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 2015

RESULTS HIGHLIGHTS

1. Revenue increased by 23.3% to RMB29.193 billion (corresponding period in 2014: RMB23.675 billion). Revenue from hotels, rentals and other income were RMB1.462 billion, representing an increase of 36.6% over the corresponding period of last year.

2. Gross profit increased by 11.0% to RMB8.962 billion (corresponding period in 2014: RMB8.074 billion), gross profit margin decreased to 30.7% from 32.5% for the year of 2014.

3. Profit attributable to shareholders was RMB3.559 billion. Excluding the net impact of major after-tax non-cash items, net profit from core business attributable to shareholders amounted to RMB3.487 billion and net profit margin from core business attributable to shareholders was 15.2%.

4. Basic earnings per share were RMB102.84 cents.

5. Contracted sales amounted to RMB31.550 billion for the first half of 2015 with contracted sales area of 2.627 million sq.m..

6. As at 30 June 2015, the Group's attributable land bank was approximately 33.31 million sq.m..

7. As at 30 June 2015, funds at the Group's disposal amounted to approximately RMB44.335 billion, including cash of approximately RMB27.335 billion and the balance of available banking facilities of approximately RMB17.000 billion.

8. As at 30 June 2015, net gearing ratio was 57.5% (as at the end of 2014: 58.6%).

9. The Board declared the payment of an interim dividend of HK30 cents per share (2014 interim: HK30 cents per share).

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the interim results of Shimao Property Holdings Limited ("Shimao Property" or the "Company", together with its subsidiaries, the "Group") for the six months ended 30 June 2015.

Market and Outlook

The real estate market underwent a transition by entering into a silver era from a golden era in 2014. After a period of downturn, a number of policies favorable to the real estate market were introduced by the government in the first half of 2015. According to statistics from multiple perspectives, the market has stabilized and began to resume vibrancy. The developers prudently manage the supply to maintain the steady growth in sales. In the first half of 2015, the total investment in property development in China was approximately RMB4,400 billion, representing a year-on-year increase of 4.6%. A steady growth of the market was achieved in the transition. The effectiveness of control on supply was significant which a total of approximately 98 million sq.m. of land were acquired by developers in China in the first half of 2015, representing a year-on-year drop of 33.8%. A total of approximately 500 million sq.m. of gross floor area of national commodity properties were sold for approximately RMB3,400 billion, representing year-on-year increases of 3.9% and 10%, respectively. Sales increased constantly, showing an improvement of 6.9 percentage points.

From all tiers of cities, due to low inventory and strong demand, and supported by various favorable policies, the real estate market in the first-tier cities and some second-tier cities recovered rapidly. The transaction volume of commodity housing in Beijing, Shanghai, Guangzhou and Shenzhen experienced a sharp increase in the first half of 2015 as compared to the corresponding period of last year. In particular, demand in Shenzhen was strong which led to a significant growth in transaction volume by over 30%. Approximately 39,000 units of commodity housing were sold in Nanjing, a tier-one-ready city, in the first half of 2015, representing a year-on-year growth of 15% and a record high in transaction volume. The property market of Xiamen has bottomed out since March. In particular, the market saw remarkable improvement in the second quarter. The transaction volume set new records and the prices showed moderate growth. However, in some third- and fourth-tier cities, the real estate market remained sluggish due to high inventory and weak demand.

Looking forward to the second half of 2015, it is expected that the market will be further stabilized. The market performance in tier-one and tier-two cities will remain active as in the first half of the year. Pressure of high inventory will still exist in tier-three and tier-four cities. Inventory clearance shall become the primary task. A number of projects of the Group will be launched for sale in the end of the third quarter and the fourth quarter, approximately 54% of which will be launched in tier-one and tier-one-ready cities. Our supply will meet the market demand. It is expected that the performance of the Group in the second half of 2015 will be better than that of the first half.

In terms of policies, new progress in system reforms of the real estate market is expected in the second half of 2015, including the acceleration of replacement of business tax by value-added tax in the real estate industry, relaxation of home-purchase restrictions to facilitate the marketization of the real estate industry, the advancement of immovable property registration and the implementation of supplemental regulations on property tax. Regional synergetic development represented by the Beijing-Tianjin-Hebei economic integration will also be accelerated.

Sales Achievements

In the first half of 2015, the real estate market of China gradually stepped out from adversity and showed signs of recovery. In light of this, the Group expects that its sales will maintain steady growth. At the beginning of 2015, the Group set its annual contracted sales target at RMB72.0 billion. In the first half of 2015, the Group realized contracted sales of RMB31.550 billion, representing approximately 43.8% of the annual target. The total sales area amounted to 2,627,000 sq.m., with an average selling price of RMB12,011 per sq.m. during the period.

In respect of the city projects, the Group possesses strong competitiveness in the industry, of which the average sale was approximately RMB1.05 billion for each city and approximately RMB0.53 billion for each project, ranking as the top five and top three in the industry. In terms of cities, the sales in each of Nanjing, Beijing, Xiamen and Hangzhou were more than RMB2.5 billion. In terms of projects, the sales of Beijing Shimao Salamanca, Xiamen Xiang'an project, Nanjing Shimao Bund New City, Nanjing Straits City and Wuhan Shimao Splendid River were RMB1.477 billion, RMB1.394 billion, RMB1.343 billion, RMB1.194 billion and RMB1.255 billion, respectively. In addition, the prices of the above projects were upward adjusted in the first half of 2015 by more than 7% in general, some of which even increased by 20%. Both sales volume and prices increased and the Group outperformed in the market.

In respect of inventory clearance, the inventory sales of Shimao Property in the first half of 2015 was RMB15.2 billion. The inventory level of the Group as at 30 June 2015 dropped by RMB6.5 billion, representing a decrease of 15% as compared with that at the end of 2014. With respect of inventory sales strategy, pricing was strategically adjusted to boost the sales of inventory in tier-three and tier-four cities with relatively low demand. Success was achieved which inventory sales of approximately RMB4.8 billion were realized in these cities. As a result, a strong business foundation was laid by optimizing the inventory level, increasing the cash flow ratio and enhancing the competiveness.

In respect of product positioning, following a number of conferences and case studies in the first half of 2015, the Group fine-tuned its marketing strategy by focusing on niche market in the second half of the year. The Group will increase its supply to tier-one and tier-one-ready cities to 54% of a total value of more than RMB20.0 billion in the second half of the year. Following the implementation of product standardization and the addition of attractions on products, supporting facilities as well as education, the competitiveness and bargaining power of the Group's projects were improved. The Group is confident that, with its continuous efforts to meet the market's demand, its performance will be better in the second half of 2015.

Prudent Replenishment of Land Reserves

In the first half of 2015, the Group acquired 633,484 sq.m. of land for development in Beijing, Shanghai, Fuzhou, Nanjing and Yinchuan. Currently, Shimao Property holds 103 projects totalling 33.31 million sq.m. (attributable interests) of quality land in 41 cities across the country.

The Group upheld its prudent strategy and adopted a more cautious approach in replenishing land reserves. Cooperation with other real estate developers in joint development projects is one of the Group's key development strategies in 2015. Through the cooperation with local state-owned real estate developers by investing to their development projects, the Group is able to acquire quality land at reasonable costs indirectly, which effectively reduces the capital requirement and cost of project operation, and thereby alleviates the financial pressure of the Group. On the other hand, the extensive project experience and superior brand position of the Group can enhance the values as well as the returns of the cooperation projects.

