



遠洋集團

2020
INTERIM
REPORT

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

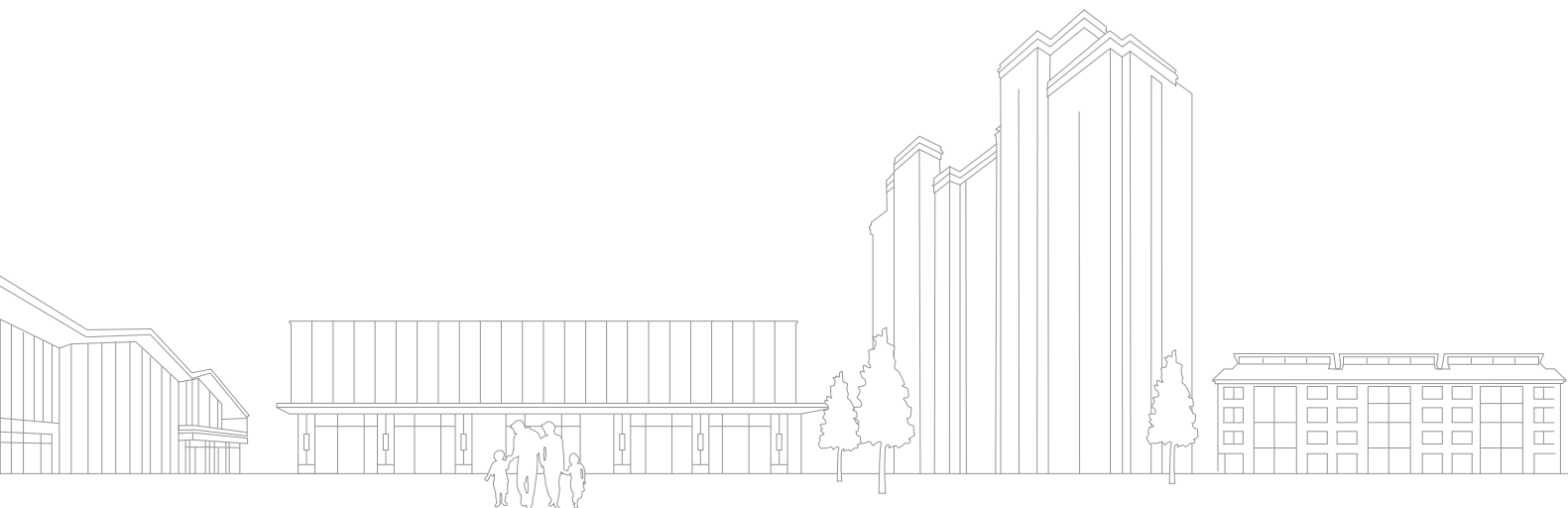
(Incorporated in Hong Kong with limited liability)

Stock Code: 03377.HK

SINO-OCEAN



FOCUSING AND EMPOWERED STEADY AND SUSTAINED DEVELOPMENT



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ABOUT SINO-OCEAN

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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 2020, Sino-Ocean Group had a total issued number of shares of approximately 7,600 million, whose major shareholders include China Life Insurance (Group) Company and Dajia 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 Indexes — Properties and Construction Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng Composite LargeCap & MidCap Index and Hang Seng Corporate Sustainability Benchmark Index.

In pursuit of the strategic vision of being the creator of “building health and creating social value”, Sino-Ocean Group is committed to becoming a pragmatic comprehensive corporation focusing on investment and development while exploring related diversified new businesses. Its business scope covers residential and integrated development, property development and operation, business collaboration and customer service. “Sino-Ocean” is a brand name with nationwide reputation as a provider of consistent quality products and professional services.

Sino-Ocean Group currently owns nearly 200 projects in different stages in rapidly growing Chinese cities and metropolitan regions, such as Beijing, Shijiazhuang, Langfang and Qinhuangdao in the Beijing Region; Tianjin, Dalian, Jinan and Qingdao in the Bohai Rim Region; Shanghai, Suzhou, Hangzhou and Nanjing in the Eastern Region; Shenzhen, Guangzhou, Fuzhou and Zhongshan in the Southern Region; Wuhan, Hefei, Zhengzhou and Nanchang in the Central Region; Chengdu, Xi’an, Chongqing and Kunming in the Western Region, and Singapore and Indonesia in the Other Region. As at 30 June 2020, we had a land reserve of over 37 million sq.m.



CORPORATE INFORMATION

The corporate information of Sino-Ocean Group Holding Limited as of 26 August 2020, being the latest practicable date prior to the issue of this interim report, is as follows:

Directors

• Executive Directors

Mr. LI Ming (*Chairman*)
Mr. WANG Honghui (appointed on 25 March 2020)
Mr. CUI Hongjie (appointed on 5 June 2020)
Mr. WEN Haicheng (resigned on 5 June 2020)
Mr. SUM Pui Ying (resigned on 25 March 2020)

• Non-executive Directors

Mr. ZHAO Peng
Mr. FU Fei
Mr. HOU Jun (appointed on 14 April 2020)
Ms. LI Liling
Mr. FANG Jun (resigned on 14 April 2020)

• 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 Peng
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

Strategic and Investment Committee

Mr. LI Ming (*Chairman*)
Mr. WANG Honghui (appointed on 25 March 2020)
Mr. FU Fei
Mr. HOU Jun (appointed on 14 April 2020)
Mr. JIN Qingjun
Ms. LAM Sin Lai Judy
Mr. FANG Jun (resigned on 14 April 2020)

Company Secretary

Mr. CHUNG Kai Cheong (appointed on 25 March 2020)
Mr. SUM Pui Ying (resigned on 25 March 2020)

Authorized Representatives

Mr. LI Ming
Mr. CHUNG Kai Cheong (appointed on 25 March 2020)
Mr. SUM Pui Ying (resigned on 25 March 2020)

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.
CMB Wing Lung Bank Limited
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

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

Investor Relations Contact

ir@sinooceangroup.com

LANDBANK DISTRIBUTION

Beijing Region

Beijing, Shijiazhuang, Langfang, Zhangjiakou, Qinhuangdao, Taiyuan

Total GFA: 11,997,000 sq.m.

Total landbank: 10,401,000 sq.m.

No. of projects: **41**

Bohai Rim Region

Tianjin, Dalian, Shenyang, Changchun, Qingdao, Jinan, Yantai

Total GFA: 17,444,000 sq.m.

Total landbank: 9,584,000 sq.m.

No. of projects: **33**

Eastern Region

Shanghai, Hangzhou, Nanjing, Suzhou, Wuxi, Jiaxing, Chuzhou, Changzhou, Taizhou, Shaoxing, Wenzhou, Yangzhou, Xuzhou, Ningbo

Total GFA: 5,836,000 sq.m.

Total landbank: 3,630,000 sq.m.

No. of projects: **41**

Southern Region

Shenzhen, Zhongshan, Guangzhou, Foshan, Zhanjiang, Maoming, Hong Kong, Fuzhou, Xiamen, Zhangzhou, Longyan, Sanya, Haikou

Total GFA: 10,609,000 sq.m.

Total landbank: 6,108,000 sq.m.

No. of projects: **40**

Central Region

Wuhan, Hefei, Zhengzhou, Nanchang

Total GFA: 4,556,000 sq.m.

Total landbank: 3,785,000 sq.m.

No. of projects: **13**

Western Region

Chengdu, Chongqing, Xi'an, Kunming, Guiyang

Total GFA: 4,946,000 sq.m.

Total landbank: 3,840,000 sq.m.

No. of projects: **27**

Other Region

Singapore, Indonesia

Total GFA: 70,000 sq.m.

Total landbank: 70,000 sq.m.

No. of projects: **2**



FINANCIAL & OPERATION HIGHLIGHTS

Six months ended 30 June (unaudited)

(RMB million)	2020	2019	Changes
Contracted sales	41,840	60,080	-30%
Revenue	19,374	16,474	18%
Gross profit	4,470	3,359	33%
Profit for the period	1,979	2,533	-22%
Profit attributable to owners of the Company	1,223	1,875	-35%
Core profit	1,121	1,054	6%
Earnings per share (RMB)			
— Basic	0.161	0.248	-35%
— Diluted	0.161	0.248	-35%
Dividend per share (RMB)	0.056	0.099	-43%
Gross profit margin (%)	23%	20%	3 pts
Net profit margin (%)	10%	15%	-5 pts
Core profit margin (%)	6%	6%	-
Saleable GFA sold ('000 sq.m.)	2,186	2,851	-23%
Saleable GFA delivered ('000 sq.m.)	1,248	1,015	23%

(RMB million)	As at 30 June 2020 (unaudited)	As at 31 December 2019 (audited)	Changes
Total assets	254,072	243,699	4%
Equity attributable to owners of the Company	50,412	49,907	1%
Cash resources ¹	43,739	33,566	30%
Net gearing ratio ² (%)	65%	77%	-12 pts
Landbank ('000 sq.m.)	37,418	37,243	-

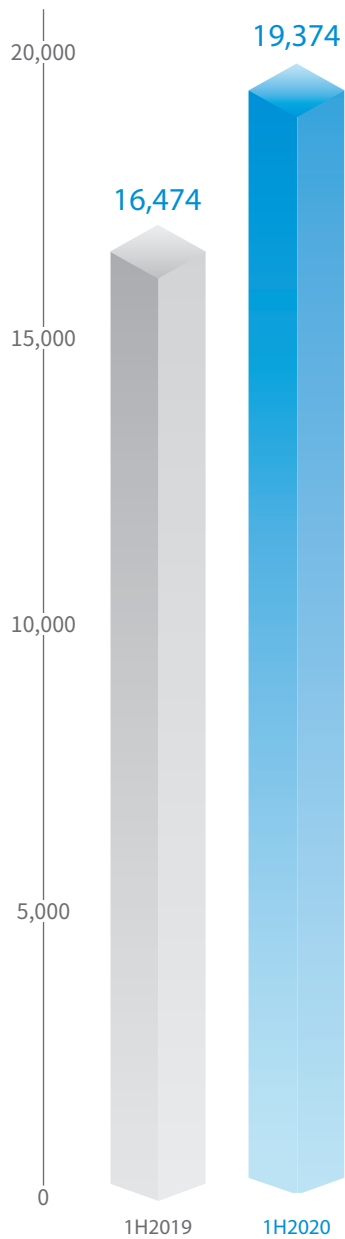
Notes:

¹ Including restricted bank deposits

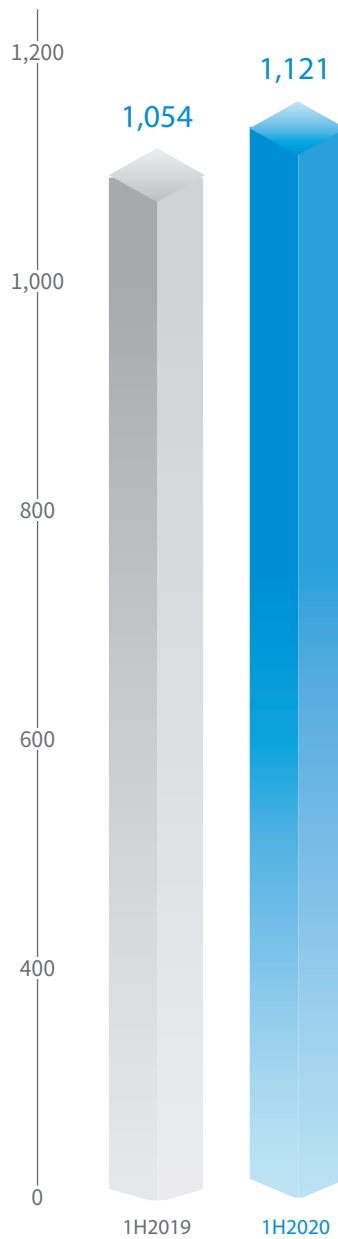
² Total borrowings minus cash resources divided by total equity



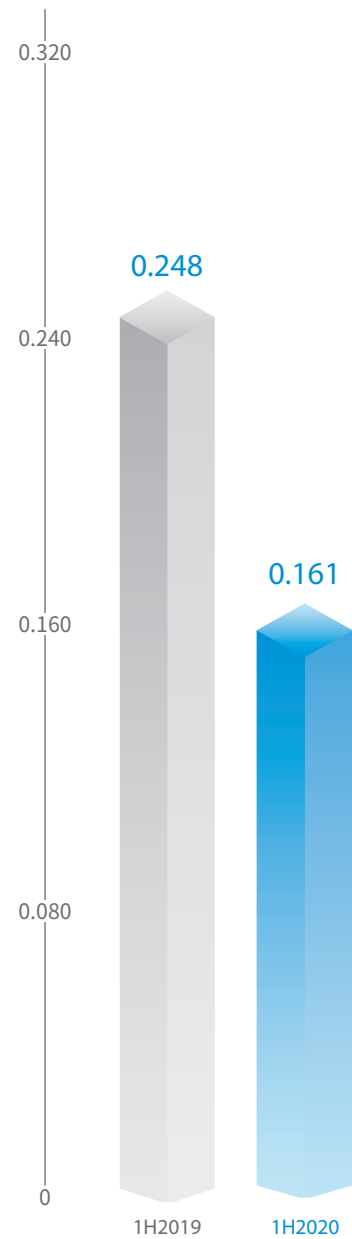
Revenue
(RMB million)



Core profit
(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 unaudited 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 2020.

2020 Interim Results

For the six months ended 30 June 2020, our Group's revenue was RMB19,374 million, representing a year-on-year ("YoY") increase of 18%, gross profit margin was 23%, increased by 3 percentage points as compared to the corresponding period last year and gross profit reached RMB4,470 million. After the adjustments for one-off gain or loss, core profit was RMB1,121 million with 6% increase compared to that of the corresponding period last year, core profit margin remained the same as that of the corresponding period last year at 6%, profit attributable to owners of the Company was RMB1,223 million; earnings per share was RMB0.161.

Market Review and Outlook

In the first half of 2020, the novel coronavirus pandemic caused a major impact on China's economic progress and the world's political economy, pulling the country's GDP down by 1.6% YoY. In the work reports of the National People's Congress and The National Committee of the Chinese People's Political Consultative Conference, the Central Government made it clear that no efforts should be spared in the 'six stabilities' and 'six guarantees'. Proactive fiscal policies should be even more goal-driven, firm monetary policies should be more flexible and applicable to ensure reasonable and ample fund liquidity. Local authorities must also make stabilizing finance, economy and employment their core policies. Policies for the real estate market are for 'overall stability and local optimization'. The Central Government persevered on 'housing for accommodation not speculation' and city-specific policies. Local authorities, while observing 'restricted purchase' and 'restricted lending' as the bottom line, relaxed land-sale

policies accordingly (increased the supply of quality land, allowed payment of land cost to be delayed or by instalment) and adjusted transaction policies of properties (relaxed pre-sale, human resources and provident fund policies) to restore both supply and demand adversely affected by the pandemic.

In the first six months of 2020, GFA of commodity housing sold in China was 694.04 million sq.m., a decline of 8.4% YoY, 3.9% less than the drop from January to May; sales of RMB6,689.5 billion were recorded, down by 5.4% YoY, 5.2% less than the decline in the first five months. Sales volume of commodity housing in January and February nationwide was the lowest in 20 years but started to recover in March with visible increase in both supply and demand. However, there was noticeable differentiation among regions and city tiers. The Yangtze-River Delta region saw faster recovery in both price and transaction volume, as well as demand for upgrading in core cities. During the first six months, total investments in property developments in China increased by 1.9% YoY to RMB6,300 billion, which was 2.2% higher than that for the period from January to May. Benefitting from the relaxation of certain land policies and improved funding of some enterprises, the land market gradually 'defrosted' since February, some cities even had a heated market.

Competition in the industry was still fierce despite the pandemic. Benchmark property enterprises launched projects quickly through innovative strategies to satisfy demands. However, stringent regulation on real estate finance continued and enterprises were still under the pressure of funds. As the market perked up, all the enterprises lost no time and spared no efforts in pushing new projects to encourage cash collection. In addition, the industry recognizes that there are unlikely market booms in the future. Players need to 'cultivate a vast area for a modest return', to improve on net profit, consolidate the basics and upgrade products and services continually.

In the latter half of the year, macro-economy in China is still under significant pressure due to the pandemic and the complicated, ever-changing international economic situation. Domestic finance is expected to remain relatively relaxed and liquidity reasonably ample. Real estate policies will remain 'stabilisation' overall and local authorities, though not adopting new restrictive measures, will not lift all controls on the market either. At the same time, the progression of modern urbanization and regional development, optimization of market-oriented land configurations and accelerated rejuvenation of old communities are favorable to the property industry in the medium and long term. The market is expected to continue to differentiate in the next half of the year. Customers will gravitate towards better cities, better sectors and better products. Major sectors are capable of higher risk resistance and quality products are preferred. As city differentiation continues, core cities that have a sound industrial basis, capacity for population growth and a high degree of marketization are expected to perform even better. Benchmark enterprises are expected to direct resources towards major cities and sectors. They will also focus on building a powerful team.

Business Review and Strategies

It is the commencement of the full implementation of the Group's fifth phase of strategic development in 2020. When the pandemic broke out, the Group immediately initiated all precautionary measures and at the same time deployed steadfastly according to the fifth phase of strategic development. We upheld the principle of 'focus and empower' as we rolled out various business tasks, focused on residential development, growth and the Group's interests; empowered business, frontline and core personnel. United and determined, the Group overcame challenging situations to move to a new stage of development.

• Focused on quality and scale of residential development, consolidated the '4+8' system

In the first six months, the Group achieved accumulated contracted sales of RMB41.84 billion, accumulated GFA sold was 2.186 million sq.m., contracted sales in June alone

exceeded RMB10 billion. Both revenue, gross profit, gross profit margin and cash collection rate rose YoY, indicating a marked improvement in sales quality. In January and February when sales were hard hit by the pandemic, the Group responded swiftly by mobilizing all resources and pushing ahead efforts across the board. As sales offices were closed, on-line purchase apps filled the gap. When permitted, construction resumed with full force and resources were precisely allocated to resolve the risks associated with supply and completion. As a result, supply in the first half of the year was completed a month earlier than the target date, and sales of 12 projects were delivered ahead of set date. In the next six months, the Group will continue to focus on residential development, growth and the Group's interests, building 'major markets, major teams, major products', grasping opportunities to raise sales quality, speed up turnover and cash collection, revitalize assets and reinforce goal management to ensure achievement of yearly results as targeted.

In 2019, the Group pushed ahead with streamlining of management, formulated the project and business-oriented '4+8' system which delivered perceptible results in improved efficiency in operating decisions and quality. During the first six months, the Group consolidated the '4+8' system, raising capabilities of all business departments and awareness of finance, operation and goals among project heads. The core teams' capabilities were enhanced and their professional circle more productive. As their proactiveness and combat were fully mobilized and encouraged, frontline staff vigorously raised standards and efficiency, producing some superb projects like Ocean Crown (Qingdao) and Scenery Mansion (Wuxi). The Group also intensified streamlining in operation and exerted strict cost control. The selling and marketing expenses, administrative expenses and finance cost accounted for 11.3% of total revenue for the first six months, which were down by more than 2 percentage points as compared to the first half of 2019. In the next half of the year the Group will continue to consolidate and perfect the '4+8' system, implement the current tried and tested work mindset and this year's work theme, and further streamline management to lay a solid base for our strategic vision and target.

