SHIMAO GROUP HOLDINGS LIMITED
世 茂 集 團 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 2023

RESULTS HIGHLIGHTS

1. Contracted sales were RMB28.07 billion for the first half of 2023. Contracted gross floor area amounted to 1.868 million sq.m..

2. Revenue decreased by 11.5% to RMB30.394 billion (1H 2022: RMB34.356 billion).

3. Revenue generated from hotel operation, commercial properties operation, property management and others was RMB6.000 billion (1H 2022: RMB6.122 billion), representing a decline of approximately 2.0% compared to the first half of 2022.

4. Gross profit increased by 5.4% to RMB3.124 billion (1H 2022: RMB2.965 billion). Gross profit margin was 10.3%.

5. Loss from core business attributable to shareholders was RMB7.325 billion (1H 2022: RMB5.529 billion), representing an increase in loss of approximately RMB1.796 billion (approximately 32.5%) as compared to the first half of 2022.

6. As at 30 June 2023, the Group's land bank was approximately 55.42 million sq.m. (before interests).

7. The Board did not recommend the payment of any interim dividend for 1H 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Property Development

1) *Recognized Sales Revenue*

Shimao Group Holdings Limited ("Shimao Group", "Shimao" or the "Company", together with its subsidiaries, the "Group") generates its revenue primarily from sales of properties, commercial properties operation, hotel operation and property management businesses. For the six months ended 30 June 2023, revenue of the Group reached RMB30.39 billion, representing a decrease of 11.5% as compared to the same period of 2022. During the period, revenue from property sales amounted to RMB24.39 billion, accounting for 80.3% of the total revenue and representing a decrease of 13.6% as compared to the same period of 2022. The recognized sales area was 2.022 million sq.m., representing a decrease of 21.5% as compared to the same period of 2022.

2) *Property Sales Performance*

In the first half of 2023, the property market of China fell again in the second quarter after the partial recovery in the first quarter, and the sales recovery of the real estate industry was not as expected. In the face of the complex and severe domestic and international market conditions, the downturn of the real estate industry and other multiple challenges, the Group carried out refined and graded management of its projects for sale, implemented management measures such as the "Dual Manager" mechanism for projects and the "On Time Tracking" mechanism to safeguard sales, and made concrete efforts to enhance the per capita productivity of the marketing team, so as to actively seek for breakthroughs in the complex market environment. Against the backdrop of a slow recovery of the property market, the Group's accumulated contracted sales amounted to RMB28.07 billion in the first half of 2023, with an aggregate contracted sales area of 1.868 million sq.m..

3) *Attaining Milestones, Enhancing Quality and Ensuring Delivery*

Since the beginning of 2023, the Group has continued to strictly follow the milestones to improve time efficiency, actively fostered the resumption of work and production of key projects, made construction planning, strictly controlled the progress of construction works, and continuously implemented management and control over such processes and results. Apart from focusing on the implementation of construction works, Shimao's teams in all regions were also committed to controlling the details and quality, took the products as its core and put the users first so as to make every effort in realizing the power of the products and undertake responsibilities. As of 30 June 2023, the Group had an area under construction of approximately 33.00 million sq.m., and an area completed of approximately 3.70 million sq.m. for the period. Meanwhile, the Group mobilized its resources to set up a dedicated delivery team to prioritize delivery. In the first half of the year, the Group achieved cumulative delivery of approximately 32,000 units in Guangzhou, Chongqing, Wuhan, Hefei, Shaoxing and other places, fulfilling its commitment of delivery of good living.

4) *Continuing the Implementation of Prudent Business Strategies and the Suspension of Land Acquisition*

In the first half of the year, the land auction market across China continued to be sluggish, with land sales increasing in quality and reducing in quantity, and the transaction scale was still at a historic low. Considering the current uncertainty in the recovery of the real estate market, the Group continued to take on prudent business strategies, suspended the acquisition of land, and strengthened the refined control of existing projects. As of 30 June 2023, the Group had over 300 projects and a total area of approximately 55.42 million sq.m. (before interests) land bank, which provided the necessary support for the Group's future sales and development.

Commercial Properties Operation

In respect of commercial properties operation, Shimao Group is principally engaged in the development of commercial properties through its subsidiary, Shanghai Shimao Co., Ltd. ("Shanghai Shimao"). Shanghai Shimao is determined to develop premium commercial complexes, and regards fulfilling the growing public demand for a better life as its impetus for development.

In the first half of 2023, benefiting from the restart effect brought about by the recovery of offline scenarios, the retail consumer market as a whole saw a recovery trend. However, people's consumption capacity and willingness to spend were still falling behind slightly, and investment confidence and enthusiasm among the public were still relatively low. This was reflected in the offline retail business market and the characteristics were as follows: customer flow recovery was better than sales; the value per order decreased, and service consumption was better than shopping consumption; occupancy rate continued to be under pressure and the decline in rental levels narrowed down. The situation of the Company's office buildings was even more pessimistic. Due to the weak macro-economy, all kinds of enterprises faced the huge pressure of destocking and reducing costs. Reduction of lease costs has become the main reason for termination of tenancies and relocation of enterprises in the first half of the year. The Company's office buildings under management are all located in the core districts of cities. As such, and as affected by the cost reduction by and the relocation of tenants, the overall occupancy rate remained at 77.9% in the first half of the year. In contrast, the overall recovery of the tourism market reached market expectations. Shanghai Dream City Park, which is under the Company's management, firmly grasped the opportunity from the recovery of the tourism market, and adopted an operational strategy which established a premium positioning with sizeable investments, and in turn achieving a cumulative passenger flow of 450,000 people in the first half of the year.