Promoting Light Asset Operation

In the first half of 2015, the Group further promoted the "Lifestyle Operator" strategy and actively implemented the new strategic model of people-oriented operation. From the debut of MiniMax Hotel at the end of 2014 to the opening of Mini Mall, the Group has been launching new products in a systematic and orderly manner. Mini Hotel and Mini Mall, which are the two major projects of the "Mini" series, are known for their compact scale which distinguishes them from traditional luxury hotels and large-scale shopping malls. As the Group's first two brands under the asset-light strategy, they offer customized products for specific target customer groups. They are able to enter or exit the market nimbly and their products can be replicated easily. The MiniMax Hotel Shanghai Songjiang recorded an occupancy rate of over 80%. In the first half of 2015, the Group launched the "52+" ("I Love Home") Mini Mall series, and the first batch of Mini Malls will commence operation in Wuhan and Nanjing by the end of October this year. The "Mini" series is the Group's key product. With the operation of new business models including the "Mini" series, the Group will be able to attract more investors and lower the proportion of internal capital investment in order to increase the rate of return of assets held by the Group.

Determination to Uphold Prudent Financial Policy

In the first half of 2015, attributable to the Group's adherence to its prudent financial policy, the Group managed to maintain the stability of various financial indexes and retain its leading position in the industry while the real estate market saw consolidation and narrowing margins. The operating income and profits of the Group recorded growth in different degrees while the gross profit margin, net profits, net profit margin from core business attributable to shareholders and net gearing ratio were stronger than the industry averages. Control on gearing ratio and finance costs became focus of the Group's financial management. To ensure the sufficiency of cash reserve and liquidity, the Group strengthened its budget management and receivables collection policy so that the cash level can be maintained at RMB27.3 billion or above, which enabled the Group to deal with challenging and ever-changing economic and financial environments. Furthermore, different major financial institutions provided adequate facilities to the Group which supported the sustainable development of the Group.

With strong operation and financial performance, the Group's Long-Term Corporate Credit Rating was upgraded from "BB" to "BB+" by an international credit rating agency, Standard & Poor's, in July 2015. In addition, in August 2015, the Group was rated "AAA", the highest Corporate Credit Rating, by the three biggest credit rating institutions in the Mainland, namely, CCXI (中誠信證券評估有限公司), United Ratings Co., Ltd. (聯合信用評級有限公司) and Dagong Global Credit Rating Co., Ltd. (大公國際資信評估有限公司) successively.

Following the relaxation of national monetary policy and several rounds of rate cuts as well as reductions of required reserve ratio by the central bank in the first half of 2015, the pressure of high finance cost on the real economy was released to a certain extent. By leveraging on the favorable government policies, the Group explored the possibility of financial innovation in the real estate market to revitalize its assets and to optimize the capital structure. In particular, the Group actively explored opportunities in the securities market and successfully launched the first securitization of revenues of properties in the Mainland. The securities were approved for listing on the Shanghai Stock Exchange, the first of its kind in the real estate industry. On the other hand, the Group also probed customized financial services for the upstream and downstream of the real estate industry jointly with financial institutions. In particular, during the liberalization of the capital market in China, Shanghai Shimao Jianshe Co., Ltd., a wholly-owned subsidiary of the Group, has received approval from the Shanghai Stock Exchange recently that upon completion of all procedures, it would be allowed to carry out the public issuance of domestic bonds of up to RMB7.4 billion of a term of seven years by phases. Shimao Property will make use of the opportunities available in the domestic capital market to further reduce the finance cost. In addition, Shanghai Shimao Co., Ltd. ("Shanghai Shimao") is also restructuring its business structure with a view to improving operation management.

We believe that the national regulatory control on economy will continue in the second half of 2015 and the domestic real estate market will face more challenges. The Group is determined to maintain its prudent financial policy and invest with cautions. We will closely monitor the domestic as well as foreign financial markets, capture opportunities in the capital market, further revitalize its assets through the securitization of hotels and commercial properties and other financial innovations on property. The Group will maintain its operation efficiency and profitability and will further reduce its gearing ratio and finance cost as well as financing expense. We will also equip ourselves for any changes and challenges in the real estate market so as to ensure the accomplishment of our strategic objectives.

Interim Dividend

To demonstrate our appreciation for our shareholders' unstinting support, the board of directors of the Company (the "Board") declared the payment of an interim dividend of HK30 cents per share for the six months ended 30 June 2015 (corresponding period in 2014: HK30 cents per share).

Appreciation

On behalf of the Board, I would like to thank our shareholders, partners, local governments and customers for their tremendous support. I would also like to take this opportunity to express my heartfelt gratitude to our directors, management and staff for all their valuable contributions. The Group's success together with fulfillment of corporate goals are attributable to their support and commitment.

Hui Wing Mau
Chairman

Hong Kong, 26 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Property Development

1) *Recognized Sales Revenue*

The Group generates its revenue primarily from property development, property investment and hotel operations. As at 30 June 2015, revenue of the Group reached RMB29.193 billion, grew by 23.3% when compared to RMB23.675 billion for the corresponding period in 2014. During the period, revenue from property sales amounted to RMB27.731 billion, accounting for 95.0% of the total revenue and representing an increase of 22.7% over the corresponding period in 2014. The average recognized selling price decreased by 3.7% to RMB11,092 per sq.m. in the first half of 2015, from RMB11,518 per sq.m. for the corresponding period in 2014. The number of projects recognized by the Group in the first half of 2015 totalled 59, higher than the 47 projects recognized in the corresponding period in 2014, of which Nanjing Shimao Bund New City achieved great results with recognized sales revenue of RMB2.196 billion; Quanzhou Shishi Shimao Skyscraper City, the first runner-up, with recognized sales revenue of RMB2.062 billion; and Beijing Shimao Salamanca, the second runner-up, with recognized sales revenue of RMB1.931 billion.

2) *Steady Sales Growth*

With respect to property sales, the Group's contracted sales amounted to RMB31.550 billion in the first half of 2015, representing approximately 43.8% of its annual target. The aggregate sales area reached 2,627,000 sq.m., with an average selling price of RMB12,011 per sq.m. during the period.

Attributable to the favorable government policies, the performance of the Group showed improvement in the first half of 2015. The increase in sales in first-tier cities brought benefits to the performance of third- and fourth-tier cities in their proximity. The improvement in sales of the Group demonstrated the effectiveness of our sales strategy. Looking forward to the second half of 2015, the Group will launch approximately 5.15 million sq.m. saleable area. Together with the existing saleable areas of approximately 1.85 million sq.m. as at 30 June 2015, the Group's total saleable area in the second half of 2015 can reach approximately 7.00 million sq.m..

3) *Completion of Development Projects and Plans as Scheduled*

The Group made timely adjustments to strategy of inventory supply and construction plans, put off or cancelled the supply of certain products of same quality and exerted efforts in clearing up projects with higher inventory level so as to correspond with the market fluctuations. During the first half of 2015, construction of approximately 1.34 million sq.m. of area was adjusted or suspended, with floor area under construction reaching 12.48 million sq.m.. A decrease of approximately 2.6% in the area under construction for the year is anticipated. The aggregate gross floor area ("GFA") completed by the Group in the first half of 2015 was approximately 3.88 million sq.m., 55.2% higher than the 2.50 million sq.m. completed in the corresponding period of last year. As at 30 June 2015, the Group held more than 82 developing projects in more than 40 cities. The growing number of projects under construction has laid a solid foundation for the Group's future development. Looking forward to the second half of 2015, the GFA planned for completion of the Group will be maintained at approximately 3.12 million sq.m., 16% lower than that for the corresponding period in 2014.