• Solidly advanced strategies in the fifth phase, planned rationally in penetrated city clusters

This is the first year of full implementation of the Group's fifth phase strategic development. Taking into consideration the analysis of domestic policies, supply and demand, and benchmarking industry trend in developed countries, the Group expects that the residential market will be stable in the short and medium term. In the long term, the stock of residential properties will expand and the non-residential sector will continue to grow. Based on this judgement, the Group adopts the positioning of 'a conglomerate whose principal business is residential development that also develops related diversified businesses'. We 'focus on major markets, refine our products and build a strong team' to devote ourselves on residential development to pursue high caliber growth. In the medium to long term, we will raise key capabilities in the development business and diversified businesses, putting emphasis on crafting excellence and nurturing teamwork. As regards regional planning of our principal business, in combination with the state's expedition of regional development, the deeper and collaborative development in Beijing-Tianjin-Hebei, the infrastructure building in the Guangdong-Hong Kong-Macao Greater Bay Area, the integrated development in the Yangtze River Delta and the proposed dual-city economic circle of Chengdu and Chongqing, the Group will take advantage of its solid position in the core districts of Beijing-Tianjin-Hebei to drive 'the south and west' strategy.

During the first six months, in accordance with the fifth phase of strategic development the Group made a series of regional adjustments, including the setting up of development business departments in Bohai Rim, Beijing and Western China. A framework of development comprising Beijing, Bohai Rim, Eastern, Southern, Central and Western China was thus established. In the next six months, the Group will use an even more rational format to focus on the regions and penetrate major markets, expand scale, secure position, raise quality and efficiency, and optimize assets and resource allocation.

In the first half of the year, in accordance with the fifth phase of strategic development to satisfy market demands, the Group allocated investment resources appropriately by moving to 'the south and west' (focusing on city clusters

along the Yangtze-River Delta and the Pearl River Delta, and core cities and their metropolitan areas in the central and western regions), selected new cities and projects discerningly and prioritized quality. During the first six months, the Group acquired 18 projects in 15 cities and contributed approximately 2.01 million sq.m. to our land resources, all of which were located in major penetrated cities in tier one and tier two cities and the GFA acquired in 'the south and west' was 72% of total. The Group will pursue the same strategic planning in the rest of the year. Upholding our investment criteria, we will continue to build up land bank with superior plots in the penetrated city clusters of the Yangtze River Delta and the Pearl River Delta, and core cities in the central and western regions, thus establishing a solid base for the Group's high value and sustainable growth.

• Maintained a healthy financial position, maintained international investment grade rating

During the period, the Group made huge efforts in improving cash flow, optimizing asset structure and loan structure, and cutting net gearing ratio and finance cost to ensure a stable and healthy financial position. On 14 January 2020, the Group issued a total of USD400 million 10-year offshore guaranteed notes at 4.75%, successfully securing a low cost issue for 10 years in a window under exceptionally volatile conditions. On 24 April 2020, the Group again issued private placement note for a total of RMB2 billion, 3-year maturity at 3.35%, a record low cost. On 10 April 2020, the Group received a reserve credit of RMB2 billion from the asset-backed facilities in Shanghai Stock Exchange for accounts receivables, and on 29 April 2020 issued the first tranche of accounts receivable asset-backed facilities for RMB327 million at a coupon rate of 3%, the lowest among the same product during that period. Net gearing ratio as at 30 June 2020 was 65%, which decreased by 12 percentage points as compared to that as at 31 December 2019. On the other hand, cost of funding in the first half of the year was about 5.14%, compared to 5.43% in the corresponding period of 2019 it dropped 0.29 percentage point and remained at the low end. In the latter half of the year, the Group will make our best efforts to secure the international investment grade rating, keep a tight grip on finance cost, drive quality growth in residential development and related businesses.

• Reinforced the concept of healthy buildings, enriched products with healthy contents

In implementing 'Building • Health', the Group endeavored to implant the elements of 'health' in products to enhance the quality of human living. In 2020, the Group continued to pursue the WELL standards. To date, Sino-Ocean Aristocratic Family (Guiyang), Oriental World View (Wuhan) and Yanyangtian Project, Jiang'an District (Wuhan) are WELL certified. At the same time, Vision Building F1 in Ocean International Center was certified WELL silver-class, a result of exploring and practicing health by successful adaptation of office space in operation. Since the release of 'Sino-Ocean Healthy Building System 1.0' in 2018, the Group has kept up with efforts in updating and full application of the system, conducted in-depth studies of the correlation of medicine, health and our nationals' living habits. At the beginning of the year, the Group released 'Sino-Ocean Healthy Building System 1.1'. To date, the system has been applied in some 14 million sq.m. in over 80 projects within the Group. As a result of the pandemic, people have become more concerned about the health and habitable attributes of residential and public spaces. The Group will continue to prioritize 'health' as a fundamental, to study, promote and practise all aspects of health to upgrade product quality and competitiveness.

• Related businesses capabilities were raised, residential development achieved target

In the first six months, the pandemic caused a serious blow to most commercial activities. The Group's real estate development business took steps to handle the adversity. Projects under construction broke new record in work progress and management was further streamlined, thus facilitating residential development in terms of resource disposal, project development, customer study and product research, and ensuring its results and high caliber growth.

Always customer-oriented and offering the best services, the Group's property management business was rewarded with higher satisfaction rating, management fees chargeable rate and revenue. During the period, the Group's subsidiary Ocean Homeplus ranked 13th and a growth leader in the '2020 China's Top 100 Property Service Companies' selected by the China Index Academy.

In the latter half of the year, the Group will continue to build up the capabilities of related diversified businesses, encourage further collaboration of the operating mechanism with the principal business, boost synergy and elevate its efficiency. In accordance with the 'medium assets' positioning set in the fifth phase of strategic development, real estate development will further streamline capabilities in operation, asset management, cost control and asset disposal; build major markets, major teams and major products; raise core competitiveness and strengthen brand influence. The property management sector will remain customer-oriented and always offer superb services, lift standards in services, operation management and cost control, and to empower and assist residential development.

• Appreciation

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, 17 August 2020






MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

• Revenue

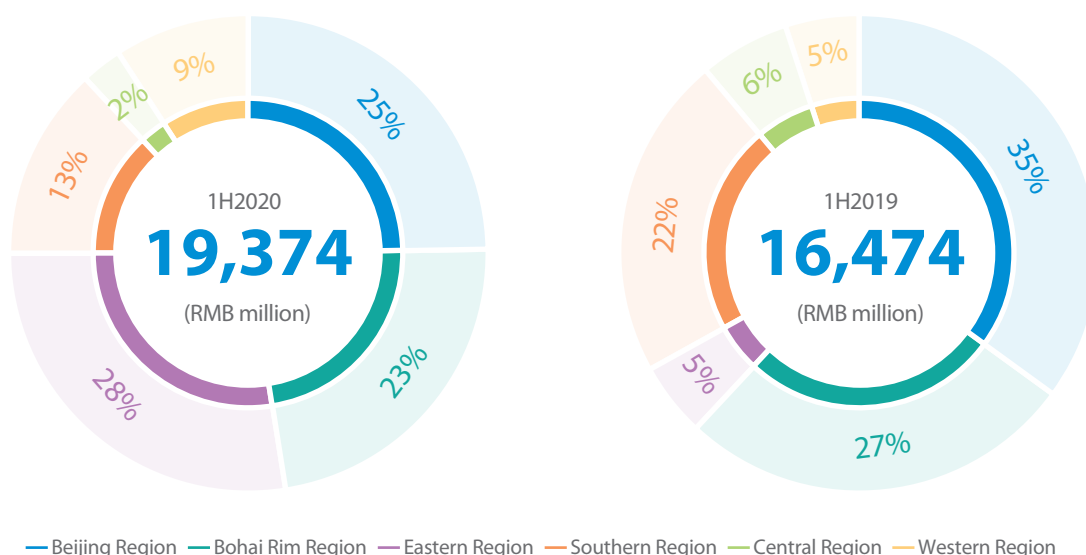
The components of the revenue are analyzed as follows:

(RMB million)

	1H 2020	1H 2019	Changes
 Property development	16,107	12,744	26%
 Property investment	270	306	-12%
 Property management and related services	741	709	5%
 Other real estate related businesses	2,256	2,715	-17%
 Total	19,374	16,474	18%

The revenue of Sino-Ocean Group Holding Limited ("Sino-Ocean Group" or the "Company") and its subsidiaries (together referred to as "our Group", the "Group" or "We") in the first half of 2020 was RMB19,374 million, representing a 18% increase as compared to RMB16,474 million in the first half of 2019. The property development segment remained the largest contributor which accounted for approximately 83% of the Group's total revenue. The Group pursues the 'south and west' strategic planning. During the first half of 2020, 62% of revenue from property development was contributed by Eastern, Southern, Central and Western Regions (first half of 2019: 47%). 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

In line with the increase in the recognised sales of property development, the Group's total cost for the period increased to RMB14,904 million accordingly (first half of 2019: RMB13,115 million).

The Group's total cost of sales was mainly the cost of property development, which mainly consisted of land cost and construction cost.

Excluding car parks, average land cost per sq.m. of property development business during the period increased to approximately RMB5,800 compared to RMB4,400 in the first half of 2019. The increase was mainly because less resettlement housing projects, which are having relatively lower land costs, were delivered in the first half of 2020. Average construction cost per sq.m. (excluding car parks) for property development business increased to approximately RMB5,300 as compared to RMB5,000 in the first half of 2019. The increase in average construction cost was mainly due to less resettlement housing projects with lower construction cost delivered during the first half of 2020.

• Gross profit

Gross profit for the period was RMB4,470 million, representing an increase of 33% as compared to the corresponding period in 2019. Gross profit margin increased to approximately 23% (first half of 2019: 20%). The increase in gross profit margin was mainly due to the higher average selling price of properties recognised for the period compared to that of the corresponding period in 2019.

• Interest and other income and other gains (net)

Interest and other income for the six months ended 30 June 2020 decreased by 8% to RMB1,380 million (first half of 2019: RMB1,507 million). Such decrease was mainly due to the decrease in investment income from financial assets in the first half of 2020.

The Group recorded other gains (net) of RMB124 million for the period (first half of 2019: other gains (net) of RMB573 million). Other gains (net) for the first half of 2020 mainly comprised the net effect of fair value gains of financial assets and liabilities at fair value through profit or loss, exchange losses and losses on disposal of financial assets at fair value through profit or loss. The decrease in other gains (net) during the first half of 2020 was mainly due to the gains on disposal of interests in subsidiaries during the first half of 2019.

• Revaluation of investment properties

Due to the adverse impact caused by the novel coronavirus epidemic, the Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB23 million for the first half of 2020 (first half of 2019: fair value gains of RMB375 million).

• Operating expenses

Selling and marketing expenses for the first half of 2020 was RMB469 million (first half of 2019: RMB467 million), maintained at the same level as the corresponding period in 2019. These costs accounted for approximately 1.1% of the total contracted sales amount for the first half of 2020 (first half of 2019: 0.8%). It mainly reflected that the Group put more resources in its sales and marketing activities during the first half of 2020.

Under the Group's strict cost control policy, administrative expenses for the first half of 2020 decreased to RMB750 million (first half of 2019: RMB862 million), representing 3.9% of the total revenue for the first half of 2020 (first half of 2019: 5.2%). 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 decreased from 5.43% for the first half of 2019 to 5.14% for the first half of 2020. As we obtained financing resources at a lower cost during the first half of 2020, the total interest expenses paid or accrued for the period decreased to RMB2,338 million (first half of 2019: RMB2,637 million), of which RMB962 million (first half of 2019: RMB912 million) was not capitalized and charged through condensed consolidated income statement.

• Taxation

The aggregate of enterprise income tax and deferred tax increased by 11% to RMB1,365 million for the first half of 2020 (first half of 2019: RMB1,229 million), with an effective tax rate of 41% (first half of 2019: 33%). The increase in effective tax rate was mainly due to the decrease of the share of profit from joint ventures and associates during the first half of 2020, which affected the calculation basis. Excluding the impact from this factor, the effective tax rate was stable. In addition, land appreciation tax for the first half of 2020 decreased to RMB653 million (first half of 2019: RMB733 million).

• Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased by 35% to RMB1,223 million in the first half of 2020, as compared to RMB1,875 million for the corresponding period last year, which was mainly due to the decrease of profit from non-core businesses, like fair value gains on investment properties and gains on disposal of interests in subsidiaries during the first half of 2020. Benefitting from the increase of the gross profit margin, the Group's core profit for the first half of 2020 increased by 6% to RMB1,121 million (first half of 2019: RMB1,054 million). 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 borrowings are set out as follows:

(RMB million)	As at 30 June 2020	As a percentage of total borrowings	As at 31 December 2019	As a percentage of total borrowings
Within 1 year	22,040	25%	9,295	11%
1 to 2 years	23,865	28%	29,766	35%
2 to 5 years	23,806	27%	29,580	35%
Over 5 years	17,690	20%	15,266	19%
Total	87,401	100%	83,907	100%

During the first half of 2020, 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 USD400 million, private placement note of RMB2,000 million and accounts receivables asset-backed facilities from Shanghai Stock Exchange of RMB327 million in the first half of 2020. We are committed to managing the borrowings at an appropriate level. The Group's borrowings increased from RMB83,907 million as at 31 December 2019 to RMB87,401 million as at 30 June 2020. Approximately 52% of the Group's total borrowings were denominated in Renminbi and the remaining were denominated in HKD and USD. Approximately 69% of the Group's borrowings were at fixed interest rate.

As at 30 June 2020, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB43,739 million. The majority of our cash resources were denominated in Renminbi. The current ratio was 1.61 times. Together with the unutilized credit facilities of approximately RMB227,404 million, the Group is confident with its liquidity. We have ample financial resources and an adaptable financial management policy to support our business expansion in the coming years.

The Group maintained financial soundness with net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) of approximately 65% as at 30 June 2020 (31 December 2019: approximately 77%). Given that the Group had cash resources of RMB43,739 million, we are satisfied with our current gearing position. And we will strive the net gearing ratio to remain relatively stable in 2020 in order to maintain the Group's overall financial healthiness.

• Other investments

As at 30 June 2020, the Group owned a diversified investment portfolio, such as investments in joint ventures and associates for property development projects, investments in property funds, financial derivatives for hedging purposes, equity and debt financial investments in real estate area.

The results of the above investments have been properly reflected in the unaudited interim financial information for the six months ended 30 June 2020.



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

As at 30 June 2020, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB12,724 million (31 December 2019: RMB9,595 million).

During the first half of 2020, 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 RMB579 million (31 December 2019: RMB669 million) and long-term bank loans of RMB2,315 million (31 December 2019: RMB1,514 million). As at 30 June 2020, total pledged assets accounted for approximately 5% of the total assets of the Group (31 December 2019: 7%).

• Capital commitments

The Group entered into certain agreements in respect of land acquisition and property development. As at 30 June 2020, the Group had a total capital commitment of RMB10,305 million (31 December 2019: RMB8,434 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 2020, the total amount of the aforesaid guarantees provided by the Group was RMB12,724 million (31 December 2019: RMB9,595 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.

Business Review

• Property development

1. Recognized sales

Revenue from property development segment increased by 26% in the first half of 2020 to RMB16,107 million as compared to RMB12,744 million for the corresponding period in 2019. Saleable GFA delivered increased by 23% from approximately 1,015,000 sq.m. in the first half of 2019 to approximately 1,248,000 sq.m. in the first half of 2020. Excluding car park sales, the average selling price recognized in the first half of 2020 increased to approximately RMB15,000 per sq.m. (first half of 2019: RMB13,600 per sq.m.). The increase was mainly due to more resettlement housing projects delivered during the first half of 2019.

Revenue and saleable GFA delivered by cities during the first half of 2020 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)
Beijing Region	Beijing	1,170	16,721	70,000
	Shijiazhuang	98	9,408	10,400
	Qinhuangdao	642	29,641	21,700
		1,910	55,770	34,200
Bohai Rim Region	Tianjin	1,740	91,178	19,100
	Dalian	58	6,767	8,600
	Shenyang	1,606	169,814	9,500
	Qingdao	70	6,283	11,100
	Yantai	283	22,525	12,600
		3,757	296,567	12,700
Eastern Region	Shanghai	71	2,276	31,200
	Hangzhou	588	19,763	29,800
	Nanjing	1,945	164,359	11,800
	Suzhou	149	8,478	17,600
	Wuxi	147	9,512	15,500
	Jiaxing	1,971	133,400	14,800
	Changzhou	105	7,880	13,300
	Taizhou	111	5,318	20,900
	Wenzhou	98	4,512	21,700
		5,185	355,498	14,600

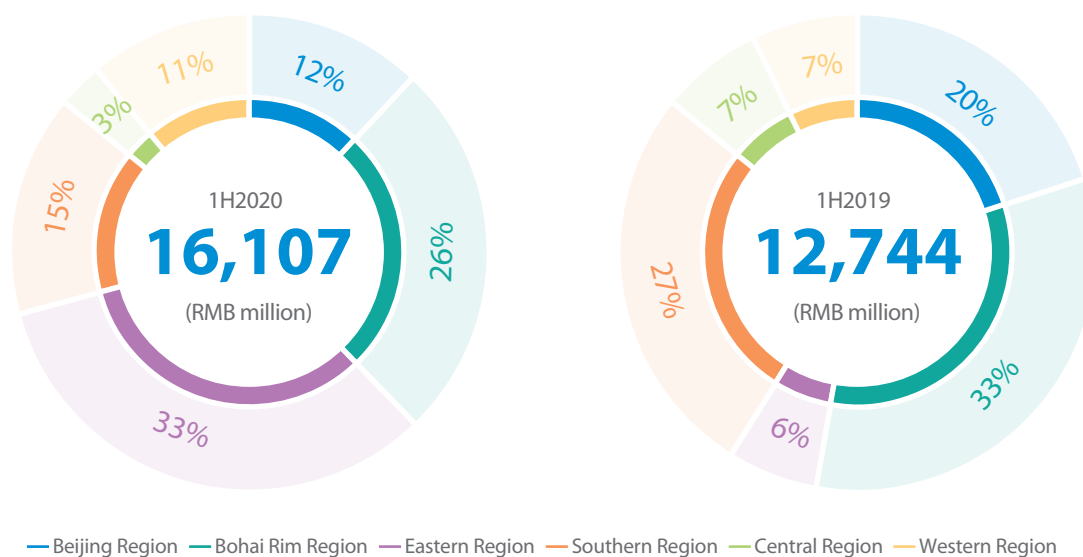
Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)
Southern Region	Shenzhen	1,834	28,568	64,200
	Zhongshan	28	3,074	9,100
	Foshan	20	1,765	11,300
	Zhangzhou	420	61,088	6,900
		2,302	94,495	24,400
Central Region	Wuhan	101	6,452	15,700
	Hefei	294	29,929	9,800
	Changsha	66	4,366	15,100
		461	40,747	11,300
Western Region	Chengdu	30	3,938	7,600
	Chongqing	1,302	115,539	11,300
	Kunming	416	58,186	7,100
		1,748	177,663	9,800
	Other projects	11	1,763	6,200
Subtotal (excluding carparks)		15,374	1,022,503	15,000
Carparks (various projects)		733	225,498	3,300
Total		16,107	1,248,001	12,900



Phase II, Ocean Epoch (Beijing)

During the first half of 2020, the Group's total revenue from property development business for Beijing Region decreased to 12% as compared to 20% for the corresponding period in 2019. Meanwhile, the Group developed a more balanced mix of contribution from the six regions 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

As a result of the novel coronavirus epidemic, the Group's contracted sales (including its joint ventures and associates) during the six months ended 30 June 2020 amounted to RMB41,840 million, representing an approximately 30% decrease as compared to RMB60,080 million from the corresponding period in 2019. GFA sold for the first half of 2020 decreased by 23% to 2,185,700 sq.m. (first half of 2019: 2,850,900 sq.m.). Excluding car park sales, the average selling price decreased by approximately 6% to RMB20,600 per sq.m. (first half of 2019: RMB21,900 per sq.m.).

