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SHIMAO 世茂房地產

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 2016

RESULTS HIGHLIGHTS

1. Revenue increased by 2.8% to RMB30.016 billion (1H 2015: RMB29.193 billion). Excluding the impact of the disposal of cinema business in 2015, revenue from hotels, rentals and other income increased by 9.6% to RMB1.427 billion.

2. Gross profit and gross profit margin were RMB8.467 billion and 28.2% respectively.

3. Profit attributable to shareholders was RMB3.028 billion. Excluding the net impact of major after-tax non-cash items, plus after-tax profit attributable to shareholders from the disposal of Beijing Fortune Times Property Co., Ltd. and Beijing Baiding New Century Business Management Co., Ltd. of approximately RMB630 million, net profit from core business attributable to shareholders amounted to approximately RMB3.502 billion, representing an increase of 0.4% from the corresponding period in 2015. The net profit margin from core business attributable to shareholders was 12.9%.

4. Contracted sales reached RMB34.46 billion for the first half of 2016, representing a year-on-year increase of 9.2%. Average selling price increased from RMB12,011 per sq.m. in the corresponding period of 2015 to RMB14,192 per sq.m. in the first half of 2016.

5. As at 30 June 2016, the Group's attributable land bank was approximately 31.85 million sq.m..

6. As at 30 June 2016, funds at Group's disposal amounted to approximately RMB40.064 billion, including cash of approximately RMB20.064 billion and the balance of available banking facilities of approximately RMB20.000 billion.

7. As at 30 June 2016, net gearing ratio was 55.7%, decreased by 2.4% compared with that as at 31 December 2015.

8. The Board declared the payment of an interim dividend of HK26 cents per share and a special dividend of HK6 cents per share, totalling HK32 cents per share (2015 interim: HK30 cents).

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 2016.

Market and Outlook

Following a year in which policies on the real estate market gradually eased and became fully favorable in 2015, the real estate market continued to rebound nationwide and started a new upward trend in the first half of 2016, on the back of the positive drive from government policies and the unleashing of the cumulative demand. From January to June 2016, the total real estate investment in China was approximately RMB4,663.1 billion, representing a year-on-year increase of 6.1%, achieving a steady pace of growth. A total of approximately 643.02 million sq.m. of gross floor area of national commodity properties were sold for approximately RMB4,868.2 billion, representing year-on-year increases of 27.9% and 42.1%, respectively.

According to the National Bureau of Statistics, for the first half of the year, property prices on a nationwide basis demonstrated an upward trend in general. In second- and third-tier cities, the rate of year-on-year growth in property prices continued to increase, and the growth rate in some second-tier cities already exceeded that in first-tier cities such as Beijing and Guangzhou. In Nanjing, which is one of the Group's key cities, property transactions soared to record-high volume. However, in some third- and fourth-tier cities, the real estate market remained sluggish due to high inventory and weak demand. The divergent market performance rendered it a normal industry practice to have differing policies being applied in different cities. As such, in the first half of the year, the Group continued to adjust the timing and structure of supply by strictly adhering to the principle of "sales-based production" in third- and fourth-tier cities and focusing on first- and second-tier cities.

Looking forward to the second half of 2016, it is expected that demand will remain stable in the real estate market in general; supply-side structure reform will remain the focus; and monetary policies together with the overall easing policies of the real estate sector will maintain. A number of projects of the Group will be launched for sale at the end of the third quarter and the beginning of the fourth quarter, approximately 54% of which will be launched in first- and pre-first-tier cities. Our supply will address the needs of the markets where demand is robust. It is expected that both the average selling price and profit margin will further improve.

Sales Performance

At the beginning of 2016, the Group set its annual contracted sales target at RMB67.0 billion. With record-high monthly contracted sales achieved in June, the Group realized contracted sales of RMB34.46 billion in the first half of the year, representing approximately 51.4% of the annual target. The total sales area amounted to 2,428,000 sq.m., with an average selling price of RMB14,192 per sq.m. during the period, up from RMB12,011 per sq.m. in the corresponding period in 2015. This has laid a good foundation for the Group's stable growth in profit margin in future.

In terms of cities, the sales in Nanjing were more than RMB5.0 billion, while the sales in Beijing, Xiamen and Hangzhou were more than RMB1.5 billion. In terms of projects, the sales of Nanjing Shimao Bund New City, Xiamen Xiang'an project, Nanjing Pukou Royal Real and Nanjing Straits City were RMB2.657 billion, RMB1.312 billion, RMB1.190 billion and RMB1.003 billion, respectively. In addition, the prices of the above projects were upward adjusted in the first half of the year by more than 30% in general, some of which even increased by 65%. Both sales volume and prices increased and the Group performed well in the market.

In respect of inventory clearance, the inventory sales of the Group in the first half of the year were RMB21.9 billion, representing an increase of RMB7.9 billion from the corresponding period of the previous year. Inventory-to-sales ratio increased by 19%. With respect of inventory sales strategy, pricing was strategically adjusted to boost the sales of inventory in third- and fourth-tier cities with relatively low demand, with particular focus on pricing adjustments for longer aged inventories. As a result, a strong business foundation was laid by optimizing the inventory structure, increasing the cash collection ratio and enhancing the competitiveness. As of 30 June 2016, inventories of first- and second-tier cities accounted for 69%, up 6% from the beginning of the year. Inventory clearance in third- and fourth-tier cities has been effective.

Based on our judgment on the future market trend, the Group has enlarged the supply in first- and second-tier cities of higher gross profit margin and lower risk of high inventory since last year. The supply focused on first- and second-tier cities while the supply in third- and fourth-tier cities was controlled strictly in accordance with the principle of "sale-based production" to avoid high inventory of low margin properties. The Group will increase its supply to first- and pre-first-tier cities to 54% of total value 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 the premium pricing of the Group's projects were improved. Addressing customers' mindset, the Group established a system which supported the particular needs of customers, radically enhanced the land nature and precisely focused on themes of community life, which constituted key selling points apart from the layout of units. 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 the year.

Prudent Replenishment of Land Reserves

In the first half of 2016, there was a trend of developers re-steering their focus on first- and second-tier cities, causing fierce competition for land resources, soaring land prices and in turn many cases of "land king lots" transacted at exceptionally high prices, and thus continually squeezing future gross profit of the industry. The Group upheld its prudent strategy and adopted a more cautious approach in replenishing land reserves. In the first half of 2016, the Group acquired land reserves of 1.10 million sq.m. (before interests) in Fuzhou, Yinchuan, Beijing, Nanjing and Wuhan. Currently, Shimao Property has 116 projects with a total area of 31.85 million sq.m. (attributable interests) of quality land in 41 cities in China. In particular, the Group entered into an agreement with another developer to acquire Beijing Shangzhuang project, which transaction is expected to be completed before April 2017. This enables the Group to acquire quality land at reasonable costs, which effectively reduces the capital requirement and cost of project operation, and thereby alleviates the financial pressure on the Group. Meanwhile, the Group also acquired the Jianye project by way of public auction in Nanjing, at RMB16,296 per sq.m. of floor area, for the development of commercial, office and residential projects, which explain the lower land costs compared to land for sole residential development.

Promoting Light Asset Operation

From the opening of MiniMax Hotel at the end of 2014 to the launch of the 52+ Mini Mall series at the end of 2015, 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 brands under the asset-light strategy, they offer customized products to address specific needs. They are able to enter or exit the market nimbly and their products can be replicated easily. The "Mini" series is the Group's key commercial 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 return on assets held by the Group. Moreover, in July, Shimao Hotels and Resorts entered into entrusted management arrangements for the first hotel – MiniMax Hotel Linyi Binhe in respect of the export of hotel management, and the hotel is expected to officially commence operation in the middle of 2017. This also signifies the implementation of the "light asset" strategic transformation of Shimao Hotels and Resorts.