4) *Steady Expansion of Land Bank for Long-Term Sustainable Development*

To support its sustainable development, the Group adopts an active but prudent policy toward land acquisition. In the first half of 2015, the Group acquired 633,484 sq.m. of land bank in Beijing, Shanghai, Fuzhou, Nanjing and Yinchuan. Currently, Shimao Property possesses 103 projects in 41 cities in the country, with a high-quality land bank of 33.31 million sq.m. (attributable interests). The premium land resources and relatively low land cost provide continued support to Shimao Property's results in the major markets nationwide in the next few years.

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

New land parcels	Date of acquisition	Usage	Land cost (Attributable interests) *(RMB million)*	Total planned GFA *(sq.m.)*	Cost per sq.m. *(RMB)*	Group's interest
Shimao Property						
1. Fuzhou Ebi Project (commercial centre)	March 2015	Commercial	80.53	91,473	880	100%
2. Guling Zhuli Hotel	March 2015	Tourism, hotel, commercial and office	20.75	18,900	1,098	100%
3. Nanjing Jiangning Higher Education Mega Centre	April 2015	Residential and commercial	340.00	53,349	6,373	100%
4. Yinchuan Yuehai Project	April 2015	Residential and commercial	213.29	317,066	1,319	51%
5. Beijing Tongzhou Project (parcel in northern region)	February 2015	Commercial	640.84	86,600	14,800	50%
6. Shanghai Nanjing Road parcel	June 2015	Residential and commercial	1,400.97	66,096	47,102	45%
Total			2,696.38	633,484	8,295	

Geographically, the majority of the newly-acquired land parcels by Shimao Property in the first half of 2015 were situated in second- and third-tier cities at provincial capital level, which have enormous potential for development and markets of which have not yet reached saturation, assuring the projects of adequate room for development and capability to resist risks. The average floor price of the new land reserves was approximately RMB8,295 per sq.m. in terms of land cost. The Group holds sensible attitude, increases its land reserves by following its long-standing prudent policy and strives to strike a balance between development opportunity and risk control. As at 30 June 2015, the Group's average land cost was RMB2,620 per sq.m.. The relatively low land cost provides effective assurance for the Group to achieve a higher profit margin in the future.

Property Investment

With respect to commercial properties, Shimao Property develops commercial properties through its 64.08% owned subsidiary, namely, Shanghai Shimao, which is primarily engaged in the development and operation of commercial properties. In addition to actively grasping development opportunities in the domestic commercial property market, Shanghai Shimao provides diversified commercial properties and excellent services by carrying out strategies on professional exploitation and operation of commercial properties. Shanghai Shimao continues to reinforce its integrated competitiveness, and aims to become an outstanding listed professional developer and operator of commercial properties.

Attributable to the further enhancement of its operation and management capability during the period, Shanghai Shimao maintained the development momentum of its diversified business operations, including commercial property development, commercial plaza operations and cinema investment and management, and obtained successive improvement of its operational performance. During the first half of 2015, Shanghai Shimao adhered to its market-oriented product positioning and marketing strategies. It proactively regulated the timing of the launching new properties and kept strengthening the sales efforts. Shanghai Shimao achieved impressive results from the sales of several projects in Qingdao, Jinan, Shishi, Ningbo, Wuxi, Suzhou, Changshu, Xuzhou and Changzhou. Adhering to a market-oriented and customer-driven business concept, and centering on annual operation strategies and targets, Shanghai Shimao will endeavor to further enhance the monitoring capacity of each business line as well as the managerial standard of each professional team in the second half of the year.

With respect to cinema investment and management, the Chinese film market maintained a strong growth momentum in the first half of 2015. As a result, the box office's result exceeded RMB20.363 billion, representing an increase of approximately 50.0% compared to the corresponding period in 2014. Shimao's cinemas recorded a revenue of RMB159 million in the first half of the year, representing a significant year-on-year increase of 53.7%, and provided film showing service to more than 4.06 million audiences, representing a year-on-year increase of 30.1%. All cinemas achieved substantial growth in revenue from box office, derivatives and product sales. During the period, Shimao Cinema Investment and

Development Limited, a subsidiary of Shanghai Shimao, entered into a strategic cooperation with Wanda Cinema Line, pursuant to which both parties enjoy resources-sharing to achieve a win-win situation by complementing the strengths of each other. The strategic cooperation encouraged the interaction and cooperation between both parties in related business. Under the integration of investment in cinemas and resources of film distribution with Wanda Cinema Line, the regional competitiveness, influence and operating efficiency of Shanghai Shimao were further enhanced and the cooperation on areas other than commercial properties was further developed. In addition, Shanghai Shimao is able to share the achievements in cultural industries of Wanda Cinema Line in the future, which will further optimize the major business structure of Shanghai Shimao.

With respect to investment on culture and media, during the reporting period, Shimao Media actively participated in the development of Chinese cultural industry. Films and television dramas it invested had been gradually released during the year and received positive market response and satisfactory operating results. Tiger Mom, a television drama invested by Shanghai Shimao, premiered on 3 May on Dragon Television and Tianjin Satellite Channel and received overwhelming response with high audience rating. It won the nation's most favourite TV drama award on Chinese TV Series Satisfaction Survey at 17th Huading Award (華鼎獎). Detective Gui and Honey Enemy, films invested by Shanghai Shimao, are released nationwide in August 2015. Shimao Media will exert great efforts in investment and operation of cultural industry projects and strive to produce and nurture more outstanding projects and products.

In respect of kids business, during the reporting period, Shitian Child Development Centre further enhanced the operational efficiency, improved quality of services and proactively modified its management structure and staff deployment. While continuing to enrich the contents of its kids business, Shanghai Shimao will, through the development of markets of child education and show business, explore different business models for different operations, with an aim to identify its distinctive development path in this competitive industry.

Hotel Operations

The Group has developed from a hotel owner into a hotel owner and operator which is a milestone of the development of the hotel operations of the Group. As of 30 June 2015, the Group had 12 hotels in operation, including Le Royal Méridien Shanghai, Hyatt on the Bund, Le Méridien Sheshan Shanghai, Hilton Nanjing Riverside, Holiday Inn Mudanjiang, Holiday Inn Shaoxing, Double Tree by Hilton Wuhu, Crowne Plaza Shaoxing, InterContinental Fuzhou, Hilton Tianjin Eco-city, Yuluxe Hotel Taizhou, a self-operated five-star hotel, and MiniMax Hotel Shanghai Songjiang, the first mid-ranged hotel served with selected services. Currently, the Group has around 4,600 hotel guest rooms.

In recent years, the hospitality industry in China has been under the pressures of slowing down economy, tightening government policies, weakening convention market and pricing competition. High-end hotels in China are in the rapid consolidation cycle with decline in both room rates and occupancy rates. During the period from the second half of 2014 to the first half of 2015, the decline was slowed down. It is expected that room rates and occupancy rates will turn around in the second half of 2015. The Group's hotels achieved revenue of RMB624 million in the first half of 2015, representing a year-on-year increase of 16.2%. In the first half of 2015, the Group further promoted its "Lifestyle Operator" strategy and actively implemented the new strategic model of people-oriented operation. The performance of MiniMax Hotel Shanghai Songjiang, which commenced operation at the end of 2014, met the expectation in general, gross profit margin of which is higher than other five-star hotels of the Group. The Group has been systematically developing new products stage by stage. The flagship hotel in Hongqiao of Shanghai and the hotel project on Chunxi Road of Chengdu of the Group will be completed as scheduled. The Group may be involved in multiple businesses such as elderly care, youth hostel and finance in the future. The light asset business is conducted further through advanced technology, quality services and professional operating standard.