In the future, Shimao Commercial will keep adhering to the mode of developing with "dual driving forces" and "balancing both asset-light and asset-heavy", and further exert its outstanding advantages in business management.

Property Management

In respect of property management business, Shimao Group is engaged in property management business through its subsidiary, Shimao Services Holdings Limited ("Shimao Services").

In the first half of 2023, the property services industry continued to face a number of challenges. The overall economic situation changed and was under greater downward pressure, and the real estate industry continued to fluctuate as it went downwards, all of which caused certain impact on the development of the property services industry. Having experienced the ups and downs in the turbulent capital market, the leading enterprises are expected to have become more resilient and stable, which allow them to calmly embrace future challenges and opportunities with the solid experience accumulated. Shimao Services has made plans to focus on cash flow management, profitability upgrade, market development and other key issues, so as to realize its strategic and management goals.

In the first half of 2023, Shimao Services still recorded a double-digit growth in property management services in spite of a continuous expansion in business scale and a rapid increase in revenue base. This fully demonstrated a solid development in the Group's business, which acted as the basis for the growth of other diversified businesses and provided guarantee for the Group's overall stable operations. In the first half of 2023, Shimao Services recorded revenue of RMB4,098.1 million, gross profit of RMB862.7 million and core net profit attributable to shareholders of RMB316.5 million. The gross floor area ("GFA") under management amounted to 260.7 million sq.m., and contracted GFA amounted to 346.2 million sq.m.. Gross profit margin for the period was 21.1%, and core net profit margin attributable to shareholders was 7.7%, maintaining at an industry-leading level.

In the future, Shimao Services will keep on implementing medium and long-term strategies and adhere to high-quality development. The four major business segments, through the strategies of "horizontal integration", "vertical integration", "related diversification", "centralization" and "update on strategies", will be effectively connected to create synergy that ensure future development and growth.

Hotel Operation

As of 30 June 2023, the Group had a total of 24 hotels in operation, including Conrad Shanghai, InterContinental Shanghai Wonderland, Sheraton Hong Kong Tung Chung Hotel, Conrad Xiamen, Hilton Wuhan Riverside, The Yuluxe Sheshan, A Tribute Portfolio Hotel, Shanghai, InterContinental Fuzhou, Hilton Nanjing Riverside, Hilton Shenyang, Hilton Changsha Riverside and Yuluxe Hotel Chengdu. Currently, the Group has more than 8,200 hotel guest rooms. In addition, the Group has five directly managed leased hotels, including MiniMax Hotel Shanghai Songjiang, MiniMax Premier Hotel Shanghai Hongqiao, MiniMax Premier Hotel Chengdu City Center, ETHOS Hotel Xiamen and ETHOS Hotel Wuhan Riverside, offering nearly 1,000 hotel guest rooms.

With the recovery of domestic consumption and the strong support of national policies, the hotel industry picked up again in the first half of this year. According to the statistics of the Ministry of Culture and Tourism, the domestic cultural and tourism industries recovered strongly during the 2023 Labour Day holidays, with the number of tourist arrivals recovering to 119.1% of the corresponding period of 2019. Similarly, the market remained active during the Dragon Boat Festival holiday, with the number of tourist arrivals recovering to 112.8% of the corresponding period of 2019. Against this backdrop, the total revenue in respect of Shimao's hotel segment amounted to RMB1.06 billion in the first half of the year, representing a year-on-year increase of 43.5%. The total revenue in the second quarter realized a quarter-on-quarter increase of 20% as compared with the first quarter. The revenue per available room (RevPAR), one of the key indicators of assessing hotel profitability, had a year-on-year increase of 46%.

In the first half of 2023, Shimao Star newly established a hotel of self-owned brand under management services, MiniMax Hotel Chengdu Shuangliu Airport. Together with Minimax Premier Hotel Chengdu Shuangliu Airport, which is already in operation, they form a "dual-branded" image. Currently, the brands of MiniMax Premier and MiniMax have eight hotels in operation across Shanghai, Shaoxing, Chengdu, Shishi and other cities in China. Looking ahead to the second half of the year, Shimao Star will also usher in the grand opening of hotel projects under management services such as MiniMax Hotel Qingdao Dengzhou Road, Yu Hotel Chongqing, Yuluxe Hotel Baoji, etc. It will firmly implement a development plan of its self-owned brand hotels with a precise vision.

FINANCIAL ANALYSIS

Key consolidated income statement figures are set out below:

	1H 2023 *RMB million*	1H 2022 *RMB million*
Revenue	**30,394**	34,356
Gross profit	**3,124**	2,965
Operating (loss)/profit	**(1,788)**	1,992
Loss attributable to shareholders	**(12,058)**	(9,792)
Losses per share – Basic *(RMB)*	**(3.18)**	(2.59)

Revenue

For the six months ended 30 June 2023, the revenue of the Group was approximately RMB30,394 million (1H 2022: RMB34,356 million), representing the decrease of 11.5% over the corresponding period in 2022. 80.3% (1H 2022: 82.2%) of the revenue was generated from the sales of properties and 19.7% (1H 2022: 17.8%) from hotel operation, commercial properties operation, property management and others.

The components of the revenue are set out as follows:

	1H 2023 *RMB million*	1H 2022 *RMB million*
Sales of properties	**24,394**	28,234
Hotel operation income	**1,059**	738
Commercial properties operation income	**861**	991
Property management income, and others	**4,080**	4,393
Total	**30,394**	34,356

* The income does not include revenue from the Group.

