SUNAC CHINA HOLDINGS LIMITED
融創中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1918)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2015:

- Contract sales amount of the Group was RMB27,260 million, representing a growth rate of 5.0% as compared to the same period last year;
- Revenue of the Group was RMB5,442.7 million;
- Profit of the Group was RMB1,257.7 million, representing a growth rate of 80.2% compared to the same period last year;
- Profit attributable to owners of the Company was RMB951.4 million, representing a growth rate of 17.1% compared to the same period last year;
- The weighted-average effective interest rate of the Group was 7.7% per annum, representing a decrease rate of 1.3 percentage points compared to the same period last year;
- Cash on hand of the Group as at 30 June 2015 amounted to RMB16,784.6 million; the net gearing ratio was 70.7%.

INTERIM RESULTS WITH NOTES

The board of directors (the "Board") of Sunac China Holdings Limited (the "Company" or "Sunac China") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2015 with comparative figures for the corresponding period in 2014, as follows:

Interim Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

		Six months ended 30 June	
	Note	**2015**	2014
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
Revenue	*3*	**5,442,722**	9,066,998
Cost of sales	*9*	**(4,824,671)**	(7,033,325)
Gross profit		**618,051**	2,033,673
Other income and gains	*10*	**2,220,585**	23,117
Selling and marketing costs	*9*	**(284,602)**	(266,819)
Administrative expenses	*9*	**(298,842)**	(278,407)
Other expenses and losses		**(102,379)**	(8,982)
Operating profit		**2,152,813**	1,502,582
Finance income	*11*	**83,095**	213,211
Finance costs	*11*	**(698,577)**	(509,586)
Share of post-tax profits of investments accounted for using equity method, net	*4*	**451,871**	281,238
Profit before income tax		**1,989,202**	1,487,445
Income tax expense	*12*	**(731,539)**	(789,602)
Profit for the period		**1,257,663**	697,843
Other comprehensive income for the period		**—**	—
Total comprehensive income for the period		**1,257,663**	697,843

		Six months ended 30 June	
	Note	**2015**	2014
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
Attributable to:			
- Owners of the Company		**951,399**	812,612
- Non-controlling interests		**306,264**	(114,769)
		1,257,663	697,843
Earnings per share attributable to owners of the Company (expressed in RMB per share):			
- Basic earnings per share	*13*	**0.28**	0.24
- Diluted earnings per share	*13*	**0.28**	0.24
Dividend	*14*	**—**	—

Interim Condensed Consolidated Balance Sheet
As at 30 June 2015

	Note	**30 June 2015 (Unaudited) *RMB'000***	31 December 2014 *(Audited)* *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**75,106**	61,815
Investment properties		**—**	239,000
Intangible assets		**215,296**	148,905
Investments accounted for using the equity method	*4*	**13,103,434**	12,048,789
Prepayments for investments	*6*	**3,925,479**	944,991
Deferred income tax assets		**1,582,995**	1,451,953
Total non-current assets		**18,902,310**	14,895,453
Current Assets			
Properties under development		**34,003,186**	35,700,545
Completed properties held for sale		**12,415,059**	13,682,451
Trade and other receivables	*5*	**5,733,709**	2,474,809
Amounts due from related companies		**14,486,914**	17,999,418
Prepayments	*6*	**3,013,576**	2,568,194
Restricted cash		**4,349,694**	4,384,145
Cash and cash equivalents		**12,434,953**	20,657,285
Total current assets		**86,437,091**	97,466,847
Total assets		**105,339,401**	112,362,300
EQUITY			
Equity attributable to owners of the Company			
Share capital		**291,273**	289,963
Reserves			
- Proposed final dividend	*14*	**—**	644,414
- Others		**16,713,139**	15,418,561
		17,004,412	16,352,938
Non-controlling interests		**3,333,906**	4,629,695
Total equity		**20,338,318**	20,982,633

	Note	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	8	**18,687,168**	20,544,113
Deferred income tax liabilities		**4,194,462**	5,886,751
Total non-current liabilities		**22,881,630**	26,430,864
Current liabilities			
Trade and other payables	7	**11,795,336**	11,615,723
Advanced proceeds from customers		**14,108,707**	12,270,841
Amounts due to related companies		**16,938,365**	20,713,919
Current income tax liabilities		**6,791,065**	6,508,638
Borrowings	8	**12,485,980**	13,839,682
Total current liabilities		**62,119,453**	64,948,803
Total liabilities		**85,001,083**	91,379,667
Total equity and liabilities		**105,339,401**	112,362,300
Net current assets		**24,317,638**	32,518,044
Total assets less current liabilities		**43,219,948**	47,413,497

Notes

1 GENERAL INFORMATION

Sunac China Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in property development, property investment and property management in the People's Republic of China (the "PRC").

The Company is a limited company incorporated in the Cayman Islands. The address of its registered office is Landmark Square, 3rd Floor, 64 Earth Close, P.O. Box 30592, Grand Cayman KY1-1203, Cayman Islands.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information had been approved for issue by the board of directors of the Company (the "Board") on 24 August 2015.

Key events

(a) ***Terminations of proposed transactions relating to Kaisa Group***

On 30 January 2015, the Group signed an acquisition agreement, pursuant to which the Group proposed to acquire the equity interests and debts in four project companies from a third party, Kaisa Group Holdings Ltd. ("Kaisa Group"). The acquisition was terminated on 16 June 2015. The Group's prepaid consideration, together with an aggregate interest charge was received on 16 June 2015.

On 30 January 2015, the Group also signed a share purchase agreement with three shareholders of Kaisa Group, each of whom being an independent third party. Pursuant to the agreement, the Group proposed to acquire issued shares of Kaisa Group owned by the sellers, which represents approximately 49.25% of the entire share capital of Kaisa Group. According to the agreement, the Group made a total prepayment of HK$2,325 million (equivalent to RMB1,843.8 million). On 26 May 2015, this proposed transaction was terminated with a termination agreement signed by the Group and the sellers. According to the termination agreement, 50% of the prepayment was refunded to the Group on 29 May 2015. The outstanding amount of RMB916.76 million was recorded as a receivable in current assets as at 30 June 2015 and was agreed to be repaid no later than 28 December 2015.

(b) ***Transfer of equity interests of project entities among subsidiaries of the Company***

On 30 June 2015, Tianjin Sunac Ao Cheng Investment Co., Ltd. ("Tianjin Ao Cheng"), a wholly owned subsidiary of the Company, completed an acquisition with Shanghai Sunac Greentown Investment Holdings Ltd ("Shanghai Sunac Greentown"), a 50% owned subsidiary of the Company, pursuant to which Tianjin Ao Cheng acquired the equity interests of a bunch of Shanghai Sunac Greentown's subsidiaries, joint ventures and associates, all of which are engaged in real estate property development business, and certain debts owing by these subsidiaries to Shanghai Sunac Greentown.

