company. With business presence in 65 countries and regions around the world, ITOCHU's real estate division provides services that extend from development and construction to sales, operation, leasing, brokering and financial management of real estate projects, with a geographical focus in Japan and other parts of Asia.

By establishing a closer business relationship through ITOCHU's participation in the shareholding of AD Capital, AD Capital would be well positioned to leverage the experience and resources of ITOCHU in order to facilitate future cooperation on business opportunities in real estate area, including to identify and present Spring REIT with potential real estate investment opportunities that may enhance the long-term development prospect of Spring REIT.

Outlook

Driven by the government's reform measures to pursue a more balanced and sustainable growth paradigm, the moderation in China's economy continued. Both of China's first and second quarter gross domestic product ("**GDP**") rose 7.0% from a year earlier, which was slower than the 7.3% in the fourth quarter of 2014, but in line with the government's annual GDP target of around 7%.

On monetary policy front, the People's Bank of China continued its easing on the back of lower inflation. In the fourth reduction since November 2014, China's central bank cut the benchmark one-year lending rate to a record low of 4.85% in June 2015.

Meanwhile, China continued its efforts to enhance the long term sustainability of the economy through various reform measures including internationalization of renminbi and gradual liberalization of the capital account. Domestically, the replacement of business tax with value-added tax ("**VAT**") has been implemented nationwide to promote an adjustment of the economic structure and transformation of enterprises. Currently, the introduction of VAT to the real estate industry is yet to be announced.

Outside of China, one major economic development to watch would be the timing of interest rate hike by the US Federal Reserve, which is widely expected by the market to happen in the coming two quarters.

As the world's and Chinese economy develops, the Manager will continue to closely monitor the operating environment and stay diligent in actively managing Spring REIT to maximize its long-term value and distribution income.

In second half of 2015, about 9% of the existing office leases (in GFA terms) of Spring REIT is scheduled to expire. The underlying tight supply-demand situation is expected to continue in the remaining of the year, with limited new supply of Grade-A office space in Beijing CBD. Under current economic conditions, we continue to see good take-ups of office space in Beijing CBD. The Manager continues to focus on maintaining high occupancy, strengthening tenant mix and managing costs. Additionally, with the successful completion of refinancing in April this year, the savings from the lower interest margin of the new term loan will contribute to Spring REIT's financial performance in the coming years.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all the Unitholders for their trust and support. I would also like to thank the Manager's team and the professional parties for their hard work and dedication.

Toshihiro Toyoshima
Chairman and Non-executive Director

Spring Asset Management Limited
(as manager of Spring REIT)
19 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Property and Market Overview

The Property

Spring REIT's principal assets include two premium grade office buildings with a total GFA of 120,245 sqm and approximately 600 car parking space at China Central Place, Beijing, China (the "**Property**"). The Property is strategically located in the Central Business District of Beijing (the "**Beijing CBD**") at the intersection of Jianguo Road (建國路) and West Dawang Road (西大望路), between the Third Ring Road and the Fourth Ring Road.

Property Valuation

The valuation of Spring REIT's Property as at 30 June 2015 was appraised at RMB8,168.00 million (equivalent to US$1,317.21 million), representing an appreciation of RMB60.00 million or approximately 0.7% in RMB terms over the valuation as at 31 December 2014, according to a valuation performed by Colliers International (Hong Kong) Limited (the "**Principal Valuer**") on the Property. The small increase in appraised value was attributable to a lower capitalization rate of 6.50% (December 2014: 6.75%).

Office Market in Beijing CBD

Beijing CBD is a major business district in Beijing situated on the east side of the city in Chaoyang District. It has traditionally covered the area around the intersection of Jianguo Road and East Third Ring Road and now extended eastward to include the East Fourth Ring Road. Bridged by the Chang'an Avenue/Jianguo Road, the main east-west transportation artery in the city, Beijing CBD connects west to the Forbidden City and east to Tongzhou district where municipal administrative bodies are planned to be relocated. As at 30 June 2015, Beijing CBD Grade-A office submarket had a total stock of 1.83 million sqm, accounted for 27.3% of the city's total Grade-A office space of around 6.71 million sqm.[1]

According to market research conducted by Jones Lang LaSalle, there was no new Grade-A office supply in Beijing CBD during the Reporting Period as the new completions were located in Financial Street, Zhongguancun and the decentralised office area of Wangjing. New supply in the CBD area is expected to remain light until 2018, after which completion of the projects in Zhongfu plot is expected to result in more notable new supply in the CBD area. Thanks to steady demand for quality office space from professional services, technology, industrial companies and domestic financial companies, average occupancy in Beijing CBD remained high at 94.7%.[1]

[1] Jones Lang LaSalle Research, June 2015

Operating and Financial Review

Leasing Performance

The Property enjoyed high occupancy rate averaging around 95% for the six months ended 30 June 2015. In GFA terms, 13.9% of the leases as at 30 June 2015 were entered into during the six months ended 30 June 2015.