Determination to uphold Prudent Financial Policy

In the first half of 2016, the Group continued to adopt prudent financial strategies for its operation. By focusing on collection of accounts receivables, controlling liabilities, further reducing the financing cost and optimizing capital structure, the Group was able to explore innovative and diversified financing channels for its real estate business to maintain its effective and stable development. In the first half of 2016, the cash from sales proceeds was approximately RMB29.39 billion with a cash collection rate of 85.3%. As of 30 June 2016, the Group had sufficient capital funds, with available funds in the amount of RMB40.1 billion. With the opening up of China's capital market, the Group has exerted great efforts to expand its domestic Renminbi financing channels, including becoming one of the first enterprises approved by the Shanghai Stock Exchange for the private issuance of corporate bonds and issuing the first tranche of private corporate bonds in the amount of RMB4.0 billion with one of the lowest interest rate among the same batch in January 2016. As of 30 June 2016, net gearing ratio of the Group was 55.7%. Net gearing ratio has been maintained below 60% for more than 4 consecutive years, laying a solid foundation for dealing with challenging and ever-changing economic and financial environments and the sustainable development of the Group going forward, and reflecting the sound operation and financial management of the Group.

The Group's financing costs continued to trend down through issuing low-interest rate Renminbi bonds and short-term commercial notes to replace high-interest-rate financing channels. On the other hand, the Group proactively explored innovative financing model of its real estate business and the asset securitization market. Coupling with other measures of interest reduction, the Group's weighted average financing costs was 6.5% in the first half of 2016, a drop from the annual figure of 6.9% in 2015. The Group has launched preparation for the issuance of public panda bonds and other financing channels in China, so as to limit the financing costs to 6% or less for the full year of 2016.

To mitigate its exchange risks, the Group took the initiatives to arrange cross-border RMB payments, and used cross-border RMB payment to prepay foreign currency borrowings in advance, thereby gradually lowering proportion of foreign currency borrowings and reducing exposure to foreign exchange risks. In the first half of 2016, the Group repaid foreign currency borrowings in the total amount equivalent to approximately RMB12.2 billion (including exchange loss), significantly lowering the proportion of foreign currency borrowings from 48% as at 31 December 2015 to 33% by mid-2016 and effectively controlling foreign exchange risks. The proportion of foreign currency borrowings for the full year is expected to drop further down to below approximately 32%. Moreover, the Group properly used financial derivatives including forward exchange option contracts to hedge against future Renminbi depreciation risks.

In order to avoid competition within the Group, Shimao Property announced on 14 March 2016 that it would transfer its entire or certain equity interests in the project companies for three commercial property projects, namely, Shenzhen Qianhai Shimao Financial Centre, Hangzhou Shimao Wisdom Tower and Nanchang Shimao APM, to Shanghai Shimao Co., Ltd. ("Shanghai Shimao"), specifying that Shimao Property will be primarily engaged in residential property and hotel investment, development and operation in the PRC in the future while Shanghai Shimao will be primarily engaged in commercial property investment, development and operation. In addition, the transaction will also facilitate the release of asset value and improvement of Shimao Property's cash flow.

In May 2016, Shanghai Shimao disposed of 100% equity interest in Beijing Fortune Times Property Co., Ltd. and Beijing Baiding New Century Business Management Co., Ltd. to Leshi Holdings (Beijing) Co., Ltd. at a consideration of approximately RMB2.972 billion according to the agreement. The share transaction generated profit after taxation attributable to shareholders of approximately RMB630 million, fully reflecting the strategic mindset of Shanghai Shimao in managing assets of commercial properties. Through the partial disposal of commercial properties which had become matured, the structure of commercial assets of Shanghai Shimao is further enhanced and capital appreciation of commercial properties can be realized. In view of the gain from the disposal of assets, the Board declared the distribution of a special dividend of HK6 cents per share. The Group's repurchase of a total of approximately 39.99 million shares in July also raised the value of its shares, uplifted the return on equity and rewarded the support from the shareholders.

Riding on its robust operating and financial performance, the Group received recognition from international rating agencies. In April 2016, Fitch promoted Shimao Property's long-term rating and debt rating from "BB+" to "BBB–", which is an investment-grade rating. Moody's and Standard & Poor's maintained their rating of Shimao Property at "Ba2" and "BB+" respectively. In June 2016, Shimao Property continued to receive "AAA" rating, the highest corporate credit rating, from the biggest domestic credit rating agencies, namely, China Chengxin Securities Rating Co., Ltd., United Ratings Co., Ltd. and Dagong Global Credit Rating Co., Ltd..

Looking forward to the second half of the year, higher volatility in the international market is expected. In its ongoing efforts to foster the business of innovative financing for the real estate sector, the Group will further adhere to its robust financial strategy and adopt prudent financial management approach to maintain adequate cash flows, minimize the finance cost and stabilise the operating efficiency.

Interim and Special Dividends

To demonstrate our appreciation for our shareholders' unstinting support, the board of directors of the Company (the "Board") has declared the payment of an interim dividend of HK26 cents per share for the six months ended 30 June 2016. In view of the gain from the disposal of Beijing Fortune Times Property Co., Ltd. and Beijing Baiding New Century Business Management Co., Ltd., the Board has also declared the payment of a special dividend of HK6 cents per share. The total distribution will amount to HK32 cents per share (corresponding period of 2015: 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, 30 August 2016

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 2016, revenue of the Group reached RMB30.016 billion, an increase of 2.8% when compared to RMB29.193 billion for the corresponding period in 2015. During the period, revenue from property sales amounted to RMB28.589 billion, accounting for 95.2% of the total revenue and representing an increase of 3.1% over the corresponding period in 2015. The average recognized selling price increased by 9.2% to RMB12,108 per sq.m. in the first half of 2016, from RMB11,092 per sq.m. for the corresponding period in 2015. The number of projects recognized by the Group in the first half of 2016 totalled 66, higher than the 59 projects recognized in the corresponding period in 2015, of which Nanjing Straits City achieved great results with recognized sales revenue of RMB3.937 billion; Nanjing Shimao Bund New City, the first runner-up, with recognized sales revenue of RMB1.680 billion; and Wuhan Shimao Splendid River, the second runner-up, with recognized sales revenue of RMB1.541 billion.

2) *Steady Sales Growth*

With respect to property sales, the Group's contracted sales amounted to RMB34.46 billion in the first half of 2016, representing 51.4% of its annual target. The aggregate sales area reached 2,428,000 sq.m., with an average selling price of RMB14,192 per sq.m..

Benefited from adequate liquidity and easing of the regulatory policies, in the first half of 2016, the Group achieved satisfactory sales and its inventory clearance work progressed well as expected. In terms of overall sales results, the performance of first-tier cities maintained strong. Attributable to the meticulous regional marketing plans and customized sales strategies based on local characteristics, certain second- and third-tier cities also recorded improvement in sales. Looking forward to the second half of 2016, the Group will launch saleable areas of approximately 3.73 million sq.m.. Together with the existing saleable areas of approximately 3.14 million sq.m. as at 30 June 2016, the Group's total saleable areas in the second half of 2016 will be approximately 6.87 million sq.m..

