

# SINO-OCEAN

遠洋集團控股有限公司  
SINO-OCEAN GROUP HOLDING LIMITED

(Incorporated in Hong Kong with limited liability) Stock Code: 03377.HK

# INTENSIVE CULTIVATION TRUTH SEEKING AND PRAGMATIC

Give prominence to the scalization of principal business  
Shape our core competitiveness





# ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited ("Sino-Ocean Group") was founded in 1993 and has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 28 September 2007 (03377.HK). As at 30 June 2019, Sino-Ocean Group had a total issued number of shares of approximately 7,600 million, whose major shareholders include China Life Insurance Company Limited and Anbang Insurance Group Co., Ltd.

Sino-Ocean Group has been selected by Hang Seng Indexes Company Limited as a constituent of Hang Seng Composite Index (HSCI), Hang Seng Composite Industry Index — Properties and Construction, Hang Seng Stock Connect Hong Kong Index, Hang Seng China (Hong Kong-listed) 100 Index, Hang Seng SCHK High Dividend Low Volatility Index, Hang Seng High Dividend Yield Index, Hang Seng Composite LargeCap & MidCap Index, and Hang Seng Corporate Sustainability Benchmark Index.

Sino-Ocean Group prides itself on striving to "create quality living environments for mid- to high-end urban citizens and high-end business clients". We aim to build upon our proven track records in real estate development and grow into a leading group that excels in sector investments. Our scope of business includes mid- to high-end residential property development, investment and operation of offices, complexes and retail space, property services, senior living, logistic properties, real estate funds, equity investments, asset management and overseas investments.

Sino-Ocean Group currently owns more than 180 projects in different stages in rapidly growing Chinese cities and metropolitan regions, such as, Beijing, Tianjin and Shijiazhuang in the Beijing-Tianjin-Hebei Region, Shanghai, Hangzhou, Nanjing and Suzhou in the Yangtze River Delta Region, Wuhan, Hefei and Changsha in the Yangtze Mid-stream Region, Shenzhen, Guangzhou, Zhongshan and Hong Kong in the Pearl River Delta Region, Chongqing and Chengdu in the Chengdu-Chongqing Region, and other major core cities. As at 30 June 2019, we had a land reserve of over 39 million sq.m.

"Sino-Ocean" is a brand name with nationwide reputation as a provider of consistent quality products and professional services.



**2018**

Contracted Sales  
over RMB100 Billion

**2007**

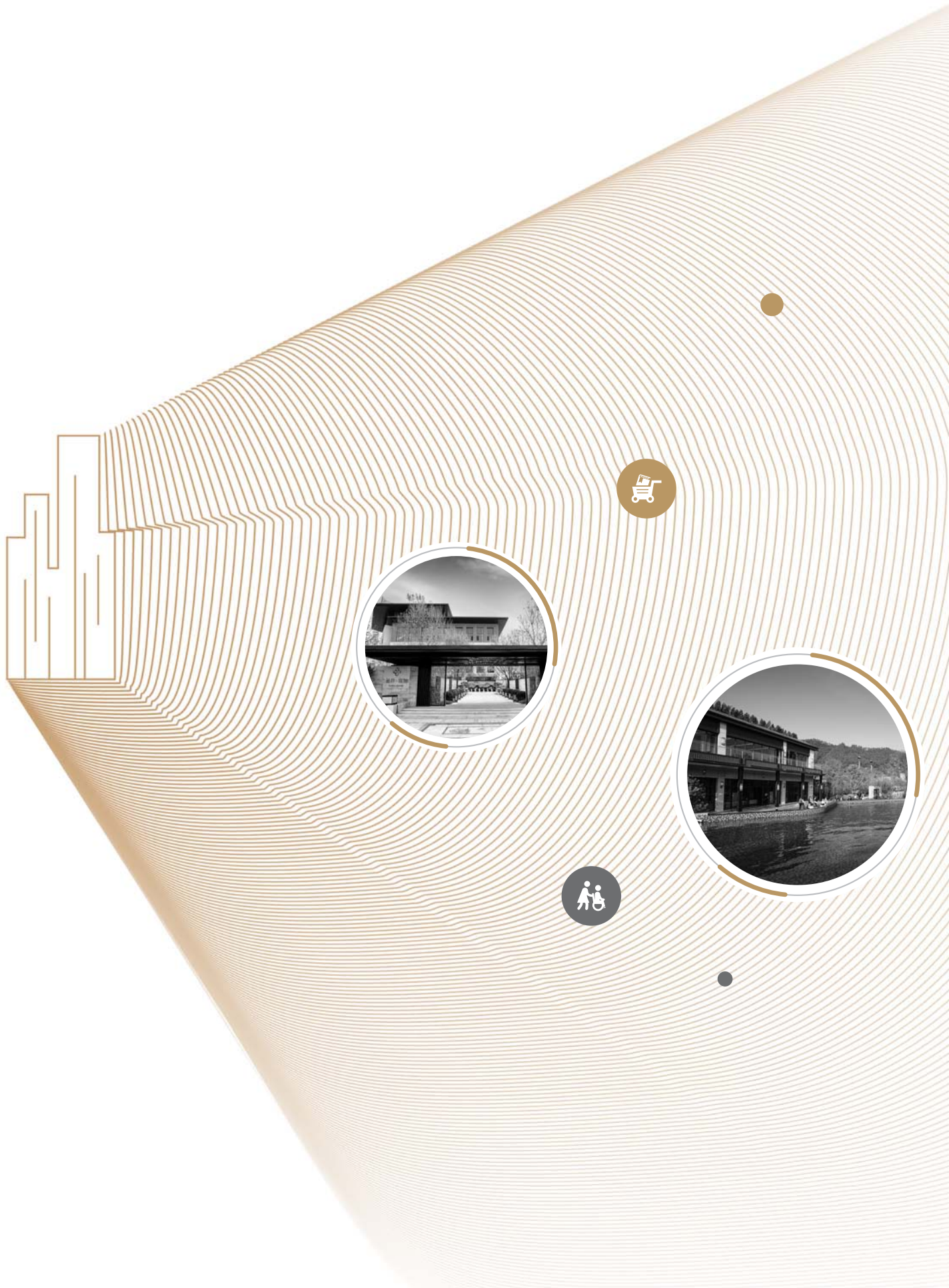
Listed on the Main Board  
of The Stock Exchange  
of Hong Kong Limited

**1993**

Sino-Ocean  
Incorporation



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**Sino-Ocean Group as a Nationwide  
Corporation, with Landbank Coverage  
Extended to 47 Cities all Over The PRC**

**BEIJING-  
TIANJIN-  
HEBEI  
REGION**

**CHENGDU-  
CHONGQING  
REGION**

**YANGTZE  
MID-STREAM  
REGION**

**YANGTZE  
RIVER DELTA  
REGION**

**PEARL  
RIVER DELTA  
REGION**





# LANDBANK DISTRIBUTION

## BEIJING-TIANJIN-HEBEI REGION

Beijing, Tianjin, Shijiazhuang, Langfang,  
Zhangjiakou, Qinhuangdao

Total GFA: 21,851,000 sq.m.  
Total landbank: 16,469,000 sq.m.

No. of projects: 55

## PEARL RIVER DELTA REGION

Zhongshan, Shenzhen, Guangzhou, Foshan, Hong Kong,  
Zhanjiang, Maoming, Sanya, Haikou

Total GFA: 10,246,000 sq.m.  
Total landbank: 6,443,000 sq.m.

No. of projects: 32

## YANGTZE RIVER DELTA REGION

Shanghai, Hangzhou, Nanjing, Suzhou, Wuxi,  
Jiaxing, Chuzhou, Changzhou, Taizhou, Shaoxing,  
Wenzhou, Xiamen, Zhangzhou, Fuzhou

Total GFA: 5,614,000 sq.m.  
Total landbank: 4,534,000 sq.m.

No. of projects: 40

## CHENGDU-CHONGQING REGION

Chongqing, Chengdu, Kunming, Guiyang

Total GFA: 3,697,000 sq.m.  
Total landbank: 2,749,000 sq.m.

No. of projects: 19

## YANGTZE MID-STREAM REGION

Wuhan, Hefei, Changsha, Nanchang

Total GFA: 4,474,000 sq.m.  
Total landbank: 3,628,000 sq.m.

No. of projects: 10

## OTHER REGION

Dalian, Shenyang, Changchun, Qingdao, Taiyuan,  
Zhengzhou, Xuzhou, Xi'an, Yantai, Jinan

Total GFA: 9,649,000 sq.m.  
Total landbank: 5,427,000 sq.m.

No. of projects: 26





# FINANCIAL & OPERATION HIGHLIGHTS

Six months ended 30 June (unaudited)

(RMB million)	2019	2018	Changes
Contracted sales	60,080	45,106	33%
Revenue	16,474	15,376	7%
Gross profit	3,359	3,615	-7%
Profit for the period	2,533	2,720	-7%
Profit attributable to owners of the Company	1,875	2,333	-20%
Core profit	1,054	1,539	-32%
Earnings per share (RMB)			
— Basic	0.248	0.310	-20%
— Diluted	0.248	0.308	-19%
Dividend per share (HKD)	0.110	0.140	-21%
Dividend payout ratio (%)	40%	40%	—
Gross profit margin (%)	20%	24%	-4 pts
Net profit margin (%)	15%	18%	-3 pts
Core profit margin (%)	6%	10%	-4 pts
Saleable GFA sold ('000 sq.m.)	2,851	2,308	24%
Saleable GFA delivered ('000 sq.m.)	1,015	756	34%

(RMB million)	As at 30 June 2019 (unaudited)	As at 31 December 2018 (audited)	Changes
Total assets	255,593	249,362	2%
Equity attributable to owners of the Company	49,858	48,385	3%
Cash resources <sup>1</sup>	31,923	42,571	-25%
Net gearing ratio <sup>2</sup> (%)	86%	73%	13 pts
Landbank ('000 sq.m.)	39,250	40,444	-3%

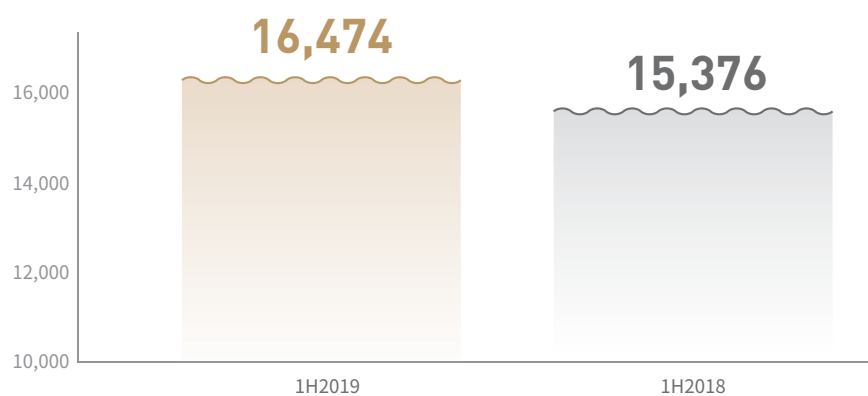
Notes:

<sup>1</sup> Including restricted bank deposits

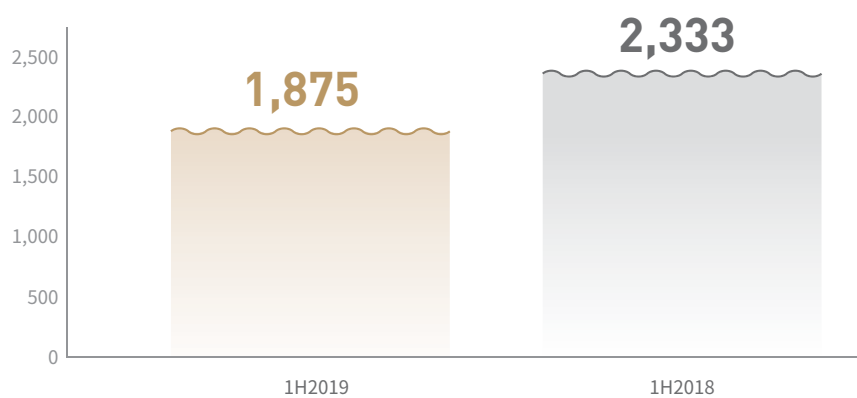
<sup>2</sup> Total borrowings minus cash resources divided by total equity



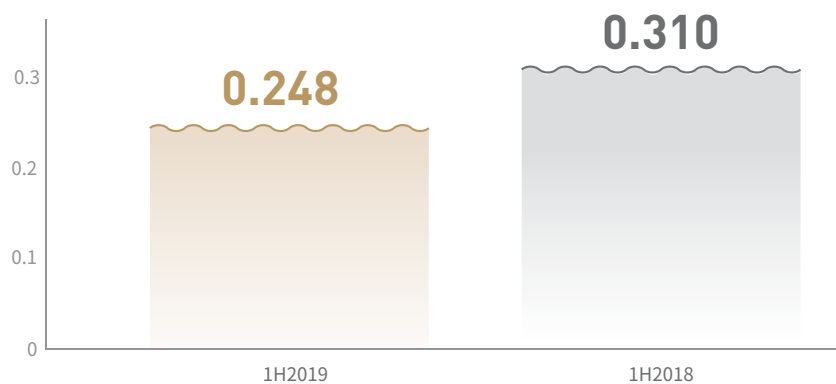
**Revenue**  
(RMB million)



**Profit attributable to owners of the Company**  
(RMB million)



**Earnings per share**  
(RMB)







# CHAIRMAN'S STATEMENT

On behalf of our Board of Directors (the “Board”), I have the pleasure to present the interim results of Sino-Ocean Group Holding Limited (“Sino-Ocean Group” or the “Company”) and its subsidiaries (together referred to as the “Group” or “we”) for the six months ended 30 June 2019.

## 2019 INTERIM RESULTS

For the six months ended 30 June 2019, our Group’s revenue was RMB16,474 million, representing a year-on-year (“YoY”) increase of 7.1%, gross profit margin was 20.4%, decreasing by 3.1 percentage points as compared to the corresponding period last year, mainly because more resettlement housing projects with low gross profit margin delivered in the first half of the year; after the adjustments for one-off gain or loss, core profit margin was 6.4%, decreasing by 3.3 percentage points as compared to the corresponding period, which was in line with the decrease in gross profit margin; profit attributable to owners of the Company was RMB1,875 million; earnings per share was RMB0.248.

## MARKET REVIEW AND OUTLOOK

The overall macro-economy was better than forecast in the first half of the year. Despite convoluted and changeable external factors, China’s GDP managed a growth of 6.3%, thus laying a solid foundation for an upward economy. In this context, the central government’s approach to the real estate industry adhered to ‘maintaining stability’. With the ‘419’ Politburo Conference reiterating ‘housing for accommodation not speculation’, macro policies remained rigorous. At the same time, directed by the principles of ‘bespoke policies according to local circumstances’ and ‘one city one policy’, cities made marginal adjustments to regional macro-policies according to their market conditions with a view to ‘stabilizing house prices, land prices and expectations’.

The higher seasonal supply since March plus accumulated demands from core tier-one and tier-two cities, strong tier-three cities in the Yangtze River Delta region and the Guangdong-Hong Kong-Macau area boosted sales slightly at level prices. However, differentiation appeared in various cities and projects, more so after the ‘419’ Politburo Conference. The top-tier cities maintained stable growth after rebounding from the bottom while tier-three and tier-four cities and other places recorded negative growth in GFA sold for several months.

Competition within the industry became even fiercer. Accumulated contracted sales volume and contracted sales threshold among the TOP30 enterprises recorded notable growth year-on-year albeit at a slower rate. In the first six months, accumulated contracted sales reached RMB7,070 billion, rising by 5.6% YoY but 0.5 percentage points slower than same time last year. Contracted sales threshold of the TOP30 in the first half of the year was RMB48.3 billion, a growth of 12% YoY, 28 percentage points slower. Leading enterprises no longer pursued rapid growth in scale excessively but paid more attention to recovering profits and controlling risks. At the same time, despite the moderate easing of China's overall currency and financing environment in the first six months, financing for real estate remained in 'high pressure', particularly so after the disproportionate inflation of the land market across the board in April and May. The central government once more reined in financing for the industry and liquidity crunch remained the norm. Hence, since the beginning of the year, many leading enterprises adjusted their operating strategies for the year, re-focused on their principal business and curtailed their diversified businesses.

Looking ahead, the macro-economy will continue to focus on 'stability' in the next six months to lay a solid foundation for the target of 'doubling the GDP in 2010 by 2020'. Therefore, it is expected that the property market will remain stable in its current high position, both in scale and price, while differentiation among cities continues. Meanwhile, as relevant regulators are once more tightening financing for the industry and mortgage interest in some cities is picking up, both supply and demand sides will face 'scarcity of fund' in the latter half of the year. Large-scale enterprises will continue to re-focus on their principal business and mainstream market to ensure liquidity and prepare for stronger competition ahead.



## BUSINESS REVIEW AND STRATEGY

In 2019, the Group concludes the fourth phase of its strategic development and commences the fifth. Since the beginning of the year, the Group has been working according to the principles of 'Crafting meticulously • Getting strong and fit'. Steering towards expanding the principal business and streamlining the management process, the Group is determined to build core competitiveness and high quality development.

### Cultivating principal business intensively to raise quality and speed

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After reaching the RMB100 billion mark in 2018 the Group's sales momentum in the first half of 2019 continued, growing in both volume and quality.

In the first half of the year, the Group's contracted sales reached RMB60.08 billion, increased by 33% YoY, a record high; accumulated contracted sales GFA reached 2,850,900 sq.m., up by 24% YoY. For four consecutive months of March to June, contracted sales in each month exceeded RMB10 billion, indicating a perceptible faster and more reasonable sales tempo than past years. Based on the fast turnover request '368' proposed by the Group last year, this year it elaborated to '3468' (construction to commence 3 months after acquisition of land, sales office to open in 4 months, sale to start in 6 months and sales of 50% of first batch in 8 months). All business lines continued to drive the pace of our principal business and provided a concrete base for the Company's performance. In the next half of the year the Group will continue to focus on property development and intensive cultivation of our major markets, launch superior products to satisfy demands, expand our principal business and accelerate de-stocking of existing resources, improve sales quality to encourage cash collection and ensure accomplishment of the year's target.

In the first six months, the Group made further advancements in the regional structure of investment and sales. Our contracted sales in each of the three major core city clusters of the Beijing-Tianjin-Hebei, the Yangtze River Delta and the Pearl River Delta exceeded 20% of the Group's total contracted sales, demonstrating a more balanced deep cultivation. During the first half of the year, the land market inflated more than the latter half of last year but overall profitability of the industry was further compressed. The Group upheld the principle of 'regaining overall financial performance', adhered to our investment criteria, prioritized quality of land plots and acquired land cautiously and rationally. The six land plots acquired during the first half of the year were mostly at low premium or bottom prices, considerably lower than market. In the next six months, the Group will monitor the market even more closely with a view to ensuring our intensive cultivation of cities, prioritizing moderate-sized projects to satisfy mainstream demands and generating better returns.

## Believing firmly in building health to implement healthy building standards

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In implementing the concept of 'Building • Health', the Group has always imbued products with a 'health' element to improve the quality of human habitat. In the first half of the year, the Group had numerous projects registered WELL gold-class, some cities were registered for the first time. Ocean Melody (Shanghai) and Grand Canal Milestone (Shenyang) became the first to be registered WELL gold-class in the eastern and northern regions respectively. Following the announcement of 'Sino-Ocean Healthy Building System 1.0' last year and its implementation in 63 projects, the Group continued to promote the iterative update and comprehensive application of the system in all projects. Research incorporating regional features and customers' needs also yielded notable results. In addition, the Group's five projects including Ocean Wulieepoch (Beijing), Oriental World View (Wuhan), Sino-Ocean Esthetics Mansion (Kunming) won numerous awards in different categories among more than a thousand applications in the 5th property design award CREDAWARD. These accreditations and awards highlighted the Group's pursuit in artisan quality and commitment to healthy habitat for humans. In the next half of the year, the Group will go for deeper exploration and implementation of 'Building • Health', uphold a correct health concept in every project, implement healthy building standards and ensure quality upgrade in every aspect.

## Optimizing asset structure, maintaining international investment grade rating

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The Group's sound financing capability and on-going optimization of its financial position are important factors supporting the robust development of its principal business. In the first half of the year, the Group took advantage of windows of stable conditions in the finance market to initiate low cost financing to optimize the Group's debt structure. On 24 January 2019, the Group issued a total of USD500 million 3.25-year guaranteed notes at a coupon rate of 5.25%, the first Chinese non-financial enterprise investment grade USD bonds in 2019. Within two months, on 18 March 2019, the Group issued a total of RMB2.9 billion corporate bonds, also the single largest issuance of book-building AAA grade property corporate bonds in 2019. As financing channels were expanded, all business units also attained a much stronger financial awareness and applied considerably more exertion in cash collection and disposal of assets. With these double effects, the Group's interest-bearing debt was well managed and asset quality was enhanced. In the latter half of the year, the Group will maintain the international investment grade rating, monitor windows in the market, and exercise stringent control on financing to lay a solid foundation for the expansion of our principal business and related businesses.



## Pushing forward new management system to build core competitiveness

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In the first six months, the Group focused on reinforcing the awareness of being an operator, studied and implemented a streamlined management process to ‘face the primary level, face the foundation, face the basics’, for the establishment of a new operation management system. Under the new system, the entire Group’s work was directed by financial logic, re-establishing the authority and core position of the operation strategy, adopting meeting mechanisms that encouraged decision-making, streamlining division of labour and empowerment, promoting synergy among various specialties, eventually empowering and raising core competitiveness of the projects. The new operation management system showed perceptible initial results in both decision-making and efficiency of projects. In the next six months, the Group will continue to roll out the new system in the principal business to cover a greater area and also put it in place in the related businesses, with a view to elevating capabilities in sales, products and cost management in the fundamentals.

## Related businesses achieved breakthroughs and structure optimization

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In the first half of the year, the rapid expansion of the Group’s principal business was accompanied by steady breakthroughs of related businesses and heightened synergy of the two. The light asset mode of investment properties such as commercial buildings and offices further optimized the asset structure and improved operating capability; property management and senior living continued to generate guaranteed income at an accelerated growth rate.

Commercial buildings and offices operating businesses showed noticeably stronger operating capability. In the first six months, operating income from self-owned commercial properties and the office operation business both achieved steady growth. Meanwhile, refurbishment of the Group’s head-quarters was awarded LEED-EB platinum certification; Grand Canal Plaza in Hangzhou recruited high quality tenants and the Kempinski Hotel was officially opened on 1 July 2019. All these are boosting the Group’s brand influence.

The traditional and modern property service businesses progressed at equal pace with steadily increased revenue. In the first six months, the former’s operating income has a remarkable increase YoY. The guide book for delivering standardized services according to category effectively raised service standard and customers’ experience. Senior living saw an increase of four CB projects, 1,119 newly added beds and gradual progression in all product lines such as Continuing Living Retirement Community (CLRC), Care Building (CB), Care Center (CC) and Care-based Nursing (CBN), boosting the brand image of ‘Senior Living L’Amore’ continually.

In the next six months, commercial and office operations will continue to explore new models for optimizing asset structure, enhance asset management and operational capabilities and strengthen streamline management to provide for the subsequent issuance of financial products and asset transactions. The property operation and senior living will all push forward, up-grade their products and services, control costs rationally and fine-tune business planning to enable related businesses help develop the principal business.

As 2019 is the year for the commencement of the fifth phase of strategic development, the Group will initiate execution of the development in the latter half of the year to lay a strong and long-term foundation for achieving new heights.

## Appreciation

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On behalf of the Board, I would like to extend my deepest gratitude to all shareholders, investors, local authorities, business partners and customers who have been most supportive; also to our directors, management and the entire staff for their dedicated hard work. We could not have enjoyed our continued stable growth without their unreserved support.