Looking forward to the second half of the year, challenges and opportunities still coexist in the hotel market. From a macroscopic perspective, the economy of China will maintain a steady growth and a GDP growth of around 7% will definitely be achieved. The government will introduce various measures to promote the development of tourism industry and to boost individual consumption. The number of foreign visitors tends to become stable and the number of local tourists is increasing significantly. On the other hand, the oversupply of rooms still remains in the hotel market and some hoteliers are squeezed out by increasingly severe competition. On the positive side, competition will drive the members in the hotel industry to keep improving themselves, bring greater customer satisfaction and explore markets so as to enhance their competitiveness.

FINANCIAL ANALYSIS

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

	1H 2015 ***RMB million***	1H 2014 *RMB million*
Revenue	**29,193**	23,675
Gross profit	**8,962**	8,074
Operating profit	**7,881**	7,189
Profit attributable to shareholders	**3,559**	4,180
Earnings per share – Basic *(RMB cents)*	**102.84**	120.83

1. Revenue

For the six months ended 30 June 2015, the revenue of the Group was approximately RMB29,193 million (1H 2014: RMB23,675 million), representing an increase of 23.3% over the corresponding period in 2014. 95.0% (1H 2014: 95.5%) of the revenue was generated from the sales of properties and 5.0% (1H 2014: 4.5%) from hotel operations, leasing of commercial properties and others.

The components of the revenue are analysed as follows:

	1H 2015	1H 2014
	RMB million	*RMB million*
Sales of properties	**27,731**	22,605
Hotel operating income	**624**	537
Rental income from investment properties	**371**	285
Others	**467**	248
Total	**29,193**	23,675

(i) Sales of Properties

Sales of properties for the six months ended 30 June 2015 and 2014 are set out below:

	1H 2015		1H 2014	
	Area (Sq.m.)	***RMB million***	*Area (Sq.m.)*	*RMB million*
(a) Shimao Property				
Beijing Shimao Salamanca	**209,784**	**1,931**	–	–
Fuzhou Minhou Shimao Dragon Bay	**192,165**	**1,870**	152,323	1,399
Wuhan Shimao Splendid River	**160,375**	**1,835**	75,256	874
Chengdu Shimao Royal Bay	**114,616**	**1,310**	108,997	1,432
Quanzhou Jinjiang Shimao Dragon Bay	**113,543**	**1,199**	124,348	1,020
Fuzhou Pingtan Straits Future City	**131,915**	**1,182**	–	–
Kunshan Shimao East No. 1	**141,044**	**976**	171,730	1,249
Xiamen Shimao Lakeside Garden	**28,823**	**899**	37,245	913
Nanjing Straits City	**46,796**	**894**	–	–
Zhangjiagang Shimao Lake Palace	**62,404**	**793**	63,405	1,066
Suzhou Shimao Canal Scene	**57,528**	**741**	117,937	1,342
Nanjing Shimao Glory Villa	**40,927**	**666**	79,440	1,352
Suzhou Shimao Shihu Bay	**41,961**	**574**	13,141	321

	1H 2015		1H 2014	
	Area (Sq.m.)	***RMB million***	*Area (Sq.m.)*	*RMB million*
Changzhou Shimao Champagne Lake	**78,120**	**536**	85,239	608
Hangzhou Shimao Riviera Garden	**83,312**	**535**	2,351	17
Hangzhou Shimao Above the Lake	**20,718**	**475**	–	–
Tianjin Shimao Wetland Century	**54,090**	**465**	44,418	375
Shaoxing Shimao Dear Town	**43,071**	**419**	152,761	1,652
Wuhan Shimao Lake Island	**50,642**	**366**	14,520	180
Beijing Shimao Lá Villa	**16,495**	**344**	–	–
Shanghai Shimao Sheshanli	**11,212**	**223**	2,000	42
Wuxi Shimao International City	**27,557**	**218**	–	–
Chengdu Shimao City	**33,248**	**216**	9,500	52
Hangzhou Shimao East No.1	**12,187**	**212**	–	–
Wuhan Shimao Dragon Bay	**26,670**	**187**	14,210	80
Ningbo Shimao The Capital	**7,533**	**116**	–	–
Qingdao Shimao Noble Town	**13,077**	**102**	54,553	551
Ningbo Shimao Sea Dawn	**14,593**	**100**	3,382	32
Dalian Shimao Dragon Bay	**8,464**	**85**	55,507	506
Ningbo Shimao Dragon Bay	**6,888**	**73**	1,051	11
Mudanjiang Shimao Holiday Landscape	**9,150**	**51**	–	–
Nantong Shimao In the Park	**6,957**	**48**	4,372	43
Shenyang Shimao Wulihe	**4,382**	**45**	15,435	151
Shanghai Shimao Emme County	**3,934**	**35**	447	4
Wenchang Shimao Blooming Sea	**3,336**	**30**	42,767	449
Harbin Shimao Riviera New City	**6,924**	**22**	23,375	128
Xianyang Shimao The Centre	**3,936**	**17**	25,394	159
Dalian Shimao Glory City	**2,120**	**12**	18,426	170
Taizhou Shimao Riverside Garden	**2,244**	**8**	38,404	198
Shenyang Shimao Notting Hill	**705**	**8**	8,927	99
Jiaxing Shimao New City	**797**	**6**	17,256	106
Ningbo Shimao World Gulf	**697**	**6**	2,928	27
Xuzhou Shimao Dongdu	**291**	**4**	5,119	47
Shenyang Shimao Bojing Plaza	**865**	**4**	25,057	321
Ningbo Yuyao Shimao Moushan Lake	**–**	**–**	4,077	30
Subtotal (a)	**1,896,096**	**19,838**	1,615,298	17,006

	1H 2015		1H 2014	
	Area (Sq.m.)	***RMB million***	*Area (Sq.m.)*	*RMB million*
(b) Shanghai Shimao				
Nanjing Shimao Bund New City	**128,412**	**2,196**	45,637	377
Quanzhou Shishi Shimao Skyscraper City	**211,281**	**2,062**	–	–
Xiamen Shimao Straits Mansion	**26,470**	**936**	91,417	2,355
Jinan Shimao Skyscraper City	**75,127**	**743**	–	–
Qingdao Shimao Noosa Bay	**39,289**	**437**	95,578	1,196
Suzhou Shimao Royal Villa	**21,142**	**293**	–	–
Changzhou Shimao Champagne Lake (Commercial)	**36,094**	**290**	830	8
Jinan Shimao International Plaza	**11,821**	**269**	6,559	128
Changshu Shimao The Centre (Commercial)	**16,522**	**253**	–	–
Tianjin Wuqing Shimao Luxury Mansion	**16,167**	**156**	–	–
Ningbo Shimao Sunlake Centre	**8,723**	**117**	–	–
Suzhou Shimao Canal Scene (Commercial)	**5,698**	**51**	18,473	303
Wuhan Shimao Carnival	**3,704**	**45**	49,690	458
Xuzhou Shimao Dongdu (Commercial)	**3,397**	**41**	330	4
Wuhu Shimao Riviera Garden (Commercial)	**239**	**4**	3,029	10
Kunshan Shimao International City	**–**	**–**	3,000	32
Shanghai Shimao Wonderland	**–**	**–**	6,002	169
Qingdao Shimao Shi'ao Tower	**–**	**–**	26,684	559
Subtotal (b)	**604,086**	**7,893**	347,229	5,599
Total (a) + (b)	**2,500,182**	**27,731**	1,962,527	22,605