3) Completion of Development Projects and Plans as Scheduled

The Group made proactive 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 in the first half of 2016. During the first half of 2016, floor area under construction reached 12.95 million sq.m. The aggregate GFA completed by the Group was approximately 3.11 million sq.m., 19.8% lower than the 3.88 million sq.m. completed in the corresponding period of last year. Looking forward to the second half of 2016, the GFA planned for completion of the Group for the whole year will be approximately 7.20 million sq.m., a decrease of 4.8% from 7.56 million sq.m. for the corresponding period in 2015.

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 2016, the Group acquired approximately 1.10 million sq.m. of land bank in Fuzhou, Yinchuan, Beijing, Nanjing and Wuhan. Currently, Shimao Property possesses 116 projects in 41 cities in the country, with a high-quality land bank of 31.85 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 interest) *(RMB million)*	Total planned GFA *(sq.m.)*	Cost per sq.m. *(RMB)*	Group's interest
Shimao Property						
1. Fuzhou Ebi Project Phase 1	January 2016	Tourism, residential and ancillary commercial	119.49	84,987	1,406	100.00%
2. Yinchuan Yuehai Parcel C	January 2016	Residential and ancillary commercial	216.14	134,635	1,605	100.00%
3. Nanjing Jianye Jiangdong No.5	June 2016	Residential, commercial and office	4,998.40	540,000	16,296	56.80%
4. Wuhan Caidian Parcel 1	June 2016	Hotel and ancillary commercial	131.91	57,815	3,000	76.05%
5. Wuhan Caidian Parcel 2	June 2016	Hotel and ancillary commercial	122.29	53,585	3,001	76.05%
6. Wuhan Caidian Parcel 3	June 2016	Hotel and ancillary commercial	87.35	38,269	3,001	76.05%
7. Fuzhou Ebi Project Phase 2	June 2016	Tourism, residential and ancillary commercial	103.23	86,521	1,193	100.00%
8. Beijing Shangzhuang	June 2016	Residential and ancillary commercial	2,400.00	106,314	22,575	100.00%
Total			8,178.81	1,102,126	10,968	

Geographically, the majority of the newly-acquired land parcels by Shimao Property in the first half of 2016 were situated in first- and second-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 RMB10,968 per sq.m. in terms of land cost. The Group holds sensible attitude, increases its land reserves by following its longstanding prudent policy and strives to strike a balance between development opportunity and risk control. As at 30 June 2016, the Group's average land cost was RMB3,017 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 Shanghai Shimao, a 58.92%-owned subsidiary, which is primarily engaged in the development and operation of commercial properties. Besides actively grasping development opportunities in the domestic commercial property market, Shanghai Shimao provides diversified commercial properties along with high quality related services by carrying out strategies on professional exploitation and operation of commercial properties. It continues to work on achieving greater integration for increased competitiveness, and aims to become a highly successful professional developer and operator of commercial properties.

During the reporting period, the annual work plan of the Shanghai Shimao was implemented accordingly. On 12 May, Shanghai Shimao disposed of 100% equity interest in Beijing Fortune Times Property Co., Ltd. and Beijing Baiding New Century Business Management Co., Ltd. to Leshi Holdings (Beijing) Co., Ltd. at a consideration of RMB2.972 billion according to the agreement. The share transaction fully reflected the strategic mindset of Shanghai Shimao in managing assets of commercial properties. The partial disposal of commercial properties which had become matured further enhanced the structure of commercial assets of Shanghai Shimao and achieved capital appreciation of commercial properties. On 16 July, Xiamen Shimao Emall Shopping Centre was grandly opened after years of preparation. Located in between the twin towers of Xiamen Shimao Straits Mansion, the shopping centre is home to various shops on light luxurious goods, trendy stuffs, food, entertainment, harbour-view cinema and waterfront gym rooms. Combining the humanity theme of the locality and the can-do spirit under the Minnan culture, it paves way for the "room for literary creation" with unique character, seeking to build an integrated, multi-dimensional space of city experience encompassing shopping, tourism, commerce, culture, recreation etc. Further, Shanghai Shimao's brand realignment initiatives targeted at its various commercial malls are aimed to uplift the overall brand attainments of the malls, and to couple with the improved and enriched internal management and property services at the malls to foster the ongoing enhancement in the shopping experience of consumers.

With respect to the capital market, during the reporting period, Shanghai Shimao started the preparation of the non-public issue of its A shares for 2016 in March, under which not more than 1,063,149,021 shares (adjusted) would be issued to raise a total of not more than RMB6,670,442,700 (inclusive), for the acquisition of 51% equity interests in Shenzhen Qianhai Shimao Financial Centre, 100% equity interests in Hangzhou Shimao Wisdom Tower, 100% equity interests in Nanchang Shimao APM, and project development works. Currently, Shanghai Shimao has conducted information disclosure and relevant preparations according to the requirements of the "Letter Concerning the Preparation for the Approval Committee Meetings in respect of the Relevant Projects" issued by China Securities Regulatory Commission. On 12 January, Shanghai Shimao completed the issue of the first tranche of short-term commercial notes in 2016, in a total amount of RMB2.0 billion with an annual coupon rate of 3%. On 22 March, Shanghai Shimao completed the issue of the first tranche of corporate bonds in 2016, in a total amount of RMB2.0 billion and an annual coupon rate of 3.29%.

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 2016, the Group had 14 hotels in operation, including Le Royal Méridien Shanghai, Hyatt on the Bund Shanghai, Le Méridien Sheshan Shanghai, Hilton Nanjing Riverside, Holiday Inn Mudanjiang, Holiday Inn Shaoxing, DoubleTree by Hilton Wuhu, Crowne Plaza Shaoxing, InterContinental Fuzhou, Hilton Tianjin Eco-city, DoubleTree by Hilton Ningbo Chunxiao, Yuluxe Hotel Taizhou, a self-operated five-star hotel, MiniMax Hotel Shanghai Songjiang and MiniMax Premier Hotel Shanghai Hongqiao. Currently, the Group has more than 5,100 hotel guest rooms. Hilton Wuhan Riverside, the twelfth international-branded hotel under the Group with 338 hotel guest rooms, was grandly opened on 1 July. Hotels which are planned to commence operations in the second half of 2016 include Conrad Xiamen, DoubleTree by Hilton Ningbo Beilun, MiniMax Premier Hotel Dalian Jinzhou (self-operated), MiniMax Hotel Xiamen Central (self-operated) and MiniMax Premier Hotel Chengdu City Center (self-operated).

In the first half of 2016, the tourism market of China gradually expanded in scale and continued to outperform the macro-economy. In the first half of the year, total revenue from the tourism sector amounted to RMB2.25 trillion representing an increase of 12.4%. The increasing number of hotels has led to more intensified industry competition which squeezed out some hoteliers. However, this will also drive the members in the hotel industry to keep improving themselves and enhance their competitiveness. In the first half of 2016, the Group's hotels achieved revenue of RMB667 million, representing a year-on-year increase of 6.9%. In the first half of 2016, the Group further promoted its "Lifestyle Operator" strategy and actively implemented the new strategic model of people-oriented operation. In addition, to stay well ahead of the coming of information-oriented society and experience-oriented economy, the Group has already been well-equipped. In the future, the Group may be involved in multiple businesses such as elderly care, youth hostel and finance. The light asset business is conducted through advanced technology, quality services and professional operating standard. Further, in July, Shimao Hotels and Resorts entered into entrusted management arrangements for the first hotel – MiniMax Hotel Linyi Binhe in respect of the export of hotel management, and the hotel is expected to officially commence operation in the middle of 2017. This also signifies the first step of the "light asset" strategic transformation of Shimao Hotels and Resorts.