(i) Sales of Properties

Sales of properties for the six months ended 30 June 2023 and 2022 are set out below:

	1H 2023		1H 2022	
	Area (sq.m.)	***RMB million***	*Area (sq.m.)*	*RMB million*
Zhejiang District	**713,011**	**8,136**	202,019	3,824
Straits Development District	**407,336**	**5,784**	823,080	9,400
Central China District	**422,029**	**4,300**	191,157	1,570
Jiangsu and Shanghai District	**207,915**	**3,522**	503,658	6,235
Western District	**192,341**	**1,841**	604,542	4,665
Northern China District	**78,961**	**811**	249,782	2,540
Total	**2,021,593**	**24,394**	2,574,238	28,234

(ii) Hotel Income

Hotel operation income increased by approximately 43.5% to RMB1,059 million for the six months ended 30 June 2023 from RMB738 million over the corresponding period in 2022. With the normalisation of anti-epidemic efforts in China, the situation of hotel industry significantly recovered, then the occupancy rate and revenue per available room increased.

Hotel operation income is analysed as follows:

	Date of Commencement	**1H 2023** ***RMB million***	1H 2022 *RMB million*
Conrad Shanghai	September 2006	**137**	57
InterContinental Shanghai Wonderland	November 2018	**95**	73
Sheraton Hong Kong Tung Chung Hotel	December 2020	**82**	49
Conrad Xiamen	August 2016	**72**	44
Four Points by Sheraton Hong Kong Tung Chung	January 2021	**70**	122
Hilton Wuhan Riverside	July 2016	**64**	37
Hilton Changsha Riverside	July 2021	**58**	27
The Yuluxe Sheshan, A Tribute Portfolio Hotel, Shanghai	November 2005	**56**	70
Hilton Shenyang	January 2018	**48**	21
Hilton Nanjing Riverside	December 2011	**48**	31
InterContinental Fuzhou	January 2014	**45**	29
Crowne Plaza Shaoxing	March 2014	**43**	33
Hilton Yantai	August 2017	**34**	20
Le Méridien Hangzhou Binjiang	September 2018	**31**	17
Yuluxe Hotel Chengdu	August 2018	**30**	5
DoubleTree by Hilton Ningbo Beilun	December 2016	**27**	26
Hilton Tianjin Eco-City	April 2015	**22**	14
Yuluxe Hotel Taizhou	August 2014	**13**	12
DoubleTree by Hilton Ningbo Chunxiao	December 2015	**13**	11
Holiday Inn Mudanjiang	December 2010	**8**	6
Others		**63**	34
Total		**1,059**	738

(iii) Commercial properties operation income

Commercial properties operation income decreased by approximately 13.2% to RMB861 million for the six months ended 30 June 2023 from RMB991 million over the corresponding period in 2022. The decrease in commercial properties operating income is mainly due to macroeconomic weakness, resulting in a decrease in rental rates and rental levels.

Commercial properties operation income is analysed as follows:

	Date of Commencement	**1H 2023** ***RMB million***	1H 2022 *RMB million*
Rental Income			
Shanghai Shimao Festival City	December 2004	**107**	98
Jinan Shimao Festival City	May 2014	**70**	73
Beijing Shimao Tower	July 2009	**64**	71
Chengdu Shimao Festival City	April 2021	**56**	21
Shenzhen Shimao Qianhai Center	July 2020	**53**	59
Shanghai Shimao Tower	December 2018	**50**	53
Nanjing Yuhua Shimao (Commercial)	December 2018	**31**	32
Shaoxing Shimao Dear Town (Commercial)	May 2010	**30**	32
Nanjing Straits City (Commercial)	December 2014	**27**	37
Kunshan Shimao Plaza	April 2012	**22**	26
Changsha Shimao Global Financial Center	September 2020	**21**	22
Xiamen Shimao Straits Mansion	January 2017	**20**	16
Suzhou Shimao Canal Scene (Commercial)	June 2010	**10**	27
Qingdao Shimao 52+	August 2020	**7**	9
Xiamen Jimei Shimao Festival City	April 2021	**6**	9
Quanzhou Shishi Shimao Skyscraper City	January 2017	**6**	5
Wuhu Shimao Riviera Garden (Commercial)	September 2009	**5**	5
Xuzhou Shimao Dongdu (Commercial)	January 2012	**4**	4
Miscellaneous rental income		**44**	76
Rental income sub-total		**633**	675
Commercial properties operation related service income		**228**	316
Total		**861**	991

(iv) Property management income, and others

Property management income, and others decreased by approximately 7.1% to RMB4,080 million for the six months ended 30 June 2023 from RMB4,393 million over the corresponding period in 2022, which were mainly due to decreased revenues from community value-added services and project management.

Cost of Sales

Cost of sales decreased by 13.1% to approximately RMB27,269 million for the six months ended 30 June 2023 from RMB31,391 million for the six months ended 30 June 2022, which was in line with the decline in revenue.

Gross Profit Margin

For the six months ended 30 June 2023, the Group's gross profit margin was approximately 10.3%, which showed no significant change compared to the gross profit margin of 8.6% for the same period in 2022.

Fair Value Losses on Investment Properties – Net

During the period under review, the Group recorded aggregate fair value losses of approximately RMB802 million (1H 2022: RMB28 million), mainly caused by the decrease in fair value of investment property under development Shenzhen Longgang Project. Aggregate net fair value losses after deferred income tax of approximately RMB200 million recognized was RMB602 million (1H 2022: RMB21 million).

Other Income/Gains or Losses – Net

For the six months ended 30 June 2023, net other losses was approximately RMB265 million (1H 2022: other gains of RMB4,141 million), the decrease was mainly because for the six months ended 30 June 2022 approximately RMB4,231 million gains from the disposal of subsidiaries and joint ventures, while rarely such income of similar transactions happened in the six months ended 30 June 2023.