For the six months ended 30 June 2015, average monthly passing rent grew 3.2% to RMB356 per sqm, from RMB345 per sqm for the six months ended 30 June 2014. Average monthly spot rent was at RMB345 per sqm, 8.5% lower than RMB377 per sqm for the six months ended 30 June 2014. The decline was due to the entering of certain leases during the Reporting Period, which fetched lower rents as they covered less preferred premises. Excluding these leases, the average monthly spot rent was RMB398 per sqm, 5.6% higher than RMB377 per sqm for the six months ended 30 June 2014.

Amidst ongoing moderation in China's economy, the Manager has put more emphasis on fine-tuning the tenant mix to maintain the brand value and long-term competitiveness of the Property. The Manager will continue to favour tenants with strong business fundamentals and those that have a firm footing in emerging industries.

Business Performance

The Group recorded solid performance for the Reporting Period. Total revenue of the Group increased by 2.6% year-on-year to US$40.84 million (2014: US$39.79 million). This moderate growth reflected the relatively small portion of new and renewed leases entered into during the Reporting Period and a mildly positive rental reversion.

Property operating expenses rose just 0.2% year-on-year to US$9.43 million for the Reporting Period (2014: US$9.41 million). Property operating expenses mainly comprise of withholding tax, business and other tax, and property tax which together accounted for 89.2% of the total. Property management fee, payable at 2.0% of total revenue, accounted for 8.6% of the property operating expenses.

Net property income for the Reporting Period rose 3.4% to US$31.41 million (2014: US$30.38 million) largely commensurate with the corresponding increase in total revenue. Net property income margin increased by 0.5 percentage points to 76.9% for the Reporting Period, compared with 76.4% for the six months ended 30 June 2014, reflecting good cost management and positive operating leverage.

Fair value gain of investment property moderated to US$9.67 million for the Reporting Period (2014: US$24.88 million), representing a 0.7% increase in fair value in RMB terms as compared with the appraised value as at 31 December 2014. Taking into account of this modest increase in property value, net asset value per Unit was HK$6.27, compared to HK$6.25 per Unit at the end of 2014.

Finance Costs

Total finance costs came in at US$13.44 million for the Reporting Period, comparing with US$19.27 million recorded in the six months ended 30 June 2014. Excluding gains and losses resulting from foreign exchange translations and an one-off derecognition of unamortized loan arrangement fee, the interest expense decreased by 1.6% to US$11.42 million for the Reporting Period, comparing with US$11.61 million in the six months ended 30 June 2014. The slight reduction in interest expense is attributable to refinancing at lower interest margin.

Non-cash Financial Impacts from Foreign Exchange Fluctuations

On the back of an approximately 0.1% appreciation in RMB against the USD, the Group recorded a foreign exchange gain of US$124,000 during the Reporting Period. This is mostly attributable to the foreign currency translation of the USD-denominated term loan facilities. This foreign exchange item is unrealized and therefore non-cash in nature and has no impact on the TDI of Spring REIT. Currently, no currency hedge is employed by the Group. The Manager will closely monitor and evaluate the development in the foreign exchange market.

Debt Position

On 18 February 2015, Spring REIT, through RCA01, entered into a facility agreement with 16 international and local banks in connection to a new five-year floating rate secured term loan facility of US$480.00 million and a new uncommitted revolving facility of US$20.00 million (the "**2015 Term Loan Facilities**"). The new loan facilities bear an interest margin of 2.75% per annum over LIBOR.

On 30 April 2015, the term loan facility was drawn down with the proceeds applied to the early repayment of the entire existing US$465.00 million term loan facility (the "**2013 Term Loan Facility**") that was to fall due on 27 January 2016. The 2013 Term Loan Facility had an interest margin of 3.50% per annum over LIBOR.

As at 30 June 2015, Spring REIT had in place total loan facilities of US$500.00 million, comprising of term loan facility of US$480.00 million which were fully drawn down and a revolving credit facility of US$20.00 million that remained undrawn.

The term loan facility of US$480.00 million was recognized to be US$473.26 million in the financial statements as at 30 June 2015, as such bank borrowing was carried at amortized cost in accordance with International Financial Reporting Standards. Bank borrowings are recognized initially at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

As at 30 June 2015, the gearing ratio (total borrowings to gross assets value) was 33.5%, compared with 33.1% as at 31 December 2014.

Pledged Assets

As at 30 June 2015, Spring REIT's investment property, rent receivables, restricted bank accounts, and RCA01's ordinary shares were pledged to secure the 2015 Term Loan Facilities.

Throughout the Reporting Period, both Spring REIT and RCA01 have in material respects complied with all the terms and provisions of the loan facilities.

Cash and Asset Position

As at 30 June 2015, the Group had unrestricted cash amounted to US$35.65 million, compared with US$24.29 million as at 31 December 2014. The cash is generally placed in short-term deposits mostly dominated in US dollar. The Group's liquidity and financing requirements are reviewed regularly.

As at 30 June 2015, the gross asset value of the Group was US$1,411.41 million, increased 1.4% compared with US$1,392.40 million recorded on 31 December 2014.

Net Assets Attributable to Unitholders

As at 30 June 2015, net assets attributable to Unitholders amounted to US$902.35 million or HK$6.27 per Unit.