**LI Ming**  
*Chairman*

Hong Kong, 21 August 2019








# MANAGEMENT DISCUSSION & ANALYSIS

## FINANCIAL REVIEW

### Revenue

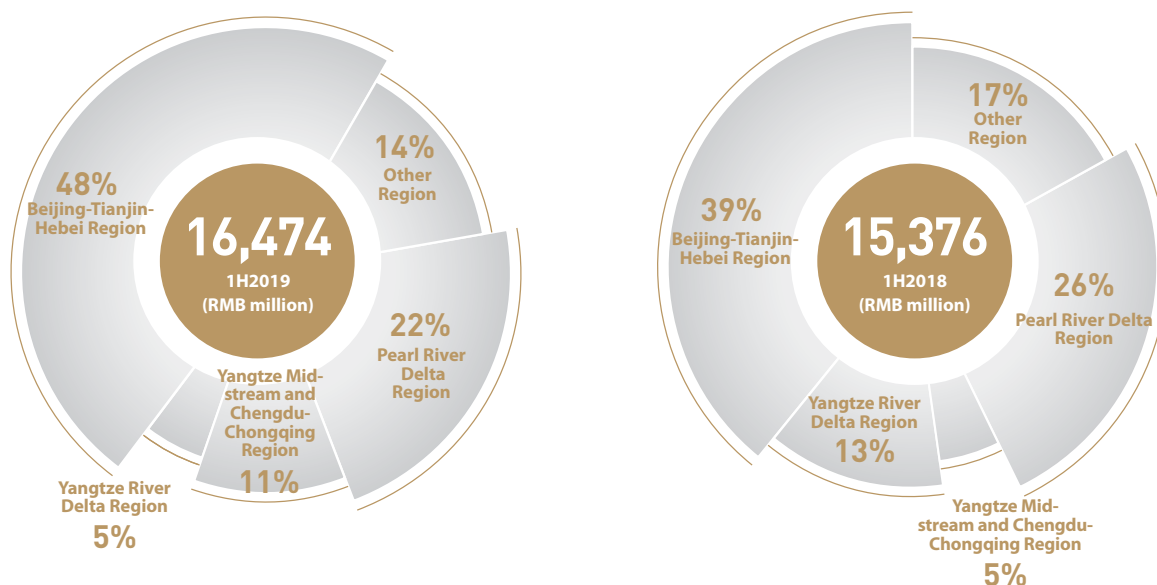
The components of the revenue are analyzed as follows:

(RMB million)

	1H 2019	1H 2018	Changes
 Property development	12,744	12,955	-2%
 Property investment	306	542	-44%
 Property management	709	594	19%
 Other real estate related businesses	2,715	1,285	111%
 <b>Total</b>	<b>16,474</b>	<b>15,376</b>	<b>7%</b>

The Group's revenue in the first half of 2019 was RMB16,474 million, representing a 7% increase as compared to RMB15,376 million in the first half of 2018. The property development segment remained the largest contributor which accounted for approximately 77% of the Group's total revenue. As the Group has developed a diversified portfolio of landbank, Beijing contributed for 13% of the Group's total revenue from property development during the period, decreased from 27% in the first half of 2018. For the first half of 2019, 83% of revenue from property development was contributed by the five major city clusters (first half of 2018: 81%). We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focus of our future development plan.

Revenue contributions by geographical locations are analyzed below:



## Cost of sales

The Group's total cost of sales is mainly the cost of property development. The land cost and construction cost accounted for approximately 86% of the cost of property development during this period (first half of 2018: 91%).

Including car parks, average land cost per sq.m. of property development business during the period decreased to approximately RMB4,100, compared to RMB5,900 in the first half of 2018, which was mainly due to more projects in tier-two cities being delivered, which were at relatively lower land cost. Average construction cost per sq.m. (including car parks) for property development business decreased to approximately RMB4,700 during the period, compared to RMB6,100 in the first half of 2018. The decrease in average construction cost was mainly due to more high-end projects delivered in the first half of 2018, such as Ocean Epoch and Ocean LA VIE in Beijing.

## Gross profit

Gross profit for the period was RMB3,359 million, representing a decrease of 7% as compared to the corresponding period in 2018. Gross profit margin decreased to approximately 20.4% (first half of 2018: 23.5%), mainly because more resettlement housing projects with low gross profit margin delivered during the first half of 2019.



## Other income and other gains/(losses), net

Interest and other income for the six months ended 30 June 2019 increased by 34% to RMB1,507 million (first half of 2018: RMB1,123 million). Such increase was mainly due to the overall increase in the entrusted loan interest income, which was brought by the increase in the entrusted loan balance in the first half of 2019.

The Group recorded other gains (net) of RMB573 million for the period (first half of 2018: other losses (net) of RMB214 million). Other gains (net) for the first half of 2019 mainly comprised the net effect of gains on disposal of interests in subsidiaries, exchange losses and gains on disposal of joint ventures and associates during the period.

## Revaluation of investment properties

The Group recognized fair value gains on its investment properties (before tax and non-controlling interests) of RMB375 million for the first half of 2019 (first half of 2018: RMB723 million).

## Operating expenses

Selling and marketing expenses for the first half of 2019 increased to RMB467 million, as compared to RMB381 million in the first half of 2018. These costs accounted for approximately 0.8% of the total contracted sales amount for the first half of 2019 (first half of 2018: 0.8%).

Administrative expenses for the first half of 2019 increased to RMB862 million (first half of 2018: RMB510 million), representing 1.4% of the total contracted sales amount for the first half of 2019 (first half of 2018: 1.1%). We will continue to adopt strict cost control measures to maintain these costs at a relatively stable and lower level.

## Finance costs

Our weighted average interest rate slightly increased from 5.26% for the first half of 2018 to 5.43% for the first half of 2019. The total interest expenses paid or accrued for the first half of 2019 was RMB2,637 million (first half of 2018: RMB1,804 million), RMB912 million (first half of 2018: RMB666 million) of which was not capitalized and charged through condensed consolidated income statement.

## Taxation

The aggregate of enterprise income tax and deferred tax increased by 10% to RMB1,229 million for the first half of 2019 (first half of 2018: RMB1,122 million), with an effective tax rate of 33% (first half of 2018: 29%). In addition, land appreciation tax for the first half of 2019 decreased to RMB733 million (first half of 2018: RMB893 million).

## Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 20% to RMB1,875 million in the first half of 2019, as compared to RMB2,333 million for the corresponding period last year. Our management will continue to focus on the improvement of our shareholders' return as their on-going tasks.

## Financial resources and liquidity

The maturities of the Group's total borrowing are set out as follows:

(RMB million)	As at 30 June 2019	As a percentage of total borrowings	As at 31 December 2018	As a percentage of total borrowings
Within 1 year	11,330	13%	15,425	17%
1 to 2 years	23,622	27%	12,637	14%
2 to 5 years	36,900	42%	46,231	52%
Over 5 years	15,783	18%	14,282	17%
<b>Total</b>	<b>87,635</b>	<b>100%</b>	<b>88,575</b>	<b>100%</b>

During the first half of 2019, the Group continued to refine its funding structure, liquidity and credit policies to minimize its risk exposure under the everchanging financial market and global economic environment. With overwhelming support from investors, the Group successfully issued guaranteed notes of USD500 million and corporate bonds of RMB2.9 billion in the first half of 2019. We are committed to managing the borrowings at an appropriate level, which decreased from RMB88,575 million as at 31 December 2018 to RMB87,635 million as at 30 June 2019. Majority of the borrowings were denominated in Renminbi. The remaining borrowings were denominated in HKD and USD. Approximately 70% of the Group's borrowings were at fixed interest rate.

As at 30 June 2019, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB31,923 million, the majority of which were denominated in Renminbi. The cash short-term debt coverage ratio was 2.82 times. Together with the unutilized credit facilities of approximately RMB213,580 million, the Group is ensured to be financially sound. We have ample financial resources and an adaptable financial management policy to support our business expansion in the coming years.

The Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 86% as at 30 June 2019 (31 December 2018: approximately 73%). Despite a short-run rise in financial leverage, we will continue to strengthen the cash collection capability, strictly control the debt financing scales and improve the financial soundness in the second half of the year. Given that the Group still has cash resources of RMB31,923 million, we are satisfied with our current gearing position. And we expect the net gearing ratio to remain relatively stable in 2019 in order to maintain the Group's overall financial healthiness.

## Guarantees in respect of mortgage facilities for certain purchasers and charge on assets

As at 30 June 2019, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB10,070 million (31 December 2018: RMB8,159 million).

During the first half of 2019, the Group had pledged some of its properties under development, completed properties held for sale, investment properties, etc. to secure short-term bank loans (including the current portion of long-term borrowings) of RMB178 million (31 December 2018: RMB2,833 million) and long-term bank loans of RMB3,420 million (31 December 2018: RMB5,590 million). As at 30 June 2019, total pledged assets accounted for approximately 7% of the total assets of the Group (31 December 2018: 8%).

## Capital commitments

The Group entered into certain agreements in respect of land acquisition and property development. As at 30 June 2019, the Group had a total capital commitment of RMB8,321 million (31 December 2018: RMB6,624 million).

## Contingent liabilities

In line with the prevailing commercial practice in the Mainland China, the Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 30 June 2019, the total amount of the aforesaid guarantees provided by the Group was RMB10,070 million (31 December 2018: RMB8,159 million). In the past, the Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon completion of the mortgage registration and were secured by the buyers' properties.

## Material acquisitions and disposals of subsidiaries, associates and joint ventures

### Capital increase in a subsidiary

On 1 February 2019, Heroic Peace Limited ("Heroic Peace") (a wholly-owned subsidiary of the Company) and Fortune Joy Ventures Limited (the "Target Company") (a then wholly-owned subsidiary of the Company) entered into a subscription agreement with certain investors (the "Investors"), pursuant to which the Target Company had agreed to allot and issue, and the Investors had agreed to subscribe for, a total of 5,100 ordinary shares of the Target Company at the aggregate subscription price of US\$295,800,000. The subscription shares represent

51.00% of the total number of issued shares of the Target Company immediately upon completion of the allotment and issuance of the subscription shares to the Investors ("Completion"). Heroic Peace, the Investors and the Target Company also entered into a shareholders' agreement (the "Shareholders' Agreement") on 1 February 2019, pursuant to which the parties have agreed upon, among other things, the management and affairs of the Target Company.

Completion took place on 27 February 2019, following which the Target Company had ceased to be a wholly-owned subsidiary of the Company and became a non wholly-owned subsidiary of the Company and its financial results continued to be consolidated into the Company's consolidated financial statements as a result of the control by the Company of the composition of the majority of the members of the board of directors of the Target Company at the material time.

On 20 June 2019, Heroic Peace, the Investors and the Target Company entered into an amendment agreement to amend certain terms of the Shareholders' Agreement, pursuant to which the parties had agreed to the change in the board composition of the Target Company, following which the Target Company had ceased to be a non wholly-owned subsidiary of the Company and has become an associate of the Company, and the financial results of the Target Company will no longer be accounted for and consolidated in the consolidated accounts of the Group.

Details of the transactions have been disclosed in the announcements of the Company dated 3 February 2019 and 20 June 2019.

## BUSINESS REVIEW

### Property Development

#### 1. Recognized sales

Revenue from property development segment slightly fell by 2% in the first half of 2019 to RMB12,744 million as compared to RMB12,955 million for the corresponding period in 2018. Saleable GFA delivered increased by 34% from approximately 756,000 sq.m. in the first half of 2018 to approximately 1,015,000 sq.m. in the first half of 2019. Including car park sales, the average selling price recognized in the first half of 2019 was approximately RMB12,600 per sq.m. (first half of 2018: RMB17,100 per sq.m.). The decrease in the average selling price in the first half of the year was mainly because more resettlement housing projects delivered during the period.

Revenue and saleable GFA delivered from each project during the first half of 2019 are set out as follows:

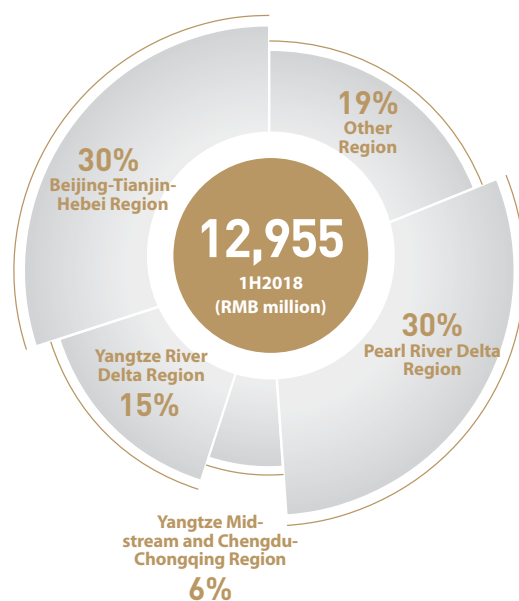
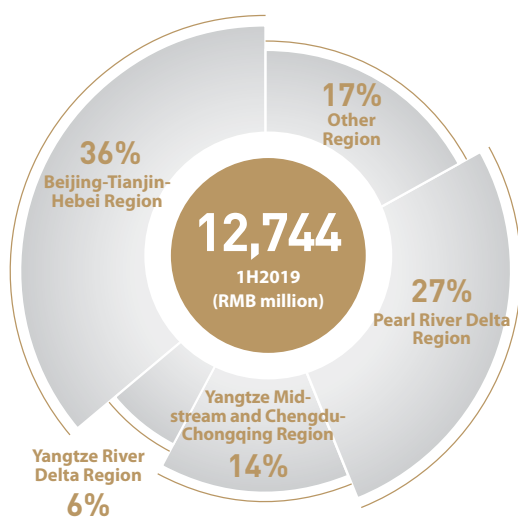
Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)
Beijing-Tianjin-Hebei Region	Beijing	1,610	53,500	30,100
	Tianjin	2,055	276,000	7,400
	Shijiazhuang	13	700	18,600
	Qinhuangdao	782	51,400	15,200
		<b>4,460</b>	<b>381,600</b>	<b>11,700</b>
Yangtze River Delta Region	Shanghai	58	1,600	36,300
	Hangzhou	504	24,400	20,700
	Nanjing	12	800	15,000
	Taizhou	59	3,300	17,900
		<b>633</b>	<b>30,100</b>	<b>21,000</b>
Yangtze Mid-stream Region	Wuhan	871	49,600	17,600
		<b>871</b>	<b>49,600</b>	<b>17,600</b>
Pearl River Delta Region	Zhongshan	1,689	174,700	9,700
	Shenzhen	813	28,800	28,200
	Guangzhou	790	23,700	33,300
		<b>3,292</b>	<b>227,200</b>	<b>14,500</b>
Chengdu-Chongqing Region	Chongqing	890	75,800	11,700
	Chengdu	3	300	10,000
		<b>893</b>	<b>76,100</b>	<b>11,700</b>
Other Region	Dalian	504	31,900	15,800
	Shenyang	1,405	88,600	15,900
	Qingdao	125	12,100	10,300
	Yantai	2	200	10,000
		<b>2,036</b>	<b>132,800</b>	<b>15,300</b>
	Other projects	31	3,800	8,200
<b>Subtotal (excluding carparks)</b>		<b>12,216</b>	<b>901,200</b>	<b>13,600</b>
Carparks (various projects)		528	113,500	4,700
<b>Total</b>		<b>12,744</b>	<b>1,014,700</b>	<b>12,600</b>





During the first half of 2019, Beijing became the third contributor which accounted for 13% of the Group's total revenue from property development business (first half of 2018: the largest contributor, 27%). Meanwhile, the Group developed a more balanced mix of contribution from the five city clusters on its revenue from property development business during the period under review.

Revenue from property development by geographical locations are analyzed below:



## 2. Contracted sales

The Group's contracted sales (including its joint ventures and associates) during the six months ended 30 June 2019 amounted to RMB60,080 million, representing an approximately 33% increase as compared to RMB45,106 million from the corresponding period in 2018. GFA sold for the first half of 2019 increased by 24% to 2,850,900 sq.m. (first half of 2018: 2,307,700 sq.m.). Including car park sales, the average selling price increased by 8% to RMB21,100 per sq.m. (first half of 2018: RMB19,500 per sq.m.).

In terms of distribution, there were over 130 projects available for sale during the first half of 2019 (first half of 2018: over 70 projects), of which 42 were located in the Beijing–Tianjin–Hebei Region, accounting for about 33% of the total contracted sales amount, while contracted sales from tier-one and tier-two cities accounted for over 90% (first half of 2018: over 90%).

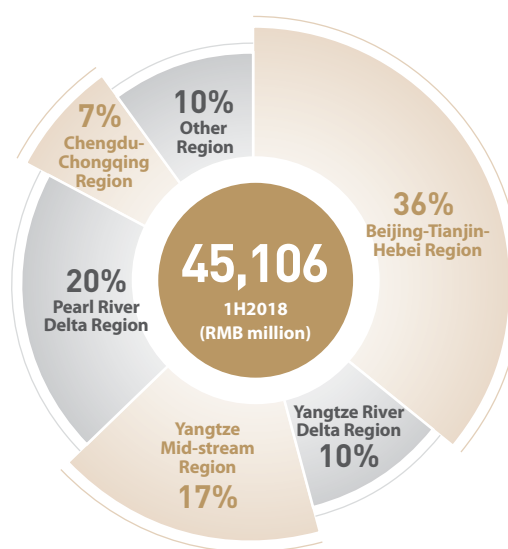
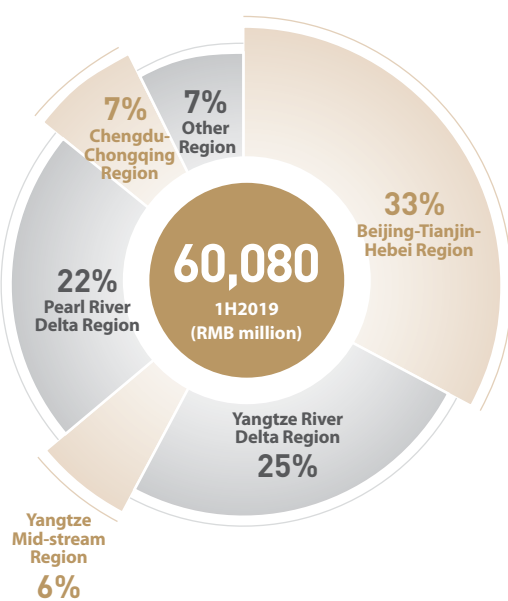
The contracted sales amounts and saleable GFA sold by cities during the first half of 2019 are set out as follows:

Regions	Cities	Contracted sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Beijing-Tianjin-Hebei Region	Beijing	11,912	238,000	50,100
	Tianjin	4,653	250,400	18,600
	Shijiazhuang	1,390	101,600	13,700
	Zhangjiakou	46	3,600	12,800
	Qinhuangdao	1,619	86,900	18,600
		<b>19,620</b>	<b>680,500</b>	<b>28,800</b>
Yangtze River Delta Region	Shanghai	802	24,800	32,300
	Hangzhou	2,977	146,500	20,300
	Nanjing	922	69,600	13,200
	Suzhou	2,610	144,800	18,000
	Wuxi	422	26,500	15,900
	Jiaxing	3,244	191,100	17,000
	Chuzhou	49	5,400	9,100
	Changzhou	314	22,200	14,100
	Taizhou	443	22,900	19,300
	Shaoxing	315	19,500	16,200
	Wenzhou	1,198	51,400	23,300
	Xiamen	772	19,700	39,200
	Zhangzhou	194	25,500	7,600
	Fuzhou	165	9,600	17,200
		<b>14,427</b>	<b>779,500</b>	<b>18,500</b>

Regions	Cities	Contracted sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Yangtze Mid-stream Region	Wuhan	3,282	139,900	23,500
	Hefei	425	30,700	13,800
	Nanchang	55	6,400	8,600
		<b>3,762</b>	<b>177,000</b>	<b>21,300</b>
Pearl River Delta Region	Zhongshan	1,272	107,900	11,800
	Shenzhen	261	7,400	35,300
	Guangzhou	2,316	65,000	35,600
	Foshan	1,917	154,300	12,400
	Hong Kong	6,708	43,500	154,200
	Zhanjiang	418	48,700	8,600
	Sanya	28	500	56,000
		<b>12,920</b>	<b>427,300</b>	<b>30,200</b>
Chengdu-Chongqing Region	Chongqing	1,303	127,500	10,200
	Chengdu	2,247	128,900	17,400
	Kunming	323	30,200	10,700
		<b>3,873</b>	<b>286,600</b>	<b>13,500</b>
Other Region	Dalian	94	6,100	15,400
	Shenyang	372	35,200	10,600
	Qingdao	807	38,300	21,100
	Zhengzhou	278	30,300	9,200
	Xi'an	1,499	121,600	12,300
	Jinan	218	18,900	11,500
	Taiyuan	205	17,900	11,500
	Yantai	33	2,200	15,000
		<b>3,506</b>	<b>270,500</b>	<b>13,000</b>
	Other projects	876	72,000	12,200
<b>Subtotal (excluding carparks)</b>		<b>58,984</b>	<b>2,693,400</b>	<b>21,900</b>
Carparks (various projects)		1,096	157,500	7,000
<b>Total</b>		<b>60,080</b>	<b>2,850,900</b>	<b>21,100</b>



Contracted sales amounts by geographical locations are analyzed below:





### 3. Landbank and Construction Progress

The Group's total GFA and total saleable GFA completed in the first half of 2019 were approximately 1,408,000 sq.m. and 1,139,000 sq.m., increasing by 37% and 26% respectively as compared to the corresponding period in 2018 and completed approximately 30% of this year's construction target. We will maintain our construction target of 2019 in order to have enough GFA available for sale and for delivery to achieve our target in 2019 and support our growth in 2020.

As at 30 June 2019, the landbank of the Group decreased by 3% to 39,250,000 sq.m. (As at 31 December 2018: 40,444,000 sq.m.); while landbank with attributable interest decreased to 20,764,000 sq.m. (As at 31 December 2018: 21,761,000 sq.m.). During the first half of 2019, we acquired 6 plots of land and 1 developed project, of which the total GFA and attributable interest GFA were approximately 1,026,000 sq.m. and 581,000 sq.m., respectively. The average acquisition cost per sq.m. of the newly acquired land plots was RMB5,500. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2019 was approximately RMB7,100 (As at 31 December 2018: RMB6,900).