(ii) Hotel Income

Hotel operation income is analysed as follows:

	1H 2015 *RMB million*	1H 2014 *RMB million*
Le Royal Méridien Shanghai	**185**	182
Hyatt on the Bund	**176**	162
Le Méridien Sheshan Shanghai	**79**	71
InterContinental Fuzhou	**43**	21
Hilton Nanjing Riverside	**37**	37
Crowne Plaza Shaoxing	**33**	17
Double Tree by Hilton Wuhu	**25**	19
Holiday Inn Shaoxing	**16**	16
Holiday Inn Mudanjiang	**12**	12
Yuluxe Hotel Taizhou	**10**	–
MiniMax Hotel Shanghai Songjiang	**4**	–
Hilton Tianjin Eco-city	**4**	–
Total	**624**	537

Hotel operation income increased approximately 16.2% to RMB624 million from approximately RMB537 million over the six months ended 30 June 2015. The increase was mainly derived from increasing occupancy rate and newly-opened hotels.

(iii) Rental Income and Others

Rental income from investment properties reached approximately RMB371 million, which increased by 30.2% mainly due to the growth of the average rent and the newly opened Jinan Shimao International Plaza.

Other income amounted to approximately RMB467 million (1H 2014: RMB248 million) was mainly derived from operation of cinemas, property management and department stores.

	1H 2015	1H 2014
	RMB million	*RMB million*
Shanghai Shimao International Plaza	**78**	77
Beijing Shimao Tower	**67**	66
Shaoxing Shimao Dear Town	**50**	49
Jinan Shimao International Plaza	**44**	–
Beijing Fortune Times (Commercial)	**33**	25
Kunshan Shimao Plaza	**20**	13
Shanghai Shimao Shangdu	**18**	18
Suzhou Shimao Canal Scene	**16**	10
Changshu Shimao The Centre	**8**	8
Xuzhou Shimao Dongdu (Commercial)	**5**	5
Wuhu Shimao Riviera Garden (Commercial)	**3**	3
Miscellaneous rental income	**29**	11
Others	**467**	248
Total	**838**	533

2. Cost of Sales

Cost of sales increased by 29.7% to approximately RMB20,231 million for the six months ended 30 June 2015 from RMB15,602 million for the six months ended 30 June 2014, 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 2015	1H 2014
	RMB million	*RMB million*
Sales taxes	**1,675**	1,344
Land costs and construction costs	**16,472**	12,705
Capitalised borrowing costs	**1,754**	1,251
Direct operating costs for hotels, commercial properties and others	**330**	302
Total	**20,231**	15,602

3. Fair Value Gains on Investment Properties

During the period under review, the Group recorded aggregate fair value gains of approximately RMB820 million (1H 2014: RMB1,097 million), mainly contributed by further increase in value of certain investment properties and the addition in number of investment properties. Aggregate net fair value gains after deferred income tax of approximately RMB205 million recognized was RMB615 million (1H 2014: fair value gains after deferred income tax was RMB823 million).

4. Other Gains

Other gains of approximately RMB406 million for the six months ended 30 June 2015 (1H 2014: RMB122 million) included mainly gains on acquisition of equity interests in joint ventures of RMB210 million, foreign exchange gains of RMB80 million and others.

5. Selling and Marketing Costs and Administrative Expenses

Selling and marketing costs for the period was approximately RMB661 million (1H 2014: RMB625 million). Selling and marketing costs increased by 5.8% in line with the increase in number of projects put into presale compared with the same period of 2014. The sales team also focused on effectiveness of sales strategy according to the changes in the market. Administrative expenses for the period was RMB1,563 million (1H 2014: RMB1,415 million), and increased by 10.5%. It was mainly due to the increase of hotel and property management operating expenses in line with the increase of number or area of hotels and guestrooms. Relevant staff costs of property sales also increased. However, the management already carried out stringent budget and cost control measures to reduce expenses during the period. The proportion of total expenses to the total revenue was 7.6% (1H 2014: 8.6%).

6. Operating Profit

Operating profit amounted to approximately RMB7,881 million for the six months ended 30 June 2015, representing an increase of RMB693 million or approximately 9.6% over the first half of 2014. It was mainly attributable to the increase of revenue and gross profit.

7. Finance Costs – Net

Net finance costs increased to approximately RMB190 million (1H 2014: RMB112 million) mainly due to more interest expenses incurred for increased borrowings during the period.

8. Share of Results of Associated Companies and Joint Ventures

Share of losses of associated companies amounted to approximately RMB45 million (1H 2014: share of losses of RMB70 million) in the first half of 2015, which was mainly due to the losses of Beijing Fangshan Changyang project, Guangzhou Finance City project, and Guangzhou Asian Games City project. Share of losses of joint ventures amounted to RMB329 million (1H 2014: share of losses of RMB13 million), which was mainly due to the mark-to-market value appreciation recognized during equity interest transactions of projects such as Wuxi Railway Station project, Nanchang Shimao Sky City project and Changsha Brillianate Bay project, resulting relatively high unit cost and net loss.

9. Taxation

The Group's tax provisions amounted to approximately RMB2,812 million in which PRC land appreciation tax ("LAT") was RMB841 million (1H 2014: RMB2,335 million, in which LAT was RMB475 million) for the period.

10. Profit Attributable to Shareholders

Profit attributable to shareholders for the period decreased by 14.9% from approximately RMB4.180 billion in first half of 2014 to RMB3.559 billion in the first half of 2015. The decrease was mainly due to the additional losses of associated companies and joint ventures of approximately RMB291 million, no reversal of LAT in the first half of 2015 (1H 2014: RMB340 million), and additional profit attributable to non-controlling interests. Excluding the net impact of major after-tax non-cash items, net profit from core business attributable to shareholders for the period decreased by only 3.9% to approximately RMB3.487 billion, compared with the correspondence period in 2014. The profit margin from core business attributable to shareholders was 15.2% in the first half of 2015.

11. Liquidity and Financial Resources

As of 30 June 2015, total assets of the Group were RMB228.782 billion, of which current assets reached approximately RMB166.104 billion. Total liabilities were approximately RMB159.636 billion, whereas non-current liabilities were RMB54.025 billion. Total equity was RMB69.146 billion, of which equity attributable to the shareholders of the Company amounted to approximately RMB48.773 billion.

As of 30 June 2015, the Group had aggregate cash and bank balances (including restricted cash balances) of approximately RMB27.335 billion (31 December 2014: RMB23.935 billion), total borrowings amounted to approximately RMB67.114 billion (31 December 2014: RMB61.994 billion). Total net borrowings were approximately RMB39.779 billion (31 December 2014: RMB38.059 billion). Net gearing ratio decreased from approximately 58.6% as at 31 December 2014 to approximately 57.5% as at 30 June 2015.

The maturity of the borrowings of the Group as at 30 June 2015 is set out as follows:

	RMB million
Bank borrowings and borrowings from other financial institutions	
Within 1 year	17,637
Between 1 and 2 years	11,868
Between 2 and 5 years	16,577
Over 5 years	5,887
Senior notes	
Between 2 and 5 years	4,814
Over 5 years	10,331

The borrowings were denominated in different currencies set out below:

	Original currency *million*	**RMB equivalent** *million*
US$	4,331	26,475
HK$	5,106	4,027
RMB	36,612	36,612

12. Financing Activities

The Group continued to take advantage of its onshore and offshore diversified financing channels to support its sustainable development and further optimize its financing structure.