On the same day, Lead Sunny Investment Ltd. ("Lead Sunny"), another wholly owned subsidiary of the Company, completed an acquisition from Sunac Greentown Investment Holdings Ltd. ("Sunac Greentown"), a 50% owned subsidiary of the Company, of the entire equity interest of its wholly owned subsidiary, Elegant Trend Limited ("Elegant Trend"), and certain debts owing by Elegant Trend to Sunac Greentown.

(c) ***Equity transactions with Greentown Group***

On 15 May 2015, the Company entered into a framework agreement with Greentown China Holdings Limited ("Greentown China"), an independent third party, to acquire from or dispose to Greentown China or certain of its subsidiaries (together with Greentown China, the "Greentown Group") of certain equity interests and shareholder's loans in certain entities which are jointly invested by the Group and Greentown Group, the framework agreement also provides for a future joint development of a new property project in Tianjin between the Group and Greentown Group. In summary, the following transactions are included in the framework agreement:

(i) the Group's acquisition from Greentown Group of the 50% equity interest of Shanghai Forest Golf Villa Development Co., Ltd. ("Shanghai Forest Golf"), an associate of the Company, together with the completion of a series of assets transfers and debt assignments among Shanghai Forest Golf, the Group and Greentown Group;

(ii) the Group's disposal to Greentown Group of the return on investment of 51% equity interest of Shanghai Huazhe Bund Real Estate Co., Ltd. ("Shanghai Huazhe Bund"), a subsidiary of the Company;

(iii) the Group's disposal to Greentown Group of the 45% equity interest of Beijing Xingye Wanfa Real Estate Development Co., Ltd. ("Beijing Xingye Wanfa"), an associate of the Company, and a shareholder's loan owing by Beijing Xingye Wanfa;

(iv) the Group's acquisition from Greentown Group of the 50% equity interest of Shanghai Sunac Greentown, a 50% subsidiary of the Company and the 50% equity interest of Sunac Greentown, a 50% owned subsidiary of the Company;

(v) the Group's acquisition from Greentown Group of the 25% equity interest of Hangzhou Sunac Greentown Real Estate Development Co., Ltd. ("Hangzhou Sunac Greentown"), a subsidiary of the Company; and

(vi) the Group and Greentown Group's future joint development of a Tianjin National Game Village Project with capital contributions by the Group and Greentown Group respectively.

Further details of the transactions have been given in the circular published by the Company on 28 June 2015. The shareholders of the Company have approved these transactions on 15 July 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

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.

Amendments to HKFRSs effective for the financial year ending 31 December 2015 did not have a material impact on the Group.

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

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.

3 SEGMENT INFORMATION

The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The executive directors have determined the operating segments based on these reports.

The executive directors assess the performance of property development business and property management service business respectively. The performance of the operating segments is assessed based on a measure of profit / (loss) before income tax.

The analysis of the Group's profit before income tax by segment is as follows:

	Six months ended 30 June 2015		
	Property development and investment	**Property management and others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Total segment revenue	5,224,665	237,541	5,462,206
Inter-segment revenue	—	(19,484)	(19,484)
Revenue from external customers	5,224,665	218,057	5,442,722
Profit / (loss) before income tax	2,031,267	(42,065)	1,989,202

	As at 30 June 2015		
	Property development and investment	**Property management and others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Total segment assets	103,589,597	166,809	103,756,406
Total segment liabilities	73,686,002	329,554	74,015,556

	Six months ended 30 June 2014		
	Property development and investment	**Property management and others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Total segment revenue	8,938,438	136,713	9,075,151
Inter-segment revenue	—	(8,153)	(8,153)
Revenue from external customers	8,938,438	128,560	9,066,998
Profit / (loss) before income tax	1,533,095	(45,650)	1,487,445

	As at 31 December 2014		
	Property development and investment	**Property management and others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Total segment assets	110,725,396	184,951	110,910,347
Total segment liabilities	78,651,367	332,911	78,984,278

4 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investment amounts recognised in the balance sheet were as follows:

	As at	
	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Joint ventures	**9,132,231**	7,927,863
Associates	**3,971,203**	4,120,926
	13,103,434	12,048,789

The amounts of the shares of the results of the investees recognised in the profit or loss using equity method were as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Joint ventures	**464,081**	(75,696)
Associates	**(12,210)**	356,934
	451,871	281,238

4.1 Investments in joint ventures

The following table analyses, on an aggregate basis, the movement of the carrying amount of the Group's investments in the joint ventures, and the shares of results of these joint ventures.

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
At beginning of period	**7,927,863**	4,925,337
A subsidiary becoming a joint venture	**325,474**	104,708
Investments in new joint ventures	**1,284,371**	978,751
Increased investment in existing joint ventures	**236,000**	—
Share of results of joint ventures, net	**464,081**	(75,696)
A joint venture becoming a subsidiary	**(229,873)**	—
Dividend from a joint venture	**(875,685)**	—
At end of period	**9,132,231**	5,933,100

4.2 **Investments in associates**

The following table analyses, on an aggregate basis, the movement of the carrying amount of the Group's investments in the associates, and the shares of results of these associates.

An analysis of the movement of equity investments in associates is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
At beginning of period	**4,120,926**	2,983,527
Investments in a new associate	**977,375**	—
Share of results of associates, net	**(12,210)**	356,934
An associate becoming a subsidiary	**(86,975)**	—
Disposal of an associate	**(18,406)**	—
Dividend from an associate	**(1,009,507)**	—
At end of period	**3,971,203**	3,340,461

5 TRADE AND OTHER RECEIVABLES

	As at	
	30 June	31 December
	2015	2014
	RMB'000	*RMB'000*
Receivables from equity transaction (Note 1(c))	**2,515,083**	—
Amount due from non-controlling interests	**297,493**	1,392,778
Trade receivables (Note (a))	**462,471**	368,868
Notes receivables	**5,511**	4,110
Receivables from a disposal of PUD	**—**	335,000
Other receivables		
- Prepayments to be refunded in respect of the termination of an equity acquisition transaction (Note 1(a))	**916,759**	—
- Payments on behalf of clients	**134,907**	140,171
- Deposits	**178,397**	166,587
- Interests receivable	**216,825**	—
- Dividend receivable from a joint venture and an associate	**945,000**	—
- Others	**88,941**	94,973
Less: Bad debt provision of other receivables	**(27,678)**	(27,678)
	5,733,709	2,474,809

As at 30 June 2015 and 31 December 2014, the carrying amounts of the Group's trade and other receivables were all denominated in RMB and the carrying amounts of trade and other receivables approximated their fair values.

(a) In the six months ended 30 June 2015, the Group provided a credit period of 90-365 days to certain customers having good credit standing.

Taking into account of the property sales contract terms, the ageing analysis of trade receivables primarily arising from sales of properties is as follows:

	As at	
	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Within 90 days	**373,783**	243,987
90 - 180 days	**30,657**	52,477
181 - 365 days	**46,133**	72,404
Over 365 days	**11,898**	—
	462,471	368,868

As the Group normally holds collateral of the properties before collection of the outstanding balances and passing the titles to the property purchasers, the Directors are of the view that the Group has no material bad debt risk on the trade receivables and no provision was made as at 30 June 2015 (31 December 2014: Nil).

