SHIMAO PROPERTY HOLDINGS LIMITED
世茂房地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 813)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

RESULTS HIGHLIGHTS

1. Turnover of RMB16.68 billion was recorded, representing an increase of 21.8% over the corresponding period in 2012.

2. Gross profit increased by 25.7% to RMB5.92 billion (corresponding period in 2012: RMB4.71 billion), gross profit margin increased to 35.5% from 33.5% for the year ended 2012.

3. Profit attributable to shareholders increased by 11.5% to RMB3.47 billion. Excluding the net impact of major after-tax non-cash items, net profit from core business attributable to shareholders for the period amounted to RMB2.995 billion, representing an increase of 60.7% from the corresponding period in 2012.

4. Basic earnings per share were RMB100.14 cents, representing an increase of 11.5% compared with the corresponding period in 2012.

5. Contracted sales reached RMB32.53 billion for the first half of 2013, representing a year-on-year increase of 44.5%.

6. As at 30 June 2013, funds at the Group's disposal amounted to approximately RMB38.90 billion, including cash on hand of approximately RMB18.90 billion and the balance of available banking facilities of approximately RMB20.00 billion.

7. Net gearing ratio increased to 60.8% (at the end of 2012: 55.9%).

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the interim results of Shimao Property Holdings Limited ("Shimao Property" or the "Company", and together with its subsidiaries, "Shimao" or the "Group") for the six months ended 30 June 2013.

2013 Interim Results

Due to the ongoing rise of property prices in most major cities since the end of last year, in March 2013 the State Council reiterated its macro-control policies on real estate in China. Wen Jiabao, the then Premier of the State Council, while chairing a State Council Standing Committee meeting on 20 February 2013, proposed that the central government should maintain strict controls over the regulation of the real estate market. It was also pointed out at the meeting that, despite the fact that growth in the real estate market had begun to stabilize following the implementation of regulatory measures in recent years, curbs on property speculation must remain a fundamental central government policy in order to address the housing shortage being experienced by some cities due to the rigid demand for housing catalyzed by China's rapid urbanization. Consequently, the central government will continue with its key strategies of stringently enforcing a differentiated credit policy, and more widely trialing residential property tax reforms.

As local governments have implemented the relevant provisions, the pace at which real estate prices have increased has moderated. Simply from the perspective of combatting speculation, government policy proved effective in the first half of the year, as demonstrated by a sharp fall in the number of purely speculative buyers. However, housing prices in major cities continued to rise, mainly due to an increase in market demand for self-occupied housing, urbanization, and the rigid demand for housing. These were the major drivers of the real estate industry in the period.

State President Xi Jinping presided over a Politburo meeting on 30 July, where the tone was set for the economic policies of the second half of the year. The meeting expressed an expectation that, in general, the economy would continue to develop in a stable fashion in the second half, and noted that some well-timed and appropriate fine-tuning would be carried out to facilitate this. For the first time for a considerable while, no mention was made of curbing the real estate market; instead, the focus was on promoting its stable, healthy development. This new direction will be beneficial for the real estate industry and dozens of related industries, and will help to stimulate economic recovery. The main strategies for regulating the real estate market are expected to be optimization and adjustment, making tightened regulation unlikely.

In view of these overall industry trends and its own aspirations, Shimao's primary strategy this year will be to maintain rapid development in response to market changes. By strengthening its ability to provide products and services that meet customer demand, and by utilizing more customer-oriented services marketing, the Group achieved sales growth in the first half of 2013 that put it at the forefront of the China real estate sector, with a remarkable RMB32.5 billion in contracted sales recorded for the period.

During the period under review, revenue of RMB16.68 billion was recognized, representing an increase of 21.8% over the corresponding period in 2012. Operating profit decreased by 3.8% to approximately RMB5.75 billion. Profit attributable to shareholders amounted to RMB3.47 billion, representing an increase of 11.5% over the corresponding period in 2012. Excluding the net impact of major after-tax non-cash items: fair value gains of investment properties of RMB 0.507 billion (1H 2012 : RMB1.029 billion), net gain on disposal of equity interests in a jointly controlled entity of RMB0.101 billion (1H 2012 : net gain on disposal of equity interests in subsidiaries of RMB0.379 billion), depreciation and amortisation of RMB0.114 billion (1H 2012 : RMB0.129 billion) and goodwill impairment of RMB19.18 million (1H 2012 : RMB29.39 million) which totalled RMB0.475 billion (1H 2012 : RMB1.250 billion), net profit from core business attributable to shareholders amounted to approximately RMB2.995 billion (1H 2012 : RMB1.864 billion), a year-on-year increase of 60.7%. The board of directors of the Company (the "Board") resolved not to declare the payment of any interim dividend for the six months ended 30 June 2013.

Review and Outlook

At the beginning of the year, the Group set its contracted sales target for 2013 of RMB55 billion. In the first half of 2013, it realized contracted sales of RMB32.5 billion, representing 59% of the annual target. Total sales area amounted to 2.5 million sq.m., and average selling price was RMB13,033 per sq.m. This remarkable sales achievement demonstrated the success of our internal management enhancement programme led by the management team.

The Group's continuous efforts in enhancing internal management included the provision of human resources training, investment in information management, the creation of new product lines, and initiatives to strengthen its financial position.

Human Resources Training

The reforms being undertaken by Shimao in 2013 have a flawless direction – they are serving to consolidate our foundations and raise the quality of our internal activities. Our focus is on human resources training and building up a talent pool, on innovating and stabilizing our mechanism, and on further refining our internal controls. We are gradually implementing a series of specific measures designed to pave new paths by which Shimao can grow even stronger, raising it above its peers.

Business success hinges on human resources. Shimao's reforms have made its need for talent more pressing than ever. However, introducing new talent is only a temporary solution. In the long term, it is crucially important that we cultivate our existing talent pool by building an effective human resources training system. This is why Shimao is not simply identifying outstanding talent in the industry, but simultaneously launching initiatives to cultivate internal talent.

Investing in Information Management

In 2012, Shimao set a trend for its industry by investing millions of dollars in cooperating with the global 500 company SAP to build an IT system. This was the first attempt by any company in the country's real estate industry to implement visual process management and control across its full cycle of projects. Following initial work to build up the blueprint and test it with partial pilot projects, in 2013 the new system progressed to the comprehensive trial stage.

The successful launch of the SAP system will enable Shimao to emerge as a management benchmark for the industry. Like CT scanning, the SAP system warns of deficiencies and vulnerabilities in an enterprise's internal management. Our ultimate goal is that none of Shimao's operational components should be subject to delays due to individual subjectivity. Instead, since guidelines for different operational processes are automatically generated by the system, human operations will be carefully regulated and standardized in order to ensure the full controllability from beginning to end.

The SAP system will also bring to Shimao a robust integrated data flow platform. Data that was previously scattered across various departments and management levels will be centralized, from where it can be extracted and analyzed in a unified manner by the central processor, providing the Group with accurate information to support its strategic decision-making.