The net asset value per Unit of HK$6.27 represented a 82.3% premium to the closing price of the Units of HK$3.44 on 30 June 2015.

New Units Issued

As at 30 June 2015, the total number of issued Units was 1,114,886,108. As compared with the position of 31 December 2014, a total of 5,418,020 new Units were issued during the Reporting Period.

Date	Particulars	No. of Units
31 December 2014	Beginning balance of total number of Units in issue.	1,109,468,088
23 March 2015	Issue of new Units to the Manager at the price of HK$3.807 per Unit (being the Market Price as defined in the Trust Deed) as payment of 80% of the Manager's fees for the 3 months period ended 31 December 2014.	+ 3,079,589
8 May 2015	Issue of new Units to the Manager at the price of HK$3.642 per Unit (being the Market Price as defined in the Trust Deed) as payment of 80% of the Manager's Base Fee for the 3 months period ended 31 March 2015.	+ 2,338,431
30 June 2015	Ending balance of total number of Units in issue.	1,114,886,108

Capital Commitments

As at 30 June 2015, the Group did not have any significant capital commitments.

Employees

Spring REIT is managed by the Manager and did not directly employ any staff as at 30 June 2015.

CORPORATE GOVERNANCE

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place to promote the operation of Spring REIT in a transparent manner and with built-in checks and balances. The corporate governance policies of Spring REIT have been adopted with due regard to the requirements under Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange, with necessary changes as if those rules were applicable to real estate investment trusts in Hong Kong.

The Manager was established for the sole purpose of managing Spring REIT. The Manager is committed to maintaining good corporate governance practices and procedures. The corporate governance principles emphasize on accountability to all Unitholders, resolution of conflict of interest issues, transparency in reporting, compliance with relevant procedures and guidelines. The Manager has adopted its compliance manual (the "**Compliance Manual**") for use in relation to the management and operation of Spring REIT, which sets out the key processes, systems and measures, and certain corporate governance policies and procedures to be applied for compliance with all applicable regulations and legislation.

Throughout the Reporting Period, both the Manager and Spring REIT have in material terms complied with the provisions of the Trust Deed, the Code on Real Estate Investment Trusts and applicable provisions of the Securities and Futures Ordinance (the "**SFO**") and the Listing Rules.

The Manager and Spring REIT have also in material terms complied with the provisions of the Compliance Manual and the corporate governance policy throughout the Reporting Period. Changes to the Compliance Manual in light of the latest statutory regime and regulatory compliance for the Reporting Period will be set out in the forthcoming interim report.

Authorization Structure

Spring REIT is a collective investment scheme authorised by the Securities and Futures Commission (the "**SFC**") under section 104 of the SFO and regulated by certain laws, regulations and documents including the provisions of the REIT Code. The Manager is licensed by the SFC under Section 116 of the SFO to conduct the regulated activity of asset management. As at the date of this announcement, Mr. LAU Jin Tin, Don (Executive Director of the Manager), Mr. Nobumasa SAEKI (Executive Director of the Manager) and Mr. CHUNG Wai Fai (Senior Vice President of the Manager) are the responsible officers of the Manager pursuant to the requirements under Section 125 of the SFO and Paragraph 5.4 of the REIT Code. Mr. LAU Jin Tin, Don, an Executive Director, was appointed by the SFC as an approved person of the Manager pursuant to section 104(2) and 105(2) of the SFO.

DB Trustees (Hong Kong) Limited, in its capacity as trustee of Spring REIT, is registered as a trust company under Section 77 of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong). It is qualified to act as a trustee for collective investment schemes authorised under the SFO pursuant to the REIT Code.

Purchase, Sale or Redemption of Units

During the Reporting Period, there was no repurchase, sale or redemption of the Units by the Manager on behalf of Spring REIT or any of the special purpose vehicles that are owned and controlled by Spring REIT.

Public Float of the Units

Based on information that is publicly available and within the knowledge of the Manager, Spring REIT maintained a public float of not less than 25% of the issued and outstanding Units as of 30 June 2015.

Review of Interim Results

The consolidated interim results of Spring REIT for the Reporting Period have been reviewed by the Disclosures Committee and Audit Committee of the Manager in accordance with their respective terms of reference.

The consolidated interim results of Spring REIT for the Reporting Period have been reviewed by Spring REIT's auditor in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

Issuance of the Interim Report

The interim report of Spring REIT for the six months ended 30 June 2015 will be published on the respective websites of the Stock Exchange at www.hkexnews.hk and Spring REIT at www.springreit.com, and will be sent to Unitholders on or before 31 August 2015.

By order of the Board
Spring Asset Management Limited
(as manager of Spring Real Estate Investment Trust)
Mr. Toshihiro Toyoshima
Chairman of the Manager

Hong Kong, 19 August 2015

As of the date of this announcement, the Directors of the Manager are Toshihiro Toyoshima (Chairman and non-executive Director); Lau Jin Tin, Don (executive Director) and Nobumasa Saeki (executive Director); Hideya Ishino (non-executive Director); and Simon Murray, Liping Qiu and Lam Yiu Kin (independent non-executive Directors).