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. The government will introduce various measures to stimulate the development of tourism industry and to boost individual consumption. On the other hand, with the continual economic development of China, four-star and five-star hotels account for an increasing proportion in the consumption of tourists of Mainland China. The due opening of Shanghai Disneyland in the first half of this year will drive tourist arrivals at Shanghai to new heights, and bring forth positive impact on the hotel industry of Shanghai. Further, the government's recent lifting of the restrictions on consumption in five-star hotels will also have positive impact on the hotels under the Group.

FINANCIAL ANALYSIS

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

	1H 2016	1H 2015
	RMB million	*RMB million*
Revenue	**30,016**	29,193
Gross profit	**8,467**	8,962
Operating profit	**8,251**	7,881
Profit attributable to shareholders	**3,028**	3,559
Earnings per share – Basic *(RMB cents)*	**87.55**	102.84

Revenue

For the six months ended 30 June 2016, the revenue of the Group was approximately RMB30,016 million (1H 2015: RMB29,193 million), representing an increase of 2.8% over the corresponding period in 2015. 95.2% (1H 2015: 95.0%) of the revenue was generated from the sales of properties and 4.8% (1H 2015: 5.0%) from hotel operations, leasing of commercial properties and others.

The components of the revenue are analysed as follows:

	1H 2016	1H 2015
	RMB million	*RMB million*
Sales of properties	**28,589**	27,731
Hotel operating income	**667**	624
Rental income from investment properties	**415**	371
Others	**345**	467
Total	**30,016**	29,193

(i) Sales of Properties

Sales of properties for the six months ended 30 June 2016 and 2015 are set out below:

	1H 2016		1H 2015	
	Area (Sq.m.)	***RMB million***	*Area (Sq.m.)*	*RMB million*
(a) Shimao Property				
Nanjing Straits City	**187,598**	**3,937**	46,796	894
Wuhan Shimao Splendid River	**112,941**	**1,541**	160,375	1,835
Shanghai Zhoupu Shimao Cloud Atlas	**40,691**	**1,540**	–	–
Hangzhou Shimao Born with Legend	**35,938**	**1,413**	–	–
Hefei Jade Mansion	**122,211**	**966**	–	–
Tianjin Shimao Wetland Century	**94,837**	**940**	54,090	465
Fuzhou Pingtan Straits Future City	**110,751**	**925**	131,915	1,182
Xiamen Shimao Royal Villa	**38,848**	**848**	–	–
Beijing Tongzhou World Chamber of Commerce Center	**22,585**	**811**	–	–
Beijing Shimao Salamanca	**100,819**	**785**	209,784	1,931
Shimao Cloud Guling	**55,047**	**762**	–	–
Nanjing Shimao Merchants Mountain	**31,111**	**760**	–	–
Chengdu Shimao City	**113,141**	**662**	33,248	216
Zhangjiagang Shimao Lake Palace	**52,550**	**656**	62,404	793
Beijing Shimao Lá Villa	**22,791**	**576**	16,495	344
Changzhou Shimao Champagne Lake	**76,673**	**556**	78,120	536
Yinchuan Flourishing Mansion	**115,782**	**517**	–	–
Qingdao Shimao Noble Town	**52,251**	**496**	13,077	102
Quanzhou Shimao Hi Dream	**32,360**	**364**	–	–
Jinan Shimao The Capital of Yuanshan	**50,361**	**363**	–	–
Xuzhou Shimao Dongdu	**51,812**	**357**	291	4
Jinjiang Zimao Mansion	**12,190**	**288**	–	–
Suzhou Shimao Shihu Bay	**14,954**	**272**	41,961	574
Wuhan Shimao Lake Island	**45,768**	**249**	50,642	366
Dalian Shimao Glory City	**42,906**	**247**	2,120	12
Nanjing Shimao Glory Villa	**14,255**	**245**	40,927	666
Nantong Shimao In the Park	**39,770**	**193**	6,957	48
Chongqing Shimao Luxury Mansion	**24,450**	**185**	–	–
Nanchang Shimao APM	**12,298**	**182**	–	–
Hainan Wenchang Shimao Blooming Sea	**20,374**	**168**	3,336	30
Shenyang Shimao Wulihe	**15,813**	**119**	4,382	45
Fuzhou Minhou Shimao Dragon Bay	**12,223**	**117**	192,165	1,870

	1H 2016		1H 2015	
	Area (Sq.m.)	***RMB million***	*Area (Sq.m.)*	*RMB million*
Kunshan Shimao The East Bund	**11,069**	**104**	141,044	976
Quanzhou Jinjiang Shimao Dragon Bay	**21,406**	**91**	113,543	1,199
Wuhan Shimao Dragon Bay	**11,347**	**73**	26,670	187
Chengdu Jianyang Shimao Misty Lakeside	**9,524**	**72**	–	–
Hangzhou Shimao Above the Lake	**2,399**	**53**	20,718	475
Harbin Shimao Riviera New City	**10,425**	**53**	6,924	22
Chengdu Shimao Royal Bay	**8,567**	**52**	114,616	1,310
Xiamen Shimao Lakeside Garden	**3,833**	**35**	28,823	899
Hangzhou Shimao East No.1	**1,701**	**32**	12,187	212
Hangzhou Shimao Riviera Garden	**1,236**	**20**	83,312	535
Dalian Shimao Dragon Bay	**5,098**	**16**	8,464	85
Mudanjiang Shimao Holiday Landscape	**3,709**	**16**	9,150	51
Ningbo Shimao The Capital	**614**	**14**	7,533	116
Wuxi Shimao International City	**710**	**9**	27,557	218
Shenyang Shimao Notting Hill	**1,030**	**9**	705	8
Ningbo Shimao Dragon Bay	**461**	**4**	6,888	73
Nanchang Shimao The Grand View	**390**	**4**	–	–
Suzhou Shimao Canal Scene	**–**	**–**	57,528	741
Shaoxing Shimao Dear Town	**–**	**–**	43,071	419
Ningbo Shimao Sea Dawn	**–**	**–**	14,593	100
Shanghai Shimao Sheshanli	**–**	**–**	11,212	223
Xianyang Shimao The Centre	**–**	**–**	3,936	17
Shanghai Shimao Emme County	**–**	**–**	3,934	35
Taizhou Shimao Riverside Garden	**–**	**–**	2,244	8
Shenyang Shimao Bojing Plaza	**–**	**–**	865	4
Jiaxing Shimao New City	**–**	**–**	797	6
Ningbo Shimao World Gulf	**–**	**–**	697	6
Sub-total (a)	**1,869,618**	**22,697**	1,896,096	19,838

	1H 2016		1H 2015	
	Area (Sq.m.)	*RMB million*	*Area (Sq.m.)*	*RMB million*
(b) Shanghai Shimao				
Nanjing Shimao Bund New City	**97,325**	**1,680**	128,412	2,196
Jinan Shimao Skyscraper City	**152,106**	**1,472**	75,127	743
Qingdao Shimao Noosa Bay	**92,408**	**821**	39,289	437
Quanzhou Shishi Shimao Skyscraper City	**62,505**	**635**	211,281	2,062
Jinan Shimao International Plaza	**11,956**	**313**	11,821	269
Ningbo Shimao Riviera Garden	**15,727**	**267**	–	–
Shanghai Shimao Wonderland	**8,934**	**243**	–	–
Wuhan Shimao Carnival	**12,788**	**137**	3,704	45
Tianjin Wuqing Shimao Luxury Mansion	**14,699**	**114**	16,167	156
Suzhou Shimao Royal Villa	**2,537**	**42**	21,142	293
Ningbo Shimao Sunlake Centre	**3,868**	**39**	8,723	117
Xuzhou Shimao Dongdu (Commercial)	**6,351**	**34**	3,397	41
Suzhou Shimao Canal Scene (Commercial)	**3,744**	**33**	5,698	51
Changzhou Shimao Champagne Lake (Commercial)	**4,199**	**32**	36,094	290
Changshu Shimao Royal Bay	**2,003**	**21**	–	–
Qingdao Shimao Shi'ao Tower	**299**	**8**	–	–
Changshu Shimao The Centre (Commercial)	**152**	**1**	16,522	253
Xiamen Shimao Straits Mansion	**–**	**–**	26,470	936
Wuhu Shimao Riviera Garden (Commercial)	**–**	**–**	239	4
Sub-total (b)	**491,601**	**5,892**	604,086	7,893
Total (a)+(b)	**2,361,219**	**28,589**	2,500,182	27,731