Creating New Product Lines

"Products" are the lifelines of any enterprise. As part of Shimao's development from quantitative to qualitative excellence, in 2013 we have built a corporate practice focusing on product innovation to consolidate Shimao's core competitiveness.

The various permutations and combinations for the six product lines and more than ten product series will be completed this year. Using product standardization as a base, complemented by the dual management principles of "all-round product management" and "full lifecycle design and management" working in parallel, Shimao products will be fully motivated by our innovation capability and heading for rapid development during the year.

The six product lines are generated from Shimao's unique customers, while its more than ten product series possess the best features that are selected from the best of its products over the past 20 years of business development. All these product lines will become invincible edges in the competitive markets, helping propel the next round of Shimao's development.

Shimao earmarks 20% of the product design process for innovation, a strategy that makes product flexibility and variability mandatory which ensures every one of its development projects is unique. By regularly reviewing the results of innovation, we are able to adjust our product lines to ensure they are always being improved. This spiral of innovation should provide Shimao's products with constant "new blood", setting up significant challenges for our rivals.

Strengthening Management Achievements

On 22 May 2013, the Company was voted as one of the top ten best-managed companies in Asia in the 13th annual poll of Asia's Best Managed Companies organized by FinanceAsia, a leading financial magazine in Asia. This is the first time the Group has made the top ten list, where it was placed as the eighth best-managed enterprise in China region.

On 23 May 2013, Shimao Property was ranked 7th in the "Top 10 in Integrated Capability" category of the "China Top 100 Listed Property Developers in 2013". The award was conferred at the "Presentation Ceremony of the Assessment on Listed Property Developers in China 2013", held concurrently in both Beijing and Hong Kong and jointly organized by the China Real Estate Research Institute (中國房地產研究會), China Real Estate Association (中國房地產業協會) and China Real Estate Assessment Center (中國房地產測評中心), and undertaken by Beijing Zhongfang Yanxie Technology Services Company Limited (北京中房研協技術服務有限公司). Shimao's placing was one rank higher than last year, reflecting our ongoing efforts to strengthen our leading position in the real estate industry through reforms. Shimao was also ranked third among its peers in the assessment of its risk resistance capacity.

Strengthening Financial Structure

Maintaining its prudent business strategy, at the beginning of 2013 the Group adopted certain policies to optimize its capital structure and minimize its capital costs, which included successfully issued senior notes with a principal amount of US$800 million, due in 2020 on 14 January 2013. In July 2013, the Group obtained a 4-year loan of US$570 million equivalents from a bank consortium, and early redeemed its US$350 million fixed rate notes due 2016. The new and additional loan and senior notes were used to repay some of the high interest short-term loan and senior notes, and further lower its interest costs. The Group maintained its good relationships with over 20 domestic banks and 10 financial institutions in Hong Kong and other overseas regions, providing it with long-term funding support at low cost. The Group also held sufficient cash; as at 30 June 2013, it had cash of approximately RMB18.9 billion and unutilized credit facilities of approximately RMB20.0 billion.

Its outstanding annual sales and abundant capital resources enabled Shimao to begin enriching its land reserves in the first half of 2013, in preparation for future developments. It increased its residential land reserve by acquiring 4.12 million sq.m. of land in Ningbo, Hangzhou, Jinan, Nanchang, Suzhou, Quanzhou, Nantong, Beijing and Wuhan. Currently, Shimao holds more than 70 projects in over 36 cities across the country, amounting to 37.18 million sq.m. of quality land in total. Shimao's high-quality land resources, acquired at relatively low cost, will continue to give momentum to its growth in major cities in China in coming years.

Appreciation

On behalf of the Board, I would like to thank our shareholders, partners, and customers for their tremendous support, as well as local governments for their co-operative assistance. I would also like to take this opportunity to express my heartfelt gratitude to our directors, management and staff for their valuable contributions to the work of the Group. Their support and commitment have brought the Group success, and enabled us to achieve our stated goals.

Hui Wing Mau
Chairman

Hong Kong, 20 August 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Property Development

1) *Recognized sales revenue*

The Group generates its turnover primarily from property development, property investment and hotel operations. Turnover for the six months ended 30 June 2013 grew by 21.8% to RMB16.68 billion, from RMB13.69 billion for the corresponding period in 2012. During the period, revenue from property sales amounted to RMB15.69 billion, 24.0% more than that of the corresponding period in 2012, and accounted for 94.1% of total revenue. The average recognized selling price increased by 10.1% to RMB11,059 per sq.m. in the first half of 2013, from RMB10,045 per sq.m. in the first half of 2012. This increase was mainly attributable to the Group's enhanced bargaining power in the second half of 2012 when it came to the pricing of some of its projects. The number of projects recognized by the Group in the accounts for the first half of 2013 totalled 41, higher than the 32 recognized in the corresponding period in 2012.

2) *Steady sales growth, with sales reaching annual target*

In the first half of 2013, the Group's contracted sales amounted to RMB32.5 billion, representing approximately 59% of its annual target. Total sales area was 2,495,809 sq.m., with an average selling price of RMB13,033 per sq.m..

The remarkable sales achieved by the Group in the first half of 2013 clearly show the effectiveness of the management's sales strategies. In the second half of 2013, the Group will have additional saleable area of approximately 3.78 million sq.m.. When added to existing inventory as at 30 June 2013 with a saleable area of 2.02 million sq.m., the Group's saleable area in the second half of 2013 will reach approximately 5.80 million sq.m..

3) *Completion of development projects and plans as scheduled*

The aggregate GFA completed by the Group in the first half of 2013 was approximately 1.95 million sq.m., 97% higher than the 0.99 million sq.m. completed in the corresponding period in 2012. During the period, all of the Group's projects were proceeding satisfactorily, with new floor area under construction reaching 14.3 million sq.m. As at 30 June 2013, a total of approximately 70 projects across 36 cities were under construction. This increase in the number of projects under construction has laid a solid foundation for the Group's future development. In the second half of 2013, with a view to maintaining adequate liquidity, the Group's GFA planned for completion has been preset at approximately 5.0 million sq.m., 66% higher than that of year 2012. The Group's GFA under construction was 13.0 million sq.m. in 2013.

4) *Steady expansion of land bank for long-term sustainable development*

To support its sustainable development, the Group has remained positive yet prudent in land acquisition. In the first half of 2013, the Group acquired 4.12 million sq.m. of residential land bank in Ningbo, Hangzhou, Jinan, Nanchang, Suzhou, Quanzhou, Nantong, Beijing and Wuhan. The average floor price of the new land reserve was approximately RMB3,961 per sq.m., showing the success of the Group's commitment to prudent land acquisition and its ability to strike a balance between development opportunity and risk control. As at 30 June 2013, the Group's average land cost was RMB2,160 per sq.m.. The relatively low cost of its land should help the Group to achieve a higher profit margin in the future.

As at 30 June 2013, Shimao Property had an attributable land bank of approximately 37.18 million sq.m., making it one of the leading real estate developers in China in terms of land bank size. Geographically, in 2013 the majority of its land bank was situated in second- and third-tier cities at provincial capital level. These are cities with enormous development potential and emerging real estate markets, providing ample room for project development and strong risk protection.