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	Six months ended 30 June 2015 (Unaudited) US$'000	2014 (Unaudited) US$'000
Revenues	6	**40,840**	39,793
Property operating expenses	7	**(9,426)**	(9,410)
Net property income		**31,414**	30,383
General and administrative expenses	8	**(4,793)**	(4,566)
Fair value gain of investment property		**9,669**	24,875
Other losses, net	9	**(318)**	(994)
Operating profit		**35,972**	49,698
Finance income		**282**	222
Finance costs on interest-bearing borrowings	10	**(13,438)**	(19,270)
Profit for the period, before transactions with Unitholders *(note i)*		**22,816**	30,650
Distributions paid to Unitholders:			
— 2013 special distribution *(note ii)*		**–**	(9,912)
— 2014 final distribution *(note iii)*		**(17,931)**	–
		4,885	20,738
Represented by:			
Change in net assets attributable to Unitholders, excluding issuance of new units		**5,588**	6,785
Amount arising from exchange reserve movements regarding translations of financial statements/ profit for the period after transactions with Unitholders		**(703)**	13,953
		4,885	20,738

Notes:

(i) Earnings per unit, based upon profit for the period, before transactions with Unitholders and the weighted average number of units in issue, are set out in note 12.

(ii) This represents the 2013 special distribution of US$9,912,000 paid during the six months ended 30 June 2014.

(iii) 2014 final distribution of US$17,931,000 for the year ended 31 December 2014 (2013: US$2,248,000) was paid during the six months ended 30 June 2015. Total distribution for the six months ended 30 June 2015 is presented in the statement of distributions.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	**Before transactions with Unitholders**	**Transactions with Unitholders** *(Note i)*	**After transactions with Unitholders**
		(Unaudited)	**(Unaudited)**	**(Unaudited)**
		US$'000	***US$'000***	***US$'000***
For the six months ended 30 June 2015				
Profit for the period/change in net assets attributable and distribution paid to Unitholders		**22,816**	**(23,519)**	**(703)**
Other comprehensive income:				
Items that may be reclassified to the condensed consolidated income statement				
Exchange gains on translation of financial statements		**703**	**–**	**703**
Total comprehensive income for the period	*(ii)*	**23,519**	**(23,519)**	**–**

	Before transactions with Unitholders	Transactions with Unitholders *(Note i)*	After transactions with Unitholders
	(Unaudited)	(Unaudited)	(Unaudited)
	US$'000	*US$'000*	*US$'000*
For the six months ended 30 June 2014			
Profit for the period/change in net assets attributable and distribution paid to Unitholders	30,650	(16,697)	13,953
Other comprehensive loss:			
Items that may be reclassified to the condensed consolidated income statement			
Exchange losses on translation of financial statements	(13,953)	–	(13,953)
Total comprehensive income for the period	16,697	(16,697)	–

Notes:

(i) Transactions with Unitholders comprise the distributions paid to Unitholders of US$17,931,000 (2014:US$9,912,000) and change in net assets attributable to Unitholders, excluding issuance of new units, of US$5,588,000 (2014: US$6,785,000).

(ii) In accordance with the Trust Deed, Spring REIT is required to distribute not less than 90% of total distributable income to the Unitholders for each financial year. Accordingly, the units contain contractual obligations of Spring REIT to pay cash distributions. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with International Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issuance of new units, are part of finance costs which are recognized in the condensed consolidated income statement. Accordingly, the total comprehensive income, after transactions with Unitholders is zero.

STATEMENT OF DISTRIBUTIONS

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015 (THE "PERIOD")

	Note	**2015 (Unaudited) *US$'000***	2014 (Unaudited) *US$'000*
Profit for the period, before transactions with Unitholders		**22,816**	30,650
Adjustments:			
— Fair value gain of investment property		**(9,669)**	(24,875)
— Fair value losses of derivative financial instruments		**85**	580
— Manager fee payable in units in lieu of cash		**2,212**	2,974
— Amortization of transaction costs for the bank borrowings		**3,296**	2,352
— Derecognization of loan arrangement fee upon early repayment of previous bank borrowings	*10*	**2,358**	–
— Unrealized foreign exchange (gains)/losses		**(124)**	8,067
Distributable income for the period *(note i)*		**20,974**	19,748
Discretionary distribution		**–**	20
Amount available for distribution		**20,974**	19,768
Total distribution of the period *(note ii)*		**20,135**	19,768
As a percentage of the amount available for distribution		**96%**	100%
Distributions per unit for the period			
— Interim Distribution per unit *(notes iii and iv)*		**HK14.0 cents**	HK13.9 cents

Notes:

(i) Under the terms of the Trust Deed, the distributable income represents the profit for the period before transactions with Unitholders, adjusted to eliminate the effects of certain non-cash transactions which have been recorded in the condensed consolidated income statement for the periods.

(ii) In accordance with the terms of the Trust Deed, Spring REIT is required to distribute to Unitholders not less than 90% of its total distributable income for each financial year. As disclosed in the offering circular dated 25 November 2013, it is the Manager's intention to distribute 100% of Spring REIT's total distributable income for the period from the Listing Date to 31 December 2013 and the financial year ended 31 December 2014, and thereafter not less than 90% of its total distributable income for each subsequent financial period. The Manager also has the discretion to make distributions over and above the minimum 90% of Spring REIT's total distributable income if and to the extent Spring REIT has funds surplus to meet its business requirements.