(ii) Hotel Income

Hotel operation income is analysed as follows:

	1H 2016 *RMB million*	1H 2015 *RMB million*
Le Royal Méridien Shanghai	**182**	185
Hyatt on the Bund Shanghai	**169**	176
Le Méridien Sheshan Shanghai	**78**	79
InterContinental Fuzhou	**48**	43
Crowne Plaza Shaoxing	**47**	33
Hilton Nanjing Riverside	**42**	37
DoubleTree by Hilton Wuhu	**28**	25
Holiday Inn Shaoxing	**14**	16
Hilton Tianjin Eco-city	**14**	4
Yuluxe Hotel Taizhou	**12**	10
MiniMax Premier Hotel Shanghai Hongqiao	**11**	–
Holiday Inn Mudanjiang	**10**	12
DoubleTree by Hilton Ningbo Chunxiao	**7**	–
MiniMax Hotel Shanghai Songjiang	**5**	4
Total	**667**	624

Hotel operation income increased approximately 6.9% to RMB667 million from approximately RMB624 million over the six months ended 30 June 2016. 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 RMB415 million, which increased by 11.9% mainly due to the continuous growth of rental income from existing shopping malls such as Jinan Shimao International Plaza.

Other income amounted to approximately RMB345 million was mainly derived from operation of property management and department stores. Excluding the impact of the disposal of cinema business in 2015, other income achieved an increase of 12.0% over corresponding period in 2015.

	1H 2016	1H 2015
	RMB million	*RMB million*
Shanghai Shimao International Plaza	**79**	78
Beijing Shimao Tower	**71**	67
Shaoxing Shimao Dear Town (Commercial)	**57**	50
Jinan Shimao International Plaza	**54**	44
Beijing Fortune Times (Commercial)	**35**	33
Kunshan Shimao Plaza	**21**	20
Shanghai Shimao Shangdu	**18**	18
Suzhou Shimao Canal Scene (Commercial)	**17**	16
Changshu Shimao The Centre	**13**	8
Xuzhou Shimao Dongdu (Commercial)	**5**	5
Wuhu Shimao Riviera Garden (Commercial)	**3**	3
Miscellaneous rental income	**42**	29
Others	**345**	467
Total	**760**	838

Cost of Sales

Cost of sales increased by 6.5% to approximately RMB21,549 million for the six months ended 30 June 2016 from RMB20,231 million for the six months ended 30 June 2015.

Cost of sales are analysed as follows:

	1H 2016	1H 2015
	RMB million	*RMB million*
Sales taxes	**1,218**	1,675
Land costs and construction costs	**17,774**	16,472
Capitalised borrowing costs	**1,943**	1,754
Direct operating costs for hotels, commercial properties and others	**614**	330
Total	**21,549**	20,231

Fair Value Gains on Investment Properties

During the period under review, the Group recorded aggregate fair value gains of approximately RMB1,276 million (1H 2015: RMB820 million), mainly contributed by further increase in value of certain investment properties. Aggregate net fair value gains after deferred income tax of approximately RMB319 million recognized was RMB957 million (1H 2015: fair value gains after deferred income tax was RMB615 million).

Other Gains

Other gains of approximately RMB671 million for the six months ended 30 June 2016 (1H 2015: RMB406 million), which mainly included net gains on disposal of subsidiaries of RMB454 million, fair value gain on derivative financial instruments of RMB65 million, gain on government grants of RMB72 million and gain on disposal of investment in structured products issued by banks of RMB34 million.

Selling and Marketing Costs and Administrative Expenses

The Group strictly linked actual cost with performance ratio through overall budget management and dynamic tracking. Cost efficiency has improved significantly. Total selling and marketing costs and administrative expenses for the first half of 2016 decreased by 8.5% to approximately RMB2.033 billion (1H 2015: RMB2.224 billion). The proportion of selling and marketing costs and administrative expenses, except for hotel expenses, to the total contracted sales was 4.8% (1H 2015: 5.3%). Selling and marketing costs for the period were approximately RMB0.425 billion (1H 2015: RMB0.661 billion), which decreased by 35.7%. Administrative expenses for the period were approximately RMB1.608 billion (1H 2015: RMB1.563 billion), which increased by 2.9%. It was mainly due to the increase of hotel expenses. Administrative expenses except for hotel expenses decreased by 3.0% compared with the corresponding period in 2015.

Operating Profit

Operating profit amounted to approximately RMB8,251 million for the six months ended 30 June 2016, representing an increase of RMB370 million or approximately 4.7% over the first half of 2015.

Finance Costs – Net

Net finance costs increased to approximately RMB456 million (1H 2015: RMB190 million) mainly due to foreign exchange losses of approximately RMB320 million occurred during the period.

Share of Results of Associated Companies and Joint Ventures

Share of profits of associated companies amounted to approximately RMB84 million (1H 2015: share of losses of RMB45 million) in the first half of 2016, which was mainly due to the profits of Nanjing Pukou Project. Share of losses of joint ventures amounted to RMB271 million (1H 2015: share of losses of RMB329 million), which was mainly due to the fact that some joint venture projects were under construction with no sales recognized yet. Moreover, some other joint venture projects recognized losses due to inventory clearance.

Taxation

The Group's tax provisions amounted to approximately RMB3,229 million in which PRC land appreciation tax ("LAT") was RMB991 million (1H 2015: RMB2,812 million, in which LAT was RMB841 million) for the period.

Profit Attributable to Shareholders

Profit attributable to shareholders for the period decreased by 14.9% from approximately RMB3.559 billion in first half of 2015 to RMB3.028 billion in the first half of 2016. The decrease was mainly due to the additional exchange losses of approximately RMB400 million, the decrease of LAT reversal in the first half of 2016 and the additional profit attributable to non-controlling interests. Excluding the net impact of major after-tax non-cash items, plus after-tax profit attributable to shareholders from the disposal of Beijing Fortune Times Property Co., Ltd. and Beijing Baiding New Century Business Management Co., Ltd. of approximately RMB630 million, net profit from core business attributable to shareholders for the period increased by 0.4% to approximately RMB3.502 billion, compared with the corresponding period in 2015. The profit margin from core business attributable to shareholders was 12.9% in the first half of 2016.

Liquidity and Financial Resources

As of 30 June 2016, total assets of the Group were RMB253.215 billion, of which current assets reached approximately RMB178.702 billion. Total liabilities were approximately RMB169.067 billion, whereas non-current liabilities were RMB60.464 billion. Total equity was RMB84.148 billion, of which equity attributable to the shareholders of the Company amounted to approximately RMB51.985 billion.

As of 30 June 2016, the Group had aggregate cash and bank balances (including restricted cash balances) of approximately RMB20.064 billion (31 December 2015: RMB26.410 billion), total borrowings amounted to approximately RMB66.946 billion (31 December 2015: RMB69.821 billion). Total net borrowings were approximately RMB46.882 billion (31 December 2015: RMB43.411 billion). Net gearing ratio decreased from approximately 58.1% as at 31 December 2015 to approximately 55.7% as at 30 June 2016.