The land parcels acquired by the Group during the period under review are as follows:

New Land Parcels	Date of Acquisition	Usage	Land Cost *(RMB million)*	Total Planned GFA *(sq.m.)*	Cost per sq.m. *(RMB)*	Group's Interest
Shimao Property						
1. Ningbo Majia	January 2013	Residential	805.05	82,148	9,800	100%
2. Ningbo Baoqingsi	January 2013	Residential	2,139.30	223,310	9,580	100%
3. Hangzhou Zhijiang Holiday Village	February 2013	Residential	816.85	200,152	8,002	51%
4. Hangzhou Niutian	February 2013	Residential	1,000.00	89,729	11,145	100%
5. Jinan Baimashan	February 2013	Residential	434.34	656,157	1,303	50.8%
6. Nanchang Water City	March 2013	Residential and commercial	216.22	261,814	826	100%
7. Suzhou Shihu	March 2013	Residential and commercial	3,100.57	285,221	10,871	100%
8. Quanzhou Shishi	April 2013	Residential and commercial	1,683.89	715,148	2,881	81.7%*
9. Nantong Complex Project	April 2013	Residential, commercial and office	1,126.39	850,000	1,325	100%
10. Beijing Fangshan Changyang	April 2013	Residential and commercial	800.00	209,548	7,635	50%
11. Beijing Fangshan Gongchen	April 2013	Residential and commercial	545.00	200,372	5,440	50%

New Land Parcels	Date of Acquisition	Usage	Land Cost *(RMB million)*	Total Planned GFA *(sq.m.)*	Cost per sq.m. *(RMB)*	Group's Interest
12. Wuhan Hongshan Village K11	May 2013	Residential	738.40	349,910	2,110	100%
Shanghai Shimao						
13. Ningbo Baojiacao	April 2013	Commercial	353.61	95,195	3,715	64%
14. Ningbo Binjiang	May 2013	Residential and commercial	1,275.64	169,336	7,533	64%

* *Shareholding in Quanzhou Shishi project: 51% held by Shanghai Shimao, 49% held by Shimao Property. Shimao Property accordingly owned 81.7% equity interests in the project.*

Property Investment

Shimao Property develops commercial properties through its 64.22%-owned Shanghai Shimao Co., Ltd. ("Shanghai Shimao"). Actively grasping development opportunities in the domestic commercial property market, Shanghai Shimao provides diversified commercial properties and high-quality services under professional development and operation strategies. Efforts continue to be put into enhancing its integrated competitiveness, with the aim of making Shanghai Shimao into a highly successful listed company specializing in the professional development and operation of commercial properties.

Shanghai Shimao recorded contracted sales of RMB7.13 billion during the period, representing year-on-year growth of 57%, fulfilling 71% of the target set at the beginning of the year. It recorded contracted sales area of 509,000 sq.m., with a contracted unit price of approximately RMB14,000 per sq.m. During the period, Shanghai Shimao stepped up its development efforts and achieved new floor area under construction of 811,000 sq.m., and total construction area of 3.843 million sq.m..

Hotel Operations

The Group currently has six hotels in operation, with nearly 2,700 guest rooms in total. They are Le Royal Méridien Shanghai, Hyatt on the Bund Shanghai, Le Méridien Sheshan Shanghai, Hilton Nanjing Riverside, Mudanjiang Holiday Inn and Shaoxing Shimao Holiday Inn.

In the first half of 2013, the hotel industry was affected by a number of factors. These included the slowdown in China's economy, the effects of the "Eight-point Regulation" and the "Six-point Prohibition" imposed by the government to control public consumption, the breakout of bird flu, political tensions between China and Japan, and uncertainties in the European and US economies. Such political and economic factors, coupled with the almost saturated high-end hotel market in Shanghai, resulted in an oversupply which to an extent affected overall revenue from Shimao hotels. In response, the Group rethought and adjusted its hotel marketing strategies. As well as consolidating existing markets, the hotels actively explored new markets while at the same time undertaking more small-group business by targeting the needs of group customers with a flexible product portfolio. The hotels also tapped into the personal consumption market, such as wedding banquets and birthday banquets. These initiatives helped the six hotels under Shimao achieve revenue of RMB460 million. Although this represents a year-on-year decrease of 6%, the figure was much lower than the overall year-on-year decrease of 13.6% experienced by the high-end hotel market in China.

In response to the call from the government to establish 'green' hotels nationwide, and as part of its goal to ensure sustainable development of its hotels, the Group commissioned a professional organization specializing in energy saving and environmental protection to conduct energy efficiency assessments, develop energy-saving and environmental measures, and install energy-efficient and environmental-friendly equipment for all the hotels under Shimao. It is expected that the program will be implemented this year and achieved initial results next year.

Although hotel supply in Shanghai continued to grow and competition remained intense, the Group's Le Royal Méridien Shanghai and Hyatt on the Bund Shanghai remained among the top hotels in Puxi in terms of total revenue. Food and beverage revenue from Hyatt on the Bund Shanghai continued to rank top among hotels in Puxi. Le Méridien Sheshan Shanghai has remained one of the best suburban hotels in terms of operating efficiency. Mudanjiang Holiday Inn, Shaoxing Shimao Holiday Inn and Hilton Nanjing Riverside have already gained a strong foothold in their local markets, and are currently on track for better operating results.

The tourism hotel market in China has been affected by factors such as the introduction of the "Eight-point Regulation" and "Six-point Prohibition", along with the downturn in the global economy, but development opportunities can still be found in the domestic market. The large overall scale and high growth rate of the domestic market are supported by statistics showing that the National Tourism Administration expects to see total revenue of RMB2.85 trillion from China's tourism industry in 2013, an increase of 11%; and the total number of domestic tourist visits reaching RMB3.2 billion, an increase of 10%. Supporting factors include the growth of high income-earners among the population, bringing higher expectations and greater buying power; the rise of markets catering for the elderly; and the rapid development of family-based leisure tourism. In the long run, the ban on the use of public funds and the crackdown on misconduct in the pharmaceutical industry announced by the PRC government will guide the enterprises towards healthy consumption and enable the hotel market to realize sustainable development. These development opportunities, coupled with the opening of Shanghai Disneyland in 2014 and the establishment of the Shanghai Free-trade Zone announced by the Central Government, are bringing with them new opportunities for the hotel industry in China, and especially in Shanghai.

In the first half of 2013, the Group's hotels received 19 awards from renowned organizations, associations and media, both at home and abroad. Shanghai Shimao Hotel Management Co., Ltd. received five awards and honors, including the award of "Best Hotel Owners of China", and the honored role of standing director of the China Tourist Hotel Association.