Details of the newly acquired land plots during the first half of 2019 are set out as follows:

Cities	Projects	Total GFA acquired ('000 sq.m.)	GFA attributable to the Group ('000 sq.m.)	Interest attributable to the Group (%)
<b>Landbank</b>				
Fuzhou	East Bay	82	41	50.00%
Guiyang	Sino-Ocean Prospect	100	90	89.80%
Qingdao	Ocean Great Harmony	377	162	43.00%
Taiyuan	Sino-Ocean Oriental Mansion	105	84	80.00%
Taiyuan	Villa Epoch	54	24	44.00%
Xi'an	Sino-Ocean Royal Landscape	292	164	56.00%
Subtotal		1,010	565	
<b>Developed Project</b>				
USA	California Asset Package	16	16	98.50%
<b>Total</b>		<b>1,026</b>	<b>581</b>	

The landbank by stages of development as at 30 June 2019 are set out as follows:

	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)
Completed properties held for sales	20,794	16,028	4,513
Properties under development	25,557	20,206	25,557
Properties held for future development	9,180	7,068	9,180
<b>Total</b>	<b>55,531</b>	<b>43,302</b>	<b>39,250</b>

The Group's landbank details as at 30 June 2019 are set out as follows:

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Beijing-Tianjin-Hebei Region	Beijing	26 Block	Shunyi District, Beijing	79	79	79	23.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	100.00%
		Changping Sci-tech Park F2 Project	Changping District, Beijing	256	193	251	50.00%
		China Life Financial Center	Chaoyang District, Beijing	162	126	162	10.00%
		Eternal Scenery	Miyun District, Beijing	482	341	419	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	114	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	224	40.00%
		Jasper Epoch	Daxing District, Beijing	92	78	92	49.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	126	11.10%
		Lize Business District Project	Fengtai District, Beijing	441	331	441	17.25%
		Mentougou Tanzhe Temple Project	Mentougou District, Beijing	430	344	430	10.00%
		Mizhiyun Project	Miyun District, Beijing	80	71	42	90.00%
		Ocean Epoch	Shijingshan District, Beijing	264	198	86	100.00%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	55	85.72%
		Ocean Leisure Landscape	Tongzhou District, Beijing	221	170	19	30.00%
		Ocean Metropolis	Mentougou District, Beijing	330	276	197	75.00%
		Ocean Palace	Daxing District, Beijing	436	383	75	100.00%
		Ocean Wulieepoch	Shijingshan District, Beijing	595	458	595	21.00%
		Our New World	Fangshan District, Beijing	109	91	31	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	125	21.00%
		Royal River Villa	Chaoyang District, Beijing	132	118	132	12.25%
		Sino-Ocean Shin Kong Project	Tongzhou District, Beijing	479	334	479	50.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	230	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	300	50.00%
		Xiji Plot D, Tongzhou District	Tongzhou District, Beijing	128	113	128	10.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Yizhuang Motor Tower Project	Daxing District, Beijing	67	41	67	100.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	49.21%
				<b>7,359</b>	<b>5,830</b>	<b>6,034</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Tianjin	Airport Logistics Project	Binhai New Area, Tianjin	24	–	24	49.00%
		Boda Logistics Project	Wuqing District, Tianjin	285	–	285	49.00%
		Elegant Prestige	Jinnan District, Tianjin	285	194	285	25.00%
		Happy Light Year	Wuqing District, Tianjin	504	317	504	50.00%
		Longfor Mansion	Jinnan District, Tianjin	227	171	227	33.00%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	2,828	51.00%
		Ocean Chanson	Wuqing District, Tianjin	204	199	38	100.00%
		Ocean City	Binhai New Area, Tianjin	2,137	1,929	40	100.00%
		Ocean Epoch	Binhai New Area, Tianjin	35	25	35	100.00%
		Ocean Great Harmony	Xiqing District, Tianjin	350	290	48	100.00%
		Ocean Inside	Binhai New Area, Tianjin	183	176	46	60.00%
		Ocean International Center	Hedong District, Tianjin	321	200	39	50.00%
		Ocean Kunting	Binhai New Area, Tianjin	675	488	603	64.28%
		Ocean Prospect	Dongli District, Tianjin	321	309	51	100.00%
		Royal River	Wuqing District, Tianjin	349	333	140	100.00%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	354	42.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	42.86%
				<b>9,681</b>	<b>7,766</b>	<b>5,732</b>	
	Shijiazhuang	Chang'an District Redevelopment Project	Chang'an District, Shijiazhuang	363	268	361	30.70%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	152	47.94%
		Jade Mansion	Gaocheng District, Shijiazhuang	146	99	146	51.00%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	115	20.00%
		Vigorous Mansion	Chang'an District, Shijiazhuang	228	171	227	51.00%
				<b>1,004</b>	<b>781</b>	<b>1,001</b>	
	Langfang	Ocean Kunting	Guangyang District, Langfang	1,897	954	1,897	38.00%
		Xiang He Wan Run Project	Xianghe County, Langfang	269	180	269	20.00%
				<b>2,166</b>	<b>1,134</b>	<b>2,166</b>	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	203	60.00%
	Qinhuangdao	Seatopia Resort	Funing District, Qinhuangdao	1,438	1,243	1,333	100.00%
				<b>21,851</b>	<b>16,917</b>	<b>16,469</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Yangtze River Delta Region	Shanghai	Chongming Dongtan Project	Chongming District, Shanghai	1,072	672	1,003	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	26	100.00%
		Ocean Melody	Pudong New Area, Shanghai	323	279	56	100.00%
		Wellness Masterpiece	Qingpu District, Shanghai	49	41	49	50.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	24.50%
				<b>1,557</b>	<b>1,037</b>	<b>1,188</b>	
	Hangzhou	Canal Business Center Project	Gongshu District, Hangzhou	609	292	12	100.00%
		Chongxian C-7 Plot, Yuhang District	Yuhang District, Hangzhou	107	73	107	51.00%
		Jiangnan Courtyard	Yuhang District, Hangzhou	111	65	111	49.00%
		Neo 1	Gongshu District, Hangzhou	43	40	43	50.00%
		Seasons Courtyard	Gongshu District, Hangzhou	129	89	129	50.00%
		Sino-Ocean Native Place	Xiaoshan District, Hangzhou	68	41	5	100.00%
				<b>1,067</b>	<b>600</b>	<b>407</b>	
	Nanjing	Binjiang Logistics Project	Jiangning District, Nanjing	58	–	58	18.62%
		Ocean Landscape	Jiangning District, Nanjing	147	121	145	70.00%
		Ocean Melody	Lishui District, Nanjing	234	184	234	100.00%
		Sino-Ocean Land Greenland Premier Court	Jiangning District, Nanjing	71	67	27	50.00%
		Sino-Ocean Tangyue Landscape	Liuhe District, Nanjing	54	52	54	100.00%
				<b>564</b>	<b>424</b>	<b>518</b>	
	Suzhou	Easy Town	Huqiu District, Suzhou	104	85	104	16.50%
		Kunshan Yushan Cold Chain Logistics Project	Yushan, Kunshan City	62	–	62	16.66%
		Mansion Yue	Wujiang District, Suzhou	150	147	150	70.00%
		Ocean Melody	Port area, Taicang City	105	77	105	34.00%
		Rocker Park	Huqiu District, Suzhou	240	198	240	30.00%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	68.75%
		The Lake Garden	Wujiang District, Suzhou	113	79	113	34.00%
				<b>823</b>	<b>586</b>	<b>823</b>	
	Wuxi	Taihu Milestone (formerly known as Haoshi Project)	Xinwu District, Wuxi	63	52	63	40.00%
		Taihu Milestone (formerly known as Yuqin Project)	Xinwu District, Wuxi	116	93	116	40.00%
				<b>179</b>	<b>145</b>	<b>179</b>	



Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Jiaxing	East Lake	Haining City, Jiaxing	109	73	109	33.00%
		Jiaxing Logistics Project	Hunan District, Jiaxing	96	–	96	18.62%
		Lakeside Wonderland	Xiuzhou District, Jiaxing	134	124	134	33.00%
		Ocean Lake Mansion	Haining City, Jiaxing	95	91	95	100.00%
		Ultimate Joy Mansion	Jiashan County, Jiaxing	122	106	122	30.00%
		Zhapu Logistics Project	Pinghu City, Jiaxing	44	–	44	19.60%
				<b>600</b>	<b>394</b>	<b>600</b>	
	Chuzhou	Ocean Mansion	Chahe Town, Chuzhou	108	82	108	100.00%
	Changzhou	Sky Peninsula	Yanshan New Area, Changzhou	101	99	101	40.00%
	Taizhou	Mansion	Jiaojiang District, Taizhou	79	65	74	40.00%
	Shaoxing	Ocean Yue Masterpiece	Keqiao District, Shaoxing	93	93	93	100.00%
	Wenzhou	Ocean Century Mansion	Longwan District, Wenzhou	153	107	153	100.00%
	Xiamen	The Only One	Xiang'an District, Xiamen	52	35	52	50.00%
		Top Mansion	Xiang'an District, Xiamen	75	49	75	48.02%
				<b>127</b>	<b>84</b>	<b>127</b>	
	Zhangzhou	Sino-Ocean Scenery	Zhao'an County, Zhangzhou	81	79	81	70.00%
	Fuzhou	East Bay	Mawei District, Fuzhou	82	65	82	50.00%
				<b>5,614</b>	<b>3,860</b>	<b>4,534</b>	
Yangtze Mid-stream Region	Wuhan	Hejiadun Project	Jiangnan District, Wuhan	1,019	972	557	55.90%
		Jiangxia Logistics Project	Jiangxia District, Wuhan	45	–	45	49.00%
		Ocean World	Dongxihu District, Wuhan	398	369	19	100.00%
		Oriental World View	Hanyang District, Wuhan	1,880	1,509	1,880	10.50%
				<b>3,342</b>	<b>2,850</b>	<b>2,501</b>	
	Hefei	Metropolis 1907	Binhu New Area, Hefei	322	242	322	25.00%
		Ocean Glory	Feidong County, Hefei	197	186	197	100.00%
		Sino-Ocean Landscape	Feidong County, Hefei	200	180	200	52.43%
				<b>719</b>	<b>608</b>	<b>719</b>	
	Changsha	Bund No.1	Yuelu District, Changsha	134	95	134	28.45%
	Nanchang	Ocean Palace	Wanli District, Nanchang	173	122	173	51.00%
		Sino-Ocean Elite Mansion	Wanli District, Nanchang	106	102	101	20.00%
				<b>279</b>	<b>224</b>	<b>274</b>	
				<b>4,474</b>	<b>3,777</b>	<b>3,628</b>	

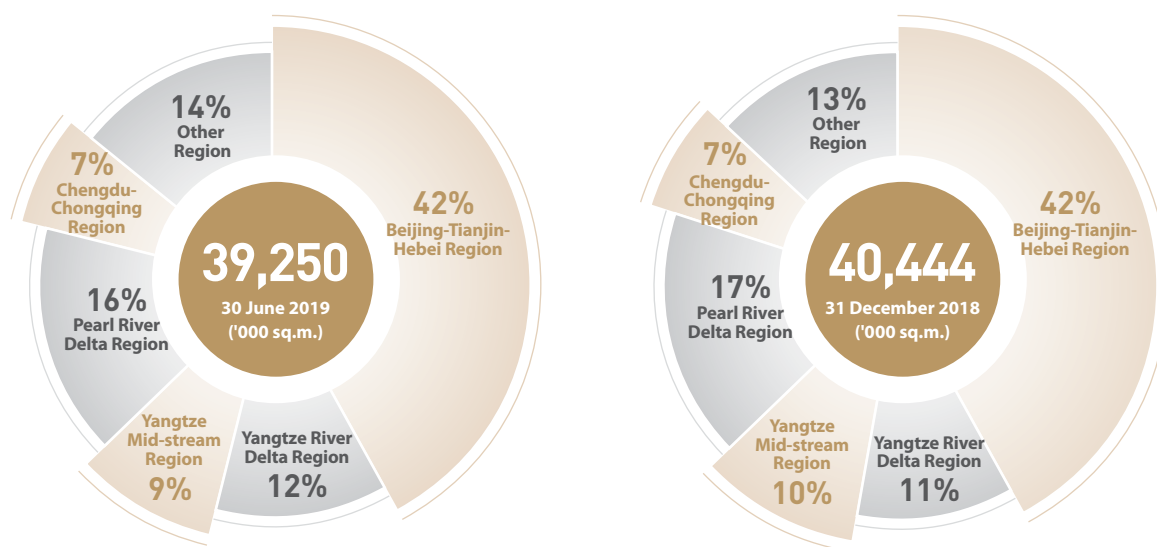
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Pearl River Delta Region	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	1,120	75.00%
		King Realm	Dongsheng Town, Zhongshan	181	134	71	75.00%
		Leader Mountain	Wuguishan Town, Zhongshan	187	137	187	50.00%
		Ocean City	Eastern District, Zhongshan	2,083	1,736	94	100.00%
		Ocean Emerald	Nantou Town, Zhongshan	437	412	50	51.00%
		Ocean Longshire	Henglan Town, Zhongshan	96	85	20	80.00%
		Ocean Prospect	Shiqi District, Zhongshan	94	87	4	30.00%
		SCity (formerly known as Suixicun 162 Project, Nantou)	Nantou Town, Zhongshan	90	68	90	34.00%
		SCity (formerly known as Suixicun 163 Project, Nantou)	Nantou Town, Zhongshan	34	26	34	34.00%
		Sino-Ocean Aristocratic Family	Eastern District, Zhongshan	103	78	103	24.50%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	210	50.00%
		Zhonghui City (formerly known as Suixicun 135 Project, Nantou)	Nantou Town, Zhongshan	43	33	43	34.00%
		Zhonghui City (formerly known as Suixicun 136 Project, Nantou)	Nantou Town, Zhongshan	83	62	83	30.00%
		Zhonghui City (formerly known as Suixicun 137 Project, Nantou)	Nantou Town, Zhongshan	107	102	107	45.00%
				<b>4,920</b>	<b>4,156</b>	<b>2,216</b>	
	Shenzhen	Lishan Project	Nanshan District, Shenzhen	171	120	67	60.00%
		Long Chuan Tang Project	Nanshan District, Shenzhen	115	52	115	60.00%
		Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	148	84.70%
		Ocean Metropolis	Longgang District, Shenzhen	390	292	234	100.00%
				<b>1,765</b>	<b>1,183</b>	<b>1,097</b>	
	Guangzhou	Elite Palace	Tianhe District, Guangzhou	310	279	122	100.00%
		Fenggangcun, Zhucun Street Project	Zengcheng District, Guangzhou	141	96	141	40.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	148	51.00%
		Honoka Project in Baiyun District	Baiyun District, Guangzhou	285	198	285	16.66%
				<b>915</b>	<b>660</b>	<b>696</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Foshan	Delight River	Sanshui District, Foshan	207	192	207	50.00%
		Elite Palace	Sanshui District, Foshan	259	191	259	51.00%
		Heavenly Town	Sanshui District, Foshan	285	221	285	49.00%
				<b>751</b>	<b>604</b>	<b>751</b>	
	Hong Kong	LP6	Tseung Kwan O, Hong Kong	137	136	137	40.00%
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	612	45.50%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	291	289	291	51.00%
	Sanya	Hongtang Bay Project	Tianya District, Sanya	561	249	561	50.00%
		Ocean Treasure	Jiyang District, Sanya	177	111	77	100.00%
				<b>738</b>	<b>360</b>	<b>638</b>	
	Haikou	Ocean Zen House	Xiuying District, Haikou	117	106	5	100.00%
				<b>10,246</b>	<b>7,987</b>	<b>6,443</b>	
Chengdu-Chongqing Region	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	102	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	178	24.50%
		Gaomiao Project, Phase II, Jiulongpo	Jiulongpo District, Chongqing	285	213	18	50.00%
		Ocean City	Jiulongpo District, Chongqing	126	125	126	50.00%
		Ocean Ninth Prince	Yubei District, Chongqing	335	246	234	50.00%
		Poetry of Landscape	Shapingba District, Chongqing	166	165	165	100.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	244	42.50%
				<b>1,784</b>	<b>1,432</b>	<b>1,067</b>	
	Chengdu	Longquan Sunshine Town Project	Longquanyi District, Chengdu	320	263	320	24.50%
		Ocean Crown	Qinyang District, Chengdu	99	46	99	60.00%
		Ocean Habitat	Chongzhou City, Chengdu	123	98	123	100.00%
		Ocean Luxury City	Qinyang District, Chengdu	71	38	71	24.50%
		Ocean Sky Glory	Jinniu District, Chengdu	122	106	122	12.25%
		Royal Mansion	Pidu District, Chengdu	139	99	139	24.50%
		Sino-Ocean Taikoo Li Chengdu	Jinjiang District, Chengdu	417	362	186	50.00%
				<b>1,291</b>	<b>1,012</b>	<b>1,060</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Kunming	Chenggong Project	Chenggong District, Kunming	222	218	222	70.00%
		Chenggong Project, Phase II	Chenggong District, Kunming	99	88	99	70.00%
		Kunming Airport Project	Guandu District, Kunming	37	-	37	18.62%
		Sino-Ocean Esthetics Mansion	Panlong District, Kunming	164	145	164	37.15%
				<b>522</b>	<b>451</b>	<b>522</b>	
	Guiyang	Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	100	89.80%
				<b>3,697</b>	<b>2,970</b>	<b>2,749</b>	
Other Region	Dalian	Jinma Project	Jinzhou District, Dalian	77	43	35	10.00%
		Ocean Diamond Bay	Ganjingzi District, Dalian	1,406	1,254	743	100.00%
		Ocean Worldview	Jinzhou District, Dalian	1,902	1,645	367	100.00%
		Sino-Ocean Technopole	Jinzhou District, Dalian	922	540	922	100.00%
		The Place of Glory	Ganjingzi District, Dalian	925	875	266	100.00%
		Xiaoyao Bay Project	Jinzhou District, Dalian	219	175	219	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				<b>5,562</b>	<b>4,584</b>	<b>2,663</b>	
	Shenyang	Grand Canal Milestone	Shenhe District, Shenyang	382	257	11	100.00%
		Ocean Paradise	Heping District, Shenyang	713	695	9	100.00%
		Yuqin Biyuan Project	Hunnan District, Shenyang	212	169	212	51.76%
				<b>1,307</b>	<b>1,121</b>	<b>232</b>	
	Changchun	Orient Palace	Nanguan District, Changchun	73	60	73	20.00%
	Qingdao	Ocean Great Harmony	Shibei District, Qingdao	377	270	377	43.00%
		Ocean Melody	Huangdao Development Zone, Qingdao	109	107	14	100.00%
		Ocean Royal City	Jiaozhou City, Qingdao	333	269	308	75.00%
		Ocean Seasons	Laoshan District, Qingdao	146	132	18	100.00%
				<b>965</b>	<b>778</b>	<b>717</b>	
	Taiyuan	Sino-Ocean Oriental Mansion	Yingze District, Taiyuan	105	81	105	80.00%
		Villa Epoch	Yangqu County, Taiyuan	54	34	54	44.00%
				<b>159</b>	<b>115</b>	<b>159</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Zhengzhou	Ocean Melody	Zhongmu County, Zhengzhou	43	38	43	69.30%
		Ocean Prospect	Longhu Town, Xinzheng City, Zhengzhou	169	158	169	38.00%
		Yongzhixing Cold Chain Logistics Project	Airport Economic Zone, Zhengzhou	172	–	172	49.00%
				<b>384</b>	<b>196</b>	<b>384</b>	
	Xuzhou	Jiawang Logistics Project	Jiawang District, Xuzhou	86	–	86	19.60%
	Xi'an	Emperor Chic	Weiyang District, Xi'an	321	316	321	24.50%
		Qinhanxincheng Logistics Project	Weicheng District, Xianyang City	67	–	67	19.60%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	292	56.00%
				<b>680</b>	<b>524</b>	<b>680</b>	
	Yantai	Sino-Ocean Donglai County	Laishan District, Yantai	43	42	43	100.00%
	Jinan	Ocean Epoch	Lixia District, Jinan	390	371	390	50.00%
				<b>9,649</b>	<b>7,791</b>	<b>5,427</b>	
<b>Total</b>				<b>55,531</b>	<b>43,302</b>	<b>39,250</b>	

The landbank by geographical locations as at 30 June 2019 and 31 December 2018 are analyzed below:





## Property Investment

Investment properties provide a steady and reliable income and cash flow to the Group in addition to the possible capital gains from appreciation in value. They also help us to diversify our risk from market turbulence in the property development business. During the first half of 2019, revenue from property investment decreased by 44% to RMB306 million (first half of 2018: RMB542 million), which was mainly due to the implementation of asset-light strategy for the Group's investment properties. As at 30 June 2019, the Group held more than 16 operating investment properties, in which the majority were office units. Our investment properties are mainly A-grade office premises, shopping malls and commercial complex at good location with a total leasable area of approximately 1,193,000 sq.m.



List of our investment properties as at 30 June 2019 is set out as follows:

Projects	Districts	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Others (sq.m.)	Occupancy rate (%)	Interest attributable to the Group (%)
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	4,000	99%	72%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	18,000	82%	100%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	96%	100%
Grand Canal Plaza (Hangzhou)	Gongshu District, Hangzhou	67,000	–	67,000	–	87%	100%
North Carolina Project (USA)	Durham, North Carolina	12,000	12,000	–	–	69%	70%
San Francisco Project (USA)	Financial District, San Francisco	6,000	6,000	–	–	100%	100%
Other projects		66,000	16,000	35,000	15,000		
Subtotal		312,000	136,000	139,000	37,000		
<b>Other</b>							
Diamond Plaza (Beijing)	Haidian District, Beijing	22,000	20,000	–	2,000	100%	37%
INDIGO (Beijing)	Chaoyang District, Beijing	225,000	52,000	48,000	125,000	99%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	11,000	90%	35%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	107,000	81,000	12,000	14,000	95%	53%
Ocean We-life Plaza (Beijing)	Chaoyang District, Beijing	31,000	–	31,000	–	97%	50%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	41,000	–	41,000	–	99%	50%
Danling International Plaza (Shanghai)	Jing'an District, Shanghai	38,000	38,000	–	–	86%	20%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	4,000	79%	20%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	62,000	46,000	4,000	12,000	88%	15%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	Jinjiang District, Chengdu	115,000	–	84,000	31,000	98%	50%
Other projects		156,000	17,000	80,000	59,000		
Subtotal		881,000	310,000	313,000	258,000		
<b>Total</b>		<b>1,193,000</b>	<b>446,000</b>	<b>452,000</b>	<b>295,000</b>		



## COMMERCIAL PROPERTIES IN PROGRESS

The Group has built a sound foundation for office complex operation and management since the development of commercial properties in 2010. The Group has cultivated strengths in commercial project positioning, planning and design, development and construction, attracting investment and project operation. To date, the Group has several commercial property projects in progress across China, including grade A offices, high-end shopping centers, five-star hotels and high quality serviced apartments.

For the six months ended 30 June 2019, revenue from property investment amounted to RMB306 million. The Group currently has more than 16 operating investment properties. In the first half of 2019, the Group newly acquired 1 investment property in the USA, which added to our list of high-end and well-developed overseas portfolio.

The Group now has approximately 1,193,000 sq.m. of commercial real estate resources in operation, with office developments, commercial complexes and others accounting for about 37% and 63% respectively. In addition, the Group has commercial property resources pending for development and operation by stages by 2024. These include offices in Beijing CBD, shopping centers in Tongzhou District, Beijing and other high-end commercial complexes. The commercial property brand of Sino-Ocean will boost a strong portfolio of cross-regional and diversified products which will provide a sound foundation for favourable investment yield and profitability level in the future.

### Property management

For the six months ended 30 June 2019, the Group's revenue from the provision of property management services amounted to RMB709 million, representing a 19% increase as compared to RMB594 million for the corresponding period in 2018, mainly because of the improvement in operating ability and synergy with major development business. The property management service has reached 50 cities in the PRC.

A total area under management of approximately 62 million sq.m. for the first half of 2019 (first half of 2018: approximately 50 million sq.m.) was covered by the Group's property management services.

## OTHER INFORMATION

### Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

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In first half of 2019, 40% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuation in foreign exchange rates. As Renminbi has been facing the potential trend of depreciation, the Group is adjusting its proportion of borrowings in foreign currencies and has entered into certain forward contracts so as to hedge against the exchange loss in future years. The Group has never engaged in the dealing of any financial derivative instruments for speculative purpose.

In view of the potential Renminbi exchange rate fluctuations, the Group will further consider arranging for monetary and exchange rate hedge at appropriate times to avoid the corresponding risks.

### Employees and Human Resources

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As at 30 June 2019, the Group had 12,335 employees (31 December 2018: 13,131). The total number of employees serving the Group remains stable in the first half of 2019. We will continue to strengthen manpower effectiveness and control capability.

For the first half of 2019, taking into account the amortization of share options, the level of our overall staff cost was maintained at about RMB1,542 million (first half of 2018: RMB1,050 million). We believe the share option scheme implemented in previous years will provide long-term incentive and rewards to our staff.

The Group will continuously review its salary and compensation schemes to make them competitive to retain the talented staff and also provide various training and development programs, so that these talented staff can ultimately bring in higher return to our shareholders and investors.