(iii) Interim distribution per unit of HK14.0 cents for the six months ended 30 June 2015 is calculated based on the interim distribution to be paid to Unitholders of US$20,135,000 for the first half of 2015 and 1,114,886,108 units in issue as at 30 June 2015, without taking into account any consideration or subdivision of Units which may have occurred between the dates of declaration of the distribution and 8 September 2015 (the "Record Date"). The interim distribution for the six months ended 30 June 2015 is expected to be paid on 17 September 2015. Such interim distribution per unit, however, is subject to adjustment upon the issuance of new Units between 1 July 2015 and 8 September 2015, if any.

(iv) All distributions to Unitholders are determined and paid in HK$.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	As at 30 June 2015 (Unaudited) US$'000	As at 31 December 2014 (Audited) US$'000
Non-current assets			
Investment property	13	**1,317,207**	1,306,583
Derivative financial instruments	14	**–**	85
Total non-current assets		**1,317,207**	1,306,668
Current assets			
Trade and other receivables	15	**1,035**	784
Restricted bank balances	16	**57,514**	60,657
Cash and cash equivalents	16	**35,649**	24,286
Total current assets		**94,198**	85,727
Total assets		**1,411,405**	1,392,395
Current liabilities			
Trade and other payables	17	**12,416**	13,970
Rental deposits	17	**23,375**	23,588
Total current liabilities		**35,791**	37,558
Net current assets		**58,407**	48,169
Non-current liabilities, excluding net assets attributable to Unitholders			
Interest-bearing borrowings	18	**473,262**	460,683
Total liabilities, excluding net assets attributable to Unitholders		**509,053**	498,241
Net assets attributable to Unitholders		**902,352**	894,154
Total assets less current liabilities		**1,375,614**	1,354,837
Units in issue *('000)*	19	**1,114,886**	1,109,468
Net asset value per unit attributable to Unitholders			
In US$		**0.81**	0.81
In HK$		**6.27**	6.25

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Spring REIT is a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Spring REIT was established on 25 November 2013 and was listed on the main board of The Stock Exchange of Hong Kong Limited on 5 December 2013. Spring REIT is governed by the Trust Deed entered into between Spring Asset Management Limited (the "Manager") and DB Trustees (Hong Kong) Limited (the "Trustee") on 14 November 2013 as amended and supplemented by the First Supplemental Deed dated 22 May 2015 (together the "Trust Deed"), and the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong. The addresses of the registered offices of the Manager, and the trustee of the Spring REIT, DB Trustees (Hong Kong) Limited, are Rm. 2801, 28/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong and 52/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, respectively.

The principal activity of Spring REIT and RCA01, its wholly owned subsidiary, (together, the "Group") is to invest in income-producing real estate assets.

The condensed consolidated interim financial information is presented in United States Dollars ("US$"). The functional currency of Spring REIT is Hong Kong dollar ("HK$"), the distribution of Spring REIT is determined and paid in HK$.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim financial reporting" issued by the International Accounting Standards Board. The condensed consolidated interim financial information should be read in conjunction with the Group's annual financial statements as at 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014 as described in those annual financial statements.

New and amended standards adopted by the Group

The Group has adopted, for the first time, the following revised standards and amendments issued by the International Accounting Standard Board that are relevant to the Group's operations and mandatory for annual accounting periods beginning 1 January 2015.

Standards and amendments effective in 2015 which are relevant to the Group's operations:

IAS 19 Amendments	Defined Benefit Plans: Employee Contribution
Annual Improvements Project	Annual Improvements to IFRSs 2010–2012 cycle
Annual Improvements Project	Annual Improvements to IFRSs 2011–2013 cycle

The adoption of these amendments does not have a material impact on the accounting policies or results and the financial position of the Group.

New or revised standards and amendments which are not yet effective

The following new standards, amendments to standards and improvements are in issue but not yet effective, and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
IAS 1 Amendment	Disclosure Initiative	1 January 2016
IAS 16 and IAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortization	1 January 2016
IAS 16 and IAS 41 Amendment	Agriculture: Bearer Plant	1 January 2016
IAS 27 Amendment	Equity Method in Separate Financial Statements	1 January 2016
IAS 28 and IFRS 10 Amendment	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IAS 28, IFRS 10 and IFRS 12 Amendment	Investment Entities: Applying the Consolidation Exception	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 11 Amendment	Accounting for acquisitions of interests in joint operation	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with customers	1 January 2018
Annual Improvement 2014	Annual Improvements to IFRSs 2012–2014 cycle	1 January 2016

The Group will apply the above new standards, amendments and improvements to existing standards as and when they become effective. The Group has already commenced an assessment of the impact of these new standards, amendments and improvements to existing standards, and anticipated that the adoption of new standards, amendments and improvements to existing standards would not result in a material effect on the Group's operating result or financial position.