In terms of distribution, there were over 170 projects available for sale during the first half of 2020 (first half of 2019: over 130 projects). Contracted sales from tier-one and tier-two cities accounted for over 90% (first half of 2019: over 90%).

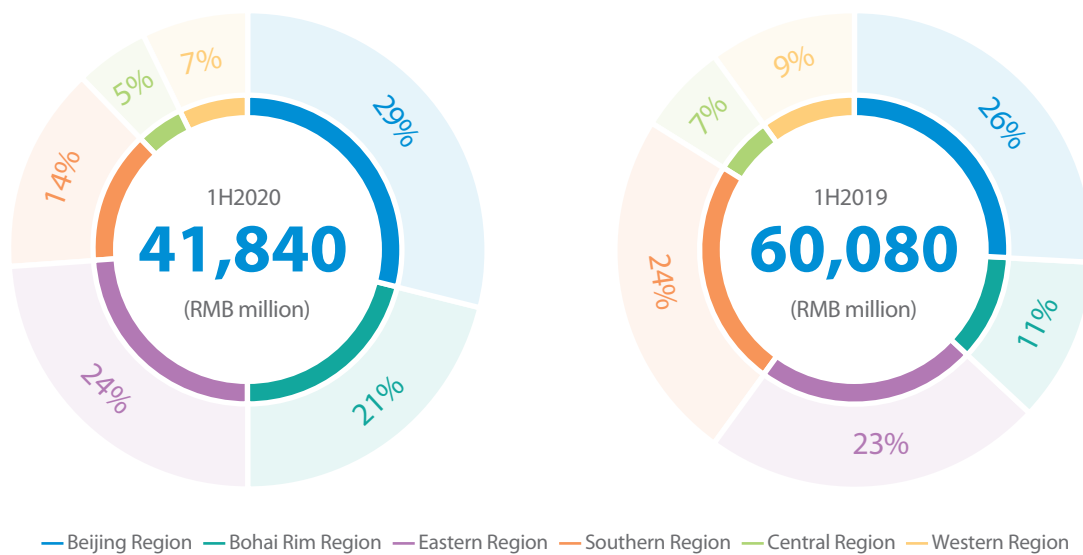
The contracted sales amounts and saleable GFA sold by cities during the first half of 2020 are set out as follows:

Regions	Cities	Contracted Sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Beijing Region	Beijing	8,913	207,400	43,000
	Shijiazhuang	456	31,800	14,300
	Langfang	411	23,300	17,600
	Zhangjiakou	118	13,100	9,000
	Qinhuangdao	1,558	80,000	19,500
	Taiyuan	529	48,700	10,900
		11,985	404,300	29,600
Bohai Rim Region	Tianjin	3,899	249,200	15,600
	Dalian	814	43,000	18,900
	Shenyang	218	20,600	10,600
	Qingdao	2,378	66,200	35,900
	Jinan	1,151	81,700	14,100
	Yantai	53	3,700	14,300
		8,513	464,400	18,300
Eastern Region	Shanghai	1,199	33,500	35,800
	Hangzhou	4,923	147,200	33,400
	Nanjing	335	27,000	12,400
	Suzhou	1,324	65,300	20,300
	Wuxi	829	56,200	14,800
	Jiaxing	397	31,200	12,700
	Chuzhou	15	1,800	8,300
	Changzhou	37	2,600	14,200
	Taizhou	127	4,000	31,800
	Shaoxing	233	11,100	21,000
	Wenzhou	216	6,300	34,300
		9,635	386,200	24,900

Regions	Cities	Contracted Sales (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)
Southern Region	Shenzhen	1,199	20,500	58,500
	Zhongshan	738	82,300	9,000
	Guangzhou	862	43,500	19,800
	Foshan	490	42,400	11,600
	Zhanjiang	448	51,900	8,600
	Maoming	52	10,500	5,000
	Hong Kong	31	200	155,000
	Fuzhou	674	53,400	12,600
	Xiamen	594	15,000	39,600
	Zhangzhou	16	2,100	7,600
	Longyan	325	31,500	10,300
		5,429	353,300	15,400
Central Region	Wuhan	1,531	64,500	23,700
	Hefei	201	18,400	10,900
	Zhengzhou	165	20,300	8,100
	Changsha	48	5,700	8,400
	Nanchang	214	20,700	10,300
		2,159	129,600	16,700
Western Region	Chengdu	816	49,600	16,500
	Chongqing	292	20,800	14,000
	Xi'an	1,651	137,800	12,000
	Kunming	98	9,600	10,200
	Guiyang	134	12,300	10,900
		2,991	230,100	13,000
	Other projects	216	23,000	9,400
Subtotal (excluding carparks)		40,928	1,990,900	20,600
Carparks (various projects)		912	194,800	4,700
Total		41,840	2,185,700	19,100



Contracted sales amounts by geographical locations are analyzed below:



3. Landbank and construction progress

The Group's total GFA and total saleable GFA (including its joint ventures and associates) completed in the first half of 2020 were approximately 615,000 sq.m. and 480,000 sq.m., decreasing by 56% and 58% respectively as compared to the corresponding period in 2019 and completed approximately 25% of this year's construction target, as a result of the suspension of construction work in the first half of the year caused by the outbreak of the novel coronavirus epidemic. We will maintain our construction target of 2020 in order to have enough GFA available for sale and for delivery to achieve our target in 2020 and support our growth in 2021.

As at 30 June 2020, the landbank of the Group (including its joint ventures and associates) slightly increased to 37,418,000 sq.m. (As at 31 December 2019: 37,243,000 sq.m.); and landbank with attributable interest also slightly increased to 20,163,000 sq.m. (As at 31 December 2019: 20,119,000 sq.m.). During the first half of 2020, we acquired 16 plots of land and 2 developed projects, of which the total GFA and attributable interest GFA were approximately 2,014,000 sq.m. and 1,171,000 sq.m., respectively. The average acquisition cost per sq.m. of the newly acquired land plots for residential development was RMB11,200. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 30 June 2020 was approximately RMB7,800 (As at 31 December 2019: RMB7,500).

Details of the newly acquired land plots during the first half of 2020 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 (%)
Landbank				
Shijiazhuang	Family Park, Phase II	84	43	51.00%
Tianjin	Sino-Fusion Baodi Logistics Park	32	16	49.00%
Jinan	Sino-Ocean Metropolis	379	229	60.31%
Hangzhou	Xiangfu Plot, Gongshu District	44	22	51.00%
Hangzhou	Xixi Mansion	395	395	100.00%
Suzhou	Zhangjiagang Logistics Project	59	10	16.66%
Wenzhou	Harbor Heart	87	87	100.00%
Ningbo	Sino-Fusion Yuyao Simen Logistics Park	56	16	28.21%
Fuzhou	East Bay Upgrade	51	17	33.50%
Wuhan	Dongxihu Logistics Project	47	13	28.21%
Wuhan	Huazhong Big Data Industrial Park	89	44	49.00%
Zhengzhou	Ocean Landscape Courtyard	204	112	55.00%
Chengdu	Qingbaijiang Internet Data Center	193	46	24.01%
Chongqing	Liangjiang New Town Internet Data Center	40	20	49.00%
Xi'an	Sino-Ocean Jinghe New Town Internet Data Center	60	29	49.00%
Indonesia	Alam Sutera Project	66	18	28.00%
Subtotal		1,886	1,117	
Developed Projects				
Shanghai	H88 Yuehong Plaza	62	22	35.78%
Suzhou	Wangting Logistics Project	66	32	49.00%
Total		2,014	1,171	

The landbank by stages of development as at 30 June 2020 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	20,930	15,868	2,890
Properties under development	27,063	20,365	27,063
Properties held for future development	7,465	5,811	7,465
Total	55,458	42,044	37,418

The landbank details of the Group and its joint ventures and associates as at 30 June 2020 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 Region	Beijing	26 Block	Shunyi District, Beijing	249	223	157	23.00%
		Anzhen Project	Chaoyang District, Beijing	46	–	46	17.71%
		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%
		Gold Mansion	Daxing District, Beijing	118	99	118	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%
		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	18	100.00%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	53	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	165	75.00%
		Ocean Rayzone	Fengtai District, Beijing	441	331	441	17.25%
		Ocean Shinkong Center	Tongzhou District, Beijing	479	334	379	50.00%
		Ocean Wulieepoch	Shijingshan District, Beijing	595	458	595	21.00%
		Our New World	Fangshan District, Beijing	109	91	16	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Royal River Villa	Chaoyang District, Beijing	132	118	132	20.00%
		Senior Living L'Amore	Shunyi District, Beijing	49	–	49	60.00%
		The CBD's Private Palace	Daxing District, Beijing	436	383	71	100.00%

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 (%)
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	230	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	300	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	100.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	50.07%
				6,631	5,224	5,212	
	Shijiazhuang	Ande Life Memorial Park	Jingxing County, Shijiazhuang	18	3	18	40.00%
		Chang'an District Redevelopment Project	Chang'an District, Shijiazhuang	363	268	361	30.70%
		Family Park	Chang'an District, Shijiazhuang	132	108	132	51.00%
		Family Park, Phase II	Chang'an District, Shijiazhuang	84	66	84	51.00%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	152	47.94%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	115	20.00%
		Vigorous Mansion	Chang'an District, Shijiazhuang	228	171	220	51.00%
				1,092	859	1,082	
	Langfang	Canal Bay	Xianghe County, Langfang	269	180	269	20.00%
		Sino-Ocean Brilliant Courtyard	Guangyang District, Langfang	1,897	954	1,897	38.00%
				2,166	1,134	2,166	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	203	60.00%
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,271	100.00%
	Taiyuan	Ocean Seasons	Wanbailin District, Taiyuan	308	254	308	90.00%
		Sino-Ocean Oriental Mansion	Yingze District, Taiyuan	105	81	105	80.00%
		Villa Epoch	Yangqu County, Taiyuan	54	34	54	44.00%
				467	369	467	
				11,997	8,992	10,401	
Bohai Rim Region	Tianjin	Beichen Logistics Project	Beichen District, Tianjin	124	–	124	14.19%
		Boda Logistics Project	Wuqing District, Tianjin	285	–	285	24.50%
		Elegant Prestige	Jinnan District, Tianjin	285	194	32	25.00%
		Happy Light Year	Wuqing District, Tianjin	504	317	504	49.98%
		Longfor Mansion	Jinnan District, Tianjin	227	171	100	33.00%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	2,828	51.00%
		Ocean City	Binhai New Area, Tianjin	2,137	1,929	41	100.00%

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 (%)
		Ocean Epoch	Binhai New Area, Tianjin	35	25	25	100.00%
		Ocean Great Harmony	Xiqing District, Tianjin	350	290	47	100.00%
		Ocean Inside	Binhai New Area, Tianjin	183	176	45	60.00%
		Ocean Prospect	Dongli District, Tianjin	321	309	50	100.00%
		Royal River	Wuqing District, Tianjin	349	333	27	100.00%
		Sino-Fusion Baodi Logistics Park	Baodi District, Tianjin	32	–	32	49.00%
		Sino-Ocean Brilliant Courtyard	Binhai New Area, Tianjin	675	488	271	64.28%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	340	42.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	42.86%
				9,288	7,367	4,936	
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	1,071	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	189	51.00%
		Ocean The Piedmont Epoch	Lushunkou District, Dalian	68	46	68	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	157	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				5,614	4,653	2,885	
	Shenyang	Grand Canal Milestone	Shenhe District, Shenyang	382	257	8	100.00%
		The Mountain Echo	Hunnan District, Shenyang	212	169	26	100.00%
				594	426	34	
	Changchun	Orient Palace	Nanguan District, Changchun	73	60	73	20.00%
	Qingdao	Ocean Crown	Fushan New District, Qingdao	125	95	125	59.50%
		Ocean Great Harmony	Shibei District, Qingdao	377	270	377	43.00%
		Ocean Royal City	Jiaozhou City, Qingdao	333	269	140	75.00%
				835	634	642	
	Jinan	Ocean Epoch	Lixia District, Jinan	390	371	390	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	228	22.04%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	379	60.31%
				997	816	997	
	Yantai	Sino-Ocean Donglai County	Laishan District, Yantai	43	42	17	100.00%
				17,444	13,998	9,584	

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 (%)
Eastern Region	Shanghai	Chongming Dongtan Project	Chongming District, Shanghai	1,072	672	833	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	23	100.00%
		Ocean Melody	Pudong New Area, Shanghai	323	279	55	100.00%
		Wellness Masterpiece	Qingpu District, Shanghai	49	41	49	50.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	35.42%
				1,557	1,037	1,014	
	Hangzhou	Canal Business Center Project	Gongshu District, Hangzhou	609	292	10	60.00%
		Jiulongwan Project	West Lake District, Hangzhou	20	–	20	100.00%
		Neo 1	Gongshu District, Hangzhou	43	40	43	50.00%
		Ocean River Masterpiece	Yuhang District, Hangzhou	107	73	13	51.00%
		Sino-Ocean Native Place	Xiaoshan District, Hangzhou	68	41	5	100.00%
		Xiangfu Plot, Gongshu District	Gongshu District, Hangzhou	44	33	44	51.00%
		Xixi Mansion	Yuhang District, Hangzhou	395	285	368	100.00%
				1,286	764	503	
	Nanjing	Ocean Landscape	Jiangning District, Nanjing	147	121	40	70.00%
		Ocean Seasons	Lishui District, Nanjing	234	184	78	100.00%
		Sino-Ocean Tangyue Landscape	Liuhe District, Nanjing	54	52	36	100.00%
				435	357	154	
	Suzhou	Easy Town	Huqiu District, Suzhou	104	85	104	16.50%
		Kunshan Yushan Logistics Project	Kunshan City, Suzhou	62	–	62	16.66%
		Mansion Yue	Wujiang District, Suzhou	150	147	150	70.00%
		Ocean Melody	Taichang City, Suzhou	105	77	97	34.00%
		Rocker Park	Huqiu District, Suzhou	240	198	240	30.00%
		Shaxi Logistics Project	Taichang City, Suzhou	56	–	56	16.66%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	68.75%
		The Lake Garden	Wujiang District, Suzhou	113	79	21	34.00%
		Zhangjiagang Logistics Project	Zhangjiagang City, Suzhou	59	–	59	16.66%
				938	586	838	
	Wuxi	Scenery Mansion	Yixing City, Wuxi	109	79	109	100.00%
		Taihu Milestone (formerly known as Yuqin Project)	Xinwu District, Wuxi	116	93	7	80.00%
				225	172	116	

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%
		Lakeside Wonderland	Xiuzhou District, Jiaxing	134	124	31	33.00%
		Ocean Lake Mansion	Haining City, Jiaxing	95	91	28	100.00%
		Pinghu Logistics Project	Pinghu City, Jiaxing	72	–	72	16.10%
		Ultimate Joy Mansion	Jiashan County, Jiaxing	122	106	18	30.00%
		Zhapu Logistics Center	Pinghu City, Jiaxing	44	–	44	27.82%
				576	394	302	
	Chuzhou	Ocean Mansion	Chahe Town, Chuzhou	108	82	108	100.00%
	Changzhou	Sky Peninsula	Yanshan New Area, Changzhou	101	99	34	40.00%
	Taizhou	Mansion	Jiaojiang District, Taizhou	79	65	62	40.00%
	Shaoxing	Ocean Yue Masterpiece	Keqiao District, Shaoxing	93	93	93	100.00%
	Wenzhou	Harbor Heart	Ouhai District, Wenzhou	87	66	87	100.00%
		Ocean Century Mansion	Longwan District, Wenzhou	153	107	121	100.00%
				240	173	208	
	Yangzhou	Grand Canal Milestone	Guangling District, Yangzhou	56	43	56	89.00%
	Xuzhou	Jiawang Industrial Park	Jiawang District, Xuzhou	86	–	86	27.82%
	Ningbo	Sino-Fusion Yuyao Simen Logistics Park	Yuyao City, Ningbo	56	–	56	28.21%
				5,836	3,865	3,630	
Southern Region	Shenzhen	Lishan Project	Nanshan District, Shenzhen	156	70	156	60.00%
		Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	145	84.70%
		Ocean Palace	Nanshan District, Shenzhen	196	82	196	56.88%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	87	60.00%
		Sino-Ocean Dream Land	Longgang District, Shenzhen	401	292	6	100.00%
				1,957	1,215	1,123	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	1,113	75.00%
		King Realm	Dongsheng Town, Zhongshan	181	134	8	75.00%
		Leader Mountain	Wuguishan Town, Zhongshan	187	137	95	50.00%
		Ocean City	Eastern District, Zhongshan	2,083	1,736	94	100.00%
		Ocean Emerald	Nantou Town, Zhongshan	437	412	49	51.00%
		Ocean Longshire	Henglan Town, Zhongshan	96	85	13	100.00%
		SCity (formerly known as Suixicun 162 Project, Nantou)	Nantou Town, Zhongshan	90	68	90	34.00%

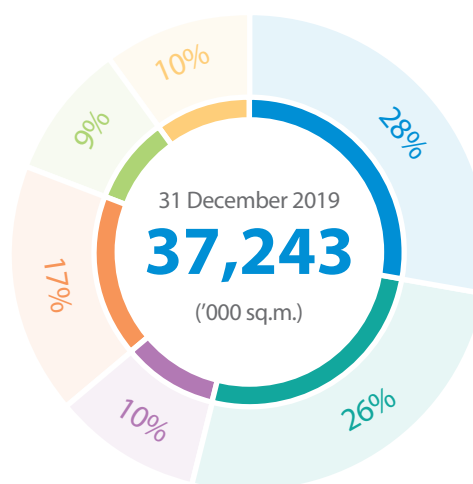
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
		SCity (formerly known as Suixicun 163 Project, Nantou)	Nantou Town, Zhongshan	34	26	34	34.00%
		Sino-Ocean Aristocratic Family	Eastern District, Zhongshan	103	78	26	24.50%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	210	51.00%
		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%
				4,826	4,069	1,965	
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	141	40.00%
		Elite Palace	Tianhe District, Guangzhou	310	279	61	100.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	141	51.00%
		Honoka Project in Baiyun District	Baiyun District, Guangzhou	285	198	79	16.66%
		Huadu Industrial Park Project	Huadu District, Guangzhou	472	–	472	55.69%
				1,387	660	894	
	Foshan	Delight River	Sanshui District, Foshan	207	192	207	50.00%
		Elite Palace	Sanshui District, Foshan	259	191	221	100.00%
				466	383	428	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	612	63.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	291	289	291	51.00%
	Hong Kong	Cheung Sha Project	Islands District, Hong Kong	3	3	3	100.00%
		LP6	Tseung Kwan O, Hong Kong	137	136	137	40.00%
		Yin Chong Street Project, Mongkok	Yau Tsim Mong District, Hong Kong	3	3	3	100.00%
				143	142	143	
	Fuzhou	East Bay	Mawei District, Fuzhou	82	65	82	50.00%
		East Bay Upgrade	Mawei District, Fuzhou	51	42	51	33.50%
		Sino-Ocean Landscape	Mawei District, Fuzhou	89	74	89	55.00%
				222	181	222	