# 遠洋集團

遠洋集團控股有限公司  
SINO-OCEAN GROUP HOLDING LIMITED



## INVESTOR RELATIONS

Our Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining highly honest, sincere and effective communication with the financial community and other stakeholders. Our goals are to deepen investors' understanding and approval of the Company's strategies, to raise the quality of internal management and to maximize the Company's value.

### Promoting company value through meaningful communication

In the first half of 2019, the downward pressure on the economy in China deepened. There were increasing uncertainties in the global market and macro measures on the real estate industry continued. As the government reiterated the fundamental principle of 'properties for accommodation not speculation', macro policies in key cities tightened once more. Implementation of different policies according to the circumstances of individual cities was even more stringent to maintain stable development of the market. At the same time judicious tightening of credits to curb overheating intensified industry concentration and market differentiation became more perceptible.

In light of the changing economic environment and the development of the industry, we were agile in response and maintained continuous communication with our investors. We emphasized our strategy of focusing on expanding residential property and as a result the Group recorded improved sales as in size and quality. Other businesses also achieved independent, rapid and solid growth. We enjoyed a robust and highly secure financial position that was widely recognized by investors. In 2H19, the Group will continue to raise performance through 'crafting meticulously', the essence of this year.

In 1H19, we communicated proactively with analysts and investors through results announcements and road shows. We also arranged one-on-one meetings between management and investors. These meetings were highly effective and enjoyed very positive feedback. They served to reinforce understanding and trust between the Group and the capital market. Furthermore, the Group continued to generate opportunities to interact with analysts and investors individually. On the one hand, we attended investors' conferences and communicated constantly. In 1H19, we attended conferences in Beijing, Shenzhen and Hong Kong organized by 6 securities firms. We also conducted in-depth one-on-one discussions with over 200 institutional and individual investors. On the other hand, in view of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, we actively explored new channels of communication with over 50 funds and securities firms in mainland China. We also hosted more than 120 stakeholders at some 40 project site visits, enabling them to better understand the latest developments in the Group's various business segments.

Through these events and discussions, we were able to foster a deeper understanding and appreciation of the Group's progress, business plan and strategic development among fund managers, institutional and individual investors, analysts and other interested parties. Meanwhile our management also gained better knowledge of the expectations and demands of the capital market on the Group. We will seriously consider and put into practice all constructive suggestions.

## Ensuring fair disclosure and maintaining transparency

In 1H19, we maintained our high standards of information disclosure to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition, we published our monthly unaudited operating statistics on the Stock Exchange of Hong Kong website and share information on the Group's latest development via investors groups to boost transparency and to ensure proper and fair access to relevant data for all parties in the capital market.

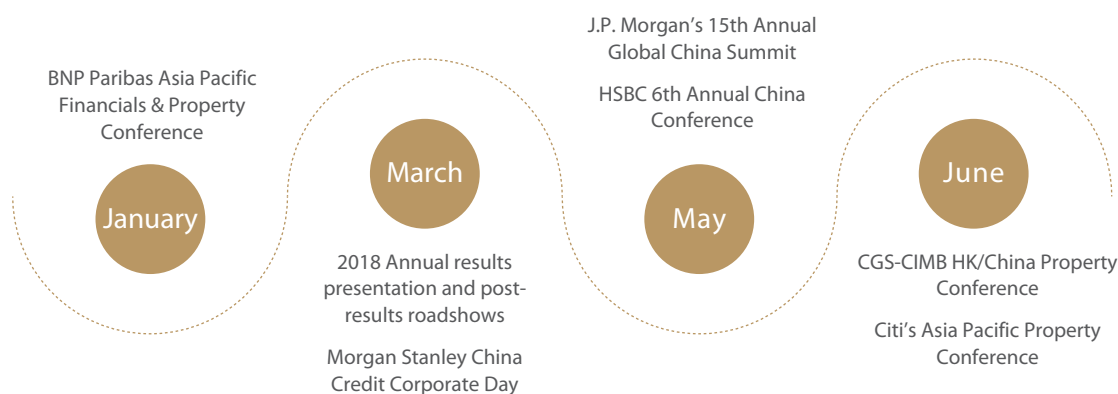
In 1H19 we enjoyed coverage from 23 securities firms, including JPMorgan, Credit Suisse, Goldman Sachs, Citi, Deutsche Bank, BOCI, Nomura, DBS, and Macquarie, the majority of which rated Sino-Ocean Group as 'out-performed the market', 'buy' or 'hold'.

## Listening attentively and receptively from a wide spectrum

We listened carefully to our shareholders' concerns and addressed them efficiently. In May 2019, the Group held the Annual General Meeting. As always, after each meeting management representatives reserved time for individual shareholders to voice their opinions and concerns, ensuring all parties present were given opportunity to discuss the key issues with our representatives.

We will continue our efforts to gain more coverage and obtain more recommendations from securities firms, with the goal of promoting investors' approval, confidence and loyalty, as well as protecting their interests. We are grateful to all stakeholders for their remarkable support. If you have any questions or comments with regards to our work, please contact us at [ir@sinooceangroup.com](mailto:ir@sinooceangroup.com). We promise to provide answers to the extent permitted by applicable laws, regulations and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2019 Investor Relations Activities







# SUSTAINABILITY REPORT

On 11 June 2019, we issued “Building Health for Shared Success-Sustainable Development Report 2018 of Sino-Ocean Group”, which received 5-star rating from the Chinese Academy of Social Services for the fourth consecutive year. The report was prepared in accordance with HKEX-ESG, “Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)” published by the Chinese Academy of Social Sciences (CASS), and other relevant standards, with reference to certain indicators specified in the “Sustainability Reporting Guidelines” issued by the Global Reporting Initiative (GRI). The report detailed the implementation of the Group’s health strategy and the “Sino-Ocean Healthy Building System 1.0” officially published in 2018, with high commendation of “excellent performance” in respect of its process, substance, balance, comparability, and readability.

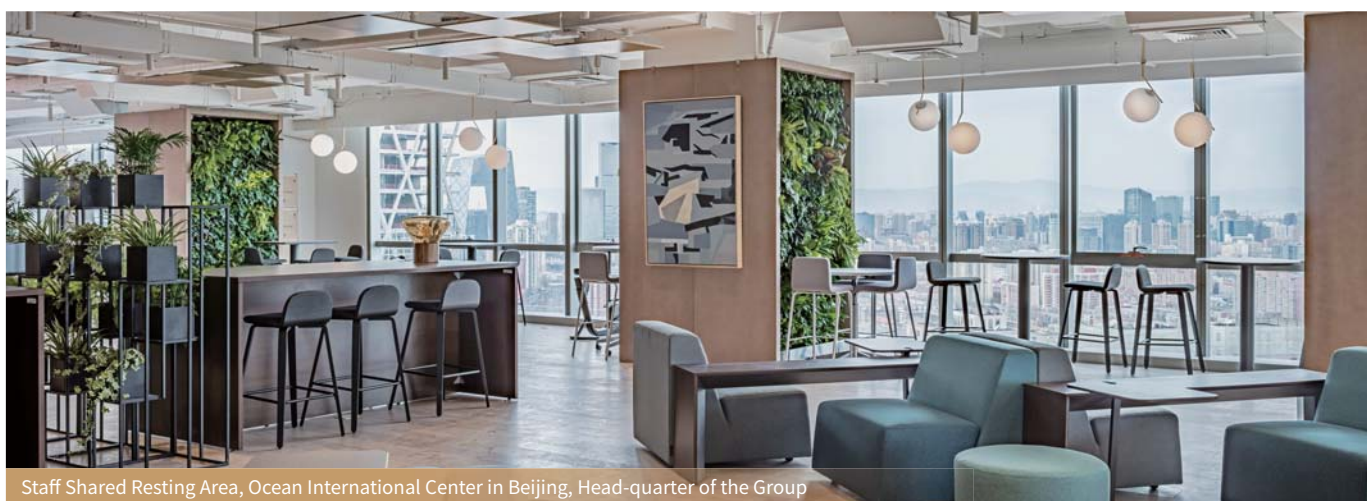
In the first half of 2019, adhering to the annual work theme of “Intensive Cultivation, Truth Seeking and Pragmatic”, the Group consolidated its foundation and developed steadily. In addition to focusing on its main business, the Group will also accelerate innovation and work with more people-oriented and health-centered partners with an open mind to fulfill the responsibility of improving human residential quality and achieve healthy building with commitment.

## Enhanced Products and Efficient Management for Healthy Core Business

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2019 is a pivotal year for Sino-Ocean Group as it summarizes the fourth phase of strategic development and begins the fifth phase. At this critical stage, to enhance the overall work efficiency and business concepts, the Group has established a new operation management system, based on the incorporation of its current development status with existing operating and managing requirements. Its implementation will effectively increase the Group’s decision-making efficiency, realize the double requirements of driving our internal empowerment and boosting core competitiveness of projects. The Group has organized many activities to promote and implement the new operation and management system. The deepened implementation of this new operating system has been reflected in different levels of improvements in efficiency indicators.

Undoubtedly, the high quality development of core business is the most crucial factor to speed up the development of property development enterprises. In the first half of the year, the Group has firm attitude and resolution to focus on developing its core business, and has further expanded its business coverage by acquiring landbanks in new cities such as Guiyang, Fuzhou and Langfang, optimizing city planning. In the future, the Group will achieve new heights by focusing on its core business, cultivating core markets, polishing core products and building core teams.



Staff Shared Resting Area, Ocean International Center in Beijing, Head-quarter of the Group

## Refined Research and Unrestrained Exploration for Health Practice —

As the champion and practitioner of the idea “Building • Health”, the Group is the first real estate developer to introduce the WELL building standard to China and carry out further R&D and practice thereon. In 2016, the Group established a strategic partnership with Delos, a healthy real estate and technology company headquartered in New York, the USA, aiming to deeply promote the application of WELL in China. To date, we have finished the registration of 25 WELL projects with an area of 1.38 million sq.m. The Elite Palace (Guangzhou), Ocean International Center (Hangzhou), Ocean Melody (Shanghai) and Grand Canal Milestone (Shenyang) have received the WELL final gold rating certification (WELL金級最終認證).

Upholding the brand philosophy of “Joint Growth, Building Health” and after over 1,200 days of the research and practice, the Group issued the system document for the “Sino-Ocean Healthy Building System 1.0”, which was widely promoted and applied in various projects since its release at the end of April 2018. As of June 2019, Healthy Building System has been implemented by the Group in 63 projects over 34 cities in China, covering building types of residential and senior living.

At the same time, the Group established professional management standard for customer service and property management under the new operation and management system, providing our customers with more personalized products and while striving to enhance customer satisfaction. The Group’s products with “health” concept were also increasingly well received by customers. In the first half of 2019, both customer satisfaction and loyalty saw a remarkable increase compared with the same period of last year.



## Dedicated Projects and Healthy Environment for Sino-Ocean Ecosystem

At the 9th Yuan Ye Summit Forum and Yuan Ye Cup Presentation Ceremony held in March this year, three project demonstration zones under the Group, namely the Royal River Villa (Beijing), Vigorous Mansion (Shijiazhuang) and Jasper Epoch (Beijing), have outshone hundreds of competitors to win 1 Grand Award and 2 Golden Awards under the 2018 Yuan Ye Cup.

The demonstration zone in Vigorous Mansion (Shijiazhuang), which has won the Golden Award in Real Estate Garden Category, is a representation of the “design + construction” model implemented by the “Sino-Ocean Ecosystem”. In recent years, Sino-Ocean Ecosystem has undergone strategic upgrade, and deployed the overall “Building • Health” strategic plans. Through years of refining and superior resource integration, Sino-Ocean Ecosystem has grown into an integrated eco-environment operation service provider engaged in the planning and designing of scenic gardens, engineering construction, ecological environment restoration and integrated development of ecological towns. Sino-Ocean Ecosystem focuses on providing integrated solutions that combine R&D, design, construction and operation.

Sino-Ocean Ecosystem has been granted many professional qualifications, and is accredited as a national “High-Tech Enterprise”. With presence in over 20 big cities in China, including Beijing, Shanghai, and Guangzhou, Sino-Ocean Ecosystem’s mission is to further the upgrade of healthy residence and promote sustainable development of ecological environment.

## Polished Management and Employee Orientation for Healthy Workspace

The renovated office area of the Group head-quarter is the best illustration of the “Building • Health” concept. The Group provides a well-designed, carefully-built and healthy workplace, delivering profound experiences to employees. With the design concept of people-orientation and building health, the per-capita workspace reaches 8.1 square meters in the renovated office area. Our respect and care for employees are reflected in every space and scene and people’s value will be maximized and individuals’ potential will be fully unleashed. The head office of Sino-Ocean Group is in the process of obtaining the WELL Certification, and may become the largest office with the highest WELL Certification in China.

The Group has treated environmental health with great care, meanwhile, it values employees’ physical and mental health. To boost employees’ health quality, a “Traditional Chinese Medicine (TCM) Physiotherapy Cabin” with physiotherapy equipment was opened in the renovated office area. TCM physiotherapists were regularly invited to provide massage service to employees so as to help employees relax and increase their working satisfaction. In the renovated office area, vegetables produced by the soilless “Employee Farm” have been highly rated by our employees. The farm not only provides beautiful green scenes, but also produces fresh organic and seasonal vegetables for employees. The Group attaches great importance to employees’ Experiences and carries out satisfaction survey regularly. At the same time, the Group adjusts and improves its efforts based on results of the survey, thereby realizing the goal of the best “Healthy Workplace”. Healthy company, healthy environment, healthy team and employees will help the Group to embrace the challenging future with more healthy, open-minded and wise mindsets.





Staff Vegetable Garden, Office Area of Ocean International Center in Beijing, Head-quarter of the Group

## Sophisticated Lifestyle and Health Concepts for Healthy Communities

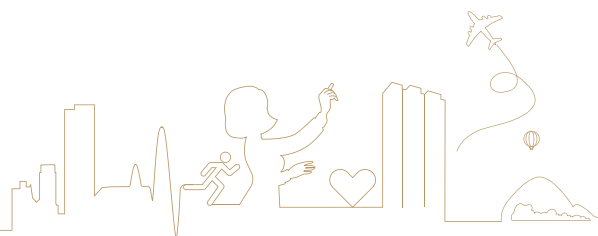
In addition to producing healthy products, the Group emphasizes the dissemination of health concepts. Since the renovation of its head office, the Group has been providing guidance in its offices to transmit the health concepts to its employees, partners, investors, shareholders, customers and other stakeholders.

Prior to the “April 22 Ocean Health Day”, the 3rd “Ocean Marathon” City Relay Race, jointly hosted by Sino-Ocean Group, Beijing Sino-Ocean Charity Foundation, the Trade Union of Sino-Ocean Group, was held again. In its first station, Beijing, we have attracted over 1,000 good-hearted people, including employees, customers, media workers, partners and volunteers, to take part in the run. Social benefits have long been the core of Sino-Ocean Charity Run. This year, Sino-Ocean Charity Run further boosted the benefits — the launch of “2019 Sino-Ocean Health Charity Program”. Under the program, the RMB1 million “Sino-Ocean Building Health Fund” will be set up within this year to support development of healthy buildings and environment in urban and rural areas. By launching the fund, Sino-Ocean Group hopes that healthy concepts can be accepted by more communities and cities, and benefit the society.



Warm Heart Market Charity Sales

Health is an eternal topic for human beings, and an important sign of social progress. With the introduction of “Health China 2030” strategy and the arrival of the era of good lives, the Group will adhere to its brand concept of “Building • Health” and incorporate “health” into its product DNA to constantly implement healthy building standards and insist on artisan quality, continuously enhance healthy residence experience, and strive for satisfying people’s pursuit for good lives.





# DISCLOSURE OF INTERESTS

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the interests and short positions of each of the directors (the "Directors") and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

### Long position in the shares and the underlying shares of the Company

Name of Directors	Nature of interest	No. of ordinary shares held (long position)	No. of underlying shares comprised in share options (note i)	Restricted shares (note ii)	Total	Percentage in the Company's issued share capital
Mr. LI Ming	Founder of discretionary trust	127,951,178 (note iii)	-	-	127,951,178	1.680%
	Beneficiary of trust	14,230,200 (note iv)	-	-	14,230,200	0.187%
	Beneficial owner	18,387,000	81,540,000	684,000	100,611,000	1.321%
Mr. WEN Haicheng	Beneficial owner	2,033,205	20,240,000	204,000	22,477,205	0.295%
Mr. SUM Pui Ying	Beneficial owner	3,352,500	15,800,000	204,000	19,356,500	0.254%
Mr. ZHAO Lijun	Beneficial owner	42,000	1,100,000	18,000	1,160,000	0.015%
Mr. FU Fei	Beneficial owner	-	600,000	-	600,000	0.008%
Mr. FANG Jun	Beneficial owner	200,000	1,450,000	18,000	1,668,000	0.022%
Ms. LI Liling	Beneficial owner	-	600,000	-	600,000	0.008%
Mr. HAN Xiaojing	Beneficial owner	442,000	2,050,000	18,000	2,510,000	0.033%
Mr. SUEN Man Tak	Beneficial owner	102,000	1,700,000	18,000	1,820,000	0.024%
Mr. WANG Zhifeng	Beneficial owner	102,000	1,700,000	18,000	1,820,000	0.024%
Mr. JIN Qingjun	Beneficial owner	102,000	1,700,000	18,000	1,820,000	0.024%
Ms. LAM Sin Lai Judy	Beneficial owner	-	1,700,000	-	1,700,000	0.022%



Notes:

- (i) The share options were granted pursuant to the share option schemes of the Company, the details of which are set out below in the paragraph headed "Share Option Schemes".
- (ii) The restricted shares were granted pursuant to the restricted share award scheme of the Company, the details of which are set out below in the paragraph headed "Restricted Share Award Scheme".
- (iii) The 127,951,178 shares are held by a discretionary trust of which Mr. LI Ming is the founder.
- (iv) The 14,230,200 shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.

## Long position in the shares and the underlying shares of the associated corporation(s)

Name of Directors	Name of associated corporation	Nature of interest	Date of share option granted	Exercise period	Exercise price per share (HKD)	No. of underlying shares of associated corporation comprised in share options	No. of ordinary shares of associated corporation held (long position)	Percentage of total issued share capital of associated corporation
Mr. LI Ming	Gemini Investments (Holdings) Limited	Beneficial owner	9 August 2013	9 August 2013–22 June 2021	0.96	4,000,000	–	0.886%
Mr. WEN Haicheng	Gemini Investments (Holdings) Limited	Beneficial owner	–	–	–	–	70,000	0.016%
Mr. SUM Pui Ying	Gemini Investments (Holdings) Limited	Beneficial owner	26 August 2011	26 August 2011–22 June 2021	1.40	2,000,000	–	0.443%
			9 August 2013	9 August 2013–22 June 2021	0.96	16,000,000	–	3.545%

Save as disclosed above, as at 30 June 2019, none of the Directors nor the chief executives of the Company or their associates had any interest or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations as defined in the SFO.

## DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the six months ended 30 June 2019 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for any equity or debt securities of the Company or any other body corporate or had exercised any such right.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders required to be kept by the Company under Section 336 of Part XV of the SFO shows that as at 30 June 2019, the Company had been notified of the following substantial shareholders' interests and short positions in the shares of the Company, being interests of 5% or more, in addition to those disclosed above in respect of the Directors and the chief executives of the Company:

Name of shareholders	Capacity	Long/short position	No. of ordinary shares held	Percentage in the Company's issued share capital
China Life Insurance (Group) Company (note i)	Interest of controlled corporation	Long	2,253,459,151	29.59%
Anbang Insurance Group Co., Ltd. (note ii)	Interest of controlled corporation	Long	2,252,646,115	29.58%
Anbang Asset Management (Hong Kong) Co. Limited (note iii)	Investment Manager	Long	2,252,646,115	29.58%

Notes:

- (i) The 2,253,459,151 shares were registered in the name of, and beneficially owned by, China Life Insurance Company Limited. China Life Insurance (Group) Company was interested in 68.37% of China Life Insurance Company Limited. China Life Insurance (Group) Company was deemed to be interested in these shares by virtue of the SFO.
- (ii) The 2,252,646,115 shares were registered in the name of, and beneficially owned by, Anbang Life Insurance Co., Ltd. Anbang Insurance Group Co., Ltd. was interested in 99.98% of Anbang Life Insurance Co., Ltd. Anbang Insurance Group Co., Ltd. was deemed to be interested in these shares by virtue of the SFO.
- (iii) The 2,252,646,115 shares were managed by Anbang Asset Management (Hong Kong) Co. Limited. Anbang Asset Management (Hong Kong) Co. Limited was an indirect subsidiary of Anbang Insurance Group Co., Ltd. Anbang Asset Management (Hong Kong) Co. Limited was deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any person or corporation who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SHARE OPTION SCHEMES

### Share Option Schemes of the Company

#### The 2007 Option Scheme

The former share option scheme of the Company as adopted by shareholders' written resolutions of the Company dated 3 September 2007 (the "2007 Option Scheme", details of which were set out in the prospectus of the Company dated 14 September 2007) had a term of 10 years and had expired on 27 September 2017. Although the 2007 Option Scheme had expired, the share options already granted under such scheme before its expiration remain valid.

Particulars of share options outstanding under the 2007 Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2019 and share options granted, exercised, cancelled or lapsed under the 2007 Option Scheme during such period were as follows:

Category of participant	Date of share options granted	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2019	No. of share options exercised during the period (note iii)	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2019
<b>Directors</b>						
Mr. LI Ming	27 Aug 2015	4.04	540,000	–	–	540,000
	13 Apr 2016	3.80	6,000,000	–	–	6,000,000
Mr. WEN Haicheng	27 Aug 2015	4.04	240,000	–	–	240,000
	13 Apr 2016	3.80	3,000,000	–	–	3,000,000
	24 Aug 2017	4.70	2,000,000	–	–	2,000,000
Mr. SUM Pui Ying	27 Aug 2015	4.04	800,000	–	–	800,000
	13 Apr 2016	3.80	5,000,000	–	–	5,000,000

Category of participant	Date of share options granted	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2019	No. of share options exercised during the period (note iii)	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2019
Mr. ZHAO Lijun	24 Aug 2017	4.70	500,000	–	–	500,000
Mr. FANG Jun	27 Aug 2015	4.04	350,000	–	–	350,000
	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. HAN Xiaojing	27 Aug 2015	4.04	350,000	–	–	350,000
	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. SUEN Man Tak	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. WANG Zhifeng	13 Apr 2016	3.80	500,000	–	–	500,000
Mr. JIN Qingjun	13 Apr 2016	3.80	500,000	–	–	500,000
Ms. LAM Sin Lai Judy	24 Aug 2017	4.70	500,000	–	–	500,000
<b>Subtotal</b>			<b>21,780,000</b>	<b>–</b>	<b>–</b>	<b>21,780,000</b>
<b>Employees</b>	27 Aug 2015	4.04	31,709,500	(100,000)	(1,025,000)	30,584,500
	13 Apr 2016	3.80	82,868,500	–	(1,360,500)	81,508,000
	24 Aug 2017	4.70	46,380,000	–	(1,380,000)	45,000,000
<b>Subtotal</b>			<b>160,958,000</b>	<b>(100,000)</b>	<b>(3,765,500)</b>	<b>157,092,500</b>
<b>Total</b>			<b>182,738,000</b>	<b>(100,000)</b>	<b>(3,765,500)</b>	<b>178,872,500</b>

Notes:

- (i) The share options granted under the 2007 Option Scheme are exercisable during a period of five years commencing on the date of grant, where 40% of share options shall become exercisable after one year, 70% of share options shall become exercisable after two years, and all share options shall become exercisable after three years.
- (ii) During the six months ended 30 June 2019, no share option was granted or cancelled with respect to the 2007 Option Scheme.
- (iii) During the six months ended 30 June 2019, 100,000 share options granted under the 2007 Option Scheme were exercised and the weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised was HKD4.158 per share.