6 PREPAYMENTS

(a) Current portion of prepayments

	As at	
	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Prepaid taxes		
- Land appreciation tax	**1,104,537**	985,483
- Corporate income tax	**906,113**	499,671
- Business tax and surcharge	**794,009**	699,397
Prepayments for land use rights acquisition	**165,969**	342,109
Prepayments for project development costs	**42,948**	41,534
	3,013,576	2,568,194

(b) **Prepayments for investments**

(i) As at 30 June 2015, Beijing Sunac Construction Investment Real Estate Co., Ltd, a wholly owned subsidiary of the Company, had a prepayment amounted to RMB1,263.8 million to a third party for the purpose of land use rights acquisitions according to a future development plan of joint development of new projects in Jinan, the PRC.

(ii) As disclosed in Note 1(c)(vi), Tianjin Sunac Zhidi Co., Ltd ("Sunac Zhidi") and Tianjin Ao Cheng, wholly owned subsidiaries of the Company, prepaid RMB1,206.29 million for the development of Tianjin National Game Village Project as the business partners.

(iii) As disclosed in Note 1(c)(iv), the Group has made the deposit amount to RMB1,055.40 million to Greentown Group, representing 40% of the agreed total consideration of RMB2,638.49 million.

(iv) In May 2015, Shanghai Sunac Real Estate Development Co., Ltd. ("Shanghai Sunac") entered into an equity transfer agreement with an independent third party, pursuant to which, Shanghai Sunac agreed to acquire 51% equity interest of Nanjing Foshouhu Architectural Art Development Co., Ltd. ("Nanjing Foshouhu") at a total cash consideration of RMB506 million. As of 30 June 2015, the transaction has yet to be completed and the related prepayment amounted to RMB400 million was recorded as a prepayment for equity investments in non-current assets.

The carrying amounts of the Group's prepayments were all denominated in RMB.

7 TRADE AND OTHER PAYABLES

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Trade payables	**5,499,027**	6,258,615
Notes payables	**126,199**	765,284
Payables for the equity transaction with Greentown Group (Note 1(c))	**2,786,505**	—
Amount due to non-controlling interests	**1,187,000**	3,217,086
Payables for equity transaction consideration	**452,806**	48,026
Amount due to a joint venture partner (Note (a))	**350,000**	—
Other taxes payable	**347,469**	312,936
Interests payable	**288,635**	307,188
Deposits	**257,151**	34,754
Deed tax advanced from customers	**126,478**	284,214
Payroll and welfare payables	**67,944**	186,778
Others	**306,122**	200,842
	11,795,336	11,615,723

(a) It represented the advance from a joint venture partner for the purpose of jointly developing a proposed property project. The proposal was terminated before 30 June 2015 and the corresponding advance was repaid subsequently.

(b) The ageing analysis of the Group's trade payables is as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Within 90 days	**1,822,893**	3,382,318
90-180 days	**240,114**	285,542
180-365 days	**877,358**	744,725
Over 365 days	**2,558,662**	1,846,030
	5,499,027	6,258,615

8 BORROWINGS

	As at	
	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Non-current		
Secured,		
- Banks borrowings	**13,980,849**	16,608,622
- Other borrowings	**6,745,580**	5,150,000
Senior notes	**7,878,987**	7,869,165
	28,605,416	29,627,787
Less: Current portion of long-term borrowings (Note (a))	**(9,918,248)**	(9,083,674)
	18,687,168	20,544,113
Current		
Secured,		
- Banks borrowings	**1,572,732**	1,514,708
- Other borrowings	**949,000**	3,195,300
Unsecured,		
- Other borrowings	**46,000**	46,000
Current portion of long-term borrowings (Note(a))	**9,918,248**	9,083,674
	12,485,980	13,839,682
Total borrowings	**31,173,148**	34,383,795

(a) As at 30 June 2015, RMB4,006 million (31 December 2014: RMB7,081 million) of borrowings for property development projects will be due for full repayment upon an aggregated 70%~80% pre-sale status in term of gross floor area of the respective projects were achieved. Based on the management's sales forecast, RMB756 million (31 December 2014: RMB1,756 million) of borrowings will be due for repayment during the twelve months ending 30 June 2016 and therefore were included in current liabilities as at 30 June 2015.

9 EXPENSES BY NATURE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Costs of completed properties delivered	**4,319,723**	6,366,667
Business tax and other levies	**294,961**	521,960
Provision for decline in value of properties	**142,855**	271,701
Staff costs	**215,753**	246,517
Advertisement and promotion costs	**159,281**	120,589
Depreciation and amortisation	**11,146**	10,585

10 OTHER INCOME AND GAINS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Gain on disposal of a subsidiary (Note (a))	**1,129,390**	—
Gain on disposal of an associate (Note (a))	**172,967**	—
Gain on the debts assignment (Note (a))	**150,000**	—
Gain from business combination (Note (a))	**137,882**	—
Interest income from loans	**608,249**	—
Government grants	**530**	18,870
Others	**21,567**	4,247
	2,220,585	23,117

(a) These gains represent the net gains arising from the transactions between the Group and Greentown Group as disclosed in Note 1(c).

11 FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance income		
- Interest income	**(83,095)**	(213,211)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance costs		
Interest costs on		
- borrowings from banks	**717,553**	622,161
- borrowings from non-bank financial institutions	**211,395**	589,791
- senior notes	**433,225**	310,660
	1,362,173	1,522,612
Exchange loss	**4,434**	61,313
	1,366,607	1,583,925
Less: capitalised interests	**(668,030)**	(1,074,339)
	698,577	509,586

12 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Corporate income tax ("CIT") charge		
- Current income tax	**899,165**	471,054
- Deferred income tax	**(197,116)**	(161,743)
	702,049	309,311
Land appreciation tax ("LAT")	**29,490**	480,291
	731,539	789,602

Income tax expense is recognised based on management's estimate of the weighted-average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2015 was 25% (2014: 25%).

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the group operates.

No Hong Kong profits tax has been provided as the Group has no profit derived in Hong Kong.

Pursuant to the applicable rules and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

(a) CIT

Pursuant to the applicable rules and regulations of Cayman Islands and BVI, the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25% and the estimated assessable profits for the six months ended 30 June 2015 based on existing legislations, interpretations and practices.

In accordance with the PRC Corporate Income Tax Law, a 10% withholding income tax is levied on dividends declared to foreign investors from the enterprises with foreign investments established in the Mainland China. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in Mainland China in respect of their earnings generated from 1 January 2008.

(b) LAT

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures. LAT is included in the profit or loss as income tax expense.