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 (%)
	Xiamen	The Only One	Xiang'an District, Xiamen	52	35	52	50.00%
		Top Mansion	Xiang'an District, Xiamen	75	49	75	50.00%
				127	84	127	
	Zhangzhou	Sino-Ocean Scenery	Zhao'an County, Zhangzhou	81	79	18	70.00%
	Longyan	Sino-Ocean Landscape	Xinluo District, Longyan	203	160	203	51.00%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	77	100.00%
	Haikou	Ocean Zen House	Xiuying District, Haikou	117	106	5	100.00%
				10,609	7,972	6,108	
Central Region	Wuhan	Dongxihu Logistics Project	Dongxihu District, Wuhan	47	–	47	28.21%
		Hejiadun Project	Jiangnan District, Wuhan	1,019	972	432	55.90%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	49.00%
		Ocean Seasons	Jiangnan District, Wuhan	35	25	35	55.90%
		Oriental World View	Hanyang District, Wuhan	1,880	1,509	1,880	10.50%
		Yanyangtian Project, Jiang'an District	Jiang'an District, Wuhan	178	80	178	70.00%
				3,248	2,586	2,661	
	Hefei	Metropolis 1907	Binhu New Area, Hefei	322	242	170	25.00%
		Ocean Glory	Feidong County, Hefei	197	186	165	100.00%
		Sino-Ocean Landscape	Feidong County, Hefei	200	180	200	52.43%
				719	608	535	
	Zhengzhou	Ocean Landscape Courtyard	Xingyang City, Zhengzhou	204	150	204	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	43	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	169	38.00%
				416	346	416	
	Nanchang	Ocean Palace	Wanli District, Nanchang	173	122	173	51.00%
				4,556	3,662	3,785	

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 (%)
Western Region	Chengdu	Foothill City	Longquanyi District, Chengdu	320	263	320	8.00%
		Ocean Crown	Qingyang District, Chengdu	99	46	99	60.00%
		Ocean Habitat	Chongzhou City, Chengdu	123	98	116	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	71	38	71	24.50%
		Ocean Sky Glory	Jinniu District, Chengdu	122	106	122	12.25%
		Qingbaijiang Internet Data Center	Qingbaijiang District, Chengdu	193	–	193	24.01%
		Qingbaijiang Logistics Project	Qingbaijiang District, Chengdu	276	–	276	28.21%
		Royal Mansion	Pidu District, Chengdu	139	99	139	24.50%
		Sino-Ocean Taikoo Li Chengdu	Jinjiang District, Chengdu	417	362	128	50.00%
				1,760	1,012	1,464	
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	102	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	178	24.50%
		Jiangjin Logistics Project	Jiangjin District, Chongqing	60	–	60	16.66%
		Liangjiang New Town Internet Data Center	Liangjiang New Area, Chongqing	40	–	40	49.00%
		Ocean City (formerly known as Gaomiao Project, Jiulongpo)	Jiulongpo District, Chongqing	126	125	95	50.00%
		Ocean City (formerly known as Gaomiao Project, Phase II, Jiulongpo)	Jiulongpo District, Chongqing	285	213	9	50.00%
		Poetry of Landscape	Shapingba District, Chongqing	166	165	122	100.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	192	42.50%
				1,549	1,186	798	
	Xi'an	Emperor Chic	Weiyang District, Xi'an	321	316	321	24.50%
		Fontaine Island	Chanba Ecological District, Xi'an	147	111	147	24.50%
		Qinhan Logistics Center	Xianyang City, Xi'an	67	–	67	27.82%
		Sino-Ocean Jinghe New Town Internet Data Center	Xixian New Area, Xi'an	60	–	60	49.00%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	292	56.00%
				887	635	887	

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	163	70.00%
		Chenggong Project, Phase II	Chenggong District, Kunming	99	88	99	70.00%
		Sino-Ocean Esthetics Mansion	Panlong District, Kunming	164	145	164	37.15%
				485	451	426	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	165	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	100	89.80%
				265	210	265	
				4,946	3,494	3,840	
Other Region	Singapore	Cairnhill 16	Area 9, Singapore	4	4	4	30.00%
	Indonesia	Alam Sutera Project	Greater Jakarta, Indonesia	66	57	66	28.00%
				70	61	70	
Total				55,458	42,044	37,418	

The landbank by geographical locations as at 30 June 2020 and 31 December 2019 are analyzed below:



— Beijing Region — Bohai Rim Region — Eastern Region — Southern Region — Central Region — Western Region

• 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 2020, revenue from property investment decreased by 12% to RMB270 million (first half of 2019: RMB306 million), which was mainly due to the adverse impact caused by the novel coronavirus epidemic. As at 30 June 2020, the Group (including its joint ventures and associates) held more than 19 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 the completion of certain logistics projects in the first half of 2020, the total leasable area of approximately was 1,793,000 sq.m. as at 30 June 2020.

The investment properties of the Group and its joint ventures and associates as at 30 June 2020 is set out as follows:

Projects	Districts	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Logistics projects (sq.m.)	Others (sq.m.)	Occupancy rate (%)	Interest attributable to the Group (%)
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	77,000	8,000	–	18,000	79%	100%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	92%	72%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	91%	100%
North Carolina Project (USA)	Durham, North Carolina	12,000	12,000	–	–	–	78%	56%
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		245,000	137,000	71,000	–	37,000		
Other								
China Life Financial Center (Beijing)	Chaoyang District, Beijing	111,000	111,000	–	–	–	35%	10%
Diamond Plaza (Beijing)	Haidian District, Beijing	22,000	20,000	–	–	2,000	100%	35%
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	84%	69%
INDIGO (Beijing)	Chaoyang District, Beijing	225,000	52,000	48,000	–	125,000	96%	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	81%	50%
Ocean We-life Plaza (Beijing)	Chaoyang District, Beijing	31,000	–	31,000	–	–	95%	64%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	71%	69%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	96%	64%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	55,000	1,000	–	–	57%	36%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	60%	28%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	62,000	46,000	4,000	–	12,000	84%	15%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	68,000	–	67,000	–	1,000	93%	60%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	Jinjiang District, Chengdu	115,000	–	84,000	–	31,000	95%	50%
Other projects		560,000	69,000	81,000	290,000	120,000		
Subtotal		1,548,000	555,000	383,000	290,000	320,000		
Total		1,793,000	692,000	454,000	290,000	357,000		



Ocean Rayzone (Beijing)

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 2020, revenue from property investment amounted to RMB270 million. The Group (including its joint ventures and associates) currently has more than 19 operating investment properties. In the first half of 2020, the Group newly acquired 1 investment property in Shanghai, which added to our list of high-end office premises portfolio.

The Group now has approximately 1,793,000 sq.m. of commercial real estate resources in operation, with office developments accounting for about 39% and others including commercial complexes, logistics projects and car parks accounting for 61%. In addition, the Group has commercial property resources pending for development and operation by stages before 2026. These include offices of Plot Z6 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 and related services

Since the establishment of its first property management company in 1997, Ocean Homeplus, after over 20 years of development, has reached over 50 cities in the PRC. For the six months ended 30 June 2020, the Group's revenue from the provision of property management and related services amounted to RMB741 million, representing a 5% increase as compared to RMB709 million for the corresponding period in 2019, mainly because of the improvement in operating ability and synergy with major development business.

Our services mainly include property management services, value-added services to non-property owners and community value-added services, which form an integrated service offering to customers along the value chain of property management. We are always committed to creating a high-quality and good life for customers with remarkable service capabilities.

Other Information

• Key risk factors and uncertainties

The following lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks pertaining to the property market and operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China is affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences.

The Group's operation is subject to a number of risk factors distinctive to property development, property investment, and property related businesses. Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations.

The Group continues to monitor the above factors and work together with those stakeholders to deliver sustainable development of economic, social and environmental values.

Risk of exposure to interest rate fluctuations and related hedging

Certain of the Group's borrowings are with floating interest rates. For the first half of 2020, the weighted average interest rate of the Group was 5.14%, which remained stable as compared with that for the same period last year. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements and acquiring certain interest rate swap hedging instruments.

Risk of exposure to exchange rate fluctuations and related hedging

As at 30 June 2020, approximately 48% 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 non-Renminbi currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-Renminbi currencies and has entered into certain forward contracts so as to hedge against the potential 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 continuously consider appropriate measures including matching non-Renminbi borrowings with corresponding non-Renminbi assets and arranging appropriate level of hedging instruments.

• Employees and human resources

As of 30 June 2020, the Group had 13,646 employees (31 December 2019: 12,613). The increase in the number of employees was mainly due to the strengthening of the front-line sales department.

At the same time, the Group also focused on improving operational efficiency and strictly controlled various costs in the first half of the year. Taking into account the amortization of share options and the social insurance policy relief, the Group's staff cost in the first half of 2020 was approximately RMB1,219 million (first half of 2019: RMB1,542 million). The Group will always keep pace with the times and strive to improve human resource efficiency and corporate governance capabilities, and provide different training and development programmes to achieve the effect of attracting, motivating and retaining talented staff, so that these talented staff can ultimately bring in higher return to our shareholders and investors.

INVESTOR RELATIONS

Sino-Ocean Group Holding Limited (“Sino-Ocean Group” or the “Company”) and its subsidiaries (collectively known as the “Group” or “we”) adhere 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.

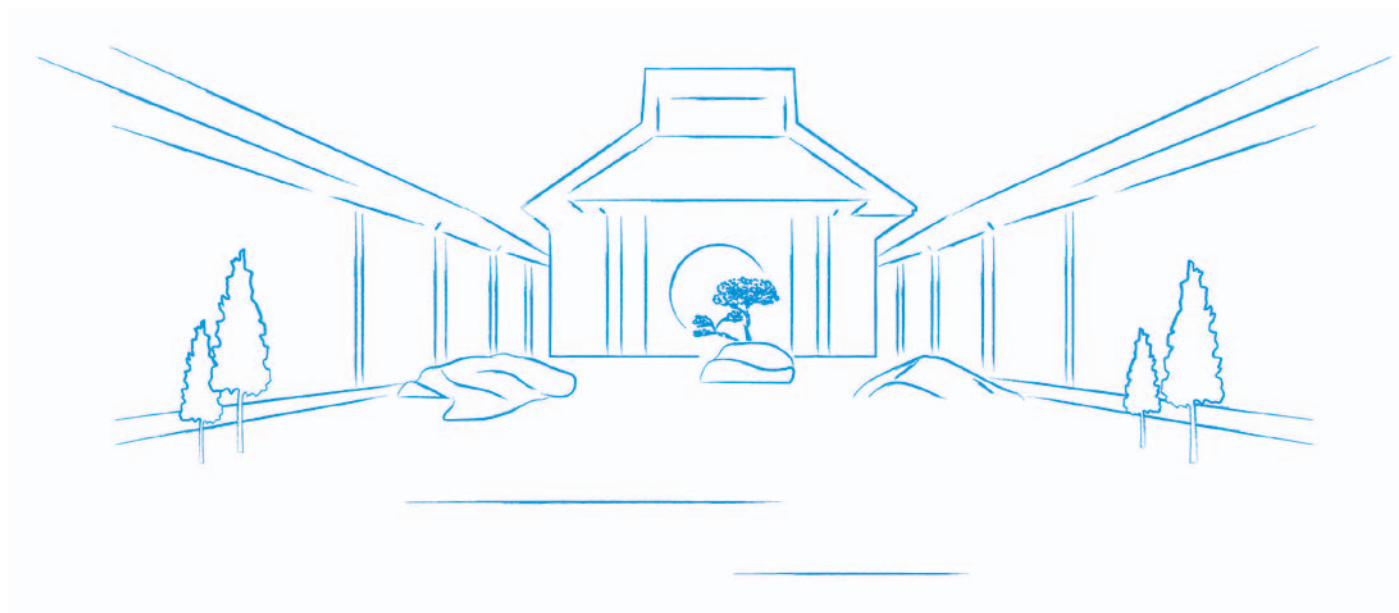
Promoting Company Value through Meaningful Communication

In the first half of 2020, increasing uncertainties in the macro-economy were compounded by the impact of the novel coronavirus epidemic. The government reiterated that stability is the keynote in housing policies and the positioning of ‘properties for accommodation not speculation’, and the city-specific housing policies applied by local authorities were more flexible. At the same time, reasonably ample liquidity was balanced by judicious tightening of credits. As the epidemic was easing and suppressed demands for properties were released, the market in the first half of the year continued to recover and should be able to maintain a steady growth.

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. In the first half of 2020, the Group’s principal business of residential development and other businesses sustained stable growth. The Group’s refined management produced results and we enjoyed a solid financial position that was widely recognized by investors. In the second half of 2020, the Group will uphold the current theme of ‘focus and empower’ to focus on residential development following a concept of high calibre, steadiness and sustainability.

In the first half of 2020, despite the limited mobility of people due to the epidemic, the Group remained connected with the capital market, informed it of our various response measures and shared our views on the impact on investment properties brought about by the epidemic. These active communication efforts boosted the confidence of the capital market and gained recognition and praises. At the same time, our first on-line live results announcement, video-conferences and conference-calls with analysts and investors were rewarded with very positive feedback. These communication channels served to reinforce understanding and trust between the Group’s management and the capital market. Furthermore, the Group continued to generate opportunities to interact with analysts and investors individually. On the one hand, we participated in securities firms’ investors activities and kept a continuous dialogue. In the first half of 2020, we attended virtual conferences organized by 3 investment banks. We also conducted in-depth one-on-one discussions with over 100 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 funds and securities firms in mainland China.

Through various communication formats and channels, we were able to foster a deeper understanding and appreciation of the Group’s progress, business policies 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 the first half of 2020, 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 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.

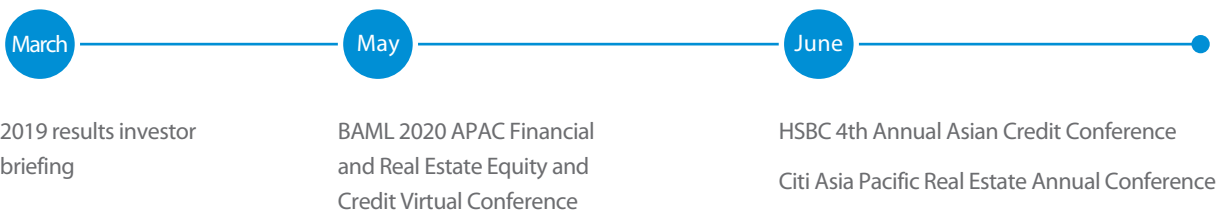
In the first half of 2020, we enjoyed coverage from 18 investment banks, including DBS, Goldman Sachs, BOCI, CICC, Citi, JPMorgan and Nomura, the majority of which rated Sino-Ocean Group as 'buy' or 'hold'.

Listening Attentively and Receptively from a Wide Spectrum

We listened carefully to our shareholders' concerns and addressed them efficiently. In May 2020, 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 with 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. 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 (the "Listing Rules").

1H2020 Investor Relations Activities



SUSTAINABILITY REPORT



22 April 2020 was the Earth Day. It was also the “Ocean Health Day”, on which Sino-Ocean Group Holding Limited (“Sino-Ocean Group” or the “Company”) and its subsidiaries (together referred to as the “Group” or “we”) published the “Dedicated Projects and Building • Health — Sustainable Development Report 2019 of Sino-Ocean Group”. The report was prepared in accordance with the Environmental, Social and Governance (“ESG”) Reporting Guide (“ESG Reporting Guide”) as contained in Appendix 27 to the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited, “Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)” published by the Chinese Academy of Social Sciences, and other relevant standards, with reference to certain indicators specified in the “Sustainability Reporting Guidelines” issued by the Global Reporting Initiative (GRI). The report expounded on the implementation of the Group’s health strategy and the “Sino-Ocean Healthy Building System 1.1” which was upgraded in 2019, with high commendation for “excellent performance” in terms of its process, substance, balance, comparability and readability, which received 5-star rating from the Chinese Academy of Social Sciences for the fifth consecutive year. In terms of disclosure of information, HKEX-ESG has introduced new mandatory disclosure requirements on ESG Reporting effective for financial years commencing on or after 1 July 2020. We will publish the ESG Report complying with the ESG Reporting Guide and new requirements.

2020 is a challenging year as the Group has launched a new five-phase strategy based on the annual work theme of “Focus • Empower”. While focusing on the principal business, development and efficiency, and proceeding with streamlined management, the Group continuously refines, converges, simplifies and refines business management, endows projects and businesses with frontline capabilities and energy. The Group launched the fifth-phase of strategic development this year and will continue to undertake social responsibility, hold fast to and push forward the concept of “Building • Health”, emphasize the importance of sustainability, and work together with more stakeholders to create a sustainable value for society. In July 2020, we received MSCI ESG rating of BBB, which were promoted again after being upgraded to BB in 2019. It is currently the highest ranking among peers in the domestic real estate industry. Our effort is also recognized by the Hang Seng Index and has been selected as a constituent of Hang Seng Corporate Sustainability Benchmark Index.



Focusing on the Principal Business for Streamlined Management

The Group moved into a new stage with the launch and execution of the five-phase strategy in full swing in the first half of 2020. In this five-phase strategy, “the creator of building health and social value” served as the strategic vision and mission of the Group, while sustainable development was fully integrated into its strategic goals, and “creating a sustainable value together with stakeholders” served as one of the three strategic goals of its future development, with an aim to boost the synergetic development of the new businesses simultaneous with maintaining the high-quality and sustainable development of the principal business, so as to carry out sustainable development projects systematically and efficiently.

According to the strategic development, the Group had a structural reform to push forward our expansion southward and westward. We acquired land in cities like Zhijiazhuang, Jinan, Wenzhou and Hangzhou to maintain competitiveness. Moreover, the Group continued to consolidate the “4+8 operation management system” this year, mainly focusing on project backbone, function build-up and enhancement of individual combat and collaboration capabilities so as to raise both business performance and employee motivation. In the first half of the year, the Group strengthened the implementation of “building rules, standards and teams”, and comprehensively enhanced corporate governance and risk management capabilities by establishing a systematic and standardized management policy to standardize various systems and monitoring measures and completed risk review for nearly 100 projects, thus laying a solid foundation for further cultivating the market.