## The 2018 Option Scheme

On 6 August 2018, shareholders of the Company approved a new share option scheme (the “2018 Option Scheme”), details of which were set out in the circular of the Company dated 16 July 2018. The 2018 Option Scheme is valid and effective for a period of 10 years until 5 August 2028, unless it is terminated early in accordance with its provisions.

Particulars of share options outstanding under the 2018 Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2019 and share options granted, exercised, cancelled or lapsed under the 2018 Option Scheme during such period were as follows:

Category of participant	Date of share options granted	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2019	No. of share options granted during the period	No. of share options outstanding as at 30 June 2019
<b>Directors</b>					
Mr. LI Ming	4 Sep 2018	3.96	25,000,000	–	25,000,000
	27 Mar 2019	3.37	–	50,000,000	50,000,000
Mr. WEN Haicheng	4 Sep 2018	3.96	15,000,000	–	15,000,000
Mr. SUM Pui Ying	4 Sep 2018	3.96	10,000,000	–	10,000,000
Mr. ZHAO Lijun	4 Sep 2018	3.96	600,000	–	600,000
Mr. FU Fei	4 Sep 2018	3.96	600,000	–	600,000
Mr. FANG Jun	4 Sep 2018	3.96	600,000	–	600,000
Ms. LI Liling	4 Sep 2018	3.96	600,000	–	600,000
Mr. HAN Xiaojing	4 Sep 2018	3.96	600,000	–	600,000
	27 Mar 2019	3.37	–	600,000	600,000
Mr. SUEN Man Tak	4 Sep 2018	3.96	600,000	–	600,000
	27 Mar 2019	3.37	–	600,000	600,000
Mr. WANG Zhifeng	4 Sep 2018	3.96	600,000	–	600,000
	27 Mar 2019	3.37	–	600,000	600,000
Mr. JIN Qingjun	4 Sep 2018	3.96	600,000	–	600,000
	27 Mar 2019	3.37	–	600,000	600,000
Ms. LAM Sin Lai Judy	4 Sep 2018	3.96	600,000	–	600,000
	27 Mar 2019	3.37	–	600,000	600,000
<b>Subtotal</b>			<b>55,400,000</b>	<b>53,000,000</b>	<b>108,400,000</b>
<b>Employees</b>	4 Sep 2018	3.96	194,600,000	–	194,600,000
	27 Mar 2019	3.37	–	455,528,565	455,528,565
<b>Subtotal</b>			<b>194,600,000</b>	<b>455,528,565</b>	<b>650,128,565</b>
<b>Total</b>			<b>250,000,000</b>	<b>508,528,565</b>	<b>758,528,565</b>



Notes:

- (i) The share options granted under the 2018 Option Scheme are exercisable during a period of five years commencing on the date of grant, where 50% of share options will become exercisable after 12 months and all share options will become exercisable after 24 months.
- (ii) During the six months ended 30 June 2019, no share option was exercised, lapsed or cancelled with respect to the 2018 Option Scheme.

The average fair value of the 508,528,565 share options granted on 27 March 2019 is HKD0.7144 per option. In determining the fair value of share options, the Binomial Model has been used and the following variables have been applied to the model:

Measurement date	27 March 2019
Variables	
the expected volatility	38.263%
the annual risk-free interest rate	1.341%
the expected dividend yield	4.998%
the expected life from the measurement date	5 years

Notes:

- (i) The closing price per share immediately before 27 March 2019, the date of granting the options, was HKD3.24.
- (ii) The expected volatility is the annualized standard deviation of daily return of the Company's share price with reference to Bloomberg.
- (iii) Risk-free rate represents the yields to maturity of Hong Kong Sovereign Curve with respective terms to maturity as at the valuation date.
- (iv) The expected dividend yield is with reference to the historical dividend.

The values of share options are subject to (i) the subjectivity and uncertainty relating to the assumptions to which such values are subject; and (ii) the limitation of the model used to estimate such values.

## Share Option Scheme of Gemini Investments (Holdings) Limited (“Gemini”), a subsidiary of the Company

At an extraordinary general meeting of Gemini held on 23 June 2011, a share option scheme of Gemini (the “Gemini Scheme”) was approved by its shareholders. Subject to early termination by Gemini in its general meeting or by the board of directors of Gemini, the Gemini Scheme shall be valid and effective for a period of 10 years commencing from the date of adoption of the Gemini Scheme (i.e. 23 June 2011) and will remain in force until 22 June 2021.

Particulars of share options outstanding under the Gemini Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2019 and share options granted, exercised, cancelled or lapsed under the Gemini Scheme during such period were as follows:

Category of participant	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2019	No. of share options outstanding as at 30 June 2019
<b>Directors of the Company and Gemini</b>					
Mr. LI Ming	9 Aug 2013	9 Aug 2013–22 Jun 2021	0.96	4,000,000	4,000,000
Mr. SUM Pui Ying	26 Aug 2011	26 Aug 2011–22 Jun 2021	1.40	2,000,000	2,000,000
	9 Aug 2013	9 Aug 2013–22 Jun 2021	0.96	16,000,000	16,000,000
<b>Subtotal</b>				<b>22,000,000</b>	<b>22,000,000</b>
<b>Other directors of Gemini</b>					
	9 Aug 2013	9 Aug 2013–22 Jun 2021	0.96	4,000,000	4,000,000
	9 Mar 2015	9 Mar 2015–22 Jun 2021	1.27	1,000,000	1,000,000
<b>Subtotal</b>				<b>5,000,000</b>	<b>5,000,000</b>
<b>Employees of Gemini and its subsidiaries</b>					
	26 Aug 2011	26 Aug 2011–22 Jun 2021	1.40	300,000	300,000
	9 Aug 2013	9 Aug 2013–22 Jun 2021	0.96	4,420,000	4,420,000
	9 Mar 2015	9 Mar 2015–22 Jun 2021	1.27	2,790,000	2,790,000
<b>Subtotal</b>				<b>7,510,000</b>	<b>7,510,000</b>
<b>Total</b>				<b>34,510,000</b>	<b>34,510,000</b>

Note: During the six months ended 30 June 2019, no share option was granted, exercised, cancelled or lapsed with respect to the Gemini Scheme.

## RESTRICTED SHARE AWARD SCHEME

The restricted share award scheme (the “Award Scheme”) was adopted by the board of directors of the Company (the “Board”) on 22 March 2010 (the “Adoption Date”) as an incentive to retain and encourage the employees for the continual operation and development of the Group. Unless early terminated by the Board, the Award Scheme shall continue in full force and effect from the Adoption Date for a term of 10 years. According to the Award Scheme, the maximum number of shares to be awarded under the Award Scheme is 169,104,822 shares, representing 3% of the issued shares of the Company as at the Adoption Date. The restricted shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme. The shares awarded to the directors and employees of the Group at no consideration will be vested in three years in which 40% of awarded shares will be vested after one year from the date of award and 7.5% of awarded shares will be vested quarterly thereafter.

During the period under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, acquired 99,098 shares of the Company at an aggregate consideration of approximately RMB332,969 (including transaction costs).

Details of the number of shares awarded under the Award Scheme and the shares vested during the period under review are set out below:

Date of award	Awarded Shares				
	Balance as at 1 January 2019	Shares awarded during the period	No. of shares vested during the period	No. of shares lapsed during the period	Balance as at 30 June 2019
25 March 2016	881,919	–	(881,919)	–	–
31 March 2017	3,697,500	–	(739,500)	–	2,958,000
<b>Total</b>	<b>4,579,419</b>	<b>–</b>	<b>(1,621,419)</b>	<b>–</b>	<b>2,958,000</b>

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as disclosed above in paragraph headed “Restricted Share Award Scheme”, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the period under review.

## REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2019 has been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 58.

## AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive directors and two non-executive directors of the Company, namely Ms. LAM Sin Lai Judy, Mr. ZHAO Lijun, Ms. LI Liling, Mr. SUEN Man Tak and Mr. JIN Qingjun.

The audit committee of the Company has reviewed and has no disagreement with the accounting principles and practices adopted by the Group. The audit committee of the Company has reviewed the interim report for the six months ended 30 June 2019.

## CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2019, except for the deviations as disclosed below:

The roles of the chairman (the “Chairman”) and the chief executive officer (the “CEO”) of the Company are served by Mr. LI Ming and have not been segregated as required under code provision A.2.1 of the CG Code. However, the Company considers that the combination of the roles of the Chairman and the CEO involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company. Although the responsibilities of the Chairman and the CEO are vested in one person, all major decisions are made in consultation with the Board and the senior management of the Company. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilitates the ordinary business activities of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

Code provision F.1.2 of the CG Code stipulates that a board meeting should be held to discuss the appointment of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. The appointment of the company secretary of the Company during the period was approved by a written resolution in lieu of a physical board meeting in accordance with the articles of association of the Company. Prior to the execution of the written resolution, board papers regarding the appointment of company secretary was provided to all directors of the Company in advance for their review and consideration. It is considered that the approval process by the adoption of a written resolution is an efficient and appropriate way for the appointment of the company secretary.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding directors’ securities transactions (the “Code of Conduct”) on terms no less exacting than those required standards set out in the Model Code. The Company has made specific enquiries with all the Directors and each of them has confirmed that he or she had complied with all required standards set out in the Code of Conduct throughout the six months ended 30 June 2019.

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2019, the aggregate amount of financial assistance to affiliated companies by the Group exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the affiliated companies as at 30 June 2019 is presented as follows:

	RMB million
Non-current assets	12,504
Current assets	99,704
Current liabilities	(68,104)
Non-current liabilities	(34,935)
<b>Net assets</b>	<b>9,169</b>

The Group's attributable interest in the affiliated companies as at 30 June 2019 amounted to RMB4,653 million.

The proforma combined statement of financial position of the affiliated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as at 30 June 2019.

## CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors required to be disclosed are set out below:

Mr. SUM Pui Ying, an executive Director, has been appointed as the Company Secretary of the Company with effect from 1 July 2019.

Mr. FANG Jun, a non-executive Director, has been appointed as a non-executive director of China Life Franklin Asset Management Co., Limited with effect from 3 May 2019. China Life Franklin Asset Management Co., Limited is a subsidiary of China Life Insurance (Group) Company which in turn is a substantial shareholder of the Company.

Mr. HAN Xiaojing, an independent non-executive Director, has been appointed as an independent non-executive director of Vital Innovations Holdings Limited, a company listed on the Stock Exchange, with effect from 6 June 2019.

Mr. JIN Qingjun, an independent non-executive Director, resigned as an external supervisor of China Merchants Bank Co., Ltd., a company listed on the Stock Exchange and the Shanghai Stock Exchange, with effect from 27 June 2019.

## INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend of HKD0.110 per share (2018: HKD0.140 per share) to shareholders whose names appear on the Company's register of members at the close of business on Tuesday, 10 September 2019. The interim dividend will be paid in cash. It is expected that the cheques for cash entitlement in relation to the interim dividend will be despatched at the risk of those entitled thereto to their respective registered addresses on or about Thursday, 3 October 2019.

The register of members of the Company will be closed from Friday, 6 September 2019 to Tuesday, 10 September 2019, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend, all transfer documents together with relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 5 September 2019.

## EVENTS AFTER THE BALANCE SHEET DATE

On 29 July 2019, the Company, together with Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company, entered into the subscription agreement with the joint lead managers in connection with the issue of the USD denominated guaranteed notes due 2029 in the principal amount of USD600,000,000 (the "Notes"). The Notes bear interest at a rate of 4.75%. The Notes are unconditionally and irrevocably guaranteed by the Company. The net proceeds from the issue of the Notes shall be used by the Group primarily for repayment of indebtedness of the Group in accordance with applicable laws and regulations. Details of the issue of the Notes are set out in the announcements of the Company dated 30 July 2019 and 5 August 2019.

On 16 August 2019, Sino-Ocean Land Treasure Finance II Limited (a wholly-owned subsidiary of the Company) issued a notice informing the trustee and noteholders that it would redeem the 4.45% guaranteed notes due 2020 in the principal amount of USD700,000,000 (the "2020 Notes") in whole (the "Redemption") on 16 September 2019 (the "Redemption Date"), at a price equal to the make whole price as of the Redemption Date calculated in accordance with the terms and conditions of the 2020 Notes, together with accrued and any unpaid interest up to (but excluding) the Redemption Date. Details of the Redemption are set out in the announcement of the Company dated 16 August 2019.





# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Mr. LI Ming (*Chairman*)  
Mr. WEN Haicheng  
Mr. SUM Pui Ying

### Non-executive Directors

Mr. ZHAO Lijun  
Mr. FU Fei  
Mr. FANG Jun  
Ms. LI Liling

### Independent Non-executive Directors

Mr. HAN Xiaojing  
Mr. SUEN Man Tak  
Mr. WANG Zhifeng  
Mr. JIN Qingjun  
Ms. LAM Sin Lai Judy

## AUDIT COMMITTEE

Ms. LAM Sin Lai Judy (*Chairman*)  
Mr. ZHAO Lijun  
Ms. LI Liling  
Mr. SUEN Man Tak  
Mr. JIN Qingjun

## NOMINATION COMMITTEE

Mr. LI Ming (*Chairman*)  
Mr. HAN Xiaojing  
Mr. WANG Zhifeng

## REMUNERATION COMMITTEE

Mr. HAN Xiaojing (*Chairman*)  
Mr. SUEN Man Tak  
Mr. WANG Zhifeng

## INVESTMENT COMMITTEE

Mr. LI Ming (*Chairman*)  
Mr. FU Fei  
Mr. FANG Jun  
Mr. JIN Qingjun  
Ms. LAM Sin Lai Judy

## COMPANY SECRETARY

Mr. SUM Pui Ying (appointed on 1 July 2019)  
Ms. LAI Yin Ping (resigned on 1 July 2019)

## AUTHORIZED REPRESENTATIVES

Mr. LI Ming  
Mr. SUM Pui Ying (appointed on 1 July 2019)  
Ms. LAI Yin Ping (resigned on 1 July 2019)

## REGISTERED OFFICE

Suite 601, One Pacific Place  
88 Queensway  
Hong Kong

## PRINCIPAL PLACE OF BUSINESS

31–33 Floor, Tower A  
Ocean International Center  
56 Dongsihuanzhonglu  
Chaoyang District  
Beijing PRC

## PRINCIPAL BANKERS

(in alphabetical order)

Agricultural Bank of China, Ltd.  
Bank of Beijing Co., Ltd  
Bank of China (Hong Kong) Limited  
Bank of China Limited  
Bank of Communications Co., Ltd.  
Bank of Shanghai Co., Ltd.  
China Bohai Bank Co., Ltd.  
China CITIC Bank Corporation Limited  
China Construction Bank Corporation  
China Everbright Bank Co., Ltd.  
China Guangfa Bank Co., Ltd.  
China Merchants Bank Co., Ltd.  
China Zheshang Bank Co., Ltd.  
DBS Bank (Hong Kong) Ltd.  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China, Ltd.  
Industrial Bank Co., Ltd.  
Shanghai Pudong Development Bank Co., Ltd.  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited  
CMB Wing Lung Bank Limited

## AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants

## LEGAL ADVISOR

Paul Hastings

## SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 03377

## COMPANY WEBSITE

[www.sinooceangroup.com](http://www.sinooceangroup.com)

## INVESTOR RELATIONS CONTACT

[ir@sinooceangroup.com](mailto:ir@sinooceangroup.com)

# Report on Review of Interim Financial Information

**To the Board of Directors of Sino-Ocean Group Holding Limited**  
(incorporated in Hong Kong with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 59 to 104, which comprises the condensed consolidated interim balance sheet of Sino-Ocean Group Holding Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2019 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 21 August 2019

# Condensed Consolidated Interim Balance Sheet

	Note	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	2,374,108	2,412,243
Right-of-use assets	4	235,335	–
Land use rights	8	637,400	235,794
Intangible assets	9	29,694	453,278
Investment properties	10	16,313,733	16,205,333
Goodwill		200,978	514,039
Investments in joint ventures		19,768,484	20,330,505
Investments in associates		6,668,909	7,177,355
Financial assets at fair value through other comprehensive income	11	2,665,014	679,952
Financial assets at fair value through profit or loss		4,308,856	3,961,645
Trade and other receivables and prepayments	12	22,751,014	15,520,575
Deferred income tax assets		1,218,425	1,145,474
<b>Total non-current assets</b>		<b>77,171,950</b>	<b>68,636,193</b>
<b>Current assets</b>			
Deposits for land use rights		2,233,384	2,160,585
Properties under development		61,506,220	54,655,796
Inventories, at cost		162,410	92,437
Land development cost recoverable		1,238,135	1,119,558
Completed properties held for sale		15,896,826	20,083,298
Financial assets at fair value through profit or loss		150,961	182,504
Trade and other receivables and prepayments	12	63,033,330	57,454,635
Contract assets		2,276,636	2,405,696
Restricted bank deposits		4,599,042	3,362,876
Cash and cash equivalents		27,323,880	39,208,481
<b>Total current assets</b>		<b>178,420,824</b>	<b>180,725,866</b>
<b>Total assets</b>		<b>255,592,774</b>	<b>249,362,059</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Capital	13	27,329,232	27,328,810
Shares held for Restricted Share Award Scheme	13	(173,209)	(178,317)
Reserves		(1,231,636)	(1,313,848)
Retained earnings		23,934,097	22,548,161
		<b>49,858,484</b>	<b>48,384,806</b>
<b>Non-controlling interests</b>		<b>15,208,407</b>	<b>14,753,699</b>
<b>Total equity</b>		<b>65,066,891</b>	<b>63,138,505</b>

# Condensed Consolidated Interim Balance Sheet

	Note	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	16	76,305,893	73,150,254
Trade and other payables	17	15,718	167,531
Lease liabilities	4	147,350	–
Deferred income tax liabilities		3,285,460	2,680,889
<b>Total non-current liabilities</b>		<b>79,754,421</b>	<b>75,998,674</b>
<b>Current liabilities</b>			
Borrowings	16	11,329,578	15,424,825
Trade and other payables	17	62,357,758	59,198,070
Contract liabilities		28,951,569	26,789,737
Lease liabilities	4	86,724	–
Income tax payables		7,896,095	8,665,309
Financial liabilities at fair value through profit or loss		149,738	146,939
<b>Total current liabilities</b>		<b>110,771,462</b>	<b>110,224,880</b>
<b>Total liabilities</b>		<b>190,525,883</b>	<b>186,223,554</b>
<b>Total equity and liabilities</b>		<b>255,592,774</b>	<b>249,362,059</b>

The notes on pages 66 to 104 form an integral part of these condensed consolidated interim financial information.

# Condensed Consolidated Interim Income Statement

	Note	Unaudited Six months ended 30 June	
		2019 RMB'000	2018 RMB'000
Revenue	7	16,473,674	15,376,264
Cost of sales		(13,114,622)	(11,761,699)
<b>Gross profit</b>		<b>3,359,052</b>	3,614,565
Interest and other income		1,506,695	1,122,957
Other gains/(losses) — net	18	572,996	(213,615)
Fair value gains on investment properties	10	375,327	723,123
Selling and marketing expenses		(467,313)	(380,845)
Administrative expenses		(861,716)	(510,160)
<b>Operating profit</b>		<b>4,485,041</b>	4,356,025
Finance costs	19	(912,161)	(665,838)
Share of gains of joint ventures		837,163	837,125
Share of gains of associates		85,979	207,753
<b>Profit before income tax</b>		<b>4,496,022</b>	4,735,065
Income tax expense	20	(1,962,588)	(2,015,131)
<b>Profit for the period</b>		<b>2,533,434</b>	2,719,934
<b>Attributable to:</b>			
Owners of the Company		1,875,194	2,333,404
Non-controlling interests		658,240	386,530
		<b>2,533,434</b>	2,719,934
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	21	0.248	0.310
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	21	0.248	0.308

The notes on pages 66 to 104 form an integral part of these condensed consolidated interim financial information.



# Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
<b>Profit for the period</b>	<b>2,533,434</b>	2,719,934
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Fair value losses on financial assets at fair value through other comprehensive income	(14,688)	(36,689)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Currency translation differences	(6,702)	(16,256)
Fair value gains on property, plant and equipment transferred to investment properties	17,808	–
Share of other comprehensive income of investments accounted for using the equity method	(26,956)	(1,027,500)
<b>Other comprehensive income for the period</b>	<b>(30,538)</b>	(1,080,445)
<b>Total comprehensive income for the period</b>	<b>2,502,896</b>	1,639,489
<b>Total comprehensive income attributable to:</b>		
— Owners of the Company	1,827,195	1,224,682
— Non-controlling interests	675,701	414,807
	<b>2,502,896</b>	1,639,489

The notes on pages 66 to 104 form an integral part of these condensed consolidated interim financial information.