The Group continued to maintain good debt structure, of which short-term borrowings was approximately 26% and long-term borrowings was approximately 74% as at 30 June 2015. The cash coverage ratio increased from approximately 128% as at 31 December 2014 to approximately 155% as at 30 June 2015, which indicated the Group kept high liquidity and low debt pressure.

On 10 February 2015, the Group issued US$800 million senior notes due on 10 February 2022. The interest rate was 8.375%. The issuance received overwhelming response with 7.25 times over subscription, which indicated a high degree of market confidence in the Group. On 17 March 2015, the Group further issued US$300 million senior notes to be consolidated and form a single series with the 2015 Senior Notes. On 8 March 2015, the Group early redeemed an aggregate principal amount of US$350 million of all outstanding 11% senior notes due in 2018. After the issuance and redemption, the average maturity of offshore senior notes extended from 5.02 years to 5.99 years, and the average coupon rate decreased from 8.01% to 7.76%.

Shimao Tiancheng Property Management Co., Ltd., a subsidiary of the Group, received no-objection letter from the Shanghai Stock Exchange in July 2015 for the implementation of the first asset securitization project of revenue of properties in China. The project which raised a total amount of RMB1,510 million of a term of 1 to 5 years was issued on 11 August 2015.

Shanghai Shimao Jianshe Co., Ltd., a wholly-owed subsidiary of the Group, has received approval from the Shanghai Stock Exchange recently that upon completion of all procedures, it would be allowed to carry out the public issuance of 7-year domestic corporate bonds of up to RMB7,400 million by phases. These two innovative financing activities laid the foundation of reducing the overall finance cost and optimizing the maturity structure of debts for the Group.

In July 2015, in view of the steady operating and financial performance of the Group, Standard and Poor's, an international credit rating agency, upgraded the Group's Long-Term Corporate Credit Rating from "BB" to "BB+". Moreover, in August 2015, the Group received "AAA" rating, the highest Corporate Credit Rating from the three biggest domestic credit reporting agencies, namely, CCXI (中誠信證券評估有限公司), United Ratings Co., Ltd. (聯合信用評級有限公司) and Dagong Global Credit Rating Co., Ltd. (大公國際資信評估有限公司) successively.

13. Foreign Exchange Risks

The non-RMB assets and liabilities of the Group are borrowings denominated in USD and HKD. The Group is also steadily expanding the domestic financing channels through asset securitization and the issuance of RMB corporate bonds. The Group will closely monitor the fluctuations of exchange rates, and keep improving the onshore and offshore debt structure to mitigate the risk of devaluation of RMB.

Other than the foreign currency borrowings, the Group conducts its business almost exclusively in RMB. Therefore, the Group's operating cash flow and liquidity is not subject to significant influence from fluctuations in exchange rates in short-term. The Group is also considering adopting an appropriate amount of foreign exchange hedging instruments at a reasonable cost to manage foreign exchange risk more effectively.

14. Pledge of Assets

As of 30 June 2015, the Group had pledged property and equipment, investment properties, land use rights, properties under development, completed properties held for sale and restricted cash with a total carrying amount of RMB61.884 billion to secure bank facilities granted to the Group. The corresponding bank and other loans amounted to approximately RMB28.728 billion. The Group had also pledged shares of certain subsidiaries for a total borrowing of RMB1.080 billion.

15. Contingencies

As of 30 June 2015, the Group had provided guarantees for approximately RMB10.501 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 RMB6.320 billion in its portion of equity interests in certain associated companies and joint ventures for their borrowings.

16. Capital and Property Development Expenditure Commitments

As of 30 June 2015, the Group had contracted capital and property development expenditure but not provided for amounted to RMB38.918 billion.

17. Employees and Remuneration Policy

As of 30 June 2015, the Group employed a total of 6,914 employees. Total remuneration for the period amounted to RMB775 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 outstanding 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 2015 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 2015

		Unaudited Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**29,193,057**	23,675,412
Cost of sales		**(20,231,103)**	(15,601,859)
Gross profit		**8,961,954**	8,073,553
Fair value gains on investment properties		**820,479**	1,097,144
Other income/other gains – net		**406,298**	121,606
Selling and marketing costs		**(660,830)**	(624,925)
Administrative expenses		**(1,562,750)**	(1,414,891)
Other operating expenses		**(83,716)**	(63,894)
Operating profit		**7,881,435**	7,188,593
Finance income		**155,921**	65,986
Finance costs		**(345,993)**	(178,448)
Finance costs – net		**(190,072)**	(112,462)
Share of results of			
– Associated companies		**(45,204)**	(69,552)
– Joint ventures		**(328,950)**	(13,372)
		(374,154)	(82,924)
Profit before income tax		**7,317,209**	6,993,207
Income tax expense	*7*	**(2,811,508)**	(2,334,850)
Profit for the period		**4,505,701**	4,658,357
Other comprehensive losses:			
Item that may be reclassified to profit or loss			
Fair value losses on available-for-sale financial assets, net of tax		**(14,408)**	(58,723)
Total comprehensive income for the period		**4,491,293**	4,599,634

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Unaudited	
		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Profit for the period attributable to:			
Equity holders of the Company		**3,558,539**	4,180,298
Non-controlling interests		**947,162**	478,059
		4,505,701	4,658,357
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,549,301**	4,142,586
Non-controlling interests		**941,992**	457,048
		4,491,293	4,599,634
Earnings per share for profit attributable to the equity holders of the Company			
– Basic *(RMB cents)*	*9*	**102.84**	120.83
– Diluted *(RMB cents)*	*9*	**102.76**	120.67

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Unaudited 30 June 2015 RMB'000	Audited 31 December 2014 RMB'000
ASSETS			
Non-current assets			
Property and equipment		**12,115,058**	11,951,703
Investment properties		**28,363,836**	26,975,771
Land use rights		**7,392,292**	7,286,582
Intangible assets		**1,840,684**	1,840,684
Associated companies		**1,291,427**	1,258,029
Joint ventures		**6,148,921**	8,534,090
Amounts due from related parties		**2,618,069**	2,499,546
Available-for-sale financial assets		**185,300**	204,510
Deferred income tax assets		**1,486,976**	1,429,899
Other non-current assets		**1,235,580**	1,666,753
		62,678,143	63,647,567
Current assets			
Properties under development		**90,638,264**	83,539,896
Completed properties held for sale		**21,135,301**	21,166,548
Trade and other receivables and prepayments	4	**12,153,446**	12,457,212
Prepayments for acquisition of land use rights		**11,352,376**	12,752,932
Prepaid income taxes		**1,804,199**	2,055,122
Amounts due from related parties		**1,616,762**	979,346
Derivative financial instruments		**68,503**	–
Cash and bank balances		**27,334,898**	23,934,834
		166,103,749	156,885,890
Total assets		**228,781,892**	220,533,457
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**356,275**	356,275
Reserves			
– Proposed dividend	8	**821,541**	1,629,075
– Others		**47,595,373**	44,878,029
		48,773,189	46,863,379
Non-controlling interests		**20,372,728**	18,119,705
Total equity		**69,145,917**	64,983,084

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2015

	Note	Unaudited 30 June 2015 RMB'000	Audited 31 December 2014 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		**49,477,380**	43,269,371
Deferred income tax liabilities		**4,547,691**	4,339,374
		54,025,071	47,608,745
Current liabilities			
Trade and other payables	5	**28,140,228**	29,866,339
Dividend payable		**1,643,088**	375,128
Advanced proceeds received		**28,238,914**	33,220,166
Income tax payable		**11,444,059**	11,017,765
Borrowings		**17,636,806**	18,724,718
Derivative financial instruments		**–**	1,611
Amounts due to related parties		**18,503,216**	14,731,308
Deferred income		**4,593**	4,593
		105,610,904	107,941,628
Total liabilities		**159,635,975**	155,550,373
Total equity and liabilities		**228,781,892**	220,533,457
Net current assets		**60,492,845**	48,944,262
Total assets less current liabilities		**123,170,988**	112,591,829

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 approved for issue on 26 August 2015.