Selling and Marketing Costs and Administrative Expenses

For the six months ended 30 June 2023, the Group's selling and marketing costs decreased by 55.8% to approximately RMB694 million from approximately RMB1,570 million for the same period in 2022. This decrease was in line with the decline in the Group's contracted sales during the period.

For the six months ended 30 June 2023, the Group's administrative expenses decreased by 13.3% to approximately RMB2,293 million from approximately RMB2,645 million for the same period in 2022. The Group's administrative expenses were mainly personnel costs, depreciation and amortization.

Provision for Impairment Losses on Financial Assets

Given the combined impact of multiple unfavourable factors in macroeconomic, industry and financing environments, the Group made further provisions for expected credit losses of approximately RMB324 million for the six months ended 30 June 2023.

Finance Costs – Net

For the six months ended 30 June 2023, net finance costs decreased by 12.0% to approximately RMB8,465 million (1H 2022: RMB9,619 million), which was mainly due to the decrease in foreign exchange loss from the depreciation of RMB against USD.

Share of Results of Associated Companies and Joint Ventures

Share of results of associated companies and joint ventures decreased to losses of approximately RMB473 million in the first half of 2023 from profits of RMB87 million in the corresponding period in 2022, which was mainly due to the decrease in gross margin of sales of properties of the Group's associated companies and joint ventures as compared to the same period last year.

Taxation

The Group's tax provisions amounted to approximately RMB898 million for the period, in which PRC land appreciation tax ("LAT") was RMB407 million (1H 2022: RMB1,727 million, in which LAT was RMB740 million). The decrease in LAT was mainly due to the decrease in revenue and the increase in tax reimbursement.

Loss Attributable to Shareholders

Loss attributable to shareholders for the six months ended 30 June 2023 increased to approximately RMB12.058 billion from approximately RMB9.792 billion for the six months ended 30 June 2022. The increase of loss was mainly due to the decrease in other gains from disposal of subsidiaries and joint ventures.

The core loss attributable to shareholders represents loss after tax attributable to shareholders excluding major non-recurring or non-cash items, i.e. after-tax impact of fair value losses on investment properties, share of results of associated companies and joint ventures, foreign exchange gains and losses arising from borrowings, provision losses on financial assets, impairments on non-current assets, depreciation and amortization.

Excluding the after-tax impact of non-recurring or non-cash items, loss from core business attributable to shareholders for the six months ended 30 June 2023 increased by RMB1,796 million to approximately RMB7,325 million (1H 2022: RMB5,529 million). Loss margin from core business attributable to shareholders was 33.7% in the first half of 2023.

Amounts due from Associated Companies and Joint Ventures

Amounts due from associated companies and joint ventures, represent proportional funding to the associated companies and joint ventures for the underlying projects by the Group, have decreased to approximately RMB61.463 billion as at 30 June 2023 from approximately RMB66.691 billion as at 31 December 2022.

Liquidity and Financial Resources

The net gearing ratio is calculated by dividing total borrowings (including current and non-current borrowings) minus cash balances (including restricted cash) by total equity. As at 30 June 2023, the Group's net gearing ratio was approximately 372.5% (31 December 2022: 302.2%).

The liabilities to assets ratio after excluding receipts in advance is calculated by dividing total liabilities minus receipts in advance (including contract liabilities and relevant value-added tax amounted approximately RMB111.56 billion as at 30 June 2023) by total assets minus receipts in advance. As at 30 June 2023, the Group's liabilities to assets ratio after excluding receipts in advance was approximately 85.8% (31 December 2022: 83.8%).

The cash to current borrowings ratio is calculated by dividing cash and cash equivalents minus guarantee deposits for construction of pre-sale properties (30 June 2023: approximately RMB14.17 billion) by current borrowings. As at 30 June 2023, the Group's cash to current borrowings ratio was 0.03 (31 December 2022: 0.03).

The maturity of the borrowings of the Group as at 30 June 2023 is set out as follows:

	RMB million
Bank borrowings and borrowings from other financial institutions and bonds	
Within 1 year	**157,563**
Between 1 and 2 years	**25,424**
Between 2 and 5 years	**39,012**
Over 5 years	**4,260**
Senior notes	
Within 1 year	**24,370**
Between 1 and 2 years	**3,606**
Between 2 and 5 years	**12,566**
Over 5 year	**8,428**
Total	**275,229**

Foreign Exchange Risks

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD.

The Group has been paying closely attention to the fluctuation of the foreign exchange rate and actively taking measures to mitigate the risk of exchange rate fluctuation.

Pledge of Assets

As at 30 June 2023, the Group's total secured borrowings of approximately RMB238.489 billion were secured by its 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 RMB185.026 billion), and/or secured by the pledge of the shares or the equity interests of certain subsidiaries of the Group.

Capital and Property Development Expenditure Commitments

As of 30 June 2023, the Group had contracted capital and property development expenditure but not provided for amounted to RMB44.229 billion.

Employees and Remuneration Policy

As of 30 June 2023, the Group employed a total of 52,518 employees, among whom 1,393 were engaged in property development. Total remuneration for the period amounted to approximately RMB2.829 billion. The Group has adopted a performance-based rewarding system to motivate its staff. The board of directors of the Company (the "Board") adopted two share award schemes (the "Share Award Schemes") of the Company on 30 December 2011 and 3 May 2021 respectively. The board of directors of Shimao Services also adopted a share award scheme (the "Shimao Services Share Award Scheme") of Shimao Services on 28 June 2021. The purpose of the Share Award Schemes and the Shimao Services Share Award Scheme is to recognize the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. In relation to staff training, the Group also provides different types of programs for its staff to improve their skills and develop their respective expertise.