13 EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
Profit attributable to owners of the Company (RMB'000)	**951,399**	812,612
Weighted-average number of ordinary shares in issue (thousand)	**3,389,687**	3,327,321

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 June	
	2015	2014
Profit attributable to owners of the Company (RMB'000)	**951,399**	812,612
Weighted-average number of ordinary shares in issue (thousand)	**3,389,687**	3,327,321
Adjusted for share options (thousand)	**46,074**	43,477
	3,435,761	3,370,798

14 DIVIDEND

A final dividend of RMB644.4 million relating to the year ended 31 December 2014 was paid in August 2015 (RMB635.7 million relating to 2013 final dividend paid in 2014).

No interim dividend for the six months ended 30 June 2015 was proposed by the Board (six months ended 30 June 2014: Nil).

15 EVENTS AFTER THE BALANCE SHEET DATE

(a) On 9 July 2015, the Board granted an aggregate of 33,267,000 share options (the "Share Options") to certain Directors and employees of the Group (collectively, the "Grantees"), subject to acceptance of the Grantees, under its share option scheme adopted on 19 May 2014. The Share Options will enable the Grantees to subscribe for an aggregate of 33,267,000 new shares of HK$0.1 each, representing approximately 1% of the issued share capital of the Company as at the date of this announcement. Details of the Share Options are set out in the announcement of the Company dated 9 July 2015.

(b) On 24 July 2015, a wholly-owned subsidiary of the Company, Ease Success Holdings Limited, as purchaser, entered into an acquisition agreement with, among others, an independent third party Marvel Leader Investments Limited ("Marvel Leader"), as vendor to acquire the entire issued shares in Joyview Group Limited ("Joyview"), which is developing a property project in Chengdu, the PRC, through its 80% owned subsidiary Chengdu Guojia Zhide Real Estate Co., Ltd., ("Chengdu Guojia"), at the consideration of approximately RMB1,795 million and the outstanding shareholder's loan in the aggregate amount of HK$1,215.88 million (equivalent to approximately RMB960.54 million) owing by Joyview to Marvel Leader (the "First Acquisition"). The total consideration for the First Acquisition is RMB2,755.55 million. On the same date, another wholly owned subsidiary of the Company, Chongqing Sunac Jiye Real Estate Development Co. Ltd., entered into an acquisition agreement with Sichuan Guojia Real Estate Co. Ltd. ("Sichuan Guojia") to acquire the remaining 20% equity interest of Chengdu Guojia at the consideration of RMB425.2 million and the outstanding shareholder's loan and interest accrued thereon in the aggregate amount of RMB24.8 million owing by Chengdu Guojia to Sichuan Guojia (the "Second Acquisition"). The total consideration for the Second Acquisition is RMB450 million. Accordingly, the total aggregate consideration for the First Acquisition and Second Acquisition amounts to RMB3,205.55 million. Chengdu Guojia will become a wholly owned subsidiary of the Company upon the completion of the First Acquisition and Second Acquisition, details of which are set out in the announcement of the Company dated 26 July 2015. As at the date of this announcement, the acquisitions have yet to be completed.

(c) On 14 August 2015, pursuant to the approval issued by the China Securities Regulatory Commission on 4 August, 2015, Sunac Zhidi issued non-guaranteed domestic corporate bond in the principal amount of RMB5 billion with a term of 5 years. The fixed coupon rate of the bond is from 4.5% to 5.7% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Revenue of the Group for the six months ended 30 June 2015 was substantially generated from sales of residential and commercial properties of the Group. Only a small portion of the Group's revenue was derived from the income from property management services and rental of investment properties located in Tianjin.

For the six months ended 30 June 2015, the Group remained focused on the development of real estate properties in five main regions of the PRC, namely Beijing, Tianjin, Shanghai, Chongqing and Hangzhou, and continued to deliver a solid performance, achieving satisfactory growth in its core businesses.

Total revenue of the Group for the six months ended 30 June 2015 amounted to RMB5,442.7 million, representing a decrease of 40.0% comparing with the total revenue of RMB9,067.0 million for the six months ended 30 June 2014.

The following table sets forth certain details of the revenues:

	Six months ended 30 June			
	2015		2014	
	RMB' 000	*%*	*RMB'000*	*%*
Sales of properties	**5,221,649**	**95.94**	8,926,521	98.45
Property management service income and others	**218,058**	**4.00**	128,560	1.42
Rental income from investment properties	**3,015**	**0.06**	11,917	0.13
Total	**5,442,722**	**100.00**	9,066,998	100.00
Total gross floor area ("GFA") delivered (sq.m.)	**283,574**		519,921	
Average selling prices ("ASP") sold (RMB per sq.m.)	**18,414**		17,169	

Sales of properties for the six months ended 30 June 2015 amounted to RMB5,221.6 million, representing a decrease of RMB3,704.9 million (or 41.5%), as compared with the amount for the six months ended 30 June 2014, which was primarily due to a decrease by 45.5% to 283,574 sq.m. in the GFA delivered for the six months ended 30 June 2015 from 519,921 sq.m. for the six months ended 30 June 2014, which was mainly due to decrease in property deliveries from Tianjin Magnetic Capital (天津奧城), Beijing West Chateau (北京西山壹號院), Wuxi Dream of City

(無錫理想城市) and Tianjin Top Mansion of the Dongting (天津洞庭路壹號) for the six months ended 30 June 2015, given that these properties were either fully delivered by the end of 2014 or had no newly completed properties for the six months ended 30 June 2015.

For the six months ended 30 June 2015, the total revenue from subsidiaries, joint ventures and associates of the Group was RMB15,725.2 million, of which RMB8,524.0 million was attributable to owners of the Company. For the six months ended 30 June 2014, the total revenue from subsidiaries, joint ventures and associates of the Group was RMB18,834.5 million, of which RMB12,218.2 million was attributable to owners of the Company.

Cost of sales

Cost of sales comprises the costs that the Group incurred in relation to its direct development activities for the properties delivered, as well as costs for property management operations and leasing.

For the six months ended 30 June 2015, cost of sales of the Group amounted to RMB4,824.7 million (including RMB526.1 million related to the valuation surplus of the properties acquired), representing a decrease of RMB2,208.6 million (or 31.4%) as compared with RMB7,033.3 million for the six months ended 30 June 2014, which was primarily due to the decrease in GFA delivered.

Gross profit

For the six months ended 30 June 2015, gross profit of the Group was RMB618.1 million, representing a decrease of 69.6% as compared with RMB2,033.7 million for the six months ended 30 June 2014, mainly due to the decrease in sales of properties.

For the six months ended 30 June 2015, the total gross profit of subsidiaries, joint ventures and associates of the Group was RMB2,972.0 million, of which RMB1,445.3 million was attributable to owners of the Company. For the six months ended 30 June 2014, the total gross profit of subsidiaries, joint ventures and associates of the Group was RMB3,998.1 million, of which RMB2,920.1 million was attributable to owners of the Company.