Focusing on Health for Erecting Quality Buildings

As an advocate and practitioner of the “Building • Health” concept, the Group is the first real estate developer to introduce the WELL building standard to China and carry out further research and development and practice thereon and 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. After the “Sino-Ocean Healthy Building System 1.0” was released at the end of April 2018, it was upgraded to the “Sino-Ocean Healthy Building System 1.1” following the Group’s in-depth theoretical research and practical exploration. In April 2020, the Group compiled the “Sino-Ocean Group’s Measures Governing Healthy Building Projects (Residential Edition)” to further boost and guide the application of the Healthy Building System 1.1 to the implementation of projects in an orderly manner. As at June 2020, the Sino-Ocean Healthy Building System was implemented in 80 projects in 37 cities across the country, covering an area of more than 13.08 million square meters.

In April 2020, the Green Real Estate Research Centre released the “China’s Healthy Building Development Research Report 2020”, in which two major projects, namely the office area at Sino-Ocean Group’s headquarters and Grand Canal Milestone (Shenyang) were selected as the representative examples of healthy buildings in China. Moreover, the representatives from the Group participated in the review of the “Standards for the Evaluation of Active Buildings” for The Architectural Society of China, and shared many of their healthy building experiences with industry partners so as to achieve inclusiveness and win-win results, enabling the Group to be highly recognized by the industry of its efforts to create a healthy dwelling environment and the “Building • Health” concept over the years.

Focusing on Employees for Creating a Warm Workplace

The Group always regards the health and safety of its employees as the top priority, and the physical and mental health of its employees as the core for designing a space environment. After the new office area at Sino-Ocean Group’s headquarters was certified WELL platinum-class certification in 2019, the largest space so certified in Asia, another office project was certified WELL silver-class certification in June 2020. This project was designed, renovated, operated, managed and partially optimized and



Garbage classification



Fighting the epidemic

improved with the experiences accumulated and precipitated from the implementation of previous health projects, and on this basis, it carried out new attempts and explorations. It is an “innovative experiment on building technologies and measures” that places emphasis on employees’ health experience and raise employees’ health standards. The renovation has created a work atmosphere that supports a healthy mental state by improving indoor air quality, selecting the spatial distribution of water dispensers and their locations, and erecting walls with green plants, etc., which have a significant, positive impact on the mental and physical health of our employees.

The Group not only creates a healthy and comfortable office environment for its employees, but also provides them with strong and warm logistics support. In particular in the beginning of the pandemic outbreak of the novel coronavirus this year, the Group set up the “Sino-Ocean Labor Union’s Special Condolence Fund for Fighting the Novel Coronavirus Pandemic” to finance various work units’ procurement of face masks, disinfectants, protective clothing and other protective equipment used by employees, as well as other condolence items, thus having effectively safeguarded the physical health of its employees, especially the front-line employees, and assured that work and production were resumed in an orderly manner.

Focusing on Environmental Protection for Building a Green Community

The environment that we live in and depend upon has been badly hit by the waste pollution problem in recent years, and as a result of this, garbage classification management is being promoted across the country. On 1 May this year, the “Beijing Domestic Waste Management Regulation” was officially implemented as well, making waste management an important aspect of the current ecological civilization build-up as well as the pollution prevention and control.

The Group and its property management services provider Ocean Homeplus take environmental protection as their own responsibilities and proactively respond to the initiative by, in accordance with the garbage classification regulations and in line with actual needs, increasing the number of staff for garbage classification, purchasing and replacing garbage bins as well as garbage classification and transportation equipment and facilities, stepping up financial commitment, carrying out more door-to-door services and on-site guidance, and assisting in training lectures and community activities for improving the community surroundings on an ongoing basis. Artificial intelligence (AI) waste sorting terminals have also been introduced into some communities for identifying and automatically weighing kitchen leftovers and recyclables generated daily in residents’ homes for redeeming credit points. After the introduction of these AI facilities, more than 400 kilograms



of kitchen leftovers and more than 300 kilograms of recyclables are recycled daily on average. The Group's waste management actions have created a green and beautiful community environment for residents, and have been highly recognized by the home owners and the external sectors. More importantly, by practicing the concept of a healthy, green and environmentally friendly dwelling environment, we can reduce the negative impact on the environment and make a small contribution to a sustainable ecological environment.

Focusing on Society for Creating Values of Mutual Benefits

The novel coronavirus pandemic had a compelling impact on people at the beginning of 2020. Sino-Ocean Group took immediate actions swiftly at the initial stage of the pandemic. After the formation of the Sino-Ocean coordination group for epidemic prevention and control, the "Special Fund for Prevention of the COVID-19 Pandemic" of RMB10 million was immediately set up to fight the novel coronavirus through its self-funded Sino-Ocean Charity

Foundation. 10,000 bottles of medical disinfectant, 20,000 bottles of medical alcohol, 10,000 sets of medical protective clothing, medical protective masks, medical goggles and other much-needed supplies for the epidemic areas were assembled instantly and urgently through various channels domestic and overseas and earmarked for the front-line fighting and prevention of the pandemic in the affected areas in Wuhan, Hubei and in other many places. The special fund monitored the progress of the pandemic and possible secondary disasters on an ongoing basis to provide strong support to the front line, offer continuous follow-up and care to the people affected, and provide assistance in resolving problems in the later stage of the pandemic. As at the end of June 2020, more than 350,000 people benefited from the special fund.

On 22 April 2020, Sino-Ocean Group, in conjunction with Sino-Ocean Charity Foundation, rolled out the 4th Ocean Marathon featuring the theme of "Working Together for Health". Since the first Ocean Marathon was launched in 2017, "Ocean Health Day" has gradually become an IP festival for Sino-Ocean brand "Sports + Health". It is also the first time for Sino-Ocean Group to launch an online charity health run this year. On the premise of assuring the safety that participants were not gathering, Sino-Ocean Group kept pace with the times by specially developing the "Ocean Marathon — Health Monopoly", an online map task game, which combined fun and interactivity with charity, and advocated a greener, healthier lifestyle.

Up to now, the online charity health run event generated more than 60,000 visits. Participants will also receive charity donations personally from Sino-Ocean Group. Currently, the charity donations to the purchase of supplies to fight the pandemic for impoverished children already amounted to RMB91,200. Subsidies will also be granted subsequently to the students funded by Sino-Ocean Charity Foundation's "Partner Growth Program".



"Health" is the sustainable inner value of Sino-Ocean Group and the future gene that condenses hope. With its new corporate culture featuring "Responsibility, Sharing, Health", the Group is determined to fulfill the brand concept of "Building • Health", win the market with healthy products, services and operations, and forge ahead so as to create a livable and pleasant environment as well as a sustainable social value.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2020, the interests and short positions of each of the directors (the "Directors") and the chief executives of Sino-Ocean Group Holding Limited ("Sino-Ocean Group" or 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)	Total	Percentage in the Company's issued share capital (note iv)
Mr. LI Ming	Founder of discretionary trust	127,951,178 (note ii)	–	127,951,178	1.680%
	Beneficiary of trust	14,914,200 (note iii)	–	14,914,200	0.196%
	Beneficial owner	65,445,000	81,540,000	146,985,000	1.930%
Mr. WANG Honghui	Beneficial owner	273,295	4,580,000	4,853,295	0.064%
Mr. CUI Hongjie	Beneficial owner	369,571	4,880,000	5,249,571	0.069%
Mr. ZHAO Peng	–	–	–	–	–
Mr. FU Fei	Beneficial owner	–	600,000	600,000	0.008%
Mr. HOU Jun	–	–	–	–	–
Ms. LI Liling	Beneficial owner	–	600,000	600,000	0.008%
Mr. HAN Xiaojing	Beneficial owner	460,000	2,650,000	3,110,000	0.041%
Mr. SUEN Man Tak	Beneficial owner	120,000	2,300,000	2,420,000	0.032%
Mr. WANG Zhifeng	Beneficial owner	120,000	2,300,000	2,420,000	0.032%
Mr. JIN Qingjun	Beneficial owner	120,000	2,300,000	2,420,000	0.032%
Ms. LAM Sin Lai Judy	Beneficial owner	–	2,300,000	2,300,000	0.030%

DISCLOSURE OF INTERESTS

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 127,951,178 shares are held by a discretionary trust of which Mr. LI Ming is the founder.
- (iii) The 14,914,200 shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.
- (iv) Calculated based on the Company's total number of issued ordinary shares of 7,616,095,657 as of 30 June 2020.

• Long position in the shares and the underlying shares of the associated corporation

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 (note)
Mr. LI Ming	Gemini Investments (Holdings) Limited	Beneficial owner	9 August 2013	9 August 2013–22 June 2021	0.96	4,000,000	–	0.633%
Mr. WANG Honghui	Gemini Investments (Holdings) Limited	Beneficial owner	–	–	–	–	132,000	0.021%

Note: Calculated based on Gemini Investments (Holdings) Limited's total number of issued ordinary shares of 631,946,000 as of 30 June 2020.

Save as disclosed above, as at 30 June 2020, 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 2020 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 the SFO shows that as at 30 June 2020, 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 (note iii)
China Life Insurance (Group) Company ("China Life Insurance Group") (note i)	Interest of controlled corporation	Long	2,253,459,151	29.59%
Dajia Insurance Group Co., Ltd.* (大家保險集團有限責任公司) ("Dajia Insurance") (note ii)	Interest of controlled corporation	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"). China Life Insurance Group was interested in 68.37% of China Life. China Life Insurance Group 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, Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司) ("Dajia Life Insurance"). Dajia Insurance was interested in 99.98% of Dajia Life Insurance. Dajia Insurance was deemed to be interested in these shares by virtue of the SFO.
- (iii) Calculated based on the Company's total number of issued ordinary shares of 7,616,095,657 as of 30 June 2020.

Save as disclosed above, as at 30 June 2020, 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.

* For identification purposes only

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The board of directors (the “Board”) and the management of Sino-Ocean Group Holding Limited (“Sino-Ocean Group” or the “Company”) are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2020, 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 A.1.7 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. During the six months ended 30 June 2020, the Board approved a connected transaction (the “Transaction”) by way of passing written resolutions in lieu of a physical board meeting, in respect of which a substantial shareholder of the Company and certain directors of the Company (the “Directors”) who were nominated by such substantial shareholder of the Company were regarded as having material interests. It is considered that the adoption of written resolutions in lieu of a physical board meeting allowed the Board to make decision in relation to the Transaction, which is immaterial to the Group as a whole, in a more efficient manner. Prior to the execution of the written resolutions, board papers regarding details and information, reasons of and benefits, as well as fairness of the Transaction were provided to all Directors in advance for their review and consideration, and all Directors had declared their interests in the matters (if any) in accordance with the articles of association of the Company and applicable laws. The Directors who had material interests in the Transaction abstained from passing the written resolutions.

Audit Committee

The Audit Committee of the Company (the “Audit Committee”) consists of three independent non-executive Directors namely Ms. LAM Sin Lai Judy, Mr. SUEN Man Tak, Mr. JIN Qingjun, and two non-executive Directors, namely Mr. ZHAO Peng and Ms. LI Liling. Ms. LAM Sin Lai Judy is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Company and its subsidiaries (the “Group”) and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim results of the Group for the six months ended 30 June 2020.

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 2020 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 period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2020	Transferred from other category during the period	Transferred to other category during the period	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2020
Directors								
Mr. LI Ming	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	540,000	–	–	–	540,000
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	6,000,000	–	–	–	6,000,000
Mr. WANG Honghui (Appointed on 25 March 2020)	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	–	180,000	–	–	180,000
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	–	2,400,000	–	–	2,400,000
	24 Aug 2017	24 Aug 2018–23 Aug 2022	4.70	–	2,000,000	–	–	2,000,000
Mr. CUI Hongjie (Appointed on 5 June 2020)	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	–	210,000	–	–	210,000
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	–	2,670,000	–	–	2,670,000
	24 Aug 2017	24 Aug 2018–23 Aug 2022	4.70	–	2,000,000	–	–	2,000,000
Mr. HAN Xiaojing	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	350,000	–	–	–	350,000
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	500,000	–	–	–	500,000
Mr. SUEN Man Tak	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	500,000	–	–	–	500,000
Mr. WANG Zhifeng	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	500,000	–	–	–	500,000
Mr. JIN Qingjun	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	500,000	–	–	–	500,000
Ms. LAM Sin Lai Judy	24 Aug 2017	24 Aug 2018–23 Aug 2022	4.70	500,000	–	–	–	500,000

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 2020	Transferred from other category during the period	Transferred to other category during the period	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2020
Mr. WEN Haicheng (Resigned on 5 June 2020)	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	240,000	–	(240,000)	–	–
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	3,000,000	–	(3,000,000)	–	–
	24 Aug 2017	24 Aug 2018–23 Aug 2022	4.70	2,000,000	–	(2,000,000)	–	–
Mr. SUM Pui Ying (Resigned on 25 March 2020)	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	800,000	–	(800,000)	–	–
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	5,000,000	–	(5,000,000)	–	–
Mr. FANG Jun (Resigned on 14 April 2020)	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	350,000	–	(350,000)	–	–
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	500,000	–	(500,000)	–	–
Subtotal				21,280,000	9,460,000	(11,890,000)	–	18,850,000
Employees	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	29,234,500	800,000	(390,000)	(410,000)	29,234,500
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	76,290,500	5,000,000	(5,070,000)	–	76,220,500
	24 Aug 2017	24 Aug 2018–23 Aug 2022	4.70	43,600,000	–	(4,000,000)	(240,000)	39,360,000
Subtotal				149,125,000	5,800,000	(9,460,000)	(650,000)	144,815,000
Former Directors	27 Aug 2015	27 Aug 2016–26 Aug 2020	4.04	–	590,000	–	–	590,000
	13 Apr 2016	13 Apr 2017–12 April 2021	3.80	–	3,500,000	–	–	3,500,000
	24 Aug 2017	24 Aug 2018–23 Aug 2022	4.70	–	2,000,000	–	(600,000)	1,400,000
Subtotal				–	6,090,000	–	(600,000)	5,490,000
Total				170,405,000	21,350,000	(21,350,000)	(1,250,000)	169,155,000

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 from the grant date, 70% of share options shall become exercisable after two years from the grant date, and all share options shall become exercisable after three years from the grant date.
- (ii) During the six months ended 30 June 2020, no share options was granted, exercised or cancelled with respect to the 2007 Option Scheme.

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 2020 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 period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2020	No. of share options granted during the period	Transferred from other category during the period	Transferred to other category during the period	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2020
Directors									
Mr. LI Ming	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	25,000,000	–	–	–	–	25,000,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	50,000,000	–	–	–	–	50,000,000
Mr. FU Fei	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
Ms. LI Liling	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
Mr. HAN Xiaojing	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	600,000	–	–	–	–	600,000
	25 Mar 2020	25 Mar 2021–24 Mar 2025	2.106	–	600,000	–	–	–	600,000
Mr. SUEN Man Tak	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	600,000	–	–	–	–	600,000
	25 Mar 2020	25 Mar 2021–24 Mar 2025	2.106	–	600,000	–	–	–	600,000
Mr. WANG Zhifeng	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	600,000	–	–	–	–	600,000
	25 Mar 2020	25 Mar 2021–24 Mar 2025	2.106	–	600,000	–	–	–	600,000

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 2020	No. of share options granted during the period	Transferred from other category during the period	Transferred to other category during the period	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2020
Mr. JIN Qingjun	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	600,000	–	–	–	–	600,000
	25 Mar 2020	25 Mar 2021–24 Mar 2025	2.106	–	600,000	–	–	–	600,000
Ms. LAM Sin Lai Judy	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	–	–	600,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	600,000	–	–	–	–	600,000
	25 Mar 2020	25 Mar 2021–24 Mar 2025	2.106	–	600,000	–	–	–	600,000
Mr. WEN Haicheng (Resigned on 5 June 2020)	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	15,000,000	–	–	(15,000,000)	–	–
Mr. SUM Pui Ying (Resigned on 25 March 2020)	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	10,000,000	–	–	(10,000,000)	–	–
Mr. FANG Jun (Resigned on 14 April 2020)	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	600,000	–	–	(600,000)	–	–
Subtotal				107,800,000	3,000,000	–	(25,600,000)	–	85,200,000
Employees	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	194,600,000	–	10,000,000	–	–	204,600,000
	27 Mar 2019	27 Mar 2020–26 Mar 2024	3.37	455,528,565	–	–	–	–	455,528,565
Subtotal				650,128,565	–	10,000,000	–	–	660,128,565
Former Directors	4 Sep 2018	4 Sep 2019–3 Sep 2023	3.96	–	–	15,600,000	–	(300,000)	15,300,000
Subtotal				–	–	15,600,000	–	(300,000)	15,300,000
Total				757,928,565	3,000,000	25,600,000	(25,600,000)	(300,000)	760,628,565

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 from the date of grant and all share options will become exercisable after 24 months from the date of grant.
- (ii) During the six months ended 30 June 2020, no share option was exercised or cancelled with respect to the 2018 Option Scheme.

The average fair value of the 3,000,000 share options granted on 25 March 2020 is HKD0.4965 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	25 March 2020
Variables	
The expected volatility	38.534%
The annual risk-free interest rate	0.720%
The expected dividend yield	3.668%
The expected life from the measurement date	5 years

Notes:

- (i) The closing price per share immediately before 25 March 2020, the date of granting the options, was HKD2.09.
- (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 as at 30 June 2020

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 2020 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 2020	No. of share options lapsed during the period	No. of share options outstanding as at 30 June 2020
Directors of the Company and Gemini						
Mr. Li Ming (Resigned as a director of Gemini on 30 July 2020)	9 Aug 2013	9 Aug 2013–22 Jun 2021	0.96	4,000,000	–	4,000,000
Subtotal				4,000,000	–	4,000,000
Other directors of Gemini	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	19,000,000	–	19,000,000
	9 Mar 2015	9 Mar 2015–22 Jun 2021	1.27	500,000	–	500,000
Subtotal				21,500,000	–	21,500,000
Employees of Gemini and its subsidiaries	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	(500,000)	2,290,000
Subtotal				7,510,000	(500,000)	7,010,000
Former director of Gemini	9 Aug 2013	9 Aug 2013–22 Jun 2021	0.96	1,000,000	–	1,000,000
	9 Mar 2015	9 Mar 2015–22 Jun 2021	1.27	500,000	–	500,000
Subtotal				1,500,000	–	1,500,000
Total				34,510,000	(500,000)	34,010,000

Note: During the six months ended 30 June 2020, no share option was granted, exercised or cancelled with respect to the Gemini Scheme.

Restricted Share Award Scheme

The restricted share award scheme (the “Award Scheme”) was adopted by 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 5,221,555 shares of the Company at an aggregate consideration of approximately RMB14,830,985 (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 2020	No. of shares awarded during the period	No. of shares vested during the period	No. of shares lapsed during the period	Balance as at 30 June 2020
31 March 2017	657,450	–	(657,450)	–	–
20 March 2020	–	68,663,270	–	–	68,663,270
Total	657,450	68,663,270	(657,450)	–	68,663,270

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 2020 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 59.

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 2020.

Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 30 June 2020, 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 2020 is presented as follows:

	RMB million
Non-current assets	15,576
Current assets	76,393
Current liabilities	(62,001)
Non-current liabilities	(24,122)
Net assets	5,846

The Group's attributable interest in the affiliated companies as at 30 June 2020 amounted to RMB10,627 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 2020.