FINANCIAL ANALYSIS

Key interim condensed consolidated income statement figures are set out below:

	1H 2013	1H 2012
	RMB million	*RMB million*
Revenue	**16,676.9**	13,687.2
Gross profit	**5,923.6**	4,711.9
Operating profit	**5,745.9**	5,970.3
Profit attributable to shareholders	**3,470.2**	3,114.7
Earnings per share – Basic *(RMB cents)*	**100.1**	89.8

Revenue

For the six months ended 30 June 2013, the revenue of the Group was approximately RMB16,676.9 million (1H 2012: RMB13,687.2 million), representing an increase of 21.8% over 2012. 94.1% (1H 2012: 92.4%) of the revenue was generated from the sales of properties and 5.9% (1H 2012: 7.6%) from hotel operation, leasing of commercial properties and others.

The components of the revenue are analysed as follows:

	1H 2013	1H 2012
	RMB million	*RMB million*
Sales of properties	**15,689.5**	12,651.7
Hotel operating income	**460.2**	491.5
Rental income from investment properties	**235.8**	225.8
Others	**291.4**	318.2
Total	**16,676.9**	13,687.2

(i) Sales of properties

Sales of properties for the six months ended 30 June 2013 and 2012 are set out below:

	1H 2013		1H 2012	
	Area (Sq.m.)	***RMB million***	*Area (Sq.m.)*	*RMB million*
Shimao Property				
Fujian Jinjiang Shimao Dragon Bay	**122,868**	**2,498**	62,352	1,248
Fuzhou Minhou Shimao Dragon Bay	**239,832**	**2,493**	–	–
Kunshan Shimao Butterfly Bay	**157,146**	**968**	63,644	407
Qingdao Shimao Century Land	**107,396**	**930**	–	–
Wuhan Shimao Splendid River	**95,596**	**837**	31,563	258
Wuxi Shimao The Capital	**69,019**	**634**	–	–
Suzhou Shimao Canal Scene	**56,444**	**620**	120,075	1,107
Harbin Shimao Riviera New City	**41,951**	**375**	2,560	30
Xianyang Shimao The Centre	**18,454**	**375**	1,891	24
Shaoxing Sky Centre	**25,145**	**328**	–	–
Hangzhou Shimao Riviera Garden	**31,032**	**296**	56,517	528
Ningbo Shimao Sea Dawn	**38,738**	**418**	15,766	124
Ningbo Xiangshan Project	**14,103**	**211**	–	–
Dalian Shimao Dragon Bay	**11,730**	**123**	16,602	209
Xiamen Shimao Lakeside Garden	**3,193**	**110**	424	15
Beijing Shimao Alhambra Palace	**5,397**	**92**	4,077	175
Shaoxing Shimao Dear Town	**3,374**	**89**	1,891	24
Tianjin Shimao Wetland Century	**8,468**	**78**	66,832	679
Chengdu Shimao City	**9,707**	**72**	87,123	575
Jiaxing Shimao New City	**6,584**	**64**	3,223	23
Ningbo Shimao World Gulf	**4,430**	**53**	94,845	791
Shanghai Shimao Riviera Garden	**689**	**57**	15,569	1,160
Shenyang Shimao Wulihe	**3,795**	**45**	65,497	647
Shanghai Shimao Emme County	**2,401**	**37**	6,733	59
Yantai Shimao No. 1 The Harbour	**3,775**	**33**	29,006	255
Mudanjiang Shimao Holiday Landscape	**7,211**	**28**	86	–
Changzhou Shimao Champagne Lakeside Garden	**4,208**	**27**	699	6
Taizhou Shimao Riverside Garden	**2,524**	**14**	6,399	48
Kushan Shimao East No. 1	**1,129**	**9**	93,075	646
Dalian Shimao Glory City	**439**	**5**	1,816	22
Shenyang Shimao Notting Hill	**193**	**2**	–	–
Wuhan Shimao Dragon Bay	**–**	**–**	16,894	164
Xuzhou Shimao Dongdu	**–**	**–**	126,453	559
Wuhu Shimao Riviera Garden	**–**	**–**	35,262	354
Subtotal (a)	**1,096,971**	**11,921**	1,026,874	10,137
Shanghai Shimao				
Changshu Shimao The Center (Commercial)	**115,200**	**952**	–	–
Qingdao Jiaonan Project	**47,436**	**685**	–	–
Suzhou Shimao Canal Scene (Commercial)	**49,086**	**580**	–	–
Nanjing Shimao Bund New City	**7,818**	**154**	2,836	48
Xuzhou Shimao Dongdu (Commercial)	**16,568**	**218**	9,911	236
Kunshan Shimao International City	**6,915**	**88**	55,928	642
Wuhan Shimao Carnival	**5,597**	**44**	–	–
Hangzhou Shimao Reviera COSMO	**3,795**	**32**	45,728	488
Changshu Shimao The Centre	**–**	**–**	115,383	1,074
Shaoxing Shimao Dear Town (Commercial)	**315**	**3**	2,877	27
Shanghai Shimao Nano Magic City	**69,101**	**1,013**	–	–
Subtotal (b)	**321,831**	**3,769**	232,663	2,515
Total (a) + (b)	**1,418,802**	**15,690**	1,259,537	12,652

(ii) Hotel income

Hotel operation income are analysed below:

	1H 2013 *RMB million*	1H 2012 *RMB million*
Le Méridien Sheshan Shanghai	**58.7**	62.5
Le Royal Méridien Shanghai	**182.6**	198.8
Hyatt on The Bund Shanghai	**164.9**	175.6
Mudanjiang Holiday Inn	**11.7**	10.4
Hilton Nanjing Riverside	**26.7**	28.2
Shaoxing Shimao Holiday Inn	**15.6**	16.0
Total	**460.2**	491.5

Hotel operation income decreased approximately 6.4% to RMB460.2 million from approximately RMB491.5 million over the six months ended 30 June 2013. The decrease was mainly due to the impact of government restriction on public consumption and the breakout of bird flu in the first half year of 2013.

(iii) Rental income and others

Rental income from investment properties reached approximately RMB235.8 million, which increased by 4.4% with the growth of average rent.

Other income amounted to approximately RMB291.4 million (1H 2012: RMB 318.2 million) was mainly derived from operation of department stores and cinemas.

	1H 2013 *RMB million*	1H 2012 *RMB million*
Shanghai Shimao International Plaza	**80.2**	83.6
Beijing Shimao Tower	**57.7**	48.0
Changshu Shimao The Centre	**7.6**	7.5
Shanghai Shimao Shangdu Tower	**17.1**	16.9
Suzhou Shimao Canal Scene	**6.3**	5.6
Shaoxing Shimao Dear Town	**40.7**	36.8
Kunshan Shimao Plaza	**9.1**	11.2
Wuhu Shimao Riviera Garden (commercial)	**3.0**	2.0
Xuzhou Shimao Dongdu (commercial)	**4.4**	6.2
Miscellaneous rental income	**9.7**	8.0
Others	**291.4**	318.2
Total	**527.2**	544.0

Cost of sales

Cost of sales increased by 19.8% to approximately RMB10,753.3 million for the six months ended 30 June 2013 from RMB8,975.4 million for the six months ended 30 June 2012, primarily due to the increase in cost of properties sold in line with the increase in areas delivered.