These condensed consolidated interim financial information has been reviewed, not audited.

This interim condensed consolidated financial information for the six months ended 30 June 2015 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 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

There are no 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) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are issued but not effective for annual periods beginning 1 January 2015, and have not been early adopted.

Currently related to the Group:

		Effective for annual periods beginning on or after
Amendment to HKFRS 11	Joint arrangements	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to HKAS 28	Investment in associates	1 January 2016
Amendments to HKAS 38	Intangible assets	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018

Apart from the above, the HKICPA has issued the annual improvements project which addresses several issues in the 2010-2012 reporting cycle, 2011-2013 reporting cycle, and includes changes to the following standards. The Group has not applied the following revised HKFRSs published in the annual improvements project.

		Effective for annual periods beginning on or after
HKFRS 2	Share-based payment	1 July 2014
HKFRS 3	Business combinations	1 July 2014
HKFRS 8	Operating segments	1 July 2014
HKFRS 13	Fair value measurement	1 July 2014
HKAS 16	Property, plant and equipment	1 July 2014
HKAS 24	Related Party Disclosures	1 July 2014
HKAS 38	Intangible assets	1 July 2014
HKAS 40	Investment property	1 July 2014
HKFRS 5	Non-current assets held for sale and discontinued operations	1 July 2016
HKFRS 7	Financial instruments: Disclosures	1 July 2016
HKAS 34	Interim financial reporting	1 July 2016

The Group has not early adopted any new accounting and financial reporting standards, amendments and interpretations to existing standards which have been issued but are not yet effective for the six months ended 30 June 2015. The Group is in the process of making an assessment on the impact of these new standards, amendments and interpretations and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017) which the Group is not yet in a position to conclude.

Not currently related to the Group (although they may affect the accounting for future transactions and events):

- Amendment to HKAS19 regarding defined benefit plans, effective for annual periods beginning on or after 1 July 2014 with early adoption permitted.

- Amendments to HKAS 16 and HKAS 41 regarding Agriculture: 'bearer plants', effective for annual periods beginning on or after 1 January 2016 with early adoption permitted.

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 1 January 2015 in accordance with section 358 of that Ordinance. The group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. SEGMENT INFORMATION

The 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 annual financial statements.

(a) Revenue

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Sales of properties	**27,731,306**	22,604,611
Hotel operation income	**623,709**	537,545
Rental income from investment properties	**371,485**	285,257
Others	**466,557**	247,999
	29,193,057	23,675,412

(b) Segment Information

The segment results for the six months ended 30 June 2015 are as follows:

	Property development and investment				
	Shanghai Shimao Co., Ltd. ("Shanghai Shimao")* RMB'000	Others RMB'000	Hotel Operation RMB'000	Unallocated** RMB'000	Total RMB'000
Revenue					
– Sales of properties	7,892,875	19,838,431	–	–	27,731,306
– Hotel operation income	36,493	–	587,216	–	623,709
– Rental income from investment properties	234,250	137,235	–	–	371,485
– Others	362,426	104,131	–	–	466,557
Total revenue	8,526,044	20,079,797	587,216	–	29,193,057
Operating profit	2,672,913	5,137,122	65,523	5,877	7,881,435
Finance income	42,285	111,366	764	1,506	155,921
Finance costs	(118,500)	(170,010)	(25,052)	(32,431)	(345,993)
Share of results of					
– Associated companies	(5,150)	(40,054)	–	–	(45,204)
– Joint ventures	(9,665)	(319,285)	–	–	(328,950)
Profit/(loss) before income tax	2,581,883	4,719,139	41,235	(25,048)	7,317,209
Income tax expense					(2,811,508)
Profit for the period					4,505,701
Other segment items are as follows:					
Capital and property development expenditure	3,869,261	19,474,358	625,419	–	23,969,038
Fair value gains on investment properties	452,897	367,582	–	–	820,479
Fair value gains on derivative financial instruments	–	70,114	–	–	70,114
Depreciation	34,812	33,447	153,705	16,706	238,670
Amortisation of land use rights	4,399	1,402	34,889	–	40,690
Provision for impairment of receivables	20,665	237	–	–	20,902

* *The Group owns an effective equity interest of 64.08% in Shanghai Shimao.*

** *Unallocated mainly represent corporate level activities.*

The segment results for the six months ended 30 June 2014 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	5,617,399	16,987,212	–	–	22,604,611
– Hotel operation income	52,752	–	484,793	–	537,545
– Rental income from investment properties	207,351	77,906	–	–	285,257
– Others	212,995	35,004	–	–	247,999
Total revenue	6,090,497	17,100,122	484,793	–	23,675,412
Operating profit/(loss)	2,343,599	5,087,739	90,614	(333,359)	7,188,593
Finance income	11,934	43,153	370	10,529	65,986
Finance costs	(62,015)	(58,979)	(18,229)	(39,225)	(178,448)
Share of results of					
– Associated companies	35	(69,587)	–	–	(69,552)
– Joint ventures	(25,965)	12,593	–	–	(13,372)
Profit/(loss) before income tax	2,267,588	5,014,919	72,755	(362,055)	6,993,207
Income tax expense					(2,334,850)
Profit for the period					4,658,357
Other segment items are as follows:					
Capital and property development expenditure	6,826,916	18,869,290	38,849	–	25,735,055
Fair value gains on investment properties	811,014	286,130	–	–	1,097,144
Fair value gains on derivative financial instruments	–	26,182	–	–	26,182
Write-off of intangible assets	–	6,241	–	–	6,241
Depreciation	16,173	88,772	74,689	18,889	198,523
Amortisation of land use rights	3,983	1,000	22,427	–	27,410
(Write back of)/provision for impairment of receivables	(1,103)	27	–	–	(1,076)

The segment assets and liabilities as at 30 June 2015 are as follows:

	Property development and investment			
	Shanghai Shimao	**Others**	**Hotel Operation**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Associated companies	**1,019,764**	**271,663**	**–**	**1,291,427**
Joint ventures	**1,228,970**	**4,919,951**	**–**	**6,148,921**
Intangible assets	**1,709,730**	**26**	**130,928**	**1,840,684**
Other segment assets	**65,981,213**	**131,523,173**	**17,752,643**	**215,257,029**
Total segment assets	**69,939,677**	**136,714,813**	**17,883,571**	**224,538,061**
Deferred income tax assets				**1,486,976**
Available-for-sale financial assets				**185,300**
Derivative financial instruments				**68,503**
Other assets				**2,503,052**
Total assets				**228,781,892**
Borrowings	**14,096,682**	**27,292,665**	**1,066,000**	**42,455,347**
Other segment liabilities	**24,158,286**	**50,307,486**	**11,420,302**	**85,886,074**
Total segment liabilities	**38,254,968**	**77,600,151**	**12,486,302**	**128,341,421**
Corporate borrowings				**24,658,839**
Deferred income tax liabilities				**4,547,691**
Other liabilities				**2,088,024**
Total liabilities				**159,635,975**