Changes in Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors during the period from 30 March 2020 (being the latest practicable date prior to the issue of the last annual report) to 26 August 2020 (being the latest practicable date prior to the issue of this interim report) required to be disclosed are set out below:

Mr. LI Ming, the Chairman of the Board, an executive Director and the Chief Executive Officer of the Company, has resigned as a non-executive director, the honorary chairman of the board and chairman of the nomination committee of Gemini Investments (Holdings) Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. ZHAO Peng, a non-executive Director, resigned as an executive director and the person in charge of finance of China Life Insurance Company Limited, and has ceased to act as the vice president. Mr. ZHAO has been appointed as a member of the Communist Party Committee of Agricultural Development Bank of China ("ADBC"). He was approved by China Banking and Insurance Regulatory Commission to act as the deputy head of ADBC.

Mr. HOU Jun, a non-executive Director, has been appointed as a non-executive director of Town Health International Medical Group Limited, a company listed on the Stock Exchange.

Mr. WANG Zhifeng, an independent non-executive Director, has ceased to act as an independent non-executive director of Dalian Port (PDA) Company Limited ("Dalian Port"), a company listed on the Stock Exchange and the Shanghai Stock Exchange, and has been appointed as an independent supervisor of Dalian Port.

Mr. JIN Qingjun, an independent non-executive Director, is an independent director of Shenzhen Asiantime International Construction Co., Ltd, a company listed on the Shenzhen Stock Exchange. The name of such company has been changed to "Shenzhen Cheng Chung Design Co., Ltd."; Mr. JIN is a director of Shenzhen Kondarl (Group) Co., Ltd., a company listed on the Shenzhen Stock Exchange. The name of such company has been changed to "Shenzhen Kingkey Smart Agriculture Times Co., Ltd."

Interim Dividend and Book Closure

The Board has declared an interim dividend of RMB0.056 per share (equivalent to HKD0.062 per share, rounded to the nearest three decimal places) (2019: HKD0.110 per share, equivalent to RMB0.099 per share translated at the relevant exchange rate stated below) to shareholders whose names appear on the Company's register of members at the close of business on Wednesday, 2 September 2020. The interim dividend will be paid in cash in Hong Kong dollars. The relevant exchange rate is the average central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the period from Monday, 10 August 2020 to Friday, 14 August 2020 (RMB1=HKD1.1142). 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 Monday, 5 October 2020.

The register of members of the Company will be closed on Wednesday, 2 September 2020, on which 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 Tuesday, 1 September 2020.

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 60 to 99, 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 2020 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, 17 August 2020

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,763,350	1,775,320
Right-of-use assets		151,468	190,869
Land use rights	7	196,684	180,566
Intangible assets	8	71,196	29,582
Investment properties	9	13,337,269	13,328,198
Goodwill		148,515	195,708
Investments in joint ventures		15,377,524	17,355,309
Investments in associates		7,425,581	6,846,347
Financial assets at fair value through other comprehensive income	10	2,608,684	2,715,647
Financial assets at fair value through profit or loss		6,891,858	6,446,074
Trade and other receivables and prepayments	11	14,215,668	12,841,234
Deferred income tax assets		1,465,073	1,439,498
Total non-current assets		63,652,870	63,344,352
Current assets			
Prepayments for land use rights		1,951,260	2,228,844
Properties under development		69,409,170	60,378,181
Inventories, at cost		540,604	457,001
Land development cost recoverable		1,549,415	1,234,217
Completed properties held for sale		18,359,025	18,353,178
Financial assets at fair value through profit or loss		577,989	266,304
Trade and other receivables and prepayments	11	53,130,844	61,163,136
Contract assets		1,161,073	2,708,018
Restricted bank deposits		1,839,983	2,511,683
Cash and cash equivalents		41,899,452	31,054,201
Total current assets		190,418,815	180,354,763
Total assets		254,071,685	243,699,115

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Capital	12	27,329,232	27,329,232
Shares held for Restricted Share Award Scheme	12	(179,849)	(167,227)
Reserves		(1,656,772)	(1,132,536)
Retained earnings		24,919,225	23,877,717
		50,411,836	49,907,186
Non-controlling interests		16,732,194	15,703,909
Total equity		67,144,030	65,611,095
LIABILITIES			
Non-current liabilities			
Borrowings	15	65,361,641	74,611,619
Trade and other payables	16	18,837	18,581
Lease liabilities		101,065	130,257
Deferred income tax liabilities		3,191,458	2,946,869
Total non-current liabilities		68,673,001	77,707,326
Current liabilities			
Borrowings	15	22,039,511	9,295,332
Trade and other payables	16	60,250,590	55,010,743
Contract liabilities		25,599,293	25,458,320
Lease liabilities		55,941	64,223
Income tax payables		10,183,860	10,500,972
Financial liabilities at fair value through profit or loss		125,459	51,104
Total current liabilities		118,254,654	100,380,694
Total liabilities		186,927,655	178,088,020
Total equity and liabilities		254,071,685	243,699,115

The notes on pages 67 to 99 form an integral part of these condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Unaudited Six months ended 30 June	
		2020 RMB'000	2019 RMB'000
Revenue	6	19,374,264	16,473,674
Cost of sales		(14,903,806)	(13,114,622)
Gross profit		4,470,458	3,359,052
Interest and other income		1,380,455	1,506,695
Other gains- net	17	124,484	572,996
Fair value (losses)/gains on investment properties	9	(22,942)	375,327
Selling and marketing expenses		(469,207)	(467,313)
Administrative expenses		(749,616)	(861,716)
Operating profit		4,733,632	4,485,041
Finance costs	18	(961,872)	(912,161)
Share of gains of joint ventures		68,460	837,163
Share of gains of associates		155,963	85,979
Profit before income tax		3,996,183	4,496,022
Income tax expense	19	(2,017,116)	(1,962,588)
Profit for the period		1,979,067	2,533,434
Attributable to:			
Owners of the Company		1,222,806	1,875,194
Non-controlling interests		756,261	658,240
		1,979,067	2,533,434
Basic earnings per share for profit attributable to owners of the Company (expressed in RMB)	20	0.161	0.248
Diluted earnings per share for profit attributable to owners of the Company (expressed in RMB)	20	0.161	0.248

The notes on page 67 to 99 form an integral part of these condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Profit for the period	1,979,067	2,533,434
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Fair value losses on financial assets at fair value through other comprehensive income	(93,621)	(14,688)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(152,674)	(6,702)
Deferred hedging gains and losses	(105,631)	–
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)
Other comprehensive income for the period	(351,926)	(30,538)
Total comprehensive income for the period	1,627,141	2,502,896
Total comprehensive income attributable to:		
— Owners of the Company	801,517	1,827,195
— Non-controlling interests	825,624	675,701
	1,627,141	2,502,896

The notes on page 67 to 99 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			Total equity RMB'000
		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	
Balance at 1 January 2020		27,329,232	(167,227)	(1,132,536)	23,877,717	49,907,186	981,000	4,364,526	10,358,383	65,611,095
Profit for the period		-	-	-	1,222,806	1,222,806	101,804	107,486	546,971	1,979,067
Fair value losses on financial assets at fair value through other comprehensive income		-	-	(93,621)	-	(93,621)	-	-	-	(93,621)
Deferred hedging gains and losses		-	-	(105,631)	-	(105,631)	-	-	-	(105,631)
Currency translation differences		-	-	(222,037)	-	(222,037)	-	58,940	10,423	(152,674)
Total comprehensive income, net of tax		-	-	(421,289)	1,222,806	801,517	101,804	166,426	557,394	1,627,141
Transactions with owners of the company										
Dividends relating to 2019		-	-	-	(181,298)	(181,298)	-	-	-	(181,298)
Expenses on share-based payment		-	-	134,550	-	134,550	-	-	-	134,550
Vesting of shares under Restricted Share Award Scheme	12	-	2,209	(2,209)	-	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme	12	-	(14,831)	-	-	(14,831)	-	-	-	(14,831)
Issue of capital instrument	14(a)	-	-	-	-	-	3,378,000	-	-	3,378,000
Distribution relating to capital instrument		-	-	-	-	-	(101,804)	-	-	(101,804)
Distribution relating to capital securities		-	-	-	-	-	-	(107,486)	-	(107,486)
Distribution relating to non-controlling interest		-	-	-	-	-	-	-	(7,899)	(7,899)
Contribution from non-controlling interests		-	-	(192,966)	-	(192,966)	-	-	460,380	267,414
Capital reduction of subsidiaries		-	-	-	-	-	-	-	(3,460,000)	(3,460,000)
Cancellation of convertible preferred shares issued by the subsidiary		-	-	(44,001)	-	(44,001)	-	-	44,001	-
Total contributions by and distributions to owners of the company		-	(12,622)	(104,626)	(181,298)	(298,546)	3,276,196	(107,486)	(2,963,518)	(93,354)
Increase in non-controlling interest as a result of other acquisition		-	-	-	-	-	-	-	(528)	(528)
Decrease in non-controlling interest as a result of disposal of subsidiaries		-	-	-	-	-	-	-	(229)	(229)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries		-	-	1,679	-	1,679	-	-	(1,774)	(95)
Total transactions with owners of the company		-	(12,622)	(102,947)	(181,298)	(296,867)	3,276,196	(107,486)	(2,966,049)	(94,206)
Balance at 30 June 2020		27,329,232	(179,849)	(1,656,772)	24,919,225	50,411,836	4,359,000	4,423,466	7,949,728	67,144,030

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

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	Note	Attributable to owners of the Company					Non-controlling interests			Total equity RMB'000
		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	
Balance at 1 January 2019		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)
Total comprehensive income, net of tax		-	-	(47,999)	1,875,194	1,827,195	230,691	125,014	319,996	2,502,896
Transactions with owners of the company										
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	12	422	-	(76)	-	346	-	-	-	346
Vesting of shares under Restricted Share Award Scheme	12	-	5,448	(5,448)	-	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme	12	-	(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
Total contributions by and distributions to owners of the company		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		-	-	-	-	-	(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)
Total transactions with owners of the company		422	5,108	130,211	(489,258)	(353,517)	180,979	(105,082)	(296,890)	(574,510)
Balance at 30 June 2019		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 CASH FLOW STATEMENT

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Cash flows from operating activities		
Cash generated from operations	4,376,611	4,628,242
Income tax paid	(2,112,311)	(2,079,627)
Interest paid	(1,954,087)	(2,308,870)
Net cash generated from operating activities	310,213	239,745
Cash flows from investing activities		
Investment in business partners	(6,474,198)	(20,041,431)
Repayment from business partners	12,133,481	9,179,445
Others	2,112,328	(4,980,160)
Net cash generated from/(used in) investing activities	7,771,611	(15,842,146)
Cash flows from financing activities		
Proceeds from borrowings	18,633,397	17,426,102
Repayments of borrowings	(15,833,368)	(17,912,611)
Capital reduction of subsidiaries	(3,460,000)	–
Others	3,389,899	4,198,404
Net cash generated from financing activities	2,729,928	3,711,895
Net increase/(decrease) in cash and cash equivalents	10,811,752	(11,890,506)
Cash and cash equivalents at the beginning of the period	31,054,201	39,208,481
Exchange gains	33,499	5,905
Cash and cash equivalents at end of the period	41,899,452	27,323,880

The notes on page 67 to 99 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 17 August 2020 by the Board of directors.

The outbreak of the 2019 Novel Coronavirus (“COVID-19”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the industry of real estate including the construction and delivery of properties, rental revenue and occupancy rate of investment properties, allowance for expected credit losses on trade and other receivables, fair value of investment properties and so on. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 doesn’t have any material adverse impact on the financial position and operating result of the Group.

2 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2020 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 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The financial information relating to the year ended 31 December 2019 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2020 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 2019 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. The significant accounting policies related to the Group's new business are set out below.

3.1 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the hedging, The Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within the other gains/(losses).

Where option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

3 Accounting policies (Continued)

3.1 Derivatives and hedging activities (Continued)

(i) Cash flow hedges that qualify for hedge accounting (Continued)

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(ii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

4 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, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

5 Financial risk management and financial instruments

5.1 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 2019.

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

5.2 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.

5 Financial risk management and financial instruments (Continued)

5.2 Liquidity risk (Continued)

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.

	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 2020					
Borrowings	23,446,986	26,726,967	29,096,952	19,847,577	99,118,482
Trade and other payables excluding statutory liabilities	56,234,106	–	18,837	–	56,252,943
Lease liabilities	55,653	36,207	52,205	39,318	183,383
	79,736,745	26,763,174	29,167,994	19,886,895	155,554,808
At 31 December 2019					
Borrowings	13,545,683	32,861,491	34,064,087	17,202,000	97,673,261
Trade and other payables excluding statutory liabilities	51,223,546	–	18,581	–	51,242,127
Lease liabilities	72,950	45,352	66,335	42,271	226,908
	64,842,179	32,906,843	34,149,003	17,244,271	149,142,296

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 22). 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 22). 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.

5 Financial risk management and financial instruments (Continued)

5.3 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).

The following tables present the Group's financial assets or liabilities that are measured at fair value as at 30 June 2020 and 31 December 2019.

	Level 1	Level 2	Level 3	Total
Assets				
Group				
As at 30 June 2020				
Financial assets at fair value through profit or loss	577,989	1,598,401	5,293,457	7,469,847
Financial assets at fair value through other comprehensive income:				
— listed equity securities (Note 10)	27,121	—	—	27,121
— other unlisted equity securities (Note 10)	—	582,563	1,999,000	2,581,563
	605,110	2,180,964	7,292,457	10,078,531
Liabilities				
Financial liabilities at fair value through profit or loss	—	(125,459)	—	(125,459)
Assets				
Group				
As at 31 December 2019				
Financial assets at fair value through profit or loss	266,304	1,195,096	5,250,978	6,712,378
Financial assets at fair value through other comprehensive income:				
— listed equity securities (Note 10)	48,164	—	—	48,164
— other unlisted equity securities (Note 10)	—	656,483	2,011,000	2,667,483
	314,468	1,851,579	7,261,978	9,428,025
Liabilities				
Financial liabilities at fair value through profit or loss	—	(51,104)	—	(51,104)

5 Financial risk management and financial instruments (Continued)

5.3 Fair value estimation (Continued)

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.

5.4 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 2020	7,261,978
Additions	25,000
Fair value gains	(33,061)
Currency translation differences	38,540
Closing balance at 30 June 2020	7,292,457

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.

5.5 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.

5 Financial risk management and financial instruments (Continued)

5.6 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

6 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.

6 Segment information (Continued)

	Unaudited								
	Property development						Investment property	All other segments	Total
	Beijing	Bohai	Eastern	Southern	Central	Western			
	RMB'000	Rim Region	China	China	China	China	RMB'000	RMB'000	RMB'000
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Six months ended 30 June 2020									
Total segment revenue	1,968,881	4,176,364	5,360,602	2,339,050	474,372	1,788,029	273,358	4,770,552	21,151,208
Inter-segment revenue	(898)	-	-	-	-	-	(2,128)	(1,773,918)	(1,776,944)
Revenue (from external customers)	1,967,983	4,176,364	5,360,602	2,339,050	474,372	1,788,029	271,230	2,996,634	19,374,264
Segment operating profit	75,462	1,321,969	834,647	491,297	12,449	327,791	186,371	1,736,743	4,986,729
Depreciation and amortization (Note 7, Note 8)	(1,285)	(677)	(388)	(294)	(71)	(209)	(79)	(33,393)	(36,396)
Six months ended 30 June 2019									
Total segment revenue	2,513,546	4,221,806	728,092	3,500,994	885,040	895,678	321,226	5,197,245	18,263,627
Inter-segment revenue	(850)	-	-	-	-	-	(15,736)	(1,773,367)	(1,789,953)
Revenue (from external customers)	2,512,696	4,221,806	728,092	3,500,994	885,040	895,678	305,490	3,423,878	16,473,674
Segment operating profit	410,831	399,199	74,556	1,041,843	66,266	181,322	103,896	1,554,168	3,832,081
Depreciation and amortization (Note 7, Note 8)	(181)	(1,045)	(454)	(496)	(166)	(249)	(197)	(71,428)	(74,216)

6 Segment information (Continued)

	Property development						Investment property RMB'000	All other segments RMB'000	Total RMB'000
	Beijing RMB'000	Bohai Rim Region RMB'000	Eastern China RMB'000	Southern China RMB'000	Central China RMB'000	Western China RMB'000			
As at 30 June 2020 (Unaudited)									
Total segment assets	28,175,881	21,609,924	33,506,574	20,614,804	8,720,464	6,877,873	15,883,807	71,472,354	206,861,681
Additions to non-current assets (other than financial instruments and deferred income tax assets)	310	1,140	43	68	-	6	4,763	107,993	114,323
Total segment liabilities	12,424,732	14,484,631	20,150,890	10,101,257	2,460,064	2,856,171	1,008,327	32,723,514	96,209,586
As at 31 December 2019 (Audited)									
Total segment assets	23,309,429	19,037,321	26,646,381	20,128,888	7,602,302	6,912,262	13,968,275	88,409,442	206,014,300
Additions to non-current assets (other than financial instruments and deferred income tax assets)	3,198	513	2,269	1,634	631	122	829,306	2,015,760	2,853,433
Total segment liabilities	9,825,876	14,728,753	16,404,363	9,607,664	2,193,862	3,075,154	691,947	34,655,477	91,183,096

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

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Segment operating profit	4,986,729	3,832,081
Corporate finance income	26,969	36,863
Corporate overheads	(381,608)	(332,226)
Fair value (losses)/gains on investment properties (Note 9)	(22,942)	375,327
Other gains — net (Note 17)	124,484	572,996
Finance costs (Note 18)	(961,872)	(912,161)
Share of gains of joint ventures	68,460	837,163
Share of gains of associates	155,963	85,979
Profit before income tax	3,996,183	4,496,022

6 Segment information (Continued)

	As at 30 June 2020 (Unaudited) RMB'000	As at 31 December 2019 (Audited) RMB'000
--	--	--

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

Total segment assets	206,861,681	206,014,300
Corporate cash and cash equivalents	12,863,295	2,615,636
Investments in joint ventures	15,377,524	17,355,309
Investments in associates	7,425,581	6,846,347
Financial assets at fair value through other comprehensive income (Note 10)	2,608,684	2,715,647
Financial assets at fair value through profit or loss	7,469,847	6,712,378
Deferred income tax assets	1,465,073	1,439,498
Total assets per consolidated balance sheet	254,071,685	243,699,115

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

Total segment liabilities	96,209,586	91,183,096
Current borrowings (Note 15)	22,039,511	9,295,332
Non-current borrowings (Note 15)	65,361,641	74,611,619
Deferred income tax liabilities	3,191,458	2,946,869
Financial liabilities at fair value through profit or loss	125,459	51,104
Total liabilities per consolidated balance sheet	186,927,655	178,088,020

For the six months ended 30 June 2020, included in the revenue of sales of properties, RMB12,838,134,000 was recognised as a point in time, RMB3,268,266,000 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 2020 and 2019.

As at 30 June 2020, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB36,778,568,000 (31 December 2019: RMB38,178,235,000), the total of these non-current assets located in Hong Kong and the United States RMB1,693,019,000 (31 December 2019: RMB1,723,664,000).