Cost of sales are analysed as follows:

	1H 2013	1H 2012
	RMB million	*RMB million*
Sales taxes	**939.8**	814.0
Land costs, construction costs and capitalised borrowing costs	**9,597.8**	7,711.6
Direct operating costs for hotels, commercial properties and others	**215.7**	449.8
Total	**10,753.3**	8,975.4

Fair value gains on investment properties

During the period under review, the Group recorded aggregate fair value gains of approximately RMB855.8 million (1H 2012: RMB1,827.3 million), mainly contributed by further increase in value of certain investment properties. Aggregate net fair value gains after deferred income tax of approximately RMB214.0 million recognised was approximately RMB641.9 million (1H 2012: fair value gains after deferred income tax was RMB1,370.5 million).

Other gains

Other gains of approximately RMB545.5 million for the six months ended 30 June 2013 (1H 2012: RMB898.1 million) included mainly gains on disposal of equity interests in a jointly controlled entity, government grants and net foreign exchange gains.

Selling and marketing costs and administrative expenses

Selling and marketing costs for the period was approximately RMB537.5 million (1H 2012: RMB439.9 million). Selling expenses increased by 22.2% which was in line with the significant growth of approximately 44.5% in contracted sales. The sales team focused on the effectiveness of the sales strategy and made efforts on the control of marketing costs. Administrative expenses for the period was RMB984.3 million (1H 2012: RMB865.6 million), and increased by 13.7%. It was mainly due to the increase of labour cost and corporate and office expenses with the business expansion. However, the proportion of total expenses to the total contract sales decreased to 4.7% from 5.8% in 1H 2012.

Operating profit

Operating profit amounted to approximately RMB5,745.9 million for the six months ended 30 June 2013, representing a slightly decrease of 3.8% over 1H 2012. It was mainly due to the decrease in fair value gains and other gains, which was offset by the increase in gross profit.

Finance costs – net

Net finance costs increased to approximately RMB19.6 million (1H 2012: RMB12.5 million) mainly due to more interest expenses incurred for increased borrowings during the period.

Share of results of associated companies & jointly controlled entities

Share of losses of associated companies amounted to approximately RMB45.97 million (1H 2012: share of losses of RMB106.7 million) in the first half of 2013, which was mainly due to the loss of Guangzhou Asian Game City Project. Share of profits of jointly controlled entities amounted to RMB272.4 million (1H 2012: share of losses of RMB28.8 million), which was significantly increased with the completion of properties and recognition sales by two joint ventures in Hangzhou.

Taxation

The Group's tax provisions amounted to approximately RMB2,162.6 million in which PRC land appreciation tax ("LAT") was RMB850.0 million (1H 2012: RMB2,154.9 million, in which LAT was RMB670.8 million) for the period.

Profit attributable to shareholders

Profit attributable to shareholders for the period increased by 11.5% from approximately RMB3,114.7 million in first half of 2012 to RMB3,470.2 million in the first half of 2013.

Liquidity and financial resources

As of 30 June 2013, total assets of the Group were RMB152.5 billion, of which current assets reached approximately RMB97.6 billion. Total liabilities were approximately RMB108.7 billion, whereas non-current liabilities were RMB38.7 billion. Total equity was RMB43.8 billion, of which equity attributable to the shareholders of the Company amounted to approximately RMB37.8 billion.

As of 30 June 2013, the Group had aggregate cash and bank balances (including restricted cash balances) of approximately RMB18.9 billion (31 December 2012: RMB18.1 billion), total borrowings amounted to approximately RMB45.6 billion (31 December 2012: RMB41.0 billion). Total net borrowings were approximately RMB26.7 billion (31 December 2012: RMB22.9 billion). Net gearing ratio increased from approximately 55.9% as at 31 December 2012 to approximately 60.8% as at 30 June 2013. The Group is making effort to control the net gearing ratio below 60.0% by the end of this year.

The maturity of the borrowings of the Group as at 30 June 2013 is set out as follows:

	RMB million
Bank borrowings and borrowings from other financial institutions	
Within 1 year	8,683
Between 1 and 2 years	6,774
Between 2 and 5 years	11,286
Over 5 years	6,673
Senior notes	
Within 1 year	2,114
Between 2 and 5 years	5,164
Over 5 years	4,858

The borrowings were denominated in different currencies set out below:

	Original currency *million*	**RMB equivalent** *million*
US$	2,574	15,905
HK$	2,968	2,364
RMB	27,283	27,283

Financing activities

On 14 January 2013, the Group issued a total of US$800 million senior notes due on 14 January 2020. The interest rate is 6.625%. The issuance received overwhelming response with 27 times oversubscription, which indicated a high degree of market confidence in the prospect of the Group.

In July 2013, the Group acquired a total of approximately US$570 million equivalent syndicated loan. The new syndicated loan is used to return some high-interest senior notes and bank loans, helped to lower the average cost of borrowings and balance the debt maturity profile of the Group.

On 17 July 2013, the Group early redeemed an aggregate principal amount of US$350 million of all outstanding 2016 8% Fixed Rate Notes.

The Group continued to optimize the debt structure by gradually lowering the proportion of its short-term borrowings from approximately 30% to approximately 24% and increasing the proportion of its long-term borrowings from approximately 70% to 76% during the period. Short-term borrowings decreased from approximately RMB12.4 billion as at 31 December 2012 to approximately RMB10.8 billion as at 30 June 2013. As a result, the cash coverage ratio continued to increase from approximately 146% as at 31 December 2012 to approximately 175% as at 30 June 2013.

In the first half of 2013, the Group's credit rating was successfully upgraded by several international credit reporting agencies due to its steady operating and financial performance:

On 31 May 2013, Standard and Poor's upgraded the Group's Long-Term Issuer Rating from 'BB-' to 'BB' and its senior unsecured rating from 'B+' to 'BB-'.

On 5 July 2013, Fitch Ratings upgraded the Group's Long-Term Issuer Default Rating (IDR) and its senior unsecured rating to 'BB+' from 'BB'. The Outlook is Stable.

On 18 July 2013, Moody's affirmed the Group's Ba3 corporate family rating and B1 senior unsecured bond rating and changed to positive from stable outlook of the Group's Ba3 corporate family rating and B1 senior unsecured bond rating.

The Group continued to maintain good relationships with over 20 domestic banks and 10 financial institutions in Hong Kong and other overseas regions which formed a strong liquidity support for the sustainable development of the Group.

Foreign exchange risks

Other than financing activities such as foreign currency borrowings which were denominated in foreign currencies, the Group conducts its business almost exclusively in RMB. The Group would be affected mainly by the bank deposits denominated in foreign currencies and outstanding foreign currency borrowings which include US$610.0 million and HK$468.0 million equivalents syndicated loans, US$2.0 billion senior notes and HK$2.5 billion bank loans as at 30 June 2013.