UNAUDITED INTERIM RESULTS

The Board is pleased to present the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2023 together with comparative figures for the corresponding period of the previous year. These interim financial statements have not been audited but have been reviewed by the Company's Audit Committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

		Unaudited	
		Six months ended 30 June	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**30,393,587**	34,355,924
Cost of sales		**(27,269,253)**	(31,391,343)
Gross profit		**3,124,334**	2,964,581
Fair value losses on investment properties – net		**(802,085)**	(27,661)
Other income/other gains or losses – net		**(264,689)**	4,141,170
Selling and marketing costs		**(693,696)**	(1,570,267)
Administrative expenses		**(2,293,065)**	(2,644,670)
Provision for impairment losses on financial assets		**(324,205)**	(642,256)
Other operating expenses		**(534,562)**	(229,254)
Operating (loss)/profit		**(1,787,968)**	1,991,643
Finance income		**97,845**	161,958
Finance costs		**(8,563,154)**	(9,781,107)
Finance costs – net		**(8,465,309)**	(9,619,149)
Fair value changes of convertible bonds		**–**	57
Share of results of associated companies and joint ventures accounted for using the equity method		**(472,575)**	86,606
Loss before income tax		**(10,725,852)**	(7,540,843)
Income tax expenses	*6*	**(898,127)**	(1,727,315)
Loss for the period		**(11,623,979)**	(9,268,158)

	Notes	Unaudited Six months ended 30 June **2023** ***RMB'000***	 2022 *RMB'000*
Other comprehensive income/(loss)for the period:			
Items that will not be reclassified to profit or loss			
Fair value gains on financial assets at fair value through other comprehensive income, net of tax		**198**	37,415
Share of other comprehensive income/(loss) of joint ventures accounted for using the equity method		**27,991**	(28,549)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**4,282**	(40,304)
Total comprehensive loss for the period		**(11,591,508)**	(9,299,596)
(Loss)/profit for the period attributable to:			
Equity holders of the Company		**(12,057,786)**	(9,792,344)
Non-controlling interests		**433,807**	524,186
		(11,623,979)	(9,268,158)
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		**(12,035,326)**	(9,813,485)
Non-controlling interests		**443,818**	513,889
		(11,591,508)	(9,299,596)
Loss per share for loss attributable to the equity holders of the Company			
– Basic (RMB)	*7*	**(3.18)**	(2.59)
– Diluted (RMB)	*7*	**(3.18)**	(2.59)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	**Unaudited 30 June 2023** ***RMB'000***	Audited 31 December 2022 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**17,299,959**	18,185,394
Right-of-use assets		**7,179,830**	7,262,721
Investment properties		**66,337,912**	67,786,279
Intangible assets		**2,906,007**	3,019,413
Investments accounted for using the equity method		**19,838,260**	20,649,896
Amount due from related parties		**5,765,620**	5,884,531
Financial assets at fair value through other comprehensive income		**1,793,563**	1,793,316
Deferred income tax assets		**2,543,390**	3,140,695
Other non-current assets		**2,534,484**	3,288,152
		126,199,025	131,010,397
Current assets			
Inventories		**301,158,188**	323,168,336
Trade and other receivables and prepayments	*4*	**41,317,986**	41,759,741
Prepayment for acquisition of land use rights		**4,057,944**	4,066,993
Prepaid income taxes		**3,379,313**	3,919,971
Amounts due from related parties		**73,372,232**	78,475,799
Derivative financial instruments		**6,236**	37,705
Restricted cash		**8,133,179**	11,737,480
Cash and cash equivalents		**20,349,236**	22,034,517
		451,774,314	485,200,542
Total assets		**577,973,339**	616,210,939

	Notes	**Unaudited 30 June 2023** *RMB'000*	Audited 31 December 2022 *RMB'000*
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**384,165**	384,165
Reserves		**24,110,875**	36,141,316
		24,495,040	36,525,481
Non-controlling interests			
Perpetual capital instruments		**1,541,000**	1,693,620
Other non-controlling interests		**40,209,124**	41,285,984
		41,750,124	42,979,604
Total equity		**66,245,164**	79,505,085
LIABILITIES			
Non-current liabilities			
Borrowings		**93,296,290**	82,635,252
Lease liabilities		**73,582**	72,318
Deferred income tax liabilities		**8,271,486**	8,469,828
		101,641,358	91,177,398
Current liabilities			
Trade and other payables	*5*	**79,473,347**	82,500,086
Contract liabilities		**104,863,720**	118,102,262
Dividend payable		**888,414**	860,759
Income tax payable		**22,567,262**	24,653,407
Borrowings		**181,932,941**	191,371,662
Lease liabilities		**50,487**	56,216
Amounts due to related parties		**20,310,646**	27,984,064
		410,086,817	445,528,456
Total liabilities		**511,728,175**	536,705,854
Total equity and liabilities		**577,973,339**	616,210,939

NOTES

1 GENERAL INFORMATION AND BASIS OF PREPARATION

Shimao Group 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, property management 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 statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

2 ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2.1 Going concern basis

For the six months ended 30 June 2023, the Group incurred a loss attributable to equity holders of the Company of approximately RMB12.1 billion. As at 30 June 2023, the Group had borrowings in total of approximately RMB275.2 billion, out of which approximately RMB181.9 billion will be due for repayment within the next twelve months, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB28.5 billion. As at 30 June 2023, the Group had not repaid borrowings of RMB119.7 billion in aggregate according to their scheduled repayment dates. Up to the date of approval of these interim condensed consolidated financial statements, the Group had not repaid borrowings with the outstanding amount of RMB134.2 billion in aggregate according to their scheduled repayment dates. In addition, the Group was involved in various litigation and arbitration cases for various reasons.