4 ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are discussed below:

(a) Estimates of fair value of investment property

The fair value of each investment property is individually determined at each reporting date by independent valuer using valuation techniques. Details of the judgement and assumptions have been disclosed in note 13.

(b) Taxation

The Group is a foreign enterprise established outside the PRC. The Group is subject to various taxes in the PRC. Significant judgement is required in determining the provision for taxation including deferred taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes or writes back liabilities for anticipated tax issued based on estimates of whether additional taxes will be due or reversal to be made. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the taxation and deferred tax.

5 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk.

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

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

6 REVENUES AND SEGMENT INFORMATION

The Group holds an investment property in the PRC and is principally engaged in property investment. Revenue mainly consists of rental income from tenants. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker, that are used to make strategic decisions. Given that management review the operating results of the Group on an aggregate basis, no segment information is therefore presented.

The Group's revenues from tenants are derived solely from its operation in the PRC and the non-current assets of the Group are also mainly located in the PRC.

An analysis of revenues of the Group is as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Rental income	**39,463**	38,728
Car park income	**341**	432
Other income *(note)*	**1,036**	633
	40,840	39,793

Note: Other income mainly represents compensation paid by tenants for early termination of lease.

7 PROPERTY OPERATING EXPENSES

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Property management fee	**(813)**	(799)
Property tax *(note i)*	**(1,997)**	(1,956)
Business and other tax *(note ii)*	**(2,317)**	(2,267)
Withholding tax *(note iii)*	**(4,092)**	(4,011)
Leasing commission	**(141)**	(310)
Others	**(66)**	(67)
	(9,426)	(9,410)

Notes:

(i) Property taxes represent real estate tax and land use tax.

(ii) Business tax and other taxes represent business tax, urban construction and maintenance tax, education surcharge and stamp duty.

(iii) Withholding tax in the PRC is calculated based on 10% of the revenues received from rental operation.

8 GENERAL AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Manager fee *(note i)*	**(3,777)**	(3,717)
Trustee fee	**(124)**	(119)
Valuation fee	**(18)**	(20)
Legal and other professional fee *(note ii)*	**(848)**	(685)
Others	**(26)**	(25)
	(4,793)	(4,566)

Notes:

(i) The breakdown of the Manager's fee was set out in note 11.

(ii) Legal and other professional fee mainly comprises advisory fees and other professional fees.

9 OTHER LOSSES, NET

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Derivative financial instruments at fair value through profit or loss:		
Net fair value losses	**(85)**	(580)
Foreign exchange losses	**(217)**	(411)
Other miscellaneous loss	**(16)**	(3)
	(318)	(994)

10 FINANCE COSTS ON INTEREST-BEARING BORROWINGS

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Interest expense on bank borrowings *(note i)*	**(11,421)**	(11,614)
Foreign exchange gains/(losses) on bank borrowings *(note ii)*	**341**	(7,656)
Other incidental borrowing costs *(note iii)*	**(2,358)**	–
Total	**(13,438)**	(19,270)

Notes:

(i) Interest expenses on bank borrowings comprised contractual loan interest and amortized loan arrangement fee, which were recognized using the effective interest rate method.

(ii) Foreign exchange gains/(losses) on bank borrowings arise upon translating the bank borrowings denominated in foreign currencies to RMB. The exchange gains and losses on bank borrowings during the six months ended 30 June 2015 and 2014, were mainly arisen from appreciation and depreciation of RMB against US$ respectively.

(iii) Other incidental borrowing costs represent derecognition of unamortized loan arrangement fee. In April 2015, the Group early repaid a bank borrowing, resulting in a derecognition of loan arrangement fee upon early repayment of bank borrowings of US$2,358,000 during the six months ended 30 June 2015.

11 MANAGER'S FEE

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Base fee	**2,834**	2,807
Variable fee	**943**	910
	3,777	3,717

Pursuant to the Trust Deed, the Manager is entitled to receive remuneration for its services as manager of Spring REIT, which is the aggregate of:

(i) Base Fee at 0.4% per annum of the value of the Deposited Property (as defined in the Trust Deed).

(ii) Variable Fee at 3.0% per annum of the Net Property Income (as defined in the Trust Deed) (before deduction therefrom of the base fee and variable fee).

12 EARNINGS PER UNIT

	As at 30 June 2015 (Unaudited) ***US$'000***	As at 30 June 2014 (Unaudited) *US$'000*
Profit for the period, before transactions with Unitholders	**22,816**	30,650
Weighted average number of units for the period for calculating basic earnings per unit	**1,111,867,172**	1,099,425,644
Adjustment for units issuable in respect of the Manager fee	**2,415,054**	3,430,494
Weighted average number of units for the period for calculating diluted earnings per unit	**1,114,282,226**	1,102,822,984
Basic earnings per unit based upon profit before transactions with Unitholders	**US$2.1 cent**	US$2.8 cent
Diluted earnings per unit based upon profit before transactions with Unitholders	**US$2.1 cent**	US$2.8 cent

13 INVESTMENT PROPERTY

Detail of the movements of investment property is as follows:

	For the period ended 30 June 2015 (Unaudited) ***US$'000***	For the year ended 31 December 2014 (Audited) *US$'000*
At beginning of the period/year	**1,306,583**	1,272,778
Exchange differences recognized in other comprehensive income	**955**	(22,243)
Changes in fair value recognized in consolidated income statement	**9,669**	56,048
At end of the period/year	**1,317,207**	1,306,583

The investment property comprises office towers 1 & 2 and approximately 600 car parking spaces located at No. 79 and 81 Jianguo Road, Beijing, the PRC. Land use rights have been granted to RCA01 for a 50-year term expiring on 28 October 2053.