# Condensed Consolidated Interim Statement of Changes in Equity

	Note	Attributable to owners of the Company					Non-controlling interests			
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
<b>Balance at 1 January 2019</b>		27,328,810	(178,317)	(1,313,848)	22,548,161	48,384,806	3,500,000	4,069,691	7,184,008	63,138,505
Profit for the period		-	-	-	1,875,194	1,875,194	230,691	105,082	322,467	2,533,434
Fair value losses on financial assets at fair value through other comprehensive income		-	-	(14,688)	-	(14,688)	-	-	-	(14,688)
Fair value gains on property, plant and equipment transferred to investment properties		-	-	12,329	-	12,329	-	-	5,479	17,808
Currency translation differences		-	-	(26,978)	-	(26,978)	-	19,932	344	(6,702)
Share of other comprehensive income of investments accounted for using the equity method		-	-	(18,662)	-	(18,662)	-	-	(8,294)	(26,956)
<b>Total other comprehensive income, net of tax</b>		-	-	(47,999)	1,875,194	1,827,195	230,691	125,014	319,996	2,502,896
<b>Transactions with owners of the company</b>										
Dividends relating to 2018		-	-	-	(489,258)	(489,258)	-	-	-	(489,258)
Expenses on share-based payment		-	-	118,857	-	118,857	-	-	-	118,857
Issue of shares pursuant to exercise of employee share options	13	422	-	(76)	-	346	-	-	-	346
Vesting of shares under Restricted Share Award Scheme	13	-	5,448	(5,448)	-	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme	13	-	(340)	-	-	(340)	-	-	-	(340)
Issue of capital instrument		-	-	-	-	-	3,168,900	-	-	3,168,900
Repayment of capital instrument		-	-	-	-	-	(569,330)	-	-	(569,330)
Distribution relating to capital instrument		-	-	-	-	-	(230,691)	-	-	(230,691)
Distribution relating to capital securities		-	-	-	-	-	-	(105,082)	-	(105,082)
Distribution relating to non-controlling interest		-	-	-	-	-	-	-	(61,055)	(61,055)
Contribution from non-controlling interests		-	-	-	-	-	-	-	2,058,301	2,058,301
<b>Total contributions by and distributions to owners of the company</b>		422	5,108	113,333	(489,258)	(370,395)	2,368,879	(105,082)	1,997,246	3,890,648
Decrease in non-controlling interest as a result of disposal of interests in a subsidiary	25(a)	-	-	-	-	-	(2,187,900)	-	(2,269,670)	(4,457,570)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries		-	-	16,878	-	16,878	-	-	(24,466)	(7,588)
<b>Total transactions with owners of the company</b>		422	5,108	130,211	(489,258)	(353,517)	180,979	(105,082)	(296,890)	(574,510)
<b>Balance at 30 June 2019</b>		27,329,232	(173,209)	(1,231,636)	23,934,097	49,858,484	3,911,670	4,089,623	7,207,114	65,066,891

# Condensed Consolidated Interim Statement of Changes in Equity

	Note	Attributable to owners of the Company					Non-controlling interests			
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
<b>Balance at 1 January 2018</b>		27,129,614	(140,746)	768,023	20,745,229	48,502,120	3,500,000	3,930,367	2,795,741	58,728,228
Adjustment on adoption of HKFRS 9, net of tax		-	-	(199,031)	199,031	-	-	-	-	-
Adjustment on adoption of HKFRS 15, net of tax		-	-	-	57,529	57,529	-	-	56,001	113,530
<b>Restated balance at 1 January 2018</b>		27,129,614	(140,746)	568,992	21,001,789	48,559,649	3,500,000	3,930,367	2,851,742	58,841,758
Profit for the period		-	-	-	2,333,404	2,333,404	70,000	93,609	222,921	2,719,934
Fair value losses on financial assets at fair value through other comprehensive income		-	-	(36,689)	-	(36,689)	-	-	-	(36,689)
Currency translation differences		-	-	(44,533)	-	(44,533)	-	-	28,277	(16,256)
Share of other comprehensive income of investments accounted for using the equity method		-	-	(1,027,500)	-	(1,027,500)	-	-	-	(1,027,500)
<b>Total other comprehensive income, net of tax</b>		-	-	(1,108,722)	2,333,404	1,224,682	70,000	93,609	251,198	1,639,489
<b>Transactions with owners of the company</b>										
Dividends relating to 2017		-	-	-	(990,396)	(990,396)	-	-	-	(990,396)
Expenses on share-based payment		-	-	39,769	-	39,769	-	-	-	39,769
Issue of shares pursuant to exercise of employee share options	13	194,421	-	(34,527)	-	159,894	-	-	-	159,894
Vesting of shares under Restricted Share Award Scheme	13	1,898	22,898	(24,796)	-	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme	13	-	(61,608)	-	-	(61,608)	-	-	-	(61,608)
Distribution relating to capital instrument		-	-	-	-	-	(70,000)	-	-	(70,000)
Distribution relating to capital securities		-	-	-	-	-	-	(150,243)	-	(150,243)
Distribution relating to non-controlling interest		-	-	-	-	-	-	-	(104,941)	(104,941)
Contribution from non-controlling interests		-	-	-	-	-	-	-	2,048,500	2,048,500
<b>Total contributions by and distributions to owners of the company</b>		196,319	(38,710)	(19,554)	(990,396)	(852,341)	(70,000)	(150,243)	1,943,559	870,975
Increase in non-controlling interest as a result of business combination		-	-	-	-	-	-	-	312,487	312,487
Increase in non-controlling interest as a result of other acquisition		-	-	-	-	-	-	-	481,265	481,265
Decrease in non-controlling interest as a result of disposal of interest in subsidiaries		-	-	-	-	-	-	-	(14,621)	(14,621)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries		-	-	(9,235)	-	(9,235)	-	-	(4,002)	(13,237)
<b>Total transactions with owners of the company</b>		196,319	(38,710)	(28,789)	(990,396)	(861,576)	(70,000)	(150,243)	2,718,688	1,636,869
<b>Balance at 30 June 2018</b>		27,325,933	(179,456)	(568,519)	22,344,797	48,922,755	3,500,000	3,873,733	5,821,628	62,118,116

# Condensed Consolidated Interim Cash Flow Statement

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	4,628,242	4,399,507
Income tax paid	(2,079,627)	(1,973,271)
Interest paid	(2,308,870)	(1,521,131)
<b>Net cash generated from operating activities</b>	<b>239,745</b>	<b>905,105</b>
<b>Cash flows from investing activities</b>		
Investment in business partners	(20,041,431)	(16,788,874)
Repayment from business partners	9,179,445	2,532,892
Others	(4,980,160)	(1,449,563)
<b>Net cash used in investing activities</b>	<b>(15,842,146)</b>	<b>(15,705,545)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	17,426,102	17,323,511
Repayments of borrowings	(17,912,611)	(5,664,831)
Others	4,198,404	1,912,767
<b>Net cash generated from financing activities</b>	<b>3,711,895</b>	<b>13,571,447</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(11,890,506)</b>	<b>(1,228,993)</b>
Cash and cash equivalents at the beginning of the period	39,208,481	21,968,819
Exchange gains	5,905	26,586
<b>Cash and cash equivalents at end of the period</b>	<b>27,323,880</b>	<b>20,766,412</b>

The notes on pages 66 to 104 form an integral part of these condensed consolidated interim financial information.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 1 GENERAL INFORMATION

Sino-Ocean Group Holding Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in investment holding, property development and property investment in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated on 12 March 2007 in Hong Kong. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. The condensed consolidated interim financial information was approved for issue on 21 August 2019 by the Board of directors.

## 2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2019 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The financial information relating to the year ended 31 December 2018 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2019 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

### 3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

#### (i) New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their interim reporting period commencing 1 January 2019:

- HKFRS 16, 'Leases'

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 4 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

### 4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in note 4.2 below.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

#### 4.1 Adjustments recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.7%.

	2019 RMB'000
Operating lease commitments as at 31 December 2018	3,878,980
Discounted using the lessee's incremental borrowing rate of at the date of initial application	2,527,818
Lease liability recognised as at 1 January 2019	2,527,818
Of which are:	
Current lease liabilities	247,437
Non-current lease liabilities	2,280,381
	2,527,818



# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 4.1 Adjustments recognised on adoption of HKFRS 16 (Continued)

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019 RMB'000	1 January 2019 RMB'000
Buildings	234,638	2,562,826
Vehicles	454	634
Equipment	243	73
Total right-of-use assets	235,335	2,563,533

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets — increase by RMB2,563,533,000
- prepayments — decrease by RMB35,715,000
- lease liabilities — increase by RMB2,527,818,000

There is no impact on retained earnings on 1 January 2019.

#### (i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

## 4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 4.2 The Group's leasing activities and how these are accounted for

The Group leases various offices and properties. Rental contracts are typically made for fixed periods of 2 to 20 years but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 4.2 The Group's leasing activities and how these are accounted for (Continued)

#### (i) *Variable lease payments*

*Estimation uncertainty arising from variable lease payments*

No property leases contain variable payment terms that are linked to sales generated from a store.

#### (ii) *Extension and termination options*

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

*Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the Group have not revised any lease terms to affect exercising extension and termination options.

#### (iii) *Residual value guarantees*

The Group have not provided residual value guarantees in relation to leases.

## 5 ESTIMATES

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, in addition to the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty applied to the consolidated financial statements for the year ended 31 December 2018, the following judgements and estimates were applied:

### Judgments and estimates in revenue recognition for property development activities

Revenue from sales of properties is recognised over time when the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires significant judgments. The Group has obtained legal counsel opinion regarding the enforceability of the right to payment for sales contracts. Management uses judgments, based on legal counsel opinion, to classify sales contracts into those with right to payment and those without the right.

## 5 ESTIMATES (CONTINUED)

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on type of properties, gross and saleable floor areas. Significant judgments and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. Changes in cost estimates in future periods can have effect on the Group's revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

## 6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

### 6.2 Liquidity risk

Cash flow forecast is performed in the operating entities of the Group in and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecast process takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flows.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 6.2 Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2019					
Borrowings	15,884,201	27,370,282	41,302,272	17,071,692	101,628,447
Trade and other payables excluding statutory liabilities and staff welfare benefit payable	57,131,625	–	15,718	–	57,147,343
Lease liabilities	89,650	59,768	92,884	36,083	278,385
	<b>73,105,476</b>	<b>27,430,050</b>	<b>41,410,874</b>	<b>17,107,775</b>	<b>159,054,175</b>
At 31 December 2018					
Borrowings	19,815,080	16,160,629	50,664,482	15,791,756	102,431,947
Trade and other payables excluding statutory liabilities and staff welfare benefit payable	57,464,653	–	167,531	–	57,632,184
	<b>77,279,733</b>	<b>16,160,629</b>	<b>50,832,013</b>	<b>15,791,756</b>	<b>160,064,131</b>

The amounts have not included financial guarantee contracts:

- which the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee for loans procured by the purchasers of the Group's properties (Note 23). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two or three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties;
- which the Group make for the joint-liability for joint ventures and associates' bank borrowings (Note 23). Such guarantees terminate upon the repayment of relevant bank borrowings.

Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

### 6.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## 6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 6.3 Fair value estimation (Continued)

The following tables present the Group's assets or liabilities that are measured at fair value as at 30 June 2019 and 31 December 2018.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Group				
As at 30 June 2019				
Financial assets at fair value through profit or loss	150,961	1,100,460	3,208,396	4,459,817
Financial assets at fair value through other comprehensive income:				
— listed equity securities (Note 11)	52,329	—	—	52,329
— other unlisted equity securities (Note 11)	—	612,685	2,000,000	2,612,685
	203,290	1,713,145	5,208,396	7,124,831
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	—	(149,738)	—	(149,738)
<b>Assets</b>				
Group				
As at 31 December 2018				
Financial assets at fair value through profit or loss	379,147	1,080,933	2,684,069	4,144,149
Financial assets at fair value through other comprehensive income:				
— listed equity securities (Note 11)	54,806	—	—	54,806
— other unlisted equity securities (Note 11)	—	625,146	—	625,146
	433,953	1,706,079	2,684,069	4,824,101
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	—	(146,939)	—	(146,939)

There were no transfers between three levels during the period.

During the period there were no significant changes in the business or economic circumstances that may affect the fair value of the Group's financial assets and financial liabilities.



# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 6.4 Fair value measurements using significant unobservable inputs (Level 3)

	Financial asset at fair value through other comprehensive income and through profit or loss RMB'000
Opening balance at 1 January 2019	2,684,069
Additions	1,342,122
Fair value losses	(14,687)
Currency translation differences	8,973
Capital instrument investment in Fortune Joy measured as financial assets at fair value through other comprehensive income (Note 25(a))	2,000,000
Decrease due to disposal of interests in subsidiaries	(812,081)
Closing balance at 30 June 2019	5,208,396

The finance department of the Group includes a team that performs the valuations of Level 3 financial instruments required for financial reporting purposes. The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers after each valuation by the independent qualified valuers, which is normally done once every six months, in line with the Group's interim and annual reporting dates.

The components of the Level 3 instruments mainly include investments in private investment funds and unlisted companies. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including discounted cash flows and comparable transactions approaches. Major assumptions used in the valuation include historical financial results, assumptions about future growth rates, estimate of discount rate and recent market transactions etc. The fair values of these instruments determined by the Group requires significant judgement, including the financial performance of the investee company, market value of comparable properties as well as discount rate, etc.

### 6.5 Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO) and external valuers will be engaged, if necessary.

As part of the valuation process, any changes in Level 2 and Level 3 fair values and the reasons for the fair value movements are analyzed between the CFO and the team.

## 6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 6.6 Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables and prepayments
- Restricted bank deposits
- Cash and cash equivalents
- Borrowings
- Trade and other payables
- Lease liabilities

## 7 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating committee (the "Committee") that are used to make strategic decisions.

The Committee considers the business from both a geographic and product perspective. From the product perspective, management considers the performance of property development and property investment. Property development businesses are further segregated geographically.

Other operations as carried out by the Group mainly include property management services, property sales agency services, as well as upfitting services. These are not included within the reportable operating segments, as they are not included in the reports provided to the Committee. The results of these operations are included in the "All other segments" column.

The Committee assesses the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Finance costs and corporate finance income are not included in the result for each operating segment that is reviewed by the Committee, as they are driven by activities of the central treasury function, which manages the cash position of the Group. The measure also excludes the effects of any unrealized gains/losses from investments in joint ventures and associates as well as fair value gains/losses from investment properties, corporate overheads and other gains/losses — net. Other information provided to the Committee, except as noted below, is measured in a manner consistent with that in the financial statements.

Total segment assets exclude corporate cash and cash equivalents, investments in joint ventures and associates, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and deferred income tax assets, all of which are managed on a central basis. Total segment liabilities exclude borrowings, deferred income tax liabilities and financial liabilities at fair value through profit or loss, all of which are managed on a central basis as well. These are part of the reconciliation to total balance sheet assets and liabilities.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the Committee is measured in a manner consistent with that in the condensed consolidated income statement.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 7 SEGMENT INFORMATION (CONTINUED)

	Unaudited							
	Property development							
	Beijing-Tianjin-Hebei RMB'000	Yangtze River Delta RMB'000	Yangtze Mid-stream and Chengdu - Chongqing RMB'000	Pearl River Delta RMB'000	Others RMB'000			
	Investment property RMB'000	All other segments RMB'000	Total RMB'000					
Six months ended 30 June 2019								
Total segment revenue	4,600,969	728,092	1,780,718	3,500,994	2,134,383	321,226	5,197,245	18,263,627
Inter-segment revenue	(850)	-	-	-	-	(15,736)	(1,773,367)	(1,789,953)
Revenue (from external customers)	4,600,119	728,092	1,780,718	3,500,994	2,134,383	305,490	3,423,878	16,473,674
Segment operating profit	483,862	69,248	247,588	1,040,980	332,339	103,896	1,554,168	3,832,081
Depreciation and amortization (Note 8, Note 9)	(836)	(448)	(422)	(238)	(647)	(197)	(71,428)	(74,216)
Six months ended 30 June 2018								
Total segment revenue	3,919,992	2,125,277	768,574	3,893,933	2,484,628	552,751	3,677,150	17,422,305
Inter-segment revenue	-	(218,170)	-	(19,169)	-	(10,671)	(1,798,031)	(2,046,041)
Revenue (from external customers)	3,919,992	1,907,107	768,574	3,874,764	2,484,628	542,080	1,879,119	15,376,264
Segment operating profit	654,973	371,270	12,889	1,322,858	67,730	376,561	1,222,142	4,028,423
Depreciation and amortization (Note 8)	(1,994)	(717)	(147)	(312)	(877)	(207)	(24,965)	(29,219)

## 7 SEGMENT INFORMATION (CONTINUED)

	Property development					Investment property RMB'000	All other segments RMB'000	Total RMB'000
	Beijing-Tianjin-Hebei RMB'000	Yangtze River Delta RMB'000	Yangtze Mid-stream and Chengdu-Chongqing RMB'000	Pearl River Delta RMB'000	Others RMB'000			

As at 30 June 2019

<b>Total segment assets</b>	41,620,933	18,804,074	12,341,094	23,252,090	13,409,410	18,416,742	86,573,317	214,417,660
Additions to non-current assets (other than financial instruments and deferred income tax assets)	2,274	380	185	148	16,920	78,960	1,663,736	1,762,603
<b>Total segment liabilities</b>	21,061,192	8,994,304	6,133,449	13,759,924	7,316,276	1,141,583	41,048,486	99,455,214

As at 31 December 2018

<b>Total segment assets</b>	32,535,979	16,035,925	13,350,224	28,608,288	15,042,635	18,311,388	88,006,682	211,891,121
Additions to non-current assets (other than financial instruments and deferred income tax assets)	56	2,842	1,614	1,371	4,291	4,806,533	2,027,106	6,843,813
<b>Total segment liabilities</b>	22,233,398	7,320,687	6,733,471	15,732,406	10,041,201	1,324,583	31,434,901	94,820,647

A reconciliation of segment operating profit to profit before income tax is provided as follows:

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Segment operating profit	3,832,081	4,028,423
Corporate finance income	36,863	23,455
Corporate overheads	(332,226)	(205,361)
Fair value gains on investment properties (Note 10)	375,327	723,123
Other gains/(losses) — net (Note 18)	572,996	(213,615)
Finance costs (Note 19)	(912,161)	(665,838)
Share of gains of joint ventures	837,163	837,125
Share of gains of associates	85,979	207,753
<b>Profit before income tax</b>	<b>4,496,022</b>	<b>4,735,065</b>

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 7 SEGMENT INFORMATION (CONTINUED)

	As at 30 June 2019 (Unaudited) RMB'000	As at 31 December 2018 (Audited) RMB'000
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Reportable and other segments' assets are reconciled to total assets as follows:

Total segment assets	214,417,660	211,891,121
Corporate cash and cash equivalents	6,394,465	3,993,503
Investments in joint ventures	19,768,484	20,330,505
Investments in associates	6,668,909	7,177,355
Financial assets at fair value through other comprehensive income (Note 11)	2,665,014	679,952
Financial assets at fair value through profit or loss	4,459,817	4,144,149
Deferred income tax assets	1,218,425	1,145,474
<b>Total assets per consolidated balance sheet</b>	<b>255,592,774</b>	<b>249,362,059</b>

Reportable and other segments' liabilities are reconciled to total liabilities as follows:

Total segment liabilities	99,455,214	94,820,647
Current borrowings (Note 16)	11,329,578	15,424,825
Non-current borrowings (Note 16)	76,305,893	73,150,254
Deferred income tax liabilities	3,285,460	2,680,889
Financial liabilities at fair value through profit or loss	149,738	146,939
<b>Total liabilities per consolidated balance sheet</b>	<b>190,525,883</b>	<b>186,223,554</b>

For the six months ended 30 June 2019, included in the revenue of sales of properties, RMB12,117,233,000 was recognised as a point in time, RMB627,073,000 was recognised over the period due to the adoption of HKFRS 15.

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the mainland China. Revenues from external customers of the Group are mainly derived in the mainland China for the six months ended 30 June 2019 and 2018.

As at 30 June 2019, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB44,498,092,000 (31 December 2018: RMB45,638,734,000), the total of these non-current assets located in Hong Kong and the United States RMB1,730,549,000 (31 December 2018: RMB1,689,813,000).

For the six months ended 30 June 2019 and 2018, the Group does not have any single customer with the transaction value over 10% of the total external sales.

## 8 PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

	Unaudited	
	Property, plant and equipment RMB'000	Land use Rights RMB'000
<b>Opening net book amount as at 1 January 2019</b>	<b>2,412,243</b>	<b>235,794</b>
Additions	228,961	132,438
Depreciation and amortization	(58,999)	(3,417)
Transfer from completed properties held for sale	862,259	455,893
Transfer to investment properties(Note 10)	(47,276)	–
Acquisition of subsidiaries (Note 26)	3,867	–
Disposal of interests in subsidiaries	(1,013,579)	(183,308)
Disposals	(13,368)	–
<b>Closing net book amount as at 30 June 2019</b>	<b>2,374,108</b>	<b>637,400</b>
<b>Opening net book amount as at 1 January 2018</b>	<b>1,261,388</b>	<b>59,535</b>
Additions	478,729	–
Depreciation and amortization	(28,577)	(642)
Acquisition of subsidiaries	463,761	–
Disposal of interests in subsidiaries	(146,257)	–
Transfer from investment properties (Note 10)	46,639	–
Disposals	(10,148)	(6,849)
<b>Closing net book amount as at 30 June 2018</b>	<b>2,065,535</b>	<b>52,044</b>

## 9 INTANGIBLE ASSETS

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
<b>Opening net book amount at beginning of the period</b>	<b>453,278</b>	<b>–</b>
Addition	225	–
Acquisition of subsidiaries	–	439,668
Disposal of interests in a subsidiary (Note 25(a))	(412,009)	–
Depreciation and amortization	(11,800)	–
<b>Closing net book amount at end of the period</b>	<b>29,694</b>	<b>439,668</b>



# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 10 INVESTMENT PROPERTIES

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
<b>Opening net book amount at beginning of the period</b>	<b>16,205,333</b>	17,279,920
Addition	<b>78,960</b>	812,781
Disposal of interests in a subsidiary (Note 25(a))	<b>(373,674)</b>	–
Disposal of an investment property	<b>(2,367)</b>	(8,666)
Fair value gains recognized in the income statements	<b>375,327</b>	723,123
Fair value gains recognized in other comprehensive income	<b>17,808</b>	–
Transfer from completed properties held for sale	–	278,366
Transfer from/(to) property, plant and equipment and land use rights (Note 8)	<b>47,276</b>	(46,639)
Currency translation differences	<b>3,070</b>	10,380
Others	<b>(38,000)</b>	(13,754)
<b>Closing net book amount at end of the period</b>	<b>16,313,733</b>	19,035,511

### (a) Valuation techniques

Fair values of completed commercial properties in Beijing, Tianjin, Dalian, Hangzhou, Hong Kong and the United States are generally derived using the income capitalization method. These valuation methods are based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and values' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Fair values of completed residential properties and commercial property in the United States and residential property in Hong Kong are generally derived using the comparison approach by reference to recent sales price of comparable properties on a price per square feet basis, adjusted for a premium or a discount specific to the quality of the Group's building compared to the recent sales. Higher premium for higher quality buildings will results in a higher fair value measurement.

Fair value of under development commercial property in Beijing is generally derived from residual method. Residual method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit margin and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

Fair value of under development logistics facilities in Wuhan and Tianjin is generally derived using the comparison approach by reference to recent sales price of comparable properties on a price per square feet basis, adjusted for a premium or a discount specific to the quality of the Group's building compared to the recent sales. Higher premium for higher quality buildings will results in a higher fair value measurement.

There were no changes to the valuation techniques during the period and there were no transfers between fair value hierarchy during the period.

## 10 INVESTMENT PROPERTIES (CONTINUED)

### (b) Non-current assets pledged as security

Investment properties for the carrying values of RMB3,620,331,000 and RMB3,438,577,000 were pledged as collateral for the Group's borrowings as at 30 June 2019 and 31 December 2018, respectively.

Investment properties for the carrying values of RMB2,588,000,000 and RMB2,565,000,000 were pledged as collateral for the Group's capital instrument as at 30 June 2019 and 31 December 2018, respectively.

## 11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Investment in other unlisted equity securities (a)	2,612,685	625,146
Investment in listed equity securities (b)	52,329	54,806
	2,665,014	679,952
Less: Non-current portion	(2,665,014)	(679,952)
Current portion	–	–

(a) Financial assets at fair value through other comprehensive income of the Group include certain unlisted equity securities which are denominated in HKD and RMB.

(b) Investment in listed equity securities is stated at fair value based on the quoted price of the equity securities.

## 12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Trade receivables (a)	3,754,254	2,516,939
Other receivables and prepayments (b)	82,030,090	70,458,271
	85,784,344	72,975,210
Less: non-current portion	(22,751,014)	(15,520,575)
Current portion	63,033,330	57,454,635

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

### (a) Trade receivables

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Trade receivables	3,810,648	2,563,406
Less: allowance provision for impairment	(56,394)	(46,467)
	3,754,254	2,516,939
Less: non-current portion	–	–
Current portion	3,754,254	2,516,939

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement, an ageing analysis of trade receivables at the respective balance sheet dates is as follows:

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Within 6 months	2,003,897	1,272,137
Between 6 months to 1 year	1,138,514	894,529
Between 1 year to 2 years	469,927	349,763
Between 2 years to 3 years	192,855	27,903
Over 3 years	5,455	19,074
	3,810,648	2,563,406

As at 30 June 2019, no trade receivables (2018: nil) were pledged as collateral for the Group's borrowings.

Movements on the provision for impairment of trade receivables are as follows:

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Opening amount at beginning of the period	(46,467)	(45,178)
Provision for receivable impairment	(9,927)	(1,289)
Closing amount at end of the period	(56,394)	(46,467)

## 12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

### (b) Other receivables and prepayments

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Entrusted loans to third parties (i)	4,990,037	2,886,214
Entrusted loans to joint ventures (ii)	13,900,010	11,516,089
Entrusted loans to associates (iii)	2,058,887	1,129,255
Entrusted loans to non-controlling interests (iv)	987,700	1,266,000
Amounts due from third parties (i)	2,542,042	2,698,956
Amounts due from joint ventures (v)	22,171,437	16,598,387
Amounts due from associates (v)	9,371,635	9,723,159
Amounts due from non-controlling interests (v)	7,751,829	7,775,365
Tax prepayments	6,364,666	5,887,794
Receivables from government (vi)	2,277,626	2,600,818
Payment for the cooperation of potential projects (vii)	5,072,396	3,065,893
Receivables from disposal of interests in a subsidiary	949,240	863,472
Other prepayments	1,432,528	1,270,393
Other receivables	2,301,533	3,262,128
	82,171,566	70,543,923
Less: allowance provision for impairment	(141,476)	(85,652)
	82,030,090	70,458,271
Less: non-current portion	(22,751,014)	(15,520,575)
Current portion	59,279,076	54,937,696

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

### (b) Other receivables and prepayments (Continued)

- (i) Entrusted loans to and amounts due from third parties represent amounts paid to joint ventures and associates' joint ventures and associates in order to support the development of real estate projects. As the Group has no direct equity interests in these companies to which the amounts paid are classified as entrusted loans to and amounts due from third parties.