The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the company ("Directors") have devised a number of plans and measures to mitigate the liquidity pressure and to improve its financial position. Certain plans and measures have been or will be taken by the Directors include, but are not limited to, the following:

(i) during the six months ended 30 June 2023 and up to the date of these interim condensed consolidated financial statements, the Group has been actively pushing forward the proposed restructuring of the offshore indebtedness of the Group, including the US$-denominated senior notes with a total principal amount of approximately US$6.8 billion and borrowings from various offshore banks and financial institutions with the total principal amounts of approximately US$2.1 billion and HK$20.9 billion. The Group, together with its financial advisers, continues to maintain constructive dialogues with various groups of creditors and endeavours to reach agreements with them on the proposed restructuring of the offshore indebtedness as soon as possible. The Directors are confident in obtaining support from the relevant creditors and completing the proposed restructuring;

(ii) the Group has also been actively negotiating with other onshore lenders and creditors on the extension of borrowings and has agreed to the extension of long-term bonds and medium-term notes of approximately RMB12.1 billion and RMB5.4 billion which were originally due in 2023 and 2024, respectively. Due to the diverse lender base and changing market conditions, time is still required to determine the extension plans on a case-by-case basis. Taking into account the successful extension cases and the Group's credit history and longstanding relationships with the relevant lenders and creditors, the Directors believe that the Group will be able to complete the signing of the relevant extension agreements for the existing borrowings step by step;

(iii) The Group will actively seek other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;

(iv) The Group will actively face the current situation and seek various ways to resolve the pending litigations of the Group. The Group is positive that it will be able to reach a solution to the litigations which have not yet reached a definite outcome at the current stage;

(v) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties; and

(vi) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The Directors are of the opinion that, assuming the above plans and measures can be successfully implemented as scheduled, the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due within the following twelve months from 30 June 2023. Accordingly, it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the interim condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The effects of these potential adjustments have not been reflected in the interim condensed consolidated financial statements.

2.2 Adoption of new or amended HKFRSs

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, that are relevant to its operations and effective for its accounting period beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not resulting in significant changes to the Group's accounting policies, presentation of the Group's interim condensed consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3 SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance.

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 loss before tax. The information provided to the CODM is measured in a manner consistent with that in the financial statements.

(a) Revenue

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

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of properties	**24,393,824**	28,233,677
Hotel operation income	**1,058,595**	738,464
Commercial properties operation income	**860,547**	991,464
Property management income, and others	**4,080,621**	4,392,319
	30,393,587	34,355,924

(b) Segment information

The segment results for the six months ended 30 June 2023 are as follows:

	Property development and investment				
	Shanghai Shimao Co., Ltd. ("Shanghai Shimao")* *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Shimao Services Holdings Limited ("Shimao Services")** *RMB'000* (Unaudited)	Unallocated*** *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue					
– Sales of properties	1,338,209	23,055,615	–	–	24,393,824
– Recognised at a point in time	1,338,209	23,055,615	–	–	24,393,824
– Hotel operation income	121,560	937,035	–	–	1,058,595
– Commercial properties operation income	634,562	225,985	–	–	860,547
– Property management income, and others	140,564	35,508	4,098,139	–	4,274,211
Total revenue before elimination	2,234,895	24,254,143	4,098,139	–	30,587,177
Elimination					(193,590)
Total revenue					30,393,587
Operating (loss)/profit	(800,672)	(1,006,147)	268,706	(249,855)	(1,787,968)
Finance income	8,399	50,497	31,760	7,189	97,845
Finance costs	(701,798)	(6,045,997)	(19,562)	(1,795,797)	(8,563,154)
Share of results of associated companies and joint ventures accounted for using the equity method	(13,208)	(463,112)	3,745	–	(472,575)
(Loss)/profit before income tax	(1,507,279)	(7,464,759)	284,649	(2,038,463)	(10,725,852)
Income tax expense					(898,127)
Loss for the period					(11,623,979)
Other segment items are as follows:					
Capital expenditures	9,330	31,187	53,991	–	94,508
Fair value losses on investment properties	(742,448)	(59,637)	–	–	(802,085)
Fair value losses on derivative financial instruments	–	–	–	(31,469)	(31,469)
Depreciation and amortisation charge	56,232	317,141	168,649	–	541,842
Amortisation of right-of-use assets	2,593	66,473	25,460	–	94,526
Provision for impairment on financial assets	59,856	242,796	21,553	–	324,205
Provision for impairment on inventories of properties	290,509	–	–	–	290,509

* The Group owns an effective equity interest of 64.23% in Shanghai Shimao as at 30 June 2023.

** The Group owns an effective equity interest of 62.87% in Shimao Services as at 30 June 2023.

*** Unallocated mainly represent corporate level activities.

The segment results for the six months ended 30 June 2022 are as follows:

	Property development and investment				
	Shanghai Shimao* *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Shimao Services** *RMB'000* (Unaudited)	Unallocated*** *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue					
– Sales of properties	2,746,723	25,486,954	–	–	28,233,677
– Recognised at a point in time	2,746,723	24,397,469	–	–	27,144,192
– Recognised over time	–	1,089,485	–	–	1,089,485
– Hotel operation income	78,576	659,888	–	–	738,464
– Commercial properties operation income	650,442	341,022	–	–	991,464
– Property management income, and others	103,645	329,559	4,265,677	–	4,698,881
Total revenue before elimination	3,579,386	26,817,423	4,265,677	–	34,662,486
Elimination					(306,562)
Total revenue					34,355,924
Operating profit/(loss)	(320,433)	1,832,882	340,936	138,258	1,991,643
Finance income	31,392	93,873	36,625	68	161,958
Finance costs	(3,239,264)	(4,926,247)	(135,994)	(1,479,602)	(9,781,107)
Fair value changes of convertible bonds	–	–	57	–	57
Share of results of associated companies and joint ventures accounted for using the equity method	(33,703)	117,268	3,041	–	86,606
(Loss)/profit before income tax	(3,562,008)	(2,882,224)	244,665	(1,341,276)	(7,540,843)
Income tax expense					(1,727,315)
Loss for the period					(9,268,158)
Other segment items are as follows:					
Capital expenditures	847	62,663	146,840	–	210,350
Fair value losses on investment properties	–	(27,661)	–	–	(27,661)
Fair value losses on derivative financial instruments	–	–	–	80,672	80,672
Depreciation and amortisation charge	60,155	238,762	172,270	65,990	537,177
Amortisation of right-of-use assets	2,620	61,128	14,711	–	78,459
Provision for impairment on financial assets	20,300	241,749	380,207	–	642,256