As at 30 June 2015, the Group had no unprovided contractual obligations for future repairs and maintenance of the investment property (2014: Nil).

As at 30 June 2015, the investment property was pledged to secure the Group's bank borrowings (note 18).

Valuation process

The Group's investment property was valued by an independent professionally qualified valuer who holds a recognized relevant professional qualification and have recent experience in the locations and segments of the investment property valued.

The Manager reviewed the valuations performed by the independent valuer for financial reporting purpose. Discussions of valuation processes and results are held between the Manager and the independent valuer at least once every six months, in line with the Group's interim and annual reporting dates. As at 30 June 2015 and 31 December 2014, the fair values of the investment property have been determined by Colliers International (Hong Kong) Limited. The independent valuer used the discounted cash flow method and income capitalization approach for the valuation.

Changes in Level 2 and 3 fair values are revisited at each reporting date. As part of this discussion, the team presented reports that explain the reasons for the fair value movements.

Valuation techniques

The discounted cash flow method in the context of property valuation is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property. In operating real property, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the terminal value which is anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

The income capitalization approach estimates the values of the properties on an open market basis by capitalizing net rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. In calculating the net rental income, no deduction has been made from the net passing rental income which is exclusive of property management fee. In this valuation method, the total rental income is divided into a current passing rental income over the existing lease term (the term income) and a potential future reversionary rental income over the residual land use term (the reversionary income). The term value involves the capitalization of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease over the residual land use rights term and is capitalized on a fully leased basis. It is then discounted back to the date of valuation. In this approach, the independent qualified valuer has considered the term yield and reversionary yield. The term yield is used for capitalization of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income.

Fair value hierarchy

Description	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	Fair value measurements at 30 June 2015 using		
	US$'000	***US$'000***	***US$'000***
Recurring fair value measurements investment property	**–**	**–**	**1,317,207**

Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Fair value measurements at 31 December 2014		
	US$'000	*US$'000*	*US$'000*
Recurring fair value measurements investment property	–	–	1,306,583

There were no transfers between Levels 1, 2 and 3 during the six months period ended 30 June 2015.

Key unobservable inputs used to determine fair values are as follows:

(i) *Capitalization rate*

This is estimated based on the market lease over market value on comparable. The higher the capitalization rates used, the lower the fair values of the investment property. In the 30 June 2015 valuation, a capitalization rate of 6.50% (31 December 2014: 6.75%) is used in the income capitalization approach; a net terminal capitalization rate of 5.50% (31 December 2014: 5.75%) is used in the discounted cash flow method.

(ii) *Discount rate*

This is estimated based on cost of capital of a rate of return used to convert a monetary sum, payable or receivable in the future into present value. The higher the discount rates used, the lower the fair values of the investment property. In the 30 June 2015 valuation, a discount rate of 8.75% (31 December 2014: 8.75%) is used in the discounted cash flow method.

(iii) *Base rent*

This is estimated based on the market lease comparable. The higher the base rent used, the higher the fair values of the investment property. For the period ended 30 June 2015, the average gross monthly office unit base rent of RMB420 per square meter (31 December 2014: RMB425) is used in the valuation.

As at 30 June 2015, if the market value of investment property had been 5% higher/lower with all other variables held constant, the carrying value of the Group's investment property would have been US$65,860,000 (31 December 2014: US$65,329,000) higher/lower.

14 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2015 (Unaudited) *US$'000*	As at 31 December 2014 (Audited) *US$'000*
Non-current assets		
Interest rate caps	**–**	85
	–	85

The Group has entered into certain interest rate caps as part of its financial risk management but did not account for these as accounting hedges under IAS 39. Plain vanilla interest rate cap is used to hedge the interest payments of variable debt instruments and relevant floating interest rate risk.

The aggregated notional principal amount of the outstanding plain vanilla interest rate cap as at 30 June 2015 was US$515 million (31 December 2014: US$515 million).

The Group recorded fair value losses on derivative financial instruments for the six months ended 30 June 2015 amounting to US$85,000 (30 June 2014: US$580,000) (note 9) which were charged to the condensed consolidated income statement.

The maximum exposure to credit risk at the reporting date is the carrying value of the derivative financial instruments.

15 TRADE AND OTHER RECEIVABLES

	As at 30 June 2015 (Unaudited) *US$'000*	As at 31 December 2014 (Audited) *US$'000*
Rent receivables	**139**	–
Deferred rent receivables	**705**	729
Prepayment	**191**	55
	1,035	784

Notes:

(i) Trade and other receivables are denominated in RMB and the carrying amounts of these receivables approximate their fair values.