As at 30 June 2019 and 31 December 2018, entrusted loans to third parties comprised:

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Unsecured loans	4,776,912	2,173,089
Secured loans	213,125	713,125
	4,990,037	2,886,214
Less: Non-current portion	(4,829,652)	(1,821,995)
	160,385	1,064,219

- Unsecured loans bear interest ramping from 4% to 15% per annum (2018: from 3.5% to 15%).
- Secured loans bear interest ramping from 8% to 9% per annum (2018: from 8% to 15%).

Amounts due from third parties are unsecured, interest free, and repayable on demand.

- (ii) Entrusted loans to joint ventures are unsecured, interest bearing from 3% to 16% per annum (31 December 2018: from 3.38% to 16%). RMB944,565,000 (31 December 2018: RMB2,264,638,000) of the balances are repayable within one year. The remaining balances of RMB12,955,445,000 (31 December 2018: RMB9,251,451,000) are repayable after one year and included in the non-current portion.
- (iii) Entrusted loans to associates are unsecured, interest bearing from 8% to 15% per annum (31 December 2018: from 6.62% to 15%). RMB282,359,000 (31 December 2018: RMB1,012,566,000) of the balances are repayable within one year. The remaining balances of RMB1,776,528,000 (31 December 2018: RMB116,689,000) are repayable after one year and included in the non-current portion.

## 12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

### (b) Other receivables and prepayments (Continued)

- (iv) Entrusted loans to non-controlling interests are unsecured, bearing interest from 8% to 10% per annum (31 December 2018: from 8% to 12%). RMB512,700,000 (31 December 2018: RMB791,000,000) of the balances are repayable within one year. The remaining balances of RMB475,000,000 (31 December 2018: RMB475,000,000) are repayable after one year and included in the non-current portion.
- (v) Amounts due from joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.
- (vi) Receivables from government mainly represent payment made for land development cost, some deposits paid to government to ensure the business activities of properties development, and the amounts paid to government with the intention of possible future cooperation in real estate project development, which will be subsequently reimbursed by the government.
- (vii) Amounts mainly represent the payment for cooperation of potential projects. As at 30 June 2019, such cooperation is still in negotiation stage.

RMB3,636,524,000 (2018: RMB1,580,000,000) out of the balance are unsecured, interest bearing from 5% to 11% (2018: from 7% to 11%). The remaining balances of RMB1,435,872,000 (2018: RMB1,485,893,000) are unsecured and interest free.

RMB3,949,216,000 (2018: RMB1,955,893,000) out of the balance are repayable on demand. The remaining balance of RMB1,123,180,000 (2018: RMB1,110,000,000) will be repayable in 2020 and included in the non-current portion.

The maximum exposure to credit risk at the reporting date is the book value of each class of receivable mentioned above. The carrying amounts of the Group's trade and other receivables and prepayments are mainly denominated in RMB.

The carrying amounts of trade and other receivables and prepayments approximate their respective fair values as at 30 June 2019 and 31 December 2018.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 13 CAPITAL

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
<b>Ordinary shares, issued and fully paid:</b>					
Opening balance 1 January 2019	7,615,995,657	30,413,141	27,328,810	–	27,328,810
Issue of shares pursuant to exercise of employee share options	100,000	493	422	–	422
Vesting of shares under Restricted Share Award Scheme	–	–	–	–	–
	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance 1 January 2019	(53,101,242)	–	–	(178,317)	(178,317)
Shares purchased during the year	(99,098)	–	–	(340)	(340)
Vesting of shares under Restricted Share Award Scheme	1,621,419	–	–	5,448	5,448
	(51,578,921)	–	–	(173,209)	(173,209)
At 30 June 2019	7,564,516,736	30,413,634	27,329,232	(173,209)	27,156,023
	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
<b>Ordinary shares, issued and fully paid:</b>					
Opening balance 1 January 2018	7,564,608,657	30,169,687	27,129,614	–	27,129,614
Issue of shares pursuant to exercise of employee share options	50,677,000	237,108	194,421	–	194,421
Vesting of shares under Restricted Share Award Scheme	–	3,032	1,898	–	1,898
	7,615,285,657	30,409,827	27,325,933	–	27,325,933
Restricted Share Award Scheme (a)					
Opening balance 1 January 2018	(46,635,224)	–	–	(140,746)	(140,746)
Shares purchased during the year	(13,958,725)	–	–	(61,608)	(61,608)
Vesting of shares under Restricted Share Award Scheme	7,383,227	–	–	22,898	22,898
	(53,210,722)	–	–	(179,456)	(179,456)
At 30 June 2018	7,562,074,935	30,409,827	27,325,933	(179,456)	27,146,477



### 13 CAPITAL (CONTINUED)

- (a) On 22 March 2010, the board of the Company resolved to adopt a Restricted Share Award Scheme, the purpose of the Scheme is to recognize and motivate the contribution of certain employees and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Restricted Share Award Scheme was administered by an independent trustee appointed by the Group, the trustee shall purchase from the market such number of shares awarded as specified by the Board and shall hold such shares until they are vested in accordance with the Restricted Share Award Scheme Rules. When the selected employee has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that employee.

Movements in the number of awarded shares for the six months ended 30 June 2019 and 2018 are as follows:

	Shares (thousands)
At 1 January 2019	4,580
Vested	(1,621)
Lapsed	–
At 30 June 2019	2,959
At 1 January 2018	16,873
Vested	(7,383)
Lapsed	(589)
At 30 June 2018	8,901

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

The outstanding awarded shares as of 30 June 2019 were divided into several tranches on an equal basis as at their grant dates. The outstanding awarded shares will be exercised after a specified period ranging from one to three years from the grant date.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 14 CAPITAL SECURITIES

On 21 September 2017, Sino-Ocean Land Treasure III Limited (“Sino-Ocean Land III”), a wholly owned subsidiary, issued perpetual subordinated guaranteed capital securities (“capital securities”), which are callable, with initial aggregate principal amount of USD600,000,000.

The capital securities have no maturity date, and the payments of distribution of such capital securities can be deferred at the discretion of Sino-Ocean Land III. When Sino-Ocean Land III and the Company elects to declare dividends to their shareholders, Sino-Ocean Land III should make a distribution at an initial rate of 4.9% per annum, as defined in the subscription agreement. Such capital securities are guaranteed by the Company.

## 15 CAPITAL INSTRUMENT

- (a) On 26 June 2019, Sino-Ocean Holding Group (China) Limited (“Sino-Ocean Holding”), a wholly owned subsidiary, issued a capital instrument, which is callable, with an initial aggregate principal quota amount of RMB3,000,000,000, as at 30 June 2019 the amounts raised is RMB981,000,000.

The capital instrument have no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.

- (b) On 30 December 2016, Hangzhou Xinhe Hotel Property Limited (“Hangzhou Xinhe”) and Hangzhou Yunhe Business District Development Limited (“Hangzhou Yunhe”), wholly owned subsidiaries, together issued a capital instrument, which is callable, with an initial aggregate principal amount of RMB3,500,000,000.

The capital instrument has no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Hangzhou Xinhe and Hangzhou Yunhe. When Hangzhou Xinhe or Hangzhou Yunhe or Sino-Ocean Holding, another subsidiary of the Group, elects to declare dividends to their shareholders, Hangzhou Xinhe and Hangzhou Yunhe should make distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement. The capital instrument is secured by the investment property, property, plant and equipment and completed properties held for sale owned by Hangzhou Xinhe and Hangzhou Yunhe.

## 16 BORROWINGS

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Non-current	76,305,893	73,150,254
Current	11,329,578	15,424,825
	<b>87,635,471</b>	88,575,079

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
At beginning of the period	88,575,079	61,032,154
New bank loans raised	6,393,740	7,774,260
Other loans raised (b)	4,741,280	3,567,294
Guaranteed notes (c)	3,403,393	–
Bond issuance (d)	2,887,689	–
Medium-term note issuance	–	5,981,957
Repayment of bank loans	(9,448,450)	(3,263,601)
Repayment of other loans	(8,464,161)	(2,401,230)
Increase due to acquisition of subsidiaries (Note 26)	2,709,730	112,400
Disposal of interests in a subsidiary	(3,302,927)	–
Currency translation differences	85,688	294,330
Changes of carrying value of corporate bonds and bank loans	54,410	31,229
At end of the period	<b>87,635,471</b>	73,128,793

- (a) As at 30 June 2019, long-term and short-term borrowings amounting to RMB11,517,402,000 were secured by investment properties, properties under development and completed properties held for sale and equity interest in certain subsidiaries of the Group.

As at 31 December 2018, long-term and short-term borrowings amounting to RMB11,679,030,000 were secured by investment properties, properties under development, completed properties held for sale and equity interest in certain subsidiaries of the Group.

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 16 BORROWINGS (CONTINUED)

- (b) During the six months ended 30 June 2019, other loans amounting to RMB4,621,280,000 and RMB120,000,000 are raised from financial institutions and related parties respectively. Such loans bear an interest rate of 4.16% to 8.3% per annum.

During the six months ended 30 June 2018, other loans amounting to RMB3,026,064,000 and RMB541,230,000 are raised from financial institutions and related parties respectively. Such loans bear an interest rate of 4.35% to 12% per annum.

- (c) On 24 January 2019, Sino-Ocean Land Treasure Finance IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD500,000,000 with a maturity period of 3 years and annual interest rate of 5.25%.
- (d) On 18 March 2019, Sino-Ocean Group Holding (China) Limited, a wholly-owned subsidiary, issued bonds in an aggregate amount of RMB2,900,000,000 in two series: (i) RMB1,700,000,000 with coupon rate of 4.06% per year of a term of five years, and (ii) RMB1,200,000,000 with coupon rate of 4.59% per year of a term of seven years.
- (e) Interest expense on borrowings for the six months ended 30 June 2019 is RMB2,570,990,000 (six months ended 30 June 2018: RMB1,803,639,000).

## 17 TRADE AND OTHER PAYABLES

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Trade payables (a)	18,846,527	18,290,208
Accrued expenses	2,999,835	3,135,060
Amounts due to joint ventures (b)	11,255,649	9,388,039
Amounts due to associates (b)	3,409,261	4,274,001
Amounts due to non-controlling interests (b)	8,313,457	7,422,527
Dividends payable	489,258	—
Amounts due to government	72,303	72,114
Other taxes payable	4,919,978	1,733,417
Deposits received for properties	4,314,704	5,160,682
Other payables	7,752,504	9,889,553
	<b>62,373,476</b>	59,365,601
Less: non-current portion	(15,718)	(167,531)
Current portion	<b>62,357,758</b>	59,198,070

The carrying amounts of trade and other payables approximate their fair values.

## 17 TRADE AND OTHER PAYABLES (CONTINUED)

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

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Within 6 months	8,731,407	8,481,970
Between 6 months to 12 months	5,222,619	4,684,871
Between 1 year to 2 years	3,417,666	3,783,846
Between 2 years to 3 years	722,218	709,919
Over 3 years	752,617	629,602
	<b>18,846,527</b>	<b>18,290,208</b>

(b) Amounts due to joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.

## 18 OTHER GAINS/(LOSSES) — NET

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Gains/(losses) on disposal of interests in subsidiaries	697,904	(31,635)
Gains on disposal of a joint venture and an associate	35,323	—
Losses on deemed disposal of joint ventures and associates	(599)	(26,949)
Gains/(losses) on disposal of financial assets at fair value through profit or loss	23,736	(6,902)
Fair value losses of financial assets and liabilities at fair value through profit or loss	(19,469)	(72,953)
Exchange losses	(166,020)	(88,915)
Negative goodwill on business combination (Note 26)	798	—
Other gains	1,323	13,739
	<b>572,996</b>	<b>(213,615)</b>

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 19 FINANCE COSTS

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Interest expense:		
— Bank borrowings	656,732	432,110
— Other borrowings	1,914,258	1,371,529
— Lease liabilities	66,155	—
Less: interest capitalized at a capitalization rate of 5.43% (2018: 5.26%) per annum	(1,724,984)	(1,137,801)
	912,161	665,838

## 20 INCOME TAX EXPENSE

Majority of the group entities are subjected to PRC enterprise income tax, which has been provided for based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the six months ended 30 June 2019 and 2018. Other companies are mainly subjected to Hong Kong profits tax.

The amount of income tax expense charged to the condensed consolidated interim income statements represents:

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Current income tax:		
— PRC enterprise income tax	1,151,443	918,750
— PRC land appreciation tax	733,249	893,180
Deferred income tax	77,896	203,201
	1,962,588	2,015,131

## 21 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of shares in issue during the period excluding ordinary shares purchased by the Company and held as shares held for Restricted Share Award Scheme.

	Unaudited Six months ended 30 June	
	2019	2018
Profit attributable to owners of the Company (RMB'000)	<b>1,875,194</b>	2,333,404
Profit used to determine basic earnings per share (RMB'000)	<b>1,875,194</b>	2,333,404
Weighted average number of ordinary shares in issue (thousands)	<b>7,553,674</b>	7,530,383
Basic earnings per share (RMB per share)	<b>0.248</b>	0.310

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to, assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and shares held for the Restricted Share Award Scheme. For the share options and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options and the unvested awarded shares.

	Unaudited Six months ended 30 June	
	2019	2018
Profit attributable to owners of the Company (RMB'000)	<b>1,875,194</b>	2,333,404
Profit used to determine diluted earnings per share (RMB'000)	<b>1,875,194</b>	2,333,404
Weighted average number of ordinary shares in issue (thousands)	<b>7,553,674</b>	7,530,383
Adjustment for:		
— share options (thousands)	—	30,216
— shares held for the Restricted Share Award Scheme (thousands)	—	3,709
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<b>7,553,674</b>	7,564,308
Diluted earnings per share (RMB per share)	<b>0.248</b>	0.308



# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 22 DIVIDENDS

On 21 August 2019, the Board has resolved to declare an interim dividend of RMB752,410,000 for the six months ended 30 June 2019 (six months ended 30 June 2018: RMB933,331,000).

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Final dividend paid	489,258	990,396
Proposed interim dividend of RMB0.099 (2018: RMB0.123) per ordinary share	752,410	933,331

## 23 FINANCIAL GUARANTEES

(a) The Group had the following financial guarantees as at the end of 30 June 2019 and 31 December 2018:

	As at 30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers	10,070,182	8,158,848

As at 30 June 2019 and 31 December 2018, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

(b) As at 30 June 2019, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB1,059,500,000 (31 December 2018: RMB1,708,143,000). Properties under development owned by these joint ventures and associates are the primary collateral of such borrowings.

## 24 COMMITMENTS

### (a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Properties under development	7,638,553	5,906,409
Commitment of Investment	682,666	717,286
Contracted but not provided for	8,321,219	6,623,695

### (b) Operating lease rental receivables

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

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
Within 1 year	409,824	379,117
Between 1 to 5 years	777,583	473,727
Over 5 years	418,735	678,479
	1,606,142	1,531,323

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 25 DISPOSAL OF INTERESTS IN SUBSIDIARIES

### (a) Disposal of Fortune Joy

In February 2019, Fortune Joy Ventures Limited ("Fortune Joy"), a wholly-owned subsidiary of the Group, had agreed to allot and issue a total of 5,100 subscription shares at the aggregate subscription price of USD295,800,000 to Charm Reliance International Limited, Delight Finance International Limited and Leading Bright Investment Limited (together, "the Investor"). The subscription shares represent 51.00% of the total number of issued shares of Fortune Joy. Upon completion of the subscription, Fortune Joy ceased to be a wholly-owned subsidiary of the Group and became a non wholly-owned subsidiary of the Group, and its financial statement continued to be consolidated into the consolidated financial statement of the Group.

In June 2019, the Investor and the Group agreed to amend the articles of the association of Fortune Joy. Upon completion of the change, the Group lost control over Fortune Joy as it has no power to govern the financial and operating policies of Fortune Joy, which became an associate of the Group.

The effect of disposal of interests in the subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 30 June 2019 RMB'000
Fair value of the Group's remaining interests	2,001,590
Capital instrument investment in Fortune Joy measured as financial assets at fair value through other comprehensive income	2,000,000
Carrying value of the Fortune Joy's net assets disposed — shown as below	(3,710,430)
Gains on disposal of interests in Fortune Joy that resulted in loss of control	291,160

## 25 DISPOSAL OF INTERESTS IN SUBSIDIARIES (CONTINUED)

### (a) Disposal of Fortune Joy (Continued)

The assets and liabilities disposed of are as follows:

	As at 30 June 2019 RMB'000
Cash and cash equivalents	305,863
Property, plant and equipment	998,814
Land use rights	183,308
Intangible assets	412,009
Goodwill	324,463
Investment properties	373,674
Investments in joint ventures	2,870,370
Investments in associates	2,777,569
Deferred income tax assets	4,664
Prepayments for land use rights	78,443
Properties under development	285,189
Inventories, at cost	2,515
Financial assets at fair value through profit or loss	1,118,005
Trade and other receivables and prepayments	6,819,932
Borrowings	(3,598,852)
Trade and other payables	(4,612,822)
Income tax payables	(60,152)
Contract liabilities	(10,679)
Deferred income tax liabilities	(104,313)
Non-controlling interests	(4,457,570)
Net assets disposed	3,710,430
<b>Outflow of cash to dispose the subsidiary, net of cash disposed</b>	
Proceeds received in cash	–
Cash and cash equivalents in the subsidiary disposed of	(305,863)
Net cash outflow on disposal	(305,863)

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 25 DISPOSAL OF INTERESTS IN SUBSIDIARIES (CONTINUED)

### (b) Disposal of Beijing Bangshe

In May 2019, the Group entered into an agreement with Beijing Xuda Real Estate Co., Ltd. ("Beijing Xuda") to dispose of 100% equity interests in Beijing Bangshe Apartment Management Co., Ltd. ("Beijing Bangshe"), a subsidiary of the Group, at a consideration of RMB1 for the equity interest of Beijing Bangshe, and furthermore Beijing Xuda paid the debt, amounting to RMB320,875,000, owing to the Group on behalf of Beijing Bangshe. Upon completion of the disposal, the Group lost control over Beijing Bangshe as it has no power to govern the financial and operating policies of Beijing Bangshe.

The effect of disposal of interests in the subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	2019 RMB'000
Proceeds received in cash on disposal of interests in the subsidiary	–
Carrying value of the Beijing Bangshe's net liabilities disposed	131,126
Gains on disposal of interest in Beijing Bangshe that resulted in loss of control	131,126
<b>Outflow of cash to dispose the subsidiaries, net of cash disposed</b>	
Proceeds received in cash	–
Cash and cash equivalents in the subsidiaries disposed of	(1,905)
Net cash outflow on disposal	(1,905)

### (c) Disposal of Beijing Chunxuanmao

In May 2019, the Group entered into an agreement with Beijing Xuda Real Estate Co., Ltd., to dispose of 30% equity interests in Beijing Chunxuanmao Investment Management Co., Ltd. ("Beijing Chunxuanmao"), at a consideration of RMB9,000,000 for the equity interest of Beijing Chunxuanmao, and furthermore Beijing Xuda paid the debt, amounting to RMB248,862,000, owing to the Group on behalf of Beijing Chunxuanmao. Upon completion of the disposal, the Group lost control over Beijing Chunxuanmao as it has no power to govern the financial and operating policies of Beijing Chunxuanmao.

The effect of disposal of interests in the subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	2019 RMB'000
Proceeds received in cash on disposal of interests in the subsidiary	9,000
Fair value of the Group's remaining interests	–
Carrying value of the Beijing Chunxuanmao's net liabilities disposed	168,778
Gains on disposal of interest in Beijing Chunxuanmao that resulted in loss of control	177,778
<b>Inflow of cash to dispose the subsidiaries, net of cash disposed</b>	
Proceeds received in cash	9,000
Cash and cash equivalents in the subsidiaries disposed of	(8,829)
Net cash inflow on disposal	171

## 25 DISPOSAL OF INTERESTS IN SUBSIDIARIES (CONTINUED)

### (d) Disposal of Qinghuangdao Yuanhao

In March 2019, the Group entered into an agreement with Beijing Haoshun Life Technology Group Co., Ltd. ,to dispose of 100% equity interests in Qinhuangdao Yuanhao Real Estate Development Co., Ltd. ("Qinhuangdao Yuanhao"), at a consideration of RMB89,037,000. Upon completion of the disposal, the Group lost control over Qinhuangdao Yuanhao as it has no power to govern the financial and operating policies of Qinhuangdao Yuanhao.

The effect of disposal of interest in the subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	2019 RMB'000
Receivable on disposal of interest in Qinhuangdao Yuanhao	89,037
Carrying value of the Qinhuangdao Yuanhao's net liabilities disposed	475
Gains on disposal of interest in Qinhuangdao Yuanhao that resulted in loss of control	89,512
<b>Outflow of cash to dispose the subsidiaries, net of cash disposed</b>	
Proceeds received in cash	–
Cash and cash equivalents in the subsidiaries disposed of	(51,246)
Net cash outflow on disposal	(51,246)

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 26 BUSINESS COMBINATIONS

### (a) Acquisition of Qinhuangdao Seatopia Resort Project

On 31 May 2019, the Group acquired 100% of the equity interests of Beijing Yingli Enterprise Consulting Management Co., Ltd., and its subsidiaries (together, "Qinhuangdao Seatopia Resort Project"), at a consideration of RMB2,458,126,000. As a result of the acquisition, Qinhuangdao Seatopia Resort Project became a subsidiary of the Group.

The following table summarises the consideration paid for Qinhuangdao Seatopia Resort Project, the fair value of assets acquired and liabilities assumed at the acquisition date.

	As at 31 May 2019 RMB'000
Consideration:	
— Consideration transferred	2,458,126
Identifiable net assets acquired	(2,458,924)
Excess of consideration paid recognized in profit or loss as other gains	(798)

Recognized amounts of identifiable assets acquired and liabilities acquired

	RMB'000
Cash and cash equivalents	751,949
Property, plant and equipment	3,867
Properties under development	8,310,254
Trade and other receivables and prepayments	3,346,679
Trade and other payables	(4,961,645)
Borrowings	(2,709,730)
Income tax payables	(53,576)
Contract liabilities	(1,672,598)
Deferred income tax liabilities	(556,276)
Total identifiable net assets	2,458,924

The revenue included in the condensed consolidated income statement since 31 May 2019 contributed by Qinhuangdao Seatopia Resort Project was RMB784,912,000. Qinhuangdao Seatopia Resort Project also contributed Profit of RMB178,508,000 over the same period.

Had Qinhuangdao Seatopia Resort Project been consolidated from 1 January 2019, the condensed consolidated income statement would show pro-forma revenue of RMB16,479,535,000 and profit after tax of RMB2,485,236,000.



## 27 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere, the following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2019 and 2018:

### (a) Sales of services

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Provision of services:		
— Shareholders	3,130	2,323
— Joint ventures	1,294,565	313,237
— Associates	277,709	40,200
	<b>1,575,404</b>	355,760

Sales of services mainly represent construction service, the terms of which are entered into with related parties in accordance with the terms of agreement.