* The Group owns an effective equity interest of 63.92% in Shanghai Shimao as at 30 June 2022.

** The Group owns an effective equity interest of 63.10% in Shimao Services as at 30 June 2022.

*** Unallocated mainly represent corporate level activities.

The segment assets and liabilities at 30 June 2023 are as follows:

	Property development and investment			
	Shanghai Shimao*	Others	Shimao Services**	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Investments accounted for using the equity method	**863,347**	**18,920,882**	**54,031**	**19,838,260**
Intangible assets	**–**	**88,528**	**2,817,479**	**2,906,007**
Other segment assets	**124,865,336**	**414,838,737**	**10,265,078**	**549,969,151**
Total segment assets	**125,728,683**	**433,848,147**	**13,136,588**	**572,713,418**
Deferred income tax assets				**2,543,390**
Financial assets at FVOCI				**1,793,563**
Derivative financial instruments				**6,236**
Other assets				**916,732**
Total assets				**577,973,339**
Borrowings	**39,197,381**	**155,697,095**	**437,514**	**195,331,990**
Other segment liabilities	**52,732,955**	**164,884,754**	**4,351,562**	**221,969,271**
Total segment liabilities	**91,930,336**	**320,581,849**	**4,789,076**	**417,301,261**
Corporate borrowings				**79,897,241**
Deferred income tax liabilities				**8,271,486**
Other liabilities				**6,258,187**
Total liabilities				**511,728,175**

The segment assets and liabilities as at 31 December 2022 are as follows:

	Property development and investment			
	Shanghai Shimao* *RMB'000* (Audited)	Others *RMB'000* (Audited)	Shimao Services** *RMB'000* (Audited)	Total *RMB'000* (Audited)
Investments accounted for using the equity method	920,146	19,669,965	59,785	20,649,896
Intangible assets	–	106,576	2,912,837	3,019,413
Other segment assets	127,329,675	449,974,630	9,264,534	586,568,839
Total segment assets	128,249,821	469,751,171	12,237,156	610,238,148
Deferred income tax assets				3,140,695
Financial assets at FVOCI				1,793,316
Derivative financial instruments				37,705
Other assets				1,001,075
Total assets				616,210,939
Borrowings	39,853,342	156,575,817	526,871	196,956,030
Other segment liabilities	53,160,009	194,153,932	3,472,323	250,786,264
Total segment liabilities	93,013,351	350,729,749	3,999,194	447,742,294
Corporate borrowings				77,050,884
Deferred income tax liabilities				8,469,828
Other liabilities				3,442,848
Total liabilities				536,705,854

Total segment assets consist primarily of property and equipment, investment properties, right-of-use assets, other non-current assets, properties under development, completed properties held for sale, receivables, prepayments and cash balances. They also include goodwill recognised arising from acquisition of subsidiaries relating to respective segments. They exclude corporate assets, deferred income tax assets, financial assets at FVOCI and derivative financial instruments.

Total segment liabilities comprise operating liabilities. They exclude corporate liabilities, corporate borrowings and deferred income tax liabilities and derivative financial instruments.

The Group has recognised the following liabilities related to contracts with customers:

	30 June 2023 ***RMB'000*** **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Related to development and sales of properties contracts		
Contract liabilities *(Note)*	**104,863,720**	118,102,262

Note: Contract liabilities have been disclosed with value-added-tax of RMB6.7 billion deducted as at 30 June 2023 (31 December 2022: approximately RMB7.1 billion).

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2023 *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Trade receivables *(Note (a))*	**8,515,921**	8,801,099
Bidding deposits for land use rights *(Note (b))*	**4,182,395**	4,251,995
Prepayments for construction costs	**9,448,225**	8,993,816
Loan receivables *(Note (c))*	**426,862**	461,970
Prepaid tax and surcharges on pre-sale proceeds	**938,231**	1,194,204
Deposits paid	**9,821,537**	10,451,338
Receivables from disposal of equity interests	**284,978**	396,275
Payments on behalf of customers	**485,169**	467,470
Other receivables	**8,708,495**	8,251,760
	42,811,813	43,269,927
Provision for impairment	**(1,493,827)**	(1,510,186)
	41,317,986	41,759,741

Notes:

(a) Trade receivables mainly arise from sales of properties. Consideration in respect of properties sold is paid in accordance with the terms of the related sales and purchase agreements. The ageing analysis of trade receivables at the respective period-ended dates is as follows:

	30 June 2023 *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Within 180 days	**6,562,426**	6,782,186
Over 180 days and within 365 days	**1,412,695**	1,460,003
Over 365 days	**540,800**	588,910
	8,515,921	8,801,099

As at 30 June 2023, receivables arising from sales of properties were approximately RMB3,999,838,000 (31 December 2022: RMB3,892,308,000).