The maturity of the borrowings of the Group as at 30 June 2016 is set out as follows:

	RMB million
Bank borrowings and borrowings from other financial institutions	
Within 1 year	12,233
Between 1 and 2 years	7,666
Between 2 and 5 years	24,263
Over 5 years	6,306
Senior notes	
Between 2 and 5 years	9,203
Over 5 years	7,275
Total	66,946

The borrowings were denominated in different currencies set out below:

	Original currency *million*	**RMB equivalent** *million*
US$	2,515	16,677
HK$	6,285	5,372
RMB	44,897	44,897

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, of which short-term borrowings was approximately 18% and long-term borrowings was approximately 82% as at 30 June 2016. The cash coverage ratio increased from approximately 156% as at 31 December 2015 to approximately 164% as at 30 June 2016, which indicated the Group kept high liquidity and low debt pressure.

With the liberalization of the capital market in China, the Group actively explored opportunities in the domestic bond market and gradually reduced its average borrowing costs. The Group accomplished the following financing activities at favorable interest rate.

In January 2016, the Group became one of the first enterprises approved by the Shanghai Stock Exchange to issue domestic corporate bonds to qualified investors in the PRC and completed the issuance of RMB4.0 billion with a term of five years and an annual coupon rate of 4.8%. In January 2016, the Group launched the preparation of issuing public panda bonds in China and the application for the issuance was submitted to the Shanghai Stock Exchange.

In January 2016, Shanghai Shimao, a subsidiary of the Group issued a total amount of RMB2.0 billion short-term notes with an annual coupon rate of 3%.

In November 2015, Shanghai Shimao, a subsidiary of the Group received approval to issue domestic corporate bonds publicly in the PRC. In March 2016, Shanghai Shimao completed the issuance of RMB2.0 billion with a term of three years and an annual coupon rate of 3.29%. In July 2016, Shanghai Shimao completed the issuance of RMB1.5 billion with a term of three years and an annual coupon rate of 3.38%.

The Group actively explored opportunities in innovative financing activities and asset securitization market. In April 2016, the Group issued the largest ABS product backed by hotel assets in domestic market which received "AAA" rating from China Chengxin Securities Rating Co., Ltd.. The issuance received overwhelming response with over subscription and set a new benchmark for the industry.

The Group is also actively expanding various financing channels, including securitization of buy-out mortgage payments and comprehensively-customized financing service for its upstream and downstream partners.

The Group has taken steps to reduce the average financing cost. For existing borrowings with high costs, the Group negotiated for cost reduction or made early repayment. The Group set strict control over the cost of new borrowings through comparing with market interest and pick-up optimal proposal from internal bidding. As a result, average financing cost dropped from 6.9% in year 2015 to 6.5% during the first half of 2016, which was the lowest average financing cost of the Group in the past few years.

In April 2016, in view of the steady operating and financial performance of the Group, Fitch Ratings, an international credit rating agency, upgraded the Group's long-term Issuer rating and the Group's senior notes rating from "BB+" to "BBB–", which reached investment grade. Moody and Standard and Poor's, maintained the Group's long-term corporate credit rating at "Ba2" and "BB+" respectively. In June 2016, Shimao Property continued to receive "AAA" rating, the highest corporate credit rating from the biggest domestic credit rating agencies, namely, China Chengxin Securities Rating Co., Ltd., United Ratings Co., Ltd. and Dagong Global Credit Rating Co., Ltd..

Foreign Exchange Risks

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD. The Group is actively taking measures to mitigate the risk of devaluation of RMB, balance borrowing costs and exchange risks costs and gradually narrow the foreign exchange risk exposure. The Group takes measures to reduce the portion of borrowings dominated in foreign currency by expanding domestic financing channels and arrange cross-border RMB payment. The Group repaid foreign currency borrowings equivalent to approximately RMB12.2 billion during the first half of 2016. The portion of borrowings dominated in foreign currency decreased from approximately 48% as at 31 December 2015 to approximately 33% as at 30 June 2016.

Moreover, during the period, the Group entered into a US$150 million forward exchange option agreement and will continue to seek foreign exchange hedging instruments at a reasonable cost to manage foreign exchange risk more effectively.

Pledge of Assets

As of 30 June 2016, 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 RMB52.572 billion to secure bank facilities granted to the Group. The corresponding bank and other loans amounted to approximately RMB23.709 billion. The Group had also pledged shares of a subsidiary for a total borrowing of RMB0.162 billion.

Contingencies

As of 30 June 2016, the Group had provided guarantees for approximately RMB11.454 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 RMB6.051 billion in its portion of equity interests in certain associated companies and joint ventures for their borrowings.

Capital and Property Development Expenditure Commitments

As of 30 June 2016, the Group had contracted capital and property development expenditure but not provided for amounted to RMB34.422 billion.

Employees and Remuneration Policy

As of 30 June 2016, the Group employed a total of 7,667 employees. Total remuneration for the period amounted to RMB820 million. The Group has adopted a performance-based rewarding system to motivate its staff. The board of directors of the Company adopted a share award scheme (the "Share Award Scheme") of the Company on 30 December 2011. The purpose of 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 regularly provided 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 2016 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 2016

		Unaudited	
		Six months ended 30 June	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**30,016,400**	29,193,057
Cost of sales		**(21,549,397)**	(20,231,103)
Gross profit		**8,467,003**	8,961,954
Fair value gains on investment properties		**1,276,104**	820,479
Other income/other gains – net		**670,723**	406,298
Selling and marketing costs		**(425,439)**	(660,830)
Administrative expenses		**(1,608,077)**	(1,562,750)
Other operating expenses		**(129,073)**	(83,716)
Operating profit		**8,251,241**	7,881,435
Finance income		**226,044**	155,921
Finance costs		**(682,146)**	(345,993)
Finance costs – net		**(456,102)**	(190,072)
Share of results of			
– Associated companies		**84,103**	(45,204)
– Joint ventures		**(271,199)**	(328,950)
		(187,096)	(374,154)
Profit before income tax		**7,608,043**	7,317,209
Income tax expense	*7*	**(3,229,181)**	(2,811,508)
Profit for the period		**4,378,862**	4,505,701
Other comprehensive income/(losses):			
Item that may be reclassified to profit or loss			
Fair value gains/(losses) on available-for-sale financial assets, net of tax		**23,868**	(14,408)
Total comprehensive income for the period		**4,402,730**	4,491,293

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

		Unaudited Six months ended 30 June	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Profit for the period attributable to:			
Equity holders of the Company		**3,028,329**	3,558,539
Non-controlling interests		**1,350,533**	947,162
		4,378,862	4,505,701
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,042,392**	3,549,301
Non-controlling interests		**1,360,338**	941,992
		4,402,730	4,491,293
Earnings per share for profit attributable to the equity holders of the Company			
– Basic (RMB cents)	*9*	**87.55**	102.84
– Diluted (RMB cents)	*9*	**87.48**	102.76