### (b) Key management compensation

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Salaries and other short-term employee benefits	18,675	17,707
Post-employment benefits	1,079	985
Share-based payment	61,631	20,771
	<b>81,385</b>	39,463

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 27 RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Interest income

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Interest received:		
— Joint ventures	680,569	417,741
— Associates	187,684	173,430
	868,253	591,171

### (d) Interest expense

	Unaudited Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Interest charged:		
— Joint ventures	2,782	4,766
	2,782	4,766

### (e) Entrusted loans to related parties

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
— Joint ventures (Note 12)	13,900,010	11,516,089
— Associates (Note 12)	2,058,887	1,129,255
	15,958,897	12,645,344

## 27 RELATED PARTY TRANSACTIONS (CONTINUED)

### (f) Amounts due from related parties

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
— Joint ventures (Note 12)	22,171,437	16,598,387
— Associates (Note 12)	9,371,635	9,723,159
	<b>31,543,072</b>	26,321,546

### (g) Advance from related parties

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
— A shareholder	11,320	—
— Joint ventures	140,516	—
— Associates	4,048	2,000
	<b>155,884</b>	2,000

### (h) Amounts due to related parties

	As at 30 June 2019 RMB'000 (Unaudited)	As at 31 December 2018 RMB'000 (Audited)
— Joint ventures (Note 17)	11,255,649	9,388,039
— Associates (Note 17)	3,409,261	4,274,001
	<b>14,664,910</b>	13,662,040

### (i) Financial guarantees to related parties

As at 30 June 2019, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB1,059,500,000 (31 December 2018: RMB1,708,143,000).

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 28 SUBSEQUENT EVENT

On 29 July 2019, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company, issued guaranteed notes with principal amount of USD600,000,000 at interest rate of 4.75% due in 2029 (the “Notes”). The Notes are unsecured and are guaranteed by the Company.

On 16 August 2019, Sino-Ocean Land Treasure Finance II Limited (a wholly-owned subsidiary of the Company) issued a notice informing the trustee and noteholders that it would redeem the 4.45% guaranteed notes due 2020 in the principal amount of USD700,000,000 (the “2020 Notes”) in whole (the “Redemption”) on 16 September 2019 (the “Redemption Date”), at a price equal to the make whole price as of the Redemption Date calculated in accordance with the terms and conditions of the 2020 Notes, together with accrued and any unpaid interest up to (but excluding) the Redemption Date.

# List of Project Names

	Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
1	Beijing-Tianjin-Hebei Region	Beijing	26街區 (北京)	26 Block (Beijing)	順義南法信項目	Nanfaxin Project, Shunyi District
2			CBDZ6地塊 (北京)	CBD Plot Z6 (Beijing)		
3			昌平未來科技城F2項目 (北京)	Changping Sci-tech Park F2 Project (Beijing)		
4			中國人壽金融中心 (北京)	China Life Financial Center (Beijing)	CBDZ13地塊	CBD Plot Z13
5			鑽石大廈 (北京)	Diamond Plaza (Beijing)		
6			遠洋萬和風景 (北京)	Eternal Scenery (Beijing)		
7			金悅府 (北京)	Gold Mansion (Beijing)	大興黃村0901地塊	Huangcun 0901 Plot, Daxing District
8			萬和斐麗 (北京)	Grand Harmony Emerald Residence (Beijing)		
9			頤堤港 (北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
10			頤璟春秋 (北京)	Jasper Epoch (Beijing)		
11			順義佳利華項目 (北京)	Jialihua Project, Shunyi District (Beijing)		
12			房山良鄉項目 (北京)	Liangxiang Project (Beijing)		
13			麗澤商務區項目 (北京)	Lize Business District Project (Beijing)		
14			門頭溝潭柘寺項目 (北京)	Mentougou Tanzhe Temple Project (Beijing)		
15			密之雲項目 (北京)	Mizhiyun Project (Beijing)		
16			遠洋天著春秋 (北京)	Ocean Epoch (Beijing)	石景山區劉娘府項目	Liuniangfu Project, Shijingshan District
17	Beijing-Tianjin-Hebei Region	Beijing	遠洋國際中心 (北京)	Ocean International Center (Beijing)		
18			遠洋國際中心二期 (北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
19			遠洋沁山水 (北京)	Ocean Landscape Eastern Area (Beijing)	遠洋沁山水E02/03項目	Ocean Landscape Eastern Area E02/03 Project
20			遠洋LA VIE (北京)	Ocean LA VIE (Beijing)		
21			遠洋逸山水 (北京)	Ocean Leisure Landscape (Beijing)	通州西集C地塊	Xiji Plot C, Tongzhou District
22			遠洋新天地 (北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
23			遠洋光華國際 (北京)	Ocean Office Park (Beijing)		
24			遠洋天著 (北京)	Ocean Palace (Beijing)	亦莊三羊項目	Yizhuang Sanyang Project
25			遠洋大廈 (北京)	Ocean Plaza (Beijing)		
26			遠洋未來廣場 (北京)	Ocean We-life Plaza (Beijing)		
27			遠洋五里春秋 (北京)	Ocean Wulieepoch (Beijing)	石景山五里坨組團一地块	Wulituo Plot, Shijingshan District
28			遠洋新仕界 (北京)	Our New World (Beijing)	遠洋春天著	Ocean Spring
29			門頭溝新城6002地塊 (北京)	Plot 6002, Mentougou New Town (Beijing)		
30			天瑞宸章 (北京)	Royal River Villa (Beijing)		
31			遠洋新光項目 (北京)	Sino-Ocean Shin Kong Project (Beijing)	通州核心區地塊	Core Center Plot, Tongzhou District
32			禧瑞春秋 (北京)	Xanadu & Ocean Epoch (Beijing)		
33			禧瑞天著 (北京)	Xanadu & Ocean Palace (Beijing)	經開區G2R1地塊	Yizhuang EDA Plot G2R1
34			通州西集D地塊 (北京)	Xiji Plot D, Tongzhou District (Beijing)		
35			通州西集E地塊 (北京)	Xiji Plot E, Tongzhou District (Beijing)		
36			亦莊汽車大廈項目 (北京)	Yizhuang Motor Tower Project (Beijing)		
37			雍景桃源項目 (北京)	Yongjingtaoyuan Project (Beijing)		
38		Tianjin	空港物流項目 (天津)	Airport Logistics Project (Tianjin)		
39			博大奶牛場項目 (天津)	Boda Logistics Project (Tianjin)		
40			天悅風華 (天津)	Elegant Prestige (Tianjin)	海河教育園14號地塊	Haihe Jiaoyuyuan Plot 14
41			悅光年 (天津)	Happy Light Year (Tianjin)	汽車世界	Autoworld
42			天宸原著 (天津)	Longfor Mansion (Tianjin)	海河教育園13號地塊	Haihe Jiaoyuyuan Plot 13
43			未來城 (天津)	Neo-metropolis (Tianjin)	北辰宜興里項目	Yixingbu Project, Beichen District
44			遠洋香奈 (天津)	Ocean Chanson (Tianjin)	奧萊二期居住項目	Outlets Phase II Residential Project
45			遠洋城 (天津)	Ocean City (Tianjin)		
46			天著春秋 (天津)	Ocean Epoch (Tianjin)		
47			遠洋萬和城 (天津)	Ocean Great Harmony (Tianjin)	倪黃莊項目	Nihuangzhuang Project
48			遠洋心裡 (天津)	Ocean Inside (Tianjin)	濱海新區港濱路項目	Gangbin Road Project, Binhai New District
49			遠洋國際中心 (天津)	Ocean International Center (Tianjin)		
50			遠洋琨庭 (天津)	Ocean Kunting (Tianjin)		

Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
51		遠洋風景(天津)	Ocean Prospect (Tianjin)		
52		遠洋未來廣場(天津)	Ocean We-life Plaza (Tianjin)		
53		天津未來匯(天津)	Ocean We-life (Tianjin)		
54		紅熙郡(天津)	Royal River (Tianjin)	武清項目	Wuqing Project
55		鯉樓府(天津)	The Great Habitat Mansion House (Tianjin)	華明項目	Huaming Project
56		海納府(天津)	Xanadu (Tianjin)	濱海新區生態城5號地塊	Binhai New Area Eco-Town Plot 5
57	Shijiazhuang	長安區舊改項目(石家莊)	Chang'an District Redevelopment Project (Shijiazhuang)		
58		萬和學府(石家莊)	Harmony Palace (Shijiazhuang)	正定新區004項目	Zhengding New District Project
59		遠洋福美堪園(石家莊)	Jade Mansion (Shijiazhuang)		
60		遠洋7號(石家莊)	Sino-Ocean No. 7 (Shijiazhuang)		
61		遠洋晟庭(石家莊)	Vigorous Mansion (Shijiazhuang)	長安區015號地	Chang'an District Plot 015
62	Langfang	遠洋琨庭(廊坊)	Ocean Kunting (Langfang)	碾子營項目	Nianziying Project
63		香河萬潤項目(廊坊)	Xiang He Wan Run Project (Langfang)		
64	Zhangjiakou	遠洋尚東萬和(張家口)	Centrality Mansion (Zhangjiakou)	橋東區東山天地項目	Qiaodong District Dongshantiandi Project
65	Qinhuangdao	蔚藍海岸(秦皇島)	Seatopia Resort (Qinhuangdao)		
66	Yangtze River Delta Region	嘉譽國際廣場(上海)	Amazing City (Shanghai)		
67		崇明東灘花園項目(上海)	Chongming Dongtan Project (Shanghai)		
68		大寧國際廣場(上海)	Danling International Plaza (Shanghai)		
69		海興廣場(上海)	Haixing Plaza (Shanghai)		
70		遠洋財富中心(上海)	Ocean Fortune Center (Shanghai)		
71		遠洋萬和四季(上海)	Ocean Melody (Shanghai)	惠南項目	Huinan Project
72		萬和昊美項目(上海)	Onehome Art Project (Shanghai)		
73		遠洋商業大廈(上海)	Sino-Ocean Tower (Shanghai)	東海商業中心	East Ocean Center
74		西郊宸章(上海)	Wellness Masterpiece (Shanghai)		
75		元博酒店項目(上海)	Yuanbo Hotel Project (Shanghai)		
76	Hangzhou	大運河商務區項目(杭州)	Canal Business Center Project (Hangzhou)		
77		余杭區崇賢C-7地塊(杭州)	Chongxian C-7 Plot, Yuhang District (Hangzhou)		
78		樂堤港(杭州)	Grand Canal Plaza (Hangzhou)		
79		江南院子(杭州)	Jiangnan Courtyard (Hangzhou)	余杭區崇賢B-6地塊	Chongxian B-6 Plot, Yuhang District
80	Nanjing	匯望軒(杭州)	Neo 1 (Hangzhou)	融信遠洋Neo1	
81		招商遠洋春秋華庭(杭州)	Seasons Courtyard (Hangzhou)		
82		遠洋雁歸里(杭州)	Sino-Ocean Native Place (Hangzhou)	蕭山臨浦項目	Xiaoshan Linpu Project
83		濱江物流項目(南京)	Binjiang Logistics Project (Nanjing)		
84		遠洋山水(南京)	Ocean Landscape (Nanjing)	吉山項目	Jishan Project
85		遠洋萬和四季(南京)	Ocean Seasons (Nanjing)		
86		遠洋綠地雲峰公館(南京)	Sino-Ocean Land Greenland Premier Court (Nanjing)	江寧區高新園G98項目	Gaoxinyuan G98 Project, Jiangning District
87	Suzhou	遠洋棠悅山水(南京)	Sino-Ocean Tangyue Landscape (Nanjing)		
88		蘇悅灣花園(蘇州)	Easy Town (Suzhou)		
89		昆山玉山冷链物流項目(蘇州)	Kunshan Yushan Cold Chain Logistics Project (Suzhou)		
90		萬和悅花園(蘇州)	Mansion Yue (Suzhou)		
91	Wuxi	萬和四季(蘇州)	Ocean Melody (Suzhou)	太倉港區項目	Taichang gangqu Project
92		洛克公園(蘇州)	Rocker Park (Suzhou)		
93		石湖項目(蘇州)	Shihu Project (Suzhou)		
94		上湖名著(蘇州)	The Lake Garden (Suzhou)	汾湖006地塊	Fenhu Plot 006
95		遠洋太湖宸章(無錫)	Taihu Milestone (Wuxi)	好施項目	Haoshi Project
96		遠洋太湖宸章(無錫)	Taihu Milestone (Wuxi)	裕沁項目	Yuqin Project
97	Jiaxing	桂語東方(嘉興)	East Lake (Jiaxing)		
98		嘉興物流項目(嘉興)	Jiaxing Logistics Project (Jiaxing)		
99		萃湖上郡(嘉興)	Lakeside Wonderland (Jiaxing)		
100		遠洋湖映宸章(嘉興)	Ocean Lake Mansion (Jiaxing)		
101		上善悅府(嘉興)	Ultimate Joy Mansion (Jiaxing)	嘉善縣34號地塊	Plot 34, Jiashan

Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
102		乍浦物流項目(嘉興)	Zhapu Logistics Project (Jiaxing)		
103	Chuzhou	遠洋萬和上寧府(滁州)	Ocean Mansion (Chuzhou)	汧河新城向榮路項目	Xiangrong Road Project
104	Changzhou	天橋半島(常州)	Sky Peninsula (Changzhou)		
105	Taizhou	中南遠洋樞府(台州)	Mansion (Taizhou)	椒江項目	Jiaojiang Project
106	Shaoxing	遠洋越府宸章(紹興)	Ocean Yue Masterpiece (Shaoxing)		
107	Wenzhou	遠洋世紀宸章(溫州)	Ocean Century Mansion (Wenzhou)	高新區HX-22-A02地塊	Gaoxin District Project
108	Xiamen	國貿遠洋天和(廈門)	The Only One (Xiamen)	翔安區2017XP02地塊	Plot 2017XP02, Xiang'an District
109		國貿遠洋天成(廈門)	Top Mansion (Xiamen)	翔安區2017XP03地塊	Plot 2017XP03, Xiang'an District
110	Zhangzhou	遠洋風景(漳州)	Sino-Ocean Scenery (Zhangzhou)		
111	Fuzhou	東江灣(福州)	East Bay (Fuzhou)		
112	Yangtze Mid-stream Region	賀家墩項目(武漢)	Hejiadun Project (Wuhan)	有座莊園	Tangchen Project
113		江夏物流項目(武漢)	Jiangxia Logistics Project (Wuhan)		
114		遠洋世界(武漢)	Ocean World (Wuhan)		
115		遠洋東方境世界觀(武漢)	Oriental World View (Wuhan)	漢陽區歸元寺項目	Hanyang District Guiyuan Temple
116		都會1907(合肥)	Metropolis 1907 (Hefei)		
117		遠洋萬和雲錦(合肥)	Ocean Glory (Hefei)	肥東縣FD18-13地塊	Feidong FD18-13 Project
118		遠洋廬羽風景(合肥)	Sino-Ocean Landscape (Hefei)		
119		遠洋外灘壹號(長沙)	Bund No.1 (Changsha)	S10項目	S10 Project
120		遠洋天驕(南昌)	Ocean Palace (Nanchang)	灣里區178項目	Wanli 178 Project
121		遠洋天驕(南昌)	Sino-Ocean Elite Mansion (Nanchang)		
122	Pearl River Delta Region	遠洋繁花里(中山)	Blossoms Valley (Zhongshan)	神灣項目	Shenwan Project
123		遠洋君域(中山)	King Realm (Zhongshan)	東升隆成項目	Dongsheng Longcheng Project
124		領秀山(中山)	Leader Mountain (Zhongshan)	五桂山龍塘村項目	Wuguishan Longtangcun Project
125		遠洋城(中山)	Ocean City (Zhongshan)		
126		遠洋翡翠郡(中山)	Ocean Emerald (Zhongshan)	南頭項目	Nantou Project
127		遠洋瓏郡(中山)	Ocean Longshire (Zhongshan)	橫欄項目	Henglan Project
128		遠洋風景(中山)	Ocean Prospect (Zhongshan)	金馬遊藝廠項目	Jin Ma You Yi Chang Project
129		時光樾(中山)	SCity (Zhongshan)	南頭德西村162商住項目	Suixicun 162 Project, Nantou
130		時光樾(中山)	SCity (Zhongshan)	南頭德西村163商住項目	Suixicun 163 Project, Nantou
131		遠洋世家(中山)	Sino-Ocean Aristocratic Family (Zhongshan)	大信融佳項目	Da Xin Rong Jia Project
132	Shenzhen	遠洋山水(中山)	Sino-Ocean Landscape (Zhongshan)		
133		中薈城(中山)	Zhonghui City (Zhongshan)	南頭德西村135項目	Suixicun 135 Project, Nantou
134		中薈城(中山)	Zhonghui City (Zhongshan)	南頭德西村136項目	Suixicun 136 Project, Nantou
135		中薈城(中山)	Zhonghui City (Zhongshan)	南頭德西村137項目	Suixicun 137 Project, Nantou
136		荔山項目(深圳)	Lishan Project (Shenzhen)		
137		龍船塘項目(深圳)	Long Chuan Tang Project (Shenzhen)		
138		龍華區德愛電子廠項目(深圳)	Longhua District De Ai Industrial Park (Shenzhen)		
139		遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project
140		遠洋新天地(深圳)	Ocean Metropolis (Shenzhen)	盛平項目	Shengping Project
141		遠洋天驕(廣州)	Elite Palace (Guangzhou)	廣州粵隆客車廠	Yuelong Project
142	Guangzhou	朱村街鳳崗村項目(廣州)	Fenggangcun, Zhucun Street Project (Guangzhou)		
143		芙蓉墅(廣州)	Hibiscus Villa (Guangzhou)	芙蓉墅項目	Hibiscus Villa Project
144		白雲區德花項目(廣州)	Honoka Project in Baiyun District (Guangzhou)		
145		中南遠洋漫悅灣(佛山)	Delight River (Foshan)	三水雲庭大道北地塊八	Sanshui Project
146	Foshan	遠洋華遠天驕(佛山)	Elite Palace (Foshan)	三水區三水新城地塊二	Plot 2 Sanshui New City, Sanshui District
147		海藍城(佛山)	Heavenly Town (Foshan)	三水區三水新城地塊一	Plot 1 Sanshui New City, Sanshui District
148	Hong Kong	LP6(香港)	LP6 (Hong Kong)		
149	Zhanjiang	遠洋城(湛江)	Ocean City (Zhanjiang)		
150	Maoming	遠洋山水(茂名)	Sino-Ocean Landscape (Maoming)		
151	Sanya	紅塘灣項目(三亞)	Hongtang Bay Project (Sanya)		
152		遠洋山海(三亞)	Ocean Treasure (Sanya)		
153	Haikou	遠洋華墅(海口)	Ocean Zen House (Haikou)	遠洋浮木陣	Ocean Driftwood Array

	Region	Cities	Project names (Chinese)	Project names (English)	Project names previously (Chinese)	Project names previously (English)
154	Chengdu-Chongqing Region	Chongqing	楓樺四季(重慶)	Fenghua Melody (Chongqing)	重慶大學城項目	Chongqing College Town Project
155			楓丹江嶼(重慶)	Fontaine Island (Chongqing)	茶園項目	Chayuan Project
156			九龍坡區高廟地塊二期(重慶)	Gaomiao Project, Phase II, Jiulongpo District (Chongqing)		
157		Chengdu	遠洋城(重慶)	Ocean City (Chongqing)	九龍坡區高廟地塊	Gaomiao Plot, Jiulongpo District
158			遠洋九公子(重慶)	Ocean Ninth Prince (Chongqing)	渝北區九曲河2號地	Plot 2 of Yubei District
159			遠洋山水賦(重慶)	Poetry of Landscape (Chongqing)		
160			遠洋公園(重慶)	Sino-Ocean Garden (Chongqing)	遠洋高爾夫國際社區	Sino-Ocean International Golf Resort
161			龍泉陽光城項目(成都)	Longquan Sunshine Town Project (Chengdu)		
162			遠洋萬和公館(成都)	Ocean Crown (Chengdu)		
163			遠洋棲棠(成都)	Ocean Habitat (Chengdu)		
164			遠洋香匯(成都)	Ocean Luxury City (Chengdu)	青羊項目	Qingyang Project
165			遠洋天和(成都)	Ocean Sky Glory (Chengdu)	金牛項目	Jinniu Project
166			國賓御府(成都)	Royal Mansion (Chengdu)	犀浦項目	Xipu Project
167			成都遠洋太古里(成都)	Sino-Ocean Taikoo Li Chengdu (Chengdu)		
168		Kunming	呈貢大學城項目(昆明)	Chenggong Project (Kunming)		
169			呈貢大學城二期項目(昆明)	Chenggong Project, Phase II (Kunming)		
170			昆明空港項目(昆明)	Kunming Airport Project (Kunming)		
171			遠洋青雲府(昆明)	Sino-Ocean Esthetics Mansion (Kunming)		
172		Guiyang	遠洋風景(貴陽)	Sino-Ocean Prospect (Guiyang)		
173	Other Region	Dalian	遠洋金馬傑座(大連)	Jinma Project (Dalian)		
174			遠洋鑽石灣(大連)	Ocean Diamond Bay (Dalian)		
175			紅星海世界觀(大連)	Ocean Worldview (Dalian)		
176			遠洋創智高地(大連)	Sino-Ocean Technopole (Dalian)	IT產業園一工業部分	IT Zone – Industrial
177			榮域(大連)	The Place of Glory (Dalian)	中華路3號地	Zhonghua Road Land Plot #3
178			小窯灣項目(大連)	Xiaoyao Bay Project (Dalian)		
179			中華路2號地(大連)	Zhonghua Road Plot #2 (Dalian)	遠洋溫德姆至尊豪庭大酒店	Wyndham Grand Plaza Royale Sino-Ocean
180		Shenyang	百利保大廈(瀋陽)	Bailibao Plaza (Shenyang)		
181			遠洋大河宸章項目(瀋陽)	Grand Canal Milestone (Shenyang)		
182			遠洋天地(瀋陽)	Ocean Paradise (Shenyang)		
183			裕沁碧苑項目(瀋陽)	Yugin Biyuan Project (Shenyang)		
184		Changchun	遠洋錦唐(長春)	Orient Palace (Changchun)	市經開區元亨地塊	Jingkai District Plot Yuanheng
185		Qingdao	遠洋萬和城(青島)	Ocean Great Harmony (Qingdao)		
186			遠洋萬和四季(青島)	Ocean Melody (Qingdao)	黃島區五台山路地塊	Wutaishan Road Plot, Huangdao District
187		Taiyuan	遠洋御城(青島)	Ocean Royal City (Qingdao)	膠州市興正元項目	Xingzhengyuan Project, Jiaozhou
188			遠洋自然(青島)	Ocean Seasons (Qingdao)		
189			遠洋尚郡(太原)	Sino-Ocean Oriental Mansion (Taiyuan)		
190		Zhengzhou	晉春秋(太原)	Villa Epoch (Taiyuan)		
191			遠洋萬和四季(鄭州)	Ocean Melody (Zhengzhou)	綠博113號地	Lvbo Plot 113
192			遠洋風景(鄭州)	Ocean Prospect (Zhengzhou)	新鄭市龍湖鎮107國道項目	107 Road Project, Longhu Town
193			永之興冷鏈物流項目(鄭州)	Yongzhixing Cold Chain Logistics Project (Zhengzhou)		
194		Xuzhou	賈汪物流項目(徐州)	Jiawang Logistics Project (Xuzhou)		
195		Xi'an	楓丹唐悅(西安)	Emperor Chic (Xi'an)	趙村項目	Zhaocun Project
196			秦漢新城物流項目(西安)	Qinhanxincheng Logistics Project (Xi'an)		
197			遠洋御山水(西安)	Sino-Ocean Royal Landscape (Xi'an)		
198		Yantai	遠洋東萊郡(煙台)	Sino-Ocean Donglai County (Yantai)		
199		Jinan	天著春秋(濟南)	Ocean Epoch (Jinan)	唐冶項目	Tangye Project
200	USA		加州資產包(美國)	California Asset Package (USA)		
201			北卡羅萊納州項目(美國)	North Carolina Project (USA)		
202			三藩市項目(美國)	San Francisco Project (USA)		