(b) Bidding deposits for land use rights mainly represented deposits placed by the Group to various municipal governments for the participation in 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 bid, the deposits will be fully refunded.

(c) As at 30 June 2023, loan receivables of RMB426,862,000 (31 December 2022: RMB461,970,000) were secured by the pledge of certain properties, notes receivable or credit guaranty of borrowers, bearing interest rate at a range from 4.2% to 18.0% per annum.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. As at 30 June 2023, the fair value of trade receivables, bidding deposits for land use rights, loan receivables and other receivables of the Group approximate their carrying amounts, as the impact of discounting is not significant.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 30 June 2023, a provision of approximately RMB225,656,000 (31 December 2022: RMB233,213,000) was made against the gross amount of trade receivables.

The Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and available forward-looking information. As at 30 June 2023, a provision of approximately RMB1,268,171,000 (31 December 2022: RMB1,276,973,000) was made against the gross amount of other receivables.

As at 30 June 2023 and 31 December 2022, trade and other receivables of the Group were mainly denominated in RMB.

5 TRADE AND OTHER PAYABLES

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables *(Note (a))*	**48,570,866**	56,710,341
Other payables *(Note (b))*	**13,117,801**	9,911,770
Other taxes payable	**8,712,858**	9,470,539
Accrued expenses	**9,071,822**	6,407,436
	79,473,347	82,500,086

Notes:

(a) The ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**46,618,317**	54,509,980
Over 90 days and within 1 year	**1,952,549**	2,200,361
	48,570,866	56,710,341

(b) As at 30 June 2023, other payables mainly included deposits received from customers amounted to RMB3,550,840,000 (31 December 2022: RMB3,221,837,000). Beside this, the residual amounts mainly included payables for equity interest, deposits from constructors, rental deposits from tenants and hotel customers, and fees collected from customers on behalf of government agencies.

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC enterprise and withholding income tax	**153,624**	780,705
– PRC land appreciation tax	**406,943**	739,862
	560,567	1,520,567
Deferred income tax		
– PRC enterprise and withholding income tax	**337,560**	206,748
	898,127	1,727,315

(a) 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 six months ended 30 June 2023 (six months ended 30 June 2022: nil).

(b) PRC enterprise income tax

PRC enterprise income tax is almost 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 PRC enterprise income tax purposes.

(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 and intra-group charges to the PRC subsidiaries by overseas subsidiaries may also be subject to withholding tax of 10%.

7 LOSS PER SHARE

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

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Loss attributable to the equity holders of the Company *(RMB'000)*	**(12,057,786)**	(9,792,344)
Weighted average number of ordinary shares *(thousands)*	**3,787,589**	3,787,589
Basic loss per share *(RMB)*	**(3.18)**	(2.59)

Diluted loss 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 assuming they were exercised. No diluted loss per share for the six months ended 30 June 2023 is presented as the effects caused by the shares granted under the Share Award Scheme.

No diluted loss per share for the six months ended 30 June 2022 is presented as the effects caused by the shares granted under the Share Award Scheme and the conversion of the subsidiary's outstanding convertible bonds are anti-dilutive.

8 DIVIDENDS

No interim dividend for the six months ended 30 June 2023 was proposed by the Board (six months ended 30 June 2022: Nil).

9 COMMITMENTS

Commitments for capital and property development expenditure

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted but not provided for		
– Property and equipment	**241,241**	476,257
– Land use rights (including those related to associated companies and joint ventures)	**5,391,020**	5,745,419
– Properties being developed by the Group for sale	**38,596,635**	39,414,335
	44,228,896	45,636,011

10 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2023, the Company has been actively pushing forward the proposed restructuring of the offshore indebtedness of the Group (the "Proposed Restructuring") and continues to maintain constructive dialogues with various groups of creditors, including but not limited to, an ad hoc group of holders of the US$ denominated senior notes issued by the Company (the "AHG") and the Co-ordination Committee comprising various offshore banks which in aggregate hold meaningful portion of the Group's offshore indebtedness (the "CoCom") and their respective advisors with a view to stabilize the situation of the Company, ease the current liquidity issue and seek to implement a restructuring plan that strives to treat its creditors fairly and protect the interests of its stakeholders.

The Company has circulated draft restructuring proposals to the advisors of the AHG and CoCom. The parties have been working diligently in narrowing differences on various economic terms currently contemplated under the restructuring proposals.

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions set out in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2023.

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 "Directors"). The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2023:

1. Shanghai Shimao, a 64.23%-owned subsidiary of the Company, adjusted the redemption plan for five long-term bonds issued on the Shanghai Stock Exchange ("SSE") and included unpaid interest of RMB125,622,000 as of 28 December 2022 as principal;

2. Shanghai Shimao, redeemed RMB50,000,000 of medium-term notes at a fixed interest rate of 4.24% and RMB20,750,000 of private placement notes at a fixed interest rate of 3.70% on Interbank Market Clearing House Co., Ltd.;

3. The Company increased its holdings of 11,700,000 shares of Shanghai Shimao on the SSE through its wholly-owned subsidiary, with an average share price of RMB1.19 per share; and

4. The trustee of the Shimao Services Share Award Scheme, pursuant to the terms of the rules and trust deed of the Shimao Services Share Award Scheme, purchased from the market a total of 9,503,000 Shimao Services' shares at a total consideration of approximately HK$15,909,430.29 (before expenses).

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the six months ended 30 June 2023.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2023.

On behalf of the Board
Shimao Group Holdings Limited
Hui Sai Tan, Jason
Vice Chairman and President

Hong Kong, 31 August 2023

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman and President), Ms. Tang Fei and Mr. Xie Kun; two Non-executive Directors, namely, Mr. Lu Yi and Mr. Ye Mingjie; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.