For the six months ended 30 June 2020 and 2019, the Group does not have any single customer with the transaction value over 10% of the total external sales.

7 Property, plant and equipment and land use rights

	Unaudited	
	Property, plant and equipment RMB'000	Land use Rights RMB'000
Opening net book amount as at 1 January 2020	1,775,320	180,566
Additions	47,571	18,978
Depreciation and amortization	(32,139)	(2,860)
Disposals	(27,402)	–
Closing net book amount as at 30 June 2020	1,763,350	196,684
Opening net book amount as at 1 January 2019	2,412,243	235,794
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 9)	(47,276)	–
Acquisition of subsidiaries	3,867	–
Disposal of interests in subsidiaries	(1,013,579)	(183,308)
Disposals	(13,368)	–
Closing net book amount as at 30 June 2019	2,374,108	637,400

8 Intangible assets

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Opening net book amount at beginning of the period	29,582	453,278
Addition	43,011	225
Disposal of interests in a subsidiary	–	(412,009)
Depreciation and amortization	(1,397)	(11,800)
Closing net book amount at end of the period	71,196	29,694

9 Investment properties

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Opening net book amount at beginning of the period	13,328,198	16,205,333
Addition	4,763	78,960
Disposal of interests in a subsidiary	–	(373,674)
Disposal of an investment property	–	(2,367)
Fair value (losses)/gains recognized in the income statements	(22,942)	375,327
Fair value gains recognized in other comprehensive income	–	17,808
Transfer from property, plant and equipment and land use rights (Note 7)	–	47,276
Currency translation differences	27,250	3,070
Others	–	(38,000)
Closing net book amount at end of the period	13,337,269	16,313,733

(a) Valuation techniques

Fair values of completed commercial properties in Beijing, Tianjin, Dalian, 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.

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

9 Investment properties (Continued)

(b) Non-current assets pledged as security

Investment properties for the carrying values of RMB3,609,480,000 and RMB3,615,439,000 were pledged as collateral for the Group's borrowings as at 30 June 2020 and 31 December 2019, respectively.

10 Financial assets at fair value through other comprehensive income

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Listed securities (a)	27,121	48,164
Unlisted securities (b)	2,581,563	2,667,483
	2,608,684	2,715,647
Less: Non-current portion	(2,608,684)	(2,715,647)
Current portion	–	–

- (a) Investment in listed equity securities is stated at fair value based on the quoted price of the equity securities.
- (b) Financial assets at fair value through other comprehensive income of the Group include certain unlisted equity securities which are denominated in HKD and RMB.

11 Trade and other receivables and prepayments

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade receivables (a)	4,331,211	3,983,044
Other receivables and prepayments (b)	63,015,301	70,021,326
	67,346,512	74,004,370
Less: non-current portion	(14,215,668)	(12,841,234)
Current portion	53,130,844	61,163,136

(a) Trade receivables

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade receivables	4,425,177	4,037,521
Less: provision for impairment of trade receivables	(93,966)	(54,477)
	4,331,211	3,983,044
Less: non-current portion	—	—
Current portion	4,331,211	3,983,044

11 Trade and other receivables and prepayments (Continued)

(a) Trade receivables (Continued)

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 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 6 months	3,657,933	2,331,900
Between 6 months to 1 year	227,401	976,052
Between 1 year to 2 years	468,472	593,358
Between 2 years to 3 years	32,450	128,559
Over 3 years	38,921	7,652
	4,425,177	4,037,521

As at 30 June 2020, no trade receivables (2019: 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 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Opening amount at beginning of the period	(54,477)	(46,467)
Provision for receivable impairment	(39,489)	(8,010)
Closing amount at end of the period	(93,966)	(54,477)

11 Trade and other receivables and prepayments (Continued)**(b) Other receivables and prepayments**

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Entrusted loans to third parties (i)	1,566,796	648,589
Entrusted loans to joint ventures (ii)	8,902,492	9,803,165
Entrusted loans to associates (iii)	3,428,167	1,431,745
Entrusted loans to non-controlling interests(iv)	837,700	837,700
Amounts due from third parties (i)	1,909,090	1,688,936
Amounts due from joint ventures (v)	13,170,517	18,654,638
Amounts due from associates (v)	5,361,064	8,901,985
Amounts due from non-controlling interests (v)	6,215,952	8,202,536
Tax prepayments	6,321,660	5,849,782
Receivables from government (vi)	2,745,119	2,516,377
Payment for the cooperation of potential projects (vii)	6,577,033	6,177,239
Receivables from disposal of interests in subsidiaries	898,115	972,977
Other prepayments	2,100,013	1,709,832
Other receivables	3,228,490	2,872,187
	63,262,208	70,267,688
Less: provision for impairment of other receivables	(246,907)	(246,362)
	63,015,301	70,021,326
Less: non-current portion	(14,215,668)	(12,841,234)
Current portion	48,799,633	57,180,092

11 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. 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 2020 and 31 December 2019, entrusted loans to third parties comprised:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Unsecured loans	1,564,296	648,589
Secured loans	2,500	–
	1,566,796	648,589
Less: Non-current portion	(406,129)	(459,385)
	1,160,667	189,204

- Unsecured loans bear interest ramping from 4.35% to 12% per annum (2019: from 3.5% to 15%).
- Secured loans bear interest 8% per annum (2019:nil).

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

- (ii) Entrusted loans to joint ventures are unsecured, interest bearing from 9% to 12% per annum (31 December 2019: from 3.38% to 16%). RMB1,448,701,000 (31 December 2019: 1,327,399,000) of the balances are repayable within one year. The remaining balances of RMB7,453,791,000 (31 December 2019: RMB8,475,766,000) are repayable after one year and included in the non-current portion.
- (iii) Entrusted loans to associates are unsecured, interest 8% per annum (31 December 2019: from 8% to 15%). RMB304,239,000 (31 December 2019: RMB725,589,000) of the balances are repayable within one year. The remaining balances of RMB3,123,928,000 (31 December 2019: RMB706,156,000) are repayable after one year and included in the non-current portion.

11 Trade and other receivables and prepayments (Continued)

(b) Other receivables and prepayments (Continued)

- (iv) Entrusted loans to non-controlling interests are unsecured, bearing interest 9% per annum (31 December 2019: from 8% to 10%). RMB312,700,000 (31 December 2019: RMB512,700,000) of the balances are repayable within one year. The remaining balances of RMB525,000,000 (31 December 2019: RMB325,000,000) 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, 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 2020, such cooperation is still in negotiation stage.

RMB5,162,175,000 (2019: RMB4,475,117,000) out of the balance are unsecured, interest bearing from 5% to 9% (2019: from 5% to 11%). The remaining balances of RMB1,414,858,000 (2019: RMB1,702,122,000) are unsecured and interest free.

RMB4,125,676,000 (2019: RMB3,916,922,000) out of the balance are repayable on demand. The remaining balance of RMB2,451,357,000 (2019: RMB2,260,317,000) will be repayable in 2022 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 2020 and 31 December 2019.

12 Capital

	Number of ordinary shares	Share capital HK \$'000	Equivalent share capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:					
Opening balance 1 January 2020	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Issue of shares pursuant to exercise of employee share options	–	–	–	–	–
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 2020	(49,800,640)	–	–	(167,227)	(167,227)
Shares purchased during the year	(5,221,555)	–	–	(14,831)	(14,831)
Vesting of shares under Restricted Share Award Scheme	657,450	–	–	2,209	2,209
	(54,364,745)	–	–	(179,849)	(179,849)
At 30 June 2020	7,561,730,912	30,413,634	27,329,232	(179,849)	27,149,383
	Number of ordinary shares	Share capital HK \$'000	Equivalent share capital RMB'000	Share held for Restricted Share Award Scheme RMB'000	Total RMB'000
Ordinary shares, issued and fully paid:					
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

12 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 2020 and 2019 are as follows:

	Shares (thousands)
At 1 January 2020	658
Granted	68,663
Vested	(658)
Lapsed	–
At 30 June 2020	68,663
At 1 January 2019	4,580
Vested	(1,621)
Lapsed	–
At 30 June 2019	2,959

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 2020 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.

13 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 USD 600,000,000.

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.

14 Capital instrument

- (a) On 18 and 25 February 2020, Sino-Ocean Holding Group (China) Limited ("Sino-Ocean Holding"), a wholly owned subsidiary, issued capital instruments, which are callable, as at 30 June 2020 the amounts raised is RMB3,378,000,000.

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 26 June 2019, Sino-Ocean Holding issued a capital instrument, which is callable, as at 30 June 2020 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.

15 Borrowings

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Non-current	65,361,641	74,611,619
Current	22,039,511	9,295,332
	87,401,152	83,906,951

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
At beginning of the period	83,906,951	88,575,079
New bank loans raised	7,234,512	6,393,740
Other loans raised (b)	6,235,953	4,741,280
Guaranteed notes (c)	2,684,952	3,403,393
Bond issuance (d)	2,477,980	2,887,689
Business combination	–	2,709,730
Repayment of bank loans	(4,816,741)	(9,448,450)
Repayment of other loans	(11,016,627)	(8,464,161)
Disposal of interests in a subsidiary	–	(3,302,927)
Currency translation differences	628,694	85,688
Changes of carrying value of corporate bonds and bank loans	65,478	54,410
At end of the period	87,401,152	87,635,471

- (a) As at 30 June 2020, long-term and short-term borrowings amounting to RMB8,478,893,000 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 2019, long-term and short-term borrowings amounting to RMB9,226,023,000 were secured by investment properties, properties under development, completed properties held for sale and equity interest in certain subsidiaries of the Group.

15 Borrowings (Continued)

- (b) During the six months ended 30 June 2020, other loans amounting to RMB3,113,900,000 and RMB3,122,053,000 are raised from financial institutions and related parties respectively. Such loans bear an interest rate of 3.38% to 12.00% per annum.

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.

- (c) On 14 January 2020, Sino-Ocean Land Treasure Finance IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD400,000,000 with a maturity period of 10 years and annual interest rate of 4.75%.
- (d) On 12 February 2020, Sino-Ocean Holding issued a bond with a total principal amount of RMB499,320,000 with coupon rate of 5.70% per year of a term of two years.
- On 24 April 2020, Sino-Ocean Holding issued a private placement note with a total principal amount of RMB2,000,000,000 with coupon rate of 3.35% per year of a term of three years.
- (e) Interest expense on borrowings for the six months ended 30 June 2020 is RMB2,332,756,000 (six months ended 30 June 2019: RMB2,570,990,000).

16 Trade and other payables

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade payables (a)	18,975,130	17,789,750
Accrued expenses	3,234,460	3,308,010
Amounts due to joint ventures (b)	8,479,482	8,791,353
Amounts due to associates (b)	2,892,149	3,179,119
Amounts due to non-controlling interests (b)	4,149,064	8,247,547
Deposits received	8,805,629	2,924,384
Interests and dividends payable	1,749,684	1,224,779
Amounts due to government	19,407	77,627
Other taxes payable	4,016,484	3,787,197
Other payables	7,947,938	5,699,558
	60,269,427	55,029,324
Less: non-current portion	(18,837)	(18,581)
Current portion	60,250,590	55,010,743

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

16 Trade and other payables (Continued)

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

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 6 months	10,432,914	7,067,779
Between 6 months to 12 months	6,406,186	3,652,058
Between 1 year to 2 years	934,525	4,711,607
Between 2 years to 3 years	807,901	1,819,411
Over 3 years	393,604	538,895
	18,975,130	17,789,750

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

17 Other gains — net

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Fair value gains/(losses) of financial assets and liabilities at fair value through profit or loss	431,267	(19,469)
Exchange losses	(229,850)	(166,020)
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(70,075)	23,736
Payment for the settlement of contracted obligations	(35,522)	(23,090)
Gains on disposal of joint ventures and an associate	28,343	35,323
Gains on disposal of interests in subsidiaries	—	697,904
Losses on deemed disposal of joint ventures and associates	—	(599)
Negative goodwill on business combination	—	798
Other gains	321	24,413
	124,484	572,996

18 Finance costs

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest expense:		
— Bank borrowings	554,511	656,732
— Other borrowings	1,778,245	1,914,258
— Lease liabilities	4,815	66,155
Less: interest capitalized at a capitalization rate of 5.14% (2019: 5.43%) per annum	(1,375,699)	(1,724,984)
	961,872	912,161

19 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 2020 and 2019. 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	
	2020 RMB'000	2019 RMB'000
Current income tax:		
— PRC enterprise income tax	1,122,330	1,151,443
— PRC land appreciation tax	652,577	733,249
Deferred income tax	242,209	77,896
	2,017,116	1,962,588

20 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	
	2020	2019
Profit attributable to owners of the Company (RMB'000)	1,222,806	1,875,194
Profit used to determine basic earnings per share (RMB'000)	1,222,806	1,875,194
Weighted average number of ordinary shares in issue (thousands)	7,616,096	7,553,674
Basic earnings per share (RMB per share)	0.161	0.248

(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	
	2020	2019
Profit attributable to owners of the Company (RMB'000)	1,222,806	1,875,194
Profit used to determine diluted earnings per share(RMB'000)	1,222,806	1,875,194
Weighted average number of ordinary shares in issue (thousands)	7,616,096	7,553,674
Adjustment for:		
— share options and shares held for the Restricted Share Award Scheme (thousands)	—	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	7,616,096	7,553,674
Diluted earnings per share (RMB per share)	0.161	0.248

21 Dividends

On 17 August 2020, the Board has resolved to declare an interim dividend of RMB426,501,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB752,410,000).

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Final dividend paid	181,298	489,258
Proposed interim dividend of RMB0.056 (2019: RMB0.099) per ordinary share	426,501	752,410

22 Financial guarantees

- (a) The Group had the following financial guarantees as at the end of 30 June 2020 and 31 December 2019:

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers	12,723,696	9,595,026

As at 30 June 2020 and 31 December 2019, 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 2020, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB1,000,000,000 (31 December 2019: RMB1,059,420,000). Properties under development owned by these joint ventures and associates are the primary collateral of such borrowings.

23 Commitments

(a) Capital commitments

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

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Properties under development	9,726,894	7,842,456
Commitment of investment	577,766	591,566
Contracted but not provided for	10,304,660	8,434,022

(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 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Within 1 year	374,406	325,455
Between 1 to 5 years	531,461	540,192
Over 5 years	246,279	261,565
	1,152,146	1,127,212

24 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 2020 and 2019:

(a) Sales of services

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Provision of services:		
— Shareholders	—	3,130
— Joint ventures	1,236,287	1,294,565
— Associates	87,533	277,709
	1,323,820	1,575,404

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	
	2020 RMB'000	2019 RMB'000
Salaries and other short-term employee benefits	20,288	18,675
Post-employment benefits	560	1,079
Share-based payment	23,454	61,631
	44,302	81,385

24 Related party transactions (Continued)**(c) Interest income**

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest received:		
— Joint ventures	441,285	680,569
— Associates	143,684	187,684
	584,969	868,253

(d) Interest expense

	Unaudited Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest charged:		
— Joint ventures	21,244	2,782
— Associates	6,468	—
	27,712	2,782

(e) Entrusted loans to related parties

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
— Joint ventures (Note 11)	8,902,492	9,803,165
— Associates (Note 11)	3,428,167	1,431,745
	12,330,659	11,234,910

24 Related party transactions (Continued)

(f) Amounts due from related parties

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
— Joint ventures (Note 11)	13,170,517	18,654,638
— Associates (Note 11)	5,361,064	8,901,985
	18,531,581	27,556,623

(g) Amounts due to related parties

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
— Joint ventures (Note 16)	8,479,482	8,791,353
— Associates (Note 16)	2,892,149	3,179,119
	11,371,631	11,970,472

(h) Investment in limited partners' share issued by an associate

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Fair value of investment in limited partners' share issued by an associate	2,184,147	2,126,795

24 Related party transactions (Continued)

(i) Investment in capital instrument issued by an associate

	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Fair value of investment in capital instrument issued by an associate	1,999,000	2,011,000

(j) Financial guarantees to related parties

As at 30 June 2020, the Group provided joint-liability guarantees in respect of borrowings granted by certain financial institutions to joint ventures and associates amounting to RMB1,000,000,000 (31 December 2019: RMB1,059,420,000).

25 Subsequent event

On 30 July 2020, a then subsidiary of the Group, Gemini Investments (Holdings) Limited ("Gemini Investment"), announced changes in directorship and board committee composition, amongst which Mr. LI Ming resigned as a non-executive director, the honorary chairman of the board as well as the chairman of the nomination committee of Gemini Investment, after the change, the Group, holding approximately 49.5% of the issued ordinary shares of Gemini Investment, has one representative on the board of directors of Gemini Investment among a total of eight directors.