The segment assets and liabilities as at 31 December 2014 are as follows:

	Property development and investment			
	Shanghai Shimao *RMB'000*	Others *RMB'000*	Hotel Operation *RMB'000*	Total *RMB'000*
Associated companies	978,325	279,704	–	1,258,029
Joint ventures	3,734,890	4,799,200	–	8,534,090
Intangible assets	1,709,730	26	130,928	1,840,684
Other segment assets	51,128,330	137,449,842	17,625,763	206,203,935
Total segment assets	57,551,275	142,528,772	17,756,691	217,836,738
Deferred income tax assets				1,429,899
Available-for-sale financial assets				204,510
Other assets				1,062,310
Total assets				220,533,457
Borrowings	11,901,490	26,802,564	1,834,500	40,538,554
Other segment liabilities	24,654,771	55,886,245	7,687,697	88,228,713
Total segment liabilities	36,556,261	82,688,809	9,522,197	128,767,267
Corporate borrowings				21,455,535
Deferred income tax liabilities				4,339,374
Derivative financial instruments				1,611
Other liabilities				986,586
Total liabilities				155,550,373

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. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Bidding deposits for land use rights *(note (a))*	**2,227,054**	2,520,888
Trade receivables *(note (b))*	**5,373,791**	4,696,612
Prepaid business taxes on pre-sale proceeds	**1,638,618**	1,796,915
Prepayments for construction costs	**792,453**	886,724
Receivable from disposal of equity interest	**–**	619,800
Other receivables	**2,121,530**	1,936,273
	12,153,446	12,457,212

Notes:

(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 wins the bid at the auction. If the Group does not win, the amount will be fully refunded.

(b) Trade receivables mainly arose from sales of properties. Consideration in respect of properties sold is receivable 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 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 90 days	**4,089,463**	3,547,773
Over 90 days and within 365 days	**901,072**	846,343
Over 365 days	**383,256**	302,496
	5,373,791	4,696,612

As at 30 June 2015, receivables arising from sales of properties was approximately RMB4,952,817,000 (31 December 2014: RMB4,543,132,000). The remaining balance mainly represents the receivables from property management service, rental income and others.

Trade receivables are analysed as follows:

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Fully performing under credit terms	**3,323,667**	2,910,558
Past due but not impaired	**2,050,124**	1,786,054
	5,373,791	4,696,612

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

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 90 days	**784,762**	1,039,580
Over 90 days and within 365 days	**882,106**	443,978
Over 365 days	**383,256**	302,496
	2,050,124	1,786,054

As the Group normally holds the properties as collateral 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 provision was made against past due receivables as at 30 June 2015 (31 December 2014: Nil).

As at 30 June 2015, provision for impairment of other receivables was approximately RMB70,073,000 (31 December 2014: RMB49,171,000).

As at 30 June 2015, the fair value of trade receivables, bidding deposits for land use rights, and other receivables of the Group approximate their carrying amounts, as the impact of discounting is not significant.

As at 30 June 2015 and 31 December 2014, trade and other receivables of the Group were mainly denominated in RMB.

5. TRADE AND OTHER PAYABLES

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Trade payables *(note (a))*	**23,437,408**	24,043,332
Other taxes payable	**1,458,098**	1,360,911
Accrued expenses	**967,104**	1,257,328
Other payables *(note (b))*	**2,277,618**	3,204,768
	28,140,228	29,866,339

Notes:

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

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Within 90 days	**23,218,501**	23,665,439
Over 90 days and within 1 year	**218,907**	377,893
	23,437,408	24,043,332

(b) Other payables comprise:

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Deposits received from customers	**1,077,817**	2,183,637
Fees collected from customers on behalf of government agencies	**95,565**	87,336
Deposits from constructors	**585,186**	577,062
Rental deposits from tenants and hotel customers	**358,556**	221,514
Others	**160,494**	135,219
	2,277,618	3,204,768

6. COMMITMENTS

(a) Commitments for capital and property development expenditure

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Contracted but not provided for		
– Property and equipment and investment properties	**2,782,040**	1,702,645
– Land use rights (including those related to associated companies and joint ventures)	**9,972,253**	14,509,320
– Properties being developed for sale	**26,163,445**	22,448,656
	38,917,738	38,660,621

(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 2015	31 December 2014
	RMB'000	*RMB'000*
Within 1 year	**165,126**	186,710
After 1 year but within 5 years	**409,409**	542,957
After 5 years	**276,992**	315,853
	851,527	1,045,520

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**1,770,293**	1,638,717
– PRC withholding income tax	**44,449**	155
– PRC land appreciation tax	**840,723**	474,782
	2,655,465	2,113,654
Deferred income tax		
– PRC enterprise income tax	**156,043**	221,196
	2,811,508	2,334,850

(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%.

8. DIVIDENDS

An interim dividend in respect of the six months ended 30 June 2014 of HK30 cents per ordinary share, amounting to approximately HK$1,041,771,000 (equivalent to RMB826,958,000) was declared at the Company's board meeting held on 26 August 2014.

A final dividend in respect of the year ended 31 December 2014 of HK60 cents per ordinary share, amounting to approximately HK$2,083,543,000 (equivalent to RMB1,629,075,000) was proposed at the Company's board meeting held on 31 March 2015, and was approved at the annual general meeting of the Company held on 8 June 2015.

At a meeting held on 26 August 2015, the Board declared the payment of an interim dividend for the six months ended 30 June 2015 of HK30 cents per ordinary share amounting to approximately HK$1,041,771,000 (equivalent to RMB821,541,000). This proposed dividend is not reflected as a dividend payable in these condensed consolidated financial statements.

9. 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	
	2015	2014
Profit attributable to the equity holders of the Company *(RMB'000)*	**3,558,539**	4,180,298
Weighted average number of ordinary shares in issue *(thousands)*	**3,460,394**	3,459,587
Basic earnings per share *(RMB cents)*	**102.84**	120.83

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 Scheme assuming they were exercised.

	Six months ended 30 June	
	2015	2014
Profit attributable to the equity holders of the Company *(RMB'000)*	**3,558,539**	4,180,298
Weighted average number of ordinary shares in issue *(thousands)*	**3,460,394**	3,459,587
Adjustment for shares granted under Share Award Scheme/share options granted under the Share Option Scheme *(thousands)*	**2,524**	4,622
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**3,462,918**	3,464,209
Diluted earnings per share *(RMB cents)*	**102.76**	120.67

CORPORATE GOVERNANCE CODE

The Company 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 2015 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 code 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 five executive directors, one non-executive director and three independent non-executive directors and therefore has a strong independent element in its composition.

DIRECTORS' SECURITIES TRANSACTIONS

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. The Company has made specific enquiry of all Directors and all Directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the six months ended 30 June 2015, 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 3,000,000 shares of the Company at a total consideration of approximately HK$50.8 million.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has today declared an interim dividend of HK30 cents per ordinary share for the six months ended 30 June 2015. The dividend will be payable on Wednesday, 30 September 2015 to shareholders whose names appear on the register of members of the Company on Wednesday, 16 September 2015.

The register of members of the Company will be closed on Tuesday, 15 September 2015 and Wednesday, 16 September 2015. During these two days no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 14 September 2015.

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

Hong Kong, 26 August 2015

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