For the six months ended 30 June 2015, gross margin of the Group was 11.4%, as compared with 22.4% for the six months ended 30 June 2014, which was due to the fact that revenue from property projects (mainly Wuxi Comphorwood Mansion (無錫香樟園) and Suzhou Majestic Mansion (蘇州禦園)) with relatively low gross margin accounted for a higher proportion of the total revenue from properties for the six months ended 30 June 2015, which resulted in a decrease in overall gross margin of the Group. Excluding the impact of fair value re-measurement and provision for impairment of the properties, the Group's gross margin was 23.6% for the six months ended 30 June 2015.

Selling and marketing costs and administrative expenses

Selling and marketing costs of the Group increased slightly to RMB284.6 million for the six months ended 30 June 2015 from RMB266.8 million for the six months ended 30 June 2014.

Administrative expenses of the Group increased slightly to RMB298.8 million for the six months ended 30 June 2015 from RMB278.4 million for the six months ended 30 June 2014.

Other income and gains

Other income and gains of the Group increased significantly by RMB2,197.5 million to RMB2,220.6 million for the six months ended 30 June 2015 from RMB23.1 million for the six months ended 30 June 2014, which was mainly attributable to the follows:

(i) an increase in interest income from joint ventures and associates of the Group in the amount of RMB608.2 million;

(ii) a net gain of RMB 1,452.4 million from disposal of equity interest in Shanghai Huazhe Bund Real Estate Co., Ltd., a subsidiary of the Group and equity interest and debt interest in certain associates of the Group; and

(iii) a gain of RMB137.9 million from business combination.

Other expenses and losses

The Group's other expenses and losses increased by RMB93.4 million to RMB102.4 million for the six months ended 30 June 2015 from RMB9.0 million for the six months ended 30 June 2014, primarily attributable to the loss of RMB81.3 million resulting from the disposal of investment properties.

Operating profit

As a result of the sectors analyzed above, the Group's operating profit increased by RMB650.2 million to RMB2,152.8 million for the six months ended 30 June 2015 from RMB1,502.6 million for the six months ended 30 June 2014, which was primarily due to:

(i) a decrease in gross profit of RMB1,415.6 million;

(ii) an increase in other income and gains of RMB2,197.5 million and an increase in other expense and losses of RMB93.4 million; and

(iii) an increase in operating expenses of RMB38.2 million.

Finance costs

The Group's finance costs increased by RMB189.0 million to RMB698.6 million for the six months ended 30 June 2015 from RMB509.6 million for the six months ended 30 June 2014. The total interest cost was RMB1,362.2 million for the six months ended 30 June 2015, representing a decrease of RMB160.4 million, from RMB1,522.6 million for the six months ended 30 June 2014, mainly due to decrease in both of weighted-average effective interest rate and weighted-average outstanding balance of borrowings for the six months ended 30 June 2015. The capitalized interest decreased by RMB406.3 million to RMB668.0 million for the six months ended 30 June 2015 from RMB1,074.3 million for the six months ended 30 June 2014.

The Group realised continued decline in weighted-average effective interest rate through continued optimization of debt structure, control of refinancing costs and replacement of existing high-cost borrowings. The Group's weighted-average effective interest rate dropped to 7.7% for the six months ended 30 June 2015 from 9.0% for the six months ended 30 June 2014.

Share of post-tax profits of investments accounted for using equity method, net

The Group recognised a share of post-tax profits from investments accounted for using equity method which increased by RMB170.7 million to RMB451.9 million for the six months ended 30 June 2015 from RMB281.2 million for the six months ended 30 June 2014. This change was mainly attributable to the increase in share of post-tax profits from joint ventures and associates of the Group which had commenced recording the revenue from the deliveries of newly completed properties.

Profit

Benefited from the balanced development with high quality in operation scale of the Group, the Group's profit attributable to owners of the Company increased to RMB951.4 million for the six months ended 30 June 2015 from RMB812.6 million for the six months ended 30 June 2014.

The following table shows the profit attributable to owners of the Company and non-controlling interests respectively as of the dates indicated:

	Six months ended 30 June	
	2015	2014
	RMB' 000	*RMB'000*
Profit/(loss) for the period	**1,257,663**	697,843
Attributable to:		
Owners of the Company	**951,399**	812,612
Non-controlling interests	**306,264**	(114,769)
	1,257,663	697,843

Excluding the impact of the gain from acquisition of equity interests, the fair value change of the investment properties and impairment provision for properties, the Group's core profit attributable to owners of the Company amounted to RMB1,003.0 million for the six months ended 30 June 2015 as compared with RMB1,023.0 million for the six months ended 30 June 2014.

Cash position

The Group operates in a capital intensive industry and has historically financed, and expects to continue to finance, its working capital, capital expenditures and other capital requirements through proceeds from the pre-sale and sale of properties, borrowings from commercial banks and other parties, capital contributions from shareholders and new share issuances. The Group's short-term liquidity requirements relate to servicing its debt and meeting its working capital requirements, and the Group's sources of short-term liquidity include cash balances, proceeds from pre-sales and sales of properties and new loans. The Group's long-term liquidity requirements relate to funding the development of its new property projects and repaying its long-term debt, and the Group's sources of long-term liquidity include loans, capital contributions from shareholders and share issuances.

The Group's cash and cash equivalents (including restricted cash) decreased by 33.0% to RMB16,784.6 million as at 30 June 2015 from RMB25,041.4 million as at 31 December 2014, of which non-restricted cash decreased to RMB12,435.0 million as at 30 June 2015 from RMB 20,657.3 million as at 31 December 2014.

The decrease in non-restricted cash as at 30 June 2015 was principally attributable to:

(i) the net cash inflow of RMB410.9 million from operating activities;

(ii) the net cash outflow of RMB1,760.7 million from investing activities which was mainly attributable to the new projects in Tianjin, Shanghai, Jinan and Nanjing obtained by the Group and equity interests acquired; and

(iii) the net cash outflow of RMB6,871.4 million from financing activities which was primarily due to the net outflow of RMB3,912.6 million from borrowings and payment of interest costs, the net outflow of RMB2,992.3 million from repayment of investments from non-controlling interests, payment of dividend to non-controlling interests and payment for transaction with non-controlling interests and the net inflow of RMB43.8 million from issuance of additional shares pursuant to the exercise of options.

The Group believes that both the working capital and financial resources are sufficient to secure the business growth in foreseeable future.

Borrowings and collateral

The Group had total borrowings of RMB31,173.1 million as at 30 June 2015, representing a decrease by RMB3,210.7 million from RMB34,383.8 million as at 31 December 2014, which was primarily due to net decrease in loans from banks and other parties.

As at 30 June 2015, RMB31,127.1 million of the Group's total borrowings (as at 31 December 2014: RMB34,337.8 million) were secured or jointly secured by the Group's properties under development and completed properties held for sale (totaling RMB28,140.9 million (as at 31 December 2014: RMB32,182.7 million)), and certain equity interests of the Group's subsidiaries (including those legally transferred as collateral).