LIST OF PROJECT NAMES

Our list of project names as at 30 June 2020 is set out as follows:

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
1	Beijing Region	Beijing	26街區 (北京)	26 Block (Beijing)	順義南法信項目	Nanfaxin Project, Shunyi District
2			安貞項目 (北京)	Anzhen Project (Beijing)		
3			CBD Z6地塊 (北京)	CBD Plot Z6 (Beijing)		
4			昌平未來科技城F2項目 (北京)	Changping Sci-tech Park F2 Project (Beijing)		
5			中國人壽金融中心 (北京)	China Life Financial Center (Beijing)	CBDZ13地塊	CBD Plot Z13
6			鑽石大廈 (北京)	Diamond Plaza (Beijing)		
7			銀網中心 (北京)	E-wing Center (Beijing)		
8			金悅府 (北京)	Gold Mansion (Beijing)	大興黃村0901地塊	Huangcun 0901 Plot, Daxing District
9			萬和斐麗 (北京)	Grand Harmony Emerald Residence (Beijing)		
10			頤堤港 (北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
11			頤環萬和 (北京)	Jasper Epoch (Beijing)		
12			順義佳利華項目 (北京)	Jialihua Project, Shunyi District (Beijing)		
13			房山良鄉項目 (北京)	Liangxiang 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			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LA VIE (北京)	Ocean LA VIE (Beijing)		
20			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
21			遠洋新天地 (北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
22			遠洋光華國際 (北京)	Ocean Office Park (Beijing)		
23			遠洋大廈 (北京)	Ocean Plaza (Beijing)		
24			遠洋銳中心 (北京)	Ocean Rayzone (Beijing)	麗澤商務區項目	Lize Business District Project
25			遠洋新光中心 (北京)	Ocean Shinkong Center (Beijing)	遠洋新光項目	Sino-Ocean Shin Kong Project
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塊	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			椿萱茂和園長者社區 (北京)	Senior Living L'Amore (Beijing)		
32			遠洋天著 (北京)	The CBD's Private Palace (Beijing)		Ocean Palace
33			禧瑞春秋 (北京)	Xanadu & Ocean Epoch (Beijing)		
34			禧瑞天著 (北京)	Xanadu & Ocean Palace (Beijing)	經開區G2R1地塊	Yizhuang EDA Plot G2R1
35			通州西集E地塊 (北京)	Xiji Plot E, Tongzhou District (Beijing)		
36			信馳大廈 (北京)	Xinchi Tower (Beijing)	亦莊汽車大廈項目	Yizhuang Motor Tower Project
37			雍景桃源項目 (北京)	Yongjingtaoyuan Project (Beijing)		
38		Shijiazhuang	安德生命紀念公園 (石家莊)	Ande Life Memorial Park (Shijiazhuang)		
39			長安區舊改項目 (石家莊)	Chang'an District Redevelopment Project (Shijiazhuang)		
40			風景長安 (石家莊)	Family Park (Shijiazhuang)		

LIST OF PROJECT NAMES

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
41			風景長安二期 (石家莊)	Family Park, Phase II (Shijiazhuang)		
42			萬和學府 (石家莊)	Harmony Palace (Shijiazhuang)	正定新區004項目	Zhengding New District Project
43			遠洋7號 (石家莊)	Sino-Ocean No. 7 (Shijiazhuang)		
44			遠洋昆庭 (石家莊)	Vigorous Mansion (Shijiazhuang)	長安區015號地	Chang'an District Plot 015
45		Langfang	運河灣 (廊坊)	Canal Bay (Langfang)	香河萬潤項目	Xiang He Wan Run Project
46			遠洋現庭 (廊坊)	Sino-Ocean Brilliant Courtyard (Langfang)		Ocean Kunting
47		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
48		Qinhuangdao	蔚藍海岸 (秦皇島)	Seatopia (Qinhuangdao)		
49		Taiyuan	遠洋萬和四季 (太原)	Ocean Seasons (Taiyuan)		
50			遠洋尚郡 (太原)	Sino-Ocean Oriental Mansion (Taiyuan)		
51			晉春秋 (太原)	Villa Epoch (Taiyuan)		
52	Bohai Rim Region	Tianjin	北辰物流項目 (天津)	Beichen Logistics Project (Tianjin)		
53			博大奶牛場項目 (天津)	Boda Logistics Project (Tianjin)		
54			天悅風華 (天津)	Elegant Prestige (Tianjin)	海河教育園14號地塊	Haihe Jiaoyuyuan Plot 14
55			悅光年 (天津)	Happy Light Year (Tianjin)	汽車世界	Autoworld
56			天宸原著 (天津)	Longfor Mansion (Tianjin)	海河教育園13號地塊	Haihe Jiaoyuyuan Plot 13
57			未來城 (天津)	Neo-metropolis (Tianjin)	北辰宜興埠項目	Yixingbu Project, Beichen District
58			遠洋城 (天津)	Ocean City (Tianjin)		
59			天著春秋 (天津)	Ocean Epoch (Tianjin)		
60			遠洋萬和城 (天津)	Ocean Great Harmony (Tianjin)	倪黃莊項目	Nihuangzhuang Project
61			遠洋心裡 (天津)	Ocean Inside (Tianjin)	濱海新區港濱路項目	Gangbin Road Project, Binhai New District
62			遠洋國際中心 (天津)	Ocean International Center (Tianjin)		
63			遠洋風景 (天津)	Ocean Prospect (Tianjin)		
64			遠洋未來匯 (天津)	Ocean We-life (Tianjin)		
65			遠洋未來廣場 (天津)	Ocean We-life Plaza (Tianjin)		
66			紅熙郡 (天津)	Royal River (Tianjin)	武清項目	Wuqing Project
67			遠澤寶坻物流園 (天津)	Sino-Fusion Baodi Logistics Park (Tianjin)		
68			遠洋現庭 (天津)	Sino-Ocean Brilliant Courtyard (Tianjin)		Ocean Kunting
69			鯉棲府 (天津)	The Great Habitat Mansion House (Tianjin)	華明項目	Huaming Project
70			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
71		Dalian	鑽石灣 (大連)	Diamond Bay (Dalian)		
72			悅和山海 (大連)	Joy of Mountain and Sea (Dalian)		
73			遠洋山麓春秋 (大連)	Ocean The Piedmont Epoch (Dalian)		
74			紅星海世界觀 (大連)	Ocean Worldview (Dalian)		
75			遠洋創智高地 (大連)	Sino-Ocean Technopole (Dalian)	IT產業園 一工業部分	IT Zone -- Industrial
76			遠洋榮域 (大連)	The Place of Glory (Dalian)	中華路3號地	Zhonghua Road Land Plot #3
77			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
78		Shenyang	百利保大廈 (瀋陽)	Bailibao Plaza (Shenyang)		
79			遠洋大河宸章 (瀋陽)	Grand Canal Milestone (Shenyang)		
80			遠洋仰山 (瀋陽)	The Mountain Echo (Shenyang)	裕沁碧苑項目	Yugin Biyuan Project
81		Changchun	遠洋錦唐 (長春)	Orient Palace (Changchun)	市經開區元亨地塊	Jingkai District Plot Yuanheng
82		Qingdao	遠洋萬和公館 (青島)	Ocean Crown (Qingdao)		
83			遠洋萬和城 (青島)	Ocean Great Harmony (Qingdao)		
84			遠洋御城 (青島)	Ocean Royal City (Qingdao)	膠州市興正元項目	Xingzhengyuan Project, Jiaozhou

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
85		Jinan	天著春秋 (濟南)	Ocean Epoch (Jinan)	唐冶項目	Tangye Project
86			遠祥萬和府 (濟南)	Ocean Mansion (Jinan)		
87			遠洋湖印都會 (濟南)	Sino-Ocean Metropolis (Jinan)		
88			遠洋東萊郡 (煙台)	Sino-Ocean Donglai County (Yantai)		
89	Eastern Region	Shanghai	嘉譽都匯廣場 (上海)	Amazing City (Shanghai)	嘉譽國際廣場	
90			崇明東灘花園項目 (上海)	Chongming Dongtan Project (Shanghai)		
91			H88越虹廣場 (上海)	H88 Yuehong Plaza (Shanghai)		
92			海興廣場 (上海)	Haixing Plaza (Shanghai)		
93			遠洋財富中心 (上海)	Ocean Fortune Center (Shanghai)		
94			遠洋萬和四季 (上海)	Ocean Melody (Shanghai)	惠南項目	Huinan Project
95			萬和吳美項目 (上海)	Onehome Art Project (Shanghai)		
96			遠洋商業大廈 (上海)	Sino-Ocean Tower (Shanghai)	東海商業中心	East Ocean Center
97		Hangzhou	西郊宸章 (上海)	Wellness Masterpiece (Shanghai)		
98			元博酒店項目 (上海)	Yuanbo Hotel Project (Shanghai)		
99			大運河南商務區項目 (杭州)	Canal Business Center Project (Hangzhou)		
100			遠洋樂堤港 (杭州)	Grand Canal Place (Hangzhou)		
101			九龍灣項目 (杭州)	Jiulongwan Project (Hangzhou)		
102			匯望Neo1 (杭州)	Neo 1 (Hangzhou)	匯望軒	
103			上河宸章 (杭州)	Ocean River Masterpiece (Hangzhou)	余杭區崇賢C-7地塊	Chongxian C-7 Plot, Yuhang District
104			遠洋雁歸里 (杭州)	Sino-Ocean Native Place (Hangzhou)	蕭山臨浦項目	Xiaoshan Linpu Project
105			拱墅區祥符地塊 (杭州)	Xiangfu Plot, Gongshu District (Hangzhou)		
106		Nanjing	遠洋西溪公館 (杭州)	Xixi Mansion (Hangzhou)		
107			南京空港項目 (南京)	Nanjing Airport Project (Nanjing)		
108			遠洋山水 (南京)	Ocean Landscape (Nanjing)	吉山項目	Jishan Project
109			遠洋萬和四季 (南京)	Ocean Seasons (Nanjing)		
110			遠洋棠悅山水 (南京)	Sino-Ocean Tangyue Landscape (Nanjing)		
111		Suzhou	蘇悅灣花園 (蘇州)	Easy Town (Suzhou)		
112			昆山玉山物流項目 (蘇州)	Kunshan Yushan Logistics Project (Suzhou)		
113			萬和悅花園 (蘇州)	Mansion Yue (Suzhou)		
114			萬和四季 (蘇州)	Ocean Melody (Suzhou)	太倉港區項目	Taichang gangqu Project
115			洛克公園 (蘇州)	Rocker Park (Suzhou)		
116			沙溪物流項目 (蘇州)	Shaxi Logistics Project (Suzhou)		
117			石湖項目 (蘇州)	Shihu Project (Suzhou)		
118			上湖名著 (蘇州)	The Lake Garden (Suzhou)	汾湖006地塊	Fenhu Plot 006
119		Wuxi	張家港物流項目 (蘇州)	Zhangjiagang Logistics Project (Suzhou)		
120			溪山宸章 (無錫)	Scenery Mansion (Wuxi)		
121			遠洋太湖宸章 (無錫)	Taihu Milestone (Wuxi)	裕沁項目	Yulin Project
122			桂語東方 (嘉興)	East Lake (Jiaxing)		
123	Jiaxing		萃湖上郡 (嘉興)	Lakeside Wonderland (Jiaxing)		
124			遠洋湖映宸章 (嘉興)	Ocean Lake Mansion (Jiaxing)		
125			平湖物流項目 (嘉興)	Pinghu Logistics Project (Jiaxing)		
126			上善悅府 (嘉興)	Ultimate Joy Mansion (Jiaxing)	嘉善縣34號地塊	Plot 34, Jiashan
127		Chuzhou	乍浦產業園 (嘉興)	Zhapu Logistics Center (Jiaxing)	乍浦物流項目	Zhapu Logistics Project
128			遠洋萬和上寧府 (滁州)	Ocean Mansion (Chuzhou)	汧河新城向榮路項目	Xiangrong Road Project
129		Changzhou	天鳴半島 (常州)	Sky Peninsula (Changzhou)		
130		Taizhou	樾府 (台州)	Mansion (Taizhou)	椒江項目	Jiajiang Project
131		Shaoxing	遠洋越府宸章 (紹興)	Ocean Yue Masterpiece (Shaoxing)		

LIST OF PROJECT NAMES

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
132		Wenzhou	遠洋泊雲庭 (溫州)	Harbor Heart (Wenzhou)		
133			遠洋世紀宸章 (溫州)	Ocean Century Mansion (Wenzhou)	高新區HX-22-A02地塊	Gaoxin District Project
134		Yangzhou	大河宸章 (揚州)	Grand Canal Milestone (Yangzhou)		
135		Xuzhou	賈旺產業園 (徐州)	Jiawang Industrial Park (Xuzhou)	賈旺物流項目	Jiawang Logistics Project
136		Ningbo	遠澤余姚泗門物流園 (寧波)	Sino-Fusion Yuyao Simen Logistics Park (Ningbo)		
137	Southern Region	Shenzhen	荔山項目 (深圳)	Lishan 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			遠洋天著 (深圳)	Ocean Palace (Shenzhen)		
141			遠洋濱海大廈 (深圳)	Ocean Seafront Towers (Shenzhen)	遠洋廣場	Ocean Plaza
142			遠洋新天地 (深圳)	Sino-Ocean Dream Land (Shenzhen)		Ocean Metropolis
143		Zhongshan	遠洋繁花里 (中山)	Blossoms Valley (Zhongshan)	神灣項目	Shenwan Project
144			遠洋君域 (中山)	King Realm (Zhongshan)	東升隆成項目	Dongsheng Longcheng Project
145			領秀山 (中山)	Leader Mountain (Zhongshan)	五桂山龍塘村項目	Wuguishan Longtangcun Project
146			遠洋城 (中山)	Ocean City (Zhongshan)		
147			遠洋翡翠郡 (中山)	Ocean Emerald (Zhongshan)	南頭項目	Nantou Project
148			遠洋龍郡 (中山)	Ocean Longshire (Zhongshan)	橫欄項目	Henglan Project
149			時光樾 (中山)	SCity (Zhongshan)	南頭樓西村162商住項目	Suixicun 162 Project, Nantou
150			時光樾 (中山)	SCity (Zhongshan)	南頭樓西村163商住項目	Suixicun 163 Project, Nantou
151			遠洋世家 (中山)	Sino-Ocean Aristocratic Family (Zhongshan)	大信融佳項目	Da Xin Rong Jia Project
152			遠洋山水 (中山)	Sino-Ocean Landscape (Zhongshan)		
153			中薈城 (中山)	Zhonghui City (Zhongshan)	南頭樓西村135項目	Suixicun 135 Project, Nantou
154			中薈城 (中山)	Zhonghui City (Zhongshan)	南頭樓西村136項目	Suixicun 136 Project, Nantou
155			中薈城 (中山)	Zhonghui City (Zhongshan)	南頭樓西村137項目	Suixicun 137 Project, Nantou
156		Guangzhou	東灣 (廣州)	East Bay (Guangzhou)	朱村街鳳崗村項目	Fenggangcun, Zhucun Street Project
157			遠洋天驕 (廣州)	Elite Palace (Guangzhou)	廣州粵隆客車廠	Yuelong Project
158			芙蓉墅 (廣州)	Hibiscus Villa (Guangzhou)	芙蓉墅項目	Hibiscus Villa Project
159			白雲區穗花項目 (廣州)	Honoka Project in Baiyun District (Guangzhou)		
160			花都產業園項目 (廣州)	Huadu Industrial Park Project (Guangzhou)		
161		Foshan	漫悅灣 (佛山)	Delight River (Foshan)		
162			遠洋天驕 (佛山)	Elite Palace (Foshan)	遠洋華遠天驕	
163		Zhanjiang	遠洋城 (湛江)	Ocean City (Zhanjiang)		
164		Maoming	遠洋山水 (茂名)	Sino-Ocean Landscape (Maoming)		
165		Hong Kong	長沙項目 (香港)	Cheung Sha Project (Hong Kong)		
166			LP6 (香港)	LP6 (Hong Kong)		
167			旺角厘麻街項目 (香港)	Yin Chong Street Project, Mongkok (Hong Kong)		
168		Fuzhou	東江灣 (福州)	East Bay (Fuzhou)		
169			東江灣悅境 (福州)	East Bay Upgrade (Fuzhou)		
170			遠洋山水 (福州)	Sino-Ocean Landscape (Fuzhou)		
171		Xiamen	天和 (廈門)	The Only One (Xiamen)	翔安區2017XP02地塊	Plot 2017XP02, Xiang'an District
172			天成 (廈門)	Top Mansion (Xiamen)	翔安區2017XP03地塊	Plot 2017XP03, Xiang'an District
173		Zhangzhou	遠洋風景 (漳州)	Sino-Ocean Scenery (Zhangzhou)		
174		Longyan	遠洋山水 (龍岩)	Sino-Ocean Landscape (Longyan)		
175		Sanya	遠洋山海 (三亞)	Ocean Hill (Sanya)		Ocean Treasure
176		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 used before (Chinese)	Project names used before (English)
177	Central Region	Wuhan	東西湖物流項目 (武漢)	Dongxihu Logistics Project (Wuhan)		
178			賀家墩項目 (武漢)	Hejiadun Project (Wuhan)	有座莊園	Tangchen Project
179			華中大數據產業園 (武漢)	Huazhong Big Data Industrial Park (Wuhan)		
180			萬和四季 (武漢)	Ocean Seasons (Wuhan)		
181			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
182		Hefei	江岸區鹽陽天項目 (武漢)	Yanyangtian Project, Jiang'an District (Wuhan)		
183			都會1907 (合肥)	Metropolis 1907 (Hefei)		
184			遠洋萬和雲錦 (合肥)	Ocean Glory (Hefei)	肥東縣FD18-13地塊	Feidong FD18-13 Project
185			遠洋廬湖風景 (合肥)	Sino-Ocean Landscape (Hefei)		
186			遠洋沁園山水 (鄭州)	Ocean Landscape Courtyard (Zhengzhou)		
187		Zhengzhou	遠洋萬和四季 (鄭州)	Ocean Melody (Zhengzhou)	綠博113號地	Lybo Plot 113
188			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
189		Nanchang	遠洋天著 (南昌)	Ocean Palace (Nanchang)	灣里區178項目	Wanli 178 Project
190	Western Region	Chengdu	東麓城 (成都)	Foothill City (Chengdu)	龍泉陽光城項目	Longquan Sunshine Town Project
191			遠洋萬和公館 (成都)	Ocean Crown (Chengdu)		
192			遠洋棲棠 (成都)	Ocean Habitat (Chengdu)		
193			遠洋香匯 (成都)	Ocean Luxury City (Chengdu)	青羊項目	Qingyang Project
194			遠洋天和 (成都)	Ocean Sky Glory (Chengdu)	金牛項目	Jinniu Project
195		Chongqing	青白江數據中心 (成都)	Qingbaijiang Internet Data Center (Chengdu)		
196			青白江物流項目 (成都)	Qingbaijiang Logistics Project (Chengdu)		
197			國賓御府 (成都)	Royal Mansion (Chengdu)	犀浦項目	Xipu Project
198			成都遠洋太古里 (成都)	Sino-Ocean Taikoo Li Chengdu (Chengdu)		
199			楓樺四季 (重慶)	Fenghua Melody (Chongqing)	重慶大學城項目	Chongqing College Town Project
200			楓丹江嶼 (重慶)	Fontaine Island (Chongqing)	茶園項目	Chayuan Project
201			江津物流項目 (重慶)	Jiangjin Logistics Project (Chongqing)		
202			兩江新區數據中心 (重慶)	Liangjiang New Town Internet Data Center (Chongqing)		
203		Xi'an	遠洋城 (重慶)	Ocean City (Chongqing)	九龍坡區高廟地塊	Gaomiao Plot, Jiulongpo District
204			遠洋城 (重慶)	Ocean City (Chongqing)	九龍坡區高廟地塊二期	Gaomiao Project, Phase II, Jiulongpo District
205			遠洋山水賦 (重慶)	Poetry of Landscape (Chongqing)		
206			遠洋公園 (重慶)	Sino-Ocean Garden (Chongqing)	遠洋高爾夫國際社區	Sino-Ocean International Golf Resort
207			楓丹唐悅 (西安)	Emperor Chic (Xi'an)	趙村項目	Zhaocun Project
208			楓丹江嶼 (西安)	Fontaine Island (Xi'an)		
209			秦漢產業園 (西安)	Qinhan Logistics Center (Xi'an)	秦漢新城物流項目	Qinhanxincheng Logistics Project
210			遠洋涇河新城大數據中心 (西安)	Sino-Ocean Jinghe New Town Internet Data Center (Xi'an)		
211		Kunming	遠洋御山水 (西安)	Sino-Ocean Royal Landscape (Xi'an)		
212			呈貢大學城項目 (昆明)	Chenggong Project (Kunming)		
213			呈貢大學城二期項目 (昆明)	Chenggong Project, Phase II (Kunming)		
214			遠洋青雲府 (昆明)	Sino-Ocean Esthetics Mansion (Kunming)		
215		Guiyang	遠洋萬和世家 (貴陽)	Sino-Ocean Aristocratic Family (Guiyang)		
216			遠洋風景 (貴陽)	Sino-Ocean Prospect (Guiyang)		
217	Singapore		禧盈峰 (新加坡)	Cairnhill 16 (Singapore)	烏節路項目	Cairnhill Heights
218	Indonesia		大雅加達項目 (印尼)	Alam Sutera Project (Indonesia)		
219	USA		加州資產包 (美國)	California Asset Package (USA)		
220			北卡羅萊納州項目 (美國)	North Carolina Project (USA)		
221			三藩市項目 (美國)	San Francisco Project (USA)		



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