Pledge of assets

As of 30 June 2013, the Group had pledged property and equipment, investment properties, land use rights, available-for-sale financial assets, properties under development, completed properties held for sale and restricted cash with a total carrying amount of RMB45.6 billion to secure bank facilities granted to the Group. The corresponding bank and other loans amounted to approximately RMB26.6 billion. The Group had also pledged shares of certain subsidiaries for a total borrowing of RMB5.0 billion.

Contingencies

As of 30 June 2013, the Group had provided guarantees for approximately RMB8.6 billion in respect of the mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. In addition, the Group had provided guarantees for approximately RMB4.3 billion borrowings of associated companies and jointly controlled entities.

Capital and property development expenditure commitments

As of 30 June 2013, the Group had contracted capital and property development expenditure but not provided for amounted to RMB35.1 billion.

Employees and remuneration policy

As of 30 June 2013, the Group employed a total of 5,090 employees. Total remuneration for the period amounted to RMB520.0 million. The Group has adopted a performance-based rewarding system to motivate its staff. The board of directors of the Company adopted a share option scheme (the "Share Option Scheme") and a share award scheme (the "Share Award Scheme") of the Company on 9 June 2006 and 30 December 2011 respectively. The purpose of the Share Option Scheme and the Share Award Scheme is to recognize the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. In relation to staff training, the Group also provides different types of programmes for its staff to improve their skills and develop their respective expertise.

UNAUDITED INTERIM RESULTS

The Board is pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2013 together with comparative figures. These interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**16,676,901**	13,687,238
Cost of sales		**(10,753,275)**	(8,975,352)
Gross profit		**5,923,626**	4,711,886
Fair value gains on investment properties		**855,821**	1,827,299
Other income/other gains – net		**545,475**	898,050
Selling and marketing costs		**(537,456)**	(439,911)
Administrative expenses		**(984,253)**	(865,630)
Other operating expenses		**(57,307)**	(161,427)
Operating profit		**5,745,906**	5,970,267
Finance income		**133,436**	61,595
Finance costs		**(153,059)**	(74,055)
Finance costs – net		**(19,623)**	(12,460)
Share of results of			
– Associated companies		**(45,964)**	(106,721)
– Jointly controlled entities		**272,357**	(28,828)
		226,393	(135,549)
Profit before income tax		**5,952,676**	5,822,258
Income tax expense	*4*	**(2,162,646)**	(2,154,941)
Profit for the period		**3,790,030**	3,667,317
Other comprehensive (loss)/income:			
Item that may be reclassified to profit or loss			
Fair value (losses)/gains on available-for-sale financial assets, net of tax		**(23,542)**	60,075
Total comprehensive income for the period		**3,766,488**	3,727,392

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Profit for the period attributable to:			
Equity holders of the Company		**3,470,158**	3,114,688
Non-controlling interests		**319,872**	552,629
		3,790,030	3,667,317
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,455,039**	3,153,269
Non-controlling interests		**311,449**	574,123
		3,766,488	3,727,392
Earnings per share for profit attributable to the equity holders of the Company			
– basic (RMB cents)	*6*	**100.14**	89.79
– diluted (RMB cents)	*6*	**100.10**	89.74

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2013

	Note	**Unaudited 30 June 2013 *RMB'000***	Audited 31 December 2012 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**10,373,387**	9,702,631
Investment properties		**26,453,540**	26,248,098
Land use rights		**4,809,196**	4,717,336
Intangible assets		**2,120,742**	2,139,925
Associated companies		**1,444,477**	1,490,441
Jointly controlled entities		**3,762,534**	3,985,956
Amounts due from related parties		**2,338,470**	1,561,719
Available-for-sale financial assets		**338,442**	369,833
Deferred income tax assets		**1,159,520**	1,248,390
Other non-current assets		**2,093,974**	757,250
		54,894,282	52,221,579
Current assets			
Properties under development		**51,729,510**	37,608,942
Completed properties held for sale		**7,289,512**	7,103,351
Trade and other receivables and prepayments	7	**8,111,622**	6,638,544
Prepayments for acquisition of land use rights		**8,181,276**	6,676,235
Prepaid income taxes		**1,968,922**	1,165,244
Amounts due from related parties		**1,415,691**	1,316,027
Restricted cash		**2,072,114**	2,204,028
Cash and cash equivalents		**16,872,616**	15,893,845
		97,641,263	78,606,216
Total assets		**152,535,545**	130,827,795
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**356,275**	356,275
Reserves			
– Proposed dividend		**–**	1,548,559
– Others		**37,449,414**	34,002,316
		37,805,689	35,907,150
Non-controlling interests		**5,982,531**	5,020,082
Total equity		**43,788,220**	40,927,232

	Note	Unaudited 30 June 2013 *RMB'000*	Audited 31 December 2012 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**34,755,767**	28,613,297
Deferred income tax liabilities		**3,970,901**	3,775,578
		38,726,668	32,388,875
Current liabilities			
Trade and other payables	*8*	**14,987,036**	14,316,430
Dividend payable		**1,521,444**	–
Advanced proceeds received		**28,951,613**	20,578,024
Income tax payable		**7,953,887**	7,259,690
Borrowings		**10,796,238**	12,380,644
Derivative financial instruments		**58,491**	42,572
Amounts due to related parties		**5,712,882**	2,897,713
Deferred income		**39,066**	36,615
		70,020,657	57,511,688
Total liabilities		**108,747,325**	89,900,563
Total equity and liabilities		**152,535,545**	130,827,795
Net current assets		**27,620,606**	21,094,528
Total assets less current liabilities		**82,514,888**	73,316,107

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2013

1 GENERAL INFORMATION AND BASIS OF PREPARATION

Shimao Property Holdings Limited (the "Company") was incorporated in the Cayman Islands on 29 October 2004 as an exempted company with limited liability under the Cayman Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The Company is principally engaged in investment holding. The principal activities of the Company and its subsidiaries (together, the "Group") are property development, property investment and hotel operation in the People's Republic of China (the "PRC").

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 July 2006.

This interim condensed consolidated financial information is presented in thousands of Renminbi ("RMB'000"), unless otherwise stated, and was for issue on 20 August 2013.

This interim condensed consolidated financial information has not been audited.

This interim condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

2 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those used for and described in the annual consolidated financial statements for the year ended 31 December 2012.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

- HKAS 1 (Amendment) "Presentation of financial statements". The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The new amendments on presentation of financial statements have been adopted by the Group, which are set out in the statement of comprehensive income.

- HKFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs or US GAAP. The new disclosure requirements on fair value measurement have been adopted by the Group, which are set out in Note 4 and Note 6.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2013 and have not been early adopted:

- HKAS 32 (Amendment) 'Financial instruments: Presentation – Offsetting financial assets and financial liabilities'. The amendments clarify the requirements for offsetting financial instruments on the statement of financial position: (i) the meaning of currently has a legally enforceable right of set-off; and (ii) that some gross settlement systems may be considered equivalents to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.

- HKFRS10, HKFRS12 and HKAS/HKFRS 27 (revised 2011) (Amendment), 'Investment entities', provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. These amendments are effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.