Net debt to total assets ratio, gearing ratio and net gearing ratio

Net debt to total assets ratio is calculated as net debt divided by total assets. Net debt is calculated as total borrowings (including current and long-term borrowings) less cash and cash equivalents (including restricted cash). As at 30 June 2015, the net debt to total assets ratio of the Group was 13.7%, as compared to 8.3% as of 31 December 2014.

Gearing ratio is calculated as net debt divided by total capital. Total capital is calculated as total equity plus net debt. As at 30 June 2015, the gearing ratio of the Group is 41.4%, as compared to 30.8% as at 31 December 2014.

Net gearing ratio is calculated as net debt divided by total equity. As at 30 June 2015, the net gearing ratio of the Group was 70.7% as compared with 44.5% as at 31 December 2014. The Group considers the above financial ratios remain at a sound and healthy level, and will continue to pay attention to and manage its financial structure and potential risks during its course of development.

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent from changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the tables are the liabilities stated at carrying amounts, categorized by maturity dates.

	As at 30 June 2015 *RMB' million*	As at 31 December 2014 *RMB' million*
Floating rates		
Less than 12 months	**5,780**	5,406
1 to 5 years	**6,151**	9,258
Sub-total	**11,931**	14,664
Fixed rates		
Less than 12 months	**6,706**	8,434
1 to 5 years	**12,536**	11,286
Sub-total	**19,242**	19,720
Total	**31,173**	34,384

As at 30 June 2015, the Group did not use any interest rate swaps to hedge its exposure to interest rate risk. The Group analyzes its interest rate exposure monthly by considering refinancing, renewal of existing positions and alternative financing.

Foreign exchange risk

The Group conducts its business principally in Renminbi, since all of the operating entities are based in the PRC. As the Group has some bank deposits denominated in foreign currencies and the senior notes and foreign syndicated loans denominated in US dollars or HK dollars, the Group faces foreign exchange risk. As at 30 June 2015, profit for the period would have increased or decreased by RMB100.2 million (31 December 2014: increased or decreased by RMB74.0 million) if RMB appreciates or depreciates by 1% against other currencies with all other variables held constant. However, the Group's operating cash flow and liquidity are not subject to significant effect from fluctuations in exchange rates. No currency hedging arrangements were made as at 30 June 2015. The Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

Contingent Liabilities

The Group provided guarantees to banks for mortgage facilities granted to certain purchasers of the Group's properties to secure the obligations of such purchasers for repayment of their mortgage loans. As at 30 June 2015, the amount was RMB2,974.2 million as compared to RMB5,090.8 million as at 31 December 2014. Such guarantees terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which generally takes place within an average period of six months of the properties delivery date; or (ii) the satisfaction of obligations under the mortgage loans by the purchaser. The Group's guarantee period starts from the dates of grant of the mortgage.

BUSINESS REVIEW AND OUTLOOK

Business Highlights

Summary of Principal Properties

As at 30 June 2015, the Group has been engaging in the development of 71 property development projects. The following table sets forth certain details of the Group's projects based on actual data or estimates of the Group and associated project companies as of 30 June 2015.

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Completion time/ Estimated completion time
Sunac West Chateau	Beijing	Mid-rise apartments, retail properties and car parks	190,665	447,803	334,892	100%	June 2013
Yaao Jinmao Residence	Beijing	High-rise apartments, retail properties and car parks	84,684	253,074	169,941	49%	September 2014
Wangjing Jinmao Palace	Beijing	High-rise apartments, retail properties and car parks	54,485	154,156	125,078	49%	September 2016
Fontainebleau Chateau	Beijing	High-rise apartments, townhouses, retail properties and car parks	131,629	403,441	340,009	49.5%	December 2015
Glory Chateau	Beijing	High-rise and mid-rise apartments, townhouses, detached villas and car parks	183,531	515,335	284,700	51%	December 2017
One Sino Park	Beijing	Mid-rise apartments and car parks	25,210	100,843	58,560	51%	June 2016
Chang'an Image	Beijing	High-rise apartments, retail properties, serviced apartments and car parks	101,831	490,251	370,205	48%	December 2017
Mentougou New Town	Beijing	High-rise apartments, retail properties, serviced apartments and car parks	33,987	151,815	118,031	71%	December 2016

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Interest attributable to the Group	Completion time/ Estimated completion time
One Central	Beijing	High-rise apartments, offices and car parks	14,297	122,534	110,186	40%	December 2016
Fortune Center	Jinan	High-rise apartments, retail properties and car parks	138,351	533,280	503,417	30%	May 2018
Sunac Magnetic Capital	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	460,840	1,247,860	1,188,902	100%	December 2013
Sunac Mind-Land International	Tianjin	High-rise apartments, detached villas, retail properties and car parks	497,501	813,704	751,224	100%	December 2012
Sunac Glorious Mansion	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	121,412	307,706	307,706	100%	December 2013
Sunac Central Academy	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	268,421	768,908	702,458	100%	Septermber 2017
Sunac PL Du Pantheon	Tianjin	High-rise apartments, townhouses, retail properties and car parks	70,600	244,354	227,050	100%	December 2014
Horizon Capital	Tianjin	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	111,446	393,706	387,512	49%	October 2018
Dream of Mansion	Tianjin	Mid-rise apartments, townhouses, detached villas, retail properties, offices and car parks	120,059	241,876	219,935	50%	April 2018

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Completion time/ Estimated completion time
Sunac Azure Coast	Tianjin	Retail properties, offices, serviced apartments and car parks	17,161	209,687	196,064	80%	October 2017
Orchid Garden	Tianjin	High-rise and mid-rise apartments, retail properties, offices and car parks	15,742	86,649	84,841	47%	June 2017
R3 project	Tianjin	Retail properties, offices, serviced apartments and car parks	121,214	447,919	447,919	47%	September 2020
River and Sea	Tianjin	High-rise apartments, retail properties and car parks	59,660	286,860	282,563	47%	July 2018
Sunac Bay and Island	Tianjin	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, offices and car parks	248,119	599,831	562,991	54%	December 2018
Sunac Top Mansion of the Dongting	Tianjin	High-rise apartments, retail properties and car parks	109,537	269,124	253,700	100%	December 2015
Tiantuo Project	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	370,698	1,332,702	1,303,167	51%	June 2018
Tiantuo North Project	Tianjin	High-rise apartments, retail properties and car parks	56,791	230,900	230,900	51%	December 2018
Majestic Mansion	Tianjin	Mid-rise apartments and car parks	60,088	97,634	83,984	51%	June 2017