Monthly rentals are payable in advance by tenants in accordance with the leases while daily gross receipts from car parks are received from the car park operators in arrears. The ageing of the rent receivables is 1 to 3 months (2014: Nil).

(ii) The Group's exposure from outstanding rent receivables is generally fully covered by the rental deposits from the corresponding tenants (note 17).

(iii) As at 30 June 2015 and 31 December 2014, the Group's rent receivables and all future rent receivables were pledged to secure the Group's bank borrowing (note 18).

16 RESTRICTED BANK BALANCES AND CASH AND CASH EQUIVALENTS

	As at 30 June 2015 (Unaudited) ***US$'000***	As at 31 December 2014 (Audited) *US$'000*
Restricted bank balance	**57,514**	60,657
Cash and cash equivalents	**35,649**	24,286
	93,163	84,943

Cash and cash equivalents and restricted bank balances are denominated in the following currencies:

	As at 30 June 2015 (Unaudited) ***US$'000***	As at 31 December 2014 (Audited) *US$'000*
RMB	**32,951**	34,195
US$	**58,679**	50,113
HKD	**1,533**	635
	93,163	84,943

Restricted bank balances are related to bank accounts restricted under the bank borrowing facility agreements and were charged to the facility agent, the Australia and New Zealand Banking Group Limited, of the Group's bank borrowings (note 18). Prior consent from facility agent must be obtained before transfer and withdrawal of funds in the restricted bank accounts.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government. Included in the unrestricted bank balances, there is an amount of US$1,000 which is denominated in RMB for the six months ended 30 June 2015 (31 December 2014: US$635,000). Included in the restricted bank balances, there is an amount of US$32,950,000 which is denominated in RMB for the six months ended 30 June 2015 (31 December 2014: US$33,560,000).

17 RENTAL DEPOSITS AND TRADE AND OTHER PAYABLES

	As at 30 June 2015 (Unaudited) ***US$'000***	As at 31 December 2014 (Audited) *US$'000*
Rental deposits *(note i)*	**23,375**	23,588
Trade and other payables:		
Rental receipts in advance	**6,332**	6,448
Provision for withholding tax	**704**	1,375
Provision for other taxes *(note ii)*	**388**	411
Accrued expenses and other payables	**4,992**	5,736
	12,416	13,970

Notes:

(i) Rental deposits are classified as current liabilities on the basis that it is expected to be realized in the Group's normal rental business operating cycle. The ageing analysis is as follows:

	As at 30 June 2015 (Unaudited) ***US$'000***	As at 31 December 2014 (Audited) *US$'000*
Within 1 year	**8,312**	4,645
Over 1 year	**15,063**	18,943
	23,375	23,588

(ii) Provision for other taxes represents provision for business tax, urban construction and maintenance tax, education surcharge and stamp duty.

The carrying amounts of rental deposits and trade and other payables approximate their fair values.

18 INTEREST-BEARING BORROWINGS

	As at 30 June 2015 (Unaudited) *US$'000*	As at 31 December 2014 (Audited) *US$'000*
Non-current		
Bank borrowings	**473,262**	460,683

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	As at 30 June 2015 (Unaudited) *US$'000*	As at 31 December 2014 (Audited) *US$'000*
6 months or less	**473,262**	460,683

The carrying amounts of bank borrowings approximate their fair value, as the borrowings were at floating interest rate.

The Group's bank borrowings are denominated in US$.

Notes:

(i) A new term loan facility, with principal of US$480 million was drawn on 30 April 2015 to repay the previous term loan facility of US$465 million. The amount is wholly repayable on 29 April 2020. The borrowing bears interest of 2.75% above 3-month LIBOR. The Group had also entered into a US$20 million uncommitted revolving facility, which is to be used to facilitate the general working capital needs of the Group in the future. Both the new term loan facility and uncommitted revolving facility are guaranteed by the Trustee. The Group's subsidiary's shares were pledged to secure the Group's term loan facility and uncommitted revolving facility.

(ii) As at 30 June 2015 and 31 December 2014, the Group's investment property (note 13), rent receivables and all future rent receivables (note 15), and restricted bank accounts (note 16) were pledged to secured the Group's term loan facilities. As at 31 December 2014, the Group's derivative instruments (note 14) were pledged to secure the Group's term loan facilities.

19 UNITS IN ISSUE

	Number of units
Balance as at 31 December 2014	1,109,468,088
New units issued for Manager's fee	5,418,020
Balance as at 30 June 2015	1,114,886,108

Traded market value of units as of 30 June 2015 was HK$3.44 per unit. Based on 1,114,886,108 units in issue, the market capitalization was US$494.76 million.

20 FUTURE MINIMUM RENTAL RECEIVABLES

As at 30 June 2015, the analysis of the Group's aggregate future minimum rental receivable under non-cancellable leases is as follows:

	As at 30 June 2015 (Unaudited) ***US$'000***	As at 31 December 2014 (Audited) *US$'000*
Within 1 year	**70,063**	75,745
After 1 year, but within 5 years	**63,567**	64,801
	133,630	140,546

Note: Most of the operating leases are on fixed terms and of terms of 3 years (2014: 3 years).