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2016

	Note	**Unaudited 30 June 2016 RMB'000**	Audited 31 December 2015 RMB'000
ASSETS			
Non-current assets			
Property and equipment		**11,865,991**	11,571,944
Investment properties		**30,136,547**	30,025,297
Land use rights		**7,863,999**	7,921,887
Intangible assets		**1,840,658**	1,840,684
Associated companies		**949,378**	898,275
Joint ventures		**9,434,742**	9,784,898
Amounts due from related parties		**3,070,258**	2,774,694
Available-for-sale financial assets		**1,336,294**	1,204,470
Deferred income tax assets		**2,420,821**	1,983,977
Other non-current assets		**5,594,170**	1,311,526
		74,512,858	69,317,652
Current assets			
Properties under development		**103,851,639**	100,727,237
Completed properties held for sale		**18,642,622**	18,140,289
Trade and other receivables and prepayments	*4*	**14,869,801**	14,786,878
Prepayments for acquisition of land use rights		**13,663,466**	11,133,906
Prepaid income taxes		**2,955,073**	2,115,462
Available-for-sale financial assets		**1,570,000**	–
Amounts due from related parties		**3,084,122**	1,581,929
Derivative financial instruments		**1,181**	41,782
Restricted cash		**2,739,549**	3,817,713
Cash and bank balances		**17,324,543**	22,591,843
		178,701,996	174,937,039
Total assets		**253,214,854**	244,254,691
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**356,275**	356,275
Share premium		**993,382**	1,077,061
Reserves			
– Proposed dividend	*8*	**954,318**	1,163,728
– Others		**49,681,394**	47,564,596
		51,985,369	50,161,660
Non-controlling interests			
Perpetual capital instruments		**600,000**	–
Other non-controlling interests		**31,562,900**	24,587,660
		32,162,900	24,587,660
Total equity		**84,148,269**	74,749,320

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2016

	Note	**Unaudited 30 June 2016** *RMB'000*	Audited 31 December 2015 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**54,712,881**	52,867,396
Finance lease liabilities		**309,704**	386,365
Deferred income tax liabilities		**5,441,729**	5,471,821
		60,464,314	58,725,582
Current liabilities			
Trade and other payables	*5*	**24,888,327**	25,962,991
Dividend payable		**1,187,203**	–
Advanced proceeds received		**29,463,238**	30,766,515
Income tax payable		**13,321,237**	12,460,061
Borrowings		**12,232,851**	16,953,596
Finance lease liabilities		**221,645**	186,620
Amounts due to related parties		**27,282,702**	24,447,996
Deferred income		**5,068**	2,010
		108,602,271	110,779,789
Total liabilities		**169,066,585**	169,505,371
Total equity and liabilities		**253,214,854**	244,254,691

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2016

1. GENERAL INFORMATION

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 30 August 2016.

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

This interim condensed consolidated financial information for the six months ended 30 June 2016 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with HKFRSs.

2. 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 2015, 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

The following amendments to standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2016:

Amendment to HKFRS 11 "Accounting for acquisitions of interests in joint operations". The amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business' (as defined in HKFRS 3, Business combinations). All other principles of business combination accounting apply unless they conflict with HKFRS 11. The amendment is applicable to both the acquisition of the initial interest and a further interest in a joint operation. The previously held interest is not remeasured when the acquisition of an additional interest in the same joint operation with joint control maintained.

Amendments to HKAS 16 and HKAS 38 "Clarification of acceptable methods of depreciation and amortisation". The amendments clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to HKAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to HKAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate.

Amendments to HKAS 1 "Disclosure initiative". The amendments clarify guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. Although the amendments do not require specific changes, they clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.

Amendments to HKAS 19 "Employee benefits". This amendments clarify that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

Amendments from annual improvements to HKFRSs – 2012–2014 Cycle, on HKFRS 7, 'Financial instruments: Disclosures' and HKAS 34, 'Interim financial reporting'.

(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 2016, and have not been early adopted.

Currently related to the Group

		Effective for annual periods beginning on or after
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 16	Leases	1 January 2019
Amendments to HKAS 12	Income taxes	1 January 2017
Amendments to HKAS 7	Statement of cash flows	1 January 2017

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 2016. 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 2018) 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):

Amendments to HKFRS 10 And HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

(c) Perpetual capital instruments

Perpetual capital instruments with no contractual obligation to repay its principal or to pay any distribution are classified as part of equity.

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	
	2016	2015
	RMB'000	*RMB'000*
Sales of properties	**28,589,225**	27,731,306
Hotel operation income	**667,436**	623,709
Rental income from investment properties	**415,080**	371,485
Others	**344,659**	466,557
	30,016,400	29,193,057

(b) Segment information

The segment results for the six months ended 30 June 2016 are as follows:

	Property development and investment				
	Shanghai Shimao Co., Ltd. ("Shanghai Shimao")*	Others	Hotel Operation	Unallocated**	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue					
– Sales of properties	5,892,314	22,696,911	–	–	28,589,225
– Hotel operation income	41,561	–	625,875	–	667,436
– Rental income from investment properties	282,187	132,893	–	–	415,080
– Others	150,943	193,716	–	–	344,659
Total revenue	6,367,005	23,023,520	625,875	–	30,016,400
Operating profit/(loss)	1,993,163	6,293,792	7,510	(43,224)	8,251,241
Finance income	73,859	138,487	427	13,271	226,044
Finance costs	(119,501)	(173,308)	(14,070)	(375,267)	(682,146)
Share of results of					
– Associated companies	(2)	84,105	–	–	84,103
– Joint ventures	(77,612)	(193,587)	–	–	(271,199)
Profit/(loss) before income tax	1,869,907	6,149,489	(6,133)	(405,220)	7,608,043
Income tax expense					(3,229,181)
Profit for the period					4,378,862
Other segment items are as follows:					
Capital and property development expenditure	6,798,141	17,897,209	945,393	–	25,640,743
Fair value gains on investment properties	405,294	870,810	–	–	1,276,104
Fair value gains on derivative financial instruments	–	65,174	–	–	65,174
Write-off of intangible assets	–	26	–	–	26
Depreciation	19,218	44,500	138,322	17,454	219,494
Amortisation of land use rights	2,880	3,329	45,094	–	51,303
Provision for impairment of receivables	1,197	–	–	–	1,197

* *The Group owns an effective equity interest of 58.92% in Shanghai Shimao.*

** *Unallocated mainly represent corporate level activities.*

The segment results for the six months ended 30 June 2015 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	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 loss on derivative financial instrument	–	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 assets and liabilities as at 30 June 2016 are as follows:

	Property development and investment			
	Shanghai Shimao *RMB'000*	Others *RMB'000*	Hotel operation *RMB'000*	Total *RMB'000*
Associated companies	**84,921**	**864,457**	**–**	**949,378**
Joint ventures	**2,077,195**	**7,357,547**	**–**	**9,434,742**
Intangible assets	**1,709,730**	**–**	**130,928**	**1,840,658**
Other segment assets	**57,382,589**	**160,162,126**	**15,963,470**	**233,508,185**
Total segment assets	**61,254,435**	**168,384,130**	**16,094,398**	**245,732,963**
Deferred income tax assets				**2,420,821**
Available-for-sale financial assets				**2,906,294**
Derivative financial instruments				**1,181**
Other assets				**2,153,595**
Total assets				**253,214,854**
Borrowings	**12,735,582**	**32,505,135**	**727,500**	**45,968,217**
Other segment liabilities	**22,832,879**	**60,404,034**	**11,633,703**	**94,870,616**
Total segment liabilities	**35,568,461**	**92,909,169**	**12,361,203**	**140,838,833**
Corporate borrowings				**20,977,515**
Deferred income tax liabilities				**5,441,729**
Other liabilities				**1,808,508**
Total liabilities				**169,066,585**

The segment assets and liabilities as at 31 December 2015 are as follows:

	Property development and investment			
	Shanghai Shimao *RMB'000*	Others *RMB'000*	Hotel operation *RMB'000*	Total *RMB'000*
Associated companies	117,922	780,353	–	898,275
Joint ventures	2,150,523	7,634,375	–	9,784,898
Intangible assets	1,709,730	26	130,928	1,840,684
Other segment assets	58,821,128	153,557,579	14,111,129	226,489,836
Total segment assets	62,799,303	161,972,333	14,242,057	239,013,693
Deferred income tax assets				1,983,977
Available-for-sale financial assets				1,204,470
Derivative financial instruments				41,782
Other assets				2,010,769
Total assets				244,254,691
Borrowings	14,444,947	31,268,177	174,000	45,887,124
Other segment liabilities	22,951,542	61,265,564	9,501,369	93,718,475
Total segment liabilities	37,396,489	92,533,741	9,675,369	139,605,599
Corporate borrowings				23,933,868
Deferred income tax liabilities				5,471,821
Other liabilities				494,083
Total liabilities				169,505,371

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 2016 *RMB'000*	31 December 2015 *RMB'000*
Bidding deposits for land use rights *(note (a))*	**2,091,855**	4,116,809
Trade receivables *(note (b))*	**4,080,205**	4,967,963
Prepaid business taxes on pre-sale proceeds	**1,408,012**	1,700,264
Prepayments for construction costs	**1,959,288**	1,239,653
Receivables from disposal of subsidiaries	**2,050,409**	–
Other receivables	**3,280,032**	2,762,189
	14,869,801	14,786,878

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 2016 *RMB'000*	31 December 2015 *RMB'000*
Within 90 days	**2,920,971**	3,911,781
Over 90 days and within 365 days	**809,473**	651,316
Over 365 days	**349,761**	404,866
	4,080,205	4,967,963

As at 30 June 2016, receivables arising from sales of properties was approximately RMB3,746,938,000 (31 December 2015: RMB4,332,638,000). The remaining balance mainly represents the receivables from property management service, rental income and others.

Trade receivables are analysed as follows:

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
Fully performing under credit terms	**2,871,641**	3,694,870
Past due but not impaired	**1,208,564**	1,273,093
	4,080,205	4,967,963

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

	30 June 2016	31 December 2015
	RMB'000	*RMB'000*
Within 90 days	**129,561**	245,613
Over 90 days and within 365 days	**729,242**	622,614
Over 365 days	**349,761**	404,866
	1,208,564	1,273,093

As the Group normally holds collateral of the properties before collection of the outstanding balances and passing the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 30 June 2016 (31 December 2015: Nil).

As at 30 June 2016, provision for impairment of other receivables was approximately RMB132,586,000 (31 December 2015: RMB131,389,000).

As at 30 June 2016, 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 2016 and 31 December 2015, trade and other receivables of the Group were mainly denominated in RMB.

5. TRADE AND OTHER PAYABLES

	30 June 2016 *RMB'000*	31 December 2015 *RMB'000*
Trade payables *(note (a))*	**19,984,095**	21,271,645
Other taxes payable	**1,141,289**	1,334,669
Accrued expenses	**1,375,872**	1,310,797
Other payables *(note (b))*	**2,387,071**	2,045,880
	24,888,327	25,962,991

Notes:

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

	30 June 2016 *RMB'000*	31 December 2015 *RMB'000*
Within 90 days	**19,354,369**	21,139,006
Over 90 days and within 1 year	**629,726**	132,639
	19,984,095	21,271,645

(b) Other payables comprise:

	30 June 2016 *RMB'000*	31 December 2015 *RMB'000*
Deposits received from customers	**1,422,666**	1,240,333
Fees collected from customers on behalf of government agencies	**97,722**	116,509
Deposits from constructors	**359,350**	360,388
Rental deposits from tenants and hotel customers	**340,203**	294,340
Others	**167,130**	34,310
	2,387,071	2,045,880

6. COMMITMENTS

(a) Commitments for capital and property development expenditure

	30 June 2016 *RMB'000*	31 December 2015 *RMB'000*
Contracted but not provided for		
– Property and equipment and investment properties	**2,977,897**	2,170,294
– Land use rights (including those related to associated companies and joint ventures)	**9,953,273**	14,517,215
– Properties being developed for sale	**21,490,765**	20,325,672
	34,421,935	37,013,181

(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 2016 *RMB'000*	31 December 2015 *RMB'000*
Within 1 year	**151,767**	129,443
After 1 year but within 5 years	**459,446**	430,095
After 5 years	**214,995**	239,280
	826,208	798,818

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**2,216,544**	1,770,293
– PRC withholding income tax	**19,942**	44,449
– PRC land appreciation tax	**991,320**	840,723
	3,227,806	2,655,465
Deferred income tax		
– PRC enterprise income tax	**1,375**	156,043
	3,229,181	2,811,508

Hong Kong profits tax

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

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 purposes.

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.

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 arrangements between the PRC and Hong Kong.

Gain on disposal of an investment in the PRC by overseas holding companies and intra-group charges to the PRC subsidiaries by overseas subsidiaries may also be subject to withholding tax of 10%.

8. DIVIDENDS

An interim dividend in respect of 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) was declared at the Company's board meeting held on 26 August 2015.

A final dividend in respect of the year ended 31 December 2015 of HK40 cents per ordinary share, amounting to approximately HK$1,389,029,000 (equivalent to RMB1,163,728,000) was proposed at the Company's board meeting held on 30 March 2016, and was approved at the annual general meeting of the Company held on 20 June 2016.

At a meeting held on 30 August 2016, the Board declared an interim dividend of HK26 cents per ordinary share and a special dividend of HK6 cents per ordinary share, amounting to approximately HK$1,111,222,000 (equivalent to RMB954,318,000). This proposed dividend is not reflected as a dividend payable in this condensed consolidated financial information.

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 year.

	Six months ended 30 June	
	2016	2015
Profit attributable to the equity holders of the Company *(RMB'000)*	**3,028,329**	3,558,539
Weighted average number of ordinary shares in issue *(thousands)*	**3,459,008**	3,460,394
Basic earnings per share *(RMB cents)*	**87.55**	102.84

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

	Six months ended 30 June	
	2016	2015
Profit attributable to the equity holders of the Company *(RMB'000)*	**3,028,329**	3,558,539
Weighted average number of ordinary shares in issue *(thousands)*	**3,459,008**	3,460,394
Adjustment for shares granted under Share Award Scheme/share options granted under the Pre-IPO Share Option Scheme *(thousands)*	**2,928**	2,524
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**3,461,936**	3,462,918
Diluted earnings per share *(RMB cents)*	**87.48**	102.76

CORPORATE GOVERNANCE PRACTICES

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 2016 except for one deviation namely, code provision A.2.1.

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

Mr. Hui Wing Mau 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 independence 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 of the Company. 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 2016.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the six months ended 30 June 2016, 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 4,300,000 shares of the Company at a total consideration of approximately HK$44,225,000.

INTERIM DIVIDEND, SPECIAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has today declared an interim dividend of HK26 cents per ordinary share and a special dividend of HK6 cents per ordinary share, totalling HK32 cents per ordinary share for the six months ended 30 June 2016. The dividends will be payable on Friday, 30 September 2016 to shareholders whose names appear on the register of members of the Company on Thursday, 15 September 2016.

The register of members of the Company will be closed on Wednesday, 14 September 2016 and Thursday, 15 September 2016 for the purpose of ascertaining shareholders' entitlement to the interim and special dividends. During these two days no transfer of shares will be registered. In order to qualify for the interim and special dividends, 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 Tuesday, 13 September 2016.

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

Hong Kong, 30 August 2016

As at the date of this announcement, the Board of the Company comprises five executive directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman), Ms. Tang Fei, Mr. Liao Lujiang and Mr. Kan Naigui; 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.