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Interest attributable to the Group	Completion time/ Estimated completion time
The National Village	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	321,417	860,021	860,021	39.2%	December 2019
Sunac Olympic Garden	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, offices, serviced apartments and car parks	1,713,641	2,579,673	2,080,219	100%	December 2015
Sunac Eton Manor	Chongqing	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	179,204	405,901	303,940	100%	December 2014
Sunac Guardian Manor	Chongqing	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	159,793	563,089	449,719	100%	December 2015
Jardins de Versailles	Chongqing	High-rise apartments, townhouses, detached villas, retail properties and car parks	397,844	1,366,343	1,163,336	81%	December 2017
Sunac Asia Pacific Enterprise Valley	Chongqing	High-rise apartments, serviced apartments, retail properties, offices and car parks	118,912	741,346	616,518	100%	June 2014
Sunac The European Garden for City -West	Chongqing	High-rise apartments, townhouses, serviced apartments, retail properties and car parks	469,927	1,278,258	1,053,879	100%	June 2019
Powpre Fontainebleau	Chongqing	Townhouses and retail properties	147,400	163,375	128,662	90%	December 2016

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Completion time/ Estimated completion time
Hastin Avenue	Chongqing	High-rise apartments, retail properties, serviced apartments and car parks	75,258	489,844	400,316	51%	December 2018
The European Garden for City -East	Chongqing	High-rise apartments, townhouses, detached villas, retail properties, offices and car parks	813,401	2,095,972	1,733,140	51%	June 2022
Chongqing Rose Garden	Chongqing	Townhouses, detached villas, retail properties and car parks	135,179	172,202	158,451	90%	December 2016
Expo City	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, serviced apartments, offices, retail properties and car parks	583,136	1,496,832	1,267,860	51%	December 2019
Kangtian Project	Chongqing	High-rise apartments, townhouses, retail properties and car parks	138,735	470,263	406,120	36.8%	June 2018
Tegangchang Land Plot	Chongqing	High-rise and mid-rise apartments, retail properties, serviced apartments and car parks	95,974	497,354	410,616	50.1%	June 2019
Sunac Shanghai Magnolia Garden	Shanghai	High-rise and mid-rise apartments and car parks	58,163	126,092	116,738	100%	June 2013
Magnolia Garden-Glorious Garden	Shanghai	Mid-rise apartments, retail properties and car parks	72,803	162,914	146,727	49%	June 2015

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Completion time/ Estimated completion time
Magnolia Mansion	Shanghai	Mid-rise apartments, retail properties and car parks	60,206	118,731	98,138	50%	October 2015
Sunac Shanghai Rose Garden	Shanghai	Detached villas	803,353	240,040	138,413	100%	November 2014
Shanghai Francais Demeure	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	75,091	167,384	153,503	49%	October 2015
Sunac Dynasty on the Bund	Shanghai	High-rise apartments, retail properties, offices, serviced apartments and car parks	105,045	656,865	581,523	100%	December 2018
Bund 188	Shanghai	Retail properties, serviced apartments and car parks	10,239	57,866	49,889	51%	June 2016
Sunac Central Garden	Shanghai	High-rise apartments, retail properties, serviced apartments, offices and car parks	211,626	608,427	511,152	100%	April 2019
Daning North Magnolia Mansion	Shanghai	High-rise apartments, retail properties and car parks	66,170	170,403	151,492	51%	May 2017
Shanghai Rose Mansion	Shanghai	High-rise apartments, retail properties and car parks	45,710	126,100	81,980	50%	May 2017
Fuyuanbinjiang Project	Shanghai	High-rise apartments, serviced apartments, retail properties and car parks	36,988	159,107	146,894	47%	December 2018
Huafeng Project	Shanghai	High-rise and mid-rise apartments, retail properties, offices and car parks	626,200	1,115,947	1,010,100	18.9%	December 2025

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Completion time/ Estimated completion time
Sunac Foshou Lake Project	Nanjing	Mid-rise apartments, townhouses, detached villas	406,970	139,007	71,681	51%	September 2018
Sunac Changzhou Magnolia Square	Changzhou	High-rise apartments, retail properties and car parks	413,253	1,031,766	940,214	97%	November 2020
Fairy Land	Suzhou	Detached villas	213,852	263,930	126,746	56.7%	December 2018
Sunac Suzhou Majestic Mansion	Suzhou	Mid-rise apartments, detached villas	155,664	215,266	121,360	100%	December 2013
Shishan Majestic Mansion	Suzhou	Mid-rise apartments and car parks	104,401	180,514	147,395	51%	December 2017
Sunac Wuxi Magnolia Garden	Wuxi	High-rise apartments, retail properties and car parks	180,826	564,911	543,538	100%	December 2015
Wuxi Magnolia Garden West	Wuxi	High-rise apartments, retail properties and car parks	171,572	533,068	511,546	85%	December 2018
Sunac Royal Garden	Yixing	High-rise apartments, townhouses, detached villas, retail properties and car parks	268,945	465,986	403,959	100%	June 2017
Sunac Comphorwood Mansion	Wuxi	High-rise apartments, detached villas, retail properties and car parks	203,070	694,363	579,570	51%	July 2019
Sunac Swan Lake	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	706,889	1,392,554	1,285,058	100%	December 2015

Project Summary as of 30 June 2015

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Completion time/ Estimated completion time
Sunac Dream of City	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties and car parks	555,861	1,023,538	914,904	100%	November 2017
Sunac Melodious Manor	Hangzhou	Mid-rise apartments, townhouses and car parks	59,360	123,527	82,344	75%	December 2014
Above the West Lake	Hangzhou	High-rise apartments, retail properties, offices, serviced apartments and car parks	58,184	278,554	156,593	49%	October 2017
Wonderful Mansion	Hangzhou	High-rise apartments, retail properties and car parks	20,480	89,259	65,441	50%	May 2015
Sunac In Hangzhou	Hangzhou	Retail properties, offices, serviced apartments and car parks	10,418	153,400	108,374	60%	October 2016
Sunac Fuchun Chateau	Hangzhou	Mid-rise apartments, townhouses, retail properties and car parks	98,024	167,197	123,813	100%	May 2017
Riverside, City	Hangzhou	High-rise apartments, retail properties and car parks	62,760	221,976	170,070	65%	June 2016
Sunac Riverside, City	Hangzhou	High-rise apartments, retail properties and car parks	80,587	262,457	195,345	100%	June 2016
Houchao Mansion	Hangzhou	High-rise apartments, retail properties and car parks	32,200	123,665	92,335	25.5%	June 2017
		Total	14,992,688	35,567,243	30,505,565		

Review of the first half of 2015

In the first half of 2015, the PRC government launched a series of economic stabilization policies to, among others, adjust industrial structure and expand domestic demand which led to a relatively stable macroeconomic environment in the PRC while being confronted with great pressure. For real estate industry, the government promulgated a series of policies to support various policies in relation to residents' reasonable housing demand including tax preference and reduction of housing credit threshold. Meanwhile, the central bank cut deposit and lending bench rates for a consecutive three times and cut the deposit reserve ratio twice, being another strong support to the real estate industry. Even so, the real estate industry only stopped slumping further but no overall recovery could be seen. In fact, only several tier 1 cities and a few tier 2 cities had noticeable recovery during the period under review. Based on the foregoing, it is noted that policies' marginal utility has weakened as compared to the past and the supply and demand of local market have become a key factor of market trend, resulting in formation of a general industry differentiation and integration trend.