- HKAS 36 (Amendment) 'Recoverable amount disclosures for non-financial assets', was drafted more widely than intended. The unintended result requires to disclose the recoverable amount for each CGU with significant amount of goodwill or intangible assets with indefinite useful lives no matter whether there has been impairment. HKICPA has published limited amendments to remove such requirement for CGU without impairment and introduces additional disclosures about fair value measurements when there has been impairment or a reversal of impairment. The amendments are effective from annual periods beginning on or after 1 January 2014 with early adoption permitted.

- HK (IFRIC) Interpretation 21 'Levies', clarifies the accounting for levies in the financial statements of the entity that is paying the levy. This interpretation is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.

- HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after 1 January 2015 with early adoption permitted.

- HKFRS 7 and HKFRS 9 (Amendments) 'Mandatory effective date and transition disclosures' delay the effective date to annual periods beginning on or after 1 January 2015, and also modify the relief from restating prior periods. As part of this relief, additional disclosures on transition from HKAS 39 to HKFRS 9 are required.

Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

3 SEGMENT INFORMATION

The Group's chief operation decision-maker (the "CODM") has been identified as the management committee. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

As majority of the Group's consolidated revenue and results are attributable to the market in the PRC and most of the Group's consolidated assets are located in the PRC, therefore no geographical information is presented.

The CODM assesses the performance of the operating segments based on a measure of revenue and operating profit. The information provided to the CODM is measured in a manner consistent with that in the financial statements.

(a) Revenue

Turnover of the Group consists of the following revenue recognised during the period:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Sales of properties	**15,689,453**	12,651,736
Hotel operation income	**460,173**	491,512
Rental income from investment properties	**235,776**	225,804
Others	**291,499**	318,186
	16,676,901	13,687,238

(b) Segment information

The segment results for the six months ended 30 June 2013 are as follows:

	Property development and investment				
	Shanghai Shimao Co., Ltd. ("Shanghai Shimao")*	**Others**	**Hotel Operation**	**Unallocated****	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
– Sales of properties	**3,768,948**	**11,920,505**	**–**	**–**	**15,689,453**
– Hotel operation income	**42,291**	**–**	**417,882**	**–**	**460,173**
– Rental income from investment properties	**154,554**	**81,222**	**–**	**–**	**235,776**
– Others	**156,887**	**134,612**	**–**	**–**	**291,499**
Total revenue	**4,122,680**	**12,136,339**	**417,882**	**–**	**16,676,901**
Operating profit	**1,529,029**	**3,817,655**	**33,114**	**366,108**	**5,745,906**
Finance income	**14,160**	**90,774**	**205**	**28,297**	**133,436**
Finance costs	**(59,148)**	**(60,163)**	**(15,694)**	**(18,054)**	**(153,059)**
Share of results of					
– Associated companies	**–**	**(45,964)**	**–**	**–**	**(45,964)**
– Jointly controlled entities	**–**	**272,357**	**–**	**–**	**272,357**
Profit before income tax	**1,484,041**	**4,074,659**	**17,625**	**376,351**	**5,952,676**
Income tax expense					**(2,162,646)**
Profit for the period					**3,790,030**
Other segment items are as follows:					
Capital and property development expenditure	**6,091,194**	**16,795,230**	**2,049,068**	**–**	**24,935,492**
Fair value gains on investment properties	**555,521**	**300,300**	**–**	**–**	**855,821**
Fair value loss on derivative financial instrument	**–**	**15,919**	**–**	**–**	**15,919**
Write-off of intangible assets	**–**	**19,183**	**–**	**–**	**19,183**
Depreciation	**54,996**	**16,293**	**82,206**	**12,040**	**165,535**
Amortisation of land use rights	**2,065**	**545**	**19,939**	**–**	**22,549**
Provision for/(write back of) impairment of receivables	**5,435**	**(40)**	**–**	**–**	**5,395**

* The Group owns an effective equity interest of 64.22% in Shanghai Shimao.

** Unallocated mainly represent corporate level activities.

The segment results for the six months ended 30 June 2012 are as follows:

	Property development and investment				
	Shanghai Shimao *RMB'000*	Others *RMB'000*	Hotel Operation *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Revenue					
– Sales of properties	2,514,516	10,137,220	–	–	12,651,736
– Hotel operation income	44,211	–	447,301	–	491,512
– Rental income from investment properties	139,881	85,923	–	–	225,804
– Others	282,636	35,550	–	–	318,186
Total revenue	2,981,244	10,258,693	447,301	–	13,687,238
Operating profit/(loss)	2,437,339	3,651,893	53,056	(172,021)	5,970,267
Finance income	19,888	40,806	518	383	61,595
Finance costs	(71,030)	9,817	(2,933)	(9,909)	(74,055)
Share of results of					
– Associated companies	–	(106,721)	–	–	(106,721)
– Jointly controlled entities	–	(28,828)	–	–	(28,828)
Profit/(loss) before income tax	2,386,197	3,566,967	50,641	(181,547)	5,822,258
Income tax expense					(2,154,941)
Profit for the period					3,667,317

Other segment items are as follows:

	Shanghai Shimao *RMB'000*	Others *RMB'000*	Hotel Operation *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Capital and property development expenditure	3,480,092	6,045,913	914,428	1,138	10,441,571
Fair value gains on investment properties	1,424,906	402,393	–	–	1,827,299
Fair value loss on derivative financial instrument	–	8,083	–	–	8,083
Write-off of intangible assets	–	29,396	–	–	29,396
Depreciation	42,764	13,057	96,453	9,236	161,510
Amortisation of land use rights	2,985	–	18,458	–	21,443

The segment assets and liabilities as at 30 June 2013 are as follows:

	Property development and investment			
	Shanghai Shimao	**Others**	**Hotel operation**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Associated companies	**–**	**1,444,477**	**–**	**1,444,477**
Jointly controlled entities	**–**	**3,762,534**	**–**	**3,762,534**
Intangible assets	**1,709,730**	**280,084**	**130,928**	**2,120,742**
Other segment assets	**40,050,281**	**89,001,538**	**13,323,115**	**142,374,934**
Total segment assets	**41,760,011**	**94,488,633**	**13,454,043**	**149,702,687**
Deferred income tax assets				**1,159,520**
Available-for-sale financial assets				**338,442**
Other assets				**1,334,896**
Total assets				**152,535,545**
Borrowings	**11,965,252**	**14,066,493**	**1,250,878**	**27,282,623**
Other segment liabilities	**7,358,846**	**43,329,999**	**6,524,322**	**57,213,167**
Total segment liabilities	**19,324,098**	**57,396,492**	**7,775,200**	**84,495,790**
Corporate borrowings				**18,269,383**
Deferred income tax liabilities				**3,970,901**
Derivative financial instruments				**58,491**
Other liabilities				**1,952,760**
Total liabilities				**108,747,325**

The segment assets and liabilities as at 31 December 2012 are as follows:

	Property development and investment			
	Shanghai Shimao	Others	Hotel operation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associated companies	–	1,490,441	–	1,490,441
Jointly controlled entities	–	3,985,956	–	3,985,956
Intangible assets	1,709,730	299,267	130,928	2,139,925
Other segment assets	35,968,004	73,858,285	11,373,946	121,200,235
Total segment assets	37,677,734	79,633,949	11,504,874	128,816,557
Deferred income tax assets				1,248,390
Available-for-sale financial assets				369,833
Other assets				393,015
Total assets				130,827,795
Borrowings	11,339,454	14,103,317	414,368	25,857,139
Other segment liabilities	10,649,375	28,517,163	5,636,560	44,803,098
Total segment liabilities	21,988,829	42,620,480	6,050,928	70,660,237
Corporate borrowings				15,136,802
Deferred income tax liabilities				3,775,578
Derivative financial instruments				42,572
Other liabilities				285,374
Total liabilities				89,900,563

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

4 INCOME TAX EXPENSE

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**1,020,632**	1,070,170
– PRC withholding income tax	**–**	21,700
– PRC land appreciation tax	**849,973**	670,801
	1,870,605	1,762,671
Deferred income tax		
– PRC enterprise income tax	**292,041**	413,970
– PRC withholding income tax	**–**	(21,700)
	2,162,646	2,154,941

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided for as the Group has no estimated assessable profit in Hong Kong for the period.

(b) PRC enterprise income tax

PRC enterprise income tax is provided for at 25% of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC enterprise income tax purpose.

(c) PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

(d) PRC withholding income tax

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong.

Gain on disposal of an investment in the PRC by overseas holding companies may also be subject to withholding tax of 10%.

5 DIVIDENDS

No dividend in respect of the six months ended 30 June 2012 was declared at the Company's board meeting held on 27 August 2012.

A final dividend in respect of the year ended 31 December 2012 of HK 55 cents per ordinary share, amounting to approximately HK$1,909,914,000 (equivalent to RMB1,515,899,000) was proposed at the Company's board meeting held on 26 March 2013, and was approved at the annual general meeting of the Company held on 17 June 2013.

The directors of the Company resolved not to declare the payment of any interim dividend for the six months ended 30 June 2013.

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2013	2012
Profit attributable to the equity holders of the Company *(RMB'000)*	**3,470,158**	3,114,688
Weighted average number of ordinary shares in issue *(thousands)*	**3,465,428**	3,468,784
Basic earnings per share *(RMB cents)*	**100.14**	89.79

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue for the potential dilutive effect caused by the shares granted under the share award scheme and the share options granted under the share option schemes assuming they were exercised.

	Six months ended 30 June	
	2013	2012
Profit attributable to the equity holders of the Company *(RMB'000)*	**3,470,158**	3,114,688
Weighted average number of ordinary shares in issue *(thousands)*	**3,465,428**	3,468,784
Adjustments for shares granted under the Share Award Scheme/share options granted under the Pre-IPO Share Option Scheme *(thousands)*	**1,172**	2,001
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**3,466,600**	3,470,785
Diluted earnings per share *(RMB cents)*	**100.10**	89.74

7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Bidding deposits for land use rights *(note (a))*	**1,224,995**	1,179,136
Trade receivables *(note (b))*	**3,123,593**	2,407,832
Prepaid business taxes on pre-sale proceeds	**1,533,064**	1,074,301
Prepayments for construction costs	**601,766**	665,931
Other receivables	**1,628,204**	1,311,344
	8,111,622	6,638,544

Note:

(a) Bidding deposits for land use rights mainly represented deposits of the Group placed with various municipal governments for the participation in various land auctions. These deposits will be deducted against the total land costs to be paid, if the Group won the bid at the auction. If the Group's bid did not win, the amount will be fully refunded.

(b) Trade receivables are mainly arisen from sales of properties. Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements. The ageing analysis of trade receivables at respective balance sheet dates is as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 90 days	**1,947,279**	1,608,555
Over 90 days and within 365 days	**912,127**	566,032
Over 365 days	**264,187**	233,245
	3,123,593	2,407,832

Trade receivables are analysed as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Fully performing under credit terms	**1,979,293**	1,454,429
Past due but not impaired	**1,144,300**	953,403
	3,123,593	2,407,832

The ageing analysis of trade receivables past due but not impaired is as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 90 days	**384,338**	326,277
Over 90 days and within 365 days	**495,775**	393,881
Over 365 days	**264,187**	233,245
	1,144,300	953,403

As the Group normally holds collateral of the properties before collection of the outstanding balances and passing the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no impairment was made against past due receivables as at 30 June 2013 and 31 December 2012.

8 TRADE AND OTHER PAYABLES

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Trade payables *(note (i))*	**12,318,781**	11,595,770
Other taxes payable	**763,712**	609,650
Accrued expenses	**908,656**	732,484
Other payables *(note (ii))*	**995,887**	1,378,526
	14,987,036	14,316,430

Notes:

(i) The ageing analysis from the recorded date of trade payables is as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 90 days	**11,821,897**	11,140,635
Over 90 days and within 1 year	**496,884**	455,135
	12,318,781	11,595,770

(ii) Other payables comprise:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Deposits received from customers	**594,391**	955,517
Fees collected from customers on behalf of government agencies	**92,113**	85,470
Deposits from constructors	**60,749**	94,178
Rental deposits from tenants and hotel customers	**156,434**	154,546
Others	**92,200**	88,815
	995,887	1,378,526

9 COMMITMENTS

(a) Commitments for capital and property development expenditure

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Contracted but not provided for		
– Property and equipment and investment properties	**1,208,401**	1,540,532
– Land use rights (including those related to associated companies and jointly controlled entities)	**17,753,530**	12,117,034
– Properties being developed by the Group for sale	**16,169,401**	14,056,391
	35,131,332	27,713,957

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within one year	**134,383**	78,755
Between two to five years	**431,302**	490,334
After five years	**548,595**	608,263
	1,114,280	1,177,352

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2013 except for one deviation as set out below.

The roles of the chairman and chief executive of the Company have not been segregated as required by the provision A.2.1 of the Code.

Mr. Hui Wing Mau ("Mr. Hui") is the chairman of the Company and founder of the Group. With Mr. Hui's extensive experience in property development and investment, he is responsible for the overall strategic planning and business management of the Group. The Board considers that vesting the roles of chairman and chief executive in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high calibre individuals. The Board currently comprises six executive directors and three independent non-executive directors and therefore has a strong independence element in its composition.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. All directors of the Company confirmed they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased from the market a total of 3,535,000 shares of the Company at a total consideration of approximately HK$59 million.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 30 June 2013.

On behalf of the Board
Shimao Property Holdings Limited
Hui Wing Mau
Chairman

Hong Kong, 20 August 2013

As at the date of this announcement, the Board comprises six executive directors, namely Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman), Mr. Liu Sai Fei, Mr. Xu Younong, Ms. Tang Fei and Mr. Liao Lujiang; and three independent non-executive directors, namely Ms. Kan Lai Kuen, Alice, Mr. Lu Hong Bing and Mr. Lam Ching Kam.