The Company has maintained a regional-focused development strategy over the years and most of its projects were developed in tier 1 and 2 core cities with a healthier supply and demand, which made it free of impact from the local market downward and therefore realized an overall stable operation results. In the first half of the year 2015, the profit attributable to owners of the Company reached RMB951 million, representing a growth of 17.0% as compared to the same period last year, and contract sales amounted to RMB27,259 million, flat as the same period last year, of which sales of interest reached RMB18,631 million, representing a growth of 16.2% as compared to the same period last year. While the operation results remained stable, the Company continued to maintain healthy financial conditions. As at 30 June 2015, the Company had a carrying value of RMB16,785 million in cash while its net gearing ratio dropped to 70.7%, remaining a low level in the industry.

In the first half of 2015, the segmentation tended to be more obvious in land market with continuous fragmentation of real estate market. Many other real estate companies reduced their investment in tier 3 and 4 cities and injected heavily into tier 1 cities and a few tier 2 core cities for premium land resources, leading to an over-heating land market in these regions. The Company has been cautious and abandoned lots of over-priced lands to minimise the risks of obtaining unsuitable lands. Meanwhile, the Company sought to capitalize on market opportunities through merger and acquisition and to acquire plenty of prime attributable land bank in tier 1 city Shanghai through merger and acquisition of equity interest in Sunac Greentown

Investment Holdings Limited, a joint venture with Greentown China Holdings Limited as well as partial equity interest in land lots of Shanghai's eastern suburbs, further strengthening the Company's advantages in Shanghai. The Company also entered into Jinan and Nanjing, two new cities it has been working for many years, and was awarded one project in each of Jinan and Nanjing which have further enhanced the Company's regional layout. In the first half of the year, the Company prudentially acquired prime land bank of approximately 5.25 million sq.m. in existing cities and newly-entered Jinan and Nanjing, which would strongly support its sustainable development in the future. As at 30 June 2015, the Company's land bank and total attributable land bank were approximately 23.24 million sq.m. and 14.75 million sq.m., respectively. The breakdown of the land bank by region is as follows:

Region	**Total Land Bank** *(Sq.m.)*	**Proportion**	**Attributable Land Bank** *(Sq.m.)*	**Proportion**
Beijing Region (including Jinan)	2,271,526	10%	1,051,426	7%
Tianjin	5,290,894	23%	3,059,981	21%
Shanghai Region (including Suzhou, Changzhou, Wuxi, Yixing, Nanjing)	6,084,837	26%	4,159,896	28%
Chongqing	8,471,543	36%	5,684,152	39%
Hangzhou	1,118,861	5%	796,304	5%
Total	**23,237,661**	**100%**	**14,751,759**	**100%**

Outlook for the second half of 2015

In the second half of 2015, the Company expects that the PRC government will adopt additional measures to maintain basic stability of economy while promoting the adjustment of economic structure. As a result, it is expected that the macroeconomic growth, though facing great pressure, may not have a significant fluctuation and may remain a reasonable growth. In terms of real estate policies, the Company expects a loose development to continue. In addition, with the deepening of financial reforms and the gradual opening of capital market in China, the real estate industry will increase its domestic financing channels with cost of financing declining dramatically, which would be very conducive to the long term development of real estate market. In the second half of the year, the real estate industry will remain stable on the whole but will continue to differentiate. There will be more mergers, acquisitions and consolidations in the industry and the market share will increasingly flow to medium to large companies that have premium land bank, strong operational capabilities and financing strengths and affluent cash flows.

In the second half of the year, the Company also expects to launch about 8 new projects for sales, which are located in active markets including Beijing, Tianjin, Shanghai, Hangzhou and Suzhou. Such launches would render the Company's annual overall merchantable resources exceeding RMB100 billion. Having such an abundant supply of quality salable resources will ensure the fulfillment of the Company's annual sales target. In respect of land acquisition, the Company will remain prudent and cautious to, on the one hand, strengthen and enhance the Company's leadership and competitive edges in Beijing, Tianjin, Shanghai, Chongqing and Hangzhou while seeking more opportunities for development in Nanjing and Jinan, and on the other hand, seek opportunities to enter in a few other tier 1 and 2 core cities, thereby further improving the Company's regional layout, on the premise of guaranteeing the safety of cash flow. In the second half of the year, the Company will insist on cash flow and gearing ratio management to guarantee the safety and stability of the Group's financial position as a whole. At the same time, the Company will take full advantage of domestic financial reforms and lowering of financing cost to further optimize debt structure, lower financing cost and improve profitability.

OTHER INFORMATION

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2015, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as the guidelines for the directors' dealings in the securities of the Company. Following specific enquiries of all directors of the Company, each of them confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2015 in relation to their securities dealings, if any.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 to the Listing Rules as its own code on corporate governance and had, throughout the six months ended 30 June 2015, complied with all applicable code provisions under the Corporate Governance Code, save and except for the only deviations from code provisions A.2.1 and E.1.2.

Code provision A.2.1 provided that, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are performed by Mr. Sun Hongbin. Although Mr. Sun Hongbin assumes both the roles of chairman and chief executive officer, the divisions of responsibilities between the two roles are clearly defined. The role of the chairman is to monitor the duties and performance of the Board, whereas the role of chief executive officer is to manage the Group's business. The Board believes that at the current stage of development of the Group, vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

Code provision E.1.2 provided that, the chairman of the Board should attend the annual general meeting and be available to answer questions at the meeting. Mr. Sun Hongbin (chairman of the Board) was unable to attend the Company's annual general meeting held on 19 May 2015 as he had to attend certain business matters in the PRC on the same day. Accordingly, the Company was unable to fully comply with code provision E.1.2 of the Corporate Governance Code.

The Board recognises and appreciates the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the performance and business strategies of the Group. They, together with the relevant senior executives of the Company, have also attended regular trainings on Listing Rules and other regulatory requirements. The Company has established an internal reporting practice throughout the Group in monitoring the operation and business development of the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3 of the Corporate Governance Code. The Audit Committee consists of four independent non-executive directors of the Company, namely, Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai, and is chaired by Mr. Poon Chiu Kwok who has possessed appropriate accounting and related financial management expertise. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee and the auditor of the Company, PricewaterhouseCoopers, have reviewed the accounting principles and practices adopted by the Company and discussed matters related to auditing, internal control and financial reporting matters, including the review of the unaudited interim financial results of the Group for the six months ended 30 June 2015.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.sunac.com.cn). The Company's interim report for the six months ended 30 June 2015 will be dispatched to shareholders of the Company and published on the aforementioned websites in due course.

By the order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 24 August 2015

As at the date of this announcement, the executive Directors are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. LI Shaozhong, Mr. CHI Xun, Mr. SHANG Yu and Mr. JING Hong; the non-executive Director is Mr. ZHU Jia, and the independent non-executive Directors are Mr. POON Chiu Kwok, Mr. LI Qin, Mr. MA Lishan and Mr. TSE Chi Wai.